

Have you taken out a loan for your car?

Flexicar. Easy money for your car at an outrageous price



ASUFIN: FINANTIAL DEBT ADVICE



WHAT DO THEY OFFER? THE ADVERTISEMENT

- Immediate **financing**.
- **No third party guarantees**.
- The only requirement is to own a **vehicle**, and you may continue using it.
- You receive the **money upon signing**.
- Flexibility in the payment (**warning** the payment is not the repayment of the loan, it is for the use of the car).
- Especially for people with bad credit included in **delinquent** records.
- No bank account required.

WHO IS IT FOR?

For **people at risk**; for people who are in economic distress and do not have real guarantees, guarantors, salary or that appear in delinquent files or with negative data in the CIRBE...

That is, it is aimed at people whose economic and social situation is extremely precarious.

HOW IS IT CONTRACTED?

- Through a vehicle **purchase agreement** that entails the payment of the price (well below the actual price) and change of ownership. From that moment on, you don't own a car
- And through a **contract for the transfer of vehicle use** (rental) for the payment of a monthly fee, **with an option to purchase** (if in addition to paying the monthly rental fees, you repay the loan **in a single payment** and with a very high interest rate.
- Waives the filing of any judicial actions.
- Often they don't give you a copy of the contract.
- They make you believe that by paying the monthly installments you are already repaying part of the "loan" when you are only paying the car rental.



A GREAT DEAL

The entity buys a car at a very low price (that alone is a great deal).

It also rents the vehicle for a price that the customer confuses with the repayment of the loan.

EXAMPLE:

CAR VALUED AT 20,000 EUROS

SALE **PRICE** (LOAN) **5,000 EUROS**

RENTAL FEE PRICE: 450 EUROS PER MONTH

IF THE CAR IS USED FOR A YEAR, **5,400 EUROS WOULD BE PAID** FOR THE RENTAL

IF YOU LATER WANT TO **RECOVER OWNERSHIP** TO STOP PAYING MONTHLY PAYMENTS, YOU HAVE **TO PAY IN A SINGLE PAYMENT** THE 5,000 OF THE LOAN, PLUS INTEREST, WHICH CAN REACH 20%, SO AFTER HAVING PAID 5,400 EUROS OF RENT, YOU MUST PAY **6,000 EUROS MORE.**

FOR A LOAN OF 5,000 EUROS, YOU END UP PAYING 11,400 EUROS IN ONE YEAR: THIS IS 128% ANNUAL INTEREST.

IF YOU CANNOT REPAY THE LOAN, YOU WILL **CONTINUE TO PAY THE RENT INDEFINITELY** AND WHEN YOU CAN NO LONGER PAY, YOUR CAR WILL BE SEIZED.

THE COMPANY MANAGES TO RECUPERATE THE MONEY LOANED AND THEY REMAIN OWNERS OF A VEHICLE THAT HAS A MUCH HIGHER PRICE

WHAT IS IT REALLY?

A purchase agreement that acts as a loan, which includes a **resolutive condition**, which is a practice prohibited by art. 1859 of the Civil Code, by which if a certain amount (of the real loan) is not returned, the contracting party (lender) takes ownership of a thing that they have provided; this agreement is **null and void**.

In addition, the interest on the loan is **usurious** and can reach 400%.

This way, the client begins to pay the RENTAL fees, believing that the LOAN will be amortized. When the customer has covered the loaned amount, the customer thinks that the company will proceed it with the change of ownership and return the car.

But that is not the case. In order to regain ownership of the car, the customer must pay the vehicle's purchase amount (the borrowed capital) in **a single payment**, regardless of the monthly payments made.

It is paradoxical, but the following often occurs:

The customer runs out of liquidity, a new sale can be made (of the same vehicle). That is, the customer signs a contract by which they sell the car that they no longer own.

There can be no more obvious proof of the simulation of the contract of sale and transfer of use with purchase option, than this **double sale**, which shows that the contracts were devised by the entity to cover up a loan, making sure that in case of non-payment of any of the installments of the transfer of use, it already had the ownership of the asset, without the need to terminate the loan and without the need to resort to any enforcement procedure.

CONSEQUENCES OF NON-PAYMENT

THIS IS THE **MOST COMMON SCENARIO**, THE ONE THAT THE COMPANY EXPECTS.

IF YOU FAIL TO PAY ANY MONTHLY PAYMENT, YOU WILL BE CHARGED WITH THEFT OR **MISAPPROPRIATION**, AND THE CAR **IS SEIZED** WITH A **TOW TRUCK**.

THEY IMPLANTED A **GEOLOCATOR** IN THE CAR TO RETRIEVE IT AS SOON AS A PAYMENT IS LATE.

Fortunately, most sentences are in **favor of the defendant**, and refer to civil proceedings.

HOW TO CLAIM?

Civil proceedings

Claim aim for an ordinary court action for a declaratory judgment in which the **nullity of the purchase agreement** is requested, **as well as the contract of transfer of use** with purchase option. The grounds for annulment is lack of a legal standing.

Also request for (as an effect of the nullity) the cancellation of the **change of ownership** of the vehicle, issuing the appropriate order to the General Directorate of Traffic to replace the claimant as owner.

The defendant is ordered to deliver **possession of the vehicle** to the plaintiff and **return the excess amounts** of borrowed capital.

OTHER COMPANIES

Crédito por tu Coche/ Credit for your Car
Ibancas
Gesdecoche
Confiacar
Préstamo por tu Coche/ Loan for your Car
Flexiauto
Flexilicar

CAS LAW

Among others:

- SAP Palma de Mallorca Section 4 of March 21, 2023
- SAP Valencia Section 7 of January 26 , 2022
- SAP Madrid Section 13 of December 30, 2021
- SAP A Coruña Section 5 of September 14, 2018
- SAP Ourense Section 1 of November 29, 2018

