



**FinCoNet**

INTERNATIONAL FINANCIAL CONSUMER  
PROTECTION ORGANISATION

Report

International Seminar

24 November 2023

**Market conduct supervision in  
challenging times**

## **Forward and Acknowledgements**

This document sets out the Agenda, Summary Report and Speaker Biographies for FinCoNet's International Seminar on Market Conduct Supervision in Challenging Times, held on 24 November 2023.

FinCoNet would like to acknowledge and thank everyone who organised and participated in the Seminar, and particularly all speakers, panellists and moderators for their valuable contribution to the discussion.

## **About FinCoNet**

In November 2013, the International Financial Consumer Protection Organisation (FinCoNet) was formally established as an international organisation of market conduct supervisory authorities with responsibility for financial consumer protection. FinCoNet is recognised by the Financial Stability Board and the G20. The goal of FinCoNet is to promote sound market conduct and enhance financial consumer protection through efficient and effective market conduct supervision, with a focus on banking and credit. FinCoNet Members see the organisation as a valuable forum for sharing information on supervisory tools and best practices. By sharing best practices and by promoting fair and transparent market practices, FinCoNet aims to strengthen consumer confidence and reduce systemic consumer risk.

## **Disclaimer**

The opinions expressed in this document do not necessarily reflect the official views of FinCoNet member organisations.

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## *Agenda*

### ***Market Conduct Supervision in Challenging Times***

#### ***Welcome remarks***

Ms. Pauline Charazac, Advisor on International and Institutional Relations to the Bank of Mauritius and Member of the RCE Governing board in collaboration with the OECD

#### ***Address***

Ms. Juliana Mozachi Sandri, Chair of FinCoNet

#### ***Address***

Mr. Harvesh Kumar Seegolam, Governor of the Bank of Mauritius and Chairperson of the RCE Governing board in collaboration with the OECD

#### ***Introduction of the Panels***

Mr. Mardayah Kona Yerukunondu, First Deputy Governor of the Bank of Mauritius

#### **Session 1**

***Perspectives on economic challenges: Discussion on global financial trends and their effects on consumers, financial services providers, governments and oversight authorities***

Moderator: Mr. Miles Larbey, Head of Financial Consumer Protection, OECD

Panellists:

- Ms. Deniz Egan, Head of Macroeconomic Analysis, Bank for International Settlements
- Dr. Harshana Kasseeah, University of Mauritius
- Mr. Brendan Pearce, CEO of FinMark Trust, South Africa
- Mr. Gerhard Coetzee, Lead, Enabling and Responsible Policy, CGAP

#### **Q & A**

#### **Session 2**

***Implications for conduct supervisors***

Moderator: Mr Colm Kincaid, Central Bank of Ireland

Panellists:

- Mrs Hemlata Sadhna Sewraj-Gopal, Second Deputy Governor of the Bank of Mauritius
- Ms Clare Bolingford, Financial Markets Authority, New Zealand

- Mr Frank Lofranco, Financial Consumer Agency of Canada
- Ms Farzana Badat, Financial Sector Conduct Authority, South Africa

**Q & A**

***Closing Remarks – Yuji Yamashita, Vice-Chair of FinCoNet***

## *Summary Report – International Seminar*

### **Market Conduct Supervision in Challenging Times**

***24 November 2023, 10.00-13.00***

#### **Welcome Remarks**

Ms. Pauline Charazac, Advisor on International and Institutional Relations to the Bank of Mauritius and Member of the RCE Governing board in collaboration with the OECD, welcomed the delegates to the opening ceremony of the FinCoNet International Seminar on “Market Conduct Supervision in Challenging Times”. Ms. Charazac stressed the importance and relevance of FinCoNet in today’s environment and noted how membership had grown over the past 10 years. Ms. Charazac shared that it was an honour for the Bank of Mauritius to have been chosen as the host for this year’s Annual General Meeting (AGM) and how the Bank had been looking forward to the day’s important seminar, which brought together representatives from 25 countries and four international organisations.

#### **Address: Chair of FinCoNet**

Ms. Juliana Mozachi Sandri, Chair of FinCoNet, welcomed everyone and thanked the Bank of Mauritius for hosting the AGM and the Seminar. She noted how over the prior two days, FinCoNet had been able to reflect over the past 10 years. The Chair also noted that the theme for the year’s seminar, *Market conduct supervision in challenging times*, was both timely and appropriate. The Chair shared that she was delighted that everyone could share their concerns and questions with each other, which is one of the main objectives of FinCoNet – to help market supervisors more effectively protect financial consumers.

#### **Address: Governor of the Bank of Mauritius**

Mr. Harvesh Kumar Seegolam, Governor of the Bank of Mauritius and Chairperson of the RCE Governing board in collaboration with the OECD, welcomed local and international guests attending the FinCoNet International Seminar. He noted that the choice of Mauritius as the site of the AGM sent a strong signal to the international committee that FinCoNet is also concerned with the emerging or developing world. Governor Seegolam also noted that the 10th anniversary of FinCoNet and shared how participation in the AGM is a testament to the importance and relevance of FinCoNet and financial consumer protection. He stated that consumer protection is a lynchpin for the safety and soundness of the financial system, as consumer confidence and trust helps promote stability, efficiency and innovation in the financial system. Governor Seegolam noted that the forum was a great opportunity to discuss experiences and insights while discussing challenges as well. He noted how each jurisdiction has its unique challenges that others can learn from. Governor Seegolam used an example of the growing incidence of financial scams and frauds to stress the importance of regulation and supervision. Governor Seegolam also noted how the Bank of Mauritius has worked over the past few years to also advance financial education initiatives to help equip consumers to navigate increasingly complex financial landscapes.

