

GLOBAL SURVEY ON CONSUMER PROTECTION AND FINANCIAL LITERACY:

OVERSIGHT FRAMEWORKS AND PRACTICES IN 114 ECONOMIES



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This report presents the results of the Global Survey on Consumer Protection and Financial Literacy. The survey was made possible by the generous contribution of time and expertise by central bank and financial regulatory authority officials in the 114 economies who responded to this year's survey.

The survey is a product of the World Bank Financial Inclusion & Infrastructure Global Practice. Gaiv Tata and Douglas Pearce provided overall guidance. The team led by Nataliya Mylenko comprised Adetola Adenuga, Roziyah Baba, Elizabeth Davidson, Ros Grady, Johanna Jaeger and Valentina Saltane. Michael Fuchs, Samuel Maimbo, Cedric Mousset, Andrej Popovic, Rekha Reddy, and Siegfried Zottel provided substantive inputs in the Survey design and results analysis. The survey was designed with inputs from FinCoNet, as coordinated by John Rossi.

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EXECUTIVE SUMMARY

Financial consumer protection laws, regulations, supervisory and oversight structures constitute an essential element of the modern financial system. As recent financial crisis demonstrated, adequate financial consumer protection is an important contributor to financial stability. Moreover, responsible behavior by financial service providers and ability for the users of financial services to protect their interests contribute to economic empowerment of the population. Aggressive financial inclusion targets adopted at national and international levels¹ and active policies to support broad based financial inclusion need to be supported by effective implementation of financial consumer protection and improvements in financial capabilities of consumers.

The High-level Principles on Financial Consumer Protection were endorsed by the G20 Finance Ministers and Central Bank Governors in 2011.² The World Bank published Good Practices for Financial Consumer Protection³ in 2012. This report summarizes the results of the Global Survey on Consumer Protection and Financial Literacy conducted by the World Bank in 2013. The survey assessed the global status of financial consumer protection regulation and oversight frameworks in line with the G20 Principles and World Bank Good Practices. Using the data from an earlier survey completed in 2010 the report evaluates progress in a number of areas.

1 For World Bank targets of universal financial access for all working-age adults by 2020, please see <http://www.worldbank.org/en/news/press-release/2013/10/11/universal-financial-access-vital-reducing-poverty-innovation-jim-yong-kim>; for the Maya Declaration targets, see <http://www.afi-global.org/maya-declaration>

2 <http://www.oecd.org/daf/fin/financial-markets/48892010.pdf>. Progress report at <http://www.oecd.org/finance/financial-education/G20EffectiveApproachesFCP.pdf>

3 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

Regulators involved in financial consumer protection in 114 jurisdictions from all regions responded to the survey. The main results along the six consumer protection dimensions covered by the survey are summarized below.

Legal Framework. A broad legal framework for financial consumer protection is in place in most economies, but reforms are needed to clarify the roles of various stakeholders and streamline implementation. Some form of legal framework for financial consumer protection is in place in 112 out of 114 economies. Legal framework is diffused through various laws and statutes often resulting in gaps and overlaps. The reform to rationalize and streamline legislation is ongoing in many jurisdictions.

Institutional Arrangements. More economies allocated resources for financial consumer protection supervision, but institutional arrangements remain complex and supervisory authority and compliance monitoring tools limited. The number of financial regulators dedicating resources to financial consumer protection increased from 68 percent to 89 percent between 2010 and 2013. In over 90 percent of economies agencies responsible for prudential supervision also have a responsibility for financial consumer protection. In more than a half of these jurisdictions financial consumer protection function is established in a unit separate from prudential supervision. The supervisors employed a broader range of compliance monitoring tools such as monitoring complaints statistics used by 49 agencies in 2013 compared to 23 in 2010. A number of jurisdictions reform institutional arrangements to enhance and streamline supervision of financial consumer protection. Further evaluation of effective approaches for financial consumer protection supervision is important.

Fair Treatment. Legal framework in most countries provides broad provisions on fair treatment such as protections for client confidentiality present in 80 percent of economies and restrictions on deceptive advertising present in 75 percent

of economies. Fewer economies have provisions specific to financial industry such as restrictions on predatory lending (59 percent), bundling and tying of services (49 percent) and abusive collections (45 percent).

Disclosure Requirements. Consumers have varying degree of protection for similar financial products depending on what type of financial institution offers them. Only in 18 percent of economies are unregulated financial institutions subject to disclosure requirements at account opening, compared to 67 percent of economies where such requirements exists for regulated institutions and 79 percent of economies where banks are subject to disclosure regulations. Further research and consumer testing are needed to identify effective forms of disclosure and methods of monitoring compliance with disclosure requirements.

Responsible Lending. Going beyond disclosure a growing number of countries are looking into regulatory restrictions to contain overindebtedness and ensure affordability of credit and investment products. In 77 percent of economies lenders are required to assess borrower ability to repay and 35 percent of economies have explicit limits restricting the amount of loans or debt service in relation to income for certain products such as credit cards and mortgages. Research is needed to evaluate the effectiveness of such limits and their impact on access.

Dispute resolution and recourse. Effective dispute resolution mechanisms, including at financial provider level are a crucial part of financial consumer protection framework. Financial service providers in 73 percent of economies are required to implement procedures and processes for resolving customer complaints. Alternative dispute resolution mechanisms such as financial ombudsmen or similar institutions exist in 75 percent of economies. In about one third of jurisdictions, the dispute resolution function is performed by a supervisory agency.

Financial Literacy. Financial supervisors in 71 percent of economies are involved in financial education activities. Primary focus of supervisors is on improving public awareness on financial issues and developing training materials (78 percent of economies). The role of financial supervisors in improving financial literacy and capability of the users of financial services is an evolving subject deserving future research.

Overall the survey results show that financial consumer protection is an area of much reform. The need for reform is driven by the rapid expansion of retail financial markets in emerging markets in recent years and by the fallout from the recent financial crisis in the developed markets. Survey results show that while the basics of a financial consumer protection framework are in place in most countries, few have adequate systems in place. The survey provides a high level scoping of the issues and much more granular analysis of the specific issues is needed.

The function of financial consumer protection supervision is far behind prudential supervision in terms of available methodologies for compliance monitoring, range and nature of enforcement actions, and supervisory skills. There is a need to assess experience of supervisors in implementing the new and expanded set of rules and regulations and evaluate the effectiveness of the supervisory tools in place. There is also need for future research in the effectiveness of the key consumer protection measures used today: disclosure and affordability requirements.

Endorsement of the High-level Principles on Financial Consumer Protection was an important step in developing an internationally accepted framework for financial consumer protection regulation and supervision. Further efforts at the national and international levels can build on this first step and develop more targeted guidance as the field of financial consumer protection evolves.

1 BACKGROUND

Access to basic financial services contributes to poverty reduction and is a fundamental element of an inclusive economic system. About two billion adults worldwide have a deposit or a loan with a regulated financial institution. Customers not served by the formal system rely on informal providers for their savings, borrowing, payments and insurance needs.⁴ When using financial products, consumers should know and understand associated risks and benefits to make the right decisions. Yet information asymmetries, power imbalances and behavioral biases in financial markets may result in poor outcomes for both consumers and for financial service providers. It is the role of financial consumer protection and financial education policies, in conjunction with the regulation of financial institutions and markets, to ensure safe access to financial services and support financial stability and financial inclusion objectives.

The global financial crisis has highlighted the importance of financial consumer protection for financial stability. The report of the Financial Stability Board (FSB) on Consumer Finance Protection with Particular Focus on Credit⁵ endorsed by G20 notes that “[p]olicies that protect the interests of consumers of financial products and services contribute to enhanced risk management by households, more competitive financial markets, and greater financial stability. This financial crisis demonstrated the desirability of strengthening such policies and ensuring that the use (or misuse) of individual financial products do not become a source of financial instability.” The report calls for further work on identifying good practices in financial consumer protection, including

on institutional arrangements and supervisory tools and for greater international coordination.

As financial products and the related delivery channels become more complex, the need for effective consumer protection rises. Emerging-market economies in which a large number of people join the formal financial system for the first time face particular challenges. In Peru, the number of depositors more than doubled between 2005 and 2011, adding 5.2 million new clients as financial inclusion initiatives drew more customers to banks. Bangladesh doubled the number of depositors in the same period, adding 16.9 million new depositors.⁶ Until recently, in low- and middle-income economies, formal financial institutions focused only on high-income groups serving a small portion of the population. As retail financial services expand and more people gain access to deposit, payment and credit services, there is a new category of clients who have no prior experience, including in their family or among friends, of dealing with banks or any other formal financial services providers.

Consumer protection and financial literacy can contribute to improved efficiency, transparency, competition and access to retail financial markets by reducing information asymmetries and power imbalances among providers and users of financial services. Rapid progress toward widespread financial inclusion must be appropriately complemented with “checks and balances” that ensure a responsible provision of financial services and products. Consumer protection and financial literacy and capability can support financial inclusion by encouraging competition which leads to more cost-effective and higher quality products and by increasing consumer confidence and reducing risk when purchasing financial products and services, because they know remedies exist when things go wrong.

4 Collins, Daryl, Jonathan Morduch, Stuart Rutherford, and Orlanda Rutheven, 2009. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*, Princeton, NJ: Princeton University Press.

5 FSB, 2011. “Consumer Finance Protection with Particular Focus on Credit,” http://www.financialstabilityboard.org/publications/r_111026a.pdf

6 Data for Peru and Bangladesh from Financial Access Survey, <http://fas.imf.org>

A number of international efforts are in place to improve dialogue and identify best practices in financial consumer protection. The G20 Principles for Innovative Financial Inclusion adopted in 2010 include consumer protection as one of the nine principles urging countries to “encourage a comprehensive approach to consumer protection that recognizes the roles of government, providers and consumers.”⁷ The High-level Principles on Financial Consumer Protection were endorsed by the G20 Finance Ministers and Central Bank Governors at their meeting in October 2011⁸ (Box 1). The G20/OECD Task Force on Financial Consumer Protection released the Report on Effective Approaches to Support the Implementation of the G20 High Level Principles on Financial Consumer Protection in September of 2013.⁹ The World Bank published Good Practices for Financial Consumer Protection¹⁰ in 2012, based on in-depth country-level reviews of consumer protection and financial literacy. The Good Practices are a compilation of the most frequently used practices that have been successfully carried out in the field. They represent a summary of useful approaches for the improvement of conduct of financial institutions when dealing with retail customers and aim to provide a reference for policymakers in designing their financial consumer protection frameworks.

To contribute to the international dialogue on financial consumer protection the World Bank in conjunction with FinCoNet, an international cooperation platform for supervisory agencies in the area of financial consumer protection, conducted a Global Survey on Consumer Protection and Financial Literacy to collect information from financial regulatory agencies in 114 economies. This report summarizes the results of the survey and draws on recent reports and studies by G20, OECD, World Bank and others to provide an overview of the practices in financial consumer protection regulation and supervision around the world.

BOX 1. HIGH-LEVEL PRINCIPLES ON FINANCIAL CONSUMER PROTECTION ENDORSED BY THE G20

1. Legal, Regulatory and Supervisory Framework
2. Role of Oversight Bodies
3. Equitable and Fair Treatment of Consumers
4. Disclosure and Transparency
5. Financial Education and Awareness
6. Responsible Business Conduct of Financial Services Providers and Authorized Agents
7. Protection of Consumer Assets against Fraud and Misuse
8. Protection of Consumer Data and Privacy
9. Complaints Handling and Redress
10. Competition

WORLD BANK GLOBAL SURVEY ON CONSUMER PROTECTION AND FINANCIAL LITERACY

The World Bank Global Survey builds on a body of work by the World Bank Group (World Bank, CGAP, IFC), including various surveys, individual country diagnostics and case studies.¹¹ The results of the earlier surveys provided comprehensive information and benchmarking of the key financial consumer protection regulations worldwide. This year, the World Bank Global Survey updates this information and collects new information on the financial education efforts by financial regulators and on issues related to responsible lending to help monitor progress in financial consumer protection reforms.

The World Bank Global Survey on Consumer Protection and Financial Literacy was conducted during the period of February to May 2013. The core set of questions is based on the earlier survey conducted by the World Bank Group in

7 <http://www.g20.utoronto.ca/2010/to-principles.html>

8 <http://www.oecd.org/daf/fin/financial-markets/48892010.pdf>
Progress report at <http://www.oecd.org/finance/financial-education/G20EffectiveApproachesFCP.pdf>

9 G20/OECD Task Force on Financial Consumer Protection. “Update Report on the Work to Support the Implementation of the G20 High-Level Principles on Financial Consumer Protection.” <http://www.oecd.org/daf/fin/financial-education/G20EffectiveApproachesFCP.pdf>

10 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

11 Please see World Bank, 2012, “Good Practices for Financial Consumer Protection”; Ardic, Ibrahim, and Mylenko, 2011, *Consumer Protection Laws and Regulations in Deposit and Loan Services: A Cross-Country Analysis*. World Bank Policy research Working Paper 5536; Rutledge, S.L., 2010. “Consumer Protection and Financial Literacy: Lessons from Nine Country Studies,” World Bank Working Paper; and individual country diagnostics available at www.worldbank.org/financialinclusion.

2010¹² to enable comparability across time. A number of questions were edited to improve the accuracy of responses and a set of new questions added in consultation with FinCoNet members. The 2013 survey covered six areas in financial consumer protection:

1. Legal framework – applicable laws and regulations covering consumer protection in financial services
2. Institutional arrangements – institutional structure, functions and powers of relevant authorities and modes of cooperation among them
3. Fair Treatment – broader provisions including restrictions on deceptive advertising, bundling of financial services, abusive collection practices, etc.
4. Disclosure Requirements – regulatory requirements at account opening, periodic statements, and other
5. Responsible Lending – existence of regulation aiming at ensuring affordability and suitability of financial services and avoiding overindebtedness
6. Dispute Resolution and Recourse – institutional arrangements for dispute resolution, requirements on timeliness and accessibility, experience in terms of the type and number of complaints.

The new section on financial literacy added in 2013 included a set of questions aiming to understand the role financial regulators play in improving public awareness and supporting efforts to improve financial literacy and capability of financial service users.

The questionnaires were sent to central banks and bank supervisors in 145 economies and 114 responses were received. This year's survey, similar to the survey conducted in 2010, focused on financial consumer protection only in relation to deposit and credit services. The Global Survey assessed the progress in a number of areas using the data from the 2010 survey. Of the 114 countries, 109 have data for both 2010

and 2013 allowing for comparison on most topics within the six areas covered by the consumer protection section of the survey. While other financial services such as insurance, payments and investment services are essential elements of financial systems and equally require clear and effective financial consumer protection framework, this year, the World Bank Global Survey did not cover these products. Future research and systematic analysis of consumer protection practices in insurance, investment and payment services is an important area for future research.¹³

Institutional arrangements for financial consumer protection vary greatly among countries and include multiple agencies outside of the spectrum of financial supervisors such as competition authorities, data protection agencies and general consumer protection authorities. The focus and primary objective of this survey is to review the role and responsibilities of financial supervisors within a broader financial consumer protection and bank supervision context and to understand cooperation arrangements among multiple agencies overseeing various elements of financial consumer protection. While the surveys were sent to central bank and bank supervisors, respondents were asked to consult with relevant agencies where appropriate and submit a joint response.

The questionnaire of the Global Survey was designed to follow High-level Principles on Financial Consumer Protection endorsed by G20 and World Bank Good Practices for Financial Consumer Protection. As a result the survey helps assess to what extent existing financial consumer protection arrangements align with these broad principles. This assessment provides a high-level view on the state of financial consumer protection regulation and supervision globally. In addition, this paper draws on the recent reports prepared by the G20/OECD task force, the World Bank and other agencies to provide discussion and where available emerging consensus on effective approaches and good practices in financial consumer protection supervision.

12 Ardic, Ibrahim, and Mylenko, 2011. *Consumer Protection Laws and Regulations in Deposit and Loan Services: A Cross-Country Analysis*. World Bank Policy research Working Paper 5536, Washington, DC.

13 World Bank Good Practices on Financial Consumer Protection cover a broad range of practices including securities, insurance and non-bank credit providers.

2 LEGAL FRAMEWORK

Principle 1 of the G20 High Level Principles on Financial Consumer Protection states that financial consumer protection should be an integral part of the legal, regulatory and supervisory framework and should reflect the diversity of national circumstances and global market and regulatory developments within the financial sector. World Bank Good Practices for Financial Consumer Protection¹⁴ recommend that the law provides clear consumer protection rules regarding financial products and services.

Two broad sets of legislation govern financial consumer protection. On the one hand, various financial sector laws and regulations contain provisions on consumer protection covering the operations of financial service providers and the relationships between financial service providers and their clients. On the other hand, consumer protection and fair competition legislation defines the rights of consumers of various goods and services often including financial products and services. More recently, a number of countries added new legal acts dealing specifically with consumer protection within financial services in a comprehensive manner.

The survey asked the respondents to indicate which of the following elements of the legal framework were present within their economy: (1) general consumer protection law without explicit reference to financial services and covering a broad range of products and services; (2) general consumer protection law with an explicit reference to financial services, offering specific provisions for consumers of financial products and services; (3) separate financial consumer protection law; and (4) consumer protection regulations within the framework of financial sector legislation. In 112 out of 114 countries, there is some form of legal framework in place for

consumer protection. The number of countries with laws and regulations increased between 2010 and 2013 (Figure 1).

