

Title: Client Protection in Financial Services

Key words: client, consumer, financial service, deposit, credit

Abstract

The present diploma thesis focuses on the client protection in financial services. It introduces relevant legislature and provides a reader with the analysis of the level of legal protection. Introduction part explains my motivation for the choice of the topic, mostly influenced by current debate over certain forms of financial services. It also presents a processing method of the thesis and kinds of resources used.

The first chapter of the thesis is dedicated to an elaborate definition of the analysed key terms – the client and the financial services. In the context of this work is client understood as a consumer. First part provides the reader with comparison of legal definitions of consumer presented in various legislation. A broad term of financial services is hereby narrowed to accepting deposits and providing credit loans.

The second chapter consists of analysis of legislation which regulates client protection in this field. Substantial part is provided for the proper description of the EU legislature. Last part of the chapter sketches a short summary of changes brought by the new legislation in the field of private law, that comes into force in January 2014.

Chapter Three concerns two main legal concepts when it comes to the client protection in financial services – a deposit guarantee schemes and a duty of confidentiality, of which bank secrecy is best known. Not only advantages of these two concepts are mentioned, but also negatives and potential risks are taken in consideration.

Last chapter concentrates on the dispute resolution coming out of contracts between the clients and financial institution. Emphasis is laid on alternative dispute resolution, namely on the financial ombudsman authority. In this aspect, an evolution of decisions of courts and financial ombudsman at the area of bank fees is also given attention.

The conclusion of the thesis recapitulates the most important knowledge and informations gained from the research and offers evaluation of provided legal protection of the clients.