



Conference on Banking Conduct Supervision: new challenges ten years after the financial crisis

- Banking Regulation: recent developments and future prospects -

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UNCTAD - UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT




Prosperity for All

- **Mandate:** economic and sustainable development issues with a focus on trade, finance, investment and technology;
- Created in 1964, it has 194 member States;
- *Think, Debate, Deliver:* It helps developing countries to participate equitably in the global economy;
- Focal point for Competition and Consumer protection laws and policies within the UN system.



THINK **DEBATE** **DELIVER**



UNCTAD, which is governed by its 194 member States, is the United Nations body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology. It helps developing countries to participate equitably in the global economy.

Its work can be summed up in three words: think, debate, deliver.

UNCTAD carries out economic research, produces innovative analyses and makes policy recommendations to support government decision-making.

UNCTAD is a forum where representatives of all countries can freely engage in dialogue, share experiences and tackle critical issues affecting the global economy. It promotes consensus at the multilateral level.

UNCTAD turns research findings into practical applications and offers direct technical assistance to help countries build the capacities they need for equitable integration into the global economy and improve the well-being of populations.

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Three pillars of work

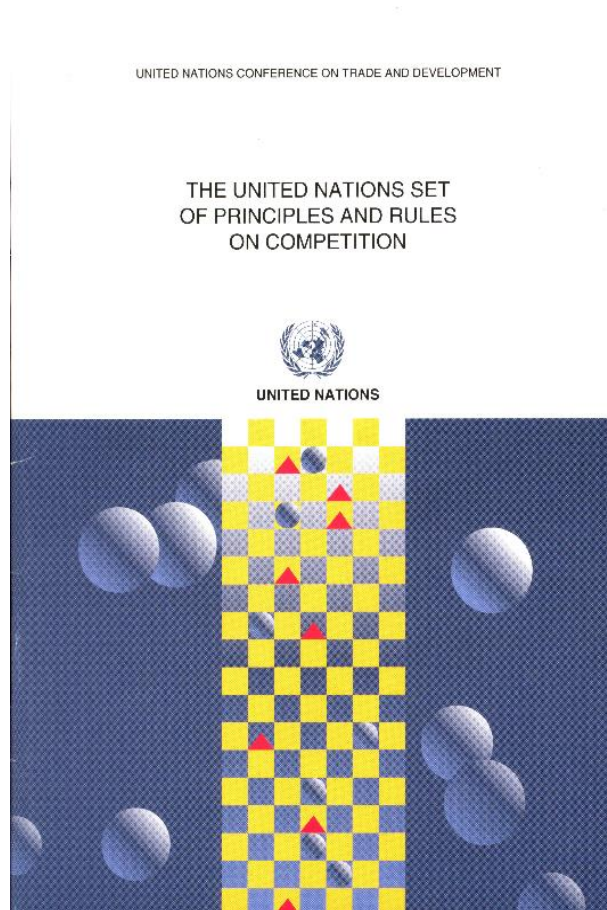
Consensus
building through
intergovern_
mental
deliberations

