ANNUAL REPORT

SUMMARY

2000

BANKING OMBUDSMAN

BANKING OMBUDSMAN

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A. 1. INTRODUCTION

During the second operational year of the Office of the Banking Ombudsman, the following developments have been observed:

• A considerable increase of 70% on an average monthly basis, both of informational telephone calls, as well as in the number of written complaints for the examination of specific cases. This development (3,420 telephone calls and 346 written complaints compared to 1,621 and 171 respectively for 1999) is attributed to the increasing promotion of the ombudsman scheme.

• During 2000, the percentage of complaints regarding Payment Systems, mostly credit cards, has markedly increased, whereas complaints regarding Deposits and Securities have subsided.

• It is worth noting that a series of complaints arose regarding disputes about cross-border banking transactions, as well as problems due to the intervention of third parties between Banks and customers, such as firms (commercial stores, beauty salons) dealing with Banks for the convenience of their customers.

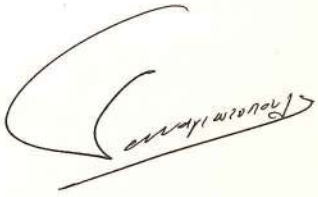
• Innovations in the banking sector have also contributed to the emergence of new complaint categories. More precisely, complaints about new types of loans as well as distance selling of financial products have surfaced during 2000.

• The fact that Greece became a member of the Economic Monetary Union since 1.1.2001, brought about inquiries regarding the terms of granting loans in Euros, the convergence of drachma interest rates to those of the Euro zone and the existence or not of charges for the conversion of drachmas to Euros.

During 2001 the Banking Ombudsman scheme is expected to be also positively affected by the operation of the out-of-court complaints network for financial services (FIN-NET) of the European Union and by the establishment of the legal framework that governs the operation of electronic commerce.

Concluding, I would like to deeply thank all Office staff for their satisfactory response to the increased demands of its operation and their commitment to the scheme.

I am sincerely thankful to the Banks' Customer Service Departments and in particular to the Liaison Officers for our effective and unobstructed co-operation in the examination of cases. Last, but not least, I would like to specially thank the Banks' customers, who have entrusted us with their cases and have presented in a proper and thorough manner their disputes with the Banks.



FOTIS PANAYOTOPOULOS
Banking Ombudsman

B. 2. STATISTICAL INFORMATION

2.1 TELEPHONE CALLS

The total number of telephone calls that the Office of the Banking Ombudsman has received within 2000 was more than double the 1999 number (1,621 for 9,5 months of operation). The average of monthly calls for 2000 (285) rose by 68% compared to that of 1999 (170).

TABLE 1
Telephone Calls by Category

Categories	Year 2000 Number	Year 2000 Percentage %	Year 1999 Percentage %
Banking Issues			
• *Within our rules*	1,487	43.5	24.5
• *Outside our rules*	1,644	48.1	59.1
Other Issues	289	8.4	16.4
Total	3,420	100.0	100.0

TABLE 2
Telephone Calls Outside our Terms of Reference (by Reason of Exemption)

Categories	Year 2000 Number	Year 2000 Percentage %	Year 1999 Percentage %
Commercial or entrepreneurial banking practices or general information about Banks	765	52.9	44.7
Events before March 15, 1999	59	4.1	16.2
Cases regarding Professionals and Legal Entities	357	24.7	22.9
Other cases	265	18.3	16.2
Total	1,446	100.0	100.0

In particular, the percentage of calls within the jurisdiction of the Banking Ombudsman (Table 1) rose from 24,5% in 1999 to 43,5% in 2000. At the same time, the percentage of calls regarding banking issues amounted to 91,6% from 84% in 1999.

b) The major reasons for telephone calls, outside our Terms of Reference are shown in Table 2.

The 765 calls regarding commercial or entrepreneurial banking practices or general information about Banks mostly refer to issues of granting loans, settlement of debts, height of interest rates etc.

c) The distribution of telephone calls by product or service for which relevant information has been provided is shown in Table 3.

It is worth noting that the percentage of complaints regarding payment systems (mostly cards) has almost doubled.

d) The distribution of calls within our rules by type of complaint is shown in Table 4.

TABLE 3
Telephone Calls within our Rules by Type of Product/Service

Categories	Year 2000 Number	Year 2000 Percentage %	Year 1999 Percentage %
Payment systems	711	49.5	25.8
Loans	419	29.1	32.6
Deposits	205	14.3	21.2
Securities	74	5.1	17.1
Other	29	2.0	3.3
Total	1,438*	100.0	100.0

*(Analytical data for 1,438 among the 1,487 calls within our Rules about products/services to which they refer are provided).

TABLE 4
Telephone Calls within our Rules by Type of Complaint

Categories	Year 2000 Number	Year 2000 Percentage %	Year 1999 Percentage %
Transactions Calculations	732	51.0	31.6
Quality of service	482	33.6	46.7
Banking practices	196	13.7	15.6
Other	25	1.7	6.1
Total	1,435	100.0	100.0

2.2 Written Complaints

During 2000 the number of written complaints amounted to 346, of which 258 fell within the jurisdiction of the Office of the Banking Ombudsman and 88 outside its jurisdiction (26%).

