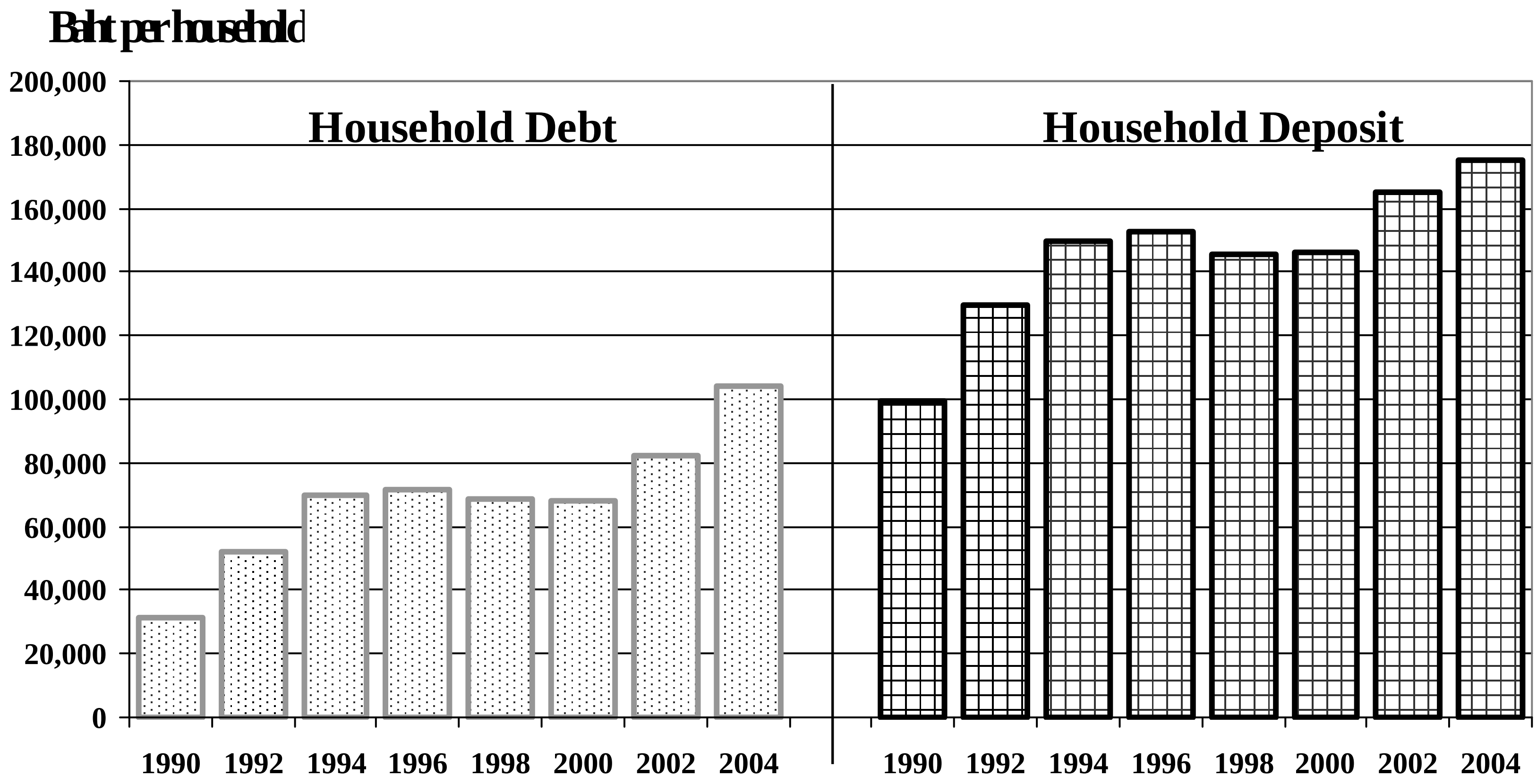
Household Financial Services