Regulations under financial legislation are the most common form of legal framework for financial consumer protection used in 103 economies (94 percent), up from 96 (88 percent) in 2010. The actual number of countries reforming legislation is higher because many countries that had regulations in 2010 revised and enhanced them over the past three years. General consumer protection laws that cover the rights of the consumers in relation to a broad range of goods and services are present in 70 economies (64 percent). These laws put in place a broad foundation for the protection of consumer

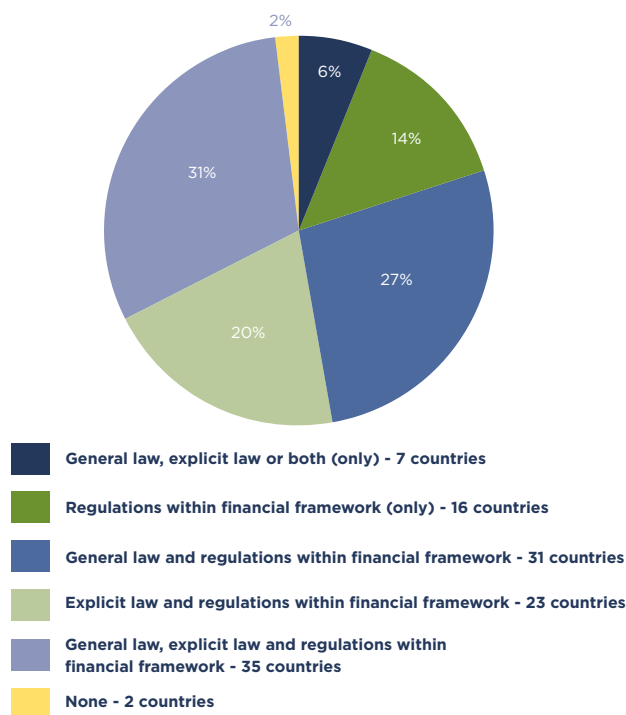
FIGURE 1. MOST ECONOMIES HAVE A LEGAL FRAMEWORK IN PLACE, AND A NUMBER WERE REFORMED BETWEEN 2010 AND 2013



Note: Data on 109 countries responding to 2010 and 2013 surveys.

14 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

FIGURE 2. LEGAL FRAMEWORK IS DIFFUSED—IN MORE THAN A THIRD OF COUNTRIES, FINANCIAL CONSUMER PROTECTION PROVISIONS ARE FOUND IN CONSUMER PROTECTION, FINANCIAL AND OTHER LAWS



Note: Based on responses from 114 economies in 2013.

rights but do not include any specific provisions for financial services and products. To address the specific issues relating to the consumption of financial products and services, countries generally follow two broad approaches. The first is to include specific provisions covering financial products and services into the general consumer protection law. The second is to issue a dedicated law to address financial consumer protection issues.¹⁵ As countries focus on enhancing legal frameworks for financial consumer protection, more countries issued laws explicitly dealing with financial products and services in the past two years.

In most countries, provisions governing financial consumer protection are diffused throughout multiple laws (Figure 2). A third of countries had all three types of laws, a general consumer protection law, a consumer protection law covering

financial services and regulations within a financial consumer protection framework. And about half had regulations within financial legal framework and either general or explicit consumer protection legislation. Complex legal structures with multiple laws and regulations can result in conflicting provisions and gaps and overlaps.

The most dynamic region in terms of reforms on financial consumer protection in the past three years was Europe, in part as a response to the financial crisis started in 2008, but also as a part of a longer term effort to integrate European financial market. The Directive 2008/48/EC of the European Parliament on credit agreements for consumers¹⁶ puts in place a framework to ensure a high and equivalent level of protection for financial consumers across all member States. To enable consumers to better compare financial products from various providers including cross-border providers, the Directive includes comprehensive disclosure requirements. Among them is a standardized disclosure form (Standard European Consumer Credit Information), disclosure of the Annual Percentage Rate of Charge representing the full cost of credit and computed using a harmonized methodology across all EU member states. The Directive provides for the right of the consumer to withdraw from the credit agreement without giving any reason within a period of 14 days after the conclusion of the contract. The consumers also have the possibility to repay their credit early at any time, while the creditor can ask for a fair and objectively justified compensation. All member states have now implemented the Directive through issuance of appropriate national legislation.¹⁷

The inadequacy of the existing framework for financial consumer protection was identified as one of the contributing factors for the onset of the 2008 financial crisis in the US. The result was a sweeping reform of financial regulation with the passage of the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act in 2010.¹⁸ Among a range of other actions, the Act consolidated the responsibility for financial consumer protection to a single agency, the Bureau of Consumer Financial Protection (BCFP), to ensure that markets in financial products are fair, transparent and competitive. Prior to the crisis seven different agencies had a responsibility for various aspects of financial consumer protection under various legislative acts. The new act also introduced a broad range of changes enhancing consumer

¹⁵ For the purposes of figures 1 and 2 these two types of laws are combined in one group.

¹⁶ Directive 2008/48/EC of the European Parliament on credit agreements for consumers at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:133:0066:0092:EN:PDF>

¹⁷ http://ec.europa.eu/consumers/rights/fin_serv_en.htm

¹⁸ <http://www.sec.gov/about/laws/wallstreetreform-cpa.pdf>

protection in mortgage markets including standardizing data collection for underwriting purposes and provisions on obligation for mortgage originators to only lend to borrowers who are likely to repay their loans.

A number of countries are reviewing their consumer protection framework to create a more robust regulatory system with less overlaps. For example, in Malawi at least three different agencies are involved in consumer protection in relation to financial services. The Competition and Fair Trading Act includes consumer protection provisions related to unfair trading practices and advertising applicable to the financial sector. The Consumer Protection Act applies to a broad range of goods and services, including financial products and services. Both laws create individual commissions/councils charged with the responsibility of enforcing the respective Acts. In addition, Reserve Bank of Malawi under the Financial Services Act has a responsibility to oversee market conduct and protect consumers of financial services. New legislation aims to streamline the supervisory structure and enhance financial consumer protection framework. In Jamaica, an “omnibus” deposit taking legislation is currently being drafted to merge three different pieces of legislation and introduce new laws in keeping with recent market requirements and international supervisory standards. Swaziland is

in advanced stages of drafting its Consumer Credit Bill and Zambia has amended its Banking and Finance Services Act to include specific provisions on consumer protection, market conduct and competition in the financial sector.

Reforms to rationalize and streamline financial consumer protection are ongoing in a number of countries. There is some degree of consensus reflected in the laws across the world on a broad set of consumer rights, such as rights to be informed about the products offered, to obtain advice about the suitability of products on offer for the consumer’s needs and objectives and for financial institutions to engage in responsible lending practices, to seek recourse in case of wrong doing by the provider of financial services, and restrictions on unfair and misleading practices by providers of financial services. At the same time there is much debate on the specifics of disclosure and its effectiveness, a need for further analysis of the implementation arrangements for financial consumer protection, such as institutional setup of agencies responsible and coordination mechanisms among various agencies involved and enhancement of compliance monitoring tools and enforcement actions. The following sections discuss in more detail some of these dimensions.

3 INSTITUTIONAL ARRANGEMENTS

The importance of adequate institutional structure for the oversight and enforcement of the financial consumer protection laws and regulation is highlighted in a number of international guidelines and principles. The United Nations Guidelines for Consumer Protection require that governments provide or maintain adequate infrastructure to develop, implement and monitor consumer protection policies.¹⁹ Principle 2 of the G20 High Level Principles on Financial Consumer Protection states that there should be oversight bodies (dedicated or not) explicitly responsible for financial consumer protection, with the necessary authority to fulfill their mandates. They require clear and objectively defined responsibilities and appropriate governance; operational independence; accountability for their activities; adequate powers; resources and capabilities; defined and transparent enforcement framework; and clear and consistent regulatory processes.

The World Bank Good Practices for Financial Consumer Protection²⁰ suggest that the necessary institutional arrangements are in place to ensure thorough, objective, timely and fair implementation (and enforcement) of the rules. Prudential supervision and consumer protection supervision may be placed in separate agencies or lodged in a single institution. However, regardless of the institutional structure, the allocation of resources between prudential supervision and consumer protection is adequate to enable the effective implementation of consumer protection rules.

The survey asked respondents to identify which of the following agency structures are involved in financial consumer protection in their jurisdiction:

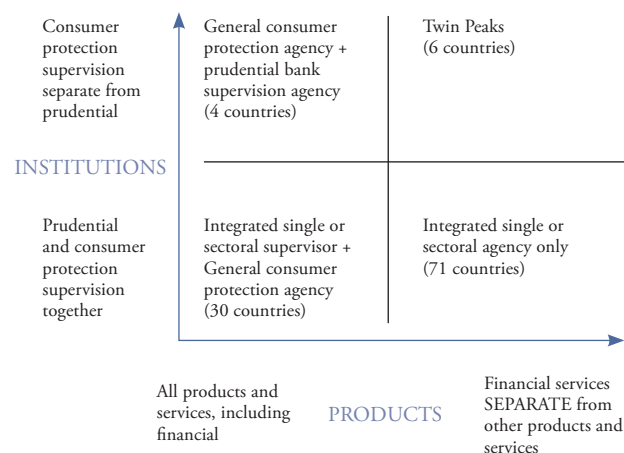
- (1) Integrated Single Agency Model. Financial consumer protection supervision responsibilities fall under a single agency that is responsible for all aspects of supervision including prudential, market conduct and financial consumer protection, of all supervised financial service providers operating within the jurisdiction.
- (2) Sectoral Agency Model. Financial consumer protection supervision responsibilities fall under multiple agencies that hold responsibility for all aspects of supervision including prudential, market conduct and financial consumer protection, of financial service providers most often separating regulatory authority over banking, insurance and capital markets.
- (3) Dedicated Market Conduct Agency Model (Twin Peaks). Financial consumer protection supervision responsibilities fall under a single agency dedicated to broad financial market conduct supervision, separated from a single integrated prudential supervision authority.
- (4) Specialized Financial Consumer Protection Agency Model. Financial consumer protection supervision responsibilities fall under a single specialized financial consumer protection agency that does not have broader financial sector market conduct supervisory responsibilities.
- (5) General Consumer Protection Agency Model. Financial consumer protection responsibilities fall under an agency or agencies responsible for broader consumer protection supervision within the jurisdiction, including other non-financial areas of activities.

Institutional structures for financial consumer protection oversight and enforcement are a product of interaction between the consumer protection and financial supervision oversight structures and vary greatly among countries (Figure 3). From the point of view of consumer protection the question is whether financial services are sufficiently different to

19 http://www.un.org/esa/sustdev/publications/consumption_en.pdf

20 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

FIGURE 3. INSTITUTIONAL ARRANGEMENTS FOR FINANCIAL CONSUMER PROTECTION REFLECT CHOICES ON REGULATION OF PRODUCTS AND SERVICES VERSUS INSTITUTIONS

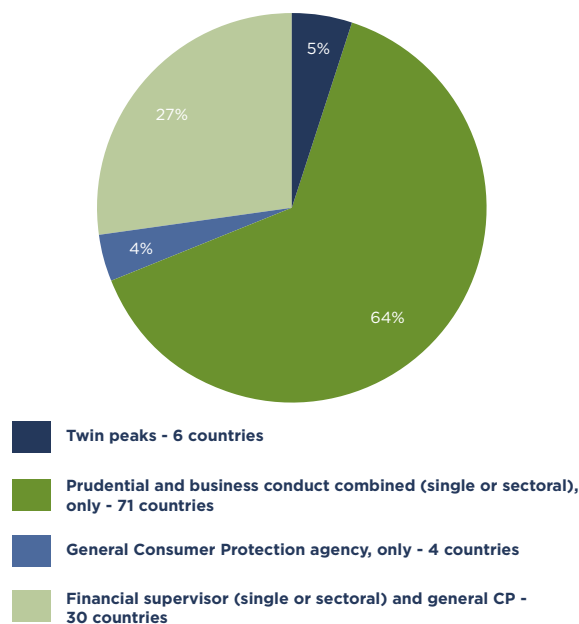


Note: Data for 111 countries that provided information on financial consumer protection institutional arrangements

require a separate structure for financial consumer protection from that existing for other goods and services. In terms of the institutional arrangements this translates into a decision to either place the responsibility for consumer protection in financial services within a general consumer protection agency or in a dedicated entity. On the side of financial supervision, the question is whether ensuring adequate consumer protection is a distinct function from that of ensuring the soundness of a financial institution through prudential supervision. Institutionally this means placing responsibility for financial consumer protection within financial supervisory agency which also has a prudential supervision authority, or creating a separate entity.

Based on the survey results, only six economies had a twin peaks model separating prudential and consumer protection functions in two separate agencies discussed in detail below. In four economies consumer protection for financial services is a remit of a general protection agency with no material involvement by prudential supervisor (Mongolia, Nepal, Sudan and Russia). In over 90 percent of economies agencies responsible for prudential supervision also have a responsibility for financial consumer protection. In 64 percent of economies the responsibility for financial consumer protection is solely with the financial supervisors also responsible for prudential supervision (single or multiple) and in another 27 percent of countries the responsibility is shared between financial supervisors and general consumer protection agencies (Figure 4). Within these broad categories, there is a multiplicity of

FIGURE 4. SUPERVISORY STRUCTURE DIFFERS ACROSS COUNTRIES REFLECTING EXISTING INSTITUTIONAL ARRANGEMENTS FOR CONSUMER PROTECTION AND FINANCIAL SECTOR SUPERVISION



Note: Data for 111 countries that provided information on financial consumer protection institutional arrangements.

structures adopted by the countries to organize their work on financial consumer protection reflecting existing overall framework for supervision, capacity and the nature of the challenges countries face.

The debate on the institutional structure for financial supervision is not new. This report does not attempt to address the topic in a comprehensive manner, but rather draws on broader existing arguments to contextualize the findings of the Survey. The term “twin peaks” was coined in the mid-nineties and referred to a model of objectives based supervision where prudential and business conduct supervision was done by two independent agencies providing integrated oversight for the entire financial sector within their respective area of responsibility.²¹ This framework, as part of the broader discussion on integrated supervision, offered a model for financial supervision institutional arrangements in the context of the rapidly liberalizing financial markets with blurring lines between credit, insurance and investment products and consolidation and conglomeration in financial markets. This

21 Taylor, Michael W., 1995. “Twin Peaks”: A Regulatory Structure for the New Century.” Centre for the Study of Financial Innovation.

new model was proposed to replace the existing fragmented supervisory structure where multiple agencies were responsible for prudential supervision of various financial institutions and business conduct supervision was often a remit of self-regulatory organizations. The proponents of the model argued that prudential supervision and business conduct supervision are sufficiently different objectives necessitating a separation of authority to ensure that each objective obtains sufficient resources and attention.²²

Over the years a number of countries moved towards integrated supervision, predominantly in Europe and Latin America,²³ though business conduct regulation and supervision often received less attention than prudential supervision in this process. In fact only six countries adopted a twin peaks model. The topic of business conduct and consumer protection came back in force in the aftermath of the financial crisis reviving the debate on the optimal structure for the supervision of financial services and markets.

The first country to put in place a twin peaks supervisory structure was Australia in late nineties.²⁴ The Australian Prudential Regulation Authority (APRA) is responsible for prudential supervision of authorized deposit taking institutions (banks, building societies, credit unions), insurers, and most of the superannuation industry. The Australian Securities and Investments Commission (ASIC), an expanded version of the old Australian Securities Commission is responsible for market conduct relative to financial services and general corporate and business legal standards. The Reserve Bank of Australia has the responsibility for financial stability, monetary policy, and payment systems.

Similarly, Canada put in place a twin peaks financial supervision structure with independent prudential and business conduct agencies outside of the central bank at a federal level in 2001. The Office of the Superintendent of Financial Institutions is a single regulatory agency responsible for the regulation and supervision of all federally chartered, licensed, or registered banks, insurance companies, trust and loan companies, cooperative credit associations, and fraternal benefit societies. The Financial Consumer Agency of Canada is an

agency responsible for strengthening the oversight of consumer protection measures in the federally regulated financial sector. At the same time securities markets are regulated at provincial level with a delegation of a number of functions to self-regulatory organizations.

The Netherlands and Belgium established a twin peaks structures in 2004 and 2011 respectively but, unlike Australia, placed prudential supervision authorities within their central banks. The Netherlands Authority for the Financial Markets (AFM) responsible for the conduct-of-business supervision in the Dutch financial markets replaced and expanded the functions of the Securities Board. In Belgium Financial Services and Markets Authority is an integrated supervisor for business conduct and consumer protection replacing the Banking, Finance and Insurance Commission.

