

Translation from Finnish

Legally binding only in Finnish and Swedish

Ministry of Justice, Finland

Debt Collection Act

(513/1999; amendments up to 299/2022 included)

By decision of Parliament, the following is enacted:

Section 1

Scope of application

This Act provides for the collection of receivables which are due and for other matters related to debt collection which affect the status of the parties in the debt relationship. For the purposes of this Act, collection refers to measures aimed at persuading the debtor to voluntarily settle the receivable due to the creditor. (28/2005)

This Act shall apply unless otherwise provided elsewhere by law.

This Act does not apply to the activities of the enforcement authorities.

Section 2

Binding nature of the provisions

The provisions of this Act shall not be derogated from to the detriment of the debtor.

Section 3

Consumer debt

For the purposes of this Act, 'consumer debt' refers to a trader's receivable based on the consumer goods delivered or services provided or the granting of credit to a consumer.

In applying the provisions of this Act, a credit granted to a consumer by another party than the trader in the form of a loan, moratorium or other similar financial arrangement shall be equivalent to a consumer debt if the credit was conveyed to the consumer by the trader. (598/2019)

The provisions of this Act concerning consumer debts shall also apply to the collection of the receivable of a legal person governed by public law or a receivable related to the performance of a public duty from a private person. (31/2013)

Section 3a (31/2013)

Definitions

For the purposes of this Act:

1) a directly enforceable receivable refers to a receivable that can be collected through enforcement without a ground for enforcement referred to in chapter 2, section 2 of the Enforcement Code (705/2007), as provided for in the Act on the Enforcement of Taxes and Public Payments (706/2007);

2) in a durable medium refers to serving notice to the recipient in written or electronic form so that the recipient can save and reproduce it in unaltered form.

Section 3b (539/2021)

Section 3b was temporarily in force from 1 July 2021 to 30 April 2022 by virtue of Act 539/2021.

Section 3c (539/2021)

Section 3c was temporarily in force from 1 July 2021 to 30 April 2022 by virtue of Act 539/2021.

Section 3d (539/2021)

Section 3d was temporarily in force from 1 July 2021 to 30 April 2022 by virtue of Act 539/2021.

Section 3e (539/2021)

Section 3c was temporarily in force from 1 July 2021 to 30 April 2022 by virtue of Act 539/2021.

Section 4 (31/2013)

Good collection practice

Practices contrary to good collection practice or otherwise inappropriate with regard to the debtor may not be used in debt collection. Payment arrangements shall be approached responsibly in debt collection. Chapter 2 of the Consumer Protection Act (38/1978) contains additional provisions on conduct that is inappropriate or contrary to good practice from the point of view of consumers, and chapter 7, section 13 of the Consumer Protection Act contains additional provisions on the obligations of creditors towards consumers in the event of a delay in payment.

In debt collection, it is prohibited to:

- 1) provide untrue or misleading information on the consequences of non-payment or on other matters relevant to the debtor;
- 2) impose unreasonable or unnecessary costs or unnecessary harm on the debtor;
- 3) compromise the debtor's privacy.

A receivable that has become time-barred or has expired for another reason may not be collected.

Section 4a (28/2005)

Debtor's right to information

A debtor has the right to receive up-to-date information on the total amount and basis of the said debtor's debts, a breakdown of outstanding debts and their repayments, and an explanation of the determination of the interest and expenses accrued on the principal from the creditor free of charge. If the debtor requests an itemisation or explanation more often than once a year, the creditor is entitled to a reasonable compensation from the debtor for the costs incurred from drawing up the itemisation or explanation.

Section 4b (31/2013)

Denial of payment liability

Collection under this Act shall be suspended if the debtor denies liability for the payment.

Collection may continue regardless of such denial if the debtor does not give grounds for the denial or only refers to grounds which clearly have no bearing on the debtor's payment liability. The collection of a directly enforceable receivable may be continued regardless of denial, unless the debtor has lodged a material appeal as referred to in section 9 of the Act on the Enforcement of Taxes and Public Payments, or has exercised another equivalent remedy.

