



**Veřejný ochránce práv**  
OMBUDSMAN

**Research of the Public Defender of Rights**

# **ACCESSIBILITY OF FINANCIAL SERVICES TO THE ELDERLY**

**2013**

## 1. Introduction

The year 2012 was endorsed by the European Parliament as the European Year for Active Ageing and Solidarity between Generations. The aim was to support an effort leading to the development of active ageing with an emphasis on vitality and dignity of all people. As part of this aim, educational and research events were held in Europe, focusing also on the fight against discrimination on grounds of age.

The Public Defender of Rights decided to follow these efforts and conducted research dealing with one of the topics that he had started to encounter in the area of the right to equal treatment already in 2010. That year he received the first complaint of elderly persons about the inaccessibility of some financial services after reaching a certain age limit.

Elderly persons pointed out that financial institutions set age limits for some products, which thus became inaccessible to elderly clients. In case of banks, clients most often encountered the rejection of an application for a credit card although they had been long-time clients of the bank, holders of golden payment cards, solvent clients with accounts in the Czech koruna and foreign currencies. Often, they responded to an offer actively made by the bank. In other cases, they applied for a credit card because they needed it for the purpose of using other services, such as renting a car abroad, booking hotel accommodation on the internet and so on. They also encountered an age limit requirement when applying for various types of loans. In case of insurance companies, the discrimination claimed concerned in particular life, accident and travel insurance, which were provided to elderly persons under considerably disadvantageous conditions, sometimes with a 100% surcharge.

Since the issue of potential discrimination in access to services on grounds of age had not been systematically mapped in the Czech Republic, the Public Defender of Rights decided to conduct research that would test, across the board, the accessibility of financial products to elderly clients.

The first part of the research was in the form of an anonymous questionnaire survey. The Defender approached all banks and branches of foreign banks, all insurance companies and branches of foreign insurance companies and selected non-bank providers of financial services (hereinafter “providers”). In the second part of the research, the method of situation testing (experiment) was used with an aim to test the actual accessibility of financial services to elderly people. In this manner the procedure of thirteen key banks in the Czech market oriented toward retail clients, two insurance companies and four non-bank institutions was checked. During the situation testing selected companies were visited or contacted by telephone by test persons requesting the issuance of a credit card or short-term consumer loans or, in case of insurance companies, travel insurance. Branches were selected from all across the Czech Republic.

The objective of the research was not to assess the practice of different financial institutions for the purpose of their penalisation. Its aim was to check systematically equal treatment of persons interested in financial services and to check whether elderly people, as an age group, are discriminated against with respect to their consumer rights without legitimate reasons. Therefore, data about the participating entities will remain anonymous. The final report should serve as a basis for broader

discussion about the quality of providing financial services to consumers. Support of the research was expressed by the Czech National Bank, the Czech Trade Inspection Authority, the Financial Arbiter, the Czech Banking Association, the Czech Insurance Association and the Czech Leasing and Financial Association.

Pursuant to the provision of Sec. 2 (4) of Act No. 349/1999 Coll., on the Public Defender of Rights, as amended, I was entrusted by the Public Defender of Rights with the exercise of a part of his mandate. Therefore I organised research and present this report to the public, thus fulfilling the task entrusted to the Defender pursuant to the provision of Sec. 21b of the said Act.

First of all, I would like to note that I am fully aware of the fact that there may be legitimate reasons justifying in specific cases the application of an age limit. Banks are also bound by law to proceed with prudence and not to perform transactions that would be detrimental to the interests of depositors or endanger the soundness of the bank. Neither can they conclude contracts “conspicuously disadvantageous” for the bank or contracts that would bind the bank to economically unjustified performance. On the other hand, however, financial services are offered and provided to consumers and they are subject to the prohibition of discrimination. In general, elderly people cannot be denied financial services solely due to age. The elderly have the same right to participate in the life in society, use proceeds from loans to finance their needs, take out insurance etc. just as clients of other groups do.

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### **3. Glossary**

#### **Consumer**

A person who does not act within the scope of his/her business activities or independent performance of his/her profession when concluding financial services.

#### **Consumer loan**

A loan intended for individuals for non-business purposes, such as the purchase of consumer goods, a car, or home equipment.

#### **Credit card**

A payment card connected with a revolving loan, which can be gradually repaid and also redrawn by a client. A credit card makes payments easier and enables clients to pay without the need of cash. Other services and advantages can be linked with it. A credit card holder usually pays fees for its use and if the loan is not repaid within an interest-free period, interest is also paid.

#### **Direct discrimination**

Direct discrimination is such act (including omission) whereby one person is treated less favourably than another person is, has been or would be treated in a comparable situation based on a prohibited ground. Direct discrimination on grounds of age in access to services may be justified by a reasonable aim provided the means of achieving that aim are appropriate.

#### **Discrimination**

Discrimination is generally understood to mean unequal treatment based on a prohibited discriminatory ground (age in this case) in certain areas, which include the area of providing services, including financial services.

#### **Financial corporations engaged in lending**

Companies whose main or major business activity involves granting credit or loans or entering into agreements of a similar nature, for example financial leasing, factoring, consumer loans, hire purchase financing, etc. For the purpose of the research, selected companies are also referred to as non-bank providers of financial services.

#### **Financial institutions**

An entity providing financial services. For the purpose of the research, these include banks, insurance companies and non-bank providers of financial services.

#### **Financial products**

A specific product provided by a financial institution, such as a credit card, current account, consumer loan, travel insurance, etc.

## **Financial services**

Services provided by financial institutions. Specific financial services provided by credit institutions include receiving deposits, granting loans, financial leasing, money transfer services, issuing and managing payment documents (e.g. credit cards, traveller's cheques), providing guarantees and promises, etc. In addition, services of insurance companies, such as concluding insurance contracts and investment services, belong to this category.

## **Indirect discrimination**

Indirect discrimination is an act or omission whereby one person is treated less favourably than another person on the basis of a seemingly neutral criterion which, however, has a negative impact on the members of a group defined by a ground of discrimination. Indirect discrimination may be justified by a reasonable aim provided the means of achieving that aim are appropriate and necessary.

## **Life assurance**

A contract between a policy holder and an insurer whereby the insurer undertakes to pay a specified sum of money to the insured person in case of a period of a necessary medical treatment or for permanent effects of an injury or for hospitalisation as a result of an injury, or to pay such sum to the beneficiary upon the death of the insured person.

## **Mortgage loan**

A loan secured by a security interest in property.

## **Overdraft account**

A banking service linked to a current account, enabling a client to draw funds from the account even if the client does not have sufficient cash in the account.

## **Situation testing**

A procedure for ascertaining and proving discriminatory conduct. It is used to create a situation in which a person who is a member of a group of persons facing disadvantage (in this case an elderly person) is intentionally placed in a situation which may involve discriminatory conduct without the person tested being aware that s/he is being monitored. The Public Defender of Rights may perform situation testing when conducting research.

## **Travel insurance**

A non-mandatory insurance policy concluded between a customer and a relevant insurance company prior to travel abroad. It enables the coverage of medical expenses in case of a sudden illness, accident but also damage caused to third party, the loss of luggage etc.

## 4. Summary of research results

The practice of restricting access to financial services solely on grounds of age, without examining other circumstances, still occurs, albeit rarely. In addition to this, in some cases a higher age is a factor which significantly increases the cost of purchasing a product.

### A summary of the results of the questionnaire survey

- The results of the questionnaire survey indicate that of all services subject to the research, services that are the least accessible to elderly people include **life assurance** (all insurance companies surveyed set an age limit), **accident insurance** (an age limit is set by 90% of insurance companies) and **payment protection insurance** (an age limit is set by 78% of banks, 100% of insurance companies and 86% of non-bank providers).
- Approximately a third of the surveyed entities also set age limits for providing **travel insurance** (37% of insurance companies) and **mortgage loans** (33% of banks).
- Relatively most accessible services to elderly people include **financial leasing, voluntary motor insurance, compulsory motor third-party liability insurance, credit card and overdraft account** (each of these services is restricted with respect to age by only one entity), followed by **consumer loans** (18% of banks and 6% of non-bank providers set age limits).
- It can be therefore concluded that an age limit was applied at least once with respect to each of the monitored services.
- As regards the specific age limits, the strictest conditions apply to payment protection insurance, which entities refuse to provide on average to clients aged 63 and over, and to financial leasing, where this limit reaches 65 years. As regards the remaining services, the age limit stands, with slight variances, at around 70 years. Voluntary motor insurance and compulsory motor third-party liability insurance are the only exception, with an average age limit of 80 years as an additional criterion.

### A summary of the situation testing results

- **Credit cards:** two of thirteen entities (15%) restrict providing credit cards on the basis of the client's age without examining any other circumstances. One entity denied the fact before a test person that it provided credit cards although they are advertised on its website. In one case an employee was not sure whether a credit card could be provided and indicated that the age of the interested person could present a problem.
- **Consumer loans:** they were denied solely on grounds of age by two out of fifteen tested entities providing consumer loans (13%). In addition, it needs to be mentioned that one entity refuses to combine, for the purpose of the minimum level of income, an old-age pension and any other source of income. In two cases (13%) an employee was not sure whether a consumer loan could be provided and indicated that the age of the interested person could present a problem. In another case an employee of an entity provided different information to a test person about the conditions for getting the service than was published on the website of the entity.

- As regards **travel insurance**, no case of denial on grounds of age was ascertained; however, a higher age is a factor which significantly increases the cost of purchasing a product. For clients aged over 70 years, insurance premiums rise by 66-200% and on average by 106% (i.e. they more than double). In case of insurance companies that also define clients aged over 80 years, insurance premiums rise by another 50-81% compared to premiums applied to elderly people of up to 80 years of age. It was also ascertained that two of nine insurance companies do not enable persons aged over 80 years to take out travel insurance online.

### **A summary of the legal evaluation**

- In case of mortgage loans or life assurance, setting an appropriate age limit is generally legitimate with respect to the character of these products.
- If the provision of short-term services, such as the provision of credit cards, short-term consumer loans, overdraft accounts, travel insurance, payment protection insurance in case of short-term credit products or vehicle insurance is limited by an upper age limit, it constitutes discrimination on grounds of age.
- If an insurance company decides to raise insurance premiums for short-term services, such as travel insurance, after a certain age limit is reached, the difference in treatment needs to be based on relevant and accurate actuarial and statistical data and the difference between the premiums or insurance benefits need to be proportionate. If a person has to pay double the premiums of a person younger by only a few months (or days), such increase seems to be *prima facie* disproportionate but cannot be described as discriminatory without anything further.
- If an insurance company decides to require that applicants over a certain age visit its branch in person, in the interest of transparency there should be apparent reasons for doing so.
- If a credit institution fails to accept an old-age pension or aggregate incomes from several sources as income, it could constitute indirect discrimination on grounds of age.
- If a credit institution refuses to provide services to persons in retirement age, it constitutes discrimination on grounds of age.



## **5. Legal analysis**

### **5.1 Duties and responsibility in providing financial services**

Pursuant to the provision of Sec. 12 of Act No. 21/1992 Coll., on Banks, as amended, a bank shall *"carry out its activities with prudence and, in particular, pursue its business in a manner which is not detrimental to the interests of its depositors in respect of the recoverability of their deposits and which does not endanger the bank's safety and soundness"*. Further, a bank *"may not conclude any agreements under conditions which are conspicuously disadvantageous for the bank ... especially such that bind the bank ... to economically unjustified performance or performance that fails conspicuously to correspond to the countervalue provided. Agreements concluded in contravention of this provision shall be invalid."*

In connection with the provision of Sec. 9 of Act No. 145/2010 Coll., on Consumer Credit, as amended, creditors are obliged to assess with professional care the ability of a consumer to repay a consumer loan. In connection with this provision, a creditor should provide *"a consumer loan only if it is apparent upon the assessment of the creditworthiness of a consumer that the consumer will be able to repay the consumer loan; otherwise, the contract under which the consumer loan is provided shall be invalid."*

With respect to insurance companies, the provision of Sec. 6 of Act No. 277/2009 Coll., on Insurance, as amended, applies, according to which an insurance company *"is authorised to pursue only insurance or reinsurance activities and activities connected therewith as permitted by a relevant supervisory body and shall act with professional care and proceed with prudence, and in particular it shall not carry out such activities in a manner that causes damage to assets entrusted to it by third parties or endangers its safety and soundness or the safety and soundness of related parties."*

In assessing legitimate differentiation on grounds of age, it is always necessary to balance the equal treatment requirement on the one hand and the duties of financial institutions prescribed by law on the other hand.

### **5.2 Equal treatment and prohibition of discrimination in the area of providing financial services**

The prohibition of discrimination is regulated by Act No. 198/2009 Coll., on Equal Treatment and on Legal Means of Protection against Discrimination. In the provision of Sec. 1 (1) (j) in connection with the provision of Sec. 2 (3), the Antidiscrimination Act prohibits discrimination in access to goods and services, among others on grounds of age.

Discrimination in violation of the Antidiscrimination Act means an act (or omission) whereby one person is treated less favourably than another person is, has been or would be treated in a comparable situation based on a prohibited ground in an area specified by law. Pursuant to the provision of Sec. 7 (1) of the Antidiscrimination Act, difference in treatment does not constitute discrimination if it is *"objectively justified"*

*by a legitimate aim and the means of achieving that aim are appropriate and necessary."*

In addition, the insurance industry is subject to a special regulation of equal treatment, contained in the provision of Sec. 13a of Act No. 37/2004 Coll., on Insurance Contract, as amended. In connection with this provision, *"to determine the amount of insurance premium or to calculate the amount of insurance benefit, it is prohibited to take into account an aspect that contradicts the principle of equal treatment."* Nevertheless, age can be used as *"a decisive factor in determining the amount of insurance premium and for calculating the insurance benefit in case of insurance against perils with respect to which the assessment of insurance risk is based on relevant and accurate actuarial and statistical data and if the difference between the premiums or insurance benefits is proportionate."*

The Antidiscrimination Act protects not the age of a person as such but the attainment of an age connected with disadvantage and causing particular vulnerability of the persons concerned, which can be manifested in their exclusion. Possibilities to justify difference in treatment on grounds of age are broader than in case of other prohibited grounds. Therefore, there are a number of exceptions to the prohibition of differentiation on grounds of age. With respect to the specific character of age as a ground of discrimination, its application needs to be assessed with respect to a specific situation.

