

Refusal to Open Banking Accounts
for Ethnic Minority Groups

Introduction

There have been reports on the difficulties faced by ethnic minority residents in opening bank accounts. In our regular contacts with ethnic minority groups and service groups, the role and functions of the Equal Opportunities Commission (“EOC”) were explained and ethnic minorities were invited to lodge complaints or seek assistance from the EOC if they have been refused services.

Refusal to open accounts for two Pakistani

2. On 27 January 2010, in response to the media reports in the Cable TV on two Pakistani female being refused to open bank accounts by two banks on account of their nationality, namely the Hang Seng Bank and the Bank of East Asia, the EOC issued a press release reminding service providers that people of different races should enjoy equal rights in service provision. The EOC also called upon persons who have been refused services on ground of race to lodge complaints and seek necessary assistance from us.

3. Under the Race Discrimination Ordinance (“RDO”), it is unlawful to give less favourable treatments on the ground of race. Race in relation to a person means the race, colour, descent, national or ethnic origin of the person. Although the RDO does not apply to discrimination on the ground of ‘nationality’, it would amount to race discrimination if the evidence in a particular case shows that nationality is not the real reason but race is.

4. As a follow-up, on the same day, the EOC made an enquiry with the Hong Kong Monetary Authority (“HKMA”) on guidelines restricting banks in opening accounts for customers of certain nationalities. The two banks allegedly refused to open banking accounts were also asked on their policies and internal guidelines in opening accounts.

Response from HKMA and banks

5. In its reply, the HKMA says it has no general prohibitions or requirement on the opening of accounts for individuals of specific nationality. The HKMA has issued guidelines pursuant to the Banking Ordinance requiring banks to identify and verify the identity of all customers. Individual banks should take all relevant factors into consideration when assessing the risk of money laundering and terrorist financing at account-opening and thereafter throughout the business relationship.

6. The two banks in question denied having any internal guidelines or discriminatory practices restricting account opening for ethnic minorities. One bank claimed it did not have any detailed information on the two Pakistani ladies for following-up. Another bank gave a different version of the incident which was different from the media report.

Contacting the aggrieved persons

7. For investigation purpose, it is always useful to have first-hand information from the aggrieved person. In response to the media report of 27 January 2010, the EOC immediately contacted the Cable TV and Hong Kong Unison Ltd (“Unison”) to see if they could provide contact details of the two Pakistani ladies. Both agreed to assist, but no information has yet been received. Unison is a NGO serving ethnic

minorities and they have provided information on the two Pakistani female cases to the TV station.

8. Unison has informed the EOC in February 2010 that it has registered some 50 persons of different nationalities/ ethnic origins who had experienced difficulty in opening bank accounts. On redressing individual grievances, the EOC has advised Unison that it would follow up with individual banks based on case-specific facts furnished in a complaint case. The Unison has agreed to refer or assist parties in lodging of complaints. No referral has been received.

Racial discrimination complaints

9. Since the enforcement of the Race Discrimination Ordinance, the EOC has received four racial discrimination complaints on banking services. One is on banking facilities which is now under investigation. Three cases are on opening of bank accounts. One has been settled through conciliation. The remaining two are still under investigation after early conciliation attempt failed.

Equal Opportunities Commission

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