



# FINE Annual Report 2015

Finnish Financial Ombudsman Bureau  
Securities Complaints Board  
Banking Complaints Board  
Insurance Complaints Board

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# Managing Director's review

## FINE facing change

FINE's year 2015 was active: we had 9,296 customer cases. The number of banking-related issues examined by the Banking Complaints Board increased, with the number of requests for recommended solutions more than doubling from the previous year. The questions were mostly related to the increases in loan margins and the interest payment obligation imposed on ASP accounts (ASP = State-subsidised housing saving scheme). Both special questions have been clarified and are now out of the agenda. The securities scene was as calm as it has been during the past few years while the contacts related to insurance issues were fewer than in 2014.

FINE's operating environment was and is still changing. It is impossible to predict the number of the customer cases or the busiest sector in each separate year. Economic cycles and particularly the changes taking place in the service providers – insurance portfolio transfers, increases in loan margins and terminated insurance policies – impact FINE's volumes and nature of the cases. Natural phenomena and the media also play a role.

In insurance issues, the changes made in the contracts drew particular attention during the report year. Exceptionally, contractual issues accounted for one fifth of all insurance related questions. The customers find it difficult, if not impossible to accept the annually occurring changes, for example in the pricing of medical expenses insurance policies or in deductibles. The same customer reaction applies to loan margin increases in the banking sector.

During the report year, all service providers, except one insurance company, adhered to the recommended solutions issued by the FINE Complaints Boards. This is an outstanding outcome. In this respect, FINE continues to be unique by international standards. Many peer organisations are considering a transit to – or have initially adopted an operative model whereby the issued solution is binding to the service provider. The European Commission seems to be considering the question. For FINE, the solutions in the form of recommendations are a natural and most efficient mode of operation.

A unique event in 2015 was the international congress of finance sector ombudsmen in Helsinki. The FINE Board Members provided their excellent support for the event. The expert seminar entitled "What was actually agreed" offered to the FINE stakeholders gathered a vast audience. In addition, FINE had much floor time in the seminar of insurance lawyers organised at FINE, focusing on alternative dispute resolution (ADR) questions.

Towards the end of the year, the legislation on ADR bodies was enacted, to be applied by FINE as from 9 January 2016. The FINE customer advice operations continued unchanged. The advice issues were by far the most frequent form of operations which is an excellent result. The customers' factual situation can be clarified and receive information so that the dispute that might be emerging can be settled at an early stage.

In disputes, FINE's procedure is increasingly flexible. The operations of the Complaints Board remain virtually unchanged; however, the new demands for accelerated timetables must be satisfied. The dispute settlement at the FINE Bureau underwent some changes: in its capacity of the FINE Complaints Board secretariat, the FINE Bureau can issue recommended solutions in cases which have existing Board decision practice or are otherwise unambiguous. The cases are solved by the most experienced legal experts. This simplifies, accelerates and streamlines the dispute settlement operations at the FINE organisation. The Board solution practice accumulated over the years is considerable. The objective is not to repeat the discussion of similar cases year after year by the Boards which have a much heavier procedure. This lighter procedure provides all the benefits called for by the EU Directive on ADR.

At the end of the report year, Professor Kirsti Rissanen retired from the Insurance Complaints Board which she had chaired. She has given a significant contribution to the work of the Insurance Complaints Board. I would like to warmly thank Professor Rissanen for her brilliant work at FINE.

I would also like to extend my warmest gratitude to the Board and Executive Committees for their support during the year under review. The FINE personnel merits special thanks for their innovative attitude, flexibility and hard work.



Irene Luukkonen

Helsinki, 30 March 2016

# FINE in brief

FINE is an organisation operating in the financial sector providing advice and guidance and seeking clarifications and issuing recommended solutions to the customers' problems. FINE is a financial sector organisation comprising the Finnish Financial Ombudsman Bureau and the three Complaints Boards for Insurance, Banking and Securities issues, the sectorial Executive Committees and the Board.

**Mission** - as the financial sector advice and dispute resolution organisation, the FINE mission is to promote the attainment of customer rights and promotion of best practices in the sector.

**Vision** - FINE is known as the independent, efficient expert adviser and dispute resolver in the financial sector.

**Operation** - FINE is a customer organisation created on a contractual model between various stakeholders in the finance sector which provides the customers with advice in their finance-related problem situations and solves their complaints. FINE is a collaborative arrangement for the authorities, customer organisations and the finance sector.

FINE provides advice and solves disputes while its Bureau also acts as the secretariat for the FINE Complaints Boards. FINE also provides feedback and issues opinions. FINE contributes to legislative preparation work, provides information and produces guidebooks and comparisons to promote public competence in financial issues.

**Contractual Parties** - The operations of the organisation are based on the contract between the Finnish Competition and Consumer Authority, the Financial Supervisory Authority and the Federation of Finnish Financial Services.

In securities-related issues, the Finnish Shareholders' Association is also a party while Eläkesäätiöyhdistys ry (Association of company pension funds) and Vakuutuskassat ry (Association of employee benefit funds) complement the insurance-related operations. The contractual parties have invited representatives of the Consumers' Union of Finland and the Ministry of Social Affairs and Health to join the FINE administration.

**Supervisory Board and Executive Committees** - The FINE 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. The FINE Supervisory Board has adopted the organisation's strategy 2015–2019.

The Board Chairman is Metropolitan Ambrosius of the Finnish Orthodox Church. The Board members represent the major contractual parties: the Finnish Competition and Consumer Authority, the Financial Supervisory Authority and the Federation of Finnish Financial Services. Moreover, there is an invited Board member representing the Ministry of Social Affairs and Health.

The organisation also includes Executive Committees for insurance, banking and securities issues. Each year, the Executive Committees draft the plans of action and appoint the Complaints Boards for their respective sectors. The Banking and Securities Executive Committees are chaired by Jarmo Parkkonen, Head of Department while the chair of the Insurance Executive Committee is Erja Rautanen, Head of Department.

**Personnel** - During the review year, FINE had 23 employees with fixed employment contracts. Irene Luukkonen, LL.M. is the Managing Director while Director Erik Sirén, LL.M. acts as the Managing Director's deputy.

**Finances** - Most of FINE's expenses are covered by the Federation of Finnish Financial Services. According to the 2015 Financial Statements, the total expenses of the entire organisation were about 3,485,076.22 euro. The Auditors are Tuokko Tilintarkastus Oy, APA Auditors, while the responsible Auditor is Jari Miikkulainen, APA.

# Highlights in 2015

In 2015, FINE received over 9,000 new customer cases. Insurance issues accounted for 70%, banking 16% and securities 2% of all contacts. The majority of the customers, over 80%, received a reply to their query during the first contact day and only 9% of the issues proceeded to the FINE Complaints Boards.

