

Your Rights as a Consumer of Financial Services Matters.

Q & A with Samuel Warunima, Manager for Financial Supervision and Regulations Department (FSRD) – Central Bank of Solomon Islands.

What is consumer empowerment?

Consumer empowerment is about having a mental state usually accompanied by a physical act which enables a consumer to be able to make his or her own choice in terms of his or her needs, on the type of products or services that are offered in the market place.

Why is it very important for consumers to know their rights?

Amongst others, I think it is important for consumers to know their rights because it allows them (i) to make right decisions, (ii) to take up their concerns with right authorities if the products or services they received do not meet their expectations and needs, and promote quality product and service offerings they buy in the market place.

What laws do we have to guide consumers and financial institutions?

Of the Laws that CBSI administers, the CBSI Act 2012 is very clear and supports consumer empowerment. Subsection m of Section 9 of the CBSI Act 2012 requires Licensed Financial Institutions (LFIs)¹ to establish within their organization consumer complaints units. In addition, CBSI is currently working on a Consumer Protection and Market Conduct Regulation for Solomon Islands financial sector. As this regulation will take time to pass, CBSI, in the absence of such regulation, introduces a; Prudential Guideline on Disclosure of Interest Rates, Fees and Charges (PG8) And Prudential Guideline on Complaints Management (PG9).

What is Prudential Guideline No.9 on Complaints Management?

Prudential Guideline No. 9 on Complaints Management applies to the LFIs and expands the requirement under Section 9 (m) of the CBSI Act 2012. It provides guidance on framework that LFIs must establish to manage complaints of their customers.

In what ways does PG.09 helps consumers

PG 9 helps consumers in the following ways:

- Cause the LFIs to establish complaints management framework to attend to consumer complaints
- Provide confidence to customers to lodge their complaints with the LFIs
- LFIs are obliged to investigate and resolved complaints of customers in a satisfactory manner

What is CBSI doing to ensure Banks are complying to PG.09 and how do you monitor the implementation of these guidelines?

As part of CBSI responsibilities, it has dedicated department, Financial System Regulation (FSR) which carries out offsite surveillance through reviewing PG 9 Prudential Returns which are compiled and

¹ This include commercial banks, credit institutions but soon will included other sectors

submitted by banks every quarter for unusual movements and overdue unresolved complaints. This is further enhanced with bilateral meetings and onsite examinations where issues that relate consumer complaints are discussed to ensure all complaints are resolved in a timely manner.

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