

## Spain: Government Proposes to Tighten Consumer Credit Rules

Draft law will implement CCD II and the Distance Marketing of Financial Services Directive, introduce licensing, cost caps and enhanced supervision

### In brief

On 7 January 2026, the Spanish Council of Ministers approved a draft bill to amend consumer credit contracts rules in Spain and launched a public consultation that closed on 30 January 2026.

This legislative package is designed to incorporate into Spanish law both the new Consumer Credit Directive (EU) 2023/2225 (CCD II) and the new Distance Marketing of Financial Services Directive (EU) 2023/2673, updating domestic rules to reflect new EU wide standards for consumer lending and online financial services.

Together, these proposals represents a paradigm shift:

- From a lightly regulated market
- To a more supervised and consumer centric credit system

It is particularly impactful for fintechs, buy now pay later (BNPL) providers, micro lenders, and revolving credit issuers, as Spain goes well beyond EU minimum harmonization in cost controls and supervision.

### From a light touch regime to new licensing requirements

Unlike other EU countries, Spain currently has a light touch supervisory regime on consumer credit (mainly subject to anti-money laundering rules and requirements around disclosures, creditworthiness assessment and contractual protections).

Under the new framework, the granting and intermediation of consumer credit, previously carried out with minimal oversight, will become an activity subject to licensing requirements. This will mean that most lenders that are not financial institutions will be required to obtain prior authorization from the Bank of Spain before operating or at least a registration with consumer authorities.

The new regime will affect not only the entities that provide consumer lending as exclusive activity but also those entities that provide ancillary finance to their own goods and services, regardless of whether they are Spanish domiciled entities or foreign entities providing credit on a cross-border basis.

The new piece of legislation addresses also other important limitations and requirements applicable to consumer credit activities, the most relevant aspects of which can be summarized as follows:

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## 1. Broader scope of regulated credit

The draft law significantly expands the types of credit covered, putting in scope some credits which were previously outside the regime:

- Most consumer credit products are covered, including revolving credit cards, BNPL schemes, microcredits under EUR 200 and loans up to EUR 100,000, leasing agreements with a purchase option, and loans over EUR 100,000 when not secured by a mortgage and used to renovate residential property.
- Main products out of scope: Deferred debit cards; certain credit agreements entered into with investment firms or credit institutions; and deferred payments granted directly by a supplier of goods or services, where no third party is involved and subject to specific limits regarding costs and duration.

## 2. Introduction of statutory interest and cost caps

For the **first time in Spain**, the law introduces **hard legal caps on the total cost of consumer credit (TAE/APR)**:

- The **general cap** is based on:
  - The **average consumer credit rate published by the Bank of Spain**
  - Plus a **fixed margin depending on loan amount**
- Indicative margins in the draft (subject to further regulatory development):
  - Credits up to **EUR 1,500**: +15 percentage points
  - Credits between **EUR 1,500 – EUR 6,000**: +10 percentage points
  - Higher amounts: lower margins
- A **temporary maximum TAE of ~22%** applies until implementing regulation is approved
- Breach of caps may lead to **civil nullity of the contract**, not just administrative fines

## 3. Reserve of activity and mandatory supervision

The expected new regime implies a structural change to the Spanish supervision and licensing requirements for those activities:

- **Professional consumer lending becomes a reserved activity**
- **Lenders and intermediaries** that carry out the activity professionally must:
  - Obtain **authorization from the Bank of Spain**
  - Be entered in a **public register**
- New regulated categories include:
  - **High-Cost Lenders**, authorized exclusively to grant high-cost credit under strict pricing and conduct rules.
  - **Limited-Activity Financial Credit Institutions (EFCAL) (in Spanish, “Establecimientos Financieros de Crédito de Actividad Limitada”)**, whose scope is limited to granting mortgage and non-mortgage loans (as opposed to the full scope EFC license that may include also factoring, financial leasing, guarantees and other related activities).
  - **Subsidiary Lenders**, understood as a supplier of goods or a provider of services who acts as a lender and is authorized to grant, or commit to grant, credit for the acquisition of the goods or services it offers, provided that such lending activity does not constitute the main object of its commercial, business or professional activity.

Subsidiary lenders that are not SMEs and grant deferred payment credit without interest and with only limited charges strictly related to late payments must comply with a simplified registration requirement before the competent consumer authorities. By contrast, subsidiary lenders that offer these kind of payment arrangements and are SMEs are exempt from this obligation.

- Unauthorized lending may result in sanctions and/or nullity of credit agreements.

