

National strategies for financial education

LISBOA, JULY 12, 2013
PORTUGUESE NATIONAL PLAN
FOR FINANCIAL EDUCATION

André Laboul

Chair of the International network on Financial Education

Head of OECD Financial Affairs Division

Outline

- The framework
- Calling for financial education
- International responses:
 - OECD work
 - Principles for national strategies for financial education
- Need for an integrated approach

Selected International Trends

- **Increasing financial risks** (financial crisis, demographic challenges)
- **Access and inclusion** issues (vulnerable groups)
- **Increased sophistication**
- **Increased transfer of risk to households** who are taking on more financial risk and responsibility. This is true for instance for both credit decisions (mortgage), and retirement savings (DC schemes).
- This calls for a **new regulatory approach, a new culture**
- New focus on market conduct and not only on prudential regulation
- New Focus on financial education but also access and consumer protection

Call for further information BUT also education

- Transparent information and disclosure is key. This is the minimum
- Information should be understandable; plain language should be used
- “Less is more”: danger of overinformation; who is protected?
- Information is necessary but not sufficient: individuals need to understand the information

The situation is serious but solutions encouraging

- Recent surveys show that the level of financial education is low in most countries, including in developed countries.
- Worse: consumers often overestimate their financial understanding and thus do not seek to improve it
- This is all the more important as the process of financial education takes time
- Financial education is not just for investors. It is essential for the average family trying to balance its budget, save for children's education and save for retirement
- We have found that good financial education programmes are effective: they can increase workers participation in pension plans, reduce mortgage and credit delinquency, and more generally, increase consumers confidence in themselves and in financial institutions.

Toward financial literacy

- Financial education is aimed at empowering consumers and especially the most vulnerable groups to be more aware of and educated on financial risks they are exposed to, and make informed decisions according to their needs and situation.
- The goal is to improve financial literacy (defined as a *combination of financial awareness, knowledge, skills, attitude and behaviours necessary to make sound financial decisions and ultimately achieve financial wellbeing*)
- Financial education is an essential tool to restore much needed confidence in financial markets and to address the increasing complexity of the financial landscape and the growing transfers of financial risks and responsibilities to consumers.

Broader impact of financial education

- Financial education will help build more efficient financial markets by:
 - improving confidence
 - encouraging the development of new products and services
 - and thus increase competition, innovation and product quality
- Financial education can also help to reduce poverty and improve social cohesion

Role for all stakeholders

Win-win strategy for financial industry

- When *objectively* promoting financial education and awareness, financial institutions help:
 - Improve confidence and trust in financial markets, products and institutions
 - Improve risk awareness and thus increase demand for protection
 - Improve understanding of products and their advantages and thus increase demand
 - Reduce losses through better prevention and mitigation

A role for all stakeholders

- Governments and financial authorities (**key role of central banks in several countries**) working hand in hand with parliament (including national campaigns, coordination)
- Schools
- Financial institutions
- Employers
- Trade unions
- NGO's, etc.

There is a strong call for **national strategy** and **public-private** partnership

Momentum due to financial crisis

- Findings from a survey conducted through the International Network for financial Education
 - Lack of financial literacy is one of the contributors to the crisis and in particular of its aggravation
 - The crisis and its consequences have highlighted the need for enhanced level of accountability of financial institutions vis-à-vis their clients and consumers
 - They have also raised awareness on the need for increased financial literacy and capability of households and policymakers
 - The crisis is a « teachable moment »
 - The crisis is a trigger for policy actions in the financial education area

OECD and INFE programme on financial education

- Recognising the need for policymakers and other relevant stakeholders to meet the objective of improving financial education, the OECD launched in 2002 its “**international programme on financial education**”
- Under the aegis of the OECD Committee on Financial Markets and the OECD Insurance and Private Pensions Committee
- Conducted through the International network for financial education hosted by the OECD : **INFE**
- members from more than 250 institutions representing 107 countries and international bodies
- Support from various donors in particular Russia and now members’ contributions
- OECD and the network have become the **international leader on the development of guidelines and standards in financial education**
 - G8 Financial Ministers recognised, at their Moscow June 2006 meeting, OECD work on financial education and requested OECD to further develop financial literacy guidelines
 - Since then multiple OECD recommendations expanded at worldwide level through the INFE
 - OECD work is now supported by policymakers all over the world
 - Recognition by G20 Leaders, Finance Ministers and Central Bank Governors/APEC Finance Ministers.
 - Various international and regional meetings all over the world and special Roundtable of Central Banks (LA, Asia)
 -

Outputs

- Several publications



- the first international survey on financial literacy
- Report on financial literacy in insurance
- Report on financial literacy in pensions
- Research on behavioral issues in financial education, on annuities, communication
- Stocktake on methodology, financial education at school
- etc

