



HELLENIC OMBUDSMAN FOR
BANKING-INVESTMENT SERVICES

Annual report

2010

Table of contents

HOBIS organization chart	4
Introduction	5
Overview of HOBIS Activities 2009-2010	7
I. CONSUMER COMPLAINTS	9
1.1. Phone calls	9
1.2. Written complaints	9
1.3. Closed cases	9
1.4. Common complaints	10
1.5. Selected cases	12
1.6. Cross-border complaints	15
II. PROFESSIONAL & SMALL ENTERPRISE COMPLAINTS	17
2.1. Phone calls	17
2.2. Written complaints	17
2.3. Closed cases	18
2.4. Common complaints	18
2.5. Selected cases	19
III. INVESTOR COMPLAINTS	21
3.1. Phone calls	21
3.2. Written complaints	21
3.3. Closed cases	22
3.4. Distribution by organization	22
3.5. Common complaints	22
3.6. Selected cases	23

HOBIS ORGANIZATION CHART

Antonios Foskolos

LEGAL OFFICE
Ekaterini Tseliki

COMMUNICATION DEPT
CHIEF OF SECTION
Polyxeni Argyriou

CASES INVESTIGATION DEPT
CHIEF OF SECTION
Aspasia Langourani

BANK ADVISORS
Aliko Eleftheriadou
Stavrakopoulou Evangelia

SECRETARIAT
Matina Stamatelopoulou
Vithleem Kontaxi
Damianos Antoniou
Efrosyni Kladi
Georgios Kostakopoulos
Charlie Lefevre

BANK ADVISORS
Vasileios Stefopoulos
Kalliopi Kikilia

INVESTMENT ADVISOR
Dionysia Zeginoglou

Introduction

2010 marked the 12th anniversary of the Ombudsman's presence and contribution to the domestic financial services sector. Since 1999, when the Hellenic Ombudsman (HOBIS) was established, it has handled a total of 91,986 consumer phone calls and visits and 14,983 formal (written) consumer complaints.

The Ombudsman for Banking-Investment Services is an institution specializing in intermediation for out-of-court settlement of financial disputes and operating on the basis of the principles of independence, transparency, adversarial procedure, effectiveness, legality, liberty and representation, in line with 98/257/EC Recommendation.

Its contribution to the resolution of disputes is more important now than ever before, as it offers consumers free intermediation services that are completed within a short time, effectively responding to consumer complaints and satisfying, in most cases, the respective requests. In 2010, 69.39% of the cases processed by the HOBIS were resolved in favour of the consumer.

According to our procedure, before referring their complaint to the HOBIS, consumers need to contact directly the financial institution involved, first the branch concerned and next the appropriate customer services; this offers financial service providers the opportunity to address customer complaints themselves at an early stage and restore customer confidence in their organization. In practice, our complaint review process has shown that most disputes (75% in 2010) are directly resolved between the parties involved.

In 2010, our activities presented an average growth of approximately 14.96%.

We received a total of 14,289 phone calls and visits (13,834 from individuals and small enterprises and 455 from investors) and 2,203 formal complaints. Of these, 1,923 concerned bank transactions carried out by individuals/consumers, 147 by professionals/small enterprises and 133 by investors, and we processed a total of 1,826 formal complaints.

As regards the geographical distribution of consumer complaints, most originated from large urban centres (67.05% from Attica, 13.66% from Macedonia and Thrace, 4.31% from Western Greece, 3.80% from Crete).

Furthermore, in 2010 we recorded a total of 28,058 visits to our website (www.bank-invest-omb.gr).

According to our records, consumers' information on the HOBIS is chiefly based on the television, the radio and the press in general (51.36%), provided by other persons who have benefitted by our services in the past (18.80%), the Greek Ombudsman and the General Secretariat for Consumer Affairs (12.40%), the Internet (5.88%) and members of the Ombudsman's partners, i.e. banks and investment companies (2.86%).

In 2010, as in 2009, we received a substantial number of requests for debt settlement, due to the impact of the economic crisis and households' and businesses' over-indebtedness.

Law 3869/2010 on *Settlement of Over-indebted Individuals' Debts and Other Provisions* comprises the Ombudsman in the institutions providing debtors with assistance in out-of-court settlement with creditors.

From 1 September 2010, when this Law became effective, until the end of December 2010, the HOBIS responded to 3,756 phone calls from debtors seeking instructions and clarifications on debt settlement issues and to 636 requests for out-of-court settlement of debts.

The HOBIS is also expressly stated as one of the organizations authorized to handle out-of-court settlement of disputes arising from the implementation of the provisions of Law 3862/2010, whereby Directive 2007/64/EC on payment services in the domestic market was integrated into the Greek legislation, and of Joint Ministerial Decision Z1-699/2010, whereby Greek law was aligned with the provisions of Directive 2008/48/EC on consumer credit contracts; the said Directive regulates creditors' obligations to provide consumers with standardized information and assess consumer creditworthiness, as well as consumers' rights to withdraw from credit agreements without cause and to early repay liabilities under such agreements.

