



New International Financial Consumer Protection Organisation (FinCoNet) Established

A new international organisation of financial consumer protection supervisory authorities was formally established today (14 November) at its AGM, hosted by the Central Bank of Portugal. The new organisation (to be known as FinCoNet) replaces the informal network of supervisory authorities which has existed for a number of years and builds on the work already started by that network. The overall aim of FinCoNet is to promote sound market conduct and strong consumer protection through efficient and effective financial market conduct supervision. FinCoNet will be focusing on banking and credit consumer protection issues. FinCoNet aims to enhance the protection of consumers of financial services, strengthen consumer confidence and reduce systemic consumer risk by promoting strong and effective supervisory practices by sharing best practice and by promoting fair and transparent market practices. FinCoNet also intends to collaborate with other international bodies and contribute to advancing the G20's financial consumer protection agenda.

FinCoNet's initial priorities include:

- Identifying effective approaches to assist supervisory authorities in carrying out their roles in financial consumer protection in banking and credit. Over the next year, FinCoNet will look to build on the cooperative work it undertook with the World Bank in the context of the Global Survey on Financial Consumer Protection to reach out to financial consumer protection supervisors to identify the strengths and weaknesses of the various institutional arrangements models and effective supervisory tools being used to address issues.

- Examining how supervisory authorities can work to ensure responsible lending takes place. FinCoNet will publish a report in 2014 based on the findings of a survey being carried out among supervisory authorities.

FinCoNet members also discussed a number of other important consumer protection issues at its AGM, including:

- Bank bundling and tying clauses,
- Distorting incentives paid to intermediaries in the credit market,
- Regulation of and consumer safeguards in electronic banking and electronic payments.

FinCoNet intends to work closely with the OECD in terms of its work programme. It is also expected that the OECD will provide technical and administrative Secretariat support to FinCoNet and that a related Partnership Agreement will be signed shortly.

The new Chair of FinCoNet, Bernard Sheridan of the Central Bank of Ireland, commented that “FinCoNet aims to help support and promote strong and effective consumer protection among supervisory authorities. Banking and credit in particular play such an important part in the lives of so many consumers that supervisory authorities must work together and support each other to help develop strong consumer protection frameworks: We have a very committed and internationally diverse Governing Council which puts us in a strong position to deliver on our objectives. FinCoNet is a forum for supervisors to share information and experiences and I would encourage other supervisory authorities to consider becoming members.”

Members of the Governing Council, nominated at the AGM are:

| Country | Representative | Organisation |
|---------------------|-------------------------------------|--|
| Australia | Greg Kirk | Australian Securities and Investments Commission |
| Canada | Lucie M. A. Tedesco (Vice Chair) | Financial Consumer Agency Canada |
| China | Jiao Jinpu | People’s Bank of China |
| Ireland | Bernard Sheridan (Chair) | Central Bank of Ireland |
| Japan | Kenji Okamura | Financial Services Agency |
| Portugal | Maria Lucia Leitão | Banco de Portugal (Central Bank of Portugal) |
| South Africa | Caroline da Silva | Financial Services Board |
| Spain | Fernando Tejada | Banco de España (Central Bank of Spain) |

Notes:

1. The International Financial Consumer Protection Organisation (known as FinCoNet) has been established under French law as a non-profit organisation.
2. Members of FinCoNet are public entities which have a financial market conduct and financial consumer protection supervision mandate.
3. Governing Council – is the governing body of the organisation along with the General Meeting of Members.
4. Further information is available from:
 - a. Bernard.sheridan@centralbank.ie
 - b. Bruno.levesque@fcac.gc.ca