

Consumer Protection Information

In our daily lives, we must make numerous decisions, both big and small, many of which involve purchasing products or using services. In each case, laws protect our interests, safety, and of course, our wallets—this is also the case with banking services.

Raiffeisen Bank considers it essential that its clients are familiar with the important legal regulations that define the relationship between banks and their customers, outlining the rights and obligations of both parties. Therefore, we have created this information leaflet. We hope that our publication will help you, our clients, make informed, thoughtful financial decisions that best serve your interests.

What is Consumer Protection?

Consumer protection aims to restore the balance between service providers and consumers, representing and enforcing the rights and interests of consumers. In the European Union, the protection of consumer interests is based on five principles:

- Protection of consumers' health and safety.
- Protection of consumers' economic interests.
- Informing and educating consumers.
- Enforcing consumer rights.
- Consumer representation.

The 1997 Act CLV on Consumer Protection generally regulates the basic principles of consumer protection in Hungary. However, this law does not apply to banks.

Key Legislation Relating to Banks

- 2008 Act XLVII on the prohibition of unfair commercial practices towards consumers (Fttv.)
- 2013 Act V on the Civil Code (Ptk.)
- 2013 Act CCXXXVII on credit institutions and financial enterprises (Hpt.)
- 2013 Act CXXXIX on the Hungarian National Bank
- 2009 Act CLXII on consumer credit (Fhtv.)
- 2009 Act LXXXV on payment services (Pft.)
- 2011 Act CXXII on the central credit information system
- Government Decree 435/2016 (XII. 16.) on complaint handling procedures and rules of conduct for investment companies, payment institutions, e-money institutions, voucher issuers, financial institutions, and independent financial service intermediaries
- Hungarian National Bank President's Decree 66/2021 (XII. 20.) on detailed rules regarding the form and manner of complaints handling for financial organizations

Who is a Consumer?

A consumer is a person who, when using a service, receives the service from the provider and who receives information or an offer related to the service, provided that they are acting outside of their professional and business activities, that is, as a private individual (natural person).

Information

Before purchasing a product, you are likely to gather information about its quality, price, warranty, and other characteristics. The same applies to banking and financial products.

Before using the products or services offered by a bank, it is necessary to inform yourself about the conditions, also known as the terms and conditions; this way, you can determine whether they meet your expectations and objectives. The bank is required to provide detailed information about the product's terms, its advantages, and potential disadvantages, i.e., it must fulfill its information obligation.

By law, each financial institution, including Raiffeisen Bank, must make certain information available, such as:

- The general business conditions in the bank's business regulations
- Contractual conditions, interest rates, service fees, and other costs related to financial and supplementary financial services offered to customers.

These must be posted in the customer areas of branches in the form of notices, and if providing electronic services, they must be made accessible continuously and easily online.

The general terms and conditions related to Raiffeisen Bank's activities are summarized in the General Business Conditions for all customers. Additionally, for retail customers, the Retail Business Regulations and the Investment Services Business Regulations summarize information related to specific products, as well as the rights and obligations of customers and the bank. Sample consumer contracts are available free of charge in the customer areas of all our branches. It is also important to note that the specific terms are listed in the Bank's Price Lists.

In financial institutions such as banks, it is considered unfair commercial practice if a financial organization does not act with the required level of expertise or does not adhere to the principles of good faith and fairness, thereby hindering the consumer's ability to make an informed decision. The 2008 Act XLVII, which prohibits unfair commercial practices towards consumers, generally prohibits unfair practices but specifically names two types: misleading and aggressive practices.

Misleading practices include:

- Providing false information
- Presenting a true fact in a misleading manner
- Withholding significant information
- Presenting significant information in a confusing way

Aggressive practices:

- Harassment, coercion

The Hungarian National Bank (MNB) expects financial organizations to take as their basis the behavior of a reasonably informed consumer, who acts with the necessary attentiveness and caution expected in the given situation.

