

Report on the Consumer Protection Activities of the Financial Market Supervision Unit

2023

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Contents

INTRODUCTION	3
1 Summary	4
2 Financial education	5
2.1 Collaboration as a key to success	5
2.2 We are building partnerships	7
2.3 Educational modules, campaigns and events	9
3 Consumer protection supervision	15
3.1 The issue of loan defaults	16
3.2 Handling of insurance claims	19
4 Handling of financial consumer complaints	20
4.1 Complaints in numbers	21
Annex	24
Social projects and partnerships	24
Projects and partnerships intended for the broader public	24
Education-oriented projects and partnerships (teachers and students)	25

INTRODUCTION

Consumer protection has been part of the remit of financial market supervision at Národná banka Slovenska (NBS) since 2015. The advantage of this arrangement is that it allows NBS to holistically evaluate the activities of supervised entities and the risks associated with them. This report provides a comprehensive overview of NBS's financial consumer protection activities: the financial education provided through its own activities under the '5peňazí' brand and through cooperation and networking with other organisations; supervisory activities; and the handling of financial consumers' complaints.

1 Summary

NBS's financial education brand, '5peňazí', has now been operating for four years. During this time, NBS has not simply focused on its own efforts; on the contrary, it understands the importance of creating a network of trusted financial education programmes and projects through strategic cooperation. In this way, NBS can deliver education to thousands of children and hundreds of mentors, ambassadors and field workers. Its approach to establishing public, private and non-profit sector partnerships was recognised in 2023 when 5peňazí won the 'Úradnícky čin roka' (Public Service Activity of the Year) award for being one of the best initiatives in the public sector. The award was given for efforts to provide financial education to marginalised Roma families living in intergenerational poverty. This initiative was implemented by NBS and the NBS foundation through FILIP, a programme run jointly with the Cesta von civic association. There are already several examples of fruitful cooperation between 5peňazí and the NBS Foundation in the education of children, senior citizens and other groups of vulnerable consumers. NBS is building an informal network with many organisations engaging in education and fieldwork. During the year, NBS ran several education campaigns and programmes in traditional media and on social networks. It also launched the first season of an e-learning course for the public entitled 'Reč peňazí' (Money Talk).

As part of its financial consumer protection supervision in 2023, NBS paid special attention to the practices of banks and non-bank lenders towards distressed borrowers. NBS reviewed procedures for changing the loan relationship, such as through forbearance, maturity extensions, and other forms of out-of-court resolution of loan defaults. This area was also the focus of a broad survey by the European Banking Authority (EBA), in which NBS took part. Each year, supervisory priorities for consumer protection are set based on an evaluation of risk indicators. The priority for 2023 in the insurance sector was to define principles that insurers should abide by when settling insurance claims. NBS considers it critical that this process is fair and transparent to the insured, and especially that insurers refrain from imposing obligations or from demanding evidence that would discourage an insured person from making a claim. The number of complaints that NBS received from consumers in 2023 was slightly higher than the year before. There was no significant change in the structure of complaints or their distribution between financial market sectors. One area in which NBS has observed a sharp rise is financial fraud. This trend has been observable since the pandemic period. Over time, fraudsters have refined their techniques and are making much more effort to use sophisticated social engineering techniques. Such methods are particularly dangerous for consumers because they target the weakest link in the entire fraud protection system – customers themselves. Therefore, we must all learn to watch out for the small warning signs that make fraudsters' communications suspicious. NBS pays special attention to this area in its educational campaigns.

2 Financial education

2.1 Collaboration as a key to success

Adopted in 2019, the [Financial Literacy Support Strategy of Národná banka Slovenska](#) prioritises the coordination of financial education activities to maximise their synergistic effect. As consumer education is a vital part of the consumer protection system, NBS has established its own financial education brand, '5peňazí', which is now in its fourth year and networks with other initiatives and organisations promoting financial literacy.

