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1. INTRODUCTION

The Office of the Banking Ombudsman was established as an independent scheme in March 1998, following a decision of the General Assembly of the Hellenic Bank Association, and it began to fully operate on March 15, 1999.

In its first year of operation we primarily put emphasis on qualitative aims, such as the integration of the scheme into the Greek banking system and its promotion to the public.

During this time, the quantitative results of our work have been noteworthy. We received a total of 1,621 telephone calls, 171 written complaints and 6,808 recorded visits to our Web Site. However, the aim is not to increase the number of complaints we receive, but rather to contribute to the improvement of the quality of services provided by financial institutions in Greece, and to assist these institutions in effectively dealing with customers' complaints.

During the period covered by the present report, the banks have successfully dealt with complaints referred to them by the Banking Ombudsman, as well as with a far greater number of complaints submitted directly to their Customer Services.

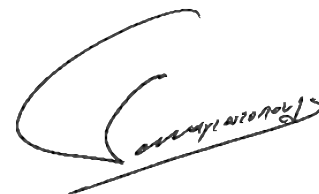
It should be noted that most complaints result from a lack of awareness regarding banking transactions, for which both consumers and the bank staff are equally responsible. The former should place greater importance in being informed before making any decisions. Careful study of the explanatory leaflets and the contract terms along with particular questions put forth toward bank employees will allow them to better understand their range of choices and thus enable them to make the most advantageous decision. Before reaching any decision, consumers should obviously first examine the obligations they undertake in relation to their individual or family budget. Failure to do this, which is unfortunately common, leads to household budgets being over-debted.

In the complex and everchanging financial environment, bank employees also, (who are required to act both as salesmen and customers' advisors) must devote more time to inform

consumers and draw their attention to any terms which, in their experience, are likely to cause problems or develop into contentious issues. Our Office, through its quarterly reports, systematically, draws the banks' attention to such issues.

During the first year of operation, the Office of the Banking Ombudsman has been well served by all its personnel which, with loyalty and commitment has met the complex demands of the new scheme. I thank them all for this.

Special thanks are also due to the banks' Customer Service Departments and in particular to the Liaison Officers.



FOTIS PANAYOTOPOULOS
Banking Ombudsman

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2. STATISTICAL INFORMATION

2.1 TELEPHONE HELP-LINE

We received a total of 1,621 calls, of which 266 were general enquiries or requests for information about other organisations, 958 were beyond the Banking Ombudsman's

jurisdiction, and 397 calls or about 24.5% of the total were related to a specific concern and fell within the jurisdiction of the Banking Ombudsman. Most issues were handled by the Telephone Helpline staff, whereas more complex cases were answered either by a Banking or Legal Adviser.

It should be noted, however, that of the 958 calls which were beyond the Banking Ombudsman's jurisdiction, 155 were complaints regarding events that concern us but which occurred before March 15, 1999.

Moreover, there was increase of customer complaints beyond our rules (regarding professionals and legal entities) from 12-18% over the first quarter to 23.9% over the year.

Regardless of whether the complaint fell within our rules or not, general enquiry callers were directed to the relevant organisations, whereas banking policy matters as well as complaints related to a specific concern about a specific bank were referred to the relevant Customer Service Department of the bank after the complainants were given detailed information concerning the procedure to be followed.

Out of 784 calls (48.4% of the total), the case had already been raised with the bank but without success.

During the course of year, the percentage of calls regarding matters within our jurisdiction increased from

TABLE 1
Categories of telephone calls

	NUMBER	PERCENTAGE %
Calls beyond our rules	958	59.1
Calls within our rules	397	24.5
Other categories (other schemes, general information etc.)	266	16.4
Total	1,621	100.0

TABLE 2
Telephone calls beyond our rules

	NUMBER	PERCENTAGE %
General banking policy	428	44.7
Complaints regarding events before March 15, 1999	155	16.2
Complaints regarding professionals or legal entities	220	22.9
Other	155	16.2
Total	958	100.0

TABLE 3
Telephone calls within our rules by type of product/service

	NUMBER	PERCENTAGE %
Deposits	78	21.2
Loans	120	32.6
Payment systems	95	25.8
Securities	63	17.1
Other services	12	3.3
Total	368	100.0

12% over the first quarter, to 18% over the first six months and finally to 24.5% over the year.

It should be noted that since the full details of a complaint are not always given over the phone, the categorization of telephone calls may sometimes be indicative (Tables 3 and

4). However, during the course of the year, there was an increase in calls for which more information could be given regarding a) banking products (11% in the first quarter, 13% in the first six months and 22.7% over the year) and b) categories of complaints (10%, 18% and 22.5% respectively).

