NEWSLETTER ISSUE 3

September 2021

FinCoNet
INTERNATIONAL FINANCIAL CONSUMER PROTECTION ORGANISATION

Welcome

Dear FinCoNet Members,

I hope that you, your colleagues and your families are keeping well.

I am pleased to share with you this third 2021 edition of the FinCoNet newsletter, which includes articles provided from Germany, Ireland, New Zealand, Portugal, the Russian Federation, the United Kingdom and CGAP.

The In Focus section provides information on the FinCoNet International Seminar on Market Conduct Supervisors Responding to the Impacts of the COVID-19 Pandemic. This event will be held via Zoom on 12 November 2021, and will take place back-to-back with the FinCoNet Annual General Meeting – we look forward to receiving your registrations.

I hope you will find this edition of the FinCoNet newsletter an interesting and enjoyable read!

Maria Lúcia Leitão
Chair, FinCoNet

In this issue

This third 2021 issue of the FinCoNet Newsletter includes:

New Zealand Investor Platform Research

- The FMA conducted market research to identify the behaviours, motivations and risks associated with online investing platforms used by retail investors.

New Zealand KiwiSaver Switching Report

- In June 2021, the FMA published a review of KiwiSaver member behaviour in response to COVID-19. The research focused on the increased switching behaviour observed during the period of heightened market volatility in Feb-April 2020.

BaFin's New Mystery Shopping Mandate in Germany

- BaFin has been assigned with a new Mystery Shopping mandate and will use this power to examine whether companies are complying with their statutory obligations in their dealings with consumers and (retail) investors.

Review of Differential Pricing in the Private Car and Home Insurance Markets in Ireland

- The Central Bank of Ireland has proposed a ban on pricing practices in the insurance industry, which can lead to unfair outcomes for some consumers. The proposals follow a detailed review of Differential Pricing in the Private Car and Home Insurance Markets. The Review examined how differential pricing is used in the private car and home insurance sectors and established its impact on consumers.

Analysing Social Media to Detect Digital Consumer Credit Risks in India

- India's digital credit boom has made it easy for consumers to borrow money, but mechanisms for reporting abusive lending practices through the country's official channels have not kept up, with many customers turning to social media to share their experiences and voice complaints.

And more….

In Focus

FinCoNet International Seminar 2021

The FinCoNet International Seminar 2021 will be held on 12 November 2021, directly following the FinCoNet Annual General Meeting, to be held on 10-11 November 2021. Due to the ongoing uncertainty around travel and sanitary restrictions as a result of the COVID-19 pandemic, it has been decided that the International Seminar and AGM 2021 will be held as virtual meetings via the Zoom platform.

The International Seminar will explore the topic of Market Conduct Supervisors Responding to the Impacts of the COVID-19 Pandemic, beginning with a presentation providing global insights into regulatory and supervisory approaches to consumer risks resulting from COVID-19.

The Seminar will comprise two panel sessions, both examining current challenges and looking ahead: the first will address *exiting payment holidays, credit moratoria and the management of arrears* and the second will discuss *increasing digitalisation, cybersecurity risks, scams and frauds*. The Seminar will include a range of perspectives on these topics including academic, sector specialist and supervisory expertise.

Further information on the FinCoNet International Seminar on Market Conduct Supervisors Responding to the Impacts of the COVID-19 Pandemic can be found on the FinCoNet website.

Should you wish to attend the Seminar, please contact the FinCoNet Secretariat [sally.day-hanotiaux@oecd.org].

We look forward to welcoming you to the FinCoNet International Seminar in November.

Current Issues Forum

New Zealand Investor Platform Research

Contributor: Tammy Peyper, New Zealand FMA

During the COVID-19 lockdown in March 2020, New Zealand saw a record number of retail investors begin using online investing platforms. These DIY investors represent a new type of investor. The FMA conducted market research to identify their behaviours and motivations and any associated risks for the FMA to consider as well as to develop profiles for the different types of investors using these platforms.

Main findings

The view of investing has changed – investment platforms have been a game changer with 80% of investors having a more favourable view of investing since using a platform. Investors using these platforms, are, for the most part, behaving in a responsible manner.

Investing has become social – new investors are more likely to be influenced by online forums and an emotional connection with a company's brand than with financial reports and disclosures.

