Dear honorable Minister,

The credit management and debt collection industries would like to ask you emphatically for your support in the current negotiations of the provisions of Article 6 in Chapter II of the European Data Protection Regulation, as well as for your vote for a reform of the European data protection rules which finds a fair balance between the legitimate interests of all parties concerned, instead of putting whole sectors out of business for good.

The current version of Chapter II by the DAPIX working group of the European Council and its provisions in Article 6.1.f (legitimate interest) and Article 6.4 (further processing of data/change of purpose) would render the work of credit management and debt collection businesses virtually impossible and would thus have a disastrous effect on all those business sectors which in the past have successfully worked with and relied on the services of credit management and debt collection companies. Furthermore the provisions in the current versions of Art. 6.1.f and Art. 6.4. would also prevent creditors to enforce a legitimate claim through the use of legal means, even though creditors are consumers themselves and thus belong to the very group whose interests are intended to be protected by the new European Data Protection Regulation.

For companies and businesses within all EU 28 countries this could mean that they would not be able any longer to instruct a credit management or debt collection company to enforce their rights. This would have a serious effect on the economic situation within the European Union.

Each year the credit management and debt collection sector re-injects between 45 and 55 billion Euros of valid claims into the economy, thereby securing above all the liquidity of micro, small and medium enterprises in the EU. More than 7 million clients from commerce and trade, as well as from the financial services, telecommunication, energy, housing and health industries have relied on the indispensable services of the credit management and debt collection industry.
As you may be aware, in the currently valid EU Data Protection Directive (95/46/EC), adopted by the EU in 1995, further processing of data is allowed as long as the purpose for the processing is compatible with the original purpose for the collection of the data. This formulation allows for a well-thought-out balance between the interests of businesses on the one hand and those of consumers on the other, and was implemented within the EU member states in that spirit. The new EU Data Protection Regulation would replace this balanced approach with provisions that aim above all at protecting consumers and their privacy from large internet corporations that operate worldwide. These provisions, however, do not fit the mode of operation of most small and medium-sized companies in Europe which traditionally process data, and which include companies active in retail, trade and commerce, as well as credit management and debt collection companies, which are instructed by the former.

In our experience the provisions of the current regulation of 1995 has proven to be well-balanced and accommodating to all interests. It is difficult to fathom why the protection of the interest of the data subject should require the restrictions introduced in the current version of chapter II of the new Data Protection Regulation by the DAPIX working group of the Council.

On 12 March 2014 the European Parliament adopted a version of the new Data Protection Regulation which strikes a fair balance between the legitimate interest when processing data further and passing them on to a third party on the one hand, and the legitimate expectation of the data subject on the other. In the interest of creditors within the economy as a whole it is imperative to strike such a fair balance of interest.

With the provisions currently suggested the hitherto existing cooperation between creditors and credit management and debt collection businesses would be put into jeopardy, and the consequences for the European economy and consumers in Europe would be severe. It is our impression, that decision makers on the national and European levels are not fully aware yet of these consequences and their severity.

We would be very happy to answer any questions you may have and are at your disposal at any time by e-mail (office@fenca.eu) or phone (+49 30 206 07 36 30).

Yours faithfully,

President