

General Principles for Financial Consumer Protection

1. General Principle:

1.1 The 'G20 High-Level Principles on Financial Consumer Protection' were developed in 2011 by a special task force of the OECD. These high-level principles are now used worldwide by financial regulators to complement their existing financial regulations, especially those regulations relevant to the protection of consumers.

PRINCIPLE 1 Equitable and fair treatment

Banks should deal fairly and honestly with consumers at all stages of their relationship, so that it is an integral part of the culture of a bank. Care should also be made and special attention given to the needs of vulnerable persons and groups.

PRINCIPLE 2 Disclosure and transparency

Banks should provide up to date information about products and services to consumers. This information should be easily accessible, clear, simple to understand, accurate, not misleading and include any potential risks for the consumer. It should include the rights and responsibilities of each party, including the mechanism for either party to end the banking relationship, as well as details of fees, pricing and any potential penalties that the consumer may incur.

PRINCIPLE 3 Financial education and awareness

Banks should develop programmes and appropriate mechanisms to help existing and future consumers develop the knowledge, skills and confidence to appropriately understand risks, including financial risks and opportunities, make informed choices, know where to go for assistance when they need it.

PRINCIPLE 4 Behaviour and work ethic

Banks should work in a professional manner for the benefit of clients during their relationship, where a bank is primarily responsible for the protection of the financial interests of the client.

PRINCIPLE 5 Protection against fraud

Banks should protect and monitor consumer deposits and savings and other similar financial assets through the development of control systems with a high level of efficiency and effectiveness to reduce fraud, embezzlement or misuse.

PRINCIPLE 6 Protection of privacy

Consumers' financial and personal information should be protected through appropriate control and protection mechanisms. These mechanisms should define the purposes for which the data may be collected, processed, held, used and disclosed (especially to third parties).

PRINCIPLE 7 Complaints handling

Consumers should have access to adequate complaints handling mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient and based on Saudi Central Bank rules.

PRINCIPLE 8 Competition

Consumers should be able to search, compare and where appropriate, switch between products, services and providers easily and clearly at a reasonable cost.

PRINCIPLE 9 Third parties

Banks and their authorised agents should have as an objective, to work in the best interest of their consumers and be responsible for upholding financial consumer protection. Banks should also be responsible and accountable for the actions of their authorised agents.

PRINCIPLE 10 Conflict of interest

Banks should have a written policy on conflict of interest, and ensure that this policy will help to detect potential conflicts of interest. When the possibility of a conflict of interest arises between the bank and the third party, this should be disclosed to the consumer.

2. Consumer Responsibilities

The responsibilities of consumers will be supported by on-going consumer education and awareness programmes from Saudi Central Bank as well as initiatives by the various banks for their own consumers.

Consumer responsibilities include the following:

2.1 Be honest with the information you provide.

Always give full and accurate information when you are filling in any bank documents. Do not give false details or leave out important information.

2.2 Carefully read all information provided by your bank.

When you submit your application, you should receive full details on the obligations for your service or product. Make sure you have access to the details of your obligations, that you understand them and that you can comply with them.

2.3 Ask questions.

It is important to ask questions to bank employees about anything that is unclear or a condition that you are unsure about. The staff will answer any questions in a professional manner to help you in your decision making.

2.4 Know how to make a complaint.

You can be proactive in using this service and knowing how to escalate your issue to higher levels, if appropriate. Your bank will provide you with details on how to complain and the timeframe for their response.

Do not use the product or service, except in accordance with the terms and conditions associated with them, and after making sure of your complete understanding.

2.5 Use the product or service in line with the terms and conditions.

Do not purchase a product or service where you feel that the risks do not suit your financial situation. Some financial products or services carry risks and your bank should clearly explain these to you.

2.6 Avoiding risk.

When making a request for a product or service, you should make sure that it suits your needs. You should disclose all financial obligations with all parties to ensure the decision is based on your ability to meet your additional obligations after contracting for the product or service.

2.7 Apply for products and/or services that meet your needs.

When making a request for a product or service, you should make sure that it suits your needs. You should disclose all financial obligations with all parties to ensure the decision is based on your ability to meet your additional obligations after contracting for the product or service.

2.8 Report unauthorised transactions to your bank.

If you have discovered unauthorised transactions on your account, you should report this to your bank immediately.

2.9 Do not disclose your banking information.

Under no circumstances should you provide any bank account details or other sensitive personal or financial information to any other party.

2.10 Talk to your bank if you are encountering financial difficulties.

By talking to your bank, you can discuss possible alternative repayment arrangements that will enable you to fully discharge your responsibilities.

2.11 Updating information.

You should update your personal information, including contact information, so that it is updated continuously and also when so requested by the bank. You are responsible for failing to provide all relevant information to the bank.

2.12 Your mail address.

Use your own mail address (regular mail and e-mail) when giving contact details to your bank. Do not use other friends' or relatives' mail addresses which can expose your financial information to others.

2.13 Power of Attorney.

Be careful when dealing with 'Power of Attorney'. Know what information that you are giving access to and to whom you are giving power over your financial matters.

2.14 Do not sign uncompleted forms.

Make sure all of the required fields and numbers are completed in a form that is presented to you for signing or initialling. Do not sign empty or partially completed forms.

2.15 Review all of your documents.

Review all of your documents before you sign them to ensure no errors are made in the account number or amount. Your signature is an approval and agreement of the document content.

2.16 Keep copies of your documents.

Keep all documents in a safe place that are provided to you by the bank. They should provide you with a copy of signed contracts and other relevant documents and papers.