

**FINANCIAL SERVICES CONSUMER PROTECTION  
AND MARKET SUPERVISION**

**JANUARY – JUNE 2009**

## I. INTRODUCTION

From 1 January through 30 June 2009, the Centre for Financial Services Consumer Protection and Market Supervision received:

- **408 complaints** regarding operations of financial institutions,
- **284 early complaints**,
- **296 queries**, and
- **14,598 telephone calls** via Call Centre.

In the same period **28 mediations** were scheduled.

## II. CONSUMER COMPLAINTS AND EARLY COMPLAINTS

In the period under review, the Centre for Financial Services Consumer Protection and Market Supervision received **692 complaints and early complaints** regarding the operations of financial institutions. Of the total, 41% were early complaints, and all were referred to financial institutions for further handling.

Overview of complaints and early complaints by financial services provider,  
January-June 2009

Financial services provider	Complaints	Early complaints	Total	in %
Banks	334	264	<b>598</b>	<b>86.4%</b>
Insurance companies	60	12	<b>72</b>	<b>10.4%</b>
Leasing providers	13	4	<b>17</b>	<b>2.5%</b>
VPF management companies	1	0	<b>1</b>	<b>0.1%</b>
Exchange offices	0	3	<b>3</b>	<b>0.4%</b>
Other	0	1	<b>1</b>	<b>0.1%</b>
<b>TOTAL</b>	<b>408</b>	<b>284</b>	<b>692</b>	<b>100%</b>

Source: National Bank of Serbia.

### 1. Consumer complaints

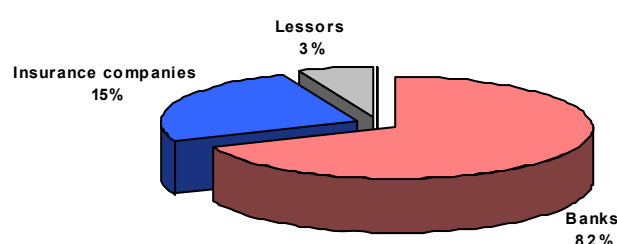
From 1 January through 30 June 2009, the Centre for Financial Services Consumer Protection and Market Supervision received **408 complaints** regarding the operations of financial institutions, which is two times more than in the same period of 2007 and 2008. The number of complaints doubled as a result of increased number of complaints regarding the operations of banks (82% of the total).

Number of complaints by financial services provider, January-June 2009

Financial services provider	Q1	Q2	Q3	Q4	Total	in %
Banks	121	213	0	0	334	82%
Insurance companies	27	33	0	0	60	15%
Lessors	7	6	0	0	13	3%
VPF management companies	0	1	0	0	1	0%
Exchange offices	0	0	0	0	0	0%
<b>TOTAL</b>	<b>155</b>	<b>253</b>	<b>0</b>	<b>0</b>	<b>408</b>	<b>100%</b>

Source: National Bank of Serbia.

Complaints by type of financial services provider, January-June 2009



Of all complaints received, **63%** were **processed** – **37%** were assessed as **founded** and **63%** as **unfounded**.

Overview of complaints by financial services provider, January-June 2009

Financial services provider	Unfounded complaints	Unfounded complaints - denied	Unfounded complaints - granted	Founded complaints	Founded complaints - denied	Founded complaints - granted	In progress	Total
Banks	116	114	2	82	51	31	136	334
Insurance companies	32	32	0	12	7	5	16	60
Leasing providers	11	11	0	1	1	0	1	13
VPF management companies	1	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>160</b>	<b>158</b>	<b>2</b>	<b>95</b>	<b>59</b>	<b>36</b>	<b>153</b>	<b>408</b>
<b>TOTAL in %</b>	<b>39%</b>			<b>23%</b>			<b>38%</b>	<b>100%</b>