## 4. Special regime for high-cost credit

The draft creates a **specific legal regime for “high-cost credit”**, including:

- **Minimum repayment periods (between three and 12 months)**
- Limits on monthly interest, fees and commissions
- Stronger consumer protection rules aimed at **preventing over-indebtedness (need to provide precontractual information 24 hours in advance, etc.)**

## 5. Stricter creditworthiness and solvency assessments

The law proposal also reinforces the principle of **responsible lending**:

- Deferred payment debt cards are out of scope
- Lenders must conduct a **rigorous and documented solvency assessment**
- Credit may only be granted if repayment is **reasonably sustainable**
- Failure to assess solvency properly can trigger **civil and regulatory consequences**
- Designed to address systemic issues with revolving credit and repeat refinancing

## 6. Reinforced consumer rights

The new legislative package strengthens key consumer protections:

- **14-day withdrawal right** reaffirmed and clarified
- Stronger rights now apply to **early repayment**: the possibility of reducing the costs when repaying early is maintained, and the former possibility for the **lender** to claim **compensation** for their loss of profits is now **capped** at 1% of the capital repaid when more than a year remains until maturity, or 0.5% when the remaining period is one year or less.
- Introduction of stronger rules on **early-maturity clauses** and tightening of the framework governing the **assignment and sale of credit portfolios**, thereby improving transparency and strengthening consumer protection throughout the credit lifecycle.
- Improved protection for **linked credit agreements** (e.g., financing tied to a purchase) and **other sales combined practices**.
- **As a relevant exception**, it is permitted to require the taking out of an “**appropriate**” **insurance policy to guarantee the repayment of the credit or the value of the collateral**, provided that the lender accepts alternative policies from insurers other than the one marketed by the lender, as long as they offer equivalent coverage.

## 7. Repeal and consolidation of existing legislation

From a formal perspective, the new law will:

- Repeal the **2011 Consumer Credit Act**
- Repeal the **Distance Marketing of Financial Services Act**
- Modify the **General Consumer Protection Act**
- Create a **single, comprehensive framework** for consumer credit in Spain

### When are those rules expected to enter into force?

#### Legislative status and expected entry into force

- As of the date of publication of this alert (March 2026), the text is still a draft (anteproyecto).
- It was approved by the Council of Ministers on 7 January 2026.
- Public consultation closed on 30 January 2026.
- It must still:
  - Be approved as a Government Bill (Proyecto de Ley),
  - Pass Parliamentary procedure, and
  - Be published in the Spanish Official State Gazette (BOE)

#### Alignment with EU deadlines and practical expectation

- The law transposes CCD II. Under CCD II:

- Transposition deadline: 20 November 2025
- Application date: 20 November 2026

**Spain is therefore late on transposition, but the substantive rules could still apply as from 20 November 2026, provided that the legislative process is finalized in time.**

According to the draft text, formal entry into force of the bulk of the rules shall occur 20 days after BOE publication. By way of exception, deferred application: (i) Three months later for certain information and marketing requirements, the authorization and operating regime applicable to High-Cost Lenders, and the cost-cap framework and (ii) 12 months later for other specific rules on operating with regulated intermediaries and requirements applicable to High-Cost Lenders.

## Transitional regime

The transitional regime is important from a dual perspective: (i) need to get authorization for lenders and intermediaries already operating and (ii) application of the new rules to the contracts in scope already signed before the entry into force of the new law.

### Lenders and intermediaries already operating

Entities already providing consumer credit will not be forced to cease immediately.

The draft law provides for a transitional period to apply for authorization and registration with the Bank of Spain, which will depend on the date of publication of the relevant application forms but in principle shall be made within 3 months as from the date the new regime enters into force.

Considering the limited transitional period, it is advisable that the entities in scope follow up closely the legislative process and start its preparation to adapt to the new regime well in advance.

### Consumer rights and existing contracts

Existing contracts generally remain valid, but certain new rules (such as interest caps) are expected to apply also to pre-existing agreements that are novated after the law enters into force, as well as to agreements with an indefinite maturity or those that are subject to automatic renewal.

Overall, while the reform remains at the draft stage, the proposals outline what could become a far-reaching modification of Spain's consumer-credit framework. Yet its real impact will ultimately depend on the final text adopted through the ongoing legislative process and the timing of its entry into force.

## What market participants should do now

- Map your products and channels against the expanded scope and high-cost triggers.
- Assess licensing strategy (full license, EFCAL, subsidiary lender, or intermediary) and prepare authorization files.
- Review pricing and APR (TAE) models for cap compliance and plan contingency pricing pending implementing measures.
- Upgrade creditworthiness frameworks, data sources and governance; document solvency assessments.
- Refresh consumer documentation (pre-contractual disclosures, early repayment, early maturity and assignment language).
- Plan for transition: novations, renewals and communications to existing customers.

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