



FINE Annual Report 2021

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Managing Director's review

In FINE's advice and dispute resolution operations, year 2021 marked the 50th anniversary which we celebrated in work but remembering our meritorious path to where we are now. In honour of the anniversary, we complemented our website with the FINE 50 site to contain a versatile collection of articles which, later in the year, came out as a commemorative issue in book form. The number of customer contacts and disputes initiated and examined were almost the same as the year before. The contacts as well as the Complaints Board meetings were managed excellently in remote mode, even we often missed encounters and meetings face to face. Fortunately, the autumn coincided with a slightly tranquil phase of the Covid19 pandemic, and we could arrange the anniversary seminar in a hybrid mode. We were all delighted to have the opportunity to raise a toast to the work done over the past years and to the future ahead of us.

This Annual Report will summarise our major observations of the topics of advice and dispute resolution operations. There are both new, unseen phenomena and disputes as well as problems we have come across often in the past. However, it seems fair to repeat that considering the insurance and banking business we have in Finland and the increasing interest in investing, the overall number of contacts taken by the customers, a little under 9,000 contacts, is quite small. This shows that Finland, and the financial sector, in particular, has a long history of focusing proper attention on customer status and consumer protection. There are no major issues, and any problems are examined with due focus on the customers. However, it may be slightly surprising that the Covid pandemic, which influenced our everyday for a good year, had so little impact on the customer contacts and their topics.

Already prior to the outburst of the pandemic we had decided to look for smaller office premises as our then current rental contract was expiring. We were lucky to find new premises close by, within the Lepakko office building owned by Ilmarinen and our domicile since 2009. As from the beginning of 2021, we could follow the refurbishment of the new office premises and prepare ourselves for the move. The distance was minimal but moving in the middle of the pandemic from a larger office to smaller premises was quite an effort. Although we are not fully back to business in the post pandemic normal, we have been happy with the new offices. We are also grateful to our property owner Ilmarinen for the solution they found for us. We are sure to stay put in these new offices for a long time.

The everyday work of our office was also impacted by changes in personnel during the year. However, employments with FINE tend to be long and personnel turnover is very small. This trend continues but still the year 2021 had an exceptionally large number of changes in personnel, caused by retirements, new career paths and family leaves. We had the opportunity to express our thanks and wish all the best for new challenges to a few former FINE staff members but could also welcome new, pleasant and competent experts. Everybody needed to stretch themselves in the midst of all changes, but we learned new things when facing new challenges and induction tasks. At the beginning of year 2022, we have a fantastic new team of experts with profound competence in insurance, banking and investment questions. I owe a major and deeply felt gratitude to the staff for the splendid work in the year 2021, marked with so many changes!

The beginning of 2021 also saw a change in our governance model. The earlier setup of three sectorial Executive Committees changed into a model with one Executive Committee and the Board. The first year following the new model showed that the cross sectorial discussions are necessary and useful in an operating environment with so many common features, but also issues that are particular to each sector. Discussion and exchange of information in the FINE environment is useful and necessary for all parties involved. What is of major importance to us at FINE, both for our work and our everyday, is the continuous and positive dialogue with our stakeholder groups. I want to express my appreciation to all FINE stakeholders for a well-functioning dialogue and contact.

During the anniversary year, we had many occasions to reflect on the changes in FINE's work and role over the decades. We have learned that even if the world around keeps evolving and, above all, the ways of running various errands have changed, the core issue has remained the same: in problem situations people need other people, and in dispute situations, they need the means to seek a just outcome. The relevance of FINE's advice, dispute resolution and Complaints Board work has only grown over the years, and this work will also be needed in the decades to come.

We are constantly evaluating the changes in our environment, and their impacts on our operations. The war that broke out against Ukraine changed the outlook for 2022 in an unprecedented manner. At the time of drafting this Annual Report, in April 2022, the impacts on FINE's operations have been limited, affecting some contacts related to banking. In addition to the problems already encountered by customers of Russian background, some questions have also been posed to us concerning the difficulty of Ukrainian refugees to open a banking account in Finland. The destiny and fate of the assets invested in Russia funds have also been a question of concern in some contacts. The biggest concern is what will happen to the personal deposits and savings if the acts of war should expand. Would the deposit guarantee be in place also in case Finland is assaulted and the banking system does not work?

Although the Finnish financial sector is reasonably well prepared, in the current year FINE must be more prepared to answer contacts caused by the more difficult financial situation, accelerated inflation rates and potential cyberattacks. This will be the case, in particular, if the situation in Ukraine protracts. We all hope that the war ends very soon.

Now waiting for spring 2022, we look back with gratefulness while we look forward with curiosity. Our work proceeds with an excellent team and a good pulse towards the new decades.

Helsinki, 1 April 2022



Elli Reunanen



Operations in brief

FINE gives advice and assistance to its customers in insurance, banking and investment questions and issues. FINE also resolves disputes between the customer and the service provider in such situations, issuing its recommendations to solve the disputes. FINE's services are provided free of charge to the customers.

FINE is an independent and impartial actor, with the operations based on an agreement made between the Financial Supervisory Authority (FINFSA), Finnish Competition and Customer Authority and Finance Finland FFI. The number of permanent staff in the organisation was 26 in 2021. The Managing Director is Elli Reunanen.

Mission

FINE's mission is to promote the development of good practices and the status of customers in the financial sector.

Visio

We are visible, audible and impactful

Values

Reliability, efficiency and collaborative spirit.

Anniversary year full of events, trainings and news

The theme of the FINE 50 Anniversary was 'half a century of independent advice and dispute resolution'. During the year, we published over 20 articles authored by top experts on topical phenomena in the financial sector, on the changes in the operating environment and specific legal questions. Some of the topics were also published in the form of interesting podcasts. The materials were compiled into an anniversary book, with the contents accessible and podcasts available at the site fine.fi.

In addition to the anniversary materials, the guidebooks written by FINE's own experts had a good audience. Among the over 40 guidebooks, the most readers had the ones focusing on banking and insurance issues of a death estate, questions of salvage based on voluntary car insurance and compulsory motor liability insurance as well as questions related to the choice of a medical expenses insurance.

As practically all meetings and trainings took place online, we organised FINE webinars on investments in a changing world, property insurance advice and dispute resolution, Insurer's information obligation, third party liability insurance and emphasised duty of care as well as any other issues that proved topical in the advice services during the year. The anniversary year's peak event was the FINE seminar which was arranged in a hybrid mode: 50 years of advice and dispute resolution. The various events were attended by over 600 persons in total.

