



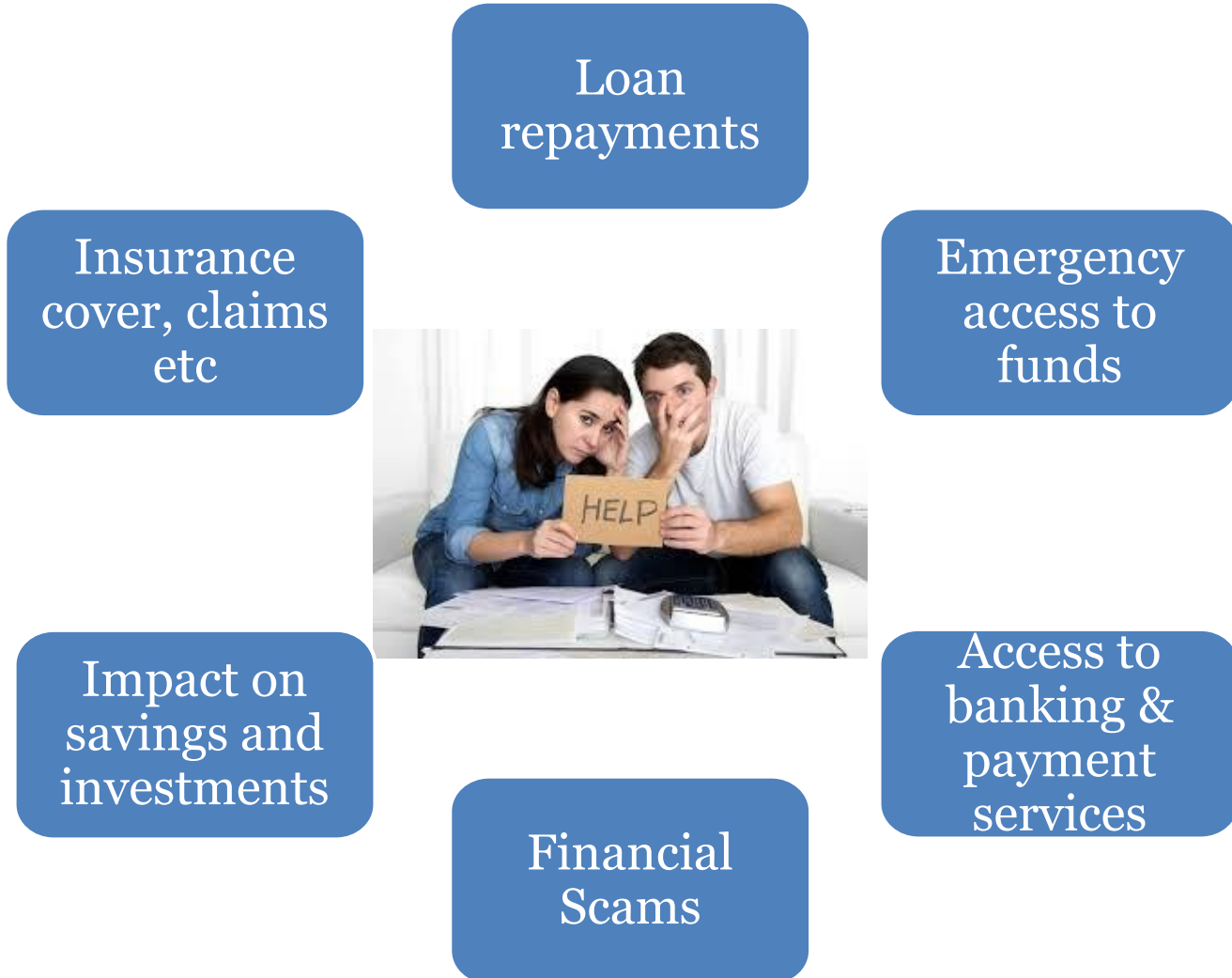
FINANCIAL CONSUMER PROTECTION RESPONSES TO THE COVID-19 CRISIS

**4th International Conference, Specifics of Financial
Consumer Protection Considering Epidemiological
Restrictions, 15 October 2020**

Miles Larbey, Head of Financial Consumer Protection
OECD



Impact of COVID-19 on the entire ecosystem of personal finances for consumers





OECD leading work and supporting jurisdictions on financial consumer protection re COVID-19

Policy Guidance note

- outlines short-term financial consumer protection responses re COVID-19
- resource for policymakers and oversight authorities