Section 4c (31/2013)

Debtor's right to request suspension of the collection of a consumer debt

A debtor has the right to request that the collection of a consumer debt be suspended and the matter transferred to judicial debt collection. If the collection concerns a receivable that falls due in several instalments, however, a request for suspension can only be made if the entire receivable has fallen due. The debtor shall make the request for suspension in writing or in another durable medium.

Collection under this Act may continue regardless of a request for suspension if no compensation is claimed from the debtor for the costs incurred from the collection. If collection is continued, the debtor shall be informed at the same time that no costs will be claimed from the debtor for collection measures taken after the request for suspension.

Notwithstanding a request for suspension, the debtor may be provided with requests and notifications that are legally required from the creditor to report payment default information, suspend the limitation period, or otherwise retain the creditor's rights.

Section 5 (299/2022)

Demand for payment in the collection of consumer debts

Professional debt collectors shall issue or send a demand for payment to the debtor when collecting a consumer debt on behalf of another or collecting a consumer debt transferred to the professional debt collector exclusively for collection purposes. A demand for payment may not be issued or sent before the debtor has been reminded of the receivable after it has fallen due and at least 14 days have elapsed since the payment reminder was issued or sent.

The demand for payment shall be made in writing. However, it may also be delivered to the debtor in another durable medium if the debtor has separately given their written or electronic consent

for delivering demands for payment in that medium. The consent may be given either to the professional debt collector or to the creditor. The validity of such consent is limited to 12 months, and the debtor has the right to withdraw their consent at any time. The consent shall indicate at least the following information:

- 1) the durable medium in which demands for payment will be delivered;
- 2) the professional debt collector entitled to use the durable medium referred to in paragraph 1 for delivering demands for payment;
- 3) the receivable or receivables to which the consent applies;
- 4) the date and validity period of the consent.

In addition to the provisions of paragraph 2, a demand for payment may also be delivered to the debtor in another durable medium if the debtor has given their express consent to the delivery of notices concerning the receivable in such a manner after the receivable has fallen due.

When delivering a demand for payment to a debtor in another durable medium, the professional debt collector shall take sufficient care to ensure that the demand for payment has actually reached the debtor.

If a guardian has been appointed to take care of the assets and financial affairs of an adult debtor as provided for in the Guardianship Services Act (442/1999), the guardian is also entitled to receive demands for payment concerning the debtor in writing or in another durable medium. An attorney referred to in the Act on the Continuing Power of Attorney (648/2007) representing an adult debtor in their financial affairs has the same right. No separate compensation may be charged for delivering a demand for payment to a guardian or attorney.

Section 5a (31/2013)

Contents of the demand for payment in the collection of consumer debts (299/2022)

The demand for payment referred to in section 5 above shall indicate at least:

- 1) the creditor's name and address;

- 2) the basis of the receivable;
- 3) an itemisation of the principal, interest, interest on late payment and collection costs of the receivable;
- 4) the total amount demanded;
- 5) how, when and to whom the receivable shall be paid;
- 6) the debtor's opportunity to comment on the amount and basis of the receivable and the time limit for making comments; if the receivable being collected is directly enforceable, the demand for payment shall inform the debtor of the remedies available in the collection of such a receivable and the possibility of applying for a deferral of payment;
- 7) the party to whom the comments shall be addressed; if the collection concerns a receivable owed to a public body, the demand for payment shall also clearly state the contact details of the unit or person responsible for debt collection in the public body to whom the debtor may submit their comments on the receivable and its collection.

If the debtor has the right to request that collection be suspended and the matter transferred to judicial collection under section 4c, the demand for payment shall inform the debtor of this right and explain how the suspension is to be requested as well as the legal effects of making such a request.

