



FA

**FINANCIAL ARBITRATOR
OF THE CZECH REPUBLIC**

**ANNUAL REPORT
2010**



financial dispute resolution network

Member of the Steering Committee of the all-European network of financial arbitrators and ombudsmen FIN-NET
(Cross-Border Out-of-Court Complaints Network for Financial Services)



Member of the worldwide network of financial ombudsmen – International Network of Financial Services Ombudsman Schemes

TABLE OF CONTENTS:

	WORD OF INTRODUCTION FROM THE FINANCIAL ARBITRATOR OF THE CZECH REPUBLIC	4
	THEY SAID ABOUT US IN 2010	5
1.	INTRODUCTION	6
2.	ENSURING THE PERFORMANCE OF THE FINANCIAL ARBITRATOR'S ACTIVITIES	6
3.	GENERAL INFORMATION ABOUT SETTLED CASES	7
3.1.	Total number of petitions	7
3.2.	Number of settled disputes	8
3.3.	Overview of settled disputes according to the type of dispute	9
3.4.	Conciliatory manner of settling disputes and side effects of the Financial Arbitrator's activities	9
3.5.	Financial amounts claimed in settled disputes	10
3.6.	Average duration of proceedings	10
3.7.	Overview of issued awards and resolutions	10
3.8.	Overview of challenges filed	10
3.9.	Overview of legal action	10
4.	COSTS OF THE PERFORMANCE OF THE FINANCIAL ARBITRATOR'S ACTIVITIES	11
4.1.	Efficiency of the activities performed by the Office of the Financial Arbitrator	12
5.	INCOME FROM THE PERFORMANCE OF THE FINANCIAL ARBITRATOR'S ACTIVITIES	12
6.	THE ARBITRATOR'S OBLIGATION TO NOTIFY	13
6.1.	Annual Report on the Financial Arbitrator's activities for the Chamber of Deputies of the Parliament of the Czech Republic	13
6.2.	Annual Report on the Financial Arbitrator's activities for 2009	13
6.3.	Notification of the supervisory authority regarding failings identified in the activities of institutions	13
7.	INTERNATIONAL COOPERATION	14
8.	MEDIA ACTIVITIES, PROMOTION, OTHER ACTIVITIES	14
8.1.	Media activity	15
8.2.	Conference activity	15
8.3.	The Financial Arbitrator and financial literacy	15
8.4.	Information campaign of the Consumer Defence Association 2010	16
8.5.	Consumer surveys on the website www.financniarbitr.cz	16
8.5.1.	With what type of entity do you apply for a consumer credit?	16
8.5.2.	Do you find it difficult in the current economic situation to repay your consumer credit?	17
8.5.3.	Did your bank change the amount of charges as a result of the adoption of the new Payment Systems Act?	17
8.6.	Website, "Ask the Arbitrator" section	17
8.7.	Other activities of the Financial Arbitrator and his deputy	19
9.	INFORMATION ON SELECTED SETTLED DISPUTES	20
9.1.	Case No. 1 – unauthorized payment transaction – petition rejected	20
9.2.	Case No. 2 – payment transaction in an ATM – proceedings discontinued due to groundlessness of the petition	20
9.3.	Case No. 3 – inheritance proceedings and transfer of funds – proceedings discontinued due to withdrawal of the petition	21
9.4.	Case No. 4 – non-execution of a standing order – proceedings discontinued due to withdrawal of the petition	21
9.5.	Case No. 5 – payment transaction in an ATM – proceedings discontinued during challenge proceedings due to groundlessness of the petition	22
9.6.	Case No. 6 – administration of an overdraft facility – proceedings partly discontinued due to inadmissibility of the petition and partly the petition rejected	24
9.7.	Case No. 7 – non-execution of an order to pay an amount of CZK 9,191.00 and subsequent occurrence of damage amounting to CZK 2,650,000.00 – petition rejected	26
10.	CONCLUSION	27
	WORD OF CONCLUSION	28
	ANNEX: MEDIA 2010	29

Graph 1: Development of the number of petitions delivered. 7

Graph 2: Manner of delivery of petitions to the Office of the Financial Arbitrator in 2010. 8

Graph 3: Most frequent petitions delivered according to type in 2010. 8

Graph 4: Development of the number of settled disputes 8

Graph 5: Settled disputes according to type in 2010 9

Graph 6: Manner of settling disputes in which it was decided in favour of the petitioner in 2010 9

Graph 8: Efficiency of the activities performed by the Office of the Financial Arbitrator. 12

Graph 9: Number of media outputs per year (interviews, articles, television and radio appearances, presentations and appearances aimed to make the Financial Arbitrator institute visible) 15

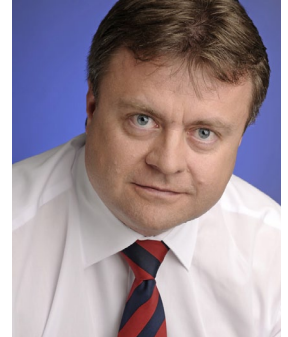
Figure 1: Organizational structure of the Office of the Financial Arbitrator of the Czech Republic 6

Figure 2: Visualization of geographic distribution of the www.financniarbitr.cz website visitors 17

Figure 3: Overview of the number of visits to and viewings of the www.financniarbitr.cz website 18

Figure 4: View of the "Ask the Arbitrator" section 18

Figure 5: Profile of the Financial Arbitrator of the Czech Republic on Facebook (social network) 18



Word of introduction from the Financial Arbitrator of the Czech Republic

In all of my words of introduction to earlier Annual Reports, I always expressed the belief that solely the responsible and contributing performance of the activities of the Financial Arbitrator and of his team would gradually result in the Financial Arbitrator becoming the real protector of the financial rights of consumers in the Czech Republic. It remains our objective to act as an independent third party that is able to help disunited parties resolve their dispute(s) professionally, promptly and with no additional costs. It pleases me that I can state that the Financial Arbitrator is now a useful and respected entity in the financial market and an important component of the consumer protection system. A significant element of our activities is the principle of conciliatory dispute resolution, without the necessity to impose fines in an authoritative manner. An indispensable prerequisite for the successful implementation of this conciliatory principle is communication with all of the participants in the proceedings. The high success rate in applying this principle bears witness to the respect that financial institutions have for the Financial Arbitrator institute. Personally, I find it very gratifying that the importance and unsubstitutability of the Financial Arbitrator's role and of his positive effect is confirmed not only by consumers themselves and by the public media, but also by the leading figures from the sectors covered by our activities. I remember the first comprehensive article published in an unnamed periodical after my election as the Financial Arbitrator, which was titled "Is he going to win respect?" This is my dream coming true about self-actualization and about the need for recognition of our activities, without which the performance of such activities would not be possible on a long-term basis. When the American psychologist Abraham Harold Maslow defined the hierarchy of human needs in 1943, where the need for self-actualization, the need for recognition and esteem occupied the highest levels, he could not have anticipated what importance this theory of his would have to me in my entire life.

Entities for out-of-court dispute resolution in the Member States of the European Union (i.e., also the Financial Arbitrator of the Czech Republic) should, among other things, comply with the seven principles recommended by the European Commission. These are the principles of independence, transparency, respect of the adversarial principle, effectiveness, legality, liberty and representation. Unfortunately, not all of the bills submitted fully respect the requirements for compliance with these principles. It is absolutely necessary for the Financial Arbitrator institute in future to enjoy at least the same degree of significance and importance within the system of public administration as it has been the case up to the present time. Relevant to the legitimacy of such a status is whether the Financial Arbitrator institute is used by consumers and whether it operates efficiently and is a necessary component of the financial market. That the services of the Financial Arbitrator are being used is very well shown by the trend in the number of petitions delivered, where – over the last three years – their number has grown to more than eight hundred petitions per year and reached more than 220% of the value recorded in 2007. The efficiency of our activities per petition has thus been improved by more than 230% over the last three years. I firmly believe and hope that the necessary independent structure of our Office will be preserved and maintained also in future, that our Office will simultaneously keep enjoying at least the same social status as it has been the case up to the present time and that it will not be overshadowed by the public authorities in the Czech Republic.

Dr. Ing. František Klufa
Financial Arbitrator of the Czech Republic

Not only consumers themselves and the leading figures from the sectors covered by our activities are aware of the importance and unsubstitutability of the Financial Arbitrator's role and of his positive effect, but also public media, for instance. Here is a brief extract of what they said about us in 2010 in the media:

Consumers and petitioners wrote to us:

"Thank you for the time you dedicated to handling my petition. In the world of banks, one can apparently never get justice without you. Thank you for your interest in a prompt resolution of this deplorable case."

25 August 2010, R. M.

"Thank you very much for your assistance in resolving a case that various lawyers failed to resolve over 6 years. Thanks to your institution, I won access to my money in the course of one month."

4 June 2010, J. H.

"Some time ago, I used your services with success and, as one hears about you a lot recently and you are surely snowed under with work, I would like to thank you very much for the services you provide to citizens who are sometimes tilting at windmills. I wish the entire team of the Financial Arbitrator a lot of success in your further work."

21 March 2010, J. N.

Leading figures from the sectors covered by our activities said about us:

"The Financial Arbitrator's sensitive, professional and unbiased approach facilitates the resolution of disputes or misunderstandings between clients and banks. Owing to that, it is possible to prevent legal action in many cases. On behalf of Česká spořitelna, I can say that I consider the Financial Arbitrator institute, as it is managed nowadays, very important and useful."

Ing. Miloslav Křečan, Director of Card Operations Department, Česká spořitelna a.s.

"I consider the Financial Arbitrator institute very important and useful as it makes it possible to resolve potential conflicts in complaint proceedings between issuers and holders of payment cards in an out-of-court manner, that is promptly, efficiently and without the necessity to pay court costs or, as the case may be, other costs. From my point of view, being the Chairman of the Security Committee of the Bank Cards Association, the cooperation with the Financial Arbitrator institute is at a very good level. Regular contacts and mutual exchanges of information take place. Communication proceeds in a trouble-free manner and with bilateral effort to view the issues that are the subject of our common interest in an objective and balanced manner."

RNDr. Karel Kadlčák, Chairman of the Security Committee
of the Bank Cards Association of the Czech Republic

"Very appreciable is particularly the Financial Arbitrator's effort to motivate the contracting parties (that is, the financial institution and the consumer) to resolve their mutual dispute by mutual negotiation, and not through legal action. The involvement of the Financial Arbitrator (being an independent third party) in such negotiations is in many cases very useful and hardly substitutable. In my opinion, it would considerably cultivate the Czech financial market, if the powers of the Financial Arbitrator were extended in near future. Moreover, it is gratifying that the Financial Arbitrator institute is ever more intensively reaching the broader awareness of consumers. This is also attributable to the high degree of professionalism that the Office of the Financial Arbitrator demonstrates when approaching to dispute resolution."

JUDr. Jan Kittrich, Legal/Compliance Head, Banco Popolare Česká republika, a.s.

"The Financial Arbitrator's role is absolutely independent and it is truly an institute or a person that, when it comes to consumers, is very often able to help them."

Libor Novák, Director of the Czech Consumer Association

Public media said about us:

"Cheaper and faster than a court, and still more trustworthy than arbitrators – this is exactly what the Financial Arbitrator is. Those who do not like the conduct of financial institutions may refer to him!"

22 December 2010, ČT 24 News

1. Introduction

The Annual Report on the activities performed by the Financial Arbitrator of the Czech Republic (hereinafter referred to also as the "Arbitrator") in the year 2010 has been prepared and presented in accordance with the provisions of Section 21(1) of Act No. 229/2002 Coll., on the Financial Arbitrator, as amended (hereinafter referred to also as the "Financial Arbitrator Act").

The main mission of the Financial Arbitrator is to ensure rapid, free-of-charge and efficient out-of-court settlement of clients' disputes with institutions.

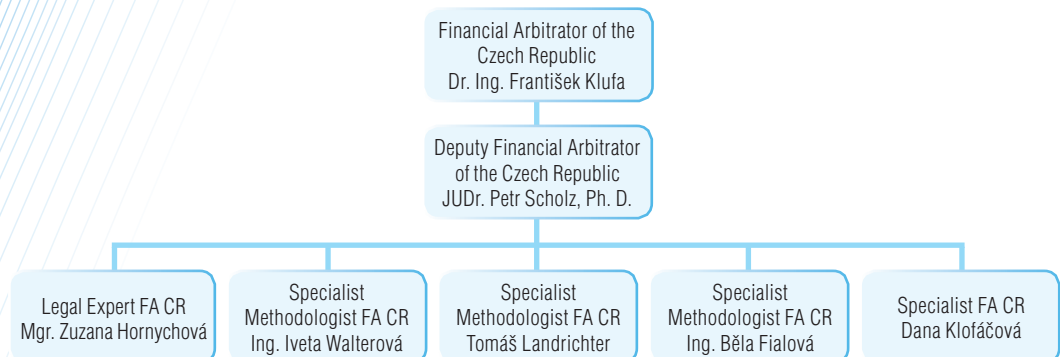
Pursuant to Section 1 of Act No. 229/2002 Coll., on the Financial Arbitrator, as applicable **from 1 November 2009, the Financial Arbitrator of the Czech Republic is authorized to decide disputes** between the providers of payment services and the users of payment services during the provision of payment services, or between the issuers of electronic money and the holders of electronic money during the issuance and reverse exchange of electronic money the Financial Arbitrator is also competent, insofar as the competence to settle such a dispute has otherwise been given to a Czech court of law. The entering into an arbitration agreement does not preclude the competence of the Arbitrator. In particular, the Arbitrator strives to settle any dispute in a conciliatory manner.

2. Ensuring the performance of the Financial Arbitrator's activities

The Financial Arbitrator in 2010 was Dr. Ing. František Klufa (whose term of office commenced in January 2008 and shall expire in December 2012); the Deputy Financial Arbitrator in 2010 was JUDr. Petr Scholz, Ph.D. (whose term of office commenced in March 2008 and shall expire in March 2013).