Discrimination based on age can be regarded as differentiation that violates human dignity.<sup>1</sup> Human dignity can be violated in situations when people are assessed on the basis of the stereotypical application of presumed group characteristics rather than on the basis of individual merit, capacity, or circumstance.<sup>2</sup> What needs to be considered the violation of dignity is in particular the fact that elderly applicants are regarded as less respected clients, who are able to meet their obligations to a lesser extent regardless of their individual capabilities and abilities.

Possible legitimate justification of applying differentiation in access to financial services includes the elimination of credit risk or, in case of insurance, too high insurance risk.

With respect to the character of individual services, it is necessary to look differently at the provision of short-term loans and the provision of mortgage loans, which are of a long-term character. In the area of providing insurance, the assessment of statistical data, including those that depend on age, is one of the basic operations. Therefore the possibility to take into account age in this area will be assessed in a different manner.

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<sup>1</sup> See the provision of Art. 1 of the Charter of Fundamental Rights and Freedoms *"All people are free and equal in their dignity and in their rights."*

<sup>2</sup> For example, see the decision of the Supreme Court of Canada in case *Miron v. Trudel* [1995] 2 SCR 418, p. 489.

## **5.3 Examples of differentiation on grounds of age**

### **5.3.1 Setting an upper age limit for the provision of a service**

The results of the research indicate that an upper age limit is still applied, even though only in isolated cases. The probable reason for setting an upper age limit for services is statistical data related to average life expectancy, which can have a negative impact on the possible repayment of obligations, or, more precisely, the creation of a too high insurance risk.

Such exclusion of elderly people undoubtedly constitutes violation of their dignity because individual life expectancy can differ from average life expectancy even by tens of years. In addition, the risk of a sudden death and failure to meet obligations threaten younger people too. However, in comparison to them, elderly people have property which can be used to satisfy claims. If providers of services treat persons over a certain age as persons who are at imminent risk of death and if such persons regularly encounter obstacles and rejection, such action is in violation of the requirement of their active participation in the life of society, which they are entitled to and which simultaneously represents a smaller burden for the society.

If the provision of services of short-term character, such as the provision of credit cards, short-term consumer loans, overdraft accounts, travel insurance, payment protection insurance in case of short-term credit products or vehicle insurance is limited by an upper age limit, it constitutes discrimination on grounds of age.

In case of mortgage loans or life assurance, however, setting an appropriate age limit is generally legitimate with respect to the character of these products.

### **5.3.2 Setting different conditions from certain age**

Using age as an additional criterion is generally acceptable because it meets the requirement of legitimacy. The use of age as one of criteria, however, needs to be in reasonable relation to other criteria. Persons of productive age usually have a different type of income than persons of post-productive age. As opposed to younger persons, elderly persons have usually accumulated property. Thus, it is justifiable to ask elderly persons in detail about their income and financial situation in comparison to younger persons since it is necessary to assess carefully the credit risk.

For the same reason it is possible to set different conditions for providing a certain service. However, those conditions may not be disadvantageous in a disproportionate way or such that would in fact lead to their exclusion from the possibility to be provided a service. If a financial institution proceeds to provide a service under conditions less advantageous for elderly clients, the requirement of a reasonable relation will be met if the conditions become stricter after a certain age gradually and not suddenly. The research revealed sudden increases in insurance premiums after a certain age limit.

If an insurance company decides to increase insurance premiums from a certain age for short-term services, such as travel insurance, the difference in treatment needs to be based on relevant and accurate actuarial and statistical data and the difference between the premiums or insurance benefits needs to be proportionate. If a person

has to pay double the premiums of a person younger by only a few months (or days), such increase seems to be *prima facie* disproportionate but cannot be described as discriminatory without anything further.

Some insurance companies also require that clients over a certain age (over 80 years, to be specific) visit a branch of the insurance company. In such cases, insurance cannot be taken out online. Reasons for such measure were not found during the research.

If an insurance company decides to require that interested persons over a certain age visit a branch of the insurance company, in the interest of transparency there should be apparent reasons for doing so.

### **5.3.3 Requiring a certain type of income**

The research identified practice where some credit institutions require that applicants for credit products have a specific type of income. Income from employment only was required and an old-age pension was not accepted irrespective of its amount. In another case, income of a certain amount coming only from one source was required and different sources could not be combined.

With respect to the fact that elderly persons usually have income from pension insurance benefits or in combination with another type of income (employment, entrepreneurship, property rental), such requirements can be perceived as seemingly neutral criteria, which, however, have an unfavourable impact precisely on elderly persons. Considering the limited possibility or ability of elderly persons to earn money by being employed, it will be typical that their income will consist of several sources. If credit institutions insisted on such requirement, it would mean rejection of potentially solvent clients solely due to higher age, although an old-age pension is a steady monthly income.

If a credit institution fails to accept an old-age pension or aggregate incomes from several sources as income, it could constitute indirect discrimination on grounds of age, depending on specific circumstances.

### **5.3.4 Failure to provide services to persons in retirement age**

Attainment of retirement age as such does not give evidence as to the character of income of persons in retirement age. Persons of that age usually become entitled to pension insurance benefits; however, nobody forces persons to retire after reaching such age and they often stay economically active.

Taking into account the retirement age represents the combination of setting an upper age limit and requiring a certain type of income.

If a credit institution refuses to provide services to persons in retirement age, it is a case of discrimination on grounds of age.

## 6. Existing activities of the Public Defender of Rights

The Public Defender of Rights has dealt with individual complaints of elderly persons about the denial of financial services since 2010.

### 6.1 Credit cards

The subject of the complaints was most frequently the refusal to provide credit cards requested by clients for various reasons. They were products actively offered by banks and requested by clients on their own initiative. In some cases clients wanted to take advantage of benefits linked to the credit card, such as discounts, special purchase prices or special tariffs of telephone operators. In other cases, they wanted to get a credit card because related services were linked to it. In none of the cases did clients primarily request credit cards to draw revolving loans. The complaints about the refusal to provide credit cards, which were dealt with individually, can be summarised in the following manner.

During the first case handled in 2010, a bank responded, upon the Defender's request, that elderly clients carried a statistically higher risk of "*natural death*", which meant an increased credit risk for the bank. The Defender concluded that the exclusion of applicants for credit cards because they exceeded the age limit of 70 years violated human dignity since it did not assess the individual ability of applicants for credit cards to meet their obligations. Moreover, all persons face the risk of natural death and not just persons over 70 years of age. The Defender stated that the exclusion of elderly clients could not be justified by referring to the elimination of credit risk without also examining other information important for deciding on the creditworthiness of a client. Since the bank did not respond to the Defender's request for elimination of the discrimination, the Defender therefore advised the Governor of the Czech National Bank of this conduct. The Czech National Bank subsequently exercised its supervisory power and the bank refrained from that discriminatory practice.

In 2011 other inquiries followed. In those cases, banks had not excluded elderly applicants expressly. In response to the Defender's request, they stated that automatic rejection of elderly applicants could have been no more than an error of a specific employee. In contrast to the first inquiry, the banks in question expressly stated that they would respect the report and take measures to eliminate discrimination of elderly persons.

Another inquiry followed in 2012. A married couple had requested a credit card for the purpose of renting a car abroad. Among others, they had applied for a credit card at one of the banks previously subject to an inquiry that had promised to modify its procedure. This bank subsequently provided the credit card with modified conditions only after the intervention of an authorised employee of the Office of the Public Defender of Rights, who noted the conflict between their practice and the earlier statements.

The same problem, i.e. impossibility of a person over 70 years to obtain a credit card, which was needed for the purpose of renting a car abroad, was subject to complaints of other persons. The common feature was statements of banks that it was not their intention to exclude elderly clients and if that had happened it must have been an

individual excess. In response to inquiry reports, banks usually mention specific measures that they intent to adopt to prevent discrimination in the future.

## **6.2 Loans**

The Public Defender of Rights dealt with a series of complains about the refusal to provide consumer or other loans. As opposed to credit cards, creditworthiness of clients could not be established with certainty in all cases and therefore in most cases it was impossible to arrive at a clear conclusion whether difference in treatment had taken place or not. In one case the complaint concerned the refusal to provide a mortgage loan, which, with respect to the age of the applicant and the planned duration of the loan, could not be considered discrimination on grounds of age.

Nevertheless, one of the cases handled this year was an exception. An inquiry into a bank that had provably applied an upper age limit for providing a consumer loan and informed about this on its website, was launched almost in parallel to this research. Upon a request of the Public Defender of Rights, the bank responded that the age of an applicant for a loan was an important part of an assessment of the ability to repay the consumer loan. According to the bank's representative, the age limit was selected owing to the establishment of a *provably higher risk of clients over this age limit defaulting on a loan*. After the research was launched, however, the bank modified its conditions published on its website and removed the age limit. During testing performed as part of this research it was also confirmed that the bank no longer applied an upper age limit and employees who came into contact with clients were informed about the issue of possible discrimination on grounds of age. Therefore I ended the inquiry, founding direct discrimination, which had been, however remedied in the course of the inquiry.

## **6.3 Insurance**

The Public Defender of Rights was notified of the practice of a number of insurance companies. Complaints concerned disadvantageous conditions for elderly persons in case of life and accident insurance. Some services were directly restricted by an upper age of limit of 65 years. As regards travel insurance, the Defender handled a case where insurance companies had provided this product with a 100% surcharge. In connection with handling cases of refusal to provide loans, the Defender also encountered an upper age limit for payment protection insurance.

Most of these cases were not dealt with individually by the Defender but were used, as problematic situations, as model cases for this research.

## **7. Possible defence against discriminatory conduct in the area of financial services**

There are several possibilities to defend oneself against discriminatory conduct of financial institutions. The possibilities differ with respect to the character of the entity providing the service. In general, it is possible to address a body authorised to exercise supervisory powers or to submit the dispute to a decision-making authority.

### **7.1 Czech National Bank**

The Czech National Bank performs supervision of banks and insurance companies<sup>3</sup>. Within this mandate it checks the compliance with laws (including prohibition of discrimination) and imposes remedial measures and penalties. In addition, the Czech National Bank holds informal meetings with the entities subject to supervision, endeavouring to refine their activities.

A victim of discrimination can make a complaint with the Czech National Bank. It can result in the imposition of a penalty or remedy. However, in this manner no individual claims can be satisfied or the provision of a service attained.

The Czech National Bank usually deals with cases of obvious discrimination where a complainant submits convincing evidence that discrimination has occurred or an entity subject to supervision directly publishes discriminatory conditions, etc.

### **7.2 Czech Trade Inspection Authority**

Non-bank providers of financial services, typically of consumer loans, fall within the competence of the Czech Trade Inspection Authority.<sup>4</sup> Just like the Czech National Bank, the Czech Trade Inspection Authority is authorised to penalise discriminatory conduct of providers of services. The Czech Trade Inspection Authority can be also addressed by anyone with a complaint about discrimination. The CTIA is subsequently authorised to inquire into the practice in question and impose a penalty if breach of law is found.

By an inquiry of the Czech Trade Inspection Authority, individual claims (apology, damages) cannot be satisfied or the provision of a service attained either.

### **7.3 Financial arbiter**

The post of the Financial Arbiter is at present filled by a financial arbitress.<sup>5</sup> It is an out-of-court body for settling disputes, which decides disputes between customers and financial institutions free of charge upon consumers' application. Proceedings before the Financial Arbitress are, in contrast to court proceedings, free of charge and decisions on the merit are made within 30, or 60 days of the launch of proceedings. The filing of an application and proceedings before the Financial

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<sup>3</sup> In connection with the provision of Sec. 44 of Act No. 6/1993 Coll., on the Czech National Bank, as amended, in connection with the provision of Sec. 23 (9) of Act No. 634/1992 Coll., on Consumer Protection, as amended.

<sup>4</sup> Pursuant to the provision of Sec. 23 (1) of the Consumer Protection Act.

<sup>5</sup> It was created by Act No. 229/2002 Coll., on Financial Arbiter, as amended.

Arbitress are regulated by the Financial Arbitrator Act and the Code of Civil Procedure, and the Financial Arbitress is obliged to decide to the best of her knowledge and faith, impartially, fairly and without delays. The award of the Financial Arbitress has a comparable effect as a court decision and is also enforceable by courts. In case of disagreement with the final decision of the Financial Arbitress it is possible to file a court action seeking a review of the decision<sup>6</sup>.

#### **7.4 Court**

A victim of discrimination may also file an action with a court. In comparison with proceedings before the Financial Arbitress, a court action is subject to a court fee. Court proceedings are regulated by the provisions of the Code of Civil Procedure. In discrimination disputes, victims may seek termination of the discriminatory conduct, remedy of the consequences of discrimination and adequate satisfaction. In some cases it is also possible to request financial compensation for non-proprietary damage. In these disputes, however, the burden of proof is not divided.<sup>7</sup> Therefore the petitioner (an elderly person subjected to discrimination) has a duty to state the material facts and prove them before the court.

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<sup>6</sup> Pursuant to the provision of Sec. 244 (1) of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended.

<sup>7</sup> Cf. the provision of Sec. 133a of Act No. 99/1963 Coll., the Code of Civil Procedure, as amended.



## **8. Description of method, manner of selecting samples**

The following section focuses on a more detailed description of the method of research (questionnaire survey, situation testing) and the sampling procedure.

