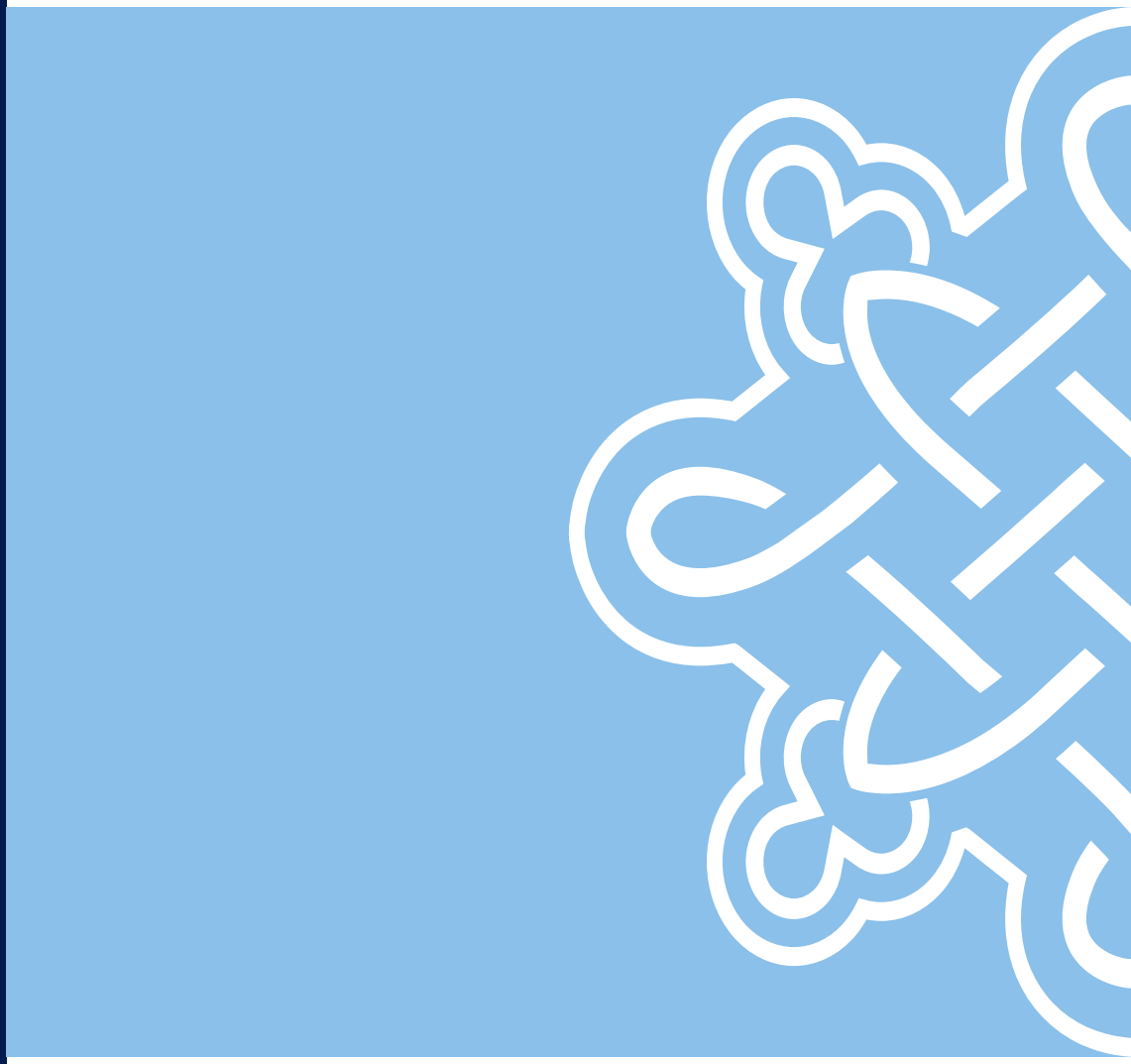
REPORT ON THE ACTIVITIES OF THE HUNGARIAN FINANCIAL ARBITRATION BOARD



2024

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Foreword by the Chair of the Board



I am grateful to all the financial service providers and petitioners who have used our services again and sought to resolve their disputes with our help in 2024 as well.

The majority of the petitions received this year again came from our compatriots living in Central Hungary, i.e. in Budapest and Pest county. Most of them used the '*FAB Online administration'* app, which has been steadily growing in popularity since January 2023. 41 percent of the petitions were received using this application, which is available on the Board's website. It is also possible to submit documents in pending cases in the application, so 52.4 percent of petitioners communicated electronically. The proportion of petitions submitted to the Board through the Central Customer Service of the Magyar Nemzeti Bank, the conciliation boards and the Government Offices increased, with 208 petitioners receiving assistance in preparing their petitions through the Financial Navigator Advisory Network offices.

As of 1 January 2024, the number of pending cases was 845, of which 829 were domestic and 16 were cross-border service disputes. During the year, 3,257 new cases were received, of which 3,194 were domestic cases and 63 petitioners applied in relation to cross-border services. As of 31 December, we had closed 3,489 cases with some outcome, of which 3,419 were domestic disputes, while 70 cases involved settlement agreements or decisions concerning cross-border services.

The majority of petitioners asked for our help in legal disputes relating to cases concerning financial market services, mostly with claims against financial institutions, in which the overwhelming majority unfortunately related to cyberfraud, i.e. acts threatening cybersecurity in payment services. The largest number of equity petitions concerned financial market services. Insurance-related disputes mainly concerned motor third-party liability and property damage disputes. The number of disputes relating to investment services and funds was not significant compared to the prevalence of financial market and insurance sector cases.

Out of the 2,892 cases received and decided on the merits, 789 ended with a settlement, of which 98 were equity cases and 2 were cross-border cases. Binding resolutions and recommendations were made in domestic conciliation cases only; 17 binding resolutions and 8 recommendations were issued. The ratio of cases with a positive outcome for the petitioners – agreements approved by the Board, binding resolutions and recommendations, cases that formally ended with termination but in fact closed with an agreement between the parties out-of-procedure (quasi settlements) – was 39.4 percent in domestic conciliation and online (ODR) cases, 43.9 percent in equity cases and 56.5 percent in cross-border cases, accounting for 40 percent of all the cases.

We held 2,495 hearings. The annual average length of proceedings was 71 days in domestic conciliation cases, 69 days in equity cases and 67 days in cross-border cases.

I am grateful to all our clients for being partners in reaching these agreements. I am confident that every agreement we have reached will contribute to maintaining a long-term and mutually beneficial partnership between service providers and their customers. This is what we will seek to assist with in 2025 as well.

Dr Erika Kovács
Chair of the
Financial Arbitration Board

I Operations

1 OPERATION, ORGANISATION AND GOVERNANCE IN 2024

The Board's activities are aimed at protecting the interests of the users of the services provided by financial organisations, and strengthen public confidence in the system of financial intermediation. The idea of financial conciliation was conceived to provide a forum for the clients of financial service providers to resolve disputes, and to offer assistance with the help of professionally trained, experienced lawyers and economists with expertise in financial matters. Thanks to the Magyar Nemzeti Bank we now have a forum where the parties can meet in person, freely express their opinion, provide a detailed explanation of the case beyond the written submission and conclude a compromise in a simple, fast and cost-effective procedure.

The Board is doing everything it can to speed up its procedures. It invests in continually enhancing its case monitoring IT system, extending its functions and ensuring that all customers can benefit from the advantages of digitisation. At the hearings, clients receive the documents that result from the proceedings, such as minutes of the hearings, settlement approvals and other decisions, saving the time and cost of postage. The time spent on each case depends on the chances of reaching a compromise. The objective is for the parties to reach a consensus on their own, in a way that best suits their interest, rather than for the Board to adopt binding resolutions or recommendations.

Since the start of the Board's operations, sufficient experience has been gained and a proper process has been developed to ensure the fast resolution of cases. As a result, more cases are now heard by a single member of the board, with the assistance of a minute-taker, than by three-member panels. The management of cases by one member allows the Board to deal with several cases at the same time, so that more and more cases can be closed each year.

The Chair

The Board is represented within and outside the organisation of the Magyar Nemzeti Bank by its Chair, who is appointed for a term of six years in accordance with the law, and ensures the lawful functioning and management of the Board. After the end of their mandate, Chairs of the Board may be reappointed for six years, even on repeated occasions. This was the case on 10 February 2020, when the former Chair was re-elected for another six-year term lasting until 10 February 2026. The Chair is appointed by the Governor of the Magyar Nemzeti Bank, who exercises employer rights over them. The Chair may not be bound by any mandatory instructions while performing their statutory duties.

The Board's operating rules and procedures are specified in the Chair's Directive entitled "Operational Procedures", which is published on the website. The Chair is entitled to lay down the basic rules of internal operations; decide on the internal organisational structure; when justified, decide on the prolongation of the proceedings of certain cases on one occasion by maximum 30 days in domestic cases and maximum 90 days in cross-border cases, and to decide which cases the Board should hear in a panel and which cases via a single member. She sees to the equal distribution of the caseload among the departments and has governance rights in respect of all employees of the Board. She does not influence or instruct Board members on professional matters and in specific cases but learns about these generally only after the fact; however, she ensures that decisions on identical matters are based on the same professional and legal arguments. She also ensures that sufficient staff are available at all times to facilitate closing the cases within the legal deadlines, given the number of cases received and handled.

The Chair exercises direct authority over the performance of duties by the Head of Office and the Heads of Department, and over all staff working for the Board. She ensures and secures the professional, technical and material conditions necessary for operations and functioning, and proposes annually the number of staff required for delivering the Board's tasks. She determines hearing recess dates and durations, and lays down the rules for granting leave. If the Chair is prevented from attending, she will be replaced by the Head of Office.

The Office and the Head of Office

The Office looks after the keeping of the minutes and the paper-based and electronic administrative matters necessary for the operation of the Board; this is performed by the Head of Office, the legal adviser, the conciliation expert and the assistants. The Office is headed by the Head of Office, who substitutes for the Chair in her absence, ensures that administrative tasks are carried out in a timely manner, organises deputising, assigns cases to departments and ensures that the workload is distributed equally between departments, manages the case registration system and archiving work, and ensures that the document templates are available and kept up to date. Concerning lawsuits, they liaise with the Legal Representation in Authority Cases Department and ensure the provision of data. They liaise with other conciliation boards, the consumer protection authority sections of the MNB and the Customer Service Information Centre, fulfilling the customer service function for the Board.

The Office assists the members of the Board working in the departments, carries out the administration required for the full and accurate performance of their activities, and its staff also participates in other tasks related to the operation of the Board. The Office examines the petitions received from the point of view of competence. If a lack of competence of the Board can be established on the basis of the content of the petition without the need for a deficiency letter, the petition may be rejected on the grounds of lack of competence. The resolution on the rejection is signed by the Chair, the Head of Office or a Head of Department. If the lack of competence cannot be established without requesting missing information, the Head of the Office will assign the case to a department. The Office is also responsible for relieving the burden on the members of the Board in all matters that are not substantive and can be handled by Office staff. Written information to customers is provided by the Office. Furthermore, the Office responds to requests for data of public interest, maintains the website, organises conferences and professional events, and liaises with the press on issues pertaining to the activities of the Board.

The staff of the Office will provide written information on the general procedural rules to any person requesting the same. Otherwise, the Customer Service Information Centre, which fulfils the customer service function for the MNB as well, is responsible for fulfilling customer service functions for the Board.

Members of the Board

The Board is composed of members with a law degree who have passed their bar exams, and/or hold a degree in economics. Board members are organised into two departments. Both departments deal with financial market and insurance cases. Cases involving funds are handled by one of the departments, while investment services and cross-border cases and those submitted via the Online Dispute Resolution Platform are handled by the other department. The work of the departments is organised by the department heads, who are responsible for ensuring that the cases assigned by the Office to the departments are closed by the deadline and in accordance with the legal provisions. The heads of department appoint the members of the acting panel or the member of the Board acting alone in a particular case. They track the ongoing cases and ensure that the deadlines are met. They ensure a proportionate distribution of the workload, report to the Chair on the experience gained in the course of operations, process this experience, and, if necessary, issue a consumer protection notification or propose legislation or amendments.

The staffing of acting panels is not permanent and may change during the proceedings for reasons of work organisation or unavailability. The acting panels always consist of three persons, which is constituted by a member in charge of the case, the chair of the hearing and a member responsible for keeping the minutes. In different proceedings and cases, any member may serve as the chair of the hearing, as the keeper of the minutes or as member in charge of the case/rapporteur. At hearings, the member appointed as rapporteur in the acting panel will gain greatest insight into the case and its documents, but they will also consult with the other members of the panel to arrive at a unified professional opinion.

The names, qualifications and areas of expertise of the members of the Board can be found on the Board's website: https://www.mnb.hu/bekeltetes/szervezet/a-testulet

Workforce

On 1 January 2024, the headcount of active staff – including the Chair – was 24, comprising 16 members of the Board and 8 office employees. The member count increased by one in the month of January. The number of board members – including the Chair and the Head of Office – was 17. The number of staff – excluding the Head of Office – was and remained 8. Within this total, a change in person took place in a single position in the month of November.

Except for the Chair of the Board, who has a fixed-term appointment and employment contract, all staff members are employed by the Magyar Nemzeti Bank under employment contracts for an indefinite period. All rules in the MNB Act that apply to other MNB employees also apply to all the staff members of the Board (conflict of interest etc.).

Locations of Hearings and the Contact Details of the Board

Since spring 2016, the Board's has been receiving customers to its hearings in 13 meeting rooms located on the ground floor of the Capital Square Office Building at Budapest, 13th District, Váci út 76 (entrance from Dráva utca). The layout of the meeting rooms ensures that clients can express their views to each other and to the acting Board member or members in an informal, yet orderly, setting. In the customer service area, customers can comfortably wait for hearings, while watching short informative films about financial products, potential risks and hazards, and the latest news.



The Board can be contacted:

– On its own website: www.mnb.hu/bekeltetes

– In person: at the MNB Customer Service, Budapest District XII, Krisztina krt. 6.

– By phone: calling the MNB Customer Service on 06-1-489-9700 or +36-80-203-776

– By post: 1525 Budapest Pf. 172.

– By email: ugyfelszolgalat@mnb.hu

– Electronically: www.mo.hu website

For service contracts concluded online in accordance with the ODR Regulation, via the online dispute resolution platform www.webgate.ec.europa.eu/odr, which offers a functionality to start the procedure.

Consumer petitions to the Board may be submitted:

– as electronic documents after identification through the Central Identification Agent (KAÜ) via the '*FAB Online administration*' application

– on the website www.mo.hu

– in person at the MNB Customer Service, Budapest District XII, Krisztina krt. 6.

– at any government office in Hungary

– by post to the address 1525 Budapest Pf. 172.

The Board communicates with financial service providers via the '*Financial Arbitration Board e-Administration*' service, available on the MNB's electronic administration information system (ERA system), and service providers submit their communications using the electronic forms available there. The resolutions, calls, notices and other communications of the Board are delivered to the service providers by uploading them to their mailboxes.

The staff of the MNB's Customer Service provide information on the rules of the Board's procedures by telephone or email in response to a telephone or email enquiry. No information is disclosed about ongoing cases.

The Board held no hearings during two recess periods in the year. Summer hearing recess took place between 30 July and 16 August 2024, and winter hearing recess between 23 December 2024 and 6 January 2025. Under the law, hearing recess days are not included in the deadlines for proceedings.

2 LEGISLATIVE ENVIRONMENT, OPERATIONAL PROCEDURES

The operations of the Board are based on the rules set out in Sections 96–130/B of Act CXXXIX of 2013 on the Magyar Nemzeti Bank. The basis and the legal framework for the operation of the Board are set out, in addition to the provisions of Act CXXXIX of 2013 on the Magyar Nemzeti Bank, in the principles of operation in accordance with Commission Recommendation 98/257/EC, as follows:

1. Independence

The Board operates within the organisational framework of the Magyar Nemzeti Bank, but is a professionally independent body that may not be bound by any mandatory instructions; its independence applies not only to the Board itself, but also to its Chair and its members. The Chair of the Board is appointed for a term of 6 years, and their term of office may be terminated only in the cases provided for in the MNB Act. – Sections 96 (2), 97 (2), 100 (1), (2), (4) and 101 (4) of the MNB Act

2. Transparency

Upon request and even without request, the Board provides information on its activity and the rules applicable to its operation on its website (www.mnb.hu/bekeltetes), on a continuous basis and in its annual reports. – Section 99 and Section 115 and Sections 129 to 130 of the MNB Act

3. *Inter partes* procedure

The procedure ensures that the parties appear in person at the hearings and express their views both orally and in writing, and it obliges the financial service providers concerned in the petitions to cooperate. – Section 108 of the MNB Act

4. Efficiency

The procedure is fast, with a hearing scheduled within 75 days of receipt of a complete petition; the procedure is completed within 90 days. The Chair may extend this time limit once per case, by a maximum of 30 days. Neither the petitioner nor the financial service provider has to pay for the procedure, it is free of charge, but the costs incurred (travel, postage, etc.) are to be borne by the parties themselves. – Sections 106 (3) and 112 (5) of the MNB Act

5. Legality

All members of the Board hold a law degree and have passed their bar exams and/or hold a degree in economics, have experience in some area of the financial sector and/or have judicial experience, and they are all employees of the Magyar Nemzeti Bank. In their work they all conduct themselves in a professional manner, and they know and rely on the relevant legislation. The members are independent and unbiased in the cases they deal with. – Section 97 (1) and (3) and Section 98 (4) to (7) of the MNB Act

6. Freedom

The decisions taken do not affect the right of consumers to appeal to the courts, as the law provides for the possibility of judicial remedy against the Board's recommendations and binding resolutions. – Sections 116–117 of the MNB Act

7. The Possibility of Representation

Petitioners may appear in person without an authorised representative and/or may be represented by an authorised representative. Any natural or legal person or entity without legal personality may serve as authorised representative. The petitioner may attend the hearing in person even if they are represented by an authorised representative. Financial service providers participate in the proceedings through their authorised representatives, who are either employees of the organisation or lawyers with a permanent or ad hoc authorisation. – Section 110 of the MNB Act

Operational Procedures

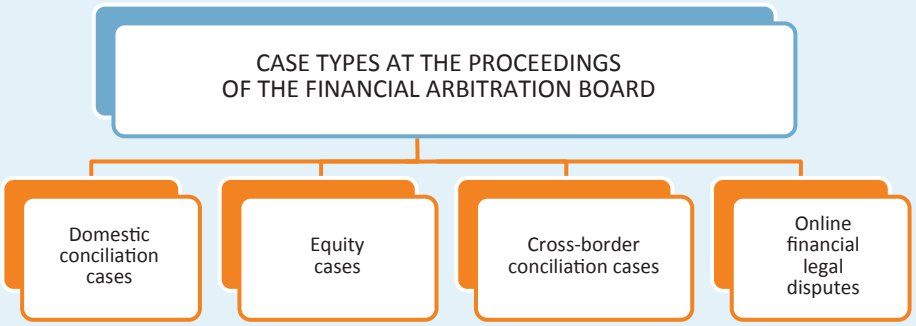
The Operational Procedures of the Board are set out by the Chair in Chair's Directive No 2/2014, the amended and restated text of which, as well as the individual amendments to it, are available on the website of the Board at https://www.mnb.hu/bekeltetes/bemutatkozas/mukodesi-rendunk. They may be modified due to changes in legislation or for internal reasons, such as the Board's own decision within the legal framework. Amendments are approved by the Deputy Governor for Financial Institutions Supervision and Consumer Protection acting with delegated powers.

Some provisions of the Operational Procedures of the Board were amended with effect from 2 January 2024. The amendments concerned Chapters 1, 5, 7, 9, 12, 15 and 16. The Act amending certain Acts related to strengthening the competitiveness of domestic economic operators and increasing the efficiency of public administration amended Section 113 (2) of the MNB Act, increasing the former threshold of HUF 1 million to HUF 2 million with effect from 1 January 2024; also, Sections 121–122 of the MNB Act were repealed and the wording in Section 116 (4) amended. There are therefore two important changes for petitioners. Firstly, the previous threshold of HUF 1 million for decisions based on statutory submission was raised to HUF 2 million from 2 January 2024, and this rule also applies to cases received during the winter hearing recess (between 18 December 2023 and 1 January 2024) and pending on 2 January 2024. The other change concerned the redress rule. This means that if a recommendation or binding resolution is prejudicial to a service provider, it must itself bring a lawsuit against the Board, unlike the previous solution where the affected petitioners had to sue the service provider if the service provider presented an objection.

3 TYPES OF CASES, PROCEDURES

The Board acts in several types of cases. The common feature of all case types is that they involve financial consumer disputes, which justifies the proceedings of the Board and means that they fall within the remit of the MNB Act. The cases fall into four types.

Chart 1
Types of cases



Domestic Conciliation Cases

The proceedings of the Board are free of charge, no procedural fees or duties are payable. Any petitioner may act in person or give a power of attorney to anyone else, not just a legal representative. In the procedure, the acting panel or member invites the financial service provider to present a response by forwarding to it the consumer's petition and holds an in-person hearing within seventy-five days. The personal hearing takes place in a meeting room on the ground floor of the Capital Square Office Building located at Budapest, Váci út 76. At the hearing, the parties have the opportunity to discuss the matter face-to-face. It is mandatory for a representative of the financial service provider to attend. The petitioner may decide whether to be present in person and/or by an authorised representative. The personal presence of petitioners is not mandatory, and their absence does not prevent the case from proceeding, but the chances of reaching a settlement are much lower in case of absence, so personal attendance is recommended.

A ninety-day window is available for completing the procedure, starting from the date of receiving the complete petition. That day is the day of admission. The procedural time limit does not include the time taken to supply any information missing from the petition nor the duration of the Board's summer and winter hearing recesses. The Chair of the Board may prolong the 90-day deadline by no more than 30 days. The Board will approve the settlement between the parties if it complies with the law. There is also a possibility for the parties to reach an out-of-procedure settlement (quasi settlement). In this case, they do not have to disclose the content of their agreement to the Board, nor can they ask for its approval.

Equity Cases

The Board has been processing equity cases since 2015. This became necessary due to the high level of indebtedness related to foreign currency loans and the subsequent transfer of credit and loan portfolios by banks and financial enterprises in 2016–2017. Cases may be admitted on equity grounds in which the petitioners, because of their personal or financial circumstances, ask the financial service provider for consent to meet their payment obligations on more favourable terms than those provided for in the contract. This may involve a reduction or waiver of the payment obligation, a modification or the termination of the contract, or a request for payment conditions diverging from the contractual terms. Equity proceedings can also be initiated if an order for payment has been issued in relation to the debt or if enforcement or court proceedings are pending. However, in such proceedings, the legal basis for or the amount of the claim may not be disputed. The Board cannot compel the financial service provider to exercise fairness, so the outcome of such cases can only be a settlement or termination, not a recommendation or a binding resolution.

Cross-border Conciliation Cases

If a consumer residing in the European Union, Iceland, Liechtenstein or Norway (EEA member states) has a complaint against a financial service provider established in Hungary and subject to the supervision of the MNB, or if a consumer residing or staying in Hungary has a dispute with a financial service provider established in an EEA member state, the procedure may be conducted following the rules of the FIN-Net network, of which the Board is a member. In the case of a non-resident financial service provider, the procedure may be started subject to the foreign service provider making a declaration of submission.

FIN-Net is a network of out-of-procedure financial dispute resolution forums in the countries of the European Economic Area (EEA), dealing with disputes between consumers and financial service providers. The network was set up by the European Commission in 2001. The procedures of the forums under the FIN-Net umbrella help consumers to resolve cross-border financial disputes. In the event of a dispute between a consumer in one country and a financial service provider in another country, the member organisations will assist the consumer in contacting the appropriate forum and provide the consumer with the information necessary in the procedure.

The petition form and the rules of FIN-Net in cross-border cases have been available for use since the Board's accession to the European dispute resolution network on 1 January 2012. In some respects, the rules of this procedure differ from the rules of domestic proceedings, i.e. proceedings under national law, such as:

– a declaration of submission is required to initiate proceedings against a non-resident service provider;

– in the absence of a submission, the only option is to supply the consumer with information about the procedure and what other forums they can apply to;

– the consumer can only initiate the procedure using the FIN-Net (Financial Dispute Resolution Network) petition form (strict formal requirements);

– the procedure is in writing only, and the hearing may be initiated by the acting panel, for which consent from both parties will be required;

– the language of the procedure is English, but may also be the language of the contract, at the expense of the petitioner;

– the procedural deadline may be extended once, by 90 days.

Online Financial Legal Disputes (ODR Platform)

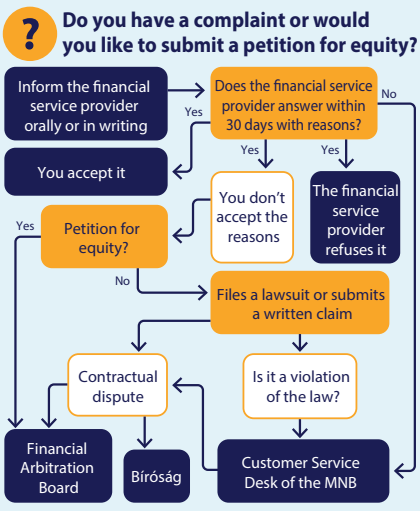
If a financial consumer dispute arises in connection with a service contract concluded online between a consumer and their financial service provider, the consumer may initiate an out-of-procedure legal dispute through the website of the European Union online dispute resolution platform. In the event of a financial consumer dispute, only the Financial Arbitration Board may conduct proceedings and make a decision on the dispute between the consumer and the financial service provider. To start the online dispute resolution process, the consumer must register on the electronic platform operated by the European Commission.

Based on the authorisation provided by Regulation 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes (ODR), the European Commission launched the European online dispute resolution platform, available at *https://webgate.ec.europa.eu/odr*. This is a platform for the out-of-procedure settlement of disputes, including consumer financial disputes, between consumers residing in the European Union and service providers established in the European Union regarding obligations arising from online service contracts. A consumer is defined in the ODR as a natural person 'who uses a financial service not for commercial, business or professional purposes'. An online service contract is defined as a financial services contract whereby a service provider or an intermediary of the service provider offers a service (such as insurance, personal loans, opening an account, etc.) via a website or other electronic means and the consumer orders or concludes a contract for the service via that website or other electronic means.

The platform is available in all official languages of the European Union (including Hungarian), and it is built on the existing alternative dispute resolution systems of the Member States, respecting the traditions of the Member States. Its objective, among others, is to ensure that all alternative dispute resolution forums, notified in accordance with section 20 (2) of Directive 2013/11/EU of the European Parliament and of the Council (on alternative dispute resolution for consumer disputes), can join the platform, thereby facilitating the online, expedient, out-of-procedure resolution of all disputes arising from online contracts, along uniform principles. The competent ministry notified the European Commission on 9 February 2016 that in Hungary the Financial Arbitration Board acts as the alternative dispute resolution forum for financial disputes, in accordance with the Directive, and has accordingly been entered in the register of dispute resolution bodies: *https://webgate.ec.europa.eu/odr* The Board can act in both domestic and cross-border cases in financial consumer disputes related to online contracts. This form of dispute resolution has been available to Hungarian consumers since 15 February 2016.

To request the desired procedure, financial consumers must submit a written petition. More information on this can be found on the Board's website. The process is always as follows, regardless of case type:

Chart 2
Procedure for lodging a complaint or equity petition



More information on how to submit a petition and how to start the procedure is available here: How to initiate a procedure

4 VII ALTERNATIVE DISPUTE RESOLUTION CONFERENCE



A prominent recurring and increasingly popular event, the Alternative Dispute Resolution Conference was held for the seventh time on 6 June 2024.

In addition to the speakers from Hungary, experts from Belgium, Armenia, Czechia and Denmark presented their experiences on the topic. The conference was held for the third time at the Lámfalussy Sándor Conference Centre of the Magyar Nemzeti Bank. 200 participants attended in person and, also for the third time, the conference was available online as well. The aim of the conference was to show what risks the online space poses to financial security and what challenges cyberfraud constitutes for alternative dispute resolution.

The conference agenda was as follows:

10:00 – 10:45	***Opening speech*** – ***Dr. Erika Kovács*** (Chair, Hungarian Financial Arbitration Board)
	Welcome speech – ***Dr. Gyula Vig*** (Executive Director, the Central Bank of Hungary)
	Welcome speech - ***Dr. Róbert Répássy*** (Deputy Minister, Department of Justice)
	Welcome speech – ***Ms. Katalin Kézdi*** (Managing Director, Wolters Kluwer Hungary Ltd.)
10:45 – 11:30	***CYBER FRAUD IN THE WORLD***
	Mr. Olivér Bor (Cyber Security Expert, Supervisory Authority of Regulated Activities)
	Questions & Answers
11:30 – 12:15	***SELF SOVEREIGN IDENTITY - THE FUTURE OF DIGITAL IDENTITY***
	Mr. Kurt Callewaert (Valorisation Manager - Howest University of Applied Sciences, Belgium)
	Questions & Answers
13:30 – 14:15	***FINANCIAL DISPUTE RESOLUTION AND CYBER FRAUD IN ARMENIA***
	Mr. Ashot Ghochikyan (Deputy CEO, the Office of Financial System Mediator, Armenia)
	Questions & Answers
14:15 – 15:00	***FRAUD AND SCAMS: GLOBAL TRENDS & INSIGHTS FROM THE CZECH REPUBLIC***
	Mgr. Lukáš Vacek, MPA (Deputy Financial Arbitrator, Office of the Financial Arbitrator, Czech Republic)
	Questions & Answers
15:00 – 15:20	**Coffee Break**
15:20 – 16:05	***FINANCIAL DISPUTE RESOLUTION AND CYBER FRAUD IN DENMARK***
	Mrs. Ulla Wulff Kjaer (Director, Danish Financial Complaint Boards)
	Questions & Answers
16:05 – 16:50	***A POSSIBLE DEFENSE TOOL – THE CYBER SHIELD PROGRAM IN HUNGARY***
	Dr. Katalin Fülöp (Senior Compliance Expert, the Central Bank of Hungary)
	Questions & Answers

Full audio and video coverage of the conference is available here: Information about the 7th Alternative Dispute Resolution Conference focusing on cyberfraud and Alternative Dispute Resolution, held on 6 June 2024

5 ARTICLES AUTHORED BY THE MEMBERS

The Magyar Nemzeti Bank offers financial consumers a number of tools to help them navigate the different products and services available on the financial market. One form of this is the regular publishing of articles on a variety of topics, aimed at providing information to the reader and presenting real cases that may serve as a lesson. The members of the Board also participate actively in this effort year after year. The 16 articles published in 2024 are available on the Board's website and in Annex 4:

Author	Article title	Available at
Péter Szabó	Over-65s, Beware of Scammers!	https://www.mnb.hu/letoltes/szabo-peter-65-ev-felettiek-vigyazat-csalok.pdf
dr Judit Cserépi	Mobile Payments: Use Them or Fear Them?	https://www.mnb.hu/letoltes/dr-cserepi-judit-mobilfizetes-hasznaljuk-vagy-feljunk-tole.pdf
dr Anita Lakó:	Incredible Returns in Just a Few Clicks: Tricks of the Investment Scammers	https://www.mnb.hu/letoltes/dr-lako-anita-hihetetlen-hozam-par-kattintassal-a-befektetesi-csalok-trukkjei.pdf
Tünde Kardos-Nagy	How to Curb Credit Card Debt	https://www.mnb.hu/letoltes/kardos-nagy-tunde-igy-fekezzuk-meg-a-halmozodo-hitelkartya-tartozasokat.pdf
dr Ildikó Erzsébet Csomorné-Lajkó	If You Do Not Pay Off Your Debt, Your Bank Account Could Be Debited with a Final Transfer Order	https://www.mnb.hu/letoltes/csomorne-dr-lajko-ildiko-erzsebet-ha-adosok-maradtunk-jogeros-atutalasi-vegzessel-is-megterhelheto-a-bankszamlank.pdf
Zoltán Liptai:	Immune-Boosting Advice before and after Signing a Financial Contract	https://www.mnb.hu/letoltes/liptai-zoltan-immunerosito-tanacsok-penzugyi-szerzodeskotes-elott-es-utan.pdf
dr Ádám Sebestyén	Guide to Unit-Linked Life Insurance	https://www.mnb.hu/letoltes/dr-sebestyen-adam-utmutato-a-befektetesi-egysegekhez-kotott-eletbiztositasokhoz.pdf
dr Krisztina Szente	How to Avoid Becoming a Victim of Vishing	https://www.mnb.hu/letoltes/dr-szente-krisztina-igy-nem-valunk-telefonos-adathalaszat-aldozatava.pdf
dr Katalin Kántás-Barcsai	What Insurance Can Protect Our Children?	https://www.mnb.hu/letoltes/dr-kantas-barcsai-katalin-milyen-biztositas-nyujthat-vedelmet-a-gyerekeinknek.pdf
dr Lajos Tamás Tarpai:	The Pitfalls of Selling Items Online	https://www.mnb.hu/letoltes/dr-tarpai-lajos-tamas-az-online-termekertekesites-csapdai.pdf
Klára Rajki	Stumbling Blocks of Using a Bank Card Abroad	https://www.mnb.hu/letoltes/rajki-klara-a-bankkartya-kulfoldi-hasznalatanak-buktatoi.pdf
dr Erika Kovács	Focus on Cyberfraud over the Last Twelve Months of Financial Conciliation	https://www.mnb.hu/letoltes/dr-kovacs-erika-fokuszban-a-kibercsalasok-a-penzugyi-bekeltetes-elmult-egy-eveben.pdf
dr Orsolya Rózsavölgyi	Changing Banks without Wanting to, or What to Look Out for with Mergers and Transfers	https://www.mnb.hu/letoltes/dr-rozsavolgyi-orsolya-bankvaltas-szandekunkon-kivul.pdf
dr Ágnes Jakab	Loan Contract Claims in Proceedings of the Financial Arbitration Board	https://www.mnb.hu/letoltes/dr-jakab-agnes-a-hitelszerzodesi-karigenyek-a-penzugyi-bekelteto-testulet-eljarasaban.pdf
dr Ildikó Katalin Szabó	Changes to Financial Conciliation Rules Benefit Customers	https://www.mnb.hu/letoltes/dr-szabo-ildiko-katalin-az-ugyfelek-erdekeben-modosultak-a-penzugyi-bekeltetes-szabalyai.pdf
dr Olga Nagy	Pitfalls and Solutions in Accident and Sickness Insurance	https://www.mnb.hu/letoltes/dr-nagy-olga-buktatok-es-megoldasok-a-baleset-es-betegsegbiztositasoknal.pdf

6 RELATIONS

The Board has relations both within Hungary and abroad. It does not have a physical presence outside Budapest, its hearings are held only in the capital. Accordingly, it is of utmost importance for it to have relations with all domestic and foreign organisations involved in informing consumers on matters of general consumer protection and special financial issues and help as many petitioners as possible with access to the Board when needed. Domestic partners in this area include both government and civil organisations, while help abroad may come from the members of the FIN-Net network.

Government offices

KORMÁNYABLAK
INTEGRÁLT KORMÁNYZATI ÜGYFÉLSZOLGÁLAT

Government offices receive petitions from financial consumers pursuant to Section 17 of Annex 10 to Government Decree No 568/2022 (XII. 23.) on government offices in the capital city and the counties, while the rural and capital city districts also provide assistance with the completion of the petition forms and the proper attachment of annexes, and forward these to the Board free of charge.

Government offices in all the counties and in Budapest, i.e. everywhere throughout the country, collect and forward petitions to the central mailroom of the Magyar Nemzeti Bank and, through it, to the Board. They also serve an intermediary function in that they receive and transmit to the MNB queries from consumers. The MNB and the Board prepare, update and regularly distribute educational material for administrators working in government offices to help them improve their work and knowledge. Experience has shown that this service provided by the government offices is already well known to, and increasingly used by, the petitioners.

The address, contact and other details of the government offices are available on the MNB's website and also at https://kormanyablak.hu/hu/kormanyablakok.

The Financial Navigator Advisory Office Network

pénzügyinavigátor
MAGYAR NEMZETI BANK

This network of advisory offices specialised in finances was set up by the Magyar Nemzeti Bank to ensure that even citizens living far from the capital, who are not in the position to visit the MNB's Customer Service at Budapest at Krisztina krt. 6, can deal with their matters in person. The offices in the county seats are operated by non-governmental partners independent of financial institutions and service providers. The advisers are well trained in dealing with financial queries and problems, and their knowledge and skills are guaranteed through training and further education, which they are required to regularly demonstrate by passing exams. During the free advisory consultations, they provide detailed information on the features of the different services, the benefits and risks of each scheme, interpret individual contracts, help with drafting and submitting formal documents and requests, and direct people with complaints to the appropriate forums.

The Network of Financial Navigator Advisory Offices operates in county seats, but its experts regularly provide offsite advisory services in several other locations. Information on the offices and the so-called offsite advisory services is available on the MNB's website: https://www.mnb.hu/fogyasztovedelem/tanacsado-irodak

The offices work in close cooperation with the Board. They assist petitioners requesting redress with the preparation of petitions and the compilation of annexes, and provide advice.



The Magyar Nemzeti Bank also provides significant assistance to consumers through its *Financial Navigator* booklets. Each of these booklets provides a clear explanation of a particular financial product. It is available in printed form at the banks' branches and in the customer area of the Board, as well as at the customer service desk of the MNB, and in electronic form: https://www.mnb.hu/fogyasztovedelem/penzugyi-navigator-fuzetek

The MNB also provides videos, apps and search features as well as mobile apps to help customers find their way around the financial world. The brochures and information videos also introduce the Board and its work, and help with any questions concerning banks, insurers, investment firms and funds. These services are also available on the MNB's website: https://www.mnb.hu/fogyasztovedelem/penzugyi-navigator-filmek and https://www.mnb.hu/fogyasztovedelem/penzugyi-navigator-alkalmazasok

NGOs

OTTHON A PÉNZÜGYEKBEN

Magyar Máltai Szeretetszolgálat

Hitel-S Program

Some NGOs are also involved in providing information and assistance to financial consumers. One of these is the *Credit/S Programme* of the *Hungarian Charity Service of the Order of Malta.*

Another NGO that financial consumers can turn to with confidence for accurate information and assistance in finances for anyone interested is *FOME*, the *Hungarian Association of Consumer Advocates*.

FOME Fogyasztóvédők Magyarországi Egyesülete

In addition to protecting the interests of consumers, the Association pays special attention to the training of consumer protection professionals and to research in the consumer protection profession. It offers free advice to people who contact it. Its website at http://www.fome.hu is open to anyone looking to find information on financial matters of any kind or request advice on finances in writing.

Conciliation boards

The conciliation board system established under the Consumer Protection Act and operating since 1999 was restructured as of 1 January 2024. The Consumer Protection Act has reduced the number of bodies from the previous 20 to eight and created eight regions. Since 1 January 2024, therefore, eight regional conciliation boards have helped consumers and businesses resolve consumer disputes nationwide. However, there has been an increase in the number of physical locations: in addition to the eight regional centres, conciliation board case administration is also possible at county seats that are not regional centres (there are 12 of these) and in cities with county rights that are not county seats (7).



Image source: Conciliation boards

The Board has worked with other conciliation boards active in non-financial disputes, for several years, which, beyond a discussion of professional matters, is mainly reflected in the fact that the Board will forward or take over cases whenever the body they are submitted to is not in fact the one with jurisdiction and competence. Consumers often do not know which body to contact with their disputes, which has led to a practice whereby the bodies transfer cases to each other (even if this is not required by the law) when a petition is submitted to the wrong recipient.

In 2024, 198 cases were received and 26 cases transferred. The most intensive cooperation in the context of case transfers was with the Budapest Conciliation Board.

Financial Dispute Resolution Network

In 2024, as in previous years, the Board placed great emphasis on fostering international relations and participating in extensive international cooperation.

The experience of the past years is clear evidence that cooperation at the international level can significantly increase the success of financial conciliation and greatly improve the quality of conciliation mechanisms and procedures. The regular professional relations with the FIN-Net network, as well as separately established relations with individual organisations that are members of such networks, continue to play an outstanding role in the Board's international activities.

The FIN-Net network is a Europe-wide system operating within the European Economic Area (the Member States of the European Union plus Iceland, Liechtenstein and Norway), set up to facilitate alternative dispute resolution in cross-border financial consumer disputes between consumers and financial service providers. Its name comes from the abbreviation of the organisation's full name in English (Financial Dispute Resolution Network). The network was set up in 2001 following a decision by the European Commission and now brings together more than 60 organisations involved in some form of alternative dispute resolution, such as conciliation, arbitration or mediation, in one of the Member States. FIN-Net helps consumers to resolve disputes with financial service providers (banks, insurers, investment firms, etc.) in another Member State using the alternative dispute resolution forum in that country. In connection with cross-border disputes, all members, including the Hungarian Financial Arbitration Board, are expected to provide information without delay, upon the request of any person, in writing or in some other appropriate form regarding the functioning of FIN-Net and on the alternative dispute resolution forum that operates in another EEA State participating in FIN-Net and has competence and jurisdiction to settle cross-border financial consumer disputes related to financial services activities, and on the procedures of such forums. Each member must regularly supply to the European Union statistical data on the cross-border cases brought before it and is entitled to use an intranet database facilitating communication between the members of the network.

For more information on the organisational structure and the functioning of FIN-Net, please visit the www.ec.europa.eu website.

The organisation meets twice a year. In 2024 the FIN-Net secretariat organised the two usual events, namely the spring plenary session in Brussels, which was in hybrid format, and the autumn plenary session, which was online.

The first general assembly took place in May and covered the following topics:

– The first presentation at the general assembly focused on the experience of the Maltese Board in cyberfraud cases. The definition of gross negligence in Maltese conciliation practice attracted a lot of interest, given that a transparent model had been developed and is now available on the website of that Board. The model assesses the specific behaviours of the consumers and the circumstances of the fraud, and uses these to determine whether the consequences of the fraud shall be borne in full by the consumer or in full by the financial service provider. The model places great emphasis on the need to achieve some form of sharing of the loss between the parties in most cases; the website of the Malta Board offers a detailed description of these percentages. The creation of this model has had a major impact on complaints procedures and it has been adopted by financial service providers as well.

– This was followed by a presentation on the organisational system of financial conciliation in Poland, which was created through the cooperation of 3 organisations: the Financial Ombudsman, the Polish Financial Supervisory Authority and the Polish Financial Market Bank Arbitrator. They all have in common that they do not issue binding resolutions on consumer disputes and, with the exception of the Financial Ombudsman's procedure, financial service providers are not obliged to participate in their procedures.

– In the next part of the plenary session members were given an insight into the organisational structures of the anti-money laundering authorities in the Czech Republic, Denmark, Ireland and Italy, and the potential competence (or the lack of competence) of the FIN-Net members in these countries. A presentation on behalf of the Commission then laid out the expected steps and features of the phased introduction of AML/CFT regulation and reported in detail on the

establishment of the AMLA (Anti Money Laundering Authority), which is expected to start operating as a new anti-money laundering authority in mid-2025, replacing the existing activities of the EBA in this area.

– Another very important topic of the meeting was the presentation of the forthcoming European regulation on artificial intelligence, which aims to define the different levels of risk and adopt the necessary procedures and sanctions. Its oversight institutions are the AI Office, the national AI authorities and the European Artificial Intelligence Board, which is assisted by an advisory body and a scientific panel of independent experts.

– The subject of greatest interest for the members was the review of the ADR Directive and the ODR Regulation, which is topical due to the increasing prevalence of online shopping, including from merchants not domiciled in the European Union. As a result, European consumers are increasingly exposed to unfair commercial practices. They are faced with difficulties when it comes to cross-border cases and have recourse mostly to the complaints procedures offered by the relevant e-commerce platforms, which are often inefficient or result in an unfair solution. The subject of the repealing of the ODR Regulation also became unavoidable.

– The last item on the agenda was a presentation on the state of play of the EU retail investment strategy.

The autumn plenary session took place in November, with the following agenda items:

– First, a member of the Financial Arbitration Board presented the experience from cyberfraud cases and proceedings, and the CyberShield programme.

– Closely related to this topic was the next item on the agenda, the draft PSD3 and PSR regulatory package currently before the Commission as a review of the PSD2 regime, which is expected to set new refund rules for consumers, provide for higher-level rules on the functioning of banks' monitoring systems and, in a yet to be decided form, it is also expected to regulate the definition of gross negligence.

– As the next item on the agenda, the results of a questionnaire previously completed by the members were also presented. The purpose of the previous survey was to assess the way in which FIN-Net members comply with the requirements for the submission of petitions laid down in Article 5(2) of the ADR Directive. These provisions require ADR entities to ensure that consumers can submit their petitions and other supporting documents online and, where appropriate, allow consumers to submit complaints offline. Experience has shown that most FIN-Net members comply with the provisions in different forms and with different solutions, and that there is a direct cause-and-effect relationship in that the ratio of offline petitions is higher when no assistance is provided for online petitions. The conclusion of the presentation was that digitisation rates are high among the members, which increases efficiency in their procedures.

– The Banco de España presented the problem of the charges imposed by Spanish banks for releasing estates to heirs.

– Other topics of the meeting were the ADR Directive and the ODR Regulation. The representative of the Commission presented the current status of the legislative package, explaining that both amendments were at the Council stage at the time. The audience were told that the ODR Platform would be replaced by another tool that would contain information on the procedure of the ADR forums and that consumers would be able to contact the ADR forum directly through this tool. In the Commission's view, this new tool does not require a regulation, so it is expected that the ODR Regulation will be repealed by the end of 2024.

Regulation (EU) No 2024/3228 of the European Parliament and of the Council of 19 December 2024 ordered the termination of the ODR Platform. As regards the termination of the European online dispute resolution platform, the Regulation was published in the Official Journal on 30 December 2024 with a date of entry into force on the 20th day following its publication, i.e. 19 January 2025. Article 2 of the Regulation set a deadline for discontinuing the submission of complaints to the ODR platform on 20 March 2025. By 20 March 2025, the Commission would inform users of the ODR platform with pending cases of the termination and would offer assistance to such users to retrieve the data related to their cases to which they have access, if they so request. By 20 July 2025 at the latest, all case-related information, including personal data, stored on the ODR platform must be deleted. After 20 March 2025, it will no longer be possible to initiate procedures on the ODR Platform.

The experience from cross-border consumer financial disputes before the Financial Arbitration Board is described in Chapter IV.

II Procedures and Outcomes

1 NEW PETITIONS, CASES HANDLED

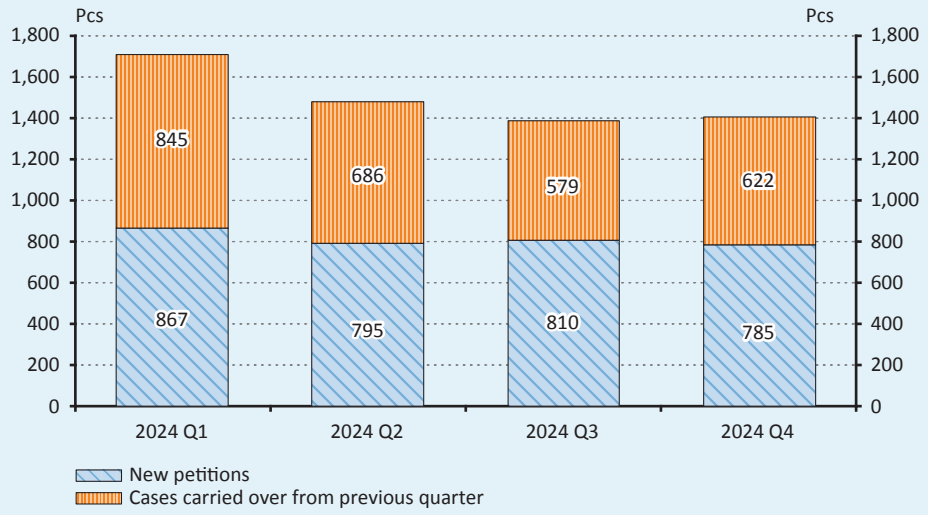
As of 1 January 2024, 845 domestic conciliation, equity and cross-border cases were in progress.

