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**THE OFFICE OF THE CZECH
FINANCIAL ARBITRATOR**

**ANNUAL REPORT ON THE ACTIVITIES OF THE
FINANCIAL ARBITRATOR
2015**

June 2016

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I. FINANCIAL ARBITRATOR'S FOREWORD

Under section 21 of Act No. 229/2002 Coll. on Financial Arbitrator, as amended (and hereinafter referred to as „the Financial Arbitrator Act“) the Financial Arbitrator has a duty to publish, in an appropriate way, an annual report on the Financial Arbitrator's activities, including a description of selected heard disputes without the specification of complainants' identification data, once a year and no later than 30 June of the following calendar year.

Since the introduction of the Financial Arbitrator in 2003, and at the time deciding only some disputes arising from the providing of payment services, the Financial Arbitrator has gradually become an out-of-court dispute resolution body, deciding disputes between individuals and specific financial institutions across the entire financial market. In 2015, the Financial Arbitrator was declared competent to decide disputes between financial institutions and their customers, notably consumers, namely when providing payment services; when issuing and reversing exchange of electronic money; when offering, providing or mediating consumer credit; when managing, administering or offering a collective investment fund; when offering, providing or mediating life insurance; and finally when providing a money exchange service. As of 1 February 2016, the competence of the Financial Arbitrator was significantly extended to cover disputes arising from: buildings savings; other credit (than consumer credit), loan or any other analogous financial services; and investment services; – all under condition that such financial services were provided to a consumer. At the same time, the Financial Arbitrator no longer decides disputes between payment services providers and entrepreneurs.

As a matter of course, the Financial Arbitrator prepared a paper entitled “The Financial Arbitrator in 10 points“, which was created specifically for consumers. This paper is available on the website of the Financial Arbitrator Office: www.finabitr.cz.

1. **The Financial Arbitrator is an out-of-court decision-making public authority constituted by law and competent to decide specific consumer disputes** on financial market; the Financial Arbitrator is neither a mediator nor an arbitrator (in the common sense of the word); the Financial Arbitrator is not a supervisory authority like the Czech National Bank or Czech Trade Inspection Authority;
2. **the Financial Arbitrator is competent to decide only disputes initiated by a consumer** against a financial institution (a bank, including building savings bank, other consumer credit or payment service provider, a life insurance company, an investment company or an investment fund, a security trader, an exchange office);
3. **the proceedings before the Financial Arbitrator is free of charge;**
4. **the complainant needn't be represented by an attorney or anybody else in the proceedings;** the complainant shall bear all the costs of his/her own representation if he decides to have one; the Financial Arbitrator cannot adjudicate the costs of the representation to be reimbursed by another party, regardless of the result of a dispute;
5. **a complaint may be filed using a special form** provided by the Financial Arbitrators' office and may be formulated in the complainant's own words, not referring to any specific legislation (statutory provision); it is sufficient to describe the way the institution harmed the complainant, to specify an issue the Financial Arbitrator shall resolve and to mention any conditions of the amicable settlement the complainant would accept;
6. **the Financial Arbitrator is not bound by the wording of a complaint** and may help the complainant to adjust the complaint or the claim requested in the course of the proceedings; that, however, does not mean that the Financial Arbitrator could examine the legal relationship of the complainant and the financial institution in its entirety;

7. **the Financial Arbitrator seeks the amicable settlement of a dispute** in the first place, nevertheless, under all circumstances he/she is obliged to consider the matter in a due and fair way;
8. **the decision of the Financial Arbitrator may be contested by filing objections** which shall be considered by the Financial Arbitrator as well;
9. **the decision of the Financial Arbitrator may be further contested by a lawsuit**; as soon as the Financial Arbitrator issues a decision on objections, any party may have the decision of the Financial Arbitrator revised by the court of law; the court newly considers the whole case and may replace the decision by its own judgment;
10. **the Financial Arbitrator cannot decide the dispute if**
 - a) the Financial Arbitrator is not competent to decide the dispute (e.g. a dispute that even a court of law could not decide, a dispute between two consumers or two financial institutions, a dispute arisen in connection with a credit provided to an entrepreneur, dispute arisen in connection with other than life insurance);
 - b) the dispute has already been decided by a court or a court proceedings have been initiated;
 - c) the dispute has already been decided in an arbitration proceedings or an arbitration proceedings have been initiated.

The Financial Arbitrator received 962 complaints and responded to 3,000 queries raised by the public in 2015. The number of initiated proceedings has increased annually by 35%. As of the date of publication of this report, i.e. in the first half of 2016, the Financial Arbitrator received more than 1,300 complaints. Most complaints and queries concerned life insurance and consumer credit in 2015, and life insurance, building savings and all credit in the first half of 2016.

In disputes arising from life insurance consumers frequently complained that an insurer or an insurance intermediary had presented and sold a life insurance product as a saving product and concealed the information regarding costs associated with the life insurance product, i.e. information about commission paid to insurance intermediaries, which usually amounts to twice the annual premium. In the area of building savings disputes, the Financial Arbitrator primarily dealt with the validity of termination of building savings contracts by building savings banks and the unilateral reduction of interest rates on deposits in building savings accounts. Within consumer credit disputes, the Financial Arbitrator mainly decided disputes regarding an annual percentage rate of charge, the contractual costs of early repayment and the amount of debt following a credit agreement. In the minority were the payment services disputes, however, their actual significance reached those concerning life insurance and consumer credit. Those were predominantly payment services disputes examining the question of responsibility for losses caused by attacks to online banking.

The results of the decision-making activities of the Financial Arbitrator can be evaluated positively. In more than half of the heard disputes, the parties were able to settle disputes amicably with the assistance of the Financial Arbitrator. As far as the court review of the decisions of the Financial Arbitrator is concerned, the institutions contested a couple of decisions of the Financial Arbitrator in court. The hitherto finished court reviews upheld the Financial Arbitrator's decisions.

Unfortunately, many disputes prove that consumers sign contractual documents without reading them thoroughly. They do not read, and therefore not know, that in the case of default on repayment of the credit they are required to pay a penalty. They do not read SMS messages, emails or messages sent via social networks carefully, through which attackers gain access to account data and possibly even worse, consumers recklessly provide anyone with the data. Many of these consumers are then unable or even unwilling to provide the Financial Arbitrator with the assistance necessary for deciding their dispute and helping them to mitigate the impact of their reckless behaviour.

The financial Arbitrator continued adding fundamental decisions to the online Collection of Decisions and published the fundamental decisions in full text (without the specification of complaint complaints' identification data). Thereby the Financial Arbitrator kept on fulfilling the main goal of the Collection of Decisions, which is to contribute to the predictability of the Financial Arbitrator's decision-making. The Collection of Decisions proved its importance by the references to its content and the quotations of the specific decisions made not only by the financial institutions, or their attorneys, but also by consumers.

The tasks associated with the professional, organisational and technical arrangements of the Financial Arbitrator's activities shall be performed by the Office of the Financial Arbitrator. The number of employees of the Office of the Financial Arbitrator increased from 35 to 39 in 2015, since the beginning of 2016 the number grew to 45. Regarding the economic management of the Office of the Financial Arbitrator as a government body and a separate accounting entity, no binding indicators or total volume of state budget funds earmarked for the activities of the Financial Arbitrator and of the Office of the Financial Arbitrator were exceeded in 2015. As well as in the preceding years, only the inevitable costs were spent on the activities of the Financial Arbitrator and of the Office of the Financial Arbitrator. The Financial Arbitrator does not make use of any legal advice or representation, expenses on business trips abroad are being spent as efficiently as possible and to the indispensable extent only. With regard to the overall budget of the Office of the Financial Arbitrator any public procurement of greater scale comes into consideration.

Going forward, major challenge for the Financial Arbitrator, as well as for the Financial Arbitrator's team, is the maximum shortening of the length of proceedings, but not at the expense of fair legal assessment of each dispute and fulfilment of the basic mission of the Financial Arbitrator, i.e. reaching the amicable settlement of disputes.

This report, considering fundamental changes occurring since 2016, contains some important information for the period from 1. 1. 2016 to 30. 6. 2016, including the results of decision's making of the Financial Arbitrator.

In Prague on 30th June 2016

Mgr. Monika Nedelková v. r.
The Financial Arbitrator

II. COMPETENCE OF THE FINANCIAL ARBITRATOR

With effect from 1st February 2016, according to sec. 1(1) of the Financial Arbitrator Act, the Financial Arbitrator is authorized, subject to further conditions and provided that a Czech court is otherwise competent to decide the dispute in question, to decide disputes between the consumer and:

- a) payment service provider arisen in connection with providing payment services,
- b) electronic money issuer arisen in connection with issuing and reverse exchange of the electronic money,
- c) creditor or intermediary arisen in connection with the offering, providing or mediation of the consumer credit or other credit, loan or other financial service,
- d) person managing or administering a collective investment fund, or offering an investment in the collective investment fund or in a comparable foreign investment fund arisen in connection with managing or administering the collective investment fund, or with offering an investment in the collective investment fund or a comparable foreign investment fund,
- e) insurer or insurance intermediary arisen in connection with the offering, providing or mediation of the life insurance,
- f) money exchange provider arisen in connection with the money exchange,
- g) building savings bank or intermediary arisen in connection with the offering, providing or mediation of the building savings,
- h) security trader, tied agent, collective investment fund or foreign collective investment fund manager or investment intermediary arisen in connection with the activities under sec. 11(1)(c) to (f) of the Act on Investment Companies and Investment Funds (management of a customer's assets including an investment instrument based on own discretion in accordance with the contract [portfolio management], custody and administration of the investment instruments including the related services where the securities and book-entry securities issued by an investment fund or a foreign investment fund are concerned, reception and transmission of orders in relation to one or more financial instruments and providing of investment advice concerning investment instruments).

