



**FA | THE OFFICE OF THE CZECH
FINANCIAL ARBITRATOR**

ANNUAL REPORT ON THE ACTIVITIES OF THE FINANCIAL ARBITRATOR IN 2025

May 2026

CONTENT:

I.	FINANCIAL ARBITRATOR'S FOREWORD.....	3
II.	INSTITUTION OF THE FINANCIAL ARBITRATOR.....	6
III.	ORGANISATIONAL SUPPORT FOR THE FINANCIAL ARBITRATOR'S ACTIVITIES.....	9
IV.	COMPETENCE OF THE FINACIAL ARBITRATOR.....	13
V.	RULES OF PROCEDURE BEFORE THE FINANCIAL ARBITRATOR.....	19
VI.	SUMMARY OF THE FINANCIAL ARBITRATOR'S DECISIONMAKING ACTIVITY	25
VII.	SYSTEMIC OR SERIOUS PROBLEMS LEADING TO DISPUTES.....	42
VIII.	SANCTIONS, FINES, JUDICIAL REVIEW.....	48
IX.	INFORMATION DUTIES	50
X.	OTHER ACTIVITIES OF THE FINANCIAL ARBITRATOR	54
XI.	INTERNATIONAL COOPERATION.....	55
XII.	COSTS RELATED TO THE FINANCIAL ARBITRATOR'S ACTIVITIES.....	57
XIII.	FUTURE OUTLOOK	64

I. FINANCIAL ARBITRATOR'S FOREWORD

Dear readers,

The Financial Arbitrator and the Office of the Financial Arbitrator present to you a report on their activities for the year 2025. The presented Annual Report contains information on the Financial Arbitrator's jurisdiction, the results of her decision-making activities, and the costs of the Financial Arbitrator's operations.

Consumers may turn to the Financial Arbitrator, as an out of court consumer dispute resolution body - free of charge and without the need for legal representation - if they are involved in a dispute with a financial institution.

The Financial Arbitrator will review a dispute between a consumer and a financial institution and, if appropriate, guide the parties toward an amicable resolution; otherwise, the Financial Arbitrator will issue a decision on the matter. The Financial Arbitrator's decision on the matter is binding unless one of the parties submits it for judicial review.

The Financial Arbitrator resolves disputes in proceedings that are initiated solely at the request of a consumer, and the financial institution is required to participate in the proceedings. The Financial Arbitrator is required to decide in the proceedings to the best of her knowledge and belief, impartially, fairly, without delay, and solely based on facts established in accordance with the Financial Arbitrator Act and specific regulations—that is, in the same manner as a general court.

The Financial Arbitrator has been competent to decide a dispute otherwise falling under the jurisdiction of the Czech courts during the year 2025, if it was a dispute between a consumer and

- a) a payment service provider in connection with offering and providing payment services;
- b) an electronic money issuer in connection with issuing and redeeming electronic money;
- c) a creditor or an intermediary in connection with offering, providing or mediating a consumer credit or any other credit, loan or similar financial service;
- d) a person managing or administering a collective investment fund or offering investments in a collective investment fund or comparable foreign investment fund in connection with managing or administering a collective investment fund or offering investments in a collective investment fund or in a comparable foreign investment fund;
- e) an insurer or an insurance intermediary in connection with distribution of life insurance or in connection with exercising rights and obligations from life insurance;
- f) a money exchange provider in connection with money exchange;
- g) a building savings bank or intermediary in connection with offering, providing or mediating building savings;
- h) a person providing investment services in connection with providing investment services;
- i) a person servicing a non-payment account in connection with servicing such account;
- j) a beneficiary of a single deposit in connection with accepting and refunding of such deposit;
- k) a pension company or intermediary in connection with offering, providing or arranging a state-contributory supplementary pension insurance;
- l) a pension company or intermediary in connection with offering, providing or arranging supplementary pension savings;
- m) a person providing or distributing a pan-European personal pension product in connection with providing or distributing a pan-European personal pension product;

- n) a person providing a currency exchange service offered to the payer via an ATM or at the point of sale of goods or services before the payment transaction is initiated, in connection with providing that currency exchange service;
- o) a provider of a long-term investment product in connection with providing that product.
- p) a person providing services related to crypto-assets within the scope of a directly applicable European Union regulation governing crypto-asset markets when providing services related to such crypto-assets.

In 2025, 12,050 proceedings were initiated before the Financial Arbitrator, in 2024 5,683 proceedings and in 2023 the total of 2,660 proceedings were initiated.

The increase in the number of new disputes between 2025 and 2024 is 113%; there was a nearly identical increase in the number of new disputes in 2024 compared to 2023. The increase in disputes is also significant in absolute terms. Compared to 2023, the number of proceedings initiated in 2025 is 4.53 times higher.

As of January 1, 2026, the date of this report's publication, the Financial Arbitrator had already received 8,200 new requests to initiate proceedings.

The largest share of the increase came from consumer credit disputes, with a total of 11,386 cases initiated in 2025, compared to 5,187 cases initiated in 2024 and 2,097 cases initiated in 2023.

In total, 15,446 proceedings were pending before the Financial Arbitrator in 2025, as proceedings initiated in the previous period were still ongoing, of these, 14,235 involved consumer credit disputes. In the ongoing proceedings before the Arbitrator, the parties to the dispute took nearly 82,000 actions, and the Financial Arbitrator took nearly 98,000 actions.

As of 31 December 2025, 8,022 proceedings had been brought to a final conclusion. In a further 705 proceedings, a decision had been issued but had not yet become final.

The Office of the Financial Arbitrator, a state administrative body and accounting entity whose revenues and expenditures form part of the budget chapter of the Ministry of Finance, is responsible for the professional, organisational and technical support of the Financial Arbitrator's activities. The Financial Arbitrator is the head of the Office of the Financial Arbitrator.

Since 2020, the Office of the Financial Arbitrator has had 57 established posts, including the Financial Arbitrator and the Deputy Financial Arbitrator. During the reporting period, proceedings were handled by legal officers' equivalent to 36.3 full-time positions and by 10 administrative officers equivalent to 10 full-time positions.

The exponential increase in newly filed disputes has had a significant impact, particularly on the duration of proceedings. The fact that the average length of proceedings completed in 2025 remained almost unchanged compared with the previous period, at 167 days (compared with 160 days in 2024 and 149 days in 2023), is attributable solely to the systemic measures that have been implemented.

As in previous reporting periods, the Financial Arbitrator identified systemic or serious issues giving rise to disputes in consumer credit, particularly in relation to the conclusion of consumer credit agreements and the assessment of consumers' creditworthiness before such

agreements are concluded. Further issues were identified in the provision of payment services, particularly in connection with the misuse of payment instruments, and in the provision of investment services to retail clients, particularly in relation to investment recommendations and the assessment of the appropriateness and suitability of investment services.

During 2025, systemic measures were implemented through enhancements to the information systems used by the Office of the Financial Arbitrator for communication with the public and for the administration of proceedings before the Financial Arbitrator.

As in previous years, the Office of the Financial Arbitrator incurred only the expenditure necessary to ensure the activities of the Financial Arbitrator and to maintain its day-to-day operations.

In view of the growing number of applications for the commencement of proceedings and the increasing demand for the out-of-court resolution of consumer disputes before the Financial Arbitrator, it will be necessary to adopt further measures, particularly to strengthen the staffing capacity of the Office of the Financial Arbitrator, in order to maintain the efficiency and smooth conduct of proceedings before the Financial Arbitrator.

In Prague on 29 May 2026

Mgr. Monika Nedelková
the Financial Arbitrator

II. INSTITUTION OF THE FINANCIAL ARBITRATOR

One of the basic motives for the establishment of the institute of the Financial Arbitrator was an effort to harmonise the Czech legal system with the law of the European Union in the period before the Czech Republic was admitted as a member state.

The requirement resulted in particular from:

- Article 10 of Directive 97/5/EC of the European Parliament and of the Council of 27 January 1997 on cross-border credit transfers (repealed by Directive 2007/64/EC of the European Parliament and of the Council),
- European Commission Recommendation 98/257/EC of 30 March 1998 on the principles applicable to the bodies responsible for out-of-court settlement of consumer disputes,
- European Commission Recommendation 2001/310/EC of 4 April 2001 on the principles for out-of-court bodies involved in the consensual resolution of consumer disputes,
- Regulation (EC) No 2560/2001 of the European Parliament and of the Council of 19 December 2001 on cross-border payments in euro.

The establishment of the institution of the Financial Arbitrator in the Czech Republic dates back to 1 January 2003 with the approval of Act No. 229/2002 Coll., on the Financial Arbitrator.

Regarding the out-of-court settlement of money transfer disputes pursuant to Act No. 124/2002 Coll., on money transfers, electronic means of payment and payment systems (the Payment System Act), with the proviso the clients could have referred disputes arising between transferring institutions and their clients in the course of money transfers to a dispute resolution body operating under a special legal regulation. Similarly, in disputes arising between issuers and holders in the issuance and use of electronic payment instruments, holders could start to refer to a dispute resolution body operating under a specific legal provision, i.e. the Financial Arbitrator. However, the customer's right to go to court was not affected.

A new specialised administrative body has been established in the Czech legal system, which is competent to adjudicate disputes of a personal nature between private persons, disputes of a substantive nature between private persons, and disputes of a legal nature between persons defined by law, where it adjudicates subjective private rights.

From the point of view of procedural means, the proceedings are optional and application based. At the same time, they are decisions of a public authority (which, however, is not part of the judicial system of the Czech Republic), where the individual rights of the disputing parties are the subject of the decision and the result of the decision is an individual administrative act that is binding and enforceable. In accordance with the constitutional order, the possibility of reviewing the decision of the Financial Arbitrator (award, decision to impose a fine) by the court has been retained.

The completely exceptional position of the Financial Arbitrator in the adjudication of disputes was enshrined in the provision that the Financial Arbitrator is a conciliator. The resolution of consumer disputes, where possible, by conciliation is a trend that is explicitly required within European Union countries.

In connection with the adoption of the Payment Services Act No. 284/2009 Coll., which, through a related amendment to the Financial Arbitrator Act, expanded the Financial Arbitrator's jurisdiction in payment services. As of November 1, 2009, the Financial Arbitrator has jurisdiction to resolve disputes between payment service providers and users in connection

with the provision of payment services, or between issuers and holders of electronic money in connection with the issuance and redemption of electronic money.

Effective July 1, 2011, Act No. 180/2011 Coll. expanded the Financial Arbitrator's jurisdiction to resolve disputes in additional areas of the financial market, specifically disputes between creditors or intermediaries and consumers regarding the offering, providing, or brokering consumer credit, and disputes between investment funds, investment companies, or foreign investment companies and consumers regarding standard collective investment funds and special collective investment funds that raise funds from the public.

Effective November 1, 2013, Act No. 278/2013 Coll. and Act No. 241/2013 Coll. expanded the Financial Arbitrator's authority to adjudicate disputes between an insurance company or insurance intermediary and a prospective insurance customer, insurance policyholder, the insured, a beneficiary, or a designated beneficiary in connection with the offering, provision, or brokerage of life insurance, and between a currency exchange operator and a person interested in conducting a currency exchange transaction or a person with whom a currency exchange transaction was conducted.

Effective February 1, 2016, Act No. 378/2015 Coll. amended the Financial Arbitrator's authority to resolve disputes between a consumer and a creditor or intermediary in connection with the offering, provision, or brokerage of consumer credit, such that it now also applies to other types of credit, loans, or similar financial services. At the same time, the Financial Arbitrator's jurisdiction has been expanded to include the resolution of disputes between a consumer and a building savings bank or an intermediary in connection with the offering, provision, or intermediation of building savings, as well as to resolve disputes between a consumer and a securities dealer, a tied agent, a manager of an investment fund or a foreign investment fund, or an investment intermediary in connection with the provision of investment services or the performance of activities under Section 11(1)(c) through (f) of Act No. 240/2013 Coll.

At the same time, as of that date, the Financial Arbitrator's jurisdiction was limited in all areas (particularly in the area of payment systems) to the resolution of consumer disputes—that is, disputes in which the claimant is a consumer, that is, a natural person who, outside the scope of their business activities or outside the scope of the independent practice of their profession, enters into a contract with a business or otherwise deals with a business.

Effective January 13, 2017, Act No. 452/2016 Coll. expanded the Financial Arbitrator's authority to resolve disputes between a consumer and a person who maintains a non-payment account, in connection with the maintenance of such an account, as well as to resolve disputes between a consumer and the recipient of a one-time deposit in connection with the receipt or return of such a deposit.

Effective December 1, 2018, Act No. 171/2018 Coll. clarified the Financial Arbitrator's authority to adjudicate disputes in the area of life insurance distribution or in the exercise of rights and fulfilment of obligations under life insurance policies, as well as in the area of investment services.

With the entry into force of Act No. 91/2022 Coll., as of May 11, 2022, the Financial Arbitrator's jurisdiction was expanded to include the resolution of disputes arising from the provision of all pension products, namely disputes between a consumer and a pension company or intermediary regarding the offering, provision, or intermediation of supplementary pension savings with a state contribution; disputes between a consumer and a pension company or intermediary regarding the offering, provision, or intermediation of supplemental pension savings; and, last but not least, disputes between a consumer and a person who provides or distributes a pan-European personal pension product regarding its provision or distribution.

Effective July 1, 2022, Act No. 129/2022 Coll. the authority of the Financial Arbitrator has been expanded to include the resolution of disputes between a consumer and a provider of currency exchange services that are offered to the payer via an ATM or at the point of sale of goods or

services prior to the initiation of a payment transaction, in connection with the provision of such currency exchange services.

The Financial Arbitrator's jurisdiction was further expanded as of January 1, 2024, when Act No. 462/2023 Coll. took effect, granting the Financial Arbitrator the authority to adjudicate disputes between consumers and providers of long-term investment products arising from the provision of such products.

As of 15 February 2025, when Act No. 32/2025 Coll. entered into force, the Financial Arbitrator has had jurisdiction to resolve disputes between consumers and persons providing crypto-asset-related services, to the extent falling within the scope of the directly applicable European Union legislation governing markets in crypto-assets in connection with the provision of such services. The jurisdiction of the Financial Arbitrator does not extend to all disputes concerning crypto-assets, but only to disputes concerning crypto-assets covered by Regulation (EU) 2023/1114 on Markets in Crypto-assets (MiCA).

III. ORGANISATIONAL SUPPORT FOR THE FINANCIAL ARBITRATOR'S ACTIVITIES

Since 1 July 2011, the Financial Arbitrator and the Deputy Financial Arbitrator have been appointed and dismissed by the Government upon the proposal of the Minister of Finance. The Financial Arbitrator is accountable to the Government for the performance of their duties.

Only individuals who are of good character, have full legal capacity, a good reputation, and whose experience provides assurance that they will perform the Office properly may be appointed as the Financial Arbitrator or Deputy Financial Arbitrator. Appointment also requires a university degree obtained through the successful completion of a master's degree programme in law at a university in the Czech Republic, as well as at least five years of professional experience in the field of the financial market or consumer protection in the financial market.

With effect from 1 July 2011, Act No. 180/2011 Coll. established the Office of the Financial Arbitrator as an organisational unit of the State to provide the professional, organisational, and technical support necessary for the Financial Arbitrator's activities.

The Office of the Financial Arbitrator is a separate accounting entity. Its revenues and expenditures form part of the budget chapter of the Ministry of Finance, and it is headed by the Financial Arbitrator.

The employment relationship and remuneration of the Financial Arbitrator, the Deputy Financial Arbitrator, and the other employees of the Office of the Financial Arbitrator are governed by the Labour Code.

- [Financial Arbitrator](#)

As of 16 November 2011, the function of the Financial Arbitrator is executed by Monika Nedelková.

- [Deputy Financial Arbitrator](#)

As of 10 March 2025, Jana Lix Andraščíková was appointed into the function of the Deputy Financial Arbitrator, as of 2 August 2025 she is on maternity and parental leave.

- [Organisational structure of the OFA](#)

The number of systemised posts in the OFA has been set at 57 since 2020 including the Financial Arbitrator and Deputy Financial Arbitrator.

During the reporting period, the Financial Arbitrator's Office employed 61 individuals, corresponding to an average full-time equivalent (FTE) workforce of 54 employees. At the same time, it recorded 6 employees who were excluded from the headcount due to being on maternity or parental leave (including the Deputy Financial Arbitrator).

As the Financial Arbitrator's Office is an independent organizational unit of the State, it is responsible for maintaining its own accounting, administering activities related to

state budget funds, handling employment and labour relations, operating its own mailroom and dispatch office, records management and archives, collecting and enforcing imposed sanctions and fines, and performing the functions of internal auditor, Data Protection Officer, and whistleblowing officer. Consequently, a smaller proportion of its staff can be dedicated to resolving disputes before the Financial Arbitrator.

During the reporting period, case management was handled by lawyers representing 36.3 full-time equivalent (FTE) positions and 10 administrative officers representing 10 full-time equivalent (FTE) positions.

Dispute resolution naturally requires a completely different set of expertise—covering Czech and European financial market and consumer protection law, general civil and commercial law, administrative law, as well as insolvency and enforcement law—along with different skills than those needed for the institution's operational activities, such as employment law, budgetary rules, accounting, public procurement, records management and archiving, freedom of information, cybersecurity, and the right to digital services.

The Office of the Financial Arbitrator does not have dedicated established positions for functions such as public relations, public procurement, digitalisation, or cybersecurity, as is common in other public authorities. Most of these functions therefore had to be carried out either by individuals engaged under agreements for work performed outside an employment relationship or, beyond their regular duties, by the Office's own professional staff whose primary responsibility is dispute resolution.

As the priority remained the prompt and efficient resolution of disputes, the Financial Arbitrator was unable to provide sufficient day-to-day professional assistance to the public during the reporting period. Consequently, the operation of the telephone lines dedicated to the public and to parties to proceedings before the Financial Arbitrator was reduced, and the time required to respond to public enquiries regarding the Financial Arbitrator's activities, requests for assistance in pending proceedings, and enquiries about the status of cases increased.

Organisational structure of the Office of the Financial Arbitrator changes based on the number of disputes being processed. In the period under review, it was formed by its organisational units:

- the Financial Arbitrator,
- the Deputy Financial Arbitrator,
- the Department of Payment Services, Building Savings and Money Exchange,
- the Department of Credits I,
- the Department of Credits II,
- the Department of Credits III,
- the Department of Investments,
- the Department of Life Insurance and Pension Products,

- the Department of the Secretary of the Financial Arbitrator (throughout the reporting period, this department handled disputes concerning selected payment services and consumer credit.),
- the Department of Administrative Support (accounting, budgeting, human resources, the registry office, outgoing mail services, sanctions and fines, archives, and records management),
- the Internal Auditor.