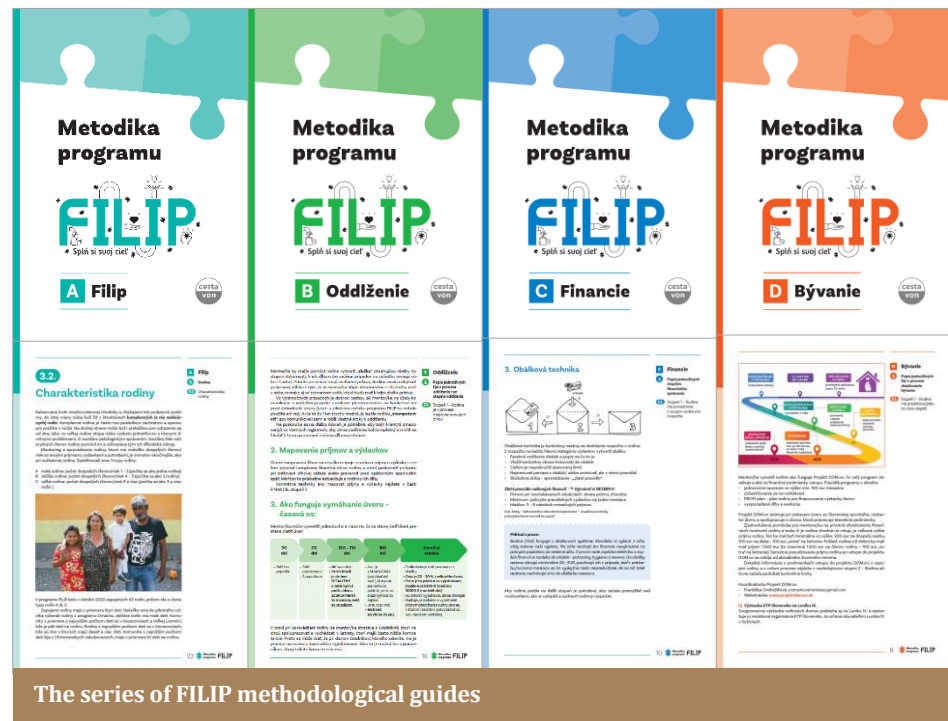
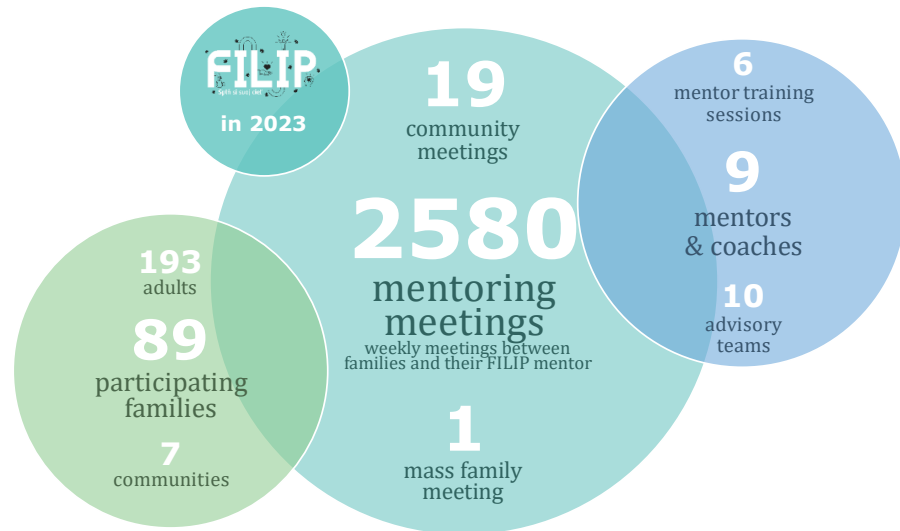
During this time, NBS has learned where its strengths are in financial education and also where it is unable to reach certain target groups effectively, even if they are amongst the most in need of financial education. This is why establishing cooperation and partnerships has been shown to be vital to the success of certain programmes. The initiation of cooperation between the public, private and non-profit sectors has made possible several unique programmes that NBS is proud of.

An example is the FILIP programme, a partnership between NBS, the NBS Foundation and the Cesta von non-profit civic association which aims to increase the financial literacy of marginalised Roma families living in intergenerational poverty. NBS educators provide training and expert consultations to mentors – field social workers who meet with the families in the programme every week. The mentor helps the family to draw up a developmental financial plan and overcome obstacles in its implementation, while building up the family's self-confidence and motivation and advising them on how to pay off debts, manage savings goals, find and keep jobs, and improve their housing. NBS aims to ensure that the mentors are competent experts providing them with specialised training in financial behaviour, understanding intergenerational poverty, finding resources for change, and consumer rights and obligations.



The award-winning 5peňazí educators and a FILIP project workshop for families

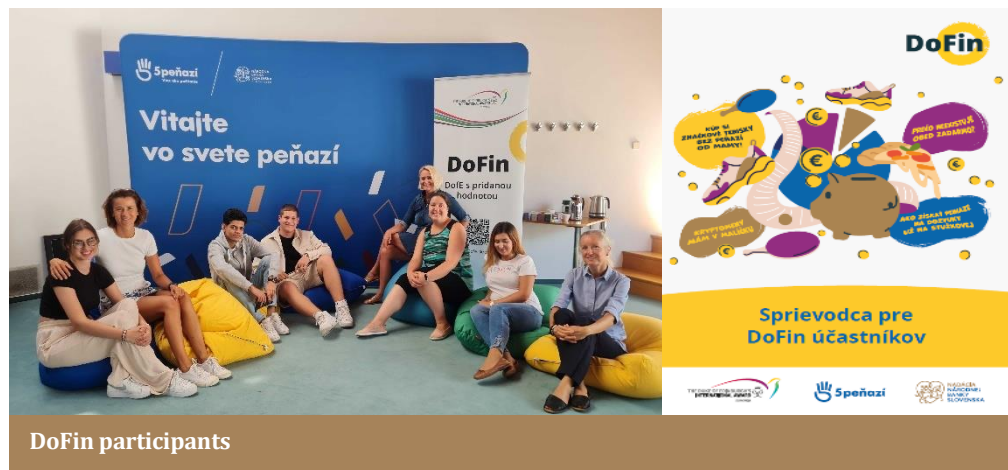
The quality of these activities has been recognised by the professional community, and in 2023 the NBS 5peňazí team won the 'Úradnícky čin roka' (Public Service Activity of the Year) award. This award is given to public sector officials or official bodies who contribute to the improvement of public services. FILIP is in its pilot phase, where best practices are being formulated to increase the financial literacy of this especially vulnerable section of the population and where a methodology is being developed for mentors' work. An improved version of the first published methodology was already in preparation in 2023.



2.2 We are building partnerships

The partnerships that link the NBS Foundation and 5peňazí with other organisations to support financial education projects and programmes make a major contribution to increasing financial literacy, especially in target groups that are difficult for NBS to reach directly.

An example is the **DoFin programme** that we launched in 2023 in cooperation with the Duke of Edinburgh's International Award Slovakia (DofE). Through DoFin, secondary school students develop their financial talents and put them to use in volunteer projects focused on peer-to-peer financial education. The students learn about how investments and crypto-assets work and whether it is a good idea to put money into them, how to detect financial frauds, why people are attracted to gambling, and what behavioural, green and social economics are all about. They then share this knowledge with their peers or communicate it in another way, thus becoming volunteer ambassadors for financial education.



