



Centrul de soluționare alternativă
a litigiilor în domeniul bancar

ABDRC presents solutions for amicable settlement of financial disputes to the inhabitants of Bihor County

PRESS RELEASE

20th of June 2019, Oradea. ABDRC Roadshow, the first initiative promoting negotiation and conciliation between consumers and banks/NBFIs, landed in Oradea.

What it is in for consumers

Over the last three years of ABDRC work, more than **700 Romanian 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.

Last year alone, the benefits obtained further to the negotiations between consumers and banks with the aid of ABDRC have exceeded **EUR 1 million**.

In 2018 and the first months of 2019, close to 2,300 Romanians approached ABDRC, of which only **26 applications were filed from County of Bihor**, which is less than 2% of the total applications received from the country.

In the national classification, County of Bihor is among the last ten of Romania terms of the number of applications submitted to ABDRC. Most of the applications came from Bucharest and Ilfov (49% of the total).

Here is how some of the applications filed from Oradea were resolved:

- ✓ **M. L.** : Further to the consumer dropping the lawsuit, the Bank wrote-off EUR 13,338 of his debt;
- ✓ **C. V.** : The bank grants reductions under two loan agreements executed with the same consumer (dated 2011 and 2012), as follows:
 - repayment of RON 16,500 for the loan agreement dated 2011. For remaining principal of RON 12,000, the bank accommodated a restructuring over the next two years, with an instalment of approximately RON 530;
 - repayment of RON 3,900 for the agreement dated 2012;
 - payment of the forced execution costs to the bailiff's office;
- ✓ **C. I.** : The bank discontinued the annual management fee and reduced the interest rate by 1.54%;
- ✓ **C. F.** : Cancellation in full of the personal loan contracted in 2013, the credit card debt and the overdraft debt;
- ✓ **N. I.** : The bank grants RON 3,500 to the consumer, of which the personal loan dated 2010 will be repaid; monthly management fee zeroed; 6% fixed interest;



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- ✓ **P. A.** : The trader shall pay to consumer EUR 1,200 and reduce the costs as follows: 5.95% fixed interest for the next five years, and removal of the management fee;
- ✓ **S. A.** : Partial writing-off of a debt of RON 10,000 related to a personal loan contracted in 2017, and full writing-off of the interests under the overdraft agreement dated 2015 (RON 4,950).

Amicable settlement: the first option in the consumers' disagreements with banks

The specialists of the **Alternative Banking Dispute Resolution Centre (ABDRC)** introduce to potential solutions for closing any potential financial disagreements or disputes to the consumers of Oradea.

"A survey conducted last year at the request of ABDRC, 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).**

Which are the main problems encountered by consumers

According to a survey by ABDRC relying on the applications submitted by consumers between January 2018 - April 2019, most often, the applications regard **personal loans** (70%), while mortgage loans are called into question in 30% of the cases concerning bank loans. Most of the times, consumers seek amicable solutions via the Centre for their **loans in RON (42% of the cases)**, EUR (28%), and CHF (25%). Only 5% of the cases concerns loans in US dollars.

The most frequent claims against the banks that are reported by consumers to the Alternative Banking Dispute Resolution Centre regard: finding solutions to problems (30%), fees and commissions (30%), loan conversion (10%), and situations in connection with the Credit Office (7%).

More than 84% of the Romanians approach the Centre online, by email, and via the mobile App available at www.csalb.ro. For instance, 55% of the applications filed to ABDRC since the launch of the application are via the App, which proves how accessible this service is for consumers across the country.

Amicable settlement, over 20 times faster the court proceedings

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. By way of comparison, amicable settlement with the support of ABDRC took in average only **50 days** last year.



Moreover, consumers pay nothing for this service, as laid down in the European Directive transposed in the Romanian legislation.

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 sixth edition of the ABDRC Roadshow, after having been presented in Timișoara, Cluj-Napoca, Constanța, Iași and Oradea.

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.