In 2010, the **activities arising from the Financial Arbitrator Act were performed by 5 other employees** in addition to the aforesaid **Financial Arbitrator and his deputy**, such employees providing the necessary expert, specialist and administrative support. All these employees of the Office of the Financial Arbitrator were employed by the Czech National Bank, which is legally authorized to provide justified administrative support for the activities of the Financial Arbitrator at its own cost, including compensation of expenditure connected with the activities of persons entrusted pursuant to the Financial Arbitrator Act. As at 31 December 2010, the structure of the Office of the Financial Arbitrator was as follows:

Organizational structure of the Office of the Financial Arbitrator of the Czech Republic



Pursuant to Section 12 of the Financial Arbitrator Act, during the year 2010, the Financial Arbitrator used his powers and authorized other natural persons, who were not employees of the Czech National Bank, to carry out investigations. In particular, these persons were judicial experts in the field of graphology and attorneys for representation in courts or, as the case may be, for legal assessment of complicated cases.

Financial Arbitrator's registered office: Washingtonova ul. 25, Prague 1, 110 00

Contact information: Tel.: 221 674 600, Fax: 221 674 666
e-mail: arbitr@finarbitr.cz
<http://www.finarbitr.cz>, <http://www.financniarbitr.cz>
<http://www.facebook.com/pages/Financni-arbitr-Ceske-republiky/136412509725764?v=wall>

Office hours for the public: Monday–Thursday from 8:30 a.m. to 3:30 p.m.
Friday from 8:30 a.m. to 2:30 p.m.

However, required services and consultations were provided, even if the Office of the Financial Arbitrator was contacted outside of the above specified hours.

Pursuant to Act No. 300/2008 Coll., on Electronic Acts and Authorized Document Conversion, the Financial Arbitrator started to **actively use a data box** when the institution of the Financial Arbitrator was classified in a public authority category. By means of this data box, the Financial Arbitrator communicates with both institutions and petitioners. The Financial Arbitrator's data box system is accessible to the employees of the Office of the Financial Arbitrator delegated by the Arbitrator.

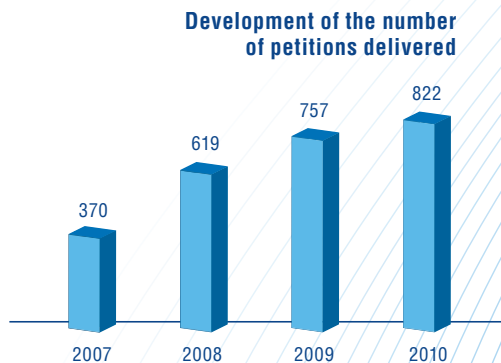
On the basis of the Agreement entered into by and between the Czech National Bank and the Financial Arbitrator on administrative support for the Financial Arbitrator's activities, including compensation of expenditure connected with his activities, the Czech National Bank supported the activities of the Arbitrator in the following areas: salaries and other emoluments, personnel, financial, information technologies and material support and services.

General information about settled cases

In 2010, the Office of the Financial Arbitrator of the Czech Republic received a total of **822 petitions**.

A petition is a request or a query delivered in writing, by telephone, electronically or in person relating to a financial issue and where the petitioner is requesting help or advice in the resolution of a given problem. Every such petition must be responded to, resolved in the appropriate way and documented. Provided that the petition in question so requires, the necessary administrative act is performed.

Various types of documentation are maintained in both administrative and organizational terms for petitions and cases when proceedings are commenced pursuant to the Financial Arbitrator Act on the basis of a delivered petition. Consumers also contacted the Financial Arbitrator with requests the resolution of which did not fall within the defined competence of the Financial Arbitrator.

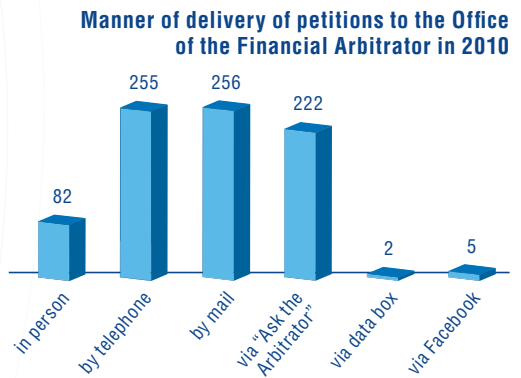


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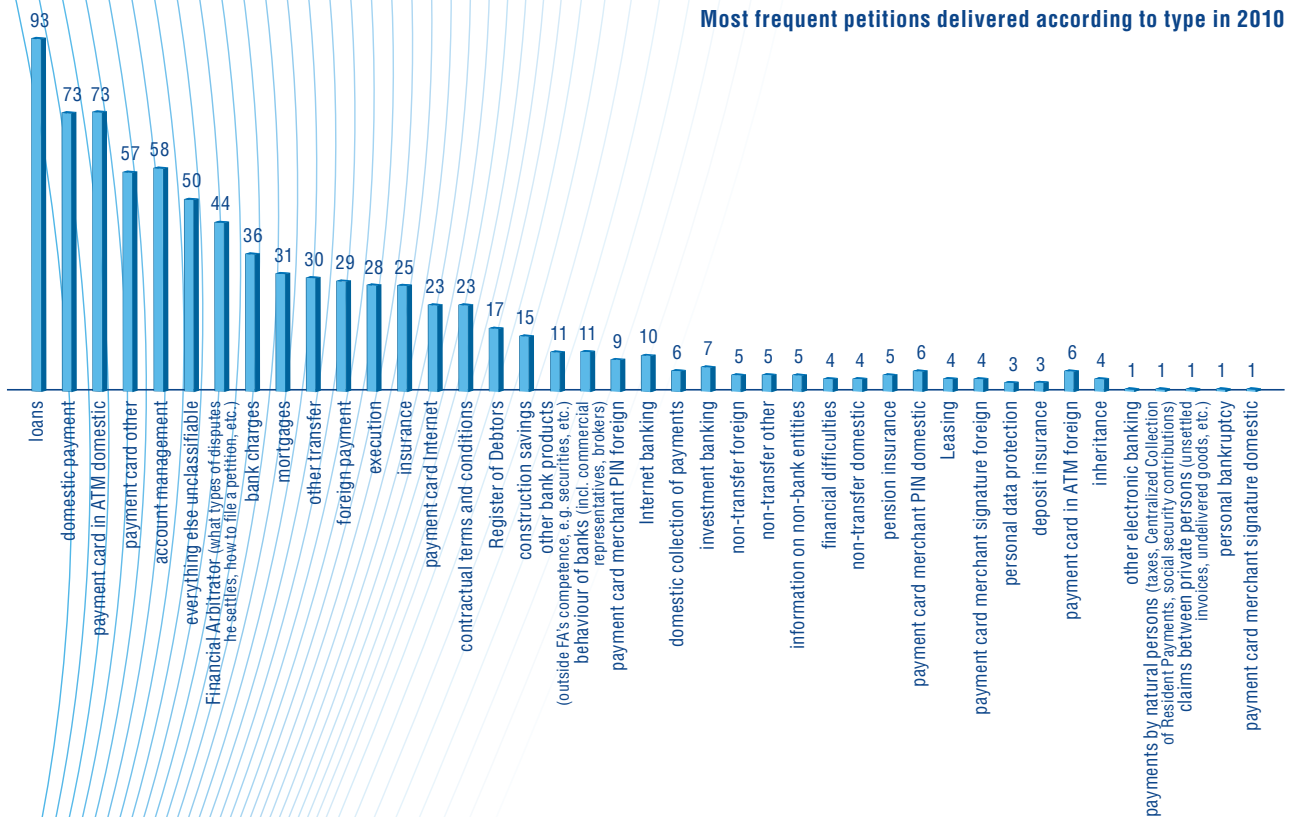
3.1. Total number of petitions

Nevertheless, even these clients received help within the possible scope, either in the form of advice or information, or an outline of the possibilities for a solution.

Of the total number of 822 petitions, **256 petitions were made in writing, 255 by telephone, 222 petitions were filed via the website** in the section “Ask the Arbitrator”. Furthermore, **82 petitions were delivered in person, 5 petitions via Facebook** and **2 petitions were delivered by means of the data box.**



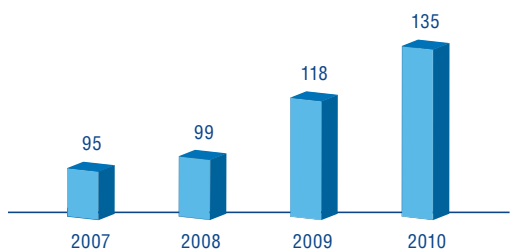
Most frequent petitions delivered according to type in 2010



3.2. Number of settled disputes

Of the total number of 822 petitions, **135 petitions for the commencement of proceedings** were accepted and proceedings were commenced pursuant to the Financial Arbitrator Act, where the proceedings are conducted, to a reasonable extent, pursuant to the Rules of Administrative Procedure. Of the said 135 accepted petitions for the commencement of proceedings, **94 were justified (70%)** and **41 unjustified (30%)**.

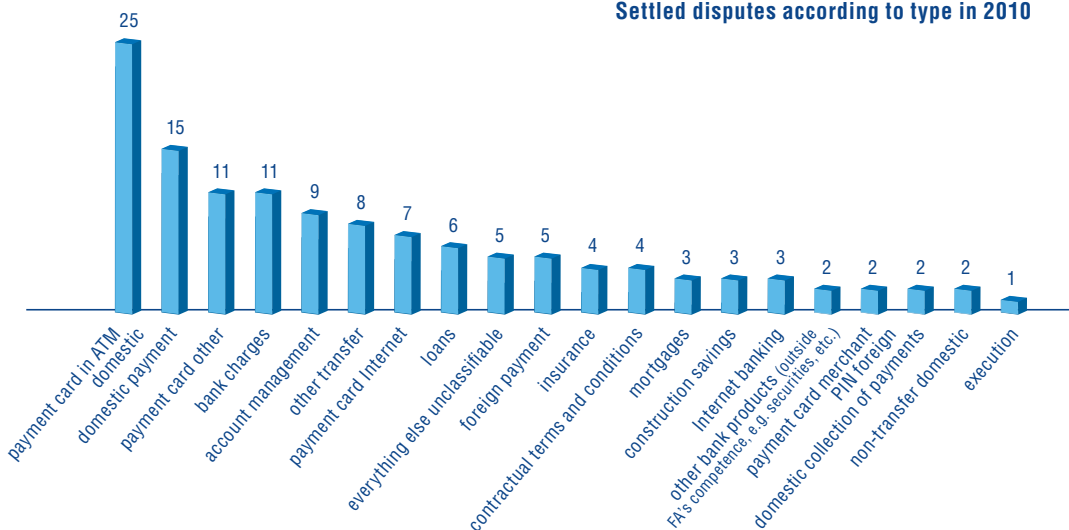
Development of the number of settled disputes



Proceedings are commenced in relation to accepted petitions when they are delivered. In the case of justified petitions, a notification of the commencement of proceedings is delivered to the participants in the proceedings, and the institution is invited to make a statement regarding

the petition. Subsequently, the proceedings continue pursuant to the Financial Arbitrator Act or, to a reasonable extent, pursuant to the Rules of Administrative Procedure. In the case of unjustified petitions, the petitioner is sent a resolution on the discontinuance of the proceedings due to inadmissibility of the petition pursuant to Section 9 or, as the case may be, pursuant to Section 14 of the Financial Administrator Act, as amended. In all of these cases, all administrative time limits are effective (i.e., for the coming into force, for instance).

Settled disputes according to type in 2010



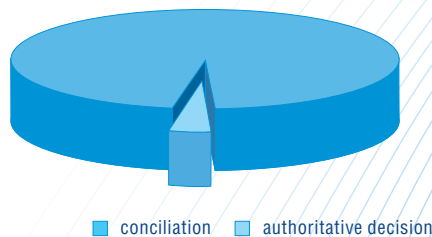
Of the total number of 94 justified disputes commenced, 78 were closed in 2010. Of these 78 cases, 28 disputes were decided **fully or partly in favour of the petitioner (36 %)**, and in 50 disputes **the petition was rejected (64 %)**.

The graph provides an overview of settled disputes in 2010, classified according to the type of dispute.

3.3. Overview of settled disputes according to the type of dispute

Also in 2010, a very positive trend was seen in the manner of settling disputes in which it was decided (at least partly) in favour of the petitioner. Thus, we succeeded in applying a conciliatory manner of resolution of disputes between the participants in proceedings. Out of these disputes, 93% were settled in a conciliatory manner with potential compensation of damage incurred and without the necessity to authoritatively impose penalties on the institution. Such a dispute is then settled once and for all and there is no risk of an appellate review by a court of law.

Manner of settling disputes in which it was decided in favour of the petitioner in 2010



3.4. Conciliatory manner of settling disputes and side effects of the Financial Arbitrator's activities

The conciliatory manner of settling disputes and mutual communication between the participants in proceedings contributed (based on results of proceedings and after the Financial Arbitrator's initiative and intervention) to **alteration of some of the procedures and contractual terms and conditions of specific financial institutions**, both of institutions dominating the financial

market and of smaller institutions. The institutions involved decided to modify their internal working processes and general terms and conditions, which helped to improve the consumers' position and simultaneously strengthened the protection of their rights.

3.5. Financial amounts claimed in settled disputes

The total value of claims sought by petitioners in their 135 cases in 2010 was **CZK 17,158,485**. The average value of a claim in 2010 was CZK 127,100.

3.6. Average duration of proceedings

In 2010, **the average duration of proceedings** (including interruptions) before the Financial Arbitrator was **68 days**. This average duration of proceedings is affected by a number of cases in respect of which the duration of proceedings exceeds 100 and 200 days. This is caused either by the necessity to suspend the proceedings due to estoppel to proceedings, by lack of cooperation on the petitioner's part or by extreme complexity and complicatedness of the dispute requiring expert opinions and analyses or, as the case may be, by the necessity to request foreign entities to provide items of evidence. Excluding interruptions, the average duration of proceedings is **55 days**.

The start of this period is stipulated as the date of receipt of a petition to commence proceedings. This period continues through the issuance of an award and any potential decision on challenges until the award becomes legally effective or, as the case may be, until a resolution to discontinue the proceedings (due to withdrawal of the petition, for instance) is issued. The said period is also inclusive of any potential interruptions and suspensions of proceedings.

