

RIGHT TO TRANSPARENCY, FAIR AND HONEST DEALING POLICY

Despite several regulations, complaints related to mis-selling continue to plague the distribution space, particularly in case of life insurance policies. Lured by higher commissions, sales officials tend to push products without ascertaining their suitability for the customer. With this charter coming into force, such officials might find it difficult to palm off say market-linked insurance products to senior citizens who are looking for stable returns. The charter has now made it mandatory for banks to sell products after keeping in mind customers' needs, financial circumstances and understanding. The right to suitability refers to the principle that individuals and organizations should act in the best interests of their clients or customers, and provide products or services that are appropriate for their specific needs and circumstances. In the context of financial services, for example, the right to suitability requires financial advisors or institutions to recommend investments or financial products that are suitable for a particular client, based on their investment goals, risk tolerance, and financial situation. This includes providing accurate and complete information about the product or investment, as well as disclosing any conflicts of interest that may affect the recommendation. The right to suitability is often protected by laws and regulations that require financial advisors, insurance agents, and other professionals to act in their clients' best interests. For example, in the United States, the Securities and Exchange Commission (SEC) has established a standard of conduct for financial advisors, known as the fiduciary duty, which requires them to act in the best interests of their clients and to disclose any conflicts of interest. In other industries, such as healthcare or education, the right to suitability may also apply, requiring professionals to provide services or treatments that are appropriate and effective for a particular patient or student. This can include providing personalized care or educational programs that are tailored to the individual's needs and circumstances.