The number of website visitors was about 270 000. They were most interested in dispute resolution recommendations, FINE operations, guidebooks and answers to the FAQs. In particular, the database of recommended solutions had a good audience of both financial sector professionals and consumers.

FINE was very visible in various media in 350 pieces of news. Special news attention was received by the recommended solutions issued by the Banking Complaints Board in phishing cases where customer were tricked to do business on scam sites that looked like online banking sites. Insuring summer cottages, storms, digital errands for a close family member, travelling during the pandemic and investments were other popular topics.

FINE is a member of INFO, the International Network of Financial Services Ombudsman Schemes. The objective of the global organisation is to promote and develop the out of courts dispute resolution activities and MOs of organisations. FINE participates in the FINNET activities initiated in 2001 by the

European Commission and is also a member of the FINNET Steering Committee. FINNET is a network helping European consumers and companies to solve disputes in the financial service sector in a swift, inexpensive and simple manner in cases where the service provider operates in an EU Member State other than the consumer's country of residence.

FINE issued opinions and took active part in legislative preparation work. The list of opinions and statements is on page 22.

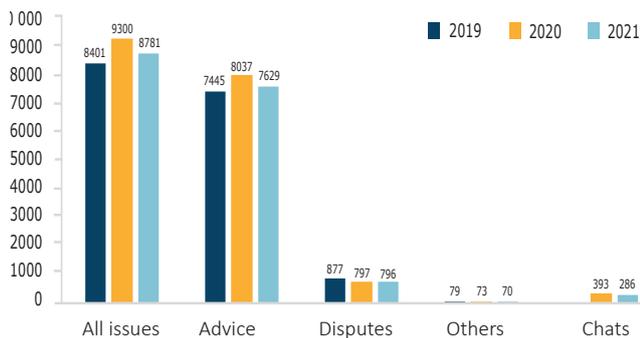


Fig 1: Customer contacts 2021

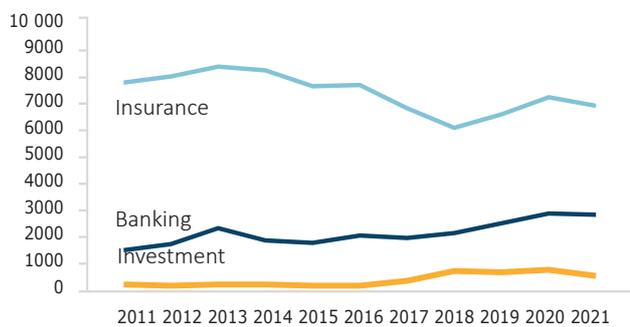


Fig 2. Customer contacts in various years

Advice and counselling

FINE assists and gives advice to customers through the phone and chat service and based on written contacts. The premise of the advice services is both to shed light on the customer's problem and to solve it. The contact can be prompted by lack of clarity related to the coverability of the loss, the amount of

the indemnity or the contents of investment advice received, or uncertainty as to who is responsible for the unlawful use of a online banking codes.

Naturally, the customers would like to get an immediate answer to their problem over the phone. Indeed, many questions can be answered right away. However, there are many situations that require further clarifications before advice or answers can be given.

Often, the service provider's decision is fully appropriate and the customer is able to accept it once FINE has provided an expert view on the case at hand. In other situations, FINE may look into the possibilities of an amicable solution or to direct the customer to consider an appeal.

The FINE experts provide the customers with information on the legislative or contractual contents and resolution practice. The advice services provide the customer with an understandable clarification of the case. However, it is not just an information service. Unnecessary disputes can also be prevented and an amicable solution may be found between the parties.

In 2021, almost 600 situations about to become disputes, based on a complaint made in writing by the customer, could be solved and annulled through advice services. Among these, almost 160 cases ended in an amicable solution between the parties or in a new decision made by the insurance company in favour of the customer.

Examples of an advice cases:

The difficulties encountered by the customer to have an answer to a question: - Customers often contact FINE because they have not got the necessary answers from their bank or insurance company. An example is a situation where the customer contacted the advice services and asked for help to clarify their guaranteed liability with the bank. The customer had first asked the bank about this over the phone, and the bank had promised to get back to the, however, never doing that. The next step of the customer was to ask the bank about the same issue by sending

messages through the online bank service but had never received any answers. Finally, the customer turned to FINE and ask for help to clarify the case. The FINE advice services forwarded the customer's message to the director of the bank in question, with the request to give an answer directly to the customer. In the end, the customer got an answer to the question.

Compensability of surgery expenses and the insurance company's new claims settlement: - The customer (A) had climbed a ladder to take a box from a top shelf in a storage room. The weight of the box came as a surprise to A, and the box started to fall on A, pulling A's right arm with force and speed backwards. The shoulder made a cracking noise. A also sustained other injuries. The insurance company denied compensation for the surgery to the shoulder suggesting that the MRI showed fraying of the tendon, assessed to be of degenerative origin, and therefore the surgical treatment of the trauma in question was not medically indicated. A disagreed on the cause of the trauma since the attending doctors found that the shoulder tendon showed a clear tear.

A asked FINE's help to change the claims settlement and describe the course of the event to FINE's expert. During the discussion it became clear that A had described the event imprecisely by only saying that "while lifting a heavy box, the shoulder made a cracking noise and the shoulder became soar." The expert forwarded the more precise description of the event to the insurance company, asking for the possibility of re-examination of the compensation case on the grounds of the amount of kinetic energy in the accident as well as on the suddenness and surprisingness of the event; A did not expect the box weighed almost 40 kg. The insurance company re-examined the case and decided to reimburse the surgical treatment and subsequent rehabilitation.

Insurance issues

The major themes in insurance

- The digital customer contact channels of insurance companies often provide smooth and rapid compensation services. Sometimes they are even too rapid. Notifications of loss are received by phone while compensability decisions are given orally. It was felt to be a problem that the decisions on compensations are not necessarily recorded in the insurance company systems, or are sent to the customer with a delay, sometimes after several requests.
- In problem situations, or if the customer wishes to clarify their case with the insurance company's customer services, the problems in receiving personalised service are recurrent. The insurance companies' phone services are often busy and occupied, with long waiting times.
- Contacts related to losses with unclear circumstances of occurrence or, according to the insurance company, containing fraudulent information or causation of damage are significantly more frequent in number, especially as concerns car and home insurances. In this respect, the trend that started in 2020 persisted. In some cases, the clarification of the case or solution of disputes were made more difficult due to the shortcomings in the documentation of the customer service actions and discussions related to the loss at the insurance company end.
- Customer contacts related to the Covid-19 pandemic or caused by it were mostly individual questions or problems related to travel insurance policies and pharmaceutical injuries insurances.
- As concerns dispute solution, in particular, the gathering and requests of information and reports from insurance companies caused a lot of work, and the coverage of the information obtained varied. FINE had to remind them of the need to deliver sufficient information so that the cases could be examined on the basis of correct and sufficient materials.

