**ZALANDO**

**response to the Dutch government's consultation on the implementation of the EU Consumer Credit Directive (EU) 2023/2225**

**May 2025**

Berlin, 13 May 2025

Dear Minister Heinen,
Dear Madam, Dear Sir,

Zalando SE ("Zalando" or "we") appreciates the opportunity to provide comments on the Dutch draft implementation law for the revised EU Consumer Credit Directive (EU) 2023/2225 (CCD2.0). We fully support the overarching goal of enhancing consumer protection in the consumer credit market and generally welcome this initiative.

At the same time, however, we are concerned that the current implementation approach, which includes **invoice payments** (i.e., "Buy Now, Pay Later" [BNPL] without interest or fees) within the scope of CCD2.0, will most likely have unintended consequences that may negatively impact consumer choice, innovation, and access to simple, low-risk payment methods which was not intended by the initial aim of this initiative.

As an online platform operating across Europe, Zalando offers invoice payment as a standard payment method to give consumers flexibility and security in online shopping. Our invoice product does not include interest, fees, or late payment penalties, and poses a fundamentally different risk profile than traditional consumer credit products. The wholly owned subsidiary of Zalando, Zalando Payments GmbH (ZPS), a BaFin[1]-licensed German e-money institution, is acting solely on behalf of the Zalando group platform. It is important to underscore that Zalando and ZPS's only objective is to facilitate a seamless and reliable shopping experience for our customers. The Zalando group derives no financial benefit from customers failing to pay or delaying payment, as we do not earn interest or charge any related fees. Our business model is fully aligned with ensuring that customers complete their purchases smoothly and on time.

We believe that the inclusion of such payment solutions under CCD2.0 is disproportionate and inconsistent with the directive's original intent.

**We respectfully urge Dutch legislators to exclude invoice payments from the scope of the implementing law**.

[1] Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)

## Introduction

This submission addresses the Dutch government's proposal for the implementation of the CCD2.0. Zalando acknowledges the aim to update consumer credit law in response to increasing digitization, new credit products, and evolving consumer behavior. However, we believe that the proposal's current trajectory risks unintentionally disrupting the e-commerce landscape, particularly by potentially misclassifying and over-regulating convenient payment solutions like our widely adopted invoice payment method.

## About Zalando

Founded in Berlin in 2008, Zalando is one of Europe's leading online multi-brand fashion destinations. We offer our customers different fashion experiences through websites and mobile applications across our markets, localized into 12 languages, supported by 20+ payment options, and with delivery from fulfillment centers across Europe. We are building a pan-European ecosystem for fashion and lifestyle e-commerce, along two growth vectors: Business-to-Consumer (B2C) and Business-to-Business (B2B). In B2C, we provide an inspiring, high-quality multi-brand shopping experience for fashion and lifestyle products to more than 52 million active customers across 25 markets. In B2B, we leverage our logistics infrastructure, software, and service capabilities to support brands and retailers in managing and scaling their entire e-commerce business, both on and off the Zalando platform.

## The Zalando Partner Program

The Zalando Partner Program enables a diverse range of fashion and lifestyle brands to directly offer their products to Zalando's customer base across Europe. This curated marketplace model empowers partners by granting them significant control over key aspects of their business, including product assortment, pricing strategies, brand presentation, marketing initiatives, and logistical operations.

Centralizing payment processing through ZPS streamlines the entire transaction process on the Zalando platform. Instead of individual customers paying numerous independent merchants, ZPS acts as a central payment hub. This consolidated approach significantly enhances efficiency for both consumers and partners, ensuring a consistent and reliable payment experience across the platform. This practice, though seemingly an internal operational detail, carries significant strategic weight for several key reasons.

By pre-financing invoices, ZPS/Zalando effectively provides crucial working capital to its partner merchants, many of whom are small and medium-sized enterprises (SMEs) that may face challenges in accessing traditional bank credit. This injection of liquidity allows these businesses to manage their cash flow effectively, invest in inventory, and sustain growth, fostering a more robust and diverse ecosystem within the Zalando marketplace.

## Invoice Payment: A Consumer-Friendly Approach

When we refer to invoice payments, we mean a payment method where consumers first place an order, receive the goods at home, and only pay approximately two weeks later for the goods they want to keep. The key advantage of this model is that consumers only pay for the items they choose to keep.

This flexibility is particularly important in cases where consumers order multiple variations of a product — for example, a pair of shoes in red and blue, in both size 40 and 41. Although the consumer only intends to keep one pair, they must order four (totaling around €500) to determine the best fit and color.

Without the option to pay by invoice, consumers would need to pay the full amount upfront and wait for a refund, which can take some time depending on the payment method and payment provider. For many, this is financially burdensome — especially when they only plan to spend e.g. €125. Invoice payment thus plays a critical role in enabling confident and accessible purchasing decisions.

Invoice payments are primarily a mechanism for facilitating the exchange of goods or services already rendered. They represent a short-term obligation arising from a completed transaction, not a deliberate act of borrowing over an extended period with associated interest and fees. The inherent credit risk is significantly lower and shorter-lived compared to traditional loans or credit lines.

