



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**INFORMATION ABOUT COMPLAINTS
AGAINST FINANCIAL SERVICE PROVIDERS**

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1 Protection of financial service consumers

Financial service providers against which complaints can be filed

In a procedure prescribed by the Law on the Protection of Financial Service Consumers and the decision governing the procedure for the protection of rights and interests of financial service consumers, the NBS acts upon complaints filed by consumers of financial services provided by:

- banks,
- financial lessors,
- payment service providers,
- electronic money issuers.

What is a complaint?

A complaint is a written statement addressed to a financial service provider by consumers of financial services, expressing their dissatisfaction with financial services, indicating that their rights or interests have been violated and suggesting that the financial service provider is not observing the laws, other regulations, general terms of business, provisions of a concluded contract or good business practices.

How to file a complaint to a financial service provider?

A complaint to a financial service provider is filed in writing, by filling in the form on the website of the provider, by e-mail, by mail, or in the provider's business premises.

Deadline for filing a complaint to a financial service provider

A financial service and/or payment service consumer (including a legal entity) may file a complaint against a financial service provider within three years from the day of the violation of their rights or legal interests. A legal entity using bank services on the basis of a loan contract, deposit contract, contract on a safe deposit box and contract

on foreign exchange, foreign currency and exchange transactions, contract on issuing guarantees, sureties and other types of warranties (guarantee operations), as well as other services rendered by banks in accordance with law (except payment services within the meaning of the law governing payment services), may file a complaint against the bank within 60 days from having learnt that their right or legal interest have been breached, and not later than three years from the day of the breach.

Deadline for financial service provider's reply

A financial service provider is required to consider the complaint and reply to the consumer in writing in a clear and understandable way, within 15 days (only exceptionally this deadline may be extended by further 15 days, but the financial service provider must notify the consumer thereof before the expiry of the first deadline).

The financial service provider has to state whether the complaint is founded, and if so, whether the reasons for the complaint have been removed, i.e. it has to commit to eliminating the irregularities and specify in the reply the method and the deadline for doing so.

Complaint procedure is free of charge

A financial service provider may not charge the consumer any fees or any other amount in respect of the costs of complaint handling.

How to file a complaint to the NBS?

If a consumer is dissatisfied with the financial service provider's reply to the complaint or if the reply was not sent within the deadline, the consumer may address the National Bank of Serbia (NBS).

The fastest and easiest way to file a complaint to the NBS is by filling in the appropriate e-form on the NBS website: <https://nbs.rs/en/ciljevi>

i-funkcije/zastita-korisnika/prigovor/index.html. In a few steps, this form guides the consumer through all the mandatory information and documents to be submitted, so that the complaint can be handled.

The complaint can also be sent by mail to the following address: National Bank of Serbia, PO Box 712, 11 000 Belgrade

In terms of legal entities' complaints against banks, in line with regulations the NBS may consider only those complaints that relate to payment service provision.

Mandatory elements of the complaint

Filling in the appropriate e-form on the NBS website, a consumer is guided through all the necessary elements of a complaint so that the NBS can act upon it.

If the consumer does not wish to fill in the form, the complaint must contain the following:

- information which enables consumer identification (name, surname and address, or business name, head office, registration number and name and surname of the legal representative for legal entities) and financial service provider identification (business name and head office);
- complaint sent to the financial service provider;
- reply of the financial service provider (if any);
- brief description of the reasons for the complaint, i.e. what is demanded in the complaint;
- other documents based on which the allegations in the complaint can be assessed;
- if submitted by a proxy, the complaint should be accompanied with a special power of attorney in line with the decision governing the complaint procedure.

Deadline for filing a complaint to the NBS

The consumer should file a complaint to the NBS within six months from the receipt of the reply from the financial service provider or from the expiry of the deadline for the reply.

