

# Consumer Credit Act

Zagreb, May 2026

## Explanation of the Introduction of the Consumer Credit Act

The Consumer Credit Act (CCA) will transpose the Directive (EU) 2023/2225 on credit agreements for consumers (CCD2) into Croatian legislation. Member States were required to adopt and publish national implementing measures by November 20, 2025, in order for them to begin applying 12 months after the transposition deadline, i.e., from November 20, 2026. CCD2 introduces significant reform in the area of consumer lending, including, among other things, an expansion of the scope of application, the introduction of new obligations for creditors relating to creditworthiness assessments, advertising, and pre-contractual consumer information, as well as requirements concerning debt advisory services, supervision, and sanctions.

In addition to their core telecommunications services, telecom operators offer end users the option of purchasing devices in interest-free installments with no additional charges. This type of activity does not constitute the operators' principal business activity, and consumers are not required to provide any form of guarantee or security when entering into installment purchase agreements for devices.

Due to this sales model, telecom operators could, under the current interpretation of the CCA, be classified as creditors and therefore become subject to the obligations prescribed by the CCA as of November 20, 2026.

The CCA is currently in the process of being submitted to the Government of the Republic of Croatia for approval, after which it will proceed to the parliamentary procedure consisting of two readings.

## Position of the telecom industry

CCD2 is intended to protect consumers from over-indebtedness, while telecom operators already conduct creditworthiness assessments prior to entering into contracts with users, thereby further reducing the risk of over-indebtedness. AmCham believes that the purpose of CCD2 was not to encompass all installment sales of goods or devices, particularly interest-free models offered by telecom operators, as such arrangements represent low-risk financial transactions and do not significantly contribute to consumer over-indebtedness.

If the Act is adopted in its current form, the CCA will have negative consequences not only for telecom operators' business operations but also for users of their services (consumers).

Currently, the sale of devices through installment payments, without requiring consumers to provide guarantees or collateral, is conducted through a straightforward purchasing process combined with a creditworthiness check. In the vast majority of cases, the value of the devices does not exceed EUR 1,000, while only a small number involve amounts of up to EUR 2,000.

This activity does not constitute the primary business activity of telecom operators, whose core business is the provision of telecommunications services.



In addition, the process of selling devices, entering into contracts, and terminating contracts is already extensively regulated under existing legislation, including the Electronic Communications Act and related secondary legislation, the Consumer Protection Act, and the Civil Obligations Act.

If the CCA is adopted in its currently proposed form, it would increase not only the complexity of the sales process but also the requirements related to the assessment of consumers' creditworthiness. Consumers entering into agreements for the purchase of devices within the aforementioned value range would be required to provide operators with personal information (e.g., information on their income) in order to submit an application for a credit agreement at all.

The proposed CCA requires creditors, prior to concluding any credit agreement (regardless of its amount, cost, or duration), to carry out a detailed assessment of the consumer's creditworthiness based on information relating to the consumer's income and expenses, as well as other financial and economic circumstances. In addition, creditors would be required to continuously monitor the consumers' creditworthiness throughout the duration of the agreement.

Furthermore, creditors would be required to establish processes enabling the early identification of consumers who may experience payment difficulties. This obligation is defined in very broad terms, even though telecom operators are already subject to strict regulation under the Electronic Communications Act with respect to deadlines and procedures for payment reminders, temporary or permanent service suspension due to non-payment, and contract termination in such situations.

In addition, where a consumer is identified as experiencing payment difficulties, the creditor would be required, together with the consumer, to determine the reasons for such difficulties in order to take appropriate measures to address them. The proposed CCA further stipulates that, in such cases, creditors would be required to offer one of the prescribed repayment relief measures, including full or partial refinancing of the credit agreement, extension of the repayment period, conversion of the type of credit agreement, full or partial deferral of installment or annuity payments for a specified period, payment holidays, partial repayment, partial debt forgiveness, or debt consolidation.

In light of the above, the industry considers that the proposed CCA would impose an unnecessary additional administrative burden on telecom operators, which in practice would prolong and complicate the installment-based purchase of devices.

In addition, telecom operators do not have the staffing or organizational capacity required to implement all obligations arising from CCD2 (e.g., licensing requirements, creditworthiness assessments, employee training, IT systems). Such obligations would represent a significant administrative and financial burden.

Finally, with respect to the conclusion of credit agreements, the proposed CCA requires agreements to be concluded in written form, either on paper or another durable medium, whereas electronic communications regulations allow contracts to be concluded remotely through electronic confirmation and terminated through the same channels through which the contract was concluded. Moreover, the CCA requires the use of a qualified electronic signature for the digital signing of credit agreements, which would significantly complicate online sales, given that only a very small number of users currently use such signatures. This would directly hinder the further digitalization of services in Croatia.

## Adequacy of the current regulatory framework

When concluding agreements for the purchase of devices through installment payments, telecom operators already provide users with both the contract and the repayment schedule, thereby fulfilling transparency requirements. Consumers are protected in this relationship through both electronic communications regulations and consumer protection legislation. Specifically, Article 148 of the Electronic Communications Act prescribes the procedure in cases of outstanding debt. Under this framework, the operator must first send the user a payment reminder notifying them of the outstanding amount, and may temporarily suspend the service only after 30 days. If the user still fails to settle the debt after 30 days of temporary suspension, the operator may permanently terminate the service and cancel the contract. Only thereafter may enforcement proceedings be initiated. Furthermore, if the user disputes the bill and pays the undisputed portion of the debt, the operator may not suspend service. As device installments are charged through the monthly invoice,



together with monthly service fees, all of the above also applies to device purchase agreements and any related claims arising from such agreements.