During the proceedings, the Financial Arbitrator follows the procedural rules set by the Financial Arbitrator Act and Act No. 500/2004 Coll., administrative procedure code, as amended (hereinafter "New administrative procedure code").

With effect from 1st February 2016, the Financial Arbitrator is no longer competent to decide any disputes between entrepreneurs and financial institutions (not even in the area of payment services). Entrepreneurs must therefore go to courts or other out-of-court resolution body with their disputes. The Financial Arbitrator has been completing the disputes between an entrepreneur as a payment services user and payment service provider initiated before 1st February 2016 according to the procedural rules stipulated by the Financial Arbitrator Act, as amended on 31st January 2016.

These recent changes in the competence of the Financial Arbitrator were brought by the Act No. 378/2015 Coll., Amending Act No. 634/1992 Coll., On Consumer Protection, as amended, and some other acts (hereinafter the "Amendment of the Act on Consumer Protection"), including the Financial Arbitrator Act. The Amendment of the Act on Consumer Protection complements the implementation of European union legislation, namely the Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Directives 84/450/EEC, 97/7/EC, 98/27/EC and

2002/65/EC and Regulation (EC) No 2006/2004 (Unfair Commercial Practices Directive), and implements other European union legislation, namely the Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR) and the Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Regulation on consumer ODR).

Following from the explanatory report concerning the Amendment of the Act on Consumer Protection, the Czech Republic is obliged, in the interest of ensuring of high level of consumer protection as well as in the interest of uniforming conditions for the pan-European consumer market, to ensure, in accordance with Art. 25(1) of the Directive on consumer ADR, the operation of an out-of-court dispute resolution system that meets prescribed conditions relating to excellence, independence, impartiality, transparency and legality on its territory not later than 9th July 2015.

In the field of provision and intermediation of financial services, the Amendment of the Act on Consumer Protection preserves the institute of the Financial Arbitrator as the body responsible for resolving consumer disputes; there are only minor amendments to the Financial Arbitrator Act, in order to meet the requirements of the Directive on consumer ADR. The amendment provides, in particular:

- extension of the Financial Arbitrator's competence to cover all types of credits (notably the so-called mortgage loans, but also any other loans, credits and other similar financial services excluded from the scope of the Consumer Credit Act – e.g. cash loans lower than CZK 5,000), and further the area of offering, providing or mediation of the building savings and the area of investment services;
- limitation of the competence of the Financial Arbitrator in resolving consumer only disputes, i.e. disputes in which the complainant is a person who is acting outside the scope of his/her business activity or the independent exercise of his/her profession and who enters into a contract or a deal with an entrepreneur;
- extension of the authority of the Financial Arbitrator to demand explanation or submission of evidence from the natural or legal person, not only from those who are parties to the proceedings under the Financial Arbitrator Act;
- adjustment of the length of the period of the Financial Arbitrator to deliver a decision up to a period of 90 days from the collection of all the documentation necessary to make the decision; if necessary, this period may be adequately extended in particularly complex cases by no more than 90 days;
- more detailed requirements on the content of the annual report of the Financial Arbitrator and the information provided on the website of the Financial Arbitrator.

Individual competences of the Financial Arbitrator can be illustrated by a structured list of their specific content as follows:

The person of the Financial Arbitrator is authorised to decide following disputes in connection with providing payment services:

- malfunction of the ATM – failure to dispense cash,
- money presented to the bank via ATM or personally by client did not credit to the account,
- termination of the payment account contract,
- deduction of charges from the amount of the payment transaction made by the payment services intermediary,
- non-execution of a payment transaction initiated by the payee (or a refusal to execute it),

- malfunction of the ATM – money debited from the account twice (or several times),
- ATM withdrawal or payment with a credit card made by a third party (misappropriation of a credit card),
- misappropriation of a payment instrument (online banking),
- delayed execution of a payment transaction,
- incorrect exchange rate used for a cross-border wire transfer,
- incorrect fee for providing a payment service,
- payment transaction made without consent of the payment service user.

The Financial Arbitrator is authorized to decide disputes arising in connection with providing consumer credits pursuant to Consumer Credit Act, particularly concerning:

- incorrect amount of compensation for early repayment,
- validity of the withdrawal of the credit agreement or intermediary agreement,
- assessment of creditworthiness of the debtor,
- validity of declaring the whole credit payable,
- fees following from the credit agreement or intermediary agreement,
- invalidity of the credit agreement (on the whole), of the provision on penalty for non-compliance with the agreement, or of another provision of the credit agreement,
- amount of debt following from the credit agreement,
- right to a discount interest rate set by the Czech National bank (after being claimed with the creditor),
- annual percentage rate of charge (APR).

The Financial Arbitrator is also authorized to decide disputes arising from the offering, providing or mediation of other credit, loan or other financial service between a consumer and a creditor or an intermediary, concerning

- right of early repayment,
- incorrect amount of compensation for early repayment,
- validity of declaring the whole credit payable,
- fees following from the credit agreement or intermediary agreement,
- invalidity of the credit agreement, of the provision on penalty for non-compliance with the agreement, or of another provision of the credit agreement,
- amount of debt following from the credit agreement.

The Financial Arbitrator is authorized to decide disputes arising in connection with collective investment, particularly concerning:

- dispute between a unit-holder and an investment company or an investment fund regarding the proper settlement of the purchase / redemption / exchange of units,
- dispute between a unit-holder and an investment company or an investment fund regarding purchase / redemption / exchange price of units,
- proper execution of the unit-holder's order to purchase / redeem / exchange units by security trader,
- proper execution of the unit-holder's order to purchase / redeem / exchange units by investment intermediary,
- damages for an investment advice relating to collective investment,
- fee charged for purchase / redemption / exchange of units,
- information duties of an investment company or an investment fund.

The Financial Arbitrator is authorized to decide disputes arising from providing investment services, including:

- proper execution of the order to buy or sell a financial instrument,

- damages for an investment advice provided by a security trader or an investment intermediary,
- fee charged for purchase or sell of financial instrument,
- validity or termination of an investment services agreement.

The Financial Arbitrator may decide disputes arising in connection with money exchanges, for example in the following cases:

- fee charged for currency exchange,
- validity of a currency exchange contract,
- damages for violation of pre-contractual information duties when providing exchange of currencies.

Financial Arbitrator is authorized to decide disputes arising in connection with life insurance, particularly:

- damages for violation of the pre-contractual duties by insurer or insurance intermediary,
- validity of insurance contract or its provision,
- amount of surrender value.

The Financial Arbitrator may decide disputes not only from already concluded contracts on building savings, but also disputes that arise during the pre-contractual stage or in the mediation of building savings, in particular:

- validity of termination of the building savings contract by the building savings bank,
- validity of withdrawal or termination of the building savings contract,
- unilateral change of the building savings contract (e.g. decrease of the interest on deposits or increase of the fee for keeping the building savings account),
- fee charged by the building savings bank,
- amount of state contribution to the building savings contract,
- damages for violation of duties in connection to mediation of the building savings contract.

Whether the Financial Arbitrator is competent to decide the dispute or not always depends on the assessment of the individual circumstances of each case.

However, there is to be pointed out that some seemingly conceptually related disputes do not fall within the scope of the Financial Arbitrator at all, as they are not covered by any of the areas enumerated by the Financial Arbitrator Act. These are essentially disputes concerning:

- non-life insurance (property insurance, accident insurance, liability insurance, injury insurance, etc.),
- supplementary pension scheme or supplementary pension savings,
- protection of personal rights,
- protection of personal data.

The Financial Arbitrator also cannot decide a dispute if the complaint does not meet other requirements set by the Financial Arbitrator Act; therefore the Financial Arbitrator is not authorized to hear the dispute if:

- the Financial Arbitrator is not competent to decide the dispute,
- the dispute was decided in merits by the court of competent jurisdiction or the dispute is currently being heard by the court,
- the dispute is currently being heard or was decided by the Financial Arbitrator,
- the dispute was decided in merits in the arbitration proceedings or the dispute is currently being heard by the arbitrator.

III. FINANCIAL ARBITRATOR, DEPUTY FINANCIAL ARBITRATOR

As of 1 July 2011 the Financial Arbitrator and the Deputy Financial Arbitrator is appointed or dismissed by the Government on a proposal of the Minister of Finance. The Financial Arbitrator is responsible to the Government for the exercise of his/her duties. Only irreproachable, fully legally capable persons of good reputation, sufficient qualifications and experience may be appointed Financial Arbitrator or Deputy Financial Arbitrator. A prerequisite for the appointment of the Financial Arbitrator and the Deputy Financial Arbitrator is also a university degree obtained in the master's program in law at a university in the Czech Republic and proving of five years' experience in the financial market or in the area of consumer protection in the financial market. The employment relationship and remuneration of the Financial Arbitrator and the Deputy Financial Arbitrator shall be governed by the Labour Code.

