Report on the Activities of the Hungarian Financial Arbitration Board

2016

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Chair's foreword

The Financial Arbitration Board closed a busy year in 2016 as well; in the sixth year of its operation it dealt with 4,408 new consumer petitions and 1,089 new settlement cases. As regards the conciliation duties, the annual volume of cases received in 2016 was similar to that of previous years. We also continued to act on matters related to settlements required with regard to the invalid contractual provisions of consumers' loan contracts, the modification of some of these contracts and the conversion of the underlying loans into forint, albeit the number of cases handled was far less than in 2015.

Last year also held plenty of novelties in store. An online dispute resolution platform was launched from 15 February 2016. Based on the authorisation provided by Regulation No. 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 created a European online dispute resolution platform for the out-of-court resolution of disputes, including financial consumer disputes, arising between consumers with residence in the European Union and service providers established in the European Union in relation to obligations arising from online service contracts. The use of this platform was our first new task last year.

Since 22 February 2016, we have been using a new logo, which reflects the independence of the Board and represents an independent corporate image. Since 2 May 2016 we have been pursuing our activity at a new place. We await our clients for hearings in thirteen new, fully equipped conference rooms at the ground floor of the Capital Square Office Building, located in the 13th district of Budapest at Váci út 76. Unchanged, consignments and petitions are received at the former postal address and customer service office and address. Until 1 December 2016, the telephone number of the customer service was 06-40/203-776, afterwards it changed to 06-80/203-776. Since the last month of the previous year, calls received at area code 40 are automatically redirected to area code 80 until 31 May 2017, and from 1 June 2017 to 31 August 2017 clients calling area code 40 will be informed by a recorded voice message about the new area code.

Last year, we modified our Operating Regulations twice by adding new and clarifying some existing rules.

We also initiated the amendment of the Act on the Magyar Nemzeti Bank, the most important element of which was the introduction of a new rule. According to that, in the absence of a settlement agreement, the acting panel of the Board or the member of the Board acting alone may pass a binding resolution even if the financial service provider made no submission declaration, but the petition is grounded and the amount of the claim that the consumer wishes to enforce does not exceed one million forints either in the petition or at the time of passing the binding resolution. This statutory provision is applied in procedures launched on the basis of consumer petitions received after 1 January 2017, thus in the case of petitions received in 2016 the former submission declarations remained as governing principle until the closing of procedure. The purpose of this rule is to increase the financial service providers' willingness to reach a compromise.

Another important statutory change is that pursuant to the amendment of the Act on Personal Income Tax, effective from 26 November 2016, upon forgiving a debt arising from a credit, loan or financial lease contract, the consumer is not obliged to pay tax. Our purpose with this legislative change is to assist both the financial service providers and the affected petitioners in resolving difficulties arising from the credit and loan legal relationship, paying special attention to the non-performing loans, thereby ensuring the practical enforcement

of Recommendation 1/2016 (III.11.) of the Magyar Nemzeti Bank on the restoration of household mortgage loans with payment delinquency.

In addition to settlement agreements reached at and approved by the Board, we experienced that the parties agreed outside the procedure several times. This is very positive, as it signals that financial service providers – not waiting for the result of the procedure conducted by us – propose and conclude settlement agreements in an increasing number. It is also a positive development that more and more consumers are aware of the rules applicable to them, understand and are capable of interpreting financial service contracts signed by them. Therefore, consumers' financial skills and literacy have been improving.

On the other hand, unfortunately, the number of equity cases we had to deal with was higher than last year. We would like to continue to help financial consumers unable to fulfil their obligations through no fault of their own by providing a forum for them, where financial service providers could consider at the proceeding conducted with us whether they are able or willing to make a decision based on equitable principles. I express my thanks to all financial service providers and their representatives who were able and willing to cooperate with their clients in such matters.

In addition to our conciliation activities, we also take on the responsibility to make alternative dispute resolution as widely known in Hungary as possible. We intend to provide further support to this cause together with the National Office for the Judiciary in the future as well. Between 30 November and 1 December 2016 we organised a successful conference on alternative dispute resolution, with presentations by reputable representatives of this profession, informing the public on the progress made by Hungary in this area to date. On the website of the conference http://www.mnb.hu/bekeltetes/avrkonferencia anybody can get information about the results achieved by in-court and out-of-court mediation, conciliation and arbitration.

Interested parties, our customers and future customers can find all information related to the operation of the Board, just like before, on our website at www.penzugyibekeltetotestulet.hu.

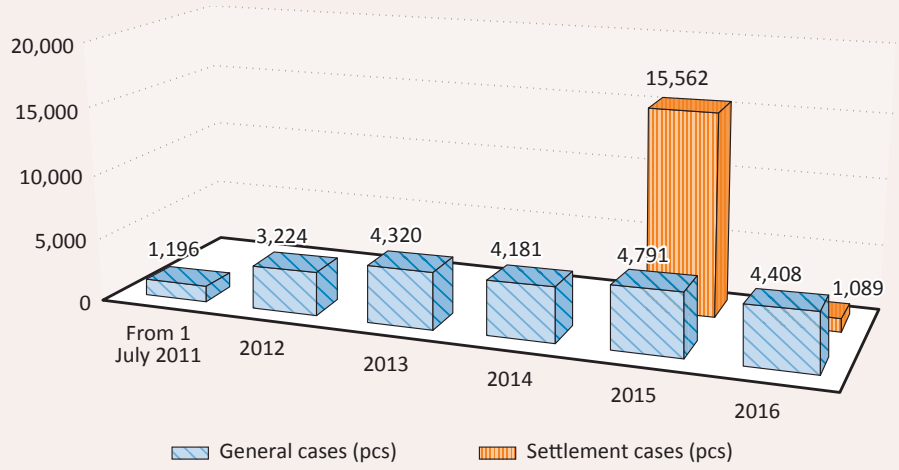
Thank you for your cooperation showed last year, and I request the cooperation of all petitioners and involved financial service providers for our mutual success in 2017 as well.

Dr. Erika Kovács
Chair of the Financial Arbitration Board

1 The first 6 years of the board

The Financial Arbitration Board has been dealing with the resolution of financial consumer disputes through conciliation since 1 July 2011. Since its establishment 22,000 consumers submitted petitions to the Board with a view to resolving their financial disputes out of court (general cases). As a result of the rules pertaining to the statutory settlement of foreign currency loans, in 2015 and 2016 further 16,600 private individuals, qualifying as consumers, applied for a decision (settlement cases). The average annual number of general cases was 4,000; most of which new petitions were received in 2015. As a result of the relevant rules specified in the Settlement Act, settlement cases, were referred to the Board predominantly in 2015 (15,562 cases).

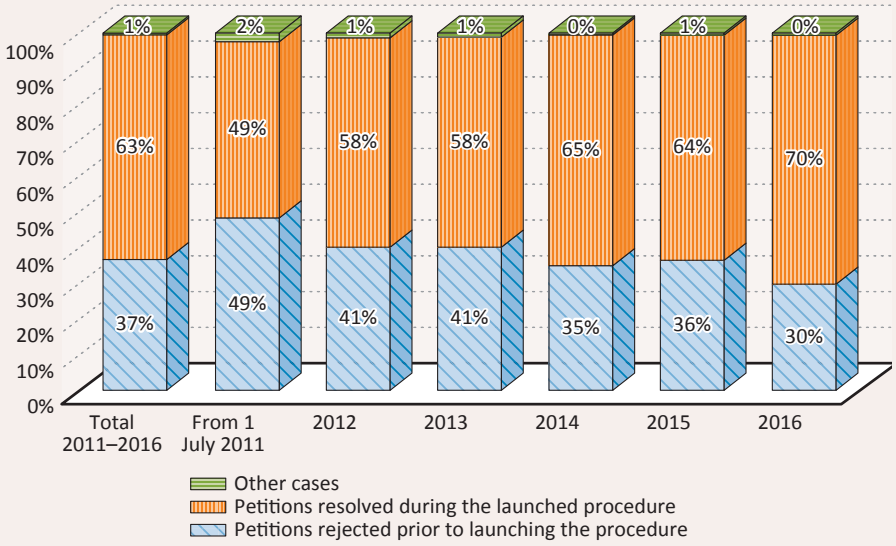
Number of petitions received



The content and quality of the received petitions substantially changed and improved over the years. Consumers became familiar with the type of cases they can take to the Board and the criteria necessary for the Board to be able to deal with the case on the merits. In the first year of its foundation, 49 per cent of the petitions had to be rejected, mostly due to the fact that the Board had no competence in the matter or the acting panel detected procedural obstacles that rendered the conducting of the procedure impossible based on the law. In the subsequent years there was a fall in the ratio and quantity of petitions rejected before opening the procedure; the **number of accepted petitions increased**, thus the ratio of general (conciliation) cases suitable for judgement on the merits continuously rose. By 2016 this ratio rose to 70 per cent. In parallel with this, the ratio of submissions where the case could not be dealt with on the merits due to incomplete documents, procedural obstacles or absence of competence, gradually decreased. This is a favourable trend for petitioners.

The Board regards the raising of the acceptance ratio as an important objective and task; the ways and means of which is to call upon petitioners to supplement only those documents in the future that cannot be obtained from service providers. In the future, acting panels will strive to make the calls for supplementation even more understandable, to ensure that petitioners can better understand what they need to supply.

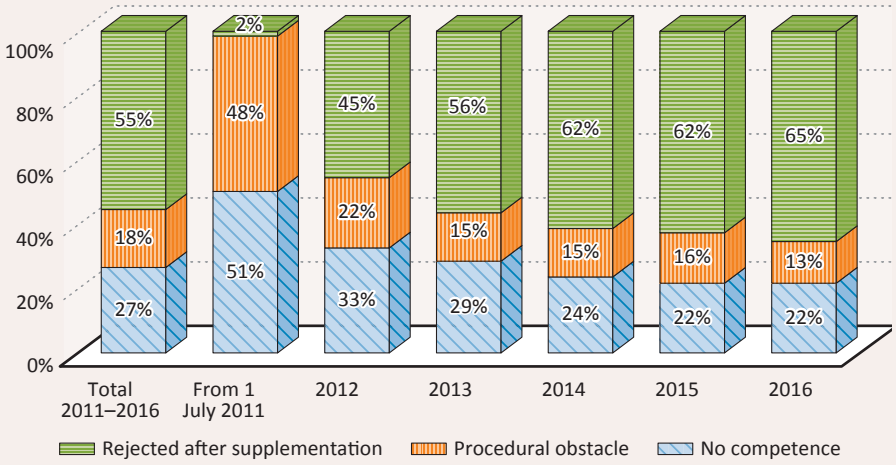
Change in acceptance ratio



The **reasons for rejection** prior to acceptance may vary, including the absence of competence, certain statutory procedural obstacles and non-compliance with the call for supplementation. In the first years of the Board's operation the most typical reason for rejection was the absence of competence; the ratio of which was decreasing each year, and it was only 22 per cent in 2016. A significant share of petitions had to be rejected also due to procedural obstacles (pending mediation or litigation initiated by the same parties for the same subject under the same cause of action, or already a final judgement has been passed on the same subject, etc.), which was 48 per cent in 2011, however, the following year this ratio fell to less than its half, by 2016 it decreased to 13 per cent.

On the other hand, unfortunately, the number of rejections due to failure to comply with the call for supplementation increased. While in 2011, this represented only 2 per cent of the cases, in 2012, 2013, 2014-2015 and 2016 this ratio was 45, 56, 62 and 65 per cent, respectively. In 2016, in the vast majority of the cases the failure to comply with the call for supplementation was attributable to the fact that no prior complaint procedure had been conducted. In 679 of the 914 petitions rejected due to failure to comply with the call for supplementation (74%), consumers did not confirm that prior to submitting the petition they had attempted to settle the dispute directly with the financial service providers. Unfortunately, many of the petitioners are still not aware of this rule. In cases rejected due to the absence of complaint, petitioners usually return to the

Ratio of the reasons for rejection in cases rejected before acceptance



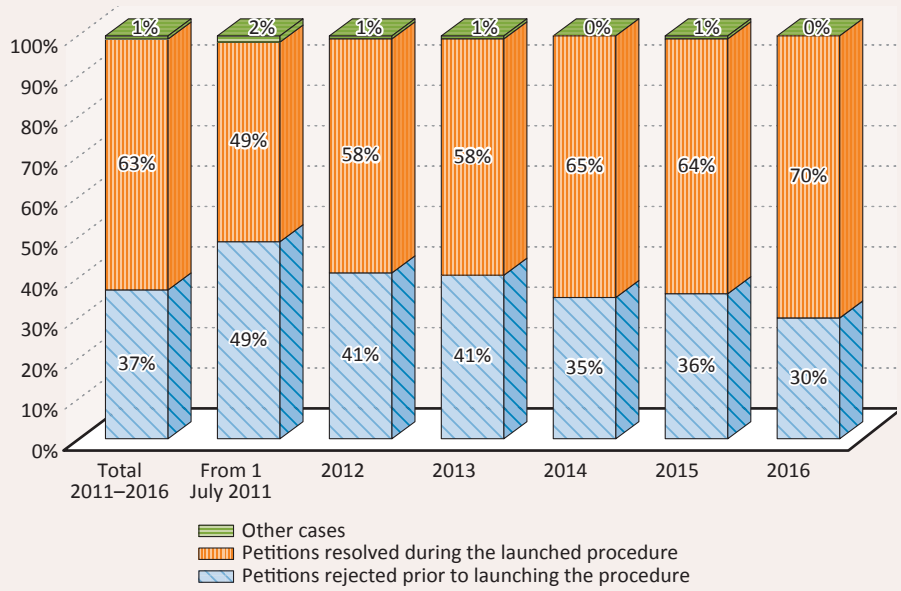
Board, after receiving the petition form from the administrator acting in the matter and being informed about the statutory requirement to first go through a complaint procedure.

Coming back to the change in acceptance ratios in the period between 2011-2016 it should also be examined how petitions that were not rejected prior to the opening of the procedure were handled. Based on the consolidated data of the former six years, it can be established that 63 per cent – 16,600 pieces – of all petitions received (in general cases) led to conducting the procedure on the merits. In an annual breakdown the ratios are as follows:

– 49 per cent in 2011,
– 58 per cent in 2012 and 2013,
– 65 per cent in 2014,
– 64 per cent in 2015,
– 70 per cent in 2016

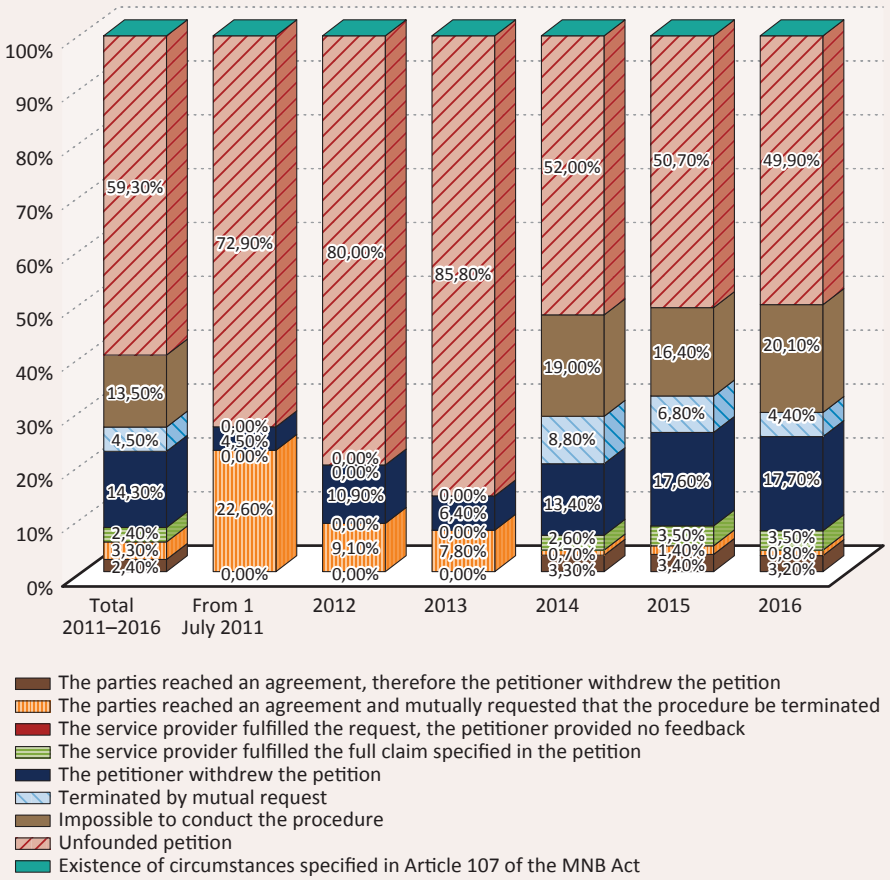
The procedure is conducted on the merits when the Board has competence, there is no procedural obstacle and the petition is suitable for judgement on the merits, i.e. all data and information necessary for the acceptance are available. The ratio of accepted petitions has been continuously increasing over the years also compared to the ratio of petitions rejected prior to launching the procedure.

Change in acceptance ratio



After acceptance, the procedure may only be terminated if no compromise is reached between the parties and under the existing circumstance the Board is not in the position to make a decision (recommendation, binding resolution). The reasons for terminating the procedure are specified in Article 112 (3) of the MNB Act and also in the Operating Regulations. Over the years, the reasons for terminating the procedure were as follows:

Breakdown of terminations after acceptance by reasons



Conducting a procedure is only favourable for petitioners, if they are able to make a settlement agreement with their service providers, which definitively resolves the dispute. However, it is not necessary to wait until the end of the procedure to reach a settlement agreement. Apart from settlement agreements concluded formally and approved by the Board, procedures may also result in the withdrawal of the petition unilaterally by petitioners or jointly with their service providers, or in the event the service provider performs as requested in the petition during the procedure, thus the reason for the procedure no longer exists (becomes irrelevant). These are settlement agreements referred to as quasi settlement agreements.

Procedures between 2013 and 2016 that ended favourably for petitioners are the following:

Almost 22 per cent of cases terminated in 2016 were petitions withdrawn by the parties jointly or by petitioners. Behind the majority of these cases lies a settlement agreement. In many instances though, it was due to the agreement of the parties to conduct further consultation or petitioners recognised that financial service providers acted lawfully.

In 2016 petitions were withdrawn as follows:

	At the hearing	Outside the hearing	Total
Withdrawal	383	114	497
Mutual request	115	7	122
Total	**498**	**121**	**619**

2 Operation of the board in 2016

The operation of the Board in 2016 was based on the rules stipulated in Articles 96-130 of Act CXXXIX of 2013 on the Magyar Nemzeti Bank and in Sections 21-22 of Act XL of 2014.

2.1 LEGAL ENVIRONMENT

The provisions of the MNB Act related to the Board were amended and supplemented several times during the year. The amendment of Article 102(2) contains a new rule, which makes the use of the online dispute resolution platform possible. It states that if the Board agreed to conduct an alternative dispute resolution procedure in respect of the dispute forwarded through the online dispute resolution platform, it must act in accordance with the provisions of Regulation 524/2013/EU of 21 May 2013 of the European Parliament and the Council and the Commission's implementing regulation no. 2015/1051.

Article 106 (3) was also amended, according to which the acting panel or Board member shall set a hearing date within 75 days from the opening of the procedure.

The main goal of the Board remained unchanged, which is to ensure that consumer disputes between the parties, conducted by holding a hearing, would end with a settlement agreement. The amendment of the Act, initiated on the basis of practical experiences, made and makes it possible since 1 January 2016 that when 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.

Based on an additional amendment, effective from 1 July 2016, the Board may reject petitions even without setting a date for a hearing, if the dispute initiated by the consumer is frivolous or vexatious.

The amendment of subsections s (2) and (5) of Section 108 clarified financial service providers' obligation to cooperate and made it clear that if financial service providers breach this obligation the MNB may impose a consumer protection fine on them within the framework of a consumer protection procedure.

Additional amendments defined, among others, the content of the Board's annual report, prescribed that the Board is obliged to post the non-cooperating service provider on its website for a specific period, provided guidelines for the basic content of the website and they also contained disclosure and record-keeping obligations for the ministry in charge of consumer protection.

The Operating Regulations were modified in relation to the aforementioned changes in the MNB Act.

The Board currently performs and in 2016 also performed the tasks allocated to it by the rules stipulated in the MNB Act and in accordance with the operating principles complying with the Commission's Recommendation No. 98/257/EC, which were updated with the changes in the laws:

1. Independence

The Board is an independent organisation – which cannot be instructed – 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 only 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

The Board provides information on its activity and rules applicable to its operation on its website (www.mnb.hu/bekeltetes;www.penzugyibekeltetotestulet.hu) on a continuous basis, in its annual report and upon request – Articles 99, 115 and 129-130 of the MNB Act.

3. Adversary procedure

In the proceedings the parties are provided with the opportunity to appear at the hearings in person and present their viewpoint both orally and in writing, while financial service providers affected by petitions are obliged to cooperate – Article 108 of the MNB Act.

4. Efficiency

The proceedings of the Board are fast; the acting panel sets a hearing date within 75 days from the receipt of the complete petition and concludes the proceedings within 90 days. This deadline may be prolonged by the chair on one occasion per case by maximum 30 days. The procedure is free for both petitioners and financial service providers, 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 the Board 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. The members are independent and unbiased in the specific cases managed by them – Articles 97 (1), (3) and 98 (4)–(7) of the MNB Act.

6. Liberty

The decisions passed do not prejudice the right of consumers to go to court, as the law provides for seeking remedy at the court against the recommendations and obligatory resolutions of the Board – Articles 116–117 of the MNB Act.

7. Possibility of representation

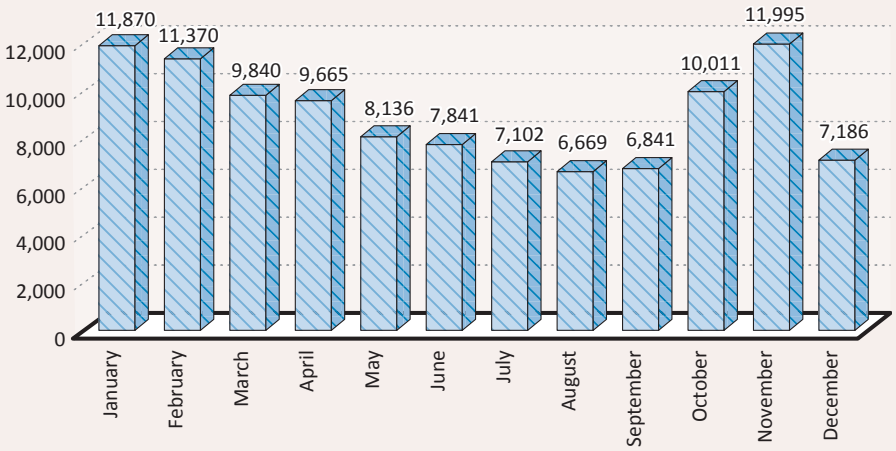
Private individual petitioner consumers can participate in the proceedings of the Board both in person without a proxy or via a proxy. The proxy may be any natural or legal person, as well as entities without legal status. The petitioner may participate in the procedure at the hearings in person even if he wishes to be represented by a proxy. Financial service providers are represented by their representatives, who may be the employees of the organisation or lawyers – Article 110 of the MNB Act.

2.2 ORGANISATION, GOVERNANCE

The Board's total headcount on 31 December 2016 was 49 (chair, office director, 25 members and 22 principal office workers). The governance and organisational structure developed as a result of reorganisations in 2014-15, did not change compared to 2015. However, as a result of the significant fall in the number of settlement cases, all departments acted already in conciliation cases as well, and held hearings. Also as a result, the average time of procedures decreased to 52 days compared to the previous year. Essentially, only one department dealt with settlement cases, but in respect of some repeated procedures board members of other departments also acted.

Complying with its obligation set forth in the MNB Act, the Board continuously improved its website and informed consumers and financial service providers on current news. The system registered 108,500 downloads of the page at annual level. Traffic was outstanding in the beginning of the year due to settlement cases and at the end of the year due to the alternative dispute resolution conference.

Number of individual visitors of the Board's website in 2016



Until the end of April 2016, the Board performed its activity in the 1st district of Budapest at Krisztina krt. 39, and from 2 May it moved to the Capital Square Office Building located in the 13thdistrict of Budapest at Váci út 76. This also became the new venue for hearings.

2.3 DOMESTIC AND INTERNATIONAL RELATIONS

The Board is not yet present outside of Budapest, and holds hearings only in Budapest; furthermore it operates a customer service office in the 1st district of Budapest at Krisztina krt. 39; accordingly, its domestic relations, that on one hand help inform consumers and on the other hand facilitate that as many petitioners as possible receive assistance in how to turn to the Board and in matters of general consumer protection if needed, remain important.

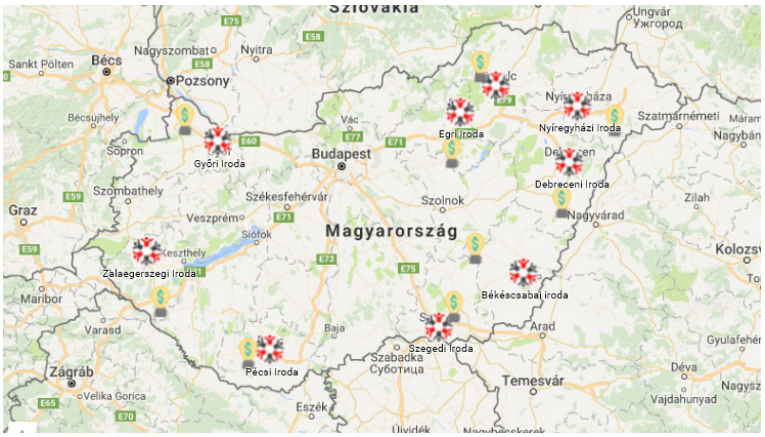
2.3.1 Domestic relations

BUREAUS OF CIVIL AFFAIRS

Since April 2014 it has become possible that the Bureaus of Civil Affairs ("kormányablak"), operating at county seats, provide private individual consumers contacting them with reliable information in respect of the operation and proceedings of the Board, also help them fill in forms to initiate the proceedings of the Board and forward them directly and free of charge to the Board. Since 15 October 2016, Annex 3 to Government Decree 515/2013 (XII. 30) on the Bureaus of Civil Affairs has specifically named the petition for the proceeding of the Board among the forms that may be submitted for forwarding, thus it became possible in all bureaus, **at almost 300 locations nationwide**, to submit petition forms and ask for information related to the proceedings of the Board.

NETWORK OF FINANCIAL ADVISORY OFFICES

The Network of Financial Advisory Offices, established by FOME (the Hungarian Consumer Protection Association), provides free consumer protection advisory services in 9 county seats of Hungary and at further 9 locations.



Térkép jelmagyarázat: = tanácsadó iroda, = kitelepülés, kihelyezett tanácsadás

The Office Network also helps consumers how to turn to the Board. In addition to advisory services, experts working there help with completing the petition forms and contribute to the preparation of the submissions until they are ready for posting.

2.3.2 International relations

In 2016 – similarly to previous years – the Board placed great emphasis on fostering its international relations and participating in an increasingly wider range of international cooperation. These efforts were demonstrated, in addition to the already existing memberships in international organisations, by joining the Online Dispute Resolution Platform introduced this year. The experiences of recent years have clearly given evidence that international cooperation is capable of significantly increasing the success of financial mediation and definitely improves the quality of mediation mechanisms and procedures. The relations with FIN-Net and INFO Network, as well as the separately established relations with individual organisations that are members of such networks, continue to play an outstanding role in the Board's international activities.

FIN-NET

FIN-NET
financial dispute resolution network

The FIN-Net network is a European system operating within the European Economic Area (the member states of the European Union, Iceland, Liechtenstein and Norway), a European organisation established for the alternative resolution of cross-border financial consumer disputes between consumers and financial service providers. Its name comes from the abbreviation of its English name i.e. "Financial Dispute Resolution Network".

The FIN-Net network was established in 2001 based on the decision of the European Commission, and now it includes over 70 organisations that deal with some form of alternative dispute resolution, such as conciliation, arbitration or mediation in each member state. FIN-Net helps consumers resolve their disputes with a financial service provider – bank, insurer, investment firm, etc. – operating in a different member state, relying on the alternative dispute resolution forum of the given country. In respect of cross-border disputes, all members, including the Hungarian Financial Arbitration Board, must provide, promptly upon request, information in written or in other suitable form on the operation of FIN-Net, the alternative dispute resolution forum, participating in FIN-Net and residing in another EEA member state, having the power and competence over the cross-border consumer dispute related to the financial services activity, as well as on the proceedings of such forum. All members perform continuous statistical data reporting to the European Union on procedures related to cross-border cases initiated at them and they are entitled to use the intranet database facilitating liaison between the members of the network. For more information on the organisation and operation of FIN-Net, visit www.ec.europa.eu.

In 2016 FIN Net held its semi-annual general meetings with the participation of its members on two occasions, in spring and autumn. The first one was held in Brussels, while the second one in Berlin. The most important topic of the first meeting was the question of amending the "Memorandum of Understanding" (MoU), which serves as the charter of the organisation, the amendment of which became necessary due to a new EU legislation,. Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer dispute (ADR directive) and Directive 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer dispute (ODR directive), which in the meanwhile entered into force.. The MoU approved at the spring meeting already serves the compliance with the ADR directive, and introduces important modifications in respect of the members of FIN-Net. Namely, those members – thus including the Board – that have been registered with the European Commission may remain full members of the FIN-Net network, while those that are not registered with the Commission by

their National Authorities within two years, automatically lose their membership rights, hence they cannot cooperate in the settlement of cross-border disputes.

One of the topics of the second FIN-Net meeting was the Green Paper issued by the Commission in December 2015, the aim of which was to create a single market in the area of financial services as well, also to expand the assortment of products, and make better products available for European consumers and undertakings. The most important goal is to develop "portability", meaning that the financial services as well would be available on a cross-border basis. In December 2016 the Commission approved an action plan based on the Green Paper. The key topic of the meeting was the development of an advertising campaign planned by the Commission to ensure that the activity of FIN-Net is clear for the public and consumers as well, and to help improve trust in the members. The implementation of the directive on the alternative dispute resolution for consumer disputes was also a key topic at the meeting; most of the members had already implemented the directive into national law, while at some members this is still in progress. Based on the regulation on online dispute resolution for consumer disputes (ODR), a number of members are also present on the ODR platform. For experiences related to cross-border FIN-Net cases see Section 6.

INFO NETWORK

The Board is also a full member of INFO Network, incorporating the world's financial ombudsmen, at present having over 50 member organisations from five continents, since 1 January 2012. It regularly publishes information on its website on all of its members, thus also about the Hungarian Financial Arbitration Board (www.networkfso.org). The organisation was established in London on 26 September 2007 with the cooperation of the USA, Great-Britain, New-Zealand, Ireland, Canada and Australia, with the goal to harmonise the alternative dispute resolution mechanisms – mainly in the financial sector – in the member states, and to develop a comprehensive system. The members of the organisation constitute four regions: Eurasia, Africa, America, and Australia. It operates in accordance with the six key principles approved by members: independence, impartiality, efficiency, equity, transparency and accountability.

