

Finanstilsynet

Århusgade 110
2100 København

Danske Bank A/S
Holmens Kanal 2-12
1092 København K
Danmark

Telefon: (+45) 33 44 00 00
www.danskebank.dk

Attn.: Anne Fenger and Ulla Brøns Petersen

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Sent to: Ulla Brøns Petersen UBP@FTNET.DK; Anne Aarup Fenger AAF@ftnet.dk; DABA-tilsynskontakt DABA-tilsynskontakt@FTNET.DK

Kontaktperson: Rob De Ridder

J.nr. 21-003065
21-003066

Redegørelse til Finanstilsynet

Baggrund og formål

Formålet med dette brev er at besvare spørgsmålene i Finanstilsynets brev af 11. august 2021, hvori der ønskes svar på en række spørgsmål relateret til de 14.000-16.000 lukkede bosager, som potentielt kan være baseret på fejlbehæftede data ("yderligere problemstilling nummer 1a"), samt spørgsmål relateret til den samlede portefølje af yderligere potentielle problemstillinger.

Som tidligere kommunikeret beklager vi de problemer, som denne sag har medført for vores kunder og andre involverede parter. Som Tilsynet ved, er banken fast besluttet på at afklare de udestående forhold og kompensere de berørte kunder så hurtigt som muligt. Vi vil fortsat tage yderligere initiativer for at sikre, at forbedringer implementeres løbende og hurtigst muligt.

Banken redegør overordnet set for to hovedområder i besvarelsen:

1. De 14.000-16.000 lukkede "retssager" og besvarelse af de spørgsmål, Finanstilsynet har stillet hertil.
2. Opdatering af Bilag 2 til bankens notat dateret 28. juni 2021 vedrørende de 27 yderligere potentielle problemstillinger samt besvarelse af uddybende spørgsmål hertil. Endvidere en beskrivelse af de indbyrdes afhængigheder, der måtte være i forhold til de 27 yderligere potentielle problemstillinger, i relation til de fire hovedårsager og indbyrdes mellem de 27 potentielle problemstillinger.

Bankens redegørelse afspejler den aktuelle status i analysearbejdet og arbejdet med at rette op på fejlene i kundesagerne. Analysearbejdet fortsætter og tallene kan derfor ændres fremover i takt med at banken opnår større indsigt.

1. I forhold til lukkede "retssager" og besvarelse af de spørgsmål, Finanstilsynet har stillet hertil besvares følgende spørgsmål:

- a) *Hvad er karakteristika for problematikkerne i disse sager, og hvordan kan tredjemand være berørt? - Hvordan tredjemand kan have et krav, når debitor ikke har et krav?*
- b) *Hvorvidt problematikken afdækket af TV 2 er identisk med de problematikker, banken har redegjort for i redegørelser dateret 10. september 2020 og 20. oktober 2020?*
- c) *Bankens bedes bekræfte, at der er truffet tilstrækkelige foranstaltninger der sikrer, at problematikken ikke længere kan finde sted*
- d) *Hvad er samspejlet mellem antal berørte kunder og antal berørte lukkede bosager?*

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- a) *Hvad er karakteristika for problematikkerne i disse sager, og hvordan kan tredjemand være berørt? - Hvordan tredjemand kan have et krav, når debitor ikke har et krav?*

Karakteristika for problematikkerne

Karakteristika for de omtalte sager, som er omfattet af yderligere potentielle problemstilling nummer 1a, er følgende:

Der er tale om fire typer af sager, hvor der har været gæld til banken: dødsboer, konkursboer, i gældssaneringsager samt rekonstruktioner (samlet betegnet "boer" eller "bosager" - tidligere betegnet "retssager")

- Banken har anmeldt sit krav over for det respektive bo
- Boerne havde gæld til andre kreditorer
- Der er fra boet udbetalt dividende til kreditorerne, hvilket vil sige at boets aktiver er fordelt blandt kreditorerne
- De respektive bosager er færdigbehandlede og lukkede i skifteretterne, hvilket betyder, at det er for sent for banken at korrigere de potentielt forkert anmeldte beløb over for det enkelte bo

Indvirkning på tredjemand

Som følge af datafejlene i bankens inkassosystem kan banken have anmeldt et forkert krav over for et bo.

I bosager fordeles boets aktiver mellem boets kreditorer på baggrund af gælden, som ofte er misligholdt, til de enkelte kreditorer. Såfremt banken har anmeldt et for højt krav på baggrund af fejlagtige data, vil banken have modtaget en højere dividendebetaling, end banken er berettiget til, og andre kreditorer vil have modtaget en lavere dividendebetaling, end de er berettigede til. I tilfælde af at banken har anmeldt et for lavt krav som følge af de fire hovedårsager samt de potentielle yderligere problemstillinger, vil banken have modtaget mindre dividendebetaling - i de tilfælde forhøjer banken ikke sit krav.

Banken er i dialog med Domstolsstyrelsen om, hvordan berørte sager kan håndteres korrekt og til mindst muligt gene for de danske skifteretter, kreditorer og andre involverede parter, herunder om der er behov for genoptagelse af nogle af sagerne. Det er således endnu ikke afgjort om, der er sager, der skal genoptages, eller om der kan og skal ske en redistribuering af dividende, uden at sagerne skal genoptages. Der er nedsat en arbejdsgruppe bestående af repræsentanter for banken, Domstolsstyrelsen og udvalgte skifteretter, der fortsat arbejder på at finde en løsning.