Governor Seegolam highlighted that financial services providers must also adopt sound business practices and promote sound and equitable treatment of their customers. Clear and adequate disclosures are imperative to help consumers make informed decisions. Providers of financial services must provide information in plain and simple language so consumers can make informed decisions.

Governor Seegolam stressed the importance of engaging in regular dialogue on these topics. He shared recent activities of the Bank of Mauritius to promote dialogue and strengthen both financial education and financial consumer protection, along with the importance of gender equality in financial education and financial consumer protection. Governor Seegolam encouraged other central banks and financial authorities to become members of FinCoNet and to collaborate on these important topics, while reminding financial institutions to play their role to ensure that customers are treated fairly and provided with accurate information.

## Introduction of the Panels

Mr. Mardayah Kona Yerukunondu, First Deputy Governor of the Bank of Mauritius, introduced the panels. Mr. Yerukunondu noted that the ultimate objective of market conduct supervision is to ensure the fair treatment of consumers, while building confidence and trust in the financial system. This confidence and trust in turn promote the establishment of inclusive financial systems, sustainable economic growth and financial stability. He stressed the importance of a comprehensive approach that accounts for monetary, macroprudential and conduct supervision. He noted that market conduct supervisors must stay abreast of technological advancements in order to best mitigate new risks. In conclusion, he encouraged regulators and policymakers not to remain complacent in the current context. On the contrary, he stressed that they need to be agile and make timely decisions.

## Panel Session 1: Perspectives on economic challenges

Mr. Miles Larbey, Head of Financial Consumer Protection, OECD, introduced the panel topic, explaining that the discussion would highlight global financial trends and their effects on consumers, financial services providers, governments and oversight authorities. Mr. Larbey introduced the panellists for this panel session:

- Ms. Deniz Egan, Head of Macroeconomic Analysis, Bank for International Settlements
- Dr. Harshana Kasseeah, University of Mauritius
- Mr. Brendan Pearce, CEO of FinMark Trust, South Africa
- Mr. Gerhard Coetzee, Lead, Enabling and Responsible Policy, CGAP

### *Ms. Deniz Egan, Bank for International Settlements*

The key points of Ms. Egan's presentation were as follows:

- **Ms. Egan's** presentation provided a global picture of the economy. She provided a quick summary of the past three years in the global economy, which had been dominated by debates about inflation. Inflation in 2021 made a very pronounced comeback especially in advanced economies, given an imbalance between supply and demand, including from global supply chains, as well as a shift from purchase of goods rather than services given the lockdowns. A second blow occurred in 2022 given the war in Ukraine as commodity prices rose to very elevated levels. Thus, inflation became much more persistent than previously imagined. Even when headline inflation abated, core inflation

remained sticky or persistent. At the end of 2022 headline inflation was coming down, yet the 2% target (or target levels in each specific jurisdiction) was still not reached.

- How do we go back to target, she asked? Ms. Egan noted that services price growth meant a more difficult job – traditionally, service prices are more persistent so once they increase it takes much longer to decrease, since services tend to be labour-intensive. What happens to service inflation therefore has a lot to do with labour markets. In part because of COVID-19 and demographic trends, in many places, the labour markets had been tight and real wage growth had declined for many households. Therefore, she noted, there was considerable possibility that workers would want to recuperate their purchasing power and would try to negotiate for higher wages. However, firm profits grew at a solid pace so there could be room for firms to pay their workers more.
- On the activity side of financial conditions tightening, she noted a gap between advanced economies and emerging markets. Growth in advanced companies was more resilient than expected, whereas in emerging markets the opposite was the case. She noted that the strong dollar and weak trade could be the source of this discrepancy. She observed that markets were adjusting to higher rates after a long period very low interest rates. Households on the lower end of the income and wealth distributions would be much more vulnerable for what is to come.

*Dr. Harshana Kasseeah, University of Mauritius*

The key points of Dr. Kasseeah’s presentation were as follows:

- **Dr. Kasseeah** gave a presentation on household debt in Mauritius. Overall, she noted that the rise in household debt could be attributed to rises in cost of living, higher loan or credit card interest rates as well as the pandemic which led to job losses and greater financial instability for many households. Comparatively, she noted that household debt as a percentage of GDP in Mauritius was low compared to advanced economies but was more typical of middle-income countries.
- Dr. Kasseeah shared that recent data showed that household debt was increasing in Mauritius, especially due to mortgages. She noted that, as a small-island economy, Mauritius was highly vulnerable external shocks and climate change.
- The next part of her presentation looked at why households were indebted and what they were spending on. Household budget surveys suggested that expenditures had increased in every category.
- Dr. Kasseeah shared a study (pre-COVID) that the University had carried out to ask in-depth questions to examine the causes of indebtedness and expenses of households. They found that expenditures for education were quite elevated despite education being freely provided in Mauritius.
- 83% of those surveyed had at least one debt and the main source was from banks.
- Dr. Kasseeah noted that the research showed that high-income and high indebtedness tended to go hand in hand. Richer households paid out a larger share of their income in terms of servicing of debt. They were investing in second properties and purchasing additional land, using debt for renovations, increased cost of living, education, and also health.
- Household funding was mainly channelled to asset-building. It was not only real estate loans but also personal and business loans being used to finance the cost of education or purchase of vehicles.