Typically, the amount owed on a single invoice is considerably smaller than a typical consumer credit agreement. The potential for significant financial distress to the consumer due to a single unpaid invoice, while not negligible, is generally less severe than defaulting on a substantial loan. In addition, the initial invoice usually will be reduced by the amount related to items the customer decided to return and thus the actual payment obligation is usually considerably smaller.

The proposal's extension of the CCD2.0's scope to include invoice payments is concerning. While the CCD2.0 aims to regulate BNPL products, the inclusion of traditional invoice payments may create unnecessary burdens for both businesses and consumers.

## Risks of CCD2.0 Over-Regulation of Invoice Payments

Zalando's invoice payment method, which permits customers to pay for their purchases post-delivery within a standard 14-day window without incurring interest or fees, should not be classified as traditional consumer credit due to its short-term nature, absence of interest or charges, lack of a revolving credit facility, and the absence of any negative amortization risk, indicating it functions as a convenient payment option rather than a financial lending product.

While CCD2.0 aims to enhance consumer credit protection, its blanket application to invoice payments presents a disproportionate burden that outweighs the intended benefits.

**Reduced Consumer Choice and Convenience:**

We are particularly concerned about consumer confusion, higher costs, and potentially the withdrawal of such services from the Dutch market, thereby limiting consumer choice. If the regulatory burden makes offering invoice payments less viable for businesses, consumers would have fewer payment options at checkout, potentially hindering online commerce and reducing convenience. Invoice payments are among the most popular and trusted payment methods in the Netherlands. Imposing burdensome regulatory requirements may reduce availability and drive consumers toward higher-cost credit alternatives.

**Displacement Effect:**

If invoice payment faces regulations that make it more cumbersome than using credit cards – which might still benefit from existing exemptions or less stringent oversight – consumers could be incentivized to switch to (revolving) credit products and/or credit cards like VISA and Mastercard, which often come with higher interest rates, lack clear cost transparency, and may pose greater risks of long-term over-indebtedness.

**Market Concentration & Innovation Stifling:**

Smaller or more responsible invoice payment providers may be driven out due to compliance costs, leaving room only for large players—or those who are less regulated because they operate cross-border or outside the EU.

**Privacy and Trust Erosion:**

Requiring consumers to provide payslips or extensive banking data for minor purchases risks fostering a perception of regulated credit as excessively intrusive and potentially less trustworthy compared to unregulated alternatives, consequently reducing access for individuals unwilling to share such sensitive financial information.

- **Undermining the Principle of data Minimization**: Applying extensive pre-contractual disclosure, creditworthiness assessments, resulting in an excessive processing of personal data, and oversight obligations to low-risk, short-term invoice products creates unnecessary risks for consumers.
- **Income and Employment Data:** Payslips, employment contracts, tax statements, or employer confirmations may be required to assess creditworthiness—even for purchases under €100.
- **Bank Account and Transaction Data**: Access to bank statements or open banking APIs could become standard practice, enabling creditors to analyse monthly spending and financial behaviour of consumers.
- **Household and Expense Information:** Consumers might be asked to disclose information about rent/mortgage, utility bills, dependents, and recurring obligations to assess affordability.
- **Credit History:** Accessing credit bureau data for minor invoice-based purchases adds friction and increases the footprint of sensitive financial records.
- **Behavioral and Profiling Data:** To automate assessments, some providers may turn to AI-driven profiling based on browsing or transaction patterns, leading to potential GDPR risks.

**Prohibition of Credit to Minors**

We fully support the objective of protecting minors from incurring debt and recognise the importance of age verification as a key consumer protection measure. However, we are concerned that the current proposal may lead to disproportionate data processing obligations, particularly in relation to low-risk invoice payments.

A secure and harmonised means of age and identity verification across the EU isn't available yet. In light of these considerations, we recommend that the legislation explicitly allows for a range of proportionate and reliable age verification methods, aligned with the risk level of the payment method in question. At the same time, it should provide clear guidance on the required level of assurance while avoiding the blanket application of high-assurance, data-intensive methods to low-risk credit use cases.

Age verification in digital environments often necessitates the collection and processing of sensitive personal data, including identity attributes that go beyond what is strictly necessary for assessing eligibility for such low-risk payment method. This raises important questions around necessity, data minimization, and compliance with data protection principles. For a payment method with limited financial exposure and minimal risk of over-indebtedness, mandating intrusive verification methods could result in unnecessary exposure of consumer data, contrary to the objectives of both the GDPR and the principle of proportionality embedded in CCD2.0.

One less intrusive approach could involve assessing age plausibility based on merchant account history and behavioural patterns—such as repeated purchases, consistent IP addresses, or device fingerprinting—using pseudonymised data already collected for fraud prevention or analytics purposes, thereby avoiding the need for additional data processing and enabling automated implementation.

