

ARBITRATION BOARD OF BUDAPEST

Remarks on Joint Committee Consultation Paper on draft guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors

After the meeting of the FIN-Net which was held in London, on 7th November 2013, members were asked by the EBA to send comments in relation „*Joint Committee Consultation Paper on draft guidelines for complaints-handling for the securities (ESMA) and banking (EBA) sectors*”.

Accordingly to the request, Arbitration Board of Budapest - which is a member of the FIN-Net - hereby gives its comments in relation with questions contained by the consultation paper:

I. Question 1: Do you agree that complaints-handling is an opportunity for further supervisory convergence? Please also state the reasons for your answer.

Answer

Yes, in our standpoint complaints-handling is a very good opportunity for further supervisory convergence. Moreover: this field is needed to be regulated – at least at a level of guidelines, because concerning rules has to correspond standard requirements. Harmonised conventions relating to complaints handling will give more efficient results in the work of the concerned organizations (national authorities, firms) – it is very important, because they all have great role in relation financial consumer protection.

We have to face that different practices are used currently by the financial providers over the European Union: harmonizing the rules will also reduce the information asymmetry and the regulatory gap (which are mentioned in the consultation paper) between consumers and undertakers, that's why consumers will also get benefit from using the guidelines by the firms.

II. Question 2: Please comment on each of the guidelines, clearly indicating the number of the guideline (there are 7 guidelines) to which your comments relate.

Guideline 1- Complaints management policy

In the name of adequate transparency, we suggest making the „Complaints management policy” (or at least a compendium from it) available and publishing it on the webpage of the firm. That's why consumers would know really how their complaints should be handled by the provider.

Guideline 2- Complaints management function

Guideline 2 has to be defined in a more concrete way. It is not fully clear that which are the exact obligations, e.g. what does „fairly” investigating mean – that's why observing this guideline can not be superintended.

Guideline 3 – Registration

There are no remarks in relation with this guideline.

Guideline 4 – Reporting

This guideline has to be much more strict: in our opinion type of data has to be determined in a particular way in order to get more detailed data from the complaints.

Guideline 5 – Internal follow-up of complaints-handling

There are no remarks in relation with this guideline.

Guideline 6 – Provision of information

There are no remarks in relation with this guideline.

Guideline 7 – Procedures for responding to complaints

There are no remarks in relation with this guideline.

III. Question 3: Do you agree with the analysis of the cost and benefit impact of the proposals?

Having reviewed the analysis of the cost and benefit impact of the proposals, it is clear that the examination was made upon an extensive basis. In our standpoint, the obtainable results are absolutely commensurate with the possible detriments. Moreover: from benefits there are much more than costs. „Table 1” also shows that much of the member states are already using the proposed guidelines, so they meet the necessary criterias containing by the consultation paper.



Budapest, 7th February 2014.

Dr. György Baranovszky
President
Arbitration Board of
Budapest