



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**REPORT ON CONSUMER COMPLAINTS
IN THE PERIOD**

JANUARY–JUNE 2019

August 2019

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1 Introduction

1.1 Acting on Cases Received

The National Bank of Serbia’s Department for Financial Consumer Protection (hereinafter: Department) actively provided assistance to financial services consumers (hereinafter: consumers) in the period from January to June 2019, helping them exercise their rights by acting on complaints¹ against financial institutions, mediating in resolution of disputes and informing and educating consumers.

The Department received 2,352 cases in the observed period. They included 1,199 complaints, including early complaints, 152 mediation requests and 1,001 questions.

The complaints received (933) were filed against insurance undertakings (55.9%), banks (43.96%) and payment institutions (0.1%). There were no complaints against other financial services providers.

Table 1.1.1. **Number of complaints**
(1. 1. – 30. 6. 2019)

Financial services provider	Total	In %
Banks	410	43.9
Insurance undertakings	522	55.9
Leasing providers	0	0.0
VPF management companies	0	0.0
Payment institutions	1	0.1
Other	0	0.0
TOTAL	933	100

Source: National Bank of Serbia.

¹ For simplification purposes, the term “complaint” as used in this Report also covers complaints against insurance undertakings and VPF management companies.

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 30 of the Decision on Handling Complaints of Financial Services Consumers (RS Official Gazette, No 1/2019), 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–June 2019:

- Direktna banka a.d. Kragujevac,
- Vojvođanska banka a.d. Novi Sad,
- Erste Bank a.d. Novi Sad,
- Eurobank a.d. Beograd,
- Societe Generale Bank Srbija a.d. Beograd,
- AIK Banka a.d. Beograd.

2 Early complaints and complaints

2.1 Early complaints

In the period January–June 2019, the Department handled 266 early complaints.

The share of early complaints in the total number of complaints equalled 22%. The number of early complaints is significantly lower than the average number of early complaints in the observed period in the past five years (by 18%), but indicates that consumers continue to approach the NBS first, instead of addressing the financial institution against which they are complaining.

The majority of these early complaints related to bank operations (88%).

2.2 Consumer complaints

The number of complaints against financial institutions received between 1 January and 30 June 2019 equalled 933, down by 4.7% y-o-y.

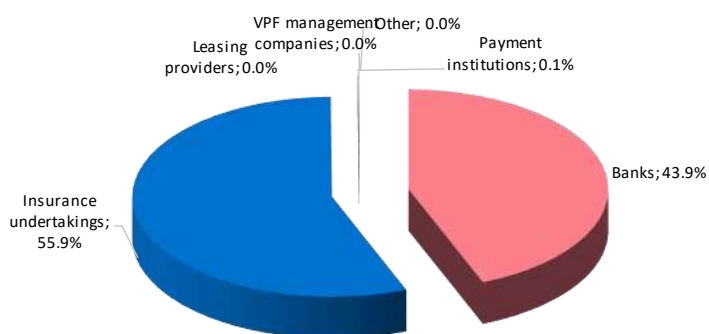
Insurance undertakings accounted for 55.9%, banks for 43.9% and payment institutions for 0.1%. There were no complaints against other financial services providers.

Table 2.2.1. **Number of complaints**
(1. 1. – 30. 6. 2019)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	410	194	78	16	122
Insurance undertakings	522	369	38	13	102
VPF management companies	0	0	0	0	0
Leasing providers	0	0	0	0	0
Payment institutions	1	0	1	0	0
Other	0	0	0	0	0
TOTAL	933	563	117	29	224

Source: National Bank of Serbia.

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



Source: NBS

2.2.1 Complaints against banks

The number of complaints against banks received between January and June 2019 equalled 410, up by 1.7% y-o-y.

2.2.1.1 Complaint number and grounds

In the observed period, the majority of complaints against banks concerned loans (41.5%), payment accounts (31%), and payment cards (22%).

Table 2.2.1.1.1. Number of complaints by type (banks)
(1. 1. - 30. 6. 2019)

Type of complaints	Total	In %
Foreign currency savings	11	2.7
Dinar savings	2	0.5
Other	2	0.5
Deposit transactions	15	3.7
Cash loans	59	14.4
Other loans	43	10.5
Consumer loans	14	3.4
Housing loans	45	11.0
Entrepreneur loans	0	0.0
Agricultural loans	2	0.5
Refinancing loans	7	1.7
Loans	170	41.5
Debit cards	29	7.1
Credit cards	61	14.9
Payment cards	90	22.0
Payment accounts/Payment services	127	31.0
Authorised overdraft facility	3	0.7
Exchange transactions	1	0.2
Other	4	1.0
Other	5	1.2
TOTAL	410	100

Source: National Bank of Serbia.

