



National Bank of Serbia

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

INFORMATION ABOUT COMPLAINTS AGAINST FINANCIAL SERVICE PROVIDERS

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INTRODUCTION

Pursuant to the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision and 44/2018), the National Bank of Serbia, among other tasks, performs the activities of the protection of the rights and interests of consumers of services provided by banks, insurance undertakings, financial lessors, voluntary pension fund management companies, payment service providers and e-money issuers, in accordance with law.

The source of data in this Information are the activities of the NBS carried out in the area of protection of consumers of services provided by banks, financial lessors, payment service providers and e-money issuers.

The Law on the Protection of Financial Service Consumers (RS Official Gazette, Nos 36/2011 and 139/2014, hereinafter: Law on Consumer Protection) regulates, inter alia, the rights of consumers of financial services provided by banks and financial lessors, as well as the conditions and manner of exercising and protecting those rights, while the Law on Payment Services (RS Official Gazette, Nos 139/2014 and 44/2018) regulates, inter alia, the conditions and manner of providing payment services, e-money and the supervision of implementation of the provisions of this law. The Law on Payment Services stipulates that the procedure of protecting the rights and interests of payment service consumers and e-money holders shall be subject to the relevant provisions of the law governing the protection of rights and interests of financial service consumers.

In order for consumers to learn quickly about the steps of the procedure for the protection of their rights, the first part of the Information presents the procedure for the protection of financial service consumers, starting from filing a complaint to a financial service provider, through filing a complaint to the NBS, to submitting a mediation proposal to the NBS, with a brief look at the advantages of consumer rights protection before the NBS.

The second part of the document refers to the imposing of measures and/or fines in respect of financial service providers by the NBS once it has detected irregularities in their operations.

The third part of the document contains information about financial service providers found non-compliant with the Law on Consumer Protection or the law regulating payment services, which the NBS announces in accordance with Article 45, paragraph 6 of the Law on Consumer Protection and Section 30 of the Decision on Handling Complaints of Financial Service Consumers (RS Official Gazette, Nos 1/2019, 50/2019, 87/2021 and 77/2023; hereinafter: Decision). Namely, the Decision sets forth that the National Bank of Serbia must publish on its website quarterly information on the service providers which were found, in the complaint procedure – and in case of banks and lessors also in the supervision procedure – not to have acted in accordance with the Law on the Protection of Financial Service Consumers, the law governing payment services or other law related to the protection of consumers.

The fourth and the sixth parts present information about complaints filed against banks, financial lessors, payment service providers and e-money issuers, published quarterly by the NBS in accordance with Section 30 of the Decision, while the fifth part presents information about mediation proposals and mediation procedures.

1 Protection of financial service consumers

Financial service providers against which complaints can be filed

In the procedure laid down by the Law on the Protection of Financial Service Consumers and the decision on the procedure for protecting consumers' rights and interests, the NBS acts upon complaints filed by financial consumers in relation to the 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 the provider's treatment or pointing to their errors, indicating that their rights or interests have been violated and suggesting that the financial service provider is not observing 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, through the website of the financial service provider, by e-mail, in the business premises of the financial service provider, by mail or in the e- or m-banking application, if the complaint relates to the services provided through these applications.

Deadline for filing a complaint to a financial service provider

A financial service and/or payment service consumer, or e-money holder within the meaning of the law regulating payment services (including a legal person) may file a complaint against a financial service provider within three years from the day of breach of their rights or legal interests. A legal

person which is the consumer of services provided by a bank on the basis of a loan contract, deposit contract, safe-deposit box contract or a contract relating to foreign exchange operations, foreign currency operations and exchange transactions, contract on the issuance of guarantees, sureties and other types of warranties (guarantee operations), and other services provided by a bank in line with the law (other than payment services within the meaning of the law on payment services), may file a complaint against a bank within 60 days from the day it realised that its right or legal interest had been breached, but not later than three years from the day of such breach.

Financial service provider's deadline for addressing the complaint

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 may this deadline be extended by further 15 days, but the financial service provider must notify the consumer thereof before the first deadline has expired).

The financial service provider must 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.

The 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 in due time, 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 out the appropriate e-form accessed from the NBS's home page by clicking on the link: [File a complaint against a financial service provider / Mediation](#). 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.

When it comes to legal persons' complaints, subject to regulations the NBS may only consider the complaints of legal persons as payment services consumers or e-money holders within the meaning of the law governing payment services.

Mandatory elements of the complaint

By filling out the appropriate e-form on the NBS website, a consumer is guided through all the elements which a complaint must contain in order for the NBS to act upon it.

