

## **MEDIA STATEMENT**

6 July 2012

IMMEDIATE RELEASE

### **THE ASSOCIATION OF BANKS IN SINGAPORE (ABS) RESPONDS TO MAS RELEASE OF RESULTS OF MYSTERY SHOPPING SURVEY CONDUCTED ON FINANCIAL ADVISORY PROCESS OF BANKS AND INSURERS**

6 July 2012, Singapore – ABS has today issued a Media Statement in response to the release of results of the mystery shopping survey conducted by MAS.

The industry takes a serious view of the feedback provided by the MAS mystery shopping survey. Individual banks concerned will look into the findings and take the necessary steps to further strengthen areas highlighted in the survey once the detailed results and recommendations are released to the individual banks. Our member banks are committed to ensuring that fact-finding / risk profiling are practised by every Relationship Manager (RM) during the sales process in accordance with the MAS Fair Dealing Guidelines.

We note that the survey focused on the “initial discovery of the sales” process which did not result in a sales outcome. We assure consumers that in the end-to-end sales process, banks have already put in place a rigorous and structured sales process under the provisions of the Financial Advisers Act and the MAS Fair Dealing Guidelines. These provisions will give customers protection through the inclusion of a free-look period for the sale of insurance and investment products.

Processes are also in place to ensure that vulnerable customers are given protection. For example, a supervisor of the RM is required to make a follow-up call to a vulnerable customer to ascertain that he / she has been given suitable financial advice.

ABS will be conducting regular mystery shopping surveys on our member banks. This will bring the consistency and quality of financial advice for the industry to a higher level.

Consumers should also be empowered through greater awareness of their consumer rights and responsibilities, such as appropriate questions to ask the RM during the sales process. As such, ABS will collaborate with MoneySENSE in stepping up consumers’ awareness of these rights and responsibilities in the sale of investment products.

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**About The Association of Banks in Singapore:**

The Association of Banks in Singapore (ABS) plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today, ABS has a membership of 142 local and foreign banks. Further information on ABS is available on the website: [www.abs.org.sg](http://www.abs.org.sg).