

Proposal
Training on Financial Consumer Protection of Uzbek Group
May 13-16, 2013

1. Context:

In development of any nation or economy financial services plays key role and the growth of the financial sector largely depends upon confidence of users/consumers in their fairness, transparency, accountability, responsiveness, accessibility and adaptability. The need for consumer protection arises from an imbalance of power, information and resources between consumers and their financial service providers. The recent global financial crisis has highlighted the importance of consumer protection in the financial sector.

2. Why CUTS:

Consumer Unity & Trust Society (CUTS), established in 1983 is a leading research, advocacy, training and networking social action group in India working at the grass root, regional, national and international levels by pursuing social justice and economic equity within and across borders. It has spread its operation in more than 20 countries through its four overseas centres.

CUTS is at the forefront of the Indian consumer movement and much of its success is on account of developing and sustaining the consumer movement from the grassroots level to international level. CUTS has a network of more than 1000 of organisations all over India and abroad. It is also part of CSOs associations and is serving on various policy making bodies in Government like Central Consumer Protection Council; Central Electricity Regulation Commission; Telecom Regulatory Authority of India etc. At the international level it is affiliated with International Centre for Trade & Sustainable Development, Geneva; UNCTAD; UNEP; CIVICUS (UK); Consumer International; UN Commission on Sustainable Development; Consumer Choice Council, Washington DC; ICTSD; SAWTEE, Nepal etc.

CUTS has rich experience in working on consumer protection issues, including financial sector and regulatory issues. CUTS has been part various international campaigns on Financial Consumer Protection. CUTS being an Investor Association registered with The Securities and Exchange Board of India (SEBI) is representing consumers' interests in financial services coming under preview of SEBI. CUTS has conducted more than 100 programs for awareness of consumers in finance sector. CUTS implemented a project on Investor Education and Protection in Rajasthan with financial support by Ministry of Corporate Affairs. Presently CUTS jointly with other consumer organisations across the world is campaigning with the G20 heads of nations to push the financial consumer protection to the top of G20 agenda to ensure



that the worldwide financial crisis is never repeated and the consumers of financial services will be adequately protected.

Some of the highlights of the CUTS work on FCP is given below:

- Based on the in-house research and submission of the findings to the Reserve Bank of India (RBI) on issues related to credit cards by CUTS International (India), a code of conduct was evolved by the Indian Banks Association (IBA) as requested by the RBI, and a working group was set up by RBI for evolving a regulatory mechanism.
- CUTS International (India) campaigned with the Banks for the implementation of the Reserve Bank of India (RBI) order asking the banks to clear the local cheques within a day and of outstation cheques within 14 days based on the August 2008 order by the National Consumer Disputes Redressal Commission under the Consumer Protection Act and monitored the implementation.
- The key findings of the survey conducted by CUTS in 15 districts of Rajasthan in March 2010 in connection with the World Consumer Rights Day on the theme 'Our Money, Our Rights' become an effective tool for advocacy with the financial service providers.
- In the CUTS submission to the Finance Minister of India on the occasion of the Pre-budget Consultation on January 17, 2012, CUTS requested Finance Ministry to take stock of the existing financial consumer protection measures and establish institutions or strengthen existing ones, simultaneously networking with similar institutions elsewhere to provide higher standards of consumer protection to financial consumers.
- In May 2012 CUTS prepared and submitted an outline of Financial Consumer Protection to the Ministry of Finance and to the Financial Sector Legislative Reforms Commission (FSLRC) set up by the Government of India, Ministry of Finance, to review and rewrite the legal-institutional architecture of the Indian financial sector. Many issues highlighted by CUTS in the outline of the Act, become part of the Approach Paper released by the Commission on October 1, 2012.

CUTS work on financial consumer protection, including articles and media clippings can be seen at:

http://www.cuts-international.org/cart/Financial_Consumer_protection.htm

3. Broad Agenda of the Training

It will cover following issues in 4 days. Main resource persons will be from CUTS, supported by external experts for the sessions.

Apart from following technical sessions, there will exposure visit for participants so that they can see the actual working of the consumer protection system and discuss with key stakeholders.

Day 1

1. Introduction and expectations of participants
2. Overview of Indian consumer Movement
3. Working of consumer organisations
4. Overview of Consumer protection system

Day 2

5. Frequently occurring problems to consumers in financial services
6. Need of education and protection of consumers in financial services
7. Laws to protect interest of consumers, mainly in financial sector
8. Visit to RBI Banking ombudsman office
9. Visit to CUTS & NABARD.

Day 3:

- Initiatives for financial inclusion and literacy
- Financial sector Regulatory Agencies and their role
- Important Regulations to protect the interests of consumers
- Available formal and informal grievances redressal mechanisms and the processes involved.

Day 4:

Field visit to meet and interact with few Self-help groups (SHGs) (Microfinance institutions/groups) to know their working.