

# Out-of-court settlement of consumer disputes

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## 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?