



FINE Annual Report 2017

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



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Managing Director's review



Although the year 2017 was in many ways ordinary for FINE, it was also very exceptional in certain aspects.

The number of customer contacts was slightly lower than in the preceding years. In particular, this applied to insurance issues with about 1,000 fewer cases initiated, compared to 2016. This is also a sign of nothing revolutionary taking place in the market: no mass increases of premiums or changes in terms, nor any other single issues that would have caused perplexity among the customers. On the other hand, this also indicates that the insurance companies' claims handling and customer agent services are in good working order. That is as it should be. As for the contents,

issues related to home insurance ranked highest, as usual. The topical theme in 2017 was, perhaps also due to the weather conditions, water and related damages, both in the form of leaking pipes and rainwaters.

In terms of finance, the operative environment also remained stable, and this was a year of an upward economic trend which was reflected in tranquillity both in securities and in banking issues. As in previous years, the wrongful use of banking cards ranked first among the contacts and caused most questions. Credit issues also generated questions but the increase in indebtedness, often mentioned in the Media, and its consequences were not widely visible in the contacts. However, there were some individual contacts with expressions of concern. In securities issues, the majority of the contacts concerned questions outside FINE's competence as the topic did not relate to investment services or regarded a service provider outside Finland. Very few contacts concerning investment services were received.

Once again, the year 2017 showed how the issues raised by the Media are rapidly reflected in the contacts to FINE, in a way or another. Instead, the impacts of the ongoing payment and financial sector revolution could not yet be observed in the numbers of customer contacts. Certainly, many new issues become customer problems, also visible at FINE, with a certain delay but we were pleased to notice that the new payment methods, for example, have not caused any major problems. FINE follows the changes of the operating environment with a keen eye, and we are prepared to face novel issues which become inevitable as a result of the regulatory amendments, in force as of the beginning of the current year. The continued strong digitalisation development will also have its impacts.

From the Finnish Financial Ombudsman Bureau perspective, the year 2017 was far from customary. Managing Director Irene Luukkonen who had steered FINE since the very beginning, and the Finnish Insurance Ombudsman Bureau before that for

decades, retired in the summer after a remarkable career. At the same time, Erik Sirén who first directed the Banking Customer Advisory Bureau from early on and then worked side by side with Irene at FINE, also retired. Moreover, Metropolitan Ambrosius, Chairperson of FINE's Supervisory Board and Päivi Hentunen, Supervisory Board Member, left FINE at the end of the year 2017, taking up new challenges. We are very grateful to all of them for the long-lasting work at FINE and its predecessor as well as for the contribution they have made to the best practices in the entire financial sector.

I would also like to extend my sincere thanks to the Supervisory Board and the Executive Committees for the support and steering, for the Members and Chairpersons of the Complaints Boards for their inputs in the FINE dispute resolution activities as well as to all our stakeholders for the positive cooperation during the review year.

My special thanks go to the FINE personnel not only for their expertise and competence promoting our smoothly running operations in 2017 but also the uncomplicated materialisation of the executive change. Once again, your work has made us achieve things that matter. It is a great pleasure for me to be able to share this significant work and FINE's role as the promoter of the best practices in the financial sector.

Helsinki, 4 April 2018



Elli Reunanen



A customer organisation created on a contractual model between various stakeholders in the finance sector, FINE 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 is known as the independent, efficient expert adviser and dispute resolution body in the financial sector.



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.

Customer contacts

In 2017, FINE received over 7,842 new customer cases. Insurance issues accounted for 74%, banking 21% and securities 4% of all contacts. The majority of the cases, or 82%, could be resolved during the very first advise service contact, or the day after. The advice issues accounted for 83% and disputes 16% of all contacts.

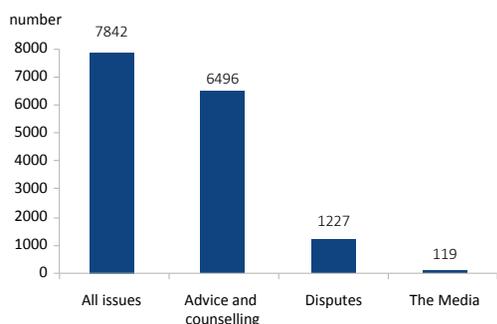
The customer contacts are divided by topic into insurance, banking and securities issues, and content-wise to advice and dispute issues. Most of the contacts or 6,496 (83%) were advice cases. The premise of the advice services is both to shed light on the customer's problem and to solve it. Typically, the explications given to the customers relate to legislation, contractual terms and the dispute resolution case practice.