Table 6 includes the distribution of cases within the jurisdiction of the Banking Ombudsman by product/service and type of complaint:

The high percentage (63%) of the category "Transactions/Calculations" concern mostly payment

TABLE 5
Distribution of Cases Outside our Rules (by Reason of Exemption)

Categories	Year 2000 Number	Year 2000 Percentage %	Year 1999 Percentage %
Business Transactions	14	15.9	29.3
Commercial entrepreneurial banking practices	16	18.2	34.1
Events before March 15,1999	22	25.0	15.9
Other (of which 7 cases were pending before Courts and 16 did not concern banking issues)	36	40.9	20.7
Total	88	100.0	100.0

TABLE 6
Distribution of Cases within our rules by Type of Product/Service and Complaint

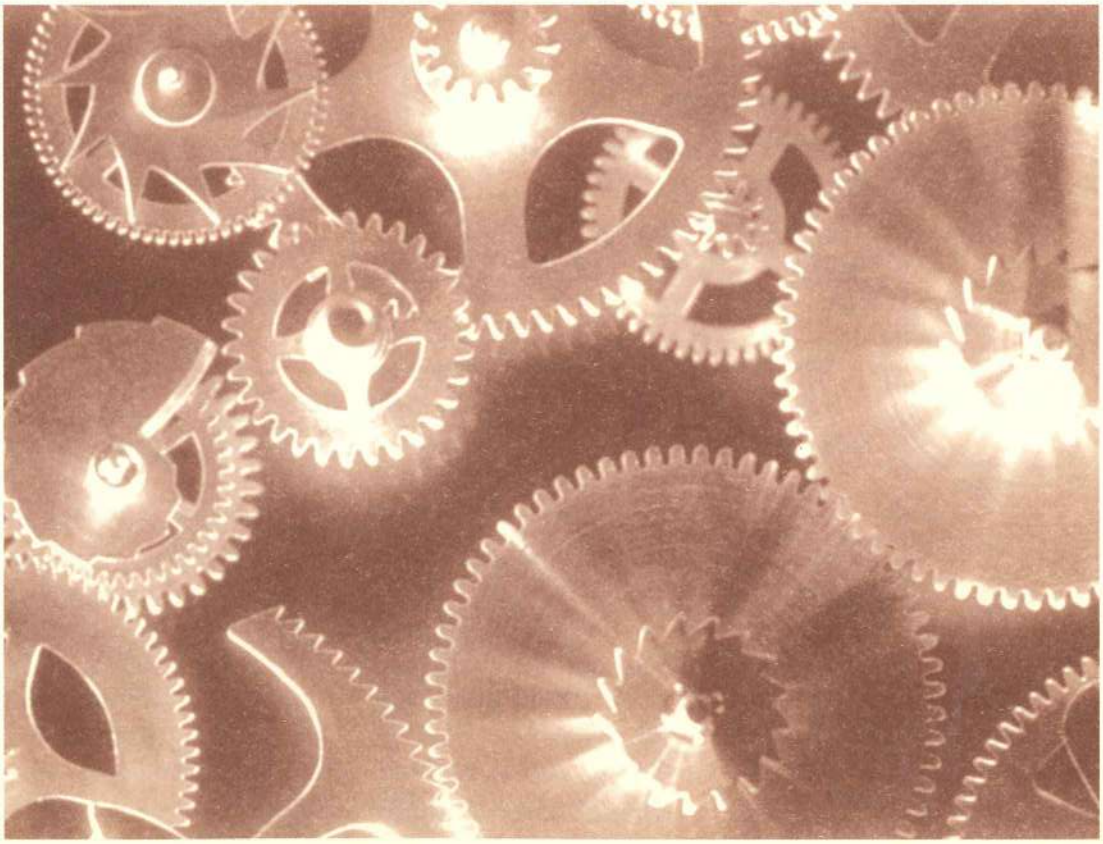
	Quality Of Service	Transactions/ Calculations	Banking Practices	Miscellaneous	Total
Payment Systems	24	88	8	1	121
Loans	27	31	5	-	63
Deposits	13	25	4	3	45
Securities	11	8	3	1	23
Miscellaneous	5	1	-	-	6
Total	80	153	20	5	258

TABLE 7
Closed Cases

Closed by the	Outcome			
	In favor of the customer	In favor of the Bank	By conciliation	Total
Bank after mediation by the BO	62	-	61	123
Decision by the BO	23	35	5	63
Total	85	35	66	186

systems. Specifically, the complainants – legal cardholders - question debits usually following the theft or loss of their cards.

During the 2000, 211 out of 258 cases within the jurisdiction of the Banking Ombudsman have been classified as closed, of which 25 have closed after the interested parties have withdrawn their claims. The distribution of the remaining 186 is shown in Table 7.



