

Press release

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### **Danske Bank is exploring new approaches to provide clarity for debt collection customers**

*As part of Danske Bank's clean-up of issues relating to its IT systems for debt collection, the bank has continuously identified additional issues, as well as similar issues in our other Nordic markets. The increase in scope and complexity extends the expected time for resolving the issues in Denmark related to debt collection beyond the original deadline of 2023. Danske Bank finds this delay unsatisfactory and the bank is therefore looking into alternative approaches to accelerate a final resolution to ensure clarity for the bank's debt collection customers.*

As part of the process of strengthening our internal controls and foster a new management culture in which colleagues can speak up if they become aware of issues, Danske Bank identified a number of legacy issues, including a number of challenges relating to the debt collection systems. It continues to be of great importance for Danske Bank to resolve these issues, to communicate transparently and in a timely manner to customers and to compensate customers in case of overcollection.

*"We have been working determinedly to solve the issues in our debt collection systems and provide clarity for our customers, using an approach assessed by the impartial reviewer. Due to the increasing number of additional issues identified on an ongoing basis, we no longer find the timeline for a solution of the debt collection issue based on our current approach satisfactory. We are therefore pursuing alternative approaches to accelerate a resolution of the case and provide clarity for our debt collection customers. I can only apologise for the uncertainty and frustration that these errors of the past and the prolonged clean-up has caused for the affected customers." says Peter Rostrup-Nielsen, who heads the central unit established to ensure timely, consistent and proactive management of the issues related to the debt collection.*

More than 300 employees and external experts are working on the case, having so far analysed 28 out of the 39 additional potential issues. By now, Danske Bank has paid compensation to the vast majority of the 7,800 debt collection customers, who had been overcollected due to the original data errors in our debt collection and we have paid compensation in the case relating to voluntary deficit property sales made via Home.

Our focus has been to get to the bottom of the issues identified, to clean up and to correct any error made towards our customers. As the clean-up work has progressed, the complexity of the issues identified in our debt collection systems has increased. Many of these issues are interlinked and are also a interlinked with the four original root causes of errors. Thankfully, we are able to help more than 98% of our customers with overdue payments without their case moving into debt collection. From November 2021 to April 2022, the number of issues identified has gone from 28 to 39, which the bank has communicated to the public on a regular basis. Most recently, we communicated in February 2022 that similar issues have also been found in our other Nordic markets.

The identification of additional issues inevitably extends the timeline for finalising the remediation efforts and the bank therefore sees a considerable risk of further delays beyond the original deadline of 2023. It is currently the assessment that with the new issues identified, customers would not get clarification before the end of 2024, and with a risk of this work extending into 2025, if further issues are identified. This is unsatisfactory for our customers and the regulator.

With the help of external experts, the bank is, in parallel with continuing to analyse and remediate the additional issues, currently exploring alternative approaches to accelerate a final resolution to ensure clarity for the bank's debt collection customers. Given the complexity of the debt collection issue, these analyses are quite extensive, and the bank expects to present the proposals for alternative approaches to the Danish Financial Supervisory Authority (the Danish FSA) during this summer.

Danske Bank has furthermore received additional orders from the Danish FSA, which the bank will adhere to. Our comment can be found [here](#).

For an overview of the progress in our efforts to correct errors in relation to our legacy issues, see our latest update on [our website](#).

Danske Bank

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