



NATIONAL BANK OF SERBIA

ADMINISTRATION FOR SUPERVISION OF FINANCIAL INSTITUTIONS
CENTRE FOR FINANCIAL CONSUMER PROTECTION AND EDUCATION

**REPORT ON OPERATIONS OF THE CENTRE
FOR FINANCIAL CONSUMER PROTECTION
AND EDUCATION**

January–March 2017

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I INTRODUCTION

1 Acting on cases received

In the first quarter of 2017, the Centre for Financial Consumer Protection and Education (hereinafter: the Centre) actively provided assistance to citizens helping them exercise their rights by acting on complaints of financial services consumers, mediating in the peaceful resolution of disputes and informing and educating financial services consumers.

From 1 January to 31 March 2017, the centre acted on **990** cases (complaints, early complaints, queries and mediation proposals) regarding the work of financial institutions.

The complaints received were made against insurance undertakings (55.9%) and banks (44.1%).

Overview of complaints, early complaints, queries and mediation requests by type of the financial services provider January–March 2017

Financial services provider	Complaints	Early complaints	Queries	Mediation Requests	Total	In %
Banks	196	132	259	34	621	62.7%
Insurance undertakings	248	31	12	56	347	35.1%
Leasing providers	0	0	0	0	0	0%
VPF management companies	0	0	2	0	2	0.2%
Payment institutions	0	0	1	0	1	0.1%
Other	0	0	19	0	19	1.9%
TOTAL	444	163	293	90	990	100%

Source: National Bank of Serbia.

II QUERIES, EARLY COMPLAINTS AND COMPLAINTS

1 Consumer queries

In the period January–March 2017, **293** consumers approached the Centre with one or more queries about financial services.

Of the queries received in this period, the bulk pertained to banks – 88.4%, specifically loans (47.1%), current accounts (18.1%) and credit cards (6.6%).

Number of queries by type of the financial services provider, January–March 2017

Financial services provider	Jan.	Feb.	Mar.	Total	in %
Banks	77	78	104	259	88.4%
Insurance undertakings	3	3	6	12	4.1%
Leasing providers	0	0	0	0	0.0%
VPF management companies	1	0	1	2	0.7%
Payment institutions	0	0	1	1	0.3%
Other	7	5	7	19	6.5%
TOTAL	88	86	119	293	100%

Source: National Bank of Serbia.

The number of queries received in Q1 2017 was lower by 19% y-o-y and by 11% q-o-q.

Within the observed period, consumer queries largely concerned the repayment of cash and housing loans, refinancing of housing loans, housing loan guarantees, matured student loans, loan prepayment, debt records with the Credit Bureau, opening, keeping and closing current accounts, calculation of current account charges and credit card debt settlement.

Number of queries by type, January–March 2017

Type of queries	Jan.	Feb.	Mar.	Total	in %
Foreign currency savings	1	3	3	7	2.7%
Dinar savings	1	0	2	3	1.2%
Other	0	1	0	1	0.4%
Deposit transactions	2	4	5	11	4.2%
Cash loans	6	10	12	28	10.8%
Other loans	9	19	19	47	18.1%
Consumer loans	0	1	0	1	0.4%
Housing loans	13	11	22	46	17.8%
Loans	28	41	53	122	47.1%
Debit cards	2	0	2	4	1.5%
Credit cards	8	5	4	17	6.6%
Payment cards	10	5	6	21	8.1%
Escrow accounts	4	2	1	7	2.7%
Payment transactions	2	3	6	11	4.2%
Current accounts	19	9	19	47	18.1%
Payment transactions	25	14	26	65	25.1%
Exchange transactions	1	0	2	3	1.2%
Bonds	0	1	0	1	0.4%
Other	11	13	12	36	13.9%
Other	12	14	14	40	15.4%
TOTAL	77	78	104	259	100%

Source: National Bank of Serbia

2 Early complaints

In Q1 2017, the Centre received 163 early complaints, or 15.5% less than a year earlier.

The share of early complaints in the total number of complaints and early complaints (27%) indicates that financial services consumers (hereinafter: consumers) continue to approach the NBS with a large number of queries rather than addressing them first to the relevant financial institution. Namely, the established procedure requires consumers to address the institution whose work they are complaining about and only approach the NBS if the dispute is not resolved with the relevant institution.

Number of early complaints by financial services provider, January–March 2017

Financial services provider	Jan.	Feb.	Mar.	Total	In %
Banks	29	48	55	132	81%
Insurance undertakings	4	11	16	31	19%
Leasing providers	0	0	0	0	0%
Payment institutions	0	0	0	0	0%
VPF management companies	0	0	0	0	0%
TOTAL	33	59	71	163	100%

Source: National Bank of Serbia.