Three major drivers – Three immediate factors are attracting people to online investment platforms:

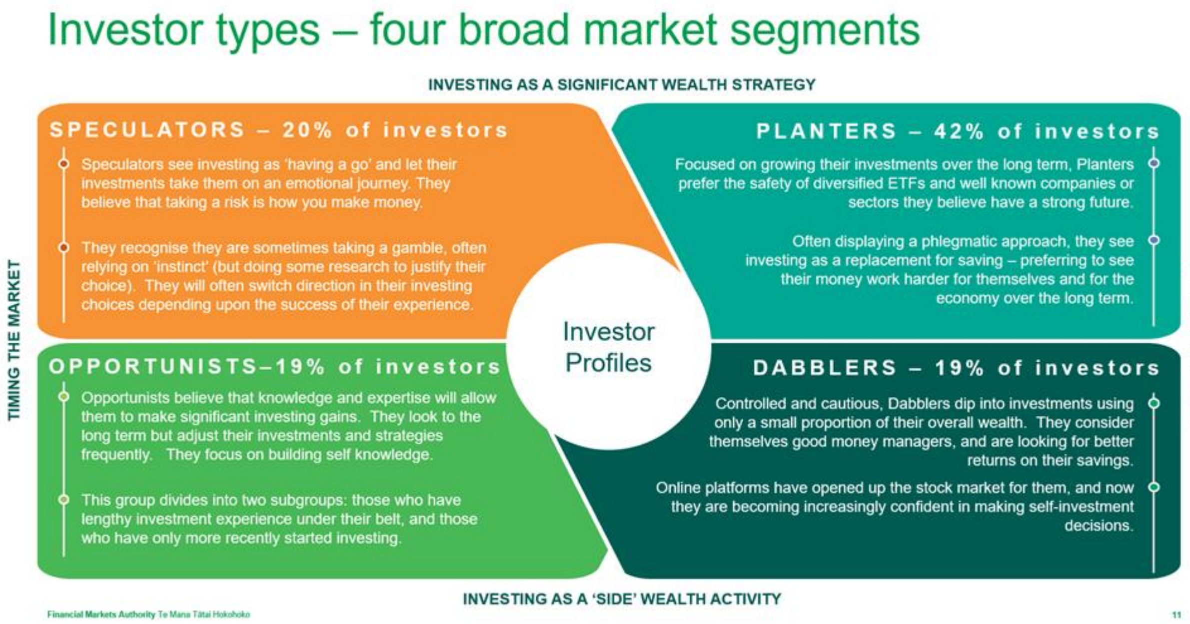
- Market conditions
- Ease of access to the markets
- Sociability

Strategies employed – 80% of investors are buying and holding, less than 2% are day trading. But FOMO (fear of missing out) is still a driver with almost one third of investors jumping into an investment in the last two years because they did not want to miss out

Increased popularity of crypto and derivatives – around one-third of investors have invested in cryptocurrency (or intend to do so in the next year). Interest in derivatives is increasing but off a very low base. The research suggests both are more about 'having a go' than being a significant investing strategy.

Four main types of investors:

Investors differ attitudinally on two dimensions – (1) how much of their wealth is tied to online platform investing as a wealth building strategy and (2) their approach: 'time in' vs 'timing' the market.



Based on the finding that FOMO is a significant driver for many investors, the New Zealand theme for World Investor Week 2021 is 'Investing FOMO? Take a Mo'. The FMA campaign will focus on the five Ds of DIY:

- Do your due diligence
- Drip feed your investments
- Diversify
- Don't freak out if markets go down
- In doubt? Talk to a financial adviser

Retail investor platforms research report

World Investor Week

New Zealand KiwiSaver Switching Report

Contributor: Tammy Peyper, New Zealand FMA

In June 2021, the FMA published a review of KiwiSaver member behaviour in response to COVID-19. The research focused on the increased switching behaviour observed during the period of heightened market volatility in Feb-April 2020. Key results included:

- 58,356 of the sampled 1.5 million KiwiSaver members made 88,112 switches, meaning some made multiple switches. These switching members represented 3.9% of the total sample – 2.7 times higher than the same group in 2019.