TABLE 4
Telephone calls within our jurisdiction,
by type of complaint

	NUMBER	PERCENTAGE %
Banking practices	57	15.6
Transactions / Calculations	115	31.6
Quality of service	170	46.7
Other	22	6.1
Total	364	100.0

TABLE 5
Telephone calls – Geographical distribution

	NUMBER	PERCENTAGE %
Athens and Piraeus region	472	61
Thessaloniki region	61	8
Regional capitals	170	22
Other regions	65	9
Total	768	100.0

investigation). Moreover, in 37 of the above 89 cases the complainants have not followed the bank's internal complaints procedure prior to referring the complaint to us. The percentage of complaints regarding business transactions was 19.4% in the first quarter, 29.5% over the first six months and 29.3% over the first year, whereas the percentage of complaints regarding events which had taken place before March 15, 1999, (the date the scheme began to operate), fell from 48.4% to 42.5% and finally to 34.1% respectively. Letters have been sent in response to all complainants involved in the 82 cases which fell outside the Banking Ombudsman's jurisdiction. These letters explained what our Office can and cannot deal with and they also

2.2 WRITTEN COMPLAINTS

We received 171 written complaints (cases). On a quarterly basis, the figures were 46 cases for the first quarter, 53 for the second and 72 for the last 3.5 months. Eighty two (82) cases were beyond our rules whereas 89 were within (of which 57 have been closed and 32 are currently under

TABLE 6
Written complaints beyond our rules

	NUMBER	PERCENTAGE %
Professionals, legal entities	24	29.3
Events before March 15, 1999	28	34.1
Commercial - business policy	13	15.9
Other	17	20.7
Total	82	100.0

TABLE 7
Cases conciliated or investigated

	IN FAVOUR OF THE COMPLAINANT	IN FAVOUR OF THE BANK	BY CONCILIATION	TOTAL
Cases closed by the bank after mediation by the Banking Ombudsman	30	–	–	30
Decision by the Banking Ombudsman	4	4	3	11
Cases withdrawn by the complainant	-	16	-	16
Total	34	20	3	57

contained pertinent information regarding the further handling of the complaint.

Most cases (60%) were closed in favour of the complainants. Of these, 30 cases (53%) were closed by the banks following mediation by the Ombudsman.

In 8 cases the Banking Ombudsman issued decisions (recommendations), 4 of which were in favour of the bank and four in favour of the complainant. Three (3) of these eight cases were closed by mutual agreement on the

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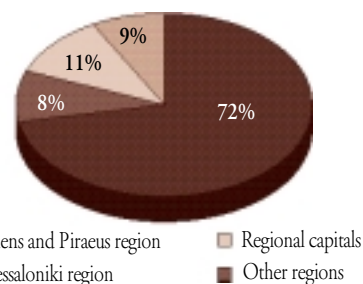
basis of a conciliated settlement suggested by the Banking Ombudsman.

Finally, 16 cases (28%) were closed due to lack of interest on the part of the complainant or because the complainant withdrew his/her case. The lack of interest was indicated by the fact that there was no response to letters from our Office requesting further information and clarifications. Cases were usually withdrawn after complainants had received full information from the banks and realised that they did not have adequate grounds for their complaint. The majority of complaints regarding the type of product/service (29%) was related to payment systems (cards, ATMs, cheques), while the quality of service accounted for 52% of the total number of complaints regarding their subject matter.

TABLE 8
Written complaints within our rules, by type of product and subject matter

	QUALITY OF SERVICE	ERRORS IN CALCULATION	BANKING PRACTICES	OTHER COMPLAINTS	TOTAL
Deposits	8	7	1	2	18
Payment systems	13	8	3	2	26
Loans	11	8	4	-	23
Securities	9	2	3	-	14
Other services	6	-	2	-	8
Total	47	25	13	4	89

TABLE 9
Geographical distribution of written complaints within our rules



2.3 INTERNET

Between April 16 and December 31, 1999 we recorded 6,808 visits to our site.



3. TYPES OF BANKING PRODUCTS / SERVICES

3.1 PAYMENTS

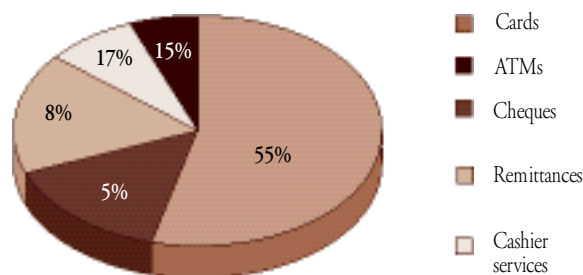
3.1.1. TELEPHONE CALLS

Payments represented a total of 25.8% of the calls regarding complaints that came within the Banking

Ombudsman's jurisdiction.

TABLE 10

Payments: telephone calls within our rules, by type of product / service



Some of the complaints we received were associated with the use of **credit cards** and were due to:

- Delays in providing information or lack of response to applications for the issuance of cards, or failure to renew credit cards.
- The pressure put on cardholders by private Debt Collection Agencies.
- High legal and default interest rates on amounts owed, as well as the rescheduling of debts.
- Violation of terms regarding exemption periods for payment of fees as well as offers aimed primarily at younger cardholders.
- Disputed debts after the loss or theft of cards and the cancellation of such cards.

