

## 1 - Background

FORTIL has recently gone through websites and other marketing material from several creditors. The review showed that several companies market themselves in such a way that it can be difficult for consumers to understand what type of company that is behind the marketing and what role each company has.

This letter will be sent to Finans Norge with a request that the letter will be forwarded to all members who offer credit to consumers. The Norwegian Consumer Agency further requests that these members ensure that any partners (brokers and affiliates) are familiar with the letter. The brief will also be sent to several affiliate networks requesting that they inform their publishers. The letter will also be sent directly to certain creditors who are not members of Finans Norge, as well as several financial brokers.

Under point 2, we will give a brief account of the regulations that are relevant to the issues discussed in this letter. Then, under points 3-5, we will go into more detail on the various issues we have observed related to credit providers, financial agents and affiliates, respectively.

### 2.1 The Marketing Act

Section 6 of the Marketing Act prohibits unfair commercial practices. A commercial practice is always unreasonable if it is misleading according to section 7 of the Act.

The rules in the Marketing Act apply to everyone who market credit aimed at consumers, including credit providers, financial agents and affiliates.

### 3. Creditor's marketing – use of secondary brand names

It will depend on the assessment whether it is sufficiently clear in the marketing which player is behind the brand name. In the following, the Norwegian Consumer Agency will report on certain aspects that will be emphasized in such an assessment:

#### 3a)

The Norwegian Consumer Agency believes it is necessary that the actor behind the brand name appears in the immediate vicinity and in any context where the brand name is marketed. The consumer should not be in doubt about who is behind the marketing. This applies to all marketing channels where the brand name is used, such as own websites, ads on Facebook or Google, newsletters etc. It will very easily be considered misleading if, for example, it does not appear from the actual advertisement on Google or Facebook which company is behind the brand name. If separate websites are created where the brand name is used, it will also very easily be considered misleading if the consumer has to scroll far down / at the bottom of the page or take other active actions to obtain information about who's behind it. To avoid a misleading effect, the creditor may, for example, write "Brand name X - part of Y bank" or similar.

#### 3b)

The Norwegian Consumer Agency registers that some actors state the secondary brand name as the addressee instead of the name of the company behind it (such as brandname@customerservice.no or customerservice@brandname.no). In the Consumer

Agency's assessment, this may be suitable for giving the impression that the brand name is an independent company.

3c)

When obtaining contact information to send marketing or contact regarding loan opportunities, it must not be given the impression that it is another company (brand name) that requests permission to store and use personal information or send marketing to the consumer. The Norwegian Consumer Agency believes that in such cases it must be stated that it is the company behind the brand name that collects and requests permission to use the consumer's personal information. Consumers must at all times be informed about who (which company) they give their personal information to and who processes it.

3d)

Traders must also ensure that the consumer is not given the impression that the brand name is an independent lender. For example, it can very easily be misleading if it says "(*Brandname*) offers nominal interest rates from 5.8 - 20.4%" or "With *brandname* you can apply for a loan and refinancing". As mentioned, the consumer must not be in doubt about which company is behind the marketing or offers the service.

#### 4.1 Marketing of expertise

It will also be considered misleading under the Marketing Act if the marketing is suitable to mislead consumers as to what kind of service is offered or the trader's qualifications.

A statement such as "apply for a loan with (agent's name)" may be apt to give a misleading impression of the agent's expertise. The message can be clarified by, for example, writing «apply for a loan via / through (name of the agent)».

#### 4.3 Use of secondary brand names

In the same way as for credit providers, agents' use of secondary brand names will not in itself conflict with the Marketing Act. However, it is important to ensure that consumers understand which player is behind the service being marketed. This applies to all marketing channels used, including ads on Google and Facebook, newsletters, etc.

It will depend on a specific assessment whether the marketing clearly states which player is behind the brand name. The elements set out in point 3; a-c, will apply correspondingly to agents who use secondary brand names. In addition to what is stated in point 3 letter a-c, agents must also ensure that the impression that the brand name is an independent player is not given in any other ways.

When using secondary brand names, the role of the agent must also be clear to the consumer and it must be stated which institutions the agent cooperates with in the marketing channels where this is relevant, see sections 4.1 and 4.2.

#### 5.1 Marketing of expertise

To avoid a misleading effect, in the Consumer Agency's assessment, it is necessary that it is clearly communicated on websites and in other marketing that an affiliate markets loans on behalf of financial agents and / or credit providers. Marketing cannot give the impression

that an affiliate can pass on applications, grant applications, or make a specific assessment of the individual's financial situation and loan needs. It will therefore very easily be considered misleading if an affiliate in marketing uses messages such as «apply for a loan here», «fill in the application here», «refinance via us». As an affiliate cannot present specific loan offers, the Norwegian Consumer Agency believes that messages such as "choose between different loan offers" or "we will find the perfect loan offer for you" will very easily be considered misleading.'

The Consumer Agency sees that several affiliates have forms on their websites where the consumer can fill in contact information, as well as the desired loan amount and in some cases information about salary, place of residence etc. We have tested some forms, and understand that the purpose behind these forms is, among other things, to adapt which collaborators are presented to the consumer, based on the information the consumer has provided. However, the Norwegian Consumer Agency believes that several of these forms are designed in such a way that they are suitable for being perceived as loan applications. The forms can then help to give a misleading impression of what service is offered and what role an affiliate has. Whether such a form will be perceived as a loan application or not will, in the Consumer Agency's assessment, depend on the information provided in connection with the form and other information on the website. To avoid a misleading effect, the Norwegian Consumer Agency believes that in direct connection with the form, the purpose of the form must be stated. It may be necessary to state explicitly that the form is not a loan application. Furthermore, it must not be given the impression that filling in the form triggers an assessment of the consumer's borrowing opportunities. In the Consumer Agency's assessment, it will also be problematic if the form is referred to as an application or if in other ways the impression is given that filling in the form gives the consumer an overview of loan offers.