3. TYPES OF BANKING PRODUCTS / SERVICES

3.1 PAYMENT SYSTEMS

A. TELEPHONE CALLS

During 2000, telephone calls within our rules regarding payment systems amounted to 711 and represent 49,5% of the total number of telephone calls. The distribution of these calls by category is as follows:

• Cards	596
• ATMs	54
• Cheques	31
• Bills of exchange	11
• Other	9
• **Total**	711

B. WRITTEN COMPLAINTS

Written complaints within our jurisdiction regarding payment systems amounted to 121 and represent 47% of the total number of complaints. The distribution of these complaints by type of payment systems is as follows:

• Cards	88
• ATMs	25
• Cheques	4
• Remittances	4
• **Total**	121

The distribution of cases by type of payment systems is shown in Table 8.

The complaints set forth, either in the form of telephone calls or letters, can be summarized as follows:

❒ Disputed debits arising from illegal use of cards following theft or loss of the latter.

❒ Debits from disputed transactions through the use of cards, in cases where, according to the complainants, cards have not been lost.

❒ Disputed debits on credit cards arising from transactions via Internet.

❒ Debits for cash withdrawals via ATMs that have been unsuccessfully attempted.

C. CLOSED CASES

The number of closed cases amounts to 94 and their distribution is shown in Table 9.

D. CONCLUSIONS

For the restriction of complaints regarding payment systems it is deemed essential that the following be stressed:

❒ The possession of more than

TABLE 8

Payment Systems: Distribution of Cases by Type of Product and Category of Complaint

	CARDS	ATMs	CHEQUES	CAP/REMITTANCES	TOTAL
Banking Practices	7		1		8
Transactions/ Calculations	60	25		3	88
Quality of Service	20		3	1	24
Miscellaneous	1				1
Total	88	25	4	4	121

TABLE 9

Closed Cases

	In favor of the customer	In favor of the Bank	By conciliation	Total
Closed by the Bank after mediation by the BO	35		25	60
Decision by the BO	5	20	2	27
Withdrawal of Complainant		7		7
Total	40	27	27	94

one cards, as well as access to provision of other services, generates the need to memorize numerous PINs. Given the risks involved in the random recording of PINs especially on documents accompanying cards, the selection of a unified PIN, wherever possible, would be useful.

❒ Enterprises contracting with Banks play a significant role in the operation of systems. The awareness of the role of the commissioned instrument of the enterprise, is a guarantee for the effective operation of the system.

❒ In the event of theft or loss, the cardholder should report the incident without delay. The establishment of a joint telephone calls service for the faster and unobstructed cancellation of cards along with the adoption of a four-digit dial number for the entire banking system would prove particularly effective.

CASE 201

INADEQUATE INFORMATION REGARDING THE CANCELLATION OF CREDIT CARD

The complainant – a foreigner - when in 1.7.1999 realized that her credit card was missing from her purse, visited (before 13:00 p.m.) the nearest branch of the issuing Bank where, however, as she claimed, she was not informed that she should cancel her card nor about her liability in the event of the illegal use of the card until its cancellation. In addition, when she informed the Bank branch employee that she was bound to travel six (6) days later abroad, the employee advised her to look for her old card as it would be easier and faster to replace it, rather than receive a new card with a new PIN. Following the advice of the Bank employee, the complainant went to her home and looked for her card but to no avail. She then returned to the Bank branch, where the afore-mentioned employee suggested that she cancel the card herself from home, with the result that, between 13:00 p.m. and 14:45 p.m. (when she finally cancelled her card), nine (9) in total illegal charges have been debited in the card totaling 1,062,370 drs.

The new card was delivered to the complainant the day preceding her departure abroad. When, after three months, the complainant returned from abroad and was informed about the above debits in her account, visited anew the Bank branch where she had been informed for the first time about her relevant liability. She had also asked repeatedly in writing, already from September 1999, from the Bank the documents pertaining to the above transactions, only to receive a reply, as well as copies of five documents of the above transactions in January 2000.

The complainant considered that she had suffered a loss as she had not been informed in time and clearly by the Bank personnel regarding her liabilities in the event of loss of her credit card and asked that her account be credited with the monies of the disputed transactions as well as the interests arising from them.

The views of the Bank, as set forth both in writing to the complainant and in two consecutive replies of the Customer Service Department to our Office, regarding the above actual incidents, the issue of the information of the complainant by the Bank personnel in particular, were in full contrast to the account of the complainant.