- A recognised international **definition** focusing on a capacity building process

Current outputs

Data and methodologies

- **Measurement of financial literacy**
 - Adult (14 countries)
 - Young population PISA (19 countries)
- Evaluation of programmes

Key projects

- **National strategies**
- School
- Financial inclusion
- Women

Selected issues

- Credit
- Saving and investment
- Pensions issues
- Behavioral economics
- Social marketing and communication strategies

INFE Subgroups

- Measurement of financial literacy and inclusion
- Evaluation of financial education programmes
 - It is important to provide financial education, however it is essential to provide **efficient and effective** financial education programmes.
- Financial education at school
- Development of national strategies and related issues
- Financial inclusion/access
- Financial education and women
- Savings and investment

OECD/INFE work

- work on **pensions issues**, which will be undertaken by the OECD in co-operation with the IOPS
- work on credit, **savings**, investment with the objectives to develop guidelines ; work on the role of **financial intermediation** in the financial education process
- work on **behaviour economics** (essential to develop adequate financial education strategies)
- Work on **communication/awareness campaigns**, social marketing and development of appropriate related tools
- Work on **vulnerable groups**
- the development of the **financial literacy option in PISA 2012** (support through the subgroup on financial education programmes in schools);
- **Review and adaptation of current guidelines**

OECD and INFE instruments

- OECD (2005) - Recommendation on Principles and Good practices on Financial Education and Awareness
- OECD (2008a) - Recommendation on Good Practices for Financial Education relating to Private Pensions
- OECD(2008b) - Recommendation on Good Practices for Enhanced Risk Awareness and Education on Insurance issues
- OECD (2009) - Recommendation on Good Practices on Financial Education and Awareness relating to Credit
- available at www.financial-education.org

OECD and INFE instruments

- OECD/INFE (2010)a - Guide to Evaluating Financial Education Programmes
- OECD/INFE(2010)b - Detailed Guide to Evaluating Financial Education Programmes
- OECD/INFE(2011) – High-level Principles for the Evaluation of Financial Education Programmes
- OECD/INFE(2012) Toolkit on measuring Financial Literacy and inclusion
- OECD/INFE (2012) – Guidelines for Financial Education in Schools and Guidance on Learning Framework on Financial Education at School
- OECD/INFE (2012) High level Principles on national strategies for financial education, endorsed by G20 Leaders
- OECD/INFE (2013) Policy guidance on addressing women’s and girls’ needs for financial education and awareness
- OECD/INFE (2013) guidelines on the involvement of private and civil sectors in financial education
- OECD/INFE (2014) Policy handbook on implementing national strategies
- OECD/INFE (2014) Policy guidance on financial empowerment of vulnerable groups

National strategies

- National strategies play a crucial role in promoting efficient financial education policies.
- They allow for strong engagement of all relevant stakeholders under a key leadership
- They will allow for rationalization and coordination of existing programmes, with a better and more efficient allocation of resource.

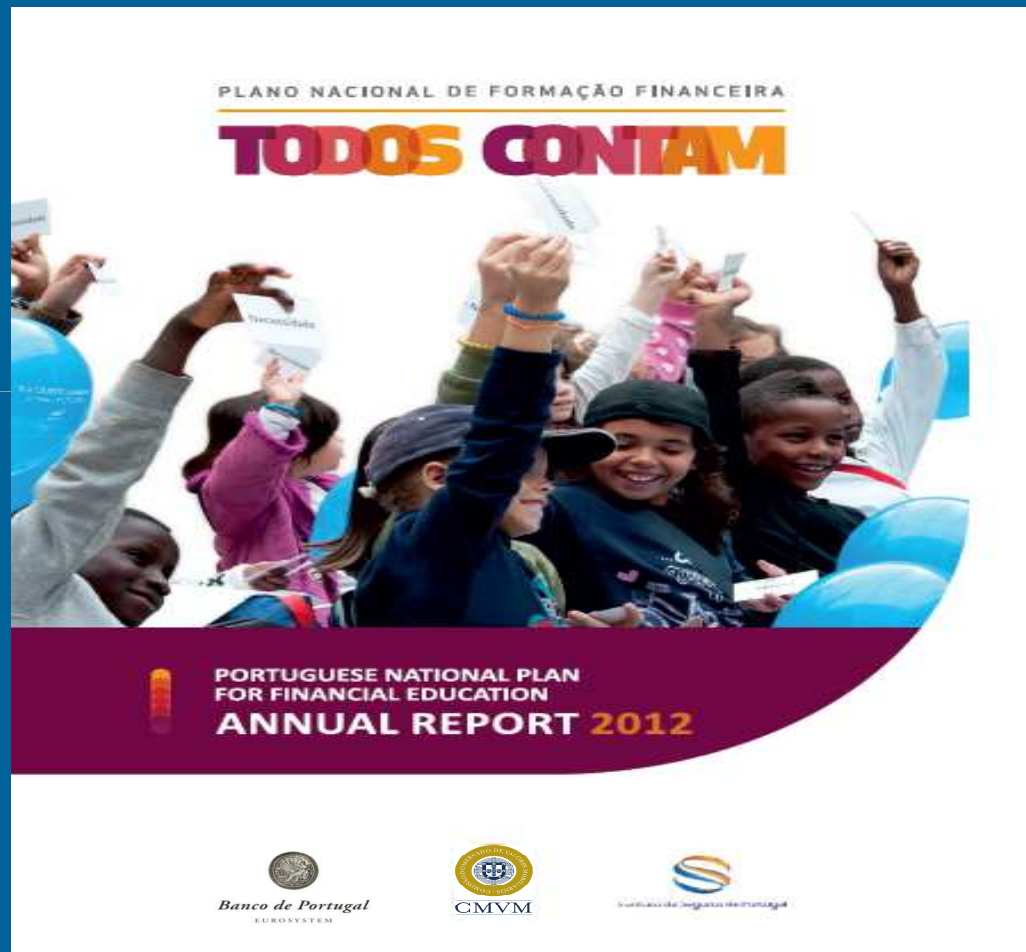
OECD/INFE project on national strategies