All in all, the advice services received 9,296 information requests or complaints, almost the same number as in 2014. Insurance issues accounted for 70% of the questions, banking issues for 16% and securities issues for 2%.

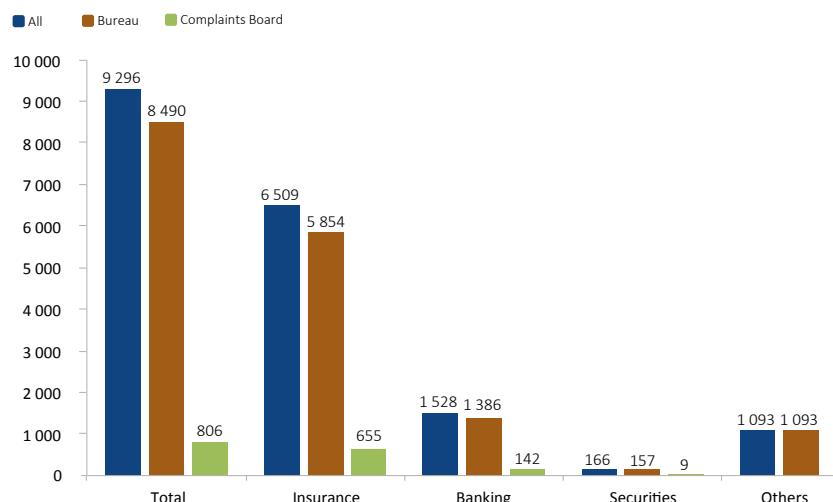
There were 1,093 other contacts, or 12% of the whole. In these cases, the customers thought they had called or written to the service provider or the case did not fall within FINE's competence. The number of such contacts was 30% down from the previous year.

About 9% of the cases progressed to the Insurance, Banking or Securities Complaints Boards. The Insurance

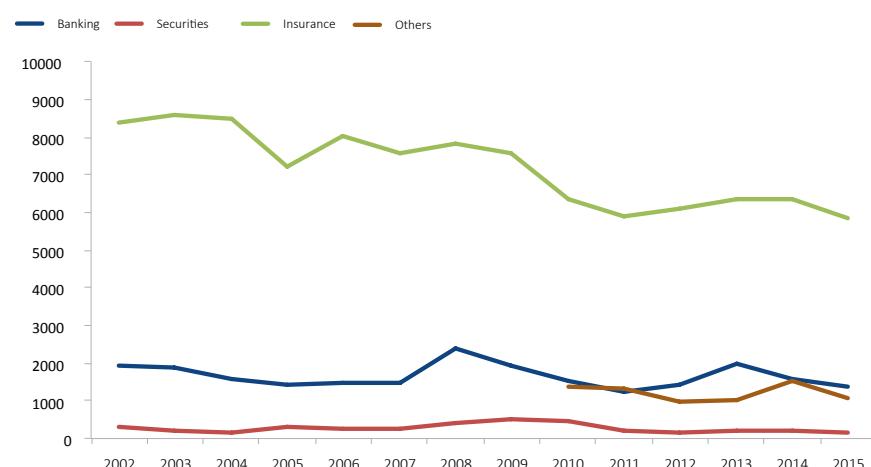
Complaints Board recorded 655 new cases to be examined, while the corresponding number was 783 in 2014. The Banking Complaints Board recorded 142 (60) new cases and the Securities Complaints Board 9 (12). During the review year, quite a few cases brought to the Complaints Boards could be solved at the Bureau.

Of all the contacts to the Bureau, 78% were customer phone calls. However, the further steps of the case could also be taken in written form. About 22% of the customers contacted FINE using the web form, email or letter. Only 32 customers visited the Bureau in person.

Customer contacts with FINE in 2015



Customer contacts with FINE over the years



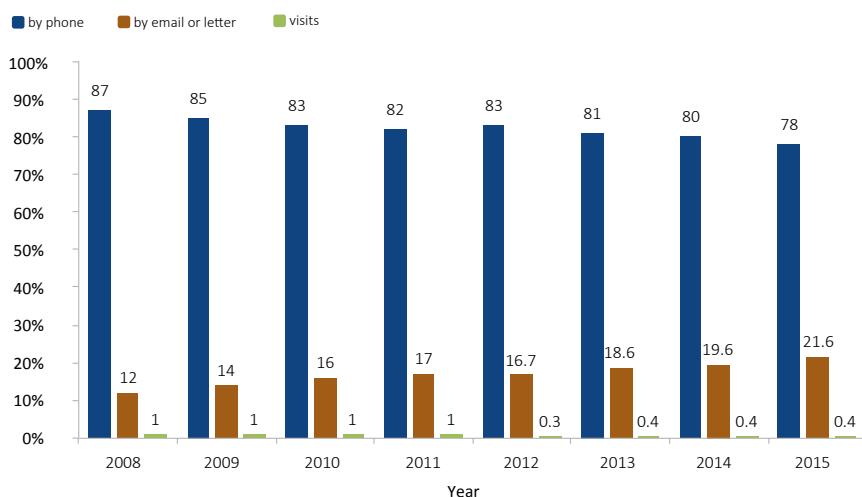
The way in which the cases are initiated has remained almost the same during the past five years. As a rule, the customers contact us by phone but the web form is increasingly used. Personal visits account for a minor share of the whole.

The Bureau provided the customers with competent and swift service. In about 84% of the cases they could receive the answers already during the initial phone call or during the same day. Complex and long cases took more time, and such cases typically involved personal injuries but also securities issues which require extensive clarification work.

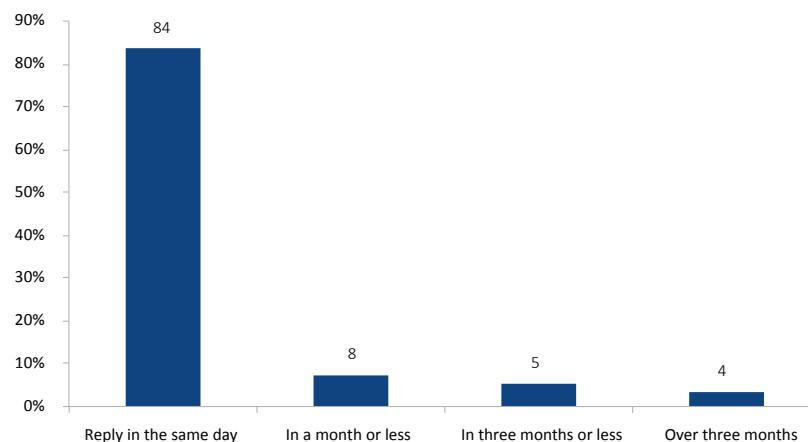
Over 92% of the Bureau customers obtained a response within one month from the initiation of their case. The

number of complex and long cases showed a slight upward trend during the operating year because the medicine-related cases addressed to the Insurance Complaints Board were examined by the Bureau to an increasing extent.

