Warning from ABDRC: Watch out for companies that promise you deregistration from the Credit Register!

23 June, Bucharest. Starting with 2019, **the Alternative Banking Dispute Resolution Centre (ABDRC)** has been received an increasing number of applications from consumers asking for deregistration from the Credit Register. Unfortunately, these applications fall outside the scope of a negotiation process with the bank or the NBFI, as it usually happens, in the conciliation procedure. ABDRC refers such applications to the credit institution or non-banking financial institution, and Centre may only check whether the consumer was duly entered in this database. For this reason, 9 of 10 applications seeking deregistration from the Credit Register are rejected by banks and NBFIs and, eventually closed. The reminder 10% are settled amicably, after a referral to ABDRC. This means that the deregistration decision rests with the traders and does not involve a negotiation via the Centre any longer.

For these reasons, we **recommend consumers** to approach the banks and NBFIs directly for any requests concerning the Credit Register and avoid intermediaries that promise or guarantee a successful such deregistration.

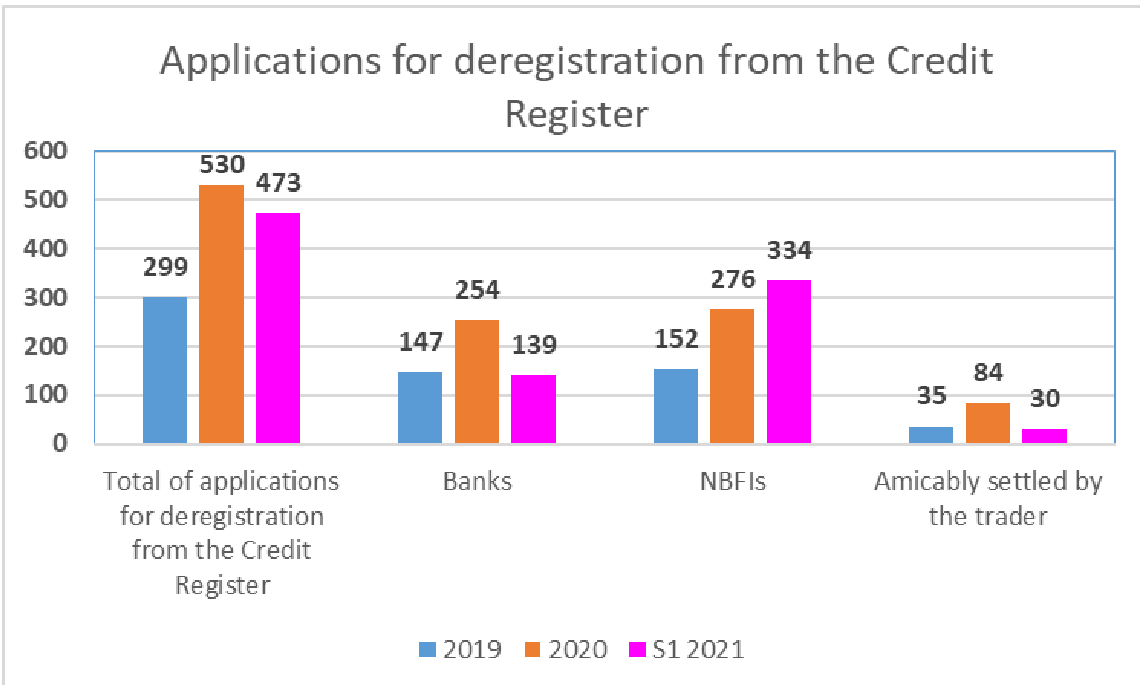
PAY ATTENTION TO COMPANIES THAT FIRST PROMISE DEREGISTRATION AND THEN TAKE CONSUMERS TO COURT

"We are witnessing a phenomenon that has already caused damages to many consumers. There are some companies on the market that promise deregistration from the Credit Register, and than pursue court proceedings against consumers to recover amounts that most likely the latter agree to under the agreements laying down the fees of these intermediaries. The courts' portal shows that most of such proceedings concerns the amount of RON 1,500, and some conclude including with forced execution of the consumers who made the mistake of trusting the promises of these companies. In Bucharest alone there are more than 50 lawsuits filed by one single company that deals with such matters. In many cases, most likely people refused to pay the amounts set out in agreements further to a failed attempt to have them deregistered from the Credit Register. Therefore, we urge consumers to gather detailed information about the risks they expose to, and to walk the safe and free-of-charge path of addressing this issue: directly with the bank or the NBFI. When registration was made in error, deregistration shall occur independent of any intervention of an intermediary that, above all, also claims money for this. As for the application on this topic filed with ABDRC, we remind consumers that our negotiation capacity is limited to the cases governed by a piece of special legislation. These include also applications concerning the "First House" programme, or the loans assigned to companies dealing with debt recovery, because these are neither supervised, nor regulated by the National Bank of Romania", says **Alexandru Păunescu, President of ABDRC Steering Board.**

"Deregistration from the Credit Register is a right of a consumer of financial services that can be exercised in two ways: either directly with the bank or the NBFIs, or online on the Credit Register's portal. But an application filed with the Credit Register will eventually end up with the same bank or NBFI, meaning the institution that had the individual entered into the Credit Register and holds all the documents the consumer's application can be reviewed against. Moreover, the Credit Register has no right to alter the entries operated by the bank or NBFI. Even if some companies promise deregistration from the Credit Register, de facto, consumers

do not need any intermediary for this. Additionally, intermediaries charged various amounts of many and cannot guarantee a successful outcome. Currently, the Credit Register's portal lists more than 200 thousand users. One of the reasons frequently raised by consumers seeking their deregistration from the Credit Register is the lack of notice. According to the legislation in force, before 25 May 2018, the bank or NBFI was required to give consumers 15-day prior notice before entering them into the Credit Register. And this requirement remains entirely effective. And still, when the financial institution or a court decides that the lack of notice is a ground for erasure of that person's data, this would have no bearing whatsoever on the debt to the bank or NBFI. This debt is not written off and remains due", says **Șerban Epure, General Director of the Credit Register**

DEREGISTRATION APPLICATIONS RECEIVED BY ABDRC FALL OUTSIDE OF STANDARD NEGOTIATION PROCEDURE WITH THE BANK/NBFI



This year, in 80% of the applications filed to NBFIs via ABDRC, consumers asked for deregistration from the Credit Register. The share of Credit Register deregistration applications concerning banks is below 20%. While banks and NBFIs received a relatively equal number of applications on this topic in 2019 and 2020, this year the applications to NBFIs are twice more than those to banks.
The increasing number of these applications overlapped with the sanitary crisis, and a number of entries in the Credit Register could be caused by payment delays (including for small value loans) by consumers who did not apply for instalment deferral, did not meet the conditions required under the legislative moratoria and did not apply for conciliation via ABDRC when they experienced difficulties in paying their debts, either.

About ABDRC: ABDRC is an entity 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 contracts/agreements in progress. Consumers from any county of the country may file applications with the Alternative Banking Dispute Resolution Centre (ABDRC), filling-in an online form directly on the website www.csalb.ro. When the bank accepts to enter the conciliation/negotiation procedure, a conciliator is appointed. ABDRC works with 19 conciliators, of the best specialists in law and with relevant 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).