

Commission of the European Communities
(Attn: Secretary-General)
Rue de la Loi 200,
B-1049 Brussels
BELGIUM

8th November 2012

Dear Sirs,

Complaint about the non-Compliance of Cyprus with EU law

We at the [Cyprus Property Action Group](#) (CPAG) have previously written to the Commission on the 3rd November 2011 regarding the non-compliance of Cyprus with the Unfair Commercial Practices Directive (UCPD) - 2005/29/EC.

This complaint was accepted under CHAP(2011)3252 and the Commission has consequently started proceedings against Cyprus.

We now wish to make another complaint about Cyprus and non-compliance with an EU Directive.

The EU Unfair Terms in Consumer Contracts (UTCD) – 93/13/EC was transposed into Cypriot law when Cyprus joined the EU some 8 years ago. Our complaint is that the Government of Cyprus has not complied with its obligations under this Directive in several ways.

Failure to inform consumers

It would appear that the Cyprus Consumer Association, funded by EU money as it proudly proclaims on its website, was meant to be the centre for ensuring that consumers were informed about consumer protection and the laws, as per every other state in the EU.

However, even today the Cyprus Consumer Association website makes no mention of Directive 93/13/EC (Unfair Terms in Consumer Contracts) in either the [Greek](#) or the [English](#) version.

The enforcement agency for these EU Directives, the Cyprus Consumer Protection Service (CCPS), is also not mentioned on the Consumer Association website therefore consumers in Cyprus seeking assistance on these matters have been denied knowledge of this and other important consumer protection laws and the designated appeal channel.

As a consequence, it would appear that the Government are certainly not complying with Article 7 of the Directive:

Member States shall ensure that, in the interests of consumers and of competitors, adequate and effective means exist to prevent the continued use of unfair terms in contracts concluded with consumers by sellers or suppliers.

Failure to enforce the law

Supporters of CPAG have recently made complaints to the Cyprus Consumer Protection Service and have now received responses to these. The complaints and responses are attached.

It can be noted that the complainants complained about both the unfair terms in their sales contract for an immovable property in Cyprus and additionally the unfair terms in their mortgage agreement in order to finance the purchase of the property. We are aware that there are thousands of consumers in the same situation as these complainants.

In its responses the CCPS states that “*the CCPS does not have the authority to intervene in your case according to the Directive 93/13/EC on unfair terms in consumer contracts, since the definition of property cannot be interpreted as good or service.*”

CPAG comment: The Memo of Understanding between the Troika (IMF, ECB and EU) and Cyprus, re the bailout, has a section covering ‘Goods and services market’ which itself has a sub-section (5.4) on immovable property.

The response also mentions that it had the “*assistance of the Law Office of the Republic of Cyprus*” in coming to its ‘decision’.

The Directive in fact contains no such restriction covering property (we assume the CCPS means immovable property) indeed in Article 7 it merely specifies “*unfair terms in contracts concluded with consumers by sellers or suppliers*” – which clearly covers the sales contract and mortgage agreement which were the specific subjects of the complaints to the CCPS.

Consequently, yet again, we can conclude that the CCPS (under the guidance of the Law Office of the Republic of Cyprus) are, as in the case of our complaint covering the Unfair Commercial Practices Directive, deliberately refusing to enforce the Unfair Terms in Consumer Contract Directive (UCTD) and furnish consumers with the protection of EU law.

Summary

The Cyprus Consumer Protection Service (CCPS) is designated by the Cyprus Council of Ministers as the Competent Authority responsible for the enforcement of this Directive.

This means that with regards to infringements under this law the CCPS is regarded by the Government of Cyprus and the EU Commission as the ‘effective remedy before a national authority’ - as is defined under Article 13 of the Convention.

Accordingly, these UCTD complainants are now taking their cases to the European Court of Human Rights, on the basis that they have exhausted the effective remedy before a national authority.

It should be noted that the ECHR in the case of the 50 test cases on the Unfair Commercial Practices Directive appears to have already accepted this premise and found the cases admissible.

Furthermore, should CPAG openly publicise this proven ability to access the ECHR, at no cost to the complainant, we would imagine that many of the other property buyers in Cyprus would follow suit.

Additionally, the Commission were informed in our original complaint (3/11/2011) that the two Directives/laws referred to were being deliberately hidden from consumers. We are aware that the Commission followed this up with the Cypriot authorities, yet to this date the Republic of Cyprus is openly defying the Commission in still not informing consumers of these laws meant for their protection.

We therefore urge the Commission to address this situation as soon as possible in order to ensure that these EU consumer protection laws are publicised and enforced in the Republic of Cyprus as in any other member state.

Yours truly,

Denis O'Hare

Cyprus Property Action Group