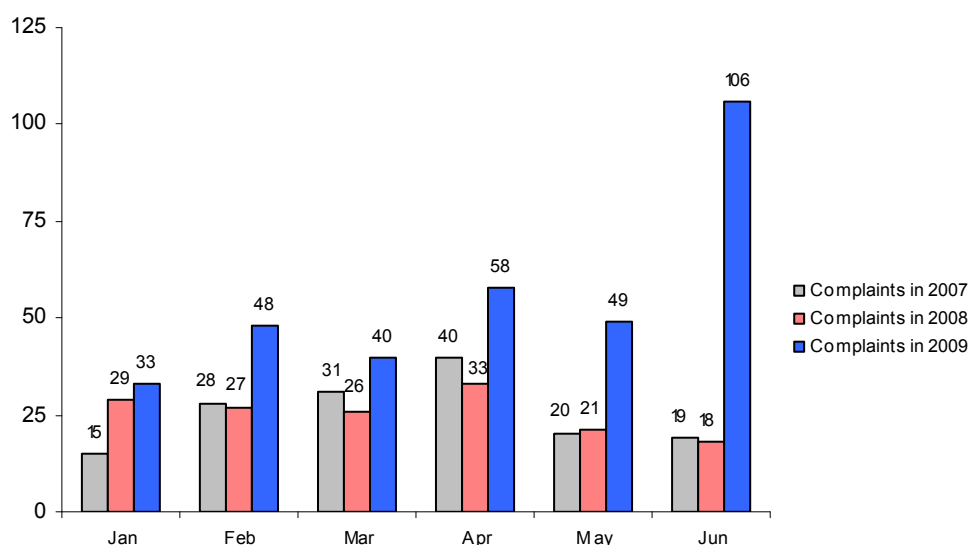
Source: National Bank of Serbia.

Of all founded complaints, **38%** were **granted**.

### 1.1. Banks

The number of complaints received against banks (334) doubled on the same period a year earlier.

June saw 2.3 times more complaints than the first five months of the year taken together or as much as 6 times more than June last year primarily as a result of increased number of complaints regarding interest rate hike on loans in repayment status.



Of all complaints against banks, **59%** were **processed** - **41%** were assessed as **founded** and **59%** as **unfounded**.

Of the total of founded complaints, **38%** were **granted**.

The majority of complaints received by the Centre related to loans (61%), payment cards (14%) and current accounts (12%).

**Overview of complaints by type, January-June 2009**

Complaints relating to	Q1	Q2	Q3	Q4	Total	in %
Foreign currency savings	7	10	0	0	17	5.1%
Dinar savings	2	1	0	0	3	0.9%
Other	2	0	0	0	2	0.6%
<b>Deposit transactions</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>6.6%</b>
Cash loans	20	22	0	0	42	13%
Other loans	8	29	0	0	37	11.1%
Consumer loans	11	19	0	0	30	9.0%
Housing loans	28	67	0	0	95	28.4%
<b>Loans</b>	<b>67</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>204</b>	<b>61.1%</b>
Debit cards	8	5	0	0	13	3.9%
Credit cards	15	20	0	0	35	10.5%
<b>Payment cards</b>	<b>23</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>14.4%</b>
Escrow accounts	0	0	0	0	0	0%
Payment transactions	2	11	0	0	13	3.9%
Current accounts	14	25	0	0	39	11.7%
<b>Payment transactions</b>	<b>16</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>15.6%</b>
Exchange transactions	1	0	0	0	1	0.3%
Other	3	4	0	0	7	2.1%
<b>Other</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>2.4%</b>
<b>TOTAL</b>	<b>121</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>334</b>	<b>100%</b>

Source: National Bank of Serbia.