Health insurance

What was topical and what were the contacts based on?

Y From year to year, the **personal accident insurance** is the insurance class that caused most contacts and disputes. The nature of the questions handled by the advice services has also remained unchanged. The questions discussed with the customer include the definition of an accident and causal connection of events: does the occurrence of damage meet the criteria of an accident as per the policy terms and do the customer's persisting symptoms have a causal relationship with the old accident. Typically, the dispute consists in the customer finding that their symptoms are caused by the accident while the insurance company pleads the disease-related findings of imaging or other examinations. Compensations for permanent handicap is another frequent cause for complaints; there is a difference of opinion between the customer and the insurance company as to the amount of the compensation or even the existence of the permanent handicap in the first place.

Year in, year out, the customer contacts related to **health insurance policies** are about premium increases and about their precise motivation. The customers feel they do not have an understandable explanation from the insurance company, telling what the reasons for the increase are. The reasons are often given only very generally, saying that the price is affected by the place of residence, age and trend in claims expenditure. Distrust and disputes could be avoided if the companies provided detailed information on these factors and the inherent grounds, especially when the customer has made a written complaint to the company. This would also reduce the contacts to FINE.

The health declaration to be filled in with the insurance application is another source of frequent questions. Particularly many questions arise when the customer has not been given the health insurance applied for, or there is an exclusion imposed by the insurance company, based on the health declaration. This aspect is also a cause for clarification in situations where the customer reports having misunder-

stood some point in the health declaration or seen it differently from what the insurance company intended. In 2021, there was media exposure on cases where a person reported having been totally denied a health insurance due to mental health problems. Problems of this sort have not been seen at FINE, at least to date. FINE has examined some cases where the question has been about the obligation to report mental health problems in the health declaration, and the insurance company's right to have an exclusion related to these diseases in the policy.

The advice services have a lot of discussions with the customers on what a health insurance compensates and what it does not, based on the policy terms. The customer may think that the insurance compensates all possible diseases and the expenses for their treatment, and it may be a surprise that, for example, iron preparations or all lab exams made do not entitle the customer to an insurance compensation.

Evaluation of invalidity for work has also been an issues, in other words, whether the insured should be regarded as fully invalid or not, as required by the policy terms. These contacts have shown a growing trend, especially as concerns mental health diseases.

FINE also provides advice to customers in issues related to the **statutory accident insurance**. Similarly, to private accident insurances, these contacts are often related to issues that have a bearing on causality. During the past few years, there have also been many questions related to the modes of operation of the insurance companies. They may have focused on the delays in getting the decision on the claim, the changes in the claims handlers, difficulties to contact the insurance company, especially a person that would be aware of the case, and problems to have responses to call back requests.

As regards **loan insurances**, the advice services looked into the customers' question related to the insurance company's right not to compensate, based on the loan insurance, house loan instalments when the customer has fallen ill, for example, with cancer.

What were the disputes about?

- The most voluminous area of cases related to insurances of the person examined by dispute solution service continued to focus on the medical causal relationship between the accident and the symptoms the customer had, and the classification of permanent handicap was also a topic of frequent disputes.
- In health insurance, it was noted that disputes related to adherence to treatment practice were on the increase.
- As in the previous year, the number of disputes about the obligation of the policyholder and insured to provide information increased.

What does the future look like?

In private accident insurances, the orthopaedic traumas of the shoulder, knee and Achilles tendon, the causal relationship between the accident and the trauma as well as the estimates of the degree of handicap will remain the largest group of cases. The questions related to adherence to the treatment practice seem to be increasing. Insisting that the patients fill in the health declaration carefully, and vice versa, the accuracy and clarity of the questions in the health declaration continue to be important means to contain the future growth in the number of case related to insurances of the person.

Pharmaceutical injuries insurance

In pharmaceutical injuries insurance issues, the important question was causality, similarly to the previous years. Moreover, the amount of the damage to be compensated has been another group of questions.

The Covid-19 pandemic was also reflected in an increasing number of questions related to the Covid vaccines. The customers asked about the symptoms they had from the vaccinations, and the discussions with the customers were about the existence of a causal relationship. Most of the questions were dealt with advice, and only a few disputes were initiated.

The issues related to Covid-19 vaccines did not yet cause any major increase in contacts regarding the pharmaceutical injuries insurance. Towards the end of the year, however, the number of contacts started to increase and it remains to be seen whether the disputes related to Covid-19 vaccines become a phenomenon marking year 2022. In 2021, the disputes related to Covid-19 vaccines resulted in two recommended solutions.

Consumer property insurances

What was topical and what were the contacts based on?

In **home and real estate insurance** issues, water and leakage damages remain the most frequent reason for the customers to contact us. It is often difficult for the customers to establish the reason for the losses or the loss itself. Repairs must be made by professionals so that the entire project, and often the amount of the expenses involved, become hard for a normal consumer-customer to control, and assistance and support is sought at FINE advice services.

In addition to the conventional water damage in bathrooms and toilets, there is an increasing number of cases where exceptional weather conditions have let snow or water leak into the building structures. The moisture has passed into the structures, for example, through the air conduits or inlets on the roof, sometimes also through windows or doors, without anything being broken.

The water and leakage damages in bathrooms and, for example, engineering and utility services rooms accounted for the highest number handled during the report year. The questions about the water waterproofing requirements applicable to the floor and walls, as well as the age reductions in cases of leakage damages were the most common issues, as in previous years.

Increased numbers of advice issues, and also disputes, related to **pet animal insurance** policies were also initiated and solved. The higher number of advice and dispute cases is not fully explained by the

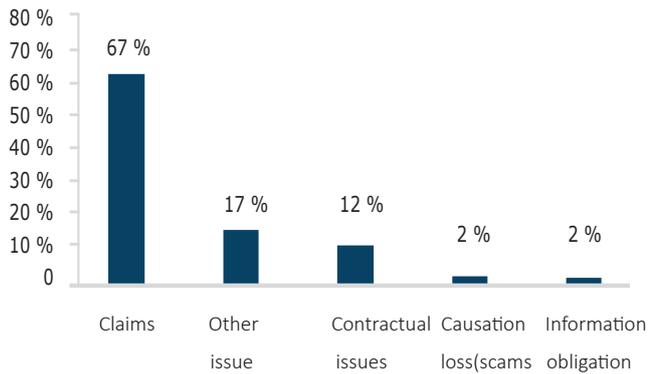


Fig 3: Breakdown of insurance issues 2021

boom of new pets during the Covid pandemic season, but it seems more now to ensure the pets, compared to the pre-pandemic times. In pet insurance cases, the question mostly focuses on the question whether an ailment of the pet was covered by the insurance, or whether it was an inborn feature, and as such, not coverable.

