

REPORT
on
ALTERNATIVE DISPUTE RESOLUTION
as at 29.06.2018

In the first half of the year, 188 consumers received favourable decisions from banks or NBFIs, v. 15 during the same period of last year.

Almost half of the total number of applications for conciliation between consumers and financial and banking institutions registered in the first six months of 2018 (544 compliant applications) were turned into casefiles (279 casefiles). Compared to the first half of 2017, **the number of compliant applications increased by 3.5 times more, while that of casefiles by more than 7 times.**

Additionally, increasingly more consumers from across the country turned to ABDRC. For instance, while **last year the applications received from Bucharest-Ilfov accounted for more than 52%, this year this percentage dropped to 34%** as we see counties, such as Prahova, Iași, Brașov, or Constanța on the rise.

The following we received in the first half of the year:

- 1,027 written applications (416 in S1 2017) of which:
 - 544 compliant applications (162 in S1 2017);
 - 21 non-compliant applications (8 in S1 2017);
 - 462 requests for miscellaneous information (246 in S1 2017).

Classification of the 544 compliant applications (there were 154 compliant applications in S1 2017):

- 279 turned into casefiles in the first half of 2018 (39 turned into casefiles in S1 2017);
- 68 in screening phase (23 in S1 2017) - review of the documents in progress;
- 219 closed (105 in S1 2017) – rejected by the bank/NBFI or given up by consumers;

Classification of the 279 casefiles (39 in S1 2017) in the procedure with proposed solution in 2018:

- 188 resolutions rendered (15 in S1 2017) - the parties reached an agreement;
- 63 casefiles in the phase of discussions with the parties (9 in S1 2017);
- 19 reports issued (7 in S1 2017) - the parties couldn't reach an agreement;
- 5 casefiles in which one party withdrew from the procedure (1 in S1 2017);
- 4 preliminary casefiles (5 in S1 2017) - the agreement of the parties to proceed is expected;

Breakdown of compliant applications on counties (further details are available in the map enclosed in the end of the report):

- Bucharest-Ilfov: 190 applications
- Prahova: 27 applications
- Iași 23 applications
- Brașov 17 applications
- Constanța 17 applications
- Bacău 16 applications

Means of filing compliant applications:

- 82.5% were sent via **email**;
- 8.8% were sent by **mail**;
- 8.6% were brought to, and registered by consumers with the **office of ABDRC**.

Most applications received from clients refer to:

- Problems with loans taken out - 90%
 - Decrease of the loan balance
 - Removal of certain fees (management, tracking fees)
 - Removal of certain contractual provisions
 - Problems with enforcement
 - Recalculation of the interest rate
 - Re-staggering or refinancing of the loan
 - Resumption of the repayment schedule
 - Repayment of certain fees (management, analysis, risk, monitoring fees)
 - Repayment of certain amounts
 - Deregistration from in the Credit Register

- Other problems - 10%
 - Deposits
 - Credit cards
 - Current account
 - Problems with bank transfers
 - Leasing

The main reasons for closing compliant applications are:

- businesses refused settlement of the disputes by ADR procedures:
 - an direct agreement has been reached with the consumer, further to the latter approaching ABDRC;
 - pending court actions;
 - forced execution procedures have already been initiated;

- several offers have been made, but all of them were turned down by the consumer before the consumer had approached ABDRC);
- more than 90 days have passed since filing of the applications, and the consumers failed to supplement the applications with the data/documents required for due settlement.

NOTE:

*Both the interest and awareness of the consumers of ABDRC have been raised compared to last year. The figures of the first semester of this year, compared to those of the same period of last year, are more than 3.5 times better in terms of the number of applications received. Still, if we are to refer to the casefile in progress with conciliators, or the one already concluded, **the number thereof in 2018 is more than 7 times higher than in first six months of 2017.***

*S1 2018 is even better than the entire 2017, and this can be seen in the average number of applications and casefiles managed by ABDRC. Thus, **the number of applications increased by 2 times v. the average of all 12 months of 2017. Similarly, the monthly average to date of 2018 was of 42 casefiles, v. less than 18 casefiles during the same period of 2017.***