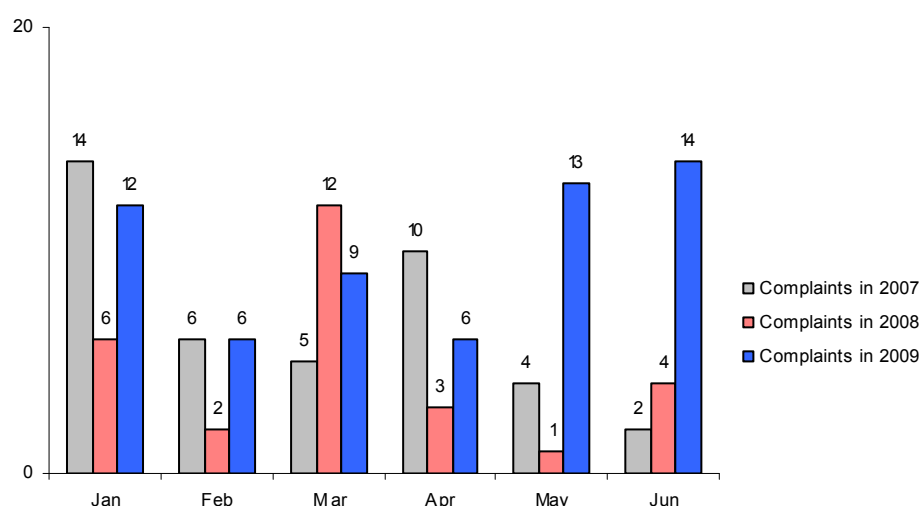
Consumers mostly complained about:

- higher interest rates (margins) charged on concluded housing loan contracts,
- contracted payment of fee for capital loss arising from revaluation,
- ATM cash withdrawals,
- untimely notification on debt accrued under account management fee.

Of all complaints received by the Centre in H1 2009, 48% were made in respect of operations of 5 banks, of which 17% in respect of a single bank.

### 1.2. Insurance companies

From 1 January to 30 June 2009, the Consumer Protection Centre received 60 complaints against insurance companies, which is two times more than in the same period a year earlier.



Of all complaints against insurance companies, **73%** were processed - **27%** were assessed as **founded** and **73%** as **unfounded**.

The majority of complaints received in the period under review related to automobile liability (37%), accident (32%) and life insurance (13%).

### 1.3. Financial leasing providers

From the beginning of the year, the Centre received **13 complaints** against financial lessors, most of which relating to change in interest rate (38%).

## 2. Early complaints

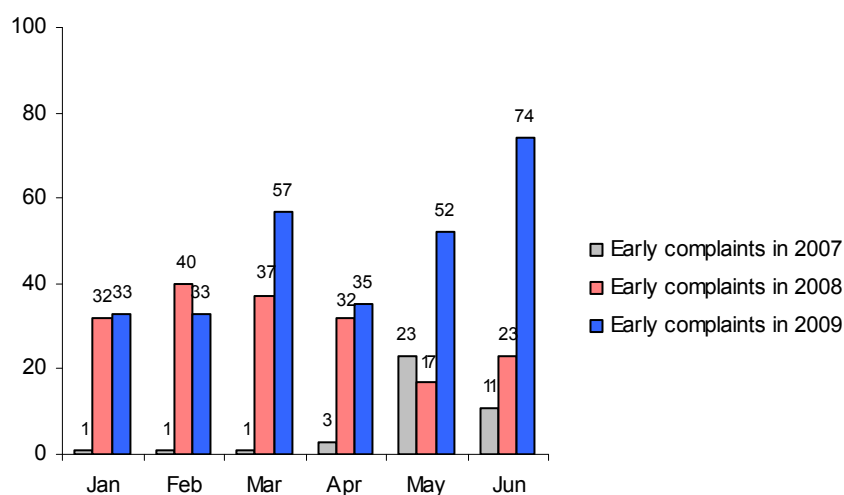
From 1 January to 30 June 2009, the Centre received **284 early complaints**, i.e. complaints sent directly to the complaints team of the Centre instead of being first addressed to the complaints team of a relevant financial institution. In line with the complaints procedure, the National Bank of Serbia forwarded all these complaints to relevant financial institutions.

