

STATUTES FOR THE NORWEGIAN FINANCIAL SERVICES COMPLAINTS BOARD

Amended and adopted by the Parties to the Agreement with effect from 15 July 2021.

Approved by the Ministry (date).

The Statutes have been adopted in accordance with the provisions of the Act relating to Authorisation of Alternative Dispute Resolution Entities in Consumer Matters (the ADR Entities Act).

In these Statutes, all types of enterprises against whom complaints are filed are referred to as companies. The party who submits a complaint for consideration is referred to as the complainant. Where this is natural, the type of enterprise concerned is specified.

Chapter 1. General provisions

1.1. Parties to the Agreement and purpose

The Norwegian Financial Services Complaints Board (FinKN), which comprises the complaints boards for accident and health insurance, general insurance, change of ownership insurance, banking, finance, securities funds and debt collection, has been established by agreement between Norwegian Consumer Council, Finance Norway, the Association of Norwegian Finance Houses, the Norwegian Fund and Asset Management Association, the Confederation of Norwegian Enterprise (NHO) and the Federation of Norwegian Enterprise (Virke).

FinKN is an industry-based extrajudicial dispute resolution body whose main purpose is to consider disputes between finance companies and their customers within the following areas: insurance, banking, finance and securities funds, and complaints concerning debt collection companies.

FinKN shall carry out its activities in accordance with the provisions of the ADR Entities Act, the Insurance Contracts Act Section 20-1, the Financial Contracts Act Section 4, the Debt Collection Act Section 22, other framework conditions set out in public law, and FinKN's Statutes

1.2 Organisation of FinKN

FinKN shall organise and run the complaints boards that are part of the organisation at all times.

FinKN currently comprises a secretariat and five complaints boards:

FinKN Banking,

FinKN Accident and Health Insurance

FinKN General Insurance

FinKN Change of Ownership Insurance, and

FinKN Debt Collection. FinKN Banking, finance and securities funds is referred to as FinKN Banking.

1.3 Scope

FinKN considers complaints concerning disputes with finance companies about legal claims when the company concerned is affiliated to the complaints scheme; see 1.5. The right to complain applies to

the companies' general activities, including the rejection of customer and service relationships, and failure to cooperate on the transfer of customer and service relationships to another company.

FinKN does not consider complaints against estate agents and stockbrokers, or other services provided by others that are subject to dedicated control and complaints mechanisms.

FinKN does not consider complaints concerning a company's service level.

FinKN considers complaints against companies engaged in debt collection and that are affiliated to the complaints scheme; see 1.6. The right to complain applies to breaches of generally accepted debt collection practice, where the company has breached the requirements for notification, payment deadlines, the size of the debt collection fee, debt collection methods and the collection of disputed claims. FinKN's remit is limited to reaching a decision on whether there is a basis for the debtor's obligation to compensate claims for extrajudicial charges.

FinKN considers complaints that concern the imposition of penalty charges for failure to take out traffic insurance and pay the traffic insurance fee.

FinKN can decide questions concerning the coverage of expenses for legal assistance.

FinKN considers disputes regulated by Norwegian law and where Norwegian is the working language. If international obligations or agreements under the EEA Agreement require FinKN to express an opinion on or consider international matters, this is done to the extent that FinKN is obliged to do so.

1.4 Right to complain

FinKN considers complaints from consumers who have a genuine need for a decision on a disputed legal claim against a finance company or debt collection company against which a complaint may be submitted to FinKN, cf. 1.5 and 1.6. By consumer is meant a natural person who is not primarily acting as a part of a commercial enterprise. In insurance matters, businesses also have a right to complain. Financial institutions have a right to complain in cases concerning a dispute about unauthorised payment transactions, cf. the Financial Contracts Act Section 37 second paragraph b).

An injured third party has a right to complain provided that he is in a position to file a claim for damages directly against a finance company, and the complaint concerns the processing of this claim.

