

Translation from Finnish

Legally binding only in Finnish and Swedish

Ministry of Justice, Finland

Consumer Protection Act

(38/1978; amendments up to 740/2022 included)

By decision of Parliament, the following is enacted:

Chapter 1

General provisions

Section 1

This Act applies to the offering, selling and other marketing of consumer goods or services by traders to consumers. The Act also applies when a trader acts as an intermediary in the supply of goods or services to consumers.

This Act does not apply to statutory insurance or to employees' group life insurance or any corresponding benefit issued by a local government pensions institution.

Section 2

The provisions of this Act on sales shall also be applied to exchanges.

The provisions of chapters 3, 4 and 6 of this Act also apply to such contracts on consumer goods or services under which a consumer provides or undertakes to provide personal data to a trader, other than where the personal data is processed by the trader only for the purpose of supplying the consumer good or service or complying with any legal requirement to which the trader is subject. The provisions of chapter 2 of the Act apply to the offering, selling and other marketing of consumer goods or services also when the intention of the trader is for the consumer to provide or undertake to provide personal data and the trader does not process the personal data obtained only for the purposes referred to above in this subsection. Provisions on the application of the provisions of chapter 5a of the Act on such contracts on digital content or a digital service under which the consumer provides or undertakes to provide personal data to a trader are laid down in the said chapter. (693/2022)

Section 2a (29/2005)

The provisions of chapters 3, 4 and 6a of this Act and the provisions of chapter 6 of this Act on off-premises sales apply, as appropriate, to undertakings given to lenders by private guarantors and private pledgors referred to in the Act on Guaranties and Third-Party Pledges (361/1999).

Section 3 (16/1994)

For the purposes of this Act, *consumer good or service* means any goods, services or other commodities or benefits that are offered to natural persons or that are acquired by such persons in a material quantity for their private household.

Section 4 (16/1994)

For the purposes of this Act, *consumer* means any natural person who acquires a consumer good or service primarily for a purpose other than trade carried out by the natural person.

Section 5 (16/1994)

For the purposes of this Act, *trader* means any natural person or any private or public legal person that, to generate income or other financial benefit, professionally keeps for sale, sells or otherwise offers consumer goods or services to be acquired for consideration.

Section 6 (16/1994)

Section 6 was repealed by Act 16/1994.

Chapter 2 (561/2008)

Marketing and practices in customer relationship

Section 1 (561/2008)

Prohibition of marketing that is contrary to good practice and of unfair practices

Marketing shall not be contrary to good practice or use practices that are unfair to consumers. Neither shall unfair practices be used in a customer relationship.

Section 2 (561/2008)

Marketing that is contrary to good practice

Marketing shall be regarded as being contrary to good practice where it is clearly in conflict with generally accepted societal values and, in particular, where:

- 1) it prejudices human dignity or is offensive to religious or political beliefs;
- 2) it features discrimination on grounds of gender, age, ethnic or national origin, nationality, language, health, disability, sexual orientation or any other personal characteristic; or
- 3) it endorses activity that endangers health, public safety or the environment without any objectively justifiable reason associated with the marketed good or service for the presentation of such activity.

Marketing that is targeted at or commonly reaches minors shall be regarded as being contrary to good practice particularly if it exploits the inexperience or credulity of a minor, if it is likely to have an adverse effect on the balanced development of a minor or if it aims to bypass the possibility of parents to fully exercise parental guidance of their child. When assessing whether marketing is contrary to good practice, the age and developmental stage and other circumstances of the minors commonly reached by the marketing shall be taken into consideration.

Section 3 (561/2008)

Unfairness of practices

A practice shall be regarded as unfair if it is:

- 1) contrary to generally acceptable appropriate business practice; and
- 2) likely to clearly impair the consumer's ability to make an informed purchasing decision or other informed decision relating to a consumer good or service and to lead to the consumer making a decision the consumer would not have made without the practice.

Practices that are contrary to sections 4–14 shall in particular be regarded as unfair.

If a practice is targeted at a specific consumer group, the unfairness of the practice shall be assessed from the perspective of that consumer group. If a practice is likely to impair the decision-making of such consumers who are particularly susceptible to influence due to their age, disability or credulity, and the trader should have reasonably understood this, the unfairness of the practice shall be assessed from the perspective of that consumer group.

Section 4 (561/2008)

Recognisability of marketing

Marketing shall clearly indicate its commercial purpose and on whose behalf the marketing is being carried out.

Section 5 (561/2008)

Risk of confusion

Comparative advertising or other marketing shall not create a risk of confusion between the trader's and a competitor's trademarks, trade names or other distinguishing marks, or goods or services if it is likely to lead to a consumer making a purchasing decision or other decision relating to a consumer good or service that the consumer would not have made without such marketing.

Section 6 (561/2008)

Prohibition of providing false or misleading information

In marketing or a customer relationship, false or misleading information shall not be provided if the information is likely to lead to a consumer making a purchasing decision or other decision relating to a consumer good or service that the consumer would not have made without the information provided.

False or misleading information may concern in particular:

- 1) the existence, availability, type, quality, quantity or other main characteristics of a consumer good or service;
- 2) the origin, method and date of manufacture, use and effects of use of, or the results of tests carried out on, a consumer good or service;
- 3) the price of a consumer good or service or its determination criteria, or the existence of a specific price advantage or payment terms;
- 4) the time of delivery and other terms of delivery of a consumer good or service;
- 5) the nature of the selling practice, customer service after a contract has been concluded, and handling of customer complaints;
- 6) the need for and availability of a service, repair or spare parts;

- 7) the trader's or the trader's agent's identity, contact details, attributes and status in the market as well their awards and distinctions;
- 8) the trader's rights and obligations, including undertaking to be bound by commitments contained in codes of conduct;
- 9) the consumer's rights, obligations and risks; (693/2022)
- 10) a good being marketed as identical to a good marketed in other Member States, while that good has a significantly different composition or characteristics, unless justified by legitimate factors. (693/2022)

Section 7 (561/2008)

Omission of relevant information

In marketing or a customer relationship, such information that, taking account of the factual context, is relevant and that the consumer needs to make a purchasing decision or other decision relating to a consumer good or service, and the omission of which is likely to lead to the consumer making a decision that the consumer would not have made with sufficient information, shall not be omitted.

When assessing the sufficiency of information, the clarity, comprehensibility and timeliness of the information, the limitations of the communication medium used, and any other measures taken by the trader to make the relevant information available to consumers shall be taken into consideration.

Any information that is necessary for consumer health and safety shall always be provided.

Section 8 (1211/2013)

Obligation to provide information when offering specified consumer good or service

Any marketing offering a specified consumer good or service at a specified price shall indicate:

- 1) the main characteristics of the consumer good or service, to the extent appropriate taking account of the consumer good or service and the communication medium used;
- 2) the name and geographical address of the trader and, where the trader is acting as an agent or representative of another trader, the same information concerning the trader's principal;

- 3) the total price of the consumer good or service inclusive of taxes or, where the nature of the good or service is such that the exact price cannot reasonably be indicated, the price determination criteria;
- 4) where necessary, any delivery charges not included in the total price or, where these charges cannot reasonably be calculated in advance, the fact that such charges may be payable;
- 5) the policies for payment, delivery and performance of the contract if they depart from what consumers would normally have reason to expect; (693/2022)
- 6) any right to withdraw from or cancel the contract.

Any marketing offering a specified consumer good or service on an online marketplace at a specified price shall also indicate whether the third party offering the good or service is a trader or not, on the basis of the declaration of that third party. (693/2022)

Section 8a (1211/2013)

Information to be provided prior to concluding a contract

Besides other legal provisions elsewhere on the obligation to provide information, the trader shall, in transactions other than distance or off-premises selling of consumer goods or services, provide the consumer, before concluding a contract on a consumer good or service, with the following information in a clear and comprehensible manner if that information is not already otherwise apparent from the factual context:

- 1) the main characteristics of the consumer good or service, to the extent appropriate taking account of the consumer good or service and the communication medium used;
- 2) the trader's name, the geographical address at which the trader is established and the trader's telephone number;
- 3) the total price of the consumer good or service inclusive of taxes or, where the nature of the good or service is such that the exact price cannot reasonably be indicated, the price determination criteria;
- 4) where necessary, any delivery charges not included in the total price or, where these charges cannot reasonably be calculated in advance, the fact that such charges may be payable;

- 5) where necessary, the terms concerning payment, delivery and other performance of the contract, and the customer complaints policy;
- 6) a reminder of the existence of the trader's legal liability for any lack of conformity concerning goods, digital contents and services and, where necessary, a reminder of the availability and the conditions of after-sales services and guarantees; (693/2022)
- 7) where necessary, the duration of the contract or, where the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract;
- 8) where necessary, the functionality, including applicable technical protection measures, of a good with digital elements and of digital content or a digital service, and any compatibility and interoperability of such a good or service that the trader is aware of or can reasonably be expected to be aware of. (693/2022)

The provisions of this section do not apply to:

- 1) a day-to-day contract for a consumer good or service which is performed immediately;
- 2) a contract for a financial service or instrument;
- 3) a contract for the sale or rental of immovable property or for any other right in immovable property;
- 4) a contract under the scope of application of the Housing Transactions Act (843/1994);
- 5) a contract for the assignment of a right of occupancy referred to in the Right-of-Occupancy Housing Act (393/2021); (693/2022)
- 6) a residential lease agreement referred to in the Act on Residential Leases (481/1995);
- 7) a contract under the scope of application of chapter 10;
- 8) a travel package referred to in the Act on Travel Service Combinations (901/2017); (693/2022)
- 9) a contract for passenger transport services;
- 10) a contract for a service under the scope of application of the Lotteries Act (1047/2001);

11) a contract concluded by means of automated vending machines or automated commercial premises.

Section 8b (1699/2015)

Obligation to provide information on out-of-court dispute resolution entities

If the trader has a website, the trader shall provide on the website, in a manner that is easily accessible by consumers, clear and comprehensible, information on at least one such dispute resolution entity that has been notified to the European Commission in accordance with Article 20(2) of Directive 2013/11/EU of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC and that is competent to deal with disputes between traders and consumers. The website address of the dispute resolution entity shall also be made accessible on the website. Corresponding information shall also be stated in any standard terms and conditions drawn up by the trader and submitted to the consumer.

If a lack of conformity concerning a consumer good or service has been brought to the trader's attention by a consumer and the parties have not reached an agreement on the matter, the consumer shall be provided with the information specified in subsection 1 in writing or on another durable medium.

Section 8c (1242/2021)

Special obligation to provide information at public auction of second-hand goods

At a public auction of second-hand goods, the trader shall make easily available to consumers clear and comprehensive information that the provisions of chapter 5 of this Act on the characteristics and lack of conformity of goods do not apply to the sale.

Section 8d (693/2022)

Obligation to make available information on main parameters of results of search queries

When providing consumers with the possibility to search for consumer goods or services offered by different traders or private individuals on the basis of a query in the form of a keyword, phrase or other input, information shall be made available to the consumer on the main parameters determining the ranking of goods or services presented to the consumer as a result of the search query and the relative importance of those main parameters as opposed to other parameters. This

information shall be made available in a section of the online interface that is directly and easily accessible from the page where the query results are presented.

This section does not apply to providers of online search engines referred to in Article 2(6) of Regulation (EU) 2019/1150 of the European Parliament and of the Council on promoting fairness and transparency for business users of online intermediation services.

Section 8e (693/2022)

Obligation to provide information about consumer reviews

Where a trader provides a consumer with access to consumer reviews of a consumer good or service, the consumer shall be provided with information about whether and how the trader has ensured that the published reviews originate from consumers who have actually used or purchased the good or service.

Section 9 (561/2008)

Prohibition of aggressive practices

Aggressive practices shall not be used in marketing or a customer relationship.

Harassment, coercion or other application of pressure on the consumer that is likely to lead to the consumer making a purchasing decision or other decision relating to a consumer good or service that the consumer would not have made without the application of pressure shall be regarded as an aggressive practice.

When assessing whether a practice is aggressive, account shall be taken, in particular, of:

- 1) the timing, location, nature and persistence of the practice;
- 2) the use of threatening or abusive language or behaviour;
- 3) the exploitation of the consumer's misfortune or other such personal circumstance that impairs the consumer's judgement;
- 4) any hampering of the exercise of the consumer's rights under the contract or law;
- 5) any threat to take any action that cannot legally be taken.

Section 10 (561/2008)

Unsolicited supply of consumer goods or services

In marketing, consumer goods or services shall not be offered by supplying them to consumers without an explicit order and requiring any payment, return or safekeeping the good or service or any other measure from the consumer.

Section 10a (1211/2013)

Requiring additional payments

Before the conclusion of a contract, the trader shall seek the consumer's express consent to any additional payments not included in the price indicated as payable for the consumer good or service. Any absence of the consumer's rejection of a default option used by the trader concerning the approval of an additional payment shall not be regarded as express consent.

If the consumer has not provided express consent to an additional payment, the consumer shall not be obligated to make the payment.

Section 11 (693/2022)

Announcements of price reductions on goods

When marketing a good at a discount or at a reduced price, the marketing shall also indicate the lowest price at which the good has been marketed during the period of 30 days prior to the price reduction. Where the price reduction is gradually increased in a marketing campaign the uninterrupted duration of which has not exceeded 60 days, the price indicated as the lowest price may be the lowest price at which the good has been marketed during the period of 30 days prior to the first price reduction.

The provisions of subsection 1 do not apply to perishable food.

Section 12 (561/2008)

Bundled offers and offering of free gifts

Where in marketing consumer goods or services are offered at a single price or so that by purchasing a good or service one receives at a reduced price another good or service or another special benefit, the marketing shall clearly indicate:

- 1) the content and value of the offer and, for goods or services offered at a single price, also their individual prices unless the individual price of a good or service when purchased separately is less than EUR 10;
- 2) the terms of taking advantage of the offer, in particular the duration of the offer and any quantitative and other restrictions.

Section 13 (561/2008)

Clarity of conditions of promotional competitions

Where marketing includes prize draws, competitions for the public or games, the conditions for participation in them shall be clear, comprehensible and easily accessible.

Section 14 (1212/2020)

Charges payable for communication by telephone

The trader shall not, in communication by telephone in relation to a contract concluded by the trader concerning a consumer good or service, use a service for the use of which the consumer is required to pay charges exceeding the rate in accordance with the consumer's subscription contract.

If the trader violates the provision of this section, the consumer shall have the right to receive from the trader compensation for any telephone costs exceeding the rate in accordance with the consumer's subscription contract.

Section 14 amended by Act 1212/2020 enters into force on 31 December 2023. Previous form of wording:

Section 14 (1211/2013)

Charges payable for communication by telephone

The trader shall not, in communication by telephone in relation to a contract concluded by the trader concerning a consumer good or service, use a service for the use of which the consumer is required to pay charges exceeding the rate in accordance with the consumer's subscription contract or charges exceeding the calculatory basic rate corresponding to the rate in accordance with the subscription contract.

The calculatory basic rate is the rate based on telecommunications operators' minimum pricing and market shares plus 20 per cent. The Finnish Communications Regulatory Authority shall calculate and publish the calculatory basic rate annually. Further provisions on the calculation method and the publication of the basic rate are laid down by decree of the Ministry of Justice.

If the trader violates the provision of this section, the consumer shall have the right to receive from the trader compensation for any telephone costs exceeding the maximum rate referred to in subsection 1.

The provisions of this section do not apply to a contract for a financial service or instrument.

Section 15 (561/2008)

Further provisions

Further provisions may be given by government decree:

- 1) on the labelling of and provision of user instructions for consumer goods and services and on the provision of other information on the quality, characteristics and use of consumer goods and services in marketing;
- 2) on the indication of the price of consumer goods and services in marketing;
- 3) to implement Annex I to Directive 2005/29/EC of the European Parliament and of the Council concerning unfair business-to-consumer commercial practices in the internal market.

Section 15a (693/2022)

Consequences of violations of provisions on marketing and on practices in customer relationship

If a trader has used an unfair practice referred to in the provisions of this chapter or a misleading or aggressive practice referred to in provisions laid down under section 15, paragraph 3 and the practice can be assumed to have influenced a purchasing decision made by a consumer, the consumer has the right request a price reduction that is reasonable relative to the trader's practice.

A trader that intentionally or through negligence violates or fails to comply with the prohibition of unfair practice referred to in section 1 or the provisions of sections 4–8, 8d, 8e or 9 shall be obligated to compensate for the damage arising from this to the consumer. Likewise, a trader shall

be obligated to compensate for the damage caused by the trader having intentionally or through negligence used a misleading or aggressive practice referred to in provisions laid down under section 15, paragraph 3.

Section 16 (561/2008)

Prohibitory injunction

Where necessary for consumer protection, a prohibitory injunction may be imposed on a trader to refrain from continuing a practice in violation of provisions of this chapter or provisions laid down under them or from repeating such a practice or a corresponding practice. A prohibitory injunction shall be enforced by a notice of a conditional fine unless this is unnecessary on special grounds.

On special grounds, a prohibitory injunction may also be imposed on an employee or another person acting on behalf of a trader referred to in subsection 1.

Section 17 (561/2008)

Imposition of a prohibitory injunction

A prohibitory injunction referred to in section 16 is imposed by the Market Court. The Market Court may also impose a prohibitory injunction on a provisional basis whereby the prohibitory injunction remains in force until a final decision has been taken on the matter.

The Consumer Ombudsman may impose a prohibitory injunction referred to in section 16 or impose a prohibitory injunction on a provisional basis as provided in section 10 of the Act on the Finnish Competition and Consumer Authority (661/2012). (684/2012)

Section 18 (1395/2009)

Prohibitory injunction imposed by Regional State Administrative Agency in certain matters

A Regional State Administrative Agency may impose a prohibitory injunction referred to in section 16 in a matter pertaining to a practice in violation of provisions on the indication of the price of a dwelling or another consumer good or service if the unlawfulness is evident and there is an established practice in applying provisions in a matter of this kind. The decision by the Regional State Administrative Agency is ineligible for judicial review by appeal.

A trader may refer a prohibitory injunction decision referred to in subsection 1 for consideration by the Market Court within fourteen days of having been notified of the decision. Otherwise the decision shall remain final.

The Regional State Administrative Agency may enforce a prohibitory injunction imposed by it by a notice of a conditional fine. The order to pay the conditional fine is made by the Market Court.

Prior to imposing a prohibitory injunction referred to in subsection 1, the Regional State Administrative Agency shall give the trader the opportunity to be heard.

When imposing a prohibitory injunction referred to in subsection 1, the Regional State Administrative Agency shall make its decision in writing and ensure it is served to the parties concerned.

Section 19 (561/2008)

Order to rectify marketing action

When imposing a prohibitory injunction referred to in section 16, the Market Court may obligate the trader on which the prohibitory injunction was imposed, or which ordered or carried out the marketing, to rectify the marketing action within a time limit if this is to be regarded as necessary because of the evident harm caused to consumers by the marketing action. The order may be enforced by a notice of a conditional fine.

Section 19a (693/2022)

Penalty fee for violation of provisions on marketing and on practices in customer relationship

Provisions on penalty fees imposed for violations of provisions of sections 1, 4–8, 8a, 8d, 8e, 9 and 10; section 10a, subsection 1; sections 11 and 12; and section 14, subsection 1 as well as of provisions laid down under section 15 are laid down in the Act on Certain Powers of the Consumer Protection Authorities (566/2020).

Section 20 (1395/2009)

Oversight

Marketing and practices in a customer relationship in respect of consumer protection is overseen by the Consumer Ombudsman.

The indication of the price of consumer goods and services in marketing is overseen by the Consumer Ombudsman and the Regional State Administrative Agencies.

Other provisions on the consideration of cases in the Market Court are laid down in the Market Court Proceedings Act (100/2013). (133/2013)

Chapter 3

Regulation of contractual terms

Section 1

The trader may not, when offering consumer goods or services, use a contractual term that, taking account of the price of the consumer good or service as well as other relevant aspects, is to be regarded as unfair for consumers.

If an association of traders draws up contractual terms relating to contracts for consumer goods or services or issues recommendations or instructions on terms to be used, the association shall ensure that its practice does not result in the use of terms that are unfair for consumers. (1259/1994)

Section 2

Where necessary for consumer protection, a prohibitory injunction may be imposed on a trader to refrain from continuing the use of a contractual term that is in violation of section 1, subsection 1 or from repeating the use of such a contract term or a comparable contract term. A prohibitory injunction may correspondingly be imposed on an association of traders to refrain from continuing or repeating a practice in violation of section 1, subsection 2. A prohibitory injunction shall be enforced by a notice of a conditional fine unless this is unnecessary on special grounds. (1259/1994)

On special grounds, a prohibitory injunction may also be imposed on an employee of, or another person acting on behalf of, a trader referred to in subsection 1.

Section 3

A prohibitory injunction referred to in section 2 is imposed by the Market Court. The Market Court may also impose a prohibitory injunction on a provisional basis whereby the prohibitory injunction remains in force until a final decision has been taken on the matter. (1547/2001)

The Consumer Ombudsman may impose a prohibitory injunction referred to in section 2 or impose a prohibitory injunction on a provisional basis as provided in the Act on the Finnish Competition and Consumer Authority. (684/2012)

Section 4

The use of contractual terms in respect of consumer protection is overseen by the Consumer Ombudsman.

Other provisions on the consideration of cases in the Market Court are laid down in the Market Court Proceedings Act. (133/2013)

Chapter 4

Adjustment and interpretation of contract (1259/1994)

Section 1 (596/2019)

If a term of a contract referred to in this Act is unfair for a consumer or if its application would result in unfairness, the term may be adjusted, unless otherwise provided in section 2, or it may be set aside. A commitment concerning the amount of consideration is also regarded as a term of a contract. When assessing unfairness, account is taken of the entire content of the contract, the position of the parties, the circumstances at the time the contract was concluded and, unless otherwise provided in section 2, any changes in the circumstances as well as any other factors.

If a term referred to in subsection 1 is such that, due to the adjustment of the term, it is not reasonable for the contract to remain in force unamended in other respects, the contract may, unless otherwise provided in section 2, be adjusted also in other respects or be ordered to lapse.

Section 2 (596/2019)

If a contractual term referred to in section 1 was drawn up in advance without the consumer having been able to influence its content, the restrictions laid down in this section shall be complied with when applying the said section.

If a term was unfair under the circumstances at the time the contract was concluded, any subsequent assessment of the unfairness of the term shall not, to the detriment of the consumer, take account of a change of circumstances.

The unfair term shall be set aside and the contract shall in other respects be retained in force unamended if it can remain in force as such.

Section 3 (1259/1994)

If a term of a contract referred to in this Act was drawn up in advance without the consumer having been able to influence its contents, and there is doubt about the meaning of the term, the term shall be interpreted in favour of the consumer.

Section 4 (1259/1994)

In the event of a dispute over whether a term is a contractual term drawn up in advance referred to in sections 2 and 3, the burden of proof is on the trader.

Section 5 (416/1999)

A choice-of-law clause under which the law of a non-European Economic Area state is applied to the contract shall not prevail over provisions in force in a Member State of the European Economic Area applied, in the absence of a choice-of-law clause, to unfair contract terms if these provisions provide consumers with more effective protection against unfair contractual terms than the law applied under the choice-of-law clause.

Chapter 5 (16/1994)

Sale of goods (1242/2021)

General provisions on sale of goods (1242/2021)

Section 1 (1242/2021)

Scope of application of chapter

The provisions of this chapter apply to the sale of goods where the seller is a trader and the buyer is a consumer.

The provisions of this chapter apply also to orders for goods to be manufactured or produced. If the buyer undertakes to supply a substantial part of the materials, sections 23–31 of chapter 8 apply, however, to the order instead of sections 23, 24, 24a, 24b, 25–28 and 28a of this chapter. In addition, the provisions of chapter 8, sections 14 and 32 apply to such orders. The provisions of section 29 of this chapter do not apply to such orders.

With the exception of sections 2, 2a and 3–11, the provisions of this chapter do not apply to public auctions of second-hand goods or to the sale of goods used exclusively as a carrier medium for digital content. Section 29, subsection 3 applies, in addition, to public auctions of second-hand goods.

The provisions of this chapter on guarantees also apply to any equivalent undertaking by the seller or the producer to the buyer at an extra charge. However, in such cases the seller is not liable under any undertaking by the producer for a lack of conformity for which the seller would not otherwise be liable under this chapter.

Section 2 (16/1994)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the buyer is null and void unless otherwise provided below.

Section 2a (1242/2021)

Definitions relating to sale of goods

For the purposes of this chapter:

- 1) *producer* means a manufacturer of goods, an importer of goods into the European Union or any person purporting to be a producer by placing their name, trademark or other distinctive sign on the goods;
- 2) *sale of goods with digital elements* means the sale of goods that under the contract incorporate or are inter-connected with digital content or a digital service supplied by the seller or a third party and the absence of that digital content or digital service would prevent the goods from performing their functions;
- 3) *functionality* means the ability of the goods to perform their functions having regard to their purpose;
- 4) *compatibility* means the ability of the goods to function with hardware or software with which goods of the same type are normally used, without the need to convert the goods, hardware or software;
- 5) *interoperability* means the ability of the goods to function with hardware or software different from those with which the goods of the same type are normally used;
- 6) *public auction* means a method of sale where goods or services are offered by the seller to buyers, who attend or are given the opportunity to attend the auction in person, through a transparent, competitive bidding procedure run by an auctioneer and where the successful bidder is bound to purchase the goods or services.

Delivery of goods and passing of risk

Section 3 (1242/2021)

Delivery of goods

Unless otherwise agreed, the goods shall be held collectible by the buyer at the place where the seller had the seller's place of business at the time of the conclusion of the sales contract. If the seller did not have a place of business relevant to the sale and if not otherwise agreed, the seller shall send or transport the goods to the buyer.

The goods have been delivered when the buyer has acquired possession of the goods.

If the goods are to be installed or assembled by the seller at the buyer's premises, the goods are, however, when applying the provisions on the seller's delay or on the point in time determining lack of conformity, deemed to have been delivered only once the seller has fulfilled its said obligation. Correspondingly, in the sale of goods with digital elements, the goods are, when applying the said provisions, deemed to have been delivered only once the digital content or service has also been supplied to the buyer or, in the case of the continuous supply of the digital content or service over a period of time, the supply of the digital content or service to the buyer has begun.

If the buyer has commissioned a carrier proposed by the seller to transport the goods, the goods are, when applying the provisions on passing of risk, deemed to have been delivered only once the carrier has delivered the goods to the possession of the buyer.

Section 4 (1211/2013)

Time of delivery

Unless agreed that the goods are to be delivered at a specified time or upon demand or without delay, the goods shall be delivered without undue delay and no later than 30 days after the conclusion of the contract.

Unless the buyer is granted credit or deferred payment, the seller is not obliged to transfer possession of the goods before the buyer pays the price of the goods.

Section 5 (16/1994)

Costs incurred for goods prior to delivery

Unless otherwise agreed, the seller is responsible for any transport costs and other costs incurred for the goods prior to their delivery. This, however, does not apply to any costs incurred because the delivery was delayed owing to a reason on the part of the buyer.

Section 6 (16/1994)

Passing of risk

The seller bears the risk of any destruction, loss, deterioration or reduction of the goods prior to their delivery for a reason not attributable to the buyer. If the buyer fails to collect or receive in time the goods held available to the buyer, the buyer does, however, bear the risk of the deterioration of the goods due to their inherent characteristics after the seller has performed what the delivery requires of the seller.

If the goods are, due to a notification of a lack of conformity submitted by the buyer, returned to the seller for inspection or for remedy of the lack of conformity, the goods remain at the seller's risk until the goods are delivered back to the buyer.

If a sale with option to return has been agreed upon and the goods have been delivered, the goods remain at the buyer's risk until the goods have been returned to the possession of the seller.

If the goods are at the buyer's risk and the goods are destroyed, lost, deteriorated or reduced for a reason not attributable to the seller, the buyer shall, nevertheless, pay the price of the goods.

Consequences of delay in delivery of goods

Section 7 (16/1994)

Right to withhold payment

The buyer has the right to withhold the payment of the price of the goods on the grounds of the seller's delay. The buyer may not, however, withhold any amount that manifestly exceeds the claims to which the buyer has the right on the basis of the delay.

Section 8 (16/1994)

Right to require performance of contract

In case of a delay in the delivery of the goods, the buyer has the right to require performance of the contract by the seller. The seller is not, however, obliged to perform the contract if there is an obstacle to performance that is insurmountable for the seller or if the performance of the contract would require sacrifices that are disproportionate to the significance of the performance of the contract to the buyer.

Should the obstacle or disproportion end within a reasonable period of time, the buyer may, however, require performance of the contract by the seller.

The buyer loses the buyer's right to require performance of the contract if the buyer delays for an unreasonable period of time in presenting the requirement.

Section 9 (1211/2013)

Termination of sales contract

The buyer may terminate the sales contract due to the seller's delay if the buyer has set a reasonable additional period of time for the seller and the seller has not delivered the goods within the additional period of time. Within the additional period of time set, the buyer may terminate the sales contract only if the seller has refused to supply the goods within that period of time.

The buyer may, however, terminate the sales contract due to the seller's delay without setting an additional period of time if:

- 1) the seller has refused to supply the goods;
- 2) delivery within the agreed supply period is essential, taking into account the circumstances relating the conclusion of the contract; or
- 3) the buyer has informed the seller prior to the conclusion of the contract that delivery by or at a specified time is essential.

Upon the termination of the contract, the seller shall, without delay, reimburse all sums paid under the contract.