If a complaint is submitted in free form, it must contain the following:

- information enabling consumer identification (name, surname and address, or business name, head office, registration number and name and surname of the legal representative for legal persons) and financial service provider's identification (business name and head office);
- complaint filed to the financial service provider;
- financial service provider's reply (if any);
- brief description and/or 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 by 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 within six months from the receipt of the reply from the financial service provider or from the expiry of the deadline for submitting such reply.

Cases where the NBS does not consider complaints

In addition to other reasons stipulated in regulations, we particularly emphasise that the NBS may not consider a complaint submitted after court proceedings had been initiated, i.e. when the subject of the complaint is the subject of an ongoing (or past) dispute, and/or a complaint requesting the NBS to ensure that financial service provider observes a court decision, decision of another competent body and organisation or entity entrusted with the exercise of public authority (public bailiffs, public notaries, etc.). 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 reply to a consumer complaint within no more than three months following the day of its receipt. In more complex cases, the deadline can be extended by three more months at most, of which the NBS is required to notify the consumer before the expiry of the first deadline.

The procedure in respect of a complaint filed to the NBS 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 a consumer hires a lawyer, he will bear the costs himself (even when the complaint is founded) as the NBS does not decide on the costs in this procedure.

How to file 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 can 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 out the appropriate e-form on the NBS home page by clicking on the link: [File a complaint against a financial service provider/Mediation](#). 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.

When it comes to legal persons' mediation proposals, subject to regulations the NBS may only consider the proposals of legal persons as payment services consumers or e-money holders within the meaning of the law governing payment services.

Mediation procedure

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

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

The NBS does not charge any fees for carrying out the mediation procedure, but any costs that may arise during the mediation procedure will be 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), and signatures of the parties to the agreement and the NBS's confirmation of enforceability.

Advantages of consumer rights protection before the NBS

The procedure for protecting consumers' rights before the NBS is entirely free of charge, i.e. neither the 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 such proceedings.

2 Imposing measures and/or fines

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

Before adopting a decision, the NBS prepares findings about established irregularities based on which banks or other financial service providers most often promptly eliminate the irregularities during the complaint procedure itself. Also, if minor irregularities are established during the complaint procedure, the NBS issues a notification to the service provider ordering them to eliminate those irregularities.

Furthermore, on-site and off-site bank supervision aimed at consumer protection provides for prompt elimination of established systemic irregularities by banks, frequently leading to material benefits for a significant number of consumers and long-term improvement of their position. While complaint procedures establish/eliminate irregularities for individual consumers, supervision procedures have a much greater impact since they require that irregularities be eliminated in respect of all consumers affected.

The NBS continuously monitors the activities of banks (and other financial service providers), as well as challenges faced by the consumers in the modern financial market, and in addition to warning banks it also puts a special focus on informing the public.

In view of increasingly frequent cases of payment card abuse, last year the NBS informed and warned consumers about new forms of fraud through the media and on its website. In this period, NBS activities focused on prevention measures in addition to eliminating the established irregularities.

We wish to particularly emphasise additional efforts of the NBS invested in ensuring that consumers are largely refunded the lost amounts unless the bank provided evidence proving gross negligence on the part of the consumer. To illustrate the effect, we would point out that last year and this year **NBS bank supervision**

activities in the area of financial services consumer protection in relation to card misuses produced a financial effect of over RSD 87.7 mn for consumers.



With a view to informing the public, we would like to remind payment service users of the need for additional caution, bearing in mind the frauds that the NBS warned of in the previous period, for instance:

- frauds with payment card use for online payments, where users would receive a text message inviting them to access a (fake) public utility company Post of Serbia website through the delivered link and fill in certain information (data from the payment card and one-time password) based on which criminals who controlled the fake website used the information for online purchases;

- frauds with digital wallets, where users would receive a text message inviting them to access a (fake) merchant's website through the delivered link and make a payment or update data based on which criminals who controlled the fake website used the information for several online purchases of products and services;

- false bank surveys, which appeared in the social media, where users were offered rewards in different amounts if they completed the survey and provided certain information (including data from payment cards, account number, telephone number, one-time password), based on which criminals, in certain cases, managed to access users' m-banking or e-banking applications and transfer money from their accounts to the account controlled by the criminals or persons connected with them.

To raise the level of consumer protection and the quality of financial services, the NBS will continue monitoring developments in the banking market, determined to ensure corrective, preventive and innovative action against fraud.

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

In the January–March 2024 period, the following financial service providers were found non-compliant with certain provisions of the law governing the protection of financial service consumers:

- *Yettel bank ad Beograd (former Mobi banka ad Beograd),*
- *Banca Intesa ad Beograd,*
- *Banka poštanska štedionica ad Beograd,*
- *NLB Komercijalna banka ad Beograd.*

4 Consumer complaints against banks

In the January–March 2024 period, 396 consumer complaints against banks were resolved, 12.5% more than in the same period last year. The complaints were predominantly filed by natural persons (95%).