Disputes accounted for 1,227 (16%) of all customer contacts. FINE examines the disputes and issues recommended solutions both through its Bureau and Insurance, Banking and Securities Complaints Boards. As of the beginning of the year 2018, the Securities Complaints Board has been replaced by the Investments Complaints

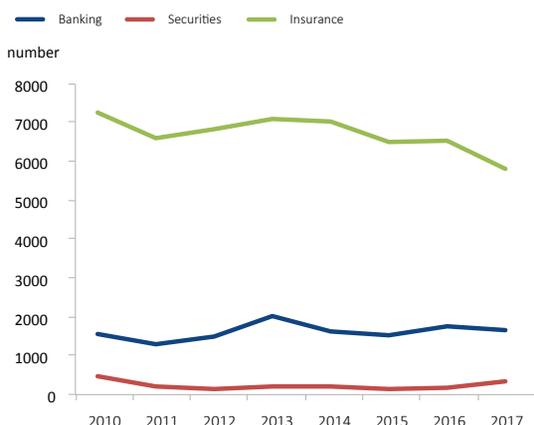
Board. The Media contacted us over 100 times, and the response was given either the same or the following day.

The phone remains the most common means of contact for the customers even though the contacts through digital channels show a constant increase. Of all the contacts with the Bureau, 69% were customer phone calls. However, the further steps of the case could also be taken in written form. Almost one third of all contacts were initiated through FINE's web form, email or a conventional letter. Customer visits to the Bureau were individual cases only.

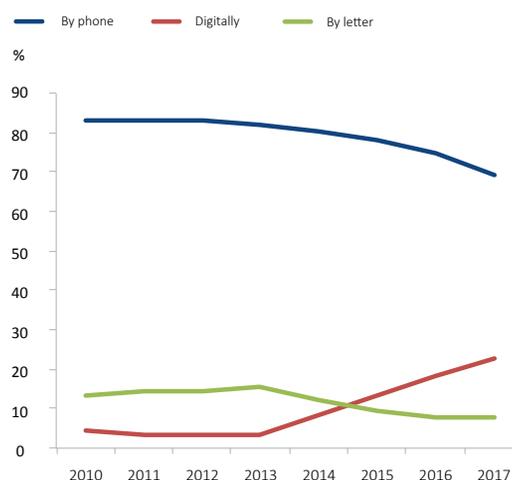
Customer contacts in 2017



Customer contacts in various years



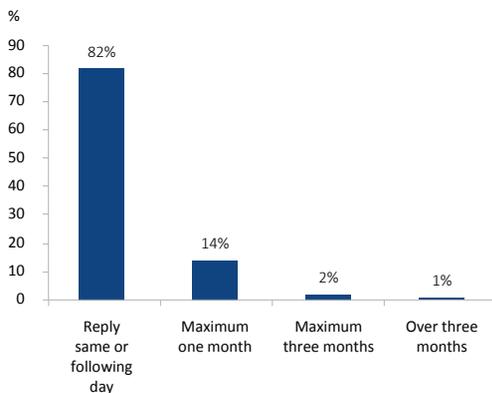
Customer contacts in various years



The Bureau provided the customers with competent and swift service. The customers contacting FINE by phone could mostly be provided with an answer already during the initial phone call. The responses to the advice requests through the digital channels were given no later than the following day. In about 82% of the cases the customers could receive the answers already during the initial phone call or during the following day. Complex cases took more time. Such cases included those involving personal injuries and insurance questions and the more

complicated pension insurance issues requiring extensive investigations. Over 96% of the customers received a reply within a month.

Examination times in advice issues in 2017



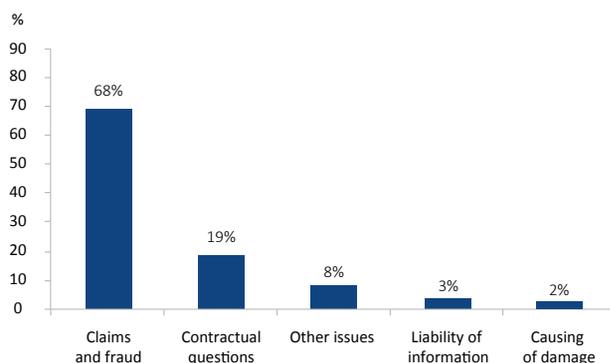
Insurance issues

The contacts in insurance issues numbered 5,810, with advice issues accounting for 4,640 and disputes for 1,087 of the aggregate sum. Non-life insurers were involved in 88% (88% in 2016) of the cases, life insurance companies in 12% (12%) and other types, i.e., company and industry-wide pension funds, less than 1%.

Claims were the topic of 68% (72%) of the contacts. More specifically, they regarded the questions of compensability, amount of compensation or the relevant procedure. The most frequent question related to the compensability of the claimed losses was the definition of a sudden and unforeseen event.

Contractual question amounted to 19% (22%) of the total. In particular, the customers were concerned about questions related to the validity and termination of the

Contacts in insurance issues in 2017



insurance policies, as well as the premiums and the way they were invoiced.

Among the insurance lines, most contacts had to do with the home insurance, or 19% of all contacts related to the insurance sector.

