Forced Execution: Court Trials or Negotiation with the Bank? Amicably Settled Enforcement Files at CSALB

July 9, București. Delayed loan payments may put consumers at risk of forced execution. If the unpaid debt reaches a judicial officer (bailiff), they may seize bank accounts and wages, initiate the forced sale of movable or immovable property (depending on the debtor's assets), and charge the consumer with all enforcement-related costs. These costs include the executor's, lawyers', and appraisers' fees, notifications, summonses, addresses sent to banks for account garnishment, and transportation expenses. The best strategy for consumers in this situation remains dialogue with the bank—directly or through CSALB. This recommendation was made during a podcast hosted by the *Alternative Banking Dispute Resolution Center* (CSALB).

The podcast features experts ***Andrei Vieru, Director of Retail Debt Enforcement Monitoring at Banca Transilvania***, and ***Bogdan Dumitrache, judicial officer***, in a discussion moderated by ***Norel Moise, Editor-in-Chief at Piața Financiară.***

| PODCAST CSALB | https://youtu.be/aIAdzi_ADOs

The fifth season of the CSALB Podcast explores topics inspired by consumers' negotiation requests submitted to the Center: card payments, bank loans, fraud, forced executions, court vs. alternative resolution, saving, and investing. This year's meetings bring together banking specialists, credit brokers, judicial officers, anti-fraud experts, and are moderated by financial analysts, financial literacy lecturers, and renowned economic journalists. Through these discussions, the goal is to provide consumers with the tools to manage and protect their personal finances in an unpredictable macroeconomic context.

„Consumers should not delay credit installment payments by more than 90 days, as after this period the loan is declared due immediately (accelerated maturity), and the bank may begin debt recovery proceedings through enforcement. Consumers should initiate dialogue with the bank or contact CSALB, where they can reach an agreement for paying the outstanding amounts—which, unfortunately, will also include enforcement costs.

People need to understand that within the 90-day period, they should not avoid the bank's attempts to reach out, because this might be the key to resolving their situation. After three months of non-payment, the consumer can no longer repay the loan in installments—they owe the entire outstanding amount to the bank. This is yet another reason why people should know who their creditors are.

Often, banks apply only account garnishment measures, but creditors can also include other institutions (such as the National Agency for Fiscal Administration—ANAF). After the 90-day delay, the debt may be sold by the creditor to debt collection companies (in which case resolving the matter through CSALB is no longer possible), or a debt recovery request may be submitted to a judicial enforcement officer. What options do consumers still have when they face enforcement?"

„In recent years, the number of people entering enforcement procedures has been steadily decreasing. Many clients now understand how banking products work, but there are still individuals who, unfortunately, are not familiar with payments or banking products such as credit cards or personal loans. The lack of financial knowledge among debtors is one of the reasons why enforcement becomes necessary.

For those who do enter enforcement proceedings, it would be very helpful to streamline and consolidate these procedures so they don't drag on for so long. There are enforcement cases that last 10–12 years, especially when the debtor files a challenge to the enforcement and succeeds in suspending the process.

The typical profile of a debtor who ends up in enforcement consists of 58–60% rural men who owe relatively small amounts—around 40,000 to 50,000 lei—arising from credit cards or unsecured personal loans. Loans with high exposures rarely reach the enforcement stage anymore.

Those who, unfortunately, find themselves in this situation generally face two possible scenarios. One, where the consumer is active in the enforcement process—meaning they are interested in what is happening with their debt and want to engage in dialogue with the creditor and the bailiff. The other scenario is where the consumer is passive and no longer cares about what happens to the debt, garnishments, or the fact that their assets could be sold off.

We encourage debtors to come to the negotiation table with the bank or to reach out to CSALB, where we can sit together with CSALB conciliators and find an amicable solution. No one wants to sell off the debtor's movable or immovable assets. We remind consumers that payment commitments can still be made during enforcement, even if not for a period as long as originally provided in the credit agreement.

Dialogue brings only benefits! Last year, we saw an increase in the number of cases we handled through CSALB conciliators. We hope that this year we will have even more consumer negotiations within the CSALB framework..”

