

# FIN NET AND INFO NETWORK: INTERNATIONAL NETWORKS OF ALTERNATIVE DISPUTE RESOLUTION SCHEMES AND ENTITIES

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## *Introduction*

Our World has become more interconnected recently: we travel more, work or study abroad, family members live in different countries, we purchase goods online from all over the World. This new lifestyle requires that we use foreign financial services or we use the products and services of our domestic financial service provider abroad when e.g.: we make a payment, use ATMs, transfer money, purchase products and services. If things go well, it all seems perfect, however, when something goes wrong, and cross border financial disputes arise, we all want a quick, low cost, effective fix, not to mention we all want to do so in a language we are familiar with. If we face a domestic financial dispute – in which we have a complaint against a domestic financial service provider – we have a choice to turn to the alternative dispute resolution scheme that has jurisdiction to decide our case, as an example, if both parties to the dispute are residing in Hungary, this forum would be the Hungarian Financial Arbitration Board (hereinafter: FAB). However, what happens when the dispute of financial nature involves parties from different countries? Can we turn to alternative dispute resolution forums, and if yes, how? This article would like to introduce two international networks of alternative dispute resolution entities, in which the FAB is a member, namely the FIN NET and INFO Network, that offer solutions to the above questions.

## *1. What is FIN-NET?*

The FIN-NET Network is a European system operating within the European Economic Area (EEA) – which includes the member states of the European Union, Iceland, Liechtenstein and Norway - a European organisation established for the alternative resolution of cross-border financial consumer disputes between consumers and financial service providers. Its name comes from the abbreviation of its English name i.e. “Financial Dispute Resolution Network”.<sup>12</sup> FIN-NET has also support from outside of the EEA area: Switzerland and the Channel Islands participate as FIN-NET affiliates in the network on a best efforts basis.<sup>13</sup>

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<sup>12</sup> Report on the Activities of the Financial Arbitration Board 2016, p. 15, <https://www.mnb.hu/letoltes/pbt-eves-jelente-s-2016-eng-0526.pdf>

<sup>13</sup> Fin Net Activity Report 2015, p. 1, [https://ec.europa.eu/info/sites/info/files/2015-activity-report\\_en.pdf](https://ec.europa.eu/info/sites/info/files/2015-activity-report_en.pdf)

The FIN-NET network was established in 2001 based on the decision of the European Commission, and now it has 60 members in 27 countries<sup>14</sup> that deal with some form of alternative dispute resolution, such as conciliation, arbitration or mediation in each member state. Any authority in the European Economic Area can join FIN-NET if it is responsible for out-of-court settlement of financial disputes and complies with the principles set out in Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer dispute (ADR Directive).<sup>15</sup> The “Memorandum of Understanding” (MoU)<sup>16</sup>, which serves as the charter of the organisation, defines how the members have to cooperate to settle cross-border financial disputes out-of-court, under the framework of the ADR Directive and Regulation 524/2013/EU of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer dispute (ODR Regulation). Parties to the MoU are listed on the FIN-NET website: <http://ec.europa.eu/fin-net>.

FIN-NET helps consumers resolve their disputes with a financial service provider – bank, insurer, investment firm, etc. – operating in a different member state, relying on the alternative dispute resolution forum of the given country. In respect of cross-border disputes, all members, including the FAB, must provide, promptly upon request, information in written or in other suitable form on the operation of FIN-NET, the alternative dispute resolution forum, participating in FIN-NET and residing in another EEA member state, having the power and competence over the cross-border consumer dispute related to the financial services activity, as well as on the proceedings of such forum. All members perform continuous statistical data reporting to the European Union on procedures related to cross-border cases initiated at them and they are entitled to use the intranet database facilitating liaison between the members of the network<sup>17</sup>.

