HONG KONG MONETARY AUTHORITY
香港金融管理局

COMPLAINTS WATCH

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Complaints Watch is published half-yearly by the Banking Complaints Unit of the Hong Kong Monetary Authority (HKMA). It highlights the latest complaint trends, emerging topical issues, and areas that Authorized Institutions (AIs) should be alert to. By publishing Complaints Watch, the HKMA aims to promote proper standards of conduct and prudent business practices among AIs and to enhance public understanding of banking products. Because of sensitivity, the cases mentioned in this newsletter may represent a synthesis of multiple cases and certain details may be omitted or altered.

Complaint Statistics

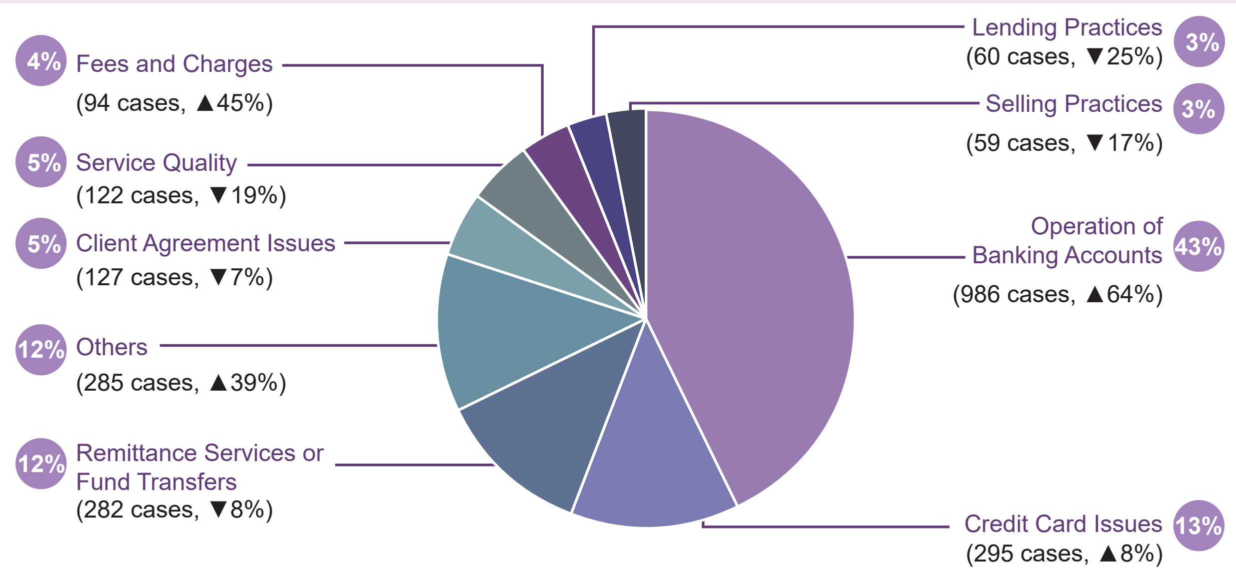
Table 1

Number of new complaints received by the HKMA and progress of the HKMA's handling of banking complaints[1]

	Jan – Jun 2026		
	General banking services	Conduct-related issues	Total
Received during the period	2,173	137	**2,310 ▲ 22%**
Handling completed during the period	1,987	145	**2,132 ▲ 19%**

Chart 1

Types of banking complaints received in Jan – Jun 2026



1 Unless otherwise specified, amount and percentage changes are measured on a year-on-year basis.

In the first half of 2026, the HKMA received 2,310 banking complaints, representing an increase of 22% as compared to the same period of 2025. The main driver of the growth is complaints related to the operation of banking accounts, particularly as a result of increased account reviews and monitoring by banks following the enhanced intelligence sharing between the Police and the banks. With the enhancement of information sharing among banks, around HKD 95.8 million of suspected crime proceeds were intercepted from 5,938 accounts as a result of utilising the intelligence.

Supporting Customers in Financial Distress

The HKMA has recently received a complaint involving a bank customer under severe financial distress. The way the bank handled this complaint was exemplary, eventually resulting in a mutually beneficial outcome for both the bank and the customer.

The customer was facing financial hardship after her husband fell victim to an investment scam and incurred substantial loan liabilities. Since her husband's income was insufficient to service the debt, the customer applied for a personal loan from her bank to help settle her husband's outstanding debt. Subsequently, she also encountered difficulties in meeting her repayment obligations and approached the bank to request a reduction in the interest rate.

Although the contractual terms, including the applicable interest rates, were clearly stated in the loan agreement, the bank adopted a sympathetic approach to handling the customer's request. Instead of triggering the penalty clauses for default, the bank conducted a thorough review of the couple's overall circumstances, including the adversity caused by the investment scam and the customer's commitment to continue to repay. The bank agreed to reduce the interest rate on the customer's personal loan by 2%, to a level comparable to mortgage rates. This helped to substantially reduce the customer's repayment burden, preventing a default.

The way this complaint case was handled is in full compliance with the principle of the industry's guidelines for handling customers in financial distress, and also demonstrated the bank's empathy in helping victims of investment scams. The HKMA would like to commend the bank for its exemplary practice of supporting customers in financial distress and would recommend other banks to adopt the same approach in case they encounter similar situations.

Meeting Customer Expectations in the Digital Era

The HKMA receives complaints from bank customers about rigidities of banking services from time to time. These complaints could have been avoided if bank management appreciate that customer expectations have advanced as banking services become increasingly digitalized. Two examples are illustrated below.

In the first case, a bank customer received funds that had been erroneously transferred into her bank account. She contacted her bank via online chat and the bank's hotline to authorize the return of the funds. However, the customer was told that a physical debit authorization form was required, either submitted in person or by post. As she was out of town at the time, the matter remained unresolved. Upon returning to Hong Kong, the customer was contacted by the police regarding the mis-transferred funds. Dissatisfied with the bank's handling, she lodged a complaint with the HKMA. The bank acknowledged that the complaint could have been avoided if its frontline staff were aware that the bank's policies permit the acceptance of verbal authorization under prescribed conditions.

In the second case, a fraudster impersonated the complainant and opened a bank account and applied for loans using his identity. The complainant contacted the bank for assistance but was informed that it would take at least 60 days for the bank to complete the necessary review and request the removal of the mistaken credit record about the complainant at the credit reference agencies. Dissatisfied with the bank's response, the complainant lodged a complaint with the HKMA. The bank was asked to review its processes with a view to shortening the time required for removing inaccurate records at credit reference agencies.

Bank management should appreciate that certain banking practices no longer meet customer expectations in the digital era. There is a need for them to regularly review their existing practices and make improvement to them to avoid customer complaints.

Comments and feedback on Complaints Watch are welcome.

Please email them to bankcomplaints@hkma.gov.hk.