Section 10 (16/1994)

Damages

The buyer has the right to damages for loss or damage suffered by the buyer as a result of the seller's delay, unless the seller demonstrates that the delay is due to an obstacle beyond the seller's control that the seller cannot reasonably be expected to have taken into account at the time of the conclusion of the sales contract and the consequences of which the seller could not reasonably have avoided or overcome.

If the delay is due to a person whose assistance the seller has enlisted for the performance of the contract or part of it, the seller is exempted from liability for damages only if also the said person

would be exempt from liability under subsection 1. The same applies if the delay is due to the seller's supplier of goods or another previous link in the chain of transactions.

The seller is, however, obliged to compensate for indirect loss and damage to the buyer only if the delay, loss or damage is due to negligence on the part of the seller. Indirect loss or damage means:

- 1) loss of income suffered by the buyer due to a breach of contract or measures resulting from a breach of contract;
- 2) loss or damage due to an obligation based on another contract; and
- 3) essential loss of use of the goods not resulting in direct financial loss, as well as other comparable inconvenience that is material.

If the loss or damage referred to in subsection 3, paragraphs 1–3 is caused by the limitation of another type of loss or damage, it is not, however, considered indirect loss or damage in that respect.

A member of the buyer's family who suffers loss or damage due to a delay has the same right to compensation as the buyer.

Section 11 (16/1994)

Notice of termination of sales contract and claim for damages

If the goods have been delivered late, the buyer may not terminate the sales contract or seek damages due to the delay unless the buyer within a reasonable period of time from the delivery of the goods notifies the seller or the intermediary in the sale that the buyer will terminate the sales contract or wishes to seek compensation. If the buyer terminates the sales contract, the buyer is not, however, obliged to provide a separate notice of a claim for damages.

Characteristics and lack of conformity of goods

Section 12 (1242/2021)

Characteristics of goods

The goods supplied by the seller to the buyer shall be in conformity with the contract. In order to conform with the contract, the goods shall, in particular:

- 1) be of the description, type, quantity and quality and possess the functionality, compatibility, interoperability and other features as agreed under the contract;
- 2) be fit for any particular purpose for which the buyer requires them and which the buyer made known to the seller at the latest at the time of the conclusion of the contract, and in respect on which the seller has given acceptance;
- 3) be supplied with all accessories as well as installation and other instructions as stipulated by the contract;
- 4) be updated as stipulated by the contract.

In addition to the provisions of subsection 1, the goods shall comply with the following general requirements:

- 1) the goods shall be fit for the purposes for which goods of the same type would normally be used, taking into account applicable legislation, technical standards or, in the absence of these, sector-specific industry codes of conduct;
- 2) the goods shall be of the quality and correspond to any description of a sample or model that the seller made available to the buyer before the conclusion of the contract;
- 3) the goods shall be supplied along with any accessories, packagings as well as installation, user and other instructions that the buyer may reasonably expect to receive;
- 4) the goods shall be of the quantity and quality and possess the durability and other features normal for goods of the same type that the buyer may reasonably expect given the nature of the goods and taking into account any information provided by, or on behalf of, the seller, producer or any other person constituting a previous link in the chain of commercial transactions, when marketing the goods or otherwise before the time of the conclusion of the sales contract.

Section 12a (1242/2021)

Section 12a was repealed by Act 1242/2021.

Section 13 (1242/2021)

General provision on lack of conformity

If the goods deviate from the provisions of section 12, they lack conformity.

The goods are not, however, deemed as lacking conformity with the general requirements referred to in section 12, subsection 2:

- 1) even if a particular characteristic of the goods was deviating from these requirements if, at the time of the conclusion of the contract, the buyer was specifically informed of the deviation and the buyer separately and expressly accepted that deviation when concluding the contract;
- 2) if the lack of conformity or the defect is due to materials supplied by the buyer and used for the manufacture of the goods and the seller was not aware, nor should have been aware, of the lack of conformity of the materials.

The seller is also not liable for a lack of conformity relating to the provision of the information referred to in section 12, subsection 2, paragraph 4 if the seller demonstrates that:

- 1) the seller was not, and could not reasonably have been, aware of the information in question;
- 2) by the time of the conclusion of the contract, the information had been corrected in the same way as it had been provided or in a comparable way; or
- 3) the sales contract could not have been influenced by the information.

Section 13a (1242/2021)

Lack of conformity due to installation

The goods also lack conformity if they due to incorrect installation deviate from the provisions of section 12 and the installation of the goods:

- 1) is included in the sales contract and the goods were installed by the seller or someone else on the behalf of the seller; or
- 2) was under the buyer's responsibility and the incorrect installation carried out by the buyer was due to shortcomings in the installation instructions provided by the seller or, in case of the sale of goods with digital elements, in the installation instructions provided by the seller or the supplier of the digital content or service.

Section 13b (1242/2021)

Lack of conformity due to omission of updates in sale of goods with digital elements

In the sale of goods with digital elements, the seller shall ensure that the buyer is informed of and supplied with security and other updates that are necessary to keep the goods in conformity with the requirements laid down in section 12:

- 1) for a period of time that is reasonable given the type and purpose of the goods and the digital elements and taking into account the circumstances and nature of the contract in the case of a single act of supply of digital content or a digital service; or
- 2) for the period of time during which the seller is liable for any lack of conformity of the goods and in any case for at least the period of time during which the digital content or service is to be supplied under the contract in the case of continuous supply of digital content or a digital service over a period of time.

If the seller has failed to carry out its obligations under subsection 1, the goods lack conformity.

If the buyer fails to install within reasonable time the updates supplied in accordance with subsection 1, the seller is not liable for any lack of conformity resulting from the lack of the relevant update, provided that:

- 1) the seller informed the buyer about the availability of the update and the consequences of the failure to install it; and
- 2) the failure to install or the incorrect installation was not due to shortcomings in the installation instructions provided to the buyer.

There is no lack of conformity within the meaning referred to in this section in goods with digital elements also if, at the time of the conclusion of the contract, the buyer was specifically informed that the buyer will not be informed of or supplied with updates in the manner required by subsection 1 and the buyer separately and expressly accepted that deviation when concluding the contract.

Section 14 (1242/2021)

Lack of conformity due to third-party claim

The goods also lack conformity if the goods are subject to a claim of a third party based on ownership, lien or other property right (*lack of conformity due to a third-party claim*) and the buyer is not obliged under the contract to accept the goods subject to the limitations arising from the third-party claim.

The buyer may rely on remedies provided for lack of conformity due to a third-party claim also when a third party asserts that they have a claim referred to in subsection 1 and there are reasonable grounds for the claim.

Section 15 (1242/2021)

Time determining lack of conformity

Any lack of conformity of goods shall be assessed on the basis of the characteristics possessed by the goods at the time of delivery of the goods. The seller is liable for a lack of conformity in the goods that existed at that time, even if the lack of conformity only becomes apparent subsequently.

In addition to the provisions laid down in subsection 1, where the sales contract for goods with digital elements provides for a continuous supply of digital content or a digital service over a period of time, the seller is liable for a lack of conformity in the digital content or service which becomes apparent within the period during which the seller is liable for a lack of conformity in the goods or during which the digital content or service is to be supplied under the contract, whichever is the later. The seller is also liable for a lack of conformity due to omission of updates referred to in section 13b that becomes apparent within the period of time during which updates are to be supplied under section 13b, subsection 1.

Any lack of conformity which becomes apparent within one year from the time when the goods were delivered is presumed to have existed at the time when the goods were delivered, unless proved otherwise or unless the presumption is incompatible with the nature of the lack of conformity or with the nature of the goods. If a lack of conformity in digital content or a digital service to be supplied in a continuous manner over a period of time becomes apparent within the period of time during which the seller is liable, in the sale of goods with digital elements, under subsection 2 for a lack of conformity in the digital content or service, the lack of conformity is presumed to be a lack of conformity for which the seller is liable, unless the seller proves otherwise.

If the goods deteriorate after they have been delivered, the goods are deemed as lacking conformity if the deterioration is due to the seller's breach of contract.

Section 15a (1242/2021)

Guarantee and its relevance

If the seller or someone on behalf of the seller has undertaken to be responsible, without any extra charge, for the usability or other features of the goods for a fixed period of time (*guarantee*),

the goods lack conformity if the goods during that period of time deteriorate in accordance with the conditions specified in the guarantee statement and in advertising concerning the guarantee at or prior to the time of the conclusion of the contract. Liability for a lack of conformity does not, however, arise, if the seller can show that it is probable that the deterioration is due to an accident, incorrect handling of the goods or another matter on the part of the buyer.

If the guarantee was provided by a party other than the seller constituting a previous link in the chain of transactions, the goods lack conformity also in that case, subject to the conditions referred to in subsection 1. The seller is not, however, liable on the basis of a guarantee provided by a previous link in the chain of transactions for a lack of conformity for which the seller would not otherwise be liable under this chapter if the seller demonstrates that the seller informed the buyer of the matter in a clear manner prior to the time of the conclusion of the sales contract.

If the conditions of the guarantee statement deviate from the conditions presented in advertising to the detriment of the buyer, the guarantee is binding in accordance with the conditions presented in the advertising, unless the advertising has been corrected in time in a manner that is the same or comparable to the manner in which the conditions were advertised.

A guarantee does not limit any liability for a lack of conformity laid down in this Act.

Section 15b (1242/2021)

Content and delivery of guarantee

A clear and comprehensible statement shall be drawn up concerning a guarantee and delivered no later than at the time of delivery of the goods to the buyer personally on paper or electronically in a way which allows its unchanged storage and reproduction by the buyer (*guarantee statement*).

A guarantee statement shall include the following:

- 1) the name and address of the guarantor;
- 2) the designation of the goods to which the guarantee applies;
- 3) the conditions of the guarantee;
- 4) the procedure to be followed by the buyer to obtain the implementation of the guarantee;
- 5) a clear statement that the buyer has legal rights and that those rights are not restricted by the guarantee.

The buyer has the right to rely on the guarantee even if the guarantee infringes the requirements laid down in this section.

Consequences of lack of conformity

Section 16 (1242/2021)

Buyer's rights

If there is a lack of conformity in the goods for which the seller is liable, the buyer may require in accordance with the provisions of this chapter the correction of the lack of conformity, a new supply or a price reduction or terminate the sales contract and, in addition, claim damages. The seller may also withhold the payment of the price of the goods.

Section 16a (1242/2021)

Notification of lack of conformity

The buyer may not rely on a lack of conformity unless the buyer notifies the seller of the lack of conformity within a reasonable period of time from the time the buyer detected or should have detected the lack of conformity. A notification of lack of conformity may, however, always be submitted within two months from the date on which the buyer detected the lack of conformity, and it may also be submitted to a trader acting as an intermediary in the sale on behalf of the seller or undertaking liability for the characteristics of the goods.

Notwithstanding the provisions of subsection 1, the buyer may rely on a lack of conformity in the goods if:

- 1) the seller's conduct has been grossly negligent or incompatible with honour and good faith;
- 2) the lack of conformity is based on the goods, in terms of their characteristics, lacking conformity with the requirements set for them under the Consumer Safety Act (920/2011) or other provisions or regulations issued to protect health or property; or
- 3) the lack of conformity is based on the goods otherwise posing a risk to health or property.

Section 17 (16/1994)

Right to withhold payment

The buyer has the right to withhold the payment of the price of the goods on the grounds of a lack of conformity. The buyer shall not, however, withhold any amount that manifestly exceeds the claims to which the buyer has the right on the basis of the lack of conformity.

Section 18 (1242/2021)

Remedy of lack of conformity

The buyer has the discretion to require that the seller either corrects the lack of conformity or supplies goods that are in conformity. The seller is not, however, obliged to remedy a lack of conformity in the manner required by the buyer, or at all, if there is an obstacle to this that is insurmountable for the seller or if this would incur disproportionate costs to the seller. Particular account shall be taken in this context of the significance of the lack of conformity and of the value of the goods in the absence of the lack of conformity as well as whether the remedy can be carried out in another manner without causing significant inconvenience to the buyer.

The seller may not rely on the seller not having had the opportunity to remedy a lack of conformity if the buyer has had the lack of conformity corrected and, taking the circumstances into account, the buyer cannot be reasonably be expected to have waited for it to have been remedied by the seller.

Section 18a (1242/2021)

Procedure for remedying lack of conformity

The buyer shall make the goods to be corrected or replaced available to the seller. If the goods are to be replaced, the buyer may, however, refrain from returning the goods they have received until the new supply takes place. The buyer is not obliged to pay for the normal use of any goods that are replaced during the period prior to their replacement.

The remedy of a lack of conformity shall be carried out within a reasonable period of time from the time the seller has been informed by the buyer about the lack of conformity and without any costs or significant inconvenience to the buyer, taking into account the nature of the goods and the purpose for which the buyer required the goods.

The seller shall take back the replaced goods at the seller's expense. Where a correction or replacement requires the removal of goods that have been installed before the lack of conformity became apparent, the seller shall also take care of the removal of the goods lacking conformity and the installation of the conforming goods as well as bear the costs arising from these, provided that the goods have been installed in a manner consistent with their nature and purpose.

Section 19 (1242/2021)

Price reduction and termination of sales contract

The buyer may require a price reduction or the termination of the sales contract if:

- 1) it is impossible to remedy the lack of conformity or this would result in disproportionate costs referred to in section 18, subsection 1;
- 2) the seller has not remedied the lack of conformity or the remedy has not been carried out in the manner required under section 18a, subsection 3;
- 3) the seller has declared or it is clear from the circumstances that the seller will not remedy the lack of conformity within a reasonable period of time or without significant inconvenience to the buyer;
- 4) the lack of conformity in the goods appears despite the seller having attempted to bring the goods into conformity required in this chapter.

Notwithstanding the provisions of subsection 1, the buyer may require the price to be reduced or the sales contract to be terminated immediately if the lack of conformity is of such serious nature that remedying it is not possible.

The right to terminate the sales contract laid down in this section does not, however, exist if the lack of conformity is minor. The burden of proof with regard to whether the lack of conformity is minor is on the seller.

Section 19a (1242/2021)

Amount of price reduction

A price reduction shall be proportionate to the decrease in the value of the goods that were received by the buyer compared to the value the goods would have if they were in conformity with the requirements of this chapter.

Section 20 (1242/2021)

Damages for lack of conformity in goods

The buyer has the right to damages for any loss or damage suffered by the buyer due to a lack of conformity in goods. The seller is, however, liable in damages for indirect loss or damage referred to in section 10, subsections 3 and 4 above only if the lack of conformity and the loss or damage is due to negligence on the part of the seller or if the goods at the time of the conclusion of the sales contract deviated from a specific undertaking by the seller.

Notwithstanding the provisions of subsection 1, the buyer always has the right to damages for loss or damage due to a lack of conformity due to a third-party claim existing at the time of the conclusion of the contract that the buyer was not aware of, nor should have been aware of.

A member of the buyer's family who suffers loss or damage due to a lack of conformity has the same right to compensation as the buyer.

Section 21 (16/1994)

Product damage

If a lack of conformity in goods causes damage to property other than the goods sold, the provisions of section 20 apply to the seller's liability in damages only if the damage is caused to property directly connected through a usage context with the goods sold.

If the seller pays damages under subsection 1, the possible right of the beneficiary to claim compensation for injury or damage under the Product Liability Act (694/90) is transferred respectively to the seller. The provisions of section 10 of the Product Liability Act also apply to the seller's right to damages.

The provisions of this chapter do not apply to compensation for personal injury due to characteristics of goods.

Section 22 (1242/2021)

Liability in damages of parties other than seller

If there is a lack of conformity in goods relating to the provision of information referred to in section 12, subsection 2, paragraph 4, the provisions laid down above on the seller's liability in damages apply to the information provider's liability in damages to the buyer for a lack of conformity.

If a party other than the seller has undertaken to remedy a lack of conformity in goods or to otherwise be liable for the characteristics of goods, the provisions laid down above on the seller's liability in damages apply correspondingly to the liability of the provider of the undertaking to compensate to the buyer for a non-fulfilment of the undertaking.

Section 22a (1242/2021)

Statute of limitations on claims for compensation

Provisions on the limitation period for the buyer's claim for compensation are laid down in the Act on the Statute of Limitations on Debt (728/2003).

Buyer's obligations and consequences of buyer's breach of contract

Section 23 (16/1994)

Price of goods

If the price of the goods cannot be deemed as having been agreed, the buyer shall pay the price that is reasonable taking account of the quality and characteristics of the goods, the current price at the time of the conclusion of the sales contract as well as other circumstances. If the seller, when marketing the goods, has provided information on their price or on the price calculation method referring to the price level at the time of the conclusion of the sales contract that can be presumed to have influenced the sales contract, the price is determined in accordance with the information provided.

Section 24 (1242/2021)

Time of payment

Unless otherwise agreed, the buyer shall pay the price of the goods upon request by the seller but not, however, before the goods are available to the buyer in accordance with the contract.

Before paying the price of the goods, the buyer has the right to inspect the goods in the usual manner or as appropriate considering the circumstances, unless the inspection is incompatible with the method of delivery and payment agreed.

If the payment is made through a bank or post office, when assessing the seller's rights under sections 26, 28 and 28a, the payment is deemed to have been made on the date when the bank or post office accepted the buyer's appropriate payment instruction.

Section 24a (1242/2021)

Buyer's obligation to contribute

The buyer shall:

- 1) contribute to the sales contract in the manner that can be reasonably expected of the buyer so that the seller is able to perform the contract; and
- 2) collect or receive the goods.

Section 24b (1242/2021)

Requirement to perform contract due to breach of obligation to contribute

If the buyer fails to contribute to the sales contract in accordance with section 24a, paragraph 1, the seller has the right to remain in the contract and require that the buyer contributes to the sales contract in accordance with the said paragraph. The buyer is not, however, obliged to contribute to the sales contract if there is an obstacle to the contribution that is insurmountable for the buyer or if the contribution would require sacrifices that are disproportionate to the advantage gained by the seller from the buyer contributing to the sales contract.

Should the obstacle or disproportion end within a reasonable period of time, the seller may, however, require that the buyer contributes to the sales contract.

The seller loses the seller's right to require that the buyer contributes to the sales contract if the seller delays for an unreasonable period of time in presenting the requirement.

Section 25 (1242/2021)

Requirement to perform contract in certain other cases

If the buyer fails to pay the price of the goods at the right time, the seller has the right to remain in the contract and require that the price of the goods be paid.

If the buyer breaches the contract by cancelling the order for the goods prior to the delivery of the goods, the seller does not have the right to remain in the contract and require that the price of the goods be paid. Instead, the seller has the right to damages for any loss and damage suffered by the seller in accordance with section 28.

Section 26 (1242/2021)

Seller's right to terminate sales contract due to late payment

If the buyer is late in paying the price of the goods, the seller may terminate the sales contract if the breach of contract is material.

If the seller has set a specific additional period of time that is not unreasonably short for the payment of the price of the goods and the buyer fails to make the payment within the additional period of time, the seller may likewise terminate the sales contract. Within the additional period of time set, the seller may terminate the sales contract only if the buyer declares that the buyer will not make the payment within that period of time.

If the buyer has acquired possession of the goods, the seller may terminate the sales contract only if the seller has reserved the right to do so or if the buyer rejects the goods. Provisions on the seller's right to rely on a term concerning repossession of the goods when the buyer has been granted credit are laid down in chapter 7.

The seller may not terminate the sales contract due to the buyer's late payment after the late payment has been made.

Section 27 (1242/2021)

Seller's right to terminate sales contract due to breach of obligation to contribute

The seller may terminate the sales contract if the buyer fails to contribute to the sales contract in accordance with section 24a, paragraph 1 when the breach of contract is of essential significance to the seller and the buyer understood or should have understood this. The seller may terminate the sales contract under the same conditions if the buyer fails to collect or receive the goods at the right time and the contract or the circumstances indicate that it is of particular significance to the seller that the goods are taken away.

The seller may also terminate the sales contract if the buyer, within a specific additional period of time set by the seller that is not unreasonably short:

- 1) fails to contribute to the sales contract in accordance with section 24a, paragraph 1; or
- 2) fails to collect or receive the goods when it is indicated by the contract or the circumstances that it is of particular significance to the seller that the goods are taken away.

Within the additional period of time, the seller may terminate the sales contract only if the buyer declares that the buyer will not fulfil their obligations within that period of time.

The seller may not terminate the sales contract due to the buyer having failed to collect or receive the goods unless the seller notifies the buyer of the termination before the buyer has fulfilled their obligations.

If the buyer has contributed to the sales contract in the manner referred to in section 24a, paragraph 1 but has done this too late, the seller may not terminate the sales contract due to the delay unless the seller notifies the buyer of the seller's request within a reasonable period of time from the seller becoming aware of the fulfilment of the obligation to contribute.

Section 28 (16/1994)

Seller's right to damages

If the seller terminates the sales contract due to the buyer's late payment before the buyer has acquired possession of the goods or if the buyer cancels the order for the goods in accordance with section 25, the seller has the right to compensation for any specific costs incurred by the seller from concluding and performing the contract and that are likely to be of no use, and for any specific costs arising from the termination of the sales contract or the cancellation.

As regards other loss or damage, the seller has the right to damages that are reasonable considering the price of the goods, the time of the termination of the contract or the cancellation, the measures taken to perform the contract as well as other matters.

A contract under which the seller reserves the right to a predetermined compensation due to a cancellation or termination is valid if the compensation in accordance with the contract is reasonable considering the compensation to which the seller generally would have the right under subsections 1 and 2.

The seller does not, however, have the right to a compensation referred to in this section if the buyer's late payment or cancellation of order is due to a provision of law, an interruption of general traffic or payment transactions or any other similar obstacle that the buyer cannot reasonably avoid or overcome.

Section 28a (1242/2021)

Interest for late payment

If the buyer is late in paying the price of the goods, the seller has, where the sales contract is not cancelled or terminated, the right to receive interest for late payment in accordance with the Interest Act (633/1982).

Other provisions in sale of goods (1242/2021)

Section 28b (1242/2021)

Partial breach of contract

If only a part of a supply is delayed or lacks conformity, the provisions on the breach of contract in question apply only to that part of the supply. The buyer may, however, terminate the sales contract in full if the buyer cannot be reasonably expected to accept only the part of the supply that conforms with the requirements of this chapter.

If it can be assumed that the seller considers that the seller has performed the contract in full even though not all of the goods have been delivered, the provisions on a lack of conformity apply.

Section 28c (1242/2021)

Termination of sales contract in cases of successive deliveries

If the goods are to be delivered by instalments and an instalment of goods is delayed or lacks conformity, the buyer may terminate the sales contract concerning that instalment in accordance with the provisions that otherwise apply to the termination of sales contracts.

If the delay or lack of conformity gives reason to assume that a breach of contract entitling to termination will take place concerning a subsequent instalment of goods, the buyer may on such

grounds within a reasonable period of time terminate the sales contract concerning such a subsequent instalment.

Section 28d (1242/2021)

Impacts of termination

If the sales contract is terminated, the seller's obligation to hand over the possession of the goods and the buyer's obligation to pay the price of the goods and to contribute to the sales contract lapse.

If the buyer exercises the buyer's right to terminate the sales contract, the buyer shall return the goods to the seller at the seller's expense, and the seller shall reimburse the buyer for the price of the goods once the seller has received the goods or evidence provided by the buyer of having sent back the goods.

Section 28e (1242/2021)

Benefit derived from goods

If the sales contract is terminated, the buyer shall hand over to the seller any proceeds obtained by the buyer from the goods and pay reasonable compensation if the buyer has derived any other benefit from the goods.

If the seller must reimburse the price of the goods, the seller shall pay interest on the amount in accordance with section 3, subsection 2 of the Interest Act from the date on which the seller received the payment.

Section 29 (1242/2021)

Application of Sale of Goods Act

In addition, the provisions of section 8; section 9, subsections 2 and 3; section 46, subsection 1; sections 61 and 62; section 63, subsections 2 and 3; section 72; section 73, subsection 1 and sections 74, 79 and 82 of the Sale of Goods Act (355/1987) apply to sales contracts within the scope of application of this chapter. The provisions of section 66 of the said Act apply to the termination of sales contracts, and the provisions of sections 68 and 69 of the said Act apply to the buyer's right to compensation for a price difference.

The provisions of sections 75–78 of the Sale of Goods Act also apply to sales contracts within the scope of application of this chapter. The seller does not, however, have the right to damages under the said sections that are greater than provided in section 28 of this chapter. The provisions

of section 76, subsection 2 of the Sale of Goods Act apply only where the seller has the duty to preserve the goods.

Notwithstanding the provisions of this section, the provisions of the Sale of Goods Act apply, however, to public auctions of second-hand goods unless otherwise provided by this Act.

Section 29a (1242/2021)

Section 29a was repealed by Act 1242/2021.

Section 30 (16/1994)

Limitation of loss or damage and adjustment of damages

The party suffering loss or damage shall take reasonable measures to limit the party's loss or damage. Should the party fail to comply with this, the party itself shall suffer the corresponding share of the loss or damage.

Damages payable on the basis of a breach of contract may be adjusted if they are disproportionate taking account of the cause of the breach of contract, the counterparty's possible contribution to the loss or damage, the financial status of the contracting parties, the price of the goods, the possibilities of the party causing the loss or damage to anticipate and prevent the occurrence of the loss or damage, as well as any other circumstances.

Damages that the buyer shall pay under section 28 may be adjusted particularly if the late payment or the cancellation of the order is due to payment difficulties encountered by the buyer owing to ill health, unemployment or any other reason that is primarily no fault of their own.

Section 31 (1242/2021)

Liability of previous link in chain of transactions for lack of conformity

The buyer has the right to direct their claim based on a lack of conformity in goods under the provisions of this chapter also against a trader that in a previous link in the chain of transactions has handed the goods over for resale.

The buyer does not, however, have the right specified in subsection 1:

- 1) if the lack of conformity has arisen for a reason not attributable to the trader in question after the trader handed over the goods;

- 2) to the extent that the claim is based on an undertaking provided by a party other than the trader in question that puts the buyer in a better position than the provisions of this chapter without the said undertaking;
- 3) to the extent that the claim pertains to a price reduction or reimbursement of the price of the goods and its amount exceeds the amount that could have been claimed on the same grounds by the trader's own contracting party if not taking account of any restrictive conditions in an agreement between these.

The buyer loses their right to make claims under subsection 1 if the buyer fails to notify the lack of conformity to the trader or if the trader is not informed of a notification of lack of conformity submitted to a later link in the chain of transactions within the period of time laid down in section 16a, subsection 1 and if the information on the trader necessary for making the claim was available to the buyer. The buyer may, however, rely on a lack of conformity if the conduct of the trader against which the claim is made has been grossly negligent or incompatible with honour and good faith, or in the event of a lack of conformity referred to in section 16a, subsection 2, paragraph 2 or 3.

Section 32 (16/1994)

Other trader's liability for lack of conformity

If the seller has enlisted the assistance of another trader in the performance of the contract and there is a lack of conformity in that trader's performance, the provisions of chapter 8, section 35 on the right of the customer ordering a service to make claims against a trader whose assistance the contractor has enlisted applies correspondingly to the buyer's right to make claims against the trader whose assistance the seller enlisted.

Chapter 5a (1242/2021)

Contracts for digital content and digital services

General provisions

Section 1 (1242/2021)

Scope of application of chapter

This chapter lays down provisions on contracts under which a trader supplies or undertakes to supply to a consumer digital content or a digital service and:

- 1) the consumer pays or undertakes to pay a price; or

2) the consumer provides or undertakes to provide personal data to the trader, except where the personal data provided by the consumer is exclusively processed by the trader for the purpose of supplying the digital content or service in accordance with the provisions of this chapter or allowing the trader to comply with legal requirements to which the trader is subject.

Digital content means data which is produced and supplied in digital form. *Digital service* means a service that allows the consumer to create, process, store or access data in digital form or that allows the sharing of or any other interaction with data in digital form uploaded or created by the consumer or other users of that service.

With the exception of sections 5–9, this chapter also applies to contracts for the supply of such goods which serve exclusively as a carrier medium for digital content.

Section 2 (1242/2021)

Limitations of scope of application

The provisions of this chapter do not apply to contracts:

- 1) that concern communications services referred to in the Act on Electronic Communications Services (917/2014), with the exception of number-independent interpersonal communications services referred to in the said Act;
- 2) that concern a service within the scope of application of the Lotteries Act;
- 3) that concern financial services or instruments;
- 4) that concern software under a free or open-source licence where the consumer does not pay a price and the personal data provided by the consumer is exclusively processed by the trader for the purpose of improving the security, compatibility or interoperability of that specific software;
- 5) on the basis of which digital content is made available to the general public other than by signal transmission as a part of a performance or event;
- 6) that concern digital content provided by a public sector body in accordance with Directive (EU) 2019/1024 of the European Parliament and of the Council on open data and the re-use of public sector information.

Where a contract between the parties concerns both the supply of digital content or a digital service as well as other goods or services, the provisions of this chapter only apply to the elements

of the contract concerning the digital content or service. In the case of the sale of goods with digital elements, however, the provisions of chapter 5 apply in full instead of the provisions of this chapter.

If the digital content or service is an element of a bundle of services referred to in section 108a of the Act on Electronic Communications Services, section 27 of this chapter does not apply.

Section 3 (1242/2021)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void unless otherwise provided below.

Section 4 (1242/2021)

Definitions

For the purposes of this chapter:

- 1) *integration* means the linking and incorporation of digital content or a digital service with the components of the consumer's digital environment in order for the digital content or service to be used in accordance with the requirements laid down in this chapter;
- 2) *digital environment* means hardware, software and any network connection used by the consumer to access or make use of digital content or a digital service;
- 3) *compatibility* means the ability of the digital content or service to function with hardware or software with which digital content or services of the same type are normally used, without the need to convert the digital content or service;
- 4) *functionality* means the ability of the digital content or service to perform its functions having regard to its purpose;
- 5) *interoperability* means the ability of the digital content or service to function with hardware or software different from that with which digital content or services of the same type are normally used.

