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Viviane Reding  
Vice President, Commissioner for Justice  
DG Justice  
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Brussels  
B-1049

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**SUBJECT: Cypriot Property Developers and Unfair Commercial Practice**

Dear Commissioner Reding,

Bearing in mind responses to previous questions asked by several of the undersigned, we would like to point out to the Commission explicitly where we think that various Cypriot property developers have broken and continue to break European law (and, of course, the national law that transposes it). Accordingly, we would like you to propose a small amendment to the relevant EU Directive.

As you are aware from previous research into the topic, over 50 000 British buyers of Cypriot properties are yet to receive their title deeds and are thus not the legal owners of their homes. The consequences of this for buyers are far-reaching, including the risk of losing their home should their developer become bankrupt before ownership is transferred. Additionally, the practice of retaining legal ownership, apart from devaluing these properties and making them more difficult to sell, also gives rise to other unfair and aggressive practices.

Given how long it has taken to acquire full knowledge of the protection available to them, and the likely long and protracted journey towards remedy that lies ahead of them, we would like to assure our constituents that they have the support of the European Union through EU legislation which protects their consumer rights.

**Directive 2005/29/EC - Unfair Commercial Practices**

The undersigned firmly believe that the practice of withholding title deeds or legal ownership of properties which have been paid for in full by the purchasers is an infringement of Directive 2005/29/EC and the Cyprus Law 103 (I) /2007 which transposes it, regardless of when any sales contract was signed. Below are the parts of the Directive we believe to be relevant.

Recitals (9 - financial services and immovable property)

Article 2 (h - definition of 'professional diligence')

Article 3 clause 1 (application of the Directive to unfair practices occurring before, during and after a transaction)

The practice is "*unfair*" according to Article 5 clause 2

The practice is "*misleading*" according to Article 6 and Article 7 clauses 1 & 2

## **Requests for action**

Firstly, we wish the Commission to confirm that, in its view, the practice of withholding property title deeds is, in all circumstances, an unfair commercial practice and thus an infringement of Directive 2005/29/EC.

Secondly, we would like the Commission to confirm that the law applies to all current cases where title deeds have not yet been transferred, regardless of when any sales contract was signed.

Finally, we strongly urge the Commission to recommend that the withholding of title deeds or legal ownership of immovable property after purchase be added to Annex 1 of Directive 2005/29/EC, which lists 31 "**Commercial practices which are in all circumstances considered unfair**".

We thank you for your attention and eagerly await your response.

Yours sincerely,

Daniel Hannan MEP