



General recommendation

Recommendation No. 1/2011 (IV.29.) of the President of the Hungarian Financial Supervisory Authority: on the principles of consumer protection expected from financial organisations

I. The purpose and effect of this recommendation

The **general purpose of recommendations** issued by the Hungarian Financial Supervisory Authority (hereinafter HFSA) is to foster uniform application of legislation referred to the competence of the HFSA through improved predictability in terms of application of law. The recommendations issued by the HFSA lay down expectations to facilitate uniform application of law over and above the relevant provisions of law considered as a minimum requirement. Although these recommendations are not binding to financial organisations, the HFSA monitors compliance and alignment with the expectations laid down in the recommendations via its consumer protection proceedings and consumer protection monitoring activities. On evaluating financial organisations and formulating findings, the HFSA considers not only behaviour that deviates from the recommendation, but also adequate practical application of, and compliance with, the expectations set forth in the recommendation. However, the contents of the recommendation do not form a legal basis for imposing any consumer protection sanctions.

The purpose of this recommendation is to ensure that its expectations are efficiently incorporated in the day-to-day operation of financial organisations. Furthermore, that they become an integral part of the attitudes of their executives and administrators working in the consumer relations area, and, accordingly, become an integral element of all activities that impact consumers. Compliance with the expectations laid down in the recommendation helps preserve trust in the functioning of the financial system. Reinforcing this trust through adherence to the recommendations serves the objectives of financial organisations, the stability of financial markets and the fundamental interests of consumers.

In meeting the objectives, the responsibility mostly lies with those employees of financial organisations that provide services and with administrators, customer service and call centre staff that have direct commercial contact with consumers, as well as tied agents and other agents acting for financial organisations (hereinafter *acting administrators*); accordingly, the expectations set forth in the recommendation are particularly applicable to the activity of such persons and the services they provide. (From the perspective of applying this recommendation, independent intermediaries are judged to be *'acting administrators'*.)

The effect of this recommendation extends to the organisations and persons specified in section 4 of Act CLVIII of 2010 on the Hungarian Financial Supervisory Authority (hereinafter HFSA Act). As the recommendation is applicable to all actors in the financial

sectors that provide services to consumers, the principles of consumer protection set forth in general terms in this recommendation include expectations that may be interpreted in different ways for different services. The effect of this recommendation extends to the activities of each financial institution to which the principles are applicable. With respect to the fact that different legal requirements apply to each financial sector, the principles set forth in the recommendation are to be applied to the activities of the financial organisation in the given sector, provided that no more stringent requirements are applicable pursuant to any law.

Expectations pertaining to the announcement of this recommendation:

- to protect the interests of consumers who use retail services provided by financial organisations, and to provide financial services providers with principles that facilitate application of law and that go beyond the specific provisions of law;
- to promote compliance with the provisions of law pertaining to consumer rights and specifying behaviours to consumers, to provide correct information to service users;
- to enforce consumers' interests, and to avoid any subsequent legal disputes that may arise between the financial organisation and consumers;
- to reduce operational, reputation and legal risks;
- to promote stability, predictability and fair competition;
- to improve consumers' overall assessment of financial organisations.

II. Reason for issuing this recommendation

The asymmetry between highly organised, professional service providers and financially naive, powerless consumers can often be striking. The imbalance is further worsened by a complex and often complicated set of conditions, and – for certain product types – an opaque cost structure. This recommendation is intended to address this imbalance.

Systemic risks are inherent in consumer behaviour focused on momentary short-term benefits when selecting products, even if attention has been called to their imminent dangers. In the wake of the global financial crisis of 2008 the number of disappointed financial services consumers has significantly grown. The discontent had multiple sources: extremely adverse exchange rate fluctuations for foreign currency denominated loans, incomplete or unilateral information given by certain financial service providers, coupled to irresponsible consumer decisions resulting from financial illiteracy. Such phenomena and practices damage trust in financial organisations and the financial system. This trust is an essential element to the smooth operation of the financial intermediary system, and its erosion ultimately undermines the stability of financial markets.

