

## **NBG Ombudsman: How we can help you**

**Speech by Konstantina Vitoratos, NBG Ombudsman, at the 3<sup>rd</sup> Annual CSR Conference, “People for People”, held by Capital Link at Aegli Zappiou, on 27 June 2013.**

Ladies and Gentlemen,

2012 was another tough year for Greece and the banking system, as the peak in the crisis had an adverse impact on the financial environment and Greek society at large.

Against this backdrop, National Bank of Greece has stood by its commitments, continuing its community offering and fulfilling its aims to reinvigorate domestic economic activity, support green development, enhance customer services, and contribute to the community in which it conducts its business. NBG has realized all these by:

- participating in efforts to enhance the competitiveness of small and medium-size businesses and support Urban Development and the Environment;
- offering “green” products and supporting investment in Renewable Energy Sources thereby contributing to our country’s effort to forge a positive environmental footprint;
- supporting small, medium and large enterprises by rescheduling their debts and providing new loans, and enabling tens of thousands of households to cope with the impact of the economic crisis;
- preparing studies and carrying out preparatory works for the construction of a new surgical wing at Evangelismos Hospital, Athens;
- supporting initiatives and actions that encourage NBG’s staff to participate in voluntary and community work;
- continuing to support its Cultural Foundation and Historical Archive, which constitute models of community-engagement action in Greece.

And, last but not least, **the successful performance of the NBG Customer Ombudsman!**

Let’s see now how the idea of “People for People” can become an everyday practice through this function and how customers themselves support and embrace it.

In the NBG Group, we believe that **customer satisfaction is priceless**, and the NBG Customer Ombudsman function provides tangible proof of our aspiration to keep unbroken the record of trust we have built up over the course of the last 172 years.

But what is this new function? What difference does it make? How can the NBG Customer Ombudsman help an NBG Group Customer?

From practical experience, we all know how important it is, in good times or bad, to have “a person of our own”, a person who can stand by us, and help us out with any difficulties.

The NBG Ombudsman aspires to be such a person for any of our customers who happen to encounter problems in their transactions.

We listen to our Customer carefully and search for the best possible solution, because we believe that customers should be at the heart of our transactions.

I should stress that we are not a second-level complaints unit or public relations department or legal service, nor do we provide legal advice.

We stand by our customers as an advisor and assistant, and mediate between them and the competent services so as to try and achieve amicable settlement of disputes.

My dear friends,

Mediation for amicable settlement of disputes may be a new function within our organization, but it has very old roots!

An Ombudsman is a person who, acting on an independent basis, mediates and endeavours to find effective solutions for problems arising between two parties.

The Ombudsman function first appeared in Sweden in the early 19<sup>th</sup> century, then expanded to other European countries and now operates successfully in the USA, Canada and Northern Europe, having become an established feature in the professional mind and practical conduct of large private and public enterprises, banks and organizations throughout the world.

What is more, it is not a surprise that many renowned firms with a global presence have included an Ombudsman Office among their services, investing in the key value of amicable settlement of disputes: The World Bank, the United Nations, the International Red Cross, Coca-Cola, The Royal Bank of Canada, American Express, NASA, Banco Central do Brazil, the African Development Bank, Asian Development Bank, Alliance Bernstein, Pfizer Inc., McKinsey and Co., Harvard University Medical School, Michigan University, Yale University, Princeton University, Stanford University, and so on.

This has become manifest in Greece too, as ombudsman offices are steadily opening in chambers of commerce (e.g., Business Ombudsman), universities (e.g., Student Ombudsman), municipalities with more than 20,000 inhabitants (e.g., Community and Business Ombudsman), and various other organizations (e.g., Investor Ombudsman in the *Invest in Greece Agency*).

Finding an alternative way to settle any disputes is a “win-win” situation offering significant benefits to both parties in the dispute, as they have an opportunity to avoid the costs involved in any legal action.

Moreover, I strongly believe that it is closer to the Mediterranean temperament of Greek people to seek amicable settlement, where the opposing parties can reach an agreement and shake hands, instead of entering cold confrontation in the courtroom.