- March 2020 was the peak switching month, with seven times the 2019 average monthly volume
- On 22 March 2020 there were 6,156 switches – the equivalent of around 20 days' worth of switches in 2019
- 5% of switches were to lower risk funds, 11% to equivalent risk funds and 18.5% to higher risk funds
- Members aged 26 to 35 were disproportionately more likely to switch to lower risk funds
- Banks saw a disproportionate increase in switching compared to other KiwiSaver providers

The report also showed that first home loan withdrawals and financial hardship withdrawals increased during the period. However, first home withdrawal numbers were low in comparison with switch numbers so the report concludes this was not the primary reason for younger people switching to a lower risk fund.

KiwiSaver switching research

KiwiSaver

KiwiSaver Act 2006

A note on KiwiSaver

KiwiSaver is a voluntary work-based savings scheme set up by the Government to encourage New Zealanders to prepare for retirement. The principal legislation governing KiwiSaver is the KiwiSaver Act 2006. There are five main investment categories, ranging from conservative to aggressive, and members can change their investment category multiple times. Some KiwiSaver providers provide self-service channels where these changes can be actioned by the member.

BaFin's new Mystery Shopping mandate

Contributor: Federal Financial Supervisory Authority (BaFin), Germany

The Federal Financial Supervisory Authority (BaFin) in Germany recently received an explicit mandate in the field of mystery shopping. This mandate extends to all financial products and services within BaFin's supervisory capacity.

The new mandate, which came into force on 01 July 2021, is embedded into BaFin's overarching cross-sectoral responsibility for financial consumer protection. This is stipulated in Section 4 Para (1a) of BaFin's founding act (Act establishing the Federal Financial Supervisory Authority – FinDAG).

Mystery clients trained in this field act as if they were consumers seeking advice, or they acquire financial products and services for test purposes. Such covert action gives BaFin an impression of how financial services providers behave towards their customers. BaFin will use this new tool to examine whether financial services providers are complying with their statutory obligations in their dealings with consumers and (retail) investors.

According to BaFin's current planning, mystery shopping will – after a piloting phase in 2021 – be adopted as a regular supervisory measure in 2022 and can then be deployed wherever financial services or financial products are being sold to consumers. The spectrum ranges from classic investment advice, through lending, and to insurance sales.

BaFin intends to contract specialised research agencies for the execution of the actual mystery visits. An exemplary sequence of mystery shopping may look as follows:

1. BaFin becomes aware of (possible) misconduct; e.g. it is conceivable that a conspicuous accumulation of clients' complaints about a certain topic could trigger a mystery shopping with which BaFin intends to gain its own insights into the situation.
2. BaFin selects one or more test objects depending on the occasion. The sample size is determined on a case-by-case basis, there is no fixed upper or lower limit.
3. BaFin defines the test clients' profiles and designs the scenarios for their mystery visits, as well as a questionnaire for the mystery shoppers to record their observations.
4. The research agency selects suitable mystery shoppers from its database and prepares them for the specific exercise. They then independently arrange appointments or seek advice as casual customers.
5. Immediately after the visits, the shoppers fill out the questionnaires and attach all received documents. The research agency collects the data and processes it for further analysis, which includes anonymization.
6. The agency reports the results directly to BaFin, where the data is scrutinized from a legal perspective. Further measures may range from sharing feedback with the supervised entity to taking supervisory action against a firm or a product.

Review of Differential Pricing in the Private Car and Home Insurance Markets

Contributor: Central Bank of Ireland

The Central Bank of Ireland has proposed a ban on pricing practices in the insurance industry, which can lead to unfair outcomes for some consumers. The proposals follow a detailed review of Differential Pricing in the Private Car and Home Insurance Markets. The Review examined how differential pricing is used in the private car and home insurance sectors and established its impact on consumers.

Differential pricing is where customers with a similar risk and cost of service are charged different premiums for reasons other than risk or cost of service. 'Price walking' refers to a practice where insurance providers initially offer a lower premium to customers which is then increased in subsequent years when the customer renews. While differential pricing can benefit consumers who are more likely to shop around for better prices, it can cause harm to consumers, particularly if it is used to increase prices by stealth, and can result in unfair outcomes for some consumers particularly those who are unable, or less likely, to switch providers.

The Review was conducted through a multi-phase approach, which included a comprehensive market analysis and consumer research, based on the views of approximately 5,500 consumers. It found that, as a result of the 'price walking' pricing practice, the costs paid by some customers are higher than the expected cost of the policy to the insurance provider. The analysis shows that long-term customers, who stayed with their insurance provider for nine years or more, are paying, on average, 14% more for private car insurance and 32% more on home insurance than the equivalent customer renewing for the first time.