- International survey on national strategies conducted by the OECD /INFE (2010/2012) Sub Group on national strategies (co-chair by Banco de Portugal)
- Development of **High-level Principles** by INFE

The survey:

- STILL RECENT (post crisis) IN MOST COUNTRIES
- IMPLEMENTED OR MOVING TOWARD (23)
 - Australia 2011), Brazil (2010), Czech Republic (2010), El Salvador, Estonia, Ghana (2009), India (2006/2010), Ireland (2009), Japan (2005), Malaysia (2003), Mexico, Netherlands (2008), New Zealand (2008), Nigeria, Portugal (2011), Russian Federation, Singapore, Slovenia (2011), South Africa, Spain (2008), United Kingdom (2003), United States (2006,2011), Zambia
- CONSIDERING/DESIGNING (24) :
 - Armenia, Canada, Chile, China, Colombia, Indonesia, Israel, Italy, Kenya, Latvia, Lebanon, Malawi, Morocco, Peru, Poland, Romania, Serbia, South Korea, Sweden, Tanzania, Thailand, Turkey, Uganda, Uruguay

And one of the best is.....



Principles: definition of national strategy

- A national strategy for financial education (NS) is defined as “a nationally coordinated approach to financial education that consists of an adapted framework or programme, which:
- Recognises **the importance** of financial education and defines its meaning and scope at the national level in relation to identified **national needs and gaps** ;
- Involves the **cooperation of different stakeholders** as well as the identification of a **national leader** or coordinating body/council;
- Establishes a **roadmap** to achieve specific and predetermined objectives within a set period of time ; and,
- Provides **guidance to be applied by individual programmes** in order to efficiently and appropriately contribute to the NS .”

Framework

- There is **no one size fits all model or process** for the development of a NS. The process for NS development and the design of its framework should address national challenges and be adapted to countries' short and long term policy objectives.
- The NS is very often part of a **wider strategy** including financial consumer protection and/or financial inclusion (**India, Indonesia, Mexico**)
- Standalone objectives reflect financial complexity, risk transfer, demographic changes, etc
- Whether they are part of a wider strategy or not, NS have to be developed in a **consistent** way with related national strategies or initiatives on financial inclusion and financial consumer protection, reflecting the need to develop a **trilogy approach** on financial consumer empowerment promoted by the G20, the OECD and the INFE.
- Beyond holistic or standalone objectives, the development of national strategies will reflect:
 - The financial crisis
 - National polity priorities and reforms
 - Evidence of low level of financial literacy (**Brazil, Lebanon, New Zealand, Portugal**)
 - The need to rationalise and coordinate existing programs (**US, Canada, Poland**)

Preparation of the national strategy

- **A- Mapping and evaluation of existing initiatives**

- The preparatory phase should notably encompass the mapping and review of:
 - existing financial education initiatives promoted by public, private and civil stakeholders;
 - relevant research and literature; and
 - international practices
- *Such a mapping exercise should permit to single out relevant and trusted partners, operational and replicable practices, as well as possible inefficiencies and/or gaps.*

- **B- Assessments of the needs of the population and main policy issues**

- Assessments of the needs of the population in terms of financial literacy and of the main related national policy shortcomings should also be conducted. Such assessment(s) should preferably be based on a national measurement of financial literacy (based on international guidance: OECD and World Bank).
- *Such assessment(s) can also draw information from tools such as consumer surveys and market research, opinions polls, consumers' complaints, financial market surveys, financial and economic indicators or other consultative processes. It should enable to better define the NS main targets, priorities and short and long term objective, as well as provide a baseline from which to measure change.*