Monika Nedelková was appointed the Financial Arbitrator by the Government on 16th November 2011 for the term of office of 5 years.



Monika Nedelková graduated from the Faculty of Law of Charles University in Prague. Since 1995 she has been working almost exclusively in the public administration with the focus on the financial market area. She started her career in the Department for Capital Market Supervision at the Ministry of Finance. She also worked as an associate in a leading Czech law firm. At the Czech Securities Commission, she held the positions of the Head of the Legal Division and the Director of the Enforcement Department. After dissolution of the Czech Securities Commission she took the position of the Director of Enforcement in the Czech National Bank. Prior to being appointed the Financial Arbitrator, she had governed the Financial Market Supervision Department at the Ministry of Finance.

Lukáš Vacek was appointed the Deputy Financial Arbitrator by the Government for the first time on 7th March 2013 for the term of office of 2 years. He was re-appointed the Deputy Financial Arbitrator for the term of office of 5 years on 14th January 2015.



Lukáš Vacek graduated from the Faculty of Law of Charles University in Prague and a joint program (MPA degree) at the Law Faculty of Masaryk University in Brno and Nottingham Trent University. In the years 2004-2013 he worked at the Ministry of Finance, out of which for more than 7 years he held the position of the Head of the Retail Financial Services and Consumer Protection in the Financial Market Unit. He was mainly responsible for the preparation of legislation in the area of consumer credits, for the enactment of the Financial Arbitrator Act, but also for the area of insurance of bank deposits or distribution of financial services. On behalf of the Czech Republic, he negotiated the EU legislative proposals within the EU Council working groups, including e.g. the Mortgage Credit Directive, the revision of the Insurance Mediation Directive and other legislation. He was a member of the Platform for Out-of-court Resolution of Consumer Disputes at the Ministry of Industry and Trade. He has been actively engaged in financial education and in resolving the problems following from over-indebtedness. He regularly publishes articles in professional journals (Jurisprudence, Law and Family, Commercial Law Revue) and he is a lecturer as well.

IV. ORGANIZATIONAL ARRANGEMENT OF THE FINANCIAL ARBITRATOR OFFICE

The tasks associated with the professional, organisational and technical arrangements of the Financial Arbitrator's activities are performed by the Office of the Financial Arbitrator, which shall form a government agency, an accounting entity, and its revenue and expenditure shall form a part of the budget chapter of the Ministry of Finance.

Organizational structure of the Office of the Financial Arbitrator is formed by its organizational units:

- Financial Arbitrator,
- Deputy Financial Arbitrator,
- Department of Payment Services, Money Exchanges and Building Savings,
- Department of Consumer Credit and Other Credits,
- Department of Investment and Life Insurance,
- Department of Administrative Support,
- Internal Auditor,
- Secretary of the Financial Arbitrator.

Levels of management are:

- Financial Arbitrator and, in his/her absence, Deputy Financial Arbitrator,
- Deputy Financial Arbitrator, if authorized by the Financial Arbitrator to the permanent exercise of his/her decision-making powers,
- Department headed by the Head of Department (a department provides a comprehensive support in the specific area of the scope of the Financial Arbitrators activities, i.e in activities that are usually directly related to each other and build on each other, except for decision-making:

To ensure the operation of the Office of the Financial Arbitrator, alongside the Financial Arbitrator and Deputy Financial Arbitrator, following job positions are established:

- Head of Department,
- Lawyer,
- Methodist,
- Administrative Officer,
- Internal Auditor,
- Accountant,
- PR Mannager,
- Clerk.

Development of job positions since the establishment of the Office of The Financial Arbitrator as of 1 July 2011

Year	Number of employees	Area of activity
2011	14	payment services, consumer credit
2012	14	payment services, consumer credit
2013	14	payment services, consumer credit, collective investment, life insurance, exchange of currencies
2014	35	payment services, consumer credit, collective investment, life insurance, exchange of currencies
2015	39	payment services, consumer credit, collective investment, life

		insurance, exchange of currencies
2016	45	payment services, credits, collective investment, life insurance, exchange of currencies, investments, building savings

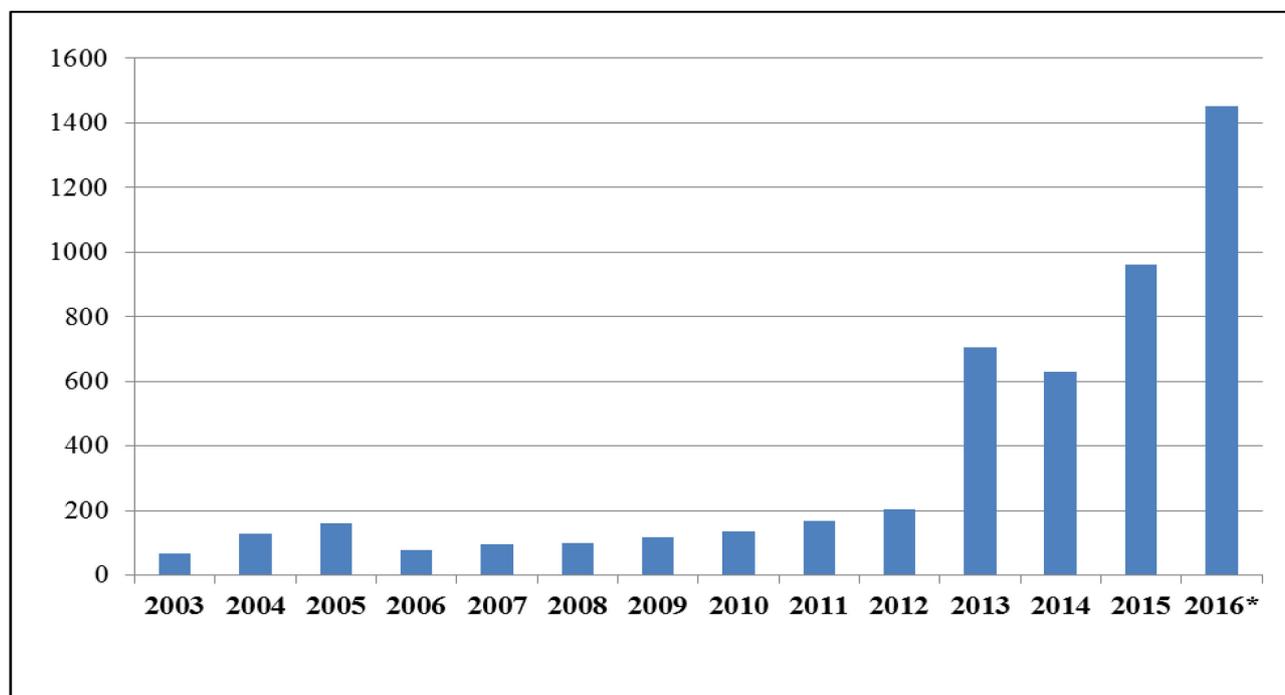
V. SUMMARY OF THE FINANCIAL ARBITRATOR'S ACTIVITIES

During the year 2015, the Financial Arbitrator received 962 complaints and commenced seven proceedings to impose fines due to non-cooperation of the institutions, i.e. 969 in total. The Financial Arbitrator also answered 3,000 queries raised by the public in that year. During the first half of 2016, and as of 30 June 2016, the Financial Arbitrator already received 1,450 complaints, almost two-thirds of which were directed at life insurance companies and a fifth at building savings banks.

Comparison of the proceedings commenced in the individual years (2003 – 2016)

Year	Number of proceedings commenced
2003	66
2004	130
2005	160
2006	77
2007	95
2008	99
2009	118
2010	135
2011	167
2012	204
2013	706*
2014	629
2015	962
period from 1/1/2016. – 30/6/2016	1450

* In 2013, the Financial Arbitrator decided 93139 complaints filed jointly concerning fee for credit administration (information about settlement of the disputes contained the report on the activities of the Financial Arbitrator 2014)

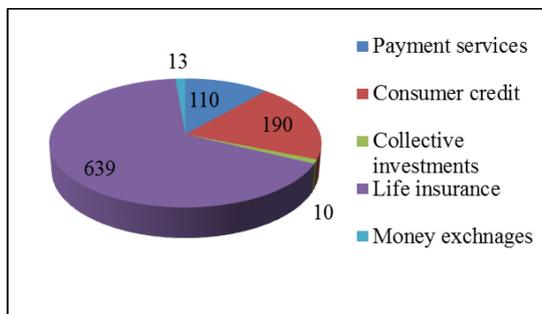


* period from 1/1/2016. – 30/6/2016

Most complaints filed in 2015 concerned life insurance and consumer credits disputes. The number of disputes primarily relates to the total number of concluded contracts on life insurance and consumer credit.

