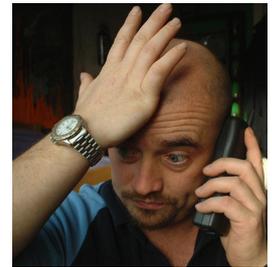
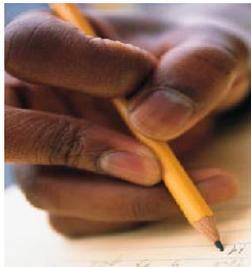


Resolving disputes between consumers and financial businesses: **Current arrangements in central and eastern Europe**

- Bulgaria
- Estonia
- Lithuania
- Slovakia
- Croatia
- Hungary
- Poland
- Slovenia
- Czech Republic
- Latvia
- Romania



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Abbreviations and acronyms

- ADR = alternative dispute resolution body (for out-of-court redress)
- CEE 10 = the 10 countries from the CEE 11 that are already members of the EU
- CEE 11 = the 11 central and eastern European countries covered by this report¹
- EU = European Union²
- FIN-NET = European network of financial ombudsmen and financial ADRs³
- GDP = Gross domestic product

Terminology

'Ombudsman' is recognised worldwide. This report uses it to include equivalent bodies that in some countries use other titles, such as 'arbiter'.

'ADR' is used in this report to cover both ombudsmen and other types of out-of-court redress bodies such as complaints boards and complaints departments of financial regulators.

'Mediator' is used for different purposes in different countries. Most use it for those ADRs that only mediate. But some use it for those with a wider role, similar to an ombudsman.

'Microenterprises' (the smallest businesses) and 'small and medium enterprises' are EU-wide definitions.⁴

'Financial business' is used in this report to cover the whole range of businesses that provide or distribute credit, financial services or payment services.

'Intermediary' is used to cover a financial business (such as an insurance broker) that distributes the financial products of others.

¹ The CEE 11 are Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

² The 27 EU member states are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and UK. Croatia is on track to become a member.

³ http://ec.europa.eu/internal_market/fin-net/index_en.htm

⁴ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

Purpose of this report

This report surveys the current position in establishing and developing financial ombudsmen and other financial ADRs in Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia (the CEE 11).

It draws on previous reports from The World Bank and others, which underlined how financial ombudsmen can help to increase consumer confidence in financial services, and hence also benefit financial businesses by helping markets to improve and grow.

It also draws on information from the European Commission that compares the attitudes of consumers across Europe – their level of confidence in existing levels of consumer protection, their readiness to complain and the relative ease of using ADRs compared to the courts.

The factual information about the existing arrangements in the CEE 11 is published in good faith, following enquiries with the relevant bodies, and was sent to the bodies concerned for comment during the consultation period that preceded the finalisation of this report.

The report focuses on financial ombudsmen and financial ADRs covering banking and credit and also insurance – but details are also provided of out-of-court redress arrangements in relation to packaged investments and stock exchange transactions where these are readily available.

There are currently significant gaps in coverage – both by country and by sector. And a number of the ombudsmen/ADRs that exist do not appear to comply with recognised European Union standards for out-of-court redress bodies.

In November 2011 the European Commission proposed a directive on ADR, intended to come into force in 2014.⁵ This will require European Union member states to establish ADRs for all consumer sectors, and to ensure that these ADRs comply with compulsory standards,

Linked report

This report is published alongside another report from The World Bank – *Resolving disputes between consumers and financial businesses: Fundamentals for a financial ombudsman* – which explains the foundations on which financial ombudsmen can be created and developed.

That other report also includes details of particular issues that are relevant to financial ombudsmen and other financial ADRs in the European Union. All of the CEE 11 are members of the European Union – except for Croatia, which is on track to become a member.

The European network of financial ombudsmen and financial ADRs (FIN-NET) covers cross-border financial disputes (where the consumer is in one EU member state and the financial business is in another). FIN-NET members must comply with two requirements – explained in that other report.

⁵ http://ec.europa.eu/consumers/redress_cons/adr_policy_work_en.htm

The first requirement is that the financial ombudsman/ADR must accept the terms of the FIN-NET memorandum of understanding which covers operational requirements in cooperating with other members of FIN-NET in cross-border cases.⁶

The second requirement is that the financial ombudsman/ADR must comply with the seven principles in European Commission Recommendation 1998/257/EC: the independence, transparency, adversarial, effectiveness, legality, liberty and representation principles.⁷

The standards in Recommendation 1998/257/EC are likely to be superseded by similar ones in the proposed European directive on ADR. Those standards are intended to be compulsory for all ombudsmen/ADRs in the European Union from 2014.

Acknowledgements

This report was prepared by:

- David Thomas (Principal Ombudsman, Financial Ombudsman Service in the UK); and
- Francis Frizon (Insurance Mediator in France).

Having originally qualified as lawyers, both of them have been:

- ombudsmen for more than a dozen years;
- steering committee members of FIN-NET (the European network of financial ombudsmen/ADRs);
- steering committee members of INFO (the worldwide network of financial ombudsmen).⁸

They are grateful to:

- Sue Rutledge, Juan Carlos Izaguirre, Tomáš Prouza and their colleagues in the Global Program on Consumer Protection and Financial Literacy at The World Bank who have overseen this report;
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- the following who helped collect information on bodies other than their own:
 - Živa Drol-Novak from the Consumers Association, Slovenia;
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 - Frantisek Klufa, former Financial Arbiter, Czech Republic;
 - Marekas Močiulskis from the State Consumer Rights Protection Authority, Lithuania;
 - Razvan Resmerita, Director of the European Consumer Centre, Romania; and
 - Małgorzata Wiecko from the Insurance Ombudsman, Poland.

⁶ http://ec.europa.eu/internal_market/fin-net/docs/mou/en.pdf

⁷ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998H0257:EN:NOT>

⁸ www.networkfso.org – 49 member financial ombudsman schemes in 31 countries worldwide.

During the consultation period, the draft of this report was presented at three international meetings:

- the INFO annual conference in Canada in September 2011;
- the FIN-NET bi-annual meeting in Malta in October 2011; and
- a financial ombudsman conference in Armenia in October 2011.

Comments in this report do not necessarily reflect the views of the organisations mentioned.

Consumer confidence

Consumer confidence in existing consumer-protection measures, across all sectors, is below the European Union average in all of the CEE 10.

Consumers in the CEE 10, apart from those in Slovenia, are less likely than the EU average to complain if something goes wrong.

In all of the CEE 10, consumers find it less easy than the EU average to resolve disputes with sellers/providers either through ADR or the courts.

But throughout the EU, including in the CEE 10, consumers and sellers/providers prefer ADR to the courts for resolving disputes.

Bulgaria

The World Bank reviewed the financial ombudsman/ADR position previously in 2009.

The *Diagnostic Review of Consumer Protection and Financial Capability in Bulgaria*⁹ recommended that consideration should be given to creating a financial ombudsman, to replace existing conciliation committees.

At present, consumers have free access to the legally-established Conciliation Commission for Payment Disputes, which provides non-binding recommendations in disputes about credit cards, loans, payment services and electronic money.

There is no financial ombudsman or financial ADR for other aspects of banking or for any aspects of insurance or other financial products. Bulgaria has no member of FIN-NET to handle cross-border cases.

As recommended in 2009, consideration should be given to creating a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

Croatia

The World Bank reviewed the financial ombudsman/ADR position previously in 2010.

The *Diagnostic Review of Consumer Protection and Financial Literacy in Croatia*¹⁰ said that the proposed mediation centre for the banking sector was unlikely to be successful, and that consideration should be given to establishing a financial ombudsman.

⁹ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/RO_-_CPFL_Vol_I.pdf

¹⁰ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Croatia_CPFL_Vol1_English.pdf

In banking, all that is available to consumers at present is mediation. Consumers have to pay a fee for that (though the fee was being waived until the end of 2011).

In insurance, consumers have free access to mediation, or to an industry-appointed ombudsman who can provide a non-binding recommendation limited to complaints about the insurance code of ethics.

Croatia is not yet a member of the European Union. It is not eligible to join FIN-NET for cross-border disputes, but the Chamber of Economy was accepted as a FIN-NET observer in October 2011.

As recommended in 2010, consideration should be given to establishing a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

Czech Republic

The World Bank reviewed the financial ombudsman/ADR position previously in 2007.

The *Technical Note on Consumer Protection in Financial Services in the Czech Republic*¹¹ recommended that the existing Financial Arbiter (then dealing only with electronic payments in the banking sector) should be converted into a financial ombudsman covering all areas of the financial sector.

In banking, consumers have free access to the legally-established Financial Arbiter – which now covers payment services and (since July 2011) consumer credit and some investment products. The Arbiter provides mediation and decisions binding on the financial business and consumer.

In insurance, there is currently no financial ombudsman/ADR – but it is hoped that the Financial Arbiter's jurisdiction will be extended to insurance, and additional investment products, in 2012.

The Financial Arbiter is a member of FIN-NET to cover cross-border cases.

Consideration should be given to continuing to extend the Financial Arbiter's jurisdiction until it covers all areas of the financial sector, as recommended in 2007.

Estonia

The World Bank has not previously reviewed the financial ombudsman/ADR position in Estonia.

In both banking and insurance, consumers have free access to the legally-established Consumer Complaint Committee (provided the claim is for at least €20). The Committee provides a non-binding recommendation, and is a member of FIN-NET.

In insurance, consumers have the alternative of free access to the industry-appointed Insurance Conciliation Body, which provides mediation or a non-binding recommendation. It is not a member of FIN-NET.

¹¹ http://siteresources.worldbank.org/EXTECAREGTOPPRVSECDEV/Resources/CR_CPFS_12June07.pdf

Hungary

The World Bank has not previously reviewed the financial ombudsman/ADR position in Hungary.

Both banking and insurance, as well as other financial services, have been covered by the Financial Arbitration Board since 1 July 2011.

This was established by law and is run by the Hungarian Financial Supervisory Authority. It is a member of FIN-NET.

It provides free access to consumers. It offers mediation, a non-binding recommendation and (if both parties agree in advance) a decision that is binding on both parties.

Latvia

The World Bank previously reviewed the financial ombudsman/ADR position in 2010.

The *Diagnostic Review of Consumer Protection and Financial Literacy in Latvia*¹² and *Action Plan on Financial Consumer Protection in Latvia*¹³ recommended:

- The Consumer Rights Protection Centre (which is a government agency) should make sure it is legally equipped to deal with all relevant financial services complaints it receives, proposing legislative change if necessary.
- Consideration should be given to establishing a financial ombudsman by law – to replace the ombudsmen established by the banking and insurance associations, which were not seen by consumers as independent and were little-used.

At present, the government-appointed Consumer Rights Protection Centre has a very limited role in relation to individual disputes.

In banking and insurance, there are industry-appointed ombudsmen – which provide non-binding recommendations.

But consumers appear to doubt the impartiality of these ombudsmen and seldom use them – and both of them charge consumers a fee (though this is refunded if the consumer wins).

The industry-based Motor Insurers' Bureau provides non-binding recommendations in disputes between third parties and motor third-party liability insurers.

Latvia has no member of FIN-NET to handle cross-border disputes.

The Consumer Rights Protection Centre complies with Commission Recommendation 1998/257/EC, but does not propose to join FIN-NET – because of the Centre's limited role in individual disputes.

The banking and insurance ombudsmen, and the Motor Insurers' Bureau, have not demonstrated that they comply with Commission Recommendation 1998/257/EC.

¹² http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Latvia_CP_Vol_1_En.pdf

¹³ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/LV_Action_Plan_ConsultativeDraft.pdf

The existing banking and insurance ombudsmen should adopt the standards that will enable them to become members of FIN-NET – or as recommended in 2010, consideration should be given to establishing a financial ombudsman by law.

Lithuania

The World Bank previously reviewed the financial ombudsman/ADR position in 2009.

The *Diagnostic Review of Consumer Protection and Financial Literacy in Lithuania*¹⁴ recommended:

- The Insurance Supervisory Commission should retain its consumer protection role in insurance while the State Consumer Rights Protection Authority increases its capacity and expertise.
- The State Consumer Rights Protection Authority and the Insurance Supervisory Commission should be given legal authority to make decisions binding on financial businesses.
- At a later stage, consumer protection in insurance should pass from the Insurance Supervisory Commission to the State Consumer Rights Protection Authority (a FIN-NET member).
- In the longer term, the State Consumer Rights Protection Authority was likely to become overwhelmed and consideration should be given to establishing a statutory financial ombudsman.

In banking, consumers have free access to the government-appointed State Consumer Rights Protection Authority – which provides mediation, non-binding recommendations and decisions that are binding on both parties. It is a member of FIN-NET, for cross-border disputes.

In insurance, consumers have free access to the government-appointed Insurance Supervisory Commission – which provides mediation and non-binding recommendations. It is not a member of FIN-NET.