The Norwegian Motor Insurers' Bureau (TFF) sends complaints to FinKN about penalty charges imposed for failure to take out traffic insurance and non-payment of the traffic insurance fee that they do not set aside themselves, cf. Section 8 fourth paragraph of the Regulations concerning Penalty Charges for Uninsured Motor Vehicles.

1.5 Finance companies affiliated to FinKN

Finance companies that are affiliated to Finance Norway, either directly or through membership of the Norwegian Savings Banks Association, are automatically affiliated to FinKN. The same applies to all companies that are members of the Association of Norwegian Finance Houses and the Norwegian Fund and Asset Management Association. Automatic affiliation to FinKN only applies to finance companies that are engaged in activities that can result in a complaint being taken under consideration by FinKN.

Finance companies that are not members of these industry associations, but that offer services within FinKN's area of responsibility, can apply for direct affiliation to FinKN for the consideration of complaints against the company. FinKN's Board stipulates the financial terms and other conditions for affiliation and termination of affiliation. The same applies if it is decided in laws or regulations that other enterprises shall be affiliated to FinKN.

Finance companies that are affiliated to FinKN pursuant to the first and second paragraphs have a right and obligation to allow FinKN to consider complaints received.

Affiliation to FinKN as mentioned in the second paragraph can be terminated by a finance company by giving written notice. At least six months' notice must be given. The membership is terminated with effect from 31 December the same year.

1.6 Debt collection companies that are affiliated to FinKN

Debt collection companies that are affiliated to Virke are automatically affiliated to FinKN.

Debt collection companies that are affiliated to FinKN have a right and obligation to allow FinKN to consider complaints received.

Chapter 2. Organisation of the complaints boards

2.1 The composition of the complaints boards

Each board shall have a chair and four members; two representing the business side and two representing the complainant. The special board for considering complaints about penalty charges imposed for failure to pay the traffic insurance fee shall have a chair and two members: one representing the business side and one representing the complainant.

The Parties to the Agreement appoint their members and deputy members to the relevant complaints boards. The Board appoints the chairs of the complaints boards. Each complaints board may have two chairs of equal standing who, in consultation with the secretariat, divide the board's meetings between them. In special cases, the Board may appoint two neutral members to each complaints board.

If a case concerns a dispute about a refusal to enter into an insurance contract and the refusal is for medical reasons, FinKN Accident and Health Insurance may be expanded to include two medical expert members from the insurance industry and the Norwegian Consumer Council, respectively.

When FinKN General Insurance considers cases where the complainant is a business, the Consumer Council's representatives are replaced by two representatives appointed by the Confederation of Norwegian Enterprise (NHO).

In cases where a complaint has been filed against a bank, a finance company, a credit company or an asset management company, FinKN Banking will be composed of one of the permanent members from the industry side and one member appointed by the association of which the company in question is a member. If the company is affiliated to FinKN without being a member of an industry association, the complaints board will consist of the member appointed by the association that organises such companies.

2.2. Term of appointment

The chairs of the complaints boards are appointed for a term of two years and can be reappointed. Except in special cases, their uninterrupted term of office cannot be longer than eight years in the same office.

2.3 Competence requirements

The chair of a complaints board must be a highly qualified lawyer and must have particular insight into the complaints board's area of responsibility. All the chairs of the complaints boards must have the necessary knowledge and competence.

2.4 Impartiality requirement

All members must act impartially.

When they are appointed, all members must provide information about any relationships that may affect their impartiality. They must also provide information about any changes in this regard during their period in office. They shall not receive instructions from the parties or their representatives, and the duration of the appointment shall be such that the impartiality requirement is fulfilled.

2.5 Remuneration

The chairs of the complaints boards are paid a remuneration by FinKN pursuant to rules adopted by FinKN's Board. The remuneration shall be independent of the outcome of cases.

Chapter 3. The secretariat's duties etc.

3.1. Neutrality

The secretariat shall act in a neutral and independent manner during the whole complaint process.

3.2 Location

The secretariat has an office in Oslo that is not co-located with the Parties to the Agreement.