Questionnaire on FCP measures

- covers all financial sectors
- over 80 jurisdictions have responded
- with the support of SSBs and IOs – FinCoNet, IAIS, IOSCO C8, AFI, World Bank

COVID-19 webinars on FCP

- dedicated sessions for countries to share information and experience
- 15 April, 24 June & 8-9 October 2020



Policy Guidance note on FCP responses

- Flexibility with loan repayments, eg deferrals
- Suspension of debt collection activities
- Emergency access to funds
- Banking and payment services
 - Use different access channels
 - Use of contactless payments, increased payment limits
- Insurance
 - Clear communication re exclusions
 - Fair handling of insurance claims
- Warnings against financial scams & information for consumers



Financial consumer protection responses to COVID-19

Support for financial consumers

24 March 2020

The COVID-19 emergency will affect the lives of many people around the globe. There are a number of ways that policy makers, public authorities and financial services providers can safeguard the interest of financial consumers who may be experiencing financial difficulties and help them to manage their personal finances. These options are not recommendations but can assist policy makers in their consideration of appropriate measures to help financial consumers, depending on the contexts and circumstances of individual jurisdictions, during this difficult period. These suggestions are consistent with the G20/OECD High Level Principles on Financial Consumer Protection that set out the foundations for a comprehensive financial consumer protection framework.



FLEXIBILITY ON LOAN REPAYMENTS: financial consumers facing financial hardship as result of COVID-19 could be offered flexibility relating to their loan obligations, including options such as deferral of repayments (e.g. mortgage payment holidays), extension of loan terms and/or waiving of fees and charges, together with clear information about the implications of such options for the loan overall.

SUSPENSION OR DEFERRAL OF DEBT COLLECTION ACTIVITIES: policy makers and public authorities could work with banks and other lenders to consider suspending or deferring debt collection activities, including repossession and foreclosure procedures, in relation to financial consumers facing financial difficulties as a result of COVID-19.



EMERGENCY ACCESS TO FUNDS: policy makers and public authorities could work with banks, fund managers and other financial services providers to consider granting emergency access to funds held in term deposits and other savings and investments products for financial consumers experiencing financial difficulties as a result of COVID-19. Where relevant, this could include emergency access to funds held in retirement savings funds, taking account of the longer term implications of doing so.



ACCESS TO BANKING SERVICES: policy makers and public authorities could work with banks to ensure continued access to banking services using a range of options (including where available branches, telephone, internet and mobile banking), taking account of the access needs and limitations of some financial consumers.



INSURANCE POLICY EXCLUSIONS: policy makers and public authorities could work with insurance companies to ensure that