FIN NET members gather and share their experiences, discuss new developments at their semi-annual plenary meetings on two occasions each year, in the spring and autumn.<sup>18</sup> With the ADR Directive and the ODR Regulation, the MoU approved at the 2016 spring meeting introduced important modifications in respect of the members of FIN-NET. Namely, those members – thus including the FAB – that have been registered with the European Commission may remain full members of the FIN-NET network, while those that are not registered with the Commission by

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<sup>14</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/diktyo-epilysis-hrimatopistotikon-diaforon-fin-net/diktyo-fin-net/ligalogia-gia-fin-net\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/diktyo-epilysis-hrimatopistotikon-diaforon-fin-net/diktyo-fin-net/ligalogia-gia-fin-net_en)

<sup>15</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/diktyo-epilysis-hrimatopistotikon-diaforon-fin-net/diktyo-fin-net/ligalogia-gia-fin-net\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/diktyo-epilysis-hrimatopistotikon-diaforon-fin-net/diktyo-fin-net/ligalogia-gia-fin-net_en)

<sup>16</sup> [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>17</sup> Report on the Activities of the Financial Arbitration Board 2016, p. 15-16, <https://www.mnb.hu/letoltes/pbt-eves-jelente-s-2016-eng-0526.pdf>

<sup>18</sup> 2015 Activity report of FIN Net can be found at: [https://ec.europa.eu/info/file/fin-net-activity-report-2015\\_en](https://ec.europa.eu/info/file/fin-net-activity-report-2015_en)

their National Authorities within two years, automatically lose their full membership rights, hence they cannot cooperate in the settlement of cross-border disputes.

## 2. How does FIN NET work?

The “Memorandum of Understanding” (MoU) is the document that outlines the mechanisms and other conditions according to which the members co-operate in order to facilitate the out-of-court settlement of cross-border disputes between European consumers and providers in the area of financial services. The provisions of the MoU are intended to support cooperation on a 'best efforts' basis between FIN-NET members, however, it must be emphasised, that the provisions of the MoU are not legally binding on the Parties and the MoU does not create or grant any legal rights or obligations to the Parties or any third party.<sup>19</sup>

It outlines model guidelines which, in general, should govern basic cooperation in case of a cross-border complaint.

Based on the model, the *nearest scheme* (which is a *body* responsible for the out-of-court settlement of consumer disputes for the appropriate financial services sector *in the consumer's country of residence*)<sup>20</sup> will make, an initial assessment and give to the consumer all the necessary and appropriate information about the complaints network, about the competent scheme and about the ODR platform, where appropriate.<sup>21</sup> As an example, in case of a complaint by a resident of Hungary against a Dutch financial service provider, the nearest scheme would be the FAB.

The nearest scheme would remind the consumer of the advisability and necessity of first addressing complaints to the financial services provider directly, since this is often a precondition which must be fulfilled before dispute settlement bodies are able to take on board complaints. The nearest scheme would also warn the consumer that there may be a time limit for submitting the complaint to the competent scheme and possible time limits for any legal actions before the courts.<sup>22</sup>

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<sup>19</sup> Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 1. Objectives of the Memorandum, p. 1, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>20</sup> Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 2. Definitions, p. 1, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>21</sup> 5. Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 5. Guidelines for the procedure in the complaints network for out-of-court settlement of cross-border disputes Definitions, p. 3, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>22</sup> 5. Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 5. Guidelines for the procedure in the complaints network for out-of-court settlement of cross-border disputes, p. 3, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

After receiving the consumer's complaint, the nearest scheme would transfer the complaint to the *competent scheme* (which is the appropriate *body* responsible for the out-of-court settlement of consumer disputes for financial services *in the country where the service provider is established*).<sup>23</sup> If we follow the previous example, the competent scheme would be the Dutch FIN NET member, the Financial Services Complaints Institute (Kifid)<sup>24</sup>. The nearest scheme also has a choice to advise the consumer to contact the competent scheme directly or if the financial service provider has accepted the jurisdiction of the nearest scheme, or if the legal obligations of the nearest scheme oblige it to do so, resolve the complaint itself within the limits of its rules of procedure.<sup>25</sup> In this latter case, as we follow our example, the Dutch financial service provider could make a declaration that it submits itself to the binding decision of the FAB, and the FAB would conduct its procedure based on its procedural rules set out in the Act CXXXIX of 2013 on the Magyar Nemzeti Bank (MNB Act). The Dutch financial service provider is free to decide not to submit itself to the binding decision of the FAB, in which case the FAB would resort to one of the first two options mentioned above: it could transfer the complaint to the competent Dutch Member of FIN NET, or it could advise the consumer to contact Kifid directly.