The HOBIS is trusted and appreciated not only by those who benefit by its services, but also by consumer unions, the entire credit industry and state agencies and regulatory authorities closely cooperating with us.

In 2010, the HOBIS participated in the 9-member administrative committee of the Financial Dispute Resolution Network for out-of-court settlement of cross-border financial disputes (FIN-NET), established by the European Commission, numbering 52 members from 20 countries.

The 2010 HOBIS Report is divided into three sections, which provide an analysis of the complaints processed by the HOBIS on the basis of the complainants' capacity: individuals, professionals/small enterprises and investors. Each one of these three sections presents aggregate statistical data and analyses the phone calls and written complaints received by product/service and reason for the complaint, including statistics on the cases processed and their respective outcomes; this is followed by a systematic analysis of the most common complaints among the complaints handled along with examples of the complaints reviewed by the HOBIS.

I wish to thank the staff of banks' and investment companies' customer services for their substantial cooperation with HOBIS, as well as the HOBIS staff for their dedication and systematic work, without which we would not have been able to attain our qualitative targets or manage exceptionally large volumes of tasks successfully.

April 2011
Antonios Foskolos

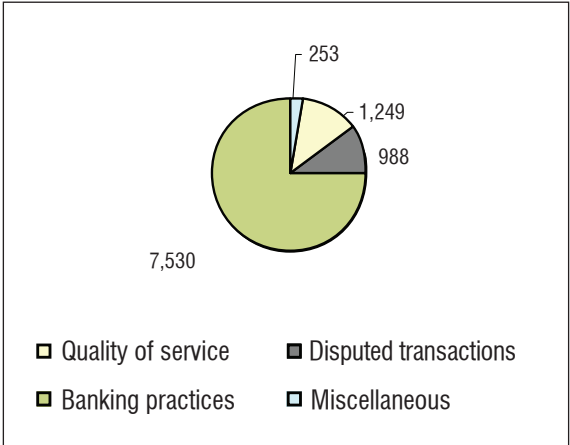
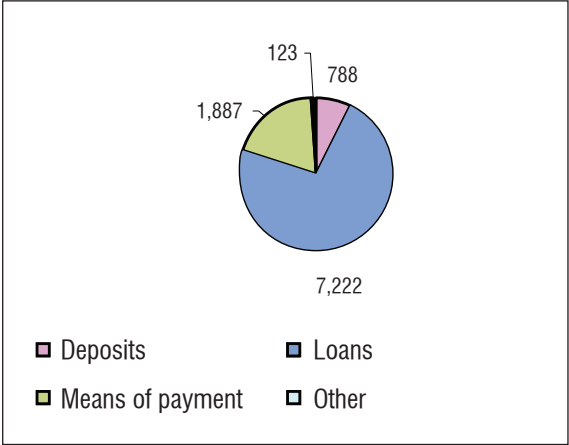
OVERVIEW OF HOBIS ACTIVITIES 2009 - 2010

	Retail consumers			Businesses			Investors			TOTAL		
	2009	2010	% change 2010/2009	2009	2010	% change 2010/2009	2009	2010	% change 2009/2008	2009	2010	% change 2010/2009
I. PHONE CALLS												
Cases within HOBIS competence	7,872	10,020	27.29%	833	944	13.32%	419	322	-23.15%	9,124	11,236	23.15%
Cases not within HOBIS competence	2,599	2,306	-11.27%	477	564	18.24%	69	133	92.75%	3,145	3,003	-4.52%
TOTAL	10,471	12,326	17.72%	1,310	1,508	15.11%	488	455	-6.76%	12,269	14,289	16.46%
Visits	662	1,494	125.68%	81	88	8.64%	54	14	-74.02%	797	1,596	100.25%
II. WRITTEN COMPLAINTS												
Cases within HOBIS competence	1,561	1,709	9.48%	142	100	-29.58%	123	106	-13.82%	1,826	1,915	4.87%
Cases not within HOBIS competence	203	214	5.41%	32	47	46.87%	16	27	68.75%	251	288	14.74%
TOTAL	1,764	1,923	9.01%	174	147	15.52%	139	133	-4.32%	2,077	2,203	6.07%
Cases closed	1,629	1,532	-5.95%	147	154	4.76%	175	140	-20.00%	1,951	1,826	-6.41%
Average time per case (days)	77	112	45.45%	39	83	112.82%	117	121	3.42%	78	111	42.31%

