

Annual report 2015



Hellenic Ombudsman
for Banking-Investment Services

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We can help...

If you have a complaint about banking or investment services, because:

- we have the necessary knowledge and expertise
- we mediate effectively to resolve problems
- our service is free of charge

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About H.O.B.I.S.

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The year in summary

Overall we received

10.332

telephone calls and visits to our office

1.692

written complaints

12.024

complaints

We examined

1.667

written cases

31

days is the average time of written complaints examination

158

cross-border disputes in the context of FIN-NET

75%

of the disputes were resolved amicably by the parties

29.300

visits to our new H.O.B.I.S. website, www.hobis.gr

Foreword of the Hellenic Ombudsman for Banking-Investment Services



The Hellenic Ombudsman for Banking – Investment Services (HOBIS) scheme completed its seventeenth year of operation this year. During this time, we received a total of 24.095 written complaints and 137.759 telephone calls and visits to our office.

The Hellenic Ombudsman for Banking – Investment Services is part of a wide range of alternative dispute resolution systems (Alternative Dispute Resolution) which developed in Europe in the last twenty years, to complement the judicial process in order to boost consumer confidence in the Single Market.

In particular in the financial sector, new technologies, internationalization and liberalization of trade and growing competition, coupled with the existence of gaps in the legislation on consumer protection and slowness, cost and complexity of the judicial system, led to self-regulation, with a prevalence of ethical standards and formulation of court redress schemes.

The Banking Ombudsman - Ombudsman, is not a new scheme but operates successfully for several decades in the US, Canada and Northern Europe and does not concern just banks but also other businesses aimed at customer satisfaction, it constitutes a listening ear in which the customer can call on and the executive will try to find the solution to the problem. The function of the Hellenic Ombudsman for Banking – Investment Services is based on four inviolable principles: independence, neutrality, confidentiality and non-binding mediation.

The Hellenic Ombudsman for Banking - Investment Services forms a highly specialized out-of-court mediation. It makes up an expression of voluntary compliance by financial service providers and their voluntary commitment, under the current legislative framework and code of conduct. The relationship of the financial system and the transactor is constant, necessary and progressive. Therefore, our role is also necessary and evolving. The Hellenic Ombudsman for Banking - Investment Services, operates under the principles of independence, transparency, adversarial principle, effectiveness, legality, liberty and representation.

The Hellenic Ombudsman for Banking - Investment Services examines transparently, fairly and impartially, disputes arising from the provision of banking services (deposits, loans, cards) and investment services (stocks, mutual funds, bonds) from banks or investment companies to consumers, professionals and small businesses, and seeks their amicable settlement. Also, considers complaints concerning cross-border transactions within the framework of participation in the European FIN-NET Network.

At the same time, a large and equally important part of our activity is, providing information to consumers about their rights, clarifications and instructions on how to handle their complaints and about the way in which the Ombudsman has handled similar cases in the past. Oftentimes, we provide direct mediation to solve simpler disputes.

The Hellenic Ombudsman for Banking - Investment Services constitutes a listening ear in which the customer can call on and the executive will try to find the solution to the problem. In simple terms, the establishment



of this scheme ensures the customer an “inside man” in the bank or investment company. Our work is characterized by three words: trust, prevention, treatment.

When we say trust we mean building a solid base in the relationship of our mutual trust with the consumer.

- The acquisition of trust is achieved by providing the necessary information to the customer, by being their advisor.
- We act with authority on their behalf and seek solutions to their problems, as their assistant.
- And operate as allies of consumer trying to find the best mutually satisfactory solution.

As far as prevention is concerned, H.O.B.I.S tries to pinpoint possible issues that could create friction between the bank and its clients and resolve them. It does not replace the official customer service channels (branch network, customer service sector, financing centers etc.). It is an administratively independent scheme and its operation is based on the Code of Conduct, which is designed on standards of International Institutions and four inviolable principles: Independence, Neutrality, Confidentiality and non-binding Mediation.

In this way H.O.B.I.S is able to propose responsibly and discreetly alternative and non-binding solutions to address the requests of both consumers and banks. It operates on, within and beyond the system's shortcomings, offering the possibility of requests examination that cannot be resolved by following the statutory procedures, like in cases that have not been instructed by law or cases in which there is social and other criteria that impose their resolution with particular sensitivity.

The issues addressed by the scheme concern either systemic problems that are resolved in total, eg bank policy change, or individual complaints.

Therefore, consumers:

- Initially submit their complaint to the officer in charge of the transaction service
- If there is no satisfactory solution, the respective Customer Service should be addressed, which must be answer within ten (10) working days. The majority of complaints are resolved at this level.
- If this is not possible, they should submit a written complaint to the Hellenic Ombudsman for Banking - Investment Services, by completing the «complaint form» attached to the brochure.

If the difference falls within its competence, the Ombudsman will investigate the matter confidentially and in good time. Services are provided free of charge. The Ombudsman 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 Ombudsman will initially seek an amicable settlement of the dispute and subsequently issue a reasoned, non-binding recommendation.

The Hellenic Ombudsman for Banking - Investment Services is an independent scheme mediating between consumers and banks or investment companies.

In 2015 we received a total of 10.332 phone calls and visits to our office, 8.893 of which concerned private transactions, 933 professionals and small businesses and 506 investment transactions. We also received 1.692 written complaints with 31 days as examination average time, an improvement of 11.43% compared with 2014. Of these, 1.425 concerned private banking transactions, 183 professionals and small businesses and 84 investment transactions. Overall, in 2015 we processed 1.667 cases. Also, there were approximately



29.300 visits to the scheme's website (www.hobis.gr).

Generally the complaints we received related to:

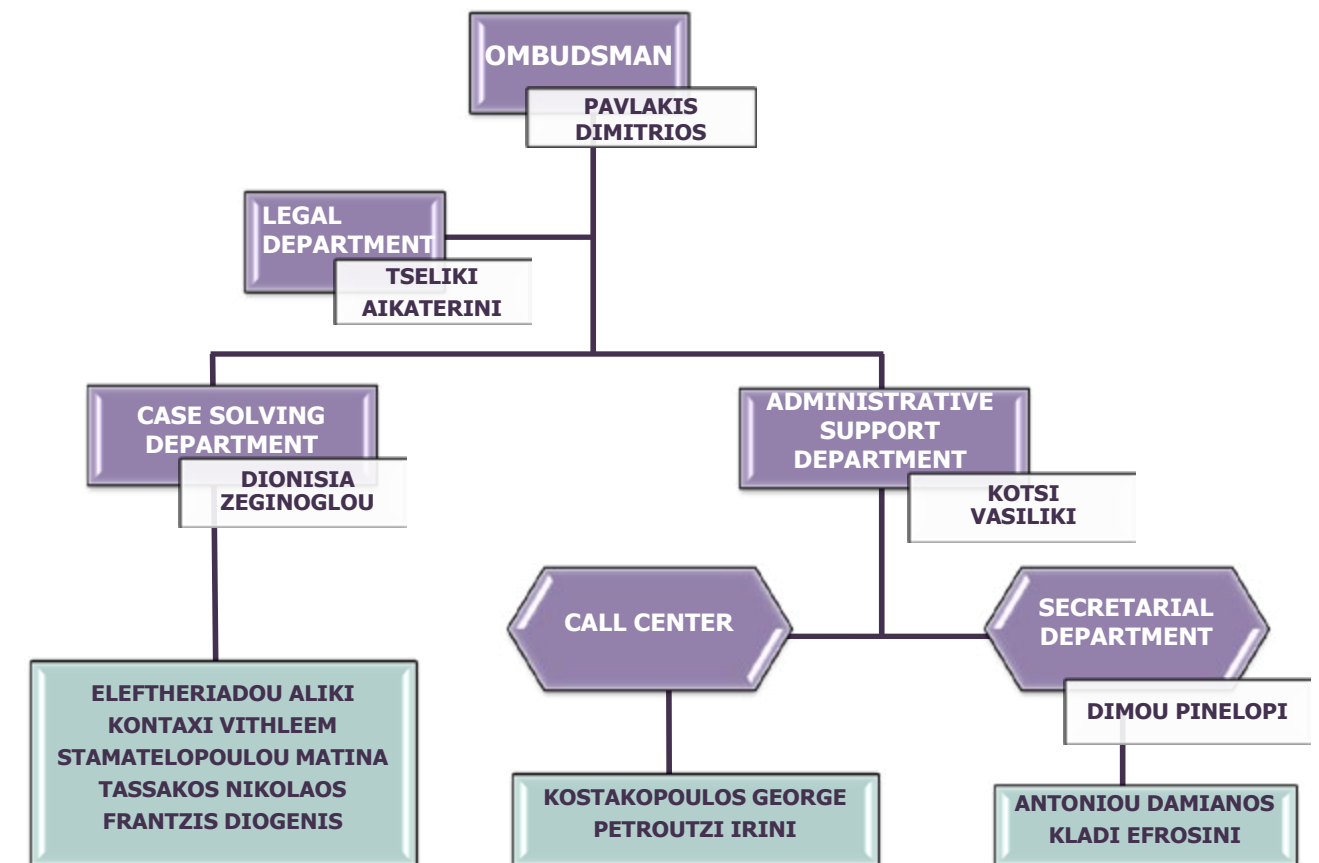
- Issues arising from the bank holiday and the imposition of capital control.
- Problems and delays in the completion of debt settlement process of debtors.
- Big number of private debt settlement requests from consumers and businesses, rejected proposals, defaulted oral agreements etc.
- Debt notification delay emanating from withholding loan installments by payroll providers.
- The method of calculating the change in mortgage interest.
- Disputed credit card charges via web banking or after theft.
- Issues arising due to mergers and acquisitions of credit institutions, etc.
- Borrowers charge after a change in the method of installment calculation and mortgage insurance premiums after the migration of loans to another bank as a result of bank mergers.
- Offsetting debt with credit balances, either in favor of the bank conducting the settlement or on behalf of banks in liquidation through standing orders.
- Debtor disturbance by debt collection agencies.

Starting July 2015, the Hellenic Ombudsman for Banking Investment - Services scheme, based on the CMD 70330, joined, other recognized by the European Union, Alternative Dispute Resolution (ADRs) schemes and is in an interconnection process with the single pan-European platform for online dispute resolution (ODR platform) which, very soon, will enable EU consumers and suppliers to submit any disputes arising from online purchases at an online resolution process. (ODR).

The ODR platform will connect the Hellenic Ombudsman for Banking - Investment Services with all the national ADR entities. This single entry point will be a user friendly, interactive website, available in all official EU languages and accessible free of charge. ADR rules apply from July 9th, 2015 and the operation of the platform has started from February 15th, 2016.

Dimitrios Pavlakis
Hellenic Ombudsman for Banking-Investment
Services

Organizational Chart





Complaints

Telephone Calls and Written Complaints

	Consumers			Entrepreneurs			Investors			Total		
	2014	2015	change %	2014	2015	change %	2014	2015	change %	2014	2015	change %
Telephone Calls												
According to the Bank of Greece Table	5.753	8.018	39,4	569	863	51,7	362	437	20,7	6.684	9.318	39,4
Out of the Bank of Greece Table	2.151	272	-87,4	145	20	-86,2	0	0	0	2.296	292	-87,3
Miscellaneous	692	603	-12,9	40	50	25	38	69	81,6	770	722	-6,2
Written Complaints												
According to the Bank of Greece Table	1.110	1.288	16	164	152	-7,3	69	55	-20,3	1.343	1.495	11,3
Out of the Bank of Greece Table	295	30	-89,8	43	7	-83,7	0	1		338	38	-88,8
Miscellaneous	106	107	0,9	24	24	0	10	28	180	140	159	13,6
Total Complaints												
According to the Bank of Greece Table	6.863	9.306	35,6	733	1.015	38,5	431	492	14,2	8.027	10.813	34,7
Out of the Bank of Greece Table	2.446	302	-87,7	188	27	-85,6	0	1		2.634	330	-87,5
Miscellaneous	798	710	-11	64	74	15,6	48	97	102,10	910	881	-3,2
TOTAL	10.107	10.318	2,1	985	1.116	13,3	479	590	23,2	11.571	12.024	3,9

* More detailed information regarding the setup of the statistics can be found in the legend of the annex.