<p>S1 2017 in figures:</p> <ul style="list-style-type: none"> ● 154 compliant applications – 25.6 applications per month; ● 39 casefiles – 6.5 casefiles per month; <p>(All) 2017 in figures:</p> <ul style="list-style-type: none"> ● 505 compliant applications – 42 applications per month; ● 214 casefiles – 17.8 casefiles per month; 	<p>S1 2018 in figures</p> <ul style="list-style-type: none"> ● 544 compliant applications – 90.6 applications per month ● 257 casefiles – 42.8 casefiles per month
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CONCLUSIONS:

- Starting with Q4 2017, the work of ABDRC has intensified, and this trend has been confirmed in the first six months of 2018, too. The following changes in the behaviour of both consumers and traders to ABDRC have been seen:
 - on one hand, increasingly more consumers have learned about ABDRC and are currently accessing the Centre’s services, in their efforts to have their disputes with the traders in the financial and banking sector resolved;
 - on the other hand, traders are willing to participate in increasingly more conciliation procedures, with an increasingly lower rate of closed applications (for the time being at approximately 30%), which is an indication that the banks have understood the role played by ABDRC, as well as the benefits of the ADR procedures;

Consumers most frequently report the following reasons of discontent/objections by phone:

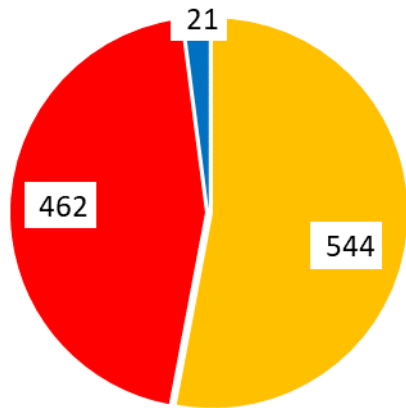
- The idea that most of the traders would not accept their claims filed via ABDRC, as long as they did not accept them in the amicable settlement attempt (in the phase of simple complaint);
- The preliminary stage imposed under the law which consists in an attempt to have claims filed amicably resolved directly with the trader represents, in their opinion, a counter-productive requirement which generates unreasonable delay especially considering the very tensed relations between the consumer and the respective trader.

As of this year, the WEBSITE of www.csalb.ro is available also in English. Therefore, the following pieces of information can be thus found in both versions:

- Regulation for organization of the Alternative Banking Dispute Settlement Centre and for functioning of the Steering Board;
- Procedural Rules regarding:
 - ADR procedure concluded with proposing a solution;
 - ADR procedure concluded with imposing a solution;
- Steering Board;
- List of Conciliators;
- Short call number: 021 9414, available every day **between 09:00 AM - 05.00 PM;**
- Press releases and media coverage;
- Miscellaneous useful information for consumers and traders.

The **Alternative Banking Dispute Resolution Centre (ABDRC)** is an independent non-governmental apolitical, not-for-profit legal entity of public interest established under the Government Ordinance no. 38/2015 on alternative resolution of disputes between consumers and traders, which transposes at domestic level Directive 2013/11/EU on alternative dispute resolution for consumer disputes and amending Regulation (EC) no. 2006/2004 and Directive 2009/22/EC.

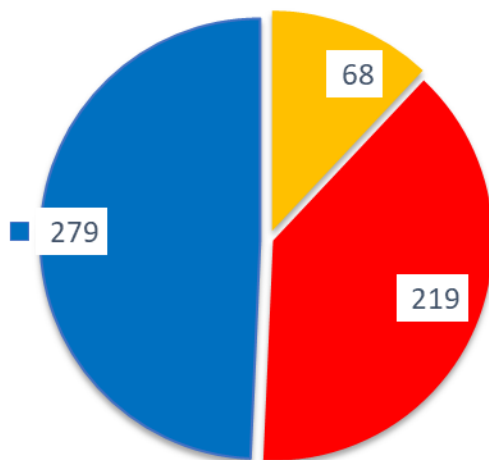
Statistical information about S1 2018:



Status of applications

- Compliant applications registered
- Requests for various information
- Non-compliant applications