I. Consumer complaints

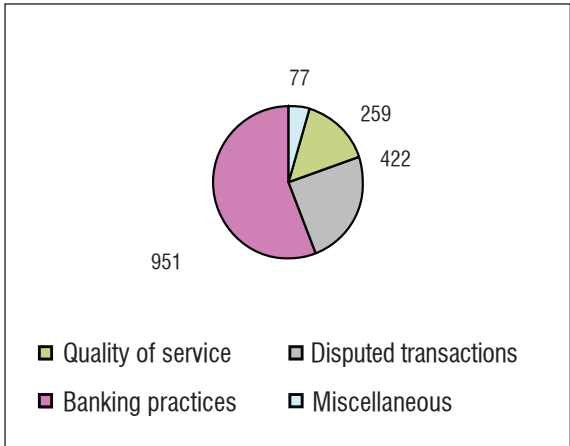
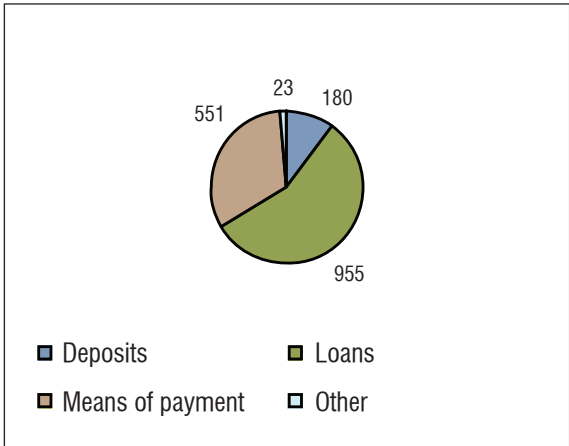
1.1 Phone calls

In 2010, phone calls regarding consumer complaints increased by 17.72% to 12,326. Of these complaints, 10,020 (i.e. 81.29%) cases fell within HOBIS' purview. The following pie charts set out their distribution per product/service and per cause of complaint respectively.



1.2 Written complaints

In 2010, the number of written complaints by private individuals regarding banking transactions increased by 9.01% to 1,923. Of these complaints, 1,709 (88.87%) fell within our jurisdiction. The following pie charts depict their distribution per product/service and per cause of complaint respectively.



1.3. Closed cases

In 2010, 1,318 cases were resolved, 572 in favour of the complainants, 409 in favour of the banks and 337 by conciliation. The percentage of complainants' satisfaction, expressed as the sum of complete satisfaction (43.40%) and conciliation (25.57%) was 68.97%.

1.4. Common complaints

Deposits

- Fee collected for fund deposits in third party's account and for breakdown of aggregate entries recorded in the passbook.
- Fee charged for more than a specific number of monthly transactions at bank counters.
- Deposit accounts debited with 'inactivity charges' or 'account activity charges' without the beneficiaries' notification; inactivity charges sometimes affected the deposit principal.
- Bank claims set off against the balance of accounts solely used to receive beneficiaries' salary or pension proceeds.
- Joint beneficiaries added to savings accounts without notification.
- Deposit account overdrafts to cover savings programmes despite agreement terms to draw within the credit limit only.
- Portion of savings deposit balances blocked without a court order.
- Banks' refusal to accept deposits in coins.
- Deposit accounts still debited for payment of utility bills despite revocation of accountholder's respective standing order.

Loans

- Arbitrary increase in interest rate margin.
- Substantial change in the interest rate level between the loan approval and loan contract execution dates.
- Lack of transparency in contract specifications and changes in mortgage loan rates.
- Arbitrary specification of loan rates, in violation of contract terms.
- Failure to apply floating rates on expiry of the agreed fixed rate period, in violation of contract terms.
- Personal loan instalments increased without the borrowers' notification.
- Fee charged for issuance of Non Dues Certificate.
- Loan application review fee charged despite an agreement to the contrary.
- Borrower insured without his consent.
- Refusal to accept insurance policies issued by an insurance company of the borrower's choice, and borrower charged with insurance premiums issued by an insurance company of the bank's choice.
- Delay in providing copies of loan contracts, under various pretexts, and failure to provide the guarantors with such copies.
- Persisting notices to heirs for payment of deceased borrowers' debts, despite presentation of certificate of renunciation of inheritance.
- Persisting notices to heirs for payment of deceased borrower' debts due to insurance company's payment delay; delay in informing heirs that the claim under a credit agreement for the purchase of a car was insured.

- Failure to close borrower's loan account following transfer of the account balance to another bank, because of funds transferred from another account to service the loan account, with the loan account still charged with monthly instalments without the borrower's notification, which resulted in overdue debts.
- Debt Collection Agencies' notices for payment of overdue debts under loans never applied for or received.
- Refusal to discharge mortgage pre-notations on realty despite full repayment of mortgage loan, due to credit card debt.
- Despite full repayment of customer's loan liabilities and issuance of the respective receipt, customer's credit card was debited with two further instalments without notification.
- Borrower's debt set off against the proceeds of a loan received to meet health expenses, without notification.
- Inadequate information on terms of consumer loans on a bank's website, resulting in borrower's charge with insurance expenses.
- Bank's default on settlement agreement.
- Numerous requests for information on settlement of over-indebted individuals' debts, as well as applications for out-of-court settlement under Article 2, par. 1 of Law 3869/2010.
- Delay in updating the records of TIRESIAS SA on mortgage loan repayments and discharge of mortgage pre-notations on realty.

