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ПРОБЛЕМИ І ПЕРСПЕКТИВИ РОЗВИТКУ ФІНАНСОВО-КРЕДИТНОЇ СИСТЕМИ УКРАЇНИ

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ФІНАНСОВИЙ РИНОК В УМОВАХ ГЛОБАЛІЗАЦІЇ

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**PRINCIPLES OF THE ORGANIZATION
OF CONSUMER PROTECTION BY FINANCIAL
MARKETS SERVICES**

Consumer protection in general includes increased transparency and awareness of goods and services, foster competition in the market, fraud prevention, consumer education and the elimination of unfair practices.

The framework for protecting consumers in the field of financial services is developing as products become more complex, and more people rely on financial services. An effective consumer protection system includes three complementary aspects. First, it includes laws and regulations governing relationships between service providers and users and ensuring equity, transparency. Secondly, it requires effective mechanism of including dispute resolution. Thirdly, it includes promoting financial literacy and the ability to help financial service users acquire the knowledge and skills they need to manage them.

The development of the direction of protecting the rights of customers is precisely the financial sector that became especially relevant after the global economic crisis of 2007 - 2008. The global nature of the problem of protecting clients' rights in the financial market (banking, investment, insurance and non-banking sectors) has been reflected in the regulatory documents of different countries of the world. Thus, in

particular, in the banking sector, within the framework of the activities of international organizations, a number of documents have been developed: Guiding Principles for Regulatory Quality and Performance (2005), Best Practices for the Formal Exchange of Information Between Competition Authorities in Hard Core Cartel Investigations (2005), Best Practices for the Formal Exchange of Information Between Competition Authorities in Hard Core Cartel Investigations (2005) - Organisation for Economic Cooperation and Development Methods and Results (OECD); Basel Committee on Banking Supervision, Core Principles for Effective Banking Supervision (2002) - Bank for International Settlements (BIS); General Principles for International Remittance Services (2007) - World Bank; Directive concerning Unfair Business-to-Consumer Commercial Practices in the Internal Market, 2005/29/EC; Markets in Financial Instruments Directive/ Markets in Financial Instruments Regulation (MiFID I, MiFID II/ MiFIR – 2007, 2011) – European Union (EU). In addition, in each country, clients' rights in the banking sector are regulated by their internal regulations. Most current scholars around the world are researching key indicators of the security of banking customers based on the ten core principles developed by the Task Force on Financial Consumer Protection of the OECD Committee on Financial Markets (CMF), in close co-operation with the Financial Stability Board (FSB) and its Consultative Group, other international organizations and standard setters and consumer and industry associations, commissioned by the ministries of finance and central banks of the G20 countries in 2011. After these clarifications and adjustments, the principles have become similar (Table 1) .

Table 1. Key principles based on the protection of client rights in the financial sector

Title of the principle	Entity of the principle
Legal, Regulatory and Supervisory Framework	Financial consumer protection should become an integral part of the legal, regulatory and supervisory control adjustment state of the national peculiarities of organization of financial institutions (the variability of financial products and services, the variety and trends in the development of the client base of financial institutions, etc.).
Role of Oversight Bodies	In order to provide quality financial protection of clients' rights in the country it is necessary to operate one or more supervisors that meet the following criteria: clear responsibility and exercised appropriate management were operational independence, disposed of sufficient resources and opportunities would be a clear and transparent mechanism consistent regulatory processes. In addition, compliance with this principle also provides for cooperation between the competent organizations (both internally national and international) to improve conditions protecting the rights of clients.
Equitable and Fair Treatment of Consumers	The relationship between clients and financial service providers must be fair, equitable and transparent, taking into account the specific needs.
Disclosure and Transparency	At all stages of cooperation between the client and provider of financial services (the formation of promotional products to the conclusion of the agreement) the client must receive accurate, fair, understandable information; have the opportunity to get acquainted with the standardized form of the contract and compare all the advantages and disadvantages of the products and services offered by the organization. Recommendations for the client must be objective and meet his financial objectives.

Table Continued

<p>Financial Education and Awareness</p>	<p>Taking into account the national circumstances of the country's financial sector development, it is necessary to encourage people to engage in financial education within the framework of the strategy of further financial protection of clients. Financial education will be available through all available channels and methods from an early age. Moreover, it is the responsibility of the post-monitoring of the national map of the financial and literacy of the population.</p>
<p>Responsible Business Conduct of Financial Services Providers and Authorised Agents</p>	<p>Moreover, it is the responsibility of the post-monitoring of the national map of the financial and literacy of the population, for the sake of what I have to say about the nature of the world. In the event that there is still a conflict of interest, provide qualified assistance to minimize the negative risks that may appear. Employees in turn should be optimally motivated in order to provide customers with high quality products and services.</p>
<p>Protection of Consumer Assets against Fraud and Misuse</p>	<p>The established mechanism of protection of deposits and other financial assets must be carried out against fraud, misappropriation and other violations.</p>
<p>Protection of Consumer Data and Privacy</p>	<p>All data transmitted by clients to financial service providers must be protected not by one level of protection. All customers should be aware of any actions with their personal data, have constant free access to them.</p>
<p>Complaints Handling and Redress</p>	<p>The relevant jurisdictions should guarantee all customers the opportunity to file complaints and develop a mechanism to handle them and reimburse the losses incurred in a timely manner. All information regarding complaints filed, as well as the resolutions passed must be public.</p>
<p>Competition</p>	<p>All customers should be able to choose financial products and services on a competitive basis.</p>