



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION AND EDUCATION

REPORT ON CONSUMER COMPLAINTS

JANUARY–SEPTEMBER 2018

November 2018

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1 Introduction

1.1 Acting on cases received

In the period January–September 2018, the National Bank of Serbia – Department for Financial Consumer Protection and Education (hereinafter: Department) actively provided assistance to financial service consumers (hereinafter: consumers) in the exercise of their rights, by acting on complaints against financial institutions, mediating in the peaceful resolution of disputes and informing and educating them.

From 1 January to 30 September 2018, the Department received 3,077 cases. They included 1,953 complaints, including early complaints, 261 mediation requests and 863 questions.

The complaints received were filed against insurance undertakings (58.6%), banks (41%), financial lessors (0.2%), payment institutions (0.1%), as well as voluntary pension fund (VPF) management companies (0.1%).

Table 1.1.1. Number of complaints
(1 January – 30 September 2018)

Financial services provider	Total	In %
Banks	603	41.0
Insurance undertakings	861	58.6
Leasing providers	3	0.2
VPF management companies	1	0.1
Payment institutions	2	0.1
TOTAL	1,470	100

Source: National Bank of Serbia

1.2 List of banks found non-compliant with certain provisions of the law governing the protection of financial service consumers

In accordance with Section 17 of the Decision Specifying the Manner of Handling Financial Services Consumer Complaints by Financial Services Providers and the National Bank of Serbia (RS Official Gazette, No 25/2015), the NBS publishes the list of banks found not to have complied with certain provisions of the law

governing the protection of financial service consumers in the period January–September 2018:

- Societe Generale Bank Srbija a.d. Beograd
- Addiko Bank a.d. Beograd
- Raiffeisen Bank a.d. Beograd
- AIK Banka a.d. Beograd
- NLB Bank a.d. Beograd
- OTP Bank a.d. Novi Sad
- Komercijalna banka a.d. Beograd
- Piraeus Bank a.d. Beograd
- Telenor Bank a.d. Beograd
- Direktna banka a.d. Kragujevac
- Sberbank Srbija a.d. Beograd
- UniCredit bank Srbija a.d. Beograd.

2 Early complaints and complaints

2.1 Early complaints

In the period January–September 2018, the Department acted upon 483 early complaints, which is lower than the average number of early complaints in the same period in the past 10 years.

The share of early complaints in the total number of complaints (24.7%) points to the fact that consumers largely continue to approach the NBS first, rather than address the relevant financial institution against which they are complaining. Namely, the established procedure requires consumers to first address the institution against which they are complaining, and only approach the NBS if the dispute is not resolved with the relevant institution.

The majority of these early complaints related to bank operations (81%).

2.2 Consumer complaints

The number of complaints against financial institutions received between 1 January and 30 September 2018 equalled 1,470, up by 11.2% y-o-y.

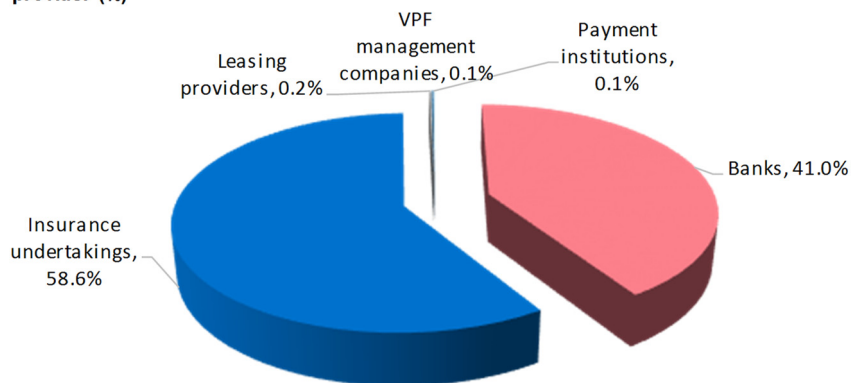
The complaints received were filed against insurance undertakings (58.6%), banks (41%), financial lessors (0.2%), payment institutions (0.1%), as well as VPF management companies (0.1%).

Table 2.2.1. Number of complaints
(1 January – 30 September 2018)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	603	388	121	6	88
Insurance undertakings	861	73	52	7	89
VPF management companies	1	1	0	0	0
Leasing providers	3	2	0	0	1
Payment institutions	2	0	0	0	2
Other	0	0	0	0	0
TOTAL	1,470	1,104	173	13	180

Source: National Bank of Serbia

Chart 2.2.1 Overview of complaints by type of financial services provider (%)



Source: National Bank of Serbia

2.2.1 Complaints against banks

The number of complaints against banks received between 1 January and 30 September 2018 equalled 603, up by 8.45% y-o-y.

2.2.1.1 Complaint number and grounds

The bulk of complaints against banks in the period between 1 January and 30 September 2018 related to loans (43.9%), payment accounts (30.8%) and payment cards (19.1%).