QUESTIONNAIRE ON FCP RESPONSES RE COVID-19

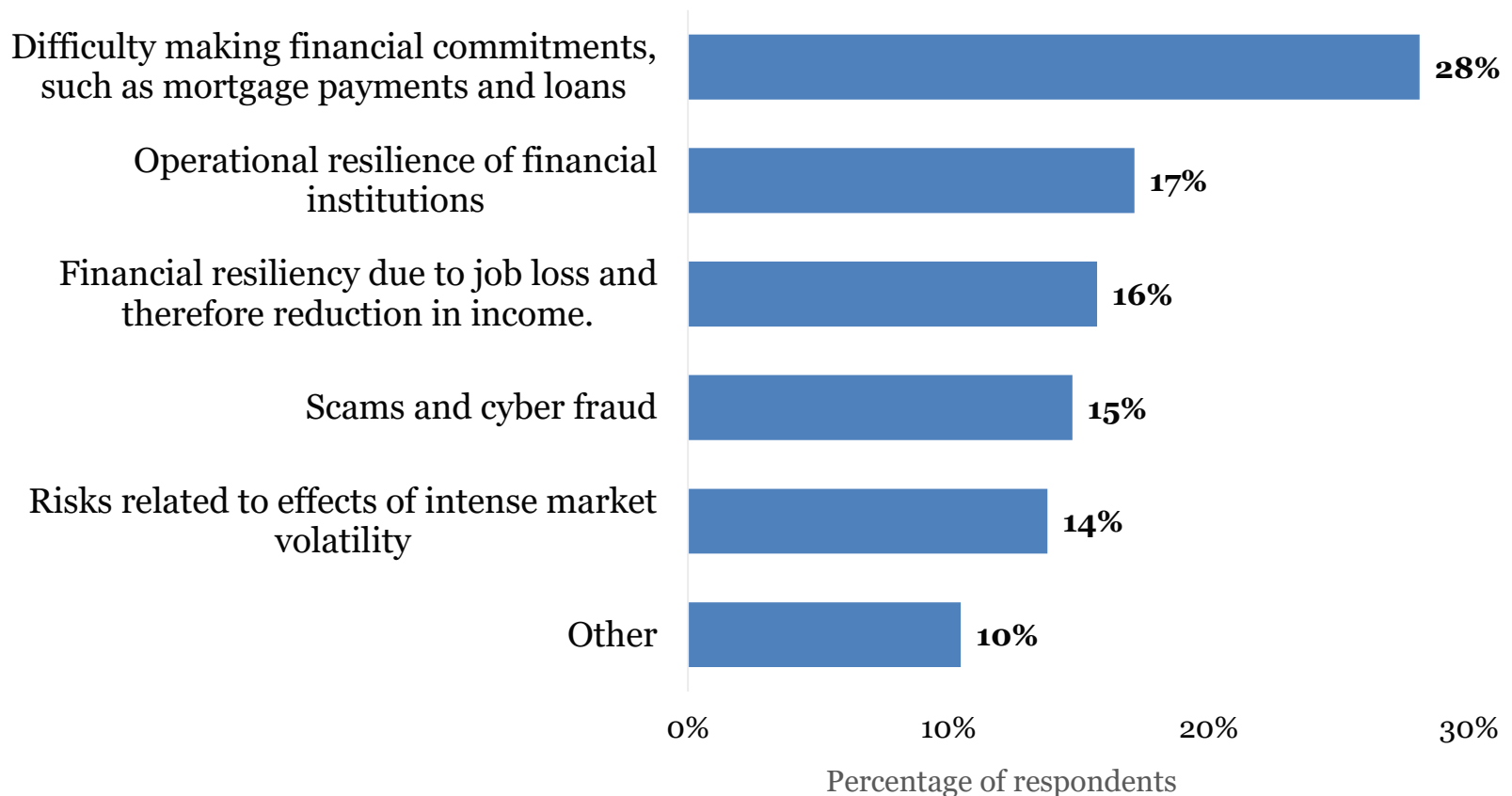
SUMMARY ANALYSIS (89
RESPONDENTS)

OPEN TO ALL JURISDICTIONS
TO PARTICIPATE



Most common consumer risk: difficulty making financial commitments

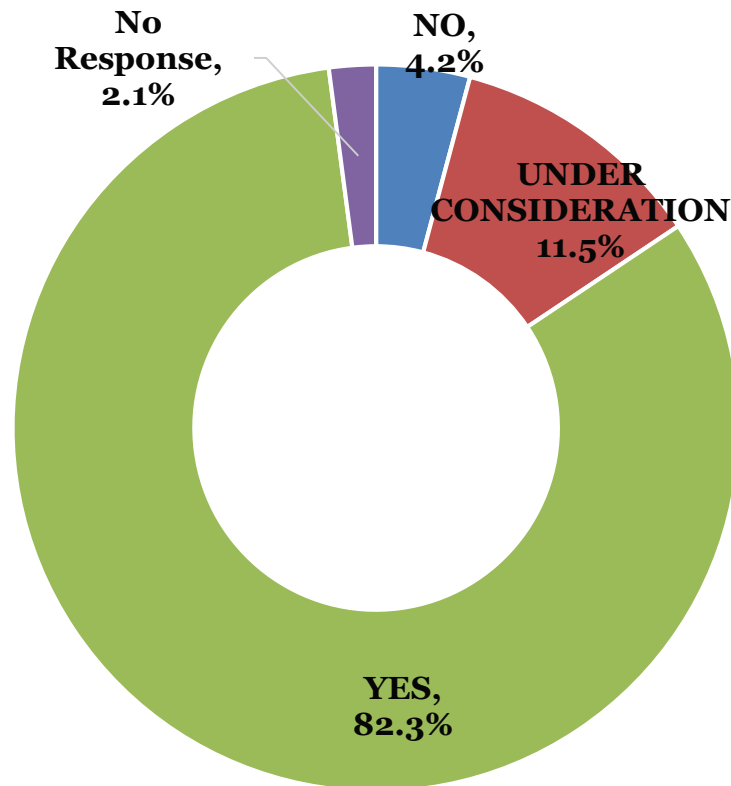
What risks to financial consumers have been identified?