### **8.1 Questionnaire survey**

The research rests on two main methods. In the first phase, a questionnaire survey was conducted. All<sup>8</sup> banks and branches of foreign banks (45 in total), insurance companies and branches of insurance companies (52 in total) and selected non-bank providers of financial services (43 in total) were approached. The aim was to examine the accessibility of financial services and products to elderly persons. An electronic questionnaire (in three versions modified for banks, insurance companies and non-bank providers), published on the website of the Defender, was used as the data collection technique. The data were collected from 17 May 2013 to 26 July 2013.

All entities received an accompanying letter from the Defender, explaining the purpose and the form of the research. The letter also contained a web link where the questionnaire could be filled out. The questionnaire was also attached to the letter to enable the entities to get acquainted with the questions in advance. The content and the form of the questionnaire had been consulted in advance with the representatives of the Czech National Bank, the Czech Banking Association, the Czech Insurance Association and the Czech Leasing and Finance Association, the Czech Trade Inspection Authority and the Financial Arbitress.

The questionnaire consisted of two main parts. The aim of the first part was to ascertain, on the basis of the statements of entities themselves, whether they had maximum age limits set for providing specific services, what the age limits were and, where the provision of services was not directly conditional upon a certain age, whether age was taken into account as an additional criterion. The second part concentrated on the experience of entities with complaints of clients or potential clients about the use of age as a criterion and on the practice of entities in the area of employee training regarding providing consultancy to elderly persons. The questionnaire was anonymous but in order to evaluate better the response rate and possible differences between participating and non-participating entities (and therefore possible systematic bias of results), companies had been asked to additionally confirm their participation or non-participation in the research (also by means of an electronic questionnaire).

### **8.2 Situation testing**

The questionnaire survey was followed by the second phase of the research, with a goal to check the actual accessibility of different services and products from the point of view of elderly persons. A simplified form of an experiment<sup>9</sup> was selected, carried out in natural conditions. This method is known as *situation testing* in the area of

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<sup>8</sup> The list of entities was drawn from a list published by the Czech National Bank.

<sup>9</sup> Specifically, one-group post-test only, since pre-test or the control group were not necessary with respect to the character and the aim of the research.

antidiscrimination law<sup>10</sup> while in the area of marketing research it is called *mystery shopping*. Based on the method, specially trained test persons of older age visited branches of banks, insurance companies and non-bank providers of financial services and requested products which were inaccessible according to the Defender's information, based on complaints. Subsequently, it was recorded whether test persons were rejected on grounds of age or not. If the given entity did not have a network of branches, the testing was conducted by telephone.

The provision of the following products and services was subject to testing:

- credit card
- short-term consumer loans
- travel insurance

Selection and training of test persons is of crucial importance for the information value and credibility of situation testing. Therefore the Public Defender of Rights decided to turn to professional actors and actresses of older age. Two actresses and one actor took part in the research; two of them belonged to the age category of 70 to 80 years and one to the age category of 80 years and over. These age categories were determined on the basis of results of the questionnaire survey, which showed that in case of credit cards and consumer loans, age started to play a major role at around the age of 70 years and additionally, in case of travel insurance, at the age of 80 years (from that age it is impossible to take out travel insurance online). Prior to the research, all test persons attended training connected with a practical rehearsal; in addition, during the testing, a competent employee of the Office of the Public Defender of Rights was always available in case of questions or uncertainty. The data collection took place from 15 July 2013 to 9 August 2013. The course of the testing was recorded on a hidden voice recorder for control purposes. After the testing was completed, the test persons filled out a questionnaire regarding the course of testing and the substantiation of results.

### **8.2.1 Possibility to conduct situation testing and its compliance with law**

The power of the Public Defender of Rights to use situation testing as a research method stems from the definition of his powers in the Public Defender of Rights Act.<sup>11</sup> If the Public Defender of Rights is authorised to conduct research, he can apply all relevant research methods for this purpose, including situation testing as an experiment.

Testing needs to be distinguished from so-called police provocation. In case of provocation, a governmental authority actively encourages another person to commit an act and the same governmental authority subsequently penalises such action as criminal. The behaviour of an agent provocateur is either unlawful in itself or it at least simulates willingness of certain participation in a crime. In case of testing, by contrast, the situation involves exercising the subjective right of a test person, who

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<sup>10</sup> For more information about situation testing please go to: <http://www.ochrance.cz/diskriminace/pomoc-obetem-diskriminace/situacni-testovani/>

<sup>11</sup> Act No. 349/1999 Coll., on the Public Defender of Rights, as amended.

checks whether the exercise of his or her right is not prevented in a prohibited manner.

In addition, it is possible to obtain a recording of the testing since it was made on premises intended for the public and was in no way related to the privacy of participating persons and the actions recorded could not be considered personal manifestation protected by the provisions of the Civil Code.<sup>12</sup> During the testing, personal data were not processed either since no employee of any financial institution was specified or could be specified.<sup>13</sup> Although the Defender knew in what branches the testing had taken place, he would have had to make excessive effort to associate a voice with a specific person. Therefore, also with respect to this fact, the data were not personal data.<sup>14</sup> The recording of the testing was transcribed on the day of the testing and immediately destroyed.

Czech courts have already indicated in resolved disputes<sup>15</sup> that everyone was entitled to check whether he could exercise his rights without disturbance and that, if rights were unlawfully interfered with, their claims were identical as if discrimination had been encountered unexpectedly.

## **8.2.2 Scenarios and the course of testing**

As regards the course of testing products and services itself, the situation was modelled as general enquiries about conditions for the purpose of comparison. In other words, the test person was not interested in an immediate purchase of a product and only came to ask whether a company was willing to provide him or her with the given product and to compare the conditions (what product is better from the financial point of view) among several companies. Thus the situation testing did not go as far as the presentation of an identification card, let alone the conclusion of a contract. If an employee of a tested entity was not able to answer questions related to the provision of a product and requested personal data, test persons repeated that they were interested only in preliminary information to compare the conditions on the market. Test persons used their own names<sup>16</sup> and gave information about their real age. Stating the age explicitly during an interview was one of the main conditions of the testing.

For each product and service, a standardised scenario based on specific stories of complainants who had addressed the Defender, was created. The reasons for requesting a product/service and the description of the situation of the person interested are summarised below:

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<sup>12</sup> The provision of Sec. 11 and subseq. of Act No. 40/1964 Coll., the Civil Code, as amended.

<sup>13</sup> Cf. Sec. 4 (a) of Act No. 101/2000 Coll., on Personal Data Protection and Amendments to Some Acts, as amended.

<sup>14</sup> Cf. the opinion of WP 29 of 20 June 2007 (No. 4/2007), concerning the concept of personal data.

<sup>15</sup> E.g. the judgment of the Supreme Court in Prague of 27 May 2003, file ref. No. 1 Co 62/2003, published in Bar Bulletin (Bulletin advokacie), 2003, No. 11-12, p. 100-102, courts proceeded in a similar manner in cases maintained by the Regional Court in Plzeň, file ref. No. 19 C 38/2001, or the Municipal Court in Prague, file ref. No. 34 C 66/2001.

<sup>16</sup> With the exception of telephone calls.

### ***Credit card***

#### *Reason:*

- an interested person is going abroad (USA) to visit his/her daughter and her family; s/he wants to rent a car in USA and has discovered that a credit card is necessary for this purpose (car rental companies in USA require a credit card in most cases; without a credit card, a car rental company places a hold of several hundreds of dollars on the person's account as a deposit or refuses to rent a car, in the worse-case scenario).

#### *Situation:*

- the interested person is over 70 years of age,
- the interested person has a partner of the same age,
- they own two pieces of real estate (a house where they live and a flat which they rent out),
- they receive old-age pensions of CZK 12,000 (man) and CZK 10,000 (woman), and, in addition, they have income of about CZK 6,000 from renting the flat,
- they have funds of CZK 100,000 in time accounts and of CZK 150,000 in a current account,
- they are not existing clients of banks/providers.

### ***Short-term consumer loan***

#### *Reason:*

- an interested person needs a loan of CZK 30,000 to repair a cottage roof; 1.5-year term of the loan (18 months)

#### *Situation:*

- the interested person is over 70 years of age,
- the interested person has a partner of the same age,
- they own two pieces of real estate (a house where they live and a flat which they rent out),
- they receive old-age pensions of CZK 12,000 (man) and CZK 10,000 (woman), and, in addition, they have income of about CZK 6,000 from renting the flat,
- they have savings, which are, however, in time deposits (in the amount of CZK 100,000); available funds of CZK 150,000 in a current account are not sufficient (a small sum, of CZK 30,000, is needed),
- both would be applying for the loan,
- they are not existing clients of banks/providers.

### ***Travel insurance***

#### *Reason:*

- an interested person is going on a 10-day holiday to the Croatian seaside and is interested in travel insurance (in particular in insurance against medical expenses) for himself/herself or his/her partner; they are travelling with their grandson by car, not with a travel agency

#### *Situation:*

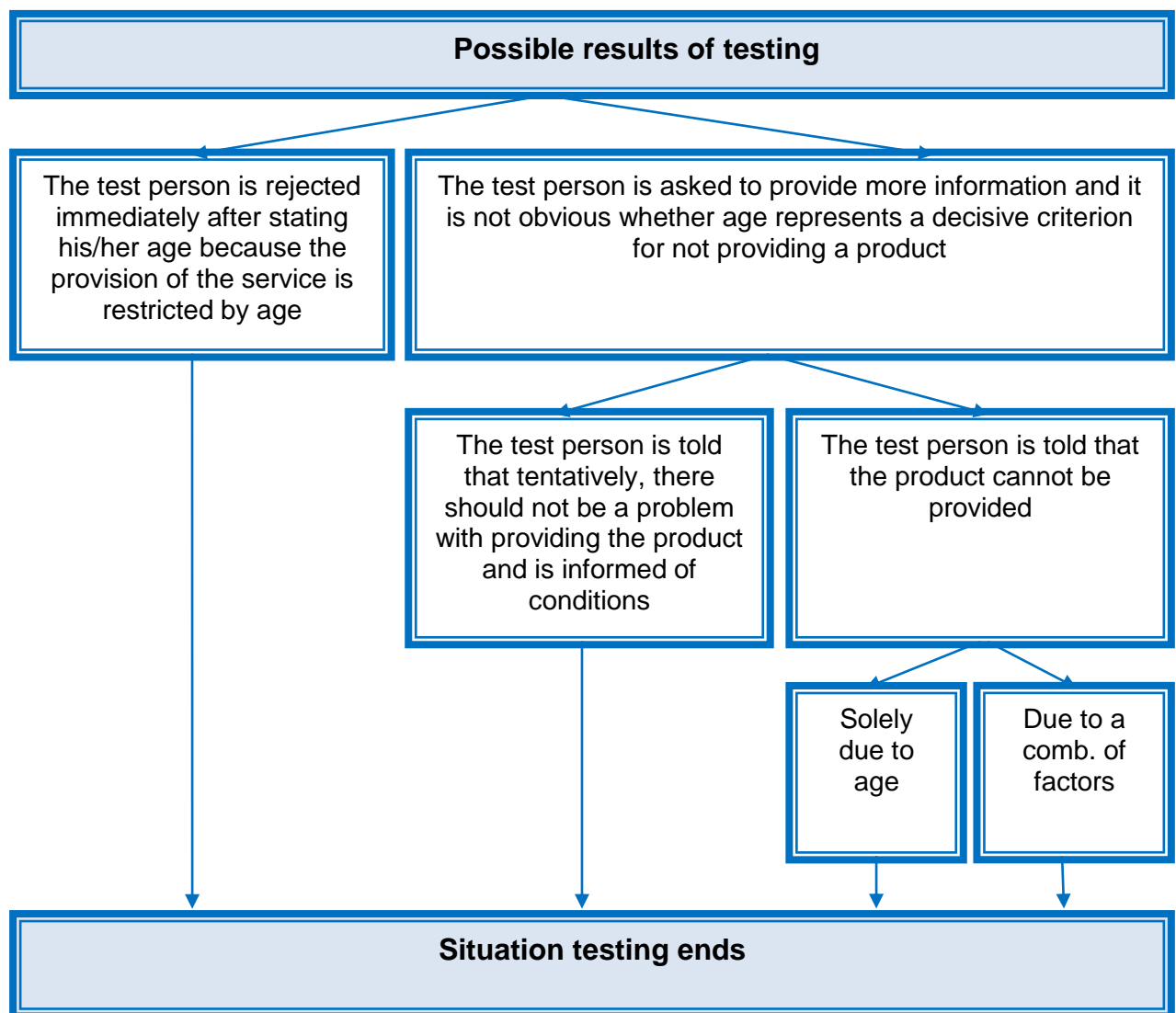
- the interested person is over 80 years of age,
- the interested person has a somewhat younger partner (between 70 and 80 years),
- both are free of any serious health problems,
- they are not existing clients of the insurance company.

As part of the situation testing it was necessary to consider whether age was the only and decisive criterion for potentially not providing a service. Therefore the testing could lead to one of the four possible situations (also summarised in Diagram 1):

- [1] the test person is rejected immediately after stating his/her age because the provision of the service is restricted by age
- [2] the test person is told that tentatively, there should not be a problem with providing the product and s/he is informed of the conditions
- [3] the test person is told (after asking about the reasons for refusal) that the product cannot be provided solely due to age
- [4] the test person is told (after asking about the reasons for refusal) that that the product cannot be provided due to the combination of various factors (age could be one of them)

Test persons were instructed that if they were denied a product they should enquire about the specific reasons, in particular about whether age only was the reason or whether there was a combination of reasons. Where the employees of a tested entity were not able to answer questions on the spot and required contact details to contact the person later, the name and telephone number of the Head of the Department for Equal Treatment of the Office of the Public Defender of Rights was used for such purpose.

