

KRS: When borrowers are faced with a dispute with the banks during the forex-based loan remedy procedure (Part 3)

The President of the National Bank of Hungary has issued its first decree on the general rules governing the calculation methods concerning retail loan agreements – the expert of Kovács Réti Szegheő Attorneys at Law informed the legal column of Origo. Retail borrowers may raise a number of questions, the most important are: what to do if they receive calculations containing errors or mistakes, or if financial institutions reject their complaints? – highlighted these salient questions Dr Mónika Kapetz attorney-at-law.

Whenever retail borrowers feel that their settlement calculation contains mistakes or is erroneous, they have thirty days from delivery to file their complaints to the given financial institution after having received the settlement notice, in which they may request the financial institution to revise the calculation.

Borrowers would be well advised to specify the exact reason of their claims as early as in this first complaint, and indicate any mistake or erroneous data in the calculation – either if voiced verbally or registered in writing in a branch office of the given financial institution, both ways are adequate – as those will also be requested in every subsequent phase of the procedure for legal remedy, together with the attachment of all relevant evidentiary documents.

Financial institutions are bound to examine the complaint within 30 days from the date of filing and will deliver their response to the borrower – underlined the expert of Kovács Réti Szegheő Attorneys at Law.

But what to do when the financial institution rejects the claim?

After receiving the bank's standpoint on the matter, borrowers have another 30 day period within which they may turn to the Financial Arbitration Board. The claim must explicitly request the Financial Arbitration Board to establish any of the following:

Establishment of the fact the calculation contains computing errors or incorrect data as indicated by the borrower, the establishment of the correct calculation, further to order the financial institution to execute the correct the calculation of the settlement amount.

The claimant may also request the Financial Arbitration Board to establish that no delay occurred regarding the submission of his or her complaint and to pronounce the rejection or dismissal of the complaint for delay unfounded, consequently the financial institution will be bound to proceed with the complaint adjustment on the merit of the case and to proceed with the complaint adjustment procedure in line with the relevant regulations.

Furthermore, borrowers may also request the board to establish financial institutions' liability in case the banks fail to perform the settlement of their payment obligations, and to order financial institutions to perform the payment – pointed out Dr Mónika Kapetz.



The claim must indicate where the calculation contains incorrect data or computing errors and must also present the reason for the error, as well as the proof of timely submission whenever the ground for the financial institution to reject the claim is delayed submission. The documents which substantiate these statements must be attached to the claim.

When the Financial Arbitration Board procedure has terminated

Following the Financial Arbitration Board procedure borrowers may request the revision of the decision in a non-contentious procedure, within 30 days from delivery. This non-contentious procedure will be conducted by the district court operating at the seat of the competent court of the borrower's residence. No revision or retrial shall lie against the court ruling, judgement brought in the settlement matter will be final and binding, and it may not be contested in any other civil procedure.

Borrowers do not have to avail of legal representation when submitting the complaint or during the procedure brought before the Financial Arbitration Board or to the court. Notwithstanding, they are well advised to obtain expert advice both in the supervision of the calculation and in the representation during these procedures – underlined in conclusion the expert of Kovács Réti Szegheő Attorneys at Law.