Situations of loss settlement where the insurance company doubts the credibility of the customer's description of the occurrence of loss, or the ensuing consequences of loss, are today more frequent as concern home insurance policies. The customers' accounts of the course of the events, or the details about the value of the lost or broken property, are not always sufficient in the insurance company's judgement. Moreover, cases of outright scam were also detected more frequently than before.

What surprised us?

Although there have been only few cases regarding the insurance company's obligation to inform, it is surprising that there should still and often be such serious shortcomings in the information given and the documentation of the discussions at the moment of selling the policy as well as the in the information given to the applicant themselves. The problem is faced, for example, when the dispute resolution process needs to assess the extent to which the policyholder has intended to insure their property, or whether the insurance company has met its obligation to inform.

What were the disputes about?

- Compensation issues related to damages caused by building leakages, storms and fires had to do with age reductions, interpretation of the policy terms as well as how the suddenness or unpredictability of the occurred damages should be interpreted .
- Various types of storm or rainwater damages are getting more common, and often the question is whether the damage has been caused by a storm defined in the policy terms, or
- The cases related to real estate insurance continue to account for a high number of disputes. The reasons of disputes ranges from building leakage losses, roof breaking and leaks, soil humidity or water entering the structures, as well as construction and installation defects.
- Increased number of disputes related to pet animal insurance were initiated.
- There is a slight increase in disputes related to the moment in which the policy has been taken, and the disputes relate to the information obligation of both the insurance company and the policyholder. However, the overall number of the disputes on the information obligation remains relatively small.

What does the future look like?

More disputes related to pet insurances have been initiated and their number will presumably continue to grow somewhat in the future.

The clarifications and handling of disputes on the causation of the damage and potential scams in the dispute resolution process has proved to be demanding for the parties. When insurance companies update their products and contracts, the contacts of customers with FINE very often increase accordingly.

Contacts and disputes related to various water and leakage damages will probably remain among the top issues. Most varied product insurances have become more frequent, resulting in more contacts related to these issues.

Mobility related insurance

What was topical and what were the contacts based on?

In relation to **statutory motor liability insurance**, frequent advice was required in questions about premiums. A special question often discusses was the impact of a laid-up period on the premium. In particular, the questions concerned both the credit obtainable for the laid-up period and the demand for an increased premium when the car, officially laid up, was driven for a reason or another.

In **voluntary motor vehicle insurance**, issues such as the expiry of an unpaid insurance, the questions related to the salvage value and the fair value of a car were mainly solved through the advice service. As was the case with home insurance policies, the contacts related to losses with unclear circumstances of occurrence or, according to the insurance company, containing fraudulent information on, for example, the causation on the damage are significantly more frequent in number, especially as concerns voluntary motor vehicle insurance policies. In this respect, the trend that started in 2020 continued. In some cases, the clarification of the case or solution of disputes were made more difficult due to the shortcomings in the documentation of the customer service actions and discussions related to the loss at the insurance company end.

In **travel insurance**, the drop in travelling due to the pandemic was clearly visible. The contacts were down from the previous years, and most of them could be handled by the advice services. There were only isolated cases of pandemic related disputes over travel insurance policies which also shows that the policy terms are clear and the insurance policies handle the damage claims smoothly.

What surprised us?

The number of contacts related to the statutory motor liability insurance has remained modest and only one dispute was initiated. Although the trend in boat insurance issues has been growing over the past few years.

Contacts and especially disputes related to travel insurance were quite few, although the end result could have been different, considering the constantly changing pandemic situation.

What were the disputes about?

- In voluntary motor vehicle insurance, the number of disputes was slightly higher.
- Damages where the assessment of the proof was more difficult due to an unclear occurrence of the damage, or an outright suspicion of scam at the insurance company.
- Allegations of non-reporting or hiding of existing defects and damages prior to the policy when the claim was made.

What does the future look like?

The tourism brought down by the pandemic will probably activate during the year 2022. However, rapid changes in the pandemic situation may cause sudden changes in the possibilities to travel. However, we do not expect that this is reflected, to any significant extent, in the contacts related to travel insurance policies. The past two years have shown that the terms of the travel insurance policies and the claims handling at the companies change, depending on the situation.

The number of contacts related to damage causation and scam seems to remain at a fairly high level.

Questions about legal expenses and liability

What was topical and what were the contacts based on?

In **legal expenses insurance** policies, the requirements of the equal contents of the insurance cover and the uninterrupted validity of the cover are often difficult for the customers to understand and cause continuous contacts. Typically, the reasons for the contacts are complex and they are frequently exam-

ined in dispute resolution. One in four legal expenses cases ended in dispute resolution which is a sign of the difficulty in this area.

As concerns the **general liability insurance**, most of the contacts regarded personal injuries, with focus on issues similar to the personal liability insurances. In other words, the discussions are about causality, degree of handicap and trauma to the shoulder, knee and ankle areas. However, it seems to be increasingly rare that the questions would concern the traditional causation assessments in damages due to slips. The reason may be that the claim sums are lower than the high deductibles and the cases are not submitted to FINE, at least not as a dispute.

In general liability insurance, growth was seen in complex cases involving blasting and quarrying, and their examination will continue in 2022.

What were the disputes about?

- Questions related to the time-barring of the claim in legal expenses insurance.
- Further in legal expenses insurance, questions related to the obligation to complain and the respective times were raised in the Insurance Complaints Board.
- In general liability insurance, the majority of the disputes concerned either the damage caused by humidity and water or, in personal injuries, medical questions.

Business insurance

What was topical and what were the contacts based on?

The questions of corporate and business insurance policies are normally concentrated on liability insurance policies covering the operations and on property insurance policies. This was also the case in 2021. Business interruption insurance caused more disputes than in earlier years. In these cases, the dispute was mostly about the amount of the compensation and the respective way to calculate the

sum, such as the criteria for the assessment of the expected trend in the net sales.

In general liability insurance issues, the most frequent cases concerned water damages taking place when various installation and repair works were made. Not only did the policyholders find that the various general liability insurance exclusion related to water damage were difficult to understand and accept, but it was not clear for the claims handling how to identify the mutual liabilities of the various parties of the construction work and the basis of each party's liability.

