What you should know before signing a credit card agreement

Here you will find information about your rights and obligations if you decide to conclude a credit card agreement and start using a credit card. Please bear in mind that the terms and conditions provided below are not binding. If you conclude a credit card agreement, the terms and conditions agreed in the specific agreement will apply.

Before signing the credit card agreement, you should:

(i) familiarise yourself with the risks inherent in the obligations to be assumed – consider whether the credit card is, indeed, a credit product which suits your needs and means;

(ii) read the terms and conditions of the agreement, including the standard terms and conditions of the service, and consult the information sheet;

(iii) read any other terms and conditions as well as documents referred to in the terms and conditions of the agreement, e.g. the General Terms and Conditions of LHV Bank and the Terms and Conditions of the Payment Services Agreement;

(iv) assess, among other things, whether you can repay the credit limit used if your income should decrease or obligations increase.

If necessary, please do not hesitate to contact LHV Bank or an area specialist for explanations, advice or additional information.

Credit use

You can start using the credit limit immediately after activating the card and signing the credit card agreement. To use a credit card, you can choose whether you order a credit card in virtual or physical form. In the case of a physical credit card, you have the opportunity to pick up the physical card at the client office of LHV Bank or order the card by post. Upon receipt of a credit card at the client office, you have the opportunity to activate the card immediately and also conclude a credit card agreement. However, if you have ordered a credit card by post or in virtual form, you can activate the card and conclude the agreement also in the LHV Internet Bank or on the mobile app.

Withdrawal from the agreement

The conclusion of a credit card agreement does not yet automatically entail obligations. Obligations arise the moment the credit limit is used. Therefore, even if you have signed a credit card agreement and ordered a credit card, it does not oblige you to activate the card and use the credit limit.

If you decide that you do not want to perform the obligation associated with the use of the credit card, you can terminate the credit card agreement with the unused credit limit at any time and close the credit card.

In addition, you have the right to withdraw from the credit card agreement within 14 days of its conclusion, provided that you submit a withdrawal application in a format that can be reproduced in writing to the address specified in the agreement before the deadline. You can also easily submit the withdrawal application in the LHV Bank internet bank (including the mobile bank)

by using the withdrawal function next to the contract details. The exercising of the right of withdrawal means that you will have to repay the entire credit limit used as well as the interest accumulated up to the day of repayment immediately, but not later than within 30 days of submission of the notice of withdrawal to LHV Bank. Otherwise, you will not be deemed as having withdrawn from the agreement.

Interest calculation

Interest is a fee to be paid to LHV Bank for the use of the credit limit. Interest must be paid for the used credit limit in accordance with the interest rate set forth in the agreement (amount of interest as percentages per year). Interest will be calculated on the basis of the actual number of days in a month and a 360-day year.

The interest rate set forth in the agreement will be fixed and will depend on the terms and conditions of the particular credit card, the price list package of the product chosen, as well as your personal solvency indicators and previous payment behaviour. LHV Bank has the right to unilaterally lower the interest specified in the agreement. In the event of an interest rate increase, LHV Bank will enter into a separate agreement with you.

Repayment of the used credit limit and payment of interest and service fees

You will have the right, during the validity of the credit card agreement, to choose the amount and term of repayment of the used credit limit to LHV Bank. To repay the used credit limit, you can make transfers to the limit account (credit card account) at any time and in the amount of your choice or you can set the amount of monthly automatic repayment. Should you designate the automatic repayment amount, LHV Bank will debit the LHV account specified in the agreement (current account) for the designated repayment amount or the amount of transactions effected (as received by the bank) and yet to be repaid as at the end of the previous month if it is lower. If there are insufficient funds on your account on the payment date to cover the automatic repayment, LHV Bank will debit your account for the available amount to cover the automatic repayment and add the outstanding amount to the used credit limit with interest calculated on this. The payment of the designated automatic repayment amount on the payment date will not be obligatory. Failure to effect the payment will not be considered a debt. Similarly, you will be able to change the automatic repayment amount via the Internet Bank at any time.

Interest for the credit limit used in the previous month and service fees (if specified in the price list) will be withheld from your LHV account (current account) specified in the agreement on the payment date. Your obligation will be to make sure that the relevant account holds sufficient funds for payment of the interest and service fees on the correct date.

The credit card agreement will be concluded without a term. If you want to terminate the agreement, you will first need to repay the used credit limit and the accumulated interest. However, we would like to draw your attention to the fact that the validity period of the credit card is three (3) years, after which you can order a new card (renew the existing card). Even if you decide that you do not want to order a new card, you remain obligated to repay the used credit limit and pay interest.

The bank has the right to withhold card-related fees and expenses (e.g. cash withdrawal fee from ATMs, currency exchange rate conversion fee) from the LHV limit account specified in your agreement. If, upon expiry of the agreement, there are insufficient funds on the account on the repayment date to pay the amounts payable under the credit card agreement, we will debit the prescribed amount from your other account(s) opened with LHV Bank, if possible.