The Banking Ombudsman after assessing the claims and views of both sides as set forth in writing by the parties and on the basis of the following reasoning:

- first that, as concerns the information provided to the complainant in the Bank branch, even though, due to the quotation by the parties of contradictory actual incidents, it is reasonably inferred that there has been some misapprehension or misunderstanding of their discussion by both parties, it has not, however, been possible to prove it or hold any individual responsible for it,
- furthermore the Banking Ombudsman justifiably inferred that the complainant was aware of her obligation to report to the Bank the loss of her card, the way of doing this and the fact that she was liable for the potential use of her card until the above report, was consequently liable in the first place for the total debits in her account,
- on the other hand, however, the Bank delayed to look for the documents of the disputed transactions, did not exercise its contractual rights towards the Banks-Acquirers and did not inform the complainant in time, acts that have apparently affected the progress of the case and potentially its favorable settlement for the complainant,

recommended the offsetting, as of 1.7.1999 by the Bank of the total amount of four (4) transactions for which documents have not been returned to the complainant, that is the total amount of 593,340 drs.

The Bank, taking into consideration the above recommendation of the Banking Ombudsman, satisfied the complainant's request to be reimbursed through offsetting the total amount of the transactions in question, that is 1,090,740 drs, the interests, however, arising from them excluded, and the complainant accepted this more favorable proposal of the Bank.

CASE 204

DISPUTED DEBITS FROM TRANSACTIONS VIA A CREDIT CARD THE THEFT OF WHICH HAS BEEN REPORTED

The complainant protests about the debits in the account of her credit card regarding transactions with companies having contracted with the issuing Bank through use of card, on the ground that it has been stolen, as inferred by the relevant report of the incident in the nearest police station.

Specifically the complainant was informed by the Bank that she was charged with two debits totalling 239,000 drs regarding two transactions respectively with the same

branch of a well-known department store. She became aware by the debit notes that the debit was made in installments through application of the agreement between the company and the Bank.

The incident took place during the period when the complainant was at work and in a place different from the one she had placed her bag and purse, which had been stolen. She realized it after two hours had elapsed, when she departed from her work. She immediately reported the incident to the Bank. The disputed transactions had preceded this report by ninety minutes.

Judging both from the conditions of safekeeping in her work, and the delay in informing the service in charge, it is inferred that the measures of safekeeping taken by the complainant were not adequate.

The credit card in question bore on its body the owner's signature, as required by its terms of use, and as testified by the affirmation produced by the complainant. The fact that the legal owner should be in possession of the body of the credit card that has been stolen or lost, for his reimbursement by the Bank, in case illegal transactions have taken place, causes insuperable obstacles in seeking responsibilities and the dispensation of justice.

The two proofs of sale pertaining to the disputed transactions bear signatures that share certain common traits with the signature of the legal owner. It becomes evident though even to a simple observer that possesses no experience and does not need to demonstrate the application of a commercial company employee, that in the signature of the legal owner the characters are absolutely distinct in contrast to the signatures of the assumed owner, which form an illegible complex of characters.

Despite the fact that the person who produced the card of the complainant was a man, the salesperson was content with his claims that he was the husband of the legal owner, without taking any further steps to confirm or contradict these claims. Besides the time in which the transactions took place, just at closing time, which did not allow for further checking of the identity of the assumed husband of the legal owner, should arouse suspicions to the employee in charge. The minimized reliability of the personal character of the electronic payment system in question affects the interests of both Bank and cardholder. It is stressed that in similar cases, where there are suspicions of an attempt at illegal action, the further checking of details of the identity card of the card bearer is imperative.

The Banking Ombudsman recommended the release of the complainant from her obligation of paying part of the amount regarding the disputed transactions equal to 2/3 of the total obligation, and the payment of the remaining sum by the Bank.

CASE 390

DISPUTED CASH WITHDRAWAL FROM ATM THROUGH USE OF CREDIT CARD FOR WHICH REPORT OF THEFT HAS BEEN MADE

The complainant disputed three cash withdrawals though use of credit card from the Bank's ATM that issued the card totalling 300,000 drs. Following these cash withdrawals and after three minutes the complainant reported to the Bank that her card as well as other personal documents have been stolen.

The report took place after a telephone exchange of the Bank with the son of the complainant, a fact that resulted to the cancellation of his credit card as well, apparently due to oversight. As the card in question has been successfully used, the complainant concluded that the cancellation of the stolen card did not occur in time and with application by the Bank. For this reason she asked her release from relevant debits.

The Banking Ombudsman investigating all the aspects of the case reached the conclusion that the cancellation of the card by the Bank occurred promptly. In any event, transactions that potentially occur after the cancellation of the credit card, after report of loss or theft of the complainant, are chargeable to the Bank.

In the case in question the disputed cash withdrawals occurred before the report of theft and what is more through use of the card's PIN. As resulted from the investigation of our Office, the code number essential for the use of the card has been recorded on a document stolen along with the card. The claim of the complainant that it was not possible to connect it with the disputed credit card and that the time elapsing between the theft and the cash withdrawals was not adequate for the detection of the PIN has not been deemed founded, given that the distance, the means that the offenders were riding, as well as the recording of the PIN allowed them to make cash withdrawals in an exceptionally short period of time.