- The implications of these findings, according to Dr. Kasseah, were for people to increase their financial literacy, the importance to subscribe to medical insurance, and having education plans for children. Investments in real estate were well ingrained in the population, she noted, however this would need to be monitored to avoid excessive speculation.

***Mr. Brendan Pearce, FinMark Trust***

The key points of Mr. Pearce's presentation were as follows:

- **Mr. Pearce** presented on the role of regulators during economic hardship. He noted a need for a stronger focus on consumer value and outcomes, using two case studies in South Africa as examples: funeral insurance and burial expenditure, and cross-border remittances and the stubbornly high costs of such remittances.
- He noted that consumer protection regulations needed to evolve from mere compliance to a focus on improving consumer outcomes, especially in the context of difficult economic times where the poor bore the brunt of global economic crises and women were also disproportionately affected in many jurisdictions. He stressed that simple compliance-based checklist were no longer suitable and there was a need to interrogate if products and services were adding to consumers' financial resilience and well-being.
- Drawing from the FinScope South Africa Consumer 2022 Survey, Mr. Pearce noted that 42% of all adults borrowed for food while 29% were saving for consumption.
- In South Africa, the main reasons consumers were saving and borrowing money were related to living expenses, in particular food. In addition, he noted that South Africans spend a staggering amount on the last rites and customs associated with burying their loved ones. Further, he warned of a worrying trend of the continuing rise in funeral costs coupled with a focus on funeral provisions at the expense of other financial needs. The uptake of funeral insurance in 2021 and 2022 was significantly higher than other insurance; asset insurance came far behind as well as life and health insurance. Most individuals had one or two funeral policies, but some had more than two insurance policies at the same time – 44% of those with funeral cover had more than two funeral cover policies.
- Mr. Pearce stressed that there was a role for regulators to play – noting that the situation was not simply the result of consumer choices. He acknowledged work carried out by the FSCA and supported efforts engage with consumers on the demand side and providers on the supply side to determine whether these funeral policies really provide value or add to people's lives.
- The second part of Mr. Pearce's presentation concerned cross-border payments. He explained that key remittance corridors connect workers in South Africa to other countries in the region, from immigrants and also undocumented migrants. He presented data from a FinMark Trust remittance pricing diagnostic carried out in 2021. The average transaction was approximately 55 dollars, but the costs to execute these transactions were quite significant. While work has been carried out to reduce these costs over the last decade, Mr. Pearce supported further interventions, including from regulators, to lower prices. He noted the potential to decrease costs by moving from cash to digital transfers. Given hard economic times, he noted that the flows of remittances could drop as disposable income decreased.

### *Mr. Gerhard Coetzee, CGAP*

The key points of Mr. Coetzee's presentation were as follows:

- **Mr. Gerhard Coetzee's** presentation began by acknowledging the opportunities of increased digitalisation and rapid innovation, which have fundamentally transformed the financial sector. He noted that, thanks to data trails of the poor, it is possible to understand consumers much better, especially the excluded consumers of the past, and particularly women.
- He also noted how the modularisation of financial markets meant that many more actors had become involved in the financial sector compared to the traditional concept of a bank. He stressed that both developments were an opportunity and also a risk.
- Digging deeper on the concept of digitalisation, Mr. Coetzee explained that an underlying phenomenon was the building of digital public ecosystems that bring together connectivity, digital IDs, payment systems, etc. that should lead to continued progress in financial inclusion.
- Mr. Coetzee noted that it was critical to keep in mind the climate crisis and how inclusive financial markets can assist excluded and underserved consumers to become more resilient and adapt to climate change, while financing a green transition. He cited correlations between financially excluded populations and climate vulnerability.
- Mr. Coetzee highlighted how innovations were transforming the financial sector landscape with new technology, new products and services, new business models, new data, but also more risk types and incidences. He shared work from CGAP on the evolution of the nature and scale of consumer risks related to digital financial services, showing how the scale of DFS consumer risks had increased in most cases since 2015. In particular, he cited that mobile app fraud rose faster than mobile app usage between 2016 and 2020, while the increase in data breaches surpassed the increase in data created between 2017 and 2020.
- Mr. Coetzee noted that these opportunities and risks challenged financial authorities to rethink their regulatory perimeter, their relationships among different authorities, how they balance policy objectives as well as ensuring consumer protection. He concluded his presentation by sharing work underway from CGAP to address these challenges by developing a responsible digital financial services ecosystem with a greater focus on customer centricity, collaboration and capability.

