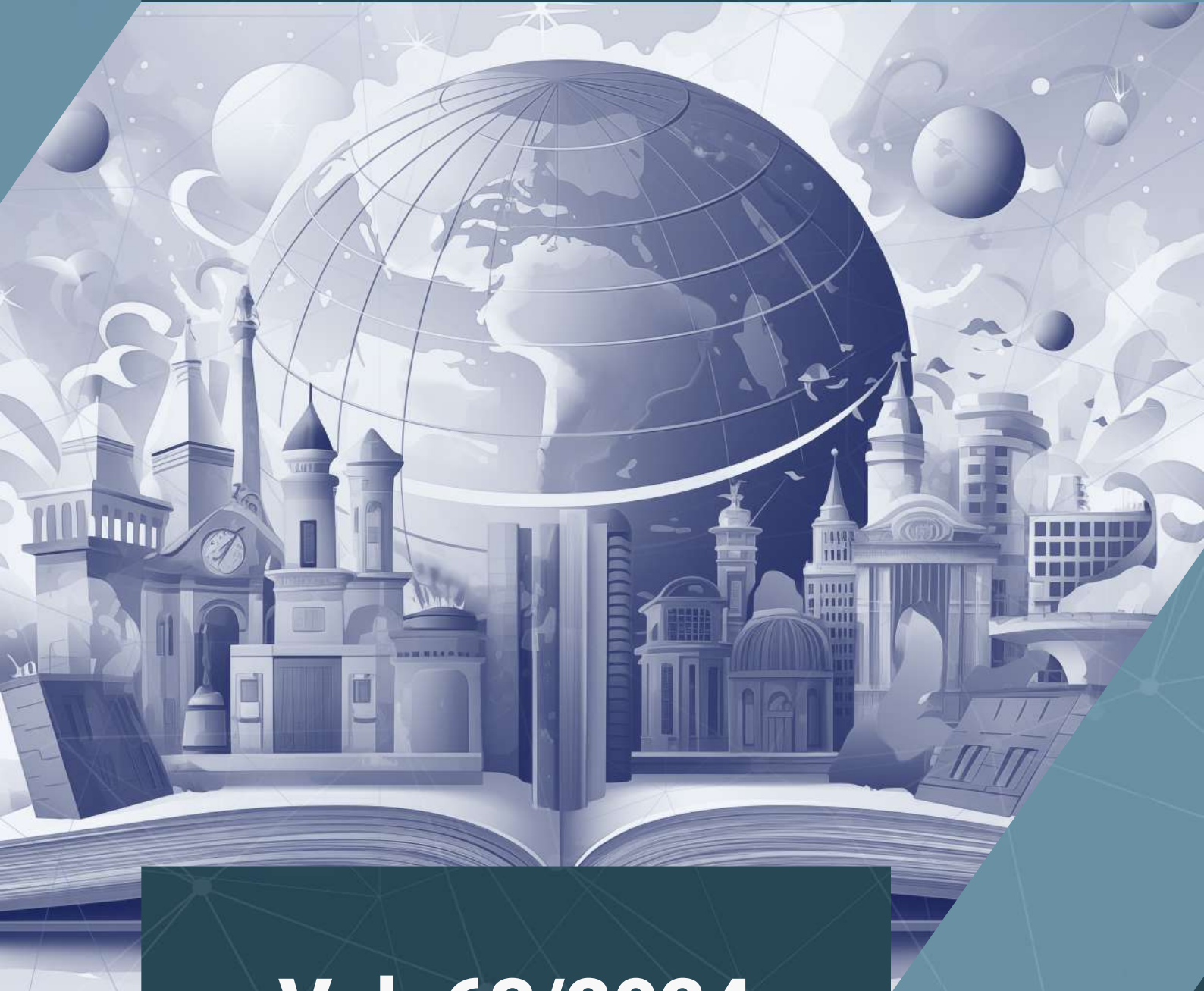




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The Outlook of Financial Consumer Protection in China: Learning from the American Approach

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Abstract. In China, the range of financial derivative products has expanded considerably in recent years, with a corresponding increase in the complexity of these instruments. Financial institutions now offer a diverse array of financial products to consumers. There is a considerable disparity between financial consumers and financial institutions in a number of areas, including economic strength, social status, professional composition, negotiation ability and even judicial resources. Consequently, the topic of financial consumer protection is receiving increasing attention, and this issue is also a matter of considerable concern to countries around the world. A unified and effective system for the protection of financial consumers has yet to be established in China. In the event of a dispute regarding the consumption of financial products, it is often challenging for consumers to pursue appropriate redress, resulting in a situation where they have no recourse. The question of whether China should enact a unified Financial Consumer Protection Law, establish an independent financial consumer protection agency, and integrate the measures and regulations for protecting financial consumers in the financial services market in order to provide a convenient and fair mechanism for handling financial consumption disputes is a key area of study.

