



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**REPORT ON CONSUMER COMPLAINTS
JANUARY–DECEMBER 2018**

February 2019

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1 Introduction

1.1 Acting on Cases Received

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

From 1 January to 31 December 2018, the Department received 4,083 cases. They included 2,594 complaints (including early complaints), 341 mediation requests and 1,148 questions.

The complaints received were filed against insurance undertakings (60.8%), banks (38.8%), financial lessors (0.2%), payment institutions (0.2%), voluntary pension fund management companies (0.1%) and other (0.1%).

Table 1.1.1 Number of complaints
(1. 1. – 31. 12. 2018)

Financial services provider	Total	In %
Banks	753	38.8
Insurance undertakings	1,178	60.8
Leasing providers	3	0.2
VPF management companies	1	0.1
Payment institutions	3	0.2
Мењачнице	1	0.1
TOTAL	1,939	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 services 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 services consumers in the period January–December 2018:

- Societe Generale Bank Srbija a.d. Beograd
- Addiko Bank a.d. Beograd
- NLB Bank a.d. Beograd
- Raiffeisen Bank a.d. Beograd
- AIK Banka a.d. Beograd

- UniCredit bank Srbija a.d. Beograd
- Erste Bank a.d. Novi Sad
- 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.

2 Early complaints and complaints

2.1 Early complaints

In the period January–December 2018, the Department acted upon 655 early complaints, which is somewhat lower than the average number of early complaints in the past 10 years.

The share of early complaints in the total number of complaints (25.3%) 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 (84%).

2.2 Consumer complaints

The number of complaints against financial institutions received between 1 January and 31 December 2018 equalled 1,939, up by 9.73% y-o-y.

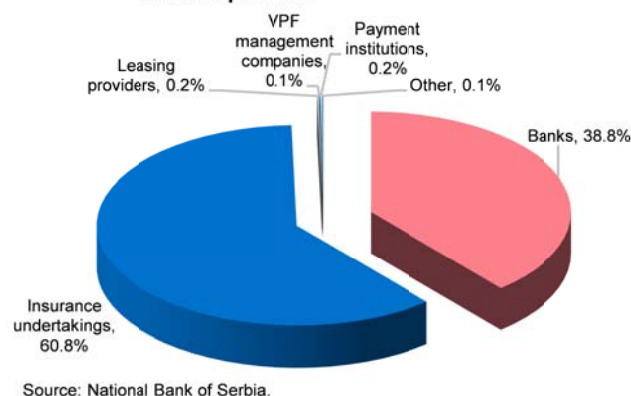
Of this number, 60.8% pertained to insurance undertakings, 38.8% to banks, 0.2% to financial lessors and payments institutions each and 0.1% to VPF management companies and other.

Table 2.2.1. **Number of complaints**
(1. 1 – 31. 12. 2018)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	753	499	151	7	96
Insurance undertakings	1178	945	67	19	147
VPF management companies	1	1	0	0	0
Leasing providers	3	3	0	0	0
Payment institutions	3	1	2	0	0
Other	1	0	0	0	1
TOTAL	1,939	1,449	220	26	244

Source: National Bank of Serbia.

Chart 2.2.1. Overview of complaints by type of financial services provider



2.2.1 Complaints against banks

The number of complaints against banks received between January and December 2018 equalled 753, up by 1.35% y-o-y.

2.2.1.1 Complaint number and grounds

The bulk of complaints against banks in the period between 1 January and 31 December 2018 related to loans (44.5%), payment accounts (30.1%) and payment cards (19.5%).

Table 2.2.1.1.1. Number of complaints by type (banks)
(1. 1 - 31. 12. 2018)

Type of complaints	Total	In %
Foreign currency savings	24	3.2
Dinar savings	2	0.3
Other	3	0.4
Deposit transactions	29	3.9
Cash loans	140	18.6
Other loans	63	8.4
Consumer loans	29	3.9
Housing loans	87	11.6
Entrepreneur loans	1	0.1
Agricultural loans	2	0.3
Ref inancing loans	13	1.7
Loans	335	44.5
Debit cards	41	5.4
Credit cards	106	14.1
Payment cards	147	19.5
Escrow accounts	24	3.2
Payment accounts	33	4.4
Current accounts	170	22.6
Payment accounts	227	30.1
Exchange transactions	2	0.3
Other	13	1.7
Other	15	2.0
TOTAL	753	100.0

Source: National Bank of Serbia.