The structure of the management is:

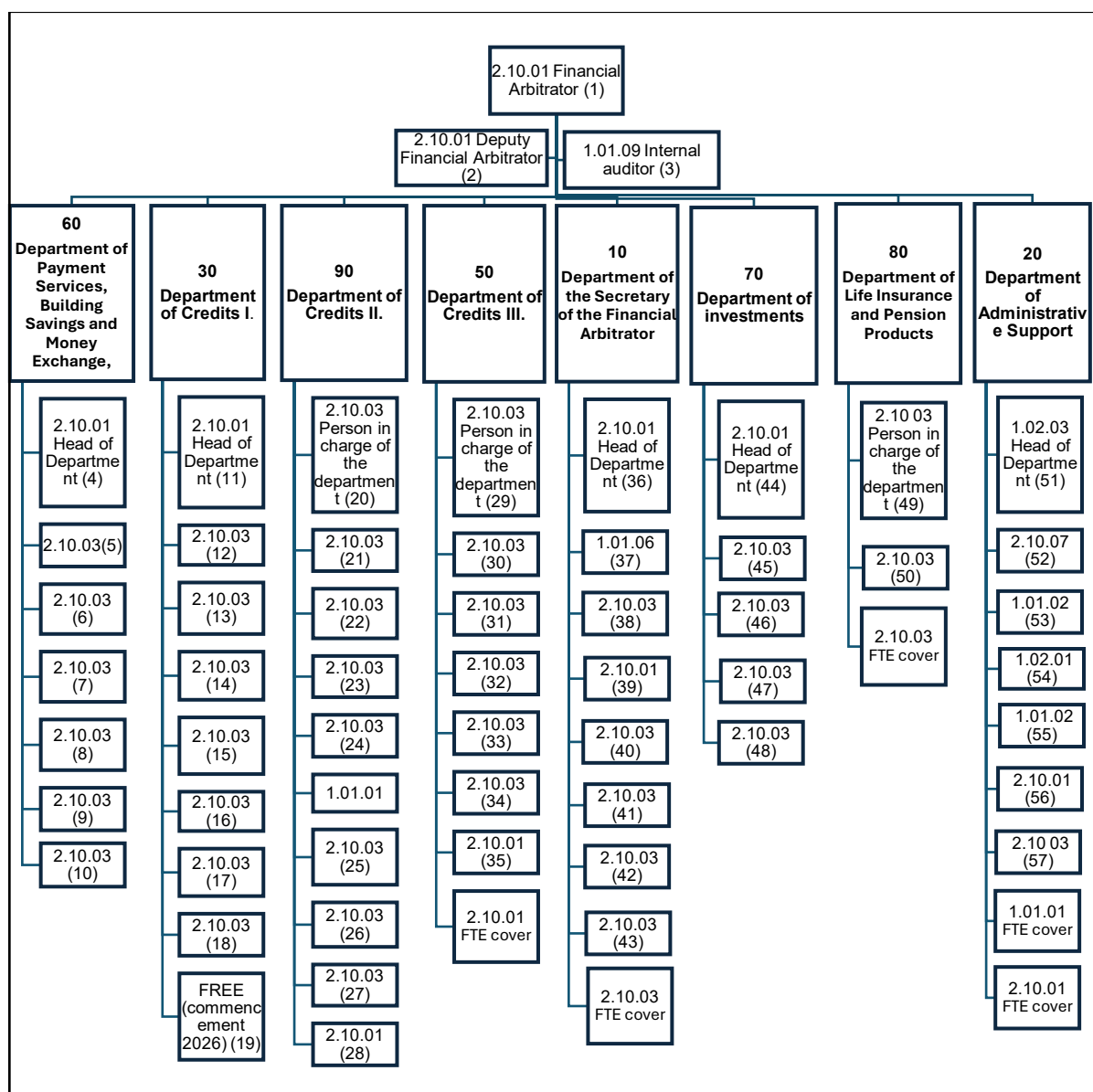
- the Financial Arbitrator and, in her absence, the Deputy Financial Arbitrator,
- the Deputy Financial Arbitrator, if authorised by the Financial Arbitrator to the permanent exercise of her decision-making powers,
- a department headed by the head of department (each department provides a comprehensive support in the specific area of the competence of the Financial Arbitrator, i.e., in activities that are usually directly related to each other and build on each other, except for decision-making).

In addition to the post of Financial Arbitrator and Deputy Financial Arbitrator, the following posts have been established to support the work of the OFA in accordance with the Catalogue of Jobs in Public Services and Administration:

- 2.10.03 – Out-of-court dispute resolution officer in the financial market;
- 2.10.01 – Officer for joint state and local government
- 1.01.02 – Secretary.
- 1.01.06 – PR Manager (0,1 FTE resolution officer),
- 1.02.03 – Accountant,
- 1.01.01 – Administrative Officer,
- 2.10.07 – State and local government property management officer;
- 1.01.09 – Internal Auditor.
- 1.02.01 – Personnel officer.

One of the measures adopted to ensure faster resolution of disputes was the division of activities related to proceedings before the Financial Arbitrator. Administrative activities and simple procedural acts in proceedings before the Financial Arbitrator were separated from the legal assessment of disputes, thereby involving more employees in the various stages of the proceedings. At the same time, the Office of the Financial Arbitrator ensured the performance of administrative activities related to the conduct of proceedings (establishing administrative case files, carrying out simple procedural acts, closing and archiving case files) through agreements on work performed outside the employment relationship.

- Organisational chart as of 31 December 2025



Despite the measures adopted, the staffing and budgetary resources allocated for the activities of the Financial Arbitrator and the Office of the Financial Arbitrator remain fundamentally insufficient, taking into account the status of the Office as an independent organisational unit of the State, including the activities necessary for its operation (budgetary, accounting, economic, administrative, and employment-related matters), and in particular with regard to its professional activities (dispute resolution and related professional tasks, such as conducting proceedings for the imposition of procedural fines).

At the same time, activities related to cybersecurity, the digitalisation of public administration, the administration of information systems and ICT, and public procurement continue not to be adequately or sufficiently supported in terms of staffing and budgetary resources.

IV. COMPETENCE OF THE FINANCIAL ARBITRATOR

The Financial Arbitrator is a special administrative authority established by Act No. 229/2002 Coll., on the Financial Arbitrator, as amended (hereinafter referred to as the “Financial Arbitrator Act”).

The Financial Arbitrator is pursuant to Section 1(1) of the Financial Arbitrator Act competent to decide a dispute otherwise falling under the jurisdiction of the Czech courts, if it is a dispute between a consumer and

- a) a payment service provider in connection with offering and providing payment services;
- b) an electronic money issuer in connection with issuing and redeeming electronic money;
- c) a creditor or an intermediary in connection with offering, providing or mediating a consumer credit or any other credit, loan or similar financial service;
- d) a person managing or administering a collective investment fund or offering investments in a collective investment fund or comparable foreign investment fund in connection with managing or administering a collective investment fund or offering investments in a collective investment fund or in a comparable foreign investment fund;
- e) an insurer or an insurance intermediary in connection with distribution of life insurance or in connection with exercising rights and obligations from life insurance;
- f) a money exchange provider in connection with money exchange;
- g) a building savings bank or intermediary in connection with offering, providing or mediating building savings;
- h) a person providing investment services in connection with providing investment services;
- i) a person servicing a non-payment account in connection with servicing such account;
- j) a beneficiary of a single deposit in connection with accepting and refunding of such deposit;
- k) a pension company or intermediary in connection with offering, providing or arranging a state-contributory supplementary pension insurance;
- l) a pension company or intermediary in connection with offering, providing or arranging supplementary pension savings;
- m) a person providing or distributing a pan-European personal pension product in connection with providing or distributing a pan-European personal pension product;
- n) a person providing a currency exchange service offered to the payer via an ATM or at the point of sale of goods or services before the payment transaction is initiated, in connection with providing that currency exchange service;

- o) a provider of a long-term investment product in connection with providing that product.
- p) a person providing crypto-asset services within the scope of the directly applicable European Union legislation regulating markets in crypto-assets, in the provision of such crypto-asset services.

- **Disputes under the competence of the Financial Arbitrator**

The Financial Arbitrator is therefore competent to decide, for example, the disputes in connection with providing payment services regarding:

- misuse of electronic banking or mobile banking;
- misuse of a payment card by a third party to withdraw from an ATM or to make a purchase at a merchant;
- malfunction of an ATM – failure to dispense cash;
- failure to credit money deposited via an ATM or personally at a cash desk;
- validity of a payment account statement;
- deduction of charges from the amount of a payment transaction made by an intermediary payment service provider;
- non-execution of a payment transaction (or refusal to execute it);
- multiple money debiting from an account when withdrawing from an ATM or making a purchase at a merchant;
- delayed execution of a payment transaction or failure to provide a direct debit;
- incorrect exchange rate used for a cross-border wire transfer;
- incorrect fee for providing a payment service;
- payment transaction made without the consent of a payment service user.

The Financial Arbitrator is competent to decide disputes arising in connection **with consumer credits (including, but not limited to, non-purpose, mortgage and building savings credits) and disputes arising from other credit, loans or similar financial service** concluded between the consumer and the creditor or mediated by an intermediary, regarding:

- validity of a credit agreement, contractual penalty or other contractual arrangement;
- determination of the amount of the obligation (debt) under the credit agreement;
- invalidity of a credit agreement because of a failure to assess the creditworthiness of the debtor before its conclusion;
- amount of a creditor's remuneration for providing a credit;
- right to a discount interest rate (after being claimed);
- calculation of the annual percentage rate of charge (APRC);

- right to early repay a credit, in particular the amount of the costs reasonably incurred in connection with early repayment of the credit or the amount of the early repayment fee;
- validity of a withdrawal of a credit agreement or an intermediary agreement;
- validity of declaring the whole credit payable;
- fees under a credit agreement or an intermediary agreement;
- damages caused by a creditor to a debtor in connection with a conclusion of a credit agreement.

The Financial Arbitrator is competent to decide **disputes arising from collective investment**, such as disputes between a consumer and an investment company or an investment fund regarding:

- settlement of the executed order to buy/sell/exchange a unit;
- value of a unit;
- proper execution of an order to buy/sell/exchange a unit by an investment firm;
- proper execution of an order to buy/sell/exchange a unit by an investment intermediary;
- damages caused by an investment advice provided by an investment firm or an investment intermediary in connection with providing investment advice on collective investment;
- fee charged in connection with the purchase/sale/exchange of a unit;
- damages caused in connection with a fulfilment of information duties by a management company or an investment fund.

The Financial Arbitrator is competent to decide **disputes arising from a provision of investment services** between a consumer and a person providing investment services, e.g., an investment firm, an investment intermediary, a tied agent, a foreign person authorised by the oversight authority of another EU Member State, regarding:

- proper execution of an order to buy/sell a financial instrument;
- damages caused by an investment firm or an investment intermediary in connection with a provision of investment advice;
- fee charged in connection with a purchase/sale of a financial instrument;
- validity or termination of an investment service agreement.

The Financial Arbitrator is competent to decide **disputes arising out of money exchange** regarding:

- withdrawal from a currency exchange contract;
- fee charged for the execution of a currency exchange transaction;

- validity of a currency exchange contract;
- calculation of an exchange rate.

The Financial Arbitrator is competent to decide **life insurance disputes** between a consumer and an insurance company or insurance intermediary, regarding:

- validity of an insurance agreement or its provision,
- amount of insurance proceeds,
- amount of a surrender value,
- damages caused by a breach of duties during a negotiation of an insurance contract.

The Financial Arbitrator is competent to decide disputes arising not only from already concluded **contracts on building savings**, but also disputes that arise during a pre-contractual stage or during a mediation of building savings regarding:

- validity of a building savings contract or its provision,
- validity of withdrawal or termination of a building savings contract,
- validity of a unilateral change of a building savings contract (e.g., decrease of the interest rate on deposits or increase of the fee for keeping the building savings account),
- fee charged by a building savings bank to a building savings account,
- amount of state support for a building savings contract,
- damages caused by a breach of duties during the mediation of a building savings contract.

The Financial Arbitrator is competent to decide disputes between a consumer and a **pension company** or intermediary in connection with offering, providing or mediation of state-contributory supplementary pension insurance, or with offering, providing or mediation of supplementary pension savings and between a consumer and a person providing or distributing a pan-European personal pension product in connection with providing or distributing this product regarding:

- validity of a supplementary pension insurance contract, supplementary pension savings contract, pan-European personal pension product contract or the terms of such a contract,
- validity of withdrawal or termination of a supplementary pension insurance contract, supplementary pension savings contract or pan-European personal pension product contract,
- fee charged on the account held for a pension product by the entity that concluded the supplementary pension contract, supplementary pension savings contract and pan-European personal pension product contract with a consumer,
- amount of the state contribution credited and paid,
- payment of financial benefits from pension products,
- damages caused by a breach of duties in connection with a mediation of a supplementary pension insurance, supplementary pension savings or pan-European personal pension product.

The Financial Arbitrator is competent to decide **disputes arising from currency conversion** service offered to the payer prior to the initiation of a payment transaction via an ATM or at the point of sale of goods or services between a consumer and a merchant or an ATM operator, concerning particularly:

- damages for failure to properly comply with the information obligation.

The Financial Arbitrator is competent to decide **disputes arising from a long-term investment product** in connection with the provision of such a product, for example regarding:

- validity of a contract for a long-term investment product or a contractual provision of such a contract;
- validity of the termination or cancellation of a long-term investment product contract;
- amount of fees charged by the provider of a long-term investment product;
- payment of financial benefits from a long-term investment product;
- compensation for damages in connection with a breach of obligations by the provider of a long-term investment product.

Since 15 February 2025, the Financial Arbitrator has had jurisdiction to resolve **disputes arising from services related to crypto-assets** within the scope of Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937, including, for example, disputes arising from:

- custody and administration of crypto-assets on behalf of a client;
- exchange of crypto-assets for fiat currencies;
- exchange of crypto-assets for other crypto-assets;
- execution of orders relating to crypto-assets on behalf of a client;
- reception and transmission of orders relating to crypto-assets on behalf of a client;
- provision of advice on crypto-assets;
- portfolio management of crypto-assets;
- provision of transfer services for crypto-assets on behalf of a client.

- Disputes out of competence of the Financial Arbitrator

Some disputes between consumers and financial institutions, even though they directly or indirectly concern the financial market, have not been expressly assigned to the Financial Arbitrator by law, these disputes primarily regarded:

- when providing financial services exempted from the regime of Act No. 370/2017 Coll., on Payment System, as amended,
- concerning non-life insurance (property insurance, accident insurance, liability insurance, injury insurance, incapacity work insurance, sickness insurance etc.), even if it was negotiated as a supplementary insurance to a life insurance,
- from asset management comparable to management of an investment funds under Act No. 240/2013 Coll., on Management Companies and Investment Funds, as amended,
- between bondholders and bond issuers,
- between shareholders and joint stock companies,
- concerning personal data protection connected with a provision of financial services.

Generally in the cases where the Financial Arbitrator, the Czech Telecommunication Office or the Energy Regulatory Office are not competent to decide the dispute, the Czech Trade Inspection Authority is the main body for out-of-court resolution of consumer disputes (in the case of non-life insurance, also the Office of the Ombudsman of the Czech Insurance Association is competent).

The Financial Arbitrator shall, upon the filing of an inadmissible complaint before the Financial Arbitrator, advise each consumer of the right to apply to another body for the out-of-court settlement of a consumer dispute, or to a General Court, or, in the case of suspicion of a criminal offence, to the criminal law enforcement authorities. The Financial Arbitrator will also inform the consumer about the possibility of using commercial legal aid, legal advice provided by the Czech Bar Association or free civil advice centres.

V. RULES OF PROCEDURE BEFORE THE FINANCIAL ARBITRATOR

In proceedings, the Financial Arbitrator acts in accordance with the rules laid down in the Financial Arbitrator Act and Act No. 500/2004 Coll., the Code of Administrative Procedure, as amended (hereinafter the "Code of Administrative Procedure"), unless the Financial Arbitrator Act provides otherwise.

Proceedings before the Financial Arbitrator may be initiated only upon the application of a consumer (the "complainant"). A financial institution (the "institution") is not entitled to initiate such proceedings.

The Financial Arbitrator's primary objective is, wherever the consumer's claim is well founded, to facilitate an amicable settlement between the parties, thereby enabling the consumer to avoid court proceedings and the associated legal costs.

Proceedings before the Financial Arbitrator are free of charge, and consumers are not required to be represented by legal counsel. Any costs incurred for legal representation are not recoverable in proceedings before the Financial Arbitrator.

Consumers may apply to initiate proceedings before the Financial Arbitrator in a form of their own choosing. There are no formal requirements that such an application resemble, in either form or content, a statement of claim filed with a court.

Because consumers are not required to be represented by legal counsel (the Financial Arbitrator Act expressly requires the Financial Arbitrator to inform consumers that legal representation is not mandatory), applications to initiate proceedings often contain incomplete information. Consumers may provide only a general description of the circumstances, or the application may not clearly indicate the relief sought or the grounds on which the consumer's claim is based.

The Financial Arbitrator may not reject an application to initiate proceedings on the grounds that it is unclear or incomplete. Instead, the Financial Arbitrator is required to assist the consumer at any stage of the proceedings in remedying any deficiencies in the application. Accordingly, consumers are often requested—sometimes repeatedly—to provide additional information so that it is clear what the Financial Arbitrator is being asked to decide or to resolve through an amicable settlement.

Unlike the courts, the Financial Arbitrator is required by law to obtain the evidence necessary to assess the dispute if it is not submitted by the parties themselves.

Proceedings before the Financial Arbitrator are conducted in writing. Despite efforts to ensure that all communications are drafted as clearly and simply as possible, this may give rise to difficulties, such as consumers misunderstanding the Financial Arbitrator's requests or delays in postal delivery where the consumer does not have a data box for electronic service of documents.

- **Filing a complaint**

To file a complaint to initiate proceedings, the consumer can use the form published on the website or they can prepare a complaint in the application.