Means of Payment

- Fees charged for the issuance of cheque in foreign currency higher than those stated in the bank's price list.
- Notices to heirs for payment of deceased borrower's debts, despite presentation of certificate of renunciation of inheritance.
- Refusal to honour a cheque, despite sufficient funds, due to other debts to the bank.
- Disputed level of funds deposited via ATMs.
- Cancelled credit card account charged with subscription fees because of outstanding debit balance.
- Credit card account charged with interest, despite due payment.
- Disputed cash withdrawals via lost or stolen credit cards and disputed credit card transactions via the internet.
- Breach of agreement terms regarding subscription fees or interest rates following credit card issuance or transfer of credit card debt from another bank.
- Guarantor's liability under credit cards disputed because no relevant agreement had ever been signed.
- Credit card issued and used for transactions on the basis of an ID card reported lost to TIRESIAS SA.
- Certain individuals appeared in the records of TIRESIAS SA (Loan Information System) as credit card holders against whom payment orders had been issued, when in fact they had never applied for or received such credit cards.
- ATM frauds under circumstances where cardholders' attention was diverted, their PIN was captured, their card replaced by another card and their funds withdrawn by third parties.

- Card skimming during ATM transactions.
- Credit card account not closed despite a balance transfer to another bank and the borrower continued to be charged with minimum monthly payments, which resulted in overdue debts.
- Card credit limit reduced without notice, as a result of which the respective account was debited with credit limit excess charges, and standing order was not honoured.
- Parents complaining because the bank issued credit cards to their children who are students and do not have any income.
- Interest charged despite due payment of credit card debt.
- Cardholder's family member added to the respective beneficiaries' list without the cardholder's consent.

Other – Various banking operations

- Tax amount unduly refunded to a third party due to insufficient ID check.
- Delay in responding or failure to respond to customer requests.
- Customer included in insurance programme and charged with premiums without his consent, whereas the customer had only asked for information on the programme.
- Complaints about violations of Law 3758/2009 by Debt Collection Agencies in pursuit of collection of overdue debts, especially as regards the conduct of their staff, the frequency and inappropriate times of harassment, and disclosure of debtors' personal data to their family members.

1.5. Selected cases

Deposits

756/2010

Delay in crediting account

A customer opened an account via e-banking to subsequently invest €20,000 in a time deposit account at a special, 5% interest rate. Although the customer followed the bank's instructions to visit one of the bank's branches to sign the relevant documents and then open a new account via e-banking, the transfer of funds delayed, as a result of which the customer was unable to benefit from the special rate. Following review of the case by the HOBIS, the bank admitted in writing its delay in carrying out the customer's instructions and arranged for the value date of the customer's time deposit to be the same as the customer's initial deposit date.

812/2010

Charges debited

A customer was debited with a €100 amount of charges, further to interest, for early withdrawal of a 3-month time deposit of €44,397. He filed a complaint with the HOBIS arguing that he had not been informed of this charge and contesting its legality. Following our review, the above amount was refunded to the customer's account.

846/2010

Debts offset against salary account balance

The bank set off the complainant's overdraft debts against her salary account balance of €1,710 without notification. Following our intermediation, the said amount was refunded to the complainant's account

Loans

332/2010

Interest rate changed

When the complainant requested reduction (from 6.62% to 6.13%) in the interest rate on a housing loan subsidized by OEK (Workers' Housing Organization) advanced to him in 2002 at the Base Lending Rate, he was informed by the bank that changes in interest rates are published in the press.

Given that the method of calculation of the interest rate was not clearly specified in the relevant agreement, the bank accepted the HOBIS recommendation, based on applicable provisions, to amend the respective terms and refund amounts unduly paid.

364/2010

Delay in informing customer

Although the complainant had repaid an open loan and requested to close the relevant account in 2007, in 2010 he was informed for the first time that he owed an amount of €145 representing payments for the period 2007-2009. As a result of our intermediation, the above debt was written off.

428/2010

Erroneous data recorded

The complainant was informed by chance that her personal data appeared in the System of Default Recording (SAY) of TIRESIAS SA in connection to outstanding debts under a consumer loan, although she had never applied for or received any such loan. Following investigation of the case by HOBIS, the issue was settled and the complainant's personal data were removed from the records of TIRESIAS SA.

1480/2009

Problem arising following disbursement of consumer loan

The complainant was granted credit to purchase a car; despite the bank's promise to the contrary, the seller's account was credited with the loan amount immediately, before the complainant took delivery of the car. In the meantime the seller suspended operations and the car was never delivered to the complainant, however the bank demanded payment of the monthly loan instalments. As a result of our intermediation, payments were suspended until final settlement of the issue.

1677/2009

Erroneous calculation of interest

The complainant made early repayment of her housing loan, depositing the amount of €115,014.16 she owed, according to the bank's written confirmation. When she subsequently asked for the respective repayment receipt, however, she was informed that she still owed €3,086.53 plus interest as of the date of the deposit, because the

loan had been granted at a special rate which would no longer apply in the event of early repayment. As a result of our intermediation, the issue was settled amicably by payment of 50% of the above extra debt by the complainant, given that in the written confirmation there was no reference to the method of interest calculation.