During the year, 3,257 new petitions were received, resulting in a total of 4,124 cases, of which 3,489 were closed.

Chart 3
Aggregate data on conciliation cases

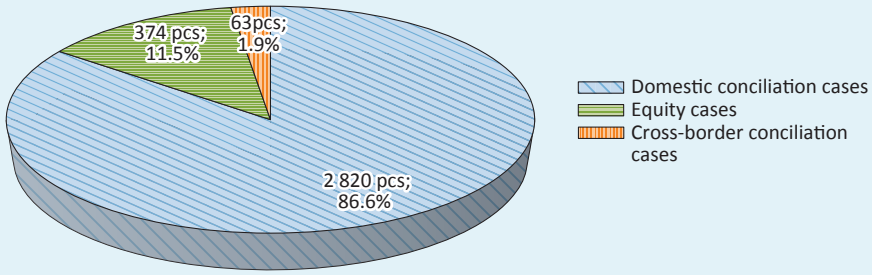
	Domestic cases	Cross-border cases	Total
Earlier cases pending on 1 January 2024	829	16	845
New cases received in 2024	3,194	63	3,257
Cases closed by 31 December 2024	3,419	70	3,489
Cases pending on 1 January 2025	604	9	613

Chart 4
Number of new petitions and cases handled per quarter



In new petitions, domestic conciliation cases represented the highest number and proportion: there were 2,820 such cases, equal to 86.6 percent of all new cases. 374 equity petitions were received, representing 11.5 percent of all cases. The 63 petitions concerning cross-border financial services represented the lowest proportion.

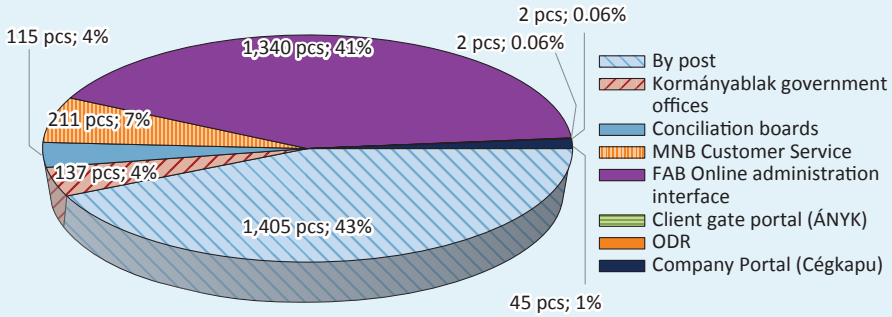
Chart 5
New petitions by case type



2 HOW TO SUBMIT PETITIONS

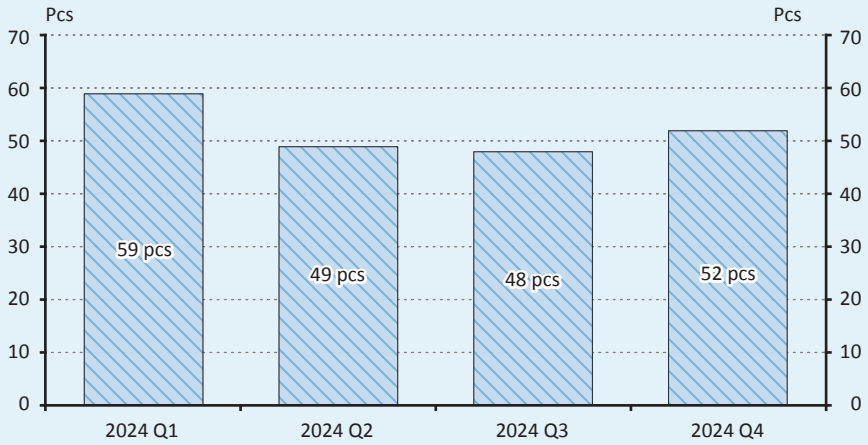
The popularity of the '*FAB Online administration*' application is shown by the fact that 41 percent of the petitions were received through this channel. It is also possible to submit documents in pending cases in the application, so 52.4 percent of petitioners communicated electronically.

Chart 6
Methods of submitting new petitions



208 petitioners received help to prepare their petitions from the Financial Navigator Advisory Network offices.

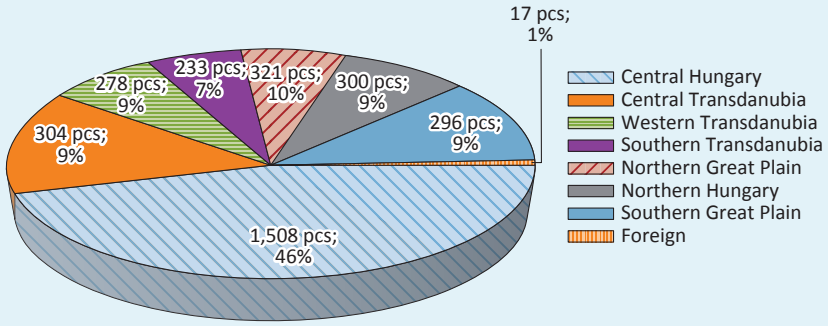
Chart 7
New petitions prepared by the Network of Financial Navigator Advisory Offices



3 DISTRIBUTION OF PETITIONERS BY PLACE OF RESIDENCE

At 46 percent, people living in the Central Hungary region accounted for the largest proportion of petitioners to the Board.

Chart 8
Distribution ratio of new petitions, broken down by region of the petitioners' residence



The ratio of the petitions by petitioners residing in Budapest and Pest County exceeded the total population ratios calculated by the HCSO every year since the Board had been established; there were no material changes in other counties.

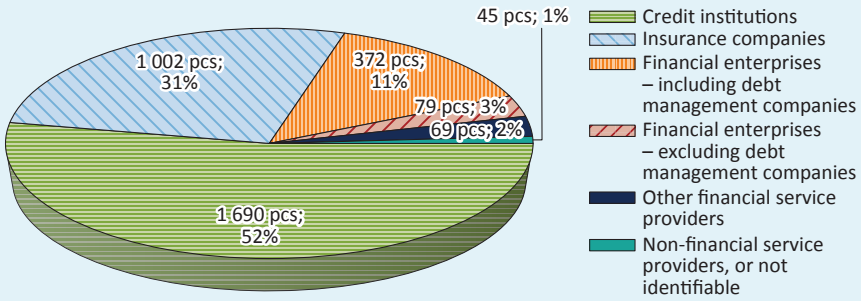
Chart 9
New petitions, by petitioners' place of residence

Distribution of new petitions by county of residence of petitioners	2024		Total population share Figure from the Hungarian Central Statistical Office
	Number of cases	As a proportion of the total number of cases	
Bács-Kiskun	109	**3.35%**	**5.13%**
Baranya	97	**2.98%**	**3.69%**
Békés	86	**2.64%**	**3.24%**
Borsod-Abaúj-Zemplén	144	**4.42%**	**6.45%**
Budapest	960	**29.47%**	**17.59%**
Csongrád-Csanád	101	**3.10%**	**4.06%**
Fejér	123	**3.78%**	**4.38%**
Győr-Moson-Sopron	122	**3.75%**	**4.94%**
Hajdú-Bihar	119	**3.65%**	**5.43%**
Heves	87	**2.67%**	**2.97%**
Jász-Nagykun-Szolnok	84	**2.58%**	**3.69%**
Komárom-Esztergom	86	**2.64%**	**3.15%**
Nógrád	69	**2.12%**	**1.88%**
Pest	548	**16.83%**	**13.91%**
Somogy	70	**2.15%**	**3.05%**
Szabolcs-Szatmár-Bereg	118	**3.62%**	**5.47%**
Tolna	66	**2.03%**	**2.15%**
Vas	79	**2.43%**	**2.59%**
Veszprém	95	**2.92%**	**3.51%**
Zala	77	**2.36%**	**2.71%**
Külföldi	17	**0.52%**	
Ügyek összesen	**3,257**	**100.00%**	**100.00%**

4 SERVICE PROVIDERS INVOLVED IN CONSUMER DISPUTES

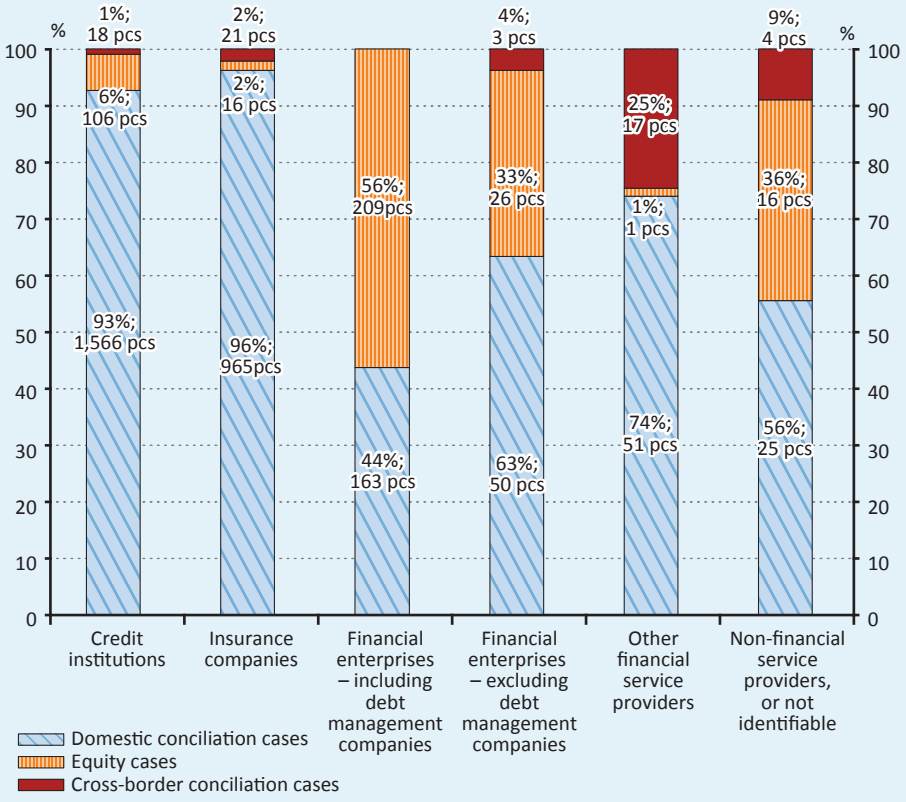
Most often, the Board was contacted by the customers of credit institutions and insurance companies. The reason for these petitions against credit institutions reaching 52 percent was mainly due to the high number of cyberfraud cases.

Chart 10
Types of financial service providers in new petitions



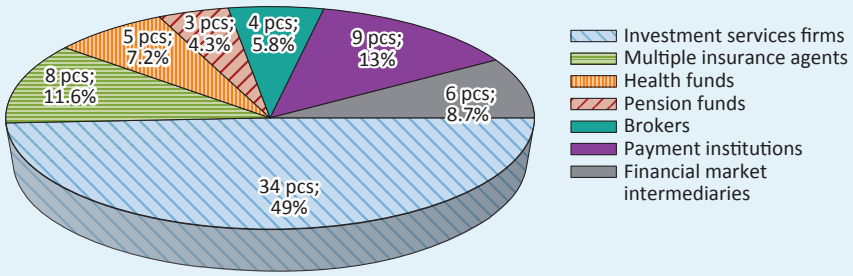
For each type of case, the service providers concerned were as follows:

Chart 11
Proportion of case types by type of service provider



The ‘other’ category of financial services includes investment service providers, insurance multiple agents, health and pension funds, brokers, payment institutions and financial market intermediaries.

Chart 12
Other financial service providers in new petitions



5 THE PRODUCTS COVERED BY PETITIONS

Most of the petitions concerned financial market products (2,101 cases) and insurance market products (1,032 cases), while money and capital market products accounted for only 2.2 percent of new petitions.

Chart 13
Products covered by petitions, by sector

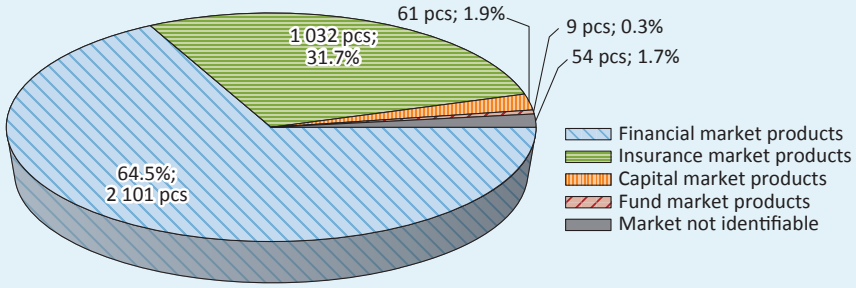
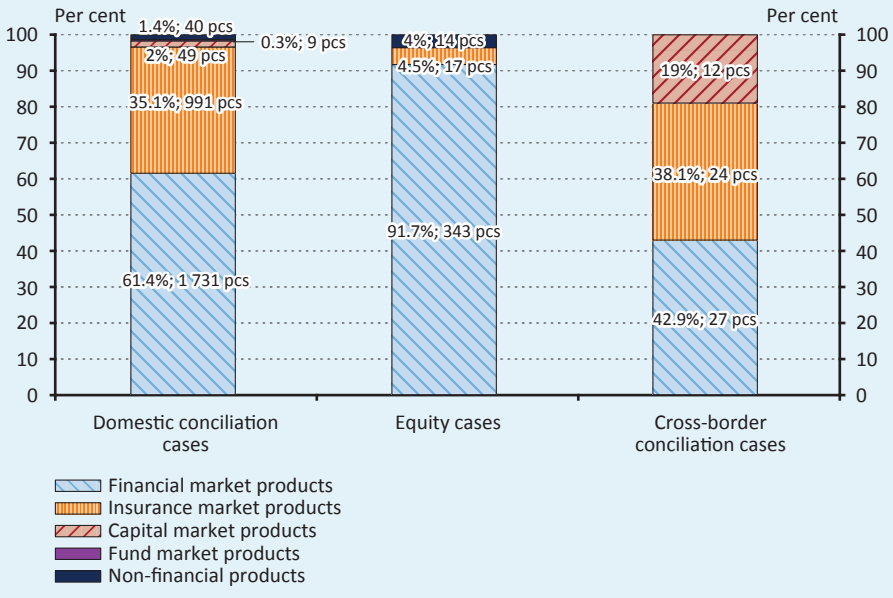


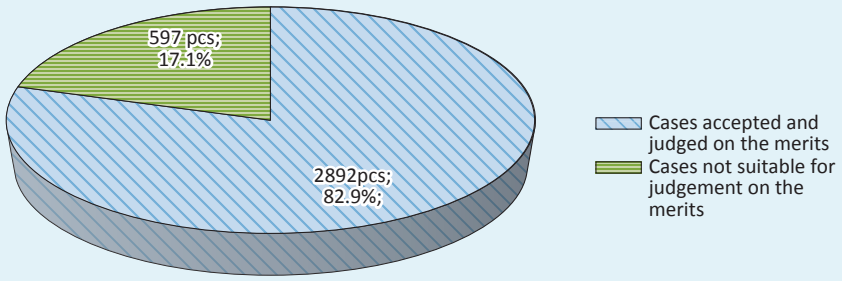
Chart 14
Products covered by petitions, by case type



6 ADMISSION RATE

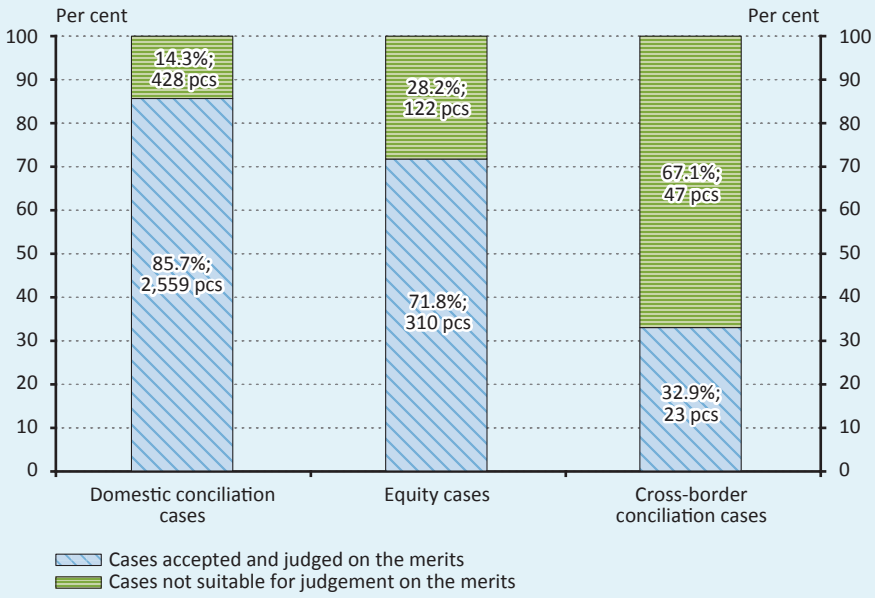
82.9 percent of new petitions were suitable for substantive processing; these petitions were admitted without a letter being issued for supplementation and the substantive procedure could start after the examination of competence and procedural impediments.

Chart 15
Admission rate



Within the cases accepted, the proportion of each case type was as follows:

Chart 16
Admission rate by ocase type

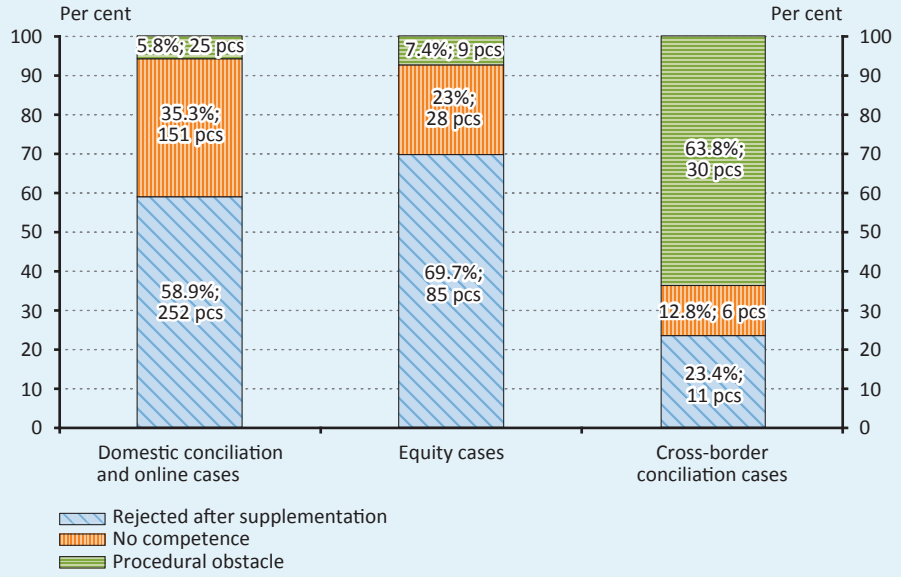


4 CASES NOT SUITABLE FOR JUDGEMENT ON THE MERITS

597 cases were not suitable for admission and for setting a date for a hearing. In 348 cases, the petitioners did not comply with the letter for supplementation and in a further 185 cases the Board had no competence to act. 64 cases were terminated due to procedural impediments.

The reasons for rejection by case type are illustrated in the following chart:

Chart 17
Reasons for rejection in petitions unfit for judgement on the merits by case type



In 253 cases, no reply was received to the letter for supplementation, so these procedures were also closed. In a further 95 cases, the proceedings ended without consideration on the merits because in the response to the letter for supplementation the deficiencies were not remedied at all or not in full, the petitioners failed to prove that there had been a prior complaint procedure or that they reached an agreement with the financial service provider in the meantime. The table below shows the breakdown, by reason for rejection, of the cases rejected following the response to the letter for supplementation:

Chart 18
Cases dismissed after response to the letter of supplementation

Failure to comply with or inadequate compliance with the call for supplementation	**2024**
Cases closed without admission during the period	**597**
– of which rejected after response to the call for supplementation	348
Reasons for refusal:	
Responded to the call for supplementation, of which	95
– agreed with the service provider	5
– not admissible	43
– complaint was not confirmed	47
Did not respond to the call for supplementation, of which	253
– agreed with the service provider	1
– no complaint procedure took place	51
– other reasons	9
– reason unknown	192

The numbers of cases closed without judgement on the merits are shown in the following table, by reasons for closing:

Chart 19
Cases closed without judgement on the merits

Reasons for closure		Number of cases	Proportion
1.	**Reasons for closure due to procedural obstacles, of which:**	**64**	**10.72%**
1.1	consumer did not attempt to settle the dispute before submitting the petition or had unsuccessfully applied for equitable relief (Section 102 (1))	11	1.84%
1.2	for the same right arising from the same factual basis		
1.2.1	a) the parties commenced proceedings at the Financial Arbitration Board (Section 107 (aa)), or	18	3.02%
1.2.2	b) the parties commenced a mediation procedure (Section 107 (ab)), or	1	0.17%
1.2.3	c) there is litigation in progress or a final judgement has already been passed on the subject thereof (Section 107 (ac))	1	0.17%
1.3	an order for payment has been issued between the parties for the same right arising from the same factual basis (Section 107 (b))	4	0.67%
1.4	the dispute is frivolous or vexatious (Section 107(c))	0	0%
1.5	in a cross-border financial consumer dispute, the service provider did not submit itself to the Board's procedure (Section 126(1))	29	4.86%
2.	the case does not constitute a consumer dispute or the Financial Arbitration Board does not have competence to settle the dispute for any other reason (Section 107 (d))	**185**	**30.99%**
3.	the petitioner did not comply with the call for supplementation specified in Section 104 (5) within the time limit set for this purpose (Section 107 (e))	**348**	**58.29%**
	Total	**597**	**100.00%**

7 OUTCOMES OF CASES CLOSED ON THE MERITS

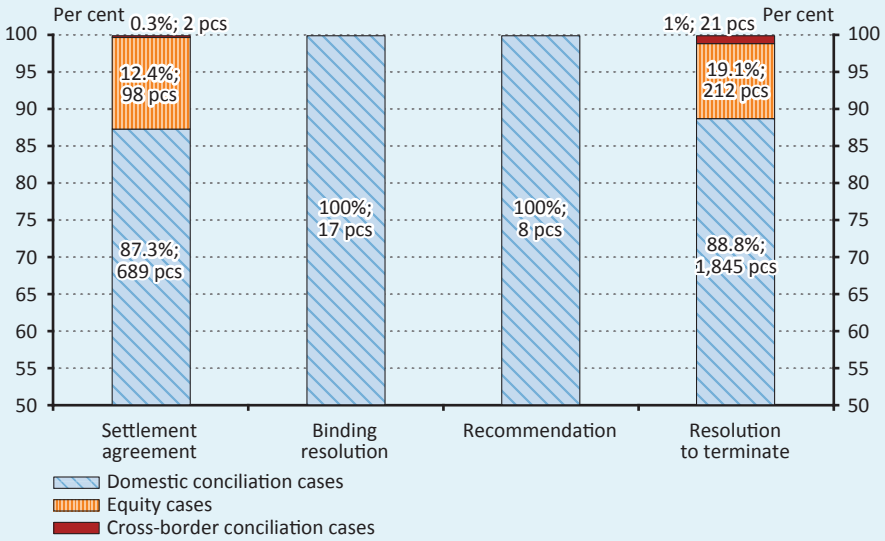
Of the 2,892 cases received and decided on the merits, 789 ended with a settlement, and 17 binding resolutions and 8 recommendations were made.

Chart 20
Outcome of cases closed on the merits

Outcomes of closed cases	Number of cases (pcs)	Proportion
Agreement	789	**27.28%**
Binding resolution	17	**0.59%**
Recommendation	8	**0.28%**
Resolution to terminate	2,078	**71.85%**
Total	**2,892**	**100.00%**

Binding resolutions and recommendations were made in domestic conciliation cases only. 98 equity cases and 2 cross-border cases ended with settlements.

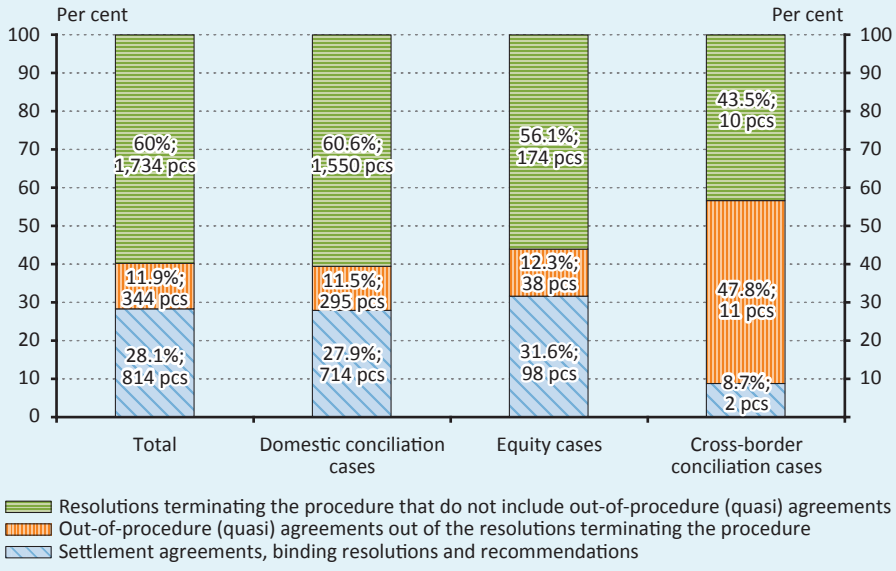
Chart 21
Case type ratios in resolutions on the merits



Settlements Approved by a Resolution and Out-of-procedure (quasi) Settlements

The ratio of cases with a positive outcome for the petitioners – agreements approved by the Board, binding resolutions and recommendations, cases that formally ended with termination but in fact closed with an agreement between the parties out-of-procedure (quasi settlements) – was 39.4 percent in domestic conciliation cases, 43.9 percent in equity cases and 56.5 percent in cross-border cases, accounting for 40 percent of all the cases.

Chart 22
Outcome of the cases judged on the merits, by case type



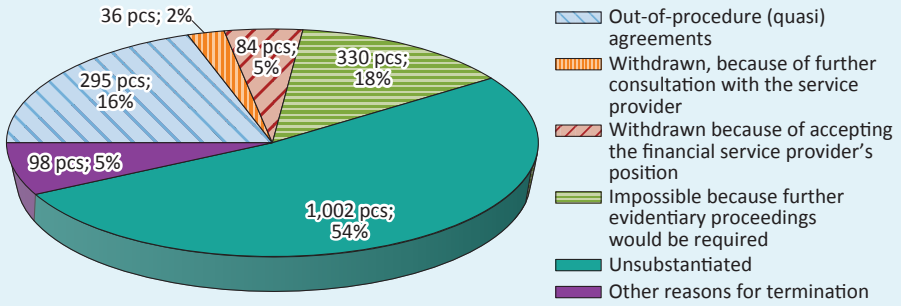
In 820 cases, financial service providers were required to comply with their statutory obligation to report to the MNB on the fulfilment or non-fulfilment of their obligations set out in the settlement agreement. The fulfilment of the settlement agreement was confirmed – upon or without a call – in 810 cases. Feedback shows that 99 percent of the settlement agreements were implemented.

Resolutions to Terminate

2,078 cases were closed with a resolution to terminate. Out-of-procedure (quasi) settlement was reached in 344 cases, of which 295 were domestic conciliation cases, 38 equity cases and 11 concerned cross-border services.

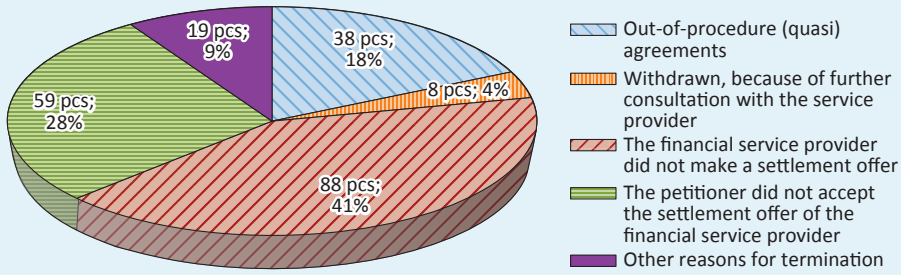
The reasons for termination in the domestic conciliation cases were the following:

Chart 23
Reasons for termination in domestic conciliation cases



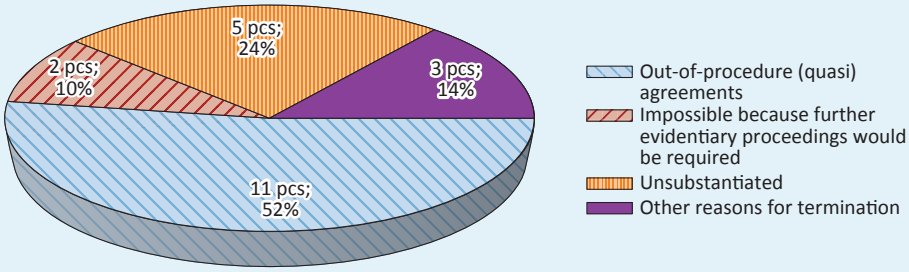
As a result of the proceedings in equity cases, 18 percent of termination resolutions were closed with an out-of-procedure (quasi) agreement. In 41 percent of the terminated procedures, the provider did not make an offer in response to the petitioner's request to exercise fairness, and in 28 percent of the cases the settlement offer made by the provider was not accepted by the petitioner.

Chart 24
Grounds for termination in equity cases



In 21 cross-border cases a resolution to terminate was issued; the majority of these cases were settled by an out-of-procedure agreement.

Chart 25
Grounds for termination in cross-border cases

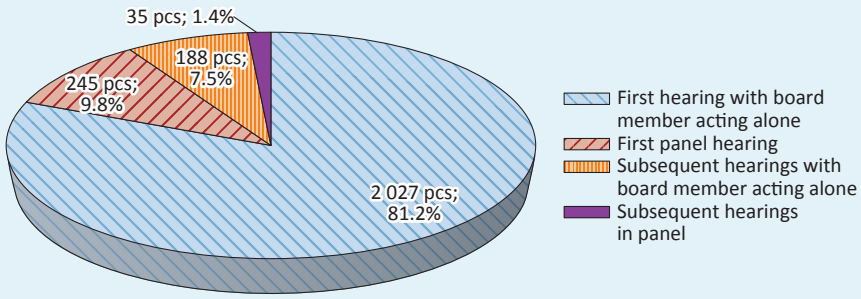


8 NUMBER OF HEARINGS, AVERAGE LENGTH OF PROCEEDING

Number of Hearings Held

The Board scheduled 3,085 hearings, of which 590 were not held because a party requested a postponement, or an agreement was reached before the hearing, or the request was withdrawn. Of the 2,495 hearings held, 223 were continuation hearings.

Chart 26
Distribution of hearings by type

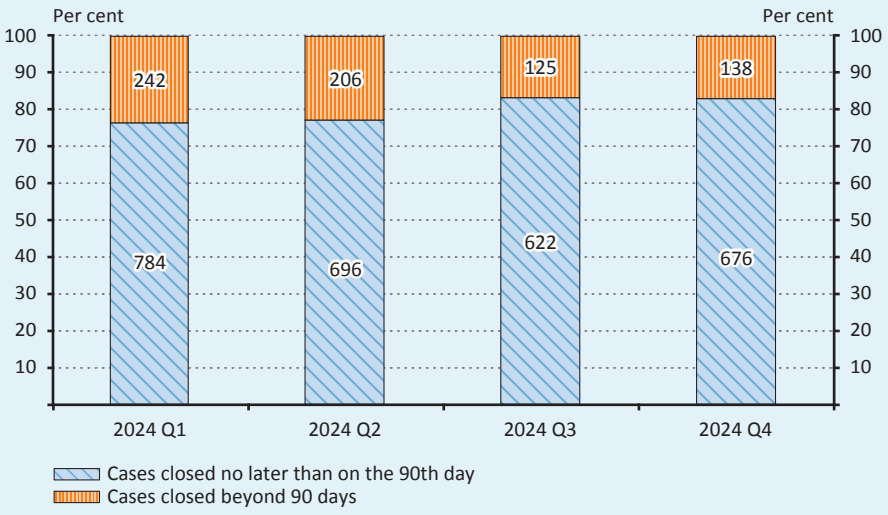


Length and Speed of the Proceedings

The Board strives to deal with each case as quickly as possible, always adhering to the 90-day deadline for proceeding. The MNB Act requires that a decision must be made within 8 days of receiving a petition regarding whether the Board has competence in the case and whether the petition is complete, i.e. suitable for a hearing on the merits. Under the MNB Act, the first hearing must be scheduled within 75 days of admission. In 2024 there were 74 cases in which the first hearing was held after 66 or more days.

The MNB Act sets the procedural time limit at 90 days, which may be extended once by 30 days in domestic conciliation and equity cases, resulting in a total of 120 days. The percentage of cases closed after 90 days was 20.4 percent in domestic conciliation and equity cases.

Chart 27
Domestic conciliation and equity cases closed in 90 days and within the 30-day extended deadline, per quarter



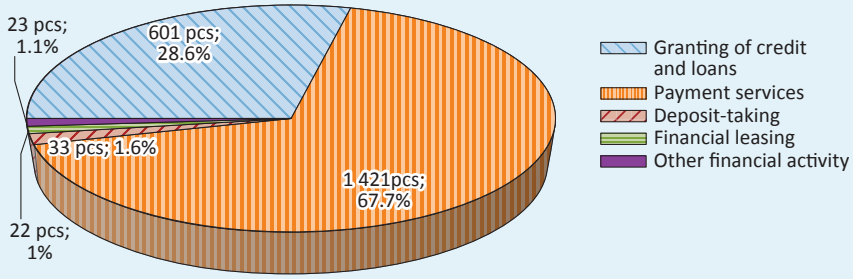
The annual average length of proceedings was 71 days in domestic conciliation cases, 69 days in equity cases and 67 days in cross-border cases.

III Cases by Sector

A) DISPUTES RELATING TO FINANCIAL MARKET SERVICES

Nearly two thirds of all new petitions (2,101 cases) concerned legal disputes over the services of a financial market operator. 96.3 percent of petitions in financial market cases concerned payment services (especially cybersecurity acts) and the granting of credit and loans.

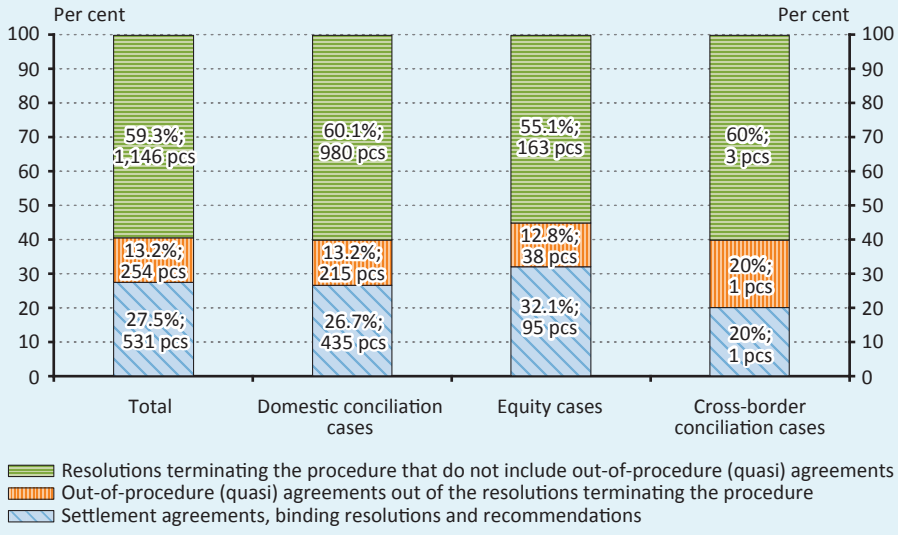
Chart 28
New petitions concerning the financial market



Of the 2,101 newly received and 585 carried-over financial market cases, the Board closed 2,280 cases, of which 349 petitions were rejected without a hearing, due to the lack of competence, procedural impediment or failure to comply with the deficiency letter.

In 26 percent of the 1,931 petitions judged on the merits, i.e. in 508 cases, the parties concluded a settlement agreement, while in 15 cases a binding resolution and in 8 cases a recommendation was issued. In an additional 254 cases the parties made a settlement agreement out of proceedings, or the financial service providers, revising their former positions, voluntarily fulfilled the petitioner's request (quasi settlement). Overall, 41 percent of the cases concerning the financial market ended with a positive result for the petitioners.

Chart 29
Financial market cases closed after admission, in total and by case type

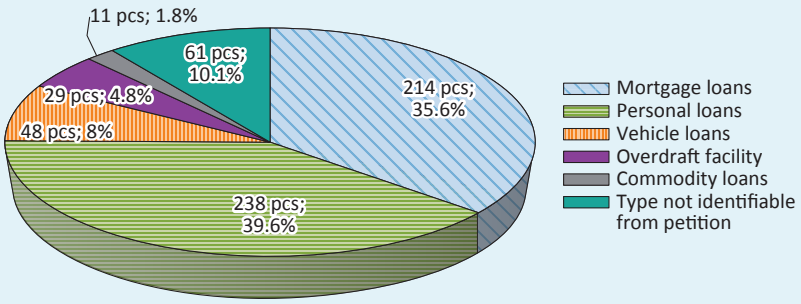


The chart below shows the distribution of cases closed after admission per decision type, showing both the financial market cases overall and the individual case types.

1 THE GRANTING OF CREDIT AND LOANS

Nearly a third of new financial market cases concerned the granting of credit and loans. Two thirds of these 601 new petitions were on the subject of mortgage loans and personal loans.

Chart 30
New petitions concerning credit and loan transactions



Of the 601 newly received petitions and the 156 cases carried over from the previous year, the Board closed 655 cases concerning the granting of credit and loans. Among the cases judged on the merits, there were 133 settlement agreements approved with a resolution, which is equal to 20 percent. A binding resolution was issued in 1 case; no recommendations were issued. In a further 122 cases, the parties reached an agreement out of the proceeding (quasi settlement). The proportion of cases that were favourable to petitioners totalled 54 percent.

1.1 Mortgage Loans

In the majority of the mortgage proceedings initiated, petitioners disputed the existence or a certain element of the debt. Whether it is the amount of the overdue debt or the interest charged, it is particularly important in these cases that the parties agree on the disputed items, even provision by provision.

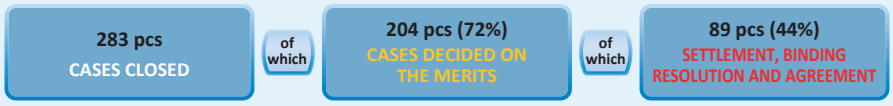
As a result of the conciliation, the parties would often jointly request the termination of the proceedings. A small number of proceedings continued to be initiated concerning the moratorium, mainly the debt accumulated during its period. Sometimes the moratorium debt prevented the final repayment process itself, as the bank's debt certificate did not include the accumulated moratorium debt, so the final repayment could not take place.

In addition to inadequate information provision, petitioners initiated several Board proceedings because of the prepayment charge and the lengthy prepayment process. In almost all these cases, the parties have managed to settle their disputes. The use of the interest rate cap or the lack thereof also led to disputes, as did the collection of payment instalments. Some consumers turned to the Board not because of their specific debts but to request the issuing of various documents (most often the bank's consent to cancelling a mortgage registration).

Cases related to state-subsidised mortgages typically concerned interest rate subsidies or their repayment, and debt reconciliation.

Given that mortgage contracts are secured by a mortgage registered on the collateral property, the Board advises consumers to take steps to resolve any problems as soon as possible rather than waiting for months, which would make it much more difficult to resolve any legal dispute. Consumers are advised to be particularly careful when making the final repayment of a loan, whether early or at the end of its term.

Chart 31
Outcome of mortgage loan cases closed



1.2 Personal Loans

Among consumer credit product cases, personal loans featured the most frequently. The majority of the general proceedings were brought against the creditor financial service providers, while debt management companies were the petitioned service providers in the majority of equity proceedings.

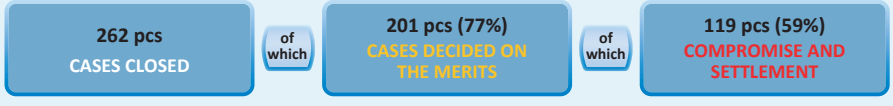
During the procedure, consumers mostly contested the amount of the claim and asked for its partial or total waiver. The experience from disputes over final repayment suggests that, often, the petitioner would intend to but fail to make a final repayment because even though they had paid to the bank the amount indicated as outstanding in the debt certificate, they failed to pay the final repayment charge or did not make a final repayment declaration.

The Board reminds consumers that
– there is typically a fee for the final repayment, which is paid at the same time as making the final repayment;
– successful final repayment requires the submission of a written declaration of the final repayment;
– it is always worth monitoring the final repayment process and keeping the certificate of completion of the transaction;
– consumers who know at the time of signing the contract that they intend to repay the loan within a short period of time but still want to take out a longer-term contract should find out in advance the exact conditions for withdrawal from, and cancellation of, the contract.

A significant number of consumers initiated equity procedures for personal loans. In these procedures, petitioners requested payment relief on the basis of their financial situation, health, personal or family circumstances. In many cases, the service providers appreciated the request of the petitioners, so that most of the procedures ended favourably for the customers. In a number of cases, service providers met some or all of the petitioners' requests without entering into a settlement agreement. If, during the conciliation before the Board, it became necessary to obtain additional information, data or statements from third parties, the parties jointly requested the termination of the procedure and undertook to continue the conciliation outside the procedure.

The Board reminds consumers to contact their financial service provider as soon as possible if they experience payment difficulties, as delays can add to the financial burden they are already facing. Before entering into a contract, it is worth reviewing and considering all the essential elements of the transaction, in particular the payment terms, and the withdrawal and cancellation conditions.

Chart 32
Outcomes of personal loan cases closed

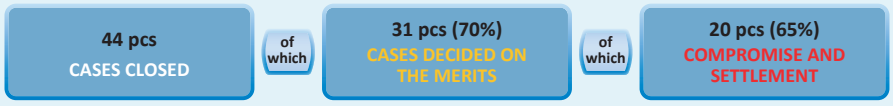


1.3 Vehicle Loans

In all but a few of the petitions concerning vehicle purchase loan transactions, the petitioners requested the Board to act on the grounds that the claim served on them was time-barred. The vast majority of the claims against petitioners were no longer held by the original lender financial service providers but had been assigned to debt management companies. In these proceedings, the service providers showed great willingness to cooperate, so that the proceedings were concluded in favour of the consumers, either by a settlement approved by the Board or by an agreement between the parties outside the proceedings, resulting in the termination of the proceedings. In the latter cases, the reason for the termination of the proceedings was the fulfilment by the financial service provider of the request in the petition.

The Board reminds consumers that the likelihood of success in conciliation procedures is greatly enhanced if they attach documents in support of the request made in their petition. It is conducive to settlement if they make use of the possibility of personal consultations and attend Board hearings.

Chart 33
Outcomes of vehicle loan cases closed

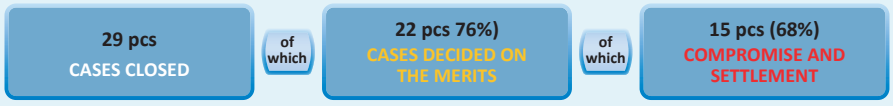


1.4 Overdraft Facility

The number of overdraft facility disputes was negligible. The majority of these proceedings were brought against the creditor banks, and a smaller number against the debt management companies. In their submissions, the petitioners typically challenged the amount of the debt, the enforceability of the claim on the grounds of statute of limitations, the legality of the assignment of the claim and the service provider's handling of the inherited debt. Most of the procedures produced positive outcomes for consumers.

The Board recommends that consumers regularly review the status, condition and balance of their overdrafts, carefully study their bank statements in order to avoid additional interest, charges and fees, and, if necessary, initiate a complaints procedure to correct any errors as soon as possible. They should be aware that, even if the overdraft facility is only partially drawn, the underlying bank account cannot be closed until the debt is repaid and settled.

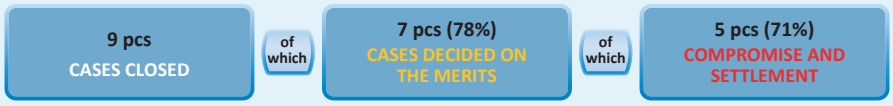
Chart 34
Outcome of overdraft facility cases closed



1.5 Commodity Loans

In cases concerning commodity loans, consumers (debtors, heirs) disputed the amount of the debt, its existence, in several cases the reversal of the requested loan amount, and the closure of the transaction after the correct accounting of the payments, and requested reimbursement of overpayments. In equity cases concerning commodity loans, the petitions concerned the forgiving of the debt or payment relief. Petitioners brought the equity proceedings against debt managers if the claim had been assigned to the latter. The procedures concerning commodity loans were concluded in favour of the petitioners, the parties to the procedures reached an agreement and the financial service providers complied with the requests in the petitions.

Chart 35
Outcome of commodity loan cases closed

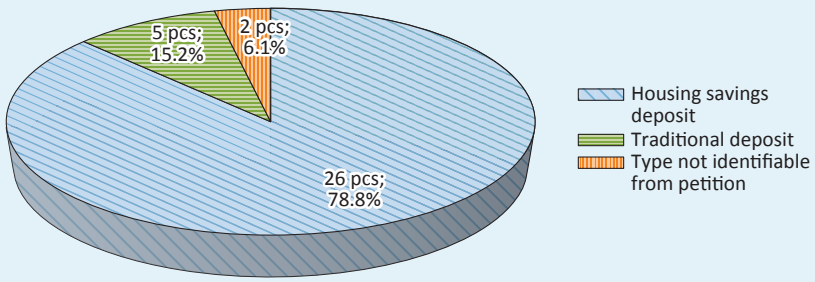


The Board reminds consumers to make their payments on their loans in compliance with the terms of their contract, having verified the contract number and the amount due.

2 SERVICES RELATED TO DEPOSIT-TAKING AND PAYMENTS

In 1.6 percent of the financial market cases, the petitioners complained about the service providers' activities related to **deposit-taking**. 78.8 percent of new petitions on deposit-taking concerned the housing savings deposit.

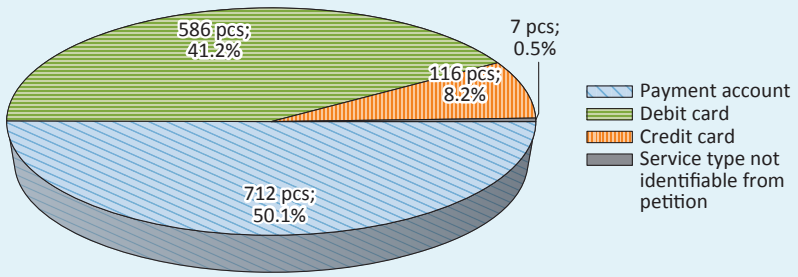
Chart 36
New petitions concerning deposit-taking



Of the 33 newly received petitions and the 12 cases carried over from the previous year, the Board closed 41 cases concerning deposit-taking. Among the cases decided on the merits, there were 9 settlement agreements approved by a resolution; one binding resolution was adopted. In 6 cases the proceedings were terminated because the parties reached an agreement outside the procedure. The proportion of cases that were favourable to petitioners thus totalled 44 percent.

67.7 percent of all new petitions concerning the financial market related to **payment services** due to the high number of petitions regarding infringements of cybersecurity. 91.3 percent of the 1,421 new petitions concerned payment accounts and debit cards.