3.7. Overview of issued awards and resolutions

In 2010, a total of **119 meritorious and procedural decisions** were issued (and 17 other cases are in process), of which:

- 41 resolutions to halt the proceedings due to inadmissibility of the petition;
- 7 resolutions to halt the proceedings due to failure to remove defects in the petition (lack of cooperation on the petitioner's part);
- 18 resolutions to halt the proceedings due to withdrawal of the petition to commence proceedings (conciliatory resolution of the dispute);
- 8 resolutions to halt the proceedings due to extinction of the grounds for further proceedings (damage indemnified, but failure to deliver a motion for withdrawal of the petition);
- 43 decisions in the form of a negative award; and
- 2 decisions in the form of a condemning award.

3.8. Overview of challenges filed

In 2010, a total of 13 challenges were filed, all of which were submitted by petitioners.

3.9. Overview of legal action

In 2010, one court decision was issued to cancel a fine imposed on an institution by the Financial Arbitrator due to the institution's non-fulfilment of the obligation to notify. This decision was affected by the vague wording of the provisions of the Financial Administrator Act, which were subsequently amended (i.e., the provisions of Section 19(1) of the Financial Administrator Act).

Costs of the performance of the Financial Arbitrator's activities

4

During 2010, just like in the previous year, in addition to the primary performance of his mission (i.e., out-of-court dispute resolution), the Financial Arbitrator also worked hard to **ensure the proper management and control of the costs incurred in the performance of his activities** stipulated in the Financial Arbitrator Act. These costs are budgeted by the Czech National Bank which, pursuant to the Financial Arbitrator Act, provides justified administrative support at its own cost for the performance of the Financial Arbitrator's activities, including compensation for expenditure connected with the activities of persons authorized pursuant to this Act. The salaries and other stipulated emoluments of the Arbitrator and of his deputy also represent a cost item for the Czech National Bank. The Financial Arbitrator has been observing Instruction of the Czech National Bank No. 16/2002 on the budget, basic principles of management and the monitoring of income of the CNB. This Instruction regulates the content and structure of the budget, including the procedures for its preparation, approval, breakdown and the performance of amendments thereto, and further stipulates the basic principles for the management, including the application of the controlling principles and the principles for the prediction of developments in relation to management.

The prepared and approved budget of the costs for the performance of the Financial Arbitrator's activities is always composed of the following chapters:

- a) Operational expenditure in relation to the internal administrative work of the Financial Arbitrator;
- b) Consumption limits; and
- c) Expenditure in relation to the external administration of other budget items administrators.

The Financial Arbitrator is the administrator of budgeted funds only from the chapters:

- a) Operational expenditure in relation to the internal administrative work of the Financial Arbitrator; and
- b) Consumption limits.

As regards the monitoring of the performance of the budget breakdown, expenditure relating to the internal administrative work of the administrator of budget items in question is always assessed. The administrator of budget items may exceed the budgeted amount of expenditure and consumption limits by a maximum of 10 %, however only on the assumption that s/he does not exceed the total amount in the relevant part of his/her breakdown. For 2010, the total funds of CZK 1.322 million were budgeted for these chapters.

The use of funds from the chapter

- c) expenditure in relation to the external administration of other budget items administrators **is the responsibility of other CNB organizational units** charged with the administration of budgeted funds through the budget breakdown (**external administrators**). The monitoring of the expenditure in external administration is carried out by the external administrators themselves, while they must ensure that the actual use of their budget proceeds pursuant to the requirements of the individual entitled units, meaning that the expenditure incurred in external administration is assessed by the external administrators of budget funds. Apart from the Financial Arbitrator's expenditure entitlement within the framework of budget preparation, there is also a series of other expenditure items of a general nature during the year that are essential to ensure the activities of the whole unit (rental, postage fees, cleaning services, etc.), which are automatically included in the expenditure plan for the whole of the CNB.

The Financial Arbitrator can influence the use of these funds only indirectly, and after discussion and approval of any request by an external administrator or, as the case may be, by the director of the budget and accounting section. Thus, within the framework of the annual

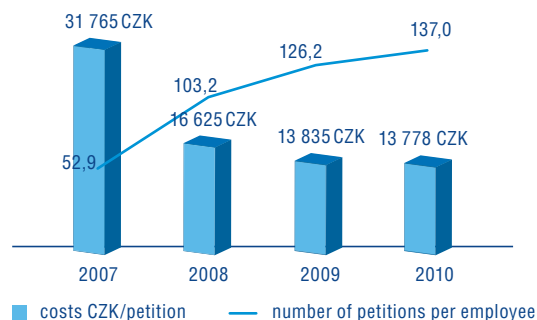
assessment, it is possible to comment on the fulfilment of the expenditure plan (i.e., the expenditure on the internal administrative work of the Financial Arbitrator) and calculate the funds that the CNB invested in the Financial Arbitrator's activities during the year in question.

The costs of the performance of the Financial Arbitrator's activities in 2010 amounted to CZK 11.325 million.

In the chapters where the Financial Arbitrator can directly influence the use of funds from the chapters, the costs came to CZK 999,000. Compared to the planned budget, there was a **saving of CZK 323,000** in these chapters **and only 76% of the planned budget was used**. In the chapters that are subject to external administration and where the Financial Arbitrator cannot directly influence the use of the funds from the chapters, the costs came to CZK 10.326 million. The planning of these chapters is fully the responsibility of other CNB organizational units charged with the administration of budgeted funds through the budget breakdown, and are only for guidance purposes for the Arbitrator. These chapters contain salary items, including the statutory social security and health insurance, employee benefits, education, telecommunications charges, postage fees, SW support services, cleaning services, consulting and advisory services, translation services, publishing activities (printing of the Annual Report), services associated with the use of non-residential premises, procurement of publications, costs of promotion, returned fines assessed by the Financial Arbitrator, consumption of spare parts and materials for IT, rental for buildings and their parts, rental for garages and parking spaces, depreciation of tangible property and depreciation of SW and other items (road tax, payment card renewal, transport services, materials for maintenance, moving services).

4.1. Efficiency of the activities performed by the Office of the Financial Arbitrator

It is an integral part of the performance of the Financial Arbitrator's activities to aim to increase the efficiency of performance of the Office's activities and to utilize the capacity of the existing human resources to the maximum extent. The result thereof is a considerable positive trend in the development of these indicators, which is attributable to the management of the operating costs of the Office and to the increase in the Office's agenda, where the costs per one petition delivered in 2010 were reduced to 43% as against 2007.



5. Income from the performance of the Financial Arbitrator's activities

The income from the performance of the Financial Arbitrator's activities which, just like the above given costs, forms income for the Czech National Bank, was composed only of **income arising from the penalties imposed on institutions pursuant to Section 17(a) of the Financial Arbitrator Act** (Section 17(a): In an award through which the Arbitrator satisfies, at least partly, a petition of the petitioner, the Arbitrator shall simultaneously impose on the institution the duty to pay a penalty equal to 10% of the amount that the institution is obliged to pay to the petitioner under the award, but not less than CZK 10,000) **and fines for non-fulfilment of the obligation to notify pursuant to Section 23 of the Financial Arbitrator Act** (Section 23(1): Depending on the nature and gravity of the violation of the Act, the Arbitrator may impose a fine of up to CZK 1,000,000 on an institution for its failure to comply with

the obligations imposed on the institution in Sections 11, 12(6), (7) and (9), and in Section 19. The fine may be imposed repeatedly, should the breach of the obligation persist.).

In 2010, the income for the Czech National Bank arising from the performance of the Financial Arbitrator's activities and the connected penalties on institutions and fines for non-fulfilment of the obligation to notify amounted to **CZK 445,000** (of which CZK 20,000 represented penalties imposed on institutions and CZK 425,000 fines for non-fulfilment of the obligation to notify).

6. □

The Arbitrator's obligation to notify

Pursuant to Section 5(3) of the Financial Arbitrator Act, the Arbitrator is obliged to submit to the Chamber of Deputies once a year (always within 31 March) a report on its activities in the past calendar year, containing also information about the expenditure incurred in the performance of the activities stipulated in Section 1(2) of the Financial Arbitrator Act. In addition to that, the report contains information about settled disputes, without stating the petitioners' identification data. In compliance with the aforesaid provisions of the Financial Arbitrator Act, the Arbitrator submitted the Report on the Financial Arbitrator's activities in 2009 to the Chamber of Deputies of the Parliament of the Czech Republic (parliamentary press no. 1043).

6.1. Annual Report on the Financial Arbitrator's activities for the Chamber of Deputies of the Parliament of the Czech Republic

Pursuant to Section 21(1) of the Financial Arbitrator Act, the Arbitrator is obliged, in an appropriate manner, to publish once a year (at the latest within 30 June of the following calendar year) an annual report on its activities, including a description of selected settled disputes, without stating the petitioners' identification data. Stating the institution's identification data in the annual report does not represent violation of the obligation to maintain confidentiality pursuant to Section 22 of the Financial Arbitrator Act. In compliance with the aforesaid provisions of the Financial Arbitrator Act, the Arbitrator published the Annual Report for 2009, which was distributed within the statutory time limit in electronic form. This report was also published on the Arbitrator's website at <http://www.finarbitr.cz/cs/vyrocnizpravy.html>.

6.2. Annual Report on the Financial Arbitrator's activities for 2009

Pursuant to Section 21(2) of the Financial Arbitrator Act, the Arbitrator is obliged to notify the authorities exercising supervision over institutions about any failings identified in the activities of such institutions. In 2010, within the meaning of the aforesaid provisions of the Financial Arbitrator Act, the Arbitrator informed the supervisory authority (i.e., the Czech National Bank) about the failings identified in the activities of the institutions in one case. In 2010, the Arbitrator settled two disputes between an institution and its clients where, pursuant to Section 23(1) of Act No. 229/2002 Coll., the Arbitrator had to impose fines for non-fulfilment of the obligation set out in Section 11 of Act No. 229/2002 Coll. (i.e., for failure to provide the Financial Arbitrator with a statement on the petition). The reason for these disputes was particularly the fact that the institution did not communicate with clients in any manner whatsoever within the framework of complaint proceedings.

6.3. Notification of the supervisory authority regarding failings identified in the activities of institutions

7

International cooperation

In the sense of the provisions of Section 20(1) of the Financial Arbitrator Act, the Arbitrator cooperates on a reciprocal basis with similar bodies in the other Member States of the European Union and in other countries that make up the European Economic Area.

Also in 2010, the Financial Arbitrator was a **member of the Steering Committee of the FIN-NET association** (Cross-Border Out-of-Court Complaints Network for Financial Services), set up at the European Commission in Brussels and associating national institutions within the European Economic Area established for the purpose of out-of-court resolution of disputes between consumers and the providers of financial services. The main objective of the Steering Committee is to develop out-of-court systems for resolving disputes between consumers and institutions in the individual financial markets, and also organizational activities connected with regular meetings of the individual FIN-NET members arranged by the European Commission. At present, **the FIN-NET associates 50 members from 30 countries that make up the European Economic Area** – see http://ec.europa.eu/internal_market/fin-net/index_en.htm. In this network, consumers are provided with easier access to the services rendered by institutions responsible for out-of-court settlement of disputes between consumers and financial services providers also in so-called 'cross-border cases'. If, in such cases, a consumer in one country is in dispute with a financial services provider based in another country of the European Economic Area, they may refer to a FIN-NET member in their own country and make use of the cross-border cooperation among the individual FIN-NET members.

The Financial Arbitrator actively appears at all meetings of the Steering Committee of the FIN-NET network as well as at plenary sessions. He proposes and countersigns the agenda of plenary sessions.

Also in 2010, the Financial Arbitrator was a **member of the prestigious worldwide network of financial ombudsmen (International Network of Financial Services Ombudsman Schemes)**. This network was set up in 2007 and associates institutions and bodies established for the purpose of out-of-court resolution of disputes in the financial market in different countries of the world. The mission of this network is, above all, the exchange of information and experience when it comes to the out-of-court dispute resolution methods used in different countries of the world, consumer protection, information technologies, cross-border cooperation, training and continuous education, development opportunities and the creation of ethical codes of conduct.

8

Media activities, promotion, other activities

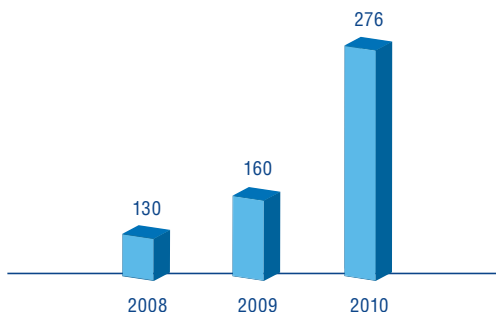
The main priorities of the Financial Arbitrator in 2010 included efforts to raise awareness of the Financial Arbitrator institute and of its function within the framework of the existing consumer protection system in the Czech Republic. In order to achieve this, continuous efforts were made to create promotional articles, newspaper articles, appearances in the other media, presentations at conferences, the launch of a new website, a profile on Facebook (social network), etc.

In 2010, there were **over 276 interviews, articles, television appearances, presentations and conference appearances** with the aim to make the Financial Arbitrator institute visible – see the complete overview on the website at <http://www.finarbitr.cz/cs/media.html>. In addition to that, a vast number of meetings with organizations and institutions were held with the aim

of promoting the Financial Arbitrator institute and establishing possible cooperation in the field of consumer protection in the Czech market. These activities were also performed by the Deputy Financial Arbitrator and by the other employees.

An important parameter for the Financial Arbitrator's services to be used is the awareness of the institute's existence. In addition to the basic activities (i.e., out-of-court dispute resolution in the area stipulated by law), this ranked among the Financial Arbitrator's main priorities also in 2010. A detailed summary of all media outputs is annexed to this Report. A positive factor in 2010 was the fact that not only the media themselves, but also consumers demonstrated increased interest in our activities.

Number of media outputs per year
(interviews, articles, television and radio appearances, presentations and appearances aimed to make the Financial Arbitrator institute visible)



8.1. Media activity

The Financial Arbitrator and his deputy were also involved in conference and educational activities. Here are some of the conferences and other events where the Financial Arbitrator, his deputy or, as the case may be, other employees of the Office appeared in 2010:

- Conference – European Payment Systems 2010
- Conference – Cards 2010
- Conference – 3 Days for Banks 2010
- Conference – Fraud Management in Financial Institutions
- Banking and Investment Forum 2010
- Workshop on the new Consumer Credit Act
- Presentation for the Chamber of Commerce
- Presentation for Town Halls, Czech Consumer Association
- Presentation for the “Zlatá koruna” competition
- Presentation for the Security Committee of the Bank Cards Association
- Presentation for the Association of Czech Building Savings Banks
- Presentation for the Association of Financial Intermediaries
- Presentation for the Standing Commission on Banking at the Chamber of Deputies of the Parliament of the Czech Republic
- Conference – Trends in Internet Security
- Press conference of the Financial Arbitrator – activities in 2010
- Etc.