The debate on the financial supervision structure following the onset of the global financial crisis in 2008 attributed at least in part the resilience of financial systems in Australia and Canada to the existing twin peaks supervisory structure.²⁵ A recent study of the performance of the Dutch twin peaks system also concluded that the separation of business conduct and prudential supervision functions generally worked well, including in time of distress.²⁶ As a result a number of countries have moved to restructure their supervisory structures along the lines of the twin peaks model. The U.S. Department of the Treasury Blueprint for a Modernized Financial Regulatory Structure suggested that “the United States could move to an objectives-based regulatory approach (often associated with a “twinpeaks” approach) as in Australia and elsewhere.”²⁷ The establishment of the BCFP as a single agency responsible for consumer protection in the financial services moved the U.S. towards twin peaks structure on the business conduct and consumer protection side, though prudential supervisory functions are split among a number of agencies. In the U.K. the proposals for the creation of a twin peaks structure were rejected in 1997 in favor of the creation of a single integrated regulator for prudential and business conduct supervision outside of the Bank of England

22 Another dimension of the debate relates to micro and macro prudential issues and the extent to which it is practical to separate prudential supervision from lender of last resort function. These topics are beyond the scope of this report.

23 BIS, 2007. “Institutional arrangements for financial sector supervision.” Financial Stability Institute Occasional Paper #7 at <http://www.bis.org/fsi/fsipapers07.pdf>

24 <http://www.group30.org/images/PDF/The%20Structure%20of%20Financial%20Supervision.pdf>

25 https://www.financialstabilityboard.org/publications/r_111026a.pdf

26 Kremers, Jeroen and Dirk Schoemaker, 2010. “Twin Peaks: Experiences in the Netherlands.” LSE Financial Markets Group Papers, Special Paper 196 at <http://www.lse.ac.uk/fmg/workingPapers/specialPapers/PDF/SP196.pdf>

27 <http://www.treasury.gov/press-center/press-releases/Documents/Blueprint.pdf>

in the form of Financial Services Authority (FSA).²⁸ But in the aftermath of the global financial crisis it was decided to adopt a twin peaks model. Integrated prudential supervision functions were moved to the Bank of England and the new Financial Conduct Authority (FCA) was created as a single supervisor for market conduct and consumer protection in 2012.

Comments provided by the respondents indicate that many jurisdictions are in the process of reforming the institutional structure for financial consumer protection. Lessons learned from the recent crisis are very important in this process. At the same time the structure adopted by a given economy needs to take into account the specific challenges in the space of financial consumer protection within the economy, and the nature of the existing arrangements for consumer protection and supervision of financial service providers.

Some examples help demonstrate the range and complexity of existing institutional arrangements. In Mexico prudential and business conduct functions are divided among five key agencies. Three government agencies are in charge of regulation and supervision of financial entities: the National Banking and Securities Commission (CNBV), National Insurance and Sureties Commission (CNSF), and the National Commission for Retirement Savings (CONRSAR). There is no consolidated supervision and no lead supervisor of financial groups. The National Commission for the Protection of Financial Services Users (CONDUSEF) is in charge of consumer protection in financial services. The existing system is similar to the twin peaks approach in that prudential and consumer protection supervision functions are separated, though prudential services are provided by sectoral agencies. At the same time Banco de Mexico, Mexican central bank, has the responsibility to maintain the currency's purchasing power, and to promote the sound development of the financial system and the integrity of the payment system. In the context of its role in payment system oversight, Banco de Mexico regulates the operation of credit cards and various elements of the payments system, such as ATM network, including consumer protection dimensions. CONDUSEF and Banco de Mexico coordinate their activities in relation to consumer protection issues.

In Peru²⁹ consumer protection and financial literacy are recognized as important elements of the Superintendence of Banking, Insurance and Private Pension Funds (SBS), an integrated prudential supervisor. In 2006 the SBS created the Products and User Services Office, charged with consumer protection including regulation, market conduct supervision and disclosure, user orientation, and financial education and inclusion functions. In addition, the SBS resolves certain individual complaints regarding private pension products. The consumer protection and competition agency INDECOPI, has a responsibility for consumer protection with respect to a broad range of products and services, including financial services. In 2010 INDECOPI created a specialized executive dispute resolution unit for financial services and a specialized consumer protection commission to deal with financial services including banking, microfinance, insurance, pensions and securities. Powers of the SBS and INDECOPI as regards to consumer protection of financial institutions overlap and the division of responsibilities between agencies remains unclear. The SBS oversees prudential regulations and many of the consumer protection aspects of the financial sector under the sector specific regulatory framework. INDECOPI, on the other hand, oversees the financial sector pursuant to the Consumer Protection Code. The SBS and INDECOPI coordinate and collaborate and signed a memorandum of understanding (MOU). The MOU contains comprehensive provisions about information-sharing and a monthly liaison meeting. The National Consumer Protection Council headed by INDECOPI, and created under the Consumer Protection Code, is aiming to propose and harmonize national consumer protection policies as well as develop the National Plan of Consumer Protection.

In the Philippines three sectoral supervisory agencies combine prudential supervision and business conduct and consumer protection functions with respect to the institutions they supervise: Bangko Sentral ng Pilipinas (BSP), Insurance Commission and Securities and Exchange Commission. Philippines Deposit Insurance Corporation also conducts awareness campaigns for depositors in the Philippines. The four agencies have established a coordination mechanism through the Financial Sector Forum which serves as a platform for sharing experience and coordinating policy actions. In addition to financial legislation and regulation, Consumer Law has specific provisions in relation to credit products as well as general provisions for all goods and services. The law

28 Taylor, Michael W., 2010. "The Road from "Twin Peaks" and the Way Back." Connecticut Insurance Law Journal, Volume 16 Issue 1, <http://insurancejournal.org/wp-content/uploads/2011/07/Abstract-21.pdf>

29 For the full text of the World Bank Diagnostic Review of Consumer Protection and Financial Literacy in Peru please see <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Diagnostic-Reviews/Peru-CPFL-DiagReview-ENG-FINAL.pdf>

assigns the responsibility for consumer protection depending on a product type to a number of agencies, including assigning the responsibility for consumer protection in credit services to the Department of Trade and Industry. In practice however, agencies agreed that BSP will handle issues relating to credit products, the agreement enhanced by the Department of Justice legal opinion. As financial products develop and financial service providers offer an increasingly complex set of products regulators recognize a need for greater coordination.

In Brazil the National Consumer Protection Secretary (Senacon)—housed at the Ministry of Justice—has oversight over consumer protection in general, including financial consumer protection issues. Senacon is supported at the local level by consumer protection bureaus known as “procons” which provide service directly to citizens across all product and service categories. Their duties include advising and informing consumers about their rights and obligations and trying to solve conflicts between consumers and firms prior to court procedures. In addition, four financial supervisory agencies play a role in market conduct and consumer protection regulation and supervision of financial services: Central Bank of Brazil, Superintendence of Private Insurance, Securities and Exchange Commission, National Superintendency of Pension Funds.

Bank Negara Malaysia as the Central Bank is the prudential and market conduct regulator and supervisor for banking institutions, insurance companies and takaful operators, development financial institutions and payment systems players. As for capital markets, market conduct of market institutions and persons licensed under the Capital Markets and Services Act 2007 is regulated by the Securities Commission Malaysia. The Co-operatives Commission of Malaysia regulates and supervises the conduct of co-operatives to ensure that the interests of co-operative members are safeguarded. Market conduct regulation and supervision was dispersed across various departments within BNM until 2006, when BNM established the Consumer and Market Conduct Department (CMCD) to increase attention to fair and equitable market practices and financial literacy of consumers. It formulates and implements consumer-oriented policies, supervises and enforces compliance with market conduct requirements, and promotes financial capability of consumers.¹¹ Bringing market conduct for multiple financial service provider types under the CMCD umbrella was a milestone for the central bank, designed to level the playing field, enhance surveillance and enforcement capability, and improve financial literacy across the board. BNM’s market conduct framework allows for tailored oversight and fewer gaps in coverage that could occur with different market conduct regulators for different

institutional types. Some gaps do exist, such as smaller financial cooperatives and NGO microfinance providers, but evidence exists that BNM will act in the event of fraud or abuse by unregulated providers, if such irregularities fall within the purview of BNM.³⁰

Regardless of the specific structure adopted, there is a growing recognition that consumer protection supervision requires a different set of tools and methods, including active monitoring of consumer financial markets and interaction with consumers, from the methods used in prudential supervision focused on the analysis of financial institution performance. There is also a concern that without a separation of the two functions, consumer protection would not get sufficient attention from supervisors. Another concern is a potential conflict between consumer protection and prudential supervision mandates, though in the review by FSB most regulators viewed these functions as complimentary.³¹ At the same time, financial consumer protection has implications for financial stability as recent crisis has clearly demonstrated.

There is no one-size-fits-all model. But there are common considerations that need to be taken into account in the design of the institutional structure for financial consumer protection supervision. General consumer protection agencies are more likely to have systems, processes and infrastructure for handling complaints used for a broad range of products and services. But these agencies also generally do not have expertise in financial sector issues. Financial regulators, in turn, have expertise in financial sectors but often lack systems and processes for adequately overseeing financial consumer protection. Some countries, such as Russia, made a decision to place financial consumer protection within a general consumer protection agency and develop capacity within this entity to oversee financial consumer protection. Others have followed the route of enhancing financial consumer protection function within financial regulators while coordinating with the general consumer protection regulators, as in some examples above. And in a small but growing number of high-income countries, a dedicated agency for financial consumer protection and market conduct has been put in place to centralize the responsibility for financial consumer protection across all financial services within one entity.

30 CGAP Consumer Protection Policy Diagnostic Report: Malaysia, <http://www.cgap.org/publications/cgap-consumer-protection-policy-diagnostic-report-malaysia>

31 FSB, 2011. “Consumer Finance Protection with Particular Focus on Credit,” http://www.financialstabilityboard.org/publications/r_111026a.pdf

The G20 High Level Principles and World Bank Good Practices do not advocate for any specific institutional structure but instead focus on the key principles and functions for consumer protection regulation and supervision. The survey explored the following questions: (1) existence of a dedicated team and whether this function is part of prudential supervision or separate; (2) supervisory tools available; (3) enforcement powers and use of enforcement actions.

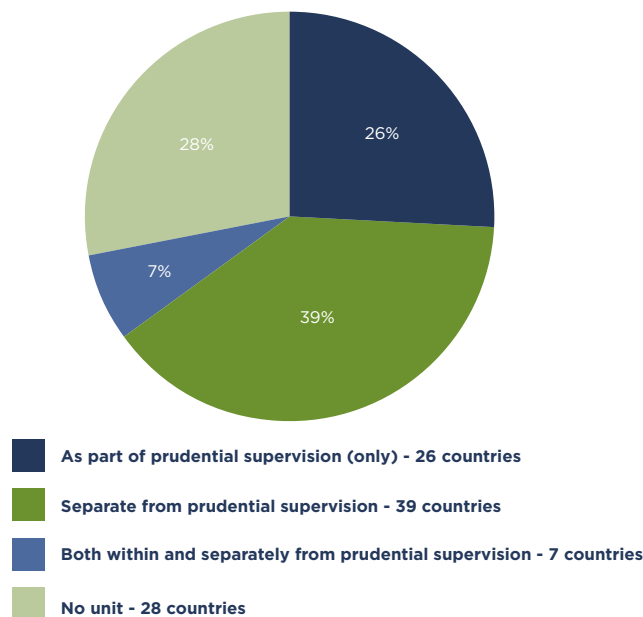
FUNCTIONS OF PRUDENTIAL AND BUSINESS CONDUCT SUPERVISION

World Bank Good Practices for Financial Consumer Protection³² state that: “Prudential supervision and consumer protection supervision may be placed in separate agencies or lodged in a single institution. However regardless of the institutional structure, the allocation of resources between prudential supervision and consumer protection is adequate to enable the effective implementation of consumer protection rules.”

FSB in their review of financial consumer protection found that “most FSB jurisdictions view consumer protection and prudential supervision as complementary rather than competing objectives. It is clear that both consumer protection and prudential supervision have a shared interest in minimizing the risks to financial stability.”³³

Figure 4 shows that in most jurisdictions prudential and financial consumer protection functions are housed in the same agency. The survey asked whether financial supervisors in countries in which they have a responsibility for financial consumer protection have a dedicated team or unit in place and if this team or unit is part of prudential supervision function or a separate function. Among the agencies that have established a dedicated team or unit, such unit is more likely to be separate from prudential supervision (Figure 5). Out of 72 economies with dedicated teams or units for financial consumer protection, 39 (54 percent) are separate from prudential supervision, 26 (36 percent) are part of prudential supervision, and in 7 (10 percent) economies such teams were created in both prudential and non-prudential supervision sections. At the same time, most agencies that do not have a dedicated team or unit noted that consumer protection

FIGURE 5. MORE THAN HALF OF THE ECONOMIES WITH A DEDICATED TEAM FOR FINANCIAL CONSUMER PROTECTION HAVE IT SEPARATELY FROM PRUDENTIAL SUPERVISION



Note: Data for 100 countries that have a responsibility for some aspect of financial consumer protection in 2013.

function is performed as part of the regular bank supervision activities.

Some examples demonstrate approaches countries are taking in establishing consumer protection functions.

In Portugal and Hong Kong business conduct supervision is organizationally separated from prudential supervision. In Portugal, Banking Conduct Supervision Unit was created within the Supervision Department of the Central Bank in 2008. In 2011 the Supervision Department was split in two, creating Banking Conduct Supervision and the Prudential Supervision Departments, clearly separating prudential and business conduct supervision functions. Hong Kong Monetary Authority (HKMA) expanded its efforts to protect and educate consumers creating in April 2010 a Banking Conduct Department to supervise the business conduct of authorized institutions including the conduct of banking, investment and insurance business.

In Macedonia consumer protection functions are performed by a separate unit within the On-site Supervision Department. And in Slovakia there is a separate Consumer Protection Section responsible for handling of financial consumer

32 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

33 http://www.financialstabilityboard.org/publications/r_111026a.pdf

complaints. If there is any suspicion of breaking law by any financial institution, Consumer Protection Section informs Supervision Department, which have responsibility to impose sanctions or other measures if any.

In Mozambique financial consumer protection is in early stages of development. The Banco de Moçambique (BdM) is the regulatory and supervisory authority for credit institutions, financial companies and the microfinance industry. BdM also undertook to implement financial consumer protection for the institutions it supervises. The Department for Strategic Planning, Communication and Image was created with the responsibility for consumer complaint handling and financial education. At the same time bank supervision department in addition to prudential supervision functions is responsible for oversight of misleading advertisements and unwarranted fees and charges.

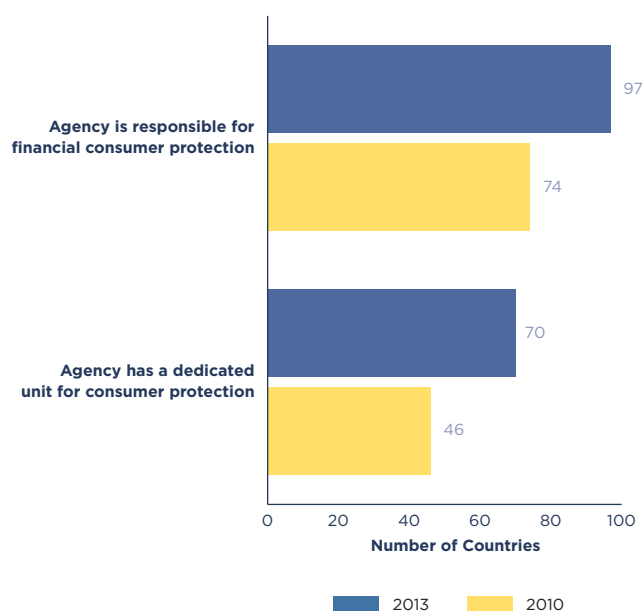
In Pakistan Central Bank a dedicated Consumer Protection Department was established with the responsibility to create and promote a culture of social responsibility in commercial banks, development finance institutions, Islamic banks, and microfinance banks for resolving disputes, thereby protecting the rights of the consumers. Earlier, the functions of consumer protection and complaint resolution was the mandate of Banking Policy and Regulations Department within Pakistan Central Bank.

SUPERVISORY TOOLS, AUTHORITY AND RESOURCES

More countries moved to enhance supervision of financial consumer protection and dedicated resources to this task over the past three years (Figure 6). The number of agencies that responded that they have a responsibility for financial consumer protection increased from 74 in 2010 to 97 in 2013.³⁴ The number of economies that have agencies with dedicated resources and staff in this area of work increased also from 46 in 2010 to 70 in 2013. As a result, in 2013 72 percent of agencies with the responsibility for financial consumer protection had a dedicated team or unit in place to perform this function compared to 62 percent of economies in 2010.