Another project, run by **Caritas Slovakia**, aims to support the integration of refugees from Ukraine. Entitled '**Dukát v hrsti** – Integráciu ukrajinských odídenčov' (A ducat in the hand – Integration of Ukrainian refugees), it is being implemented through the charity's network of 22 support centres throughout Slovakia. Since the outbreak of the war in Ukraine, the charity has been providing food and material assistance, social counselling, and integration activities. In 2023 5peňazí's role in this partnership was to train the charity centres' educators in financial thinking, consumer protection and the prudent use of financial products. The main secondary target group, under the care of the trained educators, was working-age women whose family and social situations have changed drastically after fleeing the war, with many of them having to run their household alone.

In cooperation with **senior citizens' organisations**, 5peňazí last year developed a tailored educational programme to increase the financial literacy of seniors. The

aim of this unique project was to train financial education ambassadors who can raise the awareness of peers in their communities. In this way, NBS can help seniors to make proper and effective use of financial products, understand their consumer rights and recognise advertising and marketing practices.



Participants in a pilot education project for seniors in Trenčín

One of the most recent 5peňazí activities has been **cooperation with the city government in Bratislava**. The aim of the project is to provide financial education for field social workers helping homeless people in the city. At the first workshop, 5peňazí trainers presented educational material on bridges out of poverty and financial thinking to municipal staff. 5peňazí is thus helping to develop the skills of social workers so that they can better assist clients in situational poverty, assisting them in find their own housing and work.

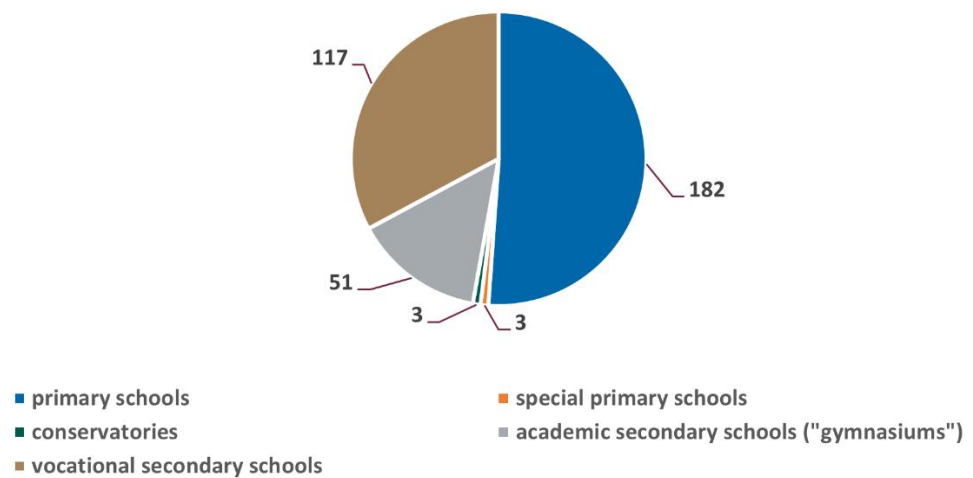


In 2023 NBS also cooperated on **financial education with other public bodies and non-profit organisations**. It is thus building an informal network through which it can share and exchange information and experience related to financial education and help to create a community of people interested in increasing the quality of education and financial literacy in the population. The annexes include an overview in table form of the organisations and programmes where 5peňazí educators from NBS provided training or mentoring support in 2023.

2.3 Educational modules, campaigns and events

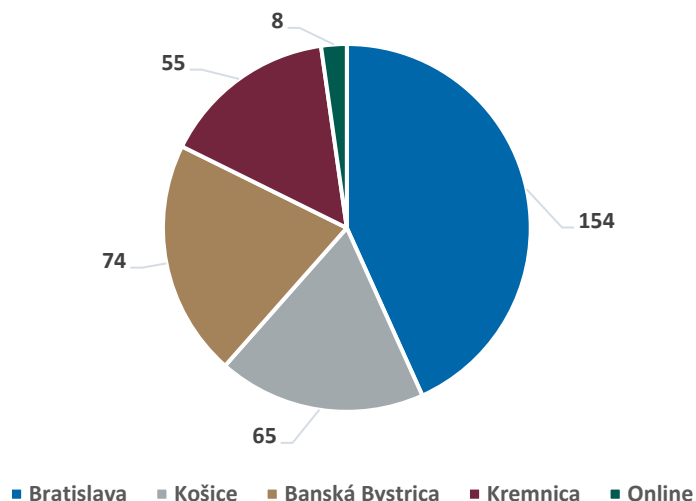
In 2023 5peňazí educators continued to provide informal, experiential financial education to primary and secondary school pupils at the **regional centres in Košice, Banská Bystrica, Kremnica and Bratislava**. During the year, NBS provided a total of **356 modular learning experiences** for **6,983 children** from **187 schools** across Slovakia. Schools could choose from the following educational modules: Income and Work; Financial Planning; Investment and Pensions; You and Your Money; and Advertising and Fraud. The modules cover themes from the National Financial Literacy Standard (1.2) issued by the Ministry of Education, Research, Development and Youth of the Slovak Republic for primary and secondary schools.

Chart 1 Types of school participating in financial education for pupils



Source: NBS.

Chart 2 Distribution of education across regional centres



Source: NBS.

Of the many locations where NBS provided education in 2023, one of the most exotic was the National Zoo at Bojnice. In the summer, NBS opened a **financial trail called 'Staň sa šéfom zoo'** (Become the zoo boss) at Bojnice, teaching children about how a zoo works and basic rules of financial management. This original blending of nature conservation and financial education expands the range of 5peňazí educational activities with a set of experiential stations that operate outdoor all year round. Zoo visitors can simply and unobtrusively learn about budgeting, the vital elements of good teamwork, how to build up a financial buffer, and what to consider when deciding whether to take out a loan. The free-standing stations are a way to reach hundreds of thousands of zoo visitors each year, while also building public awareness of the 5peňazí brand.