Complaint may be filed:

- In writing and with a handwritten signature if you send it by post to the Office of the Financial Arbitrator,
- Orally on the record at the Office of the Financial Arbitrator,
- In electronic form with a qualified electronic signature to the mailbox arbitr@finarbitr.cz;
- Via the complainant's own data box.

Once the Financial Arbitrator receives a duly submitted and signed application to initiate proceedings (thereby formally commencing the proceedings), a case file is opened, the existence of the parties to the dispute is verified, and both parties are notified that the proceedings have been initiated, including the assigned case reference number. Regardless of any deficiencies in the application, the Financial Arbitrator also invites the institution to indicate whether it is willing to seek an amicable settlement of the dispute or whether it is aware of any grounds precluding the proceedings.

If the existence of a procedural impediment is duly established, the Financial Arbitrator terminates the proceedings.

If the institution informs the Financial Arbitrator that it is willing to pursue an amicable settlement and submits a proposed settlement agreement or another proposal for resolving the dispute amicably, the Financial Arbitrator communicates that proposal to the complainant.

This approach is intended both to expedite proceedings before the Financial Arbitrator and to avoid placing unnecessary burdens on consumers and financial institutions in cases where the dispute can be resolved amicably without the need for further proceedings, such as gathering evidence, assessing the facts, and issuing a decision on the merits.

If the dispute cannot be resolved amicably at this stage of the proceedings, the Financial Arbitrator proceeds in the usual manner and examines whether the application contains any deficiencies.

- **Deficiencies in filing a complaint**

If the complaint has deficiencies, the Financial Arbitrator shall request the complainant to correct them, explaining in the request what the deficiencies are and how to correct them.

The consumer should attach to the application all supporting documents and evidence substantiating the facts relied upon and the claim asserted in the proceedings before the Financial Arbitrator. In particular, these include the complete contractual documentation (such as the financial services agreement, terms and conditions, and schedule of fees), an account statement showing the debit transaction where relevant to the dispute, correspondence with the financial institution during the contractual relationship giving rise to the dispute, and, in particular, a copy of the unsuccessful written request for redress submitted to the financial

institution (complaint), together with proof of its delivery or any response received from the institution.

If the complainant does not have certain documents or is unable to obtain them, the complainant should identify those documents in the application and indicate the person or entity that has them in its possession (for example, the institution against which the application to initiate proceedings is directed).

The Financial Arbitrator Act provides a 15-day period for remedying any deficiencies in an application to initiate proceedings. In justified cases, the Financial Arbitrator may, at the complainant's request submitted before the expiry of the original time limit, extend that period by a further 15 days, and may do so repeatedly where appropriate.

If the consumer fails to remedy the deficiencies within the prescribed time limit, and does not do so even after a repeated request, the Financial Arbitrator terminates the proceedings due to the complainant's failure to cooperate.

The Financial Arbitrator issues a repeated request because the termination of proceedings on the grounds of the complainant's failure to cooperate does not preclude the consumer from bringing the same claim before the Financial Arbitrator again. Accordingly, terminating the proceedings immediately after the expiry of an extended time limit requested by the complainant would generally serve no practical purpose.

- **Gathering Evidence for the Resolution of a Dispute**

Once the complainant has remedied any deficiencies in the application that would otherwise prevent the dispute from being examined, the Financial Arbitrator invites the institution against which the application is directed to submit its observations on the application and to provide the documents and other evidence relating to the subject matter of the dispute.

At the same time, the Financial Arbitrator again invites the financial institution, if it is willing to pursue an amicable settlement, to submit a settlement proposal. Where the institution submits a proposal for an amicable settlement or demonstrates that it is negotiating such a settlement directly with the complainant, it is not required to submit its observations on the application or the requested supporting documents at that stage.

The institution is required to participate in proceedings before the Financial Arbitrator and is obliged to provide the Financial Arbitrator with the cooperation necessary for the proper conduct of the proceedings.

As in the case of the complainant, the Financial Arbitrator may, in justified cases, extend the applicable time limit by 15 days at the institution's request, provided that the request is submitted before the expiry of the time limit, and may do so even repeatedly.

Acceptable grounds for extending the time limit granted to an institution may include the collection of the requested documents in view of the subject matter of the dispute and the scope of the Financial Arbitrator's request, ongoing negotiations with the complainant regarding an amicable settlement of the dispute, or another reasonable justification. Conversely, the number of ongoing proceedings before the Financial Arbitrator, holidays, or other absences of the institution's employees, etc., cannot be accepted as grounds for extending the time limit.

- **The Investigatory Principle in Proceedings before the Financial Arbitrator**

Proceedings before the Financial Arbitrator are governed by the investigatory principle. Unlike a general court, the Financial Arbitrator is therefore required to collect all relevant evidence and supporting documents necessary to decide the dispute.

The Financial Arbitrator is also required to go beyond the complainant's (consumer's) application where it finds that the facts of the case differ from those asserted by the complainant. This does not mean that the Financial Arbitrator seeks out the subject matter of the dispute between the consumer and the financial institution; rather, the Financial Arbitrator is required, on the basis of the facts established, to identify a justified claim that the consumer has not expressly asserted in the application to initiate proceedings.

For this purpose, the Financial Arbitrator may order any of the parties to the dispute, or a person from whom information is requested, to provide an oral explanation. The Financial Arbitrator may also order an oral hearing attended by all parties to the dispute.

The Financial Arbitrator is entitled to require the institution to provide relevant documents and information, including to allow the Financial Arbitrator to carry out an on-site inspection.

The Financial Arbitrator assesses the evidence and supporting documents on an ongoing basis and, where appropriate, discusses the matter with the complainant or the financial institution. Alternatively, the Financial Arbitrator informs the parties to the dispute of the preliminary legal assessment of the dispute and seeks either to encourage the institution to propose an amicable settlement of the dispute or, conversely, to persuade the complainant to discontinue pursuing the dispute.

It is not uncommon for the Financial Arbitrator, during the proceedings, to repeatedly request the complainant and the financial institution to provide comments or supplement the submitted documents, or to request information from third parties, including after the parties have been informed of the documents and other materials collected for the purpose of issuing a decision on the merits.

- **Barriers to Proceedings before the Financial Arbitrator**

The Financial Arbitrator is required to terminate the proceedings if it finds that the dispute falls outside its jurisdiction. This typically concerns disputes arising from non-life insurance, purchase agreements, disputes between bondholders and bond issuers, or disputes between shareholders and joint-stock companies.

If the Financial Arbitrator finds that court or arbitration proceedings are pending or have been conducted concerning the same parties and the same claim as in the proceedings before the Financial Arbitrator, the Financial Arbitrator must terminate the proceedings, even if the proceedings before the Financial Arbitrator were initiated earlier or if the Financial Arbitrator became aware of the commencement of court or arbitration proceedings only after initiating its own proceedings.

Naturally, the Financial Arbitrator cannot conduct new proceedings in a matter in which it has already issued a final and binding decision.

- Issuing a decision

If there is no procedural impediment preventing the examination of the dispute and an amicable settlement cannot be reached in the proceedings, whether due to reasons on the part of the complainant or the institution, or if the Financial Arbitrator does not terminate the proceedings due to the complainant's failure to cooperate, the Financial Arbitrator issues a decision on the merits in the form of an award.

The Financial Arbitrator is required to issue an award without undue delay, but no later than within 90 days from the date on which all documents and information necessary for deciding the dispute have been collected. This period does not run from the commencement of the proceedings, but from the moment when the parties to the dispute, or any persons from whom information has been requested, have provided sufficient supporting materials for a proper decision on the merits. If, due to the nature of the matter, a decision cannot be issued even within this period in particularly complex cases, the time limit is extended accordingly, but by no more than an additional 90 days.

Prior to the issuance of the decision, both parties to the dispute are informed of the evidence and documents collected in the proceedings, either through inspection of the case file or by having the documents sent, upon the request of either party, by post, email, or via a data mailbox.

Accordingly, the time limit for issuing the decision can logically begin to run only after attempts to resolve the dispute amicably have proved unsuccessful and, at the earliest, once sufficient evidence and supporting documents have been collected to enable the Financial Arbitrator to decide the case in such a manner that, in any subsequent judicial review, the court would not substitute its own decision based on evidence gathered only after the Financial Arbitrator's decision.

Each party to the dispute may file a reasoned objection in writing against the Financial Arbitrator's decision. The objections are reconsidered by the Financial Arbitrator. The Financial Arbitrator's decision on the objections is final and cannot be appealed. The decision on the objections, or the Financial Arbitrator's decision, becomes final and legally binding upon service of the decision on the objections on the last of the parties to the proceedings.

A final decision of the Financial Arbitrator becomes enforceable upon expiry of the time limit specified therein for compliance with the obligation imposed and has the same legal effects as a court judgment. If the financial institution fails to comply voluntarily with the obligation imposed by the Financial Arbitrator in the decision, the claimant may apply for enforcement of the decision.

- Judicial Review

Following exhaustion of the ordinary appeal (by filing objections against the Financial Arbitrator's decision and the issuance of the decision on those objections), either party to the dispute may bring an action before the court of competent subject-matter jurisdiction and territorial venue seeking to have the Financial Arbitrator's final decision replaced by a court judgment in proceedings conducted pursuant to Part Five of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended.

The only parties to the proceedings before the competent court are the claimant and the financial institution, who shall bear the costs of the court proceedings as determined by the court.

The Financial Arbitrator participates in the court proceedings not as a party to the proceedings but as a participant entitled to submit observations to the court, inspect the court file, and request permission to address the court at the hearing.

Accordingly, the Financial Arbitrator must determine the dispute in accordance with the applicable law and may not act in favour of either party to the dispute. If the Financial Arbitrator were to issue a decision that unjustifiably favoured one party to the dispute, the court would be required to set aside that decision and would, in all likelihood, order the unsuccessful party to reimburse the costs of the court proceedings.

Either party may submit the Financial Arbitrator's procedural decision (such as a decision discontinuing the proceedings due to the inadmissibility of the application for the commencement of proceedings, the claimant's lack of cooperation, etc.) to review by an administrative court in proceedings under Act No. 150/2002 Coll., the Administrative Code, as amended (hereinafter referred to as the "the Administrative Code").

VI. SUMMARY OF THE FINANCIAL ARBITRATOR'S DECISIONMAKING ACTIVITY

- Number of proceedings commenced
 - Number of proceedings commenced in each year since the establishment of the Financial Arbitrator (2003-2025)

For many years, consumer credit disputes have been the most common type of dispute brought before the Financial Arbitrator. A marked increase in the number of consumer credit disputes occurred in 2013, when loan administration fees became the subject of the proceedings. Since 2021, most disputes have concerned the invalidity of consumer credit agreements due to the creditor's failure to assess the consumer's creditworthiness or the unconscionable nature of the contractual remuneration.

Individual (form) requests for the initiation of proceedings, which are submitted en masse by lawyers offering representation before the Financial Arbitrator as a paid service on social networks, contribute significantly to this increase. In 2024 and even in 2025, these representatives filed nearly one-third of all complaints.

The complaints submitted in this way show frequent errors in the description of the factual circumstances, and their assessment cannot in any case be carried out en masse.

Consumer representatives are generally not legally qualified. In such cases, they may engage in the unauthorised practice of law by providing legal services without the requisite authorisation. In many cases involving represented claimants, the claimant's interests' conflict with those of the representative, whose primary interest may be to maximise the fees charged for the representation.

The unrepresented complainant, i.e. the consumer himself, is usually faster and better able, in cooperation with the Financial Arbitrator, to eliminate the shortcomings of the complaints, to go through the proceedings themselves, as well as negotiations for an amicable settlement of the dispute.

The number of proceedings initiated before the Financial Arbitrator in 2025 is 12,050, while in 2024 it was 5,683 and in 2023 a total of 2,660 proceedings.

The number of new disputes increased by 113% in 2025 compared with 2024. A similar year-on-year increase had already been recorded in 2024 compared with 2023. The increase in the caseload is also significant in absolute terms. Compared with 2023, the number of proceedings commenced in 2025 was 4.53 times higher.

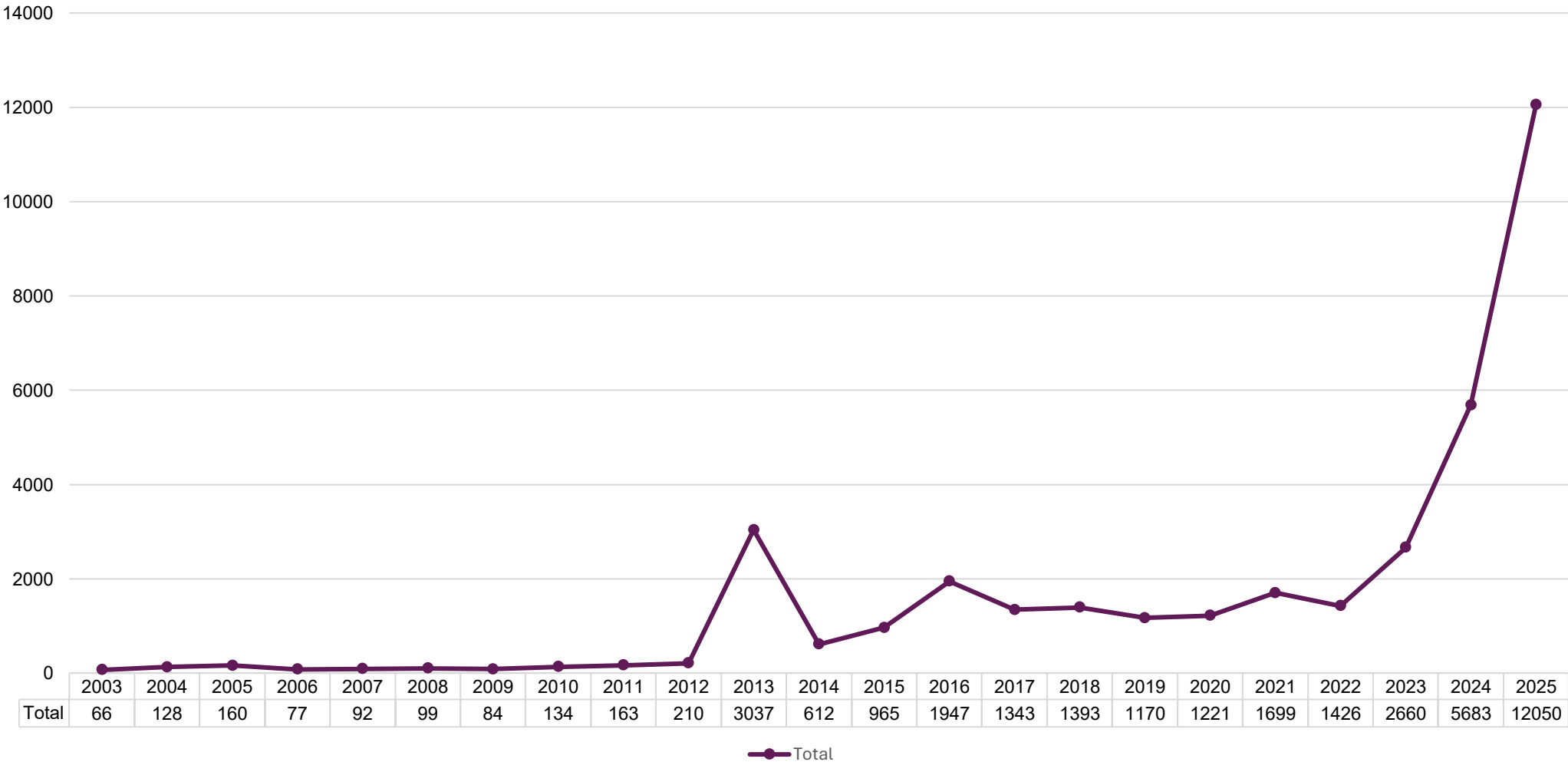
The increase was driven primarily by consumer credit disputes. In 2025, a total of 11,386 consumer credit proceedings were commenced, compared with 5,187 proceedings in 2024 and 2,097 proceedings in 2023.

As regards disputes in other areas, the number of newly commenced proceedings relating to payment services, life insurance and retail investment products also increased year on year, although only by several dozen cases.

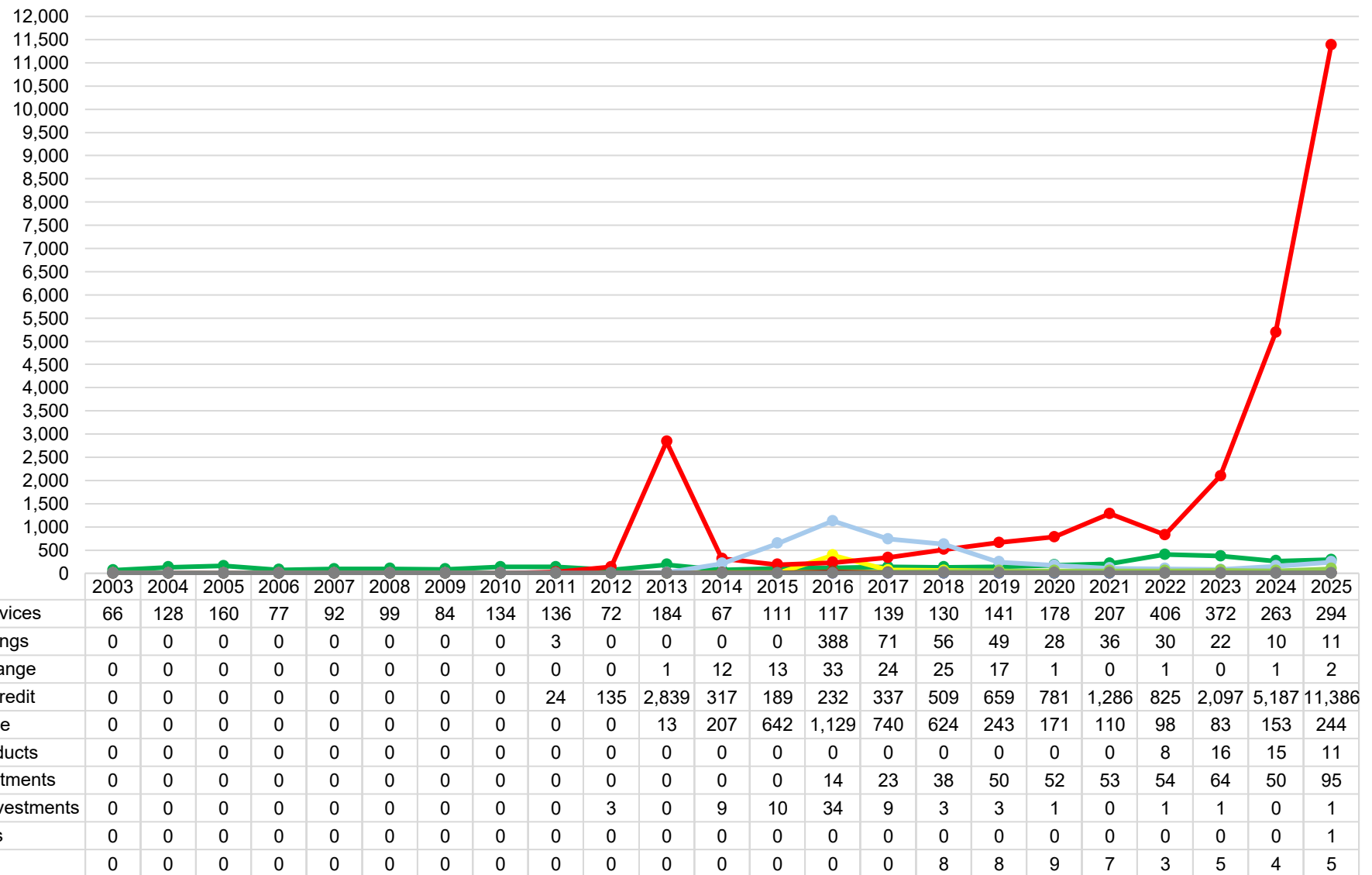
The smallest numbers of newly commenced proceedings were recorded in disputes relating to building savings, currency exchange services, pension products, collective

investment, crypto-assets and other matters, where only single-digit numbers of new proceedings were commenced.