### *Discussion*

Mr. Miles Larbey thanked the panellists for their presentations and noted the importance of this topic. Mr. Larbey moderated a Q&A session with the panellists, inviting questions from the audience. The questions and responses included the following:

*Question: What policies or initiatives would help to address these challenges, and what role do you see for market conduct supervisors to play?*

Ms. Egan responded that with higher costs for borrowing and a continuing cost-of-living crisis, the main worry for households would be defaults. If that is coming, she said, more attention would be needed on possible long-term negotiations and trying to stop the worst outcomes before they occur. That is where she would prioritize efforts as a supervisor.

Mr. Pearce reiterated that, as mentioned during his presentation, context calls for more intervention. It would be helpful to move from compliance framework to a consumer–

centred focus and involved engagement with financial service providers to explore areas of improvement and the value being provided to consumers.

Mr. Coetzee responded that capacity-building and customer-centricity were important dimensions necessary for a more comprehensive approach to the broader environment. He acknowledged the difficulty of keeping ahead of market developments, but a customer-outcomes focused approach could help assure that market conduct supervision leads to positive outcomes for customers and providers.

*Question: What should be the main tool that should be in our toolboxes as members of FinCoNet? What tool in the regulatory toolbox do you see as most important?*

Mr. Pearce responded that regulators engaged with the financial sector on an on-going basis in terms of their supervision. But in his opinion, it is crucial that supervisors and regulators put the consumers at the centre; the tool is then engaging the financial sector around this and how such engagement can be monitored. He also stressed that a discussion of business models should be a larger part of supervision.

Mr. Larbey concluded the Panel discussion by thanking the panellists for sharing their experiences and insights and for a rich discussion.

## **Panel Session 2: Implications for conduct supervisors**

Mr. Colm Kincaid, Director of Consumer Protection, Central Bank of Ireland, introduced the panel which would feature is a discussion on how market conduct supervisors were trying to respond to challenging macroeconomic conditions.

Mr. Kincaid introduced the panellists for this panel session:

- Mrs Hemlata Sadhna Sewraj-Gopal, Second Deputy Governor of the Bank of Mauritius
- Ms Clare Bolingford, Financial Markets Authority, New Zealand
- Mr Frank Lofranco, Financial Consumer Agency of Canada
- Ms Farzana Badat, Financial Sector Conduct Authority, South Africa

### ***Ms. Hemlata Gopal, Bank of Mauritius***

The key points of Ms. Gopal presentation were as follows:

- Ms. Gopal presented how the financial consumer protection framework of the Bank of Mauritius aligned with the G20/OECD High-Level Principles of Financial Consumer Protection. Her presentation demonstrated the various ways supervisors and local authorities may work to ensure proper market conduct to promote financial consumer protection and good consumer outcomes.
- To highlight a few examples, she shared how the Bank of Mauritius protects vulnerable consumers under the Banking Act and in line with the Borrower Protection Act. Through this special law, the Commissioner for the Protection of Borrowers ensures a fair balance between the rights and obligations of borrowers. She also shared information relating to customer complaints resolved by the Ombudsperson for financial services and the Principle on Access and Inclusion. During the pandemic, for example, the Bank of Mauritius monitored the number of bank branches open on a daily basis and ensured that mobile ATMs were placed by banks in areas not serviced by those branches.
- Ms. Gopal also shared information on how the Bank of Mauritius ensures fair treatment of consumers and monitors this through on-site and off-site

inspections and through verifying fee and commission levels imposed by banks in their Tariff Guides

- Ms. Gopal further informed that the Bank of Mauritius caters on an ongoing basis for the promotion of financial literacy of consumers which is undertaken by a dedicated internal Unit.

***Ms. Clare Bolingford, Financial Markets Authority, New Zealand***

The key points of Ms. Bolingford's presentation were as follows:

- Ms. Bolingford noted that New Zealand was working to improve its market conduct regulation and supervision. She explained that the FMA's roots were in securities regulations and the focus had traditionally been on investor protection rather than more broadly consumer protection. She shared that New Zealand was working on consumer credit reforms and a new conduct regime for financial institutions. In addition, she noted that the FMA had introduced a new financial advice regime.
- The economic and regulatory challenges mentioned by other panellists were also present in New Zealand, she said. Furthermore, she noted how New Zealand was contending with climate change impacts, citing devastating floods that New Zealand had experienced earlier in the year, which greatly affected many communities. She shared that New Zealand was also struggling with regulatory change fatigue and that institutions were focused on compliance and therefore not focused on innovation.
- Ms. Bolingford emphasised that collaboration and engagement with other regulatory authorities were key priorities at the FMA. A joint approach was vital, she said, as each of the key partners the FMA works with domestically has different regulatory and supervisory responsibilities across New Zealand.
- As an example of such collaboration, Ms. Bolingford detailed one partnership around cyber resilience. The FMA worked closely with the Reserve Bank to communicate to the industry its expectations and examples of good practices. From a data gathering perspective, different authorities collaborate so there is one place where institutions can report cyber-attacks and cyber issues. She noted that the FMA also worked with partners in ASIC particularly regarding cross-border cyber incidents.
- Ms. Bolingford highlighted another example of collaboration regarding responding to weather events. The FMA works jointly with insurers and banks to gather data to understand the impact and the issues people face around banking and insurance as well as the overall impact of climate change. A public-private partnership for the long term is important to help understand and address such complex risks.
- Ms. Bolingford also shared an overview of the FMA's work on financial inclusion, beginning with initiatives led by the Council of Financial Regulators (CoFR), which had been ongoing for the prior two to three years. As part of this work, the CoFR produced a definition of customers in vulnerable circumstances and pieces of guidance for industry detailing their expectations are and how firms can better support vulnerable customers.
- Ms. Bolingford noted that, as the world continued to shift along with the challenges for customers, the FMA were keen to make sure aligned with international standards. She shared the FMA's vision for itself: More New Zealanders than ever believe the financial system is working well for them. She