- b) *Hvorvidt problematikken afdækket af TV 2 er identisk med de problematikker, Banken har redegjort for i redegørelser dateret 10. september 2020 og 20. oktober 2020?*

TV 2's dækning tager udgangspunkt i problematikken, som er en del af bankens redegørelser til Finanstilsynet 10. september 2020 samt 20. oktober 2020, og er identificeret som yderligere potentielle problemstilling nummer 1a under betegnelsen "retssager". Vi gør samtidig opmærksom på, at "retssager" har været anvendt som betegnelse for kategorien, som dog reelt omhandler bosager jfr. ovenstående beskrivelse.

- c) *Bankens bedes bekræfte, at der er truffet tilstrækkelige foranstaltninger der sikrer, at problematikken ikke længere kan finde sted*

Bankens foranstaltninger

Banken er af den opfattelse, at der i langt hovedparten af sagerne og på baggrund af nuværende viden, er truffet tilstrækkelige foranstaltninger, der sikrer, at problematikken ikke længere kan finde sted. Bankens foranstaltninger har siden 17. december 2019 involveret både tilbagetrækning og korrektion af sager, som der er redegjort for over for Tilsynet i svar af 10. september 2020 og 20. oktober 2020. Foranstaltningerne er blevet tilpasset løbende bl.a. i takt med, at banken er blevet klogere på karakteren af problemstillingen, samt at vi er blevet bekendt med de yderligere potentielle problemstillinger. Dette betyder, at vi i nogle sager er blevet opmærksomme på, at korrektionerne derfor var ufuldstændige. Vi vil gerne understrege, at bankens analyse af alle de potentielle yderligere problemstillinger endnu ikke er tilendebragt, hvilket medfører, at ny indsigt kan give anledning til yderligere eller ændrede foranstaltninger fremover.

Banken vil således gøre opmærksom på, at der i forbindelse med bankens oprydningsarbejde desværre er identificeret sager, som af forskellige årsager ikke har fulgt de nødvendige foranstaltninger, eller hvor de etablerede foranstaltninger ikke har været effektive nok. Disse afvigelser medtages som del i dialogen med Domstolsstyrelsen.

Vi har konstateret følgende afvigelser fra de etablerede foranstaltninger og procedurer for bosager:

- Hensyn til debitor og tredjemand
I nogle tilfælde kan debitor og/eller tredjemand blive stillet ringere, hvis bankens krav ikke anmeldes eller, hvis bankens krav tilbagekaldes. Det kan eksempelvis være problematisk, hvis bobestyrer i mangel af oplysninger fra banken medtager et misvisende og for højt krav på vegne af banken, ligesom det fremadrettede forløb for meddebitorer og kautionister kompliceres, hvis banken ikke anmelder og opgør sine krav over for de respektive boer. I den slags sager har banken derfor opgjort og anmeldt sine krav bedst muligt på det foreliggende grundlag med oplysning om, at anmeldelsen kan være fejlbehæftet grundet f.eks. nogle af de andre yderligere potentielle problemstillinger.
- Utilstrækkelig proces for én type sager
I én type af sager, dødsboer, blev der anmeldt 700 sager hvoraf 610 er afsluttet i perioden fra 1. februar 2020 til 17. august 2021. Banken havde beklageligvis en utilstrækkelig proces for denne type sager, da banken antog, at der senere ville være yderligere mulighed for at tilpasse kravet. Ud af de 610 lukkede sager er der kun risiko for, at banken har modtaget en for høj dividendebetaling i 100 af sagerne, som er afsluttet med dividendebetaling til banken. De resterende 90 sager er stadigvæk igangværende, og banken vil så hurtigt som muligt rette op på sagerne.
- Forsinket instruks til inkassobureauer
Som kommunikeret den 1. december 2020 instruerede banken først inkassobureauer om, at de skulle tilbagekalde de aktive sager den 22. april 2020.

Alle ovennævnte problematikker indgår i den tilretning og korrektion af afsluttede sager, som banken er i gang med.

Vi vil informere Tilsynet i det tilfælde, at banken bliver bekendt med andre afvigelser i bosager eller andre typer af sager.

d) *Samspil mellem antal berørte kunder og antal berørte lukkede bosager*

Indledende estimat på berørte bosager (14.000-16.000 bosager):

Der er tale om sager, hvor man i boerne fordeler boets aktiver mellem boets kreditorer på baggrund af gælden til de enkelte kreditorer. Dette har som udgangspunkt ikke indflydelse på kunden, men på de forskellige kreditorer og dividendebetalingen mellem dem.

Omfanget af den yderligere potentielle problemstilling nummer 1a vedr. lukkede bosager er ikke færdiganalyseret. Estimatet over antal af sager på ca. 14.000-16.000 er et tidligt og foreløbigt estimat over muligt berørte antal sager, der har indgået i en indledende dialog med Domstolsstyrelsen, der i juni 2021 efterspurgte den estimerede procentvise fordeling af sager i de forskellige retskredse. Estimatet er baseret på en indledende stikprøve og må forventes at blive justeret, når arbejdet med at bestemme omfanget er afsluttet.