Proceedings commenced in 2015 divided into specific areas

Area	Proceedings
Payment services	110
Consumers credit	190
Collective investment	10
Life insurance	639
Money exchanges	13
Total	962

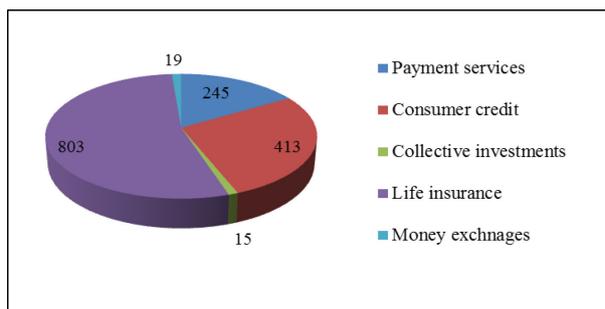


The Financial Arbitrator shall decide disputes quickly and without undue delay. The proceedings shall be governed by the investigation principle. In other words, the Financial Arbitrator shall collect all the relevant evidence to be able to decide the dispute upon his/her best knowledge and belief, impartially, fairly, without undue delays and only on the basis of the facts established in accordance with the Financial Arbitrator Act and other legislation. Therefore, the complexity of the case and the need of cooperation of the parties as well as third institutions or persons in the proceedings shall always be taken into account. The complexity of the case is to be assessed considering the subject of the dispute and evidence collected, having regard to the assertions of the parties and the reliability thereof.

In 2015, some of the earlier commenced proceedings (those commenced before 2015) were still underway, totally 1495 proceedings were underway. Ongoing proceedings refer to proceedings that were suspended for legal reasons, or at the request of the complainant, or based on recommendations of the Financial Arbitrator. Other ongoing proceedings commenced in previous periods that were not finally settled by 31th December 2014 are those, in which the collection of all the documentation necessary for the decision took place, negotiation on amicable settlement were underway or the objection proceedings was commenced. To the 2015 proceedings are also included proceedings which were interrupted because of the ongoing court proceedings for incapacitation of the complainant (1 proceedings), ongoing criminal proceedings (26) or insolvency of financial institutions (101). In some cases, the Financial Arbitrator recommended complainants pending the outcome of judicial review of the Financial Arbitrator in a similar dispute; these are the disputes over the calculation of annual percentage rate of charge of the consumer credit waged against ESSOX s.r.o. (134) and regarding actions for lack of competence of the Financial Arbitrator to decide disputes concerning a fee for mediation of a credit agreement waged against MSC MONEY SERVICE CORPORATION, a.s. (13). In the latter case, the court upheld the competence of the Financial Arbitrator to decide disputes waged against MSC MONEY SERVICE CORPORATION, a.s., which in the meantime satisfied all demands of the complainants who filled the complaints against it and the Financial Arbitrator subsequently terminated the proceedings. Court proceedings commenced in order to replace the Financial Arbitrator's decisions delivered against ESSOX s.r.o. are still underway, or more precisely, in one case the court of the first degree revoked the Financial Arbitrator's decision and replace it by its own decision (the Financial Arbitrator prepares separate information regarding these particular proceedings, which will be made public on the Financial Arbitrator's website).

Ongoing proceedings devided into specific areas in 2015

Area	Proceedings
Payment services	245
Consumer credit	413
Collective investment	15
Life insurance	803
Money exchanges	19
Total	1495



The Financial Arbitrator decides disputes quickly and without undue delay. The Financial Arbitrator's primary objective in any permissible dispute (dispute in the competence of the Financial Arbitrator) is to achieve an amicable settlement. The Financial Arbitrator proceeds so, only if a complainant's claim against a financial institution is consistent with the law applicable to facts derived from the collected documents and their legal assessment in the complainant's dispute. This of course affects the length of the proceedings.

Simpler proceedings, in which both sides of the dispute provide the Financial Arbitrator with assistance and subject of the dispute is clear and legal issues related to the dispute the Financial Arbitrator solved in the past, and furthermore applicable jurisprudence is available, lasts, while preserving all procedural rights and obligations, roughly four months. The length of proceedings in more complex cases moves around six months. In particularly difficult cases, in terms of assessing of legal aspects, the complexity of the gathering of necessary documents and the subsequent seeking of an amicable settlement is even longer; these proceedings are most frequent. In addition, disputes with a similar subject of claim and waged against the same financial institution, are first heard by the Financial Arbitrator separately within the frame of single proceedings. When the acceptable conditions of an amicable settlement for both the financial institution and the Financial Arbitrator is reached in the proceedings, then the reached amicable settlement is discussed and adjusted to other proceedings with regard to individual conditions of each dispute.

Current status of proceedings in 2015 by 30 June 2016

	No.
Finally completed proceedings as of 31/12/2015	539
Decision delivered as of 30/6/2016	263
Interrupted due to ongoing court proceedings (incl. criminal proceedings)	103
Objection proceedings (appeal proceedings) are pending	17
Before delivering decision as of 30/6/2016 (collection of all the documentation necessary for the decision, negotiation of amicable settlement, pending court review of the Financial Arbitrator's decision, termination of criminal proceedings)	573

As far as the results of the disputes in competence of the Financial Arbitrator are concerned, in more than two-thirds of the total number of cases an amicable settlement was reached; it means that financial institutions satisfied wholly or in part the consumer's claim in the proceedings before the Financial Arbitrator. Such proceedings were consequently terminated by the Financial Arbitrator on the basis of the withdrawal of the complaint or due to reasons that the dispute ceased to exist.

Where the parties to a dispute did not find willingness to reach an amicable settlement, the Financial Arbitrator upheld wholly or in part a complaint, if the complaint was justified. This applies to 7% of cases. Not all of these disputes are subject to judicial review. In more than half of the cases, financial institutions accepted the Financial Arbitrator's decision, paid the penalty

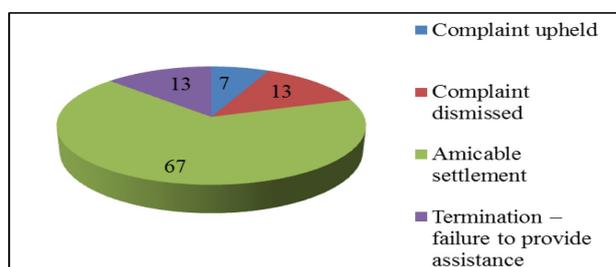
imposed and did not bring an action. The reasons of the acceptance of the Financial Arbitrator's decisions by the financial institutions are not known in all cases.

The Financial Arbitrator dismissed 13% of disputes due to not finding that a financial institution committed the alleged violation of duty, and was not obliged to fulfill the complainant's claim brought in proceedings.

Unfortunately, in 13% of cases complainants did not provide the Financial Arbitrator with the assistance necessary to deliver the fair and lawful decision. And this is so, even though the Financial Arbitrator repeatedly encourages and instructs complainants what evidence to present to support their claims or how to articulate their claims made against the financial institution. It appears that such complainants are reckless not only when reading contractual documentation, but also when dealing with problems they got into. Worse yet, these complainants refuse the Financial Arbitrator's help only on the ground that they are required to provide the basic assistance which does not take much effort.

Results of the proceedings in 2015

	Share %
Complaint upheld	7
Complaint dismissed	13
Amicable settlement	67
Termination – failure to provide assistance	13



In the longer term, i.e. during the ongoing term in office of the current Financial Arbitrator, the figures have not differed significantly. In 60% of disputes the parties to the disputes settled their disputes amicably, the Financial Arbitrator upheld complaints in 6% of disputes and in 12% of disputes the Financial Arbitrator had to terminate the proceedings because complainants did not provide the Financial Arbitrators with assistance.

Proceedings to impose fine or penalty

Under section 17a of The Financial Arbitrator Act, if the Financial Arbitrator upholds the complainant's complaint, even partially, he/she shall impose a penalty of 10% of the amount which the financial institution is, pursuant to the decision, obliged to pay to the complainant, not less than CZK 15,000, however. The penalty shall be part of the State budget revenue. In addition, under section 23 of the Financial Arbitrator Act, the Financial Arbitrator is authorized to impose a penalty if a financial institution breaches the duty to submit documents necessary to deliver a decision; the fine may be imposed up to the limit of CZK 100,000 and is part of the State budget revenue.

Pursuant to section 17a of the Financial Arbitration Act, the Financial Arbitrator imposed penalties on financial institutions in the total amount of CZK 376,000 in 2015 and fines according to section 23 in the total amount of CZK 100,000 the same year.

The penalized entities paid the penalties pursuant to section 17a of the Financial Arbitrator Act in 17 proceedings totaling CZK 368,000. Where the penalties or fines were not paid and exceeded the extended deadline period, the Financial Arbitrator submitted the unpaid penalties to the competent customs office.

Queries

The Financial Arbitrator shall respond to any query received, including those deciding of which the Financial Arbitrator is not competent to. Where appropriate, the Financial Arbitrator at least

instructs an inquirer to a competent authority. When the Financial Arbitrator is competent to decide a dispute, he/she shall provide the inquirer with the detailed information of requirements for filing a complaint and with a list of evidence needed to be attached.

The queries directed at the competence of the Financial Arbitrator were mostly in the area of consumer credit, payment services and life insurance. A large part of queries were directed at the area of building savings and mortgage loans; in these cases the Financial Arbitrator explained to the inquirers the lack of competence to decide such disputes and advised them on the competent authority (Czech National Bank, legal help organizations, the competent court). The Financial Arbitrator also informed the inquirers about the ongoing legislative amendments which would extend the competence of the Financial Arbitrator to cover the query raised and about the possibility to postpone a complaint until the competence of the Financial Arbitrator has been effectively extended.