**Diagram 1 Possible results of testing (when they are attained, the testing ends)**



### 8.2.3 Research sample

The research sample in the situation testing consisted of banks, insurance companies and non-bank providers of financial services that are key players on the market (according to their size). The selection was made on the basis of lists published by the Czech National Bank.

As regards banks, all retail banks<sup>17</sup> and branches of foreign banks in the Czech Republic were subjected to the situation testing. Banks with branches only in certain regions (not all across the Czech Republic) were excluded from the list and so were banks that do not offer products the provision of which was subject to the testing. As part of the research, branches of thirteen banks were visited and each, with the exception of one, was visited twice (at two different branches) since the provision of two products was tested (a credit card and a short-term consumer loan).

<sup>17</sup> Banks focusing on retail clients, i.e. not development banks, private banks, banks focusing on corporate clients, etc.

In case of insurance companies, medium and large-size insurance companies were selected.<sup>18</sup> Insurance companies which do not provide travel insurance were excluded from the list and so was an insurance company which offers its products solely through branch networks of other financial institutions, which it collaborates with (i.e. it does not have a network of its own branches). The research concerned nine insurance companies in total. In most companies from this category it was possible to take out travel insurance online and therefore it was not necessary to perform situation testing at branches. It emerged that all online applications single out applicants aged over 70 years for the purpose of calculating the amount of insurance premiums; nevertheless, all insurance companies provide travel insurance to those applicants too, albeit at higher prices. In the above mentioned cases the research focused on the comparison of conditions for providing travel insurance to persons aged over 70 years (in particular on the amount of insurance premiums and the rate of increase in premiums in comparison to people under 70 years of age). Two insurance companies do not offer the possibility to take out insurance online to clients aged over 80 years; in those cases insurance can be taken out only at a branch. Therefore, the provision of travel insurance by these two insurance companies had to be tested by means of situation testing.

Since the Czech National Bank<sup>19</sup> recorded a total of 296 financial corporations engaged in lending as at 31 December 2012, and since the total number of non-bank providers of financial services is many times higher, it was necessary to reduce significantly the number of non-bank providers. With respect to the high number, the selection was based on the list of members (including former members) of the Czech Leasing and Finance Association arranged according to size (specifically, according to the amount of initial debt) because members of this association hold a majority market share. Four largest companies with an initial debt exceeding CZK 3bn were selected from that list. Two companies do not have a network of branches, offering their services and products by telephone or internet; in those cases, the testing was carried out over the telephone and the scenario was identical to the one used during the testing in person at branches.

In total, within the research the branches of 13 banks, 2 insurance companies (in case of 7 other companies the accessibility of a service was tested by means of online applications on the companies' websites) and 4 non-bank providers of financial services were contacted in person or by telephone. The specific branches were selected randomly from all across the Czech Republic<sup>20</sup>, which means that branches from different regions and from towns and municipalities of various sizes were included in the research (Prague, Ostrava, Třinec, Městec Králové, Louny, Plzeň, Olomouc etc.).

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<sup>18</sup> According to the list of the Czech National Bank, published in Financial market supervision report 2011.

<sup>19</sup> [http://www.cnb.cz/en/statistics/money\\_and\\_banking\\_stat/lists\\_mbs/zfa\\_list/index.html](http://www.cnb.cz/en/statistics/money_and_banking_stat/lists_mbs/zfa_list/index.html)

<sup>20</sup> The selection was supported by the lists of branches of individual entities published on their websites.

**Tab. 1 Situation testing – sample**

	<b>Banks</b>	<b>Insurance companies</b>	<b>Providers</b>	<b>Total No. of visits</b>	<b>Total No. of phone calls</b>
<b>Credit cards</b>	12	0	1	13	0
<b>Short-term consumer loans</b>	13	0	4	15	2
<b>Travel insurance</b>	0	2	0	2	0
<b>Total No. of visits</b>	<b>25</b>	<b>2</b>	<b>5</b>	<b>30</b>	<b>2</b>



## 9. Results of the questionnaire survey

In the first stage of the research the Defender addressed all banks and branches of foreign banks, insurance companies and branches of foreign insurance companies (according to the list of the CNB) and selected non-bank providers of financial services (member companies of the Czech Leasing and Finance Association, including former members). As illustrated in Tab. 2, the proportion of companies that declined to fill out the questionnaire or failed to respond despite repeated requests of the Defender ranges from 20 to 25% in individual categories. When entities that took part in the research were compared with entities that were not interested in participation, no apparent distinctive feature emerged. There is no reason to believe that the mentioned one-fifth to one-fourth of missing answers caused any systematic distortion of results.

Quite a significant proportion of entities responded to the invitation to fill out the questionnaire with a letter giving relevant reasons for their non-participation in the research. They included in particular entities which did not provide products and services to retail clients or did not provide products and services given in the questionnaire or were ceasing their activities.

The questionnaire was filled out by a total of 19 banks and branches of foreign banks, 28 insurance companies and branches of foreign insurance companies and 20 non-bank providers of financial services. The next three sub-chapters deal with the analysis of the results with respect to each mentioned group.

**Tab. 2 Questionnaire survey – rate of return of questionnaires**

	Banks		Insurance companies		Providers	
	No.	Share	No.	Share	No.	Share
No. of entities that did not fill out the questionnaire (no response/ no interest)	9	20%	13	25%	10	23%
No. of entities that did not fill out the questionnaire (relevant reasons)	17	38%	11	21%	13	30%
No. of entities that filled out the questionnaire	19	42%	28	54%	20	47%
Total	45	100%	52	100%	43	100%

### 9.1 Banks

The first part of the questionnaire was aimed at finding out whether banks had maximum age limits set for specific services, what those age limits were and, where the provision of services was not directly conditional upon a certain age, whether age was taken into account as an additional criterion. It emerged that the use of age as a so-called K.O. criterion<sup>21</sup> still persisted despite activities of the Public Defender of Rights, although such practice concerned only a negligible proportion of the banks addressed.

<sup>21</sup> I.e. criteria completely excluding the provision of service.

The first product dealt with in the questionnaire was a credit card. As shown in Tab. 3, the provision of a credit card is age-restricted by only one bank and the age limit is set at 70 years. Eight entities declared that no maximum age limit was set with respect to this product. Another 15% of banks use age as an additional criterion. As illustrated in Tab. 4, when used as an additional criterion, the age limit ranges between 67 and 70 years.

**Tab. 3 Banks – credit card – age as a K.O. criterion and an additional criterion (N=19)**

	K.O. criterion		Additional criterion	
	No.	Share	No.	Share
Age limit				
Given product not offered by entity	9	47%	9	47%
Upper age limit not applied by entity	8	42%	6	32%
67 years (at the time of provision)	0	0%	1	5%
70 years	1	5%	1	5%
Age taken into account, age limit not specified	0	0%	1	5%
Not stated	1	5%	1	5%

**Tab. 4 Banks – credit card – age limit (N=19)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	70	67
Highest upper age limit	70	70
Average upper age limit	70	68.5
Median	70	-

The same applies to an overdraft account (Tab. 5). Only one bank restricts the provision of the service by age; the limit is, as in the case of a credit card, set at 70 years. Ten entities declared that they did not have any maximum age limit set. Another 15% of the surveyed banks use age as an additional criterion, with the limit ranging from 67 to 70 years (Tab. 6).

**Tab. 5 Banks – overdraft account – age as a K.O. criterion and an additional criterion (N=19)**

	K.O. criterion		Additional criterion	
	No.	Share	No.	Share
Age limit				
Given product not offered by entity	7	37%	7	37%
Upper age limit not applied by entity	10	53%	8	42%
67 years (at the time of provision)	0	0%	1	5%
70 let	1	5%	1	5%
Age is taken into account, age limit not specified	0	0%	1	5%
Not stated	1	5%	1	5%

**Tab. 6 Banks – overdraft account – age limit (N=19)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	70	67
Highest upper age limit	70	70
Average upper age limit	70	68.5
Median	70	-

The proportion of banks that use age as a K.O. criterion considerably increases when the product offered is not a credit card or an overdraft account but a consumer loan. As illustrated in Tab. 7, this practice concerns up to 16% of the surveyed banks. The age limit beyond which banks refuse to provide a consumer loan to a client is 70 years (in two cases) and 76 years. Up to fourteen entities declared that no age limit was set with respect to this product. However, over a third of the banks use age as an additional criterion: as shown in Tab. 8, the age limit ranges from 65 years (or retirement age) to 70 years.

**Tab. 7 Banks – consumer loan – age as a K.O. criterion and an additional criterion (N=19)**

	K.O. criterion		Additional criterion	
Age limit	No.	Share	No.	Share
Given product not offered by entity	1	5%	1	5%
Upper age limit not applied by entity	14	74%	10	53%
65 years/ retirement age	0	0%	1	5%
67 years (at time of maturity)	0	0%	1	5%
70 years	2	11%	2	11%
76 years	1	5%	0	0%
Age taken into account, age limit not specified	0	0%	3	16%
Not stated	1	5%	1	5%

**Tab. 8 Banks – consumer loan – age limit (N=19)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	70	65
Highest upper age limit	76	70
Average upper age limit	72	68
Median	70	70

An age limit of 70 years is quite a frequent limit for providing a mortgage loan: over a fifth of the surveyed banks have their conditions set in this manner (Tab. 9). Eight entities declared that they did not have any maximum age limit set with respect to this product. Another one fifth of the banks use age as an additional criterion when providing a mortgage loan. In such a case the age limit is lower, of about 67 years on average (Tab. 10).

**Tab. 9 Banks – mortgage loan – age as a K.O. criterion and an additional criterion (N=19)**

	K.O. criterion		Additional criterion	
	No.	Share	No.	Share
Age limit				
Given product not offered by entity	6	32%	6	32%
Upper age limit not applied by entity	8	42%	8	42%
65 years/ retirement age	0	0%	1	5%
67 years (at time of maturity)	0	0%	1	5%
70 years (at time of repayment of loan)	4	21%	1	5%
Age taken into account, age limit not specified	0	0%	1	5%
Not stated	1	5%	1	5%

**Tab. 10 Banks – mortgage loan – age limit (N=19)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	70	65
Highest upper age limit	70	70
Average upper age limit	70	67
Median	70	-

As regards the age criterion, of all services tested the strictest rules apply to payment protection insurance. Here, the upper age limit is applied by up to 36% of the surveyed banks (Tab. 11). The average age limit is 61 years (Tab. 12). Banks mostly stated in the questionnaire that in this case setting the maximum age limit was not at their discretion but that it was a condition set by collaborating insurance companies. Two entities declared that no maximum age limit was set with respect to this product.

**Tab. 11 Banks – payment protection insurance – age as a K.O. criterion and an additional criterion (N=19)**

	K.O. criterion		Additional criterion	
	Share	No.	Share	No.
Age limit				
Given product not offered by entity	9	47%	9	47%
Upper age limit not applied by entity	2	11%	8	42%
(18) to 60 years	1	5%	0	0%
55 years	1	5%	0	0%
60 years	2	11%	0	0%
60 to 65 years (according to product type)	1	5%	0	0%
64 years	1	5%	0	0%
65 years	1	5%	0	0%
62 years	0	0%	1	5%
Not stated	1	5%	1	5%

**Tab. 12 Banks – payment protection insurance – age limit (N=19)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	18	62
Highest upper age limit	65	62
Average upper age limit	61	62
Median	60	62

Summarising the data provided by banks (Tab. 13), we discover that while in case of credit cards and overdraft accounts age is seldom used as a K.O. criterion (by 11% or 9% of the surveyed banks which offer the products on the market), consumer loans are restricted by age more frequently (by 18% of banks). Mortgage loans are restricted by age by up to a third of the surveyed banks and payment protection insurance by almost 80% of the banks. It needs to be said, however, that insurance conditions are determined by insurance companies and not by banks (according to the banks). Approximately a third of the banks use age as an additional criterion for credit cards, overdraft accounts, consumer loans and mortgage loans. By contrast, over a half of the surveyed banks do not take into account age when offering credit cards or overdraft accounts. On the basis of these results, it can be expected that with respect to both products tested (credit card and consumer loan) there will be banks that will reject a test person due to age, although the proportion of such banks will be probably small.

**Tab. 13 Banks – summary – use of age limit (N=19)**

	Entities using age as K.O. criterion		Entities using age as additional criterion		Entities not using age as criterion	
	No.	Share	No.	Share	No.	Share
Credit card	1	11%	3	33%	5	56%
Overdraft account	1	9%	3	27%	7	64%
Consumer loan	3	18%	7	41%	7	41%
Mortgage loan	4	33%	4	33%	4	33%
Payment protection insurance	7	78%	1	11%	1	11%

Note: Shares are calculated from the total number of banks that filled out the questionnaire and stated that they offered the given service.

As regards the specific age limit applied (Tab. 14), the strictest approach is adopted with respect to payment protection insurance: this service is on average accessible only to people under 61 years of age (62 years if age is used as an additional criterion). By contrast, the highest average age limit applies to consumer loans (72 years; 70 years if age is used as an additional criterion). If the provision of a credit card, overdraft account or mortgage loan is restricted by age, the age limit is set at 70 years on average. Therefore, for the purpose of situation testing the age limit that test persons exceed is set at 70 years.