Consequently, the Banking Ombudsman recommended the payment on the part of the complainant of an amount equal to three cash withdrawals and her exemption by 2/3 from the interests arising from them until the notification of its recommendation, due to the Bank's considerable delay to provide convincing explanations to the complainant. Last, the Bank was recommended to immediately provide a copy of the relevant extract of the printout of the ATM's balance from its computerized files to every customer who disputes any transaction by use of card through the ATM network and demands his exemption from the equivalent debit.

B.

3.2 LOANS

A. TELEPHONE CALLS

Loans occupy the second place after payment systems, in the total number of telephone calls within our rules. Compared to 1999 the number of telephone calls rose from 120 to 419, whereas the percentage of the total telephone calls subsided from 32,6% to 29,1%.
The distribution of telephone calls by category of loan can be summarized as follows:

Consumer	203
Housing	201
Miscellaneous	15
Total	419

B. WRITTEN COMPLAINTS

Written complaints within our rules regarding loans rose from 23 in 1999 to 63 in 2000, whereas the percentage of the total complaints remained practically stable, 26% and 25% respectively. They present the following distribution by type of loan (see table).
The distribution of complaints regarding loans by type of complaint is shown in Table 10. The complaints set forth, either in the form of telephone calls or letters, can be summarized as follows:

- Questions and complaints about the way and time of adjustment of fluctuating interest rates to the lower levels quoted in entries/announcements of Banks in the Media.
- Disputed legality of certain contractual charges regarding

	Year 2000		Year 1999
	Number	%	%
Consumer	33	52	57
Housing	28	44	43
General	2	4	-
Total	63	100	100

TABLE 10
Loans: Distribution of Cases by Type of Product and Category of Complaint

	Number of Written Complaints			
	Housing	Consumer	General	Total
Banking practice (Unilateral action of Bank, non-observance of verbal instructions)	2	3	1	6
Transactions/Calculations (General errors in calculation, wrong debits etc.)	13	18	-	31
Quality of Service (Delays, inadequate information, administrative oversights).	13	12	1	26
Total	28	33	2	63

TABLE 11
Closed Cases

	In favor of the customer	In favor of the Bank	By conciliation	Total
Closed by the Bank after mediation by the BO	12		19	31
Decision by the BO	7	4		11
Withdrawal of interested party	–	5		5
Total	19	9	19	47

loans such as clauses of premature settlement, file expenses, costs arising from control of real estate by Engineers etc.

❒ Complaints about the pressure exercised on the borrowers by Debt Collection Agencies.

❒ Complaints of loan guarantors, who are asked to fulfill their obligations, when loans become overdue, without prior information about the progress of the loans in question.

❒ Complaints about the height of interest rates and various commissions.

❒ Complaints caused by inadequate information of borrowers, whenever third parties are involved, such as enterprises of selling goods and services, paid through bank loans.

C. CLOSED CASES

The number of closed cases regarding loans amounts to 47. Of these 5 cases closed after the interested parties withdrew, following the Banks' Customer Service Departments supplying the latter with detailed explanations proving that their complaints were unfounded. The distribution of 47 closed cases is shown in Table 11.

D. CONCLUSIONS

From the examination of complaints regarding loans, both of those that have been submitted in written form and those that have been set forth through telephone calls, it is concluded that the main reasons causing them are inadequate information and evaluation of the credit worthness of the borrowers. For the restriction of complaints of this category borrowers are advised to make sure they are kept informed, whereas Banks should enhance their consultative role towards their customers.

CASE 145
DELAY IN LOAN APPROVAL

The complainant filled out and delivered at home, to a specially appointed by the Bank person, an application for loan amounting to one million drachmas (1,000,000 drs) in Euros within 24 hours. When she was notified that the loan was approved, she went to the Bank to find out, however, that the loan has been approved in drachmas and not in Euros. After suffering delay and trouble, the complainant achieved the cancellation of the loan in question and at the same time submitted a new application for a loan equal to one million drachmas (1,000,000) in Euros.

For one month she had communication through telephone with the Bank in order to find out whether her new application had been approved. She, finally, received from the Bank a copy of the balance of her account in which a debit amounting to 25,000 drachmas was recorded for file expenses regarding the first cancelled loan. Approximately two months later she received a copy of the balance of a new account, whose opening she ignored, in which the product of loan in Euros and a debit amounting to 30,000 drachmas regarding file expenses was recorded.

In the meantime, the complainant, due to financial difficulties she had to face, had to borrow money from another source and asked the Bank to cancel her second loan as well. A bank executive assured her through telephone that since she had not withdrawn cash from her account the loan would be cancelled. Nevertheless, several months later she received a new copy of balance of account, which contained withdrawals.

After that, the complainant addressed the Office of the Banking Ombudsman asking its contribution for the cancellation of the loan in Euros, since the Bank did not observe the deadline of approval of 24 hours, as advertised. In addition, she deemed it unfair to pay file expenses for the first loan that had been cancelled.

The Bank answered as follows to relevant questions of the Banking Ombudsman:

• Regarding the loan agreement in drachmas it preceded to its cancellation and the complainant was not charged with the relevant file expenses (25,000 drs).