The purpose of cooperation within the organisation is to develop alternative, i.e. out-of-court dispute resolution models, to elaborate codes of conduct, enhance the use of information technology, to handle certain recurring issues and problems at systemic level, to resolve cross-border complaints in a uniform and smooth manner and also to share in-service training opportunities and directions. The organisation puts the emphasis on the enforcement of the consumer protection principles developed on the basis of international standards, which is guaranteed by the independent and unbiased alternative dispute resolution forums. In respect of Central and Eastern Europe the organisation pays special attention to the exchange of information and consultation among the countries of the region.

In 2016 INFO Network held its annual conference, by offering a forum for members to meet, in Yerevan, where the Board was also invited. As a member of INFO Network, the Board regularly contributed in 2016 as well to the monthly newsletters prepared by the Secretariat of INFO Network, reporting on novelties, changes and events related to members. It also responded to enquiries and cooperated in answering a detailed questionnaire on members' activity, sent by the Secretariat in May 2016.

3 Activity in 2016 related to conciliation cases

2016 was the second year in the history of the Board when it performed its activity in accordance with two types of proceedings. On one hand, it acted based on the rules pertaining to conciliation proceedings, as specified in the MNB Act, and on the other hand in accordance with the Settlement Act, which contains somewhat different and also special provisions.

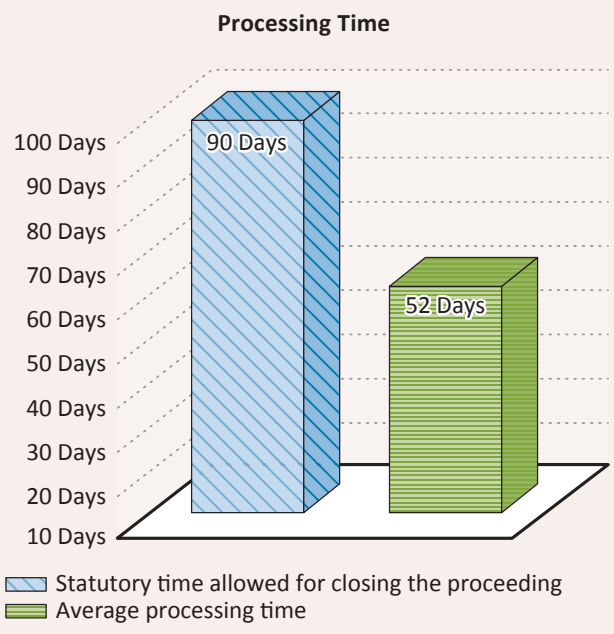
3.1 CONCILIATION ACTIVITY IN 2016 IN FIGURES

3.1.1 Number of cases and the processing time

On 1 January 2016, 898 conciliation cases were in progress, initiated by petitioners in 2015, while in 2016 4,408 new petitions were received. The number of cases closed in 2016 exceeded the number of cases closed in the previous year by 3.6 per cent.

Aggregate statistics of conciliation (general) cases			
	Domestic cases	Cross-border cases	Total
Previous cases in progress on 1 January 2016	889	9	898
New cases received during 2016	4,388	20	4,408
Cases closed until 31 December 2016	4,629	26	4,655
Pending cases on 1 January 2017	648	3	651

In 2016 consumer disputes brought to the Board were closed on average in 52 days, which is well below the statutory 90-day deadline. The average processing time fell by 23 days compared to that of 75 days last year, which is positive both for petitioners and financial service providers.



3.1.2 Received petitions

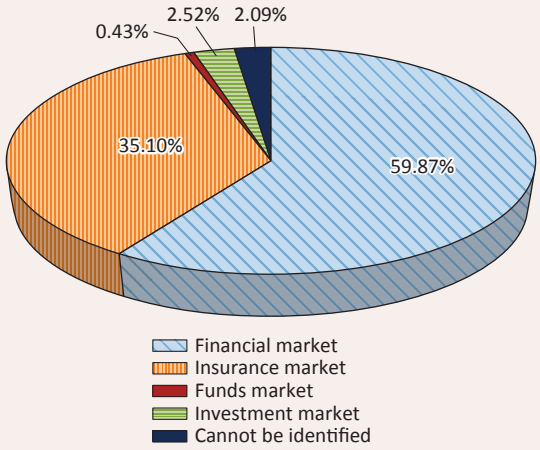
91.5 per cent of the 4,408 new petitions received in 2016 – similarly to the ratios measured in previous years – affected banks, insurers and financial enterprises. Within that, the largest ratio of petitions, as in previous years, were against banks. The ratio of petitions complaining about the services and/or proceedings of debt management companies, operating as financial enterprises, insurance unions and investment service providers represents 3.7 per cent of all received petitions, while the ratio of the petitions against other service providers remains below 1 per cent per provider type and in aggregate they amount to only 4.8 per cent.

Types of financial service providers affected by consumer disputes		
Sector	**Number of cases (pcs)**	**Ratio**
Bank	1,933	43.85%
Insurer	1,408	31.94%
Financial enterprise	694	15.74%
Insurance union	58	1.32%
Investment firm	54	1.23%
Financial enterprise debt management company	49	1.11%
Multiple insurance agent	34	0.77%
Co-operative credit institutions	33	0.75%
Building society	32	0.73%
Broker	14	0.32%
Pension fund	13	0.29%
Specialised credit institution	11	0.25%
Payment institution	7	0.16%
Voluntary health fund	4	0.09%
Private pension fund	3	0.07%
Intermediary	2	0.05%
Investment fund manager	1	0.02%
Mortgage credit institution	1	0.02%
Independent intermediary	0	0.00%
Non-financial organisation	57	1.29%
Total	**4,408**	**100.00%**

In the petitions received in 2016, petitioners named 204 financial service providers (Annex 6), while in some of the cases they were unable to specify the service provider against which they wished to enforce the claim.

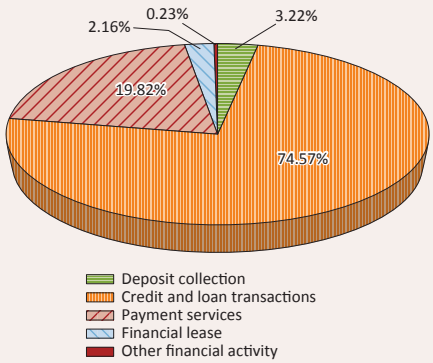
60 per cent of the received petitions, i.e. 2,639 cases, related to financial market products. In more than one-third of all cases, i.e. in 1,547 cases (35 per cent) petitioners turned to the Board with consumer disputes related to the products and services of the insurance market. Claims related to the products of the investment market were submitted in 111 cases, i.e. 3 per cent of the petitions, while the percentage ratio of petitions related to market funds can be hardly shown. The product being the subject of the petition could not be identified in 92 cases even after supplementation; these petitions accounted for 2 per cent of all petitions.

Petitioned products, by sector



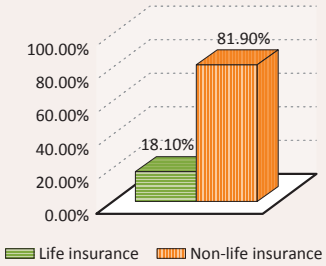
The subject of consumer disputes related to the financial market – similarly to previous years – most often concerned credit and loan transactions. Petitions complaining about payment services took second place, registering an increase of almost 8 percentage points compared to 2015.

Breakdown of petitions related to the financial market sector by the subject of the petition



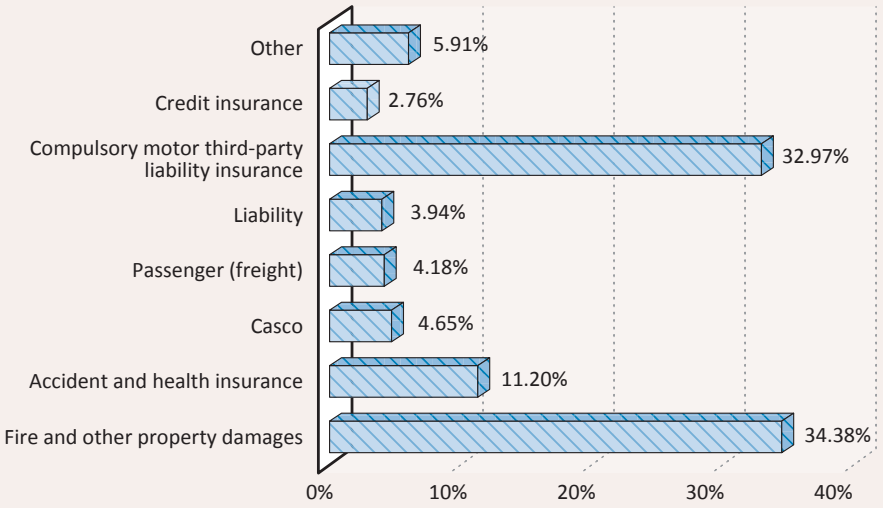
Similarly to previous years, in cases related to insurance, disputes arising from non-life insurance contracts accounted for the majority of cases (82%); however, cases related to the life insurance sector also represented a high number. The ratio of the two branches of insurance compared to each other in terms of scale has been steady in recent years, a merely 2 percentage points shift is visible compared to the previous year in favour of life insurances.

Breakdown of petitions related to the insurance market by the subject of the petition



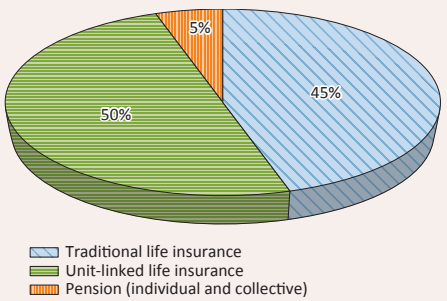
Among petitions related to non-life insurances, the product most complained about was the insurance taken out for fire and other property damages; nevertheless, its ratio fell by 7 percentage points compared to the previous year. Compared to 2015 figures, there was no material restructuring at the rest of the products either; the second place is still taken by motor third-party liability insurances.

Breakdown of petitions related to non-life insurance products by the subject of the petition



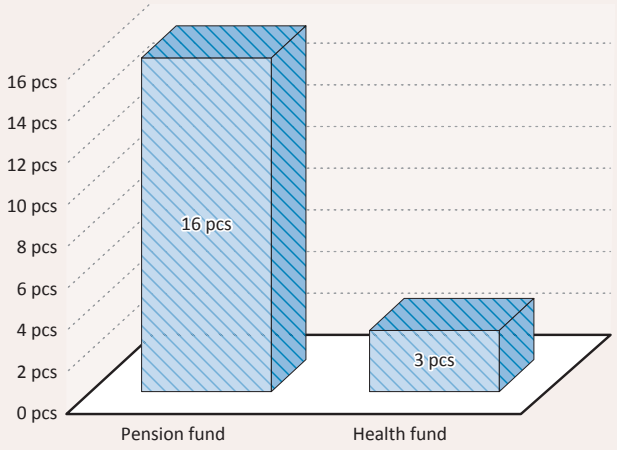
Half of the petitions related to life insurance products concern unit-linked life insurances; the ratio of traditional life insurances falls short of that by 5 percentage points.

Breakdown of petitions related to life insurance products by the subject of the petition



The majority of fund-related cases, 16 cases, concerned pension funds and only 3 petitions were received in respect of health fund services.

Breakdown of petitions related to the funds market by the subject of the petition



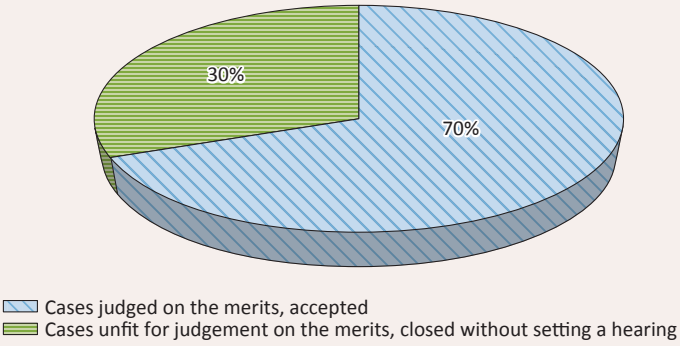
In general cases, identically to previous years, the residents of Budapest and Pest County represented the highest proportion of petitioners that turned to the Board. Their ratio to all petitioners was 43.42 per cent, representing an increase of 1.25 percentage points compared to 2015. Overrepresentation may only be observed in Budapest and Pest County also compared to the total county population ratios published by HCSO; in all the other counties, the ratio of petitioners falls short behind the ratio of the total population specific to the county.

Received petitions by the petitioner's place of residence	Number of cases (pcs)	As a ratio of the total number of cases	Percentage of the total population (HCSO data)
Bács-Kiskun	203	4.61%	5.27%
Békés	116	2.64%	3.93%
Baranya	139	3.16%	3.66%
Borsod-Abaúj-Zemplén	262	5.96%	6.91%
Budapest	1,196	26.98%	17.28%
Csongrád	144	3.27%	4.22%
Fejér	182	4.14%	4.26%
Győr-Moson-Sopron	117	2.66%	4.47%
Hajdú-Bihar	170	3.86%	5.40%
Heves	106	2.41%	3.11%
Jász-Nagykun-Szolnok	148	3.36%	3.90%
Komárom-Esztergom	124	2.82%	3.12%
Nógrád	77	1.75%	2.04%
Pest	723	16.44%	12.26%
Somogy	88	2.00%	3.20%
Szabolcs-Szatmár-Bereg	223	5.07%	5.59%
Tolna	66	1.50%	2.33%
Vas	76	1.73%	2.59%
Veszprém	123	2.80%	3.58%
Zala	96	2.18%	2.88%
Non-resident	29	0.66%	
Total number of cases	**4,408**	**100.00%**	**100.00%**

3.1.3 Closed cases

The Board closed 4,654 cases in 2016. Within these, in 1,140 cases, petitions were rejected without a hearing, as unfortunately they did not comply with the requirements set forth in the MNB Act. 70 per cent of cases were suitable for acceptance, and thereby for judgement on the merits.

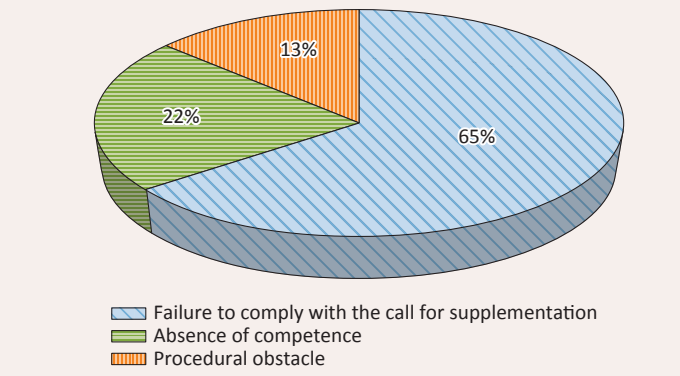
Ratio of cases judged on the merits (accepted) and rejected without setting a hearing



Rejection without a hearing took place in 13 per cent of the cases due to the occurrence of some sort of procedural obstacle. This was partly due to the reason that the same parties had earlier initiated a procedure for the same subject under the same cause of action at the Board, or there was a mediation or court procedure in progress. In several cases a final court judgement had already passed on the subject or a payment warrant had been issued.

In 22 per cent of the cases the Board had no competence to conduct a procedure, i.e. the case did not qualify as a consumer dispute or the petitioner was not a consumer. In terms of proportions, non-compliance with the call for supplementation represented the highest ratio within the terminated procedures; this was the cause of rejection in two-thirds of the rejected cases.

Cases unfit for inspection on the merits, rejected without a hearing, by reasons of rejection



Reasons of rejection, as specified in Article 107 of the MNB Act, at the cases closed without a hearing and their ratio in percentages	Number of cases	Ratio
a) the parties commenced, for the same right arising from the same factual base		
aa) proceeding at the Financial Arbitration Board	24	1.70%
ab) mediation procedure	39	2.77%
ac) there is a litigation in progress or a final judgement has already been passed on the subject	98	6.95%
b) in respect of a case between the parties arising from the same factual base being conducted for the same right a warrant for payment has been issued	21	1.49%
c) the dispute lacks in seriousness or is vexatious	0	0.00%
d) the case does not qualify as a consumer dispute, or the Financial Arbitration Board has no competence to judge the dispute due to other reasons	308	21.84%
e) the petitioner failed to comply with the call for supplementation, specified in Article 104 (5), within the deadline	920	65.25%
Total	**1,410**	**100.00%**

26 per cent of the cases that reached the substantive phase, namely cases that were accepted, ended with a settlement agreement between the parties and the approval thereof by the Board. Although the termination resolutions represent a high ratio, for which the underlying reason often includes some kind of a settlement agreement, intention to continue further consultations, agreement between the parties, or the fact that the petitioner understood and accepted the service provider's argumentation and rightfulness during the procedure at the Board, thus it became unnecessary to continue the procedure.

The ratio of those terminated cases where the agreement between the parties came to the knowledge of the Board or the service provider fulfilled the full claim stated in the petition, accounted for a further 5.5 per cent. Taking these into account, the ratio of cases with positive ending for petitioners rose to 32.2 per cent in 2016.

In 2016 the Board had to make only a few recommendations and binding resolutions, the number of which was eight altogether.

Number of cases closed after acceptance			
Result of closed cases		**Number of cases (pcs)**	**Ratio**
Settlement agreement		855	26.36%
Binding resolution		2	0.06%
Recommendation		6	0.18%
Resolution to terminate		2,381	73.40%
	A) the petitioner withdrew his petition	497	
	b) the parties agreed on the termination of the proceedings	122	
	C) impossible to conduct the procedure	480	
	D) the petition is unfounded, or it is not necessary to conduct the procedure	1,270	
	E) existence of circumstances specified in Article 107 of the MNB Act	12	
Total		**3 244**	**0.00%**

In 3,226 of the 3,244 accepted cases the Board held a hearing; in 18 cases this was not necessary, because the parties concluded a settlement agreement before the hearing or the petition was withdrawn due to reaching an agreement. Continued hearings were held in every tenth case on average, as it was necessary to further clarify the facts of the case in order to reach a settlement agreement.

Number of hearings held in 2016 in conciliation cases			
Month	**number of hearings**	**number of continued hearings**	**Total**
January 2016	282	23	305
February 2016	306	31	337
March 2016	329	32	361
April 2016	290	31	321
May 2016	348	43	391
June 2016	316	36	352
July 2016	222	31	253
August 2016	151	8	159
September 2016	277	33	310
October 2016	302	23	325
November 2016	231	32	263
December 2016	172	10	182
Total number of hearings	**3,226**	**333**	**3,559**

3.2 EXPERIENCES GAINED DURING OPERATION

3.2.1 Disputes related to financial services

PAYMENTS

Payment services and particularly payment account keeping, is one of the best known financial services, widely used by consumers. In the light of the Board's procedure, the opening of a payment account is still problem-free, as no procedure was initiated in this matter.

However, the **termination and closing of payment accounts** caused substantial problems for petitioners, where the related disputes were rather varied. Petitioners complained in several procedures of not having received proper information in the branches to their questions related to the closing of the account and in respect of measures to be taken by them based on the regulations and requirements of financial service providers.

Disputes between the parties often arose due to the fact that petitioners came forward with the request to close their payment account during their visit to the branch in person and did not submit it in writing (the form prescribed in the financial service provider's procedures for the termination of the account was not filled in), thus the payment account continued to exist, the financial service provider continued to keep it and recorded debt on it.

There were a high number of cases related to financial settlements connected to the closing of accounts. Petitioners often asked for verbal confirmation in the branch on the amount to be paid for closing and settling the account, during which they were informed on the then current debt. A longer period of time elapsed between the information and the actual payment, thus the payment made by the petitioner based on the previous information did not cover the debt in full.

In several cases the basis of the dispute was that petitioners received no document whatsoever on the closing of the accounts, so they believed that they had no outstanding debt and their accounts ceased to exist. They did not ask the financial service providers whether the payments made by them were sufficient and that they surely had no outstanding debt. The debt on the payment accounts often accumulated for several years before petitioners realised that in fact the accounts had not been closed. In the case of certain financial service providers, there was a minimum amount, based on the general contractual terms, reaching which the financial

service provider was obliged to send a notice (monthly statement) to the petitioner. Until the petitioner's debt did not reach this minimum amount, it sent no monthly statements. Thus it took even an aggregate of several months' fees to reach the amount that would have resulted in an obligation to send account statements, thus the petitioner found that the account he believed to have been closed still existed.

In other cases, additional fees, costs should have been paid to close a payment account, which the petitioner did not undertake to fulfil. It also happened that petitioners settled the amount necessary for the termination of the account by transferring it from another payment account and indicated the designation of the amount in the comment field (relates to the closing of the account), based on which the account was still not terminated. Debt typically was accumulated by debiting the annual fee of the bank card belonging to the bank account and other fees related to account management. Petitioners erroneously assumed that if they initiated no transactions on their payment accounts, and there was no turnover on them based on prior payment orders (e.g. direct debits) or due to other reasons, the maintenance of the account was "formal", hence no cost may occur in respect thereof. The typical attitude of consumers in the disputed cases was that they had made personal arrangements for terminating the payment accounts, they failed to check the account statements that might have been sent by the financial service provider, thus they could not notice the occurrence, and the accumulation of debt. The failure to check account statements occurred more often in those cases where petitioners used online banking services and accordingly they asked for their account statements in electronic form.

A dispute arose between the parties due to the fact that upon terminating the account the petitioner withdrew the account balance in cash, he did not calculate with a cash withdrawal fee and claimed that it was illegally charged, citing that the account termination is free of charge and he received no information on the costs. In this specific case the parties agreed; the financial service provider waived the cash withdrawal commission, on basis of equity, as part of a settlement agreement.

In certain cases, financial service providers made the disbursement of a loan or the provision of more favourable conditions conditional upon the petitioner's opening of a bank account at a given service provider. If the loan application was rejected, but the account had already been opened, petitioners believed that the payment account automatically ceased to exist, as no loan was connected to it, i.e. the reason underlying the opening thereof failed. However, financial service providers did not terminate the bank accounts in these cases, and regarded them as contracts independent of the loan. Petitioners often found out several months after the failed loan transaction that they still had the bank account, on which they incurred a debt due to their failure to terminate it.

SETTLEMENT AGREEMENT: disputing the cost charged for terminating a bank account

The petitioner complained of the late termination of his bank account, as he asked for the termination of the account in March 2016 and he also terminated his credit card contract in April 2016. The service provider terminated the account contract and the credit card contract only in July and August 2016, respectively. In view of the fact that neither the petitioner, nor the service provider was able to prove their statements in full, the parties agreed in the settlement of the costs related to the termination of the account.

With regard to **payment accounts opened in connection with loan disbursement** (instalment account) the source of additional dispute was that the financial service provider terminated the loan contract, even the enforcement procedure has started, i.e. the contractual obligation to perform instalments no longer existed, nevertheless the financial service provider did not consent to the termination of the payment account.

In cases in which petitioners had a document about the termination of the account, previously accepted by the financial service providers and nevertheless the financial service providers called upon the petitioners to settle their arrears, the financial service providers – during the procedure of the Board – accepted the documentary evidence and took measures to cancel the debt and to close the accounts.

Disputes related to the termination of payment accounts usually ended with settlement agreements; financial service providers waived – on an equitable basis, maintaining their legal position – the debt in part or in full, or agreed on payment by instalments. Settlement agreements could be concluded particularly in those cases in which the amount of debt was nominal, or there had been no turnover on the payment account for several years.

Consumers turned to the Board in several cases due to the **modification of account-keeping fees.** In these cases the problem was typically caused by misunderstandings that occurred upon informing customers verbally in the branch. It was so in a case in which the petitioner switched account packages and although the account-keeping fee decreased the overall costs of maintaining the account increased.

Upon switching payment accounts or account packages, petitioners primarily considered the amount of account-keeping fees and failed to calculate with the costs related to the use of the payment account.

In a few cases problems arose from the fact that upon opening a bank account in the branch, tellers failed to make the account holders fill in and sign a declaration necessary for the free of charge cash withdrawal, thus the account holders were not entitled to withdraw cash at no charge. The petitioners complained of the fees charged by the financial service providers for the cash withdrawal.

In 2016, new types of disputes appeared, in which financial service providers decided to **phase out the preferential – zero account-keeping fee – account type/account package**, notified their customers of this, while providing them with the possibility to switch to another account type/account package or to terminate the account. In the procedures initiated at the Board petitioners claimed that in the information notifications related to the termination of the account type financial service providers indicated 2016 as the year of phase-out; however, in case they returned the declaration related to the switching of account types, financial service providers executed the switching of the account package upon the receipt of the declaration, i.e. they terminated the free of charge account-keeping mid-year, and charged the fees stated in the terms and conditions. Petitioners requested that financial service providers should provide the preferential account type until the end of 2016 and refund the already charged account-keeping and other fees. Financial service providers proposed settlement agreements to settle the disputes. A dispute, also related to an account package with preferential conditions, arose when a financial service provider prescribed certain conditions for the preferential account package, and the failure to comply with those resulted in the modification of the package to the basic account package. In the procedure, the petitioner did not dispute its failure to comply with the conditions, but disapproved the absence of notification prior to the modification of the account package. The financial service provider confirmed that it did provide the necessary information on the account statement, however, the petitioner failed to check the electronic account statements and the information included in them, and noticed the change only when the fees were debited to his account.

In relation to transactions executed on payment accounts, disputes arose also due to the inadequate knowledge of the announcements or the preferential conditions attached to the account type, with regard to fees charged for orders given in forints. Prior to executing transfer orders of higher amounts, petitioners failed to check the amount of the fees chargeable for the execution of the order and the way they could have optimised the costs. It was quite common that in the case of certain account types financial service providers specified lower fees or no fees at all for orders initiated via online banking.

There were several disputes in respect of **fees charged for higher-amount forint cash withdrawals**, which were attributable to either the financial service providers' failure to provide proper information or the petitioners' failure to check the announcement in advance. It was already known for the petitioners that in Hungary two cash withdrawals per month, not exceeding HUF 150,000 in total, initiated by a bankcard is free of charge; however, they failed to obtain prior information on the fees before their high-amount cash withdrawals, and they thought it over only afterwards, after seeing the magnitude of the debited fees, how they could have carried out the transaction otherwise to avoid or reduce the high fees.

Disputes, belonging to the category of **fulfilment of payment orders**, also arose in connection with foreign currency transfer orders. It was more frequent in the case of foreign currency transfer orders that petitioners only found out the amount of fee charged after the execution of their order which in certain cases was as much as the transferred amount.

RESOLUTION TO TERMINATE: foreign bank charge of foreign currency transfer order

The petitioner claimed that the financial service provider failed to confirm the cost charged by the foreign bank during the execution of a foreign currency transfer order, which was debited to his bank account. The petitioner asked for documentary confirmation of the costs incurred in connection with the transfer order or the crediting thereof to his bank account.

In its response, the financial service provider stated that in its view the bank account statement was sufficient confirmation of the cost incurred; however, it asked for a confirmation from the correspondent bank to the effect that the foreign bank cost related to the petitioner's foreign currency transfer order was duly paid by the financial service provider. The financial service provider attached this document to its response. After the receipt of the response, the petitioner accepted the rate of the bank charges and the confirmation thereof, withdrew his petition, hence no hearing was held. The petitioner deemed his case closed to his satisfaction.

There was a case in which the receiving bank could not credit the amount of the foreign currency transfer order initiated from a forint payment account, because the given bank account number was incorrect, therefore it returned the amount to the sender's bank account, which was credited with a lower amount than the original forint amount due to the changes in exchange rates applied for the conversions and also with regard to the deduction of the foreign bank's fee.

It is a common experience that customers tend to read the announcement related to the fees charged for orders only after seeing the fee charged or after realising the consequences of non-fulfilment.

There were also cases in which it was disputed by the parties which type of the various exchange rates used by the financial service providers (e.g. commercial exchange rate, cashier exchange rate) should be applied to the given transaction in the course of a foreign currency conversion. When the financial service provider realised during the procedure that the written information provided to the customer with regard to the applied exchange rate types was not clear, it resolved the dispute by a settlement agreement.

There were a large number of **disputes related to foreign currency transfer orders**, in which petitioners asked for the immediate, out of turn correction of transfer orders due to clerical errors, or for the waiving or sharing of the exchange rate losses incurred in relation to the erroneous transfer orders that involved conversion. Financial service providers did not conclude settlement agreements, not even on an equitable basis, in respect of the claims arising from the erroneous orders given by petitioners, citing the disclaimers in the general contractual terms. In another case, in relation to a foreign currency transfer order, the petitioner claimed that his urgent transfer had not been received by the beneficiary in due course. The financial service provider proved that it acted in line with the regulations in all respects, but the petitioner submitted the order late, which was fulfilled by the financial service provider in accordance with the regulations. The Board found that the financial service provider committed no infringement, hence it terminated the procedure.

Procedures in relation to **foreign currency transfer orders to non-EEA** or **non-SEPA (Single Euro Payment Area)** member states were also initiated. In these cases petitioners complained of the fulfilment of credit transfers after the deadline specified or expected by them and the resulting exchange rate loss they suffered. Financial service providers, being the other party to the dispute, that initiated the transfer orders usually relied on the services of intermediary financial institutions (correspondent banks) for the fulfilment of the foreign currency transfer orders, thus clarifying the facts of the cases also involved financial institutions that were not parties to the procedure. Unfortunately, in such cases the Board only had limited means of proof.

Among the procedures related to payment accounts were also cases in which the financial service providers' electronic records and the documentary evidence submitted during the procedure contradicted each other, or the service providers were unable to prove the correctness of their records by documents.

SETTLEMENT AGREEMENT: transfer order from a payment account

The petitioner had a forint payment account with the financial service provider, from which the financial service provider transferred several million forints to the Hungarian tax authority (NAV) at the request of NAV due to the tax liability of the petitioner's child. The financial service provider informed the petitioner that his child had the right of disposal over his payment account as a co-owner, which is also shown in the account statements. The petitioner disputed his child's co-owner capacity, in view of which – after a failed complaint procedure – he asked for crediting the said amount to his account. During the procedure the financial service provider cited that the person with unpaid tax liability was specified in its electronic records as co-owner, however – upon the call to this effect – it was unable to attach the hard copy documents related to the establishment of the co-owner relation and the specimen signature of the petitioner's child. In view of this, the service provider proposed a settlement agreement and undertook to credit the amount formerly debited to the account based on the tax authority's order and the default interest payable for the period elapsed since then to the petitioner's account. The petitioner accepted the proposed settlement agreement and the service provider fulfilled the settlement agreement.

Several procedures were launched in respect of the **keeping of payment accounts** in relation to succession resulting from the account holder's death. These cases include the claims of heirs specified in the final resolution of the distribution of the estate or the claims of beneficiaries specified in the beneficiary statement belonging to the payment account. In relation to the estate distributed in the probate, in a large number of cases petitioners complained of the slow administration by financial service providers, but there was also a case in which the petitioner disputed the measures of the financial service provider on the merits. The petitioner, as the holder of the usufruct rights, objected that the financial service provider paid the balance of the testator's payment account to the heirs ignoring the usufruct rights, and submitted a claim for damages.

