

# Comparison of Legal Consideration of Financial ADR Systems

- Mainly on systems for Korea, the UK and Australia -

Nobuhiko Sugiura<sup>i</sup>, Heeseok Seo<sup>ii</sup>, Mamiko Yokoi<sup>iii</sup>

## Abstract

The number of complicated financial products is increasing due to the development of the liberalization of financial services and Information Technology. The possibility that a person will face risky financial products and investments is also increasing, due to the low interest monetary policy, the end of fully guaranteed bank savings deposits and the expansion of the sales counters of financial products.

This contributes to the activation of the money market in Japan, however the number of complaints and disputes between financial institutions and their customers are increasing these days.

Under such conditions, the subject of the concrete manners of utilization for the dispute management (solution) system is currently discussed through direct communications between financial institutions and consumers in the Financial Complaint Adjustment Council in the Financial Services Agency. This movement is backed by the flow of the judicial reform in the Government, particularly the establishment of “The Arbitration Act” (2003) and “The law about the promotion of the use of alternative dispute resolution (ADR) system”(2004).

For the purpose of providing references for the discussion of the Financial ADR system in Japan, this article is going to provide detailed information regarding Financial ADR systems in the U.K and Australia, which have various experiences in this area, and the ADR system in Korea, which maintains a number of official Financial ADR systems for financial transactions, with comparison and analysis of these schemes in these three countries.

---

<sup>i</sup> Research Fellow at the Financial Research and Training Center, Financial Services Agency

<sup>ii</sup> Associate Research Fellow at the Financial Research and Training Center, Financial Services Agency

<sup>iii</sup> Lecturer in International Finance Law at Queen Mary, University of London