### Cases initiated with the Bureau over the years



### Examination times of issues handled by the Bureau in 2015



# Insurance, banking and securities advice and counselling

The premise of the advice services is to both clarify the customer's problem and solve it. Typically, the customer is assisted through clarifications regarding legislation, contractual terms and conditions, Complaint Board recommendations in similar cases as well as general practices in the sector at hand. The contacts to the Bureau are classified as insurance, banking and securities issues.

Often, the customers start presenting their case by saying "I wanted to ensure this because I am not able to read this in the contract terms and conditions". The customers are given clarifications and advice for further steps to take. The primary advice given is to contact the service provider in question: the bank, the insurance company or the investment firm. If necessary, the Bureau continues to examine the case. In such cases, the service provider is asked to provide the necessary documents and sometimes also an opinion on the issue, and then the case continues with a discussion and/or correspondence with the customer.

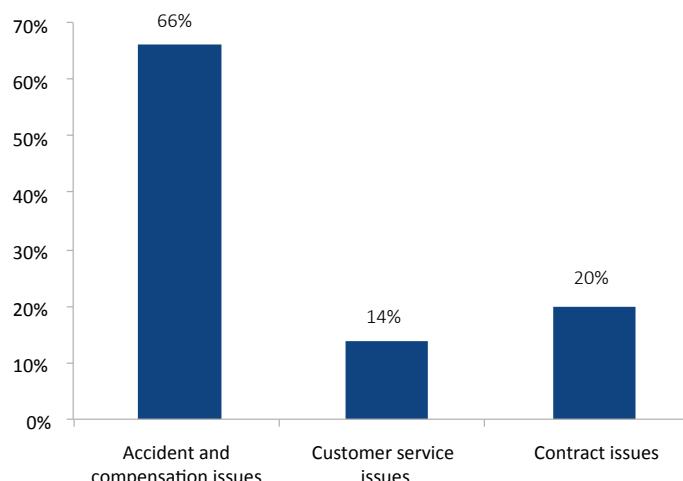
## Insurance issues

In 2015, the Bureau received a total of 6,805 questions, inquiries or complaints related to insurance issues. The number also includes the so-called other issues where the customer has not been able to find the insurance compa-

ny's contact data or has written or called FINE by mistake. Requests for information accounted for 57% and complaints for 43% of the cases. 66 percent (66% in 2014) of the contacts focused on injury-related claims and indemnities. Issues with contracts continued to increase, 20% (19%) of the whole. The complaints related to insurance premiums are increasing. The customers are very particular as concern the pricing criteria and discounts. They compare the premium with the offer made. Of all the contacts, about one fourth continued with written measures. In such cases, the Bureau studied documents, sent earlier Complaints Board statements to the customer and sometimes also had talks with the insurance company on whether their decision complied with the contract and applicable legislation.

Issues with the statutory insurance policies, in other words workers' compensation insurance, statutory motor vehicle insurance and patient insurance accounted for 14% of the cases at the Bureau. Non-life insurers were involved

### Cases handled by the Bureau: Contacts in insurance issues in 2015



in 86% of the cases, life insurance companies in 13% and other types, i.e., company and industry-wide pension funds, in about 1%.

The contacts related to **home insurance** were the most frequent or 1,160 (1,158) in total or 20% of all issues taken up by the Bureau in relation to insurance matters. The contacts concerned the definition of scope of coverage, the amount or the procedure of compensation. The most frequent question related to the compensability of the claimed losses was the definition of a sudden and unforeseen event.

Complaints related to various humidity and water damage events constituted the largest group of issues. Another major category concerned the way in which certain exclusions related to latent defects and lost property were applied. Questions related to reduction for age were repeatedly highlighted in the quantification of loss. The contacts by customers with bad credit history records have increased. Before turning to FINE, such customers may have contacted several insurance companies with a wish to take out insurance.

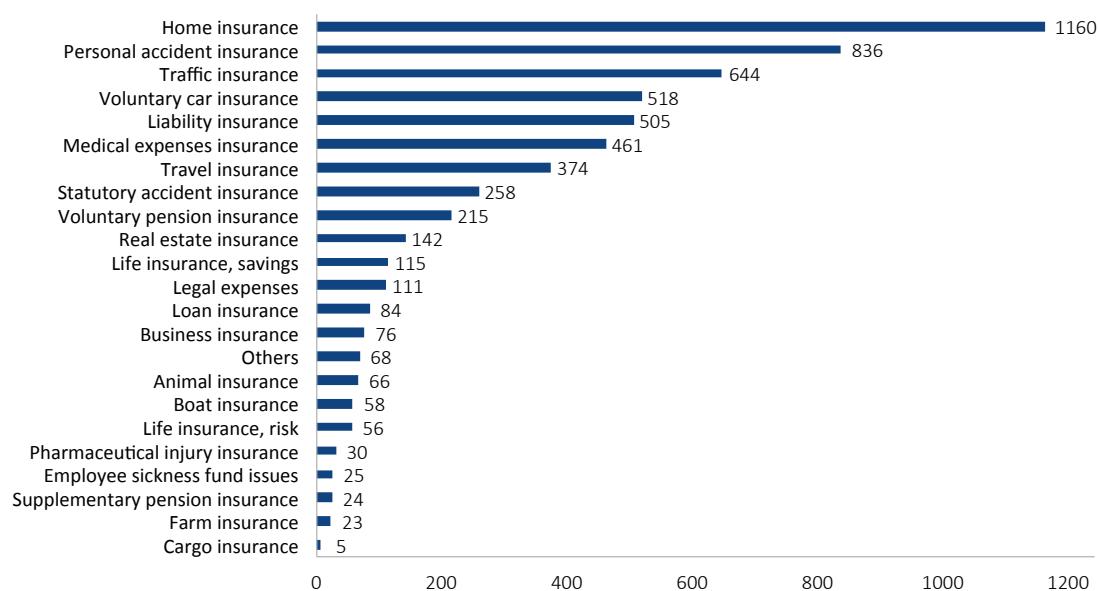
The contacts related to **personal accident insurance** issues numbered 836 (836), 14% of the total. A repeated problem was constituted by the causal relationship issues as well as the degenerative changes or diseases found on the occasion of the accident, not entitling the consumer to

the expected benefit. There were also complaints about the determination of the degree of disability. In personal accident insurance, the determination of the degree of disability is based purely on medical considerations, while the profession or disability for work is not taken into consideration. The “external factor” identifying accidents and the absence thereof were increasingly present in the complaints.

Among **motor vehicle insurance policies**, voluntary car insurance issues totalled 518 (635) or 9% of the cases handled by the Bureau while those with the statutory motor vehicle insurance were 644 (651) or 11%. Half of the motor vehicle insurance issues concerned personal injuries and the other half material damage. The personal injury issues were often related to medical evaluation, such as the determination of disability for work, temporary or permanent disability and the annual earned income. Questions of culpability and the referrals to the Traffic Accident Board were also handled.