Supply of digital content or service and consequences of delay in supply

Section 5 (1242/2021)

Supply of digital content or service

Unless otherwise agreed, the digital content or service shall be supplied to the consumer without undue delay after the conclusion of the contract.

The trader has complied with the obligation to supply when:

- 1) the digital content or any means suitable for accessing or downloading it is made available or accessible to the consumer or to a facility chosen by the consumer for that purpose;
- 2) the digital service is made available to the consumer or to a facility chosen by the consumer for that purpose.

The burden of proof with regard to whether the digital content or service was supplied to the consumer in the manner required by this section is on the trader.

Section 6 (1242/2021)

Right to withhold payment

The consumer has the right to withhold the payment of the price on the grounds of the trader's delay. The consumer shall not, however, withhold any amount of the price that manifestly exceeds the claims to which the consumer has the right on the basis of the delay.

Section 7 (1242/2021)

Right to require performance of contract

In the event of a delay in the supply of the digital content or service, the consumer has the right to require performance of the contract by the trader. The trader is not, however, obliged to perform the contract if there is an obstacle to the performance that is insurmountable for the trader or if the performance of the contract would require sacrifices that are disproportionate to the significance of the performance of the contract to the consumer.

Should the obstacle or disproportion end within a reasonable period of time, the consumer may, however, require performance of the contract by the trader.

The consumer loses their right to require performance of the contract if the consumer delays for an unreasonable period of time in presenting the requirement.

Section 8 (1242/2021)

Termination of contract

The consumer may terminate the contract due to the trader's delay if the consumer has requested the supply of the digital content or service by the trader and the trader has failed to supply it

without undue delay or within an additional period of time expressly agreed to by the parties. The consumer may terminate the contract within the agreed additional time only if the trader has declared, or it is clear from the circumstances, that the trader will not supply the digital content or service within that period of time.

The consumer may, however, terminate the contract due to the trader's delay without agreeing upon an additional period of time if:

- 1) the trader has declared, or it is clear from the circumstances, that the trader will not supply the digital content or service;
- 2) the parties have stated in consensus that supply at or by a specific time is essential for the consumer;
- 3) taking account of the circumstances relating to the conclusion of the contract, it is clear that supply at or by a specific time is essential.

The provisions of sections 24–26 apply to the termination of contracts.

Section 9 (1242/2021)

Damages for delay

The consumer has the right to damages for loss or damage suffered by the consumer as a result of the trader's delay, unless the trader demonstrates that the delay is due to an obstacle beyond the trader's control that the trader cannot reasonably be expected to have taken into account at the time of the conclusion of the contract and the consequences of which the trader could also not reasonably have avoided or overcome.

If the delay is due to a person whose assistance the trader has enlisted for the performance of the contract or part of it, the trader is exempted from liability in damages only if also the said person would be exempt from liability under subsection 1. The same applies if the delay is due to a previous link in the chain of transactions.

The trader shall, however, be obliged to compensate for indirect loss and damage to the consumer only if the delay, loss or damage is due to negligence on the part of the trader. Indirect loss or damage means:

- 1) loss of income suffered by the consumer due to a breach of contract or measures resulting from a breach of contract;

- 2) loss or damage due to an obligation based on another contract; and
- 3) essential loss of use of the digital content or service not resulting in direct financial loss, as well as other comparable inconvenience that is material.

If the loss or damage referred to in subsection 3 is caused by the limitation of other loss or damage, it is not, however, considered indirect loss or damage in that respect.

A member of the consumer's family who suffers loss or damage due to a delay has the same right to compensation as the buyer.

Characteristics and lack of conformity of digital content or service

Section 10 (1242/2021)

Characteristics of digital content or service

The digital content or service supplied by the trader to the consumer shall be in conformity with the contract. In order to conform with the contract, it shall, in particular:

- 1) be of the description, quantity and quality and possess the functionality, compatibility, interoperability and other features as agreed under the contract;
- 2) be fit for any particular purpose for which the consumer requires it and which the consumer made known to the trader at the latest at the time of the conclusion of the contract, and in respect on which the trader has given acceptance;
- 3) be supplied with all accessories as well as installation and other instructions as stipulated by the contract;
- 4) be supplied with customer support as stipulated by the contract;
- 5) be updated as stipulated by the contract.

In addition to the provisions of subsection 1, the digital content or service shall comply with the following general requirements:

- 1) the digital content or service shall be fit for the purposes for which digital content or a digital service of the same type would normally be used, taking into account applicable legislation, technical standards or, in the absence of these, sector-specific industry codes of conduct;

- 2) the digital content or service shall be of the quantity and quality and possess the performance and other features in relation to functionality, compatibility, accessibility, continuity and security normal for digital content or a digital service of the same type which the consumer may reasonably expect, given the nature of the digital content or service and taking into account any information provided by, or on behalf of, the trader or any other person in a previous link in the chain of commercial transactions, when marketing the digital content or service or otherwise before the time of the conclusion of the contract;
- 3) the digital content or service shall be supplied along with the necessary accessories and instructions which the consumer may reasonably expect to receive;
- 4) the digital content or service shall comply with any trial version or preview made available to the consumer by the trader before the conclusion of the contract.

Unless otherwise agreed, the digital content or service shall also be supplied in the most recent version available at the time of the conclusion of the contract.

Section 11 (1242/2021)

General provision on lack of conformity

If the digital content or service deviates from the provisions of section 10, it lacks conformity.

Digital content or a digital service is not, however, deemed as lacking conformity with the general requirements referred to in section 10, subsection 2 even if a particular characteristic of the digital content or service deviates from those requirements if the consumer at the time of the conclusion of the contract was specifically informed of the deviation and the consumer separately and expressly accepted that deviation when concluding the contract.

The trader is also not liable for a lack of conformity relating to the provision of the information referred to in section 10, subsection 2, paragraph 2 if the trader demonstrates that:

- 1) the trader was not, and could not reasonably have been, aware of the information in question;
- 2) by the time of the conclusion of the contract, the information had been corrected in the same way as it had been provided or in a comparable way; or
- 3) the consumer's decision to conclude the contract could not have been influenced by the information.

Section 12 (1242/2021)

Lack of conformity due to omission of updates concerning digital content or services

The trader shall ensure that the consumer is informed of and supplied with security and other updates that are necessary to keep the digital content or service in conformity with the requirements laid down in section 10:

- 1) for a period of time that is reasonable, given the type and purpose of the digital content or service and taking into account the circumstances and nature of the contract, in the case of a single act of supply or a series of individual acts of supply of digital content or a digital service;
- 2) for the period of time during which the digital content or service is to be supplied to the consumer under the contract in the case of a continuous supply of digital content or service over a period of time.

If the trader has failed to carry out its obligations under subsection 1, the digital content or service lacks conformity.

If the consumer fails to install within a reasonable period of time the updates supplied in accordance with subsection 1, the trader is not liable for any lack of conformity resulting solely from the lack of the relevant update, provided that:

- 1) the trader informed the consumer about the availability of the update and the consequences of the failure to install it; and
- 2) the failure to install or the incorrect installation was not due to shortcomings in the installation instructions provided to the consumer.

There is, however, no lack of conformity within the meaning referred to in this section in digital content or a digital service if, at the time of the conclusion of the contract, the consumer was specifically informed that the consumer will not be informed of or supplied with updates in the manner required by subsection 1 and the consumer separately and expressly accepted that deviation when concluding the contract.

Section 13 (1242/2021)

Lack of conformity due to integration

The digital content or service also lacks conformity if, due to incorrect integration, it deviates from the provisions of section 10, and:

- 1) the trader was responsible for the integration of the digital content or service; or
- 2) the consumer was responsible for the integration of the digital content or service and the incorrect integration was due to shortcomings in the integration instructions provided by the trader.

Section 14 (1242/2021)

Lack of conformity due to third-party claim

Digital content or a digital service also lacks conformity if a good used as a carrier medium for the digital content is subject to a claim of a third party based on ownership, lien or other property right (*lack of conformity due to a third-party claim*) and the consumer is not obliged under the contract to accept the good subject to the limitations arising from the third-party claim.

The consumer may rely on the remedies provided for lack of conformity due to a third-party claim also when a third party asserts that the third party has a claim referred to in subsection 1 and there are probable grounds for the claim.

Section 15 (1242/2021)

Time determining lack of conformity

In the case of a single act of supply or a series of individual acts of supply of digital content or a digital service, the trader is liable for a lack of conformity in the digital content or service that existed at the time of supply of the digital content or service even if the lack of conformity only becomes apparent subsequently.

In the case of a continuous supply of digital content or service over a period time, the trader is liable for a lack of conformity which becomes apparent within the period of time during which the digital content or service is to be supplied under the contract.

The trader is also liable for a lack of conformity, due to omission of updates referred to in section 12, which becomes apparent within the period of time during which updates are to be supplied under section 12, subsection 1.

Section 16 (1242/2021)

Presumption of lack of conformity

In the case of a single act of supply or a series of individual acts of supply of digital content or a digital service, the lack of conformity is presumed to have existed at the time of supply if it becomes apparent within one year from that time, unless the trader proves otherwise. In the case of a continuous supply of digital content or a digital service over a period time where the lack of

conformity becomes apparent during that period of time, the trader is presumed to be liable for the lack of conformity, unless the trader proves otherwise.

The provisions of subsection 1 do not apply if the trader proves that the digital environment of the consumer is not compatible with the technical requirements of the digital content or service and the consumer was informed of such requirements in a clear and comprehensible manner before the conclusion of the contract.

The consumer shall cooperate with the trader, to the extent that is reasonable and necessary, to ascertain whether the cause of the lack of conformity of the digital content or service lay in the consumer's digital environment. Where the trader informed the consumer of the requirement to cooperate in a clear and comprehensible manner before the conclusion of the contract but the consumer fails to cooperate, the provisions of subsection 1 do not apply in that case, either.

Consequences of lack of conformity

Section 17 (1242/2021)

Consumer's rights in the event of lack of conformity

In the event of a lack of conformity for which the trader is liable in the digital content or service, the consumer may, in accordance with the provisions of this chapter, require the remedying of the lack of conformity or a price reduction or terminate the contract and, in addition, seek damages. The consumer may also withhold the payment of the price.

The consumer's right to rely on the remedies laid down in this chapter against the trader does not affect the trader's right to pursue remedies against a party liable for the lack of conformity in a previous link in the chain of commercial transactions.

Section 18 (1242/2021)

Right to withhold payment

The consumer has the right to withhold the payment of the price on the grounds of a lack of conformity. The consumer shall not, however, withhold any amount that manifestly exceeds the claims to which the consumer has the right on the basis of the lack of conformity.

Section 19 (1242/2021)

Remedy of lack of conformity

The consumer has the right to require the remedy of a lack of conformity. The remedy shall be carried out within a reasonable period of time and without causing the consumer any costs or

significant inconvenience, taking account of the nature of the digital content or service and the purpose for which the consumer required the digital content or service.

The trader is not, however, obliged to remedy a lack of conformity if there is an obstacle to this that is insurmountable for the trader or if this would incur disproportionate costs to the trader. Particular account shall be taken in this of the significance of the lack of conformity and of the value of the digital content or service in the absence of the lack of conformity.

Section 20 (1242/2021)

Price reduction and termination of contract

The consumer may require a price reduction provided that the digital content or service is supplied in exchange for a payment of a price, or terminate the contract, if:

- 1) the remedy of the lack of conformity is not possible for reasons referred to in section 19, subsection 2;
- 2) the trader has not remedied the lack of conformity in the manner required by section 19, subsection 1;
- 3) the trader has declared, or it is clear from the circumstances, that the trader will not remedy the lack of conformity within a reasonable time or without significant inconvenience to the consumer;
- 4) the lack of conformity of the digital content or service appears despite the trader's attempt to bring the digital content or service into conformity as required in this chapter.

Notwithstanding the provisions of subsection 1, the consumer may require the price to be reduced provided that the digital content or service is supplied in exchange for a payment of a price, or the contract to be terminated immediately, if the lack of conformity is of such serious nature that remedying it is not possible.

If the digital content or service is supplied in exchange for the payment of a price, the right to terminate the contract does not, however, exist if the lack of conformity is minor. The burden of proof with regard to whether the lack of conformity is minor is on the trader.

Section 21 (1242/2021)

Determination of price reduction

The price reduction shall be proportionate to the decrease in the value of the digital content or service which was supplied to the consumer compared to the value that the digital content or service would have if it were in conformity with the requirements of this chapter.

In the case of a continuous supply of digital content or a digital service over a period time, the right to a price reduction applies to the period of time during which the digital content or service has not been in conformity.

Section 22 (1242/2021)

Damages for lack of conformity

The consumer has the right to damages for any loss or damage suffered by the consumer due to a lack of conformity in digital content or a digital service. The liability in damages covers personal injury, damage to property and financial loss suffered by the consumer due to the lack of conformity. The trader is, however, liable in damages for indirect loss or damage referred to in section 9, subsections 3 and 4 above only if the lack of conformity or the loss or damage is due to negligence on the part of the trader or if the digital content or service at the time of the conclusion of the contract or, in the case of the supply of digital content or service over a period of time, during that period of time deviated from a specific undertaking by the trader.

Notwithstanding the provisions of subsection 1, the consumer always has the right to damages for loss or damage due to a lack of conformity due to a third-party claim existing at the time of the conclusion of the contract that the consumer was not aware of, nor should have been aware of.

A member of the consumer's family who suffers loss or damage due to a lack of conformity has the same right to compensation as the consumer.

Section 23 (1242/2021)

Damage to other property

If a lack of conformity in digital content or a digital service causes damage to other property, the provisions of section 22 apply to the trader's liability in damages only if the damage is caused to property directly connected through a usage context with the digital content or service.

If the trader pays damages under subsection 1, any right of the beneficiary to claim compensation for injury or damage under the Product Liability Act is transferred respectively to the trader. The provisions of section 10 of the Product Liability Act also apply to the trader's right to damages.

Impacts of termination of contract

Section 24 (1242/2021)

Impacts of termination of contract on payments

In the event of the termination of the contract, the trader is obliged to reimburse the consumer for all sums paid under the contract. However, in cases where the contract provides for the supply of the digital content or service in exchange for a payment of a price and over a period of time, and the digital content or service had been in conformity with the requirements of this chapter for a period of time prior to the termination of the contract, the trader is obliged to reimburse the consumer only for the part of the price paid corresponding to the period of time during which the digital content or service was not in conformity with the requirements of this chapter, and any part of the price paid by the consumer in advance for any period of the contract that would have remained had the contract not been terminated.

The consumer is not liable to pay for any use made of the digital content or service in the period, prior to the termination of the contract, during which the digital content or service was not in conformity with the requirements of this chapter.

Section 25 (1242/2021)

Impacts of termination of contract on use of digital content or service

In the event of the termination of the contract, the consumer shall refrain from using the digital content or service and from making it available to third parties. Where the digital content was supplied on a carrier medium, the consumer shall, at the request and at the expense of the trader, return the medium to the trader without undue delay. The trader shall make that request within 14 days from the date on which the trader is informed of the consumer's decision to terminate the contract.

When the contract is terminated, the trader has the right to make the digital content or service inaccessible by the consumer, disable the user account of the consumer or in another manner prevent the use of the digital content or service by the consumer, unless otherwise provided in subsection 4.

The trader shall refrain from using the content which was provided or created by the consumer through the use of the digital content or service supplied by the trader unless:

- 1) the content has no utility outside the context of the digital content or service supplied by the trader;

- 2) the content only relates to the consumer's activity when using the digital content or service supplied by the trader;
- 3) the content has been aggregated with other data by the trader and cannot be disaggregated or only with disproportionate efforts; or
- 4) the content has been generated jointly by the consumer and other consumers, and other consumers are able to continue to make use of the content.

In cases other than those referred to in subsection 3, paragraphs 1–3, the trader shall, at the request of the consumer, make available to the consumer any content which was provided or created by the consumer when using the digital content or service supplied by the trader. This shall be provided free of charge within a reasonable time and in a commonly used and machine-readable format.

The provisions of subsections 3 and 4 do not apply to personal data. Provisions on the use of personal data are laid down in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (*General Data Protection Regulation*).

Other provisions

Section 26 (1242/2021)

Reimbursement of payments

Any reimbursement of payments laid down in this chapter shall be carried out by the trader free of charge, without undue delay and no later than within 14 days from the date on which the trader is informed by the consumer of the consumer's decision to require a price reduction or the termination of the contract. Where the digital content was supplied on a carrier medium, the trader may, however, refrain from the reimbursement of payments after having submitted a request referred to in section 25, subsection 1 until the carrier medium has been returned to the trader.

The trader shall carry out the reimbursement of payments received by the trader using the same means of payment as the consumer used in the initial transaction unless the consumer expressly agrees to some other arrangement. The consumer shall not incur any costs as a result of the reimbursement of payments.

Section 27 (1242/2021)

Modification of digital content or service

In the case of the supply of digital content or a digital service over a period of time, the trader may modify the digital content or service beyond what is necessary to keep the digital content or service in conformity if:

- 1) the trader's right to unilaterally modify the digital content or service for a valid reason specified in the contract has been agreed in the contract;
- 2) the modification is made without additional cost to the consumer; and
- 3) the consumer is informed in a clear and comprehensible manner of the modification.

If the modification referred to in subsection 1 negatively impacts the consumer's access to or use of the digital content or service, the consumer shall be informed in good time on a durable medium of the features and time of the modification and of the right under subsection 3 to terminate the contract or of the possibility to maintain the digital content or service without such a modification. The information has been provided on a durable medium when it has been provided personally on paper or electronically in a manner which allows the unchanged storage and reproduction of the information by the recipient.

If the modification of the digital content or service negatively impacts the consumer's access to or use of the digital content or service, the consumer has the right to terminate the contract free of charge within 30 days from the receipt of the information on the modification or of the time when the digital content or service has been modified by the trader, whichever is the later. The right to terminate the contract does not, however, exist if the negative impact of the modification is minor. The right to terminate the contract does not exist, either, when the trader has enabled the consumer to maintain without additional cost the digital content or service without the modification, and the digital content or digital service remains in conformity with the requirements of this chapter.

If the consumer terminates the contract under subsection 3, the provisions of sections 24–26 apply to the termination.

Section 28 (1242/2021)

Limitation of loss or damage and adjustment of damages

The consumer shall take reasonable measures to limit their loss or damage. Should they fail to comply with this, they themselves shall suffer the corresponding share of the loss or damage.

Damages payable on the basis of a breach of contract may be adjusted if they are disproportionate taking account of the cause of the breach of contract, the consumer's possible contribution to the loss or damage, the price of the digital content or service, the possibilities of the party causing the loss or damage to anticipate and prevent the occurrence of the loss or damage, as well as any other circumstances.

Section 29 (1242/2021)

Statute of limitations on claims for compensation

Provisions on the limitation period for the consumer's claim for compensation are laid down in the Act on the Statute of Limitations on Debt.

Chapter 6 (1211/2013)

Off-premises selling and distance selling

Section 1 (1211/2013)

Scope of application

This chapter lays down provisions on the off-premises selling and distance selling of consumer goods and services.

Section 2 (1211/2013)

Limitations of scope of application

The provisions of this chapter do not apply to:

- 1) a contract for a financial service or instrument;
- 2) a contract for the sale or rental of immovable property or for any other right in immovable property;
- 3) a contract under the scope of application of the Housing Transactions Act;
- 4) a contract for the assignment of a right of occupancy referred to in the Right-of-Occupancy Housing Act;
- 5) a residential lease agreement referred to in the Act on Residential Leases;

6) a contract under the scope of application of chapter 10;

Paragraph 7 was repealed by Act 902/2017.

8) a contract for a service under the scope of application of the Lotteries Act;

9) a contract concluded by means of automated vending machines or automated commercial premises;

10) a contract concluded with a telecommunications operator through the use of a public payphone;

11) a contract concerning individual deliveries of foodstuffs or other daily consumer goods to the consumer's residence or workplace using a regularly operating distribution system.

Section 3 (1211/2013)

Certain limitations of scope of application in off-premises selling

The provisions of this chapter on off-premises selling do not apply if the price of the consumer good or service is lower than EUR 30. However, the provisions of this chapter do apply where multiple consumer goods or services the total price of which is a minimum of EUR 30 are sold at the same time, or if the contract concerns the continuous or recurring delivery of goods or services.

When providing a service in a place where the trader arrives at the consumer's express request, the provisions of this chapter on off-premises selling also do not apply to:

1) a contract concerning social services;

2) a contract concerning health services provided for a consumer by a health professional to assess, maintain or restore the health of the consumer.

Section 4 (1211/2013)

Application of provisions to certain services

Only section 12, subsections 2 and 3 as well as sections 12a and 25 apply to contracts concerning passenger transport services and to travel packages referred to in the Act on Travel Service Combinations. (693/2022)

In the case of a single service provided over the telephone, the contract for which is concluded immediately upon the consumer establishing a connection with the service provider, section 12, subsections 2–4 and sections 13 and 14 do not apply.

In the case of a contract that concerns communications services referred to in the Act on Electronic Communications Services, section 12a does not apply. (693/2022)

Section 5 (1211/2013)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void unless otherwise provided below.

Section 6 (1211/2013)

Definitions relating to off-premises selling

Off-premises contract means any contract concluded, or any contract concerning which an offer was made by the consumer, in the simultaneous physical presence of the parties in a place which is not the business premises of the trader. Off-premises contract also means any contract concluded:

- 1) on the business premises of the trader or through any means of distance communication immediately after the consumer was personally and individually addressed in a place which is not the business premises of the trader; or
- 2) during an excursion organised by the trader with the aim or effect of promoting and selling consumer goods or services to the consumer.

Business premises means:

- 1) any immovable sales premises where the trader offers consumer goods or services on a permanent or seasonal basis;
- 2) any movable sales premises where the trader offers consumer goods or services on a usual or seasonal basis.

Section 7 (1211/2013)

Definitions relating to distance selling

Distance contract means any consumer goods or service contract concluded under an organised distance sales or service-provision scheme without the simultaneous physical presence of the parties and with the exclusive use of one or more means of distance communication.

Means of distance communication means telephone, post, television, information network or other means that can be used to conclude a contract without the simultaneous physical presence of the parties.

Section 8 (1211/2013)

Other definitions

For the purposes of this chapter:

- 1) *ancillary contract* means a contract for consumer goods or services, relating to an off-premises or distance contract, that are supplied by the trader or a third party on the basis of a contract or another arrangement between that third party and the trader;
- 2) *provision of information on a durable medium* means the provision of information personally on paper or electronically in a way that allows the unchanged storage and replication of the information by the recipient;
- 3) *supply of digital content* means the supply of data produced and supplied electronically in a digital form through downloading, streaming or any other corresponding manner; (693/2022)
- 4) *online marketplace* means a service which provides the consumer with the opportunity to conclude distance contracts with other traders than the provider of the online marketplace or with private persons and which uses a website, application or other software or its part; (693/2022)
- 5) *provider of an online marketplace* means any trader who provides an online marketplace to consumers; (693/2022)
- 6) *ranking* means the relative prominence given by the trader to consumer goods or services as presented, organised or communicated by the trader to the consumer. (693/2022)

Section 9 (1211/2013)

Information to be provided prior to concluding contract

Before the conclusion of an off-premises or distance contract, the consumer shall be provided with the following information:

- 1) the main characteristics of the consumer good or service, to the extent appropriate taking account of the consumer good or service and the means of communication used;
- 2) the name of the trader;
- 3) the geographical address of the trader in the state of establishment and, where the trader is acting as an agent or representative of another trader, the name and geographical address of the trader's principal;
- 4) the telephone number and email address of the trader and, where necessary, the details of any other means of electronic communication allowing the consumer to contact the trader quickly and communicate with the trader efficiently and enabling the unchanged storage and replication of the correspondence with the trader by the consumer; (693/2022)
- 5) if different from the address referred to in paragraph 3, the geographical address of the place of business of the trader where the consumer can address any complaints and, where the trader is acting as an agent or representative of another trader, the same details of the trader's principal;
- 6) the total price of the consumer good or service inclusive of taxes or, where the nature of the good or service is such that the exact price cannot reasonably be calculated in advance, the price determination criteria and, where necessary, the fact that the price was personalised on the basis of automated decision-making; (693/2022)
- 7) where necessary, any delivery and other charges not included in the total price for the consumer goods or services or, where these costs cannot reasonably be calculated in advance, the fact that such additional charges may be payable;
- 8) the cost of using the means of distance communication for the conclusion of the contract where that cost is higher than the basic rate;
- 9) the terms concerning payment, delivery and other performance of the contract and, where necessary, the customer complaint handling policy;
- 10) where necessary, the conditions, time limits and procedures for exercising the right of withdrawal;

- 11) where necessary, that the consumer will have to bear the cost of returning the goods in case of withdrawal from the contract by the consumer and, for distance selling, if the goods, by their nature, cannot normally be returned in the usual manner by post, the cost of returning the goods;
- 12) that, if the consumer exercises the right of withdrawal after having made a request concerning the performance of the service referred to in section 15, subsection 1, the consumer is liable to pay the trader reasonable costs referred to in section 19, subsection 1;
- 13) where necessary, the information that the consumer will not benefit from the right of withdrawal or the circumstances under which the consumer may lose the right of withdrawal;
- 14) a reminder of the existence of a legal guarantee of conformity for goods as well as digital content and services; (693/2022)
- 15) where necessary, the existence and the conditions of customer assistance, other after-sales services and guarantees;
- 16) the existence of codes of conduct and, where necessary, how copies of them can be obtained;
- 17) where necessary, the duration of the contract or, where the contract is of indeterminate duration or is to be extended automatically, the conditions for terminating the contract;
- 18) where necessary, the minimum duration of the consumer's obligations under the contract;
- 19) where necessary, the existence and the conditions of financial guarantees that the trader requires from the consumer;
- 20) where necessary, the functionality, including applicable technical protection measures, of a good with digital elements and of digital content or a digital service, and any compatibility and interoperability of such a consumer good or service that the trader is aware of or can reasonably be expected to be aware of; (693/2022)
- 21) the possibility and methods of referring a dispute to be considered by the Consumer Disputes Board or another equivalent body.

In an auction that can be attended by the consumer also in a manner other than through a means of distance communication, the information referred to in subsection 1, paragraphs 2–5 may be replaced by equivalent details of the auctioneer.

If the consumer has the right of withdrawal under the off-premises or distance contract, the consumer shall, in addition to the information referred to in subsection 1, paragraph 10, be provided with a withdrawal form. The information referred to in subsection 1, paragraphs 10–12 above may be provided in the instructions on withdrawal. Provisions on the format and contents of the withdrawal form and instructions are laid down by decree of the Ministry of Justice.

Section 9a (693/2022)

Obligations of provider of online marketplace to provide information

If the contract is concluded on an online marketplace, the provider of the marketplace shall, before concluding the contract, provide the consumer with the following information in a manner that is clear, comprehensible and appropriate to the means of distance communication:

- 1) the information referred to in chapter 2, section 8d, subsection 1;
- 2) whether the third party offering the consumer goods or services is a trader or not, on the basis of the declaration of that third party, and where the third party is not a trader, that the rights arising from consumer protection law do not apply;
- 3) where necessary, how the obligations related to the contract are shared between the third party offering the consumer good or service and the provider of the online marketplace.

Section 10 (1211/2013)

Certain other consumer information

In telemarketing, the trader shall immediately at the beginning of a telephone call disclose the trader's name and, where necessary, the name of the person on whose behalf the trader is acting, as well as the commercial purpose of the call.

Trading websites shall indicate clearly at or before the beginning of the ordering process whether any delivery restrictions apply and which means of payment are accepted.

Section 11 (1211/2013)

Provision of prior information in off-premises selling

In off-premises selling, the information referred to in section 9 as well as the withdrawal form and the instructions on withdrawal shall be given to the consumer clearly and comprehensibly on paper or, if the consumer agrees, on another durable medium.

Section 12 (1211/2013)

Provision of prior information in distance selling

In distance selling, the information referred to in section 9 as well as the withdrawal form and the instructions on withdrawal shall be given or made available to the consumer in a clear and comprehensible manner appropriate to the means of distance communication. If the information, form or instructions are provided on a durable medium, they shall be legible.

If a contract to be concluded by electronic means places the consumer under an obligation to pay, the consumer shall be made aware in a clear manner, and directly before the consumer places their order, of the matters referred to in section 9, subsection 1, paragraphs 1, 6, 7, 17 and 18. The trader shall also ensure that the consumer explicitly acknowledges that the order implies an obligation to pay.

If the trader has not complied with the provision of subsection 2 on the consumer's explicit acknowledgment, the consumer is not bound by the contract. Should the consumer wish to rely on the contract being non-binding, the consumer shall notify this to the trader no later than one year from the conclusion of the contract. If the contract lapses when the consumer has relied on it being non-binding, the trader shall without delay and no later than 30 days from having received the notification reimburse any payments received by the trader and reimburse to the consumer the cost of returning the goods.

If the contract is concluded through a means of distance communication which allows limited space or time to display the information, the trader shall provide, on that particular means prior to the conclusion of such a contract, at least the information referred to in section 9, subsection 1, paragraphs 1, 2, 6, 7, 10 and 17.

