

ANNUAL REPORT 2016



Hellenic Ombudsman
for Banking-Investment Services

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About the Annual Report

The Annual Report provides information for the period from the 1st January 2016 to 31th December 2016 and can be downloaded from our website <http://www.hobis.gr/en>

About HOBIS

HOBIS is a non-for-profit legal entity under private law and provides services free of charge.

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Foreword of the Hellenic Ombudsman for Banking- investment Services



The Hellenic Ombudsman for Banking - Investment Services (HOBIS), the oldest institution of ADR in our country and the only highly-specialized in banking and investment services, has successfully completed 18 year of operation. During this time, HOBIS has received thousands of written complaints, telephone calls and visits, gaining valuable knowledge and experience in dealing with complaints in the finance industry.

As a specialized ADR entity, HOBIS aims to provide solutions, quickly and free of charge, to address disputes arising between customers and banks or investment companies, safeguarding confidentiality and allowing parties to avoid unnecessary conflicts and time-consuming and costly legal actions. Thus, HIOBIS helps to improve and increase market confidence.

HOBIS is an independent non-for-profit entity. The participating members of H.O.B.I.S are the Hellenic Banking Association (98%), the Association of Members of the Athens Exchange (1%) and the Hellenic Fund and Asset Management Association (1%). From October 2015, under the new legal and regulatory framework, HOBIS has entered an important and historic era. In compliance with the Joint Ministerial Decision 70330c/2015 (which has incorporated the Directive 2013/11 into the national law), HOBIS has officially recognized by the EU as an Alternative Dispute Resolution (ADR) institution and is operating under a clearly defined legal framework. In this context, HOBIS is enrolled in the Special Register of ADR entities of the General Secretariat for Consumer Affairs. It is also worth mentioning that HOBIS, in compliance with the EU Regulation 524/2013, has connected with the European ODR (online dispute resolution) platform, providing online dispute resolution for European customers. At EU level, HOBIS also aims to contribute actively to strengthening consumer confidence and consequently to speeding up the procedures for completing the Single European Market in the financial area and to strengthening the stability of the financial system. The role of HOBIS is also upgrading due to ongoing efforts, at EU level, to strengthen consumers' position and to improve the relationship between consumers and service providers. New technologies have dramatically changed the function of the financial industry, the nature of the services provided and the complexity of the financial products. These progresses require specialized knowledge and experience, as well as rapid and effective treatment of any emerging disputes with the lowest possible cost. Especially for consumers, easy access, possibility of choice, adequate protection, fair and reasonable handling, quick and low cost dispute resolution are all key elements for their transactions. The function of HOBIS is based on the inviolable principles of independence, neutrality, confidentiality, fair treatment, easy access, effectiveness and transparency.

HOBIS is the only ADR entity that represents Greece in FIN-NET (Financial Dispute Resolution Network), which was set up by the European Commission in 2001 to

promote cooperation among national ombudsmen in financial services and to provide consumers with easy access to alternative dispute resolution (ADR) procedures in cross-border disputes about provision of financial services. Furthermore, HOBIS is part of the International Network of Financial Services Ombudsman (INFO Network), which is the worldwide association for financial services ombudsmen that promotes collaboration and knowledge exchange about cross-border dispute resolutions, the use of technology, and code of conducts in the area of ADR.

HOBIS examines impartially, confidentially and free of charge disputes arising from the provision of banking and investment services from banks or investment companies based in Greece, between individuals and companies (with annual turnover of up to 1 million Euro) or associations. A consumer may request HOBIS to investigate a complaint without the other party (service provider) agreeing. Consumers also do not need special expertise (e.g. lawyer) or the help of a paid representative to bring their case to us, because our staff is well-experienced and highly-specialized in the finance industry. HOBIS also provides adequate information and education to consumers, if feasible and legal. The procedure that HOBIS addresses a complaint meets the principle of confidentiality and protection of individuals against the processing of their personal data. In the context of both the national and EU legal frameworks and the Code of Conduct on voluntary compliance of the parties involved in a dispute resolution process, the whole process aims at improving service delivery, which strengthens confidence between the parties.

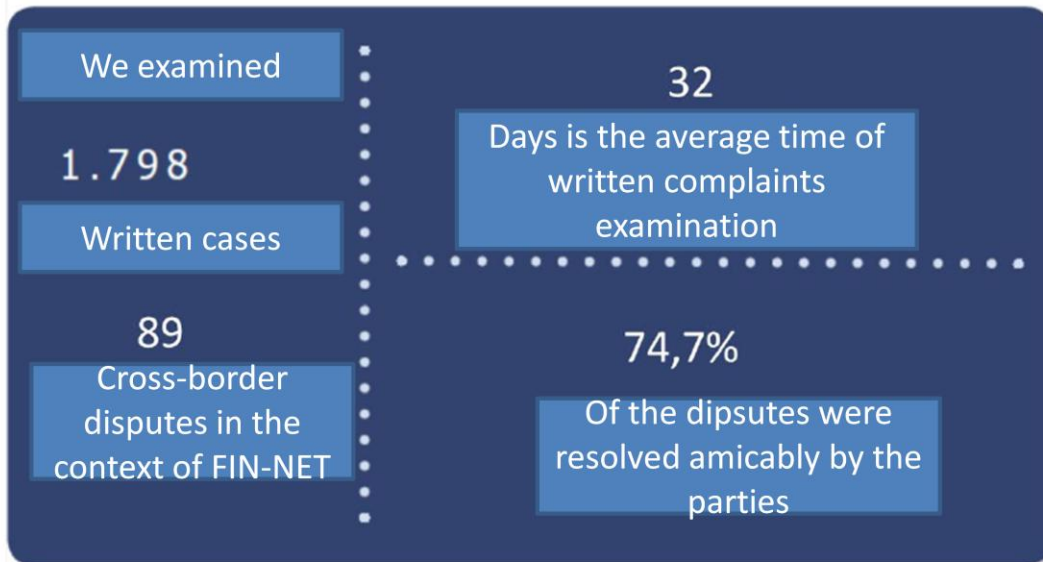
In 2016 we received a total of 7,097 phone calls and visits to our office, 5,977 of which concerned private banking transactions, 701 professionals and small businesses and 419 investment transactions. We also received 1,570 written complaints with 32 days as examination average time. Of these, 1,343 concerned private banking transactions, 165 professionals and small businesses and 62 investment transactions.

It is mentioned that before a consumer submit a complaint to HOBIS, should initially contact the branch or Customer Service of the bank in writing, which should respond in writing within ten (10) working days. In case the consumer is not satisfied with the bank's/investment company's response or the above deadline expires, he/she can submit his/her complaint to HOBIS by completing the Complaint Form (www.hobis.gr/en).

If the difference falls within its competence, the HOBIS will investigate the matter confidentially and in good time. Services are provided free of charge. The HOBIS examines complaints submitted to its Office under the applicable law, the contractual obligations of the parties, principles of good business practice and any relevant code of conduct. During the case examination, the emphasis is on maintaining the relationship of trust between the parties, with immediate update on current information while trying to achieve an amicable settlement of the dispute. After hearing both parties, the HOBIS will initially seek an amicable settlement of the dispute and subsequently issue a reasoned, non-binding recommendation.

The year in summary

In 2016, the total number of complaints submitted to HOBIS was 8,667, of which 1,570 was written complaints and 7,097 was phone calls and visits for complaints. Totally, 1,798 written complaints were examined by HOBIS in 2016.



Chapter 1: Legal and institutional framework, organization and operations

1.1. Legal and institutional framework

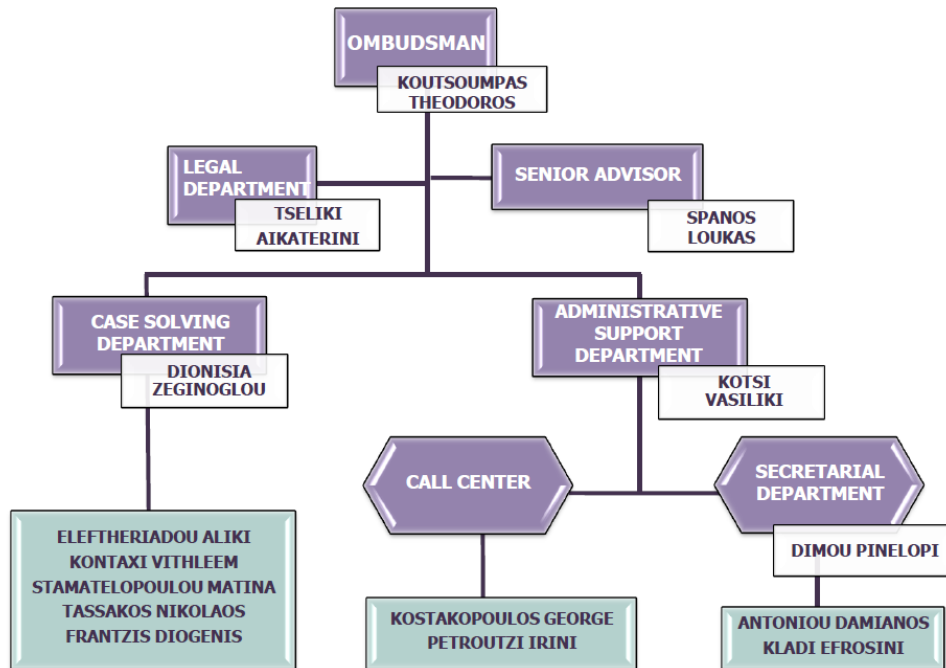
The Hellenic Ombudsman for Banking – Investment Services (H.O.B.I.S.) is a specialized Alternative Dispute Resolution (ADR) entity, registered in the Register of ADR entities of the General Secretariat for Trade and Consumer Protection of the Ministry of Economy and Development of the Hellenic Republic. Both its organization and operation are based on:

- The Ministerial Decision 70330ouk/2015 (ΦΕΚ Β'1421/9.7.2015), which transpose the Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes (Directive on consumer ADR) into the national legal system.
- The Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes (ODR).
- The European Common Principles in Bank Account Switching (European Banking Industry Committee – EBIC), December 1, 2008.
- The Memorandum of Understanding on a Cross-Border Outof-Court Complaints Network for Financial Services (FIN-NET, 12/05/2016).