As a result of forthcoming changes to the regulatory arrangements, expected in 2012, the arrangements for out-of-court redress may change. But the position has not yet been decided.

As recommended in 2009, if out-of-court redress remains with the State Consumer Rights Protection Authority, it should be given the necessary powers and resources – or consideration should be given to creating a financial ombudsman, which should adopt the standards that would enable it to become a member of FIN-NET.

Poland

The World Bank has not previously reviewed the financial ombudsman/ADR position in Poland.

In banking, consumers have access to the industry-appointed Banking Ombudsman, which provides a decision that binds the financial business but not the consumer. Consumers must pay a fee of €12.50, which is refunded if they win.

In insurance, consumers have free access to the government-appointed Insurance Ombudsman, which provides a non-binding recommendation – with the possibility, at some cost, of going on to arbitration.

¹⁴ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Lithuania_CP_Vol1_En.pdf

In both banking and insurance, consumers have the alternative of access to the Arbitration Court at the Financial Supervisory Authority, which provides mediation and decisions binding on both parties. Consumers must pay a fee of €62.00, which is refunded if they win.

The Banking Ombudsman, Insurance Ombudsman and Arbitration Court at the Financial Supervisory Authority are all members of FIN-NET to handle cross-border disputes.

Romania

The World Bank previously reviewed the financial ombudsman/ADR position in 2009.

The *Diagnostic Review of Consumer Protection and Financial Literacy in Romania*¹⁵ recommended:

- A financial ombudsman or other similar procedure should be put in place, and should become a member of FIN-NET.
- As a first step, ombudsmen could be established by the professional associations. If this did not prove sufficiently effective, consideration should be given to establishing an ombudsman by law.

A Special Projects Initiative was established with support from The World Bank which, amongst other things, produced proposals for a financial ombudsman.

In banking, the National Bank of Romania provides a non-binding recommendation in disputes about cross-border transfers.

The banking ombudsman proposed by the Special Projects Initiative has not been established.

Consumers have access to the Union of Banking Mediators and the Association of Mediators in the Financial-Banking Field – FINBAN, but they both charge consumers a non-returnable fee and provide only mediation.

In insurance, there is the industry-appointed Insurance Arbitration Commission – but this charges consumers a non-returnable fee, provides only mediation and focuses on business-to-business disputes.

None of these bodies is a member of FIN-NET to cover cross-border complaints – though the Union of Banking Mediators has put itself forward as a candidate and the Association of Mediators in the Financial-Banking Field – FINBAN says it plans to apply.

As recommended in 2009, consideration should be given to creating a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

Slovakia

The World Bank previously reviewed the financial ombudsman/ADR position in Slovakia in 2007.

The *Technical Note on Consumer Protection in Financial Services in Slovakia*¹⁶ recommended that a financial ombudsman should be created, and should join FIN-NET.

¹⁵ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/RO - CPFL_Vol_I.pdf

¹⁶ <http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/SkCPFSVolIMainReport.pdf>

In banking, at present consumers have free access to the industry-appointed Banking Ombudsman – which provides mediation and a non-binding recommendation, if the financial business is a member of the bankers association.

In insurance, there is no financial ombudsman/ADR.

Slovakia has no member of FIN-NET to handle cross-border complaints.

As recommended in 2007, Slovakia should have a financial ombudsman – which should not be restricted to banking and which should adopt the standards that will enable it to become a member of FIN-NET.

Slovenia

The World Bank has not previously reviewed the financial ombudsman/ADR position in Slovenia.

In banking, consumers have free access to the Banking Settlement Council, appointed by a body where half of the members come from the financial industry. It provides a non-binding recommendation.

In insurance, consumers have free access to the industry-appointed Mediation Centre (providing mediation in damages claims) and Insurance Ombudsman (providing non-binding recommendations on breaches of the insurance code or good insurance practice, but not damages claims).

Slovenia does not have a member of FIN-NET to handle cross-border complaints.

The Banking Settlement Council, Insurance Mediation Centre and Insurance Ombudsmen have not demonstrated that they comply with Commission Recommendation 1998/257/EC.

They should adopt the standards that will enable them to become members of FIN-NET (and should use the opportunity of adopting best practice from amongst their FIN-NET colleagues) or consideration should be given to establishing a financial ombudsman by law.

Preface

Consumer conditions compared

This chapter shows that: consumer confidence in the CEE 10 is below average; and consumers and businesses throughout the EU find it easier to resolve disputes through ombudsmen and other ADRs rather than through the courts.

The information in this chapter is from the European *Consumer Conditions Scoreboard* (fifth edition, published March 2011)¹⁷ and relates to all sectors, not just financial services. The European Commission publishes comparative details of conditions in the EU member states, in order to:

- identify whether markets are working for consumers;
- track the integration of the retail single market; and
- monitor national consumer conditions.

Consumer conditions index

The information collected is collated into a consumer conditions index, to help estimate the impact of policies on the welfare of consumers. The latest index is for 2010. The percentage scores (against a potential maximum of 100%) were –

United Kingdom	74%
Ireland	72%
Luxembourg	70%
Austria	67%
Finland	66%
Netherlands	66%
Italy	66%
Germany	65%
Denmark	63%
Sweden	62%
Belgium	61%
EU average	61%
France	59%
Malta	58%

Hungary	57%
Portugal	57%
Poland	55%
Slovenia	54%
Latvia	54%
Estonia	54%
Cyprus	54%
Spain	53%
Slovakia	53%
Czech Republic	52%
Lithuania	49%
Greece	48%
Romania	46%
Bulgaria	42%

The scoreboard shows that the consumer conditions index scores for all of the CEE 10 countries fall below the average across the EU.

Confidence in consumer protection

The statistics from which the consumer conditions index is calculated include the percentage of consumers who:

¹⁷ http://ec.europa.eu/consumers/strategy/docs/5th_edition_scoreboard_en.pdf

- feel adequately protected by existing consumer-protection measures: and
- felt they had a reason to complain but did not complain:

The percentage scores (against a potential maximum of 100%) were –

<i>Consumers who feel adequately protected by existing consumer protection measures:</i>	
United Kingdom	80%
Austria	79%
Ireland	79%
Denmark	72%
Luxembourg	71%
Germany	69%
Netherlands	69%
Finland	68%
Italy	61%
Sweden	61%
EU average	57%
Belgium	53%
Portugal	53%
Hungary	51%
Slovakia	51%
Malta	49%
Poland	49%
Czech Republic	47%
France	47%
Cyprus	44%
Spain	44%
Estonia	43%
Slovenia	39%
Latvia	38%
Romania	34%
Lithuania	33%
Greece	30%
Bulgaria	27%

<i>Consumers who felt they had a reason to complain but did not complain:</i>	
Austria	5%
Luxembourg	6%
Denmark	9%
Sweden	10%
Germany	11%
Italy	13%
Netherlands	13%
Belgium	16%
Portugal	16%
Malta	17%
United Kingdom	17%
Spain	18%
Finland	20%
France	20%
Slovenia	22%
Ireland	23%
EU average	23%
Greece	25%
Cyprus	26%
Czech Republic	32%
Hungary	32%
Slovakia	38%
Poland	40%
Lithuania	43%
Latvia	50%
Bulgaria	52%
Estonia	55%
Romania	57%

80% of consumers in the UK feel adequately protected. The average across the EU is 57%. But consumers in the CEE 10 feel less well protected – suggesting that much remains to be done to increase their confidence.

All the CEE 10 are below the EU average. Poland, Czech Republic and Estonia are below 50%. Slovenia, Latvia, Romania and Lithuania are below 40%. Bulgaria is below 30%.

Consumers in the CEE 10, apart from those in Slovenia, are also less likely to complain if something goes wrong. Presumably this reflects, amongst other things, a lower level of confidence that any complaint they made would be satisfactorily resolved.

Confidence in ADRs and the courts

The statistics also show how easy consumers find it to resolve disputes with sellers/suppliers through ADRs or through the courts. The percentage scores (against a potential maximum of 100%) were –

<i>Consumers finding it easy to resolve disputes with sellers/providers through ADRs:</i>	
Ireland	68%
United Kingdom	67%
Cyprus	61%
Austria	57%
Finland	55%
Netherlands	51%
France	52%
Germany	52%
Luxembourg	52%
Greece	48%
EU average	48%
Hungary	46%
Italy	46%
Romania	44%
Poland	43%
Belgium	40%
Spain	38%
Denmark	37%
Malta	34%
Sweden	34%
Lithuania	33%
Portugal	32%
Slovenia	32%
Czech Republic	28%
Estonia	27%
Slovakia	25%
Latvia	24%
Bulgaria	23%

<i>Consumers finding it easy to resolve disputes with sellers/ providers through the courts:</i>	
United Kingdom	51%
Ireland	49%
Germany	40%
Austria	39%
France	36%
Italy	35%
Luxembourg	35%
Greece	34%
Netherlands	34%
EU average	33%
Belgium	30%
Denmark	29%
Finland	28%
Romania	28%
Spain	25%
Poland	21%
Czech Republic	20%
Malta	20%
Sweden	20%
Lithuania	18%
Cyprus	19%
Bulgaria	19%
Latvia	19%
Estonia	16%
Slovakia	16%
Portugal	15%
Slovenia	15%
Hungary	9%

The scoreboard shows that consumers in all the CEE 10 countries find it less easy than the EU average to resolve disputes with sellers/providers either through ADR or through the courts.

But it is notable that in every EU member state consumers find it easier to resolve disputes with sellers/providers through ADR than through the courts (irrespective of consumers' varying levels of confidence in their national courts).

Additionally, figure 40 on page 44 of the European *Consumer Conditions Scoreboard* shows that retailers in every EU member state also prefer ADRs to the courts as a redress mechanism for disputes with consumers.

This suggests that, in the CEE 10, increasing consumer access to adequate and effective ADRs – such as ombudsmen – has a key role to play in increasing the current below-average levels of consumer confidence in various sectors, including financial services.



Basic information

Bulgaria joined the European Union in 2007. It currently retains its national currency, with a fixed exchange rate to the Euro.

It has a population of about 7.6 million. Access to financial services in 2007 was 56%, compared to an average of 91% in western Europe.¹⁸

Domestic credit provided by the banking sector in 2009 was 69.4% of GDP (compared to 157.9% for the EU as a whole).¹⁹

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	42%
▪ consumer confidence in existing consumer protection measures	27%
▪ consumers who had a reason to complain but did not complain	52%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	23%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	19%

Any previous report on resolving financial disputes

The World Bank's 2009 *Diagnostic Review of Consumer Protection and Financial Capability in Bulgaria*²⁰ noted:

- Consumer confidence was low compared to elsewhere in the EU. A survey on consumer protection in financial services was needed.
- 56% of consumers had an account with a financial business. 33% had a debit card and 9% had a credit card. 46% of household savings were in Euros.
- Households had increasingly borrowed in foreign currency, mainly in Euros – with borrowing in foreign currency nearing 30% by the end of 2008.
- The Consumer Protection Act (revised 2007) specified that consumers should have access to both judicial and out-of-court procedures for resolution of consumer disputes.
- The constitution of Bulgaria restricted to the courts the power to make final legally-binding decisions.
- Existing conciliation committees would not act if either party declined to attend. The average time for a case to be heard in court was five years, even with simple cases.
- This meant that there was no effective mechanism for dispute settlement in issues related to financial services, limiting the conditions for a healthy financial market.

¹⁸ http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf - pages 190/191

¹⁹ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

²⁰ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/RO - CPFL_Vol_I.pdf

Recommendations included:

- Consumer protection legislation for all financial services should be covered by the Commission for Consumer Protection (within the Ministry of Economy and Energy).
- All financial businesses should be obliged to establish a clear process by which consumers could submit disputes – which should be noted in all contracts.
- Consideration should be given to a financial ombudsman as a long-term solution, replacing the existing conciliation committees.
- Creation of a financial ombudsman would take time, but it could have the most favourable long-term impact on financial consumer protection.
- There were advantages and disadvantages to whether the ombudsman was established by the professional associations or as an independent authority established by law.
- Bulgaria should join FIN-NET, the network of out-of-court schemes in the EEA responsible for handling disputes between consumers and financial businesses.

Current financial ombudsman/ADR schemes

The Law on Consumer Protection established regional conciliation commissions for out-of-court settlement of consumer disputes. The system is managed by the Commission for Consumer Protection – which is a collegiate authority under the Minister of Economy, Energy and Tourism.²¹

Conciliation commissions consist of three members – one appointed by the Commission on Consumer Protection, one professional and one consumer representative. The conciliation is not binding on the parties.

The National Bank of Bulgaria says that the only out-of-court redress scheme in financial services is the Conciliation Committee for Payment Disputes (*Помирителна комисия за платежни спорове*). The Committee was established, under article 128 of the Law on Payment Services and Payment Systems, as part of the Commission for Consumer Protection.