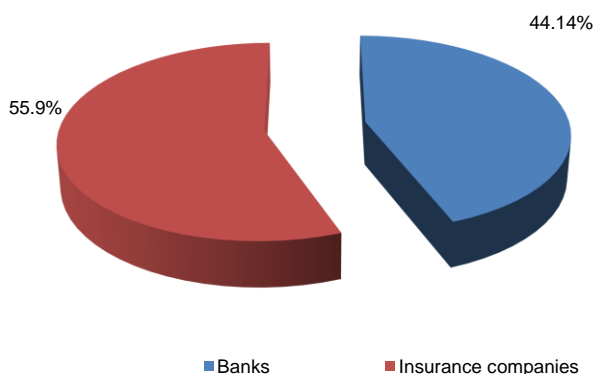
As banking services are the most common type of financial services, the largest number of early complaints (81%) in Q1 2017 was made against banks.

3 Consumer complaints

In Q1 2017, the Centre received 444 complaints against financial institutions, down by 14.78% y-o-y.

Of this number, 55.9% of complaints pertained to insurance and 44.1% to banks.

Overview of complaints by type of financial services provider, January–March 2016



Source: National Bank of Serbia.

Of all complaints received against financial institutions, 412 were processed (93%), of which 78 (19%) were assessed as founded. Of the total number of founded complaints, 64.1% were against banks and 35.9% against insurance undertakings.

However, we must note that the bulk of founded complaints are normally resolved as soon as they enter the complaints procedure with the financial institution to which, according to regulations, consumers are obliged to submit their complaints before they approach the Centre.

Of the total number of complaints received by the Centre and processed in the observed period, in 334 cases (81%) there was no breach of legal or contractual provisions, or of general business terms. Of this number, 208 complaints (62.3%) related to insurance undertakings.

Number of complaints by type of financial services provider, January–March 2017

Financial services provider	Unfounded complaints	Unfounded complaints – denied	Unfounded complaints – granted	Founded complaints	Founded complaints – denied	Founded complaints – granted	In progress	Abandonment	Total
Banks	126	123	3	50	0	50	19	1	196
Insurance undertakings	208	207	1	28	0	28	12	0	248
VPF management companies	0	0	0	0	0	0	0	0	0
Leasing providers	0	0	0	0	0	0	0	0	0
Payment institutions	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
TOTAL	334	330	4	78	0	78	31	1	444
TOTAL in %	75%	74%	1%	18%	0%	18%	7%	0.2%	100%

Source: National Bank of Serbia.

3.1 Banks

The number of complaints against banks received between 1 January and 31 March 2017 equalled 196, down by 23.7% y-o-y.

Bearing in mind that the NBS adopted the Law on the Protection of Financial Services Consumers in 2011, and greatly enhanced the existing protection mechanisms by amending the Law in 2015, we recorded a drop in the intensity of approaches to the Centre relating to the work of banks.

The adoption of regulations has also helped change the structure of the grounds for consumer complaints relative to prior years. All of the issues that used to be the object of founded complaints (interest rate changes due to the bank's business policy, unspecified and indefinable contractual obligations, different types of exchange rate used during loan approval and repayment, etc.), including the failure of financial institutions to properly inform consumers, have been eliminated and no longer constitute grounds for consumer complaints.

3.1.1 Complaint numbers and grounds

The bulk of complaints against banks in Q1 2017 related to loans (47.4%), current accounts (25.5%) and payment cards (15.8%).

Number of complaints by type, January–March 2017

Type of complaints	Jan.	Feb.	Mar.	Total	in %
Foreign currency savings	3	1	1	5	2.6%
Dinar savings	0		1	1	0.5%
Other		1	1	2	1.0%
Deposit transactions	3	2	3	8	4.08%
Cash loans	15	18	15	48	24.5%
Other loans	3	9	12	24	12.2%
Consumer loans	2	0	1	3	1.5%
Housing loans	5	5	8	18	9.2%
Loans	25	32	36	93	47.4%
Debit cards	4	2	5	11	5.6%
Credit cards	7	6	7	20	10.2%
Payment cards	11	8	12	31	15.8%
Escrow accounts	1	2	3	6	3.1%
Payment transactions	1	3	2	6	3.1%
Current accounts	21	11	18	50	25.5%
Payment transactions	23	16	23	62	31.6%
Exchange transactions	0		0	0	0.0%
Other	0	1	1	2	1.0%
Other	0	1	1	2	1.02%
TOTAL	62	59	75	196	100%

Source: National Bank of Serbia.

