

FINANCIAL AUTHORITIES AND INDUSTRY GROUPS WORK IN TANDEM ON NEW CONSUMER SAFEGUARD MEASURES

With the new Financial Consumer Protection Act going into effect about a month ago, the authorities held frequent on-site visits and began to operate a quick complaint processing and resolution system to ensure smooth implementation and help ease burdens on financial institutions. With the new regulations in place, there have been confusions resulting from delays in the sales process, restrictions in the sales of inappropriate financial products, etc.

In order to help resolve these issues and make support available, the authorities held on-site visits and meetings in eleven different occasions between March 23 and April 9 and concluded that the confusions are largely a byproduct of customary practices prioritizing transaction convenience. In this regard, the authorities and financial industry groups agreed to formulate a new guideline that can help achieve an appropriate balance between consumer protection and transaction convenience.

From March 31, the financial authorities and industry groups began to operate a quick complaint processing and resolution system to provide support. As of April 22, a total of 113 inquiries have been filed and the authorities have already responded to fifty-eight (51.8%) cases. Most inquiries had to do with administrative issues and practical handling of some of the newly introduced measures.

Financial institutions have also strengthened efforts to enhance compliance with the new regulations. Financial industry groups are in the process of developing a standardized form of internal control measures within each sector in preparation for the internal control rule that will come into force beginning on September 25 this year. The standardized internal control measures are aimed at changing the culture of excessive competition over performance toward a more consumer-friendly management.

The financial authorities will continue to closely monitor the implementation of the Financial Consumer Protection Act and provide necessary support.

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