FCP measures implemented specifically in response to COVID-19

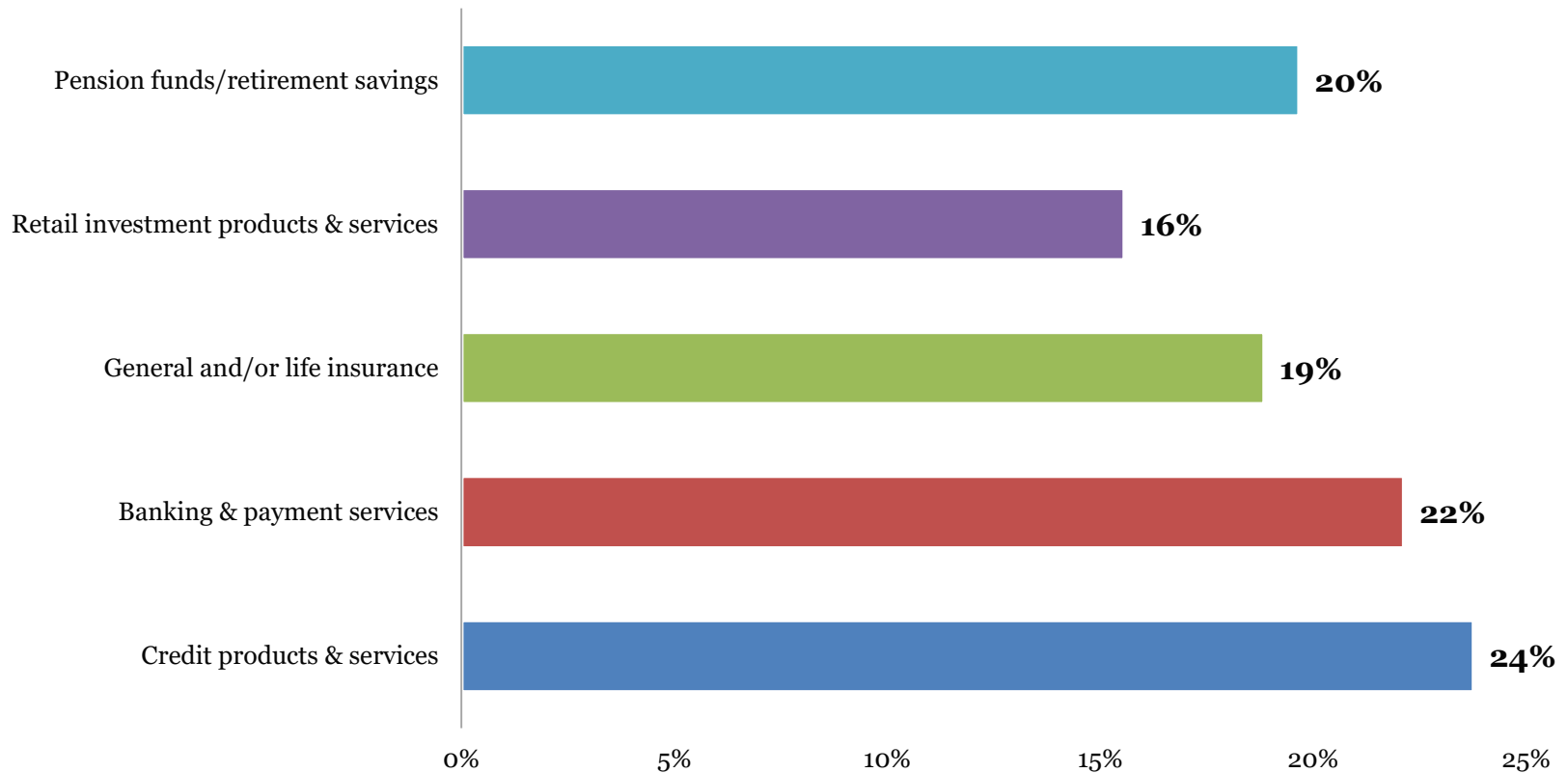
Have any financial consumer protection measure(s) specifically in response to the risks posed by the COVID-19 outbreak been implemented in your jurisdiction?





