FinCoNet releases its Report on “Online and Mobile Payments: Supervisory challenges to mitigate security risks”.


This Report, analyses how the growth of online and mobile payment services can bring new risks and advantages to consumers as well as new challenges to financial supervisors while also supporting effective financial inclusion, especially in developing countries. However these developments also present threats to consumer protection due to the emergence of new risks, in particular security risks, potentially exposing consumers to incidents of fraud, deceptive practices and lack of reliability of devices and infrastructure.

The report identifies a number of areas for further work to enable supervisory authorities to deal with various risks associated with online and mobile payments. These include the standardisation of the categorisation of online and mobile payment services; the collection of statistical data and other relevant information surrounding the development and use of innovative payment services and on the most frequent security incidents at both the domestic and international level; and an assessment of the different supervisory frameworks of digital payments that exist among FinCoNet members are some of the areas highlighted in this report for further work. Also identified are a number of conduct of business challenges in relation to the supervision of online and mobile payments going forward. The findings of this report will be disseminated amongst FinCoNet members and other interested parties in an effort to inform work in this area going forward.

Bernard Sheridan, Chair of FinCoNet noted that “The delivery of payment services to consumers is going through a period of rapid change driven by technological innovation. Ensuring consumer’s interests are protected when making payments through these new and emerging delivery channels presents a major challenge to supervisory authorities”.

Maria Lucia Leitao, Chair of FinCoNet Standing Committee 3, added that “digital payments oversight should be high on market conduct supervisors’ agendas. The available oversight tools need to be reassessed sooner rather than later. The pace of innovation, the different types of new payment services providers available as well as potential security risks present challenges not only to conduct supervisors, but also to other supervisors and payment system overseers. It is important that they work together to ensure consumers’ interests are protected.”.

The full text of the report can be found on the FinCoNet website.
About FinCoNet

FinCoNet aims to strengthen consumer confidence and reduce systemic consumer risk by sharing best practices and by promoting fair and transparent market practices. This report is the result of the work undertaken by Standing Committee 3, led by Maria Lúcia Leitao. The report draws on responses provided by national supervisory authorities from 27 jurisdictions and all four corners of the globe in respect of the ‘FinCoNet Survey on online and mobile payments: supervisory challenges to mitigate security risks’ (April 2015) and desk-based research and analysis.

Established in 2013, FinCoNet is a non-profit international organisation of supervisors and public entities with a financial market conduct and financial consumer protection supervision mandate. It was established in response to the growing focus in financial consumer protection worldwide, and the need for better coordination among supervisory bodies responsible for the oversight of the various national financial consumer protection regimes. The work of FinCoNet is currently focused on consumer credit and banking issues, aiming to strengthen consumer confidence while reducing systemic risk.

If you are interested in the work of FinCoNet or becoming a member, please contact Sally.DAY-HANOTIAUX@oecd.org.