Number of commenced proceedings - 2003 until 2025

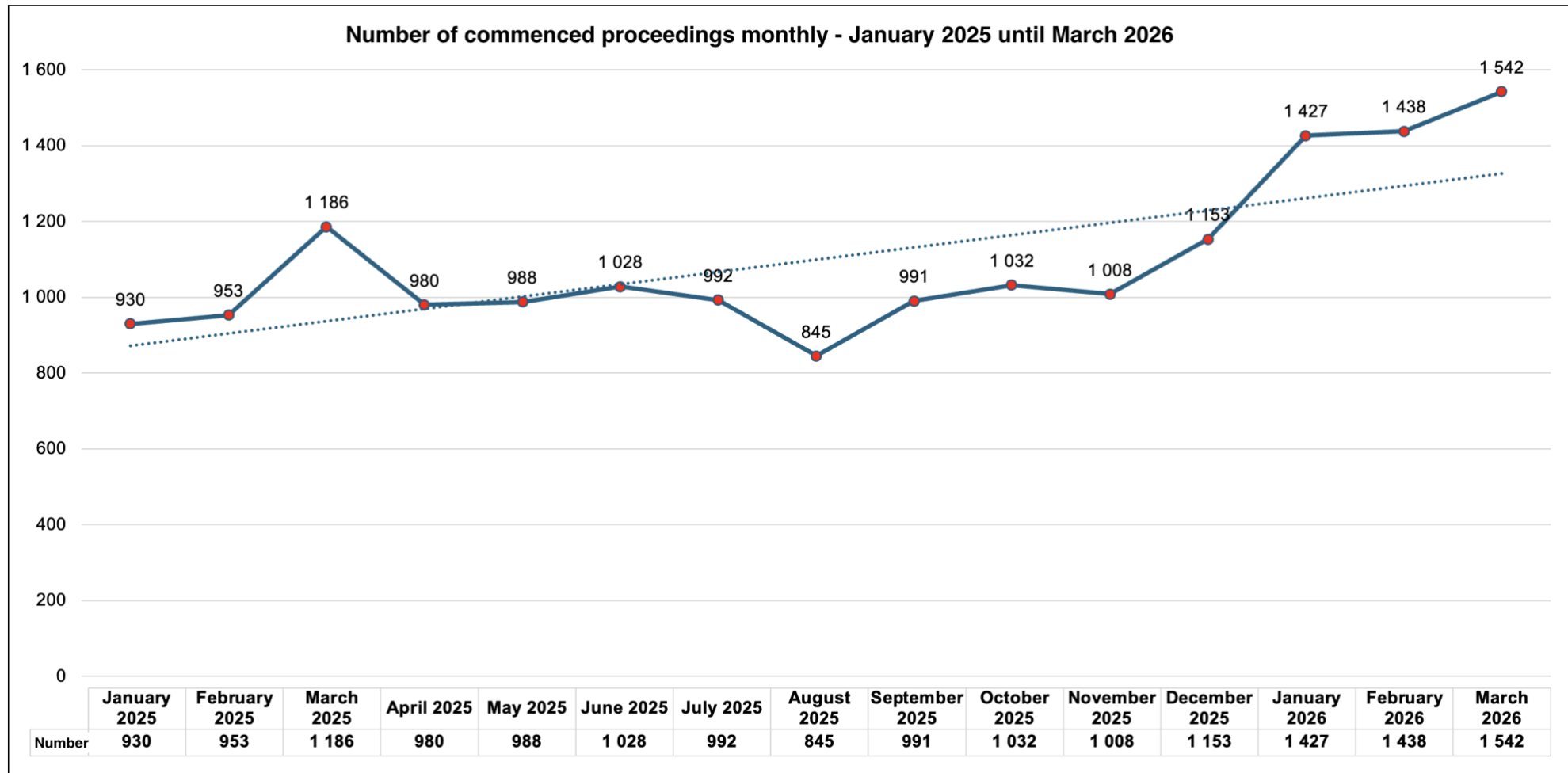


Number of commenced proceedings based on area - from 2003 until 2025



- The number of proceedings commenced in individual months in 2025 and at the beginning of 2026

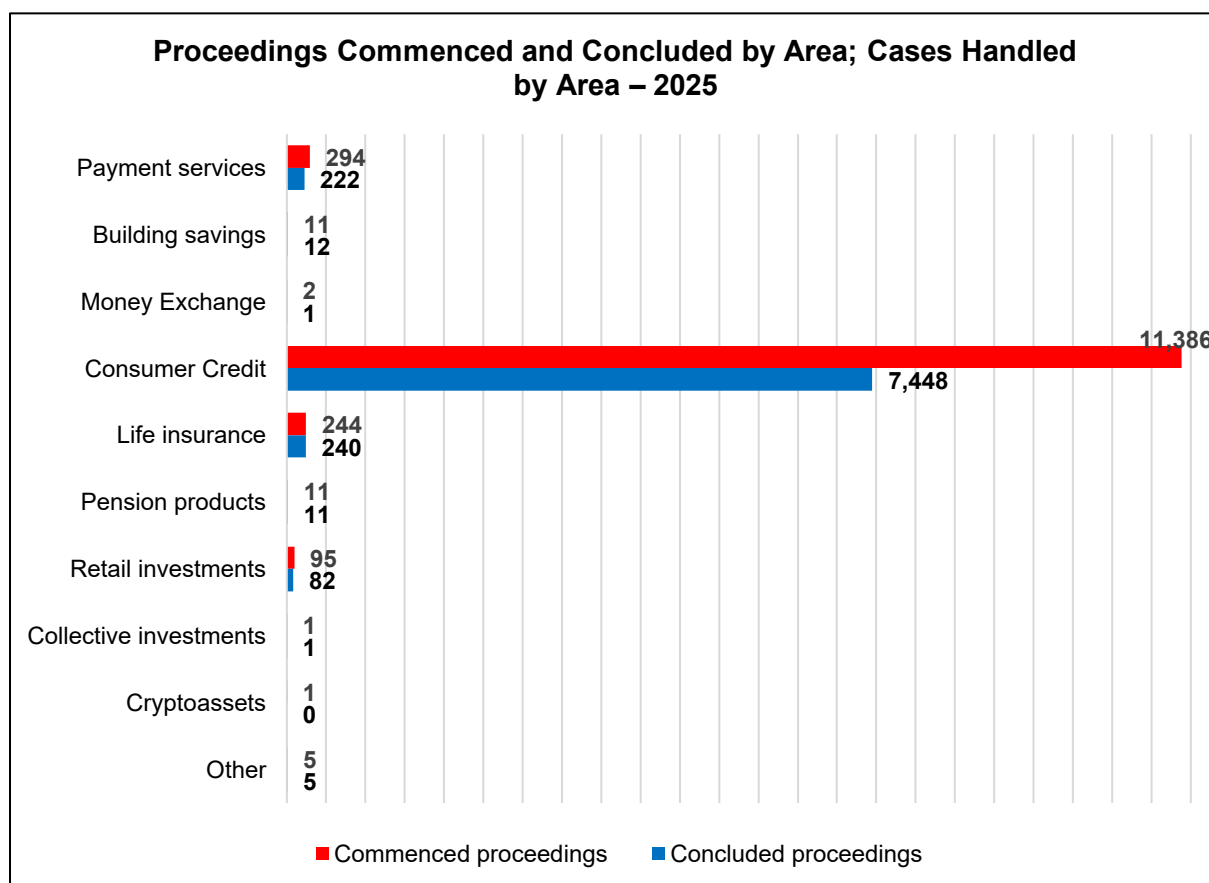
The monthly number of new disputes during the reporting period, as well as in the early months of 2026, indicates an upward trend.



While the monthly number of proceedings commenced in 2025 generally did not exceed 1,000 and remained relatively stable until November 2025, the Financial Arbitrator recorded a renewed increase from December 2025 onwards, reaching a total of 1,542 new proceedings commenced in March 2026. **Between 1 January and 31 March 2026, the Financial Arbitrator received 6,793 new requests to initiate proceedings (by the date of publication of this Annual Report, this figure had already increased to 8,200 applications).**

○ Breakdown of proceedings initiated, pending or concluded by area in 2025

Area	Initiated proceedings	Pending proceedings	Concluded proceedings
Payment services	294	658	222
Building savings	11	20	12
Money exchange services	2	3	1
Consumer credit	11 386	14 235	7 448
Life insurance	244	329	240
Pension products	11	23	11
Retail investments	95	169	82
Collective investments	1	2	1
Crypto-assets	1	1	0
Other	5	6	5
Total	12 050	15 446	8 022



Consumer credit disputes accounted for the largest share of applications for the commencement of proceedings received in 2025. With 11,386 applications, they represented 94.5% of all applications received that could initiate proceedings before the Financial Arbitrator.

The second largest category comprised 294 applications relating to payment services, representing 2.4% of all applications for the commencement of proceedings received.

The third and fourth largest categories were applications relating to life insurance and retail investment products.

During the period under review, a total of 15,446 proceedings were pending before the Financial Arbitrator. This figure includes not only proceedings commenced in 2025, but also proceedings initiated in previous periods that had not yet become final. Consumer credit disputes once again accounted for the largest share of pending proceedings, followed by disputes relating to payment services, life insurance and retail investment products.

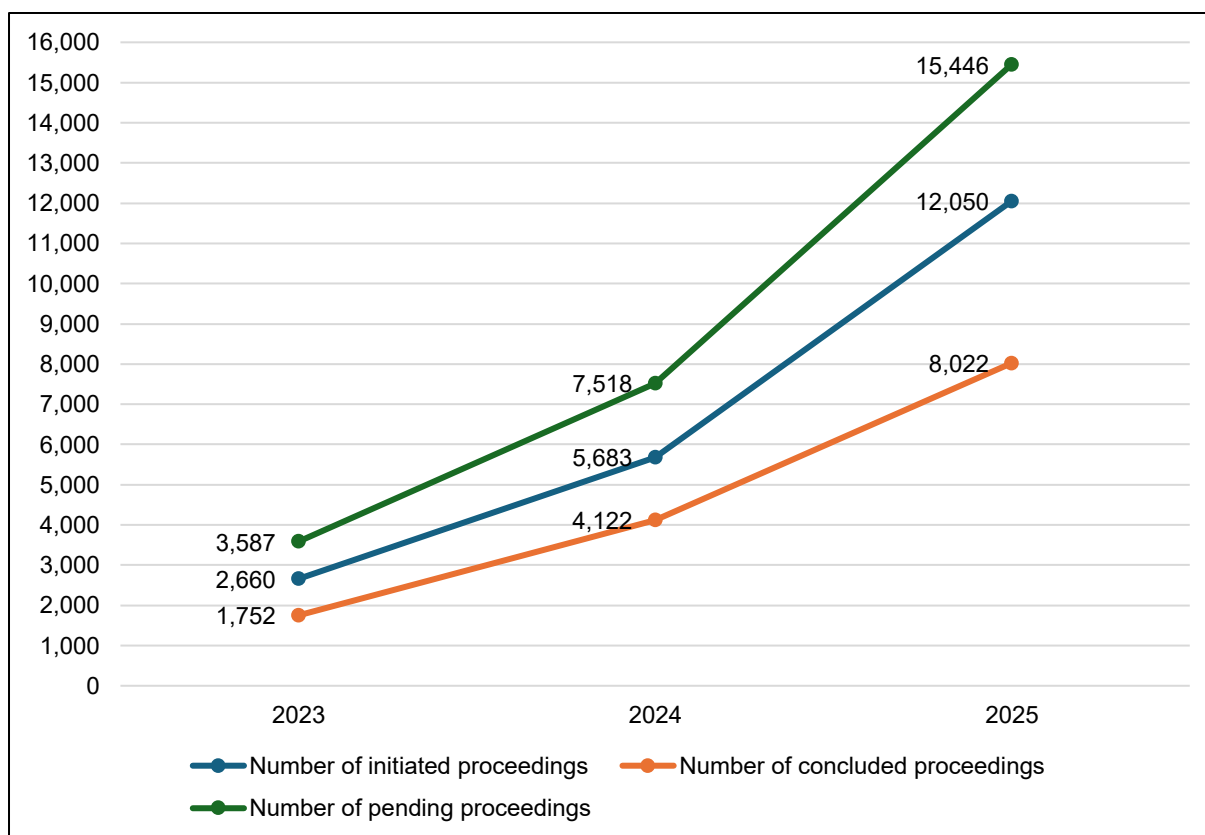
Pending proceedings are proceedings which have not yet reached a final conclusion because:

- **the gathering of evidence for a decision on the dispute is still ongoing** (the consumer is rectifying deficiencies in the application to initiate proceedings, or the institution or the requested party has not yet submitted all the evidence that the Financial Arbitrator has asked them to submit;
- **the Financial Arbitrator informs the parties of the dispute of the preliminary legal assessment** so that each party can consider whether it is willing to resolve the dispute amicably or, in the case of a consumer, to withdraw from the dispute;
- **negotiations are held on an amicable settlement of the dispute** or on the terms of an amicable settlement or the conclusion of a settlement agreement, or the time limit agreed in the settlement agreement for the payment of the consideration and the agreed time limit for the withdrawal of the application to initiate proceedings;
- **the time limit for the issuance of a decision** or the Financial Arbitrator's processing of the collected documents into an award or decision on objections;
- **an award has been made but the opposition procedure is pending;**
- **a decision has been rendered but the decision has not yet been delivered to both parties;**
- **a decision has been delivered to both parties but the time limit for appeal is still running for some of them;**
- **the proceedings were terminated for a reason, due to which it is not possible to continue the proceedings.**

In 2025, the Financial Arbitrator brought 8,022 proceedings to a conclusion.

○ Trends in Proceedings 2023 – 2025

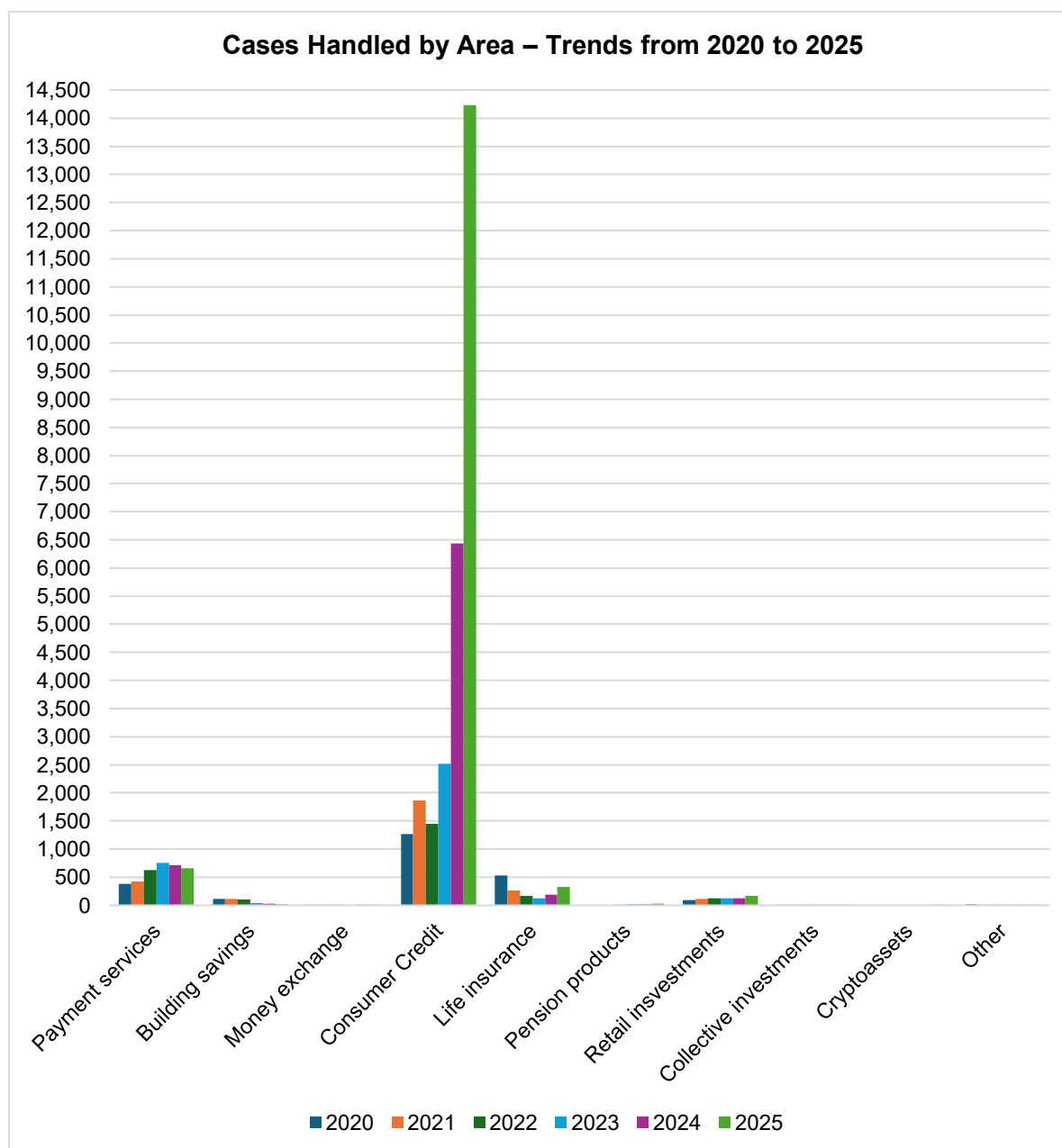
Number of proceedings	2023	2024	2025
Number of initiated proceedings	2 660	5 683	12 050
Number of concluded proceedings	1 752	4 122	8 022
Number of pending proceedings	3 587	7 518	15 446



The increase in the number of newly commenced proceedings was also reflected in the growing number of pending proceedings. While 3,587 proceedings were pending before the Financial Arbitrator in 2023, this number increased to 7,518 in 2024 and to 15,446 in 2025. Despite no increase in the staffing levels of the Office of the Financial Arbitrator, the Financial Arbitrator also succeeded in increasing the number of proceedings concluded. In 2023, the Financial Arbitrator concluded 1,752 proceedings, followed by 4,122 in 2024 and 8,022 in 2025.

