



2020

CONSUMER PROTECTION RIGHTS FOR FINANCIAL PRODUCTS AND SERVICES

The World Bank Group
with the support of the
Government of Switzerland



This brochure is a product of the Payment Systems Development Group (PSDG) in The World Bank Group's Finance, Competitiveness and Innovation Global Practice.

The State Secretariat of Economic Affairs (SECO) of Switzerland provided funding for the material in the context of the Remittances and Payments Program.

www.remittanceprices.worldbank.org

The World Bank Group

1818 H Street NW
Washington, DC 20433 USA
www.worldbank.org
paymentsystems@worldbank.org
Telephone: +1202 473-1000

Cover photo by Muamer Osmanbegovic

© The World Bank Group, 2020

Central Bank of Bosnia and Herzegovina Centralna banka Bosne i Hercegovine Централна банка Босне и Херцеговине

Maršala Tita 25
71000 Sarajevo, Bosnia and Herzegovina www.cbbh.ba
fined@cbbh.ba

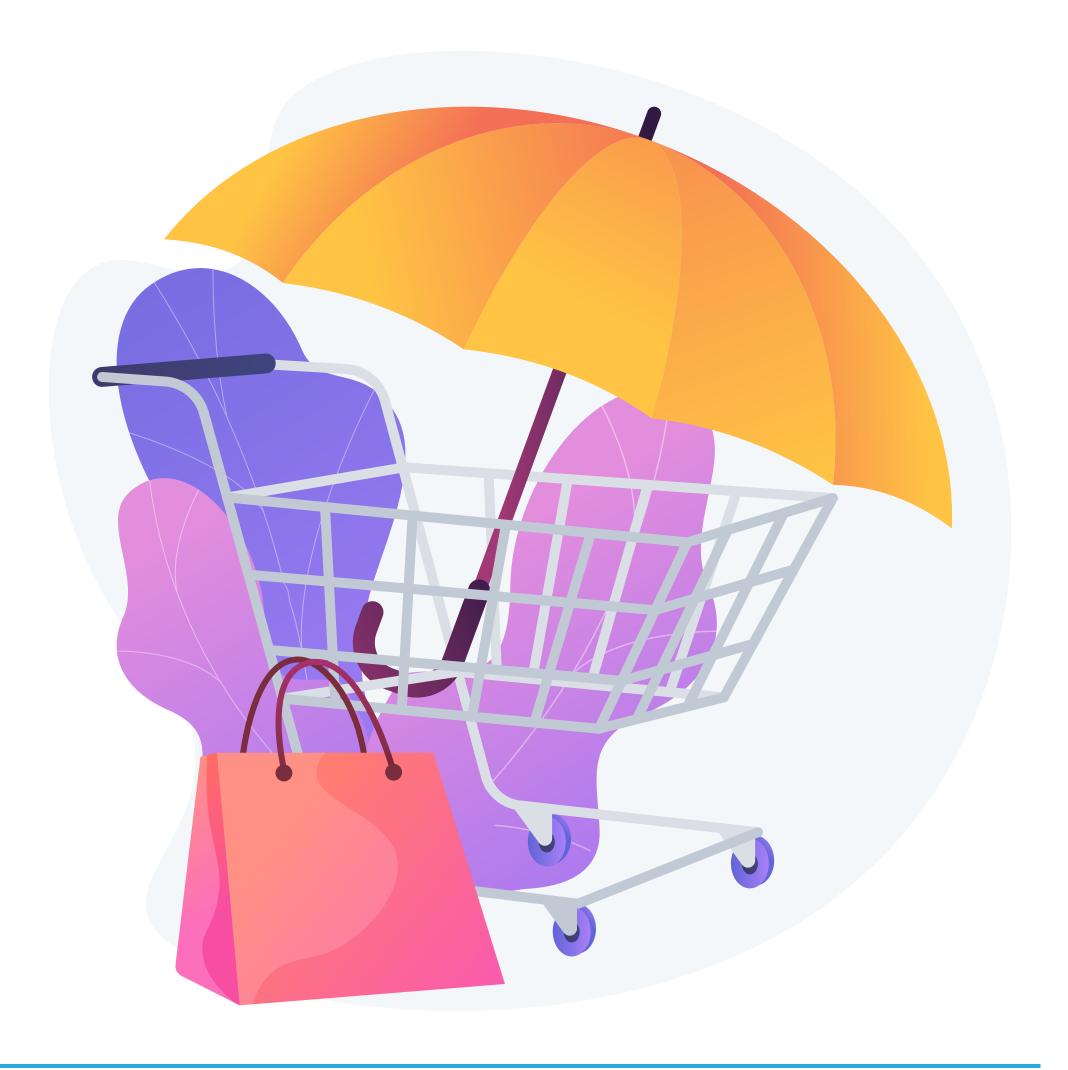
Telephone: +387 33 278 100



CONSUMER PROTECTION RIGHTS FOR FINANCIAL PRODUCTS AND SERVICES

As a natural person and a consumer of financial products and services, *you gain certain rights and obligations* by entering into a business relationship with financial system operators.

It is important to understand and know that these rights and obligations are *defined by laws*, by-laws (*General Terms and Conditions and decisions*), good business practices and contracts that establish how products and services are used.





WHAT IS CONSIDERED A RESPONSIBLE APPROACH TO FINANCIAL PRODUCTS AND SERVICES?

Being responsible means *being informed and financially educated*, and also assessing own needs and opportunities.

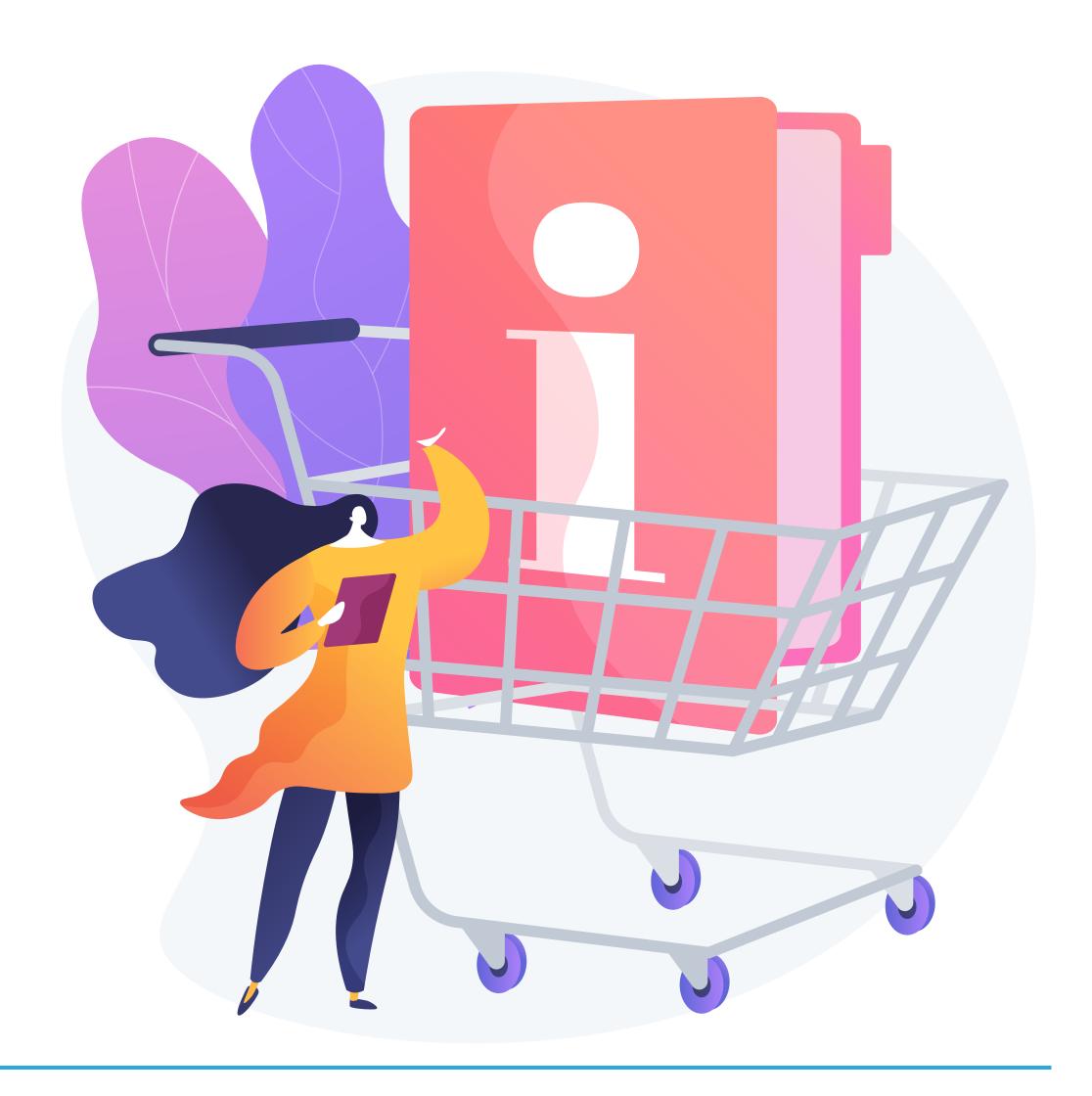
When using a money transfer service, it is advisable to practice the following:





WHAT IS CONSIDERED A RESPONSIBLE APPROACH TO FINANCIAL PRODUCTS AND SERVICES?

- >> Explore opportunities through the websites of banks and money transfer operators;
- Make a *list of questions* you want answered;
- >> Visit branch offices and inquire about fees, correspondent banks, transfer speed, security policies, etc.;
- Notify the recipient/sender of the information collected, especially in the context of fees and correspondent banks;
- Analyze the documentation required for the use of the service. It is important to remember that *it is your right to receive a transparent service* and to ask for further explanation of terms or fees.





WHAT IS THE PURPOSE OF A CONTRACT FOR SERVICES OR PRODUCTS?

Contracts for the use of financial services or products define the rights and obligations of the contracting parties, both the service provider and the service user.

These rights and obligations refer to service provision, payments, deadlines, price, security, speed, confidentiality, transparency, contract termination, securing instruments, etc.

During the negotiation phase you may *request a copy of the draft contract* to analyze its provisions in detail. It is particularly important to pay close attention to the contract provisions concerning costs, repercussions of contract termination, and enforced collection of claims.

It is very important to carefully read the contract while keeping in mind that in the negotiation phase the financial service provider is obliged to transparently clarify any unclear terms or contract provisions.



FACTSHEET AND GENERAL TERMS AND CONDITIONS OPERATION

A *factsheet is an important document in the negotiation phase* as it contains information about a specific service or a product.

In the case of opening an account for a natural person, the *factsheet should include* the following:

- basic information on the specific service;
- explanation of terms;
- >> types of fees;
- currency designation;
- other related services.