3.3. Impartiality requirement

When they are appointed and during their period of employment, all case officers in the secretariat must provide information about any relationships that may affect their impartiality. They shall not receive instructions from the parties or their representatives, and the duration of their employment shall be such that the impartiality requirement is fulfilled. Their remuneration shall be independent of the outcome of cases.

3.4 The duties of the secretariat

The secretariat is responsible for the tasks that follow from section 10-12 of FinKN's rules of procedure.

The secretariat is responsible for FinKN's website and for spreading information about FinKN.

3.5 Collection of information

The secretariat may obtain information from finance companies and debt collection companies as mentioned in 1.5 and 1.6 above, insofar as this is necessary for FinKN's activities.

The companies are obliged to submit all the case documents that are necessary for the consideration of a complaint.

3.6 Authority to reject cases

The secretariat or the chair of a complaints board may reject cases pursuant to 4.1.

3.7 The secretariat's authority to decide on the merits of a case

The secretariat may decide a case on its merits where there is established practice or where a decision on principle has been made in corresponding cases.

3.8 The secretariat's authority to put forward mediation proposals

The secretariat may propose a solution that one or both parties must accept or reject.

Chapter 4. Rejection

4.1 Grounds for rejection

A case may be rejected if:

- a) the complainant has not attempted to resolve the matter directly with the other party,
- b) the complaint is frivolous or without foundation,
- c) the case is under consideration or has been considered by a registered ADR entity or a court of law, including a Conciliation Board and the enforcement and execution authorities,
- d) it is not possible to consider the case without this severely impacting the efficiency of the complaints body.

4.2 Decision to reject a case

The secretariat or the chair of a complaints board may reject cases pursuant to 4.1.

The decision may be appealed to the complaints board. An appeal fee of NOK 200 is charged for such an appeal. The appeal must be sent and the fee paid within 21 days of the secretariat's decision being sent to the complainant. Failure to meet this deadline means that the right to demand consideration by a complaints board lapses.

4.3 Requirements for a rejection

A decision to reject a case must be reasoned and in writing.

The parties shall be informed of the decision within three weeks of the secretariat receiving the complaint, or of the secretariat receiving such documentation from the complainant as is necessary to decide the question of rejection.

If the complaint is rejected, the complainant shall, in addition to the decision, receive information about the right to appeal the decision to the complaints board. A deadline is set for appealing and paying the appeal fee; see 4.2 second paragraph.

Chapter 5. The Board

5.1 Appointment and composition

The Board consists of nine members, with an equal number of personal deputies. Members and deputy members are appointed by the Parties to the Agreement as follows:

Norwegian Consumer Council: two members and two personal deputies

Confederation of Norwegian Enterprise (NHO): one member and one personal deputy

Finance Norway: three members and three personal deputies

Association of Norwegian Finance Houses: one member and one personal deputy
Norwegian Fund and Asset Management Association: one member and one personal deputy
Federation of Norwegian Enterprise (Virke): one member and one personal deputy

Board members and deputy members do not receive any remuneration from FinKN.

5.2 Board members' term of office

The Board elects its chair and deputy chair for one year at a time. No one may sit as chair or deputy chair for more than three years in a row. The term of office served in the one office does not count when calculating the maximum term of office in the other office.

The other board members and their deputies are appointed for a term of two years at a time, and they may be re-appointed.

A board member or deputy member must leave the Board if he/she is no longer employed by, or has another relevant affiliation to, the Party to the Agreement that appointed him/her. When a member leaves during his/her term of office, the personal deputy joins the Board for the remainder of the term of office. If it is the chair or deputy chair who leaves the Board, the Board shall at the first opportunity elect a new chair and/or deputy chair from among the members of the Board.

5.3 The duties of the Board

The Board has overarching responsibility for FinKN's activities and shall ensure that the secretariat and the complaints boards are satisfactorily organised.

The Board shall ensure that FinKN's activities, accounts and asset management are subject to adequate control, and that, insofar as necessary, goals and plans are adopted for FinKN.

The Board shall supervise the organisation's day-to-day management and the activities of the secretariat. The Board may issue instructions for the management.

