



**FAI** | THE OFFICE OF THE CZECH  
FINANCIAL ARBITRATOR

**ANNUAL REPORT ON THE ACTIVITIES  
OF THE FINANCIAL ARBITRATOR  
IN 2022**

(Presented pursuant to Section 21 of Act No. 229/2002 Coll.,  
On the Financial Arbitrator, as amended)

June 2023

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## FINANCIAL ARBITRATOR'S FOREWORD

Dear readers,

The Financial Arbitrator and the Office of the Financial Arbitrator present to you a report on their activities for the year 2022.

Any consumer who is in a dispute with their payment service provider, building savings bank, consumer credit provider, life insurance company, investment firm, management company, investment or insurance intermediary or money exchange provider, can turn to the Financial Arbitrator as an out-of-court consumer dispute resolution body. During the year 2022, the scope of the Financial Arbitrator's competence was extended to disputes arising from pension products and dynamic currency conversion. At the same time, the dispute must fall under the jurisdiction of the Czech general courts, otherwise the Financial Arbitrator would not be competent to issue a decision.

The proceedings before the Financial Arbitrator are free of charge and the consumer is not required to be legally represented. The financial institution is obliged to participate in the proceedings.

A consumer can file a complaint to initiate proceedings before the Financial Arbitrator in their own words without the need to refer to statutory provisions. However, it is better to do so using the forms, templates and answers to frequently asked questions that are available on our website <https://finarbitr.cz/en/>.

The website provides answers to frequently asked questions on the subject matter and the rules of the proceedings before the Financial Arbitrator. The consumer can use a form to file a complaint, or they can process the complaint in an application that guides the consumer step-by-step through the preparation of the complaint.

The widely used telephone lines +420 257 042 070 and +420 257 042 094 or our email address [arbitr@finarbitr.cz](mailto:arbitr@finarbitr.cz) are available for enquiries about the competence of the Financial Arbitrator or for assistance in correcting the deficiencies in the complaint to initiate the proceedings.

The primary objective of the proceedings before the Financial Arbitrator shall always be to seek an amicable settlement of the dispute. The Financial Arbitrator shall express, where she deems it appropriate, a preliminary legal assessment of the dispute. She may recommend to the financial institution to resolve the dispute amicably or, alternatively, to the consumer to consider withdrawing their complaint because she could not uphold it.

If the parties to the dispute fail to reach an amicable settlement or if the consumer does not withdraw their complaint, the Financial Arbitrator shall decide the case. The Financial Arbitrator is obliged to decide in accordance with the law and on the basis of a reliable finding of the facts of the case, i.e., in the same way as a general court would decide. The decision of the Financial Arbitrator is reviewable by court.

The Financial Arbitrator must positively highlight the change in the attitude of the majority of consumers as parties to the proceedings before the Financial Arbitrator that she has observed during the reporting period, as the consumers try to act more actively and independently in the proceedings (without paid representatives). They also try to provide more assistance to the Financial Arbitrator, better accept her preliminary legal assessments of their cases and negotiate reasonably to resolve their disputes with financial institutions amicably.

This is proof that the proceedings before the Financial Arbitrator contribute significantly to increasing the financial literacy of the consumers, as many of them gain new knowledge and experience by going through the proceedings and often become aware of their own mistakes or wrong decisions.

Of course, the financial institutions cannot be overlooked, as most of them approach the proceedings before the Financial Arbitrator responsibly and their participation in the proceedings is constructive.

We wish everyone only amicably resolved disputes!

In Prague on 30 June 2023

Monika Nedelková, the Financial Arbitrator, and everyone from the Office of the Financial Arbitrator

## **I. SUMMARY OF KEY INFORMATION ON THE ACTIVITIES OF THE FINANCIAL ARBITRATOR AND THE ECONOMIC ACTIVITIES OF THE OFFICE OF THE FINANCIAL ARBITRATOR IN 2022**

In the period under review, the Financial Arbitrator was competent to decide out-of-court disputes between consumers and financial institutions, the resolution of which is within the jurisdiction of the Czech general courts, arising from the provision of payment services, building savings, non-payment accounts and bankbooks, electronic money, consumer credits, including mortgage credits and credits from building savings, collective investment and investment services, money exchange, life insurance, state-contributory supplementary pension insurance, supplementary pension savings, pan-European personal pension product and dynamic currency conversion. ([🔗 More about the competence of the Financial Arbitrator on p. 9 and further](#))

The dispute can only be dealt with by the Financial Arbitrator in duly initiated proceedings, and only if a consumer files a complaint. The Financial Arbitrator conducts the proceedings in accordance with the Financial Arbitrator Act and the Administrative Procedure Code, unless the Financial Arbitrator Act provides otherwise.

The proceedings before the Financial Arbitrator are free of charge and the consumer is not required to be legally represented (legal costs are not awarded in proceedings before the Financial Arbitrator).

The Financial Arbitrator is obliged under the Financial Arbitrator Act to provide assistance to the consumer in filing a complaint to initiate proceedings and during the proceedings. However, she must always assess and decide the matter to the best of her knowledge, impartially, fairly, without undue delay, and solely on the basis of the facts established in accordance with the Financial Arbitrator Act and other specific legislation.

In particular, the Financial Arbitrator shall seek an amicable settlement of the dispute.

In the proceedings, the Financial Arbitrator (like a general court) can assess whether the financial institution has breached any of its legal obligations towards the consumer, either under the law or stipulated by a contract. The consumer may seek a declaration that the contract or its terms are invalid, or they may request that the Financial Arbitrator orders the financial institution to pay a sum of money to the consumer, either as payment under the contract or as damages, etc.

The Financial Arbitrator shall express, where she deems it appropriate, a preliminary legal assessment of the dispute so that the financial institution or the consumer will have a sufficient basis for amicable settlement negotiations or, in the case of a consumer, for the termination of the proceedings, before any decision on the case is made.

An amicable settlement is a situation where a consumer and a financial institution conclude a settlement agreement and the consumer withdraws their complaint or the Financial Arbitrator terminates the proceedings for lack of subject matter in such case. It is also a situation where it becomes clear during the proceedings before the Financial Arbitrator that the consumer's claim is unjustified, and the consumer withdraws their complaint.

If the Financial Arbitrator fails to bring the parties to an amicable resolution of the dispute, she shall issue a decision in merits in the form of an award and, if necessary, the decision on the objections to the award as a decision on the merits.

The decision of the Financial Arbitrator must always be based on a reliably established factual situation and a proper legal assessment. It has to be properly reasoned and, above all, impartial.

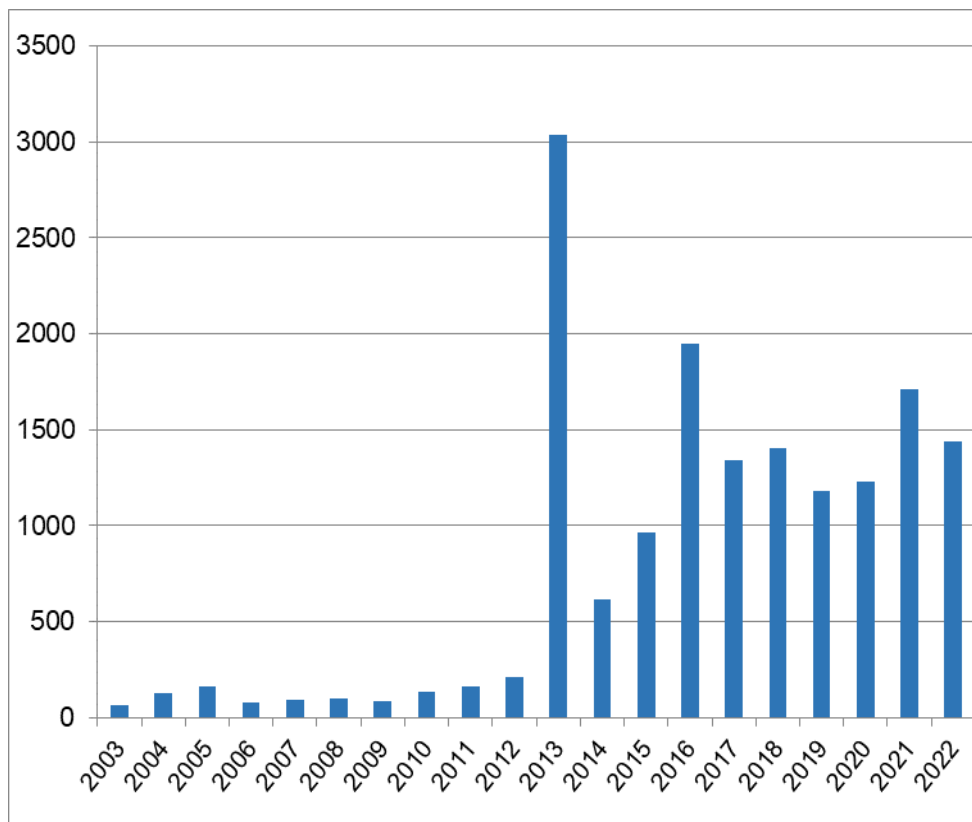
If the parties to the proceedings disagree with the decision of the Financial Arbitrator on objections, the consumer and the financial institution may, within two months of receipt of the decision, bring an action before a general court to replace the decision of the Financial Arbitrator. The parties to the court proceedings are the complainant and the institution, not the Financial Arbitrator, not even as an enjoined party. The proceedings are conducted under the special rules of the Civil Procedure Code. If the court considers the dispute in the same way as the Financial Arbitrator, it shall dismiss the action as unfounded and the decision of the Financial Arbitrator shall remain unaffected, i.e., in force and enforceable.

A decision by the Financial Arbitrator that was incorrect or that unreasonably favoured a party to the dispute would have to be overturned and replaced by the general court. [🔗 More about the rules of procedure on p. 13 and further](#)

In 2022, a total of 1,427 new proceedings were initiated before the Financial Arbitrator, with a total of 2,525 disputes heard by the Financial Arbitrator during this period. The Financial Arbitrator also handled over 5,000 inquiries from the public concerning the Financial Arbitrator's competence or an individual consumer dispute.

**Number of proceedings commenced in each year since the establishment of the Financial Arbitrator (2003-2022)**

Year	Proceedings
2003	66
2004	128
2005	160
2006	77
2007	92
2008	99
2009	84
2010	134
2011	163
2012	210
2013	3,037
2014	612
2015	964
2016	1,948
2017	1,344
2018	1,401
2019	1,178
2020	1,228
2021	1,709
2022	1,427



In the period under review, there was a slight decrease in the total number of complaints filed compared to the previous year (1,427 complaints in 2022 compared to 1,709 complaints in 2021, a decrease of 16.5%).

The observed decrease is mainly related to the fact (confirmed by both consumers and financial institutions) that not all cases with the same subject matter that the Financial Arbitrator has already decided are presented to the Financial Arbitrator. It is because the financial institutions often resolve such cases within their own complaint procedure (the complaint is settled in favour of the consumer) or they have already taken other measures to avoid the initiation of a complaint procedure (e.g., incorporate and negotiate changes to the terms and conditions, or do not charge fees or costs that have been found to be unjustified in the proceedings before the Financial Arbitrator, etc.).

At the same time, in early 2023, a higher number of new disputes were brought before the Financial Arbitrator, where the complaint procedure with a financial institution lasting several months was recorded, and therefore these cases were not submitted to the Financial Arbitrator in 2022.

As of 31 May 2023, 848 new proceedings have already been commenced, which is 40% more than the number of proceedings initiated in the same period of 2022 (604).

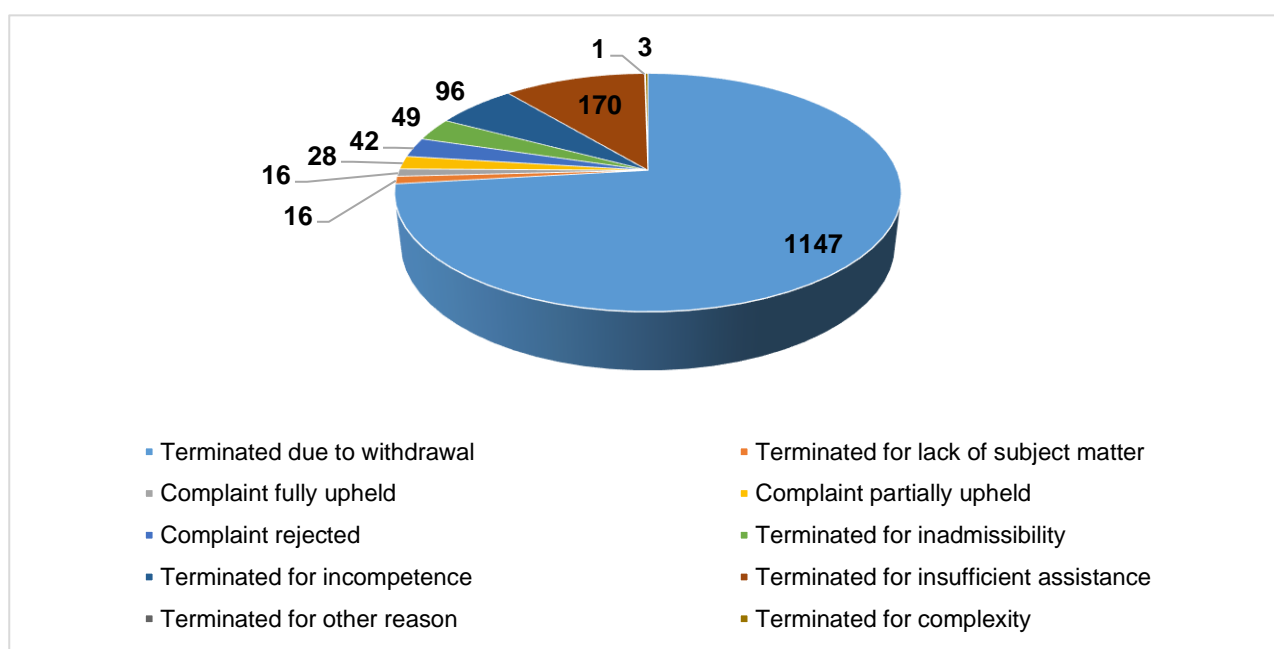
Consumer credit was the most frequent subject of disputes and inquiries in 2022. In particular, disputes arising from early repayment of a mortgage credit or disputes over the validity of a credit agreement due to a failure to assess the debtor's creditworthiness prior to its conclusion were mostly dealt with.

Consumers have also started to turn to the Financial Arbitrator with claims for damages in connection with the mediation of a credit, in connection with a failure to provide a credit to an applicant, or in connection with the assessment of the validity of a provision on a fee for failure to draw down a credit, or the determination of its amount. The number of disputes resolved and the number of queries raised suggest that such disputes will be brought before a Financial Arbitrator more frequently in the near future.

The second most frequent type of disputes were unauthorised payment transactions due to misuse of a payment device, simply an attack on internet banking or a payment card with withdrawal of funds from a payment account. The year-on-year increase of these disputes totalled 96% compared to the previous period. The trend continues in 2023, with the value of pending disputes exceeding EUR 50 million. [🔗 More about the decision-making activity on p. 19 and further](#)

In the period under review, the Financial Arbitrator managed to bring a total of 1,568 proceedings to a final conclusion.

### Summary chart of the results of disputes settled in 2022



Out of the total number of the disputes finally concluded in 2022, the Financial Arbitrator reached an amicable settlement in 1,163 cases, i.e., in almost three quarters (74.17%): 1,147 proceedings were terminated due to a withdrawal of the complaint and 16 proceedings were terminated for lack of subject matter, as the consumer did not withdraw their complaint after the amicable settlement of the dispute.

A total of 48 proceedings were terminated because the Financial Arbitrator found during the proceedings that one of the legal obstacles had occurred (most often the Financial Arbitrator found that the financial institution had brought an identical claim before the general court and it such case she has to terminate the proceedings).

The Financial Arbitrator fully upheld the consumer's complaint (the financial institution refused to settle the dispute amicably) in 16 proceedings and partially in another 28 proceedings. On the other hand, 42 proceedings ended with a rejection of the consumer's complaint because the Financial Arbitrator did not find the complaint justified and the consumer did not withdraw it even after the preliminary legal assessment. Thus, the Financial Arbitrator decided on a subject matter of a dispute in 86 proceedings.

In total, 170 proceedings had to be terminated by the Financial Arbitrator for consumer's insufficient assistance (the consumer did not provide the Financial Arbitrator with the required documents or statements even after repeated requests of the Financial Arbitrator and her offers of help and explanation). However, in about 20% of these cases, the documentation available to the Financial Arbitrator showed that the consumer had most likely reached an amicable settlement with the

financial institution, but just no longer felt the need to formally terminate the proceedings before the Financial Arbitrator.

A total of 96 proceedings had to be terminated for inadmissibility. The division of insurance dispute resolution between the Financial Arbitrator (life insurance) and the Czech Trade Inspection Authority or the Office of the Ombudsman of the Czech Insurance Association (non-life insurance) continues to cause confusion not only among consumers but also among the professional public. Especially in situations where the consumer has contracted additional non-life insurance (insurance against accident, sickness, disability, incapacity for work, etc.) in a contract described as life insurance.

The Financial Arbitrator continuously publishes her decisions in the Collection of Decisions on her website without information related to the specific consumer who initiated the proceedings. [🔗 More about the information duties of the Financial Arbitrator on p. 51 and in Annex No. 2\)](#)

As regards the length of the proceedings before the Financial Arbitrator, it is significantly influenced by the parties themselves, the complexity of the subject matter of the dispute and the staff capacity of the Office of the Financial Arbitrator.

The quality of complaints filed, regardless of the consumer's legal representation, significantly prolongs the first phase of the proceedings. The Financial Arbitrator must ensure that the complaint is without deficiencies in terms of clarity, the requirements of the complaint as set out in the Financial Arbitrator Act and, above all, the supporting documents used by the consumer to substantiate their claim, whether justified or merely alleged. The consumer has a right to ask the Financial Arbitrator for an extension of the time limit for correcting the deficiencies of the complaint, and the Financial Arbitrator is obliged to comply with the request (even repeatedly), if justified.

Most consumers communicate in writing through the postal service provider. The length and quality of postal service also impacts on the length of proceedings before the Financial Arbitrator.

Communication with financial institutions is carried out mainly via data boxes, yet some institutions take more than 1 week to retrieve the relevant documents from the data box.

Taking into account the subject of the dispute and the need to obtain relevant documents from the financial institution for a proper assessment of the matter, the financial institutions also cannot do without requests for extensions of time limits, which are allowed by the Financial Arbitrator Act. In justified cases the Financial Arbitrator is obliged to extend the time limit, even repeatedly.

As for the cooperation of financial institutions, most of them provide sufficient assistance. If the institution fails to cooperate, the Financial Arbitrator will initiate proceedings to impose a fine.

During 2022, the Financial Arbitrator requested all institutions to provide sufficient assistance by a general request (sent separately) and she instructed them on the time limits for proceedings before the Financial Arbitrator, and in particular on the rules for extending them. Despite this, the Financial Arbitrator had to impose fines on some financial institutions for not providing sufficient assistance in the proceedings, totalling CZK 306,000.

Some disputes are amicably resolved within weeks of the commencement of proceedings, while other complex disputes take longer, in some cases more than 2 years from the filing of the complaint. Even longer proceedings usually end amicably. In other cases, the length of the proceedings is related to the gathering of evidence so that the decision of the Financial Arbitrator could withstand subsequent judicial review.

The usual length of the entire proceedings (i.e., the procedure on the complaint, amending of the complaint on the part of the complainant, securing of documents from the financial institution and other natural or legal persons addressed, preliminary legal assessment of the case, coordination of the amicable settlement of the dispute, procedure on objections) is approximately 10 months.

The average length of proceedings concluded in 2022 was 263 days, but this includes proceedings (nearly 70 of them) that were formally or informally suspended for several years, where consumers or financial institutions were awaiting the outcome of a judicial review of a Financial Arbitrator's decision in disputes with a similar subject matter and that were amicably resolved during the period under review. Excluding these longer proceedings, the average length of proceedings concluded in 2022 is just under 200 days, and the average length of proceedings initiated and concluded in 2022 was as low as 104 days.



In order to ensure the activities of the Financial Arbitrator as an out-of-court dispute resolution body competent to decide certain consumer disputes in the financial market, Act No. 180/2011 Coll., amending Act No. 229/2002 Coll., on the Financial Arbitrator, as amended, and other related acts, established the Office as an organisational unit of the State. ([♣ More about the Office of the Financial Arbitrator on p. 41](#))

The Office of the Financial Arbitrator is led by the Financial Arbitrator. The Deputy represents the Financial Arbitrator in her absence to the full extent of her authority and responsibility. The employment relationship and remuneration of the staff of the Office of the Financial Arbitrator is governed by the Labour Code.

The unbudgeted income of the Office of the Financial Arbitrator corresponds to the nature of the activity of the Financial Arbitrator which the Office of the Financial Arbitrator provides, namely the conduct of free dispute resolution with the primary objective of reaching an amicable settlement without imposing of a penalty. Nevertheless, the income of the Office of the Financial Arbitrator from the main activity of the Financial Arbitrator amounted to CZK 921,000. This was mainly in the form of penalties (imposed and collected because the Financial Arbitrator fully or partially satisfied claims of some consumers) and fines (for non-cooperation of a financial institution in proceedings before the Financial Arbitrator).

In 2022, as in previous years, the Office of the Financial Arbitrator spent only necessary expenses and even less than in previous periods, as for example the anticipated foreign and domestic business trips did not take place and also because neither the Financial Arbitrator nor the Office of the Financial Arbitrator used external legal or consulting services.



## II. COMPETENCE OF THE FINANCIAL ARBITRATOR

The Financial Arbitrator is pursuant to Section 1(1) of the Financial Arbitrator Act competent to decide a dispute otherwise falling under jurisdiction of the Czech courts, if it is a dispute between a consumer and

- a) a payment service provider in connection with offering and providing payment services,
- b) an electronic money issuer in connection with issuing and reverse exchange of electronic money,
- c) a creditor or an intermediary in connection with offering, providing or mediation of consumer credit or any other credit, loan or similar financial service,
- d) a person managing or administering a collective investment fund, or offering an investment in a collective investment fund or in a comparable foreign investment fund in connection with managing or administering a collective investment fund, or with offering an investment in a collective investment fund or in a comparable foreign investment fund,
- e) an insurer or an insurance intermediary in connection with distribution of life insurance and in connection with exercising rights and obligations from life insurance,
- f) a money exchange provider in connection with money exchange,
- g) a building savings bank or an intermediary in connection with offering, providing or mediation of building savings,
- h) a person providing investment services in connection with providing investment services,
- i) a person servicing a non-payment account in connection with servicing such account,
- j) a beneficiary of a single deposit in connection with accepting and refunding of such deposit;
- k) from 11 May 2022 a pension company or intermediary in connection with offering, providing or mediation of state-contributory supplementary pension insurance,
- l) from 11 May 2022 a pension company or intermediary in connection with offering, providing or mediation of supplementary pension savings,
- m) from 11 May 2022 a person providing or distributing a pan-European personal pension product in connection with providing or distributing a pan-European personal pension product,
- n) from 1 July 2022 a person providing a dynamic currency conversion service offered to the payer prior to the initiation of a payment transaction via an ATM or at the point of sale of goods or services, in connection with providing such dynamic currency conversion service.

### ***Disputes under the competence of the Financial Arbitrator***

The Financial Arbitrator is therefore competent to decide, for example, the disputes in connection with providing payment services regarding:

- misuse of a payment card by a third party to withdraw from an ATM or to make a purchase at a merchant,
- misuse of a payment instrument (internet banking),
- malfunction of an ATM – failure to dispense cash,
- failure to credit money deposited via an ATM or personally at a cash desk,
- validity of a payment account termination,
- deduction of charges from the amount of a payment transaction made by an intermediary payment service provider,
- non-execution of a payment transaction (or a refusal to execute it),
- multiple money debiting from an account when withdrawing from an ATM or making a purchase at a merchant,
- delayed execution of a payment transaction or failure to provide direct debit,
- incorrect exchange rate used for a cross-border wire transfer,
- incorrect fee for providing a payment service,
- payment transaction made without consent of a payment service user.

The Financial Arbitrator is competent to decide disputes arising in connection with consumer credits (including non-purpose, mortgage and building savings credits) or any other credit, loan or similar financial service between a consumer and a creditor or an intermediary regarding:

- validity of a credit agreement, of a provision on penalty for non-compliance with the agreement, or another provision of the credit agreement,

- determination of the amount of debt under a credit agreement,
- invalidity of a credit agreement due to non-assessment of a creditworthiness of a debtor prior to its conclusion,
- amount of a creditor's remuneration for providing a credit,
- right to a discount interest rate (after being claimed),
- calculation of the annual percentage rate of charge (APRC),
- right to early repay a credit, in particular the amount of costs reasonably incurred in connection with the early repayment of the credit or the amount of the early repayment fee,
- validity of a withdrawal of a credit agreement or an intermediary agreement,
- validity of declaring the whole credit payable,
- fees under a credit agreement or an intermediary agreement,
- damages caused by a creditor to a debtor in connection with a conclusion of a credit agreement.