RECOMMENDATION: bank secret

The financial service provider managed an account under the name of the petitioner's late husband. After the death of the husband the entire estate validly devolved upon the petitioner, who asked for information from the financial service provider with regard to the transfer orders made from her late husband's account before his death; however, the service provider refused to provide the information citing bank secret. The financial service provider cited the itemised list in Section 161 of the Act on Credit Institutions, which it believed that it did not relieve it from its obligation to treat bank secret confidentially in the event of data transfer to the heir.

The acting panel recommended the service provide to disclose the requested information to the heir in respect of transfer orders, as there is no restriction related to bank secret in respect of heirs. The acting panel drew the service provider's attention to the fact that based on the provisions of Section 7:1 of the Civil Code the entire estate devolves upon the heir, which also means that the succession applies both the obligations and rights related to the estate. The heir is entitled to the same right as the predecessor, thus no bank secret may exist for the heir.

In cases, in which testators left a debt and financial service providers called upon the heirs to settle the debt only after several years, petitioners always objected that the service providers charged interest for the period elapsed between the transfer of the estate and the measure taken for the sake of enforcement. They particularly criticised the financial service providers' delayed actions in those cases in which service providers failed to register the testators' debt in the probate procedures as the debt of the deceased, the heirs did not learn thereof from other sources either, and as such they were not in the position to calculate with it. In these cases financial service providers made efforts to find an equitable solution for the petitioners to close the dispute, thus usually they concluded a settlement agreement.

PROPOSAL OF THE BOARD
TO AVOID PROBLEMS RELATED TO PAYMENTS

- Consumers should study the contracts concluded with financial service providers, including the general contractual terms, the announcements and the lists of conditions, as only in the knowledge thereof can they consult the teller of the financial service provider in a comprehensive manner.
- If a consumer makes a legal declaration (e.g. terminating the account, submitting an order) when acting in person, he should ask for a written confirmation thereof. The issuance of the confirmations is often integrated at systemic level in the procedures of the financial service provider, thus it can be assumed that the absence thereof also means the failure to fulfil the requested operation.
- If a petitioner wishes to submit any instrument in person via the teller of a financial service provider, he should ask for a documentary confirmation of the submission (e.g. on the copy of the submitted instrument).
- The account statement sent by the financial service provider should always be checked, as the service provider communicates important information in it, in addition to the monthly transactions, with regard to the future changes of the terms and conditions or potential discounts.
- Financial service providers should make efforts to provide accurate and full information. If consumers give orders or make other requests verbally, the requests should be confirmed in writing even if it is not specifically asked for by the consumers.

DEPOSITS

Disputes related to new deposits typically arose from the fact that the eligibility for the preferential deposit rate was tied to a condition, or usually to the simultaneous fulfilment of several conditions, and those were not met at the time or during the period prescribed by the deposit contract. The consequence of non-fulfilment of the conditions was that upon the maturity of the deposit financial service providers credited an interest amount calculated not with the preferential interest rate, but with a clearly less favourable “basic rate”. The Board found that irrespective of the amount to be placed on a term deposit, i.e. in the case of higher amount deposits as well, customers turned to the administrator of the financial service providers with trust, accepted his advice in all issues, thus, e.g. in respect of early withdrawal of deposits and preferential rate deposits, not noticing that the conditions of the new deposits, including the interest premiums, may have changed. Almost without exception in all cases petitioners cited that they had submitted an order for a new deposit based on the information provided by the administrator of the financial service provider, the conditions specified by the administrator upon submitting the order in respect of the petitioner’s new deposit were complied with in full, the condition designated by the financial service provider as missing were unknown, they had received no information about it, nor had been warned about the existence thereof and the legal consequences of non-compliance. Financial service providers resolved the disputes in various manners. There were cases in which financial service providers undertook to pay part of the difference in interest in view of the customer relation dating back to several years, while in other cases, in view of the fact that prior to making the deposit petitioners received the relevant announcement and had the opportunity to peruse it, and the probability of false information provided by the administrator was negligible, rejected the petitioners’ claims.

The number of disputes related to **home advance savings account** was not high. Disputes arose, among others, in relation to contracting fees, the crediting of state subsidy and the granting of housing loan that may be applied for with regard to the home advance savings account. In view of the fact that the rules of the home advance savings account facility are governed by law, there was limited room for the parties’ free agreement. A dispute arose from the fact that the petitioner raised the contractual amount in respect of two

of his contracts and he should have paid an account opening fee difference. In the case of one of the contracts the financial service provider, as the fee difference had already been collected, refused to repay the amount, while in the case of the other contract, with a view to settling the matter amicably, waived the payment of the fee difference, and in the end the parties concluded a settlement agreement.

In another dispute, also related to fee payment, the petitioner argued that upon concluding the contract he had emphasised to the participating salesperson that due to his personal circumstances it was uncertain at the time of concluding the contract whether he would be able to satisfy the conditions necessary for the state subsidy. He stated that the salesperson informed him that if the advance savings deposit was terminated, the already deposited amount, including the contract conclusion fee, would be returned to him. During the procedure it was not proven that the petitioner had indeed received erroneous information; nevertheless, the financial service provider undertook, on equitable basis, to repay part of the contracting fee paid.

Procedures were also initiated due to the cancellation and repayment of state subsidy. In one of the cases, the petitioner concluded two home advance savings contracts in a way that in the case of one of the accounts he indicated a beneficiary for the utilisation of the state subsidy. The beneficiary passed away and, as it is customary in such cases, the state subsidy could have been applied for by specifying another close relative beneficiary. In the absence of this, the account savings may only be paid out in the amount increased by the interest on the deposit. Since the petitioner was unable to designate another beneficiary complying with the relevant statutory provision, his petition for crediting the state subsidy was unfounded, the procedure was terminated and the financial service provider had to repay the state subsidy applied for until that date together with the interest to the Hungarian State Treasury.

PROPOSAL OF THE BOARD FOR PROBLEMS RELATED TO DEPOSITS

It is extremely important that consumers should peruse, in addition to the individual deposit orders, the general contractual terms, the announcements and the lists of conditions, as these are the documents that contain in full the conditions of granting higher interest or other preferential conditions and benefits. Usually these conditions are easy to understand; the disputes are caused by the fact that consumers do not become acquainted with them in due course.

Service providers should emphasise to the tellers the importance of providing accurate and complete information. If standard forms are used for preferential new deposits, these forms must be clear and transparent.

DEBIT CARDS

Cases related to the use of debit cards usually involved the **use of automatic teller machines (ATM)**. The vast majority of disputes in connection with this concerned cash withdrawal from the ATMs. Procedures also started in relation to certain services belonging to bank cards (e.g. SMS service), and also because petitioners disagreed with the conversion of the amounts withdrawn from Hungarian ATMs using their foreign bank cards, or they complained of the settlement of the transactions when they used bankcards issued by a domestic financial service provider abroad.

In a large number of procedures involving complaints related to cash withdrawal from ATMs, petitioners and financial service providers identically specified the place and date of the executed or attempted cash withdrawal transaction by a bank card; however, according to petitioners the specified amount was debited to the payment account despite the fact that the ATM did not issue the banknotes.

If during a procedure financial service providers were able to prove, in respect of the disputed transactions, by documents retrieved from their system, that the transaction was executed with the use of the correct PIN code, the error log contained no error message, the ATM stocktaking did not reveal any difference (surplus), they consistently refused to reimburse the disputed amount. They emphasised that the proper use, storage and safekeeping of bank card data, including the PIN code, was the responsibility of petitioners. It cannot be regarded as proper safekeeping if a petitioner stores the PIN code next to his bank card, or at a place that can be acquired together with it, thus e.g. in his mobile phone.

Several ATM-related cases ended with positive results. In one of the cases the petitioner disputed the cash withdrawal. He stated that despite several attempts, the ATM did not dispense cash in the requested amount, only much less than that. On his account statement the financial service provider indicated the cash withdrawal in the requested amount. The financial service provider investigated the petitioner's complaint by analysing the ATM journal tape and the stocktaking of the cash holdings, based on which it rejected the petitioner's complaint. After launching the Board's procedure the financial service provider repeatedly investigated the case and based on the analysis of the ATM video recording it established that the transaction had been initiated by the petitioner, but he left the ATM before the completion thereof and the cash was taken from the ATM slot not by the petitioner, but by another customer of the financial service provider. When the financial service provider contacted this person, he repaid the illicitly taken amount and the financial service provider credited the disputed amount to the petitioner's account.

In another case, the petitioner enforced a claim against the financial service provider due to a malfunction occurred during the use of an ATM. In this case as well the petitioner stated that despite the fact that his attempted cash withdrawal failed, the financial service provider debited his account with the claimed amount. The financial service provider repeatedly verified the disputed transaction in the procedure at the Board, in the course of which it established that the petitioner's complaint was grounded, as a surplus occurred in the respective ATM. Within the framework of a settlement agreement the financial service provider undertook to credit the claimed amount to the petitioner's payment account.

In another ATM-related case the financial service provider stated at the hearing that based on the video recording taken by the ATM it could be established that an unidentified person stepped to the ATM after the disputed transaction, but did not initiate a bank card transaction, thus it gave rise to a suspicion that theft may have occurred. The financial service provider informed the petitioner that it can release the video recording upon an enquiry from a public authority. Although in this case no immediate solution could be provided for the petitioner in the procedure, a positive ending of the case became a possibility, which could be ensured by a successful criminal investigation.

Several financial service providers offer the possibility to make cash deposits to payment accounts via ATMs with the use of a debit card. There were several cases, in which petitioners stated that the amount credited to the payment account was less than the amount the petitioner indicated as deposited. In these cases financial service providers proved with stocktaking documents that the deposits were made not in the amounts claimed by petitioners, thus they did not credit the amount requested by the petitioner subsequently. In view of the fact that petitioners were unable to confirm their statements, the Board had to terminate the procedures.

In several cases the subject of the dispute was the bearing of the **damages arising from fraudulent card use**. During the transactions performed with lost or stolen bank cards, in the vast majority of cases the perpetrators committed the fraud by knowing the security codes (PIN code, CVC code) belonging to the bank card. In these cases financial service providers consistently rejected responsibility for the loss, citing the customers' gross negligence. There were also examples of unfortunate events when petitioners, as victims of a crime, disclosed their bank card data via a link to a known website, which resulted in the execution of bank card transactions not intended by them. In these cases financial service providers cited the petitioners' gross negligence as prior to disclosing their bank card data they failed to ascertain that they were doing so on a real website, hence they usually refused to reimburse the loss. It happened in one case that the financial service provider reimbursed the full loss as the petitioner provably did not disclose his bank card data the fraud was committed without it.

PROPOSAL OF THE BOARD
FOR PROBLEMS RELATED TO DEBIT CARDS

It is a feature of the product that consumers "communicate" with the service providers not in person, but most often via ATMs or card reader terminals. The safekeeping and secure use of the PIN code to be applied for the identification of the card bears utmost importance.

CREDIT CARDS

The vast majority of disputes related to credit card products arose in connection with those credit card contracts that petitioners concluded upon the purchase of goods, simultaneously with a trade credit contract, contained in the same instrument. According to the contracts, the loan assessment related to the credit card and the dispatch of the credit card to petitioners took place after the fulfilment of the instalments arising from the trade credit contracts within a certain period of time. There were a few petitioners who utilised the credit line approved for the credit cards and accumulated a debt from that. In several cases the credit cards were not activated, but due to the charging of the credit card and account-keeping fees and the non-payment thereof by the petitioners, after the due repayment of the trade credit the petitioners accumulated credit card debt. These disputes typically ended with settlement agreements, as financial service providers allowed repayment by instalments at preferential interest rates or free of interest, or they forgave the debt in the case of smaller amounts. During the procedures the Board found that upon contracting, petitioners did not take into consideration the fact that they concluded a contract for two products, they were not aware of the features of credit cards and failed to peruse the usage and conditions, particularly the interest conditions. Disputes related to the use of credit cards often ended with the result that during the hearing petitioners obtained detailed information on the usage of credit cards, received a response to all of their questions and based on that they could reassuringly decide whether or not they wish to use credit cards in the future.

Unauthorised use of credit cards was the subject of financial consumer disputes several times. During an unauthorised use, the petitioner's credit card account was debited and high amounts were transferred to foreign bank accounts with the misuse of the petitioner's data after communicating over the phone. It turned out during the hearing that the misuse of data took place within the family, which was followed by filing criminal charges. The service provider did not fulfil the petitioner's request, i.e. the cancellation of the debt, but it suspended its claim for the payment of the debt until the police investigation is closed.

In credit card-related cases, if the contract was terminated due to the petitioner's default, the financial service provider typically assigned the receivable. In certain cases petitioners disputed both the legal basis and the amount of the claim. The financial service providers maintained the claim, in terms of its legal basis, in all cases, but in some of the cases they forbore from collecting it or partially waived it on the principle of equity.

PROPOSAL OF THE BOARD
FOR PROBLEMS RELATED TO CREDIT CARDS

Financial service providers should always emphasise prior to concluding a contract that the hire purchase loan contract also contains a credit card agreement. Consumers should be informed separately on the features of credit cards.

Consumers should read the contract prior to signing it, listen thoroughly to the information provided and if they have any question they should ask it before signing the contract. If they are uncertain, they should not sign the contract until they receive a reassuring answer to all of their questions. Consumers must be aware of the fact that the purchase of the product against payment by instalments is not identical with a hire purchase loan.

CREDIT AND LOAN TRANSACTIONS

A large number of disputes related to loan contracts originally related to **foreign currency-denominated contracts**. In the case of foreign currency-denominated credit and loan transactions, in a substantial number of the petitions, petitioners cited the invalidity of the loan contracts, for which they stipulated the following causes: their contractual intention was not aimed at the conclusion of a foreign currency-denominated contract; upon concluding the contract, the financial service provider did not provide adequate information on the exchange rate risk and the conditions of the contractual scheme. In a large number of cases, based on the position of the petitioners, foreign currency did not appear in their contracts, the loan amount was disbursed in forints and they did not understand why they had to bear the higher burden arising from exchange rate fluctuation. In addition to disputing the validity of the contract, it was also a frequent assumption of petitioners that if the contract is invalid then no payment obligation whatsoever exists any more, and in fact the financial service providers should repay the amounts paid so far. Some petitioners argued that they read the information on online forums that since their contract was invalid no instalments are needed to be paid. These petitioners, based on the often misleading information provided on online forums, suspended the payment of instalments hoping that their contract was fully invalid or expecting that based on the result of the procedure conducted at the Board financial service providers would waive the claim in part or in full. In these cases petitioners accumulated considerable arrears, and the magnitude of their already existing arrears was further increased by substantial default interest.

Financial service providers maintained their position in these cases as well, according to which they deem the contract valid until the invalidity thereof is established by the court and they were willing to negotiate solely in respect of the settlement of the outstanding debt. Financial service providers usually took into consideration the petitioners' circumstances that gave cause for equitable treatment. In such cases it helped the resolution of the case that at the hearing the financial service provider or the acting panel outlined the key features of the foreign currency-denominated contract scheme. Petitioners received in all cases general information also on the fact that the invalidity of a contract and the legal consequences thereof (e.g. restoration of the original status) are claims that may only be enforced by court. If petitioners understood what caused the increase in debt and accepted what was said by the financial service provider, in most cases the parties initiated a compromise on the possibilities of settling the outstanding debt. Service providers did find it feasible to waive the debt in full; when a petitioner was able to pay a higher amount in one sum, then the remaining debt was forgiven in part or in full.

A large number of petitions were received in which although petitioners disputed the validity of the contract, they accepted the fact that they had a debt, and wished to settle it. They mostly asked for debt forgiveness citing equity arguments. In these cases it created difficulties that petitioners often had no specific financial offer for the settlement of their debt and expected the financial service providers to somehow resolve the situation. Most frequent causes cited by petitioners included changes in their living conditions, decrease in their income, job loss and illness. Cases related to these types of petitions of equity rarely ended with settlement agreements. In order to resolve equity petitions, financial service providers recommended to submit a specific petition, containing documentary evidence of the circumstances to be taken into consideration based on the principle of equity. In some of the cases they proposed the joint sale of the property serving as collateral for the loan, as they saw higher probability of debt forgiveness after the prepayment from the purchase price.

In the case of **mortgage loans**, the Board most often received equity petitions from customers with terminated contracts due to payments in arrears over 90 days, where the debt had already been transferred to a debt management company. Petitioners argued in several cases that based on MNB Recommendation 1/2016, financial service providers should provide them with an opportunity to resolve the case and forgive part of the debt. Financial service providers usually did not rule out selling the collateral property, but in most cases this was not acceptable for the petitioners, as they had no other accommodation. Some of the financial service providers offered no other solution for petitioners, and even denied their consent to participate in the NET programme of the National Asset Management Fund (Nemzeti Eszközkezelő). In these cases settlement agreement on the merits were rare, usually because petitioners as debtors were practically insolvent, and under the minimum monthly instalment offered by them it was unrealistic to expect the recovery of the loans, the

amount of which was often several tens of millions of forints. In these cases the conclusion of a compromise was also often hindered by the fact that there had been already a foreclosure procedure in progress against the debtor, to which several service providers were parties, seeking enforcement.

The Act on the Conversion into Forints also gave rise to cases heard by the Board, as the said Act declared among others that within 90 days from the receipt of the notification on contract modification consumers were entitled to terminate the contract and make a final repayment to the service provider on condition that in such cases service providers were not entitled to charge any cost or fee to the consumer (preferential final repayment). A number of disputes arose from the inaccurate amount of final repayments. A petitioner indicated his intention to make a final repayment to the financial service provider, which in turn defined the amount to be paid. However, upon the final repayment the petitioner did not pay the exact amount, as a result of which the financial service provider treated it as excess payment. In this case the service provider could not be found in non-compliance, as it called the petitioner's attention to the fact that it could close the contract only upon the receipt of the exact amount during the final repayment.

In other cases, petitioners informed financial service providers in advance that they would make the final repayment from a loan taken from another bank, but failed to attach the related loan contract. Since the financial service providers saw no confirmation for the source of the repayment from a loan taken from another bank, they charged the fee legitimately. In some of these cases, financial service providers waived part of the fee on an equitable basis. In other cases, in relation to the charged or paid fee for final repayment, petitioners wished to enforce their claim for the reimbursement of the final repayment fee citing that they received no proper information with regard to the possibility of terminating the contract and that the fee charged upon the final repayment differed from that of specified in the confirmation of debt.

BINDING RESOLUTION: waiving the amount reclaimed under the title of unjust enrichment

The petitioner objected to the fact that the financial service provider, citing unjust enrichment, demanded the return of the unfairly charged amount paid to him. According to the position of the financial service provider, the consumer receivable specified in the Settlement Act was paid as a result of an administration error (during the settlement the service provider did not take into consideration the allowance applied), thus the petitioner acquired it without a legal basis, hence it must be paid back to the service provider; in addition, it noted that no new settlement was prepared for the contract.

According to the available documents, the financial service provider prepared no new – adjusted – settlement, containing the applied allowance, within the available deadline. If the aforementioned contract had ceased as a result of the preferential final repayment, the financial service provider should have prepared the settlement by November 2015; however, the settlement was prepared by April 2015, i.e. the settlement deadline applicable to contracts not involved in the final repayment. According to the position of the acting panel, the financial service provider wanted to reclaim an amount from the petitioner in respect of which the financial service provider failed to substantiate the rightfulness of the claim either by preparing a new settlement or in any other way; in addition, the petitioner would have not been entitled to dispute the amount on the merits (i.e. the sum of it) due to the expiry of the deadline for complaints. Moreover, based on the submitted documents, the petitioner withdrew the amount calculated and repaid by the financial service provider in good faith and meanwhile spent it. Based on the foregoing, the acting panel called upon the service provider not to enforce the claim against the consumer.

The law maximised the amount of instalments in the case of consumers with loans tied to an accumulation account. Financial service providers kept separate records of the difference between the instalment chargeable on the basis of the contract and the maximum instalment payable. Several petitions arose due to the fact that after the statutory settlement, petitioners made a final repayment of their loan, however, financial service providers failed to indicate the amount of the difference, accounted for separately, on the confirmation of the outstanding debt. Due to the omission of service providers, petitioners faced the extra burden upon the final repayment, the payment of which caused a problem to them, particularly when the deadline allowed for the free of charge final repayment was close or the payment made later than planned generated additional extra

burden (e.g. interest). Petitioners usually did not dispute the existence and the amount of debt, but criticised the late notification thereof and in view of this asked for the payment of a certain amount. Service providers did not rule out the reimbursement of the confirmed loss; however, petitioners were unable to confirm the loss.

One type of the petitions received in relation to credit and loan transactions was closely related to the **refinancing of loans.** Petitioners disputed the amount of the fee charged upon loan refinancing; the absence of the actual refinancing was a frequent problem. In several cases, petitioners made arrangements for the refinancing or the final repayment, but forgot to fill in or submit the application for final repayment. The amount used for the final repayment appeared on the financial service providers' technical account, but the actual closing of the loan to be refinanced or closed did not take place, thus it continued to accrue interest.

In some of the petitions petitioners contested the basis of foreign currency-denominated lending. In the case of foreign currency-denominated loans, the settlement laws did not deal with the exchange rate difference arising from the different currency of disbursement and repayment. In the case of foreign currency-denominated loans consumers faced the fact that until the conversion into forint, at times their principal debt communicated in forints rose compared to the loan disbursed in forints instead of gradually decreasing. In the opinion of the petitioners, this does not comply with the definition of loan set out in the Civil Code. They recalculated their outstanding loan debt, claiming that the interest rate can only be the central bank base rate hence in their view service providers must repay the amount due to them. In view of the fact that petitioners basically cited invalidity when they recalculated their debt, the Board terminated the procedures in these cases.

As regards the mortgage loans, the amount of the fee charged for final repayment often gave rise to a dispute between the parties. Several petitions disputed the percentage rate of the prepayment or final repayment fee. In these cases, petitioners typically considered the rate specified in the contract as governing, although the contracts stipulated in all cases that it would be charged in accordance with the conditions specified in the prevailing announcement, which was used by service providers correctly. In several cases financial service providers did not accept the petitioners' arguments, but after a repeated review they proposed a settlement offer and refunded part of the fee charged for final repayment.

RECOMMENDATION: fee for final repayment

The petitioner criticised that the financial service provider charged 2 per cent of the outstanding principal debt as prepayment fee during the final repayment, as in his opinion this could have been only 1 per cent. The financial service provider took the position that it acted correctly upon charging the final repayment fee, arguing that Section 25 of the Consumer Loans Act was amended after 21 March 2016, which had to be taken into consideration on the date of the final repayment.

The Board issued a recommendation, in which it recommended to the financial service provider to repay 50 per cent of the final repayment fee paid by the petitioner upon the final repayment, i.e. to charge the final repayment fee at 1 per cent. The acting panel of the recommendation took into consideration the legislator's intention described in the general justification of the Amending Act, which ordered to apply Section 25 (1) of the Consumer Loans Act to contracts concluded after the Amending Act's entry into force, thus in respect of contracts concluded before the effective date of the Amending Act the legislator maintained the differentiation by the purpose of the loan. According to this, when Section 25 of the Consumer Loans Act in force at the time of concluding the contract is to be applied, not only subsection (1) of Section 25 of the Consumer Loans Act must be applied as the main rule, but also subsection (4) thereof, as an exception to the main rule when applying the Act to the contract involved in the procedure.

In the case of **personal loans**, it occurred several times that a nominal principal debt may as well have trebled after the termination of the loan and the assignment thereof to a debt management company – in view of the fact that consumers failed to settle their debt – due to the default interests charged by service providers, the payment of which caused considerable difficulties. It was a general feature of personal loan contracts that they entailed substantial costs and consumers did not act with due care when they took these loans. In a number of cases the parties managed to agree in the restructuring of the debt or the service providers offered to reduce the interest rate.

RECOMMENDATION: handling fee

The petitioner and the assignor financial service provider concluded a loan contract entitled Housing Loan with Supplementary Interest Subsidy. The assignor financial service provider later terminated the contract and assigned the debt recorded on the loan account to the assignee financial service provider in the beginning of the following year. In its response submitted in the procedure, the assignor financial service provider stated that the assignment declaration contained an erroneous amount for the handling fee; due to an individual technical error, it debited the loan account monthly between the date of termination and the assignment with the handling fee. It stated that the loan contract did not provide the financial service provider with the right to charge a handling fee upon late payment hence the termination letter could not contain it either. It stated that in the respective period it should have not debited the loan account with the handling fee. It proposed a settlement offer however the petitioner did not accept it. Based on the declaration in the response of the assignor financial service provider, it debited the loan account and raised the petitioner's debt with the amount of the handling fee illegitimately. Accordingly, the amount of the assigned debt was stated incorrectly in the notice on the assignment.

According to the recommendation, the assignor financial service provider had to transfer the amount charged between the dates of the termination and the assignment of the loan contract to the petitioner's account held with the assignee financial service provider, and in view of this, the assignee financial service provider had to reduce the amount of debt in respect of the date of assignment and had to calculate the registered amount of the debt accordingly.

In the case of **consumer credits** a number of petitions related to payment protection insurance. Petitioners cited that they were not warned that besides the loan, advertised with a percentage-based APR, they also took out payment protection insurance. The reason of this phenomenon is that the loan applications were submitted at the merchants acting as an agent, where the petitioners were much more interested in the technical parameters of the products than the conditions of the loan. Several petitioners claimed that they only signed the loan application form, and did not tick off the payment protection insurance option. In the case of these petitions, the financial service providers proposed, as a settlement agreement, to cancel the payment protection insurance, or if it could be confirmed that petitioners had already indicated their intention to terminate the insurance previously, financial service providers cancelled the insurance premiums retrospectively. It was often the case that petitioners failed to check the loan conditions carefully, as a result of which, in the case of trade credits with high APR, they incurred substantial instalment obligation, of which they complained subsequently. In such cases, at the hearings the acting panels first of all made efforts to present how the instalments were accounted for, and to make consumers understand that the principal does not decrease to the degree expected by petitioners due to high interest rates. In these cases only a small number of disputes ended with a settlement agreement.

In a number of cases, **the underlying cause of disputes related to hire purchase loans was that in the opinion of consumers the quality of the product purchased from the loan was inferior and they wanted to return it**. However, they reported their intention to withdraw from the transaction after the deadline, thus it was not possible to take the goods back. Petitioners unfoundedly complained that they had to continue to pay the instalments of the loan taken for a product of substandard quality.

Several petitions were received, in which petitioners had several loans with a financial service provider – typically with financial service providers offering "quick loans" – and they disputed the way the **instalments were accounted for**. In these cases petitioners incorrectly indicated the contract or reference number on the postal money order or the payment order, thus the instalment was not posted to the loan that it was intended for by the petitioner, as a result of which he incurred default interest. In these cases financial service providers, in view of the consumer's mistake, repaid the default interest or credited it to the loan account, and the parties were able to conclude a settlement agreement.

Petitioners often cited the failure of the financial service providers' duty to provide information or the inadequacy of the information. In these cases the acting panels primarily examined the provisions of the contract, in view of the fact that there is limited room to prove the absence or the inadequacy of the information.

The Board received a number of petitions in relation to **state subsidy for housing purposes**, and particularly to pre-financing loans, in which petitioners claimed that financial service providers ignored the fact that they

reported the birth of their child in due course and they fulfilled their contractual undertakings. In their opinion, financial service providers illegitimately charged the contribution paid by the state during the repayment of the pre-financing loan. During the procedure petitioners were unable to prove that they complied with their reporting obligation in due course, therefore the acting panels terminated the procedure.

In relation to technical accounts linked to loan contracts with an exchange rate cap scheme (accumulation account loans), petitioners reported as an additional problem that they were unable to find out the reason why the service providers kept a debt against them on their records and to calculate the amount thereof. At the hearings service providers presented and deduced in detail the debts recorded on these technical accounts, thus the acting panels terminated the procedures.

Several petitions related to the participation in the **programme of the National Asset Management Fund**. One of the petitioners criticised that the service provider – despite the fact that he complied with the statutory conditions – rejected his application to participate in the programme of the National Asset Management Fund, citing business policy reasons. The financial service provider's reason for rejection was grounded, thus the procedure was terminated. In fact, the reason for the rejection was partly the non-compliance with the statutory conditions (e.g. the loan amount exceeded 90 per cent of the property's market value, the mortgagee of the loan and the lender were two different financial service providers), and in part business reasons, as the financial service provider could hope for higher recovery upon selling the property. In the case of these petitions procedures ended with termination as well.

The Board found that in most of the cases the interpretation of compliance with the eligibility criteria for participating in the programme of the National Asset Management Fund caused difficulties to petitioners. In several cases the person participating in the programme and the vulnerable relative were two different persons. As a result of this the applicant and the vulnerable person satisfied different conditions, however the participation was conditional upon joint compliance with several conditions. The definition of the notion of close relative served as a basis for several disputes.

PROPOSAL OF THE BOARD
IN RELATION TO CREDIT AND LOAN TRANSACTIONS

- It is necessary to inform consumers that the submission of a complaint to the service provider or a petition to the Board does not entail the suspension of their payment obligation. The instalments should be paid by the due date even after filing a complaint or petition, as the parties' contractual obligations continue to exist.
- If the repayment of the instalments of an outstanding loan causes difficulties to consumers and they apply to the financial service provider for payment facilities, they should propose a realistic settlement agreement to the service provider, as it is also in the interest of consumers to find a real solution in the matter. Accordingly, if a consumer's outstanding debt is HUF 20,000,000, an offer of HUF 10,000 monthly instalment cannot be regarded as a realistic settlement agreement proposal, as presumably this amount would not cover even the interest. A realistic proposal may increase the chances of a settlement agreement.
- In the case of loan refinancing or final repayments, financial service providers always proceed on the basis of an application. Service providers should provide adequate and accurate information on the conditions necessary for a transaction. The declaration of a consumer can be proven if they submit their application on the dedicated, paper based standard forms, and ask the administrator to acknowledge the receipt thereof on a copy, which must be retained by consumers.
- Consumers should obtain information, prior to concluding the contract, on the conditions of the given loan or credit transaction, with special reference to APR, and other costs not included in the APR, thereby avoiding facing with unexpected expenses later. However, service providers also have special responsibility for providing necessary information. Consumers must be informed of the contractual conditions in a simple and easy to understand way. In the product brochures service providers should highlight the circumstances that most frequently give rise to disputes and call the attention of consumers to the special features of each transaction.

MOTOR VEHICLE FINANCING, PROPERTY AND FINANCIAL LEASE

In the case of new petitions received in 2016 in relation to motor vehicle financing, property and financial lease contracts, it could be observed that for the majority of the petitioners it was still difficult to meet their payment obligations even after the statutory settlement and the conversion into forints, performed on the basis of Act XL of 2014 and Act XCLV of 2015, respectively.

Disputes related to vehicle purchase financing loans and lease contracts were partially attributable to the foreign currency nature of the contracts at the time of conclusion. Petitioners were unable to pay the higher instalments resulting from exchange rate fluctuations, thus the loan contracts were terminated. In addition, in the case of fixed instalment loan contracts the principal debt did not change or hardly changed due to exchange rate fluctuations, hence petitioners requested that financial service providers should assume part of the extra burden arising from exchange rate fluctuations. It was rejected by financial service providers in all cases. Another problem was that the petitioners' position was that by paying fixed instalments they acted in accordance with contract therefore they wanted to continue paying fixed instalments until the end date of the maturity set in the contract. In these cases the parties usually were unable to reach a compromise.