The types of problems identified over the phone regarding the use of **ATM's** were:

- Delays in providing information, or the lack of a response to requests for further details in case of ATM failures during cash withdrawals, especially at non-office hours.
- Disputed withdrawals and the relevant bank's internal complaints procedure.
- Disputes concerning the exact sum of money deposited via ATM's.
- Disputed withdrawals from ATM's from the use of lost or stolen cards, and complaints related to the cancellation of such cards.
- Failure to indicate the location of the nearest available cash machine when an ATM is out of order.

Other complaints were concerned with:

- The failure to inform the customer of the charges, the value and the time required for payment orders.
- The delay in the transferring of remittances, particularly to students studying abroad.

3.1.2. WRITTEN COMPLAINTS

Written complaints represented 29% of the total number of complaints falling within the

Banking Ombudsman's jurisdiction. 50% of the complaints were due to the poor quality of service (lack of or incorrect information, negligence, improper behavior, administrative oversights and incorrect decisions), 31% concerned transactions and calculations (errors in debiting accounts, inaccurate calculations), and 12% were related to banking practice issues.

The use of **credit cards** has significantly increased in recent years. Moreover, the expected decrease of the relatively high interest rates in Greece (compared to those in other European countries), has created exciting prospects for future growth in the credit card sector. Credit cards, therefore, represent a major aspect of the banks' consumer credit policy.

Furthermore, the need to reduce branch operating costs and to improve the quality of services provided to customers has led to a rapid expansion of **ATM** networks and also to a massive increase in the number of transactions carried out via cash machines. Common complaints related to the usage of cards and ATM's were the following:

- Disputed debts following

ΠΙΝΑΚΑΣ 11

Payments:

Cases within our rules, by type of product and subject matter

	CARDS	ATM's	CHEQUES	REMITT.	TOTAL
Banking Practices	3				3
Transactions/Calculations	4	4			8
Quality of Service	6	3	2	2	13
Miscellaneous	1		1		2
Total	14	7	3	2	26

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unsuccessful attempts to withdraw money.

- Disputes concerning the exact amount of money deposited or credited to the account.
- Disputed withdrawals in cases where there has been no theft or loss of the card.
- Disputed debits arising from the use of a lost or stolen ATM card despite prompt notification toward the bank by the cardholder.
- Delay in providing detailed information as requested.
- Problems with the banks' telephone centers when customers call to report card loss or theft.

Although certain banking transactions such as the use of cheques or the transfer of funds are less common for private individuals, the relevant written complaints mainly concerned:

- The failure to inform the customer of the charges and time required to carry out payment orders.
- Excessive charges compared to those levied by other banks for the provision of the same service.

3.1.3. CONCLUSIONS

Nowadays, so-called «plastic money» indisputably constitutes the chief payment system worldwide. Despite any complaints the Banking Ombudsman may have been called upon to resolve, cards remain by far the most convenient and secure payment system, given the broad spectrum of transactions they cover. However, some of the complaints we received arose due to the particular

	IN FAVOUR OF THE COMPLAINANT	IN FAVOUR OF THE BANK	TOTAL
Case closed by the bank after mediation by the B.Omb.	10		10
Decisions by the B.Omb.	2	1	3
Cases withdrawn by the complainant		4	4
Total	12	5	17

problems regarding the cards' usage and are worth mentioning:

Banks should provide adequate information in advance to their cardholders regarding the terms and conditions related to the issuance of the card and the relevant charges. Written contracts should be clear and easy to understand. The cardholder must also study with due care all contractual obligations regarding the usage of the card and raise any doubts or reservations before signing.

Any unilateral modification of the contract terms by the bank should be notified promptly to the other party. Receipts and statements must reach the cardholder in due time and the latter should give them his/her full attention, so that any objections may be raised immediately and any possible misunderstandings cleared up. It is the cardholder's responsibility to take all necessary measures to protect the card and memorise the PIN number. The keeping of any record of the PIN number constitutes a threat to the cardholder's own interests. In case the card is lost or

stolen, the cardholder should notify the bank as soon as possible, thus ending his/her liability upon such notification. Moreover, banks should have the necessary infrastructure so as to ensure that cards are immediately blocked and that all relevant calls are recorded in order to prevent disputes.

A substantial improvement to the system which would lead to a reduction in the illegal usage of cards would be the establishment of an easily accessible 24-hour card service (which would be a part of the inter-banking system) in order to block lost or stolen cards upon notification. Such a service would cover all banks and allow customers to block their cards with one single phone call.