Banken har efter anmodning fra Domstolsstyrelsen delt de indledende estimater per mail den 14. juni 2021. Det er denne information, som TV 2 har søgt og fået aktindsigt i.

Eventuelt sammenspil:

Problemstillingen vedrørende de 14.000-16.000 sager bunder i, at banken potentielt har anmeldt en forkert restgæld i bosagerne, grundet at kunden potentielt er omfattet af enten de fire hovedårsager og/eller de identificerede potentielle yderligere problemstillinger. Den forkerte restgæld vil for kunden blive tilrettet igennem processen for de fire hovedårsager eller igennem de potentielle yderligere problemstillinger. For kreditorerne vil sagen blive behandlet igennem den yderligere potentielle problemstilling nummer 1a.

Yderligere berørte kunder (10.000-15.000 kunder):

De 10.000 til 15.000 yderligere berørte kunder, der er nævnt i bankens notat til Finanstilsynet den 28. juni 2021, er et estimat for, hvor mange yderligere kunder der kan være berettiget til compensation på baggrund af de identificerede potentielle yderligere problemstillinger, og vedrører således ikke direkte de lukkede bosager, hvor det som udgangspunkt primært er kreditorer, der er berørt.

2. Potentielle yderligere problemstillinger

Finanstilsynet efterspørger en opdateret status på bankens analyse af de 27 potentielle yderligere problemstillinger.

Den opdaterede status per 22. august 2021 findes i bilaget Appendix 1, der er en opdateret version af Bilag 2 i bankens notat til Finanstilsynet af 28. juni 2021.

Dette afsnit besvarer Finanstilsynets spørgsmål til potentielle yderligere problemstillinger:

- a) *Hvilke indbyrdes afhængigheder er der mellem de 27 potentielle yderligere problemstillinger?*
- b) *Hvor mange kunder kan være omfattet af de 27 potentielle yderligere problemstillinger, og hvor stor er den gennemsnitlige forventede compensation per kunde?*

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- a) *Hvilke indbyrdes afhængigheder er der mellem de 27 potentielle yderligere problemstillinger?*

Banken forstår "indbyrdes afhængigheder" således, at en eller flere problemstillinger har haft eller kan have betydning for en anden problemstilling, hvad enten det har betydning for rækkefølgen af udbetaling af kompensation, tidsmæssig påvirkning, eller betyder, at en problemstilling har medført andre problemstillinger. De indbyrdes afhængigheder tilfører en høj grad af kompleksitet, hvilket medfører lange processer.

Banken har på nuværende tidspunkt identificeret en række afhængigheder mellem de 27 potentielle yderligere problemstillinger. Det endelige antal afhængigheder analyseres fortsat, og banken er bevidst om, at dette har betydning for det endelige kompensationsbeløb, som beskrevet i afsnittet 'Rækkefølge af kompensation og nedskrivning af restgæld' i bankens redegørelse af 13. august 2021, hvori indbyrdes afhængigheder mellem de potentielle yderligere problemstillinger er beskrevet. Bankens prioritet har frem til 1. juli 2021 været definition, analyse og forståelse af de enkelte problemstillinger, således at et overblik over disses påvirkning på kunderne kan identificeres, men heri er indbyrdes afhængigheder ikke endeligt fastlagt. Det endelige antal afhængigheder er derfor ikke endeligt fastlagt.

Bankens prioritet er at undersøge det endelige antal afhængigheder mellem problemstillingerne hurtigst muligt, og banken er bevidst om betydningen af sammenfaldene i problemstillingerne for korrekt kundekompensation. Tidsperioden, som problemstillingerne strækker sig over, samt antallet af problemstillinger medfører dog en høj kompleksitet, hvilket banken arbejder målrettet på at forstå fuldt ud og løse.

- b) *Hvor mange kunder kan være omfattet af de 27 potentielle yderligere problemstillinger, og hvor stor er den gennemsnitlige forventede kompensation per kunde?*

Bankens arbejde med at klarlægge og løse de yderligere problemstillinger pågår fortsat, og oplysningerne i det følgende er baseret på den nuværende viden og omfatter kun de yderligere potentielle problemstillinger, der er analyseret tilstrækkeligt til, at estimater på antal berørte kunder har kunnet udføres. Det drejer sig for nuværende om de potentielle yderligere problemstillinger nummer 1-20. Banken henviser i øvrigt til bankens redegørelse til Finanstilsynet af 13. august 2021.

I Appendix 1 findes en detaljeret oversigt over de potentielle yderligere problemstillinger. For hver problemstilling angives om muligt antallet af kunder, der potentielt skal kompenseres.

Bemærk venligst, at idet, at der er overlap mellem de potentielle yderligere problemstillinger, er det ikke retvisende at opsummere tallene for antal kunder oplyst i Appendix 1 for at få et retvisende billede af, hvor mange kunder, der er omfattet. Det kan på nuværende tidspunkt ikke udelukkes, at flere yderligere problemstillinger identificeres, ligesom de nuværende identificerede potentielle problemstillinger kan vise sig ikke at være reelle problemstillinger, hvilket vil påvirke de oplyste tal.

