



NATIONAL BANK OF SERBIA

DEPARTMENT FOR FINANCIAL CONSUMER PROTECTION

**REPORT ON CONSUMER COMPLAINTS
IN THE PERIOD**

JANUARY–SEPTEMBER 2019

November 2019

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1 Introduction

1.1 Acting on cases received

In the period January–September 2019, the National Bank of Serbia – Department for Financial Consumer Protection (hereinafter: the Department) actively provided assistance to financial service consumers (hereinafter: consumers) in the exercise of their rights, by acting on complaints¹ against financial institutions, mediating in the resolution of disputes and informing and educating them.

The Department received 3,372 cases in the observed period. They included 1,822 complaints, including early complaints, 228 mediation requests and 1,322 questions.

The complaints received (1,491) were filed against insurance undertakings (53.5%), banks (46.3%) and payment institutions and VPF management companies (0.1% each). There were no complaints against other financial services providers.

Table 1.1.1 Number of complaints
(1 January – 30 September 2019)

Financial services provider	Total	In %
Banks	691	46.3%
Insurance undertakings	798	53.5%
Leasing providers	0	0.0%
VPF management companies	1	0.1%
Payment institutions	1	0.1%
Other	0	0.0%
TOTAL	1491	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 30 of the Decision on Handling Complaints of Financial Services Consumers (RS Official Gazette, Nos 1/2019 and 50/2019), the NBS

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

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–September 2019 this list included:

- OTP banka Srbija a.d. Beograd,
- Direktna banka a.d. Kragujevac,
- Vojvodanska banka a.d. Novi Sad,
- Erste Bank a.d. Novi Sad,
- MTS banka a.d. Beograd,
- NLB Bank a.d. Beograd,
- Eurobank a.d. Beograd,
- AIK banka a.d. Beograd.

2 Early complaints and complaints

2.1 Early complaints

In the period January–September 2019, the Department handled 331 early complaints.

The share of early complaints in the total number of complaints equalled 18.2%. Albeit considerably lower than the average for the same period in the past five years (by 28%), the number of early complaints indicates that a significant number of consumers continue to approach the NBS immediately, even though the law stipulates that they should first address the financial institution against which they are complaining.

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 30 September 2019 equalled 1,491, up by 12.16% relative to the average number of complaints in the past five years.

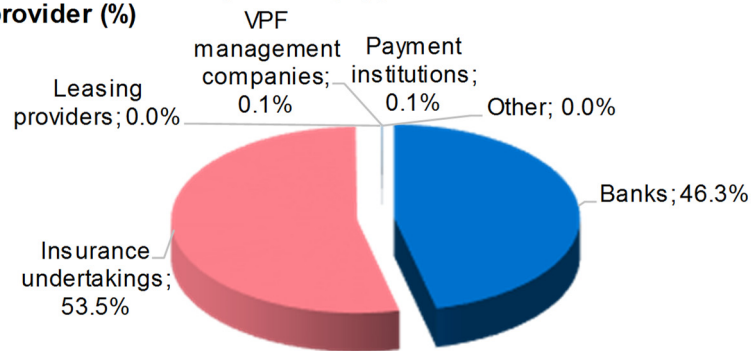
Insurance undertakings accounted for 53.5% of these, banks for 46.3%, and payment institutions and VPF management companies for 0.1% each. There were no complaints against other financial institutions.

Table 2.2.1 Number of complaints
(1 January – 30 September 2019)

Financial services provider	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Banks	691	346	129	56	160
Insurance undertakings	798	557	53	19	169
VPF management companies	1	1	0	0	0
Leasing providers	0	0	0	0	0
Payment institutions	1	0	1	0	0
Other	0	0	0	0	0
TOTAL	1,491	904	183	75	329

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 from January to September 2019 equalled 691, up by 14.4% y-o-y.

2.2.1.1 Complaint number and grounds

In the observed period, the majority of complaints against banks concerned loans (43.1%), payment accounts (30.8%), and payment cards (20.4%).

Table 2.2.1.1.1 Number of complaints by type (banks)
(1 January - 30 September 2019)

Type of complaints	Total	In %
Foreign currency savings	17	2.5
Dinar savings	2	0.3
Other	2	0.3
Deposit transactions	21	3.0
Cash loans	115	16.6
Other loans	68	9.8
Consumer loans	19	2.7
Housing loans	73	10.6
Entrepreneur loans	3	0.4
Agricultural loans	3	0.4
Refinancing loans	17	2.5
Loans	298	43.1
Debit cards	47	6.8
Credit cards	94	13.6
Payment cards	141	20.4
Payment accounts/Payment services	213	30.8
Authorised overdraft facility	7	1.0
Exchange transactions	1	0.1
Other	10	1.4
Other	11	1.6
TOTAL	691	100

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 September 2019 equalled 798, down by 7.32% y-o-y.

