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**PRUDENTIAL REGULATION AND  
BANK SUPERVISION AREA**

**Guidelines for the publication  
of the General operating conditions and amendments to the  
General operating conditions of credit institutions as regards  
their operations with consumers**

Zagreb, November 2012

## **Introduction**

The General operating conditions of credit institutions which relate to consumers (citizens) generally govern the basis of obligatory business relationships between credit institutions and consumers to whom credit institutions provide banking and other financial services on a permanent or temporary basis, in accordance with good banking practices, the principle of confidence, ethical and professional conduct, application of and compliance with laws and other regulations, etc.

The Credit Institutions Act (Official Gazette 117/2008, 74/2009 and 153/2009, Article 306, paragraph (1)), prescribes the obligation of credit institutions to make available to consumers the General operating conditions with information on the conditions for providing services, in the Croatian language and in an appropriate place on the business premises where services are provided to consumers.

In practice, credit institutions have different approaches to this legal obligation which is reflected in the differences in the scope, clarity and writing style used in the General operating conditions. The existence of separate general operating conditions for the payment system, card operations, etc. makes the understanding of these documents even more difficult for consumers. It has been observed that consumers are generally not sufficiently informed about the content that is being regulated by the General operating conditions and their impact on them and that they do not understand the obligations arising for them from these documents.

In that regard, and bearing in mind that agreements between credit institutions and consumers commonly refer to the General operating conditions which are subject to constant changes and amendments, the need arose for the adoption of these Guidelines to ensure that the consumers are better informed.

The Guidelines aim to encourage credit institutions to improve the comprehensibility and availability of the General and specific operating conditions regulating business relationships between credit institutions and consumers with regard to special groups of products (deposit accounts, payment operations, card operations, etc.) intended for consumers. The use of the Guidelines will contribute to improved transparency of credit institutions and enable simpler comparability of information based on which consumers will be able to reach decisions which are in line with their financial capabilities and individual expectations.

To ensure that the purpose of these Guidelines is achieved within a reasonable time frame, credit institutions should take appropriate actions to ensure their application within three months following their publication on the web pages of the Croatian National Bank.

## **Guidelines for the publication of the General operating conditions and amendments to the General operating conditions of credit institutions as regards their operations with consumers**

<p><b>1. A review of the provisions of the General operating conditions</b></p>	<p><b>Credit institutions should review their General operating conditions to determine the practical meaning of the provisions contained therein.</b></p> <p>Given the numerous changes in the operations of credit institutions due to technical and technological advances and changes in the legislative framework, the Croatian National Bank recommends credit institutions to review their General operating conditions to determine the practical meaning of the provisions contained therein.</p>
<p><b>2. The writing style used in General operating conditions</b></p>	<p><b>The General operating conditions should be written in a style that is clear, textually simple and comprehensible to consumers.</b></p> <p>When preparing amendments to the General operating conditions, credit institutions are encouraged to make additional effort to produce texts which are clear and easily comprehensible to consumers.</p> <p>The General operating conditions and their amendments should not be too long or confusing.</p> <p>They should be written using letters of appropriate size (minimum font size 10, font type Tahoma). The clauses should be separated from each other by titles in bold type letters.</p>
<p><b>3. Availability of the General operating conditions</b></p>	<p><b>The General operating conditions in force should be easily accessible and visible to consumers at the operating units and on the web pages of credit institutions. Credit institutions should enable consumers to obtain upon request, free of charge, a copy of all General operating conditions which pertain to a specific contractual relationship. The information on the previously mentioned right of consumers should be placed prominently in the operating units and on the web pages</b></p>

	<p><b>of credit institutions.</b></p> <p>The applicable General operating conditions should be available and prominently placed in the operating units of credit institutions.</p> <p>Credit institutions are recommended to post on their web pages the archives of old (going five years back), i.e. no longer valid General operating conditions and the consolidated text of the currently applicable General operating conditions. The recommendation is that these documents should be readily available and prominently placed (first or second level of the drop-down menu) on the web pages.</p> <p>The applicable Fee tariffs should be available and prominently placed in the operating units of credit institutions. The Croatian National Bank also recommends that credit institutions should post on their web pages, together with the applicable Fee tariffs, the archives of old Fee tariffs, as in the case of General operating conditions.</p> <p>The Croatian National Bank recommends to the credit institutions to make available to consumers upon request, free of charge, a copy of the General operating conditions and Fee tariffs (both those in force and those which are no longer valid) within maximum 15 days from the date of request.</p>
<p><b>4. Explanation of amendments to the General operating conditions</b></p>	<p><b>Credit institutions should publish and make available 15 days prior to the entry into force of amendments to the General operating conditions, a summary and an explanation of the amendments in question.</b></p> <p>The Croatian National Bank instructs the credit institutions to make known, as a minimum 15 days before entry into force of amendments to the General operating conditions which relate to their operations with consumers, in a particularly prominent fashion in the operating units and on the home page of credit institutions their intention to amend the General operating conditions.</p> <p>In that context, the following data should be made visible and recognisable:</p> <ul style="list-style-type: none"> <li>– the products of credit institutions intended for consumers that the amendments to the General</li> </ul>

	<p>operating conditions will apply to;</p> <ul style="list-style-type: none"><li>– explanation of material consequences that arise or may arise from amendments to the General operating conditions;</li><li>– in the case where amendments to the General operating conditions make the use of some products more expensive, instruct the consumer about the manner in which he/she can terminate the use of the service.</li></ul>
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### **Ongoing monitoring by the Croatian National Bank**

The Croatian National Bank will continue to monitor credit institutions' conduct. In that context, the Croatian National Bank may post on its web pages a list of credit institutions which use the recommended good practices in their operations in good faith, as well as those which fail or evade to use them.