The Financial Arbitrator is also competent to decide disputes arising in connection with a collective investment such as disputes between a consumer and a management company or an investment fund regarding:

- settlement of an executed order to buy/sell/exchange a unit,
- value of a unit,
- proper execution of an order to buy/sell/exchange a unit by an investment firm,
- proper execution of an order to buy/sell/exchange a unit by an investment intermediary,
- damages caused by an investment advice provided by an investment firm or an investment intermediary in connection with providing investment advice on collective investment,
- fee charged in connection with a purchase/sale/exchange of a unit,
- damages caused in connection with a fulfilment of information duties by a management company or an investment fund.

The Financial Arbitrator is competent to decide disputes arising from a provision of investment services between a consumer and a person providing investment services, e.g., an investment firm, an investment intermediary, a tied agent, a foreign person authorised by the oversight authority of another EU Member State, regarding for example:

- proper execution of an order to buy/sell a financial instrument,
- damages caused by an investment firm or an investment intermediary in connection with a provision of investment advice,
- fee charged in connection with a purchase/sale of a financial instrument,
- validity or termination of an investment services agreement.

The Financial Arbitrator may decide disputes arising in connection with money exchange, regarding particularly:

- withdrawal from a currency exchange contract,
- fee charged for currency exchange,
- validity of a currency exchange contract,
- calculation of an exchange rate.

The Financial Arbitrator is competent to decide disputes arising in connection with life insurance between a consumer and an insurance company or an insurance intermediary regarding:

- validity of an insurance agreement or its provision,
- amount of insurance proceeds,
- amount of a surrender value,
- damages caused by a breach of duties during a negotiation of an insurance contract.

The Financial Arbitrator may decide disputes arising not only from already concluded contracts on building savings, but also disputes that arise during a pre-contractual stage or during a mediation of building savings regarding:

- validity of a building savings contract or its provision,
- validity of withdrawal or termination of a building savings contract,
- validity of a unilateral change of a building savings contract (e.g., decrease of the interest rate on deposits or increase of the fee for keeping the building savings account),
- fee charged by a building savings bank to a building savings account,
- amount of state support for a building savings contract,
- damages caused by a breach of duties in connection with a mediation of a building savings contract.

The Financial Arbitrator is competent to decide disputes between a consumer and a pension company or intermediary in connection with offering, providing or mediation of state-contributory supplementary pension insurance, or with offering, providing or mediation of supplementary pension savings and between a consumer and a person providing or distributing a pan-European personal pension product in connection with providing or distributing a pan-European personal pension product regarding:

- validity of a supplementary pension insurance contract, supplementary pension savings contract, pan-European personal pension product contract or the terms of such a contract,
- validity of withdrawal or termination of a supplementary pension insurance contract, supplementary pension savings contract or pan-European personal pension product contract,
- fee charged on the account held for a pension product by the entity that concluded the supplementary pension contract, supplementary pension savings contract and pan-European personal pension product contract with a consumer,
- amount of the state contribution credited and paid,
- payment of financial benefits from pension products,
- damages caused by a breach of duties in connection with a mediation of a supplementary pension insurance, supplementary pension savings or pan-European personal pension product.

The Financial Arbitrator is competent to resolve disputes arising from currency conversion service offered to the payer prior to the initiation of a payment transaction via an ATM or at the point of sale of goods or services between a consumer and a merchant or an ATM operator, concerning particularly:

- damages for failure to properly comply with the information obligation.

### ***Legal impediments to the proceedings before the Financial Arbitrator***

The Financial Arbitrator cannot decide a dispute between a consumer and a financial institution that would otherwise fall within her competence if one of the legal impediments to the proceedings has occurred, i.e.:

- the dispute has already been decided in merits by a court, or the court proceedings have been commenced,
- the dispute is currently being heard or has already been decided in merits by the Financial Arbitrator,
- the dispute has already been decided in merits in the arbitration proceedings, or the arbitration proceedings have been commenced.

### ***Consumer disputes in the financial market out of competence of the Financial Arbitrator***

At the same time, some disputes between consumers and financial institutions, even though they concern the financial market, are not yet within the scope of competence of the Financial Arbitrator. These are mainly disputes:

- from provision of financial services exempted from the regime of Act No. 370/2017 Coll., on Payment System, as amended,

- concerning non-life insurance (property insurance, accident insurance, liability insurance, injury insurance, incapacity work insurance, sickness insurance etc.), even if it was negotiated as a supplementary insurance to a life insurance,
- from investing into cryptocurrencies,
- from asset management comparable to management of an investment funds under Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended,
- between bondholders and bond issuers,
- between shareholders and joint stock companies,
- concerning personal data protection connected with a provision of financial services.

In these cases, the Financial Arbitrator must refer the consumers to the Czech Trade Inspection Authority. It is because in cases where the Financial Arbitrator, the Czech Telecommunication Office or the Energy Regulatory Office are not competent to decide the dispute, the Czech Trade Inspection Authority is the main body for out-of-court resolution of consumer disputes (in the case of non-life insurance, also the Office of the Ombudsman of the Czech Insurance Association is competent).

The Czech Trade Inspection Authority conducts proceedings at the consumer's request, but it cannot issue any decisions in merits as the Financial Arbitrator. So, if the parties to the dispute do not reach an agreement within the statutory period of 90 days or the consumer does not voluntarily withdraw from the proceedings, the proceedings shall end upon the expiry of the time limit.

The Financial Arbitrator shall advise any consumer who contacts her of their right to turn to another consumer dispute resolution body, or to a general court, or, in the case of suspected criminal offences, to the criminal justice authorities.

The Financial Arbitrator will also inform the consumer about the possibility of using commercial legal aid, legal advice provided by the Czech Bar Association or free civil advice centres.

### III. RULES OF PROCEDURE BEFORE THE FINANCIAL ARBITRATOR

The Financial Arbitrator conducts the proceedings in accordance with the Financial Arbitrator Act, which contains comprehensive basic rules on special out-of-court proceedings, and the pursuant to Act No. 500/2004 Coll., Administrative Procedure Code, as amended, unless the Financial Arbitrator Act provides otherwise.

*Section 1(3) of the Financial Arbitrator Act*

*(3) The Arbitrator shall, in particular, aim at an amicable settlement of the dispute.*

The primary objective of the Financial Arbitrator, when the consumer is in the right, is to bring the parties to the dispute to an amicable settlement so that the consumer does not have to go to court and pay costs of the court proceedings. The proceedings before the Financial Arbitrator are free of charge and the consumer is not required to be legally represented (legal costs are not awarded in proceedings before the Financial Arbitrator). The Financial Arbitrator must, as a matter of principle, assess the dispute in accordance with the law. She cannot act in favour of either party to the dispute.

If the dispute cannot be settled amicably, the Financial Arbitrator issues a decision which the disputing party may challenge in court. A decision by the Financial Arbitrator that unreasonably favours a party to the dispute would have to be overturned by the court and the unsuccessful party would very likely be ordered to pay the costs of the court proceedings.

*Section 8 of the Financial Arbitrator Act*

*Proceedings shall be commenced by filing a complaint by a complainant. Filing a complaint shall have the same legal consequences regarding the statute of limitations and prescription of rights as filing a lawsuit with the court of law in the same matter.*

Only a consumer can file a complaint, a financial institution cannot seek a commencement of the proceedings. The financial institution against which the complaint has been filed is obliged to participate in the proceedings and provide sufficient assistance to the Financial Arbitrator.

*Section 9 of the Financial Arbitrator Act*

*The application shall be inadmissible if*

- (a) the dispute does not fall within the competence of the Arbitrator,*
- (b) the dispute has already been decided in merits by the court of law or the court proceedings have been commenced,*
- (c) the dispute is currently being heard or has been decided by the Arbitrator,*
- (d) the dispute has been decided in merits in arbitration proceedings or arbitration proceedings have been commenced.*

The Financial Arbitrator shall terminate the proceedings if she finds that the dispute does not fall within her competence. These are usually non-life insurance disputes, contract of sale disputes, disputes between bondholders and bond issuers or disputes between shareholders and joint stock companies.

If the Financial Arbitrator determines that there is or has been a proceeding before a court or an arbitrator involving the same parties and the same claim, she shall terminate the proceedings before her. Even if the proceedings before the Financial Arbitrator were commenced earlier or even when she became aware of the commencement of the proceedings before the court or the arbitrator after the commencement of the proceeding before her.

Of course, the Financial Arbitrator cannot conduct proceedings on the same matter again.

*Section 10 of the Financial Arbitrator Act*

*(1) The complaint shall include*

- (a) identification of the parties to the proceedings,*
- (b) evidence proving that the complainant has unsuccessfully requested remedy from the institution,*
- (c) complete and comprehensible description of the relevant facts of the case,*
- (d) evidence or designation of evidence,*
- (e) remedy requested by the complainant,*

- (f) *statement that the complainant has not filed a lawsuit with a court of law, or a statement of claim with an arbitration court or an arbitrator in the merits, and that the complainant has not entered into a settlement agreement regarding the subject of the dispute, and that they are aware that the award issued by the Financial Arbitrator shall be binding,*
- (g) *power of attorney, providing that the appointed representative acts on behalf of the complainant in the proceedings,*
- (h) *date and signature of the complainant.*
- (2) *The complaint may also be filed using a complaint form published by the Arbitrator. The Arbitrator shall also publish a sample complaint in a remote-accessible manner.*
- (3) *Should there be any deficiencies of the complaint, the Arbitrator shall notify the complainant of the nature of the deficiencies and how to correct them and shall request the complainant to amend the complaint and correct its deficiencies within 15 days. In justified cases, the Arbitrator may extend the time limit by 15 days prior to its expiration upon the request of the complainant, even repeatedly.*

*Section 21(5) of the Financial Arbitrator Act*

- (5) *The arbitrator shall, at the request of the complainant, provide assistance to them in connection with the commencement of the proceedings, particularly in preparing, filing or amending their complaint, and at any time during the proceedings. The Arbitrator shall inform the public in an appropriate manner of the possibility of providing such assistance and of the procedure to be followed by complainants in proceedings under this Act.*

The consumer may file a complaint in their own words. It is not necessary for the complaint to be similar in form and content to a lawsuit filed in general court.

Answers to frequently asked questions about the subject matter and rules of proceedings before the Financial Arbitrator are also available for consumers at <https://finarbitr.cz/cs/informace-pro-verejnost/caste-otazky.html> in Czech language.

To file a complaint, the consumer can use the form published on the website <https://finarbitr.cz/en/dispute-resolution/forms.html> or they can prepare a complaint in application Complaint Filing Tutorial – Guide at <https://finarbitr.cz/en/dispute-resolution/complaint-filing-tutorial.html>. The annexes already attached to the form in the online application do not need to be sent with the signed complaint by post. Once the signed complaint is received, the annexes will be attached to the file that the Financial Arbitrator will establish for the proceedings.

Complaint may be filed:

- In writing and with a handwritten signature if you send it by post to the Office of the Financial Arbitrator,
- Orally on the record at the Office of the Financial Arbitrator,
- In electronic form with a qualified electronic signature to the mailbox [arbitr@finarbitr.cz](mailto:arbitr@finarbitr.cz);
- Via the complainant's own data box.

The complaint (completed form) must be accompanied by annexes and supporting documents which the consumer as a complainant uses to prove their claim. In particular, it should include full contractual documentation (financial service contract, terms and conditions, fee schedule, etc.), a statement of debit from an account (if it is the subject of the dispute), communication with the institution during the course of the legal relationship which is the subject of the dispute, particularly an unsuccessful written request for remedy addressed to the institution, proof of delivery and any response to the request.

If some of the supporting documents are not available to the complainant and cannot be obtained by them, it shall be sufficient for the complainant to identify them and to indicate who has them.

If the complaint has deficiencies, the Financial Arbitrator shall request the complainant to correct them, explaining in the request what the deficiencies are and how to correct them.

The Financial Arbitrator may, in justified cases, extend the time limit for correcting the deficiencies of the complaint by 15 days, at the request of the complainant and before the expiry of the time limit, even repeatedly.

Should the consumer fail to correct the deficiencies within the time limit and even after repeated requests, the Financial Arbitrator shall terminate the proceedings for insufficient assistance. A termination of proceedings for insufficient assistance does not constitute an impediment to the proceedings and the consumer may therefore refer the same claim to the Financial Arbitrator again.

If a consumer wishes to be legally represented in the proceedings before the Financial Arbitrator, it is sufficient to submit a written power of attorney with the complaint. The signatures on the power of attorney need not be officially certified.

#### *Section 11 of the Financial Arbitrator Act*

*The Financial Arbitrator shall, after the submission of the complaint, request the institution to submit its response to the complaint within 15 days. In justified cases, the Financial Arbitrator may, at the request of the institution and before the expiry of the time limit, extend the time limit by 15 days, even repeatedly.*

After the complainant has corrected the defects in the complaint which prevent the dispute from being heard, the Financial Arbitrator shall invite the institution against which the complaint is directed to provide a response to the complaint and to submit the necessary supporting documents.

At the same time, the Financial Arbitrator shall invite the institution to consider an amicable settlement of the dispute with the consumer and, where appropriate, to contact the consumer for that purpose.

It also applies to an institution in proceedings before a Financial Arbitrator that the Arbitrator may, in justified cases, extend the time limit by 15 days at the request of the institution and before its expiry, even repeatedly.

The Financial Arbitrator Act provides for time limits, the length of which cannot be changed by the Financial Arbitrator unless the institution itself requests an extension. The institution must request the extension before the expiry of the time limit and must duly justify its request.

A valid reason for extension of the time limit may be a more demanding collection of the required documents in view of the subject matter of the dispute and the scope of the request of the Financial Arbitrator, an ongoing negotiation with the complainant for an amicable settlement of the dispute or any other valid reason. Conversely, the number of pending disputes before the Financial Arbitrator, vacations or other absences of the institution's authorised staff, etc., cannot be accepted as a valid reason for extending the time limit.

Thus, the institution must request an extension of a time limit even if it is negotiating an amicable settlement with the complainant so that the Financial Arbitrator becomes aware of the ongoing negotiations. The Financial Arbitrator informs the institution already in the notification of commencement of the proceedings that if the institution is interested in an amicable settlement, it must provide evidence of it to the Financial Arbitrator. In that case, the institution does not have to submit an explanation, or the documents required.

#### *Section 12 of the Financial Arbitrator Act*

##### *Principles of proceedings*

- (1) The Arbitrator shall decide disputes based upon their best knowledge and belief, impartially, fairly, without undue delay and only on the basis of the facts established in accordance with this Act and other legislation.*
- (2) The Arbitrator shall order an oral hearing upon request of a party to the proceedings or on their own initiative.*
- (3) The Arbitrator shall not be bound by the complaint and shall procure evidence on their own. The Arbitrator shall make decisions based on the established facts of the case and shall weigh evidence in their discretion.*
- (5) In the course of the proceedings, the Arbitrator shall be entitled to request any and all evidence from the parties to support their assertions, including oral explanations.*
- (6) The institution shall, within 15 days,*
  - (a) submit any evidence required and attend an oral hearing on request of the Arbitrator,*



- (b) *comply with request of the Arbitrator for oral explanation and with request to submit documents concerning the subject matter of the dispute,*
- (c) *allow the Arbitrator to inspect its files and electronic records concerning the dispute at hand.*

The proceedings before the Financial Arbitrator are governed by the investigation principle.

Thus, the Financial Arbitrator is obliged to collect all relevant evidence in order to decide the dispute. The Financial Arbitrator is obliged to go even beyond the consumer's claim if she finds that the facts are different from those alleged by the complainant. She is also obliged to obtain all supporting documents which may contribute to a proper assessment of the dispute. For this purpose, the Financial Arbitrator may order an oral explanation by one of the parties to the dispute or a third party. She may also order an oral hearing in the presence of both parties to the dispute. The Financial Arbitrator is entitled to request relevant documents from the institution and execute a site investigation.

#### *Section 14 of the Financial Arbitrator Act*

##### *Termination of proceedings*

- (1) *The Arbitrator shall also terminate the proceedings by ruling if*
  - (a) *the Arbitrator has subsequently found the complaint inadmissible pursuant to Section 9,*
  - (b) *the complainant failed to provide assistance to the Arbitrator despite having been requested to; the complainant shall be given notice to this effect,*
  - (c) *the complainant has withdrawn their complaint,*
  - (d) *the complaint is manifestly unfounded or vexatious.*
- (2) *Should the resolution of the dispute by its legal or factual complexity seriously jeopardise the purpose of the proceedings before the Arbitrator, the Arbitrator may terminate the proceedings within 60 days since the commencement of proceedings, even should the complainant have been requested to amend the complaint in the meantime; the complainant shall be given notice to this effect. The deadline of 60 days shall be suspended from the day the Financial Arbitrator notified the complainant to amend their complaint. The deadline of 60 days shall also be suspended from the day of delivery of the request pursuant to Section 11 or Section 12 Art. 6 to the institution until the day the institution fulfils obligation imposed upon it in the referred request.*

The Financial Arbitrator will therefore terminate the proceedings if she is not competent to decide the case, the dispute has already been or is being resolved by a court or an arbitrator, or the dispute has already been resolved by the Financial Arbitrator.

#### *Section 15 of the Financial Arbitrator Act*

##### *Award*

- (1) *The Arbitrator shall decide the dispute in merits by an award without undue delay, but no later than within 90 days of the collection of all evidence necessary to deliver a decision; if, in particularly complicated cases, due to the nature of the dispute, the decision cannot be made even within this deadline, the deadline shall be reasonably extended, by no more than another 90 days. The Arbitrator shall notify the parties to the proceedings about the extension of the deadline and its length without delay.*

The Financial Arbitrator Act does not contain the calculation of time limits, the procedure of acquaintance with the collected evidence of the file prior to delivering a decision, the procedure of deciding on a stay of the proceedings or the termination of the proceedings in specific cases, or the consideration of late appeal and objections to the decision of the Financial Arbitrator. In such cases, the provisions of the Administrative Procedure Code shall apply as appropriate.

It is not uncommon for the Financial Arbitrator to repeatedly request the complainant and the financial institution to comment or to supplement the documents submitted in the proceedings, or to request documents or explanations from third parties, even after she acquainted the parties with the collected evidence of the file prior to delivering a decision.

The Financial Arbitrator continually assesses the collected evidence and if the consumer's claim is justified, she discusses the matter with the complainant or the financial institution or informs the

parties to the dispute of the preliminary legal assessment of the case and seeks to bring the parties to an amicable settlement.

If an amicable settlement cannot be reached in the proceedings, whether for reasons on the part of the complainant or the financial institution, or if the Financial Arbitrator does not terminate the proceedings due to the complainant's insufficient assistance or the existence of a legal impediment to the proceedings, the Financial Arbitrator shall issue a decision in merits in the form of an award.

The Financial Arbitrator is obliged to decide a dispute by an award without undue delay, but no later than 90 days from the collection of all evidence necessary to deliver a decision (not from the commencement of the proceedings). If, in particularly complicated cases and due to the nature of the dispute, the decision cannot be delivered even within this deadline, the deadline shall be reasonably extended by no more than another 90 days.

Before an award is issued, both parties to the dispute get acquainted with the collected evidence, either by inspecting the file personally or, when requested, by receiving the copies of the evidence by post, email or data box.

The process of collecting evidence includes amendments of a complaint by the complainant, requesting evidence from the financial institution or other natural or legal person addressed, assessment of the evidence in order to make a preliminary legal assessment of the case, notification of the preliminary legal assessment to the parties and providing assistance to the parties in negotiating an amicable settlement of the dispute.

The time limits for the issuance of a decision may therefore begin to run only after the parties have failed to bring the dispute to an amicable resolution and, at the same time, at the earliest from the moment when such materials are collected on the basis of which the case can be decided in such a way that the court, in any review of the decision of the Financial Arbitrator, will not substitute its decision based on the subsequently collected materials.

#### *Section 16 of the Financial Arbitrator Act*

##### *Objections*

- (1) *Within 15 days of the date of delivery of the written award or ruling the parties to the proceedings may file reasoned objections to the award or ruling. The parties may not waive their right to file objections. Timely filed objections shall have a suspensory effect.*
- (2) *By a decision on objections, the Arbitrator shall confirm or amend the award, or confirm, amend or repeal the ruling. The Arbitrator shall decide on the objections within 30 days of delivery thereof to the Arbitrator; in particularly complicated cases, the Arbitrator shall decide no later than within 60 days; if, due to the nature of the dispute, the decision cannot be made even within this deadline, the Arbitrator may reasonably extend it.*
- (4) *The decision on objections shall be final.*

The parties to the proceedings may file reasoned objections to the award in writing. The Financial Arbitrator decides on the objections as well. The decision on objections is final, thus it is not possible to appeal against it and the decision comes into legal force.

#### *Section 17 of the Financial Arbitrator Act*

##### *Legal force and enforceability of the award*

- (1) *A delivered award which can no longer be contested by objections shall be in legal force.*
- (2) *The award shall be judicially enforceable pursuant to the Civil Procedure Code as soon as the deadline to comply with it has expired.*
- (3) *If there is no deadline to comply with the award specified therein, the award shall be enforceable as soon as it comes into legal force.*

The Financial Arbitrator's final decision is enforceable as soon as the time limit to comply with it expires and it has the same effects as a court decision. If the financial institution fails to comply with the decision voluntarily, the complainant may file an application for an enforcement of the decision.

Both parties to the proceedings may file an action for a judicial review of the decision on objections in a competent court, according to the Part V of the Act No. 99/1963 Coll., Civil Procedure Code, as amended. Only the complainant and the financial institution are parties to the court proceedings and bear the costs of the court proceedings as determined by the court.

*Section 17a of the Financial Arbitrator Act*

*In an award by which the Arbitrator, even partially, upholds the complainant's complaint, the Arbitrator shall also impose an obligation on the institution to pay a penalty of 10% of the amount which the institution is, pursuant to the award, obliged to pay to the complainant, at least CZK 15,000. The payment of CZK 15,000 shall also be imposed where there is a non-pecuniary subject of the dispute. The penalty shall be the income of the state budget.*

*Section 18 of the Financial Arbitrator Act*

*Costs of the proceedings*

- (1) Each party to the proceedings shall bear its own costs of the proceedings, except for the costs of interpretation pursuant to Section 13, which shall be borne by the institution.*
- (2) The proceedings shall not be subject to a fee.*

*Section 23 of the Financial Arbitrator Act*

*Fines*

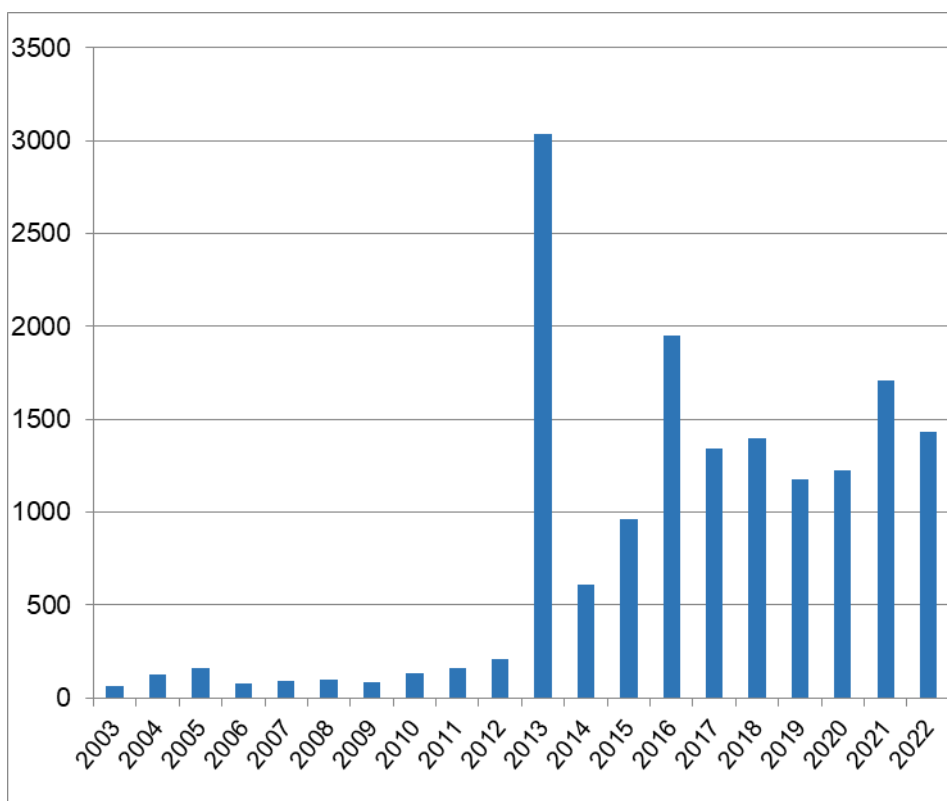
- (1) The Arbitrator may decide to impose a fine of up to CZK 100,000 on the institution, should it impede Arbitrator's action in the proceedings by...*
- (2) The Arbitrator may decide to impose a fine of up to CZK 50,000 on a natural or legal person, should the person impede Arbitrator's action in the proceedings by...*

#### IV. SUMMARY OF THE FINANCIAL ARBITRATOR'S DECISION-MAKING ACTIVITY

In 2022, a total of 1,427 new proceedings were commenced before the Financial Arbitrator, with a total of 2,525 disputes heard by the Financial Arbitrator during this period. The Financial Arbitrator also handled over 5,000 telephone and inquiries from the public concerning the Financial Arbitrator's competence or an individual consumer dispute.