The Board adopts the necessary guidelines for the secretariat and serves as a link between the Parties to the Agreement and the secretariat.

The Board does not express opinions in connection with complaint cases.

The Board may discontinue existing complaints board and establish new ones, when necessary.

5.4 Board meetings

The Board holds meetings when the chair finds it necessary or at least two board members so request. At least four board meetings shall be held each year. A meeting schedule is normally drawn up for the whole calendar year.

The chair of the board chairs the Board's proceedings. If the chair of the board is unable to attend, the meeting is chaired by the deputy chair.

Notice of a board meeting, including the agenda and the basis for decisions, shall be sent to board members and deputy members in good time before the board meeting. Matters that are not included on the agenda may also be discussed, but cannot result in a binding decision.

Minutes shall be taken of board meetings. The minutes shall be signed by the attending board members at the next board meeting. If a member of the board disagrees with a board decision, he or she may demand that their opinion be recorded in the minutes.

5.5 Decisions, voting rules

At least six board members must be present if the Board is to make a valid decision. Decisions are made by a majority of three-quarters of the board members present, with the exception of matters of a financial nature, which are decided by simple majority of those present. In the event of parity of votes, the chair of the meeting has the casting vote. Decisions on the appointment of chairs of complaints boards and any independent members are made by unanimous decision of the board members present.

The Board may decide a matter in writing when all the board members agree to this. A matter that has been decided in writing must be presented and entered in the minutes at the next board meeting.

Chapter 6. Financial matters

6.1 Financing structure

FinKN is financed by contributions paid by the affiliated companies; see 1.5 and 1.6.

FinKN's operating expenses shall be financed by the companies based on an allocation between the different sectors and on the individual companies' use of the resources of the secretariat and the complaints boards.

The size of the contributions is decided by the Board in connection with the annual budget process. The Board adopts more detailed rules for calculating and collecting the individual companies' financial contributions to FinKN, including for companies that fall under the complaints scheme pursuant to 1.5. During a transitional period, the Board may adopt rules for the calculation and collection of contributions that deviate from the adopted financing model.

The Board adopts rules for a company's coverage of the expenses incurred by FinKN after notice has been received that the company will withdraw from the scheme and until the company no longer has cases under consideration by a complaints board.

In special cases, the Board may collect necessary extra contributions to ensure the complaints board's continued operation and activities.

Costs incurred by FinKN in connection with mediation and the administration of arbitration shall be covered by the parties to the case.

6.2 Budget

The managing director presents a budget proposal for FinKN.

In connection with the adoption of the budget, the Board also decides the framework for the finance companies' contributions, the size of the contributions and their allocation between industries/complaints boards.

6.3 Accounts

FinKN's accounts are closed at the end of each calendar year and shall be audited by an external auditor. The accounts, together with a recommendation from the managing director and the auditor's report, are submitted to the Board for approval by the end of March the following year.

6.4 Auditor

The Board selects a state-authorised public accountant to check the accounts and FinKN's asset management and financial transactions.

Chapter 7. Annual report

7.1 Requirements of the annual report

Each year, FinKN shall prepare an annual report containing information about:

- a) the number of complaints received and what they concerned,
- b) any systematic or material problems that occur often and lead to disputes between consumers and businesses. This information can be supplemented by recommendations about how such problems can be prevented or resolved in future,
- c) the number of rejected complaints, and how the rejected cases break down by the grounds for rejection,
- d) the percentage of complaint procedures that are proposed or ordered to be resolved in favour of consumers and businesses, respectively, and the percentage of complaint procedures that have ended in an amicable solution,
- e) the percentage of complaint procedures that were broken off, and the reasons for this, if such information is available,
- f) the average case processing time,
- g) the number of cases considered within the statutory deadline of 90 days, and the number of cases where the case processing was prolonged, cf. Section 16 of the Act,
- h) to what extent the outcomes of complaint procedures have been complied with, if such information is available,
- i) the complaints body's participation in networks of complaints bodies intended to make it easier to resolve cross-border disputes,
- j) any training and competence-raising measures the complaints body has carried out,
- k) an evaluation of the efficiency of the complaints body, and improvement proposals.