Illegal card usage and its consequences places a great burden on the electronic payment systems. In order to protect transactions, current policies on a national and EU level regarding consumer protection adopt the setting of fixed limits regarding the cardholder's liability in the case of lost or stolen card usage, provided that the latter

showed due care in informing the bank of the situation. The European Commission's recommendations on this issue make an allowance for a limit of 150 EURO regarding the relevant cardholder's liability.

Moreover, banks should give customers both written and oral instructions on how to use the card and they should also ensure in the customer's presence, that the card is in working order. Instructions and useful information, including the nearest available cash machine in case

an ATM is out of order, should be displayed in a prominent position close to the ATM. It should also be made simple for cardholders to contact the bank and the police in the case of an emergency.

Keeping internal records of all transactions enables the bank to track information concerning individual transactions and to correct possible errors in cases of disputed transactions.

Banks should also monitor the procedures various Debt Collection

Agencies implement when they attempt to collect sums owed by cardholders. When approaching debtors, these Agencies must treat them with courtesy and they must also respect their private lives.

Furthermore, they must seek to achieve the most beneficial settlement for both sides.

Finally, the advertisement of banking products and services must be in line with the legislative provisions concerning unfair competition and consumer protection.

CASE 48/1999

DISAGREEMENT CONCERNING THE EXACT TIME THE COMPLAINANT NOTIFIED THE BANK THAT HER CARD HAD BEEN STOLEN

At 20:50, while the complainant was parking her car, a thief smashed her car window and snatched her handbag containing, among other things, her two cashcards from two different banks and her credit card from a third bank. She claims that she phoned the banks and that by 21:10 she had blocked the two cashcards. She blocked her credit card at 21:34, after the police had arrived. When the complainant telephoned the banks the next day, she was informed that, on the previous night, three withdrawals totalling 500,000 drs had been made from her account using one of her cashcards. The employee she spoke to assured her that telephone calls concerning the blocking of cards which are lost or stolen are recorded in order to provide proof of the exact time of cancellation. Later, however, she was told that this is the case for credit cards only.

The complainant argued that:

- The Bank does not record calls concerning the blocking of cashcards. Thus, it is not possible to confirm the details of such calls. Moreover, the bank employee who answers the relevant calls also has guard duties, which was probably the reason for the delay in the cancellation of her card.
- She wrote her PIN in her personal telephone book which was in her handbag along with her card.

The bank responded that:

- During non-office hours card blocking is handled by an employee who is also on guard duty. However, since he works with computers and monitors, he may perform both his duties without having to leave his post.
- The employee received the telephone call from the complainant requesting cancellation of the cashcard at 21:27 and the cancellation took place at 21:30:23 as the procedure takes about 3 minutes to be completed.
- The complainant was liable because she kept her PIN in her handbag along with her card, thus violating her contractual obligation to memorise the PIN or to at least keep it separately from the card.

The Banking Ombudsman, after assessing the arguments of the parties, decided that they both shared responsibility because:

- The bank was responsible in that it did not possess a recording system that could monitor the exact time the card was cancelled and thus provide the cardholder with a means to verify the exact time she called.
- The complainant was also responsible in that she kept her PIN with her card.

Following a proposal for an amicable settlement whereby the sum of 500,000 drs would be divided equally between the parties, which was rejected by the bank, the Banking Ombudsman issued a recommendation to the

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3.2 LOANS...

3.2.1. TELEPHONE CALLS

Loans represented the vast majority (32.6%) of calls regarding complaints within the Banking Ombudsman's jurisdiction.

3.2.2. WRITTEN COMPLAINS

Written complaints represent 26% of the total number of complaints that were within our rules (see Table 14). It is worth noting that 48% of the written complaints were due to the poor quality of service (i.e. delays, lack of information, administrative oversights etc.), while 35% concerned general errors in calculations, debits etc. (see Table 15). It can be seen that a high percentage of written complaints were settled by the banks themselves in favour of the complainants. This probably occurs mostly when complaints arise due to

the inadequate information provided to the consumers.

Most of the complaints were withdrawn when we referred them to the banks' Customer Service Departments which, in turn, provided clear information to the complainants.

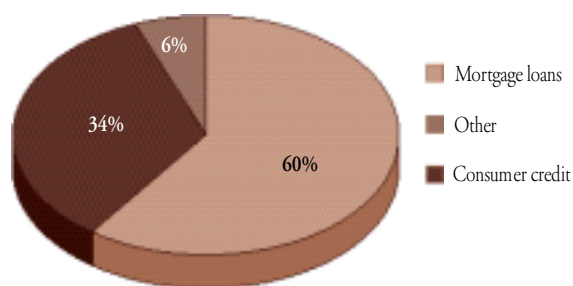
3.2.3. CONCLUSIONS

Complaints concerning lending are mainly due to:

- a) The lack of adequate information, for which both parties (i.e. the bank and the customer) are responsible: The customer should first obtain

TABLE 13

Loans: telephone calls within our rules, by type of product / service



Some of the complaints relevant to lending were the following:

- ❑ The borrower was not informed in advance of the high interest rates and the various charges (i.e. early repayment or administrative charges, fees payable by the customer for house mortgage release, etc.).
- ❑ Banks delay or refuse to provide analysis of the outstanding debt (contractual and default interest, charges etc.).
- ❑ Debt Collection Agencies put intolerable pressure on borrowers regarding repayment of consumer loans.
- ❑ Loan guarantors were asked to pay much larger sums than those they had originally guaranteed in the case that the borrower failed to repay the loan, without receiving prior information from the bank.