For the rest, the contacts and complaints in corporate and business insurance related to the most varied situations. As in 2021, the worrying general observation in business insurance was the poor quality of the documentation at the moment of selling of the policies. After the policyholders allege that they have received insufficient information when signing the insurance contract, the insurance companies, for their part, are often in deep difficulty to provide proper proof of the information they have given to the customer while negotiating the insurance. The lack of clarity of the correct contents of the policy is bad service from the customer perspective. Moreover, if loss occurs, this will lead to a situation whereby the insurance company's risk and liability will be significantly more extensive than initially intended in standard policy terms.

What were the disputes about?

- The amount and calculation formula of the compensation based on the business interruption insurance.
- Interpretation of water damage exceptions in general liability insurance covering operations.
- Identifying the correct liable party in various contractual entities in construction cases.

Banking

Major themes in banking

In banking issues, FINE continued to have many contacts related to the recognition and identification of customers and contacts from companies which were unable to open banking services or had had their services terminated.

Another constant issue was the dissatisfaction of the customers with the accessibility of customer services, or their congestion and lack of expertise. This was often seen as the primary reason for contacting FINE, or something that came up in connection of the customer's actual problem. The most varied and constantly changing cases of phishing of card and online banking codes were increasingly frequent, and the contacts and disputes related to them are growing accordingly. In other banking issues, only individual disputes were seen.

What was topical and what were the contacts based on?

The contacts concerning customer recognition continue to be the major entity of issues causing contacts to FINE. Earlier, the contacts were mainly about the processes of customer recognition as well as the bank modes of operation in acquiring such recognition data. Now, increased contacts focus on prevention of the customer's individual payment transactions or on the closing or termination of the services used by the customer. The basic banking service obligation and the access to banking services were the topic in various contacts by the customers, especially in case of business customers and individuals of foreign origin.

Credit related contacts are annually high in number but did not have a single topic that would stand out. The contacts concerned the whole spectrum from credit application to life cycle of the credit. Some questions concerned the service fees. For example, the customers asked whether the bank could charge services fees when there are not transaction, or the overdraft fee if the overdraft is caused by the service fee charged by the bank.

The versatility and skilful execution of the scams has made it more difficult for the customers to notice them, and at the same time, they are harder to clarify afterwards. The phishing emails and SMSs sent in the name of banks and other service providers, and the links – deceptively resembling those of the banks – to the websites maintained by the criminals were a general MO in performing the scams.

What surprised us?

Gradually entering in force since late 2019, the so-called PSD2 directive and the revised Finnish Payment Services Act, aimed not only to open the banks' interfaces to new types of payment service providers but also improve the safety of e-payments. What was surprising was, on the one hand, the very small presence of new service providers, and on the other hand, the strongly growing phenomena of phishing and scams, irrespective of the improved safety features.

What were the disputes about?

- Phishing and other scams. In most cases, the customer had given their card and/or bank codes on webpages that seemed like the bank's legitimate site but were created by criminals. The customer had ended up on these sites either through link given in a SMS or email, or via a search engine. Moreover, the cases handled included scams based on the abuse of means of payment under the name of Microsoft.
- The bank's obligation to provide basic banking services to a person on the so-called sanction list.
- Individual disputes on credit issues.

What does the future look like?

The Banking Complaints Board has issued several recommended solutions in new and, compared to earlier years, technically more elaborated phishing cases. In fact, the solution practice of the Board already has recognisable and clear outlines regarding typical situations. However, the outlines have hardly impacted the number of the new phishing cases to be examined. A factor probably contributing to this is

the fact that the web-based scams keep on developing and new variants of the typical cases surfaces at a high speed. However, the information provided by the banks on the scams, and their constant presence in the media, can be seen to improve the public awareness of the scams and about the safe way to

Based on the contacts to FINE towards the end of 2021, the Board will have new scam cases to examine in 2022, with the MO quite different from those seen in earlier cases. For example, there are cases where the customer has been swindled while selling second-hand goods online. There have also been cases where the customer has been looking online for a real service provider's phone number but has come across a number on a site created by the criminals, and calling that number, has been defrauded in the same ways as in the Microsoft cases already examined by the Banking Complaints Board.

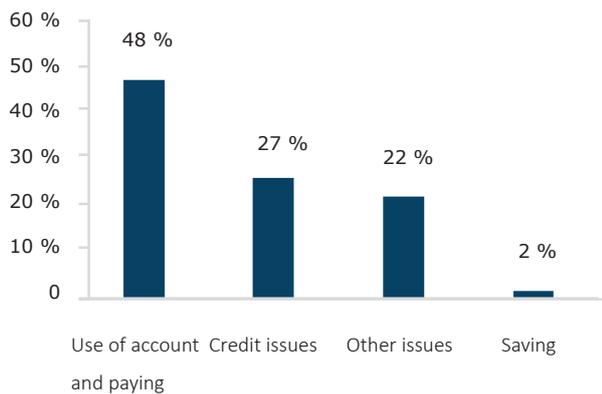


Fig 4: Breakdown of themes in banking issues 2021

Investment

Major themes in investment

The calm in the investment sector has persisted for years, and the contacts related to single-premium savings policies, in particular, show a clear downward turn. The Finnish people are increasingly active investors and equity savings accounts are popular, but these trends are not present in the customer contacts, at least so far. The contacts taken were quite sporadic and the questions related to a multifaceted and international offer of various investment products.

What was topical and what were the contacts based on?

The increasingly international nature of investing has created the meme stock phenomenon, and FINE has also had contacts from customers in this respect. Although international stock is readily available and can be acquired in the same way as domestic shares, the settling, ownership and other aspects are normally more complex. When investing, the customer often ignore this, and FINE advice services would receive questions in later problem situations.

Investor protection in the case of preference shares and virtual currencies and other fairly new types of investment products were often examined by the advice services. Contacts related to single-premium investment policies and voluntary pension insurances were clearly less frequent. Often, the questions concerned taxation or the validity and expire of the insurance contract. The surrender right related to the pension insurance remains a frequent topic.

What were the disputes about?

- The overall number of disputes was low.
- A varied selection of securities issues.
- In an individual case, the Investment Complaints Board examined the customer's duty of getting informed in a case where the provider of the investment product had published a general-level marketing video on the product in YouTube.
- In investment insurances, disputes related mainly to the information obligation of the insurance company and to the validity of the insurance contract.

What surprised us?

The surprising calm in the contacts related to the investment sector, considering the growing activeness of Finnish investors.

What does the future look like?

Active product development in the investment sector is likely to continue, and the securities scene will not be less diversified. The sector will become even more internationalised.