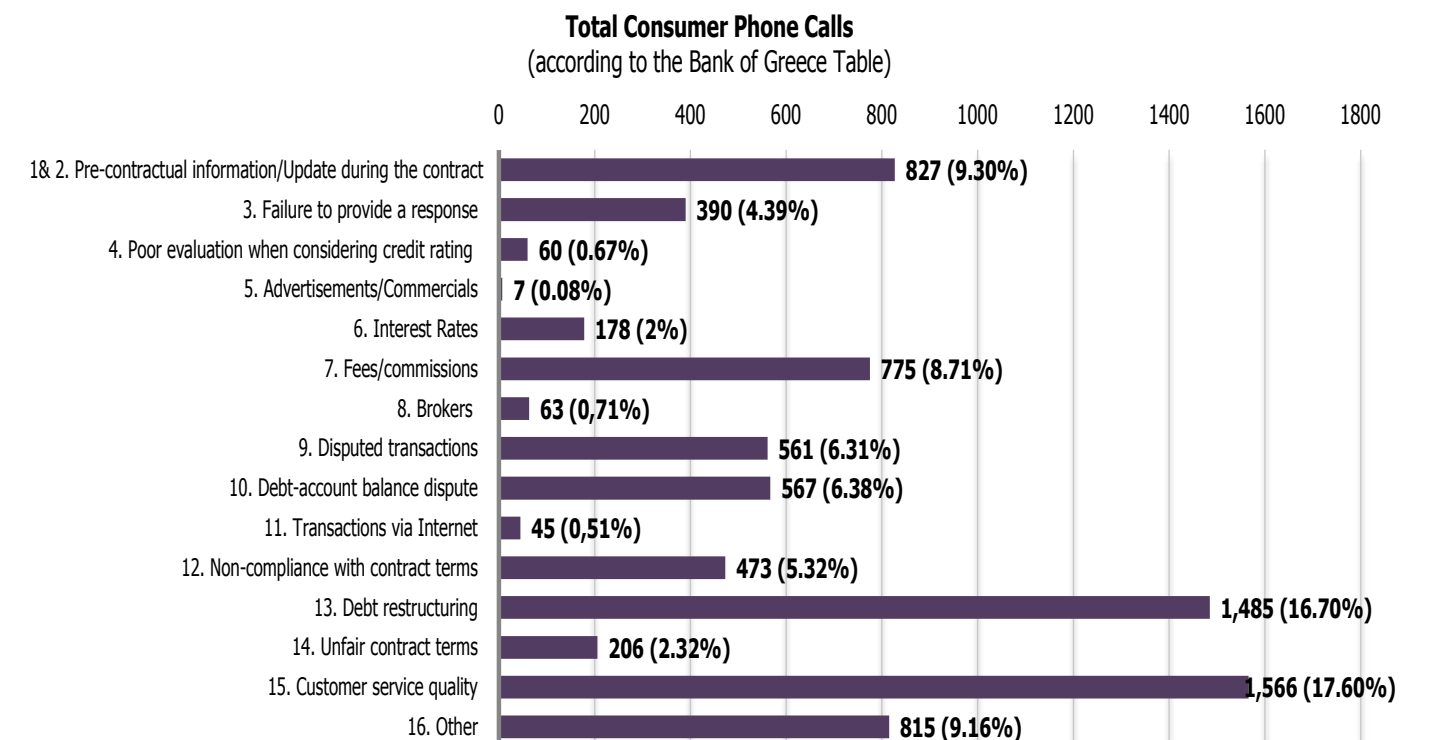
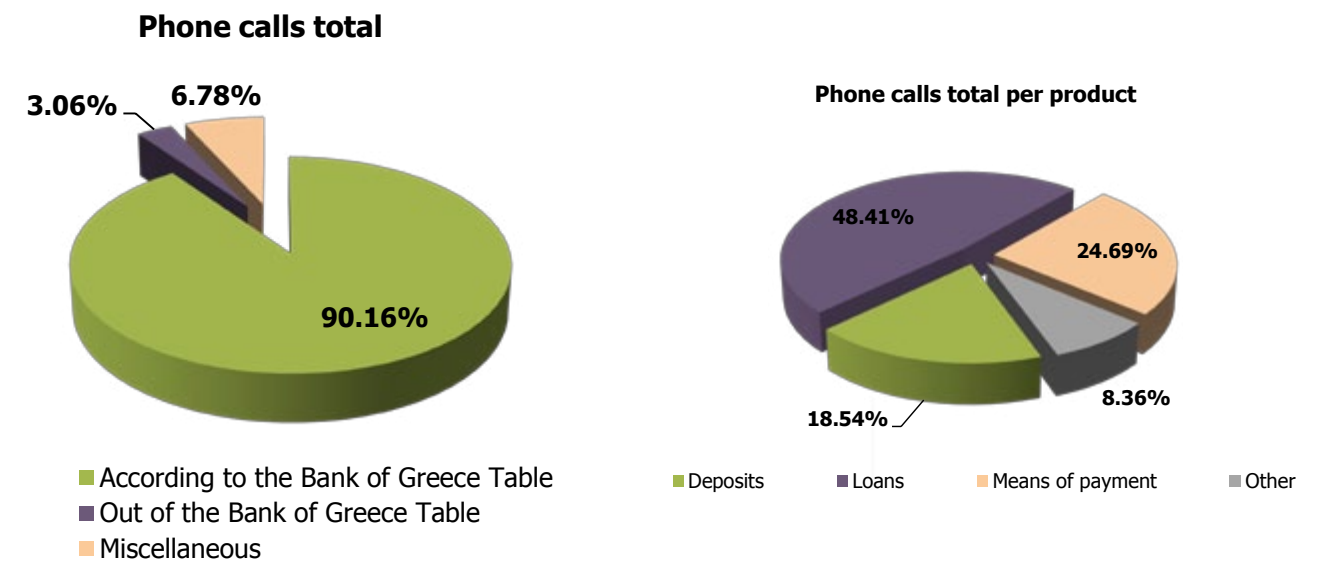
Analysis of telephone and written complaints by sector of activity