Financial service providers converted the foreign currency-denominated car purchase financing loans in accordance with the provisions of Act CXLV of 2015 on Resolving Issues Related to the HUF Conversion of Receivables from Certain Consumer Loan Agreements. As a result of this, in the first half of 2016 the Board received a large number of petitions related to disputes arising from car purchase financing loan contracts. The common feature of these procedures, related to the notification letters on the conversion of the car financing loan contracts into forint, was that a large number of petitioners disputed the amount of the outstanding debt or the repayment schedule thereof after the conversion into forints. In several cases, petitioners understood only at the hearing that the conversion of the debts took place not at the exchange rate that prevailed on the contracting date, hence the forint equivalent of the principal debt was registered in a higher amount than designated by them thus it also influenced the repayment schedule. At the hearings financial service providers most often provided a full description of the features related to the conversion into forints, often also deducing the specific calculation method in detail.

Settlement agreements for the repayment of the outstanding debt were concluded in several cases, even in such a way that in some of the cases financial service providers were willing to reduce the outstanding debt or to offer the possibility of repayment by interest-free instalments.

There were only a small number of cases in which petitioners did not agree to the conversion into forints, thus their contracts continued to be denominated in foreign currency. In these cases financial service providers showed willingness to convert the outstanding debt into forints at the prevailing exchange rate. There were petitioners who disputed the conversion into forint in their petitions – although the statutory conditions of these were fulfilled – however, based on the information received at the hearing, they changed their position and they managed to agree with the financial service provider on the continuation of the instalments under more advantageous conditions.

SETTLEMENT AGREEMENT: CHF-denominated terminated car purchase financing loan contract

The petitioner turned to the Board alleging that he had already paid off the car purchase financing loan and that he was unable to pay more due to his financial and family circumstances. In its response, the financial service provider stated that the contract was concluded validly, it was a CHF-denominated loan, with variable interest rates. The outstanding debt represents a legitimate claim of the financial service provider.

The contract of the petitioners continued to be denominated in foreign currency, in view of the fact that the customer did not accept the proposed amendment of the contract related to the conversion into forints. Since the petitioner failed to meet his payment obligation, the financial service provider terminated the contract with immediate effect. Based on this, the full debt of the petitioner became payable in one sum. The parties concluded a settlement agreement at the hearing, according to which the financial service provider forgave a certain amount of the outstanding debt. The financial service provider undertook that upon the joint sales of the vehicle, after deducting the proceeds from the debt, it would allow the payment of the remaining debt by interest-free instalments; in addition, it also undertook to remove the vehicle free of charge.

In the case of petitions belonging to the other group of petitions related to car loans and lease contracts, petitioners **disputed the validity of the contracts.** In several cases of this petition type, despite the fact that petitioners cited invalidity, they were unable to dispute the debt on the merits and made objections of general nature (e.g. they disputed the signing authority of merchants/agents acting upon the conclusion of the contract). Financial service providers refused to acknowledge the contract as null and void, and deemed the cited reasons for nullity ungrounded. They maintained their position that they would consider the contract valid until the court declares it otherwise, namely null and void, and they would settle accounts with the debtor in view of the nullity only on the basis of a binding order stated in a non-appealable court ruling.

RESOLUTION TO TERMINATE: partial invalidity of the contract

The petitioner applied for declaring a contract partially invalid. He stated that he had not received nor had he signed the information on the foreign currency-denominated loans and the risks thereof. He cited that during the tenure of the loan he had been informed that the financial service provider would not charge any default interest upon late payment. Furthermore, he complained that as a result of the settlement the tenure became longer; he proposed a settlement agreement that he would undertake the payment of the present instalments until the end of the original tenure, if thereafter the financial service provider raise no claim against him at all.

In its response, the financial service provider stated that the contract was concluded validly and the present outstanding debt is its legitimate claim. At the hearing, the financial service provider proposed alternative settlement agreement offers for the closing of the contract, i.e. either to pay the outstanding debt by instalment with low, fixed interest rate, or, upon selling the vehicle – after offsetting the proceeds against the debt – to pay the remaining debt by interest-free instalments. The petitioner insisted on his objection related to invalidity and did not accept any of the financial service provider's proposed settlement agreement offers. Accordingly, the procedure was terminated as the continuation thereof became impossible.

In a number of these cases a settlement agreement could be reached during the hearings. These agreements typically related to the reduction of the transactional interest rate or to the decrease of instalments by extending maturity. Experience still showed that service providers were willing to agree on debt forgiveness of a larger amount, if it was accompanied by a larger amount of payment by the petitioner.

Many petitioners failed to take into consideration when they took out the loan that the value of the vehicle would considerable decrease within a short period of time and fully depreciate by the end of the tenure. In some of the cases the vehicles were stolen, thus petitioners did not want to continue paying their debt in view of the fact that they no longer possessed and used the vehicle, thus – they argued – they would pay a debt in respect of an asset they did not even have. In these cases petitioners received detailed information at the hearing to the effect that irrespective of the said circumstances they had to meet their outstanding payment obligation; in view of this, they were already in a position to agree with the service providers on the potentially eased terms of payment.

In many instances petitioners disputed the legitimacy of the repossession of vehicles securing the loan, as well as the sales price of the repossessed vehicles. In these cases it could be established that financial service providers legitimately terminated the contract due to the debtor's default on the payment obligations specified in the loan contracts, and they duly documented the repossession of the vehicle securing the loan and settled accounts with regard to the vehicle's sales price in accordance with the contract. The respective contracts and the related business regulations stipulated that the valuation (minimum sales price, option price) had to be performed on the basis of the vehicle's EUROTAX value, and the amounts settled by financial service providers satisfied this criterion. In view of this, the Board was not in the position to accept the petitioners' arguments according to which it would have been possible to sell the vehicle for a higher price in the market.

The settlement of the exchange rate difference charged in respect of **foreign currency-denominated integrated CASCO** premium was a recurring case type. At the customers' request, the respective service providers prepared a statement – in view of the Supervisory Authority's resolution to this effect – on the exchange rate difference

projected on the insurance premium enforced and collected in the interest. They refunded part of the exchange rate difference allocable to CASCO in 2015, in relation to which – due to the considerably different amounts – several customers initiated proceedings. Financial service providers cited that they were not in the position to depart from the method recommended by the supervisory authority, and by applying such method they fully complied with their reimbursement obligation. The position of customers was that it was the financial service provider that provided them with the information on the actually collected amount for the insurance premium under the title of exchange rate difference hence it has to refund it.

The position of the Board was that in cases in which financial service providers formerly calculated, at the customer's request, the exchange rate difference charged on CASCO premiums, petitioners had a good reason to expect that this served as a basis for the amount of the reimbursement.

RECOMMENDATION: integrated Casco

In relation to a CHF-denominated loan contract, the insurance premium of the integrated CASCO was paid by the petitioner in the due instalments as part of the interest. In view of the infringement, the financial service provider had a settlement obligation to determine the exchange rate difference charged in respect of the premium. The petitioner complained of the amount of the reimbursement calculated by the financial service provider, as according to the previously sent statement on the exchange rate difference calculated and charged on the fixed amount insurance premium, the interest amount to be refunded was higher, hence he asked for the payment of that. The financial service provider took the position that it calculated the amount to be refunded correctly, with special regard to the fact that its settlement obligation was due from the amendment of Section 210 (5a) of the Credit Institutions Act (29 September 2011), and it used the formula and rate recommended by the Supervisory Authority. The acting panel made a recommendation to the financial service provider to pay the higher amount, i.e. the one shown in the statement, to the petitioner. In the recommendation it explained that the service provider calculated, using its own method, a higher amount to be refunded and it informed the petitioner thereof, whereas the application of the recommended formula was less favourable for the consumer. In order to ensure the enforcement of consumer protection considerations, it is recommended to apply the higher amount, as there is no statutory requirement that prohibits service providers to depart in individual cases unilaterally to the benefit of consumers.

Several petitions were aimed at the release of **vehicle registration cards**, in some cases linked to the option signed upon contracting. In these cases petitioners cited that in their opinion after the expiry of the five-year term of the option, service providers were obliged to release the registration cards. The Board examined the available contract documentation and established that the option and the depositing of the registration card were stipulated as two independent collaterals, they were not related to each other thus the expiry of the option does not entail the automatic release of the registration card. From the service providers' point of view, after the expiry of the option, the only collateral is represented by the registration card.

Petitions for the release of registration cards were ungrounded; financial service providers cancelled the option, but in view of the outstanding debt, they refused to release the registration card, which was permitted by the General Contractual Terms and the Business Regulations.

The majority of financial service providers made efforts to conclude a settlement agreement. Although in the responses they refused to propose a settlement agreement, in most of the cases they came to the hearing with a proposal. At the hearing they offered several alternatives to petitioners for the settlement of the debt, of which petitioners could select the most favourable one. When it was possible, financial service providers made an offer to extend the maturity of the contract or to reduce the amount of the monthly instalment.

Many petitioners made use of the possibility of selling the vehicle independently or with the cooperation of financial service providers, by delivering it to their business site, and offsetting the proceeds against the debt. After the offset, the debt was forgiven or a new agreement was concluded for the payment of interest-free instalments or a reduced interest rate.

PROPOSAL OF THE BOARD
FOR AVOIDING PROBLEMS RELATED TO MOTOR VEHICLE LOANS AND LEASE TRANSACTIONS

The disputes often arise due to inadequate information, the resolution of which may be facilitated by giving clear, easy to understand responses and explanations without use of technical terms. The Board recommends the financial service providers to make efforts to use communication that provides customers with uncomplicated, simple and easy to understand answers on the merits of their question..

CASES OF DEBT MANAGEMENT COMPANIES

The Board commences the proceedings against debt management companies – subject to the existence of certain statutory conditions – if it can be clearly established that the purchased receivable arose from a financial service legal relationship between a financial service provider supervised by the MNB and the consumer.

In these cases the legal predecessor financial service providers terminated the contract due to the petitioners' default, thus the amount became due and payable in one sum, and thereafter it was assigned. The cases brought to the Board were primarily related to personal loans and credit card transactions, but mortgage equity withdrawals and overdraft facility transactions also generated a high number of cases. Petitioners often objected to the assignment. They cited that they did not conclude a contract with the debt management company, nor did they consent to the assignment, hence it was illegitimate, and based on this argument they stated that they were unwilling to make payments to the debt management company. They requested that the assignor financial service provider should buy back the receivable. In these cases, petitioners, after having been informed of the rules of assignment, were cooperative in most of the procedures, with a view to resolving the real problem, i.e. their payment difficulties.

In the procedures initiated against debt management companies, petitioners essentially disputed the amount of the claims and petitions were aimed at possible ways of settling the debt. In order to ensure eased payment terms and payment by instalments petitioners often filed equity petitions. In equity cases debt management companies usually did not rule out payment by interest-free instalments in view of the petitioners' health, social and income situation. A large number of proceedings ended with a settlement agreement between petitioners and debt management companies. In the concluded settlement agreements it could be observed that debt management companies often forgave substantial part of the debt, particularly when a large amount was paid in one sum.

In several cases petitioners initiated procedures at the Board both against the legal predecessor financial service providers (bank, financial enterprise) that concluded the original contract and the debt management companies. In these cases petitioners also disputed the pre-assignment situation and the procedure of the legal predecessor, including the legitimacy of the termination, the amount of the assigned debts and the composition thereof by title, the recognition of the payments; in some of the cases they also complained of the absence of information on the assignment, the failure to send a payment warrant, and in several cases they raised the defence of the statute of limitations.

In some of the cases petitioners were not aware of the fact that any discount from the outstanding debt – after the assignment – may only be provided by the assignee debt management company.

There was also a case in which the financial service provider transferred the claim by assignment to a debt management company during the procedure conducted at the Board. In these cases, although the procedure commenced against the legal predecessor financial service provider, it cited that any legal declaration in respect of the debt and the settlement thereof can only be made by the legal successor financial service provider, i.e. the debt management company. Financial service providers, being sufficiently cooperative in these cases,

ensured that the assignee appeared at the hearing and made a declaration on the merits, thereby supporting the possibility of conducting a successful procedure.

In a smaller number of equity procedures initiated against debt management companies, petitions were withdrawn. This was mostly attributable to the fact that during the hearing debt management companies informed petitioners of the documents and confirmation necessary for assessing their situation, so in view of them they can become eligible for some form of discount. After receiving this information, petitioners agreed to submit the instruments specified by the financial service providers and simultaneously decided to withdraw their petition to ensure that they can repeatedly initiate the procedure of the Board if necessary.

Settlement agreements could be reached for the closing of transactions also in cases, in which petitioners argued that the debt was barred by the statute of limitation – maybe already before the assignment thereof to the debt management company – and asked to declare the debt barred. Financial service providers, if they were unable to confirm by documents that the defence of the statute of limitations was ungrounded, often accepted the petitioners' position and undertook not to enforce the claim in the future and cancel it from their records.

SETTLEMENT AGREEMENT: cancellation of the full registered debt

The petitioner stated in his petition that his father, who used to be co-debtor in a personal loan contract, had passed away and the financial service provider demanded payment of the outstanding debt of him, as successor. The petitioner disputed the APR stated in the contract, as in his opinion it was unfair. He argued that the debtor had already paid the full debt based on the contract and complained of the inadequate information, and also raised the defence of the statute of limitation. In its response, the financial service provider disputed the content of the petition, and proposed that the debt claimed by it be paid by instalments, at the petitioner's choice, in 48 months by fixed amount instalments. At the hearing the parties agreed that the financial service provider would not lay any further claim in respect of the receivable under any title, and would close the case. In the procedure the petitioner was unable to confirm and substantiate his statements made in respect of disputing the legal basis and the existence of the debt, while the financial service provider could not confirm that any legal act took place that would have interrupted the statute of limitation.

In cases in which debt management companies were not cooperative, the conclusion of settlement agreements during the procedure was rather difficult. In some of the procedures the representatives of certain financial service providers were not authorised to make decisions even in those cases in which petitioners wanted to agree, without decreasing the amount of the debt, on the payment thereof by amending the deadline or the amount of the monthly instalments.

PROPOSAL OF THE BOARD
FOR CASES RELATED TO DEBT MANAGEMENT COMPANIES

In view of the fact that debt management companies enforce claims originating from terminated contracts, and becoming due in one sum, the interest burden of which is higher than earlier, it is particularly important to emphasise that the respective consumer should contact the debt management company as soon as possible, and make efforts to conclude an agreement for the settlement of the debt he does not dispute, whereas in respect of the disputed debt, he should initiate a complaint procedure and only upon the failure of which he may turn to the Board.

3.2.2 Disputes related to insurance contracts

As regards disputes related to insurance contracts, it was a general experience that a large number of consumers are not aware of the fact that the conclusion of the insurance contract creates a contractual obligation between the parties rather than an obligation for claims. It was a typical argument that customers took out insurance so the "insurer should help when it comes to grief". However, insurers provide coverage based on the contract between the parties for the risks and subject to the conditions stipulated in the contract, and perform the service set out in the same. Namely, the insurance contract does not cover all incurred damages and does not necessarily provide coverage for the claims regulated by insurance events.

It was a common experience that consumers failed to peruse, **prior to concluding the contract**, the general contractual terms (insurance regulations or insurance conditions) becoming part of insurance contracts, thus they realised only later for which risks are covered and under what conditions. Petitioners often cited in the procedures at the Board that they had not received the insurance conditions upon concluding the contract; however, the proposal documents contained in all cases, but one or two, the customer's declaration that he had received, become familiar with these instruments, and had accepted the content thereof. Petitioners should have proven against these documentary evidences that the declaration made there was not true. Another problem with this argument is that had the Board accepted that the insurance terms and conditions had not become part of the contract, the creation of the insurance contract would have also become questionable, because it would have not been possible to establish the existence of the agreement between the parties in respect of essential elements of the insurance contract (insurance events, insurance benefits, etc.). Accordingly, in the absence of a contract, insurers would not be obliged to provide insurance benefit for the damage suffered by petitioners. Thus, this argument of petitioners yielded a result only in very exceptional cases in which financial service providers usually undertook the repayment of premiums (in full or in part) within the framework of a settlement agreement.

PROPOSAL OF THE BOARD
IN RELATION TO TAKING OUT INSURANCES

It would mean a significant progress in the enforcement of consumers' rights, if upon concluding an insurance the proposal form called the customer(s) attention, more clearly than now, to the fact that the basic conditions of the insurance are included in the general contractual terms of the insurance, thus consumers would pay more attention to actually perusing those prior to concluding the contract rather than making only a declaration to this effect.

The vast majority of insurance contracts are still concluded through traditional sales channels; however – as a result of general technological progress – an increasing number of them are realised through **online proposals**. The number of contracts concluded online is particularly high among compulsory motor third party liability insurance (MTPL) contracts and travel insurances. At a large number of these insurance contracts the parties stipulate in their agreement, due to cost efficiency considerations, electronic communication. Based on this, the insurer is entitled to send the legal declarations related to the creation of the insurance contract, premium payment, termination of the contract and other legal declarations with material legal consequence, in electronic form (by e-mail or via its own customer portal) to the contracting party. Although in recent years, online contracting practice substantially improved, there were still a large number of cases among disputes taken to the Board that were attributable to the fact that consumers failed to check regularly the e-mail messages or disputed that those were sent to them. It was revealed in a large number of conducted procedures that, in order to benefit from the discounted premium, even those consumers opted for online contracting or electronic communication, who did not even have their own computer. These petitioners regularly argued that the prudent conduct of the insurer would have been to try to contact the consumer through other communication channels as well. During the procedures conducted at the Board, financial service providers were mostly able

to confirm by authenticated system messages the time when the legal declarations were sent electronically and the success of the sending. Settlement agreements in these cases were concluded only when it could be established beyond doubt that the legal declaration sent by the insurer was returned to the service provider with an error message.

In a large number of insurance cases the dispute between the parties specifically concerned the fact whether the **claim event** (insured event) indeed occurred and the factual circumstance thereof. In these cases the laws governing proof bore special significance, according to which the facts necessary for deciding the dispute must be proven by the party who has vested interest in accepting those as true. According to the consistent and long-standing judicial practice related to insurance cases, it is the insured who has to prove that the insured event did occur, the causal relation between the insured event and the loss incurred, as well as the sum of the damage, while the proof of the existence of the circumstances giving rise to exemption burdens the insurer. The Board also applies the aforementioned principles in the cases taken to it. However, in a number of cases it was a problem that petitioners were unable to support with proper evidence the circumstances of the insured event cited by them.

In the sphere of insurance cases very often issues arose, that were relevant for making a decision on the merits of the case, and the assessment of which was the competence of an expert (technical, price or medical expert, etc.). Since the Board's proceedings do not allow to appoint experts or to conduct extensive evidence proceedings, unfortunately in these cases the Board was not in the position to make a decision on the merits. It is a particularly progressive and exemplary practice of insurers to include a technical, medical or claim expert beside a legal representative at the hearings held in the proceedings of the Board. This type of cooperation by the given financial service providers eased the dialogue between the parties, and fast consultation on the merits in expert issues.

In recent years **group insurances** represented an increasing ratio in insurance cases. The key feature of group insurance is that the insurance contract is made between the insurer and a company with vested interest in insurance rather than between the insurer and the insured. In the case of these insurance contracts the insured persons become the subject of the insurance contract by a declaration of joining or in certain cases they automatically become insured based on the legal relationship they have with the contracting party, e.g. employee, subscriber or other contracting legal relationship. A special type of these contracts includes those group insurances that create an insurance relationship between the insurer and the insured in relation to a bank card (typically credit card) contract. In these cases the insured becomes an insured party to the group insurance made between the bank and insurer merely by concluding the bank card contract. Such insurances also may include life insurances, payment protection insurances and travel insurances.

The general experience of the disputes initiated in respect of group insurances was that the insured were not aware of the conditions of the given insurance, namely the type of risks covered and under what conditions the given insurance provides coverage for the claim events suffered by them. Often the insured did not even know that by concluding the given contract (e.g. credit card contract) they simultaneously also became the insured party of the insurance contract. The new Civil Code maintained the rule – which existed in previous legal practice as well – that in the case of group insurance the insurer must fulfil its obligation to provide information only to the contracting party (i.e. not to the insured), i.e. insurers do not have the same obligation to provide information to the insured as in the case of other insurances. In cases brought before the Board the problem arising from this was clearly visible, namely that the insured or their legal successors enforcing the claim were not in possession of the information they needed to successfully file or enforce the claim.

However, in practice the parties concluded a settlement agreement in several cases in which it could not be established unambiguously whether the party that contracted with the insurer had provided the insured with the necessary information or the scope thereof or it was not documented properly that the information was provided or it was ambiguous.

PROPOSAL OF THE BOARD RELATED TO GROUP INSURANCES

In the case of group insurances persons who become insured should receive more specific and detailed information from the insurer and/or the insurance intermediary about the fact that they became insured, the content and the detailed conditions of the insurance.

NON-LIFE INSURANCE PRODUCTS

FIRE AND OTHER PROPERTY INSURANCES (HOME INSURANCES)

The largest part of the received insurance cases, similarly to previous years, originated from liability insurance contracts, and within that from disputes related to **home insurances**. The most typical disputes in this group of cases comprised storm damages and other elemental losses (natural hazards), fire and explosion damages, and burglary. In the case of petitions of this subject matter, the parties had to clarify, with the collaboration of the Board, whether any damaging event occurred that is stipulated in the insurance contract as insured event, or is there any disclaimer clause or circumstance under which the insurer can be exempted, which precludes the insurer's payment obligation.

During the proceedings the reconciliation in respect of the comprehensive exploration of the facts related to the incurred claims ended with success in a large number of cases, as a result of which insurers often modified their position formulated during the claim settlement concerning the legal basis or the amount of the insurance benefit.

COMPULSORY MOTOR THIRD-PARTY LIABILITY INSURANCE

In addition to home insurances the largest number of cases taken to the Board originated from compulsory motor third party liability insurance (MTPL). In 2016, in terms of their numerical ratio, cases related to the said insurances were almost the same as home insurance cases. Cases related to home insurance and motor third party liability insurance accounted for more than two-thirds of non-life insurance cases.

Disputes arising from motor third party liability insurances still related to non-coverage premiums payable for the uncovered period stipulated in Act LXII of 2009 on Compulsory Motor Third Party Liability Insurance (hereinafter: *MTPL Act*), the bonus-malus classification of the insurance and the amount of the insurance premium specified for the contract. **Non-coverage premiums** arose due to taking out the insurance without due care (incorrect content of the proposal), the annual switching of insurer and the termination of insurance under the cause of premium non-payment. A substantial number of contracts terminated under the cause of premium non-payment – representing an outstanding number in the case of motor third party insurance – related to electronic (internet-based) contracting and electronic communication, applied due to cost efficiency considerations and encouraged by premium discount. Problems related to data capturing in the Central Claim History Registration System and data enquiries therefrom arose several times, similarly to previous years.

In 2016 the number of disputes received in respect of the **insurers' tariff announcements and the calculation of insurance premiums applicable to the subsequent year** was higher than in previous years. In several cases petitioners disputed that the notification on insurance premiums applicable to the subsequent year had been duly sent, and they stated that they had been unable to make a proper, objective decision in respect of switching insurers because of the lack of information. In these cases the parties made a settlement agreement on several occasions, in which they agreed on the termination of the contract, subject to pro rata settlement, by mutual consent. This permitted petitioners, in view of the expiry of the contracts, to conclude new motor third party liability insurance at a different insurer, perhaps with better conditions.

The amendment of the MTPL Act by Act CCV of 2015, affecting the insurers' premium tariffs, was a favourable change for consumers, as a result of which, insurers may apply discounts only to continuous contracts that are not terminated. Thus, in 2016 it was no longer the case that those who concluded a new contract received a more favourable tariff than the insurer's existing customers. This change is also expected to result in the simplification of premium tariffs announced by insurers, thereby becoming more transparent.

RECOMMENDATION: expiry of motor third party liability insurance

The petitioner had a motor third party liability insurance (MTPL) and in his petition he claimed that despite the fact that he did not conclude a new insurance with the service provider, it issued a new policy with higher premiums, thus the premiums paid on his former insurance did not cover the new insurance premiums and because of this the service provider terminated his MTPL insurance due to premium non-payment. The financial service provider declared that it made a new insurance proposal and issued the new insurance policy based on that, at the same time cancelling the previous insurance in view of the prohibition of double insurance.

The member acting in the case established that the service provider cancelled the previous MTPL illegitimately therefore he proposed that the premiums paid should be booked on the previous insurance and the new MTPL should be cancelled. He explained that based on the effective MTPL Act, the contract may be terminated in two ways, i.e. termination by the insured in writing or by the parties' common consent. The service provider was unable to confirm that the petitioner had terminated his previous contract in writing; instead, it had cancelled it, interpreting the proposal for the new contract as implied acceptance; in addition, it was also unable to prove the termination of the contract by common consent. The acting member took the position, based on the effective MTPL contract, that the previous insurance contract was cancelled illegitimately, hence in the recommendation he argued for the restoration of the original legal relationship.

The **proceedings initiated by injured parties of accidents (claims) caused by motor vehicles**, in the course of which the injured parties file claims for damages, based on Sections 12 and 28 of the MTPL Act, directly with the insurer of the registered keeper of the claim causer vehicle, represent an increasing number of the disputes related to motor third party insurance. In these cases, the insurer becomes obligated, based on the substantiated obligation for claims arising from the loss caused by its insured, to exempt the insured perpetrator, in the manner and to the degree stipulated in the MTPL Act, from the reimbursement of the damages or the payment of monetary compensation. The issue of the insured perpetrator's liability for damages was a regular subject of dispute between the parties. On a number of occasions the dispute could be decided by comparing the documentary evidence recording the accident (police protocol, accident reconstruction drawings, accident reporting forms) and the traffic regulations applicable to the given traffic situation.

If in MTPL-related cases it was proven that the problem was attributable to administrative reasons at the insurer's or the preceding insurer's end, the insurers corrected the error by modifying the data, which due to the error were reported incorrectly to the Central Claim History Registration System. However, if the problem was not solely attributable to the irregular procedure of the insurer, then due to the binding rules of the MTPL Act there was no real possibility to resolve the dispute by a settlement agreement in these cases.

ACCIDENT AND HEALTH INSURANCE

As regards accident and health insurances, no new case type was taken to the Board. In these cases the subject of the dispute was still the extent of disability (decreased capacity to work) arising from an accident, as well as the existence or absence of the causal relation between the disability and former existing diseases. The decision of the said issues here as well belonged to the competence of medical experts hence the Board was unable to take a position. However, at the Board the insurers undertook on several occasions that they provide the insured with a personal medical examination opportunity, based on the result of which they would revise their position taken during the claim settlement.

Despite the difficulties of evidence, in 2016 a settlement agreement was concluded for the payment of more than HUF 11 million in an accident insurance case.

SETTLEMENT AGREEMENT: payment of insurance benefit in the event of accidental death

The petitioner and the financial service provider concluded a settlement agreement at the hearing, agreeing that in addition to the insurance benefit already paid in the claim settlement procedure, the financial service provider will pay further HUF 11 million.

In the proceedings launched at the Board, the petitioner requested the financial service provider to pay the insurance benefit applicable to accidental death. The petitioner and the financial service provider concordantly stated that the insured had taken out four bank card accident insurance contracts. The insured died in an accident, after which the beneficiary applied for the payment of the sum insured for the event of accidental death. The financial service provider paid the benefit partially; however, in the case of two contracts it refused to pay the sum insured for the event of accidental death, arguing that although according to the bank card accident insurance contract it is permitted to take out several insurances for the same insured, the total insurance benefit paid on the basis of all contracts concluded with the insurer must not exceed the defined maximum amount. The petitioner filed a complaint through his legal representative, arguing that based on the Civil Code no over-insurance applies in the case of accident insurance hence the relevant clause of the insurance contract is contrary to the law.

In his petition submitted to the Board he repeatedly referred to the infringing nature of the contractual clause. In its response, the financial service provider continued to refuse to pay the insurance benefit, it proposed no settlement, but – upon a call – it sent the general contractual terms of the four accident insurance contracts. Having reviewed the general contractual terms, it could be established that the contract concluded first did not yet include the maximum rule it was stipulated only in the contractual terms belonging to the three contracts concluded later. This meant that in the first contract the parties had not agreed in an insurance benefit cap. Based on the attached general contractual terms, the Board also noticed and established that the disputed contractual clause is a provision that departs from the provision applied between the parties earlier, and as such, based on Section 205/B (2) of the old Civil Code, it becomes part of the contract only if the other party has expressly accepted it after a separate notice to this effect. The documents of the contracts concluded later did not contain any evidence that the financial service provider had called the contracting party's attention to the departure from the previously applied contractual provision and that the different provision had been expressly accepted. After this the parties consulted and the financial service provider undertook to pay the formerly unpaid amount, thus the parties concluded a settlement agreement.

However, there were also cases when despite the unambiguous legal facts of the case and the statutory provisions, the service provider refused to pay the benefit or conclude a settlement agreement, and even provided for the application of certain terms erroneously.

BINDING RESOLUTION: payment of insurance indemnity related to health insurance

The petitioner had an individual health insurance contract, based on which he applied to the service provider for the payment of daily hospitalisation fees. The financial service provider, referring to the exclusions stipulated in the contract between the parties, refused to pay. The member acting in the case obliged the service provider to pay the daily hospitalisation fees to the petitioner based on the insurance contract concluded between the parties, as it erroneously ordered the application of the exclusions. The service provider complied with the binding resolution.

CASCO INSURANCE

The two typical problems in the cases related to CASCO insurance still included damages due to own fault and car thefts. In the cases taken to the Board, the subject of the dispute between the parties was usually the amount of the assessed insurance benefit rather than the legal basis. Due to this the passing of a resolution on the merits was hindered in several cases, as the assessment of the amount of damage suffered by the vehicle

or the value of the stolen vehicle at the time of the theft was an issue that belongs to the competence of a motor vehicle technical expert. Nevertheless, conciliation between the parties yielded a result in several cases, as they reached an agreement with regard to standard equipment, extras and market value of the vehicle, and the amount of the costs incurred in relation to repair, confirmed by an invoice.

In 2016 several settlement agreements were concluded for higher amounts in casco cases. In one of the cases that ended with a settlement agreement a dispute arose with regard to the legal basis of the exclusion clause applied in the casco contract. The subject of the dispute was whether based on the casco contract the insurer is obliged to pay insurance benefit, if the consumer suffered an accident with his vehicle at the driving technique training track on wet surface during a shock-pad exercise. Initially the insurer rejected the claim for the payment of the casco insurance benefit, citing that the consumer's vehicle suffered the accident not during the normal use thereof in accordance with its intended purpose in the course of regular road traffic, and later it argued that the driving technique exercises performed on the training track under extreme circumstances are covered by the exclusion clause of the casco contract, according to which the insurer's indemnity obligation does not cover damages suffered during a race or the preparation for the race. In addition to the exclusion clause of the insurance contract, the insurer also cited the consumer's illegitimate and gross negligent conduct, and exemption from the payment under this title. According to its position, the accident that occurred in a restricted traffic zone on private property, where extreme circumstances are generated deliberately during which the vehicle suffers an accident, cannot be regarded as proper operation. During the hearing the parties clarified the facts of the case through the instrumentality of the acting member, and concluded a settlement agreement, according to which the insurer agreed to pay half of the vehicle repair cost claimed by the consumer.