Repeated concerns with both the car and the statutory motor vehicle insurance were related to the salvage of the vehicle and its fair value as well as the extent of the damage, use of accessories in the repair and the responsibilities related to the quality of repair work. In car insurance issues, complaints were also caused by the exclusion terms of the insurance, identification as well as the question of the impact of gross negligence on

## Cases handled by the Bureau: Statistics of contacts by type of insurance in 2015



the compensation. The obligation of the policyholder to provide information was a particular issue that emerged. The issues related to the increased premium for failure to take out the motor liability insurance were more frequent due to cases where the insurance had been taken out by a party acting as a front.

**General liability insurance** issues ranked fifth in the number of cases, 505 (603) or 7% of the total. Contacts were taken by both the policyholders and the injured parties. The complaints mostly related to the policyholder not having received compensation due to the fact that the policyholder was considered to have acted carelessly or caused the damage due to negligence.

Complaints were also caused by exclusions in the policy terms of the general liability insurance, including cases where the insurance does not cover damage to property handled, held or otherwise taken care of by the policyholder.

In personal injuries, the complaints focused on the amount of the benefit, duration of invalidity for work or the determination of the annual earned income constituting the basis, for example, for the compensation for loss of income, or on the fact that the benefit for temporary or permanent invalidity was lower than expected. The requests for information often concerned the practices related to the use of the liability insurance and to the ways to make the claim.

**Travel insurance issues** amounted to 374 (491), 6% of the cases. The customers complained that the chronic or other pre-travel diseases had not been indemnified from the traveller's insurance but to a limited degree. The insurance company's responsibility to indemnify the customer when the trip was cancelled or interrupted was another source of questions and complaints. Increased DIY travels, adventure and sports tourism have introduced new types of problems related to the validity of the travel insurance during the activities as well as the indemnities for cancellation of the trip.

Contacts related to **voluntary pension insurance policies** numbered 215 (2228) while life insurance policy was the topic in 115 (117) cases. Their aggregate number was 330 or 6% of all cases handled by the Bureau.

In life insurance, the endowment insurance and investment policies caused 115 (70) contacts and the pure life insurance policies or the disability cover questions 56 (47) contacts. For example, the complaints concerned the fact that the savings sum of the pension insurance would not be withdrawn in the middle of the insurance term, except in rare exceptional cases.

In unit-linked insurance policies, the customers had not always understood that they had signed an insurance contract and would carry the risk for capital conservation. The level of customer bonuses caused complaints in the policies with the maximum rate of guaranteed interest.

**Company and industry-wide pension funds** were the reason for 24 (26) contacts. Most of them concerned the amount of the additional pensions and the combination of various pensions. The amount of the additional pension did not meet with the customers' expectations.

**The additional benefits payable by employee sickness funds** were brought to the Bureau's attention in 25 (28) cases. Most of the contacts were related to the interpretation of the fund bylaws in a claims case or the membership criteria of the fund.

In 461 (485) cases or 8% of the contacts, the underlying issue was related to a **voluntary medical expense insurance policy**. Several complaints regarding the voluntary medical expense policies involved increased premiums resulting from the growth in the claims received by the insurance companies. Moreover, the customers complained about the amendments of the insurance terms and conditions made by the insurance company.

**Loan insurance** caused 84 (85) contacts, 1% of all insurance cases handled by the Bureau.

As far as pure risk policies, medical expense insurance and especially loan insurance are concerned, a particular problem group was constituted by the failure by the policyholder to meet the duty of disclosure when filling in the health data at the insurance application phase.

In medical expense insurance and loan insurance, there were also several inquiries about the exclusion terms. As far as loan insurance was concerned, the unemployment and disability insurance caused complaints.

## Banking

The total number of banking-related contacts was 1,386, with complaints accounting for 532 and inquiries 854.

If the case required additional clarification, the customers received a written reply. Such replies focused on the course of the events and the bank's action in the case. FINE's replies were also sent to the bank in question for their information. In most cases, the solution proposed by the Bureau's advice services resulted in a resolution of the dispute between the customer and the bank. However, if the dispute persisted between the parties, they could submit it to the Banking Complaints Board.

Credit issues accounted for the majority of the inquiries by the customers, with 627 contacts (737) which is 45% (47%) of the total in banking issues. Looking at this category, the largest number of questions concerned the management of the principal credit and loan pricing, especially the increase of housing loan margins in different situations, such as the customer wishing to change the

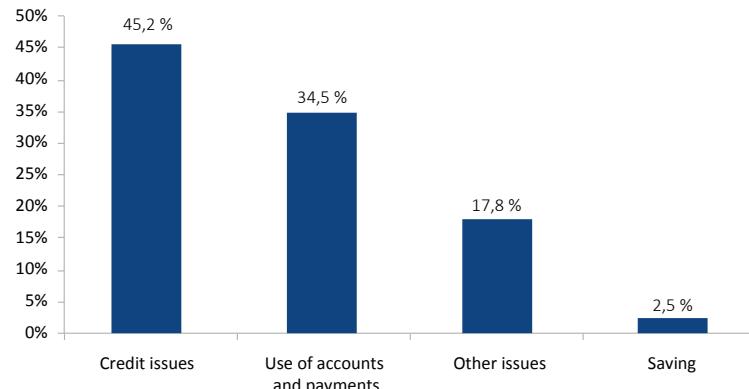
reference rate of interest or surety of the loan or asking for a period of no repayments.

Use of banking account and payments caused 478 (554) contacts accounting for 34% (35%) of all banking-related issues. Debit and credit cards caused most contacts by the customers. In most cases, the problem was caused by unauthorised use of the card after it had been stolen from the holder. In addition, problems with cards included lack of clarity regarding the requirement of cover for the debited sum, functioning of the cards abroad and the numbers of card invoices.

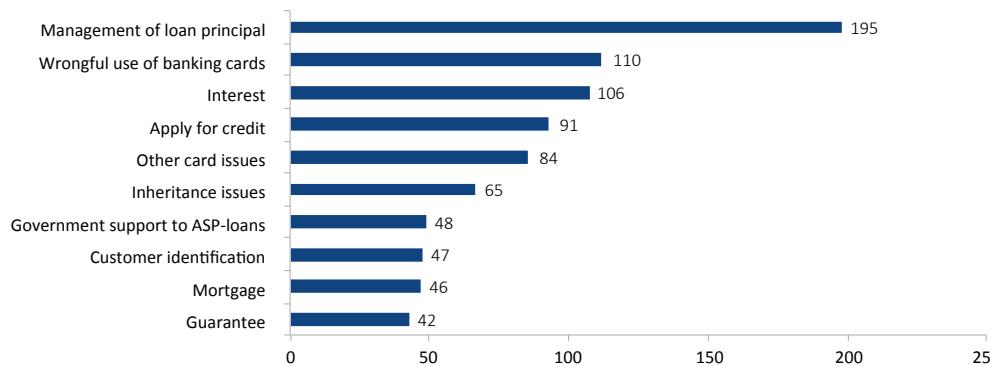
Savings-related contacts totalled 34 (36), or 2% of all contacts (2%). The questions focused on issues such as return on deposits and protection of deposits.