Keywords. Financial Consumer, Financial Institution, Consumer Protection

Introduction

The prevalence of financial deepening theory and financial innovation theory has resulted in unprecedented competitive pressures for Chinese financial institutions, as it has effectively dismantled the barriers that previously existed between different financial operations. This has resulted in the imperative for China's financial industry to persistently extend its reach into cross-sector business operations and devise novel products in order to safeguard its competitive edge. The rights and obligations between financial transaction entities, interest distribution methods, and risk-bearing mechanisms have become more complex. The traditional depositors, policyholders, and investors are no longer clearly defined, gradually evolving into financial consumers receiving comprehensive financial services. Financial products provided by financial institutions are highly professional and complex, while most Chinese financial consumers lack professional financial knowledge and generally have cognitive biases. The information gap and risk transmission reinforce the disadvantaged position of financial consumers compared to financial institutions. Therefore, financial

consumers require special legal protection. In 1996, Japan implemented a "Big Bang" institutional reform in the financial sector. Although the reform followed the basic principles of "freedom, fairness, and globalization," it did not give sufficient attention to the principle of "fairness" in practice. Although the reform aimed to streamline the administrative management of the Japanese financial industry, it failed to adequately address the need for consumer protection, resulting in a significant number of financial consumer victims. Similarly, the global financial crisis of 2008 revealed a deficiency in financial regulatory legislation that failed to provide adequate protection for financial consumers. This resulted in the condoning of market abuse by financial institutions, which ultimately precipitated the crisis. To the extent that Bjarne Pedersen, Vice President of Consumers International, pointed out that effective, clear, and preventive consumer protection should be at the core of resolving the financial crisis. The question of financial consumer rights protection has been the subject of academic interest since the 1990s. For example, British scholar Taylor proposed the "Twin Peaks Theory" of financial regulation, advocating for the prevention of financial risks and maintenance of financial stability, as well as creating a fair market environment and protecting financial consumer rights as two parallel objectives of financial regulation. After the Wall Street financial crisis in the early 21st century, people discovered that inadequate protection of financial consumer rights could also trigger systemic financial risks. A number of developed economies initiated the establishment of financial consumer protection departments and the incorporation of financial consumer protection into existing consumer protection legislation. Against this backdrop, financial regulatory laws such as the Financial Consumer Protection Act (CFPA) in the United States, the Financial Services Act in the UK, the Financial Instruments and Exchange Act in Japan, and the Financial Consumer Protection Act (FCPA) in South Korea were successively introduced or amended. Emphasizing the protection of financial consumers in the financial sector has become an international practice. China also places significant emphasis on the supervision and regulation of the protection of the rights and interests of financial consumers. The revised Law of the People's Republic of China on the Protection of Consumer Rights and Interests (LPCRI) in 2013 included financial service consumption within its scope of adjustment, with its protected subjects now covering consumers in the financial product sector. Legal documents such as the Implementing Measures of the People's Bank of China for Protection of Financial Consumers' Rights and Interests, effective from November 1, 2020, and the Measures for the Administration of Consumer Rights Protection of Banking and Insurance Institutions, effective from March 1, 2023, are regulatory standards covering various aspects of financial institutions' diversified businesses, marking the initial formation of China's financial consumer rights protection framework.

Against the backdrop of insufficient macroeconomic development momentum and intensifying anti-globalization trends, the protection of financial consumer rights has become a systemic issue for China, in terms of both the prevention of financial risks and the maintenance of financial stability. However, in contrast to the aforementioned countries, China has yet to enact a financial consumer protection law. The current legislative framework governing the protection of traditional financial consumer rights and the Consumer Rights Protection Law have thus far failed to provide adequate safeguards for financial consumers engaged in financial transactions. Legislative bodies and regulatory departments have also not clearly defined the concept of financial consumers. It is imperative that the operation of financial transaction supervision becomes increasingly independent of traditional financial supervision. In order to achieve this, it is necessary to reinforce the reform of the financial supervision system and to safeguard the rights and interests of financial consumers, while guaranteeing the compliant