Chart 37
New petitions concerning payment services



Of the 1,421 newly received petitions and the 408 cases carried over from the previous year, 1,535 cases concerning payment services were closed. Out of the 1,398 cases judged on the merits the number of settlement agreements approved with a resolution was 361, 13 binding resolutions and 8 recommendations were adopted, and in a further 118 cases the procedure was terminated due to the parties' agreement out of procedure (quasi settlement). The proportion of cases that were favourable to petitioners totalled 36 percent.

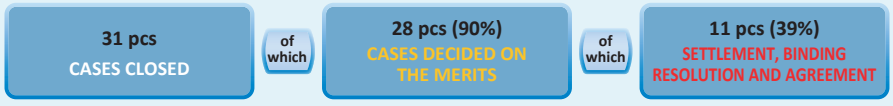
2.1 Deposit Services

Proceedings concerning traditional deposit contracts were brought in a few cases. In these proceedings, the petitioners contested the legality of the bank's opening of the deposit, complaining that they had been misinformed by the administrator about the earliest date that the deposit balance may be transferred without loss of interest. Accordingly, the petitions requested the crediting or payment of the principal amount of the deposit and the interest, a reimbursement of the fees, and the payment of compensation. In the majority of cases, the negotiations conducted with the help of the Board were successful and the parties settled their disputes amicably; in one case the petitioner accepted the financial service provider's position and withdrew the petition. In only two cases did the Board find that the petition was unfounded. There were no equity petitions in this case type.

The Board reminds consumers that they will be entitled to a crediting of interest on their fixed-term deposit only if they fully comply with the contractual terms and conditions.

A smaller number of consumers brought proceedings concerning housing savings contracts. The majority of the cases concerned using the savings for housing purposes and the related statutory obligation to provide proof. In particular, disputes concerned the refusal of the housing savings bank to accept the invoices submitted. A common problem was that petitioners failed to prove - in spite of the relevant requirement - that the savings had been used for housing purposes, therefore service providers took action to reclaim the unduly paid state aid. In such cases, the Board was able to consider the petitions on equity grounds, since the petitioners were liable to pay on the basis of a final order for payment. In some cases, home savers asked for a refund of the account opening fee and a cancellation of the contract, claiming that they had received incomplete or misleading information at the time of signing the contract. Some of the procedures concerning housing savings contracts concluded with a positive outcome, but in the majority of the cases the procedure was terminated because the petition was unfounded.

Chart 38
Outcomes of housing savings deposit cases closed



2.2 Payment Account

In a large number of the petitions on payment accounts concerned the amount of fees charged, discounts, account closure, dormant accounts, foreign currency transfers, official transfers, and beneficiary upon death and inheritance claims. These disputes showed the same typical characteristics as seen in previous years. However, the largest proportion of payment account cases during the year were again those concerning matters and breaches of cybersecurity.

The Board received several petitions regarding payment accounts terminated by the payment service provider with ordinary termination. If it found that the framework contract had been terminated lawfully, the Board ended the proceedings and agreement was possible only as regards the fees and costs related to the termination of the account.

In a specific subset of cases the dispute was over the termination of so-called 'dormant accounts'; in several of these cases the payment service provider reached an agreement with the consumer with reference to the notice and termination rules introduced in 2022.

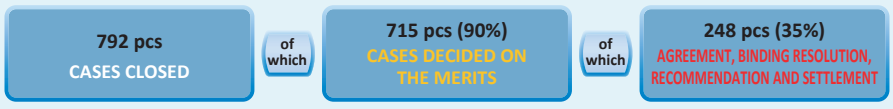
Several petitions concerning foreign currency transfers were received in which the dispute arose because a bank transfer into a foreign currency account had been made in an amount smaller than the amount originally sent. The difference was due to the fact that the correspondent bank involved in the international transfer converted the amount of the bank transfer into HUF and this amount was then converted back into the original currency when it was credited, so that the credited amount was lower due to the exchange rate difference. In all cases, these cases ended with a favourable outcome for the petitioner, and the difference was credited to their bank accounts.

Several disputes arose in which the currency of the transfer order given through an electronic channel differed from the currency of the bank account and the actual debit was made at an exchange rate different from the one displayed when the order was given. As these were not instant payments, however, the debit took place at a later date and the exchange rate used by the payment service provider was the one in force at that time; the exchange rate displayed when placing the order was only indicative.

A number of disputes arose over the payment of the balance of a deceased account holder's account or over the amount of the account debt. Different banks regulate the matters concerning the passing of an account holder differently, with some banks automatically terminating the account when told about the death of the account holder, while others requiring the heir to make a separate declaration to terminate the account.

The Board recommends that consumers and beneficiaries upon death who inherit funds on a bank account should notify the bank of the deceased as soon as possible of the death of the account holder and inform the acting notary public about which banks the deceased had a current account, a foreign currency account or a securities account with.

Chart 39
Outcomes of payment account cases closed



2.3 Debit and Credit Cards, ATM Use

Bank card disputes were mainly related to debit cards; the number of credit card petitions has decreased. The petitions related to charges, circumstances that prevented the use of the card, blocking, incorrect or multiple charges and card fraud.

Most of the fee disputes were settled by agreement between the parties, and the card-issuing banks often waived the disputed fees if it was established that the customer could not actually use the card for some reason (e.g. due to a mailing, activation or other technical problem). In cases concerning credit cards, petitioners disputed mainly the interest on their credit card debt, the late fees, and the monitoring fee on this service.

In disputes relating to cash withdrawals and cash deposits made through an automated teller machine (ATM), the petitioners mostly claimed that the amount requested was not dispensed by the ATM or not dispensed in full, and that the amount charged by the account servicing bank for the cash withdrawal was different from the amount actually dispensed. In these disputes, where no discrepancy could be identified on the basis of ATM system data (journal tape, audit log, system log, etc.), the Board terminated the proceedings. In several cases the review confirmed a technical problem with the ATM; these cases were settled by agreement between the parties.

A number of cases concerning contactless (NFC) ATMs were brought before the Board; these related to the fact that, on this new type of ATMs, transactions may continue to be made until the exit menu item is selected or the security time limit expires. In these cases, a person following after the customer would make a withdrawal of cash from the machine against the customer's account balance, or the opposite would happen, with the amount deposited by a customer being credited to the account of the customer who had previously used the machine. Unfortunately, in these cases, customers did not check whether the transaction had in fact been exited beforehand or afterwards.

The Board advises consumers that, each time they use a contactless ATM, they should ensure that they have successfully exited the account menu system on the ATM after the transaction; they should wait for a short time after completing a transaction and check carefully whether the exit has been successful.

Chart 40
Outcome of debit card cases closed

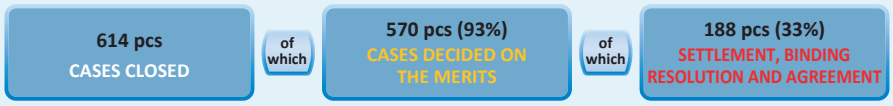
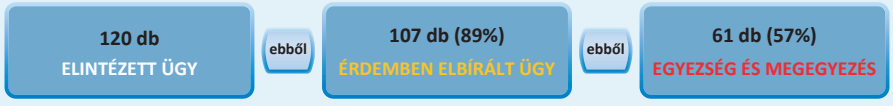


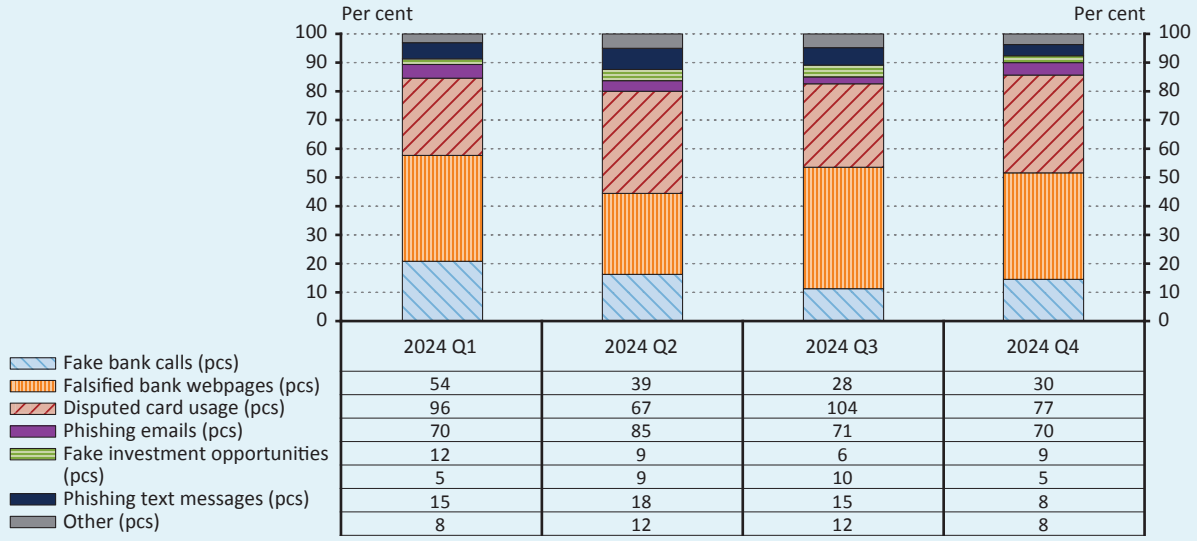
Chart 41
Outcome of credit card cases closed



2.4 Cybersecurity Cases

29.2 percent of new petitions concerned cybersecurity. No new type of fraud or offence emerged in the proceedings before the Board.

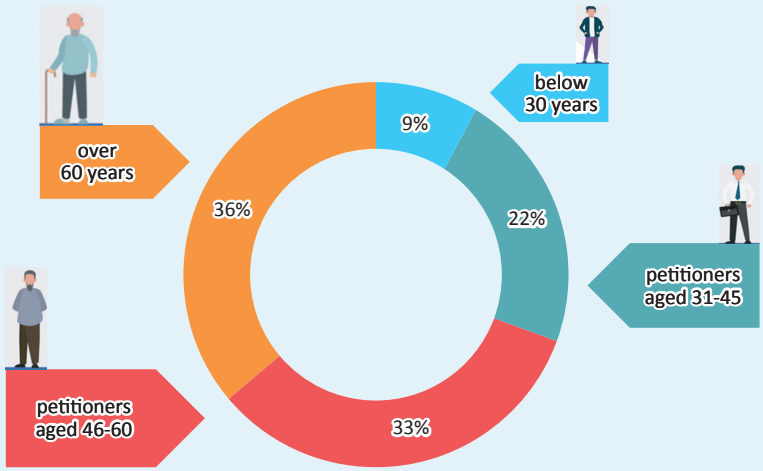
Chart 42
Distribution of new cybersecurity petitions by perpetration method



	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Fake bank calls (pcs)	54	39	28	30
Falsified bank webpages (pcs)	96	67	104	77
Disputed card usage (pcs)	70	85	71	70
Phishing emails (pcs)	12	9	6	9
Fake investment opportunities (pcs)	5	9	10	5
Phishing text messages (pcs)	15	18	15	8
Other (pcs)	8	12	12	8

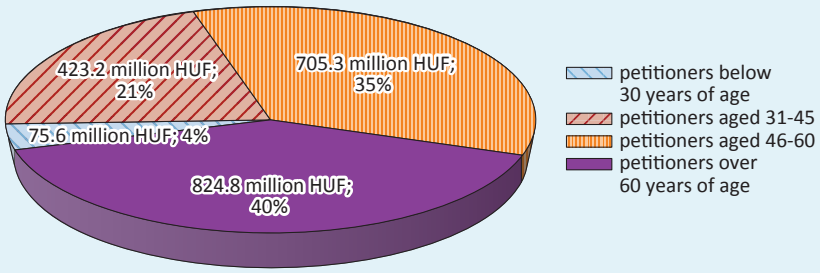
In the cases brought before the Board, the most vulnerable age group was the over 60s.

Chart 43
Age groups concerned in new petitions on cybersecurity



These fraud events caused significant damage to the customers. In the cybersecurity cases closed, petitioners asked financial service providers for reimbursement totalling **HUF 2.4 billion.** Overall, the greatest damage was suffered by people aged over 60, but the amount claimed by petitioners aged between 46 and 60 is also high. Informing and educating consumers therefore remains a very important tool of prevention.

Chart 44
Amount requested, by age group



Online Product Sales

Consumers have suffered significant harm from online sales of products where fraudsters took advantage of the fact that the sellers of the advertised products sought to sell quickly, preferably at a set price, and the opportunity to sell successfully and quickly overrode the need for caution and prudence. Online product sales were linked to all the popular online advertising platforms. The pattern of fraud remained similar to that seen in previous years. Interest would be forthcoming almost immediately after an item was advertised for sale, often, there would be several potential buyers, sometimes with foreign names. The potential buyers wanted to purchase the product almost immediately, without bargaining, and offered the seller the use of a courier service (Foxpost, GLS, etc.) so that they could pay for the product and have it delivered. During the process, the fraudsters regularly pressured the sellers, often contacting them via text messages and urging them to complete the sale, claiming that they had already paid the purchase price. A common feature of these exchanges was an alternation between formal and informal language, and sentences in which the fraudsters emphasised the safe nature of the process*: 'We represent a large company and we don't steal money from our users...'* or '*We want to help and facilitate the refund process, not scam you...'* etc.

To confirm receipt of the money and complete the purchase, the fraudsters sent a link to the unsuspecting seller via chat or email. When clicking on the link, the sellers would find a platform that was deceptively similar to the real website in terms of design and imagery, and from there they were directed to a bank selector page displaying the logos of several Hungarian banks. After selecting the logo of the account servicing bank, the seller would see a page similar to the account servicing bank's internet banking page appear. It was on this page that the instructions appeared, which the unsuspecting victims then unfortunately followed. They attempted to log in to their internet bank, entered the usernames and passwords used for logging in to their internet banking, along with the codes received by text message, which is necessary for confirming various operations, such as the registration of a mobile application, modifying a limit etc.; unfortunately, they also revealed their card information. The fraudsters were able to use the data collected in this way to successfully complete a mobile app registration process. With the mobile app registration completed, they were able to make transfers, approve bankcard transactions and even change limits when needed. When changing the limit, only the total balance on the defrauded customer's account represented a constraint. It is no coincidence that the objective in this type of fraud was the registration of a new mobile application, which may be used to perform countless operations.

It was revealed in the Board's proceedings that consumers went through the above rather complicated process without thinking it through, taking it for granted that this was the only way to get payment for their product. They only became suspicious when the first payment transaction not authorised by them was made.

Fake Bank Calls (vishing)

This type of fraud has been harming consumers for several years. The fraudsters would contact customers by phone mostly citing an unusual transaction and as the customers were unable to identify or confirm these transactions (not surprisingly, since they did not even exist), the caller immediately informed the customer that their account had been attacked by unauthorised persons. To counteract the attack and protect the account, the callers used the professional-

sounding expression '*bank security protocol*' and cited various reasons ('virus protection', 'cleaning', 'account protection software', etc.) to persuade the customers to download some software. The customers then installed this software, most often the application called AnyDesk, on their computer and/or phone. The downloaded program provided remote access, which allowed the fraudsters to remotely perform any and all the operations on the customer's device that the customer could perform. The victims received various instructions from their caller. It was typical for fraudsters to transfer the calls, apparently to different banking departments, in order to create the appearance of authenticity. The customers were instructed to log into their online bank and either read out the transfer authorisation codes they received by text message over the phone or to enter them on the fraudsters' platform. The latter was used when, to reassure the customer and dispel their doubts, the fraudsters told them that they would never ask for a code over the phone. Fraudsters often asked the customers enter the payment transactions and then used their remote access to complete and execute the transactions themselves. After revealing the payment authorisation code, victims would notice the decrease in their account balance but accepted the fraudsters' explanation that this was part of the bank's protocol and that their money was in a 'safe account' guaranteed by the bank. The result of all this, however, was that the balance of their account was completely wiped out.

A common feature of fake bank calls was that they were long, the callers were insistent, and customers often had to speak to several people. It was also not uncommon for persons to be contacted about an unusual transaction by entities other than their account servicing bank. In such cases, the fraudsters said that they would connect the call directly to the customer's bank. Sometimes during such phone calls the fraudsters would say that these operations had to be carried out because the bank and the police were working on a hot lead to catch perpetrators. The fraudsters were familiar with banking jargon and even used the names of real bank employees, as many profiles are available online. They were also able to ensure that the phone number displayed on the consumer's phone would be the same or very similar to the phone number of the account servicing bank.

This fraud type caused significant damage, as through online banking access the fraudsters were able to tap into savings as well, including sub-accounts, fixed deposits, securities accounts, business accounts and even proxy accounts.

Fake Investments

The promise of the possibility of high returns on a small investment often led to payment account fraud. Advertisements for very attractive investments often appeared on social media, frequently using the names and images of famous people. In some cases, clients would be approached in connection with a previous investment dating from many years earlier, with the claim that the investment had generated a significant return and that the customer's help was needed for paying it. In each case, remote access or other software (Coinbase, etc.) was installed and used to show the results of the investment to the person concerned; these were not real data, however. The fraudsters said that, in order to manage the investment and pay out the returns, etc., they had to connect their system to the customers' internet bank, which required them to log in with active remote access. This gave fraudsters unlimited access to the payment account and an ability to initiate payment transactions. To approve payment transactions, they obtained the approval codes received by text message or convinced the victims to scan the required QR codes. It was not uncommon for victims' accounts to be used for moving funds generated from other fraud events. There were cases where personal loans were also taken out, adding to the damage. The fraudsters persuaded customers to take out a personal loan by claiming that the loan amount was needed to pay off the investment or to obtain additional and higher returns. However, the loan amount was also stolen, causing further significant damage and a difficult predicament as the bank could then be expected to collect its claim in the future.

Abuses of Mobile Payment Systems

In many cases, Apple Pay and Google Pay were used to carry out such fraud. A large number of these abuses involved phishing texts or email messages sent on behalf of a utilities provider, the postal service, or logistics and media service providers. Experience suggests that they may be linked to phone top-ups with two major mobile operators, or to points (discounts) redeemable on the mobile operators' websites. In both cases, clicking on the link in the message took the

user to a phishing interface where they were asked to make what appeared to be a bank card payment. To do this, they had to enter all their bank card details on the phishing site and then also the code they received by text message. But that code was not for authorising the payment but to register for Apple Pay or Google Pay. The victims did not notice this because they did not read the wording of the text message received; instead, out of habit and routine, they only paid attention to the code in it.

Once successfully registered, the fraudsters were able to make a number of payments using Apple Pay or Google Pay registered on their phones. The consumer no longer received a confirmation code by text message when the payment transactions were made using Apple Pay or Google Pay, as the payment and the confirmation of the payment were both made using the device.

What Should we Do? – Good Advice for All

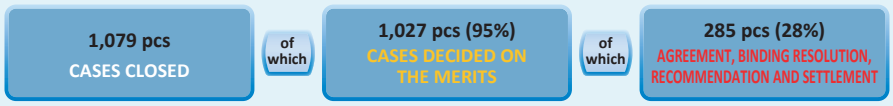
With fraud of this type, fraudsters clearly aim to obtain information from consumers that will allow them to access their payment accounts and make payments without the' account holder's consent. All such fraud had the same purpose, only the methods were different. As long as customers use their banking data in the way reasonably expected in that situation, with due care and attention, and keep them secure, they can prevent fraud, whatever its form.

Experience has shown that following a few important rules can go a long way towards preventing fraud. Remember that there is no better protection against fraud than prevention! Think of your data as a shield protecting your account. Each time you release that data, the shield is damaged.

1. ***Always be careful! You should take your time when carrying out banking transactions and read the messages you receive from the bank. If you read the messages, you will be able to detect fraud! Acting out of habit or in haste can incur you a loss!***
2. ***Whenever you receive a code from your bank, only use it if you are sure that it is really necessary for the operation you are performing!***
3. ***Always open your internet banking only on the official page specified by your bank; a link received from an unknown person by text message or email will probably take you to a phishing site!***
4. ***Always consider whether it is really necessary to provide the information requested by strangers on the website or otherwise. Remember that fraudsters are out to get as much banking data as possible! Whenever you are faced with a new or different method, it is worth stopping the operation and getting informed!***
5. ***Always refuse any requests to transfer money to an unknown account, in particular to a 'safe' account, or to download unknown software. In the event of fraud, banks will never ask you to download any software, and never ask you to disclose or reset your online banking login details, card details or codes.***

Out of the 1,027 cases decided on the merits, 229 (12.8%) were settled, with the parties agreeing to pay HUF 80 million (6.5%) of the HUF 2.38 billion claimed.

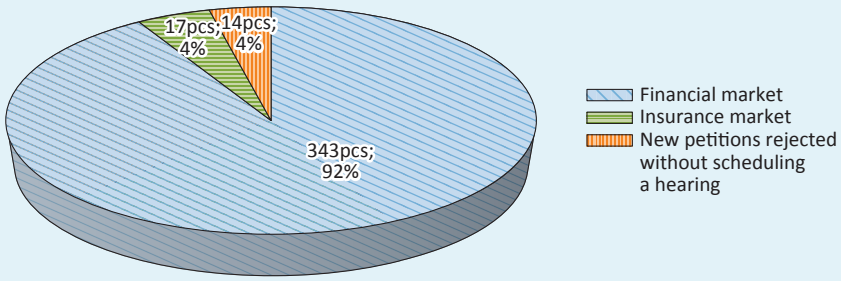
Chart 45
Outcomes of cybersecurity cases closed



3 EQUITY CASES

11.5 percent of all new requests were equity petitions, 92 percent of which related to financial market products.

Chart 46
New equity petitions by sector



There were no substantive changes in the equity cases concerning the forgiving of loan debt or the granting of easier repayment terms. In justified cases, such as serious health conditions, particularly difficult financial, family and other circumstances, financial service providers may offer significant discounts. The equity procedure can also be successful if, at the hearing, the petitioner understands and accepts the financial service provider's position and its negative response. Petitioners do not always understand the argumentation in the financial service providers' replies because it is written in technical language.

Equity petitions were successful in foreign exchange transfer disputes as well. As a result of the negotiations, the foreign financial intermediaries in these proceedings admitted their responsibility and paid the exchange rate difference to the petitioner.

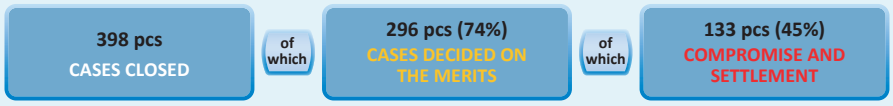
There were equity petitions concerning motor vehicle loans as well, in which the petitioners asked for partial or full debt relief, payment relief or instalment payments, a reduction in the interest rate on the debt or a complete waiver of interest. Service providers were extremely cooperative in the equity procedures related to vehicle loans as well and managed the cases with the requisite empathy. In the majority of the cases the parties reached a settlement, while in the remaining cases the procedure was terminated because the service provider had complied with the request.

In equity cases relating to overdrafts, consumers requested debt relief, the termination of enforcement proceedings and payment by instalment in view of their personal or financial problems and adverse changes in their living conditions. Most of the procedures produced positive outcomes for consumers.

Unfortunately, there was also an increase in the number of equity petitions in connection with legal disputes arising from payment account fraud. These are not usually launched as equity proceedings, but it is common for consumers to only understand what truly happened and perhaps admit or acknowledge their own fault, so at the hearing they then ask the financial service provider for full or partial compensation for their losses on an equity basis. It was rarer for these cases to result in settlement than in other types of equity cases. There are significant differences between service providers in terms of their willingness to settle on an equity basis and also in the level of reimbursement. Full reimbursement occurs for smaller defrauded amounts, while for larger amounts, only a certain percentage of the damage is reimbursed.

The Board reminds consumers to avoid fraud by staying up-to-date on fraud methods, collecting information from their banks' websites and other sources and by following the related awareness-raising alerts. They should not rely on the financial service provider to exercise fairness in a critical case and in particular should not expect to be compensated for their full loss on an equity basis.

Chart 47
Outcomes of financial market equity cases closed



4 CASES AGAINST DEBT MANAGEMENT COMPANIES

11.4 percent of new petitions (372 cases) involved financial enterprises engaged in debt purchase and debt management and concerned financial market products. 56 percent of the petitions were equity cases and 44 percent were domestic conciliation cases.

Consumers initiated proceedings against debt management companies mainly for debts arising from personal loan contracts, mortgage loans, overdrafts, commodity loan and credit card contracts, and in some cases car loans and payment account contracts. In these cases, the petitioners repeatedly invoked the statute of limitations for the claims served on them. The vast majority of the cases in which the service provider could not provide documentary evidence that it had taken action to interrupt the limitation period ended in favour of the petitioners. In several cases, the debt manager closed the registered claim as soon as it received the petition, so the procedure was terminated without a hearing due to the withdrawal of the petition. In a number of cases, the financial service provider failed to close the claim even though it admitted in the proceedings before the Board that the claim was time-barred. In such cases, it argued that while a time-barred claim cannot be enforced in court, it does not expire.

In the conciliation cases, the petitioners contested the amount of the debt on record and even the existence of the debt, while in the equity cases they requested debt cancellation and payment relief on the grounds of payment difficulties. Several procedures resulted in settlements where it was agreed that the financial service provider would consider the claim settled in the event of the payment of a lower lump sum or a smaller number of instalments than the original claim.

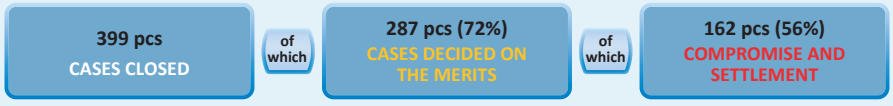
The majority of debt management companies continued to be cooperative. Some of the procedures were terminated following the withdrawal of the request or at the joint request of the parties, either because the financial service provider complied with the request or because the parties continued to negotiate outside the procedure and finally reached an agreement.

The Board advises consumers to keep track of their debts and regularly consult with the debt management companies concerning their debts. When contacting them, they should try to document the substance of their discussions to enable verification at a later date. Many misunderstandings can be avoided if the parties cooperate and inform each other properly of the relevant circumstances. Before initiating proceedings before the Board, it is advisable for the consumer to consider, and confirm to the debt management company, what payment facilitation arrangement they would consider as a feasible and realistic solution based on their financial circumstances, as this would facilitate a settlement.

In order to reach an agreement, personal consultations between the parties in proceedings before the Board and the active participation of the petitioner are still recommended.

If necessary, consumers should ask for help from the Magyar Nemzeti Bank Customer Service ***or the staff of the MNB's*** Financial Navigator Advisory Office Network***.***

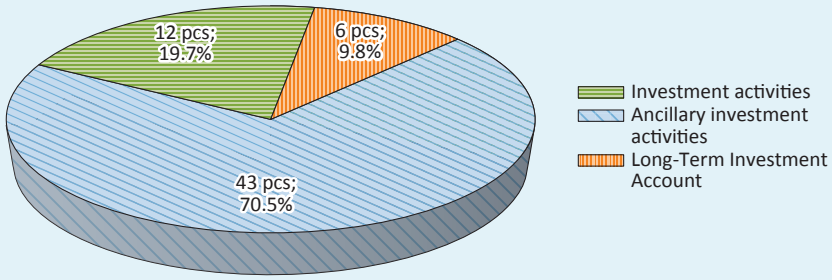
Chart 48
Outcome of closed financial market cases against debt management companies



B) DISPUTES RELATING TO CAPITAL MARKET SERVICES

1.9 percent of all new petitions (61 cases) concerned legal disputes over the services of a capital market operator. In 70.5 percent of capital market cases, the petition concerned an investment activity/product.

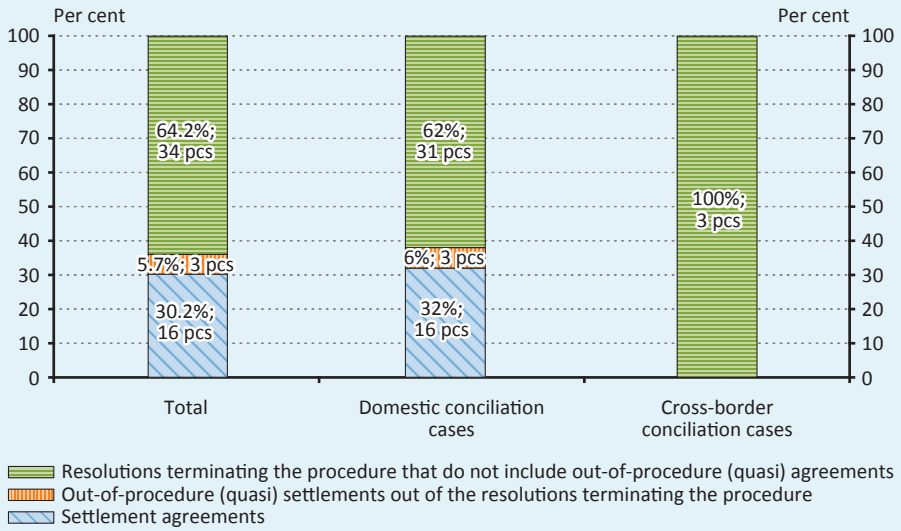
Chart 49
New capital market petitions



Of the 61 newly received capital market cases plus 13 cases carried over from the previous year, the Board closed 68 cases, of which 15 petitions were rejected without a hearing, due to the lack of competence, procedural impediment or failure to comply with the call for supplementation. In 30 percent of the 53 petitions judged on the merits, i.e. in 16 cases, the parties concluded a settlement agreement, no binding resolutions or recommendations were issued. In an additional 3 cases the parties made a settlement agreement out of proceedings, or the investment service providers, revising their former positions, voluntarily fulfilled the petitioner's request. Overall, 36 percent of the cases concerning the capital market ended with a positive result for the petitioners.

The chart below shows the distribution of capital market cases closed after a judgement on the merits per outcome, including the individual case types.

Chart 50
Capital market cases closed after admission, in total and by case type



In the area of *investment activities*, legal disputes brought concerning the execution of orders were predicated on the petitioners' view that the investment service providers had acted not in accordance with their orders and that they therefore incurred a loss or missed out on profits. Among the disputes related to orders, some petitioners disputed the accuracy of the data displayed by the trading platform operated by the investment service provider when placing the order.

The legal disputes on *investment advisory services* were mostly based on the petitioners claiming that employees of their investment service providers had not provided them with comprehensive information and descriptions that would have allowed them to properly understand the risks of the investment instruments and that they incurred losses as a result of their investment decisions made in such a context. Often, the consumers and the financial service providers did not have in place an investment advisory agreement in respect of the acceptance of the particular orders, yet the consumers assume that the employee of the service provider was giving investment advice or that the investment service provider was accepting liability for the quality of investment advice. It was possible in most of the cases of actual advice to clarify the facts of the case, the details of the orders and the fact and content of investment advice; there were several cases, however, when it was impossible to reconstruct the conversations between the employee of the investment service provider and the consumer prior to the investment decision. In these cases, the Board could only take into account the documentary evidence available, which generally demonstrated that the necessary information had been provided to consumers.

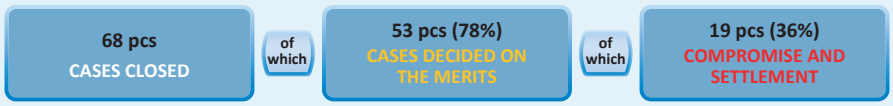
In cases initiated in connection with *the provision of ancillary services*, disputes arose in relation to the maintenance and closing of securities accounts, the costs incurred and the inheritance of securities held in securities accounts.

In the cases concerning *long-term investment accounts (TBSZ accounts),* the disputed matters concerned the eligibility conditions for the tax relief, the definition of base year, and the information provided on these.

The disputes concerning *pension savings accounts (NYESZ-R*) were also related to tax issues. In these cases, disputes would arise because the client requested a payment from the account in a way that did not meet the conditions for a tax-free payment under the tax law. As a result, the taxpayer had to pay interest tax and social contributions, and also had to repay to the tax authorities the amount of the tax refund previously credited, plus twenty percent.

For clients who use investment services or ancillary services, it is of the utmost importance that they study in detail the provisions of the contracts they conclude and the general terms and conditions that constitute a part of such contracts. It is on the basis of these provisions that the question of the parties' liability (e.g. liability for advice) and the framework for the assumption of risk can be decided.

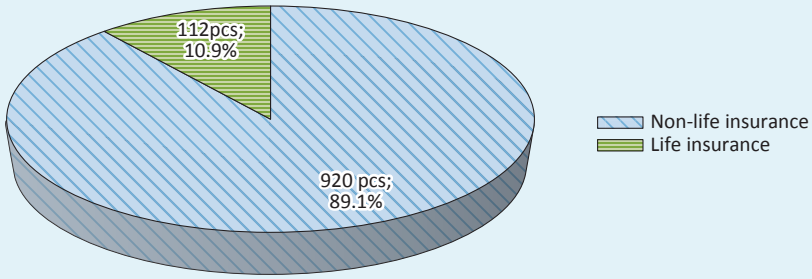
Chart 51
Outcome of capital market cases closed



C) DISPUTES CONCERNING INSURANCE SERVICES

31.7 percent of all new petitions (1,032 cases) concerned legal disputes over the services of an insurance market operator. Non-life insurance products represented 89.1 percent of insurance market cases.

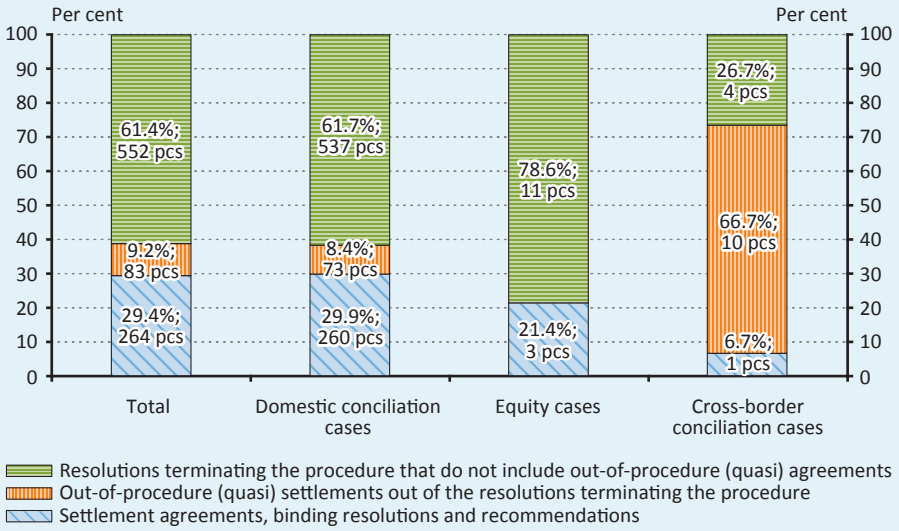
Chart 52
New cases concerning the insurance market



Of the newly received 1,032 insurance market cases plus the 243 cases carried over from the previous year, the Board closed 1.076 cases, of which 177 petitions were rejected without a hearing, due to the lack of competence, procedural impediment or failure to comply with the call for supplementation. The parties settled in 29.1 percent of the 899 cases judged on the merits (262 cases), and two binding resolutions were adopted. In an additional 83 cases the parties agreed to an out-of-proceeding settlement, or the financial service provider, revising its former position, voluntarily decided to fulfil the petitioner's request. These cases were terminated at the joint request of the parties or unilaterally by the petitioner, but the petitioner's claim was nevertheless settled satisfactorily. 39 percent of the proceedings based on petitions accepted were closed with a positive outcome for the petitioner.

The chart below shows the distribution of insurance cases closed after a judgement on the merits per outcome, including the individual case types.

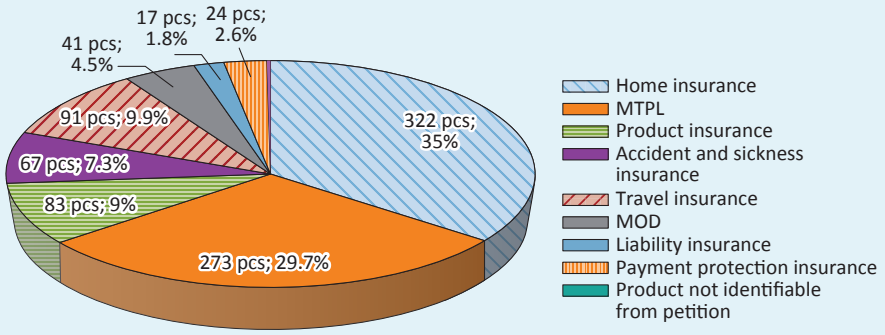
Chart 53
Insurance cases closed after admission, in total and by case type



1 NON-LIFE INSURANCE CASES

Two thirds of the 920 petitions in cases related to the non-life insurance branch continued to be petitions related to fire and other damage to property (home insurance) and compulsory motor third-party liability insurance.

Chart 54
New petitions concerning non-life insurance



The 962 non-life insurance cases closed included 217 cases where the petition had been received in 2023. Among the 804 cases judged on the merits, there were 250 settlement agreements approved with a resolution, in addition to which 2 binding resolutions were issued. In a further 77 cases the proceedings were terminated, because the parties reached an agreement outside the procedure. The proportion of cases that were favourable to petitioners thus totalled 41 percent.

1.1 Home Insurance

Disputes concerning home insurance contracts were mainly related to storm, downpour, hail and other damage caused by natural hazards, water pipe damage, fire and explosions, and, in some cases, burglary. In the majority of cases, the subject of the dispute was whether we could talk about such an insurance event which is covered by the financial service provider's risk assumption, and the on-site injury picture confirms the occurrence of the reported insurance event, whether such conditions prevail that exclude performance by the insurer, whether the damage amount is verified.

In the proceedings, reconciliation aimed at a comprehensive exploration of the facts related to the incurred claims ended with a positive outcome in a large number of cases, as a result of which the insurance undertakings often modified their position formulated during the claim settlement proceedings concerning the legal basis or the amount of the insurance benefit. In many cases, however, extensive expert evidence would have been needed to resolve the disputes, which was not possible in the Board's procedure, so the only remaining option was to terminate the procedure.

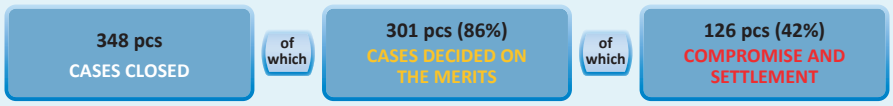
Many of the disputes were due to the dramatic increases in the price of building materials and contractor fees in the construction industry in recent years. In several cases, this process caused the property to become under-insured, despite the annual indexation; when the damage occurred, the sum insured did not cover the actual cost of repair and the insurer compensated the damage based on a ratio of the sum insured to the value of the property (on a pro rata basis). Similar results were reached in cases where the insurer considered excessive the amount of the invoice reflecting the significantly increased costs of materials and labour due to the shortage of contractors and set the cost of restoration at a significantly lower amount than the invoice.

Several disputes arose in connection with the cancellations during the March 2024 home insurance campaign. In some of the disputes, the insurer did not accept the customer's cancellation because it was late or the contract was in arrears. In several petitions, customers complained that the insurer had obliged them to repay the discount when they cancelled an insurance policy taken out with a term discount. Petitioners were often unaware that, in the absence of a specific statement, the agreement on the term discount would automatically renew for a significant proportion of contracts. Unfortunately, the willingness of insurers to settle these cases was very low.

The Board advises consumers to keep a constant eye on the amount of insurance they have for each group of their assets and to request changing the sum insured in the light of any increase in assets, value-adding capital expenditure or changes in the cost of rebuilding.

It also recommends that consumers should document themselves the details and the extent of the damage and the conditions prevailing before the necessary remedial work is started, in order to avoid possible difficulties in proving the damage.

Chart 55
Outcomes of home insurance cases closed



1.2 Motor Insurance

As in previous years, the petitions submitted in relation to *compulsory motor third-party liability insurance* still mostly concerned the non-coverage premium for the uncovered period as defined in the Act on compulsory motor third-party liability insurance, the bonus-malus classification, the change in the premium tariff and the claims for compensation submitted by the injured parties involved in the loss caused by motor vehicles.

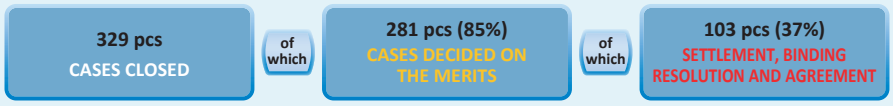
In a significant number of cases still related to non-coverage premium, the reasons for the termination of contracts on the grounds of a failure to pay the premium included incomplete or incorrect contact data (email address, correspondence address) provided by consumers or a lack of understanding the consequences of opting for electronic communication. In order to be eligible for lower premiums, even consumers who normally did not regularly check their client accounts or email gave consent to the insurer to send their policy documents to their client accounts or by email, and thus they were not informed of premium increases, premium payment notices and cancellations, which ultimately resulted in lack of coverage.

In petitions on claims for damages by victims of damage caused by vehicles, the subject of the dispute was the claim causer's liability for damages and the extent of the damage caused. Due to the difficulties of subsequent proof, a settlement agreement was reached in those cases where the damage and the scene of the damage were accurately recorded. There were several cases where a camera mounted on a building or the on-board camera of the vehicle involved in the damage or the vehicle behind it recorded the damage, which often led insurers to change their position in the settlement of claims. In many cases, the extent of the damage, the cost of repair or – in the case of financial total loss – the value of the vehicle at the time of the damage, the salvage value and its amount were the subject of the dispute. In such disputes, the results achieved were based on market research, expert opinions, repair quotations, itemised repair invoices and a detailed reconciliation of these.

In *casco insurance* cases, disputes generally arose due to significant increases in premiums or drastic price increases in the cost of repairing breakages, most of which were resolved by detailed negotiation of the repair items.

The Board advises consumers to pay particular attention to documenting the scene of the accident and the damage caused in road traffic accidents where no police action is taken, for example by taking photographs with a smartphone, or providing a sketch and description in sufficient detail on the accident report form. In legal disputes, such evidence can be particularly important, even decisive.

Chart 56
Outcomes of motor insurance cases closed

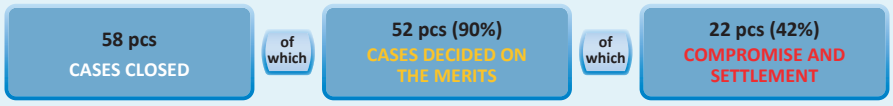


1.3 Accident and Sickness Insurance

In petitions concerning accident and sickness insurances, the subject of the dispute included the accident nature of the death or disability, the extent of disability (decreased capacity to work) or the existence or absence of the causal link between disability and pre-existing diseases. In several procedures, it was necessary to prove the accidental nature of the injury, the existence of some external influence, and in the case of sickness insurance, the justification of a particular examination. In these disputes, enclosing a full set of medical documents, obtaining a medical opinion, and, if the contractual terms allowed, undergoing examination by a medical expert engaged by the financial service provider would serve as a step forward.

Disputes concerning accident and sickness insurance policies are mostly decided on the basis of expert medical opinion and the findings of the expert therein; in the absence of such expert opinion and agreement between the parties, the Board had no other option but to terminate these proceedings, due to the need for further extensive evidence.

Chart 57
Outcomes of accident and sickness insurance cases closed



1.4 Other Non-life Insurances

Travel insurance and *cancellation insurance* cover unexpected illness, accidents, baggage damage, flight cancellations and delays, and other risks specified in the insurance policy when travelling abroad, and provide cover in the event of cancellation due to inability to travel.

There were several cases of luggage theft where items were stolen from a vehicle. Under the contract terms and conditions, where and how the luggage was stored made a difference in these cases, as insurers only cover theft of luggage placed in the trunk protected from view of a locked vehicle that has been forcibly broken into, and they also require evidence of reporting the case to the local police. Due to language difficulties in the cases concerned, the documents drawn up by the foreign police did not properly record how the vehicle had been broken into, the fact that the luggage had been stolen from a trunk protected from view, not all the insured persons involved were named, nor were the stolen items specified. In the cases relating to travel cancellation, travel insurance, accident and sickness, the Board proposed medical reviews and conciliation on the basis of medical documents obtained to clarify medical issues, but its efforts led to a settlement only in a few cases, with most of these cases ending in termination.

The Board recommends choosing the right insurance product appropriate to the type of travel (e.g. travel by air versus by car may require different insurance covers), the nature of the trip (e.g. various special needs may be associated with skiing, diving and exotic holidays), the individual characteristics of the traveller (health condition, or the fact that they are travelling for work, i.e. with a laptop, professional photography equipment, etc.).

Payment protection insurance includes group payment protection insurance on various types of credit, personal loans and credit cards, where the insurer undertakes to assume the payment of the instalments from the debtor in the event of the debtor's death or incapacity for work or unemployment. A number of payment protection insurance products also include life or health insurance coverage, where upon the disability or death of the insured person the insurance undertaking may assume even the entire debt. In such cases, the usual subject of the dispute was generally whether the death or the permanent disability of the insured person was attributable to an illness or injury that already existed prior to the start of the insurance undertaking's risk-taking. In these cases agreement is rarely reached.

Equipment insurances reimburse unforeseen damage suddenly occurring during the use of technical devices, equipment and mobile telecommunication equipment, as a result of loss events impacting the equipment externally, not falling within the manufacturer's warranty repair obligations (damage, breakage or destruction), in cases stipulated in the insurance contract; in certain cases theft damage is compensated, in accordance with the terms in the contract.

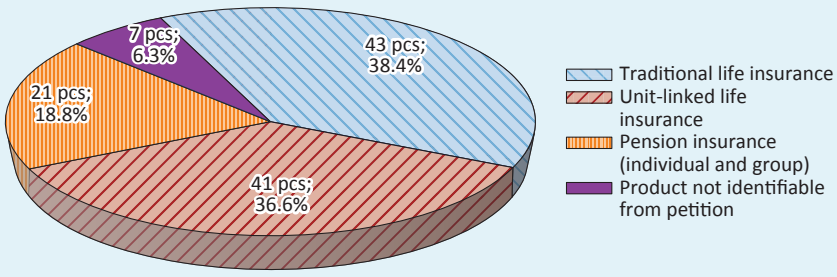
In product insurances, extended warranty insurance policies provide coverage for internal failures in devices/appliances beyond the manufacturer's warranty, and cases on this matter included a specific subset in which the subject of the dispute was the relation between the manufacturer's warranty and the extended warranty formed a specific, distinct group of legal disputes. On several occasions, the petitioners contested the value of the replacement voucher provided under the insurance policy, because they were unable to obtain a product of the same category as the defective product due to price increases in the meantime.

Pet insurance provides cover for illness or accidents to pets, either as a supplement to a home insurance policy or as a stand-alone policy. For these insurances, disputes arose because the insured animals did not meet a certain condition, such as not being vaccinated or having a reason for exclusion or a pre-existing condition.

2 LIFE INSURANCE

Life insurance petitions accounted for 10.9 percent of all petitions related to the insurance sector. 75 percent of petitions concerned unit-linked life insurances and traditional life insurances.

Chart 58
New petitions concerning life insurance



114 life insurance cases were closed, including 26 cases where the petition had been received in 2023. Among the 95 cases judged on the merits, there were 12 settlement agreements approved with a resolution; no binding resolutions or recommendations were issued. In a further 6 cases the proceedings were terminated, because the parties reached an agreement outside the procedure. The proportion of cases that were favourable to petitioners thus totalled 19 percent.

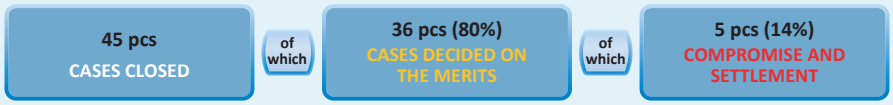
2.1 Traditional Life Insurance

As regards traditional *term life insurance*, again, the vast majority of disputes related to the rejection of the death benefit, mostly whether the reason for the death had a causal relationship with an illness or health condition that had existed before risk inception. In such cases, the decision on the justification of the claim is a matter for medical expertise, and the Board cannot, by definition, take a position on the matter. The insurer considered it possible to review the matter only in those cases where the relative of the deceased insured person agreed to the medical history query, submitted documents from the family doctor, the hospital discharge summaries or the autopsy report, and thus the exact time of death and the development of the disease leading to death could be determined relative to the risk inception.