In assessments of the loss, the questions related to the reduction of the compensation due to age were most frequent. As concerned the contacts and complaints for home insurance, the recurrent question was whether the damaged property was covered by the insurance. From year to year, the complaints regarding humidity and water damage continue to constitute an important group of issues. The continuously repeated questions related to the definition of a sudden and unforeseen event and to the significance of insufficient water insulation as well as mounting and construction faults.

The contacts related to personal accident insurance issues accounted for 13% (13%) 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 customer 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 are not taken into consideration. The “external factor” identifying accidents and the absence thereof were increasingly present in the complaints.

Issues with the statutory insurance policies, in other words workers’ compensation insurance and statutory motor liability insurance accounted for 12% (14%) of the cases at the Bureau.

The share of liability insurances was 10% (10%) of all cases. Contacts were taken by both the policyholders and the injured parties. Often the complaints were based on the fact that insurance company had not found that the policyholder had acted carelessly or caused the damage through negligence, thereby making a negative decision on the claim.

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.

The voluntary motor vehicle insurance cases were 9% (8%) and statutory motor liability insurance cases 9% (10%) of the whole. About half of the motor liability 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. Culpability questions and complaints to the Traffic Accident Board were also among the issues raised.

A recurrent topic both as concerns the voluntary motor vehicle insurance and the material damage under the statutory motor liability insurance was the salvage of the vehicle and its fair salvage value. In voluntary motor vehicle insurance cases, complaints were also made on issues such as the scope of the damage and the causal connection of the breakage of the equipment and the occurrence of damage, the impact of intent and gross negligence on the amount of compensation as well as the questions related to vandalism causing damage.

The overall amendment of the statutory motor liability insurance legislation in early 2017 inspired less contacts and queries than expected. The customers were surprised that the price of the statutory motor liability insurance did not decrease after the amendment as they had expected. New customers had hoped that the insurance companies were more active in providing information about the possibility of transition to a new insurance policy.

Voluntary medical expenses insurance was the object of 7% (11%) of the cases. Often, the questions concerned interpretations in compensations and exclusion terms.

The share of travel insurance issues was 7% (6%) of all cases. Among other things, the contacts concerned reimbursements for medical expenses. The customers

complained about the fact that the insurance had not compensated the expenses or had compensated only part of the expenses incurred during the trip due to a chronic disease or one that had manifested itself already prior to the trip. Typical problems related to luggage insurance included the loss of property which could not be indemnified unless there was sufficient proof of theft. Moreover, the questions received focused on the insurance company's liability to pay indemnity in cases where the trip was cancelled or interrupted or the customer wanted to cancel it due to various natural phenomena or safety threats. Questions related to compensations for independent travels and trips made for experience or sporting purposes are on the increase as this type of travelling is increasingly frequent.

Questions related to voluntary pension insurance accounted for 4% (4%) of the whole. Most of them concerned the surrender right of pension insurance policies while a new group of issues focused on the eventual review of the contractual terms.

As far as pure risk policies, medical expense insurance and especially loan insurance were 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. The loan insurance policies constituted 1% (2%) of all insurance cases. The unemployment and disability insurance questions related to these policies caused contacts as well as the returns of the premium in situations where the loan had already been fully repaid.

In unit-linked insurance policy questions, the customers' dissatisfaction with the information they had obtained about the insurance risks, policy expenses and fees were frequent topics. The dissatisfaction related to both the time preceding the signing of the contract and the information obtained during the contractual relationship.

A total of 48 (46) pharmaceutical insurance issues were raised. In addition to causal relationship questions, the contacts were frequently inspired by the customer's dissatisfaction with the compensation obtained.

Advice and dispute cases by line of insurance	number	share in %
Home insurance	1096	19
Personal accident insurance	775	13
General liability insurance	592	10
Motor liability insurance	516	9
Voluntary motor vehicle insurance	503	9
Travel insurance	412	7
Health insurance	381	7
Voluntary pension insurance	238	4
Statutory workers' compensation insurance (accident insurance)	200	3
Real estate insurance	199	3
Life insurance savings policy	191	3
Legal expenses insurance	162	3
Loan insurance	82	1,4
Other non-life insurance	75	1,3
Risk life insurance	73	1,3
Business insurance	71	1,2
Animal insurance	63	1,1
Boat insurance	62	1,1
Pharmaceutical injuries insurance	48	0,8
Supplementary pension insurance	34	0,6
Farm insurance	15	0,3
Cargo insurance	12	0,2
Employee sickness fund issue	10	0,2
Total	5810	100 %

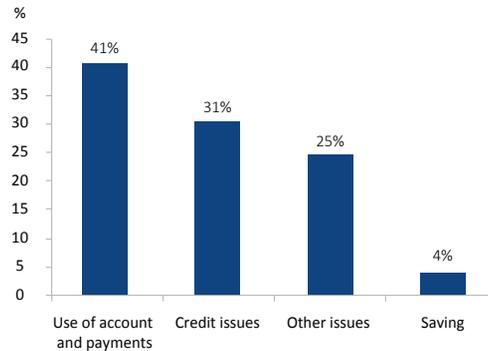
Company and industry-wide pension funds were the reason for 34 (12) contacts. Most of them concerned the amount of the additional pensions and the combination of various pensions. The amount of the additional pension did not meet with the customers' expectations.

