



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION AND  
EDUCATION

**REPORT ON CONSUMER COMPLAINTS IN  
THE PERIOD JANUARY–MARCH 2018**

June 2018

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## 1 Introduction

### 1.1 Acting on cases received

In the period January–March 2018, the National Bank of Serbia – Department for Financial Consumer Protection and Education (hereinafter: the Department) actively provided assistance to financial service consumers (hereinafter: consumers) with the exercising of their rights, acting on complaints<sup>1</sup> against financial institutions, mediating in the peaceful resolution of disputes and informing and educating them.

From 1 January to 31 March 2018, the Department received 1,092 cases of which 678 complaints (including early complaints), 101 mediation requests and 313 questions.

The complaints received were filed against insurance undertakings (56.1%), banks (43.7%) as well as voluntary pension fund (VPF) management companies (0.2%).

Table 1.1.1. **Number of complaints**  
(1. 1. – 31. 3. 2018)

Financial services provider	Total	In %
Banks	224	43.7%
Insurance undertakings	288	56.1%
Leasing providers	0	0.0%
VPF management companies	1	0.2%
Payment institutions	0	0.0%
<b>TOTAL</b>	<b>513</b>	<b>100%</b>

Source: National Bank of Serbia.

### 1.2 The list of banks which were found not to have complied 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

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<sup>1</sup> For simplification purposes, the term “complaint” as used in this Report covers complaints against insurance undertakings as well.

of banks found not to have complied with certain provisions of the law governing the protection of financial service consumers in the period January–March 2018.

- *NLB BANK AD BEOGRAD;*
- *UNICREDIT BANK SRBIJA AD BEOGRAD;*
- *SBERBANK SRBIJA AD BEOGRAD;*
- *ADDIKO BANK AD BEOGRAD;*
- *DIREKTNA BANK AD KRAGUJEVAC;*
- *TELENOR BANK AD BEOGRAD;*
- *SOCIETE GENERALE BANK SRBIJA A.D BEOGRAD*
- *AIK BANK AD BEOGRAD;*
- *KOMERCIJALNA BANKA AD BEOGRAD;*
- *OTP BANK AD NOVI SAD.*

## **2 Early complaints and complaints**

### **2.1 Early complaints**

In Q1 2018, the Department acted upon 165 early complaints, which equals the average number of early complaints in the same period for the past 10 years.

The share of early complaints in the total number of complaints (24.3%) points to the fact that consumers continue to largely approach the NBS first, rather than addressing 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 (82.4%).

### **2.2 Consumer complaints**

The number of complaints against financial institutions received between 1 January and 31 March 2018 reached 513, and was up by 15.5% y-o-y.

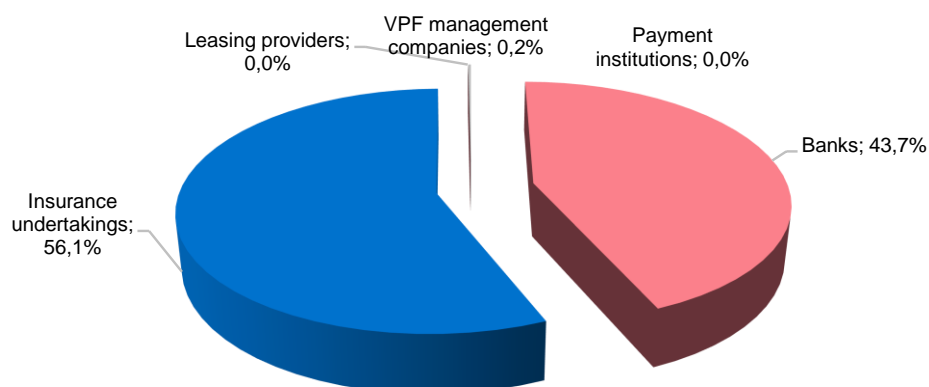
**Table 2.2.1. Number of complaints**  
(1. 1. – 31. 3. 2018)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	224	114	40	0	70
Insurance undertakings	288	209	11	1	67
VPF management companies	1	1	0	0	0
Leasing providers	0	0	0	0	0
Payment institutions	0	0	0	0	0
Other	0	0	0	0	0
<b>TOTAL</b>	<b>513</b>	<b>324</b>	<b>51</b>	<b>1</b>	<b>137</b>
<b>TOTAL in %</b>	<b>100%</b>	<b>63.2%</b>	<b>9.9%</b>	<b>0.2%</b>	<b>26.7%</b>

Source: National Bank of Serbia.