Of the total number of complaints against banks, 176 cases (90%) were completed, of which 28.4% were founded and 71.6% unfounded complaints.

Number of complaints by type and outcome, January–March 2017

Type of complaints	Unfounded complaints	Founded complaints	In progress	Abandonment	Total
Foreign currency savings	4	1	0	0	5
Dinar savings	1	0	0	0	1
Other	1	0	1	0	2
Deposit transactions	6	1	1	0	8
Cash loans	32	13	3	0	48
Other loans	19	3	2	0	24
Consumer loans	3	0	0	0	3
Housing loans	13	3	2	0	18
Loans	67	19	7	0	93
Debit cards	5	3	2	1	11
Credit cards	8	8	4	0	20
Payment cards	13	11	6	1	31
Escrow accounts	4	1	1	0	6
Payment transactions	4	2	0	0	6
Current accounts	30	16	4	0	50
Payment transactions	38	19	5	0	62
Other	2	0	0	0	2
Other	2	0	0	0	2
TOTAL	126	50	19	1	196

Source: National Bank of Serbia.

The bulk of founded complaints are normally resolved as soon as they enter the complaints procedure with the financial institution to which, according to regulations, consumers are obliged to submit their complaints before they approach the Centre.

According to data obtained from banks, 26 banks received 4,498 complaints from consumers and clients in Q1 2017, of which 52% were resolved positively, i.e. to the benefit of consumers and clients.

Five out of 26 banks received 72% of the total number of complaints; of these, 59% of complaints were resolved positively, i.e. to the benefit of consumers and clients. The bulk of complaints concerned loan contracts (29%), provision of payment services (27%) and issuance and use of payment cards, notably credit cards (26%).

The most common grounds for complaints to banks in terms of lending were the following: problems due to the failure to notify the customer or untimely notification of the customer about contractual changes of credit terms, the amount of debt or the failure to deliver the notification to the customer's current address, default reported to the Credit Bureau, collection of receivables by activating payment instruments, notably

foreclosure, the amount of calculated interest and the amount of the variable nominal interest rate.

As regards the provision of payment services, the complaints received related to the following: opening, keeping and closing current accounts and current account charges, as well as default reported to the Credit Bureau.

The grounds for complaints regarding payment cards were abuse or theft, the amount of outstanding debt paid in monthly instalments, calculation of fees, amount of calculated monthly interest and reporting default to the Credit Bureau.

In Q1 2017, consumers approached the Centre to complain against banks with regard to the following:

- Requests for the reduction of interest rates on loans being repaid;
- Type and amount of fees defined in concluded loan contracts;
- Loan prepayment;
- Fulfilment of contractual obligations on the part of guarantors;
- Debt inherited under loans, credit cards or current accounts;
- Requests for the deletion of historic default after settling obligations under loans, credit cards or current accounts, as well as for the correction of data on the historic and active default reported to the Credit Bureau;
- Opening, keeping and closing current accounts and collecting charges for current account maintenance;
- Fees, commissions and interest rates relating to the use of payment cards;
- The type of the exchange rate for a particular foreign currency applied when debiting a credit card account when used abroad;
- Drawing money from ATMs.

3.1.2 Analysis of grounds for complaints

- Loans

Considering the downward trend in interest rates in the market, there was an increased number of *consumer requests for the reduction of interest rates on current loans*. During the processing of such complaints, and with an intention to retain their

customers, some banks told consumers they would offer them current loan terms and invited them to sign annexes with lower interest rates.

It was also noted that consumers requested an *analysis of the grounds for the calculation of fees and charges as well as the type and amount of those fees and charges* which are defined in the concluded contracts and which the consumer is obligated to pay during the entire term of the contract. The most common fees and charges were as follows: current account maintenance fee, given that a client has to open a current account in order to be granted a loan; monthly or annual loan administration fee; and the fee charged for sending a warning letter to clients falling behind with their loan payments.

In cases where it was determined that banks charged fees for sending warning letters although this was not stipulated in the contract, banks had to subsequently write off the receivables on this account.

Consumers also submitted complaints *regarding loan prepayment*. Namely, disputes arose in cases when customers failed to send the bank a written request for loan prepayment while at the same time another bank paid the funds for the early payment of their loans. When it comes to loan prepayment, customers must abide by the loan contract and send the bank a written request for prepayment. Without a written request and the required amount for closing the loan, the bank cannot liquidate the loan at its own discretion.

During the processing of such complaints, some banks subsequently acknowledged such payments as loan prepayments even though the consumers did not comply with the contract. In those cases, disputes were resolved to the benefit of the consumer.