The additional benefits payable by employee sickness funds were brought to the Bureau's attention in 10 (33) 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.

Banking

The contacts in banking issues numbered 1,680, with advice issues accounting for 1,530 and disputes for 127 of the total.

Contacts in banking issues in 2017



Most contacts related to question on the use of the account and payments, 41% (44%) in all. Most of the payment issues concerned the wrongful use of the debit or credit card in situations where the card had ended up in the hands of a person other than the card owner. Another whole of questions related to payments was constituted by contacts focusing on various order traps which increased from the previous year. In these cases, the customer felt they had been misled to accept a service with monthly charges.

Credit issues accounted for 31% (31%) of banking contacts. Most questions concerned the changes in interest and other terms of housing loans.

Most frequently asked banking questions 2017	number
Wrongful use of card	197
Housing mortgage	149
Inheritance issue	99
Bank cards	82
Other issues	77
Consumer credit	71
Account contract	62
Customer identification and recognition	61
Credit application	56
False alarm	50

The same issues were also raised in consumer credit questions. Another group focused on loan management and surety issues.

25% (22%) of all banking issue contacts were classified as 'other issues'. Most questions concerned the identification and recognition of the customer, the management of death estate issues and bank secrecy rules. Judging by the contacts, the customers felt the bank's questions related to customer identification and recognition were intrusive and the eventual additional information requests were unnecessary.

Savings-related contacts totalled 4% (3%) of all contacts. Among other things, the questions received focused on the reliability of foreign banks as well as the returns on the safe-keeping and the safe-keeping guarantee applied in each separate case.

Securities

The number of contacts in securities-related issues was 352, with advice required in 326 (164) cases while disputes accounted for 13 (30) cases. The number of contacts grew from the previous year.

Most of the increase was caused by questions regarding actors that are not under FINE's competence. These queries accounted for 27% (135) of all contacts in securities issues. The major issue causing questions was the decision by an individual issuer to cancel the existing share certificates in paper form if they had not been converted, within a set deadline, into book-entry securities. In these cases, the customers were provided with the kind of advice that could be given under the circumstances.

The second largest entity in securities issues was the group 'other issues', 21% of all contacts. These customer questions related, among other issues, to phone company shares and golf course shares as well as taxation. Eventual questions about operating licences were also grouped under this heading.

The contacts about investment advice were 43, which is 12% (20%) of all contacts in securities issues. Mostly, the

reason for the contact was the customer's dissatisfaction with the investment advice obtained. The share of contacts concerning book-entry accounts was also 12% (21%). In these contexts, the customers mostly asked about the transfer of the book-entry account or related reporting.

In securities brokerage, the customer contacts mostly concerned an individual trading event. Especially as concerns the trading through online banking services, various questions relating to information and disturbances were highlighted. Securities brokerage accounted for 11% of all securities-related issues.

Investment fund issues were 7% of the whole. These questions focused on both the subscription and the redemption methods and related fees. Another topical group related to fund mergers and winding up of funds.

Investment product marketing was the topic of 6% of the contacts. Mostly, the customer required some additional information on the product either before or after the discussion with the service provider.

Most frequent questions in +securities issues in 2017	number
Issues related to other listed companies	95
Other issues	32
Securities brokerage, online bank	26
Mutual fund	23
Investment advice, derivative	19
Book-entry accounts, safe-keeping	17
Book-entry accounts, transfer	13
Trustee and securities services, traditional	13
Investment advice, bonds	12
Book-entry accounts, reporting	11

Dispute resolution in FINE

In 2017, FINE brought 1,228 disputes to a closure. The handling of disputes ended either by a recommended solution issued by FINE, an amicable settlement between the parties, the dismissal of the case without examining its merits or the suspension of the case. Both the Bureau and the Complaints Boards are involved in dispute resolution. The focus of the dispute resolution operations is the Bureau which handles the cases with an established interpretation practice or cases that are otherwise unambiguous in legal terms. Of the recommended solutions issued in 2017, 69% were examined by the Bureau only. Difficult and complex cases or those requiring a solution in principle will be subjected to the Complaints Boards. In 2017, 31% of the disputes were examined by the Complaints Boards.

Towards the end of 2017, the contractual parties behind FINE amended the FINE Regulations so that as of the beginning of 2018, the dispute solving operations of the Securities Complaints Board will be taken over by the Investments Complaints Board which will examine both the securities-related issues formerly handled by the Securities Complaints Board and the savings policy issues which were earlier the competence of the Insurance Complaints Board. The reason for this reshuffle was the so-called IDD (Insurance Distribution Directive) legislation, entering in force in 2018, that regulates the offer of insurance products.