7.2 Submission of the annual report

FinKN shall submit an annual report by 1 March each year. The annual report is sent to the Ministry of Children and Families.

Chapter 8. Information about FinKN's website

8.1 Requirements relating to information on FinKN's website

FinKN's shall provide clear and easily understood information on its website and, on request, on a more permanent medium, about:

- a) contact information, including postal address and email address, for the complaints body,
- b) which physical persons are responsible considering complaints (chairs and members of complaints boards, secretariat employees, mediators and others who consider complaints), and how and for how long they are appointed,
- c) the expertise, impartiality and independence of the persons responsible for considering complaints, and whether they are employees of or are solely paid a consideration by the business concerned,
- d) the complaints body's participation in networks of complaints bodies intended to make it easier to resolve cross-border disputes,
- e) which types of cases the complaints body is competent to consider, including the lower and/or upper amount limit that is a condition for a complaint being taken under consideration,
- f) the complaints body's rules of procedure and its right to reject a case,
- g) language requirements relating to complaints and which languages are used during the complaints procedure,
- h) which types of rules the complaints body may use in its consideration of complaints (e.g. statutory provisions, assessments of reasonableness and behavioural rules),
- i) any prior requirements that the parties must meet before a complaint can be considered, e.g. that they have attempted to resolve the dispute with the other party,
- j) whether the parties may withdraw from the consideration of a complaint,
- k) any costs the parties must cover, including the rules for the allocation of costs after the conclusion of a complaint procedure,
- l) the average complaint processing time,
- m) the legal implications of the outcome of a complaint procedure, including any sanctions in the event of failure to comply with a binding decision,
- n) the enforceability of decisions, if relevant
- o) the complaints body's annual report
- p) the complaints body's statutes
- q) an overview of the complaints body's practice and important decisions

- r) the EU Commission's list of ADR entities.

The list shall also be made available on a permanent medium on the complaints body's premises, if possible.

Chapter 9. Joint provisions

9.1 Impartiality and the duty of secrecy

The Public Administration Act's provisions on impartiality and the duty of secrecy apply to the chairs and members of the complaints boards, case officers in the secretariat and the auditor.

FinKN's employees and officers, including members of the complaints boards, have a duty of secrecy as regards information about personal and business matters that comes to their knowledge during the exercise of their duties and that, for privacy and competition reasons, it will be important to keep secret out of consideration for those the information concerns.

The duty of secrecy is not an obstacle to FinKN publishing general information about its activities, unless otherwise specified in agreements or consents.

9.2 Freedom of information

The complaints boards' decisions are public and are published, among other places, on FinKN's website. The consumer's identity is anonymised upon publication. The finance company may be anonymised if the complaints board finds this necessary in order to protect the consumer's identify.

On request, the managing director may grant access to the documents in individual cases in anonymised form. For research purposes and on the conditions stipulated by the Board, the Board may consent to grant access to non-anonymised documents from the consideration of a complaint.

9.3 Lis pendens

As long as a case is under consideration by a complaints board, a party may not bring the case before the ordinary courts. A case is deemed to be under consideration from the time when the complaints board received the complaint.

A case that has been considered by a complaints board can be brought before a district court without prior consideration by a court of conciliation.

9.4 Official approval

FinKN must at all times give the Ministry such information as it requests to be able to fulfil its licensing authority. FinKN must inform the Ministry without undue delay about any changes in relation what was stated in its application for authorisation.

Chapter 10. Entry into force, amendments etc.

10.1 Entry into force

These Statutes enter into force from such time as they are approved by the Ministry.

10.2 Amendment of the statutes

Proposed amendments to the Statutes from the Board must be submitted to and approved by the Parties to the Agreement. A valid decision requires the support of all the Parties to the Agreement. If requirements set out in or pursuant to the law are changed, FinKN's Statutes shall be amended correspondingly.

10.3 Dissolution

A decision on the dissolution of FinKN requires the support of all the Parties to Agreement.
