



## PRESS RELEASE

### FINCONET ANNUAL GENERAL MEETING 2020

#### Key points:

- **FinCoNet approved the Programme of Work for 2021-2022, including important workstreams on:**
  - **Supervisory approaches & challenges regarding credit moratoria in light of COVID-19;**
  - **Oversight challenges and evolving approaches of conduct supervisors in the context of COVID-19, including the use of SupTech**
  - **Supervisory challenges relating to the increase in digital transactions (especially payments) since COVID-19**
  - **Policy and supervisory approaches to financial product governance and culture, including selling practices of credit and banking products**
- **Two FinCoNet reports approved for publication: “[Financial Advertising and Consumer Protection: Supervisory Challenges and Approaches](#)” and “[SupTech Tools for Market Conduct Supervisors](#)”.**
- **International Seminar held on the theme of *Creditworthiness Assessments: Current Issues and Challenges***

On 11-13 November 2020, the International Financial Consumer Protection Organisation (FinCoNet) held its Annual General Meeting (AGM) using a virtual format because of COVID-19 travel restrictions. Representatives from 44 jurisdictions around the world, as well as international organisations, participated in the AGM. The meeting was held back-to-back with an International Seminar on *Creditworthiness Assessments: Current Issues and Challenges*, which provided an opportunity to hear from experts on issues such as the use of technology such as Artificial Intelligence and the impact of COVID-19 on assessing creditworthiness.

In her welcoming remarks, Ms Maria Lúcia Leitão, Chair of FinCoNet said: “We have all been working under unprecedented and difficult conditions since the beginning of the COVID-19 pandemic. In this complex framework the importance of conduct of business supervision as a pillar of financial

consumer protection has been vindicated. FinCoNet is always ready to support the work of its members by benchmarking and complementing the different approaches needed to protect financial consumers. International cooperation between authorities is now even more important to better overcoming the challenges ahead.”

At the 2020 AGM, FinCoNet members shared experiences and advanced work on issues of high importance to market conduct supervisors worldwide. Members also exchanged views about the risks and challenges they currently face, particularly in light of COVID-19. Notably, members shared experiences from their jurisdictions relating to forbearance programs, loan payment holidays and moratoria; increases in digital transactions since the pandemic; and the rise in financial frauds and scams linked to COVID-19 experienced in many jurisdictions.

Mr Chris Green, Vice-Chair of FinCoNet said: “The importance and relevance of FinCoNet’s work to assist its members protect the interests of consumers of financial products is amplified during this time of uncertainty. Cooperation and collaboration amongst FinCoNet members have proved invaluable in identifying risks, challenges, supervisory responses and opportunities to enhance consumer protections resulting from the pandemic.”

FinCoNet members also approved for publication two important new reports on [SupTech Tools for Market Conduct Supervisors](#) and [Financial Advertising and Consumer Protection: Supervisory Challenges and Approaches](#). Both reports set out best practices for market conduct supervisors around the world, drawn from the approaches of FinCoNet members themselves, and add to the library of valuable supervisory resources provided by FinCoNet.

Also during the AGM, FinCoNet welcomed two new members: Bank Indonesia and the Central Bank of the United Arab Emirates.

#### **KEY HIGHLIGHTS FROM AGM**

- **Approval of Programme of Work 2021-2022**

At the AGM, FinCoNet approved its two-year Programme of Work (POW) for 2021/22, which comprises the following key workstreams:

<ul style="list-style-type: none"><li>• Current workstream on creditworthiness assessments will complete in 2021</li><li>• Following completion of current workstream, SC2 will focus on supervisory approaches and challenges regarding credit moratoria in light of COVID-19</li></ul>
<ul style="list-style-type: none"><li>• Oversight challenges and evolution in approaches for conduct supervisors in the context of COVID-19, including use of SupTech oversight tools</li></ul>
<ul style="list-style-type: none"><li>• Supervisory challenges relating to the increase in digital transactions (especially payments), including mitigating cybersecurity risks and tackling financial scams</li></ul>
<ul style="list-style-type: none"><li>• Current workstream on policy and supervisory approaches towards financial product governance &amp; culture will complete in 2021</li><li>• Following completion of current workstream, SC6 will focus on selling practices of credit and banking products</li></ul>

- **Report on *SupTech Tools for Market Conduct Supervisors***

The growing use of SupTech tools is changing the face of conduct supervision and many FinCoNet members are developing approaches and capabilities in this space. FinCoNet Standing Committee 4 presented for approval a report [\*SupTech Tools for Market Conduct Supervisors\*](#), which sets forth the findings of a survey which gathered information from 21 authorities about SupTech strategies and examples of SupTech tools in use or being trialled within market conduct supervisory authorities. The report was approved for publication by FinCoNet members.

- **Report on *Financial Advertising and Consumer Protection: Supervisory Challenges and Approaches***

Financial advertising is an important financial consumer protection issue given the potential harm to consumers that misleading, unclear, or false information in financial advertisements may cause. FinCoNet Standing Committee 5 presented for approval the report [\*Financial Advertising and Consumer Protection: Supervisory Challenges and Approaches\*](#), which sets out findings on regulatory and supervisory approaches to financial advertising and is based on survey responses from 20 participating jurisdictions. The report, which puts forth a range of conclusions and key takeaways arising from the analysis, was approved for publication by FinCoNet members.

- **International Seminar on *Creditworthiness Assessments: Current Issues and Challenges***

The AGM was followed by an International Seminar on the theme of *Creditworthiness Assessments: Current Issues and Challenges* on 13 November 2020. The Seminar brought together FinCoNet members, academics and other external stakeholders to hear from experts in the field and join an engaging discussion on the topic. Dr Katja Langenbucher, Professor at University of Frankfurt/Sciences Po, presented an overview of the use of Artificial Intelligence in creditworthiness assessments, describing the benefits of risks of such technological developments and the appropriate checks and balances to ensure good outcomes for consumers and credit providers. Mr Pedro Dias, Head of the Regulation, Legal Affairs and Complaints Division of the Banking Conduct Supervision Department at the Central Bank of Portugal and Chair of FinCoNet Standing Committee 2, also presented the work of this Standing Committee, which is conducting an overview of supervisory approaches to creditworthiness assessments. The Seminar also included an engaging panel discussion featuring a range of supervisory, industry, research and consumer perspectives, in particular Mr Ali Erbilgic and Mr Oleg Shmeljov, from the European Banking Authority, Professor Umberto Filotto, Vice-chair of Eurofinas, Ms Deepti George, from Dvara Research, Ms Avitha Nofal and Mr Liaquat Soobrathi, from the Credit Ombud of South Africa and Mr Ira Rheingold, Executive Director of National Association of Consumer Advocates.

The FinCoNet AGM 2021 will be held in Lisbon, in November 2021, hosted by the Central Bank of Portugal and followed by an international seminar.

/ENDS

## **Notes for Editors**

1. 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.
2. Members of FinCoNet are public entities that have a financial market conduct and financial consumer protection supervision mandate.
3. For more information about the work of FinCoNet or becoming a member, please contact [Sally.DAY-HANOTIAUX@oecd.org](mailto:Sally.DAY-HANOTIAUX@oecd.org) at the Secretariat.