Monitoring of compliance with financial consumer protection regulations requires a different set of tools and approaches from that used in prudential supervision. Prudential

FIGURE 6. MORE COUNTRIES ASSIGNED A LEGAL RESPONSIBILITY FOR FINANCIAL CONSUMER PROTECTION TO FINANCIAL SUPERVISORS AND CREATED DEDICATED TEAMS OR UNITS BETWEEN 2010 AND 2013



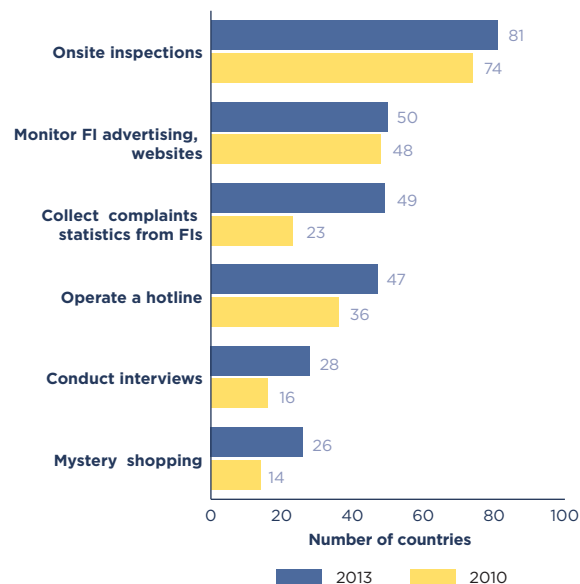
Note: Data for 109 countries with data for 2010 and 2013.

supervision relies on detailed assessment of performance of individual financial institutions through off-site monitoring and on-site inspections. Monitoring compliance with consumer protection rules requires analyses of the feedback from consumers and assessments of performance of financial institutions conduct including disclosure and complaints handling. Between 2010 and 2013, more countries started using a broader range of supervisory tools such as monitoring financial institutions websites (50 compared to 48), collecting and monitoring complaints (49 compared to 23), operating hotlines (47 compared to 36), conducting focus groups (28 compared to 16) and mystery shopping in 26 economies in 2013 compared to 14 in 2010 (Figure 7).

Not surprisingly, agencies with a dedicated team for financial consumer protection and hence more resources were more likely to use a broad range of compliance monitoring tools (Figure 8). For example, 64 percent of agencies with a financial consumer protection team collected statistics on complaints compared to only 11 percent among those without a clear financial consumer protection function. Among agencies with a dedicated unit, 61 percent operated hotlines for complaints and inquiries compared to 11 percent of those without dedicated consumer protection function. Another useful tool for

³⁴ Data for countries with information for 2010 and 2013. Overall 100 economies in 2013 stated that they have a responsibility for financial consumer protection.

FIGURE 7. RESPONSIBLE AGENCIES BROADENED THE RANGE OF COMPLIANCE MONITORING TOOLS BETWEEN 2010 AND 2013, ESPECIALLY IN TERMS OF COLLECTING STATISTICS ON THE NUMBER OF COMPLAINTS

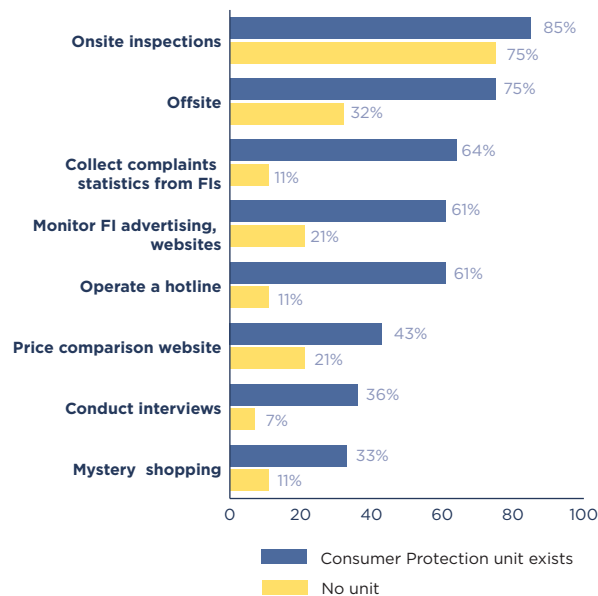


Note: For 97 agencies with responsibility for financial consumer protection and data in 2010 and 2013.

improving transparency and monitoring compliance is price comparison websites publishing rates and fees reported by financial service providers. Among the agencies with dedicated teams or units, 43 percent operated such websites compared to 21 percent among those without dedicated financial consumer protection function. Such websites provide consumers with the means to compare the costs (or returns) and terms of similar financial products. In addition, they also have a positive impact on financial services providers to compete by offering better products and services rather than by taking advantage of poorly informed consumers.

To make supervision effective, dedicated resources are necessary regardless of the institutional model chosen by the country. There is also a need to identify effective approaches and models for compliance monitoring in financial consumer protection as well as the effective coordination mechanisms

FIGURE 8. AGENCIES WITH DEDICATED UNITS OR TEAMS USE A BROADER RANGE COMPLIANCE TOOLS BEYOND ONSITE INSPECTIONS

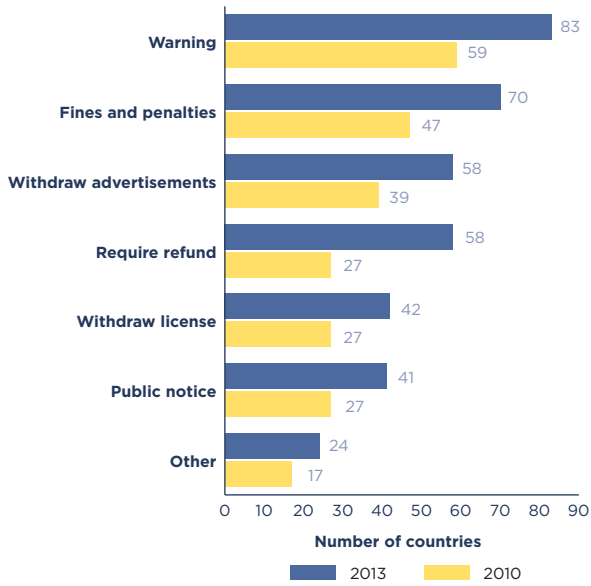


Note: For 100 agencies with responsibility for financial consumer protection in 2013.

between prudential supervision staff and those responsible for financial consumer protection.

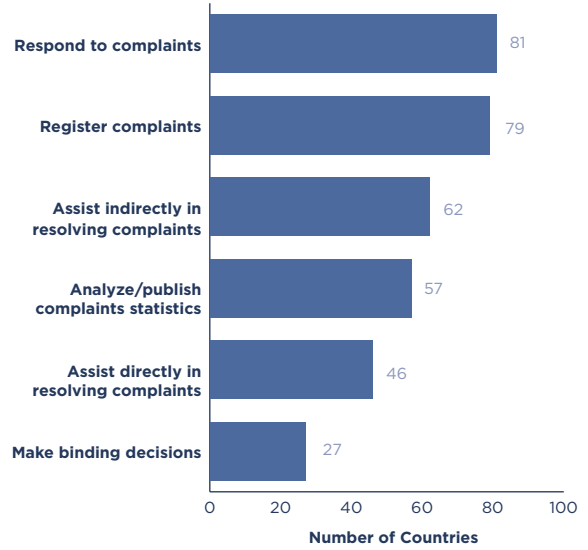
Survey responses also suggest that regulatory powers and the range of enforcement actions regulatory agencies can take have expanded in the past three years (Figure 9). Issuing warnings and imposing fines and penalties are the most common forms of action, though often derived from the authorities existing under prudential regulations. Public notices of violation are found to be an effective deterrent, but despite a marked increase, relatively few countries practice this approach, 41 according to 2013 data. The majority of supervisory agencies collect complaints and have a responsibility to respond to complaints (81) and register complaints (79). At the same time, a much smaller number of agencies have the authority for assisting directly in resolving complaints or making binding decisions in case of disputes (Figure 10).

FIGURE 9. ENFORCEMENT POWERS WERE EXPANDED IN A NUMBER OF COUNTRIES



Note: Based on 97 economies with a responsibility for financial consumer protection and data in 2010 and 2013.

FIGURE 10. MOST SUPERVISORS COLLECT AND MONITOR COMPLAINTS THOUGH FEW HAVE AN AUTHORITY FOR DIRECTLY RESOLVING COMPLAINTS OR MAKING BINDING DECISIONS



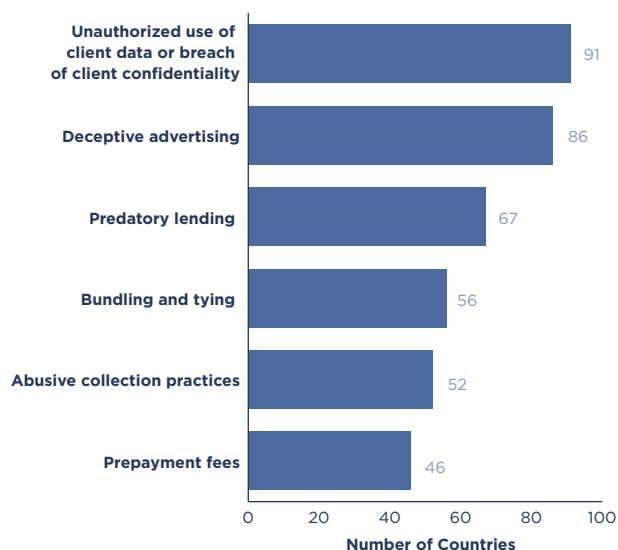
Note: For 100 agencies with responsibility for financial consumer protection in 2013.

4 FAIR TREATMENT

Principle 3 of the G20 High Level Principles on Financial Consumer Protection states that “all financial consumers should be treated equitably, honestly and fairly at all stages of their relationship with financial service providers.”

The survey asked whether the following legal provisions within a broader category of fair treatment are present in a given jurisdiction: restrictions on deceptive advertising, predatory lending, bundling and tying of products and services, existence of prepayment fees, restrictions on abusive collection practices and protections for client data confidentiality (Figure 11).

FIGURE 11. PROVISIONS ENSURING DATA CONFIDENTIALITY AND RESTRICTING DECEPTIVE ADVERTISING ARE MORE COMMON THAN FINANCIAL INDUSTRY SPECIFIC PROVISIONS SUCH AS COLLECTION PRACTICES OR BUNDLING OF PRODUCTS



The provisions to protect client confidentiality are the most common and are present in 91 economies (80 percent). Confidentiality provisions are often covered by bank secrecy provisions in financial legislation or by data protection legislation where it exists. These provisions usually require that the banking transactions of any bank customer are kept confidential by his or her bank and that a bank protects the confidentiality and security of the personal data of its customers against any anticipated threats or hazards to the security or integrity of such information, as well as against unauthorized access.³⁵ Several international guidelines and directives cover issues relating to the confidentiality of identifiable personal information. These include the OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data (Article 2 Scope of Guidelines), the EU Directive on the Protection of Individuals with regard to the Processing of Personal Data 1995/46/EC, and the APEC Privacy Framework (Part ii, Scope).

Restrictions on deceptive advertisement are also common and present in 86 economies (75 percent). Deceptive advertising rules are often part of the broader legislation of consumer protection and fair competition applying to all products and services. These provisions usually require that advertising and sales materials and procedures do not mislead customers, all advertising and sales materials are easily readable and understandable by the general public, and that banks should be legally responsible for all statements made in their advertising

35 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

and sales materials (i.e., be subject to the penalties under the law for making any false or misleading statements).³⁶

Restrictions on predatory lending aiming and high pressure selling practices are reported by 67 economies (59 percent). One of the measures within this category is introduction of cooling off periods. World Bank Good Practices on Financial Consumer Protection recommend that a bank should provide the consumer a cooling-off period of a reasonable number of days (at least 3-5 business days) immediately following the signing of any agreement between the bank and the consumer for financial products or services with a long-term savings component, or those subject to high-pressure sales contracts (unless explicitly waived in advance by a consumer in writing). Within this cooling off period the consumer should be permitted to cancel or treat the agreement as null and void without penalty to the consumer of any kind. This important safeguard enables an individual to withdraw from an arrangement with impunity. This is particularly important for financial products or services with a long-term savings component. Borrowers tend to rush into financial arrangements with their banks that provide seemingly attractive terms or returns without the benefit of shopping around. This is especially serious in countries where the terms of services and products are not readily available or cannot be compared. Thus, the cooling-off period provides relief similar to a “no-questions-asked” return policy for goods. However, for banking products and services that involve market risk, a consumer who cancels his or her contract during the cooling-off period should be required to compensate the bank for any processing fees.³⁷

The restrictions on bundling and tying of financial services are present in 56 economies (49 percent). Tying refers to the practice of selling two or more products together in a package and at least one of these products is not sold separately. For example, a bank may choose to tie a current account to mortgages, personal loans or SME loans. Product tying in retail banking may weaken competition. First, tying raises costs and therefore is likely to reduce customer mobility. Second, by binding customers into buying several products from the

same bank, tying is likely to discourage the entry of new players and growth of smaller players. Third, by introducing additional products into the transaction, tying reduces price transparency and comparability among providers.

Bundling occurs when two or more products are sold together in a package, although each of the products can also be purchased separately on the market. Firms bundle for several reasons including economies of scope, price discrimination, demand management or leverage of market power into other market segments. Bundling is not per se anti-competitive and it can even have positive effects on the consumer if the price of bundled services is lower than for unbundled ones, and if convenience is increased. However, bundling also has the potential to render price comparisons impossible, thus hindering competition. Also customers might be forced to accept services and products that they do not need and thus they would have to incur fees and other costs associated with maintaining the bundled product or service.

World Bank Good Practices on Financial Consumer Protection³⁸ recommend that providers of financial services should avoid bundling services and products and the use of tying clauses in contracts that restrict the choice of consumers. In particular, whenever a borrower is obliged by a bank to purchase any product, including an insurance policy, as a precondition for receiving a loan from the bank, the borrower should be free to choose the provider of the product and this information should be made known to the borrower.

Restrictions on abusive collections practices are reported by less than half of respondents—52 economies (45 percent). World Bank Good Practices on Financial Consumer Protection³⁹ recommend that a bank, agent of a bank and any third party should be prohibited from employing any abusive debt collection practice against any customer of the bank, including the use of any false statement, any unfair practice or the giving of false credit information to others. The type of debt that can be collected on behalf of a bank, the person who can collect any such debt and the manner in which that debt can be collected should be indicated to the customer of the bank when the credit agreement giving rise to the debt is entered into between the bank and the customer. A debt collector

36 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>; G20/OECD Task Force on Financial Consumer Protection. “Update Report on the Work to Support the Implementation of the G20 High-Level Principles on Financial Consumer Protection,” <http://www.oecd.org/daf/fin/financial-education/G20EffectiveApproachesFCP.pdf>

37 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

38 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

39 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

should not contact any third party about a bank customer's debt without informing that party of the debt collector's right to do so; and the type of information that the debt collector is seeking. Where sale or transfer of debt without borrower consent is allowed by law, the borrower should be notified of the sale or transfer within a reasonable number of days, informed that the borrower remains obligated on the debt, and provided with information as to where to make payment, as well as the purchaser's or transferee's contact information.

Only 46 countries (40 percent) had provisions restricting prepayment fees. Prepayment fees are charged for early repayment of a loan. Such fees, if unreasonably high can restrict

consumer's ability to switch banks as a result reducing competition in the market. At the same time it is reasonable to allow for reasonable administrative costs relating to the prepayment and, for fixed rate facilities, a charge that takes into account differences between the interest rate payable under the facility and that prevailing at the time of the prepayment.

Overall, survey results indicate that the legal framework in most countries provides broad provisions on fair treatment, but less than half of economies have financial industry specific provisions.

5 DISCLOSURE

Principle 4 of the G20 High Level Principles on Financial Consumer Protection states that financial services providers and authorized agents should provide consumers with key information that informs the consumer of the fundamental benefits, risks and terms of the product. Appropriate information should be provided at all stages of the relationship with the customer. Standardized pre-contractual disclosure practices (e.g., forms) should be adopted where applicable and possible to allow comparisons between products and services of the same nature.

Disclosure is the key element of the modern approach to financial consumer protection. The consumer has a right to know the details of a financial transaction entered into and details of the account over time to make informed decisions and demand recourse in a case of wrongdoing.

The World Bank Global Survey asked a set of questions on the contents of mandatory disclosure on deposit and credit services at opening and on a periodic basis. The results show that the requirements for mandatory disclosure at account opening are present in the majority of jurisdictions (Figure 12). Banks are required to disclose terms and conditions at account opening in 90 economies (79 percent) and regulated financial institutions in 76 (67 percent). Only in a handful of economies are there requirements for disclosure by unregulated financial institutions. A number of countries, including Italy, Oman, and Saudi Arabia, clarified that all financial service providers are regulated and hence this question does not apply.