Means of Payment

333/2010

Credit card stolen

The complainant's credit card was stolen during his stay in London. Until cancellation, the card was used for unauthorized transactions totalling €1,466, although it had expired a month before. As a result of our intermediation, the above amount was refunded to the complainant plus interest.

463/2010

Card stolen by diverting the holder's attention

During a cash withdrawal at an ATM, the complainant's card was replaced by another card by strangers, who diverted his attention. As they had already captured his PIN when he typed it, they subsequently made successive withdrawals from his account, of which the complainant became aware three days later, when he tried to use his card. However, given that this was not an incident of electronic theft and the correct PIN was used, his request for reversal of the relevant entries was not granted.

481/2010

Credit card balances covered by insurance

Following her husband's death in 2008, the complainant continued to repay the bills of two credit cards held by the deceased. When, 2 years later, she was informed that the said debts were covered by life insurance, she requested our intermediation to have the sums unduly paid refunded to her. Upon presentation of the relevant legalization documents, the bank reversed the debit balances of the card accounts as of the date of her husband's death and credited her account with the amounts she had paid.

601/2009

Disputed credit card transactions

The complainant disputed 30 transactions totalling €4,992.06 for which her credit card was used while it was in her possession. Following our intermediation, the bank reversed the relevant debit entries.

751/2010

Disputed internet transactions

The complainant disputed two internet transactions totalling €1,227.38 for which his credit card was used, claiming that he had never used it. Following our review, the bank reversed the relevant debit entries.

1.6 Cross-border complaints

This category comprises complaints received by HOBIS in the context of its participation in the Cross-Border Out-of-Court Complaints Network for Financial Services (Financial Dispute Resolution Network – FIN-NET), which links the national bodies for out-of-court settlement of disputes in the EU and EEA.

As the competent scheme, HOBIS examines complaints filed by EU and EEA residents in relation to their transactions with its member banks.

In addition, HOBIS also receives Greek residents' complaints resulting from their transactions with financial and credit institutions registered elsewhere in the EU and EEA. In this context, acting as the nearest scheme, HOBIS provides information to the complainants and refers them to the competent scheme, i.e. the respective out-of-court dispute settlement scheme abroad.

The table below indicates that HOBIS acted in 2010 as the competent scheme in 44 cases and as nearest scheme in 30 cases.

As competent scheme, HOBIS investigated and settled 39 cases, in 8 of which the complainant was vindicated and in 31 the bank.

Also, 30 complaints received by HOBIS as a nearest scheme were forwarded to the competent scheme abroad.

	COMPETENT SCHEME	NEAREST SCHEME
A. GEOGRAPHIC REGION	44	30
- EU & EEA	41	28
- Non-FIN-NET	3	2
B. SETTLED	39	-
C. PENDING	5	-
D. SETTLEMENT METHOD		
- By a bank	10	-
- HOBIS Intermediation	29	-
- Referred abroad		30
E. RESULT		
- In favour of the consumer	8	-
- In favour of the bank	31	-

Selected cases

90/2010

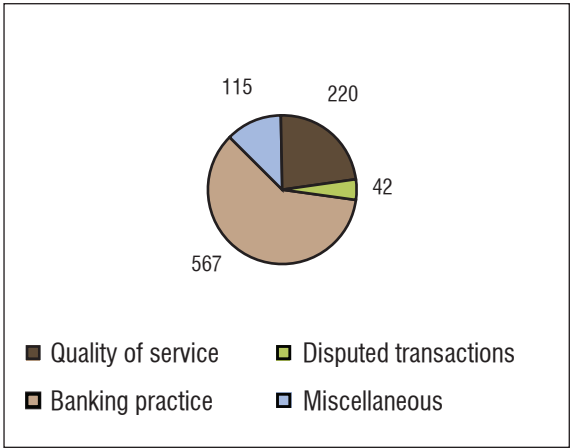
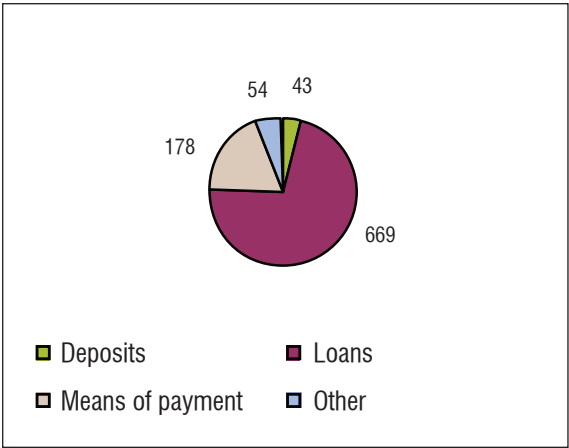
Disputed Card Transaction

Mr X is a Netherlands resident. While on holiday in Greece unsuccessfully attempted to withdraw 500€ from an ATM. Nevertheless, when the bank deposit was updated, the account holder noticed a debit charge of 500€. After failing to solve the dispute with the bank, Mr X submitted a complaint to our scheme. As a result of our intervention the greek bank remitted the sum of 500€ and credited his account accordingly.