OTHER, NON-LIFE INSURANCES

Some of the disputes taken to the Board occurred in relation to **travel insurances**. Travel insurances provide cover for unexpected illness, accident, loss of luggage suffered during travels abroad, and other risks specified in the insurance policy. The travel insurance contract is a single premium policy and the insurance premium must be paid immediately in one sum. The validity of the policy issued by the insurer is aligned with the duration of the travel specified in advance. Consumers taking out travel insurance may choose from a number of schemes, which may substantially differ from each other in terms of the risks insured and the limits of the insurance benefits. The general statement, applicable to all insurance contracts, also applies to the travel insurances, according to which the concluded travel insurance provides cover for the perils and risks stipulated in the general contractual terms (insurance terms and conditions or insurance regulations), which become an integral part of the insurance contract. Accordingly, only those claim events give rise to the insurer's obligation to pay the insurance benefit that were stipulated in the contract.

Disputes between the parties occurred in several cases on the issue whether the insured event stipulated in the insurance terms and conditions had materialised as a result of the claim event. It is a recurring dispute with regard to luggage losses whether the given luggage was stolen from locked premises or from the compartment of a car sufficiently protected against seeing through. In a number of luggage loss claims petitioners based their claim on the theft of chattels excluded by the insurance terms and conditions (electronic equipment, jewellery, cash), in respect of which – in view of the exclusion clause of the given contract – the soundness of the claim could not be established.

Trip cancellation insurances represent a special type of travel insurances. These insurances provide insurance protection for the event when a passenger is unable to commence a booked trip due to a reason specified in the insurance terms and conditions (illness) and needs to cancel the trip. The typical dispute in this case is whether the passenger's incapacity to travel existed at the time when the trip was cancelled and when the reason thereof occurred.

RESOLUTION TO TERMINATE: reimbursement of cost based on travel insurance contract
The petitioner heir applied for the reimbursement of the cost of the return of mortal remains based on a travel insurance contract. According to his position, based on the applicable insurance terms and conditions, the financial service provider is obliged to pay the claimed amount. He disputed that the conditions specified by the financial service provider were applicable to the given case. His sister had a travel insurance related to bank card insurance. The insured died; the cause of death was circulatory collapse caused by drug use.
In its response the financial service provider declared that pursuant to the provisions of the General Contractual Terms, in view of the exclusion causes regulated in respect of the return of mortal remains, it was not possible to reimburse the costs of the return of the deceased's mortal remains. It presented the "Customer Information and Contractual Terms" applicable to the group insurance related to foreign and domestic travel of bankcard holders, based on which the circulatory collapse caused be the consumption of large doses of drugs, tranquillisers and alcoholic beverages does not qualify as accident, thus the return of the mortal remains cannot qualify as an insured event either. The parties conducted detailed consultations at the hearing, and the petitioner accepted the position of the financial service provider and withdrew his petition.

Payment protection insurance may be taken out for various credit products, personal loans or credit cards, typically in the form of group insurance. Based on the payment protection insurance upon the debtor's incapacity for work or unemployment, the insurer undertakes to assume the payment of instalments from the insured for a specific period, which usually lasts from six to twelve months, during which payments to the bank are made by the insurer. A number of payment protection insurance products also include life or health insurance cover, where upon the disability or death of the insured the insurer may assume the entire debt. It still gave rise to disputes between the parties in several cases, when the employment of the insured was effectively terminated due to redundancy or reorganisation, but the parties formally agreed on termination by mutual consent. In this case the payment of the insurance benefit by the insurer is conditional upon the insured's providing documentary proof, in the form of a document on the termination of the employment, that the termination of the employment by mutual consent took place due to one of the reasons stipulated in the insurance conditions, e.g. collective redundancy, reorganisation or the liquidation of the employer. In the vast majority of disputes that arose due to the death or disability of the insured – similarly to risk life and health insurance – the dispute between the parties related to the issue whether the death or the permanent disability of the insured is attributable to an illness or injury that already existed prior to the start of the insurer's risk inception or it has no relation of cause and effect.

Recently, the sales of certain types of **goods insurance** products by insurers have been on the rise. Based on equipment insurance the insurer reimburses unforeseen damages suddenly occurring during the use of a technical equipment (e.g. telecommunication equipment, household machines) as a result of claim events impacting the equipment externally, not falling within the manufacturer's warranty repair obligations (e.g. damage, breakage or destruction) in cases stipulated in the insurance conditions. The equipment insurances taken out particularly for high-value telecommunication equipment also include coverage for theft. Within the goods insurance product type the extended warranty insurance provides coverage for the internal failure of the equipment beyond the manufacturer's warranty period. The subject of the disputes most often related to the date of the breakdown and the cause of damage. As a result of the mass sales of the products – which mostly took place through technical stores and telecommunication service providers, which acted as the insurer's agent or the contracting party of the group product insurance – in a number of cases the existence of the proposal documentation and effective provision of the information included therein could not be properly confirmed. Bearing this in mind, in respect of these types of insurances financial service providers concluded a settlement agreement at the Board or satisfied the customer's claim outside of the proceeding in several cases.

LIFE INSURANCE PRODUCTS

TRADITIONAL LIFE INSURANCES

In the case of traditional life insurances no change occurred compared to the previous years in terms of the characteristics of the disputes. The vast majority of them still related to the legal basis of the rejection of death benefit. In these cases the beneficiary of the life insurance or the heir of the insured applied to the Board requesting that it should establish the insurer's obligation to provide the benefit.

The traditional death insurance products define it as an excluded risk when the death of the insured is attributable to an illness or injury that already existed prior to the start of the insurer's risk inception. The insurers rejected the beneficiaries' claim for the payment of the insurance benefit based on this reason.

Since, in the vast majority of cases, the protocols of post-mortem examinations state general illnesses – impacting a significant part of society after a certain age (thus in particular, high blood-pressure, cardiovascular diseases) – as the indirect cause of non-accidental death, which already existed at a substantial number of insured when the contract was concluded, this circumstance serves as an evident cause of rejection in the insurers' claim settlement practice. Whether the insured's death had a causal relation with the given pre-existing illness can be unambiguously established only by a medical expert, and as such the Board is not in the position to make a decision on such issues. Unfortunately, a large number of disputes arising from risk life insurances were terminated without a settlement agreement due to the impossibility of judging an expert issue.

SETTLEMENT AGREEMENT: life insurance contract

The petitioner submitted a petition based on his life insurance contract to resolve a dispute related to his claim to pay the difference between the value at maturity and the amount paid by him. He stated that he had concluded a 10-year mixed life insurance contract with the financial service provider. He disagreed with the amount of the contract value at maturity he found the operating costs too high and complained of the fact that despite the high yield shown in the annual notification, he did not even get back the amount paid by him. In its response the financial service provider stated that in the disputed life insurance it undertook for the event of the termination of the life insurance contract by maturity that it would pay the current value of the fund prevailing on the maturity date. During the term of the insurance it operated and kept records of the dedicated fund and bore the risk. The current value of the fund on the maturity date was identical with the amount paid and complied with the contractual terms in every respect. The calculation of the current sum insured on the maturity date and the amount to be paid is performed in accordance with the General Regulation on the Insurance of Persons.

The parties concluded an agreement. It turned out from the documents that the content of the proposal possessed by the petitioner and that of the proposal sent by the financial service provider as annex to the response differed. The life insurance needs analysis questionnaire contained corrections compared to the original one. The financial service provider asked for the postponement of the hearing to clarify the difference. During the continued hearing it declared that it was unable to clarify the difference in the documents, and in view of this it would pay the disputed amount based on the settlement agreement.

UNIT-LINKED LIFE INSURANCES

Unit-linked insurances represent one of the most complex product groups within insurance products sold to consumers, which usually assumes investment skills and active portfolio management experience.

Unit-linked life insurance is a life insurance vehicle where the insurer places technical reserves, accumulated on the basis of the insurance contract, into asset portfolios (asset funds) created by it, having an independent investment policy, managed separately and comprising of theoretical settlement units of identical value

(investment units), or into investment funds managed by another company authorised to manage investment funds, for investment purposes, depending on the choice of the contracting party and in accordance with the rules stipulated in the contract in advance. The insurer may establish several kinds of asset funds that pursue different investment strategies. There are safe asset funds offering lower yield and also asset funds that offer higher yield in the longer run, but investing in more risky assets. The insurer invests the cash collected as the consideration for the units purchased in asset funds in accordance with the asset fund's investment strategy. Therefore, the price of the investment units recorded on the counterparty's account is continuously changing, depending on the investment result of the given asset fund – i.e. the current value of all investment instruments in the asset fund – and it may also suffer a substantial loss. The paid insurance premium is also burdened by considerable deductions at the vast majority of unit linked life insurance products. One of the most significant items of this type is the cost charged by reducing the initial units, serving as coverage for the acquisition costs. In addition, the insurance is burdened by further deductions, specified in the conditions, such as e.g. the premium of risk insurance, handling fee, conversion charges, fund management cost, etc.

These insurance products are made for long term (10-20 years) and the surrender value, as a remainder right, is determined depending on the time elapsed from the term of the insurance. It is a typical problem that when the insurance is terminated due to the surrender of the insurance or premium non-payment before the maturity, the contracting party often receives a substantially lower amount than what he paid in; in extreme cases even the total deposited amount is lost.

In the procedures of the Board related to unit-linked life insurances petitioners typically cited that during contracting they did not receive proper information on the characteristics of the insurances, in particular on the rate of deductions, the calculation of the surrender value and that they must bear the investment risk. However, the recorded proposal documentation usually contained the consumer's declarations in full, according to which that he was familiar and accepted the conditions of the product in full, and as part of this the surrender table and his assumption of the investment risk. Petitioners should prove against this documentary evidence that during contracting they received different information. However, this is almost impossible, not only in the procedures at the Board, but also at the courts, and it was successful only in a very limited number of cases. Financial service providers are open for closing the dispute with a settlement agreement, if the proposal documentation of the life insurance contains some kind of an error or shortcoming, and this is revealed through the instrumentality of the Board.

Although in the past one and a half decade several legislative changes have been introduced protecting consumers' interest and prescribing the obligation to provide continuous and proper information, in the case of recently expiring contracts the shortcomings in the regulations of the former period are evident. In the case of long-term contracts concluded for 10-20 years it becomes obvious now that the feature of these products is that the yields on the investments made from the paid in premiums are unable to offset the high deduction of costs. During the procedures of the Board, it was often observed that the business management and actual investment activity of asset funds created in relation to unit-linked life insurances were not transparent for the contracting parties, and often not even for insurers.

It is a progress compared to the previous years that in 2016 two settlement agreements of fundamental importance and of high amount were reached in disputes related to unit-linked life insurances, which expressly related to the topic of deductions and the management of asset funds.

SETTLEMENT AGREEMENT: unit-linked life insurance contract

There was a unit-linked life insurance contract in place between the petitioner and the financial service provider. Upon the surrender of the contract the petitioner noticed that the insurer deducted costs in a high amount. The petitioner applied for the reimbursement of the costs, the deduction of which he deemed illegitimate. The service provider, maintaining its opinion that it acted in accordance with the contract when deducted the costs, revised its position, considering all circumstances of the case and the high ratio of the deductions compared to the deposits, and within the framework of a settlement agreement it paid more than half of the amount claimed by the petitioner, in excess of a half-million forints.

SETTLEMENT AGREEMENT: unit-linked life insurance contract
Based on a unit-linked life insurance contract made between the petitioner and the financial service provider, the petitioner placed the investment units, for a certain period, in the Hungarian Equity Asset Fund. Later on he found that the yield of the asset fund substantially fell short of the performance of the BUX index, specified as the benchmark index for the fund. He asked for the reimbursement of the calculated difference. Based on the Board's guidance the financial service provider recalculated the value of the investment units placed in the asset fund and found that the argument of the petitioner was grounded. With a view to closing the dispute definitively, within the framework of a settlement agreement it paid the whole difference calculated by the petitioner, in an amount exceeding a half-million forints.

PENSION INSURANCES

Only a few petitions were received in respect of the pension insurances in 2016 as well, which did not allow us to draw general conclusions with regard to this product group. Disputes related to the amount of maturity benefit, the enforced tax allowance and the calculation of the surrender value, and usually ended with a settlement agreement.

3.2.3 Disputes related to capital markets and investment services

There was no substantial difference in the number of petitions submitted to the Board in 2016 in respect of disputes related to capital markets compared to the 2015 figures. It can be still stated that the ratio of disputes related to investment services and supplementary investment services is negligible compared to the total number of petitions received. Of the cases related to the said market, hearings were held in 62 cases, during which the parties concluded a settlement agreement in 14 cases, agreed outside the procedure in 4 cases and in further 12 cases the petitioners – in view of the continued consultations between the parties – withdrew their petitions.

Disputes related to investment services often concerned the fulfilment of orders and the sales of related securities, or forced liquidation of positions.

SETTLEMENT AGREEMENT: loss sustained on an investment account
The petitioner noticed that he incurred a loss on his investment account, which was caused, in his view, by the fact that financial service provider liquidated his positions in leveraged transactions without proper prior notice. He requested the financial service provider to partially reimburse him for the sustained loss. He stated that he was aware of the fact that he had taken a risk by concluding the deal, but due to the absence of notification he suffered a higher loss. The service provider disputed the petitioner's claim; in its opinion it committed no infringement or breach of contract, and it acted in accordance with the business regulations when closed the positions. It stated that the notification systems represent an extra service compared to the contractual terms, but they do not provide automatic protection against potentially bad investment decisions. It did not dispute that during a certain period the notification system received no data from the system of the fulfilment partner due to a system error at the partner's end. As a result of the procedure the parties concluded a settlement agreement, and the service provider reimbursed the petitioner for part of the investment loss and paid the agreed amount to him.

In these cases the parties often concluded a settlement agreement. There was a case in which the service provider, maintaining its position that according to the general agreement between the parties the investment risk is borne by the customer and the situation was caused by a reason beyond the service provider's control (system error), based on which the customer made his investment decision that later on generated a loss for him, in view of the fiduciary relation between the parties and with the intention to retain the customer, the service providers usually reimbursed the customer's investment loss, albeit partially.

Petitions still often disputed the legitimacy and amount of the deductions charged to the amounts transferred to investment accounts, and the issue whether or not the activity performed by the given investment firm qualified as investment advisory services. In the latter issue, the petitioners' basic allegation was that they received advice-like proposals from the staff of the investment firm with regard to the instruments they should invest in, as a result of which – due to unfavourable price fluctuations – later they realised a loss, and in the proceedings they wanted to enforce these claims in the form of damages.

During the year several disputes were generated in relation to securities accounts serving for depositing of shares connected to timeshare plans. In these cases petitioners disputed the account-keeping institution's right to increase fees and the rate of the account-keeping fee. The said cases usually ended with a settlement agreement, in which the service provider waived part of the fee charged and permitted the transfer of shares to another account-keeping institution.

As regards the capital market cases and particularly the legal relationships related to the fulfilment of orders and the investment advisory services, it can be stated that the fiduciary relation between the parties has a significant bearing on the customers' decisions, in view of which the parties often agreed, after consulting directly, that they would settle their dispute outside the Board's proceeding. In these cases petitioners withdrew their petition and as such the proceeding was terminated.

RESOLUTION TO TERMINATE: long-term investment account

The petitioner opened a long-term investment account at the financial service provider, and placed a larger interest bearing deposit on it for a fixed term of 5 years. Upon the maturity of the deposit, the financial service provider informed the petitioner that it could pay the amount due to him only on 31 December 2015 free from tax. The petitioner's position was that due to the financial service provider's conduct, he lost interest for 42 days and asked for the reimbursement thereof. The service provider stated during the procedure that the petitioner could have withdrawn the deposit amount at maturity, but in this case he would have lost the exemption from the withholding tax on interest and would have paid additional fees. Pursuant to the statutory provision laid down in Section 67/B of the Personal Income Tax Act, the withdrawal exempted from the tax on interest was possible only upon the lapse of the calendar year, and the service provider duly observed this rule.

During the proceedings the parties discussed the contractual and legislative background of the case in detail, after which the petitioner – having understood that the service provider acted properly – withdrew his petition.

3.2.4 Disputes related to funds

Cases affecting all organisational forms of the funds sector were taken to the Board. These cases related to disputes with voluntary pension funds, voluntary health funds and private pension funds.

On the whole, it can be stated that, similarly to the previous years, the number of petitions received by the Board in respect of funds is negligible. The vast majority of petitions received related to pension funds; only a few petitions related to health funds.

As regards the **voluntary pension funds** cases mostly concerned the yield payment, contribution payment, mandatory waiting period and succession. Disputes between the parties related to **private pension funds** arose in respect of the payment of the lump sum pension benefit and annuity benefit. As a result of the legislative changes, the benefits could not be paid due to reasons beyond the financial service providers' control. In such cases the practical resolution of the dispute between the parties was represented by the transfer of the consumer to the social insurance retirement scheme, subject to the payment of the real yield; financial service providers were helpful in all cases and cooperated with petitioners.

In the only case related to **health funds** in which a hearing was held, the petitioner turned to the Board with a settlement issue resulting from the merger of his previous fund.

RESOLUTION TO TERMINATE: voluntary pension fund

During the review of settlements, the voluntary pension fund found that due to a calculation error made upon establishing the petitioner's pension benefit, it made a payment that was higher than the petitioner was entitled to. In view of this, it sent a demand for payment to the petitioner, calling upon him to repay the amount of the overpayment. The petitioner disputed the existence of debt and took the position that the claim was time-barred. After a failed complaint procedure, he applied to the Board asking it that it should declare the claim was time-barred and that he had no outstanding debt to the pension fund. During the procedure, the pension fund repeatedly reviewed the case and acknowledged that the statutory limitation took effect and declared that it had no further claim. In view of the pension fund's written declaration, the petitioner withdrew his petition and the Board terminated the procedure.

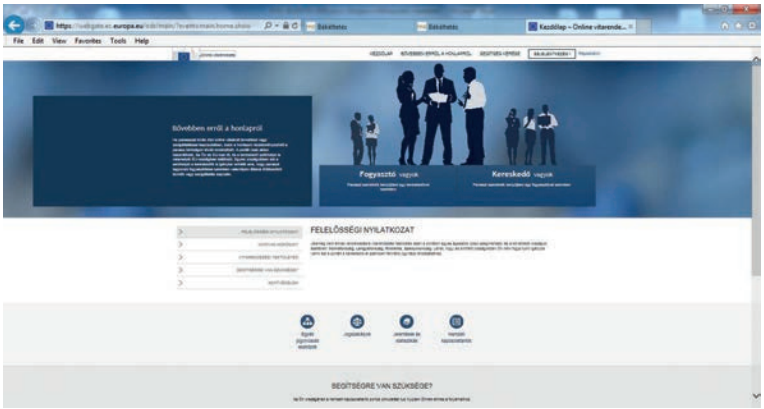
Due to the low number of petitions related to the funds market, it would be difficult to draw general conclusions with regard to the soundness of petitioners' complaints; however, it can be stated that petitioners withdrew their petitions on several occasions as during the procedure both parties declared their intention to find a solution for the problems through consultation with each other.

3.2.5 Online Dispute Resolution Platform and disputes initiated via the Platform

In accordance with Section 20 (2) of the EU Directive on alternative resolution of consumer disputes, the Ministry for National Development 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. 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. This platform serves for the out-of-court resolution of disputes, including financial consumer disputes, related to obligations arising from online service contracts between consumers with residence in the European Union and service providers established in the European Union.

The platform was put into operation on 15 February 2016. From this day the Board was also ready to handle online financial consumer disputes arising from online financial consumer contracts and to receive petitions via the platform. In the case of financial consumer disputes related to online contracts, the Board may act both in domestic and cross-border cases, if it receives a petition via the platform.

The platform is available at https://webgate.ec.europa.eu/odr.



This platform is available in all official languages of the European Union, and it is built on the existing 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 of 21 May 2013 (on alternative dispute resolution for consumer disputes), can join the platform, thereby facilitating the online, fast, out-of-court resolution of all disputes arising from online contracts, along uniform principles.

The platform and the financial service providers

All dispute resolution forums participating in the system must place their electronic link pointing to the online dispute resolution platform on their website; the Board complied with this obligation on 15 February 2016 and at the same time it informed, on its website, financial consumers on the launch of the online platform. Financial service providers operating in the territory of Hungary must also inform financial consumers on the existence of the online dispute resolution platform and on the possibility of using this platform for the resolution of their disputes. They are also obliged to place the electronic link pointing to the online dispute resolution platform on their website, and if they make a proposal for financial services by e-mail, they must also include the link in the given e-mail. In addition, this information must be also included, where appropriate, in the general conditions of the online service contract.

The platform and financial consumers

All consumers – including financial consumers – having a place of abode in the European Union and concluding, as a private person, any contract for financial services via the internet or other electronic means, may resort to online resolution. As a first step, consumers must register on the website of the European Commission, which may also be done in Hungarian. After this they can submit their petition via the platform providing the data specified by the system on the standard form.

Once the fully completed electronic complaint reporting form is received, the online dispute resolution platform sends a standard electronic message to the e-mail address of the adverse party, informing it that a complaint has been filed against it. The dispute resolution platform automatically and immediately forwards the complaint to the alternative dispute resolution forum that the parties agreed to use. The forum designated by the parties may only be the forum specified in the system for the given case type, thus in Hungary only the Financial Arbitration Board may be selected in disputes of financial nature, as it has exclusive competence in such matters. If the dispute is a cross-border one, the range of selectable acting forums may change. The alternative dispute resolution forum, to which the system automatically forwards the complaint, immediately informs the parties whether it agrees or refuses to deal with the dispute.

The resolution of online disputes does not necessitate the personal appearance of the parties or their representatives at the alternative dispute resolution forums, except when the procedures of the given forum prescribe this possibility and the parties agree to it.

The alternative dispute resolution forums acting in the complaints received via the online dispute resolution platform may use their own rules of procedure, thus the activity of the Board is governed by the provisions of the MNB Act and the rules of procedure specified in the Board's Operating Regulations, therefore they are applicable mutatis mutandis, in respect of the cases received via the platform as well. The basic condition of the Board's proceeding is, also in cases received via the online platform that prior to the submission of the petition the petitioner must conduct an unsuccessful complaint procedure against the financial service provider.

Experiences related to disputes initiated via the platform

In 2016 the Board received only three petitions via the platform, and all of them related to insurances.

The first one was related to a compulsory motor third party liability insurance. The petitioner stated in his petition that he had initiated the termination of the motor third party liability insurance at his insurer within the statutory deadline, and thereafter he took out an insurance at preferential conditions at another insurer. He complained of the fact that the insurer ignored his termination notice made within the deadline and he was of the opinion that it claimed the premium of him without any legal basis. He asked for the instrumentality of the Board in terminating his contract with the insurer in accordance with his notice and making it waive its further claim for premium. The financial service provider stated at the request of the petitioner that according to its records it received no termination of the contract on the renewal date within the notice period. It is not in the position to cancel the contract on the renewal date with retrospective effect, thus, in its view the compulsory motor third party liability insurance that the petitioner may have taken out for the vehicle at another insurer from the said date is invalid pursuant to the relevant legislative provisions. With a view to resolving the problem, the insurer proposed a settlement agreement according to which if the petitioner pays the premium related to the given month, payable until the 8th day of the following month, they terminate the contract by common consent. The petitioner accepted the settlement agreement proposed by the service provider, thus the Board terminated the procedure.

The second case involved a home insurance claim for damages caused by thunderbolt, in which the petitioner disagreed with the degree and amount of the insurance benefit paid. Since the decision on the amount was an issue that belonged to the competence of an expert and due to the special features of the procedure there was no possibility for further expert evidence, it was not possible to assess the case on the merits, and as no settlement agreement was concluded, the procedure had to be closed with no result.

In the third case the petitioner deemed the premium of his motor third party liability insurance too high. In view of the fact that prior to submitting his petition he conducted no complaint procedure at the financial service provider, the petition had to be rejected due to procedural obstacle and the procedure was terminated.

In summary, it can be stated that the online dispute resolution is a simple, efficient, fast and free form of resolving disputes arising in relation to financial services, an alternative solution for the out-of-court settlement of financial disputes, the advantage of which is that disputes can be resolved irrespective of geographic distance. This system simplifies and eases the communication between the parties or the parties and the acting forum, thereby accelerating the dispute resolution procedure and increasing the efficiency of conflict management. In the financial sector online contracting affect the insurance area the most. In the future it may be expected that the number of contracts concluded online will increase in other financial sectors as well, thus the number of online dispute resolution cases may also increase.

4 Decisions of the board contested at the court

On 1 January 2016, 12 litigations were in progress against the Board; the number of pending litigations fell to 8 by 31 December. Of the 8 litigations that were in progress at the end of 2016, 5 were new cases (62.5 per cent), while 3 actions were brought in previous years. All of the 8 pending cases were closed already at the court of first instance; in one quarter of the cases the appellate procedure and in one quarter of them the review procedure at the Curia is in progress. In 2016, 13 cases were closed definitively, of which one started in 2016 and 12 in former years. Compared to the previous years the number of new actions was higher (2 in 2015, 6 in 2016); however, all actions that commenced in 2016 were brought against the Board by a single institution.

Of the 8 litigations that were in progress on 31 December 2016, three were brought by insurers and five by a financial service provider pursuing lease activity.

In one of the procedures, brought by an insurer and as a result of the Curia's decision on its abrogation repeated at the court of first instance, the court once again repealed the Board's recommendation, citing that in its decision on the merits it made no decision with regard to the amount of the customer's claim for insurance benefit, it merely recommended to conduct the claim settlement procedure and pay the insurance benefit determined there. The Board submitted an appeal against the judgement of the court of first instance, as in its view its recommendation does not infringe the law. The legal issue to be decided is whether a recommendation that makes no decision in respect of a petition related to an amount, but rather – due to the fact that it finds the legal basis grounded – calls upon the financial institution to conduct a new procedure for the assessment of the amount, is legitimate.

According to the final judgment of the appellate court in an action brought by another insurer, the insurer acted lawfully when it refused to fulfil the customer's order to repurchase the investment funds backing the asset fund underlying the unit-linked insurance. Since the fund manager was not in the position to make payments due the suspension of the trading in the investment units by the authority, the court was of the opinion that in this period it was not possible to determine the repurchase value of the mutual fund shares of the property fund. Due to this reason, the insurer was also unable to repurchase the mutual fund shares placed with the fund manager, as those were not negotiable. At present there is a pending review procedure in the case at the Board's initiative, as in the Board's opinion only the trading was suspended, nevertheless it was possible to establish the value of the mutual fund shares in this period as well hence the repurchase could have been fulfilled.

In the action brought by the third insurer, both the court of first instance and the appellate court rejected the plaintiff's claim due to being late. At present the plaintiff financial service provider's request for review is pending at the Curia.

Two of the five actions brought by a service provider pursuing lease activity and pending on 31 December 2016 were against recommendations, and three against binding resolutions passed in settlement cases.

The financial service provider challenged the two recommendations, because they depart from the calculation method included in the MNB recommendation issued in respect of the settlement related to (integrated) casco insurance premiums charged on foreign currency basis in the interest of the foreign currency-denominated loan and the Board recommended to use a settlement that is more favourable for customers. The court of first instance rejected the claim in both actions, and established that the cited settlement proposal was not a

loan hence the Board's decision – which, by the way, was based on the financial service provider's own former calculation – does not infringe the law.

The financial service provider contested three binding resolutions that prescribed settlement, because it disputed, due to the different reasons, that it had a settlement obligation. In one of the actions it disputed whether or not the respective loan contracts fell within the Settlement Act. The court of first instance rejected the claim, because according to the Settlement Act, in such cases the service provider should have brought a non-litigious procedure against the consumer at the district court rather than a litigation against the Board at the tribunal. The judgement is not final, as the service provide lodged an appeal against it. In another settlement-related action, the final judgement of the court of first instance repealed the Board's resolution, as the consumer turned to the Board after the 30-day statutory deadline calculated from the rejection of his complaint. In the third action the service provider applied for the repeal of the binding resolution prescribing settlement, citing that the consumer submitted his petition late. The court of first instance rejected the claim, as the financial service provider rejected on the merits the consumer's complaint submitted once again citing that the contract did not qualify as a consumer contract, i.e. it did not cite lateness. In the court's view, the Board acted correctly when it examined the consumer's petitions on the merits and did not regard it being late. It is the competence of the district court to examine, in a non-litigious procedure brought for the change of the resolution, whether the contract qualifies as a consumer contract; however, the service provider did not bring such procedure. The judgement is not final.

COURT RESOLUTIONS RECEIVED OR DELIVERED IN 2016

In 2016, 14 court judgements were passed in the pending actions brought for the judicial review of the Board's resolutions, 8 of which are non-appealable.

The distribution of the court decisions is as follows:

Decision of the court	Number of court decisions
The Board won the case	7 pcs
The Board lost the case	7 pcs
Total	14 pcs

Apart from the already detailed 8 court judgements passed in cases that were in progress in 31 December 2016, further 6 court judgements were passed in 2016 in actions brought by banks.

In a review procedure that followed an action related to the dispute in respect of the obligation to cooperate in contracts, the Curia upheld the final judgement that repealed the recommendation. According to the Curia's position, a generally informed, reasonably mindful and careful average consumer can be expected to know the rules of the contract accepted by his responsible declaration, and on the other hand, the contracting parties may be expected, even after concluding the contract, i.e. in the period of fulfilment, to know the contractual provisions binding on them. Due to these reason, in the litigated case the plaintiffs, requesting the repeal of the Board's recommendation, had no obligation – in the absence of a specific legislative provision – to provide subsequent information on the content of the already concluded contract in respect of the potential legal consequence of breaching the given contract. The action was closed definitively.

In another action the subject of the dispute was a car purchase loan contract concluded between the consumer and the bank, and the interpretation of the related general contractual terms and conditions. The Bank's general contractual terms and conditions formed an integral part of the specific part of the loan contract with the proviso that when the general and specific part regulate an issue differently, the provisions of the specific part shall govern. The contracting parties signed, simultaneously with concluding the loan contract, an agreement establishing purchase right/option, as well as a sales contract for the vehicle, the effect of which was suspended. All contracts contained provisions as to the fulfilment of which conditions the plaintiff financial

service provider was obliged to release the vehicle registration card to the consumer. After the expiry of the option the financial service provider failed to release the vehicle registration card to the consumer despite several requests. The Board called upon the bank to release the vehicle registration card to the consumer. The appellate court repealed the recommendation, as in its opinion, based on the conditions applied in the concluded contracts the bank was not obliged to release the vehicle registration card. The action was closed definitively.

In another post-litigation review procedure, the Curia took the position that when natural person business owners use the bank loan taken by them to provide equity loan to the company owned by them, it does not qualify as a purpose outside their business activity hence such loan contract cannot qualify as a consumer loan contract. It follows from the foregoing that no final repayment could be applied in respect of such contract.