Based on these findings the Central Bank of Ireland has put forward a series of proposals to strengthen the consumer protection framework to:

- Ban the practice of price walking in private car and home insurance.
- Require where new customers are offered a lower price to attract their business, it should be clearly disclosed to them that this includes a new business discount.
- Require private motor and home insurance providers to review their pricing policies every year to ensure they maintain focus on their pricing practices and the impact of such practices on their customers, while also ensuring adherence to new pricing provisions and the fair treatment of consumers.
- Introduce new requirements in relation to automatic renewals, which will include consumer consent for the automatic renewal of insurance contracts, to allow personal customers to make more informed decisions.

Insurance providers were also reminded of their responsibility to sell their customers products that meet their needs both now and into the future, and to do so fairly. While innovation in insurance provision offers the potential for improved products and services, it can also pose risks to consumers through practices such as differential pricing. These proposals set specific requirements on insurance providers to fully consider the impact of all decisions on their customers, putting their customers' needs at the forefront of any policy decisions or changes to pricing practices.

The series of policy proposals are set out in a public consultation, which will be open until 22 October 2021. Taking into account responses to the consultation, it is intended that the measures will be finalised early next year and that they will apply to insurance providers from 1 July 2022.

Analysing Social Media to Detect Digital Consumer Credit Risks in India

Contributor: CGAP

India's digital credit boom has made it easy for consumers to borrow money, but mechanisms for reporting abusive lending practices through the country's official channels have not kept up, with many customers turning to social media to share their experiences and voice complaints. While the Reserve Bank of India and other organizations are now taking a closer look at exploitative recovery practices of some consumer credit apps, CGAP research finds that warning signs of aggressive debt collection could have been detected earlier by monitoring social media.

CGAP partnered with Daryl Collins and her team to analyse over 150,000 digital credit-related Google Play reviews (between May 2016 and May 2021) and Twitter posts (between January 2020 and April 2021) to explore whether supervisory technology – suptech – can help supervisors and others listen to consumer voices. The data analysis relied on natural language processing (NLP), or the ability of computers to process and understand text written by humans, focusing on Twitter activity given that it is accessible, widely used and publicly available.

Overall, the data shows that online complaints about aggressive debt collection offered an early warning sign to financial supervisors that this issue might warrant a closer look. While the results do not clearly indicate whether the complaints about aggressive collection and other issues point to market-wide consumer protection concerns or more isolated problems with a few “bad apps”, the tool does reveal that a quarter of all the complaints show urgency and which apps are the most criticized in the market.

Despite some limitations, NLP social media analysis could be an agile, inexpensive way to help supervisors monitor the market and listen to the collective voice of consumers. It complements more traditional tools that financial supervisors use to monitor digital consumer risks and customer outcomes, and can be particularly useful when it comes to monitoring unregulated or semi-regulated providers that fly below the radar of supervisors.

https:// www.cgap.org/blog/analyzing-social-media-spot-digital-consumer-credit-risks-india

In Russia, information on deposits will be provided to consumers in a standard tabular form

Contributor: Bank of Russia

From 3 July 2022 onwards banks will be obliged to disclose to their customers the key features of deposits in an easy-to-understand tabular form that covers types of deposits, amount and currency, replenishment options and limitations, deposit terms and date of claim, as well as the annual interest rate.

These provisions were introduced by Federal law No. 324-FZ of 02.07.2021 “On amending Federal law “On banks and banking activities” which was developed with active engagement of the Bank of Russia.

Federal law No. 324-FZ has been enacted to improve provision of information to bank clients and prevent distortion and fraudulent misrepresentation of actual profitability of bank deposits. The innovations will help consumers to better understand peculiarities of bank deposits, assess actual profitability of deposits and make a reasonable choice out of offers from different banks.

As to deposits with a variable interest rate, banks will be obliged to include in the tabular form the procedure of how the floating rate is set and its value as of the signature date of the agreement as well as a method of informing the investor about its update. If a deposit includes several interest rates, the tabular form will specify the terms and time of application of each of them.