The Financial Arbitrator received more than 3000 queries in 2015. The queries were answered usually in a couple of days, in any case no later than in 30 days.

VI. FINANCIAL ARBITRATOR OFFICE'S EXPENDITURES

Since the establishment of the Office of the Financial Arbitrator, it is an independent accounting entity referred to as the financial unit 3120005 and its revenue and expenditure form a part of the budget chapter of the Ministry of Finance. In the state budget, the Office of the Financial Arbitrator's expenditure formed a part of the Expenditure Block – Expenditure on Ensuring the Activities of the Office of the Financial Arbitrator; in terms of the sectorial budget classification it was included in Section 5471.

The total expenditures of the Office of the Financial Arbitrator of CZK 34,250,173 were approved under the 2015 State Budget, of which expenditure on salaries and other payments amounted to CZK 21,168,499 (more precisely, CZK 20,589,870 expenditures on salaries and CZK 578,629 on other payments). The compulsory insurance premium amounted to CZK 7,197,291 and the financial allocation for the cultural and social needs fund was CZK 205,889. The expenses under the system of programmed financing amounted to CZK 1,814,000. The unused resources from the preceding budget periods of CZK 12,139,392 were included in the 2015 Financial Arbitrator Office's Budget.

Three budgetary measures were adopted in 2015. In two cases there was a transfer of funds in the Financial Arbitrator Office's Budget to secure funds for salaries in relation to the increase in the number of systemized positions and in one case there was an increase in funds for salaries based on the resolution of the Czech government to increase salaries in state administration; specifically:

- Budgetary measure no. 1 – ref. MF – 2 365/2015 - 2301 - transfer the amount CZK 545,000 under the budget of the Office of the Financial Arbitrator from the unit “other personal expenses” in favor of the units “staff salaries” and “financial allocation for the cultural and social needs fund” relating to temporarily loaned functional site for a definite period to 31st December 2015 from the the Ministry of Finance to the Office of the Financial Arbitrator. The need to reinforce the personnel caused an increase in number of disputes within the area of life insurance.
- Budgetary measure no. 32 – ref. MF – 37 537/2015 – 2301 – transfer the amount CZK 853,000 under the budget of the Office of the Financial Arbitrator, specifically: the transfer of the funds from the unit “Other material expenses outside the property reproduction programs” in favour of the unit “staff salaries” and expenses associated with the establishment of three new systemized positions, which increased the number of employees of the Ministry of Finance budget chapter 312. The three new systemized positions were necessary to cover the increase in the number of the complaints in the areas of life insurance, payment services and consumer credit compared to 2014.
- Budgetary measures no. 45 – ref. MF – 45 282/2015 – 2301 – release of the amount CZK 138,980 for the Office of the Financial Arbitrator of the total amount CZK 57,737,000, which was transferred to the Ministry of Finance budget chapter 312 from the Ministry of Finance budget chapter 398 VPS (from the item “transfers of own resources of European Communities to EU budget according to gross national product”). The total amount (CZK 57,737,000) was determined in favor of the budget allocated to personal expenditure of all government departments of the respective budget chapter in the context of the increased salaries by 3% in November and December 2015 as follows from the point II. of 9th Government Resolution no. 748/2015 on the draft law on the state budget of the Czech Republic for 2016.

The final budget for the Office of the Financial Arbitrator totaled CZK 46,529,085.86 in 2015; expenditures on salaries and other payments amounted to CZK 25,038,262; expenditures for program financing totaled CZK 5,095,094.47.

The average calculated number of employees was 37 and the average calculated number of employees, in terms of natural persons, was 36 in the relevant budget period.

The Office of the Financial Arbitrator did not draw on CZK 10,751,103.98 of its available volume of funds. The available volume of funds on salaries and related payments, totalling CZK 980,674, was not withdrawn. The available funds related to salaries were not withdrawn in their entirety because the new or released systemized positions were occupied only gradually. This was partly due to an inadequate level of applicants and secondly due to the possibility of a competitive tender option only after the approval of amendments to the limits of employment regulation. The expenditure financed by asset replacement programs “012V41 a 112V41 – Development and renewal of material-technical base KFA (Office of the Financial Arbitrator)” was not used up to the amount CZK 3,419,912.15, notably owing to the unfinished Document Record Management System. The formation of savings is linked to the fact that the Office of the Financial Arbitrator remained situated in the building of the Ministry of Finance on the Legerova Street and to the fact that it could use ICT infrastructure of the Ministry of Finance free of charge and did not have to procure its own ICT infrastructure.

As regards non-profiling expenditures, the Office of the Financial Arbitrator showed lower drawdown of the final budget by CZK 6,350,517.83, especially in the area of expenditure for the purchase of services and travel costs and conference enrollment fees. As far as the domestic and foreign travel costs are concerned, only the necessary travels were allowed. In 2015, the Deputy Financial Arbitrator, who was authorized by the Financial Arbitrator to act on the Financial Arbitrator 's behalf in the matters of domestic and cross-border cooperation, took five foreign and three domestic business trips. The total travel costs and related payments amounted to CZK 148,000. Such expenses included the travel costs, participation fees, meals and accommodation, out of which CZK 51,000 was subsequently reimbursed. The Office of the Financial Arbitrator did not use any consulting, advisory and legal services provided by external entities and the significantly lower amount of funds were spent on the training of employees of the Office of the Financial Arbitrator in 2015.

Revenues are not taken into consideration as regards the budget of the Office of the Financial Arbitrator; the total revenue of the Office of the Financial Arbitrator reached CZK 525,764.20 and included imposed penalites and fines totaling CZK 367,541.58 and other non-tax revenues: (i) the reimbursement of business trips abroad in the amount of CZK 53,095.69; (ii) the receipt an overpayment for services associated with the use of commercial premises in the amount of CZK 84,651.93; (iii) the receipt of the indemnity for damages caused to the company car of the Office of the Financial Arbitrator in the amount of CZK 475. Transfers from own funds amounted to CZK 20,000 and represented the returned wage funds from the the deposit account, namely unpaid compensation for illness in December 2014. The proceedings before the Financial Arbitrator are free of charge and since the primary objective of the Financial Arbitrator is reaching an amicable settlement of disputes, and in such a case without sanction being imposed, the Financial Arbitrator can not competently estimate the potential revenues because of their unpredictability.

VII. INFORMATION TO THE PUBLIC AND PUBLIC RELATIONS

Information duties of the Financial Arbitrator

Under the Financial Arbitrator Act¹, the Financial Arbitrator shall publish an annual report on its activities, inform institutions' supervising authorities of the deficiencies found in the institutions' activities, inform the complainants of the possibility to be provided with assistance, and inform the public of its practices under the Financial Arbitrator Act and on heard disputes. The Financial Arbitrator is obliged to publish the annual report on its activities, including a description of selected heard disputes, in an appropriate manner once a year and no later than June 30 of the following calendar year.

The Financial Arbitrator presents the annual report to the Chamber of Deputies and to the Government every year.

The Financial Arbitrator shall publish the annual report for 2015 in electronic form on the website and shall present it to the competent supervisory authorities as well. All the annual reports for the public are published at www.finarbitr.cz. The annual reports for the Chamber of Deputies and the Government are almost identical to the annual reports for the public, with regard to both the content and the extent and they are presented within the statutory period and required manner.

The Financial Arbitrator also inform the public by providing information in accordance with Act no. 106/1999 Coll., on Free Access to Information, as amended (and hereinafter referred to as „the Free Acces to Information Act“) via press releases, through information published on its website and through information provided to the media.

The Financial Arbitrator's website

The Financial Arbitrator actively uses and regularly publishes its annual reports, press releases, news, recommendations to the consumers, or other information on its website www.finarbitr.cz.

During 2015, further adjustments were made to the website in order to to allow for simple orientation in information on the Financial Arbitrator and to simplify the inquiry or filing of the complaint to initiate proceedings.

Other changes were reflected on the Financial Arbitrator's website in connection with extending the scope of the Financial Arbitrator competences since 1 February 2016. On the home page visitors can easily obtain information about individual areas and types of disputes which the Financial Arbitrator is competent to decide, including references to legislation and Collection of Decisions.



Office of the Financial Arbitrator newly published or updated for example: the Internal Anticorruption Program, Code of Ethics of the Office of the Financial Arbitrator or information about the operation of the mailroom and process of receiving documents.

To send out press releases, news and information about the publication of anonymised decisions in the Collection of Decisions, the Financial Arbitrator established a service named "Subscribe to

¹ Section 21 of the Financial Arbitrator Act set the information duties of the Financial arbitrator

newsletter". Those interested can subscribe to the newsletter by entering their email address to which the information is to be sent.

Collection of Decisions

Following numerous inquiries and requests under the Free Access to Information Act, the Financial Arbitrator began to publish the full text of selected decisions in the Collection of Decisions, which is located on the website (<http://www.finarbitr.cz/cs/reseni-sporu/sbirka-rozhodnuti.html>).