**Tab. 14 Banks – summary – age limit (N=19)**

	Age as K.O. criterion		Age as additional criterion	
	Average age limit	Median	Average age limit	Median
<b>Credit card</b>	70	70	68.5	-
<b>Overdraft account</b>	70	70	68.5	-
<b>Consumer loan</b>	72	70	68	70
<b>Mortgage loan</b>	70	70	67	-
<b>Payment protection insurance</b>	61	60	62	62

As part of the questionnaire, banks were asked to comment on the use of an age limit and the use of age as an additional criterion. Eight banks noted the possibility to negotiate conditions of a transaction depending on the situation, security and creditworthiness of a client and an individual approach:

*"In case of loans provided to elderly persons, the financial and family situation is assessed more thoroughly with respect to the probability of the duration of life until the end of the loan term; however, there is no specific age limit set."*

From a bank's commentary

Apart from that, four banks explained the importance and legitimacy of using age as a criterion:

*"The age limit was set with respect to experience acquired and assessed over a long term within the financial group, where a provably higher risk of default had been ascertained with respect to clients exceeding this age limit. During our analyses it was discovered that this risk increases with respect to persons in this age group by several percentage points, as shown in the summary below. The limit was set on the basis of careful consideration of all business risks in providing consumer loans and in view of the prudential rules for banks, which the bank is obliged to observe while providing loans. In this connection we would like to point out the trend of a sharp increase in the number of distraint cases against clients in retirement age – this fact significantly limits the possibilities that the bank will successfully recover a debt. This fact alone cannot of course justify setting the criterion; however, we are of the opinion that in connection with other factors, it is a justified measure directed at ensuring a legitimate aim to comply with prudential rules for the bank."*

From a bank's commentary

*"Age is part of the loan process as a scoring attribute (if it emerges to be a significant predictor of risk), which is used to assess the ability of a client to repay a loan. Different weights are mathematically assigned to different age categories according to the probability of default (based on Basel II requirements). We are convinced that this is not discrimination but an effort to assess accurately risks connected with a client depending on various socio-demographical characteristics."*

From a bank's commentary

Three banks used this opportunity to elaborate on their responses. They stated, for example, that in case of a mortgage loan a client has to be of productive age throughout the loan duration, where "productive age" is understood to mean up to 70 years of age; alternatively, a higher age of a person is dealt with by inviting another person to participate in the obligation too. Further, banks pointed out an actual lack of

interest of elderly clients in mortgages and the fact that in case of payment protection insurance older age of clients significantly increases the uniform price of insurance for the entire portfolio of contracts (other clients).

## 9.2 Insurance companies

Just as the questionnaire for banks, the questionnaire for insurance companies began with questions aimed at finding out whether insurance companies had maximum age limits set for providing specific services and what those age limits were. In contrast to banks (and non-bank providers of financial services), however, the part related to age as an additional criterion was absent since it is evident that in providing certain insurance products, age has to play a role as a matter of principle (it is connected with the construction of products).

The first product that the questionnaire focused on was life assurance. As shown in Tab. 15, the provision of life assurance is restricted by age by all entities offering it on the market. Nevertheless, they differ as to the age limit applied (Tab. 16). The most frequent entry age limit is 75 years but the average entry age limit reaches 73 years. The average exit age limit stands at 87 years.

**Tab. 15 Insurance companies – life assurance – age as a K.O. criterion (N=28)**

Age limit	No. of entities	Share of entities
Given product not offered by entity	14	50%
75 years	4	14%
65 to 70 years	1	4%
65 to 75 years (max. entry age)	1	4%
70 to 80 years	1	4%
75 to 80 years depending on product	1	4%
70/96 years (max. entry/exit age)	1	4%
65/99 years (max. entry/exit age)	1	4%
75 to 85 years (max. exit age)	1	4%
65 to 70 years/80 years (max. entry/exit age)	1	4%
70/75 years (max. entry/exit age)	1	4%
70 to 75/100 years (max. entry/exit age)	1	4%

Note: Some responses did not specify whether the age limit was for entry or exit. Given the wording of the question (*"Is the provision of the services below restricted by an upper age limit?"*), it can be assumed that in such cases it is the entry age.

**Tab. 16 Insurance companies – life assurance – age limit (N=28)**

	Entry age	Exit age
Lowest upper age limit	65	75
Highest upper age limit	96	100
Average upper age limit	73	87
Median	75	80

A similar situation can be seen in the area of accident insurance (Tab. 17). Only two insurance companies do not apply an upper age limit to this product. As regards specific age limits, they are lower than in life assurance: the average entry age limit reaches 69 years and the average exit age limit stands at 78 years (Tab. 18).



**Tab. 17 Insurance companies – accident insurance – age as a K.O. criterion (N=28)**

Age limit	No. of entities	Share of entities
Given product not offered by entity	7	25%
Upper age limit not applied by entity	2	7%
18 years	1	4%
65 years	1	4%
65 to 70 years	1	4%
65 to 75 years	1	4%
70 years	2	7%
75 years	4	14%
70 to 80 years	1	4%
75 to 80 years	1	4%
65/70 years (max. entry/exit age)	1	4%
70/80 years (max. entry/exit age)	1	4%
70/75 years (max. entry/exit age)	2	7%
70/96 years (max. entry/exit age)	1	4%
75/80 years (max. entry/exit age)	1	4%
60 to 80 years (max. exit age)	1	4%

**Tab. 18 Insurance companies – accident insurance – age limit (N=28)**

	Entry age	Exit age
Lowest upper age limit	18	70
Highest upper age limit	80	96
Average upper age limit	69	78
Median	70	80

As illustrated in Tab. 19, none of the insurance companies surveyed restricts the provision of compulsory motor third-party liability insurance or voluntary motor insurance by age.

**Tab. 19 Insurance companies – compulsory motor third-party liability insurance or voluntary motor insurance – age as a K.O. criterion (N=28)**

Age limit	No. of entities	Share of entities
Given product not offered by entity	20	71%
Upper age limit not applied by entity	8	29%

Age restriction is often applied to travel insurance (Tab. 20). At seven insurance companies which set a maximum age limit the average limit is at around 70 years (Tab. 21). By contrast, as many as 12 insurance companies surveyed do not apply any age limit to this product.



**Tab. 20 Insurance companies – travel insurance – age as a K.O. criterion (N=28)**

Age limit	No. of entities	Share of entities
Given product not offered by entity	9	32%
Upper age limit not applied by entity	12	43%
65 years	1	4%
69 years	1	4%
70 years	3	11%
70/75 years (max. entry/exit age)	1	4%
78/79 years (max. entry/exit age)	1	4%

**Tab. 21 Insurance companies – travel insurance – age limit (N=28)**

	Entry age	Exit age
Lowest upper age limit	65	75
Highest upper age limit	78	79
Average upper age limit	70	77
Median	70	-

As in case of life assurance, upper age limits are applied to payment protection insurance by all insurance companies surveyed (Tab. 22). The specific age limit is quite homogeneous: the average maximum entry age is 66 years and the average maximum exit age is 70 years (Tab. 23).

**Tab. 22 Insurance companies – payment protection insurance – age as a K.O. criterion (N=28)**

Age limit	No. of entities	Share of entities
Given product not offered by entity	18	64%
65 years	3	11%
65 to 70 years (depending on insurance type)	2	7%
71 years	1	4%
60/70 years (max. entry/exit age)	1	4%
65/70 years (max. entry/exit age)	1	4%
65 to 95 years (max. exit age)	2	7%

**Tab. 23 Insurance companies – payment protection insurance – age limit (N=28)**

	Entry age	Exit age
Lowest upper age limit	65	65
Highest upper age limit	71	95
Average upper age limit	66	70
Median	65	70

In conclusion (Tab. 24), insurance companies apply an age limit in particular to life assurance and payment protection insurance (100% of the surveyed entities that offer these products) and to accident insurance (90% of entities). The provision of travel insurance is restricted by slightly over a third of entities (37%) while no age restriction applies to compulsory motor third-party liability insurance or voluntary motor insurance (0% of entities). As regards the specific age limits, they are set at

about 70 years. Only in case of payment protection insurance is the limit slightly lower (66 years on average). In comparison to banks, insurance companies thus apply maximum age limits more frequently, which is however connected with the construction of insurance products.

**Tab. 24 Insurance companies – summary – age as a K. O. criterion (N=28)**

	Entities not applying upper age limit		Entities applying upper age limit		Average age limit	Median
	No.	Share	No.	Share		
Life assurance	0	0%	14	100%	73	75
Accident insurance	2	10%	19	90%	69	70
Compulsory motor third-party liability insurance	8	100%	0	0%	-	-
Voluntary motor insurance	8	100%	0	0%	-	-
Travel insurance	12	63%	7	37%	70	70
Payment protection insurance	0	0%	10	100%	66	65

Note: Shares are calculated from the total number of insurance companies that filled out the questionnaire and stated that they offered the given service.

The insurance companies were asked in the questionnaire to comment on the use of an age limit. The commentaries most frequently explained the importance and legitimacy of age as a criterion (with references to relevant professional literature/case-law); insurance companies particularly noted a higher level of risk associated with elderly clients or age restriction due to the cessation of risk (an age when an insurance event can no longer occur). This type of commentaries was made by eleven entities.

*"Setting a maximum age limit for the provision of the above-mentioned services results from the character of the insurance industry, which operates with an insurance risk (= the degree of probability that an insurance event caused by an insured peril will occur). An insured event should be an accidental event (with its frequency of occurrence mathematically describable) and not an event that is certain (or almost certain) to occur. The inclusion of events that are certain (almost certain) to occur in the insurance risk would be conditional upon a general increase in insurance premium rates. It is empirically shown/proven that with an increasing age of client(s) the insurance risk increases (with respect to selected insurance products), which therefore fully vindicates/justifies a different approach of the insurer in assessing thereof; subsequently the insurer usually proceeds to apply an upper age limit to its products. Individual assessment of risk is one of the basic principles of insurance."*

From an insurance company's commentary

Further, five insurance companies declared willingness to modify the age limit set or, upon an individual request, to create a specific offer for a different age than the maximum age set. It was also noted that certain products can be offered without age restriction but insurance would no longer make economic sense.

One entity pointed out an opposite problem, consisting in offering insurance products indiscriminately to clients irrespective of their age. As it stated, setting a maximum

age limit is the manifestation of an effort to protect elderly persons from bad financial decisions.

*"Life assurance is in essence a product intended for people in active age with obligations. With respect to elderly people, on the other hand, when a life assurance contract is concluded, the cause for insurance might be lacking and it might be misselling. Therefore, insurance companies limit the maximum entry age to protect their clients. While we have not dealt with any complaints of old-age clients about their not being able to take out life assurance or about the fact that the price of assurance is naturally higher for elderly people, we have had to look into some contracts where the client was over 60 years of age at the time of taking out life assurance and the contract was not made in an optimal way for him. It emerged that his needs would be fulfilled by a strictly savings or investment product rather than by life assurance weighted by initial costs. In case of a shorter duration period, these initial costs do not pay off and the contract is thus disadvantageous for the client. For example, a client deposits CZK 120,000.00 over 10 years and assuming a cautious conservative strategy (which needs to be selected for a shorter investment horizon), he receives less than he has paid within his assurance. Setting a maximum entry age therefore serves as the protection of clients."*

From an insurance company's commentary

### 9.3 Non-bank providers of financial services

The first part of the questionnaire for non-bank providers of services (as in the case of banks and insurance companies) was aimed at finding out whether they had maximum age limits set for specific services, what those age limits were and, if the provision of services was not directly conditional upon a certain age, whether age was taken into account as an additional criterion.

The first product addressed in the questionnaire was a consumer loan. As shown in Tab. 25, the provision of a consumer loan is restricted by age only by one entity, with the age limit set at 65 years. Fifteen entities declared that no maximum age limit was set with respect to this product. Another 30% of entities use age as an additional criterion. As illustrated in Tab. 26, when used as an additional criterion, the age limit ranges between 65 and 80 years and the average age limit is 74 years.

**Tab. 25 Providers – consumer loan – age as a K.O. criterion and an additional criterion (N=20)**

Age limit	K.O. criterion		Additional criterion	
	No.	Share	No.	Share
Given product not offered by entity	4	20%	4	20%
Upper age limit not applied by entity	15	75%	10	50%
65 years (at the end of financing)	1	5%	1	5%
70 to 75 years (depending on type of product)	0	0%	1	5%
80 years (on the day of expected due expiration of contract)	0	0%	2	10%
Age taken into account, age limit not specified	0	0%	2	10%

**Tab. 26 Providers – consumer loan – age limit (N=20)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	65	65
Highest upper age limit	65	80
Average upper age limit	65	74
Median	65	80

A similar situation can be seen in the field of providing financial leasing (Tab. 27). The provision of this product is restricted by age only by one entity, which applies an age limit of 65 years (at the end of the financing period). Another 15% of the entities surveyed use age as an additional criterion – two of three entities did not specify the age limit in this case, however, and the third entity uses age as an additional criterion from 65 years of age.

**Tab. 27 Providers – financial leasing – age as a K.O. criterion and an additional criterion (N=20)**

	K.O. criterion		Additional criterion	
Age limit	No.	Share	No.	Share
Given product not offered by entity	4	20%	4	20%
Upper age limit not applied by entity	15	75%	13	65%
65 years (at the end of financing)	1	5%	1	5%
Age taken into account, age limit not specified	0	0%	2	10%

The entities surveyed further declared that they did not apply any age restriction to the provision of a credit card (Tab. 28). Only ten per cent of the entities stated that they used age as an additional criterion – in one case an age limit of 72 years was used and in another case no specific age limit was given.

**Tab. 28 Providers – credit card – age as a K.O. criterion and an additional criterion (N=20)**

	K.O. criterion		Additional criterion	
Age limit	No.	Share	No.	Share
Given product not offered by entity	17	85%	17	85%
Upper age limit not applied by entity	3	15%	1	5%
72 years	0	0%	1	5%
Age taken into account, age limit not specified	0	0%	1	5%

With respect to a mortgage loan, none of the entities surveyed offers this product. The same applies for life assurance.

As in the case of banks and insurance companies, it emerged that non-bank providers of financial services apply an age limit to payment protection insurance too (Tab. 29). The limit is 63 years on average (Tab. 30); two companies applying an age

limit did not specify it in the questionnaire. The provision of this service is not restricted by age only by one entity – which, however, uses age as an additional criterion (specifically, an age limit of 80 years).