Number of early complaints by financial services provider, January-June 2009

Financial services providers	Jan	Feb	Mar	Apr	May	Jun	Total	in %
Banks	28	32	53	30	48	73	<b>264</b>	<b>93%</b>
Insurance companies	3	0	1	4	3	1	<b>12</b>	<b>4.2%</b>
Lessors	0	0	2	1	1	0	<b>4</b>	<b>1.4%</b>
Exchange offices	2	0	1	0	0	0	<b>3</b>	<b>1.1%</b>
Other	0	1	0	0	0	0	<b>1</b>	<b>0.4%</b>
<b>TOTAL</b>	<b>33</b>	<b>33</b>	<b>57</b>	<b>35</b>	<b>52</b>	<b>74</b>	<b>284</b>	<b>100%</b>

Source: National Bank of Serbia.

The number of early complaints is 57% higher than in the corresponding period a year earlier.



The majority of early complaints (93%) referred to operations of banks, of which 56% were in relation to loans, 23% to payment transactions and 10% to payment cards.

Overview of early complaints by type, January-June 2009

Complaints relating to	Q1	Q2	Q3	Q4	Total	in %
Foreign currency savings	6	10	0	0	16	6%
Dinar savings	2	1	0	0	3	1%
Other	1	1	0	0	2	1%
<b>Deposit transactions</b>	<b>9</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>8%</b>
Cash loans	17	15	0	0	32	12%
Other loans	13	20	0	0	33	13%
Consumer loans	10	16	0	0	26	10%
Housing loans	11	45	0	0	56	21%
<b>Loans</b>	<b>51</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>147</b>	<b>56%</b>
Debit cards	6	0	0	0	6	2%
Credit cards	10	10	0	0	20	8%
<b>Payment cards</b>	<b>16</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>10%</b>
Escrow accounts	1	3	0	0	4	1.5%
Payment transactions	8	5	0	0	13	4.9%
Current accounts	23	22	0	0	45	17%
<b>Payment transactions</b>	<b>32</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>62</b>	<b>23%</b>
Exchange transactions	2	0	0	0	2	1%
Bonds	0	0	0	0	0	0%
Other	3	3	0	0	6	2%
<b>Other</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>3%</b>
<b>TOTAL</b>	<b>113</b>	<b>151</b>	<b>0</b>	<b>0</b>	<b>264</b>	<b>100%</b>

Source: National Bank of Serbia.

### III. MEDIATION

From 1 January to 30 June 2009, **28 mediations** were scheduled, of which 8 were suspended, 4 ended in settlement and 10 are still in progress.

Mediation was abandoned in 6 cases.

Mediations by financial services provider, January-June 2009

Financial services providers	In progress	Settlement	Suspension	Abandonment	Total	in %
Banks	7	3	6	1	17	61%
Insurance companies	1	0	2	5	8	29%
Lessors	1	1	0	0	2	7%
VPF management companies	1	0	0	0	1	4%
<b>TOTAL</b>	<b>10</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>28</b>	<b>100%</b>

Source: National Bank of Serbia.

Majority of mediations were based on complaints regarding loans (39%), automobile liability (21%), and deposit transactions (14%).