Section 12a (693/2022)

Conclusion of contract in telemarketing

If the trader offers the consumer a consumer good or service over the telephone and the consumer in that context states their willingness to conclude a contract with the trader, the trader shall after the telephone conversation provide the consumer with the trader's offer on paper or on another durable medium. If the consumer has not after the telephone conversation accepted on a durable medium the offer provided by the trader on a durable medium, the consumer is not bound

by the contract and the consumer shall therefore not be required to make payments, return or retain the consumer goods or carry out any other measure.

The consumer shall be notified in conjunction with being provided with an offer in accordance with subsection 1 that, should the consumer not accept the offer on a durable medium, the consumer is not bound by the contract and is not obliged to pay for the consumer good or service or to return or retain it. The burden of proof of the consumer having been provided with the offer in a manner required by subsection 1 and the consumer having received the notification referred to in this subsection is on the trader.

The provisions of this section do not apply if the consumer has at their own initiative contacted the trader or if the trader has contacted the consumer at the consumer's explicit request.

Section 13 (1211/2013)

Confirmation of information

In off-premises selling, the trader shall provide the consumer with a copy of the confirmation of the contract or a copy of the signed contract on paper or, if the consumer agrees, on another durable medium.

In distance selling, the trader shall provide the consumer with a confirmation of the concluded contract within a reasonable period of time after the conclusion of the distance contract and at the latest by the time of delivery of the goods or before the performance of the service begins. The confirmation shall be provided on a durable medium and shall include all of the information referred to in section 9 as well as the withdrawal form and the instructions on withdrawal unless the trader has already provided that information to the consumer on a durable medium before that.

If the electronic supply of digital content begins before the end of the withdrawal period, the confirmation shall also include the consumer's prior express consent and acknowledgement that they will lose the right of withdrawal referred to in section 15, subsection 2. (693/2022)

Section 13a (693/2022)

Burden of proof of obligations concerning provision of information having been fulfilled

The burden of proof of the trader having fulfilled the trader's obligations in accordance with sections 9, 9a, 10–12 and 13 is on the trader.

Section 14 (1211/2013)

Right of withdrawal

The consumer has the right to withdraw from an off-premises or distance contract by informing the trader about this by means of submitting the withdrawal form or any other unequivocal statement no later than 14 days from the conclusion of the service contract or the contract for the electronic supply of digital content, in the case of a sales contract from the receipt of the goods or the last instalment of goods or, in the case of the regular delivery of goods, from the receipt of the first instalment of goods.

If the trader has failed to provide the consumer with the information referred to in section 9, subsection 1, paragraph 10, the withdrawal period expires in 12 months from the expiry of the time limit referred to in subsection 1 of this section or, if the trader corrects this shortcoming during that period, in 14 days from the date on which the consumer received the information.

If the trader provides the consumer with the option to submit a notification of withdrawal via the trader's website, the trader shall communicate to the consumer without delay on a durable medium an acknowledgement of receipt of the withdrawal notification.

The burden of proof of the withdrawal from the contract having been carried out as required by this section is on the consumer. (572/2020)

Section 15 (693/2022)

Performance of service before expiry of withdrawal period

If the contract places the consumer under an obligation to pay, the performance of a service other than a service relating to digital content may begin before the expiry of any withdrawal period provided that the consumer has explicitly requested this and acknowledged that the consumer will no longer have the right of withdrawal once the contract has been fully performed by the trader. In off-premises selling, the request shall be made on a durable medium.

If the contract places the consumer under an obligation to pay, the electronic supply of digital content may begin before the expiry of any withdrawal period if the consumer has given their prior express consent to the beginning of the performance of the contract during the withdrawal period and acknowledged that the consumer loses their right of withdrawal when giving their consent. The trader shall provide a confirmation of the consumer's prior express consent and acknowledgement in the manner referred to in section 13.

Section 16 (1211/2013)

Limitations of right of withdrawal

Unless otherwise agreed, the consumer does not have the right of withdrawal laid down in section 14 if:

- 1) the service has been fully performed and, if the contract places the consumer under an obligation to pay, the performance of the contract began when the consumer made a request referred to in section 15, subsection 1 and acknowledged that the consumer will lose their right of withdrawal once the contract has been fully performed by the trader; (693/2022)
- 2) the price of the consumer good or service is dependent on fluctuations in the financial market which cannot be controlled by the trader and which may occur within the withdrawal period;
- 3) the contract concerns goods made to the customer's specifications or clearly personalised;
- 4) the contract concerns goods which are liable to deteriorate or expire rapidly or which are, after delivery, according to their nature, inseparably mixed with other items;
- 5) the supply of sealed goods which are not suitable for return due to health protection or hygiene reasons and have been unsealed;
- 6) the contract concerns the supply of alcoholic beverages, the price of which has been agreed upon at the time of the conclusion of the contract, the delivery of which can only take place after 30 days and the actual value of which is dependent on fluctuations in the market which cannot be controlled by the trader;
- 7) the contract concerns urgent repairs or maintenance in a place that the trader is specifically requested by the customer to visit;
- 8) the supply of sealed audio or sealed video recordings or sealed computer software which has been unsealed;
- 9) the supply of a single copy of a newspaper, periodical or magazine;
- 10) the contract has been concluded in an auction that can be attended by the consumer also in a manner other than through a means of distance communication;
- 11) the contract concerns the provision of accommodation other than for residential purposes, transport of goods, car rental services, catering or services related to leisure activities and the contract provides for a specific date or period of performance; (693/2022)

12) the electronic supply of digital content has begun and, if the contract places the consumer under the obligation to pay:

- a) the consumer has given their prior express consent to the beginning of the performance of the contract during the withdrawal period;
- b) the consumer has acknowledged that they will not have the right of withdrawal in such a case; and
- c) the trader has provided the consumer with the confirmation referred to in section 13.

(693/2022)

Notwithstanding the provisions of subsection 1, paragraph 7, the consumer has the right of withdrawal laid down in section 14 where, on the occasion of a visit referred to in the said paragraph, the trader provides services in addition to those specifically requested by the consumer or goods other than replacement parts necessarily used in carrying out the maintenance or in making the repairs. (572/2020)

Notwithstanding the provisions of subsection 1, paragraphs 1 and 3, the consumer has the right of withdrawal in accordance with section 14 in off-premises selling if the contract was concluded in conjunction with a home visit made by the trader without the consumer's request. (693/2022)

Section 17 (1211/2013)

Return of goods and reimbursement of payments

If the consumer withdraws from an off-premises or distance contract, the consumer shall return the goods received by them without delay and no later than 14 days after having submitted the withdrawal notification unless the trader has undertaken to collect the goods. The consumer shall bear the direct costs of returning the goods unless the trader has undertaken to bear them.

Provisions on the consumer's right not to pay the costs referred to above if the trader has failed to inform about them are laid down in section 24, subsection 1.

If in the case of off-premises selling the goods have been delivered to the consumer's home in conjunction with the conclusion of the contract, the trader shall, however, at the trader's own expense collect the goods if, by their nature, those goods cannot normally be returned by post.

The trader shall, without delay and no later than 14 days after the trader's receipt of the withdrawal notification, reimburse the payments received from the consumer except for any supplementary costs arising from a type of delivery, other than the least expensive type of

standard delivery offered by the trader, that the consumer has opted for. Unless the trader is obliged to collect the goods themselves, the trader may, however, withhold the reimbursement until the trader has received the goods back or until the consumer has supplied evidence of having sent back the goods.

The trader shall carry out the reimbursement of payments received by the trader using the same means of payment as the consumer used in the initial transaction unless the consumer has expressly consented to another arrangement. The consumer shall not incur any costs as a result of such reimbursement.

Section 17a (693/2022)

Parties' rights and obligations when consumer withdraws from contract for digital content or service

If the consumer withdraws from the contract, the consumer shall refrain from using the digital content or service and from making it available to third parties. When the contract is withdrawn from, the trader has the right to make the digital content or service inaccessible by the consumer, disable the user account of the consumer or in another manner prevent the use of the digital content or service unless otherwise provided in subsection 3.

The trader shall refrain from using the content which was provided or created by the consumer through the use of the digital content or service unless:

- 1) the content has no utility outside the context of the digital content or service supplied by the trader;
- 2) the content only relates to the consumer's activity when using the digital content or service supplied by the trader;
- 3) the content has been aggregated with other data by the trader and cannot be disaggregated or only with disproportionate efforts; or
- 4) the content has been generated jointly by the consumer and other consumers, and other consumers are able to continue to make use of the content.

In cases other than those referred to in subsection 2, paragraphs 1–3, the trader shall, at the request of the consumer, make available to the consumer any content which was provided or created by the consumer when using the digital content or service supplied by the trader. The

request shall be carried out free of charge within a reasonable time and in a commonly used and machine-readable format.

The provisions of subsections 2 and 3 do not apply to personal data. Provisions on the use of personal data are laid down in Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (*General Data Protection Regulation*).

Section 18 (1211/2013)

Liability for goods received

If the consumer has received the goods, the consumer shall keep the goods essentially unchanged and unaltered until the consumer has decided to keep the goods.

If the consumer, however, withdraws from the contract after having taken the goods into use, the consumer is liable for any reduction in the value of the goods. The goods are not deemed as having been taken into use if the consumer has handled the goods only as necessary to establish the nature, characteristics and functioning of the goods.

The consumer is not liable for any reduction in value if the trader has failed to provide the consumer with the information on the right of withdrawal referred to in section 9, subsection 1, paragraph 10.

Section 19 (572/2020)

Compensation for service performed before withdrawal

If the performance of a service other than a service concerning digital content has begun before the expiry of the withdrawal period, the consumer shall, in the event of withdrawal, pay the trader reasonable compensation for the performance carried out to perform the contract until the submission of the withdrawal notification. The amount of compensation is calculated on the basis of the total price under the contract. If the total price is unreasonable, the amount to be paid is calculated on the basis of the market value of the service performed for the consumer.

The consumer is not, however, liable to pay for a service performed in full or in part during the withdrawal period if the trader has failed to provide the consumer with the information referred to in section 9, subsection 1, paragraph 10 or 12 or if the trader has begun the performance of the contract without the consumer's express request referred to in section 15, subsection 1.

Section 20 (1211/2013)

Retention and return of goods in certain cases

If the trader is obliged in off-premises selling to collect the goods from the consumer, the consumer shall in the event of withdrawal keep the received goods accessible by the trader in the place where the trader delivered the goods or from where the trader can collect the goods without difficulty. The consumer shall notify the trader of the place from where the goods can be collected.

The consumer's liability for the retention of the goods on behalf of the trader ends in two months from the receipt of the goods. The consumer may keep the goods without remuneration if the trader fails to collect the goods within the said period of time unless this is manifestly unreasonable for the trader.

Section 21 (1211/2013)

Termination of credit agreement or insurance contract

If the consumer withdraws from an off-premises or distance contract, any ancillary credit agreement or insurance contract is automatically terminated.

In the event of the termination of an ancillary credit agreement or insurance contract, the creditor or insurance provider shall without delay and no later than 30 days from having been informed of the termination of the contract reimburse any payments received by the creditor or insurance provider from the consumer. Provisions on the insurance provider's right to require payment for any insurance cover received by the policyholder before the termination of an ancillary insurance policy are laid down in section 45 of the Insurance Contracts Act (543/1994).

Section 22 (1211/2013)

Termination of other ancillary contracts

If the consumer withdraws from an off-premises or distance contract, any ancillary contract other than those referred to in section 21 is automatically terminated. The consumer shall not incur any costs as a result of the termination other than any costs payable under sections 17–19.

Section 23 (1211/2013)

Interest for late payment

Provisions on the consumer's right to interest for late payment in situations where a trader or a creditor or insurance provider liable for the reimbursement of a price or other payment has failed to reimburse a payment made by the consumer within the period of time laid down in section 12, 17 or 21 are laid down in the Interest Act.

Section 24 (1211/2013)

Consequences of violations of certain provisions of the chapter

If the trader has failed to provide the consumer before the conclusion of the contract the information concerning additional costs or other costs referred to in section 9, subsection 1, paragraphs 6, 7 or 11, the consumer is not obliged to pay them.

In the case of a contract for electronically supplied digital content, the consumer is not obliged to pay for a service performed in full or in part if:

- 1) the supply of the digital content began during the withdrawal period without the consumer's prior express consent or acknowledgement referred to in section 15, subsection 2; (693/2022)
- 2) the consumer has not acknowledged that the consumer loses their right of withdrawal when giving their consent; or
- 3) the trader has failed to provide the consumer with the confirmation referred to in section 13.

The consumer is not bound by the contract if the trader in off-premises selling has failed to provide the consumer with the information referred to in section 9, subsection 1, paragraph 13 in the manner laid down in section 11 before the conclusion of the contract. Should the consumer wish to rely on the contract being non-binding, the consumer shall notify this to the trader within 12 months from the conclusion of the contract. If the contract lapses when the consumer has relied on it being non-binding, the trader shall without delay and no later than 30 days from having received the notification reimburse any payments received by the trader and reimburse to the consumer the cost of returning the goods or other performance. (693/2022)

Section 25 (1211/2013)

Consequences of violations of provisions of the chapter

In addition to the provisions of this chapter on consequences, where necessary for consumer protection, a prohibitory injunction may be imposed on a trader that violates the provisions of this chapter to refrain from continuing or repeating such a practice or a comparable practice.

Provisions on the imposition of a prohibitory injunction and its enforcement by a notice of a conditional fine are laid down in chapters 2 and 3.

Provisions on penalty fees imposed for violations of provisions of section 9 of this chapter and provisions laid down under it as well as of provisions of section 9a; sections 10–12, sections 12a and 13; and section 14, subsections 1 and 2; section 17, subsections 2–4; and section 17a,

subsections 1–3 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities. (693/2022)

Chapter 6a (29/2005)

Distance selling of financial services and financial instruments

Section 1 (29/2005)

Scope of application

This chapter lays down provisions on distance selling where a trader offers to a consumer:

- 1) deposit or customer accounts;
- 2) payment transfer services;
- 3) credits or credit intermediation;
- 4) insurance policies or insurance intermediation;
- 5) units in funds or other securities to which the Securities Markets Act applies;
- 6) securities brokerage or other investment services;
- 7) investment advice; or
- 8) other financial services or financial instruments.

The provisions of this chapter below on financial services also apply to financial instruments.

Section 2 (29/2005)

Limitations of application of provisions in certain cases

If a distance contract between a trader and a consumer concerns the continuous or recurrent supply of financial services of the same nature, the provisions of this chapter do not apply to individual service performances based on the contract.

If the same parties conclude recurrent contracts on financial services of the same kind, sections 5–11 of this chapter only apply to the first contract. However, sections 5–11 also apply if a period longer than one year has elapsed since the previous contract.

Section 11b does not apply to consumer credit falling within the scope of application of chapter 7 or 7a of this Act. (693/2022)

Section 3 (29/2005)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void.

Section 4 (29/2005)

Definitions

Distance selling means in this chapter the supply of a financial service to a consumer by using a distance provision scheme organised by the trader where the conclusion of the contract and the pre-contract marketing make exclusive use of one or more means of distance communication.

Distance provision scheme means a method of marketing or selling organised in such a way that its primary aim can be deemed to be the conclusion of contracts using a means of distance communication.

Means of distance communication means telephone, post, television, information network or other means that can be used to conclude a contract without the simultaneous physical presence of the parties.

Section 5 (29/2005)

Obligation to provide information before concluding contract

Besides other legal provisions elsewhere on obligations to provide information, the consumer shall be provided in good time before concluding the contract the information referred to in sections 6–9 on the trader, the financial service to be supplied, the distance contract and the legal remedies. The information shall be provided in a way that is appropriate to the means of distance communication, that is clear and comprehensible and that clearly discloses the commercial purpose of the information.

Section 6 (29/2005)

Prior information on trader

At least the following information shall be provided on the trader:

- 1) name and principal activity, geographical address in the state of establishment and the geographical address of the place of business managing customer relations;

- 2) any branch or other representative in the consumer's state of residence and the geographical address of the place of business of the branch or representative where customer relations are managed;
- 3) the name of the intermediary or agent acting on behalf of the trader, the geographical address of the place of business managing customer relations, and information on the representation nature of the activity, when the consumer deals with an intermediary or agent;
- 4) any trade register or other similar public register in which the trader is entered, and the trader's business identity code or other similar identifier in the register;
- 5) where the activity is subject to authorisation or registration, the particulars of the relevant supervisory authority.

Section 7 (29/2005)

Prior information on financial service

At least the following information shall be provided on the financial service:

- 1) a description of the main characteristics of the financial service;
- 2) the total amount of fees, charges and other costs, including taxes, to be paid by the consumer or, when an exact amount cannot be indicated, the criteria for determining the costs;
- 3) notice of any possible capital gains tax, asset transfer tax and similar taxes or public charges relating to the acquisition of financial services of which the trader is aware and which the consumer may have to pay in addition to the costs payable to the trader referred to in paragraph 2;
- 4) the arrangements for payment of costs and performance of contract;
- 5) any costs arising from using the means of distance communication, if a charge additional to the basic rate is charged;
- 6) where necessary, notice indicating that the financial service may involve the risk of losing the funds invested or any other special risk and that past performance concerning price or value is no guarantee of future performance;
- 7) any limitations of the period for which the information provided is valid.

Section 8 (29/2005)

Prior information on distance contract

At least the following information shall be provided on the distance contract:

- 1) the existence of a right of withdrawal, or the absence of the right under the law;
- 2) the withdrawal period, the amount of compensation that may be required from the consumer due to withdrawal, or the criteria for determining the compensation if an exact amount of compensation cannot be indicated, as well as other conditions and instructions concerning the exercise of the right of withdrawal;
- 3) the minimum duration of the contract if the contract concerns financial services to be performed permanently or recurrently;
- 4) any right the parties may have to cancel, terminate or perform the contract early under the law or by virtue of a contractual term as well as the consequences of such measures;
- 5) the state on the basis of whose legislation the prior information is provided;
- 6) any contractual terms concerning law applicable to the contract and the competent court;
- 7) in which language or languages the consumer can receive the prior information and contractual terms in the manner laid down in section 11 and in which language or languages the trader undertakes to communicate during the duration of the contractual relationship.

Section 9 (29/2005)

Prior information on legal remedies

At least the following information shall be provided on legal remedies:

- 1) whether or not there is an out-of-court redress mechanism and, if so, the methods for having access to it;
- 2) the existence of guarantee funds or other compensation arrangements providing consumer protection not based on European Community legislation.

Section 10 (29/2005)

Prior information in telemarketing

In telemarketing, the name of the trader, the name of the person discussing with the consumer and the commercial purpose of the call shall be disclosed to the consumer immediately at the beginning of the conversation.

The trader need not provide all of the information specified in sections 6–9 over the telephone if the consumer gives their express consent to this. In such a case, the consumer shall be informed that other information is available to them on request and of what nature this information is. The following information shall, however, always be provided:

- 1) the relationship with the trader of the person discussing with the consumer, such as whether they are employed by the trader or an agent, other representative or intermediary acting on behalf of the trader;
- 2) a description of the main characteristics of the financial service;
- 3) the total amount of fees, charges and other costs, including taxes, to be paid for the performance of the financial service by the consumer or, when an exact amount cannot be indicated, the criteria for determining the costs;
- 4) notice of any possible capital gains tax, asset transfer tax and similar taxes or public charges relating to the acquisition of financial services of which the trader is aware and which the consumer may have to pay in addition to the costs payable to the trader referred to in paragraph 3;
- 5) the existence of a right of withdrawal, or the absence of the right under the law;
- 6) the withdrawal period, the amount of compensation that may be required from the consumer due to withdrawal or the criteria for determining the compensation if an exact amount cannot be indicated, as well as other conditions and instructions concerning the exercise of the right of withdrawal.

Section 11 (29/2005)

Communication of prior information and contractual terms on paper or on another durable medium

The prior information and contractual terms shall be communicated to the consumer in good time before the conclusion of the contract personally on paper or electronically in a way which allows its unchanged storage and reproduction by the consumer. The same applies to information that the

trader must under other legislation provide to the consumer before the conclusion of a contract for the financial service.

If the contract is concluded at the consumer's request using a means of distance communication which does not enable providing the information and the contractual terms on a durable medium as referred to in subsection 1 before the conclusion of the contract, the information and the contractual terms shall be provided on a durable medium without delay after the conclusion of the contract.

During the contractual relationship, the consumer has the right, at their request, to receive the contractual terms on paper.

Section 11a (851/2016)

Housing credits

The creditor is deemed to have fulfilled the information provision obligations laid down in sections 5–9 in the manner required by section 11 if the creditor has delivered the European Standardised Information Sheet form (*ESIS* form) concerning the housing credit offered to the consumer before the conclusion of the contract.

Section 11b (693/2022)

Conclusion of contract in telemarketing

If the trader offers the consumer a financial service over the telephone and the consumer in that context states their willingness to conclude a contract with the trader, the trader shall after the telephone conversation provide the consumer with the trader's offer on paper or on another durable medium. If the consumer has not after the telephone conversation accepted on a durable medium the offer provided by the trader on a durable medium, the consumer is not bound by the contract and the consumer shall therefore not be required to make payments, return or retain a performance or carry out any other measure.

Should the consumer wish to rely on the contract being non-binding, the consumer shall notify this to the trader within one year from the conclusion of the contract. If the contract lapses when the consumer has relied on it being non-binding, the trader shall without delay and no later than 30 days from having received the notification reimburse any payments received by the trader.

The consumer shall be notified in conjunction with being provided with an offer in accordance with subsection 1 that, should the consumer not accept the offer on a durable medium, the consumer is not bound by the contract if they inform the trader of this within one year from the conclusion of

the contract. The burden of proof of the consumer having been provided with the offer in a manner required by subsection 1 and the consumer having received the notification referred to in this subsection is on the trader.

The provisions of this section do not apply if the consumer has at their own initiative contacted the trader or if the trader has contacted the consumer at the consumer's explicit request.

Section 12 (746/2010)

Right of withdrawal

The consumer has the right to withdraw from the contract by informing the trader about this within 14 days from the conclusion of the contract or from a later date on which the consumer received the prior information and the contractual terms on a durable medium.

The provisions of subsection 1 and sections 14–16 on withdrawal from the contract do not apply to consumer credits and insurance policies. The provisions of section 13, subsection 1 also do not apply to consumer credits. Provisions on the consumer's right to withdraw from a consumer credit agreement and repay a consumer credit early are laid down in chapters 7 and 7a. Provisions on the policyholder's right to withdraw from or terminate an insurance contract are laid down in the Insurance Contracts Act. (851/2016)

Notwithstanding the provisions of subsection 2, the provisions of subsection 1, sections 14–16 and section 13, subsection 1 apply to credits granted by pawnbrokers.

Section 13 (1211/2013)

Termination of ancillary contract

Any ancillary contract related to a contract for the distance selling of a financial service is automatically terminated when the consumer withdraws from the principal contract if the ancillary service is also provided by the same trader. An ancillary contract is also terminated if a third party provides the ancillary service on the basis of a contract or other arrangement between the trader that concluded the principal contract and the third party.

Section 14 (29/2005)

Limitations of right of withdrawal

The consumer does not have the right of withdrawal laid down in section 12 if:

- 1) the price or value of the financial service or a related financial instrument is dependent on fluctuations in the financial market which cannot be controlled by the trader; or

2) the contracting parties have already fulfilled their contractual obligations in full at the consumer's explicit request.

Section 15 (29/2005)

Compensation for service performed before withdrawal

If the consumer withdraws from the contract, the consumer may be required to compensate only for such a service that the trader has actually performed under the contract before the withdrawal. The compensation shall not exceed the amount obtained by comparing the service performed with the services referred to in the contract in full.

If the trader has not disclosed the compensation or the criteria for its determination in advance or if the trader has begun the performance of the contract without the consumer's explicit request, the consumer need not compensate for the service performed.

Section 16 (29/2005)

Reimbursement of payments and assets

The consumer shall without delay and no later than 30 days from the date of dispatch of the withdrawal notification reimburse to the trader all of the payments and other assets received by the consumer under the contract on pain of the withdrawal otherwise lapsing. The consumer may, however, refrain from fulfilling their own reimbursement obligation until the trader fulfils their own equivalent obligation.

The trader shall without delay and no later than 30 days from the date of receipt of the withdrawal notification reimburse to the consumer all of the payments and assets received by the trader from the consumer under the contract. Any compensation that the trader under section 15 has the right to receive from the consumer for a service performed before the withdrawal from the contract may be deducted from the payments and assets reimbursed.

Section 17 (29/2005)

Limitation of choice-of-law clauses

A choice-of-law clause under which the law of a non-European Economic Area state is applied to the contract shall not prevail over provisions in force in a Member State of the European Economic Area applied, in the absence of a choice-of-law clause, to the distance selling of financial services if these provisions provide consumers with more effective protection than the law applied under the choice-of-law clause.

Section 18 (29/2005)

Consumer's right to change means of distance communication used

The consumer has the right to use during the contractual relationship also a means of distance communication other than they used when concluding the contract if the use of the other means of distance communication is not incompatible with the contract or the nature of the financial service.

Section 19 (693/2022)

Penalty fee for violation of provisions on distance selling of financial services

Provisions on penalty fees imposed for violations of provisions of sections 5–10; section 11, subsections 1 and 2; section 11b; section 12, subsection 1 and section 16, subsection 2 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities.

Chapter 7 (746/2010)

Consumer credits

General provisions

Section 1 (851/2016)

Scope of application

This chapter lays down provisions on consumer credits. *Consumer credit* means credit that a trader (*creditor*) under an agreement grants or promises to grant to a consumer in the form of a loan, deferred payment or other similar financial accommodation.

In the application of the provisions of this chapter, a lease or other such agreement under which the goods are handed over to the possession of the consumer, and under the terms of which the cash price of the goods and costs of credit will be paid during the lease period or the consumer can otherwise become the owner of the goods at the end of the agreement, is comparable to consumer credit.

In the application of the provisions of this chapter other than the provisions of section 16a, credit that a party other than the creditor grants or promises to grant to a consumer in the form of a loan, deferred payment or another equivalent financial arrangement is also comparable to consumer credit if a trader intermediates the credit to the consumer. In such cases, the trader intermediating the credit to the consumer shall ensure that the said provisions are complied with in the credit relationship.

In the application of the provisions of section 40, an identifier that provides access to an account or other financial service or financial instrument is comparable to an identifier providing access to the credit. In such cases, the provisions concerning the creditor apply to the trader that has concluded the agreement concerning the identifier with the consumer. (899/2017)

The provisions of this chapter do not apply to:

- 1) consumer credit for which no interest or other payments are charged;
- 2) credit based on an agreement under which the consumer has the right to pay the price of goods or services supplied on a continuing basis by means of instalments over the duration of the agreement;
- 3) credit granted by a pawnbroker;
- 4) credit granted under the Act on Social Lending (1133/2002);
- 5) housing credit or consumer credit secured by a residence falling under the scope of application of chapter 7a, unless otherwise provided in the said chapter.

Section 2 (746/2010)

Limitations of application of provisions in credits linked to current accounts and in payment arrangement agreements

The provisions of section 3; section 8, subsection 1, paragraphs 3–5 and subsection 3; sections 9–12; section 13, subsection 2, paragraph 2; sections 17, 18 and 20–23; section 24, subsections 2–4; sections 25, 27–32, 36–39 and 47 do not apply to consumer credit linked to a current account under the contractual terms of which the credit period is a maximum of three months or the credit must be repaid on demand.

Only sections 5–7, 47, 50 and 51 apply to consumer credit granted by the creditor by allowing the overrunning of a current account or credit limit without this having been expressly agreed between the parties.

Sections 9–12 do not apply to a payment arrangement agreement, concluded due to a consumer's payment difficulties, the terms of which are not less favourable to the consumer than the initial credit agreement.

Section 3 (746/2010)

Limitations of application of provisions in certain other cases

Sections 9–11, section 13, subsection 2, paragraph 4 as well as sections 14 and 17 of this chapter do not apply to consumer credit where the credit period is a maximum of three months, no interest is charged and the other costs of credit payable expressed as an annual percentage rate of charge do not exceed the amount of interest referred to in section 4, subsection 1 of the Interest Act. Sections 14 and 17 apply, however, to running account credit. (207/2013)

Sections 15 and 16 of this chapter do not apply to goods-or-services-linked one-off credit. (851/2016)

Sections 18 and 39 of this chapter apply only to goods-or-services-linked credit and sections 36–38 only to goods-or-services-linked credit granted for the acquisition of goods.

Section 17a of this chapter does not apply to hire purchase agreements where the subject of the sale is a means of transport, including any accessories, to be registered in the transport register referred to in the Act on Transport Services (320/2017). The said section applies, however, if the consumer has the right under the agreement to also withdraw funds. (596/2019)

Subsection 5 was temporarily in force from 1 July 2020 to 31 December 2020 under Act 512/2020 and from 1 January 2021 to 30 September 2021 under Act 1194/2020. (1194/2020)

Subsection 6 was temporarily in force from 1 January 2021 to 30 September 2021 under Act 1194/2020. (1194/2020)

Section 4 (746/2010)

Relationship with Payment Services Act

Sections 24, 30, 31 and 40 of this chapter do not apply to credit agreements within the scope of application of the Payment Services Act (290/2010).

Instead of section 32 of this chapter, section 57 of the Payment Services Act applies to blocking of payment instrument referred to in the Payment Services Act.

Section 5 (851/2016)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void. Any contractual term of a credit agreement referred to in section 1, subsection 3 that deviates from the provisions of the chapter to the detriment of the consumer is also null and void.