One of the grounds for consumer complaints was *the settlement of obligations under loan contracts on the part of guarantors* who, for an extended period of time, were unaware that the main debtor did not settle his obligations. Consumers often approached the Centre asking for facilitated terms of repayment of the loan under guarantee given that they are both guarantors and loan users, and it is therefore difficult for them to settle their obligations on both accounts.

Consumers were referred to the Law on Contracts and Torts which stipulates that the guarantor who has settled his obligation toward the bank, i.e. the debt of the main debtor, may demand that the borrower – main debtor compensate the amount which the bank collected from the guarantor. In case of the guarantee under a housing loan, this also means that the guarantor is entitled to a share of the property equivalent to the amount of the funds he paid under his contractual obligations.

A certain number of consumer approaches related to problems concerning *loan inheritance* following the death of the borrower. Evidently, consumers were unaware that after the death of the loan beneficiary, the liabilities pass on to his heirs and the bank continues to calculate the interest rate, as well as the default interest. Consumers are therefore referred to the Law on Inheritance, i.e. they are told that by force of law, the inheritance is passed on to the testator's heirs at the moment of his demise, and at the same time the heirs acquire the right to renounce the inheritance. By accepting the inheritance, the heirs automatically accept the testator's liabilities, i.e. debts, although Article 222 of the Law on Inheritance stipulates that the heir is accountable for the testator's debt only up to the amount of the inherited property.

Consumer complaints also concerned problems regarding *requests to delete the default notice* once the liabilities under loans, credit cards and current accounts have been settled, as well as to *correct the data reported to the Credit Bureau regarding active and historical default*.

In case of founded complaints, the Centre sends the consumers a clarification as to the role of the Credit Bureau, explaining that every receivable not settled within 60 or more days after the due date for natural persons and 15 or more days after the due date for legal persons must be reported by the bank to the Credit Bureau.

According to the Operating Rules of the Credit Bureau, data on loans, guarantees, citizen current accounts and payment cards, as well as data on default, become obsolete and cannot be used to draw up Credit Bureau reports three years after the day the bank designated a specific service as "expired" for natural persons, or five years for legal persons.

During the processing of complaints on this account, there were cases where errors were identified during the subsequent analysis, after which banks corrected the data reported to the Credit Bureau.

Consumers made complaints even after *court procedures were initiated*, and even after the court made a final judgement obligating the consumers, as enforcement debtors, to pay a certain amount of money to the enforcement creditor (the bank) in order to settle their liabilities under loans. In these cases, consumers were informed that, pursuant to the Law on the Protection of Financial Services Consumers, they may submit a complaint to the NBS before a court procedure is launched on the same account and that they can exercise their right in court procedures that have already been launched.

- Current accounts

As in prior periods with complaints relating to current accounts, the most common reason for consumer complaints was the *inability to close a current account* due to a debt on account of maintenance fees, where for a period of time there were no transactions on the account, which was therefore debited only for current account maintenance fees and interest.

Where it was established during the processing of complaints that banks did not comply with legal and contractual provisions and failed to notify the consumer about the existence and amount of his debt, including the interest rate and other accompanying costs payable by the consumer under his current account debt, the debt was written off and the report of default that had been sent to the Credit Bureau was removed, while the current account was closed at no cost.

- Payment cards

A frequent reason for consumer complaints in terms of payment cards pertains to the *use of credit cards with a specific credit limit and misunderstanding the way payment cards function, as well as the method of calculating interest on the used credit limit* (grounds, calculating period, interest rate). Namely, a large number of banks offer grace periods to consumers provided that they pay all of their expenditures from the prior period (excluding cash drawn from ATMs) as they fall due. In this case, and in accordance with the agreed terms, the bank will not calculate interest. However, if the consumer fails to pay the exact amount listed in his monthly bank statement, the bank calculates the interest starting from the transaction day until the obligation is settled in full. Also, credit card holders often neglect the obligation to pay fees and charges when signing a contract on credit card use (monthly card maintenance fee, commission for splitting transactions into instalments), which can also affect the amount of their monthly credit card liabilities.