The published decisions are essentially those in which the Financial Arbitrator decides a dispute in merit, i.e. by an award or a decision on objections. The Financial Arbitrator also publishes decisions imposing fines on financial institutions for not providing assistance in proceedings. The Financial Arbitrator does not publish decisions on the termination of proceedings due to the withdrawal of the complaint and decisions on the termination of proceedings due to groundless. Complaints are published only when holding the information value for potential complainants.

The published decisions in the Collection of Decisions are identified by the type of decision (i.e. award, decision on objections, ruling), case number, register number, date of issue and the name of the financial institution against which the complaint was filed. In accordance with section 8a of the Free Access to Information Act and in accordance with the provisions of section 21 (6) of the Financial Arbitrator Act the published decisions do not contain personal or other identifying data.

Decisions can be searched according to the specific areas or keywords in the form of full-text search.

Publications, articles, interviews

The Financial Arbitrator, as well as the Deputy Financial Arbitrator, were interviewed by various media where they primarily presented the Financial Arbitrator's activities and the competence of the Financial Arbitrator. They also provided readers with advice on consumer credit, payment services, life insurance and collective investments.

The Financial Arbitrator Office launched cooperation with the Czech Radio as a public service medium in 2015, when the Deputy Financial Arbitrator gave two interviews on the activities of the Financial Arbitrator and the proper procedure of the consumers when initiating proceedings and about disputes arising from consumer loans, particularly about fees for mediation of the consumer credit contract.

Besides public media, the Financial Arbitrator cooperated closely with commercial media. An example of such cooperation is the publication of several articles relating to the competence of the Financial Arbitrator and to the specific problems faced by consumers. For example, in the area of credit mediation, in the national bestselling tabloid, Blesk, the Deputy Financial Arbitrator discussed the matter also on the chat service operated by the Blesk.

The Financial Arbitrator publishes information also through the social network Facebook (<https://www.facebook.com/FinArbitr>) and the social network Twitter: (@Finarbitr; <https://twitter.com/Finarbitr>).

Also other employees of the Office of the Financial Arbitrator widely published in professional journals such as "The Czech Economist", "the Legal Counselor" etc. Particularly worth mentioning is an eight-part series on the Financial Arbitrator, in which the public could get acquainted with the role of the Financial Arbitrator in the Czech Republic, with its European roots, with the proceedings, with the judicial review of its decisions or with procedural distinctions between the Financial Arbitrator and the Czech Telecommunication Office.

Calculator for calculating the annual percentage rate of charge

The Financial Arbitrator's Office has published on its website an application that allows users to more comfortably calculate the annual percentage rate charged for a consumer loan in accordance with section 10 of Act no. 145/2010 Coll., On Consumer Credit. The calculator is based on the assumption that the loan is drawn down once and in full, as well as it is paid on an annuity basis – i.e. at regular intervals (eg. monthly) with a fixed amount of repayment.

VIII. INTERNATIONAL COOPERATION, FINANCIAL EDUCATION

International Cooperation with the foreign out of court dispute resolution bodies

Under the Financial Arbitrator Act², the Financial Arbitrator shall cooperate, on a mutual basis, with corresponding authorities in other Member States of the European Union and in other countries that constitute the European Economic Area and with the European Union authorities.

FIN-NET

The Financial Arbitrator has been a long-standing member of FIN-NET, the European network of dispute resolution bodies dealing with an out-of-court resolution of disputes related to the financial market. The network, founded in 2001, brings together the so called financial ombudsmen from the majority of the European Union Member States, or from other countries that constitute the European Economic Area. Its mission is to share experience originating from the dispute resolution practice of its members and to assist in resolution of the cross-border disputes. In March 2013 the Deputy Financial Arbitrator became a member of the FIN-NET Steering Committee for the two years term of office. The Steering Committee is in charge of planning the prospective orientation of the network and preparation of the plenary session's agenda. In December 2015, the European Commission repeatedly appointed the Deputy Financial Arbitrator to this function for the years 2016-2017.

INFO Network

The Financial Arbitrator is a member of the INFO Network (the International Network of Financial Services Ombudsman Schemes), the international network of dispute resolution bodies dealing with an out-of-court resolution of consumer disputes related to the financial market. In this network, founded in 2007, out-of-court dispute resolution bodies dealing with consumer disputes related to the financial market from virtually every continent are represented.

In 2015 the Deputy Financial Arbitrator, who had been authorized by the Financial Arbitrator to act on her behalf in the matters of cross-border cooperation, made five foreign travels to participate in:

1. Annual FIN-NET plenary meeting in Brusel (June and December);
2. FIN-NET Steering Committee meeting in Paris (May) and Brusel (October);
3. Annual INFO (International Network of Financial Services Ombudsman Scheme) in Helsinki (September).

All realized business trips were beneficial for the activities of the Financial Arbitrator, with regard to the information obtained on the activities of foreign financial ombudsmen and prepared and implemented amendments to European legislation (particularly in relation to the establishment of so called Online platform of the European Commission for Alternative Consumer Dispute Resolution).

Financial Education

The Financial Arbitrator and the Deputy Financial Arbitrator are particularly interested in the financial education activities. Particularly the Deputy Financial Arbitrator is very active in this field.

The Financial Arbitrator is a partner of the project "Financial Compass" and the "Family Finances Alphabet" projects.

² Under section 20 Financial Arbitrator Act

The Deputy Financial Arbitrator is a member of the Work Group for the Financial Education with the Ministry of Finance. He engaged in the activities of its subgroup, which was responsible for preparing the assessment of financial literacy of the adult population, being subsequently realized by the Ministry of Finance in 2015.

The Deputy Financial Arbitrator repeatedly lectured in academia – at the Police Academy of the Czech Republic in Prague (April 2015), at the Faculty of Economics and Administration and the Faculty of Law of Masaryk University (in the latter he lectured within the several subjects of study program).

The Deputy Financial Arbitrator repeatedly took part in the evaluation committee of the final level of the 6th Financial Education Competition for Primary and High Schools.

As in the previous year, the Deputy Financial Arbitrator participated in the European Financial Systems 2015 international conference under the auspice of the Faculty of Economics and Administration of Masaryk University in Brno.

Great attention, not only during its educational activities, the Office of the Financial Arbitrator devoted to activities regarding the prevention of indebtedness or its solution. The Deputy Financial Arbitrator is a member of the organizing committee of the Alliance against debts, which brings together a wide range of experts specialized in the issue of household debt. The Financial Arbitrator is also an active member of the Platform for responsible finance, which serves as a forum for the discussion of the pressing social issues such as unethical practices in the consumer credit market, the issue of usury, fair enforcement issues or financial literacy of the public. The Deputy Financial Arbitrator seeks mutual cooperation and supports both of these platforms, or their members, in solving specific problems associated with over-indebtedness.

IX. FUTURE OUTLOOK

As in previous years, the main activity of the Financial Arbitrator will be deciding individual disputes.

Achieving effective solution to every dispute is ongoing task that the Financial Arbitrator solves and will continue to do so. Concurrently, continuing of publication of final and conclusive decisions or decisions upheld by court review will help cultivate relationships of consumers and financial institutions in the domestic financial market.

The Financial Arbitrator will seek the maximum shortening of the length of proceedings.

The Office of the Financial Arbitrator shall continue using the following ways to achieve this goal: active communication with the public and the press, public appearances, presentations, press releases, annual reports, publishing information on the website (news, recommendations, decisions, and other documents) and on the social networks.

In the course of 2015 the European Comision has completed work on a pan-European platform for online alternative dispute resolution made by the European Commission under the Regulation 524/2013 of the European Parliament and of the Council on Online Dispute Resolution (ODR). In accordance with this Regulation, the platform should have been publicly accessible no later than 9 Janury 2016. After completion of the test phase, the consumers may file complaints trough it since 15 February 2016 and thus initiate proceedings. If the object of their disputes will fall within the scope of the Financial Arbitrator, the Financial Arbitrator shall hear such dispute, as if launched in any other way, and subsequently record the outcome of the dispute.

As far as the international cooperation is concerned, the Financial Arbitrator shall attempt to take advantage of its international contacts, particularly to consult the new areas of its competence with the foreign partners. The Deputy Financial Arbitrator shall focus on setting new procedural rules on the operation of FIN-NET network, which are to lead to facilitation of cross-border disputes and to better cooperation between the various out-of-court disputes resolution bodies in accordance with the Directive of the European Parliament and Council 2013/11 /EU of 21. 5. 2013, on alternative consumer disputes and amending Regulation (EC) no. 2006/2004 and Directive 2009/22/EC.

Appendix no. 1 – Summary of the decisions published in the Collection of Decisions³

The Financial Arbitrator hitherto published the bellowstated decisions in the Collection of Decisions, which is accessible via The Financial Arbitrator Office's website. The Financial Arbitrator publishes decisions upholding a complaint, as well as decisions dismissing a complaint. Every published decision contains arguments and objections of both parties, detailed legal assessment of the dispute and the settlement of a petitioner's and a financial institution's objections. Of course, it contains also quotations and references to case law, on which the Financial Arbitrator based its decision.