In response to the crisis and the aforementioned trust issues, the HFSA's role in consumer protection was upgraded and the scope of its activity gradually expanded to intensify efforts aimed at developing the financial culture and fostering the fair behaviour of service providers.

The earlier regulatory tools of the HFSA (recommendations, CEO letters) directly or indirectly addressed individual aspects of consumer protection. This recommendation, on the one hand, sets forth integrated guidelines summarising the earlier regulatory tools, and, on the other, is intended to set further market-orienting consumer protection expectations by formulating additional harmonious principles that go beyond the current guidelines. The HFSA's former regulatory consumer protection tools remain in effect, and are listed in an

Appendix to this recommendation. In the event of differences between the provisions of this recommendation and any former regulatory tool, this recommendation prevails.

The HFSA intends to place financial consumer protection on a broader footing by incorporating institutional guarantees.

The HFSA pursues its consumer protection activities to foster the accountable and fair behaviour of service providers, and to promote prudent, responsible, consumer behaviour, which is a crucial factor in this bilateral responsibility. The HFSA considers increasing the knowledge and awareness of financial consumers as a key duty to be carried out using the available toolset.

On formulating expectations and recommendations, this document does not intend to refer to provisions of law, and considers those as known. In the event legislation should contain provisions that go beyond the expectations and recommendations, the HFSA will certainly continue to consider compliance with those as fundamental, and will include such in its proceedings, with respect to the comprehensive and cross-sectoral nature of this recommendation.

Compliance with the provisions of this recommendation by financial organisations or a deviating institutional practice does not influence ascertainability – by any competent authority – of infringement of law resulting from non-compliance with the relevant provisions of law.

III. General principles of consumer protection

1. For the purpose of this recommendation, **consumers** are natural persons using the services of financial organisations – for purposes other than their respective occupations and economic activities (e.g.: bank clients, members of a fund, the insured, the contracting party or beneficiary to an insurance contract), including natural persons being recipient of information, advertisement or offer concerning services or products of a financial organisation, as well as those applying for or inquiring about services (e.g. credit application), and those making contractual proposals to insurance companies.

In addition, for purposes of this recommendation, consumers are the natural person claimants entitled to an insurance company's services in case of mandatory motor liability insurance, and any other entitled natural persons (e.g. a claimant related to the deceased where death was caused by an insurance event).

2. The HFSA emphasises the importance of extra attention to be paid by financial organisations to service quality in the competition for satisfied consumers. Effective services call for an assumption of mutually responsible and prudent action not only by the financial organisations but also by consumers. The HFSA expects financial organisations – in compliance with the provisions of the law prohibiting unfair commercial practices to consumers – to consider **consumer behaviour** that involves **reasonably informed** action with duly expected caution and prudence as the basis.

3. The HFSA considers it best practice for financial organisations to pay extra attention to those **consumers with limited ability to represent their own interests**, such as minors, the elderly, the disabled and the seriously ill, as well as those that struggle with comprehension of complex terms and information. During personal interaction with consumers organisations

should consider the ability of each consumer to comprehend the information given, and, offer further assistance if a special need is either stated by the consumer, or if it is obvious that one exists. The HFSA therefore expects consumers to be informed and served accordingly when receiving financial services (e.g. first-time users of a product).

4. The HFSA considers it expected behaviour for financial organisations to carry out their activities as **responsible service providers** interested in a long-term and stable partnership based on mutual benefits. In doing so, they should pay particular attention to protecting consumer interests, and be committed to, in addition to complying with the provisions of law, compliance with the consumer protection requirements set forth in this recommendation and in other supervisory regulatory tools. This should apply not only in their internal business conduct but also in their dealings with consumers. Thus, they should seek to offer financial products and services that best suit the consumer's needs and match their ability to meet the assumed obligations, short and long-term. This should be done by assessing the consumer's actual needs, circumstances and financial knowledge.