Article 185 of the Insurance Code requires an insurer, before concluding an insurance contract, to provide written information which includes details of any procedures for out-of-court settlement of disputes – but there is currently no ombudsman/ADR that covers insurance.

The table at the end of this chapter gives fuller information on the Conciliation Committee for Payment Disputes. It is not a member of FIN-NET.

Conclusions

Consumers have free access to the legally-established Conciliation Commission for Payment Disputes, which provides non-binding recommendations in disputes about credit cards, loans, payment services and electronic money.

There is no financial ombudsman or financial ADR for other aspects of banking or for any aspects of insurance or other financial products. Bulgaria has no member of FIN-NET to handle cross-border cases.

²¹ http://ec.europa.eu/consumers/overview/country_profile/BG_web_country_profile.pdf

As recommended in 2009, consideration should be given to creating a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

Conciliation Committee for Payment Disputes (Bulgaria)	
Name, in national language	Помирителна комисия за платежни спорове
Name, in English	Conciliation commission for payment disputes
Website address	www.kzp.bg
E-mail address for enquiries	Not available
Phone number	+ 359 2 933 0577 or + 359 2 914 51277
Fax number	+ 359 2 988 4218
Address	Sofia 1000, 4a Slaveikov Square
Status / governance	
Type of ADR scheme	Part of government consumer protection body
Status	Established by law
Decision maker	Panel of five (appointed by): <ul style="list-style-type: none"> ▪ Chairman (Director of Bulgarian National Bank) ▪ 2 members (association of commercial banks) ▪ 2 members (Commission on Trade and Consumer Protection)
Funding from	Government
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	No reason given
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 7 days
Must financial business tell complainants about the ADR?	Yes (article 68 of the Funds Transfers, Electronic Payment Instruments and Payment Systems Act)
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Credit cards and loans	All banks in country, both national and foreign-owned
Payment services	All banks in country, both national and foreign-owned
Electronic money	All banks in country, both national and foreign-owned



Basic information

Croatia is on track to become a member of the European Union, having signed an accession treaty in November 2011. It retains its national currency, with a floating exchange rate to the Euro.

It has a population of about 4.4 million. Access to financial services in 2007 was 42%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 76.9% of GDP (compared to 157.9% for the EU as a whole).²²

As Croatia is not yet an EU member, it is not yet covered by the *European Consumer Conditions Scoreboard*.

Any previous report on resolving financial disputes

The World Bank's 2010 *Diagnostic Review of Consumer Protection and Financial Literacy in Croatia*²³ noted:

- There was no national consumer protection agency that covered all sectors, and consumer protection responsibility was not assigned to the financial regulators.
- Household debt had been increasing, but lay within the range found in the EU member states that joined in 2004/2007.
- The Credit Institutions Act and Consumer Protection Act both required extensive information to be provided to financial consumers.
- The Consumer Credit Act had clarified and harmonised the definition of the annual percentage rate for loans, effective from January 2011.
- But complaints by consumers about banks unilaterally changing interest rates were common, according to the Ministry of Finance.
- 'Bundling' of financial products (where a consumer taking one product is tied to taking one or more linked products) was much more extensive than the norm in the EU.
- The greatest weakness was the mechanism for resolving disputes. Consumers could apply to any one of nine different institutions – but none was responsible for finding a solution.

Recommendations included:

- Financial businesses should strengthen their internal procedures to handle complaints from retail customers.
- Codes of conduct or consumer protection codes should provide guidance on how financial businesses should deal with complaints.

²² <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

²³ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Croatia_CPFL_Vol1_English.pdf

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- The Croatian Banking Association's code of banking practices should be strengthened and made into a consumer protection code.
 - The proposed mediation centre for the banking sector was not likely to be successful. The Insurance Bureau's mediation centre had been more effective, and had generated respect.
 - Consideration should be given to establishing a financial ombudsman – and whether that should be through the professional associations or established by law.
 - A start could be for the Banking Association to establish an ombudsman with a governance structure like that of the Insurance Bureau's mediation service.
 - The Insurance Bureau's mediation service should extend its role to cover complaints about securities and pensions also.
 - Establishing a Financial Consumer Complaints Centre would give consumers a single point for enquiries and complaints.
 - But the most efficient approach would be to set up a single dispute-resolution mechanism for the entire financial sector.

Current financial ombudsman/ADR schemes

It is still the case that there is no single consumer protection agency and no central point for complaints against financial businesses.

There is a very wide range of institutions involved in this sector of the market, including the:

- Consumer Protection Department of the Ministry of Economy, Labour and Entrepreneurship (*Ministarstvo gospodarstva, rada i poduzetništva*);
- State Inspectorate of the Republic of Croatia (*Državni inspektorat Republike Hrvatske*);
- Croatian Financial Services Supervisory Agency (*Hrvatska Agencija za nadzor Financijskih usluga*);
- Croatian National Bank (*Hrvatska Narodna Banka*);
- State Agency for Deposit Insurance and Bank Rehabilitation (*Državna Agencija za osiguranje štednih uloga i sanaciju banaka*); and
- Central Depository and Clearing Company [dealing with disputes from the Zagreb Stock Exchange] (*Središnje klirinško depozitarno društvo d.d.*).

The Croatian Chamber of Economy has a:

- Mediation Centre (*Centar za mirenje pri Hrvatskoj gospodarskoj komori*);
- Court of Honour (*Sud časti pri Hrvatskoj gospodarskoj komori*); and
- Permanent Arbitration Court (*Stalno izbrano sudište pri Hrvatskoj gospodarskoj komori*).

The banking industry association relies on a mediation centre within the employers' association. Only mediation is provided, and consumers normally have to pay a fee (though this is waived until the end of 2011).

The insurance industry association has both a mediation centre (providing mediation to both consumers and businesses) and an ombudsman (providing non-binding recommendations, limited to complaints by consumers relating to the insurance code of ethics).

The table at the end of this chapter gives fuller information on the:

- Banking Mediation Centre
(*Centar za mirenje u bankarstvu pri Centru za mirenje Hrvatske udruge poslodavaca*);
- Insurance Mediation Centre
(*Centar za mirenje - Hrvatski ured za osiguranje*);
- Insurance Ombudsman
(*Pravobranitelj za područje osiguranja - Hrvatski ured za osiguranje*); and
- Mediation Centre at the Chamber of Economy
(*Centar za mirenje pri Hrvatskoj gospodarskoj komori*).

Croatia has not yet joined the European Union; so none of these is yet eligible to apply for membership of FIN-NET. The Chamber of Economy was accepted as an observer at FIN-NET meetings in October 2011.

Conclusions

In banking, all that is available to consumers is mediation. Consumers have to pay a fee for that (though the fee was being waived until the end of 2011).

In insurance, consumers have free access to mediation, or to an industry-appointed ombudsman who can provide a non-binding recommendation limited to complaints about the insurance code of ethics.

Croatia is not yet a member of the European Union. It is not eligible to join FIN-NET for cross-border disputes, but the Chamber of Economy was accepted as a FIN-NET observer in October 2011.

As recommended in 2010, consideration should be given to establishing a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

Banking Mediation Centre (Croatia)	
Name, in national language	Centar za mirenje u bankarstvu pri Centru za mirenje Hrvatske udruge poslodavaca
Name, in English	Centre for Mediation in Banking at the Centre for Mediation of the Croatian Employers' Association
Website address	www.hup.hr → Centar za mirenje
E-mail address for enquiries	centar-za-mirenje@hup.hr
Phone number	+385 1 4897 557
Fax number	+385 1 4897 583
Address	Hrvatska udruga poslodavaca, Pavla Hatza 12, HR-10000 Zagreb
Status / governance	
Type of ADR scheme	Mediation scheme within employers' association and in cooperation with the banking industry association
Status	Private, voluntary
Decision maker appointed by	Agreed case-by-case by the parties
Funding from	<ul style="list-style-type: none"> ▪ Case fees paid by industry ▪ Case fees paid by complainants (fees waived for individual consumers to the end of 2011)
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Croatia is not yet a member of the EU
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes (not refunded); fee depends on amount of claim (fees waived for individual consumers to the end of 2011)
Types of resolution provided	Mediation
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned ▪ all intermediaries in country
Company stocks and shares	<ul style="list-style-type: none"> ▪ All companies in country, both national and foreign-owned ▪ all intermediaries in country

Insurance Mediation Centre (Croatia)	
Name, in national language	Centar za mirenje - Hrvatski ured za osiguranje
Name, in English	Insurance Mediation Centre - Croatian Insurance Bureau
Website address	www.huo.hr/mirenje_frame.php
E-mail address for enquiries	mirenje@huo.hr
Phone number	+ 385 1 4696 600
Fax number	+ 385 1 4696 664
Address	Martićeva 73, HR - 10000 Zagreb
Status / governance	
Type of ADR scheme	Part of industry association
Status	Based on the Law on Insurance
Decision maker appointed by	Body with majority of members from the financial industry
Funding from	Levy and case fees paid by the industry
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Croatia is not yet a member of the EU.
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about the ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	Mediation
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	All authorised: <ul style="list-style-type: none"> ▪ insurers in country, both national and foreign-owned ▪ intermediaries
Life insurance	All authorised: <ul style="list-style-type: none"> ▪ insurers in country, both national and foreign-owned ▪ intermediaries

Insurance Ombudsman (Croatia)	
Name, in national language	Pravobranitelj za područje osiguranja - Hrvatski ured za osiguranje
Name, in English	Insurance Ombudsman - Croatian Insurance Bureau
Website address	www.huo.hr/index.php
E-mail address for enquiries	pravobranitelj@huo.hr
Phone number	+ 385 1 4696 636
Fax number	+ 385 1 4696 660
Address	Martićeveva 73, HR - 10000 Zagreb
Status / governance	
Type of ADR scheme	Part of industry association
Status	Based on the Law on Insurance
Decision maker appointed by	Body with majority of members from the financial industry
Funding from	Levy paid by the industry
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Croatia is not yet a member of the EU.
Complaints / outcomes	
Takes complaints from	Consumers
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	No time limit (but usually within 30 days)
Must financial business tell complainants about the ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party – and limited to complaints relating to the insurance code of ethics
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	All authorised: <ul style="list-style-type: none"> ▪ insurers in country, both national and foreign-owned ▪ intermediaries
Life insurance	All authorised: <ul style="list-style-type: none"> ▪ insurers in country, both national and foreign-owned ▪ intermediaries

Mediation Centre at the Chamber of Economy (Croatia)	
Name, in national language	Centar za mirenje pri Hrvatskoj gospodarskoj komori
Name, in English	Mediation Centre at the Croatian Chamber of Economy
Website address	www.hgk.hr
E-mail address for enquiries	mirenje@hgk.hr
Phone number	+ 385 1 48 48 622
Fax number	+ 385 1 48 48 625
Address	Roosveltov trg 2, 10 000 Zagreb
Status / governance	
Type of ADR scheme	Professional and business association
Status	Established by law
Decision maker appointed by	Croatian Chamber of Economy
Funding from	Government and European Union PHARE project
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Croatia is not yet a member of the EU
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition)
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes (not refunded); fee = €150
Types of resolution provided	Mediation
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned ▪ all intermediaries in country
Company stocks and shares	<ul style="list-style-type: none"> ▪ All companies in country, both national and foreign-owned ▪ all intermediaries in country



Basic information

The Czech Republic joined the European Union in 2004. It currently retains its national currency, with a floating exchange rate to Euro.

It has a population of about 10.5 million. Access to financial services in 2007 was 85%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 62.4% of GDP (compared to 157.9% for the EU as a whole).²⁴

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	52%
▪ consumer confidence in existing consumer protection measures	47%
▪ consumers who had a reason to complain but did not complain	32%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	28%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	20%

Any previous report on resolving financial disputes

The World Bank's 2007 *Technical Note on Consumer Protection in Financial Services in the Czech Republic*²⁵ noted:

- Supervision of banking, insurance and securities had been consolidated in the Czech National Bank.
- But supervision of other providers of consumer credit lay with the Czech Trade Inspection, which lacked expertise in financial issues.
- Consumers deciding to pay off loans earlier than originally agreed in the loan contract discovered prepayment penalties of up to 100% of the amount of the loan.
- Advice from distribution agents was skewed by widely differing commissions and there were insufficient rules to prevent churning of insurance products.
- The Czech Bankers Association had adopted a *Banking Activities Standard* and also the EU *Code of Conduct in Mortgage Lending*.
- But the *Banking Activities Standard* was not mandatory for member banks, and the Czech Bankers Association had no enforcement powers.
- The Association of Funds and Asset Management had extensive disclosure and conduct rules (enforceable on its members) and a powerful ethics committee.