During the review year, FINE solved 1,228 disputes in total. Of the whole, 1,066 cases (87%) were insurance issues, 150 (12%) banking issues and 12 (1%) securities issues. Among the 1,229 disputes, 900 were concluded with a recommended solution. In 27% of these, the recommended solution was in favour of the customer. In a significant share of the whole, or 20% (15%) of the cases, the outcome of the process was a reconciliation between the parties. In practice, the service provider paid the customer's compensation claim in full or in part. Including the reconciliations, 43% of the reviewed decisions were amended.

The following pages present the statistics of FINE's dispute resolution operations, divided both by service provider

and by the nature of the dispute. The statistics include the cases resolved both at the Bureau and by the Complaints Boards.

The ADR (Alternative Dispute Resolution) issues reported towards the end of this document were disputes where the consumer, who had bought a financial product, claimed a compensation from the service provider. Among the disputes examined by FINE, such cases numbered 739 (60%). 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.

During the review year, FINE solved 739 (524) ADR cases in total. Insurance accounted for 614 cases (419) (83%), banking for 117 (85) (16%) and securities for 8 (20) (1%).

The average time of examination of all ADR issues solved, from the end of the documents phase to the issue of the solution, was 49 (25) days. In the insurance sector, the average examination time was 49 (35) days, in banking 46 (37) and in securities 43 (22) days.

The names of the persons responsible for the dispute resolution are listed in the end of the Annual Report.

Insurance issues

During the review year, 1,066 insurance-related disputes were concluded. Among these, the outcome was a conciliation between the service provider and the customer already prior to the issue of a recommended solution by FINE. The total of 811 recommended solutions were issued. 29 disputes were dismissed without examining their merits since the nature of the cases was not compatible with the FINE dispute resolution procedure or FINE was not competent to examine them. The handling was suspended in 29 cases where the customer withdrew the complaint in the middle of the process.

Among the recommended solutions, 218 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 service providers complied with the recommended solution in all but three cases. The rate of compliance was 99% (98%).

Applying the procedure provided by the FINE Regulations to examine a case deemed to have particular importance in principle, the Insurance Complaints Board examined one issue in the so-called Extended Section which is a composition where the relevant Section Members are complemented by the Chairs of all Insurance Complaints Board Sections. The Extended Section issues recommended solutions in situations where the contractual terms of voluntary pension insurance policies were changed

Banking

During the review year, 150 banking disputes were concluded. Among these, in 40 cases the outcome was a conciliation between the service provider and the customer already prior to the issue of a recommended solution by FINE. 11 disputes were dismissed without examining their merits since the nature of the cases was not compatible with the FINE dispute resolution procedure or FINE was not competent to examine them. In 13 cases, the handling of the case was suspended as the customer withdrew the complaint during the procedure.

The Complaints Board continued to use the simplified procedure, solving one case in that context.

The majority, or 63 recommended solutions were about the use of the account and payments. Most of the recommended solutions were issued in cases of wrongful use of a debit or credit card. The examination often focused on the degree of carelessness of the cardholder and on its impact on the division of liability between the cardholder and the bank.

16 recommended solutions related to credit issues. The specific questions concerned grace periods, the fees payable for the selling of interest rate cap products, loan

collection and penalty interests as well as the granting and denial of credit.

The recommended solutions in other issues totalled seven. They regarded, for example, the wrongful use of the online banking facility, the reasonable amount of various fees and the identification and recognition of the customer.

Securities

The number of securities-related disputes concluded during the year 2017 were 12. Among these, the outcome in three cases was a conciliation between the service provider and the customer already prior to the issue of a recommended solution by FINE. Two disputes were dismissed without examination because the question or the resolution process was pending in another body. Four cases were suspended for other reasons prior to the issue of a recommended solution.

Three recommended solutions were issued, with one recommending a compensation in favour of the customer. One recommended solution regarded investment advice while the two others were about safe-keeping and transfer questions related to book-entry accounts.