IV. Increasing transparency, decreasing the asymmetry of information

1. The HFSA considers it best practice for financial organisations to use the **principle of transparency** as a primary consideration to improve the quality of financial decisions made by consumers. They should seek to stress comprehensibility, transparency and predictability, and to assure continuous access to clearly understandable, comprehensive information both in the pre-contracting phase and for the duration of the contractual relationship.

2. To address the **existing asymmetry of information and to help consumers make responsible decisions**, financial organisations should use all the tools and necessary information available to them – including benefits and drawbacks – to provide documented help to consumers concerning options of use, and the rights and obligations of the consumer related to the service in question.

3. The HFSA considers it important for financial organisations to recognise that in the course of giving correct information it can occur that too much, and too complex, information can be given to consumers. Often the volume and depth of such information could cause difficulties for those with average financial knowledge. Financial organisations should therefore seek to convey the **information necessary for consumers to make an informed financial decision in a readily understandable form, taking into account the consumer's interests and knowledge**.

4. When behaving as responsible service providers, financial organisations should seek not only to respond to questions asked by consumers, but also to remember their long-term interests, and to compile all the information necessary for the consumer to make a personalised, responsible and proactive financial decision.

5. Following on from above, the HFSA considers it expected behaviour of financial organisations to offer the possibility for consumers to **compare an institution's products** – provided the institution offers multiple variants of the given product with different conditions. Financial organisations are expected to verbally present the product and its features as comprehensively as possible, and, in written communications, to set out the key comparative features in chart-form or any other clear and easily understandable format. Organisations

should preferably avoid behaviour whereby they present their own product as the most favourable without evidence to support the claim (e.g. they should instead offer comparison with another service provider's product). Such behaviour carries the inherent risk of deceiving consumers.

6. The HFSA considers it best practice for financial organisations to call the attention of consumers both verbally and in writing to the **consumer protection website** of the HFSA, and the available information, product descriptions and internet based applications aiding product comparison (credit calculators, household budget calculation programs etc.). Financial organisations should also add on their home pages a link to the HFSA's consumer protection website. The HFSA considers it of critical importance that financial organisations cooperate as responsible service providers in making the HFSA's **consumer protection information publications** available. To facilitate this, financial organisations should present these publications in their customer service areas, and call attention to them.

7. In their communication with consumers, financial organisations should seek to avoid difficult-to-understand or ambiguous, non-descriptive information. On giving information about legislation, accurate references to the provisions of law relevant to the consumer should be explained, as well as a reason for their application in the given case. In the event of personal contact with the consumer, **written information should be complemented by matching verbal information**, and sufficient time should be allowed for its explanation. Verbal and written information should never be contradictory. Furthermore, financial organisations should consider information quality control and retrospective assessment of the information given by their administrators. The use of financial incentives for information givers should also be considered.

8. The HFSA considers it important for financial organisations to clearly define the **terms used** on selling financial services and products, **and to use them consistently** in their contractual documents, announcements and their product information.

9. The HFSA expects financial organisations to present both the **benefits** and the **risks** of financial products and services to consumers, preferably in a documented form. Organisations should also offer customers the opportunity to assess the offered product's terms, conditions and possible consequences. Preferably, financial organisations should offer, of products with similar conditions, **that which provides the most benefits and the least risk according to the demand described by the consumer**. If the consumer has not specified any such priorities, the financial organisation should preferably offer the least expensive and/or least risky product or service of products with similar conditions. They should also mention more expensive available products, which may offer more services and more advantageous conditions. Financial organisations are also expected to inform consumers properly of the **potential negative consequences of non-compliance with the contractual obligations**.

10. The HFSA considers it best practice that when financial organisations offer consumers **products with promotional conditions**, they should clearly describe the duration and benefits of the promotion in comparison with the standard, non-promotional products, and should precisely state the time span of such benefits, and – if they are quantifiable – the amount of actual saving or discount it represents for the consumer, and the applicable term. If conditions apply to the saving or discount, which may be laid down in legislation, the consumer should be provided – preferably personalised – information about those terms and conditions. The consumer's attention should be called to the terms and conditions applicable

to the **post-promotional period** and to more disadvantageous obligations and conditions in comparison with the promotional period, taking into consideration the long-term consumer interests. Commercial communication concerning the promotion used by the financial organisations should be aligned with the **duration of promotion** to ensure that no communication concerning the promotion takes place after the promotion is closed.