TABLE 14
Loans: cases within our rules, by type of product and subject matter

	MORTGAGE LOANS	CONSUMER CREDIT	TOTAL
<i>Banking practices</i>	2	2	4
<i>Transactions / Calculations</i>	6	2	8
<i>Quality of Service</i>	5	6	11
Total	13	10	23

TABLE 15
Loans: cases conciliated or investigated

	IN FAVOUR OF THE COMPLAINANT	IN FAVOUR OF THE BANK	TOTAL
Case closed by the bank after mediation by the Banking Ombudsman	7		7
Decision by the Banking Ombudsman	2		2
Case withdrawn by the complainant		3	3
Total	9	3	12

information on loans from various banks so as to decide which ones have the most favorable terms, thus fully benefiting from the liberalisation of the financial markets. The potential borrower should then carefully study the terms of the loan agreement before signing. The bank employees should, at this stage, draw the customer's attention to terms which, in their experience, might cause problems after the contract has come into effect.

Finally, while the loan agreement is in force, the borrower should also check all relevant statements of accounts in order to immediately raise any objections or to clarify potential misunderstandings. Borrowers should also be notified with regards to the bank's general lending policy so as to be able to take advantage of any relevant decisions (i.e. refinancing an outstanding loan with a new one at a lower interest rate).

b) Inadequate initial evaluation by bank employees of the borrower's ability to repay the loan, thus leading to his over-indebtedness.
c) Loans that are guaranteed by a third party which is not always clearly advised about the nature and scope of the obligations or risks he/she is undertaking, or promptly informed of the occurrence of such risks.

CASE 165 / 1999

PROBLEMS IN DISBURSING A HOUSING LOAN

The Bank approved a housing loan which was to be used by the complainant so as to have his house repaired from the damages caused by the recent earthquakes in Attica. The relevant loan agreement was signed and according to the terms of the agreement, the loan would be disbursed after the complainant had produced the supporting documents that would prove the completion of the repairs and after the Bank had carried out a relevant inspection.

However, the bank did not provide clear information on this procedure to the complainant. In the meantime the complainant, believing that the loan would be credited to his account, issued cheques so as to pay the contractor for the repairs on his property.

The Office of the Banking Ombudsman referred the complainant to the Customer Service Department of the bank, which in turn informed him of the procedure he had to follow.

Nevertheless, due to the urgency of the matter and also be-

cause the cheques issued by the complainant were about to become due, the Office of the Banking Ombudsman made repeated phone calls to the bank's Customer Service Department stressing that:

- Inadequate information had been given to the complainant by the bank regarding the disbursement of the loan.
- The bank should show particular sensitivity to earthquake victims.
- The bank had rushed into a contract with the complainant without first checking the exact extent of the damage to the property.

Following mediation both by the Office of the Banking Ombudsman and by the Customer Service Department of the bank, the housing loans department of the bank, upon presentation of photocopies of the cheques the complainant had issued, approved the disbursement of the loan and the latter thanked the Banking Ombuds

CASE 43 / 1999

DELAY IN THE REDUCTION OF BANK CHARGES ON THE AMOUNT OF THE LOAN

The complainant had entered into a 10-year variable interest rate mortgage loan agreement with the bank. Under Law No. 2703/99, the previous charge enforced by Law No. 128/75 was reduced from 1.20% to 0.12%. Therefore, the relevant charge of his loan should have been reduced by 1.08% from 1.4. 1999.

The bank responded that the delay regarding the reduction of charges from 1.2% to 0.12% was due to the adjustments being made to the bank's relevant computer software.

The Banking Ombudsman, taking into consideration that six (6) months had already elapsed since the enactment of the relevant Law, decided that :

- The bank should reduce the amount of the next installment payable following his decision to the new rates of charges as provided by Law 2703/99, regardless whether the changes to its computer software had been completed by then or not.
- The difference in the amounts paid by the complainant between 1.4.99 and the aforementioned installment, plus interest, would retroactively be reimbursed to him.