II. Professional and small enterprise complaints

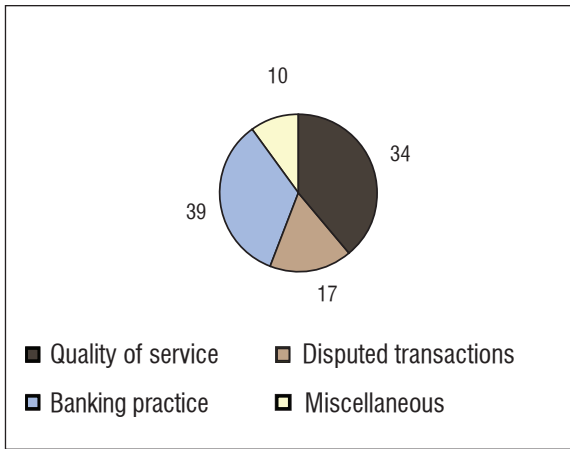
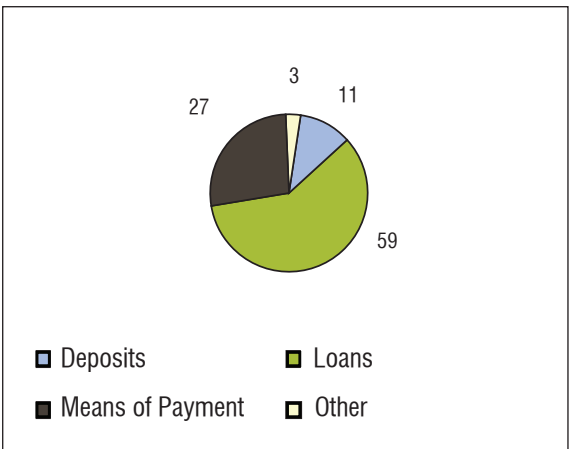
2.1. Phone calls

In 2010, phone calls regarding professional and small enterprise complaints increased by 15.11% to 1,508. Of these complaints, 944 (i.e. 62.60%) cases fell within HOBIS' purview. The following pie charts set out their distribution per product/service and per cause of complaint respectively.



2.2. Written complaints

Our office also received 147 written complaints from professionals and small enterprises, i.e. 15.52% less than in 2009. Of these complaints, 100 (i.e. 68.03%) cases fell within HOBIS' purview. The following pie charts set out their distribution per product/service and per cause of complaint respectively.



2.3. Closed cases

In 2010, 107 cases were resolved, 54 in favour of the complainants, 50 in favour of the banks and 3 by conciliation. The percentage of complainants' satisfaction, expressed as the sum of complete satisfaction (50.47%) and conciliation (2.80%) was 53.27%.

2.4. Common complaints

- Depositors charged for the issuance of account statements or cheque books without notification.
- Fees charged for collection of cheques issued by a branch of the same bank in another town.
- Payment of a €1,810 charge requested for the issuance of a detailed account statement for a non-performing loan.
- Complaints about banks' excessive charges for stamping cheques for non-payment.
- Arbitrary unilateral increase in rate margins on loans for the purchase of business premises.
- Borrowers pressured by banks to link their open loan rates to less favourable interest rate indexes.
- Interest rates on business loans unilaterally increased without notification, or borrowers pressured to consent to higher rates.
- Delay in discharging mortgage pre-notation following full repayment of loans.
- Arbitrary setoff of performing loan balance against loan approved by the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME).
- Bank's delay in forwarding customer's request to participate in the National Strategic Reference Framework (ESPA) development programme, resulting in customer's non-participation in the programme.
- Numerous requests by businessmen wishing to benefit by the provisions of the Settlement of Business and Professional Debts programme pursuant to Law 3816/2010, and complaints about non-inclusion in the programme.
- Bank's breach of debt settlement terms.
- Guarantor's account blocked without notification due to borrower's overdue debts, as a result of which guarantors' cheques were stamped for non-payment.
- Customer's cheque stamped for non-payment as a result of bank's failure to notify loss of a bag of cheques, including the customer's.
- Amount deposited into sight account to cover a cheque drawn by the depositor was set off against credit card debt, as a result of which the depositor's cheque was stamped for non-payment.
- Banks' refusal to issue copies of loan agreements to guarantors.

2.5 Selected cases

76/2010

Remittance erroneously credited

The representative of a non-profit organization requested our intermediation for a refund of the amount of two remittances, totalling €1,000, transferred to a third party's account with another bank via e-banking, on the grounds that the amount was credited to a wrong account; the request was granted by the bank.

80/2010

Loss of cheque

On 10 June 2010, the complainant (a businessman) delivered to his bank a Bank of Greece cheque of €19,000, issued by a tax office, for payment into his account. The cheque was forwarded to Athens by the bank and on 16 June 2010 the complainant was informed that the cheque, which was a state-issued cheque, was returned unpaid, and that it could not be found. As a result of our intermediation, the cheque amount was immediately credited to the complainant's account with value date 10 June 2010.