Once the competent scheme has received a cross-border complaint it is its responsibility to try to resolve the dispute between the financial service provider and the consumer according to the rules laid down in its terms of reference and/or in its legal obligations, and in accordance with the ADR Directive.<sup>26</sup>

This model described above is regarded as the basic co-operation procedure in the network. Parties to the MoU can always agree to an alternative method of co-operation in the interest of settling the dispute more efficiently. Where a complaint cannot be addressed by a FIN-NET member directly, the nearest scheme will identify and direct the consumer toward the other possible options.<sup>27</sup>

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<sup>23</sup> Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 2. Definitions, p. 1, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>24</sup> [https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/financial-dispute-resolution-network-fin-net/fin-net-network/members-fin-net-country/fin-net-members-netherlands\\_en](https://ec.europa.eu/info/business-economy-euro/banking-and-finance/consumer-finance-and-payments/consumer-financial-services/financial-dispute-resolution-network-fin-net/fin-net-network/members-fin-net-country/fin-net-members-netherlands_en)

<sup>25</sup> 5. Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 5. Guidelines for the procedure in the complaints network for out-of-court settlement of cross-border disputes, p. 3, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>26</sup> Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 5. Guidelines for the procedure in the complaints network for out-of-court settlement of cross-border disputes, p. 4, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

<sup>27</sup> Memorandum of Understanding on a Cross-Border Out- of- Court Complaints Network for Financial Services (MoU), 12/05/2016, 5. Guidelines for the procedure in the complaints network for out-of-court settlement of cross-border disputes, p. 4, [https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding\\_en.pdf](https://ec.europa.eu/info/sites/info/files/memorandum-of-understanding_en.pdf)

As to the language of the dispute settlement, if the consumer does not choose to deal with the competent scheme in the usual working language of the scheme, he may deal with it in one of the official EU languages either of his contract with the financial service provider or in which he normally dealt with the financial service provider.

The FIN NET website is an easy to handle tool that provides useful information about the FIN NET organisation itself, the members, and also about what to do in case a financial consumer dispute arises. It includes the contact information of the members by country and a brief summary of their most important procedural rules. The aim of FIN NET is to reach as many consumers as possible therefore it is launching a FIN NET awareness campaign in the Fall of 2017 with the help of the Commission and all FIN NET members. Its promotion video is also available in all the official languages of the European Union, and will be available on the website of each FIN NET member from the end of September of 2017. For more information on the organisation and operation of FIN-NET, visit [www.ec.europa.eu/fin-net](http://www.ec.europa.eu/fin-net).

### *3. Recent developments of the FIN NET Network and the ODR Platform*

*Recent developments* that affect FIN NET Members, consumers and financial service providers include the introduction of an *Online Dispute Resolution Portal*, which is available at <https://webgate.ec.europa.eu/odr>, and was put into operation on 15 February 2016. It was launched by the European Commission as a European online dispute resolution platform, and serves as the out-of-court resolution of disputes, including financial consumer disputes, related to obligations arising from online service contracts between consumers with residence in the European Union and service providers established in the European Union. Simply put, if a resident of the European Union purchases a product online – in our case a financial service from e.g. an insurance company – after the appropriate preliminary complaint procedure at the financial service provider, one can use the online platform to start a domestic or cross border proceeding. This platform is available in all official languages of the European Union, and it is built on the existing dispute resolution systems of the Member States, the FIN NET Network, respecting the traditions of the Member States. Its objective, among others, is to ensure that all alternative dispute resolution forums, notified in accordance with section 20 (2) of the ADR Directive can join the platform, thereby facilitating the online, fast, out-of-court resolution of all disputes arising from online contracts, along uniform principles.<sup>28</sup>

All consumers – including financial consumers – having a place of abode in the European Union and, as a private person, concluded any contract for financial