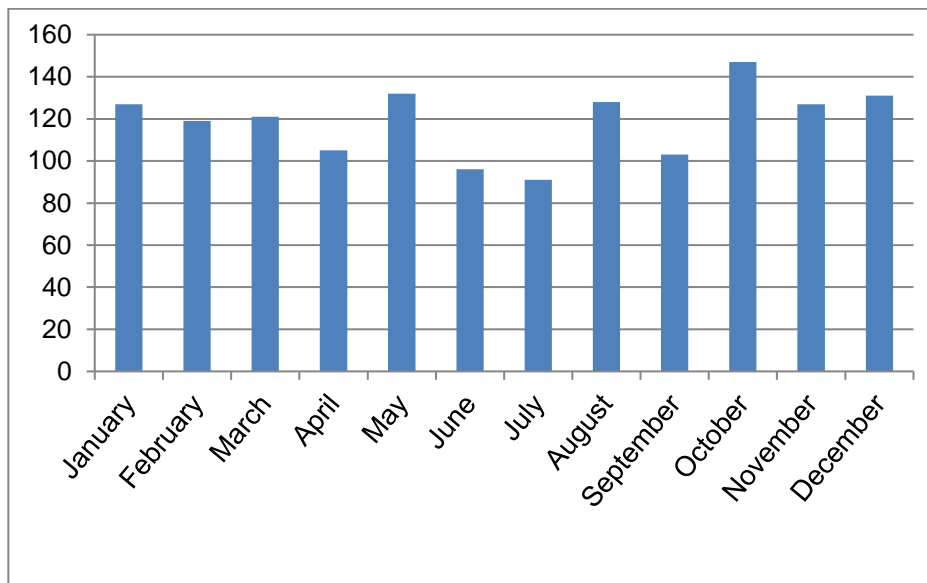
##### Number of proceedings commenced in each year since the establishment of the Financial Arbitrator (2003-2022)

Year	Number
2003	66
2004	128
2005	160
2006	77
2007	92
2008	99
2009	84
2010	134
2011	163
2012	210
2013	3,037
2014	612
2015	964
2016	1,948
2017	1,344
2018	1,401
2019	1,178
2020	1,228
2021	1,709
2022	1,427



##### Number of proceedings commenced in each month of 2022

Month	Number
January	127
February	119
March	121
April	105
May	132
June	96
July	91
August	128
September	103
October	147
November	127
December	131

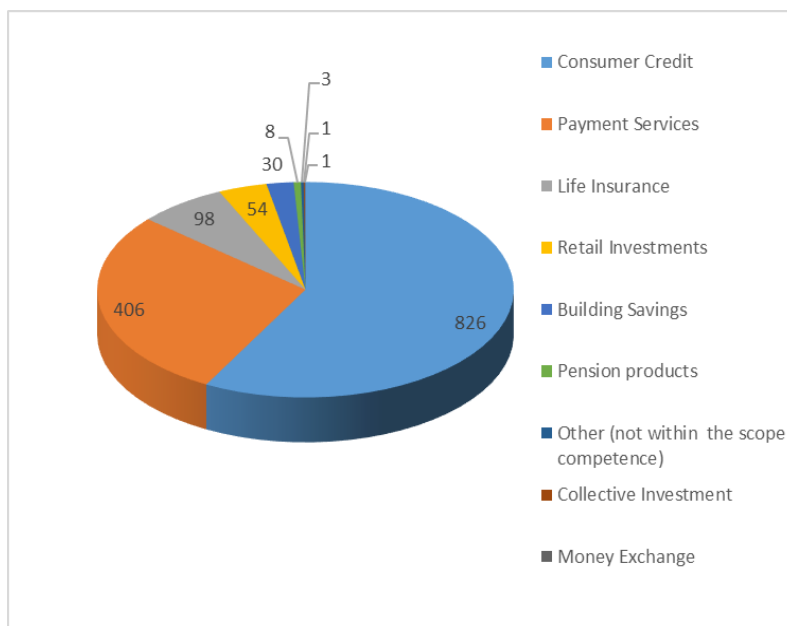


As of 31 May 2023, 848 new proceedings have already been commenced, which is 40% more than the number of proceedings commenced in the same period of 2022 (604).

Consumer credit disputes accounted for the largest number of complaints received in 2022, although the number of complaints decreased compared to the previous period. Meanwhile, the lowest number of disputes was from money exchange and collective investment.

### The proceedings commenced in 2022 divided into specific areas

Area	Number
Consumer Credit	826
Payment Services	406
Life Insurance	98
Retail Investments	54
Building Savings	30
Pension products	8
Other (not within the scope competence)	3
Collective Investment	1
Money Exchange	1
Total	1,427



In addition to the proceedings commenced in 2022, there were another 1,098 proceedings ongoing (commenced in the previous periods).

The ongoing proceedings include proceedings which have been suspended for legal reasons (pending insolvency proceedings of the financial institution or of the complainant) or at the complainant's request (pending judicial review of another decision of the Financial Arbitrator in a similar case); proceedings in which the complainant is amending the complaint and requests the deadline to be extended; and also proceedings in which the collecting of evidence, negotiations for an amicable settlement of the dispute, preparation of a decision or proceedings on objections are in progress.

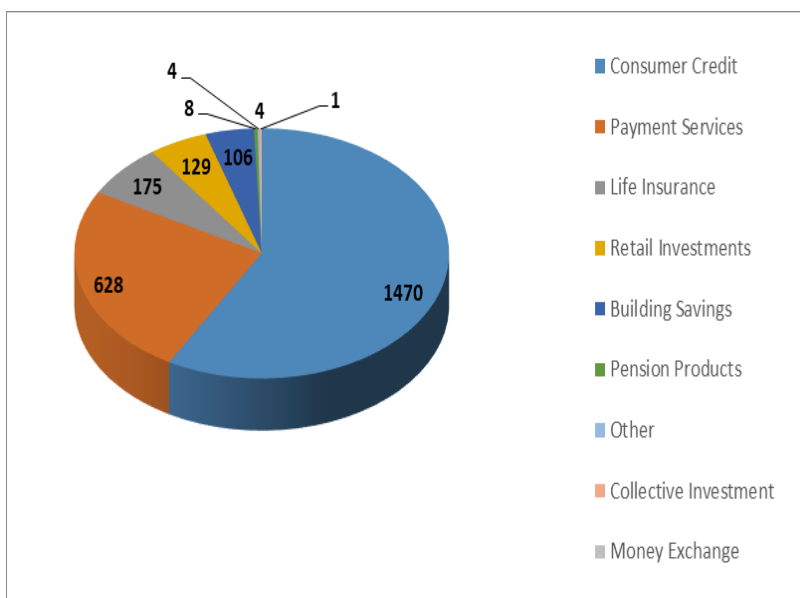
Ongoing proceedings are proceedings which have not yet reached a final conclusion because:

- a gathering of evidence for a decision on the dispute is still in progress (the consumer is correcting deficiencies of the complaint, or the institution or a third party has not yet submitted all the evidence that the Financial Arbitrator has asked them to submit);
- the Financial Arbitrator informs the parties to the dispute of the preliminary legal assessment so that each party can consider whether it is willing to resolve the dispute amicably or, in the case of a consumer, to withdraw from the dispute;
- the negotiations are being held on an amicable settlement of the dispute, especially on the terms of such settlement and a corresponding settlement agreement, or the time limits agreed in the settlement agreement for the payment of the consideration and for the subsequent withdrawal of the complaint are still running;
- a time limit for the issuance of a decision is still running, which means that the Financial Arbitrator is still processing of the collected documents so that she could issue an award or decision on objections;
- an award has been issued but the proceedings on objections procedure are in progress;
- a decision has been made but it has not yet been served on both parties;
- the proceedings have been stayed by a stay order;

- at the request of the consumer, the proceedings are to be continued pending the decision of the general courts in disputes with a similar subject matter;
- at the request of the institution with the consumer's consent, the proceedings are to be continued pending the decision of the general courts in disputes with a similar subject matter.

**All ongoing proceedings in 2022 divided into specific areas including the disputes from previous periods**

Area	Number
Consumer Credit	1,470
Payment Services	628
Life Insurance	175
Retail Investments	129
Building Savings	106
Pension Products	8
Other	4
Collective Investment	4
Money Exchange	1
Total	2,525



**Consumer Credit**

In the area of consumer credit, 826 proceedings were commenced in 2022 and in total, the Financial Arbitrator handled 1,470 consumer credit disputes.

The most frequent type of consumer credit disputes were disputes concerning the assessment of a validity of a credit agreement due to violation of duty to assess with professional care the creditworthiness of the debtor prior to the conclusion of the credit agreement (about 60%).

In this type of disputes, the Financial Arbitrator draws on the decision-making practice of the general courts, as the courts have already reviewed the decisions of the Financial Arbitrator and confirmed the decisions in which she assessed the credit agreements as invalid and ordered the credit providers to make restitution for the unjust enrichment exceeding the paid principal amounts of the credits.

The second most frequent type of consumer credit disputes were disputes arising from early repayment of a credit – usually mortgage credit (almost 14%).

In most cases, these were contracts concluded during the effective period of Act No. 257/2016 Coll., on Consumer Credit, as amended.

In a dispute over the amount of the costs reasonably incurred in connection with the early repayment of the credit, the consumer may seek reimbursement of the difference between the early repayment fee already paid and the reasonable costs to which the credit provider is entitled. The consumer may also seek a correct calculation of the amount needed to repay the consumer credit early, including the early repayment fee corresponding to the provider's reasonable costs incurred in connection with the early repayment of the credit. These disputes are new and have not yet been decided by the general courts.

In disputes over the amount of reasonable costs incurred in connection with the early repayment of the credit, the Financial Arbitrator held that the credit provider was only entitled to the reasonable administrative costs, as duly agreed. Thus, in the proceedings, the consumer could seek reimbursement of the difference between the early repayment fee already paid and the reasonable

costs to which the credit provider is entitled. They could also seek a correct calculation of the amount needed to repay the consumer credit early, including the early repayment fee corresponding to the provider's reasonable costs incurred in connection with the early repayment of the credit.

In disputes concerning the early repayment fee in cases where the previous legislation was applicable, the Financial Arbitrator ruled on the validity of the arrangement of this fee as regards its certainty and the conformity of its amount with good morals.

This type of disputes started to be resolved by the Financial Arbitrator as early as 2021. Vast majority of these proceedings was concluded in the period of 2021-2022. In all justified cases, the disputes were amicably resolved, and the parties usually concluded settlement agreements in which they agreed on an acceptable amount of reasonably incurred early repayment costs (the amount of the costs ranged from 0 to a few Czech crowns, with a maximum of low tens of thousands of Czech crowns).

Other frequent disputes were disputes over the determination of the amount of a debt under a credit agreement when the amount of the agreed remuneration (or interests) was contrary to good morals.

The entries in the registers of debtors also remain a subject of disputes, with consumers approaching the Financial Arbitrator with requests to review whether credit providers have legitimately shared information about their liabilities in the registers.

Other disputes include damages for unprofessional credit mediation or for a failure to provide credit to a credit applicant, and the determination of the amount of a fee for failure to draw a granted credit or its validity. It appears from the number of disputes resolved and questions raised that these disputes will be brought before the Financial Arbitrator more frequently in the near future.

### ***Payment Services (payment transactions, electronic money, non-payment accounts, time deposits)***

In the area of payment services, 406 proceedings were commenced in 2022, which is an increase of 96% year-on-year, with a total of 628 ongoing proceedings.

The most frequent type of payment services disputes remain disputes arising from unauthorised payment transactions, usually in connection with the use of payment instruments such as internet banking or credit card.

The most frequent type of payment disputes remain disputes arising from the provision of payment services by banks and within them disputes arising from unauthorised payment transactions, usually in connection with the misuse of payment means (phishing, vishing) such as internet/mobile banking, payment card or application in the consumer's electronic device intended for controlling the account, or also disputes arising from authorised payment transactions made by consumers as a result of being misled by a third party when selling goods on advertising portals or by a person claiming to be a bank employee in a telephone call, etc. (almost 50%).

In these cases, the Financial Arbitrator must always assess who is responsible for the unauthorised payment transactions, i.e., whether or not the authorisation of the payment transactions was carried out between the consumer and the bank in the agreed manner, or whether the bank properly allowed the consumer to block the unauthorised payment transactions in progress. The value of these disputes reached hundreds of thousands of Czech crowns in individual cases, as consumers usually lost all the funds in their payment accounts in the attack.

In some cases, the attacker, who had access to the consumer's payment means, even arranged with the bank to provide a non-purpose consumer loan worth hundreds of thousands of Czech crowns. In such cases, the Financial Arbitrator must assess the validity of the credit agreement, in particular as regards the assessment of the consumer's creditworthiness prior to its conclusion.

In terms of the complexity of gathering the necessary evidence for the decision, these are the most complex disputes that the Financial Arbitrator deals with. In order to make a proper assessment, outputs from the bank's information system, recordings, outputs from mobile devices, etc. are needed. The Financial Arbitrator has therefore had to or will have to use the right to access the information systems of various payment service providers in order to ensure that there is a reliable basis for her decision.



Other frequent disputes were disputes over the improper execution of a payment transaction, particularly when an ATM was used for the operation, e.g., disputes over the amount of cash deposited into an ATM, where complainant claims that the amount they deposited was higher than the amount credited to their account by the payment service provider, or disputes over the amount of cash withdrawn from an ATM, where the complainant claims that they received a different (lower) amount than they requested or that the payment service provider debited their account with a different (higher) amount than they actually withdrew.

In these disputes, the Financial Arbitrator must assess the output of the banks' information systems as well as the output of the individual ATMs, including the performance of test deposits or withdrawals, in order to provide a credible basis for her decision.

This category also includes disputes over the accuracy of a transfer of funds abroad involving currency exchange or the charging of fees by the correspondent banks through which the transfers abroad are made.

Chargeback disputes formed a large group as well, with consumers seeking refunds through their payment service providers for money paid for services not provided or goods not delivered, most often for missed flights, cancelled foreign holidays or investments in cryptocurrencies.

Disputes arising from payment services are very diverse, require the examination of many documents, not only contractual documentation, but also outputs from various information systems of payment service providers as well as documents from third parties, and are therefore among the most complex in terms of proper fact-finding.

### ***Life Insurance***

In the area of life insurance, 98 proceedings were commenced in 2022, which is a slight decrease compared to the previous year. At the same time, the Financial Arbitrator had to terminate almost 40% of the commenced proceedings as she found out that the disputes did not concern life insurance, but a non-life insurance (most often it was insurance against accident, sickness or incapacity for work).

The most frequent type of life insurance disputes were disputes for reimbursement of insurance premiums paid by the consumers under the investment life insurance contracts to the insurance companies. According to their claims, the consumers were not interested in investment life insurance but were interested in savings, and the insurance intermediary or the insurance company misled them when concluding the insurance contract about the nature and the expensiveness of the product. They also objected various flaws in the insurance contracts and contractual documentation for which the insurance contracts should have been invalid.

Another large group of disputes are disputes over the amount of insurance proceeds upon reaching the end of the insurance period of so-called endowment life insurance, where consumers seek payment of the return modelled by insurance intermediaries prior to the conclusion of insurance contracts, which the insurance companies did not actually achieve.

### ***Pension Products***

In the area of disputes arising from pension products, which have only been entrusted to the Financial Arbitrator since 1 May 2022, a total of 8 proceedings have been commenced and conducted.

The most frequent type of pension products disputes were disputes for damages from supplementary pension savings. Consumers have sought damages from pension companies in relation to a fall in the value of contributions, due to incorrect information provided by a pension company representative about the crediting of state contributions or the need to pay withholding tax on income before a lump sum payment is made, due to the pension company's representative's misconduct in completing the application for payment of the pension. One consumer sought compensation from a supplementary pension savings intermediary which did not allow the consumer to conclude a supplementary pension savings online with the pension company and thus did not pay the consumer the financial bonus it offered for concluding the supplementary pension savings online.

The consumers also sought a declaration that the supplementary pension savings agreement was invalid, a refund of the contributions which had been paid on account of a mistake about the conditions for crediting state contributions, payment of the redundancy payment under the supplementary pension savings agreement, payment of the lump-sum compensation or a declaration that the pension payment agreement, which the consumer had concluded with the pension company in error about the number and amount of pension payments induced by the pension company's representative, was invalid.

One of the disputes concerned a payment of a lump-sum compensation from a supplementary pension contract with a state contribution, which was claimed by the heir of the beneficiary of the contract.

### ***Retail Investments***

In the area of collective investment and provision of investment services, 55 proceedings were commenced in 2022, with a total of 129 ongoing proceedings.

The number of disputes in the area of collective investment and investment services (so-called retail investments) was lower compared to other areas of the Financial Arbitrator's competence, however, these disputes are factually more complex as the subjects of individual disputes vary considerably and as their assessment affects many areas of the financial market.

Investment services are often provided remotely in the Czech Republic by foreign persons (with or without the authorisation of the competent supervisory authority), who need to be properly served with the proceeding's documentation, which is often problematic. In some cases, the legal relations are also governed by foreign law.

Retail investment disputes range from disputes over the amount of the entry fee for the intermediation of an investment in a collective investment product, wrong investment recommendations provided by investment intermediaries or providers to invest in high-risk financial products, misselling of financial products or damages for breach of the information duties during their distribution, to disputes for damages for the investment loss suffered by the consumer.

### ***Building Savings***

In the area of building savings, 30 proceedings were commenced in 2022, with a total of 109 ongoing proceedings.

The most frequent type of building savings disputes were disputes concerning the validity of a unilateral termination of a contract on building savings by the building savings bank.

Other frequent disputes concerned the validity of a unilateral reduction of the interest rate on building savings deposits, the management of the building savings account, particularly the amount of the fee for such management, the amount of the state support paid out, or the amount of the interest rate on the building savings deposits.

### ***Money Exchange***

In the area of money exchange, there was only 1 proceeding commenced in the period under review.

After 1 April 2019, when the amendment to the Act on Currency Exchange came into force, which regulates the customer's right to withdraw from an exchange transaction or a part of it, the number of new disputes decreased significantly.

In about two dozen cases, the Financial Arbitrator responded to submissions from foreign consumers by referring them to the withdrawal rules and the rules of proceedings before the Financial Arbitrator, in particular the qualified filing of a complaint, which these inquirers subsequently failed to do.

### ***Collective investment***

In the period under review, only 1 collective investment dispute was initiated, with a total of 4 proceedings pending.

### ***Disputes outside the scope of competence of the Financial Arbitrator***

In 2022, the Financial Arbitrator received 3 complaints in which the subject matter of the dispute obviously did not fall within the Financial Arbitrator's competence, as they were disputes with telecommunications service providers.

Hundreds of consumers have approached the Financial Arbitrator with similar disputes outside the Financial Arbitrator's competence, either in the form of written or telephone inquiries in the period under review. The Financial Arbitrator provided each consumer with a proper explanation and a link to the relevant out-of-court dispute resolution body with contacts.

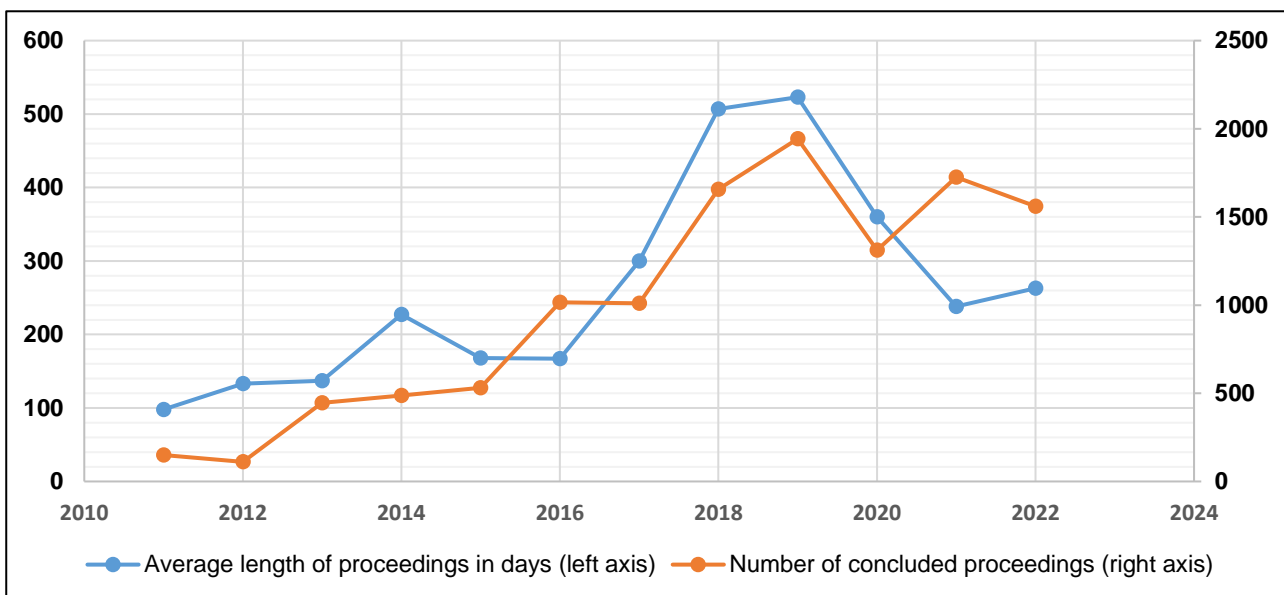
### ***Length of proceedings in 2022***

Some disputes end amicably within weeks of the commencement of the proceedings, while other more complex disputes last for more than 2 years. The usual length of the entire proceedings (i.e., the procedure on the complaint, amending of the complaint on the part of the complainant, securing of documents from the financial institution and other natural or legal persons addressed, preliminary legal assessment of the case, coordination of the amicable settlement of the dispute, the procedure on objections) is approximately 10 months.

The average length of proceedings concluded in 2022 was 263 days from the commencement of the proceedings to the moment when the decision terminating the proceedings came into force. The average length of proceedings commenced and concluded in 2022 was 104 days on average.

The methodology used to calculate the average length of proceedings also does not take into account the period of suspension of proceedings, which leads to a factual increase.

### **Average length and number of proceedings concluded in 2011-2022**



## Length of the proceedings finally concluded in 2022 by area

Area	Number of finally concluded proceedings (2022)	Average length of proceedings in days (2022)	Number of finally concluded proceedings (2021)	Average length of proceedings in days (2021)	Number of finally concluded proceedings 2022/2021	Average length of proceedings 2022/2021
Consumer Credit	1,032	172	1243	211	-17%	-18%
Life Insurance	130	297	187	401	-30%	-26%
Payment Services	243	225	200	226	+22%	-0,4%
Building Savings	88	1,262	40	295	+120%	+328%
Retail Investments	67	411	43	347	+56%	+18%
Money Exchange	1	172	3	497	-67%	-65%
Collective Investment	2	1,159	1	423	+50%	+174%
Pension Products	2	90	0	0		
Other	3	30	8	40	-63%	-25%
<b>Total</b>	<b>1,568</b>	<b>263</b>	<b>1,725</b>	<b>238</b>	<b>-9%</b>	<b>+11%</b>

The Financial Arbitrator was quickest to resolve disputes arising from consumer credit (average length 172 days), money exchange (172 days) and payment services (225 days). In contrast, disputes arising from retail investment services (411 days) and life insurance (397 days) took longer than average to resolve. The longest average resolution periods were for collective investment disputes (1,159 days) and money exchange disputes (1,262 days), but as explained below, the average length of proceedings in life insurance, collective investment and building savings disputes was influenced by circumstances existing outside these proceedings.

The average length of proceedings on building savings disputes in 2022 was influenced by the completion of 56 proceedings initiated in 2016-2018, in which consumers requested a stay of the proceedings until the final decision of judicial reviews, in which the general courts and finally the Supreme Court and the Constitutional Court decided on extraordinary appeals and constitutional complaints. As the review proceedings were in favour of the Financial Arbitrator's decision, the building savings bank and the consumers settled the pending disputes amicably.

The average length of life insurance disputes in 2022 was affected by the conclusion of 11 proceedings initiated in 2015-2018 in which consumers and insurers requested a delay in decision pending final resolution of judicial reviews in which the general courts decided on extraordinary appeals and constitutional complaints. As the review proceedings turned out in favour of the decision of the Financial Arbitrator, the life insurance company and the consumers settled the pending disputes.

The average length of a collective investment dispute in 2022 was affected by the termination of 1 case initiated in 2016, in which the Financial Arbitrator stayed the proceedings pending a final decision of the court that decided the claim for return of assets to the mutual funds. This decision was relevant to the proceedings before the Financial Arbitrator. Because the courts had ruled in all instances, the Financial Arbitrator awaited the final decision.

In 2022 alone, a total of 1,427 proceedings were initiated, of which the Financial Arbitrator managed to successfully conclude a total of 818 proceedings. The average length of proceedings initiated and concluded in 2022 was 104 days, just under four months.

Thus, the Financial Arbitrator has been successful in speeding up the proceedings. It is a fact that the Financial Arbitrator is gradually dealing with the burden of the past years and closing long-term cases, which then distort the results of the average length of proceedings.

Consumers themselves also influence the length of proceedings by failing to submit errorless complaints that do not need to be amended or supplemented and by extending the time limits for submitting documents or statements.