Table 2.2.1.1.2 Number of complaints by type and outcome (banks)
(1/1 - 30/6/2019)

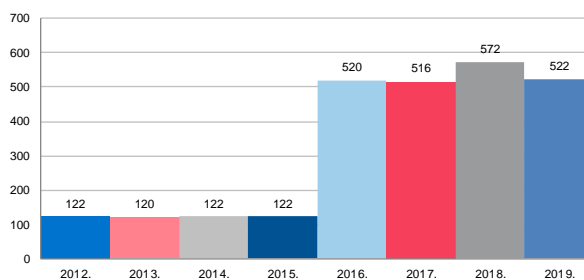
Type of complaint	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	11	7	0	1	3
Dinar savings	2	1	0	0	1
Other	2	2	0	0	0
Deposit transactions	15	10	0	1	4
Cash loans	59	33	8	2	16
Other loans	43	12	8	3	20
Consumer loans	14	10	2	0	2
Housing loans	45	27	5	0	13
Entrepreneur loans	0	0	0	0	0
Agricultural loans	2	1	0	0	1
Refinancing loans	7	3	0	0	4
Loans	170	86	23	5	56
Debit cards	29	12	11	0	6
Credit cards	61	27	18	1	15
Payment cards	90	39	29	1	21
Payment accounts/Payment services	127	59	26	7	35
Authorised overdraft facility	3	0	0	1	2
Exchange transactions	1	1	0	0	0
Other	4	1	0	1	2
Other	5	2	0	1	2
TOTAL	410	196	78	16	120

Source: National Bank of Serbia.

2.2.2 Complaints against insurance undertakings

The number of complaints against insurance undertakings received between 1 January and 30 June 2019 equalled 522, down by 8.74% y-o-y.

Chart 2.2.2.1 Overview of complaints relating to insurance – January-June by year



Source: National Bank of Serbia.

2.2.2.1 Complaint number and grounds

The bulk of complaints against insurance undertakings received in the period January–June 2019 related to motor third party liability insurance (33.9%) and accident insurance (26.8%).

Table 2.2.2.1.1. Number of complaints by type (Insurance undertakings) (1. 1. - 30. 6. 2019)

Type of complaints	Total	In %
Automobile liability	177	33.9
Other liability insurance	3	0.6
Voluntary and Travel health insurance	24	4.6
Property insurance	51	9.8
Full coverage motor vehicle insurance	20	3.8
Insurance from injuries	140	26.8
Credit insurance	13	2.5
Liability insurance	29	5.6
Other	23	4.4
Non-life insurance	480	92.0
Life insurance	14	2.7
Supplemental life insurance	23	4.4
Other	5	1.0
Annuities insurance	0	0.0
Life insurance	42	8.0
Undertakings in bankruptcy	0	0.0
Other	0	0.0
Other	0	0.0
TOTAL	522	100.0

Source: National Bank of Serbia.

2.2.3 Other financial services providers

In the observed period, the Department received one complaint against a payment institution, while there were no complaints against other financial services providers.

3 Mediations

From 1 January to 30 June 2019, 152 mediation requests were received and 40 requests were accepted.

In the observed period, 39 mediation procedures were held, of which 67% pertained to insurance undertakings and 33% to banks.

Table 3.1 **Number of mediations**
(1/1 – 30/6/2019)

Financial services provider	In progress	Settlement	Suspension	Abandonment	Total	in %
Banks	3	3	7	0	13	33.3
Insurance undertakings	13	6	5	2	26	66.7
Leasing providers	0	0	0	0	0	0.0
VPF management companies	0	0	0	0	0	0.0
TOTAL	16	9	12	2	39	100.0

Source: National Bank of Serbia.

Of the total number of mediations held (23), nine cases (39.1%) conducted before the NBS ended in settlement agreement between the financial institution and the consumer, with the power of an enforceable document.

In the observed period, the bulk of mediations related to motor third party liability insurance in the case of insurance undertakings, and disputable relations concerning loans and payment accounts in the case of banks.