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

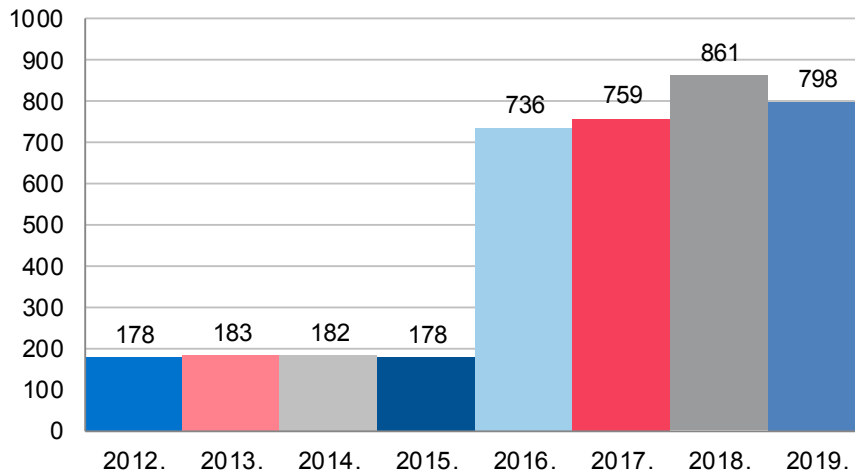
Type of complaints	Total	Unfounded complaints	Founded complaints	Abandonment	In progress
Foreign currency savings	17	12	0	4	1
Dinar savings	2	2	0	0	0
Other	2	2	0	0	0
Deposit transactions	21	16	0	4	1
Cash loans	115	58	16	5	36
Other loans	68	36	11	10	11
Consumer loans	19	14	3	1	1
Housing loans	73	47	10	7	9
Entrepreneur loans	3	0	0	1	2
Agricultural loans	3	2	1	0	0
Refinancing loans	17	10	1	0	6
Loans	298	167	42	24	65
Debit cards	47	21	12	1	13
Credit cards	94	44	25	6	19
Payment cards	141	65	37	7	32
Payment accounts/Payment services	213	91	49	16	57
Authorised overdraft facility	7	3	1	2	1
Exchange transactions	1	1	0	0	0
Other	10	3	0	3	4
Other	11	4	0	3	4
TOTAL	691	346	129	56	160

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 September 2019 equalled 798, down by 7.32% y-o-y.

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



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 January–September 2019 related to motor third party liability insurance (34.7%) and accident insurance (25.6%).

Table 2.2.2.1.1 Number of complaints by type (Insurance undertakings)

Type of complaints	Total	In %
Motor third party liability	277	34.7
Other liability insurance	4	0.5
Voluntary and travel health insurance	34	4.3
Property insurance	84	10.5
Full coverage motor vehicle insurance	32	4.0
Insurance from injuries	204	25.6
Credit insurance	18	2.3
Liability insurance	44	5.5
Other	31	3.9
Non-life insurance	728	91.2
Life insurance	29	3.6
Supplemental life insurance	27	3.4
Other	12	1.5
Annuities insurance	0	0.0
Life insurance	68	8.5
Undertakings in bankruptcy	0	0.0
Other	2	0.3
Other	2	0.3
TOTAL	798	100

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 and VPF management company each, while there were no complaints against other financial services providers.

3 Mediations

From 1 January to 30 September 2019, 228 mediation requests were received and 63 requests were accepted.

In the observed period, 57 mediation procedures were held, of which 64.9% pertained to insurance undertakings and 35.1% to banks.

Table 3.1 Number of mediations
(1 January – 30 September 2019)

Financial services provider	In progress	Settlement	Suspension	Abandonment	Total	in %
Banks	6	4	10	0	20	35.1
Insurance undertakings	13	11	11	2	37	64.9
Leasing providers	0	0	0	0	0	0.0
VPF management companies	0	0	0	0	0	0.0
TOTAL	19	15	21	2	57	100.0

Source: National Bank of Serbia.

Of the total number of mediations held (38), 15 cases (39.5%) 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 payment accounts in the case of banks.