Insurance undertakings accounted for 56.1% of these, banks for 43.7%, and VPF management companies for 0.2%. There were no complaints against other financial institutions.

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



Source: National Bank of Serbia.

### 2.2.1 Complaints against banks

In Q1 2018 the Department received 224 complaints against banks, which was 14.3% more than in Q1 2017.

#### 2.2.1.1 Complaint number and grounds

In Q1 2018 the bulk of complaints against banks concerned loans (42.9%), payment (current) accounts (21.9%), and payment cards (22.3%).

Table 2.2.1.1.1. Number of complaints by type (banks)  
(1. 1. - 31. 3. 2018)

Type of complaints	Total	In %
Foreign currency savings	8	3.6%
Dinar savings	1	0.4%
Other	1	0.4%
<b>Deposit transactions</b>	<b>10</b>	<b>4.5%</b>
Cash loans	34	15.2%
Other loans	31	13.8%
Consumer loans	7	3.1%
Housing loans	24	10.7%
<b>Loans</b>	<b>96</b>	<b>42.9%</b>
Debit cards	17	7.6%
Credit cards	33	14.7%
<b>Payment cards</b>	<b>50</b>	<b>22.3%</b>
Escrow accounts	4	1.8%
Payment transactions	9	4.0%
Current accounts	49	21.9%
<b>Payment transactions</b>	<b>62</b>	<b>27.7%</b>
Exchange transactions	0	0.0%
Other	6	2.7%
<b>Other</b>	<b>6</b>	<b>2.7%</b>
<b>TOTAL</b>	<b>224</b>	<b>100%</b>

Source: National Bank of Serbia.

Table 2.2.1.1.2. Number of complaints by type and outcome (banks)  
(1. 1. - 31. 3. 2018)

Type of complaints	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	8	6	1	0	1
Dinar savings	1	1	0	0	0
Other	1	1	0	0	0
<b>Deposit transactions</b>	<b>10</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>1</b>
Cash loans	34	25	2	0	7
Other loans	31	17	7	0	7
Consumer loans	7	5	1	0	1
Housing loans	24	9	2	0	13
<b>Loans</b>	<b>96</b>	<b>56</b>	<b>12</b>	<b>0</b>	<b>28</b>
Debit cards	17	9	2	0	6
Credit cards	33	10	8	0	15
<b>Payment cards</b>	<b>50</b>	<b>19</b>	<b>10</b>	<b>0</b>	<b>21</b>
Escrow accounts	4	2	2	0	0
Payment transactions	9	3	3	0	3
Current accounts	49	23	11	0	15
<b>Payment transactions</b>	<b>62</b>	<b>28</b>	<b>16</b>	<b>0</b>	<b>18</b>
Exchange transactions	0	0	0	0	0
Other	6	3	1	0	2
<b>Other</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>2</b>
<b>TOTAL</b>	<b>224</b>	<b>114</b>	<b>40</b>	<b>0</b>	<b>70</b>

Source: National Bank of Serbia.

In the period January–March 2018, consumers approached the Department to complain against banks with regard to the following:

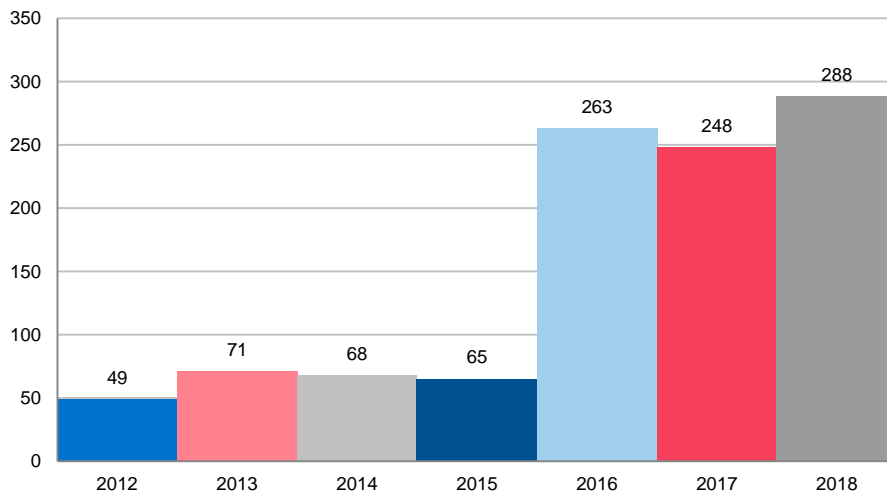
- requests for the deletion of historical default after settling obligations under loans, credit cards and current accounts, as well as for the correction of data on the historical default reported to the Credit Bureau;
- opening, keeping and closing of current accounts and collecting charges for current account maintenance;
- type and amount of fees defined in the concluded loan contracts;
- inability to settle loan obligations;
- payment card abuse;
- currency clause, i.e. exchange rate applied in the loan contract;
- early loan repayment and loan refinancing;
- drawing money from ATMs;
- change in interest rates on loans being repaid;
- loan guarantees;
- unauthorised account overdrafts;
- calculation of charges on current accounts and payment cards;
- calculation of interest on cards and problems arising from card closure;
- application of loan default rate;
- housing loans indexed to Swiss francs;
- foreign currency savings.