stressed that such a vision reflects the importance of understanding the customer experience and customer levels of trust.

- She presented FMA’s outcomes-focused approach to regulation, underscoring the need for a flexible approach that does not just focus on specific rules alone. In line with the outcomes-focused approach, the FMA hopes to expand its focus beyond simply what the law states and how firms should comply; rather, the conversation should be what is the service or product that a firm provides and how does the customer experience it?
- Ms. Bolingford shared FMA’s work on minimising harmful conduct on the regulatory perimeter, which could be quite challenging for conduct supervisors. Nonetheless, she stressed that as much as supervisors can be proactive in practice, it could help to minimise harm.
- She shared that the FMA was also working to leverage data science and advanced analytics to inform their decision-making and help regulate at scale.
- Finally, she noted the FMA’s priorities around deterring misleading value propositions, citing examples of social media, greenwashing, generative AI and low-value products.

***Mr. Frank Lofranco, Financial Consumer Agency of Canada***

The key points of Mr. Lofranco’s presentation were as follows:

- Mr. Lofranco noted how the speakers on the earlier panel had raised a variety of global economic and financial trends and highlighted the impact of such trends on financial markets and financial consumers. He echoed the panellists’ declarations that financial consumer protection must keep pace with these evolutions. In an ideal world, he said, market conduct regimes could anticipate economic changes, but instead we hope that our interventions are timely and effective. As market conduct supervisors, we must clearly understand the issues facing consumers and we must then translate that into clear expectations for the institutions we supervise.
- He noted that often the same issues and challenges have a prudential nexus, and that this was becoming more apparent. He noted a growing recognition that the safety and soundness of the financial system was tied to consumer confidence in that same system. In turn, when things go wrong, this can lead to consumer confidence issues, which can lead to instability issues. He emphasised that this dynamic necessitates close collaboration between market conduct supervision and prudential supervision.
- To illustrate the importance of alignment, Mr. Lofranco spoke about how rising inflation in Canada and in response, the Bank of Canada’s decision to raise interest rates. He noted how the challenge facing many consumers was that households carried high levels of indebtedness incentivised by a low interest rate environment in Canada. And these consumers, especially those with mortgages, were facing a difficult period. Interest rate increases impact mortgage holders depending on the mortgage type, and in Canada, variable rate mortgages with fixed payments are one such type of mortgage, which are particularly affected by interest rate increases. Mr. Lofranco noted a high risk that payments would not cover the interest accruing on such loans.
- He also shared data from FCAC’s monthly monitoring of consumers’ financial well-being. He noted that results indicated that Canadians were struggling to keep up with their financial commitments. For example, homeowners increasingly needed to borrow to meet their daily expenses.

- Mr. Lofranco explained that he shared this evidence to underscore the point that conduct supervisors must understand the issues facing consumers and the risks that could undermine their financial resilience. It was clear that financial stress for mortgage holders was growing faster compared to other groups of consumers. From a market conduct perspective, this represented a call to action. He clarified that consumers had a role to play as well, and they can be proactive by, for example, talking to their financial institution early. Consumers who communicate their situation to institutions early usually have more options available to them.
- Regarding the FCAC's response to the problems customers holding variable rate mortgages, Mr. Lofranco detailed how FCAC worked with financial institutions to set expectation on how they would support consumers struggling to repay their mortgages and to make sure that customers could access appropriate relief measures. The FCAC was pleased to see how financial institutions were taking action based on the FCAC's communications, but concerns around the unevenness of the approaches taken led the FCAC to enhance its supervisory expectations. Ultimately, the FCAC issued more detailed guidelines that aimed to provide greater clarity on its expectations.
- Mr. Lofranco concluded his remarks by emphasising the importance of understanding the range of impacts of interest rate increases on consumers and how this understanding helped the FCAC determine the issues of highest risk. Second, he underscored the importance of alignment with other regulators, particularly the prudential supervisor. Finally, he shared that the paradigm shift within Canada toward a more action-oriented outlook was critical for acting early and adjusting if necessary as things moved forward.