As much as 45% or 177 complaints were founded and resolved in favour of banking services consumers. We would particularly like to stress that the NBS addresses complaints filed by the consumers who had not previously managed to settle a dispute with a bank in the complaint procedure. A significant number of complaints filed by consumers to banks were also solved in favour of consumers as banks have in mind the positions of the NBS on many disputable issues already during the complaint handling procedure. In case of an unfounded consumer complaint, the NBS informs the consumer about its findings in respect of the complaint, as well as about the reasons why the complaint is unfounded.

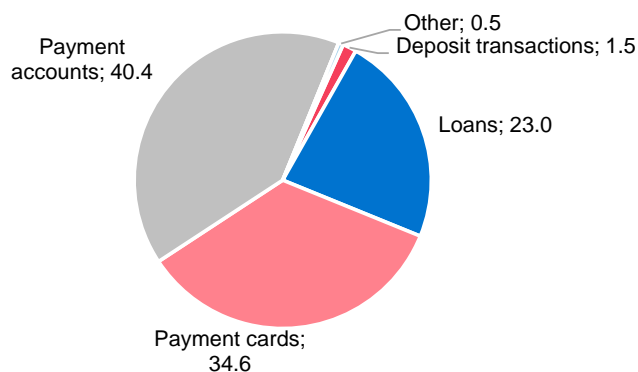
4.1 Complaint number and grounds (banks)

In the observed period, the majority of complaints against banks concerned payment services – 75% aggregately (payment accounts – 40.4% and payment cards – 34.6%).

As regards the specific subject of the complaints, consumers' most frequent complaints against banks concerned payment transactions; card abuse; data records in

the Credit Bureau; impossibility to use funds in a bank account; problems with ATM operation.

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



Source: NBS.

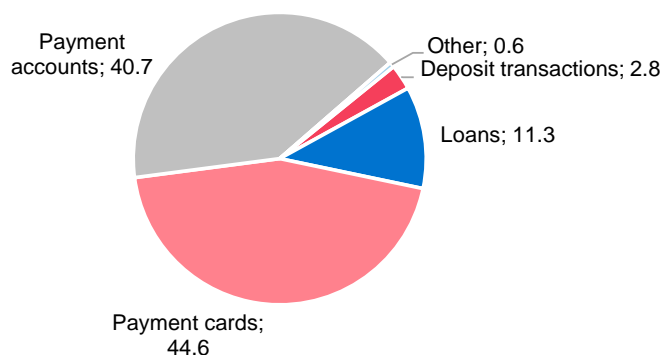
Table – Number of complaints by type (banks)
(1 January - 31 March 2024)

Grounds for complaint	Total	%
Foreign currency savings	4	1.0
Dinar savings	2	0.5
Other	0	0.0
Deposit transactions	6	1.5
Cash loans	49	12.4
Other loans	3	0.8
Consumer loans	11	2.8
Housing loans	18	4.5
Entrepreneur loans	0	0.0
Agricultural loans	0	0.0
Refinancing loans	10	2.5
Loans	91	23.0
Debit cards	111	28.0
Credit cards	26	6.6
Payment cards	137	34.6
Payment accounts/Payment services	160	40.4
Authorised overdraft facility	0	0.0
Other	2	0.5
TOTAL	396	100.0

Source: National Bank of Serbia.

The majority of founded complaints referred to payment services – 85.3% aggregately (payment accounts – 40.7% and payment cards – 44.6%).

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



Source: NBS.

**Table – Number of complaints by type and outcome (banks)
(1 January - 31 March 2024)**

Type of complaints	Total	Founded complaints	Unfounded complaints
Foreign currency savings	4	3	1
Dinar savings	2	2	0
Other	0	0	0
Deposit transactions	6	5	1
Cash loans	49	9	40
Other loans	3	1	2
Consumer loans	11	2	9
Housing loans	18	7	11
Entrepreneur loans	0	0	0
Agricultural loans	0	0	0
Refinancing loans	10	1	9
Loans	91	20	71
Debit cards	111	66	45
Credit cards	26	13	13
Payment cards	137	79	58
Payment accounts/Payment services	160	72	88
Authorised overdraft facility	0	0	0
Other	2	1	1
TOTAL	396	177	219

Source: National Bank of Serbia.

5 Mediation before the NBS

From 1 January to 31 March 2024, the NBS received seven mediation proposals for resolving disputes between consumers and banks, and one proposal for resolving a dispute between a consumer and a lessor. The parties accepted a total of four proposals.

In the observed period, four mediation procedures were conducted to resolve a dispute between consumers and banks.

6 Consumer complaints against other financial service providers

In the observed period, two complaints against payment institutions (one of them founded) were resolved.