8.2. Conference activity

In the course of 2010, the Financial Arbitrator of the Czech Republic, his deputy and other members of the Office were also active in the field of public education in financial issues, where their aim was to explain the financial issues to various institutions and organizations in order to increase their financial literacy. Thus, within the scope of their lecturing activities, they covered institutions such as: Municipal Authorities of city districts, the Probation and Mediation Service of the Czech Republic, the Police of the Czech Republic, elementary schools, grammar schools, technical secondary schools, Education and Culture Departments of city districts, the Municipal Police, Social Affairs and Health Service Departments, Children's Social & Legal Protection Sections, Pedagogical & Psychological Advisory Centres, the Prison Service of the Czech Republic, etc. Further, the Financial Arbitrator of the Czech Republic is an expert partner of the Association of Financial Intermediaries for the project “Improved & Enhanced Professional Adaptability of Financial Intermediaries and Financial

8.3. The Financial Arbitrator and financial literacy

Advisors”, a member of the jury for the all-country finals of the “Financial Literacy” competition (which was put out by the Ministry of Education, Youth and Sports of the Czech Republic in the highest category A), a participant in the project “Support for Financial Literacy (financial education strategy)” under the auspices of the Association of Financial Intermediaries, and a partner to the project “Project to Prevent Fraud During Cashless Payments” under the auspices of the Czech Consumer Association. The Deputy Financial Arbitrator is also a member of the Task Force for Financial Education at the Ministry of Finance of the Czech Republic; and the Financial Arbitrator of the Czech Republic acts as a guarantor of several advice bureaus for finance and banking issues, both electronic and printed in periodicals.

8.4. Information campaign of the Consumer Defence Association 2010

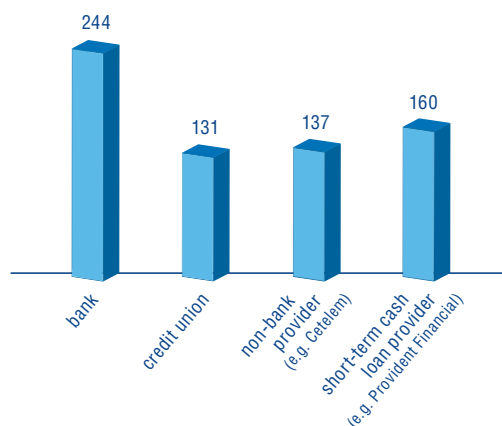
The Consumer Defence Association (SOS – Sdružení obrany spotřebitelů, o.s.) and the Financial Arbitrator of the Czech Republic carried out an information campaign with the aim to familiarize the consumers with what the Financial Arbitrator can do for them when settling disputes with financial institutions now and how his powers should be extended in future. Consumers learned about the form of protection provided by arbitrators in the other Member States of the European Union and were able to compare that with the situation of consumers in the Czech Republic. The information campaign contained the following chapters: The arbitrator for your money; Financial arbitrators in EU Member States; A new right of consumers in distress; When can the Financial Arbitrator help you; How to contact the Financial Arbitrator; Mission and tasks of the Financial Arbitrator; Why the Financial Arbitrator cannot help you sometimes; What do the proceedings conducted before the Financial Arbitrator look like; Cases for the Arbitrator. The contents are available at http://www.finarbitr.cz/download/235_cs_infokampan_sos2.doc. The climax of the campaign was a survey, on-line chat and a contest for annual subscription to the SOS Magazine that maps the consumers’ knowledge of the possible ways of out-of-court resolution of disputes with financial institutions by means of the Financial Arbitrator.

8.5. Consumer surveys on the website www.financiarbitr.cz

In 2010, the below given survey questions were published on the Financial Arbitrator’s website, covering the issues associated with consumer credits and with the amount of charges for banking services. The total number of respondents was 1,484.

8.5.1. With what type of entity do you apply for a consumer credit?

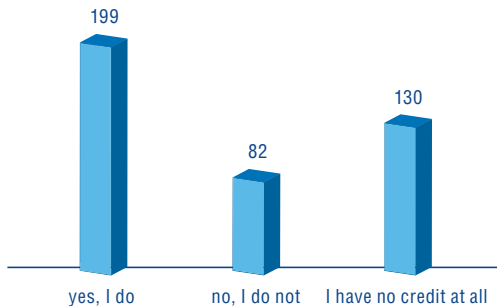
The survey question was answered by a total of 672 respondents. The graph shows that, when it comes to consumer credits, most consumers still tend to use the services rendered by banking houses, but the second option most frequently used by consumers are credits from short-term cash loan providers.



Do you find it difficult in the current economic situation to repay your consumer credit?

8.5.2.

The survey question was answered by a total of 411 respondents. The graph shows that the ability to repay consumer credits is significantly affected by the economic crisis. Appreciable is also the number of respondents with no consumer credits at all.

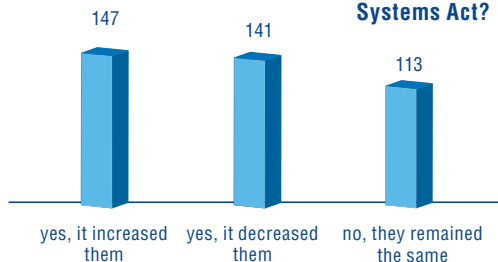


Did your bank change the amount of charges as a result of the adoption of the new Payment Systems Act?

8.5.3.

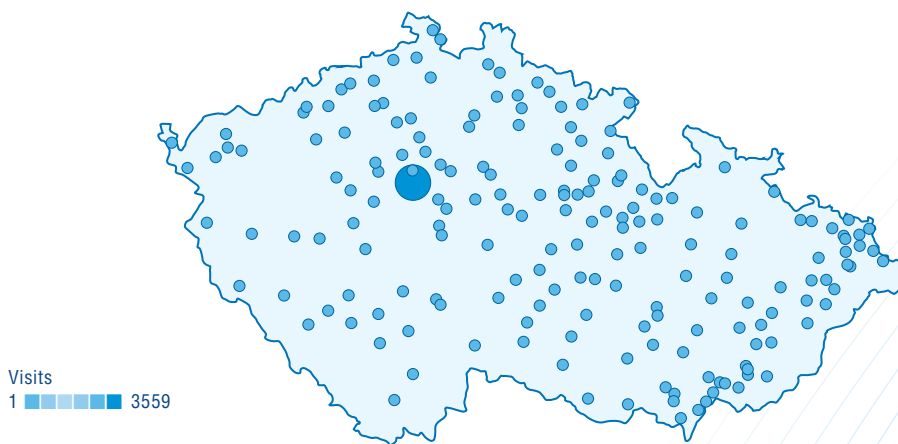
The survey question was answered by a total of 401 respondents. The graph shows that an overwhelming majority of banking houses responded to the adoption of the new wording of the Payment Systems Act as of 1 November 2009 in such a manner that nearly the same number of respondents noticed both increase and decrease in the charges, whereas the smallest number of respondents noticed no changes in this field at all.

Did your bank change the amount of charges as a result of the adoption of the new Payment Systems Act?



Visualization of geographic distribution of the www.financniarbitr.cz website visitors

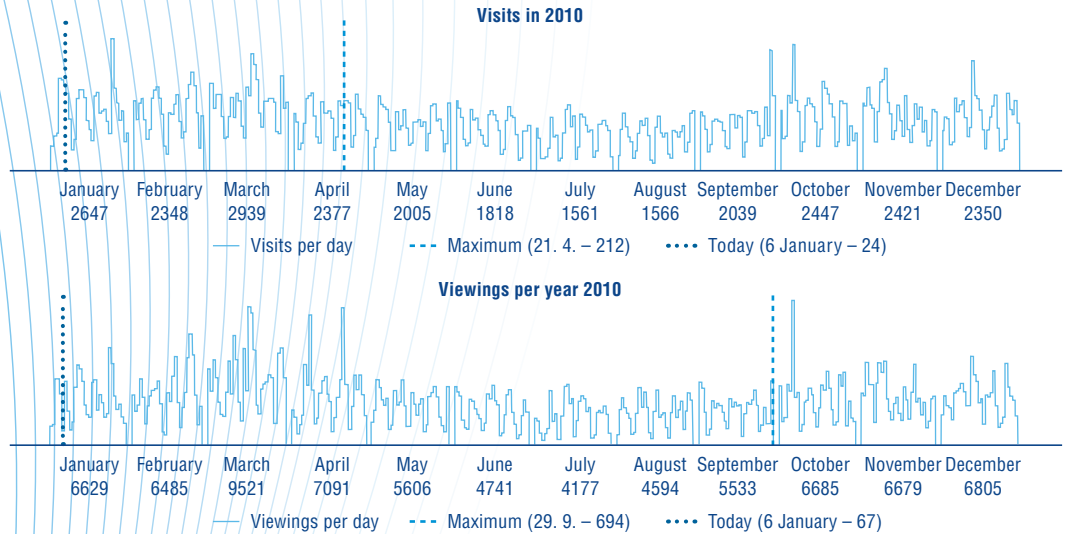
8.6. Website, "Ask the Arbitrator" section



In order to promote its activities, the Office of the Financial Arbitrator used the **website www.financniarbitr.cz**. This website demonstrated itself to be a very good presentation and communication channel towards consumers. The website presents the information that must be published by law such as, for instance, annual reports, a list of payment services providers and electronic money issuers who can become potential participants in disputes heard before the Financial Arbitrator. In addition to that, the website contains forms that can be downloaded,

a list of the Financial Arbitrator's partners, an overview of the Financial Arbitrator's media activities, important links, contacts, legal norms relating to the performance of the Financial Arbitrator's activities, an overview of settled disputes as well as contacts to other out-of-court bodies within the European Economic Area.

Overview of the number of visits to and viewings of the www.financniarbitr.cz website



The Financial Arbitrator of the Czech Republic is an institution established within the framework of harmonizing the Czech legislation with the European Union in order to protect consumers. In spite of intense communication towards broad public, however, only a limited group of citizens of the Czech Republic are aware of the activities and of the use of the services provided by the Office of the Financial Arbitrator of the Czech Republic. This is why the Financial Arbitrator communicates with end consumers about his activities also by means of modern information channels. In September 2010, the first project of this type was launched on **Facebook (social network)** in the profile titled "The Financial Arbitrator of the Czech Republic is on Facebook". This is one of the first projects wherein a public institution makes use of the phenomenon of social networking development and addresses citizens in such a less formal way.



View of the "Ask the Arbitrator" section



Profile of the Financial Arbitrator of the Czech Republic on Facebook (social network)

8.7. Other activities of the Financial Arbitrator and his deputy

The **Financial Arbitrator** is active in some other bodies operating in the financial market in the Czech Republic such as, for instance:

- Member, Financial Market Committee – an advisory body to the Bank Board of the Czech National Bank
- Member, Academic Board of the Banking Institute/College of Banking (Bankovní institut vysoká škola, a.s.)
- Chairman, Ethics Committee of the Association of Financial Intermediaries and Financial Advisors of the Czech Republic – the Committee deals with the petitions and complaints of clients of the Association's members regarding their activities
- Member, FIN-NET (an association set up at the European Commission in Brussels; it associates national institutions within the European Economic Area established for the purpose of out-of-court resolution of disputes between consumers and providers of financial services)
- Member, Steering Committee of the international network FIN-NET for the period 2009–2010 (the main objective of the Steering Committee is to develop out-of-court systems for resolving disputes between consumers and institutions in the individual financial markets, and also organizational activities connected with regular meetings of the individual FIN-NET members arranged by the European Commission)
- Member, International Network of Financial Services Ombudsman Schemes (this network associates institutions and bodies established for the purpose of out-of-court resolution of disputes in the financial market in different countries of the world; the mission of this network is, above all, the exchange of information and experience when it comes to the out-of-court dispute resolution methods used in different countries of the world, consumer protection, information technologies, cross-border cooperation, training and continuous education, development opportunities and the creation of ethical codes of conduct)
- Member and Chairman, Board of the Czech Financial Academy (an expert academic evaluator panel of “Zlatá koruna”, the best financial product competition)
- Member, Bank Board of the Institute for International Research
- Expert partner of the Association of Financial Intermediaries for the project “Improved & Enhanced Professional Adaptability of Financial Intermediaries and Financial Advisors”
- Member of the jury for the all-country finals of the “Financial Literacy” competition, which was announced by the Ministry of Education, Youth and Sports of the Czech Republic
- Participant in the project “Support for Financial Literacy (financial education strategy)” under the auspices of the Association of Financial Intermediaries
- Partner to the project “Project to Prevent Fraud During Cashless Payments” under the auspices of the Czech Consumer Association
- Member of Examination Boards, opponent or leader in the preparation of theses at the University of South Bohemia in České Budějovice
- Member of Examination Boards, opponent or leader in the preparation of theses and of final papers within the Student Scientific & Specialist Activities Programme at the Private Post-Secondary Technical School and at the Business Academy in České Budějovice
- Lecturing and publishing activities in the field of banking issues, both in the Czech Republic and abroad
- Participant in seminars and subscriber to publications of the Centre for Economics and Politics
- Member, Task Force for the Distribution in the Financial Market at the Ministry of Finance of the Czech Republic

The **Deputy Financial Arbitrator** is a member of the Task Force for Financial Education at the Ministry of Finance of the Czech Republic, and also an external specialist assistant to the Banking Institute/College of Banking (BICB), Department of Banking Management, Insurance, Brokerage and Finance.

9

Information on selected settled disputes

Pursuant to Section 5(3) of the Financial Arbitrator Act, the Arbitrator is presenting below some of the disputes that he addressed in 2010:

9.1. Case No. 1 – unauthorized payment transaction – petition rejected

The petitioner sought an institution to return a payment transaction amounting to CZK 1,141.47 to his account. The petitioner justified his petition by stating that, on 7 September 2010, his credit card had been stolen in the Spanish town of Getxo (near the city of Bilbao), which had been used to make an unauthorized payment of EUR 45 (not authorized using a PIN code) on the very same day. This payment had been made before the card was blocked. Upon his return home, the petitioner received an invoice for CZK 1,141.47, which he had to pay to the institution, and the employees of the institution informed him that he was not entitled to a return of the money.