The opening of the 'Become the zoo boss' financial trail in July 2023

Last year's educational campaigns in traditional media and on social networks were based on established visuals and characters. A new series of twelve **Tales from 5peniažko** was released for the public. The short, funny stories provide easy-to-remember financial advice. The second series was supported by games and a competition on the 5peňazí website and social accounts.



Second series of Tales from 5peniažko

The 'Permoníci', two little gnomes called Klimko and Barborka, are by now familiar figures for very young children and give them their first advice and information on where money comes from and how to manage it. In 2023 NBS prepared Permoníci worksheets on financial literacy designed to meet objectives laid down in the National Financial Literacy Standard (1.2). The worksheets were distributed to partner primary schools to support financial education, especially in school clubs. All the published educational and methodological materials for schools and parents are free to download from the 5peňazí [website](#).

At the end of the year, NBS launched an e-learning platform for teenagers and adults as part of the 5peňazí programme. Entitled 'Reč peňazí' (Money Talk), it provides free lessons on universal and comprehensible language in the field of finance. The project is organised in cooperation with the NN ľud'om (NN for people) foundation and its first educational module, Ross (@slovenskyskot), presents a lesson on resisting the behavioural marketing tricks that merchants try to use on shoppers. For the next season, 5peňazí is already working on a course teaching people to prevent and defend against financial fraud.



Organised by the OECD, **Global Money Week (GMW)** is an annual international campaign to support financial education and has now reached people in 176 countries around the world. NBS is the GMW national coordinator for Slovakia, and its campaign in March brought together organisations and schools from across country. A total of **85 schools and organisations** joined in Global Money Week in Slovakia from 20 to 26 March, with educational activities or activities promoting financial education. Every partner prepared their own events, workshops or talks.

At the same time, 5peňazí ran an accompanying online campaign for the public. The campaign also included the final of Slovakia's national competition under the ECB's Generation Euro Students' Award. The twelfth edition of the competition, with the theme of 'Money in 2050', was won by the Juraj Hronec Grammar School in Bratislava.



The Generation Euro finalists and the winning team from Juraj Hronec Grammar School

Through the NBS Foundation, NBS also supports dialogue between experts in education. On 27 June 2023 it hosted a Slovak–Czech **conference of actors in education**, organised by the Slovak and Czech Permanent Conference of Actors in Education. The conference brought together numerous ideas, best practices and inspirational concepts for the future of education in the Slovak and Czech republics. It showcased good practices from both countries, including the NBS Foundation–supported FinQ programme, which provides a method for primary and secondary schools to develop pupils' functional literacy in the context of financial culture. NBS thus contributes not only to the dissemination of financial education but also to achieving the objectives of school curriculum reform.