Research and
analysis

Technical
Cooperation,
including
Capacity-
building

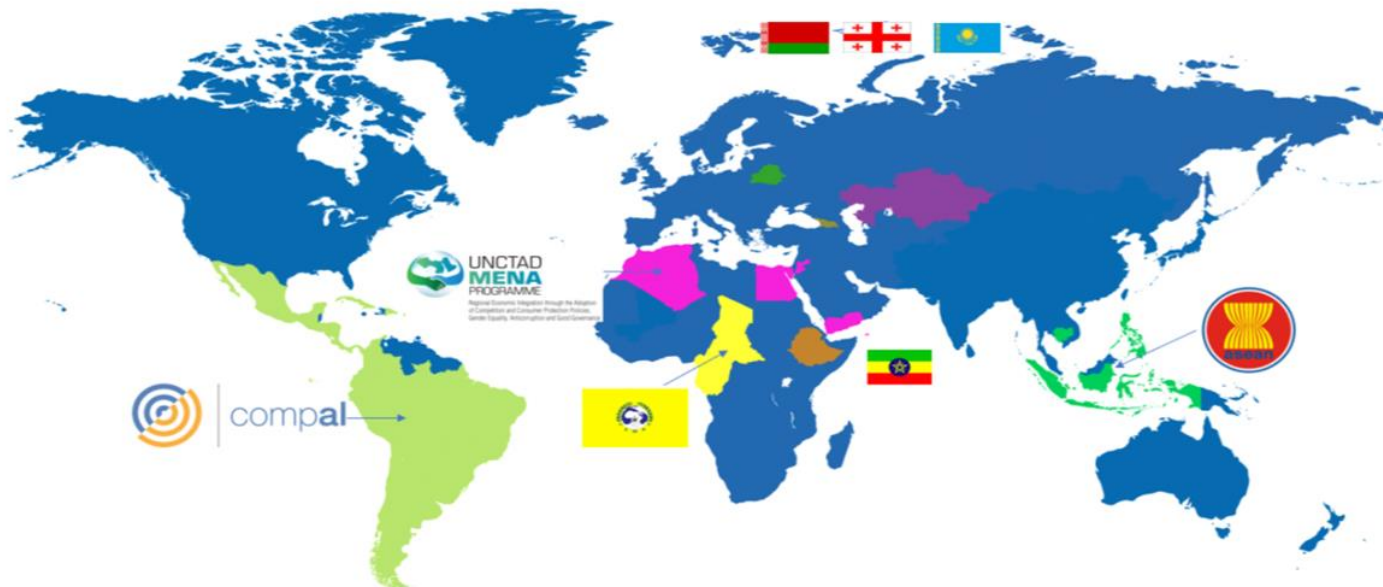


Competition and Consumer protection international instruments - the UN Set of Principles and Rules on Competition and the UN Guidelines for Consumer Protection



UNCTAD - TECHNICAL COOPERATION (regional and national projects)

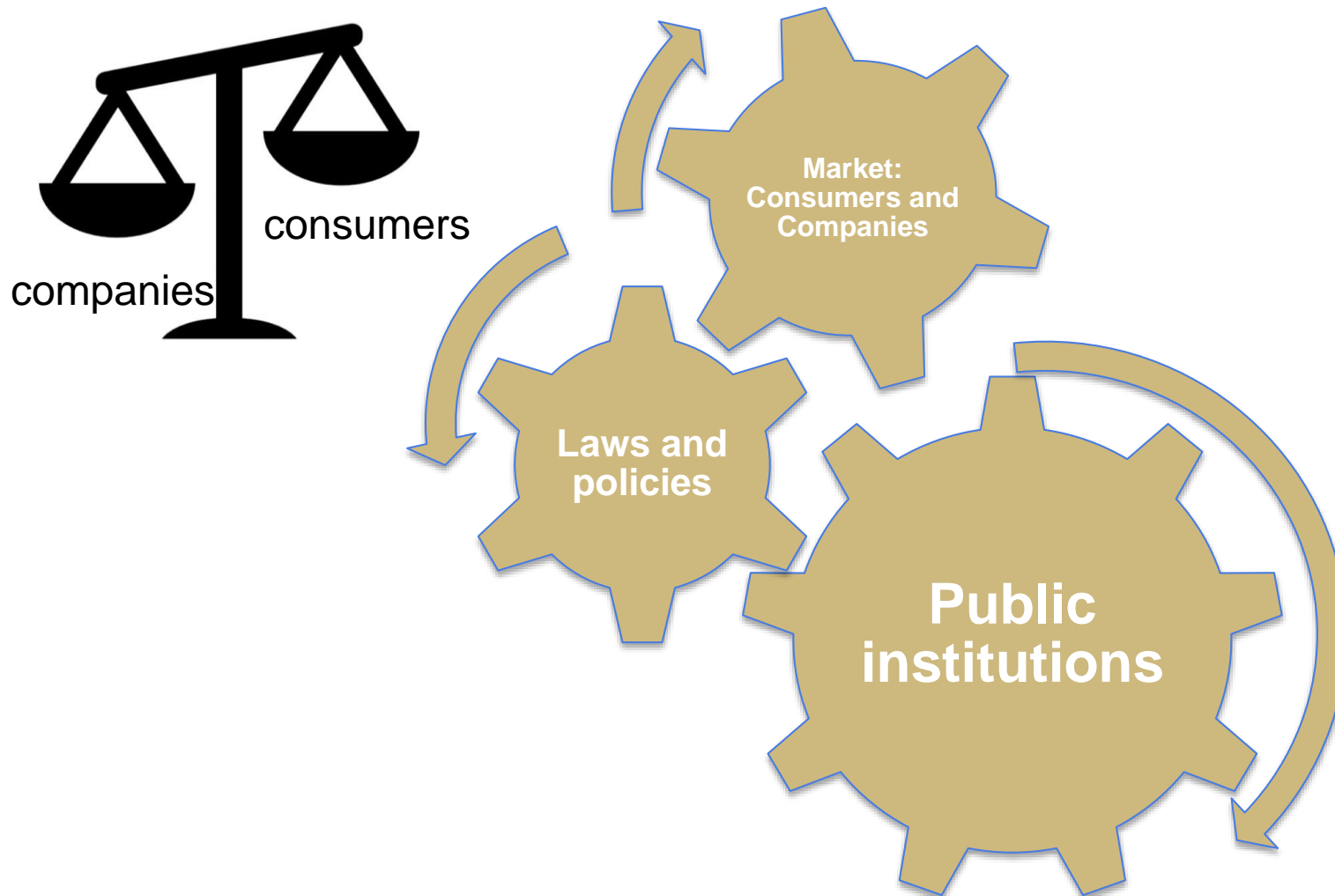
Technical Cooperation (2017 – 2018)