²⁴ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

²⁵ http://siteresources.worldbank.org/EXTECAREGTOPPRVSECDEV/Resources/CR_CPFS_12June07.pdf

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- A Financial Arbiter had been created - appointed by, and reporting to, the Chamber of Deputies – and had joined FIN-NET.
 - But the Arbiter’s jurisdiction remained limited, covering only electronic payments in the banking sector.
 - The Arbiter’s independence was constrained because it had no budget, depending on the willingness of the Czech National Bank to cover its expenses.

Recommendations included:

- The supervisory responsibilities of the Trade Inspection in respect of consumer credit should be transferred to the National Bank.
- The truthfulness and accuracy of advertising and information disclosure (before, during and after the point of sale) should be improved.
- New rules were required on the knowledge and ethics of distributors of financial products, and cooling-off periods should be introduced for some products.
- The Financial Arbiter should be converted into a financial ombudsman (perhaps on the UK model), with a comprehensive jurisdiction covering all areas of the financial sector.
- The arbiter/ombudsman should have an independent budget, financed by the financial businesses in its jurisdiction.
- The arbiter/ombudsman would also benefit from the establishment of a governing board to ensure its independent governance and accountability.

Current financial ombudsman/ADR schemes

The only ombudsman or ADR for financial services in the Czech Republic is the Financial Arbiter (*Finanční arbitr České republiky*). The Arbiter has seen a number of changes:

- After The World Bank’s 2007 report, the Arbiter’s jurisdiction was extended to cover most banking services.
- A new law, which came into force in July 2011, made further changes. Under this law:
 - the Arbiter and deputy are appointed by the government, instead of the Chamber of Deputies;
 - funding is within the Ministry of Finance’s budget, instead of the Czech National Bank; and
 - the Arbiter’s jurisdiction was extended to cover consumer credit and some investments.²⁶
- The Ministry of Finance has proposed a further change, under which the Arbiter’s jurisdiction would be extended in 2012 to cover insurance, and investments covered by the European Markets in Financial Instruments Directive.

The table at the end of this chapter gives fuller information on the Financial Arbiter. It is a member of FIN-NET.

Conclusions

In banking, consumers have free access to the legally-established Financial Arbiter – which covers payment services and (since July 2011) consumer credit and some investment products. The Arbiter provides mediation and decisions binding on the financial business and consumer.

²⁶ The Arbiter covers collective investment products such as UCITS (an EU-defined collective investment) and unit trusts sold to the public. The Arbiter does not yet cover other packaged retail investment products.

In insurance, there is currently no financial ombudsman/ADR – but it is hoped that the Financial Arbiter’s jurisdiction will be extended to insurance, and additional investment products.

The Financial Arbiter is a member of FIN-NET to cover cross-border cases.

Consideration should be given to continuing to extend the Financial Arbiter’s jurisdiction until it covers all areas of the financial sector, as recommended in 2007.

Financial Arbiter (Czech Republic) following the July 2011 changes	
Name, in national language	Finanční arbitr České republiky
Name, in English	Financial Arbiter of the Czech Republic
Website address	www.financniarbitr.cz
E-mail address for enquiries	arbitr@finarbitr.cz
Phone number	+ 420 257 042 094
Fax number	+ 420 221 674 666
Address	Legerova 1581/69, 110 00 Praha 1
Status / governance	
Type of ombudsman scheme	Legally separate ombudsman scheme
Status	Established by law
Ombudsman appointed by	Government
Funding from	State Budget, through Ministry of Finance
Is the ombudsman scheme a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	Consumers only
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 30 days (60 days in complex cases)
Must business tell complainants about ombudsman?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation; failing which ▪ decision – binding on both financial business and consumer
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of types of financial business ▪ all intermediaries in country
Mortgages	None
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	None [but may be covered in 2012]
Life insurance	None [but may be covered in 2012]
Investments ²⁷	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned ▪ all intermediaries in country

²⁷ The Arbiter covers only collective investment products such as UCITS (an EU-defined collective investment) and unit trusts sold to the public. The Arbiter does not yet cover other packaged retail investment products, but these may be covered in 2012.



Basic information

Estonia joined the European Union in 2004. It adopted the Euro in 2011.

It has a population of about 1.3 million. Access to financial services in 2007 was 86%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 106.2% of GDP (compared to 157.9% for the EU as a whole).²⁸

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	54%
▪ consumer confidence in existing consumer protection measures	43%
▪ consumers who had a reason to complain but did not complain	55%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	27%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	16%

Any previous report on resolving financial disputes

This is the first report from The World Bank regarding this topic in Estonia.

Current financial ombudsman/ADR schemes

The Consumer Protection Board (*Tarbijakaitseamet*) is the national authority for consumer protection, including: supervising the consumer market; informing and advising consumers; and settling consumer complaints.

The Consumer Complaint Committee (*Tarbijakaebuste Komisjoni*) is an independent institution, under the Consumer Protection Act, and operates out of the Consumer Protection Board to settle disputes between consumers and sellers/providers.

The Committee sits in panels comprising a chairman (an expert in consumer law) and an equal number of consumer and business representatives. All decisions of the committee are published on the Consumer Protection Board's website.

The consumer must first have complained to the business and the amount in dispute must be at least €20. The Committee's decision is not binding. If the business does not comply, the Consumer Protection Board can, with the consumer's consent, take the case to court.

²⁸ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

The Insurance Conciliation Body (*Kindlustuse lepitusorgan*) covers insurers and insurance intermediaries. It seeks to resolve complaints by mediation or recommendation. The industry chooses a panel of conciliators, and the complainant selects a conciliator from the panel.

The table at the end of this chapter gives fuller information on the:

- Consumer Complaint Committee; and
- Insurance Conciliation Body.

The Consumer Complaint Committee is a member of FIN-NET.

Conclusions

In both banking and insurance, consumers have free access to the legally-established Consumer Complaint Committee (provided the claim is for at least €20). The Committee provides a non-binding recommendation, and is a member of FIN-NET.

In insurance, consumers have the alternative of free access to the industry-appointed Insurance Conciliation Body, which provides mediation or a non-binding recommendation. It is not a member of FIN-NET.

Consumer Complaint Committee (Estonia)	
Name, in national language	Tarbijakaebuste komisjon
Name, in English	Consumer Complaint Committee
Website address	www.tarbijakaitseamet.ee/index.php?id=1570
E-mail address for enquiries	info@tarbijakaitseamet.ee
Phone number	+372 6 201 700
Fax number	+ 372 6 201 701
Address	Rahukohtu 2, Tallinn 10130
Status / governance	
Type of ADR scheme	Part of government consumer protection body
Status	Public, established by law
Decision maker appointed by	Chairmen are appointed jointly by the Minister of Justice and the Minister of Finance and Communication
Funding from	Government
Is ADR a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	Consumers
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 15 days
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	Minimum that can be claimed = € 20
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned ▪ all intermediaries in country
Company stocks and shares	<ul style="list-style-type: none"> ▪ All companies in country, both national and foreign-owned ▪ all intermediaries in country

Insurance Conciliation Body (Estonia)	
Name, in national language	Kindlustuse lepitusorgan
Name, in English	Insurance Conciliation Body
Website address	www.eksl.ee → Lepitusorgan
E-mail address for enquiries	lepitus@eksl.ee
Phone number	+ 372 667 1800
Fax number	
Address	Mustamäe tee 44, Tallinn 10621
Status / governance	
Type of ADR scheme	Part of industry association
Status	Private
Decision maker appointed by	A body with a majority of members from the financial industry chooses a panel of 11 members. The complainant chooses one from that panel.
Funding from	Case fees paid by industry
Is ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Other things take priority at present
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	They must respond within a reasonable time
Must financial business tell complainants about the ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Recommendation, not binding on either party
Maximum that can be awarded	Maximum that can be awarded = €350,000
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned* ▪ members of the only insurer association ▪ all intermediaries in country [* all are members of the Estonian Insurance Association]
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned* ▪ members of the only insurer association ▪ all intermediaries in country [* all are members of the Estonian Insurance Association]



Basic information

Hungary joined the European Union in 2004. It currently retains its national currency with a floating exchange rate to the Euro.

It has a population of about 10 million. Access to financial services in 2007 was 66%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 79.9% of GDP (compared to 157.9% for the EU as a whole).²⁹

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	57%
▪ consumer confidence in existing consumer protection measures	51%
▪ consumers who had a reason to complain but did not complain	32%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	46%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	9%

Any previous report on resolving financial disputes

This is the first report from The World Bank regarding this topic in Hungary.

Current financial ombudsman/ADR schemes

From 1 July 2011 the Financial Arbitration Board (*Pénzügyi Békéltető Testület*), established by law, took over out-of-court settlement of disputes relating to contracts between consumers and financial businesses. Its President is appointed by the Financial Supervisory Authority.

The Financial Arbitration Board covers all financial businesses supervised by the Financial Supervisory Authority – including banks, insurers, mortgage-lenders, voluntary private pension funds, occupational pension funds, voluntary mutual funds, capital market institutions, and intermediaries.

If a financial business rejects a complaint from a consumer, it is required to inform the consumer of the existence of the Financial Arbitration Board. The Board provides mediation and non-binding recommendations. If both parties agree in advance, it will provide a decision binding both parties.

The table at the end of this chapter gives fuller information on the Financial Arbitration Board, which is a member of FIN-NET.

Before 1 July 2011 disputes between consumers and financial businesses could be considered by arbitration boards (*Békéltető testület*) set up by the state. The Arbitration Board of Budapest

²⁹ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

(Budapesti Békéltető Testület) was a member of FIN-NET, in order to provide a link with financial ombudsmen/ADRs elsewhere in the European Union for cross-border cases. But these arrangements have been superseded by the Financial Arbitration Board.

Conclusions

Both banking and insurance, as well as other financial services, have been covered by the Financial Arbitration Board since 1 July 2011.

This was established by law and is run by the Hungarian Financial Supervisory Authority. It is a member of FIN-NET.

It provides free access to consumers. It offers mediation, a non-binding recommendation and (if both parties agree in advance) a decision that is binding on both parties.

Financial Arbitration Board (Hungary)	
Name, in national language	Pénzügyi Békéltető Testület
Name, in English	Financial Arbitration Board
Website address	www.pszaf.hu/pbt
E-mail address for enquiries	pbt@pszaf.hu
Phone number	+ 36 1 489 91 00
Fax number	+ 36 1 489 91 02
Address	39 Krisztina krt., Budapest, H-1013
Status / governance	
Type of ADR scheme	Independent body run by the Hungarian Financial Supervisory Authority
Status	Public, established by law
Decision-maker appointed by	Regulator
Funding from	Regulatory budget of the state
Is ADR a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	Consumers
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 30 days
Must financial business tell complainants about the ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Recommendation, not binding on either party ▪ Decision – binding on both financial business and consumer, if they agree that in advance
Maximum that can be awarded	No maximum limit
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country [Independent mortgage intermediaries not allowed in Hungary]
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country
Electronic money	No institution has yet applied to issue electronic money
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all independent intermediaries
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all independent intermediaries
Packaged investments	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned [Independent investment intermediaries not allowed in Hungary]
Company stocks and shares	None



Basic information

Latvia joined the European Union in 2004. It currently retains its national currency, but with a fixed exchange rate to the Euro.

It has a population of about 2.3 million. Access to financial services in 2007 was 64%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 93.2% of GDP (compared to 157.9% for the EU as a whole).³⁰

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	54%
▪ consumer confidence in existing consumer protection measures	38%
▪ consumers who had a reason to complain but did not complain	50%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	24%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	19%

Any previous report on resolving financial disputes

A 2009 study by one of the authors of this report, as part of an EU assistance programme, noted:

- Significant parts of the industry were owned by businesses from Finland, Denmark, Sweden and Germany.
- Latvian law on unfair contract terms provided greater protection than the current European directive.
- Despite this, some foreign-owned mortgage lenders had tried to apply (arguably unfair) penalty charges and interest-rate adjustments out of line with general movements in interest rates.
- Additionally, some mortgage lenders had required consumers to provide additional security for their loan, failing which they had been told that they would have to repay the debt in full.
- There was some way to go in convincing government and industry stakeholders of the importance of consumer protection and redress in financial services and consumer credit.
- There was no licensing for consumer credit activities such as credit-reference agencies, debt-collection agencies and debt-advisory services.
- The Ministry of Justice was likely to be sympathetic to out-of-court redress for financial services and consumer credit because of the current workload of the courts.
- The industry-sponsored banking ombudsman and the industry-sponsored insurance ombudsman were not greatly used by consumers.