• The disbursement of the loan in Euros was effected after a telephone call between the employee of the Bank Department in charge and the complainant, who also informed her about the opening of a deposit account for the loan service, a term explicitly included in the relevant application signed by the complainant.

The Office of the Banking Ombudsman proposed the cancellation of the loan in Euros and the offsetting of the amount of the relevant expenses, a proposal accepted by both parties.

CASE 375
FOREIGN CURRENCY LOAN

The complainant who received a housing loan in Japanese yen, complained to the Banking Ombudsman that:

a) the Bank did not inform her that in the event of the yen's revaluation she would undergo the consequences,

b) whereas the conversion of the loan into drachmas was made in fixing prices, monthly instalments were made in selling prices, with the consequence that the monthly instalment be further charged,

c) for 18 months after the loan was granted she was not receiving monthly clearing statements, with the result that she was ignorant of the amount she had to deposit to the transition account serving the loan.

From the investigation carried out by our Office, the following have been found out:

- On receiving the loan the complainant had signed contracts that included, among others, the following terms:

• The fixing price concerned only the amount of loan, given that it concerned a large amount in yen, whereas the monthly installments concerning relatively small amounts were made in selling prices.

B.

• The potential foreign exchange risks burdened the customer exclusively.

- The Bank reported that it had in the meantime notified the complainant to convert the loan into a different currency, in order to restrict the risk from any further increase in the price of yen.

- As concerns failure to inform the complainant for a period of 18 months, the Bank acknowledged that there was a technical problem, however made it clear that it had from the start supplied a document to the complainant, in which the amounts of the installments in yen were recorded in detail along with the exact date of their payment. Therefore the complainant, being aware of the above, could calculate the amount in drachmas that she should pay each month in the transition account of the loan. But in any event she could address any Bank branch or telephone the special Bank service and be informed about the exact amount she had to pay.

From the above it was evident that the claims of the complainant could not be proven through documents. On the contrary the Bank juxtaposed the terms of the contract signed which answer to the main part of the complaint, which is the inflation of the debt due to the revaluation of the foreign currency.

Following the above, it was not possible for the Banking Ombudsman to recommend to the Bank to cover the loss of the complainant that arose from the revaluation of the foreign currency in which the housing loan has been contracted.

3.3 DEPOSITS

A. TELEPHONE CALLS

Although telephone calls regarding deposits have increased from 78 in 1999 to 205 in 2000, they presented a considerable decrease in percentage, as their participation in the total telephone calls has fallen from 21,2% to 14,3% respectively.
The distribution of telephone calls by type of deposits can be summarized as follows:

• Savings accounts	131
• Foreign currency deposits	34
• Joint accounts	12
• Time deposits	10
• Current accounts	10
• Other	8
• **Total**	205

B. WRITTEN COMPLAINTS

Written complaints within our rules regarding deposits increased, from 18 cases in 1999 to 45 in 2000, whereas their percentage in the total number of written complaints slightly subsided from 21% to 18%.
The distribution per category of deposits is as follows:

• Savings accounts	24
• Time deposits	4
• Joint accounts	6
• Foreign currency deposits	4
• Other	7
• **Total**	45

The distribution of the above cases by type of complaints is shown in Table 12.

The main reasons that caused complaints regarding deposits can be summarized as follows:

❒ Illegal cash withdrawals via deposit books that have been stolen or lost along with identity cards, without actual identification of holders by Bank employees.

❒ Interventions in deposit accounts and corrections of incorrect debits, due to errors of Bank employees or depositors, without the beneficiaries' having being informed or given their approval.

❒ The charge of maintenance fees for deposit accounts below a certain level.

C. CLOSED CASES

Closed cases appear in Table 13.

TABLE 13

	In favor of the complainant	In favor of the Bank	By conciliation	Total
Closed by the Bank after mediation by the BO	7	–	12	19
Decision by the BO	7	7	2	16
Withdrawal of interested party	–	6	–	6
Total	14	13	14	41

TABLE 12

Type of Complaint	Number of Written Complaints				
	Savings Accounts	Time Deposits	Joint Accounts	Other	Total
Banking Practices (non-observance of verbal instructions)	1	-	3	1	5
Transactions/Calculations (incorrect debits/credits, general mistakes in calculation, debit without order)	14	4	1	6	25
Quality of Service (Delays, inadequate information, improper behavior, administrative oversights)	8	-	2	2	12
Miscellaneous	1	-	-	2	3
Total	24	4	6	11	45

CASE 226

CASH WITHDRAWAL FROM A BANK ACCOUNT WITH THE USE OF DOCUMENTS FOR WHICH REPORT OF THEFT HAS BEEN MADE

The complainant disputed that she had withdrawn the amount of 250,000 drachmas from the account she was keeping in the Bank, given that she had been the victim of theft resulting in losing her identity card and the deposit book of the account in question, as inferred from the relevant report of incident in the nearest police station. The reply of the Customer Service Department in charge to the claim for reimbursement of the loss she had suffered did not satisfy her.

