

**By the Judgement of 3 April 2023 No. 14-II the Constitutional Court assessed the constitutionality of paragraphs 2 and 3 of Article 428 of the Civil Code of the Russian Federation.**

These legal provisions were examined since they were used to decide whether legal remedies foreseen therein could be afforded to a consumer who had concluded a purchase agreement according to the terms of which offered by a seller he was obliged to return the amount of price discount in case of an early unilateral termination of credit or insurance agreements related to the purchase and concluded with third parties.

The challenged provisions were found not to be in conflict with the Constitution of the Russian Federation due to the following. In order to ensure proportionality of collection of a portion of price discount provided by the seller to the amount of payments that the buyer did not make or that were returned to him under consumer credit or insurance contracts due to their early and unilateral termination, it is necessary to understand that there is a clear inequality of bargaining power between the seller and the buyer. This consideration all the more applies where they have concluded a retail purchase agreement for an item which price significantly exceeds the average monthly income of the buyer with a condition on the return of a price discount in the event of early and unilateral termination by the buyer of consumer credit or insurance agreements related to such an agreement concluded by the buyer with third parties through the assistance of the seller, and the terms of related agreements are significantly worse for the buyer than they could have been, had they been concluded without participation of the seller, unless a court establishes other legitimate reasons for the buyer's acceptance of the onerous terms.

This does not exclude the power of the court to change the terms of the contract otherwise on the basis of the contested provisions, if a clear inequality of negotiating conditions, and accordingly the position of the buyer are established and proven, that significantly complicated agreement on other individual terms of contract which led to the inclusion in the retail contract the condition the cost of which significantly exceeds the average monthly income of the buyer, of clearly burdensome conditions for the buyer related to consumer credit or insurance contracts concluded by the buyer with third parties.