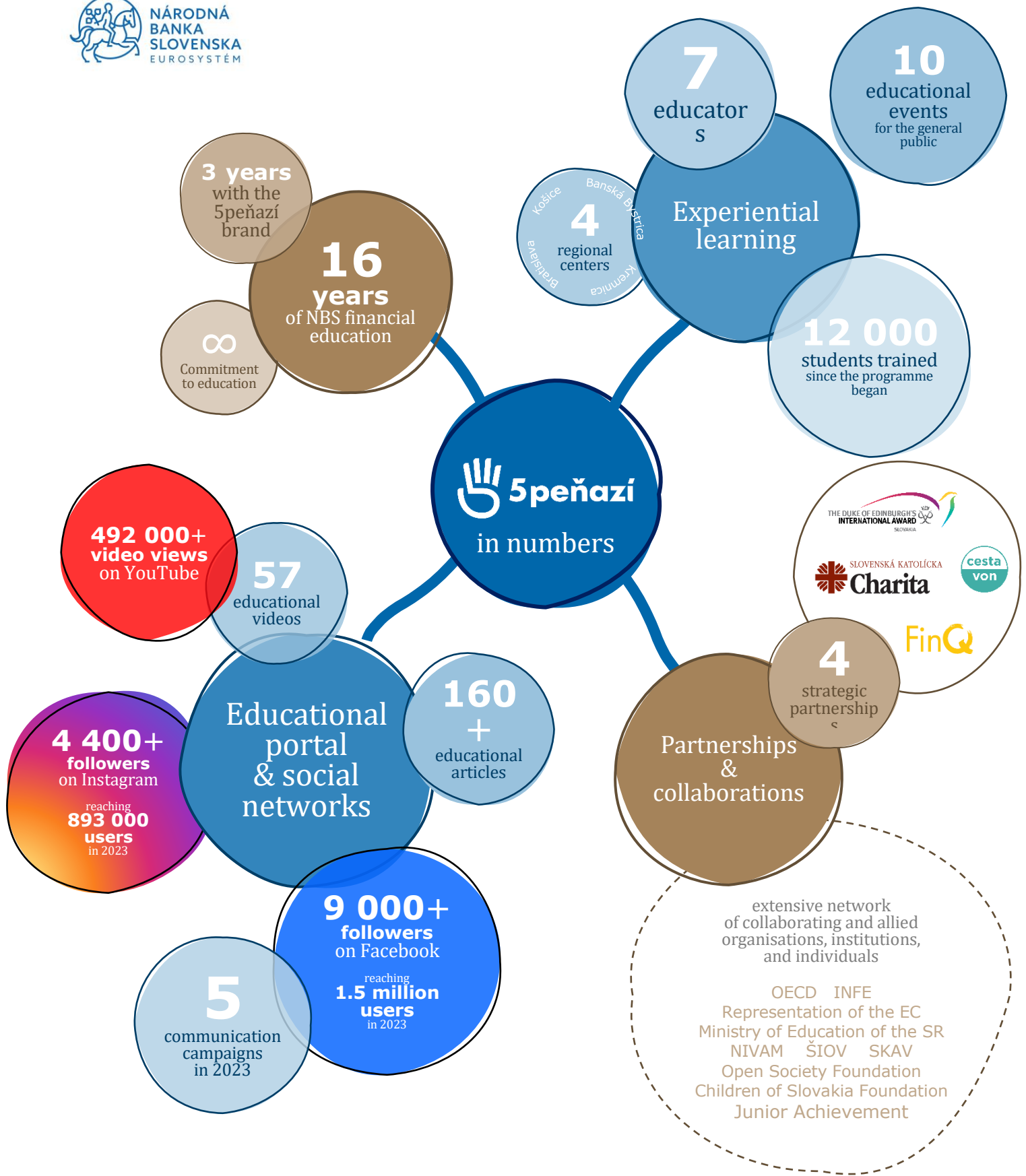
Money Day 2023

The Financial Consumers' Day that NBS organises every autumn was rebranded as **Money Day** in 2023. This fourth edition of the event was the first opened to, and organised jointly with, NBS partners. On 9 November NBS hosted several of its partners: Cesta von, Caritas Slovakia, the Duke of Edinburgh's International Award Slovakia, FinQ Centrum, the State Institute of Vocational Education, the European Commission's Representation in Slovakia, and the NBS Foundation. They all had stands presenting projects that we had worked on together and offering playful activities to educate children and adults about finance. The morning was devoted to primary and secondary schools, with over 200 children taking part in a fun treasure hunt-style educational activity. The afternoon featured interesting panel discussions with education experts.

After establishing cooperation on financial education with the Representation of the European Commission in Slovakia, NBS set up a 5peňazí stand at the **Europe Day** event on 9 May. At the Old Market in Bratislava, we met with other organisations and institutions to present information about the European Union and its members, intended primarily for children on school trips. At the 5peňazí booth, we explained what Národná banka Slovenska is, showed how to recognise banknote security features, and organised games to teach the basic rules of managing a household budget.

5peňazí was also present at several events in **Kremnica**, where NBS runs the Museum of Coins and Medals. NBS recognises Kremnica as an important centre for its educational and cultural mission, and last year visitors could meet us at events such as Night of Museums, the 'Kremnické gagy' festival, 'Keby som bol kráľom' (If I were King) as part of Stories at the Museum, and Summer picnics at the castle. 5peňazí educators ran a booth demonstrating experiential education, gave visitors advice about budgeting, explained good financial habits, and presented the brand's educational materials and public projects.

NBS sets key performance indicators for all the 5peňazí projects, programmes, campaigns and events – primarily their target groups (a quantitative indicator) and the impact that the activity aims at (a qualitative indicator). It monitors the fulfilment of indicators on an ongoing basis and evaluates the success of individual activities. NBS runs the 5peňazí programme in cooperation with the NBS Foundation and the non-profit NBS Institute of Banking Education.



3 Consumer protection supervision

In supervising consumer protection, NBS conducts active monitoring to ensure that the supervised entities in every financial market segment refrain from unfair business practices or the use of unfair terms. If it finds that financial consumers are at risk of such violations of their rights, NBS intervenes either with 'softer' supervisory tools such as supervisory dialogue or criticism to motivate a supervised entity to undertake voluntary redress, or with stronger measures such as sanction proceedings or bringing a legal action 'in abstracto'.

Every year, NBS consumer protection supervision sets priorities for financial market segments based on risk weighting and current market trends. In 2023 supervisory activities focused mainly on the areas of consumer loans, the process for their recovery in the event of default, and insurers' procedures for settling insurance claims.

Consumer loans have long been an area of significant concern for supervision. NBS addresses this issue with reference to the full life cycle of the loan relationship. Supervision thus covers not just the granting of loans and the pre-contractual care that must be provided to consumers, but also the loan management process, including the handling of loan defaults and loan recovery. NBS therefore continues the supervisory cycle for non-bank lenders and debt collection companies.

In 2023 NBS conducted broad surveys of financial institutions' approach to consumer loan defaults, focusing on changes in the loan relationship, such as forbearance, maturity extensions, and other forms of out-of-court resolution of loan defaults.

NBS also conducted extensive supervision to ensure that annual percentage rates of charge (APRCs) were being calculated in accordance with the rules laid down in implementing measures under the Consumer Credit Act and Housing Loan Act.

Another priority of consumer protection supervision in 2023 was to assess the advertising and marketing of financial services. An important requirement that NBS has identified in the insurance sector is the need for transparency in unit-linked life insurance products.

Box 1 Planning and implementation of supervision

NBS conducts supervision on the basis of a supervision plan, which is informed by risk analysis conducted in accordance with internal regulations. It also considers consumer protection priorities and sets aside some time capacity to address current problems in the market.

Supervision activities conducted in 2023 **based on the supervision plan**:

- 5 on-site inspections related to the provision of consumer loans and mortgages, investment, and foreign exchange;
- 2 off-site inspections in the scope of on-site inspections related to the provision of consumer loans and mortgages;
- 3 off-site inspections in the scope of on-site inspections related to compliance with other obligations of creditors or bureaux de change;
- completion of 8 off-site inspections focused on checking compliance with APRC calculation obligations.