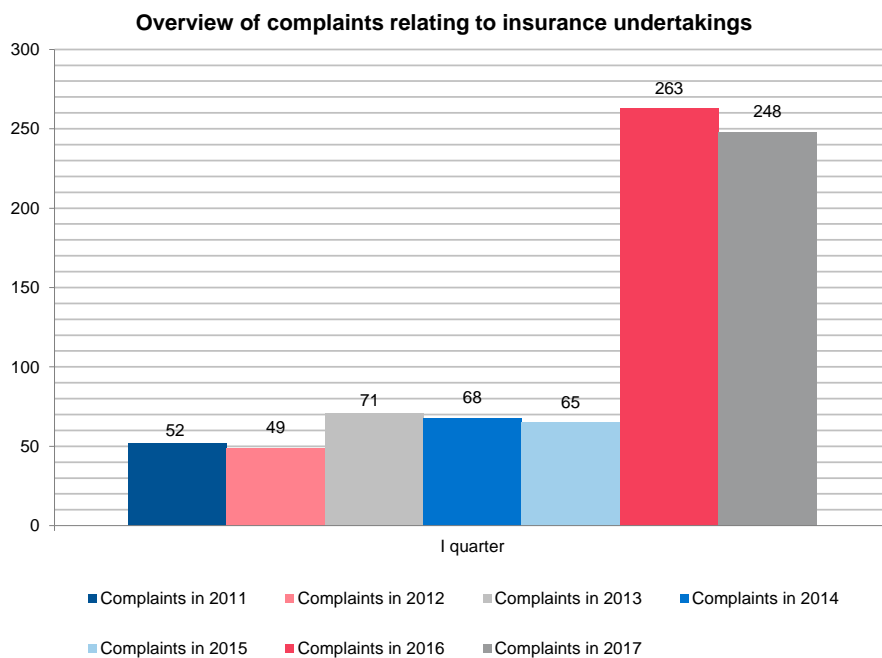
When payment cards are used abroad, the account is usually debited in the dinar equivalent value (unless the card is linked to an FX account or an FX portion of a dinar account). During a payment card transaction, the funds are reserved at the agreed exchange rate on the day of reservation (and authorisation). When the retailer sends the transaction for collection, the credit card account is debited by the amount in the equivalent value in dinars at the agreed exchange rate (usually the selling rate) on the

agreed date. In such cases, if the exchange rate increases after the transaction date and until the date the account is credited, consumers must pay the difference to the credit card account, and it is against this that they complain the most as they believe that the bank should credit their card at the exchange rate on the reservation date.

The fee charged for drawing cash from another bank's ATM also constitutes grounds for complaints, as do problems that occur when drawing cash from the ATM, namely: the consumer did not receive the cash or did not receive the exact amount he requested, or the ATM retained his card.

3.2 Insurance undertakings

From 1 January to 31 March 2017, the Centre received 248 complaints against insurance undertakings, which is 5.7% less than in the same period last year.



There were fewer complaints against insurance undertakings in the same reporting period in previous years. Thus, the Centre received 71 complaints in 2013, 68 complaints in 2014, 65 in 2015, 263 in 2016, while 248 complaints were received in Q1 2017. Evidently, the number of complaints is increasing, mainly owing to the new Insurance Law in effect since June 2015.

The new Insurance Law stipulates more comprehensive protection of the rights and interests of the insured, insurance beneficiaries and third party claimants, and allows

for the NBS to act as the mediator in the resolution of claims, filing of complaints by insurance beneficiaries and the handling of such complaints. To this end, the NBS passed the Decision on the Manner of Protecting the Rights and Interests of Insurance Service Consumers (RS Official Gazette, No 55/2015, hereinafter: the Decision).

The Decision stipulates that insurance undertakings are obligated to pass internal acts so as to closely define the complaint filing process and resolution, in accordance with the Law and the Decision. The insurance undertakings are also obligated to inform the insurance beneficiaries of their right to file a complaint with the NBS if they are not satisfied with the reply received from the insurance undertaking.

On the one hand, this has ensured better dissemination of information to insurance beneficiaries and their adequate protection, and on the other, it provided the legitimacy to the operations of insurance undertakings. Hence, the increased number of complaints against insurance undertakings should not be a cause for worry, rather it should assure consumers that they have been provided adequate protection by being better acquainted with their rights and given the possibility to exercise their rights in a procedure conducted with the NBS. This primarily allows consumers to resolve their disputes quickly and inexpensively, without having to appear in court.

3.2.1 Complaint numbers and grounds

The highest number of complaints against insurance undertakings received between 1 January and 31 March 2017 related to motor third party liability insurance (33.1%), other accident insurance (14.1%), life insurance (9.3%) and employee accident insurance (8.9%).

Of the total number of received complaints against insurance undertakings in Q1 2017 (248), as many as 199 (80%) were resolved. Of the total number of resolved complaints, 12.6% were founded and 87.4% unfounded.