Section 6 (596/2019)

Costs of credit and interest

Costs of credit mean in this chapter the total amount of interest, costs and other charges which the consumer has to pay and which are known to the creditor; costs of credit also include the costs of any insurance policies and other ancillary services linked to the credit agreement if the conclusion of the contract for the ancillary service is a condition for the credit being granted on the terms and conditions marketed.

Costs of credit do not include:

- 1) costs payable for the account used for servicing the credit if opening the account is voluntary and the costs are broken down in the agreement;
- 2) payments to be made by the consumer due to any breach of agreement;
- 3) notarial costs.

Annual percentage rate of charge means in this chapter the percentage rate of interest obtained by calculating the costs of credit as an annual rate of interest for the amount of credit, taking account of repayments. Provisions on the method of calculation of the annual percentage rate of charge and the assumptions used in the calculation are laid down by decree of the Ministry of Justice.

Borrowing rate means in this chapter the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn.

Section 7 (746/2010)

Other definitions

For the purposes of this chapter:

- 1) *running account credit* means consumer credit available continuously to the consumer up to the credit limit agreed without a separate credit decision by the creditor;
- 2) *one-off credit* means consumer credit other than running account credit;
- 3) *goods-or-services-linked credit* means consumer credit granted for the acquisition of consumer goods or services that is granted by the seller or the service provider by themselves or by

another trader under a contract or another consumer credit provision arrangement concluded with the seller or service provider;

- 4) *staff* means persons employed by, or otherwise acting on behalf of, the creditor or credit intermediary who take part in the granting or intermediating of consumer credit and persons under whose direct management and supervision the former persons act; (851/2016)
- 5) *hire purchase* means the sale of goods under an agreement for which the price is paid in repayment instalments, one or more of which fall due after the delivery of the goods to the consumer (*buyer*), and where the trader (*seller*) has retained the right to either repossess the goods, if the buyer fails to fulfil an obligation of the buyer under the agreement, or the right of ownership to the goods until the price has been paid in full or at least a specific part of also those repayment instalments falling due after the delivery of the goods has been paid;
- 6) *credit intermediary* means a trader other than a creditor who presents or offers credit agreements to consumers or otherwise assists consumers in the conclusion of credit agreements or concludes credit agreements with consumers on behalf of a creditor;
- 7) *provision of information on a durable medium* means the provision of information to a consumer personally on paper or electronically in a way that allows the unchanged storage and replication of the information by the consumer.

Obligations to provide information

Section 8 (746/2010)

Information to be provided when advertising consumer credit

Advertising of consumer credit shall indicate the annual percentage rate of charge if the advertising indicates the borrowing rate or another figure relating to any cost payable for the credit or any other information concerning the terms of the credit agreement. In addition, in such cases the advertising shall indicate the following information:

- 1) the borrowing rate and other costs of credit;
- 2) the amount of credit or the credit limit;
- 3) the duration of the credit agreement;

- 4) the cash price of the good or service and any deposit in the case of credit advertised to finance the purchase of a specific good or service;
- 5) the total amount credit and costs of credit and the number of repayment instalments.

The annual percentage rate of charge and the other information specified in subsection 1 shall be given in advertising in a clear, concise and prominent way and correspond to the terms and conditions of credit normally offered by the creditor. (851/2016)

Where it is a compulsory condition, in order to obtain the credit on the terms and conditions advertised, that the consumer concludes a contract concerning insurance or another ancillary service and the costs of that ancillary service cannot be determined in advance, such a condition shall be stated together with the annual percentage rate of charge.

Subsection 4 was temporarily in force from 1 July 2020 to 31 December 2020 under Act 512/2020 and from 1 January 2021 to 30 September 2021 under Act 1194/2020. (1194/2020)

Section 8a (1194/2020)

Section 8a was temporarily in force from 1 January 2021 to 30 September 2021 under Act 1194/2020.

Section 9 (746/2010)

Information preliminary to conclusion of credit agreement

Besides other legal provisions elsewhere concerning obligations to provide information, the creditor and the credit intermediary shall in good time before the conclusion of the credit agreement provide the consumer with the information on the following by means of the Standard European Consumer Credit Information Form:

- 1) the creditor;
- 2) the credit offered, the costs of credit and the repayment of the credit;
- 3) the good or service financed by the credit;
- 4) the consequences of a breach of agreement;
- 5) the consumer's legal rights.

In the case of goods-or-service-linked one-off credits of less than EUR 100, the information may also be provided on another durable medium instead of the form. Further provisions on the prior information and the form are laid down by Government Decree. (851/2016)

If the credit agreement intends to refer to a benchmark referred to in Article 3(1)(3) of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, the creditor and the credit intermediary shall, in addition, provide the consumer on a separate document with information on the benchmark and the name of its administrator as well as on the possible impacts of the use of the benchmark on the consumer. (1096/2017)

Section 10 (746/2010)

Prior information in telemarketing

In addition to the provisions laid down in chapter 6a, section 10, subsection 1 and subsection 2, paragraphs 1 and 3–6 on prior information to be provided in telemarketing, the creditor and the credit intermediary shall in telemarketing provide the consumer with the information on the credit offered, the costs of credit and the repayment of the credit as well as the goods or service to be financed. Further provisions on the information to be provided are laid down by Government Decree.

Section 11 (746/2010)

Certain other provisions on obligation to provide prior information

If the agreement is concluded at the consumer's request over the telephone or using another means of distance communication which does not enable supplying the Standard European Consumer Credit Information Form on a durable medium before the conclusion of the agreement, the form shall be provided on a durable medium without delay after the conclusion of the agreement. In the case of goods-or-services-linked one-off credits of less than EUR 100, the prior information shall be provided on the form or on another durable medium without delay after the conclusion of the agreement if the agreement is concluded at the consumer's request over the telephone or using another means of distance communication which does not enable providing the prior information before the conclusion of the agreement. (851/2016)

The consumer shall, in addition, be supplied on request and free of charge, with a copy of the draft credit agreement. Provisions on the supply of the contractual terms in distance selling are laid down in chapter 6a.

Section 12 (746/2010)

Exception concerning credit intermediaries acting in ancillary capacity

The provisions of sections 9–11 on the credit intermediary's obligation to provide the consumer with information do not apply to sellers or service providers acting as credit intermediaries in an ancillary capacity alongside their primary activity.

Creditor's obligation to act responsibly

Section 13 (207/2013)

Good lending practice

The creditor shall act responsibly in granting credit.

It is required in particular that the creditor:

- 1) does not market the credit in a way that is likely to clearly reduce the consumer's capacity to carefully consider whether or not to obtain the credit;
- 2) does not use the granting of the credit as the primary marketing method when marketing other consumer goods or services;
- 3) does not use, when marketing or granting the credit, or in any other transactions relating to the credit relationship, premium text message services or other corresponding message services;
- 4) provides the consumer, before the conclusion of the agreement, with adequate and clear explanations for the consumer to assess whether the credit and any ancillary services offered are adapted to the consumer's needs and their financial situation, and information on whether the consumer may terminate the contract for the ancillary service separately and which consequences to the consumer arise from this; (851/2016)
- 5) provides the consumer in late payment situations with information and advice on how to prevent the emergence or worsening of payment difficulties, and takes a responsible stance towards payment arrangements.

The provisions of subsection 1 and subsection 2, paragraphs 1–4 also apply to credit intermediaries. The provisions of subsection 2, paragraph 4 do not, however, apply to sellers or service providers acting as ancillary credit intermediaries alongside their primary activity.

The staff remuneration systems of creditors and credit intermediaries shall not be such that they prevent conduct in credit granting, credit intermediation and provision of advisory services from being in compliance with the requirements of subsections 1 and 2. (851/2016)

Section 13a (851/2016)

Prohibition of tying practice

It shall not be a condition for a credit offer that the consumer concludes an agreement for another financial service or another service or financial instrument that the creditor itself or another trader offers on the basis of a contract or another arrangement concluded with the creditor.

Section 13b (1194/2020)

Subsection 13b was temporarily in force from 1 July 2020 to 31 December 2020 under Act 512/2020 and from 1 January 2021 to 30 September 2021 under Act 1194/2020.

Section 14 (207/2013)

Obligation to assess consumer's creditworthiness

Before concluding a credit agreement, the creditor shall assess the prospect of the consumer to meet their obligations under the credit agreement (*consumer's creditworthiness*). The assessment shall be carried out on the basis of sufficient credit register and other information on the consumer's income and other financial and economic circumstances. (740/2022)

Subsection 1 as amended by Act 740/2022 enters into force on 1 April 2024. Previous form of wording:

Before concluding a credit agreement, the creditor shall assess the prospect of the consumer to meet their obligations under the credit agreement (*consumer's creditworthiness*). The assessment shall be carried out on the basis of sufficient information on the consumer's income and other financial and economic circumstances.

If the parties subsequently agree on an increase in the amount of credit or the credit limit, the creditor shall ensure the up-to-dateness of the information on the consumer and, if the amount of credit or the credit limit is to be increased significantly, the consumer's creditworthiness shall be reassessed before agreeing on the increase.

Section 15 (746/2010)

Verification of credit applicant's identity

The creditor shall before concluding a consumer credit agreement carefully verify the identity of the person applying for the credit. If the identity is verified electronically, the creditor shall use an

identification method that meets the requirements laid down in section 8 of the Act on Strong Electronic Identification and Electronic Trust Services (617/2009). (899/2017)

If the creditor has previously identified the consumer in a manner referred to in subsection 1, the consumer's identity may also be verified using a personal identifier created for them after the initial identification.

Provisions on customer due diligence are, in addition, laid down in the Act on Preventing Money Laundering and Terrorist Financing (444/2017). (457/2017)

Section 16 (746/2010)

Obligation to retain information concerning identification

Unless otherwise provided in the Act on Detecting and Preventing Money Laundering and Terrorist Financing (503/2008), the creditor shall retain the information on the basis of which the consumer applying for the credit was identified for five years from the date on which the credit became due for repayment in full. In the event of a dispute concerning a credit agreement, the information on identification shall, however, be retained until the matter has been settled or resolved.

Section 16a (851/2016)

Granting of credit

The creditor shall determine the principles employed by the creditor in granting consumer credits.

The creditor may grant credit to the consumer only if the result of the assessment of the consumer's creditworthiness indicates that the obligations resulting from the credit agreement are likely to be met in the manner required under the credit agreement.

Conclusion of credit agreement and release of funds

Section 17 (746/2010)

Conclusion of credit agreement

A consumer credit agreement shall be concluded in writing and the consumer shall be provided with a copy of the agreement. The agreement may also be concluded electronically in a way that allows the unchanged storage and replication of the agreement by the consumer.

A consumer credit agreement shall specify:

- 1) information on the parties to the credit agreement;

- 2) information on the matters referred to in section 9;
- 3) any other contractual terms;
- 4) information on the conditions for the exercise of the right of withdrawal;
- 5) information on the termination and other cessation of the agreement;
- 6) information on the legal remedies and supervisory authority.

Further provisions on the information to be specified in the agreement are laid down by Government Decree. No interest or payments that have not been agreed upon under the agreement referred to in subsection 1 shall be charged to the consumer on the basis of the credit relationship.

Section 17a (596/2019)

Maximum amount of costs of credit

The borrowing rate charged for the credit drawn shall not be agreed to be greater than 20 per cent.

If the consumer under the agreement must pay costs of credit other than those referred to in subsection 1, the amount of these per day shall not exceed 0.01 per cent of the amount of credit or the credit limit for the duration of the credit agreement.

Notwithstanding the provisions of subsection 2, the maximum amount of other costs of credit may be agreed as being EUR 5, provided that the credit period under the agreement is at least 30 days. The costs payable by the consumer on the basis of subsection 2 shall not exceed EUR 150 per year, and the costs of credit may not be charged to the consumer in advance for a period longer than one year.

If the creditor or the credit intermediary violates a provision of this section, the consumer is not obliged to pay any interest paid on the borrowing rate or any other costs of credit at all.

The provisions of subsections 2–4 do not apply to insurance premiums regarded as costs of credit if the purpose of the insurance is to safeguard the value of a surety provided for the credit.

If the consumer repays the credit early, the provisions of sections 27 and 28 apply notwithstanding the provisions of subsections 2 and 3 of this section. If the credit is called in, the provisions of section 35 apply notwithstanding the provisions of subsections 2 and 3.

Section 17b (596/2019)

Costs charged for extending repayment period

The consumer may be charged a maximum of EUR 5 for the extension of the repayment period before the amount falls due, provided that the repayment period is extended by a minimum of 14 days. The consumer may not, however, be charged a total amount of costs exceeding EUR 20 per year for such measures.

Section 17c (1194/2020)

Subsection 17c was temporarily in force from 1 July 2020 to 31 December 2020 under Act 512/2020 and from 1 January 2021 to 30 September 2021 under Act 1194/2020.

Section 18 (746/2010)

Prohibition of acceptance of negotiable instrument from consumer

No bill of exchange or other instrument the assignment or pledging of which restricts the consumer's right to raise objections on the basis of a sales or service contract against a party accepting the instrument in good faith shall be accepted from the consumer for a receivable based on consumer credit. Such an instrument shall not be accepted from a person living in a shared household with the consumer, either.

The provisions of subsection 1 do not apply to bank drafts.

Anyone who in violation of subsection 1 accepts a bill of exchange or a negotiable instrument may not rely on it. Separate provisions are issued on the debtor's right to raise objections against an assignee.

Section 19 (746/2010)

Restriction on time of release of funds

If consumer credit is applied for and granted between 23.00 and 7.00, the funds granted under the credit agreement may be paid to the consumer only after 7.00. The provisions of this section do not apply to increases of the credit limit of running account credit.

Withdrawal from credit agreement

Section 20 (746/2010)

Right of withdrawal

The consumer has the right to withdraw from a consumer credit agreement by informing the creditor of this on a durable medium within 14 days from the conclusion of the agreement or from

a later date on which the consumer received a copy of the credit agreement containing the information in accordance with section 17 or 45 on paper or electronically.

If the consumer withdraws from the agreement, the consumer may be required to pay as compensation the borrowing rate for the period during which the credit was available to the consumer. If the creditor has made payments to the authorities due to the conclusion of the credit agreement and such payments are not reimbursed in the event of withdrawal, the creditor has the right to compensation from the consumer also for such payments. Interest or payments shall not, however, be required if the payment obligation or the amount of interest or payments or, if the amount of interest cannot be disclosed in advance, the criteria for its determination, have not been disclosed to the consumer in advance.

The consumer shall without delay and no later than 30 days from the date of dispatch of the withdrawal notification reimburse to the trader all of the funds received by the consumer under the credit agreement and make the payments under subsection 2 on pain of the withdrawal otherwise lapsing. The consumer may, however, refrain from fulfilling their own payment obligation until the trader fulfils their own corresponding obligation.

Section 21 (746/2010)

Non-binding nature of ancillary contract

Any ancillary contract related to a consumer credit agreement is not binding on the consumer when the consumer withdraws from the credit agreement if the ancillary service is also provided by the creditor. An ancillary contract is also not binding on the consumer if a third party provides the ancillary service on the basis of a contract or other arrangement between the creditor and the third party.

If the consumer wishes to keep the ancillary contract in force regardless of the withdrawal from the credit agreement, the consumer shall notify the creditor of this within 30 days from the dispatch of the withdrawal notification.

Section 22 (746/2010)

Special provisions concerning distance selling (1211/2013)

Instead of the provisions of section 20, subsection 2 on the amount of compensation, the creditor has the right to require as compensation the annual percentage rate of charge for the credit for the period of time during which the credit has been available to the consumer if the consumer in the case of distance selling withdraws from: (207/2013)

Paragraph 1 was repealed by Act 851/2016.

- 2) a credit agreement involving a total amount of less than EUR 200 or more than EUR 75,000;
- 3) a credit agreement that is linked to a current account and under the terms of which the credit period is a maximum of one month;
- 4) a credit agreement under the terms of which the credit period is a maximum of three months, no interest is charged and the other costs of credit payable expressed as an annual percentage rate of charge do not exceed the amount of interest referred to in section 4, subsection 1 of the Interest Act;
- 5) a credit agreement where the credit is granted by an employer to their employee as a secondary activity free of interest or at annual percentage rate of charge lower than that prevailing on the market;
- 6) a credit agreement where an investment firm or credit institution grants its client credit to carry out an investment service.

In cases referred to in subsection 1, the creditor shall without delay and no later than 30 days from the date of receipt of the withdrawal notification reimburse to the consumer all of the payments received by the creditor from the consumer under the agreement. The amount of the annual percentage rate of charge may, however, be deducted from the payments reimbursed.

The consumer shall without delay and no later than 30 days from the date of dispatch of the withdrawal notification reimburse to the creditor the funds received by the consumer under the credit agreement on pain of the withdrawal otherwise lapsing. The consumer may, however, refrain from fulfilling their own reimbursement obligation until the creditor fulfils their own corresponding obligation.

Subsection 4 was repealed by Act 1211/2013.

Consumer's right to receive information during credit agreement

Section 23 (746/2010)

Consumer's right to receive amortisation table on request

If the credit agreement has been concluded for a fixed period and the amortisation of the debt under its terms takes place in instalments, the creditor shall, during the contractual relationship, provide the consumer free of charge with an amortisation table whenever the consumer requests it. (851/2016)

The amortisation table shall indicate the payments owing and the periods and conditions relating to the payment of such amounts. There shall be a breakdown of each repayment separately showing capital amortisation, the interest payable and any other payments. If the amount of interest or any other payments may be changed under the terms of the credit agreement, the table shall, in addition, indicate that the data contained in the table will remain valid only until such time as such changes are made in accordance with the credit agreement.

Section 24 (851/2016)

Changes in interest and payments

The interest payable on the credit by the consumer may during the credit agreement change only in accordance with changes in the reference rate specified in the agreement and provided that this has been agreed upon in the consumer credit agreement. The reference rate applied shall be publicly available and based on factors independent of any unilateral control of the creditor. The creditor shall retain the information on the level of the reference rate for five years from the date on which the credit became due for repayment in full. In the event of a dispute concerning a credit agreement, the information shall, however, be retained until the matter has been settled or resolved.

Any changes in the interest rate shall be carried out equally and in a manner that is non-discriminatory to consumers, and the consumer shall be informed of them on a durable medium before a change enters into force. The information on the change shall state the amount of the payments to be made after the change in the interest rate and, if the number or frequency of the payments changes, up-to-date particulars of these.

If the information on a new reference rate is made publicly available by appropriate means and the information is also kept available on the premises of the creditor, the information referred to in subsection 2 may, notwithstanding the provisions of the said subsection, be given to the consumer periodically as agreed under the agreement but, however, at least once a year.

Payments charged under the credit agreement may only be changed on grounds specified in the agreement. An increase in payment shall not be greater than the actual increase in costs incurred by the creditor on the basis of which the payment is charged under the credit agreement. The

provisions of subsections 2 and 3 on changes in the interest rate apply to provision of information on changes in payments.

Section 24a (1194/2020)

Subsection 24a was temporarily in force from 1 July 2020 to 31 December 2020 under Act 512/2020 and from 1 January 2021 to 30 September 2021 under Act 1194/2020.

Section 25 (746/2010)

Obligation to provide information about assignment of credit agreement

In the event of assignment to a third party of the creditor's rights under a credit agreement or of the agreement itself, the consumer shall be informed of the assignment. The obligation to provide the information does not, however, exist, if the original creditor after the assignment continues to represent the new creditor vis-à-vis the consumer.

The assignee of the creditor's rights under the consumer credit agreement is regarded as comparable to the creditor in the application of the provisions of this chapter.

Repayment of credit and termination of credit agreement

Section 26 (746/2010)

Allocation of payments

The consumer has the right to decide to which of any multiple debts payable to the same creditor their payment is to be allocated.

Section 27 (746/2010)

Consumer's right to repay consumer credit before it becomes due for repayment

The consumer has the right to repay the consumer credit or part of it before the credit becomes due for repayment.

In the event of the early repayment by the consumer of the credit in full or in part, the part of the costs of credit relating to the credit period that will remain unused shall be deducted from the outstanding payments to the creditor. The creditor may, however, charge in full any actual costs arising from measures relating to the setting up of the credit in question specified in the credit agreement.

Section 28 (746/2010)

Creditor's right to compensation for early repayment

The creditor has the right to compensation from the consumer in the event of their early repayment of the credit in full or in part if the borrowing rate is not linked to a reference rate (*fixed interest rate*).

The amount of the compensation shall not exceed one per cent of the amount of credit repaid or, if the period of time between the early repayment and the agreed termination of the credit agreement does not exceed one year, half a per cent of the amount of credit repaid. The amount of compensation charged shall, however, be no more than the amount of interest for the period of time between the early repayment and the agreed termination of the credit agreement.

However, there is no right to compensation if:

- 1) the amount of credit repaid early over the past year is no more than EUR 10,000;
- 2) the repayment takes place under a credit protection insurance; or
- 3) the credit repaid is based on a credit agreement linked to a current account.

Section 29 (851/2016)

Section 29 was repealed by Act 851/2016.

Section 30 (746/2010)

Termination of agreement for running account credit

The consumer may at any time during the contractual relationship terminate an agreement for running account credit with immediate effect unless the parties have agreed upon a period of notice. A period of notice to be observed by the consumer shall not exceed one month.

The creditor may terminate an agreement for running account credit under the terms agreed in the credit agreement. A period of notice to be observed by the creditor shall not be shorter than two months. A notice of termination shall be delivered to the consumer on a durable medium.

Section 31 (746/2010)

Costs charged for termination

The creditor shall not charge the consumer for any payments for the termination of an agreement for running account credit. The consumer shall pay any costs charged regularly for the credit agreement only to the extent that these relate to the period before the termination takes effect. If the consumer has paid such costs in advance, the creditor shall reimburse them to the extent that they relate to the period after the termination takes effect.

Section 32 (746/2010)

Creditor's right to terminate consumer's right to use running account credit

The terms of the credit agreement may stipulate that the creditor has, on the grounds specified in the agreement, the right to terminate the consumer's right to use the running account credit. The grounds shall be in compliance with good lending practice.

The creditor shall inform the consumer of the termination of the right of use and the reasons for it on a durable medium in advance. If the termination of the right of use with immediate effect is necessary to prevent or restrict abuse, loss or damage, the notification may be given without delay after the termination.

The notification shall not be given if giving it is prohibited elsewhere by law.

Section 33 (746/2010)

Consequences of consumer's breach of agreement

If the agreement gives the creditor the right, due to the consumer's late payment or other breach of agreement, to require the payment of an instalment that is otherwise not yet due for payment, repossess the goods sold or effect some other specific consequence, the creditor may rely on the said right if the payment is delayed by at least a month and still remains unpaid. In the case of one-off credit, a further condition is that the delayed amount is at least ten per cent or, if the amount includes more than one instalment, at least five per cent of the original amount of credit or covers the entire remaining amount outstanding to the creditor. In the case of credit granted to finance the purchase of a specific good or service, the percentages referred to above are calculated from the credit price. The creditor may rely on the right referred to above also if the consumer's other breach of agreement is material.

Notwithstanding the provisions of subsection 1 on the amount of the late payment, the creditor has the right to effect the agreed consequence if the payment is delayed by at least six months and it still remains to a material extent unpaid.

Section 34 (746/2010)

Social force majeure

The creditor does not have the right to effect a consequence referred to in section 33 in the case of late payment where the late payment is due to the consumer's ill health, unemployment or some other equivalent reason not attributable to the consumer, except where this would be manifestly unreasonable for the creditor taking account of the duration of the delay and other circumstances.

Section 35 (746/2010)

Calling in

If the creditor requires the repayment of instalments that are otherwise not yet due for payment, when calculating the amount payable to the creditor the part of the costs of credit relating to the credit period that will remain unused shall be deducted from these repayment instalments. The creditor may, however, charge in full any actual costs arising from measures relating to the setting up of the credit in question specified in the credit agreement. Any credit period remaining unused is regarded as beginning from the date on which the instalments called in are due.

Credit repayment instalments called in may fall due no earlier than four weeks or, if the consumer has previously been reminded of the delay or other breach of agreement, no earlier than two weeks from the date on which the notification of the instalments being called in was lodged or sent to the consumer. If the consumer during this period of time repays the delayed amount or remedies the other breach of agreement, the calling in lapses.

Section 36 (746/2010)

Settlement of accounts

If the creditor repossesses the goods, a settlement of accounts shall be carried out between the creditor and the consumer.

In the settlement of accounts, the value of the goods when repossessed shall be credited to the consumer. The value is determined on the basis of what the seller can be assumed to have once the goods have been sold in an appropriate manner and, where necessary, reasonably refurbished. When determining the value, account shall be taken of the cash price specified in the agreement and the duration for which the goods have been in the possession of the consumer and how the goods have been looked after.

The following shall be credited to the creditor:

- 1) the unpaid part of the credit less the deduction in accordance with section 35, subsection 1;
- 2) the interest on the instalments due for payment;
- 3) the necessary costs and payments incurred by the creditor in repossessing the goods which the creditor has to pay to repossess the goods;
- 4) the amounts outstanding to the creditor for refurbishing or maintenance of the goods if the creditor for this reason has the right to retain the goods.

If the value of the goods in the settlement of accounts is found to exceed the amount to be credited to the creditor, the creditor does not have the right to repossess the goods unless the creditor pays the difference to the consumer or, if the goods have been valued by an enforcement officer, deposits the said difference with the enforcement officer. If the value of the goods is lower than the amount that is to be credited to the creditor, the creditor does not, in addition to the goods, have the right to require any amount greater than the difference of these.

If the consumer pays the amount, that under subsection 3 shall be credited to the creditor, in a single payment, the consumer may keep the goods. If the consumer has not exercised this right and the creditor has repossessed the goods, the buyer has the right to redeem the goods within 14 days by paying to the creditor the amount at which the goods were valued when repossessed as well as any difference that the creditor has the right to require under subsection 4.

Section 37 (746/2010)

Executive assistance

The creditor has the right to seek executive assistance from an enforcement officer to repossess the goods if a hire purchase agreement was concluded as referred to in section 17, subsection 1 and it specifies:

- 1) information on the parties to the credit agreement;
- 2) information on the goods to be financed by the credit and their delivery;
- 3) information on the credit offered, the costs of credit and the repayment of the credit;
- 4) any other contractual terms;
- 5) information on the conditions for the exercise of the right of withdrawal;
- 6) information on the termination and other cessation of the agreement;
- 7) information on the consequences of any breach of contract;
- 8) information on the consumer's legal rights;
- 9) information on the competent authority for settlement of accounts concerning hire purchase;
- 10) information on the legal remedies and supervisory authority.

Executive assistance shall be sought from an enforcement officer of the location of the goods or the place of residence or domicile of the consumer. The application shall be made in writing and state the amounts required by the creditor in accordance with section 36, subsection 3. The application shall be accompanied by the hire purchase agreement.

Executive assistance shall be provided only if it is evident that the creditor has the right under sections 33 and 34 to repossess the goods. Executive assistance shall not be provided if the consumer can show that it is probable that the consumer, due to the seller's breach of contract, has the right to refrain from paying the price of the goods.

Further provisions on the information to be specified in the hire purchase agreement are laid down by Government Decree.

Section 38 (746/2010)

Certain other provisions on hire purchase

The provisions of section 9, subsection 3 and sections 11–19 of the Hire-Purchase Act (91/1966) apply, in addition, to settlement of accounts, provision of executive assistance and distraint of goods based on receivables other than those based on hire purchase.

Liability provisions

Section 39 (746/2010)

Joint liability of creditor and seller or service provider

A consumer who has the right to withhold payment or receive a payment reimbursement, damages or another monetary payment from a seller or service provider due to their breach of contract also has this right in relation to the creditor that financed the sale or service. The creditor is not, however, liable to pay to the consumer any amount exceeding the payments the creditor has received from the consumer.

If the seller repossesses the goods or if the sales contract is otherwise terminated under an agreement between the seller and the consumer, the consumer may rely on a settlement of accounts or termination of sales contract also against the creditor that finances the sale. The consumer does not, however, have such a right if:

- 1) the creditor has in advance informed the consumer in a clear manner that the seller does not have the right of repossession or another right to exercise control over the contract and, if the

subject of the sale is goods that must under law be registered, the creditor is entered in the register as the owner; or

- 2) the creditor is otherwise able to demonstrate that the consumer was aware of the restriction of the seller's rights.

Section 40 (899/2017)

Consumer's liability for unauthorised use of credit card or other identifier providing access to credit

A consumer who has concluded a credit agreement with a creditor is liable for the unauthorised use of a credit card or another identifier providing access to credit only if the unauthorised use is due to the consumer having:

- 1) surrendered the identifier to a person unauthorised to use it;
- 2) acted negligently; or
- 3) failed to notify the creditor of the loss, unauthorised possession or unauthorised use of the identifier without undue delay once having detected this.

In the cases referred to in subsection 1, paragraphs 2 and 3, the consumer is liable for the unauthorised use of the identifier for a maximum of EUR 50. This limitation does not, however, apply if the consumer has acted with intent or gross negligence.

The consumer is not, however, liable for the unauthorised use of the identifier:

- 1) to the extent that the identifier has been used after the creditor was informed of the loss, unauthorised possession or unauthorised use of the identifier;
- 2) if the creditor has failed to ensure that the holder of the identifier has the opportunity to fulfil their notification obligation in accordance with subsection 1, paragraph 3;
- 3) if the seller or the service provider or the person who as their representative has received the identifier has not appropriately ensured the holder's right to use the identifier; or
- 4) if the creditor has not required that the identity of the consumer be verified when using the identifier in the manner laid down in section 15, subsection 1.

Notwithstanding the provisions of subsection 3, the consumer is liable for the unauthorised use of the identifier if the consumer or another holder of the identifier has intentionally submitted a false notification or otherwise acted fraudulently.