In disputes related to *combined life insurances*, which provides both risk and endowment benefits, most petitioners disputed the endowment benefit amounts. A typical problem in these cases was that the basis of the yield calculation applied to determine the amount of the endowment benefits is the premium reserve of the life insurance, which amount, owing to its nature, may not be determined in advance, and its exact calculation method is not known to the contracting parties in advance.

A further point of contention was the method of calculation of the guaranteed (technical) interest and excess return transfers and the basis for their projection. In some cases, the petitioners contested the level of the risk premium charged, which was set at an increasingly higher level as the petitioner got older, in accordance with the provisions of the contract.

Chart 59
Outcomes of traditional life insurance cases closed



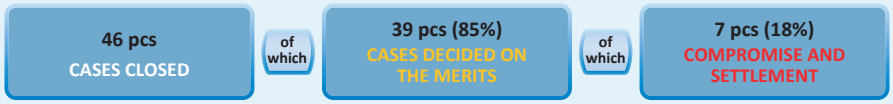
2.2 Unit-linked Life Insurance

In their petitions concerning unit-linked life insurances, the petitioners disputed the maturity benefit of life insurance policies or the surrender value. They typically argued that they had not been given adequate information about the content of the contract, the costs associated with the contract and that the risk of the investments was borne solely by them. Often, the petitioners cited that the sales agent provided misleading and deceptive information when concluding the contract, emphasising the savings nature of the contract, and that the possibility of a shortfall in the amount paid at maturity compared to the amount of the premiums paid did not even occur to them. The service providers generally provided evidence, by attaching the contract documentation, that the contracting party had read and accepted the relevant contractual terms and conditions, including the cost deductions and the assumption of risk in respect of the investment. The petitioners would have had to prove against this documentary evidence that they had been given different information when the contract was concluded, which they failed to do in the vast majority of cases.

Petitioners have often disputed the level of costs charged, their legitimacy and the fairness of the cost structure. The high cost deductions could not be compensated by the returns on investments made from the premiums paid due to the low yield environment. In these cases, the financial service providers concluded a settlement agreement with the petitioners only in the rare cases when the contract documentation contained some kind of error or shortcomings.

The Board recommends that consumers should only choose unit-linked life insurance products if they have studied the cost structure of the product in detail, have adequate investment knowledge and monitor the performance of the chosen portfolio over the term.

Chart 60
Outcomes of unit-linked life insurance cases closed



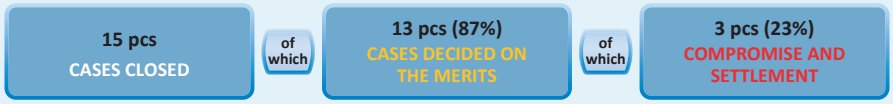
2.3 Pension Insurance

Most of the disputes in pension insurance cases concerned the maturity benefit. In these cases, petitioners often claimed that, contrary to the information they had received and their intention when the contract was concluded, the insurer did not provide the service as a lump sum payment, but as an annuity, citing tax legislation as a reason. In some of these cases, the policyholders concluded the contract at a time concerning which the legislation stipulates that the insurer can only provide annuities. In some cases, a lump sum could have been paid on the basis of the expiry date specified in the original contract (the client's pensionable age), but the petitioner had taken advantage of the reduced retirement age for women with at least 40 years of pension entitlement, but had not yet reached the ten-year point from the date of the contract, and was therefore unable to receive the lump sum. In view of the relevant mandatory legal requirements, no agreement was reached in these cases.

A specific type of pension insurance is *unit-linked pension insurance*, which has the same characteristics as unit-linked life insurance. In the cases related to these products, the dispute arose over the amount of the maturity benefit, the costs deducted, the tax credit claimed and the accounting of the surrender value.

The Board reminds consumers that if their pension insurance is terminated by surrender before retirement age, the policyholder must repay to the State the tax refund received up to that date plus 20 percent.

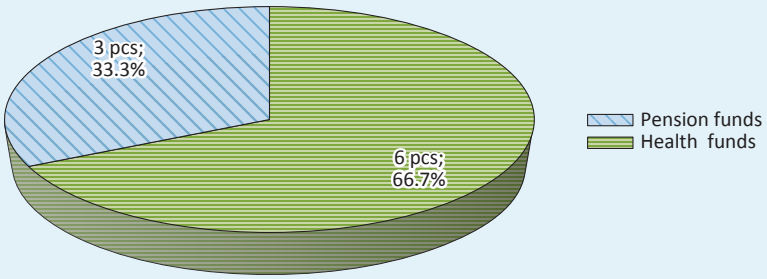
Chart 61
Outcomes of pension insurance cases closed



D) DISPUTES RELATING TO FUND SERVICES

0.3 percent of all new petitions (9 cases) concerned a dispute over the services of fund market operators. Health fund products accounted for 66.7 percent of the fund market cases.

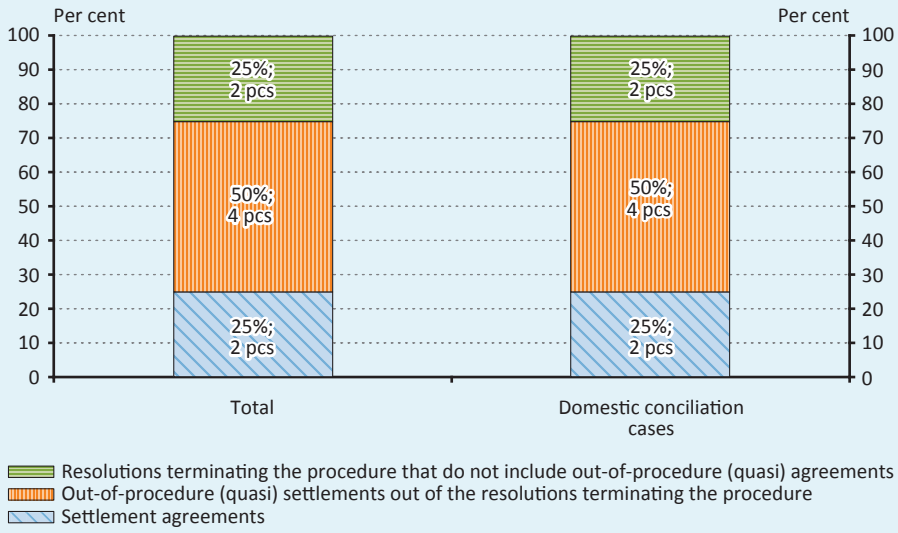
Chart 62
New cases concerning the fund market



The Board closed all of the newly received 9 fund cases plus the 1 case carried over from the previous year; of these, 2 petitions were rejected without a hearing, due to the lack of competence or failure to comply with call for supplementation. Of the 8 cases judged on the merits, the parties settled in 2 cases, whereas in a further 4 cases settlement was agreed out-of-procedure, or the financial service provider, revising its former position, voluntarily decided to fulfil the petitioner's overall request. 75 percent of the proceedings based on petitions accepted were closed with a positive outcome for the petitioner.

The chart below shows the distribution of the cases closed following judgement on the merits per decision type.

Chart 63
Funds market cases closed following admission, by case type



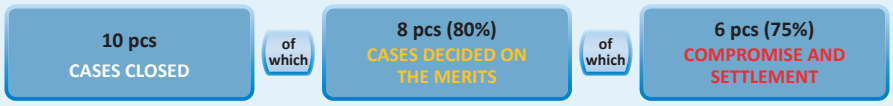
Proceedings were launched against pension funds for damages related to the calculation of yields, the late transfers of members to other funds and losses caused by misrepresentation. In some of the cases concerning pension funds, the financial service provider met the petitioner's claim, while in other cases the Board terminated the procedure.

In the proceedings against health funds, the petitioners sought compensation for damages due to administrative errors, the payment of childcare allowances, the reimbursement of co-card fees, and the payment of compensation for a failure to provide health screening. Half of all proceedings against health fund providers were settled. In the rest of the cases, the procedure was terminated with regard to commitments made by the financial service provider, at the joint request of the parties or because the petition had been unfounded.

There were no equity proceedings against funds.

The Board reminds consumers to carefully read the rules and regulations of their service providers before making any major decisions, and to periodically review the performance of their chosen portfolio and consider a possible change of portfolio.

Chart 64
Outcome of fund market cases closed

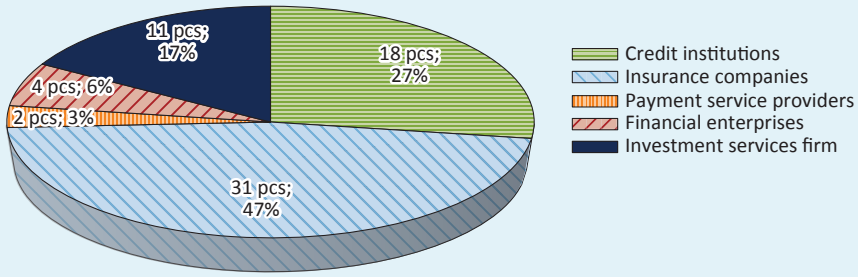


IV Cross-Border Financial Disputes

The number of cross-border cases was negligible compared to the number of other cases. As of 1 January 2024, 16 cases were pending, 63 new petitions were received during the year, and 70 cases were closed, leaving 9 cases to be closed in 2025.

Of the 70 closed cases, 58 were filed by consumers residing in Hungary, 12 by consumers residing abroad; of these, 19 concerned credit institutions, 7 payment service providers, 11 investment service providers and 31 insurance companies. 2 of the petitions concerned non-financial service providers, so the Board was not able to deal with them.

Chart 65
Financial service providers in cross-border cases closed



Most petitions were filed against financial service providers domiciled in other EU Member States by consumers residing in Hungary. The petitions against Hungarian service providers in this category were lodged mainly by Hungarian citizens working abroad on a permanent basis, Hungarians living across the border, and to a lesser extent by other EEA nationals. The service providers involved in the petitions and the nature of the complaints concerned mainly transactions related to credit and loan contracts, bankcard transactions, unit-linked life insurance schemes, investments, travel insurance, product insurance, money transfers, transaction fees and cyberfraud.

In 6 cases, there was no legal relationship between the petitioner and the petitioned financial service provider, the legal dispute in the petition concerned something other than a financial service, the petitioner was not a consumer or the petitioned financial service provider was domiciled outside the EEA. Procedural impediments occurred in 30 cases, in which the petitioner had to be informed that the financial service provider had not made a submission declaration, hence it was not possible to conduct the procedure on the merits. 4 cases were rejected because the petitioners did not pursue a complaint procedure with the financial service provider prior to petitioning the Board. In these cases, the preconditions for conducting a procedure on the merits were not satisfied, as the petitioners failed to prove the completion of a complaint procedure as per the call for supplementation. In 7 cases, the petitioners did not even reply to the call for supplementation. In all the cases rejected due to lack of supplementation, the persons concerned were informed that they had the opportunity to initiate the Board's proceedings again by submitting a complete petition.

23 cases were decided on the merits, 21 of which were terminated. In 4 of the terminated cases it was impossible to conduct the proceedings, because further extensive evidence taking process would have been necessary, which was not possible in the Board's proceedings. In 11 further cases the petitioner withdrew their petition as the financial service provider in the course of the proceedings fulfilled their requests, or outside the proceedings the parties agreed on the final resolution of the legal dispute. In one case, the procedure was unnecessary because the service provider complied with the petitioner's request. In 5 cases the petition was found to be unsubstantiated.

Two cases were settled during the procedures. In one case the petitioner was a non-resident petitioning against a financial service provider domiciled in Hungary, in the other the petitioner was a resident of Hungary petitioning against a non-resident financial service provider. One of the two requests concerned a unit-linked life insurance contract, the other the reimbursement of the charge on a failed foreign currency transfer.

In most cases the non-resident service providers did not submit to the proceedings by the Board. In recent years, financial service providers with a registered office in Hungary also made settlement offers in such proceedings, and thus in one of the cases involving cross-border financial consumer disputes initiated by a Hungarian consumer living in the EEA ended with a resolution approving the settlement agreement.

Regarding the unit-linked life insurance contracts, petitioners complained that they had not been properly informed of the costs and the annual indexation of the contract before the conclusion of the contract, that the cost and premium structure of the contracts were not transparent or that they only became aware of them years later. They also complained that they had not been informed at the time of signing the contract that 'dynamisation' of the regular premium meant that the financial service provider would apply the same cost deductions for premium increments as for a new contract, and that they had not been informed about the status of their investments or their returns. The financial service provider did not admit the legitimacy of the petitioner's claim in the course of the proceedings, however, in order to settle the case amicably, it made a proposal for a settlement agreement. In its settlement offer, it agreed to refund the premiums paid by the petitioner against the contract and to terminate the contract. The petitioner accepted the settlement offer.

Legal disputes over travel insurance were mostly based on claims that, following the occurrence of an insured event, the insurer paid less than the amount expected by the petitioners, or it did not pay at all. These insured events may have been based on illness that frustrated the trip or an accident or illness during the trip due to which the petitioner had to use health services, while the insurer did not pay out at all or did not pay the amount expected. In these proceedings, the service provider reviewed the case at the Board's request and complied with the petitioner's request outside the proceeding, and thus the petition was withdrawn.

Petitioners often submitted petitions against non-resident financial service providers from which they had purchased an investment that was similar to profit participation rights a decade ago but the nature of which was impossible to ascertain during the proceeding; this investment had just expired in the preceding year or two. In these cases the consumers reported that the non-resident financial service provider failed to respond to their queries, so that the consumers did not even get their invested capital back, not to mention any returns. In none of the cases did the financial service provider domiciled in the EEA submitted to the proceedings of the Board, which was therefore unable to judge on the merits. There were also cases in which consumers resident in other EEA member states filed petitions against investment service providers domiciled in Hungary; in these petitions, the consumers argued that the service provider had not complied with the contract terms and conditions in their performance. In these cases the Board examined the terms and conditions in the contracts and found in the majority of the cases that the petitioners' claims were not substantiated, since the financial service providers had acted in accordance with the contract terms and conditions when executing the orders.

In cases concerning product or extended warranty insurance, Hungarian petitioners submitted petitions against non-resident financial service providers because they believed that the replacement devices given to them under their extended warranty insurance covers were not suitable, or if a financial service provider did not satisfy their claim for damages at all or not adequately. In some of these cases, the parties reached an out-of-proceeding settlement and the petitioners withdrew their petition as they had managed to resolve their complaint in cooperation with the service provider.

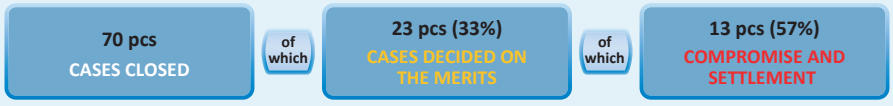
In some cases brought against payment service providers with a registered seat in another EEA member state, the petitioners complained about the freezing of their accounts, inability to access these and a lack of substantive help from the financial service provider in question. In other cases they also complained that once they had made a payment to their accounts from their bank accounts in Hungary, the payment amount was not booked to their accounts with the payment service providers domiciled in another EEA member state, or vice versa, when they made a payment from their accounts with the payment service providers domiciled in another EEA member state to bank accounts in Hungary, the amount was not booked to their Hungarian bank accounts.

Some of the claims against foreign payment service providers were related to cyberfraud. In the majority of these cases the payment service providers domiciled in another EEA member state did not submit themselves to the Board's proceedings; as a result, the Board was unable to act on the merits and was limited to informing the consumers about which FIN-Net member is the alternative dispute resolution forum that they can turn to.

There are a number of financial service providers (banks, insurers, investment providers, etc.) in the UK with which people living in Hungary have contractual relationships, and many consumers living in the UK have such relationships with Hungarian financial institutions. Upon leaving the European Union, the United Kingdom ceased to be a member of FIN-Net. Since 1 January 2021, Hungarian consumers have been able to initiate complaints and alternative dispute resolution procedures only in the United Kingdom against financial service providers with registered office in the United Kingdom. The same applies in the opposite case as well: consumers living in Hungary can only take their dispute with a financial service provider with a registered office in Hungary to the Hungarian Board, if their complaint is unsuccessful and they seek alternative dispute resolution options. This means that consumers no longer have the choice to decide iwhether they seek legal remedy from the Board or from the UK Financial Ombudsman Service.

Mindful of the interests of their overseas clients as well, financial service providers have reacted in different ways to the new situation created by Brexit. Those who had a large customer base in the EU chose mainly one of two ways to retain their customers. One was to set up a new company, moving their headquarters to the territory of the EU and transferred consumers to these companies. This meant that a UK company leaving the EU looked for a suitable EU Member State for continuing its activities, with the permission of the local financial supervisory authority and in compliance with local and EU law. Following Brexit, there have also been cases where a UK operator set up a subsidiary in Hungary to serve Hungarian customers, and the customers have been taken over by this organisation. It is important to note that consumers may initiate proceedings before the Board against subsidiaries and branches established in Hungary in the same way as against any other service provider established in Hungary.

Chart 66
Outcomes of cross-border cases closed



V Cases Handled on the Online Dispute Resolution Platform (ODR)

Based on the authorisation provided by Regulation 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes (ODR), the European Commission launched the European online dispute resolution platform (ODR Platform), available at *https://webgate.ec.europa.eu/odr*. This is a platform for the out-of-procedure settlement of disputes, including consumer financial disputes, between consumers residing in the European Union and service providers established in the European Union regarding obligations arising from online service contracts.



In 2016, the ODR Platform was set up with the objective to ensure that online dispute resolution become a simple, efficient, fast and free form of resolving disputes arising in relation to financial services, an alternative solution for the out-of-procedure settlement of financial disputes, the advantage of which is that disputes can be resolved irrespective of the geographic distance. The system was introduced to simplify and facilitate communication between the parties and between the parties and the acting forum, thereby speeding up the dispute resolution process and increasing the efficiency of conflict resolution. Within the financial sector, online contracting is most prevalent in insurance, and this is where an increase in the number of petitions submitted through the ODR Platform was to be expected.

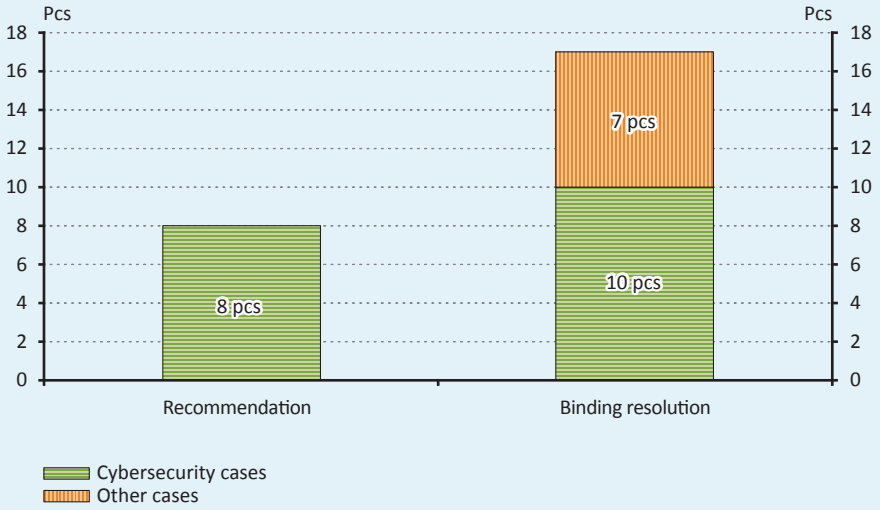
However, experience over the past seven years has shown that financial consumers usually did not make good use of the benefits offered by the ODR Platform, preferring to submit their petitions on paper or, when doing so electronically, they would use the Client gate portal or the FAB Online administration application. In 2024, two petitions were received. One concerned a motor third-party liability insurance case, which the Board conducted outside the ODR Platform and held a hearing, at which the petitioner did not appear. The petitioner's car had been damaged in an accident but the insurer rejected the claim on technical grounds, given that the damage to the petitioner's vehicle was not reconcilable with the description of the damage, the damage event. The Board terminated the procedure because it was impossible to proceed, as it would have had to decide in an expert matter. In the other case, the Board was unable to start proceedings because of a procedural impediment, as the foreign insurer did not submit to the procedure or a possible binding resolution.

The European Commission has also recognised that the ODR Platform did not generate the expected popularity and has therefore added the repealing of Regulation (EU) 524/2013 to the package of proposals on alternative dispute resolution. On the basis of that proposal, Regulation (EU) No 2024/3228 of the European Parliament and of the Council of 19 December 2024 ordered the termination of the ODR Platform. As regards the termination of the European online dispute resolution platform, the Regulation was published in the Official Journal on 30 December 2024 with a date of entry into force on the 20th day following its publication, i.e. 19 January 2025. Article 2 of the Regulation set a deadline for discontinuing the submission of complaints to the ODR platform on 20 March 2025. By 20 March 2025, the Commission would inform users of the ODR platform with pending cases of the termination and offer assistance to such users to retrieve the data related to their cases to which they have access, if they so request. By 20 July 2025 at the latest, all case-related information, including personal data, stored on the ODR platform must be deleted. After 20 March 2025, it will no longer be possible to initiate procedures on the ODR Platform.

VI Recommendations and Binding Resolutions

The Board issued 17 binding resolutions and 8 recommendations during the year. Of the decisions taken, the Board adopted both the 8 resolutions setting out recommendations and the 10 binding resolutions in disputes concerning cybersecurity fraud to the detriment of customers; most of the decisions concerned one specific service provider, in addition to which there were 4 other service providers involved, i.e. a total of 5 providers altogether.

Chart 67
Number of recommendations and binding resolutions



The binding resolutions in the total of seven cases not related to cyberfraud were based on the following facts:

1. The parties concluded an interest-subsidised home renovation loan agreement, and the Hungarian State Treasury granted a subsidy amounting to several million HUF; this amount was transferred to the petitioner's bank account. The financial service provider did not dispute the fact that the petitioner had made a prepayment of the subsidy amount, for which a prepayment charge was imposed. The Client Information Notice included in the contract provided that the credit institution would not impose a prepayment charge against the home renovation subsidy. The Board found that the contract provided for the granting of an additional benefit, namely prepayment against the home purchase subsidy free of charge, in addition to the provisions of relevant legislation (Government Decree 17/2016 and Government Decree 518/2020) and that this condition was fulfilled. It therefore ordered the financial service provider to repay the prepayment charge, and the financial service provider complied with the binding resolution.

2. The parties entered into housing savings contracts. The petitioner terminated the contracts and stated renovation as the housing purpose. Following the submission of the invoices, the petitioner was told by the housing savings fund that it could not accept four of the invoices to serve as retrospective evidence of housing purpose because the date of the advance invoices was earlier than the date of the termination. The petitioner had already ordered the materials and the services from several companies prior to accepting the disbursement and also paid them millions of forints, for which the companies issued advance invoices. Invoices for services delivered were issued after the termination of the contracts, showing proof of payment of the advance.

   The financial service provider should have examined the (final) invoice confirming the provision of the service and not the advance invoice in the context of the obligation to certify the use of the invoice for housing purposes. The (final) invoice confirms the performance of the service ordered, i.e. its use for housing purposes. The advance invoice

is relevant only in that it certifies the payment of the amount in the invoice; as such, it appears in the later invoice as well. The Board ordered the financial service provider to accept the submitted invoices as proof of use for housing purposes; the provider complied with the binding resolution.

3. There was a petition against a financial service provider in which the petitioners requested the payment of damages for baggage theft under a travel insurance policy. The disputes concerned whether the luggage stolen from the petitioners' rented vehicle was placed in a trunk protected from view, as the relevant insurance terms provide that only in this case can disbursement be made. The foreign-language police report did not contain this fact, but the petitioners proved it in other ways during the procedure. The police report, in line with the petitioners' claim, stated that the insured property had been stolen from a locked vehicle and that the theft had occurred from the trunk of the vehicle by way of folding the rear seats forward, which could also be established from the photographs and the petitioners' post-incident claim report. The Board found the petitioners' claims to be partially well-founded and therefore ordered the financial service provider to pay the insurance compensation amount plus the interest for late payment due on this amount under the Civil Code, a HUF amount corresponding to the cost of petrol, plus the interest for late payment on all these amounts under the Civil Code. The Board considered that the other reasonable expenses incurred abroad in connection with the insured event could not be understood as the expenses incurred to replace stolen luggage, including necessary medicines, toiletries, clothes, shoes, bags and chargers included in the luggage, because this would lead to double compensation for the loss of luggage and to the victims' benefiting from the claim event; it therefore considered the claim unfounded in this part. The service provider complied with the binding resolution within the deadline.

4. A petitioner made a claim against a financial service provider under a motor third-party liability insurance policy. Exiting from their garden towards the road in their car, they collided with a moped travelling on the pavement and on the grassy area between the roadway and the pavement; the moped owner had motor third-party liability insurance. In the course of the proceedings, the service provider contested the Board's competence as well as the legal basis and amount of the claim. The Board did not uphold the objection of the financial service provider and, having assessed the statements and evidence submitted during the procedure, in particular the video recording of the claim event, it found based on the relevant legal provisions that the petitioner's claim was well-founded in its legal basis and amount. Accordingly, it ordered the service provider to pay the damages plus the interest claimed by the petitioner; the service provider complied with the binding resolution within the time limit.

5. The Board adopted binding resolutions in three disputes concerning promotional discounts on payment account contracts in which the service provider was the same. The financial service provider did not dispute that the individual petitioners had fulfilled the conditions for crediting but in its view the petitioners' conduct constituted an abuse of rights. It claimed that the petitioners had abused the promotional discounts and were therefore legitimately excluded from the promotions. The Board disagreed with the financial service provider and ordered it to grant the promotional discounts; the financial service provider complied with the binding resolution.

The decisions regarding cyberfraud included eight recommendations and ten binding resolutions based on the following facts:

1. Binding resolutions or recommendations were issued in nine cases of fraud using a visual code. In these cases the customers scanned codes displayed on a banking page found with an internet search engine but which was in fact a fake page; they did so several times using their mobile banking app in order to log in to online banking. Using these codes, the fraudsters accessed their accounts and made payments. In other cases, in the context of online sales of goods, customers were redirected from a mail order service's site to a phishing site that imitated their own online banking interface, where they entered their online banking login details or scanned the visual code displayed. The perpetrators were able to access their accounts and execute unauthorised transactions there.

   In these cases concerning unauthorised payment transactions, the Board found no evidence to support the financial service providers' claim that the customers were grossly negligent and breached their obligation to keep secure their cash substitute payment instruments and the personal authentication data necessary for its use.

2. Also relating to the sale of products advertised online were the cases where fraudsters conducted mobile app registrations and added trusted beneficiaries. In these cases too, the alleged potential buyers requested delivery of the product using a particular parcel delivery service, for which purpose they sent an email. Following the instructions received, the customers entered their internet banking login details on the phishing website, which appeared to be a banking interface, and then also entered the codes received by text message from their bank. The fraudsters used the information obtained to register a new mobile app and, together with the approval of a small payment, to record a trusted beneficiary on the customer's payment account. For further payments to trusted beneficiaries (counterparties), the bank no longer required strong customer authentication.

   Three such proceedings were brought against the same service provider, in which the Board found that the financial service provider had failed to prove that the petitioners' conduct amounted to gross negligence.

3. In one case, the petitioner was tricked by unknown persons into downloading an app on their device and logging into their online bank. After the conversation with these unknown persons and closing the application, the customer was notified that an unauthorised payment transaction had taken place on their payment account. During the procedure, it was agreed that the disputed transaction constituted an unauthorised payment transaction. On the basis of the evidence available, the Board considered that the financial service provider had failed to prove that the damage caused by the unauthorised payment transactions was caused by the petitioner's grossly negligent breach of duty, and that the financial service provider was therefore liable to credit their account, i.e. the case was decided in favour of the petitioner.

4. In one case, the petitioner was abroad trying to withdraw cash from an ATM recommended by a local person. After the transaction was approved with a PIN, the ATM did not issue any cash or receipt. Within a short time, the customer received several text message notifications of successful ATM cash withdrawals. During the procedure, it was not disputed that the transactions contested by the petitioner constituted unauthorised payment transactions. The injured party sought compensation for their loss. According to the bank, the petitioner had acted with gross negligence by not exercising due care in the choice and use of the ATM and by not blocking the card when they realised that it was missing; the bank therefore claimed that, in view of the gross negligence, it was not liable to credit the customer's account.

   The Board considered that the bank had not demonstrated the circumstances in which the petitioner, as an ordinary consumer, should have been aware that the ATM in question could be used for potential misuse. It also found that the bank's reference to late reporting by the petitioner did not apply in the specific case. On this basis, it considered that the bank was obliged to meet the petitioner's claim for compensation, which it did.

   In another case, the petitioner received a text message from their bank stating that a purchase had been made with their credit card; the petitioner claimed that they had not initiated or approved the purchase, and sought compensation for their loss in the proceedings before the Board. The bank considered the transaction as a payment authorised by the petitioner. In the Board's view the financial service provider did not provide credible evidence in the case that the contested payment transaction had been approved by the petitioner as payer, and therefore found that the payment transaction at issue constituted an unauthorised payment transaction and ordered the financial service provider to reimburse the amount of the transaction.

5. In one case, the petitioner's credit card was used to make unauthorised purchases abroad, which they had not initiated or approved, and of which they had not been aware during their stay in that country as a tourist. As the bank rejected their claim for reimbursement, the petitioner turned to the Board and asked for compensation. The financial service provider submitted that the cardholder accepted the transaction by entering the PIN code, authenticating the transaction (including the amount), and furthermore, that the possession of the card and the physical use of the card excludes any foul play, and that therefore it considered the disputed transactions as approved by the petitioner.

   In the Board's view, the evidence provided by the financial service provider was not in itself sufficient to prove that the payment transactions in question had been approved by the petitioner as payer. The bank failed to prove that the payment transactions in question were authorised by the petitioner and it did not claim intentional or grossly negligent misconduct on the part of the petitioner, and was therefore liable for the total loss suffered. The Board

ordered the financial service provider to restore the payment account to the balance before it was debited. The bank has complied with the Board's decision.

6. In one case, the petitioner notified the financial service provider of a change of address and reported the fact that they had not received the renewal card sent to their previous address. On the basis of this notification, the financial service provider issued a new bank card and sent it to the petitioner. It sent the related PIN code in a separate letter. The recipient did not receive either the new card or the PIN, but after checking their account balance, they discovered that several unauthorised ATM cash withdrawals had been made using the card. It was established that the payment transactions had been carried out by an unknown person who gained possession of the PIN code and the bank card and used them to make ATM cash withdrawals.

   In the course of the procedure, the Board found no evidence to support the financial service provider's claim that the customer had been grossly negligent and breached their obligation to keep secure the cash substitute payment instrument and their personal authentication data required for its use, and it thus ordered the service provider to reimburse the amount misappropriated. The service provider complied with the binding resolution and paid the disputed amount.

7. In another case, the petitioner visited a branch, and during this visit a bank employee advised them to sign a contract for online banking services, and that they would receive the necessary login details by email and text message. The petitioner used the codes provided to log in to the internet banking interface, then changed their login password as required by the system and logged out of online banking. The service provider notified them by text message that two suspicious transactions were detected on their account. The petitioner called the helpline and was informed that two instant payments had been made from their account. In the course of the proceedings, the financial service provider claimed that the petitioner revealed their online banking login details on a phishing site, which the perpetrators used to install a mobile banking application that was activated by a code sent by text message. The two disputed transactions were carried out via the mobile app thus activated.

   The Board did not find the claims of the financial service provider to be proven, especially the claim concerning how (by what signs) the petitioner should have known that the phishing page they had opened was not the real banking website. The wording of the text message containing the code sent by the financial service provider was not suitable for the petitioner to recognise that it referred to the installation and activation of a mobile banking application. The Board also found no evidence to support the financial service provider's claim that the petitioner was grossly negligent and breaching their obligation to keep secure the cash substitute payment instrument and the personal authentication data necessary for its use, and ordered the service provider to reimburse the amount stolen by the unauthorised payment transactions. The financial service provider complied with the binding resolution adopted by the Board and credited the disputed amounts to the petitioner's account.

In all the cases, the issued recommendations were challenged in court by the service provider concerned. Out of the ten decisions imposing a binding resolution in the consumer disputes involving cybersecurity breaches, five were complied with by the service providers concerned, while the other five were challenged by the financial service provider (the same provider in all five cases). The binding resolutions adopted in non-cybersecurity cases were fulfilled by the financial service providers.

The recommendations and binding resolutions complied with by the service providers are available on the Board's website in an anonymised form. The decisions taken and published in 2024 are available Recommendations and binding resolutions platform under Go to the Recommendations and Binding Resolutions search platform.

VII Decisions Challenged in Court; Information on Lawsuits

No fines were imposed on financial service providers. The service providers exhibited a willingness to cooperate, they sent their submissions mostly by the deadline, with the exception of a few service providers who, presumably due to large caseloads and staffing bottlenecks, often requested extensions to deadlines or told us in advance by what date they would be able to send their submissions.

As of 1 January 2024, 4 lawsuits were pending, which had not been concluded by the end of the year. During the year, 21 new lawsuits were brought against the Board, of which one resulted in a final decision and one other lawsuit was concluded by other means without a decision on the merits by the court, bringing the total number of pending lawsuits to 23 as of 31 December 2024.

20 out of 21 lawsuits were based on a recommendation or binding resolution in which the Board reminded or told the plaintiff, which was the same entity in all the lawsuits, to pay out to the relevant petitioners, within fifteen days, certain amounts relating to payment transactions they had not approved and restore the petitioners' payment accounts to their condition prior to the debits, with the proviso that the value dates of the credit transactions must not be later than the date on which the unapproved payment transactions were executed. These cases involved cyberfraud.

In one case, a petitioner private individual brought an action against the decision of the Board terminating the proceedings, but the court archived the case because the plaintiff, who was a ward of the court, had not brought the action in accordance with the law and their guardian had not consented to the bringing of the action.

In most of the pending lawsuits, the plaintiffs mostly did not dispute in their actions for the annulment of recommendations or binding resolutions that the payment transactions were not initiated by the petitioners but claimed that they were exempt from the obligation to pay compensation because the damage was caused by the (account holder) petitioner through a grossly negligent breach of their obligation to keep their credentials secure. Firstly, the plaintiffs argued that the Board did not have grounds when it stated that strong client authentication was necessary for the specific payment transactions and opined that strong customer authentication regarding the payment account had indeed been performed prior to the payment transactions, again, not by the petitioners, for purposes of what is referred to 'trusted beneficiary registration', which is sufficient for later payments to such beneficiaries; the funds transfers in question were such subsequent payments. Secondly, the plaintiff maintained that the petitioners had acted with gross negligence when they became the victims of phishing as they themselves released to third parties their data necessary for debiting the accounts. The data were disclosed either by the petitioners entering their data on a fake banking platform that mimicked the plaintiff's online banking platform, as sellers in a given transaction or by trying to invest their money, or by unsuccessfully attempting to perform an online banking transaction by accessing a fake banking platform, using a QR code sent to them by persons unknown to them and entering what they hoped would be a genuine online banking platform, which resulted in the unknown persons being able to access the petitioners' real online banking platform.

In some cases, the plaintiffs also claimed that the Board lacked competence to decide the dispute. This allegation has been proven to be unfounded in all the judgments handed down so far.

Out of the four lawsuits launched in 2023, three were pending before the Curia and one was before the court of second instance. Out of the 21 new cases opened in 2024, one case was under review before the Curia, while the majority of the cases were still pending at first instance, and six cases were pending at second instance, appealed either by the plaintiff or the Board. In one case, a judgment of second instance has been handed down.

One case was finally terminated at the second instance, in which the plaintiff withdrew its claim. Another case ended by other means, as mentioned above.

There were no cases finally closed with a substantive decision at the Curia level.

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Annexes

ANNEX 1

Financial Service Providers Involved in Procedures

	Financial service providers in new petitions	Number of petitions
1	4Life Direct Kft.	2
2	Agria Portfólió Pénzügyi Tanácsadó és Szolgáltató Zrt.	2
3	Alfa Vienna Insurance Group Biztosító Zrt.	174
4	Allianz Hungária Biztosító Zrt.	104
5	Allianz Hungária Önkéntes Nyugdíjpénztár	1
6	ARGENTA FAKTOR Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	6
7	AWP P&C S.A. Magyarországi Fióktelep	2
8	AXA Assistance CZ s.r.o.	3
9	AxFina Hungary Zrt.	3
10	B2Kapital Magyarország Zártkörűen Működő Részvénytársaság	1
11	BÁV FAKTOR Zrt.	1
12	BÁV Pénzügyi Szolgáltató Zrt.	2
13	BlackRock (Netherlands) B.V. Magyarországi Fióktelepe	1
14	BNP Paribas Cardif Biztosító Zrt.	1
15	Budapest Magánnyugdíjpénztár	1
16	Budapest Önkéntes Nyugdíjpénztár	1
17	CESSIO Követeléskezelő Zrt.	7
18	CG Car-Garantie Versicherungs-Aktiengesellschaft	1
19	CherryHUB Scale 55150 Kft.	1
20	Chubb European Group SE Magyarországi Fióktelepe	1
21	CIB Bank Zrt.	88
22	CIB Lízing Zrt.	2
23	CIG Pannónia Életbiztosító Nyrt.	20
24	CIG Pannónia Első Magyar Általános Biztosító Zrt.	5
25	CLB Független Biztosítási Alkusz Kft.	2
26	Cofidis Magyarországi Fióktelepe	17
27	COLLION Biztosítási Alkusz Kft.	1
28	Colonnade Insurance S.A. Magyarországi Fióktelepe	15
29	Companjon Insurance Company DAC	1
30	Cover Genius Europe B.V. of De Vijzel	1
31	Credit Over Követeléskezelő Zrt.	1
32	DEFACTORING Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	6
33	DELTA FAKTOR Pénzügyi Zártkörűen Működő Részvénytársaság	1
34	Dorking Kft.	1
35	Dunacorp Faktorház Zrt.	18
36	EOS Faktor Magyarország Zrt.	28
37	Equilor Befektetési Zrt.	1

	Financial service providers in new petitions	Number of petitions
38	Erinum Capital Pénzügyi Szolgáltató Zrt.	4
39	Erste Bank Hungary Zrt.	110
40	Erste Befektetési Zrt.	12
41	Erste Lakástakarék Zrt.	9
42	Euroleasing Zrt.	3
43	Europ Assistance Magyarország Befektetési és Tanácsadó Kft.	2
44	Európai Utazási Biztosító Zrt.	10
45	Fio banka, a.s.	1
46	FŐNIX Faktor Követeléskezelő Zártkörűen Működő Részvénytársaság	1
47	Fundamenta Lakáskassza Zrt.	17
48	Garantiqa Hitelgarancia Zrt.	1
49	GEMINI Pénzügyi Zártkörűen Működő Részvénytársaság	1
50	Generali Biztosító Zrt.	175
51	Generali Egészség- és Önsegélyező Pénztár	1
52	GENERTEL Biztosító Zrt.	44
53	GRÁNIT Bank Zrt. (GRÁNIT Bank Nyrt.)	34
54	Gránit Biztosító Zrt.	11
55	GRAWE Életbiztosító Zrt.	1
56	Groupama Biztosító Zrt.	93
57	HKB FAKTOR Zrt.	1
58	ICFD LIMITED (Trading name: iFOREX Europe)	1
59	InHold Pénzügyi Zrt.	14
60	Inter Partner Assistance S.A.	10
61	Interactive Brokers Central Europe Zrt.	3
62	Intrum Zrt.	99
63	K&H Bank Zrt.	62
64	K&H Biztosító Zrt.	46
65	KDB Bank Európa Zrt.	2
66	KÖBE Közép-európai Kölcsönös Biztosító Egyesület	32
67	Legal Rest Pénzügyi Szolgáltató Zrt.	1
68	LegitiMo Jogvédelmi Biztosító Zrt.	1
69	LMGL INVEST Pénzügyi Zártkörűen Működő Részvénytársaság	1
70	Lombard Zala Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1
71	MagNet Magyar Közösségi Bank Zrt.	16
72	Magyar Biztosítók Szövetsége	8
73	Magyar Cetelem Bank Zrt.	15
74	Magyar Cofidis Bank Zrt.	3
75	Magyar Faktorház Zrt.	1
76	Magyar Posta Biztosító Zrt.	47
77	Magyar Posta Életbiztosító Zrt.	11
78	Magyar Posta Zrt.	5
79	Magyar Ügyvédek Kölcsönös Biztosító Egyesülete	1
80	MAPFRE ASISTENCIA S.A. Magyarországi Fióktelepe	11
81	MBH Bank Nyrt.	641
82	MBH Befektetési Bank Zrt.	2

	Financial service providers in new petitions	Number of petitions
83	MBH Jelzálogbank Nyrt.	3
84	Medicover Försakrings AB (publ) Magyarországi Fióktelepe	2
85	MediCredit Pénzügyi Szolgáltató Zrt.	3
86	Merkantil Bank Zrt.	4
87	MetLife Europe d.a.c. Magyarországi Fióktelepe	9
88	MKK Magyar Követeléskezelő Zrt.	65
89	Momentum Credit Pénzügyi Zrt.	8
90	MORGAN Hitel és Faktor Pénzügyi Szolgáltató Zrt.	1
91	NET Életjáradék Zrt.	1
92	NEW YORK BROKER Zrt.	1
93	NN Biztosító Zrt.	7
94	O2 Financial Services s.r.o.	2
95	Ominimo Insurance Kft.	1
96	Oney Magyarország Pénzügyi Szolgáltató Zrt.	1
97	OTP Bank Nyrt.	497
98	OTP Faktoring Zrt.	88
99	OTP Ingatlanlízing Zrt.	1
100	OTP Jelzálogbank Zrt.	11
101	OTP Lakástakarékpénztár Zártkörűen Működő Részvénytársaság	7
102	OTP Országos Egészség- és Önsegélyező Pénztár	1
103	OVB Vermögensberatung Általános Biztosítási és Pénzügyi Szolgáltató Kft.	3
104	Pannon 2005 Faktor és Hitel Zrt.	2
105	Patria Finance Magyarországi Fióktelepe	5
106	PK Követeléskezelő Zártkörűen Működő Részvénytársaság	1
107	Prémium Kft.	1
108	PRÉMIUM Önkéntes Egészség- és Önsegélyező Pénztár	3
109	Provident Pénzügyi Zrt.	20
110	Q13 Pénzügyi Zártkörűen Működő Részvénytársaság	6
111	QOVER SA	2
112	Raiffeisen Bank Zrt.	88
113	Reg-Finance Pénzügyi és Szolgáltató Zrt.	15
114	Rendezés Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1
115	Revolut Bank UAB	12
116	Revolut Payments UAB	1
117	Sberbank Magyarország Zrt.	1
118	SIGNAL IDUNA Biztosító Zrt.	11
119	SPB Befektetési Zrt.	2
120	Statosfera Bankszámlainformációs Szolgáltató Korlátolt felelősségű Társaság	2
121	Szegvár és Vidéke Takarékszövetkezet	1
122	Timberland Capital AG	3
123	Timberland Capital Management GmbH	5
124	TITÁN FAKTOR Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1
125	TKK Talentis Központi Követeléskezelő Zártkörűen Működő Részvénytársaság	6
126	Toyota Pénzügyi Zrt.	1
127	UAB TransferGo Lithuania	1

	Financial service providers in new petitions	Number of petitions
128	UniCredit Bank Hungary Zrt.	70
129	UNION Vienna Insurance Group Biztosító Zrt.	94
130	UNIQA Biztosító Zrt.	48
131	UNIQA Versicherung AG	1
132	Wise Europe SA	3
133	Zálog és Hitel Zártkörűen működő Pénzügyi Részvénytársaság	1
	Financial service providers in total	**3,212**
	Non-financial service providers	35
	Non-identfiable service provider	10
	Sum total	**3,257**

ANNEX 2

Contact details of the Network of Financial Navigator Advisory Offices			
ADVISORY OFFICE	**HOURS OF OPERATION**	**TELEPHONE NUMBER / EMAIL ADDRESS**	**ADDRESS OF FRONT OFFICE SERVICE**
Békéscsaba Financial Navigator Advisory Office	Monday: 8:00-14:00 Tuesday: 9:30-15:30 Thursday: 8:00-14:00	+36 70/243-2840 bekescsaba@penzugyifogyaszto.hu	5600 Békéscsaba, Árpád sor 2/6. Ground floor (in the Job Centre's customer area)
Debrecen Financial Navigator Advisory Office	Monday: 9:00-15:00 Wednesday: 10:30-16:30 Thursday: 9:00-15:00	+36 30/741-2373 debrecen@penzugyifogyaszto.hu	4024 Debrecen, Vörösmarty u. 13-15. 2nd Floor, Office No 203
Eger Financial Navigator Advisory Office	Monday: 9:00-15:00 Wednesday: 9:00-15:00 Friday: 9:00-15:00	+36 70/607-2191 eger@penzugyitanacsadoiroda.hu	3300 Eger, Hadnagy utca 6. 2nd Floor, Door No 34
Győr Financial Navigator Advisory Office	Monday: 8:00-14:00 Wednesday 8:00-14:00 Thursday: 11:00-17:00	+36 30/923-4942 gyor@penzugyifogyaszto.hu	9021 Győr, Szent István út 10/A 2nd Floor, Office No 208
Kaposvár Pénzügyi Navigátor Tanácsadó Iroda	Monday to Friday 10:00-16:00	+36 30/812-4149 pntikaposvar@gmail.com	7400 Kaposvár, Bajcsy-Zsilinszky u. 25. 1st Floor, Door No 118.
Kecskemét Financial Navigator Advisory Office	Monday: 11:30-17:30 Wednesday: 8:30-14:30 Friday: 8:30-14:30	+36 30/958-8210 fogyasztovedelem.merkating@gmail.com	6000 Kecskemét, Csányi János krt. 14. 1st Floor, Door No 123
Miskolc Financial Navigator Advisory Office	Monday: 8:00-14:00 Wednesday: 10:00-16:00 Thursday: 8:00-14:00	+36 30/487-3609 miskolc@penzugyifogyaszto.hu	3530 Miskolc, Szemere Bertalan u. 2. 1st Floor, Door No 10
Nyíregyháza Pénzügyi Navigátor Tanácsadó Iroda	Monday: 8:00-14:00 Wednesday: 8:00-14:00 Thursday: 8:00-14:00	+36 30/650-1029 nyiregyhaza@penzugyifogyaszto.hu	4400 Nyíregyháza, Széchenyi u. 2. 2nd Floor
Pécs Pénzügyi Navigátor Tanácsadó Iroda	Monday: 8:00-14:00 Wednesday: 8:00-14:00 Thursday: 11:00-17:00	+36 70/243-3356 pecs@penzugyifogyaszto.hu	7623 Pécs, Rákóczi út 24-26., 1st Floor, Office No 221
Salgótarján Financial Navigator Advisory Office	Tuesday: 9:00-15:00 Wednesday: 9:00-15:00 Thursday: 9:00-15:00	+36 32/780-845 salgotarjan@penzugyitanacsadoiroda.hu	3100 Salgótarján, Főtér 1., 2nd Floor, Door No 4 (former SZMT headquarters)
Szeged Financial Navigator Advisory Office	Monday: 9:00-15:00 Tuesday: 8:00-14:00 Thursday: 10:00-16:00	+36 30/958-8210 fogyasztovedelem.gte@gmail.com	6721 Szeged, Madách utca 24/b.
Székesfehérvár Financial Navigator Advisory Office	Monday: 9:00-15:00 Wednesday: 11:00-17:00 Thursday: 9:00-15:00	+36 20/402-9669 fogyasztovedelem.merkating@gmail.com	8000 Székesfehérvár, Móricz Zsigmond utca 18. 1st Floor, Door No 202
Szekszárd Financial Navigator Advisory Office	Tuesday: 9:00-15:00 Wednesday: 8:00-14:00 Thursday: 9:00-15:00	+36 30/274-0828 pti@maltai.hu	7100 Szekszárd, Augusz Imre utca 9. 2nd Floor, Office No 214
Szolnok Pénzügyi Navigátor Tanácsadó Iroda	Monday: 9:00-15:00 Wednesday: 9:00-15:00 Thursday: 9:00-15:00	+36 70/607-2186 szolnok@penzugyitanacsadoiroda.hu	5000 Szolnok, Szapáry út 19. Ground floor, Door No 8
Szombathely Pénzügyi Navigátor Tanácsadó Iroda	Monday: 12:00-18:00 Tuesday: 10:00-16:00 Wednesday: 8:00-14:00	30/013-7411 szombathely@penzugyitanacsadoiroda.hu	9700 Szombathely, Géfin Gyula utca 22.
Tatabánya Pénzügyi Navigátor Tanácsadó Iroda	Monday: 8:30-16:30 Tuesday: 8:00-16:00 Thursday: 10:00-16:00	20/506-0106; 30/217-3310 tatabanya@cpcontact.hu	2800 Tatabánya, Fő tér 8.
Veszprém Pénzügyi Navigátor Tanácsadó Iroda	Tuesday: 9:00-15:00 Wednesday: 9:00-15:00 Thursday: 9:00-15:00	+36 70/502-7967 pti@maltai.hu	8200 Veszprém, Óváros tér 10. 2nd Floor
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ANNEX 3

Operating Procedures of the Financial Arbitration Board

1 OPERATING PRINCIPLES

The Financial Arbitration Board (hereinafter: FAB or Board) performs the tasks delegated to it based on the rules set forth in Act CXXXIX of 2013 on Magyar Nemzeti Bank (MNB Act) and in accordance with the operating principles corresponding to Commission Recommendation 98/257/EC. The Recommendation stipulates seven principles, which also serve as the operating principles of FAB and appear in the form of specific legislative provisions in the MNB Act.