Pursuant to Article 1021 of the Civil Obligations Act, only banks may enter into credit agreements. The installment-based purchase of devices offered by telecom operators – particularly interest-free installment plans – cannot be considered a credit agreement, as it does not constitute a financial product but rather a payment method for the purchase of a device. Operators offer such arrangements exclusively to their existing customers as an ancillary component of their core telecommunications services.

On April 21, 2026, the Croatian Parliament adopted the Act on Amendments to the Electronic Communications Act, introducing into the telecommunications sector the obligation to establish a so-called “debtor registry” aimed at preventing over-indebtedness of users of electronic communications services, including purchasers of devices bundled with telecom tariffs. Through these legislative amendments in the field of electronic communications, the legislator is already addressing the issue of unsustainable consumer indebtedness by establishing a debtor registry to be maintained and supervised by the Financial Agency. Accordingly, extending the application of the CCA to the telecommunications sector would result in overlapping regulation of electronic communications operators for the purpose of achieving the same objective. Although data on the number of citizens with blocked accounts indicate that 18% of total claims involve telecom operators as creditors, it should be emphasized that only 1% of operators’ total claims against consumers arise from installment-based device purchases.

In light of the above, the competent authority responsible for drafting the proposed CCA should, when transposing the Directive into national legislation, take into account the specific characteristics of the domestic market and the existing regulatory framework, particularly the rules governing electronic communications and consumer protection, which constitute *lex specialis* and which operators are already required to apply in the course of their core business activity of providing electronic communications networks and services. Otherwise, the result will be legal uncertainty, the consequences of which will be felt most directly by consumers.

The industry considers that the application of withdrawal deadlines under the various applicable regulations is highly unclear for end users (consumers). For example, the Consumer Protection Act provides for a 14-day withdrawal period for distance contracts, while the Ordinance on the manner and conditions for the provision of electronic communications networks and services prescribes a 3-day withdrawal period for contracts concluded on the operator’s business premises where the end user has agreed to access the contractual documentation via the website of the provider of publicly available electronic communications services. By contrast, the proposed CCA prescribes a 14-day withdrawal period regardless of the sales channel used. In practice, this would mean that a consumer who contracts a telecommunications service and simultaneously purchases a device in installments from the operator would be subject to different withdrawal periods for the two related agreements: the service agreement would be subject to a withdrawal period of either 3 or 14 days, depending on the sales channel, while the device purchase agreement would always be subject to a 14-day withdrawal period.

In addition, with respect to the method of submitting termination requests, the Ordinance provides that requests may be submitted through the same channel used to conclude the contract. In practice, this means that telecom users may terminate distance contracts by telephone, whereas the proposed CCA explicitly requires written form or another durable medium. As previously explained, devices sold by telecom operators are, in most cases, purchased simultaneously with the contracting of telecommunications services. The adoption of the proposed CCA in its current form would therefore create a complicated and impractical situation in which end users (consumers) would be unable to terminate both agreements simultaneously and would face uncertainty regarding the appropriate method for terminating each individual agreement. In practice, this would represent a departure from existing and well-established contract termination procedures familiar to consumers and would negatively affect the rights of users of telecommunications services.

AmCham considers that the proposed legislation could have significant adverse consequences not only for the broader economy but also for consumers themselves. Given the extremely short implementation timelines for the legislation in question, AmCham believes that it is necessary to provide a reasonable adjustment period, not only for telecom operators but also for the wider



business sector, in order to enable compliance with the obligations arising from the law and the accompanying implementing acts that have yet to be adopted.

## Recommendations

- **AmCham's proposal**

**Complete exemption of telecom operators from the application of the Consumer Credit Act**

*It is necessary to clearly stipulate that interest-free installment-based sales of devices offered by telecom operators as an integral part of their core telecommunications services are excluded from the scope of the CCA.*

Should the legislator decide not to accept the proposal for a complete exemption, AmCham proposes the adoption of a balanced solution that takes into account the existing regulatory framework and avoids imposing a disproportionate burden on telecom operators and, consequently, consumers.

- **AmCham's proposal**

**Partial exemption of telecom operators through limited and proportionate application of the Act**

*A partial exemption should be introduced whereby the application of the Consumer Credit Act would be limited exclusively to those obligations that are not already regulated under sector-specific legislation governing electronic communications, consumer protection, and civil obligations, while retaining only the requirements relating to transparency and consumer information.*

- **AmCham's proposal**

**Ensure an adequate transitional period for compliance**

*Given the impact that the Consumer Credit Act will have on both consumers and business entities, AmCham proposes introducing a transitional period of at least 12 months following the adoption of all implementing regulations and ordinances, in order to allow all affected market participants sufficient time to adapt their business processes, IT systems, and procedures.*

For additional information, please contact: American Chamber of Commerce in Croatia

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