FAIR DIGITAL FINANCE ACCELARATOR

FinCoNet Seminar Panel 2: Looking ahead - New practices and emerging solutions in response to the challenges facing market conduct supervisors now and in the future

Wednesday 23 November 2022

CONSUMERS INTERNATIONAL

A GLOBAL CONSUMER ADVOCACY NETWORK

Consumers International members are independent not-for-profit consumer groups from around the world.

We have **over 200 members in over 100 countries** chosen on the basis of their importance, focus on consumer issues and engagement and typically one leading group per country

Our members work on a range of topics including finance, energy, food, mobility, sustainability, digital safety and security, amongst others.

GLOBAL CONSUMER NEEDS IN THE MARKETPLACE

Access: The ability to access essential goods & services

Inclusivity: Protection of vulnerable and disadvantaged consumers

Safety: Protection from hazards to health and safety

Economic interests: Promotion of value for money and protection from risk

Information: Access to clear, accurate information to enable informed choices

Education: Assistance to understand consumer transactions, and the environmental, social and economist consequences of choices

Redress: Availability of effective dispute resolution services and redress mechanisms

Representation: the freedom to form consumer groups and have views included in relevant decision-making processes

Sustainability: the promotion of sustainable consumption patterns

Online rights: Equal protection for consumers dealing with organisations online and offline

Privacy: The protection of consumer privacy

Global free flow information: Protection of free flow of information

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FAIR DIGITAL FINANCE VISION

Digital Financial Services can empower consumers, everywhere. To achieve this, digital financial services must be **inclusive**, **safe**, **data protected** and **private**, and **sustainable**

Inclusive:
Everyone, including women and vulnerable consumers, can easily access affordable, reliable digital financial services. Services are designed to meet consumers needs and promote financial wellbeing.

Safe:
Consumers get maximum benefit from digital financial services and are confident that their money is secure. Accessible, simple, timely advice and redress is available when things go wrong.

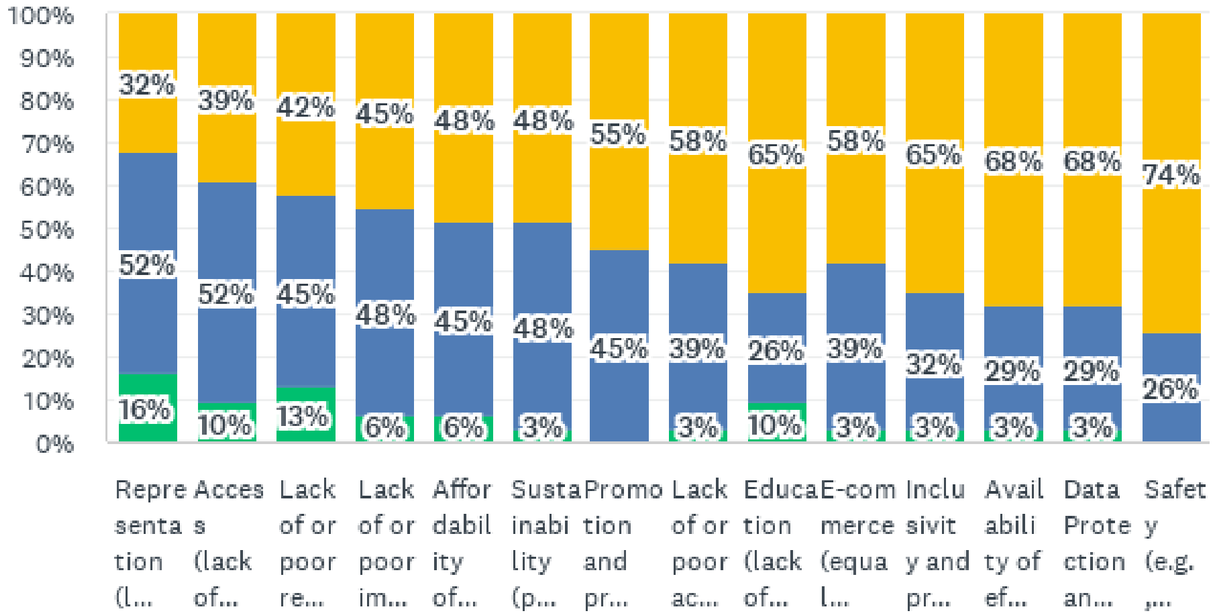
Sustainable: Communities have a home to live for and a financial future to save for. Digital financial services drive climate finance and incorporate environmental impact considerations in all decisions. Sustainability impact is communicated to consumers and net zero aligned financial services are the default option offered.

