

Out-of-court settlement of consumer disputes

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June 13, 2003

Directives

- Directive 1997/5/EC on cross-border credit transfers
- Directive 2002/92/EC on insurance mediation
- Directive 2000/31/EC on electronic commerce
- Directive 97/7/EC on the protection of consumers in respect of distance contracts
- Directive 2002/65/EC of concerning the distance marketing of consumer financial services

Proposals

- Proposal for a Directive on the harmonisation of the laws, regulations and administrative provisions of the Member States concerning credit for consumers
- Proposal for a Directive of the European Parliament and of the Council on investment services and regulated markets

Recommendations

- Recommendation 1997/489/EC concerning transactions by el.payment instruments
- Recommendation 1998/257/EC on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes

Commission recommendation (98/257/EC)

On principles applicable to the bodies responsible for out of-court settlement of consumer disputes

- Principle of independence
- Principle of transparency
- Adversarial principle
- Principle of effectiveness
- Principle of legality
- Principle of liberty
- Principle of representation

Principle of effectiveness:

- Reducing the cost
- Reducing the duration of the procedure
- Consumer has access without being obliged to use a legal representative
- The competent body is given an active role

Coverage of services/products

All financial products:

Austria, Belgium, Denmark, Cyprus*, Germany (private banks), Greece, Iceland, Ireland, Italy, Luxembourg, Malta, Norway, Spain, Sweden, UK, Poland

Exceptions:

Czech Rep	only payment transactions, el.payment instruments
Finland	except securities and investment
Latvia	specific list
Netherlands	except equities, options, forwards and not credit registration
Portugal	specific list

Organisation of the scheme

Private/voluntary

Austria
Belgium
France
Germany (private b)
Greece
Ireland
Italy
Portugal
Cyprus*
Poland

Private/statutory

Denmark
Netherlands
Norway

Public/statutory

Czech Rep
Finland
Latvia
Luxembourg
Malta
Spain
Sweden
UK

Who is funding the scheme?

Private

Austria
Belgium
Denmark
Netherlands
Spain
Norway
France
Germany
Greece
Ireland
Italy
Latvia
Luxembourg
UK
Cyprus*
Poland

Public funding

Czech Rep
Finland
Malta
Portugal
Sweden

Mixed funding

Iceland

Limits to the amount of the complaint

No limits

Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Luxembourg, Malta, Norway, Spain

Min limit in EUR

Sweden (137)

Max limit in EUR

Czech Rep (50 000), Ireland (50 000), Italy (5 000), Latvia (50 000), Netherlands (100 000 NLG), Portugal (5 000), UK (100 000 GBP), Cyprus (20 000)*, Poland (1900)

Nature of the decision

Not binding: Belgium, Finland, France, Luxemburg, Malta, Norway, Spain, Sweden, Cyprus*, Greece

Binding on banks/ limits

Austria/4000 EUR

Czech Rep

Denmark

Germany (private banks)/5000 EUR

Iceland (except big amounts)

Ireland

Italy

Latvia

Netherlands

Portugal

UK

Poland

Binding/rejection time

4 weeks

rejection possible
rejection 2 months

Questions

What were the main arguments choosing the body running the scheme?

How did the introducing of the scheme influence the number of consumer complaints?

Does the scheme provide the complaintant with preliminary legal advice?

How does this influence the number of cases handed over to the body of settlement?

In case the scheme covers all financial services provided which services dominate?