In the next dispute, a Trojan virus, which infected the consumer's computer, stole the consumer's netbank IDs and using those, an unknown person, transferred the balance of the consumer's bank account and also utilised his overdraft in full. Based on the provisions of the Civil Code related to indemnification, the Board recommended to the bank to restore the original status. The court of first instance repealed the recommendation, citing that the Board failed to investigate the consumer's potential instrumentality and negligence. The appellate court, changing the judgement, rejected the claim, as in its view the bank caused damages to the consumer as it was not aware of the spreading of the Trojan virus and failed to introduce SMS approval by transactions. The consumer's behaviour was not instrumental, as the fulfilment of the transaction could have not been prevented even if the consumer had notified the financial service provider immediately; thus the Board won the case.

In one of the litigated legal cases, the consumer's spouse won a product in a product demonstration. He realised that in fact he purchased the product and paid the purchase price from a loan, when the bank sent the signed copy of the loan contract to him. The company that organised the product demonstration concluded, as the bank's agent, a consumer loan contract with the consumer, whose pension was higher than that of his wife's. The bank refused to cancel the loan contract; the subject of the dispute was whether on behalf of the consumer his wife was entitled to withdraw from the contract subsequently and whether she exercised her right of withdrawal within the statutory deadline. The court of first instance rejected the claim, as in its view the wife acted as a bogus representative within the deadline, and her act was approved by the consumer by a subsequent power of attorney. Based on the Civil Code, it regarded as the date of contracting the date when the bank's declaration of acceptance was received by the consumer. The appellate court sustained the judgement of the court of first instance and the Curia upheld the final judgement, thus the action was closed definitively.

In a judgement passed in a repeated proceeding, the court of first instance rejected the bank's claim, as – concordantly with the Board – it found no such provision in the bank's business regulations that would have supported the bank's position, according to which it rightfully charges extra interest to credit cards in the new accounting period.

5 Activity in 2016 related to settlement cases

In 2016 the Board continued the review of financial disputes related to the statutory settlement. Within its new functional responsibilities, materially differing from the traditional conciliation procedure, it acted as a primary remedy forum for the resolution of settlement-related disputes in three case types (designated as 151, 152 and 153). In case type 151 petitioners could request the determination of the correct settlement, in case type 152 the conducting of a complaint procedure and in case type 153 the determination of the existence of the settlement obligation.

5.1 SETTLEMENT CASES IN FIGURES

In 2015 the Board passed a resolution in 11,400 settlement-related consumer disputes and on 1 January 2016 it had 4,162 pending settlement cases on its records. During 2016, petitioners submitted 1,089 new petitions, thus the total number of settlement-related cases received by the Board rose to 16,651. In 2016 the Board handled 5,251 cases, of which 78 cases were not closed by the end of the year.

Petitions received, closed and pending as of 31 December 2016 by case type				
	Case type 151 Determination of correct settlement	**Case type 152 Binding resolution to conduct the complaint procedure**	**Case type 153 Determination of the existence of the settlement obligation**	**Total**
Number of cases in progress on 1 January 2016	3,276	235	651	4,162
Number of cases received in 2016	748	84	257	1,089
Number of cases closed in 2016	3,959	316	898	5,173
Number of cases in progress on 31 December 2016	65	3	10	78

In the petitions received in 2016, petitioners named 103 service providers, while in 15 cases it was not possible to identify the respective service provider.

Within the closed cases, the ratio of decisions favourable for petitioners, settlement agreements and binding resolutions was higher compared to the previous year, but in most of the cases the procedure was terminated by a resolution. In 48 per cent of the cases (2,344 cases) this was attributable to the fact that petitioners failed to respond to the call for supplementation or they responded, but did not provide the documents necessary for the decision in full. In further 2,311 cases (47%) the petition was rejected due to lack of grounding.

Closed cases by case type					
Result of closed cases	**Case type 151 (pcs)**	**Case type 152 (pcs)**	**Case type 153 (pcs)**	**Total**	**Ratio**
Resolution on a settlement agreement	26	7	9	42	0.81%
Binding resolution	38	73	115	226	4.37%
Resolution terminating the procedure	3,890	236	774	4,900	94.72%
Consolidation with pending procedures	5	0	0	5	0.10%
Total number of cases closed	**3,959**	**316**	**898**	**5,173**	**100.00%**

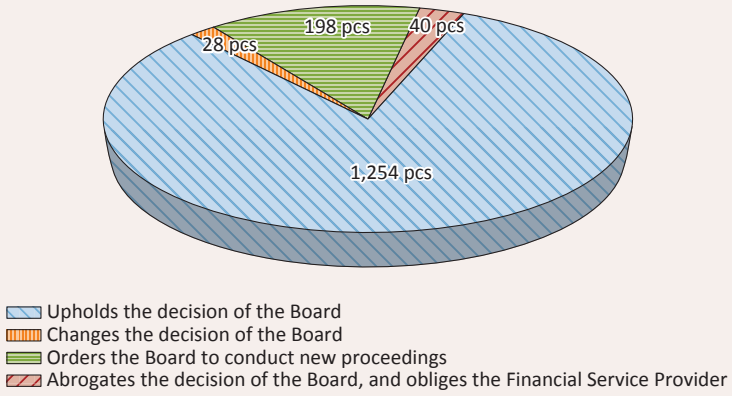
There were multiple reasons for the resolutions to terminate the procedure. One of the most frequent reasons for the termination was that it was impossible to judge the case even after the supplementation, as the available data were insufficient or the statutory conditions were not met. Many of the petitioners failed to respond to the call for supplementation, the deadline expired thus the case had to be terminated. However, the majority of the procedures were terminated, just like in the previous year, due to the fact that petitioners were unable to designate a calculation or data error that would have been suitable to substantiate a judgement declaring that the content of the received settlement statement was incorrect.

Resolution terminating the procedure broken down by the cause of termination				
	Case type 151 Determination of correct settlement	**Case type 152 Binding resolution to conduct the complaint procedure**	**Case type 153 Determination of the existence of the settlement obligation**	**Total**
A) The case does not fall within the Settlement Act	1	1	4	6
B) The submission of the petition was not preceded by a complaint procedure	19	1	9	29
C) The complaint was not rejected the deadline	0	0	0	0
D) Late submission of the petition	80	12	19	111
E) No response to the call for supplementation	917	49	117	1,083
F) The petition cannot be judged even after the supplementation	1,067	53	141	1,261
G) The petitioner withdrew his petition	18	3	13	34
H) The parties mutually requested that the procedure be terminated	5	0	1	6
I) The petition is unfounded	1,749	115	447	2,311
J) The petition was submitted by a person ineligible to dispute the settlement	2	0	0	2
K) The petition was submitted citing a reason in respect of which the Board has already passed a decision	5	0	3	8
M) The financial institution prepared the settlement / conducted the complaint procedure	27	2	20	49
Total	**3,890**	**236**	**774**	**4,900**

In 2016 the Board received 1,413 petitions to initiate a civil non-litigious procedure, thus the total number of petitions for remedy, together with those received in 2015, rose to 2,362. Relative to the total number of binding resolutions and termination resolutions issued by the Board in settlement cases, this represents a contestation ratio of 14.3 per cent.

The vast majority of petitions were submitted by consumers in respect of termination resolutions. Financial institutions contested binding resolutions on 90 occasions, which represents 23 per cent of all – i.e. passed in 2015 and 2016 – binding resolutions. The acting courts passed their judgement in 86 per cent of the cases until 31 December 2016, which meant the rejection of 508 cases without inspection on the merits. In 82.5 per cent of the 1,520 final judgements on the merits the courts upheld the Board's resolutions, while they obliged the Board to conduct a new procedure in 198 cases.

Legally binding results of the non-litigious procedures as at 31 December 2016



5.2 EXPERIENCES OF THE BOARD IN THE DIFFERENT CASE TYPES

CASE TYPE 151

The vast majority of procedures commenced to dispute the numerical errors of settlement statements – just like in case types 152 and 153 – were closed in 2015. Based on the experiences gained in 2015, it can be established in respect of the cases closed in 2016 that in addition to procedures launched due to data and/or calculation error, which may be regarded as classic due to the frequency of their occurrence, the number of disputes related to preferential final repayment and debt management companies increased, and there was a rise in the number of procedures repeated as a result of court non-litigious procedures.

In the procedures launched to establish data and/or calculation error, petitions often designated data errors that manifested themselves, according to the petitioners, in:

– the insufficiency of the unfairly charged amount;
– the settlement statement prepared using a special methodology, not complying with the relevant laws;
– the calculations also including the loss attributable to exchange rate movements;
– the calculations prepared using the calculators published on internet portals.

In addition to petitions to review the settlement statements, in the petitions related to the settlement of consumer loan contracts terminated by preferential final repayment petitioners asked for the payment of the unfairly charged amounts, interpreting the allowance arising from the exchange rate difference suffered by financial service providers as a kind of statutory compensation, which cannot be compared with the overpayments by consumers.

The rise in the number of disputes related to preferential final repayment in 2016 is attributable to the fact that in the scheduling of the statutory settlement the settlement of these contracts took place in the last phase, i.e. in the third quarter of 2015. Accordingly, the date of submitting a petition for review, after the complaint procedure conducted with the financial institution, already fell to 2016.

The subject of petitions in cases started against debt management companies was typically the fact that debt management companies failed to take into consideration the consumers' overpayments determined by the financial institutions that were obliged to prepare the settlement statements (assignor of the debt). It caused a problem that in these cases the settlement – due to the statutory provisions – was not automatic; the debt management company prepared the settlement statement only upon request and despite the fact that the financial institutions that assigned the debt informed petitioners to this effect, in a number of cases petitioners submitted their claim to the debt management companies only with delay or not at all. Some of the debt management companies prepared a settlement statement that did not comply with the settlement rules in terms of its content or scope.

The settlement rules were interpreted erroneously in those cases in which service providers prepared the settlement statement until the ceasing of the contract, ignoring the fact that after the termination of the contract by notice it enforced the debt against the petitioners. According to the correct interpretation of the law, the relevant legal act to be considered by service providers was the ceasing of the contract by fulfilment or debt assignment rather than by termination, bearing in mind the settlement accounting date, when preparing the settlement statement. The service provider infringed the law also when it accounted for the foreign currency amount of the monthly instalment after the settlement date at the then current market rate rather than at the statutory exchange rate, citing that the instalment would be modified only after the expiry of the settlement deadline.

The majority of non-litigious court reviews of resolutions passed by the Board earlier were closed also in 2016. In cases in which the court repealed the Board's resolution, the Board conducted a new procedure. The vast majority of repeated procedures were launched because the court found that the petitioner had designated the settlement error sufficiently.

CASE TYPE 152

In the proceedings started for the conduct of complaint procedure, the receipt of the settlement statement was often disputed, as service providers attempted to deliver the settlement statement, but it was returned to it with "not claimed" designation, and then petitioners took delivery of the settlement statement in person in the office of the service providers. In such cases service providers regarded the attempted postal delivery as primary, ignoring the fact that petitioners in fact received the settlement statement at a later date, in respect of which complaint on the merits, due to the strict remedy opportunities, can be made only in possession of the settlement statement, thus service providers sort of wanted to exclude petitioners from the dispute of the settlement.

As regards the lateness of the complaint, the issue whether the complaint had been submitted in time was a frequent problem, as service providers interpreted differently whether the 30-day deadline prescribed by the Settlement Act for the submission of the complaint is governed by substantive law or procedural law. Some of the service providers treated this interval, in the narrow sense, as a substantive deadline, and stated that the petitioner's complaint was late, because, in their view, they had to receive the complaint within 30 days. Other service providers interpreted the law more broadly, and treated the 30 days as a procedural deadline, i.e. the complaint had to be postmarked within 30 days from the receipt of the settlement statement, at the latest, and accordingly they deemed it acceptable that the service provider effectively received the complaint after 30 days.

It was a frequent question whether the deadline for the submission of the complaint is to be calculated from the receipt of the notice on the settlement or of the detailed settlement statement. The law contains no detailed rules to this effect, however, the effective disputing of the settlement meant, according to the law that customers had to be able to designate a specific data error. Petitioners were able to designate a specific error only in possession of the detailed settlement statement, thus it was possible to make a complaint on the merits also only then. However, the majority of financial service providers calculated the 30-day deadline from the receipt of the notification on the settlement, ignoring the circumstance that many petitioners applied for the detailed settlement statement. Financial service providers often evaluated the request for detailed settlement statement already as a complaint, thus upon the submission of a further complaint, they responded to the petitioner that their complaint was late or that they had already responded to their previous letter, that is, there was no room for further remedy for the petitioner, they stated.

According to the Board's unified position and consistent practice, petitioners were in the position to make a complaint on the merits only in the knowledge of a detailed settlement statement, thus in the respective procedures it calculated the complaint deadline from the receipt of the detailed settlement statement.

In the procedures conducted in this case type service providers often detected their omission or the circumstances of the unjustified rejection of the complaint, thus prior to completing the procedure they either sent a response on the merits to the complaint or they provided an explanation on the merits to the petitioner's concerns in the response document.

There were also cases in which the petitioners' petitions to the Board were late. The law states that petitioners have to submit the petition to the Board for remedy within 30 days from the response received for the complaint. Petitioners often turned to the Board after the expiry of this deadline, although in the majority of the cases they were able to excuse themselves by confirming that they were prevented in the submission of the petition.

CASE TYPE 153

In case type 153, in a number of petitions petitioners still took the position that they concluded the loan contract in their capacity as a consumer, but they were unable to substantiate this with the submitted documents or they founded their position on information that were based on events after concluding the contract.

In other cases, there was no dispute between the parties as to the petitioner's capacity as a natural person when he concluded the contract; financial service providers merely cited that the financed vehicle, stemming from its nature, served business activities.

Consumer petitions for refraining from the conversion into forint were also received, albeit in a small number, in which financial service providers defined stricter conditions for determining the refraining from the conversion into forints than that of the statutory conditions and in view of this they converted the contract into forints.

In the case of car purchase financing loans service providers often refused to prepare the settlement statements, as in their view the nature of the vehicle (van, agricultural machine, etc.) did not prove beyond all doubts that petitioners did not use the vehicle for business purposes. In the Board's practice the nature of the vehicle alone did not substantiate that a contract is not a consumer contract; rather, it had to make a decision considering all circumstances and examine the content of the contract, the borrower's declaration before and during the conclusion of the contracts, as well as the attached documents.

Cases, in which petitioners turned to the Board asking it to oblige the service provider to repay the consumer's receivable, also belonged to the issue of the existence of the settlement obligation. Service providers were obliged to pay the refundable amount to petitioners, if the contractual relationship ceased by final repayment.

If the service provider still had outstanding claim, it was entitled to offset the consumer's receivable against the debt on its records, i.e. reduce the still outstanding receivable. In these cases service providers acted in accordance with the law.

One service provider group applied a solution, according to which, of the receivable previously assigned to its debt management factoring company it reassigned to the former lender an amount corresponding to the consumer's receivable calculated during the settlement and the consumer's receivable was offset against this reassigned debt, thereby no such amount was generated that should have been repaid to the petitioner. Although this procedure is obviously not typical, in the absence of statutory prohibition the Board had no opportunity to restrict this in its procedure.

Many service providers managed those cases in which they failed to prepare the settlement statement as flexibly and liberally as possible. This meant that during the procedure at the Board service providers undertook, as part of their proposed settlement agreement, to prepare the settlement statement, despite the fact that in the response to the complaint in the given case they took an opposite position. Since the settlement became completed by offsetting or paying the consumer's receivable (as applicable), in the cases taken to the Board service providers also undertook, as part of the settlement agreement, to settle accounts with petitioners in respect of the amount to be refunded.

6 Cross-border financial consumer disputes

The FIN-Net organisation helps consumers resolve their disputes with a financial service provider – bank, insurer, investment firm, etc. – operating in a different member state, relying on the alternative dispute resolution forum of the given country. These cases are referred to as cross-border consumer disputes, the rules of which are described in Articles 124-129 of Act CXXXIX of 2013 on the Magyar Nemzeti Bank. These rules govern disputes in which the respective consumer's home address or habitual residence is in Hungary and the seat, business site or permanent establishment of the organisation subject to oversight by the MNB is in a different state that is party to the Treaty on the European Economic Area; or the respective consumer's home address or habitual residence is in another EEA state, while the seat of the organisation subject to oversight by the MNB is in Hungary.

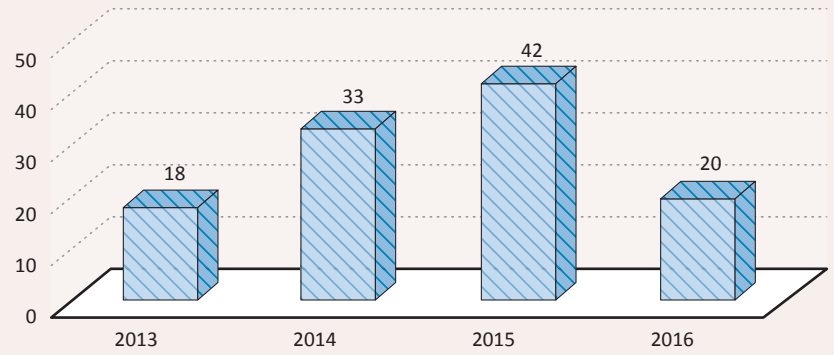
The rules pertaining to the initiation and conducting of the proceedings in the case of cross-border financial consumer disputes are slightly different from those of the general proceedings. If the consumer has a home address or habitual residence in Hungary, while the financial service provider is an organisation seated in another EEA state, the extra condition for the initiation of the proceedings is the existence of a submission declaration of the service provider, which jointly represents the submission to the proceedings and the preliminary acceptance of the decision. However, in the absence of a submission declaration the success of the resolution of the cross-border dispute is questionable; in such cases the Board has only two duties, i.e. to provide information and to post the necessary materials. The Board has to inform the consumer about the alternative dispute resolution forum, participating in FIN-Net and residing in another EEA country, having power and competence in respect of the dispute, as well as on the special rules applicable to the procedure thereof, particularly on the need of preliminary consultation with the service provider and the deadlines prescribed for the initiation of the proceedings. If the consumer so requests, the consumer's petition, recorded on the standard form used in FIN-Net, must be sent to the dispute resolution forum having the power and competence in respect of the proceedings.

Upon the existence of the submission declaration, the procedure is identical, with some exceptions, with the domestic procedure, the result of which could be a settlement agreement or a binding resolution. Contrary to the domestic settlement procedures, cross-border procedures always take place in writing, but based on the consideration of the circumstances, the chair of the acting panel may initiate a hearing subject to the prior consent of both parties. The chair of the Board may prolong the procedure on occasion by 90 days. The language of the procedure is English; the acting panel will also deliver its judgement 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. In such cases, upon the consumer's request, the Board is required to conduct the procedures and issue the authentic copy of its resolution in the language of the disputed contract or in the language of communication between the provider involved in the dispute and the consumer. The necessary translations costs represent the cost of the procedure, and the binding resolution must specify the party bearing them.

Cross-border cases may be initiated by consumers with a place of residence or abode in Hungary, who do not necessarily have to be Hungarian citizens, against financial service providers seated in another EEA member state, or conversely, i.e. by consumers resident in another EEA member state – Hungarian or foreign citizens – against financial service providers seated in Hungary. The initiation of the procedure is subject to the use of a designated form; the petition may be submitted in the English language dedicated form attached as Annex 3.

The number of cross-border cases so far has been negligible in the practice of the Board compared to other cases, and this has not changed in 2016 either. After the continuously increasing trend seen in previous years, in 2016 the Board received 20 new petitions.

Number of cross-border cases received (pcs)



On 1 January 2016 there were 9 cross-border pending cases that commenced in 2015. Twenty-six cases were closed during the year, and three cases were pending on 31 December.

Of the 26 closed cases, the place of abode of the petitioner was Hungary in 9 cases and a foreign country in 17 cases; 15 of these cases were initiated against credit institutions, 5 against investment service providers and 5 against insurers. In one case it was not possible to identify the organisation complained about. Most of the procedures against Hungarian service providers were initiated by Hungarian citizens working permanently abroad, but there was also a case in which an EEA citizen took a loan from a Hungarian bank for purchasing property in Hungary. Service providers involved in the complaints and the nature of the complaints do not significantly differ from those experienced in the general proceedings; e.g. in the case of foreign currency-denominated credit and loan transactions the petitions related to the exchange rate risk and there were also problems with regard to the use of credit cards.

Procedural obstacles arose in 8 cases, of which in 3 cases petitioners failed to send a complaint to the financial service provider before submitting their petition, and in 5 cases the foreign financial service provider made no submission declaration. No procedure on the merits commenced in respect of these petitions, and the procedure at the Board had to be closed with providing information to the petitioner of the fact that the financial service provider made no submission declaration, hence it was not possible to conduct the procedure on the merits.

In 5 cases the preconditions of the procedure on the merits were not fulfilled, as petitioners failed to comply with the call for supplementation in full.

In 1 case the petitioner declared that instead of the Board's procedure he would rather initiate the procedure of the Consumer Protection Centre of the Magyar Nemzeti Bank. In respect of those cases that were rejected due to the failure to comply with the call for supplementation, petitioners are not prevented perpetually from alternative dispute resolution procedures, as they are always informed that by submitting a complete petition they may initiate the proceedings of the Board repeatedly.

Decision on the merits was made in 12 cases of which in 5 cases it was impossible to conduct the procedure as further expert evidence would have been necessary, which was not possible in the Board's procedure. In further 3 cases the petitions were found to lack grounding, while in 4 cases it was unnecessary to conduct the procedure as the financial service providers fulfilled what was requested in the petition.

In 2016 the number of FIN Net cases related to investment activity was 5. Their common feature was that petitioners traded via the internet through various non-resident companies. It was also a common feature that petitioners were unable to reclaim the invested amounts transferred to the companies or the yield accrued on their account. Two of the five cases were closed due to the failure to supplement the petition, while three cases were closed because the respective non-resident financial service provider did not submit itself to the procedure, and since this qualifies as a procedural obstacle, the condition for launching the procedure was not met.

As regards insurance matters, cross-border cases occurred in the non-life insurance area, related to property insurance and motor third-party liability insurance. In the latter group there was a case in which the vehicle's motor third party liability insurance was taken out at a non-resident insurer, and another one in which the petitioner was a non-resident and the insurer was resident, and the insured event also occurred in Hungary.

The non-resident insurer made no declaration whether it would submit itself to the Board's procedure, thus the procedure had to be terminated due to procedural obstacle. In the rest of the cases the insurers were residents and the procedure could be conducted on the merits.

7 Conference on alternative dispute resolution in Hungary

2016 also represented a voluntarily undertaken challenge for the Financial Arbitration Board. It organised, jointly with the Magyar Nemzeti Bank and the National Office for the Judiciary, the first such conference in Hungary that covered the entire field of alternative dispute resolution and presented, as broadly as possible, the individual alternative dispute resolution forms, the organisations operating in this area, their situation and achievements.

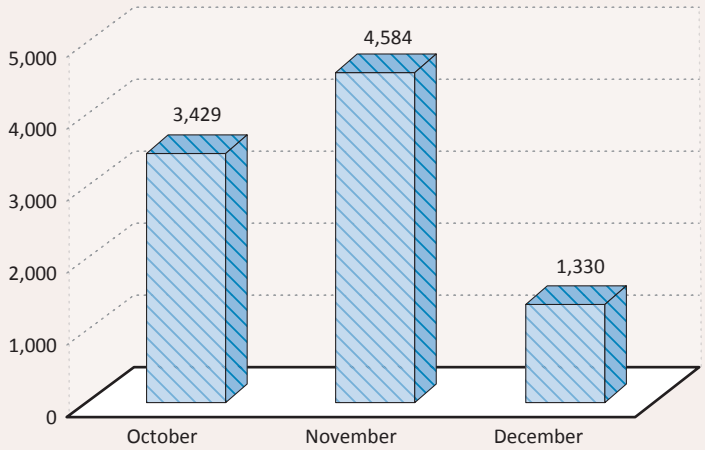
In recent years an increasing number of customers have turned to alternative dispute resolution forums, acting faster and more flexibly, thereby avoiding lengthy and costly litigations. The organisations dealing in Hungary with alternative dispute resolution, i.e. court mediators, out-of-court mediators, financial and other conciliation boards, the courts of arbitration and the registration arbitrator successfully contribute several ten thousands cases annually to the amicable settlement of disputes and the conclusion of settlement agreements between the parties.

The Board undertook a major role in the organisation and management of the conference held between 30 November and 1 December 2016, thereby also fostering the improvement, spreading and popularisation of domestic alternative dispute resolution culture, and the further social and professional support of the organisations pursuing this activity.

The Board developed a subsite on its website (https://www.mnb.hu/bekeltetes/avrkonferencia), where all information related to the conference is still available, including, among others, the programme, the introduction of the speakers, the list of the organisations exhibiting an electronic poster, the list of participating organisations engaged in alternative dispute resolution with a link to their own website, and the summary of the content of the presentations.

The interest in the topic and the event is well reflected by the fact that the number of visitors of the website in the preparation period, during the event and thereafter exceeded 9 thousand.

Number of individual visitors of the conference website



The conference was attended by 270 persons, representing almost 100 organisations. After the opening address by the Chair of the Financial Arbitration Board, Dr. Tünde Handó, President of the National Office for the Judiciary and Dr. László Windisch, Deputy Governor of the Magyar Nemzeti Bank welcomed the participants.

Dr. Tünde Handó, President of the National Office for the Judiciary, emphasised in her opening speech that it is more important for the parties to conclude a settlement agreement they agree with and can identify with than a good judgement. In relation to the court mediation procedure, she stated that the procedure is led by skilled mediators and the option can be freely elected by the parties. Among the advantages of the procedure, she emphasised that it saves time and it is free of charge. In the last 4 years 2,826 procedures were conducted, and the success is evidenced by the fact that half of the procedures ended with a settlement agreement.

Dr. László Windisch, Deputy Governor of the Magyar Nemzeti Bank, said in his welcome speech that it is particularly important for the parties to the dispute to find a quick solution for their problems. He emphasised that dispute resolution should be not only fast and simple, but also easily accessible. The foundation of the financial system is trust, and during dispute resolution the desired objective is to reinstate this trust as soon as possible and to preserve it in the future. This is also assisted by the Financial Arbitration Board, already in the fifth year of its operation, the procedure of which is fast, free of charge and simple.

The opening presentation of the conference was delivered by **Dr. Váradi Csema Erika**, Deputy Dean of the University of Miskolc, Chair of the Alternative Conflict Management and Dispute Resolution Interdisciplinary Research Centre of the Faculty of Law at the University of Miskolc, entitled *"The system of alternative dispute resolution, resolution of legal disputes as the old-new form of conflict management"*.

In her presentation she went back to the historic roots of conflict management and dispute resolution, also evaluating alternative solutions. She deemed it necessary to emphasise that trust in the alternative dispute resolution institutions must be maintained in society, which requires cooperation between the professional areas.

The introduction of the Hungarian actors of alternative dispute resolution was preceded by a brief international outlook. **Dr. iur, LL.M Rita Simon** made a presentation entitled *"Alternative dispute resolution – Europe and the Czech Republic"*, touching upon the diversity of alternative dispute resolution in relation to the EU Member States, and she also outlined the Czech model. **Ildikó Gaal-Baier**, a mediator working in Germany, presented to the audience the German solution for alternative dispute resolution, comparing it to the Hungarian features.

The Hungarian model, objective and feature of court mediation, representing an important pillar of the domestic alternative dispute resolution, was presented by **Dr. Katalin Turcsánné Molnár,** Chair of the Székesfehérvár Tribunal and Chair of the Court Meditation Working Group of the National Office for the Judiciary. She said that the legal institution has been in place for four years, at about 70 courts 130 court mediators are in service, supported by further 345 skilled colleagues, judges and court secretaries engaged in this activity. The speaker emphasised that the significance of this legal institution lies in the increasing number of settlement agreements, which is attributable to comprehensive information and to the fact that the parties are increasingly aware of the advantages of this procedure.

The daily practice of court mediation was described by **Dr. Ákos Hegedűs**, judge of the Regional Court of Eger, in his presentation entitled *"The judge as the key to the success of court mediation"*. He characterised mediation with the need for a mentality that substantially differs from the mentality of judges, and he also mentioned that some means of mediation can be successfully supplemented with the judges' work. He designated it as one of the most important roles of alternative dispute resolution that it is capable of eliminating certain injustice. Namely, what is important for the parties is to enforce their own justice rather than what the reality is, and the key objective of court mediation is to "reconcile" the parties' justice. It is not always possible to resolve the dispute between the parties by the means of law, and these are exactly the cases when alternative dispute resolution at court can be applied.

The series of presentations on court mediation was closed by **Dr. Bernadett Bazsó** by presenting the results of court mediation to date. Between 1 January 2013 and 30 June 2016, 2,462 mediation procedures were conducted by domestic court mediators on a voluntary basis or based on a binding resolution, half of which, i.e. 1,239 procedures ended with a settlement agreement. The latest figures suggest that in almost 40 per cent of the actions continued after the procedures closed without a settlement agreement, the parties agreed in a court settlement very fast, often already at the first hearing.

In his presentation entitled *"Mediation and/or coercion"*, **Dr. Ádám Tóth**, President of the Hungarian Chamber of Civil Notaries, spoke about the notaries' connection to mediation procedures. It may be a good means for the parties to strengthen trust, if they record their agreement in a notarial document in cases not affected by a dispute. During the procedure the notary performs unbiased administration of justice, in compliance with the strict statutory provisions protecting the parties' interests. He emphasised that efforts should be made in the future to make mediation publicly known, to ensure that people voluntarily resort to it as widely as possible and decide their own matters in a definitive and reassuring way.

In her presentation entitled *"Alternative dispute resolution in the .hu domain: functioning of the Consulting Board and the Registration Arbitrator",* **Dr. Erika Mayer** described the special features of the system of the Consulting Board and Registration Arbitrator. Probably this is the least known form of alternative dispute resolution. And it is also very special. In her presentation she said that the arbitrator's procedure is in a domain somewhere outside the conciliation board system, the arbitration court and mediator procedure; this is due to the fact that no mediation takes place here; its purpose is to make a decision, and the acting arbitrators are chosen not by the parties. The arbitrator's system is an out-of-court dispute resolution method, which takes place on a dedicated online platform, available only for the petitioner and the respondent; it is launched upon request and it is very fast.

The Consulting Board and the registration arbitrator platform have been in operation since 2000 and 2005, respectively; the decisions are public since 2009. She emphasised that the success thereof is also evidenced by the fact that there has been not a single case in which the judicial forum passed a different judgement than the arbitrator's resolution.

On the second day of the conference **Dr. Zsuzsa Wopera,** ministerial commissioner (Ministry of Justice), presented the provisions of the new Code of Civil Procedure, passed by the National Assembly in November 2016, aimed at the fostering of litigation avoidance. She said that prior to bringing an action, the summoning for attempted settlement will be introduced, and in view of the divided suit structure, it also appears as a rule fostering the avoidance of litigation, when after the resolution closing the appearance phase, the judge attempts to create a settlement agreement between the parties; as part of this the judge informs the parties about the possibility of resorting to mediation procedures.

