



## The socially vulnerable family has won a court dispute to the bank

GYLA was defending a socially vulnerable family, which was not allowed to receive social assistance by a banking institution due to arrears incurred in the same bank.

With the assistance of GYLA, the family disputed the clause of the loan agreement, under which the bank was empowered to completely and/or partially block the amount on the borrower's account(s), including social assistance to repay and/or reduce the existing monetary liability.

Prior to the sharp deterioration of the economic situation, the family had largely fulfilled its contractual obligations and had already paid more than the original amount. It is also noteworthy that prior to the litigation, taking the GYLA's lawyers' advice the family applied several times to the bank institution with a request to start a negotiation, but they were refused.

By the judgment of the Tbilisi City Court the family's request was satisfied and the clause of the bank loan agreement, concluded electronically, which was allowing a banking institution to block social assistance without a family's consent – was

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anceled.

According to the explanation of the court, in the case where there was no dispute about the disagreement with the client individually on the subject of the bank loan agreement, under the condition of information deficit it would exclude the possibility of a borrower's conscious choice. According to the judgment, unless otherwise is confirmed, it is presumed that the debtor would not wish to agree to such a contractual arrangement that would allow the deduction (allowance) of the subsistence minimum wage for repaying the obligation, with only the necessary amount of subsistence remaining for months. A possibility of comprehension on which a family would have in case of getting information on the existing appropriate reservations.

It is noteworthy that, according to the court judgment, the bank was also ordered to pay back 413 GEL of assistance in favor of the plaintiff which has already been cut off. In turn, a commitment was imposed on the family to repay the remaining amount of the loan, which cannot be withdrawn from the allowance.