Additional supervision activities conducted in 2023 **outside the supervision plan**:

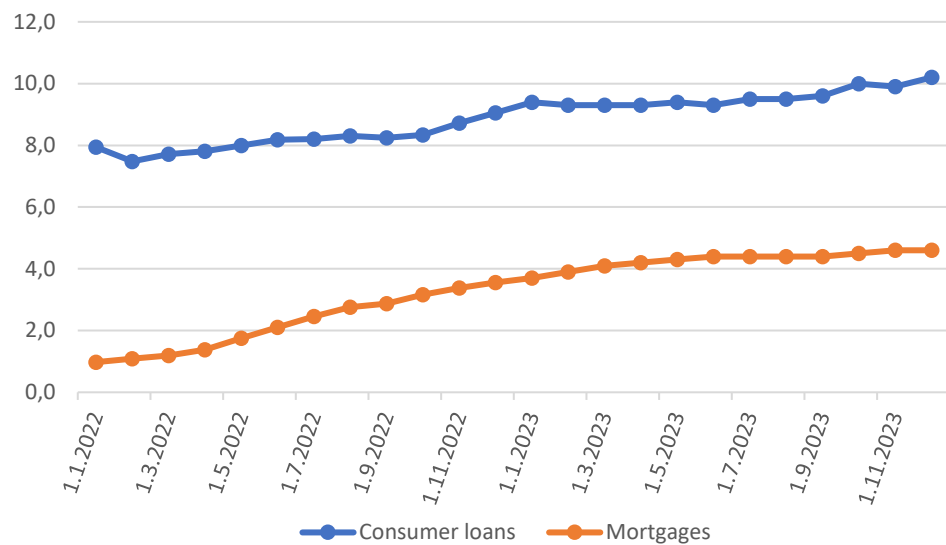
- 39 off-site inspections based on an analysis of current needs and risks;
- 21 off-site inspections focused on advertisements selected from 118 monitored advertising campaigns;
- 3 off-site inspections focused on checks for fraud or unlawful business;
- 1 broad survey – supervision of creditors' procedures for handling mortgage defaults.

NBS provided 75 expert APRC calculations for consumer loan agreements at the request of the courts.

3.1 The issue of loan defaults

Lending rates for consumers rose in 2023, in respect of both newly originated loans and loans undergoing an interest rate reset at the end of a rate fixation period. Interest rates reached an annual average of 4.6% for mortgages and around 10% for consumer loans. These developments in the market had a significant impact on consumer behaviour, leading to a sharp decrease in the number of new mortgages. Consumers also had to adapt their behaviour when refinancing loans and at the end of fixation periods that began in times of low interest rates. [NBS analysts assessed the potential impact of the rise in loan payments](#) on household finances and concluded that, on average, households would cope with the higher payments.

Chart 3 Development of average interest rates in Slovakia from 1 January 2022 to 31 December 2023



Source: NBS.

The life cycle of a duly serviced loan ends with the full repayment of the amount due. However, if borrowers become financially distressed and are no longer able to repay the loan, it is important that they have options to address and mitigate this situation. In 2023 a regulation was drafted to create an obligation for banks and non-bank lenders to provide consumers with instruments to avoid defaulting on consumer loans and mortgages, with this regulation to be enacted in amendments to the relevant legislation. The current practice of banks and certain non-bank lenders that already apply such relief and concessions for defaults will thus be brought under regulatory coverage. It is better for the creditor if a borrower reduces or defers payments during difficult periods, thus making it easier for the borrower to return to the standard payment schedule at a later date. Having resort to the courts and, in extreme cases, distraint, is a more costly and lengthy process for all parties. An additional benefit for the borrower is avoiding a negative credit register entry.

Box 2 Example of loan default resolution

Jozef was previously a good customer of the bank, with a mortgage for a house that he bought together with his wife and a consumer loan that he used to purchase a car. His life situation became more complicated when he lost his stable job and could not immediately look for another job due to health problems. As his family's financial situation deteriorated, along with his capacity to cover unexpected costs, he reached the point that he could no longer afford his loan payments. He went to discuss his difficult position at the local branch of his bank.

The bank had a process in place to help distressed customers, and since Jozef had so far always paid his instalments on time, he was given the option of forbearance (deferral of payments) or extending the loan maturity. This would give him more time to find a new job and stabilise his financial situation.

As regards forbearance, Jozef had to decide whether to defer payments of both the principal and interest, in which case the 'deferred' interest would be added to his payments once they resumed after six months. Alternatively, he could continue paying at least the interest that accrued each month, in which case his debt would not grow further, because the principal would remain the same and the monthly interest would be paid. At the end of the period, he would resume the loan payments at the pre-forbearance level, but the loan repayment would take six months longer.

The other option was to extend the loan maturity. The original consumer loan had a maturity of six years, and Jozef had already been servicing the loan for three years. By law, consumer loan maturities cannot be longer than eight years. The bank therefore offered to change the terms and conditions to spread the outstanding payments over a newly agreed eight-year period, thereby reducing his payments to a manageable level. If his financial situation improved, he could prepay part of the outstanding amount with extraordinary payments, thus either shortening the maturity or reducing subsequent payments. In the case of mortgage loans, maturities can be extended up to 30 years. Every bank or non-bank lender has their own internal policies for preventing loan default.

NBS carried out a comprehensive survey of creditors for a European Banking Authority (EBA) **peer review of the treatment of mortgage borrowers in arrears**. The aim was to study current approaches in the light of rising interest rates and the resulting risks for consumers. Since 2015 the EBA Guidelines on arrears and foreclosure (EBA/GL/2015/12) have stipulated that creditors should provide consumers with information and assistance on possible solutions for mortgage defaults. It is these guidelines that form the basis for the upcoming amendments to the laws governing mortgages and consumer loans.

In its final report on the peer review, the EBA observed that certain national competent authorities in the EU take a divergent approach to supervision in this area, which might be partially explained by different characteristics of financial markets in the given EU Member State, where mortgage markets are characterised predominantly by variable interest rates and therefore exposed to higher volatility which translates into higher costs for consumers. Slovakia is one such country.

NBS received a favourable overall assessment, with most areas receiving the rating 'fully applied', which means that NBS applies a systematic, consistent and prudent approach to the issue of mortgage borrowers in arrears.

