



BANK OF MAURITIUS

Website: <https://www.bom.mu>

Communiqué

The Governor releases for Public Consultation the first-ever Report in Mauritius on Unfair Terms and Conditions in Banking Contracts

On 4 July 2012, the Bank of Mauritius announced that it was proposing to investigate into the terms and conditions of banking contracts, including fees and charges. The objective of this exercise was to gain an in-depth understanding of the terms and conditions governing contracts between a consumer and a financial institution and to help achieve better outcomes. A Task Force on Unfair Terms and Conditions in Banking Contracts was accordingly set up.

After a period of public consultation followed by in-depth analysis, extensive research and thorough discussions, the Task Force submitted its Report to the Bank for release as a Public Consultation Document. The Report entitled, **Banking Your Future: Towards a Fair & Inclusive Banking Sector**, was today released by the Governor at a Press Conference held at the Bank of Mauritius Tower. The Governor mentioned that far from being a bank-bashing or central bank-bashing exercise, the Report is a call on banks to partner with the Central Bank in its endeavor to bring a fair deal to everybody. He mentioned that beyond the balance sheet, banks needed to pay closer attention to the customers' interests. Echoing words from the Report, the Governor stated that while providing banking is a privilege, using banking is the right of every citizen. The Governor stated that the recommendations of the Report will be widely disseminated across the island.

The Chairperson of the Task Force, Mrs Sonali Sewraj-Reetoo, mentioned that the voice of customers had not gone unheard. Some grievances had even been reproduced verbatim in the Report to reflect the strong sense of dissatisfaction among users of banking services. She stated that the Report contains 100 Recommendations including the abolition of 19 fees and the review of 13 others. She invited all stakeholders to bring their contribution to the journey towards a fairer and more inclusive banking sector.

The Bank of Mauritius will be making policy decisions on the basis of the recommendations made, and is inviting comments from the public at large, non-governmental organisations, welfare associations, and banking and real sector operators, to enable it to take informed decisions. Comments may be submitted in person at the Bank of Mauritius, by email (sdg@bom.mu) or in writing to the Second Deputy Governor, Bank of Mauritius. Members of the Public will also have the opportunity of sharing their comments on the Bank's website (<https://www.bom.mu/>) and through social media networks.

To reach a wider public, the Governor announced the establishment of a new Task Force, under the Chairmanship of Mr Yvan Martial, to organise consultations in the country with different segments of the population including trade unions, pensioners and students.

The Governor took the opportunity of the Press Conference to announce some measures being examined at the Central Bank to spur savings of households in the country. He mentioned that it had come as quite some surprise to the Central Bank last month when some banks announced that they were reducing their savings deposit rate. The Bank of Mauritius and the Treasury are, accordingly, working on the issuance of short-term Bank of Mauritius Savings Certificates and 5-year Government of Mauritius Bonds which will be offered at attractive rates of return to households through participating banks and through the post office network. Further details will be communicated to the Public on these new savings products.

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