For de potentielle yderligere problemstillinger nummer 6, 8, 10, 13, 16a, 17, 18 og 19 gælder følgende:

Banken forstår "omfattet" som værende kunder, hvortil de enten er berettiget til en kompensation som følge af en overbetaling eller justering af deres restgæld.

Bankens nuværende estimat er fortsat, at 10.000 til 15.000 inkassokunder er berettigede til kompensation, udelukkende som følge af yderligere problemstillinger nummer 6, 8, 10, 13, 16a, 17, 18 og 19, derudover er 4.000 til 5.000 kunder allerede omfattet af én eller flere af de fire hovedårsager.

Dette betyder, at der fortsat samlet set er 15.000-20.000 kunder, som er berettigede til kompensation på baggrund af de yderligere problemstillinger eller både på baggrund af de yderligere problemstillinger samt de fire hovedårsager.

Som tidligere oplyst er restgælden registreret forkert i langt de fleste inkassosager som følge af datafejl, og der vil ske nedjustering af restgælden på grund af de fire hovedårsager, heraf vil potentielt 60.000-65.000 kunders restgæld også skulle nedjusteres som følge af de yderligere problemstillinger. Dette er relevant for de sager, hvor banken grundet forkerte data i systemerne har opkrævet for høje løbende afdrag/renter, men hvor kunden endnu ikke har betalt mere tilbage end den korrigerede (korrekte) restgæld. Hovedparten af disse kunder skal have korrigeret deres restgæld i tillæg til den korrektion, der er sket på baggrund af de fire hovedårsager som tidligere kommunikeret til Tilsynet.

Vi vil gerne understrege, at nogle kunder er påvirkede af flere end én af de nævnte yderligere problemstillinger, samt at nogle også er påvirkede af en eller flere af de fire hovedårsager.

På baggrund af dette kan banken på nuværende tidspunkt ikke estimere, hvor stor den gennemsnitlige kompensation per kunde vil være.

Som banken tidligere har orienteret Finanstilsynet om, er gældsinddrivelsen i alle aktive kundesager, hvor kunden har betalt 60 pct. eller mere af den restgæld, der var på det tidspunkt, sagen overgik til inkasso, sat i bero, og i alle aktive kundesager har kunden nu en rentesats på 0 pct.

Potentielt yderligere problemstilling 2 & 14:

Herudover har banken som tidligere kommunikeret identificeret en mængde kunder i både Danmark og Norge, der ikke er inkassokunder og derfor ikke har været behandlet i bankens inkassosystemer (DCS og PF), men som kan have krav på kompensation, fordi banken har opkrævet renter af rykkergebyrer. Dette er beskrevet som potentielt yderligere problemstilling nummer 2. Det drejer sig om 191.000 kunder i Norge (hvoraf estimeret 184.000 skal modtage kompensation) og 359.000 kunder i Danmark (hvoraf estimeret 296.000 skal kompenseres). Det gennemsnitlige kompensationsbeløb for denne potentielle yderligere problemstilling forventes fortsat at være lavt i Danmark, mens det forventes at være højere i Norge, hvor der er en retslig forpligtelse til at kompensere kunderne for alle de omkostninger, der er forbundet med problemstillingen, herunder også at kompensere for berettigede opkrævede og betalte rykkergebyrer og rentebeløb. Yderligere problemstilling nummer 14 vedrører også rykkergebyrer.

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Banken gør tilsynet opmærksom på, at vi den 28. august 2021 har identificeret en potentielt yderligere problemstilling vedrørende en bestemt type rente, hvor forældelsesfristen ikke ser ud til at fungere korrekt, når den flyttes til DCS. Analysearbejdet påbegyndes med henblik på at bestemme omfanget af problemstillingen.

Banken vil løbende orientere Finanstilsynet om arbejdets resultater.

Vi står naturligvis til rådighed, hvis Finanstilsynet skulle have yderligere spørgsmål eller forespørgsler.

Bedste hilsner,

Danske Bank A/S

Frans Woelders
Group COO

Rob De Ridder
COO, LC&I

Appendix 1: Potential Additional Issues - Description and status

Definitions

The description and status of each potential additional issue report on the progress in Danske Bank's efforts to analyse and correct the identified potential additional issues as well as the estimated customer impact. The headlines in the tables in the appendix are explained below.

Analysis done?

As reported to the Danish FSA on 15 august 2021 "Analysis done" indicates whether the analysis of a potential additional issue has been completed or not. In the method defined by Danske Bank to analyse and correct the identified issues, "Fully analysed" means that we have clarified (1) whether there is an issue or not, (2) whether customers are affected and therefore should receive compensation, and (3) which customers are either affected or potentially affected so that they can be informed and subsequently receive compensation when relevant. When an issue has been fully analysed, it is handed over to the team responsible for providing compensation to customers so that the compensation process can be initiated. Thereby in spite of the analysis being done, in many cases the number of affected customers is unknown until remediation is concluded throughout the Programme.

Letters sent?

Provides a status of whether information letters have been sent to customers affected or potentially affected by the potential additional issue. The information letter informs the customer about them potentially being affected by the potential additional issue. The information letter is not the compensation conclusion letter that is generated later in the process when the compensation team has concluded on its work.

Stop the tap?

Indicates whether measures to stop the issue from occurring again have been put in place. Also includes details about how long the issue has existed.

External dependency?