The same applies to the financial institutions which often ask for extensions of the 15-day time limit, even repeatedly. The Financial Arbitrator will extend the time limit if there are reasons to do so, in particular in complex proceedings where a large number of different documents need to be obtained and subsequently assessed.

Moreover, it should be taken into account that in the case of an amicable settlement of a dispute, the dispute is effectively resolved once the consumer and the financial institution have agreed to a settlement. It is followed by a formal process of concluding a settlement agreement, a fulfilment of the settlement agreement, and only then by the ruling on termination of the proceedings and its entry into force, which sometimes takes place after a delay of a month or more.

For illustration, the Financial Arbitrator provides examples of the possible length of proceedings in different cases below, where the consumer is also referred to as C (the complainant) and the financial institution against which the claim is directed as I (the institution):

#### **Errorless complaint and sufficient assistance from the institution**

Filing of the COMPLAINT (F)	+ 10-30 days of processing of the complaint according to its content and the documents submitted
Notification to C and I, request for I to provide explanation	+ 15 days for I (the time limit does not run for the C)
Processing of collected evidence	+ 10-30 days
Summons for C and I to get acquainted with the collected evidence	+ 90 days for award (including 12 days for delivery + 10 days for the deadline)
AWARD in total	F + 125-165 days
Delivery of the award	+ 12 days (delivery) + 15 days (time limit for objections)
Filing of the OBJECTIONS	+ 60 days for the decision
DECISION ON OBJECTIONS in total	F + 212-252 days

#### **Complaint with deficiencies and sufficient assistance from the institution**

Filing of the COMPLAINT (F)	+ 10-30 days of processing of the complaint according to its content and the documents submitted
Notification to C and request to correct the deficiencies	+ 12 days (delivery) + 15 days (time limit)
Processing of evidence collected from C	+ 10-30 days
Notification to I and request to provide explanation	+ 15 days
Processing of evidence collected from I	+ 10-30 days
Summons for C and I to get acquainted with the collected evidence	+ 90 days for award (including 12 days for delivery + 10 days for the deadline)
AWARD in total	F + 125-165 days
Delivery of the award	+ 12 days (delivery) + 15 days (time limit for objections)
Filing of the OBJECTIONS	+ 60 days for the decision
DECISION ON OBJECTIONS in total	F + 249-289 days

**Legally anticipated acts in the proceedings, repeated requests to the petitioner and the institution**

Filing of the COMPLAINT (F)	+ 10-30 days of processing
Notification to C and request to correct the deficiencies	+ 12 days (delivery) + 15 days (time limit)
Processing of evidence collected from C	+ 2 days in case N submits it to the post office on the last day of the time limit, a reserve
Repeated request to C	+ 12 days + 15 days
Processing of evidence collected from C	+ 10-30 days
Notification to I and request to provide explanation	+ 15 days
Processing of evidence collected from I	+ 2 days reserve, sometimes I sends documents by post
Repeated request to I	+ 15 days
Processing of collected evidence	+ 10-30 days
Request to a third party	+ 12 days (delivery) + 15 days (time limit)
Processing of collected evidence	+ 10-30 days
Request to provide oral explanation	+ 12 days (delivery) + 10 days
Processing of collected evidence	+ 10-30 days
Summons for C and I to get acquainted with the collected evidence	+ 90 days for award (including 12 days for delivery + 10 days for the deadline)
AWARD in total	F + 277-377 days
Delivery of the award	+ 12 days (delivery) + 15 days (time limit for objections)
Filing of the OBJECTIONS	+ 60 days for the decision
DECISION ON OBJECTIONS in total	F + 364-464 days

- the time limits set by the Financial Arbitrator Act are 15 calendar days;
- delivery to C by a postal service provider may take 12 days (from the day of filing to the day of delivery 2 days + 10 days for deposit at the post office);
- delivery to I via data boxes may occur up to the 10th day after delivery to the data box;
- the summons to a hearing or to provide an oral explanation must be served to the party 10 days in advance;
- the time limit for issuing the award is 90 days from the collection of all evidence necessary to deliver a decision; the time limit for deciding on the objections is 60 days and it does not stop while the other party's time limit for provide comments on the objections is running; it is generally unrealistic to decide within 30 days from the filing of the objections;
- only calendar days are counted in the summary, so the length of the proceedings may be extended if the time limit imposed ends on a rest day, if the 2 days for processing also fall on rest days, etc.

For illustration, the Financial Arbitrator provides examples of the actual length of proceedings from the Financial Arbitrator's decision-making practice, where the consumer is also referred to as C (the complainant) and the financial institution against which the claim is directed as I (the institution):

*FA/SR/SU/xxx/2022*

In the proceedings before the Financial Arbitrator, the Complainant sought a correct calculation of a fee for a full early repayment of a mortgage credit, on which they were to pay the bank the sum of CZK 21,000. The Complainant demanded the bank to refund the portion of the fee to which it was not entitled, as it was only entitled to the reasonable administrative costs incurred in connection with the early repayment of the credit.

Act	Date of the act	Brief content / Subject matter	Reg. No.
1	11.01.2022	Complaint	FA/SR/SU/ xxx /2022 – 1
2	15.12.2021	Pre-filing enquiry on competence	FA/SR/SU/ xxx /2022 – 2
3	12.01.2022	FA_SR_SU_ xxx _2022_ notification of commencement of the proceedings to C and request to correct the deficiencies of the complaint	FA/SR/SU/ xxx /2022 – 3
4	12.01.2022	FA_SR_SU_ xxx _2022_ notification of commencement of the proceedings to I and a request to provide explanation	FA/SR/SU/ xxx /2022 – 4
5	18.01.2022	Submission of evidence from I	FA/SR/SU/ xxx /2022 – 5
6	25.01.2022	Withdrawal of the complaint	FA/SR/SU/ xxx /2022 – 6
7	25.01.2022	FA_SR_SU_ xxx _2022_ ruling on termination of the proceedings	FA/SR/SU/ xxx /2022 – 7

- The total length of the proceedings was 37 days.
- The Financial Arbitrator requested the Complainant to correct the deficiencies and the Institution to provide explanation and to submit supporting documents.
- The Institution reported that an amicable settlement had been reached with the Complainant and the Complainant withdrew the complaint.
- The ruling on termination of the proceedings came into force on 17 February 2022.

#### *FA/SR/SU/xxx/2022*

The complainant sought a declaration that the consumer credit agreement was invalid because the company had failed to properly assess the debtor's creditworthiness before entering into the contract.

Act	Date of the act	Brief content / Subject matter	Reg. No.
1	04.02.2022	Complaint	FA/SR/SU/xxx/2022 – 1
2	11.02.2022	FA_SR_SU_ xxx _2022_ notification of commencement of the proceedings to C	FA/SR/SU/ xxx /2022 – 2
3	11.02.2022	FA_SR_SU_ xxx _2022_ notification of commencement of the proceedings to I and request to provide explanation	FA/SR/SU/ xxx /2022 – 3
4	22.02.2022	Submission of evidence from I	FA/SR/SU/ xxx /2022 – 4
5	23.02.2022	FA_SR_SU_ xxx _2022_ request to C to withdraw the complaint	FA/SR/SU/318/2022 – 5
6	03.03.2022	Withdrawal of the complaint	FA/SR/SU/ xxx /2022 – 6
7	03.03.2022	FA_SR_SU_ xxx _2022_ ruling on termination of the proceedings	FA/SR/SU/ xxx /2022 – 7

- The total length of the proceedings was 48 days.
- The Financial Arbitrator requested the Complainant to correct the deficiencies and the Institution to provide explanation and to submit supporting documents.
- The Institution reported that a settlement agreement had been concluded so the Financial Arbitrator requested the Complainant to withdraw the complaint.
- The ruling on termination of the proceedings came into force on 24 March 2022.

#### *FA/SR/SU/xxxx/2022*

The Complainant sought a review of a validity of a consumer credit agreement and a restitution for the Institution's unjust enrichment in the amount of CZK 26,000 for the immorality of the agreed remuneration and the failure to assess creditworthiness before concluding the contract. This proceeding was conducted including an objection procedure and will be subject to review by a court, so it was necessary to go through all the phases.



Act	Date of the act	Brief content / Subject matter	Reg. No.
1	30.09.2022	Complaint	FA/SR/SU/xxxx/2022 – 1
2	03.10.2022	FA_SR_SU_ xxxx _2022_ notification of commencement of the proceedings to C and request to correct the deficiencies of the complaint	FA/SR/SU/xxxx/2022 – 2
3	03.10.2022	FA_SR_SU_ xxxx _2022_ information to C that the proceedings are free of charge since they were represented by an attorney	FA/SR/SU/xxxx/2022 – 3
4	06.10.2022	Submission of evidence from C	FA/SR/SU/xxxx/2022 – 4
5	11.10.2022	FA_SR_SU_ xxxx _2022_ notification of commencement of the proceedings to I and request to provide explanation	FA/SR/SU/xxxx/2022 – 5
6	27.10.2022	Request to extend time limit from I	FA/SR/SU/xxxx/2022 – 6
7	31.10.2022	FA_SR_SU_ xxxx _2022_ notice of extension of time limit to I	FA/SR/SU/xxxx/2022 – 7
8	11.11.2022	Submission of evidence from I	FA/SR/SU/xxxx/2022 – 8
9	07.12.2022	FA_SR_SU_ xxxx _2022_ request to I to submit its response to a preliminary legal assessment of the dispute	FA/SR/SU/xxxx/2022 – 9
10	22.12.2022	Request to extend time limit from I	FA/SR/SU/xxxx/2022 – 10
11	23.12.2022	FA_SR_SU_ xxxx _2022_ notice of extension of time limit to I	FA/SR/SU/xxxx/2022 – 11
12	06.01.2023	Submission of evidence from I	FA/SR/SU/xxxx/2022 – 12
13	16.01.2023	FA_SR_SU_ xxxx _2022_ communication to C about the reviewability of the decision of the Financial Arbitrator by the court	FA/SR/SU/xxxx/2022 – 13
14	16.01.2023	FA_SR_SU_ xxxx _2022_ summons for I to get acquainted with the collected evidence	FA/SR/SU/xxxx/2022 – 14
15	16.01.2023	FA_SR_SU_ xxxx _2022_ summons for C to get acquainted with the collected evidence	FA/SR/SU/xxxx/2022 – 15
16	17.01.2023	Submission of evidence from C	FA/SR/SU/xxxx/2022 – 16
17	17.01.2023	FA_SR_SU_ xxxx _2022_ sending of collected evidence to C after the summons to get acquainted with it	FA/SR/SU/xxxx/2022 – 17
18	20.01.2023	Submission of evidence from C	FA/SR/SU/xxxx/2022 – 18
19	27.01.2023	Request from I for a copy of the file documentation	FA/SR/SU/xxxx/2022 – 19
20	27.01.2023	FA_SR_SU_ xxxx _2022_ sending of collected evidence to I after the summons to get acquainted with it	FA/SR/SU/xxxx/2022 – 20
21	14.02.2023	FA_SR_SU_ xxxx _2022_ award	FA/SR/SU/xxxx/2022 – 21
22	01.03.2023	Objections filed by I	FA/SR/SU/xxxx/2022 – 22
23	02.03.2023	FA_SR_SU_ xxxx _2022_ request to C to submit their response to the objections	FA/SR/SU/xxxx/2022 – 23
24	14.03.2023	Submission of response by C	FA/SR/SU/xxxx/2022 – 24
25	30.03.2023	FA_SR_SU_ xxxx _2022_ decision	FA/SR/SU/xxxx/2022 – 25

		on objections	
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- The total length of the proceedings was 182 days.
- The evidence was collected after 108 days from the commencement of the proceedings (the parties were invited to get acquainted with the collected evidence on 31 January 2023, but both of them requested the copies of it to be sent to them).
- The award was issued after 137 days from the commencement of the proceedings (18 days after the parties got acquainted with the collected evidence).
- The Institution filed its objections within 15 days of receipt of the award (on 1 March 2023). The Complainant was requested to submit response to the objections on 2 March 2023, and they did so on 14 March 2023.
- The Financial Arbitrator ruled on the objections on 30 March 2023, i.e., within 30 days of the filing of the objections and within 6 days of the Complainant's response to the objections.
- The decision came into force on 31 March 2023.

*FA/SR/PP/xxxx/2022*

The Complainant sought payment from the Institution of approximately CZK 750,000. The Complainant claimed that they were a legal successor of a deceased person who was entitled to a lump sum payment under the supplementary pension contract. There was no reason for the settlement, nor did it take place, and the Financial Arbitrator had to reject the claim, including in the objection procedure.

Act	Date of the act	Brief content / Subject matter	Reg. No.
1	14.11.2022	Complaint	FA/SR/PP/xxxx/2022 – 1
2	16.11.2022	FA_SR_PP_xxxx_2022_ notification of commencement of the proceedings to C and request to correct the deficiencies of the complaint	FA/SR/PP/ xxxx /2022 – 2
3	16.11.2022	FA_SR_PP_xxxx_2022_ information to C that the proceedings are free of charge since they were represented by an attorney	FA/SR/PP/ xxxx /2022 – 3
4	22.11.2022	Submission of evidence from C	FA/SR/PP/ xxxx /2022 – 4
5	22.11.2022	FA_SR_PP_xxxx_2022_ notification of commencement of the proceedings to I and request to provide explanation	FA/SR/PP/ xxxx /2022 – 5
6	06.12.2022	Request to extend time limit from I	FA/SR/PP/ xxxx /2022 – 6
7	06.12.2022	FA_SR_PP_xxxx_2022_ notice of extension of time limit to I	FA/SR/PP/ xxxx /2022 – 7
8	23.12.2022	Submission of evidence from I	FA/SR/PP/ xxxx /2022 – 8
9	02.01.2023	FA_SR_PP_xxxx_2022_ request to I to provide documentation	FA/SR/PP/ xxxx /2022 – 9
10	16.01.2023	Request to extend time limit from I	FA/SR/PP/ xxxx /2022 – 10
11	16.01.2023	FA_SR_PP_xxxx_2022_ notice of extension of time limit to I	FA/SR/PP/ xxxx /2022 – 11
12	01.02.2023	Submission of evidence from I	FA/SR/PP/ xxxx /2022 – 12
13	09.02.2023	FA_SR_PP_xxxx_2022_ request to C to submit its response to a preliminary legal assessment of the dispute	FA/SR/PP/ xxxx /2022 – 13

14	10.02.2023	Submission of evidence from C	FA/SR/PP/ xxxx /2022 – 14
15	10.02.2023	FA_SR_PP_xxxx_2022_ summons for I to get acquainted with the collected evidence	FA/SR/PP/ xxxx /2022 – 15
16	10.02.2023	FA_SR_PP_xxxx_2022_ summons for C to get acquainted with the collected evidence	FA/SR/PP/ xxxx /2022 – 16
17	11.02.2023	Request from C for a copy of the file documentation	FA/SR/PP/ xxxx /2022 – 17
18	14.02.2023	FA_SR_PP_xxxx_2022_ sending of collected evidence to C after the summons to get acquainted with it	FA/SR/PP/ xxxx /2022 – 18
19	27.02.2023	Communication with the courts – inquiry from a court	FA/SR/PP/ xxxx /2022 – 19
20	02.03.2023	FA_SR_PP_xxxx_2022_award	FA/SR/PP/ xxxx /2022 – 20
21	07.03.2023	FA_SR_PP_xxxx_2022_response to the court	FA/SR/PP/ xxxx /2022 – 21
22	21.03.2023	Objections filed by C	FA/SR/PP/ xxxx /2022 – 22
23	22.03.2023	FA_SR_PP_xxxx_2022_request to I to submit their response to the objections	FA/SR/PP/ xxxx /2022 – 23
24	11.04.2023	Request to extend time limit from I	FA/SR/PP/ xxxx /2022 – 24
25	11.04.2023	FA_SR_PP_xxxx_2022_notice of extension of time limit to I (delivered also by email)	FA/SR/PP/ xxxx /2022 – 25
26	12.04.2023	Confirmation of delivery by e-mail - I	FA/SR/PP/ xxxx /2022 – 26
27	17.04.2023	Submission of response by I	FA/SR/PP/ xxxx /2022 – 27
28	20.04.2023	FA_SR_PP_xxxx_2022_decision on objections	FA/SR/PP/ xxxx /2022 – 28

- The total length of the proceedings was 162 days.
- The evidence was collected after 88 days from the commencement of the proceedings.
- The award was issued after 108 days from the commencement of the proceedings (i.e., 6 days after the parties got acquainted with the collected evidence).
- The Financial Arbitrator ruled on the objections within 30 days of the filing of the objections and within 3 days of the Institution's response to the objections.
- The decision came into force on 25 April 2023.

#### *FA/SR/RI/xxx/2022*

The Complainant sought damages from the Institution providing investment services in the amount of CZK 188,000, caused by the company's non-transparent management of the funds that the Complainant deposited in their asset account, held with the Institution under a commission agreement, and also by the payment of fees under that agreement.

An amicable settlement of the dispute was reached, the agreed amount was CZK 170,000. The Financial Arbitrator had to prepare a preliminary legal assessment and order an oral hearing with the Institution. The Complainant had inadequate ideas about the form of the amicable settlement.

Act	Date of the act	Brief content / Subject matter	Reg. No.
1	24.03.2022	Complaint	FA/SR/RI/ xxx /2022 – 1
2	11.04.2022	FA_SR_RI_xxx_2022_notification of	FA/SR/RI/ xxx /2022 – 2

		commencement of the proceedings to C and request to correct the deficiencies of the complaint	
3	27.04.2022	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 3
4	12.05.2022	FA_SR_RI_ xxx _2022_ repeated request to C to correct the deficiencies of the complaint	FA/SR/RI/ xxx /2022 – 4
5	20.05.2022	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 5
6	21.06.2022	FA_SR_RI_ xxx _2022_ second repeated request to C to correct the deficiencies of the complaint	FA/SR/RI/ xxx /2022 – 6
7	27.06.2022	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 7
8	30.06.2022	FA_SR_RI_ xxx _2022_ notification of commencement of the proceedings to I and request to provide explanation	FA/SR/RI/ xxx /2022 – 8
9	01.07.2022	FA_SR_RI_ xxx _2022_ sending of collected evidence to I on a data carrier	FA/SR/RI/ xxx /2022 – 9
10	18.07.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 10
11	18.07.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 11
12	21.07.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 12
13	12.08.2022	FA_SR_RI_ xxx _2022_ request to I to provide documentation	FA/SR/RI/ xxx /2022 – 13
14	30.08.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 14
15	30.08.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 15
16	12.09.2022	FA_SR_RI_ xxx _2022_ request to I to provide documentation	FA/SR/RI/ xxx /2022 – 16
17	23.09.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 17
18	23.09.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 18
19	21.10.2022	FA_SR_RI_ xxx _2022_ request to I to provide documentation	FA/SR/RI/ xxx /2022 – 19
20	08.11.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 20
21	23.11.2022	FA_SR_RI_ xxx _2022_ request to I to provide oral explanation	FA/SR/RI/ xxx /2022 – 21
22	12.12.2022	FA_SR_RI_ xxx _2022_ minutes of the Institution's oral explanation	FA/SR/RI/ xxx /2022 – 22
23	22.12.2022	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 23
24	22.12.2022	FA_SR_RI_ xxx _2022_ request to C to submit their statement on a proposed settlement	FA/SR/RI/ xxx /2022 – 24
25	11.01.2023	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 25
26	12.01.2023	FA_SR_RI_ xxx _2022_ minutes of a telephone conversation with the Complainant	FA/SR/RI/ xxx /2022 – 26
27	13.01.2023	FA_SR_RI_ xxx _2022_ minutes of a telephone conversation with the Complainant	FA/SR/RI/ xxx /2022 – 27
28	12.01.2023	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 28
29	15.01.2023	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 29
30	17.01.2023	FA_SR_RI_ xxx _2022_ request to I to submit its statement on a counter-proposal for amicable settlement	FA/SR/RI/ xxx /2022 – 30
31	01.02.2023	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 31
32	03.02.2023	FA_SR_RI_ xxx _2022_ request to	FA/SR/RI/ xxx /2022 – 32

		I to provide documentation	
33	03.02.2023	FA_SR_RI_ xxx _2022_ request to C to submit their statement on a proposed settlement	FA/SR/RI/ xxx /2022 – 33
34	10.02.2023	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 34
35	14.02.2023	Request to extend time limit from I	FA/SR/RI/ xxx /2022 – 36
36	14.02.2023	FA_SR_RI_ xxx _2022_ notice of extension of time limit to I	FA/SR/RI/ xxx /2022 – 37
37	07.03.2023	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 38
38	08.03.2023	FA_SR_RI_ xxx _2022_ request to C to submit their statement on a proposed settlement	FA/SR/RI/ xxx /2022 – 39
39	20.03.2023	FA_SR_RI_ xxx _2022_ minutes of a telephone conversation with the Complainant	FA/SR/RI/ xxx /2022 – 40
40	22.03.2023	Submission of evidence from C	FA/SR/RI/ xxx /2022 – 41
41	23.03.2023	FA_SR_RI_ xxx _2022_ request to I to submit a draft settlement agreement	FA/SR/RI/ xxx /2022 – 42
42	29.03.2023	Submission of evidence from I	FA/SR/RI/ xxx /2022 – 43
43	31.03.2023	FA_SR_RI_ xxx _2022_ minutes of a telephone conversation with the Complainant	FA/SR/RI/ xxx /2022 – 44
44	31.03.2023	FA_SR_RI_ xxx _2022_ request to C to withdraw their complaint	FA/SR/RI/ xxx /2022 – 45
45	14.04.2023	Withdrawal of the complaint	FA/SR/RI/ xxx /2022 – 46
46	14.04.2023	FA_SR_RI_ xxx _2022_ ruling on termination of the proceedings	FA/SR/RI/ xxx /2022 – 47

- The total length of the proceedings was 407 days.
- The Financial Arbitrator had to request the Complainant repeatedly to correct the deficiencies of the complaint.
- The Financial Arbitrator had to request the Institution repeatedly to submit supporting documents and she also had to request an oral explanation from the Institution for the purpose of discussing the preliminary legal assessment.
- Subsequently, amicable settlement negotiations were held for more than 4 months (since the submission of the first proposal by the Institution), which ended with the withdrawal of the complaint because the parties concluded a settlement agreement.
- The decision came into force on 5 May 2023.

### ***Results of the decision-making activity***

In attempt to reach an amicable settlement, the Financial Arbitrator will normally first provide the parties to the dispute with a preliminary legal assessment of the dispute outlining her idea of an equitable amicable solution. Only if the parties reject the amicable solution, the Financial Arbitrator issues a decision in merits in the form of an award or a decision on objections to the award.

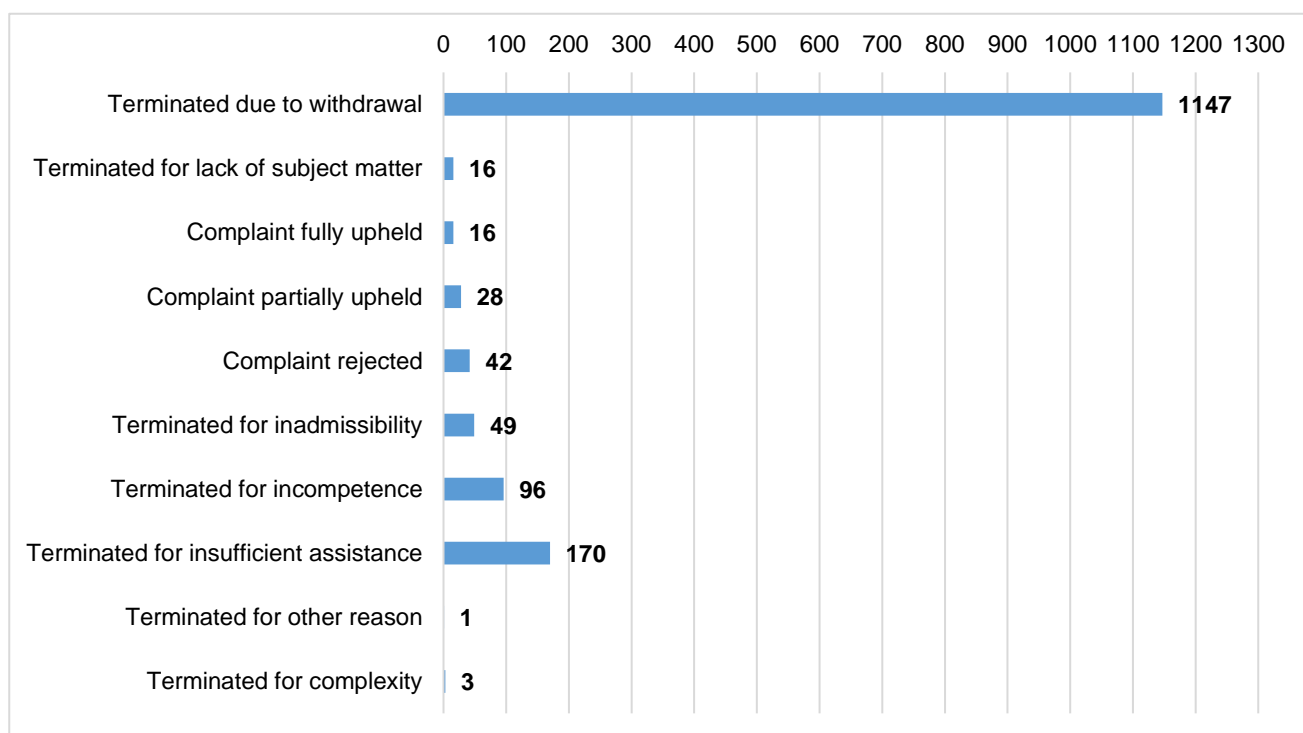
The amicable settlement of the dispute, because the consumer's claim has been fully or partially satisfied, presupposes a withdrawal of the complaint on the part of the consumer.

