



**NATIONAL BANK OF SERBIA**

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**REPORT ON CONSUMER COMPLAINTS  
IN THE PERIOD  
JANUARY–MARCH 2019**

May 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 March 2019, helping them exercise their rights by acting on complaints<sup>1</sup> against financial institutions, mediating in resolution of disputes and informing and educating them.

From 1 January to 31 March 2019, the Department received 977 cases. They included 592 complaints, including early complaints, 73 mediation requests and 312 questions.

The complaints received (469) were filed against insurance undertakings (57.1%), banks (42.6%) and payment institutions (0.2%). There were no complaints against other financial services providers.

**Table 1.1.1 Number of complaints**  
(1. 1 – 31. 3. 2019)

Financial services provider	Total	In %
Banks	200	42.6
Insurance undertakings	268	57.1
Leasing providers	0	0.0
VPF management companies	0	0.0
Payment institutions	1	0.2
Exchange offices	0	0.0
<b>TOTAL</b>	<b>469</b>	<b>100</b>

Source: National Bank of Serbia.

<sup>1</sup> 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–March 2019:

- Direktna banka a.d. Kragujevac,
- Erste Bank a.d. Novi Sad,
- Vojvodanska banka a.d. Novi Sad,
- 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–March 2019, the Department handled 123 early complaints.

The share of early complaints in the total number of complaints (20.8%) points to the fact that consumers continue to approach the NBS first, rather than address the relevant financial institution against which they are complaining, although the number of early complaints is significantly lower (by 25%) than the average number of early complaints in the past 10 years.

The majority of these early complaints related to bank operations (85%).

### 2.2 Consumer complaints

The number of complaints against financial institutions received between 1 January and 31 March 2019 equalled 469, down by 8.6% y-o-y.

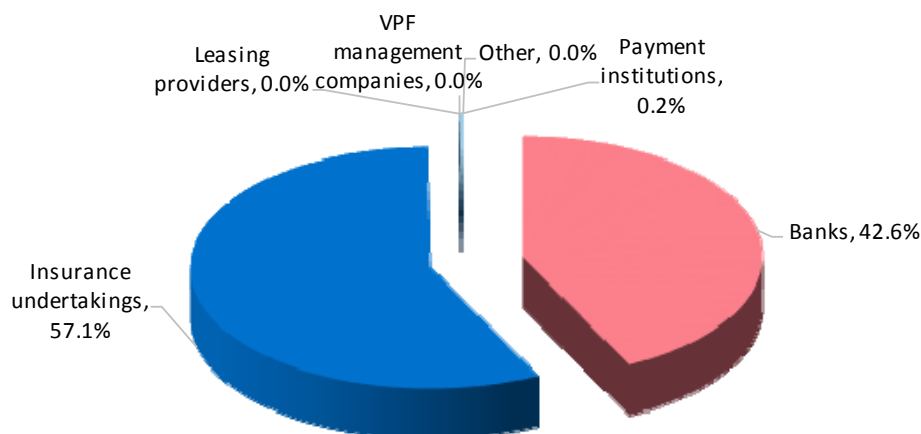
Insurance undertakings accounted for 57.1%, banks for 42.6% and payment institutions for 0.2%. There were no complaints against other financial services providers.

**Table 2.2.1 Number of complaints**  
(1. 1 – 31. 3. 2019)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	200	68	21	4	107
Insurance undertakings	268	163	24	2	79
VPF management companies	0	0	0	0	0
Leasing providers	0	0	0	0	0
Payment institutions	1	0	0	0	1
Other	0	0	0	0	0
<b>TOTAL</b>	<b>469</b>	<b>231</b>	<b>45</b>	<b>6</b>	<b>187</b>

Source: National Bank of Serbia.

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



Source: National Bank of Serbia.

### 2.2.1 Complaints against banks

The number of complaints against banks received in the period between January and March 2019 equalled 200, down by 10.7% 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 March 2019 related to loans (37%), payment accounts (33.5%) and payment cards (25.5%).

Table 2.2.1.1.1 Number of complaints by type (banks)  
(1. 1 - 31. 3. 2019)

Type of complaints	Total	In %
Foreign currency savings	5	2.5
Dinar savings	1	0.5
Other	1	0.5
<b>Deposit transactions</b>	<b>7</b>	<b>3.5</b>
Cash loans	26	13.0
Other loans	18	9.0
Consumer loans	5	2.5
Housing loans	20	10.0
Entrepreneur loans	0	0.0
Agricultural loans	1	0.5
Refinancing loans	4	2.0
<b>Loans</b>	<b>74</b>	<b>37.0</b>
Debit cards	19	9.5
Credit cards	32	16.0
<b>Payment cards</b>	<b>51</b>	<b>25.5</b>
Escrow accounts	2	1.0
Payment transactions	15	7.5
Current accounts	48	24.0
Payment services	2	1.0
<b>Payment accounts</b>	<b>67</b>	<b>33.5</b>
Exchange transactions	1	0.5
Other	0	0.0
<b>Other</b>	<b>1</b>	<b>0.5</b>
<b>TOTAL</b>	<b>200</b>	<b>100.0</b>

Source: National Bank of Serbia.