Overview of complaints by type, January–March 2017

Complaints relating to	Jan.	Feb.	Mar.	Total	%
Automobile liability	20	28	34	82	33.1%
Full coverage motor vehicle insurance	5	3	5	13	5.2%
Insurance of employees from injuries	6	6	10	22	8.9%
Insurance of students from injuries	4	4	1	9	3.6%
Other insurance from injuries	12	10	13	35	14.1%
Voluntary health insurance	2	2	3	7	2.8%
Property insurance against fire and other hazards	4	5	7	16	6.5%
Property insurance against theft	0	1	1	2	0.8%
Insurance of crops, fruits and animals	0	0	0	0	0.0%
Other property insurance	2	2	2	6	2.4%
General liability insurance	0	0	0	0	0.0%
Professional liability insurance	3	2	3	8	3.2%
Other liability insurance	0	0	1	1	0.4%
Credit insurance	2	4	7	13	5.2%
Travel health insurance	2	2	1	5	2.0%
Other non-life insurance	2	0	2	4	1.6%
Non-life insurance	64	69	90	223	89.9%
Life insurance	5	5	4	14	5.6%
Supplemental life insurance	2	2	3	7	2.8%
Rent insurance	0	0	0	0	0%
Other	1	0	0	1	0.4%
Loan insurance	0	0	1	1	0%
Life insurance	8	7	8	23	9.3%
Companies in bankruptcy and liquidity	0	0	0	0	0%
Other	0	0	2	2	0.8%
Other	0	0	2	2	0.8%
TOTAL	72	76	100	248	100%

Source: National Bank of Serbia.

Number of complaints by type and outcome, January–March 2017

Type of complaints	Unfounded complaints	Founded complaints	In progress	Abandonment	Total
Life insurance	12	0	2	0	14
Supplemental life insurance	6	0	1	0	7
Rent insurance	0	0	0	0	0
Other	1	0	0	0	1
Loan insurance	0	0	0	0	0
Life insurance	19	0	3	0	22
Automobile liability	49	10	23	0	82
Full coverage motor vehicle insurance	11	1	1	0	13
Insurance of employees from injuries	19	1	2	0	22
Insurance of students from injuries	6	2	1	0	9
Other insurance from injuries	29	2	4	0	35
Voluntary health insurance	5	1	1	0	7
Property insurance against fire and other hazards	14	0	2	0	16
Property insurance against theft	0	0	2	0	2
Insurance of crops, fruits and animals	0	0	0	0	0
Other property insurance	5	0	1	0	6
General liability insurance	0	0	0	0	0
Professional liability insurance	6	2	0	0	8
Other liability insurance	1	0	0	0	1
Credit insurance	3	6	5	0	14
Travel health insurance	4	0	1	0	5
Other non-life insurance	2	0	2	0	4
Non-life insurance	154	25	45	0	224
Companies in bankruptcy and liquidity	0	0	0	0	0
Other	1	0	1	0	2
Other	1	0	1	0	2
TOTAL	174	25	49	0	248

Source: National Bank of Serbia.

In Q1 2017, the insured most often complained about the following:

- Amount and grounds for compensation offered under an MTPL insurance policy;
- Amount of compensation paid on account of non-material damages arising from MTPL insurance;
- Failure on the part of insurance providers to acknowledge the grounds for damage compensation claims solely on the basis of the European Accident Report or police records, or disagreement with the established percentages of shared responsibility, i.e. the contribution to the cause of the accident;
- Percentage of the established disability upon the occurrence of an insured event (accident insurance);
- Difficulties in exercising rights under a property insurance policy;
- Inability to exercise the right to a benefit based on a non-life or life insurance policy due to the exclusion clause in relation to the insurer's liability;
- Decision of an insurance undertaking denying a claim filed under compulsory professional liability insurance.

3.3 Other financial services providers

In the observed period there were no complaints against other financial institutions – financial leasing providers, voluntary pension fund (VPF) management companies, payment institutions, electronic money institutions and the public postal operator.

III MEDIATIONS

As the Law on the Protection of Financial Services Consumers has been amended by introducing the possibility to file a mediation request directly, without having to file a complaint first, this Report includes those mediation requests as well. There were 90 such requests in the observed period.

Of this number, 20 requests were accepted by financial institutions, 66 were denied and 4 are under way.

Although the mediation procedure is voluntary and free for both contracting parties, the large number of denied mediation requests is attributable to the fact that, sadly, financial institutions do not yet perceive the advantages of this manner of dispute resolution, namely that it is faster, less costly and more efficient than court procedures.

In the observed period, 22 mediations were scheduled and held, down by 19% relative to the same period a year earlier.

Number of mediations by type of the financial services provider, January–March 2017

Financial services provider	In progress	Settlement	Suspension	Abandonment	Total	in %
Banks	8	0	5	0	13	59.1%
Insurance undertakings	3	4	2	0	9	40.9%
Leasing providers	0	0	0	0	0	0%
VPF management companies	0	0	0	0	0	0%
TOTAL	11	4	7	0	22	100%

Source: National Bank of Serbia.