247 contacts (211) or 18% (15%) of all banking issue contacts were classified as other issues. The majority of these questions related to the management of a death estate's banking issues, banking secrecy and the identification of customers.

### Cases handled by the Bureau: Banking issues in 2015



### Cases handled by the Bureau: Most frequently asked banking questions in 2015



## Securities

During the review year, new securities-related queries or complaints totalled 166 (213), less than in 2014.

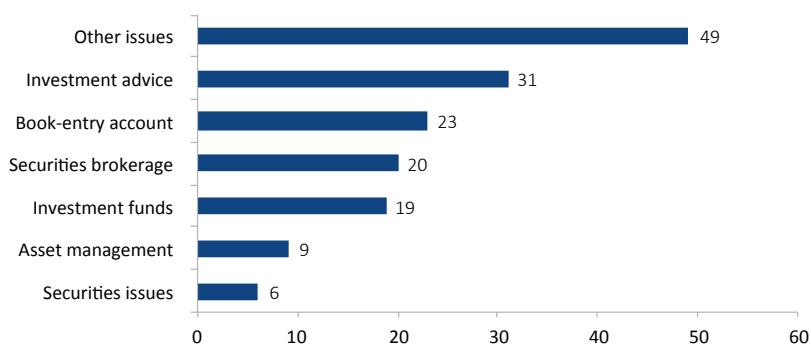
The most frequent reason for the contact was the customer's dissatisfaction with the service provider's actions in the case at hand. There were also a certain number of contacts from customers who wanted to discuss with an outsider party about the information obtained from the service provider before making the investment decision. On a general level, advice was provided on a variety of questions. In particular, marketing and securities brokerage were themes with many questions. Most contacts were, however, caused by the customers' dissatisfaction with the development of the value of their investments as well as the contents of the investment advice provided by the service providers.

The discussions with the customers touched problems encountered in the process of selling telephone company shares and the investment scams originating in foreign countries. Other issues accounted for the largest number

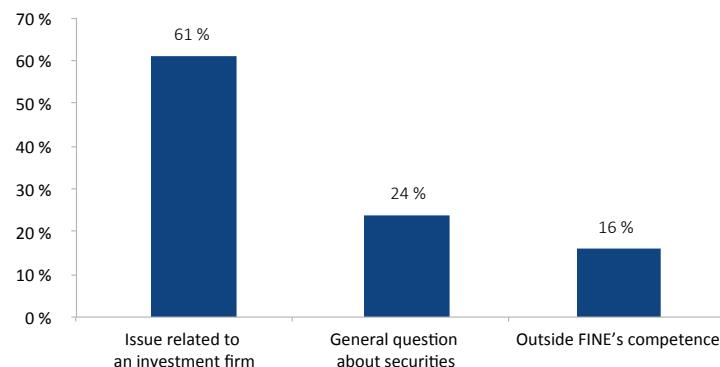
of contacts, 49 (69) cases or 31% of all securities cases. The questions were related, for example, to the operation of the Securities Complaints Board. Issues related to investment advice ranked second by frequency, 31 (39) cases which was one fifth of all securities-related contacts. Book-entry accounts system caused 23 (28) contacts (15%) while 20 (24) cases were related to the securities brokerage (13%). Asset management cases numbered 9 (19) which was 6% of the total in the securities sector.

In many cases, the advice provided by the Bureau ended in an amicable solution that satisfied the customer, with no need to bring the case to the Complaints Board. Of all the securities-related contacts, 61% were related to a particular investment firm, such as a bank, banking company or asset manager. On a general level, the securities-related contacts were 24% of the whole. About 16% of the contacts focused on an actor that did not fall within FINE's sphere of competence. Such parties include, among other, the listed companies and limited liability companies not listed in the stock exchange.

Cases handled by the Bureau: Securities issues in 2015



Cases handled by the Bureau: Contacts in securities issues in 2015



# Work at the Insurance, Banking and Securities Complaints Boards

The three FINE Complaints Boards for securities, banking and insurance issues are alternative dispute solving bodies that operate in the same manner as courts of law. FINE's advice and counselling services, the Finnish Financial Ombudsman Service, acts as the Bureau and secretariat of the Boards.

The decisions issued by the Boards on the disputes between the customer and the service provider are recommendations by nature. Despite the recommendation, the parties can submit their case to a regular court of law. In their decision-making, the Boards are independent and follow the European Commission requirements regarding their autonomy, openness, reciprocity, efficiency, legality, freedom and representation.

Since the Complaints Board decisions are recommendations, it is vital that detailed grounds are given so that the parties to the dispute can understand and accept the outcome. The banks, insurance companies and investment firms have followed the Complaints Boards' recommendations to an outstanding degree.

The proceedings take place in written form. The Boards will not be able to hear the interested persons or witnesses under oath. In addition to the written materials examined, the Complaints Boards also use the recorded telephone conversations between the customer and the service provider in cases such as investment advice or the insurance company's responsibility to inform the customer at the signing of the contract.

The Complaints Boards will not take up a case which is simultaneously pending at the Consumer Disputes Board or a court of law. However, the Consumer Disputes Board is not competent in securities-related issues. At their own initiative, the Boards can ask for expert opinions from external experts. The requested opinions may focus on medical, veterinary, construction technical or car technology issues calling for special expertise. The medical experts referred to by the Complaints Boards give their opinions on the basis of documents and the customer's medical examination data, and the customer asking for an opinion will not be examined by a doctor.

The Complaint Boards can apply a simplified procedure to issues that have an established settlement practice or

are unambiguous in terms of the application of the law or contractual terms. The FINE site at [www.fine.fi](http://www.fine.fi) provides access to the database containing the recommendations of the Complaints Boards.

## Insurance Complaints Board

The Insurance Complaints Board examines issues related to voluntary insurance policies. Issues related to workers' compensation and patient insurance are not within its competence area. As regards the statutory motor vehicle insurance, the Complaints Board only examines premium and no-claims bonus-related issues as well those that are not covered by the competence of the Motor Vehicle Insurance Board. The Insurance Complaints Board also covers the issues related to the additional pension insurance policies of company and industry-wide pension funds as well as the employee sickness, burial expense and redundancy benefits issues of employee benefit funds.

The Insurance Complaints Board is divided into five sections and the members are appointed upon the proposal of the contractual parties and other stakeholders specified in the FINE Regulations. During the review year, the sections met 47 times in total.

