



HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B1/15C
B1/21C
B9/67C

6 January 2023

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Supervisory Policy Manual (SPM): Revised Module IC-4 on “Complaints Handling and Redress”

I am writing to inform you that, following consultation with the two industry Associations, the Monetary Authority issued by notice in the Gazette today an updated SPM module IC-4 on “Complaints Handling and Redress” as a statutory guideline under section 7(3) of the Banking Ordinance.

The updated SPM module is forward-looking and aims to align the requirements of the Hong Kong Monetary Authority (HKMA) with the latest global best practices in financial consumer protection. It takes into account the recently updated *G20/OECD High-Level Principles on Financial Consumer Protection* (High-Level Principles), which are the international standards for effective and comprehensive financial consumer protection frameworks. Details of the High-Level Principles (including “*Principle 12 – Complaints Handling and Redress*”) can be found at: <https://www.oecd.org/finance/high-level-principles-on-financial-consumer-protection.htm>.

Under the enhanced complaints handling framework, authorized institutions (AIs) are expected to, among others: (i) follow up and monitor any issues of concerns or control deficiencies as identified from handling of customer complaints, to achieve improved financial consumer protection on an ongoing basis; and (ii) proactively make use of alternate dispute resolution channels such as mediation and arbitration services of the Financial Dispute Resolution Centre¹, when complaints involving monetary disputes referred by the HKMA could not be resolved through AIs’ internal mechanisms.

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¹ The Financial Dispute Resolution Centre administers the Financial Dispute Resolution Scheme providing customers with an alternative avenue for resolving monetary disputes with financial institutions through mediation and arbitration. Details of the scheme can be found at: https://www.fdrc.org.hk/en/html/resolvingdisputes/resolvingdisputes_fdrs.php?lang=en.

AIs should implement this updated SPM module within three months from the date of this letter (i.e. no later than 5 April 2023).

Should you have any questions regarding the above, please liaise with your usual complaint handling contact at the HKMA.

Yours faithfully,

Carmen Chu
Executive Director (Enforcement and AML)

Encl.

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
Financial Services and the Treasury Bureau (Attn: Mr Justin To)