The structure of financial supervision in most jurisdictions implies that financial regulators do not have a mandate to issue requirements for the institutions they do not supervise. In cases in which a general consumer protection framework exists, the disclosure by unregulated providers may be governed by those laws. The variations in disclosure standards for different type of providers of credit services may distort the market and confuse the consumers. The efforts to harmonize

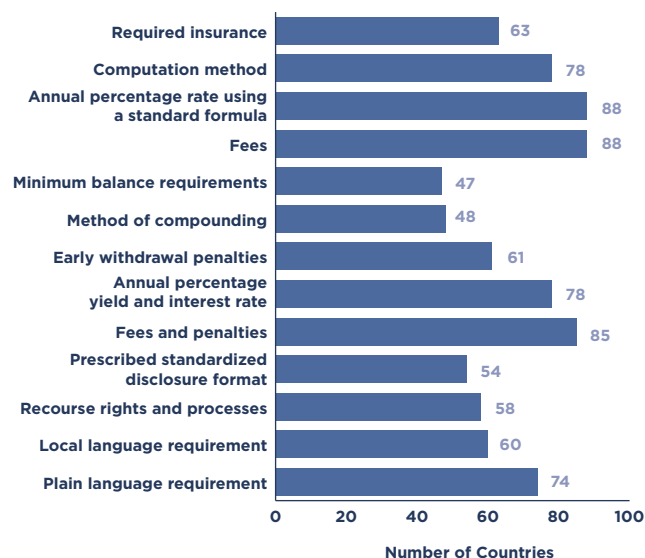
disclosure standards across various groups of regulated and unregulated providers of similar financial services are an important part of reform agendas in many countries. For example, in the Philippines, disclosure requirements originally developed for the financial service providers regulated by the Central Bank were subsequently adapted for insurance and capital markets participants. The focus on a product rather than the institution providing it is one approach. Consumer credit legislation implemented in a number of European countries aims to level the playing field and put in place a common standard of disclosure across different groups of providers of financial services. This approach also allows for more

FIGURE 12. DISCLOSURE REQUIREMENTS AT OPENING ARE MORE COMMON THAN PERIODIC DISCLOSURE. FEW COUNTRIES HAVE REQUIREMENTS FOR DISCLOSURE BY UNREGULATED INSTITUTIONS



Note: Based on responses from 114 economies in 2013.

FIGURE 13. DISCLOSURE AT OPENING



Note: Based on responses from 114 economies in 2013.

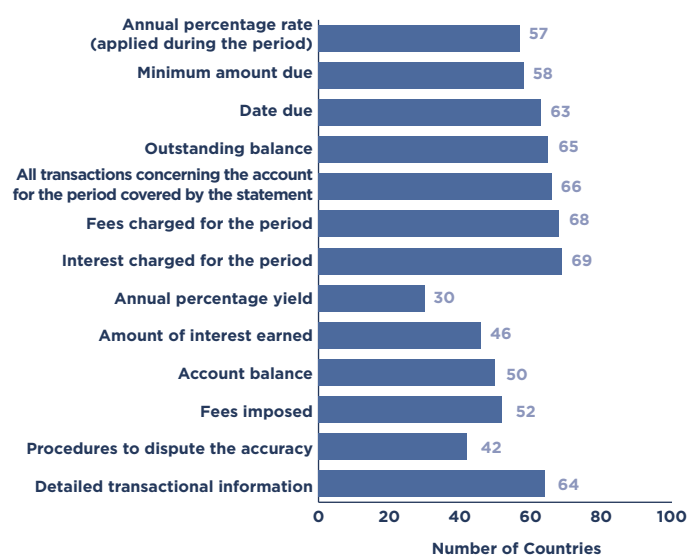
specific guidance, because disclosure terms need to be tailored for different groups of financial products and are proportional to the risks involved.

The survey results show that disclosure of terms and conditions at opening is far more common than the requirements for periodic disclosure (Figures 13 and 14). Periodic disclosure is especially important for certain products such as credit cards and debit-card-linked accounts where the cost depends on the usage. Periodic disclosure not only serves to inform the consumer, but is also an important tool in detecting fraud or mistakes. As technology improves and more customers rely on Internet banking, the requirement for paper statements may be relaxed. But the contents of the periodic disclosure and the rights of access need to be clearly defined.

World Bank Good Practices on Financial Consumer Protection⁴⁰ identify a number of recommendations for the disclosure at account opening. Before a consumer opens a deposit, current (checking) or loan account the bank should make available to the consumer a written copy of its general terms and conditions, as well as all terms and conditions that apply to the account to be opened. Collectively, these terms and conditions should include: disclosure of details of the

40 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

FIGURE 14. PERIODIC DISCLOSURE



Note: Based on responses from 114 economies in 2013.

bank's general charges; a summary of the bank's complaints procedures; a statement regarding the existence of the office of banking ombudsman or equivalent institution and basic information relating to its process and procedures; information about any compensation scheme that the bank is a member of; an outline of the action and remedies which the bank may take in the event of a default by the consumer; the principles-based code of conduct, if any; information on the methods of computing interest rates paid by or charged to the consumer, any relevant non-interest charges or fees related to the product offered to the consumer; any service charges to be paid by the consumer, restrictions, if any, on account transfers by the consumer, and the procedures for closing an account; and clear rules on the reporting procedures that the consumer should follow in the case of unauthorized transactions in general, and stolen cards in particular, as well as the bank's liability in such cases. Further, the terms and conditions should be written in plain language and in a font size and spacing that facilitates the reader's comprehension.

Survey results show that most economies have requirements to disclose rates and fees for deposit and credit services. More economies put specific disclosure requirements at opening for credit products, especially in relation to credit cards, than for deposit products. Periodic disclosures on credit products, mostly credit cards, are more common than on deposit products. About half of the economies—54 (47 percent)—stated that there is a prescribed standardized disclosure format in

place. The debate and research on the effectiveness of alternative forms of disclosure is ongoing.

The Truth in Lending Act of 1968 introduced the annual percentage rate (APR) disclosure in the United States for the first time and the efforts to improve disclosure continued since then. The decades of research and results of extensive consumer testing summarized in a recent article by the Federal Reserve indicate that some forms of disclosure are more effective than others.⁴¹ The study found that minor differences in language and design features of the disclosure form can have effects on consumer's understanding of disclosure. Repeated studies show that many consumers find it difficult to understand annual percentage rates (APR), which shows in a single rate the applicable interest rate and mandatory fees and enables comparison across providers compared to other forms of disclosure. While it is important to ensure that the total cost of the financial product is disclosed to enable comparability, there are mixed results on the effectiveness of alternative forms of disclosure such as annual percentage rate and further refinements are needed based on consumer testing.⁴²

There is an indication that presentation of terms matter and graphics, titles and boxes all could influence the understanding of the terms presented. The use of standard templates

referred to as a key-facts statement such as “Schumer Box” used for disclosure in credit card solicitations in the United States indicates that familiarity with the format may make it easier for consumers to understand and compare terms across providers. The Consumer Credit Directive in Europe also introduced a Standard European Consumer Credit Information form enabling comparison of terms across all providers in member countries. While there is a discussion on the need to enable a degree of flexibility to reflect specific features of certain products, the need for broader minimum standards for disclosure is not in doubt.⁴³ When Peru embarked on improving financial disclosure, the survey of providers showed that there were over 4,000 different terms in use to describe various financial terms. A standard dictionary reduced the number of terms to 50 and brought in consistency in disclosure.

Effective monitoring of compliance with disclosure standards is required to ensure that providers follow the rules. Price comparison websites mentioned earlier are also an important element of improving transparency and disclosure in the financial markets. Financial education efforts are necessary to improve the basic understanding of financial concepts by consumers. Even with these measures however, disclosure has its limits and the question is whether additional and more proactive measures of consumer protection are in order.

41 Jeanne M. Hogarth and Ellen A. Merry, 2011. “Designing Disclosures to Inform Consumer Financial Decision-making: Lessons Learned from Consumer Testing,” Federal Reserve Bulletin, August 2011 Vol. 97, No. 3.

42 Various assessments by FSA in the UK can be found at www.fsa.gov.uk/pages/Library/research/Consumer/index.shtml. In Canada Les Études de Marché Créatec, 2008. *Qualitative Testing of Proposed MasterCard Plain Language Application Form (Ottawa: FCAC, May)*, www.fcac-acfc.gc.ca/eng/resources/PDFs/2008PlainLanguage-eng.pdf. Aging Agendas Social Policy Consultants, 2004, *Superannuation Fees Disclosure Consumer Testing Report*, prepared for the Association of Superannuation Funds of Australia (January), www.superannuation.asn.au/ArticleDocuments/116/AgeingAgendas&tASFA_SuperFeesDisclosure.pdf

43 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>; G20/OECD Task Force on Financial Consumer Protection, “Update Report on The Work to Support the Implementation of the G20 High-Level Principles on Financial Consumer Protection,” <http://www.oecd.org/daf/fin/financial-education/G20EffectiveApproachesFCP.pdf>

6 RESPONSIBLE LENDING

Principle 6 of the G20 High Level Principles on Financial Consumer Protection states that financial services providers and authorized agents should have as an objective to work in the best interest of their customers and be responsible for upholding financial consumer protection. Depending on the nature of the transaction and based on information primarily provided by customers, financial services providers should assess the related financial capabilities, situation and needs of their customers before agreeing to provide them with a product, advice or service.

World Bank Good Practices on Financial Consumer Protection⁴⁴ also recommends that financial institutions need to ensure that a product or service offered to the consumer is in line with the need of the consumer. The consumer should be given a range of options to choose from to meet his or her requirements. Sufficient information on the product or service should be provided to the consumer to enable him or her to select the most suitable and affordable product or service. When offering a new credit product or service significantly increasing the amount of debt assumed by the consumer, the consumer's credit worthiness should be properly assessed. The aim of affordability provisions is to avoid consumer overindebtedness and to help consumers make appropriate decisions on their financial needs.

The issues of over-indebtedness, affordability and responsible lending became a subject of much debate in the aftermath of the recent subprime crisis in the United States. High levels of indebtedness by households arguably borrowing beyond their means raised questions on the effectiveness of the existing consumer protection framework as well as the incentives system among financial service providers.

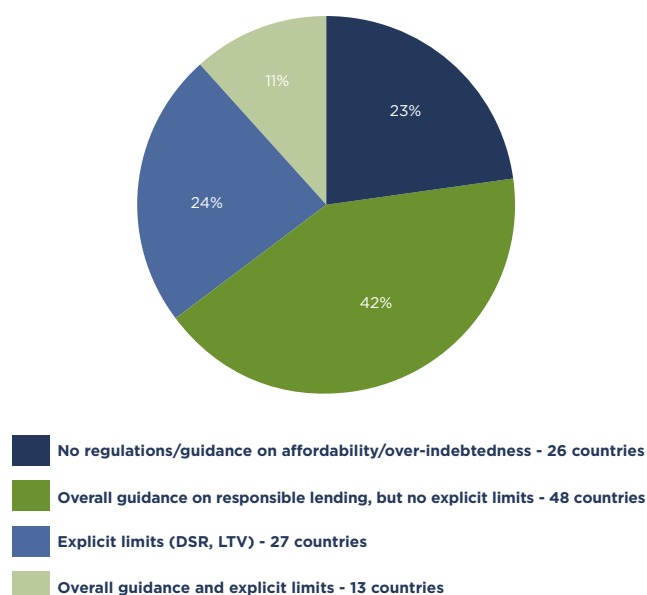
In theory, rational informed individuals were not expected to borrow beyond their means. Lenders were not expected to grant a loan if they had doubts about repayment. But practices appeared to be different. Recent research from behavioral economics provides some insights on consumer decisions.⁴⁵ A review of practices among financial service providers also shows that misaligned incentives for financial service providers play a role. Compensation for loan officers based on loan volumes when an originating institution does not eventually carry the credit risk means there is less concern for repayment ability. Revenue generation from late fees and penalties can be an important source of income and a lender may prefer a borrower who pays late. Lenders may also overestimate the capacity to repay if there is no adequate credit information system to check information on the borrower's existing debts or reliable means to verify income.

One element of responsible business conduct that the global survey covered is a policy on affordability or limiting over-indebtedness. The survey asked whether there were explicit limits set by regulations such as loan-to-income ratio and whether regulations require lending institutions to assess borrower ability to repay the loan, but no specific limits are set. The majority of economies—88 (77 percent)—stated that either one or both of these measures are present. Among those with requirements, slightly more than half—48 economies (54 percent)—had requirements for lenders to assess the ability to repay but no explicit limits, and 40 economies had explicit limits in place. The increase in the number of countries with explicit limits from 20 in 2009 to 40 in 2013 is striking and reflects a sea change in the outlook to financial consumer protection and financial sector regulation in general in the aftermath of the financial crisis.

44 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

45 For review of recent research please see World Bank, 2013, "Global Financial Development Report 2014: Financial Inclusion," World Bank, Washington DC; Ardic, Ibrahim, and Mylenko, 2011, *Consumer Protection Laws and Regulations in Deposit and Loan Services: A Cross-Country Analysis*. World Bank Policy Research Working Paper 5536.

FIGURE 15. MOST COUNTRIES DO NOT SET EXPLICIT LIMITS AS PART OF AFFORDABILITY OR REDUCING OVER-INDEBTEDNESS GUIDANCE



Note: Based on responses from 114 economies in 2013.

In most countries, the requirement to assess a borrower’s ability to repay, without setting explicit limits in relation to income or value of the financed asset is part of prudential regulations and guidance on risk management to financial institutions. These regulations set the requirement in broad terms and do not necessarily provide detailed instructions or methodology on assessing affordability. As part of the implementation of the Consumer Credit Directive, a number of EU countries expanded guidance on assessing affordability and suitability of financial products. One of the elements of such regulations, for example in Bulgaria, Czech Republic, and Greece, is a requirement to consult relevant databases such as credit information registries to obtain information on existing commitments of the loan applicant. In Ireland, for variable interest rate loans, lenders are required to conduct a stress test on the consumer’s ability to repay due to a change in interest rate.

Reviewing the regulations that set explicit limits shows that usually the limits are applied selectively for specific loan categories such as mortgages, consumer loans, credit cards or microfinance loans. These explicit limits are also mostly defined as part of prudential regulations often in relation to loan risk classification and provisioning requirements and address consumer protection and risk management concerns. For example, Bolivia requires higher general provisions and

establishes a debt service-to-income ratio of 15 percent for salaried employees. In Japan, the Money Lending Business Act provides that no new loans may be made when the existing amount outstanding exceeds one-third of the borrower’s annual income. In Malawi, non-deposit taking microfinance institutions are required to restrict loan repayments of salaried employees to 50 percent of take-home pay. In Pakistan, monthly amortization payments of consumer loans should not exceed 50 percent of the net disposable income of the prospective borrower. In Saudi Arabia, the debt-service-to-income ratio cannot exceed 33 percent for working persons and 25 percent for pensioners.

A number of countries set limits for mortgage lending. In Hong Kong, specific limits relate to mortgage loans and include loan-to-value ratios of 20 to 40 percent depending on the source of income and whether this is a first mortgage. The rules also set a debt service ratio in relation to income depending on the size of the mortgage, residential or commercial purpose and source of income. In Eastern Europe, where foreign currency exposures constitute an important risk, Hungary put in place loan-to-value limits for mortgages and vehicle financing in the range of 50 to 80 percent depending on loan currency. Romania requires stress tests for exchange rate and interest rate changes on borrower’s ability to repay and sets a loan-to-value limit of 60 to 85 percent depending on the currency of financing.

In line with rapid growth of credit card users, a number of countries placed explicit limits relating to credit card lending. In Indonesia, no more than two credit cards are allowed for clients with income below a certain threshold. In Panama, the maximum borrowing limit for credit cards is set to three times monthly income. In Thailand, the approved credit line for each credit card holder and each personal loan by regulated institution shall not exceed 5 times the average income per month. And in Taiwan the sum of approved lines of credit plus the total balance of the credit card applicant’s unsecured debts with all financial institutions cannot exceed 22 times of the average monthly income of the applicant within the most recent year.

The variation of definition of the limits and thresholds reflect in part domestic-economy contexts and the nature of the concern, be it currency risk in mortgage finance, anticipation of a property bubble, rapid expansion of credit card lending or raising over-indebtedness. There is very little empirical research on whether these quantitative limits work or justification for setting the value of the limits. A comprehensive assessment conducted by the UK’s Financial Service Authority as part of mortgage market reform is one study that presents

an empirical analysis of the correlations between debt service ratio and probability of impairment.⁴⁶ The study found that debt service ratio was not a strong predictor of loan impairment based on the mortgage data they had available, resulting in a recommendation not to set any explicit limits. There are a number of challenges and data constraints in estimating loan affordability. Further analytical work is needed to better understand the empirical relationship among debt-service ratios, loan-to-value ratios and loan performance. The results are likely to differ across countries and by asset class. Without better understanding of these measures, the concern remains that the imposition of strict debt-service and loan-to-value ratios could restrict access to finance, and push lower income borrowers into informal sector.

⁴⁶ U.K. Financial Services Authority, “Mortgage Market review: proposed package of reforms.” Consultation Paper CP11/31 http://www.fsa.gov.uk/pages/Library/Policy/CP/2011/11_31.shtml

7 DISPUTE RESOLUTION AND RECOURSE

Principle 9 of the G20 High Level Principles on Financial Consumer Protection states that jurisdictions should ensure that consumers have access to adequate complaints handling and redress mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient. There are a number of mechanisms for handling complaints and resolving disputes within modern financial system.

World Bank Good Practices on Financial Consumer Protection⁴⁷ recommend that every financial institution has a designated contact point with clear procedures for handling customer complaints, including complaints submitted verbally. Consumers have access to an affordable, efficient, respected, professionally qualified and adequately resourced mechanism for dispute resolution, such as an independent financial ombudsman or equivalent institution with effective enforcement capacity. Statistics of customer complaints, including those related to breaches of codes of conduct, are periodically compiled and published by the ombudsman or financial supervisory authority.

