

NON-PAYMENT (LATE PAYMENT)

What happens if I don't pay my credit or don't pay it on time?

If you stop paying your credit or do not pay it according to the agreed deadlines, you are not complying with the terms of the contract you signed.

You will be contacted by the bank or financial institution with which you took out the credit to ask you to pay what you owe.

Normally, they can contact you in different ways:

- Calling you on the phone.
- Sending you text messages (SMS).
- Sending you emails.
- Sending you letters.
- Through your private area on their website or application.

Generally, they will contact you at least **2 times** for you to pay the instalments you owe.

Is there any cost to me to have what I owe claimed?

Yes. Claiming debts is a cost for the bank or financial institution, and you will pay that expense.

This amount may depend on several factors:

- The time you have gone without paying.
- The time they have been claiming money from you.
- The way in which you have been contacted.
- The type of credit you have contracted and its conditions.

For example,

If the credit you have taken out is to pay for a car, the cost is usually higher than if the credit is to pay for a computer because more steps are usually taken to collect the unpaid debt.

In addition, if you are late with a payment, i.e. you have not paid it when it was due, the unpaid amount generates a cost every day. This interest is called **late payment interest**.

What is late payment interest?

This is the cost charged by the bank or financial institution for not paying your loan instalments on time.

Late payment interest is added to the total amount of money you owe.

Where can I find all this information?

All credit conditions can be found in the following documents:

- In the document called ESI (European Standardised Information).
- In the contract you signed with the bank or financial institution to take out the credit.

Therefore, it is very important that you read and understand everything in the ESI and in the contract before signing it.

What if I have doubts or need help?

Contact your bank or financial institution.

Remember:

Each person is different and,
for this reason, the financial entity
can treat each case on an individual basis.