Case number	Financial Institution	Key word / subject of the dispute	The Outcome of Proceedings
179/PS/2012	Air Bank, a.s.	Incorrectly executed payment transaction	Complaint dismissed
158/2011	BRE Bank S.A.	ATM withdrawal made with a stolen credit card	Complaint dismissed
17/PS/2012	Citibank Europe plc	Unauthorised payment transaction – MO/TO transaction	Complaint dismissed
69/PS/2012	Citibank Europe plc	ATM withdrawal made with a stolen credit card	Complaint dismissed
FA/PS/310/2014	Citibank Europe plc	ATM withdrawal made with a stolen credit card	Complaint dismissed
FA/PS/387/2014	Citibank Europe plc	Incorrectly executed payment transaction	Complaint dismissed
FA/PS/583/2015	Citibank Europe plc	ATM withdrawal made with a stolen credit card	Complaint dismissed
89/PS/2012	Česká spořitelna, a.s.	ATM withdrawal made with a stolen credit card	Complaint dismissed
1/PS/2013	Česká spořitelna, a.s.	Account blocked without respect to living wage	Complaint partially upheld
23/PS/2013	Česká spořitelna, a.s.	Account blocked without respect to living wage	Complaint partially upheld
145/PS/2013	Česká spořitelna, a.s.	Fee charge for services	Complaint dismissed
453/PS/2013	Česká spořitelna, a. s.	Termination of the credit contract, unjust enrichment, removal from the Registry of Debtors	Complaint dismissed
FA/PS/556/2014	Česká spořitelna, a.s.	Removal from the Registry of Debtors	Complaint dismissed
122/PS/2012	Československá obchodní banka, a. s.	Malfunction of the ATM, failure to dispense cash, incorrectly executed payment transaction	Complaint dismissed
11/PS/2013	Československá obchodní banka, a. s.	Competence of the Financial Arbitrator, building savings	Termination – groundless complaints

³ The Collection of Decisions is located on the Financial Arbitrator's website: <http://www.finarbitr.cz/cs/reseni-sporu/sbirka-rozhodnuti.html>

263/PS/2013	Československá obchodní banka, a. s.	Current account contract and credit card contract termination contract termination	Complaint dismissed
452/PS/2013	Československá obchodní banka, a. s.	Payment transaction fee, fee accounting period	Complaint dismissed
603/PS/2013	Československá obchodní banka, a. s.	Malfunction of the ATM, failure to dispense cash, incorrectly executed payment transaction	Complaint dismissed
FA/PS/86/2014	Československá obchodní banka, a. s.	ATM withdrawal, incorrect exchange rate	Complaint dismissed
FA/PS/113/2014	Československá obchodní banka, a.s.	Unauthorised payment transaction, authenticity of the signature	Complaint dismissed
FA/PS/293/2015	Československá obchodní banka, a.s.	Return of the payment sent to an incorrect account	Complaint dismissed
FA/PS/593/2015	Československá obchodní banka, a.s.	Revocation of the payment order	Complaint dismissed
FA/PS/744/2015	Československá obchodní banka, a. s.	Parties to the proceedings procedural capacity	Termination – lack of competence
FA/PS/87/2014	Expobank CZ a.s.	Failure to report a suspicious transaction, damages	Complaint dismissed
FA/PS/87/2014	Expobank CZ a.s.	Failure to report a suspicious transaction, damages	Complaint dismissed
FA/PS/593/2014	Expobank CZ a.s.	Failure to report a suspicious transaction, damages	Complaint dismissed
FA/PS/594/2014	Expobank CZ a.s.	Failure to report a suspicious transaction, damages	Complaint dismissed
202/PS/2013	Fio banka, a.s.	Foreign currency payment transaction fee	Complaint dismissed
577/PS/2013	Fio banka, a.s.	Fee for return of an undeliverable payment	Complaint dismissed
677/PS/2013	Fio banka, a.s.	Malfunction of the ATM, failure to dispense cash, incorrectly executed payment transaction	Complaint dismissed
FA/PS/181/2014	Fio banka, a.s.	Damages for account blockage made due to an unjustified enforcement of judgement	Complaint dismissed
FA/PS/401/2014	Fio Banka, a.s.	Misappropriation of a credit card	Complaint dismissed
FA/PS/421/2014	Fio Banka, a.s.	Malfunction of the ATM, failure to dispense cash, Incorrectly executed payment transaction	Complaint dismissed
FA/PS/542/2014	Fio banka, a. s.	Misappropriation of online banking	Complaint dismissed
FA/PS/653/2014	Fio banka, a. s.	Malfunction of the ATM – failure to dispense cash	Complaint dismissed

FA/PS/127/2015	Fio Banka, a.s.	Misappropriation of online banking	Complaint dismissed
FA/PS/140/2015	Fio Banka, a.s.	Failure to execute payment transaction, damages, interest on late payments	Complaint dismissed
226/PS/2013	GE Money Bank, a.s.	Misappropriation of a credit card	Complaint dismissed
FA/PS/470/2014	GE Money Bank, a.s.	Unauthorised payment transaction, blocking of online banking	Complaint dismissed
FA/PS/34/2015	GE Money Bank, a. s.	Removal from the Registry of Debtors	Complaint dismissed
FA/PS/752/2015	GE Money Bank, a.s.	Foreign currency payment transaction fee	Complaint dismissed
266/PS/2013	Komerční banka, a.s.	Payment of statutory level of living wage	Complaint partially upheld
FA/PS/57/2014	Komerční banka, a.s.	Malfunction of the ATM – failure to dispense cash	Complaint dismissed
FA/PS/184/2014	Komerční banka, a.s.	Foreign currency payment transaction fee	Complaint dismissed
FA/PS/552/2014	Komerční banka, a.s.	Settlement of claim when terminating current account	Complaint dismissed
626/PS/2013	mBank S.A.	Malfunction of the ATM, failure to dispense cash, incorrectly executed payment transaction	Complaint dismissed
FA/PS/333/2015	mBank, S.A.	Unauthorised payment transaction	Complaint dismissed
418/PS/2013	Metropolitní spořitelni družstvo	Failure to execute payment transaction, damages, interest on late payments	Termination – withdrawal
499/PS/2013	Metropolitní spořitelni družstvo	Failure to execute payment transaction, damages, interest on late payments	Complaint upheld
24/PS/2013	Raiffeisen stavební spořitelna a.s.	Competence of the Financial Arbitrator, building savings	Termination – lack of competence
310/PS/2013	Raiffeisenbank, a.s.	Return of the payment sent to an incorrect account	Complaint dismissed
396/PS/2013	Raiffeisenbank, a.s.	Fee for account in execution, account termination	Complaint dismissed
FA/PS/434/2014	Raiffeisenbank a.s.	Account blockage, termination of blockage of the account	Complaint dismissed
FA/PS/204/2015	Raiffeisenbank a.s.	Failure to report sa uspect transaction, damages	Complaint dismissed
55/PS/2012	Sberbank CZ, a.s.	Unauthorised payment transaction	Complaint dismissed
235/PS/2013	UniCredit Bank Czech Republic and Slovakia, a.s.	Unauthorised payment transaction	Complaint upheld

456/PS/2013	UniCredit Bank Czech Republic and Slovakia, a.s.	Malfunction of the ATM – failure to dispense cash	Complaint dismissed
FA/PS/100/2015	UniCredit Bank Czech Republic and Slovakia, a.s.	Failure to execute payment transaction, damages, interest on late payments	Complaint dismissed
FA/PS/302/2015	UniCredit Bank Czech Republic and Slovakia, a. s.	Invalidity of the contract concluded with a minor	Complaint dismissed
FA/PS/503/2015	UniCredit Bank Czech Republic and Slovakia, a. s.	Return of the payment sent to an incorrect account	Complaint dismissed
FA/PS/516/2015	UniCredit Bank Czech Republic and Slovakia, a. s.	Incorrectly executed payment transaction	Complaint dismissed
649/PS/2013	ZUNO BANK AG	Foreign currency payment transaction fee	Complaint dismissed
FA/PS/192/2015	ZUNO BANK AG	Incorrectly executed payment transaction	Complaint dismissed
FA/SM/427/2014	Cashchange s.r.o.	Cancelation of currency exchange,	Complaint partially upheld
FA/SM/284/2015	Chequepoint, a.s.	Cancelation of currency exchange	Complaint dismissed
FA/SM/329/2014	Maccorp Czech s.r.o.	Fee for currency exchange	Complaint dismissed
FA/SM/59/2014	MoneyUnion s.r.o.	Cancelation of currency exchange	Complaint dismissed
FA/SU/208/2014	Aktivafin s. r. o.	Assessment of creditworthiness, validity of contract	Complaint dismissed
FA/SU/492/2014	Biocare Medical Supplies s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/84/2015	BNP Paribas Personal Finance SA, odštěpný závod	Credit limit increase, unauthorised payment transactions	Complaint partially upheld
FA/SU/192/2014	brigata s.r.o.	Assessment of creditworthiness, validity of contract	Complaint upheld
254/SU/2013	CASPER Consumer Finance, a.s.	Contract conclusion fee	Complaint partially upheld
FA/SU/346/2014	CASPER Consumer Finance a.s.	Contract conclusion fee	Complaint dismissed
FA/SU/375/2014	CASPER Consumer Finance a.s.	Termination of the debt repayment of the loan, confirmation of indebtedness	Complaint dismissed
FA/SU/755/2015	Citibank Europe plc	Competence of the Financial Arbitrator – rei iudicate	Termination – Lack of