○ Pending proceedings in the years 2023–2025 distributed by area

Area	2023	2024	2025
Payment servicesme	755	716	658
Building savings	39	23	20
Money exchange services	0	1	3
Consumer credit	2 512	6 434	14 235
Life insurance	125	192	329
Pension products	22	18	23
Retail investments	126	127	169
Collective investments	3	2	2
Crypto - assets	0	0	1
Other	5	5	6
Total	3 587	7 518	15 446



- Consumer credit

In the area of consumer credit, 11,386 proceedings were initiated in 2025, with a total of 14,235 proceedings pending (consumer credit proceedings) in the period under review.

The most frequent disputes arising from consumer credit were disputes concerning the assessment of the validity of the credit agreement due to the breach of the credit provider's obligation to assess the borrower's creditworthiness with professional care before concluding the credit agreement (almost 96%).

In the context of creditworthiness assessments, the Financial Arbitrator also decided disputes about the validity of a settlement agreement concluded between the debtor and the creditor after the debtor objected to the invalidity of the credit agreement for failure to assess creditworthiness.

The Financial Arbitrator also decided disputes relating to agreements designated as business loans, the early repayment of consumer housing credit, the determination of the applicable interest rate, the validity of contractual provisions in credit agreements, the determination of the amount of debt, entries in debtor registers, and other related matters.

Consumer credit agreements concluded under the previous legislation, which were already subject to arbitration and enforcement proceedings, were also subject to proceedings before the Financial Arbitrator. Since in the enforcement proceedings the court had stopped the enforcement proceedings, e.g. because of the immorality of the enforced performance or because the enforcement title was ineligible, the Financial Arbitrator concluded in the proceedings that there was no obstacle and assessed the validity of the credit agreement under the applicable legal and contractual provisions.

- **Payment services (payment transactions, electronic money, non-payment accounts, time deposits, dynamic currency conversion)**

A total of 294 proceedings were initiated in the payments area in 2025, there were 658 pending proceedings, and 222 proceedings have been brought to a final conclusion by the Financial Arbitrator.

The number of payment services disputes has remained broadly consistent with previous years. Most of these disputes relate to the provision of payment services. In addition, the Financial Arbitrator deals with a small number of cases concerning the maintenance of accounts other than payment accounts, in particular fixed-term deposit accounts. No disputes relating to electronic money or dynamic currency conversion arose in 2025.

The most frequent type of payment disputes were disputes during the provision of payment services by banks and within them disputes arising from unauthorised payment transactions, usually in connection with the misuse of payment instruments (phishing, vishing) such as internet/mobile banking, payment cards or applications in the consumer's electronic device intended for controlling the account, or also disputes arising from authorised payment transactions made by consumers as a result of being misled by a third party when selling goods on advertising portals or by a person claiming to be a bank employee in a telephone call, etc.

These disputes are among the most complex in terms of gathering evidence and its legal assessment.

The Financial Arbitrator also dealt with disputes concerning the invalidity of the termination of payment services agreements, disputes relating to the refusal to open a (regular) payment account, and disputes arising from the maintenance of protected accounts.

Disputes over proper execution of a payment transaction were also frequent in the period under review, especially in connection with the use of an ATM, e.g. disputes over the amount of cash deposited into an ATM, where the consumer claims that the amount deposited was higher than the amount credited to the account by the payment service provider, or disputes over the amount of cash withdrawn from an ATM, where the consumers claim that they received a different (lower) amount than they requested or that the payment service provider debited their account with a different (higher) amount than they actually withdrew.

The Financial Arbitrator has also dealt with disputes over the proper execution of the transfer of funds abroad, which involves the exchange of currencies or the charging of fees by the correspondent banks through which the transfers abroad take place.

- **Life insurance**

In the area of life insurance 329 proceedings were initiated in 2025.

Almost three quarters of the proceedings initiated in the period under review had to be terminated by the Financial Arbitrator because during the proceedings the Arbitrator found that the dispute did not concern life insurance, but nonlife insurance (most often it was insurance against accident, illness, incapacity for work).

The most common type of life insurance disputes were disputes over the validity of the insurance contract – because the sum insured had not been specified in the contract – disputes over insurance benefits, where insurers refused to pay claims, and disputes over the return of premiums paid by consumers under investment life insurance contracts to the insurer because they claimed they were not interested in investment life insurance, but were interested in saving, and the insurance intermediary or the insurance company misled them when they took out the insurance contract about the nature and, in particular, the cost of the product, or they alleged various defects in the insurance contracts and contractual documentation for which the insurance contracts should have been invalid.

- **Pension products**

In the area of disputes arising from pension products 11 proceedings were initiated in 2025, a total of 23 proceedings were pending during the period under review.

The most frequent claims were for payment of a pension benefit to which consumers believe they were entitled to and which the pension company has denied them; they also allege a mistake, either in the conclusion of the contract or in the application for the benefit or in the termination of the contract.

Next to that another group were claims for compensation for damage which the pension companies have caused to the complainants in the management of the funds or in the termination of the contract.

- **Retail investments**

A total of 95 proceedings were initiated in the provision of investment services, with a total of 169 proceedings pending.

The most common investment disputes are disputes for compensation for loss-making investments.

Disputes relating to contracts for differences are also common. Such products are loss-making for the overwhelming majority of retail consumers and, as a matter of principle, should not be marketed to inexperienced investors. These disputes typically involve foreign investment firms operating through Czech tied agents or intermediaries, and they frequently also give rise to disputes concerning the applicable law.

- **Building savings**

In the area of building savings (the subject of the dispute is the savings part of the product), 11 proceedings were initiated, with a total of 20 proceedings pending.

The most frequent building savings disputes were disputes about the validity of the unilateral termination of the building savings by the building savings bank.

- **Collective investment**

Only 1 dispute arising from collective investment has been initiated in 2025, there were a total of 2 proceedings pending.

- **Money exchange**

In the period under review only 2 money exchange disputes were initiated, with a total of 3 proceedings pending.

- **Cryptoassets**

In the period under review only 1 proceeding has been initiated in the area of disputes from cryptoassets.

- **Average length of proceedings before the Financial Arbitrator in 2025**

Some disputes can be resolved within weeks of the commencement of proceedings, while other complex disputes may take more than two years before the parties reach an amicable settlement or the financial arbitrator manages to gather sufficient evidence to render a decision on the matter.

The methodology used to calculate the average length of proceedings also takes no account of delays attributable to postal service providers or the resulting inability to serve postal documents, including service by public notice, nor does it take into account periods by which time limits for submissions or procedural cooperation were extended at the request of the parties to the dispute, repeated requests for submissions or supporting documents, or periods during which the proceedings were suspended.

The average length of proceedings concluded in 2025 was 167 days from the start of the proceedings to the legally binding decision concluding the proceedings, compared to 160 days in 2024 and 149 days in 2023.

The duration of the proceedings is also affected by the claimants themselves, including those represented by legal counsel, who often submit applications for the commencement of proceedings containing numerous deficiencies that require clarification or supplementation, and who request extensions of the time limits granted for the submission of supporting documents or observations.

The same applies to financial institutions, which frequently request extensions of the prescribed 15-day time limit, sometimes repeatedly. The Financial Arbitrator grants such extensions only where justified, in particular in complex proceedings requiring the collection and subsequent assessment of a substantial volume of supporting documents.

In 2025, the parties to disputes carried out nearly 82,000 procedural acts in proceedings pending before the Financial Arbitrator, while the Financial Arbitrator carried out almost 98,000 procedural acts.

In the case of an amicable settlement, the dispute is effectively resolved at the moment the settlement is reached between the consumer and the financial institution. The formal process of concluding a settlement agreement—typically followed by the fulfillment of the settlement

agreement and, only then, the issuance of a decision to discontinue the proceedings and the entry into force of that decision—sometimes takes place months or even longer afterward.

At the same time, it is not possible to avoid proceedings that are particularly demanding in terms of gathering and assessing supporting documents, serving documents abroad, conducting repeated settlement negotiations etc. The duration of such proceedings inevitably distorts the average length of proceedings. The complexity of a dispute that may justify discontinuation of the proceedings by the Financial Arbitrator relates primarily to issues concerning the applicable law rather than to the gathering and assessment of supporting documents. Consequently, the Financial Arbitrator cannot discontinue such proceedings and is required to continue them, even where this results in a longer duration of the proceedings.

- Length of proceedings finally concluded as of 31 December 2025 by area and method of dispute settlement

Despite the unchanged number of staff at the Office of the Financial Arbitrator involved in proceedings before the Financial Arbitrator, a clearly positive trend has been evident since 2021. The number of proceedings concluded has increased several-fold, while the average duration of concluded proceedings has increased only marginally.

In 2025, a total of 8,022 proceedings were concluded by a final decision. Compared with 2024, the number of concluded proceedings increased by 94%, while the average duration of proceedings rose only from 160 days to 167 days.

Area	Average length of proceedings
Collective investment	35.0
Other	38.6
Pension products	466.7
Payment services	383.8
Retail investments	330.6
Money exchange services	128.0
Consumer credit	160.0
Building savings	216.4
Life insurance	101.4
Total	166.6

Method of dispute settlement	Average length of proceedings in days
Complaint partially upheld	364.4
Complaint fully upheld	386.3
Complaint rejected	483.1
Terminated for irrelevance	190.3
Terminated for inadmissibility - arbitrator	57.4
Terminated for inadmissibility - insolvency	104.9
Terminated for inadmissibility - referee	644.0
Terminated for inadmissibility - court	112.8
Terminated for lack of jurisdiction	56.4
Terminated for failure to act	198.8

Terminated for withdrawal	158.5
Total	166.6

- Results of proceedings finally concluded in 2025 by method of dispute settlement (absolute and percentage values)

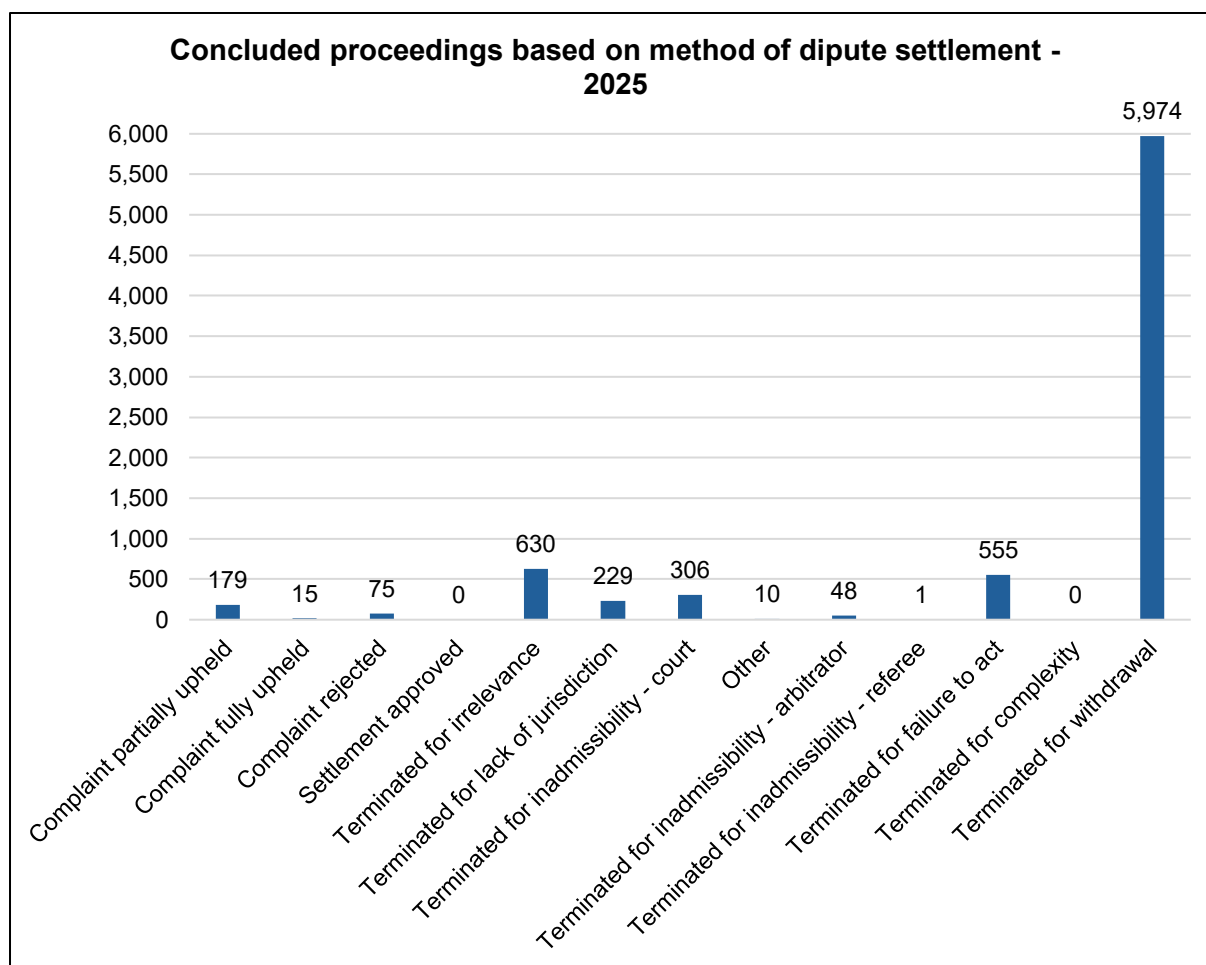
Method of dispute settlement	Absolute value	Percentage value
Complaint partially upheld	179	2,23 %
Complaint fully upheld	15	0,19 %
Complaint rejected	75	0,93 %
Settlement approved	0	0,00 %
Terminated for irrelevance	630	7,85 %
Terminated for lack of jurisdiction	229	2,85 %
Terminated for inadmissibility - court	306	3,81 %
Other	10	0,12 %
Terminated for inadmissibility - arbitrator	48	0,60 %
Terminated for inadmissibility - referee	1	0,01 %
Terminated for failure to act	555	6,92 %
Terminated for complexity	0	0,00 %
Terminated for withdrawal	5 974	74,47 %
Total	8 022	100,00 %

In 2025, the Financial Arbitrator terminated proceedings in 5,974 cases due to the withdrawal of the complaint to initiate proceedings and in 630 cases because the dispute had become irrelevant, as the claimant and the institution had reached an amicable settlement

These cases must be regarded as amicable resolutions of disputes because, without the need for an authoritative decision to be issued, the consumer and the financial institution resolved their dispute amicably, (typically by entering into a settlement agreement) alternatively, the consumer reconsidered their position on the basis of the Financial Arbitrator's preliminary legal assessment and decided not to pursue the matter further.

The Financial Arbitrator discontinues the proceedings for irrelevance where the financial institution has fully satisfied the claimant's claim and has provided evidence of this to the Financial Arbitrator, but the claimant has not withdrawn their application despite having been requested to do so by the Financial Arbitrator. Claimants generally do not understand the request to withdraw the complaint to commence proceedings because the dispute has already been settled.

Overall, more than 82% of the proceedings in 2025 were concluded by an amicable resolution of the dispute.



Where the Financial Arbitrator did not find the claimant's claim to be justified and was unable to persuade the claimant to discontinue the proceedings, or where the parties to the dispute were unable to reach an amicable resolution even in the proceedings before the Financial Arbitrator, the Financial Arbitrator issued an award either granting the claim in whole or in part or dismissing it.

In total, in 2025 the Financial Arbitrator issued 269 decisions on the merits, of which 75 dismissed the claimant's application, 179 granted the claim in part, and 15 granted the consumer's claim in full.

Claimants did not always provide the Financial Arbitrator with the necessary cooperation to enable the proceedings to be decided fairly and in accordance with the law. This was the case even though the Financial Arbitrator repeatedly requested them to provide the supporting documents necessary to substantiate their claims and informed them how their claims should be formulated.

The Financial Arbitrator had to discontinue a total of 555 proceedings due to the claimant's failure to act.

If, at any stage of the proceedings, the Financial Arbitrator finds that he has no jurisdiction to resolve the dispute, he discontinues the proceedings for lack of jurisdiction. These are typically disputes relating to non-life insurance.

In 2025, a total of 229 proceedings were discontinued on the grounds that the Financial Arbitrator lacked jurisdiction.