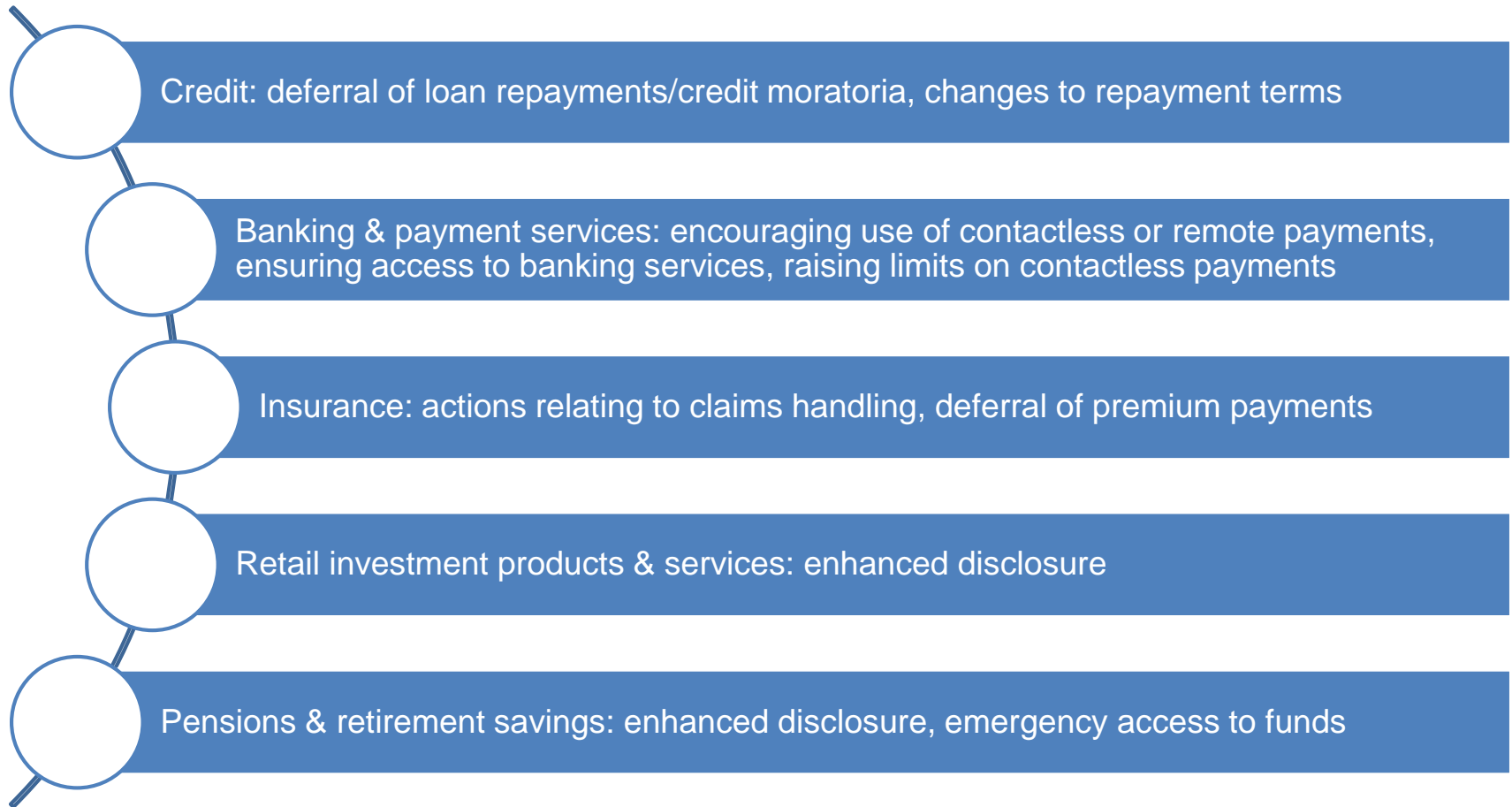
FCP measures split fairly evenly across different financial products and services

What financial products and services do the measure(s) relate to?





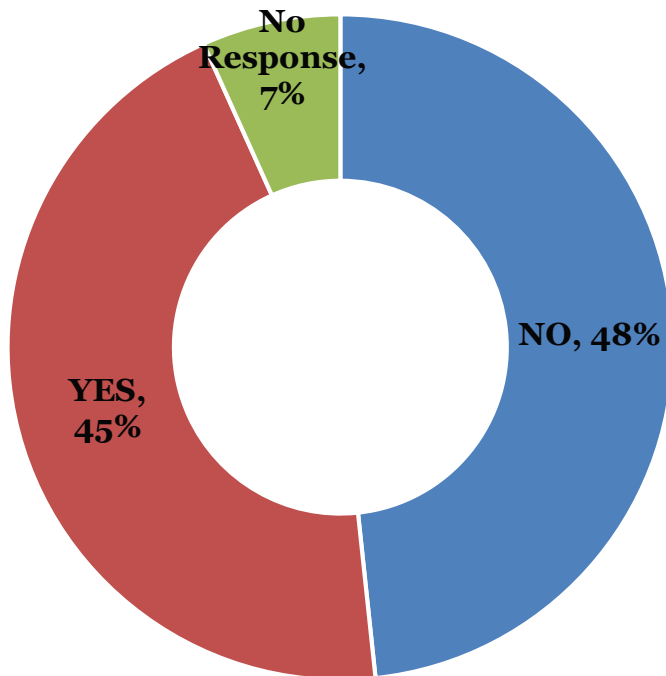
Key FCP measures being taken by jurisdictions



