

TREAT CUSTOMERS FAIRLY CHARTER

Customer confidence and trust are the cornerstone for sustainable development of banks, which in turn promotes banking stability and helps to reinforce Hong Kong's position as Asia's premier international financial centre. To earn and keep customers' confidence and trust, banks should treat customers fairly at all stages of their relationship with them.

The Treat Customers Fairly Charter (the Charter), which has drawn from good banking practices locally and overseas and from the G20 High-Level Principles on Financial Consumer Protection, is a commitment by banks in Hong Kong to support and implement the principle of treating customers fairly. The Charter is primarily aimed at retail consumers and is designed to complement, not change, current law or regulations or the existing terms and conditions between banks and their customers.

Principles

Signatories to the Charter pledge to support and implement the following principles¹ :

1. Banking services and products should be designed to meet the needs of customers. Banks should assess the financial capabilities and needs of customers before offering them a service, advice or product. The provision of advice or selling of financial products should take into account the interest of the customers, having regard to their profiles and the complexity of the banking services or

¹ The Charter sets out high level principles and further discussions will be carried out among banks and the Hong Kong Monetary Authority regarding the issuing of some generic examples to support the implementation of the principles.

products in question.

2. Banks should set out and explain clearly the key features, risks and terms of the products, including any fees, commissions or charges applicable to customers. Appropriate information should be provided to the customers before, during and after the point of sale.

3. All promotional materials and information designed for customers should be accurate and understandable. Misleading representations or marketing practices should be avoided.

4. Banks should provide customers with reasonable channels to submit claims, make complaints, seek redress, and should not impose unreasonable barriers on customers to switch banks.

5. Banks in Hong Kong that engage in mass retail market should provide reasonable access to basic banking services to members of the public, paying special attention to the needs of vulnerable groups. Recognizing that consumers also have their responsibilities, banks should join force with government, regulatory bodies and other stakeholders in financial education to promote financial literacy.