

EXCLUSIVE: FOR THE FIRST TIME, BANKS VOICE THEIR OPINIONS ON THE NEGOTIATIONS WITH CONSUMERS

Bucharest, 19 August 2019

Visible, quantifiable and beneficial - these are the terms used by the banks to describe the effect of ABDRC's involvement in overcoming the problems bet consumers and financial institutions.

After close to three and a half years of operation, the **Alternative Banking Dispute Resolution Centre (ABDRC)**, we see that the Romanian banking institutions are increasingly more open to settle amicably their problems with consumers.

Most banks have set up in-house dedicated structures, have trained their staff to interact with the team of ABDRC conciliators and amicably settled the applications the consumers submit to the Center. Additionally, consumers are informed about ABDRC as early as the time when they sign the agreements, as well as via the information materials available in branches and agencies¹.



BRD SOCIETE GENERALE: The alternative dispute resolution offered by ABDRC is, for us, an opportunity and an alternative to improve our business relations with customers.

Flavia Popa, Secretary General, BRD Groupe Societe Generale

"Conciliators have already proven objective and professional, and this is yet one more arguments for consumers and banks to turn to ABDRC. There were customers who understood that a negotiation is more than a process of asking and receiving, but that its purpose is to meet halfway and shake hands after having found a mutually satisfactory solution. We are interested in building, as much as possible, customized solutions for each customer, on a case-by-case basis. There are still steps due to be taken, but we remain optimist that the good examples seen so far would reduce the grievances, the cost and the time for all the parties involved in this process."

¹ The indicated banking institutions are those who provided answers about the role of ABDRC and conciliation in alternative dispute resolution.



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RAIFFEISEN BANK: For consumers, this alternative brings along many benefits: it is free of charge, flexible and easily accessible.

Bogdan Atanasiu, Complaint Management Manager, Retail Division, Raiffeisen Bank "For consumers, this alternative brings along many benefits: it is free of charge, flexible and easily accessible, and the customer enjoys the support of an external specialized conciliator who can recommend both the bank, and the customers solutions for their disputes, that would be accepted by both parties. We arranged an internal flow dedicated to treating and addressing with priority the applications for conciliation received via ABDRC. We recommended this alternative dispute resolution channel to customers via the website of the bank, in our replies to customers, as well as in the presentation materials we made available to them in

our agencies".



BCR: While customers used to be reserved about turning to such services in the early days of ABDRC, meanwhile, the public gained confidence in turning to conciliators

Ionuț Stanimir, Marketing and Communication Manager with BCR "Banca Comercială Română provides sustained support to the work of ABDRC, as thus we can always find the best solutions for customers in distress. As early as the establishment of the Center, we assigned the conciliation activity to an internal office specialized in negotiations with the bank's consumers, and we put in place a flow so that to deal with the cases received from ABDRC as expeditiously as possible. The information about the work of ABDRC is available in the agreements with our retail customers, on the website, in the replies we send to their complaints, as well as in branches. The idea of the ABDRC roadshows is very useful to make known the best practices."



GARANTI BANK: The very good expertise of the conciliators in the financial and banking field builds trust among both consumers, and the representatives of banks.

Tatiana Jilavu – Head of Customer Experience - Garanti Bank "The alternative solution pose the benefit of a fast and cost-free resolution for the consumer. We want natural persons to understand much better the role of negotiation and conciliators. Turning to ABDRC implies a negotiation in which both parties do their best to find a mid-way solution. We had cases settled amicably, which makes us very happy, but we also dealt with instances where consumers refused both the solution proposed by the bank, and that represented by the conciliator. There are also cases where the simple participation in conciliation and the explanations offered by the bank, with no other financial compensation, was considered satisfactory by consumers."



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CEC BANK: The conciliation procedure is a genuine alternative to settlement of disputes in court

Mirela Iovu, Director-Vice President, Direction Committee of CEC Bank "The conciliation procedure is considered by CEC Bank a genuine alternative to settlement of disputes in court. As early as the establishment of ABDRC, since 2016 and to date, CEC Bank has been open to alternative resolution of the disputes with consumers, so that increasingly more applications thereof were turned into casefiles. Most of the cases accepted by CEC Bank concerned repayment of risk/management commissions. These casefiles were successfully carried through, and the bank eventually proceeded to repaying them to consumers".



ING BANK: We see ABDRC as a partner and reliable aid in consolidation and improving the consumer-bank relation

Nicolae Andreica, Director, Head of Advisory Channels Management "In this three years, ABDRC has managed to gain the trust of both consumers, and ours, as a banking institution. The cases are reviewed by conciliators, all good specialists in law and economy, with a wide experience in treating and managing such cases. Consumers are recommended to approach this alternative in all confidence, and we reassure them of the openness and cooperation of all the parties involved in this process. ING Bank, together with the representatives of ABDRC and the Body of Conciliators, have constantly worked to protect customers and consumers pursuing the conciliation avenue. Similarly, the meetings we had with them and with the conciliators have always proven pleasant experiences in the sense that we managed to build a relation based on trust and mutual respect."

BANCA ROMÂNEASCĂ: Consumers are better educated and their perception of the banking institution has become more informed.