1.2. Organization

The organizational structure and staff experiences and expertise, facilitate and support the effective implementation of HOBIS business.

ORGANIZATIONAL CHART



1.3. Jurisdiction

H.O.B.I.S. examines impartially and free of charge disputes regarding the provision of banking and investment products and services, by banks and investment companies operating in Greece, to consumers and businesses (with an annual turnover of up to 1 million Euro) and mediates to resolve them extrajudicially.

H.O.B.I.S. examines disputes regarding electronic contracts for the provision of banking and investment products and services through the EU's ODR platform. H.O.B.I.S. examines cross-border disputes as a member of the Financial Dispute Resolution Network(FIN-NET).

H.O.B.I.S is a competent scheme for out-of-court dispute resolution (ADR) based on:

- Law 3606/2007 (d. 62) (Government Gazette A 195/17.8.2007) (markets for financial instruments)
- Law 3862/2010 (d. 79) (Government Gazette A 113/13.7.2010) (payment services)
- Law 4021/2011 (d. 26) (Government Gazette A 218/03.10.2011) (supervision of credit institutions)
- Law 4099/2012 (d.95) (Government Gazette A 250/20.12.2012) (UCITS) and
- Credit and Insurance Committee Decision BoG 195/1/29.07.2016 (Revision of the Code of Conduct under Law 4224/2013).

- HOBIS provides advisory assistance in the context of the preliminary ruling, according to art. 2 of Law 3869/2010 (Government Gazette A 130 / 3.8.2010) (indebted households).
- HOBIS supervises the implementation and compliance of its member credit institutions with the Common Principles on Bank Accounts Transfer of the European Banking Industry Committee – EBIC (1.12.2008) in Greece and mediates in the settlement of the relevant disputes.

HOBIS cannot deal with or ceases to examine disputes:

- if the customer did not attempt to contact the bank or investment company, concerned in order to discuss his complaint and seek, as a first step, to resolve the matter directly with the service provider
- if the dispute or the broader issue that is part of, is being or has previously been considered by a court or by another ADR entity (e.g. the Hellenic Consumers' Ombudsman)
- if the customer has not submitted the complaint to HOBIS within one (1) year from the date upon which he/she submitted the complaint to the bank or investment company
- if the dispute is frivolous or vexatious
- if dealing with such a type of dispute would seriously impair the effective operation of HOBIS

1.4. Procedure

1. The customer should initially contact the branch or Customer Service of the bank/investment company in writing, which should respond in writing within ten (10) working days.
2. In case the customer is not satisfied with the bank's/investment company's response or the above deadline expires, he/she can submit his/her complaint to HOBIS by completing the Complaint Form (www.hobis.gr/en).
3. HOBIS confirms in writing the receipt of your complaint and notifies you about the casework colleague handling the case. If necessary, he asks you for additional information.
4. If HOBIS is not competent to examine it, you will be informed in writing, no later than three (3) weeks upon receipt of the full case file.
5. HOBIS forwards the complaint file to the bank or investment company with questions, comments and suggestions in order to facilitate a consensual settlement. Each party is informed by HOBIS for the arguments put forward by the other party and may submit comments.

6. If an amicable settlement is not possible, HOBIS delivers a reasoned, non-binding recommendation for resolving the dispute, notified to both parties. Both parties must then declare in writing to HOBIS within ten (10) working days, whether they accept the recommendation in full and final settlement of the dispute.

7. If an agreement is reached, HOBIS must draft a record of compromise, indicating its considerations and notify both parties with a copy.

8. If one of the parties does not accept its recommendation then HOBIS drafts a record of failure and notify both parties in writing.

9. For consumer disputes only:

- a. Bringing a complaint to HOBIS interrupts the prescription and limitation periods, which begin again (subject to the provisions of art. 261 CC) on the completion of the mediation procedure (i.e. HOBIS written refusal to examine the dispute, drafting a record of failure or compromise) (art. 11 of M.D..70330/2015) and
- b. A copy of the record of compromise drawn up by HOBIS may be submitted, by any of the parties, to the Secretariat of the First Instance Court of Athens. Since its submission, in case it contains an agreement about an enforceable claim, the record of compromise becomes enforceable by execution, in accordance with article 904 par. 2 case g CCP (article 9 par. f of M.D. 70330/2015).

1.5 International Activity

H.O.B.I.S. is a member of the Financial Dispute Resolution Network (FIN-NET). FIN-NET was set up by the European Commission in 2001 to promote cooperation among national ombudsmen in financial services and to provide consumers with easy access to alternative dispute resolution (ADR) procedures in cross-border disputes about provision of financial services.

HOBIS, as a full member of the FIN-NET, participates in the Plenary Meetings and in the Steering Committee's Meetings.

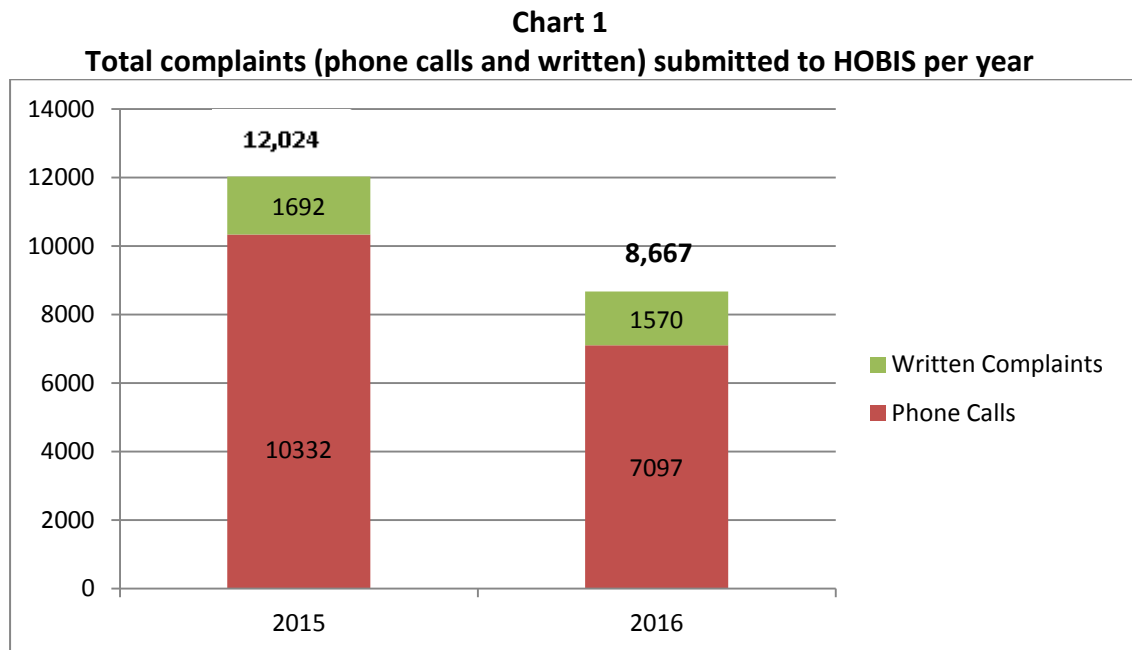
In 2016, two Plenary Meetings (the first in Brussels on April 22, 2016 and the second in Berlin on September 29/30, 2016) and one Steering Committee Meeting (in Brussels on March 16, 2016) took place.

HOBIS is also a member of the INFO network (International Network of Financial Services Ombudsman Schemes)

Chapter 2: Activity in 2016

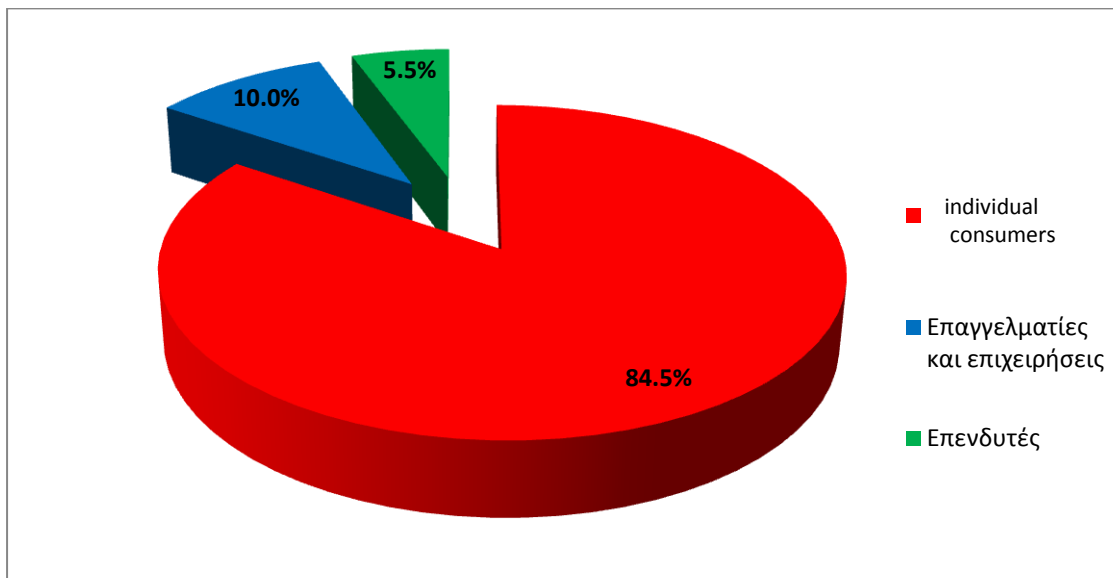
2.1 Overall Activity

In 2016, HOBIS received 8,667 complaints totally (both written complaints and phone calls), indicating a 27.9% decline compared to 2015. In particular, HOBIS received 7,097 phone calls and visits for complaints and 1,570 written complaints.