***Ms. Farzana Badat, Financial Sector Conduct Authority, South Africa***

The key points of Ms. Badat's presentation were as follows:

- Ms. Badat began by underscoring the importance for market conduct supervisors to collaborate and share experiences and insights across jurisdictions.
- She noted that in South Africa, the macro-economic outlook was quite subdued and the consumer outlook was also largely negative. She cited the high rate of youth unemployment rate and an ongoing power crisis as two contextual factors that were important to understand as market conduct supervisors.
- Ms. Badat explained that FSCA is broad regulator and sees various key challenges in different sectors. For example, she noted high levels of credit application rejections in the banking sector, while in the insurance sector she explained that the FSCA was still dealing with aftereffects of the COVID-19 pandemic which affected insurance pricing plus the scale of natural disasters. In investments, she shared that FSCA witnessed that retail and institutional investors had larger appetites for more sustainable options, remarking that the challenge for FSCA was to make sure investors understood the products available to them and what it means to be a responsible investor. Further, she noted that smaller financial institutions were increasingly under distress which affects pricing and fees for consumers and related to a rise in default and scams.
- Ms. Badat shared how FSCA tries to incorporate consumer sentiment and insights into the work they do. As a conduct supervisor, FSCA aims to take into account the macroeconomic outlook and the financial sector perspective when formulating its supervisory responses. In addition, the FSCA acknowledges the need for the customer perspective to be heard and integrated into policy and supervisory responses.

- Thus, she highlighted the FSCA’s Financial Customer Behaviour and Sentiment Study. The FSCA determined that social media and complaints data were not sufficient. With a survey, the FSCA could collect information on how customers were engaging with financial institutions, financial products and services, as well as consumer perspectives on fair outcomes. The survey, she explained, was important to build understandings of how consumers engage with the financial sector beyond access and uptake. For instance, the survey data could help the FSCA see if consumers were finding value in the products and services being offered to them, and whether and to what extent these products and services are aligned with their expectations.
- Ms. Badat shared findings from the survey regarding consumer sentiment on culture, product design, disclosure, advice, whether performance aligned with expectations and post-uptake experiences. She emphasised that effective supervision of market conduct and financial inclusion should lead to the consistent delivery of fair outcomes to consumers, and that this requires a clear shift from compliance and rules based to outcome-focused regulation.
- She concluded by sharing information on the FSCA’s responses to ongoing challenges, including a heightened focus on culture and governance, strengthening collaboration, designing a customer vulnerability framework, establishing a consumer advisory panel, and increasing supervisory visibility and public awareness.

### *Discussion*

Mr. Colm Kincaid thanked the panellists for their insightful presentations and moderated a Q&A session with the panellists, inviting questions from the audience. The questions and responses included the following:

*Question: How do you shift the conversation to outcomes you want to achieve? How do you get beyond the “rules and regulations” approach?*

Ms. Bolingford responded that it would not be easy, but that market engagement was incredibly important. It is critical, she said, to spend time talking about the issues with the industry and engaging in real dialogue. Providing case studies was useful so explaining in detail what the regulators and supervisors meant. She noted that case studies could also provide examples of where things were going well. It requires a lot of interactive efforts.

Ms. Badat agreed that dialogue and engagement were crucial. She also stressed the importance of the level of engagement and who in the supervisory institution was leading those discussions. She specified that such discussions often needed to be elevated to the level of executives, CEOs, and board members. That level of seniority, she said, would bolster credibility for the conversations and also for the regulator itself.

Mr. Kincaid concluded the panel discussion by thanking the panellists for sharing their experiences and insights.

### **Closing Remarks**

Mr. Yuji Yamashita, Vice-Chair of FinCoNet, thanked the Chair, the Bank of Mauritius, the moderators and panellists of the Seminar and all attendees. He noted how the Seminar had deepened FinCoNet’s collective understanding and broadened perspectives on the economic challenges and their impact on market conduct supervision. He reiterated that it was crucial for conduct supervisors to understand the macroeconomic developments and their impacts on financial consumer protection and the work of market conduct supervision.

Mr. Yamashita noted that rapidly changing economic environment could have diverse implications. He noted that this was difficult for supervisors to keep on top of and address these diverse challenges, especially amid resource constraints. He highlighted that this was where the value of FinCoNet came in, because Members can learn from others to understand best practices and what has worked in different. He noted that some approaches may be traditional while others could be more innovative.

Mr. Yamashita concluded by noting that FinCoNet Members shared the same values and policy objectives and could learn invaluable things from their peers represented in the FinCoNet Membership. The Vice Chair thanked everyone in attendance and expressed his sincere gratitude to the Chair, to the Secretariat, to the Bank of Mauritius, and to the participants.



## Speaker Biographies



**Mr Harvesh Kumar Seegolam** was appointed Governor of the Bank of Mauritius with effect from the 1st of March 2020.

The bold decisions taken by Governor Seegolam during the COVID-19 pandemic won him several international accolades. These include the 2023 Central Bank Governor of the Year for Africa Award, the Best Central Bank Governor-Africa Award from Finance Derivative Magazine and an A-rating as one of the world's leading central bankers in the Global Finance Central Banker Report Cards in 2022 and 2023.

Innovation, digitalisation and the greening of the banking and financial landscape are key elements on Governor Seegolam's agenda. He is behind the implementation the Bank's new Monetary Policy Framework and is actively driving the rollout of the Mauritian CBDC.

