

Press Release



FinCoNet publishes *Guidance to supervisors in the field of digitalisation of short-term, high-cost consumer credit*.

The International Financial Consumer Protection Organisation (FinCoNet), has published *Guidance to Supervisors in the field of Digitalisation of Short-term, High-cost Consumer Credit* (the Guidance) ([available here](#)).

The Guidance is based on the main findings of FinCoNet's 2017 report *Digitalisation of short-term, high-cost consumer credit* ([available here](#)) and on the good practice observations described in FinCoNet's 2014 *Report on Responsible Lending* ([available here](#)).

The digitalisation of consumer credit offers many potential benefits to lenders and consumers. Digital channels allow lenders to reach a greater number of consumers while reducing operating costs and consumers may benefit from increased convenience and speed in access to credit products. However, the digitalisation of short-term high-cost consumer credit may also exacerbate consumers' behavioural biases and increase the risk of over-indebtedness. Disclosure and assistance to consumers are also significantly impacted by the use of online or mobile channels in the provision of credit.

Against this backdrop, supervisors must keep pace with innovation and technological developments in the banking services sector, and they must adapt their supervisory approaches and oversight tools to promote sound market conduct and enhance financial consumer protection. Consumers should be afforded the same level of protection irrespective of the channels used to provide credit.

This Guidance was developed to support and assist supervisors effectively address the main drivers of financial consumer protection risks relating to the provision of short-term high-cost consumer credit through digital channels. The Guidance consists of eight main topics, each of which is supported by specific supervisory actions that may be implemented by supervisors.

About FinCoNet

FinCoNet was formally established in 2013 as a new international organisation of financial consumer protection supervisory authorities. The goal of FinCoNet is to promote sound market conduct and enhance financial consumer protection through efficient and effective financial 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 for consumer protection supervisors in financial services. By sharing best practices and by promoting fair and transparent market practices, FinCoNet aims to strengthen consumer confidence and reduce systemic consumer risk.

For more information about the work of FinCoNet or becoming a member, please contact Sally.DAYHANOTIAUX@oecd.org at the Secretariat.