

Banking Ombudsman would like to see mitigation of procedural costs

At his annual media conference, the Swiss Banking Ombudsman addressed a long-standing issue for the Ombudsman's Office, namely bank charges. "Banks are increasingly charging fees for services that have previously been free of charge in order to compensate for falling income in the currently unfavourable interest rate environment," said Marco Franchetti. Many customers – including Swiss citizens resident abroad – have expressed their dissatisfaction.

- **2,068 cases dealt with by the Banking Ombudsman in 2016**
- **20% of all new written cases submitted electronically via the website**
- **Sharp rise of 14% in cases involving fees**
- **Banking Ombudsman regrets negative decision by the Council of States on the mitigation of procedural costs**
- **Dormant assets made available to twice as many beneficiaries as in the previous year**

Bank charges are the subject of lively debate from an economic, political and legal point of view. Marco Franchetti believes it is important not to lose sight of the main consideration here: transparency. "For clients it must be clear what fees apply, and they should be informed explicitly in advance of any changes or new charges being introduced."

The Banking Ombudsman added that retroactive changes to fees, which he was seeing time and time again in individual cases, are not permissible, however. Likewise, he said, contractual changes cannot be valid in cases where a bank requires the customer to call up a particular webpage or to read through the changes in the counter hall of a bank.

The Banking Ombudsman went on to say: "The potential for disputes is significantly greater in the financial sector than elsewhere in the services industry." He therefore finds it regrettable that the Council of States did not adopt the Federal Council's proposal to introduce a new article into the Swiss Civil Procedure Code to mitigate procedural costs for private customers. The Banking Ombudsman concluded: "For many years, in over 80% of the cases that we handle (86% in 2016), the amount in dispute has been no greater than CHF 100,000. Not all disputes can be resolved by mediation. It would therefore not be a luxury in a modern constitutional state for these customers to be able to obtain a court decision at reasonable costs."

In 2016, the Ombudsman's Office received 837 (previous year: 880) written cases and 1,268 (1,182) enquiries by telephone. As many as 20% of the new written cases were submitted electronically (by uploading the information to the website). A total of 2,068 cases (1,268 telephone and 800 written) were completed by the Ombudsman's Office in the year under review, corresponding to a small decrease of around 2% compared with the previous year (2,103).

In 2016, German-speaking Switzerland accounted for 44% of cases, French-speaking Switzerland for 15% and Ticino for 2%. The proportion of cases from abroad remained stable at 39%. The lion's share of these were from the big countries immediately bordering Switzerland. The absolute numbers of cases from these countries were: Germany 68, France 38 and Italy 22.

The year under review saw a year-on-year increase of one-third in the number of requests to identify dormant assets. This significant rise produced tangible results: in 62 cases (twice as many as in the previous year), dormant assets were made available to the beneficiaries.

Annual Report 2016 (in German)
Annual Report 2016 (in French)
2016 in Brief
Pictures Marco Franchetti