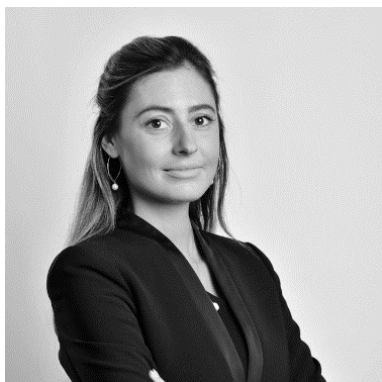
Mr Seegolam is the Alternate Governor for the Republic of Mauritius at the International Monetary Fund and holds several positions in national and international high-level committees.

Mr Seegolam was previously the Chief Executive of the Financial Services Commission. Before that, he launched and ran the Financial Services Promotion Agency.



**Mr. Mardayah Kona Yerukunondu** is a sworn barrister and a seasoned central banker. He joined the Bank of Mauritius (Bank) in November 1977. Across his career at the Bank, he has filled several key positions. He was appointed the first Ombudsman for Financial Services of Mauritius in March 2019. Subsequently, in February 2020, he was appointed as the First Deputy Governor of the Bank and sits on the Monetary Policy Committee. He is also the Chairperson of the Board of the Financial Services Commission.

Mr Yerukunondu was the Chairperson of the Committee set up by the Bank which saw the implementation of the Credit Information Bureau in Mauritius. He was equally the Chairperson of the Steering Committee set up by Government to study the social and legal aspects of Islamic financial services. He has extensively contributed in the drafting of the Bank of Mauritius Act 2004 and the Banking Act 2004. Mr Yerukunondu has also formed part of national delegations of the ESAAMLG Task Force of Senior Officials. He is currently a member of the Statutory Core Group for Anti-Money Laundering and Combatting the Financing of Terrorism and Proliferation.



**Ms. Pauline Charazac** is Advisor on International and Institutional Relations and coordinates the work undertaken by the OECD Mauritius Desk on behalf of the Bank of Mauritius.

In her capacity, she is also responsible for strengthening cooperation with multilateral organisations including the OECD, the IMF and the World Bank. Prior to this, Pauline served at the Financial Services Commission of Mauritius, the French Embassy in Mauritius and the Conseil d'État in France. She equally held several positions in the private sector in France and Mauritius, advising government agencies and international companies, mainly within Publicis Groupe.

Pauline is a member of the Governing Board of the Regional Centre of Excellence in collaboration with the OECD and is the incoming Secretary and President of the Groupe des Directeurs de la Formation et de la Coopération des Banques Centrales Francophones. Pauline holds a Bachelor's degree as well as a Master's degree in Public Affairs both from Sciences Po Paris and has also studied at the University of Sydney.



**Miles Larbey** is the Head of Financial Consumer Protection at the OECD. In this role, he is responsible for the OECD's work on international financial consumer protection policy and supporting the Task Force on Financial Consumer Protection and FinCoNet, a network of market conduct supervisors. Particular areas of focus include the impact of digitalisation and technological advances, consumer vulnerability and financial well-being, demographic changes, financial inclusion and the opportunities and risks for consumers associated with sustainable finance.

Before his role at the OECD, Miles held positions as Senior Executive Leader for Financial Capability at the Australian Securities and Investments Commission, was the General Manager of the Investor Education Centre in Hong Kong and worked on consumer protection and law reform at the Financial Conduct Authority in the UK.

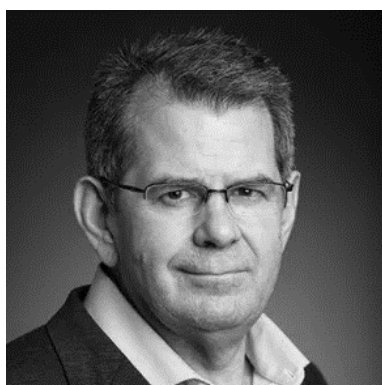


**Deniz Igan** is Head of Macroeconomic Analysis at the Bank for International Settlements (BIS). Prior to joining the BIS, she held several positions at the International Monetary Fund, most recently as Chief of the Systemic Issues Division in the Research Department, co-editor of IMF Research Perspectives and an adviser to the editor of the Finance & Development magazine. Her research interests include financial crises, corporate finance, real estate markets and political economy. Her work has been published in various outlets, including policy-oriented academic journals such as *NBER Macroeconomics Annual* and *Economic Policy*. She is a CEPR research fellow, a fellow in the EUI School of Transnational Governance Policy Leaders Program, a panelist in the Zillow House Price Expectations Survey, and a member of

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the SUERF Management Council. Deniz holds a PhD from Princeton University.



**Gerhard Coetzee** leads an outcome area in CGAP that aims to Foster a Responsible Enabling Ecosystem for inclusive finance. His team works on the regulatory frontier and financial inclusion, responsible digital finance ecosystems, and gender-focused guidance for policymakers and regulators.

Gerhard is an Extraordinary Professor at the University of Stellenbosch Business School. Before CGAP, he was Head of Inclusive Banking at Absa Bank (South Africa), responsible for its digital money proposition. Gerhard was the founder and Director of the Centre for Inclusive Banking in Africa and a Professor of Agricultural Economics at the University of Pretoria. He was the technical lead and CEO of ECIAfrica (a consulting firm owned by DAI). He had several senior roles focused on policy at the Development Bank of Southern Africa. His specialization areas are inclusive finance, development finance, agricultural finance and rural development. He has been published widely and worked in several countries, the majority in Africa. Gerhard holds a Ph.D. in Agricultural Economics from the University of Pretoria, South Africa.