Similarly to previous years, the recommendations issued by the Complaints Board most frequently focused on the general liability insurance, and the main issue was to determine the rate of negligence. The interpretation of exclusion terms and issues involving medical assessment were frequently discussed with liability insurance cases.

In personal accident insurance, the issue at hand was mainly about the medical determination of the causal relationship or the rate of invalidity caused. In home insurance, many issues were about water and humidity damage especially the reasons of the damage due to humidity and latent defects.

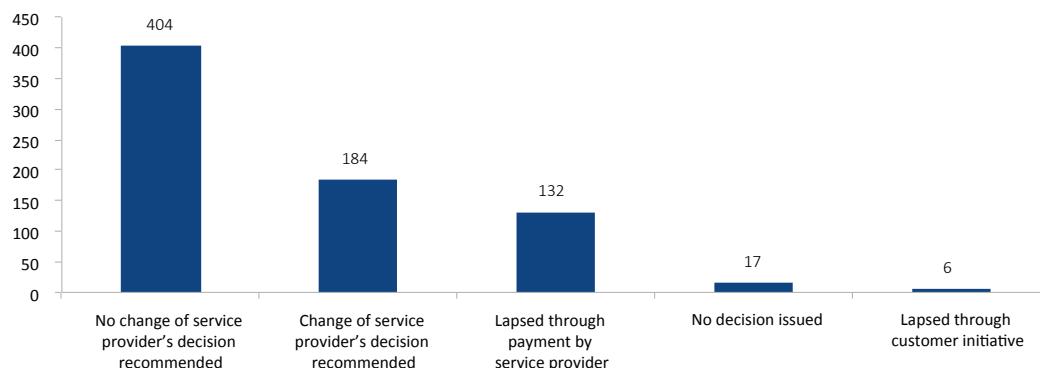
## Complaints and recommendation for solution

The Insurance Complaints Board received 655 (786) complaints for examination. Many cases were also referred to the Bureau. All in all, the Board resolved 743 (787) cases. Of these, 138 (102) lapsed before the actual examination at the Board. Among the cases that lapsed, the insurance company paid the claimed compensation in 132 cases (96) while in 6 (12) cases the issue was withdrawn at the initiative of the customer or for another reason.

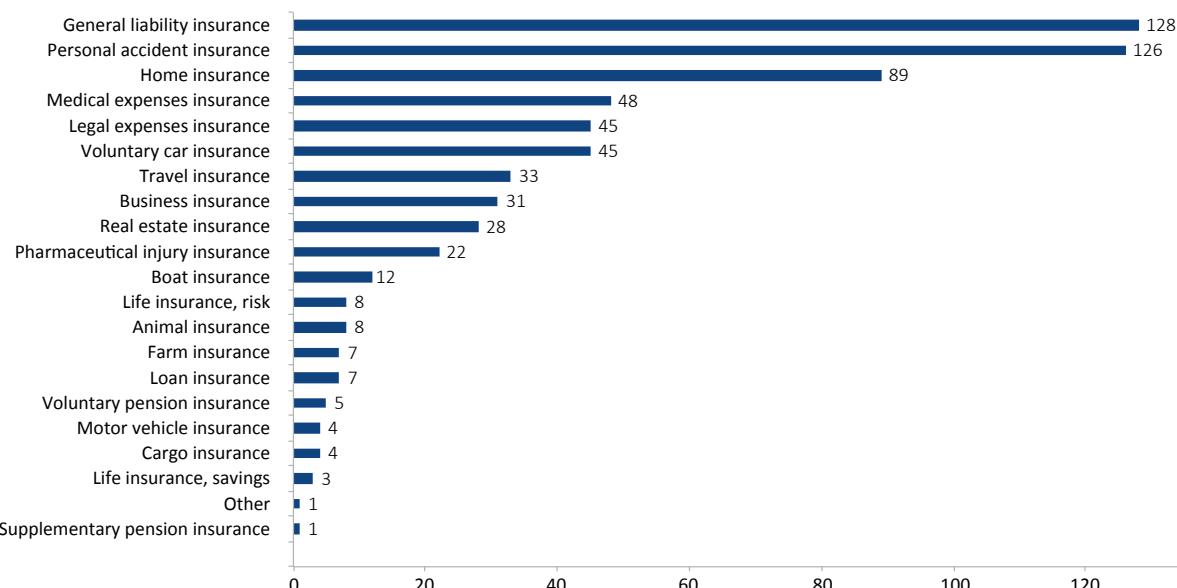
During its meetings, the Complaints Board resolved 605 (685) cases. In 17 (21) cases, the Complaints Board did not issue a decision. Among the 588 (664) decisions, 184 (221) differed from that of the service provider in favour of the policyholder or the injured party. The recommended changes to the decisions varied from minor partial changes to a full overturn of the outcome.

The calculations in the chart hereunder comprise all resolved cases, including those that have lapsed before the examination of the case by the Complaints Board. Of the total 743 cases at the Board, the insurer had made a voluntary compensation decision in 18% (11%) cases. In addition, the Complaints Board recommended a change in 25% (28%) of the cases. Calculated in this manner, a total of 43% (39%) of the cases changed in favour of the insurance customer. In line with the reporting practice followed in earlier years, the change percentage at the Insurance Complaints Board, in other words the share of recommended changes (184) of all decisions (558) issued by the Insurance Complaints Board in 2014 was 31% (33%). The service providers adhered to all recommended solutions issued by the Board on consumer cases. However, in two cases regarding corporate insurance issues, the recommendations were not followed. The rate of compliance was 99% (99%).

### Outcome of issues at the Insurance Complaints Board in 2015



### Statistics of complaints received in 2015 broken down by insurance type



## Cases examined by Insurance Complaints Board in 2014 broken down by companies

Non-life	Decisions number	Change number	Change in %	Compliance in %
ACE-Europe	6	-	-	-
AIG Europe	11	6	55 %	100 %
Alandia	1	0	0 %	-
Folksam	26	16	62 %	100 %
Fennia	48	14	29 %	100 %
If	111	33	30 %	100 %
Lääkevahinkovakuutusyhtiö	22	5	23 %	100 %
Pohjantähti	21	8	38 %	75 %
OP vahinkovakuutus	94	20	21 %	100 %
LähiTapiola	171	54	32 %	100 %
Turva	23	11	48 %	100 %
POP Vakuutus	10	6	60 %	100 %
Ålands	1	1	100 %	100 %
<b>Total</b>	<b>545</b>	<b>174</b>	<b>32 %</b>	<b>99 %</b>

