

29<sup>th</sup> August 2014

### **SBP issues Circular for Financial Consumer protection**

The Consumer Protection Department (CPD) of State Bank of Pakistan has issued Circular No.4 of 2014 titled as Financial Consumer Protection .The Circular encloses a detailed note on Financial Consumer Protection, its significance, global developments and bank's own expected role viz a viz the Financial Consumer Protection . It is expected that its issuance will transform Financial Consumer Protection into a principle based adoption rather than a compliance check for the banks. The Circular requires all Banks/DFIs/MFBs to develop and implement their own Framework on "Fair Treatment of Consumers" FTC, duly approved by their BODs and implemented by July 1, 2015. It is expected that the Banks/DFIs/MFBs will inculcate conducive culture enduring fair and quality customer service while delivering banking services to their customers.

State Bank of Pakistan in its endeavor to foster Financial Consumer Protection across the industry has issued several market conduct instructions for banks, however, it has been noticed that Financial Consumer Protection is perceived to be limited to complaint handling only. In order to disseminate the real connotation of Financial Consumer Protection, the State Bank of Pakistan has issued the subject Circular entailing the meaning of Financial Consumer Protection and the conduct expected from banks and DFIs for the advocacy of Financial Consumer Protection.