

Financial System Mediator

The Office of Financial System Mediator is a team of knowledgeable and professional specialists. It is called to resolve disputes between the individuals and financial institutions. The dispute resolution is free of charge and without delay. The Office has been functioning since January 24, 2009. Its founder is the Central Bank of Armenia.

The Office is funded by financial institutions (banks, credit organizations, insurance companies, pawnshops, etc.) licensed by the Central Bank through regular mandatory fees, as prescribed by law. The amount of these fees is set for each type of organization under law. The share of each organization in total contributions is small. The Office performs in pursuit of the following objectives: protection of consumer rights and interests in the financial market, fast, effective and free review and handling of client claims, and enhancement of public confidence in the financial sector.

The organization structure is the following: Board of Trustees-Auditor-Assistant-Mediator-Case handling and investigating group-Support group.

Board of Trustees. According to the Republic of Armenia Law on Financial System Mediator, the Board of Trustees of the Office of Mediator consists of 7 members. They are appointed as follows:

- 1 member by the Republic of Armenia Government,
- 1 member by the Board of the Central Bank of Armenia,
- 1 member by organizations that advocate protection of consumer rights, and
- 4 members by unions of organizations.

The Board of Trustees of the Office of Mediator is called to approve internal policies and procedures of the Office, hear Financial System Mediator reports, control the status of implementation of the decisions it has made, oversee day-to-day activities of the Office and its financial and economic performance, approve the budget of the Office. According to the law, the Board of Trustees shall not interfere with the professional activities of the Financial System Mediator.

According to the Republic of Armenia Law on Financial System Mediator, the Financial System Mediator shall have higher education and shall be of good repute, and shall have at least five years' work experience. The Financial System Mediator may not be a person who has worked in any financial institution in the last three years. The Financial System Mediator cannot be engaged in entrepreneurial activity, be a member of management in any political party, hold a position in central or local governmental bodies, commercial organizations, perform other

paid work, except for scientific, pedagogical and creative activities, and shall refrain from actions that cast doubt on their independence and impartiality.

The Financial System Mediator is appointed by the Board of Trustees of the Office, voted by at least five members, for a four-year term, and may be reappointed to the same position.

FSM has specialists with extensive experience in law, economics, personnel management and other areas. They graduated from leading universities in Armenia and abroad, have considerable work experience in banking, insurance, credit cards and other industries.

Strategic objectives of the Office of Financial System Mediator are:

- Raising and strengthening the level of trust in the financial system,
- Protecting consumer rights and interests,
- Increasing public confidence in the financial system and enhancing financial inclusion.

The strategic plan of the Office of Financial System Mediator sets forth a bunch of goals and tasks to fulfil the strategic objectives as well as has policies, programs, and projects on how to achieve each of them.

Core values of the Office

1. Impartiality in case review.
2. Equality and equal rights for the parties.
3. Caring attitude towards the customer.
4. Priority to reconciliation of the parties
5. Operational effectiveness.
6. Transparency and openness.
7. Partnership and confidentiality
8. Professionalism and teamwork.
9. International cooperation and innovative solutions.
10. Take a lead at a regional level in the field of protecting consumer rights and interests in the financial market.

According to the Republic of Armenia Law on Financial System Mediator, the Financial System Mediator is competent to examine the claims that are made against the organizations which have been licensed by the Central Bank of the Republic of Armenia, except for the parties which have been licensed to perform:

A/ foreign currency trading

B/ processing and clearing of payment transactions and payment and settlement documents.

So if you have any problems with the financial organizations, the Financial System Mediator will help to solve them.