If the creditor is called by a different name than on the agreement or other performance on which the receivable is based, the demand for payment shall also indicate the name originally used for the creditor. When collecting a transferred receivable, the demand for payment shall also indicate the name of the original creditor.

If the demand for payment does not specify the basis for calculating interest, the debtor shall be informed that they have the right to obtain an account of the determination of the interest upon request.

Section 5b (299/2022)

Demand for payment and its contents in the collection of non-consumer debts

Professional debt collectors shall issue or send a demand for payment to the debtor when collecting a non-consumer debt on behalf of another or collecting a non-consumer debt transferred to the professional debt collector exclusively for collection purposes.

The demand for payment shall be made in writing. However, it may also be delivered to the debtor in another durable medium if the debtor has given their express consent for delivering demands for payment in that medium. The consent may be given either to the professional debt collector or to the creditor. If the consent applies to more than one receivable, the debtor shall indicate, in addition to the durable medium to be used, the receivables to which the consent applies and the validity period of the consent. The debtor has the right to withdraw their consent at any time. However, if the debtor has not given their consent or has withdrawn it, the demand for payment may be submitted to the debtor in another durable medium, provided that the medium in question has been consistently used for delivering notices between the creditor and debtor during the debt relationship and the debtor has not requested the demands for payment to be delivered in writing.

When delivering a demand for payment to a debtor in another durable medium, the professional debt collector shall take sufficient care to ensure that the demand for payment has actually reached the debtor.

The demand for payment shall contain at least the information referred to in section 5a, subsections 1, 3 and 4.

Section 6 (31/2013)

Claiming payment of a consumer debt in court

A professional debt collector collecting a consumer debt on behalf of another or a consumer debt transferred to it exclusively for the purpose of debt collection may not claim payment of the receivable in court until the demand for payment referred to in section 5 has been issued or sent and the time limits set therein for the payment of the receivable and making comments have expired. If the demand for payment has been delivered to the debtor in another durable medium, payment of the receivable may not be claimed in court before the professional debt collector has

taken sufficient care to ensure that the demand for payment has actually reached the debtor.
(299/2022)

Notwithstanding subsection 1, payment may be demanded if:

- 1) the postponement of court proceedings may result in a loss of the creditor's rights or there are other serious reasons for opening the proceedings without delay; or
- 2) the debtor has denied their payment liability or requested that collection be suspended and the matter transferred to judicial collection in accordance with section 4c.

Section 7 (299/2022)

Use of drafts

A request for payment by a deadline under pain of publishing or entering into the credit information register a refusal to comply with the demand (draft) may only be used for collecting an overdue, clear and undisputed receivable. In applying this section, a directly enforceable receivable shall be considered undisputed if the debtor has not lodged a material appeal or exercised another equivalent remedy.

A draft may not be used to collect a consumer debt.

A draft may not be sent until a payment reminder has been issued or sent to the debtor, providing a period of at least 10 days for paying the receivable or commenting on it, and the time limit has expired.

A draft and the payment reminder referred to in subsection 3 shall be made in writing. However, a draft and payment reminder may also be delivered to the debtor in another durable medium if the debtor has given their express consent for delivering them in that medium. The consent may be given either to the professional debt collector or to the creditor. If the consent applies to more than one receivable, the debtor shall indicate, in addition to the durable medium to be used, the receivables to which the consent applies and the validity period of the consent. The debtor has the right to withdraw their consent at any time. However, if the debtor has not given their consent or has withdrawn it, the payment reminder may be submitted to the debtor in another durable medium, provided that the medium in question has been consistently used for delivering notices

between the creditor and debtor during the debt relationship, and the debtor has not requested the said payment reminders to be delivered in writing.

Where a draft or a payment reminder referred to in subsection 3 is delivered in another durable medium, the sender shall take sufficient care to ensure that the draft or payment reminder has actually reached the debtor.