Table 2.2.1.1.1 Number of complaints by type (banks)
(1 January - 30 September 2018)

Type of complaints	Total	In %
Foreign currency savings	22	3.6
Dinar savings	1	0.2
Other	2	0.3
Deposit transactions	25	4.1
Cash loans	111	18.4
Other loans	51	8.5
Consumer loans	20	3.3
Housing loans	71	11.8
Entrepreneur loans	1	0.2
Agricultural loans	2	0.3
Refinancing loans	9	1.5
Loans	265	43.9
Debit cards	35	5.8
Credit cards	80	13.3
Payment cards	115	19.1
Escrow accounts	21	3.5
Payment transactions	21	3.5
Current accounts	144	23.9
Payment transactions	186	30.8
Exchange transactions	1	0.2
Other	11	1.8
Other	12	2.0
TOTAL	603	100.0

Source: National Bank of Serbia

Table 2.2.1.1.2 Number of complaints by type and outcome (banks)
(1 January - 30 September 2018)

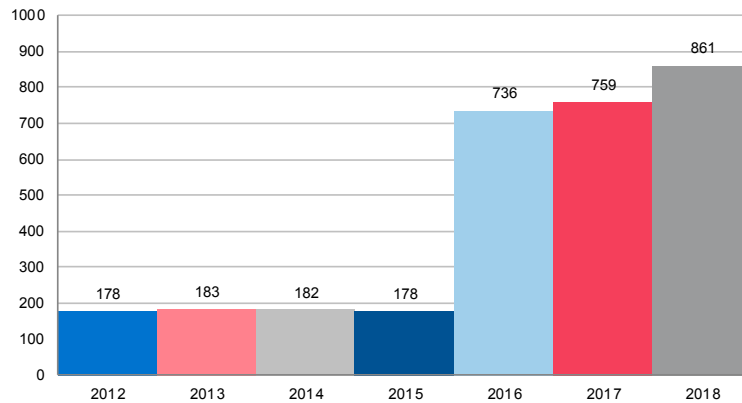
Type of complaints	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	22	19	2	0	1
Dinar savings	1	1	0	0	0
Other	2	1	0	0	1
Deposit transactions	25	21	2	0	2
Cash loans	111	75	18	3	15
Other loans	51	39	8	1	3
Consumer loans	20	13	5	0	2
Housing loans	71	43	12	2	14
Entrepreneur loans	1	1	0		0
Agricultural loans	2	1	0		1
Refinancing loans	9	6	3	0	0
Loans	265	178	46	6	35
Debit cards	35	22	5	0	8
Credit cards	80	48	22	0	10
Payment cards	115	70	27	0	18
Escrow accounts	21	11	4	0	6
Payment transactions	21	12	5	0	4
Current accounts	144	87	35	0	22
Payment transactions	186	110	44	0	32
Exchange transactions	1	1	0	0	0
Other	11	8	2	0	1
Other	12	9	2	0	1
TOTAL	603	388	121	6	88

Source: National Bank of Serbia

2.2.2 Complaints against insurance undertakings

The number of complaints against insurance undertakings received between 1 January and 30 September 2018 equalled 861, up by 13.44% y-o-y.

Chart 2.2.2.1 Overview of complaints relating to insurance undertakings – January–September by years



Source: NBS

2.2.2.1 Complaint number and grounds

The highest number of complaints against insurance undertakings received in January–September 2018 related to motor third party liability insurance (35%), and accident insurance (26.2%).

Table 2.2.2.1.1 Number of complaints by type (Insurance undertakings) (1 January - 30 September 2018)

Type of complaints	Total	In %
Automobile liability	301	35.0
Other liability insurance	6	0.7
Voluntary and Travel health insurance	44	5.1
Property insurance	60	7.0
Full coverage motor vehicle insurance	43	5.0
Insurance from injuries	226	26.2
Credit insurance	26	3.0
Liability insurance	45	5.2
Other	35	4.1
Non-life insurance	786	91.3
Life insurance	37	4.3
Supplemental life insurance	20	2.3
Other	4	0.5
Annuities insurance	2	0.2
Life insurance	63	7.3
Undertakings in bankruptcy	1	0.1
Other	11	1.3
Other	12	1.4
TOTAL	861	100.0

Source: National Bank of Serbia

2.2.3 Other financial services providers

In the period from 1 January to 30 September 2018, the Department received three complaints against financial lessors, one complaint against VPF management companies and two against payment institutions.

3 Mediations

From 1 January to 30 September 2018, the Department received 261 mediation requests. Of this number, 81 requests were accepted by financial institutions, 173 were denied, six are under way and one was abandoned by consumers.

In the first three quarters of 2018, 69 mediations were held, which is 39% more than in the same period last year. Of this number, 54.7% of mediations related to insurance undertakings, 44.2% to banks, and 1.2% of held mediations related to financial lessors.

Table 3.1 Number of mediations
(1 January – 30 September 2018)

Financial services provider	In progress	Settlement	Suspension	Abandonment	Total	in %
Banks	6	14	13	5	38	44.2
Insurance undertakings	10	11	21	5	47	54.7
Leasing providers	1	0	0	0	1	1.2
VPF management companies	0	0	0	0	0	0.0
TOTAL	17	25	34	10	86	100.0

Source: National Bank of Serbia

Of the total number of held mediations (69), 25 cases ended in settlement between the financial institution and the consumer (36.2%).

The majority of mediation cases in the observed period were in relation to: motor third party liability insurance (42.6%) in the case of insurance undertakings, and disputable relations concerning loans (36.8%) and payment cards (21.1%) in the case of banks.