The interest rate for demand deposits shall be stated as of the date of agreement. If the agreement allows the bank to change the rate, this shall be specified in the tabular form. Also, the tabular form shall include a procedure for paying interest, an option and a procedure for deposit extension, the terms and the size of a minimum balance, as well as information on whether it is possible to claim a partial term deposit ahead of schedule without any amendments to the interest rate nor frequency of payments.

In addition to the above mentioned, banks will be obliged to disclose information on a minimum guaranteed deposit interest rate in the agreement, in offices and on their websites. The Bank of Russia will set the procedure for its calculation and the tabular form template.

The Financial Lives survey – how the FCA uses this bespoke survey to inform its work and how other regulators can access the results

Contributor: Gareth Thomas & Margaret Watmough[1], FCA, United Kingdom

What is the Financial Lives survey?

The Financial Lives survey (FLS) is our flagship survey of UK consumers, which we reported on back in the December 2019 FinCoNet Newsletter. We conducted it in 2017, in early 2020 and will do so again in 2022. The survey provides a wealth of information about consumers' attitudes towards managing their money, the financial products they have and their experiences of engaging with financial services firms. It is unique in the combination of its highly robust design (using random probability based sampling), its breadth (over 1,300 questions covering all the retail sectors that we regulate) and its size (over 16,000 respondents in the 2020 survey). As a tracking survey, it provides evidence of how things are improving, worsening or staying the same, from the point of view of the consumer.

As a consumer-focused and data-led regulator, it is vital that the FCA has the insights to understand the realities of consumers' changing financial lives. Understanding consumer needs is a key factor in the way we make regulatory judgements. The FLS's nationally representative data help us to deliver our consumer protection and competition objectives through identifying harm and improving consumer outcomes.

We think it is important to invest in high-quality data like FLS. We seek to maximise its value not only by using it across our business, but also by engaging with external stakeholders and encouraging others to use the survey insights.

Our reports and recent key findings

Our recent report combined FLS results from early 2020, with those of a follow-on survey conducted in October 2020, to report on a wide variety of topics – with a focus on the impact of the coronavirus. For example, we saw an increase in the proportion of UK adults with low financial resilience from 20% in February 2020 to 27% in October 2020. We learned that in that time, of the UK's 52.4 million adults aged 18 and over, 20 million were saying that their financial situation became a lot worse; that nearly 10 million had cut back on essentials like food and clothing, and that almost 6 million had borrowed from friends or family.

The report shines a light on a wide range of important issues, such as:

- Very high numbers of UK adults struggling with their finances or with interacting with financial services firms even before COVID-19, like the over 20 million adults who could only continue to cover their living expenses for less than three months, if they lost their main source of household income
- COVID-19 acting as a catalyst to speed up digital trends (with more UK adults using online or mobile banking, for example) – but significant minorities of UK adults struggling with reduced access to cash and/or with fewer businesses accepting cash

[1] Gareth Thomas manages the FCA's Consumer Partnerships and Research team. Within this team Margaret Watmough leads our work on the Financial Lives survey. Please contact us at financiallivessurvey@fca.org.uk.

- An increase in the number of UK adults reporting mental health conditions, which can result in difficulties, such as not being able to manage money or interact with financial firms, or becoming over-indebted
- Gender inequalities, when on average women have less in savings and investments than men, fewer have a private pension, and 6 in 10 of UK adults with low financial capability are women

This 200-page report is full of invaluable insights on consumers and the serious challenges they face. It gives us an important reference point to inform our thinking on where and how we intervene.

Thinking back to our Financial Lives 2017 survey, we published two main reports with a different focus and they still make valuable reading for us:

- One looked at results by age group, highlighting different potential harms for young, older and very old consumers – and supporting our work on the ageing population
- One focused on differences in results by geography, including by country (England, Scotland, Wales and Northern Ireland) and by English region; as a UK-wide regulator, we want to understand how consumers in different areas experience and respond to financial services

How do we use the survey?

The survey is designed with two main goals in mind.