The first line of defense in resolving disputes between financial service users and providers are the complaint-handling mechanisms within financial service providers. Financial institutions should have mechanisms to receive and handle complaints from their customers. According to the 2013 survey results, the majority of jurisdictions—83 out of 114 (73 percent)—have a requirement in place for financial institutions to implement procedures and processes for resolving customer complaints. The number of countries with such requirements increased dramatically between 2010 and 2013 from 55 to 80 for the countries for which survey data for both years is available. To monitor the functioning of complaints handling by financial institutions, supervisors can collect the

statistics on complaints received and addressed by financial service providers. As discussed in section 3, a relatively small but increasing number of supervisors report collecting complaints statistics (49 in 2013 compared to 23 in 2010, Figure 7). Complaints statistics monitoring can be an important indicator of the emerging problems in the financial sector and can help identify issues relating to specific institutions or products.

If a financial institution and a consumer cannot resolve a dispute, they can turn to courts for resolution. Dispute resolution through courts, however, is costly and time-consuming. Alternative dispute resolution systems such as financial ombudsmen or mediation services seek to assist the parties in resolving a dispute out of court. The key principles of operation for such mechanisms include independence, transparency, fairness and effectiveness. In addition to helping resolve disputes, financial ombudsmen can deal with consumer enquiries and share the lessons from their work to help governments, regulators, financial businesses and consumers improve the financial consumer protection framework.⁴⁸

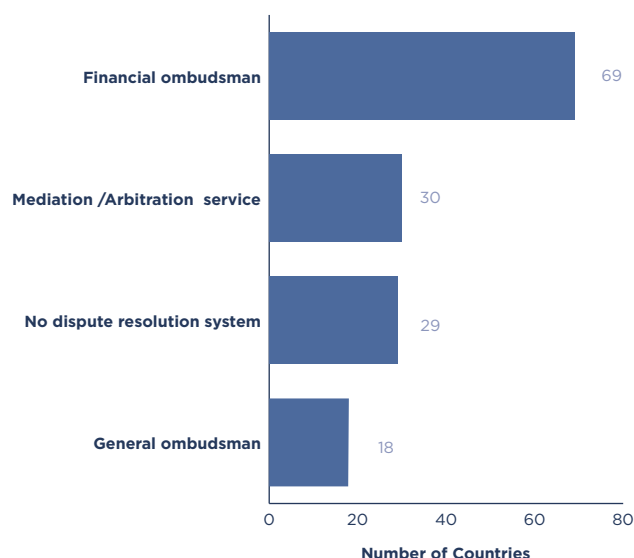
The survey asked respondents to indicate whether there was a system that allowed a customer of a financial institution to seek affordable and efficient recourse with a third party such as a supervisory agency, a financial ombudsman or equivalent institution in the event that the customer's complaint was not resolved to the customer's satisfaction under the internal procedures of the relevant financial institution. The majority of economies—85 (75 percent)—operate some form of an alternative dispute resolution mechanism and often parallel mechanisms exist (Figure 16).

The countries that reported having a financial ombudsman or similar entity were asked to classify the existing mechanisms

47 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

48 Thomas, David and Francis Frizon, 2012. "Resolving disputes between consumers and financial businesses: Fundamentals for a financial ombudsman," World Bank.

FIGURE 16. MOST COUNTRIES HAVE A THIRD PARTY DISPUTE RESOLUTION MECHANISM IN PLACE

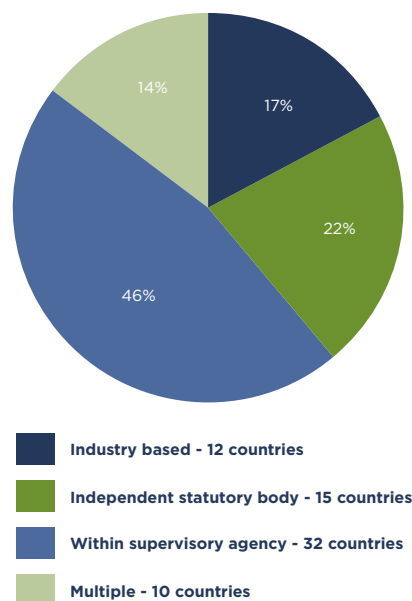


Note: Based on responses from 114 economies in 2013.

into one of three broad categories: (i) independent statutory body, (ii) industry-based, or (iii) an entity or function within a supervisory agency. An independent statutory body is established by legislation and usually funded by its members or a combination of member contributions and allocation from a central government or a responsible regulatory agency budget. An industry-based, dispute-resolution mechanism is formed by an industry association or its members and is financed by association or member contributions. Independent statutory bodies and industry based ombudsmen are mostly found in European countries and high-income OECD countries. For most economies (41 out of 69) that had a financial ombudsman or a similar entity, it was hosted by a regulatory agency (Figure 17). In this case, an agency responsible for financial consumer protection also has a function to collect and respond complaints and assist in the resolution of disputes. The activities of such entity are most often funded from the budget of the regulatory agency.

The analyses of the functions performed by different types of ombudsmen show that these are largely similar across countries with the primary focus on receiving and responding to complaints and directly assisting in resolving disputes. Not surprisingly, supervisor-operated, dispute-resolution mechanisms are more likely to assist dispute resolution indirectly by involving regulatory agencies compared to independent or industry-based ombudsmen. Overall, about half of respondents stated that the dispute resolution mechanism can make binding decisions on a case. There is a slight variation across

FIGURE 17. IN A THIRD OF ECONOMIES, FINANCIAL SUPERVISORS OPERATE OMBUDSMAN-LIKE ENTITY



Note: For 69 economies with financial ombudsman or similar institutions.

the types, with industry-based ombudsmen being less likely to have powers for binding decisions (41 percent) and independent ombudsmen more likely to have such powers (63 percent), reflecting the nature of legal framework. Further review shows that the structure and authority of an ombudsman or equivalent institution varies greatly among countries, making any generalizations difficult. As an example, an independent ombudsman in Italy, Arbitro Bancario Finanziario (ABF), makes decisions that have the effect of recommendations and are not binding on either party. However, if the institution does not comply with an ABF decision its breach is published on the website of ABF and at the expense of the institution in two national newspapers. The decisions of the UK ombudsman are binding on both parties but only once the consumer has agreed to the suggested award.

Continued international efforts focus on identifying the key principles of operation and promoting best practices in operation of dispute resolution mechanisms. As the survey shows, regardless of the form, there is a fair amount of homogeneity of the functions performed by these institutions. The specific choice of locating the service within a supervisory agency, having a statutory entity, having an industry based organization, whether having a single ombudsman for all services or industry specific entities, all depends on the specific situation within a country and is somewhat secondary, as long as the key principles are incorporated.

8 FINANCIAL EDUCATION

Principle 5 of the G20 High Level Principles on Financial Consumer Protection states that financial education and awareness should be promoted by all relevant stakeholders, and clear information on consumer protection, rights and responsibilities should be easily accessible by consumers. Appropriate mechanisms should be developed to help existing and future consumers develop the knowledge, skills and confidence to appropriately understand risks, including financial risks and opportunities, make informed choices, know where to go for assistance and take effective action to improve their own financial well-being.

World Bank Good Practices on Financial Consumer Protection⁴⁹ recommend that a broad-based program of financial education and information is developed to increase the financial literacy of the population. A range of organizations, including those of the government, state agencies and non-government organizations, should be involved in developing and implementing the financial literacy program. The financial literacy of consumers and the impact of consumer empowerment measures are measured through broad-based household surveys that are repeated from time to time to see if the current policies are having the desired impact on the financial marketplace.

Effective consumer protection frameworks and institutional structures are necessary but not sufficient conditions for effective protection of the interests of the consumer of the financial services. Only informed and educated users of financial services can be fully empowered by the opportunities modern financial system provides. Increasing awareness of the importance of financial literacy and capability and the crucial role public policy must play in this area have resulted in a

number of international initiatives and extensive reforms at a national level.

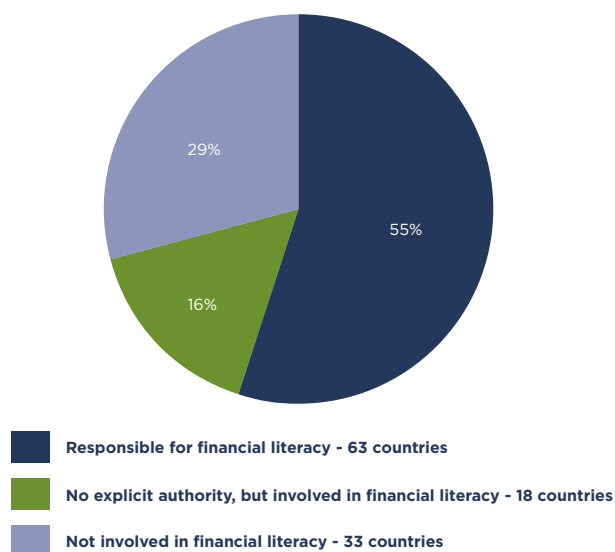
In addition to the High-Level Principles on Financial Consumer Protection, the High-level Principles on National Strategies for Financial Education endorsed by G20 state that “[a]ll potentially relevant public stakeholders should be involved, to the extent possible, including ministries (and in particular the Ministries of Finance and Education), the Central Bank, the financial regulator(s) and supervisor(s), as well as other public national, regional and local authorities.”

The survey asked a number of questions on the role financial regulators play in promoting financial education in their countries (Figure 18). The majority of regulators, in 63 economies (55 percent), responded positively to the question, “Does your agency have the responsibility to implement and/or oversee any aspect of financial education/literacy?” In 18 more economies (16 percent), financial supervisory agencies do not have an explicit mandate for financial education and literacy but introduced some elements of financial education within their broader mandate for financial stability or financial development.

The activities undertaken by regulators fall in two broad categories: improving public awareness on financial sector topics and working directly with financial service providers and users to deliver financial education. The activities to improve awareness include publication and posting on agency websites various educational materials on the role of the financial system and its various institutions and guidance to consumers on various financial consumer products. The vast majority of respondents indicated that this was part of their duties and was managed by communications department or as part of the activities of a financial education unit within a financial regulator.

49 World Bank, 2012. “Good Practices for Financial Consumer Protection,” <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

FIGURE 18. MOST FINANCIAL AUTHORITIES PROVIDE FINANCIAL LITERACY MATERIAL, OFTEN WITHIN A BROADER MANDATE FOR FINANCIAL STABILITY AND DEVELOPMENT



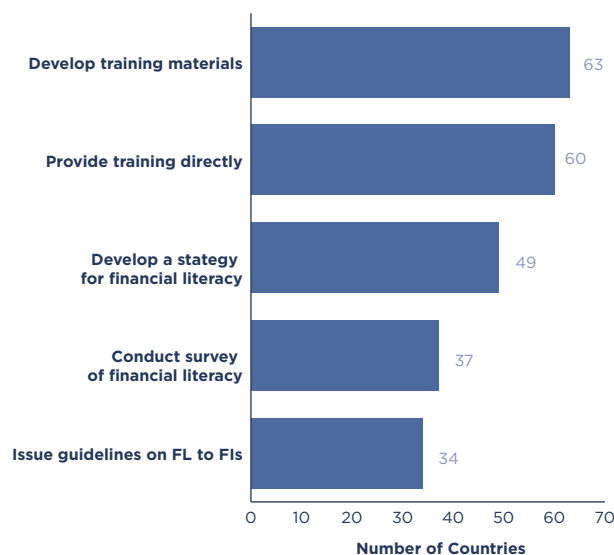
Note: Based on responses from 114 economies in 2013.

World Bank Good Practices on Financial Consumer Protection⁵⁰ encourage regulators and consumer associations to provide, via the internet and printed publications, independent information on the key features, benefits and risks and where practicable the costs of the main types of banking products and services. Consumers and potential consumers are more likely to have the confidence to purchase financial products and services which are suitable for them if they have access to information which is reliable and objective. Financial regulators are well placed to provide this. The relevant authority or institution should encourage efforts to enable consumers to better understand the products and services being offered to consumers by banking institutions, such as providing comparative price information and undertaking educational campaigns. The relevant authority or institution should adopt policies that encourage non-governmental organizations to provide consumer awareness programs to the public regarding banking products and services.

The survey asked a question concerning more targeted financial education efforts of supervisors (Figure 19). Among the supervisors indicating that they were involved in financial

50 World Bank, 2012. "Good Practices for Financial Consumer Protection," <http://responsiblefinance.worldbank.org/-/media/GIAWB/FL/Documents/Misc/Good-practices-for-financial-consumer-protection.pdf>

FIGURE 19. PROVIDING TRAINING, AWARENESS AND DEVELOPING TRAINING MATERIALS ARE THE MOST COMMON



Note: Based on responses from 114 economies in 2013.

education activities, most were focused on designing training materials (63 economies or 78 percent) and providing training directly (60 economies or 74 percent). Supervisors in 49 economies (60 percent) indicated that they developed and monitored implementation of strategies for financial literacy, education or capability. Slightly less than half (46 percent or 37 economies) indicated that they conduct a survey of financial capability/literacy and publish regular reports. Only 34 regulators (42 percent) stated that they issued guidelines to the providers of financial services on financial education/literacy.

Delivery of financial education requires the coordination of a number of government agencies including not only financial regulators but education ministries and often social protection and welfare ministries to address the needs of disadvantaged groups. A national strategy for financial education can be an effective platform to coordinate the efforts of various government agencies, ensure efficient allocation of budget resources and put in place a systematic approach for delivering financial education in a country through variety of channels.

The High-level Principles on National Strategies for Financial Education define a national strategy for financial education as "a nationally coordinated approach to financial education that consists of an adapted framework or program that (1) recognizes the importance of financial education, including

possibly through legislation, and defines its meaning and scope at the national level in relation to identified national needs and gaps; (2) involves the cooperation of different stakeholders and the identification of a national leader or coordinating body/council; (3) establishes a roadmap to achieve specific and predetermined objectives within a set period of time; and (4) provides guidance to be applied by individual programs to efficiently and appropriately contribute to the NS.” Such strategy can be a part of a broader financial inclusion strategy.

A review conducted by OECD in 2012 identified 15 countries that have designed and implemented a national strategy and 21 countries are considering or designing a national strategy.⁵¹ In this year, the World Bank Global Survey summarized here and covering financial regulators in 114 countries, 49 responded that their responsibilities included “developing and monitoring implementation of a strategy for financial literacy/education/capability.”⁵²

There is no one-size-fits-all solution and the approaches differ greatly among countries. Other coordination mechanisms such as memorandums of understanding signed between relevant agencies or working committees to coordinate the work of various agencies are present in a number of countries. The work on financial education is led by financial regulators in some countries, including Bank Negara in Malaysia and ASIC in Australia, by ministries of finance in others, such as South Africa and Netherlands, or ministries of education, as in Latvia and Lithuania.

The research on the effectiveness of various financial education approaches is ongoing. Financial education programs vary greatly in terms of content, audience and delivery channels. Classroom training for students in school, explanatory sessions for first-time home buyers on getting a mortgage provided by a lender, computer games teaching to save or invest and television shows highlighting the risks of borrowing beyond one’s means are just some examples of financial education programs countries put in place. Measuring the

effects and generalizing the results from these interventions for broader policy formulation is a challenge.

The 2014 World Bank Global Financial Development Report provides an overview of the results of impact analysis of financial education programs.⁵³ Drawing on over 100 studies, the report finds that financial capability is closely aligned with the level of general education and programs targeting specific groups for example those with lower levels of education have measurable effect. There is evidence that school-based programs can improve knowledge of financial concepts and influence behavior. Financial education delivered at teachable moments such as when a consumer is in the process of making a financial decision, such as obtaining a mortgage or restructuring debts, appear more effective. Combining financial literacy training with other interventions such as financial counseling and reminders are found more effective. The objective of improved financial education is changed behavior and thus it is not just the knowledge of financial concepts that matters but a change in habits and behavior. In this respect, the use of social and mass media, for example, by portraying characters dealing with various financial challenges in movies and popular television shows, have a potential. Recent work undertaken by the World Bank and funded by the Russian Federation on measuring financial capability and the effectiveness of financial education included large-scale evaluations of various financial education initiatives and resulted in the development of a toolkit for the evaluation of financial capability programs.⁵⁴

Financial regulators can play an important role in facilitating financial education. From a supervisory perspective, there is a need for identifying best practices for the approaches that financial regulatory agencies can take to enhance overall financial education efforts by leveraging their role as supervisors of financial institutions. Some of the debated issues now include whether providers of financial education should be regulated, what form can guidance on providing financial advice take and how to ensure that guidance provided by financial institutions is adequate.

51 Grifoni, Andrea and Flore-Anne Messy, 2012. “Current Status of National Strategies for Financial Education: A Comparative Analysis and Relevant Practices,” OECD Working Papers on Finance, Insurance and Private Pensions No. 16. The paper focused on a review of relevant information for 47 countries.

52 The survey did not ask respondents to provide information on the details of the mentioned strategies, and it is not possible to determine whether these refer to specific financial education strategies, financial inclusion or broader financial sector development strategies which may have elements of financial education.