A draft may be published or reported to the credit information register no earlier than 14 days after delivery. A draft may not be published or reported to the credit information register after 60 days have elapsed from sending unless otherwise agreed in writing or electronically between the creditor or its commissioned representative and the debtor.

Refusal to pay a draft may not be confirmed in public administrative proceedings.

Section 8

Protection of the debtor's payment

If the creditor has entrusted the debt collection to another party (the assignee), a payment made by the debtor to the assignee is valid towards the creditor. An agreement made by the debtor and assignee on the term of payment, payment method or other arrangements related to the payment of the receivable is also binding on the creditor.

The provisions of subsection 1 shall not apply where the debtor knew, or should have known, that the assignee was not entitled to accept the payment or that the assignee had exceeded its authority.

Section 9

Restrictions on debt-collection assignments

The collection of State receivables or penalty payments imposed under public law for illegal conduct that can be enforced without a judgment or decision as provided for in the Act on the Collection of Taxes and Public Payments through Enforcement may not be entrusted to an assignee.

The Act on the Collection of Taxes and Public Payments through Enforcement 367/1961 was repealed by Act 706/2007, see Act on the Enforcement of Taxes and Public Payments 706/2007, section 3.

Section 10 (31/2013)

Reimbursement of collection costs

The debtor shall reimburse the creditor for reasonable collection costs. The liability for reimbursement may be based on both costs incurred from the creditor's own recovery measures and costs incurred by the creditor as a result of having to compensate the assignee for collecting the receivable.

The amount of the receivable, amount of work performed, appropriate debt-collection method in the matter, and other factors shall be taken into account when assessing the reasonableness of the costs to be reimbursed.

However, the debtor shall not be liable to reimburse the collection costs if the creditor or assignee has violated sections 4, 4b, 4c or 7, or if a professional debt collector has not fulfilled the obligations laid down in sections 5 and 5a or 5b, unless the reprehensibility of the conduct or neglect can be considered minor. (299/2022)

Section 10a (31/2013)

Maximum collection costs for consumer debts

When collecting a consumer debt, the following amounts may be claimed from the debtor for the collection measures specified in this subsection:

1) at most EUR 5 for a payment reminder delivered in writing or in another durable medium;
(299/2022)

2) for a demand for payment referred to in section 5, no more than:

a) EUR 14 if the principal of the receivable is not more than EUR 100;

b) EUR 24 if the principal of the receivable is more than EUR 100 but not more than EUR 1,000;

c) EUR 50 if the principal of the receivable is more than EUR 1,000;

3) no more than EUR 14 for a demand for payment under section 5 concerning a directly enforceable receivable;

4) half of the amount referred to in paragraph 2 or 3 in the case of a new demand for payment concerning the same receivable;

5) no more than EUR 5 for a demand for payment referred to in section 5, if the receivable is being collected by a debt collector referred to in section 2, subsection 1, paragraph 2 or 3 of the Act on the Registration of Debt Collectors (411/2018); (412/2018)

6) no more than EUR 5 for an extension of the payment period made at the request of the debtor;

7) for a payment plan drawn up together with the debtor in writing or in another durable medium, no more than:

a) EUR 20 if the principal of the receivable is not more than EUR 100 or the payment plan comprises no more than four instalments;

b) EUR 30 if the principal of the receivable is more than EUR 100, but not more than EUR 1,000, and the payment plan comprises more than four instalments;

c) EUR 50 if the principal of the receivable is more than EUR 1,000 and the payment plan comprises more than four instalments; and

d) EUR 20 if the receivable is directly enforceable.

The actual costs incurred from issuing the payment reminder may be claimed for issuing a payment reminder other than the payment reminder referred to in subsection 1, paragraph 1. The costs may be charged in accordance with the average actual costs incurred from the reminder method employed.