11. The HFSA considers it expected behaviour for the acting administrator of the financial organisation to **insist the consumer study the terms and conditions before signing them**. The financial organisation is to make sure that sufficient time is available to the consumer to read the terms and conditions and other documents, forms and declarations; they should also provide peaceful circumstances for the consumer to read the information, and provide answers to any questions.

12. Financial organisations should make sure that documents recording the **various consumer declarations** (e.g. declaration attesting to receiving information about the terms and conditions, declaration about the management of personal data, about information received about the central credit information system (KHR), declaration about consenting to receiving direct marketing offers, declaration about exploring risks and other legal declarations related to the contract) are **composed separately from each other, and are distinct from the product conditions and customer information**. Making various declarations on a single sheet complies with the expectations of the HFSA only if the consumer has the chance to indicate to which declarations they consent and to which they do not. The HFSA expects financial organisations to hand over one signed copy of the declaration to the consumer.

13. In order to retain consumers as customers in the long run, financial organisations should consider it as their goal to **provide their services at a consistent standard** at each phase of their commercial practice. To achieve this they should strive to be **cooperative, flexible and helpful** not only in the period of customer acquisition and contracting, but when handling problems and complaints arising during the contractual term and during the contract follow-up. Providing appropriate information, calculation and explanation is particularly expected in the event variable values change – for example, monthly instalments of foreign currency denominated credits. In such instances, specific respect should be paid to the causes and components of the changes. Financial organisations should apply this principle above and beyond compliance with their contractual obligations, **particularly** in cases **when the consumer reports payment difficulties**.

14. The HFSA considers it expected behaviour for financial organisations to **cooperate with consumers** when consumers **comply with their obligations**, and to support them in contractual performance – e.g. by timely mailing postal money orders, timely mailing letters of payment notice.

15. **When handling complaints received** from consumers – or the organisations or persons acting on their behalf –, financial organisations **should strive to give meaningful answers**, responding in full to each problem raised. Their decisions should be accompanied by accurate, understandable and clear reasons, **with additional supporting documents (i.e. other than those available as a condition of generally expected behaviour) attached**. The staff involved in handling complaints should preferably have deep and thorough professional knowledge, as well as the necessary interpersonal skills and abilities. The financial organisation should alert consumers to where and in what form complaint handling is available, and should aim to include this information on their website.

16. Financial organisations should consider – with respect to expected mutually advantageous agreements reached as a result of consumer disputes – making a binding **submission declaration** to the **Financial Arbitration Board** in individual cases initiated by consumers, whereby they agree to submit themselves to the proceeding of the arbitration board and to the resolution passed in such proceedings in the absence of an agreement, in order to ensure simple, fast, efficient and cost-saving enforcement of consumer rights. Moreover, they should also consider a **general submission declaration** to the Financial Arbitration Board for an efficient procedure of settling any legal disputes initiated against them. The financial organisations should ensure that a person in the Financial Arbitration Board holds **decision-making competence** and jurisdiction, thus.

V. Fair terms and conditions, transparent tariffs of fees and costs

1. When developing their terms and conditions, the HFSA expects financial organisations to translate the contractual rights and obligations of consumers and to apply the general requirement of **good faith and fairness** laid down in legislation. They should refrain from applying terms and conditions that are unilaterally and unjustifiably adverse to consumers.

2. Financial organisations should preferably develop products oriented to in house-defined target groups, and should aim to set **precise services, conditions and terms and conditions** for each target group's products.

3. Those financial organisations targeting a broad group of retail customers should preferably seek to provide access to **simple, understandable, low-risk products** specifically developed for consumers less familiar with financial matters. In personal contact with customers, if they have the opportunity and possibility to do so, they should try to map consumer knowledge in such a way that services align with consumer profiles.