Dispute resolution

Among the 793 (810) disputes concluded during the review year, insurance cases accounted for 90% (89%), banking for 7.5% (8%) and investments for 2.5% (3%) of the total. As from the year 2018, the investment issues include not only securities but also investment policies.

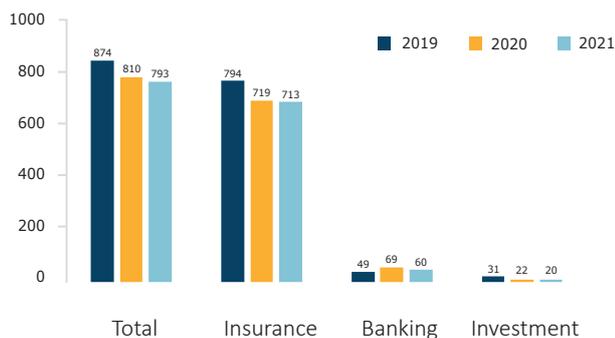


Fig. 5: Concluded disputes in 2021

FINE's dispute resolution takes place both in the Bureau process of Insurance and Financing Advice as well as in the Complaints Boards. FINE acts as the secretariat of the Boards. The Bureau process focuses on the cases with an established interpretation practice or cases that are otherwise unambiguous in legal terms. In 2021, 52% (50%) of the solutions in disputes were such cases. The Complaints Boards examine difficult and complex cases that require a decision that sets a principal outline. In the report year, these cases accounted for 48% (50%) of all disputes.

The intensified FINE advice operations and the attempt to find an amicable solution instead of a dispute process have, over the past couple of years, diminished the overall number of disputes and, in particular, the number of simple disputes examined by the Bureau. The same trend is seen in the increase in the proportional share of cases taken up by the Boards.

The examination of disputes ends either by a recommended solution issued by FINE in favour of the customer or the service provider, an amicable settlement between the parties, the dismissal of the case

without examining its merits or the suspension of the case. An amicable solution between the parties means both in advice and dispute cases that the service provider pays the compensation to the customer voluntarily. The recommended solutions in favour of the customer varied from a minor additional compensation to the full change in the final outcome. The service providers complied with these resolution recommendations except for one insurance case and three banking cases. The rate of compliance was 99% (99%).

The following presents overall statistics of FINE's dispute solution operations broken down by service provider and the nature of the dispute. The statistics include all disputes resolved by the FINE Bureau and the Complaints Boards.

The ADR (Alternative Dispute Resolution) issues reported towards the end of this chapter were disputes where the consumer, who had bought a financial product, claimed a compensation from the service provider. In FINE, these disputes accounted for 48% (52%) of all cases. The decrease in the number of simple disputes, described above, has diminished the share of ADR disputes in FINE. Issues examined by FINE, other than ADR, included cases involving housing companies, funds and companies, disputes about group insurance policies and other situations where the contract had been concluded by a party other than the consumer.

All disputes in 2021

Arrived disputes insurance	Compensation	Other	Contractual	Obligation to inform	Causation of loss and fraud	Total	Disputes submitted Banking	number
Personal accident insurance	173	1	2	1	0	177	Use of account and payments	57
General Liability Insurance	76	0	0	1	31	108	Credit issues	9
Health insurance	57	0	12	11	0	80	Other issues	1
Home insurance	70	0	0	2	5	77	Total	67
Real estate insurance	52	0	0	0	3	55		
Legal expenses insurance	42	0	1	3	0	46		
Vol motor vehicle ins.	34	0	0	3	7	44		
Travel insurance	31	0	0	0	0	31		
Pharmaceutical injuries insurance	27	0	0	0	0	27		
Animal insurance	18	0	0	4	0	22		
Business insurance	16	0	3	1	0	20		
Loan insurance	6	0	0	2	1	9		
Employee sickness funds	8	0	1	0	0	9		
Boat insurance	6	0	0	0	0	6		
Farm insurance	5	0	0	0	0	5		
Group life insurance	0	0	2	1	0	3		
Risk life insurance	1	0	1	0	0	2		
Cargo insurance	1	0	0	0	0	1		
Other non-life insurance	0	0	1	0	0	1		
Statutory motor liability insurance	0	0	1	0	0	1		
Supplementary pension ins.	1	0	0	0	0	1		
Total	624	1	24	29	47	725		

Disputes submitted Investment	number
Marketing of investment products	5
Book-entry accounts	4
Securities brokerage	3
Investment advice	2
Voluntary Pension insuran-	2
Life insurance savings po-	2
Other issues	1
Total	19

Concluded disputes Final outcomes	Insurance cases / %	Banking cases / %	Investment cases / %	Total number
Recommendations in favour of the customer	118 / 17 %	23 / 38 %	7 / 35 %	148
Recommendation in favour of the service provider	468 / 66 %	16 / 27 %	12 / 60 %	496
Concluded in conciliation		18 / 30 %	1 / 5 %	115
Dismissed without examination, total		2 / 3 %	-	16
* not compatible with the resolution procedure		2	-	8
* no financial interest			-	1
* pending or examined elsewhere		-	-	4
* no competence			-	1
* no contact with the service provider		-	-	2
Interrupted handing		1	-	18
Total		60	20	793
Complicated issue			-	11
Recommended solutions not followed		3	-	4
Concluded issues broken down by sector	90 %	8 %	3 %	100 %
Examination time starting from the finalisation of doc	75	45	85	average 77

Statistics by service provider (all disputes)

The tables include all issues ending with a recommended solution, broken down by each service provider

Non-life insurance companies	Decision number	Recommen- den com- pensation number	Recommended compensation %	Compliance %
AIG Europe S.A.	8	1	13 %	100 %
AXA (Genworth Financial, non-life)	2	2	100 %	50 %
Chubb (ACE European Group Limited)	5	0	0 %	-
Fennia Keskinäinen Vakuutusyhtiö	120	15	13 %	100 %
Folksam Vahinkovakuutus Oy	1	1	100 %	100 %
Försäkringsaktiebolaget Agria	2	1	50 %	100 %
Försäkringsaktiebolaget Alandia	2	1	50 %	100 %
HDI Global Speciality SE	10	0	0 %	-
If Vahinkovakuutus Oyj (plc), Finnish branch	124	19	15 %	100 %
LähiTapiola Keskinäinen Vakuutusyhtiö	135	25	19 %	100 %
Nordea Vakuutus Suomi Oy		0	0 %	-
Pohjantähti Keskinäinen Vakuutusyhtiö	14	4	21 %	100 %
Pohjola Vakuutus Oy	160	22	14 %	100 %
Protector Forsikring ASA	5	3	60 %	100 %
Suomen Keskinäinen Lääkevahinkovakuutusyhtiö	27	5	19 %	100 %
Suomen Vahinkovakuutus Oy	14	4	29 %	100 %
Tokio Marine Kiln Insurance Ltd (DUAL Finland)	1	0	0 %	-
Turva Keskinäinen Vakuutusyhtiö	23	3	13 %	100 %
Ålands Ömsesidiga Försäkringsbolag	2	2	100 %	100 %
Total	656	108	16 %	99 %