Indicates whether the measures taken by Danske Bank to correct the issue will involve external parties and, if so, what external parties.

Customers requiring compensation

Estimates the number of customers who Danske Bank will need to compensate because of the potential additional issue.

Level of confidence

Indicates Danske Bank's current level of confidence in the estimated number of customers in need of compensation for the issue. "Initial analysis" means that the estimate is the result of a programmatic analysis of the full portfolio of potentially affected customers. "Guiding estimate" indicates that the estimate is based on spot checks which have been aggregated. Therefore "Initial analysis" means that the bank is more certain about these numbers than is the case with "Guiding estimate". However, in both cases, the final number could differ from the current estimate.

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
1.a	Court cases	<p>The bank has provided incorrect claims and documentation to the courts due to the flawed data in DCS and PF in relation to the four root causes and additional issues. This has resulted in collection of debt on an unjustified basis by reporting an incorrect outstanding debt, which led to three main complications:</p> <p>1.a - Court cases – Other creditors For legal proceedings involving other creditors with a claim against the customer in question, the bank has reported a higher debt than was in fact owed to the bank, resulting in lower dividends to the other creditors involved.</p>	Yes	N/A	Yes. The timeline for when the issue occurred is between 2004-2020	Yes - Court Administration and DTA	Issue affects creditors. - Please see section 1.d)	N/A
1.b	Court cases	<p>1.b - Withdrawal of court cases - DB & RD Withdrawal of court cases was initiated in June 2019 in order to stop the tap due to I) The detection of the four root causes and II) The detection of wrongful correction process. This issue focuses on the complexities resulting from withdrawal of cases, including re-correction and resubmission of court cases.</p>	Yes	N/A	Yes. The timeline for when the issue occurred is between 2004-2020	Yes - Court Administration and DTA	N/A	
1.c	Court cases	<p>1.c - Court cases – DB & RD ongoing cases Insufficient correction of PF cases was detected, revealing that I) the entire correction of 20 % guarantees cases (additional issue #3) was placed in the PF system resulting in an erroneous offset across DB and RD and II) a 10-year limitation period of contribution and commission was assumed where it should have been three years. This issue focuses on 20% guarantee cases that were re-corrected and resubmitted to court.</p>	Yes	No	Yes. The timeline for when the issue occurred is between 2004-2020	Yes - Court Administration and DTA	N/A	

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
2	Reminder fees - Norway	<p>The bank may have acted in breach of the requirements of debt collection practice (Inkassoloven/Debt Collection Act § 17 (4)) due to the following:</p> <p>2.a - Timing of charging of interest Started too early to charge interest on fees, meaning that interest accrues from day one and before the due date of the fee.</p> <p>2.b - Unjustified interest For some products, interest was charged at a higher interest rate than the maximum default interest rate set by law.</p> <p>2.c - Unjustified compound interest Charged compound interest relating to fees. <i>Under investigation:</i> Reminder fee amounts Legal assessment currently underway relating to whether the bank has charged too large reminder fees.</p> <p>The root cause is due to Danske Bank acquiring Fokus Bank in 2006, where the processes in the systems FEBOS and DCS were not updated in order to be compliant with the requirements of debt collection practice in accordance with Norwegian legislation.</p>	Yes	In progress	Yes. The timeline for when the issue occurred is between 2006-2021	Yes - TAX, DCA	>184,000	Guiding estimate

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
2	Reminder fees - Denmark	As a result of changes in the Danish Interest Rate Act (“renteloven”), actions were required by the bank to change its terms and conditions. This update was not detected at Retail Banking DK, which led to customers being charged unjustified interest on reminder fees (e.g. while in the bank’s central customer systems (FEBOS) and Debt Collection systems (DCS)). Legal concludes that it is not allowed to charge interest on reminder fees according to the Danish Interest Rate Act.	Yes	Yes	Yes. The timeline for when the issue occurred is between 2005-2020	Yes - DTA	>296,000	Initial analysis