107/2010

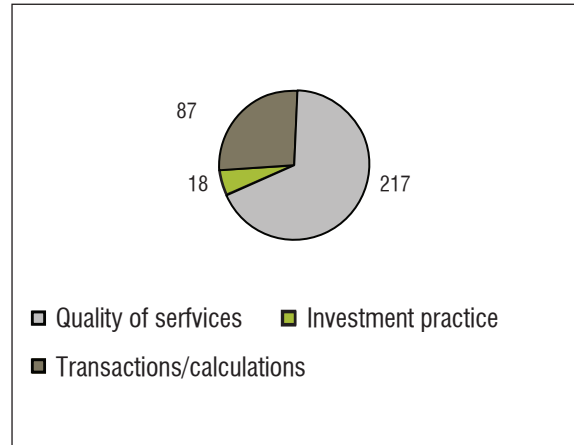
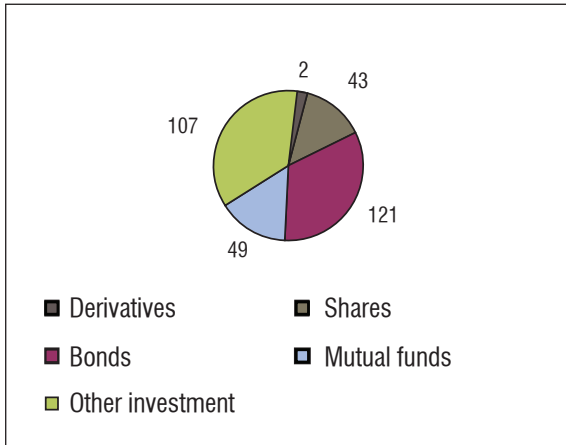
Partial disbursement of credit

In 2008 a company received credit of €300,000 through open account. The bank disbursed €150,000 only, but collected instalments for the entire amount of €300,000 and registered a mortgage pre-notation of €300,000 over the borrower's realty. When the company turned to the HOBIS, the bank agreed to reduce the pre-notation amount by half, disburse the remaining credit balance and refund a €8,000 amount representing the difference in interest already paid.

III. INVESTOR COMPLAINTS

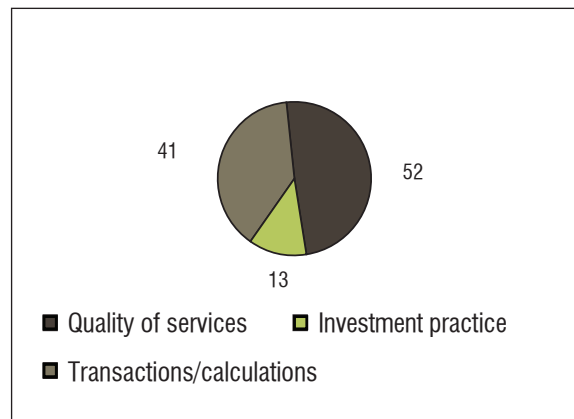
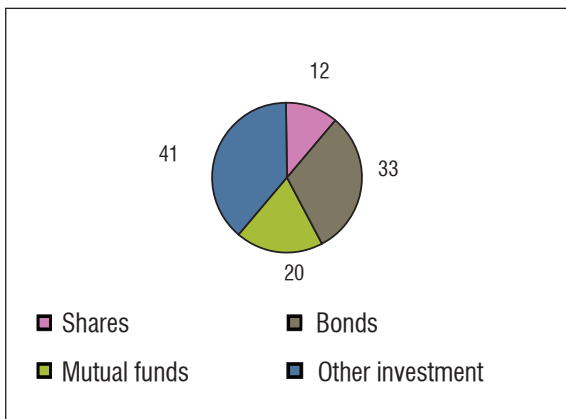
3.1. Phone calls

In 2010, phone calls regarding investor complaints against banks and investment firms fell by 6.76% to 455. Of these complaints, 322 (i.e. 70.77%) cases fell within HOBIS' purview. The following pie charts set out their distribution per product/service and per cause of complaint respectively.



3.2. Written complaints

In 2010, the number of written complaints by investors fell by 4.32% to 133. Of these complaints, 106 (i.e. 79.70%) fell within our competence. The following pie charts depict their distribution per product/service and per cause of complaint respectively.