Life	Decisions number	Change number	Change in %	Compliance in %
Aktia Henkivakuutus	5	1	20 %	100 %
Genworth Financial	4	1	25 %	100 %
Henki LähiTapiola	9	3	33 %	100 %
Henki-Fennia	1	-	-	-
Kaleva	5	2	40 %	100 %
Mandatum Henkivakuutus	1	-	-	-
Nordea Henkivakuutus	1	-	-	-
OP Henkivakuutus	5	1	20 %	100 %
Suomi	2	-	-	-
<b>Total</b>	<b>33</b>	<b>8</b>	<b>24 %</b>	<b>100 %</b>

Company and industry-wide pensions funds and employee benefit funds	Decisions number	Change number	Change in %	Compliance in %
Benefit fund sickness insurance	1	1	100 %	100 %
Supplementary pensions from company and industry-wide pensions funds	4	1	25 %	100 %
<b>Total</b>	<b>5</b>	<b>2</b>	<b>40 %</b>	<b>100 %</b>

## Banking Complaints Board

The Banking Complaints Board issues recommendations to resolve disputes related to the banking relationship, brought to the Complaints Board by the customer or the bank in question. The purpose of the Banking Complaints Board is to promote the good banking practice and improve the quality of the information given to the customers in relation to the banking operations.

In total, the Banking Complaints Board has resolved 326 cases during its five operating years 2009–2015. In 152 cases (47%), the service provider was given a recommendation to compensate the complainant for the loss incurred or to return the payment charged. The banks have followed the Complaint Board's recommendations to an outstanding degree.

### Complaints and recommended solutions

During the review year, the Securities Complaints Board received 142 (60) complaints to examine. During the review year, the Banking Complaints Board met eight times, resolving 102 cases. In 70 cases, the Complaints Board recommended a compensation to be paid. The Board continued to use the simplified procedure and

solved 22 cases in this manner. Most of them were related to credit issues and the wrongful use of stolen debit or credit cards.

The Complaint Board issued 59 decisions related to credit issues. Among others, these decisions concerned the increase of loan interest margins and the obligation to pay additional interest for ASP agreements (ASP = State-subsidised housing saving scheme) in cases where the customer has taken the ASP housing loan from a bank other than the one signing the original ASP agreement. The Complaints Board found that both bank were mutually and severally responsible for paying the additional interest, and the customer was entitled to apply the interest of either bank.

The Complaints Board resolved 40 cases involving debit and credit cards. Here, the focus was on determining the degree of carelessness shown by the cardholder as well as on the respective impact on the division of responsibility between the parties.

The customer and the service provider reached an understanding in 13 cases after the clarifications and preparations made at the Bureau, without the case being brought to the Board.

Banking Complaints Board: Cases examined in 2015	Decisions number	Change number	Change in %	Compliance in %
Unauthorized use of banking cards	35	14	40 %	100 %
Nordea Pankki Suomi Oyj	13	4	31 %	100 %
Osuuspankit	10	4	40 %	100 %
Danske Bank Oyj	5	1	20 %	100 %
Handelsbanken	3	2	67 %	100 %
S-Pankki Oy	2	1	50 %	100 %
Aktia Pankki Oyj	1	1	100 %	100 %
Säästöpankki	1	1	100 %	100 %
Unauthorized use of e-banking access codes	3	1	33 %	100 %
S-Pankki Oy	3	1	33 %	100 %
Credit issues	59	55	93 %	100 %
Nordea Pankki Suomi Oyj	3	2	67 %	100 %
Osuuspankit	17	17	100 %	100 %
Danske Bank Oyj	4	2	50 %	100 %
S-Pankki Oy	32	32	100 %	100 %
Säästöpankki	2	1	50 %	100 %
Handelsbanken	1	1	100 %	100 %
Total recommendations in banking	97	70	72 %	100 %

## Securities Complaints Board

The Securities Complaints Board issues recommendations to solve disputes arisen in a relationship between a non-professional customer and investment service provider. The Complaints Board shall also promote a good securities market practice.

According to the Act on Investment Services, the investment service providers must ensure that their non-professional customer have the opportunity to submit individual disputes over the application of the Act to an independent dispute resolution body issuing recommended solutions. In Finland, the Securities Complaints Board is the only board focusing on these issues.

The Board does not provide investment advice or serve professional investors. Moreover, the Complaints Board does not take up claims related to listed companies.

mendations. In 4 cases, the Complaints Board recommended a compensation to be paid. Most recommendations concerned issues with investment advice while two recommendations focused on complaints on asset management issues. The latter had to do with sufficient diversification of the investment portfolio.

All in all, the Complaints Board has examined 317 cases in 2002–2015, with 18 cases where the Board could not issue a decision either because no evidence could be found through the means available to the Board or because the issues at hand did not fall within the Board's competence. A recommendation was given in 299 cases. In 66 cases (22%), the service provider was given a recommendation to compensate the complainant for the loss incurred. Throughout this period, the investment firms have followed the Complaint Board's recommendations.

### Complaints and recommended solutions

During the review year, the Securities Complaints Board received 9 (12) complaints to examine. The Complaints Board met four times during the year, issuing 6 recom-

Securities Complaints Board: Cases examined in 2015	Decisions number	Change number	Change in %	Compliance in %
Investment advice	3	2	67 %	100 %
Taalerintehtdas Oy	1	1	100 %	100 % *)
Finlandia Group Oyj	1	1	100 %	100 %
Nordea Pankki Suomi Oyj	1	-	-	-
Asset management	2	2	100 %	100 %
Elina Pankkiiriliike Oy	2	2	100 %	100 %
Investment funds	1	-	-	-
S-Pankki Oy	1	-	-	-
Total recommendations in securities	6	4	67 %	100 %

\*) At least partially compensated

# Other operations

**Co-operation with stakeholders** - FINE is a party to a co-operation project between the financial sector actors and the police, aimed at promoting the safe use of debit and credit cards in Finland. Published and maintained by the actors, the Korttiturvallisuus.fi (Card safety) site brings together general information on card payments.

FINE also seeks to promote general finance competence by collaborating with its stakeholders in various projects and networks. FINE is a member in the advisory board for private finance management (Taloudenhallinnan neuvottelukunta) which is a body operating under the auspices of the Ministry of Employment and the Economy.

Together with HYOL ry (Association for Teachers of History and Social Studies in Finland) and the Federation of Finnish Financial Services, FINE organises the Talousguru (Finance guru) competition. Another project called Zaldo, is a learning environment targeted at young people while the operations of the Mun Talous (My finances) aim at promoting the economic and financial knowledge of the young, in particular.

**Lectures and events**- During the year, the FINE experts spoke regularly at the Financial Supervisory Agency, the Ministry of Justice as well as the training sessions organised by the Association of Finnish Lawyers and other stakeholder groups.

FINE arranged a stakeholder seminar and meeting called 'What was actually agreed', with 200 experts elaborating on the topical issues of the financial sector and on the solutions to the current problems.

In various events organised, the insurance companies, banks and investment firms were provided with statistical data as well as other collected feedback.

