

Convergence Romania Financial Sector Modernization

Special Projects Initiative Public-Private Steering Committee



SPI Project on Ombudsman

Project Objective

To prepare a set of comprehensive proposals for establishing the Romanian Bank Ombudsman (RBO) together with the implementation plan.

Project Management Team

Project Owner (PO): Radu Negrea (RBA General Secretary, on behalf of RBA)

Project Manager (PM): Monica Iovu (Director, Alphabank Romania)

Deputy Project Manager (DPM): Alis Avramescu (Deputy Director, NBR)

Minutes

First Meeting

February 2nd, 2007 – RBI Premises

Attendees: Radu Ghetea, RBA Chairman, representing the PO
Monica Iovu, PM
Aurora Stancu, member
Catalina Clinci, member
SPI Secretariat: Ramona Bratu, SPI Director for Bank Products and Services and Oana Nedelescu, SPI Director for Analytics and Policy

I. Discussions of the simplified RBO proposed by Convergence and its implementation

Continuing its support to the PWG for achieving its task of drawing up a possible Ombudsman scheme for Romania, the Technical Anchor sent a memorandum proposing the main elements of a scheme that would ensure the observance of all the principles recommended by the FIN-NET, while allowing a rapid and efficient implementation.

According to the TA's suggestions, the Romanian Banking Ombudsman (RBO) could be organized on a voluntary basis by the RBA members, through an inter bank agreement, and could start and function for a determined period of time (until end of 2008, for example) with a simplified formula, based on offering ombudsman services to a limited range of issues of most acute consumer protection concern, as a first step. This simplified formula comprises one person acting as Ombudsman on a part-time basis and another

two RBA employees dedicated to the advisory and secretary functions. In order to ensure the RBO's independence, the institution would have to report to a Board having 3 – 5 members, representatives of NBR, RBA, consumer protection bodies, etc. For objectivity and competence reasons, the Ombudsman could be a retired, senior and reputable judge, with a relevant experience for the cases he will handle.

Participants agreed that this simplified scheme could be one of the options for the RBO to be taken into consideration by the PWG when preparing different proposals to be approved by RBA.

II. Discussions on the further steps

The PWG agreed to work to the accomplishment of the project objective set up by the SPI Committee and to prepare a comprehensive proposal for the RBO scheme. SPI Secretariat will revise the project ToRs so as to reflect the SPI Committee decisions taken in December meeting and the updated action plan.

PWG will start by achieving a common level of understanding on Ombudsman issues (setting up, operating, principles, etc):

- a) as a first step, all the PWG members will analyze the studies prepared by Convergence and by the PM and will look for other relevant international experience (for example, the Austrian one);
- b) SPI Secretariat will search for the FIN-NET study to be shared with the PWG members;
- c) PM will share the study on the Greek Ombudsman.

After getting a common ground on the different experiences and on EC recommendations in setting up alternative dispute resolution institutions, PWG will analyze and propose options for the RBO scheme. The following elements will be part of the options prepared for stakeholders' considerations:

- governing principles and standards;
- scheme participants;
- scope of the Ombudsman;
- eligible beneficiaries;
- staffing;
- operations;
- funding.

In formulating the scheme proposal(s), the PWG will take into account also the Romanian realities and customs, and the national legal framework (for example, the law on the mediators and mediation activities). The RBO could be successful if trusted by the public and all the proposed schemes should be visible and reliable.

PWG will build up on the identified scheme(s), identifying all legal requirements and all other governance needs. The PWG will also prepare indicative budget(s).

PWG will decide on the study outline and content, using as benchmark the study performed by Convergence on the Romanian Deposit Guarantee Fund and the RBA study on the Credit Bureau (as a sample of another banks' initiative). The PWG position paper will have to include all the above mentioned and the proposed action plan for the implementation of the RBO.

The PWG position paper is to be sent to RBA no later than March 15, in order to be discussed by the RBA General Assembly meeting to be held in March 22, 2006.

The SPI Secretariat will revise the project ToRs according to the discussions. The proposed action plan and the responsibilities will be reflected in the new ToRs.

III. Proposed date for the next meeting: February 13th, 2007.