In its statement, the institution stated that, with effect from 23 June 2008, it had entered into a Contract for a Credit Drawn by Means of a Credit Card (for natural persons) with the petitioner, pursuant to which the petitioner had been issued a Visa Electron credit card, which the petitioner had taken over on 30 July 2008. Integral parts of the said Contract are, among other things, the General Business Terms and Conditions of the institution as well as the Business Terms and Conditions for the Issuance and Use of Credit and Charge Cards of the institution. The contractual arrangements imply that the institution shall debit the petitioner's account with every liability arising from the use of the card – see paragraph 10 of the Contract for a Credit Drawn by Means of a Credit Card (for natural persons) and paragraph 22.1 of the General Business Terms and Conditions of the institution. Further, paragraph 34.3 of the General Business Terms and Conditions of the institution implies that the petitioner shall bear any loss incurred as a result of an unauthorized payment transaction up to an amount corresponding to EUR 150, providing that such a loss has been incurred using a lost or stolen payment instrument.

The Financial Arbitrator stated that, pursuant to the provisions of Section 116(1) of Act No. 284/2009 Coll., on Payment Systems, the payer shall bear any loss incurred as a result of an unauthorized payment transaction up to an amount corresponding to EUR 150, providing that such a loss has been incurred using a lost or stolen payment instrument. The General Business Terms and Conditions of the institution thus comply with the said provisions of the Payment Systems Act. Therefore, the Financial Arbitrator rejected the petition.

9.2. Case No. 2 – payment transaction in an ATM – proceedings discontinued due to groundlessness of the petition

The petitioner sought Institution A to return an amount of CZK 1,000.00 to her account. The petitioner justified her petition by stating that, when she had attempted to withdraw cash from an ATM owned by Institution B, no cash had been paid out to her. The petitioner waited several minutes near the ATM and saw that another client who came to withdraw money after her was successful. She called Institution A where she was told that she would not be debited with the transaction, but this was not the case.

In the course of the proceedings based on the investigations conducted, it was found out that the petitioner had made all acts that could have been made in the given situation. Since ambiguities were identified in the statements of both the institutions, an expert was appointed to conduct a technical investigation on the aforesaid ATM. The conclusion of the investigation revealed that Institution B had failed to furnish the ATM with contact details to be used in case of problems or breakdowns, that there were notices in English on it and that the instructions on the display were presented in light colours that could be difficult for clients to read. Moreover, during three trial withdrawals of cash, the ATM did not behave in a standard manner and the banknotes were in a different position on each withdrawal (in one case, it was even difficult to take the banknote out).

The journal clearly showed that the banknote had not been taken out by the petitioner and that the time limit for such action had expired. The withdrawal made by the other client (following the petitioner's attempt) was successful for him as the ATM issued cash in the amount of CZK 1,000.00 without reporting any breakdown or problem, but the journal shows that his operation was not executed – the banknote that had remained in the issuing slot after the previous transaction was pushed out. Contrary to the investigations conducted, Institution B claimed that this ATM did not draw any uncollected banknotes back inside (the ATM is equipped with such a function, but Institution B has not activated it). Based on the aforesaid results, representatives of Institution B were summoned by the Financial Arbitrator and, during the subsequent negotiation, Institution B decided to return the cash to the petitioner, including late charges.

Since the funds in the amount of CZK 1,031.46 were returned to the petitioner's account, the Financial Arbitrator (by agreement with the petitioner) decided by means of issuing a resolution to discontinue the proceedings due to groundlessness of the petition.

Through a petition dated 6 April 2010, the petitioner sought an institution to transfer funds to her account – to pay out her inheritance share in accordance with a decision of a district court.

In its statement, the institution stated that it could not execute the payment of the inheritance share (i.e., the transfer of funds), since it was necessary to cancel the deceased person's account first. Only after the physical cancellation of the original owner's account was the institution able to pay out inheritance shares. The problem consisted in the fact that one of the deceased person's daughters lived permanently abroad. She did not communicate with the institution and did not respond to the institution's requests to come and cancel the account. From the viewpoints of the petitioner and of the institution, the situation was originally irresolvable, since the institution could not have executed the payment of inheritance shares without cancellation of the account, but the account could not have been cancelled as the approach of one of the inheritors made the cancellation of the account impossible.

The Financial Arbitrator organized a verbal meeting with the institution where he declared his belief that the institution could not prevent the petitioner (being an inheritor entitled to the funds pursuant to a court's decision) from obtaining her inheritance share with reference to a necessity to cancel the account first, if some other inheritor failed to communicate with the institution. The Financial Arbitrator supported his opinion by a case decided by the Supreme Court of the Czech Republic.

Subsequently, the representatives of the institution informed the Financial Arbitrator that the institution had re-evaluated the situation and that it had implemented amendments to the internal procedures in the entire financial institution, which should prevent similar cases from occurring in the future. In accordance with the implemented changes, the institution subsequently paid out the inheritance share to the petitioner in compliance with the court's decision. Thus, with the assistance of the Financial Arbitrator, the institution and the petitioner reached a conciliatory settlement of the entire dispute. Based on the said facts, the Financial Arbitrator issued a decision to discontinue the proceedings.

Through a petition dated 13 September 2010, the petitioner sought an institution to apologize to him and to admit its responsibility for unauthorized blocking of the execution of standing orders through which the petitioner had been paying the rent. As a consequence of non-execution of the standing orders, the petitioner's contract of lease was subsequently terminated by the owner of the apartment.

In its statement, the institution stated that it had not erred in any manner whatsoever and that any potential inconvenience had been caused by the petitioner himself, specifically by following an incorrect procedure when administering his electronic banking. The institution refused

**9.3.
Case No. 3
– inheritance
proceedings
and transfer
of funds
– proceedings
discontinued
due to
withdrawal
of the petition**

**9.4.
Case No. 4
– non-execution
of a standing
order
– proceedings
discontinued due
to withdrawal
of the petition**

to take any responsibility and requested the Financial Arbitrator to discontinue the said case for being unjustified. Subsequently, the institution informed the Financial Arbitrator that it had adjusted the electronic banking system in such a manner to prevent the problems that had caused the unauthorized blocking of the petitioner's standing order from occurring in the future. Further, the institution declared to have adjusted the system for sending statements to its clients. Finally, the institution apologized to the petitioner for the problems caused.

The petitioner agreed to the procedure of the Financial Arbitrator, accepted the apology of the institution and withdrew his petition. Based on the said facts, the Financial Arbitrator issued a decision to discontinue the proceedings. Even though the Financial Arbitrator confirmed (in the justification of the decision) that the institution had erred, taking into account that the institution had admitted its error, taken steps to eliminate the problem and apologized to the petitioner, no fine was imposed on the institution.

**9.5.
Case No.
5 – payment
transaction
in an ATM
– proceedings
discontinued
during challenge
proceedings
due to
groundlessness
of the petition**

Through a petition dated 5 August 2010, the petitioner sought an institution to return funds to his account in the total amount of CZK 29,800.00 (including interest on an overdraft facility in the amount of CZK 556.14) that had been drawn down from his account by means of several ATM withdrawals. In his petition, the petitioner stated that, on Sunday 27 June 2010, he had been informed by the institution that his account had probably been subject to suspicious withdrawals. Thus, he verified the transactions on the account and found out that some money really did have disappeared, namely ATM withdrawals in the amount of CZK 12,400.00, CZK 2,000.00, CZK 400.00 and CZK 15,000.00. To execute the said transactions, an overdraft facility was used. The petitioner blocked the card immediately.

According to the information obtained from the institution, the controversial withdrawals were executed at a place different from the petitioner's place of residence. The petitioner substantiated that, at the time of the said unauthorized transactions, he had been at home, had not borrowed the card to anyone, had not lost the card, and had not written the PIN code for the card anywhere. In its statement, the institution confirmed four ATM withdrawals, substantiated that all of them had been carried out in a standard manner using the correct PIN and that no misuse of the card in the form of skimming had been proved. Further, the institution informed that, on 27 June 2010, one more withdrawal had been made from some other bank's ATM in the amount of CZK 15,000.00, again without any complications. Thus, the institution recommended that the petitioner should lodge a complaint with a business point, but refused the complaint (just like the other bank by a letter). In its statement, the institution referred to the applicable product terms and conditions, pursuant to which the holder must not enable any other person to use the payment card and shall be obliged to protect the PIN. Breaching of the aforesaid obligations shall be regarded by the institution as gross negligence, as a consequence of which the account owner shall be liable to the full extent for any loss caused to him/her by a third party until the moment s/he has reported a loss or theft of the payment card.

The Financial Arbitrator stated that, having signed the contractual documentation in relation to the said payment card, the petitioner had consented to and accepted the general business terms and conditions as well as the product terms and conditions for the payment cards issued by the institution. All of the controversial transactions were carried out in the physical presence of the petitioner's payment card, and the correct PIN was always entered by the card's holder. Thereby were the said transactions authorized. Regarding the assessment of the transactions executed, the Financial Arbitrator stated that, at the time the transactions had been carried out, the institution could not have known that the transactions had not been carried out by the authorized holder of the payment card, since ATM withdrawals are PIN-based transactions. Therefore, the institution authorized the claimed transaction and rightfully debited the petitioner's payment card with the amounts withdrawn.

Thus, based on the substantiation conducted, the Financial Arbitrator arrived at a conclusion that the petitioner had failed to prove his claims and, simultaneously, that the institution had not violated the provisions of Act No. 284/2009 Coll., on Payment Systems, as amended. Therefore, the petition was rejected by means of an award issued by the Financial Arbitrator. Within the statutory time limit, the petitioner filed a caveat against the award issued, in which he did not state any new facts that would make the Financial Arbitrator alter the decision communicated in the verdict of the award already issued. However, the petitioner supplemented these objections by stating that, on 2 October 2010, the institution had contacted him again by phone to inform him that his account had probably been subject to another suspicious withdrawal (this time it had been carried out abroad) using his payment card, which had however been blocked already since 27 June 2010.

The institution therefore reinvestigated the entire issue and found out that the petitioner's payment card had been used once more on 28 June 2010 at 0:52 a.m. in some other bank's ATM in the Czech Republic. However, in its original statement, the institution failed to mention this transaction. This was an attempt to withdraw cash in the amount of CZK 15,000.00, but the transaction was rejected by the ATM and the card should have been withheld. A new attempt to withdraw cash from an ATM was made on 1 October 2010 in an ATM abroad in the amount of CZK 1,178.01 (after conversion to national currency). Again, the ATM should have withheld the payment card used. However, according to its statement, the institution possessed no statement of any of the banks in the Czech Republic or abroad, and did not obtain the payment card(s) that had been used for the said withdrawals (and thus withheld) either. The original of the payment card was handed over by the petitioner to a business point only on 3 November 2010.

Based on the new facts, the Financial Arbitrator asked both the domestic and the foreign bank for cooperation. In its statement, the domestic bank confirmed that, on closing the ATM, it had only found inside one plastic card with a magnetic strip, bearing the text "10% discount card". No other payment card was withheld by the ATM during this replenishment period. Further in its statement, the said bank stated that the data from the client's magnetic strip had most probably been recorded on this card. When analyzing the journal and photographic documentation of the ATM, it was found out that, on 28 June 2010 between 0:51 a.m. and 1:02 a.m., an unknown person had attempted to make a total of 12 transactions using 5 payment cards. On all of the photographs, the person was covering his/her face and chose to communicate with the ATM in the German language. On 2 July 2010, the operators of the ATM delivered the plastic card "10% discount card" to the Cards Department where it was subsequently destroyed.

Through a fax message dated 7 December 2010, the foreign bank informed that the transaction of 1 October 2010 (a request to withdraw CZK 1,178.01) using the petitioner's payment card had been rejected by the ATM as the card had been reported by the issuer to be a lost card. However, the camera recording of the ATM shows that the transaction was executed using a white plastic card by an unknown person who was intentionally covering his/her face. The original Maestro payment card of the petitioner (a reproduction of which the institution supplied at the request of the Financial Arbitrator) is blue and bears both the Maestro logo and the logo of the institution, as well as an identification of the institution, the card number, date of expiry and the petitioner's name. The ascertained facts made the Financial Arbitrator conclude that the payment card had been copied, since white duplicates had been used in both the two last attempts to withdraw cash using the petitioner's card. During mandatory negotiations with the institution, a representative of the institution stated that the said case could be regarded as proved skimming and promised to compensate the petitioner for the entire loss, including late charges. Subsequently, the institution compensated the petitioner for the entire loss, including late charges. Therefore, the petition became groundless.

9.6.
Case No. 6
– administration
of an overdraft
facility
– proceedings
partly
discontinued due
to inadmissibility
of the petition
and partly
the petition
rejected

On 16 November 2010, the petitioner entered into a “Contract for an Overdraft Facility” with an institution. Upon the petitioner’s failure to comply with the terms and conditions of the Contract set out in Article III(7)(a) (see below), the institution terminated the provision of the overdraft facility, instructed the petitioner to repay the outstanding amount immediately and transferred the debt to a credit account. The petitioner disagrees with this procedure of the institution, since – in his opinion – the institution had no right to proceed in such a manner and breached thus the contractual relation concluded with him. The petitioner’s opinion is based on the provisions of Article II(2) of the Contract for an Overdraft Facility, where the following is set out: “Should the client exceed the limit of the overdraft facility and fail to rectify the situation in spite of a written reminder delivered by the bank, the bank shall have a right to transfer the debit balance from the current account to a credit account.” The petitioner states that no written reminder was delivered to him by the institution to warn him of the exceeded limit. The petitioner sought a compensation for the problems caused to him during the administration of the overdraft facility in the amount of CZK 2,500,000.00. He justified his requirement by stating that the institution had failed to inform him in time about the status of his overdraft facility, as a consequence of which he had breached the terms and conditions for its administration and the overdraft facility had subsequently been cancelled.

Pursuant to the provisions of Article 12 of the Financial Arbitrator Act, the Financial Arbitrator assessed the case in terms of all possible solutions:

- 1) as a complaint regarding a credit relationship;
- 2) as a complaint regarding a breach of banking secrecy; and
- 3) as a complaint regarding a failure to comply with the obligation to notify in connection with an overdraft facility.