Preparation of the national strategy

- **Preferred methods identified in the INFE survey include :**
 - *national surveys (76%) confirming the crucial importance of this tool and of related methodology developed by OECD and World Bank*
 -
 - *Examples form other countries (67%) : for instance **Australia, New Zealand and United Kingdom** –countries most often taken as examples and international comparison (for instance INFE)*
 - *and consumer complaints (52%): this tool benefiting thus both to financial education and financial consumer protection objectives*

Preparation of the national strategy

• C- Consultation

- A mechanism or mechanisms to ensure consultation and co-ordination between the various NS stakeholders (and possibly the general public) should also be identified and activated during this preparatory phase.
 - *Such a mechanism can include consultative processes and/or the creation of a dedicated platform or council/board. The scope and level of formality of these structures will depend on the country circumstances and context.*
 - *Consultation can be initiated during design and also development phase. This is a very useful method to get a feel of perceived priorities, understand the potential role of institutions, get advice and raise commitment. It includes various modalities (group, consultation, interviews, open or*

• D- National Awareness and Communication

- The reporting and adequate communication of the results of this preparatory phase and the official announcement of the NS launching and development to relevant stakeholders and the public should be intensively promoted.
 - *Such communication can help further raise awareness on the importance of financial education and the related strategy and reinforce buy-in from key stakeholder and the population.*
 - *This communication includes media campaigns and display of NS material.*
 - *The campaign not only promote the national strategy but can also assist in understanding better the need for reforms (for instance on pensions)*
 - *Financial Literacy Day (Portugal)*

Governance of NS

- **A- Leadership and governing structure**
- The NS should be initiated, developed and monitored by a **widely credible and unbiased** leading authority or governing mechanism. It should be recognised and promoted at **the highest policy level**. Such a leader or governing mechanism should possess expertise and ideally a dedicated mandate on financial education (or consumer empowerment issues). It should also have the **resources and possibly enforcement** powers to enable it to develop and ensure the appropriate implementation of an nationally-adapted, sustainable and efficient NS.
 - *Such a leader or governing mechanism can be an **existing** public authority or body (either government, public body regulator(s) or council), a **new** and dedicated body or a new mechanism/structure aimed at **coordinating** various responsible authorities. Such new structures can take various forms (E.g. steering committee, council, platform, board and independent authority,) as well as involve, and be financially supported by, a range of stakeholders.*
- **B- Coordination and the roles and responsibilities of various stakeholders**
- The NS framework should also involve the **coordination** at national/jurisdiction level of the various stakeholders known to be competent and interested in financial education.
- Such coordination should encompass the setting of responsibilities and roles consistent with main stakeholders' expertise, strengths, interests and resources. It should be sufficiently **flexible** to adapt to changing circumstances and permit renegotiations amongst concerned stakeholders whenever necessary.
- It will also help the rationalising and coordination of the various existing programmes

Governance of NS

- **1) Public authorities**

- All potentially relevant public stakeholders should be involved, to the extent possible, including the government (and in particular the Ministries of Finance-- and Education) financial supervisor(s) as well as other public authorities, including central banks .
- Their involvement, depending on national circumstances, should at least encompass:
 - the preparation and establishment of the NS framework, in consultation with other stakeholders;
 - the identification of overarching goals and national priorities for financial education; and,
 - the design and/or promotion of effective and flexible regulation, guidance, quality standards, codes of conduct and/or licensing in order to achieve these objectives through the provision of appropriate and high quality financial education programmes.
- The actions of public authorities should not substitute or duplicate existing efficient initiatives by non-public stakeholders, but rather strive to coordinate, facilitate, reinforce and ensure the quality of the actions of all providers.

- **2) Private Sector and Financial Service Providers**

- Owing to the expertise and resources of market players and in particular financial institutions', their role in financial education and in the development of related NS should be promoted as a component of their social responsibility and good governance and follow appropriate practices.
- The private sector contribution to financial education should be monitored and guided in order to manage potential conflicts of interests. The actions of national associations or self regulatory bodies should be encouraged as well as the private sponsorship of public or civil programmes. The enforcement of national and/or international quality standards and/or codes of conduct for the development and implementation of financial education programmes by the private sector should be actively supported. More generally, the development of financial education programmes by the private sector or other sectors' actors should not involve the promotion and/or marketing of specific financial products or services. Dedicated national charter and/or codes of conduct should be developed. OECD GUIDELINES /PORTUGUESE GUIDELINES
- The actions of private sector providers can take various forms including their involvement in the preparation and/or development of the NS framework, the implementation of financial education initiatives, the provision of dedicated material or training programmes, the participation in public-private partnerships, and the support of public or non for profit initiatives

Governance of NS

- **3) Other civil and international stakeholders**
- Other partners, such as relevant nongovernmental organisations, trade unions, consumer associations, employers, media and other national disseminators (e.g. public servants) should also be involved in the NS framework development and/or its implementation.
- International cooperation including through the OECD and its INFE, should be further encouraged and used to promote the development of efficient NS.