³⁰ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

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- Both charged consumers a deposit. This was returnable if their complaint was upheld, but was likely to operate as a barrier to access, especially for smaller disputes.
 - Neither scheme claimed to comply with European Recommendation 98/257/EC. The banking ombudsman did not cover significant areas, including mortgages.
 - The European directive on payment services would make the provision of ADR compulsory from 1 November 2009. Current plans envisaged using the existing banking ombudsman.
 - The Consumer Rights Protection Centre accepted individual consumer complaints, and could take individual or general action as a result.
 - But its resources for this were limited and were necessarily limited by the public funds which could be made available.
 - None of the current ADRs in Latvia was a member of FIN-NET – the members of which were required to comply with European Recommendation 98/257/EC.

The World Bank's 2010 *Diagnostic Review of Consumer Protection and Financial Literacy in Latvia*³¹ and 2010 *Action Plan on Financial Consumer Protection in Latvia*³² noted:

- Households had increasingly borrowed in Euros. By June 2009 over 88% of household loans were not in the national currency.
- In addition to mortgages for house purchase, more than 60% of consumer credit was also secured by mortgages over the borrowers' homes
- Private sector surveys showed that Latvian consumers had low levels of confidence in their ability to make sound consumer finance decisions.
- The Consumer Rights Protection Centre was the primary enforcement agency for consumer protection in financial services, but lacked technical expertise.
- Codes of conduct had been developed by Association of Latvian Commercial Banks, the Insurance association and the Association of Leasing Companies.
- The banking and insurance associations had established their own ombudsmen, but these were not seen by consumers as independent and were little-used.
- The banking ombudsman dealt only with disputes about electronic payments, and the insurance ombudsman dealt only with disputes about property and motor insurance.
- There were no ombudsmen for other banking products, other insurance products or other large sectors of the financial market.

Recommendations included:

- A small steering committee should be established to monitor implementation of the action plan, update it as necessary and coordinate further actions.
- Committee members should come from the Ministry of Economy, Consumer Rights Protection Centre, Financial and Capital Market Commission, Bank of Latvia, industry and consumers.
- There should be a single code of conduct for each sector, which should be approved by the relevant regulator and contain a mechanism for dealing with breaches of the code.
- The industry should develop 'key facts' disclosure documents and standardised contractual provisions.

³¹ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Latvia_CP_Vol_1_En.pdf

³² http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/LV_Action_Plan_ConsultativeDraft.pdf

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- These should then be approved by the Consumer Rights Protection Centre and the Financial and Capital Market Commission.
 - All financial businesses should have a unified complaint-handling system, monitored by the Financial and Capital Market Commission.
 - To protect consumers from abusive practices, debt collectors should be registered and subject to legally-defined ways of operation and supervision.
 - The Consumer Rights Protection Centre should make sure it is legally equipped to deal with all relevant financial services complaints it receives, proposing legislative change if necessary.
 - The Consumer Rights Protection Centre should strengthen its interaction with those in the financial sector to increase its expertise.
 - The Consumer Rights Protection Centre should strengthen its international contacts. Latvia should join FIN-NET.
 - The Consumer Rights Protection Centre and the Financial and Capital Market Commission should continue their 'name and shame' policy, with better use of websites.
 - By 2012 or 2013, when there is more experience with the other consumer protection activities, consideration should be given to establishing a financial ombudsman by law.
 - Such an ombudsman (as found in the UK and Ireland) can play a powerful role in dealing with complaints while building consumer confidence in financial services.
 - Meanwhile, in respect of any industry-specific ombudsmen, the state should focus on ensuring their independence, low cost for consumers and power to bind financial businesses.

In relation to progress on the action plan, the Consumer Rights Protection Centre says:

- The steering committee has been established.
- A law has been adopted on the licensing of non-bank credit institutions.
- The Centre has been allocated a limited number of staff to deal with the licensing.
- A draft law on debt collection agencies is in process of adoption.
- The Centre has had several meetings with the Association of Commercial Banks.
- There is little progress on improving the independence or scope of the banking ombudsman.

Current financial ombudsman/ADR schemes

The Consumer Rights Protection Centre (*Patērētāju Tiesību Aizsardzības Centrs*) is still limited by the resources that are available to it. It is primarily a supervisory institution – rather than a complaints-handler, especially in financial services.

In financial services it does not take decisions on individual cases, though individual complaints may spur more general action in relation to a financial business, which may also result in the resolution of the individual problem.

There is a Banking Ombudsman (*Latvijas Komerčbanku asociācijas ombuds*) and an Insurance Ombudsman (*Latvijas Apdrošinātāju asociācija Ombuds*). Both of these are based within industry associations.

They are not widely used and consumers are not convinced of their impartiality. The Consumer Rights Protection Centre has been encouraging the Association of Commercial Banks to improve the banking ombudsman scheme – but without success so far.

The Motor Insurers' Bureau (*Latvijas Transportlīdzekļu apdrošinātāju birojs*), which is established by law but forms part of the insurance industry association, handles disputes between third-parties and insurers in relation to motor third-party liability insurance

The tables at the end of this chapter give fuller information on the:

- Consumer Rights Protection Centre;
- Banking Ombudsman;
- Insurance Ombudsman; and
- Motor Insurers' Bureau.

None of the four is a member of FIN-NET. The Latvian government has confirmed to the European Commission that the Consumer Rights Protection Centre complies with Commission Recommendation 98/257/EC, but the Centre says this was primarily in relation to conformity of products.

The Consumer Rights Protection Centre does not consider that, in financial services, it is as prompt as the Recommendation requires – because its actions are subject to appeal to the courts, so that the whole process can take some years.

The Consumer Rights Protection Centre does not consider that it would be a suitable representative for Latvia in FIN-NET, because of its limited role in relation to individual disputes.

It believes that the appropriate way forward is to improve the Banking Ombudsman and Insurance Ombudsman, including ensuring that they comply with Commission Recommendation 98/257/EC, and for those ombudsmen then to join FIN-NET.

Conclusions

The government-appointed Consumer Rights Protection Centre has a very limited role in relation to individual disputes.

In banking and insurance, there are industry-appointed ombudsmen – which provide non-binding recommendations.

But consumers appear to doubt the impartiality of these ombudsmen and seldom use them – and both of them charge consumers a fee (though this is refunded if the consumer wins).

The industry-based Motor Insurers' Bureau provides non-binding recommendations in disputes between third parties and motor third-party liability insurers.

Latvia has no member of FIN-NET to handle cross-border disputes.

The Consumer Rights Protection Centre complies with Commission Recommendation 1998/257/EC, but does not propose to join FIN-NET – because of the Centre's limited role in individual disputes.

The banking and insurance ombudsmen have not demonstrated that they comply with Commission Recommendation 1998/257/EC.

The existing banking and insurance ombudsmen should adopt the standards that will enable them to become members of FIN-NET – or as recommended in 2010, consideration should be given to establishing a financial ombudsman by law.

Consumer Rights Protection Centre (Latvia)	
Name, in national language	Patērētāju Tiesību Aizsardzības Centrs
Name, in English	Consumer Rights Protection Centre
Website address	www.ptac.gov.lv
E-mail address for enquiries	ptac@ptac.gov.lv
Phone number	+ 371 67 388 624
Fax number	+ 371 67 388 634
Address	K.Valdemara 157, Riga, LV- 1013
Status / governance	
Type of ADR scheme	Part of government consumer protection body
Status	Public
Decision maker appointed by	Government
Funding from	Government
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Does not directly deal with individual disputes
Complaints / outcomes	
Takes complaints from	Consumers
Must complainant complain to financial business first?	Yes
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about ADR?	No
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	<ul style="list-style-type: none"> ▪ All providers in country, both national and foreign-owned ▪ all intermediaries in country
Company stocks and shares	None

Banking Ombudsman (Latvia)	
Name, in national language	Latvijas Komerbanku asociācijas ombuds
Name, in English	Ombudsman of the Association of Commercial Banks of Latvia
Website address	http://www.bankasoc.lv
E-mail address for enquiries	aivars@bankasoc.lv
Phone number	+ 371 67 284 562
Fax number	+ 371 67 828 170
Address	Perses street 9/11, Riga, LV-1011
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private
Ombudsman appointed by	President of the Association of Commercial Banks of Latvia
Funding from	Court of Arbitration of the Association of Commercial Banks of Latvia
Is the ombudsman scheme a member of FIN-NET?	No
If the ombudsman scheme is not a member of FIN-NET, say why	<ul style="list-style-type: none"> ▪ Too few complaints, and none cross-border yet ▪ Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 10 days
Must financial business tell complainants about ombudsman?	No
Must complainants pay a fee?	Yes (refunded if complainant wins); fee = € 21.34
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	Maximum that can be awarded = € 50,000
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	None
Loans	None
Mortgages	None
Credit cards	All banks in country, both national and foreign-owned
Payment services	All banks in country, both national and foreign-owned
Electronic money	All banks in country, both national and foreign-owned

Insurance Ombudsman (Latvia)	
Name, in national language	Latvijas Apdrošinātāju asociācija Ombuds
Name, in English	Latvian Insurers Association Ombudsman
Website address	www.laa.lv
E-mail address for enquiries	office@laa.lv
Phone number	+ 371 67 360 898
Fax number	+ 371 67 360 838
Address	6 Biekensalas street, office 218, Riga, LV-1004
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private
Ombudsman appointed by	Body with majority of members from financial businesses
Funding from	Case fees paid by financial businesses
Is the ombudsman scheme a member of FIN-NET?	Not yet, but would like to join
If the ombudsman scheme is not a member of FIN-NET, say why	Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	Consumers
Must complainant complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 1 month
Must financial business tell complainants about ombudsman?	No
Must complainants pay a fee?	Yes (refunded if complainant wins): fee = €30 to €300
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	Maximum that can be awarded = life insurance: €2,857 travel insurance: €2,857 motor vehicle insurance: €28,571 property insurance: €142,857
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	<ul style="list-style-type: none"> ▪ all insurers in country, both national and foreign-owned; ▪ but not intermediaries
Life insurance	<ul style="list-style-type: none"> ▪ all insurers in country, both national and foreign-owned; ▪ but not intermediaries
Packaged investments	None
Company stocks and shares	None

Motor Insurers' Bureau (Latvia)	
Name, in national language	Latvijas Transportlīdzekļu apdrošinātāju birojs
Name, in English	Motor Insurers' Bureau of Latvia
Website address	www.ltab.lv
E-mail address for enquiries	ltab@ltab.lv
Phone number	+ 371 67 114 300
Fax number	+ 371 67 114 333
Address	9 Lomonosova street, Riga, LV-1019
Status / governance	
Type of ADR scheme	Part of industry association
Status	Established by law
Decision-maker appointed by	Body with majority of members from financial industry
Funding from	Insurance industry
Is the ADR scheme a member of FIN-NET?	No
If the ADR scheme is not a member of FIN-NET, say why	Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	Motor liability third party <ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses ▪ Insurance companies
Must complainant complain to financial business first?	No
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Motor third-party liability insurance	All insurers in country, both national and foreign-owned, that are authorised to issue motor third party liability insurance



Basic information

Lithuania joined the European Union in 2004. It currently retains its national currency, but with a fixed exchange rate to the Euro.

It has a population of about 3.3 million. Access to financial services in 2007 was 70%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 69.3% of GDP (compared to 157.9% for the EU as a whole).³³

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	49%
▪ consumer confidence in existing consumer protection measures	33%
▪ consumers who had a reason to complain but did not complain	43%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	33%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	18%

Any previous report on resolving financial disputes

A 2005 study by one of the authors of this report, as part of an EU assistance programme, noted:

- Lithuanian consumers lacked confidence in financial services – resulting, for example, from loss of deposits shortly after Lithuania regained its independence.
- Access to out-of-court redress could be a significant factor in developing consumer confidence in, and use of, financial services – both within Lithuania and cross-border.
- Redress was currently provided through the Insurance Supervisory Commission (for insurance) and the State Consumer Rights Protection Authority (for other financial services).
- Both were state bodies, established by law, independent of financial businesses and consumers. Their decisions were advisory, not binding.
- The Insurance Supervisory Commission's redress scheme was virtually ready for membership of FIN-NET, but required some modifications to its rules.
- The State Consumer Rights Protection Authority's redress scheme was working towards being ready for membership of FIN-NET, but had a little further to go.
- Some modifications were required to its draft law, and it would need to develop technical expertise in financial services.
- It would be helpful to harmonise discrepancies between the basis of decision and time limits used by the Insurance Supervisory Commission and the State Consumer Rights Protection Authority.

³³ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

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- The Lithuanian Banking Association was developing its thinking about creating an ombudsman scheme. But there were no draft rules yet available for inspection.
 - There were two, and potentially three, bodies operating in a comparatively small market place – whereas the trend elsewhere was towards a single body with comprehensive jurisdiction.
 - It would be helpful if the financial industry were to develop codes of conduct, to promote fair competition and provide greater clarity on good practice for financial businesses and consumers.
 - It would be preferable if the financial industry were to consult consumers and the State Consumer Rights Protection Authority on the contents of the codes.