The theft took place during the period that the complainant was busy and was in a place different from the one she had placed her bag. More specifically the complainant during the opening hours of the bank branches on the day the transaction took place was at her work. By the end of the working day and when she went to collect her personal belongings, she realized that the door of her locker allotted to her for safekeeping had been violated.

The transaction took place in a Bank branch, different from the one the account had been opened and at a time prior to the report of theft to the Bank. The transaction branch is situated at a distance of several kilometers from her work with the result that enough time is required for going to and fro.

Before the consummation of the transaction the bearer's identity was checked. During this checking no doubts were raised regarding her identity, as there was similarity in age and appearance between the bearer and the beneficiary according to the documents produced. All, the time, the presence and the conversation between the customer and the cashiers in charge did not generate the least suspicion for any illegal act. However, the comparison between the sample signature of the complainant with other banking and non-banking documents drawn prior time with the signature on the order, led to opposite conclusions. More specifically, the latter consisted of an illegible complexed writing block, whereas the former of a discernible recording with distinct characters of the name and surname of the complainant. For this discovery no special knowledge of graphology or demonstration of application were required.

Furthermore, the complainant took the usual measures of safekeeping regarding her personal belongings in a place isolated and not accessible to third parties. However, these measures, even though imposed by the nature of her work, have not been deemed adequate, given that it was not possible to constantly watch over these objects. The storing of her identity card and deposit book in a place accessible by third parties facilitates their potential illegal use in the event of theft. Last it is noted that according to the terms governing the deposit contract, which are included in the deposit books granted by the Bank in question, in case that for any reason whatsoever the deposit book gets lost, the customer is obliged to promptly notify the deposit department of the branch where he keeps his account.

Following the above, the Banking Ombudsman recommended the return of part of the amount (half the amount of the disputed transaction) by the Bank to the complainant.

CASE 332

FOREIGN CURRENCY DEPOSITS

The complainant was keeping in the Bank a foreign currency account in USA dollars from which he wanted to withdraw a sum amounting to 1,000 dollars.

To his surprise, the employee in charge informed him, that he should pay commission for this transaction. As he has never in the past been asked to pay any commission whatsoever, he addressed the Branch Manager and the Bank's Customer Service Department, asking for clarifications.

The complainant was informed that these services have recently been established by the Bank to include commission on foreign currency transactions.

Given that the complainant had not been informed on the matter, he addressed the Office of the Banking Ombudsman for the settlement of his dispute.

The intervention of our Office had the result that:

- The withheld commission was returned to the complainant.
- The paid commission in four other similar cases of complainants who have addressed through telephone the Office of the Banking Ombudsman be returned.
- The Bank issued a supplementary-clarifying internal circular on the matter.

B.

3.4 SECURITIES

A. TELEPHONE CALLS

Telephone calls regarding transactions in securities amounted to 74 and represent 5%, compared to 14 and 17% respectively in 1999.
They are distributed by category as follows:

• Transactions in securities	36
• Buying-Selling shares	22
• Supply of investment services	10
• Other	6
• **Total**	74

B. WRITTEN COMPLAINTS

Written complaints regarding transactions in securities, represent 9% of the total written complaints within our rules, compared to 16% in 1999 and by category they are distributed as follows:

Buying-Selling shares	8
Transactions in securities	8
Supply of investment services	4
Other	3
Total	23

The distribution of the above cases by type of complaint is shown in Table 14.

C. CLOSED CASES

The number of cases that closed during the previous year, amounts to 17 and is distributed as shown in Table 15.

TABLE 14

Type of Complaint	Number of Written Complaints			
	Buying-Selling shares	Transactions in securities	Other	Total
Banking Practices (non-observance of verbal instructions)	2	1	-	3
Transactions-Calculations (incorrect debits-credits, payment of lower sum)	3	2	3	8
Quality of Service (administrative oversights, inadequate information, unfair treatment, incorrect decision, delay)	2	5	4	11
Miscellaneous (other cases)	1	-		1
Total	8	8	7	23

TABLE 15

	In favor of the complainant	In favor of the Bank	By conciliation	Total
Closed by the Bank after mediation by the BO	2	–	2	4
Decision by the BO	3	8	1	12
Withdrawal of interested party	–	1	–	1
Total	5	9	3	17

CASE 227
EXERCISE OF OPTION

The complainant visited a Bank branch in order to exercise his option in the increase of capital stock of the company shares of which he was holding. He addressed the employee/teller in charge to whom he gave the share certificate and his code number in DSS (Dematerialised Securities System) and next deposited a sum equal to the value of the shares in question. Next, according to the claim of the complainant, the employee, after returning to him the share certificate, credited through oversight the above sum to the account of the Bank's brokerage company, the result being that he did not participate in the increase of the stock capital of the company in question.

The Office of the Banking Ombudsman, which the complainant addressed, referred the case to the Bank's Customer Service Department for clarifications. According to the Bank's reply, after investigation in the branch's files none of the essential documents for the participation of the complainant in the increase of the company's stock capital has been found, with the exception of only one note written by his own hand which contained the account number of the brokerage company, to which the deposited amount has been credited.

