

Financial Dispute Any Way Out?

Mediate.
Arbitrate. Resolve.

The financial world is constantly changing, and monetary disputes are inevitable. Resolving disputes through litigation can be time-consuming and costly, and the outcome is often unpredictable. If you have a monetary dispute with a financial institution, why not consider a more effective and efficient path to resolve your monetary disputes other than litigation?

The **Financial Dispute Resolution Centre** (FDRC) is a non-profit making organisation. It receives support from the HKSAR Government, the Hong Kong Monetary Authority and the Securities and Futures Commission and offers individuals, sole proprietors, or small enterprises an efficient and cost-effective solution to resolve financial disputes primarily through a “Mediation First, Arbitration Next” approach.

An Easier Approach on an Impartial Platform

When you seek mediation to resolve your disputes, the FDRC will arrange a professional mediator to assist the parties to discuss and to explore settlement, without complicated legal documents and litigation.

Mediation is a voluntary and autonomous process. As an independent third party, the FDRC facilitates the disputing parties to understand their rights and provides a neutral platform for effective negotiation.

Even if mediation fails, both parties may consider proceeding to arbitration. In that case, an independent arbitrator would be engaged. A final and legally binding arbitral award is to be delivered.



Eligible Claimants (under FDRS)

In accordance with FDRC's Terms of Reference (effective from Jan 2018), an Eligible Claimant (EC) under the Financial Dispute Resolution Scheme (“FDRS”) that FDRC administers is an individual, a sole proprietor or a small enterprise (SE) who/which:

- had/has customer relationship with a member of FDRS; or
- has been rendered any financial services by any member of FDRS.

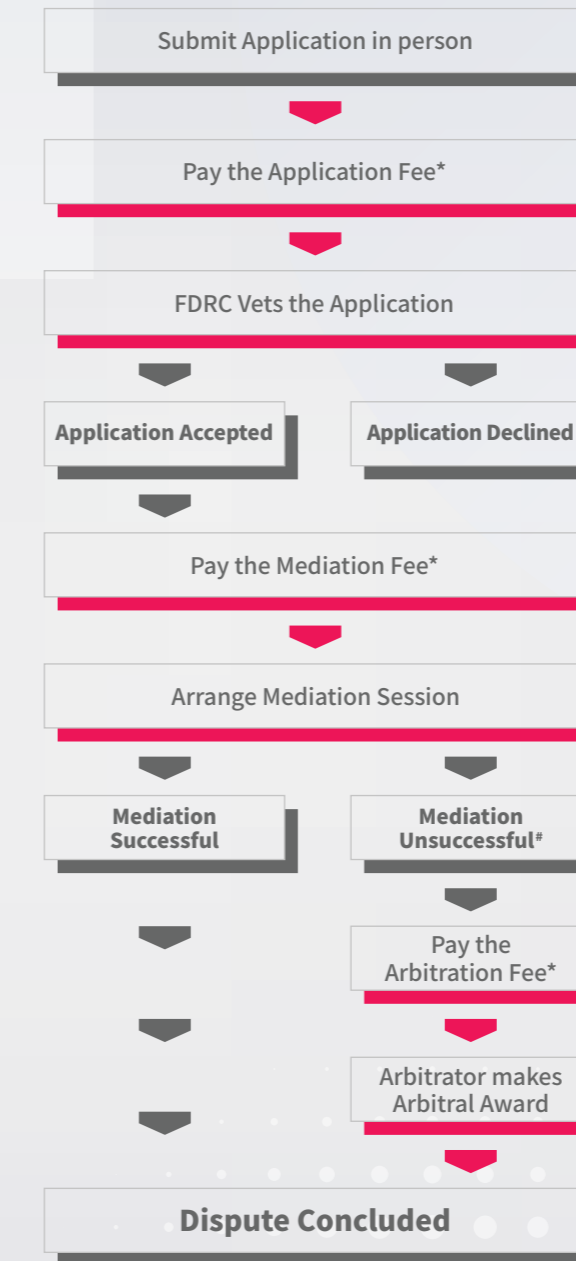
Eligible Dispute (under FDRS)

- Involves an EC and a financial institution (FI) which is a member of FDRS;
- Is of monetary nature;
- The dispute must arise out of a contract between the EC and the FI that was entered into or arose in Hong Kong, or any act or omission of the FI in connection with the provision of a financial service to an EC or where the FI acted as an agent.
- The claim may be up to HK\$1,000,000 and within the 24 months limitation period from the date on which the claimant first had knowledge of his/her loss (Standard Eligible Dispute).
- Subject to the parties' consent, the FDRC may handle cases with a claim exceeding HK\$1,000,000 and/or beyond the 24 months limitations period (Extended Eligible Dispute).

* For more details, please refer to the FDRS Guidelines on Intake Criteria of Cases on FDRC website.



FDRS General Procedure



* All fees are non-refundable. Please visit the FDRC website for the Schedule of Fees.
The Claimant may decide to proceed to Arbitration.

Case Study: A Guide to a Win-win Settlement

Mr. Tong, a 60-year-old businessman of cross-border trading, was a loyal customer of Bank C. Seeking a high-yield investment plan, he purchased an eight-year investment-linked insurance plan from the bank, mistakenly believing it to be a three-year plan.

When he knew more about the insurance plan, he felt cheated and complained that the bank had given him misleading advice, conducted an inappropriate procedure, and intentionally delayed the handling of his complaints. He filed an application with the FDRC, which was accepted.

During the mediation session arranged by the FDRC, the mediator helped Mr. Tong and the bank to identify the core issues, move beyond emotional and procedural arguments, and focus on finding solutions. In the end, the bank addressed Mr. Tong's financial needs by offering him a flexible financial arrangement. Both parties accepted the proposal, bringing the dispute to an end.

This case demonstrates that even in seemingly deadlocked situations, FDRC's mediation could help both sides reach a consensus.

(This case above is based on an actual FDRC case. Names and parties have been altered for privacy and confidentiality reasons.)

Contact FDRC

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