1. Independence
2. Transparency
3. Adversary procedure
4. Efficiency
5. Legality
6. Liberty
7. Possibility of representation

1 Independence

The FAB, as a Body, is an independent organisation – which cannot accept orders – operating within the organisational framework of the Magyar Nemzeti Bank, the independence of which applies not only to the Board, but also to its chair and members. The chair of the Board is appointed for 6 years, whose mandate may be terminated in the cases stipulated in the MNB Act. – Articles 96 (2), 97(2), 100(1), (2), (4) and 101(4) of the MNB Act

2 Transparency

FAB provides information on its activity and the rules governing its operating activities on its website (www.mnb/bekeltetes), on continuous basis, in its annual report and upon request. – Articles 99, 115 and 129-130 of the MNB Act

3 Adversary Procedure

It is ensured in the proceedings of FAB that the parties can appear at the hearings in person and present their position both orally and in writing. The financial service providers affected by the petitions are obliged to cooperate. – Article 108 of the MNB Act

4 Efficiency

The proceedings of FAB are fast; the acting panel sets the date of the hearing within 60 days from the receipt of the complete petitions and completes the proceedings within 90 days. The chair of FAB may prolong this deadline on one occasion per case by maximum 30 days at his/her own discretion. The procedure is free for both the petitioner and the financial service provider, the procedure of FAB is free of charge, but the incurred costs (if any) are borne by the parties. – Articles 106 (3) and 112 (5) of the MNB Act

5 Legality

All members of FAB are experienced employees of the Magyar Nemzeti Bank and hold a degree in law and passed the bar exam and/or hold a degree in economics and gained experience in one of the fields of the financial sector and/or in court. All employees perform their work in a professional manner, with the knowledge of and relying on the applicable laws. They are independent and impartial in the specific cases they manage. – Articles 97(1), (3) and 98 (4)-(7) of the MNB Act

6 Liberty

The decisions of FAB do not prejudice the consumers' right to bring their case to the court. The Act provides the opportunity for legal remedy against FAB's recommendations and binding decisions. – Articles 116-117 of the MNB Act

7 Possibility of Representation

The parties may act in the proceedings at FAB in person or through a proxy. Either of the parties may act, at their discretion, via a proxy. The proxy may be any natural or legal person, as well as entities without legal status. The petitioner may participate at the hearings of the FAB proceedings in person even if he/she wishes to be represented by a proxy. – Article 110 of the MNB Act

2 ORGANISATION

1. The organisation of FAB comprises of the chair, the departments including the members of FAB, and the office. The chair of FAB represents the Board and sees to the legitimate operation thereof. The chair of FAB is substituted by the office director.

2. The members are organised into departments. Each department is managed by a member, i.e. the department head. The department heads organise the departments' work and are responsible for ensuring that the cases assigned by the office to the department are settled by the deadline and in accordance with the legal provisions. The members of the departments are the members of FAB; the members of the panels acting in the specific cases are appointed within the department by the department heads. The personal composition of the acting panels is not constant.

Duties of the department heads:
- they appoint the members of the panel acting in the specific cases and the chair of the acting panel,
- they monitor the cases managed by the acting panels and enforce the deadlines
- they compile the list of hearings, determine the date and venue of the hearings and agree all this among themselves
- they see to ensuring that all members of the acting panel are present at the hearing, and that substitution can be organised if necessary; if this is not possible, they notify the director of the office of their substitution requirement and other conditions necessary for their operation
- they see to the balanced distribution of the workload
- they deliver the information obtained at the management meeting to the members of the panels
- they make proposals for the members' leaves
- they report to the chair of FAB on the experiences gained during the operation of the department
- they prepare a summary on the professional work of the department, process the experiences of the cases and make proposals for legislation and/or the amendment of laws
- they initiate the levying of penalties if the legal conditions thereof exist.

3. The office is managed by the office director; the staff of the office comprise of the experts, the legal official(s), the Board's spokesperson, assistants and trainee(s).

Responsibilities of the office director:
- performs the tasks related to the substitution of the chair
- manages the office, ensures that the administrative tasks are performed in due course, sees to granting leaves and organising substitutions
- assigns the cases to the departments, and ensures the balanced distribution of the workload as much as possible
- operates the case registration system, manages the archiving and ensures the updating of the FAB website
- sees to compiling the statistical part of the annual reports
- harmonises the practice applied by the acting panels in order to establish the uniform application of law,
- ensures that the sample documents exist and are kept up-to-date
- liaises with the Administrative Litigation Department with regard to litigations, and sees to the registration of litigations and the data supply

– to the rejection of the petition or refers it to the department, where the absence of the Board's competence can be established from the petition
– sees to compiling law monitoring bulletins, and to organising professional and language trainings
– liaises with other conciliation boards, the administrative consumer protection professional areas, and the Consumer Relations Information Centre.

3 POWERS AND COMPETENCE

1. The competence of FAB includes the settlement of the disputes between the financial service providers supervised by the Magyar Nemzeti Bank and the consumers related to the legal relations established for the purpose of using certain financial services (financial consumer disputes) outside the court. The acting panels of the FAB try to mediate a compromise between the parties and approve the compromise by a resolution. In the absence of compromise they may make a recommendation or a binding resolution, or terminate the proceedings.

2. FAB also deals with the equity petitions submitted to it. In the case of such petitions it mediates between the financial service provider and the petitioner with a view to reach a compromise. In the absence of a compromise it closes the case with a terminating resolution.

3. The consumer may submit the petitions related to online financial consumer disputes also via the online dispute resolution platform stipulated in the Regulation of the European Parliament and the Council on the online dispute resolution of consumer disputes (hereinafter: ODR Regulation); in such cases the FAB shall act in accordance with the ODR Regulation. The text of the ODR regulation is included in Annex 5 to the Operating Regulations.

4. The Board commences the proceedings related to petitions against workout companies – subject to the existence of certain statutory conditions – if it can be clearly established that the purchased receivable used to be a legal relationship between a financial service provider supervised by the MNB and the consumer for the purpose of providing financial services. In other cases it establishes the absence of its competence and, subject to simultaneous notification of the petitioner, transfers the case to the conciliation board having competence based on the petitioner's place of residence.

5. The office inspects the received petitions in terms of competence. If the absence of the Board's competence can be established on the basis of the content of the petition without requesting additional documents, it rejects the petition citing absence of competence. The resolution on the rejection is signed by the chair of the Board or the office director. If the office director refers the case to the department, the panel designated by the department head decides on the issue of competence. As a result of the examination of competence, either proceedings on the merits of the case are launched or the acting panel rejects the petition citing absence of competence, and sends it to the competent organisation, simultaneously notifying the petitioner.

6. The Board has nationwide competence.

4 THE ACTING PANELS

1. The Chair deliberates and decides whether the Board should act in panel or through a single member in the cases within its competence. Deliberation is based on the complexity of the case, the necessary expertise and the amount of the claim. If the Chair decides for proceedings to be conducted in a panel, the Heads of Department will select the chair and the two members of the acting panel from their members in the cases assigned to their departments. If at the scheduled hearing a member of the designated panel is unable to attend, the Heads of Department will arrange for a substitute. The Head of Department will change appointments in acting panels if any of the members must be excluded, if their employment with Magyar Nemzeti Bank is terminated prior to the hearing or if they have been exempted from their job obligations, or if a designated member is permanently absent or unavailable and a modification of the appointment is therefore necessary. The Chair may decide at any point of the proceeding that it should be switched from proceeding by panel to proceeding by a single member of the Board. In such a case the Head of Department will appoint the acting member.

2. The acting panels comprise of 3 persons, the chair of the panel and two members. The chair of the panel presides the hearing, one of the two members is the rapporteur, while the other member keeps the minutes; or the chair of the panel may also act as rapporteur.

3. The minute-keeper panel member ensures the availability of the sample documents necessary for the hearing, and commits the recommendation and the panel's resolutions – with the exception of the binding resolutions – to writing, finalises the minutes after agreeing on them with the parties, sees to the signing thereof, delivers them to the parties at the hearing and sees to the postal delivery thereof to the absent parties.

4. The panel member appointed as the rapporteur of the case:
   – following the investigation of competence ensures that – as a result of the supplementing or without that – the petitions can be discussed on the merits,
   – in the absence of competence, sends the petition – simultaneously notifying the petitioner – without delay to the competent organisation (transfer) and/or passes a resolution of rejection,
   – checks whether the declaration of submission exists, and makes the necessary instruments available,
   – prepares the necessary notices and ensures that those comply with the rules,
   – sets the date of the hearing, and notifies the parties, attaching the copy of the petition, on the venue of the hearing, the composition of the panel and the initiative to waive the hearing; the notice may be signed by any member of the acting panel,
   – in the notice he calls upon the financial service provider to make a declaration in an answer, and reminds it of the legal consequences of non-compliance with this obligation; calls upon the financial service provider to delegate a person to the hearing who has the powers to make a compromise or holds the necessary authorisation to do this
   – if the deadline open for answer expires without result, he calls upon the financial service provider to comply with its obligation to cooperate
   – forthwith sends the copy of the financial service provider's answer to the petitioner; if this is not feasible, the answer is delivered and read out at the hearing
   – in the case of cross-border financial consumer disputes, he forwards the consumer's petition, recorded on the standard form used in FIN-Net, to the alternative dispute resolution forum, participating in FIN-Net and residing in another EEA country, having power and competence in respect of the proceeding
   – at the hearing he represents the professional positions agreed in advance with the other members of the panel,
   – attempts to mediate a compromise, failing which – if the panel deems justified – prepares the recommendation or the binding resolution and sees to the delivery
   – records the data related to the case in the FAB's case registration system and keeps them up-to-date.

5. The chair of the acting panel:
   – ensures that the hearings are conducted legitimately, striving for the shortest possible duration and the most efficient operation
   – is responsible for the use of the panel's seal
   – reports to the department head, if the financial service provider fails to attend the hearing
   – forwards the request for exclusion to the chair of FAB; if the petition is late, reports the fact of this; notifies the parties of the measures taken by the chair of FAB in relation to the request for exclusion opens the hearing, ascertains the identity of the persons present, ascertains that the right of representation is properly confirmed, sees to the recording of the necessary data in the minutes and to attaching the instrument confirming the right of representation to the documents
   – reminds the attendees that no device disturbing the peace of the hearing may be used and video and voice recording at the hearing is prohibited; sees to keeping the order of the hearing; upon severe disturbance of peace forthwith notifies the security staff and, if necessary, the police
   – informs the parties of their procedural rights
   – presides the hearing; stipulates the sequence of the actions to be performed at the hearing
   – in the absence of compromise, obtains the declaration of the attendees on maintaining or supplementing their statements made in the petition and in the answer; reminds the petitioner about the restrictions applicable to the modification or supplementation of the petition
   – decides on the request to supplement the minutes

– upon the fulfilment of the conditions declares the hearing closed
– reopens the hearing, if after the closing of the hearing it appears practicable for the purpose of clarifying important circumstances/questions or obtaining declarations
– announces the decision of the acting panel.

5 BOARD MEMBER ACTING ALONE

1. Subject to the Chair's decision adopted following deliberation, a single member of the Board will act alone typically in cases for sums of no more than three million forints and/or which are easy to judge, as well as on financial consumer disputes based on equity petitions. Modification of the petition will not have an impact on this; nevertheless, the Chair may alter this decision during the proceeding and refer the case to a panel.

   Cases easy to judge: the petition and the enclosed documents suggest that judgement of the case on the merits and by the law does not demand professional consultations or extra preparations, the case is typical and relates to mass services common in everyday life and/or case types generating high numbers of legal disputes.

   Equity case: in these cases the petitioners, with regard to their personal or financial situation, ask the financial service provider to allow a more favourable possibility for performance than what was originally determined in the contract, such as, in particular, the reduction or cancellation of their payment obligation, the amendment or closure of their contract, or the possibility of accomplishing payment under conditions other than the ones determined in the contract. In equity proceedings, the Board mediates between the financial service provider and the petitioner in the interest of reaching a settlement agreement, approves the concluded agreement by its resolution, or in the absence of an agreement it closes the case with a terminating resolution. In equity proceedings claims resulting in a payment warrant or judged in a litigious or court enforcement proceeding may not be disputed.

2. The department head inspects in the cases assigned to the department whether the conditions of acting as a single board member exist. If yes, he appoints from the members of the department the board member to act alone. Any member of the department may be appointed as such. The department head may change the appointment upon the prevention of the appointed member. Prior to passing the resolution, the department head may order at any time that a three-member panel should act in the case.

3. The board member acting alone at the hearing sees to keeping the minutes; he may use a minute-keeper from the FAB staff. Otherwise his proceedings are governed by the operating regulations mutatis mutandis. During the proceedings the board member acting alone is entitled to the same rights and burdened by the same obligations that apply to the acting panel.

6 CONFLICT OF INTEREST, PREJUDICE AND EXCLUSION

1. The department head may not appoint such acting panel in cases assigned to the department by the office director, any member of which or the member's close relative, as defined in the Civil Code, is involved or stakeholder in the case, or the organisation involved in the petition is a financial service provider at which the member's close relative living in the same household is an employee or senior official, such as the member of the Board of Directors or Supervisory (relation-based conflict of interest).

2. No such panel member may be appointed as the member of the acting panel of whom the unbiased judgement and/or objective resolution of the given case cannot be expected for other reasons (prejudice). Prejudice means if the member of the panel used or uses any services of the financial service provider based on individual assessment under conditions that substantially differ from those publicly announced.

3. Should an appointment be made despite the existence of relation-based conflict of interest or prejudice, the respective member must notify the department head and the chair of FAB of this fact in writing within one working day from noticing it, and the department head must take immediate measures to eliminate these circumstances.

4. Either of the parties may submit an exclusion request against any member of the acting panel, if he can confirm a circumstance that raises doubts about the independence or impartiality of the member. The reasoned written request must be submitted within 3 working days from the day when the given party obtained knowledge of the composition of the acting panel. The exclusion request is decided by the chair of FAB after hearing the respective board member in the presence of his competent department head. If the exclusion request is justified, the chair of FAB asks the department head to appoint another panel member in the case. The chair of the acting panel notifies the parties in writing about the appointment of the new panel member.

5. The member of the acting panel who reported the reason for exclusion applicable to him, must not act in the assessment of the financial consumer dispute until the settlement of this notification. In other cases the respective panel member may continue to act, but until the settlement of the notification he must not participate in passing the decision on the merits.

6. The chair, the members of FAB and the staff of the office may not submit a petition to FAB; they should settle their contractual disputes against the financial service provider, as far as possible, directly with the service provider, or if that fails, by any other legal means.

7 SUBMISSION AND EXAMINATION OF PETITIONS, AND THE ANSWER

1. A request for a general conciliation procedure shall be made in writing on Form 150 in Annex 1 (a) and a request for equity on Form 180 in Annex 1 (b), using any one of the following methods:
   – in writing, on paper and by post, at a government office or in person at the MNB Customer Service;
   – in electronic form via the '*FAB Online administration*' application available on the Board's website, after identification using the Central Identification Agent (KAÜ).

   In the case of contracts concluded online (point 13) the petition may be submitted via the online dispute resolution platform specified in the ODR Regulation. In the case of cross-border financial consumer disputes (point 11) the FIN-NET form may be submitted in writing, on paper and by post, in person through the Government office or at the MNB's Customer Service Desk, or in electronic form through the FAB's Online Resolution Platform available on FAB's website.

   The Board shall serve documents on petitioners by the means of communication of the petitioner's choice, i.e. by post in the case of a procedure initiated by post and in accordance with the rules thereof, via the '*FAB Online administration*' application in the case of a procedure initiated by a request submitted after identification with the KAÜ, sending such notification to the petitioner's inbox via the Client gate portal. If the petitioner wishes to change the method of communication during the procedure, they must request this via the '*FAB Online administration*' application, after identification with the KAÜ, by using Form 200 in Annex 1 (c), otherwise their request will not be accepted. The Board will only accept the following by email: a statement by the petitioner that the petition is withdrawn or a statement by the petitioner that they consent to the continuation of the procedure in writing or do not consent to it and acknowledge the suspension of the procedure.

   The received petition is examined by the panel acting in the case. If the petition does not comply with the provisions of the law, the acting panel returns the petition – within 15 working days from the receipt thereof – to the petitioner for supplementation, specifying the shortcomings and allowing a deadline of 8 days. The petition is incomplete, if it does not contain
   a) the name, place of residence or abode of the petitioner,
   b) the name and registered office of the financial service provider involved in the dispute initiated by the petitioner,
   c) the brief description of the petitioner's position, and the supporting facts and evidences,
   d) the petitioner's declaration on the attempted settlement of the dispute,
   e) the document containing the rejected complaint and the rejection,
   f) the petitioner's declaration that he did not initiate any mediation or civil lawsuit in the case,
   g) the proposed decision,
   h) the documents – or the copy or excerpt thereof – on the content of which the petitioner refers to as evidence,

i) if the petitioner wishes to act through a proxy, the power of attorney of the representative having full disposing capacity within the meaning of civil law, in the form of private deed of full probative value or public instrument,
j) if any special data are also related to the petition, the declaration of the petitioner to the effect that simultaneously with submitting the petition he consents to the management and transfer of such special data in accordance with the provisions of the MNB Act.

If the petition or its annexes submitted by electronic data carrier or via e-channel do not comply with the effective bank security technological requirements of the Magyar Nemzeti Bank or the handling/printing of the data is made considerably burdensome or it is impossible, the acting panel may call upon the Petitioner – under pain of rejection or ignoring the given documents – to submit the documents, provided earlier on electronic data carrier, on paper.

2. The panel acting in the case examines the petition within 8 days from the start of the proceedings to assess whether it belongs to the competence of the Board. No competence exists for the assessment of the petition, if
a) the petitioner does not qualify as a consumer,
b) the petition is not against a financial service provider,
c) the petition was submitted against a workout company, but the underlying legal relationship was not aimed at financial services
d) the subject of the petition is not a financial consumer dispute.

The petition should be returned to the petitioner for supplementation, if based on the petition it cannot be established beyond doubt whether or not the Board has competence in the case. It can be decided after the supplementation whether the panel will negotiate the case on the merits, or due to lack of competence the petition should be transferred or rejected.

3. The acting panel rejects the petition without fixing a hearing, if
a) the submission of the petition has not been preceded by the investigation of his complaint, at his initiative, or the petitioner has not previously lodged a failed petition for equitable treatment to the given service provider,
b) the complaint was not rejected,
c) there is pending action between the parties based on the same facts for the same right, or already a non-appealable judgment has been passed on the subject thereof; or if the proceeding of the Board has been initiated before and it was closed by a resolution, except when in such earlier proceeding the petition was rejected due to failure to comply or to the inadequate compliance with the call for supplementation, or the petitioner has withdrawn his petition or the parties jointly requested that the proceeding be terminated,
d) there is a criminal procedure in progress with regard to the case, in which the consumer also requests that his civil claim be enforced, or a warrant for payment has been issued in respect of a case between the parties arising from the same facts of the case being conducted for the same right, or a mediation procedure has been launched by the parties,
e) the time allowed for supplementation ended unproductively,
f) the petition cannot be judged even after the supplementation,
g) the dispute lacks in seriousness, that is, the petitioner makes a declaration of a content or shows a conduct that is obviously not aimed at the settlement of the dispute on the merits and is clearly unfit for launching the procedure,
h) the dispute is vexatious, that is, the tone of the petition, the declaration and behaviour of the party are indecent, rude or personal,
i) the Board has no competence to judge the dispute (petition).

The acting panel may reject the petition without a hearing, if the petitioner submitted the petition or failed to submit the annexes to the petition on paper despite the call made upon him to this effect.

4. The procedural deadlines commence from the date of the receipt of the complete petition. If the petition is not rejected, the chair of the acting panel notifies the parties in due course and in writing on the date and venue of the hearing or on the initiative to waive the hearing, i.e. on his proposal to conduct the procedure in writing, attaching to it the copy of the petition. In such notice the chair sets the date of the hearing within 75 days from the commencement of the

procedure. The chair determines the date of the hearing in a way so that, as far as possible, multiple hearings involving the same financial service provider are held on the same date one after the other. The notice must contain the names of the members of the appointed acting panel.

The waiving of the hearing and conducting the procedure in writing is conditional upon both parties' written consent. Based on the parties' declaration of consent made at the hearing, the chair of the acting panel may also order the continuation of the procedure in writing. When the parties do not consent to written proceedings prior to a hearing, but one of the parties does not appear at a hearing, the acting panel may conduct the procedure - after holding a hearing - in writing even without the parties' prior consent. In the procedure conducted in writing, the acting panel may set a hearing without the parties' consent until the passing of the resolution.

In an extraordinary situation, the chair of the Board may decide – on an exceptional basis when it is justified – that even in the absence of the parties' consent or against their will the pending procedure is continued in writing.

5. If the petitioner dies after the submission of the petition, the acting panel shall pass a resolution to terminate the procedure. In possession of a legally binding grant of probate or proof of inheritance, the legal successor of the petitioner is entitled to institute new proceedings.

   If after the submission of the petition, the financial service provider is replaced by a legal successor, the procedure shall continue – without conducting a separate complaint procedure – with the involvement of the legal successor financial service provider, of which the panel shall notify the stakeholders. The succession of title may be reported by any of the service providers involved. The acting panel shall call upon the legal successor financial service provider, setting a short deadline, to make its declaration. The same rules may be followed also when the Petitioner is informed about the legal succession in the person of the financial service provider after submitting the petition.

6. Financial service providers may submit their applications through the dedicated e-channel, using the standard forms. The Board delivers the notifications, notices and decisions to the Electronic Administration Authentic Storage Space (EÜHT) mailbox. Service providers are notified of the deliveries to the storage space by e-mail. Should the addressee fail to accept the document, the Board shall consider it delivered on the 11th working day after placing it to the delivery storage space. In their written response specified in Article 108 of the MNB Act, financial service providers are obliged to indicate unambiguously any information that may contain business secret to be treated confidentially, and attach the instrument or data containing such information as a separate submission.

7. Equity petitions may be submitted on Form 180 or as free format handwritten or typed submissions.

   The equity petition must include
   a) the name, place of residence or abode of the petitioner,
   b) the name and registered office of the financial service provider involved,
   c) the description of the personal or material circumstances underlying the equity petition, and the supporting evidence, if any,
   d) the petitioner's declaration on the attempted settlement of the equity petition with the financial service provider,
   e) the rejected equity petition or the document containing the rejection, or the petitioner's declaration to the effect that the financial service provider failed to respond to his equity petition within 30 days from the submission
   f) the motion with regard to granting the equity claim,
   g) the documents – or the copy or excerpt thereof – the content of which is cited by the petitioner,
   h) if the petitioner wishes to act through a proxy, the power of attorney of the representative having full disposing capacity within the meaning of civil law, in the form of private deed of full probative value or public instrument,
   i) if any special data are also related to the petition, the declaration of the petitioner to the effect that simultaneously with submitting the petition he consents to the management and transfer of such special data in accordance with the provisions of the MNB Act,
   j) the petitioner's declaration to the effect that he has not submitted a petition for equitable treatment earlier based on the same facts of the case for the same right

8 PROCEDURE DURING THE EMERGENCY PERIOD ENTAILING A PROHIBITION TO ENTER THE BUILDINGS OF THE MAGYAR NEMZETI BANK

If during the period of emergency announced by the Government the Governor of the Magyar Nemzeti Bank prohibits entry to the MNB's buildings, the procedures may only be conducted in writing.

Unless provided otherwise by the law conducting the procedure in writing is not conditional upon the parties' agreement. When the prohibition on entry is lifted, the procedure shall be conducted in accordance with the general rules. The parties shall be notified of the continuation of the procedure.

9 THE HEARING

1. The acting panels hold the hearings in the meeting rooms of the Magyar Nemzeti Bank, located at the ground floor of the Capital Square Office Building at 1133 Budapest, Váci út 76. Hearings are held every working day; the dates and the precise venue are determined by the department heads themselves. The hearing is presided by the chair of the acting panel, who determines the sequence of the actions at the hearing. In addition to the members of the acting panel, the adverse party and the representative thereof may address questions to the party.

2. During the hearing the chair of the acting panel may warn the parties at any time if they ask questions or present facts that do not relate to the case in dispute. The acting panel ignores such facts and data.

3. The hearings are not public unless both parties consent. In this case an audience – in limited number – may also be present at the hearing. The maximum number of the audience may be specified by the chair of the acting panel.

4. After the opening of the hearing, the chair of the acting panel verifies – by inspecting the documents suitable for confirming personal identity – the identity of the attendees, and ascertains the proper confirmation of the representation right; these data are recorded by the acting panel in the minutes and the instrument confirming the right of representation is attached to the minutes. If either party fails to attend the hearing, it must be determined on the basis of the return receipt whether the notification of the party of the hearing was made properly. If so, the hearing must be deemed omitted by the respective party. If either party fails to attend the hearing despite the proper notification or does not present evidence, the acting panel conducts the proceedings and decides on the basis of the available documents and data.

5. If the petitioner authorises a proxy, the power of attorney must be made out in a private deed of full probative value or in a public instrument. If the petitioner and his representative attend the hearing together, the authorisation may also be recorded in the minutes of the hearing. If the proxy or authorised representative attending the hearing on behalf of the party fail to confirm right of representation, he may not represent the party at the hearing.

6. After ascertaining the identity of the attendees and the confirmation of the right of representation, the chair of the acting panel opens the hearing and warns the attendees that no device that disturbs the peace of the hearing, particularly mobile phones, may be used. The chair of the acting panel informs the parties of
   a) their procedural rights,
   b) the rules pertaining to the supplementation of the petition,
   c) the legal nature of the compromise, the binding resolution and the recommendation, as well as of the fact that the failure to fulfil the compromise and the binding resolution voluntarily entails enforcement by the court at the petitioner's request,
   d) the submission and the consequence of non-submission,
   e) on the statutory submission and, if it is applicable in the respective case, on the legal consequences thereof,
   j) that the proceedings do not prejudice the enforcement of the claims at the court.

7. The acting panel shall assess the unquantifiable claims, as well as those aimed at the performance of or forbearance from an action, as zero amount claims.

When in a single procedure the petitioner enforces several claims arising from a single legal relationship or claims from several legal relationships, upon determining the limit under Article 113(2) of the MNB Act – ignoring the contributions – the aggregate value of the submitted claims shall be taken into consideration.

If the petition is aimed at a claim the amount of which cannot be defined in advance or precisely (particularly when it concerns interest or other amounts to be charged periodically) or disputes those, the application of the submission shall be governed by the interest or other claim amount for one calendar year.

8. The acting panel attempts to mediate a compromise between the parties. It reminds the parties that the fastest and simplest way to settle the dispute between them is to effect a compromise, therefore if they settle the dispute between them by bringing their positions closer to each other, in a manner that is acceptable to both parties and does not violate the law, the panel will approve it by its resolution. If the parties effect a compromise, the acting panel approves the compromise and delivers it – after the announcement thereof – to the attendees in writing, put down in the minutes or in a separate instrument, and declares the hearing closed. If the compromise proposal submitted by the absent party in writing is accepted by the other party, the acting panel delivers the resolution containing the compromise to the absent party. If the compromise is effected outside the hearing, the acting panel approves the compromise within 15 days from the receipt of the last legal declaration necessary for the accomplishment thereof and delivers its resolution.

9. If no compromise is effected, the chair of the acting panel obtains the declaration of the attendees whether they maintain their position stated in the petition or in the answer, or wish to supplement it verbally. It reminds the petitioner of the restrictions applicable to the modification and supplementation of the petition. The panels should first obtain the declaration of the consumer; thereafter the representative of the financial service provider may present the facts and evidences underlying its declaration and may request that its written declaration be supplemented. After the declarations and the supplementations the members of the acting panel may request information from the parties with regard to any additional circumstances, facts or data related to the case. The presented facts and data must be confirmed, if necessary. If at any stage of the hearing the possibility of a compromise arises, the chair of the acting panel initiates that the compromise be effected. If this necessitates the consent of a person absent from the hearing (particularly in the case of representation), the chair of the acting panel may order a short break so that the party or his representative can quickly obtain the consent required for the compromise.

10. The principle of free evaluation of evidence is enforced at the hearing with the proviso that
    a) all acts of evidence may be made during the hearing, no on-site verification is allowed,
    b) no expert is appointed, but the parties may submit – before the hearing – an expert opinion to support their position,
    c) during the hearing the acting panel may ignore the evidences when the purpose of which was clearly to hinder the proceedings,
    d) instruments containing classified data may be used at the hearing in accordance with relevant provisions of the law,
    e) if the presented facts or data are not evidenced or confirmed, the acting panel will ignore them when making its decision.

11. Upon the joint request of the parties submitted at the hearing, or at the request of the party present, the hearing may be postponed due to exceptionally important reasons – particularly due to the efforts of the parties to reach a compromise – by simultaneously setting the date of the new hearing. The acting panel may postpone the hearing only ex officio and for important reasons, stipulating the reason. The postponement of the hearing does not influence the statutory final deadline set for the completion of the financial conciliatory proceedings. If after the postponement of the hearing the parties effect a compromise and at the same time they consent to conducting the procedure in writing, no consecutive hearing will be held.

12. If during the hearing the parties make no additional declaration and the members of the acting panel have no additional questions either, the chair of the acting panel – after warning the parties to this effect – declares the hearing completed. In the absence of a compromise – with the exception of proceedings launched based on a petition of equity – the panel retires to deliberate. If during the deliberation any such circumstance or question arises in respect of which it would be practicable to obtain the parties' declaration, the chair of the acting panel opens the hearing to obtain that. The panel makes its decision after assessing and considering all of the declarations made by the parties in writing and verbally and the evidences put at its disposal. The acting panel makes its decision in camera by a simple majority of votes.

13. The members of the acting panel decide in camera whether in the absence of compromise they pass a binding resolution or make a recommendation in the given case. They also decide whether to announce the resolution at that time or announce it at an additional hearing. In the latter case the resolution is committed to writing within fifteen days after the hearing. If the legal and factual assessment of the case is simple, the chair of the acting panel announces the binding resolution or the recommendation at the given hearing. The announcement must contain the decision of the acting panel on the merits of the dispute and the brief justification thereof. If the acting panel does not announce the binding resolution or the recommendation at the hearing, it informs the parties about the date of the next hearing verbally. The acting panel sends no separate written notice to the parties on this date. If the resolution is passed in a procedure conducted in writing, the announcement of the resolution shall be made through postal delivery, with the proviso that the date of announcement shall correspond to the date of passing the resolution.

14. It is the duty of the acting panel to ensure that the binding resolution or recommendation is committed to writing and delivered. The written binding resolution or the recommendation must contain the brief decision.

    If the purpose of the petition is that acting panel should establish that the petitioner does not owe the amount claimed, the operative part of the recommendation or binding resolution shall indicate the claim that the petitioner is not obliged to pay, and call upon the financial service provider to issue and send a declaration to the petitioner within 15 days, according to which it shall not enforce the specified claim against the petitioner.

    In addition, the recommendation and the binding resolution must contain
    a) the venue and date of the hearing, the designation of the acting panel and the case number,
    b) the subject matter of the proceedings, the name and address (residential address, registered office) of the parties to the dispute or of their representatives, and their status in the dispute,
    c) the name of the members of the panel acting in the case,
    d) if the procedure was prolonged, the fact of this,
    e) the justification of the content of the operative part,
    f) the notice to the effect that the resolution or recommendation of the panel does not prejudice the consumer's right to enforce his claim at the court,
    g) notice to the effect that no appeal lies against the binding resolution or the recommendation; the annulment thereof may be requested from the court,
    h) the date of committing the resolution to writing,
    i) in the binding resolution the decision on the costs and on the party paying it,
    j) the information on the legal consequences of the financial service provider's failure to perform voluntarily.

15. The acting panel terminates the proceedings by its resolution, if
    a) the petitioner withdraws his claim,
    b) the parties agree on the termination of the proceedings,
    c) it is impossible to continue the proceedings,
    d) in the view of the acting panel it is unnecessary to continue the proceedings for any reason, including the petition's lack of grounding,
    e) it obtains knowledge of any of the circumstances specified in subsection 3 and 5 of Section 7 of the Operating Regulations.

16. Written minutes are taken of the hearing; in exceptional cases the chair of the acting panel may authorise the use of other recording devices. The minutes are taken by a member of the acting panel; the minutes must contain:
    a) the name of the parties and their representatives, their status in the procedure. the petitioner's personal identification data (mother's maiden name, place and date of birth, the number of his ID document), residence (place of abode), the registered office of the financial service provider,
    b) the fact that the parties were informed of their procedural rights and obligations, and the warnings made,
    c) the attempt to effect a compromise,
    d) if a compromise was effected, the fact thereof,
    e) the parties' declaration in brief,
    f) the declarations and warnings of the chair of the acting panel related to the conduct of the hearing,

g) the responses given to the questions of the members of the acting panel,
h) the facts related to the announcement and delivery of the resolution passed and of the recommendation,
i) other circumstances, data and information relevant for the case and/or the hearing.

Apart from the recommendation and the binding resolution, any resolution of the acting panel may be recorded in the minutes.

The members of the acting panel or the parties upon making the declaration may request that certain declarations made by them be recorded verbatim in the minutes. Prior to concluding the hearing the parties may inspect the minutes, make observations and request that it be corrected or supplemented.

The chair of the acting panel may reject the request to supplement, if it *does not* contain any information that is materially new or substantially differs from what was said. The minute-keeper member of the panel enters the file number on the finalised minutes and delivers one copy to each of the attendees. The minutes must be delivered to the absent parties.

17. The objection against the binding resolution based on statutory submissions shall be deemed received by the deadline, if the financial service provider posts it in a registered mail to the address specified in Chapter 16 on the last day of the deadline for the lodging of the objection.

10 MAINTAINING THE PEACE AND DURATION OF THE PROCEEDINGS

1. The maintaining of the peace of the hearings is the duty of the chair of the acting panel. The chair of the acting panel warns the party disturbing the peace of the hearing that his conduct hinders the hearing, therefore if the hearing must be terminated the acting panel will pass its decision on the basis of the available data. When making its decision it will consider due to which party's conduct the hearing had to be cancelled. Upon severe disturbance of the peace the members of the acting panel will promptly notify the security staff and, if necessary, the police.

2. The acting panel must conclude the proceedings within 90 days from the commencement thereof and close the case by a resolution. If it is justified, the chair of the acting panel may approach the chair of FAB with a request prior to the expiry of the deadline, making use of the option provided by law, to authorise the extension of the procedural deadline. If the chair of the FAB grants the request, the proceedings may be prolonged on one occasion per case by 30 days.

11 DIFFERENT RULES APPLICABLE TO CROSS-BORDER FINANCIAL CONSUMER DISPUTES

1. In the case of cross-border disputes related to financial services activity the rules laid down in these Operating Regulations shall apply with the derogations specified in this chapter. A cross-border dispute is a dispute where the respective consumer's home address or habitual residence is in Hungary, while the registered office, business site or permanent establishment of the financial service providers is in another EEA member state, or vice versa.

2. An additional condition for the launch of the proceedings in consumer cross-border disputes related to financial services activity is that the financial service provider must submit itself in the given dispute to FAB's procedure and thereby acknowledge the decision thereof as binding on it. In the absence of submission the acting panel
   a) informs the petitioner on the alternative dispute resolution forum participating in FIN-Net in another EEA member state, having power and competence with regard to the dispute,
   b) provides information on the special rules applicable to the proceedings of the said forum, particularly on the need of preliminary consultation with the service provider and, if necessary, on the deadlines prescribed for launching the procedure,
   c) upon the petitioner's request forwards his petition, recorded on the FIN-Net standard form, to the alternative dispute resolution forum having power and competence in the other EEA member state.

3. The acting panel always conducts the proceedings in writing, but based on the consideration of the circumstances it may initiate a hearing. The hearing is subject to both parties' consent. The chair of the acting panel applies the notification rules in the procedure with a hearing, with the proviso that upon initiating the hearing the parties' attention must be drawn in the notification to the need of consent. When the proceedings are conducted in writing, the notification should contain, instead of the date of the hearing, the information that the proceedings have started. If the chair of the acting panel conduct the proceedings in writing, the acting panel may request the parties to provide it with written information or documents, by setting a deadline, in order to establish whether the petition is grounded, The declarations and position of the parties must be disclosed to the adverse party, who should be given the opportunity to define his position. If the chair of the acting panel conducts the proceedings in writing, the resolution of the acting panel must be promptly delivered to the parties once it is passed.

4. The procedure shall be conducted in English. The acting panel will deliver its judgement also in this language, unless the petitioner requests that the language of the disputed contract and/or of the communication between the respective service provider and the consumer be used.

5. The chair of the FAB may, on the proposal of the chair of the acting panel, prolong the deadline of the procedure in justified cases on one occasion by 90 days per case.

12 PROCEDURE IN ONLINE FINANCIAL CONSUMER DISPUTES

1. If the Financial Arbitration Board agreed to conduct an alternative dispute resolution procedure in respect of a dispute forwarded via the online dispute resolution platform, in the case of consumer disputes related to online financial services activity, the rules stipulated in these Operating Procedures shall be applied with the derogations specified in this chapter. If the Board does not agree to resolve the dispute via the online dispute resolution platform, the rules of the hearing-based procedure shall be applied.

2. The online dispute resolution procedure takes place in writing through the dedicated platform; the panel shall send a notification to the parties on the launch of the procedure. No hearing shall be held unless either party requests that a hearing be held and the other party agrees to it, or as a result of considering the circumstances the acting panel initiates a hearing and both parties consent to it. If a hearing is held, the procedure shall continue after the receipt of the respective application in accordance with the general rules.

3. The acting panel may request the parties to provide it with written information or documents, by setting a deadline, in order to establish whether the petition is grounded. The declarations and position of the parties must be disclosed to the adverse party, who should be given the opportunity to define his position. The acting panel may request the parties that they should send an acknowledgment of receipt of the documents sent via the online dispute resolution platform.

4. The acting panel shall procure the delivery of its resolution contestable through remedy also by post to the parties; the deadlines for the remedy commence from the postal delivery.

5. The issues not regulated in this chapter shall be governed, *mutatis mutandis*, by the general rules of the Operating Procedures.

13 PUBLICATION OF THE DECISIONS

1. FAB publishes its binding resolutions and the recommendations on its website, within the site of the Magyar Nemzeti Bank, without disclosing the identity of the parties (anonymously), describing the content of the dispute and the result of the proceedings, and prepares a summary on the approved compromises.

2. If the annulment of a recommendation or binding ruling of the FAB has been requested before a court of law, the recommendation and the binding ruling and the name of the financial service provider must not be disclosed publicly until the final conclusion of court proceedings. After their closure with a final ruling, the recommendation or binding ruling may be made public if it was upheld by the court.

3. If the financial service provider fails to comply with the recommendation and the 60 days from the delivery of the recommendation to the financial service provider elapsed, and the annulment of the recommendation was not requested, the recommendation of the acting panel may be published indicating the name of the financial service provider. The name of the petitioner initiating the procedure is not public.

14 RECESS

1. FAB is in recess twice a year, in summer and in winter. The summer recess is in July and August, while the winter recess is in December and January. The duration of the recess is 8-15 working days per occasion; this duration does not count for the purpose of calculating the procedural deadlines.

2. The exact time, start and end date of the recesses is published by the chair of FAB on the website at least one month before the start of the recess.

15 CONTACT DETAILS

Contact the Board:
On its own website: www.mnb.hu/bekeltetes
In person, at the MNB Customer Service (1122 Budapest, Krisztina krt. 6.),
By phone: call the Customer Service on +36-1-489-9700 or +36-80-203-776
By post in general and equity cases: 1525 Budapest Pf. 172.
By email: ugyfelszolgalat@mnb.hu
For service contracts concluded online under the ODR Regulation, via the European online dispute resolution (ODR) platform of the European Commission at https://webgate.ec.europa.eu/odr

Petitions can be submitted:
– electronically via the '*FAB Online administration'* application available on the www.mnb.hu/bekeltetes website, after identification using the Central Identification Agent (KAÜ),
– in person (MNB Customer Service, Budapest XII, Krisztina krt. 6. or at government offices),
– by post to the address: 1525 Budapest Pf. 172.

The Board communicates with financial service providers via the '*Financial Arbitration Board e-Administration*' service, available on the MNB's electronic administration information system (ERA system), and service providers submit their communications using the electronic forms available there, and the resolutions, calls, notices and other communications of the Board are delivered to the service providers by uploading them to the delivery storage space.

The staff of the MNB's Central Customer Service will provide information on the rules of the Board's procedure by telephone or via email in response to a telephone or email enquiry. No information can be disclosed about ongoing cases.

Annex 1 a)

	150. GENERAL CONSUMER PETITION	place of bar code
CASE NUMBER:	*To be submitted in 1 copy to the Financial Arbitration Board*	
Place of receipt	*You can download this form from www.mnb.hu/bekeltetes and fill it in by hand or by computer. You can ask for help with filling in the form at the Customer Service of the Magyar Nemzeti Bank (address: 1122 Budapest, Krisztina krt. 6.) or at the financial navigator advisory offices partnered with the MNB (www.mnb.hu/fogyasztovedelem). You can send the completed form to our postal address (Pénzügyi Békéltető Testület (Financial Arbitration Board), 1525 Budapest, Pf. 172) or you can submit it in person at the MNB Customer Service or at the Government Offices. In the latter case, you will not have to pay postage. Petitions may be submitted electronically via the 'FAB Online administration' application available on the www.mnb.hu/bekeltetes website, after identification using the Central Identification Agent (KAÜ).*	

1A. PETITIONER'S data: *(Any person qualifying as a CONSUMER, i.e. a natural person acting for purposes falling outside his independent occupation and economic activity, may be a petitioner.)*					
1A.1	**Petitioner's name:**				
1A.2	**Residential or postal address:**				
1A.3	**Date of birth:**	☐☐☐☐ ☐☐ ☐☐			
1A.4	**Telephone number:**				
1A.5	**Capacity:** Please mark with X as applicable	☐ debtor	☐demand guarantee provider	☐ mortgager	☐ heir
		☐ in the case of insurance contracts contractor	☐ insured	☐ beneficiary	☐ fund member
		☐ other (please describe)			

1B. ADDITIONAL PETITIONER'S data: (*Any person qualifying as a CONSUMER, i.e. a natural person acting for purposes falling outside his independent occupation and economic activity, may be a petitioner.)*					
1B.1	**Petitioner's name:**				
1B.2	**Residential or postal address:**				
1B.3	**Date of birth:**	☐☐☐☐ ☐☐ ☐☐			
1B.4	**Telephone number:**				
1B.5	**Capacity:** Please mark with X as applicable	☐ debtor	☐ demand guarantee provider	☐ mortgager	☐ heir
		☐ in the case of insurance contracts contractor	☐ insured	☐ beneficiary	☐ fund member
		☐ other (please describe)			

150-A	Name of petitioner as per point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

2. PROXY'S data

If you wish to act via a proxy, please also fill in and sign the POWER OF ATTORNEY form, obtain the signature of two witnesses and attach the original copy as annex to the petition.

2.1	**Proxy's name:**	
2.2	**Residential or postal address:**	
2.3	**Telephone number:**	

3. Data of the FINANCIAL SERVICE PROVIDER:

3.1	**Name of the financial service provider:**	
3.2	**Address of the financial service provider:**	
Data of ADDITIONAL SERVICE PROVIDER (*Please fill in this section only, if you request that the procedure be launched against the additional service provider.)*		
3.3	**Name of the additional financial service provider:**	
3.4	**Address of the additional financial service provider:**	

4. DECLARATION ON DISQUALIFYING REASONS HINDERING THE INSTITUTION OF PROCEEDINGS:

Please be informed that the Financial Arbitration Board may only start the proceeding, if none of the disqualifying reasons listed below exists. It is important to indicate your response for each item.

Based on the same factual data and for the same right		
4.1	– a Financial Arbitration Board proceeding has been initiated before	☐ no / ☐ yes
4.2	– a mediation procedure has been initiated before	☐ no / ☐ yes
4.3	– there is a pending civil action	☐ no / ☐ yes
4.4	– already a final judgement has been passed in the case, or there is a binding warrant for payment	☐ no / ☐ yes
4.5	– the petitioner has formerly submitted an equity petition to the Financial Arbitration Board	☐ no / ☐ yes

5. Data related to the COMPLAINT SUBMITTED TO THE FINANCIAL INSTITUTION:

Please be informed that the Financial Arbitration Board may only start the proceeding, if you have attempted to resolve the dispute directly with the financial service provider and your complaint (equity petition) has been rejected. If you have not lodged a complaint (equity petition) with the financial service provider, you may not initiate the proceeding of the Financial Arbitration Board.

5.1	**When did you submit your complaint/equity petition to the financial institution?**	…… day …….. month …… year
5.2	**Please mark with X, if the financial institution did not respond to your complaint/equity petition and already 30 days have elapsed since the receipt of the complaint.**	☐ **yes**
5.3	**When did you receive the financial institution's letter on the rejection of the complaint/equity petition?**	…… day …….. month …… year

150-B	Name of petitioner as per point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

6. SUBJECT OF THE PETITION AND DESCRIPTION OF THE REASONS:

6.1 Describe the subject of the petition and indicate the amount involved:

6.1.1	**Reference number of the contract being the subject of the petition:**	
6.1.2	**Petition of equity:**	☐ **yes**
6.1.3	**Description of the petition:**	
6.1.4	**Amount involved in the petition:**	HUF

6.2 Detailed presentation of the reason for the petition:

*Attach the copies of the instruments supporting your allegations and indicate in **point 7** the documents you attached to support your allegations.*

Please mark with X, if you continue Point 6.2 on additional sheet 150-B/1: ☐ **yes**

150-B/1	**ADDITIONAL SHEET FOR POINT 6.2** Name of petitioner as per point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

Detailed presentation of the reason for the petition (continuation of Point 6.2):

4/6

150-C	Name of petitioner as per point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

7. ANNEXES TO THE PETITION:

*The launch of the proceeding is **conditional upon** attaching the documents supporting your allegation to the petition.*
In the case of Points 7.1.1-7.1.4 and 7.2.1–7.2.3 it is sufficient to mark with X on the form that you have attached the instrument, while in the case of Point 7.2.4, please list the additional instruments you have attached.