Life insurance companies	Decision number	Recommen- den com- pensation number	Recommen- ed compensa- tion %	Compliance %
Aktia Henkivakuutus Oy	5	1	20 %	100 %
AXA (Genworth Financial, non-life)	9	2	22 %	100 %
BNP Paribas Cardif Livförsäkring AB		0	0 %	-
Chubb (ACE Europe Life Limited)	6	1	17 %	100 %
HenkiFennia Vakuutusosakeyhtiö	1	1	100 %	100 %
Kaleva Keskinäinen Vakuutusyhtiö		-	0 %	-
LähiTapiola Keskinäinen Henkivakuutusyhtiö	5	2	40 %	100 %
Mandatum Henkivakuutusosakeyhtiö		-	0 %	-
Nordea Henkivakuutus Suomi	2	1	50 %	100 %
Total	46	8	17 %	100 %

Banks	Decisions, number	Recommend compensation number	Recommended compensation %	Compliance %
Aktia Pankki Oyj	1	0	0 %	100 %
Danske Bank A/S, Finnish ranch	1	0	0 %	100 %
Handelsbanken	5	0	0 %	100 %
Nordea Bank Oyj	14	3	21 %	100 %
Osuuspankki	30	17	57 %	88 %
S-Pankki Oy	4	2	50 %	50 %
Säästöpankki	4	1	25 %	100 %
Ålandsbanken Abp	1	0	0 %	100 %
Total	60	23	38 %	87 %

Investment service providers and other investment cases	Decisions, number	Recommend compensation number	Recommended compensation %	Compliance %
Mandatum Henkivakuutusosakeyhtiö	3	0	0 %	100 %
Nordea Bank Oyj	5	2	40 %	100 %
Nordea Henkivakuutus Suomi Oy	3	1	33 %	100 %
Nordnet Bank	3	1	33 %	100 %
OP-Henkivakuutus Oy	2	1	50 %	100 %
Osuuspankki	1	0	0 %	100 %
Säästöpankki	1	0	0 %	100 %
United Bankers-Group	1	1	100 %	100 %
Front Capital	1	1	100 %	100 %
Total	20	7	35 %	100 %

Employee benefit funds and pension funds	Decisions, number	Recommend compensation number	Recommended compensation %	Compliance %
Employee benefit funds	10	2	20 %	100 %
Pension Funds	1	0	0 %	100 %
Total	11	2	18 %	100 %

ADR disputes in 2021

The reporting on ADR disputes is based on the Statute issued by the Ministry of Justice, compliant to the ADR Directive.

Consumer disputes received Insurance	Compensation	Contractual	Information obligation	Causation and fraud	Total
Private accident insurance	121	2	1	0	124
Home insurance	66	0	2	4	72
Health insurance	35	10	6	0	51
Vol motor vehicle ins	27	0	3	7	37
Legal expenses insurance	19	0	3	0	22
Animal insurance	17	0	4	0	21
Travel insurance	20	0	0	0	20
Loan insurance	5	0	2	1	8
Boat insurance	6	0	0	0	6
General liability insurance	1	0	0	2	3
Life insurance, risk	0	1	0	0	1
Pharmaceut injuries ins	1	0	0	0	1
Statutory motor liab ins	0	1	0	0	1
Total	318	14	21	14	367

Consumer disputes received: Banking	kpl
Use of account and paying	45
Credit issues	5
Total	50

Consumer disputes received: Sijoitus	kpl
Marketing of investment products	4
Book-entry accounts	2
Investment advice	2
Voluntary pension insurance	1
Securities brokerage	1
Other	1
Total	12

Concluded disputes (ADR) Final outcomes: cases	Insurance number/ %	Banking number / %	Investment number/ %	Total
Recommendations in favour of the customer	46 / 13 %	15 / 54 %	5 / 38 %	66
Recommendation in favour of the service provider	240 / 70 %	7 / 25 %	7 / 18 %	254
Concluded in conciliation	42 / 12 %	4 / 14 %	1 / 3 %	47
Dismissed without examination, total	9 / 3 %	2 / 7 %	-	11
* not compatible with the resolution procedure	4	2	-	6
* no financial interest	1	-	-	1
* no contact with the service provider	1	-	-	1
* pending or examined elsewhere	3	-	-	3
Interrupted handing	5 / 2 %	-	-	5
Total	342	28	13	383
Complicated issue	7	2	-	9
Recommended solutions not followed	1	3	-	4
Concluded issues broken down by sector	89 %	7 %	3 %	100 %
Examination time starting from the finalisation of doc	63	43	65	average 62

Organisation and personnel on 31 December

The FINE organisation is composed by the FINE Supervisory Board, the Executive Committee, the Bureau and three Complaints Boards. The FINE Supervisory Board supervises and directs the operations of the organisation. The Supervisory Board adopts the strategy, budget and Financial Statements of the organisation, appointing the Executive Committees and the FINE management. FINE's current strategy has been adopted for the period from 2020 to 2022.

The Chair of the Supervisory Board is Astrid Thors (M.LL.). The Members of the Supervisory Board represent the Finnish Competition and Consumer Authority, the Financial Supervisory Authority and Finance Finland FFI, the parties to the contract that is the basis of the FINE operations. Moreover, there is an invited Supervisory Board Member representing the Ministry of Social Affairs and Health and the Ministry of Finance.

The new FINE Regulations, in force as of the beginning of 2021, the earlier three sectoral Executive Committees were replaced with one comprehensive Executive Committee. FINE has Executive Committee appoints the Complaints Boards for the sector and prepare the FINE budget and plan of action to be adopted by the Supervisory Board.

During the review year, FINE had 26 employees with fixed employment contracts. The Managing Director was Elli Reunanen and her deputy Ville Raulos, Senior Adviser until 30 June 2021; after he moved to another employment, Harri Isokoski, Senior Legal Counsel was appointed deputy on 1 July 2021.

The main FINE contractual parties are the Finnish Competition and Consumer Authority, the Financial Supervisory Authority and Finance Finland FFI. In securities-related issues, the Finnish Shareholders' Association is also a party while Eläkesäätiöyhdistys ry (Association of company pension funds) and Vakuutuslääkäriry (Association of employee benefit funds) complement the insurance-related operations. The parties to the contract have also invited representatives of the Consumers' Union of Finland to participate in the administration.