I. Consumers

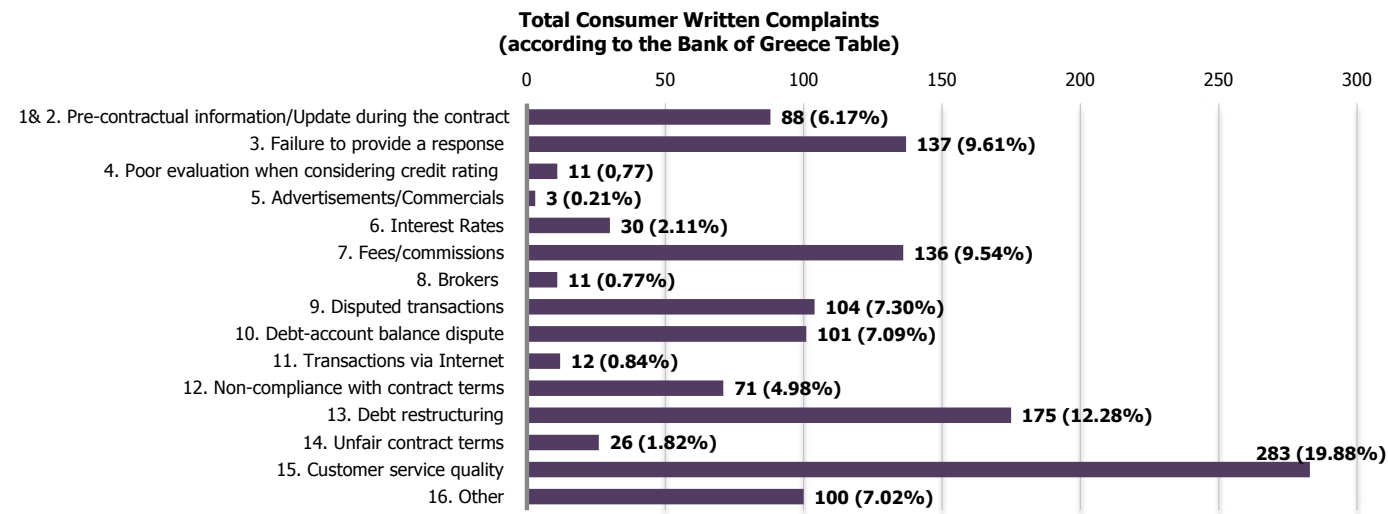
Phone Calls

In 2015, phone calls and visits for complaints, clarifications and information totalled 8,893, compared to 8,596 in 2014, and have increased 3.46%. 8,290 (93.22%) of those concerned matters which fell within the competence of H.O.B.I.S.



Written Complaints

In 2015, 1,425 written complaints were submitted compared to 1,511 in 2014 indicating a 2.63% decline. 1,318 (92.49%) of those concerned disputes which fell within the competence of H.O.B.I.S.



Resolved Cases

In 2015 we examined 1,383 written complaints compared to 1,600 in 2014, showing a 13.56% decrease. The degree of satisfaction, expressed as the sum of the percentages of full satisfaction and settlement, amounted to 75.80%.

Deposits

Selected cases

97616/2015 - Heir Legalization Process

After the death of the complainant's mother, the bank delayed to finalize the heir legalization process and deposit the money to her mother's account. After the intervention of H.O.B.I.S. the bank informed about the completion of the process and the complainant thanked us for our help.

99183/2015 - Lack of information

The bank withheld the remaining balance of her, inactive for 20 years, bank account in order to reimburse the State without first informing the holder, under the provisions of Law 4151/13, for the impending lapse of her claim. Our mediation resulted in the release of her account.

Loans

Selected cases

12223/2014 - Double insurance premium charge

The bank had failed to insure her property, in order to secure a mortgage loan, for three years. When she found out, she insured the property in a company of her choice, not accepting the insurance company of the bank's choice. As a result, she paid double premiums. She asked the intervention of our scheme so the bank would accept her insurance policy and have the amount of the premium debited. The bank accepted her request and returned the amount of € 1.649,98.

103206/2015 - Undisbursed loan amount interest charge

Challenging home loan account balance due to compounding of total capital (€ 230.000), although it had been disbursed partially (€ 190.000). As a result of our mediation, the bank reversed the extra interest for the amount of € 40.000 that was disbursed.

Means of payment

Selected cases

101404/2015 - Period interest in credit card during the bank holiday

The customer complains because the bank charged his credit card account during the bank holiday period with interest and minimum payment amount, twice the previous amount that was charged. After our mediation, the bank refunded the amount of 42 € in his credit card account.

102786/2015 - Debt allocation

The complainant, along with his sister, are the legal heirs of their deceased father. For this reason he asked the bank to allocate their father's debt equally into two halves (50%). After our intervention, the bank accepted his request and allocated the debt to the heirs equally.

105301/2015 - Erroneous charge on credit card

The complainant is in possession of a credit card through which pays his taxes. When he tried to pay the property tax, the bank teller entered the wrong amount, immediately acknowledged the mistake and canceled the entry. The next business day, he completed the transaction. After a month, when the complainant went to the bank to pay off another installment of his tax, he found out that the transaction limit was reached because the incorrect entry was not removed from the online system.

Following our intervention, the bank informed the complainant that they cancelled the erroneous transaction and released the amount in question.

Other

Selected cases

13588/2015 – Debt update to the wrong person

He complains because employees of the bank bother him for the debt of a third party, unknown to him. The bank, after the intervention of our office, informed us in writing that, this happened because both names were synonymous and has since stopped the harassment, while apologizing for the inconvenience.

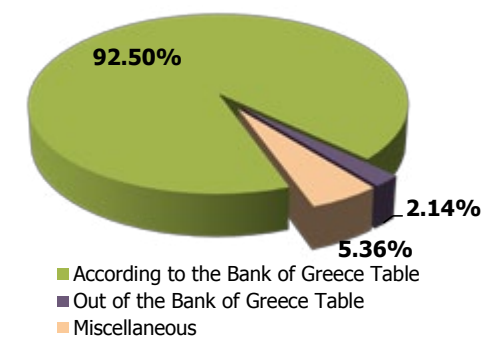
100583/2015 – Bank locker box lease

The complainant asked the bank not to renew the lease of her locker box during the bank holiday, to avoid paying renewal fees. Following our intervention, the bank satisfied the request of the complainant.

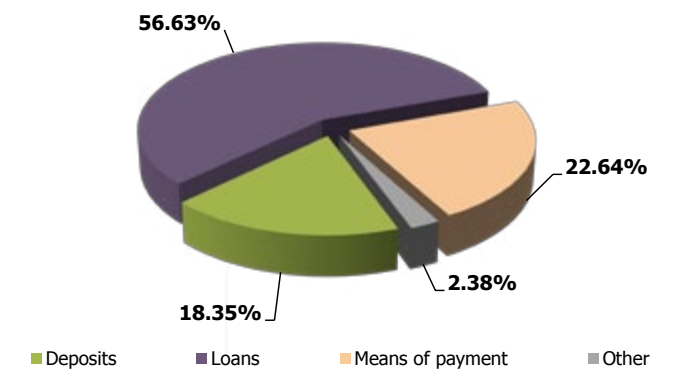
II. Professionals and small business

In 2015, phone calls and visits for complaints, clarifications and information amounted to 933, compared to 754 in 2014, having an increase of 23.74%. Of those, 883 (94.64%) pertained to matters which fell within the H.O.B.I.S. competence.