Provisions on certain credit types

Section 41 (746/2010)

Prior information

As regards consumer credit linked to a current account the contractual terms of which provide that the credit period is a maximum of three months or that the credit must be repaid on demand, the creditor and the credit intermediary shall, in addition to provisions laid down elsewhere by law on the obligation to provide information, provide the consumer with information on the following before the conclusion of the credit agreement:

- 1) the creditor;
- 2) the credit offered, the costs of credit and the repayment of the credit;
- 3) the consequences of a breach of agreement;
- 4) the consumer's legal rights.

The provisions of subsection 1 on information to be provided before the conclusion of the agreement also apply if the creditor enters into a payment arrangement agreement with the consumer due to the consumer's payment difficulties, the terms of which are not less favourable to the consumer than the initial credit agreement.

Further provisions on the information to be provided are laid down by Government Decree.

Section 42 (746/2010)

Provision of prior information over the telephone

If the consumer requests over the telephone for immediate access to credit referred to in section 41, subsection 1, the consumer shall be provided with the information laid down in chapter 6a, section 10, subsection 1 and subsection 2, paragraphs 1 and 3–6 as well as the information on the credit offered and its repayment. Further provisions on the information to be provided are laid down by Government Decree.

The provisions of subsection 1 apply also if the consumer requests over the telephone that a payment arrangement agreement referred to in section 41, subsection 2 be concluded.

Section 43 (746/2010)

Provision of prior information on durable medium

The prior information referred to in section 41 above shall be provided to the consumer in good time before the conclusion of the agreement using the European Consumer Credit Information Form for specific types of credit or another durable medium as the creditor or the credit intermediary may decide. Further provisions on the form are laid down by Government Decree.

If the agreement is concluded at the consumer's request over the telephone or using such a means of distance communication which does not enable providing the prior information on a durable medium before the conclusion of the agreement, the creditor shall provide the information in accordance with section 45 without delay after the conclusion of the agreement.

The consumer shall, in addition, be supplied on request and free of charge, with a copy of the draft credit agreement.

Section 44 (746/2010)

Exception concerning credit intermediaries acting in ancillary capacity

The provisions of sections 41–43 on the credit intermediary's obligation to provide the consumer with information do not, however, apply to sellers or service providers acting as credit intermediaries in an ancillary capacity alongside their primary activity.

Section 45 (746/2010)

Credit agreements linked to current account

A consumer credit agreement linked to a current account the contractual terms of which provide that the credit period is a maximum of three months or that the credit must be repaid on demand shall be concluded in writing and the consumer shall be provided with a copy of the agreement. The agreement may also be concluded electronically in a way that allows the unchanged storage and replication of the agreement by the consumer.

The agreement shall provide information on the following:

- 1) the parties to the credit agreement;
- 2) the credit offered, the costs of credit and the repayment of the credit;

3) the right of withdrawal.

Further provisions on the information to be specified in the agreement are laid down by Government Decree. The consumer shall not be charged any interest or charges on the basis of the credit relationship that have not been agreed upon in a manner referred to in subsection 1.

Section 46 (746/2010)

Obligation to provide information during period of validity of credit agreement linked to current account

The creditor shall provide the consumer with the following information on the use of credit linked to a current account by means of a statement of account provided regularly on a durable medium:

- 1) the period which the statement of account concerns;
- 2) the account transactions, including their dates;
- 3) the balance from the previous statement of account and its date;
- 4) the new balance;
- 5) the amounts and dates of payments made by the consumer to the creditor;
- 6) the interest and any other charges that have been applied;
- 7) the minimum amount to be paid by the consumer as a repayment of the debt.

The consumer shall be informed on a durable medium of increases in the interest rate and any other charges before the changes enter into force. If a change in the borrowing rate is caused by a change in a reference rate, it may be agreed in the terms of the credit agreement that the information is provided to the consumer in the statement of account referred to in subsection 1, provided that the information concerning the new reference rate is made publicly available by appropriate means and the information is also kept available in the premises of the creditor.

Section 47 (746/2010)

Information provision obligations relating to current account agreements

If there is no credit agreement linked to a current account but the current account provider may, at its discretion, in some cases grant the consumer credit by allowing the overrunning of the current account balance, the agreement for the current account shall specify the interest rate charged on any overrunning, the criteria for determining the interest rate and any other terms

concerning the interest rate as well as any other charges for overrunning and the terms under which these charges may be changed. In addition, the consumer shall be provided with this information regularly on a durable medium.

If the consumer has significantly overrun the balance of their current account and the overrunning has exceeded a period of one month, the creditor shall inform the consumer without delay on a durable medium:

- 1) of the overrunning;
- 2) of the amount involved;
- 3) of the interest rate to be charged;
- 4) of any other payments to be charged due to the breach of agreement.

The provisions of subsections 1 and 2 on overrunning the balance of a current account also apply to overrunning the credit limit of a credit agreement linked to a current account.

Certain obligations of credit intermediaries

Section 48 (746/2010)

Indication of powers

A credit intermediary shall indicate in marketing the extent of their powers to intermediate consumer credits, in particular whether they work exclusively as an agent of one or more specific creditors or as an independent credit intermediary.

Section 49 (746/2010)

Fees charged to consumers

Before the conclusion of a contract concerning credit intermediation, the consumer shall be informed on a durable medium of the fee charged for the service.

The credit intermediary has the right to receive the fee from the consumer only if the consumer has been informed of the fee in accordance with subsection 1 and the fee has been agreed upon with the consumer on paper or electronically in a manner which allows the unchanged storage and replication of the agreement by the consumer.

The credit intermediary shall inform the amount of the fee to the creditor for the calculation of the annual percentage rate of charge.

Supervision

Section 50 (746/2010)

Penalties

Where necessary for consumer protection, a prohibitory injunction may be imposed on a creditor or a credit intermediary that violates the provisions of this chapter to refrain from continuing or repeating such a practice or a comparable practice. Provisions on the imposition of a prohibitory injunction and its enforcement by a notice of a conditional fine are laid down in chapters 2 and 3.

Provisions on penalty fees imposed for violations of provisions of section 8; section 9 and provisions laid down under its subsection 2; section 10 and the provisions laid down under it; section 13, subsection 2, paragraph 3; section 13a and 14; section 15, subsections 1 and 2; sections 16 and 16a; section 17 and the provisions laid down under its subsection 3; sections 17a, 17b and 19; section 20, subsection 1; section 24; section 39, subsection 1 and section 48 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities. (572/2020)

Section 51 (851/2016)

Supervisory authorities

Compliance with the provisions of this chapter is supervised by the Consumer Ombudsman, the Finnish Competition and Consumer Authority and, as authorities subordinate to it, the Regional State Administrative Agencies as well as the Financial Supervisory Authority (FIN-FSA) when the creditor is a party referred to in section 4, subsections 2–5 or another financial market participant referred to in section 5 of the Act on the Financial Supervisory Authority (878/2008). (899/2017)

The supervisory authorities shall cooperate in an appropriate manner with each other. The Finnish Communications Regulatory Authority provides, on request, a supervisory authority that is supervising compliance with section 15 with an opinion on whether an electronic identification scheme used by a creditor meets the requirements laid down in section 8 of the Act on Strong Electronic Identification and Electronic Trust Services.

The creditor and the credit intermediary are obliged to disclose for viewing by a supervisory authority any documents concerning consumer credits that are necessary for supervision.

Chapter 7a (851/2016)

Consumer credits relating to residential property

General provisions

Section 1 (851/2016)

Scope of application

This chapter lays down provisions on consumer credits relating to residential property.

The provisions of this chapter do not apply to:

- 1) credit for which no interest or other charges are payable;
- 2) equity release credit granted or promised to be granted under a credit agreement in return for a sum deriving from the sale of residential property and the repayment of which the creditor has the right to seek only once the borrower reaches the age specified in the credit agreement or passes away;
- 3) credit granted by a pawnbroker used by the consumer as a temporary solution while transitioning to another financial arrangement for the residential property.

Section 2 (851/2016)

Mandatory nature of provisions

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void.

Section 3 (851/2016)

Definitions

For the purposes of this chapter:

- 1) *residential property* means residential real estate, shares in a corporation conferring the right of possession to a residential unit, as well as a residential building located on a site possessed by virtue of the right to use immovable property; or
- 2) *housing credit* means credit a trader (*creditor*) grants or promises to grant under an agreement to a consumer in the form of a loan, deferred payment or other similar financial accommodation for the purpose of the acquisition of residential property or the retention of ownership rights in it;
- 3) *consumer credit secured by a residence* means credit which a creditor under an agreement grants or promises to grant to a consumer in the form of a loan, deferred payment or other

similar financial accommodation for a purpose other than that specified in paragraph 2 and which is secured against residential property;

- 4) *foreign currency credit* means housing credit or consumer credit secured by a residence granted or promised to be granted in a currency other than that of the Member State of the European Union or the European Economic Area in which the consumer is a resident, or in a currency other than that of the state in which the consumer receives the income or holds the assets from which the credit is to be repaid;
- 5) *advisory service* means the provision of personal recommendations to a consumer in respect of housing credit or consumer credit secured by a residence;
- 6) *credit intermediary* means a trader other than a creditor who presents or offers to consumers credits referred to in paragraph 2 or 3 or otherwise assists consumers in concluding agreements concerning such credits or concludes agreements on such credits on behalf of the creditor;
- 7) *staff* means persons employed by, or otherwise acting on behalf of, the creditor or credit intermediary who take part in the granting or intermediating of consumer credit relating to residential property, and persons under whose direct management and supervision the former persons act;
- 8) *provision of information on a durable medium* means the provision of information to a consumer personally on paper or electronically in a way that allows the unchanged storage and replication of the information by the consumer;

Costs of credit means in this chapter the total amount of interest, costs and other charges which the consumer has to pay due to the credit relationship and which are known to the creditor. Costs of credit also include the costs of any insurance policies and other ancillary services linked to the credit agreement if the conclusion of the contract for the ancillary service is a condition for the credit being granted on the terms and conditions marketed. Costs of credit do not include payments to be made by the consumer due to any breach of agreement, or notarial costs.

Annual percentage rate of charge means in this chapter the percentage rate of interest obtained by calculating the costs of credit as an annual rate of interest for the amount of credit, taking account of repayments. Provisions on the method of calculation of the annual percentage rate of charge and the assumptions used in the calculation are laid down by decree of the Ministry of Justice.

Obligations to provide information

Section 4 (851/2016)

General obligation to provide information

Besides other legal provisions elsewhere on obligations to provide information, a creditor and a credit intermediary acting as a creditor's agent shall keep publicly available on paper or electronically clear and comprehensive general information on the credits offered by them. The information shall include at least the following:

- 1) the name and the geographical address of the creditor or credit intermediary;
- 2) the purpose for which the consumer may use the credit;
- 3) the forms of security accepted by the creditor and an indication if the creditor accepts assets located abroad as security for the credit;
- 4) the duration of the credit agreements;
- 5) types of available borrowing rate with a short description of their characteristics and related implications for the consumer;
- 6) the implications of foreign currency credit for the consumer and an indication of the foreign currencies in which credit is granted;
- 7) a representative example of the total amount of credit or credit limit, the costs of credit to the consumer, the total amount credit and costs of credit payable by the consumer and the annual percentage rate of charge for the credit;
- 8) an indication of possible further costs, not included in the costs of credit, to be paid by the consumer in connection with a credit agreement;
- 9) an indication of any ancillary services the consumer is obliged to acquire in order to obtain the credit on the terms and conditions marketed, and a clarification that the ancillary services may be purchased from a provider that is not the creditor;
- 10) the range of options available for repayment of the credit to the creditor, including the number, amount and frequency of the repayment instalments and, where necessary, a

statement that compliance with the terms of the credit agreement does not guarantee repayment of the total amount of credit and costs of credit under the credit agreement;

- 11) any conditions relating to early repayment;
- 12) whether a valuation of the property is necessary and, where applicable, who is responsible for ensuring that the valuation is carried out, and whether any related costs arise for the consumer;
- 13) a warning concerning consequences of non-compliance with the obligations linked to the credit agreement.

If the credit offered by the creditor or credit intermediary refers to a benchmark referred to in Article 3(1)(3) of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, the information referred to in subsection 1 shall also include the name of the benchmark and its administrator as well as the possible impacts of the use of the benchmark on the consumer. (1096/2017)

Section 5 (851/2016)

Information to be provided when advertising housing credit

Advertising of housing credit shall indicate the annual percentage rate of charge for the credit if the advertising indicates the borrowing rate or another figure relating to any cost payable for the credit or any other information concerning the terms of the credit agreement. In addition, in such cases the advertising shall indicate the following information:

- 1) the name of the creditor or, where applicable, the credit intermediary;
- 2) where necessary, that the shares in a corporation conferring the right of possession to a residential unit, or the residential real estate or the right to use immovable property must be provided as a security for the performance of the credit agreement;
- 3) the borrowing rate and other costs of credit;
- 4) the amount of credit or the credit limit;
- 5) the duration of the credit agreement;

- 6) the amount and number of the repayment instalments;
- 7) the total amount credit and costs of credit;
- 8) where necessary, a warning regarding the fact that fluctuations of the exchange rate could affect the amounts payable by the consumer.

The annual percentage rate of charge and the other information referred to in subsection 1 shall be stated in a clear, concise and prominent way by means of a representative example. The Financial Supervisory Authority (FIN-FSA) shall issue further regulations on the criteria for determining an example. The annual percentage rate of charge shall be included in advertising at least as prominently as any other figures illustrating the costs of credit.

Where it is a compulsory condition, in order to obtain the credit on the terms and conditions advertised, that the consumer concludes a contract concerning insurance or another ancillary service and the costs of that ancillary service cannot be determined in advance, such a condition shall also be stated together with the annual percentage rate of charge.

Section 6 (851/2016)

Information preliminary to conclusion of housing credit agreement

Besides other legal provisions elsewhere concerning obligation to provide information, the creditor and the credit intermediary shall without undue delay after the consumer has given the information on their expectations, needs and financial situation, and in good time before the conclusion of the credit agreement, provide the consumer with the information on the following by means of the ESIS form:

- 1) the creditor;
- 2) the credit intermediary;
- 3) the credit offered, the costs of credit and the repayment of the credit;
- 4) the consumer's other obligations;
- 5) the consumer's legal rights.
- 6) advisory services;
- 7) the consequences of a breach of agreement;

8) the legal remedies and supervisory authorities.

Further provisions on the prior information and the form are laid down by Government Decree.

Section 7 (851/2016)

Offering of housing credit over the telephone

In addition to the provisions laid down in chapter 6a, section 10, subsection 1 and subsection 2, paragraphs 1 and 3–6 on prior information to be provided in telemarketing, the creditor and the credit intermediary shall in telemarketing provide the consumer with the information on the housing credit offered, the interest and other costs of credit and the repayment of the credit. Further provisions on the information to be provided are laid down by Government Decree.

Section 8 (851/2016)

Provision of information free of charge

No payments shall be charged to the consumer for the provision of information referred to in this chapter.

Section 9 (851/2016)

Obligations to provide information concerning consumer credit secured by a residence

The provisions of chapter 7, section 8 apply to advertising of consumer credit secured by a residence and the provisions of chapter 7, sections 9–12 apply to the obligation to provide information before concluding a credit agreement concerning consumer credit secured by a residence. When providing a consumer with the information referred to in chapter 7, sections 9 and 10, the creditor and the credit intermediary shall in that context also state whether the creditor or the credit intermediary offers advisory services.

Creditor's obligation to act responsibly when granting credit

Section 10 (851/2016)

Procedures and information employed when assessing creditworthiness of consumers

The creditor shall determine the information on the basis of which the creditworthiness of consumers is assessed, as well as the procedures employed in creditworthiness assessment.

The creditor shall ensure, when establishing and applying remuneration policies for staff responsible for the assessment of creditworthiness, that the policies prevent the appearance of conflicts of interest. A particular condition is that the amount of remuneration of staff is not contingent on the number or proportion of credit applications accepted.

The policies shall promote appropriate and effective risk management and shall not encourage risk-taking that exceeds the level of tolerated risk of the creditor. The policies shall also be in line with the business strategy, objectives, values and long-term interests of the creditor. These policies shall be applied in a way and to the extent that is appropriate to the creditor's size and organisation as well as the nature, scope and complexity of the creditor's activities.

Section 11 (851/2016)

Obligation to assess consumer's creditworthiness

Before concluding a credit agreement, the creditor shall assess the prospect of the consumer to meet their obligations under the credit agreement. The assessment shall be carried out on the basis of information in a credit information register and other information on the consumer's income and expenses and other financial and economic circumstances which is necessary, sufficient and proportionate. The correctness of the information shall be appropriately verified. (740/2022)

Subsection 1 as amended by Act 740/2022 enters into force on 1 April 2024. Previous form of wording:

Before concluding a credit agreement, the creditor shall assess the prospect of the consumer to meet their obligations under the credit agreement. The assessment shall be carried out on the basis of information on the consumer's income and expenses and other financial and economic circumstances which is necessary, sufficient and proportionate. The correctness of the information shall be appropriately verified.

If the parties after the conclusion of the credit agreement agree on an increase in the amount of credit or the credit limit, the creditor shall ensure the up-to-dateness of the information on the consumer and, if the amount of credit or the credit limit is to be increased significantly, the consumer's creditworthiness shall be reassessed before agreeing on the increase.

The creditor shall retain the information on the measures carried out to assess the creditworthiness of the consumer for five years from the date on which the credit became due for repayment in full. In the event of a dispute concerning a credit agreement, the information on the creditworthiness assessment shall, however, be retained until the matter has been settled or resolved.

Section 12 (851/2016)

Request for information from consumer

The creditor shall inform the consumer which information the consumer must provide to the creditor for creditworthiness assessment as well as the time period during which the information must be provided. The consumer shall be informed that failure to provide the information may result in the credit not being granted.

If the consumer has provided a credit intermediary with the information required for creditworthiness assessment referred to in subsection 1, the credit intermediary shall provide the information appropriately to the creditor.

Section 13 (851/2016)

Forms of security and valuation of property accepted as security

The creditor shall determine the forms of security that the creditor accepts as a security for the credit agreement.

The creditor shall ensure that the appraiser conducting valuations of residential property provided as a security for a credit agreement is sufficiently independent from the granting of the credit and that reliable valuation procedures based on standards are used in valuation.

The valuation carried out shall be retained for five years from the date on which the credit became due for repayment in full. In the event of a dispute concerning a credit agreement, the valuation information shall, however, be retained until the matter has been settled or resolved.

Conclusion of credit agreement

Section 14 (851/2016)

Credit offer

The creditor's offer concerning credit shall be made on a durable medium. The offer shall include all of the terms and conditions concerning the credit agreement.

The offer shall be accompanied by the ESIS form if the consumer has not already been provided with the form previously or if the content of the offer differs from information provided previously in the form.

Section 15 (851/2016)

Credit agreement

A credit agreement shall be concluded in writing and the consumer shall be provided with a copy of the agreement. The agreement may also be concluded electronically in a way that allows the unchanged storage and replication of the agreement by the consumer.

A credit agreement shall specify:

- 1) information on the parties to the credit agreement;
- 2) information on the matters referred to in section 6 or, in the case of consumer credit secured by a residence, on the matters referred to in chapter 7, section 9;
- 3) any other contractual terms;
- 4) information on risks related to foreign currency credit and the consumer's opportunity to limit them;
- 5) information on the conditions for the exercise of the right of withdrawal;
- 6) information on the termination and other cessation of the agreement;
- 7) information on the legal remedies and supervisory authority.

Further provisions on the information to be specified in the agreement are laid down by Government Decree.

No interest or payments that have not been agreed upon under the agreement referred to in subsection 1 shall be charged to the consumer on the basis of the credit relationship.

Section 16 (851/2016)

Rejection of credit application

If a credit application is rejected, the consumer who applied for the credit shall be informed without delay of the rejection. The consumer shall, on request, be provided with the reasons for the rejection in writing unless the rejection is based on section 26 of the Act on Preventing Money Laundering and Terrorist Financing.

Provisions on information that shall be provided if the rejection is based on personal credit information obtained from a credit information register are, in addition, laid down in the Credit Information Act (527/2007).

The Act on Detecting and Preventing Money Laundering and Terrorist Financing (503/2008) was repealed by the Act on Preventing Money Laundering and Terrorist Financing (444/2017).

Withdrawal from credit agreement

Section 17 (851/2016)

Right of withdrawal

The consumer has the right to withdraw from a credit agreement by informing the creditor of this on a durable medium within 14 days from the conclusion of the agreement or the date on which the consumer received a copy of the credit agreement containing the information specified in section 15, whichever is the later.

If the consumer withdraws from the agreement, the consumer may be required to pay as compensation the borrowing rate for the period during which the credit was available to the consumer. If the creditor has made payments to the authorities due to the conclusion of the credit agreement and such payments are not reimbursed in the event of withdrawal, the creditor has the right to compensation from the consumer also for such payments. Interest or payments shall not, however, be requested if the payment obligation or the amount of interest or payments or, if the amount of interest cannot be disclosed in advance, the criteria for its determination, have not been disclosed to the consumer in advance.

The consumer shall without delay and no later than 30 days from the date of dispatch of the withdrawal notification reimburse to the creditor the funds received by the consumer under the credit agreement and pay the compensation under subsection 2. Should the consumer fail to fulfil their payment obligation, the withdrawal lapses. The consumer may, however, refrain from fulfilling their own payment obligation until the trader fulfils their own equivalent obligation.

Section 18 (851/2016)

Non-binding nature of ancillary contract

An agreement linked to a credit agreement concerning an ancillary service offered by the creditor is not binding on the consumer if the consumer withdraws from the credit agreement. An ancillary contract is also not binding on the consumer if a third party provides the ancillary service on the basis of a contract or other arrangement between the creditor and the third party.

If the consumer wishes to keep the ancillary contract in force regardless of the withdrawal from the credit agreement, the consumer shall notify the creditor of this within 30 days from the dispatch of the withdrawal notification.

Repayment of credit before due date

Section 19 (851/2016)

Consumer's right to repay consumer credit relating to residential property before it becomes due for repayment

The consumer has the right to repay consumer credit relating to residential property or part of it before the credit becomes due for repayment.

In the event of the early repayment by the consumer of the credit in full or in part, the part of the costs of credit relating to the credit period that will remain unused shall be deducted from the outstanding payments to the creditor. The creditor may, however, charge in full any actual costs arising from measures relating to the setting up of the credit in question specified in the credit agreement.

Section 20 (851/2016)

Right to compensation in housing credits

The creditor has the right to compensation from the consumer in the event of the early repayment of housing credit in full or in part if the amount of credit granted exceeds EUR 20,000 and the borrowing rate is not linked to a reference rate (*fixed interest rate*) or if the reference rate determination period is at least three years. If the creditor exercises the creditor's right to compensation, the creditor shall, without delay after having received a repayment request, provide the consumer with a calculation indicating the amount of compensation required and the grounds and assumptions used when calculating it.

The amount of compensation that the creditor may charge shall not exceed the financial loss arising from the reduction in the interest rate level for the remaining fixed rate credit period or reference rate determination period. The Financial Supervisory Authority (FIN-FSA) issues further regulations on the financial loss calculation method.

Section 21 (851/2016)

Right to compensation in consumer credits secured by a residence

The creditor may charge compensation for the early repayment of consumer credit secured by a residence or part of it if the borrowing rate is fixed. If the creditor exercises the creditor's right to compensation, the creditor shall, without delay after having received a repayment request, provide the consumer with a calculation indicating the amount of compensation required and the grounds used when calculating it.

The amount of the compensation shall not exceed one per cent of the amount of credit repaid or, if the period of time between the early repayment and the agreed termination of the credit agreement is less than one year, half a per cent of the amount of credit repaid. The maximum

amount of compensation charged shall, however, be the amount of interest for the period of time between the early repayment and the agreed termination of the credit agreement.

The creditor does not, however, have the right to compensation if:

- 1) the amount of credit repaid early over the past year does not exceed EUR 10,000;
- 2) the repayment takes place under a credit protection insurance; or
- 3) the credit repaid is based on a credit agreement linked to a current account.

Foreign currency credits

Section 22 (851/2016)

Limitation of exchange rate risks

The creditor shall, in good time before concluding a credit agreement concerning foreign currency credit, warn the consumer about risks relating to the credit offered and inform the consumer of their right under this subsection 2 to have the credit agreement converted into euro and of insurance or other arrangements available by means of which the consumer may limit the exchange rate risk.

If the foreign currency credit is offered in a currency other than the euro, the consumer has the right to have the credit agreement converted into euro at any time. The conversion shall take place in accordance with the official rate of exchange of the day which is the third banking business day from the date on which the consumer's notification of the conversion was received by the creditor.

Section 23 (851/2016)

Obligation to provide information during foreign currency credit agreement

If the remaining amount of credit or repayment instalments varies by more than 20 per cent from what it would be if the exchange rate applicable at the time of the conclusion of the credit agreement was applied, the creditor shall notify a consumer who has taken out foreign currency credit of this without delay and, subsequently, on a regular basis for as long as the variation exceeds 20 per cent. The notification shall be provided on a durable medium and, where applicable, set out the consumer's right to have the credit agreement converted into another currency, the conditions of doing so as well as any other arrangements referred to in section 22, subsection 1.

Certain obligations of credit intermediary

Section 24 (851/2016)

Obligation to provide information before carrying out credit intermediation

The credit intermediary shall provide the consumer, in good time before carrying out credit intermediation for consumer credits relating to residential property, at least the following information on a durable medium:

- 1) the name and the geographical address of the intermediary;
- 2) the register in which the intermediary has been included, and the registration number or other equivalent identifier in the register in question, and the means of verifying the registration;
- 3) whether the intermediary acts as an agent for one or more specific creditor and, if the intermediary acts as an agent, the names of the creditors on behalf of which the intermediary is acting;
- 4) the contents of the intermediation service if the intermediary does not act as an agent of a creditor;
- 5) whether the credit intermediary offers advisory services;
- 6) the total amount of fees payable by the consumer for the credit intermediation or, if the exact amount cannot be indicated, the criteria for determining the fees;
- 7) the procedures allowing the consumer or other parties to lodge complaints about the activities of the intermediary or to refer the matter for consideration by an out-of-court dispute resolution body;
- 8) the existence and the amount of commissions or other inducements, payable by the creditor or third parties to the credit intermediary for their services in relation to the credit agreement or, where the exact amounts are not known, that the amounts will be disclosed at a later stage in the ESIS form.

If the amount of commissions or inducements referred to in subsection 1, paragraph 8 varies depending on with which creditor the consumer concludes the credit agreement, the credit intermediary shall inform the consumer of this and of the opportunity to receive, on request,

additional information on how the amount of commissions or inducements payable to the creditor varies with regard to the different credit agreements offered to the consumer.

If the credit intermediary charges a fee to the consumer and additionally receives commission or other inducement from the creditor or a third party, the intermediary shall, when providing the consumer with the information referred to in subsection 1, state whether or not the commission or other inducement will be offset against the fee.

Section 25 (851/2016)

Independent credit intermediary

A credit intermediary may state that the intermediary acts as an independent credit intermediary only if the credit intermediary intermediates a sufficiently large number of credit agreements available on the market and does not receive a fee for the credit intermediation from a party other than a consumer.

Section 26 (851/2016)

Fee charged to consumer for credit intermediation

The credit intermediary has the right to receive the fee for credit intermediation from the consumer only if the consumer has been informed of the fee in the manner required by section 24, subsection 1, paragraph 6 and the fee has been agreed upon with the consumer on a durable medium.

The credit intermediary shall inform the creditor of the amount of the fee charged to the consumer for the purpose of calculating the annual percentage rate of charge.

Section 27 (851/2016)

Taking account of consumer's circumstances

The provision of credit intermediation and any ancillary services shall be based on information on the consumer's financial situation, needs and expectations concerning credit stated by the consumer as well as appropriate assumptions about the consumer's risks during the lifetime of the credit agreement.

Advisory services

Section 28 (851/2016)

Prior information provided for consumer

A provider of advisory services shall, in good time before the provision of advisory services or before the conclusion of a contract for the provision of advisory services, provide the consumer with information on the creditors on the assessment of credits offered by which the recommendation provided is based, and the total amount of fees charged to the consumer for the advisory services or, if the exact amount cannot be indicated, the criteria for determining the fees. The consumer shall be provided with the information on a durable medium.

Section 29 (851/2016)

Right to receive fee for advisory services

A provider of advisory services has the right to receive a fee from a consumer for the provider's advisory services and on the basis of a credit agreement recommended by the provider only if the consumer has been informed of the fee in the manner required by section 28 and the fee has been agreed upon with the consumer on a durable medium.

The provider of advisory services shall not receive any consideration for the provider's advisory services or for a credit agreement recommended by the provider from parties other than a consumer.

Section 30 (851/2016)

Performance of advisory services

Advisory services shall be based on information on the consumer's financial situation, needs and expectations concerning credit stated by the consumer as well as appropriate assumptions about the consumer's risks during the lifetime of the credit agreement.

The provider of advisory services shall assess a sufficiently large number of credit agreements available on the market and, based on the assessment carried out by the provider, recommend a suitable credit agreement or several suitable credit agreements for the consumer's needs and expectations as well as their financial situation. The consumer shall be provided with a record of the recommendation provided on a durable medium.

The provider of advisory services shall retain the recommendation provided for five years from the date of its provision. In the event of a dispute concerning advisory services, the recommendation shall, however, be retained until the matter has been settled or resolved.