The European Community Directive on *Mediation in Civil and Commercial Matters* was transposed into Greek law in 2010, while in March 2013 the European Commission issued a Directive on *Alternative Dispute Resolution – Online Dispute Resolution*, giving a 2-year deadline to EU member-states to integrate it in their legislation.

Reading the signs of the times, the NBG Group set up its NBG Ombudsman in February 2010, and in May 2011 extended it to include Ethniki Insurance. The Bank is still a pioneer in this field, as no one has yet copied this initiative in the Greek banking and insurance market.

The NBG Ombudsman Office operates under four guiding principles: **Independence, Impartiality, Confidentiality and Informality** and its function is based on the Code of Ethics of the International Ombudsman Association (IOA) of which we are active members, participating in international conferences and taking initiatives at a regional level so as to foster awareness of this institution.

In line with these principles, the NBG Ombudsman functions on an independent basis, reporting to Mr Ioannis Giannidis, professor of law in the University of Athens and independent non-executive member of NBG Board, rather than to an senior executive officer of the Bank, which could give rise to **conflict of interest**.

The NBG Ombudsman’s independence enables him to investigate the services of NBG and Ethniki Insurance objectively, fully recognizing the Customer/Organization distinction, and proposing solutions and mediating for their mutual acceptance.

The NBG Ombudsman's mediation is not binding on NBG, Ethniki Insurance or the Customer.

The NBG Ombudsman endeavours to function:

- **Cohesively**, by enhancing the trust between the Customer and NBG or Ethniki Insurance. This is the key purpose of our institution: to build trust.
- **Amicably**, by resolving problems that may arise during the transaction relationship between the Customer and the Organization, by seeking mutually acceptable solutions.
- **Proactively**, proposing measures that eliminate recurring points of friction between the Customer and the Organization, and upholding sound transaction ethics.

As described in our information leaflet, a glance of which you might have taken at the conference premises, the following steps are applied in the dispute resolution process with our customers:

**Step 1:** The Customer should first contact the branch or service where the problem initially occurred. If he does not receive satisfaction here,

**Step 2:** he should then contact the Customer Service Unit of the Bank or Ethniki Insurance. If he is still unsatisfied with the outcome, then

**Step 3:** he contacts our Office, "*NBG's Amicable Dispute Settlement Unit*", before deciding to contact other organizations or consumer associations or taking legal action.

If step 3 fails, this unfortunately means that the effort to achieve amicable settlement has been unsuccessful and formal confrontation is inevitable.

You may ask: Why should someone come to our Office instead of consulting external services from the outset?

**Our Office offers services free of charge** and, as all of us come from within the Group, we are better acquainted with NBG and Ethniki Insurance people and procedures, and this makes us faster and more efficient in trying to resolve issues.

It is notable, for instance, that 2 out of every 3 requests made to our Office received an answer within less than a week, while 77% of the cases we took on had a positive outcome.

Common issues for which NBG customers seek our mediation include debt settlement, debt notification companies, delays in service, problems with loan approval, account blocking and credit-card and i-banking transactions.

In the case of Ethniki Insurance, its customers request our mediation in matters such as disagreement about the amount of compensation, customer service, and interpretation of contractual terms.

Our Office reviews customers' requests thoroughly, paying special attention to the human dimension and the particular circumstances of each case.

Ladies and Gentlemen,

The fact that our Customers have embraced the institution of the Customer Ombudsman as "their own person" has helped to generate a virtuous circle of interaction that rewards us and encourages us as we continue our task.

The challenge we aim to meet on a daily basis is, to enable the Customer and the Organization to proceed in harmony, and to reinforce the trust between the two sides.

A considerable number of customers have expressed their gratitude for our services, even when our efforts do not succeed in generating a positive outcome, because they appreciate

that we have nevertheless endeavoured to help them. In other words, they recognize our efforts, at the NBG Ombudsman, to build confidence and trust, and to enhance the concept "People for People".

In these difficult times we are committed to continuing our contribution to the community at large in a spirit of absolute respect for our customers and society more widely.

Thank you.