Furthermore, if the complainant had produced a share certificate or had at least verbally informed the employee in charge about his intention to participate in the increase of the company's stock capital, the employee would have withheld the additional commission of the brokerage company regarding this transaction.

Last, the employee who effected the transaction was aware of the increase of the stock capital in question, as prove her initials on the relevant informative service memo of the Bank.

The Banking Ombudsman taking into consideration all the above and given that the complainant had not supplied adequate explanations for his failure to submit to the Bank the essential supporting documents deemed that the Bank employees acted soundly in this case.

3.5. OTHER BANKING TRANSACTIONS

A. TELEPHONE CALLS

Telephone calls regarding other banking transactions amounted to 29 and represent 2% of the total telephone calls, compared to 12 and 3% respectively in1999.

The number of telephone calls by category of other banking transactions is distributed as follows:

- Standing orders for immediate debit 5
- Information supply 5
- Document control 5
- Miscellaneous transactions 7
- Other 7
- **Total** 29

B. WRITTEN COMPLAINTS

Written complaints within our rules regarding other banking transactions amounted to 6 and represent 2% of the total written complaints, whereas they were 8 and 9% respectively in 1999. The distribution of the above 6 complaints by category of product and category of complaint is shown in Table 16.

C. CLOSED CASES

During 2000, 10 cases have closed of which 4 were submitted in 1999. They are shown in Table 17.

TABLE 16

Category	Standing Orders	Bankassurance	Other	Total
Transactions/calculations	-	1	-	1
Quality of service (lack of information, inadequate/ incorrect information)	1	1	3	5
Total	1	2	3	6

B.

TABLE 17

	In favor of the complainant	In favor of the Bank	By conciliation	Total
Closed by the Bank after mediation by the BO	6	–	1	7
Decision by the BO	1	–	–	1
Withdrawal of complainant	–	2	–	2
Total	7	2	1	10

CASE 137
DISPUTED DISTANCE CONTRACT REGARDING THE SUPPLY OF BANKASSURANCE PRODUCTS

The complainant disputed his participation in an investment project the Bank supplied in collaboration with an insurance company for which he has been informed through telephone in the context of a market research of the Bank in question, given that he had never received any other relevant document apart from an advertising brochure.

When he was informed about debits totalling 100,000 drachmas in his bank account, which has been quoted by the complainant in his telephone call, he resorted to the Bank which recommended the cancellation of the insurance policy, to which he proceeded using the relevant form he was supplied with. Next, the Bank proposed in writing the return of part of the sum that had already been withdrawn from his account, provided he made a written statement that he would raise no further claim arising from the reason in question.

The complainant, however, was not satisfied with this settlement and resorted to the Banking Ombudsman protesting about the debits charged on his account, by execution of the contract claiming that he had never been informed of its terms nor had he signed it.

The Bank also committed itself that within ten days it would dispatch the official contract. The brochures of the insurance company were, however, dispatched by regular mail with a delay that exceeded one month. As a result, the provided for by the law execution deadline of the supply by the supplier, was not observed (within thirty days from receipt of order).

The receipt of the documents by the complainant has not been proven either. It is noted that according to the law the non-receipt of the documents brings about invalidity in favor of the consumer of the distance contract. Besides due to the lack of means of proof for the receipt of the documents there arises doubt about the exact time of beginning of the waiver exercise.

The Banking Ombudsman recommended the return to the complainant by the Bank of the total of the monies paid in execution of the contract in question.

CASE 483
BANKASSURANCE PRODUCTS

The complainant has taken a housing loan and insured his mortgaged property. The settlement of the loan's installments and the payment of premiums were made by drawing the equivalent monies from a savings account.

In the current year the amount of the premiums in question increased by 100%, a fact of which he became aware in 14.11.2000 through a letter of the Bank as of 5.11.2000, in which it was quoted that his debt from the loan had been partially covered and an amount of 22,029 drachmas had remained unpaid for which he was charged with default interests.

On the same day he addressed the Bank's Customer Service Department where from he did not receive any reply and for this reason he submitted a complaint to the Office of the Banking Ombudsman asking:

- to be informed why there was a 100% increase in premiums,
- to be in time informed about possible changes in the amount of his financial obligations so as to cover them, and
- the difference that arose, without his knowledge, be not considered as an overdue obligation so as not to be charged with default interests.

As the result of the mediation of the Banking Ombudsman, the Bank satisfied the total claims of the complainant, clarifying that the increase of premiums arose from the change of calculation rate for the coverage of property against earthquake risk. Especially, after the earthquake of 7/9/1999, Attica has been characterized as being within an earthquake belt (in the past it was characterized by insurance companies as being outside an earthquake belt).

The complainant expressed his satisfaction first through telephone and next addressed a letter to the Banking Ombudsman thanking for the «substantial help and the speed with which it had acted».