

Press release

LCQ18: Provision of banking services to ethnic minorities

Wednesday, March 4, 2009

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (March 4):

Question:

It has been reported that some banks had refused to open accounts for some Hong Kong residents of Pakistani descent on grounds that they came from a terrorist country. In this connection, will the Executive Authorities inform this Council:

(a) whether the Race Relations Unit (RRU) under the Constitutional and Mainland Affairs Bureau, the Hong Kong Monetary Authority (HKMA) and the Equal Opportunities Commission (EOC) had received any relevant complaint in the past five years; if so, of the details; and

(b) whether they have assessed if the aforesaid situation constitutes direct or indirect racial discrimination;

(i) if the assessment result is in the affirmative, what measures the authorities will take to ensure that ethnic minorities are protected by the Race Discrimination Ordinance (Cap. 602), particularly in obtaining banking services; and whether RRU, HKMA and EOC will issue guidelines to banks on the provision of services to ethnic minorities; if they will, of the details;

(ii) if the assessment result is in the negative, of the justifications for that?

Reply:

President,

(a) In the past five years, no such complaint has been received by the Equal Opportunities Commission (EOC). But the Race Relations Unit under the Constitutional and Mainland Affairs Bureau has received four complaints concerning the refusal of opening of bank account in relation to ethnic minorities.

As regards the Hong Kong Monetary Authority (HKMA), it has not received any complaints about banks not opening accounts for Hong Kong residents of Pakistani descent over the past five years. However, during this period, the HKMA has received three complaints about banks refusing to open accounts for ethnic minorities. The three complainants are of different races and the complaints involve different banks. Upon discussion with the banks concerned, the HKMA noted that one of the cases was due to misunderstanding between the complainant and the bank. In fact, the bank concerned had not refused opening account for the complainant. For the remaining two cases, the main reason for the banks' refusal to open accounts for the complainants was that the latter were unable to provide sufficient information to satisfy the account opening requirements of the banks. These cases did not involve any racial discrimination against ethnic minorities.

(b) The Race Discrimination Ordinance (RDO) is expected to be put into full operation in mid-2009. Before that, any complaints in relation to the opening of bank accounts by members of a particular ethnic group cannot be handled under the RDO. Upon the full operation of the RDO, the EOC will have the authority to investigate a complaint of such nature and make assessment on individual cases by taking into consideration the circumstances of the case and relevant provisions of the RDO. The EOC will monitor the development of the situation and where necessary, provide guidelines to the banking sector on the relevant issues.

In addition, the HKMA has discussed with seven major retail banks to understand the situation. All of them have indicated that they do provide account services to ethnic minorities and their account opening requirements are applicable to all customers, without any additional requirements specifically for customers of a particular ethnic background. The ethnic background of a customer is also not a consideration in the banks' determination of whether or not to open an account for a customer.

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