Data protected and private: People's identity and rights are respected. Digital financial services genuinely equip people with real power to control access to, and use of, their data. Safeguards and their enforcement protect people effectively from misuse and exploitation.

KEY CHALLENGES FACED BY CONSUMERS OF DIGITAL FINANCIAL SERVICES

- Safety (i.e., risk of scams and frauds),; unauthorised access to customer information, unauthorised fees
- Availability of effective consumer dispute and resolution mechanisms,unclear procedures, inappropriate, no consideration for vulnerable, slow, expensibve
- Data protection and privacy, Data breaches (+ amplified cyber risk) ,Uninformed consent ,Inaccurate profiling and no data integrity , provider failure to safeguard customer personal data
- Protection of disadvantaged consumers

What are the main challenges faced by consumers of digital financial services in your country? (For each option, please rank from 1 – 3; 1 = not a challenge, 2 = somewhat a challenge, 3 = an important challenge)



= an important challenge

= somewhat of a challenge

= not a challenge

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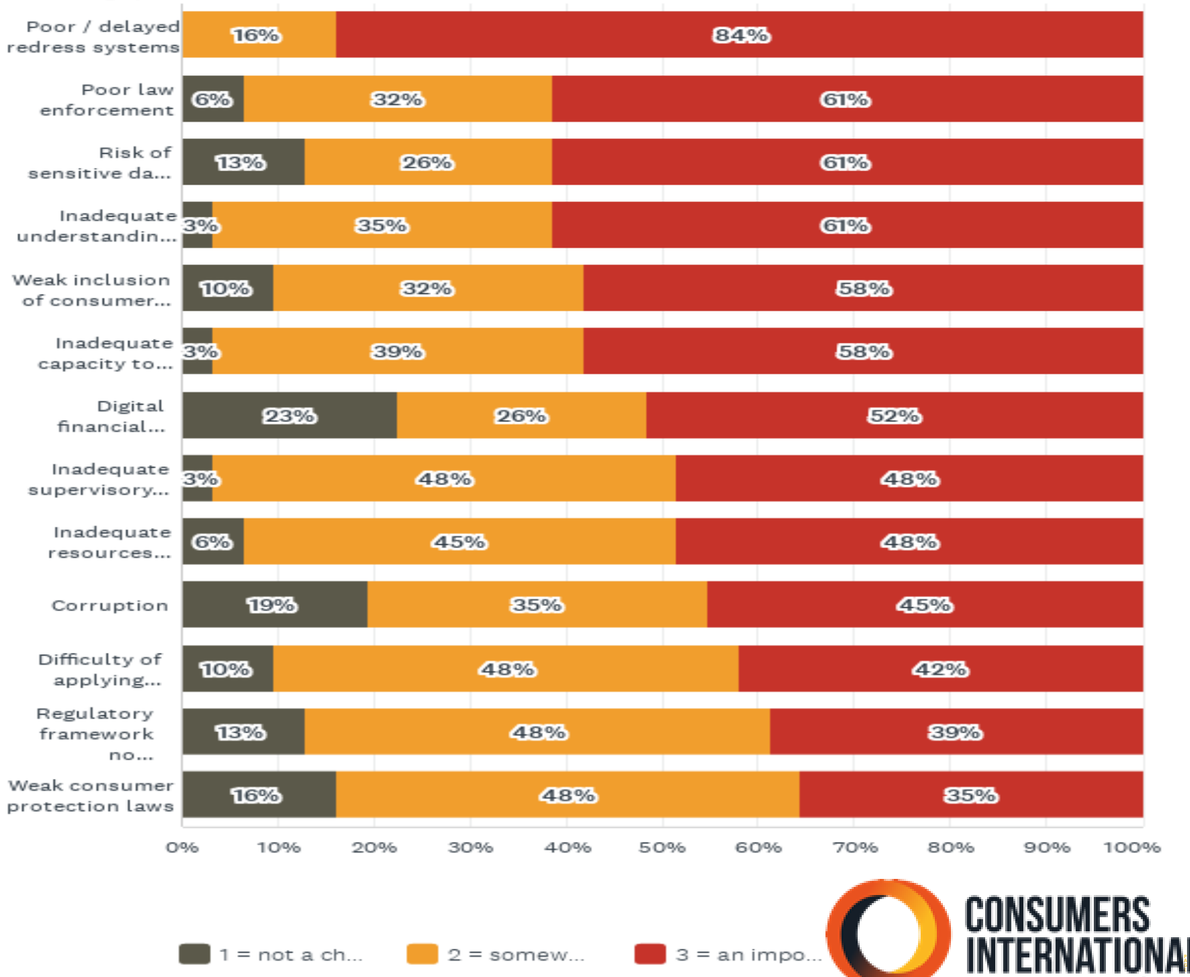
KEY CHALLENGES FACED BY REGULATORS IN ADVANCING CONSUMER-CENTRED POLICY