4. The HFSA considers it best practice for financial organisations to draw up the **key financial parameters of the terms and conditions, as well as comprehensible and transparent**, preferably one-page, summaries and **extracts of the key terms and conditions** that clearly outline the **key elements of the contract**, emphasising the consumer's obligations. The summaries should note that the information does not fully contain all terms and conditions, and include a reference to the documents in which the consumer can obtain full, detailed information. The summaries and extracts should be prepared and printed in an easy to read style and font, (10-point as a minimum) and be given to consumers along with the terms and conditions.

5. The HFSA considers it important for financial organisations to define **fee and cost structures** that are **as simple and easy to follow for consumers as possible**. Preferably, **there should be no overlap between the legal titles of fees and costs**.

6. The HFSA expects that the definition of **fees and costs** should clearly reveal to consumers **what actual services provided** by the financial organisation **are covered**, and their names should clearly refer to the underlying service. Based on the **principle of equivalence of service and consideration**, it is expected that the services provided by financial organisations are proportionate with the fee or costs charged. The HFSA considers it best practice for

financial organisations to define fees and costs at a level not strikingly different to the value of the service.

7. The HFSA considers it important for financial organisations to determine the contents of fees and costs in a way that **precludes charging fees or costs for the same activity or service under various legal titles or names**. This is to avoid a scenario where the cumulative application of fees and costs result in a rate that is out of proportion with the service value.

8. The HFSA considers it best practice for financial organisations on defining the **fees and costs as a percentage** charged for non-performance or delayed performance of the consumer's contractual obligations – without prejudice to prudent operation – to seek to clearly define a **maximum limit amount**, thus avoiding fees and costs reaching an unrealistically high level out of proportion to the service.

9. Financial organisations should consider applying **clear, comprehensible and transparent pricing**, and to seek to set up products with variable interest rates for long-term products, and to widely apply **market-based reference interest rates and related fixed margins/surcharges**.

10. The HFSA considers it expected behaviour that financial organisations do **not limit the freedom to choose service providers**, neither directly or indirectly as laid down in the contract, nor through other technical tools. The terms and conditions should preferably set forth the accurate conditions and method of terminating the contract. The simplest method of settlement should be applied to contracts being terminated. In addition to the applicable procedure being laid down in legislation, the HFSA considers it important for financial organisations to ensure consumers' free choice of service providers.

VI. Consumer protection in the institution's system of operation

1. The HFSA considers it best practice for financial organisations to **set down their procedures in their internal regulations** bearing in mind the **principle of rules**, and in line with the legislation and expectations facilitating good practice. It follows that they should **require their acting administrators to comply with these regulations**, and, allowing for the discretion of the financial organisation, apply accountability when the acting administrators fail to comply with internal regulations. The financial organisations assume statutory liability for the behaviour of their acting administrators.

2. Pursuant to the provisions of sections 123.(2), 125.(3), 126.(2), 129.(2), 130.(2) and 132.(2) of the HFSA Act effective as of 1 January 2011, the financial organisations should appoint a **contact person responsible for consumer protection affairs, who is in charge of adequate adoption and application of legislative and supervisory expectations** in issues related to complaints handling, customer complaints and other issues affecting consumer protection vis-à-vis the HFSA – and within the institution. Financial organisations should report the identity of this contact person, as well as any changes thereto, in writing to the HFSA.

3. Financial organisations should strive to **comply with the recommendations on consumer protection** as early as **product development and process design** phases concerning services, terms and conditions.

4. The HFSA thinks it important for financial organisations to set up a system to monitor consumer satisfaction with **complaints handling**. Regular complaints assessment reports should be produced for the management bodies of financial organisations.

5. The HFSA expects financial organisations to provide **adequate** – preliminary preparatory and regular refreshment – **training** to their acting administrators, in order to ensure that they supply truly **useful, accurate and comprehensible information to consumers**. In addition to the conditions of products and services, training should also **include knowledge of consumer protection legislation and expectations**, and – within the latitude allowed by the discretion of the financial organisation – compliance with the relevant exam requirements should preferably be a prerequisite to further cooperation.