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<sup>28</sup> Report on the Activities of the Financial Arbitration Board 2016, p. 55, <https://www.mnb.hu/letoltes/pbt-eves-jelente-s-2016-eng-0526.pdf>

services via the internet or other electronic means, may resort to online resolution. As a first step, consumers must register on the website of the European Commission, then, they can submit their petition via the platform providing the data specified by the system on the standard online form. Once the fully completed electronic complaint reporting form is received, the online dispute resolution platform sends a standard electronic message to the e-mail address of the adverse party, informing it that a complaint has been filed against it. The dispute resolution platform automatically and immediately forwards the complaint to the alternative dispute resolution forum that the parties agreed to use. The forum designated by the parties may only be the forum specified in the system for the given case type, thus in Hungary only the FAB may be selected in disputes of financial nature, as it has exclusive competence in such matters. If the dispute is a cross-border one, the range of selectable acting forums may change. The alternative dispute resolution forum, to which the system automatically forwards the complaint, immediately informs the parties whether it agrees or refuses to deal with the dispute. From this point on, the procedural rules of the forum will govern the procedure.

The benefit of using the platform is that the resolution of online disputes does not necessitate the personal appearance of the parties or their representatives at the alternative dispute resolution forums, except when the procedures of the given forum prescribe this possibility and the parties agree to it.

It is important to emphasise that the alternative dispute resolution forums acting in the complaints received via the online dispute resolution platform may use their own rules of procedure. E.g.: the precondition of the FAB's proceeding is, also in cases received via the online platform that prior to the submission of the petition the petitioner must conduct an unsuccessful complaint procedure against the financial service provider.

#### *4. Info Network*

If a cross border financial consumer dispute involves parties not only residents of the EEA, but from other continents one must look for the INFO Network. The FAB is also a member of INFO Network, incorporating the world's financial ombudsmen, at present having over 50 member organisations from five continents, since 1 January 2012. The organisation itself was established in London on 26 September 2007 with the cooperation of the USA, Great-Britain, New-Zealand, Ireland, Canada and Australia, with the goal to harmonise the alternative dispute resolution mechanisms – mainly in the financial sector – in the member states, and to develop a comprehensive system. The members of the organisation constitute four regions: Eurasia, Africa, America, and Australia. It operates in accordance with the six key principles approved by members: independence, impartiality, efficiency, equity, transparency and accountability.

The purpose of cooperation within the organisation is to develop alternative, i.e. out-of-court dispute resolution models, to elaborate codes of conduct, enhance the use of information technology, to handle certain recurring issues and problems at

systemic level, to resolve cross-border complaints in a uniform and smooth manner and also to share in-service training opportunities and directions. The organisation puts an emphasis on the enforcement of the consumer protection principles developed on the basis of international standards, which is guaranteed by the independent and unbiased alternative dispute resolution forums.<sup>29</sup>

The INFO Network holds an annual INFO Conference, which coincides with the annual general meeting, by offering a forum for members to meet and discuss current issues and developments in the area of alternative dispute resolution.<sup>30</sup> The annual general meeting also serves as a forum, where the Chair of the Network reports on the activities and finances of the INFO Network, and also this is where the members of the committee are elected.<sup>31</sup>

Its Committee is responsible for the control and management of the entire Network, the members of which serve as leaders of the INFO Network, acting in the interests of all members, and are elected for two years.<sup>32</sup>

With the help of the Secretariat, the Committee - in consultation with members - develop an annual work plan and budget, which considers co-operative activities and suggests specific tasks to be performed by the Committee, the Secretariat, members or other persons.<sup>33</sup>

Members also share statistics regularly, and contribute to the monthly newsletters prepared by the Secretariat of INFO Network, reporting on novelties, changes and events related to members, so members can follow closely new developments and challenges.

