

ODECU A.C.

ACTIVITY REPORT

Program: MISDEUDAS

Year: 2012-2013

Please present your activity report according to the following lines. The whole report will not exceed 2 or 3 pages (as word document).

Name of the Program: MISDEUDAS

Year of activity: 2012 - 2013

Name of the report's writer: Stefan Larenas

Function of the report's writer: President

Actually state of the program

On October 2012 started the 3 years project "Misdeudas" whose main goal is to develop actions to empower consumers' rights on the financial field. To achieve this goal were developed the following actions:

- A) **Servicio de Atención de Público (SAP). Consumers' information** service was carried out by three different ways: face to face, by phone and through our webpage
- B) **Class actions.**
Against seven banks that charged excessive costs to mortgage contracts..
Against three Pharmacy chains that conspired to augment 206 drugs prices.
- C) **Information channel**
In order to deliver sound information for consumers, in order to use wisely the manifold credit opportunities available on the market. And to resolve possible over-indebtedness. The webpage www.misdeudas.cl hosts about 30.000 annual visits.
- D) **Researches**
Abusive clauses contained in retail and banks contracts.
Credit related insurances both in retail companies and banks
- E) **Lobby**
Odecu, through its President and other collaborators, strongly carries out representation activities ahead of governmental departments as well as private companies on behalf of consumers

The main achievements during the last year of activity

- A) SAP.

Face to face and phone information service is provided by two operators with legal training. One of them is an attorney at law and the other is an undergraduate law student. The email information service is in charge of another attorney, a lady. We have responded to 130 consumers' consults. Most questions have to do with credits handed by banks and retail companies. Of these 130 queries, 80 deal with foreclosure legal suits due to unpaid debts, counseling regarding payment agreements, debt's prescription clauses, arbitrations, payments allocations, both in court and off court and insurance collection.

B) Class actions.

Abusive mortgage overcharges

Banks payed law firms for property titles' studies, notaries and the Estate Registry to enroll properties. Banks charged their clients higher rates than the real costs.

Due to feet dragging law suits, only this year in two cases we finally reached agreements by which banks accepted to refund clients excessive charges. Such is the case of Santander and Boston banks.

Pharmacy chains collusion

The court considered that the felony had effectively happened and amounted up to Ch\$ 27.000.000.000, equivalent to US\$ 54.000.000. Updated, that amount would be Ch\$ 37.000.000.000, equivalent to US\$ 74.000.000.

Two of the defendants were charged with US\$ 19.000.000 and the third, which collaborated with the investigation, was fined with US\$ 1.000.000. At last, the three offenders were forced to pay to the State. So far, consumers that were ripped off Ch\$ 27.000.000.000, haven't been compensated.

ODECU carried out a class action which was admitted to processing. With this demand is intended, first, that the consumers affected in their heritage be repaired in the total amount paid over with interest. Second, that the three offending pharmacy chains return inappropriately money, re-designed and with interest.

C) Information channel

As said, the aim fo this line of work is to deliver sound information for consumers in order to use wisely the manifold credit opportunities available on the market, and to resolve possible cases of indebtedness. This tool, www.misdeudas.cl, hosts about 30.000 annual visits. During 2013, we made improvements in thr sai page, both to make it more user friendly and to update its contents.

D) Reserches

Two research studies were carried out:

Abusive clauses contained in retail and banks contracts´

Despite the fact of sanctions to stop these clauses, both banks in consumption credits and retail companies in their credit card contracts keep going with this malpractice. Consumers are often forced to sign fixed insurances without the chance to seek elsewhere. Such practice both breaches consumer's rights and raises the cost o credit.

E) Lobby

Lobby activities facing State institutions.

National consumers' service consulting council

Public health service consulting council

Communication secretary consulting council

Education ministry consulting council

Sanitary supervision consulting council

Lobby actions in front of private companies

Chilectra consulting council. This is an electricity distribution company in Santiago area.

VTR consulting council. This is a cable, internet provider and telephone company. Meeting take place every two months

Telefónica /Movistar consulting council. These companies provide communication services.

Actions on behalf of the consumer with Legislative Secretary

During the period that concerns this inform, Odecu's President has taken part in the following parliament committees:

October 2012: Lower chamber economic committee to discuss Maximum Interest Rate

May 10th, 2013: Lower chamber economic committee to discuss Drugs-Medicines Law.

June 12th, 2003: Attendance to lower chamber's plenary session to discuss a reform to the Sanitary Regulation. On the occasion Odecu took part of a 20 persons group

July 29th, 2013: Senate's Health committee to discuss Drugs-Medicines Law.

July 30th, 2013: Lower chamber's consumers' rights committee to present a yogurts quality research carried out by Odecu.

Comparisons with the precedent year, conclusions for the future...):

For many years ODECU had a service in order to attending consumers . This service was linked to various projects. However, the financing of these projects had a limited duration This caused a loss of the experience of the professionals and knowhow . Matanel ´s support gives stability to the service and allow continuous improvement of the service. Currently, both shaped presence online have been seen and consulting by an increasing amount people. (Please find attached)

With the support of Matanel, it has been possible to advance in legal proceedings having resources for example, pay the expert reports required courts in cases that Odecu is driven against de banks.

Also, a very important case, namely the already mentioned pharmacies case , Matanel support the legal team that represented ODECU on behalf of consumers had a crucial role in its sustainability.