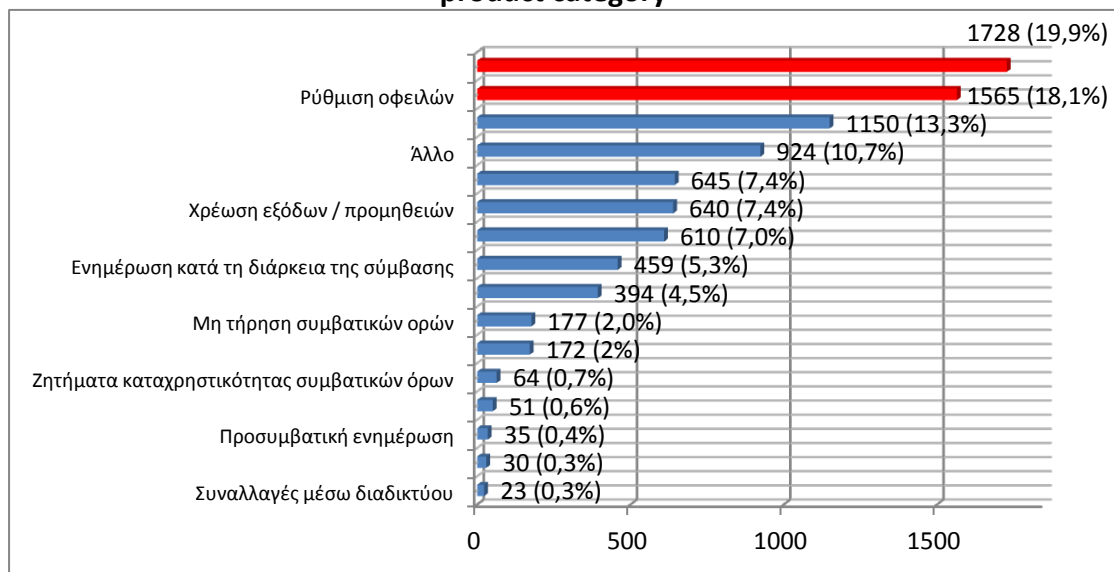
84.5% of complaints submitted to the HOBIS by individual consumers, 10.0% by professionals and small businesses and 5.5% by investors.

Chart 2
Total complains (phone calls and written) submitted to the HOBIS in 2016 per consumer's identity (% of total)



Based on the total number of complaints submitted (8,667 complaints) in 2016, customer service quality was the most complained category (19.9%), followed by debt restructuring (18.1%), disputed transactions (7.4%) and fees/commissions (7.4%)

Chart 3
Total complains (phone calls and written) submitted to the HOBIS in 2016 per product category¹



The total number of written complaints that was thoroughly examined by the HOBIS in 2016 was 1,798 (this number includes new complaints that submitted and examined in 2016 and past complaints that examined in 2016), increased by 7.9% compared to 2015. The degree of satisfaction, expressed as the sum of the percentages of full satisfaction and settlement, amounted to 74.7% in 2016.

¹ Based on the relevant Bank of Greece table.

Chart 4
Written complaints examined by the HOBIS per year

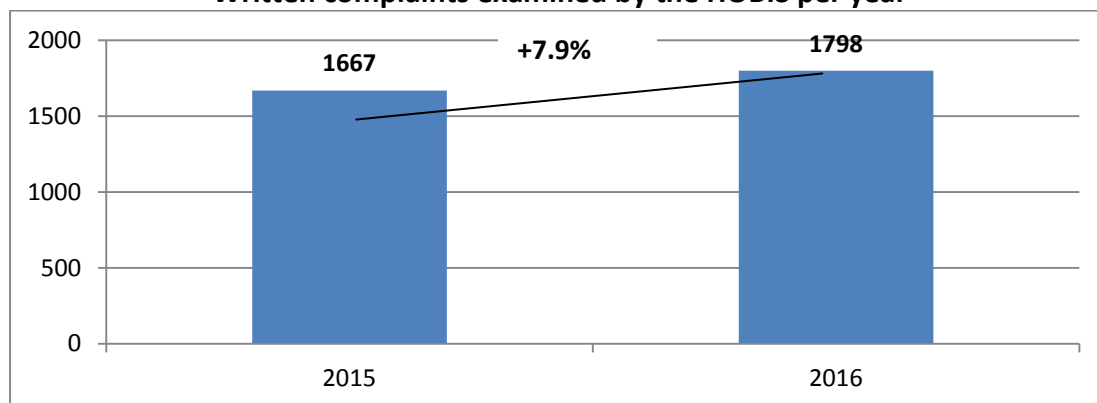
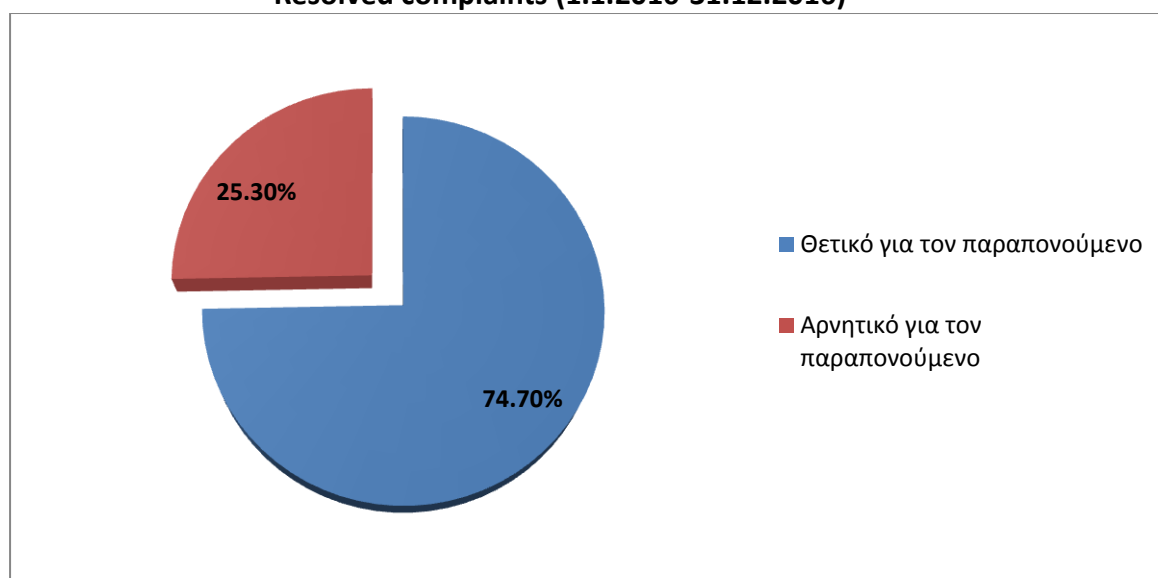


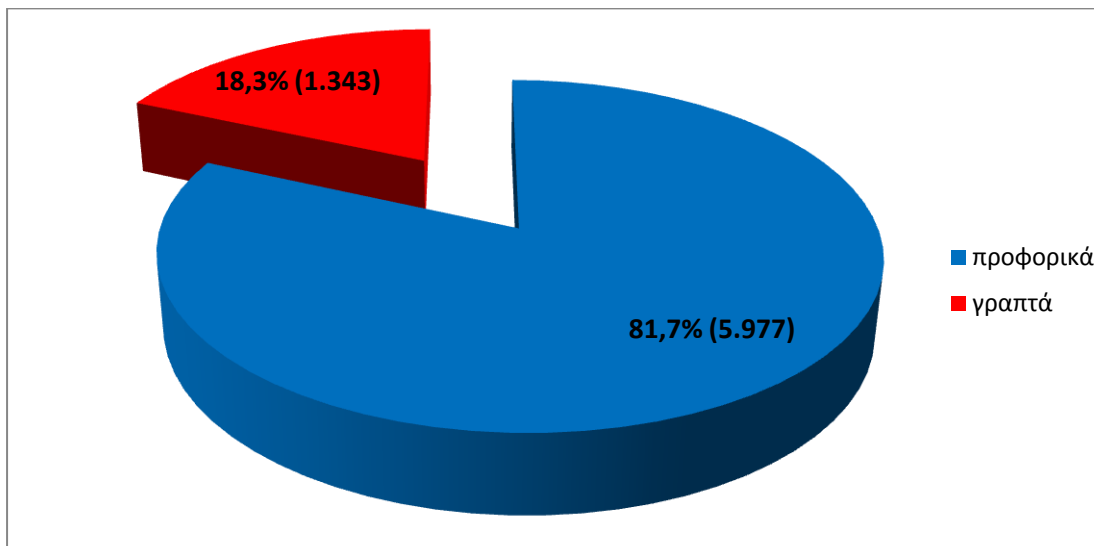
Chart 5
Resolved complaints (1.1.2016-31.12.2016)



2.2 Complaints by individual consumers

In 2016 HOBIS received 7,320 complaints by individual consumers (written complaints and phone calls), 29.1% less than in 2015. Especially, HOBIS received 5,977 phone calls and visits (32.8% less than in 2015) and 1,343 written complaints (5.8% less than in 2015).