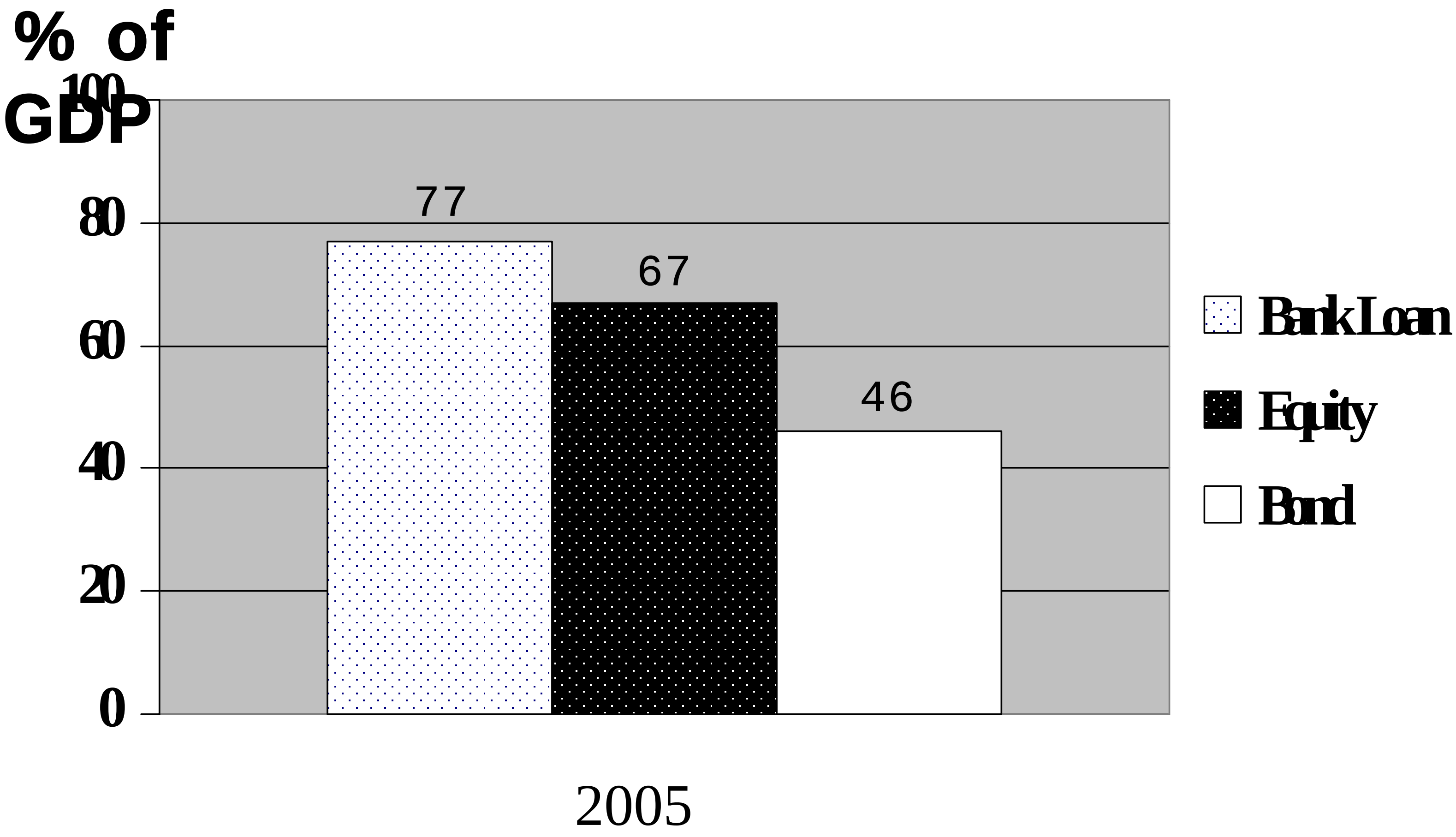
Products, Supervision & Consumer Protection