All disputes in 2017

Disputes: Insurance	Claim issue	Contract issue	Information liability	Damage caused and fraud	Total
Personal accident insurance	224	1	-	3	228
General liability insurance	111	-	2	42	155
Home insurance				8	152
Travel insurance				-	100
Voluntary motor vehicle insurance	86	5	1	4	96
Health insurance		13	9	-	82
Legal expenses insurance	57	3	4	-	64
Real estate insurance				1	56
Life insurance savings policy	2	8	13	-	23
Business insurance	21	-	-	-	21
Pharmaceutical injuries insurance	19	-	-	-	19
Animal insurance	11	1	4	-	16
Loan insurance	8	3	4	-	15
Boat insurance	14	-	-	-	14
Voluntary pension insurance	1	11	1	-	13
Motor liability insurance	1	9	-	1	11
Risk life insurance			4	-	7
Supplementary pension insurance	5	-	-	-	5
Cargo insurance	3	-	-	-	3
Farm insurance	2	-	1	-	3
Employee sickness fund issue		-	-	-	3
Other non-life insurance	1	-	-	-	1
Total	917	62	49	59	1087

Disputes: Banking	Number
Use of account and payments	103
Credit issues	18
Other issues	6
Total	127

Disputes: Securities	Number
Book-entry accounts	3
Investment advice	3
Asset management	3
Securities brokerage	2
Marketing of investment products	2
Total	13

Concluded disputes: outcomes	Insurance Number / %	Banking Number / %	Securities Number / %	Total
Recommendations in favour of the customer	218 / 21 %	26 / 17 %	1 / 8 %	246 / 20 %
Recommendation in favour of the service provider	593 / 56 %	60 / 40 %	2 / 17 %	654 / 53 %
Concluded in conciliation	197 / 18 %	40 / 27 %	3 / 25 %	240 / 20 %
Suspended examination (withdrawal by customer)	29 / 3 %	13 / 9 %	4 / 33 %	45 / 4 %
Dispute not examined	29 / 3 %	11 / 7 %	2 / 17 %	42 / 3 %
* not compatible with the resolution procedure	11 / 1 %	7 / 5 %	-	18 / 1 %
* no competence	8 / 1 %	1 / 1 %	-	9 / 1 %
* pending or examined elsewhere	2 / 0 %	2 / 1 %	2 / 17 %	6 / 0 %
* unfounded dispute	4 / 0 %	-	-	-
* no financial interest	2 / 0 %	1 / 1 %	-	3 / 0 %
* no contact with the service provider	2 / 0 %	-	-	2 / 0 %
Total	1066 / 100 %	150 / 100 %	12 / 100 %	1228 / 100 %
Complicated issue	7	1	-	8
Recommended solutions not followed	3	-	-	3
Examination time starting from the finalisation of the documents, average	59 päivää	48 päivää	49 päivää	58 päivää

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	Solved Number	Recommended compensation n.	Recommended solution %	Compliance %
If Vahinkovakuutus (plc), Finnish branch	160	38	23,8 %	97 %
OP Vakuutus Oy	157	30	19,1 %	100 %
LähiTapiola Keskinäinen Vakuutusyhtiö	145	44	30,3 %	100 %
Fennia Keskinäinen Vakuutusyhtiö	119	22	18,5 %	100 %
Suomen Vahinkovakuutus Oy	31	19	61,3 %	100 %
Pohjantähti Keskinäinen Vakuutusyhtiö	29	12	41,4 %	100 %
Turva Keskinäinen Vakuutusyhtiö	29	6	20,7 %	100 %
Folksam Vahinkovakuutus Oy	23	11	47,8 %	100 %
Kaleva Keskinäinen Vakuutusyhtiö	19	3	15,8 %	100 %
Suomen Keskinäinen Lääkevahinkovakuutusyhtiö	19	7	36,8 %	100 %
Chubb (ACE European Group Limited)	16	8	50 %	88 %
AIG Europe Limited	13	2	15,4 %	100 %
Försäkringsaktiebolaget Alandia	2	-	-	-
Ålands Ömsesidiga Försäkringsbolag	2	-	-	-
Försäkringsaktiebolaget Agria	1	1	100 %	100 %
Total	765	204	26,7 %	99 %

Life insurance companies	Solved Number	Recommended compensation n.	Recommended solution %	Compliance %
Aktia Henkivakuutus Oy	11	5	45,5 %	80 %
OP-Henkivakuutus Oy	9	1	11,1 %	100 %
AXA (Genworth Financial, non-life)	7	3	42,9 %	100 %
Mandatum Henkivakuutusosakeyhtiö	5	1	20 %	100 %
LähiTapiola Keskinäinen Henkivakuutusyhtiö	3	0	0 %	-
Henki-Fennia Vakuutusosakeyhtiö	2	0	0 %	-
Nordea Henkivakuutus Suomi Oy	1	0	0 %	-
Total	38	10	26,3 %	90 %

Pension Funds and employee sickness funds	Solved Number	Recommended compensation n.	Recommended solution %	Compliance %
Pension funds	-	-	-	-
Employee sickness funds	8	5	62,5 %	100 %
Total	8	5	62,5 %	100 %

Banks	Solved Number	Recommended compensation n.	Recommended solution %	Compliance %
Nordea Bank AB (publ)	27	5	18,5 %	100 %
Osuuspankki	22	7	31,8 %	100 %
S-Pankki Oy	12	2	16,7 %	100 %
Danske Bank Oyj	11	5	45,5 %	100 %
Savings bank	6	2	33,3 %	100 %
Handesbanken	4	3	75 %	100 %
Aktia Pankki Oyj	2	1	50 %	100 %
POP Pankki	2	1	50 %	100 %
Total	86	26	30,2 %	100 %

Investment service providers	Solved Number	Recommended compensation n.	Recommended solution %	Compliance %
Nordea Bank AB (publ)	1	1	100 %	100 %
Osuuspankki	2	-	-	-
Total	3	1	33 %	100 %

ADR disputes in 2017

The liability to report ADR issues is based on the Degree by the Ministry of Justice transposing the Alternative Dispute Resolution (ADR) Directive.