The topic of out-of-court mediation was opened by **Dr. József Szecskó**, deputy under-secretary of state of the Ministry of Justice, in charge of justice services, with his presentation on the special features of the legislative regulation of out-of-court mediation. He mentioned that in its register of mediators, the Ministry of Justice has 1,155 natural persons and more than 300 legal persons. The number of mediation procedures between 2010 and 2016 increased fivefold, which shows that mediation is gaining ground, receives an increasing attention and demand for it is on the rise, which is attributable, among others, to skilled mediators. In his view, out-of-court mediation within the legislative and institutional framework works well, if the parties' trust is unfaltering, and both the parties and the mediators believe in the efficiency and usefulness of the litigation avoidance function.

In his presentation entitled *"Mediation in the life of enterprises"*, **Dr. Zoltán Kiss**, President of the Budapest Chamber of Commerce and Industry, talked about the way of implementing alternative dispute resolution in the relation of enterprises to settle disputes quickly with the assistance of the mediation centre and arbitration court operated by the chamber, and the conciliation board operating under the chamber. He emphasised that the greatest advantages of the alternative dispute resolution include speed, cost efficiency and effectiveness, this is why it is necessary to integrate the alternative dispute resolution culture more deeply in the life of enterprises and make it a common knowledge.

In his presentation on mediation in economic matters **Dr. András Szilágyi**, President of the Mediation and Legal Coordination Department at the Budapest Chamber of Commerce and Industry, emphasised that the Chamber is the only mediation service provider operating in the form of a public body, which means that its independence and impartiality during its operation is prescribed by law. In his presentation he also mentioned that in economic matters the conflicts are typically organised around conflicts of interest and information, in most of cases the problem is caused by disinformation. In the disputes the parties are characterised by a fight for position, and the bridge in the resolution of the disputes between the parties is created by the mediation procedure. The essence and sense of the agreements in the mediation procedure is that they are reached as a result of a dialogue, and the parties conclude them in good faith in a mutually beneficial way.

A presentation on the mediation in criminal and petty offence cases was held by **Dr. Tamás Szeiberling**, Director General of the Office of Justice. He stated that the purpose of mediation in criminal cases is to reach a consensus, reconciliation and forgiveness between the injured party and the accused, and to reduce the workload of the authorities. The application of the mediation procedure in criminal law was introduced in 2006, in which the mediation is performed by patron inspectors. At present 60 mediators perform mediation in criminal and petty offence cases. In the ongoing criminal cases 2,500 and 9,000 mediations were performed in 2007 and in 2015, respectively. More than 90 per cent of the settlement agreements concluded in criminal cases were fulfilled by the accused, while this ratio in petty offence cases was 95 per cent.

The presentation of the domestic mediation scheme was opened by **Nikoletta Keszthelyi**, deputy under-secretary of state in the Ministry of National Development, in charge of consumer protection, who talked about the operation of conciliation boards and their achievements to date. She said that from 2004 conciliation boards gained higher importance. They guarantee alternative dispute resolution between undertakings and

consumers with fast and free of charge procedure, short procedural time and proper expertise. She mentioned that from 2015 it is mandatory for undertakings to appear at procedures conducted by conciliation boards, failing to do so would entail a fine. In recent years, the legislator also strengthened the role of boards by, among others, cancelling the rule that consumers must turn with the resolution of their dispute to the conciliation board having competence based on their place of residence; instead they may resort to the procedure of any board. She emphasised the importance of the implementation in the Hungarian legislative system of the EU's ADR directive on alternative dispute resolution as a result of the approximation of laws, and that from 2016 consumers also may resort to online dispute resolution in the case of service or sales contracts concluded online. She emphasised that alternative dispute resolution is a real alternative to court procedure, as in the absence of this consumers would not be able to enforce their legitimate claims, if their only option was to choose the costly and time-consuming court procedure.

In his presentation on conciliation in consumer disputes **Dr. Zsolt Hajnal,** President of the Conciliation Board of Hajdú-Bihar County, presented the special features of conciliation and the future possibilities of the legal institution.

In order to make alternative dispute resolution as efficient as possible, create uniform consumer protection and for the smooth operation of the online platform, consumers should be self-confident and vested with high level rights, and the possibilities of enforcing their rights should be easily accessible for them. With the introduction of the statutory obligation to cooperate, service providers' constructive approach was stabilised and their willingness to conclude a compromise also rose. According to the speaker, the key positive result of conciliation is moral compensation and a settlement agreement to the satisfaction of the parties. Among the challenges of 2017, he mentioned the pressure to become professional and the increasing justification of online conciliation, in view of online consumer habits of future generations.

In her speech, **Dr. Erika Kovács**, Chair of the Financial Arbitration Board, presented the history, rules and procedure of conciliation in financial consumer disputes, the key milestones of the period elapsed since the Board's establishment in 2011, and she outlined the special features of the operation of financial conciliation compared to other conciliation boards.

She said that in the process of financial conciliation, in terms of its duties, the Board explores the legal situation, mediates and also spreads financial literacy. Its primary objective is to create consensus between the parties, but when there is an infringement and the parties are unable to agree, it makes a decision. The range of service providers involved in the procedure comprise of financial service providers licensed and supervised by the Magyar Nemzeti Bank; consumers may turn to the Board with individual disputes related to these. In her presentation, she touched upon the scheme of submission, and presented in detail the institution of statutory submission, introduced on1 January 2017, which applies to consumer claims not exceeding the limit of one million forints.

As a summary, she stated that during the five years of the Board's operation, it received more than 38,000 petitions, of which 16,500 were related to the statutory settlement. In her experience, it shows an increase in financial literacy that the number of petitions that were suitable in every respect for commencing the procedure and conducting it on the merits is increasing.

The series of presentations on arbitration courts was opened by **Dr. Lajosné Balog**, Member of the Presidium of the Arbitration Court organised under the Hungarian Chamber of Commerce and Industry, where she described the most important provisions of the Act on Arbitration Courts and the rules applicable to the individual phases of the procedure. **Józsefné Lukács Dr.** delivered a speech on dispute resolution at the Arbitration Court organised under the Hungarian Chamber of Commerce and Industry, in which she emphasised that this permanent court of arbitration is the most prestigious arbitration court with the longest history in Hungary. During its almost seventy years of history, it was able to operate not only in the period of market economy, but also during the socialist state-run economy. She emphasised that the advantages of the arbitration procedure, among others, include speed, the settlement of actions at a single level and cost efficiency. The majority of the cases are international disputes.

In her presentation, **Dr. Adrienne Kraudi**, President of the Permanent Court of Arbitration of the Money and Capital Market, stated that the activity of the Permanent Court of Arbitration of the Money and Capital Market is comprehensive, and it plays a defining role on disputes related to the service activity of large financial and investment service providers. An arbitration clause may be included in the contract, or the parties may opt for it also when the dispute arises. It is the latter case when it fulfils its real alternative dispute resolution function. The procedure is conducted at a single level, and must end within a short deadline with an enforceable resolution. The speaker highlighted fiduciary administration during the procedures, in view of the fact that the parties involved in the dispute are financial service providers, investment and stock exchange service providers.

In his presentation on dispute resolution at the Permanent Arbitration Court for Energetics, **Dr. Zoltán Faludi**, President, talked about the purpose and benefit of the arbitration court's establishment. Here the primary consideration was to ensure the assessment of disputes in a fast, professional and credible manner, since the actors of this sector require, due to the nature of the sector, immediate decision in their disputes, and cannot afford suffering losses arising from the progress of time. They deal with disputes arising from production contracts, gas wholesale contracts and contracts concluded for energy renovation of institutions, but their competence is not exclusive. As regards the future, he emphasised that the arbitration court intends to stop the continuous fall in the number of energy sector players by exercising the international competence of the arbitration court and thereby increasing the number of its procedures.

In his presentation on disputes related to agricultural activity, **Dr. Zoltán Mikó**, President of the Permanent Court of Arbitration operating under the Hungarian Chamber of Agriculture, said that in the arbitration system the plaintiff and the defendant each elects an arbitrator from the list of arbitrators, and the selected arbitrators jointly designate the chair of the acting panel, thereby also ensuring impartiality of the procedure. Subject to the parties' mutual will, it is also possible to elect one arbitrator, due to cost saving considerations. The acquisition

and, more importantly, the maintenance of public trust, is an important principle upon the establishment and operation of the arbitration court.

In his presentation on dispute resolution at the Permanent Arbitration Court for Sport, **Prof. Dr. Tamás Sárközy,** said that the competence of the Permanent Arbitration Court for Sport extends to matters specified in the Sports Act. The Permanent Arbitration Court for Sport is the only arbitration court, which may be resorted to not only on the basis of submission, but also in respect of signing on, transfer and disciplinary matters. He stated that the fastest arbitration procedure takes place here, as the acting arbitrator is appointed in 8 days, the hearing is held within 15 days and the arbitration court passes its decision within a further 15 days.

A press conference was also held in the break of the conference, in which Tünde Handó, President of the National Office for the Judiciary, László Windisch, Deputy Governor of the Magyar Nemzeti Bank, Nikoletta Keszthelyi, under-secretary of state in charge of consumer protection, and Erika Kovács, Chair of the Financial Arbitration Board, presented the area represented by them and answered the questions of the press representatives.

The press showed great interest both before and after the conference, which hopefully will increase the reputation of alternative dispute resolution organisations and promote this form of dispute resolution.

ANNEX 1

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/felügyelet/pbt), 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
– sees to the rejection or transfer of cases where the lack of competence can be established without asking for additional documents; in other cases assigns the case to a department
– sees to compiling law monitoring bulletins, and to organising professional and language trainings
– liaises with other conciliation boards, the Consumer Protection Department and the Financial Consumer Protection 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 absence of competence cannot be established without asking for additional documents, the office director assigns the case to one of the departments and the head thereof sees to appointing a panel acting in the case, which – as a result of the supplementing procedure – can establish whether or not the Board has 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 appointment of the acting panels is the duty of the department heads; the personal composition of the panels is not constant. The department heads appoint the chair and two members of the panel acting in cases assigned to the department from the members of the department. If one of the members of the panel appointed for the case cannot attend the hearing, the substitution must be ensured by the department head. The department head modifies the appointment of the acting panel if any of the members must be excluded, his employment with the Magyar Nemzeti Bank ceases before the hearing or he is discharged of his work duties, or if due to the long-term absence or prevention of the appointed member the appointment should be changed.

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 of the instruments by post
– 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. Financial consumer disputes related to an amount not exceeding fifty-thousand forints, or representing a dispute subject to simple judgement or containing a petition of equity are processed by a single board member. The modification of the petition has no impact on this.

Case subject to simple judgement: based on the petition and the attached instruments the factual and legal judgement of the case, it does not require professional consultation or special preparations, and the case is one that originates from common services occurring in large numbers in everyday life and/or generates a large number of disputes;

Case of equity: the case where the petitioner applies to any financial service provider for preferential terms or easing in view of his personal or financial circumstances.

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.

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. The petition – with the exception of the petition of equity – must be submitted in writing and in original on the dedicated form, or via the e-government customer portal or the online dispute resolution platform specified in the ODR Regulation, through the contact points specified in Section 14. No formal requirement applies to the petitions of equity; however, these as well may be submitted on form 150 “General consumer petition”. The Board accepts no petitions – during the proceeding – or declarations, in e-mail.

   After the appointment of the panel 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,

k) in the case of petitions for equitable treatment, 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

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,
   e) in respect of a case between the parties arising from the same facts of the case being conducted for the same right a warrant for payment has been issued,
   f) a mediation procedure has been launched between the parties in a case arising from the same facts of the case being conducted for the same right
   g) the time allowed for supplementation ended unproductively,
   h) the petition cannot be judged even after the supplementation,
   i) the dispute lacks in seriousness or is vexatious,
   k) 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 not on the standard petition form 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 on the date and venue of the hearing, as well as on the initiation of the waiving of hearing in writing, attaching the copy of the petition to it. In such notice he sets the date of the hearing within 75 days from the commencement of the procedure. He determines the date of the hearing in a way so that, as far as possible, the 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. Based on due consideration of the circumstances the chair of the acting panel may – if in his view the decision on the petition does not require personal presence – make a proposal for the omission of the hearing and may conduct the procedure in writing. The omission of the hearing is subject to both parties' written consent.

If the parties do not consent to the written conduct of the proceedings prior to the hearing, but one of the parties does not appear at the hearing, the acting panel may conduct the procedure – after holding a hearing – in writing even without the parties' prior consent.

8 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 their procedural rights,
   a) the rules pertaining to the supplementation of the petition,
   b) 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,
   c) the submission and the consequence of non-submission,
   d) whether the financial service provider involved in the given case has submitted itself to the proceeding of FAB (the rules pertaining to the registration of the declarations of general submission are included in Annex 9).
   e) that the proceedings do not prejudice the enforcement of the claims at the court.

7. 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 by post. 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 by post.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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, and
    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.

14. 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 of Section 7 of the Operating Regulations.

15. 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 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 by post.

9 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.

10 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.

11 PROCEEDINGS IN THE CASES RELATED TO THE SETTLEMENT AND CONTRACT MODIFICATION

1. The cases related to the settlement and the contract modification are governed by the provisions of Act XXXVIII of 2014, Act XL of 2014 and Act LXXVII of 2014. In these cases the rules of the Operating Regulations must be used with the derogations specified in this Section.

2. The cases related to the settlement and contract modification (hereinafter: settlement case) mean the disputes where the petitioner applies for the judgment of the petitions defined in forms 151, 152 and 153, attached as annexes to the Operating Regulations. The petition for decision may only be submitted in respect of the petitions stipulated in the said forms. Should the petition of the petitioner cover other subjects as well, the acting panel will treat it as if the petitioner had not made the petition and it will not pass a decision on those.

3. The petitioner may submit a petition to the Board within 30 days from the receipt of the financial service provider's letter rejecting the complaint, or if the financial service provider failed to respond to his complaint within 60 days. If the petitioner was prevented from the submission of the petition, he may initiate the proceeding within 30 days from the termination of the prevention, but not later than 6 months after the delivery of the rejection of the complaint. The petitioner must confirm the prevention and the termination thereof.

4. The use of the standard forms is mandatory. If the petitioner submits his petition not on the appropriate dedicated form or the form is incomplete, the acting panels call upon the Petitioner, indicating what is missing and allowing a deadline of 8 days, to submit his petition on the proper form and supplementing it with the missing information. The petition is regarded as incomplete if not all necessary field are filled in, if the petitioner fails to attach the annexes indicated in the form, or those requested by the acting panel in the call for supplementation, or fails to make a declaration despite the call and in the opinion of the acting panel this circumstance renders the conduct of the proceedings and the judgment of the case on the merits impossible.

5. There may be several petitioners in a single settlement case. If there are more than one borrowers in the contract underlying the disputed settlement, the petition may be submitted by the addressee of the settlement statement and also by the person not specified as addressee, but entitled to dispute the settlement, jointly or separately.

   a) If any person entitled to dispute the settlement submits the petition and starts the procedure at a different time, the acting panel consolidates the previously launched pending procedure with the procedure initiated later and thereafter calculates the procedural deadlines from the date of the consolidation.
   b) If any person entitled to dispute the settlement submits a complaint to the financial service provider in respect of a case that is the subject of a pending procedure of the Financial Arbitration Board, and notifies the Board to this effect or the acting panel learns about this, the acting panel shall suspend the pending case(s) involved in the given settlement. The duration of the suspension is not considered for

the purpose of the procedural deadline. If the statutory conditions of the suspension no longer exist, the acting panel continues the procedure.

6. The parties may not submit an objection on the ground of the lack of competence in the procedure.

7. The acting panel rejects the petition and terminates the procedure, if
   a) the case does not fall within the laws stipulated in point 1,
   b) the submission of the petition was not preceded by the investigation of the petitioner's complaint at the petitioner's initiative at the respective service provider,
   c) the complaint was not rejected within the statutory deadline,
   d) the petition was submitted late
   e) the petitioner failed to comply with the call for supplementation,
   f) The petition cannot be judged even after the supplementation,
   g) the petitioner withdraws his petition,
   h) the petitioner and the financial service provider jointly apply for the termination of the proceedings,
   i) the petition is unfounded
   j) in the case of petitions aimed at the dispensing with the conversion into forint, the attempt to involve co-borrowers failed
   k) any of the petitioners submits a petition due to the same reason in respect of which the Board has already passed a decision in connection to the same settlement,
   l) if the financial service provider prepared a new settlement statement, against which independent remedy lies.

8. The acting panel sends the petition and the annexes thereto in copy or in electronic form, together with the notice on the hearing – if necessary – to the financial service provider, calling upon it to submit its response within 15 days and to send it directly to the petitioner as well. Furthermore, it calls upon the financial service provider to make a declaration on the legitimacy of the petitioner's claim and to submit – on electronic data carrier in the specified format and manner – the settlement statement communicated to the consumer, the notice on the conversion into forint and the underlying data, and upon a proposed compromise, describe such compromise in detail.

9. The acting panel may send the documents generated during the proceedings – if the respective party agrees to it – through electronic channels or by any other means. For the purpose of accelerating the administration the financial service providers may request in respect of all of their petitioners delivery by means other than post, subject to the Board's approval.

10. The Board assesses the petitions in three-member panels and in written proceedings, but the acting panel may, at its discretion, hold a hearing. The acting panel is appointed before judging the case on the merits.

11. The procedure is conducted in written form, if the acting panel holds no hearing. The rules governing the written procedure correspond to those governing the procedures with a hearing, with the following derogations:
   a) the acting panel notifies the parties on the start of the proceedings in writing,
   b) prior to the decision the acting panel
      i) calls upon the respective parties, setting a deadline of at least 8 days, to make their declarations on the merits, otherwise it passes a decision; and/or
      ii) communicates the latest date for passing the decision; no declaration on the merits may be submitted after the deadline indicated in the call or communication.

12. If the acting panel holds a hearing, it sets the date of the hearing to a date within 75 days from the start of the proceedings, and the modification thereof cannot be requested. If prior to the set date the parties effect a compromise and the financial service provider sends the related signed instrument to the acting panel, within 15 days from the receipt of the written compromise the acting panel approves the compromise, if it complies with the laws and cancels the hearing.

13. The acting panel holds only one hearing. The hearing is not public The acting panel may prohibit the presence of persons other than the parties and their representatives in the chamber. The acting panel may pass a decision at the hearing, having consulted at low tone. Video or voice recording may not be taken at the hearing.

14. Written minutes are taken of the hearing; the chair of the acting panel may authorise the use of other recording devices. The minutes are taken and signed by a member of the acting panel; The minutes contain:
    a) the name of the parties and their representatives, 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; if the compromise is effected, it must be put on record,
    d) the declarations of the parties in one sentence each,
    e) the declarations and warnings of the chair of the acting panel related to the conduct of the hearing,
    f) the facts related to the delivery of the decision passed.

Prior to closing the hearing the panel member taking the minutes reads out the minutes and the parties may comment on it. The panel member taking the minute indicates the file number on the finalised minutes; the minutes are either delivered right at the hearing or by post.

The acting panel may also record its resolution in the hearing minutes; in this case the minutes are signed by all members of the panel.

15. The acting panel approves a compromise in the case, or passes a binding resolution or rejects the petition and terminates the proceedings. The financial service provider is bound by the binding resolution even if it have not made either a general, or an individual declaration of submission.

16. The binding resolution must contain:
    a) the name, place of residence or mailing address, place and date of birth 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 summary of the dispute or a reference to the content of the petition and the answer,
    d) the decision of the acting panel,
    e) the indication of the applied laws,
    f) the information on the available remedies,
    g) the date of committing the resolution to writing,

17. The proceedings of the Board are free; the costs of the consumer incurred in relation to the proceeding may not be reimbursed, hence no such petition may be submitted.

18. The Board will not publish the binding resolutions.

19. Either party may initiate remedy against the judgment of the Board. The petition for the conduct of the non-litigious court procedure must be submitted to the Board, but addressed to the district court operating at the seat of the tribunal having jurisdiction based on the consumer's residence; in the case of consumers resident in Budapest it must be addressed to the Central District Court of Pest. The Board submits the documents of the case along with the petition to the competent court.

12 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 any recommendation of FAB was requested at the court, the recommendation may not be published with the name of the financial service provider until the completion of the court procedure with a final ruling. After the final ruling the recommendation, the force of which was maintained, may be published.

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.

13 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.

14 CONTACT DETAILS

1. In general cases:
– By letter sent by post: 1525 Budapest Pf. 172.
– or addressed directly to FAB (H-1013 Budapest I., Krisztina krt 39.)
– By e-mail: ugyfelszolgalat@mnb.hu
– In relation to service contracts concluded online as specified in the ODR Regulation, via the online dispute resolution platform at https://webgate.ec.europa.eu/odr.

2. In settlement and contract modification cases:
– By letter sent by post: 1539 Budapest, Pf. 670.

3. In all cases:

The colleagues of the MNB Central Customer Service provide information on the rules governing the procedure of the Board by phone or e-mail, upon request by phone or e-mail. No information is provided on pending cases.

Since 3 August 2015 the Board does not operate an own customer service desk.

The Board may be contacted as follows:
– On its own website: www.penzugyibekeltetotestulet.hu
– At the central customer service of the MNB: H-1013 Budapest, Krisztina krt. 39
– Via the direct telephone number: +36-1-489-9700
– Through the central facsimile: 36-1- 489-9102

The petitions may be submitted at any of the locations listed below:
– in person in the Civil Affairs Bureaus
– at the MNB Central Customer Service, Budapest I , Krisztina krt 39, ground floor, in person
– as e-instrument via the e-government portal on the www.ugyfelkapu.magyarorszag.hu page, if the petitioner has the necessary registration.

In the offices of the Network of Financial Advisory Offices, at 11 locations nationwide, where the consultants are available to provide help for the proper completion of the petitions. (www.penzugyifogyaszto.hu)

ANNEX 2

	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 may download this form from the website of the Financial Arbitration Board (www.penzugyibekeltetotestulet.hu) and fill in legibly or by typewriter. You may send the filled in form to our postal address (Pénzügyi Békéltető Testület 1525 Budapest, **Postafiók 172**) or submit in person at the customer service desk of the Magyar Nemzeti Bank (address: H-1013 Budapest, Krisztina krt. 39.). The petition may also be submitted via the designated Bureaus of Civil Affairs or in electronic form via the e-government portal. (www.magyarorszag.hu)*	

Please mark with X if your petition is related to car purchase loan or car lease	☐ **yes**

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 and place of birth:**	☐☐☐☐ ☐☐ ☐☐ Place 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 and place of birth:**	☐☐☐☐ ☐☐ ☐☐ Place 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.

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 201... 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 201... 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	**Description of the petition:**	
6.1.3	**Amount involved in the petition:** (if it can be determined, please insert)	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):

4/7

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.

I consent to conducting the procedure in writing, I do not request that a hearing be held.	☐ **yes**

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

…… ……

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

** By signing this form I also declare that the Financial Arbitration Board may manage my data in the proceeding launched on the basis of this petition for the necessary time as specified in Section 5(2) of Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information, and may transfer it to third parties if it has a statutory obligation to do so.*

Please be informed that the petitioner may receive information on the personal data managed in respect of him/her at any time, and in the case of any infringement he/she may initiate court action or the proceedings of the Hungarian National Authority for Data Protection and Freedom of Information.

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 201.. . year

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

Witnesses:

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

ANNEX 3

FIN-NET form for cross-border financial services complaints

When to use this form: Use this form if you:
- live in one country in Europe*
- have a complaint against a financial services provider in another country in Europe*
- have complained to the provider but are still dissatisfied and
- want to find out which out-of-court dispute resolution scheme 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 scheme in either:
- your own country or
- the country of the financial services provider

There is a list of dispute resolution schemes in each country, and what they cover, at http://ec.europa.eu/internal_market/fin-net/members_en.htm. It will help if you attach a copy of essential documents, in particular, of any written response the provider made to your complaint.

What happens next: The dispute resolution scheme will tell you whether it, or some other scheme, might be able to resolve your complaint. The scheme that actually looks at your complaint may well ask you to complete a longer complaint form and will provide you with more information.

Information about you	
The country you live in	
Your surname	
Your other names	
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 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	
Date you complained to the provider	
Date of provider's last response	

* A Member State of the European Union, Iceland, Liechtenstein and Norway

financial dispute resolution network

FIN-NET formanyomtatvány határon átnyúló pénzügyi jogvita rendezésére

Akkor töltse ki a nyomtatványt, ha

- az Európai Unióban, Izlandon, Liechtensteinben vagy Norvégiában lakik
- olyan pénzügyi szolgáltatóval szemben van panasza, mely a fenti államok valamelyikében működik
- kezdeményezte a panasz rendezését a pénzügyi szolgáltatóval, de az nem vezetett eredményre
- meg szeretné tudni, melyik bíróságon kívüli vitarendezési fórum illetékes az ügyében

Kérjük, töltse ki az alábbi nyomtatványt és e-mailen vagy postai úton küldje azt el annak az vitarendezési fórumnak, amely

- az Ön országában működik
- a pénzügyi szolgáltató országában működik

Az alábbi linken megtalálja a hatáskörrel rendelkező vitarendezési fórumok listáját. http://ec.europa.eu/internal_market/fin-net/members_en.htm. Kérjük, kérelméhez csatolja azon dokumentumok másolatát, amelyekre hivatkozni kíván az eljárás során, különösen a pénzügyi szolgáltató válaszát a panaszára.

A következő lépésben a vitarendezési fórum tájékoztatni fogja, hogy ő maga, vagy másik fórum tud eljárni az ügyében. Az eljáró fórum további információkat kérhet Öntől a panaszára vonatkozóan.

Személyes adatok	
Az ország, ahol Ön lakik	
Vezetéknév	
Utónév	
Nemzetiség	
Lakcím	
Telefonszám (napközbeni elérhetőség)	
E-mail cím	
A pénzügyi szolgáltató adatai	
Teljes neve	
Típus (bank, biztosító, stb.)	
A pénzügyi szolgáltató irodájának címe, mellyel kapcsolatban áll	
A pénzügyi szolgáltató elérhetősége (telefon, e-mail cím)	
Az ország, ahol a pénzügyi szolgáltató irodája működik	
A panasz adatai	
Rövid összefoglalás a panaszról	
A panasz alapjául szolgáló tények keletkezésének időpontja	
Szerződés száma, adatai	
Panaszbejelentés időpontja a pénzügyi szolgáltató felé	
A pénzügyi szolgáltató utolsó válaszának időpontja	

ANNEX 4

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.

ANNEX 5

Service Providers concerned with procedures in 2016

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
1	Erste Bank Hungary Zrt.	332	71
2	OTP Bank Nyrt.	301	101
3	Allianz Hungária Biztosító Zrt.	241	0
4	Generali Biztosító Zrt.	204	0
5	Groupama Biztosító Zrt.	196	0
6	OTP Faktoring Zrt.	189	31
7	Merkantil Bank Zrt.	180	26
8	K&H Bank Zrt.	173	105
9	Raiffeisen Bank Zrt.	145	79
10	AEGON Magyarország Általános Biztosító Zrt.	144	0
11	UniCredit Bank Hungary Zrt.	110	28
12	K&H Biztosító Zrt.	108	0
13	CIB Bank Zrt.	106	63
14	Budapest Bank Zrt.	97	31
15	UNIQA Biztosító Zrt.	94	0
16	MKB Bank Zrt.	85	38
17	FHB Kereskedelmi Bank Zrt.	82	20
18	Magyar Posta Biztosító Zrt.	81	0
19	Magyar Cetelem Bank Zrt.	75	2
20	Intrum Justitia Követeléskezelő Zrt.	75	12
21	Lombard Pénzügyi és Lízing Zrt.	60	55
22	Budapest Autófinanszírozási Zrt.	58	42
23	ERSTE Vienna Insurance Group Biztosító Zrt.	57	0
24	AXA Bank Europe SA Branch Office in Hungary	56	24
25	KÖBE Kölcsönös Biztosító Egyesület	54	0
26	Citibank Europe plc. Hungarian Branch Office	50	1
27	Provident Pénzügyi Zrt.	46	1
28	EOS Faktor Magyarország Zrt.	43	4
29	Fundamenta Lakáskassza Lakástakarépénztár ZRt.	38	1
30	GENERTEL Biztosító Zrt.	34	0
31	MKB Általános Biztosító Zrt.	34	0
32	CIB Lízing Zrt.	32	12
33	CARDIF Életbiztosító Magyarország Zrt.	29	0
34	Cofidis Hungarian Branch Office	27	7
35	OTP Jelzálogbank Zrt.	27	34
36	Wáberer Hungária Biztosító Zrt.	24	0
37	Dunacorp Faktorház Zrt.	24	8
38	Signal Biztosító Zrt.	23	0
39	AEGON Magyarország Hitel Zrt.	23	17

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
40	4Life Direct Kft.	19	0
41	Sberbank Magyarország Zrt.	19	13
42	Erste Befektetési Zrt.	17	0
43	AIG Europe Limited Branch Office in Hungary	15	0
44	NN Biztosító Zrt.	15	0
45	FINALP Zrt.	15	2
46	MKK Magyar Követeléskezelő Zrt.	15	6
47	Porsche Bank Zrt.	15	9
48	Banif Plus Bank Zrt.	15	15
49	ACE European Group Limited Branch Office in Hungary	13	0
50	MKB-Euroleasing Autóhitel Zrt.	13	6
51	CIG Pannónia Életbiztosító Nyrt.	11	0
52	Colonnade Insurance S.A. Hungarian Branch Office	11	0
53	PLÁNINVEST Bróker Zrt.	11	0
54	FHB Jelzálogbank Nyrt.	11	11
55	KDB Bank Európa Zrt.	10	15
56	Oney Magyarország Pénzügyi Szolgáltató Zrt.	9	0
57	OVB Vermögensberatung Általános Biztosítási és Pénzügyi Szolgáltató Kft	9	0
58	QBE Insurance (Europe) Limited Branch Office in Hungary	9	0
59	MagNet Magyar Közösségi Bank Zrt.	9	2
60	Association of Hungarian Insurance Companies (MABISZ)	8	0
61	ARGENTA LÍZING Pénzügyi Szolgáltató Zrt.	8	5
62	Erste Lakástakarék Zrt.	7	0
63	Magyar Posta Életbiztosító Zrt.	7	0
64	Magyar Posta Zrt.	7	0
65	MetLife Biztosító Zrt.	7	0
66	OTP Ingatlanlízing Zrt.	7	4
67	MKB Életbiztosító Zrt.	6	0
68	Vienna Life Vienna Insurance Group Biztosító Zrt.	6	0
69	Merkantil Car Gépjármű Lízing Zrt.	6	2
70	Santander Consumer Finance Zrt.	6	3
71	ALBA Takarékszövetkezet "in liquidation"	5	0
72	CLB Független Biztosítási Alkusz Kft.	5	0
73	Erste Vienna Insurance Group Biztosító Zrt.	5	0
74	Netrisk.hu Első Online Biztosítási Alkusz Zrt.	5	0
75	STRATEGON Értékpapír Zrt.	5	0
76	UCB Ingatlanhitel Zrt.	5	3
77	CIG Pannónia Első Magyar Általános Biztosító Zrt.	4	0
78	Concorde Értékpapír Zrt.	4	0
79	Equilor Befektetési Zártkörűen Működő Részvénytársaság	4	0
80	ERGO Életbiztosító Zrt.	4	0
81	Europ Assistance Magyarország Kft.	4	0
82	Lombard Finanszírozási Zártkörűen Működő Rt.	4	0