In relation to item 1) above: In its statement regarding the petition to commence proceedings of 15 October 2010, the institution raised an objection in relation to subject-matter jurisdiction over the case stating that – as the case did not relate to payment services, but to a credit relationship – the Financial Arbitrator was not competent to resolve the said case. Having assessed the case as a complaint regarding a credit relationship, the petition was found inadmissible pursuant to the provisions of Article 9(a) of Act No. 229/2002 Coll. (i.e., the case does not fall within the competence of the Financial Arbitrator, since the Financial Arbitrator does not have powers to resolve such disputes).

In relation to item 2) above: Also having assessed the case as a complaint regarding a breach of banking secrecy was the petition found inadmissible pursuant to the provisions of Article 9(a) of Act No. 229/2002 Coll. (i.e., the dispute does not fall within the competence of the Financial Arbitrator, since the Financial Arbitrator does not have powers to resolve such disputes). Banking secrecy is governed by Act No. 21/1992 Coll., on Banks, as amended. Compliance with the Act on Banks shall be supervised exclusively by the Czech National Bank, and not by the Financial Arbitrator. Thus, under the first two items, the proceedings were discontinued due to inadmissibility of the petition.

In relation to item 3) above: In his petition to commence proceedings, the petitioner claimed that the institution had failed to inform him of the status of his overdraft facility, as a consequence of which he had breached the terms and conditions for its administration and the overdraft facility had subsequently been cancelled.

The institution substantiated that, on 19 March 2010, it had sent a letter to the petitioner, through which the institution had informed the petitioner of the fact that his current account had showed a debit balance for 151 consecutive days and that, according to the terms and conditions of the Contract, it had to show a credit balance in the course of every 180 days, irrespective of the amount thereof. The petitioner argued that the letter had not been delivered to him, since a former agent of the petitioner had been identified as the recipient. This letter was returned to the institution on 1 April 2010, unopened and marked as “Undelivered”. In fact, however,

the institution did not indicate the former agent of the company as the recipient (as the petitioner claims), but the legal entity was indicated as the recipient. Thus, the petitioner (being a legal entity) was fully authorized to accept and open the letter containing a warning about the period of use of the overdraft facility, since the postal item was neither addressed to the name of the petitioner's former agent nor was the postal item to be delivered to the petitioner's former agent only. The Czech Post (Česká pošta, s.p.), through which the institution sends postal items to its clients, observes, among other things, its Postal Terms and Conditions. The Postal Terms and Conditions of the Czech Post set out (in Article 4 (Postal Address), paragraph 7): "If the postal address mentions a legal entity in the first place and a natural person in the second place, the legal entity shall be regarded as the addressee. If the postal address mentions the name and surname of a natural person in the first place and the identification of a legal entity in the second place, the natural person shall be regarded as the addressee, and the postal item is meant to be delivered through the said legal entity. If the postal address, instead of mentioning the name and surname of a specific natural person, mentions only his/her function in a legal entity, the legal entity shall be regarded as the addressee." The aforementioned makes it obvious that the petitioner, being the legal entity indicated as the addressee, had a right to accept the postal item containing the "Warning about the period of use of the overdraft facility" of 19 March 2010. Further, the Postal Terms and Conditions of the Czech Post set out (in Article 32 (Returning Postal Items), paragraph 1): "If the addressee, the addressee's attorney-in-fact, the addressee's statutory representative, the attorney-in-fact of the addressee's statutory representative or any authorized person refuses to accept a postal item, the company shall return the postal item to the sender without delay." Thus, the acceptance of the said letter of the institution dated 19 March 2010 must have been refused on the petitioner's part (by one of its employees), as a consequence of which the unopened postal item was returned to the institution (being the sender). The institution proved that the petitioner had been informed about the balance on the current account and about the use of the overdraft facility also periodically in the form of monthly account statements. As evidence, the institution submitted to the Financial Arbitrator copies of the petitioner's current account statements for the years 2007-2010, where the petitioner as a legal entity had been identified on all statements as the addressee.

The petitioner failed to comply with the obligation set out in Article III(7)(a) of the Contract for an Overdraft Facility. Therefore, the institution acted pursuant to Article 44(c)(a) of the General Business Terms and Conditions, through its own decision declared the petitioner's liabilities to be payable immediately and instructed the petitioner to settle them. The institution informed the petitioner about the said step by means of a letter dated 27 April 2010. Through this letter, the institution simultaneously informed the petitioner that it had terminated the provision of the overdraft facility to the petitioner and that the petitioner's entire debt had been transferred to a newly opened credit account. The letter was sent to the address of the petitioner as a legal entity.

The investigations conducted imply that the institution did not breach its obligation to notify and that it complied with its obligation to send a reminder regarding the use of an overdraft facility. The institution may not be held responsible for the fact that the acceptance of the postal item was refused on the petitioner's part, as follows from the procedures laid down in the Postal Terms and Conditions of the Czech Post.

Since it does not fall within the competence of the Financial Arbitrator to settle any disputes consisting in a complaint regarding a credit relationship and/or in a complaint regarding a breach of banking secrecy, and since the complaint regarding a failure to meet the obligation to notify in connection with an overdraft facility was rejected, the Financial Arbitrator could decide neither about the petitioner's requirement not to be charged with the penalty charges, reminder charges or, as the case may be, with interest nor about the petitioner's requirement to receive an adequate compensation for the problems incurred by the petitioner in the amount of CZK 2,500,000.00 at least.

**9.7.
Case No. 7
– non-execution
of an order to
pay an amount
of CZK 9,191.00
and subsequent
occurrence
of damage
amounting
to CZK
2,650,000.00
– petition
rejected**

The petitioner referred to the Financial Arbitrator with a petition to commence proceedings regarding an institution's failure to execute an order to remit an amount of CZK 9,191.00 to the account of an insurance company. With this insurance company, the petitioner had insured a family house. Due to non-execution of the payment order, the premium was not paid and the insurance contract ceased to exist on 23 July 2008. On 10 November 2008, the family house (in respect of which the insurance contract had ceased to exist) burnt down and the insurance company refused to provide indemnification as a consequence of the insurance contract's cessation to exist. Based on an expert opinion, the damage to the real property was calculated to amount to CZK 2,650,000.00. The petitioner had two accounts with the institution, hereinafter referred to as "Account A" and "Account B".

In her petition to commence proceedings, the petitioner stated that, on 23 April 2008, she had submitted to the institution an order to transfer an amount of CZK 9,191.00 from her Account A (payable on 24 April 2008) to the petitioner's Account B (administered by the same institution). From the said Account B, a payment of CZK 9,191.00 should have been made in favour of the insurance company's account, but the latter did not happen. In relation to that, the institution stated that, on 25 April 2008, it received a payment order from the petitioner to transfer an amount of CZK 9,149.00 from her Account A. This first payment order was processed and the petitioner's Account B was credited with the transferred amount of CZK 9,149.00 on 28 April 2008. The other payment order to transfer an amount of CZK 9,191.00 from Account B (payable on 29 May 2008) was submitted by the petitioner to the institution on 28 May 2008. However, the latter payment order could not have been executed by the institution, since the petitioner did not have sufficient funds available on her Account B. In relation to that, the institution stated that notifications of non-execution of payments due to insufficient coverage were not sent to clients on an automatic basis, but clients may have requested for such notifications to be sent to them. However, the system settings of the petitioner's accounts say: notifications to be printed "no".

From the statement of the insurance company, it was found out that the petitioner had a family house insured with this insurance company. The insurance contract was entered into on 2 April 2008 – the insurance was to commence on 7 April 2008 and the annual premium was to amount to CZK 9,191.00. The first premium was payable on 7 April 2008. Since the petitioner failed to pay the premium, she was informed by the insurance company through a letter of 23 July 2008 (identified as "Reminder due to failure to pay premium under an insurance contract") about the fact that the premium under the agreed insurance contract had not been settled yet and she was simultaneously instructed to pay the outstanding premium. At the same time, the insurance company warned the petitioner that, should the premium not be paid within the stipulated time limit, the insurance of the real property would cease to exist on the day following the last day of the time limit. This reminder to pay the premium was sent to the petitioner as "personal delivery" and the petitioner accepted it on 24 June 2008. Since the petitioner failed to pay the outstanding premium within the time limit stipulated in the insurance company's reminder, the insurance contract ceased to exist on 23 July 2008 due to failure to pay the premium. Consequently, a debt of 2,718.00 arose as a result of the outstanding premium for real estate insurance. The petitioner was informed about the termination of the insurance and about the amount of the outstanding premium through a letter of the insurance company dated 27 July 2008, to which a postal order was annexed for the payment of the outstanding premium. Since the petitioner had failed to pay the outstanding premium again, this claim was submitted to an external agency for recovery and only then was the outstanding premium paid on 28 January 2009.

As further evidence to prove that the petitioner had been informed about her insurance contract's cessation to exist, the institution submitted to the Financial Arbitrator a copy of a letter dated 31 July 2008, in which the institution had warned the petitioner that, according to a notification of the insurance company dated 27 July 2008, the petitioner's insurance contract had ceased to exist and that the petitioner had not proved yet that new insurance of the real estate had been effected (this real property being the object of security for the petitioner's mortgage loan). The institution invited the petitioner to immediately renew insurance for the object of secu-

riety for the provided loan and to tie the insurance indemnification in favour of the bank, namely within 30 September 2008 at the latest.

By the petitioner's failure to insure her real property in spite of the insurance company's and of the bank's warnings, the petitioner breached the provisions of Article V(1)(a) of the Contract for the Provision of a Mortgage Loan, entered into by and between the bank and the petitioner on 31 March 2008. Pursuant to Article VII(4), the bank had in such case a right to withdraw from the concluded contract or to demand the principal of the mortgage loan and accessories to be repaid immediately. The institution did not err when it did not execute the order to pay an amount of CZK 9,191.00 from the petitioner's Account B (payable on 29 May 2008), which the petitioner had submitted to the institution on 28 May 2008. As it has been stated, this order could not have been executed by the institution, since the petitioner did not have sufficient funds available on her Account B.

On the part of the institution, no obligations arising from legislation and/or from the contract entered into with the petitioner were breached. The Financial Arbitrator established no causality between the actions taken by the accused institution and the cessation to exist of the petitioner's insurance contract and/or the subsequent occurrence of damage on the part of the petitioner. Therefore, the Financial Arbitrator decided to reject the petition.

Conclusion

10.

The Annual Report on the activities of the Financial Arbitrator of the Czech Republic deals with the activities of the Financial Arbitrator in 2010 and contains all the information required by law. Its objective is to describe briefly, but aptly the actual activities of the Office of the Financial Arbitrator and the trends in the individual spheres of the Financial Arbitrator's activities.

The year 2010 confirmed the positive trends in the activities of the Office of the Financial Arbitrator of the Czech Republic seen in the previous year. These may include the following facts:

- We recorded a repeated **rise in the number of petitions received** – in the period 2008-2010, it rose by more than 120% (2007: 370 petitions, 2008: 619 petitions, 2009: 757 petitions, 2010: 822 petitions) – the services provided by the Office of the Financial Arbitrator are used by consumers ever more frequently and the Financial Arbitrator's activities enjoy a greater public awareness.
- Also in 2010, we **reduced the costs for the performance of the Financial Arbitrator's activities** as against the plan. Thus, also in 2010, the total costs for the performance of the Financial Arbitrator's activities testified to economic efficiency in the performance of the statutory activities within the chapters where the Financial Arbitrator can directly influence the use of the funds. Compared to the planned budget, there was a saving of approx. CZK 323,000 and only 76% of the planned budget was used.
- The **trend of significant improvement of efficiency** (or, as the case may be, reduction in the costs per petition – the current costs decreased by 43% as against the year 2007) was confirmed.
- We succeeded in continuing the established **constructive communication relationship with participants in the proceedings** in order to promote conciliatory and rapid dispute resolution. The year 2009 was a breakthrough year in the fact that nearly 90% of the disputes that the Financial Arbitrator decided in the petitioner's favour were resolved in a conciliatory manner with compensation of the damage incurred and without the necessity to authoritatively impose any penalties on the institutions. **In 2010, as many disputes as possible were resolved in a conciliatory manner again** – 93% (disputes amounting to hundreds of thousands Czech crowns).
- Also in 2010, we aimed our efforts at making the Financial Arbitrator institute visible – there were **over 276 interviews, articles, television appearances, presentations, and appearances at conferences**.

Word of conclusion

The previous year was a stabilizing one in terms of the key activities of our Office (i.e., ensuring of rapid, free-of-charge and efficient out-of-court settlement of disputes between clients and institutions). In many cases, we succeeded in moving the parties in dispute to resolve their mutual dispute by agreement and to settle the dispute in a conciliatory manner. However, very different was the situation around the activities relating to the new legislative bills that should regulate our powers and, above all, regulate the institutional incorporation of our Office into the system of public authorities. The legislative process is so lengthy and often interwoven with sudden changes that it considerably affects the social and legal security of the Financial Arbitrator's team. The year 2010 was therefore a year of uncertainty and expectations of further development. In this sense, 2011 will be a breakthrough year and we can expect fundamental changes. Life will show how these changes will affect the operation of our Office. However, I believe that the impact will be positive and that the changes will be useful and positive.

To conclude, I would like to thank all the partners and institutions we work with. In particular, I would like to thank the Czech National Bank, which by law covers the costs for the performance of the Financial Arbitrator's activities.