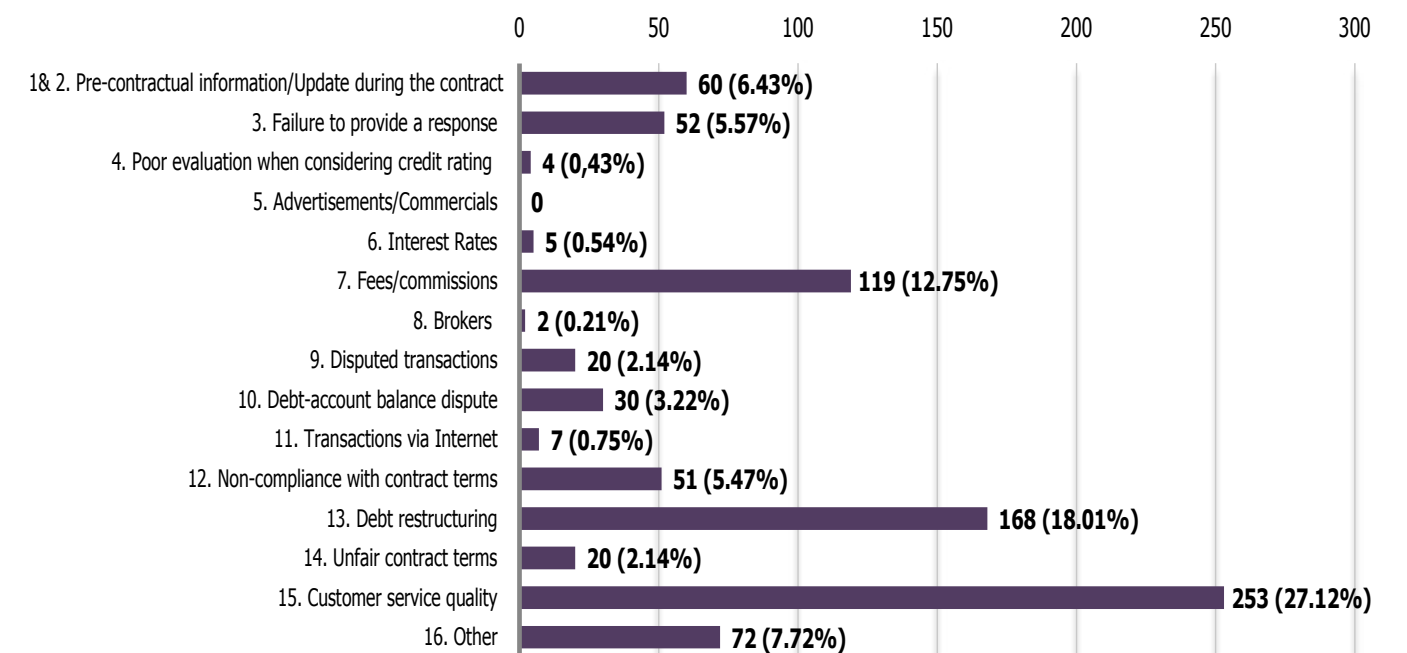
Written complaints total



Phone calls total per product



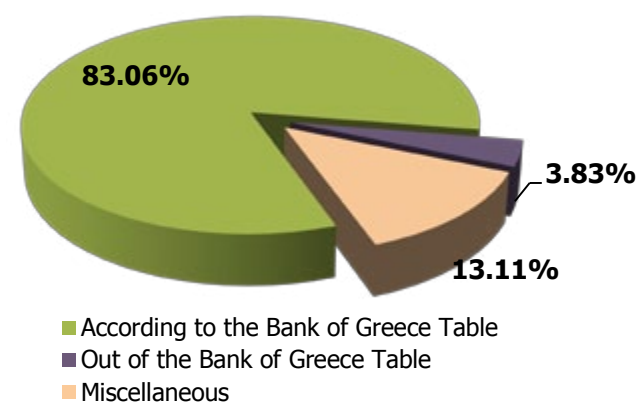
Total Professionals and Small Businesses phone calls
(according to the Bank of Greece Table)



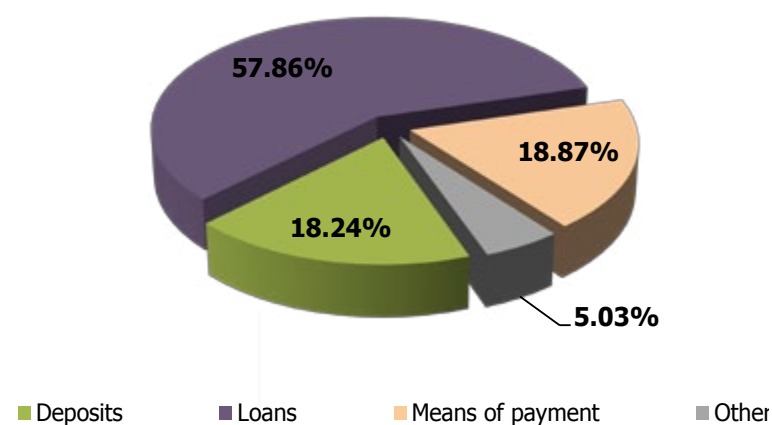
Written Complaints

In 2015, 183 written complaints were submitted compared to 231 in 2014 indicating a 20.78% decline. 159 (86.89%) of those concerned disputes which fell within the competence of H.O.B.I.S.