Potential additional issues – Description and status

Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
3	20% guarantee cases	<p>In August 2019, the bank established a correction process to correct detected errors in the PF system. When correcting, the bank identified two complications:</p> <p>A) Between August 2019 and October 2020, the bank had incorrectly placed the entire correction of 20% guarantee cases in the PF system when it should have been in the DCS system. This resulted in an erroneous interest calculation, which in some cases has been to the detriment of customers.</p> <p>B) In the correction process, a 10-year limitation of contribution and commission on RD loans was assumed but instead the limitation should have been three years. This resulted in an insufficient correction in the period August 2019-October 2020.</p>	Yes	In progress	Yes. The timeline for when the issue occurred is between 2019-2020	Yes - TAX	Pending remediation data analysis	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
4	Risk markers practice	<p>Issue 4 covers two sub-issues related to risk markers practice:</p> <p>4a - internal risk marker Customers are unrightfully classified D4 and/or held for too long in D4 classification</p> <p>4b - external risk marker Customers are registered with incorrect data (wrongfully registered, registered with an incorrect balance, date or personal data) and/or held for too long in RKI</p>	Yes	In progress	Yes. The timeline for when the issue occurred is between 2004-2020	Yes - Experian (RKI)	Issue does not impact debt amount, but customer credit rating. Hence, no overcollection due to issue.	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
5	Treatment of vulnerable customers	<p>Danske Bank handles several debt collection cases involving vulnerable customers. By nature, collection cases can pose an additional stress factor in the difficult situation in which vulnerable customers find themselves. This has resulted in an investigation of whether GRDM has the necessary foundation to ensure appropriate treatment of vulnerable customers now and in the future from a legal and conduct perspective.</p> <p>Even though the analysis conclusion is a non-issue, the bank has initiated a process to ensure continuous focus on customer treatment and care</p>	Yes - non-issue concluded	Non-issue	Non-issue	Non-issue	Non-issue	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
6	Applied interest rates for cases in DCS and PF	<p>Issue 6 analysis has led to the identification of three sub-issues/improvement areas related to applied interest rates in PF and DCS:</p> <ul style="list-style-type: none"> • 6.A.I: Significantly lower interest rates for cases in PF (some cases negative) than standard rates for defaulted loans • 6.B.I: Different interest rates applied on same debt split between DCS and PF due to 20% guarantor agreement, incl. unclear customer communication • 6.B.II: Unequal treatment of customers in DCS due to time of entry: customers entering DCS prior to 2010 have been charged significantly higher interest rates than according to the procedure for customers after 2010 (17.45% vs. 8.05%) 	Yes	In progress	Yes. The timeline for when the issue occurred is between pre-2004-2020	Yes - DTA	700-950	Guiding estimate

Potential additional issues - Description and status

Potential additional issues - Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
7	Evaluation of Tableau data	<p>We investigated two potential complications in relation to the use of Tableau reports at the bank:</p> <ul style="list-style-type: none"> Data accuracy issues in reporting infrastructure (e.g. duplicated rows) Data accuracy issues due to flawed DCS and PF data (four root causes), which may have led to wrong customer handling. The analysis conclusion is "non-issue", hence no further action needed. 	Yes - non-issue concluded	Non-issue	Non-issue	Non-issue	Non-issue	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
8	Legal fees	<p>Prior to the establishment of Legal Section in Debt Management in 2008, it was common practice to use external lawyers when engaging in court proceedings. The cost incurred in this connection is known as actual legal fees and represents the actual cost of the external lawyer services.</p> <p>A customer detriment may occur if the bank charges the actual legal fees to the customer instead of the awarded fees (the fee, the bank is allowed to charge), and the actual legal fees were higher than the awarded.</p>	Yes	In progress	Yes. The timeline for when the issue occurred is between pre-2004 - 2008	Yes - DTA	4,000-8,000	Guiding estimate

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
9	Legal fees merged with principal	<p>As an addition to root cause 1, an investigation of the merging of legal fees with the principal was initiated to ensure correct limitation and interest application when legal fees were handled. Legal fees are a result of court proceedings and represent an extra cost the bank is allowed to allocate to the customer. There is a risk of incorrect limitation and interest application, if the legal fee is merged with the principal.</p> <p>The merger can occur in two ways:</p> <ul style="list-style-type: none"> • Merger of legal fees with principal when the case is transferred from FEBOS to DCS • Merger of legal fees with principal when the legal fee is applied in principal (data field 3) <p>The bank has investigated the potential merger in: 9.a) Private cases 9.b) Business cases</p> <p>The analysis conclusion is “non-issue”, hence no further action needed.</p>	Yes - Non-issue confirmed	Non-issue	Non-issue	Non-issue	Non-issue	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
10	Agency fees	<p>During the period from 1 February 2013 to 11 July 2019 a work description document (WDD) stated that DM employees should not negotiate the fee stated by <i>home</i> in non-forced property sales that customers agreed to in order to repay debt and in which a loss was accepted by the customer, while fee proposals from other real estate agents should be negotiated in case fees exceeded a standardised threshold internally determined by DM. The employees of GRDM have followed the instruction/procedure, thus leaving the personal customers selling through <i>home</i> with a potentially higher debt due to the higher agency fee.</p> <p>All business customers are out of scope since the department handling these are systematically negotiating on a case-by-case level and have never been in possession of the instruction.</p>	Yes	Yes	Yes. The timeline for when the issue occurred is between 2013-2019	Yes - Court Administration and DTA	500 - 1,000	Guiding estimate

Potential additional issues – Description and status

Issue definition		Progress status				Customer impact		
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
11	Tax issues	<p>This issue is a side effect of root causes 1-4 and additional issues (e.g. reminder fees) where incorrect data has occurred.</p> <p>As a result of this, incorrect interest and principal amounts were reported to the Danish tax authorities (DTA) in 2020 and previous years. It is also causing incorrect End of Year reports from both DTA and the Danske Bank Group (DB Group covering Danske Bank and Realkredit Danmark) towards affected customers. The total number of affected customers is unknown until all customers have been remediated in Athens. To address this issue at different levels, the bank has been communicating with and reporting to DTA, this issue has been divided into two sub-issues:</p> <ul style="list-style-type: none"> • 11.a: How must the Danske Bank Group report to DTA on changes to customer data as part of debt remediation? • 11.b: How must the Danske Bank Group communicate to customers in relation to changes in their tax situation as part of our debt remediation? 	Yes	Yes	Not relevant. The timeline for when the issue occurred is between 2004-2019	Yes - DTA	The total amount of affected customers is unknown until remediation is concluded	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
12	GDPR	The inaccurate data in DCS and PF identified as part of the four root causes has caused potential issues relating to article 5 (accuracy of personal data) of GDPR legislation. The GDPR aspect of erasure and retention is covered by an upcoming PCC solution.	Yes	In progress	Yes		None as the issue is not related to overcollection	N/A
13	Debt collection agencies	Data discrepancies were discovered in an analysis performed on active DCA portfolios (incl. 600 Intrum cases) in the autumn of 2020, as part of Project Pause. Different discrepancies were identified for each DCA regarding - e.g., principal, limitation dates, payments and case status (active/closed). This instigated a collection pause for DCA customers from October 2020 and an investigation of the portfolios with the remaining DCAs.	Yes	In progress	Yes. The timeline for when the issue occurred is between 2006-2019	Yes	9,000-11,000	Guiding estimate