Of the total number of mediations, 11 were concluded, of which 36.4% ended in settlement.

The majority of mediations in Q1 2017 related to loans (27.3%), non-life insurance (22.7%) and payment transactions (18.2%).

IV CONSUMER INFORMATION AND EDUCATION

1 Consumer information

In Q1 2017, the Centre met 17 information requests from journalists – 12 statements released by phone and five replies to queries by print and electronic media (Radio Novi Sad, Politika, Alo, Vice, Laguna Radio).

During the reporting period and in cooperation with Radio Novi Sad, the Centre held weekly sessions within the “Business Compass” show, explaining to financial services consumers their rights regarding current account closure, financial services for pensioners, safety of investments in VPFs, enforced collection, foreclosure on collateral, late interest, out-of-court dispute settlement and resolution of issues pertaining to loan payment.

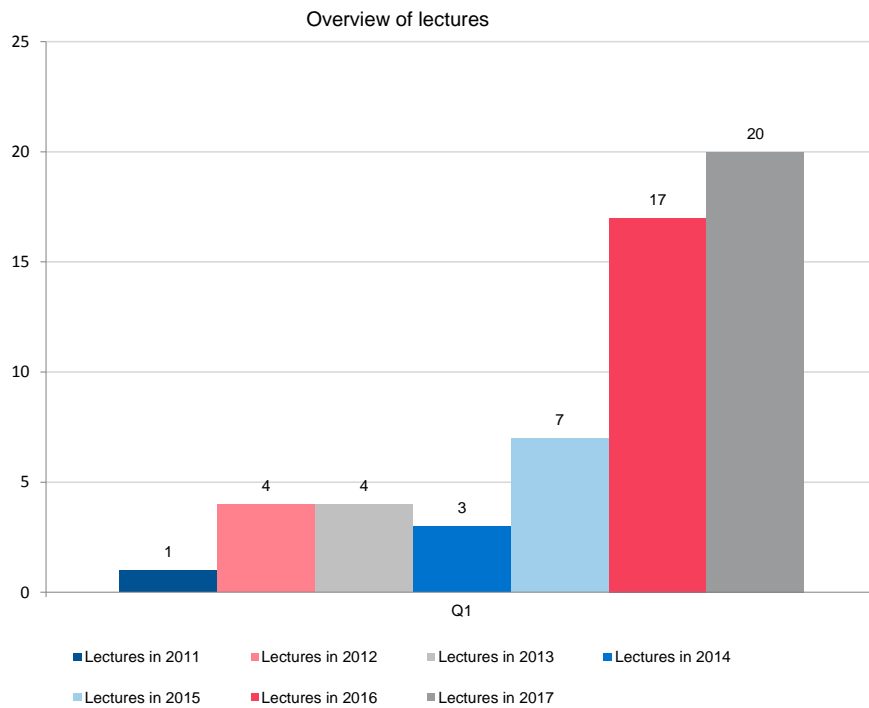
Having analysed consumer queries, the Centre published texts on financial services on www.tvojnovac.nbs.rs, a website for financial services consumers offering explanations of services they are insufficiently familiar with or which they do not fully understand.

2 Financial education

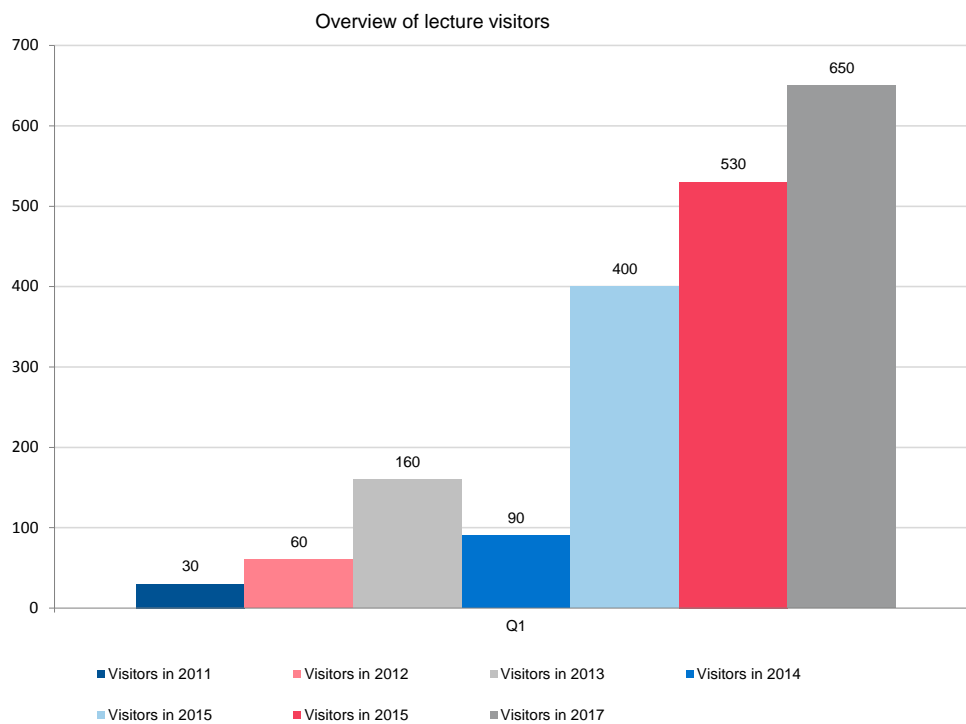
In order to better inform consumers and help them understand financial products and services, the Centre holds public lectures in cities and towns across Serbia.