7.1	**Annexes related to Points 2-5 of the petition:**	
7.1.1	**Complaint/equity petition** you have submitted to the financial institution	attached:☐
7.1.2	Letter of the financial institution on the rejection of the **complaint/equity petition**	attached:☐
7.1.3	If you have not received a response to your complaint from the financial institution, the document evidencing the submission of the complaint (e.g. the post office receipt of the registered mail)	attached:☐
7.1.4	**Original copy** of the filled in and signed **Power of Attorney** form, if you have filled in Point 2 of the petition	attached:☐

7.2	**Annexes related to Point 6 of the petition:**	
7.2.1	Document confirming the legal relationship pertaining to the financial services (e.g. contract, insurance proposal, insurance policy)	attached:☐
7.2.2	Documents related to the insurance service claim (e.g. claim assessment protocol, expert opinion, quotation or invoice)	attached:☐
7.2.3	**Warrant for payment, litigation and foreclosure instruments** related to the subject matter of the petition	attached:☐
7.2.4	**Additional documents supporting the petition:** *(Please list the attached additional documents.)*	

150-D	Name of petitioner as per point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

8. I submit the following definite petition for the decision of the Financial Arbitration Board, based on which I request that the procedure be conducted.

Performed on ……., …. day ……month …… 201…. year

…… ……

Signature of the Petitioner specified in Point 1A.* **Signature of the Petitioner specified in Point 1B.***

** I acknowledge that in the proceedings instituted on the basis of this petition, the Financial Arbitration Board will process my personal data stated in my petition – including my sensitive data potentially provided in this context – to the extent and for the time necessary for conducting the proceedings, and it may disclose them to third parties in complying with statutory obligations.*

By signing this form, I consent to the Financial Arbitration Board processing my sensitive data potentially provided in addition to my personal data in the proceedings instituted on the basis of this petition, to the extent and for the time necessary for conducting the proceedings, and disclosing them to third parties in complying with statutory obligations.

I also acknowledge that if the data subject considers that the data processing did not comply with the statutory requirements, I have the option to initiate the proceedings of the Magyar Nemzeti Bank's internal data protection officer, or to bring the matter before court. In addition, an investigation may be initiated by filing a report to the National Authority for Data Protection and Freedom of Information on the grounds that there was an infringement in practising the rights related to the processing of personal data or there is imminent threat thereof.

6/6

Annex 1 b)

CASE NUMBER:

180. EQUITY PETITION

*Equity case: cases where petitioners, with regard to **their personal or financial situation**, request the financial service provider to allow a more favourable possibility for performance than what was originally determined in the contract, such as, in particular, the reduction or cancellation of their payment obligation, the amendment or closure of their contract, or the possibility of completing payment under conditions other than the ones determined in the contract. In equity cases, the Board mediates between the financial service provider and the petitioner in the interest of reaching a settlement agreement, approves the settlement agreement concluded in its resolution, or, if no settlement agreement is reached, closes the case in a termination decision. In equity proceedings, claims already judged in payment order, litigious or court enforcement proceedings cannot be disputed.*

To be submitted in 1 copy to the Financial Arbitration Board

Place of bar code

Place of receipt

You can download this form from www.mnb.hu/bekeltetes and fill it in by hand or by computer. You can ask for help with filling in the form at the Customer Service of the Magyar Nemzeti Bank (address: 1122 Budapest, Krisztina krt. 6.) or at the financial navigator advisory offices partnered with the MNB (www.mnb.hu/fogyasztovedelem). You can send the completed form to our postal address (Pénzügyi Békéltető Testület (Financial Arbitration Board), 1525 Budapest, Pf. 172) or you can submit it in person at the MNB Customer Service or at the Government Offices. In the latter case, you will not have to pay postage. Petitions may be submitted electronically via the 'FAB Online administration' application available on the www.mnb.hu/bekeltetes website, after identification using the Central Identification Agent (KAÜ).

1. PETITIONER'S data: *(Any person qualifying as a CONSUMER, i.e. a natural person acting for purposes falling outside his independent occupation and economic activity, may be a petitioner.)*

1A.1	**Petitioner's name:**						
1A.2	**Residential or postal address:**						
1A.3	**Date of birth:**	☐☐☐☐ ☐☐ ☐☐	**1A.4**	**Telephone number:**			
1A.5	**Capacity:** Please mark with an X as applicable	☐ debtor	☐ demand guarantee provider	☐ mortgager	☐ heir	☐insured person	☐ injured person
		☐ other:.....					

1B.1	**Additional petitioner's name:**						
1B.2	**Residential or postal address:**						
1B.3	**Date of birth:**	☐☐☐☐ ☐☐ ☐☐	**1B.4**	**Telephone number:**			
1B.5	**Capacity:** Please mark with an X as applicable	☐ debtor	☐ demand guarantee provider	☐ mortgager	☐ heir	☐insured	☐ injured person
		☐ other:.....					

2. PROXY's data: *If you wish to act via a proxy, please also fill in and sign the POWER OF ATTORNEY form, obtain the signature of two witnesses and attach the original copy as an annex to the equity petition.*

2.1	**Proxy's name:**	
2.2	**Residential or postal address:**	
2.3	**Telephone number:**	

3. The FINANCIAL SERVICE PROVIDER's data: *(Banks, other credit institutions, insurance undertakings, financial enterprises, treasuries and investment service providers are regarded as financial service providers. Debt management companies can only be regarded as financial service providers, if their claims with regard to consumers are based on financial services. Consumer groups and their organisers, utility companies or communication providers are not regarded as financial service providers.*

3.1	**Financial service provider's name:**	
3.2	**Financial service provider's address:**	

180-A	Petitioner's name as in point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

4. Statements and data relating to INSTITUTING THE PROCEDURE:

Please be informed that the Financial Arbitration Board may institute proceedings, if in respect of the same case you have not submitted an equity petition to the Board before. An exception to this rule is admissible only if in connection with your former petition no hearing was scheduled, or if you withdrew your petition during the procedure. Consumers may initiate proceedings in front of the Board only after they have attempted to settle their case with the financial service provider but were rejected, or if they did not receive an answer to their petition within 30 days-

4.1	**Please state that you have NOT submitted an equity petition to the Financial Arbitration Board before based on the same facts of the case, for the same right, except where no hearing was scheduled in connection with your petition, or if you withdrew your petition during the procedure.**	☐ **I hereby declare**
4.2	**When did you submit your equity petition to the financial service provider?**	…… day …….. month 201... year
4.3	**Please mark with an X, if the financial service provider did not respond to your equity petition and 30 days have already elapsed since the receipt of your petition.**	☐ **yes**
4.4	**When did your receive the financial service provider's reply concerning the rejection of your equity petition?**	…… day …….. month 201... year

5. SUBJECT OF THE EQUITY PETITION AND DESCRIPTION OF THE REASONS:

5.1 Describe the subject of the equity petition and indicate the amount involved:

5.1.1.	**Identification number of the contract, which is the subject of the petition:**	
5.1.2.	**Description of the petition:**	
5.1.3.	**Amount involved in the petition:**	HUF

5.2 Detailed presentation of the reasons for the petition:

*Please describe the personal or financial situation with regard to which the financial service provider is requested to allow a more favourable possibility for performance than what was originally determined in the contract, such as, in particular, the reduction or cancellation of payment obligation, the amendment or closure of the contract, or the possibility of completing payment under conditions other than the ones determined in the contract. Attach the copies of the instruments supporting your allegations and indicate in **Point 6** the documents you have attached to support your allegations.*

Please mark with an X, if you continue Point 5.2 on additional sheet 180-A/1: ☐ **yes**

180-A/1	**ADDITIONAL SHEET TO POINT 5.2** Petitioner's name as in point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

Detailed presentation of the reasons for the petition (continuation of Point 5.2):

180-B	Petitioner's name as in point 1A.: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

6. ANNEXES TO THE PETITION:

*The launch of the proceedings **is conditional upon** attaching the documents supporting your allegation to the petition. In the case of Points 6.1–6.5. it is sufficient to mark with an X on the form that you have attached the instrument, while in the case of Point 6.6 please list the additional instruments you have attached.*

Annexes:		
6.1	***Equity petition*** you have submitted to the financial institution	attached:☐
6.2	Letter of the financial institution **on the rejection of the equity petition**	attached:☐
6.3	If you have not received a response to your complaint from the financial institution, the document evidencing the submission of your complaint (e.g. the post office receipt of the registered mail)	attached:☐
6.4	**Original copy** of the filled in and signed **Power of Attorney** form, if you have filled in Point 2 of the petition)	attached:☐
6.5	Document certifying legal relationship relating to the financial service included in the equity petition (e.g.: contract, assignment notification, demand for payment)	attached:☐
6.6	**Additional documents supporting the petition:** *(Please list the additional documents attached.)*	

7. I submit the following definite petition for the decision of the Financial Arbitration Board, based on which I request that proceedings be conducted.

Please describe your request accurately. E.g.: reduction or cancellation of payment obligation, amendment or closure of the contract, or the possibility of completing payment under conditions other than the ones determined in the contract)

Done at ……, …. day ……month …… 202... year

…… ……

Signature of the Petitioner specified in Point 1A.* Signature of the Petitioner specified in Point 1B.*

** I acknowledge that in the proceedings instituted on the basis of this petition, the Financial Arbitration Board will process my personal data stated in my petition – including my sensitive data potentially provided in this context – to the extent and for the time necessary for conducting the proceedings, and it may disclose them to third parties in complying with statutory obligations.*

By signing this form, I consent to the Financial Arbitration Board processing my sensitive data potentially provided in addition to my personal data in the proceedings instituted on the basis of this petition, to the extent and for the time necessary for conducting the proceedings, and disclosing them to third parties in complying with statutory obligations.

I also acknowledge that if the data subject considers that the data processing did not comply with the statutory requirements, I have the option to initiate the proceedings of the Magyar Nemzeti Bank's internal data protection officer, or to bring the matter before court. In addition, an investigation may be initiated by filing a report to the National Authority for Data Protection and Freedom of Information on the grounds that there was an infringement in practising the rights related to the processing of personal data or there is imminent threat thereof.

4/4

Annex 1 c)

200. SUBMISSION FILING IN PENDING PROCEEDINGS

This form may only be submitted electronically, after identification performed by the Central Identification Agent. The form can be used by the Petitioner (or his proxy), initiating the proceedings of the Financial Arbitration Board electronically, for filing additional submissions with the Board. The form can be submitted after identification through the Central Identification Agent even if the proceeding has been initiated by a paper-based submission.

You can ask for assistance for the completion of the form at the Customer Service Desk of the Magyar Nemzeti Bank (address: 1122 Budapest, Krisztina krt. 6, phone: +36 (80) 203-776), or from the Financial Advisory Offices operating as the MNB's partners. For the contact details of the latter see: https://www.mnb.hu/fogyasztovedelem/tanacsado-irodak.

Petitions may be submitted electronically via the 'FAB Online administration' application available on the www.mnb.hu/bekeltetes website, after identification using the Central Identification Agent (KAÜ).

1. IDENTIFICATION data:

1.1.	**Petitioner name:**		
1.2.	**Petitioner's birth date:**		☐☐☐☐ ☐☐ ☐☐
1.3.	**File number indicated on the letter received from Board, in respect of which you wish to file a submission:** (Please do not change the main number-sub-number/year format)		_____-____/_____
1.4.	**Subject of the submission:** (Please indicate with X the subject of the submission)	☐ Supplementation	☐ Declaration
		☐ Declaration on the answer	☐ Declaration on a proposal for settlement
		☐ Other (please describe)	

2. SUBMISSION:

2.1.	**Description of the submission:**	*Please mark with X, if you continue point 2.1 on additional sheet 200-A/1* ☐ **yes**
2.2.	**Annexes to the submission:**	Please attach the annexes in pdf format if possible.

200-A/1	**ADDITIONAL SHEET FOR POINT 2.1** Name of the petitioner specified in 1.1: _____	Date of birth: ☐☐☐☐ ☐☐ ☐☐

Description of the submission: (continuation of point 2.1):

Annex 2

To be completed only if you wish to act by proxy!

POWER OF ATTORNEY

I, the undersigned:

Petitioner's (principal's) name:	
Residential address:	
Date and place of birth:	☐☐☐☐ ☐☐ ☐☐ Place of birth:

hereby authorise:

Proxy's name:	
Residential address:	
Date and place of birth:	☐☐☐☐ ☐☐ ☐☐ Place of birth:

to act on behalf of me and in my name with full powers in the proceedings started with a view to resolve the financial consumer dispute between myself and

Name of financial service provider:	
address:	

at the Financial Arbitration Board.

This power of attorney is valid until recalled and applies solely to the above financial dispute.

Performed on ……., …. day ……month 20.. . year

…… Principal's signature*	…… Proxy's signature*

Witnesses:

Name:	Name:
Address:	Address:
Mother's maiden name:	Mother's maiden name:
Signature:	Signature:

** I acknowledge that in the proceedings instituted on the basis of this petition, the Financial Arbitration Board will process my personal data stated in my petition to the extent and for the time necessary for conducting the proceedings, and it may disclose them to third parties in complying with statutory obligations.*

I also acknowledge that if the data subjects consider that the processing of data did not take place in compliance with the legal requirements, they have the option to initiate the proceedings of the Magyar Nemzeti Bank's internal data protection officer, or they can bring the matter before court. In addition, an investigation may be initiated by filing a report to the National Authority for Data Protection and Freedom of Information on the grounds that there was an infringement in practising the rights related to personal data management or there is imminent danger thereof.

Annex 3

FIN-NET contact form for cross-border complaints

When to use this form: Use this contact form if you:

- live in one country of the European Economic Area (all EU countries plus Iceland, Liechtenstein and Norway)
- have a complaint against a financial services provider in another country of the European Economic Area
- have complained to the provider but are still dissatisfied and
- want to find out which out-of-court dispute resolution body might be able to resolve the dispute

How to use this form: Please complete the information requested below, and e-mail or post the form to the relevant dispute resolution body in either:

- your own country or
- the country of the financial services provider

There is a list of dispute resolution bodies in each country, along with what they cover, on the FIN-NET website. It will help if you attach a copy of essential documents, in particular, any written response the provider has made to your complaint.

Which language to use: See the list of FIN-NET members to find out which languages the different resolution bodies can handle. Choose one of these languages to fill in the form. For instance, if you decide to send the form to a FIN-NET member that can handle French and English, fill in the French or English version of the contact form. You can find the form in all available languages here.

What happens next: The FIN-NET member will tell you whether they are able to resolve your problem, or they may refer you to another member of the network. The resolution body that actually looks at your complaint may ask you to provide additional information or first fill in its own complaint form so that it can assess your case properly.

FIN-NET

FIN-NET contact form for cross-border financial services complaints

Other linguistic versions are available here

Information about you	
The country you live in	
Your surname	
Your name(s)	
Your nationality	
Your full address	
Your daytime telephone number	
Your e-mail address	
Information about the financial services provider	
Its full name	
Type of business (e.g. bank, insurer)	
The full address of the office you dealt with	
The telephone number, fax number and e-mail address of that office (optional)	
The country that the office is in	
Information about your complaint	
Brief summary of what the complaint is about	
Date of the facts that generated the dispute	
Reference of the contract, e.g. number of insurance policy (if possible, please attach a copy of the contract)	
Date you complained to the provider (if possible, please attach a copy of your message to the provider)	
Date of provider's last response (if possible, please attach a copy of the response)	
Have you filed any other procedure (court, arbitration board…) about the same facts?	

Annex 4

COOPERATING PARTNERS

Government Offices – Kormányablak

Pursuant to Government Decree No 86/2019 (IV. 23) petitions for the proceeding of the Financial Arbitration Board may be submitted through any of the Government Offices. For the list and contact details of the Government Offices see:

http://kormanyablak.hu/hu/kormanyablakok

Network of Financial Navigator Advisory Offices

The Financial Navigator Advisory Office Network is a cooperating partner of the Financial Arbitration Board. For more information on the network see: https://www.mnb.hu/fogyasztovedelem/tanacsado-irodak .

Annex 5

REGULATION (EU) NO 524/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

(of 21 May 2013)

on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof, Having regard to the proposal from the European Commission, After transmission of the draft legislative act to the national parliaments, Having regard to the opinion of the European Economic and Social Committee (1), Acting in accordance with the ordinary legislative procedure (2), Whereas:

(1) Article 169(1) and point (a) of Article 169(2) of the Treaty on the Functioning of the European Union (TFEU) provide that the Union is to contribute to the attainment of a high level of consumer protection through measures adopted pursuant to Article 114 TFEU. Article 38 of the Charter of Fundamental Rights of the European Union provides that Union policies are to ensure a high level of consumer protection.

(2) In accordance with Article 26(2) TFEU, the internal market is to comprise an area without internal frontiers in which the free movement of goods and services is ensured. In order for consumers to have confidence in and benefit from the digital dimension of the internal market, it is necessary that they have access to simple, efficient, fast and low-cost ways of resolving disputes which arise from the sale of goods or the supply of services online. This is particularly important when consumers shop cross-border.

(3) In its Communication of 13 April 2011 entitled 'Single Market Act — Twelve levers to boost growth and strengthen confidence — "Working together to create new growth" ', the Commission identified legislation on alternative dispute resolution (ADR) which includes an electronic commerce dimension as one of the twelve levers to boost growth and strengthen confidence in the Single Market.

(4) Fragmentation of the internal market impedes efforts to boost competitiveness and growth. Furthermore, the uneven availability, quality and awareness of simple, efficient, fast and low-cost means of resolving disputes arising from the sale of goods or provision of services across the Union constitutes a barrier within the internal market which undermines consumers' and traders' confidence in shopping and selling across borders.

(5) In its conclusions of 24-25 March and 23 October 2011, the European Council invited the European Parliament and the Council to adopt, by the end of 2012, a first set of priority measures to bring a new impetus to the Single Market.

(6) The internal market is a reality for consumers in their daily lives, when they travel, make purchases and make payments. Consumers are key players in the internal market and should therefore be at its heart. The digital dimension of the internal market is becoming vital for both consumers and traders. Consumers increasingly make purchases online and an increasing number of traders sell online. Consumers and traders should feel confident in carrying out transactions online so it is essential to dismantle existing barriers and to boost consumer confidence. The availability of reliable and efficient online dispute resolution (ODR) could greatly help achieve this goal.

(7) Being able to seek easy and low-cost dispute resolution can boost consumers' and traders' confidence in the digital Single Market. Consumers and traders, however, still face barriers to finding out-of-court solutions in particular to their disputes arising from cross-border online transactions. Thus, such disputes currently are often left unresolved.

(8) ODR offers a simple, efficient, fast and low-cost out-of-court solution to disputes arising from online transactions. However, there is currently a lack of mechanisms which allow consumers and traders to resolve such disputes through electronic means; this leads to consumer detriment, acts as a barrier, in particular, to cross-border online transactions, and creates an uneven playing field for traders, and thus hampers the overall development of online commerce.

(9) This Regulation should apply to the out-of-court resolution of disputes initiated by consumers resident in the Union against traders established in the Union which are covered by Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes (Directive on consumer ADR) (3).

(10) In order to ensure that the ODR platform can also be used for ADR procedures which allow traders to submit complaints against consumers, this Regulation should also apply to the out-of-court resolution of disputes initiated by traders against consumers where the relevant ADR procedures are offered by ADR entities listed in accordance with Article 20(2) of Directive 2013/11/EU. The application of this Regulation to such disputes should not impose any obligation on Member States to ensure that the ADR entities offer such procedures.

(11) Although in particular consumers and traders carrying out cross-border online transactions will benefit from the ODR platform, this Regulation should also apply to domestic online transactions in order to allow for a true level playing field in the area of online commerce.

(12) This Regulation should be without prejudice to Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008 on certain aspects of mediation in civil and commercial matters (4).

(13) The definition of 'consumer' should cover natural persons who are acting outside their trade, business, craft or profession. However, if the contract is concluded for purposes partly within and partly outside the person's trade (dual purpose contracts) and the trade purpose is so limited as not to be predominant in the overall context of the supply, that person should also be considered as a consumer.

(14) The definition of 'online sales or service contract' should cover a sales or service contract where the trader, or the trader's intermediary, has offered goods or services through a website or by other electronic means and the consumer has ordered those goods or services on that website or by other electronic means. This should also cover cases where the consumer has accessed the website or other information society service through a mobile electronic device such as a mobile telephone.

(15) This Regulation should not apply to disputes between consumers and traders that arise from sales or service contracts concluded offline and to disputes between traders.

(16) This Regulation should be considered in conjunction with Directive 2013/11/EU which requires Member States to ensure that all disputes between consumers resident and traders established in the Union which arise from the sale of goods or provisions of services can be submitted to an ADR entity.

(17) Before submitting their complaint to an ADR entity through the ODR platform, consumers should be encouraged by Member States to contact the trader by any appropriate means, with the aim of resolving the dispute amicably.

(18) This Regulation aims to create an ODR platform at Union level. The ODR platform should take the form of an interactive website offering a single point of entry to consumers and traders seeking to resolve disputes out-of-court which have arisen from online transactions. The ODR platform should provide general information regarding the out-of-court resolution of contractual disputes between traders and consumers arising from online sales and service contracts. It should allow consumers and traders to submit complaints by filling in an electronic complaint form available in all the official languages of the institutions of the Union and to attach relevant documents. It should transmit complaints to an ADR entity competent to deal with the dispute concerned. The ODR platform should offer, free of charge, an electronic case management tool which enables ADR entities to conduct the dispute resolution procedure with the parties through the ODR platform. ADR entities should not be obliged to use the case management tool.

(19) The Commission should be responsible for the development, operation and maintenance of the ODR platform and provide all technical facilities necessary for the functioning of the platform. The ODR platform should offer an electronic translation function which enables the parties and the ADR entity to have the information which is exchanged through the ODR platform and is necessary for the resolution of the dispute translated, where appropriate. That function should be capable of dealing with all necessary translations and should be supported by human intervention, if necessary. The Commission should also provide, on the ODR platform, information for complainants about the possibility of requesting assistance from the ODR contact points.

(20) The ODR platform should enable the secure interchange of data with ADR entities and respect the underlying principles of the European Interoperability Framework adopted pursuant to Decision 2004/387/EC of the European Parliament and of the Council of 21 April 2004 on interoperable delivery of pan-European eGovernment services to public administrations, businesses and citizens (IDABC) (5).

(21) The ODR platform should be made accessible, in particular, through the 'Your Europe portal' established in accordance with Annex II to Decision 2004/387/EC, which provides access to pan-European, multilingual online information and interactive services to businesses and citizens in the Union. The ODR platform should be given prominence on the 'Your Europe portal'.

(22) An ODR platform at Union level should build on existing ADR entities in the Member States and respect the legal traditions of the Member States. ADR entities to which a complaint has been transmitted through the ODR platform should therefore apply their own procedural rules, including rules on cost. However, this Regulation intends to establish some common rules applicable to those procedures that will safeguard their effectiveness. This should include rules ensuring that such dispute resolution does not require the physical presence of the parties or their representatives before the ADR entity, unless its procedural rules provide for that possibility and the parties agree.

(23) Ensuring that all ADR entities listed in accordance with Article 20(2) of Directive 2013/11/EU are registered with the ODR platform should allow for full coverage in online out-of-court resolution for disputes arising from online sales or service contracts.

(24) This Regulation should not prevent the functioning of any existing dispute resolution entity operating online or of any ODR mechanism within the Union. It should not prevent dispute resolution entities or mechanisms from dealing with online disputes which have been submitted directly to them.

(25) ODR contact points hosting at least two ODR advisors should be designated in each Member State. The ODR contact points should support the parties involved in a dispute submitted through the ODR platform without being obliged to translate documents relating to that dispute. Member States should have the possibility to confer the responsibility for the ODR contact points on their centres of the European Consumer Centres Network. Member States should make use of that possibility in order to allow ODR contact points to fully benefit from the experience of the centres of the European Consumer Centres Network in facilitating the settlement of disputes between consumers and traders. The Commission should establish a network of ODR contact points to facilitate their cooperation and work and provide, in cooperation with Member States, appropriate training for ODR contact points.

(26) The right to an effective remedy and the right to a fair trial are fundamental rights laid down in Article 47 of the Charter of Fundamental Rights of the European Union. ODR is not intended to and cannot be designed to replace court procedures, nor should it deprive consumers or traders of their rights to seek redress before the courts. This Regulation should not, therefore, prevent parties from exercising their right of access to the judicial system.

(27) The processing of information under this Regulation should be subject to strict guarantees of confidentiality and should comply with the rules on the protection of personal data laid down in Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (6) and in Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing

of personal data by the Community institutions and bodies and on the free movement of such data (7). Those rules should apply to the processing of personal data carried out under this Regulation by the various actors of the ODR platform, whether they act alone or jointly with other such actors.

(28) Data subjects should be informed about, and give their consent to, the processing of their personal data in the ODR platform, and should be informed about their rights with regard to that processing, by means of a comprehensive privacy notice to be made publicly available by the Commission and explaining, in clear and simple language, the processing operations performed under the responsibility of the various actors of the platform, in accordance with Articles 11 and 12 of Regulation (EC) No 45/2001 and with national legislation adopted pursuant to Articles 10 and 11 of Directive 95/46/EC.

(29) This Regulation should be without prejudice to provisions on confidentiality in national legislation relating to ADR.

(30) In order to ensure broad consumer awareness of the existence of the ODR platform, traders established within the Union engaging in online sales or service contracts should provide, on their websites, an electronic link to the ODR platform. Traders should also provide their email address so that consumers have a first point of contact. A significant proportion of online sales and service contracts are concluded using online marketplaces, which bring together or facilitate online transactions between consumers and traders. Online marketplaces are online platforms which allow traders to make their products and services available to consumers. Such online marketplaces should therefore have the same obligation to provide an electronic link to the ODR platform. This obligation should be without prejudice to Article 13 of Directive 2013/11/EU concerning the requirement that traders inform consumers about the ADR procedures by which those traders are covered and about whether or not they commit to use ADR procedures to resolve disputes with consumers. Furthermore, that obligation should be without prejudice to point (t) of Article 6(1) and to Article 8 of Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights (8). Point (t) of Article 6(1) of Directive 2011/83/EU stipulates for consumer contracts concluded at a distance or off premises, that the trader is to inform the consumer about the possibility of having recourse to an out-of-court complaint and redress mechanism to which the trader is subject, and the methods for having access to it, before the consumer is bound by the contract. For the same consumer awareness reasons, Member States should encourage consumer associations and business associations to provide an electronic link to the website of the ODR platform.

(31) In order to take into account the criteria by which the ADR entities define their respective scopes of application the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission to adapt the information which a complainant is to provide in the electronic complaint form made available on the ODR platform. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

(32) In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission in respect of the functioning of the ODR platform, the modalities for the submission of a complaint and cooperation within the network of ODR contact points. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (9). The advisory procedure should be used for the adoption of implementing acts relating to the electronic complaint form given its purely technical nature. The examination procedure should be used for the adoption of the rules concerning the modalities of cooperation between the ODR advisors of the network of ODR contact points.

(33) In the application of this Regulation, the Commission should consult, where appropriate, the European Data Protection Supervisor.

(34) Since the objective of this Regulation, namely to set up a European ODR platform for online disputes governed by common rules, cannot be sufficiently achieved by the Member States and can therefore, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(35) This Regulation respects fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union and specifically Articles 7, 8, 38 and 47 thereof.

(36) The European Data Protection Supervisor was consulted in accordance with Article 28(2) of Regulation (EC) No 45/2001 and delivered an opinion on 12 January 2012 (10),

HAVE ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

The purpose of this Regulation is, through the achievement of a high level of consumer protection, to contribute to the proper functioning of the internal market, and in particular of its digital dimension by providing a European ODR platform ('ODR platform') facilitating the independent, impartial, transparent, effective, fast and fair out-of-court resolution of disputes between consumers and traders online.

Article 2

Scope

1. This Regulation shall apply to the out-of-court resolution of disputes concerning contractual obligations stemming from online sales or service contracts between a consumer resident in the Union and a trader established in the Union through the intervention of an ADR entity listed in accordance with Article 20(2) of Directive 2013/11/EU and which involves the use of the ODR platform.

2. This Regulation shall apply to the out-of-court resolution of disputes referred to in paragraph 1, which are initiated by a trader against a consumer, in so far as the legislation of the Member State where the consumer is habitually resident allows for such disputes to be resolved through the intervention of an ADR entity.

3. Member States shall inform the Commission about whether or not their legislation allows for disputes referred to in paragraph 1, which are initiated by a trader against a consumer, to be resolved through the intervention of an ADR entity. Competent authorities shall, when they notify the list referred to in Article 20(2) of Directive 2013/11/EU, inform the Commission about which ADR entities deal with such disputes.

4. The application of this Regulation to disputes referred to in paragraph 1, which are initiated by a trader against a consumer, shall not impose any obligation on Member States to ensure that ADR entities offer procedures for the out-of-court resolution of such disputes.

Article 3

Relationship with other Union legal acts

This Regulation shall be without prejudice to Directive 2008/52/EC.

Article 4

Definitions

1. For the purposes of this Regulation:
   (a) 'consumer' means a consumer as defined in point (a) of Article 4(1) of Directive 2013/11/EU;
   (b) 'trader' means a trader as defined in point (b) of Article 4(1) of Directive 2013/11/EU;
   (c) 'sales contract' means a sales contract as defined in point (c) of Article 4(1) of Directive 2013/11/EU;
   (d) 'service contract' means a service contract as defined in point (d) of Article 4(1) of Directive 2013/11/EU;
   (e) 'online sales or service contract' means a sales or service contract where the trader, or the trader's intermediary, has offered goods or services on a website or by other electronic means and the consumer has ordered such goods or services on that website or by other electronic means;
   (f) 'online marketplace' means a service provider, as defined in point (b) of Article 2 of Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce') (11), which allows consumers and traders to conclude online sales and service contracts on the online marketplace's website;
   (g) 'electronic means' means electronic equipment for the processing (including digital compression) and storage of data which is entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means;
   (h) 'alternative dispute resolution procedure' ('ADR procedure') means a procedure for the out-of-court resolution of disputes as referred to in Article 2 of this Regulation;
   (i) 'alternative dispute resolution entity' ('ADR entity') means an ADR entity as defined in point (h) of Article 4(1) of Directive 2013/11/EU;
   (j) 'complainant party' means the consumer who or the trader that has submitted a complaint through the ODR platform;
   (k) 'respondent party' means the consumer against whom or the trader against whom a complaint has been submitted through the ODR platform;
   (l) 'competent authority' means a public authority as defined in point (i) of Article 4(1) of Directive 2013/11/EU;
   (m) 'personal data' means any information relating to an identified or identifiable natural person ('data subject'); an identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to that person's physical, physiological, mental, economic, cultural or social identity.

2. The place of establishment of the trader and of the ADR entity shall be determined in accordance with Article 4(2) and (3) of Directive 2013/11/EU, respectively.

CHAPTER II

ODR PLATFORM

Article 5

Establishment of the ODR platform

1. The Commission shall develop the ODR platform (and be responsible for its operation, including all the translation functions necessary for the purpose of this Regulation, its maintenance, funding and data security. The ODR platform shall be user-friendly. The development, operation and maintenance of the ODR platform shall ensure that the privacy

of its users is respected from the design stage ('privacy by design') and that the ODR platform is accessible and usable by all, including vulnerable users ('design for all'), as far as possible.

2. The ODR platform shall be a single point of entry for consumers and traders seeking the out-of-court resolution of disputes covered by this Regulation. It shall be an interactive website which can be accessed electronically and free of charge in all the official languages of the institutions of the Union.

3. The Commission shall make the ODR platform accessible, as appropriate, through its websites which provide information to citizens and businesses in the Union and, in particular, through the 'Your Europe portal' established in accordance with Decision 2004/387/EC.

4. The ODR platform shall have the following functions:
   (a) to provide an electronic complaint form which can be filled in by the complainant party in accordance with Article 8;
   (b) to inform the respondent party about the complaint;
   (c) to identify the competent ADR entity or entities and transmit the complaint to the ADR entity, which the parties have agreed to use, in accordance with Article 9;
   (d) to offer an electronic case management tool free of charge, which enables the parties and the ADR entity to conduct the dispute resolution procedure online through the ODR platform;
   (e) to provide the parties and ADR entity with the translation of information which is necessary for the resolution of the dispute and is exchanged through the ODR platform;
   (f) to provide an electronic form by means of which ADR entities shall transmit the information referred to in point (c) of Article 10;
   (g) to provide a feedback system which allows the parties to express their views on the functioning of the ODR platform and on the ADR entity which has handled their dispute;
   (h) to make publicly available the following:
      (i) general information on ADR as a means of out-of-court dispute resolution;
      (ii) information on ADR entities listed in accordance with Article 20(2) of Directive 2013/11/EU which are competent to deal with disputes covered by this Regulation;
      (iii) an online guide about how to submit complaints through the ODR platform;
      (iv) information, including contact details, on ODR contact points designated by the Member States in accordance with Article 7(1) of this Regulation;
      (v) statistical data on the outcome of the disputes which were transmitted to ADR entities through the ODR platform.

5. The Commission shall ensure that the information referred to in point (h) of paragraph 4 is accurate, up to date and provided in a clear, understandable and easily accessible way.

6. ADR entities listed in accordance with Article 20(2) of Directive 2013/11/EU which are competent to deal with disputes covered by this Regulation shall be registered electronically with the ODR platform.

7. The Commission shall adopt measures concerning the modalities for the exercise of the functions provided for in paragraph 4 of this Article through implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(3) of this Regulation.

Article 6

Testing of the ODR platform

1. The Commission shall, by 9 January 2015 test the technical functionality and user-friendliness of the ODR platform and of the complaint form, including with regard to translation. The testing shall be carried out and evaluated in cooperation with experts in ODR from the Member States and consumer and trader representatives. The Commission shall submit a report to the European Parliament and the Council of the result of the testing and take the appropriate measures to address potential problems in order to ensure the effective functioning of the ODR platform.

2. In the report referred to in paragraph 1 of this Article, the Commission shall also describe the technical and organisational measures it intends to take to ensure that the ODR platform meets the privacy requirements set out in Regulation (EC) No 45/2001.

Article 7

Network of ODR contact points

1. Each Member State shall designate one ODR contact point and communicate its name and contact details to the Commission. The Member States may confer responsibility for the ODR contact points on their centres of the European Consumer Centres Network, on consumer associations or on any other body. Each ODR contact point shall host at least two ODR advisors.

2. The ODR contact points shall provide support to the resolution of disputes relating to complaints submitted through the ODR platform by fulfilling the following functions:
   (a) if requested, facilitating communication between the parties and the competent ADR entity, which may include, in particular:
      (i) assisting with the submission of the complaint and, where appropriate, relevant documentation;
      (ii) providing the parties and ADR entities with general information on consumer rights in relation to sales and service contracts which apply in the Member State of the ODR contact point which hosts the ODR advisor concerned;
      (iii) providing information on the functioning of the ODR platform;
      (iv) providing the parties with explanations on the procedural rules applied by the ADR entities identified;
      (v) informing the complainant party of other means of redress when a dispute cannot be resolved through the ODR platform;
   (b) submitting, based on the practical experience gained from the performance of their functions, every two years an activity report to the Commission and to the Member States.

3. The ODR contact point shall not be obliged to perform the functions listed in paragraph 2 in the case of disputes where the parties are habitually resident in the same Member State.

4. Notwithstanding paragraph 3, the Member States may decide, taking into account national circumstances, that the ODR contact point performs one or more functions listed in paragraph 2 in the case of disputes where the parties are habitually resident in the same Member State.

5. The Commission shall establish a network of contact points ('ODR contact points network') which shall enable cooperation between contact points and contribute to the performance of the functions listed in paragraph 2.

6. The Commission shall at least twice a year convene a meeting of members of the ODR contact points network in order to permit an exchange of best practice, and a discussion of any recurring problems encountered in the operation of the ODR platform.

7. The Commission shall adopt the rules concerning the modalities of the cooperation between the ODR contact points through implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(3).

Article 8

Submission of a complaint

1. In order to submit a complaint to the ODR platform the complainant party shall fill in the electronic complaint form. The complaint form shall be user-friendly and easily accessible on the ODR platform.

2. The information to be submitted by the complainant party shall be sufficient to determine the competent ADR entity. That information is listed in the Annex to this Regulation. The complainant party may attach documents in support of the complaint.

3. In order to take into account the criteria by which the ADR entities, that are listed in accordance with Article 20(2) of Directive 2013/11/EU and that deal with disputes covered by this Regulation, define their respective scopes of application, the Commission shall be empowered to adopt delegated acts in accordance with Article 17 of this Regulation to adapt the information listed in the Annex to this Regulation.

4. The Commission shall lay down the rules concerning the modalities for the electronic complaint form by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 16(2).

5. Only data which are accurate, relevant and not excessive in relation to the purposes for which they are collected shall be processed through the electronic complaint form and its attachments.

Article 9

Processing and transmission of a complaint

1. A complaint submitted to the ODR platform shall be processed if all the necessary sections of the electronic complaint form have been completed.

2. If the complaint form has not been fully completed, the complainant party shall be informed that the complaint cannot be processed further, unless the missing information is provided.

3. Upon receipt of a fully completed complaint form, the ODR platform shall, in an easily understandable way and without delay, transmit to the respondent party, in one of the official languages of the institutions of the Union chosen by that party, the complaint together with the following data:
   (a) information that the parties have to agree on an ADR entity in order for the complaint to be transmitted to it, and that, if no agreement is reached by the parties or no competent ADR entity is identified, the complaint will not be processed further;
   (b) information about the ADR entity or entities which are competent to deal with the complaint, if any are referred to in the electronic complaint form or are identified by the ODR platform on the basis of the information provided in that form;
   (c) in the event that the respondent party is a trader, an invitation to state within 10 calendar days: whether the trader commits to, or is obliged to use, a specific ADR entity to resolve disputes with consumers, and unless the trader is obliged to use a specific ADR entity, whether the trader is willing to use any ADR entity or entities from those referred to in point (b);
   (d) in the event that the respondent party is a consumer and the trader is obliged to use a specific ADR entity, an invitation to agree within 10 calendar days on that ADR entity or, in the event that the trader is not obliged to use a specific ADR entity, an invitation to select one or more ADR entities from those referred to in point (b);
   (e) the name and contact details of the ODR contact point in the Member State where the respondent party is established or resident, as well as a brief description of the functions referred to in point (a) of Article 7(2).

4. Upon receipt from the respondent party of the information referred to in point (c) or point (d) of paragraph 3, the ODR platform shall in an easily understandable way and without delay communicate to the complainant party, in one of the official languages of the institutions of the Union chosen by that party, the following information:
   (a) the information referred to in point (a) of paragraph 3;
   (b) in the event that the complainant party is a consumer, the information about the ADR entity or entities stated by the trader in accordance with point (c) of paragraph 3 and an invitation to agree within 10 calendar days on an ADR entity;

(c) in the event that the complainant party is a trader and the trader is not obliged to use a specific ADR entity, the information about the ADR entity or entities stated by the consumer in accordance with point (d) of paragraph 3 and an invitation to agree within 10 calendar days on an ADR entity;
(d) the name and contact details of the ODR contact point in the Member State where the complainant party is established or resident, as well as a brief description of the functions referred to in point (a) of Article 7(2).

5. The information referred to in point (b) of paragraph 3 and in points (b) and (c) of paragraph 4 shall include a description of the following characteristics of each ADR entity:
(a) the name, contact details and website address of the ADR entity;
(b) the fees for the ADR procedure, if applicable;
(c) the language or languages in which the ADR procedure can be conducted;
(d) the average length of the ADR procedure;
(e) the binding or non-binding nature of the outcome of the ADR procedure;
(f) the grounds on which the ADR entity may refuse to deal with a given dispute in accordance with Article 5(4) of Directive 2013/11/EU.

6. The ODR platform shall automatically and without delay transmit the complaint to the ADR entity that the parties have agreed to use in accordance with paragraphs 3 and 4.

7. The ADR entity to which the complaint has been transmitted shall without delay inform the parties about whether it agrees or refuses to deal with the dispute in accordance with Article 5(4) of Directive 2013/11/EU. The ADR entity which has agreed to deal with the dispute shall also inform the parties of its procedural rules and, if applicable, of the costs of the dispute resolution procedure concerned.

8. Where the parties fail to agree within 30 calendar days after submission of the complaint form on an ADR entity, or the ADR entity refuses to deal with the dispute, the complaint shall not be processed further. The complainant party shall be informed of the possibility of contacting an ODR advisor for general information on other means of redress.

Article 10

Resolution of the dispute

An ADR entity which has agreed to deal with a dispute in accordance with Article 9 of this Regulation shall:
(a) conclude the ADR procedure within the deadline referred to in point (e) of Article 8 of Directive 2013/11/EU;
(b) not require the physical presence of the parties or their representatives, unless its procedural rules provide for that possibility and the parties agree;
(c) without delay transmit the following information to the ODR platform:
(i) the date of receipt of the complaint file;
(ii) the subject-matter of the dispute;
(iii) the date of conclusion of the ADR procedure;
(iv) the result of the ADR procedure;
(d) not be required to conduct the ADR procedure through the ODR platform.

Article 11

Database

The Commission shall take the necessary measures to establish and maintain an electronic database in which it shall store the information processed in accordance with Article 5(4) and point (c) of Article 10 taking due account of Article 13(2).

Article 12

Processing of personal data

1. Access to information, including personal data, related to a dispute and stored in the database referred to in Article 11 shall be granted, for the purposes referred to in Article 10, only to the ADR entity to which the dispute was transmitted in accordance with Article 9. Access to the same information shall be granted also to ODR contact points, in so far as it is necessary, for the purposes referred to in Article 7(2) and (4).

2. The Commission shall have access to information processed in accordance with Article 10 for the purposes of monitoring the use and functioning of the ODR platform and drawing up the reports referred to in Article 21. It shall process personal data of the users of the ODR platform in so far as it is necessary for the operation and maintenance of the ODR platform, including for the purposes of monitoring the use of the ODR platform by ADR entities and ODR contact points.

3. Personal data related to a dispute shall be kept in the database referred to in paragraph 1 of this Article only for the time necessary to achieve the purposes for which they were collected and to ensure that data subjects are able to access their personal data in order to exercise their rights, and shall be automatically deleted, at the latest, six months after the date of conclusion of the dispute which has been transmitted to the ODR platform in accordance with point (iii) of point (c) of Article 10. That retention period shall also apply to personal data kept in national files by the ADR entity or the ODR contact point which dealt with the dispute concerned, except if the procedural rules applied by the ADR entity or any specific provisions of national law provide for a longer retention period.

4. Each ODR advisor shall be regarded as a controller with respect to its data processing activities under this Regulation, in accordance with point (d) of Article 2 of Directive 95/46/EC, and shall ensure that those activities comply with national legislation adopted pursuant to Directive 95/46/EC in the Member State of the ODR contact point hosting the ODR advisor.

5. Each ADR entity shall be regarded as a controller with respect to its data processing activities under this Regulation, in accordance with point (d) of Article 2 of Directive 95/46/EC, and shall ensure that those activities comply with national legislation adopted pursuant to Directive 95/46/EC in the Member State where the ADR entity is established.

6. In relation to its responsibilities under this Regulation and the processing of personal data involved therein, the Commission shall be regarded as a controller in accordance with point (d) of Article 2 of Regulation (EC) No 45/2001.

Article 13

Data confidentiality and security

1. ODR contact points shall be subject to rules of professional secrecy or other equivalent duties of confidentiality laid down in the legislation of the Member State concerned.

2. The Commission shall take the appropriate technical and organisational measures to ensure the security of information processed under this Regulation, including appropriate data access control, a security plan and a security incident management, in accordance with Article 22 of Regulation (EC) No 45/2001.

Article 14

Consumer information

1. Traders established within the Union engaging in online sales or service contracts, and online marketplaces established within the Union, shall provide on their websites an electronic link to the ODR platform. That link shall be easily accessible for consumers. Traders established within the Union engaging in online sales or service contracts shall also state their e-mail addresses.

2. Traders established within the Union engaging in online sales or service contracts, which are committed or obliged to use one or more ADR entities to resolve disputes with consumers, shall inform consumers about the existence of the ODR platform and the possibility of using the ODR platform for resolving their disputes. They shall provide an electronic link to the ODR platform on their websites and, if the offer is made by e-mail, in that e-mail. The information shall also be provided, where applicable, in the general terms and conditions applicable to online sales and service contracts.

3. Paragraphs 1 and 2 of this Article shall be without prejudice to Article 13 of Directive 2013/11/EU and the provisions on consumer information on out-of-court redress procedures contained in other Union legal acts, which shall apply in addition to this Article.

4. The list of ADR entities referred to in Article 20(4) of Directive 2013/11/EU and its updates shall be published in the ODR platform.

5. Member States shall ensure that ADR entities, the centres of the European Consumer Centres Network, the competent authorities defined in Article 18(1) of Directive 2013/11/EU, and, where appropriate, the bodies designated in accordance with Article 14(2) of Directive 2013/11/EU provide an electronic link to the ODR platform.

6. Member States shall encourage consumer associations and business associations to provide an electronic link to the ODR platform.

7. When traders are obliged to provide information in accordance with paragraphs 1 and 2 and with the provisions referred to in paragraph 3, they shall, where possible, provide that information together.

Article 15

Role of the competent authorities

The competent authority of each Member State shall assess whether the ADR entities established in that Member State comply with the obligations set out in this Regulation.

CHAPTER III

FINAL PROVISIONS

Article 16

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

4. Where the opinion of the committee under paragraphs 2 and 3 is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or a simple majority of committee members so request.

Article 17

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 8(3) shall be conferred for an indeterminate period of time from 8 July 2013.

3. The delegation of power referred to in Article 8(3) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 8(3) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 18

Penalties

Member States shall lay down the rules on penalties applicable to infringements of this Regulation and shall take all measures necessary to ensure that they are implemented. The penalties provided for must be effective, proportionate and dissuasive.

Article 19

Amendment to Regulation (EC) No 2006/2004

In the Annex to Regulation (EC) No 2006/2004 of the European Parliament and of the Council (12) the following point is added:

‘21.

Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes (Regulation on consumer ODR) (OJ L 165, 18.6.2013, p. 1): Article 14.’

Article 20

Amendment to Directive 2009/22/EC

Directive 2009/22/EC of the European Parliament and of the Council (13) is amended as follows:

(1) in Article 1(1) and (2) and point (b) of Article 6(2), the words ‘Directives listed in Annex I’ are replaced with the words ‘Union acts listed in Annex I’;

(2) in the heading of Annex I, the words 'LIST OF DIRECTIVES' are replaced by the words 'LIST OF UNION ACTS';

(3) in Annex I, the following point is added: '15. Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes (Regulation on consumer ODR) (OJ L 165, 18.6.2013, p. 1): Article 14.'

Article 21

Reports

1. The Commission shall report to the European Parliament and the Council on the functioning of the ODR platform on a yearly basis and for the first time one year after the ODR platform has become operational.

2. By 9 July 2018 and every three years thereafter the Commission shall submit to the European Parliament and the Council a report on the application of this Regulation, including in particular on the user-friendliness of the complaint form and the possible need for adaptation of the information listed in the Annex to this Regulation. That report shall be accompanied, if necessary, by proposals for adaptations to this Regulation.

3. Where the reports referred to in paragraphs 1 and 2 are to be submitted in the same year, only one joint report shall be submitted.