THE SURVEY:

- The INFE survey indicates that
- The identification of the leader is often **challenging**
- In most countries NS were initiated by a **combination** of several bodies
 - The government (the ministry of finance)
 - Central banks
 - Financial supervisors
- In most countries special groups (steering or consultative) were set up or existing ones used (**Brazil, India, US**). Frequent combination of central Bank and financial authorities (**CNSF in Portugal**) They include public authorities, but can also involve industry (**Australia, South Africa, Sweden**), consumer associations (**Australia, South Africa**) and education ministries (**Australia, Columbia, Czech Republic**).
- Stakeholders (NGO, SRO) can also be associated in drafting the NS

Roadmap

- The NS framework should encompass the design of a **tailored roadmap** including **an overall vision, realistic, measurable and time-bound** objectives as well as relevant policy priorities. In addition, it should define its audience and possibly target audiences.
- It should also plan an **overall impact assessment** and identify appropriate resources.
- Such roadmap should be sufficiently flexible and take account of the **dynamic** context of the NS (including the political environment) and be reconsidered regularly through research and analysis to ensure the continued relevance of its content.
- **Portugal**: objectives related to improving financial knowledge and attitudes, support financial inclusion, development of savings habits, promote the responsible use of credit, create precautionary habits

Roadmap

- **A- Common defined objectives and policy priorities**

- The NS framework should define an overall vision and set general, realistic and measureable objectives and **policy priorities** for the NS in accordance with the findings of the preparatory phase and the circumstances of the jurisdiction/ country.
- These should preferably involve the design of a tailored roadmap of **short-term and intermediary outputs, as well as anticipated longer term outcomes and the setting of quantitative and possibly qualitative targets** (Depending on policy priorities, these can be the level of financial access, indebtedness, saving - in particular for retirement- quality of investments, level of fraud, number and nature of consumers' claims, etc.) for the overall NS and relevant policy priorities.
- Such a roadmap should also contain a **time schedule** for the achievement of these objectives and relevant policy priorities.
- *Depending on national circumstances, **policy priorities** can include increased access to, and use of, appropriate financial services, more suitable saving and investment, reduced indebtedness and more responsible credit , improved level and quality of saving for retirement and related pension issues, as well as savvier decisions vis-à- vis risk and insurance.*

- **B- Target audiences**

- Drawing on the results of the preparatory surveys, the NS framework and its roadmap should:
- recommend the introduction of financial education as early as possible in individuals' lives and preferably through its inclusion in **the school** curriculum (see also OECD guidelines for financial education school ; PORTUGUESE EXPERIENCE) and, indicate its main target audiences and if relevant, a focus on particular **vulnerable groups of the population**.
- *In principle, a NS should aim to ensure all segments of the population become financial literate. In practice and according to national circumstances and identified needs this may mean targeting specific (vulnerable) groups with more intensive interventions or greater resources. Such groups are generally may be elderly populations, youth, migrants, low income groups, women, workers, unemployed, communities speaking a different language and ethnic groups.*

OECD/INFE project and policy tools on financial education in schools

2005 - OECD Recommendation:
“Financial education should start at school”

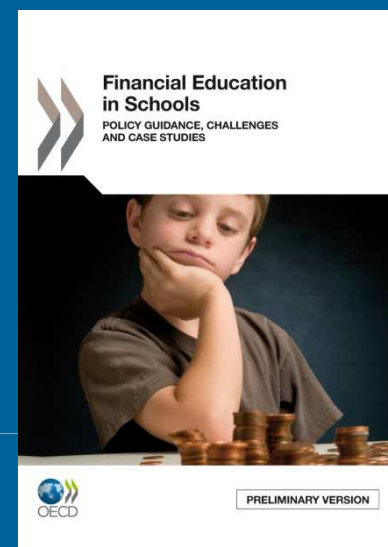
2008 - Creation of the INFE expert subgroup on financial education in schools

2008/2011- Broad stock take exercise:
37 countries

PISA financial literacy component

- OECD/INFE Guidelines on financial education in schools
- Case studies report
- Comparison of existing learning frameworks in schools

New PUBLICATION! →



- Rationale for financial education in schools
- Figures and quotes
- Main guidance

