

RESERVE BANK OF FIJI



PRESS RELEASE

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RESERVE BANK CONSULTS WITH THE BANKS

The Governor of the Reserve Bank, Mr Sada Reddy, met with all the banks individually on Wednesday 22nd April to discuss a number of issues. He thanked the banks for the positive response to all the policies announced by the Reserve Bank of Fiji last week. Except for a few minor technical issues all the banks have assured the Governor that they will do all in their power to assist in stabilizing the economy and review their policies where possible to grow the economy and encourage investment.

Mr Reddy noted that the banks are an indispensable agent of economic growth and without their support the Reserve Bank of Fiji and Government will not be able to implement financial policies. In this regard, Mr Reddy said the banks had played an important and pivotal role over the last century or so in Fiji's economy. He, however, explained that as we move forward the banks will have to actively review their policies and procedures so that these are in sync with the long term growth strategies of government and the Reserve Bank of Fiji.

The banks have generally agreed to the following:

- 1) Implementation of Micro-finance policies
- 2) Explore the possibility of appointing local advisory boards
- 3) Set up customer complaints processes in line with guidelines issued by the Reserve Bank of Fiji
- 4) More stringently apply the RBF's guidelines on high priority and low priority sectors

On Customer Complaints Processes, Mr Reddy explained that after consultations with the Government it has been agreed to discard the proposals to set up a Financial Services Commission and Banking Ombudsman.

In its place the Reserve Bank will immediately set up a Financial Institutions Complaints Unit at the Reserve Bank. In turn, each bank, credit institution, FNPF, FDB and insurance companies will have dedicated staff at each branch to receive customer complaints.

The Reserve Bank will co-ordinate and monitor the Complaints Register of each financial institution to ensure that timely action is taken to resolve complaints. If complaints are of a legal nature the parties will be informed accordingly.

The Reserve Bank will also pro-actively engage with the banks on any future increases in fees and charges so that there is full justification for any increase.

Mr Reddy once again thanked the banks for the discussion in a cordial and constructive manner. He especially paid tribute to ANZ for their Rural Banking initiatives which has become an international model.

Reserve Bank of Fiji