3.3. Closed cases

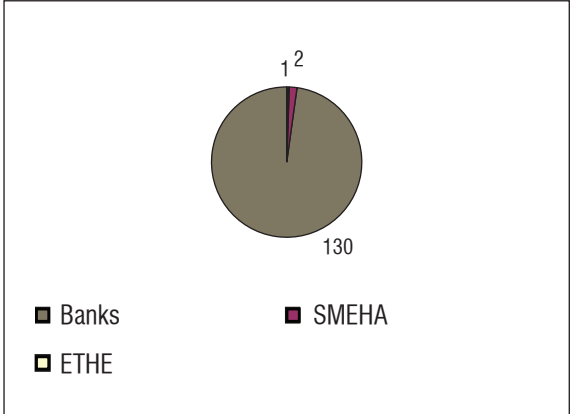
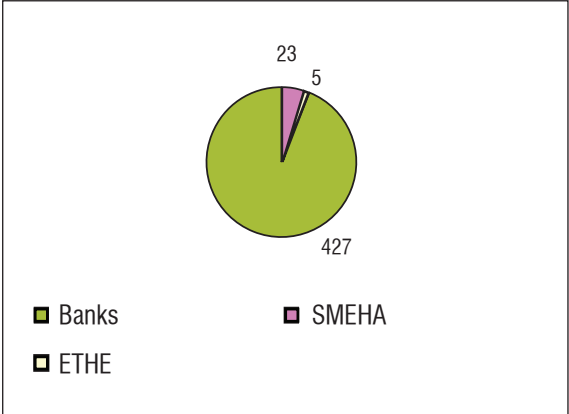
In 2010, 113 cases were resolved, 67 in favour of the investors, 38 in favour of the banks/investment firms and 8 by conciliation. The percentage of complainants' satisfaction, expressed as the sum of complete satisfaction (59.29%) and conciliation (7.08%) was 66.37%.

3.4. Distribution by organization

Organization	Telephone Complaints		Written Complaints	
	Number	Percentage	Number	Percentage
HBA (Banks)	427	93.85%	130	97.75%
SMEHA ¹	23	5.05%	2	1.50%
ETHE ²	5	1.10%	1	0.75%
TOTAL	455	100.00%	133	100.00%

¹ Association of Athens Stock Exchange Members

² Association of Greek Institutional Investors



3.5. Common complaints

- Misleading information on terms of insurance/investment programmes.
- Customers phoning to get information on banks' insurance/investment programmes were subsequently included in these programmes and charged with insurance premiums without their consent.
- Failure to redeem insurance/investment programmes on expiry, despite investors' instructions.

- Misleading and insufficient information on features of insurance/investment products on selling such products.
- Transactions on investor's portfolio without the investor's instructions.
- Delay in transferring mutual fund units to the heirs of a deceased investor, despite presentation of the relevant legalization documents.
- Failure to execute investor's instructions regarding the investor's participation in a bank's share capital increase.
- Numerous bonds sold as fixed-term bonds, when in fact they were perpetual bonds.
- Bonds and mutual funds arbitrarily traded or funds invested in insurance programmes instead of time deposits as per the investors' instructions.
- Time deposit principal affected by early withdrawal penalty charge, in breach of the relevant contract term.
- Deposit pledged as collateral for a loan was arbitrarily converted to mutual funds.

3.6 Selected cases

24/2009

Omissions in the provision of investment services

The complainant had entered into an asset management agreement with a bank and made investments totalling €900,000. When he was requested by the bank to settle outstanding debts, he found out that he had signed a loan agreement of €500,000 secured by pledge on assets included in his investment portfolio, which he was not aware of. He also found out that his portfolio included a perpetual bond issued by the Bank, although he had never given a relevant purchase order.

When we reviewed the case, we found that the proceeds from the above loan had been invested in foreign equity. Given that the value of the perpetual bond had already been reduced to 50% of the par value, the investor redeemed it at a loss of approximately €240,000. In our effort to find a mutually acceptable solution, the bank agreed to pay compensation of €190,000.

30/2009

Funds invested in a bond instead of a time deposit

In 2007 the complainant invested €100,000 in a time deposit account, relying on information given by a bank officer. When he sought to withdraw his funds, he was informed that the deposit funds had been invested in a 10-year bond issued by the bank, maturing on 8 March 2017 and redeemable at its current, lower value.

In reviewing the case, we found that the complainant had been given insufficient information on the features of the investment product. Following our intermediation, the parties agreed to have the bond replaced by another bond of the same par value and lower risk, maturing on 28 February 2013.

52/2010

Arbitrary portfolio management

The complainant opened a 1-year time deposit account of €100,000, maturing on 19 February 2010. On maturity, she was informed by the bank that the deposit had been renewed for a further six months. When she requested

withdrawal of the funds before maturity, she found out that mutual funds had been purchased and redeemed in her name, without her knowledge, from 19 February 2009 to 1 June 2010; she also found out that an account had been opened in her name for this purpose, and that it had been used for a number of transactions (withdrawals, fund transfers and payment orders).

Following our intermediation, the bank refunded to the complainant the principal amount plus interest.

124/2010

Insufficient information

The complainant held an account with the bank to receive his pension proceeds. Relying on information given by a bank officer, he agreed to invest his savings in a higher return product. When he received the relevant document, however, he found out that the product was a life insurance programme involving premiums of €1,000 per month, and that his account had been charged with €3,000, representing premiums for the months that had lapsed.

He objected to the charge and requested cancellation of the relevant insurance policy and a refund of the amounts paid. As a result of our investigation, his request was granted.