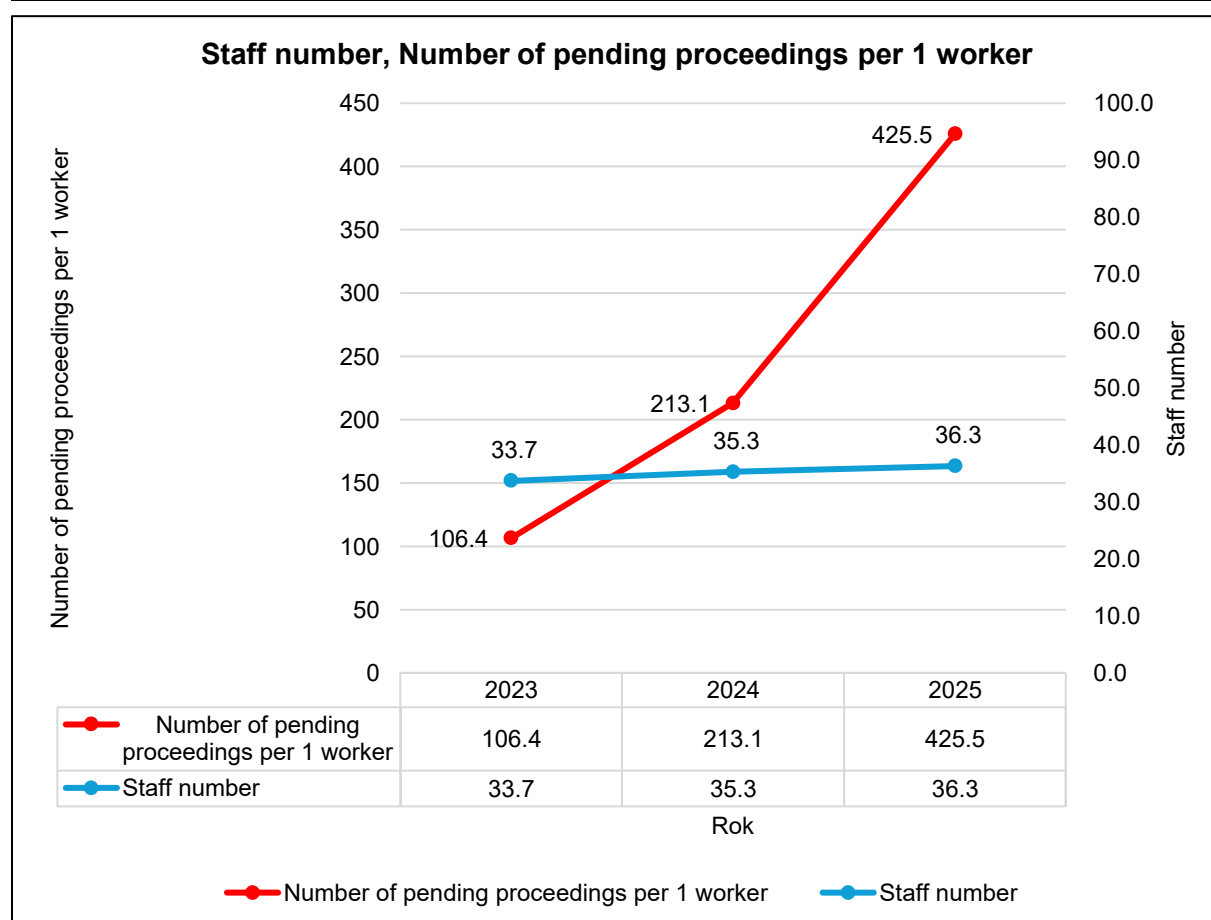
Even in cases falling within the Financial Arbitrator's jurisdiction, it may become apparent during the proceedings that the Financial Arbitrator cannot deal with the matter, for example because the Financial Arbitrator or a court has already issued a decision in the same matter, or because such proceedings are already pending.

In 2025, the Financial Arbitrator discontinued a total of 365 proceedings on the grounds of inadmissibility.

The proportion of proceedings concluded by an amicable resolution in 2025 is consistent with the long-term trend, with the proportion of such proceedings over the past ten years ranging from approximately 67% to 80% of all concluded proceedings.

○ Number of Pending Proceedings per Staff Member

	2023	2024	2025
Number of commenced proceedings	2 660	5 683	12 050
Number of terminated proceedings	1 752	4 122	8 022
Number of pending proceedings	3 587	7 518	15 446
Staff Member number	33,7	35,3	36,3
Number of Cases Handled per Staff Member	106,4	213,1	425,5



The total of 15,446 proceedings pending in 2025 represents a significant caseload per staff member, including both case officers—lawyers responsible for handling individual disputes—and administrative staff and heads of individual departments.

Considering the size of each employee's workload and the proportion of the year during which their employment lasted, the average number of lawyers involved in resolving disputes in 2025 was equivalent to 36.3 full-time positions.

Each lawyer was therefore responsible, on average, for 425.5 disputes over the course of the year. Each department head was responsible, on average, for 2,206 pending proceedings over the course of the year.

- **Results of Measures Taken to Speed Up Proceedings before the Financial Arbitrator**

Despite an increase of more than 113% in the number of newly commenced proceedings, the Financial Arbitrator has managed to shorten the duration of proceedings or, at the very least, avoid any significant increase in their duration.

During the period under review, further systemic measures were implemented, including modifications to the information systems used for proceedings before the Financial Arbitrator.

The Financial Arbitrator sends communications and requests (except for decisions) that he is required to serve in person through a postal service provider also by email. Following proper identification, claimants are also permitted to carry out certain procedural acts by telephone.

The Financial Arbitrator regularly updates the answers to frequently asked questions concerning the conduct of proceedings and revises the application form for the commencement of proceedings and the forms used by claimants to submit procedural acts during the proceedings.

VII. SYSTEMIC OR SERIOUS PROBLEMS LEADING TO DISPUTES

- Assessing the creditworthiness of the borrower of a consumer credit

Under Act No. 257/2016 Coll., on Consumer Credit, as amended (the “Consumer Credit Act”), a consumer credit provider is required, before entering into a consumer credit agreement, to conduct a thorough assessment of the consumer’s creditworthiness on the basis of information that is necessary, reliable, sufficient and proportionate to the nature, duration, amount and risk of the credit for the consumer, obtained from relevant internal or external sources, including the consumer, and, where necessary, from a database enabling the consumer’s creditworthiness to be assessed.

A consumer credit provider should grant consumer credit only where the results of the consumer’s creditworthiness assessment indicate that there are no reasonable doubts as to the consumer’s ability to repay the consumer credit.

A credit provider is required to conduct its business with due professional care and to obtain and retain supporting documents demonstrating reliably that it has duly fulfilled its obligations under the Consumer Credit Act, including that, with due professional care, it assessed the consumer’s ability to repay the credit before entering into the consumer credit agreement.

In disputes concerning the invalidity of credit agreements on the grounds that the consumer’s ability to repay the credit was not properly assessed, the Financial Arbitrator deals with disputes between consumers and both non-bank and bank credit providers. This involves a wide range of credit products that the Financial Arbitrator must assess, from standard purpose-specific and non-purpose-specific instalment loans, and small-scale credit products such as overdrafts and credit cards, primarily used to finance everyday goods and services, to housing loans (most commonly mortgage loans).

In this context, the Financial Arbitrator encounters different approaches among individual financial institutions to assessing the creditworthiness of loan applicants, particularly as regards the scope of the information obtained and assessed. In general, consumer credit providers obtain more information about applicants and assess it in greater detail when granting mortgage loans than when providing an overdraft facility linked to a current account.

The Financial Arbitrator has observed that bank consumer credit providers use their own, often automated, models for assessing the creditworthiness of loan applicants, which they use to verify information provided by consumers. Compared with the previous period, some non-bank credit providers have also introduced their own automated models into the creditworthiness assessment process or have provided evidence of their use in proceedings before the Financial Arbitrator.

Where a consumer credit provider relies in proceedings before the Financial Arbitrator on the use of an automated model as part of the creditworthiness assessment process, the Financial Arbitrator not only requests supporting documents in paper or electronic form, but also exercises his power to conduct an on-site inspection, during which the financial institution is required under the Financial Arbitrator Act to allow the Financial Arbitrator and his authorised staff to inspect files and electronic records. The Financial Arbitrator does so in order to verify how the automated model operates, and the reliability of the supporting documents submitted by credit providers, which are often generated by these models or by other internal electronic systems.

To date, in almost all cases in which the Financial Arbitrator has issued a decision on the merits (because the dispute was not resolved amicably by the conclusion of a settlement agreement, as is the case in the majority of matters), he has found that the consumer credit provider failed to exercise due professional care when assessing the consumer's ability to repay the credit before entering into the consumer credit agreement. Consequently, the provider is entitled only to repayment of the principal amount it provided to the consumer. Where the consumer has paid more towards the credit debt than the principal amount provided, the provider is required to reimburse the consumer for everything paid more than that principal.

In these cases, the Financial Arbitrator generally found that the provider had failed to obtain sufficient information from the consumer concerning their income and expenditure and their personal and financial circumstances, or had obtained such information only to an insufficient extent; had failed to obtain adequate supporting documents; had failed to verify the supporting documents and information obtained; or had failed to retain the supporting documents it claimed to have obtained.

Some of the decisions issued by the Financial Arbitrator have been subject to judicial review. The Financial Arbitrator is not aware of any of his decisions having been replaced by a court decision on the grounds of an incorrect legal assessment, except for cases in which a court set aside the Financial Arbitrator's decision because the claimant and the financial institution reached a settlement in the court proceedings.

To date, the Financial Arbitrator has dismissed a claimant's application for a declaration of invalidity of a credit agreement in only one case, as he found that the bank credit provider had properly assessed the mortgage applicant's creditworthiness with due professional care before granting the credit. In that case, the Financial Arbitrator concluded that, based on the information obtained and verified by the provider and its subsequent assessment, which the Financial Arbitrator found to be sufficient, the provider could not reasonably have had doubts about the applicant's ability to repay the credit.

When deciding these disputes, the Financial Arbitrator also relies on relevant established case law of the ordinary courts and the Constitutional Court. The Financial Arbitrator likewise follows and considers the emerging trend towards a so-called substantive approach to assessing the creditworthiness of loan applicants, as indicated in certain decisions of the Supreme Court.

The Financial Arbitrator always seeks to ensure that, if its decision is subject to judicial review, it is upheld as correct. It therefore cannot disregard this legal development.

As Czech legislation constitutes a proper transposition of the Directive on Credit Agreements for Consumers adopted under the so-called maximum harmonisation regime, the Financial Arbitrator must also consider the case law of the Court of Justice of the European Union when deciding these and other disputes.

In this context, it should be noted that complaints to commence proceedings are submitted not only by consumers who do not claim that they were unable to repay the credit provided at the time the consumer credit agreement was concluded, but also by consumers who have already duly repaid their credit or are duly repaying it and assert the invalidity of their credit agreements on the basis of formal deficiencies on the part of the creditors.

Such complaints to commence proceedings must nevertheless be duly considered and assessed by the Financial Arbitrator, even though it cannot be ruled out that, in some cases, they are merely applications submitted for an ulterior purpose.

- **Misuse of a payment instrument (credit card, internet/mobile banking)**

Disputes between clients (claimants in proceedings before the Financial Arbitrator) and payment service providers concerning the restoration of payment accounts to the state they were in before a cyberattack can be divided into two basic categories, depending on the extent to which the client cooperated with the attacker (a third party carrying out the cyberattack).

The Financial Arbitrator distinguishes cases in which the client acts under the influence of the attacker. The most common examples are so-called cryptocurrency scams, in which the attacker either persuades the client, or otherwise induces the client to become interested in investing funds with a promise of high returns, or creates fear for the client's funds by informing the client that their account and the funds held in it are at risk and that, in order to protect them, the funds must be transferred to a secure protected account. This category also includes types of attacks in which the client, often knowingly, allows the attacker remote access to the client's electronic device, such as a computer or mobile phone, thereby enabling the attacker to dispose freely of the funds in the client's payment account under the client's identity.

The second category of cyberattacks comprises attacks in which clients fall for a fabricated scenario devised by the attacker and disclose their personalised security credentials (internet banking login details, payment card details, including various authentication codes), most commonly on a fraudulent website, believing that they are logging into their internet banking themselves, receiving funds onto their payment card, or performing a similar legitimate transaction. The most common examples include so-called online marketplace scams and smishing attacks involving messages concerning government benefits, tax refunds, and the like.

It is also appropriate to distinguish between disputes according to the payment instrument used by attackers to transfer funds from the client's (most commonly) current or savings account. These include cases in which the attacker misuses a debit or credit card, the client's internet or mobile banking (through which the client often manages multiple accounts, including business accounts), or a combination of these. Where the client allows the attacker to control their internet or mobile banking, the attacker may not only initiate payment orders to execute payment transactions, but may also change transaction limits, access the client's personalised security credentials, including the card PIN, open new accounts, request the issuance of additional (virtual) payment cards, or use the client's bank identity with other institutions, among other things.

In many cases, attackers who have gained control of a client's payment instrument also arrange for the provision of unsecured consumer credit in the amount of hundreds of thousands of Czech crowns, in addition to using the funds available in the client's account.

The applicable legal framework for assessing claims for redress in respect of unauthorised payment transactions is primarily Act No. 370/2017 Coll., on Payment Systems, as amended

(the “Payment Systems Act”), as the *lex specialis* governing the provision of payment services, together with the Civil Code as the general private-law legislation.

Generally, a payment transaction is authorised if the payer (client) has given consent to the transaction. The Financial Arbitrator must first determine whether the payment transactions challenged by the client in the proceedings before the Financial Arbitrator were authorised or unauthorised, i.e. whether the client gave consent to them.

In the agreement between the client and the payment service provider, the parties agree on obligations concerning the protection of personalised security credentials used to authenticate the client and authorise electronic legal acts.

In such disputes, the Financial Arbitrator must determine whether the client or the payment service provider is liable for losses resulting from unauthorised payment transactions, as provided for by the Payment Systems Act in cases involving the loss, theft or misuse of a payment instrument. In the case of authorised payment transactions to which the client personally gave consent, albeit in the context of a cyberattack, the Financial Arbitrator assesses any breach by the payment service provider of its obligation to detect fraudulent payment transactions and other operations, including whether the provider could have detected suspicious activity in connection with the use of the payment instrument, whether it responded sufficiently quickly, whether it contacted other payment service providers with a request to block the recipient account, and so forth.

With regard to consumer credit agreements entered into by an attacker using a payment instrument over which the attacker has assumed control, or entered into by the client under the attacker’s influence, the Financial Arbitrator assesses whether the conclusion of the consumer credit agreement in the client’s name constitutes a non-existent legal act and, in particular, whether the payment service provider and the consumer credit provider duly assessed the client’s creditworthiness with due professional care before granting the credit.

The amounts at stake in these disputes can reach several hundred thousand Czech crowns in individual cases. In some cases, cyberattacks have resulted in all funds held in clients’ accounts being withdrawn.

The proper assessment of such disputes always requires data extracted from the payment service provider’s internal information systems, as these are the only sources that can identify who performed the legal act using electronic means, including the electronic devices used, their location, and compliance with the agreed procedures. The Financial Arbitrator also assesses recordings of telephone calls between the client and the provider, as well as materials collected by law enforcement authorities, where the client provides such materials to the Financial Arbitrator.

The Financial Arbitrator always assesses the facts established in a case in light of his own findings from on-site inspections conducted at payment service providers against which applications for the commencement of proceedings before the Financial Arbitrator have been submitted. The results of these on-site inspections enable the Financial Arbitrator to establish the facts of the case more reliably, as they provide him with knowledge of how individual

information systems operate, how data is recorded, and so forth, and to make an impartial and fair decision in accordance with the law.

In the proceedings concluded to date, the Financial Arbitrator has generally found that the payment transactions challenged by clients in the proceedings were correctly recorded and were not affected by any technical malfunction or other defect. Where the Financial Arbitrator found otherwise—for example, where a payment service provider had failed to record relevant information concerning a payment transaction—he pointed out this deficiency to the provider and invited it to resolve the dispute amicably.

The most common arguments raised by clients are that they acted under a mistake during the cyberattack or that the payment service provider itself had failed to identify at an earlier stage that the client had become a victim of fraud. In cases involving credit, clients argue that they were unaware that credit could be arranged through internet banking and that, acting as the creditor, the payment service provider could not have properly assessed their creditworthiness within a matter of minutes. Payment service providers most commonly argue that the cyberattack could not have occurred without the client's actions, either because the client directly cooperated with the attacker or because the client breached their contractual obligations to protect their personalised security credentials through at least gross negligence.

Where a client claimed that they had not knowingly authorised the payment transactions, the Financial Arbitrator assessed the client's conduct under a mistake and had to determine whether the client themselves had acted or the attacker had acted on the client's behalf, who had caused the client to act under a mistake, and whether any such mistake was excusable in light of the circumstances of the case. In other words, the Financial Arbitrator had to determine whether the client's possible mistake could affect the validity of the client's legal act (such as the validity of the client's consent to the payment transactions) or, as the case may be, affect liability for the losses resulting from the disputed transactions.

The Financial Arbitrator acknowledges that clients may have been misled by one or more attackers who, with the aim of obtaining funds, created a situation in which the client acted in anticipation of receiving some benefit, and was therefore mistaken as to a material fact. In such cases, however, the Financial Arbitrator did not find, based on the evidence collected, that the payment service provider had contributed to the client's mistake and, consequently, that the mistake was excusable.

In most cases involving unauthorised payment transactions, the Financial Arbitrator generally found that the client had breached their contractual obligations to protect their personalised security credentials associated with the payment instrument, thereby enabling the disputed payment transactions to be carried out. The Financial Arbitrator always carefully assessed whether the agreed obligations were proportionate in view of the relationship between the payment service provider as a professional and the client as a consumer and user of payment services.

The Financial Arbitrator always assessed whether the payment service provider had complied with its obligation to apply strong customer authentication to the payment transaction.

The Financial Arbitrator also assessed whether the payment service provider had breached its duty to prevent or respond to fraudulent activity, including whether it had properly assessed whether the disputed payment transactions displayed signs of suspicious activity and whether it had blocked the recipient account, where the account was held by the provider.

The Financial Arbitrator always encouraged the parties to resolve the dispute amicably where he identified deficiencies on the part of the payment service provider, such as:

- inadequate functionality of the means available for reporting the misuse of a payment instrument (most commonly a blocking hotline), or incorrect handling of a client's report that their payment instrument had been compromised (failure to block the payment instrument without undue delay, or adoption of an inappropriate measure, such as merely recommending that the client change their password instead of blocking the payment instrument);
- deficiencies in the creditworthiness assessment process for credit provided through internet banking;
- deficiencies in fulfilling the obligation to detect fraudulent payment transactions and other operations;
- deficiencies in the contractual documentation relating to the misused payment instrument.

Given that the vast majority of unauthorised payment transactions are carried out using payment instruments (internet or mobile banking and payment cards), the Financial Arbitrator carefully assesses whether all actions performed in connection with these payment instruments—including logging into internet banking, activating a new mobile banking application on a new electronic device, changing a telephone number, changing payment instrument limits, tokenising a payment card in digital wallets such as Google Pay and Apple Pay, and carrying out payment transactions using a payment instrument—are subject to strong customer authentication by the payment service provider. This is because, where strong customer authentication is not applied, the payment service provider is required, subject to the fulfilment of the other statutory conditions, to remedy an unauthorised payment transaction.