Thailand Experiences

Financial Liabilities and Assets of the Household Sector

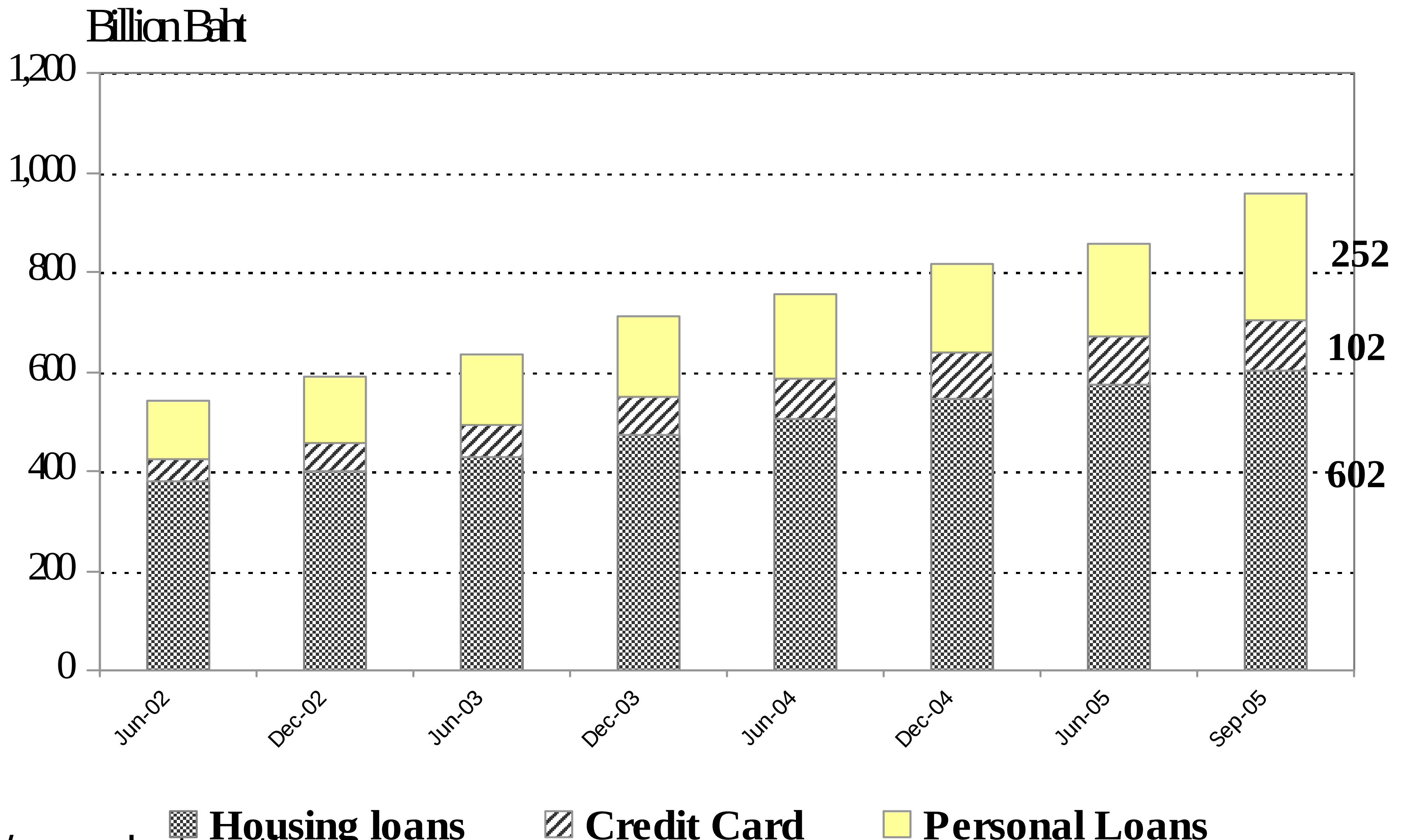


Financial Liabilities and Assets of the Household Sector



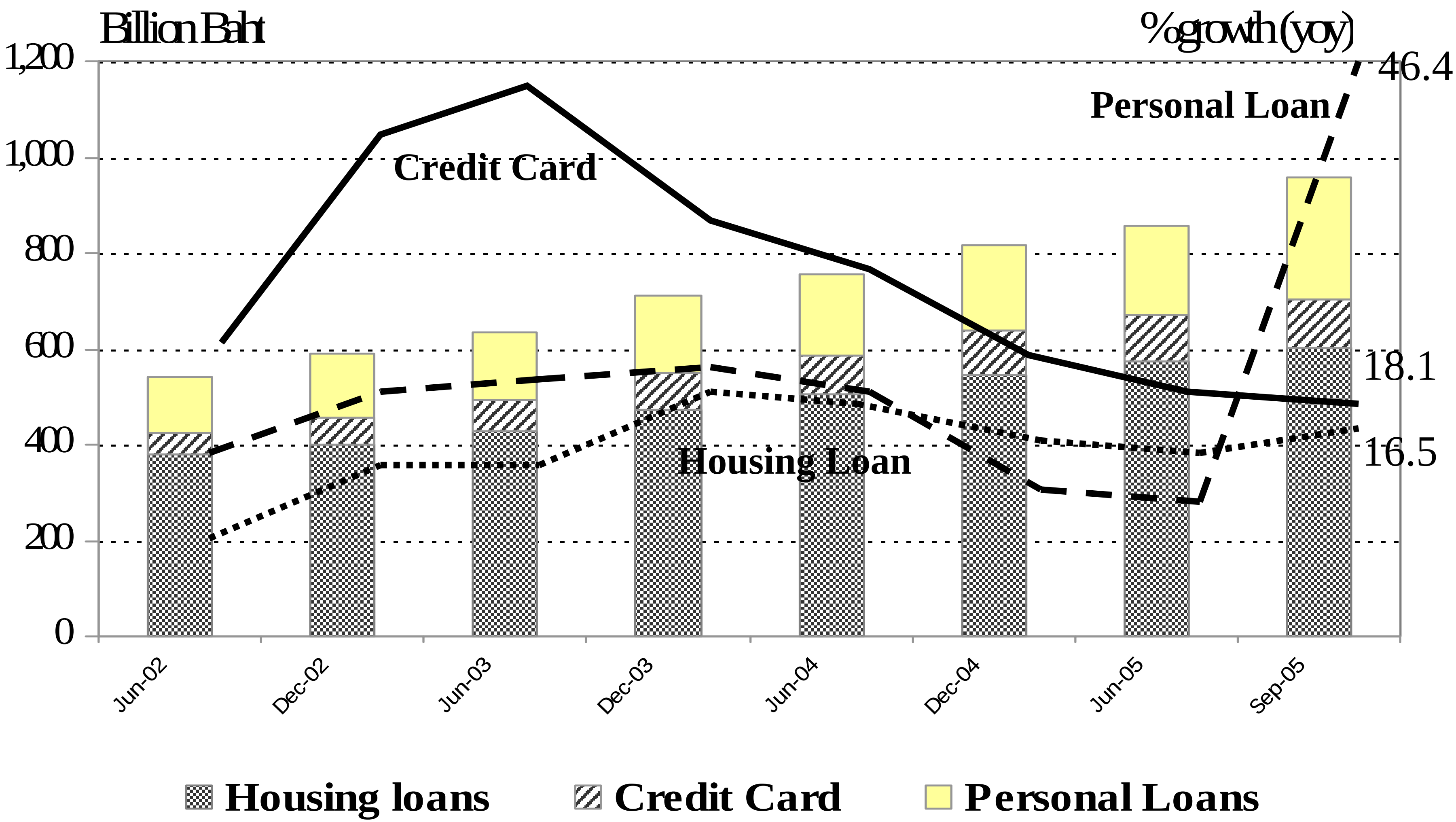
Consumer Loans

- Outstanding -



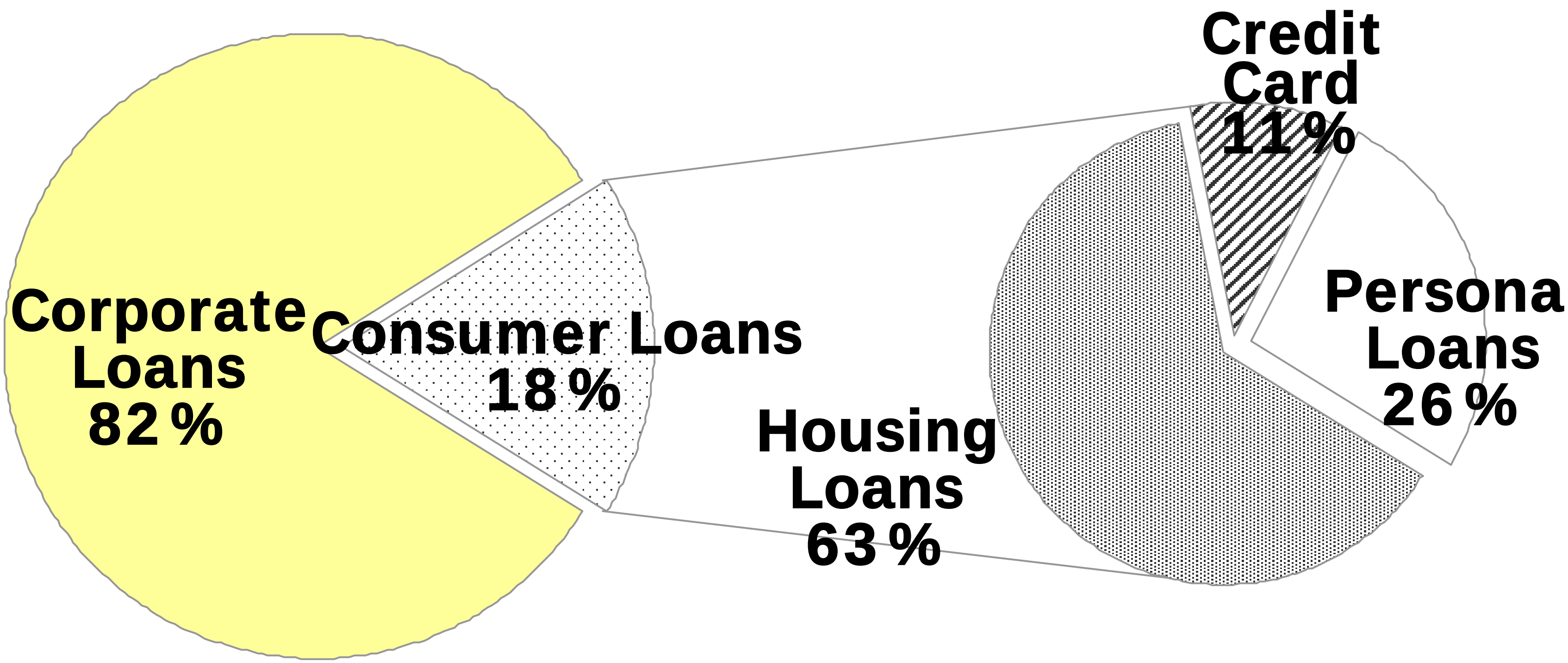
Consumer Loans

- Growth rate -



Consumer Loans

- Market Share -



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Household Financial Products

Capital market

Types of product	Regulator	Accessibility
Equity		
Stocks	SEC	No condition
Warrants	SEC	No condition
Mutual fund units	SEC	No condition
Debt instruments		
Bond	SEC	No condition
Debentures	SEC	

SEC: The Office of Securities and Exchange Commission

Household Financial Products

Money and lending market

Types of product	**Regulator**	**Accessibility**
Deposit		
Saving account		
Current account	BOT	No condition
Fixed account		
Promissory note		
NCD		> 500,000 B