- Poor/delayed redress systems
- Poor law enforcement
- Inadequate capacity to identify existing and new risks, and
- Inadequate understanding of consumers' rights

From a consumer protection and empowerment perspective, what are the biggest challenges regulators face to advance consumer-centred regulation in your country? (For each option, please rank from 1 – 3; 1 = not a challenge, 2 = somewhat a challenge, 3 = an important challenge)



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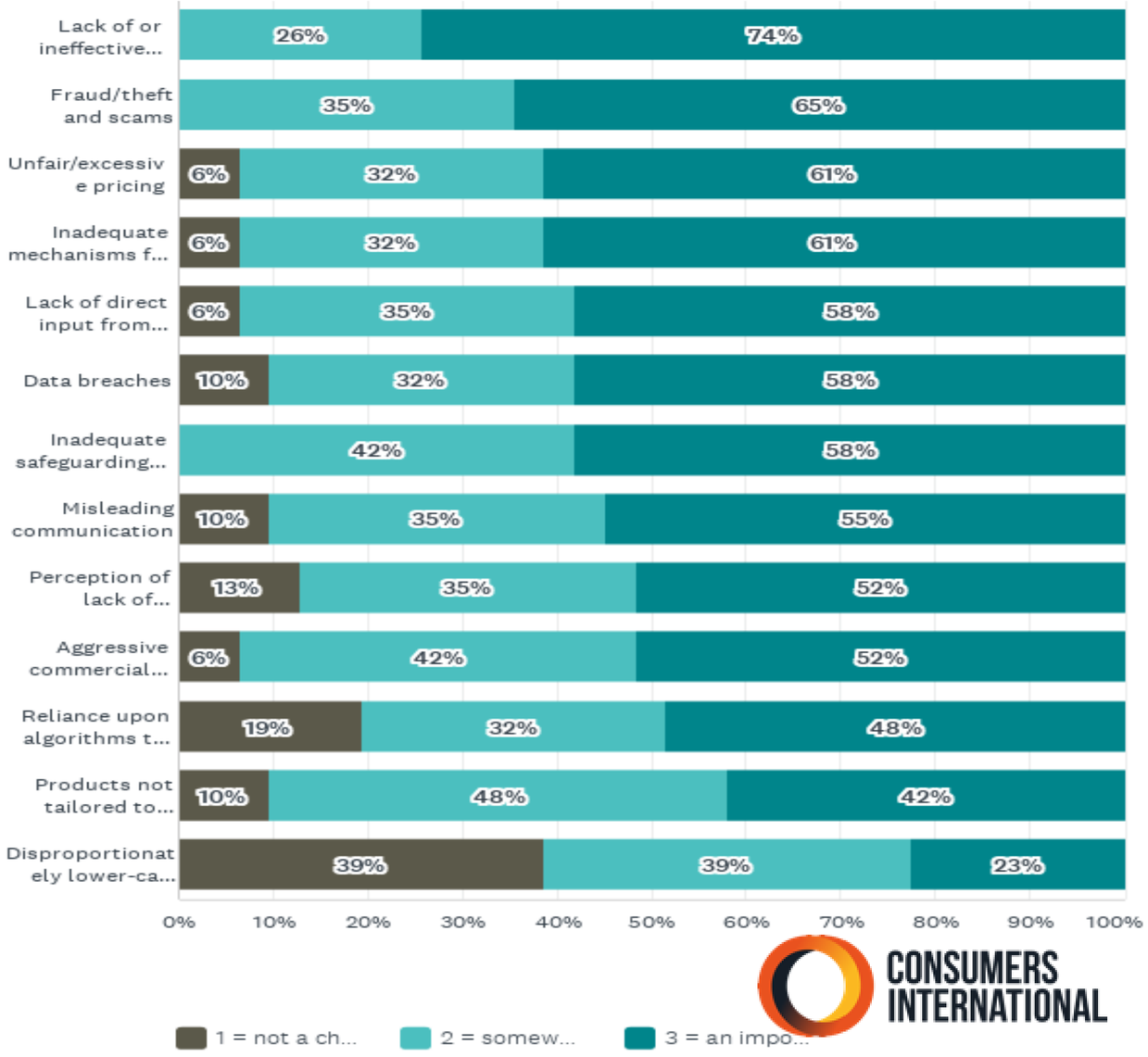
KEY CHALLENGES FACED BY PROVIDERS IN ADVANCING CONSUMER-CENTRED PRODUCTS AND SERVICES

