



GUIDELINE 3

PROTECTION OF CONSUMER ASSETS AGAINST FRAUD, SCAMS AND MISUSE

February 2024

Disclaimer

This Guideline does not constitute legal advice. Financial Service Providers (FSPs) are encouraged to seek professional advice on how the requirements could be implemented within each institutions. FSPs are responsible for determining the extent of each obligation. Any examples in this Guideline are purely for illustration; they are not exhaustive and are not intended to impose or imply particular rules or requirements.



GUIDELINE ON THE PROTECTION OF CONSUMER ASSETS AGAINST FRAUD, SCAMS AND MISUSE

A. Introduction

1. Pursuant to Section 5.3 of the *Financial Sector Development Policy Statement No. 3 on the Policy for the Protection and Fair Treatment of Financial Consumers* ('Policy'), the following Guideline is issued to ensure that balanced rules are in place for the protection of consumer assets against fraud, scams and misuse.
2. This Guideline is intended to provide the minimum standards only to assist FSPs comply with Principle 3 of the Policy on the Protection of Consumer Assets against Fraud, Scams and Misuse.
3. The Guideline applies to all FSPs defined in the Policy.
4. The terms and expressions used in the Guideline have the same meaning as those expressed in the Policy, unless stated otherwise.
5. This Guideline will be reviewed every 3 years from the implementation period, or whenever necessary.

B. Requirements of the Guideline

6. FSPs play a crucial role in safeguarding consumer assets against fraud, scams, and misuse and must take all reasonable steps to ensure consumer assets safety.
7. In implementing this Guideline FSPs should take the following actions:
 - a) **Regulatory Compliance:** Adhere to robust legal and regulatory standards. These frameworks serve as essential Guidelines, ensuring that FSPs protect its customers and remain accountable for their actions;
 - b) **Collaboration with Regulatory Bodies:** Actively collaborate with regulatory bodies to ensure effective supervision and enforcement. By working closely with these oversight entities, FSPs can maintain compliance, protect customer interests, and uphold industry standards;
 - c) **Advancing Financial Inclusion:** Promote financial inclusion by offering accessible services to all consumers, irrespective of their background or financial literacy. This commitment ensures that vulnerable populations are not left unprotected;

- d) **Educating Consumers on Financial Safety:** Actively educate consumers about financial risks, safe practices, and red flags for scams. Regular awareness campaigns empower consumers to make informed decisions, protecting their assets and privacy;
- e) **Equitable Treatment:** Treat all consumers fairly, without discrimination. Transparent pricing, clear terms, and ethical behaviour are essential in building trust with consumers. By ensuring equal access and unbiased treatment, FSPs contribute to a more inclusive and trustworthy financial ecosystem;
- f) **Ensure Transparent Communication:** Clearly communicate information about their products, fees, and associated risks to customers. It is essential that consumers fully understand what they are signing up for, enabling them to make informed decisions;
- g) **Create Dependable Financial Products:** Develop and offer reliable, well-designed financial products. Rigorous due diligence ensures that these products effectively meet consumer needs and provide value. By prioritizing quality and thorough assessment, FSPs contribute to a safer and more beneficial financial landscape for consumers;
- h) **Cultivate a Culture of Integrity:** Foster a culture of integrity within their institutions. They must maintain zero tolerance for unethical behaviour that jeopardizes the safety of consumer assets, including their data and privacy. By promoting ethical conduct and implementing robust internal controls, FSPs can effectively prevent fraud and misconduct;
- i) **Strengthen Security Measures:** Implement robust security measures to safeguard against unauthorized access, identity theft, and fraudulent transactions. By fortifying their systems and protocols, FSPs enhance customer trust and protect valuable assets;
- j) **Efficient communication:** In case of any fraud, FSPs are to inform affected customers as soon as practical on any fraudulent activity that occurs on their account;
- k) **Protect Customer Data and Privacy:** Safeguard customer data by employing encryption, ensuring secure storage practices, and enforcing strict access controls. Additionally, FSPs must maintain transparent privacy policies to build trust with consumers and uphold their privacy rights;
- l) **Streamline Complaint Resolution:** Investigate all reports promptly and take appropriate action. Establish efficient complaint resolution mechanisms. Customers deserve a clear path to seek redress for any grievances they may have. By promptly

addressing complaints, FSPs demonstrate commitment to customer satisfaction and accountability.

m) **Liability from fraud:** FSPs are to assume liability for any damages resulting from fraud, scams or misuse of consumer assets caused by FSPs' representatives or through systemic malfunction.

8. By adhering to this Guideline, FSPs can enhance customer trust, promote financial inclusion, and contribute to overall financial system resilience.

Reserve Bank of Fiji
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