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
83	Metlife Europe Limited Branch Office in Hungary	4	0
84	Szabolcs Takarékszövetkezet	4	0
85	OTP Lakástakarékpénztár Zrt.	4	1
86	Sajóvölgye Takarékszövetkezet	4	1
87	Banco Primus Branch Office in Hungary	4	2
88	Sopron Bank Zrt.	4	32
89	Banküzlet Vagyonkezelő és Hasznosító Zrt.	3	0
90	BRB BUDA Regionális Bank Zártkörűen Működő Részvénytársaság "in liquidation"	3	0
91	CREDITIÁL Pénzügyi Szolgáltató Zrt.	3	0
92	D.A.S Jogvédelmi Biztosító Zrt.	3	0
93	DEFACTORING Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	3	0
94	Fókusz Takarékszövetkezet	3	0
95	Magyar Ügyvédek Kölcsönös Biztosító Egyesülete	3	0
96	Prémium Önkéntes Egészségpénztár	3	0
97	UniCredit Leasing ImmoTruck Pénzügyi Szolgáltató Zrt.	3	0
98	Vodafone Magyarország Zrt.	3	0
99	InHold Pénzügyi Zrt.	3	1
100	Pannon Takarék Bank Zrt.	3	1
101	ÁHF Általános Hitel és Finanszírozási Zrt.	3	4
102	MKB-Euroleasing Autólízing Zrt.	3	4
103	Pénzügyi Stabilitási és Felszámoló Nonprofit Kft.	3	7
104	AEGON Magyarország Önkéntes Nyugdíjpénztár	2	0
105	Amana Credit Pénzügyi Szolgáltató Zrt. (in liquidation)	2	0
106	ARGENTA FAKTOR Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	2	0
107	Astra S. A. Insurance Branch Office in Hungary	2	0
108	Bakonyvidéke Takarékszövetkezet	2	0
109	Cash Claim Kft.	2	0
110	CODEX Tőzsdeügynökség és Értéktár Zártkörűen Működő Részvénytársaság	2	0
111	DUNA TAKARÉK BANK Zártkörűen Működő Részvénytársaság	2	0
112	Erste Leasing Autófinanszírozási Pénzügyi Szolgáltató Zártkörűen Működő Részvény	2	0
113	Európai Utazási Biztosító Zrt.	2	0
114	GLOBAL Faktor Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	2	0
115	GRÁNIT Bank Zártkörűen Működő Részvénytársaság	2	0
116	Kárrendezési Alap (Loss Adjustment Fund)	2	0
117	Legal Rest Pénzügyi Szolgáltató Zrt.	2	0
118	MetLife Europe d.a.c. Hungarian Branch Office	2	0
119	MPK Magyar Pénzügyi Közvetítő Zrt.	2	0
120	Nemzeti Útdíjfizetési Szolgáltató Zrt.	2	0
121	Norbi Update Lowcarb Nyrt.	2	0
122	OTP Életjáradék Ingatlanbefektető Zrt.	2	0
123	PILLÉR Takarékszövetkezet	2	0
124	Prémium Önkéntes Nyugdíjpénztár	2	0
125	QUANTIS Consulting Zrt.	2	0

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
126	Royal Marketing Európa Kft.	2	0
127	Office of Bailiff Sebestyén László	2	0
128	Szerencs és Környéke Takarékszövetkezet	2	0
129	Díjbeszedő Faktorház Zrt.	2	1
130	Duna Ingatlanfinanszírozó Zrt.	2	1
131	Kinizsi Bank Zrt.	2	1
132	HAJDÚ TAKARÉK Takarékszövetkezet	2	2
133	Toyota Pénzügyi Zrt.	2	2
134	Raiffeisen Lízing Zrt.	2	3
135	Admiral Markets UK Ltd Branch Office In Hungary	1	0
136	AEGON Magyarország Lakástakarékpénztár Zrt.	1	0
137	Alba Takarékszövetkezet	1	0
138	Allianz Hungária Önkéntes Nyugdíjpénztár	1	0
139	Aranykor Országos Önkéntes Nyugdíjpénztár	1	0
140	Argenta Credit Zrt.	1	0
141	ARGENTUM HOLDING Projektfinanszírozó és Hitelközpont Pénzügyi Szolgáltató ZRt.	1	0
142	Autohome Kft.	1	0
143	AZÚR Takarék Takarékszövetkezet	1	0
144	Bank of China (Hungária) Hitelintézet Zrt.	1	0
145	BÁTOR Pénzügyi Zárkörűen Működő Rt.	1	0
146	BÁV Bizományi Kereskedőház és Záloghitel Zrt.	1	0
147	BÁV-ZÁLOG Pénzügyi Szolgáltató Zrt.	1	0
148	Beneficial (Magyarország) Pénzügyi Szolgáltató Rt.	1	0
149	BIG Investment Group Kft.	1	0
150	Booking.com	1	0
151	BUDA-Cash Brókerház Zrt.	1	0
152	Budapest Országos Kötelező Magánnyugdíjpénztár	1	0
153	Budapest Országos Kötelező Magánnyugdíjpénztár	1	0
154	Mayor's Office of the Municipality of the 14th district of Budapest	1	0
155	Budapesti Ingatlan Nyrt.	1	0
156	CASPER Consumer Finance Zrt.	1	0
157	CIB Credit Zrt.	1	0
158	Citadel Capital Management LLC	1	0
159	Claim Controll Kárszakértő és Pénzügyi Szolgáltató Korlátolt Felelősségű Társaság	1	0
160	Creditexpress Magyarország Pénzügyi Szolgáltató Kft.	1	0
161	DE-KA Biztosítási Alkusz Kft.	1	0
162	Dél-Pest Megyei Víziközmű Szolgáltató Zrt.	1	0
163	DHK Hátralékkezelő és Pénzügyi Szolgáltató Zrt.	1	0
164	Diákhitel Központ Zártkörűen Működő Rt.	1	0
165	DIMENZIÓ Kölcsönös Biztosító és Önsegélyező Egyesület	1	0
166	Domusmed Kft.	1	0
167	Econoserve Management Tanácsadó Zártkörűen Működő Rt.	1	0
168	ELMŰ-ÉMÁSZ Ügyfélszolgálati Korlátolt Felelősségű Társaság	1	0

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
169	Endrőd és Vidéke Takarékszövetkezet	1	0
170	ÉRB Észak-magyarországi Regionális Bank Zrt. "in liquidation"	1	0
171	ERGO Versicherung Aktiengesellschaft Branch Office in Hungary	1	0
172	Érsekvadkert és Vidéke Takarékszövetkezet	1	0
173	Erste Önkéntes Nyugdíjpénztár	1	0
174	EUROINS Romania Asigurare Reasigurare S.A.	1	0
175	Euronics Áruház	1	0
176	Európa Tender Biztosítási Alkusz Kft.	1	0
177	EURORISK Biztosítási Alkusz Kft.	1	0
178	FHB Életjáradék Zrt.	1	0
179	Fővárosi Vízművek	1	0
180	Fxloop Investment Kft.	1	0
181	GLOBALINVEST Zártkörűen Működő Részvénytársaság	1	0
182	Globeserv Befektetési Alapkezelő Zártkörűen Működő Rt.	1	0
183	GRAWE Életbiztosító Zrt.	1	0
184	Helavex Bt.	1	0
185	Helikomplex Kft.	1	0
186	HORIZONT Magánnyugdíjpénztár	1	0
187	Hungária Takarék Takarékszövetkezet	1	0
188	HUNGÁRIA-FAKTOR Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1	0
189	IronFX Global Limited	1	0
190	Ivanics Hungary Kft.	1	0
191	Jász-Takarékszövetkezet	1	0
192	KBC Securities Branch Office in Hungary	1	0
193	Korona Kredit Jelzáloghitel Zártkörűen Működő Részvénytársaság	1	0
194	Life Plusz Biztosításközvetítő és Szolgáltató Kft.	1	0
195	Lyoness Hungary Kft.	1	0
196	Magyar Ingatlanhitel Pénzügyi Zártkörűen Működő Részvénytársaság "in liquidation"	1	0
197	Magyar Posta Befektetési Szolgáltató Zrt.	1	0
198	Magyar Posta Takarék Önkéntes Nyugdíjpénztár	1	0
199	Magyar Ügyvédek Biztosító és Segélyező Egyesülete	1	0
200	MAPFRE ASISTENCIA S.A. Hungarian Branch Office	1	0
201	MÁV Zrt.	1	0
202	MECSEK TAKARÉK Szövetkezet	1	0
203	MKB Egészség- és Önsegélyező Pénztár	1	0
204	MKB Nyugdíjpénztár	1	0
205	MKB-Euroleasing Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1	0
206	Nagyréde és Vidéke Körzeti Takarékszövetkezet	1	0
207	Nautilus Hungary Kft.	1	0
208	Nemzeti Adó- és Vámhivatal Nógrád Megyei Adóigazgatósága (National Tax and Customs Administration Tax Directorate of Nógrád County)	1	0
209	Neteller UK Limited	1	0
210	NOVIS Poistovna a.s.	1	0

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
211	Oberbank AG Branch Office in Hungary	1	0
212	Omega Credit Pénzügyi Zrt	1	0
213	One Network Services Ltd.	1	0
214	Orgovány és Vidéke Takarékszövetkezet "in liquidation"	1	0
215	Orientamento Kft	1	0
216	Pannon 2005 Faktor és Hitel Zrt.	1	0
217	Pannónia Nyugdíjpénztár, member of CIG Partnership	1	0
218	Peak Investment P.L.C.	1	0
219	Porsche Versicherung AG Branch Office in Hungary	1	0
220	Premium Magánnyugdíjpénztár	1	0
221	QUAESTOR Értékpapírkereskedelmi és Befektetési Zrt.	1	0
222	Random Capital Broker Zártkörűen Működő Részvénytársaság	1	0
223	REÁLSZISZTÉMA Értékpapír-forgalmazó és Befektető Zrt.	1	0
224	Retail Prod Zrt.	1	0
225	Voluntary Pension Fund under Richter Gedeon	1	0
226	SKANDIA Lebensversicherung AG	1	0
227	Solar Capital Markets Értékpapír Kereskedelmi Zrt.	1	0
228	Solt és Vidéke Takarékszövetkezet	1	0
229	Synchron Lízing Zrt.	1	0
230	Telenor Magyarország Zártkörűen Működő Részvénytársaság	1	0
231	Téti Takarékszövetkezet	1	0
232	Timberland Capital Management GmbH	1	0
233	Timeshare Market INC Kft.	1	0
234	Tisza Takarékszövetkezet "in liquidation"	1	0
235	UNIFINANZ Pénzügyi Szolgáltató Zártkörűen Működő Részvénytársaság	1	0
236	UPC Magyarország Kft.	1	0
237	XIII. Kerületi Közszolgáltató Zrt.	1	0
238	ZEPTER International Ungarn Kft.	1	0
239	FHB Ingatlanlízing Zártkörűen Működő Részvénytársaság	1	1
240	Magyar Faktorház Zrt.	1	1
241	MediCredit Pénzügyi Szolgáltató Zrt.	1	1
242	Overdraft Hungary Kereskedelmi és Szolgáltató Zártkörűen Működő Rt.	1	1
243	UniCredit Jelzálogbank Zrt.	1	10
244	ELMŰ-ÉMÁSZ Ügyfélszolgálati Kft.	0	0
245	FHB Életjáradék Ingatlanbefektető Zártkörűen Működő Rt.	0	0
246	Office of Bailiff Sebestyén László	0	0
247	Municipality of the 13th district	0	0
248	Arthur Bergmann Hungary Kft.	0	1
249	Boldva és Vidéke Takarékszövetkezet	0	1
250	BORSOD TAKARÉK Takarékszövetkezet	0	1
251	CENTRÁL-FAKTOR Pénzügyi Zártkörűen Működő Zrt.	0	1
252	Central-Fund Zrt	0	1
253	Commerzbank Zártkörűen Működő Részvénytársaság	0	1

	Service Provider	Conciliation cases number of cases	Settlement cases number of cases
254	Cooper Ingatlanfinanszírozási Zrt. "in liquidation"	0	1
255	Érd és Vidéke Takarékszövetkezet	0	1
256	Erste Leasing Autófinanszírozási Zrt.	0	1
257	FHB Bank Zrt.	0	1
258	HSBC Credit Pénzügyi Szolgáltató Zrt.	0	1
259	Lánchíd Hitel és Faktor Finanszírozási Zrt. "in liquidation"	0	1
260	Magyar Ingatlanhitel Pénzügyi Zrt. in liquidation	0	1
261	Mercedes-Benz Credit Pénzügyi Szolgáltató Hungary Zrt.	0	1
262	MKB Euroleasing Autóhitel Zrt.	0	1
263	Pannoninvest Libra Pénzügyi Szolgáltató Zrt.	0	1
264	Polgári Bank Zártkörűen Működő Részvénytársaság	0	1
265	Silver-Credit Ingatlan Hitel Zrt. "in liquidation"	0	1
266	Szeghalom és Vidéke Takarékszövetkezet	0	1
267	Szegvár és Vidéke Takarékszövetkezet	0	1
268	Újszász és Vidéke Körzeti Takarékszövetkezet	0	1
269	UniCredit Leasing Hungary Zrt.	0	1
270	Veresegyház és Vidéke Takarékszövetkezet	0	1
271	CIB Ingatlanlízing Zrt.	0	2
272	Credit Service Pénzügyi Szolgáltató Zrt. "in liquidation"	0	2
273	DUNA Takarék Bank Zrt.	0	2
274	HETA Asset Resolution Magyarország Zrt.	0	2
275	Morgan Hitel és Faktor Pénzügyi Szolgáltató Zrt.	0	2
276	PESTI HITEL Zrt.	0	2
277	Q13 Pénzügyi Zrt.	0	2
278	RCI Lízing és Autófinanszírozási Zrt.	0	2
279	B3 TAKARÉK Szövetkezet	0	3
280	CESSIO Követeléskezelő Zrt.	0	3
281	DELTA Faktor Pénzügyi Zrt.	0	3
282	Mecsekvidéke Takarékszövetkezet Mecseknádasd	0	3
283	NHB Növekedési Hitel Bank Zártkörűen Működő Részvénytársaság	0	3
284	Quality Financial (Magyarország) Pénzügyi Szolgáltató Zrt. "in liquidation"	0	3
285	Reg-Finance Pénzügyi és Szolgáltató Zrt.	0	3
286	Szatmár-Beregi Takarékszövetkezet	0	4
287	ÁHF Lízing Pénzügyi Zrt.	0	5
288	Hitex Pénzügyi Szolgáltató Zrt.	0	5
289	Argenta Credit Pénzügyi Szolgáltató Zrt.	0	8
290	Credit House Magyarország Ingatlanfinanszírozási Zrt.	0	8
291	SKILL Pénzügyi és Tanácsadó Zrt.	0	14
	Service providers not named in the petitions	**21**	**15**
	Total	**4 408**	**1 105**

ANNEX 6

Laws applied

All sectors

Laws:

- Act CXXV of 2016 on the Amendment of Certain Acts on Taxation and Other Related Acts
- Act LIII of 2016 on the Amendment of Certain Acts Related to the Financial Intermediary System (Act CXXXIX of 2013 on the Magyar Nemzeti Bank is supplemented: Articles 101, 102, 108, 112(3) and 130; Articles 107, 113 and 130 enter into force as new provisions)
- Act CLXXVII of 2013 on the Transitional and Authorising Provisions Related to the Enactment of Act V of 2013 on the Civil Code
- Act CXXXIX of 2013 on the Magyar Nemzeti Bank
- Act V of 2013 on the Civil Code
- Act CXXII of 2011 on the Central Credit Information System.
- Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices Against Consumers
- Act XXV of 2005 on the Financial Services Contracts Concluded by Distance Selling
- Act CXXXII of 1997 on Hungarian Branch Offices and Commercial Representative Offices of Foreign Companies

Decrees of the Governor of the MNB:

- MNB Decree No. 28/2014 (VII.23.) on the rules pertaining to the complaint management of financial organisations

Financial market sector

Laws:

- Act CV of 2015 on the Debt Management of Natural Persons
- Act XV of 2014 on Trustees and the Rules Governing Their Activity
- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises
- Act CCXXXV of 2013 on Certain Payment Providers
- Act CXVI of 2012 on Financial Transaction Tax
- Act CLXX of 2011 on the Housing Provision of Natural Persons Unable to Meet their Obligations Arising from the Loan Contract
- Act LXXV of 2011 on the Fixing of Exchange Rates Used for Repayments of Foreign Currency-Denominated Mortgage Loans and the Administration of Forced Sales of Residential Property
- Act CLXII of 2009 on Consumer Credit
- Act LXXXV of 2009 on the Provision of Payment Services
- Act CLXXIV of 2005 on the Support to Young People at the Beginning of their Career
- Act CLVI of 2005 on Pre-Retirement Savings
- Act XXX of 1997 on Mortgage Banks and Mortgage Bonds

Government decrees:

- Government Decree 262/2016 (VIII.31.) on access to a basic account and the features of and charges payable for the keeping of basic accounts
- Government Decree 263/2016 (VIII.31.) on the switching of payment accounts
- Government Decree 463/2015 (XII.29.) on the content requirements of the contracts for independent financial intermediary services and the liability insurance contract for tied mortgage loan intermediaries
- Government Decree 462/2015 (XII.29.) on the rules related to the procedures of mortgage lending and intermediation, credit advisory and the professional skills of the employees
- Government Decree 274/2015 (IX.21.) on the instalment subsidy granted to natural persons participating in debt settlement, to preserve their dwelling conditions.

- Government Decree 57/2012. (III.30.) on the refund related to fixing of the exchange rate applicable to the repayment of foreign currency loans and the support of the public sector workers
- Government Decree 341/2011. (XII.29.) on the interest subsidy for home building
- Government Decree 163/2011 (VIII.22.) on the unreasonably high debt-service burden in the case of loan facility agreement related to accumulation account loan
- Government Decree 83/2010 (III.25.) on the definition, calculation and publication of the annual percentage rate
- Government Decree 82/2010 (III.25.) on the calculation and publication of deposit rates and securities' yields
- Government Decree 361/2009 (XII.30.) on the conditions of prudent retail lending and the examination of creditworthiness
- Government Decree 153/2009 (VII.23.) on certain issues necessary to enhance the efficiency of consumer protection in the financial sector
- Government Decree 12/2001 (I.31.) on state subsidies for housing purposes
- Government Decree 215/1996 (XII.23.) on state subsidies for advance savings for housing purposes

Decrees of the Governor of the MNB:
- MNB Decree 18/2009. (VIII.6.) on the Management of payment services

Laws related to settlement and conversion into forint

Laws:
- Act CXLV of 2015 on Resolving Issues Related to the HUF Conversion of Receivables from Certain Consumer Loan Agreements
- Act LXXVII of 2014 on Resolving Issues Related to the Modification of the Currency of Certain consumer Loan Agreements and Issues Relating to Interest Rate Rules.
- Act XL of 2014 on the rules of the settlement laid down in Act XXXVIII of 2014 on certain issues relating to the Curia's uniformity decision on household loans and on certain other provisions.
- Act XXXVIII of 2014 on the settlement of certain issues related to the Curia's uniformity ruling on financial institutions' consumer loan contracts.

Decrees of the Governor of the MNB
- MNB Decree 58/2014 (XII.17.) on the consumer protection regulations related to the settlement necessary in view of invalid contractual provisions of consumer loan contracts and the modification of the consumer loan contracts
- MNB Decree 55/2014 (XII.10.) on the estimation procedure and deadline for the cash settlement in view of invalid contractual provisions of financial institutions' consumer loan contracts
- MNB Decree 54/2014 (XII.10.) on the special rules pertaining to the methodology of the settlement necessary in view of invalid contractual provisions of financial institutions' consumer loan contracts
- MNB Decree 42/2014 (XI.7.) on the general rules pertaining to the methodology of the settlement necessary in view of invalid contractual provisions of financial institutions' consumer loan contracts

Ministers' Decrees:
- Ministry of National Economy Decree 56/2014 (XII.31.) on certain rules related to the provision of information with regard to loans extended to consumers
- Ministry of National Economy Decree 53/2014 (XII.31.) on the amendment of the maturity of consumer loan contracts affected both by the exchange rate cap arrangement and the conversion to forint

Insurance sector

Laws:
- Act LXXXVIII of 2014 on the Insurance Business
- Act CIII of 2011 on the Public Health Product Surtax
- Act LXII of 2009 on Insurance Against Civil Liability in Respect of the Use of Motor Vehicles

Government decrees:
- Government Decree 437/2016 (XII.16.) on the detailed rules related to the complaint management procedures and complaint management regulations of insurers, multiple agents and brokers
- Government Decree 326/2011 (XII.28.) on the administrative tasks related to road transport and the release and withdrawal of the road transport documents, Section 100 provision related to the deregistration of vehicle

Decrees of the Governor of the MNB:
- MNB Decree 55/2015 (XII.22.) on the definition, calculation and publication of the total cost indicator
- MNB Decree 54/2015 (XII.21.) on the maximum technical interest rate

Ministers' Decrees:
- Ministry of National Economy Decree 28/2015 (X.21.) on the separation of the life and non-life business within the insurance company
- Ministry of National Economy Decree 21/2011 (VI.10.) on the rules pertaining to the bonus-malus system, the allocation to the categories of it and the issue of the claim history certificate
- MoF Decree 34/2009 (XII.22.) on the rules pertaining to the means of confirming the existence of motor third-party liability insurance coverage of motor vehicles with registered business location in Hungary, in other member states or the destination of which is in Hungary.
- MoF Decree 33/2002 (XI.16.) on the form and content of the information to be provided to customers in the case of unit-linked life insurance
- MoF Decree 20/2009 (X.9.) on motor vehicle categories applied for motor third-party liability insurance

Capital market sector

Laws:
- Act CCXIV of 2015 on the Loss Adjustment Measures Taken to Strengthen the Stability of the Capital Market
- Act XVI of 2014 on Collective Investment Undertakings and Their Managers and on the Amendment of Specific Financial Laws
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing Their Activities
- Act XXIII of 2003 on the Finality of the Deliveries Made in the Payment and Securities Settlement Systems
- Act CXX of 2001 on the Capital Market

Government decrees:
- Government Decree 435/2016 (XII.16.) on the detailed rules related to the complaint management procedures and complaint management regulations of investment firms, payment institutions, institutions issuing e-money, trade voucher issuers, financial institutions and independent payment service intermediaries
- Government Decree 78/2014 (III.14.) on the rules of investing and borrowing by the collective investment forms
- Government Decree 82/2010 (III.25.) on the calculation and publication of deposit rates and securities' yields
- Government Decree 22/2008 (II.7.) on the mandatory elements of the general terms of business issued by business organisations engaged in the provision of investment services, auxiliary investment services and commodity exchange services
- Government Decree 284/2001 (XII.26.) on the methods of producing, transmitting dematerialised securities, the relevant security rules and on the opening and keeping of securities account, central securities account and customer account

Ministers' Decrees:
- MoF Decree 24/2008 (VIII.15.) on the detailed rules pertaining to disclosure obligations related to publicly offered securities
- MoF Decree 6/2002 (II.20.) on the notification obligation of investment service providers, organisations engaged in clearing house operations and the exchange

Fund market sector

Laws:
- Act CXVII of 2007 on Occupational Pension and Related Institutions
- Act LXXXII of 1997 on Private Pensions and Private Pension Funds
- Act CXIII of 1996 on Building Societies
- Act XCVI of 1993 on Voluntary Mutual Insurance Funds

Government decrees:
- Government Decree 47/1997 (III.12.) on the general contractual terms and conditions of building societies

ANNEX 7

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 8

Conference on alternative dispute resolution in Hungary

CONFERENCE ON ALTERNATIVE DISPUTE RESOLUTION IN HUNGARY
Budapest, 30 November – 1 December 2016

PROGRAMME
WEDNESDAY, 30 NOVEMBER

8:00 REGISTRATION
9:15 **OPENING PRESENTATIONS**

OPENING REMARKS
Dr. Erika Kovács (Financial Arbitration Board)

WELCOMING REMARKS
Dr. Tünde Handó, President (National Office for the Judiciary)
Dr. László Windisch, Deputy Governor (Magyar Nemzeti Bank)

Alternative dispute resolution scheme; Dispute resolution as the new-old form of conflict management
Dr. Váradi Csema Erika, Deputy Dean, (University of Miskolc),
Chair (Alternative Conflict Management and Dispute Resolution Interdisciplinary Research Centre of the Faculty of Law at the University of Miskolc)

Message Wall – questions and answers

10:30 **COFFEE BREAK – PRESS CONFERENCE – POSTER EXHIBITION**
11:15 **INTERNATIONAL OUTLOOK**

Alternative dispute resolution – Europe and the Czech Republic
Dr. iur, LL.M Rita Simon, Scientific Associate at Centrum právni komparatistiky at Univerzita Karlova v Praze)

Alternative dispute resolution in Germany
Ildikó Gaal-Baier, attorney-at-law (Gaal-Mediation, Germany)

Message Wall – questions and answers

12:30 **LUNCH**
13:45 **COURT MEDIATION**

Hungarian model of court mediation
Dr. Katalin Turcsán (née Molnár), judge (Chair of the Székesfehérvár Tribunal), Chair (Court Meditation Working Group of the National Office for the Judiciary)

The judge, as the key to success of court mediation
Dr. Ákos Hegedűs, judge, court mediator (Regional Court of Eger)

Achievements of court mediation to date: Facts behind the numbers
Dr. Kata Tolnai, national coordinator of mediators (NOJ)

Message Wall – questions and answers

15:10 **COFFEE BREAK – POSTER EXHIBITION**

15:40 **Mediation and/or sanctions**
Dr. Ádám Tóth, President (Hungarian Chamber of Civil Notaries)

16:10 **Alternative dispute resolution in the .hu domain: Functioning of the Consulting Board and the Registration Arbitrator**
Dr. Erika Mayer, office manager, internet law specialist (INFOMEDIÁTOR Információs Társadalmi Felhasználóvédelmi Iroda)

16:40 **Message Wall – questions and answers**
Closing of the trade programme of the first day

PROGRAMME
THURSDAY, 1 DECEMBER

8:00 REGISTRATION

9:00 The rules of lawsuit diversion of the new civil procedure

Dr. Zsuzsa Wopera, ministerial commissioner (Ministry of Justice)

9:25 OUT-OF-COURT MEDIATION

Special features of the legislative regulation of out-of-court mediation

Dr. József Szecskó, deputy under-secretary of state in charge of justice services (Ministry of Justice)

Mediation in the life of enterprises

Dr. Zoltán Kiss, President (Budapest Chamber of Commerce and Industry)

Mediation in economic matters

Dr. András Szilágyi, President (Budapest Chamber of Commerce and Industry, Mediation and Legal Coordination Department)

Mediation in criminal cases

Dr. Tamás Szeiberling, Director General (Office of Justice)

Message Wall – questions and answers

10:45 COFFEE BREAK – POSTER EXHIBITION

11:15 CONCILIATION

Operation of the conciliation boards and their achievements to date

Nikoletta Keszthelyi, deputy under-secretary of state, Ministry of National Development

Conciliation in consumer disputes

Dr. Zsolt Hajnal, President (Conciliation Board of Hajdú-Bihar County), associate professor (University of Debrecen, Faculty of Law)

Conciliation in financial consumer disputes

Dr. Erika Kovács, Chair (Financial Arbitration Board)

Message Wall – questions and answers

12:45 LUNCH

14:00 ARBITRATION

Scheme of dispute resolution of arbitration tribunals – Dispute resolution at the Permanent Court of Arbitration organised under the Hungarian Chamber of Commerce and Industry

Prof. Dr. László Kecskés, President, Permanent Court of Arbitration under HCCI

Dispute resolution at the Permanent Court of Arbitration of the Money and Capital Market

Dr. Adrienne Kraudi, President, Permanent Court of Arbitration of the Money and Capital Market

Dispute resolution at the Permanent Arbitration Court for Energetics

Dr. Zoltán Faludi, President, Permanent Arbitration Court for Energetics

Dispute resolution at the Permanent Court of Arbitration operating under the Hungarian Chamber of Agriculture

Dr. Zoltán Mikó, President, Permanent Court of Arbitration operating under the Hungarian Chamber of Agriculture

Dispute resolution at the Permanent Arbitration Court for Sport

Dr. György Nébald, President, Permanent Arbitration Court for Sport

Message Wall – questions and answers

15:25 PANEL DISCUSSION

15:45 CONFERENCE CLOSING REMARKS

Dr. Erika Kovács (Financial Arbitration Board)

ANNEX 9

Data of the offices

Office in Békéscsaba

Address: 5600 Békéscsaba, Szabadság tér 11-17. (District Office)
Telephone: 66/528-320/extension 171
E-mail: bekescsaba@penzugyifogyaszto.hu

Monday	08:30 – 14:30
Tuesday	11:00 – 17:00
Thursday	11:00 – 17:00

Office in Debrecen

Address: 4025 Debrecen, Piac u. 77 2nd floor 15
Phone/Fax: 52/504-329
E-mail: debrecen@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	11:00 – 17:00
Friday	08:00 – 14:00

Office in Eger

Address: 3300 Eger, Kossuth Lajos u. 9 Block E, 1st floor
Phone: 36/515-598/extension 008
E-mail: eger@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Tuesday	11:00 – 17:00
Thursday	11:00 – 17:00

Office in Győr

Address: 9021 Győr, Szent István u. 10/a, office 208 (building of the Chamber of Industry)
Telephone: 30/923-4942
E-mail: gyor@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	08:00 – 14:00
Thursday	11:00 – 17:00

Office in Miskolc

3530 Miskolc Szemere Bertalan u. 2 1st floor 10
Telephone: 30/487-3609
E-mail: miskolc@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	11:00 – 17:00
Thursday	08:00 – 14:00

Office in Nyíregyháza

Address: 4400 Nyíregyháza, Széchenyi u. 2 2nd floor
Telephone: 30/650-1029
E-mail: nyiregyhaza@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	10:00 – 16:00
Thursday	08:00 – 14:00

Office in Pécs

Address: 7621 Pécs, Király utca 42
Telephone: 70/243-3356
E-mail: pecs@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	08:00 – 14:00
Thursday	11:00 – 17:00

Office in Szeged

Address: 6722 Szeged, Rákóczi tér 1. 6th floor
Phone/Fax: 62/680-539
E-mail: szeged@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	11:00 – 17:00
Friday	08:00 – 14:00

Office in Zalaegerszeg

Address: 8900 Zalaegerszeg, Tompa M. u. 1-3. 1st floor
Telephone: 30/699-0056
E-mail: zalaegerszeg@penzugyifogyaszto.hu

Monday	08:00 – 14:00
Wednesday	11:00 – 17:00
Friday	08:00 – 14:00

REPORT ON THE ACTIVITIES OF

THE HUNGARIAN FINANCIAL ARBITRATION BOARD

2016

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