53 World Bank, 2013. “Global Financial Development Report 2014: Financial Inclusion,” World Bank, Washington DC.

54 Please see <http://www.finlitedu.org/evaluation/wb/>

ANNEX 1: LEGAL & REGULATORY FRAMEWORK

Economy	General CP law without explicit reference to financial services	CP law with explicit reference to financial services	Separate FCP law	CP regulations within the framework of financial sector legislation	Other FCP law or regulation
Albania		✓		✓	
Algeria	✓			✓	
Argentina	✓	✓		✓	✓
Armenia	✓		✓	✓	
Australia	✓	✓	✓	✓	
Austria	✓		✓	✓	✓
Azerbaijan	✓			✓	
Bangladesh				✓	✓
Belarus	✓			✓	✓
Belgium		✓	✓	✓	
Benin				✓	
Bolivia				✓	✓
Bosnia and Herzegovina		✓		✓	✓
Botswana	✓			✓	
Brazil		✓		✓	
Bulgaria	✓		✓	✓	✓
Burkina Faso				✓	
Burundi				✓	
Cabo Verde	✓	✓	✓		
Canada	✓	✓		✓	
Chile	✓	✓	✓	✓	
China	✓			✓	
Colombia		✓	✓	✓	✓
Congo, Dem. Rep.	✓	✓			
Costa Rica		✓			
Côte d'Ivoire				✓	
Croatia		✓	✓	✓	✓
Czech Republic	✓	✓	✓	✓	
Denmark	✓	✓	✓	✓	
Dominican Republic	✓			✓	✓
Ecuador	✓		✓	✓	
El Salvador		✓		✓	
Estonia	✓			✓	
Finland		✓		✓	
France		✓		✓	
Gambia, The	✓			✓	
Georgia				✓	
Germany		✓	✓	✓	
Greece		✓	✓	✓	
Guatemala	✓				
Guinea-Bissau				✓	
Honduras		✓		✓	

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Economy	General CP law without explicit reference to financial services	CP law with explicit reference to financial services	Separate FCP law	CP regulations within the framework of financial sector legislation	Other FCP law or regulation
Hong Kong SAR, China				✓	✓
Hungary	✓		✓	✓	✓
Iceland	✓		✓	✓	
Indonesia	✓			✓	✓
Iran, Islamic Rep.		✓		✓	
Ireland		✓	✓	✓	✓
Israel	✓	✓	✓	✓	✓
Italy		✓	✓	✓	✓
Jamaica	✓			✓	✓
Japan	✓		✓	✓	
Kazakhstan		✓	✓	✓	✓
Kenya	✓	✓		✓	✓
Korea, Rep.	✓			✓	
Kyrgyz Republic				✓	✓
Latvia		✓		✓	
Lebanon	✓			✓	✓
Lithuania	✓		✓	✓	
Luxembourg		✓		✓	
Macedonia, FYR	✓		✓	✓	
Madagascar				✓	✓
Malawi	✓			✓	✓
Malaysia	✓			✓	
Mali				✓	
Mauritius	✓	✓		✓	✓
Mexico	✓	✓	✓	✓	✓
Moldova	✓			✓	✓
Mongolia	✓			✓	
Morocco		✓		✓	✓
Namibia				✓	✓
Nepal	✓			✓	
Netherlands	✓	✓	✓	✓	
Nicaragua	✓			✓	
Niger				✓	
Nigeria	✓			✓	
Norway	✓		✓	✓	
Oman	✓			✓	
Pakistan	✓			✓	
Panama	✓			✓	✓
Paraguay	✓				
Peru	✓	✓	✓	✓	✓
Philippines	✓	✓		✓	
Poland	✓	✓	✓	✓	

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ANNEX 1: LEGAL & REGULATORY FRAMEWORK *(continued)*

Economy	General CP law without explicit reference to financial services	CP law with explicit reference to financial services	Separate FCP law	CP regulations within the framework of financial sector legislation	Other FCP law or regulation
Portugal	✓		✓	✓	
Romania		✓	✓	✓	
Russian Federation	✓				
Saudi Arabia	✓	✓	✓	✓	✓
Senegal				✓	
Serbia	✓		✓	✓	✓
Slovak Republic	✓			✓	✓
Slovenia		✓	✓	✓	
South Africa	✓		✓	✓	
Spain	✓		✓	✓	
Sri Lanka	✓			✓	
Sudan	✓				
Swaziland	✓				
Switzerland	✓	✓	✓	✓	
Taiwan, China	✓		✓	✓	
Tajikistan	✓			✓	
Tanzania	✓	✓		✓	
Thailand	✓			✓	
Togo				✓	
Turkey		✓		✓	✓
Uganda				✓	✓
Ukraine	✓			✓	
United Arab Emirates	✓			✓	
United Kingdom	✓	✓	✓	✓	
United States	✓	✓	✓	✓	✓
Uruguay	✓		✓	✓	
Venezuela, RB	✓			✓	
Zambia	✓			✓	

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ANNEX 2: INSTITUTIONAL ARRANGEMENTS

Economy	INSTITUTIONAL STRUCTURE FOR CP SUPERVISION					SUPERVISORY RESOURCES				COMPLIANCE MONITORING TOOLS			
	CP supervision falls under a single supervisory agency	CP supervision falls under multiple agencies	CP supervision responsibilities fall under a single agency dedicated to broad financial market conduct supervision	CP supervision responsibilities fall under a single specialized FCP agency that does not have broader financial sector market conduct supervisory responsibilities	CP responsibilities fall under an agency or agencies responsible for broader consumer protection supervision	Agency is responsible for implementing any aspect of FCP laws	Agency has a designated unit to work on FCP as part of prudential supervision	Agency has a designated unit to work on financial consumer protection separate from prudential supervision	Agency is responsible for financial consumer protection, but no separate unit exists	Financial institutions are required to report statistics on the number of complaints to the agency	Financial institutions are required to report rates and fees for financial services which are posted on the agency website	To ensure compliance, agency operates a hotline/call center to receive complaints	Responsible agency ensures compliance by monitoring the market including advertisements and websites
Albania		✓				✓	✓			✓	✓		
Algeria		✓				✓	✓			✓			
Argentina		✓				✓		✓		✓	✓	✓	✓
Armenia	✓					✓		✓		✓	✓	✓	✓
Australia			✓			✓			✓		✓	✓	✓
Austria	✓				✓	✓		✓			✓		
Azerbaijan		✓				✓		✓			✓	✓	✓
Bangladesh		✓				✓	✓			✓	✓	✓	✓
Belarus		✓			✓	✓	✓	✓		✓	✓	✓	✓
Belgium			✓			✓		✓		✓	✓	✓	✓
Benin		✓				✓			✓				
Bolivia		✓				✓		✓		✓	✓	✓	✓
Bosnia and Herzegovina		✓				✓		✓		✓	✓		
Botswana		✓				✓	✓				✓		
Brazil		✓			✓	✓		✓		✓	✓		
Bulgaria		✓			✓	✓		✓					
Burkina Faso		✓				✓			✓				
Burundi		✓				✓			✓				
Cabo Verde	✓					✓		✓		✓			
Canada			✓			✓		✓		✓	✓	✓	✓
Chile		✓			✓	✓		✓			✓	✓	✓
China		✓				✓		✓		✓	✓		
Colombia	✓					✓	✓	✓		✓	✓		✓
Congo, Dem. Rep.		✓				✓			✓		✓		
Costa Rica		✓			✓	✓		✓					
Côte d'Ivoire		✓				✓			✓				
Croatia		✓				✓	✓			✓			✓
Czech Republic	✓					✓		✓			✓	✓	✓
Denmark		✓				✓		✓			✓	✓	✓
Dominican Republic		✓			✓	✓		✓					
Ecuador		✓				✓		✓		✓	✓		
El Salvador	✓				✓	✓							
Estonia	✓				✓	✓		✓	✓				✓
Finland	✓				✓	✓		✓			✓	✓	✓

ANNEX 2: INSTITUTIONAL ARRANGEMENTS *(continued)*

Economy	INSTITUTIONAL STRUCTURE FOR CP SUPERVISION					SUPERVISORY RESOURCES				COMPLIANCE MONITORING TOOLS			
	CP supervision falls under a single supervisory agency	CP supervision falls under multiple agencies	CP supervision responsibilities fall under a single agency dedicated to broad financial market conduct supervision	CP supervision responsibilities fall under a single specialized FCP agency that does not have broader financial sector market conduct supervisory responsibilities	CP responsibilities fall under an agency or agencies responsible for broader consumer protection supervision	Agency is responsible for implementing any aspect of FCP laws	Agency has a designated unit to work on FCP as part of prudential supervision	Agency has a designated unit to work on financial consumer protection separate from prudential supervision	Agency is responsible for financial consumer protection, but no separate unit exists	Financial institutions are required to report statistics on the number of complaints to the agency	Financial institutions are required to report rates and fees for financial services which are posted on the agency website	To ensure compliance, agency operates a hotline/call center to receive complaints	Responsible agency ensures compliance by monitoring the market including advertisements and websites
France		✓				✓		✓		✓		✓	✓
Gambia, The													
Georgia	✓					✓	✓			✓		✓	✓
Germany	✓					✓	✓	✓		✓		✓	✓
Greece		✓			✓	✓	✓						
Guatemala	✓												
Guinea-Bissau		✓				✓			✓				
Guyana		✓											
Honduras	✓				✓								
Hong Kong SAR, China		✓				✓		✓		✓		✓	
Hungary	✓					✓		✓		✓	✓	✓	✓
Iceland	✓				✓	✓	✓						
Indonesia		✓				✓	✓			✓	✓	✓	
Iran, Islamic Rep.		✓				✓	✓			✓	✓	✓	✓
Ireland	✓					✓		✓		✓		✓	✓
Israel		✓				✓		✓		✓	✓	✓	✓
Italy		✓			✓	✓		✓		✓			✓
Jamaica		✓			✓								
Japan	✓					✓	✓			✓		✓	✓
Kazakhstan	✓					✓		✓				✓	
Kenya		✓				✓	✓			✓	✓	✓	✓
Korea, Rep.	✓					✓		✓		✓	✓	✓	✓
Kyrgyz Republic		✓							✓	✓	✓	✓	
Latvia	✓				✓	✓	✓			✓			
Lebanon	✓				✓	✓	✓						
Lithuania	✓				✓	✓		✓			✓		✓
Luxembourg		✓				✓		✓					
Macedonia, FYR		✓				✓	✓						
Madagascar													
Malawi	✓					✓		✓					✓
Malaysia		✓				✓		✓		✓	✓	✓	✓
Mali		✓				✓		✓					
Mauritius		✓				✓	✓			✓	✓	✓	✓
Mexico		✓	✓			✓		✓		✓	✓	✓	✓

ANNEX 2: INSTITUTIONAL ARRANGEMENTS *(continued)*

Economy	INSTITUTIONAL STRUCTURE FOR CP SUPERVISION					SUPERVISORY RESOURCES				COMPLIANCE MONITORING TOOLS			
	CP supervision falls under a single supervisory agency	CP supervision falls under multiple agencies	CP supervision responsibilities fall under a single agency dedicated to broad financial market conduct supervision	CP supervision responsibilities fall under a single specialized FCP agency that does not have broader financial sector market conduct supervisory responsibilities	CP responsibilities fall under an agency or agencies responsible for broader consumer protection supervision	Agency is responsible for implementing any aspect of FCP laws	Agency has a designated unit to work on FCP as part of prudential supervision	Agency has a designated unit to work on financial consumer protection separate from prudential supervision	Agency is responsible for financial consumer protection, but no separate unit exists	Financial institutions are required to report statistics on the number of complaints to the agency	Financial institutions are required to report rates and fees for financial services which are posted on the agency website	To ensure compliance, agency operates a hotline/call center to receive complaints	Responsible agency ensures compliance by monitoring the market including advertisements and websites
Moldova		✓				✓		✓				✓	✓
Mongolia					✓								
Morocco		✓				✓	✓			✓	✓		✓
Namibia		✓				✓		✓		✓			
Nepal					✓	✓		✓					
Netherlands			✓			✓		✓		✓			✓
Nicaragua		✓				✓		✓		✓		✓	✓
Niger		✓				✓		✓					
Nigeria		✓			✓	✓		✓		✓			✓
Norway	✓					✓			✓				
Oman		✓			✓								
Pakistan		✓				✓	✓			✓	✓	✓	
Panama		✓				✓	✓			✓		✓	
Paraguay		✓			✓	✓		✓		✓			
Peru		✓			✓	✓		✓		✓	✓	✓	✓
Philippines		✓				✓	✓					✓	
Poland	✓												
Portugal		✓				✓		✓			✓	✓	✓
Romania	✓												
Russian Federation					✓								
Saudi Arabia		✓				✓		✓		✓		✓	
Senegal		✓				✓		✓					
Serbia		✓				✓		✓		✓		✓	
Slovak Republic		✓			✓	✓		✓			✓		
Slovenia		✓				✓		✓			✓		
South Africa		✓				✓	✓	✓		✓	✓	✓	✓
Spain		✓			✓	✓	✓	✓		✓	✓	✓	✓
Sri Lanka		✓				✓		✓					
Sudan					✓	✓	✓						
Swaziland		✓				✓		✓					
Switzerland	✓				✓	✓	✓	✓					✓
Taiwan, China	✓					✓		✓	✓	✓	✓	✓	✓
Tajikistan		✓			✓								
Tanzania		✓				✓			✓				

ANNEX 2: INSTITUTIONAL ARRANGEMENTS *(continued)*

Economy	INSTITUTIONAL STRUCTURE FOR CP SUPERVISION					SUPERVISORY RESOURCES				COMPLIANCE MONITORING TOOLS			
	CP supervision falls under a single supervisory agency	CP supervision falls under multiple agencies	CP supervision responsibilities fall under a single agency dedicated to broad financial market conduct supervision	CP supervision responsibilities fall under a single specialized FCP agency that does not have broader financial sector market conduct supervisory responsibilities	CP responsibilities fall under an agency or agencies responsible for broader consumer protection supervision	Agency is responsible for implementing any aspect of FCP laws	Agency has a designated unit to work on FCP as part of prudential supervision	Agency has a designated unit to work on financial consumer protection separate from prudential supervision	Agency is responsible for financial consumer protection, but no separate unit exists	Financial institutions are required to report statistics on the number of complaints to the agency	Financial institutions are required to report rates and fees for financial services which are posted on the agency website	To ensure compliance, agency operates a hotline/call center to receive complaints	Responsible agency ensures compliance by monitoring the market including advertisements and websites
Thailand		✓				✓	✓	✓		✓	✓	✓	✓
Togo		✓				✓			✓				
Turkey		✓				✓			✓		✓		
Uganda		✓				✓	✓			✓	✓		✓
Ukraine		✓			✓	✓		✓					✓
United Arab Emirates		✓				✓	✓				✓	✓	
United Kingdom			✓		✓	✓		✓		✓		✓	✓
United States			✓			✓	✓				✓	✓	
Uruguay	✓					✓	✓			✓		✓	✓
Venezuela, RB	✓				✓	✓	✓			✓	✓	✓	✓
Zambia		✓			✓	✓		✓					✓

<i>(Compliance Monitoring Tools, continued)</i>				AGENCY ACTION IN RELATION TO COMPLAINTS						ENFORCEMENT ACTIONS					
Mystery/incognito shopping	Interviews, focus groups and research with consumers are carried out to ensure compliance	On-site inspection and investigation of FIs to ensure compliance	Off-site inspection and investigation of FIs to ensure compliance	Register/record complaints	Responds to complaints	Analyze/publish complaints statistics	Assist directly in resolution of complaints	Assist indirectly in resolution of complaints	Make binding decisions for any of the parties involved	Issue warnings to FIs	Require providers to refund excess charges	Requiring providers to withdraw misleading advertisements	Impose fines and penalties	Issue public notices of violations	Withdraw offending provider's license to operate
		✓	✓	✓	✓	✓		✓		✓		✓	✓		
		✓	✓	✓	✓	✓		✓		✓	✓	✓	✓		
		✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓		
	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

ANNEX 3: DISCLOSURE PRACTICES

Economy	DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: GENERAL				DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: DEPOSIT PRODUCTS					DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: CREDIT PRODUCTS			
	Plain language	Local language	Standardized disclosure format	Recourse rights and processes	Annual percentage yield and interest rate	Compounding method	Minimum balance requirements	Fees and penalties	Early withdrawal penalties	Annual percentage rate using standard formula	Fees	Computation method	Required insurance
Albania	✓	✓			✓			✓	✓	✓	✓	✓	
Algeria	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓
Argentina	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Armenia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Australia	✓		✓	✓							✓	✓	✓
Austria			✓	✓	✓			✓		✓	✓	✓	✓
Azerbaijan		✓	✓	✓	✓	✓		✓		✓	✓	✓	
Bangladesh	✓	✓			✓			✓	✓	✓	✓	✓	✓
Belarus		✓			✓			✓		✓			
Belgium	✓	✓	✓		✓	✓		✓		✓	✓	✓	
Benin								✓		✓		✓	
Bolivia	✓	✓	✓		✓	✓			✓	✓	✓	✓	
Bosnia and Herzegovina	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Botswana	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓
Brazil	✓	✓						✓	✓	✓	✓		
Bulgaria	✓	✓		✓	✓	✓			✓	✓	✓	✓	✓
Burkina Faso								✓		✓		✓	
Burundi							✓	✓	✓		✓		✓
Cabo Verde		✓			✓			✓			✓		✓
Canada	✓		✓	✓	✓	✓		✓		✓	✓	✓	✓
Chile	✓	✓	✓	✓	✓				✓	✓	✓		✓
China	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Colombia	✓	✓		✓	✓			✓	✓	✓	✓		✓
Congo, Dem. Rep.	✓		✓		✓	✓		✓	✓	✓	✓	✓	
Costa Rica	✓	✓	✓	✓									
Côte d'Ivoire								✓		✓		✓	
Croatia		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Czech Republic	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Denmark	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dominican Republic	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓
Ecuador	✓	✓	✓		✓					✓	✓	✓	✓
El Salvador	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓
Estonia					✓	✓		✓	✓	✓	✓	✓	✓
Finland	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
France	✓	✓	✓	✓	✓		✓	✓		✓	✓		✓

