

Pursuant to Article 125, Paragraph 4 and Article 162, Paragraph 9 of the Banking Law of Republika Srpska ("Official Gazette of Republika Srpska", No.: 4/17), Article 5, Paragraph 1, Item b, Article 20, Paragraph 2, Item b and Article 37 of the Law on Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", No.: 59/13 and 4/17), and Article 6, Paragraph 1, Item b and Article 19, Paragraph 1, Item b of the Statute of Banking Agency of Republika Srpska ("Official Gazette of Republika Srpska", No.: 63/17), the Management Board of the Banking Agency of Republika Srpska, on its 45th session held on 28 December, 2017 issued the

DECISION
ON CONDITIONS AND MANNER OF EXERCISING THE RIGHTS TO
CONSUMER PROTECTION AND BANKS' ACTING UPON CLIENTS'
COMPLAINT

Subject of Decision

Article 1

This Decision shall elaborate the conditions and manner of exercising the right to protection of clients, banking service beneficiaries and guarantors (hereinafter: client), and the conditions and manner of bank's acting upon client's complaint.

Terms

Article 2

- (1) Term client has been defined by Article 2, Paragraph 1, Item 27 of the Banking Law of Republika Srpska (hereinafter: Law).
- (2) Term beneficiary of banking services has been defined by Article 133, Paragraph 2 of the Law.
- (3) Term general business conditions has been defined by the provisions of Article 123, Paragraph 1 and 2 of the Law.
- (4) Term good business practice and term contract are being interpreted in accordance with the provisions of the Law on obligations.

Right on complaint

Article 3

The client has right on complaint if he/she thinks that the bank is not adhering to the provisions of law, general business conditions, good business practice and obligations stemming from concluded contract.

**Manner of submitting the
complaint**

Article 4

- (1) The bank shall determine the manner in which the client can submit complaint to the bank by means of general business conditions.
- (2) By means of general business conditions it must be determined that the client may submit complaint to the bank in oral or written form, and apart from stated manners of

submitting the complaint, other manners can be determined as well.

- (3) The client may choose one or more manners of complaint submitting.
- (4) If the client submits oral complaint, and is not satisfied with the bank's response, the bank shall be obliged to inform the client on the right to submit written complaint.

Complaint content

Article 5

The client's complaint must contain basic information on the client, as well as the description of dispute between the client and the bank, which has, according to client's opinion, occurred as a consequence of bank's not adhering to the provisions of law and by-laws, concluded contract, good business practice or disclosed general business conditions (hereinafter: dispute).

Bank's acting upon complaint

Article 6

- (1) The bank shall adopt written procedures for the implementation of proceeding upon the client's complaint and ensure that at least one bank employee is in charge for the implementation of proceeding upon the client's complaint.
- (2) Person referred to in Paragraph 1 of this Article may be accountable also for other matters in the bank.
- (3) The bank shall enable the client to be informed on general conditions of the bank's business in the area to which the complaint refers to, and in the manner that it shall, upon the client's request, deliver such conditions to the client in writing and provide adequate explanations and instructions related to the implementation of such conditions.
- (4) The bank shall not charge the complaint submitter a fee, nor any other costs for submitting and acting upon the complaint.
- (5) The bank's response should be in a written form, complete and understandable for the client, should contain the description of dispute, the assessment of complaint justification, reasons which led to the dispute and as a mandatory legal advice for further acting of the client, with the clause defining that if the client is not satisfied with the bank's response, he/she may raise the subject issue to the Agency or the Ombudsman for the banking system by submitting the complaint in writing.
- (6) If the bank assesses that the clients' complaint is justified, the bank's response should also contain the proposal for dispute resolution, as well as the deadline by which the client should inform the bank whether he/she accepts that proposal, which may not be shorter than 15 days, nor longer than 30 days from the day of the bank's response receipt date.
- (7) The bank shall deliver written response to the client within 30 days from the date of complaint submitting, in a manner which confirms the receipt of the same.
- (8) When the client accepts the bank's proposal for dispute resolution, the bank's acting upon client's complaint shall be deemed as finalized.