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
14	Nordania Denmark	<p>Nordania Denmark has unjustifiably overcharged customers reminder fees and interest related to reminder fees, interest related to reminder fees as well as compound interest.</p> <p>14.a - Unjustified reminder fees Unjustifiably charged customers more than three reminder fees (DK) within the same period. Both business and personal customers are affected by this issue.</p> <p>14.b - Unjustified interest Charged customers unjustified interest related to reminder fees and interest in Nordania's central customer system, Leasing Core, during 'soft collection' and subsequently at the third party that handles the hard collection. Both business and personal customers are affected by this issue.</p>	Yes	Yes - special cases remaining	Yes. The timeline for when the issue occurred is between pre-2001 (personal)/2002 (business)-2020 for issue 14a, 2005-2020 14b		7,500-9,500	Initial analysis
14	Nordania Norway	<p>Nordania Norway has unjustifiably overcharged customers reminder fees and interest related to reminder fees.</p> <p>14.a - Unjustified interest Charged customers unjustified interest related to reminder fees in Nordania's central customer system, Leasing Core, during 'soft collection' and subsequently at the third party that handles the hard collection. Both business and personal customers are affected by this issue.</p> <p>14.b - Unjustified reminder fee amount Unjustifiably charged too large reminder fees. Both business and personal customers are affected by this issue.</p>	Yes	Yes	Yes. The timeline for when the issue occurred is between pre-2004-2021		400-600	Guiding estimate

Potential additional issues – Description and status

Issue definition		Progress status				Customer impact		
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
15	Erroneous reporting to the central bookkeeping system	<p>The Athens root causes inflate the debt portfolio to a larger amount than what Danske Bank and Realkredit Danmark are allowed to collect legally. This results in a larger monetary amount reported from GRDM to KRS (Koncernregnskabssystem- Accounting software for the Group), which serves as the foundation for the Group annual report.</p> <p>The analysis conclusion is a non-issue as the issue does not affect the customers. Furthermore, corrections have taken place for reporting purposes in the third quarter interim report for RD. For DB, the potential impact is considered insignificant due to the level of materiality of the annual report, hence no further actions.</p>	Yes – Non-issue confirmed	Non-issue	Non-issue.	Non-issue	Non-issue	N/A

Potential additional issues – Description and status

Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analys is done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
16	Mortgage Deed System - 3948	<p>The project has identified two issues related to debt handling and collection of mortgages (3948 pantebreve):</p> <p>16a: Customers have paid expired principal, interest and associated costs on mortgages. The bank has collected debt it did not have a claim for – system involved: The Mortgage Deed System (MDS)</p> <p>16b: Principal, interest and associated costs have been merged with principal (field 3) in DCS when a new loan (Inkasso case) was created for a closed mortgage with 1) remaining debt due to non-forced property sales that customers agreed to in order to repay debt and in which a loss was accepted by the customer and 2) outstanding interest payments on last mortgage instalment. (similar to root cause 1 situation – but outside current product/system scope for root cause 1 for customers who only had a mortgage product). The bank has collected debt it did not have a claim for as: 1) Customers have paid interest on incorrect principal on their new loan in DCS 2) Customers have potentially paid expired interest on their new loan in DCS (as the transferred interest is included in the limitation rule for principal (10 years) and not the correct three years).</p>	Yes	In progres s	Yes, for 16a. 16b pending further analysis. The timeline for when the issue occurred is pre-2004- 2020	Yes - DTA	100 - 200	Guiding estimate

Potential additional issues – Description and status

Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
17.a	Wrongful interest calculation basis and limitation date	Issue 17 covers two sub-issues: 17.A: Erroneous value date alignment in DCS has led to excessive interest calculation basis, consequently resulting in overcollection. The tap has been stopped for 17.A	Yes	In progress	Yes. The timeline for when the issue occurred is between 2004-2020	Yes	50 - 150	Guiding estimate
17.b	Wrongful interest calculation basis and limitation date	17.B: DCS uses the bookkeeping date instead of the debit interest date to calculate the three-year limitation date on interest and fees from FEBOS (balance type 2). The tap has been stopped for 17.B.	Yes	In progress	Yes. The timeline for when the issue occurred is between 2004-2020	Yes	<100	Guiding estimate