Consumer Protection Information

According to the MNB, the following actions are part of consumer protection:

- Reading the contract and the General Terms and Conditions
- Visiting the provider's customer service to obtain information
- Informing yourself about the product's fees, costs, interest rates, quality, other characteristics, and consumer rights—such as in the case of defective performance or remedies.

Code of Conduct

Raiffeisen Bank, as a responsible financial institution, was one of the first to sign the Banking Code of Conduct on September 16, 2009. The Code aimed to strengthen the essential trust between retail borrowers and lenders. The signatories committed to demonstrating transparent and responsible conduct toward customers both before offering loans and during the entire loan term, including procedures in cases of payment difficulties. The Code defined the basic rules of fair conduct for financial organizations offering retail loans.

In 2014, the Parliament and the Government regulated several provisions of the Code of Conduct—mainly those related to unilateral amendments to contractual terms during the loan period—by law, necessitating a revision of the document. As a result of consultations with the MNB and the Hungarian Banking Association, the Updated Code of Conduct entered into force on February 1, 2015, which contains provisions not regulated at the legislative level.

The Updated Code requires financial institutions to ensure transparency (clarity, transparency, accessibility of necessary information), compliance with regulations (following laws and good practices), and symmetry (adjusting fees and conditions for customers in response to both cost increases and improvements in terms) in their internal operations.

The Updated Code regulates:

- The general principles of responsible lending
- The general principles of lender conduct before entering into contracts
- Procedures for handling customers' payment difficulties
- Responsible lending principles to be applied before and during enforcement proceedings

Data Protection

The Bank has developed and operates its data protection activities in accordance with Regulation (EU) 2016/679 of the European Parliament and Council (GDPR), the 2011 Act CXII on information self-determination and freedom of information (Infotv.), and relevant sector-specific laws.

The Bank adheres to its data protection principles (lawfulness, fairness, and transparency, purpose limitation, data minimization, accuracy, storage limitation, integrity and confidentiality, accountability) and the legal bases for data processing (the data subject's consent, performance of a contract, compliance with a legal obligation, legitimate interest).

The Bank processes data protection-related requests and complaints from customers (data subjects) within 30 days of receipt (the deadline can be extended twice by one month) and provides responses to the data subjects.

Client Funds Protection

Deposits made by clients in Hungarian financial institutions are subject to special protection. At Raiffeisen Bank, savings and investments are protected by two funds in Hungary:

The National Deposit Insurance Fund (OBA), which insures deposits, and the Investor Protection Fund (BEVA), which insures investments.

OBA – National Deposit Insurance Fund

Deposit insurance protects customer deposits. If a bank cannot fulfill its payment obligations to depositors, i.e., it cannot repay the deposited amounts, the OBA provides compensation up to a certain amount.

The OBA's insurance covers only named deposits without government guarantees. Compensation is provided in HUF for the principal and interest of frozen (unpaid) deposits up to a maximum of €100,000, per person and per financial institution.

If a customer has savings in more than one institution, the above amount applies to each bank individually. <https://www.oba.hu/en/deposit-insurance/deposit-insurance/>

BEVA – Investor Protection Fund

BEVA protects customers' investments. If a BEVA-member investment service provider cannot release customers' investments (i.e., securities or money), BEVA compensates the customers for part of their claims.

BEVA compensation covers commission, trading, portfolio management activities, and securities custody services. The compensation is provided if the court has ordered the liquidation of a BEVA member, and the investor must apply for compensation.

If the compensation conditions are met, BEVA compensates up to a maximum of €100,000 per investor and per BEVA member. The compensation is 100% for amounts up to 1 million HUF and 90% for amounts exceeding 1 million HUF.

Fair Bank Act

The 2009 Act CLXII on consumer credit and amendments to related laws, known as the "Fair" Banking System, aims to make the interest rate evolution of consumer loan contracts transparent and thus traceable. Relevant provisions became applicable on February 1, 2015.