The World Bank's 2009 *Diagnostic Review of Consumer Protection and Financial Literacy in Lithuania*³⁴ noted:

- The key financial supervisory agencies were in place and had established basic rules of market conduct for business with retail customers.
- The State Consumer Rights Protection Authority had been established. It covered the field of financial services and was a member of FIN-NET.
- But it had power only to make recommendations. If these were ignored, it could publish the fact, but this appeared to have minimal impact.
- Additionally, the Insurance Supervisory Commission had powers, under insurance law, to enforce consumer protection issues in insurance.
- The Bank of Lithuania, as regulator of credit institutions, had no authority over disputes between consumers and banks.
- Consumers had increased their use of financial services and would need a strengthened consumer protection framework.
- Household exposure to Euros (through borrowing etc) was twice the exposure to the national currency.

Recommendations included:

- The financial professional associations should develop a format for simple and standard 'key facts' disclosures for each major retail product, subject to review by the financial regulatory bodies.
- The financial professional associations should develop codes of conduct, subject to review by the State Consumer Rights Protection Authority and the financial regulatory bodies.
- The codes of conduct should include guidelines for the time limits within which financial businesses should respond to complaints.
- All financial businesses should be obliged to have a designated official, or department, responsible for receiving consumer complaints.
- It would be helpful if the Consumer Protection Law were amended to enable the State Consumer Rights Protection Authority to create a coordinating forum with the financial regulatory bodies.
- The State Consumer Rights Protection Authority should be given legal authority to make decisions binding on financial businesses.
- The Insurance Supervisory Commission should retain its consumer protection role in insurance while the State Consumer Rights Protection Authority increases its capacity and expertise.

³⁴ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Lithuania_CP_Vol1_En.pdf

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- The Insurance Supervisory Commission should be given legal authority to make decisions binding on insurance businesses.
 - The State Consumer Rights Protection Authority could be the central point for receiving all complaints, passing insurance ones to the Insurance Supervisory Commission at present.
 - At a later stage, consumer protection in insurance should pass from the Insurance Supervisory Commission to the State Consumer Rights Protection Authority.
 - In the longer term, the State Consumer Rights Protection Authority was likely to become overwhelmed and consideration should be given to establishing a statutory financial ombudsman.
 - Based on experience elsewhere, a proactive financial ombudsman could build public confidence in financial services and increase the use of financial services by retail customers.

Current financial ombudsman/ADR schemes

The Insurance Supervisory Commission (*Draudimo priežiūros komisija*) covers consumer complaints about insurance. The State Consumer Rights Protection Authority (*Valstybinė vartotojų teisių apsaugos tarnyba*) covers the rest of financial businesses.

It is currently projected that, probably from 1 January 2012, supervision of the entire financial market will pass to the Bank of Lithuania. The Insurance Supervisory Commission, and the Securities Commission, will cease to exist as separate institutions.

The arrangements for consumer complaints have not yet been decided. Options under consideration include all consumer complaints about financial businesses going to:

- the State Consumer Rights Protection Authority;
- the Bank of Lithuania; or
- a newly-established financial ombudsman.

The tables at the end of this chapter give fuller information on the existing consumer complaints arrangements of the:

- State Consumer Rights Protection Authority; and
- Insurance Supervisory Commission.

The State Consumer Rights Protection Authority is a member of FIN-NET. The Insurance Supervisory Commission not a member.

Conclusions

In banking, consumers have free access to the government-appointed State Consumer Rights Protection Authority – which provides mediation, non-binding recommendations and decisions that are binding on both parties. It is a member of FIN-NET, for cross-border disputes.

In insurance, consumers have free access to the government-appointed Insurance Supervisory Commission – which provides mediation and non-binding recommendations. It is not a member of FIN-NET.

As a result of forthcoming changes to the regulatory arrangements, expected in 2012, the arrangements for out-of-court redress may change. But the position has not yet been decided.

As recommended in 2009, if out-of-court redress remains with the State Consumer Rights Protection Authority, it should be given the necessary powers and resources – or consideration should be given to creating a financial ombudsman, which should adopt the standards that would enable it to become a member of FIN-NET.

State Consumer Rights Protection Authority (Lithuania)	
Name, in national language	Valstybinė vartotojų teisių apsaugos tarnyba
Name, in English	State Consumer Rights Protection Authority
Website address	www.vvtat.lt
E-mail address for enquiries	tarnyba@vvtat.lt
Phone number	+370 5 262 6751
Fax number	+370 5 279 1466
Address	Vilniaus str. 25, Vilnius
Status / governance	
Type of ombudsman scheme	Part of government consumer protection body
Status	Public, established by law
Decision maker appointed by	Government
Funding from	Government
Is the ADR a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	Consumers
Must complainant complain to financial business first?	No
Must financial business tell complainants about ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Recommendation, not binding on either party ▪ Decision – binding on both financial business and consumer
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	None
Life insurance	None
Packaged investments	None
Company stocks and shares	None

Insurance Supervisory Commission – complaints (Lithuania) until 31 December 2011	
Name, in national language	Draudimo priežiūros komisija
Name, in English	Insurance Supervisory Commission
Website address	www.dpk.lt
E-mail address for enquiries	dandriukaitis@dpk.lt
Phone number	+ 370 5243 1370
Fax number	+ 370 5272 3689
Address	Ukmergės g. 222, LT-07157 Vilnius
Status / governance	
Type of ADR	Part of financial regulator
Status	Public, established by law
Decision maker appointed by	Government
Funding from	Government and levy paid by industry
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	Consumers
Must complainant complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 2 month
Must financial business tell complainants about the ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	All insurers in country, both national and foreign-owned
Life insurance	All insurers in country, both national and foreign-owned



Basic information

Poland joined the European Union in 2004. It currently retains its national currency, with a floating exchange rate to the Euro.

It has a population of about 38.1 million. Access to financial services in 2007 was 66%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 61.5% of GDP (compared to 157.9% for the EU as a whole).³⁵

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	55%
▪ consumer confidence in existing consumer protection measures	49%
▪ consumers who had a reason to complain but did not complain	40%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	43%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	21%

Any previous report on resolving financial disputes

This is the first report from The World Bank regarding this topic in Poland.

Current financial ombudsman/ADR schemes

There is a wide range of ADRs in Poland:

- local consumer ombudsmen;
- insurance ombudsman;
- arbitration for insurance;
- banking ombudsman;
- arbitration through the financial regulator; and
- regional arbitration.

Local consumer ombudsmen (*owiatowy/miejski rzecznik konsumentów*) operate within the structure of local government, covering all consumer sectors – though seldom financial services. They operate informally without special procedures, but their recommendations are often accepted by businesses.

The Insurance Ombudsman (*Rzecznik Ubezpieczonych*) investigates cases and makes non-binding recommendations. If the financial business does not accept the recommendation, the ombudsman will issue a legal opinion that the consumer can produce in the Arbitration Court.

³⁵ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

The Arbitration Court at the Insurance Ombudsman (*Sąd Polubowny przy Rzeczniku Ubezpieczonych*) resolves disputes about insurance contracts, open pension funds contracts and employee pension programmes. But the costs are quite high, coming close to those in the courts.

The Permanent Consumer Arbitration Courts (*Stale Polubowne Sady Konsumenckie*) operate within the Regional Comptroller of Trade Inspection and comprise 31 regional arbitration courts. They cover all consumer sectors.

The Arbitration Court at the Polish Financial Supervision Authority (*Sąd Polubowny przy Komisji Nadzoru Finansowego*) covers banking (including mortgages, payment services and electronic money) and insurance, but requires the consumer to pay a fee of €62.

The Arbitration Court at the Polish Financial Supervision Authority, the Permanent Consumer Arbitration Courts and the Arbitration Court at the Insurance Ombudsman are seldom used. They only have jurisdiction if both the parties agree, and financial businesses seldom do.

If both the parties do agree to arbitration, the decisions are as binding as those of the civil courts and there is no appeal – though a party may apply to the civil courts for the decision to be annulled if it was issued in violation of the law.

The Banking Ombudsman (*Arbiter Bankowy*) deals with disputes between consumers and members of the Alliance of Polish Banks (*Związek Banków Polskich*) and six co-operative banks that have agreed to be covered by the banking ombudsman.

The Banking Ombudsman is a lawyer, appointed by the Alliance of Polish Banks. The ombudsman's decisions are binding on the bank, but the consumer may refer the case to court instead.

The tables at the end of this chapter give fuller information on the:

- Arbitration Court at the Polish Financial Supervision Authority;
- Banking Ombudsman; and
- Insurance Ombudsman.

All three are members of FIN-NET.

In relation to the Banking Ombudsman there are ongoing discussions about:

- extending coverage to include also payment services providers other than banks;
- accepting complaints from small and medium-sized enterprises, as well as consumers; and
- increasing the maximum of €2,000 that can be awarded.

Conclusions

In banking, consumers have access to the industry-appointed Banking Ombudsman, which provides a decision that binds the financial business but not the consumer. Consumers must pay a fee of €12.50, which is refunded if they win.

In insurance, consumers have free access to the government-appointed Insurance Ombudsman, which provides a non-binding recommendation – with the possibility, at some cost, of going on to arbitration.

In both banking and insurance, consumers have the alternative of access to the Arbitration Court at the Financial Supervisory Authority, which provides mediation and decisions binding on both parties. Consumers must pay a fee of €62.00, which is refunded if they win.

The Banking Ombudsman, Insurance Ombudsman and Arbitration Court at the Financial Supervisory Authority are all members of FIN-NET to handle cross-border disputes.

Arbitration Court at Financial Supervision Authority (Poland)	
Name, in national language	Sąd Polubowny przy Komisji Nadzoru Finansowego
Name, in English	Arbitration Court at the Financial Supervision Authority
Website address	www.knf.gov.pl/regulacje/Sad_Polubowny/index.html
E-mail address for enquiries	sad.polubowny@knf.gov.pl
Phone number	+ 48 222 624 054
Fax number	
Address	Plac Powstańców Warszawy 1, 00-380 Warszawa
Status / governance	
Type of ADR scheme	Part of financial regulator
Status	Public
Decision maker appointed by	Regulator
Funding from	Regulator, and case fees paid by complainants
Is ADR a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes (refunded if complainant wins); fee = €62
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Decision – binding on both financial business and consumer
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	Minimum that can be claimed = €125
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other types of financial business in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other types of financial business in country
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	None
Company stocks and shares	None

Banking Ombudsman (Poland)	
Name, in national language	Arbiter Bankowy
Name, in English	Banking Ombudsman
Website address	www.zbp.pl/arbiter
E-mail address for enquiries	arbiter@zbp.pl
Phone number	+48 224 868 400
Fax number	
Address	ul. Kruczkowskiego 8, 00-380 Warszawa
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private
Ombudsman appointed by	Body with majority of members from financial industry
Funding from	<ul style="list-style-type: none"> ▪ Levy paid by industry ▪ case fees paid by complainants
Is the ombudsman scheme a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	Consumers
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 14 days
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes (refunded if complainant wins); fee = € 12.50
Types of resolution provided	Decision - binding on financial business, but not on consumer
Maximum that can be awarded	Maximum that can be awarded = € 2,000
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	Members of the only bank association and volunteer banks
Credit cards and loans	Members of the only bank association and volunteer banks
Mortgages	Members of the only bank association and volunteer banks
Payment services	Members of the only bank association and volunteer banks
Electronic money	Members of the only bank association and volunteer banks

Insurance Ombudsman (Poland)	
Name, in national language	Rzecznik Ubezpieczonych
Name, in English	The Polish Insurance Ombudsman
Website address	www.rzu.gov.pl
E-mail address for enquiries	m.wiecko@rzu.gov.pl
Phone number	+ 48 223 337 328
Fax number	+ 48 223 337 329
Address	Aleje Jerozolimskie 44, 00-024 Warszawa
Status / governance	
Type of ombudsman scheme	Legally separate ombudsman scheme
Status	Established by law
Ombudsman appointed by	Government
Funding from	Levy paid by industry
Is the ombudsman scheme a member of FIN-NET?	Yes
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	Time limit = 30 days
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Life insurance	<ul style="list-style-type: none"> ▪ All insurers in country, both national and foreign-owned ▪ all intermediaries in country
Packaged investments	None
Company stocks and shares	None



Basic information

Romania joined the European Union in 2007. It currently retains its national currency.

It has a population of about 21.5 million. Access to financial services in 2007 was 23%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 52.7% of GDP (compared to 157.9% for the EU as a whole).³⁶

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	46%
▪ consumer confidence in existing consumer protection measures	34%
▪ consumers who had a reason to complain but did not complain	57%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	44%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	28%

Any previous report on resolving financial disputes

The World Bank's 2010 *Analysis of the Financial Literacy Survey in Romania*³⁷ noted a low level of financial literacy – equivalent to 31 on a scale from 0 to 100.

