

Abstract: Financial Arbitrator

The legislative introduction of the institute of Financial Arbitrator as the relevant authority for settling out-of-court disputes into Czech law is a relatively new phenomenon, and is related to the interests of consumer protection within the European Union. In particular, the interests of the European Union in this area are to reinforce consumer confidence in the financial market.

Given the fact that the majority of consumer disputes are so-called petty disputes, and resolving these disputes before the national courts is too lengthy and costly for consumers, the European Union has placed a duty upon its Member States to introduce the option for consumers, in case of any possible disputes, to be able to turn to the out-of-court dispute settlement authority for assistance in selected areas of the financial market. Any proceedings heard before such authority are free-of-charge and less formalized, thus enabling consumers greater accessibility in protecting their rights against institutions operating in the financial market.

The first chapter describes the reasons for the institution of Financial Arbitrator, i.e. it is exactly for the purpose of consumer protection, which should result in increased consumer confidence in the financial market, and the possibility to enforce one's rights in selected areas of the financial market.

The second chapter describes the development of the institute of Financial Arbitrator and legal treatment thereof within the Czech legal system, where it was gradually amended thereby extending the competence of the Financial Arbitrator to include settling disputes.

The third chapter is devoted to each area in which the financial Arbitrator is competent to rule on any disputes; each such area is specified in detail, describing the content of the obligations between the parties and, where appropriate, the previous decision-making practices of the Financial Arbitrator in selected disputes.

The fourth chapter takes a closer look at the position of the institute of Financial Arbitrator and its competences in hearing disputes in relation to the courts and arbitration bodies, as well as proceedings heard before the Financial Arbitrator itself and its particularities as separate administrative proceedings.

Lastly, the fifth chapter deals with the development of the institute of Financial Arbitrator for the future and the planned extension of its competences to hear disputes in other areas of the financial market.