Other provisions concerning consumer credits relating to residential property

Section 31 (596/2019)

Application of provisions concerning consumer credits

The provisions of section 1, subsections 3 and 4; sections 13, 13a, 15, 16 and 16a; sections 17a, subsections 1–5; sections 18, 19 and 23; section 24, subsections 1, 2 and 4, and sections 25, 26 and 30–35 of chapter 7 apply, in addition, to consumer credits relating to residential property. In addition, sections 39 and 40 of the said chapter apply to consumer credits secured by a residence. Subsections 1–5 of section 17a of the said chapter do not, however, apply to housing credit secured by real security.

Notwithstanding the provisions of chapter 7, section 24, subsections 1 and 2, however, it may be agreed in a housing credit agreement that the interest payable for the credit by the consumer will not change if the value of the reference rate is below zero. If the consumer repays consumer credit relating to residential property early, the provisions of subsections 19–21 of this chapter apply notwithstanding the provisions of chapter 7, section 17a, subsections 2 and 3. If credit relating to residential property is called in, the provisions of chapter 7 section 35 apply notwithstanding the provisions of chapter 7, section 17a, subsections 2 and 3.

Supervision

Section 32 (851/2016)

Penalties

Where necessary for consumer protection, a prohibitory injunction may be imposed on a creditor or a credit intermediary that violates the provisions of this chapter to refrain from continuing or repeating such a practice or a comparable practice. Provisions on the imposition of a prohibitory injunction and its enforcement by a notice of a conditional fine are laid down in chapters 2 and 3. If provisions are violated by a foreign credit intermediary referred to in the Act on Intermediaries of Consumer Credit Relating to Residential Property (852/2016), the imposition of the prohibitory injunction shall be in compliance with Article 34(2) and (4) of Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (*Mortgage Credit Directive*).

Provisions on the right of the Financial Supervisory Authority (FIN-FSA) to impose sanctions are laid down in the Act on the Financial Supervisory Authority and in the Act on Intermediaries of Consumer Credit Relating to Residential Property.

Provisions on penalty fees imposed for violations of provisions of section 5; section 6 and provisions laid down under its subsection 2; section 7 and provisions laid down under it; section

10, subsection 1; subsections 11 and 14; section 15 and provisions laid down under its subsection 3; and section 17, subsection 1 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities. (572/2020)

Section 33 (851/2016)

Supervisory authorities

Compliance with the provisions of this chapter is supervised by the Consumer Ombudsman, the Finnish Competition and Consumer Authority and, as authorities subordinate to it, the Regional State Administrative Agencies as well as the Financial Supervisory Authority (FIN-FSA) when the creditor or credit intermediary is a party referred to in section 4, subsections 2–5 or another financial market participant referred to in section 5 of the Act on the Financial Supervisory Authority. (899/2017)

The supervisory authorities shall cooperate in an appropriate manner with each other. The Finnish Communications Regulatory Authority provides, on request, a supervisory authority that is supervising compliance with chapter 7, section 15 under section 31 of this chapter with an opinion on whether an electronic identification scheme used by a creditor meets the requirements laid down in section 8 of the Act on Strong Electronic Identification and Electronic Trust Services.

The supervisory authorities shall act in appropriate cooperation with foreign EEA supervisory authorities in matters concerning consumer credits relating to residential property as laid down in Articles 36 and 37 of the Mortgage Credit Directive. The contact point referred to in Article 36 of the Directive is the Financial Supervisory Authority (FIN-FSA).

The creditor and the credit intermediary are obliged to disclose for viewing by the supervisory authorities any documents concerning consumer credits relating to residential property that are necessary for supervision.

Chapter 8 (16/1994)

Certain consumer service contracts

General provisions on consumer service contracts

Section 1 (16/1994)

Scope of application of chapter

The provisions of this chapter apply to services performed for consideration which a trader (*contractor*) performs for a consumer (*customer*) and consisting of work or another performance

relating to a movable, a building, another structure or immovable property. Provisions on certain works contracts are, however, laid down in chapter 9 below. (1258/2001)

The provisions of the chapter do not apply to services consisting of the safekeeping of a consumer's property.

Section 2 (16/1994)

Mandatory nature of provisions

Any contract term deviating from the provisions of this chapter to the detriment of the customer is null and void unless otherwise provided below.

General provisions on contractor's performance

Section 3 (391/2002)

Delivery of service

If the object of service is in the possession of the contractor for the purpose of service performance, the service is deemed as having been delivered when the object has, once the service has been performed, been delivered to the possession of the customer. In other cases, the service is deemed as having been delivered when its performance has been completed.

Section 4 (16/1994)

Time of delivery

Unless agreed that the service is to be delivered at a specified time or upon demand or without delay, the service shall be delivered within a period of time after the conclusion of the contract that is reasonable considering the nature and extent of the service.

Section 5 (16/1994)

Acquisition of material

Unless otherwise agreed, the contractor shall acquire the materials, spare parts and supplies (*material*) required for the performance of the service.

Section 6 (16/1994)

Additional work

If, during the performance of the service, the need emerges for additional measures that are not included in the assignment but the performance of which is appropriate to carry out in the same context (*additional work*), the contractor shall request authorisation for their performance from the customer.

If the customer cannot be reached within a reasonable period of time, the additional work may be carried out only if the costs charged for it are minor in terms of amount of money or in relation to the price of the service agreed or the price estimate provided for it. The costs arising from any additional work shall not result in any agreed maximum price being exceeded.

Should the contractor detect the need for such work not included in the assignment that cannot be postponed without posing a risk to health or property and that is not carried out by virtue of this section, the contractor shall notify the customer without delay of any issues posing a risk to safety detected by the contractor.

Consequences of delay in service

Section 7 (16/1994)

Right to withhold payment

The customer has the right to withhold the payment of the price of a service on the grounds of the contractor's delay. The customer shall not, however, withhold any amount that manifestly exceeds the claims to which the customer has the right on the basis of the delay.

Section 8 (16/1994)

Customer's right to require performance of contract

The provisions of chapter 5, section 8 apply correspondingly to the customer's right to require performance of the contract by the contractor.

Section 9 (16/1994)

Termination of contract

The customer may terminate the contract due to the contractor's delay if the breach of contract is material.

If the customer has set for the contractor a specific additional period of time that is not unreasonably short for the performance of the service, the customer may also terminate the contract if the service is not delivered within the additional period of time. Within the additional period of time set, the customer may terminate the contract only if the contractor declares that the contractor will not perform the contract within that period of time.

Where the customer has not set any additional period of time for the contractor, the customer may terminate the contract if the service is not delivered within a reasonable period of time from the customer's request for performance of contract.

If there are weighty reasons to presume that the service will be essentially delayed, the customer may terminate the contract immediately.

If a significant part of the service has been performed, the customer has the right to terminate the contract only in respect of the service that has not been performed. If the delay results in the purpose of the service being essentially not attained, the customer has the right to terminate the contract in full, however. For any performance that cannot be returned without essential inconvenience, the customer shall in such a case pay the contractor compensation that is equivalent to the value of the service to the customer.

Section 10 (16/1994)

Damages

The customer has the right to damages for loss or damage suffered by the customer as a result of the contractor's delay, unless the contractor demonstrates that the delay is due to an obstacle beyond the contractor's control that the contractor cannot reasonably be expected to have taken into account at the time of the conclusion of the contract and the consequences of which the contractor could also not reasonably have avoided or overcome.

If the delay is due to a person whose assistance the contractor has enlisted for the performance of the contract or part of it, the contractor is exempted from liability for damages only if also the said person would be exempt from liability under subsection 1. The same applies if the delay is due to the contractor's supplier of goods or another previous link in the chain of transactions.

The contractor shall, however, be obliged to compensate for indirect loss and damage to the customer only if the delay, loss or damage is due to negligence on the part of the contractor.

Indirect loss or damage means:

- 1) loss of income suffered by the customer due to a breach of contract or measures resulting from a breach of contract;
- 2) loss or damage due to an obligation based on another contract; and
- 3) essential loss of use of the object of service not resulting in direct financial loss, as well as other comparable inconvenience that is essential.

If the loss or damage referred to in subsection 3, paragraphs 1–3 is caused by the limitation of other type of loss or damage, it is not, however, considered indirect loss or damage in that respect.

A member of the customer's family who suffers loss or damage due to a delay has the same right to compensation as the customer.

Section 11 (16/1994)

Notice of termination of contract and claim for damages

If the service has been delivered late, the customer may not terminate the contract or seek damages due to the delay unless the customer within a reasonable period of time from the delivery notifies the contractor that the customer will terminate the contract or wishes to seek damages. If the customer terminates the contract, the customer is not, however, obliged to provide a separate notice of a claim for damages.

Characteristics and lack of conformity of service

Section 12 (16/1994)

General provision on lack of conformity

A service shall conform to what can be deemed to have been agreed in terms of content, manner of performance and outcome.

The service shall be performed professionally and carefully and taking into account the customer's interests. The service shall in terms of durability and otherwise conform to what the consumer normally has reason to expect for such a service. The service shall also conform to the requirements set in an act, a decree or an authority's decision.

If the contractor has to acquire material required in the performance of the service and it has not been agreed otherwise, the material shall be of normal good quality in terms of its durability and other characteristics.

If the service deviates from the provisions of subsections 1–3, it lacks conformity. The burden of proof of the service having been performed professionally and carefully is on the contractor.

Section 13 (16/1994)

Information on service

A service also lacks conformity if it does not correspond to the information the contractor has provided on the content of the service or the contractor's performance or any other aspects relating to the quality or use of the service in marketing or otherwise before the conclusion of the contract and which can be presumed to have influenced the customer's decision-making. The

same applies to information provided while performing the service and which can be presumed to have influenced the customer's decision-making.

A service also lacks conformity if it does not correspond to information referred to in subsection 1 provided by a party other than the contractor in a previous link in the chain of transactions or on behalf of the contractor has provided when marketing the service. A service is not, however, deemed to lack conformity if the information has been corrected in time in a clear manner. The contractor is not liable for a lack of conformity referred to in this subsection also if the contractor was not aware of, nor should have been aware of, the information provided.

A service also lacks conformity if the contractor has failed to provide the customer with information on a matter referred to in subsection 1 of which the contractor should have been aware and of which the customer justifiably could have expected to have been informed.

Section 14 (16/1994)

Obligation to provide advice

Should it, during or after the conclusion of the contract, become evident that, taking account of the service, its price, the value and characteristics of the object or other specific circumstances, would evidently not be appropriate for the customer, the contractor shall inform the customer of this without delay. The contractor shall also inform the customer if the service is likely to be considerably more expensive than the customer could reasonably have expected.

If the customer cannot be reached within a reasonable period of time or does not provide the instructions required, the contractor shall discontinue the performance of the service. The contractor may, however, continue the performance if the contractor has a special reason to presume that the customer, nevertheless, wants the service to be performed.

If the contractor fails to comply with its obligations under this section, the service lacks conformity.

Section 15 (16/1994)

Time determining lack of conformity and guarantee (1258/2001)

Any lack of conformity in the contractor's performance shall be assessed on the basis of the outcome of the performance in terms of its characteristics at the time of delivery of the service or, if delivery is delayed for a reason on the part of the customer, after the contractor has performed what the delivery requires from the contractor. The contractor is liable for a lack of conformity in the performance at that time, even if the lack of conformity only becomes apparent subsequently. If the outcome of the performance deteriorates after the above-mentioned point in time, the

performance is deemed to lack conformity if the deterioration is due to the contractor's breach of contract.

The provisions of chapter 5, sections 15a and 15b apply correspondingly to guarantees on services. (1258/2001)

Consequences of lack of conformity

Section 16 (16/1994)

Notification of lack of conformity

The customer may not rely on a lack of conformity of a service unless the customer notifies the contractor of the lack of conformity within a reasonable period of time from the time the customer detected or should have detected the lack of conformity. The notification of lack of conformity may also be submitted to a trader acting as an intermediary in the service or undertaking liability for the characteristics of the service.

Notwithstanding subsection 1, the customer may rely on a service lacking conformity if:

- 1) the contractor's conduct has been grossly negligent or incompatible with honour and good faith;
- 2) the lack of conformity is based on the service, in terms of its characteristics, lacking conformity with the requirements set in provisions or regulations issued to protect health or property; or
- 3) the lack of conformity is based on the outcome of the service otherwise posing a risk to health or property.

Section 17 (16/1994)

Right to withhold payment

The customer has the right to withhold the payment of the price of a service on the basis of the contractor's lack of conformity. The customer shall not, however, withhold any amount that manifestly exceeds the claims to which the customer has the right on the basis of the lack of conformity.

Section 18 (16/1994)

Remedy of lack of conformity

The customer has the right to require that the contractor corrects the lack of conformity or replaces the performance that lacks conformity without additional costs to the customer for this.

The contractor is not, however, obliged to remedy a lack of conformity if this would incur disproportionate costs or inconvenience to the contractor.

Even if the customer does not require that the lack of conformity be corrected or the performance replaced, the contractor may at their own expense carry out such a remedy if the contractor offers to do so without delay upon the lack of conformity having been notified by the customer. The customer may refuse the remedy of the lack of conformity if this would cause the customer essential inconvenience or the risk of costs incurred by the customer not being compensated, or if there is some other particular reason for the refusal.

The contractor shall not rely on not having been provided with the opportunity to remedy a lack of conformity as referred to in subsection 2 if the customer has had the lack of conformity corrected and, taking the circumstances into account, it cannot be reasonably expected for the customer to have waited for the remedy by the contractor.

Section 19 (16/1994)

Price reduction and termination of contract

If the correction of the lack of conformity or replacement of performance is not possible or if such remedy is not carried out within a reasonable period of time from the customer's notification of the lack of conformity, the customer may require a price reduction corresponding to the lack of conformity.

If there are weighty reasons to assume that there will be a material lack of conformity in the service, the customer may terminate the contract to the extent that the service has not yet been performed.

To the extent that the service has been performed, the customer may in the circumstances specified in subsection 1 terminate the contract if no other consequence can be deemed as reasonable for the customer. As regards any performance that cannot be returned without essential inconvenience, the customer shall in such cases pay the contractor compensation that is equivalent to its value.

Section 20 (16/1994)

Damages

The customer has the right to damages for any loss or damage suffered by the customer due to a lack of conformity in a service. The liability for damages covers personal injury and damage to property suffered by the customer due to the lack of conformity unless otherwise provided by

section 21. The contractor is, however, liable in damages for indirect loss or damage referred to in section 10, subsections 3 and 4 above only if the lack of conformity or the loss or damage is due to negligence on the part of the contractor.

A member of the customer's family who suffers loss or damage due to a lack of conformity has the same right to compensation as the customer.

Section 21 (16/1994)

Product damage caused by material

If a lack of conformity in material used to perform a service causes damage to property other than the object of service, the provisions of section 20 apply to the contractor's liability in damages only if the damage is caused to property directly connected through a usage context to the service.

If the contractor pays damages under subsection 1, any right of the beneficiary to claim compensation for injury or damage under the Product Liability Act is transferred respectively to the contractor. The provisions of section 10 of the Product Liability Act also apply to the contractor's right to damages.

The provisions of this chapter do not apply to compensation for personal injury due to the characteristics of material used to perform a service.

Section 22 (16/1994)

Liability in damages of parties other than contractor

The provisions of chapter 5, section 22 apply correspondingly in the case of a service referred to in this chapter.

Customer's obligations and consequences of customer's breach of contract

Section 23 (16/1994)

Price of service

If the price of the service or its calculation method has not been agreed upon, the customer shall pay a price that is reasonable taking account of the content, extent, nature, economically appropriate manner of performance of the service, the current price or price calculation method at the time of the conclusion of the contract as well as other circumstances. If the contractor, when marketing the service, has provided information on the price of the service or its calculation method referring to the price level at the time of the conclusion of the contract that can be

assumed to have influenced the contract, the price is determined in accordance with the information provided.

If the trader has, at the request of the customer, carried out preliminary examinations of the contents of the performance or the costs arising from it, the trader may require a payment for such preparatory measures, except where the consumer, on the basis of the practice prevailing in the sector or for some other reason, had reason to assume that there is no charge for the measures.

If what the contractor has performed under the contract is damaged, destroyed or otherwise lost before the delivery of the service and this is not due to a reason attributable to the customer, the contractor does not have the right to require a payment for any lost work or material or any other additional costs incurred. The above does not apply if the performance was lost after a delay in the delivery of the service owing to a reason on the part of the customer.

Section 24 (16/1994)

Price estimate

If the contractor has provided a price estimate for a service, the final price may exceed the estimate by a maximum of 15 per cent. The customer and the contractor may, however, agree separately on how much a price estimate provided may be exceeded.

The price estimate is deemed to mean the total price charged for the service unless otherwise agreed.

In the event of a dispute over whether the amount of money presented is to be regarded as a fixed price, maximum price, price estimate or indicative price information, the burden of proof shall be on the contractor.

Section 25 (16/1994)

Payment and breakdown of price

If the time of payment of the price of a service has not been agreed, the customer shall pay the price when required by the contractor but not, however, before the service has been performed in accordance with section 3 and the customer has had a reasonable opportunity to inspect the performance.

If the service is not performed for a fixed price, the contractor shall, at the customer's request, provide the customer with a written breakdown on the basis of which the content of the service and the manner in which the price of the service is determined can be assessed. A customer who

has requested a breakdown without undue delay after the completion of the service or after the customer's receipt of an invoice for the service shall not be obliged to pay until after receipt of the breakdown.

If the payment is made through a bank or post office, when assessing the contractor's rights under sections 27–30, the payment is deemed to have been made on the date when the bank or post office accepted the customer's appropriate payment instruction.

Section 26 (16/1994)

Cancellation of service

If the customer breaches the contract by cancelling the service before its delivery, the contractor does not have the right to complete it. Instead, the contractor has the right to damages for any loss and damage suffered by the contractor in accordance with section 30.

Section 27 (16/1994)

Contractor's right to withhold performance

If the price of the service or part of it is to be paid before the delivery of the service but the payment is delayed, the contractor has the right to withhold performance until the contractor receives the payment. The customer shall be informed without delay of the discontinuation of performance.

If the discontinuation of performance would pose a risk to health or a significant risk to property, the contractor shall, however, carry out the measures necessary to prevent the risk.

A contractor who discontinues performance in accordance with this section has the right to compensation for the additional costs arising from that.

Section 28 (16/1994)

Interest for late payment

If the customer is late in paying the price of the service, the contractor has, where the order is not cancelled or the contract is not terminated, the right to receive interest for late payment in accordance with the Interest Act.

Section 29 (16/1994)

Contractor's right to terminate contract

If the customer is late in paying the price of the service or part of it and the breach of contract is essential, the contractor may terminate the contract to the extent that the service has not been performed.

If the contractor has set a specific additional period of time that is not unreasonably short for the payment of the price of the goods and the customer fails to make the payment within the additional period of time, the contractor may also terminate the contract to the extent that the service has not been performed. Within the additional period of time set, the contractor may terminate the contract only if the customer declares that the customer will not make the payment within that period of time.

The contractor has the right to terminate the contract on grounds specified in subsections 1 and 2 also if the customer fails to contribute to the performance of the contract as required by the performance of the service.

If it has become clear that the customer will commit a material breach of the contract, the contractor has the right to terminate the contract immediately.

Section 30 (16/1994)

Contractor's right to damages

If the contractor terminates the contract or if the customer cancels the service, the contractor has the right to consideration for any part of the service that has already been performed as well as for the measures that must be carried out regardless of the termination of contract or cancellation.

In addition, the contractor has the right to compensation for other costs incurred by the contractor from performing the contract and that are likely to be of no use, and for any specific costs arising from the termination of the contract or the cancellation. As regards other loss or damage, the contractor has the right to damages that are reasonable considering the price of the service, the time of the termination of the contract or the cancellation, the measures taken to perform the contract as well as other matters.

The contractor does not, however, have the right to compensation referred to in subsection 2 if the customer's late payment or cancellation of service is due to a provision of law, an interruption of general traffic or payment transactions or any other similar obstacle that the customer cannot reasonably avoid or overcome.

Section 31 (16/1994)

Contractor's right to retain object of service in contractor's possession

If the service concerns a movable object that is in the possession of the contractor and the customer fails to fulfil their payment obligation arising from the contract, the contractor has the

right to refrain from handing over the object to the customer or to the owner of the object until the outstanding amount has been paid or a sufficient security has been lodged for it.

Separate provisions have been issued on the right to sell an object retained in possession by virtue of the right of retention.

Other provisions concerning certain consumer service contracts

Section 32 (16/1994)

Property loss or damage sustained in conjunction with service

If an object of service or other property of the customer or their family member has been damaged, reduced, destroyed or lost while in the possession or under the control of the contractor under the service contract, the contractor shall compensate for the loss or damage, unless the contractor demonstrates that the loss or damage was not due to negligence on the part of the contractor.

The contractor's obligation to ensure the retention of an object of service will not cease due to any termination of the contract before the object has been returned to the possession of the customer or the contractor has, as provided elsewhere by law, the right to stop retaining it.

Section 33 (16/1994)

Limitation of loss or damage and adjustment of damages

The provisions of chapter 5, section 30 apply correspondingly in the case of a service referred to in this chapter.

Section 34 (16/1994)

Material supplier's liability for lack of conformity

The customer has the right to direct their claim based on a lack of conformity in material used in the performance of a service under the provisions of this chapter also against a trader that in a previous link in the chain of transactions has handed the material over for resale.

The customer does not, however, have the right specified in subsection 1:

- 1) if the lack of conformity has arisen for a reason not attributable to the material supplier in question after the supplier handed over the goods;

- 2) to the extent that the claim is based on an undertaking provided by a party other than the material supplier in question that places the customer in a better position than the provisions of this chapter in the absence of the said undertaking; and
- 3) to the extent that the claim pertains to a price reduction or reimbursement of the price of the service and its amount exceeds the amount that could have been claimed on the same grounds by the material supplier's own contracting party if not taking account of any restrictive conditions in an agreement between these.

The customer loses their right to make claims under this section if the customer fails to notify the lack of conformity to the material supplier or if the material supplier is not informed of a notification of lack of conformity submitted to a later link in the chain of transactions within a reasonable period of time from the date when the customer detected or should have detected the lack of conformity and the information on the material supplier necessary for making the claim was available to the customer. Notwithstanding the provisions of this subsection, however, the customer may rely on a lack of conformity if the conduct of the material supplier in question has been grossly negligent or incompatible with honour and good faith, or in the event of a lack of conformity referred to in section 16, subsection 2, paragraph 2 or 3.

Section 35 (16/1994)

Other trader's liability for lack of conformity

If the contractor has enlisted the assistance of another trader in the performance of the service and there is a lack of conformity in a part of the service performed by that trader, the customer has the right to make claims under the provisions of this chapter also against the said trader.

The customer does not, however, have the right specified in subsection 1:

- 1) if the lack of conformity has arisen for a reason not attributable to the trader in question after the trader handed over the trader's performance;
- 2) to the extent that the claim is based on an undertaking provided by the trader in question that places the customer in a better position than the provisions of this chapter in the absence of the said undertaking; and
- 3) to the extent that the claim pertains to a price reduction or reimbursement of the price of the service and its amount exceeds the amount that could have been claimed on the same grounds

by the trader's own contracting party if not taking account of any restrictive conditions in an agreement between these.

The customer loses their right to make claims under this section if the customer fails to notify the lack of conformity to the trader concerned or if the trader is not informed of a notification of lack of conformity submitted to the contractor within a reasonable period of time from the date when the customer detected or should have detected the lack of conformity and the information on the trader necessary for making the claim was available to the customer. Notwithstanding the provisions of this subsection, however, the customer may rely on a lack of conformity if the conduct of the trader concerned has been grossly negligent or incompatible with honour and good faith, or in the event of a lack of conformity referred to in section 16, subsection 2, paragraph 2 or 3.

Chapter 9 (16/1994)

Sale of building elements and construction works contracts

General provisions on sale of building elements and construction works contracts

Section 1 (16/1994)

Scope of application of chapter

The provisions of this chapter apply to contracts between a trader (*contractor*) and a consumer (*customer*):

- 1) which cover the delivery of a set of installation-ready construction components dimensioned for a building or a fixed structure associated with a building (*elements*);
- 2) under which the trader's performance obligation covers, alongside the supply of elements referred to in paragraph 1, also the installation or the elements or a part of the measures included in the installation; or
- 3) where the trader's performance obligation covers the construction or repair construction of a building or a fixed structure associated with a building, a sub-work contract with considerable financial significance linked with such a project, or renovation or modernisation, with considerable financial significance, of a residential unit (*works contract*).

The provisions of the chapter also apply when a trader, alongside performances referred to in subsection 1, supplies to a consumer other goods for a building or structure or performs for a

consumer other services relating to a construction or repair project. The provisions laid down below on elements apply correspondingly to other goods referred to here.

Provisions may be given by decree on a minimum value for contracts referred to in subsection 1, paragraph 3 falling within the scope of this chapter.

Section 2 (16/1994)

Mandatory nature of provisions

Any contract term deviating from the provisions of this chapter to the detriment of the customer is null and void unless otherwise provided below.

Delivery, allocation of costs and passing of risk

Section 3 (16/1994)

Delivery

Elements have been delivered when the customer has acquired possession of them. If the contractor's performance includes the installation of elements, the elements are, however, when applying the provisions on the contractor's delay, deemed as delivered only when the installation work has been completed.

A works contract has been delivered when it has been completed and when the final acceptance inspection, if agreed upon, has been carried out.

Section 4 (16/1994)

Time of delivery

Unless agreed that the elements or the works contract must be delivered at a specific time, the delivery shall take place within a reasonable period of time from the conclusion of the contract.

If the contractor has the right to decide the specific time of delivery of the elements or other performance by the contractor, the contractor shall notify the customer of the time selected by the contractor within a reasonable period of time in advance.

Section 5 (16/1994)

Costs incurred for elements prior to delivery

Unless otherwise agreed, the contractor is responsible for any transport and storage costs and other costs incurred for the elements prior to their delivery. This, however, does not apply to any costs incurred because the delivery was delayed owing to a reason on the part of the customer.

Section 6 (16/1994)

Passing of risk

The contractor bears the risk of any destruction or loss of or damage to elements prior to their delivery for a reason not attributable to the customer. The contractor also bears the risk of the contractor's performance otherwise being damaged, destroyed or lost before its delivery due to a reason not attributable to the customer or, if the delivery is delayed for a reason on the part of the customer, before the contractor has performed what the delivery requires of the contractor.

If elements are destroyed, lost or damaged for a reason not attributable to the contractor while the customer bears the risk, the customer shall nevertheless pay the price. The same applies to damage to other performance by the contractor once the risk has passed to the customer.

Consequences of contractor's delay

Section 7 (16/1994)

Right to withhold payment

If the elements remain undelivered due to the contractor's delay at the time when the price or part of it is due for payment under the contract, the customer has the right to withhold payment until the delivery takes place. If the delivery is only delayed in part, the customer shall not, however, withhold any amount of the price that manifestly exceeds the claims to which the customer has the right on the basis of the delay. Even after any delivery, the customer has the right to withhold the payment of a part of the price necessary to secure any claim for compensation based on a delay.

If a performance referred to in section 1, subsection 1, paragraph 3 is not, due to the contractor's delay, at a stage required by the contract at the time when the price or part of it is due for payment under the contract, the customer has the right to withhold payment until the performance is at the stage required by the contract. If a performance is delayed only in part, the provisions of subsection 1 apply correspondingly. The provisions of subsection 1 also apply correspondingly to the customer's right to withhold payment to secure a claim for damages.

If the price or part of it under the contract falls due for payment at a specific time before delivery, but there is a justified reason to assume that the delivery of the elements or works contract will be essentially delayed, the customer has the right to withhold payment until the contractor can show that it is probable that the contractor is able to perform the contract in time.

Section 8 (16/1994)

Customer's right to require performance of contract

The provisions of chapter 5, section 8 apply correspondingly to the customer's right to require performance of the contract by the contractor.

Section 9 (16/1994)

Standard compensation for delay

In the event of a delay in the delivery of elements or a works contract, the customer has the right to standard compensation. Its amount for each commencing week of delay of the first month of delay is 0.5 per cent of the corresponding part of the price and, after that, for each commencing week of delay 1 per cent of the corresponding part of the price.

If a delay in the delivery of elements delays the installation of other elements, the amount of the standard compensation is calculated from such part of the price that includes the share of the elements in question, including their installation if this is included in the contractor's obligations.

The maximum amount of the standard compensation is 10 per cent of the part of the price referred to in subsection 1 or 2. Notwithstanding this section, the customer does, however, have the right to receive under section 11 damages exceeding the standard compensation for loss or damage suffered by the customer.

In the event of an obstacle to the contractor's performance referred to in section 11, subsection 1 or 2, the contractor is under no obligation to pay the standard compensation.

Section 10 (16/1994)

Termination of contract

The customer may terminate the contract due to the contractor's delay if the delay causes essential inconvenience to the customer. If the elements subject to the contract must be manufactured or acquired specifically for the buyer in accordance with the buyer's instructions or wishes and the contractor cannot without significant financial loss make use of them in other ways, the customer may not terminate the contract unless the delay has lasted for more than 60 days. The customer may, however, terminate the contract already before the delay has lasted for 60 days if the customer would be placed in an unreasonable situation due to the customer having to remain in the contract.

If the delay pertains to an element that can without inconvenience be replaced by corresponding goods acquired from elsewhere, the customer has in this regard the right to terminate the contract under the conditions in accordance with chapter 5, section 9.

If the contractor is late in installing the elements, the customer has the right to terminate the contract to that extent under the conditions in accordance with chapter 8, section 9.