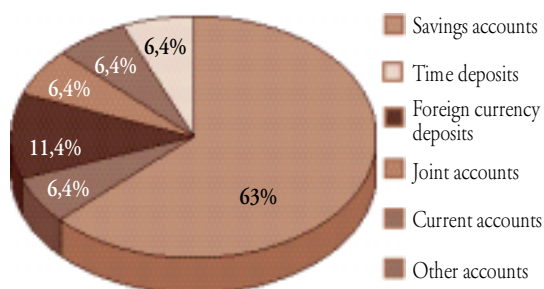
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3.3 DEPOSITS

3.3.1. TELEPHONE CALLS

Deposits represented 21.2% of the calls concerning complaints within our rules.

TABLE 16
Deposits: telephone calls within our rules, by type of product / service



3.3.2. WRITTEN COMPLAINS

Written complaints regarding deposits represented 20% of the total number of complaints that were within the Banking Ombudsman's jurisdiction (see Table 17).

44% of the complaints were caused by the poor quality of service, while 39% were in the category "transactions/calculations" (incorrect debit/credit, general mistakes in calculation, debit without order).

2/3 of the cases (see Table 18) were withdrawn by the complainant. This was due to the following reasons:

❑ Bank employees sometimes wrongly credit deposit accounts and subsequently correct their error but fail to inform the holder accordingly. In such cases, the bank acknowledges

TABLE 17
Deposits: cases within our rules, by type of product and subject matter

	SAVINGS ACCOUNTS	TIME DEPOSITS	OTHER ACCOUNTS	TOTAL
<i>Banking practices</i>	1	–	–	1
<i>Transactions / Calculations</i>	5	1	1	7
<i>Quality of service</i>	4	2	2	8
<i>Miscellaneous</i>	–	–	2	2
Total	10	3	5	18

TABLE 18
Deposits: cases conciliated or investigated

	IN FAVOUR OF THE COMPLAINANT	IN FAVOUR OF THE BANK	BY CONCILIATION	TOTAL
Cases closed by the bank after mediation by the Banking Ombudsman	3	1	1	5
Decision by the Banking Ombudsman	–	2	1	3
Cases withdrawn by the complainant	–	6	–	6
Total	3	9	2	14

the mistake and asks for the understanding of the customer, who usually decides to withdraw the complaint.

❑ Complaints related to amounts on which interest is not paid or to early withdrawal charges on time deposits are often due to inadequate information provided to the customer, although such terms form part of the relevant contract signed by the customers when they open an account with the bank.

❑ Bank customers often claim that the amount they deposited in a savings account did not correspond to that recorded in their deposit book. However, since such mistakes cannot be proved otherwise, they should be immediately reported to the cashier's desk before the customer leaves the branch.

3.3.3. CONCLUSIONS

Most cases were settled in the bank's favour. However, in several cases bank employees could have given more detailed information and thus avoided future complaints related to deposit accounts:

□ This is the case of elderly depositors-pensioners who usually leave small balances in their accounts. Bank employees should inform them about balances on

which interest is not payable or fees charged for keeping an account with a balance below a certain limit.

□ Elderly account holders with little experience in banking transactions should be clearly informed of the dangers of theft and the illegal use of the deposit book or of clauses concerning early withdrawals from time term accounts.

However, depositors also bare

responsibility since they often undervalue the importance of obtaining clear information regarding the contractual terms upon opening a deposit account. Nowadays, depositors need to be particularly careful due to the variety and complexity of the different types of bank accounts which are often combined with insurance products or favorable loan terms.

CASE 101/1999

BENEFICIARY BY MISTAKE

Due to an error, different sums of money (representing monthly rent) were deposited by a third party (a tenant) into the complainant's current account at a branch of the bank involved on a monthly basis for one year.

It should be noted that the complainant's account was almost exclusively credited with payments from the complainant's pension plan and that during this time period the complainant was making regular withdrawals from the account.

Following a complaint that was submitted by the lawyer of the beneficiary of the amounts of rent (i.e. the owner of the property, who resided abroad) to the bank, the complainant's account was blocked and he was asked to sign a declaration acknowledging his debt and the undertaking of the obligation to repay, in monthly instalments, the full amount credited to his account, since this was due to a mistake on behalf of the tenant or the bank cashier.

The complainant refused to sign on the grounds that the wording of the declaration did not provide him with adequate safeguards that would ensure that the balance of the account would be released and that the amount due would be credited to the true beneficiary. He then submitted his complaint to the Banking Ombudsman believing that the Bank had acted illegally in the blocking of the balance of his account.

After referring the complainant to the Customer Service Department of his bank, the Banking Ombudsman contacted both this department and the specific branch where the complainant kept his account. He was also in regular contact with the complainant until the latter was convinced to sign the above declaration and the case was thus closed.

CASE 57/1999

NO INTEREST PAID ON A SAVINGS ACCOUNT

The complainant opened a savings account where his pension was to be deposited. For some time, although there was a credit balance, not only was no interest paid but rather, a small charge was actually debited.