Status of compliant applications 2018

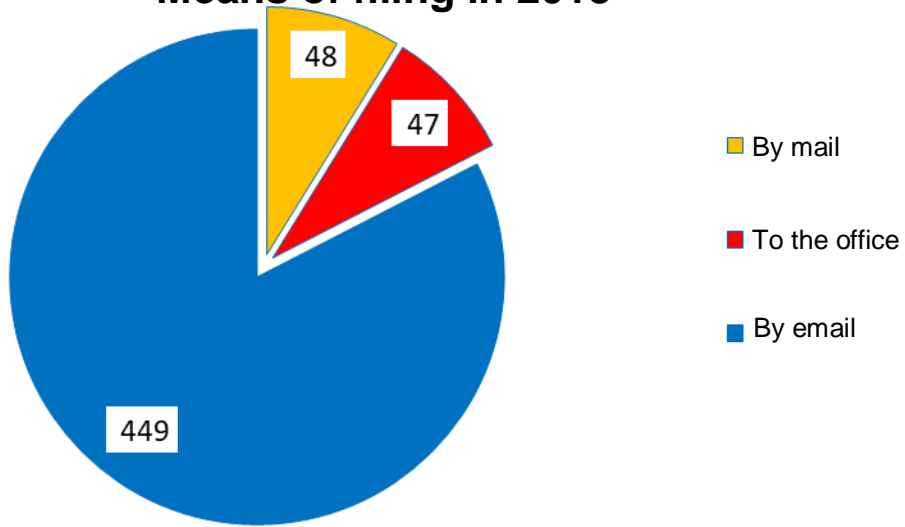


- In the screening phase

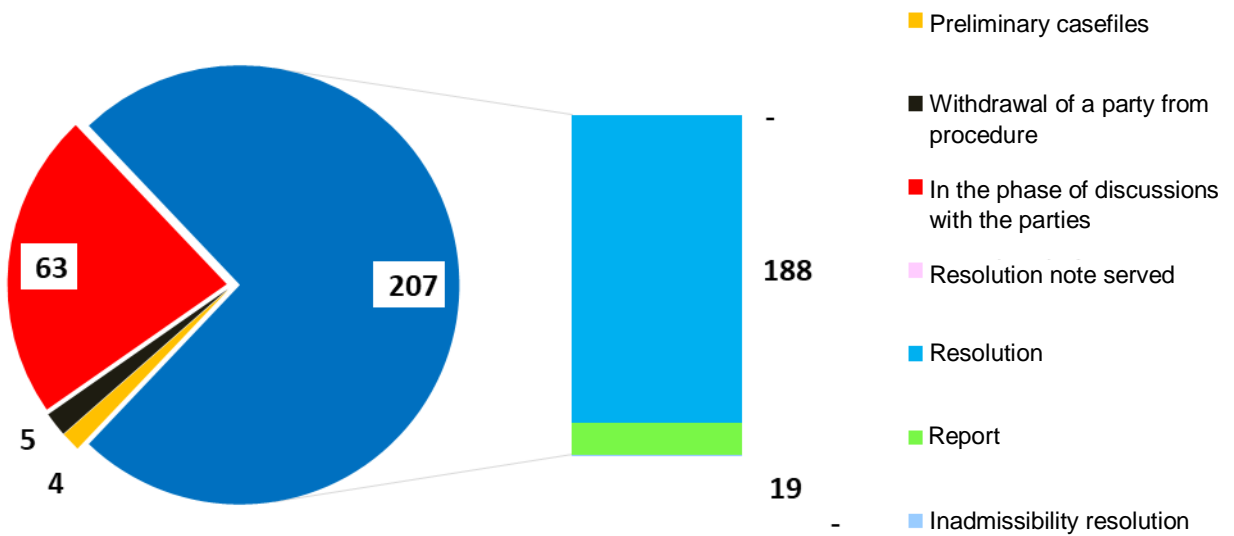
- Closed

- Turned into casefiles of applications in 2018

Means of filing in 2018



Status of casefiles in progress in 2018



BREAKDOWN OF COMPLIANT APPLICATIONS / S1 2018