Written complaints total

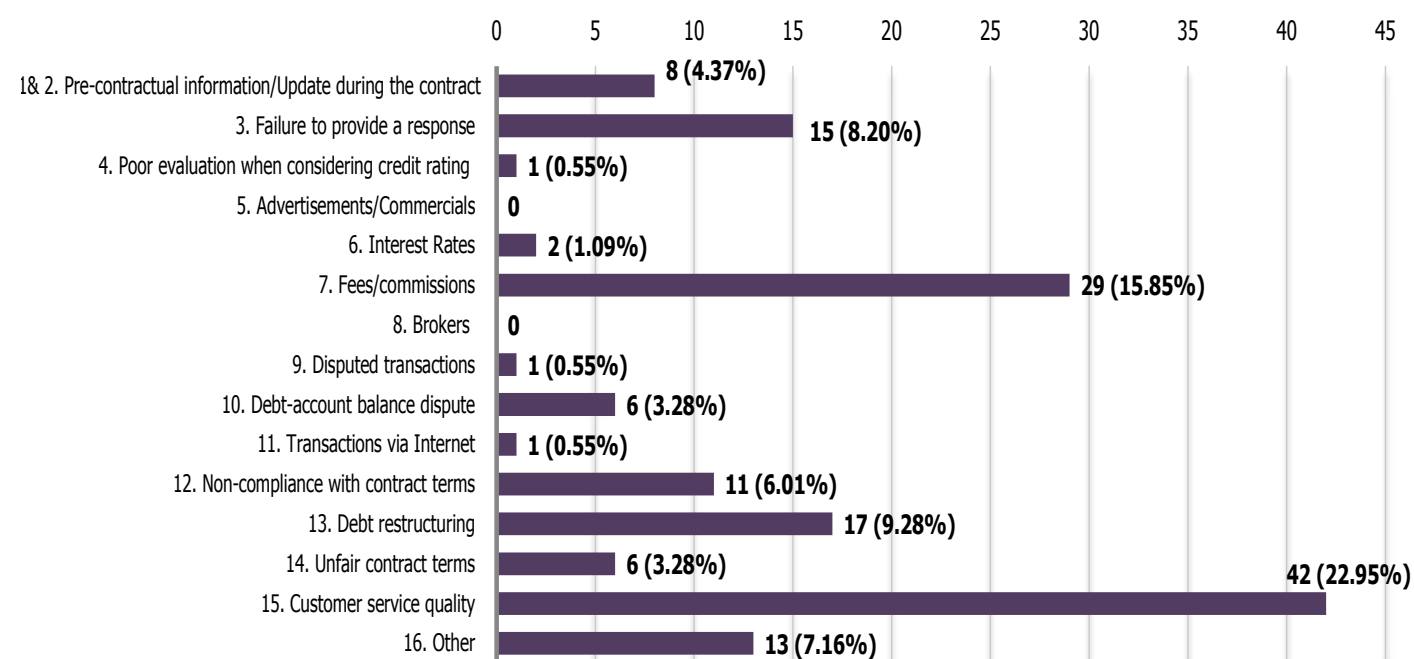


Written complaints total per product



Total Professionals and Small Businesses written complaints

(according to the Bank of Greece Table)



Resolved Cases

In 2012 we examined 185 written complaints compared to 226 in 2011, showing a 18.14% reduction. The degree of satisfaction, expressed as the sum of the percentages of full satisfaction and settlement, amounted to 52.31%.

Selected cases

103274/2015 – Command execution delayed

A company had two payments to TSMEDE registered and approved electronically. However, despite the approval and the existence of sufficient balance, the transactions were not executed causing the company to be charged with surcharges. After the intervention of our office, the Bank credited the company's account with the surcharges amount of 119,51 €.

104375/2015 - Account charge with debit interest charges

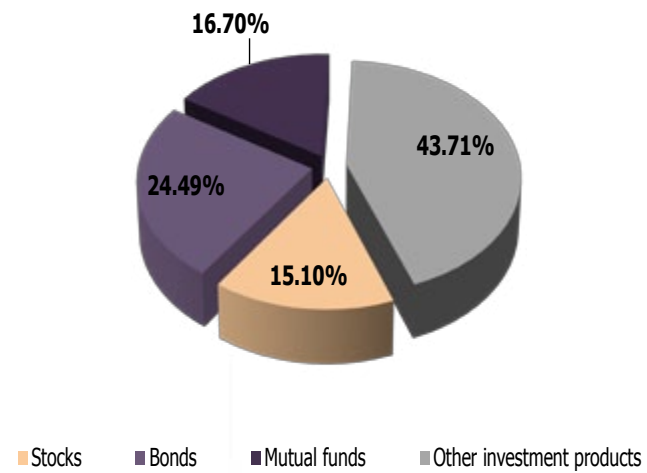
The complainant found out about the charge of the company's account with debit interest charges. When he went to the bank branch and asked for the business invoice he realized that it did not include this charge. He complained to the teller who argued that the debit interest charges are listed in his account opening contract. However, the complainant found out that neither the contract indicated that particular charges. After the intervention of our office, the bank credited his account with the above mentioned charges.

III. Investors

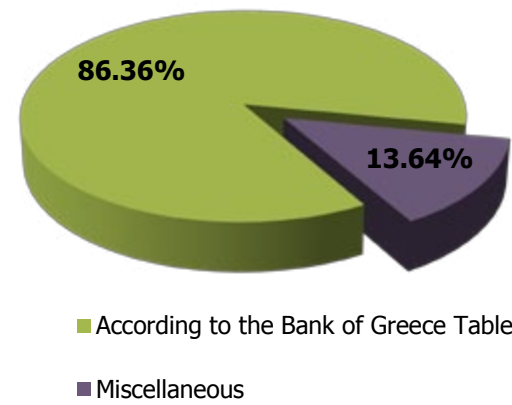
Phone Calls

In 2015, phone calls and visits for complaints, clarifications and information amounted to 506 compared to 400 in 2014 and have increased 26.50%. Of these, 437 (81.91%) pertained to matters which fell within the H.O.B.I.S. competence.

