Responsible Conduct of Financial Service Providers – Main Challenges

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OECD High Level Principles on Financial Consumer Protection and Education

- Legal and Regulatory Framework
  - Principles to be enshrined in national, regional and international legal and regulatory framework
- Authority of oversight bodies
  - Must have oversight bodies that have authority
- Non-discriminatory and fair treatment of customers
  - Equitable, honest and non-discriminatory treatment required at all stages of relationship with consumer
- Disclosure and transparency
  - Provision of clear, concise, reliable comparable and easily accessible information
- Financial education and awareness
  - Promotion of financial education and awareness
OECD High Level Principles on Financial Consumer Protection and Education

- Responsible conduct of financial service providers and intermediaries
  - FSP and intermediaries must uphold financial consumer protection

- Protection of consumer protection
  - Rights to deposits, savings and financial assets should be protected

- Protection of consumer data and privacy
  - Protection through appropriate controls and protection mechanisms

- Complaints handling and redress
  - Provision of mechanisms to address consumer complaints

- Competition
  - Competitive markets should be promoted
The Challenges

- Privacy
  - restrict unwanted direct marketing

- Right to choose
  - right to select suppliers

- Disclosure and information
  - right to plain and understandable language

- Fair and responsible marketing
  - general standards for marketing goods or services

- Fair and honest dealing
  - no unconscionable conduct

- Reasonable terms and conditions
  - no unjust contract terms
Treating Customers Fairly

- Customers can be confident they are dealing with firms where TCF is central to the corporate culture.
- Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.
- Customers are provided with clear information and kept appropriately informed before, during and after point of sale.
- Where advice is given, it is suitable and takes account of customer circumstances.
- Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect.
- Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint.

*These outcomes are to be demonstrably delivered throughout the product life cycle, from product design and promotion, through advice and servicing, to complaints and claims handling.*
Conduct for Managing Environmental and Social Risk

- Commit to sustainable economic development
- Play a role in effective environmental management through managing own organisational impact throughout value chain
- Collaboration with government in addressing environmental and social issues
- Comply with applicable national and regulatory requirements
- Ensure efficient use of natural energy and other resources with indirect control
- Procure goods or services that have a lesser or reduced impact on the environment
- Credit and risk management policies to be in place that give due recognition to environment and social risk when making lending decisions
Thank You