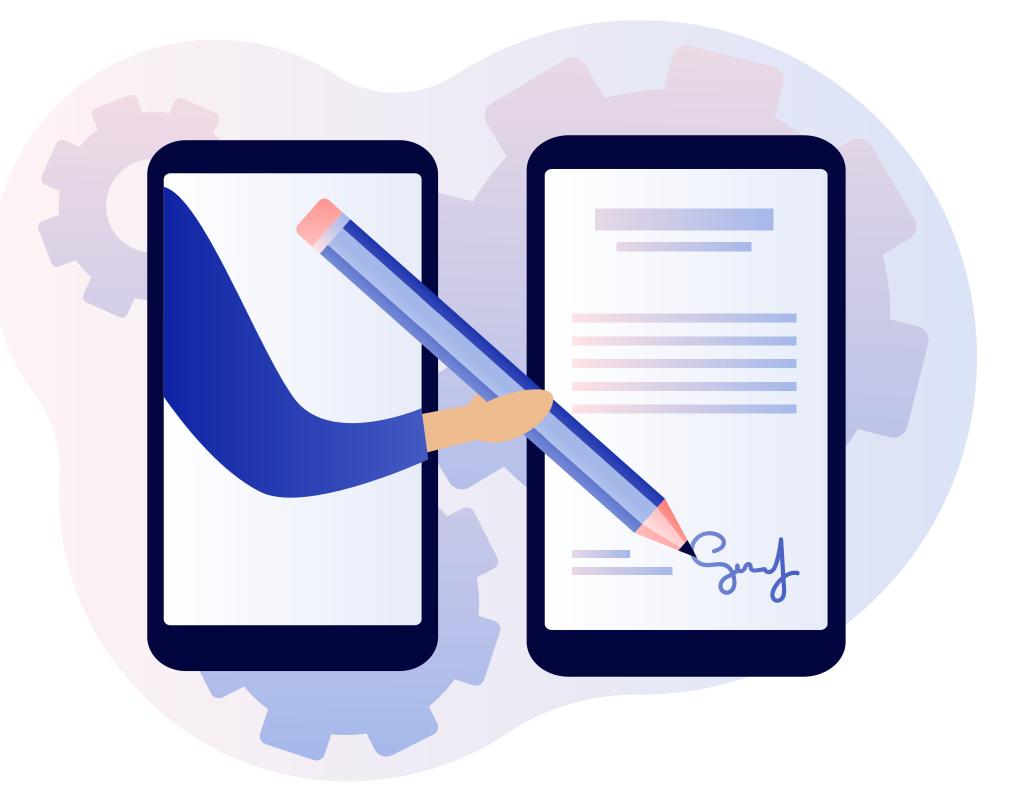


FACTSHEET AND GENERAL TERMS AND CONDITIONS OPERATION

General Terms and Conditions explain the rights and obligations of the contracting parties concerning a specific product/service.

Again, in the case of opening an account for a natural person, the General terms stipulate the following:

- definition of terms;
- descriptions of the types of transaction accounts (current, foreign currency, etc.);
- associated charges;
- security obligations;
- >> other related terms.



Tip: In relation to incoming/outgoing money transfer services through a bank account, you can find information about transaction security, speed, complaints procedure, etc. in the General Terms and Conditions, which are available on the websites of banks.