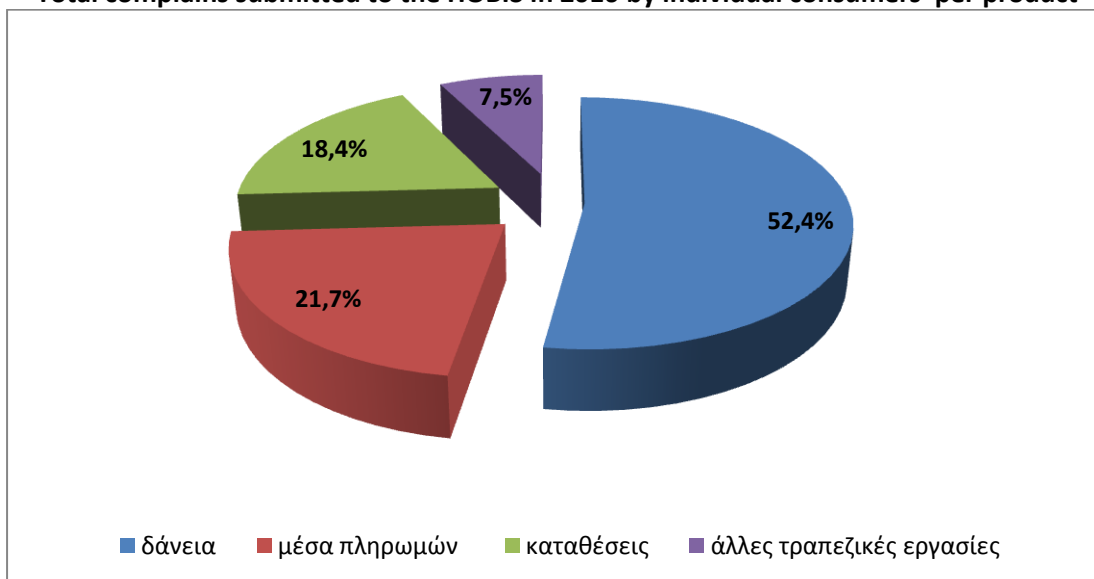
Chart 6
Total complains (phone calls and written) submitted to the HOBIS in 2016 by individual consumers



Loan was the most complained category (52.4%), followed by means of payment (21.7%), deposits (18.4%) and other banking services (7.5%)

Chart 7

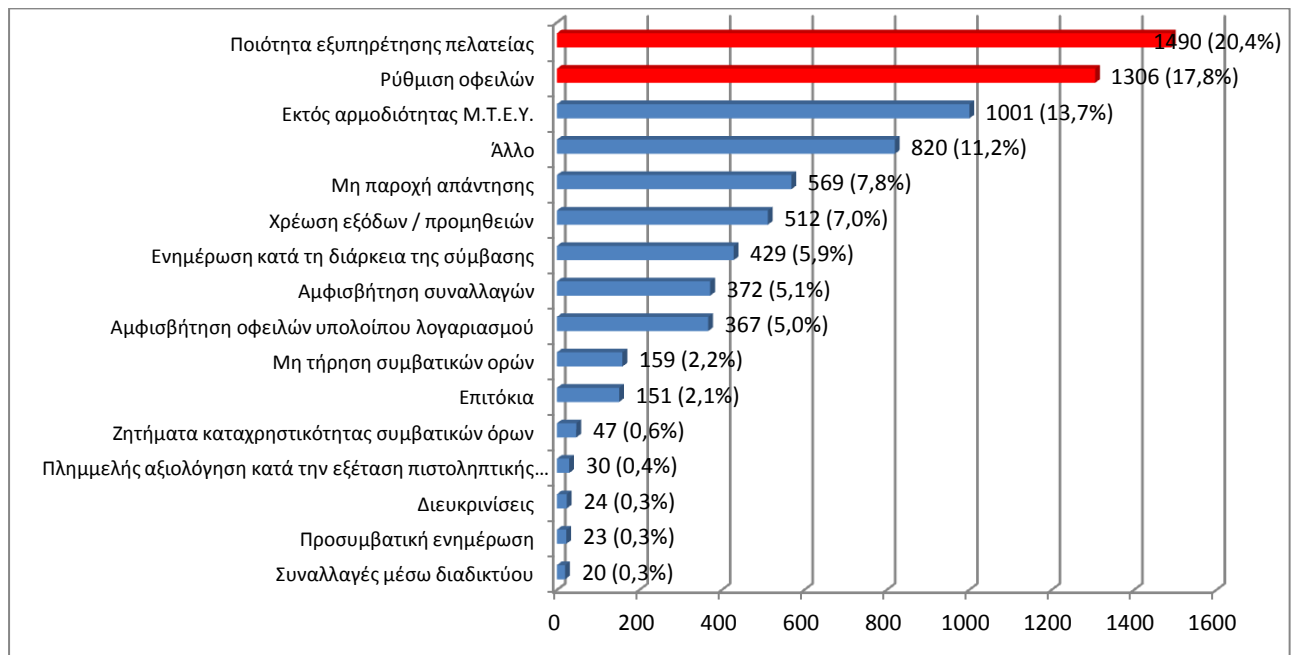
Total complains submitted to the HOBIS in 2016 by individual consumers per product



Based on the reasons of complaints, service quality was the most complained reason (20.4%), followed by debt restructuring (17.8%), failure to provide response (7.8%) and fees/commissions (7.0%)

Chart 8

Total complains submitted to the HOBIS in 2016 by individual consumers per reason¹



Charts 9 and 10 present the total phone calls received by individual consumers per product and per reason accordingly.

Chart 9
Phone calls submitted to the HOBIS in 2016 by individual consumers per product

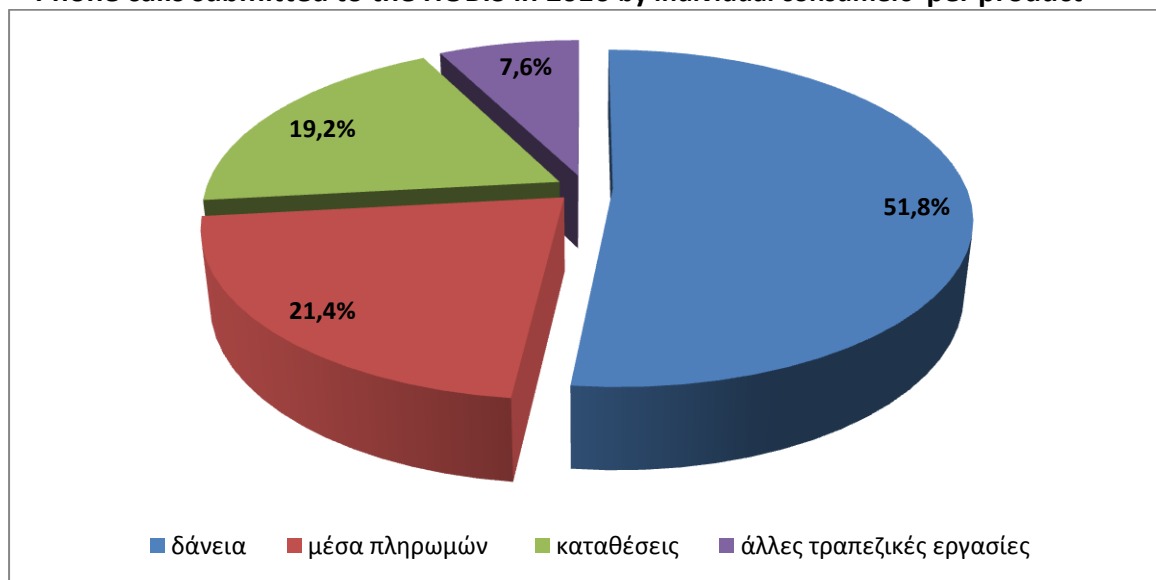
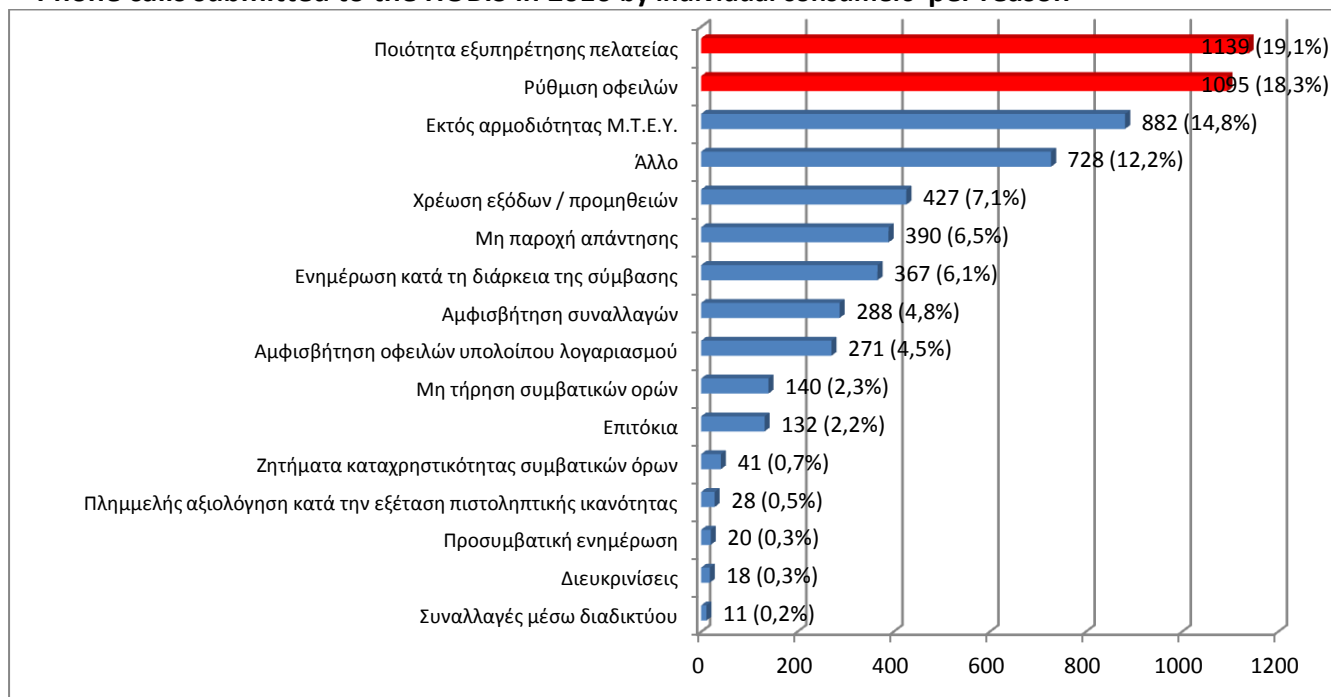


Chart 10

Phone calls submitted to the HOBIS in 2016 by individual consumers per reason²



Charts 11 and 12 present the total written complaints received by individual consumers per product and per reason accordingly.