A further, less intrusive and more future-proof approach would be to leverage existing parental control and account infrastructure at the operating system level—specifically through platforms like iOS and Android. These ecosystems already play a central role in how minors access digital services, particularly as most underage users engage primarily via mobile devices. Apple and Google have long provided mechanisms for parents to set up supervised accounts, which means they hold verified, high-quality age data. Rather than requiring every individual service provider to independently verify age—often through invasive or duplicative means—a more effective and privacy-preserving solution would be for these platforms to offer a simple API that transmits a binary signal (e.g. “minor: yes/no”). This would allow service providers to apply age-based settings without processing additional personal data, ensuring compliance with youth protection rules, the GDPR, and emerging legislation like the DSA, all while respecting the principle of data minimisation.

A forward-looking framework should support the future use of tools such as eIDAS 2.0 once they are fully operational and widely adopted, while ensuring that current solutions remain compliant with privacy and data protection standards. This approach would safeguard consumers’ fundamental rights, uphold legal certainty, and maintain proportionality in the regulatory treatment of low-risk digital financial services

## Recommendations

**Zalando recommends that the Dutch government, in its implementation of CCD2.0, adopts a proportionate regulatory regime for invoice payments, particularly if a full exemption is not feasible. The approach should specifically address the following:**

**Creditworthiness Assessments:** To avoid placing undue operational burdens on merchants, especially concerning extensive data collection and processing, we urge consideration of the practical challenges related to data access and compliance with stringent data protection regulations. A proportionate framework should acknowledge the inherent differences between traditional credit products and the short-term nature of invoice payments. The provisions of Article 19 of the CCD2.0 aim to guarantee that authorized credit providers from different EU Member States have fair access to creditworthiness databases, without obligating them to join any particular system. However, the current Dutch legislative proposal appears to extend beyond this requirement by effectively mandating that all entities providing credit consult the national credit registry (BKR) before granting a credit. This obligation, as outlined in the proposed modifications to Article 4:34 of the Financial Supervision Act (Wft), establishes a national prerequisite that could impede the provision of consumer credit across European borders and potentially conflict with the Directive's goals of achieving maximum harmonization and ensuring a consistent competitive environment throughout the European Union.

**Pre-Contractual Information Requirements:** Where pre-contractual information is deemed necessary, we advocate for the explicit permissibility of digital formats to ensure a seamless consumer experience. Furthermore, any information requirements should be carefully calibrated to be proportionate to the inherent nature and limited risk associated with invoice payments, avoiding the imposition of obligations designed for more complex credit instruments.

Examining the Dutch transposition of the CCD2.0, it appears that the current framework does not differentiate the obligation to furnish a documented credit agreement on a durable medium for each transaction based on the specific characteristics of the consumer credit. This could result in the generation of superfluous documentation and an excess of information delivered to consumers, especially in scenarios involving the invoice payment method. In such instances, consumers frequently engage in comparable arrangements with the same entity (ZPS) under consistent terms and conditions.

It is our assessment that mandating the provision of full documentation for every transaction, even when no substantive alterations to the terms and conditions exist, is unlikely to improve consumer comprehension. Instead, this practice may dilute the impact of essential information and create friction in the user journey.

Consequently, we suggest that the Dutch legislative body investigates the potential for flexibility within the Directive's provisions. Specifically, consideration should be given to allowing creditors to reference previously supplied documentation when the fundamental credit terms and conditions remain the same and the consumer has already received the pertinent details. Such an approach would foster a balanced and user-centric regulatory environment, particularly for digital and repeat-use payment methods, without compromising the Directive's fundamental goals of ensuring transparency and safeguarding consumer interests.

**Regarding Age Verification, legislative considerations should:**

- Acknowledge the current technological limitations in reliably verifying age online and the anticipated timeline for the full realization of the eIDAS 2.0 framework.
- Permit a range of age verification methods that are demonstrably reliable and appropriately scaled to the actual risk involved. This implies refraining from mandating solutions that create unnecessary barriers to consumer access or extend beyond a simple confirmation of legal age at the point of transaction.
- Prioritize the implementation of age verification processes that minimize friction for consumers and mitigate potential negative impacts on transaction completion rates, while strictly adhering to the principle of data minimization.

## Conclusion

Zalando fully supports responsible innovation and agrees that consumers should be protected from harmful credit practices. However, invoice payments, which are widely trusted and used by consumers in the Netherlands and elsewhere, do not pose such risks. We believe a more proportionate and targeted approach is needed to ensure that consumer protection does not come at the expense of consumer convenience and choice.

A more balanced and targeted approach is essential—one that safeguards consumers while respecting data privacy and preserving access to responsible financing options, particularly for SMEs. Without such proportionality, there is a real risk that consumers will shift towards global credit card schemes. This would not only increase dependence on non-European services but could also expose consumers to less transparent, higher-cost credit products, ultimately undermining the very protections the CCD2.0 aims to strengthen.

We are steadfast in our commitment to partner with the Dutch authorities and all involved stakeholders. Our goal is to contribute to regulations that are impactful yet balanced, ensuring robust consumer safeguards alongside the continued availability of accessible and responsible financial options for every Dutch consumer.

Sincerely,
Zalando SE