6. Financial organisations should consider methods to **measure the effectiveness** of the process of informing customers. To that end, they might hold regular random checks to see if the acting administrators inform consumers in line with legal and internal requirements as well as with the principles of consumer protection. Mystery shopping and consumer satisfaction assessments should also be employed and, if necessary, action taken to correct any deficiencies.

7. The HFSA considers it expected behaviour for financial organisations to **cooperate with** the HFSA and with other stakeholder institutions and organisations in the drive to **improve financial literacy**, and to support the HFSA's relevant activities in this sphere.

8. Financial organisations – reinforcing their behaviour as responsible service providers – should aim to **develop** up-to-date proprietary information leaflets, glossaries, household financial guidelines and calculators, to help **increase the financial awareness of consumers**. They should display these tools on their websites, and make them available in their branches and other client areas.

9. The HFSA considers it important to ensure that any education of consumers under **corporate social responsibility** programmes does not **directly involve the products and services of the financial organisation, i.e. such programmes are** not aimed at motivating direct sales, or at influencing consumers to use those products and services.

VII. Preparation for potential extraordinary events

1. For the purposes of applying this recommendation, the HFSA considers it best practice for financial organisations to regard as extraordinary events all unexpected events similar to **force majeure** in nature (natural disasters, epidemics, etc.) that impact a wide and distinct group of consumers, and that cause serious payment difficulties, making contractual performance impossible. These include cases where performance of consumers is objectively restricted to an unavoidably high extent or temporarily or fully excluded by a disaster.

2. The HFSA considers it best practice for financial organisations to regard **changed living circumstances** (e.g. unemployment, permanent illness) as extraordinary events if they unexpectedly and adversely influence consumers' – and their households' – capacity to bear burdens, and cause temporary or permanent payment difficulties. Financial organisations should seek – without prejudice to the principles of prudent operation – to respond as flexibly

as possible to the financial difficulties caused by such extraordinary events and act with due care and sensitivity when verifying such occurrences.

3. The HFSA considers it expected behaviour for financial organisations to define in their regulations the possibility of fair treatment of consumers affected by *acts of God*. In the course of this, financial organisations should fully take such extraordinary events into account on taking action related to the consumer's performance of contractual obligations – without prejudice to prudent operation. In order to implement a fair and **equitable procedure** they should act as responsible service providers, acknowledging the exposed situation of such consumers, and showing patience, if possible, within the framework of prudent operation.

4. The HFSA expects financial organisations to show understanding – particularly in case of long-term contracts – when destruction of or damage to assets used as contractual collateral was incurred in connection with *acts of God* and where termination of said contract would **result in a hopeless situation** for consumers.

5. The HFSA considers it best practice for financial organisations to incorporate **temporary workaround mechanisms** in long-term product contracts – within the limits set by prudent operation –, **which may offer temporary solutions to payment obligations** in unexpected – but highly probable – **temporary life situations** (temporary loss of job, long-term illness, loss of earning capacity). Financial organisations may apply this principle not only when setting up their own products but also when using the products of other financial organisations. In the latter case, it is recommended to create a **distinct product out of a combination of multiple products**.

6. Financial organisations should consider the possibility of developing in advance **meaningful workaround methods and action packages that** represent actual solutions pertaining to **rescheduling performance of consumer obligations or extending the term**, or otherwise helping struggling consumers hit by such extraordinary situations – bearing in mind the principles of prudent operation. The HFSA considers it best practice for financial organisations to offer **multiple potential workaround solutions** and to provide adequate information to consumers about their possible use.

7. The HFSA considers it important for financial organisations to strive to act **in cooperation with consumers** in case of financial difficulties resulting from life changing extraordinary events, and to **properly inform relevant** stakeholders. Within the limits of reason and sound business policy, **as many alternative solutions should be outlined as possible** when **modifying contracts** for consumers suffering hardships.

8. When setting the conditions of bridging arrangements, financial organisations should note that any potential indemnification payments by the party that caused the loss or any indemnities received from the government **may improve** the consumer's repayment ability and thus any rescheduling or other changes to the customer's obligations should be made accordingly.