Chart 11

Written complaints submitted to the HOBIS in 2016 by individual consumers per product

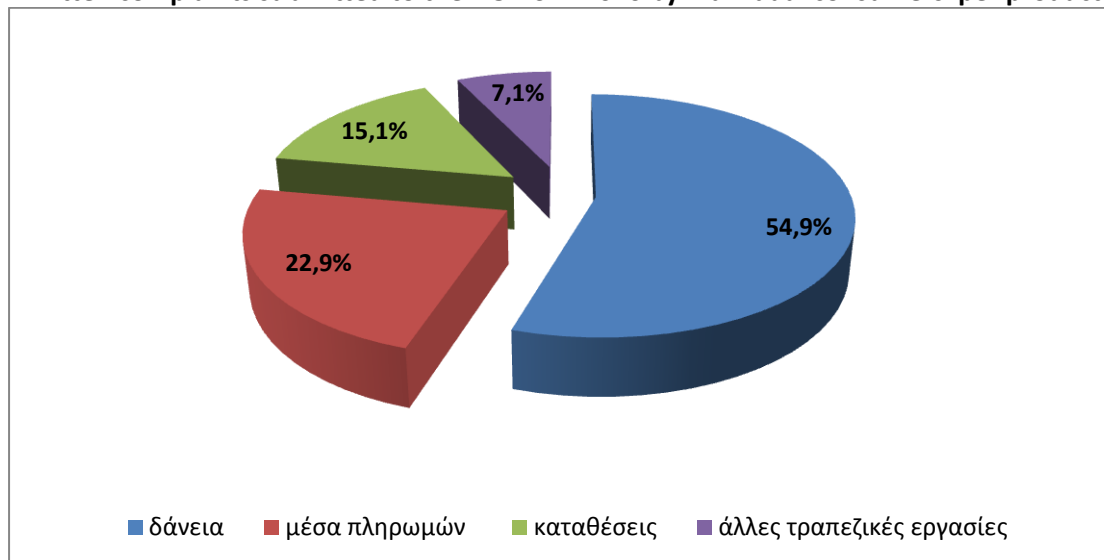
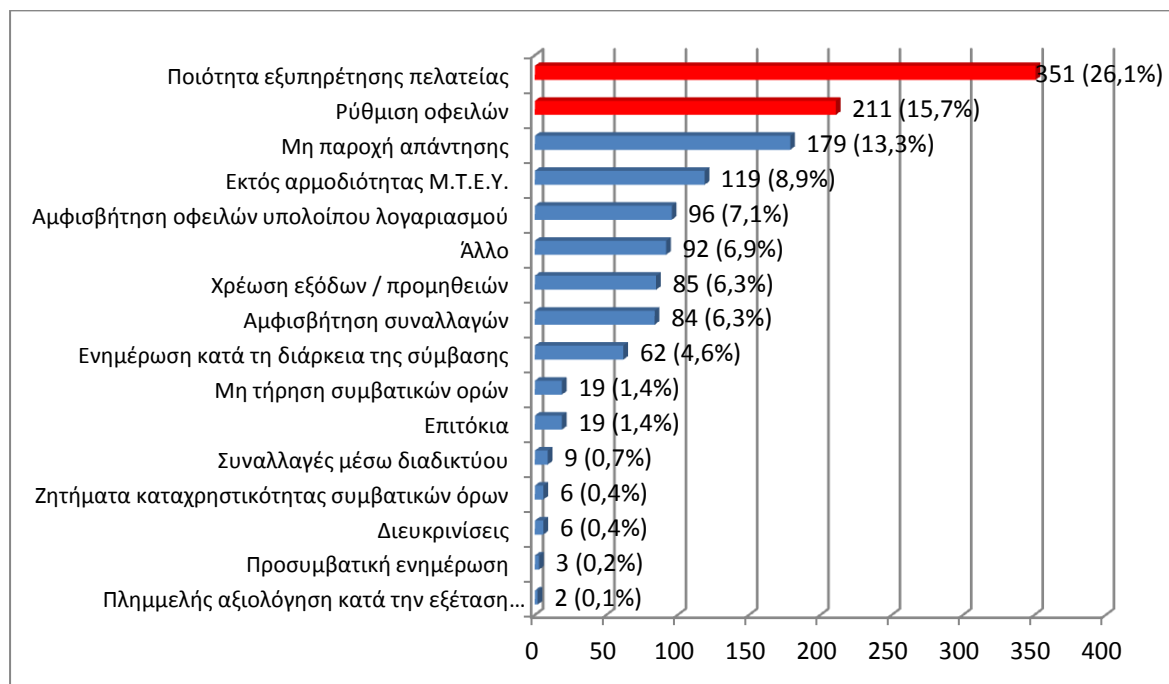


Chart 12

Written complaints submitted to the HOBIS in 2016 by individual consumers per reason³

² Based on the relevant Bank of Greece table.

³ Based on the relevant Bank of Greece table.



Selected cases

109757 - Netting of Amount despite

The Bank netted its claim amounting to € 1,820.28 with an amount derived from a legacy and deposited in the debtor's account although the latter had an interim injunction not to change the status of his property under Law 3869/2010 . The case was immediately settled with a refund of this amount.

117200 – Preservation Order of a non-confiscatable account

The bank made a preservation order of an amount from for a non-confiscatable bank account. Following HOBIS's examination and suggestion the bank released the amount.

109475 - Wrong information

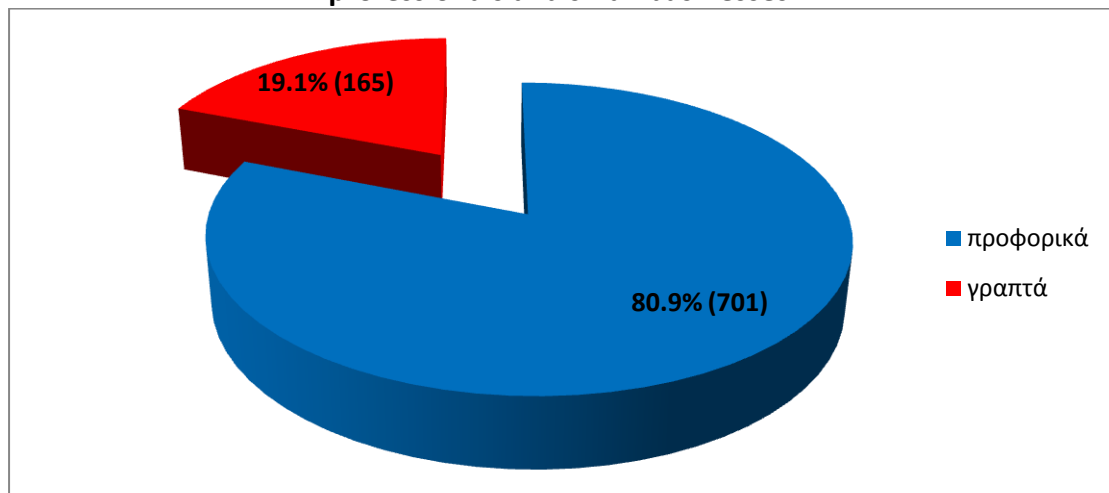
A debtor paid € 2.061,40 to repay his loan, based on the information received by the bank. However, based on the monthly statement of the account, his debt amounted to € 1.541. The intervention of the HOBIS resulted in the satisfaction of his request.

2.3 Complaints by professionals and small businesses

In 2016 HOBIS received 866 complaints by professionals and small businesses (written complaints and phone calls), 22.4% less than in 2015. Especially, HOBIS received 701 phone calls and visits (24.9% less than in 2015) and 165 written complaints (9.8% less than in 2015).

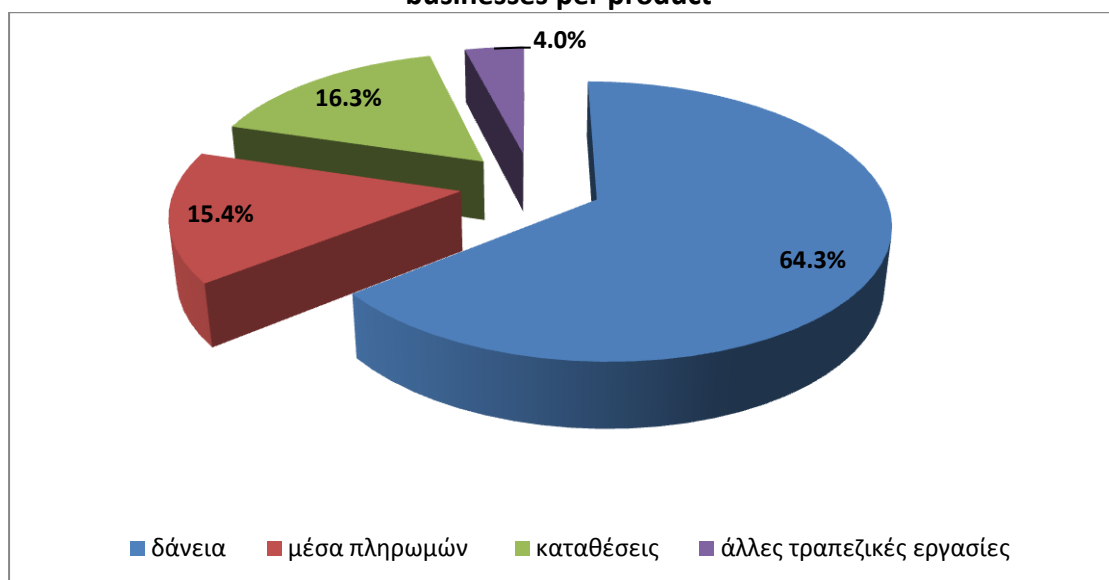
Chart 13

Total complains (phone calls and written) submitted to the HOBIS in 2016 by professionals and small businesses



Loan was the most complained category (64.3%), followed by deposits (16.3%), means of payment (15.4%), and other banking services (4.0%)