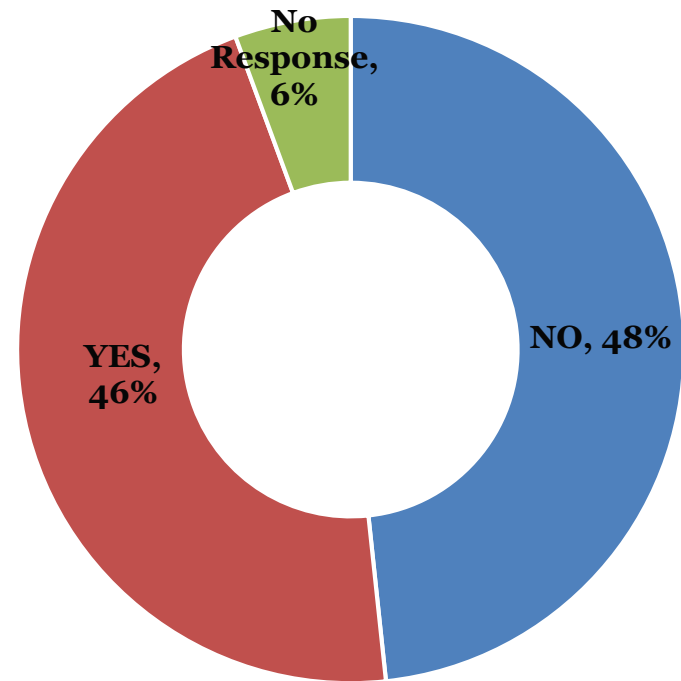


Around half of respondents have detected and/or issued warnings re: COVID-19 scams targeting financial consumers

Has your organisation detected any incidence of scams related to COVID-19?



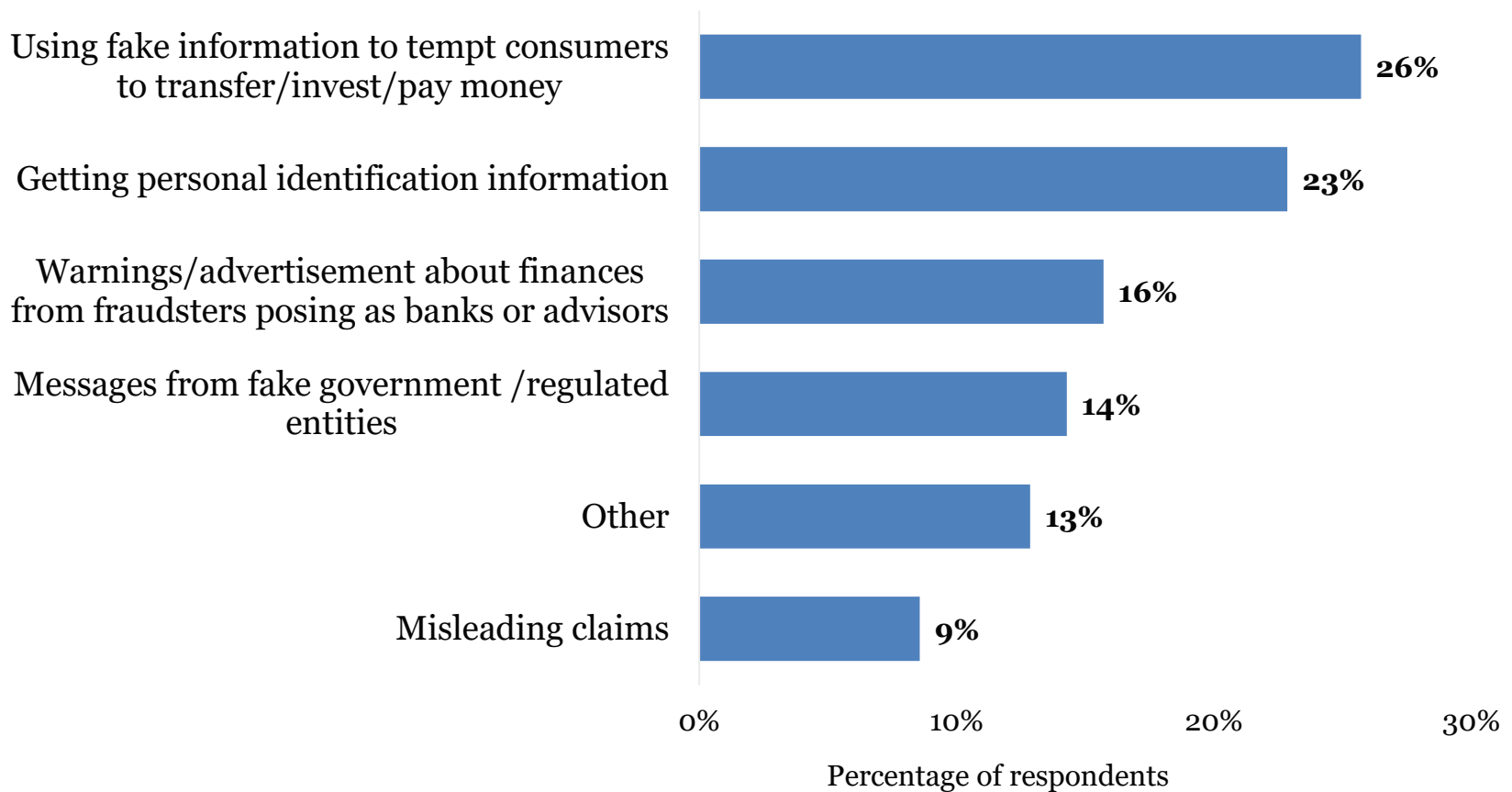
Has your organisation issued any warnings regarding scams related to COVID-19?