9. The HFSA recommends that financial organisations prepare for managing extraordinary events in advance, preferably when developing their internal procedures, and **build safeguards** against them in a way that **represents adequate protection** to both the organisation and consumers.

10. In their internal procedures, financial organisations should be **prepared** in advance for a potential need for extra efforts with complaints handling and customer service, as a result of a potential **extraordinary situation due to an increased number of customers** (e.g. with a regrouping plan).

VIII. Closing provisions

This recommendation is a regulatory tool issued pursuant to section 21. c) of the HFSA Act. The contents of the recommendation issued by the President of the HFSA reflects set forth in the statutes, the principles, methods, market standards and customs recommended based on the HFSA's legal practice. The HFSA stresses that financial organisations may incorporate the contents of this recommendation in their regulations. Should that be the case the financial organisation shall be entitled to indicate that the concerned regulation corresponds to the relevant number of recommendation issued by the HFSA. If the financial organisation intends to adopt certain parts of the recommendation only, they should avoid reference to the recommendation, or should only apply it for the parts adopted from the recommendation.

Appendix:

Recommendations issued earlier by the HFSA concerning consumer protection, in particular, but not exclusively (the number and title of the recommendation indicated):

Concerning all financial organisations

- 1/2009 on Internet security risks
- 15/2001 on information to be provided to consumers by financial organisations
- 14/2001 on customer service activities of financial organisations
- 4/2008 on the prevention of abuses related to the activities of intermediaries, on the audit of intermediaries, on issues of money-management and documentation

Concerning the money market

- 9/2006 on the principles of retail crediting provision of preliminary advice to clients and consumer protection
- 7/2006 on increasing the effectiveness of credit risk management

Concerning the capital market

- 1/2006 on the principles applicable in the course of informing clients using investment (asset) management services
- 4/2006 on the presentation of the performance of portfolio managers, and on the expectations about the related disclosures
- 3/2006 on the calculation of returns and reference returns
- 1/2007 on proper real estate fund management
- 2/2007 on custodianship

Concerning the insurance market

- 5/2001 on developing and applying insurance companies' general terms and conditions
- 6/2006 on the rules of returning the surplus-yield
- 8/2006 on the terms and conditions for the settlement of claims based on compulsory motor liability insurance and the related management of compulsory motor liability insurance contracts

CEO letters issued earlier by the HFSA concerning consumer protection in particular, but not exclusively (the number and title of the letters indicated):

Concerning all financial organisations

- 2/2011 on the duties of contact persons in charge of consumer protection affairs
- 13/2009 on the changes of legislation affecting the Supervision's complaints handling procedure, coming into effect on 1 January 2010

Concerning the money market

- 1/2011 to credit institutions on converting Swiss franc denominated retail foreign currency credits to euro denominated foreign currency credits
- 7/2010 on administration related to the management of mortgage loans of claimants who live in territories affected by the red sludge disaster

Concerning the capital market

- 2/2009 to Investment Fund Managers managing Real Estate Funds and to those managing Investment Funds that invest in Real Estate Funds
- 7/2008 about the principles applicable during the conversion of open-end property investment funds to closed-end property investment funds

Concerning the insurance market

- 5/2010 on Supervisory expectations pertaining to the announcement of premium tariffs for mandatory motor liability insurances
- 2/2007 for the Chief Executive Officers of independent insurance intermediaries dealing with motor third party liability insurance
- 3/2007 For the Chief Executive Officers of insurance companies selling savings type life insurance and for the Chief Executive Officers of independent insurance intermediaries
- 11/2007 about the contents and certain formal requirements of the insured person's consent that provides a legal basis for the insurer's handling their health-related data
- 1/2008 For the chief executive officers of insurance companies selling motor liability insurance products

Concerning the Funds market

- 6/2010 on the procedures related to establishing guaranteed returns of private pension funds
- 3/2010 on fund membership recruitment and communication with members
- 5/2009 on the Contents of the Information to be Provided by Pension Funds to their Members