- **Retail investment disputes**

In the disputes heard, the Financial Arbitrator has most often found that consumers are offered or intermediated investment products without exercising professional care when investment service providers fail to properly assess the adequacy and suitability of the investment services and investment instruments offered, fail to properly educate consumers about the risks of investing, and provide misleading and unclear information to consumers regarding their losses. In these cases, the financial losses are usually high.

In investment disputes, the Financial Arbitrator also very often encounters breaches of the obligation to properly inform the consumer about the fee structure of the product, or new terms and conditions, or vagueness of contractual provisions due to references to some external unknown conditions.

Failure to exercise professional care in offering or arranging investments in corporate bonds is also common, with investment intermediaries generally defending themselves on the basis that they were not providing an investment service but merely "passing on a tip".

The quality of investment questionnaires is also often quite poor, because they are not filled in, they are very much based on self-assessment, they are crossed out without proof of who did it, containing questions that say nothing.

VIII. SANCTIONS, FINES, JUDICIAL REVIEW

- Sanctions

In the event that the Financial Arbitrator decides the case by award and grants the consumer's claim, even if only in part, the Financial Arbitrator is obliged under Section 17 a (1) of the Financial Arbitrator Act to impose a penalty on the financial institution of 10% of the amount the financial institution is obliged to pay to the complainant, but not less than 15,000 CZK. This amount is to be paid to the state budget.

In 2025, the Financial Arbitrator imposed sanctions in the total amount of 3,252 thousand CZK.

- Fines

Pursuant to Section 23 of the Financial Arbitrator Act, the Financial Arbitrator is entitled to impose a fine on a financial institution for violation of the obligation to submit supporting documents in proceedings before the Financial Arbitrator; the fine may be imposed up to 100,000 CZK and can be imposed even repeatedly. It is also an income to the state budget.

In the period under review the Financial Arbitrator did not impose any fine.

- Judicial Reviews of Financial Arbitrator Decisions

Any party to the dispute (both the consumer and the financial institution) may bring an action against the final decision of the Financial Arbitrator in the case (award and decision on objections) before the general court with jurisdiction in the subject matter and place of jurisdiction for the replacement of the decision of the Financial Arbitrator by a decision of the court under Part 5 of the Civil Procedure Code. The parties to the proceedings before the court are not the Financial Arbitrator, but are the complainant and the institution, who shall bear the costs of the proceedings as determined by the court.

The primary objective of the establishment of the Institute of Financial Arbitrator is to provide consumers as clients of financial institutions with a fast, efficient and inexpensive out-of-court procedure, in which they could enforce their rights, which would otherwise be discouraging for them to apply to a general court, either because of the costs involved (costs of court proceedings, costs of their own legal representation) or the time required.

Any party may file an administrative action under the Administrative Code, against the decision of the Financial Arbitrator by which the Financial Arbitrator decides to terminate the proceedings (for lack of cooperation, lack of jurisdiction, inadmissibility, complexity, etc.) and seek annulment/declaration of nullity of the decision of the Financial Arbitrator. The consumers may also apply to the Administrative Court if they have the impression that the Financial Arbitrator is inactive in their dispute.

It is virtually impossible to compile statistics on the actions filed against the decision of the Financial Arbitrator and the decision of the courts in the period under review, because not all courts notify the Financial Arbitrator of the filed action, request the case file and comments, and at the same time the hearing of the action to replace the decision of the Financial Arbitrator in the first instance often takes place up to two years after the filing of the action.

The Financial Arbitrator is not aware of any decision overturned by a court during the reporting period because the Financial Arbitrator ruled on a consumer's claim in violation of the law.

IX. INFORMATION DUTIES

- Financial education, raising public awareness on the activities of the Financial Arbitrator

The Financial Arbitrator is a member of the Financial Education Working Group operating under the Ministry of Finance.

The Deputy Financial Arbitrator (during the period under review, authorised employees of the Office of the Financial Arbitrator) is responsible for an agenda that includes lectures for both professional and general audiences and cooperation with other entities (such as non-governmental organisations) aimed at raising awareness of the Financial Arbitrator as an institution.

The Financial Arbitrator cooperates with non-governmental consumer organisations. Authorised employees of the Office of the Financial Arbitrator prepared a lecture for the People in Need organisation and the Association of Citizen Advice Centres (Asociace občanských poraden). The related discussions also addressed the submission by consumers of applications for the commencement of proceedings before the Financial Arbitrator and the related consumer claims that may be considered in proceedings before the Financial Arbitrator.

- Informing the public

The Financial Arbitrator also informs the public about her activities through the information published on her website, the Annual report, the report on the information provided pursuant to Act No. 106/1999 Coll., through press releases, or through social networks and information provided to the media.

The Financial Arbitrator fulfils the obligation to inform consumers, as complainants, about the possibility of assistance in proceedings before the Financial Arbitrator and about its decision-making process according to the Financial Arbitrator Act and the disputes being addressed. This is done through individual actions in specific proceedings, by responding to public inquiries, and primarily through the website operated by the Office of the Financial Arbitrator.

- Informing supervisory authorities and state supervision

The Financial Arbitrator shall, as appropriate, inform the public oversight or state supervisory authorities of the financial institutions, against which the Financial Arbitrator conducted the proceedings, of the deficiencies identified in the form of written suggestions or at joint working meetings.

- Handling of inquiries

The Financial Arbitrator has answered any inquiry in the past, including those that do not relate to the activities of the Financial Arbitrator, at least to the extent of advising about the lack of the Financial Arbitrator's competence and, where possible, referring to the relevant authority.

The Financial Arbitrator received over 7,000 inquiries (including 2,500 written inquiries and 5000 telephonic inquiries) in 2025.

Written responses to standard inquiries were handled without undue delay by providing guidance on how to apply for the commencement of proceedings in the particular case.

Other inquiries were handled with delays, or not at all, due to insufficient staffing for this activity at the Office of the Financial Arbitrator. Inquirers were informed of this limitation both in the automated acknowledgement of receipt of their inquiry and through a notice published on the Office of the Financial Arbitrator's website.

- Internet website

The Office of the Financial Arbitrator Financial Arbitrator operates a website <https://finarbitr.gov.cz/en/> in both Czech and English language, to fulfil her information obligations and to further inform general and professional public about her activities and current topics.

During the period under review, further significant modifications were made to the website to ensure that the information about the Financial Arbitrator is as easy to navigate as possible. Thanks to the modifications, the main page provides easy access to information about the Financial Arbitrator, the basic rules of proceedings before her, the individual areas and types of disputes that the Financial Arbitrator is competent to resolve, including links to the legislation and the Collection of Decisions.

- Guide to Submitting a Complaint to commence proceedings

The most widely used functionality of the Financial Arbitrator's website is the Guide to Submitting a Complaint to commence proceedings before the Financial Arbitrator.

Following the instructions in the interactive application form, consumers can prepare an application themselves and attach relevant supporting documents. To commence proceedings, it is sufficient to print and sign the completed complaint form by hand and send it by post, submit it via the consumer's data box, or send it by email bearing a recognised electronic signature.

To remedy deficiencies in a complaint to commence proceedings, or to supplement an application submitted to the Financial Arbitrator, consumers can use the online application or submit the relevant documents via email or their data box. Alternatively, they may submit them in person or by post to the registered office of the Office of the Financial Arbitrator.

- Forms and Templates

The website provides forms that can be downloaded and used to withdraw a complaint or to request an extension of a time limit in the proceedings. A template for the power of attorney for representation in the proceedings before the Financial Arbitrator and a template for the notice requesting remedy are also available.

Answers to frequently asked questions are also available, covering both substantive matters and matters directly concerning proceedings before the Financial Arbitrator. The website also provides recommendations on where to seek assistance in cases where the Financial Arbitrator does not have jurisdiction to resolve the dispute.

The "Subscribe to News" service is available for receiving press releases, news and information about the publication of an anonymised decision in the Collection of Decisions.

- **Collection of Decisions**

The Financial Arbitrator's website also includes the Collection of Decisions, in which the Financial Arbitrator publishes selected decisions. In it you can search by entering a file tag or a keyword. The Financial Arbitrator always publishes the decision in merits, i.e., the award or the decision on objections, which are new or in any way useful to general and professional public with regard to the claim on which the Financial Arbitrator has ruled.

Decisions imposing a fine for a breach of the obligation to present the demanded evidence in the proceedings before the Financial Arbitrator are also published.

In the Collection, the predictability of the Financial Arbitrator's decision-making activity can be traced, which serves not only the financial institutions or their legal representatives, but also the complainants themselves (the consumers). They increasingly refer to the Collection of Decisions and cite the decisions of the Financial Arbitrator in their complaints, in other statements during the proceedings or even in their submissions to the courts.

The rulings on termination of the proceedings on the grounds that the complaint has been withdrawn or lacked a subject matter are not published in the Collection of Decisions, nor are the rulings on termination of the proceedings for failure to act of the complainant. The rulings on termination of the proceedings for inadmissibility of the complaint shall be published only if they are of information value to the public.

As of 31 December 2025, the [Collection of Decisions](#) contained more than 1,100 anonymised decisions on the merits. An [overview](#) of all decisions is available on the website of the Office of the Financial Arbitrator. Due to insufficient staffing for activities related to the anonymisation and publication of decisions in the Collection of Decisions, decisions are not published as promptly as would be desirable.

- **Public relations**

The Financial Arbitrator communicates with the lay and professional public as standard through her websites, where she uses several communication options, namely on the following pages:

- news: <https://finarbitr.gov.cz/en/information-for-public/news.html>
- press releases: <https://finarbitr.gov.cz/en/information-for-public/official-notice-board.html>,
- important information on the main page of the website: <https://finarbitr.gov.cz/en/>,
- frequently asked questions: <https://finarbitr.gov.cz/en/information-for-public/what-to-doif.html>,
- annual reports: <https://finarbitr.gov.cz/en/information-for-public/annual-reports.html> .
- forms and templates.

The Financial Arbitrator included the [leaflet](#) about the Financial Arbitrator with every response to an inquiry received outside the proceedings.



FA KANCELÁŘ FINANČNÍHO ARBITRA
ORGANIZAČNÍ SLOŽKA STÁTU

FINANČNÍ ARBITR – BEZPLATNÉ MIMOSODNÍ ŘEŠENÍ SPOTŘEBITELSKÝCH SPORŮ NA FINANČNÍM TRHU

Většinu sporů spotřebitele s finanční institucí může vyřešit finanční arbitr v **bezplatném** mimosoudním řízení, ve kterém **nemusi být spotřebitel právně zastoupen**. Řízení před finančním arbitrem upravuje zákon č. 229/2002 Sb., o finančním arbitrovi, ve znění pozdějších předpisů.

Finanční arbitr je příslušný k rozhodování sporů spotřebitele s finanční institucí z

- **platebního styku** – např. sporu o provedení platební transakce bez souhlasu majitele účtu (např. při zneužití platební karty nebo internetového bankovníctví, nevydání hotovosti bankomatem, nezaúčtování hotovosti při vkladu prostřednictvím bankomatu nebo na pokladně, opožděné provedení platební transakce, odmítnutí provedení platební transakce, o platnost výpovědi smlouvy o účtu, výši poplatku za platební službu), i sporu při vydávání a zpětné výměně elektronických peněz, při vedení jiného než platebního účtu nebo při přijímání nebo vrácení jednorázového vkladu, z dynamické směny měn;
- **spotřebitelského úvěru** – např. sporu z úvěru, zápůjčky nebo obdobné finanční služby o určení výše dluhu, posouzení platnosti smlouvy pro neposouzení úvěruschopnosti dlužníka nebo nepřiměřenou odměnu, správnosti údajů vedených v registrech dlužníků, platnosti odstoupení od úvěrové smlouvy nebo výši poplatku za předčasné splacení úvěru nebo nečerpání úvěru;
- **kolektivního investování** – např. o vypořádání realizovaného pokynu k nákupu/prodeji/výměně podílového listu, o hodnotu podílového listu;
- **životního pojištění** – např. o platnost pojistné smlouvy nebo o vyplacení pojistného plnění nebo odkupného v jiné výši;
- **směnárenského obchodu** – např. o výši směnného kurzu, odstoupení od smlouvy o směnárenském obchodu nebo poplatek za provedení směnárenského obchodu;
- **stavebního spoření** – např. o platnost výpovědi nebo jednostranného ukončení smlouvy o stavebním spoření, platnost jednostranné změny úrokové sazby z vkladů nebo změny poplatku za vedení účtu stavebního spoření, výši vyplacené státní podpory;
- **investičních služeb** – např. o náhradu škody, o poplatek účtovaném v souvislosti s nákupem/prodejem investičního nástroje, o určení neplatnosti smlouvy nebo smluvního ujednání nebo výpovědi smlouvy;
- **penzijních produktů** – penzijního připojištění se státním příspěvkem, doplňkového penzijního připojištění a panevropského osobního penzijního produktu, např. o platnost smlouvy, vyplacení plnění v jiné výši, o poplatek, o platnost výpovědi smlouvy;
- **dlouhodobého investičního produktu** – např. o platnost ujednání o poplatek nebo jeho výši, o vydání potvrzení pro daňové účely nebo o jeho obsah;
- **kryptoaktiv** – např. o přijímání, předávání, provádění pokynů ke kryptoaktivům jménem zákazníků, poskytování poradenství týkajícího se kryptoaktiv nebo o směně kryptoaktiv za peněžní prostředky nebo za jiná kryptoaktiva.

Zda může finanční arbitr spor řešit, lze zjistit v Odpovědích na časté dotazy, které jsou k dispozici na <https://finarbitr.cz/cs/informace-pro-verejnost/caste-otazky.html> nebo <https://finarbitr.cz/cs/ptejte-se-arbitra.html>, případně na adrese arbitr@finarbitr.cz nebo tel. +420 257 042 094 (po-pá 10-11 a 14-15).

Při podání návrhu na zahájení řízení musí spotřebitel dodržet postup:

1. **Nejprve vyzvat finanční instituci k nápravě;**
Vzory jsou k dispozici na <https://finarbitr.cz/cs/reseni-sporu/formulare.html>.
2. **Zpracovat návrh na zahájení řízení;**
Návrh lze zpracovat v **Průvodci podáním návrhu** na <https://finarbitr.cz/cs/reseni-sporu/pruvodce-podanim-navrhu.html>, kam je možné vložit elektronické přílohy, které již pak není zapotřebí zasílat spolu s podepsaným návrhem; nebo je formulář návrhu k dispozici na <https://finarbitr.cz/cs/reseni-sporu/formulare.html>.
3. **K zahájení řízení je nezbytné návrh:**
 - a) **vlastnoručně podepsat** a poslat **poštou** na adresu Kancelář finančního arbitra, Legerova 1581/69, 110 00 Praha 1;
 - b) podepsat **uznávaným elektronickým podpisem** (podepisovací certifikát), a poslat **e-mailem** na adresu arbitr@finarbitr.cz, max. velikost zprávy je 14 MB;
 - c) podepsat a poslat **vlastní datovou schránkou** do schránky Kanceláře finančního arbitra (qr9ab9x), max. velikost zprávy je 100 MB.
4. **K návrhu je nezbytné připojit úplnou smluvní dokumentaci**, je-li k dispozici, **vždy písemnou výzvu k nápravě**, a případně i její odmítnutí, **komunikaci s finanční institucí** a jiné podklady související se sporem.
5. K doplnění návrhu na zahájení řízení lze využít **Průvodce doplněním návrhu** na <https://finarbitr.cz/cs/reseni-sporu/pruvodce-doplenim-navrhu.html> nebo lze podklady zaslat poštou, e-mailem nebo do datové schránky Kanceláře finančního arbitra.

Finanční arbitr určitě **nemůže** řešit spory

- z poskytování služeb elektronických komunikací a z poštovních služeb (ty řeší Český telekomunikační úřad <https://www.ctu.cz>);
- s dodavateli energií (ty řeší Energetický regulační úřad <https://www.eru.cz>);
- z koupě zboží nebo poskytování jiných než výše uvedených finančních služeb, (ty řeší Česká obchodní inspekce <https://www.coi.cz/informace-o-adr/>);
- z neživotního pojištění (zejména spory z havarijního pojištění, pojištění pro případ nemoci, úrazového pojištění, pojištění majetku, pojištění právní ochrany), ty může vedle České obchodní inspekce řešit též Kancelář ombudsmana České asociace pojišťoven <https://www.ombudsmanacp.cz>).

X. OTHER ACTIVITIES OF THE FINANCIAL ARBITRATOR

The Financial Arbitrator and the Deputy Financial Arbitrator try to pass on the knowledge and experience gained in dispute resolution, both by participating in financial education activities and in the legislative process of adopting new legislation regulating the provision of financial services to consumers.

- Subcommittee on Consumer Protection of the Chamber of Deputies of the Parliament of the Czech Republic

The Financial Arbitrator is a regular guest and regularly attends meetings of the Subcommittee on Consumer Protection of the Chamber of Deputies of the Parliament of the Czech Republic.

- Interdepartmental comment procedure

In 2025, as part of the interdepartmental comment procedure, the Financial Arbitrator submitted comments on, or participated in the resolution of comments regarding, among other things, a draft amendment to the Consumer Credit Act, which is intended primarily to transpose the CCD2 Directive into Czech law.

- Public and non-public consultation materials, conferences, roundtables

At the invitation of the Ministry of Finance, the Financial Arbitrator participated in a roundtable discussion on selected issues relating to the provision and intermediation of consumer credit.

- Interdepartmental Working Group

In connection with the implementation of the Consumer Policy Strategy 2021–2030 approved by the Government Resolution No. 518 on 7 June 2021, an interdepartmental working group was established at the Ministry of Industry and Trade. The Financial Arbitrator is a full member of this working group and participates in its meetings.

- Cooperation with other ADR entities in the Czech Republic

The Financial Arbitrator participates in meetings of the ADR Platform, which brings together representatives of the Ministry of Industry and Trade and individual ADR entities operating in the Czech Republic.

In addition to participating in meetings of the ADR Platform, the Financial Arbitrator communicates with other ADR entities as necessary.