Dr. Ing. František Klufa

Annex: MEDIA 2010

(in this annex, we offer an overview of all appearances in the media, presentations of opinions, press releases, information from the Office of the Financial Arbitrator of the Czech Republic in individual months)

DECEMBER 2010

28/12/2010	Z1	video	The "Téma Z1" programme.
28/12/2010	Czech Television – Černé ovce (time track 07:20)	video	How to select a bank.
28/12/2010	Czech National Bank	video transcript	Advice in brief.
27/12/2010	Regional dailies	article	Personal bankruptcy. It is used ever more frequently, but does not always help.
23/12/2010	Novinky.cz	article	For now, the Government will not define the date for the adoption of euro.
23/12/2010	Haló noviny	article	Strengthening of the Financial Arbitrator's role.
23/12/2010	finance.cz	article	The Government approved to extend the Financial Arbitrator's powers.
23/12/2010	aktuálně.cz	article	Problems with loans or investments? The Financial Arbitrator will be strengthened.
23/12/2010	eurozprávy.cz	article	The Financial Arbitrator Act returns to the Government.
23/12/2010	Rádio Česko	article + audio	The Government approved to strengthen the Financial Arbitrator's powers.
23/12/2010	Czech Television (time track 07:00)	video	Advice bureau – finance.
23/12/2010	ČT1	teletext	The Cabinet approved to extend the Financial Arbitrator's powers.
22/12/2010	CNB monitoring	article	Extension of the Financial Arbitrator's powers.
22/12/2010	Mediafax.cz	article	The Financial Arbitrator will be a new organizational body of the state.
22/12/2010	Czech Television	article + video	Should the Financial Arbitrator be addressed when it comes to consumer credits? Yes, the ministers said.
22/12/2010	Czech Radio	article	The Financial Arbitrator could obtain more powers. The Government will decide about it.
22/12/2010	finance.cz	article	The Government will discuss extension of the Financial Arbitrator's powers.
22/12/2010	Kurzy.cz	article	The Financial Arbitrator Act returns to the Government.
22/12/2010	regionplzen.cz	article	The Government acts again: The Financial Arbitrator's powers will be discussed.
22/12/2010	xNovinky.cz	article	The Financial Arbitrator Act returns to the Government.
22/12/2010	Aktuální zprávy.cz	article	The Government acts again: The Financial Arbitrator's powers and compensations for energy will be discussed.
22/12/2010	Ministry of the Interior of the Czech Republic	article	Chamber of Deputies – new rules for the Office of the Financial Arbitrator.
22/12/2010	Ministry of Finance of the Czech Republic	article	Information on the materials submitted by the Ministry of Finance to sessions of the Government.
22/12/2010	Parlamentní listy	article	The Government will discuss the money to compensate for energy price increase.
22/12/2010	Czech media	article	POLITICS: Finance.cz: The Government will discuss extension of the Financial Arbitrator's powers.
22/12/2010	peníze.cz	article	The new Consumer Credit Act will help debtors, but is far from solving everything.
22/12/2010	Government of the Czech Republic	audio	Press conference after a session of the Government.
22/12/2010	ČT24 (time track 27:53)	video	Amendment to the Financial Arbitrator Act.
22/12/2010	Ekonomika 24 (time track 03:55)	video	The "Události" programme.
22/12/2010	ČT24 – Studio 6 (time track 02:32:10)	video	The "Ranní zprávy" programme.
22/12/2010	eprávo.cz	article	The Financial Arbitrator will be a new organizational body of the state.
22/12/2010	volný.cz	article	The Financial Arbitrator will be a new organizational body of the state.
21/12/2010	Profit	article	Profit celebrates the 20th anniversary.
15/12/2010	Prosperita	article	The Financial Arbitrator will settle disputes without trial.
14/12/2010	Blesk	article	Taxi drivers are stealing payment cards!
14/12/2010	ČT 1 – Černé ovce	video transcript	Advice bureau.

10/12/2010	měšec.cz	article	Complaints regarding card payments: The law is powerless, you will see your money just "as if".
10/12/2010	Eurobiznis.sk	article	Consumer protection in the financial market in EU Member States.
08/12/2010	Trendy zdraví.cz	article	Where do you note down your PIN?
07/12/2010	Hospodářské noviny	survey	How not to fall into a credit trap – a survey.
07/12/2010	Hospodářské noviny	article	Selecting a suitable loan can save you thousands per year.
03/12/2010	měšec.cz	article	Credits 2011: You will get more rights, but the whip to be cracked on swindlers is missing.
03/12/2010	Leaders Magazine	photo-gallery	Advisory board dinner.
03/12/2010	Leaders Magazine	article	Advisory board dinner.
03/12/2010	Abeceda ročních financí	article	The Financial Arbitrator of the Czech Republic.
02/12/2010	našepeníze.cz	article	Are you in dispute with a bank? Refer to the Financial Arbitrator.
26/11/2010	Spotřebitel.cz	article	The Financial Arbitrator of the Czech Republic and his role in the financial market.
26/11/2010	FinExpert.cz	article	The Financial Arbitrator will also help you when it comes to credits and investments.

NOVEMBER 2010

26/11/2010	EURO.cz	article	Dissatisfied consumers like using the services of the Financial Arbitrator.
25/11/2010	raduzyrecepty.com	article	Be careful about where you note down your PIN. Not even in a church are you protected against thieves.
25/11/2010	MEDIAFAX.CZ	article	More than 800 people refer to the Financial Arbitrator every year and their numbers keep growing.
25/11/2010	promourodinu	article	Be careful about where you note down your PIN.
25/11/2010	iDNES.cz	article	A deposit ATM found the money forged. The client lost one thousand crowns.
25/11/2010	měšec.cz	article	Tips for the payment cards that you should better not use at all.
23/11/2010	prvnízpravy.cz	article	More than 800 people refer to the Financial Arbitrator per year.
16/11/2010	Měšec.cz	article	Unauthorized transactions: Misused cards are your fault, says the law.
10/11/2010	Lidové noviny	article	Regulation! Or courage?
04/11/2010	Association of Financial Advisors	article	How to get out from a debt trap?
04/11/2010	bankovnipoplatky.com	article	Czech News Agency: Current affairs – the Financial Arbitrator will be strengthened and will also help clients when it comes to loans and investments.
04/11/2010	peníze.cz	article	Ask about the premature repayment of your mortgage before you sign the contract.
02/11/2010	www.raduzyrecepty.com	article	Consumers prefer the Financial Arbitrator's assistance to trials.
02/11/2010	www.promourodinu.cz	article	Consumers prefer the Financial Arbitrator's assistance to trials.
01/11/2010	PF news	article	The Financial Arbitrator will be strengthened and will also help clients when it comes to loans and investments.
01/11/2010	Bankovnictví	article	More complaints for the Financial Arbitrator.
01/11/2010	aktuálně.cz	article	Problems with loans or investments? The Financial Arbitrator will be strengthened.

OCTOBER 2010

27/10/2010	www.finexpert.e15.cz	article	The Financial Arbitrator is reaching the awareness of consumers more and more.
27/10/2010	měšec.cz	article	The Financial Arbitrator of the Czech Republic is reaching the awareness of consumers more and more.
27/10/2010	elchron.cz	article	Dissatisfied consumers like using the services of the Financial Arbitrator.
27/10/2010	první zprávy.cz	article	The Financial Arbitrator helps consumers more and more.
27/10/2010	Czech Consumer Association	article	A press release of the Financial Arbitrator.
27/10/2010	Zlatá koruna	article	This year, the Financial Arbitrator has received 595 petitions so far, by 10 % more.
26/10/2010	Haló noviny	article	Briefly – the Financial Arbitrator.
26/10/2010	Finance.cz	article	This year, the Financial Arbitrator has received 595 petitions so far, by 10 % more.
26/10/2010	Czech News Agency	article	What the Financial Arbitrator's activities are.
25/10/2010	ČSSD server	article	In the third quarter of this year, the Financial Arbitrator settled 595 petitions from dissatisfied consumers (source here: Mediafax)

25/10/2010	www.financninoviny.cz	article	This year, the Financial Arbitrator has received 595 petitions so far, by 10% more.
25/10/2010	www.prvnizpravy.cz	article	The Financial Arbitrator settled 595 petitions from dissatisfied consumers.
25/10/2010	www.euro.cz	article	Dissatisfied consumers like using the services of the Financial Arbitrator.
25/10/2010	www.finance.cz	article	The Financial Arbitrator of the Czech Republic is reaching the awareness of consumers more and more.
18/10/2010	Hospodářské noviny	article	A guide on how to switch a bank in a painless way.
11/10/2010	Tipy a triky	article	Who is the Financial Arbitrator?
04/10/2010	Lidové noviny	article	In the Czech Republic, banking secrecy is being breached practically every day.

SEPTEMBER 2010

29/09/2010	měšec.cz	article	Banks are hiding themselves behind PR terminology, the state has resigned itself to the financial sharks.
27/09/2010	Czech Information Agency	interview	Questions for the speakers at the Cards Conference: František Klufa.
23/09/2010	cianews.cz	article	The Financial Arbitrator will be dealing with consumer credits, too.
23/09/2010	ČIA news.cz	article	Questions for the speakers at the Cards Conference: Stanislav Čurilla.
20/09/2010	Květy	article	Complaints instead of legal action.
15/09/2010	Vlasta	article	Are you in dispute with a bank?
15/09/2010	CardMag	article	In the first half of 2010, more than 400 consumers referred to the Office of the Financial Arbitrator.
15/09/2010	ČIA news.cz	article	IIR will organize 2010 Cards Conference in Prague.
15/09/2010	Zlatá koruna	article	From 1 September, the Financial Arbitrator of the Czech Republic is on Facebook!
15/09/2010	Spotřebitel.cz	article	From 1 September, the Financial Arbitrator of the Czech Republic is on Facebook!
15/09/2010	vyplňto.cz	survey	"Do you agree that the Financial Arbitrator's powers should be extended?"
13/09/2010	EURO	article	The Financial Arbitrator on Facebook.
08/09/2010	primymarketing.cz	article	Facebook as a new communication channel for state institutions.
08/09/2010	Student – časopis studujících	article	From 1 September, the Financial Arbitrator of the Czech Republic is on Facebook!
07/09/2010	aktuálně.cz	article – test	Financial literacy test of the Czechs.
07/09/2010	Mladá fronta DNES	article	First-year pupils should get their pocket money on a weekly basis.
06/09/2010	Bankovníctví	article	The Financial Arbitrator of the Czech Republic on Facebook.
06/09/2010	TV Nova	video transcript	Access to an account.
06/09/2010	Euro	article	The Financial Arbitrator on Facebook.
06/09/2010	Překvapení.cz	article	Who will help me resolve my dispute with a bank?
03/09/2010	Bankovnípoplatky.com	article	From 1 September, the Financial Arbitrator of the Czech Republic is on Facebook!
03/09/2010	finance.cz	article	From 1 September, the Financial Arbitrator of the Czech Republic is on Facebook!
02/09/2010	Financial Arbitrator	press release	Facebook as a new communication channel for state institutions.

AUGUST 2010

31/08/2010	Překvapení	article	Who will help me resolve my dispute with a bank?
30/08/2010	Pestrý svět	article	Who defends your rights when it comes to money?
23/08/2010	EURO	article	Goal? Consumer policy.
19/08/2010	www.chytrazena.cz	article	Cases of misused payment cards.
17/08/2010	CNB REPORT ON THE EXERCISE OF SUPERVISION OVER THE FINANCIAL MARKET 2009	information about the activities of the Financial Arbitrator of the Czech Republic	CNB Report on the Exercise of Supervision over the Financial Market 2009.
10/08/2010	FINANCIAL AND INVESTMENT ADDRESS BOOK 2011	information	Contact information about the Office of the Financial Arbitrator.
03/08/2010	LIFE styl	article	Are you in dispute with a bank and do not know what to do?

JULY 2010

29/07/2010	promourodinu.cz	article	Are you in dispute with a bank and do not know what to do?
29/07/2010	FINNET	article	E-bulletin_july2010
20/07/2010	Zlatá koruna	article	The Financial Academy survey for the year 2010.

20/07/2010	Deník	article	The Office of the Financial Arbitrator.
16/07/2010	idNES.cz/finance	article	Are you charged for statements that you never receive? Complain about the service.
15/07/2010	Čzech Radio	audio	Czech consumers do not know how to defend their rights. Worse are only the Greeks.
15/07/2010	Czech Radio	article + audio	Czech consumers do not know how to defend their rights. Worse are only the Greeks.
14/07/2010	ČT 24 (time track 9:41)	video	The "Před polednem" programme – a news block.
14/07/2010	Bankovníctví	information	This year, the Financial Arbitrator received 423 petitions.
13/07/2010	prosperita.cz	article	Czech consumers do not know how to defend themselves when it comes to complaints.
13/07/2010	finexpert	article	The Financial Arbitrator advises.
13/07/2010	finexpert.cz	article	In the first half of the year, more than 400 consumers referred to the Financial Arbitrator.
13/07/2010	FinExpert	article	In the first half of the year, more than 400 consumers referred to the Financial Arbitrator.
09/07/2010	podnikatel.cz	article	Increased interest in the activities of the Office of the Financial Arbitrator.
09/07/2010	měsec.cz	article	Advice bureau: Problems with payment cards when travelling – information about the Financial Arbitrator.
08/07/2010	poradci.sobě.cz	article	In the first half of the year, more than 400 consumers referred to the Financial Arbitrator.
08/07/2010	Zlatá koruna	article	In the first half of 2010, more than 400 consumers referred to the Office of the Financial Arbitrator of the Czech Republic already.
08/07/2010	penizenavic.cz	article	This year, more than 400 consumers referred to the Financial Arbitrator of the Czech Republic.
08/07/2010	Bankovnipoplatky.com	article	Czech News Agency: This year, the Financial Arbitrator received 423 petitions.
08/07/2010	Ě15	article	This year, the Financial Arbitrator received 423 petitions.
08/07/2010	Hospodářské noviny	article	This year, the Financial Arbitrator over banks settled 423 petitions already.
07/07/2010	Czech Television TELETXT	teletext news	The number of financial complaints is growing.
07/07/2010	Newsport.cz	article	This year, the Financial Arbitrator received 423 petitions, by 5% more as against the last year.
07/07/2010	Finance.cz	article	This year, the Financial Arbitrator received 423 petitions, by 5% more as against the last year.
07/07/2010	Investujeme.cz	article	In the first half of the year, the Financial Arbitrator settled 423 petitions.
07/07/2010	Měsíc.cz	article	In the first half of 2010, more than 400 consumers referred to the Office of the Financial Arbitrator of the Czech Republic already.
07/07/2010	Finančnínoviny.cz	article	This year, the Financial Arbitrator received 423 petitions, by 5% more as against the last year.
07/07/2010	Czech News Agency	news	In the first half of the year, the Financial Arbitrator received 423 petitions, by five percent more as against the last year. Most of the complaints related to money transfers, the Financial Arbitrator said.
07/07/2010	www.ihned.cz	article	Complaints? The Czechs rather throw in the towel. More apathetic in the EU are only the Greeks.
07/07/2010	investicniweb.cz	article	This year, the Financial Arbitrator received 423 petitions, by 5% more as against the last year.
07/07/2010	Euro.cz	article	By June, more than 400 consumers referred to the Financial Arbitrator.
07/07/2010	sportovninoviny.cz	article	This year, the Financial Arbitrator received 423 petitions, by 5% more as against the last year.
01/07/2010	Consumer Defence Association	article	The Financial Arbitrator advises.
01/07/2010	Ekonom.cz	article	The Czechs are not good at lodging complaints.
JUNE 2010			
30/06/2010	Zlatá koruna	video	The "Zlatá koruna 2010" competition – announcement of the results and a gala evening
24/06/2010	Hospodářské noviny	article	Bank accounts: Switching can save you up to 7 thousand per year.
22/06/2010	idnes.cz	interview	Tomáš Večl from the European Consumer Centre.
22/06/2010	Consumer Defence Association	article	How to get out of a debt trap?
22/06/2010	Mladá fronta DNES	article	Are you charged for statements that you never receive? Complain about the service.
17/06/2010	Lidové noviny	article	The results are based on 25 thousand evaluations of individual products.