Article 22

Entry into force

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

2. This Regulation shall apply from 9 January 2016, except for the following provisions: Article 2(3) and Article 7(1) and (5), which shall apply from 9 July 2015, Article 5(1) and (7), Article 6, Article 7(7), Article 8(3) and (4) and Articles 11, 16 and 17, which shall apply from 8 July 2013.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 21 May 2013.

For the European Parliament

The President

M. SCHULZ

For the Council

The President

L. CREIGHTON

(1) OJ C 181, 21.6.2012, p. 99.

(2) Position of the European Parliament of 12 March 2013 (not yet published in the Official Journal) and Decision of the Council of 22 April 2013.

(3) See page 63 of this Official Journal.

(4) OJ L 136, 24.5.2008, p. 3.

(5) OJ L 144, 30.4.2004, p. 62.

(6) OJ L 281, 23.11.1995, p. 31.

(7) OJ L 8, 12.1.2001, p. 1.

(8) OJ L 304, 22.11.2011, p. 64.

(9) OJ L 55, 28.2.2011, p. 13.

(10) OJ C 136, 11.5.2012, p. 1.

(11) OJ L 178, 17.7.2000, p. 1.

(12) OJ L 364, 9.12.2004, p. 1.

(13) OJ L 110, 1.5.2009, p. 30.

ANNEX

Information to be provided when submitting a complaint

(1) Whether the complainant party is a consumer or a trader;

(2) The name and e-mail and geographical address of the consumer;

(3) The name and e-mail, website an geographical address of the trader;

(4) The name and email and geographical address of the complainant party's representative, if applicable;

(5) The language(s) of the complainant party or representative, if applicable;

(6) The language of the respondent party, if known;

(7) The type of good or service to which the complaint relates;

(8) Whether the good or service was offered by the trader and ordered by the consumer on a website or by other electronic means;

(9) The price of the good or service purchased;

(10) The date on which the consumer purchased the good or service;

(11) Whether the consumer has made direct contact with the trader;

(12) Whether the dispute is being or has previously been considered by an ADR entity or by a court;

(13) The type of complaint;

(14) The description of the complaint;

(15) If the complainant party is a consumer, the ADR entities the trader is obliged to or has committed to use in accordance with Article 13(1) of Directive 2013/11/EU, if known;

(16) If the complainant party is a trader, which ADR entity or entities the trader commits to or is obliged to use.

Annex 6

RULES GOVERNING THE REGISTRATION OF THE SUBMISSION DECLARATIONS

Pursuant to the provisions of Article 103(2) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter: *MNB Act*) the Financial Arbitration Board keeps a register on the submission declarations made in accordance with Article 103(1) of the MNB Act by the persons or organisations (*financial service providers*) falling with the laws stipulated in Article 39 of the MNB Act. The Board defines the administrative rules applicable to the registration of the submission declaration in this regulation.

1. The Board keeps an up-to-date register of the submission declarations submitted by financial service providers to the Financial Arbitration Board. The registration takes place in the IT framework used by the Board and equipped with a user interface accessible on the intranet (hereinafter: *register*). The effective and public data in the register are also published on the Board's website.

2. The submission declarations submitted by financial service providers to the Board are filed and scanned in accordance with the general document management rules in the document management system used at the Magyar Nemzeti Bank. Should the filing of any submission declaration be omitted, the Office of the Board will arrange for the filing of the given declaration and thereafter for the registration thereof in accordance with the present rules.

3. The designated colleague of the Office loads the data included in the registered submission declarations in the register. The following data must be captured:

3.1. the name of the financial service provider;

3.2. the seat of the financial service provider;

3.3. the registration number of the financial service provider;

3.4. the market classification of the financial service provider;

3.5. the fact that submission declaration is restricted to certain services or amounts, and the content of such restriction;

3.6. the validity of the submission declaration;

3.7. the file number of the submission declaration.

4. If a financial service provider withdraws the submission declaration or modifies the content thereof, the designated colleague of the Office shall update the register with the withdrawal or the modification within 8 days from the receipt of the filed declaration by the Board.

5. If a financial service provider that made a submission declaration is dissolved without a legal successor and the Board is informed thereof by the said service provider or from other official sources, the designated colleague of the Office shall invalidate the submission declaration in respect of the said financial service provider with effect of its dissolution without a legal successor.

6. If a financial service provider that made a submission declaration is dissolved with a legal successor and the Board is informed about the dissolution or the legal succession by the said service provider or its legal successor, the Board shall modify the data of the said financial service provider indicated in the register with regard to the submission, or if the submission declaration is not confirmed by the legal successor, it shall invalidate the submission declaration with effect of the dissolution. If the legal successor confirms the submission declaration made by the financial service provider dissolved with a legal successor and accepts it as binding on it, this fact will be published on the Board's website as a separate special announcement.

7. The Board verifies the corporate data of the financial service providers that made a submission declaration half-yearly, by the 10th day of the month following the closed half-year, and if it notices any change in the corporate data of the service provider, it updates the register accordingly.

8. Following the updating of the register with the content of the declaration, the designated colleague of the Office shall archive the submission declaration or the instrument containing the modification or withdrawal thereof in accordance with the general document management rules.

RULES PERTAINING TO DATA COLLECTION AND THE MANAGEMENT OF DATA ASSET

1. During its operation the Board captures and stores the data received from petitioners and financial service providers in its case registration system (FAB Info system) to the degree and until the time necessary for the implementation of its activity, and in compliance with the relevant laws. It manages only such personal and special data that are essential for the realisation of the objective of the data management and suitable for attaining the goal.

2. Beyond the pursuance of conciliation activity the data also serve statistical purposes. The data collected and stored in the case registration system comprise of the data supplied by petitioners, the data requested in the calls for supplementation, and the data supplied by and asked from financial service providers.

3. The collected and stored data include in particular the following items:

a) the name, place of residence or abode of the petitioner,

b) the name and registered office of the financial service provider involved in the dispute,

c) all data related to the petitioned case, based on the description of the petitioner's position

d) the data and information included in the evidence presented by the petitioner

e) the information and data obtained in connection to the rejected complaint

f) the data and information supplied by financial service providers

g) the data of persons acting as proxies based on the power of attorney provided by the parties

h) the data and information related to other third parties included in the instruments that the petitioner and/or the financial service provider refers to as evidence.

3. The Board provides the stakeholder within the legislative framework with the opportunity to control the management of his data, thus the respective person may request information on the management of his personal data, the correction or the deletion of his personal data – with the exception of the mandatory data management ordered by the laws – and, if the law permits, he may object to the management of his personal data. The information is provided free.

4. For the purpose of performing its task regulated by the effective Hungarian laws and the mandatory acts of the European Union, the Board may manage personal and special data. In the absence of statutory authorisation or authorisation based on the European Union's mandatory acts, the management of the data may be solely based on the voluntary and definite – in the case of special data, written – informed consent of the stakeholder, where he gives his unambiguous consent to the management of the relevant personal data for definite purposes and with definite scope. Upon obtaining consent the stakeholder must be expressly reminded of the voluntary nature of the consent. Since the procedures conducted at the Board are started at the petition or initiative of private individuals qualifying as consumers – in the case of petitions for the determination of the settlement obligation at the initiative of non-private individual petitioners not qualifying as consumers – in their case consent with regard to personal data provided by them must be presumed.

5. The Board performs data management for administrative and registration purposes; in addition to this, in the proceedings launched on the basis of petitions related to the settlement and falling within Act XL of 2014 , the Board also forwards data to the non-litigious courts.

6. The administrative data management relates to the registration (filing) and processing of the case (petition). Its basic objective is to ensure the availability of the data necessary for conducting the procedure related to the given case, for the identification of the actors of the data management and the closing of the case. In the course of administrative data management personal data may only be recorded in documents of the given case and in the case registration systems (FAB Info and IRA, and in settlement-related cases in the FAB Info2 and IRA2 system); their management for this purpose lasts until the archiving of the underlying documents.

7. The data management for registration purpose creates a dataset included in the internal records, comprising of data files collected on the basis of data ranges defined in advance in the laws, during the time of the data management, ensuring the ability to retrieve and enquire on data based on various attributes. The data also serves statistical purposes; thus they are used for compiling weekly and monthly statistics, and the Board's Annual Report as prescribed by the MNB Act. Based on the result of data collection and data management the statistical considerations include particularly the following items:

1) Number of rejected petitions

2) Reason for rejection

3) Number of cases closed with a settlement agreement

4) Number of binding resolutions

5) Number of recommendations

6) Number of petitions rejected after hearing

7) Number of contested FAB decisions

8) Number of court decisions

9) Number of cross-border consumer disputes, service providers involved

10) Subject of petitions

11) Breakdown of petitioners (petitions) by place of residence

12) Breakdown of petitions by the service providers involved

13) Types of petitioned financial services

8. The managed data must be deleted if the data management is illegal; if the data is incomplete or erroneous, and it cannot be rectified legally, provided that the deletion is not prohibited by law; the purpose of the data management has ceased, or the statutory data retention period has expired; or it was ordered by the court. The Board is obliged to adjust the incorrect data, if the necessary data are available to it. Apart from the stakeholder, those entities also must be informed on the adjustment or deletion of the data, to which the data were forwarded (e.g. in settlement cases the courts having statutory competence to conduct the non-litigious procedures), except when, in view of the purpose of data management, the failure to provide the information does not prejudice the legitimate interests of the stakeholder.

9. The stakeholder may protest against the management of his personal data to the data protection officer of the Magyar Nemzeti Bank, in accordance with Section of 21 of Act CXII of 2011. In this case the data protection officer shall notify the chair of the Board without delay. The chair shall make a decision within 15 days and if the objection is justified, the Office of the Board must cease the data management (additional data capturing and data transmission) and notify of the objection and the related measures all entities to which it has forwarded the personal data being the subject of the objection, who shall take actions to enforce the right of objection.

10. The management of the data asset accumulated during the data collection, the dataset serving statistical and registration purposes, and compliance with the provisions of this regulation and the statutory provisions related to data management are the responsibility of the chair of the Board.

ANNEX 4

ARTICLES AUTHORED BY THE MEMBERS

PÉTER SZABÓ*:
Over-65s, Beware of Scammers!

Rapid developments in the digital world makes older people in particular vulnerable to cyberfraud. Phishing attacks can cause severe financial losses, putting their financial security at risk in their retirement years. It is important that the people affected, and their relatives are made aware of the possibilities for prevention.

Almost everyone knows victims of a phishing attack or has seen similar cases in the news. Cyberfraud can have even more serious consequences for pensioners, as their life savings or pension assets can fall into the hands of fraudsters, jeopardising the financial security of their retirement years.

Victims of fraud, even if they realise afterwards that they themselves have made a mistake, often feel that their bank should have done more to prevent or stop the fraudsters. This feeling is heightened for pensioners. In such cases, they also have the option to turn to the Financial Arbitration Board (FAB), which is a forum for resolving financial and settlement disputes between financial institutions and their customers.

Although all age groups can be affected by cyberfraud, the way and frequency of how they become victims varies by age and by level of banking knowledge. In FAB procedures, the victim in one in four (!) cases was a pensioner. This high rate justifies analysing the causes and raising awareness of the possibilities for prevention. Older people are particularly vulnerable due to the fact that they are less digitally savvy. There are exceptions, of course, but for the majority, novel technical solutions can cause difficulties.

To prevent this, it is useful to review the typical process of cyberfraud. This is particularly important for retired people who, as they are not digital natives, may be reluctant to use digital devices and have difficulty understanding the language, often including English terms, used by their bank. Older people often do not realise that they could become victims even if they do not use digital services. It is common for them to misinterpret or disregard the alerts and text messages they receive from their bank.

For example, typical bank account fraud consists of three steps: first, fraudsters use some form of phishing to obtain important data (card details, passwords, etc.) and then use these to initiate transactions. In the final step, they even obtain from their victims the data and codes necessary to approve the fraudulent transaction.

It is common for scammers to contact older people by phone so they can create a strong emotional impact and urge the victims to share their details. They often promise a prize or a special opportunity that can be ‘accessed’ only by urgently revealing their data. If a customer is careless, the entire amount in their bank account may be stolen. Other times, scammers pretend to be calling on behalf of the bank to inspire confidence and give the impression that, as an administrator of the credit institution, they are warning the client of an attempted fraud.

A common feature of these criminal methods is that the fraudster makes the victim take an ill-considered step. Since banks do sometimes alert their customers by telephone, it is not easy to distinguish a real call from a fraudulent one. However, a real bank administrator will never ask for sensitive personal data, passwords or codes over the phone. If the call seems unusual or suspicious, it is advisable to hang up and call the bank’s customer service on its official phone number as a matter of urgency.

Fraudsters also often digitalise bank cards once they have obtained the confidential card details and personal data from customers. They use the data obtained, for example, to register the victim’s card on their own Google Pay or Apple Pay enabled mobile phones. After successful digitalisation, fraudsters can pay with their mobile devices in the same way as if they were paying with the victim’s card. To do this, they need to access the card details and a security code, which is usually sent by the bank in a text message. If the criminals obtain this information, they can then authenticate the

payment transaction on their own device, for example by using fingerprint or facial recognition, and will not even need the PIN code of the card.

In its procedures, the FAB frequently found that elderly customers had received text alerts from their banks about Google Pay or Apple Pay registration, which they read but as they did not know anything about the service or thought that they would not use it anyway, they did not pay attention to the message. However, if you receive such a notification or a code from your bank even though you were not intending to pay with your phone, never share that code with any criminals, never write it down in an email or text message to them, and never share it with them over the phone. Instead, you should contact your bank as a matter of urgency, as it is likely to be a case of fraud.

It is also common for criminals to persuade their unsuspecting elderly victims to install a remote digital access application on their computer, such as AnyDesk or TeamViewer, which they claim to be necessary in order to prevent fraud. Fraudsters often claim that 'anti-virus' or other 'security applications' need to be installed to prevent crime, claiming that this would keep alleged other criminals away. It is important to know that a bank will never ask for such remote access to the customer's devices. Installing such applications requires the customer's cooperation, and if they do so, then fraudsters will gain access to their information, codes and passwords, and even gain complete control over their computer. If you don't want others to have access to your devices, do not help the scammers by installing such applications, do not share any codes, and do not follow their instructions.

Criminals also often try to install mobile apps with the data they have obtained, and in these cases too, the banks will send a message and a code to the account holder. Problems will arise in such a case too only if the associated text message is ignored or misinterpreted by the customer. Older customers are often unsure how to interpret messages such as '*Mobile app registration request received by the bank'.* When the scammers you are speaking to on the phone try to mislead you about these notifications, it is particularly important that you do not fall for their stories.

The rapid evolution of the digital world is a challenge for everyone but especially for many older people. Supporting, warning and monitoring the elderly people around us – family members, friends, neighbours, etc. – is therefore key to protecting them from becoming victims of phishing scams.

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DR JUDIT CSERÉPI*:
Mobile Payments: Use Them or Fear Them?

With the growth of online banking and credit card payments, more and more services have emerged in the digital world. One of the most popular has been the digitisation of credit cards, where Google Pay and Apple Pay are the two best known market players. In this article, we have gathered the advantages and disadvantages of these mobile payment solutions.

What is a digital wallet and what is it for?

Google Pay and Apple Pay are digital wallets (e-wallets, wallet services) that allow you to pay online and in person using your smartphone or smartwatch. Android devices use Google Pay, while iOS phones/smart devices use Apple Pay. Their advantage is that you don't need to carry your bank card with you to pay for purchases or even withdraw money at suitable ATMs. For example, if you have the wallet service enabled on it, you can pay with your smartwatch so that you do not have to carry your wallet to the beach in the summer.

Payment security is provided through tokenisation, which means digitising your actual bank card details rather than disclosing them to the other party. Both Apple Pay and Google Pay provide additional security through two-factor authentication (entering an additional PIN code or using biometric identification such as facial or fingerprint recognition during the payment process). This means that if you leave your watch behind on the beach, no one else can use it to pay. However, there may be exceptions to this, for example in those cases where multiple transactions can be made within a short period of time after entering the PIN only once.

How can we digitise our bank cards?

Not all bank cards can be digitised for Apple Pay and Google Pay, so it is a good idea to check in advance on the websites of these two providers and your card issuing bank. Card digitisation is simple: you first download the app (make sure that you are using the official source) and then you can start the digitisation process via your mobile banking app or via Apple Pay/Google Pay. You will then be asked to enter your bank card details (card number, expiry date and CVC/CVV code). But the most important step is for your bank to identify you, for which purpose it will send you a code by text message. By entering this code in the application, you can finalise your registration and choose the payment authentication method (PIN code, biometric data). Your bank will usually send you a confirmation text message if your registration is successful. You can of course use your card issuing bank's telephone customer service as well to finalise the process.

How are fraudsters exploiting the digitisation process?

Although card digitisation is safe as far as we know, fraudsters are using phishing techniques to get your credit card details and the bank codes sent to you by text. Fraudsters use psychological manipulation and phishing techniques to obtain this information. They might use text messages, email, fake webshops, fake websites, invitations to a competition on social networking sites, or phone calls.

For example, criminals may claim that you have to re-enter your card details in the Netflix app or pay a bill to your gas or electricity provider. Or phishers may send you a message to change your postal address details because you are going to receive a parcel or you have not paid a fine. The list of tricks is endless. The point is that the fraudsters impersonate service providers or people we know or trust, such as our own bank, and pretend that they are communicating with us in the usual way through the usual channels. In fact, their aim is to obtain your card details and the code sent to you by text message by your bank.

In one of the cases before the Financial Arbitration Board (FAB) of the MNB, the victim wanted to buy shoes from the online store of a well-known brand, but did not realise that they had placed their order (and revealed their credit card details) on a phishing website. They then received a text message necessary for registration for Apple Pay; they did not read the text message carefully, but only looked for the code in it, which they then entered to make the purchase. Later, unauthorised transactions were made with their credit card. If a fraudster gets your card details and the code you receive by text, they can register your card on their own device and use it to make purchases later. In another case, a Google Pay registration code was misused, but the fraudsters waited for two weeks after registration to use the app for making a purchase.

In the FAB's experience, it is a common feature in Apple Pay and Google Pay registration fraud cases that if the consumers had not shared the code they received by text, the fraudsters would probably not have been able to cause harm with just the credit card details. Most of these cases could be prevented if people read the text of the text messages they receive and did not act out of routine. Even if they do not understand the message they receive (because they haven't heard of Apple Pay or Google Pay, or because the message is in English), they should never give out their SMS code to anyone, anywhere.

And if you have shared the code received by text message, you must immediately report this to your bank and request the blocking of your card. It is also worth reporting the matter to the police. Never assume that, despite your carelessness, nothing will happen, because experience shows that unauthorised card transactions may start to happen days or even weeks later. This also applies to cases when you receive a Google Pay/Apple Pay registration text message to your phone but you do not know why you would receive such a message or whether you have shared the code somewhere.

Very often, scammers send phishing emails or text messages in the holiday season when everyone is expecting parcels (telling you, for example, that your parcel has arrived but you have to pay customs duty), or on a Friday, taking advantage of the fact that banks' call centres operate at limited capacity and face-to-face service is usually not available at the weekend.

Here are some useful tips on what to look out for.

– Download apps only from an official source such as the Play Store for Google Pay or the Apple Store for Apple Pay;
– Always check that you are on the correct banking website or are shopping in the right online shop and enter your credit card details only afterwards;
– If you receive a text message or email with a link, always handle it with caution and do not click on it until you have checked that it is genuinely from the service provider known to you;
– If you are being rushed in an email, claiming that you are late with a payment, for example, you should always be suspicious and check it out;
– If you receive a phone call on behalf of your bank, ask the caller what they are calling about, tell them that you will be calling back your bank's customer service and hang up. You should then call the official customer service number of your bank to check whether the call had been legitimate.
– If you are expecting a text message from your bank (for example, to approve a purchase), but the message you then receive has different content (for example, to register for Apple Pay or if the message is in English), you should interrupt the process and not share the code you received with anyone, anywhere;
– Do not share your credit card details or codes received by text message with anyone via phone, chat or other communication channels;
– Never scan a QR code using a mobile app on your phone if it is sent via chat or text by an unknown third party or by a person pretending to be a bank employee;
– If you have an Android phone and you receive a text with an Apple Pay registration code (or vice versa), contact your bank immediately or do not disclose the code to anyone;
– You should also suspect that you may have been a victim of fraud if you don't receive a confirmation of payment when you shop online;
– Always be suspicious if you receive a call from a foreign number or from a domestic number that you cannot call back because no such number exists;
– It is a good idea to set purchase limits, which can be temporarily raised before a planned large purchase and then lowered again;
– Monitor your spending and your financial transactions daily, and preferably activate the card and account control features;
– Never download remote access software to your device if unknown third parties ask you to.

Apple Pay and Google Pay are two popular, simple and convenient apps, but they require caution due to the prevalence of phishing and fraud. In addition, technical problems may also occur, as happened with Apple Pay on 26 June 2024, affecting Hungarian customers, when a large number of transactions not approved by customers were carried out.

Be wary and mindful of security; the key to it is in your own hands. Whenever you are unsure, always consult with your bank. For more information, visit the https://kiberpajzs.hu/ website for regular updates and advice on current fraud trends and how to avoid them.

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DR ANITA LAKÓ*
Incredible Returns in Just a Few Clicks: Tricks of the Investment Scammers

Phishing criminals can defraud us not only with promises for the future but also with the alleged fabulous returns on our previous investments, often in cryptocurrency. While they may in fact know nothing about us, they can use these tall tales to obtain our banking identifiers and eventually siphon off money from our accounts if we are not careful. In the case of one of the petitioners to the financial arbitrators, the fraudsters even took out a personal loan in the name of the victim.

Small investment, huge return? Always be careful and remember the eternal rule: if something is too good to be true, it probably isn't. Many people nowadays have cryptocurrency investments, which can provide yet more opportunity for fraud.

We already know to be cautious when presented with seemingly unmissable, risk-free investment opportunities that promise quick returns. However, in the cases described below, the victims were approached with the claim that they had made a staggering profit on an investment made years earlier and that they could now easily access those profits. The unknown caller would outline the results of an investment that the victim may have already forgotten about and would promise a quick, simple transaction only to eventually defraud the victim of the entire balance of their account. In some cases, the damage can be even greater.

'There are recurring types of fraud where criminals offer help with crediting the returns of previous investments. Like many phishing attacks, this method also relies on emotional manipulation.'

One of the victims who contacted the Financial Arbitration Board (FAB) had bought cryptocurrency online for the equivalent of around HUF 60,000. A year or so later, they received a phone call telling them they had made three million forints in profit. Claiming that this was in order to pay the return, the fraudsters sent a link by email, which the consumer clicked in order to view their full investment account history, from the initial investment to the latest balance. The amount was in US dollars, so it had to be converted to HUF in order to transfer it to their investment account. To do this, they were sent a QR code by email, which they had to scan via a mobile app.

Once the account history showed that the conversion had been made, all they had to do was transfer the amount from the investment account to their bank account, for which they also received a QR code for approval. The customer scanned this too and then noticed that three million forints had been transferred from their account to an unknown account and person. They immediately called their bank, where an investigation found that by scanning the codes, the customer had authorised the fraudsters to log in to their internet banking and make the bank transfer.

In even more frightening cases, criminals not only transfer out the entire balance on the account, but also 'assist' in taking out personal loans, only to then cheat the victim out of that amount as well. In one such case, which was similar to the previous one, the victim had invested around HUF 50,000 in cryptocurrency several years previously and then forgot about it. After a long time, they were contacted over the phone by fraudsters, who claimed that they would like to transfer to the victim the return on that investment, which now amounted to several million forints.

The caller said that this would require the conversion of the amount, the cost of which had to be financed by a personal loan. The victim was reassured that the amount would be refunded together with the returns. To facilitate cooperation and assistance, it was suggested that the customer should download a remote access application to their computer, which they did. The customer then followed the instructions received on the phone, logging in to internet banking on their device and entering the codes received by text. After increasing their limit and transferring out the amount of the personal loan, the victim was told that this was not enough, and that another loan would be needed. At this point the customer became suspicious and contacted their bank immediately, only to be told that they had been the victim of a phishing attack.

Unfortunately, there were several cases where the bank detected the suspicious activity linked to an account and informed the account holder by text message or telephone, but the victim, believing the fraudsters, acknowledged the legitimacy of the transaction and requested authorisation to transfer the funds. In almost all cases, victims say that the caller is very precise about the sequential steps they need to take, which creates confidence in the process. Experience has shown that fraudsters often even warn the customer that they may be contacted by their bank and give a reasonable explanation for why it may do so.

Unfortunately, the FAB sees many customers who have become victims of cyberfraud. In the proceedings initiated in response to the requests of these petitioners, the banks argued that the victim had been grossly negligent and breached the provisions of the Payment Services Act, and that the fraud could have been prevented if they had exercised due care and diligence.

Experience has shown that the active involvement of customers contributes to successful fraud, and that their participation is essential to prevent it. Anyone, regardless of age, gender or education level, can be a victim of fraud, so here are some tips for everyone:

– first, always think carefully about why you have been contacted and what you are being asked to do;

– do not disclose your bank account credentials to unknown persons;

– before installing software and applications, find out what they do;

– do not allow unknown persons to access any device you also use for banking, and do not log in to online banking while your device is being accessed remotely;

– always read the wording of the texts and push messages you receive from your bank carefully, understand it and check that its content matches what you intended;

– if there is even the slightest suspicion of fraud, immediately stop the process and call your bank's customer service to restrict your electronic services/block your bank card;

– find out whether you can use your mobile banking app/internet bank to immediately suspend electronic services or block your credit card involved in fraud, and use this feature if you suspect fraud.

The 10 authorities operate the joint website www.kiberpajzs.hu, which presents the most common phishing patterns in a simple and accessible way. Banks also publish various information materials on their websites and other internet platforms, and send out awareness-raising messages by email, internet banking or mobile apps. Some banks also offer the possibility for clients to test their knowledge of fraud types, with questions based on real cases; this helps clients recognise such situations. It is a good idea to keep an eye on these sources so that we can be up to date on bank fraud schemes.

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TÜNDE KARDOS-NAGY*:
How to Curb Accumulating Credit Card Debt

Using a credit card can be an attractive option at first, offering a fast and flexible way to cover everyday purchases and unexpected expenses. But if you cannot repay the amount spent against your credit line, you might be faced with credit card debt amounting to hundreds of thousands and even millions of forints a few years down the line. What consequences should we expect and what can we do to get rid of debt that has become a nightmare?

When used consciously, a credit card can be really useful for online shopping, travelling, renting a car or in unexpected situations. However, you should only use it if you are able to repay the full amount you spent on purchases against your credit line each month, doing so by the end of the grace period. In this way, you can enjoy the benefits of a credit card free of charge and interest.

However, if you do not repay the amount on your credit card statement or repay it only partially, the bank will charge you interest on the total amount owed, even if the minimum amount due is paid. And if you fail to pay the minimum amount, you will have to pay not only interest but also late penalties and extra fees. Credit cards are one of the most expensive types of credit, with some of the highest APRs. Careful planning and financial awareness are therefore essential to avoid a credit card becoming a financial trap.

If you do not repay your credit card debt, your bank will first send you a reminder letter. If you have payment difficulties, the best solution is to try immediately to reach an agreement with the bank before the debt becomes unmanageable. Payment by instalment is normally permitted, which allows you to repay the debt in equal monthly instalments over a term of your choice, at a lower rate than the high interest rate on the credit card.

What happens if you cannot pay your credit card debt to the bank?

– ***Termination of contract***: The bank will cancel the credit card contract and the debt will become due in one lump sum.
– ***Issuing an order for payment:*** This is a formal procedure initiated by a notary public. If the debtor does not contest the amount, the order for payment will become final.
– ***Execution procedure:*** If the debt is still not settled, bailiffs can use various means such as blocking bank accounts, seizing movable property or ordering income or even pension attachment. The execution procedure imposes additional costs on the debtor.
– ***Involvement of a debt manager***: If the bank sees no chance of recovering the debt, it can sell it to a debt management company. The debtor then has to settle with that company. Debts may also be transferred from one debt management company to another.

Meanwhile, interest continues to be charged, meaning that the debt keeps growing, especially if you do not pay anything for years or make low monthly payments that do not even cover the interest.

Do not wait until the problem gets worse!

Managing credit card debt is an urgent and important task. The longer you delay, the higher the amount will grow and the harder it will be to settle the problem. If you are in financial difficulty, contact your bank or the debt management company immediately and make a proposal to settle the debt.

If your circumstances are admissible, there is a chance of reaching an agreement with the financial institution. However, many people believe that the only solution is to ask their bank or the debt management company to waive their entire credit card debt.

Instead, you should consider other solutions that might provide relief from the problematic situation. For example, you can ask for interest-free or reduced-interest instalments, a reduction in the amount of the income or pension attachment, a waiver of interest on the principal amount, a waiver of interest on a larger one-off payment, a termination of the attachment and a stay of execution proceedings in the case of partial payment, or even a waiver of part of the interest on the amount of the interest debt in exchange for topping up the monthly recovery from income attachment.

What to do if the debt management company rejects your request for fairness?

Even if your request is rejected, there is a solution: you can submit an equity petition to the Financial Arbitration Board (FAB) attached to the Magyar Nemzeti Bank (MNB). You can also turn to the MNB's Customer Service, the staff of the Network of Financial Navigator Advisory Offices available at county seats, or request help at the government offices. You can also submit the petition electronically via the FAB Online administration online petition interface.

In equity cases before the FAB, petitioners can cite their personal or financial circumstances to request the reduction or forgiving of payment obligations, the amendment or closing of contracts and derogation from the payment terms in the contract (e.g. rescheduling of repayments). Equity petitions may be lodged even when an order for payment has been issued for the claim, an execution proceeding has been brought or it is already before the courts. However, in equity proceedings before the FAB, the legal basis for or the amount of the claim may not be disputed.

Although the FAB cannot waive even a part of the debt or oblige the debt management company to act equitably, with the help of financial conciliators, there is a good chance that the parties can agree on the terms of the settlement, as in the specific cases below:

– A debtor had credit card debt of HUF 600,000 in 2010. Following the termination of their contract, an order for payment was issued in 2016 and execution proceedings were launched in 2017. Over six years, HUF 2.4 million was deducted from the debtor's pension, but the debt still amounted to HUF 1.1 million. At that point the debtor turned to the FAB. Every year from 2018 onwards, they had submitted a request for equitable relief to the debt management company, but the request was not granted. In the proceedings before the FAB, the debt manager agreed that, in the enforcement

proceedings for credit card debt, the attachment on the debtor's income would be capped at HUF 30,000 instead of the previous HUF 50,000 until the full repayment of the HUF 600,000 principal debt. The debt management company agreed to waive late payment interest as soon as the principal was repaid in full.

– In another case, the debt management company had a credit card debt of HUF 4.2 million on record, of which the principal debt was HUF 650,000 and the interest debt was HUF 3.6 million. The bank that had transferred the debt to it had originally terminated the contract in 2010 and debt assignment took place in 2011; an order for payment was issued in 2013 and execution proceedings were launched afterwards. In 2014, the claim was further assigned. This year, however, the parties agreed in an equity procedure that the debtor would pay HUF 2.5 million in a lump sum to the debt management company and bear all the costs incurred in terminating the execution procedure. In exchange, the debt management company agreed to waive the remaining debt of HUF 1.7 million.

These examples also show that it is not worth postponing the settlement of credit card debt, mainly because of the high rates at which interest is charged on late payments. In the event of a payment problem, you should immediately seek a solution from your bank, the debt manager or the FAB, because sweeping a problem under the carpet can lead to further and more serious financial burdens.

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DR ILDIKÓ ERZSÉBET CSOMORNÉ-LAJKÓ*:
If You Do Not Pay Off Your Debt, Your Bank Account Could Be Debited with a Final Transfer Order

If you have a positive bank account balance but fail to repay or are perhaps disputing some debt, your creditor may exercise its claim through two legal means, the instruction for a transfer of funds by court order (more commonly known as collection order) or a transfer order. In the event of a final court decision, your bank must take the action ordered (such as blocking your account, restricting your access to the money, or stopping a disbursement or payment).

I.) Who can request the issuance of a transfer order, and when, how and from whom?

Often, execution procedures (like civil lawsuits) can be protracted for a number of reasons, to the detriment of the legitimate interests of the requester of execution. If a debtor is ordered by a court in a final judgement to *pay a sum of money*, the creditor can *request the issuing of a transfer order* instead of the often lengthy and costly execution procedure, in order to obtain the amount awarded to it more quickly.

The transfer order is a special form of ordering an execution process. It is an enforceable instrument that contains the same elements as are included in the writ of execution (an enforceable instrument). Jurisdiction and competence to issue it is held by the court competent to issue the writ of execution or affix an enforcement clause. In such cases, too, the execution is ordered *at the request* of the requester of execution, with *the aim of collecting the debt*. The request must be submitted to the court with jurisdiction and competence. It must state the debtor's name (company name) and the information necessary to identify the debtor (at least date of birth or mother's name, address or company registration number), the judgment to be enforced, the date on which it became final, the amount of the claim, the last settlement deadline, also information about the money at the debtor's disposal (i.e. information about the payment service provider managing the debtor's payment account and the debtor's payment account number) and other information necessary to identify the amount of money.

The requester of execution must also specify on the application how they want the amount claimed to be paid: by transfer to a bank account (in which case they must indicate they bank account number) or by postal order to their address as shown. *Both the requester of execution and the debtor may appeal against the order within 15 days of service.*

When issuing a transfer order, the court will order execution by collection from amounts held for the debtor by their payment service provider (bank), provided the general conditions for execution are met. In a transfer order that has not

yet become final the court will request the bank managing the amount due to the debtor to transfer, in accordance with the request, the amount of the claim from the balance of the payment account exceeding the exemption threshold to the requester of execution or to the payment account designated by the requester of execution.

The court sends the transfer order (which is not yet final at this point) to the debtor's bank with the instruction to withhold the amount of the claim indicated in the order and, if no other notification is received from the court within 45 days of service of the order, to pay or transfer it to the requester of execution. However, a transfer order cannot be issued, for example, if the amount claimed has already been seized in the course of a freezing order in criminal proceedings to secure another claim and the seizure has resulted in the amount being paid into a bailiff's escrow account. The court will issue the transfer order for the payment account of the debtor held with the payment service provider and specified in the request for execution (the first account if several accounts exist) and will send the order to the account servicing bank and the parties.

If any person entitled to do so *appeals* against the transfer order, the court shall immediately notify the debtor's account servicing bank and instruct it to continue withholding the amount and *not to make* any transfers *until further notice.* If the court alters or annuls the transfer order, it will also immediately notify the debtor's bank.

If *no appeal is lodged* against the transfer order, the court will also act immediately to notify the account servicing bank of the fact that the order is now final and in force, with the instruction that it should transfer the amount withheld to the requester of execution, in accordance with the transfer order. Please note that the payment can only be made on the basis of a legally binding transfer order.

II.) What action should the bank holding the debtor's bank account take when it receives a transfer order?

The settling of claims in accordance with the terms of a transfer order is governed by the provisions of the Act on Payment Services (Payment Services Act) as well as MNB Decree No 18/2009 on the execution of payments. Accordingly, upon receipt of the transfer order the debtor's bank managing the account will immediately start to check the correspondence between the payer/debtor and the payment reference number indicated in the order, and will also verify whether there are sufficient funds in the customer's bank account to cover the claim.

If there are sufficient funds on the account, the payment service provider *must immediately block the amount indicated in the order* upon receipt of the order and is liable for any damage caused by any delay. This action will also restrict the debtor's right of disposal, as they will not have the right to give orders relating to the amount withheld. The bank will freeze the amount until further instructions from the court. The blocking can be lifted at the earliest upon the expiry of the time limit for appeal already mentioned.

If the claim specified in this order is not covered, in whole or in part, by the funds on the bank account, the credit institution managing the account must queue the amount claimed for a period of maximum 35 days (subject to the provisions of the Payment Services Act) Since the court will order the financial service provider initially to freeze the amount stated in the order and prevent any payment of the amount, the request will be taken into account for determining the order of queuing only *when the transfer order is final.*

The bank *may not notify* the account holder of the transfer order before (partial) execution or queuing, but only at the same time as (partial) execution or queuing; it must do so in writing, *by communicating the data in the payment order executed on the basis of the transfer order*. Execution ordered by a transfer order will also include funds held in non-cash accounts. This has a limitation in that it can only be used to enforce against money held for the debtor by the debtor's bank, not against other movable or immovable property.

A February 2023 MNB Management Circular *required* that the information provided by banks to consumers before the conclusion of an arranged overdraft agreement on a payment account should also include the information that, *unless otherwise agreed,* official transfers and bank transfers under a transfer order will be paid against both the balance on the bank account *and also* the overdraft. If the issuance of such an order is successful in whole or in part, the requester of execution may request the issuance of another enforceable instrument (e.g. a writ of execution, an enforcement

clause) to include the debtor's movable or immovable property in the execution process, *provided that it can prove compliance with the conditions therefor under the Judicial Enforcement Act* (e.g. in what amount the debtor's payment service provider executed the order).

The enforcement procedure is terminated when the full amount of the transfer order has been paid or transferred to the requester of execution by the debtor's bank.

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ZOLTÁN LIPTAI*:
Immune-Boosting Advice before and after Signing a Financial Contract

Who hasn't heard the saying 'a journey of 1000 miles begins with the first step'? When it comes to finances, it is especially important to think things through before doing anything. Are you able to find the right balance between planning and action? And what can you do if the result (a product or service offered by the financial institution) does not live up to your expectations?

There are several critical points in the lifecycle of a financial transaction where awareness and thoughtful action are essential. The first thing to consider carefully is whether you need the financial product. Whether it is credit, insurance or perhaps investing, sooner or later we will find ourselves caught up in deliberately designed, professionally produced financial advertisements that often try to get us to do things we do not really want or cannot afford. In such cases, we need to consult with professionals from financial institutions, so it is a good idea to have some ammunition to prepare for the right decision.

Here are a few simple and easy commonsense rules:

– Sleep on it!
Never make a decision about money instantly! It is worth getting at least one night's sleep before making any major decision.
– Write out your arguments for yourself!
People make decisions based on emotion. This is often the case even when there are no apparent signs to suggest this. You only have to look at the advertisements to see what they are trying to do. In finance, it is really important to make rational decisions. A simple method is to use a sheet of paper divided in two and list the advantages on one side and the disadvantages and risks on the other, and then weigh them up to decide.
– You will be responsible for your decisions, provided you had all the information when you made them!
Whether you make a decision on our own, on the advice of experts, or on the advice of trusted friends and acquaintances, you always bear the results and the consequences. Whatever financial service provider or market player you are dealing with, you need to make informed decisions that can affect your life and that of your family for years to come.
– The law of sowing and reaping is at work in all walks of life, including here. For better or worse...
• you always reap what you sow;
• you always reap later than you sow;
• you always reap more than you sow (if all goes well...).
– Third party (objectivity) principle
When trying to make a good decision, it can be very helpful if you tell one or two financial experts, trusted relatives, friends or acquaintances what you are planning to do, and listen carefully to their advice. Are they saying anything that you have not thought of?
– Cui prodest? (In whose interest?)
This is a question you should ask yourself before signing any contract, and if the answer suggests you are not one of the ones to benefit, you might want to reconsider before signing.

In real life you may sometimes find that, even and in spite of being careful, the hoped-for financial transaction turns out not to be what you had intended, but you only realise this when you can no longer reverse it. What can you do if this is the case? As this is not a popular video game where you can start again with a clean slate by pressing a button as many times as you want, you may also want to consider the following tips:

– Have a clear view of the 'chessboard'!
Make a move only when you have clarified the circumstances of your decision and your financial possibilities.
– See if there is still a possibility to withdraw, amend or terminate!
For example, in the case of online credit or insurance etc. agreements, you have 14 days to withdraw from the contract without giving any reason or (if the credit has already been granted or the insurance has already been taken out) to cancel it. You may not even need to withdraw from the contract, as you will also have the option to work with the financial institution to modify it. In such cases, it is advisable to check what fees are charged for contract amendment. And if you see no other option but to terminate the contract early, it is worth looking at the options available. For example, some loan contracts can be terminated free of charge on the anniversary date of the contract.
– Find out if you have been the victim of mis-selling!
If you can prove, for example with documents or correspondence with the financial institution, that you would have requested a different product or service, you may be able to discuss the matter with the financial institution, or even seek redress.
– Accept the situation!
It is important to accept that once a decision is made, there is always a 'price' to pay. For example, if you have taken out a loan, you have to pay it back on its terms.
– No decision is perfect!
There are situations in which perfect choices do not exist, so you have to get comfortable with the idea of compromise.
– Find a solution and ask for advice if you need it!
It is advisable, especially in such situations, to seek the help of the MNB Customer Service, the Financial Navigator advisers in the county seat offices, also affiliated to the Central Bank, or financial specialists. They have up-to-date and practical knowledge in their field: they understand the market, the ever-changing rules and regulations, and know what's new.
* *The author is a member of the Financial Arbitration Board attached to the MNB*

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DR ÁDÁM SEBESTYÉN*:
Guide to Unit-Linked Life Insurance

Unit-linked life insurance products are perhaps the most complex insurance products sold to consumers, and usually require investment knowledge and active portfolio management. Although many are choosing this type of life insurance product, experience shows that policyholders are often still unaware of its basic features, risks and cost structure. This article summarises what you should bear in mind before taking out a unit-linked life insurance policy.

Unit-linked life insurance policies essentially combine the insurance services offered by traditional combined life insurance policies (death benefit and endowment benefit) with the investment options offered by mutual funds. With these products, the policyholder uses the premiums paid to buy units in the asset fund(s) they select from among the asset funds offered by the insurer, at the price prevailing on the day of purchase. Insurers can create different types of asset funds with different investment strategies: there are asset funds that are safe but offer lower returns (e.g. asset funds overweighted in government bonds), and asset funds that offer higher returns over the longer term but invest in riskier assets (e.g. equities). The money collected in exchange for the units purchased is invested by the insurer in accordance with the investment strategy of the asset fund. The price of the units recorded in the account of the policyholder will fluctuate continuously depending on the investment performance of the relevant asset fund, i.e. the current value of all the investment assets in the asset fund.

It is a common misconception that premiums paid into a savings-type life insurance policy for savings purposes can only generate a positive return. In practice, as with investment products, the investment risk in unit-linked life insurance is borne by the policyholder in terms of the change in value of the asset funds. This means that both the return on the

increase in the value of the units and the loss are realised by the policyholder. Similarly, it is the responsibility and risk of the client to monitor the price movements of each asset fund and, if they deem it necessary based on market trends and risks, to switch their units to another asset fund. If you do not do so and leave your investments unmanaged for a long period of time, it is just a matter of good luck as to what return, profit or loss you will achieve when the life insurance matures. Because of the nature of investments, the actual benefit amount the unit-linked life insurance client receives upon maturity is much more unpredictable than in traditional combined life insurance. At maturity clients may receive less than the amount invested. The only exceptions to this are those, mainly single-premium, life insurance policies where the contract explicitly states the insurer's guarantee of yield or capital for the premiums paid by the client. However, insurers tend to limit the range of asset funds available with such contracts, and it is also advisable to examine the calculation method and the basis for projection of any return and capital guarantees.

Another common dispute between clients and insurers concerns the amount and calculation of the costs deducted on a life insurance policy. Policyholders may lose sight of the fact that the premiums they pay are often subject to significant costs, which will obviously reduce the benefit amount or surrender value payable. One of the most significant of these items is the fee for term life insurance and any supplementary insurance (e.g. accident insurance, health insurance risks). Life insurance underwriting by the insurer is a mandatory component of any life insurance product. This means that, in the event of the death of the insured, the insurer undertakes to provide the beneficiary with the benefit amount specified in the contract, i.e. to pay the sum insured and the current value of the premiums invested. In return for this, the policyholder must pay the premiums of the term life insurance policy. The size of the risk premium depends, among other things, on the age of the insured, the additional risks chosen (e.g. dreaded diseases, accident insurance, etc.) and the sum insured specified in the contract. The policyholder pays this premium by having the insurer deduct from the units on record a number of units equal to the cash amount of the risk premiums paid, calculated at the prices prevailing at the time of deduction.

In addition to the risk premium, contracts may specify a number of other fees and charges deductible against the life insurance policy. These may include, for example, initial or contracting charges to cover any marketing costs incurred, fund management, administration or surrender costs, as well as bid-ask spreads. It is important to stress that these costs can often be very high. Insurance contracts must clearly and comprehensibly disclose the amount of the insurance charges, the risk premiums and the earmarking of intended savings, in accordance with the ethical life insurance concept promulgated by the Magyar Nemzeti Bank. The total cost indicator (TCI) can help policyholders as it shows in percentage terms the loss of return that they might incur from all direct and indirect costs compared to the return on a theoretical investment without costs.

In almost all cases, the cost structure of unit-linked life insurance policies will be geared exclusively to medium- or long-term investment objectives. Costs and deductions are typically highest in the years following the conclusion of the contract, so if a life insurance policy is surrendered early, the customer can only terminate the contract at a significant loss. Accordingly, this type of contract is not suitable for short-term savings purposes. With this in mind, customers for whom the liquidity of their savings is important should examine the surrender table in the contract terms and conditions, in particular which year is the first that when the contract can be surrendered without any surrender charge.

In summary, before taking out a unit-linked life insurance policy, it is of paramount importance to study the provisions on costs and surrender and to consider whether the policy is suitable for the intended life insurance and savings goals. If, however, the consumer was not careful enough when concluding the contract or if they change their mind for any reason, they can cancel, without giving any reason, the contract by written notice within thirty days of receipt of the insurer's notification of the conclusion of the contract (which it usually does by sending or handing over the policy). In such a case, the insurer must settle accounts with the customer for the payments made in connection with the insurance contract, while also taking into account any policy issuance costs.

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DR KATALIN KÁNTÁS-BARCSAI*: What Insurance Can Protect Our Children?

An unfortunate accident may mean that your child needs urgent medical attention, or it may cause damage that could result in a large outlay. Insurance for children can provide the financial help needed in such cases. But it makes a big difference which insurance we choose.

When may it be needed?

Given the exploratory nature of young children and the active lifestyles of older ones, unexpected incidents such as animal bites, broken bones, traffic accidents, or the breaking of an expensive appliance can happen at any time. Young children may swallow small objects, reach into power sockets, bump into other people and vehicles, or they may break objects. Or a child may damage an object while playing and the object then needs to be replaced. It is also worth preparing for situations where they may take longer to recover from illness or when a one-off major expense is needed to repair or replace an item. There may even be a need for hospitalisation or compensation for permanent health damage. Parents may also suffer serious injury as a result of a wrong move while lifting or playing with a child.

With insurance claims, it is the responsibility of the insured to provide evidence; the consumer must prove that the insurance event has taken place and evidence the resulting damage. When an accident or illness occurs, it is advisable to seek medical help as soon as possible, otherwise the initial condition may worsen. If the insured fails to fulfil their obligation to prevent or remedy the damage, the insurer will be discharged from its obligation to pay the benefit amount.

What insurance options are available?

1. General accident insurance provided by the State on a compulsory basis

From the age of 3 until the age of 18 every Hungarian citizen permanently resident in Hungary is covered by state-funded accident insurance under the Government Decree on general accident insurance for children and young persons. Accidental death, fractures and permanent disability are considered as insured events.

2. Group insurance (for children in nursery, kindergarten and school)

Many educational institutions offer the possibility to join a group insurance scheme at the beginning of the school year. Parents can choose the package that best suits them from a set of packages. This is a cost-effective and affordable way to keep your child safe while they are at school, kindergarten or nursery during the day. What's more, student insurance provides protection not only inside the institution, but also outside. The contract requires the consent of the legal representative and can be concluded from the age of 3 up to the age of 25.

3. Complex insurance

If you are not satisfied with basic insurance and want full protection, you can take out complex insurance. In children, the most common accidents include electric shocks, burns, open and closed bone fractures, and damage to teeth. The most common illnesses are chemical or food poisoning, tonsillectomy and appendectomy. A well-chosen insurance policy can protect you even if you develop Type I diabetes or gluten intolerance.