- Lack of or ineffective recourse and compensation mechanisms
- Excessive and unfair pricing – balancing consumer needs with business needs
- Fraud thefts and scams, and
- Inadequate mechanisms for the safeguarding of consumers' rights

From a consumer protection and empowerment perspective, what are the biggest challenges financial service providers face to advance consumer-centred products and services in your country? (For each option, please rank from 1 – 3; 1 = not a challenge, 2 = somewhat a challenge, 3 = an important challenge



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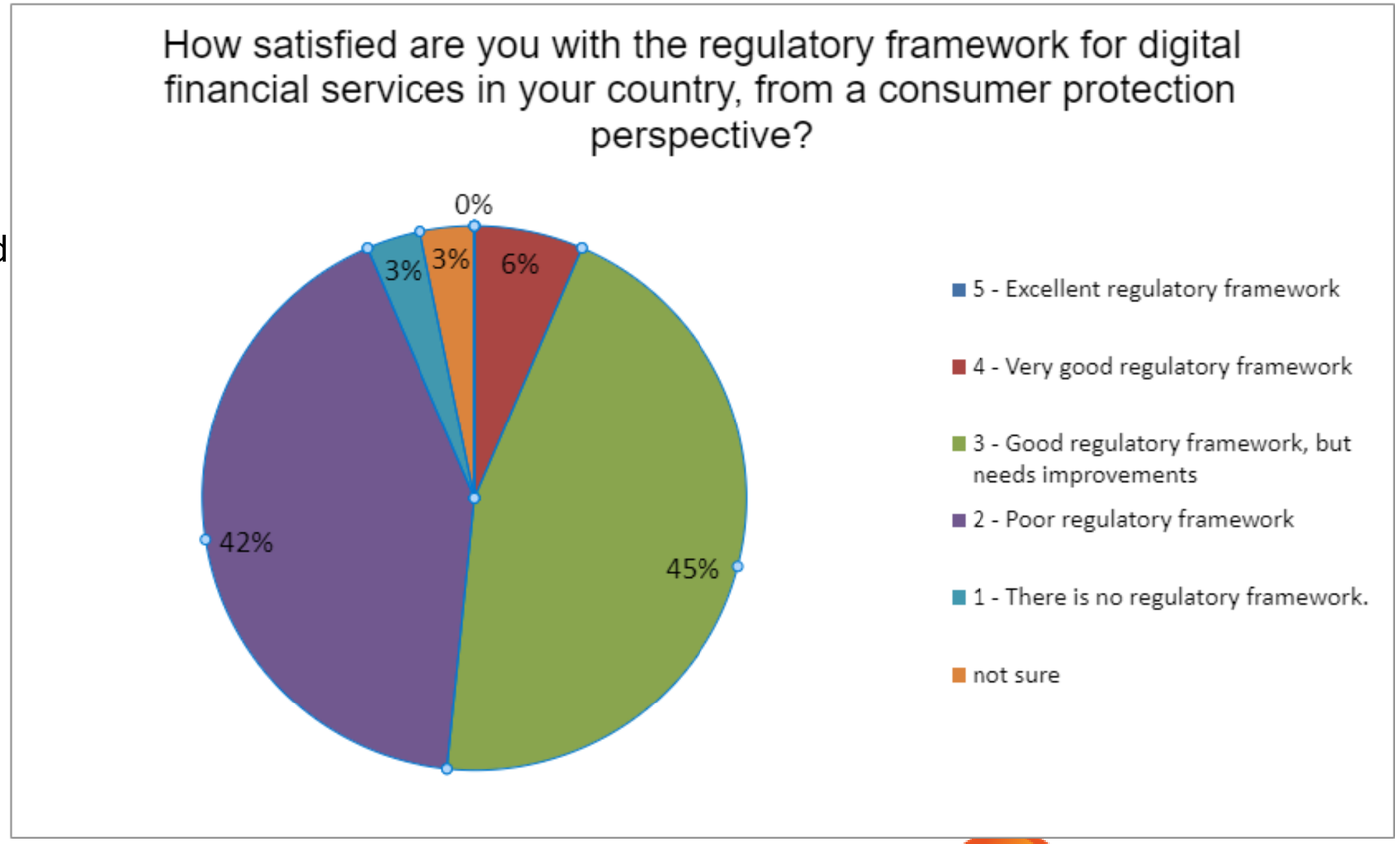
POLICY AND REGULATORY INSIGHTS

CONSUMERS ADVOCATES SATISFACTION IN DIGITAL FINANCIAL SERVICES' REGULATORY FRAMEWORK

- 6% of consumer associations believe the regulatory framework is good
- 45% of consumer associations believe that there is a solid regulatory framework, but some extensive improvements are needed
- 45% of consumer associations believe that there is poor (13) or no digital financial services protection (1) for consumers in their country



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FAIR DIGITAL FINANCE ACCELERATOR: FAIR, SAFE, SECURE AND SUSTAINABLE

Engaged 600 leaders, 95 Members and reached 1.2 million views in the Fair Digital Finance Summit

Robust network of 45 members from over 40 countries; Coordinated consumer advocacy, regionally and internationally

Thought Leadership - Advisory panel of digital finance leaders and champions

Developed vision for fair digital finance

Launched Tailored Digital Finance Training on digital finance and consumer advocacy

Digital financial services new insights; Sub-grants and Case studies on digital finance

Representation of consumer advocacy in global and regional fora; collective consumer voice

Contribution to Global policy reviews of digital finance issues affecting consumers

Stakeholder mapping and collaboration; Creation of new and enhanced regulatory engagement opportunities for consumer organisations

Launched Member Support Hub on key Digital Finance issues and technical capacity provision;

Digital collaborative member platforms. Creation of a global network of specialised Digital Financial Services consumer advocates and Digital Financial stakeholders beyond the consumer movement

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AREAS FOR COLLABORATION

- Join the Fair Digital Finance Accelerator Network to galvanise and propel fair digital finance in your country.
- Structured inclusion of Consumer Organization representation in policy and regulatory dialogue
- Share key digital finance challenges where you need consumer insight and engagement
- Research Partnerships on key consumer challenges

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THANK YOU!

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COMING TOGETHER FOR CHANGE