17/06/2010	Bankovníctví	article	Communication is the queen of negotiation.
09/06/2010	Tina	article	Will the Financial Arbitrator help?
08/06/2010	Spotřebitel.cz	article	The European Commission wants to unify the reporting in the field of consumer complaints.
07/06/2010	Zlatá koruna.	competition results	Announcement of the results of the 8th year of the "Zlatá koruna" competition for the best financial products of the year.
07/06/2010	aktuálně.cz	article	The best financial products in the Czech Republic – results of the "Zlatá koruna" competition.
07/06/2010	Moderní obchod	article	The European Commission wants to unify the reporting in the field of consumer complaints.
04/06/2010	ČT 24 – Ekonomika	article	The "Zlatá koruna" competition.
04/06/2010	rádio Česko	audio	An interview with the Financial Arbitrator of the Czech Republic.
04/06/2010	MF Dnes	article	The results are based on 25 thousand evaluations of individual products.
01/06/2010	měšec.cz	article	The European Commission wants to unify the reporting in the field of consumer complaints.
01/06/2010	premium.prosperita.info	article	The EC wants to unify the reporting in the field of consumer complaints.

MAY 2010

27/05/2010	ČNB – persons	article	Communication is the queen of negotiation.
27/05/2010	TV NOVA	video transcript	More and more complaints regarding banks end up on the Financial Arbitrator's desk.
21/05/2010	Bankovníctví	article	Communication is the queen of negotiation.
21/05/2010	Czech Radio – Radiožurnál	audio	Activities of the Financial Arbitrator (time track 17:09 -20:04 min.)
18/05/2010	měšec.cz	article	We will reduce bank charges and usurious interest rates. After the election.
17/05/2010	Osobní finance	article	The Financial Arbitrator advises.
17/05/2010	Osobní finance	article	The Financial Arbitrator advises.
17/05/2010	Osobní finance	article	Support for your money.
13/05/2010	Finexpert.cz	article	The Financial Arbitrator advises.
11/05/2010	finance.aktualne.cz	article	Do you want a loan? You will get more rights, the state will protect you.
07/05/2010	pribramsko.eu	article	Communication is the queen of negotiation, the Financial Arbitrator of the Czech Republic said in Příbram.
07/05/2010	District Chamber of Commerce in Příbram	article	The Financial Arbitrator of the Czech Republic in Příbram.
06/05/2010	Ekonomika ČT 24	article	The Fio financial group obtained a licence from the Czech National Bank.
03/05/2010	finance.aktuálně.cz	article	To reduce bank charges? An attractive plan, but reportedly inefficient.

APRIL 2010

26/04/2010	finance.cz	article	The Financial Arbitrator's competence should be extended. However, he will be newly funded by the Government.
21/04/2010	Zlatá koruna	article	An intoxicated man disclosed his PIN and his account was sucked dry. Even such tricks card swindlers try to play on people.
21/04/2010	Czech Radio	article + audio	Disputes in the field of credits could be decided by financial arbitrators.
21/04/2010	iDNES.cz	article	The Financial Arbitrator can help you settle disputes with banks. For free.
21/04/2010	Lobby	article	The interest in the Financial Arbitrator's services is growing.
21/04/2010	iDNES.cz	article	An intoxicated man disclosed his PIN and his account was sucked dry. Even such tricks card swindlers try to play on people.
19/04/2010	Deník – příloha	article	What the proceedings before the Financial Arbitrator look like.
19/04/2010	finance.cz	article	The Government approved a proposal to change the funding of the Financial Arbitrator.
16/04/2010	Rádio Region Střední Čechy	article	The Financial Arbitrator of the Czech Republic, František Klufa, as a guest of Rádio Region Střední Čechy.
14/04/2010	Lidové noviny	article	Financial products are evaluated by over 300 experts.
09/04/2010	finance.cz	article	The "Zlatá koruna" competition has entered the final stage.
09/04/2010	Osobní finance	article	"Live" interviews.
09/04/2010	finance.cz	article	The "Zlatá koruna" competition has entered the final stage, in which the winners will be selected.
08/04/2010	měšec.cz	article	The "Zlatá koruna" competition has entered the final stage.

08/04/2010	ČT 24	video transcript	The "Zlatá koruna" competition.
08/04/2010	Zlatá koruna	press release	The "Zlatá koruna" competition has entered the final stage.
07/04/2010	Zlatá koruna	article	The "Zlatá koruna" competition has entered the final stage, in which the winners will be selected.
07/04/2010	ČT 24 (time track 02:45)	video	The "Studio 6" programme: Money – the "Zlatá koruna" competition.
07/04/2010	Czech Television	video	The Czechs do not trust financial advisors.
06/04/2010	Consumer Defence Association	article	Information campaign: How to refer to the Financial Arbitrator.
01/04/2010	MF DNES	article	Financial products are evaluated by over 300 experts.
MARCH 2010			
31/03/2010	Konkursní noviny	article	The interest in the Financial Arbitrator's services is growing in our country.
26/03/2010	INFSOS	article	E-bulletin 3-2010
26/03/2010	SČS	article	A press conference of the Financial Arbitrator – 23 March 2010.
22/03/2010	Zlatá koruna	article	Last year, the Financial Arbitrator received 757 petitions, by 22 % more as against the year before.
22/03/2010	měšec.cz	article	Distrust is slowly subsiding, people begin to refer to the Financial Arbitrator more frequently.
22/03/2010	peníze.cz	article	The Financial Arbitrator settles more disputes. His competence will be broadened.
22/03/2010	tn.cz	article	Last year, the Financial Arbitrator imposed fines in the amount of CZK 254,089.
22/03/2010	MediaFAX.cz	article	Last year, the Financial Arbitrator imposed fines in the amount of CZK 254,089.
22/03/2010	RSSNoviny.cz	article	Last year, more than seven hundred people referred to the Financial Arbitrator.
22/03/2010	Czech News Agency	article	Last year, the Financial Arbitrator received 757 petitions, by 22 % more as against the year before.
22/03/2010	FP news 2010	article	Last year, the Financial Arbitrator received 757 petitions.
22/03/2010	Bankovníctví	article	Last year, the Financial Arbitrator received 757 cases.
22/03/2010	Novinky.cz	article	The number of disputes for money is growing, the Financial Arbitrator is always on the trot.
22/03/2010	měšec.cz	article	Lodge your complaint with a bank in time, nobody will talk to you later.
22/03/2010	Impuls	video transcript	The Financial Arbitrator's services.
19/03/2010	ČT 24	article	Consumers often seek the Financial Arbitrator's assistance.
19/03/2010	Rádio Česko	article	Activities of the Office of the Financial Arbitrator.
19/03/2010	E 15	article	Mostly companies win the disputes resolved by the Financial Arbitrator.
19/03/2010	Právo	article	Last year, people referred to the Financial Arbitrator more frequently.
19/03/2010	Firňahční noviny	article	Last year, the Financial Arbitrator received 757 petitions.
19/03/2010	finance.cz	article	Last year, the Financial Arbitrator received 757 petitions, by 22 % more as against the year before.
19/03/2010	finance.cz	article	Last year, the Financial Arbitrator received 757 petitions.
19/03/2010	aktuálně.cz	article	The Financial Arbitrator settles more disputes. His competence will be broadened.
19/03/2010	Ranní interview – Radiožurnál	audio	František Klufa as a guest of the morning "Radiožurnál" programme.
19/03/2010	Téma Z1 peníze	video	The Financial Arbitrator of the Czech Republic, František Klufa, in the "Téma Z1" programme: Money (18 March 2010).
19/03/2010	Z1 zprávy	video	The Financial Arbitrator of the Czech Republic, František Klufa, in the "Zprávy" programme on Z1 (18 March 2010).
19/03/2010	ČT24 Ekonomika	video	The Financial Arbitrator of the Czech Republic, František Klufa, in the "Ekonomika" programme on ČT24 (18 March 2010).
19/03/2010	čt24	article	Last year, more than seven hundred people referred to the Financial Arbitrator.
19/03/2010	MediaFAX	article	Last year, the Financial Arbitrator imposed fines in the amount of CZK 254,089.
19/03/2010	finance aktualne.cz	article	The Financial Arbitrator settles more disputes. His competence will be broadened.
19/03/2010	Rssnoviny.cz	article	Last year, more than seven hundred people referred to the Financial Arbitrator.
19/03/2010	www.financninoviny.cz	article	Last year, the Financial Arbitrator received 757 petitions.
19/03/2010	aktualita dne – finance.cz	article	Last year, the Financial Arbitrator received 757 petitions.
19/03/2010	ČTK.cz	article	Last year, the Financial Arbitrator received 757 petitions, by 22 % more as against the year before.
19/03/2010	investujeme.cz	article	The arbitrator for your money.

18/03/2010	oSpoření.cz	article	Year after year, the Financial Arbitrator wins more and more favour of people when settling disputes with banks.
18/03/2010	Právo	article	Also the Financial Arbitrator could help against usurers.
18/03/2010	Czech Radio – Radiožurnál	article	Extension of the Financial Arbitrator's powers.
18/03/2010	Z1	article	Disputes between banks and clients.
18/03/2010	Czech Radio – Ranní interview Radiožurnálu	article + audio	The Financial Arbitrator: The number of petitions keeps growing.
15/03/2010	Pražský deník	article	The Financial Arbitrator's powers are broader.
12/03/2010	ČT 24 – Ekonomika 24	video	The Czechs owe more than a trillion crowns already.
11/03/2010	The Parliament of the Czech Republic – Chamber of Deputies	information	Invitation to Session No. 21 (11 March 2010).
10/03/2010	Ekonomika ČT24 and Studio burza (time track 21:29)	video	Ombudsmen in the Czech Republic.
10/03/2010	ČT24 – Ekonomika	video transcript	Ombudsmen in the Czech Republic.
10/03/2010	CONSUMER DEFENCE ASSOCIATION	article	Who is helping you.
05/03/2010	Komerční banka	link	If dissatisfied with the resolution of your claim or complaint by Komerční banka, or by the ombudsman of Komerční banka, you can contact the Financial Arbitrator.
02/03/2010	Bankovnípoplatky.com	article	The Financial Arbitrator settles more and more petitions.
01/03/2010	Rádio Praha	article	Last year, the number of complaints lodged with the Financial Arbitrator grew to 757 cases.
01/03/2010	PDF Bankovníctví	article	Last year, the Financial Arbitrator received 757 complaints.

FEBRUARY 2010

24/02/2010	Czech Television – Černé ovce	video	Card.
24/02/2010	Haló noviny.	article	The Financial Arbitrator toiled and moiled.
23/02/2010	Týden.cz	article	Last year, the Financial Arbitrator settled 757 cases.
22/02/2010	Radio Česko	article	Last year, the number of complaints lodged with the Financial Arbitrator grew to 757 cases.
22/02/2010	Aktuálně.CZ	article	Do you want a loan? The state will protect you, read how.
22/02/2010	Wikipedie	article	The Financial Arbitrator.
19/02/2010	cardmag	article	Trends in Internet Security: Frauds on social networks are in fashion.
19/02/2010	statnisprava.cz	information	The Financial Arbitrator.
17/02/2010	měšec.cz	article	We will increase the price of your credit. If you do not agree, give us the money back immediately.
17/02/2010	www.podnikatel.cz	article	Trends in Internet Security: Frauds on social networks are in fashion.
16/02/2010	Trends in Internet Security 2010	conference	The main purpose of the conference "Trends in Internet Security" was to present the latest information on the current trends in the field of internet security, the security of electronic transactions, electronic banking and of other critical internet services.
15/02/2010	EURO	article	A meeting of the EURO Business Club XXVIII.
10/02/2010	Právě dnes.	article	The Financial Arbitrator of the Czech Republic, František Klůfa: Our aim is conciliatory and rapid resolution of disputes.
08/02/2010	EURO	article	A decalogue of banking nonsensicalities.
05/02/2010	LEADERS	article	The Financial Arbitrator of the Czech Republic attended the Annual Meeting of the Association of Financial Intermediaries and Financial Advisors of the Czech Republic.
02/02/2010	Consumer Defence Association – SOS	article	The Financial Arbitrator will also be settling credit disputes.

JANUARY 2010

22/01/2010	Czech National Bank – persons	article	Investing your money.
22/01/2010	Czech National Bank – persons	article	Where to put your money.
22/01/2010	Czech National Bank – persons	article	An ideal bank.
21/01/2010	ČT 1	video	The Financial Arbitrator of the Czech Republic as a guest of the "Dobré ráno" programme.
21/01/2010	Czech Television TELETEXT	trailer	A trailer on the teletext of the Czech Television.
20/01/2010	Czech Radio – Rádio Česko	interview	Information from the world of finance.
20/01/2010	impuls.cz	evaluation	The "Impulsy Václava Moravce" programme.
14/01/2010	Czech National Bank – media	article	The Financial Arbitrator of the Czech Republic, František Klůfa: Our aim is conciliatory and rapid resolution of disputes.
04/01/2010	Lobby.cz	article	The Financial Arbitrator of the Czech Republic, František Klůfa: Our aim is conciliatory and rapid resolution of disputes.