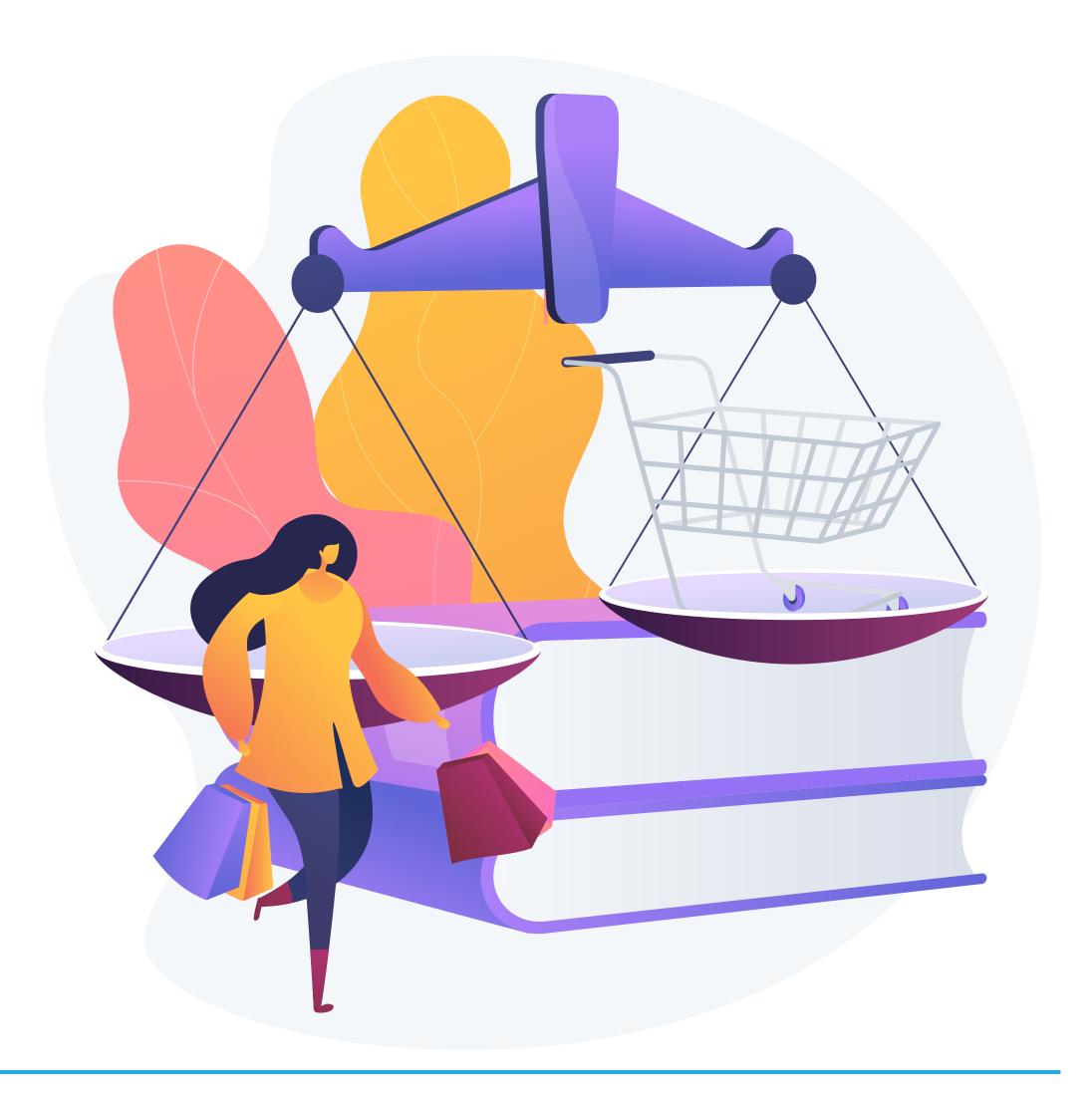


HOW DO I PROTECT MY RIGHTS?

If you feel that a banking system operator has infringed on your rights as a financial service user or a guarantor, you have judicial and extrajudicial protection mechanisms at your disposal.

By submitting a complaint to the financial institution or the competent banking agency i.e. the Banking system Ombudsman, you can protect your rights outside the court.

If, however, you are not satisfied with the extrajudicial procedure, you can always initiate judicial proceedings before the competent court.





OVERVIEW OF THE RIGHTS PROTECTION PROCEDURE:



FINANCIAL INSTITUTION

- You can submit your complaint orally to an employee;
- You can also submit your complaint in writing, ensuring that the complaint contains all the necessary elements;
- Submitting a complaint and the subsequent procedure are free of charge.

OMBUDSMAN FOR THE BANKING SYSTEM

- If the financial institution has not responded to your complaint within 30 days of the date of complaint submission or you are not satisfied with the response, you can submit a complaint to the competent banking agency i.e. the Banking system Ombudsman;
- -The Ombudsman carries out the procedure and, in accordance with the complaint, gives recommendations which are non-binding for the financial institutions;
- It is also possible to initiate a mediation procedure with the Ombudsman;
- All procedures before the Ombudsman are free of charge.

COURT PROTECTION

- If you are not satisfied with the extrajudicial procedures for consumer rights protection (complaint to a financial institution or the Ombudsman), you can initiate judicial proceedings before the competent court;
- -Initiating a judicial procedure is not conditional upon using extrajudicial protection mechanisms;
- -Judicial procedure implies good knowledge of procedural and material law, as well as financial costs;
- -Court decisions are binding.

