

# Consumer Protection Principles

## Saudi Arabian Monetary Authority

### **Principle 1:** Fair and Equitable Treatment

Finance companies should treat consumers fairly and equitably during all stages of the relationship between them, and meet the obligations under the finance laws and their implementing regulations and other relevant instructions issued by SAMA. They should also apply the best practices followed internationally to safeguard consumers' rights and meet obligations as this should be an integral part of the company's culture and a major element in designing and developing financing products and services. In addition, finance companies should exert due diligence and pay special attention to consumers with low income and education, the elderly, special need individuals of both genders by offering financing products and services meeting their needs and providing appropriate services at low cost.

### **Principle 2:** Disclosure and Transparency

Finance companies should update the information of the financing products and services offered to consumers; it should be clear, concise, easy to understand, accurate, not misleading, and easy to access, especially the conditions and main features thereof. This should include a description of the rights and responsibilities of each party and details of prices and commissions charged by the finance company, fines, risks and the mechanism of terminating the business relationship and the consequences thereof. Furthermore, they should provide information about the alternative financing products and services offered by them.

### **Principle 3:** Financial Education and Awareness

Finance companies should work on spreading financial culture, developing the skills of the current and future consumers on how to obtain financing products and services appropriate for their needs, raising their level of awareness, enabling them to understand major risks and helping them to make informed and effective decisions, and directing them to the entity concerned to obtain information if needed.

### **Principle 4:** Business Ethics and Conducts

Finance companies should conduct business professionally and responsibly, provide their services honestly and transparently, perform their duties timely and with high quality in a way that serves the consumers' interest during all transaction process made between them, as finance companies are considered primarily responsible for the protection of consumers' financing interests.

### **Principle 5:** Protection against Fraudulence

Finance companies should implement the maximum level of supervisory measures and security procedures to follow up financing processes, protect them against fraud or illegitimate use through using clear procedures and electronic systems that enable them to achieve this goal.

### **Principle 6:** Protecting Privacy of Information

Finance companies should protect consumers' financial and personal information, safeguard its privacy, not use it except for specified professional and regulatory purposes with the consumer's approval, and should not disclose it to any third party without SAMA's permission

### **Principle 7:** Complaint Settlement

Finance companies should have in place an appropriate mechanism easy for consumers to submit their complaints. It should be fair, clear and effective through which complaints are followed up and resolved without delay in accordance with SAMA's relevant instructions.

### **Principle 8:** Competition

Finance companies should help consumers search for and compare the best services and products, and their prices and providers by providing and publishing appropriate information about these services which will assist consumers take appropriate decisions.

### **Principle 9:** Outsourcing

Finance companies should ensure that the outsourcing entities assigned with tasks comply with the requirements of these principles, serve consumers' interests and bear the responsibility for protecting them. Finance companies are not exempted from responsibility if the outsourced service provider fails to comply with applicable rules and regulations in any of the transactions or tasks assigned to it pursuant to Article (37) of the implementing regulations of the Finance Company Control Law.

### **Principle 10:** Conflict of Interests

Finance companies should establish written policies on conflict of interests. They should ensure the implementation and existence of policies that help in identifying transactions that are likely to be a source of conflict of interests. If a conflict of interest is likely to occur between the finance company and any other party, the finance company should inform the consumer of these cases

### **Principle 11:** Adequate Resources

Finance companies should exercise due diligence to provide human and operational resources that are sufficient and necessary to carry out their business, serve their consumers in all regions of the Kingdom and establish centers suitable for serving consumers and various channels for communicating with them.