The choice of insurance is influenced by the age and number of children. A policy can be taken out individually or for all family members at the same time, or you can join a group insurance scheme of the parents' workplace, their circle of friends, etc. If a family is insured together, everyone in the family can receive the same benefit and the same reimbursements. You can choose an off-the-shelf package for a fixed fee, or tailor it to your own needs; you can also decide exactly which events you want to contract for. You can combine your home insurance with supplementary cover for children, subject to extra premiums, which will provide insurance protection suited to your unique needs.

What happens if the child causes damage to someone else's person or property?

The insurer's coverage is usually limited to the insured persons and to movable property they own. Unfortunately, children may cause damage not only to their own family's property, but to other persons or their property. An example of this is when a child collides with another child on the playground, causing the child's glasses to break. In anticipation of such cases, you can take out liability insurance as part of your home insurance, which covers the invoiced cost of the damage up to the amount specified in the policy terms.

And finally: What is not an insured event?

Any activity that is considered a competitive or extreme sport, or other dangerous pastime. If the child suffers an injury during a general sporting activity, the insurer may also be exempted from paying out if the injury was caused by a lack of the necessary protective equipment or a failure to comply with the generally accepted rules for the sport in question. Accidents and illnesses that are common in young children are not covered either; examples include the loss of a baby tooth, the removal of a foreign object (e.g. a bead or plastic toy) from a child's ear, non-accidental damage to glasses, or pathological fracture and infection (e.g. salmonella or rotavirus) if hospital inpatient care is not required. The insurer's risk does not cover any event that may have occurred in connection with the insured's consumption of alcohol or drugs.

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DR KRISZTINA SZENTE*
How to Avoid Becoming a Victim of Vishing

Today, we bank and pay online and use computers, smartphones and smartwatches, but vishing scammers are keen to get the credentials we need for these purposes. Fraudsters use deception and psychological manipulation to steal your money. To protect yourself, you need to follow a few simple rules.

One type of phone fraud is when fraudsters, posing as bank employees, contact you about suspicious transactions or ongoing fraud. Often, the bank they claim they are calling from is one with which you do not even have an account. When the fraudsters hear this, they immediately pretend to 'take action' and 'direct the call' to our account servicing bank. Fraudsters claim to be asking you for help with recovering your money, preventing and cancelling transactions, avoiding damage or catching the perpetrators of crime. However, their real intention is to obtain your personal and banking details, and the codes needed to authorise payment transactions. They may also use the information you reveal to them for applying for a personal loan online.

In the majority of such phone calls, they will ask you to install a remote access application (typically AnyDesk, TeamViewer, RustDesk) on the device you use for banking; with this, they want to access your bank account and bank details. Most of the time, they claim that this is the bank's antivirus or security software, which will help you prevent a suspicious transaction.

By requesting your consent to remote access, the fraudsters' real aim is to access the data available on your device and initiate, with your help, payment transactions and transfers they intend to make; these may then affect not only the balance on your current accounts but also your other savings, securities accounts and fixed-term deposits. If you also download their software to your smartphone, the fraudsters will also see the approval codes sent to you by the bank in a text message.

Victims report that the scammers often ask them to leave the room after downloading the software, claiming that 'this is the only way to successfully delete the virus'. It is also common for the fraudster to convince you that the amount of the suspicious transaction will be returned the next day or at a later date, so you should not contact your bank or the police. There have also been cases where the fraudster made the victim believe that bank officials or police officers were involved as perpetrators of the fraud and that the victim must not talk to anyone about what happened as this would hamper the investigation of the case. But their real aim is to make the victims wait as long as possible before reporting the incident to their bank and the police.

In one case brought before the Financial Arbitration Board (FAB), the petitioner had been contacted by phone on behalf of a bank to ask whether they had made a payment to a foreign beneficiary because the bank's security system had flagged it. The petitioner told the caller that they were a customer of another bank and was then told that they would be transferred to the security department of their account servicing bank. The phone call and conversation lasted for several hours, during which the fraudster managed to convince the petitioner that he was a bank employee and that he was acting to help the customer transfer their money to a secure account, from which they would later get it back. The petitioner reported that the identification process was identical to the one used by their real bank. At the fraudster's request, the petitioner installed the AnyDesk remote access software on their device and then transferred nearly HUF 7 million in several transactions to 'safe' bank accounts specified by the fraudsters. They never saw that money again.

Banks' customer service departments never transfer calls to another bank or to the police. If a genuine bank administrator calls you as they suspect fraud and you tell them that you do not recognise the suspicious transactions, they will block your internet banking, debit cards and digital services immediately and not wait for hours to do so. Banks do not have 'safe' bank accounts into which you can transfer your money. If a caller asks you to download an app or software, end the call!

Even if the call appears to be coming from the phone number of the account servicing bank, it is not guaranteed that you are speaking to an employee of the bank. This is because the falsification of caller numbers (called 'spoofing') is a well-known fraud method. In one particular case, the call appeared to come from the petitioner's bank and an unknown person acting on behalf of the bank said that the bank's system indicated that transfers had been made from the customer's bank account and that they wanted to check whether these had been initiated by the petitioner. The caller said that if these were not initiated by the customer, they would receive codes in further text messages, which they should read out to authorise the cancellation of the transactions.

The customer read out over the phone the codes received by text, and under pressure from the fraudster and worrying about losing their money, they focused only on the codes and not the full message. As they were receiving the text messages from the usual phone number, it did not even occur to them that this might be a scam; they only realised this when they had hung up. Later, they discovered that the codes they revealed were then used to authorise access to their internet bank and to transfer a large sum of money.

Bank staff will never ask you to reveal codes you receive by text. If you are asked to do so, you should end the call immediately. If you read the text of the text messages carefully, you will be able to detect the fraud.

Scammers often use an urgent, even threatening tone. They get you to panic, and to cooperate with them to save your money.

If in any doubt, before you start a conversation with the unknown party, check the call, ask for the caller's ID, hang up and call back at your bank's central phone number.

When your bank calls you, it will ask you for some personal details and only a few identification details (e.g. what currency you hold the account in, whether you have a co-holder on the account, whether you have a credit card, an overdraft facility, etc.) but it will never ask for a credit card number, a bank account number, bank login details or account balance. The bank will never ask you to download any application, or ask you for your PIN or any codes you have received by text.

When you contact your bank by phone (e.g. to block your credit card), the bank will need several pieces of data to identify you.

If in doubt, you can also use the cross-identification procedure, which the MNB's recommendation expects financial service providers to use when communicating by telephone or other voice-based means. In this process, at least three questions are answered, partly by the customer and partly by the service provider's administrator, so that both parties can be identified. In practice, this means that, to each security question asked by the administrator (e.g. mother's name), the

administrator will provide half of the answer and the customer will provide the other half. To make sure that your bank's representative is on the other end of the line you can also ask questions that the fraudsters cannot know the answer to.

Scammers often initiate telephone contact on the pretext of a suspiciously favourable investment opportunity or prize. In a fraud case also started with a phone call, a customer was called on behalf of a company they did not know, with the caller claiming that they had won in a prize draw and had to download the AnyDesk remote access app to their smartphone to receive the prize.

The fraudster used the app to access the customer's phone. Although the petitioner was initially suspicious, they followed the instructions of the caller and logged into their internet bank from their phone. During the phone call, the fraudster made several transfers from the customer's bank account; the customer did see this in their online bank during the call and found it strange. Even so, they believed the scammer that the first transfers would be made to an account held by another bank because there the 'amount would be processed' and the 'winnings' would be transferred back to them. They became suspicious only when a personal loan was also requested in their name.

In another case, the client registered on an internet site in the hope of investing in bitcoin. The scammers then called them by phone and asked them for their bank account and credit card details, and also requested them to take a photo of both sides of their ID card, address card, proof of income and credit card, and to send these photos. On the instructions of the fraudsters, they also downloaded the AnyDesk application to their computer and logged in to their online bank.

The fraudsters then used the customer's details to take out an online personal loan of several million forints, and then transferred the loan out of the customer's account along with the customer's money in the account. Taking out the loan and transferring the money was possible because, at the fraudster's instruction, the customer entered the confirmation codes received from their bank by text message into the internet banking interface. Although the customer saw their laptop being remotely controlled and their online bank accessed, they only became suspicious after they approved the transfer.

Awareness and precaution are important to prevent phishing and vishing. In addition to the known types of fraud, new ones can appear at any time. Check the websites of banks and other service providers and the CyberShield website created to prevent fraud.

If fraud does happen, contact your bank immediately and report the case to the police. The police can seize the bank account into which your money has been transferred, but your bank does not have this power.

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DR LAJOS TAMÁS TARPAI*:
The Pitfalls of Selling Items Online

Online marketplaces are a great way to sell items you no longer use. It is particularly gratifying when a buyer, or even several buyers, respond almost immediately when you put an item up for sale. From then on, however, only your vigilance will decide whether you end up as a relieved seller or as a victim of fraud incurring a serious loss.

When visiting a crowded market in the old days, we used to hold our bags tight and made sure our wallets were in the bottom. We were watchful of others around us to avoid being pickpocketed. Today, we can pay easily and quickly almost anywhere without a wallet, using a credit card, a mobile phone or a smartwatch. We confidently and often routinely use these tools and the authentication credentials necessary to make them work. Yet we should look after them just as much as we used to look after our wallets. The data we need to log in to internet banking and to register for a mobile banking application are ***credentials that personally identify us***! Their value and importance is therefore so great that we should never consider the receiving of a combination of letters and numbers by text as a mere technicality.

Digitisation has fundamentally changed the way we think about managing our money.

The psychology of manipulation

In online product sales fraud, fraudsters try to obtain as many banking credentials as possible from unsuspecting customers. This method is based on the manipulation of the customers.

When a buyer appears almost immediately after an item is advertised for sale, its seller welcomes the possibility of a quick and successful sale and forgets caution. In such cases, the buyer arranges the delivery and asks for only an email *and no banking details*, so the transaction does not raise suspicion at this point yet. Especially not if a reputable delivery company (e.g. Foxpost, GLS, DHL) is apparently involved in the process. The visuals and the colour scheme of the email message confirming the delivery and receipt of the purchase price will be convincing and very similar to the colours the genuine companies use. Customers often fail to check the sender's email address, however, even though they should: in fraud cases, these will not be linked to the delivery company or the online marketplace.

In almost all such cases before it, the Financial Arbitration Board (FAB) found that if the customer had no suspicions about the genuineness of the transaction when the buyer came forward, they would go through every process step (any further correspondence, any codes they had to reveal, anything they had to contribute to the process) without paying much attention. Even if they notice several obvious signs of fraud and start to suspect that something is not right, they fail to change their decision to proceed.

It is always better to report unfounded suspicions to your bank, block your credit card or online banking account than to lose millions. ***The lesson is that you can always say no in such a transaction***.

Code game: be careful with text messages and QR codes!

A key element of online product sales fraud is when a customer is directed to a page where they have to select the icon of their bank and then log in to their online banking interface. Fraudsters take advantage of the fact that most people act out of habit. Many people automatically opt in without considering why this would be necessary. They do not check whether the link they see points to their bank's real website. The banking pages that are then displayed are in fact ***phishing sites, and all the data, passwords and codes entered here will fall into the hands of fraudsters who will use them to harm the customers***.

This type of fraud also involves tricking customers into revealing the codes sent to their phone by text, as well as their bank card details. A particular problem is that codes sent by text message contain not only the code for online banking login but also incorporate the registration code for a mobile banking application or other operations, such as the telephone code for queries regarding the card. With these data obtained, the fraudsters register a mobile banking application on their phone. They can then easily and quickly access the customer's account and empty it completely.

Customers may be asked to scan the QR code, which is used to authorise online banking logins and payment transactions. In such cases, a QR code is sent to customers by email or chat, asking them to scan it with their mobile banking app to receive the purchase price, 'to get their money back'. ***When the customer does this, they in fact authorise a large transfer already prepared.***

How to spot fraudsters

This kind of fraud in the online marketplace is just one of many scams. However, any abuse can be avoided if you are well-informed, vigilant and exercise due care. Because banking systems are secure, fraudsters will try to access accounts always by scamming the customers; their methods vary only in their 'packaging'. Therefore you should always be suspicious of any attempt to persuade you to give out your banking details or carry out banking transactions. ***Bank details and the associated security features protect your accounts and your money. Protect them with this in mind!*** Never act out of routine or automatically out of habit!

Always be careful when you manage your finances! When selling products online, do not give in to pressure and reveal only information that is necessary for the transaction!

Exerting pressure is a common feature of fraud cases. Scammers rely on the fact that customers want to get rid of the problem of selling as quickly as possible. The fraudster can also put pressure on you by claiming they have paid the purchase price and that any other way of completing the transaction would incur a significant delay. Unsuspecting sellers may think they are communicating with a courier's or online marketplace's customer service team via chat. Of course, this is part of the fraud. In these chat messages, the fraudsters will reiterate that the sale and the receipt of the money can only be carried out in the way indicated, anything else will only cause delays or is simply impossible.

The language used in the fraudulent messages is also suspicious: in many cases they use ungrammatical Hungarian, with a mixture of formal and informal language. The content of the messages is also fundamentally different from the chat messages of real customer services. In the latter, you will never see phrases such as 'We represent a large company and we don't steal money from our users...' or 'We want to help and facilitate the refund process, not scam you...'. Such sentences are by themselves suspicious.

Many people think they would never fall for such a scam. Yet the experience of the FAB shows that this is an illusion. Anyone, regardless of age, gender or education level, can be a victim of this or other types of fraud. To avoid this, follow the useful advice of your bank and the CyberShield cooperation website. **Do not give in to *pressure, to strangely worded, ungrammatical messages. Be informed and careful! It will be worth it in every sense!***

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KLÁRA RAJKI*:
Stumbling Blocks of Using a Bank Card Abroad

If you are travelling to a foreign country, it is worth considering the potential costs of using your bank card there. For example, it makes a big difference whether your card is linked to a HUF or a foreign currency account, and what spending limits you set. It is a good idea to check what coverage is offered by the insurance on your card, and whether to use the dynamic conversion option offered by a merchant you are buying from.

If you are going abroad as the weather turns good, the easiest solution is to take one or more credit cards with you (although a small amount of cash will also be useful). This is also very practical because you will not have to deal with currency conversion or worry about carrying multiple currencies separately.

Debit cards are available for most bank accounts in Hungary (these cards are issued by the international card companies Mastercard and VISA). Domestic customers tend to request debit cards for their HUF accounts only. If you also have a foreign currency account besides your HUF account, perhaps hold accounts in several currencies (EUR, USD, etc.), you should consider applying for a card in the specific currency if you travel frequently. Before making this decision, it is worth inquiring about or checking the card fees in the bank's announcements/list of conditions (annual card fee, transaction fee, cash withdrawal fee), so that you can make the right decision.

Before using a debit card abroad, it is also worth knowing whether the particular type of card comes with services that may be useful during foreign travel. One example is travel insurance. As insurance packaged with a card may not provide sufficient cover, you may need to consider whether to take out additional insurance and, if so, what type it should be (e.g. supplementary diving insurance).

When using your debit card, it is also important to pay attention to the limits you have set. When travelling abroad, we usually spend more than usual, but this does not mean that we need to increase the daily spending limit to the full balance of the account. Today, almost all mobile banking apps provide the ability to quickly change the limit if necessary. Limiting the number of transactions per day and the amount you can spend is a useful security feature, which is even more important when travelling abroad: if your card is lost or stolen, the damage will be capped at the limit you have set.

Credit card transactions are settled in US dollars by VISA and in euros by Mastercard in the euro area and in dollars outside the euro area. If you are travelling to a country with a different currency, the card companies will first convert the transaction into euros or dollars, and then your account servicing bank will convert that sum into the currency of the account (e.g. HUF). Both operations carry an exchange rate risk (due to the difference between the buying and selling price).

It is therefore easier to request a card for a euro or dollar account if you have one. Depending on the card company, you may need no conversion at all if you are travelling to the euro area: purchases in euros will be charged to your EUR account in the same amount. The same applies when your spending in USD is charged to your dollar account. Therefore, if you tend to travel and spend within Europe, you should use an EUR-denominated card, whereas if you mostly travel beyond our continent, you should use a USD-denominated card.

You will have probably encountered the situation where a POS terminal or ATM is asking a question during a card transaction abroad. You should be careful when a question is asked regarding the currency you wish to select when paying with a card abroad. During the transaction, the terminal or ATM may ask you whether you want to pay in local currency (for example, euros or dollars) or HUF. This service is known as dynamic currency conversion (DCC). The conversion will happen only if we explicitly accept it.

DCC is a convenience service provided by international card companies and acquiring banks, which can be used when making purchases and withdrawing cash. The idea is that if you initiate a transaction in a given country with a bank card from another country, the DCC module will detect based on the first 6 characters of the card number (the BIN of the card) that the card is registered with the card company in a different currency than the official currency of that country. In such cases, the option for conversion will be offered, so that the transaction amount can be immediately converted to HUF at the prevailing rate set by the foreign service provider. The issuing bank will then receive the converted amount and currency, and the original transaction amount and currency denomination will not be visible.

This service presupposes that the card is linked to an account whose currency is the currency of the issuing country, i.e. a conversion would be required anyway when the transaction is booked. As there is usually a minimum of 2 or 3 days between a transaction and its debiting, in such cases the customer is always exposed to currency risk, which is the risk of a large change in the exchange rate of the issuing country's currency.

If the currency of the bank account is the same as the currency of the country in question, customers should always reject DCC so that no conversion takes place. If the DCC option is accepted, a conversion will be made in the course of the settlement. You should be aware that this is typically at a less favourable rate than if the conversion took place as part of the final settlement. This means that the amount debited to the foreign currency account may be higher than the actual amount of the transaction. You should therefore always try to find out beforehand what the DCC exchange rate is and only use it if it is favourable.

During a procedure conducted by the Financial Arbitration Board attached to the MNB, a customer who disputed their bank's action had a bank card for an account in the same currency as the currency of the country visited (EUR) and used it to withdraw euro cash abroad. However, when using the ATM, they accepted the DCC settlement method, i.e. a settlement in HUF of the EUR cash withdrawal.

Thus, the card company first converted the HUF amount into the settlement currency (EUR) and then, after the second conversion, debited the customer's EUR account for the euro amount withdrawn. However, the total amount debited was higher than the amount the customer took from the ATM.

Had they not opted for DCC, the original transaction amount would have been booked; as it was, for reasons beyond the bank's control, multiple conversions were made. The bank therefore rejected the petitioner's request to reimburse the difference between the amount withdrawn and the amount charged to their bank account, and this could not be changed even in the proceedings before the Financial Arbitration Board.

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DR ERIKA KOVÁCS*:
Focus on Cyberfraud over the Last Twelve Months of Financial Conciliation

In 2023, the Financial Arbitration Board (FAB) continued to provide a forum for customers and financial market participants to settle their financial and settlement disputes in reassuring ways. Looking at the number of conciliation cases last year, it is clear that cyberfraud cases were dominant. Chair of the FAB Dr Erika Kovács reports on what else happened and how the case numbers and topics developed.

Every year brings something new in financial conciliation. As our recently published Annual Report shows, 2023 was all about cyberfraud, with cybersecurity breaches and fraud accounting for the bulk of the work. Although the FAB had seen a small number of such cases as early as 2018, now, five years later, the entire banking sector as well as the Magyar Nemzeti Bank are faced with the fact that protection against this type of crime has become the greatest challenge. Unfortunately, it had become the leading issue by 2023, and this trend seems to have remained unchanged in 2024. This poses a major challenge for financial service providers, their customers (both consumers and corporate customers), the MNB in its role as regulator and the FAB acting in individual financial consumer disputes.

The FAB started the year 2023 with 608 pending cases and received 3876 new petitions during the year, so that it had a total of 4484 cases. The majority of these cases were domestic conciliation cases, while a smaller number were related to cross-border services. On the initiative of the European Union, an online dispute resolution platform (ODR) was created in Hungary as well but it has not received any petitions to date; the earlier cases regarding bank settlement and HUF conversion cases have been finally closed, however.

The consumers seeking conciliation asked for help mostly in legal disputes relating to cases concerning financial market services, with claims mostly against credit institutions (53 percent of all cases). In previous years, the dispute resolution petitions related mainly to the provision of credit and loans, while last year a very high number of petitions, that concerned cyberfraud cases in payments, altogether 1106 new requests were received..

There were fewer equity petitions than in prior years, but they again concerned mostly financial market services. Financial market cases accounted for 67.5 percent, legal disputes on insurances 27.8 percent, cases on investment services 2.3 percent, and disputes on funds 0.6 percent.

The FAB approved settlement agreements in 677 cases, issued 9 binding resolutions and made 19 recommendations; most of the latter also concerned cyberfraud. The proportion of settlement agreements approved in disputes between clients and financial institutions was the highest in equity cases. 1145 cases ended favourably for the petitioners. Recommendations, binding resolutions, settlement agreements approved by the FAB and so-called ‘quasi settlements’ resulting in out-of-procedure agreements were reached in a total of 440 cases.

During the year, the FAB members acting in a panel or individually held 2558 hearings and closed cases in an average of 69 days, well ahead of the statutory requirement and also the typical case management timeframe of the civil courts. The annual average length of proceedings was 68 days in domestic conciliation cases and 74 days in equity and cross-border cases.

19,200 documents were received by the FAB last year, 74 percent of them electronically. FAB members and FAB offices sent 24,436 missives to customers, 70 percent of which were delivered electronically.

‘Let your action be protection’, the saying goes, and its importance cannot be overemphasised in the face of digitisation, cyberspace communications and the ever-increasing number of financial transactions. It reminds us to always be cautious and suspicious, because fraudsters continue to use deception and psychological manipulation as a method.

Just two years ago, fraudulent phone calls (vishing) were the most common type of fraud, where fraudsters pretending to be bank employees persuaded customers to disclose their valuable payment details, personal credentials and confirmation codes needed to complete payment transactions. In 2023 fraud involving fake banking websites, disputed card usage

and the delivery of items sold on the web dominated; most of these cases included the use of fake banking websites for phishing.

Age, educational qualifications and other criteria played no role in which consumers would become victims of cyberfraud; the perpetrators were not selective along any of those criteria. Nevertheless, in the cases seen by the FAB, the most at-risk age group was persons between 46 and 60 years of age.

Experience shows that many fraud cases could be prevented by the consumer. Most problems arise from the fact that consumers often make bank transactions out of habit, as a matter of routine, unfortunately with their attention lulled. These clients do not invest enough time in checking the text of the (fraudulent) message they receive, instead, they focus only on the code they are asked for. Yet this would be obviously very important: even if they do not notice that they are on a phishing website, by checking the text of a message they receive they would realise that their approval is requested, without reason, for operations such as limit changes, mobile app registration, Apple Pay or Google Pay.

The purpose of such fraud is to allow unauthorised persons to obtain sensitive data and personal authentication credentials. The passwords and codes comprising numbers and letters are personal items used in the authentication processes provided by banks. These can be used to execute payment transactions, internet banking logins and mobile banking registrations. It is therefore very important to prevent third parties from accessing these valuable data. In order to protect your data, it is important that you always act with circumspection and care, and adhere to a few basic rules:

1. *open your internet banking only on the official page specified by your bank, never from a link received from an unknown person by text message or email;*
2. *always consider carefully whether it is justified that a website or a third party is asking for your bank login details, codes or bank card data (e.g. if you are selling an item, you do not disclose anything other than your bank account number); these data are your valuable possessions, you should protect them;*
3. *always read carefully any message you receive from your bank;*
4. *use or disclose your codes only if you are convinced that this is genuinely necessary for carrying out the transaction on hand;*

when asked over the phone, do not download any software and do not transfer any money to an unknown account, especially to so-called 'safe' accounts, which do not exist. Banks will never ask you for your internet banking login details, card data or the codes you receive by text message.
With all this in mind, you will have a better chance of avoiding becoming a victim of phishing and cyberfraud. Do not forget: *'Let your action be protection!'*

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DR ORSOLYA RÓZSAVÖLGYI*:
Changing Banks without Wanting to, or What to Look Out for with Mergers and Transfers

There are many factors to consider before choosing a bank. For some, an extensive branch network is important, while others choose a bank for its wide range of electronic banking options, for example. This decision can mean a long-term commitment; just think of a 20-year loan agreement as an example. What should we do if there is a change in the meantime, for example if our contract is taken over by another bank? Do we have anything to do if this happens? And how is this even possible?

Change can take two forms. The bank may change as a legal entity, for example by *merging* with another bank. A good example of this is the largest merger in recent times, that of MKB Bank, Budapest Bank and Takarékbank, as a result of which their customers now have a contractual relationship with the newly created MBH Bank. And if a consumer had previously signed a contract with one of the savings associations, they will have been affected by more than one change. Such change is not limited to banks: for example, the Medicina Health Fund was merged into the Premium Health Fund in 2019.

The other type of change is referred to as *portfolio transfer*. In such a case, the financial service provider (e.g. bank, building society, etc.) does not restructure but the contract is transferred to another provider. Whereas the Civil Code requires the parties to a contract to be transferred to conclude a tripartite agreement between the transferor, the transferee and the remaining party, financial contracts are governed by special rules laid down in the Act on Credit Institutions and Financial Enterprises. For example, the rules of the Civil Code on the assignment of contracts are applicable with the derogation that the security items underlying the contract will not be extinguished and, also, that no declaration from the remaining party will be required. Deposit holdings and other repayable funds, as well as payment services framework contract portfolios may be transferred subject to an agreement between the transferor and the transferee credit institution and with the permission of the Magyar Nemzeti Bank (MNB). A transfer may also be made with the permission of the Supervisory Authority, for example in the case of credit, loans and financial leases. However, it is a legal condition that the transfer must relate to a portfolio of at least twenty contracts or at least ten billion forints in total principal receivable or lease receivables. In these cases, it is therefore not necessary to conclude the tripartite contract mentioned above.

There have been several examples of such transfers in recent years, for example in 2017, when Citibank's retail and credit card portfolio was taken over by Erste Bank, in 2022, when Sopron Bank's customers became Magnetbank customers and also in 2022, when Oney's entire loan portfolio was transferred to Cetelem. Sberbank loan contracts were also transferred to (what was then still called) MKB Bank in a portfolio transfer, and the portfolio of AEGON Lakástakarék was transferred to Erste Lakástakarék in 2019, in an example that such transfers are not limited to banks.

What should you as a customer look out for in such cases?

According to the law, portfolio transfers are subject to the MNB’s authorisation and customers must be informed in writing about them. So, the first thing you need to do is to carefully read the information provided to you. These notifications contain very important information, so keep them, and if you have any questions or doubts, do not hesitate to ask for help. If you do not receive this information, contact your bank, even if you are not sure whether the portfolio transfer affects your contract. However, it is important to understand that these portfolio transfers do not require your consent. In several cases, the Financial Arbitration Board (FAB) was approached by customers who complained that they had been transferred to another bank without their consent and against their will, and had asked the bank to delete their data and cease all contact with them. It was clarified at the hearing held by the FAB that the consent of customers was not required, after which the parties were able to reach a substantive agreement on any outstanding debt and the details of the case.

It is important in general but especially in the case of a portfolio transfer that your contact and other details registered with your bank should be up to date. Accordingly, once you have read the notification, the second step is to check that you have provided your bank with your up-to-date mailing address, telephone number, email address, etc. There can be serious consequences if you are not careful. In a case before the FAB, the customer complained that although they knew that their contract would be managed by a new bank due to a portfolio transfer, they were not given any information about where to send their monthly repayments, so they did not pay these. As a result, the new bank cancelled the contract and the debt became due in one lump sum. In the course of the procedure it was found that several letters had been sent to the petitioner by both the transferring and the receiving bank, but as the petitioner’s postal address had changed and they had not communicated this fact, these letters were sent to the old address. Although this case ended favourably for the petitioner, with the contract being reinstated by the bank, it highlights the need for customers to also act with caution.

Thirdly, be aware that this change (referred to as migration) may mean that certain electronic services, or even bank account management, may no longer be available to you. For example, the merger of MKB Bank and Takarékbank made some partial and full bank holidays necessary. So make sure you plan and organise your banking so that your daily life is not disrupted. For example, do not leave important payments to the last minute and do not time the submission of time-critical documents to just before the deadline.

The fourth step is to get to know your new bank and the services it offers. Find out where there is a bank branch near where you live or work, what the opening hours are, and where the nearest ATM of your new bank is located. Take the time to familiarise yourself with its website, its online banking interface, and check that your old/new identification details and passwords work. If you experience a problem or are unsure, ask for help as soon as possible. This is also a time when you should be careful with your identification credentials, especially your PIN code, password and bank card details.

If your loan contract is included in the portfolio transferred, pay close attention to the due date of the instalments and monitor your debt. Check also that the repayment direct debits have been made. If you make repayment instalments by one-off bank transfer, check whether there have been any changes to the account number designated for payment. And to avoid future problems, after the payment has been made, you can request confirmation by recorded phone call that the payment has been made correctly. You may also have a problem or complaint in progress during the period of the portfolio transfer. For example, a case before the FAB involved a petitioner who had applied for a bank consent form but whose old bank had asked for patience in the matter before the portfolio transfer. The procedure was delayed and the petitioner lodged a complaint, but then the portfolio transfer took place. The petitioner, now a customer of the new bank, wanted to continue with the transaction and was again asked to submit all the documents. After a total of more than 9 months of wrangling – first with the old bank and then the new one – the petitioner turned to the FAB, where the parties settled the dispute in less than 1.5 months.

It is strongly recommended to pay close attention during the initial period after a portfolio transfer. People tend to grow used to their old bank, its electronic banking platforms for transacting, or the branch they used to go to for years. If you have a bank account, monitor the changes on your account, and the fees and charges debited, and if you disagree with anything, lodge a complain with your bank. If you have a loan contract, check whether the amount you owe has changed and whether the bank is asking for the instalments in the amount you expect. It is possible that your new bank will provide the information (e.g. balance statement, transaction statement, etc.) in a different format and structure that you may not be accustomed to. It is important to check the basic details of your contract to avoid problems later.

It is also worth considering what options you have if you do not want to have a contractual relationship with the new bank. Remember that customers have the right to terminate their contract in writing free of charge up to the date of the transfer authorised by the Supervisory Authority, failing which the customer is deemed to have accepted the fact of the transfer and the contractual conditions modified as a result of it. If a contract is terminated, the customer's outstanding debt will become due in one lump sum, which must be paid no later than the last day of the contractual notice period.

So weigh up your options, act carefully and make responsible choices!

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DR ÁGNES JAKAB*:
Loan Contract Claims in Proceedings of the Financial Arbitration Board

A financial decision can have a long-term impact on your financial situation and even prudent clients can find themselves in uncomfortable situations. What can you do if you think that your bank's action or inaction has harmed you? Long dispute or quick settlement? The experience and expertise of the Financial Arbitration Board can help us deal with these issues effectively.

In everyday life, we regularly enter into contracts even if we are not aware of it. For example, when buying food, clothes or 'getting a refresh' at the hairdresser's, you do not need a written contract.

However, most people also enter into a major transaction at least once in their lifetime that requires careful preparation. This is the case when buying a home or a car, or when purchasing high-value technical goods and household appliances. Sometimes you need financial help to do this and so you decide to take out a loan.

A common feature of contracts with banks is that they typically have to be in writing. Among the banking products, there are also simpler 'traditional' products that customers are already familiar with, such as commodity loans and personal loans for smaller sums. The individual contracts associated with these are shorter and clearer than, for example, those of large loans secured by a mortgage. Typically, however, the individual contracts are accompanied by general terms and conditions, business rules and announcements, which the parties are expected to know and comply with.

If they do not do so for any reason, the aggrieved party may demand performance and conduct as set out in the contract, and the taking of necessary action. When contractual performance is no longer possible (or while possible, the damage caused by the default or delay can no longer be fully remedied) and the contract does not provide for sanctions or compensation for the partner's wrongful conduct or breach of contract, consumers can bring a claim or complaint to the financial service provider. If the complaint is rejected, the Financial Arbitration Board (FAB) can help.

An important rule is that only claims relating to concluded contracts can be pursued in FAB proceedings. Nevertheless, customers regularly complain to the FAB about their bank's handling of their loan applications. In several cases, for example, they complained that the process was slow and the request for certain documents unjustified.

The Board is also not allowed to conciliate in cases where the consumer has not suffered any material damage, but wishes to pursue a claim for damages for violation of their personal rights, known as a 'claim for restitution'.

Proceedings can therefore be brought before the Board to enforce claims for compensation for pecuniary damage caused by breach of contract, which in many cases relates to credit and loan contracts, predominantly mortgages.

The range of customer reasons in claims is extremely wide. There have been cases where petitioners claimed compensation for damages caused by the inadequate speed and time taken in the administrative process, or by late disbursement, the late correction of a mistake in a contract or even the delayed consent to the cancellation of a mortgage registration. In fact, there have also been examples where insufficient detail or gaps the valuation prepared by the bank's appointed valuer, the late transfer of the instalment to the successor in title or the imposition of own funds generated a claim and caused a dispute. The most common reasons are related to inadequate information, the contract amendment process, and delays or refusal to consider a request for a contract amendment.

The assessment of claims based on incomplete information is often very complex, as these claims are rarely based on a breach of a legal or contractual obligation to provide information. There were cases where the petitioner suffered losses in connection with the final repayment of a loan because the person who provided the information did not inform them of the additional charges to be levied, although these would not have been incurred if the petitioner had been fully informed. The financial service provider in question denied breaching any legal or contractual provisions, but at the hearing in the FAB proceedings it offered to settle the claim in part, which the petitioner accepted. The dispute was settled to the mutual satisfaction of the parties, who then maintained their good business relations.

It is important to understand that financial service providers are typically not subject to an obligation to amend their contracts. You may complain that the bank does not agree to replace a collateral property or to release your co-debtor from the contract, but as this is a matter for the bank's business decision, the rejection of your request does not constitute a breach of contract.

In stipulating liability for damages, the law requires parties to a contract to compensate the other party for damage caused by a breach of contract, so without a breach of contract and damage, there can be no question of compensation. This seems to be an obvious statement, but in practice it creates many problems. When the financial service provider does not contest its breach of contract, it acknowledges the legal basis of the claim and does not refuse to settle the claims, the dispute between the parties arises mainly in relation to the occurrence and amount of the damage. Banks rightly expect petitioners to prove the fact and the amount of the damage. The petitioners are often unable to specify exactly what their claim is based on and what the actual damage was; also, their claims can sometimes seem exaggerated. The opposite may also be the case as some customers are able to itemise the disadvantages suffered as a result of the bank's conduct. A further condition for liability for damages is the causal link between the damage and the breach of contract, which must be proven by the claimant, i.e. the petitioner.

Consumers are advised to read up on the defences available to tortfeasors, and the legal requirements for loss prevention, mitigation and remedy, which are also set out in the Civil Code.

So we can see that liability for damages is a complex matter, and in many cases proving the case before the FAB can be difficult, as there is no possibility to hear witnesses or appoint experts, for example. In many cases, however, the parties can still reach an agreement. Meeting face-to-face and understanding each other's reasons better will shed light on important considerations for the future and can be a way forward for further cooperation between the parties.

It is also important to know how to prevent damage from occurring, with an increased emphasis on the need for cooperation between the parties. In one particular case, for example, the petitioner based their claim on the fact that the bank had sent them its consent to cancel mortgage registration on property collateral not within the contractual deadline, but late, only after they had complained, and that they had suffered a loss as a result of this delay. The petitioner sought compensation for this damage in the proceedings. This case illustrates the importance and benefits of cooperation, as the petitioner, although complaining that they had to do so, complained to the financial service provider about its failure to act and did so immediately after the expiry of the deadline for the bank to comply; as a result, the financial service provider sent the client the requested document without further delay. The parties discussed their positions at a hearing held by the FAB, during which they exhibited a willingness to cooperate, the petitioner delivered their claim, which the bank undertook to fulfil, and they reached a settlement in the end.

There is a place for cooperation and empathy in all areas of life, including finance. The main aim of the FAB is to facilitate agreements between the parties in its proceedings by giving them the opportunity to discuss the matter in person. In some cases, a settlement is reached before the hearing, during the written preparatory phase of the procedure, but in-person contact and the explanation of individual circumstances that may not have been disclosed in writing greatly contributes to reconciling the parties to the dispute and to finding a solution that suits everyone. The FAB will use all the means at its disposal to help parties reach a common position, but only they can answer the question whether they want a 'long debate or a quick settlement'.

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DR ILDIKÓ KATALIN SZABÓ*:
Changes to Financial Conciliation Rules Benefit Customers

Effective from 1 January 2024, the Financial Arbitration Board (FAB) can issue binding resolutions in the absence of a settlement agreement if the claim does not exceed HUF 2 million even if the financial service provider involved in the case has not made a declaration of submission. This is predicated on the petition being justified. In this article, we will discuss the types of FAB decisions, how they are affected by submission, which decisions are appended with an enforcement clause by the court, and what remedies are available against the FAB's decisions.

The primary objective of a conciliation procedure is to reach an agreement between the consumer and the financial service provider concerned and to conclude the procedure with a settlement. If the agreement complies with the law, it will be approved by the FAB *(approval decision).* This makes the settlement enforceable in court. This means that if the financial service provider fails to comply with the agreement within the time limit, the consumer can ask the court to attach an enforcement clause to the FAB's decision.

What happens if the parties fail to reach an agreement during the conciliation process, but the FAB has found the consumer's request to be justified as a result of the evidentiary procedure? In these cases, the type of decision will be different depending on whether the financial service provider has made a *declaration of submission* and whether the claim or the *case value* the consumer wishes to enforce exceeds the threshold of statutory submission.

But what is *submission*?

Submission can be *voluntary,* based on the decision of the financial service provider, or *statutory submission.* Voluntary submission is a written commitment by the financial service provider to comply with the decision of the FAB if no settlement is reached, i.e. to accept the decision as binding. This is at the discretion of the financial service provider.

The *submission* may be *general*, when the provider submits (with or without restrictions) to the decisions to be taken by the FAB in advance and until revocation, without knowing the facts of the case. In its declaration of submission, the financial service provider may limit the extent or scope of its commitment to a case value of its choice or specify some other limitations. For example, it may declare that it will accept FAB decisions in cases up to a certain amount or make a general declaration of submission only in disputes concerning certain types of products. A public list of the general submission declarations made by financial service providers is available on the Financial Arbitration Board's website.

The financial service provider may also make a submission declaration on the basis of its knowledge of the specific case; this called *a case-by-case submission*. Introduced as of 1 January 2017, the institution of *statutory submission* means that the FAB can take a binding decision against a financial service provider independently of the decision of the latter, on the basis of a provision of law. On 1 January 2024, the threshold for statutory submission increased from the previous one million HUF to two million HUF. As a consequence of this amendment, the FAB may issue a binding resolutions in cases in which submission may be missing but the value of the case does not exceed HUF 2 million.

The FAB will issue *a binding resolution* if the parties to the proceedings have failed to reach an agreement and the proceedings establish a breach, and the financial service provider has either made a declaration of submission or the matter is subject to statutory submission. In the event of non-compliance with the binding resolution, consumers can ask the courts to attach an enforcement clause to the FAB's decision.

In which cases does the FAB make a *recommendation*? What is the difference between a *recommendation* and a *binding resolution*?

The FAB will issue a recommendation if the parties to the procedure have not reached an agreement and the procedure has resulted in a finding of infringement, the financial service provider has not made a declaration of submission and the case is not subject to statutory submission as the consumer's claim exceeds HUF 2 million. There is no possibility to enforce recommendations through judicial enforcement. Thus, the existence of submission and the value of the case will determine whether the FAB can issue a binding ruling or a recommendation if no settlement is reached but the consumer's claim is substantiated.

In which cases does the Financial Arbitration Board issue *a resolution to terminate* the proceedings?

This will happen if a consumer withdraws the petition or the parties jointly request the termination of the procedure. This is often the case when an out-of-procedure settlement is reached, as the petitioner or the parties together may decide at any time not to seek any further involvement of the FAB or its decision to approve the settlement.

The procedure will also be terminated if there is not enough documentary evidence to clarify the facts, or if it is necessary to hear witnesses or call experts, i.e. if it would be necessary to conduct a broad evidentiary procedure that is not feasible within the FAB's procedures. In cases where the FAB is of the opinion that the breach of law or contract alleged by the petitioner has not occurred and the financial service provider has not committed any fault, the FAB will state in the ruling to terminate that the service provider has acted lawfully, that no breach of contract or breach of law has occurred, and that the petition is unfounded.

What *legal remedies* are available against the decisions of the FAB?

There is no right of appeal against a decision of the Financial Arbitration Board. Neither the President of the FAB nor the Magyar Nemzeti Bank (MNB) can annul a decision of the Financial Arbitration Board.

However, the use of the conciliation procedure does not limit the consumer's right to take legal action if they disagree with the FAB's position.

***Action* against binding rulings and recommendations may be brought before the Budapest-Capital Regional Court** within fifteen days of **the notification of the decision.** In this, **the annulling of the decision may be requested** if the FAB had acted in panel and the composition or procedure of the panel did not comply with the provisions of the MNB Act,

the FAB did not have the power to proceed or the petition should have been rejected without a hearing. Furthermore, in the case of recommendations and binding resolutions based on a provision of law, the merits of the decision can also be challenged in the appeal for remedy.

Another significant change effective from 1 January is that, in the future, responsibility to initiate the lawsuit will rest with the financial service provider in all cases of disagreement with a decision sanctioning the provider. The different remedy regime for recommendations and binding resolutions based on statutory submissions, i.e. the possibility of contradiction, has been abolished. In the future, it will not be the petitioners who will have to bring a lawsuit to have the courts enforce a binding ruling of the FAB based on statutory submission. If the decision of the FAB is challenged by the financial service provider, the plaintiff's duties and costs in relation to the lawsuit will in all future cases be borne by the financial service provider and not by the petitioner, and in the lawsuit the financial service provider will be opposing the FAB rather than the petitioner. In the legal proceedings, the court decides whether to uphold or annul the decision of the FAB.

The change in the law clearly strengthens consumer interests by increasing the case value limit for mandatory submission and unifying the previously divergent litigation rules. The amendment does not, however, change the practice of the Financial Arbitration Board, which is that the primary objective in all consumer disputes is to conclude the procedure with an agreement mutually agreed by the parties, whether inside or outside the procedure.

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DR OLGA NAGY*:
Pitfalls and Solutions in Accident and Sickness Insurance

In addition to the physical and mental pain of an accident or illness, it can also lead to a serious loss of income. The various accident and health insurance covers available on the insurance market provide help in such cases. But what should you look out for when taking out this kind of insurance?

You can take out insurance individually, join a group insurance policy (e.g. through your employer or bank) or become insured through your membership in a health fund. In all these cases, it is important to read not only the product brochure and the table showing the sum insured figures, but also the general and special policy conditions, which contain the detailed rules.

The insurer, or the primary policyholder in the case of group insurance, must inform the policyholder of these rules before issuing the proposal. What happens in practice, however, is that people merely tick the box on the form to say that they have read and accept the insurance terms and conditions but do not actually do so because of the length of the text.

Yet it is worth paying particular attention to the disclosure obligation, the exemptions and the exclusions detailed in the general terms and conditions.

Insurers can also carry out an individual risk assessment, ask questions to the policyholder and the insured, request a health declaration from the latter and order a medical examination before accepting the proposal.

In the cases before it, the Financial Arbitration Board (FAB) has often found that policyholders would answer all health questions in the negative, even though there are but few people who have never had a medical examination, have no complaints, illnesses or sports injuries, and do not take medication. Usually, when a problem eventually occurs, they are faced with the fact that they had breached their duty of disclosure by not filling in their health declaration correctly, and the insurer is therefore exempted from providing compensation. The insurer will always ask for medical documents when making a claim, which will immediately show, for example, if the insured person has omitted to mention a previous knee ligament injury or a spinal examination they may have had in the past. The insurer may also exclude certain events from its coverage; these exception lists are also worth studying. It is typical for insurers to exclude from their cover any

illness, pathological condition or permanent impairment of health that existed at risk inception. There have been cases before the FAB where the insured had been taking antihypertensive medication for years and then turned to the insurer for treatment for cardiovascular disease. In another case, the client had had a knee replacement when the contract was signed, and later fell off their bike and had to have surgery on their leg. In both cases, the insurer rejected the claim on the grounds of exclusion.

Regular alcohol or drug use may also be a reason for exclusion, which can be deduced from laboratory results, for example. Insurers also refuse to cover bodily injuries that insured persons may have deliberately caused to themselves.

Always check the special insurance terms carefully, because they specify exactly what the insurer will cover. Choose a product and a cover that best suit your life situation.

Some examples: if you are self-employed and could be faced with a total loss of income in the event of an accident or illness, it is important to have incapacity cover in your contract. If an insured leads a very active life, plays a lot of sports, their contract should cover not only accident surgery, accidental permanent disability, hospital daily allowance, but also accident reimbursement. In many cases, the cost of helicopter transport from the scene of the accident to the treatment site is higher than all other costs. If your job involves a lot of daily driving, it is a good idea to include traffic accident cover in your contract. If you are worried about serious illnesses with a high mortality risk, such as a malignant tumours, myocardial death, cerebral vascular accidents, organ transplants, etc., you can also request a separate cover for these.

It is also important to be aware of some medical terms and insurance jargon. For example, insurers are fond of using the term ‘minimally invasive procedures’, which is not something the average person knows much about and therefore does not mean anything to them when they read the contract. Whereas insurers do not explain the term in detail, citing its general familiarity. It is in fact an umbrella term for procedures where surgery is performed using an optical device (a scope) inserted through a tube into the patient’s body (e.g. a laparoscope, an arthroscope, an endoscope). Some contractual conditions completely exclude these types of operations and only cover the risk for those that are not performed by a minimally invasive procedure. In practice, more and more procedures are being carried out using this method, which means that a significant proportion of operations are not included in the risk cover.

Insurers do not cover all cases of same-day surgery, either, only certain OENO codes listed in the special conditions or in an annex to them. When planning for surgery, it is therefore advisable to find out its OENO code from the doctor performing the surgery in advance and to check it against the contract.

With regard to permanent disability, it is important to be aware that the extent of the disability is always determined by the insurer’s doctor, usually on the basis of criteria set out in a specific annex to the contract, and not by the opinion of the Institute of Medical Experts or the decision of the pension insurance administration. The amount of reimbursement for surgery is also determined on the basis of the categories defined in the contract (minor, medium and major surgery) and the opinion of the insurer’s doctor, rather than the patient’s doctor or the patient’s sense of well-being. The definition of ‘accident’ has also caused problems on several occasions. In insurance terms, an accident must be caused by a sudden, one-off, external event, beyond the control of the insured person. It is therefore not an accident, for example, if you take a wrong step while playing football and sprain your ankle, as there is no external impact.

If you are not satisfied with the service provided by your insurer and you complained to it without success, you can contact the FAB for help. It is not possible to appoint an independent forensic medical expert in cases concerning accident and sickness insurance before the FAB, but it is possible to reconcile the positions of the parties to the dispute on the basis of medical documents, expert opinions and detailed descriptions of the surgery, if such documents are presented by the parties. Insurers may revise their position with the help of their retained medical expert during the conciliation procedure, possibly even facilitating a personal medical examination of the insured. Sometimes, the circumstances of the injury are clarified during the procedure and there is no longer any obstacle to the injury being considered an accident.

For example, a settlement was reached in a case where the insurer finally paid the daily surgery and hospitalisation costs related to a knee injury suffered by an insured who played basketball competitively, because during the proceedings the

insured submitted the match report showing that they had collided with several players during a foul, i.e. that they had suffered a knee injury as a result of an accident rather than a sprain caused by a bad step. In another case, the insured person was placed in a higher reimbursement category after a detailed description of the surgery was submitted. The lesson is: it pays to exhaust all avenues of redress to prove your claim.

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