The proceedings in which the consumer withdraws their claim because the Financial Arbitrator's assessment of the collected evidence convinces them that their claim is unjustified should be also considered as an amicable settlement of a dispute.

Where the amicable settlement cannot be reached, the Financial Arbitrator issues a decision on the matter in the form of an award or subsequently a decision on objections to the award.

## Results of the proceedings finally concluded as of 31 December 2022 by the method of dispute settlement

Result	Number
Terminated due to withdrawal	1,147
Terminated for lack of subject matter	16
Complaint fully upheld	16
Complaint partially upheld	28
Complaint rejected	42
Terminated for inadmissibility	49
Terminated for incompetence	96
Terminated for insufficient assistance	170
Terminated for other reason	1
Terminated for complexity	3
<b>Total</b>	<b>1,568</b>



In 2022, the Financial Arbitrator terminated 1,147 proceedings due to withdrawal of the complaint. Another 16 proceedings were terminated by the Financial Arbitrator for lack of subject matter because the financial institution had fully satisfied the complainant's claim and proved this fact to the Financial Arbitrator, but the complainant did not withdraw their claim as the receipt of the financial compensation had "ended the matter" for them. In total, 1,163 proceedings ended amicably in 2022.

Where the parties to the dispute did not find a willingness to resolve the dispute amicably even in the proceedings before the Financial Arbitrator, the Financial Arbitrator issued an award partially or fully upholding or rejecting the complaint. In total, the Financial Arbitrator issued 86 decisions in merits, of which she rejected the complaint in 42 cases, partially upheld the consumer's complaint in 28 cases and fully upheld the consumer's complaint in 16 cases.

The consumers (complainants) have not always provided the Financial Arbitrator with sufficient assistance to enable the proceedings to be decided fairly and in accordance with the law. This is

despite the fact that the Financial Arbitrator repeatedly invites and instructs a complainant on what evidence to provide in support of their claim or how to formulate their claim against the financial institution. The Financial Arbitrator had to terminate a total of 170 proceedings due to the insufficient assistance of the complainant.

If the Financial Arbitrator finds a legal impediment to the proceedings, she is obliged to terminate the proceedings for inadmissibility. In 2022, she did so in 48 cases.

If the Financial Arbitrator finds out during the proceedings that she is not competent to resolve the dispute (she usually finds out that the complainant acted as a businessman in the legal relationship which they have made the subject of the proceedings, or the dispute is not within the scope of the Financial Arbitrator's competence, most often it is a non-life insurance dispute), the Financial Arbitrator shall terminate the proceedings for lack of competence. In 2022, a total of 96 proceedings were terminated for this reason.

### **Current status of pending proceedings in 2022 as of 31 December 2022**

Status	Number
Decisions in legal force as of 31 December 2022	1,568
Decisions issued until 31 December 2022	94
Proceedings suspended	111
Ongoing proceedings as of 31 December 2022 (collecting of evidence, amicable settlement negotiations, awaiting the outcome of judicial review or conclusion of criminal proceedings)	760

As of 31 December 2022, 94 further decisions of the Financial Arbitrator have been issued but have not yet entered into force. At the same time, 111 proceedings remained suspended in connection with the ongoing and pending insolvency proceedings of Metropolitní spořitelní družstvo in liquidation. The number of pending proceedings was 760.

Between 1 January 2023 and 31 May 2023, a total of 583 proceedings were finally concluded by the Financial Arbitrator.

### ***Penalties and fines imposed on the financial institutions, or other natural or legal persons addressed***

In the event that the Financial Arbitrator decides the case by an award and fully or partially upholds the consumer's complaint, she is obliged under Section 17a(1) of the Financial Arbitrator Act to impose a penalty on the financial institution of 10% of the amount which the financial institution is obliged to pay to the complainant, but not less than CZK 15,000. This amount shall be an income of the state budget.

In 2022, the Financial Arbitrator imposed penalties totalling CZK 615,000.

In addition, the Financial Arbitrator is entitled under Section 23 of the Financial Arbitrator Act to impose a fine up to CZK 100,000 on a financial institution for a breach of the obligation to present the demanded evidence in the proceedings before the Financial Arbitrator. The fine may be imposed repeatedly and it is also an income of the state budget.

In 2022, the Financial Arbitrator imposed fines totalling CZK 306,000.

In the period under review, the Financial Arbitrator imposed penalties and fines on financial institutions as parties to proceedings before the Financial Arbitrator in the amount exceeding CZK 921,000.

### ***Judicial reviews of decisions of the Financial Arbitrator***

The primary objective of establishing the institution of the Financial Arbitrator is to ensure that consumers, as clients of financial institutions, have a fast, efficient and inexpensive out-of-court procedure in which they can enforce rights that they would otherwise be deterred from exercising

before a general court, either because of the costs involved (court costs, costs of their own legal representation) or the time involved.

Both parties to the proceedings (consumer and financial institution) may file an action for a judicial review of the final decision in the case (award and decision on objections) with a general court having subject matter and territorial jurisdiction according to the Part V of the Civil Procedure Code. Only the complainant and the financial institution are parties to the court proceedings and bear the costs of the court proceedings as determined by the court.

Any party may file an administrative action under Act No. 150/2002 Coll., the Code of Administrative Justice, as amended, against the decision of the Financial Arbitrator by which the Financial Arbitrator terminates the proceedings (insufficient assistance, incompetence, inadmissibility, complexity, etc.) and seek annulment/declaration of invalidity of the decision of the Financial Arbitrator. The consumer may also apply to an administrative court if they have the impression that the Financial Arbitrator is inactive in their dispute.

The courts' existing decision-making practice regarding the decisions of the Financial Arbitrator varies, and in some cases the same courts treat identical cases differently, leading to conflicting decisions.

It is virtually impossible to compile statistics on the actions brought against the decisions of the Financial Arbitrator and the courts' decisions in the period under review, because not all courts notify the Financial Arbitrator of the action, request the file and a statement of case. At the same time, the hearing of the action to replace the decision of the Financial Arbitrator at first instance often takes place up to two years since the action was filed.

The Financial Arbitrator is not aware of any decision overturned by a court during the reporting period on the grounds that the Financial Arbitrator ruled on a consumer's claim in violation of the law. In one case, the general court, without having jurisdiction itself, ruled that the Financial Arbitrator did not have competence to rule on non-pecuniary loss in connection with a credit. This was a decision of the court of first instance which was not appealed. It is confusing in its content and is not properly reasoned.

In the administrative justice system, the Municipal Court in Prague and the Supreme Administrative Court ruled on the decisions of the Financial Arbitrator, who had terminated the proceedings due to insufficient assistance of the complainant, who had not appeared at an oral hearing. In both courts, several chambers ruled on identical cases and decided differently, both by dismissing the actions (cassation complaints) and by annulling the decision of the Financial Arbitrator and remanding the proceedings (for the Financial Arbitrator to justify why it was necessary for the complainant to appear at the oral hearing).

Thus, the Financial Arbitrator can only provide the summary below:

#### *Life insurance*

The most frequent decisions heard by the courts in the review proceedings were decisions of the Financial Arbitrator in life insurance disputes, i.e., on the invalidity of an insurance contract due to conflict with the law and indeterminacy of the cost structure and also on the restitution for unjustified enrichment from the invalid insurance contract.

However, these are decisions were submitted for judicial review mainly between 2018 and 2020.

If a decision of the Financial Arbitrator was annulled, it was only when the parties to the dispute before the court finally agreed to a settlement. However, the only reason for the settlement was the fact that the insurance companies did not want to have more of the same proceedings before the court, and therefore some of the decisions of the Financial Arbitrator, or the proceedings before her, were removed.

At the same time, some courts changed the decisions of the Financial Arbitrator in relation to the assessment of a limitation objection, which was always raised by the insurers. Unlike the Financial Arbitrator, the courts did not take into account the moment when the consumer actually became aware of the insurance company's unjust enrichment, since they identified the start of the subjective



limitation period for the right to recover unjust enrichment with the date on which the invalid insurance contracts were concluded.

In this regard, the Financial Arbitrator refers to the genesis of one proceeding before the Financial Arbitrator, when it was only the Constitutional Court that confirmed that the Financial Arbitrator had decided correctly, unlike the general courts.

It was the decision of the Constitutional Court of 10 May 2022, Case No. III ÚS 2127/21, where the starting point was the decision of the Financial Arbitrator (Case No. FA/SR/ZP/17/2018). The consumer in this case sought reimbursement from the insurance company of the premium paid, with statutory default interest, on the grounds that the life insurance contract they had concluded was invalid for breach of the law as the insurance company had not assumed the insurance risk from the consumer and the insurance contract therefore did not include any insurance.

It took up to 8 years after the conclusion of the insurance contract for the consumer to contact the Financial Arbitrator.

The insurer raised a limitation objection to the consumer's claim. The Financial Arbitrator allowed the limitation objection, finding that it was not contrary to good morals in the particular circumstances of the case.

The right to the restitution for unjust enrichment (reimbursement of premiums paid) is subject to an objective limitation period of three years and a subjective limitation period of two years. The objective limitation period starts to run from the moment of the unjust enrichment and the subjective limitation period from the moment of awareness of the unjustified enrichment.

The Financial Arbitrator identified the beginning of the subjective limitation period with the consumer's consultation with their legal representative. The Financial Arbitrator did not find that the consumer had prior knowledge of the unjust enrichment in this case.

Since the subjective two-year limitation period had not expired between the consumer's consultation with the legal representative and the filing of the complaint with, the Financial Arbitrator did not conclude that the consumer's insurance premiums were barred by the subjective two-year period.

However, under the objective three-year limitation period, premiums paid more than three years before the petition to the Financial Arbitrator were barred.

The District Court, which was reviewing the consumer's claim, rejected it. The award of the Financial Arbitrator remained unchanged. The district court confirmed the Financial Arbitrator's conclusion that the insurance contract was invalid for failure to procure insurance and that the limitation objection was not contrary to good morals. With regard to the statute of limitations, referring to the case-law of the Supreme Court, it stated that any payment of insurance premiums by a consumer is subject to a subjective limitation period of two years (not an objective limitation period of three years, as the Financial Arbitrator had concluded).

The Municipal Court in Prague, as the court of appeal, upheld the decision of the District Court as correct. As regards the application of the beginning of the subjective limitation period, it added that the invalidity of the insurance contract was already inferable from the text of the contract, and therefore the consumer's awareness of unjust enrichment fell in line with any payment of premiums.

The decisions of the Municipal Court in Prague and the District Court were upheld by the Supreme Court. The conclusions of the general courts were thus less favourable to consumers than the conclusion of the Financial Arbitrator.

Subsequently, the Constitutional Court ruled that the beginning of the subjective limitation period for the right to the restitution for unjust enrichment must be identified with the consumer's actual awareness of the insurance company's unjust enrichment and the conclusion must be properly justified. It is not possible to follow a formalistic approach and merely refer to the conclusions of other decisions, as the general courts have done.

In the light of the Constitutional Court's decision, the Financial Arbitrator was correct in ruling on the limitation objection. She gave proper reasons for her conclusions in several pages of the award and subsequently in the decision on the objections.

The fact that the reviewing courts found that the consumer's right was time-barred by the subjective limitation period (and not only by the objective limitation period, as the Financial Arbitrator found), as the Constitutional Court now accuses them of doing, cannot be imputed to the Financial Arbitrator.

The award and the decision on objections of the Financial Arbitrator are thus fully in line with the conclusions of the Constitutional Court in the decision in question.

### *Consumer Credit*

The second group of disputes submitted to judicial review by financial institutions are disputes concerning the invalidity of a consumer credit agreement for failure to assess creditworthiness before its conclusion. The Financial Arbitrator has ruled in the vast majority of cases that the credit (loan) agreement is invalid. It was mainly because the non-bank providers have not, as a general rule, assessed the applicant's expenditure.

Most of the consumer credit providers settled amicably with the consumer in the proceedings before the Financial Arbitrator.

There are 5 subjects that have repeatedly turned to judicial review, but currently only 3 consumer credit providers are submitting similar decisions of the Financial Arbitrator to the courts for review. This is despite the fact that both the courts of first instance and the courts of appeal dismissed their claims in similar cases and did not replace the decisions of the Financial Arbitrator.

In such cases, the review may continue on appeal to the Supreme Court. However, the Financial Arbitrator has not yet been notified of any such appeal proceedings.

### *Building Savings*

This case concerns a review of a decision of a Financial Arbitrator who ruled that the unilateral termination of the building savings account was not valid, and that the building savings bank was obliged to reinstate the account and continue to provide the building savings as a financial service. More than 80 disputes have been brought before the Financial Arbitrator and 10 decisions have been subject to judicial review. In the remaining proceedings, consumers have gradually withdrawn from the disputes, with a total of 56 proceedings completed in 2022. Other 3 proceedings are still ongoing, where the building savings bank finally settled with consumers following the rejection of constitutional complaints filed in connection with the review of the Financial Arbitrator's decision.

On the Constitutional Court's decision of 4 May 2022, file no. No. I. ÚS 566/22, where the starting point was the decision of the Financial Arbitrator (Case No. FA/SR/ST/507/2016). In this case, the consumer sought to have the building savings account reinstated and the building savings bank to continue to maintain the account, i.e., to receive deposits and credit interest on the deposits and state contribution. The consumer did not agree with the termination of their building savings account as a result of the achievement of the purpose of the contract, which the building society considered to be the over-saving of the target amount. This was despite the fact that the consumer and the building society had agreed that the target amount would automatically increase each time the current target amount was over-saved.

The building savings bank objected to the consumer's claim on the grounds that the contractual arrangement could not be interpreted as meaning that the increase in the target amount was automatic, but that any increase in the target amount must first be agreed to by the bank. The building savings bank had previously given its consent, but after the last over-saving it no longer agreed to the continuation of the building savings. The bank argued that there had been decisions of the general courts in proceedings with a similar subject-matter.

The Financial Arbitrator ruled on the consumer's complaint that the building savings bank was not entitled to terminate the building savings, i.e., she ordered the bank to renew the building savings and allow the consumer to continue.

The District Court, which decided the case at first instance, and the Municipal Court in Prague, as the court of appeal, sided with the building savings bank and replaced the decision of the Financial Arbitrator by a decision that the bank had the right to terminate the building savings because it had not granted consent to increase the target amount and the consumer had no right to continue the building savings once the agreed target amount had been saved.

The consumer appealed this decision to the Supreme Court, which disagreed with the lower courts' conclusions. The Supreme Court ruled that a valid agreement on the automatic increase of the target amount, which does not contradict the purpose of the building savings contract, does not imply a limitation of the duration of the building savings, and sent the case back to the lower courts for new proceedings.

In the new proceedings, the lower courts ruled in favour of the consumer in accordance with the Supreme Court's decision, i.e., confirmed that the decision of the Financial Arbitrator was correct.

As the building savings bank did not agree with the Supreme Court's decision, it lodged a constitutional complaint (not only in the proceedings that started before the Financial Arbitrator, but also in the proceedings where the consumer initially went directly to court).

The Constitutional Court dismissed the complaints on the grounds that it did not share the building savings bank's view that the general courts and in particular the Supreme Court had not provided sufficient reasons for their decisions, that they had not responded to the bank's arguments during the proceedings and that they had not properly dealt with all the circumstances necessary for the decision and had not properly explained their reasoning on which they had based their decisions.

Therefore, in the light of the decisions of the Supreme Courts and the Constitutional Court, the Financial Arbitrator correctly decided on the consumer's right to the continuation of the building savings and gave proper and very detailed reasons for her conclusions in the award and in the decision on the objections.

It cannot be imputed to the Financial Arbitrator that in the review proceedings the lower courts substituted the Financial Arbitrator's decision in a manner that was subsequently overruled by the Supreme Court.

## **V. FINANCIAL ARBITRATOR, DEPUTY FINANCIAL ARBITRATOR – OFFICE OF THE FINANCIAL ARBITRATOR – ORGANIZATIONAL ARRANGEMENT OF THE FINANCIAL ARBITRATOR'S ACTIVITIES**

### ***Financial Arbitrator and Deputy Financial Arbitrator***

As of 1 July 2011, the Financial Arbitrator and the Deputy Financial Arbitrator are appointed and dismissed by the Government on a proposal of the Minister of Finance. The Financial Arbitrator is held responsible for the exercise of her duties to the Government. Only irreproachable, fully legally capable persons with good reputation, sufficient qualification and experience may be appointed Financial Arbitrator or Deputy Financial Arbitrator. A prerequisite for the appointment of the Financial Arbitrator and the Deputy Financial Arbitrator is also a university degree obtained in the master's program in law at a university in the Czech Republic and a proof of a 5 years' experience in the financial market or in the area of consumer protection in the financial market. The employment relationship and remuneration of the Financial Arbitrator and of the Deputy Financial Arbitrator shall be governed by the Labour Code.

As of 16 November 2011, the function of the Financial Arbitrator shall be exercised by Monika Nedelková.

Monika Nedelková graduated from the Faculty of Law of Charles University in Prague. Since 1995 she has been working almost exclusively in the public administration, focusing on the financial market area. She began her career in the Department for Capital Market Supervision at the Ministry of Finance. She also worked as an associate in a leading Czech law firm. At the Czech Securities Commission she held a position of Head of the Legal Division and Director of the Enforcement Department. After the dissolution of the Czech Securities Commission, she worked as the Director of Enforcement Department in the Czech National Bank. Prior to being appointed Financial Arbitrator, she had directed the Financial Market Supervision Department at the Ministry of Finance.

As of 7 March 2013, the function of the Deputy Financial Arbitrator shall be exercised by Lukáš Vacek.

Lukáš Vacek graduated from the Faculty of Law of Charles University in Prague and from a joint degree program at the Law Faculty of Masaryk University in Brno and Nottingham Trent University (MPA). In years 2004–2013 he worked at the Ministry of Finance, out of which for more than 7 years he held the position of the Head of Retail Financial Services and Consumer Protection in the Financial Market Unit. He was responsible for the preparation of legislation in the area of consumer credit and of the Financial Arbitrator Act, and also for the area of deposit guarantee scheme or distribution of financial services. On behalf of the Czech Republic, he negotiated the EU legislative proposals within the EU Council working groups, including the Mortgage Credit Directive, the revision of the Insurance Mediation Directive and other legislation. He was a member of the Platform for Out-of-court Resolution of Consumer Disputes at the Ministry of Industry and Trade. He has been actively engaged in financial education and in resolving the problems arising from over-indebtedness. He regularly publishes articles in professional journals (Jurisprudence, Law and Family, Commercial Law Revue) and he lectures academics (Masaryk University in Brno, Charles University in Prague), professionals and public.

### ***Office of the Financial Arbitrator***

The Financial Arbitrator is the head of the Office of the Financial Arbitrator. In the Financial Arbitrator's absence, the Deputy Financial Arbitrator acts on behalf of the Financial Arbitrator to the full extent of the competence and responsibilities of the Financial Arbitrator. The employment relationship and the remuneration of the employees of the Office of the Financial Arbitrator are governed by the Labour Code.

In 2022, organizational structure of the Office of the Financial Arbitrator was formed by its organizational units:

- the Financial Arbitrator,
- the Deputy Financial Arbitrator,

- the Department of Payment Services, Building Savings and Money Exchange,
- the Department of Credits I,
- the Department of Credits II,
- the Department of Credits III (*during 2022, in addition to its focus, it also partially took over disputes from investments*),
- the Department of Credits IV,
- the Department of Investments,
- the Department of Life Insurance and Pension Products,
- the Department of the Secretary of the Financial Arbitrator (*during 2022, in addition to its focus, it also partially took over disputes from payment services*),
- the Department of Administrative Support,
- the Internal Auditor.

The organisational structure of the Office of the Financial Arbitrator changes depending on the current need.

The structure of the management is:

- the Financial Arbitrator and, in her absence, the Deputy Financial Arbitrator,
- the Deputy Financial Arbitrator, if authorised by the Financial Arbitrator to the permanent exercise of her decision-making powers,
- a department headed by the head of department (each department provides a comprehensive support in the specific area of the competence of the Financial Arbitrator, i.e., in activities that are usually directly related to each other and build on each other, except for decision-making).

In addition to the positions of the Financial Arbitrator and the Deputy Financial Arbitrator there are following positions established to perform the Financial Arbitrator's activities:

- Head of Department,
- Lawyer,
- Methodist,
- Administrative Officer,
- Internal Auditor,
- Accountant, Budgeter and PR Manager,
- Secretary.

The development of job positions since the establishment of the Office of the Financial Arbitrator (including the Financial Arbitrator herself and the Deputy Financial Arbitrator) has been following:

Year 2011	14 systemized posts
Year 2012	14 systemized posts
Year 2013	14 systemized posts
Year 2014	35 systemized posts
Year 2015	39 systemized posts
Year 2016	45 systemized posts
Year 2017	55 systemized posts
Year 2018	55 systemized posts
Year 2019	60 systemized posts
Year 2020	57 systemized posts
Year 2021	57 systemized posts
Year 2022	57 systemized posts

During the year 2022, the Office of the Financial Arbitrator employed 54 natural persons as employees (or 51 on average including part-time employees caring for minors), when the Office of the Financial Arbitrator simultaneously recorded 11 female employees removed from the register due to the commencement or ongoing parental leave (most of their positions were filled by temporary substitutes).

Naturally, the dispute resolution requires completely different expertise (Czech and European financial market and consumer protection law, general civil and commercial law, administrative law, as well as insolvency and enforcement law, etc.) and skills than the Office's operational support

activities (labour law, budget rules, accounting, public procurement, archiving and filing services, freedom of access to information, cybersecurity, digital services law, etc.).

The Office of the Financial Arbitrator does not have separate systemized posts for ensuring activities in the field of public procurement, digitalization and cybersecurity, as is common in other offices. All these agendas have to be handled through agreements on work performed outside of employment or by professional staff assigned to dispute resolution activities outside the scope of their duties.

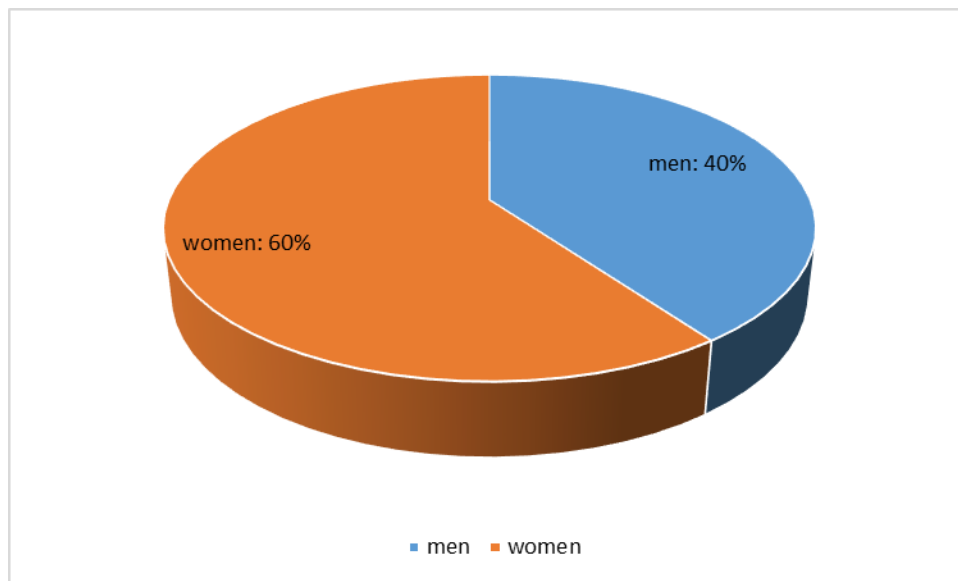
In addition, there is a need for increased daily professional contact with the public, which is currently provided by administrative or specialist employees beyond their scope of duties and working hours.

In the period under review, the Office of the Financial Arbitrator employed 10 staff members on agreements on work performed outside of employment in the period under review, in particular to provide activities related to the participation of the Office of the Financial Arbitrator in public procurement, archiving activities, managing the Collection of Decisions. Employees on parental leave also provided assistance in resolving disputes.

Therefore, the Office of the Financial Arbitrator provides language training and professional seminars for its staff only to the extent necessary, especially in civil and financial law.

The Office of the Financial Arbitrator has a gender balance in terms of senior management; out of a total of 10 senior managers, women hold the positions of Financial Arbitrator and head of 5 departments, while men hold the positions of Deputy Financial Arbitrator and head of 3 departments.

***Gender representation of women and men in management positions as of 31 December 2022***



## VI. COSTS RELATED TO THE FINANCIAL ARBITRATOR'S ACTIVITIES

The tasks related to the professional, organisational and technical support of the activities of the Financial Arbitrator are performed by the Office of the Financial Arbitrator.