### *2.2.2 Complaints against insurance undertakings*

In Q1 2018 the Department received 288 complaints against insurance undertakings, up by 16.13% compared to Q1 2017.

Following 2015, the number of complaints against insurance undertakings rose significantly. Namely, in Q1 of previous years, the number of complaints amounted to: 71 complaints in 2013; 68 complaints in 2014; 65 complaints in 2015; 263 complaints in 2016; 248 complaints in 2017.

Chart 2.2.2.1. Overview of complaints relating to insurance undertakings– I quarter by years



Source: National Bank of Serbia.

Evidently, the number of complaints has been increasing in the past three years, mainly owing to the new Insurance Law in effect since June 2015 and the adoption of the Decision on the Manner of Protecting the Rights and Interests of Insurance Service Consumers. The Decision stipulates that insurance undertakings are obligated to pass internal acts so as to define more closely 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. In this way, informing and protection of insurance service consumers and the legality of operation of insurance undertakings were improved. Consumers became better acquainted with their rights and the possibility of exercising them in a procedure conducted with the NBS.

#### 2.2.2.1 Complaint number and grounds

The highest number of complaints against insurance undertakings received in Q1 2018 related to motor third party liability insurance (28.1%) and accident insurance (29.2%).



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

Type of complaints	Total	In %
Automobile liability	81	28.1%
Other liability insurance	3	1.0%
Voluntary and Travel health insurance	18	6.3%
Property insurance	14	4.9%
Full coverage motor vehicle insurance	18	6.3%
Insurance from injuries	84	29.2%
Credit insurance	8	2.8%
Liability insurance	19	6.6%
Other	16	5.6%
<b>Non-life insurance</b>	<b>261</b>	<b>91%</b>
Life insurance	13	4.5%
Supplemental life insurance	6	2.1%
Other	1	0.3%
<b>Life insurance</b>	<b>20</b>	<b>7%</b>
Other	7	2%
<b>Other</b>	<b>7</b>	<b>2%</b>
<b>TOTAL</b>	<b>288</b>	<b>100%</b>

Source: National Bank of Serbia.

In the period from January to March 2018, the insured persons most frequently addressed the Department in relation to:

- accident insurance;
- motor third party liability insurance;
- life insurance;
- liability insurance;

### 2.2.3 Other financial services providers

In the reference period, the Department received one complaint against VPF management companies. There were no complaints against other financial service providers (financial lessors, payment service providers and electronic money institutions).

### 3 Mediations

From 1 January to 31 March 2018, the Department received 101 mediation requests. Of this number, 27 requests were accepted by financial institutions, 64 were denied, and ten are under way.

In Q1 2018, 33 mediations were held, which is 57% more than in the same period the year before. The number of mediations with banks rose by 16.7%, while the number of mediations with insurance undertakings went up by 111%.

**Table 3.1. Number of mediations**  
(1 January – 31 March 2018)

<b>Financial services provider</b>	<b>In progress</b>	<b>Settlement</b>	<b>Suspension</b>	<b>Abandonment</b>	<b>Total</b>	<b>in %</b>
Banks	9	1	3	1	14	42.4%
Insurance undertakings	5	5	5	4	19	57.6%
Leasing providers	0	0	0	0	0	0.0%
VPF management companies	0	0	0	0	0	0.0%
<b>TOTAL</b>	<b>14</b>	<b>6</b>	<b>8</b>	<b>5</b>	<b>33</b>	<b>100%</b>

Source: National Bank of Serbia.

Of the total number of mediations, 19 cases were closed, with 6 of them ending in the settlement between the financial institution and the consumer.

The majority of mediation cases in Q1 2018 were in relation to: motor third party liability insurance (57.9%) in the case of insurance undertakings, and disputable relations concerning loans (42.9%) and payment cards (28.6%) in the case of banks.