**Opinions and other contributions to legislative preparation work** - FINE gave opinions on the following issues:

- Ministry of Justice, HE 74/2015 (Government bill), proposal for legislation on ADR of consumer disputes, opinion and hearing
- Ministry of Justice, (OM 2/47/2011, OM011:00/2014), opinion on the report of the working group on ADR of

consumer disputes

- Parliamentary Transport and Communications Committee, HE 123/2015, proposal for the Motor Liability Insurance Act, opinion
- Parliamentary Commerce Committee, HE 3/2016, Act on the amendment of the Investment Fund Act and the Act on the Financial Supervisory Authority, opinion
- Parliamentary Commerce Committee, HE 115/2015, proposal for the Acts on the amendments of the Acts on Payment Institutions, on Payment Services and on the Financial Supervisory Authority, opinion
- Ministry of Justice, opinion on the report on consumer credits related to housing assets
- Ministry of Social Affairs and Health, comments on the revision of the Act on Pension Funds and Employee Benefit Funds
- Ministry of Finance, VM038:00/2015, opinion of the opinion by the PRIIP working group
- Ministry of Finance, opinion on the proposal on the transposition of the Directive to amend the Investment Fund Directive
- Ministry of Finance, VM, VM0124:00/2013, Government bill to Parliament for a Crowd Financing Act as well as for Acts to amend certain other Acts, opinion

FINE had a representative in:

- Ministry of Justice, working group on ADR of consumer disputes
- Ministry of Justice, working group on consumer credits related to housing assets
- Ministry of Finance, working group on the transposition of the PRIIP Regulation

## Publication and co-operation with the media

FINE produced 9 different guidebooks and comparisons related to insurance, banking and securities questions. The guidebooks included practical advice related to the measures to take as well as comparisons of the insurance policies and other financial services provided to consumers. The publications also included information on medical expense insurance policies targeted at adults as well as outlines issued by the Banking Complaints Board regarding the liabilities in view of illegal use of the bank cards.

FINE's advice services, the Complaints Boards and experts



*A banking robot introduced at INFO 2015*

were highlighted in over 200 articles and several newspapers and magazines. The web media also published extensive news by and about FINE. The FINE site was visited over 120,000 times during the year.

**International operations** - FINE participates in the FIN-NET activities promoted by the European Commission and is also a member of the FIN-NET Steering Committee. Established in 2001 by the European Commission, FIN-NET is a network helping European consumers and companies to solve disputes in the financial service sector in a speedy, inexpensive and simple manner in cases where the service provider operates in an EU Member State other than the consumer's country of residence. Finland has been involved in the network since it was founded.

**INFO Network Conference** - FINE is also a member and Steering Group member of the global INFO organisation (International Network of Financial Services Ombudsman Schemes). INFO Network is an umbrella organisation constituted by out-of-court dispute solving organisations of different countries, with the affiliates involved in solving



*Swedish and Belgian conference participants*

consumer problem situations and disputes in financial matters. INFO Network also seeks to promote and develop out-of-court disputes solving and the international modes of operation of the organisations.

Organised in Helsinki on 13 to 16 September 2015 by FINE, the international INFO Network Conference had almost 90 participating finance sector ombudsmen from 32 countries, including many European countries, New Zealand, North and South America and Indonesia.

The theme of the Conference was 'Solving Problems-Building Trust'. The conference programme included top-class presentations, group work and discussions on the following topics, among others: What's next for

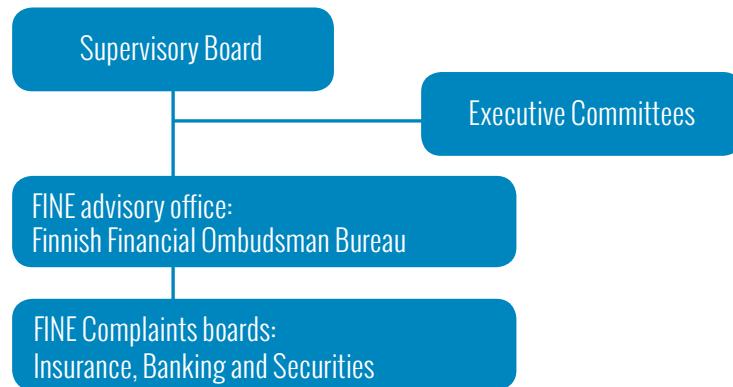


*32 countries were represented at the INFO Conference in Helsinki*

technology?, Cross border issues, What's hot in problem solving?, Financial Literacy, Crises management and Quality control in the companies.

In addition to the full agenda during the conference days, the participants were invited to reception hosted by the Financial Supervisory Authority at the Bank of Finland. In addition, the participants had the opportunity to visit the Bank of Finland Museum and learn about the Finnish smoke sauna culture.

# Organisation and personnel 31.12.2016



## Supervisory Board

Metropolitan Ambrosius, Chairman  
Managing Director Piia-Noora Kauppi, Federation of Finnish Financial Services  
Director General Anneli Tuominen, the Finnish Financial Supervisory Authority  
Director of Division Päivi Hentunen, the Finnish Competition and Consumer Authority  
Director General Outi Antila, Ministry of Social Affairs and Health

## Executive Committee for Insurance

Chief Advisor Erja Rautanen, the Finnish Financial Supervisory Authority, Chairman  
Senior Legal Advisor Tuula Sario, The Consumers' Union of Finland  
Head of Research Anu Raijas, the Finnish Competition and Consumer Authority  
Director Maija Puomila, the Finnish Competition and Consumer Authority  
Director Anu Koskenvuo, LocalTapiola-Group  
Director Reino Aropuu, OP Group  
Managing Director Pekka Luukkanen, Nordea Life  
Deputy Managing Director Esko Kivisaari, Federation of Finnish Financial Services

## Executive Committee for Banking

Head of Department Jarmo Parkkonen, the Finnish Financial Supervisory Authority, Chairman  
Senior Legal Adviser Pirjo Kyrrönen, the Finnish Financial Supervisory Authority  
Director Marjatta Turunen, the Finnish Competition and Consumer Authority  
Director of Division Päivi Hentunen, the Finnish Competition and Consumer Authority  
Deputy Managing Director Jussi Huttunen, OP Group  
Managing Director Risto Tornivaara, Danske Bank  
Deputy Managing Director Jussi Mekkonen, Nordea  
Director Reima Letto, Federation of Finnish Financial Services

## Executive Committee for Securities

Head of Department Jarmo Parkkonen, the Finnish Financial Supervisory Authority, Chairman  
Director Anja Peltonen, the Finnish Competition and Consumer Authority  
Professor Timo Rothovius, University of Vaasa  
Board member Tomi Salo, Finnish Shareholder Association  
Senior Legal Advisor Jari Virta, Federation of Finnish Financial Services  
Director Taina Kallio, OP Group









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