**Tab. 29 Providers – payment protection insurance – age as a K.O. criterion and an additional criterion (N=20)**

	K.O. criterion		Additional criterion	
	Share	No.	Share	No.
Age limit				
Given product not offered by entity	13	65%	13	65%
Upper age limit not applied by entity	1	5%	6	30%
Age taken into account, age limit not specified	3	15%	0	0%
60	1	5%	0	0%
65 (at the end of financing)	2	10%	0	0%
80 (on the day of expected due expiration of contract)	0	0%	1	5%

**Tab. 30 Providers – payment protection insurance – age limit (N=20)**

	K.O. criterion	Additional criterion
	Age	Age
Lowest upper age limit	60	80
Highest upper age limit	65	80
Average upper age limit	63	80
Median	65	80

A different approach of non-bank providers of financial services is apparent as regards compulsory motor third-party liability insurance and voluntary motor insurance (Tab. 31). While insurance companies did not restrict the provision of these products by age, there was one non-bank provider applying an age limit (not specifying the age limit, however). Another 15% of entities use age with respect to compulsory motor third-party liability insurance and voluntary motor insurance as an additional criterion: one entity applies an age limit of 80 years and two entities did not specify the age limit in this case.

**Tab. 31 Providers – compulsory motor third-party liability insurance and voluntary motor insurance – age as a K.O. criterion and an additional criterion (N=20)**

	K.O. criterion		Additional criterion	
	Share	No.	Share	No.
Age limit				
Given product not offered by entity	7	35%	7	35%
Upper age limit not applied by entity	12	60%	10	50%
Age limit applied, not specified	1	5%	0	0%
Age taken into account, age limit not specified	0	0%	2	10%
80 years (on the day of expected due expiration of contract)	0	0%	1	5%

Summarising the data provided by non-bank providers of financial services (Tab. 32), we discover that the approach of these entities does not differ much from that of

banks. In case of consumer loans and financial leasing, age is only seldom used as a K.O. criterion (by 6% of the surveyed entities offering these products on the market). By contrast, providing payment protection insurance is restricted by age by as much as 86% of the responding entities. As in the case of banks, with respect to non-bank providers, insurance conditions are also determined by insurance companies, i.e. third entities. One entity restricts by age the provision of voluntary motor insurance and compulsory motor third-party liability insurance. The questionnaire also asked about the conditions of providing a mortgage loan and life assurance; however, the responding entities do not offer these products.

About a fifth of non-bank providers use age with respect to providing financial leasing, payment protection insurance, compulsory motor third-party liability insurance and voluntary motor insurance as an additional criterion. In case of a consumer loan, the share reaches almost 40%, and in case of a credit card it is as high as 67%.

As regards the share of entities not taking into account age at all, not even as an additional criterion, the highest share is seen in financial leasing – as much as 75% of entities are not interested in age with respect to this product. Over two thirds of entities do not apply an age criterion to compulsory motor third-party liability insurance or voluntary motor insurance. Slightly more than a half of the entities do not work with age in any way with respect to consumer loans either. By contrast, the smallest share of such entities (33%) can be found among providers of credit cards. On the basis of these results, it can be expected that while in case of a consumer loan there will be an entity that will refuse the test person due to age, such situation should not occur in case of a credit card.

**Tab. 32 Providers – conclusion (N=20)**

	Entities using age as K.O. criterion		Entities using age as additional criterion		Entities not using age as criterion	
	No.	Share	No.	Share	No.	Share
Consumer loan	1	6%	6	38%	9	56%
Financial leasing	1	6%	3	19%	12	75%
Credit card	0	0%	2	67%	1	33%
Mortgage loan	-	-	-	-	-	-
Payment protection	6	86%	1	14%	0	0%
Life assurance	-	-	-	-	-	-
Compulsory motor third-party liability insurance	1	8%	3	23%	9	69%
Voluntary motor insurance	1	8%	3	23%	9	69%

Note: Shares are calculated from the total number of providers that filled out the questionnaire and stated that they offered the given service.

With respect to specific age limits (Tab. 33), the strictest approach is adopted in payment protection insurance: this service is on average accessible only to people below 63 years (or 80 years if age is used as an additional criterion). A higher average age limit applies to consumer loans (65 years; 74 years on average if age is

used as an additional criterion) and financial leasing (65 years on average if age is used as a K.O. criterion and an additional criterion). An age limit for compulsory motor third-party liability insurance or voluntary motor insurance, applied by one entity, was not specified in the questionnaire (80 years on average if age is used as an additional criterion). No non-bank provider applies an age limit for a credit card (the average age limit, if age is used as an additional criterion, is 72 years). It is thus evident that age limits for the provision of the tested products are either not used (credit cards) or are lower than in case of banks (consumer loans) – therefore the proposed setting of the age of test persons above 70 years remains valid.

**Tab. 33 Providers – summary (N=20)**

	Age as K.O. criterion		Age as additional criterion	
	Average age limit	Median	Average age limit	Median
Consumer loan	65	65	74	80
Financial leasing	65	65	65	65
Credit card	-	-	72	72
Payment protection insurance	63	65	80	80
Compulsory motor third-party liability insurance	-	-	80	80
Voluntary motor insurance	-	-	80	80

As part of the questionnaire, non-bank providers of financial services were asked to comment on the use of an age limit and the use of age as an additional criterion. Five entities used this opportunity to note an individual approach to elderly clients:

*"The age of an applicant (over 65 years) is taken into account. However, an individual approach is always adopted in such cases and to decide on the provision/non-provision of a service, many other criteria are followed and the final decision is therefore the result of an assessment of the criteria in aggregate."*

From a provider's commentary

Two entities stated that age restriction with respect to payment protection insurance is required on the part of a contracting partner:

*"Essentially, no age limit for providing financial services is set on our part and this criterion is not decisive for us at present. If restriction applies to payment protection insurance, it is required on the part of a contracting partner."*

From a provider's commentary



#### 9.4 Experience of entities with clients' complaints and the training of employees in the area of providing services to the elderly

The questionnaires for all types of entities focused in the second part on their experience with the complaints of clients regarding the use of age as an additional criterion and subsequently also on the training of employees in the area of providing products and services to elderly clients.

As illustrated in Tab. 34, the surveyed entities encounter complaints of clients related to the use of age as a criterion rather rarely. They are encountered most frequently by banks (26%); in case of insurance companies the share reaches just 14% and in case of non-bank providers only 5%. With respect to banks and non-bank providers, complaints concerned credit products (credit cards, consumer loans) and with respect to insurance companies, they concerned daily compensation for hospitalisation, life assurance, accident insurance and travel insurance (Tab. 35). Of course, not all complaints have to be necessarily justified, as stated for example in a commentary of one of the surveyed entities.<sup>22</sup>

**Tab. 34 Share of entities having experience with the complaints of clients or applicants for services about the use of an age criterion**

	Banks		Insurance companies		Providers	
	No.	share	No.	share	No.	share
<b>Yes</b>	5	26%	4	14%	1	5%
<b>No</b>	14	74%	24	86%	19	95%
<b>Total</b>	19	100%	28	100%	20	100%

**Tab. 35 Services subject to the complaints of clients or applicants for services**

	Banks	Insurance company	Providers
<b>Credit cards</b>	3		1
<b>Consumer loans</b>	1		
<b>Credit products (mortgage, credit cards, overdraft account, cash loan)</b>	1		
<b>Daily compensation for hospitalisation (complaint: age restriction)</b>		2	
<b>Life assurance</b>		1	
<b>Accident and travel insurance (complaint: doubled price upon reaching 70 years of age)</b>		1	
<b>Travel insurance</b>		1	

<sup>22</sup> A bank's commentary: "Submitted complaints are recorded by branch employees and the client centre and also by the ombudsman. They concern in particular credit products (mortgages, credit cards, overdraft accounts, cash loans). Their common feature is that elderly people usually presume in the text of the complaint that the bank had refused to provide the product due to their age. An inquiry usually reveals that the denial of a loan was completely appropriate as regards the complex assessment of the ability of a client to repay a loan, i.e. evaluating incomes and obligations of a client. In some cases, clients were already in debt to the extent that another loan would have made them overburdened with debt."



The manner of disposing of complaints varies among the entities. In case of banks, they are most frequently handled by an employee of the branch, client centre, product department or a member of the ombudsman's team. In case of insurance companies, complaints are most frequently handled by the complaint department, the company's ombudsman, expert departments or insurance management departments.

All surveyed banks, insurance companies and non-bank providers stated that they discussed complaints with clients and that applications might be re-assessed on the basis of complaints. In the course of 2012 banks dealt with a total of 9 complaints regarding the age criterion while insurance companies addressed a total of 53 complaints – it can be concluded, therefore, that complaints are quite isolated. As to discussions on the use of age as a criterion with the Czech National Bank or the Czech Trade Inspection Authority, only two banks<sup>23</sup> and one insurance company<sup>24</sup> have experience in this respect.

The final part of the questionnaire was devoted to the issue of training employees in the provision of consultancy to elderly clients. As shown in Table 36, about a third of banks and a seventh of insurance companies prepare their employees for this situation with this aim while non-bank providers fail to provide such preparation at all. At two thirds of these banks and a half of these insurance companies, training related to consultancy to elderly clients is directly part of initial training. With respect to banks, training in particular concerns front desk employees/consultants, less frequently only premium personal consultants/personal bankers, receptionists and information officers at big branches. With respect to insurance companies, training especially concerns new employees (salesmen/agents), who are trained in providing general financial consultancy (including individualised consultancy for specific groups of clients). Training is most frequently in the form of training based on personal attendance/simulation and a lecture, and less frequently it is supported by personal consultations or telephone helpdesk.

**Tab. 36 Entities carrying out the training of employees oriented at providing consultancy to elderly persons**

	Banks		Insurance companies		Providers	
	No.	share	No.	share	No.	share
<b>Training</b>	6	32%	6	14%	0	0%
<b>No training</b>	13	68%	22	86%	0	0%
<b>Total</b>	19	100%	28	100%	0	0%

<sup>23</sup> One bank discussed with the given authorities the provision of a credit card (an upper age limit of 70 years and a lower age limit of 21 years, or 25 years for a self-employed person) and a consumer loan (a lower age limit of 25 years or 30 years for a self-employed person). Another bank discussed with the given authorities only the provision of a consumer loan (an age limit of 70 years).

<sup>24</sup> Specifically, investment life insurance - the problem of selection of an investment strategy; the age limit set was 68 years.

## 9.5 Summary of questionnaire survey results

In the first part of the research aimed at examining the accessibility of financial services to elderly persons, 45 banks and branches of foreign banks, 52 insurance companies and branches of foreign insurance companies and 43 non-bank providers of financial services were surveyed by means of a questionnaire. The questionnaire was filled out by a total of 19 banks and branches of foreign banks, 28 insurance companies and branches of foreign insurance companies and 20 non-bank providers of financial services. Approximately 23% of entities did not show interest in filling out the questionnaire and another 29% of entities did not fill out the questionnaire owing to relevant reasons (this concerned particularly entities that do not offer the products and services subject to the survey).

The results of the questionnaire survey indicate (Tab. 37) that of all the mentioned services, services that are least accessible to elderly persons include life assurance (age-restricted by all insurance companies), accident insurance (age-restricted by 90% of insurance companies) and payment protection insurance (age-restricted by 78% banks, 100% of insurance companies and 86% of non-bank providers; 11% of banks and 14% of non-bank providers use age as an additional criterion).

About a third of the surveyed entities restrict by age the provision of travel insurance (37% of insurance companies) and mortgage loans (33% of banks; another 33% of banks use age as an additional criterion).

Services that are relatively most accessible to elderly persons include financial leasing, voluntary motor insurance, compulsory motor third-party liability insurance, a credit card and an overdraft account (each is restricted by age only by one entity), followed by a consumer loan (restricted by age by 18% of banks and 6% of non-bank providers; 41% of banks and 38% of non-bank providers use age as an additional criterion).

Therefore, it can be concluded that each of the services followed is restricted by age by at least one entity. On the basis of the results of the questionnaire survey, it could be expected that with respect to each product whose accessibility to elderly persons was subject to the situation testing (credit cards, consumer loans, travel insurance), the use of age as a K.O. criterion would be detected, although such cases would be exceptional.

As regards specific age limits, Tab. 38 and Tab. 39 show that the strictest conditions apply to the provision of protection payment insurance, which entities refuse to provide on average from 63 years of age (or 71 years on average if age is used as an additional criterion) and financial leasing, where the age limit reaches 65 years (the age limit as an additional criterion is identical). As regards other services, the age limit is about 70 years, with slight variances, both when used as a K.O. criterion and an additional criterion. Voluntary motor insurance and compulsory motor third-party liability insurance are the only exception, with the average age as an additional criterion reaching 80 years.

**Tab. 37 Summary of questionnaire survey results – total**

	Entities using age as K.O. criterion			Entities using age as additional criterion		
	banks	insurance companies	providers	banks	insurance companies	providers
Credit card	11% (1)		0% (0)	33% (3)		67% (2)
Overdraft account	9% (1)			27% (3)		
Consumer loan	18% (3)		6% (1)	41% (7)		38% (6)
Mortgage loan	33% (4)			33% (4)		
Payment protection insur.	78% (7)	100% (10)	86% (6)	11% (1)		14% (1)
Life assurance		100% (14)				
Accident insurance		90% (19)				
Compulsory motor third-party liability insurance		0% (0)	8% (1)			23% (3)
Voluntary motor insurance		0% (0)	8% (1)			23% (3)
Travel insurance		37% (7)				
Financial leasing			6% (1)			19% (3)

**Tab. 38 Summary of questionnaire survey results – age as a K.O. criterion**

	Banks			Insurance companies			Providers
	banks	ins. companies	providers	banks	ins. companies	providers	
Credit card	70		-	70		-	70
Overdraft account	70			70			70
Consumer loan	72		65	70		65	68.5
Mortgage loan	70			70			70
Payment protection insur.	61	66	63	60	65	65	63
Life assurance		73			75		73
Accident insurance		69			70		69
Compulsory motor third-party liability insurance		-	-		-	-	-
Voluntary motor insurance		-	-		-	-	-
Travel insurance		70			70		70
Financial leasing			65			65	65

**Tab. 39 Summary of questionnaire survey results – age as an additional criterion**

	Average		Median		AVERAGE total
	banks	providers	banks	providers	
Credit card	68.5	72	-	72	70.25
Overdraft account	68.5		-		68.5
Consumer loan	68	74	70	80	71
Mortgage loan	67		-		67
Payment protection insurance	62	80	62	80	71
Compulsory motor third-party liability insurance		80		80	80
Voluntary motor insurance		80		80	80
Financial leasing		65		65	65

Since the results are based only on voluntary declaration of the surveyed entities regarding the accessibility of financial services to elderly persons, the second part of the research concentrated on the actual testing of accessibility.

