

22 December 2016

PRIVATE AND CONFIDENTIAL

Financial Dispute Resolution Centre
Unit 3701-04, 37/F
Sunlight Tower
248 Queen's Road East
Wan Chai, Hong Kong

By email:
consultation@fdrc.org.hk

Dear Sir/Madam,

Re: IEC's submission in response to the Consultation Paper on "Proposals To Enhance the Financial Dispute Resolution Scheme"

The Investor Education Centre (IEC) appreciates the opportunity to share comments on the Consultation Paper on "Proposals To Enhance the Financial Dispute Resolution Scheme" (Consultation).

Financial consumer protection is important in promoting consumer trust and stability of the financial markets. Hong Kong is a leading and sophisticated financial centre that offers an array of innovative financial products, services and investment opportunities. Hong Kong people are exposed to such opportunities and participate actively. Therefore, it is crucial for the public to understand their rights and responsibilities, and to gain proper knowledge and have the confidence to fully participate in the financial markets.

The setting up of the Financial Dispute Resolution Centre (FDRC) is one of the key measures taken to enhance the financial regulatory framework and investor protection. The FDRC assists financial consumers in resolving monetary disputes with financial intermediaries through mediation and arbitration. Promoting positive outcomes for the financial intermediaries and their customers leads to improved consumer confidence, efficiency and financial stability of Hong Kong over the long term as a leading international financial centre.

Among the questions listed in the Consultation, the IEC would like to give the following comments specifically to the areas on services features and service scope of the Financial Dispute Resolution Scheme (FDRS) and the revision of mediation/arbitration fees.

Enhancement of the service features and service scope of the FDRC

The IEC, in principle, agrees that the enhancement to the FDRS would better serve the community and to increase the financial consumers' access to its mediation/arbitration services.

The proposed enhanced service features, which includes the increase of the upper claimable limit from HK\$500,000 to HK\$3,000,000, extension of the limitation period for lodging the claims from 12 months to 36 months, as well as accepting applications of claims





which are under current court proceedings, would widen the eligibility criteria to use the services of the FDRS so that more financial consumers and financial institutions can have access to mediation/arbitration services.

Revision of mediation/arbitration fees

The IEC supports the proposed revised fee structure in general, but would suggest that the FDRS consider fee affordability so as to ensure that the fee level is fairly and reasonably determined and takes into consideration all members of the community, especially the more vulnerable groups of financial consumers.

Financial education in financial consumers' rights and responsibilities

Financial consumer protection should be reinforced and integrated with complementary financial education programmes.

This calls for financial intermediaries to conduct their business in a responsible manner providing proper disclosure, reliable and adequate advice, fair treatment and act in the best interest of its customers. These should be in line with the customer's objectives and risk profile, financial knowledge and experience. Also, consumers should be aware of and have access to financial education and information on consumer protection and rights, while recognising that these rights also come with consumer responsibilities.

Stakeholders should provide the relevant support to help consumers develop the knowledge, skills and confidence to understand the risks and opportunities to make informed financial decisions to improve their financial well-being. Consumers should also know where to go for assistance and more information.

The IEC, with its mission of improving financial literacy in Hong Kong, has promoted awareness of financial consumers' rights and responsibilities via a range of resources and programmes since it was established. We will continue to work with the FDRS and other stakeholders to advocate for financial education, create public awareness of consumers' rights and responsibilities and understand the services provided by the FDRS.

In conclusion, the FDRS is contributing to an important public function of investor protection. The IEC welcomes the proposals to enhance the FDRS as it would allow more accessibility and flexibility for both financial consumers and financial intermediaries to access the services in an efficient, affordable, independent and impartial way.

Please feel free to contact me on [redacted] if more information is required.

Yours faithfully,

A handwritten signature in black ink, appearing to read "D. Kneebone", is written over a light blue horizontal line.

David Kneebone
General Manager
Investor Education Centre

Enclosure: Chinese version of the IEC's reply – 「就優化金融糾紛調解計劃的建議諮詢文件的回應呈件」



附件：就優化金融糾紛調解計劃的建議諮詢文件的回應呈件

保障金融消費者對於促進消費者對金融市場的信心和穩定是十分重要。作為一個領先的金融中心，香港的金融市場提供一系列創新的金融產品、服務和投資機會。香港人都可以接觸這些機會，積極參與。因此，市民必須了解他們的權利和責任，獲得相關的知識，使有信心參與金融市場活動。

設立金融糾紛調解中心（「調解中心」）是加強金融監管框架和保障投資者的主要措施之一。調解中心協助金融消費者，通過調解和仲裁解決與金融中介的金錢糾紛。以促進金融中介機構及其客戶的關係，提升香港消費者的信心，長遠加強效率和金融穩定性，使香港發展為領先的國際金融中心。

在諮詢文件中列出的各項問題中，投資者教育中心特別針對金融糾紛調解計劃（「調解計劃」）的服務特性和服務範圍以及調解/仲裁收費的修訂提出下列意見。

優化調解計劃的服務特性和服務範圍

投資者教育中心原則上同意優化調解計劃，將更名為社區服務，並增加金融消費者獲得調解/仲裁服務的機會。

建議中提出的服務優化，包括將最高申索金額由港幣 50 萬元提高至港幣 300 萬元，將申索的時效期由 12 個月內延長至 36 個月內，以及接受正進行法院訴訟的申索，皆能夠擴大可使用調解計劃務的資格，使更多的金融消費者和金融機構能夠獲得調解/仲裁服務。

修訂調解/仲裁收費

投資者教育中心支持建議的修訂費用架構，但同時建議調解中心從負擔能力角度出發，考慮社會各階層人士，特別是較弱勢的金融消費者的負擔能力，以確保收費水平以公平合理原則釐定。

有關金融消費者的權利和責任的金融教育

要加強金融消費者的保障，同時與金融教育計劃互補結合。

首要是金融中介機構應以負責任的方式進行業務，向客戶提供適當的披露、可靠和恰當的建議，公平對待其客戶並以客戶的最大利益行事；同時應配合客戶的目標和風險評估、財務知識和經驗。此外，消費者亦應該了解及獲得與消費者權益相關的金融教育和資訊，從而認識到有權利必有義務。

另外，持分者應提供相關協助，加強消費者的知識、技能和信心，認清風險和機會以作出有根據的財務決定，從而提升他們的財務健康。消費者亦應該了解尋求協助和資訊的途徑。

投資者教育中心的使命是提高香港市民的金融理財知識和能力，自成立至今，一直透過一系列的資源和教育計劃，加強金融消費者對權利和責任的認識。我們將繼續與調解中心和其他持分者合作，倡導金融教育，提升公眾對消費者權利和責任的認識，並了解調解中心可提供的服務。



總括而言，調解中心在保障投資者範疇中擔當一個重要的角色。投資者教育中心歡迎優化調解計劃的建議，容許金融消費者和金融中介皆可得到有效、可負擔、獨立和持平的服務。

此致

金融糾紛調解中心

投資者教育中心
總經理

李博衛謹啟

2016年12月22日