			competence
562/SU/2013	CETELEM a.s.	Credit limit increase, unauthorised payment transactions	Complaint upheld
592/SU/2013	CFC Capital Group s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/98/2015	CK FINANCE s.r.o.	Validity of the credit contract	Complaint partially upheld
FA/SU/268/2014	CM Company s. r. o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
76/SU/2012	CPE Credits of Private Equity a.s.	Validity of the credit contract	Complaint partially upheld
FA/SU/24/2014	CS Financial CSF s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
96/SU/2012	Česká spořitelna, a.s.	Competence of the Financial Arbitrator	Termination – Lack of Competence
107/SU/2012	Česká spořitelna, a.s.	Fee for credit administration	Complaint dismissed
54/SU/2013	Česká spořitelna, a.s.	Fee for credit administration	Complaint dismissed
642/SU/2013	Česká spořitelna, a.s.	Parties to the proceedings procedural capacity	Termination – not providing assistance
FA/SU/96/2014	Česká spořitelna, a.s.	Conclusion of the credit contract in favour of a third party	Complaint dismissed
FA/SU/138/2014	Česká spořitelna, a. s.	APR calculation under the Act no. 321/2001 Coll., account management fee	Complaint dismissed
FA/SU/638/2014	Česká spořitelna, a.s.	Information duty, penalties, APR	Complaint dismissed
542/SU/2013	ČESKÁ ÚVĚROVÁ POKLADNA a.s.	Termination of the credit contract	Complaint partially upheld
58/SU/2013	Československá obchodní banka, a. s.	Fee for credit administration	Complaint dismissed
FA/SU/398/2014	d&b Investment Group s.r.o.	Mediation of the consumer credit, invalidity of the contract, damages	Complaint partially dismissed
FA/SU/238/2014	d&b Investment Group s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/269/2014	Enyo Insurance s. r. o.	Mediation of the consumer credit, terms of the	Complaint upheld

		contract, invalidity of the contract	
39/SU/2013	Equa bank, a.s.	Competence of the Financial Arbitrator (mortgage loan)	Termination – Lack of competence
FA/SU/112/2014	ESSOX s.r.o.	APR calculation	Complaint upheld
FA/SU/161/2014	ESSOX s.r.o.	Competence of the Financial Arbitrator, debtor - entrepreneur	Termination – Lack of competence
FA/SU/334/2014	ESSOX s. r. o.	Contract conclusion fee	Complaint dismissed
FA/SU/535/2014	ESSOX s.r.o.	Early repayment, damages	Complaint partially upheld
FA/SU/34/2014	Europe Financial Group s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
525/SU/2013	Expres Elita s. r. o.	Validity of consumer credit contract	Complaint upheld
FA/SU/430/2014	Fio banka, a. s.	Validity of withdrawal of consumer credit agreement	Complaint dismissed
FA/SU/525/2014	FORAKOM INVEST s. r. o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/640/2015	FORAKOM INVEST s.r.o.	Competence of the Financial Arbitrator – rei iudicate	Termination – Lack of competence
19/SU/2013	GE Money Bank, a.s.	Fee for credit administration	Complaint partially upheld
50/SU/2012	Home Credit a.s.	Malfunction of the ATM, failure to dispense cash, incorrectly executed payment transaction	Complaint dismissed
181/SU/2012	Komerční banka, a.s.	Fee for credit administration	Complaint dismissed
282/SU/2013	Maghera Royal s. r. o.	Using a phone number available for higher than common price	Complaint partially upheld
487/SU/2013	Maghera Royal s. r. o.	Using a phone number available for higher than common price	Complaint partially upheld
530/SU/2013	Mari Trade a. s.	Validity of withdrawal of consumer credit agreement, information duties	Complaint partially upheld
264/SU/2013	mBank S. A., jednající na území ČR prostřednictvím organizační složky	Information duty, penalties, APR	Complaint partially upheld
501/SU/2013	Mgr. Ing. Tomáš Gardiančík	Assessment of creditworthiness, validity of contract	Complaint partially upheld

137/SU/2012	MSC MONEY SERVICE CORPORATION, a.s.	Providing and mediation of the consumer credit, "consultancy"	Complaint upheld
139/SU/2012	MSC MONEY SERVICE CORPORATION, a.s.	Providing and mediation of the consumer credit, "consultancy"	Complaint upheld
164/SU/2012	MSC MONEY SERVICE CORPORATION, a.s.	Providing and mediation of the consumer credit, "consultancy"	Complaint upheld
68/SU/2013	MSC MONEY SERVICE CORPORATION, a.s.	Providing and mediation of the consumer credit, "consultancy"	Complaint upheld
FA/SU/396/2014	PERITURUM s. r. o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/521/2015	Provident Financial s. r. o.	Competence of the Financial Arbitrator – repayment of debt by third person	Termination – Lack of competence
181/SU/2013	Raiffeisenbank, a.s.	Fee for credit administration	Complaint dismissed
240/SU/2013	Randolph & Mortimer & Dooke LTD	Validity of consumer credit contract	Complaint partially upheld
FA/SU/405/2014	RCI Financial Services, s. r. o.	Information duty, penalties, APR	Complaint dismissed
48/SU/2013	RiPSS Invest s. r. o.	Validity of consumer credit contract	Complaint partially upheld
FA/SU/31/2014	Royal Credit s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
638/SU/2013	Rychlý Credit s.r.o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
380/SU/2013	UniCredit Bank Czech Republic and Slovakia, a. s.	Exceeding of the credit limit, fee for exceeding the credit limit	Complaint upheld
FA/SU/539/2014	UniCredit Bank Czech Republic and Slovakia, a. s.	Early repayment, damages	Complaint dismissed
171/SU/2013	Vlasta Ženíšková	Mediation of the consumer credit	Complaint upheld
FA/SU/422/2014	XTC Consulting s. r. o.	Mediation of the consumer credit, terms of the contract, invalidity of the contract	Complaint upheld
FA/SU/651/2014	PROFI CREDIT Czech, a.s.	Validity of consumer credit contract	Complaint partially upheld
FA/ZP/388/2014	AXA životní pojišťovna a.s.	Determination of sum insured	Complaint upheld
704/ZP/2013	AIG Europe Limited	Competence of the Financial Arbitrator, accident insurance	Termination – Lack of competence

FA/ZP/15/2015	Česká podnikatelská pojišťovna, a.s. Vienna Insurance Group	Limitation period, indemnity, damages	Complaint dismissed
FA/ZP/340/2015	Česká pojišťovna, a.s.	Execution of claim originating from life insurance contract	Termination – Lack of competence
FA/ZP/17/2016	Generali Pojišťovna a.s.	Damages	Termination – Lack of competence
FA/ZP/6/2014	Kooperativa pojišťovna, a. s., Vienna Insurance Group	Regular and irregular premium, damages	Complaint dismissed
FA/ZP/337/2015	Komerční pojišťovna a.s.	Amendment of life insurance contract, the Law on Income Tax	Complaint dismissed
680/ZP/2013	Metlife Europe Limited	Invalidity of life insurance contract, a juridical act in error	Complaint dismissed
FA/ZP/497/2014	MetLife pojišťovna a.s.	termination date of insurance contract	Complaint dismissed
FA/ZP/39/2014	Pojišťovna České spořitelny, a. s., Vienna Insurance Group	Confirmation of payment of premiums, insurance deduction from the tax base	Complaint dismissed
FA/ZP/357/2014	Pojišťovna České spořitelny, a.s., Vienna Insurance Group	Termination date of insurance contract	Complaint dismissed
FA/KI/345/2015	Fio banka, a.s.	Competence of the Financial Arbitrator, Consignment Agreement on sales of shares	Termination – Lack of competence
FA/KI/516/2014	PPF Banka, a.s.	Damages for providing investment services	Termination – Lack of competence
FA/KI/325/2015	Sberbank CZ, a.s.	Competence of the Financial Arbitrator, investment certificates	Termination – Lack of competence
FA/P/595/2014	Biocare Medical Supplies s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/141/2014	CFC Capital Group s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/363/2014	CM Company s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/420/2014	CM Company s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/440/2014	CM Company s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing

			assistance
FA/P/467/2014	CM Company s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/124/2014	CS Financial CSF s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/370/2014	d&b Investment Group s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/580/2014	d&b Investment Group s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/364/2014	Enyo Insurance s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/201/2014	Europe Financial Group s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/131/2014	Expres Elita s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/316/2014	Maghera Royal s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/105/2015	MoneyUnion s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/397/2015	MoneyUnion s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/518/2015	MoneyUnion s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/461/2014	PERITURUM s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/505/2014	PERITURUM s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/554/2014	PERITURUM s. r. o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/140/2014	RICKABYS s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
FA/P/123/2014	Royal Credit s.r.o.	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance

FA/P/486/2014	XTC Consulting s.r.o	Failure to provide assistance to the Financial Arbitrator	Fine for not providing assistance
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Explanatory notes:

Case number .../PS/... payment services dispute

Case number .../SM/... money exchange dispute

Case number .../SU/... consumer credit dispute

Case number .../ZP/... life insurance dispute

Case number .../KI/... collective investments dispute

Case number .../P/... Fine for not providing assistance by financial institutions