Representatives of Banca Românească "The conciliation procedure in Romania, as alternative dispute resolution, is useful in managing cases which find no solution with the classical means, thus avoiding the costs and time of court proceedings. As early as the establishment of ABDRC, Banca Românească accommodated *the alternative dispute resolution procedures* in its specific workflows dealing with the complaints and applications received from consumers, the bank's customers. The impact of the negotiations with them, via ABDRC, is visible and quantifiable. Retail consumers are better educated and their perception of the banking institution has become more informed."

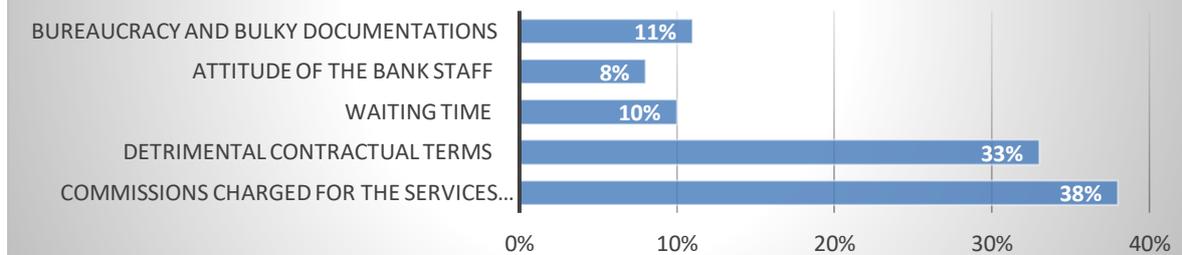
75% of Romanians claim their relation with the banks is good. Why the remaining 25% complain about?

The positive reaction of the bank to the conciliation procedure brings us joy, considering that, according to the latest survey of ABDRC, conducted in partnership with **Finzoom.ro**, the level of financial integration of the Romanian consumers is high: only 8% of the online respondents say they don't use any banking product and don't even have a current account or bank card.

Generally, Romanians have not experienced problems with a bank or NBFI, as more than 75% of the respondents declared they had a good relation with financial institutions. Of the Romanians not happy with the relations with their banks/NBFIs, 38% pointed to commissions as the main cause, and 33% to the perceived detrimental contractual terms.

15% of the interviewees say they have difficulties in paying the installments, and the main causes of delay were the change in the general economic situation, and the changes in the family situations (ranked 1st and 2nd by 55% of the respondents).

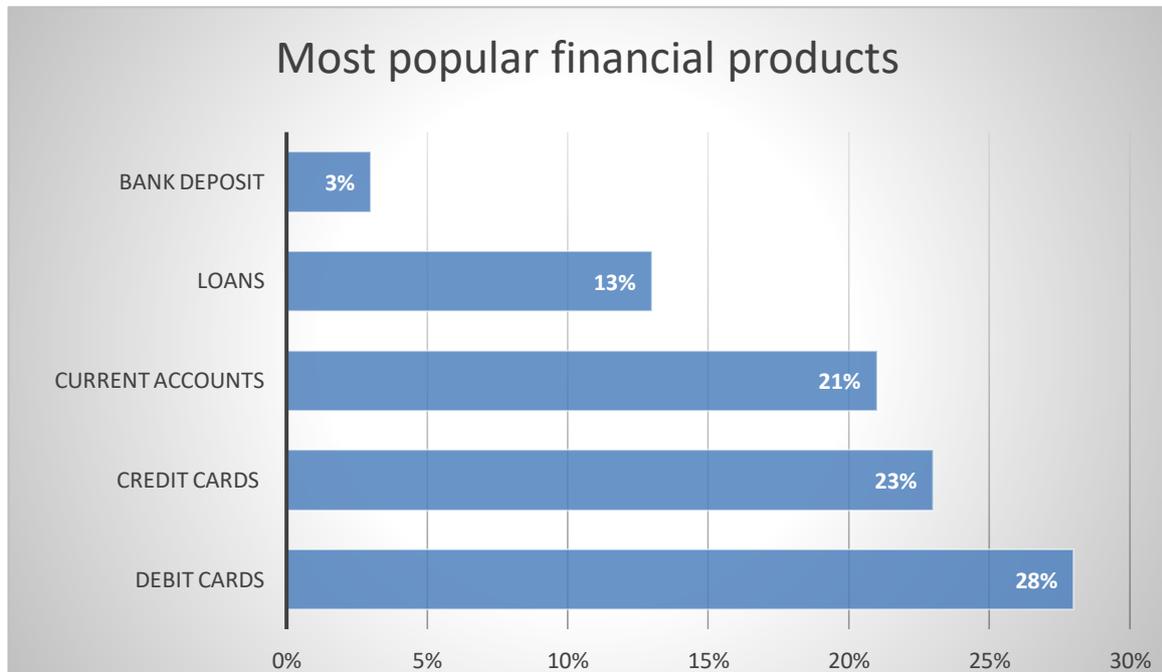
Which is the biggest problem/grievance in your relation with the bank/NBFI?



Of the family situations causing problems in paying the installments, the most important are: at least one family supporter loses the job (37%), a medical cause/problem demanding urgent resolution (23%), and lower income of at least one family member (23%).

The survey was conducted online in June, on a sample of **1,220 interviewees**, 34% aged 45-64 years old, and 33% aged 35-44 years old, most of which were employed women (71%), with a length of service of more than 15 years (42%).

According to the same survey, the most popular financial products are debit cards (28%), credit cards (23%), and current accounts (21%), while only 13% of the respondents had loans.



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.