New LEAFLET! →



Roadmap

- **All INFE respondents** include school programmes which allow to address two key objectives:
 - The coverage of most population
 - And the long term nature of the NS
- The **PISA** option in financial literacy will also certainly impact on consideration for national strategies, including financial education at school, and on existing related national strategies
- **The INFE survey** indicates that half of respondents are targeting the entire population.
 - This does not prevent additional specific targets:
 - --**Portugal**: target overall population and selected groups (students, workers, unemployed, immigrants)
 - -- **Malaysia** while focusing the entire population devotes special attention to the needs of school children, youth, women, SMEs, disabled and rural communities
 - --**UK** has an universal approach but stresses its involvement with citizens facing key life stages and events (retirement, having a child, going to university)
 - --vulnerable groups are often selected **30** on the basis of national surveys

Roadmap

• C- Overall Impact Assessment

- Methods should be identified within the NS framework and its roadmap in order to assess its implementation and provide an overall measures of impact.
- Overall impact should preferably be assessed through the development of **national financial literacy** surveys planned at the beginning of the NS and then conducted at regular intervals (e.g. of 3 to 7 years). Half of INFE countries surveyed indicate a time span of 5 years before an official review
- *These surveys can be carried out using various methods including the OECD/INFE and World bank dedicated methodology. These regular surveys can be coupled with the development of more simple indicators aimed at monitoring the impact of policies and evolution of financial literacy skills and needs.*

• D- Resources

- In-kind and financial resources should ideally be earmarked for the development, implementation and evaluation of the NS, if not at a global level, at least by the main stakeholders involved. This is particularly important if the roadmap defines some specific projects.
- **A combination of various public and private financial resources and funding** through tailored partnerships should be considered. The financial contribution of the private sector to the NS should be encouraged.
- *Such financial contributions can involve a levy on the industry, a voluntary contribution through financial and in-kind support to public and civil financial education programmes, or through the national associations or self-regulatory bodies.*
- *The evidence varies between public funding (Spain, Russia) fees on industry (UK) and **31** mixed sources (Malaysia, Netherlands).*

Delivery mechanisms

- **A- Delivery methods, training and tools**

- The NS framework should also preferably make generic recommendations on delivery methods and tools. These should include:
- the use of **a wide and appropriate range** of delivery methods and dissemination channels adapted to the population's circumstances and that of targeted groups;
- the **appropriate training of disseminators (training the trainers)** and providers of financial education
- the promotion of financial education on a **regular basis and repeatedly** to communities and throughout **the lives of individuals ; and,**
- the development and promotion of tailored regulations, quality standards and codes of conduct by competent public authorities and their implementation by providers of financial education programmes.

- **B- Impact and process evaluation of programmes**

- The monitoring and impact evaluation of **individual financial education programmes** contributing to the overall NS should also be promoted actively and developed together with these individual programmes which they should form part of. The use of identified available methods should be recommended (such as those developed by the INFE as well as World Bank)

Delivery mechanisms

- *NS could also consider and recommend the following guidance for the provision and delivery of financial education programmes:*
- *The preferences and needs of target groups should be assessed in order to design, develop and evaluate tailored and adapted dissemination tools. These can include:*
- *Wide and targeted public awareness campaigns to inform the public on the financial education needs of the population, important risk and financial issues; the development of NS should be planned on a regular basis at national and/or regional level.*
- *Objective and interactive website(s) (such as Todos Contam) with online information and advice should be established and maintained preferably by public stakeholders. This/these can also include calculators, comparison of particular financial products and direct links to providers. This/these source of information should be widely advertised and appropriate incentives can be provided to consumers to encourage them to access and use it.*
- *A range of other tools as appropriate including paper material, workshops and training, and counselling centres, etc.*