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
18	Lacking follow-up on customer agreements	When creating and managing temporary agreements, the bank does this manually and follow-up does not take place for all reminders. As a result, the agreement can continue after the renegotiation deadline, and customers can as a result continue repayment without reducing the total debt. In addition, customers may be unaware or unable to comprehend the implications of a temporary payment agreement, while some differences have been observed between advisers in case handling.	Yes	In progress	Yes. The timeline for when the issue occurred is between 2005-2020	Yes	250 - 500	Guiding estimate

Potential additional issues – Description and status

Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
19	Triviality limits	The triviality limit for correction of amounts up to DKK 50 has not been formally decided or documented. Nonetheless it was the procedure between the implementation of DCS in 2004 and November 2020 when the procedure was stopped and formally raised.	Yes	In progress	Yes. The timeline for when the issue occurred is between 2004-2020	Yes	12,000	Initial analysis
20	Misalignment between agreement document and DCS	Coding errors in the agreement module have led to misalignment between debt calculations in DCS and the total debt stated in the agreement document sent to the customers. Danske Bank has potentially calculated and collected higher amounts of debt than what are stated on the agreement document. Issue 20 consists of two sub-issues: 20.A: Wrong interest calculations in the agreement module leads to misalignment between DCS and the agreement document 20.B: Wrong annual costs in percentage (ÅOP) in agreement document.	Ongoing	No	Yes. The timeline for when the issue occurred has yet to be confirmed.	No	Pending analysis	N/A

Potential additional issues - Description and status

Potential additional issues - Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
21	Deleted customers in DCS	Until 2016, a standard operating procedure at Debt Management ("Inkasso") was to delete customers in the Debt Collection System (DCS) when their cases were finalised. Consequently, 3,860 deleted customers were not initially part of the defined group of customers for the ongoing investigation related to the four root causes and additional issues at Debt Management at Danske Bank. Furthermore, these customers were not reported to the DFSA in October 2020, but the DFSA was informed about the additional customers by email on 26 November 2020. Deleted customers have been analysed and compensated with regard to root causes 1-4 but not to the additional issues.	Ongoing	Pending analysis	Pending analysis. The timeline for when the issue occurred is between 2004-2016.	Pending analysis	Pending analysis	N/A
22	Discrepancies between main and agreement accounts	When an agreement with a customer is created, a new account is created to reflect agreement terms rather than initial terms from when the customer entered debt collection. Human errors in establishing the agreement account may lead to discrepancies between main and agreement accounts and be to the customer's detriment.	Ongoing	No	Pending analysis. The timeline of the issue has yet to be confirmed	Pending analysis	Pending analysis	N/A

Potential additional issues - Description and status

Potential additional issues - Description and status								
Issue definition			Progress status			Customer impact		
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
23	Wrong taxation codes for compositions	The main issue investigated is: Has debt remission code 5 been wrongfully applied to customers when a composition agreement is made and if so what is the detriment from the wrong reporting?	Yes	No	Not needed as reporting only takes place EOY and the revised SOP will be implemented prior to the EOY tax reporting. The timeline for when the issue occurred is between 2014-2020	Yes - DTA	None as the issue is not related to overcollection	Initial analysis
24	Lack of transparency in consequences of interest type change	Issue 24 relates to changing interest types on customers' debt. Danske Bank has failed to offer transparent advice or provided information based on wrong facts to customers who have been offered and have accepted nominally lower interest rates on payment agreements without being informed that a change of agreement leads to cumulated interest which is not the case with statutory interest. In some cases, the change of interest type has led to an increase in debt and overcollection.	Ongoing	Pending analysis	Yes. The timeline for when the issue occurred has yet to be confirmed.	Pending analysis	Pending analysis	N/A

Potential additional issues – Description and status

Potential additional issues – Description and status								
Issue definition			Progress status				Customer impact	
#	Name	Issue definition	Analysis done?	Letters sent?	Stop the tap?	External dependency?	Customers requiring compensation	Level of confidence
25	Interest charging on other costs associated with business cases	Other costs (e.g. fees to auditors, extra judicial collection costs) related to insolvency cases have potentially been merged with principal and as a result of this interest has accrued on other costs. Whether this practice is illegal is unclear. However, preliminary legal discussions confirmed that the practice is uncommon in the market and suggest further investigation of the complexities related to the potential issue.	Ongoing	Pending analysis	Pending analysis. The timeline for when the issue occurred has yet to be confirmed.	Pending analysis	Pending analysis	N/A
26	Errors in re-establishing guarantors in DCS	Historically, guarantors were deleted and only registered as debtors. In recent years, guarantors have been established as both guarantor and debtor. This poses a risk of guarantors being held liable for the full debt instead of just their guarantee. This is leading to misreporting to the tax authorities and potentially mistreating of the customer.	Ongoing	Pending analysis	Pending analysis. The timeline for when the issue occurred has yet to be confirmed.	Pending analysis	Pending analysis	N/A
27	Accrual of compound interest on statutory interest in debt collection cases pre-2012	Before 1 January 2012, the Debt Collection System (DCS) did not have a simple interest type functionality. With effect from 1 January 2012, a solution for not calculating compound interest on statutory interest (“procesrente”) was made. Before that, there was a risk that the bank had unlawfully accrued compound interest on interest types that should have been simple. Issue confirmation is pending legal analysis.	Ongoing	Pending analysis	Pending analysis. The timeline for when the issue occurred has yet to be confirmed.	Pending analysis	Pending analysis	N/A