Cases where the NBS may not consider complaints

In addition to other reasons stipulated in regulations, we particularly emphasise that the NBS may not consider a complaint filed after the court proceedings had been initiated, i.e. when the subject of the complaint is the subject of the ongoing (or past) dispute. Also, the NBS may not resolve a dispute where the establishment of facts requires presentation of evidence, client/witness hearing, court expert analysis, inspection, etc.

Deadline for the NBS to address complaints

The NBS is required to send the reply to a consumer complaint by no later than three months following the day of its receipt. In more complex cases, the deadline can be extended by three more months at most, but in that case the NBS is required to notify the consumer thereof before the expiry of the first deadline.

NBS complaint procedure is free of charge

The NBS does not charge the consumer any fees or any other amount in respect of the costs of complaint handling. If the consumer hires a lawyer, he will bear the costs himself (when the complaint is founded, too) as the NBS does not set the costs in this procedure.

How to submit a mediation proposal to the NBS?

A dispute between a consumer and a financial service provider may be resolved in an out-of-court procedure, i.e. mediation procedure, with the consent of both parties. Mediation by the NBS may be initiated only if court proceedings have not started.

The fastest and easiest way to submit a mediation proposal to the NBS is by filling in the appropriate

e-form on the NBS website: <https://nbs.rs/en/ciljevi-i-funkcije/zastita-korisnika/prigovor/index.html>. In a few steps, this form guides the consumer through all the mandatory information and documents to be submitted, so that the mediation proposal can be addressed. It should be noted that the NBS acts upon mediation proposals immediately.

Mediation proposals can also be sent by mail to the following address: National Bank of Serbia, PO Box 712, 11 000 Belgrade.

In terms of legal entities' mediation proposals concerning banks, in line with regulations the NBS may consider only those proposals that relate to banks' provision of payment services.

Mediation

Mediation may be initiated if court proceedings have not begun and if the consumer had filed a complaint to the financial service provider.

Mediation is conducted by NBS staff qualified to act as mediators.

The NBS does not charge any fees for carrying out the mediation procedure, while any costs that may arise during the mediation procedure are borne by the parties (travel and accommodation costs, representation costs, unpaid leave from work, etc.).

Each party may decide to withdraw from the mediation procedure at any stage. The mediation procedure is confidential and urgent.

If parties come to an understanding in the mediation procedure, a written agreement is made. The agreement will have the power of an enforceable document if it contains a statement of the debtor on the acceptance of enforcement following maturity of a certain liability or fulfilment of a certain condition (enforceability clause), as well as signatures of the parties to the agreement and the NBS's confirmation of enforceability.

Advantages of the protection of consumers' rights before the NBS

The procedure for the protection of consumers' rights before the NBS is entirely free of charge, i.e. neither a financial service provider nor the NBS may charge any fees or any other amount in respect of the costs of complaint/mediation proposal handling. In addition, consumers have the possibility to resolve a dispute before the NBS without initiating costly court proceedings which last considerably longer.

Complaint handling or mediation procedure by the NBS is not a necessary condition for court proceedings nor is it an obstacle to initiating one.

2 Imposing measures and/or fines

In complaint procedures, the NBS adopts decisions whereby it orders elimination of irregularities and/or imposes fines on banks found not to have complied with certain provisions of the law governing the protection of financial service consumers.

In addition to these decisions, the NBS prepares reports on established irregularities, based on which banks can eliminate irregularities during the procedure.

Furthermore, on-site and off-site bank supervision aimed at consumer protection provide for prompt elimination of established systemic irregularities by banks, frequently leading to specific material benefits for a significant number of consumers and long-term improvement of their position.