operation of various financial transaction institutions. In light of the aforementioned considerations, an examination of the financial consumer protection system is warranted. This examination should encompass a critical analysis of the foundational theoretical questions pertaining to legal protection for financial consumers. Such questions include, but are not limited to, the following: "Are individuals engaged in financial activities to be classified as consumers?"; "How can the tenets of consumer protection law be effectively applied to the financial sector?"; and "Are the extant consumer legislation and financial industry legislation sufficient to safeguard the rights and interests of consumers in the financial sector?" In the event that existing legislation is deemed inadequate, it would be beneficial to consider potential avenues for its revision and improvement. In this regard, insights gleaned from the experiences and lessons of financial consumer legal protection in other countries and regions, as well as an examination of the legislative concept of financial regulation that strengthens consumer protection, could prove invaluable in enhancing the marketisation, rule of law, and internationalization of China's financial market.

1. Financial Products and Financial Consumers

1.1. Financial Products

In a broad sense, financial products refer to all instruments with monetary value or those that record monetary transactions, including currency, deposits, insurance, trusts, funds, stocks, bonds, and various financial derivatives. Consumers can trade these products in the financial market, utilizing their functions such as fund intermediation and risk management to obtain monetary benefits. In a narrow sense, financial products are limited to investment-type financial instruments. From the perspective of financial needs, narrowly defined financial products correspond to consumers' demands for fund utilization.

Financial products constitute a specific category of commodity. While there are technical distinctions between various financial products, they are, in essence, intimately connected to the concept of currency. When consumers make a financial contribution to a banking institution, invest in securities, or purchase insurance products, they do not thereby become the proprietors of the "product" in question. Rather, they become the holders of financial rights certificates, which may take the form of debt-based deposit slips, bonds, or equity-based stocks and insurance policies. The process of commodification is also the process of fully utilizing trusts, insurance, and financial derivatives. Therefore, the content of financial products consists of one or more financial services. The financial industry belongs to the service sector. Whether consumers are handling deposits and loans, purchasing insurance, or trading securities, they obtain corresponding financial services from financial institutions, externalized as written documents specifying asset transaction contents and the rights and obligations of the parties involved. In other words, regardless of their form, financial products can essentially be viewed as contracts in the legal sense. Thus, theoretically, financial products can also be established as a legal concept.

The Japanese Law on Sales of Financial Products, enacted in 2000, marked a pivotal shift in legal discourse, whereby the concept of 'financial products' began to gain recognition within the broader scope of legal terminology. It defined the scope of financial products using a combination of enumeration and general provisions. In order to adapt to the emergence of potential new financial products resulting from financial innovation, the legislation also conferred upon administrative authorities the authority to expand the scope for the recognition of financial products through the issuance of ordinances. Japan's Law on Sales of Financial Products (2000) used a broad concept of financial products. The Financial Instruments and

Exchange Act, enacted in 2006 in Japan, unified the legal norms for narrowly defined financial products. This law replaced the Japanese Securities, Exchange Act and incorporated four laws, including the Financial Futures Trading Act. It brought all investment products, except deposits and insurance, under its regulatory scope. This encompasses not only equities and fixed-income instruments but also all categories of trust beneficiary rights, financial derivatives, and collective investment vehicles, encompassing both existing and prospective investment-oriented financial products. In general, financial products have the following characteristics:

a. Intangibility: Financial products are not tangible goods and lack physical elements for assessing their value.

b. Specialization: Financial products constitute a distinct category of goods, characterized by a high level of professional complexity in terms of the various risk forms, fee structures and profit structures that they entail. Profitability: As special products related to money, financial products can bring certain monetary returns to the parties involved during the trading and circulation process.

c. Risk: Returns coexist with risks, mainly including credit risk, market risk, operational risk, and compliance risk.

d. Profitability: In light of their status as specialized financial instruments, it follows that financial products are capable of generating pecuniary returns for their respective stakeholders throughout the trading and distribution process.

1.2. Financial Consumers

China's Protection of Consumer Rights and Interests does not clearly define "consumer," leading to numerous controversies in theoretical and practical research due to the legal definition's ambiguity. The current general understanding among Chinese legal scholars is that consumers are natural persons who purchase or use goods or services to meet personal or family living needs. The three fundamental aspects that define a consumer are as follows:

a. A natural person;

b. The purchase or utilization of goods or the receipt of services;

c. The overarching objective is to satisfy the essential requirements of life.