Firstly, it provides useful longer-term trend data. We can monitor how consumers are doing, and then profile those we are most concerned about:

- Are more UK adults showing characteristics of vulnerability? In early 2020 we saw a decline in this statistic – 46% in February 2020 compared with 51% in 2017 – although COVID-19 reversed this result to 53% by October 2020
- Is trust and confidence in the financial services industry improving? Yes: a little between 2017 and early 2020, but from a low base
- Do more UK adults hold protection products? Yes: 59% had no protection products in 2017, but this had dropped to 53% by 2020
- Are more UK adults borrowing? Yes: 46% of UK adults were using FCA-regulated consumer credit in 2017 and that went up to 51% by early 2020 – and we noticed too that informal borrowing from friends and family was particularly on the increase among young adults

Secondly, we design the survey to feed into several FCA reviews and consultations – and to do this we change a portion of the content each time we run the survey. FLS statistics have informed, for example, the Mortgages Market Study, the Woolard Review of the unsecured credit market, the Retail Distribution Review (RDR) and the Financial Advice Market Review (FAMR) and our Consumer Investments Strategy.

We use the survey in many more ways, however. We use it to answer queries from our senior staff, to provide evidence when we answer letters from Members of Parliament, and in speeches – to give three examples. Recent speeches that reference the FLS include why diversity and inclusion are regulatory issues and protecting access to cash and banking services.

Who else uses the survey?

The data equally provide valuable insights for many stakeholders. These include the UK financial services industry, the Government, policy-makers, consumer bodies and academics. We observe the results being used widely in the media, and many stakeholders are now using the data themselves to run their own analyses.

We work with other UK regulators through the UK Regulators Network (UKRN). We have used FLS data to engage with them on, for example, the financial impacts of the coronavirus, and on understanding which consumers have low financial resilience and are struggling to meet credit commitments and pay their bills.

How can you access the survey results?

We hope FLS will be of interest to other financial regulators, perhaps as a good model for large-scale consumer research in the financial services market, perhaps as the source of comparative data. We are keen to hear from you – what do you think of FLS, and what suggestions do you have to improve it?

The Financial Lives resource library on the FCA's website links to our reports and questionnaires, and to our comprehensive survey data tables. Each volume of the data tables (there are 18 in total, organised by sector or other topic area) include a variety of analysis breaks, such as age, gender, ethnicity, characteristics of vulnerability, household income, investible assets and geographic area.

Raw data from the Financial Lives surveys (2017 and 2020) and from the October 2020 COVID-19 panel survey can be accessed on application from the Consumer Data Research Centre (CDRC) at University College London.

Preparing a soft landing from COVID-19 payment holidays: the Portuguese approach

Contributor: Diana Vieira, Banco de Portugal

In Portugal, while the recovery from the COVID-19 pandemic continues, the temporary measures taken in response to the pandemic's impact on the financial resilience of consumers and firms are coming to an end. In anticipation of the exit from credit moratoria, the Portuguese authorities have adopted measures to support consumers who have shown difficulties in resuming the payment of their debts. The legal and regulatory framework on the management of credit pre-arrears and arrears, which has been in place since 2013, was also strengthened, requiring firms to have a more pro-active approach in the prevention of arrears situations. The Banco de Portugal was given new tools to monitor the effectiveness of those measures.

In March 2020, in the wake of the COVID-19 pandemic, the Portuguese Government approved a public credit moratorium, which was the main instrument used to help borrowers managing their debts in a context of an abrupt decline in economic activity. In terms of consumers, the public moratorium covered housing and mortgage loans, as well as loans for educational purposes. Industry associations also implemented private moratoria, which applied to credit agreements outside the scope of the public moratorium.

Those temporary measures are now coming to an end, as the lockdown restrictions have progressively been withdrawn and there are positive indicators of a rebound in economic activity. The private moratoria have already terminated and most consumers who are still covered by the public moratorium will resume the regular payment of their debts in October 2021.

In this context, at the beginning of August 2021, the Portuguese authorities approved a set of measures[1] to support consumers who may face payment difficulties following their exit from payment holidays, promoting a soft landing from credit moratoria.

Credit institutions were required to contact all consumers with credit agreements covered by the public moratorium at least 30 days before the end of this support measure. The purpose of this communication is to gather the necessary information to assess their financial capacity and verify whether they will be in financial distress after the exit from payment holidays. If, as a result of such assessments, credit institutions conclude that the consumer will be unlikely to be able to resume the payment of their credit instalments, but it is possible to engage in a viable forbearance solution, a proposal must be presented to the consumer at least 15 days before termination of the credit moratorium.

Additional safeguards were also granted to customers who fail to comply with their obligations following their exit from credit moratoria. Those safeguards, for instance, protect consumers against legal action to redeem the credit, or against selling the credit to third parties during the negotiation process that credit institutions are required to engage with consumers in arrears on their credit agreements.

