



Centrul de soluționare alternativă  
a litigiilor în domeniul bancar

## ABDRC presents the inhabitants of Sibiu with solutions to have their issues with banks and NBFIs settled amicably

### PRESS RELEASE

**24 September 2019, Sibiu. ABDRC Roadshow, the first initiative promoting negotiation and conciliation between consumers and banks/NBFIs, landed in Sibiu.**

#### What it's in for consumers

Over the last three years of ABDRC work, more than **1,000 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.

The benefits obtained further to the negotiations between consumers and banks have exceeded **EUR 1.5 million. The service is free of charge for the consumers.**

In the first eight months of 2019, close to 1,500 Romanians approached ABDRC, of which only **28 applications were filed from County of Sibiu**, which accounts for less than 2% of the total applications received from the entire country. **23 applications have been received from County of Alba this year.**

In a national classification, Counties of Sibiu and Alba rank in the bottom quarter in terms of the number of applications submitted to ABDRC. Most of the applications came from Bucharest and Ilfov (49% of the total).

#### Here are some examples of settlements reached for the applications filed from Sibiu:

- ✓ U.M.-V. The bank wrote off the entire principal for an overdraft of 2016, and wrote off part of the principal under a personal loan of 2018. The amount that the bank waived is in excess of RON 17,400. The remaining principal shall be paid in instalments of RON 690 per month, with no commission owed to the bank, over the next five years.
- ✓ J.E. The bank reduced the total principal payable by RON 5,000, while the time to recover the due amount was reduced compared to the forced execution term. The consumer signed a payment commitment for the overdue debt, further which the bank shall remove the garnishment instituted to have the debt recovered.
- ✓ A.S. contracted two personal loans in CHF 12 years ago. The first amounts to more than CHF 68 thousand, and the second is in excess of CHF 28 thousand. In 2017, the consumer managed to early repay the lower loan. Now, the consumer successfully negotiated with the bank a reduction by CHF 4,200 (of the remaining amount).

Here as some examples of settlements reached for the applications filed from Alba:

- ✓ T.I. For a loan taken back in 2005, the bank shall write off the entire the principal and all future interests of RON 14,500, and thus close the loan. The same (writing off the principal and future debts) will happen also for an overdraft contract from 2006, for which the total overdue amount was in the range of RON 4,000.
- ✓ M.A. The bank transferred into the consumer's account the amount of RON 5,500, further to recalculation of a loan granted in 2008. This amount covers for the outstanding current principal of RON 4,200, with the balance to be used at the discretion of the consumer.
- ✓ A.D. The bank wrote off overdue amounts and penalties of RON 11,000, as calculated on the date when the loan was declared early repayable. The bank proposes several measures by means of which the co-debtors under a loan from 2015, currently in dispute further to a divorce, can continue their relation with the credit institution.

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

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

*"A survey conducted in June this year showed us that 96% of the respondents to an online questionnaire found ABDRC necessary in Romania. Nevertheless, 38% of consumers do not know what ABDRC could do for them. The ABDRC roadshow hit the road precisely to meet this need of people 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

Changed family circumstances (55%), amount of interest (53%) and commissions (39%) are the main difficulties faced by consumers in making payment of their loan instalments - according to an online survey applied by ABDRC and Finzoom.ro in June 2019. Of the most problematic family circumstances, losing the job by at least one family member is liable to cause the highest difficulties in making payment of the instalments for 37% of the respondents. Second ranked, for 23% of the persons the questionnaire was applied to, is occurrence of a medical condition requiring urgent treatment, as well as income reduction for at least one family member (23%, too).

According to a survey conducted by ABDRC based on the applications filed between January 2018 and April 2019, 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.

## 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. And the resolution rendered reflecting the understanding between the parties via ABDRC and further to negotiations, has the power of a court judgment.

**More than 85% of the Romanians approach the Centre online**, by email, and via the mobile App available at [www.csalb.ro](http://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.

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 promoting the benefits of amicable settlement. This is the seventh edition of the ABDRC Roadshow, after already stopped in Timișoara, Cluj-Napoca, Constanța, Iași, Craiova, 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.