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

List of banks found non-compliant with certain provisions of the law governing the protection of financial service consumers in the period January-September 2021:

- *Opportunity banka a.d. Novi Sad*
- *OTP banka Srbija a.d. Novi Sad*
- *Sberbank a.d. Beograd*
- *UniCredit bank Srbija a.d. Beograd*
- *Erste Bank a.d. Novi Sad*
- *Komercijalna banka a.d. Beograd*
- *Direktna banka a.d. Kragujevac.*

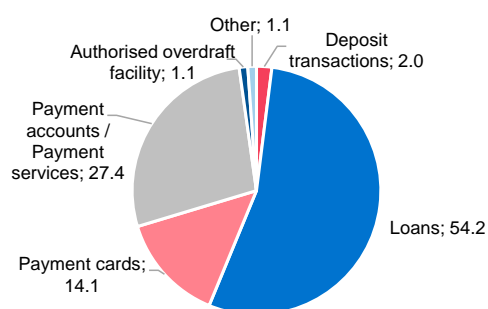
4 Complaints against banks

From January until September 2021, 1,254 complaints against banks were resolved.

4.1 Complaint number and grounds (banks)

In the observed period, the majority of complaints against banks concerned loans (54.2%), payment accounts/services (27.4%), and payment cards (14.1%).

Chart - Number of complaints by type (banks) (%)



Source: National Bank of Serbia.

Table – Number of complaints by type (banks)
(1. 1 – 30. 9. 2021)

Type of complaints	Total	In %
Foreign currency savings	18	1.4
Dinar savings	7	0.6
Other	0	0.0
Deposit transactions	25	2.0
Cash loans	302	24.1
Other loans	158	12.6
Consumer loans	52	4.1
Housing loans	119	9.5
Entrepreneur loans	2	0.2
Agricultural loans	3	0.2
Refinancing loans	44	3.5
Loans	680	54.2
Debit cards	63	5.0
Credit cards	114	9.1
Payment cards	177	14.1
Payment accounts/Payment services	344	27.4
Authorised overdraft facility	14	1.1
Other	14	1.1
TOTAL	1,254	100.0

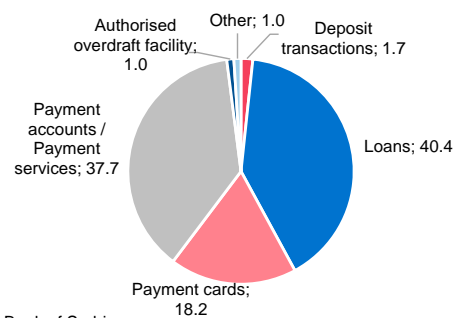
Source: National Bank of Serbia.

Table - Number of complaints by type and outcome (banks)
(1. 1. - 30. 9. 2021.)

Type of complaints	Total	Unfounded complaints	Founded complaints
Foreign currency savings	18	15	3
Dinar savings	7	5	2
Other	0	0	0
Deposit transactions	25	20	5
Cash loans	302	236	66
Other loans	158	148	10
Consumer loans	52	45	7
Housing loans	119	88	31
Entrepreneur loans	2	2	0
Agricultural loans	3	2	1
Refinancing loans	44	39	5
Loans	680	560	120
Debit cards	63	42	21
Credit cards	114	81	33
Payment cards	177	123	54
Payment accounts/Payment services	344	232	112
Authorised overdraft facility	14	11	3
Other	14	11	3
TOTAL	1,254	957	297

Source: National Bank of Serbia.

Chart - Number of founded complaints by type (banks)
(%)



Source: National Bank of Serbia.

5 Mediations

From 1 January to 30 September 2021, the Department received 25 mediation proposals, and the parties accepted 11.

In the observed period, 13 mediation procedures were conducted to resolve disputable relations between consumers and banks.

Table - Number of mediations (banks)
(1 January – 30 September 2021)

In progress	3
Settlement	1
Amicable dispute resolution	1
Suspension	5
Abandonment	3
Total	13

Source: National Bank of Serbia.

Of the total number of mediations held (10), one case ended in settlement between the bank and the consumer and one in amicable resolution of the dispute after the mediation by the NBS.

6 Complaints against other financial service providers

In the period observed, six complaints against financial leasing providers were resolved, three against payment institutions and one complaint against an e-money institution.