Some scholars adopt this definition, which posits that "financial consumers are essentially individual social members who purchase or use financial products or receive financial services for the purpose of meeting their living needs." Nevertheless, it is somewhat contrived to view financial product and service transactions as being driven by consumers' "living needs." As British scholar Peter Cartwright observed, "It is relatively straightforward to describe individuals who make bank deposits or enter into contracts with insurance companies as consumers. However, we often encounter difficulties when attempting to apply this same description to investors."

With the continuous acceleration of financial liberalization and the expansion of individual participation in financial activities in breadth and depth, the commonalities of individuals participating in various financial activities as consumers are gradually becoming apparent. Firstly, financial consumption behaviour is at the end of the financial product circulation chain. Financial consumers are the end-users of financial products and the direct bearers of various risks associated with financial products. Therefore, they have the nature of consumers. Secondly, the convergence of disparate contemporary financial enterprises renders the differentiation between depositors, investors, and insurance policyholders an anachronistic and futile exercise. Finally, prior to entering into contractual agreements with financial

institutions, they are all ordinary members of the public and potential consumers. Consequently, it is appropriate to collectively refer to them as "consumers."

1.3. The Disadvantaged Position of Chinese Financial Consumers

Transactions between financial consumers and financial institutions occur between natural persons and large organizations. The discrepancy between the two is considerable in terms of economic strength, social status, professional composition, negotiation ability, and even judicial resources. Financial institutions, as operators, typically wield considerably greater influence than general operators. The financial clout of large multinationals such as Citigroup is such that it outstrips the combined strength of many small countries. This makes it effectively impossible for individual consumers to negotiate with them on equal terms. Financial institutions, leveraging their superior bargaining power, frequently impose inequitable trading conditions on consumers. The issue of the unfairness of standard contracts and clauses is a significant and prominent one within the field of financial consumption. In comparison to financial institutions, Chinese financial consumers are positioned in a disadvantageous manner within the financial market.

Nowadays, the majority of significant global powers are displaying a growing apprehension regarding the safeguarding of consumers in the financial domain. In the legislative domain, the United Kingdom assumed a pioneering role in the utilization of the concept of "financial consumers" within the context of financial legislation. In order to adapt to the prevailing trend of comprehensive financial operations and regulatory requirements, the UK passed the Financial Services and Markets Act in June 2000. This Act replaced a series of previous legislative instruments that had been used to regulate the financial industry, thereby establishing itself as the basic law for the UK financial industry. At the same time, the UK Financial Services Authority (FSA) became the sole regulatory body for the entire UK financial market, providing unified supervision of all financial industries, including banking, insurance, securities, and futures. The Financial Services and Markets Act (FSMA) was based on the concept of unified supervision and regulation. It was the first piece of legislation to use the term "financial consumer," which included depositors, insurance policyholders, investors, and any other individual engaged in financial activities. The FSMA also established "ensuring an appropriate level of protection for consumers" as one of the four statutory regulatory objectives of the UK Financial Services Authority (FSA).

1.4. The Disadvantaged Position of Chinese Financial Consumers

1.4.1. Financial consumer protection legislation is fragmented.

At the legislative level, China does not currently have a specific financial consumer protection law. There is controversy among scholars as to whether the Consumer Protection Law can be directly applied to financial consumers. China's financial consumer protection is mainly based on departmental regulations and administrative orders issued by regulators, which are not only ineffective and numerous, but also contradictory and repetitive in content. At the regulatory level, China's financial consumer protection regulatory model has created a fragmented protection system with dispersed regulatory forces, making it difficult to conduct unified and effective coordination and communication. Unclear regulatory responsibilities and multiple supervision occur from time to time. At the implementation level, China's financial consumer protection legal system has overly simplistic and loose provisions for many specific measures, and lacks operability.

1.4.2. Multilateral dispute resolution mechanisms have not fully played their role

Compared to countries such as the UK and the US, the internal negotiation and resolution mechanism for financial consumers has not been established for most financial institutions in China's industry. There is a lack of risk detection and early warning for financial consumers, and a lack of complaint data analysis and behavioral bias monitoring systems. While the UK's FOS system and the US's CFPB dispute resolution system have proven to be efficient and professional non-litigation systems, China's industry association mediation system has had minimal impact.