Actual collection costs may be claimed from the debtor if, due to the higher than ordinary workload required, the debt collection has caused other costs than those referred to in subsection 1, or the costs have exceeded the maximum amounts provided for in the said subsection. In such cases, the debtor shall be presented with an itemisation of the collection costs claimed and the grounds for them and informed that the costs are higher than the otherwise applicable maximum amounts. However, the maximum amounts may not be exceeded if the receivable being collected is directly enforceable.

Section 10b (31/2013)

Time limits for collection measures in the collection of consumer debts

Collection costs for the payment reminder referred to in section 10a, subsection 1, paragraph 1 may be claimed from the debtor only if an invoice or other notice of falling due has been sent to the debtor at least 14 days before the due date of the receivable, and the receivable has fallen due at least 14 days before the delivery of the payment reminder. If a contract stipulates that the receivable shall be paid on a specific due date without a separate notice, collection costs may be claimed from the debtor only if at least 14 days have passed from the due date before the payment reminder is sent.

Collection costs may only be claimed from the debtor for a new payment reminder or a new demand for payment referred to in section 10a, subsection 1, paragraphs 2–5 if at least 14 days have elapsed from the sending of the previous payment reminder or demand for payment.

Collection costs may only be claimed from the debtor for an extension of the payment period referred to in section 10a, subsection 1, paragraph 6 above if the payment period is extended by at least 14 days.

Section 10c (31/2013)

Maximum amounts of demands for payment and payment plans entitling to compensation for expenses in the collection of consumer debts

Collection costs for at most two demands for payment referred to in section 5 and no more than one payment plan referred to in section 10a, subsection 1, paragraph 7 may be claimed from the debtor in the collection of the same consumer debt. However, collection costs for at most two

payment plans may be claimed from the debtor if the receivable being collected is not directly enforceable and its principal is more than EUR 100.

Collection costs for more demands for payment and payment plans than provided for in subsection 1 may be claimed from the debtor if there were special grounds for taking multiple collection measures and the collection measures taken cannot be considered disproportionate to, in particular, the principal of the receivable. In such cases, the debtor shall be provided with an itemisation of the collection measures carried out and informed of the reasons that gave special grounds for the collection measures taken.

Section 10d (31/2013)

Debtor's total liability for costs in the collection of consumer debts

The following are the maximum total amounts that may be claimed from a debtor as collection costs for collecting the same consumer debt:

- 1) EUR 60 if the principal of the receivable is not more than EUR 100;
- 2) EUR 120 if the principal of the receivable is more than EUR 100 but not more than EUR 1,000;
- 3) EUR 210 if the principal of the receivable is more than EUR 1,000.

Actual collection costs exceeding the amounts provided for in subsection 1 may be claimed from the debtor if the collection was exceptionally difficult to carry out and the collection measures taken cannot be considered disproportionate to, in particular, the principal of the receivable. In such cases, the debtor shall be presented with an itemisation of the collection costs claimed and the grounds for them and, at the same time, informed of the reasons why the costs are higher than the otherwise applicable maximum total liability for costs.

A maximum of EUR 51 may be claimed from a debtor as the total collection costs for collecting a directly enforceable receivable.

Section 10e (299/2022)

Maximum collection costs for non-consumer debts

When collecting a non-consumer debt, the following amounts may be claimed from the debtor for the collection measures specified in this subsection:

- 1) at maximum EUR 12 for a payment reminder delivered in writing or in another durable medium;
- 2) for a demand for payment referred to in section 5b, no more than:
 - a) EUR 50 if the principal of the receivable is not more than EUR 500;
 - b) EUR 70 if the principal of the receivable is more than EUR 500 but not more than EUR 2,500;
 - c) EUR 90 if the principal of the receivable is more than EUR 2,500 but not more than EUR 10,000;
 - d) EUR 110 if the principal of the receivable is more than EUR 10,000;
 - e) EUR 50 if the receivable is directly enforceable;
- 3) half of the amount referred to in paragraph 2 in the case of a new demand for payment concerning the same receivable;
- 4) no more than EUR 12 for a demand for payment referred to in section 5b, if the receivable is being collected by a debt collector referred to in section 2, subsection 1, paragraph 2 or 3 of the Act on the Registration of Debt Collectors;
- 5) no more than EUR 10 for an extension of the payment period made at the request of the debtor;
- 6) for a payment plan drawn up together with the debtor in writing or in another durable medium, no more than:

a) EUR 30 if the principal of the receivable is not more than EUR 500 or the payment plan comprises no more than four instalments;

b) EUR 45 if the principal of the receivable is more than EUR 500, but not more than EUR 2,500, and the payment plan comprises more than four instalments;

c) EUR 60 if the principal of the receivable is more than EUR 2,500, but not more than EUR 10,000, and the payment plan comprises more than four instalments;

d) EUR 75 if the principal of the receivable is more than EUR 10,000 and the schedule of payments comprises more than four instalments;

e) in addition to the amount provided for in subparagraphs a–d, EUR 5 for the seventh instalment and each subsequent instalment, if the payment plan has been agreed to comprise more than six instalments;

f) EUR 30 if the receivable is directly enforceable;

7) as costs incurred from the use of a draft, no more than:

a) EUR 110 if the principal of the receivable is not more than EUR 500;

b) EUR 125 if the principal of the receivable is more than EUR 500 but not more than EUR 2,500;

c) EUR 140 if the principal of the receivable is more than EUR 2,500 but not more than EUR 10,000;

d) EUR 155 if the principal of the receivable is more than EUR 10,000;

e) EUR 110 if the receivable is directly enforceable; and

8) no more than EUR 100 for a request for payment issued for the purpose of establishing the insolvency assumption referred to in chapter 2, section 3, subsection 2, paragraph 3 of the

Bankruptcy Act (120/2004), as well as the actual costs incurred from the verifiable service of the aforementioned request for payment.

The actual costs incurred from issuing the a payment reminder may be claimed for issuing a payment reminder other than the payment reminder referred to in subsection 1, paragraph 1. The costs may be charged in accordance with the average actual costs incurred from the reminder method employed.

Actual collection costs may be claimed from the debtor if, due to the higher than ordinary workload required, the debt collection has caused other costs than those referred to in subsection 1, or the costs have exceeded the maximum amounts provided for in the said subsection. In such cases, the debtor shall be presented with an itemisation of the collection costs claimed and the grounds for them and informed that the costs are higher than the otherwise applicable maximum amounts. However, the maximum amounts may not be exceeded if the receivable being collected is directly enforceable.

If the creditor is unable to deduct VAT in its taxation, an amount equal to the VAT may be claimed from the debtor in addition to the maximum amounts.

Section 10f (299/2022)

Time limits for collection measures in the collection of non-consumer debts

Collection costs for a new payment reminder referred to in section 10e, section 1, subsection 1 or a new demand for payment referred to in paragraphs 2–4 of the said subsection may only be claimed from the debtor if at least 10 days have elapsed from the delivery of the previous payment reminder or demand for payment.

Collection costs for the payment period extension referred to in section 10e, subsection 1, paragraph 5 above may only be claimed from the debtor if the payment period is being extended by at least 14 days.

Section 10g (299/2022)

Maximum amounts entitling to compensation for expenses for collection measures concerning non-consumer debts

Collection costs for at most two demands for payment referred to in section 5b, no more than one draft, and no more than one request for payment referred to in section 10e, subsection 1, paragraph 8 may be claimed from the debtor in the collection of the same non-consumer debt. If a draft is used in collecting the debt, however, collection costs may only be claimed from the debtor for one demand for payment referred to above in this subsection.

Collection costs for no more than one payment plan referred to in section 10e, subsection 1, paragraph 6 may be claimed from the debtor in the collection of the same non-consumer debt. However, collection costs for at most two payment plans may be claimed from the debtor if the principal of the receivable is more than EUR 500.