„A paradigm shift in this field is that enforcement is no longer perceived as an irreversible sequence or a one-way road for debtors. The earlier negotiations with the bank begin (either directly or through CSALB), the lower the enforcement costs will be, and the easier it is to obtain a suspension of the enforcement process. For example, initiating dialogue should happen before the creditor pays the bailiff's fee, the appraiser's fee, or the costs related to real estate advertising or auction publicity.

In addition to the enforcement costs, there are also expenses for the appraisal report of movable or immovable assets, which is necessary for initiating auction procedures to liquidate those goods. If there is a suspicion that the debtor may damage certain assets before their sale, storage costs may also be incurred. Therefore, enforcement costs are not limited to overdue installments and penalties, but are much higher.

Once the enforcement procedure is initiated by the bailiff, garnishment is often imposed—now without prior notice. Practically speaking, the debtor's income is blocked. In the case of wage garnishment, up to one-third of the salary can be withheld. If there are multiple creditors, up to 50% of the debtor's income can be retained.

The good news is that at any moment, the creditor (in this case, the bank) can request a suspension of the enforcement procedure. However, this will not happen if the debtor files an objection to the enforcement and tries to suspend it merely to gain time. In some courts, even the objection itself may take over a year to be judged.
People should also know that even if the bailiff has committed procedural errors and the enforcement court imposes sanctions, this does not mean that the debtor is released from their debt. When a debtor wins such procedural victories, they might be tempted to abandon the negotiation path. In such cases, the bank, faced with such resistance, may also become unwilling to negotiate.
Lastly, suspending enforcement requires the payment of a bond. But posting the bond does not guarantee that the judge will approve the suspension of enforcement until the objection is resolved. The conclusion is that judicial harassment does not solve the debtor's problem in the case of enforcement—openness to dialogue is the true solution."

Alexandru Păunescu, representative of the National Bank of Romania in the CSALB Coordination Board:

"The cases resolved through conciliation within CSALB include both problems that consumers anticipate and address in time, as well as situations where consumers delayed finding a solution and ended up facing enforcement procedures or lawsuits. In the first half of this year, 7 enforcement cases were negotiated through CSALB, compared to 9 such cases throughout the entire year 2024.
During the first six months of the year, 39 court cases were closed because banks and consumers wanted—and managed—to reach an amicable solution within CSALB. These situations demonstrate the willingness of banks to find solutions even at the last minute, after, for example, accounts have already been garnished. Since enforcement proceedings are lengthy and costly for both parties involved in the dispute, CSALB offers the opportunity to establish debt rescheduling plans based on a payment commitment, reduce costs and late payment penalties, and even suspend the enforcement procedure.
However, consumers need to understand that it becomes very difficult for banks to accept negotiation after enforcement steps have begun, especially because a bailiff is now involved in the relationship between consumer and bank, and enforcement costs add an extra barrier to resolving the critical situation.
Out of the 1,464 requests received by CSALB in the first half of the year, 1,095 were addressed to banks, and 369 concerned various aspects of the relationship between consumers and non-banking financial institutions (NBFIs). Thus, the proportion of requests addressed to banks increased from 70% to 75% compared to the same period last year. At the same time, we noticed a 50% drop (from 669 in H1 2024 to 321 in H1 2025) in requests related to the deletion of records from the Credit Bureau. These types of requests cannot be the subject of a CSALB negotiation case and are either handled directly between the parties or closed.
We remind consumers that requests regarding the Credit Bureau, the First Home program, or assigned loans are mostly closed, as in each of these cases, there is specific applicable legislation, and the actual room for negotiation is very limited or non-existent."

***

About CSALB: CSALB is an entity established as a result of a European Directive and offers free mediation—within less than three months—for negotiations between consumers and banks or non-banking financial institutions (NBFIs) concerning ongoing contracts. Consumers from any county in Romania can submit requests to the Alternative Banking Dispute Resolution Centre (CSALB) by filling out an online form directly on the website http://www.csalb.ro. If the bank agrees to enter the conciliation/negotiation process, a conciliator is appointed. CSALB works with 16 conciliators, some of the best legal experts with financial and banking expertise. Everything is resolved amicably, and the agreement between the parties holds the same power as a court decision. For more information about the Centre's activity, you can also call 021 9414 (standard rate call).