Table 2.2.1.1.2. Number of complaints by type and outcome (banks)
(1. 1 - 31. 12. 2018)

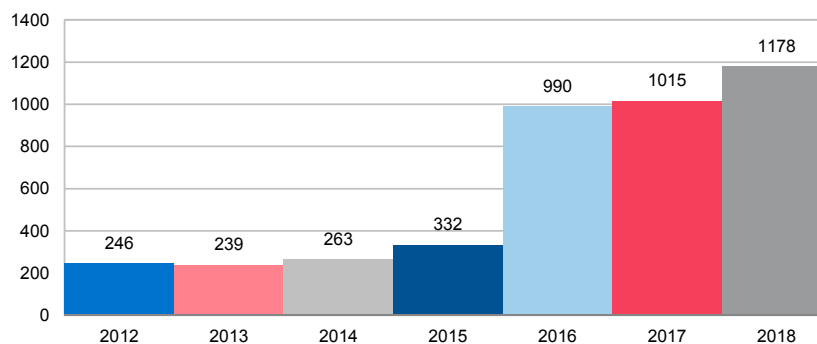
Type of complaints	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	24	19	2	0	3
Dinar savings	2	1	0	0	1
Other	3	2	0	0	1
Deposit transactions	29	22	2	0	5
Cash loans	140	101	20	2	17
Other loans	63	42	11	1	9
Consumer loans	29	17	7	0	5
Housing loans	87	58	18	2	9
Entrepreneur loans	1	1	0	0	0
Agricultural loans	2	1	1	0	0
Ref inancing loans	13	9	3	0	1
Loans	335	229	60	5	41
Debit cards	41	27	7	0	7
Credit cards	106	61	28	1	16
Payment cards	147	88	35	1	23
Escrow accounts	24	16	5	0	3
Pay ment accounts	33	16	5	0	12
Current accounts	170	115	42	1	12
Payment accounts	227	147	52	1	27
Exchange transactions	2	2	0	0	0
Other	13	11	2	0	0
Other	15	13	2	0	0
TOTAL	753	499	151	7	96

Source: National Bank of Serbia.

2.2.2 Complaints against insurance undertakings

The number of complaints against insurance undertakings received between 1 January and 31 December 2018 equalled 1,178, up by 16.06% y-o-y.

Chart 2.2.2.1. Overview of complaints relating to insurance – January-December by years



Source: National Bank of Serbia.

2.2.2.1 Complaint number and grounds

The highest number of complaints against insurance undertakings received in the period between January and December 2018 related to motor third party liability insurance (35.6%) and accident insurance (26.3%).

Table 2.2.2.1.1. **Number of complaints by type (Insurance undertakings)**
(1. 1. - 31. 12. 2018)

Type of complaints	Total	In %
Automobile liability	419	35.6
Other liability insurance	7	0.6
Voluntary and Travel health insurance	60	5.1
Property insurance	105	8.9
Full coverage motor vehicle insurance	46	3.9
Insurance from injuries	310	26.3
Credit insurance	33	2.8
Liability insurance	61	5.2
Other	44	3.7
Non-life insurance	1,085	92.1
Life insurance	48	4.1
Supplemental life insurance	23	2.0
Other	6	0.5
Annuities insurance	2	0.2
Life insurance	79	6.7
Undertakings in bankruptcy	1	0.1
Other	13	1.1
Other	14	1.2
TOTAL	1,178	100.0

Source: National Bank of Serbia.

2.2.3 Other financial services providers

In the period from 1 January to 31 December 2018, the Department received three complaints against financial lessors and payment institutions each, and one complaint against VPF management company and other.

3 Mediations

From 1 January to 31 December 2018, the Department received 341 mediation requests, and financial institutions accepted 108 requests.

During 2018, 114 mediations were held, which is 23.91% more y-o-y. Of this number, 56.1% of mediations related to insurance undertakings, 43% to banks, and 0.9% to financial lessors.

Table 3.1. Number of mediations

(1. 1 – 31. 12. 2018)

Financial services provider	In progress	Settlement	Suspension	Abandonment	Total	In %
Banks	6	15	22	6	49	43.0
Insurance undertakings	12	19	28	5	64	56.1
Leasing providers	0	0	1	0	1	0.9
VPF management companies	0	0	0	0	0	0.0
TOTAL	18	34	51	11	114	100.0

Source: National Bank of Serbia.

Of the total number of mediations held (96), 34 cases ended in settlement between the financial institution and the consumer (35.4%).

In the observed period, the highest number of mediations related to motor third party liability insurance (42.2%) in the case of insurance undertakings, and disputable relations concerning loans (38.8%) and payment cards (20.4%) in the case of banks.