1.4.3. Insufficient Preventive Protection for Financial Consumers

In countries such as the UK and the US, education is highly valued as the best preventive measure for financial consumers. However, China has always lagged behind in financial consumer education. Relevant laws make little mention of financial consumer education, and the necessary basic financial knowledge and awareness of rights protection have not been popularized. This has led to the following consequences: First, consumers have systematic behavioral biases that can be easily exploited by financial institutions for profit. Second, inadequate financial literacy and risk awareness result in insufficient ability to protect their own rights and interests. Third, some consumers have a weak sense of responsibility and integrity, leading to "adverse selection" (irresponsible behavior before transactions) and "moral hazard" (irresponsible behavior after transactions).

2. Experience from the US financial consumer protection regime

3.1 Legal Framework for Financial Consumer Protection

Prior to the 2008 financial crisis in the United States, the United States federal government's financial consumer protection was horizontally fragmented and dispersed across a multitude of legal provisions, including the Consumer Credit Protection Act, the Securities Investor Protection Act, the Right to Financial Privacy Act (RFPA), and the Financial Services Modernization Act. The 2008 global financial crisis precipitated a surge in cases pertaining to financial consumption, underscoring the necessity for the U.S. government to reinforce financial consumer protection measures. In 2010, the United States formally enacted the Dodd-Frank Act, which established an independent and efficient financial consumer protection regulatory agency, the Consumer Financial Protection Bureau (CFPB). Section 8 of this Act specifically enumerated more than 20 existing laws related to financial consumers as part of the "Financial Consumer Protection Act," including the Privacy Act of 1974, the Electronic Fund Transfer Act (EFTA), and the Federal Deposit Insurance Act. This established the legal framework for financial consumer protection at the federal level in the United States on a fundamental level.

3.2 Regulatory Framework for Financial Consumer Protection

The regulatory structure for financial consumer protection in the United States remains as follows: horizontally, multiple departments conduct separate supervision, while vertically, federal and state authorities collaboratively exercise financial consumer protection functions through multi-agency coordination. The Financial Consumer Protection Act established the Consumer Financial Protection Bureau (CFPB), consolidating and strengthening the previously dispersed responsibilities for financial consumer protection across various agencies. The CFPB's enforcement and supervisory powers mainly include: a. Strengthening financial consumer education to improve the financial literacy of American consumers. b. The formulation, implementation and supervision of legislation pertaining to consumer financial

products and services. c. The examination of financial institutions' compliance with financial consumer protection regulations and the subsequent review and supervision of financial products and services provided by non-bank financial institutions to financial consumers. d. Handling financial consumer complaints and conducting financial consumer relief efforts. e. Conducting analysis and research on financial consumer protection. It is evident that the CFPB, as a specialized financial consumer protection bureau, plays a comprehensive role in safeguarding the rights and interests of financial consumers. Although a dedicated CFPB has been established to primarily handle financial consumer protection, prudential regulatory authorities still retain certain rights to supervise and enforce financial consumer protection measures.

3.3 Financial Consumer Education System

At the national level, the United States established the Financial Literacy and Education Commission and developed the "National Strategy for Financial Literacy," outlining goals and tasks for popularizing financial education. The U.S. House of Representatives also passed a resolution designating April of each year as "Financial Literacy Month" to promote financial knowledge among the public. In response to the continuous development of financial markets, strengthening education on professional financial knowledge for consumers has become a practical necessity. The objective is to facilitate the ability of a greater number of financial consumers to make informed investment decisions in a context of an increasingly complex financial market. Following the enactment of the Dodd-Frank Act, responsibility for financial consumer education was transferred to the CFPB. The measures include the establishment of the Office of Financial Education as a dedicated agency, consultation with the Financial Literacy and Education Commission, and the provision of services such as financial advice and information beneficial for evaluating financial products to consumers in accordance with the National Strategy for Financial Literacy. Additionally, training is offered on educational expenses, financial aid applications, and other significant purchasing behaviors'. Financial education is conducted, toll-free financial consumer consultation hotlines are set up, and specialized knowledge websites for financial consumers are created, where they can learn from. These efforts are conducive to improving the ability to understand financial products and services, enhancing individual financial literacy, and thereby reducing the occurrence of disputes.