- Providing information to the media, students and commentators on financial market topics

The Financial Arbitrator provides information on her activities as well as general explanations to various questions of journalists and students. The Financial Arbitrator is bound by a strict duty of confidentiality and can therefore only provide general information.

XI. INTERNATIONAL COOPERATION

- Cooperation of the Financial Arbitrator with similar out-of-court consumer dispute resolution bodies in other countries

Under the Financial Arbitrator Act, the Financial Arbitrator shall cooperate on a mutual basis with similar out-of-court consumer dispute resolution bodies in other states, in particular in the states forming the European Economic Area, and with the authorities of the European Union.

The foreign cooperation agenda is permanently delegated to the Deputy Financial Arbitrator, who not only represents the institution of the Financial Arbitrator at the international level, but also, thanks to his extensive experience with this agenda, is being re-elected or appointed by other members of the international networks (of which the Financial Arbitrator is a member) to the governing bodies of these networks.

- ADR/ODR

Since January 2016, the Financial Arbitrator has been notified by the Ministry of Industry and Trade as a competent body under the ADR Directive to the European Commission.

The Financial Arbitrator has been connected to the European online consumer dispute resolution platform operated by the European Commission under the ODR Regulation. In 2025 no complaint was submitted to the Financial Arbitrator through the ODR platform. The ODR platform ended its activities as of 20 July 2025.

- FIN-NET

The Financial Arbitrator has been a member of FIN-NET a European network of institutions focused on out-of-court resolution of disputes in the financial market. The network, founded in 2001, brings together institutions such as the financial ombudsmen from most of the European Union Member States and other countries of the European Economic Area. Its mission is to share experience from day-to-day decision-making practice of its members and to help resolve cross-border disputes.

In 2025, there were 2 plenary meetings of this network.

The spring in-person plenary meeting of FIN-NET, attended by the Deputy Financial Arbitrator, focused primarily on responsible lending, insurance and the functioning of alternative dispute resolution. The meeting addressed issues relating to fraud, including phishing and relationship scams, cooperation between relevant institutions in preventing losses, and the interpretation of the concept of gross negligence. The agenda also included information on legislative changes, funding and the establishment of new dispute resolution mechanisms.

The autumn online plenary meeting of FIN-NET, attended by an authorised employee of the Office of the Financial Arbitrator, provided information on ongoing legislative work at European Union level, in particular the review of the existing consumer protection framework for financial services, including the Alternative Dispute Resolution (ADR) Directive. It also covered the ongoing consideration of new legislation on payment services (PSD3 and PSR), aimed at strengthening user protection and preventing fraud (with a focus on rules governing the liability of service providers and increasing transparency towards consumers).

Attention was also given to new challenges arising from digitalisation, in particular the use of artificial intelligence in the provision of financial services and the related handling of complaints.

- INFO Network

The Financial Arbitrator is a member of the international network of institutions focused on the out-of-court resolution of consumer disputes in the financial market known as the INFO Network (International Network of Financial Services Ombudsman Schemes). Founded in 2007, the network brings together financial ombudsman institutions from virtually every continent.

The INFO Network has long sought to establish universally applicable minimum standards (independence, transparency, fairness and effectiveness) for the out-of-court resolution of disputes in the financial market across different types of financial ombudsman institutions worldwide, irrespective of the nature and method of establishment of such institutions (state or private, established by law or otherwise), their funding, participation rules (whether participation by financial service providers is voluntary or mandatory), or their powers (whether they may issue binding decisions or provide mediation/conciliation, etc.).

In 2025, neither Deputy Financial Arbitrator nor the Financial Arbitrator herself attended the network's traditional annual conference held in conjunction with its general meeting.

XII. COSTS RELATED TO THE FINANCIAL ARBITRATOR'S ACTIVITIES

- Implementation of State Budget Priorities Set by the Government

The Office of the Financial Arbitrator is an accounting unit, whose income and expenditure form part of the budget chapter of the Ministry of Finance.

As in previous years, the Office of the Financial Arbitrator (OFA) only incurred necessary expenses for the activities of the Financial Arbitrator and the operation of the OFA.

Most public contracts participated in by the OFA are centrally awarded by the Ministry of Finance. Other public contracts (such as the development of information systems and language training for employees) are organised by the OFA itself.

During the reporting period, as in previous years, the OFA did not utilise external legal or consulting services, only the Deputy Financial Arbitrator was sent for the international business trip, all while fulfilling its statutory obligation.

- Fulfillment of mandatory state budget indicators

The OFA does not have budgeted revenues due to the nature of its activities, which involve fulfilling tasks related to the professional, organisational, and technical support of the Financial Arbitrator's work as a body for the out of court resolution of consumer disputes in the financial market, because the proceedings before the Financial Arbitrator are free of charge, and their primary goal is to reach an amicable resolution of the dispute; therefore, revenue from penalties and administrative fines is not a predictable source of income.

During the period under review, the KFA did not commit any state budget funds for vacant positions, as this obligation did not arise.

The budgeted current expenditure for the operation of the Office of the Financial Arbitrator was insufficient to cover the actual expenditure due to increased mandatory expenditure associated with the use of non-residential premises, in particular energy costs and repairs and maintenance, including building security, payments for services and other current expenditure (especially expenditure on postal services). The Office of the Financial Arbitrator used entitlements to unspent expenditure from previous periods to cover these costs.

The Office of the Financial Arbitrator covered its current operating expenditure partly from entitlements to unspent expenditure from previous periods, which it had generated as a result of not using funds allocated for salaries or other non-capital expenditure, and partly through transfers (i.e. budgetary measures) from capital expenditure and transfers of related salary expenditure.

From its establishment in 2011 (with 8 authorised posts) to the present day (with 57 authorised posts), the budget for the activities of the Office of the Financial Arbitrator has envisaged the gradual establishment of an independent office with its own IT infrastructure, non-residential

premises, and other facilities. To date, the Office of the Financial Arbitrator has continued to use premises in the Ministry of Finance building on Legerova Street in Prague 1 under a record of lease of non-residential premises. Likewise, the Office of the Financial Arbitrator has not yet established its own facilities and IT infrastructure, which it continues to share with the Ministry of Finance under a record on the provision of information, communication and telecommunications services.

- **Revenues**

If the parties fail to reach an amicable settlement of the dispute and the Financial Arbitrator decides the case and upholds the consumer's complaint, even partially, she is obliged under the Financial Arbitrator Act to impose a penalty on the financial institution of 10% of the amount which the financial institution is obliged to pay to the complainant, but not less than CZK 15,000.

In addition, the Financial Arbitrator is entitled under the Financial Arbitrator Act to impose a fine up to CZK 100,000 on a financial institution for a breach of the obligation to present the demanded evidence in the proceedings before the Financial Arbitrator. Both fines are an income of the state budget

A sanction is therefore imposed only if the Financial Arbitrator is unable to reconcile the parties to the dispute and must issue a decision on the matter. If a settlement is reached or the proceedings are discontinued because the subject matter of the dispute has ceased to exist, no penalty is imposed.

An administrative fine is then imposed only in the event of a financial institution's failure to cooperate in the proceedings.

Other unpredictable incomes of the OFA are transfers from own funds and refunds of foreign business trips.

- **Revenue Budget Execution by Budget Category (in thousands of CZK)**

Revenue Class under the Budget Classification	Budget 2025		Actual as of 31 December 2025	Fulfilment of amended budget (in %)
	Approved	Amended		
Tax revenue				-
Nontax revenue			3403,53	-
Capital revenue				-
Accepted transfers				-
TOTAL	0,00	0,00	3403,53	-

During the period under review, sanctioned payments, refunds of transfers, and transfers from the OFA's own funds totalled 3,404 thousand CZK, broken down as follows:

- a) sanctioned payments, which represent sanctions, penalties or fines imposed in proceedings before the Financial Arbitrator, totaling 3,252 thousand CZK;
- b) The transfer from own funds amounted to 152 thousand CZK; when payroll funds were transferred to the OFA deposit account at the end of 2024, this amount served as a reserve for any unexpected expenses related to the payment of wages for the last month of the calendar year. Since no unforeseen events occurred, these funds were transferred to the revenue account as a transfer from own funds.

- **Expenditures**

The approved expenditure budget for ensuring the activities of the Financial Arbitrator and the Office of the Financial Arbitrator amounted to 69,051 million CZK. The final expenditure budget amounted to 87,233 million CZK. Actual expenditure amounted to 74,291 million CZK.

The approved budget for expenditure on employees' salaries and other payments for work performed in 2025 amounted to 49,041 million CZK, while the final budget amounted to 59,424 million CZK. Actual expenditure on employees' salaries and other payments for work performed amounted to 48,797 million CZK.

Total programme financing expenditure was approved in the amount of 700 thousand CZK. The budget after amendments amounted to 5,5 thousand CZK, while the final budget amounted to 1,079 million CZK. Actual programme financing expenditure amounted to 1,079 million CZK.

The number of authorised posts at the Office of the Financial Arbitrator remained at 57 for 2025.

- **Fulfillment of mandatory indicators (in thousands of CZK)**

Indicator	Actual as of 31 December 2024	Budget 2025			Actual as of 31 Dec. 2025	% fulfilment	
		Approved	Amended	Final as of 31 Dec.		Amended budget	Final budget
Column	1	2	3	4	5	5:3	5:4
Total expenditure	70 512,50	69 051,10	69 051,10	87 233,40	74 290,90	107,59	85,16
<i>of which:</i>							
Capital (investment) expenditure	465,30	700,00	5,50	1 079,50	1 079,10	19 620,00	99,96
<i>of which:</i>							
Acquisition of intangible fixed assets	465,30	700,00	5,50	1 079,50	1 079,10	19 620,00	99,96
Acquisition of tangible fixed assets						-	-
Current (non-investment) expenditure	70 047,20	68 351,10	69 045,70	86 153,90	73 211,80	106,03	84,98

Employees' salaries and other payments	46 888,80	49 040,60	49 040,60	59 424,20	48 797,30	99,50	82,12
<i>of which:</i>							
Employees' salaries	46 193,30	48 444,60	47 944,60	56 987,90	46 825,90	97,67	82,17
total other payments	695,50	596,00	1 096,00	2 436,30	1 971,40	179,87	80,92
Mandatory insurance contributions	15 599,80	16 575,70	14 885,70	18 384,50	16 086,70	108,07	87,50
Allocation to the Cultural and Social Needs Fund	461,90	484,40	484,40	484,40	468,40	96,70	96,70
Social benefits						-	-
Other current expenditure	7 096,70	2 250,40	4 635,00	7 860,80	7 859,40	169,57	99,98
<i>of which:</i>							
Purchase of materials	245,50	50,00	512,70	1 988,20	1 988,20	387,79	100,00
Purchase of water, fuels and energy	789,20	160,00	384,20	511,30	511,30	133,08	100,00
Purchase of services	5 546,10	1 524,00	3 488,40	5 063,00	5 062,00	145,11	99,98
<i>of which:</i>							
Rent	7,00	7,00	0,00	0,00	0,00	-	-
Other purchases	489,90	414,00	247,80	296,40	296,00	119,45	99,87
<i>of which:</i>							
Repairs and maintenance	306,70	200,00	170,60	219,00	170,60	100,00	77,90
Software up to 60 thousand CZK	0,00	0,00	0,00	0,00	0,00	-	-
Travel expenses	120,90	154,00	43,10	43,10	42,70	99,07	99,07
Other items	26,00	102,40	1,90	1,90	1,90	100,00	100,00
Average full-time equivalent number of employees	52,00	57,00	57,00	57,00	54,00	94,74	94,74
Average monthly salary in CZK	74 027,00	70 825,40	70 825,40		72 262,19	102,03	-

As of 31 December 2025, the average full-time equivalent number of employees was 54. This was due to several employees leaving during the period under review, while the Office of the Financial Arbitrator also employs several part-time employees, in particular employees caring for minor children or a close relative. In addition, at the end of the period under review, the Office of the Financial Arbitrator had vacant positions equivalent to three authorised posts, as the return of employees from parental leave and the commencement of employment by new employees selected through recruitment procedures were expected in 2026, meaning that these positions could no longer be filled, even on a temporary basis.

The approved budget of the Office of the Financial Arbitrator for mandatory employer contributions to insurance amounted to 16,576 million CZK. The final budget amounted to 18,384 million CZK. During the period under review, 1,690 million CZK was transferred from mandatory insurance contributions to other non-capital expenditure. As of 31 December 2025, the amended budget amounted to 14,885 million CZK. Actual expenditure on mandatory insurance contributions amounted to 16,087 million CZK.

The basic allocation to the Cultural and Social Needs Fund amounted to 1% of the funds allocated for employees' salaries and totalled 484 thousand CZK. Actual expenditure from the Cultural and Social Needs Fund amounted to 468 thousand CZK.

During the period under review, the Office of the Financial Arbitrator had Programme 01242 – Acquisition and Renewal of the Material and Technical Infrastructure of the Office of the Financial Arbitrator. The programme was scheduled to run from 1 January 2020 to 31 December 2025. The programme was implemented through two sub-programmes: 012V4210 – Acquisition and Development of ICT for the Office of the Financial Arbitrator and 012V4220 – Acquisition and Renewal of the Material and Technical Infrastructure of the Office of the Financial Arbitrator.

The Office of the Financial Arbitrator generated entitlements to unspent expenditure from previous years primarily as a result of underspending on salaries and related other non-capital expenditure due to vacant positions, as well as the non-completion of the programme's project documentation.

The approved budget for current expenditure amounted to 68,351 million CZK. The budget was amended during the period under review, with the final budget amounting to 86,154 million CZK. Capital expenditure was budgeted at 700 thousand CZK in the approved 2025 budget, while the final budget for capital expenditure amounted to 1,079 million CZK.

Current expenditure covers employees' salaries and other payments for work performed, related insurance contributions, and the operating costs of the Office of the Financial Arbitrator, including expenditure on services associated with the use of non-residential premises, services related to the operation of information systems, postal services and electronic communications services.

Capital expenditure covers planned expenditure on the development of information systems. Due to insufficient staffing, some development projects relating to the two major information systems were postponed to a later period.

Current expenditure during the period under review amounted to 73,212 million CZK.

The largest share of other current expenditure was accounted for by the purchase of services. During the period under review, 5,062 million CZK was spent on other services, including IT data processing services, training and education services, postal services, telecommunications and radio communications services, services provided by financial institutions, and other services (security, cleaning and waste disposal).

Among the more significant items affecting the development of operating expenditure were expenditure on services associated with the use of non-residential premises. In 2025, 511 thousand CZK was paid for water and sewerage charges and electricity, 171 thousand CZK for maintenance and repairs, and 859 thousand CZK for other services associated with the

lease and use of non-residential premises. Arrears for 2024 amounted to 1,640 million CZK as of 31 December 2025. This amount will be paid in 2026.

The Office of the Financial Arbitrator generated entitlements to unspent expenditure in previous years primarily because of underspending on salaries and other non-capital expenditure.

Actual expenditure on employees' salaries and other payments for work performed amounted to 106% of the amended budget and 85% of the final budget. The higher expenditure on other payments for work performed compared with the previous period was related to an increase in the number of employees working under agreements for work performed outside an employment relationship (DPP and DPČ).

○ Programme financing

During the period under review, the Office of the Financial Arbitrator had one approved programme, Programme 01242 – Acquisition and Renewal of the Material and Technical Infrastructure of the Office of the Financial Arbitrator, which was scheduled to run from 1 January 2020 to 31 December 2025.

Programme 01242 is realised through two subprogrammes:

012V4210 – Acquisition and Development of ICT for the Office of the Financial Arbitrator and
012V4220 – Acquisition and Renewal of the Material and Technical Infrastructure of the Office of the Financial Arbitrator.

There are three projects in total:

012V421000001 – Development of the Information Systems of the OFA,
012V42100A001 – Aggregation of the Office of the Financial Arbitrator,
012V422000001 – Office Equipment and Furnishings.

In view of the forthcoming legislative changes concerning the requirements for records management systems in state authorities, the resulting need to acquire a certified records management system, and the need to develop the existing information system used for the activities of the Financial Arbitrator, the Office of the Financial Arbitrator requested the programme administrator to approve the transfer of unspent funds from the ICT project under Programme 012V42 to the new Programme 012V43. The new programme will be registered and will include a project for the development and acquisition of ICT for the Office of the Financial Arbitrator.

The aim of the programme will therefore be to ensure the development of the Office of the Financial Arbitrator's information systems, specifically the Records Management and Proceedings Information System of the Office of the Financial Arbitrator and the Website Information System, as two key information systems, so that they comply with the requirements laid down by law and the justified requirements of their users.

Total expenditure under the programme over its duration amounted to 2,456 million CZK. The programme was scheduled to be completed by 31 December 2025. The Office of the Financial Arbitrator will submit the programme evaluation no later than 30 June 2026. The balance as at the date of completion of the programme amounted to 401.80 CZK. All funds were spent solely on project 012V42100001.

The objectives of Sub-programme 012V4210 were achieved. The Information System was modified in response to changes in legislation that fell outside the scope of the services covered by the support agreement. These modifications primarily concerned changes to and the adoption of new legislation that does not directly regulate the activities of the Office of the Financial Arbitrator but nevertheless affects its overall operation.

Programme financing expenditure was approved in the amount of 700 thousand CZK for 2025. The budget after amendments amounted to 5.5 thousand CZK, while the final budget, following the incorporation of entitlements to unspent expenditure, amounted to 1,079 million CZK. Actual programme financing expenditure amounted to 1,079 million CZK.

- **Claims arising from unused expenses**

As of 1 January 2025, entitlements to unspent expenditure amounted to 30,182 million CZK in total, comprising 23,458 million CZK in earmarked expenditure and 6,724 million CZK in non-earmarked expenditure.

As of 1 January 2026, entitlements to unspent expenditure amounted to 24,942 million CZK in total, comprising 22.627 million CZK in earmarked expenditure and 2.315 million CZK in non-earmarked expenditure.

XIII. FUTURE OUTLOOK

A continuing challenge that the Financial Arbitrator has and will continue to address is the pursuit of efficient dispute resolution, particularly in terms of length of proceedings.

To this end, the OFA will continue to develop its information systems and will work towards the creation of a new website and a portal for the public that will allow easier filing of a complaint before the Financial Arbitrator and communication of the parties of the proceedings during the proceedings.

In the coming periods, all professional staff of the OFA will continue to raise awareness of the Financial Arbitrator among the public through active communication with the public and the media, presentations, publication of press and annual reports, information on the website (news, recommendations, decisions) and on social media.