**Table 2.2.1.1.2 Number of complaints by type and outcome (banks)**  
(1. 1 - 31. 3. 2019)

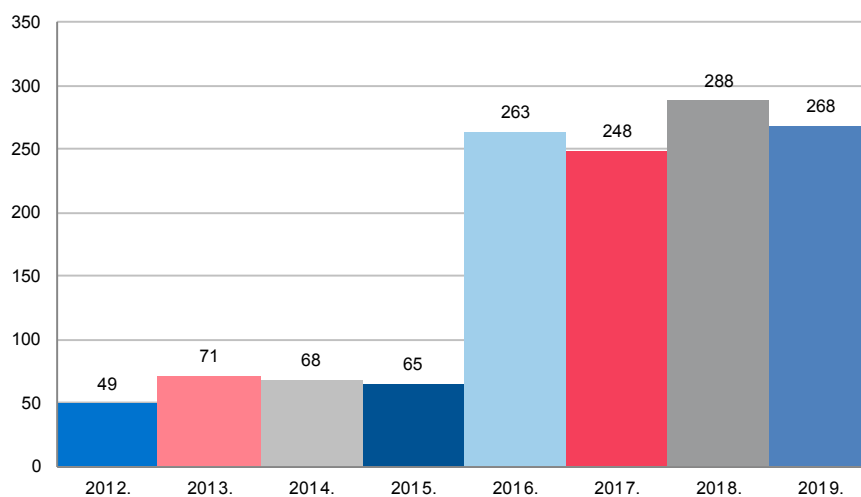
Type of complaints	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	5	3	0	0	2
Dinar savings	1	1	0	0	0
Other	1	0	0	0	1
<b>Deposit transactions</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>
Cash loans	26	11	2	0	13
Other loans	18	5	0	0	13
Consumer loans	5	1	0	0	4
Housing loans	20	7	1	0	12
Entrepreneur loans	0	0	0	0	0
Agricultural loans	1	1	0	0	0
Refinancing loans	4	2	0	0	2
<b>Loans</b>	<b>74</b>	<b>27</b>	<b>3</b>	<b>0</b>	<b>44</b>
Debit cards	19	4	3	0	12
Credit cards	32	12	8	1	11
<b>Payment cards</b>	<b>51</b>	<b>16</b>	<b>11</b>	<b>1</b>	<b>23</b>
Escrow accounts	2	1	0	0	1
Payment transactions	15	4	3	0	8
Current accounts	48	15	4	3	26
Payment services	2	1	0	0	1
<b>Payment accounts</b>	<b>67</b>	<b>21</b>	<b>7</b>	<b>3</b>	<b>35</b>
Exchange transactions	1	0	0	0	1
Other	0	0	0	0	0
<b>Other</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>TOTAL</b>	<b>200</b>	<b>68</b>	<b>21</b>	<b>4</b>	<b>106</b>

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 March 2019 equalled 268, down by 6.94% y-o-y.

**Chart 2.2.2.1. Overview of complaints relating to insurance – January–March 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 March 2019 related to motor third party liability insurance (30.6%) and accident insurance (26.9%).



Table 2.2.2.1.1 Number of complaints by type (Insurance undertakings) (1. 1 - 31. 3. 2019)

Type of complaints	Total	In %
Motor third party liability	82	30.6
Other general liability insurance	1	0.4
Voluntary health and travel insurance	12	4.5
Property insurance	33	12.3
Full coverage motor vehicle insurance	5	1.9
Accident insurance	72	26.9
Credit insurance	7	2.6
Liability insurance	24	9.0
Other - non-life	14	5.2
<b>Non-life insurance</b>	<b>250</b>	<b>93.3</b>
Life insurance	6	2.2
Supplemental life insurance	12	4.5
Other	0	0.0
Annuities insurance	0	0.0
<b>Life insurance</b>	<b>18</b>	<b>6.7</b>
Undertakings in bankruptcy	0	0.0
Other	0	0.0
<b>Other</b>	<b>0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>268</b>	<b>100.0</b>

Source: National Bank of Serbia.

### 2.2.3 Other financial services providers

In Q1 2019, 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 31 March 2019, the Department received 73 mediation requests, and financial services providers accepted 22 requests.

In the observed period, 24 mediation procedures were held, of which 70.8% pertained to insurance undertakings and 29.2% to banks.

**Table 3.1 Number of mediations**  
(1. 1 – 31. 3. 2019)

<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	3	2	2	0	7	29.2
Insurance undertakings	9	5	2	1	17	70.8
Leasing providers	0	0	0	0	0	0.0
VPF management companies	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>12</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>24</b>	<b>100.0</b>

Source: National Bank of Serbia.

Of the total number of mediations held (12), 7 cases ended in settlement between the financial institution and the consumer (58.3%).

In the observed period, the highest number of mediations related to motor third party liability insurance (88.2%) in the case of insurance undertakings, and disputable relations concerning loans (42.9%) in the case of banks.