Most common scams use fake information to tempt consumers to transfer/invest/pay money

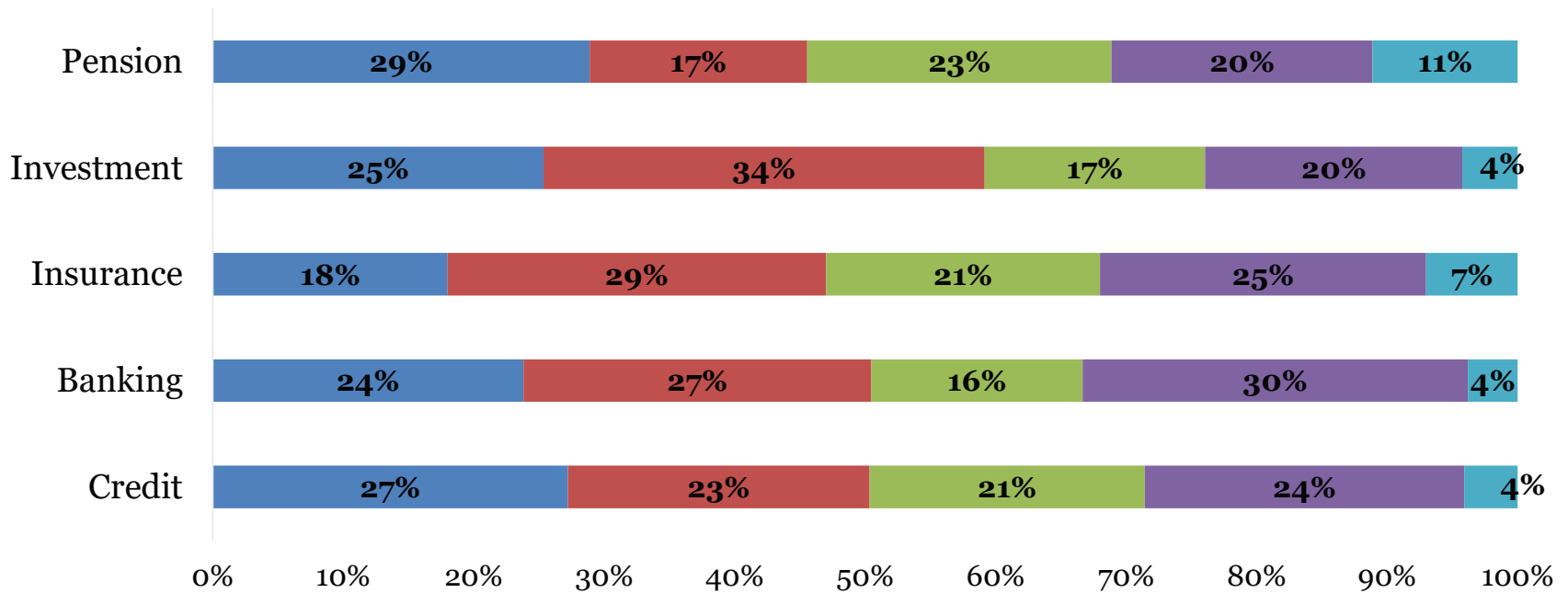
Incidence of scams related to COVID-19 detected





Forms of FCP measures

What is the form of the measure(s)?