The Office of the Financial Arbitrator is an organisational unit of the State and independent accounting unit whose revenues and expenditures fall under the budget chapter 312 – Ministry of Finance (the Office of the Financial Arbitrator's expenditures formed a part of the state budget as Expenditures on ensuring the activities of the Office of the Financial Arbitrator; in terms of sector budget classification, they were included into Section 5471).

### Budget implementation of the Office of the Financial Arbitrator in 2022 with comparison to 2021 (in thousands CZK and persons)

Indicator			
	2021	2022	2022 vs 2021
Specific indicators - revenues			
Total non-tax revenues, capital revenues and transfers received	819.27	979.33	119.54%
Specific indicators - Expenditure			
Expenditures to support the activities of the Office of the Financial Arbitrator	60,361.27	61,598.46	102.05%
Cross-sectional indicators			
Staff salaries and other payments for work done	40,702.45	41,321.61	101.52%
· Compulsory employer's insurance premiums	13,713.16	13,918.55	101.50%
· Basic allocation of the Cultural and Social Needs Fund (CSNF)	795.57	815.20	102.47%
· Salaries of staff in employment, excluding staff in official posts	39,767.29	40,760.92	102.50%
Total expenditures recorded in the EDS/SMVS programme funding information system	546.32	340.37	62.37%
Average headcount	53	51	96.23%
Average monthly salary in CZK	62,527	66,603	106.52%

#### **Provisional budget**

Until 21 March 2022, the Office of the Financial Arbitrator operated under a budgetary provision, under which it could budget no more than 1/12th of the expenditure of the approved 2021 State Budget on a monthly basis. The Office of the Financial Arbitrator covered only necessary expenditures of a mandatory and quasi-mandatory nature (contractual obligations and staff salaries). Within the constraints of the provisional budget, the Office of the Financial Arbitrator did not engage claims from unspent expenditures or the Cultural and Social Needs Fund. It also did not carry out selection procedures, hire new staff, negotiate agreements on work performed outside of employment and did not increase the remuneration rates of running agreements or increase salaries.

#### **Budgetary measures**

During the period under review, the Office of the Financial Arbitrator committed state budget appropriations for vacant posts for the period from the 1st to the 4th quarter, namely posts of female employees taking maternity or parental leave, in the total amount of CZK 961,730 (appropriations for salaries including related expenditures).

At the end of the period under review, in connection with Government Regulation No. 264/2022 Coll., there was an increase in expenditure on salaries and related funds, mainly health and social insurance and contributions to the Cultural and Social Needs Fund, for a total increase in expenditure on salaries and related expenditure of CZK 605,500.

The expenditure on salaries and related payments for 2022 has been reduced by CZK 600,000 compared to the previous year 2021 due to the reduction of expenditure in the public administration and without reducing the number of systemized posts. At the same time, there were no adjustments to the negotiated salaries of the individual staff members of the Office of the Financial Arbitrator, as

the funds for salaries at the negotiated level were drawn from claims from unspent expenditures of previous periods, in addition to the expenditure from the budget of the Office of the Financial Arbitrator for 2022.

## Revenues

For 2022, as in previous periods, no revenues were set in the budget of the Office of the Financial Arbitrator.

Proceedings before the Financial Arbitrator are free of charge, with each party to the dispute bearing its own costs. The Financial Arbitrator shall be obliged to seek an amicable settlement of the dispute, in which case no penalty shall be imposed on the financial institution.

If the parties fail to reach an amicable settlement of the dispute and the Financial Arbitrator decides the case and upholds the consumer's complaint, even partially, she is obliged under the Financial Arbitrator Act to impose a penalty on the financial institution of 10% of the amount which the financial institution is obliged to pay to the complainant, but not less than CZK 15,000. This amount shall be an income of the state budget.

In addition, the Financial Arbitrator is entitled under the Financial Arbitrator Act to impose a fine up to CZK 100,000 on a financial institution for a breach of the obligation to present the demanded evidence in the proceedings before the Financial Arbitrator. The fine may be imposed repeatedly and it is also an income of the state budget.

## Implementation of selected budget indicators - revenues (in thousands CZK)

Indicator	Budget for 2022			Reality as of 31. 12. 2022
	Approved	Budget after changes	Final as of 31. 12. 2022	
Total revenues	0,00	0,00	0,00	979.33
Included:				
- sanction payments received and refunds of transfers	0,00	0,00	0,00	863.21
- other non-tax revenues	0,00	0,00	0,00	11.23
- transfer from own funds	0,00	0,00	0,00	104.89

In the period under review, the Office of the Financial Arbitrator received sanction payments and refunds of transfers, i.e., revenues that cannot be considered as guaranteed revenues of the state budget with regard to the subject of the activities of the Financial Arbitrator and the Office of the Financial Arbitrator, in the total amount of CZK 979,330.

Sanction payments received, which represent penalties and fines received in proceedings before the Financial Arbitrator, amounted to CZK 863,210 from the total amount of CZK 942,750 that was imposed by the Financial Arbitrator. The uncollected penalties and fines are submitted by the Financial Arbitrator to the relevant customs office for recovery.

The transfer from own funds related to the payment of salaries for December 2021 in January 2022 amounted to CZK 104,890. As there were no unforeseen events, these funds were transferred to the revenue account as a transfer from own funds.

The receipt of funds amounting to CZK 11,220 represented the reimbursement of legal costs paid by the Office of the Financial Arbitrator as costs of the proceedings imposed by the court of first Instance, whose decision was annulled in proceedings on cassation complaint.

## Expenditures

The expenditures on the activities of the Financial Arbitrator or the Office of the Financial Arbitrator consists essentially of the salaries of the staff of the Office of the Financial Arbitrator, including the salary of the Financial Arbitrator and the Deputy Financial Arbitrator, and related payments.



The most significant item of expenditure on the operation of the Office of the Financial Arbitrator is expenditure on services relating to the use of the non-residential premises in which the Office is located.

#### Implementation of selected budget indicators - expenditures (in thousands CZK)

Indicator	Budget for 2022			Reality as of 31. 12. 2022	% of performance of the final budget
	Approved	Budget after changes	Final as of 31. 12. 2022		
Total expenditures	53,890.87	54,496.38	93,267.07	61,598.46	66.05
- capital (investment)	750.55	750.55	1,181.82	340.37	28.80
purchase of intangible fixed assets	700.55	700.55	1,131.82	340.37	30.07
purchase of tangible fixed assets	50.00	50.00	50.00	0.00	0.00
- current (non-investment)	53,140.32	53,745.83	92,085.25	61,258.09	66.52
salaries and other payments	34,296.82	34,742.70	59,353.91	41,321.61	69.62
salaries	33,700.83	34,146.71	58,483.06	40,760.92	69.70
other payments	595.99	595.99	870.84	560.70	64.39
compulsory insurance premiums	15,986.32	16,137.03	25,326.00	13,918.55	54.96
allocation to CSNF	934.02	942.94	1 426.21	815.20	57.16
other current expenditures	1,923.17	1,923.17	5,979.13	5,202.73	87.01
purchase of material	111.43	111.43	355.19	227.62	64.08
purchase of water, fuel, energy	138.11	138.11	626.40	580.39	92.66
purchase of services	1,265.59	1,265.59	3,965.01	3,433.58	86.60
rent	36.00	36.00	36.00	7.00	19.44
other purchases	136.03	136.03	314.69	268.71	85.39
repairs and maintenance	35.03	35.03	209.90	201.17	95.84
travel expenses	50.00	50.00	50.00	32.70	65.39
other items	272.00	272.00	717.85	692.43	96.46
Average headcount	57.00	57.00	57.00	51.00	89.47
Average monthly salary in CZK	49,270.22	49,922.09	85,501.56	66,603	77.90

The approved salaries budget of the Office of the Financial Arbitrator for 2022 amounted to CZK 33,700,830. The claims from unspent expenditures of previous periods in the amount CZK 25,044,550 were not included as of 31 December 2022.

The approved budget for other payments for work amounted to CZK 595,980. The claims from unspent expenditures of previous periods amounted to CZK 275,000 and were included in the amount of CZK 274,850 as of 31 December 2022.

In total, the salaries of employees and other payments for work performed in 2022 were approved in the amount of CZK 34,296,820, the budget as amended on 31 December 2022 amounted to CZK 34,742,700 and the final budget amounted to CZK 59,353,910 in the reporting period.

At the end of 2022, based on a government decision, the expenditures on salaries and related funds, in particular health and social insurance and contributions to the Cultural and Social Needs Fund, were increased by CZK 606,000.

The appropriations for insurance premiums were approved in the amount of CZK 15,986,320, the budget as amended on 31 December 2022 amounted to CZK 16,137,030 and the final budget reached CZK 25,326,000 in the reporting period.

The contribution to the Cultural and Social Needs Fund was approved for 2022 in the amount of CZK 934,020. The adjusted budget totalled CZK 942,940 and the final budget amounted to CZK 1,426,210.

As of 31 December 2022, the average number of employees was 54 out of the total number of 57 systemized posts. The Office of the Financial Arbitrator employs several part-time employees, mainly women caring for a close person (parents, minor child), in addition to vacant posts of employees on maternity/parental leave. During the period under review, there were both terminations of employment by agreement and recruitment of a new employee, as well as the return of an employee from parental leave.

#### *Capital expenditures*

The approved budget for capital expenditures amounted to CZK 750,550 and the final budget as of 31 December 2022, after the claims for unspent expenditures from previous periods were included, totalled CZK 1,118,820. In the period under review, the allocations for capital expenditures of the programme were spent in the amount of 340,370.

In 2022, the Office of the Financial Arbitrator recorded only one programme 01242 labelled as "Development and Renewal of MTZ of the Office of the Financial Arbitrator", the implementation of which is set for the period 2020-2025. The programme is divided into two sub-programmes, sub-programme 012V4210 - Acquisition and development of ICT KFA and sub-programme 012V4220 - Acquisition and renewal of MTZ KFA.

#### Sub-programme 012V4110 "Acquisition and development of ICT KFA"

The objective of the sub-programme is to equip the Office of the Financial Arbitrator with the means and technologies to improve the efficiency of state administration, management and security of service performance, to ensure the continuous and secure transfer of information, development and renewal of information systems, and to ensure the security of information systems categorised as significant information systems.

#### Sub-programme 012V4220 "Acquisition and renewal of MTZ KFA"

The objective of the sub-programme is to ensure that the necessary assets and equipment of the Office of the Financial Arbitrator are renewed and acquired with due care, with an emphasis on the safe use of all assets and the avoidance of wasteful spending in the maintenance and repair of obsolete and defective assets.

No programme funds were spent from 2020 through 2021. With the approval of the investment plan in 2022, the spending of the ICT action funds started. The approved budget for the capital expenditures of the programme was CZK 750,550. The final budget as of 31 December 2022, after the inclusion of claims from unspent expenditures of previous periods, totalled CZK 1,181,820.

In the period under review, the funds for capital expenditures of the programme were used in the amount of CZK 340,370. The Office of the Financial Arbitrator paid for the modifications to the Information System for the File Management Service and the Management of the Proceedings before the Financial Arbitrator for the Office of the Financial Arbitrator.

The aim of the action is to simplify and thus speed up the individual tasks carried out through the Information System for the File Management Service, which is used by all the staff of the Office of the Financial Arbitrator. The development and modification of the user environment thus have a non-negligible impact. The aim was also the modification the website, or the information system of the website, which will lead to simplification of the search for information, forms and templates and the functioning of the applications running on it.

#### *Other current expenditures*

The approved budget for other current expenditures of the Office of the Financial Arbitrator amounted to CZK 1,923,170 and after the inclusion of claims from unspent expenditure, it totalled CZK

5,979,130. In the period under review, funds totalling CZK 5,202,730 were used, i.e., 87.01% of the final budget.

The largest share in the use of other current expenditures is represented by the purchase of services. As of 31 December.2022, 86.60% of the final budget, i.e., CZK 3,433,580, were spent. Within this sub-group (516), expenditure for other services, IT services - data processing, training and education services, postal services, telecommunication and radio-communication services and money institution services were covered.

The amount of CZK 268,710 was spent on other purchases, i.e., 85.39% of the final budget. The largest amount was spent on security, repair and maintenance services for the property of the Office of the Financial Arbitrator (the services were paid for on the basis of the 2011 Record on the Use of Non-Residential Premises between the Ministry of Finance and the Office of the Financial Arbitrator (the Record on the Premises) and are calculated per person and invoiced quarterly). This sub-group (517) was spent on travel expenses and conference attendance fees.

The purchase of materials amounted to CZK 227,620, i.e., 64.08% of the final budget. Most of this amount was spent on the purchase of office supplies and office paper, the purchase of books and publications and the purchase of medical supplies.

A total of CZK 580,390, i.e., 92.66% of the final budget, was spent on water, fuel and energy. The underspending on this sub-group (515) was caused by climatic effects and energy prices. For the services provided under the Record on the Premises, the 2022 budget did not cover the actual 2022 costs, but only the agreed advances. The settlement for 2022 will be made in 2023 and will be significantly in excess of the agreed advances, due to the increase in energy prices and the concurrent increase in security charges.

Of the other items, CZK 692,430 was spent, i.e., 96.46% of the final budget. The most significant items on these sub-items are the compensation for salaries during sickness and the levies for breach of the employer's obligation to employ disabled persons.

**Other expenditure in kind for the activities of the Office of the Financial Arbitrator in 2022 (in thousands CZK)**

Services /budget item 516x/	
postage	220.00
electronic communications	58.20
financial institutions	20.20
rent	7.00
consulting, advisory and legal services	0.00
training and education	200.11
data processing	1,310.06
other services	1,618.00
<b>TOTAL</b>	<b>3,433.57</b>
Other purchases /budget item 517x/	
repairs and maintenance	201.17
software	0.00
travel expenses	32.70
refreshments	3.02
conference participation fees	31.83
<b>TOTAL</b>	<b>268.71</b>
Material expenditures /budget item 513x/	
medicines and medical supplies	13.18
books, teaching materials and printing	30.83

small tangible fixed assets	81.05
purchase of materials not classified elsewhere	102.56
<b>TOTAL</b>	<b>227.62</b>
<b>Purchase of water, fuel and energy /budget item 515x/</b>	
cold water	72.44
heat	0.00
gas	154.76
electricity	309.52
solid fuels	0.00
fuels and greases	43.67
hot water	0.00
purchase of other fuels and energy	0.00
<b>TOTAL</b>	<b>580.39</b>
<b>Summary - narrower operating expenses</b>	
expenditure on purchase of materials	227.62
expenditure on purchase of water, fuel and energy	580.39
expenditure on purchase of services	3,433.58
expenditure on other purchases	268.71
other non-investment expenditure	120.00
<b>TOTAL</b>	<b>4,630.30</b>

Claims for unspent expenditures from previous periods were caused by understaffing, where the systemized posts were not always fully filled in each year. The posts of female staff on parental leave could not always be filled in full or by a fulltime deputy, and the employees worked part-time after returning from parental leave. The underspending on salaries and related payments thus reflects the staffing levels in the Office of the Financial Arbitrator.

The other claims from unspent expenditures of previous periods reflect the fact that for the Office of the Financial Arbitrator, from its creation in 2011 (8 posts) to the present (57 posts), the expenditure budget for its activities anticipated the gradual creation of an independent office with its own building and facilities, its own IT infrastructure, etc. Until 2021, the Office of the Financial Arbitrator shared the very limited premises of the Ministry of Finance on the basis of the Record on the Premises. It was not until 2022 that the leased space was significantly increased, but there has been no establishment of its own facilities and IT infrastructure, which the Office of the Financial Arbitrator still shares with the Ministry of Finance on the basis of a record on the provision of information, communication and telecommunications services.

#### **Quantification of claims from unspent expenditures as of 1 January 2022 (in thousands CZK)**

Status as of 1 January 2022	
<b>PROFILING EXPENDITURES</b>	26,019.41
salaries and other work payments without EU/FM and designated appropriations	25,319.41
IS SMVS programmes and other	700.00
<b>NON-PROFILING EXPENDITURES</b>	14,807.41
<b>NNV TOTAL</b>	<b>40,826.82</b>

#### **Quantification of claims from unspent expenditures as of 1 January 2023 (in thousands CZK)**

Status as of 1 January 2023	
<b>PROFILING EXPENDITURES</b>	19,302.10
salaries and other work payments without EU/FM and assigned appropriations	18,032.30
IS SMVS programmes and other	1,110.18
designated	159.63

NON-PROFILING EXPENDITURES	13,460.90
NNV TOTAL	32,762.99

### **Audit**

In 2022, 3 audits (2 system audits including one follow-up, 1 financial audit) were carried out with total resources (1 internal auditor). One financial audit was carried out. None extraordinary audit was performed.

The audits were carried out in accordance with Act No. 320/2001 Coll., on financial control in public administration and on amendments to certain acts (Act on Financial Control), as amended, and Regulation No. 416/2004 Coll., implementing the Act on Financial Control, as amended.

The Internal Auditor has periodically submitted reports to the Financial Arbitrator after the completion of audits regarding the internal audit activity and its performance during 2022. The audit reports include recommendations for improvement. The Internal Auditor did not identify any misconduct during its work in 2022 that should affect the completeness and integrity of the accounts.

The aim of all audits was:

- to focus on the risks and the management and control mechanisms that were relevant to the activities audited;
- economic, efficient and effective performance of the Office of the Financial Arbitrator;
- compliance with legislation, internal rules, programmes and contracts;
- ensuring that public funds are protected against risks, irregularities or other deficiencies caused in particular by breaches of legislation;
- providing timely and reliable information on all facts;
- protecting the organisation.

In order to meet the audit objectives, the Internal Auditor had to identify, analyse, evaluate and document all available information.

The audits were carried out to the extent of:

- audit planning;
- notification of the audit to the relevant department, the staff of the Office of the Financial Arbitrator;
- implementation of the audit;
- preparation of the report, proposed recommendations;
- consultation;
- follow-up control, if necessary.

**Audit: Audit of the internal rules of the Office of the Financial Arbitrator**

The Internal Auditor proposed recommendations to the Financial Arbitrator, several deficiencies were found that involved minor errors in wording or currency. Recommendations were made to ensure that selected bylaws are up-to-date with respect to legislation, to ensure that new bylaws are electronically signed, and to provide continuing education for bylaws (select choice).

**Audit: Occupational Health Services at the Office of the Financial Arbitrator, Occupational Health Examinations**

No significant findings were found for this audit. It was recommended that information be sent to employees who have not completed a periodic occupational health examination to encourage them to do so. In 2023, there will most likely be no requirement for periodic occupational examinations for non-risk occupations. Thus, it will also apply to employees of the Office of the Financial Arbitrator.

**Audit: Cost-effectiveness of the use of road vehicles in the Office of the Financial Arbitrator**

Minor errors were found in this audit which were corrected during the course of the audit (addition of signatures on documents). Mismanagement or inefficiency in this area was ruled out. Measures have been proposed to simplify controls in this area in the future. Checks by the Department of Administrative Support could be carried out on the basis of reports.

## VII. INFORMATION DUTIES OF THE FINANCIAL ARBITRATOR, PUBLIC RELATIONS

The Financial Arbitrator is obliged to carry out an annual report on her activities for the public. The annual report shall particularly include detailed information on the number of proceedings conducted, the way in which the disputes were resolved, including a description of selected disputes, and it shall be published once a year, by 30 June of the following calendar year at the latest, in a suitable manner allowing remote access.

All the annual reports on the activities of the Financial Arbitrator are published and accessible on the website of the Office of the Financial Arbitrator at <http://www.finarbitr.cz/cs/informace-pro-verejnost/vyrocní-zpravy.html> in Czech language. There are also English versions of the reports available at <https://www.finarbitr.cz/en/information-for-public/annual-reports.html>.

The Financial Arbitrator also informs the public about her activities through the annual report on the information provided pursuant to Act No. 106/1999 Coll., through press releases, information published on her website or through social networks and information provided to the media.

The Financial Arbitrator shall, as appropriate, inform the public oversight or state supervisory authorities of the financial institutions, against which the Financial Arbitrator conducted the proceedings, of the deficiencies identified in the form of written suggestions or at joint working meetings.

### *Handling of inquiries*

The Financial Arbitrator and the Office of the Financial Arbitrator shall answer any inquiry, including those that do not relate to the activities of the Financial Arbitrator, at least to the extent of advising about the lack of the Financial Arbitrator's competence and, where possible, referring to the relevant authority.

In answers to inquiries within the competence of the Financial Arbitrator, each inquirer shall receive a preliminary assessment if the dispute falls into the scope of the Financial Arbitrator's competence or not, a detailed notice about the requirements of the complaint and a list of evidence that they should attach to the complaint.

The Financial Arbitrator received over 5,000 inquiries (including telephonic inquiries) in 2022. She managed to answer the inquiries in writing without undue delay, usually within a few days.

### *Internet website*

The Financial Arbitrator uses the website <https://finarbitr.cz/en/>, which is operated by the Office of the Financial Arbitrator in both Czech and English language, to fulfil her information obligations and to further inform general and professional public about her activities and current topics.

The obligation to inform complainants about the possibility of getting assistance in the proceedings before the Financial Arbitrator, about her decision-making procedure under the Financial Arbitrator Act and the pending proceedings is fulfilled by the Financial Arbitrator through individual acts in individual proceedings, responses to questions from the public and, above all, through the website operated by the Office of the Financial Arbitrator.

During 2022, the Financial Arbitrator kept consumers frequently and extensively informed through press releases or news published both on the main page of the website and in the Information for the Public section of <https://finarbitr.cz/cs/informace-pro-verejnost/aktuality.html> in Czech language. In particular she informed consumers of the so-called Gracious Summer II (or "Milostivé léto II" in Czech language, which is a legal regulation enabling extraordinary forgiveness of accessories for social security debts, tax debts and certain other debts), as well as of the continuous updates and advice regarding Sberbank CZ, a.s. in liquidation.

A widely used functionality of the website is the Complaint Filing Tutorial, which can be accessed here: <https://finarbitr.cz/en/dispute-resolution/complaint-filing-tutorial.html>. In the application, the consumers can prepare a complaint themselves according to the instructions and attach the relevant annexes to the proposal. In order to commence the proceedings, it is sufficient to sign the printed and completed complaint and send it by post, via data box or email.

The complainants can now amend or correct their complaints through the website via an internet application, which can be accessed here: <https://finarbitr.cz/cs/reseni-sporu/pruvodce-doplnenim-navrhu.html> (*Financial Arbitrator's Note: This feature is available only on the Czech version of website at the moment*) or they can send the documents via email to [arbitr@finarbitr.cz](mailto:arbitr@finarbitr.cz) (maximum message size is 14 MB), data box, by post to the address of the Office of the Financial Arbitrator or personally.

During the period under review, further significant modifications were made to the website to ensure that the information about the Financial Arbitrator is as easy to navigate as possible. During the year, the downloadable forms section (<https://finarbitr.cz/en/dispute-resolution/forms.html>) was expanded.

Thanks to the modifications, the main page provides easy access to information about the Financial Arbitrator, the basic rules of proceedings before her, the individual areas and types of disputes that the Financial Arbitrator is competent to resolve, including links to the legislation and the Collection of Decisions.

Complainants can now amend their complaints through the website via the Complaint Amending Tutorial, which can be accessed here: <https://finarbitr.cz/cs/reseni-sporu/pruvodce-doplnenim-navrhu.html>.

The form for withdrawal of the complaint, the form for requesting an extension of time limit in the proceedings can now be downloaded and used. The model power of attorney for representation before the Financial Arbitrator and the model request for remedy can also be used.

There are also answers to frequently asked questions, both substantive and directly related to the proceedings before the Financial Arbitrator, as well as recommendations on where to turn if the Financial Arbitrator is not competent to resolve the dispute.

The "Newsletter subscription" service is used to send press releases, updates or information about the publication of an anonymised decision in the Collection of Decisions. The interested party can subscribe to the newsletter by simply entering their email address, where the information will be sent.

#### *Collection of Decisions*

The Financial Arbitrator's website also includes the Collection of Decisions, in which the Financial Arbitrator publishes selected decisions.

The Collection of Decisions can be searched using a full-text search by entering a file tag or a keyword. All published decisions are available in the Czech language in anonymised form here: <https://finarbitr.cz/cs/reseni-sporu/sbirka-rozhodnuti.html>.

The Financial Arbitrator always publishes the decision in merits, i.e., the award or the decision on objections, which are new or in any way useful to general and professional public with regard to the claim on which the Financial Arbitrator has ruled.

Decisions imposing a fine for a breach of the obligation to present the demanded evidence in the proceedings before the Financial Arbitrator are also published.

The rulings on termination of the proceedings on the grounds that the complaint has been withdrawn or lacked a subject matter are not published in the Collection of Decisions, nor are the rulings on termination of the proceedings for insufficient assistance of the complainant. The rulings on termination of the proceedings for inadmissibility of the complaint shall be published only if they are of information value to the public.

The published decisions are identified in the Collection of Decisions by the type of decision (award, decision on objections, ruling, decision), the registration number or file mark, the date of the decision and the business name or name of the financial institution against which the complaint was directed. In accordance with Section 8a of the Freedom of Information Act and in accordance with Section 21(6) of the Financial Arbitrator Act, the published parts of the decisions do not contain personal or other identifying information of the complainants. The decisions can be searched by area, sub-area, name of the financial institution, year of the decision, file mark or keyword.



The Financial Arbitrator has continued to fill the Collection of Decisions on her website and has published all her major decisions in full (without identifying the complainants).