Collection costs for more demands for payment, payment plans, drafts, and requests for payment referred to in section 10e, subsection 1, paragraph 8 than provided for in subsections 1 and 2 may be claimed from the debtor if there have been special grounds for taking multiple collection measures and the collection measures taken cannot be considered disproportionate to, in particular, the principal of the receivable. In such cases, the debtor shall be provided with an itemisation of the collection measures carried out and informed of the reasons that gave special grounds for the collection measures taken.

Section 10h (29.4.2022/299)

Debtor's total liability for costs in the collection of non-consumer debts

The following are the maximum total amounts that may be claimed from a debtor as collection costs for collecting the same non-consumer debt:

- 1) EUR 250 if the principal of the receivable is not more than EUR 500;
 - 2) EUR 470 if the principal of the receivable is more than EUR 500 but not more than EUR 2,500;
- and

3) EUR 550 if the principal of the receivable is more than EUR 2,500 but not more than EUR 10,000;

4) EUR 620 if the principal of the receivable is more than EUR 10,000.

Actual collection costs exceeding the amounts provided for in subsection 1 may be claimed from the debtor for receivables that are not directly enforceable if the collection was exceptionally difficult to carry out and the collection measures taken cannot be considered disproportionate to, in particular, the principal of the receivable. In such cases, the debtor shall be presented with an itemisation of the collection costs claimed and the grounds for them and, at the same time, informed of the reasons why the costs are higher than the otherwise applicable maximum total liability for costs.

The provisions of subsection 1 on maximum costs do not restrict the creditor's right to charge the standard compensation provided for in section 10i.

No more than EUR 214 in total or, if the request for payment referred to in section 10e, subsection 1, paragraph 8 was used, no more than EUR 314 in total may be claimed from the debtor as collection costs for a directly enforceable non-consumer debt. Collection costs are directly enforceable insofar as provided for in section 10j, subsections 2–4.

If the creditor is unable to deduct VAT in its taxation, an amount equal to the VAT may be claimed from the debtor in addition to the amounts provided for in subsections 1, 2 and 4.

Section 10i (299/2022)

Standard compensation for collection costs

If a payment referred to in section 1 of the Act on the Payment Terms of Commercial Contracts (30/2013) is delayed so that the creditor is entitled to interest for late payment, the creditor is entitled to EUR 40 from the debtor as a standard compensation for collection costs. In such cases, the creditor is only entitled to compensation for the collection costs referred to in section 10 to the amount exceeding the standard compensation.

Section 10j (299/2022)

Direct enforceability of collection costs

If the receivable being collected is a directly enforceable consumer debt, the costs incurred by the creditor from collecting the receivable are also directly enforceable.

If the receivable being collected is a directly enforceable non-consumer debt, the costs incurred by the creditor from its collection are directly enforceable insofar as they do not exceed:

- 1) EUR 40 for each late instalment if the receivable consists of payments referred to in section 10i;
- 2) the maximum amounts provided for the collection costs of directly enforceable consumer debts in section 10a, subsection 1, excluding paragraphs 1 and 5 of the said subsection, in place of which section 10e, subsection 1, paragraph 4 is applied in the case of receivables other than those referred to in paragraph 1.

Under subsection 2, paragraph 2, however, collection costs are directly enforceable to a maximum amount of EUR 65.

If the creditor is unable to deduct VAT in its taxation, an amount equal to the VAT may be claimed from the debtor in addition to the maximum amounts referred to in subsection 2 and the maximum amount referred to in subsection 3. The amount corresponding to the VAT is also directly enforceable if the collection costs are directly enforceable.

Section 11

Customer funds

Funds collected by an assignee on behalf of the creditor shall be kept separate from the assignee's own funds and deposited into a bank account or held in another reliable manner.

Section 11a (31/2013)

Allocation of funds to portions of a receivable

Funds accumulated from debt collection can be allocated to interest first, before allocating funds to the principal.