2.1 Public lectures

In the first quarter of 2017, **20** public lectures were given covering various financial topics tailored to the needs of citizens, entrepreneurs, farmers and corporates. The goal was to make personal contact with a specific target group and share with them the information on financial products available in the Serbian market, as well as on the possibilities and manner of consumer protection.



The number of lectures delivered in this period was 18% higher than in the same period in 2016 and was the highest since 2011 when the NBS first launched activities to educate consumers through lectures.



Lectures were delivered to **650** consumers in all – citizens, students, farmers and entrepreneurs.

The number of people attending the lectures rose 23% relative to Q1 2016. In this period the Centre held two lectures intended for farmers and entrepreneurs, in accordance with the plan to introduce more target groups for public lectures.

The staff at the Centre – Unit for the Education of Financial Services Consumers and at educational offices within NBS branches organised and delivered lectures in 14 towns across Serbia: Novi Sad, Kragujevac, Bačka Topola, Čajetina, Kraljevo, Niš, Temerin, Belgrade, Požarevac, Apatin, Kosjerić, Bor, Sremski Karlovci and Novi Pazar.

A total of **42** presentations were held, covering topics selected on the basis of the interests of participants. Citizens and entrepreneurs were mostly interested in the following topics: rights of financial services consumers, student loans, savings, agricultural loans, agricultural insurance, housing loans and VPFs.

Educational materials about financial products and services were distributed during lectures and visits to financial education offices (in NBS branches), as well as through local government bodies. A total of **27,000** educational leaflets were distributed in the observed period.

2.2 Financial education offices

During the period under review, regional financial education offices received and responded to **440** queries by citizens.

The number of citizens that visited these offices dipped by 8% compared to Q1 2016.

Number of queries by financial services provider, January–March 2017

Financial services provider	Jan.	Feb.	Mar.	Total	in %
Banking	48	58	91	197	44.8%
Insurance	2	2	12	16	3.6%
Leasing	0	0	0	0	0.0%
Exchange office	4	2	0	6	1.4%
VPFs	0	0	1	1	0.2%
Other	56	75	89	220	50.0%
TOTAL	110	137	193	440	100%

Source: National Bank of Serbia

The majority of citizens' queries related to banking services (44.8%), notably loan repayment, saving deposits, Credit Bureau records, sureties, calculation of monthly loan instalments and current account closure.

3 Information Centre

In the period January–March 2017, the Information Centre responded to **3,857** calls and **289 electronic queries**, which made up a total of **4,146** queries to the Information Centre.

The number of calls in the observed period was slightly lower than in Q1 2016.

Number of queries by type of the financial services provider, January–March 2017

Field	Jan.	Feb.	Mar.	Total	In %
Banking services and leasing	315	376	499	1,190	31%
Insurance and VPF	64	69	102	235	6%
Exchange transactions	96	99	121	316	8%
Enforced collection	271	267	349	887	23%
Payment system	95	101	125	321	8%
Savings bills and frozen FX savings	20	50	95	165	4%
Exchange rate lists	188	157	196	541	14%
Other	63	57	82	202	5%
TOTAL	1,112	1,176	1,569	3,857	100%

Source: National Bank of Serbia

Bearing in mind the fact that the Information Centre is in fact the NBS's call centre, consumers mostly inquired about the terms of banking services, enforced collection and exchange rate lists, as well as about the ways in which they can protect their rights.

Electronic queries mostly related to consumer rights, enforced collection, treasury matters, as well as monetary policy operations.