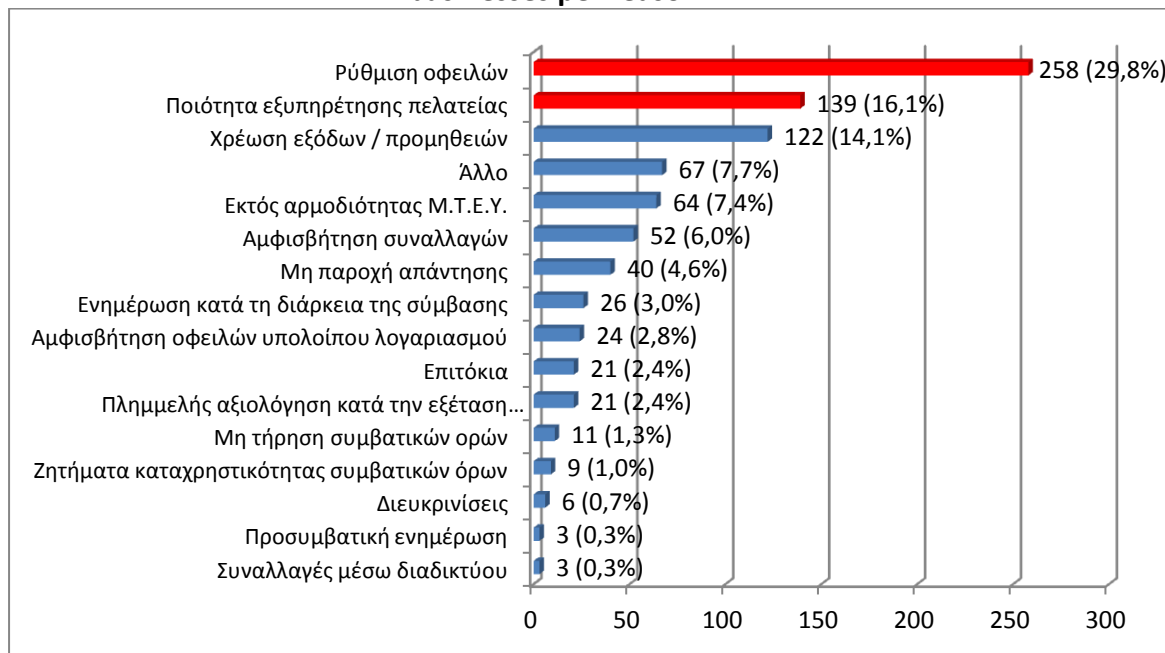
Chart 14
Total complains submitted to the HOBIS in 2016 by professionals and small businesses per product



Based on the reasons of complaints, debt restructuring (29.8%) was the most complained reason (20.4%), followed by service quality (16.1%) and fees/commissions (14.1%)

Chart 15

Total complains submitted to the HOBIS in 2016 by professionals and small businesses per reason⁴



Charts 16 and 17 present the total phone calls received by professionals and small businesses per product and per reason accordingly.

Chart 16
Phone calls submitted to the HOBIS in 2016 by professionals and small businesses per product

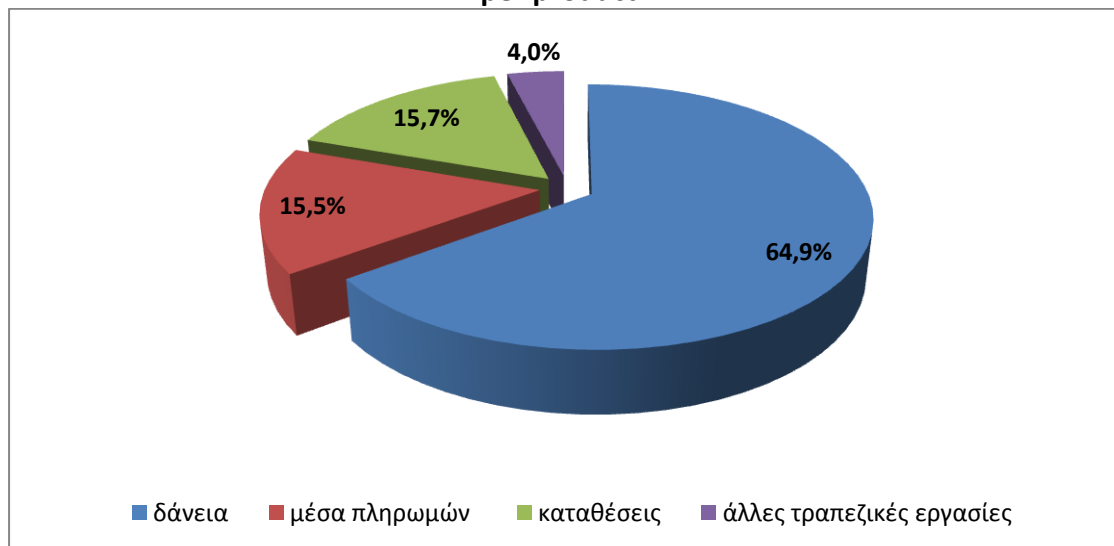
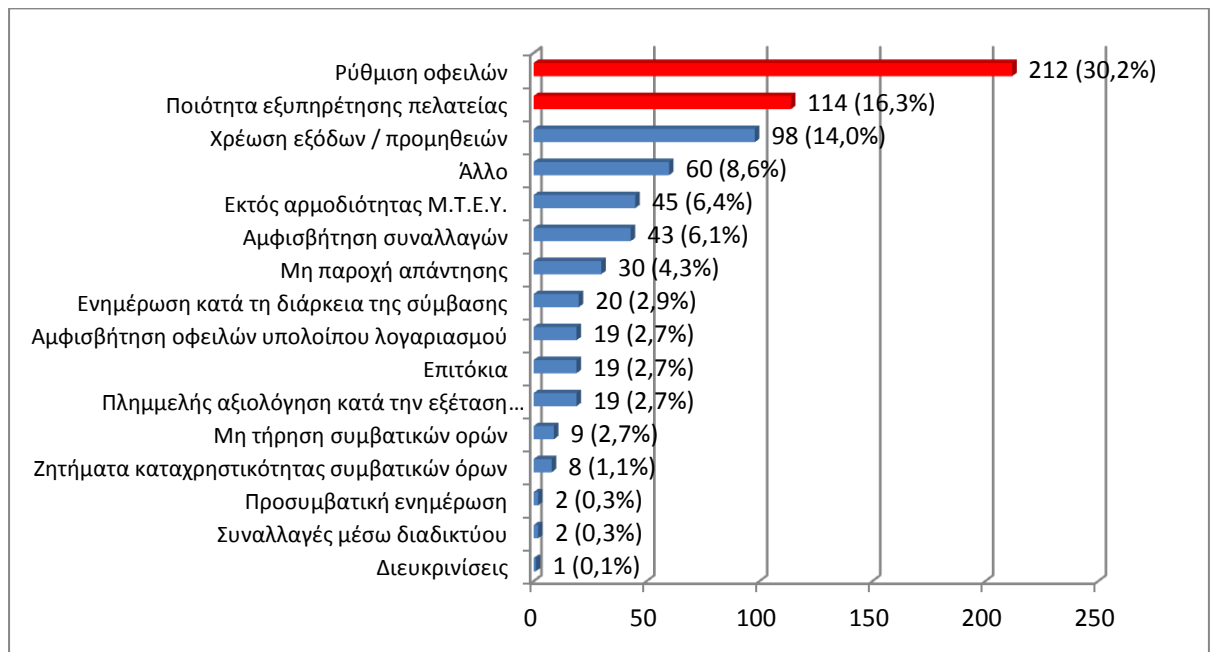


Chart 17
Phone calls submitted to the HOBIS in 2016 by professionals and small businesses per reason⁵

⁴ Based on the relevant Bank of Greece table..



Charts 18 and 19 present the total written complaints received by professionals and small businesses per product and per reason accordingly.

Chart 18
Written complaints submitted to the HOBIS in 2016 by professionals and small businesses per product

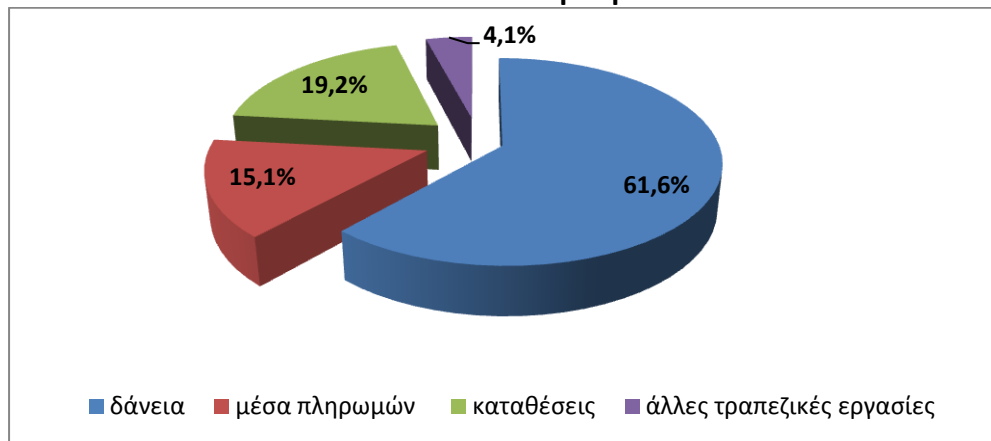
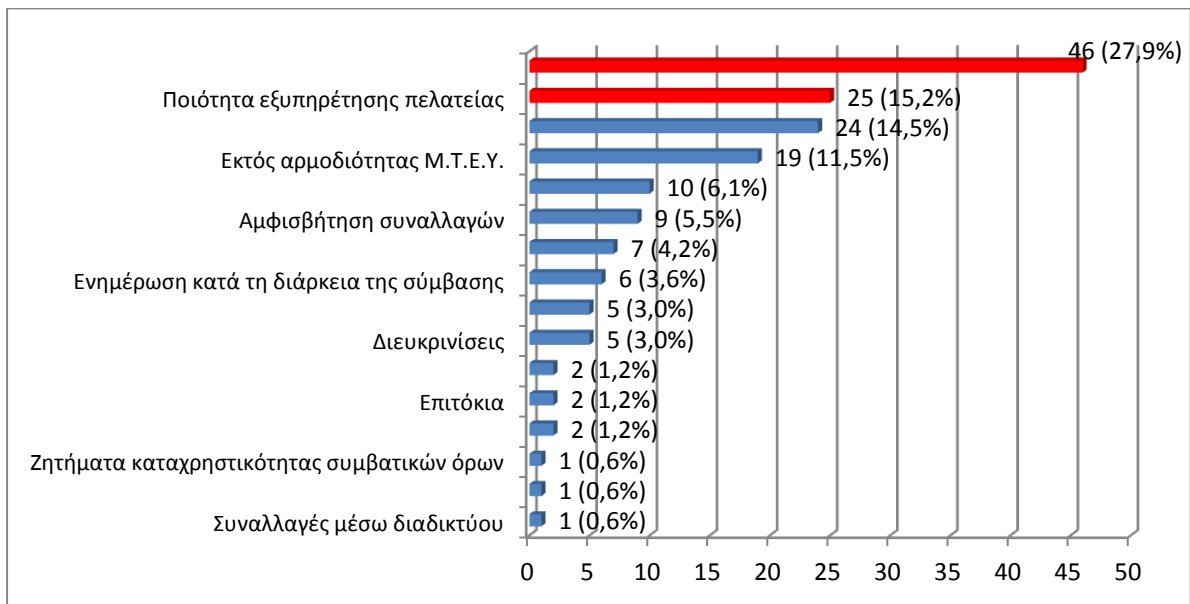


Chart 19
Written complaints submitted to the HOBIS in 2016 by professionals and small businesses per reason⁶

⁵ Based on the relevant Bank of Greece table.