AGENDA 2030 – Framework for Sustainable Development



CONSUMER PROTECTION



Banking Services Regulation and Consumer Protection in Portugal

- Legislator's and regulator's choice, led by the consequences of the 2008 financial crisis
- Influence of EU legislation
- Focus on the relationship with bank clients - NEW
- **Financial conduct supervision:** the monitoring of the market and economic operators and the handling of consumer complaints have contributed considerably to improve consumer protection in Portugal
- Commitment to **financial literacy** and awareness addressed at different groups of banking clients - National Financial Education Plan (2011) - for greater inclusion: a complementary aspect of the reinforced the legislative and regulatory framework



UN GUIDELINES FOR CONSUMER PROTECTION (1985, revised in 2015)

UN General Assembly resolution 70/186 of
22 December 2015:

- Approved the revised **UN Guidelines for Consumer Protection** (previously amended in 1999);
- Created the **Intergovernmental Group of Experts on Consumer protection law and policy**, as the unique forum for international deliberations in this field;
- Conferred **UNCTAD** a new mandate that is closely linked to the Sustainable Development Goals (SDGs 8/10/17).



UN GUIDELINES FOR CONSUMER PROTECTION (2)

- **International instrument, recognizes the global dimension of Consumer Protection;**
- **Addresses the UN member States, due to the imperative of ensuring Consumer Protection through public policies;**
- **Goals and recommendations are especially interesting for developing countries;**
- **Recommendations for Governments of member States: non-binding but highly persuasive - “soft power”;**



UN GUIDELINES FOR CONSUMER PROTECTION (3)

- Policy guidance for addressing new challenges - modernization
- ✓ National policies for Consumer Protection: checklist of adequate legal and institutional framework;
- ✓ Good business practices: first time recommendations aim at the private sector, recognizing shared responsibility - NEW;
- ✓ Refer Dispute resolution and redress: ADR (alternative dispute resolution), collective redress, compensation for consumers;
- ✓ Introduce E-commerce: new guidelines – NEW;
- ✓ Introduce Financial Services: inspired in OECD/G20 High Level Principles – NEW;
- ✓ Energy, Public services, Tourism: new emerging issues;
- ✓ International cooperation: especially important for cross border cases.