The World Bank's 2009 *Diagnostic Review of Consumer Protection and Financial Literacy in Romania*³⁸ noted:

- The rapid expansion of lending (more than half in foreign currency) and other financial services highlighted the need for strong consumer protection.
- A common complaint concerned the lack of transparency in relation to fees, charges and commissions – and lack of notice of later changes in fees and charges.
- Most banks had internal procedures for dealing with consumer complaints, but these were neither published nor well-publicised – and outcomes were not recorded.
- The National Authority for Consumers' Protection covered consumer protection in all sectors of the economy, although its expertise in financial issues was limited.
- The banking and securities regulators left the resolution of consumer complaints to the National Authority for Consumers' Protection and to the courts.
- By contrast, the insurance and private pensions regulators tried to resolve consumer complaints by non-binding recommendations.

³⁶ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

³⁷ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/Romania_Financial_Literacy_June_2010.pdf

³⁸ http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/RO_-_CPFL_Vol_I.pdf

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- Romania had no system of small-claims courts for dealing more quickly and informally with disputes about smaller amounts.
 - A Special Projects Initiative (SPI) had been established as a public-private partnership with support from The World Bank and partly funded by Italy.
 - The SPI undertook projects on consumer protection and financial literacy, including producing proposals for a financial ombudsman (with input from one of the authors of this report).³⁹
 - An economic impact study by SPI showed that an ombudsman would provide net positive benefit to the banking sector.
 - Establishment of a financial ombudsman by the Association of Romanian Banks would prompt the adoption of an industry code of conduct.

Recommendations included:

- An efficient means of resolving consumer complaints lies at the heart of consumer confidence in the financial sector.
- The National Authority for Consumers' Protection should establish a separate department or unit to deal with financial services issues.
- Consideration should also be given to the possible creation of a special financial consumer protection agency.
- The professional associations should be encouraged to develop consumer protection codes for each segment of the financial sector.
- The financial regulators should require all financial businesses to have clear procedures (with time limits) for handling and resolving consumer complaints.
- A financial ombudsman or other similar procedure should be put in place to strengthen confidence of consumers in using financial services. It should become a member of FIN-NET.
- As a first step, ombudsmen could be established by the professional associations. If this did not prove sufficiently effective, consideration should be given to establishing an ombudsman by law.

Current financial ombudsman/ADR schemes

There are six out-of-court redress schemes in financial services that are said to be operating, or being created:

- for cross-border transfers only, the National Bank of Romania, Legal Department (*Banca Națională a României, Direcției Juridice*)
- Banking Mediator [ombudsman] (*Mediatorul Bancar*);
- Union of Banking Mediators (*Uniunea Mediatorilor Bancari din România*);
- Association of Mediators in the Financial-Banking Field – FINBAN (*Asociația de mediatori din Domeniul Financiar Bancar – FINBAN*);
- Insurance Arbitration Commission (*Comisia de Arbitraj în domeniul asigurărilor și reasigurărilor de pe lângă Uniunea Națională a Societăților de Asigurare și Reasigurare din România*); and

³⁹ www.spi-romania.eu/admin/filemanager/files/program2007/c_background_study.pdf

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- Bucharest Stock Exchange Arbitration Court (*Camerei Arbitrale a Bursei de Valori Bucuresti S.A.*).

Some of these have not responded to requests for information about the bodies and their work. So the information in this section is supplemented by details from:

- '*Mediation of disputes related to cross-border transfers*' on the website of the National Bank of Romania;⁴⁰
- the Director of the European Consumer Centre in Romania (*Centrul European al Consumatorilor din Romania*);
- a March 2011 presentation on ADR in financial services in Romania by Professor Carmen Bălan of the Academy of Economic Studies, Faculty of Marketing, Bucharest;
- a Romanian member of the European Union's Financial Services User Group; and
- the Mediation Council (*Consiliul de mediere*) with which 67 mediation bodies are registered.

The Mediation Council is a public-interest body based in Bucharest. It promotes mediation, develops standards for mediation training, authorises mediators, represents the interests of authorized mediators, produces a code of ethics and proposes improvements to the regulation of mediation.

The courts in Romania now recommend consumers to use mediation before beginning court proceedings. Mediation is covered by Law 192/2006, which came into effect in 2008.

In 2008, following on from the SPI (referred to in the previous section of this chapter), the National Bank of Romania approved a proposal by the Romanian Banking Association (*Asociația Română a Băncilor*) to create a banking ombudsman.

The banking ombudsman was to be established (as a private, voluntary and independent system) by the banking association acting in partnership with the National Consumer Protection Authority (*ANPC*), the National Bank of Romania and the Ministry of Economic Affairs and Finance.

The Romanian Banking Association registered the name *Mediatorul Bancar* with the State Office for Inventions and Trademarks – hence using terminology which may confuse consumers about the difference between mediation and the wider role of an ombudsman.

In 2009, the Union of Banking Mediators (*Uniunea Mediatorilor Bancari din România*) was established by a group of mediators – as a completely separate initiative from the *Mediatorul Bancar*.

The Union of Banking Mediators is prepared to provide mediation in relation to claims made by customers, by banks or between bank employees.

Claims by customers (whether individuals or companies) may include all the usual sorts of complaints brought by customers against banks plus 'unjustified registration as bad debtor with the Central Register of Banking Risks and with the Credit Bureau.'

Claims by banks may include: late payment; non-payment; threatening, insulting, slandering or striking bank employees; 'denigration of bank in mass media by customers'; and 'registration of unjust complaints with the National Authority for Consumer Protection and the National Bank of Romania.'

In 2010 the Romanian Banking Association published a short statement saying that the Union of Banking Mediators was not its initiative, and that it was continuing its efforts to establish an out-of-

⁴⁰ www.bnr.ro/Mediation-of-disputes-related-to-cross-border-transfers-3312.aspx

court redress scheme that would be recognised by the banking industry and provide an appropriate level of professionalism and knowledge.

Later in 2010, according to the Mediation Council, the Romanian Banking Association encouraged the establishment of the Association of Mediators in the Financial-Banking Field – FINBAN (*Asociația de mediatori din Domeniul Financiar Bancar – FINBAN*).

The Council says that FINBAN was established by a number of mediators with relevant industry knowledge – being former bankers – and is recommended by the Romanian Banking Association as the first option for mediation.

FINBAN has published procedures for consumers in relation to mediation of claims against banks and other financial businesses. It is also helping financial businesses to organise their internal arrangements for handling consumer complaints.

The tables at the end of this chapter give fuller information on the:

- National Bank of Romania, Legal Department;
- Union of Banking Mediators;
- Association of Mediators in the Financial-Banking Field – FINBAN;
- Insurance Arbitration Commission; and
- Bucharest Stock Exchange Arbitration Court.

According to the experience of the European Consumer Centre in Romania, ADR is seldom used in Romania and consumers are reluctant to pay for the mediation.

The work of the Insurance Arbitration Commission and the Bucharest Stock Exchange Arbitration Court appears to focus on disputes between one financial business and another, rather than disputes between consumers and financial businesses.

None of these bodies is a member of FIN-NET, but the Union of Banking Mediators has put itself forward as a candidate for membership, and the Association of Mediators in the Financial-Banking Field – FINBAN says that it plans to apply for membership.

Conclusions

In banking, the National Bank of Romania provides a non-binding recommendation in disputes about cross-border transfers.

The banking ombudsman proposed by the Special Projects Initiative has not been established.

Consumers have access to the Union of Banking Mediators and the Association of Mediators in the Financial-Banking Field – FINBAN, but they both charge consumers a non-returnable fee and provide only mediation.

In insurance, there is the industry-appointed Insurance Arbitration Commission – but this charges consumers a non-returnable fee, provides only mediation and focuses on business-to-business disputes.

None of these bodies is a member of FIN-NET to cover cross-border complaints – though the Union of Banking Mediators has put itself forward as a candidate and the Association of Mediators in the Financial-Banking Field – FINBAN says it plans to apply.

As recommended in 2009, consideration should be given to creating a financial ombudsman – which should adopt the standards that will enable it to become a member of FIN-NET.

National Bank (Romania)	
Name, in national language	Banca Națională a României, Direcției Juridice
Name, in English	National Bank of Romania, Legal Department
Website address	www.bnr.ro/Mediation-of-disputes-related-to-cross-border-transfers-3312.aspx
E-mail address for enquiries	
Phone number	+ 40 21 312 43 75
Fax number	+ 40 21 314 97 52
Address	25, Lipscani St., Bucharest, 030031
Status / governance	
Type of ADR scheme	Regulator
Status	Public
Decision makers appointed by	Regulator
Funding from	Not stated
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Not stated
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Not stated
Maximum time limit for financial business to respond	Not stated
Must financial business tell complainants about the ADR?	Not stated
Must complainants pay a fee?	Not stated
Types of resolution provided	Non-binding recommendation
Maximum that can be awarded	€50,000
Minimum that can be claimed	Not stated
Products / types of business covered	
Payment services	Only for cross-border transfers: <ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country

Banking Mediators (Romania)	
Name, in national language	Uniunea Mediatorilor Bancari din România
Name, in English	Romanian Union of Banking Mediators
Website address	www.mediatorbancar.ro
E-mail address for enquiries	office@mediatorbancar.ro
Phone number	+ 40 724 748 049
Fax number	+ 40 216 281 218
Address	Bd-ul Chisinau nr.8 bl. M2,sc.C,parter, ap. 81 sector 2, Bucharest
Status / governance	
Type of ADR scheme	Professional association registered with the Mediation Council
Status	Private
Decision makers appointed by	Associates
Funding from	Case fees paid by complainants
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Has put itself forward as a candidate
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 30 days
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes: amount not stated (none refunded – unless the mediation is discontinued, in which event 50% is refunded)
Types of resolution provided	Mediation
Maximum that can be awarded	Not stated
Minimum that can be claimed	Not stated
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country ▪ all intermediaries in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country ▪ all intermediaries in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country
Non-life insurance	All insurers in country, both national and foreign-owned
Life insurance	All insurers in country, both national and foreign-owned
Packaged investments	None
Company stocks and shares	None

Association of Mediators in Financial - Banking Field FINBAN (Romania)	
Name, in national language	Asociatia de mediatori din Domeniul Financiar Bancar – FINBAN
Name, in English	Association of Mediators in Financial-Banking Field – FINBAN
Website address	www.finban.ro
E-mail address for enquiries	office@finban.ro
Phone number	+ 40 727 727 880
Fax number	+ 40 318 146 180
Address	Negru Voda Street no. 3 office 16,, Sector 3. Bucharest
Status / governance	
Type of ADR scheme	Professional association registered with the Mediation Council
Status	Private
Decision makers appointed by	Associates
Funding from	Members fees, consultancy and training
Is the ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Says it intends to apply for membership
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses ▪ Other Financial Institutions
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	Time limit = 15 days
Must financial business tell complainants about the ADR?	No
Must complainants pay a fee?	Yes: amount not stated
Types of resolution provided	Mediation
Maximum that can be awarded	Not stated
Minimum that can be claimed	Not stated
Products / types of business covered	
Deposits	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Credit cards and loans	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Mortgages	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all credit unions in country ▪ all other businesses in country
Payment services	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country
Electronic money	<ul style="list-style-type: none"> ▪ All banks in country, both national and foreign-owned ▪ all other businesses in country
Non-life insurance	All insurers in country, both national and foreign-owned
Life insurance	All insurers in country, both national and foreign-owned
Packaged investments	Fund Administrators
Company stocks and shares	Brokers and depositors

Insurance Arbitration Commission (Romania)	
Name, in national language	Comisia de Arbitraj în domeniul asigurarilor si reasigurarilor de pe lângă Uniunea Nationala a Societatilor de Asigurare si Reasigurare din Romania
Name, in English	Insurance and Reinsurance Arbitration Commission within the National Association of Insurance and Reinsurance Companies
Website address	http://unsar.ro/comisia-de-arbitraj-in-asigurarireasigurari
E-mail address for enquiries	office@unsar.ro
Phone number	+ 40 314 057 328
Fax number	+ 40 213 177 832
Address	Not stated
Status / governance	
Type of ADR scheme	Part of industry association
Status	Private
Decision maker appointed by	Body with a majority of members from financial industry
Funding from	Case fees paid by complainants
Is ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Not stated
Complaints / outcomes	
Takes complaints from	Those parties who agreed to arbitration in the insurance contract
Must they complain to financial business first?	Not stated
Maximum time limit for financial business to respond	Not stated
Must financial business tell complainants about the ADR?	Not stated
Must complainants pay a fee?	Yes (not refunded): amount not stated
Types of resolution provided	Mediation
Maximum that can be awarded	Not stated
Minimum that can be claimed	Not stated
Products / types of business covered	
Non-life insurance	All insurers in country, both national and foreign-owned
Life insurance	All insurers in country, both national and foreign-owned
Packaged investments	None
Company stocks and shares	None

Bucharest Stock Exchange Arbitration Court (Romania)	
Name, in national language	Camerei Arbitrale a Bursei de Valori Bucuresti S.A
Name, in English	Bucharest Stock Exchange Arbitration Court
Website address	http://www.bvb.ro/Regulations/RegCamArbit.aspx
E-mail address for enquiries	bvb@bvb.ro
Phone number	(+40)(21) 307 95 00
Fax number	(+40)(21) 307 95 19
Address	34 - 36 Carol I Boulevard 020922, 14th Floor, Bucharest, sector 2
Status / governance	
Type of ADR scheme	Part of the stock exchange
Status	Private
Decision maker appointed by	Body with a majority of members from financial industry
Funding from	Case fees paid by complainants
Is ADR a member of FIN-NET?	No
If the ADR is not a member of FIN-NET, say why	Not stated
Complaints / outcomes	
Takes complaints from	Those parties who agreed to arbitration in their contract, whether: <ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Not stated
Maximum time limit for financial business to respond	Not stated
Must financial business tell complainants about the ADR?	Not stated
Must complainants pay a fee?	Not stated
Types of resolution provided	Mediation
Maximum that can be awarded	Not stated
Minimum that can be claimed	Not stated
Products / types of business covered	
Company stocks and shares	<ul style="list-style-type: none"> ▪ All companies in country, both national and foreign-owned ▪ all intermediaries in country



Basic information

Slovakia joined the European Union in 2004. It adopted the Euro in 2009.

