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NEWS REPORT

Country:	Finland
Title:	Multiple discrimination in assessing creditworthiness
Date:	1 August 2018
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<u>Context</u>	
Issue at stake:	The Non-Discrimination and Equality Tribunal considered it discrimination when a credit company refused to grant credit based on the combined effect of applicant's gender, language, age and place of residence
Ground of discrimination:	Gender, language, age and place of residence
Source:	National Non-Discrimination and Equality Tribunal decision 216/2017, 21 March 2018
Field:	Access to goods and services, financial services
Applicable law:	Non-Discrimination Act

Content

Case development: The Non-Discrimination Ombudsman requested the National Non-Discrimination and Equality Tribunal (later Tribunal) to investigate whether a credit institution company was guilty of discrimination prohibited in the Non-Discrimination Act by having refused to grant credit to A in connection with A making online purchases, based on matters classified as grounds of discrimination, such as gender, age, language, place of residence and their combined effect.

A had applied for credit in order to pay for the building supplies he was purchasing from an online store. The credit was instantly denied based on the scoring system of the credit institution company which calculated the scoring of the applicant based among other things on the applicant's language, gender, age and place of residence. The scoring system had checked that A did not have payment defaults but no individual assessment of the payment ability (such as income or other debts) was made. The decision was made on statistical bases. Had A been female, older, had Swedish as first language instead of Finnish or had he lived in different location he would have been granted credit he had applied.

The Non-Discrimination Act prohibits discrimination e.g. on grounds of age, language and other personal characteristics when providing goods and services. The Tribunal considered the treatment of the credit applicant to be multiple, direct discrimination on grounds of gender, language, age and residence.

The Tribunal prohibited the credit institution company from renewing the procedure, targeted at A or anyone else, and imposed a conditional fine of EUR 100,000 to enforce its prohibitive decision. The Tribunal was unanimous in the decision but voted on the sum

of the conditional fine as three members considered the conditional fine to be EUR 70 000. The decision is final as it was not appealed against.

Key points of analysis:

- Assessing credit rating on the basis of statistical data (on prohibited discrimination grounds) alone is discrimination;
- The Tribunal acknowledged multiple discrimination in the case;
- The amount of conditional fine was imposed taking into consideration the financial position of the credit institution company in order to be effective, proportionate and dissuasive.

Internet link source:

[http://www.yvtltk.fi/material/attachments/ytaltk/tapausselosteet/45LI2c6dD/YVTltk-tapausseloste- 21.3.2018-luotto-moniperusteinen_syrjinta-S-en_2.pdf](http://www.yvtltk.fi/material/attachments/ytaltk/tapausselosteet/45LI2c6dD/YVTltk-tapausseloste-21.3.2018-luotto-moniperusteinen_syrjinta-S-en_2.pdf).