⁶ Based on the relevant Bank of Greece table.



Selected cases

113407 –Reversing entries

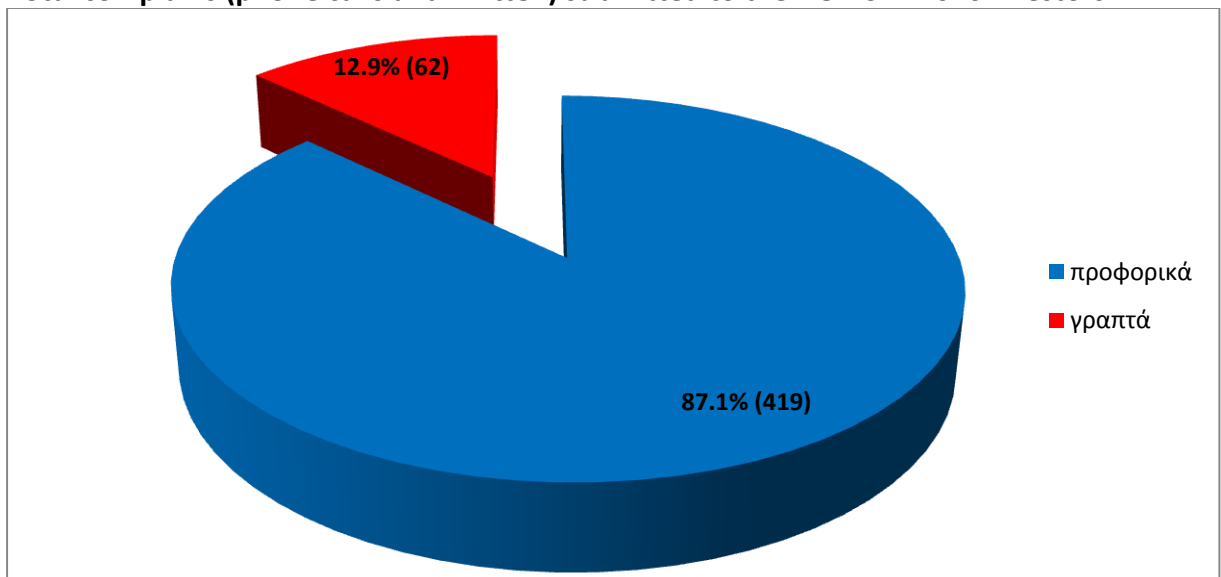
The owner of a small business had a contract with the Bank for the use of a POS. After closing his business, he returned the POS to the bank and he demanded reversal of his POS expenses. After the intervention of HOBIS, the bank did the reverse.

2.4 Complaints by investors

In 2016 HOBIS received 481 complaints by investors (written complaints and phone calls), 18.5% less than in 2015. Especially, HOBIS received 419 phone calls and visits (17.2% less than in 2015) and 62 written complaints (26.2% less than in 2015).

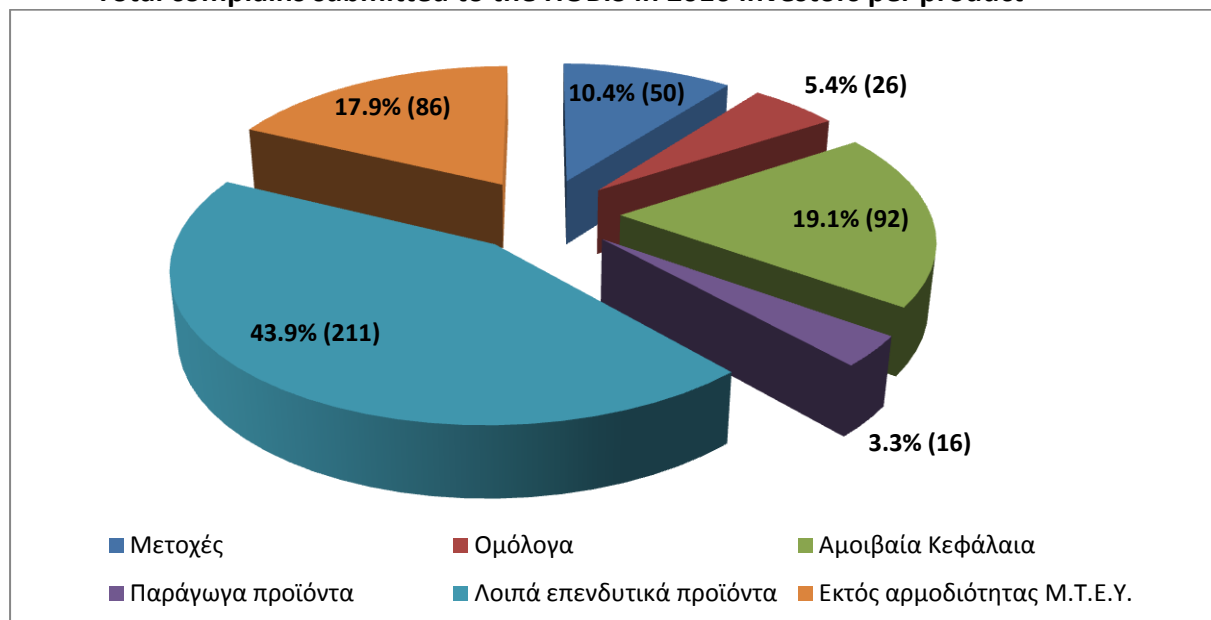
Chart 20

Total complains (phone calls and written) submitted to the HOBIS in 2016investors



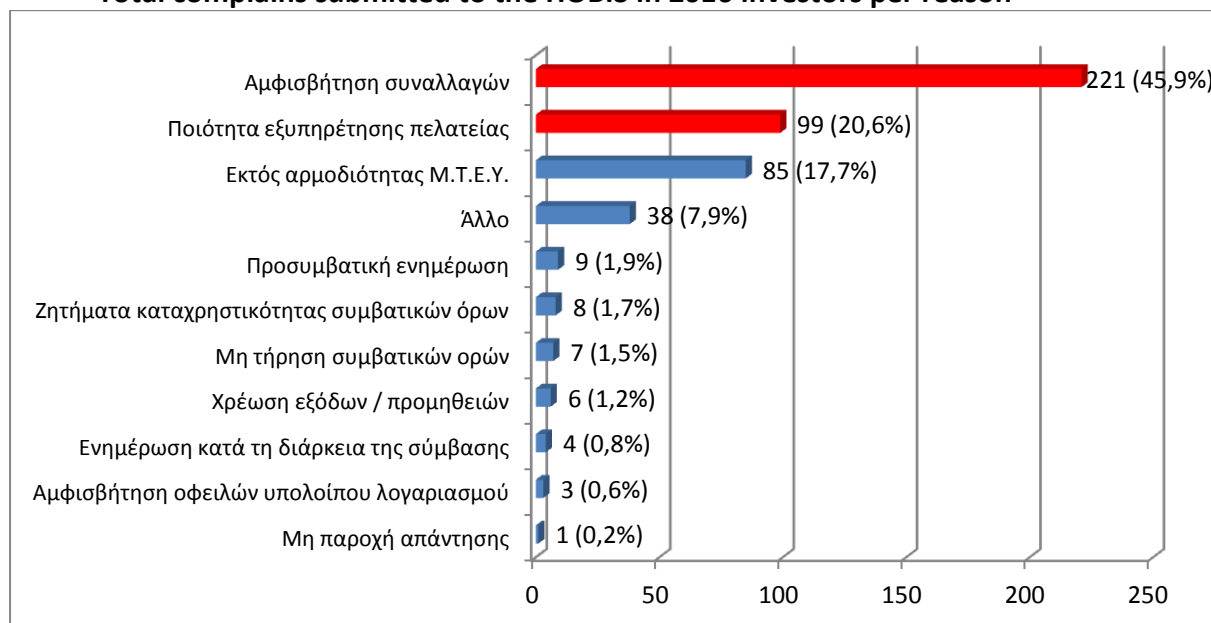
Mutual Funds (19.1%), stocks (10.4%) and bonds (5.4%) were the the most complained categories.

Chart 21
Total complains submitted to the HOBIS in 2016 investors per product



Based on the reasons of complaints, disputed transactions was the most complained reason (45.9%) , followed by service quality (20.6%).

Chart 22
Total complains submitted to the HOBIS in 2016 investors per reason⁷



Charts 23 and 24 present the total phone calls received by investors per product and per reason accordingly.

⁷ Based on the relevant Bank of Greece table..