## **10. Results of the situation testing**

The second phase of the research was based on the situation testing of actual accessibility of financial services to elderly persons. In total, the branches of 13 banks, 2 insurance companies (at 7 other insurance companies, the research was conducted by means of web applications for taking out insurance online), and 4 non-bank providers of financial services were contacted by person or by telephone. Specific branches were selected randomly from all across the Czech Republic, which means that branches from different regions and from towns and municipalities of various sizes were included in the research. The services tested included a credit card, a consumer loan and travel insurance. Test persons were professional actors and actresses, who had undergone special training prior to the testing. The course of the testing was recorded on a hidden dictaphone – selected transcripts of interviews are provided in the text of the report. All test persons followed a uniform scenario and they expressly stated their age in each interview (except for cases when the interview ended before the request was outlined).

### **10.1 Credit card**

Credit cards were the first product tested (Tab. 40). A credit card was denied solely on grounds of a higher age only by one entity, which explained that credit cards were not provided to pensioners. In another case, the provision of a credit card was not refused to the test person but only thanks to the fact that the test person was slightly younger than the age limit set (i.e. the entity applies an age limit but the limit is higher than 70 years). In one case the test person received information from an employee of the entity that the given company did not provide credit cards at all; this information, however, is in direct contradiction, for example, to information on the website of the company, where credit cards are promoted. In two cases an employee of the tested entity said that age could be a problem with respect to the provision of a product but an explicit denial of the product on the basis of age did not take place. In more than a half of cases, test persons were told that tentatively there was nothing standing in the way of the provision of services. In one case it was not possible to finish the testing because the test person was informed at the very beginning that to be provided a credit card, it was necessary to have had a current account at the given entity for at least six months (which corresponds to information that the entity states on its website). In one case, the testing could not be conducted for reasons on the part of the provider: in order to obtain a credit card, it was necessary for an interested person to leave his or her contact details on the website of the entity; the entity did not contact the test person, not even later.

**Tab. 40 Situation testing – credit cards**

	No.	Share
The test person is told that tentatively, the provision of the product should not be a problem	8	57%
The test person is rejected after stating his/her age, being told that the provision of the service is restricted by age	1	7%
The entity applies an upper age limit but the test person does not reach it	1	7%
Information provided at the branch is at variance with information published on the website	1	7%
The employee was not sure, saying that age could be a problem	1	7%
Other – necessity to have had an account for at least 6 months (identical information on the website)	1	7%
Testing did not take place for reasons on the part of the provider	1	7%
<b>Total</b>	<b>14</b>	<b>100%</b>

Extracts from transcribed recordings of the mentioned situations are provided below. Test persons are marked with "T" and tested entities are marked with "S".

**An example of good practice:**

*T: And, unfortunately, I'm 73, I'm older, would that be a problem?*  
*S: Here, age is no restriction in any way, of course. There are other data that matter, your household expenditures and so on.*  
*T: I see, so basically I don't have any, because we've paid off everything already. I'm just interested in the credit card and having some cash on the card.*  
*S: And you've never been our client?*  
*T: No, I haven't and I wasn't aware of you for long, that you existed, and I didn't want a credit card, I said to myself that I was old and so I didn't feel like it, because I didn't need it.*  
*S: So if you drop by with the necessary documents, we should be able to arrange it by the next day.*  
*T: So there are no special conditions? Apart from if I had any loans or something like that, which I don't.*  
*S: What do you mean?*  
*T: Well, for example I've heard that some places have an age condition, that when a person is older that ...*  
*S: That's discrimination.*  
*T: Yes, isn't it, that's what I say myself. Ok, so I could drop by, it's not a problem, as you say, ... and you're willing to make it within two three days.*

**An example of rejection after stating age:**

*T: We've got a pension of 12 and 10 together and then we have some security – we've got a family house and then I've got an income from a flat, which I rent out.*  
*S: Because we are, frankly, a little conservative, as regards clients, and so we always need to have some proof of income, so a pension and a rent don't mean anything for us, we need you to be employed. Only then is it feasible and in your case I'd see a problem with income.*  
*T: I see. And do you have a specific limit? A certain amount of income, what would satisfy you?*

S: If you want ten thousand, you need an income of ten thousand, that's the rule, if you are a new client. So we need an income from certain employment.  
T: So it's only a question of income, even if I've got some cash, it's only based on income ... is there perhaps an age limit?  
S: No, no.  
T: And if my pension was higher? If my pension was for example 25 thousand?  
S: No, no, not even then. It has to be a stable income, it's a bit strange but a pension is not acceptable.

**An example of a situation when the entity has a maximum age limit set but the test person does not reach it:**

T: You pleasantly surprised me. I've heard from a friend of mine, who's at about the same age as me, that sometimes there's a problem with age.  
S: And how old are you?  
T: Slightly over 70.  
S: I think, we have until 75.  
T: That'd be wonderful.

**An example of a situation when an employee was not sure about the provision of a credit card and indicated that age might present a problem:**

S: Well, and now we have to establish your income and expenses. Owing to age, so I can't tell you if we'd provide it. When you bring us the information, we'll assess it and then we'd arrange it.  
....  
S: Yes, so we'd take the statement and look at it and tell you, but I can't tell you now. Because it really depends on your income. Your pension, how high is it approximately?  
T: My husband's got about 12,500 and I've got 11 thousand.  
S: So that would be all right, the income, but now there's the age, if that would work.

**Example of a situation when information provided at a branch is at variance with information published on the website:**

T: Hello, I need some advice regarding getting a credit card.  
S: A payment card?  
T: A credit card.  
S: We don't offer credit cards. Those are cards where you can draw, something like an overdraft account, but payment cards are valid almost in the same way, so that's not any problem at all.  
T: Well, the thing is, I'm going, flying, to America with my wife and I want to rent a car and I've learnt that they rent out a car to you only if you have a credit card, otherwise there's a very high deposit and so on. So you don't give credit cards?  
S: No, we don't.  
T: I see. That's a shame. I'm visiting places, to see where I could get the best one. So thank you. Good bye!

## 10.2 Consumer loan

Consumer loans were the second product tested (Tab. 41). A consumer loan was explicitly refused on grounds of a higher age by two entities: one entity provides

consumer loans only to clients of up to 60 years of age and the other entity did not specify its age limit (it only mentioned its existence) but it was clear that the test person exceeded it and therefore the entity made the provision of a loan conditional upon the participation of a younger person as surety. Further, there was a case where an employee of the entity rejected the test person on grounds of insufficient income, saying that the minimum income of an applicant must reach at least CZK 15 thousand and, simultaneously, it must be an only income, i.e. it is not possible to combine an old-age pension and a side income. However, this condition was not contained in the conditions of obtaining a loan published on the website of the entity. In one case the test person received information from an employee of the entity at variance with information published on its website (while the employee stated that to obtain a loan, it was necessary for a person to have had an account at the entity for at least 6 months, the website only stated that it was necessary to have an account and the information about the half-year time period was not even mentioned among the necessary requirements for a loan). In two cases, an employee of the tested entity stated that age could be a problem with respect to the provision of a product but an explicit refusal to provide the product on the basis of age did not take place. In almost half of cases, test persons were told that tentatively, there was nothing standing in the way of the provision of a product. In three cases, it was not possible for various reasons to bring the testing to the assumed conclusion (the product could not be provided due to the requirement to have had an account for at least six months/the required loan was too low/an employee of the entity refused to provide any information unless an identity card was presented).

**Tab. 41 Situation testing – consumer loans**

	No.	share
The test person is told that tentatively, the provision of the product should not be a problem	8	47%
The test person is rejected immediately after stating his/her age, being told that the provision of the service is restricted by age	2	12%
The test person is rejected due to insufficient income – the entity refuses to combine income from an old-age pension and other income	1	6%
Information provided at the branch is at variance with information published on the website	1	6%
The employee was not sure, saying that age could be a problem	2	12%
Other – necessity to have had an account for at least 6 months (identical information on the website)/the required loan is too low/without the presentation of an identity card no information was provided	3	18%
<b>Total</b>	<b>17</b>	<b>100%</b>

Extracts from transcribed recordings of the mentioned situations are provided below. Test persons are marked with "T" and tested entities are marked with "S".

**An example of rejection after stating age:**

*T: ...If I may, I've heard from a friend of mine, he's the same age as me, retired, that sometimes there are problems with a pensioner, the size of my pension and so on ... So I think that it shouldn't be a problem because I've got 12 thousand and my wife 10. Together that's 22 thousand, isn't it. And I also rent out a flat, and get 6 thousand*



from that. So there's some security, and also a cottage ... So if some security was needed, I have it.

S: And you are how old?

T: 70, I'm over 70.

S: I'm going to ask, the income should be sufficient but I don't know how it is with the loan as regards age. I'm going to ask a colleague.

T: All right.

/pause/

S: Concerning the building savings loan, I'm thinking, your children couldn't act as the obligated party's debtors?

T: Well, they could theoretically, but I didn't want to burden them in any way.

Theoretically they could. So without some co-surety it wouldn't be possible, right?

S: No, it wouldn't, in case of a building savings loan it's until 65 years, in case of a consumer loan it's probably even stricter. Your wife is of a similar age?

T: Yes, my wife's a little younger but also about 70, she's also a pensioner.

S: So only ...

T: Some co-surety? Preferably children?

S: Yes, if your children gave a proof of income ...

T: Yes, and then it would be without problems? If I had co-surety ...

S: Yes, if they have some income ...

T: Hello. I've come to ask about a consumer loan.

S: For yourself?

T: Yes.

S: And how old are you?

T: Well, 80.

S: So, that's already ... I'd like to help you but I'm sorry.

T: That's a pity, well. What happened is that the roof of our cottage is falling. Well, so, thank you.

S: I'd like to help you, but...

**An example of a situation when the test person was refused due to insufficient income (the entity refuses to combine income from an old-age pension and another income):**

S: And how much would you want to borrow?

T: I need 30 thousand to repair a roof. I've got 150 in cash and still need the 30, as it looks now. We've got some fixed deposit but we couldn't use it and so we're short of the 30 thousand.

S: I'm going to have a look... What we have is that it's not added up... When there's an applicant and a co-applicant, a net income of at least 20 thousand in total is required, and at least one of the applicants has to have 15 thousand net.

T: So then it isn't possible, even though I have the family house?

S: Unfortunately. We don't require a security.

T: So then it's pointless because one has to have 15.

S: Even if you had a side income, it's not added up, there has to be one income.

**An example of a situation when information provided at a branch is at variance with information published on the website:**

T: Hello. Where could I ask about a consumer loan?

S: You need a consumer loan?

T: Yes.  
 S: Are you a client?  
 T: No, I'm not.  
 S: Do you go to work or are you retired?  
 T: I'm retired.  
S: Then it's not possible. First of all, when it comes in and we see the cash flow, so after half a year at the earliest you can be approved. It can't be done immediately.

**Examples of a situation when an employee was not sure about the provision of a consumer loan and indicated that age could present a problem:**

S: My advice ... What we'd need, we'd definitely need a proof of pension.  
 T: Yes, I've got a pension of 13 thousand something and my wife's got about 10 thousand.  
 S: The income would be enough for that. But as regards the age I can't say, I'll find out when you apply. It's individual and if it's a problem or not, I can't say. We just don't have an age limit up to 65 years and no more. I don't know if it would get through, I can't promise you that, it's completely individual.  
 T: But I still don't understand, sorry. When I apply, you'll see all that I'm telling you, you won't see anything new.  
 S: Well, I won't but to know if yes or no, I have to file an application. I just can't tell you immediately if it's possible or not because that'll be assessed by a computer. Now yes, you are not a client, that's all right, but in the end it'll be assessed by the computer. It'll print out income, age, some registers. In short, I'll ask it a question and the computer will say either: Yes, we'll grant the loan, No, we won't or we will under such and such conditions.  
 T: I was afraid that the age. I'm going to be 73, that it's some principal condition.  
 S: Well, it won't do good but to say that it's a downright condition, it's not.  
 Unfortunately, I won't help you much.

S: Well, the instalment would be ... you can't have it for seven years any more ... and how old are you?  
 T: 80.  
 S: 80 well, that's not any more, right?  
 T: We wouldn't have to have it for so long, I don't know, we could give income from the rent. We'll support ourselves without it.  
 S: There's a problem with age, not that you couldn't afford it. If I set it for 12 months, which is for a year, the amount of a monthly instalment would be 2,717.00, you and your husband would both directly participate. How old is your husband?  
 T: My husband, he's even older than me, he is 84.  
 S: It would have to be both of you for the 12 months.  
 T: So it's a problem?  
 S: The age, well ... It would have to be both of you. It would have to be given a try, nobody will guarantee it, though ... So it would be 2,717.00 a month for a year.  
 T: That wouldn't be a problem. That can be managed, from the rent, that can be managed. Because we now don't have money and we wouldn't want to leave it for another winter so that it doesn't fall on our heads.  
 S: Of course. /Speaking to a colleague whether she can apply for an age exception and that a rent cannot be stated as an income, it can be only stated in a note; and when they give it for 24, it's pointless/ Well, we can try but I can't guarantee anything.