The complainant argued that:

- When he opened the account, the bank employees did not inform him that he had to carefully read the list of charges on the counter and also the terms and conditions on the account opening card. He was simply asked to sign the relevant forms.
- The term on the account opening card "that could possibly justify the situation" was printed in small print.
- In the relevant bank's advertising leaflet «Payment of pensions», it did not mention the particular term.

The bank replied that the staff of the branch where the transaction took place acted "in accordance with the circulars and the instructions of the bank" which are included in the lists

of service charges on the counters as well as on the account opening card.

However, "in a spirit of good will", the bank offered to pay the customer interest on the account balance for the 2nd half of 1998 and to return the charge debited.

The Banking Ombudsman noted that the bank had acted in accordance with the terms included in the list of service charges found on the counters, as well as on the account opening card signed by the complainant. However, the customer was not fully informed as he had not been advised to study the list of service charges, nor had anyone drawn his attention to the disputed term on the account card and was thus allowed to assume that "he was a victim of gross exploitation", which was not true.

In light of the above and since the bank had satisfied the complainant's request, the latter sent a letter of thanks to our Office and the case was closed.

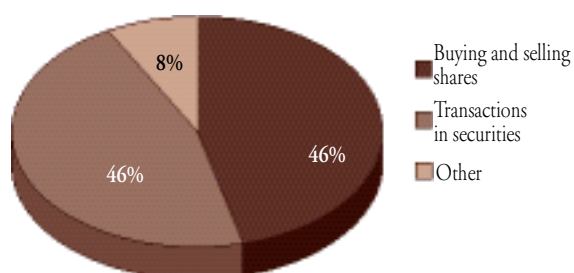
B.

3.4 SECURITIES

3.4.1. TELEPHONE CALLS

Transactions in securities represented 17% of the calls regarding complaints within our rules.

TABLE 19
Securities: telephone calls within our rules, by type of product / service



Complaints usually concerned:

- Delays in carrying out orders to buy or sell shares.
- Orders carried out incorrectly.
- The lack of information regarding the tax payable on the interest accrued.
- Differences between the return on the investment in mutual funds promised by the bank staff and the actual return.
- The lost shares replacement procedure and relevant costs.

3.4.2. WRITTEN COMPLAINS

They represented 16% of the total complaints within our rules:

TABLE 20
Securities: cases within our rules, by type of product and subject matter

	BUYING - SELLING SHARES	TRANSACTIONS IN SECURITIES	GENERAL	TOTAL
Banking practices (not following verbal instructions)	2	1	–	3
Transactions / Calculations (incorrect debits / credits)	–	1	1	2
Quality of service (administrative oversights, lack of information, unfair treatment, incorrect decisions, delays)	3	3	3	9
Total	5	5	4	14

TABLE 21
Securities: cases conciliated or investigated

	IN FAVOUR OF THE COMPLAINANT	IN FAVOUR OF THE BANK	BY CONCILIATION	TOTAL
Closed by the bank after mediation by the Banking Ombudsman	6	–	–	6
Decision by the Banking Ombudsman	–	1	1	2
Cases withdrawn by the complainant	–	2	–	2
Total	6	3	1	10

The written complaints that were submitted to the Office of the Banking Ombudsman can be divided in two main categories:

a) Those involving incorrect or delayed execution out of orders to buy or sell shares. It was acknowledged in all cases where mistakes occurred and the orders

were given in writing to a bank branch, that the customer was right and any loss incurred to him was reimbursed. Most cases of delays however, were closed in the bank's favour since the delays were due to Stock Market practices (e.g. interruption of trading as a result of limit up or limit down).

b) The second category concerns the tax payable on interest accrued on zero coupon bonds. Many investors are not aware that the tax is payable by the final bearer for the entire term of zero coupon bonds and bank employees usually do not inform their customers accordingly.

3.4.3. CONCLUSIONS

❑ Orders for buying or selling shares must be submitted in writing by the investor him/herself or they must be checked when the relevant applications are completed by bank employees under their instructions. Only in such cases can the banks acknowledge mistakes made during the execution out of orders and thus reimburse the customer for any losses incurred.

❑ Complaints regarding delays in the execution of orders should be submitted after the investor has been informed of the reason for the delay by the branch where the order was given. When the delay is due to Stock Market practices, such as interruption of trading due to limit up or limit down, the bank obviously cannot be held responsible.

CASE 19/1999

REJECTION OF APPLICATIONS FOR PARTICIPATION IN A PUBLIC OFFERING OF SHARES

The complainant submitted four applications under the name of each member of his family to a branch of his bank in order to participate in the public offering of shares of a certain company. When the shares were distributed, he was informed that only two of his applications had been accepted.

The complainant telephoned the relevant bank employee, who failed to provide adequate explanation. Later that day, he filed a relevant report with the branch manager and the bank's administration. His report was referred to the Customer Service Department of the bank.