In the Collection, the predictability of the Financial Arbitrator's decision-making activity can be traced, which serves not only the financial institutions or their legal representatives, but also the complainants themselves (the consumers). They increasingly refer to the Collection of Decisions and cite the decisions of the Financial Arbitrator in their complaints, in other statements during the proceedings or even in their submissions to the courts.

For 2022, a total of 86 new decisions on the merits and 26 decisions on the fines are expected to appear in the Collection of Decisions on the website. The Collection of Decisions should then contain more than 1,000 anonymised decisions.



## VIII. INTERNATIONAL COOPERATION, FINANCIAL EDUCATION

### *Cooperation of the Financial Arbitrator with similar out-of-court consumer dispute resolution bodies in other countries*

Under the Financial Arbitrator Act, the Financial Arbitrator shall cooperate on a mutual basis with similar out-of-court consumer dispute resolution bodies in other states, in particular in the states forming the European Economic Area, and with the authorities of the European Union.

The foreign cooperation agenda is permanently delegated to the Deputy Financial Arbitrator, who not only represents the institution of the Financial Arbitrator at the international level, but also, thanks to his extensive experience with this agenda, is being re-elected or appointed by other members of the international networks (of which the Financial Arbitrator is a member) to the governing bodies of these networks.

### *ADR/ODR*

Since January 2016, the Financial Arbitrator has been notified by the Ministry of Industry and Trade as a competent body under the ADR Directive to the European Commission.

The Ministry of Industry and Trade always organizes at least once a year a meeting of representatives of notified entities for the out-of-court settlement of consumer disputes. The meeting is regularly attended, as was the case in October 2022, by the Deputy Financial Arbitrator.

Since February 2016, the Financial Arbitrator has been connected to the European online consumer dispute resolution platform operated by the European Commission under the ODR Regulation. The online resolution platform can be accessed here: <https://ec.europa.eu/consumers/odr/main/?event=main.home2.show>.

In 2022, the Financial Arbitrator did not record any complaint filed via the ODR platform.

### *FIN-NET*

The Financial Arbitrator has been a long-standing member of [FIN-NET](#), a European network of institutions focused on out-of-court resolution of disputes in the financial market. The network, founded in 2001, brings together the financial ombudsmen from most of the European Union Member States and other countries of the European Economic Area. Its mission is to share experience from day-to-day decision-making practice of its members and to help resolve cross-border disputes. The Deputy Financial Arbitrator is a member of the FIN-NET Steering Committee, which steers the future direction of the network and prepares the agenda for the plenary meetings.

In 2022, 2 plenary meetings of this network were held, with the April meeting being held via videoconference due to the ongoing covid-19 pandemic, while the November meeting was already held in Brussels in person. On the agenda were, among others, the draft regulation on markets in crypto-assets, the discussion on the basic payment account, the revision of the ADR Directive and the ODR Regulation, the forthcoming legislation on instant payments, the EIOPA investigation into credit insurance, and new types of payment frauds.

Both meetings were preceded by a meeting of the Steering Committee in the presence of the Deputy Financial Arbitrator, which was held via videoconference.

### *INFO Network*

The Financial Arbitrator is a member of an international network of institutions focused on the out-of-court resolution of consumer disputes in the financial market called the [INFO Network](#) (International Network of Financial Services Ombudsman Schemes). This network, established in 2007, includes financial ombudsman institutions from virtually every continent.

The INFO Network has long been working to set universally applicable minimum standards (independence, transparency, fairness, efficiency) for the out-of-court resolution of disputes in the financial market across different types of financial ombudsman institutions around the world, regardless of the nature and method of establishment of such institution (public vs private, established by law vs otherwise), its financing, rules for participation (voluntary vs mandatory participation of financial service providers) and its powers (possibility to deliver enforceable decisions vs mediation/conciliation, etc.).

As in 2020 and 2021, the traditional network's general meeting associated with the annual conference was not held in 2022 (postponed to 2023) due to the persistence of the covid-19 pandemic, but it was replaced by a videoconference. At this general meeting, the Deputy Financial Arbitrator was elected for a two-year term as a member of the Network's Steering Committee and subsequently attended the first meeting of the new Committee in December 2022, again by videoconference.

In addition, 2 more videoconferences were held in 2022 in a "town hall" format. The first one focused on the changes that more than 2 years of the covid-19 pandemic have brought to the functioning of the financial ombudsman institutions, while the second one focused on the effective use of social media.

In November 2022, there was a presentation, which took also place by videoconference, of partial conclusions of a study aimed at monitoring the impact of the ADR subject on financial market regulation and the activities of the supervisory authority.

#### *Foreign business trips*

In 2022, the Deputy Financial Arbitrator undertook three foreign working trips to participate in the following meetings as the covid-19 pandemic gradually fades:

- Czech-Slovak Day of Cooperation of Consumer Dispute Resolution Bodies (Bratislava, Slovakia, Ministry of Economy, June 2022),
- 5th Conference on Out-of-Court Dispute Resolution (Budapest, Hungary, National Bank of Hungary, September 2022, lecture),
- FIN-NET Annual Meeting (Brussels, Belgium, European Commission, November 2022).

All of the business trips were beneficial for the activities of the Office of the Financial Arbitrator, with regard to the information obtained on the activities of foreign entities involved in the out-of-court resolution of consumer disputes as well as on the changes in European legislation being prepared and implemented.

In the course of his foreign trips, the Deputy Financial Arbitrator strengthened cooperation with foreign partners, gave lectures on the situation in the Czech Republic, found out knowledge from abroad in areas that are not regulated in detail by domestic legislation, including the interpretation of foreign (Slovak) law needed to resolve a specific dispute in the proceedings before the Financial Arbitrator. The benefit of the foreign working trips of the Deputy Financial Arbitrator is indisputable, especially due to the development of relations with similar institutions within the V4 and within the pan-European FIN-NET.

#### *Further cross-border cooperation*

In October 2022, the Deputy Financial Arbitrator joined a World Bank project aimed at enhancing the supervisory competencies of the Albanian Financial Supervisory Authority ([AMF](#)) in connection with the Albania's candidacy status for European Union membership.

#### *Financial education, raising public awareness of the activities of the Financial Arbitrator*

Both the Financial Arbitrator and the Deputy Financial Arbitrator have a long-standing interest in engaging in financial education activities for citizens. The Deputy Financial Arbitrator is a member of the Financial Education Working Group of the Ministry of Finance.

The Deputy Financial Arbitrator is engaged in lecturing activities for the professional and general public. In 2022, the Deputy Financial Arbitrator gave lectures at the academic level, traditionally at the Faculty of Economics and Administration of Masaryk University in Brno in the course Financial Literacy, as well as at the Faculty of Law of Charles University in Prague in the elective course Consumer Protection.

A completely new element in spreading awareness about the institution of the Financial Arbitrator was a lecture given by the Deputy Financial Arbitrator in November 2022 to seniors – residents of the Senior Park in Kunice.

In December 2022, the Deputy Financial Arbitrator was a guest on the programme called “Ranní Plus” on the Czech Radio Plus station, where he introduced the institution of the Financial Arbitrator and the benefits that the currently discussed amendment to the Civil Procedure Code may have.

## IX. OTHER ACTIVITIES OF THE FINANCIAL ARBITRATOR

The Financial Arbitrator and the Deputy Financial Arbitrator try to pass on the knowledge and experience gained in dispute resolution, both by participating in financial education activities and in the legislative process of adopting new legislation regulating the provision of financial services to consumers.

### *Subcommittee on Consumer Protection of the Chamber of Deputies of the Parliament of the Czech Republic*

The Financial Arbitrator and the Deputy Financial Arbitrator are regular guests and regularly attend meetings of the Subcommittee on Consumer Protection of the Chamber of Deputies of the Parliament of the Czech Republic.

### *Interdepartmental comment procedure*

As part of the interdepartmental comment procedure in 2022, the Financial Arbitrator submitted major comments on the draft law amending the laws in connection with the development of the capital market, namely Part on 9, which amends the Consumer Credit Act in relation to early repayment of consumer mortgage credit. The Financial Arbitrator has expressed concern that the proposed major conceptual change will create interpretive ambiguities that may lead to an increase in disputes referred to the Financial Arbitrator for resolution.

### *Interdepartmental Working Group*

In connection with the implementation of the Consumer Policy Strategy 2021–2030 approved by the Government Resolution No. 518 on 7 June 2021, an interdepartmental working group was established at the Ministry of Industry and Trade. The Deputy Financial Arbitrator is a full member of this working group with the Financial Arbitrator as his alternate.

In April 2022, the second meeting of this interdepartmental working group was held by videoconference. The agenda included, among other things, out-of-court resolution of consumer disputes (presentation of the expected schedule of partial tasks within the framework of the evaluation of the functioning and possible revision of the consumer ADR system in the Czech Republic), the impact of digitalization on consumers and other current problems faced by consumers (e.g., rise in energy prices).

### *Providing information to the media, students and commentators on financial market topics*

The Financial Arbitrator provides information on her activities as well as general explanations to various questions of journalists. The Financial Arbitrator is bound by a strict duty of confidentiality and can therefore only provide general information.

The space that the journalist ultimately devotes to the answers of the Financial Arbitrator is usually very limited, thereby completely losing the meaning of the information provided, both by the Financial Arbitrator to the journalist and by the journalist to the public. The Financial Arbitrator always tries to give the media the full picture, i.e., both the approach of the financial institution, which is always of primary interest to the journalist, and the approach of the consumer, who as a rule often withholds or conceals their share of the outcome to the journalist.

The Financial Arbitrator also provides information and explanations to students who are writing their theses on the topic of out-of-court dispute resolution or directly on the topic of the Financial Arbitrator.

## **X. FUTURE OUTLOOK**

A constant task that the Financial Arbitrator has been and will continue to be dealing with is the pursuit of maximum and efficient resolution of each dispute.

The Financial Arbitrator will, as a matter of principle, seek to minimise the length of the proceedings.

In the upcoming periods, all employees of the Office of the Financial Arbitrator will continue to raise public awareness of the Financial Arbitrator through active communication with the public and the media, presentations, publication of press and annual reports, information on the website (news, recommendations, decisions) and on social media.

Further modifications to the website that should lead to greater clarity, accessibility of the most important information and traceability of the topics related to the proceedings before the Financial Arbitrator are expected.

## **Annex No. 1 – Provision of information pursuant to Act No. 106/1999 Coll., on free access to information, as amended**

*Annual report on the activities of the Office of the Financial Arbitrator for the year 2022 in the area of providing information pursuant to Act No. 106/1999 Coll., on free access to information, as amended*

The procedure of the Office of the Financial Arbitrator in the performance of tasks arising from the Act is regulated by the internal regulation of the Financial Arbitrator from 22 February 2017.

### *Information provided on request*

a) number of submitted requests for information	5
b) number of information provided	4
c) number of decisions issued refusing the requests	1 decision to partially refuse information
d) number of appeals lodged against decisions	1
e) copy of the essential parts of the court judgment on the review of the lawfulness of the decision of the obliged entity to reject a request for information and summary of all expenses incurred by the obliged entity in connection with legal proceedings concerning rights and obligations under the Act	0
f) list of exclusive licences granted	0
g) number of filed complaints	0
h) other information relating to the application of the Act	0

Requests for information and responses from the Office of the Financial Arbitrator can be found on the website at <https://finarbitr.cz/cs/informace-pro-verejnost/informace-podle-zakona-106-1999-sb/otazky-a-odpovedi.html> in Czech language.

**Annex No. 2 – Overview of the decisions published in the Collection of Decisions in 2022**

File mark			Result of the proceedings	Subject matter of the dispute/proceedings	Institution	The subject matter of the dispute in detail	Award/decision on objections	Awarded or requested amount/amount of the fine
FA/SR/PS/	903	2020	rejected	control of trade under the Money Laundering Act, compensation for damages	Raiffeisenbank a.s.	The Complainant sought compensation from the Institution for damages corresponding to the amount of the payment transaction fees they paid because the Institution failed or refused to credit the amount of the payment transaction to the account it held for them, even though they were the beneficiary of that amount, and returned that amount to the payer's payment service provider. They also sought compensation for the non-pecuniary loss caused to them, their spouse and their mother by the Institution in connection therewith.	objections to the award were not filed	
FA/SR/PS/	1917	2020	rejected	chargeback	Česká spořitelna, a.s.	The Complainant sought to recover damages from the Institution in the amount of the payment transactions made by the Institution pursuant to payment orders placed by the Complainant using the credit card to pay for the accommodation because the Institution breached its duty in the proceeding with the card company on the Complainant's claim by failing to take into account the fraudulent conduct of the merchant and the fact that the conditions for denying the chargeback were not met, i.e., that the merchant failed to provide an adequate refund, and the merchant failed to refund the price of the accommodation to the Complainant. They further sought a reimbursement of the fee for withdrawing funds at a bank office.	objections to the award were not filed	over the payment of CZK 127.938,05
FA/SR/PS/	430	2021	rejected	chargeback	Raiffeisenbank a.s.	The Complainant sought to recover damages from the Institution in the amount	objections to the	

						of payment transactions executed by the Institution based on payment orders that the Complainant had placed using credit cards issued by the Institution to purchase airline tickets, but the services paid for by the credit card were not delivered to the Complainant.	award were not filed	
FA/SR/PS/	1093	2020	rejected	chargeback, unauthorised payment transaction, credit card misuse	UniCredit Bank Czech Republic and Slovakia, a.s.	The Complainant requested the Institution to pay them statutory default interest on the amount it had wrongfully debited from their account, as the cost of accommodation should have been paid by the Complainant only on arrival at the accommodation facility and not in advance. They also sought compensation for non-pecuniary loss, and apology from the director of the Institution for the complications caused by not initiating chargeback procedure to recover the amount wrongfully debited, as the Complainant had neither consented to the payment transaction nor given a payment order.	including the proceedings on objections	
FA/SR/PS/	693	2020	rejected	unauthorised payment transaction, misuse of internet banking	Česká spořitelna, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought (a) to have the Institution restore the payment account to its correct status as if it did not debit the outgoing foreign payment transactions for which payment instructions had been given using the Complainant's internet banking system and fees had been charged, because the Complainant had not given consent or payment instructions for those payment transactions; (b) the refund of the amount of interest for the overdraft facility granted to the account, including the set-up and maintenance fee, and the refund of the overdraft interest debited from the account, which the Institution charged to the Complainant because the Complainant did not enter into an overdraft facility agreement with the Institution; (c) a declaration that the Complainant is not liable to pay the overdraft	including the proceedings on objections	over the payment of CZK 556.675,61 and an unspecified amount of interest for the use of an overdraft facility, including set-up and maintenance fees, and over a declaration that the Complainant is not obliged to pay the overdraft facility, cash credit and revolving credit



						facility, revolving credit or cash credit because the Complainant did not establish or draw down the overdraft facilities or enter into a revolving credit agreement and a cash credit agreement, and that the Financial Arbitrator orders the Institution to cancel the overdraft facility.		and over a cancellation of the overdraft facilities
FA/SR/PS/	1549	2020	rejected	revocation of payment order	Fio banka, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought to have the Institution restore an account it maintained for them to its correct status or to compensate them for the amount of the payment transaction that the Institution debited to the account, even though the Complainant had properly and timely revoked the payment transaction or their consent to its execution.	objections to the award were not filed	
FA/SR/PS/	849	2021	rejected	revocation of payment order	Raiffeisenbank a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought to have the Institution pay them the amount of a payment transaction they had ordered to be made for the purpose of paying the purchase price of an automobile, together with statutory default interest on that amount, because the Institution had been improperly withholding that amount even though the Complainant had properly revoked the payment order for that payment transaction, and because the Institution had arbitrarily included "possible fraud" as a reason in its request to cancel the outgoing foreign payment transaction, thereby causing the funds not to be returned to the Complainant.	including the proceedings on objections	
FA/SR/PS/	1628	2021	rejected	cash deposit via ATM	UniCredit Bank Czech Republic and Slovakia, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought to have the Institution pay them the difference between the amount the Complainant claimed to have deposited into a payment account maintained for them by the Institution using an ATM and the amount the	objections to the award were not filed	

						Institution had actually credited to the payment account.		
FA/SR/PS/	1096	2021	rejected	refund of payment transaction amount, exchange rate loss	Fio banka, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought to have the Institution restore the account it maintained for them to its correct status, specifically, to pay the Complainant the difference between the amount of the payment transaction debited to the account and the amount of the refund credited to the account, and to refund the debit fee charged to the account for the execution of the payment transaction and to compensate them for the damages they incurred by repeatedly executing the payment transaction.	including the proceedings on objections	
FA/SR/RI/	13	2020	partially upheld	investment services, professional care, compensation for damages	Goldenburg Group Limited	In the proceedings before the Financial Arbitrator, the Complainant sought damages from the Institution for losses arising from an investment because the Institution failed to inform them of the risks of the trades and manipulated them into trading.	including the proceedings on objections	CZK 692.302,12 CZK (398.191,72 awarded)
FA/SR/RI/	2284	2019	fully upheld	investment services, professional care, compensation for damages	Notesco Financial Services limited, odštěpný závod	In the proceedings before the Financial Arbitrator, the Complainant sought to recover funds unlawfully withheld by the Institution, including default interest, because the Institution had failed to allow the Complainant to withdraw funds from a trading account it maintained for them at their request.		
FA/SR/RI/	2037	2019	fully upheld	investment services, professional care, compensation for damages	Goldenburg Group Limited	The Complainant sought damages from the Institution in the amount of the difference between the amount the Complainant deposited in their trading account with the Institution and the amount they recovered from it because the Institution had breached its legal obligations by, inter alia, failing to adequately inform them of the risks of investing and by recommending unsuitable investment products.		

FA/SR/RI/	2082	2019	fully upheld	investment services, professional care, compensation for damages	eDO finance, a.s.,	In the proceedings before the Financial Arbitrator, the Complainant claimed damages from the Institution as investment intermediary in the amount corresponding to the entry fee to the framework agreement on the terms and conditions for the periodic issuance and exchange of units, because they had been advised to enter into the agreement by a tied representative of the Institution, but had been given false information regarding the return of the entry fee.		
FA/SR/RI/	306	2020	rejected	investment services, professional care, compensation for damages	PLUS500UK LTD	The Complainant sought damages from the Institution caused by investing, subsequent sale of a house, loan and a bankruptcy proceedings because the Institution had blocked the Complainant's deposit and manipulated the prices of investment instruments on several occasions during the trading process.	including the proceedings on objections	
FA/SR/RI/	1094	2020	rejected	investment services, professional care, compensation for damages	flatexDEGIRO Bank AG	The Complainant sought to have the Institution compensate them for damages caused by not allowing the Complainant to sell their securities over the counter and to process a request to transfer their securities to an investment firm of their choice.	objections to the award were not filed	CZK 54.000
FA/SR/RI/	1492	2020	rejected	investment services, professional care, compensation for damages	Fio banka, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought to recover lost profits from the Institution because the Institution had failed to carry out their instruction to purchase shares.	objections to the award were not filed	CZK 274.585
FA/SR/RI/	1580	2020	rejected	investment services, professional care, compensation for damages	Česká spořitelna, a.s.	The subject of the proceedings before the Financial Arbitrator was the assessment of the Complainant's claim for payment together with statutory default interest, because the Institution brokered the Complainant's investment in an investment instrument that did not match their risk profile and because the Institution failed to return the funds invested when they withdrew from	including the proceedings on objections	over the payment of CZK 7.477 including statutory default interest

						the investment due to a material breach of duty by the Institution.		
FA/SR/RI/	1581	2020	rejected	investment services, professional care, compensation for damages	Česká spořitelna, a.s.	The subject of the proceedings before the Financial Arbitrator was the assessment of the Complainant's claim for payment, together with statutory default interest, because the Institution brokered them a purchase of an investment instrument that not matched Complainant's risk profile and because the Institution failed to return the funds invested to them when they withdrew from the investment due to a material breach of duty by the Institution.	including the proceedings on objections	over the payment of CZK 7.477 including statutory default interest
FA/SR/RI/	2951	2018	rejected	investment services, professional care, compensation for damages	UniCredit Bank Czech Republic and Slovakia, a.s.	The Complainant sought to recover damages from the Institution for losses they incurred as a result of the devaluation of their investment in mutual funds brokered by the Institution and by a wrongful assignment of the contracts to the Institution.	objections to the award were not filed (late)	CZK 200.000
FA/SR/RI/	2415	2021	rejected	investment services, professional care, compensation for damages	Česká spořitelna, a.s.	The Complainant sought an order from the Financial Arbitrator requiring the Institution to transfer or arrange for the transfer of the shares from the Complainant's asset account to the asset account of the Complainant's brother because the Institution refused to both execute and arrange the transfer of the shares as requested by the Complainant.	objections to the award were not filed	CZK 0
FA/SR/RI/	205	2022	rejected	invalidity of a contractual provision	Česká spořitelna, a.s.	The Complainant requested that the Institution provide them with monthly asset account statements containing information on monthly earnings on a currency premium deposit.	objections to the award were not filed	CZK 0
FA/SR/SU/	2523	2021	partially upheld	unjust enrichment	Fair Credit Czech s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit under the agreement prior to its provision, and a restitution for unjust enrichment in the amount of every payment made by the Complainant in excess of the	objections to the award were not filed	only the invalidity of the agreement was declared

						credited amount, including statutory default interest.		
FA/SR/SU/	384	2022	fully upheld	unjust enrichment	EvPe GROUP s.r.o.	The Complainant sought reimbursement from the Institution of the amount they paid to the Institution as an advance payment for arranging a credit because the Institution did not take any steps to arrange the credit for the Complainant.	objections to the award were not filed	CZK 13.277
FA/SR/SU/	189	2022	rejected	unjust enrichment	Raiffeisenbank a.s.	The Complainant sought to recover unjust enrichment from the Institution under an invalid credit agreement because the Institution had failed to assess the creditworthiness of the co-debtors before entering into the credit agreement and because the Institution's remuneration for granting the credit was contrary to good morals.	including the proceedings on objections	
FA/SR/SU/	2417	2021	partially upheld	unjust enrichment, bankruptcy of the Complainant, creditworthiness	Fair Credit Czech s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly assess the Complainant's ability to repay the credit under the agreements prior to its provision, and a restitution for unjust enrichment in the amount of every payment made by the Complainant in excess of the credited amounts, including statutory default interests.	objections to the award were not filed	only the invalidity of the agreement was declared
FA/SR/SU/	628	2020	rejected	unjust enrichment, compensation for damages, determination of an amount of a debt	ČSOB Stavební spořitelna, a.s.	The Complainant sought to recover unjust enrichment from the Institution corresponding to the amount of the credit repayments under an agreement on granting of a bridging credit and credit from building savings, which they had paid to the Institution following the auction of the real estate for the acquisition of which the loan had been drawn and compensation for the damage caused by the sale of that real estate as collateral securing the claim.	objections to the award were not filed	CZK 78.300 and other unspecified damages
FA/SR/SU/	1702	2021	rejected	unjust enrichment,	Chytrý nájem s.r.o.	The Complainants sought to recover unjust enrichment from the Institution under the loan agreements because the Institution had	including the proceedings	CZK 144.538

				invalidity of a contract		failed to properly access the Complainants' ability to repay the loan under the loan agreements, or for breach of good morals, or for the Complainants' error when entering into the loan agreements. Alternatively, the Complainants sought damages in the amount of unjust enrichment which the Institution supposedly had caused them by breaching the prohibition on securing consumer credit with a promissory note.	gs on objections	
FA/SR/SU/	616	2021	rejected	unjust enrichment, invalidity of a contract	ČESKÁ ÚVĚROVÁ KLADNA a.s.	The Complainants sought a declaration that a consumer credit agreement was invalid because the Institution's claim under the agreement was secured by a so-called unredeemable pledge of a real estate. The Complainants also sought a declaration that a subsequent contract for the transfer of their ownership of the real estate to the Institution and a lease agreement for the use of the estate, which they had concluded as tenants with the Institution as landlord, were invalid and that the rent they had paid to the Institution should be refunded.	objections to the award were not filed	
FA/SR/SU/	380	2022	partially upheld	unjust enrichment, invalidity of a contract, invalidity of a contractual provision, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits and because the Institution's contractual remuneration under those agreements was excessive, and at the same time sought to recover the unjust enrichment under those agreements which the Institution had obtained to their detriment.	including the decision on objections	the contracts were declared invalid and CZK 17.257 was awarded
FA/SR/SU/	1700	2021	partially upheld	unjust enrichment, invalidity of a contract, invalidity of a contractual	SIM PŮJČKA s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits or because the Institution's contractual remuneration under those agreements was excessive, and at the same	objections to the award were not filed	CZK 14.435 awarded (invalidity assessed in the context of the decision on

				provision, creditworthiness		time sought to recover the unjust enrichment of the Institution under those agreements.		unjust enrichment)
FA/SR/SU/	2224	2021	partially upheld	unjust enrichment, invalidity of a contract, invalidity of a contractual provision, creditworthiness	UNICREDO SYSTEM a.s., Dmytryshchuk Liudmyla	The Complainant sought a declaration that a loan agreement did not contain a duty to pay interest and that other payment provisions should be disregarded, and also a recovery of unjust enrichment, because the Institution 1 and the Institution 2 were not authorised to arrange and grant consumer credit.	objections to the award were not filed	CZK 6.750 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1701	2021	partially upheld	unjust enrichment, invalidity of a contract, invalidity of a contractual provision, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive, and at the same time sought to recover the unjust enrichment under the contract which the Institution had obtained to their detriment.	including the decision on objections	CZK 10.603 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	763	2021	partially upheld	unjust enrichment, invalidity of a contract, nullity of a contractual provision, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits and because the Institution's contractual remuneration under those agreements was excessive, and at the same time sought to recover the unjust enrichment under those agreements which the Institution had obtained to their detriment.	including the decision on objections	CZK 19.912 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	2037	2021	partially upheld	unjust enrichment, invalidity of a contract, business credit, creditworthiness	FINSPACE s.r.o.	The Complainant sought a declaration that the loan agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the loans under the agreements prior to their provision, and a restitution for unjust enrichment in the amount of every payment made by the Complainant in excess of the credited amounts, including statutory default interests.	objections to the award were not filed (late)	CZK 4.250 awarded (invalidity assessed in the context of the decision on unjust enrichment)