For consumers, the INFO Network's website is a great resource for information (<http://www.networkfso.org/>) about how to complain directly to their financial service provider with useful tips how to complain effectively to get results, also about what to do if no INFO Network member exists in the consumer's home country<sup>34</sup>. Also, it lists all members of INFO Network - organised in the above mentioned four regions - with a link to each of their websites as a useful tool for consumers to find the competent out of court dispute resolution scheme for their dispute.<sup>35</sup> Case studies and annual reports of members can also be found on the

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<sup>29</sup> Report on the Activities of the Financial Arbitration Board 2016, p.16, <https://www.mnb.hu/letoltes/pbt-e-ves-jelente-s-2016-eng-0526.pdf>

<sup>30</sup> Constitution of the International Network of Financial Services Ombudsman Schemes, Section 7., [http://www.networkfso.org/assets/info-network\\_constitution.pdf](http://www.networkfso.org/assets/info-network_constitution.pdf)

<sup>31</sup> Constitution of the International Network of Financial Services Ombudsman Schemes, Section 7., [http://www.networkfso.org/assets/info-network\\_constitution.pdf](http://www.networkfso.org/assets/info-network_constitution.pdf)

<sup>32</sup> Constitution of the International Network of Financial Services Ombudsman Schemes, Section 8., [http://www.networkfso.org/assets/info-network\\_constitution.pdf](http://www.networkfso.org/assets/info-network_constitution.pdf)

<sup>33</sup> Constitution of the International Network of Financial Services Ombudsman Schemes, Section 8.4., [http://www.networkfso.org/assets/info-network\\_constitution.pdf](http://www.networkfso.org/assets/info-network_constitution.pdf)

<sup>34</sup> INFO Network's website: <http://www.networkfso.org/for-consumers.html>

<sup>35</sup> <http://www.networkfso.org/links.html>

website to inform consumers about the activities of the members and outcomes of procedures.

##### *5. The FAB's role in the FIN NET and INFO Network*

After becoming a member of the FIN NET Network, the FAB organised and held one of the semi-annual general meetings of FIN NET in Budapest in October 2012, in which members of the network of alternative financial dispute resolution forums of the European Economic Area attended. At the following semi-annual general meeting held in Brussels in March 2013, the members of FIN NET hailed the results of the October 2012 general meeting. Accordingly, and in recognition of the outstanding work of Hungarian financial arbitration in a Europe-wide comparison, in May 2013 the European Commission appointed the chair of the Financial Arbitration Board as a member of the FIN-NET steering committee for a period of two years. Active participation in the steering committee's work offered an opportunity to optimise Hungarian financial arbitration practices and to analyse the legislation of the German, Italian and Spanish forums integrated into the central banks in a manner best suited to Hungary's national interests. It also offered first-hand information on international solutions that was relevant in Hungarian domestic legal disputes, because in cross-border cases, closer bi- and multi-lateral cooperation among partner forums is necessary in order to enforce consumer rights.<sup>36</sup>

Ever since the FAB gained membership in the FIN NET Network, it has been represented at almost all of the regular semi-annual general meetings held in various countries in the EEA. In the London meeting in November 2013, the representative of the Financial Arbitration Board gave a special presentation at the request of the European Commission, emphasising the importance of Hungarian financial arbitration integrated into the organisational structure of the Central Bank of Hungary and commending the institutional advantages arising from the position of the Hungarian solution within the legal system, with fast, efficient, simple and cost-effective enforcement of consumer rights. The present organisational arrangement of Hungarian financial arbitration is fully compliant with European requirements, namely with the ADR directive and the ODR Regulation. These rules demand the formal and financial independence of the alternative dispute resolution forums from professional interest representation organisations; these forums must judge legal disputes impartially and minimising their financing from the public purse is essential. At the same time, the EU makes it mandatory for the Member States to make available the necessary properly qualified human resources to deal with the increasing task load. A further important responsibility is to design an early warning system secured with strict legal safeguards to flag all serious, extreme breaches of consumer rights, in keeping with the requirements for efficiency and national financial stability, which points beyond the primary consumer protection function of

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<sup>36</sup> Report on the Activities of the Financial Arbitration Board 2013, p. 35 <https://www.mnb.hu/letoltes/mnb-pbt-eves-jelentes-2013-eng-digitalis.pdf>



financial arbitration. Analysing the prevailing Hungarian legal framework and the Hungarian financial arbitration practice in the light of international findings, the feedback from foreign partners and the parties participating in cross-border financial consumer disputes, one may safely say that the financial arbitration process operated within the organisation of the Central Bank of Hungary already complies with the requirements stated in the relevant EU laws.<sup>37</sup>

