



Press Release

14 January 2016

FinCoNet publishes its Report on Sales Incentives and Responsible Lending

FinCoNet, the International Financial Consumer Protection Organisation, today, 14 January 2016, published its report outlining key findings on the topic of Sales Incentives and Responsible Lending. Sales incentives are, by their very nature, a key driver of both culture and behaviour towards consumers.

The key findings of the report include:

- There is ample evidence that poorly designed sales incentives can cause harm to consumers, individual firms and the financial system.
- The nature of sales incentives and the issues they cause are relatively uniform across jurisdictions.
- There are few specific rules or standards related to sales incentives, nationally or internationally.
- The impact of sales incentive practices crosses industry sectors and national boundaries, requiring a holistic and international approach.

Based on these findings, FinCoNet will continue its work on sales incentives and responsible lending towards publication of a consultation paper on the topic in 2016. Bernard Sheridan, Chair of FinCoNet said ***“We would encourage supervisory authorities to consider the findings of this report and we invite their submissions to our forthcoming consultation paper. The findings of this report show again the important role supervisory authorities play in ensuring that the best interests of consumers are protected, as well as the need for authorities to be vigilant in this area to ensure that incentive practices are appropriate.”***

The report is based on an international survey of regulators in 24 jurisdictions across a range of consumer credit products, as well as a review of international literature published on this topic to date. The full text of the report is available on the [FinCoNet website](#).

About FinCoNet

Established in 2013, FinCoNet is a non-profit organisation of regulators 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.