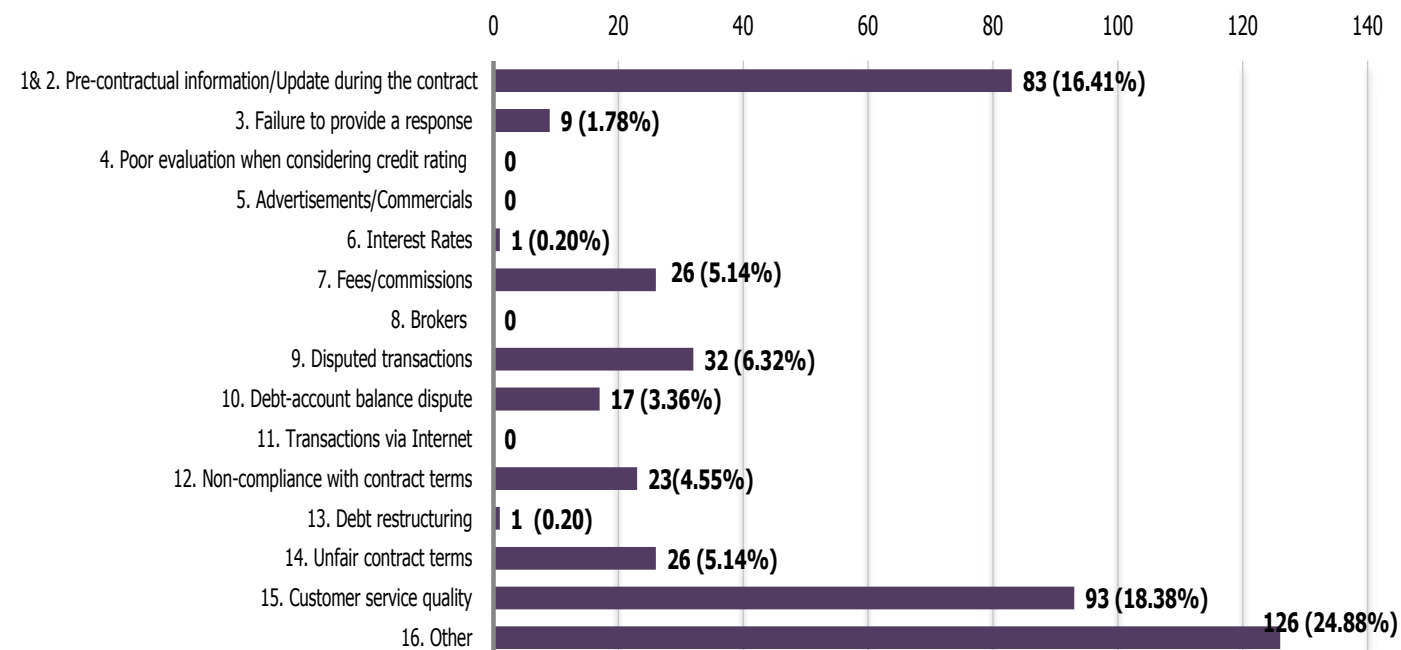
Phone calls total per product



Phone calls total



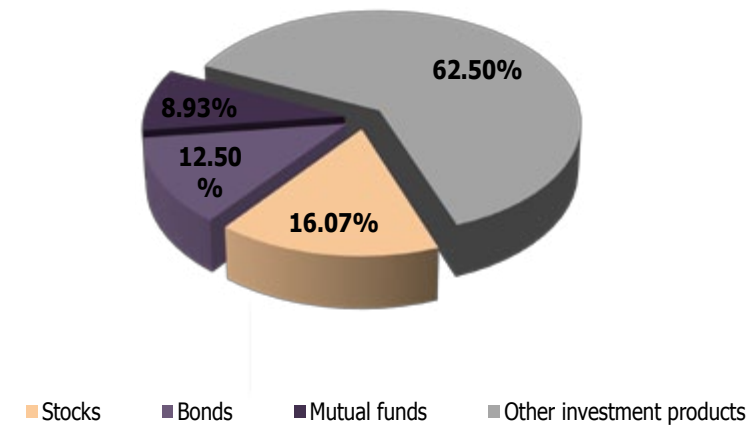
Total investor phone calls per cause (according to the Bank of Greece Table)



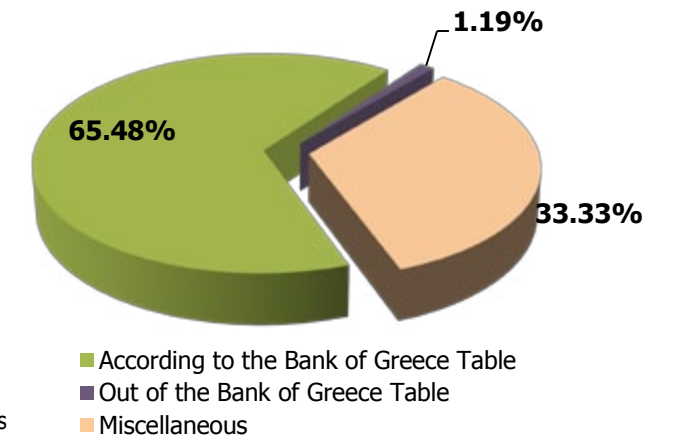
Written Complaints

In 2015, 84 written complaints were submitted compared to 79 in 2014 indicating a 6.33% increase. 56 (66.67%) of those concerned disputes which fell within the competence of H.O.B.I.S.

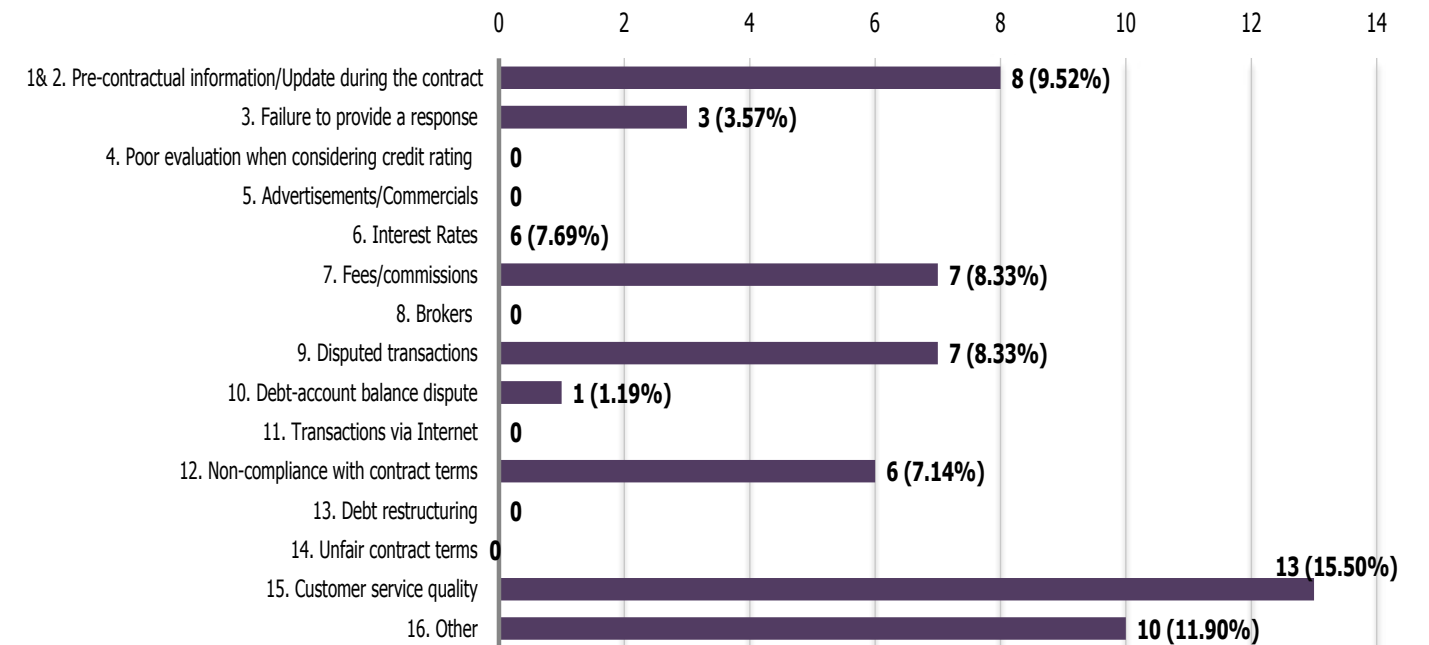
Written complaints total per product



Written complaints total



Total investor written complaints per cause (according to the Bank of Greece Table)



Resolved Cases

In 2015 we examined 85 written complaints compared to 90 in 2014, showing a 5.56% reduction. The degree of satisfaction, expressed as the sum of the percentages of full satisfaction and settlement, amounted to 62.22%.