Funds accumulated from the collection of a consumer debt may only be allocated to collection costs, and interest on such costs after the receivable as well as the interest on it have been paid.

Section 12

Enforcement

With regard to the collection of consumer debts, compliance with the provisions of this Act is supervised by the Consumer Ombudsman.

Section 13 (31/2013)

Coercive measures

A trader who violates the provisions of sections 4, 4a–4c, 5, 5a or 6, or the provisions of section 11a, subsection 2, in collecting a consumer debt can be prohibited from continuing or repeating such practices or practices equivalent to them. The prohibition shall be reinforced with a conditional fine unless it is unnecessary for special reasons.

A trader who violates the provisions of sections 4, 4a, 4b, 5b or 7 in collecting a receivable formed in business activities from another trader can be prohibited from continuing or repeating such practices. The prohibition shall be reinforced with a conditional fine unless it is unnecessary for special reasons. (299/2022)

If there are special reasons for doing so, the prohibition can also be imposed on a person in the employ of the trader referred to in subsection 1 or 2 or on another person working on behalf of the trader.

Section 14 (31/2013)

Imposition of the prohibition

The Market Court imposes the prohibition referred to in section 13. The Market Court may also impose an interim prohibition, which will remain in force until a final resolution is reached in the matter.

The Consumer Ombudsman may impose the prohibition referred to in section 13, subsection 1 and impose a conditional fine to reinforce the prohibition in matters that are not significant to the application of the law or otherwise. The Consumer Ombudsman's decision is not open to appeal. The natural or legal person subject to the prohibition may refer the decision to the Market Court within 30 days of being served notice of it. Otherwise, the decision will remain final. Payment of the conditional fine imposed to reinforce the prohibition is ordered by the Market Court.

The Consumer Ombudsman may issue the prohibition referred to in section 13, subsection 1 as an interim prohibition and reinforce it with a conditional fine as provided in section 10, subsections 3 and 4 of the Act on the Finnish Competition and Consumer Authority (661/2012).

Separate provisions on the Market Court and its processing of the matter are also issued elsewhere in law.

Section 15 (31/2013)

Liability for damages

The creditor shall be liable for any damage caused to the subject of the collection by conduct of the creditor or an assignee collecting the debt on its behalf that is in violation of this Act or otherwise incorrect.

If the damage was caused by the incorrect conduct of an assignee, the assignee is also liable for compensating the injured party for it.

A creditor who was required to pay damages due to the incorrect conduct of an assignee has the right to recover the damages paid from the assignee.

Section 16

Creditor's right to disclose confidential information

Notwithstanding the provisions on the secrecy of information elsewhere in law, the creditor has the right to disclose the information necessary for carrying out a collection assignment. The general provisions concerning the protection of personal data apply to carrying out such assignments.

Section 17

Penal provisions

A person who intentionally or through gross negligence violates the provisions of section 4, subsection 2, paragraph 1 or section 11 shall be sentenced, unless a more severe punishment for the act is provided elsewhere by law, to a fine for a debt-collection offence.

The punishment for violations of section 7, subsection 2 is provided for in chapter 30, section 3 of the Criminal Code of Finland.

A person who violates a prohibition reinforced with a conditional fine imposed by virtue of section 13 cannot be sentenced to a punishment for the same act.

Section 17a (574/2020)

Penalty payment

A penalty payment imposed for violations of section 4, subsection 3; sections 4a–4c, 5, 5a and 6; section 7, subsection 2; sections 10a–10d; and section 11a, subsection 2 of this Act are provided for in the Act on Certain Powers of the Consumer Protection Authorities (566/2020).

Section 18

Entry into force

This Act enters into force on 1 September 1999.

Sections 5 and 9 of this Act shall not apply if the receivable has been given to an assignee for collection before the entry into force of this Act. Section 15 of this Act does not apply to damages caused by acts carried out before the entry into force of this Act.