

Major requirements under the enhanced complaint-handling procedures

The distributing bank is required to engage a qualified third party, to be approved by HKMA and SFC, to review and enhance its prevailing complaint-handling procedures, and to implement all the recommendations by such third party. The enhanced complaint-handling procedures (ECHP) should meet the following requirements:

1. There are sufficient channels for customers to lodge their complaints.
2. Written responses are sent to the customers promptly to acknowledge receipt of the complaints and to inform the customers about the launch of investigations.
3. Customer complaints are handled in a timely and appropriate manner.
4. Customer complaints are investigated and assessed thoroughly, fairly and objectively, taking into account all the relevant matters including all relevant information relating to the customers, the investment products(s)/service(s) in question and the subject matter of the complaint.
5. Each investigation of customer complaints involves an interview with the relevant customer and other relevant witnesses.
6. Each investigation of customer complaints includes an assessment of the conduct of the relevant staff involved in dealing with the customer and whether the conduct of the relevant staff and that of the distributing bank was in compliance with the Code of Conduct, the Internal Control Guidelines and all other applicable legal and regulatory requirements.

7. If an investigation identifies any non-compliance with the applicable legal and regulatory requirements, the complaints handling staff promptly reports such non-compliance to senior management.
8. The distributing bank promptly informs the customers of the preliminary results of the investigations and provides a reasonable opportunity to be heard to the customers before issuing the final results.
9. The distributing bank examines thoroughly any representations and additional documents provided by the customers after the customers are advised of the preliminary results.
10. Customers are duly advised of the final results and any appropriate remedial actions are taken promptly upon the completion of each investigation.
11. In relation to complaints which are upheld by the distributing bank or where the investigations reveal any non-compliance with any applicable legal and/or regulatory requirements, the distributing bank has a fair and reasonable process (which takes account of the distributing bank's obligations under General Principle 1 of the Code of Conduct) for determining whether, and on what terms, the customer should be offered financial redress in respect of loss of damage the customer has suffered as a result of any breach by the distributing bank of applicable laws or regulatory requirements.
12. If a complaint is not resolved to the customer's satisfaction: (i) the relevant complaints handling staff would, if reasonably considered necessary in the circumstances, report the case to senior management for appropriate follow-up actions; and (ii) the distributing bank would advise the customer of any further steps or action that may be available to the customer under the existing regulatory regime.

13. Each customer complaint is the subject of a written report explaining the findings of the investigation and such reports are submitted to senior management as well as the relevant business functions after the investigations.
14. Senior management and the relevant business functions implement appropriate follow-up actions after each investigation to prevent recurrence of similar errors or omissions (if any).

Source: The written evidence given by one of the distributing banks.