Consumer disputes: Insurance	Claim issue	Contract issue	Informa- tion liability	Damaged caused and fraud	Total
Personal accident insurance	163	1	0	1	165
Home insurance		3	4	7	139
Voluntary motor vehicle insurance		3	1	4	83
Travel insurance		2	0	0	75
Health insurance		10	7	0	57
Legal expenses insurance	20	1	4	0	25
Life insurance savings policy	0	7	13	0	20
Animal insurance	10	1	4	0	15
General liability insurance				2	14
Boat insurance	13	0	0	0	13
Loan insurance	7	1	2	0	10
Voluntary pension insurance	0	8	1	0	9
Motor liability insurance			0	1	8
Risk life insurance	1	1	3	0	5
Real estate insurance				0	3
Other non-life insurance	1	0	0	0	1
Total	542	45	40	15	642

Consumer disputes: Banking	Total
Use of account and payments	83
Credit issues	14
Other issues	4
Total	101

Consumer disputes: Securities	Total
Book-entry accounts	3
Investment advice	2
Asset management	2
Securities brokerage	1
Marketing of investment products	1
Total	9

Concluded consumer disputes: Outcomes	Insurance Number / %	Banking Number / %	Securities Number / %	Total
Recommendations in favour of the customer		21 / 18 %	1 / 13 %	131 / 18 %
Recommendation in favour of the service provider		46 / 39 %	1 / 13 %	406 / 55 %
Concluded in conciliation				
Suspended examination (withdrawal by customer)		9 / 8 %	3 / 38 %	33 / 4 %
Dispute not examined				
* not compatible with the resolution procedure		5 / 4 %	-	8 / 1 %
* no competence				
* pending or examined elsewhere				4 / 1 %
* unfounded dispute				
* no financial interest				
* no contact with the service provider	1 / 0 %	-	-	1 / 0 %
Total	614 / 100 %	117 / 100 %	8 / 100 %	739 / 100 %
Complicated issue				
Recommended solutions not followed			-	1
Examination time starting from the finalisation of the documents, average	49 päivää	46 päivää	43 päivää	49 päivää

Lobbying and communications

Collaboration with stakeholders - Together with the financial sector actors and the police, FINE is involved in the Korttiturvallisuus.fi (card safety) cooperation project aiming at the safe use of debit and credit cards. Moreover, FINE is a member of the advisory committee for financial management, instituted by the Ministry of Employment and the Economy, as well as in the Mun Talous (“My finances”) network with the objective of promoting competence in financial issues in collaboration with various actors. Together with the stakeholders (HYOL ry and FFI), FINE organises the “Economic Guru” (Talouguru) competition and offers the Zaldo.fi learning environment to the young to help them manage their own finances.

Training and feedback given - 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 also provided feedback and prepares statistics of the customer contacts for the use of insurance companies, banks and investment service providers.

Opinions and other contributions to legislative preparation

FINE published its opinions on the following issues:

- Parliamentary Commerce Committee, HE 172/2017 vp, Government proposal to Parliament for the Acts on insurance distribution and for certain related Acts.
- Parliamentary Commerce Committee, HE 151/2017 vp, Government proposal to Parliament for the Acts on the amendment of the Investment service Act, Act on the trading with financial instruments and for certain related Acts.
- Ministry of Social Affairs and Health, STM069:00/2017, Government proposal to Parliament for the Act on Traffic and Patient Injuries Act and for certain related Acts.
- Parliamentary Commerce Committee, U 55/2017 vp, Communication of a Government plenary session to Parliament concerning the Proposal for a Regulation of the European Parliament and of the Council on a

- pan-European Personal Pension Product (PEPP)
- Ministry of Social Affairs and Health, STM007:00/2016, report of the working group on the national transposition of the Insurance Distribution Directive (IDD).
- Ministry of Finance, VM087:00/2015, Government proposal to Parliament for the Acts on the amendment of the Investment service Act, Act on the trading with financial instruments and for certain related Acts.
- Parliamentary Commerce Committee, O 20/2017, investment advice to consumers.
- FINE had a representative in: Ministry of Finance, the working group on the comprehensive amendment of the Mutual Funds Act.

