



PUBLIC CONSULTATION

Task Force on Unfair Terms and Conditions in Banking and related Financial Contracts

In line with its mandate to promote orderly and balanced economic development and ensure the stability of the financial system, the Bank of Mauritius endeavours to foster greater competition in the banking industry, enabling financial institutions to exercise more freedom in the business they pursue and the form of services they offer. Ideally, consumers should benefit from a wider choice of banking and financial products, enhanced efficiency in the delivery of services and better value for money.

There is growing evidence, however, from the increasing number and range of complaints addressed to the Bank of Mauritius that consumers either do not understand the full implications of the banking and related financial contracts they commit to, or do not have the correct information at the time they enter into these contracts, or may not be receiving a fair deal.

The Bank of Mauritius is committed to ensure that the best interests of consumers are protected, particularly in the wake of the global financial and economic crisis when consumer protection and financial access have become the subject of concern of central banks around the world.

In this context, the Bank of Mauritius is proposing to investigate into the terms and conditions of contracts, including fees, commission and charges. The objective of this exercise is 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.

The Bank of Mauritius is therefore inviting comments from the general public, including non-governmental organisations, welfare and consumer associations as well as banking and real sector operators, to contribute to the exercise.

On the basis of its findings, the Bank of Mauritius proposes to come up with a public consultation document that would encompass key areas that would have been identified for review.

Comments and proposals may be made by email on taskforce@bom.mu or in writing to the Chairperson, Task Force on Unfair Terms, Bank of Mauritius, P.O. Box 29, Port Louis. A dedicated help desk (☎ 202 3802 or 202 3907) has also been set up to assist members of the public who would wish to make comments in person. The Bank of Mauritius will receive comments and proposals until 31 August 2012.

A parallel exercise is being conducted jointly with the Mauritius Bankers Association to look into the simplification of language used in contracts. The conclusion of this joint endeavour will feed into the public consultation document.

The Bank of Mauritius wishes to reassure the public that all information provided will be treated in strict confidence and looks forward to a fruitful collaboration with all stakeholders.