### 10.3 Travel insurance

Travel insurance was the last product tested. Since 7 of 9 insurance companies from the research sample offer the possibility to take out insurance online, test persons took advantage of this possibility, visiting only two insurance companies that announced on their website that persons over 60 years of age interested in travel insurance had to visit their branch in person. An explicit refusal solely on grounds of age was not recorded in any of the cases. During one visit, the test person forgot to state his age and therefore the provision of a product was tested subsequently by telephone<sup>25</sup>. It was impossible to find out the reasons for requiring a personal visit of a branch – see the extract.

*S: Good, so medical expenses, standard insurance, age 80 years, that would be 570 korunas for ten days.*

*T: 570 korunas. And medical expenses plus accident?*

*S: 960.*

*T: For one person.*

*S: For one person, I'm still talking about one person over 80 years.*

*T: Yes. Ok. And then there was some condition that it can't be taken out online, that I have to go to a branch ... is that true? That's what she said ... we all wanted to take it out online.*

*S: That's true because up to the age of 79 years, we are discriminating against them a bit, they can go to a branch, pardon me, on the internet, but older persons should go to a branch.*

*T: And is there any objective reason for this?*

*S: Unfortunately, I don't know of any specific reason, maybe my colleagues...*

As regards specific insurance conditions, most insurance companies divide adult clients into two categories: an age group of 18 to 69 years and of 70 years and over. If a client reaches the age limit of 70 years, insurance premiums considerably rise, by 66-200%, and on average by 106% (i.e. to more than double the original amount). Two entities that do not offer the possibility to take out insurance online to interested persons over 80 years of age, define a third age group, of 80/81 years and over. For this group of clients insurance premiums are higher by additional 50-81% as opposed to elderly people aged up to 80 years. One insurance company does not restrict by age the provision of travel insurance and does not apply age limits to taking out insurance online but does not enable clients aged 70 years and over to take out insurance with medical expenses cover exceeding CZK 1.7m (younger persons have the possibility to take out cover of up to CZK 3.4m). On the other hand, one of the insurance companies does not single out elderly clients in any way and applies the same tariff to all adults.

### 10.4 Summary of the situation testing

The results of the situation testing showed (in accordance with the hypothesis based on the results of the questionnaire survey among entities) that some of the entities

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<sup>25</sup> The situation was modelled in a way that a grandson is making the telephone call, asking about the conditions of travel insurance for his grandparents (his grandmother has already visited the branch to get information but forgot to say that she was over 80 years).

offering credit cards and consumer loans restrict the provision of these services by age, although their share is not high. As regards travel insurance, not a single case of refusal on grounds of age was recorded; nevertheless, a higher age is a factor that significantly increases the purchase price of the product.

A credit card was the first product tested. It was explicitly refused solely on grounds of a high age by only one out of thirteen entities (8%), with the entity explaining that credit cards were not provided to pensioners. In a different case, the test person was not refused a credit card but only thanks to the fact that the test person was slightly younger than the age limit set (i.e. the entity applies an age limit, although the limit is higher than 70 years). **Therefore, two out of thirteen entities (15%) restrict the provision of credit cards by the age of a client, without examining any other circumstances.** Another entity denied the fact that it provided credit cards before the test person, although it promotes them on its website. In one case an employee was not sure if a credit card could be provided and indicated that the age of the person interested could be a problem.

Consumer loans were the second product tested. **Explicit refusal solely on grounds of age was recorded at two out of fifteen entities providing consumer loans (13%):** one entity provides consumer loans only to clients aged up to 60 years and the other entity did not specify the age limit (it only mentioned that it existed) but it was clear that the test person exceeded it and so the entity made the provision of a loan conditional upon the participation of a younger person as surety. There was again a case when an employee of one entity asserted something else than appears on its website. In addition, it needs to be mentioned that one entity refuses to combine an old-age pension and any other source of income for the purpose of reaching the minimum level of income. In two cases (13%) an employee was not sure if a consumer loan could be provided and indicated that the age of the applicant could be a problem.

Travel insurance was the last product tested. **An explicit refusal solely on grounds of age was not recorded at any of the insurance companies tested.** However, it was discovered that two of nine insurance companies did not enable persons aged over 80 years to take out travel insurance online (as opposed to younger applicants), and therefore an elderly person interested in the product has to visit a branch in person – no explanation was found for this measure. One entity does not enable clients over 70 years to take out insurance with medical expenses cover exceeding CZK 1.7m (younger persons have the possibility to take out cover of up to CZK 3.4m). Besides that, when clients reach the age limit of 70 years, insurance premiums rise by 66-200%, on average by 106% (i.e. to more than double the original amount). In case of insurance companies that define applicants over 80 years of age, insurance premiums increase by another 50-81% as opposed to elderly people aged up to 80 years.

**In other words, the practice of restricting access to financial services or significantly increasing the purchase costs solely on grounds of age without examining any other circumstances still occurs, although rather rarely.**

## 11. Final recommendations of the deputy of the Public Defender of Rights

The maintenance of dignity of older-age persons presumes that they will have access to all services offered to the public, unless the character of services prevents it. Elderly persons have a right to be respected in the same way as other receivers of services. In order for elderly persons to be active and take advantage of all that life offers, it is necessary that they should be treated as equals and not as persons who will have with all probability problems to meet their obligations and who face the risk of natural death with each day. This event cannot be predicted in most cases and it is a significant violation of dignity if people are treated with this assumption. In individual cases, there is a risk that they will be confronted with such treatment for as long as tens of years.

Therefore, I recommend not applying upper age limits when providing services of a short-term character, such as credit cards, short-term consumer loans, overdraft accounts, travel insurance, payment protection insurance or motor insurance.

If an insurance company decides to increase insurance premiums from a certain age for a short-term service, for example travel insurance, the difference in treatment needs to be based on relevant and accurate actuarial and statistical data and the difference in insurance premiums needs to be proportionate. If a person has to pay double the premiums compared to a person younger by only a few months (or days), such increase seems to be *prima facie* disproportionate but cannot be described as discriminatory without anything further.

If an insurance company decides to require that applicants over a certain age visit its branch in person, in the interest of transparency there should be apparent reasons for doing so.

An old-age pension should not be an obstacle to the provision of financial services. During the assessment of income, incomes from several sources should be acceptable. The attainment of a retirement age should not be an obstacle to the provision of services either.

The fulfilment of the requirements mentioned above means not only the maintenance of the right to equal treatment but also an increase in the reputation of a financial institution in society as such.

JUDr. Stanislav K ř e ě k  
Deputy of the Public Defender of Rights

## **12. List of legal regulations**

The Charter of Fundamental Rights and Freedoms

Act No. 145/2010 Coll., on Consumer Credit and on Amendments to Certain Acts, as amended

Act No. 198/2009 Coll., on Equal Treatment and on the Legal Means of Protection against Discrimination (the Antidiscrimination Act), as amended

Act No. 21/1992 Coll., on Banks, as amended

Act No. 229/2002 Coll., on Financial Arbiter, as amended

Act No. 277/2009 Coll., on Insurance, as amended

Act No. 349/1999 Coll., on the Public Defender of Rights, as amended

Act No. 37/2004 Coll., on Insurance Contract and on Amendments to Related Acts (the Insurance Contract Act), as amended

Act No. 40/1964 Coll., the Civil Code, as amended

Act No. 6/1993 Coll., on the Czech National Bank, as amended

Act No. 634/1992 Coll., on Consumer Protection, as amended

Act No. 99/1963 Coll., the Code of Civil Procedure, as amended

Act No. 101/2000 Coll., on Personal Data Protection and on Amendments to Some Acts, as amended

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## **14. Annexes**

[1] Questionnaire for banks

[2] Questionnaire for insurance companies

[3] Questionnaire for non-bank providers of loans



## Accessibility of financial services to elderly people

### Questionnaire for banks

1. Is the provision of the services given below restricted by an upper age limit? If so, please state the specific age for each service (or information about the retirement age). If you do not provide or offer a service, please state this fact in the relevant box.

	Upper age limit
Credit card	
Overdraft account	
Consumer loan – other	
Mortgage loan	
Payment protection insurance	

2. Would you like to provide additional comments or explanations as regards the issue of setting a maximum age limit for the provision of the services mentioned above?
3. Is the age criterion used as an additional criterion to assess whether a service will be provided? If so, please state the specific age (or information about the retirement age). If you do not provide or offer a service, please leave the relevant box empty.

	Specific age as an additional criterion
Credit card	
Overdraft account	
Consumer loan – other	
Mortgage loan	
Payment protection insurance	

4. Would you like to provide additional comments or explanations as regards the application of an age criterion as an additional criterion for assessing whether a service will be provided?
5. Do you have experience with the complaints of clients, or of persons interested in the provision of services, about the use of an age criterion?
- yes → please continue to question 5A
  - no → please continue to question 6

5A. What services were subject to the complaints of clients or of persons interested in the provision of services?

5B. What is the manner of disposing of such complaints? Who is competent within the organisation structure to handle such complaints?

5C. Do you discuss the matter with a client?

- yes
- no

5D. Can an application be re-assessed on the basis of the discussion?

- yes
- no

5E. How many cases of complaints about the unjustified use of an age criterion did you handle in the course of 2012?

6. Did the Czech National Bank/Czech Trade Inspection Authority discuss any case of the use of age as a criterion with you within its competence in the area of consumer protection?

- yes → please continue to question 6A
- no → please continue to question 7

6A. Please state the relevant service.

6B. Please state the relevant age limit.

7. Do you hold training of employees aimed at providing consultancy to elderly persons?

- yes → please continue to question 7A
- no → thank you for filling out the questionnaire

7A. Is training in this area part of the initial training?

- yes
- no

7B. What employees does the training concern? Please briefly describe the work position.

7C. What is the form of the training?

## Accessibility of financial services to elderly people

### Questionnaire for insurance companies

8. Is the provision of the services given below restricted by an upper age limit? If so, please state the specific age for each service (or information about the retirement age). If you do not provide or offer a service, please state this fact in the relevant box.

	Upper age limit
Life assurance	
Accident insurance	
Compulsory motor third-party liability insurance	
Voluntary motor insurance	
Travel insurance	
Payment protection insurance	

9. Would you like to provide additional comments or explanations as regards the issue of setting a maximum age limit for the provision of the services mentioned above?
10. Would you like to provide additional comments or explanations as regards the application of an age criterion as an additional criterion for providing the services mentioned above?
11. Do you have experience with the complaints of clients, or of persons interested in the provision of services, about the use of an age criterion?

- yes → please continue to question 4A
- no → please continue to question 5

4A. What services were subject to the complaints of clients or of persons interested in the provision of services?

4B. What is the manner of disposing of such complaints? Who is competent within the organisation structure to handle such complaints?

4C. Do you discuss the matter with a client?

- yes
- no

4D. Can an application be re-assessed on the basis of the discussion?

- yes
- no

4E. How many cases of complaints about the unjustified use of an age criterion did you handle in the course of 2012?

12. Did the Czech National Bank/Czech Trade Inspection Authority discuss any case of the use of age as a criterion with you within its competence in the area of consumer protection?

- yes → please continue to question 5A
- no → please continue to question 6

5A. Please state the relevant service.

5B. Please state the relevant age limit.

13. Do you hold training of employees aimed at providing consultancy to elderly persons?

- yes → please continue to question 6A
- no → thank you for filling out the questionnaire

6A. Is training in this area part of the initial training?

- yes
- no

6B. What employees does the training concern? Please briefly describe the work position.

6C. What is the form of the training?

## Accessibility of financial services to elderly people

### Questionnaire for financial corporations engaged in lending

14. Is the provision of the services given below restricted by an upper age limit? If so, please state the specific age for each service (or information about the retirement age). If you do not provide or offer a service, please state this fact in the relevant box.

	Upper age limit
Consumer loan	
Financial leasing	
Credit card	
Mortgage loan	
Payment protection insurance	
Life assurance	
Compulsory motor third-party liability insurance	
Voluntary motor insurance	

15. Would you like to provide additional comments or explanations as regards the issue of setting a maximum age limit for the provision of the services mentioned above?

16. Is the age criterion used as an additional criterion to assess whether a service will be provided? If so, please state the specific age (or information about the retirement age). If you do not provide or offer a service, please leave the relevant box empty.

	Specific age as an additional criterion
Consumer loan	
Financial leasing	
Credit card	
Mortgage loan	
Payment protection insurance	
Life assurance	
Compulsory motor third-party liability insurance	
Voluntary motor insurance	

17. Would you like to provide additional comments or explanations as regards the application of an age criterion as an additional criterion for assessing whether a service will be provided?

18. Do you have experience with the complaints of clients, or of persons interested in the provision of services, about the use of an age criterion?

- yes → please continue to question 5A
- no → please continue to question 6

5A. What services were subject to the complaints of clients or of persons interested in the provision of services?

5B. What is the manner of disposing of such complaints? Who is competent within the organisation structure to handle such complaints?

5C. Do you discuss the matter with a client?

- yes
- no

5D. Can an application be re-assessed on the basis of the discussion?

- yes
- no

5E. How many cases of complaints about the unjustified use of an age criterion did you handle in the course of 2012?

19. Did the Czech National Bank/Czech Trade Inspection Authority discuss any case of the use of age as a criterion with you within its competence in the area of consumer protection?

- yes → please continue to question 6A
- no → please continue to question 7

6A. Please state the relevant service.

6B. Please state the relevant age limit.

20. Do you hold training of employees aimed at providing consultancy to elderly persons?

- yes → please continue to question 7A
- no → thank you for filling out the questionnaire

7A. Is training in this area part of the initial training?

- yes

- no

7B. What employees does the training concern? Please briefly describe the work positions.

7C. What is the form of the training?