

Survey on services provided by the Financial Dispute Resolution Centre (FDRC)

Part I: Introduction

In the aftermath of the Lehman Brothers minibonds incident, the FDRC was set up in 2011 as a non-profit-making company with support from the HKSAR Government, Hong Kong Monetary Authority (HKMA) and Securities and Futures Commission (SFC). FDRC administers the Financial Dispute Resolution Scheme (FDRS) independently and impartially to assist financial institutions (FIs) resolving monetary disputes with their customers, primarily by the ‘Mediation First, Arbitration Next’ approach. All FIs authorized by HKMA and/or licensed by SFC (except those providing only credit rating services) are members of the FDRS.

FDRC handles monetary disputes in Hong Kong between a customer and a FI arise out of a contract between them, or any act or omission of the FI in connection with the provision of financial services to the customer as an agent. The application for FDRC services normally must be made within a limitation period of 24 months from the date on which the customer first had knowledge of loss, and with maximum claimable amount not exceeding HK\$1,000,000. Customers must also first lodged written complaints to the FIs concerned and still failed to resolve their disputes after 60 days.

A mediator or arbitrator selected from the FDRC Lists and agreed by both customer and FI will handle the dispute through mediation and/or arbitration procedures. Depends on the claim amount involved, the mediation fee under the FDRS is HK\$1,000 or HK\$2,000 for customers and HK\$5,000 or HK\$10,000 for FIs, whereas the arbitration fee (documents-only) is HK\$5,000 and HK\$20,000 for customers and FIs respectively.

This survey is conducted to collect feedback from FIs, as FDRS members and stakeholders, on how the FDRC and FDRS are serving the financial service industry in dispute resolution so that further enhancements could be considered.

Participation in this survey is on a voluntary and anonymous basis. All information collected are for internal research purposes only and no data from individual respondents will be sent to any outside party.

Part 2: Questionnaire

Please pick only one answer which you consider most appropriate to the following questions and insert a tick in the box provided.

The last date for submitting the completed questionnaire is 15 June 2021.

Question 1: Do you agree that, when there are monetary disputes between your company and customers, the mediation/arbitration services under the FDRS is an useful alternative to be considered?

- Strongly Agree
- Agree
- Don't Know
- Disagree
- Strongly Disagree

Question 2: Do you agree that, when compares with litigation in court, using the FDRS is relatively more time and resource-saving alternative in resolving monetary disputes between your company and customers?

- Strongly Agree
- Agree
- Don't Know
- Disagree
- Strongly Disagree

Question 3: Do you agree that, after the FDRC has been in operation, your company is more ready to settle monetary disputes with customers privately instead of going through the FDRS procedures?

- Strongly Agree
- Agree
- Don't Know
- Disagree
- Strongly Disagree

Question 4: Do you agree that the existence of FDRC/FDRS enhances protection for consumers of financial services and Hong Kong's position as a financial centre?

- Strongly Agree
- Agree
- Don't Know
- Disagree
- Strongly Disagree

Question 5: If there is no FDRS, would your company consider using mediation/arbitration to resolve monetary disputes with your customers as an alternative to litigation?

- Strongly Agree
- Agree
- Don't Know
- Disagree
- Strongly Disagree

Question 6: Have your company ever used the mediation/arbitration services of the FDRC?

Yes.

No. Please go to Question 9-11

Question 7: Did your company resolve the above monetary dispute(s) with customer(s) through the FDRS procedures?

Yes. If more than one case involved, please go to Question 7a & 7b

No. Please go to Question 8

Question 7a: Number of case(s) resolved:

Question 7b: Total number of cases handled (including those unresolved):

Question 8: Did you find the mediation/arbitration services of the FDRC useful from your experience?

Very Useful

Useful

Average

Not Useful

Extremely Not Useful

Some basic information on your company:

Question 9 : The main business nature of your company is:

Banking
Securities and/or Futures Brokerage
Others: Please specify

Question 10: Your company is authorized and/or licensed by:

HKMA
SFC
Both

Question 11: The staff size of your company is:

Under 10
11 to 50
51-200
Above 200

End of questionnaire. Thank you.

Please send the completed questionnaire to FDRC either

- A) by post: Room 408-409, 4/F, West Wing, Justice Place,
11 Ice House Street, Central, Hong Kong. **(in a plain envelop)**
- B) by fax: 2565 8662
- C) by email: pr@fdrc.org.hk