

## **ABDRC shows inhabitants of Constanta solutions for amicable settlement of financial disputes**

### **PRESS RELEASE**

**The ABDRC roadshow, the first initiative aimed at making popular methods of alternative financial and banking dispute resolution, arrives in Constanta.**

The specialists of the **Alternative Banking Dispute Resolution Centre (ABDRC)**, an institution making available to Romanians the necessary infrastructure to have disputes between consumers and financial and banking institutions settled amicably, show the inhabitants of Constanta potential solutions for closing any potential financial disagreements or disputes.

Since the beginning of the year, more than 240 consumers have obtained from banks and NBFIs, with the help of ABDRC, reduction or removal of fees, reduced loan instalments, or even writing off the entire outstanding principal.

Of these, approximately **10% are from Constanta**. For instance, T.R. of Constanta obtained, further to negotiations with the bank intermediated by ABDRC, removal of the management fee and reduction of the outstanding principal by EUR 2,040. G.D., also of Constanta, obtained closure of the loan and the outstanding principal of EUR 1,331, while C.N, shall no longer pay any management fee.

“A survey conducted at the request of ABDRC early this year, showed that 27% of the respondents to a questionnaire did not know what ABDRC could do for them. The ABDRC roadshow was started precisely to meet this need for information about the financial and banking services and to respond to the potential disagreements they have with banks and NBFIs. We want, with the aid of the ABDRC’s awareness raising campaigns, amicable settlement to become the first choice when people have disagreements with the banks”, declared Alexandru Păunescu, member of the Steering Board of the Alternative Banking Dispute Resolution Centre (ABDRC).

According to a survey conducted by KANTAR TNS at the request of ABDRC, the main problems faced by consumers in their relations with banks and NBFIs, are the high fees, the time they need to wait to have a request addressed, and excessive bureaucracy. On the other hand, the settlement means consumers usually turn to are discussions with the representatives of the institution, or complaints with the National Consumer Protection Authority.

Approximately 9 of 10 respondents declared that they would approach ABDRC in the future to have addressed any potential problem or dispute with a financial and banking institution.



The lack of costs and the short settlement time, up to 90 days, would convince consumers to turn to the experts of ABDRC.

Court actions remain the method of choice for dispute settlement, but this is a lengthy process which does not guarantee a favourable outcome. According to a report produced by KPMG at the request of the Romanian Banking Association, a civil lawsuit, covering all three stages of proceedings - first court, appeal and second appeal, might last more than 3 years.

The ABDRC Roadshow project consists of a number of meetings between the specialists of the institution and media representatives in the main cities of the country, for the purpose of promoting the benefits of amicable settlement. This is the third edition of the ABDRC Roadshow, after having previously been in Timișoara and Cluj-Napoca.

#### **About ABDRC:**

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.