

Overview of the workshop

International studies indicate that 2 billion adults globally—about half the total adult population—have no access to financial services delivered by regulated financial institutions, especially in developing economies. While the lack of access to vital financial services hampers economic growth and makes income inequality persistent, financial inclusion has proven to be a powerful tool to support resilience and aid recovery.

Financial consumer protection and financial education are essential to meaningful financial inclusion. Together these inter-connected policy agendas support the financial resilience and well-being of consumers. Financial consumer protection refers to the framework of laws, regulations and other approaches generally designed to ensure fair and responsible treatment of consumers of financial products and services. It supports trust and confidence in the financial system. Financial education refers to policies aimed at enhancing financial literacy, intended as combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial resilience and wellbeing. It has become a long-term policy priority in many countries and is now recognised as an important complement to approaches aimed at reinforcing financial inclusion and consumer protection within appropriate regulatory and supervisory frameworks.

This workshop, in association with the OECD covered the linkages between these concepts and how they are taken into account in an African context. The first session explored financial consumer protection approaches and developments at a global and national level. It covered the G20/OECD Principles on Financial Consumer Protection, FinCoNet (the international network of conduct supervisors), and national perspectives on financial consumer protection approaches, latest developments and challenges. A second session explored financial education approaches and developments at a global, regional and national level. It covered the OECD Recommendation on Financial Literacy and also included national perspectives on financial education approaches, latest developments and challenges. In both sessions, a focus was given to COVID-19 financial education and protection policy responses to protect and support financial consumers with an African perspective.

G20/OECD High Level Principles on Financial Consumer Protection

The G20/OECD High Level Principles on Financial Consumer Protection set out the foundations for a comprehensive financial consumer protection framework. The Principles, which are contained in the FSB Compendium of Standards, can be implemented in any country wishing to establish or enhance their financial consumer protection framework, and are applicable across all sectors of the financial services industry. The Principles are supported by policy guidance to assist policy-makers, regulators and supervisors in terms of implementation, while taking into account specific jurisdictional circumstances.

OECD Recommendation on Financial Literacy

The OECD Recommendation on Financial Literacy was adopted in 2020. It presents a single, comprehensive, instrument on financial literacy to assist governments, other public authorities, and relevant stakeholders in their efforts to design, implement and evaluate financial literacy policies.

It is part of a holistic approach to financial-consumer issues, where financial literacy, together with improved financial access, adequate consumer protection, and regulatory frameworks, are expected to support financial resilience and well-being.

The Recommendation covered three main areas: National strategies for financial literacy, Financial literacy and the various sectors of the financial landscape, Effective delivery of financial literacy programmes. It also looks at how to address the needs of vulnerable groups and takes into account the increased digitalisation of finance.