**Harshana Kasseeah** is an Associate Professor at the University of Mauritius. Her research areas include public policy as it relates to entrepreneurship and finance, sustainable development, and internationalization of firms. Her research is mainly focused on micro-, small-, and medium-sized enterprises. She is also involved in several projects and consultancies with a socio-economic dimension and has also published in several international journals.

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**Brendan Pearce** is the Chief Executive Officer of FinMark Trust and in this role leads the strategic direction and operations of the organisation. With a distinguished career in leadership roles, he has a wealth of experience in the financial and development sectors. He previously served as an advisor to the Managing Director of the Land and Agricultural Bank of South Africa.

Brendan also held the positions of Chief Executive Officer at the Manufacturing, Engineering and Related Services SETA and the Local Government and Water SETA and has worked at Vodacom as the Executive Head of the international legal and regulatory team. He also successfully established and led Umhlaba Development Services, a development consultancy, for eleven years.

An admitted advocate of the High Court in South Africa, Brendan holds a master's degree in banking law from the University of South Africa. He has earned a certificate in payment systems from the University of Stellenbosch and a certificate in digital payments from Tufts University.

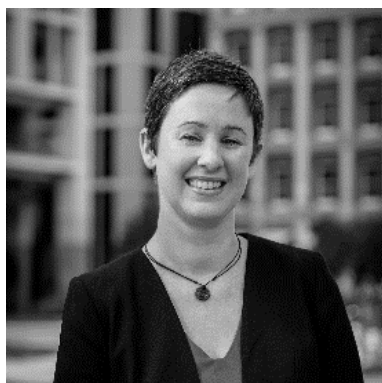


**Colm Kincaid** was appointed to the role of Director of Consumer Protection at the Central Bank of Ireland in October 2021. Prior to this, he was Director of Securities and Markets Supervision and prior to that Head of Consumer Protection: Policy & Authorisations and Deputy Head of the Legal Division at the Central Bank of Ireland. He joined the Central Bank in 2004 and has also practised as a solicitor in commercial practice in London and Dublin, specialising in financial regulation and structured finance.



**Farzana Badet** is currently Deputy Commissioner at the Financial Sector Conduct Authority (FSCA) in South Africa. She was appointed to this role by the Minister of Finance on 1 December 2021 and is part of the Executive Committee responsible for the overall strategic and operational management of the FSCA. She is also responsible for overseeing the development and implementation of harmonised licensing and supervisory conduct risk frameworks for a range of financial institutions including banks, investment providers, life and non-life insurers, micro- and access product providers, and financial advisors and intermediaries, as well as oversight of AML/CFT supervision and the FSCA's Office of General Counsel.

Farzana's financial sector policy and supervisory experience spans multiple private and public institutions, locally and internationally in both developed and emerging economies.



**Clare Bolingford** is Executive Director, Regulatory Delivery at the Financial Market Authority of New Zealand. In this role, she is responsible for directing, planning and delivery of the Financial Market Authority's core regulatory functions across licensing, engagement and supervision of regulated individuals and firms. She is leading the FMA's implementation of the new conduct regime for banks, insurers and non-bank deposit takers, the new financial advice regime, and the Climate Related Disclosures regime.

Clare's experience includes almost 20 years with the Financial Conduct Authority in the UK, in a variety of policy, change implementation and supervision roles, including oversight of large banking groups and financial advisers. She also spent two years at the UK Treasury, leading capital markets and prudential policy.



**Frank Lofranco** is Deputy Commissioner, Supervision and Enforcement at the Financial Consumer Agency of Canada. Frank joined the federal public service in 1995. He has served in various executive positions with central agencies as well as line departments. His management experience includes roles in public policy development, program delivery and operations, and business transformation. Frank joined FCAC in 2020, and he brings more than 10 years of executive management experience in regulatory compliance, including private sector experience. Frank holds a Master of Public Administration degree.

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**Hemlata Sadhna Sewraj-Gopal** was appointed, with effect from the 1st of March 2020, Second Deputy Governor of the Bank of Mauritius by His Excellency the President of the Republic upon the recommendation of the Prime Minister. Mrs Sewraj-Gopal joined the Bank of Mauritius in 2003.

Prior to her appointment as Second Deputy Governor, Mrs Sewraj-Gopal was the Secretary to the Bank of Mauritius. In that capacity, she also acted as Secretary to the Board, Secretary to the Audit Committee, Member of the Investment Committee and Chairperson of the Tender Committee. In the course of her career, Mrs Sewraj-Gopal has overseen several key departments including Human Resources, Procurement as well as Accounting and Budgeting. Prior to joining the Bank of Mauritius, Mrs Sewraj-Gopal was Director- Corporate services at the Board of Investment (2001-2003), Financial Controller at the Mauritius Export Development and Investment Authority (1997-2001) and Manager at KPMG Mauritius (1993-1997). Mrs Sewraj-Gopal also worked for three years in London at Arthur Andersen.