3.4 Financial Consumer Dispute Resolution Mechanism

Following the establishment of the Consumer Financial Protection Bureau (CFPB) in the United States, the previously disparate complaint channels across various federal financial regulatory agencies and states were consolidated, thereby resolving the dilemma faced by financial consumers who were unsure as to which agency to approach for complaints. In the event of an infringement of the rights and interests of financial consumers, the initial step is the internal resolution process, which is initiated by the financial institution in question. In the event that a resolution has not been reached, consumers are invited to contact the CFPB via a variety of channels, including email, fax, or telephone. The CFPB employs a screening and acceptance process for complaints, which are then verified to ascertain the veracity of the dispute. Subsequently, the CFPB requires the financial institution that has been the subject of the complaint to respond to the consumer within 15 days. The institution in question is required to submit a resolution plan to the CFPB, which will then conduct a review and subsequently forward the plan to the consumer. In the event that no resolution is forthcoming from the complained-of institution within the specified time frame, or if the consumer is dissatisfied with the resolution, the CFPB will proceed with an investigation into the dispute. In the event of non-

compliance, the CFPB is empowered to pursue legal action against the relevant platforms. In accordance with the Dodd-Frank Act, the CFPB is obliged to process complaints within a period of 60 days and to submit a report on the status of each complaint to the bureau director and the relevant regulatory agencies. Moreover, the CFPB is obliged to establish an information-sharing framework with other regulatory bodies within the financial sector and the Federal Trade Commission. It is also required to publish information regarding complaints on a periodic basis, in the form of research reports, and to present regular reports to Congress. Financial consumers may also pursue legal recourse through litigation and arbitration mechanisms.

3. Recommendations

Although China's current efforts to enhance financial supervision may prove beneficial, they may not necessarily address the immediate need for robust financial consumer protection. The construction of protective behavioral regulation is an urgent necessity, and it is to be expected that it will gradually move towards a socialized multi-centric governance pattern through the conscious construction of collaborative governance. In light of the aforementioned advanced experiences of US financial consumer protection and the current status of financial consumer protection in China, the following recommendations are put forth for the advancement of financial consumer protection in China:

3.1 Enacting a Financial Consumer Protection Law

This paper argues that the relevant provisions for financial consumer rights protection should be unified and coordinated, and a "Financial Consumer Protection Law" should be introduced to serve as the protective norm for all financial consumers. Regarding the formulation of the "Financial Consumer Protection Law," this paper suggests the following content: a. It is imperative to adhere to the principle of combining preferential protection with moderate protection. Financial consumers are in a disadvantaged position when compared to financial institutions, and thus require preferential protection to balance the positions of both parties. However, it is essential to prevent over-protection or over-regulation of financial consumers, as this would inhibit the development of the financial market. b. In order for financial consumers to be fully protected, it is essential that the definition of such includes non-professional individual investors. c. It is imperative that the rights of financial consumers be clearly defined. The "Guiding Opinions on Strengthening Financial Consumer Rights Protection Work," published by China's State Council, provides a general overview of the fundamental rights of financial consumers as guaranteed by financial institutions. It is imperative that the content of financial consumers' rights be clearly specified and detailed in the forthcoming "Financial Consumer Protection Law."

3.2 Establishing a Financial Consumer Protection Bureau.

This paper puts forth the proposition that the extant Financial Consumer Rights Protection Bureau, situated within the "one bank, one bureau, one commission" structure, should be separated and established as a unified Financial Consumer Protection Bureau operating within a dispersed regulatory system. Nevertheless, it is essential to exercise caution to prevent a recurrence of the issue observed in the United States, where, despite the existence of a unified financial consumer protection agency, the sectoral protection model continues to prevail. In particular, the following points should be noted: Firstly, the Financial Consumer Protection Bureau can be established at the same level as the "one bank, one bureau, one commission." Secondly, an evaluation of the functions of the Financial Consumer Protection Bureau should be conducted in order to identify potential areas for improvement. This evaluation should be conducted by comparing the functions of the Bureau with the

responsibilities of the Consumer Protection Bureau within the Financial Supervision and Administration Commission. Finally, the Financial Consumer Protection Bureau should establish a dedicated department for the protection of consumers engaged in financial activities online, in order to more effectively address the unique challenges and opportunities presented by the digital economy.