Chart 22
Phone calls submitted to the HOBIS in 2016 by investors per product

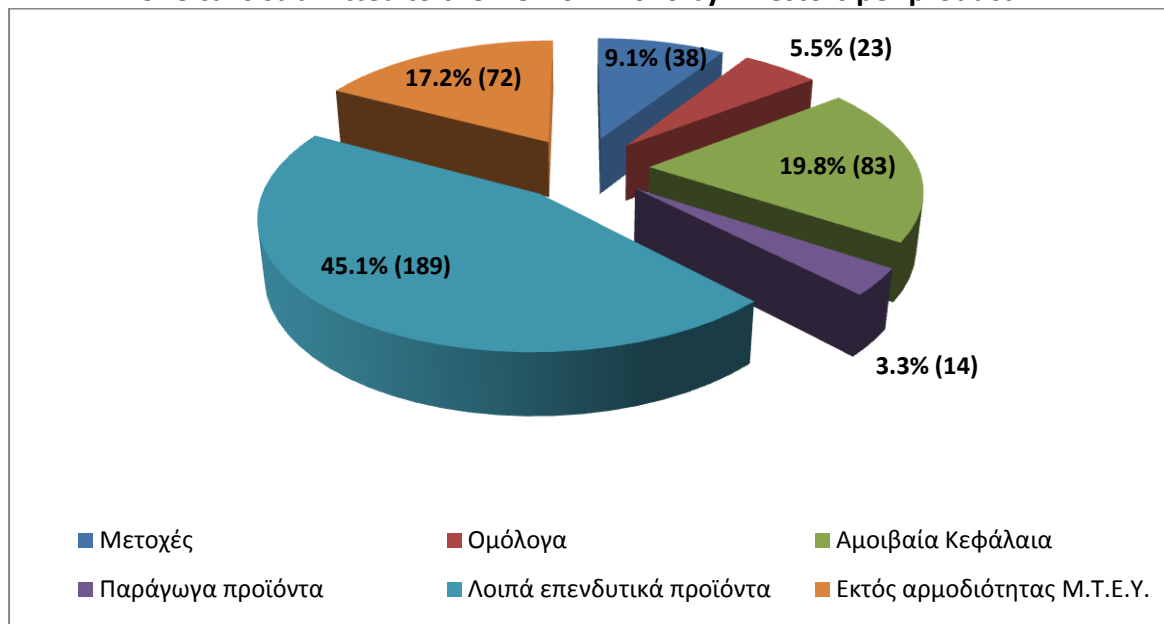
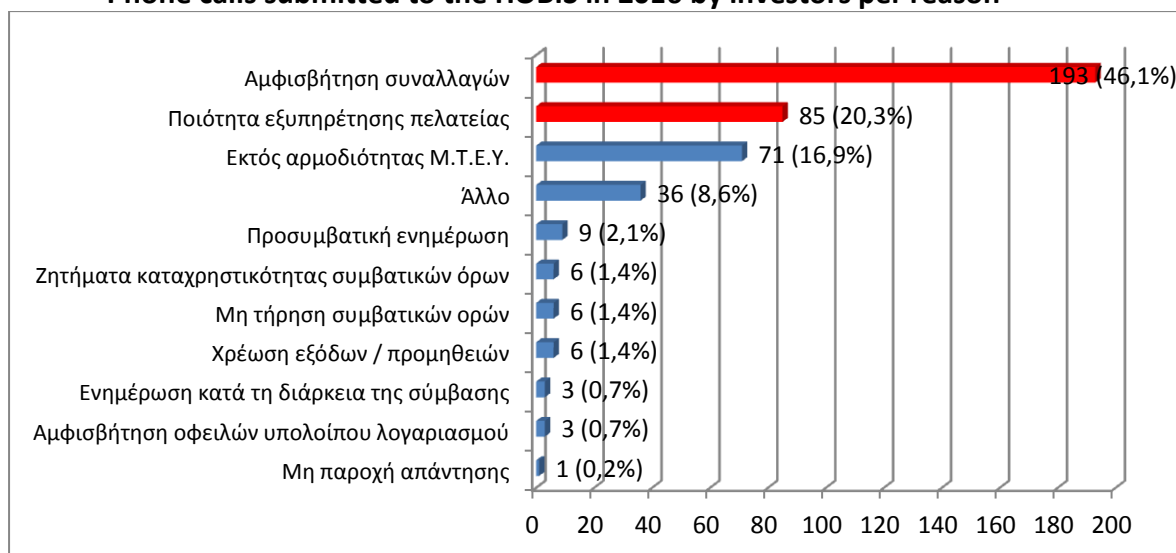


Chart 23
Phone calls submitted to the HOBIS in 2016 by investors per reason⁸



⁸ Based on the relevant Bank of Greece table.

Charts 24 and 25 present the total written complaints received investors per product and per reason accordingly.

Chart 24
Written complaints submitted to the HOBIS in 2016 investors per product

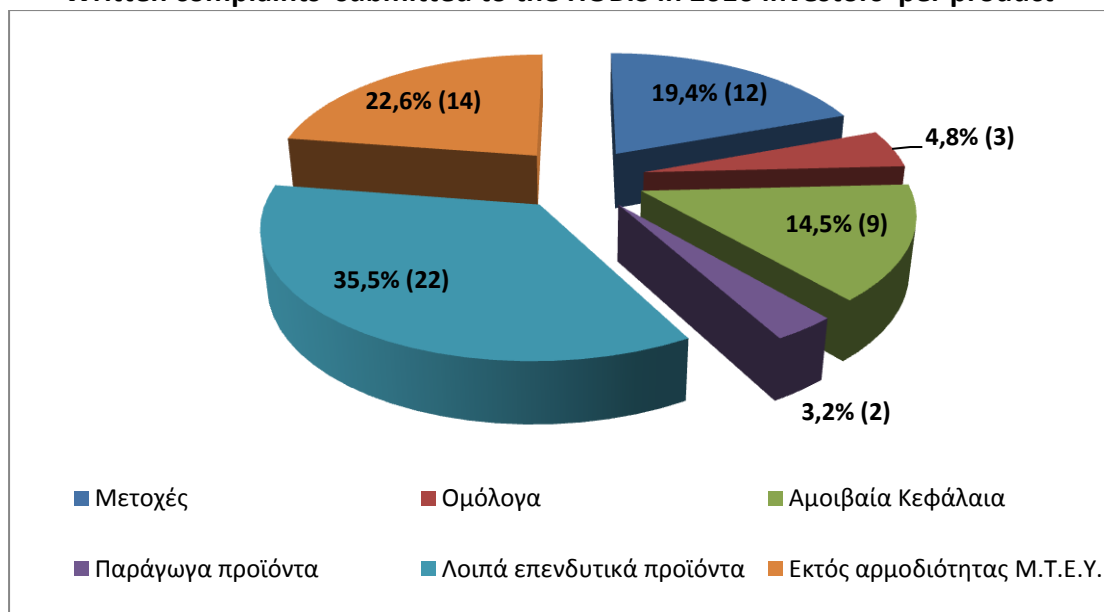
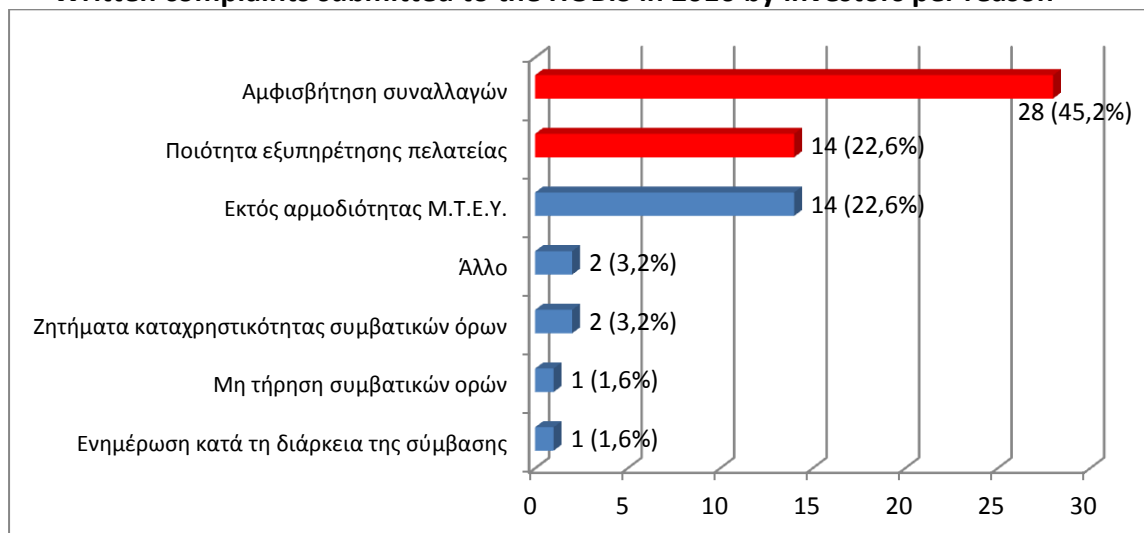


Chart 25
Written complaints submitted to the HOBIS in 2016 by investors per reason⁹



⁹ Based on the relevant Bank of Greece table.

Chapter 3: Geographical distribution of complaints submitted in 2016



The majority of complaints submitted to the HOBIS in 2016 were coming from the Region of Attica (59.65%) followed by the Region of Central Macedonia (12.12%).

Chapter 4: Cross-border disputes in 2016

Cross-border disputes are the complaints received by H.O.B.I.S. under its participation in the Cross-Border Out-of-Court Complaints Network for Financial Services (FIN-NET). The FIN-NET connects the national extrajudicial dispute settlement schemes of the European Union (EU) and the European Economic Area (EEA).

H.O.B.I.S. examines, as the competent scheme, within the framework of its competence, complaints filed by EU and EEA residents in relation with the transactions with its member banks and investment companies. In addition, H.O.B.I.S. becomes recipient of domestic residents complaints arising in their dealings with financial institutions in the EU and the EEA. In this case, acting as the nearest scheme, provides information and refers interested parties to the competent scheme abroad.

In the year 2016, in a total of 89 cross-border complaints received by H.O.B.I.S. (68.5% was phone calls and 31,5% was written complaints)

Chart 32
Cross-border complaints submitted to HOBIS in 2016