Delivery mechanisms

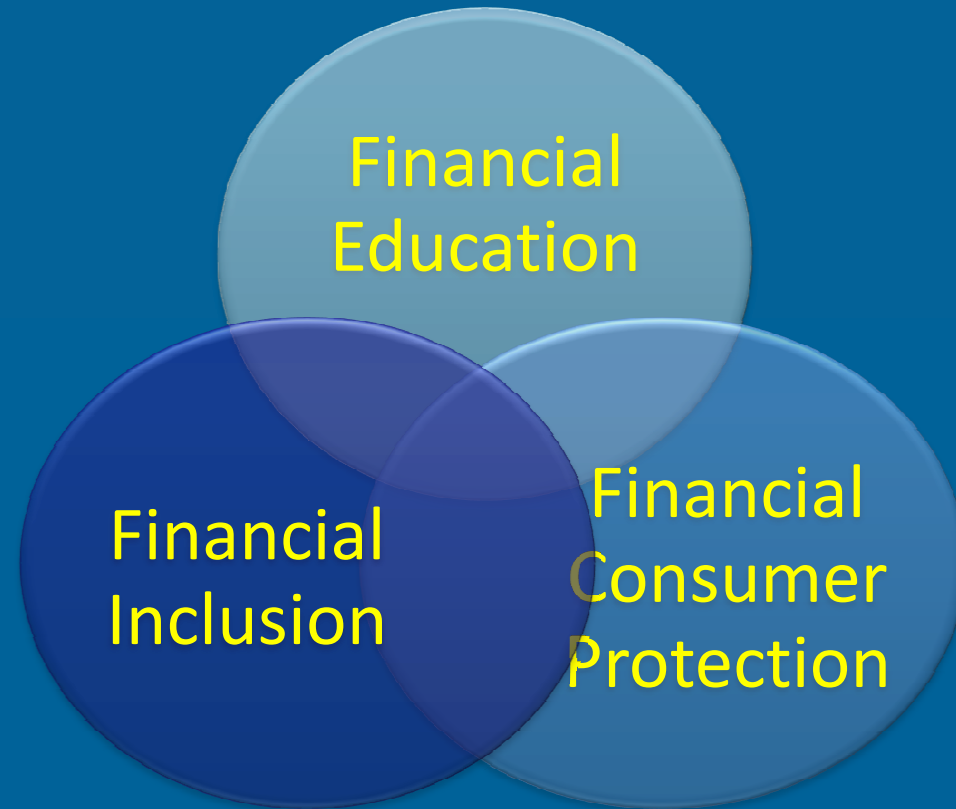
- *Particular attention should be paid to the quality and timing of the delivery of financial education:*
- *Financial education provision should be **as straightforward** and engaging as possible and also include interactive tools and tips such as budgeting plans to help individuals make suitable financial decisions;*
- *The development, use and evaluation of innovative tools aimed at influencing consumers' **financial behaviors** rather than improving their financial knowledge can also be considered. These can encompass **social marketing tools** or the use of relevant findings of behavioural economics and psychological research; and,*
- *Financial education should preferably be provided to individuals and or communities at “**teachable moments**” of their lives **when they are making important or long term plans (e.g. wedding, pregnancy, new job, divorce, retirement, unemployment etc), when they need or are about to make important (financial) decisions or when they are in an environment conducive to learning (such as adult education colleges, the workplace or at school).***
- *The development and careful monitoring of **training the trainers programmes** and/or programmes aimed at training and teaching potential future disseminators of financial education (e.g. the media, public servants, employees, etc) should be encouraged and promoted. This should help to enhance the spillover effects of financial education initiatives.*
- *The development of financial education awards and, resources permitting, license and certification of such programmes and providers can also be considered.*

