

Disclosure of information on measure imposed on credit institution on 15 March 2022

Supervisory measure owing to breaches identified in the area of consumer lending

Information on person responsible for breach	
Business name and registered office of legal person	Banka Intesa Sanpaolo d.d., Pristaniška ulica 14, 6502 Koper
Information on breach	
Description of circumstances and conduct entailing a breach of the ZPotK-2¹ and the ZBan-3²	Banka Slovenije conducted an inspection of the bank in the area of consumer lending from the perspective of compliance with the ZPotK-2. The inspection identified breaches of the ZPotK-2 and the ZBan-3 with regard to advertising, training in connection with credit agreements for real estate, and the management of business records, as proceeds in detail from the order on the rectification of breaches.
Nature of identified breaches	In entering into credit agreements the bank failed to act as required by the ZPotK-2, having failed when advertising in connection with credit agreements that contain an interest rate or other information in connection with the costs of credit to display the information in the form of a representative example, and having failed to provide training for staff providing services in connection with credit agreements for real estate. It was also found that the bank fails to provide for business records in connection with statements of early repayments of credit that would allow the supervisory authority to verify the bank's compliance with the ZPotK-2.
Operational part of order on rectification of breaches	
1. On the basis of an inspection conducted at Banka Intesa Sanpaolo d.d., of Pristaniška ulica 14, 6502 Koper (hereinafter: the bank) with regard to the bank's compliance with the ZPotK-2 in the area of consumer lending, Banka Slovenije finds the bank to have breached: a) the third paragraph in connection with the second paragraph of Article 6 of the ZPotK-2, by failing to display information in the form of a representative example when advertising in connection with a credit agreement that contains an interest rate or other information in connection with the costs of credit; b) the first paragraph of Article 61 of the ZPotK-2, by failing to provide regular training for all staff as defined in point 19 of Article 2 of the ZPotK-2, and the fourth paragraph of Article 61 of the ZPotK-2, by failing to provide regular training for staff transacting with consumers falling into difficulties in connection with arrears in the payment of past-due liabilities from credit agreements for real estate; c) Article 188 of the ZBan-3, by failing to organise its operations and to keep its books of account, business documentation and other administrative and/or business records current such that it is possible to verify at any time whether the bank is operating in accordance with the regulations referred to in the second paragraph of Article 9 of the aforementioned act in connection with Article 13 of the ZPotK-2, as it fails to store and fails to provide for the compilation or redisclosure of the statement of early repayment of credit that make evident the fee for the compilation of the statement in cases when a housing loan was repaid by new credit	

¹ Consumer Credit Act (Official Gazette of the Republic of Slovenia, Nos. 77/16 and 92/21 [ZBan-3]).

² Banking Act (Official Gazette of the Republic of Slovenia, Nos. 92/21 and 123/21 [ZBNIP]).

from the bank (a contractual credit amount of EUR 105,000.00, an opening date of 21 March 2021, a closing date of 10 June 2021; a contractual credit amount of EUR 105,000.00, an opening date of 22 December 2017, a closing date of 1 April 2021; a contractual credit amount of EUR 100,000.00, an opening date of 25 November 2019, a closing date of 16 June 2021; a contractual credit amount of EUR 100,000.00, an opening date of 29 July 2019, a closing date of 28 May 2021) that it is required to present to the consumer on paper or any other permanent data medium in accordance with the first paragraph of Article 22 of the ZPotK-2, and is therefore unable to submit statements of early repayments of credit to the supervisory authority for all cases of early repayment for it to be subsequently verified whether the bank might have charged the consumer a fee during early repayment of the credit in contravention of Article 22 of the ZPotK-2.

To rectify these breaches, the bank shall:

- a) ensure, when advertising in connection with a credit agreement that contains an interest rate or other information in connection with the costs of credit, that it displays information in the form of a representative example that reflects the assumption that more than half of the individual class of credit agreements have been entered into with the advertised interest rate or a lower interest rate. To ensure that the representative example is current as at the day of advertising, the bank shall put in place a mechanism to monitor whether the aforementioned assumption is being upheld;
 - b) provide for and regularly update training i) for all employees who perform tasks in connection with credit agreements for real estate, or who have contact with consumers within the framework of those tasks; ii) for the persons who directly manage and supervise the work of the aforementioned employees; and iii) for employees who transact with consumers who find themselves in difficulties in connection with arrears in payments of past-due liabilities from a credit agreement for real estate;
 - c) ensure the organisation of its operations, keep its books of account, business documentation and other administrative and/or business records current, including the proper storage of statements of early repayments of credit, and put in place IT support such that it is possible to review during a supervisory procedure what the state of the credit was upon repayment, and what early repayment costs were charged to the consumer.
2. The bank shall embark without delay on activities to rectify the breaches cited in point 1 of the operational part of this order on the rectification of breaches (hereinafter: order). The final deadline for the rectification of the breaches is 31 December 2022. The bank shall also submit a written report to Banka Slovenije by the stipulated deadline describing the measures taken to rectify the breaches set out in this order in accordance with the first paragraph of Article 281 of the ZBan-3.
 3. In connection with the activities to rectify the breaches cited in point 1 of the operational part of this order, the bank shall draft an action plan clearly defining the activities for the rectification of the breaches, shall submit it to Banka Slovenije within one month of the service of this order, and shall report the names of the persons at the bank responsible for rectifying the identified breaches.
 4. An objection to this order shall not stay its enforcement.
 5. In accordance with Article 91 of the ZPotK-2 in connection with supervisory measures imposed for reason of breaches of the ZPotK-2 in connection with a credit agreement for real estate, Banka Slovenije shall publish the following on its website after this order becomes final:
 - the business name and registered office of the legal person;

- a description of the circumstances and conduct constituting the breach of the ZPotK-2;
- the nature of the identified breaches;
- the operational part of the decision by which the relevant proceedings are completed; and
- information as to whether judicial review proceedings have been initiated against this order in accordance with the ZPotK-2.

Information on any rectification of breach or implementation of ordered measure

The bank submitted an action plan for the rectification of breaches to Banka Slovenije by the stipulated deadline, and reported the names of the persons at the bank responsible for rectifying the identified breaches.

Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-3

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