Complaint submitting to the Agency

Article 7

If the bank fails to deliver response to the client within the deadline referred to in Article 6, Paragraph 7 of this Decision or assesses that the client's complaint is unjustified or if the client does not accept bank's proposal for dispute resolution, the client may in writing inform the Agency that he/she is unsatisfied with the outcome of proceeding upon complaint that the bank conducted and file to the Agency a written complaint on the bank's acting within 6 months from the date of receipt of bank's response or until the expiration of deadline referred to in Article 6, Paragraph 7 of this Decision, if the bank failed to deliver the response to the client.

Agency's acting upon complaint

Article 8

- (1) The complaint referred to in Article 7 of this Decision, which is filed to the Agency, must contain basic information on complaint submitter, the description of dispute, time and place of its occurrence, copy of documentation to which complaint submitter is referring to, as well as the bank's response.
- (2) If the complaint is not delivered timely or it is submitted by an unauthorized person, the Agency shall reject such complaint.
- (3) After the receipt of written client's complaint, if it assesses that the complaint is adequate, the Agency, i.e. the Ombudsman for the banking system shall in written form request from the bank to respond within 15 days also in writing to the issues stated in the complaint.
- (4) The bank shall cooperate with the Agency for the purpose of fair and fast resolution of disputes upon clients' complaints.
- (5) If the competent organizational unit of the Agency, based on received documentation and bank's response, cannot assess that the issues stated in the complaint are completely unjustified, the Agency shall review whether the bank, in that particular case, was adhering to the provisions of law and by-laws, concluded contracts, good business practice or disclosed general business conditions.
- (6) The review referred to in previous Paragraph the Agency may conduct in a manner that it will order the bank to respond to the Agency's questions in writing, order the bank to deliver to the Agency additional documentation, conduct official meeting with bank employees in the bank's or the Agency's premises in relation to the circumstances related to the client's complaint, conduct inspection in the bank's premises and undertake all other necessary actions within the scope of Agency's competences.
- (7) Based on determined factual situation, the Agency shall assess whether the bank, in that particular case, was adhering to the provisions of law and by-laws, concluded contracts, good business practice or disclosed general business conditions, and shall inform the client thereof in writing, along with stating, if the dispute requests so, the actual competent court for dispute proceedings, and the Agency shall further undertake measures within the scope of its competences.

Bank's recording of complaints and reporting to the Agency

Article 9

- (1) The bank shall keep records on all written complaints of clients, which shall contain information on dispute resolutions, as well as other information necessary for compiling of report referred to in Paragraph 2 of this Article.
- (2) The bank shall compile quarterly reports on data about total number of written complaints, number of complaints made by individuals, i.e. legal persons, per types of grounds, total number of resolved complaints, i.e. the number of positively (justified complaints) and negatively resolved disputed (unjustified complaints), and a special part of the report shall represent written complaints made by guarantors/co-debtors.
- (3) Quarterly reports referred to in Paragraph 2 of this Article the bank shall deliver to the Agency within 30 days from the last day of the reporting quarter, in the form defined by the Agency.

Transitional and final provisions

Article 10

- (1) Reports from 2017 shall be delivered to the Agency in accordance with the provisions of the Decision on detailed conditions and manner of bank's acting upon client's complaint ("Official Gazette of Republika Srpska", No.: 58/10), and starting from 01/01/2018 all stipulated reports shall be delivered to the Agency in accordance with this Decision.
- (2) On the day of this Decision coming into force, the Decision on detailed conditions and manner of bank's acting upon client's complaint ("Official Gazette of Republika Srpska", No.: 58/10), except Article 9 which defines manner and deadlines of reporting for the period stated in Paragraph 1 of this Article, shall cease to be valid.
- (3) This Decision shall come into force on the 8th day after its publication in the "Official Gazette of Republika Srpska".

Number: UO-357/17

Date: 28 December, 2017

PRESIDENT OF THE
MANAGEMENT
BOARD
Mira Bjelac