BOT: Bank of Thailand

Household Financial Products

Money and lending market

Types of product	Regulator	Accessibility
Loans		
Housing loans	**BOT**	> 10 Mil.B, no exceeding 70% of purchased price
Personal loans	**BOT/ MOF**	Credit line ≤ 5 times
Credit card	**BOT/ MOF**	≥ 15,000 B per month or 180,000 B per year, credit line ≤ 5 times

BOT: Bank of Thailand
MOF: Ministry of Finance

Household Financial Products

Money and lending market

Types of product	Regulator	Accessibility
Loans		
Hire purchase	**MOC/BOT**	**Bank:** moveable properties **Others:** all properties
Financial lease	**BOT**	**Bank :** moveable properties **Others :** all properties

MOC: Ministry of Commerce
BOT: Bank of Thailand

Household Financial Products

Money and lending market

Types of product	Regulator	Accessibility
E-banking		
Phone banking	BOT	No condition
Mobile banking		
Internet banking		
E-Money	BOT / MOF	

BOT: Bank of Thailand
MOF: Ministry of Finance

Household Financial Products

Money and lending market

Types of product	Regulator	Accessibility
Foreign Exchange	BOT	**Local Currency** - Bring into Thailand without limit - Take out ≤ 50,000 B **Foreign Currency** - Bring into Thailand without limit - Take out ≥ 20,000 USD,
Fund Manager Private fund	BOT/ SEC	A group of 35 persons of fewer

BOT: Bank of Thailand

SEC: The Office of Securities and Exchange Commission

Household Financial Products

Insurance

Types of product	**Regulator**	**Accessibility**
Life Insurance ***Non-life Insurance***	Department of Insurance	No condition

Consumer Protection

Capital market

Equity	• Set up Securities Investor Protection Fund • File complaint to SEC (internet, mail, fax, phone)
Debt	• Transparent disclosure of the information and possible risk to consumer • Customer's fund and assets must be segregated from those of brokers

Consumer Protection

Money and lending market

Deposit	**At current:**	Full repayment of principal and interest by Financial Institutions Development Fund (FIDF)
	In the future:	1. Deposit Insurance Agency to replace FIDF 2. Partial guarantee to apply

Consumer Protection

Money and lending market

All	● Require financial institutions to establish and maintain a clear procedure for handling customer complaints ● Promote information disclosure on terms and conditions of financial services ● Give detail of the consumer loan contract

Consumer Protection

Money and lending market

Loans	Different guidelines
Personal loans	● Limit the ceiling of interest, penalty, fees, and other charges no more than 28% per annum
Credit card	● Limit the ceiling of interest, penalty, fees, and other charges no more than 18% per annum ● Limit fees and charges of cash withdrawn not exceeding 3% of the drawn amount

Consumer Protection

Money and lending market

Loans	Common requirements
Personal loans	● Disclosure of key information i.e. interest charges, service fees and default rates ● Changes of interest rate, fees and service charges need approval ● Permission to charge actual but reasonable debt collection expenses ● Punishment for unrealistic advertisement
Credit card	

Consumer Protection

Money and lending market

E-banking	● Comply with the guidelines for Security of Electronic Services and Practicing Guidelines for IT outsourcing ● Require financial institutions to be responsible for fraud involving electronic fund transfer ● Comply with the principles of corporate governance
E-Money	

Consumer Protection

Insurance

Life Insurance	● Reserve requirement must be maintained ● Complaint channel at DOI ● Transparent disclosure of company's financial operation ● Clear detail of insurance policy
Non-life Insurance	

Consumer Protection

- Consumer Card and Electronic Services Advice -

On fraud prevention

Operators should:

- **have resilient security and fraud management practices**
- **arrange to have a regular audit trail process of customer transactions**
- **provide transaction log as reference**
- **continue monitoring development in technology and new form of fraud**
- **establish contact channels to receive problem notices or consumer complaints**

Consumer Protection

- Consumer Card Advice -

On card uses

Cardholders should:

- **not let card out of sight**
- **not recklessly discard receipts of card transaction**
- **check receipts against statement**
- **report lost or stolen cards to card issuer immediately**
- **not give card details through any suspicious channels**
- **not write down or disclose card PIN**