Mediations by type of complaint, January-June 2009

Financial services providers	Complaint relating to	Q1	Q2	Total	in %
<b>BANKS</b>	Fx savings	1	1	2	7%
	Other	2	0	2	7%
	<b>Deposit transactions</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>14%</b>
	Cash loans	1	0	1	4%
	Other loans	2	1	3	11%
	Consumer loans	0	1	1	4%
	Housing loans	3	3	6	21%
	<b>Loans</b>	<b>6</b>	<b>5</b>	<b>11</b>	<b>39%</b>
	<b>Payment cards</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>7%</b>
	<b>Payment transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>
<b>BANKS Total</b>		<b>10</b>	<b>7</b>	<b>17</b>	<b>60.7%</b>
<b>INSUR. COMPANIES</b>	Automobile liability	5	1	6	21%
	Accident insurance	0	1	1	4%
	<b>Non-life insurance</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>25%</b>
	<b>Life insurance</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>4%</b>
<b>INSUR.COMPANIES Total</b>		<b>6</b>	<b>2</b>	<b>8</b>	<b>28.6%</b>
<b>LESSORS</b>	Contract provisions	0	1	1	4%
	Final settlement	0	0	0	0%
<b>LESSORS Total</b>		<b>0</b>	<b>2</b>	<b>2</b>	<b>7.1%</b>
<b>VPF</b>	Transfer and payment of funds	0	1	1	4%
<b>VPF Total</b>		<b>0</b>	<b>1</b>	<b>1</b>	<b>3.6%</b>
<b>TOTAL</b>		<b>16</b>	<b>12</b>	<b>28</b>	<b>100%</b>

Source: National Bank of Serbia.

## IV. CONSUMER INFORMATION AND EDUCATION

### 1. Consumer information

#### 1.1. Consumer queries

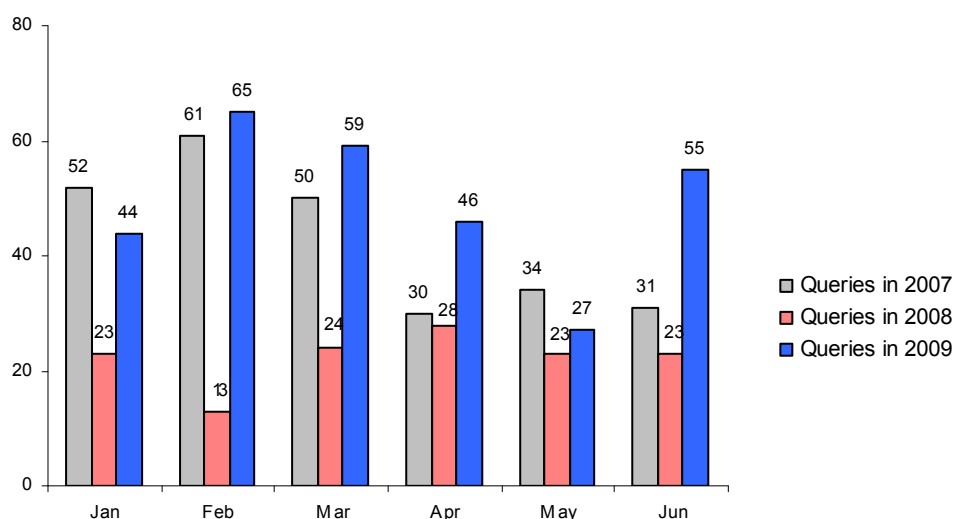
From 1 January to 30 June 2009, the Centre received **296 queries** regarding financial products and services and consumer rights, which is two times more than in the same period a year earlier.

Number of queries by financial services provider, January-June 2009

Financial services providers	Jan	Feb	Mar	Apr	May	Jun	Total	in %
Banks	29	43	50	37	19	45	223	75.3%
Insurance companies	10	4	3	1	3	4	25	8.4%
Lessors	0	2	1	3	0	1	7	2.4%
VPF management companies	0	0					0	0.0%
Exchange offices	2	3	0	1	0	0	6	2%
Other	3	13	5	4	5	5	35	11.8%
<b>TOTAL</b>	<b>44</b>	<b>65</b>	<b>59</b>	<b>46</b>	<b>27</b>	<b>55</b>	<b>296</b>	<b>100%</b>

Source: National Bank of Serbia.





The largest number of queries (75%) was regarding bank products and banking services - loans (54%), payment transactions (15%) and deposit operations (10%).