If there are weighty reasons to assume that a delay entitling to termination will occur, the customer may terminate the contract already before the agreed time of delivery is reached.

Section 11 (16/1994)

Damages

The customer has the right to damages for loss or damage suffered by the customer as a result of the contractor's delay, unless the contractor demonstrates that the delay is due to an obstacle beyond the contractor's control that the contractor cannot reasonably be expected to have taken into account at the time of the conclusion of the contract and the consequences of which the contractor could also not reasonably have avoided or overcome.

If the delay is due to a person whose assistance the contractor has enlisted for the performance of the contract or part of it, the contractor is exempted from liability for damages only if also the said person would be exempt from liability under subsection 1. The same applies if the delay is due to the contractor's supplier of goods or another previous link in the chain of transactions.

The contractor is, however, obliged to compensate for indirect loss and damage only if the delay, loss or damage is due to negligence on the part of the contractor. Indirect loss or damage means:

- 1) loss of income suffered by the customer due to a breach of contract or measures resulting from a breach of contract;
- 2) loss or damage due to an obligation based on another contract; and
- 3) essential loss of use of the subject of the contract not resulting in direct financial loss, as well as other comparable inconvenience that is material.

If the loss or damage referred to in subsection 3, paragraphs 1–3 is caused by the limitation of other type of loss or damage, it is not, however, considered indirect loss or damage in that respect.

If the contractor's performance encounters an obstacle referred to in subsection 1 or 2 and the contractor fails to notify the customer without delay of the obstacle and its impacts on opportunities to perform the contract, the customer has the right to damages for loss or damage that could have been avoided had the customer been notified in time.

A member of the customer's family who suffers loss or damage due to a delay has the same right to compensation as the customer.

Section 12 (16/1994)

Special provisions on termination of contract

If the customer terminates the contract fully or in part and performance already carried out by the contractor cannot be returned in an essentially unmodified state or without causing essential inconvenience to the customer, the contractor has the right to compensation for the contractor's performance that corresponds to its value to the customer.

If the customer terminates the contract fully or in part to the extent that it has not been performed, the customer has the right to have access from the contractor to such drawings and other special instructions or information concerning the building that are necessary to carry out the remaining work.

Characteristics and lack of conformity of performance

Section 13 (16/1994)

General provision on lack of conformity

The contractor's performance lacks conformity if its contents, quality or other characteristics do not conform to what can be deemed as having been agreed.

The contractor's performance also lacks conformity if:

- 1) it does not meet the requirements set in provisions or regulations in force at the time of delivery or included in good building practice;
- 2) it causes or may justifiably be assumed to cause harm to health;
- 3) the installation of elements or a works contract or another task included in the contractor's obligations has not been carried out professionally and carefully;
- 4) elements have not been packaged or otherwise protected appropriately where this is necessary for the transport or storage of elements; or
- 5) the performance otherwise does not conform to what the consumer normally has reason to expect for such a contract.

Section 14 (16/1994)

Information provided on performance

The contractor's performance also lacks conformity if it does not correspond to the information the contractor has provided on the characteristics of the elements, contents of the contractor's performance or any other aspects relating to the quality or use of the contractor's performance in marketing or otherwise before the conclusion of the contract and which can be assumed to have influenced the contract. The same applies to information provided after the conclusion of the contract that can be assumed to have influenced the customer's decision-making.

The contractor's performance also lacks conformity if it does not correspond to information referred to in subsection 1 that a party other than the contractor has in a previous link in the chain of transactions or on behalf of the contractor provided when marketing the performance. The performance is not, however, deemed to lack conformity if the information has been corrected in time in a clear manner. The contractor is not liable for a lack of conformity referred to in this subsection also if the contractor was not aware of, nor should have been aware of, the information provided.

The contractor's performance also lacks conformity if the customer is not, in conjunction with the performance, provided with the information necessary for the storage, installation, use or maintenance of the elements or if the contractor has otherwise failed to provide the customer with information on a matter referred to in subsection 1 of which the contractor should have been aware and of which the customer justifiably could have expected to have been informed.

Section 15 (1258/2001)

Time determining lack of conformity and guarantee

The provisions of chapter 5, sections 15, 15a or 15b apply correspondingly in the case of a contract referred to in this chapter.

Consequences of lack of conformity

Section 16 (16/1994)

Notification of lack of conformity

The customer may not rely on a lack of conformity in the contractor's performance unless the customer notifies the contractor of the lack of conformity within a reasonable period of time from the time the customer detected or should have detected the lack of conformity. The notification of lack of conformity may also be submitted to a trader acting as an intermediary in the contract on

behalf of the contractor or undertaking to remedy a lack of conformity in the performance or otherwise undertaking liability for the characteristics of the performance.

Notwithstanding subsection 1, the customer may rely on a lack of conformity if:

- 1) the conduct of the contractor or another trader referred to subsection 1 has been grossly negligent or incompatible with honour and good faith;
- 2) the lack of conformity is based on the performance, in terms of its characteristics, lacking conformity with the requirements set for it under the Product Safety Act (914/1986) or other provisions or regulations issued to protect health or property; or
- 3) the lack of conformity is based on the performance otherwise posing a risk to health or property.

The Product Safety Act (914/1986) was repealed by the Act on the Safety of Consumer Products and Services (75/2004), see the Consumer Safety Act (920/2011).

Section 17 (16/1994)

Right to withhold payment

The customer has the right to withhold the payment of a price on the basis of a lack of conformity. The customer shall not, however, withhold any amount that manifestly exceeds the claims to which the customer has the right on the basis of the lack of conformity.

Section 18 (16/1994)

Remedy of lack of conformity

The customer has the right to require that the contractor remedies the lack of conformity or supplies elements not lacking conformity without additional costs to the customer for this. This is subject to the condition that the lack of conformity can be remedied without causing disproportionate costs or inconvenience for the contractor.

Even if the customer does not require the lack of conformity to be corrected or elements not lacking conformity to be supplied, the contractor may at their own expense carry out such a remedy if the contractor offers to do so without delay upon the lack of conformity having been notified by the customer. The customer may refuse the remedy of the lack of conformity if this would cause the customer essential inconvenience or the risk of costs incurred by the customer not being compensated.

The contractor shall not rely on not having been provided with the opportunity to remedy a lack of conformity as referred to in subsection 2 if the customer has had the lack of conformity corrected and, taking the circumstances into account, it cannot be reasonably expected for the customer to have waited for the remedy by the contractor.

Section 19 (16/1994)

Price reduction and termination of contract

If the remedy of the lack of conformity is not possible or if the remedy is not carried out within a reasonable period of time from the customer's notification of the lack of conformity and the contractor has been provided with the opportunity required by the matter to inspect the object, the customer may require a price reduction corresponding to the lack of conformity or, if the breach of contract is material, may terminate the contract.

To the extent that the performance already carried out by the contractor cannot be returned without essential inconvenience, the customer has the right to terminate the contract only if no other consequence can be deemed as reasonable for the customer.

If there are weighty reasons to assume that there will subsequently be a material lack of conformity in the contractor's performance, the customer has the right to terminate the contract to the extent that it has not been performed by the contractor.

The provisions of section 12 apply correspondingly when a customer terminates the contract under this section.

Section 20 (16/1994)

Damages

The customer has the right to damages for any loss or damage suffered by the customer due to a lack of conformity in the contractor's performance.

The contractor is, however, liable in damages for indirect loss or damage referred to in section 11, subsections 3 and 4 above only if the lack of conformity or the loss or damage is due to negligence on the part of the contractor.

The right to damages under this section also covers personal injury and damage to property suffered by the customer. This section does not, however, apply to:

- 1) compensation for personal injury caused by an element supplied or a material used in performance;

- 2) compensation for damage to property caused by an element supplied or a material used in performance if the damage is to property other than a building or other than residential movables primarily in private use; or
- 3) compensation for damage to property caused by a lack of conformity in equipment included in the appurtenances of a building if the damage is caused to property that has no direct connection through a usage context with the equipment.

A member of the customer's family who suffers loss or damage due to a lack of conformity has the same right to compensation as the customer.

Section 21 (16/1994)

Liability in damages of party other than contractor

The provisions of chapter 5, section 22 apply correspondingly in the case of a performance referred to in this chapter.

Section 22 (16/1994)

Liability for compensation due to incorrect cost estimate

If the contractor has provided the customer with a cost estimate for supplies, work or measures required for the completion of a building that are not included in the contractor's own performance and the customer has had a justified reason to believe that the estimate will not be exceeded essentially, the customer has the right to reasonable compensation if the contractor, when preparing the estimate, has not acted with care and if the costs incurred by the customer due to this are essentially higher than estimated.

Price and its payment

Section 23 (16/1994)

Price estimate

If it has not been agreed that the installation of elements or a service linked to the contractor's performance referred to in section 1, subsection 2 is carried out at a fixed price, the contractor shall provide the customer with a price estimate on it before the conclusion of the contract. In such cases the price of the performance may exceed the price estimate provided by a maximum of 15 per cent unless otherwise provided by section 24.

Section 24 (16/1994)

Terms of price increases

A contractual term under which the contractor has the right to unilaterally increase an agreed price or exceed a price estimate by more than laid down in section 23 is valid only if:

- 1) the increase is due to an amendment to an act or a decision by an authority that the contractor cannot reasonably be expected to have taken into account at the time of the conclusion of the contract or due to an obstacle beyond the contractor's control to construction, installation of elements or other service to be carried out by the contractor that the contractor cannot reasonably be expected to have taken into account at the time of the conclusion of the contract and the consequences of which the contractor could also not reasonably have avoided or overcome;
- 2) the contractor's performance has been postponed due to a reason attributable to the customer and the price increase is due to an increase in costs incurred from this by the contractor; or
- 3) the increase is due to the incorrectness of information that the customer has provided or for the provision of which the customer has been responsible.

The customer shall be notified without delay of any price increase and its grounds. In cases referred to in subsection 1, paragraphs 1 and 2, a term concerning a price increase may not be relied on after the contractor has fulfilled the contractor's obligation in question.

If the increase in a case referred to in subsection 1, paragraph 1 would be greater than 5 per cent of the price, the customer has the right to terminate the contract except for where the increase is due to an expansion of the tax base in a way that a previously tax-exempt performance becomes subject to tax. If the increase for installation relating to the supply of elements would be greater than 15 percent of the price in accordance with the contract, the customer has the right to terminate the contract with regard to installation.

Section 25 (16/1994)

Payment of price and security

If the time of payment of the price has not been agreed, the customer shall pay the price when required by the contractor but not, however, before the performance has been delivered in accordance with section 3 and the customer has had a reasonable opportunity to inspect the performance.

If the customer under the contract is to pay the contractor a part of the price in advance, the contractor shall provide the customer with a security for the advance payment that shall remain in

force until the value of the contractor's performance is equivalent to at least the amount of the advance payment.

The provisions on a breakdown of the price laid down in chapter 8, section 25, subsection 2 apply to any performance not carried out at a fixed price.

If the payment is made through a bank or post office, when assessing the contractor's rights under sections 28–31, the payment is deemed to have been made on the date when the bank or post office accepted the customer's appropriate payment instruction.

Consequences of customer's breach of agreement

Section 26 (16/1994)

Cancellation of order

If the customer breaches the contract by cancelling an order for elements before their delivery, the contractor does not have the right to remain in the contract and require the payment of the price. Instead, the contractor has the right to damages for any loss and damage suffered by the contractor in accordance with section 30.

If the cancellation pertains to a works contract or only to installation relating to the supply of elements or to another service included in the contractor's performance, the provisions of chapter 8, sections 26 and 30 apply.

Section 27 (16/1994)

Contractor's right to withhold performance

The provisions of chapter 8, section 27 apply correspondingly to the contractor's right to withhold performance required by a contract referred to in this chapter.

Section 28 (16/1994)

Interest for late payment

If the customer is late in paying the price, the contractor has, where the order is not cancelled or the contract is not terminated, the right to receive interest for late payment in accordance with the Interest Act.

Section 29 (16/1994)

Termination of contract

The contractor may terminate the contract due to the customer's late payment if the breach of contract is material.

If the contractor has set a specific additional period of time that is not unreasonably short for the payment of the price, the contractor may terminate the contract if the customer fails to make the payment within the additional period of time. Within the additional period of time set, the contractor may terminate the contract only if the customer declares that the customer will not make the payment within that period of time.

If the customer has acquired possession of the elements, the contractor may terminate the contract with regard to them only if the contractor has reserved the right to do so or if the customer rejects the elements. With regard to work or service carried out for the customer, the contractor may under subsection 1 or 2 terminate the contract only to the extent that the work or service has not yet been carried out.

The contractor may not terminate the contract due to the customer's late payment after the late payment has been made.

Section 30 (16/1994)

Damages

If the contractor terminates the contract due to the customer's late payment or if the customer cancels the order in accordance with section 26, subsection 1, the contractor has the right to compensation for any specific costs incurred by the contractor from concluding and performing the contract and that are likely to be of no use for the contractor in any other way, and for any specific costs arising from the termination of the contract or the cancellation.

As regards other loss or damage, the contractor has the right to damages that are reasonable considering the price agreed, the time of the termination of the contract or the cancellation, the measures taken to perform the contract as well as other matters.

The contractor does not, however, have the right to damages if the customer's late payment or cancellation of order is due to a provision of law, an interruption of general traffic or payment transactions or any other similar obstacle that the customer cannot reasonably avoid or overcome.

A contract, under which the compensation payable by the customer is determined formulaically as a specific proportion of the price or based on some other standard criteria, is valid if the compensation under the contract is reasonable taking account of the loss generally incurred from the termination of contract or cancellation and the provisions of subsections 1–3.

Section 31 (16/1994)

Customer's failure to fulfil obligation to contribute

If the delivery of elements is delayed due to a reason attributable to the customer, the contractor has the right to receive from the customer compensation for any necessary transport, storage or protection costs as well as insurance costs relating to the elements. A contract, under which the compensation payable by the customer is determined formulaically as a specific proportion of the price or based on some other standard criteria, is valid if the compensation under the contract is reasonable taking account of the loss generally incurred by the contractor from a case of delay referred to above.

If the installation of elements is included in the contractor's obligations and the installation is delayed for a reason attributable to the customer, the contractor has the right to receive reasonable compensation for loss or damage incurred by the contractor for not being able to offer any replacement work to the workforce booked for the installation.

If the contractor's performance referred to in section 1, subsection 1, paragraph 3 is delayed for a reason attributable to the customer, the contractor has the right to receive compensation in accordance with subsections 1 and 2.

If the contractor's performance is delayed unreasonably for a reason on the part of the customer, the contractor has the right to terminate the contract and receive compensation from the customer in accordance with section 30. If the installation of elements is included in the contractor's obligations, the contractor has to that extent a corresponding right to terminate the contract and receive damages.

Other provisions on sale of building elements and construction works contracts

Section 32 (16/1994)

Application of provisions of Sale of Goods Act

The provisions of the Sale of Goods Act apply to the sale of elements referred to in this chapter unless otherwise provided by this Act. The provisions of section 13, subsection 3; sections 31 and 47; section 49, subsection 3; and section 73, subsection 2 of the Sale of Goods Act do not apply to the sale of elements referred to in this chapter. The provisions of section 76, subsection 2 of the Sale of Goods Act do not apply where the customer has the duty to preserve the goods. The provisions of sections 75–78 of the Sale of Goods Act do not apply to the sale of elements referred to in this chapter if the compensation to be received by the contractor under those provisions would exceed the compensation under sections 28–30 of this chapter when the contract is terminated by the contractor.

Section 33 (16/1994)

Limitation of loss or damage and adjustment of damages

The provisions of chapter 5, section 30 apply correspondingly in the case of a contract referred to in this chapter.

Section 34 (16/1994)

Liability in damages of parties other than contractor

The provisions of chapter 5, section 31 and chapter 8, sections 34 or 35 on the buyer's or customer's right to direct their claim based on a lack of conformity also against a trader in a previous link in the chain of transactions or against a trader whose assistance the contractor has enlisted apply correspondingly to contracts referred to in this chapter.

Section 35 (572/2020)

Penalty fee

Provisions on penalty fees imposed for violations of provisions of section 25, subsection 2 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities.

Chapter 10 (227/2011)

Timeshare and long-term holiday products

Section 1 (227/2011)

Scope of application

This chapter lays down provisions on contracts between a trader and a consumer on the sale or intermediation of a timeshare or a long-term holiday product or the exchange of a timeshare. In addition, provisions are laid down on the marketing by traders to consumers of timeshares, long-term holiday products and related intermediation or exchange activity.

The provisions of the chapter do not apply to contracts for no consideration or for timeshare and long-term holiday product contracts concluded for a fixed term of no more than one year. The provisions do, however, apply if the period of validity of a fixed-term timeshare or long-term holiday product contract may be extended for more than one year without any separate agreement between the parties on the extension.

Section 2 (227/2011)

Definitions

For the purposes of this chapter:

- 1) *timeshare* means the right, divided into periods of time repeated as determined in the contract, to use accommodation linked with immovable or movable property;
- 2) *timeshare unit* means a building or unit intended for residential use the right to use of which is based on timeshares;
- 3) *long-term holiday product* means a right of a duration of more than one year primarily to obtain a discount or other benefit in respect of accommodation either in isolation or linked with travel or other services;
- 4) *exchange contract* means a contract for joining an exchange system which allows a timeshare owner to have access to other accommodation or services covered by the system;
- 5) *intermediation contract* means a sale or purchase assignment concerning a timeshare or long-term holiday product;
- 6) *ancillary contract* means a contract related to a timeshare contract or long-term holiday product contract for services provided by a trader or a third party on the basis of a contract or other arrangement between that third party and the trader;
- 7) *provision of information on a durable medium* means the provision of information personally on paper or electronically in a way that allows the unchanged storage and replication of the information by the recipient.

Section 3 (227/2011)

Mandatory nature of provisions and application of foreign law

Any contractual term deviating from the provisions of this chapter to the detriment of the consumer is null and void unless otherwise provided below.

If any of the immovable properties to which the contract pertains is situated in a Member State of the European Economic Area (*EEA State*) and the law of a non-EEA State would become applicable to the contract, the provisions of this chapter apply, however, to the extent that the consumer is provided with more effective protection under them than under the law otherwise applied. The provisions apply correspondingly also to another contract within the scope of application of this chapter if the trader pursues commercial or professional activities in an EEA State or, by any means, directs such activities to an EEA State and the contract falls within the scope of such activities.

Section 4 (227/2011)

Prior information

The trader shall, in good time before the consumer concludes a contract within the scope of application of this chapter or makes a binding offer concerning it, provide the consumer with clear and sufficiently detailed information on:

- 1) the trader that is party to the contract;
- 2) the nature, content and use of the rights which are the subject of the contract;
- 3) the price, other payments and costs;
- 4) the immovable property, building, unit or other accommodation to which the right to use under the contract pertains;
- 5) the services included in the contract;
- 6) the right of withdrawal under section 9 and the ban on advance payments under section 12;
- 7) the duration of the contract and the termination or other cessation of the contract;
- 8) the possibility of referring a dispute concerning the contract for settlement by the Consumer Disputes Board or another equivalent body handling consumer disputes.

The information referred to in subsection 1 above shall be provided on the timeshare, long-term holiday product, intermediation contract or exchange contract in the standard information form set out separately for each type of contract. The form shall be provided free of charge on a durable medium and, at the choice of the consumer, in the language of the state in which the consumer is a resident or a national in the case of an EEA State and if the chosen language is an official language of the European Union or Norwegian or Icelandic.

Further provisions on the format and contents of the information forms are laid down by decree of the Ministry of Justice.

Section 5 (227/2011)

Marketing

When marketing rights or activities falling within the scope of application of this chapter, the trader shall provide information on the information form referred to in section 4 and on where and how the consumer can obtain it.

If a contract is offered to a consumer personally at a promotion or sales event, the trader shall clearly indicate in the invitation to the event the nature and the commercial purpose of the event. The information form referred to in section 4 shall be available to the consumer at any time during the event.

A timeshare or a long-term holiday product shall not be marketed as an investment.

Section 6 (227/2011)

Format and language of contract

The contract shall be concluded in writing and signed by the parties. The consumer shall receive a copy of the contract. The agreement may also be concluded electronically in a way that allows the unchanged storage and replication of the agreement by the consumer. The provisions of the Act on Strong Electronic Identification and Electronic Trust Services apply to signing contracts electronically. Provisions on the format and contents of any credit agreement linked to the principal agreement are laid down in chapter 7 of this Act.

The contract shall be concluded, at the choice of the consumer, in the language of the state in which the consumer is a resident or a national in the case of an EEA State and if the chosen language is an official language of the European Union or Norwegian or Icelandic. If the immovable property to which the contract pertains is situated in an EEA State other than a state in the language of which the contract is concluded, the trader shall, in addition, provide the consumer with a certified translation of the contract in a language of the state in which the property is situated. If the contract is concluded with a trader operating in Finland in a language other than Finnish or Swedish, the trader shall, at the consumer's request and at the choice of the consumer, provide the consumer with a translation of the contract in Finnish or Swedish.

Section 7 (227/2011)

Contents of contract

The information provided in the information form referred to in section 4 forms a part of the contract unless the parties separately agree otherwise. The trader shall not unilaterally alter the information provided in the form unless the changes result from unusual and unforeseeable circumstances beyond the trader's control, the consequences of which could not have been avoided even if all due care had been exercised. Any changes shall be communicated to the consumer on a durable medium before the contract is concluded. The information in the form and any changes to it shall be mentioned in the contract. In addition, the contract shall mention the name and address of each of the parties and the date and place of the conclusion of the contract.

The contract shall be accompanied by a separate standard form the consumer can use to notify of withdrawal from the contract in accordance with section 9. Provisions on the form and contents of the withdrawal form are laid down by decree of the Ministry of Justice.

Section 8 (227/2011)

Other requirements concerning conclusion of contract

Before the conclusion of the contract, the trader shall draw the consumer's attention particularly to the existence of the right of withdrawal and the withdrawal period under section 9 and to the ban on advance payments during the withdrawal period under section 12. The trader shall ensure that the consumer signs the contractual terms corresponding to these provisions separately.

Section 9 (227/2011)

Right of withdrawal

The consumer has the right to withdraw from the contract within 14 days from the conclusion of the contract or from a later date on which the consumer received a copy of the contract. If the consumer is offered an exchange contract in conjunction with a timeshare contract, the withdrawal period concerning the timeshare contract applies to both contracts.

The consumer shall notify the trader of withdrawal using the withdrawal form referred to in section 7, subsection 2 or another durable medium.

The exercise of the right of withdrawal by the consumer terminates the obligations of the parties to perform the contract. The consumer shall not be required to compensate for any costs incurred by the trader from the withdrawal or for any service performed before withdrawal. The trader shall reimburse any payments received by the trader from the consumer without delay. Interest shall be paid on the amounts reimbursed in accordance with the interest rate referred to in section 3, subsection 2 of the Interest Act from the date on which the payment was received.

Section 10 (227/2011)

Impact on withdrawal period of failure to provide form

If the trader has failed to provide the consumer with the withdrawal form referred to in section 7, subsection 2 attached to the contract or otherwise on a durable medium, the withdrawal period expires after one year and 14 days from the date referred to in section 9, subsection 1. If the withdrawal form is provided within that year, the withdrawal period of 14 days starts from the day the consumer receives the form.

If the consumer has not been provided with the information form referred to in section 4 on a durable medium, the withdrawal period expires after three months and 14 days from the date referred to in section 9, subsection 1. If the information form is provided within those three months, the withdrawal period of 14 days starts from the day the consumer receives the form.

Section 11 (227/2011)

Termination of ancillary contract and credit agreement

If the consumer withdraws from a principal contract concerning a timeshare or a long-term holiday product, any intermediation contract or other ancillary contract linked to it is terminated automatically and without consequences to the consumer.

If the consumer has been granted credit for the principal contract by the trader by themselves or by another trader under a contract or another consumer credit provision arrangement concluded with the trader, the credit agreement is terminated when the consumer withdraws from the principal contract.

Section 12 (227/2011)

Ban on receiving payments during withdrawal period and period of validity of intermediation contract

The trader or any third party shall not receive any payment from the consumer based on a timeshare contract, long-term holiday product contract or intermediation contract before the expiry of the withdrawal period in accordance with section 9 or 10. The ban also applies to the provision of any payment commitment, surety or other security or any other arrangement that may place the consumer under a payment obligation.

The ban on the consumer's advance payments and other commitments and arrangements in accordance with subsection 1 applies to an intermediation contract until the intermediation task has been carried out or the intermediation contract has otherwise ended.

Section 13 (227/2011)

Payment schedule for long-term holiday product and termination of contract

The trader shall prepare a payment schedule, for the payments in accordance with a long-term holiday product contract, where the payments, including any membership fee, payable by the consumer are divided into yearly instalments, each of which are of equal value. No other payments in addition to the payment instalments specified in the payment schedule shall be required from the consumer. The trader shall send the consumer an invoice or other request for payment on a durable medium at least 14 days in advance of each due date.

From the second instalment payment onwards, the consumer may terminate a long-term holiday product contract without incurring any penalty by giving notice to the trader within fourteen calendar days from receiving the request for payment of the instalment for that year.

Section 14 (227/2011)

Payment of timeshare unit price during construction period

If it is agreed that some part of the price of a timeshare unit is to be paid before the building control authority has accepted the housing unit for use, the amounts of any advance instalments of the price of the unit shall not be so large that they are disproportionate to the value of the trader's performance during the period within which the instalments fall due. At least ten per cent of the price of the unit may be required to be paid only once the housing unit has been accepted for use and the consumer has had a reasonable opportunity to inspect it.

Section 15 (1242/2021)

Application of provisions concerning sale of goods

The provisions of chapter 5 on the sale of goods apply, where appropriate, also to a timeshare contract.

Section 16 (227/2011)

Consequences of violations of certain provisions

Where necessary for consumer protection, a prohibitory injunction may be imposed on a trader that violates the provisions of sections 4–8 or 12-14 of this chapter on marketing and contractual relationship of this chapter to refrain from continuing or repeating such a practice or a comparable practice. Provisions on the imposition of a prohibitory injunction and its enforcement by a notice of a conditional fine are laid down in chapters 2 and 3.

Provisions on penalty fees imposed for violations of provisions of section 4 and 5; section 9, subsection 1; and section 12 of this chapter are laid down in the Act on Certain Powers of the Consumer Protection Authorities. (572/2020)

Chapter 11 (746/2010)

(746/2010)

Chapter 11 was repealed by Act 746/2010.

Chapter 12

Miscellaneous provisions

Section 1 (1242/2021)

Liability of intermediary of consumer goods or services

A trader who intermediates a contract for consumer goods or services on behalf of a party offering the goods or services is liable to the consumer acquiring the goods or services for the performance of the contract in accordance with chapters 5, 5a and 8. This liability does not, however, arise if the intermediary is acting on behalf of another trader and the consumer was aware of this and of the impacts of this on their rights at the time of the conclusion of the contract.

The intermediary's liability does not limit the consumer's rights in relation to another party to the contract.

The provisions laid down separately on the liability of real estate agents apply to the liability of real estate agents.

Section 1a (16/1994)

Claim period concerning damages in certain cases

Any claim based on this Act concerning compensation for damage to property caused by a lack of conformity in goods, or compensation for damage to property caused by a lack of conformity in material used in service performance, to property other than the object of service shall be filed within three years from the date on which the claimant was informed of the lack of conformity having become apparent and of the party liable to compensate. The claim shall, however, be filed within ten years from the date on which the party liable to compensate put the goods or material causing the damage into circulation.

Section 1b (16/1994)

Relationship with Tort Liability Act and other acts

The provisions of this Act do not restrict the right of a person suffering loss, injury or damage to claim for compensation under the Tort Liability Act (412/1974), the Product Liability Act or another act.

Section 1c (1211/2013)

Right to rely on certain notifications and documents

If a notification of lack of conformity or a notification of termination or withdrawal of contract referred to in this Act has been sent to the recipient in an appropriate manner, the sender may rely on the notification even if it is late, distorted or undelivered.

If no other evidence can be provided for the date on which a notification was received, notifications sent by post are deemed to have been received on the seventh day after they were sent and notifications sent electronically on the day they were sent.

The provisions of subsections 1 and 2 on notifications also apply to confirmations, contractual terms and other documents that a trader has sent in accordance with this Act to a consumer.

Section 1d (16/1994)

Handling of disputes

A term of a contract, concluded before the materialisation of a dispute, under which disputes between the trader and the consumer must be settled by arbitration is not binding on the consumer.

Provisions on the competent court and the choice of court agreement are laid down in chapter 10 of the Code of Judicial Procedure (4/1743). (140/2009)

Section 1e (29/2005)

Calculation of time limit

In calculating a time limit laid down in this Act, the day on which the contract was concluded or other similar measure was carried out and from which the time limit begins is not taken into account. If the last day of a time limit is a Sunday, public holiday, the Independence Day, the First of May, Christmas Eve, Midsummer Eve or a Saturday, a measure to be carried out within the time limit may still be carried out on the first business day after that.

Section 1f (416/1999)

General choice-of-law provisions

Unless otherwise provided by the provisions of this Act or another act, the law applicable to contractual obligations referred to this Act is determined in accordance with the Rome Convention of 19 June 1980 on the Law Applicable to Contractual Obligations. Even where the contractual obligations referred to in this Act do not fall within the scope of application of the said Convention, the rules of the Convention are complied with as appropriate.

Section 2

Further provisions (16/1994)

Further provisions on the application and implementation of this Act may be issued by decree.

Section 3

Entry into force (16/1994)

This Act enters into force on 1 September 1978.