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07/03/2023

Finantsinspektsioon issued a precept to AS LHV Finance (registry code 12417231) because it identified deficiencies in the internal regulations for assessing consumer creditworthiness and granting consumer credit.

The purpose of the inspection at AS LHV Finance was to assess the methodology used at the company for assessing creditworthiness and whether it was applied in accordance with the law governing it. The inspection also looked at how the creditor collected information on consumers and issued credit to them. The credit files for consumer credit contracts signed in August and September last year were inspected, together with the internal rules regulating how creditworthiness is assessed.

Finantsinspektsioon found during the inspection that the internal rules at AS LHV Finance for assessing the creditworthiness of consumers did not fully comply with the requirements of the Creditors and Credit Intermediaries Act. Shortcomings were also found in the assessment of the credit capacity of consumers. Finantsinspektsioon required the shortcomings to be remedied by the start of May this year at the latest.

Finantsinspektsioon has the right to publish on its website the contents of precepts issued to creditors, covering the type and scope of any breaches of the rules, the details of the person responsible for the breach, and information on appeals against decisions or withdrawals of them. Precepts may be appealed at the Tallinn Administrative Court within 30 days of notification of the administrative decision.