Under this law, for loans with terms exceeding three years, the financial institution must fix the interest rate and the interest margin for loans linked to a reference interest rate (thus variable-rate loans) for at least three years.

Interest Rate Change Indicator

An interest rate change indicator is a measure calculated based on a reference yield, which expresses the possible magnitude of an interest rate change. The value of this indicator must be applied for each interest period. For loans where the interest is fixed for a period of at least three years, the forint interest rate change indicators should be monitored. The interest margin change indicator expresses the possible interest margin that will be added to the reference interest rate based on a reference yield. This indicator should also be applied per interest period.

For loans that are tied to a reference interest rate, i.e., variable-rate loans, the interest margin change indicators should be monitored. This includes mortgage loans that are subject to conversion into forints. In these cases, the interest margin, which is the difference between the loan interest rate and the reference interest rate, is fixed for the interest period. The loan interest rate changes in line with the reference interest rate within the interest period, adjusting to the term of the reference interest rate.

The reference interest rates and indicators are calculated and published by the Hungarian National Bank (MNB). A financial service provider may use its own interest rate change, interest margin change indicators, or reference interest rates, provided that they have been previously approved by the MNB.

Complaints Handling

According to legal regulations, financial institutions must ensure that customers can express their complaints regarding the institution's behavior, activities, or omissions verbally or in writing. The responsibility for overseeing and responding to customer complaints received by Raiffeisen Bank lies with the Central Complaints Handling Group.

For investigating complaints and providing responses, the bank has 30 calendar days, or 15 working days for complaints related to payment services, from the receipt of the complaint. An exception is made for complaints related to the Central Credit Information System (KHR), which must be investigated within 5 working days of receipt, and the customer must be informed in writing about the outcome of the investigation within 2 working days after the investigation is concluded.

Raiffeisen Bank handles all received complaints and observations equally, without discrimination. Employees involved in complaints handling act impartially and in accordance with current laws and internal regulations. Special attention is paid to compliance with data protection regulations when collecting data for identification purposes, ensuring that such data is not used for any other purposes.

The detailed rules for the bank's complaint handling process can be found in the Complaints Handling Notice, the Customer Complaint Handling Policy, and the General Business Terms and Conditions, Chapter XXI. These can be accessed on the bank's website via the following links:

<https://www.raiffeisen.hu/web/english/customer-data-update>
<https://www.raiffeisen.hu/web/english>

For detailed information, please visit the Hungarian National Bank's website: Financial complaints (mnbb.hu)

Authorities

In Hungary, financial consumer protection is overseen by the Hungarian National Bank (MNB). The MNB supervises organizations and individuals operating under financial sector laws. Within this framework, it monitors the operations of money and capital market institutions using market supervision and consumer protection tools.

The MNB has prepared publications for consumers on 8 topics ([MNB Consumer Protection](#)), and has created financial navigator booklets on 38 topics ([MNB Financial Navigator Booklets](#)).

The **Financial Conciliation Board (PBT)**, operating alongside the MNB, is an independent alternative dispute resolution forum, providing quicker and cheaper solutions than court procedures for financial consumer disputes involving financial service providers. The PBT is authorized to handle financial consumer disputes from both domestic and cross-border online financial consumer contracts.

For more details:

<https://www.mnb.hu/en/hungarian-financial-arbitration-board>

The **Hungarian Competition Authority (GVH)** is a government agency responsible for ensuring fair market competition. It aims to ensure that markets function well for the benefit of consumers, addressing cases of misleading consumers or anti-competitive behavior by dominant market players, such as cartel agreements. Anyone can report such abuses to the GVH. It also monitors mergers of larger companies and generally represents competition interests in the public administration.

For more details:

<http://www.gvh.hu/>

The **National Authority for Data Protection and Freedom of Information** was established on January 1, 2012, replacing the data protection ombudsman. Its task is to protect the two information rights and to supervise the legality of data processing in Hungary.