The FAB was notified to the Commission on February 9, 2016 as a national alternative dispute resolution entity that is fully compliant with the ADR Directive and the ODR Regulation so when the platform was put into operation on 15 February 2016, the FAB was also ready to handle online financial consumer disputes arising from online financial consumer contracts and to receive petitions. In respect of cross-border disputes the FAB must provide, promptly upon request, information in written or in other suitable form on the operation of FIN-NET, the alternative dispute resolution forum participating in FIN-NET and residing in another EEA member state, having the power and competence over the cross-border consumer dispute related to the financial services activity, as well as on the proceedings of such forum. The FAB performs continuous statistical data reporting to the European Union on procedures related to cross-border cases initiated at them and the FAB is entitled to use the intranet database facilitating liaison between the members of the network. Also, the FAB is answering questionnaires and completing surveys that are sent to it by the FIN NET Secretariat about its operation and experiences, and the FIN NET Secretariat channels the results back to members in order to learn and share best practices.

The FAB as a full member of INFO Network provides statistical data on its operation to INFO Network, which regularly publishes information on its website on all of its members, thus also about the Hungarian Financial Arbitration Board ([www.networkfso.org](http://www.networkfso.org)). In 2017 INFO Network held its annual conference, by offering a forum for members to meet, in Melbourne, Australia, where the Board was also invited. As a member of INFO Network, the FAB regularly contributes as well to the monthly newsletters prepared by the Secretariat of INFO Network, reporting on novelties, changes and events related to members. It also responds to enquiries and cooperates in answering a detailed questionnaire on members' activity, sent by the Secretariat several times a year. The information from the surveys is available in the global organisation's monthly electronic newsletter and on the private website reserved for financial ombudsmen.<sup>38</sup>

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<sup>37</sup> Report on the Activities of the Financial Arbitration Board 2013, p. 35 <https://www.mnb.hu/letoltes/mnb-pbt-eves-jelentes-2013-eng-digitalis.pdf>

<sup>38</sup> Report on the Activities of the Financial Arbitration Board 2016, p. 16, <https://www.mnb.hu/letoltes/pbt-eves-jelente-s-2016-eng-0526.pdf>

## *Conclusion*

With the FIN-NET Network, consumers can access a mechanism that allows unresolved disputes between consumers and financial services providers that are based in the EEA to be settled out of court. The role of FIN-NET is to provide consumers with easy and informed access to out-of-court redress procedures in financial cross-border disputes, and to ensure the efficient exchange of information between the members so that cross-border complaints can be handled quickly, efficiently and with a common set of minimum guarantees for consumers.

Even though the binding resolutions or recommendations of FIN NET Alternative Dispute Resolution schemes (hereinafter: ADR schemes) are not enforceable in the same way as court decisions, but in the majority of cases, financial service providers follow the decisions of the decision making ADR even if they are not binding. The pitfall of the procedure is the question of submission: the nearest scheme can only deal with a complaint if the EEA resident financial service provider submits itself to the binding resolution of the nearest scheme. If it does, the consumer can be part of a procedure that he or she is comfortable with, because it takes place in his/her country of residence, and in his/her native language. Even If the nearest scheme cannot go on with the procedure because of the lack of submission, consumers still can receive information about the relevant other foreign complaint schemes in their native language about the competent FIN-NET members.

With the introduction of the ODR Platform, consumers received an important tool – not just for cross border disputes, but also to resolve domestic disputes – that can be reached from the comfort of their home, online, and which provides them with a piece of mind. Financial service providers can take advantage of this tool as well, which enables them to resolve disputes fast, free of charge, online.

INFO Network is a much wider organisation than FIN-NET, however it has no such close cooperation model as FIN NET, but its website provides comprehensive, important and useful information for consumers where to turn to, what to expect when a dispute arises that involves parties from different continents.

The FAB – as a member of FIN NET and INFO Network – is hoping that consumers will be able to make more informed choices when it comes to settle their disputes with financial service providers with the help of these networks. The FAB also hopes that more and more financial service providers would be willing to submit themselves in cross border cases to the procedure of the nearest scheme and would settle disputes fast, amicably and efficiently.