The general legal framework governing the management of credit pre-arrears and arrears, which has been in place since 2013[2], was also amended with the purpose of strengthening the obligations upon firms in the context of the prevention of arrears situations.

Within the existing legal framework, credit institutions were already required to monitor the execution of credit agreements and to have systems and procedures in place that allow the detection of early warning signs of consumers' financial distress. Following this amendment, credit institutions have to perform such assessments, for all credit agreements concluded with consumers, on a regular basis. Additionally, credit institutions will have to take into consideration a larger set of early warning signs, including unemployment, loss of income or the development of professional activity in an economic sector facing difficulties.

When such signs are identified by the credit institution, or the consumer alerts the lender of financial problems, credit institutions are obliged to take immediate action in order to assess the consumers' financial situation and, if viable, renegotiate monthly payments to an affordable amount. Credit institutions are now required to inform the consumer of the result of the assessment to their financial capacity and present proposals (if possible), within 15 days of receiving the necessary information.

If the parties agree to renegotiate the credit agreement, as a forbearance solution, credit institutions are prevented from charging any fees and from raising the interest rate of the credit agreement. Additionally, credit institutions are required to monitor the efficiency of the solutions implemented and present new proposals to consumer, whenever necessary.

According to this recent legal initiative, credit institutions will have to periodically report to the Banco de Portugal data on the credit agreements which present early warning signs and on the negotiation procedures entailed with borrowers in pre-arrears. This information will complement the data that is already being reported to the Banco de Portugal about the credit agreements that are covered by the

[1] Decree-Law No 227/2012, of 25 October 2012, amended by Decree-Law No 70-B/2021, of 6 August 2021.
[2] 'Dealing with household indebtedness: the Portuguese approach', December 2015 edition of the FinCoNet Newsletter.

existing legal mechanism governing the settlement of arrears situations, providing a full picture of credit institutions' performance in the monitoring of and provision of assistance to borrowers in pre-arrears and arrears. The new rules in place allow the Banco de Portugal to conduct a more intrusive supervision of institutions' compliance with the rules in place.

The Banco de Portugal, under the mandate assigned to it by the Portuguese legislator, will regulate several aspects of the legal regime and establish the requirements of the reporting of information by credit institutions. The projects of regulatory acts prepared by the Banco de Portugal to that effect will be under public consultation until 21 of October 2021.

The new measures implemented with the revised pre-arrears and arrears management framework are expected to help consumers by softening the impact of the exit from credit moratoria. The Banco de Portugal, as conduct supervisor authority, will remain vigilant given that it is still not possible to have a complete picture of that impact.

Publications

CGAP

CGAP has published a paper that identifies promising ways for consumers to communicate their needs and concerns as a group to policy makers and funders, thereby elevating the "collective consumer voice" in the financial sector. Through a stronger consumer voice, regulators will gain a better understanding of the risks facing consumers and adapt regulations accordingly, making financial services more responsible.

The research identifies three opportunities to elevate the collective consumer voice:

- Empower consumer groups, such as consumer associations, to represent consumer interests to regulators
- Create more forums for regulators to integrate consumer voice into financial regulation
- Leverage technology, including social media, as a means for regulators to listen to consumers

This paper explores the potential impact of incorporating the collective voice of consumers into financial sector policy and regulation, and along with the roles that regulators and funders can play. In addition, CGAP is piloting solutions with consumer associations as part of this effort, in collaboration with Consumers International as well as regulators and supervisors in Peru, the UK and South Africa.

https://www.cgap.org/sites/default/files/publications/2021_03_WorkingPaper_Collective_Consumer_Voice_updated.pdf

About FinCoNet

Established in 2013, FinCoNet is an international organisation of supervisory authorities responsible for financial consumer protection. It is a Member-based organisation set up as a not-for-profit association under French law.

FinCoNet promotes sound market conduct and strong consumer protection through efficient and effective financial market conduct supervision.

Each Member of FinCoNet has responsibility for and an interest in protecting the interests of consumers of financial services. FinCoNet seeks to enhance the protection of consumers, and to strengthen consumer confidence by promoting robust and effective supervisory standards and practices, and sharing best practices among supervisors. It also seeks to promote fair and transparent market practises and clear disclosure to consumers of financial services.

Visit our website at www.finconet.org/

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