ANNEX 3: DISCLOSURE PRACTICES *(continued)*

Economy	DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: GENERAL				DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: DEPOSIT PRODUCTS					DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: CREDIT PRODUCTS			
	Plain language	Local language	Standardized disclosure format	Recourse rights and processes	Annual percentage yield and interest rate	Compounding method	Minimum balance requirements	Fees and penalties	Early withdrawal penalties	Annual percentage rate using standard formula	Fees	Computation method	Required insurance
Georgia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Germany	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Greece	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	
Guatemala					✓								
Guinea-Bissau								✓		✓		✓	
Honduras	✓		✓		✓			✓	✓	✓	✓	✓	✓
Hong Kong SAR, China	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
Hungary	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	
Iceland										✓	✓	✓	
Indonesia	✓	✓			✓			✓		✓	✓	✓	
Iran, Islamic Rep.					✓	✓	✓	✓	✓	✓	✓	✓	✓
Ireland	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Israel	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	
Italy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Japan	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Kazakhstan	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Kenya	✓		✓	✓	✓			✓	✓	✓	✓	✓	✓
Korea, Rep.	✓		✓		✓			✓	✓	✓	✓	✓	
Kyrgyz Republic	✓				✓	✓				✓			
Latvia													
Lebanon	✓	✓	✓	✓						✓	✓	✓	
Lithuania	✓	✓	✓	✓	✓			✓		✓	✓		
Luxembourg	✓		✓	✓				✓		✓	✓		
Macedonia, FYR	✓			✓						✓	✓	✓	✓
Malawi		✓		✓	✓			✓		✓	✓	✓	
Malaysia	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Mali								✓		✓	✓	✓	
Mauritius													
Mexico	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Moldova	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mongolia				✓	✓	✓	✓	✓	✓	✓	✓	✓	
Morocco	✓	✓		✓	✓	✓		✓		✓	✓	✓	
Namibia	✓	✓	✓	✓									
Nepal	✓	✓	✓		✓			✓		✓	✓	✓	✓
Netherlands	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nicaragua	✓	✓									✓	✓	✓

ANNEX 3: DISCLOSURE PRACTICES *(continued)*

Economy	DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: GENERAL				DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: DEPOSIT PRODUCTS					DISCLOSURE REQUIREMENTS AT ACCOUNT OPENING: CREDIT PRODUCTS			
	Plain language	Local language	Standardized disclosure format	Recourse rights and processes	Annual percentage yield and interest rate	Compounding method	Minimum balance requirements	Fees and penalties	Early withdrawal penalties	Annual percentage rate using standard formula	Fees	Computation method	Required insurance
Niger								✓		✓		✓	
Nigeria					✓	✓	✓	✓	✓	✓	✓	✓	
Norway		✓			✓		✓		✓	✓	✓		
Oman	✓	✓			✓	✓	✓	✓	✓	✓	✓		✓
Pakistan													
Panama	✓	✓						✓			✓	✓	✓
Paraguay	✓	✓			✓		✓	✓		✓	✓	✓	✓
Peru	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Philippines	✓		✓		✓	✓	✓	✓		✓	✓	✓	✓
Portugal	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Romania													
Russian Federation		✓			✓	✓		✓	✓	✓	✓	✓	✓
Saudi Arabia	✓	✓		✓	✓			✓	✓		✓		
Senegal								✓		✓		✓	
Serbia	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Slovak Republic				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Slovenia		✓	✓	✓	✓					✓	✓	✓	✓
South Africa	✓	✓		✓			✓	✓	✓	✓	✓	✓	✓
Spain	✓				✓		✓	✓		✓	✓	✓	✓
Sri Lanka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sudan								✓			✓		
Swaziland	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Switzerland								✓		✓	✓	✓	✓
Taiwan, China	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Tanzania													
Thailand	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Togo								✓		✓		✓	
Turkey	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Uganda	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓
Ukraine	✓	✓								✓	✓		✓
United Arab Emirates		✓				✓	✓	✓	✓				
United Kingdom	✓		✓	✓	✓			✓	✓	✓	✓		✓
United States	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Uruguay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Venezuela, RB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Zambia	✓		✓	✓	✓	✓		✓	✓	✓	✓	✓	✓

ANNEX 4: BUSINESS PRACTICES

Economy	Law restricts deceptive advertising	Law restricts unfair or high-pressure selling practices	Law restricts bundling and tying	Law restricts prepayment fees	Law restricts abusive collection practices	Law restricts unauthorized use of client data or breach of client confidentiality	Law defines elements of responsible lending practices	Laws have explicit limits that restrict excessive borrowing by individuals	Laws require lending institution to assess borrower ability to repay the loan, but no specific limits are set
Albania									
Algeria									
Argentina									
Armenia									
Australia									
Austria									
Azerbaijan									
Bangladesh									
Belarus									
Belgium									
Benin									
Bolivia									
Bosnia and Herzegovina									
Botswana									
Brazil									
Bulgaria									
Burkina Faso									
Burundi									
Cabo Verde									
Canada									
Chile									
China									
Colombia									
Congo, Dem. Rep.									
Costa Rica									
Côte d'Ivoire									
Croatia									
Czech Republic									
Denmark									
Dominican Republic									
Ecuador									
El Salvador									
Estonia									
Finland									
France									
Gambia, The									
Georgia									
Germany									
Greece									

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Economy	Law restricts deceptive advertising	Law restricts unfair or high-pressure selling practices	Law restricts bundling and tying	Law restricts prepayment fees	Law restricts abusive collection practices	Law restricts unauthorized use of client data or breach of client confidentiality	Law defines elements of responsible lending practices	Laws have explicit limits that restrict excessive borrowing by individuals	Laws require lending institution to assess borrower ability to repay the loan, but no specific limits are set
Guatemala									
Guinea-Bissau									
Guyana									
Honduras									
Hong Kong SAR, China									
Hungary									
Iceland									
Indonesia									
Iran, Islamic Rep.									
Ireland									
Israel									
Italy									
Jamaica									
Japan									
Kazakhstan									
Kenya									
Korea, Rep.									
Kyrgyz Republic									
Latvia									
Lebanon									
Lithuania									
Luxembourg									
Macedonia, FYR									
Madagascar									
Malawi									
Malaysia									
Mali									
Mauritius									
Mexico									
Moldova									
Mongolia									
Morocco									
Namibia									
Nepal									
Netherlands									
Nicaragua									
Niger									
Nigeria									
Norway									

continued on next page

ANNEX 4: BUSINESS PRACTICES *(continued)*

Economy	Law restricts deceptive advertising	Law restricts unfair or high-pressure selling practices	Law restricts bundling and tying	Law restricts prepayment fees	Law restricts abusive collection practices	Law restricts unauthorized use of client data or breach of client confidentiality	Law defines elements of responsible lending practices	Laws have explicit limits that restrict excessive borrowing by individuals	Laws require lending institution to assess borrower ability to repay the loan, but no specific limits are set
Oman									
Pakistan									
Panama									
Paraguay									
Peru									
Philippines									
Poland									
Portugal									
Romania									
Russian Federation									
Saudi Arabia									
Senegal									
Serbia									
Slovak Republic									
Slovenia									
South Africa									
Spain									
Sri Lanka									
Sudan									
Swaziland									
Switzerland									
Taiwan, China									
Tajikistan									
Tanzania									
Thailand									
Togo									
Turkey									
Uganda									
Ukraine									
United Arab Emirates									
United Kingdom									
United States									
Uruguay									
Venezuela, RB									
Zambia									

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ANNEX 5: DISPUTE RESOLUTION MECHANISMS

Economy	REQUIREMENTS FOR FIs IN RELATION TO DISPUTE RESOLUTION			STRUCTURE OF OMBUDSMAN OR SIMILAR OUT OF COURT DISPUTE RESOLUTION MECHANISM					
	Implement procedures and processes for resolving customer complaints	Set standards on timeliness of response for complaints resolution	Set standards on accessibility for filing complaints	Industry based financial ombudsman	Financial ombudsman is an independent statutory body	Financial ombudsman within supervisory agency	General ombudsman	Mediation service	Disputes must be resolved in court, no alternative dispute resolution mechanism
Albania									
Algeria									
Argentina									
Armenia									
Australia									
Austria									
Azerbaijan									
Bangladesh									
Belarus									
Belgium									
Benin									
Bolivia									
Bosnia and Herzegovina									
Botswana									
Brazil									
Bulgaria									
Burkina Faso									
Burundi									
Cabo Verde									
Canada									
Chile									
China									
Colombia									
Congo, Dem. Rep.									
Costa Rica									
Côte d'Ivoire									
Croatia									
Czech Republic									
Denmark									
Dominican Republic									
Ecuador									
El Salvador									
Estonia									
Finland									
France									
Gambia, The									
Georgia									
Germany									

ANNEX 5: DISPUTE RESOLUTION MECHANISMS *(continued)*

Economy	REQUIREMENTS FOR FIs IN RELATION TO DISPUTE RESOLUTION			STRUCTURE OF OMBUDSMAN OR SIMILAR OUT OF COURT DISPUTE RESOLUTION MECHANISM					
	Implement procedures and processes for resolving customer complaints	Set standards on timeliness of response for complaints resolution	Set standards on accessibility for filing complaints	Industry based financial ombudsman	Financial ombudsman is an independent statutory body	Financial ombudsman within supervisory agency	General ombudsman	Mediation service	Disputes must be resolved in court, no alternative dispute resolution mechanism
Greece									
Guatemala									
Guinea-Bissau									
Guyana									
Honduras									
Hong Kong SAR, China									
Hungary									
Iceland									
Indonesia									
Iran, Islamic Rep.									
Ireland									
Israel									
Italy									
Jamaica									
Japan									
Kazakhstan									
Kenya									
Korea, Rep.									
Kyrgyz Republic									
Latvia									
Lebanon									
Lithuania									
Luxembourg									
Macedonia, FYR									
Madagascar									
Malawi									
Malaysia									
Mali									
Mauritius									
Mexico									
Moldova									
Mongolia									
Morocco									
Namibia									
Nepal									
Netherlands									
Nicaragua									

ANNEX 5: DISPUTE RESOLUTION MECHANISMS *(continued)*

Economy	REQUIREMENTS FOR FIs IN RELATION TO DISPUTE RESOLUTION			STRUCTURE OF OMBUDSMAN OR SIMILAR OUT OF COURT DISPUTE RESOLUTION MECHANISM					
	Implement procedures and processes for resolving customer complaints	Set standards on timeliness of response for complaints resolution	Set standards on accessibility for filing complaints	Industry based financial ombudsman	Financial ombudsman is an independent statutory body	Financial ombudsman within supervisory agency	General ombudsman	Mediation service	Disputes must be resolved in court, no alternative dispute resolution mechanism
Niger									
Nigeria									
Norway									
Oman									
Pakistan									
Panama									
Paraguay									
Peru									
Philippines									
Poland									
Portugal									
Romania									
Russian Federation									
Saudi Arabia									
Senegal									
Serbia									
Slovak Republic									
Slovenia									
South Africa									
Spain									
Sri Lanka									
Sudan									
Swaziland									
Switzerland									
Taiwan, China									
Tajikistan									
Tanzania									
Thailand									
Togo									
Turkey									
Uganda									
Ukraine									
United Arab Emirates									
United Kingdom									
United States									
Uruguay									
Venezuela, RB									
Zambia									

ANNEX 6: FINANCIAL EDUCATION (2013)

Economy	Agency has the responsibility to implement and/or oversee any aspect of financial education/literacy	Agency conducts a survey of financial capability/literacy and publishes regular reports	Agency develops and monitors implementation of a strategy	Agency provides training on financial literacy topics	Agency issues guidelines to the providers of financial services on financial education/literacy	Agency develops training materials on financial topics
Albania	✓	✓		✓	✓	✓
Algeria	✓	✓	✓		✓	
Argentina	✓			✓		✓
Armenia	✓		✓	✓		✓
Australia	✓		✓			✓
Austria					✓	
Azerbaijan	✓	✓	✓	✓		✓
Bangladesh	✓					
Belarus	✓			✓		
Belgium	✓		✓	✓		✓
Benin						
Bolivia	✓	✓	✓	✓	✓	✓
Bosnia and Herzegovina	✓		✓			✓
Botswana	✓				✓	✓
Brazil	✓		✓	✓	✓	✓
Bulgaria						✓
Burkina Faso						
Burundi						
Cabo Verde	✓		✓			✓
Canada	✓	✓	✓	✓		✓
Chile	✓		✓	✓	✓	
China	✓		✓	✓	✓	✓
Colombia	✓		✓	✓		✓
Congo, Dem. Rep.	✓		✓	✓		✓
Costa Rica						
Côte d'Ivoire						
Croatia						
Czech Republic	✓	✓	✓	✓		✓
Denmark	✓	✓		✓		✓
Dominican Republic	✓			✓		✓
Ecuador	✓		✓	✓	✓	✓
El Salvador	✓		✓	✓		✓
Estonia		✓		✓		✓
Finland	✓			✓		✓
France				✓		
Gambia, The				✓	✓	
Georgia						
Germany						
Greece						
Guatemala		✓	✓	✓		✓
Guinea-Bissau						
Guyana	✓	✓			✓	

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Economy	Agency has the responsibility to implement and/or oversee any aspect of financial education/literacy	Agency conducts a survey of financial capability/literacy and publishes regular reports	Agency develops and monitors implementation of a strategy	Agency provides training on financial literacy topics	Agency issues guidelines to the providers of financial services on financial education/literacy	Agency develops training materials on financial topics
Honduras						
Hong Kong SAR, China	✓		✓	✓		✓
Hungary	✓	✓		✓		✓
Iceland						
Indonesia	✓	✓	✓	✓	✓	✓
Iran, Islamic Rep.						
Ireland						
Israel	✓	✓	✓	✓	✓	✓
Italy		✓		✓		✓
Jamaica						
Japan	✓	✓	✓	✓	✓	✓
Kazakhstan	✓	✓	✓	✓	✓	✓
Kenya		✓		✓	✓	
Korea, Rep.	✓	✓	✓	✓	✓	✓
Kyrgyz Republic						✓
Latvia	✓	✓	✓	✓		✓
Lebanon						
Lithuania	✓	✓	✓	✓	✓	✓
Luxembourg	✓		✓			✓
Macedonia, FYR			✓	✓		✓
Madagascar						
Malawi	✓	✓	✓	✓	✓	✓
Malaysia	✓	✓	✓	✓	✓	✓
Mali						
Mauritius	✓			✓		
Mexico	✓	✓	✓	✓		✓
Moldova						
Mongolia						✓
Morocco	✓	✓	✓			
Namibia						
Nepal						
Netherlands		✓	✓	✓	✓	✓
Nicaragua						
Niger						
Nigeria	✓	✓	✓		✓	✓
Norway						
Oman						
Pakistan	✓		✓	✓	✓	✓
Panama	✓					
Paraguay						✓
Peru	✓	✓	✓	✓		✓
Philippines	✓		✓	✓		

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ANNEX 6: FINANCIAL EDUCATION *(continued)*

Economy	Agency has the responsibility to implement and/or oversee any aspect of financial education/literacy	Agency conducts a survey of financial capability/literacy and publishes regular reports	Agency develops and monitors implementation of a strategy	Agency provides training on financial literacy topics	Agency issues guidelines to the providers of financial services on financial education/literacy	Agency develops training materials on financial topics
Poland	✓	✓		✓		✓
Portugal	✓	✓	✓	✓	✓	✓
Romania				✓		✓
Russian Federation			✓	✓	✓	✓
Saudi Arabia	✓			✓	✓	
Senegal						
Serbia	✓	✓	✓	✓		✓
Slovak Republic	✓				✓	✓
Slovenia						
South Africa	✓	✓	✓	✓	✓	✓
Spain				✓		✓
Sri Lanka						
Sudan						
Swaziland	✓			✓	✓	
Switzerland						
Taiwan, China	✓	✓	✓	✓	✓	✓
Tajikistan						
Tanzania	✓					
Thailand	✓	✓	✓	✓		
Togo						
Turkey		✓	✓	✓	✓	✓
Uganda	✓		✓	✓	✓	✓
Ukraine	✓		✓			✓
United Arab Emirates	✓					
United Kingdom	✓	✓	✓	✓	✓	✓
United States	✓	✓	✓	✓	✓	✓
Uruguay	✓	✓		✓		✓
Venezuela, RB						✓
Zambia	✓		✓	✓		✓

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