The complainant submitted his complaint to our Office along with copies of the rejected applications for the purchase of 100 shares. It should be noted that the applications had been

duly filled out and no changes had been made to their content to justify their rejection. The complainant also cited the company's offer of 10 free shares to every applicant that applied to purchase at least 100 shares.

Following the Banking Ombudsman's mediation, the Bank agreed to compensate the complainant by paying a sum equivalent to the difference between the price of the shares when they were first offered to the public and their price on the Athens Stock Market on the day when the complaint would be resolved, thus enabling him to buy the shares he was entitled to without any extra charge. The complainant accepted the decision of the bank and expressed his satisfaction to our Office.

CASE 93/1999

FAILURE TO FOLLOW INSTRUCTIONS REGARDING SECURITIES TRADE

The complainant claimed that despite his instructions in a letter that he addressed to the Customer Service Department of his bank the bank failed to carry out his order to sell a certain number of shares of companies recently introduced to the Stock Market. Meanwhile, without his prior assent, the bank had purchased and then sold an equal number of shares not belonging to his portfolio, on his behalf. The complainant attributed the above transactions to errors and omissions on the part of the

employees of the bank branch and requested the immediate reimbursement of the loss he had suffered.

The Banking Ombudsman referred the complaint to the Customer Service Department of the bank. Following his intervention, the bank satisfied the complainant's request without delay by crediting his account with the entire amount due and the complainant consequently expressed his full satisfaction.

B.

3.5. MISCELLANEOUS BANKING TRANSACTIONS

3.5.1. TELEPHONE CALLS

3.3% of the total number of calls within our rules concerned miscellaneous banking transactions.

3.5.2. WRITTEN COMPLAINS

We examined eight (8) written complaints which represented 9% of the total. Of the four (4) cases which were closed, two (2) are the following:

CASE 105/1999

MISTAKES SHOULD BE REPORTED BEFORE LEAVING THE CASHIER'S COUNTER. THE EXCEPTION

The case refers to a repayment of bonds made at the cashier's desk of the bank, which involved a considerable sum of money. The complainant received several precounted packets of banknotes, but did not count them before leaving the counter. He only checked the number of packets and the amounts of money printed on their labels.

Later that day, when he went to a nearby branch of another bank in order to deposit the money he had collected, the teller found that in one of the packets between the banknotes of 10,000 drs., there were 10 banknotes of 5,000 drs. in random order, instead of 10,000 drs. banknotes. The complainant returned to the bank and asked for the deficit to be corrected. Upon refusal of the bank, he submitted his complaint to our Office.

The Banking Ombudsman, after examining the case, proposed an amicable settlement in favour of the complainant which was accepted by the parties, on the following grounds:

The customer cannot in practice, count large amounts of money quickly, nor does he have the technical means to do so. Moreover, the need to complete the transaction within "reasonable" time under the pressure of the other customers who are waiting, may discourage the customer from showing due care when counting the money received.

In addition, transactions involving large sums of cash should be completed in short time for safety reasons, i.e. in order not to be noticed by possible criminals inside or outside the bank branch.

In this particular case, the following should also be noted:

- In practice, it is most unlikely that a well-known professional and respectable bank customer would try to illegally obtain 50,000 drs.
- Furthermore, the possibility of a cashier error in the counting of banknotes or of dividing them into packets was not excluded.
- Finally, the cashier who conducted the disputed transaction failed to count the whole amount in front of the complainant as he was obliged to.

CASE 167/1999

PROTECTION OF PERSONAL DATA

Since 1998, the complainant had repeatedly requested the bank where both himself and his wife maintained accounts, first verbally and then in writing, to not supply their personal data (i.e. name, surname, address, profession, date of birth etc.) to third parties.

However, notwithstanding the several replies of the bank, it was still not clear whether their personal data had actually been excluded from sales promotion through distance marketing. For example, in its letters the bank said, (June 1998): "We wish to assure you that your personal data is confidential and is not disclosed to anyone other than authorised bank employees", (July 1998): "We wish to inform you that we have entered a note in our files to the effect that your name is to be excluded from any future statistical research", (October 1999): "Your personal data is communicated to associated companies of our Group and collaborating enterprises solely for the purpose of the advertisement of their products... we will ensure that our computer records are updated within reasonable time so that your personal data is excluded from sales promotion through distance marketing".

In the meantime, until November 1999, the complainant was still being disturbed at home by phone calls from various third parties (market research centers, companies collaborating with the bank, etc).

The complainant initially contacted the Office of the Banking Ombudsman by telephone. He was informed about the procedure regarding examination of complaints and the existing legal framework for the protection of personal data, and was sent by mail the Scheme's Information Leaflet and the Complaint Form in order to submit his complaint in writing.

Upon mediation of the Banking Ombudsman, the bank's Customer Service Department informed us in writing that the request of the complainant had been satisfied, i.e. the bank had updated its electronic records and both the complainant and his wife's personal data had been excluded from all sales promotions through distance marketing.