Centrul de soluționare alternativă a litigiilor în domeniul bancar

Record cases: A bank writes off nearly RON 300 thousand and CHF 52 thousand of the debts of a consumer

Bucharest, 15 January 2020. The Alternative Banking Dispute Resolution Centre (ABDRC) helped resolve the largest case, in terms of the amounts involved, in the history of conciliation between consumers and banks in Romania.

One loan in CHF and another one in RON are the new all-time-high of conciliation

A consumer from Bucharest had a debt of **RON 298,000** (approximately EUR 62,000) written off further to negotiations with the bank, with the mediation of ABDRC. In this particular case, the bank accepted to write off the entire debt that the consumer had still to pay. The same happened also in another social case of Oradea, where the bank wrote off **CHF 51,930**.

Both cases broke the previous value record reported by ABDRC. This used to be of EUR 44,600, dated from April 2019, and concerned a consumer from Sighetul Marmației.

In the first days of this year, the same commercial bank made similar decisions about a number of other difficult social cases:

- The bank closed a consumer loan without mortgage for B.I. of Bucharest. The conciliation concluded with the remittal of **EUR 3,945** to the consumer. For the same person, the bank wrote off also the overdraft of **RON 3,288**.
- In another case of Bucharest, the amount remitted to the consumer V.M. for closure of the loan was **RON 8,553**. Additionally, the bank also transfer to the consumer the amount of **RON 1,785**.

"In less than one year, the previous value record was broken twice in the Centre. Even if we are happy with the outcome of the conciliation, we speak about difficult social cases that no one would want to go through. We need to note that most commercial banks are willing to support their consumers in distress, and understand the need for effective negotiation of the agreements when the financial standing of the parties has worsened. Last but not lease, we also notice that the messages ABDRC conveyed to the banks and NBFIs in 2019 to engage more into conciliations with consumer and show more flexibility during negotiations returned the results that the banking market and consumer had expected", says **Alexandru Păunescu, Chairman of the Steering Board of ABDRC.**

Video statement: https://www.youtube.com/watch?v=b6K-32u2Q7Y

***Video statement without graphics**: https://we.tl/t-2UewVHLtZM*

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Here is what the consumer of Oradea says about having close to CHF 52,000 written off

"Back in 2007, I took a mortgage loan in CHF. Due to the real estate crisis and the increasing CHF rate, the instalments virtually doubled in time. Before the fall of 2018, we managed somehow, although with same delay, to pay them, but since the spring of 2019, since we have been faced with a serious health problem of my wife, the delays have grown longer and longer. Before the situation got critical, we approached ABDRC hoping that their conciliation would get us a reconversion and rebalancing of this loan. But with the help of ABDRC we obtained more than we could have ever hoped for, meaning the loan that we had to pay for perhaps 12 more years was written off entirely and closed. Our collaboration with ABDRC was straightforward, on the point and unexpectedly fast. This is why I encourage all that find themselves in a more particular situation and seek to settle with their banks, before pursuing any other proceedings, to try conciliation via ABDRC. Nothing is imposed, and there are no constraints, but only benefits", reads the message sent to ABDRC by ***M.I. of Oradea*.**

How negotiation unfolded for a consumer from Bucharest whom the bank wrote off RON 300,000 of the debt

Four years ago, A.S. borrowed from the bank approximately EUR 70,000 to buy a house. He managed to get up and running an IT business having studied and worked abroad before. But, two years ago, he was involved in car crash further which he underwent a number of surgeries and needed months of recovery, which is still in progress. He turned to ABDRC, and his lending bank offered him the best possible solution: writing off the entire debt left to be paid, meaning the equivalent of EUR 62,000.

The solution was proposed by our conciliator Sebastian Guțiu, after having reviewed the case and the correspondence between the parties involved, i.e. the bank and the consumer.

"I am a great supporter of alternative avenues to settle disputes, because their provide the parties with genuine benefits whether we speak of the shorter resolution time, the lower costs for the banks, or the zero costs for consumers, not to mentioned the reduced emotional wear. To my mind, the cultural appetite of the parties to a dispute for court proceedings seems to rule out from the very beginning any off-court settlement possibility. The role of conciliation is precisely to guide both parties towards finding a common denominator. I am convinced that, in this case too, the decision to approach ABDRC has led to the best possible solution for both parties. I hope that such positive examples will further foster dialogue, and the parties sitting on the opposite sides of a dispute opt more often for the conciliation procedure", says **Sebastian Guțiu,** the **ABDRC conciliator** who resolved this case.

Video statement: https://www.youtube.com/watch?v=5CK18owN7gc

Video statement no graphics: https://we.tl/t-czzsfzVTLY

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ABDRC work load, 65% more than last year

Over the last 3 and a half years, more than 14,00 Romanians had their problems with banks and NBFIS resolved via ABDRC, and the total amount obtained further to negotiations exceeds EUR 2 million. Last year, consumers submitted more than 2,100 applications to enter negotiations with financial and banking institutions, compared to the 1,293 submitted during the entire 2018. Most of the applications are aimed at reduction or removal of fees, reduction of the principal or other loan-related costs, whether we speak of mortgage or consumer loans.

About ABDRC:

ABDRC is an institution set up under a European Directive and intermediates, free of charge and in not more than three months, negotiations between consumers and banks or NBFIs, for agreements in progress. Consumers from any county of the country may file applications with the Alternative Banking Dispute Resolution Centre (ABDRC) via the online application available on the website www.csalb.ro. If the bank accepts to enter the conciliation procedure, a conciliator is appointed. ABDRC works with 21 conciliators, of the best specialists in law with experience also in the financial and banking field. Everything is settled amicably, and the understanding between the parties has the power of court judgment. More information about the work of the Centre is available by phone at 021 9414 (charged a normal rate).