UN GUIDELINES FOR CONSUMER PROTECTION (4)

The Guidelines aim to meet the following Consumers' legitimate needs:

- *access to essential goods and services;*
- *the protection of vulnerable and disadvantaged consumers;*
- *the promotion and protection of the economic interests of consumers;*
- *access by consumers to adequate information to enable them to make informed choices;*
- *consumer education;*
- *availability of effective consumer dispute resolution and redress;*
- *the promotion of sustainable consumption patterns;*
- *a level of protection for E-commerce not less than in other forms of commerce – NEW;*

- *the protection of consumer privacy and the global free flow of*

UN GUIDELINES FOR CONSUMER PROTECTION (5)

➤ Recommendations for National Policies for Consumer Protection (gdl 14-15) – these should encourage:

- Clear and timely information on the business, the goods and services offered and the terms and conditions;
- A transparent process for the confirmation, cancellation, return and refund of transactions;
- Secure payment mechanisms;
- Consumer privacy and data security.

Consumer Education and Information programmes should cover, amongst others, E-Commerce (gdl 44, (g) and Financial Services (h).



UN GUIDELINES FOR CONSUMER PROTECTION (6)

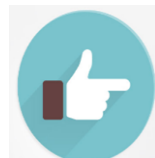
- Recommendations also target business and consumer organizations :
- I. Objectives, 1. b) and c): encouragement of high levels of ethical conduct for those engaged in the production and distribution of goods and services to consumers;
- II. Scope of application, gdl 2, also covers private sector *standards*;
- III. General principles, gdl 9, businesses' obligation to comply with consumer protection international standards;



UN GUIDELINES FOR CONSUMER PROTECTION (7)

Principles for Good Business Practices (gdl. 11) – addressed at Companies:

- Fair and equitable treatment;
- Commercial behaviour;
- Disclosure and transparency;
- Education and awareness-raising
- Protection of privacy;
- Consumer complaints and dispute resolution



UN Guidelines - Financial services

Recommendations 66 to 68

Addressed at member States but also to financial services providers

66:

- ✓ Adoption of Financial consumer protection policies and establishment of Oversight bodies
- ✓ Fair treatment and proper information disclosure
- ✓ Responsible business conduct of providers and authorized agents

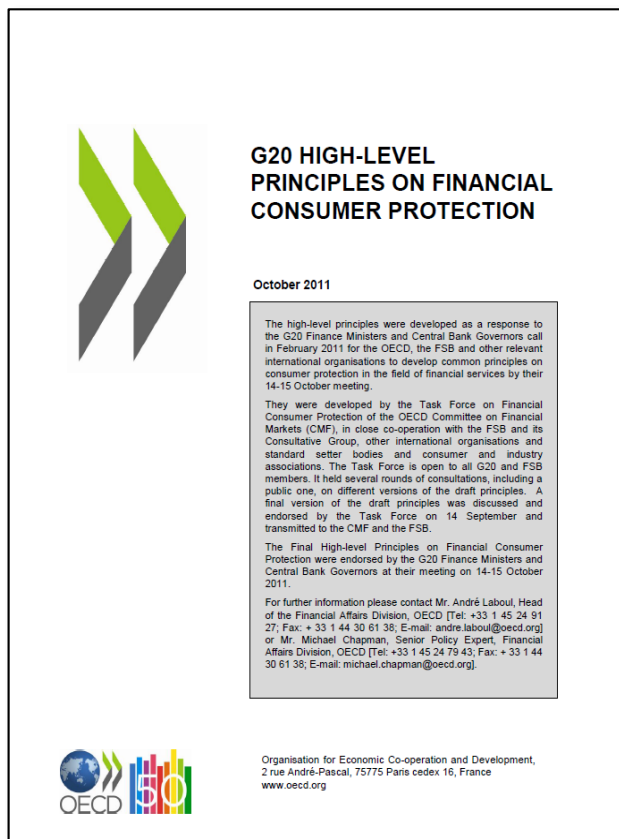


UN Guidelines - Financial services (2)



- **Guideline 66 (cont.)**
 - Prevention of conflicts of interest;
 - Responsible business conduct (responsible lending);
 - Protection of consumer financial data;
 - Remittances framework.
- **Guideline 67:** Financial inclusion, financial education.
- **Guideline 68:** Reference to international best practices and standards - OECD/G20; G20; World Bank.