3.2 Handling of insurance claims

In 2023 NBS supervision of the insurance sector concentrated on claim settlement processes. A vital part of the insurance relationship is how insurers behave when a policyholder makes an insurance claim. This is the area of insurers' activities for which NBS receives the most customer complaints, and it therefore pays special attention to this issue in consumer protection supervision and proceedings. When settling an insurance claim, the insurer professionally assesses whether it relates to a real occurrence for which the customer is insured and whether it occurred in the way that the insured person claims. NBS stresses that insurers must deal fairly and honestly with insured persons, for whom the insurance payout is often a crucial support in dealing with difficult life situations. Customers pay insurance premiums precisely so that the insurer will compensate them for, or mitigate the consequences of, the damage they suffer from an adverse event. NBS has therefore formulated the following principles for insurers to abide by in settling insurance claims:

a) Impose on insured persons only obligations that are permitted by law.

The basic obligations of an insured person in relation to an insurance claim are as follows: to submit a claim without delay after an occurrence of an insured event (notification duty); to give a truthful and complete account of the circumstances giving rise to the insurance claim (explanation duty); to provide all information and documents at their disposal (documentation duty); and to cooperate with the insurance company to establish a fair assessment of the circumstances giving rise to the insurance claim and its extent. Insurance terms and conditions imposing obligations on insured persons beyond this scope may be deemed to be unacceptable.

b) Ask only for evidence that is in accordance with the agreed insurance terms and conditions and the law.

Insurers are entitled to demand and investigate only documents and information that are relevant to determining whether there is a basis for the insurance claim in accordance with the insurance terms and conditions. Otherwise, the actions of the insurance company may be deemed an aggressive business practice intended to discourage the insured person from exercising their rights, and therefore inadmissible.

c) Issue a decision on whether to pay or reject the insurance claim.

The investigation of an insurance claim can have only two conclusions – the payment of insurance claim or a partial or complete refusal to pay the insurance claim with proper justification. Insurers cannot end the investigation of an insurance claim in any other way. If the insurer refuses to pay all or part of the insurance claims, it must provide a proper explanation and justification for this decision. This rule enables an insured person to decide on their next steps if the insurance claim is not paid, such as whether to sue the insurance company in court.

4 Handling of financial consumer complaints

In 2023 the number of complaints about financial market entities which NBS received from financial consumers and other customers increased by 8% year-on-year, to 1,720. The sector with the most complaints (770) was banking. The number of fraud-related complaints rose significantly, almost doubling from 83 to 152. Fraudsters can trick customers into giving them access to their bank accounts or use social engineering to manipulate their victims into sending them money directly. Fraudsters are also now using artificial intelligence. It is no longer the case that only inexperienced or inattentive people fall victim to such scams.

Digital financial literacy is thus becoming a core concern for both the institutions responsible for fighting digital crime and those that seek to raise the levels of digital and financial skills in the population. The importance of adopting a national strategy for digital financial literacy is also stressed in the OECD's [Economic Survey of the Slovak Republic 2024](#).

Strengthening protections against **phishing attacks** and similar scams has become a key priority of the banking sector, and banks are making strenuous efforts in this regard. Information and education campaigns on how to protect money in accounts and in payment transactions are also a vital part of financial education.

Box 3 How to protect yourself against fraud

1. Never give anyone remote access to your computer or mobile phone.
2. Your bank will never ask for the number of your card or your internet banking credentials by phone, email or text message – if anyone asks you for this information, do not give it to them. If you have already given them to a third party, contact your bank at once and block your internet banking and payment card immediately.
3. If your bank contacts you, verify that it is really your bank. Some banks have introduced verification in their banking app to let you check that you are communicating with a real bank employee. If your bank does not provide this service, contact your bank's call centre.
4. Be careful what links you click on. If you receive an email or text message with a link that appears to be from a reputable company, check the actual address (URL) that the link directs to (e.g. by hovering the mouse cursor over the link). If the address does not look legitimate, do not click on the link.

5. The safest way to access your internet banking services is via the homepage of your bank, which you can save as a favourite page or bookmark in your browser. These days, fake bank websites are almost indistinguishable from real ones.
6. Be careful when using public Wi-Fi networks. Never access internet banking over such a network.
7. Use a strong, unique password for every app, whether it relates to banking or not, and never use the same password for multiple apps.
8. If someone contacts you claiming to want to send you money (such as a prize or earnings), only your account number is needed for this purpose. Never provide sensitive/access data or data from your payment card anywhere in such cases.
9. Always pay attention to the content of messages from your bank – they may include information about a request for a loan or an attempt to activate a means of payment. At this stage, it is still possible to prevent fraud if you contact the bank without delay.
10. If your bank offers one-time cards, use this option to pay for goods and services.
11. Activate notifications about movements on your accounts (by push notification or text message). If you contact your bank quickly when you notice a fraudulent transaction, you can prevent further such frauds.
12. Set a low or zero limit on your payment card for online payments and adjust it in internet banking when you need it.

4.1 Complaints in numbers

In addition to fraud, many of the complaints related to the banking sector in 2023 concerned loans. Customers often objected to the cost of prepayment fees, excessive interest rate increases at rate resets, or banks' reluctance to release one property from the collateral for a mortgage where a second mortgaged property provides sufficient collateral for the outstanding amount of the loan.

