

# Remediation update

11 MAY 2021

MONTHLY PROGRESS OVERVIEW – REMEDIATION OF LEGACY ISSUES

This update provides an overview of the most significant developments during the past month on legacy issues overseen by Danske Bank's central remediation office.

For information about the status of the remediation of all legacy issues handled by the remediation office, please visit [www.danskebank.com/remediationupdate](http://www.danskebank.com/remediationupdate).

## **Flawed data in debt collection systems**

- In the debt collection case, we have reviewed a further almost 7,000 cases, in which we have identified a risk of overcollection, since the preceding update. Thus, we have now overall reviewed about 90,000 of the around 108,000 customer cases at risk of overcollection. There are still 1,500 customers confirmed for compensation as a result of overcollection. So far, the customers who have received compensation have on average received DKK 1,265. We still expect that 10,000-15,000 customers are to be compensated.
- We still expect to have reviewed the majority of all customer cases in our debt collection system by 1 July 2021 with regards to the four main errors and to have repaid the customers who are entitled to compensation. In some of the older cases, however, we are challenged by the availability of data, which makes it more difficult than expected to investigate a customer's case, contact the customer and repay any debt overcollected by 1 July 2021. At this moment, the expected number of customers with challenging data availability ranges 8,500-10,500.
- We have identified possible errors in our procedures for manual correction. This means that a number of cases corrected before October 2020 may not have been accurately corrected, and we are investigating this further. At this stage, we expect around 4,000 customers to be subject for review. If customers are affected, we will of course inform those customers about it as soon as possible. This may also lead to an increase of customers being at risk of overcollection.
- In connection with the review of our systems, we have identified additional nine possible sources of errors, including a system error relating to a particular type of mortgage, under which we may have charged incorrect amounts. We are still in the process of analysing these possible errors, and should there be cases in which they have affected our customers, they will be informed about it as soon as possible.
- The DFSA and KPMG/Poul Schmith, the impartial reviewer, have agreed to extend the review period until the end of October 2021 to better align with all the necessary adaptations of our systems and processes as well as the investigation of the additional possible errors we have identified.

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### **Interest on reminder fees**

- In this case, which involves our wrongful charging of interest on reminder fees, we have informed about another 87,500 customers that they may have paid interest on reminder fees. Of these, 50,000 customers have received less than DKK 10 to cover the interest they have paid on reminder fees. We continue to expect about half of the 400,000 potentially affected customers to have paid less than DKK 10 in interest on reminder fees. We are still in the process of analysing the issue and have also identified cases with significantly larger amounts.

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### **Delays in our tax services**

- We have earlier identified delays in our tax service involving the reclaim of dividend tax on foreign securities. We have now investigated the matter and looked at the cases outstanding in which delays have been identified. All affected customers have received information, and customers where it has taken us more than 2 years to request a refund will receive compensation. Delays have been identified for about 2,900 customers, which is 400 fewer than we have previously communicated. The number of customers affected has turned out to be lower because some customers were included in the analysis twice.

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### **Fees for business customers**

- In this case, which involves approximately 2,300 customers that, for a period of time, may have paid a credit renewal fee that we had no basis for charging, 233 customers have now received compensation. In relation to the remaining customers, we are still investigating further and will ensure all affected customers are compensated.

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