International operations - FINE is a member of INFO, 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 FIN-NET activities initiated in 2011 by the European Commission and is also a member of the FIN-NET Steering Committee. 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. FINE collaborates with the ombudsmen in various Nordic countries, participated in Nordic meetings with the aim of developing dispute resolution, anticipating changes and sounding future challenges.

Publications and the co-operation with the Media

-14 different guideline documents were published on the FINE site. They contained comparisons, information and practical instructions. The comments and issues highlighted by the FINE experts were discussed in almost 400 articles in the Media. The coverage of insurance and banking issues was also extensive in the online channels. The FINE site was visited over 120,000 times during the year.

Organisation and personnel on 31 December 2017

The FINE organisation is composed by the FINE Supervisory Board, the Executive Committees, 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. The FINE Supervisory Board has adopted the organisation's strategy 2015–2019.

Until the end of 2017, the Chairman of the FINE Supervisory Board was Metropolitan Ambrosius. The Supervisory Board Members represent the major contractual parties: Finnish Competition and Consumer Authority, the Financial Supervisory Authority (FIN-FSA) and Finance Finland FFI. Moreover, there is an invited Supervisory Board Member representing the Ministry of Social Affairs and Health.

In securities-related issues, the Finnish Shareholders' Association is also a party while Eläkesäätiöyhdistys ry (Association of company pension funds) and Vakuutuskaasat 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. The organisation also includes Executive Committees for insurance, banking and securities issues. Each year, the Executive Committees draft their 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, Senior Adviser.

During the review year, FINE had 25 employees with fixed employment contracts. Irene Luukkonen, LL.M. was the Managing Director until 30 June 2017 while Director Erik Sirén, LL.M. acted as the Managing Director's deputy until 30 June 2017. On 29 August 2017, Elli Reunanen, LL.M., took over the tasks of the Managing Director.

Most of FINE's expenses are covered by Finance Finland FFI. According to the 2016 Financial Statements, the total expenses of the entire organisation were about 3,417,747.65 euro. The Auditors are Tuokko Tilintarkastus Oy, APA Auditors, while the responsible Auditor is Jari Miikkulainen, APA.

Supervisory Board

Metropolitan Ambrosius, Chairman
Managing Director Piia-Noora Kauppi, Finance Finland FFI
Director General Anneli Tuominen, Finnish Financial Supervisory Authority FIN-FSA
Director of Division Päivi Hentunen, Finnish Competition and Consumer Authority FCCA
Director General Outi Antila, Ministry of Social Affairs and Health

Deputy Members

Deputy Managing Director Esko Kivisaari, Finance Finland FFI
Senior Adviser Sonja Lohse, Financial Supervisory Authority FIN-FSA
Director Anja Peltonen, Finnish Competition and Consumer Agency FCCA

Supervisory Board presenting officers:

Irene Luukkonen, Managing Director, FINE, until 30 June 2017
Director Erik Sirén, FINE, until 30 June 2017
Managing Director Elli Reunanen, FINE, as from 29 August 2017
Supervisory Board Secretary, Senior Adviser Ville Raulos, FINE

Executive Committee for Insurance

Representatives of authorities and organisations:
Chief Adviser Erja Rautanen, Financial Supervisory Authority FIN-FSA, Chairperson
Senior Legal Advisor Tuula Sario
Head of Research Anu Rajjas, Finnish Competition and Consumer Authority FCCA
Director Maija Puomila, Finnish Competition and Consumer Authority FCCA

Representatives of Finance Finland FFI:
Director Anu Koskenvuo, LocalTapiola Group
Director Sari Styrman, OP Group
Managing Director Pekka Luukkanen, Nordea Life
Deputy Managing Director Esko Kivisaari,
Finance Finland FFI

Executive Committee for Banking

Representative of the authorities:
Head of Department Jarmo Parkkonen, Financial
Supervisory Authority FIN-FSA, Chairperson
Senior Legal Adviser Pirjo Kyyrönen, Financial
Supervisory Authority FIN-FSA
Director Marjatta Turunen, Finnish Competition and
Consumer Authority FCCA
Director of Division Päivi Hentunen, Finnish Competition
and Consumer Authority FCCA

Representatives of Finance Finland FFI:
Deputy Managing Director Jussi Huttunen, OP Group
Managing Director Risto Tornivaara, Danske Bank plc
Director of Corporate Responsibility Pirjo Kuusela,
Nordea Group
Chief Economist Veli-Matti Mattila, Finance Finland FFI

Executive Committee for Securities

Representatives of authorities and organisations:

Head of Department Jarmo Parkkonen, Financial
Supervisory Authority (FIN-FSA), Chairperson
Director Anja Peltonen, Competition and Consumer
Agency
Professor Timo Rothovius, Vaasa University
Board Member Tomi Salo, Osakesäästäjien Keskusliitto ry

Representatives of Finance Finland FFI:
Senior Counsel Jari Virta, Finance Finland FFI
Director Taina Kallio, OP Group



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