Most of FINE's expenses are covered by Finance Finland FFI. The Auditors are Tuokko Tilintarkastus Oy,

APA Auditors, while the responsible Auditor is Terhi Latvala, APA.

Supervisory Board

Astrid Thors, M.LL., Chairperson
Managing Director Piia-Noora Kauppi, Finance Finland FFI
Director General Anneli Tuominen, Finnish Financial Supervisory Authority FIN-FSA
Director General Katri Väänänen, Finnish Competition and Consumer Authority FCCA
Director Jaana Rissanen, Ministry of Social Affairs and Health (as of 11 November 2021)
Head of Unit Janne Häyrynen, Ministry of Finance

Deputy Members

Deputy Managing Director Esko Kivisaari, Finance Finland FFI
Senior Adviser Sonja Lohse, Financial Supervisory Authority FIN-FSA
Deputy Director Outi Haunio-Rudanko, Finnish Competition and Consumer Authority FCCA
Supervisory Board presenting officers
Managing Director Elli Reunanen, FINE
Supervisory Board Secretary, Ville Raulos, Senior Adviser, FINE until 30 June 2021; Harri Isokoski, Senior Legal Counsel, FINE as of 1 July 2021.

FINE Executive Committee

Representatives of authorities and organisations

Armi Taipale, Chair, Head of Department, Financial Supervisory Authority FIN-FSA
deputy Berndt Hertsberg, Head of Office, Financial Supervisory Authority FIN-FSA
Juha Beurling-Pomoel, General Secretary, Consumers' Union of Finland
deputy Tiina Vyyryläinen, Head of Advocacy, Consumers' Union of Finland
Paula Hannula, Legal Counsel, Finnish Competition and Consumer Authority FCCA
deputy Maija Puomila, Director, Finnish Competition and Consumer Authority FCCA
Professor Timo Rothovius, Vaasa University
deputy Victor Snellman, Managing Director, Suomen Osakesäästäjät ry

Representatives of Finance Finland FFI:

Mari Koikkalainen, Director, OP Group
deputy Riikka Laine-Tolonen, Director, Danske Bank A/S, Finnish branch
Pekka Ylihurila, Vice-Chair, Managing Director, S-Pankki Oy
deputy Pirjo Kuusela, Director of Corporate Social Responsibility, Nordea Bank plc
Ritva Makkonen, Director, LocalTapiola Group
deputy Pekka Luukkanen, Managing Director, Nordea Life
Deputy Esko Kivisaari, Managing Director, Finance Finland FFI
deputy Hannu Ijäs, Director, Finance Finland FFI

Emilia Hanen, Head of Division
Tuomas Hidden, Head of Division
Tuomas Korkeamäki, Head of Division, until 31 July 2021
Kaisa Laine, Head of Division
Vesa Sainio, Head of Division

Personnel responsible for dispute resolution

FINE Finnish Financial Ombudsman's Bureau

Elli Reunanen, Managing Director
Ville Raulos, Senior Adviser, deputy to the Managing Director until 30 June 2021
Harri Isokoski, Senior Legal Counsel
Tuomas Siirala, Senior Legal Counsel

Appendix 1: Opinions issues

FINE issued statements and opinions on the following topics:

- Government bill to Parliament HE 228/2021 to complement the legislation on the Regulation (EU) on European crowdfunding service providers for business.
- Government bill to Parliament HE 110/2021 on the acts to amend the Investment Funds Act, Act on Alternative Investment Funds Managers and on the Financial Supervisory Authority
- Government communication to Parliament U 39/2021 regarding the proposals of the Commission to amend the Regulation of the European Parliament and Council (EU) N:o 1286/2014, to extend the transitional arrangement concerning the persons advising on or selling units in reserve funds, investment funds and undertakings for collective investment in transferable securities (UCITS) or in other non-UCITS companies.
- as well as the Directive to amend Directive 2009/65/EU to the extent that it is a question of the use of the key investor information (of the funds).
- VN/16344/2020 Request of opinion on the draft amendment of the Credit Information Act to shorten the times of retaining the data on default payments.
- Request of opinion on the instructions with the tile Building loss surveying and repairs, JVT-liitto and FA ry.
- Government bill HE 264/2020 vp to Parliament for the Act to amend the Maritime Act. Government bill HE 264/2020 vp to Parliament for the Act on the amendment of the Act on trading with financial instruments and for certain related Acts.
- Commission proposal E 125/2021 on banking legislation, the implementation of Basle III standards, management of sustainability risks and development of banking legislation.
- Government bill HE 21/2021 to Parliament on the temporary amendment on the Act on Accommodation and Food Service Activities.
- Government bill HE 109/2021 to Parliament for the Acts to amend the Act on Credit Information, Section 96 of the Act on Payment Services and

Section 4a of the Criminal Records Act.

- Statement on the Communication U 38/2021 vp by the Government regarding the proposal of the European Parliament and of the Council for a directive on consumer credits.
- Government bill HE 261/2020 for Act to amend the Act on Prevention of Money Laundering and Terrorism Financing, the Act on the Centre of Investigation of Money Laundering as well as Section 6 of the Act on Payment Account Control System..
- VN/806/2020STM17 Opinion on the Government draft bill to Parliament regarding the national provisions to complement the Regulation by the European Parliament and Council on the pan-European individual pension product.
- Opinion on the Government draft bill regarding the legislation to complement the EU crowd-sourcing Regulation

Appendix 2: Breakdown of questions by insurance class

Kysytyt asiat vakuutuslajeittain	määrä	osuus %
Kotivakuutus	1220	22 %
Yksityistapaturmavakuutus	703	12 %
Vastuuvakuutus	581	10 %
Kaskovakuutus	542	10 %
Muu vahinkovakuutus	488	9 %
Liikennevakuutus	413	7 %
Sairausvakuutus	354	6 %
Matkavakuutus	214	4 %
Oikeusturvavakuutus	190	3 %
Kiinteistövakuutus	181	3 %
Lakisääteinen tapaturmavakuutus	181	3 %
Eläinvakuutus	125	2 %
Yritysvakuutus	119	2 %
Lääkevahinkovakuutus	70	1 %
Venevakuutus	65	1 %
Lainaturvavakuutus	64	1 %
Riskihenkivakuutus	63	1 %
Ryhmäläkevakuutus	36	1 %
Sairauskassa-asia	19	0 %
Maatilavakuutus	15	0 %
Kaikki yhteensä	5643	