FA/SR/SU/	2048	2018	partially upheld	unjust enrichment, invalidity of a contract, APRC, creditworthiness	EXPRESS MONEY s.r.o.	The Complainants, by a joint complaint before the Financial Arbitrator, sought a declaration that the credit agreements, arbitration agreements and a pledge agreement entered into by Complainant 1 or Complainant 2 with the Institution were invalid because the Institution had failed to assess the creditworthiness of Complainant 1 prior to entering into the credit agreements, the agreements did not contain the information required by law, they also created a significant imbalance in the rights and obligations of Complainant 1 and the Institution because they contained unconscionable and unreasonable contractual provisions to the detriment of Complainant 1 and the Institution's claims under the credit Agreements were overly secured, and the credit agreements were entered into by Complainant 1 under duress. The Complainants argued that because the credit agreements were invalid, the pledge agreement and the arbitration agreements were also invalid.	including the decision on objections	the credit agreements were declared invalid
FA/SR/SU/	1271	2022	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive, and at the same time sought to recover the unjust enrichment under the contract which the Institution had obtained to their detriment.	including the decision on objections	CZK 30.840 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1973	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	SIM PŮJČKA s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits, and at the same time sought to recover the unjust enrichment under those agreements which the	objections to the award were not filed	CZK 30.028 awarded (invalidity assessed in the context of the decision on



						Institution had obtained to their detriment, including statutory default interests.		unjust enrichment)
FA/SR/SU/	578	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	OPR-Finance s.r.o.	The Complainant sought a declaration that a credit agreement entered into between the Complainant and the Institution was invalid because the Institution's remuneration was immoral and because the Institution had failed to assess the Complainant's creditworthiness prior to entering into the agreement, and a recovery of unjust enrichment obtained by the Institution at the Complainant's detriment under the agreement.	including the decision on objections	CZK 104.877 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	51	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	SIM PŮJČKA s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly assess the Complainant's ability to repay the credits or because the Institution's contractual remunerations under those agreements were excessive, and at the same time sought to recover the unjust enrichment of the Institution under those agreements.	objections to the award were not filed	CZK 51.901 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1527	2019	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	BURCIN, VIKTOR, FON, I.B.G. Money Czech s.r.o.	The Complainant sought a declaration that the consumer credit agreements they had entered into with Institution 1 and the consumer credit agreements entered into with Institution 1 by a debtor, who is deceased, as the Complainant's predecessor in title, were invalid because Institution 1 had failed to assess the debtor's ability to repay the debts under those agreements before entering into them, or alternatively they sought a declaration that the concluded consumer credit agreements were invalid on the ground of the excessiveness of the agreed contractual fees and, at the same time, they sought a recovery of unjust enrichment obtained by Institution 1 and Institution 2 to their detriment under those agreements.	including the decision on objections	CZK 558.859 awarded (invalidity assessed in the context of the decision on unjust enrichment)

FA/SR/SU/	2187	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	PROFI CREDIT Czech, a.s.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits, and at the same time sought to recover the unjust enrichment under those agreements which the Institution had obtained to their detriment, including statutory default interests.	objections to the award were not filed	CZK 59.968 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1686	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	CentroFinance, s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits and because the Institution's contractual remunerations under these agreement were excessive, and at the same time sought to recover the unjust enrichment under the contracts which the Institution had obtained to their detriment.	including the decision on objections	CZK 3.652 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	756	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	CentroFinance, s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to access the Complainant's ability to repay the credits with professional care and because the Institution's contractual remunerations under these agreement were excessive, and at the same time sought to recover the unjust enrichment under the contracts which the Institution had obtained to their detriment.	including the decision on objections	CZK 12.045 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	194	2021	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive, and at the same time sought to recover the unjust enrichment under the contract which the Institution had obtained to their detriment.	including the decision on objections	CZK 11.550 awarded (invalidity assessed in the context of the decision on unjust enrichment)

FA/SR/SU/	1920	2019	partially upheld	unjust enrichment, invalidity of a contract, creditworthiness	Kontex Trade International s.r.o.	The Complainant sought a recovery of unjust enrichment from the Institution and a declaration that the loan and credit agreements were invalid because the Institution had failed to assess the Complainant's creditworthiness with professional care before entering into them and because the remunerations were excessive.	including the decision on objections	the credit agreement was declared invalid
FA/SR/SU/	195	2021	fully upheld	unjust enrichment, invalidity of a contract, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly assess the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive and contrary to good morals.	including the decision on objections	the credit agreement was declared invalid
FA/SR/SU/	2049	2021	fully upheld	unjust enrichment, invalidity of a contract, creditworthiness	FINSPACE s.r.o.	The Complainant sought a declaration that a consumer credit agreement that they had concluded with the Institution was invalid because the Institution had failed to properly assess the Complainant's ability to repay the credit.	including the decision on objections	CZK 94.078 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	2574	2021	fully upheld	unjust enrichment, invalidity of a contract, creditworthiness	BB Finance Czech s.r.o.	The Complainant sought a declaration that the loan agreements were invalid because the Institution had failed to properly assess the Complainant's creditworthiness and because the Institution's contractual remunerations under the agreements were contrary to good morals.	objections to the award were not filed	CZK 10.613 awarded
FA/SR/SU/	1855	2021	fully upheld	unjust enrichment, invalidity of a contract, creditworthiness	PROFI CREDIT Czech, a.s.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly assess the Complainant's ability to repay the credits, and at the same time sought to recover the unjust enrichment under those agreements which the Institution had obtained to their detriment, including statutory default interests.	objections to the award were not filed	CZK 31.804 awarded

FA/SR/SU/	2651	2021	fully upheld	unjust enrichment, invalidity of a contract, creditworthiness	SIM PŮJČKA s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive, and at the same time sought to recover the unjust enrichment under the contract which the Institution had obtained to their detriment.	including the decision on objections	CZK 4.777 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1161	2022	partially upheld	unjust enrichment, invalidity of a contractual provision	HELP FINANCIAL s.r.o.	The Complainant sought an assessment of a morality of the Institution's remuneration under a credit agreement entered into between the Complainant and the Institution, and a recovery of unjust enrichment of the Institution under that agreement in an amount equal to the difference between the loan repayments made and the credited amount.	including the decision on objections	CZK 11.000 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1153	2020	partially upheld	unjust enrichment, invalidity of a contractual provision, creditworthiness	SIM PŮJČKA s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits or because the Institution's contractual remunerations under those agreements were excessive, and at the same time sought to recover the unjust enrichment of the Institution under those agreements.	objections to the award were not filed	CZK 13.299 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	2295	2019	fully upheld	unjust enrichment, interest too high (discount rate), creditworthiness	VG Consulting & Services s.r.o.,	The Complainant sought a recovery of unjust enrichment because the credit agreement concluded with the Institution did not contain the elements of a credit agreement required by law, and a confirmation that the credit bears interest at the discount rate in force at the time the credit agreement had been concluded, as published for the relevant period by the Czech National Bank, and a declaration that the other provisions on payments were invalid. The Complainant also sought to	including the decision on objections	declaration that the contract is invalid and award of CZK 510.419

						have the credit agreement declared invalid for the Institution's failure to assess their ability to repay the debt under that agreement, for its usurious nature on account of the over-securing of the credit and for the immorality of the contractual remuneration agreed.		
FA/SR/SU/	2268	2021	partially upheld	unjust enrichment, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to assess the Complainant's ability to repay the credits with professional care and because the Institution's contractual remunerations under these agreement were excessive, and at the same time sought to recover the unjust enrichment under the contracts which the Institution had obtained to their detriment.	including the decision on objections	CZK 17.124 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	2521	2021	partially upheld	unjust enrichment, creditworthiness	PROFI CREDIT Czech, a.s.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly assess the Complainant's ability to repay the credit prior to its conclusion, and at the same time sought to recover the unjust enrichment under the agreement which the Institution had obtained to their detriment, including statutory default interests.	objections to the award were not filed	CZK 91.818 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	188	2022	partially upheld	unjust enrichment, creditworthiness	PROFI CREDIT Czech, a.s.	The Complainant sought a recovery of unjust enrichment of the Institution under the credit agreements they had entered into with the Institution in an amount equivalent to the interest and fees paid by the Complainant to the Institution under those agreements, as the Complainant considered them to be immoral, and also an order requiring the Institution to delete the negative entries of the Complainant in relation to those agreements in the non-bank debtor register.	including the decision on objections	CZK 82.505 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	2680	2021	rejected	credit drawdown, compensation for damages	ČSOB Stavební spořitelna, a.s. Československá	In the proceedings before the Financial Arbitrator, the Complainant sought payment from Institution 1 of an amount equivalent to the damages they had suffered because	objections to the award	CZK 315.000

					obchodní banka, a. s.	Institution 1 had misled them when arranging the credit under the building savings credit agreement by failing to inform them of the fee for entering into the credit agreement and by failing to allow them to draw the full amount agreed under the credit agreement.	were not filed	
FA/SR/SU/	1562	2021	rejected	credit drawdown, compensation for damages, withdrawal from contract	mBank S.A., organizační složka	In the proceedings before the Financial Arbitrator, the Complainants sought the Financial Arbitrator to determine that the Institution invalidly withdrew from the mortgage credit agreement it had entered into with them and, at the same time, to order the Institution to extend the time limit to draw the credit under that agreement or order the Institution to compensate the Complainants for damages because the Institution had refused to extend the time limit to draw the credit under the agreement.	objections to the award were not filed	
FA/SR/SU/	1043	2021	rejected	compensation for non-pecuniary loss, compensation for damages	ČSOB Stavební spořitelna, a.s.	In the proceedings before the Financial Arbitrator, the Complainant sought damages for the harm that the Institution's tied agent caused them by its unlawful conduct when arranging a consumer mortgage credit by instructing the Complainant to enter into a reservation agreement.	objections to the award were not filed	CZK 145.000
FA/SR/SU/	2474	2021	rejected	compensation for non-pecuniary loss, compensation for damages	Československá obchodní banka, a. s.	The Complainant sought compensation for damages and non-pecuniary loss and an apology from the Institution on the grounds of interference with their right to dignity, respect, honour and privacy, because the Institution wrongfully charged the amount drawn by the Complainant in excess of the credit limit agreed in the overdraft facility agreement and because the Institution wrongfully terminated the contracts it had entered into with the Complainant.	including the proceedings on objections	CZK 10.000 non-pecuniary loss and apology
FA/SR/SU/	1594	2021	rejected	compensation for damages	Komerční banka, a.s.	The Complainant sought payment from the Institution of the amount they had to spend on the reconstruction of their family house as	objections to the award	CZK 3.000.000

						a result of pressure exerted by the Institution.	were not filed	
FA/SR/SU/	200	2022	rejected	compensation for damages, pre-contractual liability	Fio banka, a.s.	The Complainant sought an order from the Financial Arbitrator requiring the Institution to compensate the Complainant for damages incurred by the payment of a reservation fee for a property that the Complainant intended to finance the purchase of with funds from the Institution's mortgage credit, for damages in an amount equal to the appraisal fee for the appraisal of the property, for unspecified damages for the loss of the property and the loss of the possibility to own a home, and unspecified future damages, that they may incur as a result of the Institution's unlawful conduct because the Institution had deliberately prolonged negotiations with the Complainant to enter into the credit agreement in order to take advantage of the increase in prevailing interest rates, while at the same time preventing the Complainant from purchasing the property, and had not entered into the credit agreement with the Complainant.	including the proceedings on objections	over the payment of CZK 459.514, compensation for unspecified damages for the loss of the property valued at CZK 7,512,63, compensation for unspecified damages for the loss of the possibility of owning a home and unspecified future damage
FA/SR/SU/	1565	2020	fully upheld	invalidity of a contract, invalidity of a contractual provision, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a credit agreement they had entered into with the Institution was invalid because the Institution had failed to properly assess the Complainant's ability to repay the consumer credit and also sought to repay the rest of the credited money within a period of time commensurate with their ability to do so, or a declaration that the provision on creditor's remuneration under the agreement was invalid because it was unreasonable.	including the decision on objections	the credit agreement was declared invalid and an obligation to reimburse each other for unjust enrichment was imposed
FA/SR/SU/	2223	2021	fully upheld	invalidity of a contract, unlicensed provider, creditworthiness	UNICREDO SYSTEM a.s., VOSTŘÁKOVÁ VALÉRIE	The Complainant sought a declaration that the loan agreement was invalid because the Complainant's ability to repay the consumer loan granted under the agreement had not been assessed, or alternatively a declaration that the loan agreement was	objections to the award were not filed	the credit agreement was declared invalid

						not interest bearing and that other payment provisions were void.		
FA/SR/SU/	556	2022	partially upheld	invalidity of a contract, APRC, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution's contractual remunerations under these agreements were excessive and the APRC was contrary to the law or to good morals.	including the decision on objections	CZK 5.330 awarded (invalidity assessed in the context of the decision on unjust enrichment)
FA/SR/SU/	1251	2021	fully upheld	invalidity of a contract, APRC, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution had failed to properly access the Complainant's ability to repay the credit and because the Institution's contractual remuneration under this agreement was excessive and contrary to good morals.	including the decision on objections	the credit agreement was declared invalid
FA/SR/SU/	958	2021	fully upheld	invalidity of a contract, determination of an amount of debt	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that the consumer credit agreements were invalid because the Institution had failed to properly access the Complainant's ability to repay the credits and because the Institution's contractual remunerations under these agreements were excessive.	including the decision on objections	the credit agreement was declared invalid
FA/SR/SU/	2718	2021	rejected	invalidity of a contract, creditworthiness	MONETA Money Bank, a.s.	The Complainant sought a declaration that a consumer credit agreement was invalid because the legal predecessor of the Institution had failed to properly access the creditworthiness of the Complainants prior to its conclusion, and also sought a determination of an amount of debt owed under the agreement following its invalidity.	including the proceedings on objections	
FA/SR/SU/	2231	2020	rejected	early repayment of a mortgage credit	Raiffeisenbank a.s.	The Complainant sought a declaration of the Complainant's right to make a 'turbo payment' on the credit under a mortgage credit agreement and compensation for the damages caused by the Institution's unlawful conduct in this regard.	objections to the award were not filed	



FA/SR/SU/	719	2020	rejected	early repayment of a mortgage credit	UniCredit Bank Czech Republic and Slovakia, a.s.	In connection with a mortgage credit agreement concluded between the Complainants and the Institution, the Complainants sought a declaration that the provisions of the agreement were invalid, in so far as they related to the right of the Institution to charge the costs of its interest losses on early repayment of the credit, and a declaration that the Institution was not entitled to charge interest on the credit under the agreement at a rate exceeding ...% per annum from the date of ..., or compensation for the damages suffered by the Complainants as a result of their inability to refinance the credit.	including the proceedings on objections	
FA/SR/SU/	831	2021	fully upheld	early repayment of a mortgage credit, determination of an amount of debt	Sberbank CZ, a.s. v likvidaci	In the proceedings before the Financial Arbitrator, the Complainant sought a declaration that their obligation under the credit agreement was terminated by the early repayment of the credit.	objections to the award were not filed	termination of the obligation under the credit agreement was declared
FA/SR/SU/	2580	2021	fully upheld	APRC, creditworthiness	HELP FINANCIAL s.r.o.	The Complainant sought a declaration that a consumer credit agreement was invalid because the Institution's contractual remuneration under the agreement was excessive and the APRC was contrary to the law or to good morals.	including the decision on objections	the credit agreement was declared invalid
FA/SR/SU/	976	2020	partially upheld	creditworthiness, entry in a register	Paribas s.r.o., TGI Money a.s.	The Complainants sought a declaration that the credit agreement they had entered into with Institution 1 was invalid because Institution 1 had failed to assess the creditworthiness of the Complainants before entering into the agreement. At the same time, the Complainants sought a determination of an amount of debt owed by them under the credit agreement to Institution 2, to which Institution 1 had assigned the claim under the agreement, and a determination that the debt owed to Institution 2 under the credit agreement was repayable by the Complainants within	including the decision on objections	the credit agreement was declared invalid

						a period of time commensurate with their ability to do so.		
FA/SR/SU/	2282	2019	rejected	entry in the register of debtors	Sberbank CZ, a.s. v likvidaci	The Complainant sought to have the Institution delete negative information about them from an unspecified secret bank register because, based on the existence of the register and these records, the Complainant's applications for credits are being rejected by other banks.	including the proceedings on objections	
FA/SR/ZP/	498	2021	partially upheld	unjust enrichment, investment life insurance, invalidity of a contract	myLife Lebensversicherung AG	The Complainant sought payment from the Institution, as the legal successor of the original insurer, of the difference between the premiums and the surrender value paid in connection with the insurance contracts because they had been misled by the insurance intermediary about the nature of the product when the contracts had been concluded.	objections to the award were not filed	CZK 5.853 awarded
FA/SR/ZP/	757	2019	rejected	unjust enrichment, investment life insurance, invalidity of a contract, uncertainty of the cost structure, uncertainty of the insurance proceeds	Generali Česká pojišťovna a.s.	The Complainant sought a recovery of unjust enrichment from the Institution in the amount of the difference between the mutual performance of the parties to the insurance contract together with statutory default interest and, at the same time, a declaration that the insurance contract was invalid because, according to the Complainant, the insurance contract was vague and contrary to the law.	including the proceedings on objections and a judicial review	
FA/SR/ZP/	1197	2022	rejected	unjust enrichment, investment life insurance, invalidity of a contract, uncertainty of the cost structure	Generali Česká pojišťovna a.s.	The Complainant sought payment from the Institution of an amount equal to the premiums paid for the life insurance because the insurance contract was invalid as to the life insurance part due to the uncertainty of the unit-linked proceeds and the Institution's failure to inform the Complainant of the initial costs.	objections to the award were not filed	CZK 77.903
FA/SR/ZP/	827	2020	rejected	unjust enrichment, capital life insurance,	Kooperativa pojišťovna, a.s., Vienna Insurance Group	The Complainant sought a reimbursement from the Institution for travel expenses, loss of earnings, additional interest on unjust enrichment, a refund of premiums paid,	objections to the award	

				compensation for non-pecuniary loss, compensation for damages, invalidity of a contract, default interest		a release of additions and fruits accessory to the unjust enrichment paid, inflationary appreciation, loss of interest on the wasted investment, and compensation for non-pecuniary loss because the insurance based on the insurance contract terminated prematurely for non-payment of premiums, but the Institution continued to receive premiums from the Complainant.	were not filed	
FA/SR/ZP/	728	2022	rejected	unjust enrichment, capital life insurance, compensation for non-pecuniary loss, default interest	Kooperativa pojišťovna, a.s., Vienna Insurance Group	The Complainant sought a recovery unjust of enrichment from the Institution in the amount of the difference between the premiums paid under the insurance contract the Complainant entered into with the Institution and the surrender value paid, together with the additions and fruits accessory of the unjust enrichment and statutory default interest on the unjust enrichment and a written apology for the interference with the Complainant's rights, because the Institution did not act honestly and in good faith when terminating the insurance early by basing the calculation of the surrender value on an insurance-technical policy that had not become part of the insurance contract.	objections to the award were not filed	CZK 25.438 together with additions and fruits accessory of the unjust enrichment in the amount of CZK 1.017 and together with statutory default interest from the amount of CZK 25.438 from 1 April 2021 to the day of payment a an order the Institution to apologise in writing to the Complainant for non-pecuniary damage
FA/SR/ZP/	2184	2021	rejected	unjust enrichment, capital life insurance, invalidity of a contract, invalidity of a contractual provision, uncertainty of cost	Generali Česká pojišťovna a.s.	The Complainant sought a recovery of unjust enrichment from the Institution in the amount of the difference between the premium paid for the life insurance and the insurance proceeds, plus statutory default interest, on the grounds that the life insurance contract was invalid as to the cost and risk portion of the contract due to failure to negotiate costs and risk premiums and due to indeterminacy of the shares of the	objections to the award were not filed	CZK 35.594 together with statutory default interest

				structure, uncertainty of risk premium, default interest		insurance reserve proceeds, and because the Complainant had been misled at its conclusion as to the nature of the product.		
FA/SR/ZP/	193	2022	rejected	unjust enrichment, surrender value, default interest	Generali Česká pojišťovna a.s.	The Complainant sought reimbursement of the paid insurance premiums, together with the collection fee, which they paid to the Institution after the date on which the Complainant believed the insurance should have ended because the Institution was not entitled to the premiums and the collection fee, and they also sought an additional payment of the surrender value because the Institution had calculated the surrender value on an incorrect date and paid less than it should have.	including the proceedings on objections	CZK 38.470 together with statutory default interest
FA/SR/ZP/	1248	2017	rejected	investment life insurance, compensation for damages, default interest	ZFP akademie, a.s.	The Complainant sought to recover damages from the Institution for the loss caused by the Institution's subordinate insurance broker by improperly transferring funds from the Complainant's savings account and the capital value of the insurance contract the Complainant had entered into with the insurance company to the accounts of third parties.	objections to the award were not filed	CZK 76.297 together with statutory default interest
FA/SR/ZP/	913	2021	rejected	capital life insurance, income shares	Kooperativa pojišťovna, a.s., Vienna Insurance Group	The Complainant sought a declaration that a profit share awarded in respect of an insurance contract, in which they were the insured person, reached at the date of the commencement of the proceedings before the Financial Arbitrator an amount presented to the policyholder by the insurance intermediary prior to the conclusion of the contract.	objections to the award were not filed	CZK 48.500
FA/SR/ZP/	911	2021	rejected	capital life insurance, income shares	Kooperativa pojišťovna, a.s., Vienna Insurance Group	The Complainant sought a declaration that a profit share awarded in respect of an insurance contract, in which they were the insured person, reached at the date of the commencement of the proceedings before the Financial Arbitrator an amount presented to the policyholder by the insurance	objections to the award were not filed	CZK 48.546

						intermediary prior to the conclusion of the contract.		
FA/SR/ZP/	1336	2022	rejected	capital life insurance, income shares	Generali Česká pojišťovna a.s.	The Complainant sought to recover from the Institution an amount equivalent to the personal income tax which the Institution had deducted from the insurance proceeds because the Institution had unlawfully reduced the insurance proceeds by that tax.	including the proceedings on objections	CZK 6.504
FA/SR/ZP/	2746	2021	rejected	compensation for damages	NN Životní pojišťovna N.V., pobočka pro Českou republiku	The Complainant sought recovery from the Institution of two-thirds of the amount of the premiums which it collected from the Complainant as due premiums after the termination of the insurance for failure to pay the premiums and which they paid to the Institution after the termination of the insurance, because the Institution had not informed them in advance of the period within which it would send them a demand for payment of the due premiums on the basis of which the insurance would be terminated, and because it had not sent them a demand for payment of the due premiums immediately after the discovery of the due premiums.	objections to the award were not filed	CZK 4.438
FA/P/	379	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Simfina a.s.,	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	995	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	65	2022	fine imposed	insufficient assistance in the proceedings before the	Rerum Finance, s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000

				Financial Arbitrator				
FA/P/	994	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	996	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	1596	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	HELP FINANCIAL s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	2115	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	FINSPACE s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed (late)	CZK 10.000
FA/P/	139	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Rerum Finance, s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	1028	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	EvPe GROUP s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	2132	2022	fine imposed	insufficient assistance in the proceedings	FINSPACE s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision	CZK 10.000

				before the Financial Arbitrator			were not filed (late)	
FA/P/	251	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	848	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Emma's credit s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 10.000
FA/P/	1345	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Creamfinance Czech, s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000
FA/P/	392	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	849	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	970	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000

FA/P/	976	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	993	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Viva Credit s.r.o.,	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000
FA/P/	1001	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000
FA/P/	1350	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Creamfinance Czech, s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000
FA/P/	987	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	FlexiFin s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 1.000
FA/P/	2130	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	FINSPACE s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed (late)	CZK 10.000
FA/P/	1219	2022	fine imposed	insufficient assistance in the proceedings before the	Creamfinance Czech, s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000



				Financial Arbitrator				
FA/P/	1359	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	Kontex Trade International s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	including the decision on objections	CZK 5.000
FA/P/	1537	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	FINSPACE s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 5.000
FA/P/	66	2022	fine imposed	insufficient assistance in the proceedings before the Financial Arbitrator	SIM PŮJČKA s.r.o.	failure to provide a response to the complaint/failure to submit supporting documents	objections to the decision were not filed	CZK 10.000