

**Bangladesh Bank Governor's Talk on**  
**“Protection of Consumer Rights in Banking and Financial Sector of Bangladesh”**  
**Organized by BIBM on 29 December, 2015**

Date : December 29, 2015  
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Venue : BIBM, Mirpur, Dhaka

Distinguished Chair, keynote speaker, designated discussants and attending banks' executives, faculty members of BIBM, a very good morning to you all.

A financial system can protect consumer rights if it can offer transparency, appropriate choices, redress mechanisms and privacy of consumer information. BB is relentlessly working on each front. It established a full pledged department named **Financial Integrity & Customer Services Department (FICSD)** to protect the interests of customers, improve banker-customer relationship and ensure the standard of customer services of the banks and financial institutions. Now any person/ customer can lodge complaints and ask any question to the FICSD through dialing 16236. Since the inception of Help Desk in 2011 to protect customers' interest, followed by subsequent transformations into Customers' Interest Protection Center (CIPC) and the latest formation of the FICSD, Bangladesh Bank (BB) has been receiving complaints from the masses regarding general banking, loans and advances, cards, mobile banking, local bills, foreign bills, bank guarantee, remittances, and so forth in both written form and over phone. The FICSD has recently published its annual report for 2014-2015 highlighting the praiseworthy job it did in the last year. It is an excellent document for knowing how BB quickly responds to the complaints of clients and solves these complaints to their satisfaction. In FY 2013, the department resolved 68.5% complaints, with adept settlements of 95.9% complaints in the following FY 2014. BB's strict adherence to the assurance of resolving customers' any grievances and complaints are sheer evident with its latest statistics of 100% complaints resolved in FY2015.



BB has also strengthened requirements for disclosing standardized, comparable pricing information on financial products. As a result, consumers have the scope to know simplified, adequate, and comparable information about the prices, terms and conditions, and inherent risks of financial products and services. Financial statements of all banks are now prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Reporting Standards (BFRS). All the time, we are very closely monitoring the true and fair view of annual reports of banks for ensuring availability of proper information for stakeholders. Privacy, confidentiality, data integrity, and data protection of client information is also well regulated and enforced in the banking sector, including the rapidly growing branchless banking sector. However, other segments – microfinance, insurance, and securities markets – may not have yet acceptable levels of confidentiality. I will urge them to take care of this issue.

Consumer consciousness is however of utmost importance to protect their rights. In this perspective, I would like to emphasize on two issues. One is financial literacy and the other is demand driven research. Bangladesh Bank firmly believes that financial knowledge is a key to protect consumers' rights. As a result, a diverse financial education initiative has been undertaken in a rigorous manner by BB across

the country. Creation of a dynamic and interactive web portal linked to BB website containing story books, games, videos, a calculator and informative writes up on different financial services; preparation of televisions commercials and radio broadcasting commercials; and awareness creating press layouts are included in this initiative. The recently concluded Banking Fair was one of the most successful Financial Literacy events of the banking sector. Thousands of consumers of financial services flocked in to the fair to know about their rights and various aspects of financial products. The interactive session between customers and CEOs of banks was the most fruitful engagement for customer interest protection. Additionally, BB has identified 'strengthening financial education initiatives' as an important core objective in its recently announced strategic plan for 2015-2019. A very specific action plan as well as timeline for reaching this purpose has also been outlined in this document. I also stress the need for some demand-driven research on what information would be most beneficial to Bangladeshi consumers and what would be the most effective way of communicating this information.

I am very much thankful indeed to Mr. Khondkar Ibrahim Khaled for contributing a very insightful paper on “ব্যাংকের সেবা শ্রদায়ক চরিত্র”. The paper mainly highlights on issues like customers' satisfaction, service charges, rate of profit and security of deposits. No doubt customers' satisfaction has increased manifold in the banking sector of Bangladesh because of growing positive mind set of banks' young and talented executives as well as IT based virtual banking. Among others, consumers do usually complain more on service charge. BB is always watchful on this issue and has directed all banks to bring service charge to a reasonable level and to inform central bank regarding the charge list. Consumers also do complain on banks profit/interest rate. In an open market economy, interest rate is being determined by banks. BB has no scope to intervene here directly. But initiatives like several refinancing schemes, loan from the foreign sources, and rebate for the good borrowers have already started to give results in this area.

Ladies and gentlemen, our movement towards customers' satisfaction is bringing more unbanked people under the umbrella of bank services. It helps us in achieving financial deepening, inclusion and stability in the financial system.

I congratulate the BIBM and CAB for this excellent initiative to discuss on Consumer **Rights in Banking and Financial Sector in Bangladesh**. I am confident that today's seminar would help generate new ideas we all can take back to our respective desk to help Bangladesh to move forward.

Thank you all for your patient attention.