Selected cases

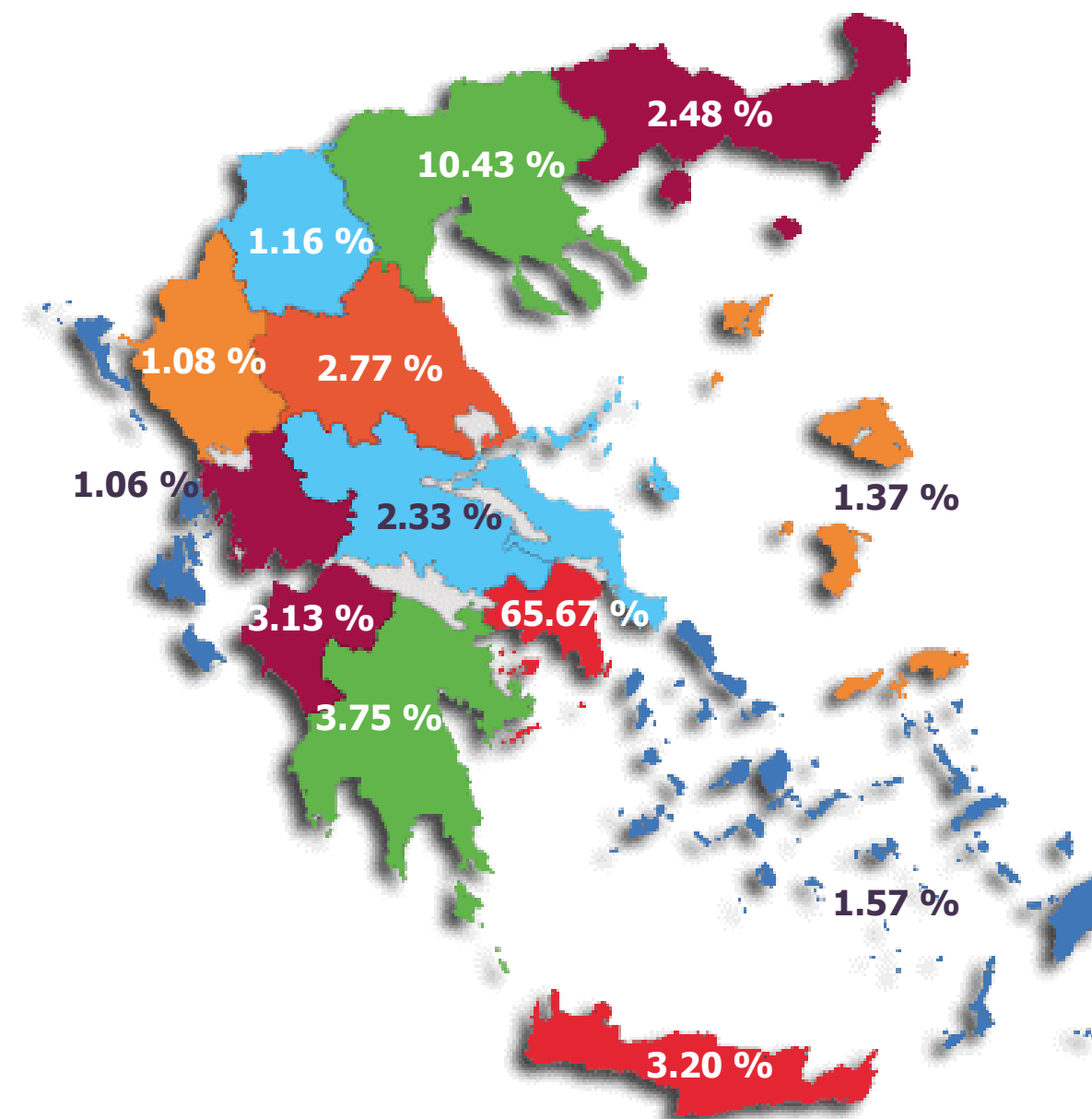
102567/2015 - Implementation of the 18/7/2015 Act of Legislative Content in partial repayment term deposit

The complainant kept a time deposit and during the capital control period requested a partial payoff of the time deposit to repay her taxes. She complains because the bank held a total repayment of time deposit, repositioning the remaining amount into a new deposit. This resulted in the loss of 677€ interest, which she demands back. Following our intervention, the bank proceeded to return the disputed amount to her account in her full satisfaction.

105359/2015 - Acquisition of investment/insurance product

The complainant holds shares in gross investment/insurance product and he mentioned that he received notice from the bank about changing the conditions of the internal variable of the program chapter. According to them, the bond assets which participate in the recapitalization of the bank, will be converted into shares. He was also informed of the forthcoming addendum with new conditions. The complainant citing articles of the regulation of the internal variable capital and the insurance policy stated his intention to complete the acquisition of the product. The bank in its written reply informed him that it will proceed to credit his account with a prorated redemption amount in full satisfaction of his claim.

Geographical distribution of complaints



Most complaints received come from the Attica region (65.67%), followed by the region of Macedonia-Thrace (14.07%).

IV. Cross-border disputes

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 extra-judicial 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.

The table below shows that in the year 2015, in 151 cases H.O.B.I.S. acted as the competent scheme and in 7 cases as the nearest scheme.

H.O.B.I.S. examined and settled, as a competent scheme, 151 cases. In 10 of these the complainant was vindicated while in 7 cases the bank.

Also, in a total of 7 complaints received by H.O.B.I.S. as the nearest scheme, the complainants were instructed to address to the competent scheme abroad.

	COMPETENT SCHEME	NEAREST SCHEME
A. GEOGRAPHIC REGION	151	7
- EU & EEA	87	4
- non FIN-NET	64	3
B. SETTLED	151	-
C. PENDING	-	-

Selected cases

99576/2015 – Delay in money transfer

Australian resident sent a wire transfer from her account held by a Greek bank to an account in her bank in Australia. She complains about the delays in the completion of the money transfer process. After our intervention, the issue settled immediately.

104700/2015 – Foreign resident proxy problem

Permanent Australian resident faces a problem with his bank because it does not accept a proxy that was issued to give him the opportunity to act on behalf of his brother. Following our intervention, the issue was resolved in a very short time, in his full satisfaction.

Legent



Legend

According to the Bank of Greece
1. & 2. Pre-contractual information/Update during the contract
3. Failure to provide an answer
4. Poor evaluation when considering credit rating
5. Advertisements
6. Interest rates
7. Fee/commissions
8. Brokers
9. Disputed transactions
10. Disputed debt - account balance
11. Transactions via Internet
12. Non-compliance with contract terms
13. Debt restructuring
14. Unfair contract terms
15. Customer service quality
16. Other
Out of the Bank of Greece Table
1. Over-indebtedness
2. Debt adjustment
3. Personal data protection
4. Clarifications
Other Topics
Out of H.O.B.IS. competence