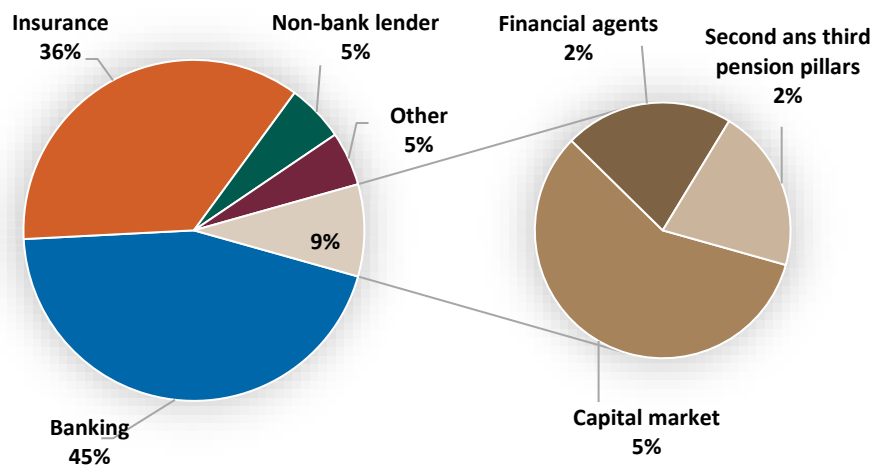
Many complaints related to banks' actions in refusing to open an account or in closing an existing account.

In the insurance sector, customers most frequently complained about underpayment of insurance claims, delays in settling claims, and the use of unclear contractual terms to reject insurance claims.

Investment-related complaints included complaints from customers who had been defrauded or who had invested through unsupervised entities and suffered large financial losses.

Across all sectors, there were frequent complaints about failures to respond to customers' complaints or to resolve complaints within set deadlines.

Chart 4 Financial consumer complaints in 2023 by financial market segment



Source: NBS.

Note: The number of complaints about financial agents is low, since any complaints from their customers are usually less about the agent and more about the financial institution whose product or service is provided through the agent.

As a basis for further supervision, it is important that NBS keep track of what proportion of complaints are substantiated, i.e. are cases where a supervised entity is found to engaged in misconduct. One of the grounds for conducting an on-site inspection of a supervised entity is if the share of substantiated complaints against it is higher than the sector average. The share of all complaints that are substantiated has, on average, been stable over the long term (20–25%). This figure underscores the need for financial education projects in Slovakia.

Equally stable is the resolution ratio, showing the percentage of cases where the financial institution made redress in response to an NBS opinion and without NBS having to commence sanction proceedings. In 2023 60% of substantiated complaints resulted in such a resolution (the ratio has remained stable in the range 50–60%).

NBS also monitors how much money supervised entities pay in redress to customers on a voluntary basis. In 2023 this amount was **€543,000**.

Table 1 Overview of financial consumer complaints

Financial market segment	Complaints handled		Complaints substantiated	
	number	% of total	number	% of number handled
Banking	770	45	131	17
payment accounts	144	8.5	35	24
other (banking)	104	6.1	15	14
payment services	327	19	38	12
credit	176	10.3	40	23
deposit products	19	1.1	3	16
Insurance	617	36	210	34
non-life insurance	430	25	151	35
life insurance	187	11	59	32
Capital market	87	5	26	30
investment firms	30	1.7	6	20
other (mainly unsupervised entities)	46	2.7	17	37
collective investment	11	0.6	3	27
Non-bank lenders	94	5	18	19
consumer loans	56	3.1	15	27
debt collection	12	0.5	2	17
other (mainly outside NBS's remit)	26	1.4	1	4
Third pension pillar (supplementary pension scheme)	21	1	2	10
Financial agents	32	2	5	16
Second pension pillar (old-age pension scheme)	10	1	0	0
Other*	89	5	0	8
Total	1720	100	392	23

Source: NBS.

Note: (*) This category includes complaints where it was not possible to identify the institution (bank/non-bank lender), or the loan type (consumer loan/mortgage).

Social projects and partnerships

Name of partner organisation/project	Description of activity	Primary target group	Secondary target group
Salvation Army	One-time training for social workers and nursery school teachers	Social workers / teachers	Patrons of the Salvation Army
Cesta von – FILIP	Partner project – mentor training	Mentors	Families living in exclusion and social hardship
DOM.OV project (people building their own homes)	Project supported by the NBS Foundation to train workers to help clients with financial literacy	Mentors	Clients of the DOM.OV project
PROVIDA	Training for 'Buddy' centres for children and families	People working with children from centres for children and families	Children from centres for children and families
Caritas Slovakia – refugees	Partner project – mentor training	Mentors from Caritas Slovakia and Ukrainian volunteers	Ukrainian citizens living in Slovakia
Slovak Catholic Charity – housing first	Training for social workers	Employees of the Caritas Slovakia	People participating in the housing first project

Projects and partnerships intended for the broader public

Name of partner organisation/project	Activity description	Primary target group	Secondary target group
Debt counsellors	Training of debt counsellors in financial and legal matters, preparation of written material for participants	Employees of debt advice centres	Clients of debt advice centres
Stories at the Museum	'Speňazi' booth promoting financial literacy	Public	N/A
Talk on the basics of investing in the financial market	Talk on investment	Employees of Zymestic Solutions	N/A
Education for seniors – ambassadors from senior citizens' organisations	Financial literacy education for members of senior citizens' organisations Training on tutoring	Members of senior citizens' organisations in Slovakia	Senior citizens in homes and clubs
Woman Up	Talk on attitudes to money	Public, primarily women	N/A

Education-oriented projects and partnerships (teachers and students)

Name of partner organisation/project	Activity description	Primary target group	Secondary target group
DoFin – DoFE	Development of a methodology and training for DoFin participants	Mentors and ambassadors	Students participating in DoFin
European Commission – container for schools	Schools with an Edutainer – accompanying talk on the functions of NBS in the Eurosystem for primary and secondary schools pupils	Primary and secondary school students	N/A
Info SWAP	Webinar for university students	Students in higher education	N/A
COMPASS for Year 9 pupils	Workshop for Year 9 pupils attending an event at the Regional Career Centre in Žiar nad Hronom	Primary school pupils	N/A
Pontis Foundation	Second stage of primary school / Budúcnosť INAK (A Different Future)	Students at Pontis Foundation Centres	N/A