It has a population of about 5.4 million. Access to financial services in 2007 was 83%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2008 was 53.8% of GDP (compared to 157.9% for the EU as a whole in 2009).⁴¹

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	53%
▪ consumer confidence in existing consumer protection measures	51%
▪ consumers who had a reason to complain but did not complain	38%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	25%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	16%

Any previous report on resolving financial disputes

The World Bank's 2007 *Technical Note on Consumer Protection in Financial Services in Slovakia*⁴² noted:

- The National Bank of Slovakia was the integrated regulator for the financial sector, having taken over the insurance and securities responsibilities of the Financial Market Authority.
- There had been substantial growth in consumer credit – but, unlike in some nearby countries, hardly any in foreign currencies.
- Responsibility for enforcing consumer credit law lay with the Slovak Trade Inspection Office which lacked the necessary expertise and capability.
- About 50% of consumers had bank current (cheque) accounts, 43% had life insurance and 14% had a private pension.
- Slovakia was one of only three EU member states where bank deposit accounts were tied in with residential mortgages and consumer loans.
- Several mechanisms were in place for customers to lodge complaints but none was sufficiently effective.
- The Arbitration Court of the Slovak Bank Association now covered all customer disputes with banks but had the same weaknesses (time and expense) as the courts.

⁴¹ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

⁴² <http://siteresources.worldbank.org/INTECAREGTOPPRVSECDEV/Resources/SkCPFSVolIIMainReport.pdf>

Recommendations included:

- All providers of credit should be licensed – preferably by the National Bank of Slovakia rather than a separate agency.
- The National Bank of Slovakia should specify in its regulations that a current account is not required in order to receive financing from a bank.
- The industry association should develop sector-specific codes of conduct and encourage financial businesses to resolve complaints.
- All financial businesses should be required to maintain in-house departments for the resolution of consumer complaints.
- A financial ombudsman should be created (perhaps on the Irish model) to resolve consumer complaints that are not resolved by the financial businesses themselves.
- The ombudsman should: be available to consumers free-of-charge; publish an annual report of its activities; and join FIN-NET.

Current financial ombudsman/ADR schemes

The only financial ADR in Slovakia is the Banking Ombudsman (*Bankový ombudsman*). The table at the end of this chapter gives fuller information about it. It is not a member of FIN-NET.

The rules of the Bratislava Stock Exchange provided for a tribunal, but the stock exchange has confirmed that it is not currently active in the field of out-of-court redress for consumers.

Conclusions

In banking, consumers have free access to the industry-appointed Banking Ombudsman – which provides mediation and a non-binding recommendation, if the financial business is a member of the bankers association.

In insurance, there is no financial ombudsman/ADR.

Slovakia has no member of FIN-NET to handle cross-border complaints.

As recommended in 2007, Slovakia should have a financial ombudsman – which should not be restricted to banking and which should adopt the standards that will enable it to become a member of FIN-NET.

Banking Ombudsman (Slovakia)	
Name, in national language	Bankový ombudsman
Name, in English	Banking ombudsman
Website address	www.bankovyombudsman.sk
E-mail address for enquiries	ombudsman@bankovyombudsman.sk
Phone number	+ 421 257 205 309
Fax number	+ 421 257 205 315
Address	Rajská 15/A, 81108 Bratislava 1
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private, voluntary
Ombudsman appointed by	Presidency of the Slovak Banking Association (representatives of seven member banks) by simple majority
Funding from	Members of the Slovak Banking Association
Is the ombudsman scheme a member of FIN-NET?	No
If the ombudsman scheme is not a member of FIN-NET, say why	No support for application from Ministry of Finance
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises and small and medium enterprises only if a complaint relates to one product being tied-in to another.
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 30 days
Must financial business tell complainants about ombudsman?	Yes
Must complainants pay a fee?	No
Types of resolution provided	<ul style="list-style-type: none"> ▪ Mediation ▪ Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	Members of the only bank association
Credit cards and loans	Members of the only bank association
Mortgages	Members of the only bank association
Payment services	Members of the only bank association
Electronic money	Members of the only bank association



Basic information

Slovenia joined the European Union in 2004. It adopted the Euro in 2007.

It has a population of about 2 million. Access to financial services in 2007 was 97%, compared to an average of 91% in western Europe.

Domestic credit provided by the banking sector in 2009 was 94.5% of GDP (compared to 157.9% for the EU as a whole).⁴³

Information from the *European Consumer Conditions Scoreboard* (fifth edition, published March 2011) includes:

▪ consumer conditions index score	54%
▪ consumer confidence in existing consumer protection measures	39%
▪ consumers who had a reason to complain but did not complain	22%
▪ ease of consumers resolving disputes with sellers/ suppliers through ADRs	32%
▪ ease of consumers resolving disputes with sellers/ suppliers through courts	15%

Any previous report on resolving financial disputes

This is the first report from The World Bank regarding this topic in Slovenia.

Current financial ombudsman/ADR schemes

In 1982 the Triglav Insurance Company (*Zavarovalnica Triglav*) established an arbitration scheme, to handle complaints about that company under the Code of Civil Procedure.

Now, the Insurance Act (article 333) requires all insurers to have an ADR for insurance services. The insurance association has established two bodies, though the consumers association (*Zveza potrošnikov Slovenije*) say they are little used.

The Insurance Ombudsman (*Varuh Pravic s Področja Zavarovalništva*) deals with disputes about infringements of the insurance code and good insurance practice, but does not deal with damages claims. The Insurance Mediation Centre (*Mediacijski Center*) provides mediation in damages claims.

The Banking Act (article 391) requires banks to have an ADR for banking services. The banking association established a Banking Settlement Council (*Poravnalni svet pri Združenju bank Slovenije za zunajsodno reševanje sporov med banko in stranko*). The consumers association claims that the Banking Settlement Council is not seen as independent.

⁴³ <http://data.worldbank.org/indicator/FS.AST.DOMS.GD.ZS>

The Financial Instruments Markets Act (article 294) requires stockbrokers to have or join an ADR for stockbroking services or managing financial instruments. The stock exchange in Ljubljana established a tribunal but – after six years with no cases – decided in May 2011 to abolish it.

The tables at the end of this chapter give fuller information on the:

- Banking Settlement Council;
- Insurance Mediation Centre; and
- Insurance Ombudsman.

None of these is a member of FIN-NET. In each sector, the law requires financial businesses to inform consumers about the relevant ADR.

Conclusions

In banking, consumers have free access to the Banking Settlement Council, appointed by a body where half of the members come from the financial industry. It provides a non-binding recommendation.

In insurance, consumers have free access to the industry-appointed Mediation Centre (providing mediation in damages claims) and Insurance Ombudsman (providing non-binding recommendations on breaches of the insurance code or good insurance practice, but not damages claims).

Slovenia does not have a member of FIN-NET to handle cross-border complaints.

The Banking Settlement Council, Insurance Mediation Centre and Insurance Ombudsmen have not demonstrated that they comply with Commission Recommendation 1998/257/EC.

They should adopt the standards that will enable them to become members of FIN-NET (and should use the opportunity of adopting best practice from amongst their FIN-NET colleagues) or consideration should be given to establishing a financial ombudsman by law.

Banking Settlement Council (Slovenia)	
Name, in national language	Poravnalni svet pri Združenju bank Slovenije za zunajsodno reševanje sporov med banko in stranko
Name, in English	Settlement Council at the Bank Association of Slovenia in Out-of-Court Settlement of Disputes between Clients and the Bank
Website address	www.zbs-giz.si
E-mail address for enquiries	info@zbs-giz.si
Phone number	+ 386 1 242 97 00
Fax number	+ 386 1 242 97 13
Address	Združenje bank Slovenije, za Poravnalni svet, 1000 Ljubljana, Šubičeva 2
Status / governance	
Type of ADR scheme	Part of industry association
Status	Private
Decision maker appointed by	Body with half of members from the financial industry
Funding from	Levy paid by the industry
Is the ADR scheme a member of FIN-NET?	No
If the ADR scheme is not a member of FIN-NET, say why	The ADR said FIN-NET membership had not been considered. It did not reply to a question about whether or not it complied with Recommendation 98/257/EC.
Complaints / outcomes	
Takes complaints from	Consumers
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 30 days
Must financial business tell complainants about ADR?	Yes
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Deposits	Members of the only bank association
Credit cards and loans	Members of the only bank association
Mortgages	Members of the only bank association
Payment services	Members of the only bank association

Insurance Mediation Centre (Slovenia)	
Name, in national language(s)	Mediacijski Center
Name, in English	Mediation Centre
Website address	www.zav-zdruzenje.si/resevanje_sporov.asp
E-mail address for enquiries	info@zav-zdruzenje.si
Phone number	+ 386 1 4376511
Fax number	+ 386 1 4735692
Address	Slovensko Zavarovalno Združenje, Giz, Železna 14, Si-1000 Ljubljana
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private, voluntary
Mediators appointed by	Council of the Slovenian Insurance Association
Funding from	Slovenian Insurance Association
Is the ombudsman scheme a member of FIN-NET?	No
If the ombudsman scheme is not a member of FIN-NET, say why	Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	No
Maximum time limit for financial business to respond	No time limit
Must financial business tell complainants about ombudsman?	Yes
Must complainants pay a fee?	No
Types of resolution provided	Mediation
Maximum that can be awarded	No maximum amount
Minimum that can be claimed	No minimum amount
Products / types of business covered	
Non-life insurance	Members of the only insurer association
Life insurance	Members of the only insurer association
Packaged investments	None
Company stocks and shares	None

Insurance Ombudsman (Slovenia)	
Name, in national language(s)	Varuh Pravic s Področja Zavarovalništva
Name, in English	Insurance Ombudsman
Website address	www.zav-zdruzenje.si/resevanje_sporov.asp
E-mail address for enquiries	info@zav-zdruzenje.si
Phone number	+ 386 1 4376511
Fax number	+ 386 1 4735692
Address	Slovensko Zavarovalno Združenje, Giz, Železna 14, Si-1000 Ljubljana
Status / governance	
Type of ombudsman scheme	Part of industry association
Status	Private, voluntary
Ombudsman appointed by	General assembly of the Slovenian Insurance Association
Funding from	Slovenian Insurance Association
Is the ombudsman scheme a member of FIN-NET?	No
If the ombudsman scheme is not a member of FIN-NET, say why	Does not comply with Recommendation 98/257/EC
Complaints / outcomes	
Takes complaints from	<ul style="list-style-type: none"> ▪ Consumers ▪ Micro-enterprises (EU definition) ▪ Small and medium enterprises (EU definition) ▪ Larger businesses
Must they complain to financial business first?	Yes
Maximum time limit for financial business to respond	Time limit = 6 weeks
Must financial business tell complainants about ombudsman?	Yes
Must complainants pay a fee?	No
Types of resolution provided	Recommendation, not binding on either party
Maximum that can be awarded	The recommendation covers whether the insurer complied with the industry code and good practice: not compensation – so there is no maximum award or minimum claim.
Minimum that can be claimed	
Products / types of business covered	
Non-life insurance	Members of the only insurer association
Life insurance	Members of the only insurer association
Packaged investments	None
Company stocks and shares	None