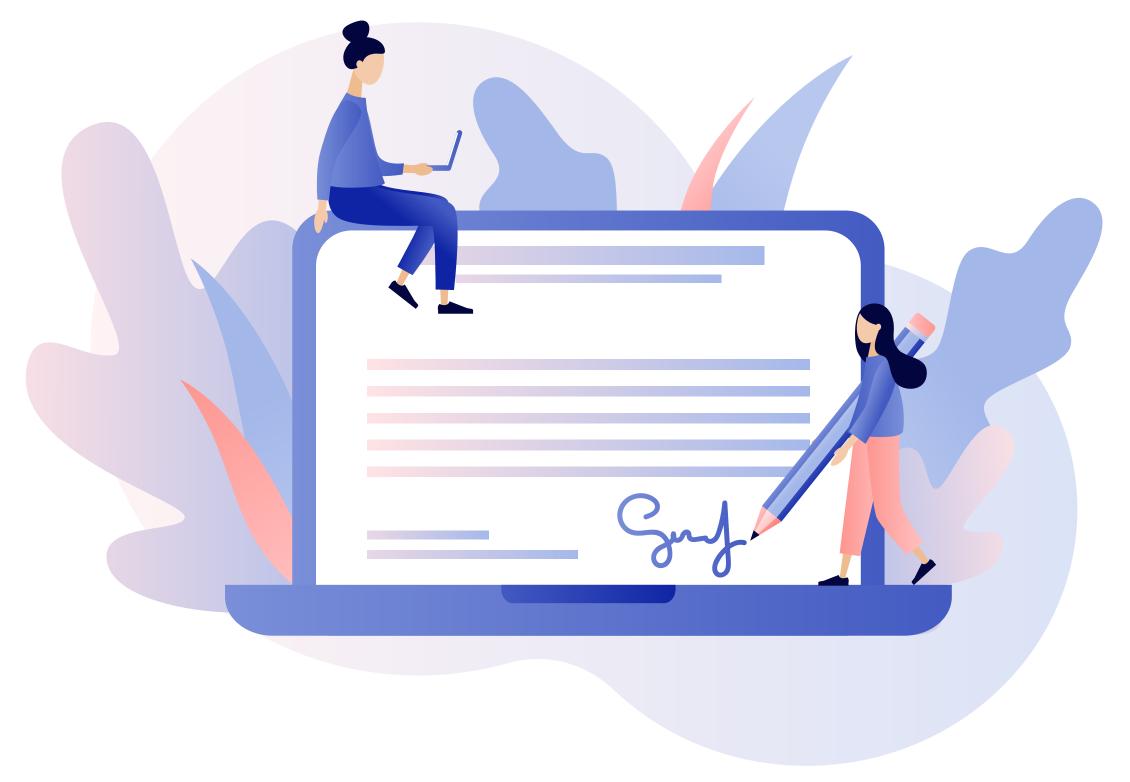


IT IS IMPORTANT TO KNOW WHAT A COMPLAINT SHOULD INCLUDE

For the addressee of the complaint to be able to respond clearly and promptly it is important that the complaint contains precise information and is presented in a specific form.

In this way, you can avoid the situation where it becomes unclear what specifically you are complaining about, which legal act you are invoking and which circumstances or facts you are presenting.

Tip: Try to be precise and unambiguous in your complaint. **Read** carefully the documents on which the relation is based and precisely state the circumstances, prior communication with the financial institution, legal acts you are referencing and any other information which you feel may substantiate your claim.





IT IS IMPORTANT TO KNOW WHAT A COMPLAINT SHOULD INCLUDE

Keep in mind that *a complaint should include* the following:

- main information on the complainant (first and last name, exact and full address and telephone number);
- name and address of the institution which the complaint refers to;
- description of the disputed relation, contract number and when it was concluded, and the origin of obligation/dispute;
- evidence which substantiates your claim;
- a solution proposal;
- date of complaint submission;
- signature.





USEFUL CONTACTS



BANKING AGENCY OF THE FEDERATION OF BOSNIA AND HERCEGOVINA

Zmaja od Bosne 47b 71000 Sarajevo

Tel: + 387 (33) 72 14 00 Fax: + 387 (33) 66 88 11 Email: agencija@fba.ba

www.fba.ba



OMBUDSMAN FOR THE BANKING SYSTEM OF FBIH

Zmaja od Bosne 47b 71000 Sarajevo

Tel: + 387 (33) 56 97 87 Email: ombudsman@fba.ba

www.fba.ba



BANKING AGENCY OF REPUBLIC OF SRPSKA

Vase Pelagića 11a 78 000 Banja Luka

Tel: +387 (51) 224-079
Fax: +387 (51) 216-665
Email: office@abrs.ba

www.abrs.ba



OMBUDSMAN FOR THE BANKING SYSTEM OF RS

Vase Pelagića 11a 78 000 Banja Luka

Tel: + 387 (51) 22 00 68 Email: info@abrs.ba

www.abrs.ba







The World Bank Group 1818 H Street NW Washington, DC 20433 USA

www.worldbank.org

johndoe@worldbank.com Telephone: +1 202 473-1000