National strategies : also several challenges

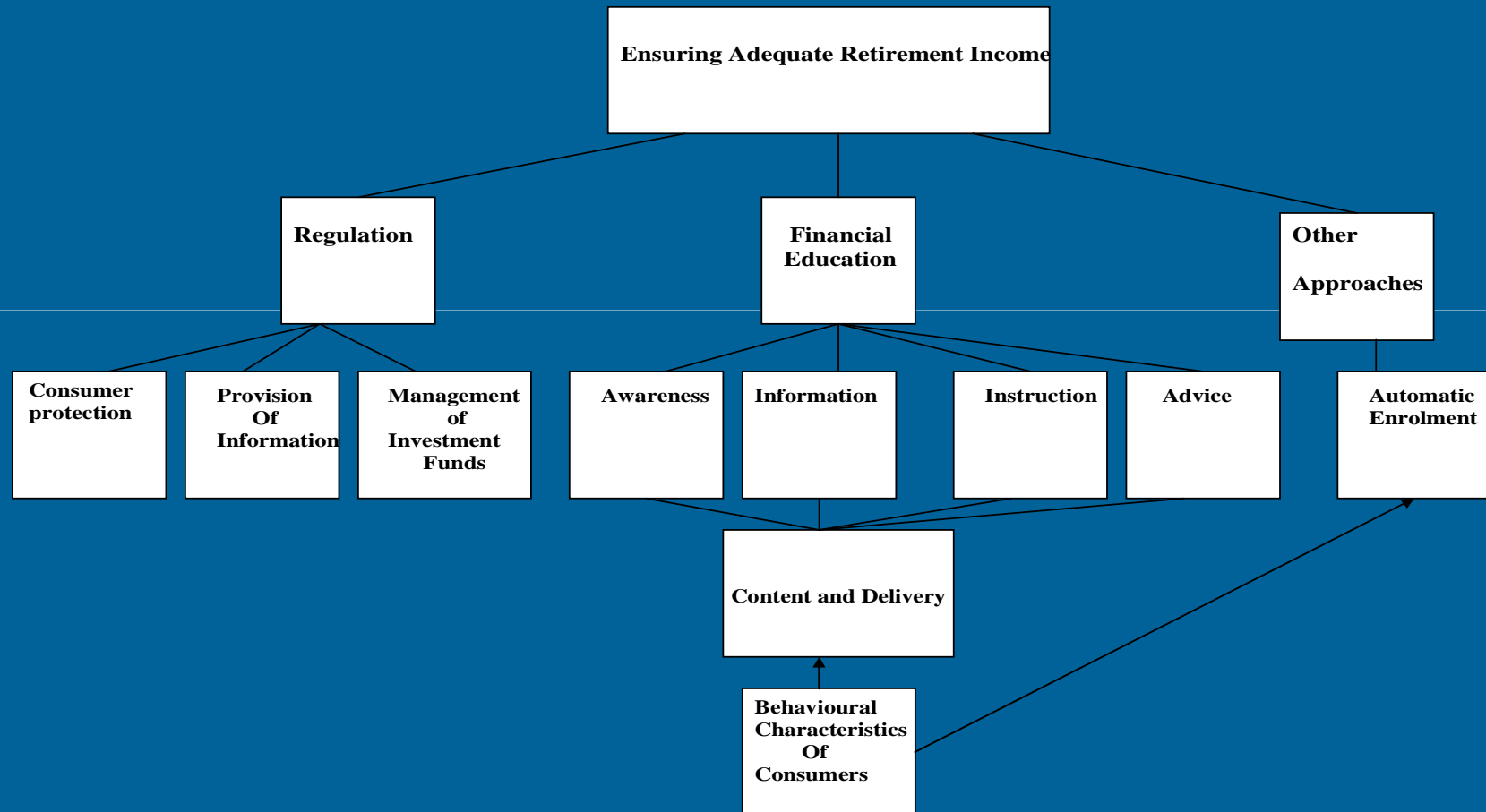
- Agreeing on common objectives
- Buy-in and commitment of key stakeholders:
 - Getting all parties involved
 - Coordination and its sustainability
 - Lack of commitment from stakeholders
 - Excess of ownership from certain stakeholders
- Long-term nature and lack of immediate visibility
- Lack of resources/resource sustainability
- Importance of differentiating between government general communication and financial education

Financial education is necessary...but not sufficient

- Other measures are needed to overcome consumers myopia and passive behaviour
- To deal with fraud, miss-selling
- To protect consumers against bankruptcies
- To promote access
- And more generally to protect consumers' rights
- This calls for a **trilogy** approach



Financial education: part of a system (pension example)



Financial consumer protection

- OECD active on FCP issues for over 30 years: first recommendation in 1977
- Top priority for OECD financial committees
 - Committee on Financial Markets (CMF) and Insurance and Private Pensions Committee
- Relevant work for other Committees
 - Consumer Policy Committee (Consumer Policy Toolkit 2010) and Competition Committee
- Work developed by the G20/OECD Task Force on financial consumer protection
- High Level Principles on financial consumer protection endorsed by G20 leaders in 2012
- Action Plan of the G20/OECD Task Force endorsed by G20 leaders in 2012
- Effective approaches for the implementation of 3 of the 10 principles (disclosure, responsible business conduct and complaint handling) submitted to G20 leaders in 2013

G20 high level principles on financial consumer protection

Developed by the G20/OECD Task Force on financial consumer protection , in cooperation with G20 members, FSB and other international bodies ; and with public consultation . They cover:

- Legal, Regulatory and supervisory Framework
- Role of Oversight Bodies
- Equitable and Fair Treatment of Consumers
- Disclosure and Transparency
- Financial Education and Awareness
- Responsible Business Conduct of Financial Services Providers and Intermediaries
- Protection of Consumer Assets against fraud and misuse
- Protection of Consumer Data and Privacy
- Complaints Handling and Redress
- Competition

Integrated pillars

- Access and inclusion
- Prudential regulation and enhanced governance
- Consumer information and protection
- Competition
- Financial education and awareness

They are **interconnected and interactive**

Conclusion

- In the framework of increasing risks and increasing transfer of risks, of gaps in coverage and lack of education and awareness; there is a strong need for improving financial education ,awareness , inclusion and financial consumer protection . This process calls first **for national strategies**, with public-private partnership. Financial education
 - should start at school
 - should deal with priority areas such as pensions, credit, savings and risk awareness
 - should allow for special role by financial institutions whose responsibility should be encouraged
 - should address vulnerable groups
 - calls for efficient education and methodology to measure both literacy and efficiency of the programmes
 - is indispensable but financial education alone is not the panacea; it is part of a wider policy approach, complementing prudential regulation and calling for consumer protection

THANK YOU

more information at:

**www.oecd.org/daf/financialeducation
and www.financial-education.org**