If your account(s) hold insufficient funds, on the payment date, for effecting the payment in the given currency, the bank may debit the amount in other currencies, converting the amount in accordance with the currency exchange rates valid at LHV Bank at the moment of the conversion. If your account(s) hold various currencies, LHV Bank will determine the order in which the currencies are to be converted.

Information on the current currency exchange rates is available:

(i) in the Internet Bank;

(ii) on the mobile app;

(iii) at the client offices of LHV Bank;

(iv) at the client support number 680 0400 and via chat.

It is important to know that when settling outside the euro zone, LHV Bank will receive notifications for credit card transactions in euros or converted into euros. In this case, the international card organisation will determine the rate on the day the operation is submitted to LHV Bank, as a result of which the rate may also change in a direction that is not suitable for you.

Other expenses related to the credit card agreement

You will have to pay a monthly fee for the credit card in accordance with the rate established in the LHV Bank price list. If you use the additional services related to the credit card (such as cash withdrawal, information request from an ATM (balance and account statement), etc.), you will have to pay separately for these in accordance with the price list of LHV Bank. Issue of the first credit card, renewal and closure are free of charge. Other fees related to credit cards (incl. card replacement fee and the fee for issuing an emergency card) are specified in the LHV Bank price list.

LHV Bank has the right to demand a contractual penalty for the use of a closed card.

Amendment of the agreement

LHV Bank shall have the right to unilaterally amend the credit card agreement by notifying you at least two (2) months in advance. The amended terms and conditions can be viewed at a client office of LHV Bank, on the website of LHV Bank, in the Internet Bank or in any other manner determined by LHV Bank.

You will have the right not to accept the amendment of the agreement and to cancel the credit card agreement within the time period established by LHV Bank. If you do not cancel the agreement within this period, you will be deemed to have agreed to the amendments made by LHV Bank.

Possible consequences of violating the agreement

If you have entered into a credit card agreement and have violated the agreed terms and conditions for any reason, you may have to bear additional expenses:

(i) interest on arrears and/or contractual penalty;

(ii) debt processing expenses;

(iii) expenses related to cancellation of the credit limit agreement;

(iv) other expenses related to the performance of the credit card agreement and related agreements (e.g. expenses related to collection as well as court, enforcement or bankruptcy proceedings).

The LHV Bank price list is available at www.lhv.ee.

If there are insufficient funds in the LHV account (current account) specified in the credit card agreement on the payment date for the mandatory payments specified in the credit card agreement, LHV Bank will have the right to start calculating interest on arrears from the missing amount according to the LHV Bank price list from the next day. The calculation of interest on arrears ends on the day when all the amounts due have been paid.

Cancellation of the agreement

You have the right to cancel the credit card agreement at any time by notifying LHV Bank thereof at least one (1) month in advance.

LHV Bank has the right to cancel the credit card agreement at any time by notifying you thereof at least two (2) months in advance.

In certain cases, LHV Bank has the right to cancel the credit card agreement extraordinarily and without prior notice. LHV Bank may, among other things, cancel your credit card agreement extraordinarily and without prior notice if:

(i) you have submitted false information or failed to provide information known to you that affects the performance of the agreement when applying for a credit card;

(ii) you have violated the payment obligation set out in the agreement (you have not paid interest or service fees under the credit card agreement) and do not pay the debt within two (2) weeks after receiving the respective debt claim from LHV Bank;

(iii) you fail to perform other obligations arising from the credit card agreement or other agreements concluded with LHV Bank or its subsidiaries;

(iv) the credit cards issued to you or the card user have been closed and/or have been blocked for at least four (4) months;

(v) the credit card issued to you or the card user has expired and you or the card user has not activated the card within six (6) months;

(vi) no transactions (e.g. payments) have been performed with the credit card for at least six (6) consecutive months;

(vii) LHV Bank has refused to issue a new credit card or replace the card after the renewal of the credit card on the terms and conditions set out in the agreement.

Upon expiry of the credit card agreement, you will have to repay the entire used credit limit and pay the interest calculated on it. In addition, LHV Bank has the right to demand the payment of outstanding interest on arrears and contractual penalties, as well as the performance of other obligations arising from the agreement.

How to avoid incurring debts?

The above information and explanations are important to you if you are considering applying for a credit card and concluding a credit card agreement. A credit card is an obligation, with the possession of which there is always a risk of incurring debts. Accordingly, you are requested to consider the above thoroughly and, if you experience any difficulty in meeting your obligations or if you have any other questions in relation to this subject, do not hesitate to contact LHV Bank.

If you have any questions or need additional information, please call LHV Bank client support at 6 800 400 or send an email to info@lhv.ee.