3.3 Improving Diversified Dispute Resolution Channels

Firstly, it is recommended that financial institutions implement internal dispute resolution mechanisms. Compared to other dispute resolution paths, the internal dispute resolution mechanism of financial institutions is the most convenient and time-cost effective. Regulatory authorities should explicitly require financial institutions to establish internal dispute resolution mechanisms and file reports on them. Secondly, it is recommended that the dispute mediation mechanisms of industry associations be enhanced. Financial industry associations, as the most authoritative national self-regulatory organizations, occupy a pivotal position in the resolution of financial consumer disputes. In comparison to the protracted nature of the judicial process, this approach is distinguished by its relatively shorter timeframes. In general, no mediation fees are levied, thereby ensuring low rights protection costs. For those engaged in financial transactions, this represents an efficient and effective means of seeking redress for any infringements of their rights and interests. Finally, it is recommended that China establish independent, specialised third-party dispute resolution institutions to address the difficulties faced by financial consumers in arbitration and litigation relief channels, and to alleviate the pressure on judicial trials. These institutions should focus on the connection with judicial relief, and when financial consumers are dissatisfied with the mediation plan issued, they should be able to choose to file a lawsuit in court or apply for arbitration with an arbitration institution.

3.4 Strengthening Financial Consumer Education

The dissemination of professional financial knowledge to consumers can facilitate a transformation in the nature of protection work, moving it from a reactive, post-dispute resolution "firefighting" approach to a proactive, "fire prevention" strategy. Education provides a fundamental safeguard for those engaged in financial activities. In the context of China, the importance of strengthening financial consumer education is amplified by the generally low level of financial literacy among this demographic. The following points require elucidation:

It is necessary to clarify the financial education responsibilities of regulatory authorities. In accordance with the aforementioned approach to financial consumer education in the United States, regulatory authorities bear the responsibility for providing financial consumer education. Consequently, following the enhancement of China's regulatory structure, it is imperative to delineate the educational responsibilities of regulatory authorities with regard to financial consumers. For instance, the establishment of a dedicated financial consumer education section on official websites or WeChat public accounts could facilitate learning and understanding for those interested in investing.

The formulation of a long-term national financial education strategy is also recommended. The "Guiding Opinions on Strengthening Financial Consumer Rights Protection Work," issued by China's State Council in 2015, proposed incorporating financial knowledge popularization and education into the national education system. However, this decision has yet to be implemented. It is recommended that financial knowledge education be incorporated into the national education system as soon as possible. This should be done in a way that develops a long-term national financial education strategy with different educational plans for various age groups. This is a long-term investment in financial consumer protection.

4. Conclusion

In light of the ever-changing landscape of financial products, relying solely on current legislation, regulations, and administrative orders as the regulatory benchmark for the financial industry and legal compliance for financial consumer protection may prove inadequate, lacking the flexibility to adapt to evolving circumstances and resulting in superficial supervision. In the aftermath of the 2008 global financial crisis, the United States enacted the Wall Street Reform and Consumer Protection Act, which established the Consumer Financial Protection Bureau (CFPB). In contrast, while China has established a Financial Consumer Rights Protection Bureau under the National Financial Regulatory Administration, this bureau is an internal organization with a relatively low external hierarchy and lacks operational efficacy. In addition, the banking, securities, futures and other industry associations have each set up rights protection centers to deal with financial consumer disputes, but as the staff responsible for resolving these disputes are mostly drawn from the industry associations themselves, there are questions about whether they can deal with such disputes in a fair, impartial and objective manner.

In conclusion, the absence of a unified and coordinated financial consumer protection law in China has resulted in a proliferation of financial consumer disputes, whereby consumers have incurred significant losses with no recourse. It is therefore necessary and effective to formulate an integrated financial consumer protection law. Concurrently, the advancement of financial services legislation and financial consumer protection legislation in unison, with an emphasis on the conduct norms, risk disclosure, and explanation obligations of financial practitioners in the context of promotional and sales activities, rather than solely on product review, would prove more efficacious in safeguarding the rights of financial consumers in the event of financial consumer disputes. This would provide them with a foundation and channel through which they could seek remedies and claim rights under the same regulations. In other words, while appropriate ex-ante regulation is of paramount importance, it is also vital to emphasize ex-post supervision and dispute resolution. This should be achieved through the establishment of a widely authorized financial consumer protection agency, which would conduct regulation and supervision services on behalf of the state, rather than through the hasty introduction of fragmented legislation, which is designed to respond to specific purposes. It is therefore proposed that a single, integrated and independent financial consumer protection law be formulated, that a Financial Consumer Protection Bureau be established at the national level and that the resolution mechanism for financial consumer disputes be improved in order to achieve the dual goals of financial supervision and consumer protection.

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