**Overview of queries by type, January-June 2009**

Queries relating to	Q1	Q2	Total	in %
Foreign currency savings	11	3	14	6.3%
Dinar savings	0	1	1	0.4%
Other	7	0	7	3.1%
<b>Deposit transactions</b>	<b>18</b>	<b>4</b>	<b>22</b>	<b>9.9%</b>
Cash loans	3	8	11	4.9%
Other loans	17	14	31	13.9%
Consumer loans	12	9	21	9.4%
Housing loans	28	29	57	25.6%
<b>Loans</b>	<b>60</b>	<b>60</b>	<b>120</b>	<b>53.8%</b>
Debit cards	1	0	1	0.4%
Credit cards	7	4	11	4.9%
<b>Payment cards</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>5.4%</b>
Escrow accounts	0	0	0	0%
Payment transactions	5	4	9	4%
Current accounts	13	11	24	10.8%
<b>Payment transactions</b>	<b>18</b>	<b>15</b>	<b>33</b>	<b>14.8%</b>
Exchange transactions	4	3	7	3.1%
Other	14	15	29	13%
<b>Other</b>	<b>18</b>	<b>18</b>	<b>36</b>	<b>16.1%</b>
<b>TOTAL</b>	<b>122</b>	<b>101</b>	<b>223</b>	<b>100%</b>

Source: National Bank of Serbia.

## 1.2. Calls received by the Call Centre

The Call Centre received **14,598 calls** in the period under review.

Calls received by the Call Centre, January-June 2009

Area	Jan	Feb	Mar	Apr	May	Jun	Total	in %
Banking services	498	598	607	514	509	762	<b>3,488</b>	<b>24%</b>
Insurance	61	44	68	154	131	74	<b>532</b>	<b>4%</b>
Exchange transactions	194	269	247	201	208	273	<b>1,392</b>	<b>10%</b>
Savings bills	4	43	14	9	5	4	<b>79</b>	<b>1%</b>
Frozen fx savings	27	35	40	41	55	67	<b>265</b>	<b>2%</b>
Exchange rate lists	645	713	702	642	545	578	<b>3,825</b>	<b>26%</b>
Other	538	1,693	1,321	536	427	423	<b>4,938</b>	<b>34%</b>
<b>Total</b>	<b>1,982</b>	<b>3,421</b>	<b>3,015</b>	<b>2,108</b>	<b>1,885</b>	<b>2,187</b>	<b>14,598</b>	<b>100%</b>

Source: National Bank of Serbia.

Excluding service information, these calls mainly referred to banking services, exchange transactions and insurance.

The Centre also received **552 queries** in electronic format regarding the exchange rate, frozen foreign currency savings deposits, enforcement of claims, payment transactions and various service information.

## 2. Consumer financial education

From 5 January to 30 June 2009, regional financial education offices in NBS branches were visited by 579 citizens.

Overview of queries by area, 5 January-30 June 2009

Area	Jan	Feb	Mar	Apr	May	Jun	Total	in %
Banking	42	47	39	45	49	68	<b>290</b>	<b>50.1%</b>
Insurance	2	4	4	4	1	3	<b>18</b>	<b>3.1%</b>
Leasing	2	1	2	1	0	0	<b>6</b>	<b>1%</b>
Exchange transactions	9	7	6	1	12	3	<b>38</b>	<b>6.6%</b>
Pensions	0	1	1	0	1	1	<b>4</b>	<b>0.7%</b>
Other	19	85	54	25	19	21	<b>223</b>	<b>38.5%</b>
<b>TOTAL</b>	<b>74</b>	<b>145</b>	<b>106</b>	<b>76</b>	<b>82</b>	<b>96</b>	<b>579</b>	<b>100%</b>

Source: National Bank of Serbia.

Most of their questions related to banking products and services (50%) and exchange transactions (7%).

The citizens also wanted to find out about the complaints procedure itself, and used the office computers to download information from the NBS and other financial institutions' websites.