- Law or regulation
- Guidance from public authority to industry participants
- Supervisory measure
- Consumer information
- Other



Evaluating effectiveness of measures taken by jurisdictions





Policy considerations & Next steps

- How long will emergency measures last? And what happens after?
- The all digital world and its implications
- Next steps:
 - continue monitoring & information sharing among countries
 - conduct follow up survey in early 2021 to assess effectiveness, impact on consumers especially vulnerable consumers
 - report and guidance released in 2021



FINANCIAL LITERACY



Financial literacy update

[Policy note](#) on COVID-19 and financial resilience

[Policy note on strengthening seniors financial wellbeing in COVID-19](#)

Survey on short and long term-measures to support citizens' financial resilience, use of digital delivery for financial literacy

Data and evidence:

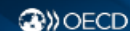
- Release of the [2018 PISA financial literacy](#) results in 21 countries
- Global survey on financial literacy of the adult population, released 25 June 2020



Financial literacy responses

Supporting the financial resilience of citizens throughout the COVID-19 crisis

- Raise awareness on immediate risks and provide timely information on government support measures
- Coordinate initiatives across the financial sector and support trust in institutions
- Prioritise interventions
- Revisit the financial literacy playbook to support short and long-term financial resilience
- Go digital
- Treat this emergency context as an awareness trigger
- Learn from the covid-19 crisis and plan the post-crisis future



Financial Well-being Responses to COVID-19

April 2020 | www.oecd.org/coronavirus

Supporting the financial resilience of citizens throughout the COVID-19 crisis

The COVID-19 pandemic has wide implications for the socio-economic fabric worldwide. In addition to health fears, citizens are facing a host of financial uncertainties stemming from the temporary closure of businesses, schools, public facilities and quarantines, as well as instability in the stock market and retirement income uncertainties. These can result in lost income, trouble paying bills and meeting other financial obligations, as well as the risk of falling victim to scams and fraud. Policy makers worldwide need to increase the awareness of citizens about effective means to mitigate the impact of the COVID-19 pandemic and its potential long-term consequences for their financial resilience and well-being. Taking domestic contexts into account, governments could consider the following initial measures.



RAISE AWARENESS ON IMMEDIATE RISKS AND PROVIDE TIMELY INFORMATION ON GOVERNMENT SUPPORT MEASURES: Design digital communication campaigns aimed at consumers, harnessing the tools offered by social media. Develop a COVID-19 response section of financial education websites. Carry out awareness campaigns to expose scams and prevent impersonation, monetary and other types of fraud. Convey material messages by the government and public authorities, such as new social security measures, rules facilitating payments, remittance breaks, interest rate drops, delayed tax payments, as well as by the private sector when relevant, e.g. changes in the access to banking products and services, and temporary adjustments in their features.



COORDINATE INITIATIVES ACROSS THE FINANCIAL SECTOR AND SUPPORT TRUST IN INSTITUTIONS: Facilitate consumer navigation through different announcements and coordinate initiatives across the financial sector (banking, credit, investment, insurance, and pension). Stress the importance of using news from reliable sources or from the regulator/government portals. Keep communication channels with consumers open, as the crisis is also an opportunity for financial authorities to hear challenges faced by consumers.



PRIORITISE INTERVENTIONS: Target COVID-19 initiatives, including availability of advice and counselling services, in particular, to the financial education needs of existing vulnerable groups, such as those on low incomes and the elderly population, as well as new ones, those on reduced incomes, the recently unemployed and workers without (liquid) savings, the self-employed and small businesses as well as recent graduates entering the job market. Identify and support organisations already working within communities and target groups in need, to extend the reach and impact of interventions.

REVISIT THE FINANCIAL LITERACY PLAYBOOK TO SUPPORT SHORT AND LONG TERM FINANCIAL RESILIENCE

- Focus on short-term financial education interventions for managing day-to-day finances and making ends meet on a reduced income, avoiding scams and managing existing as well as new debt.
- Revamp financial literacy basics to support long-term resilience: the importance of building up emergency savings, as well as basic skills of budgeting, medium and long term planning remain the first line of defence against income fluctuations, and the need to meet fixed costs, such as rent/mortgages, etc. In such a critical moment, it will be key to keep information short and appropriate and to provide easy-to-remember rules and advice, drawing on behavioural research insights.





THANK YOU

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