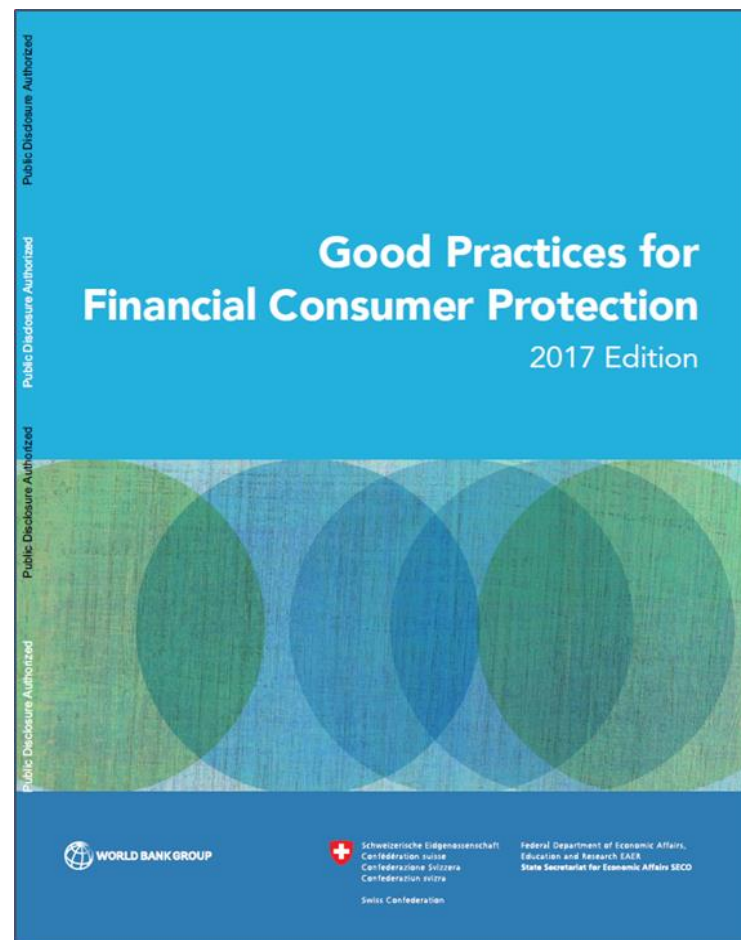
International instruments on Financial Consumer Protection



Principles:

- *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 Authorised Agents;*
- *Protection of Consumer Assets against Fraud and Misuse;*
- *Protection of Consumer Data and Privacy;*
- *Complaints Handling and Redress;*
- *Competition.*

International instruments on Financial Consumer Protection (2)





Protection of Consumers in the Digital Economy and Financial Services (payments)

The organization that first studied the implications of e-commerce and digital products and tools for Consumer Protection

- *OECD (2016), Recommendation of the Council on Consumer Protection in E-commerce, 24 March, OECD Council Document C(2016)13* (<http://www.oecd.org/sti/consumer/ECommerce-Recommendation-2016.pdf>).
- *Consumer Policy Guidance on Mobile and Online Payments (OECD Digital Economy Papers, No. 236, OECD Publishing, Paris; DOI: <http://dx.doi.org/10.1787/5jz432cl1ns7-en>).*



Protection of Consumers in the Digital Economy and Financial Services (2)

General Principles:

- i) Transparent and Effective Protection;*
- ii) Fair Business, Advertising and Marketing Practices*
- iii) Online Disclosures: Information about the Business, the Goods or Services, the Transaction;*
- iv) Confirmation process;*
- v) Payment:*
- vi) Dispute Resolution and Redress: Internal complaints handling; Alternative dispute resolution; Redress;*
- vii) Privacy and Security;*
- viii) Education, Awareness and Digital Competence;*



Protection of Digital Consumers



Principles about

- *Fair business and advertising practices*
- *Appropriate disclosures*
- *Processes for transaction confirmation and payment*
- *Measures to address privacy and security risks*
- *Product safety across e-commerce supply chains*
- *Access to mechanisms to resolve disputes*

Regulatory framework and institutional oversight:

- *Enforcement authorities*
- *Co-operation*
- *Policy decision making process*
- *Education, awareness and digital consumer competence.*



Centre for International
Governance Innovation



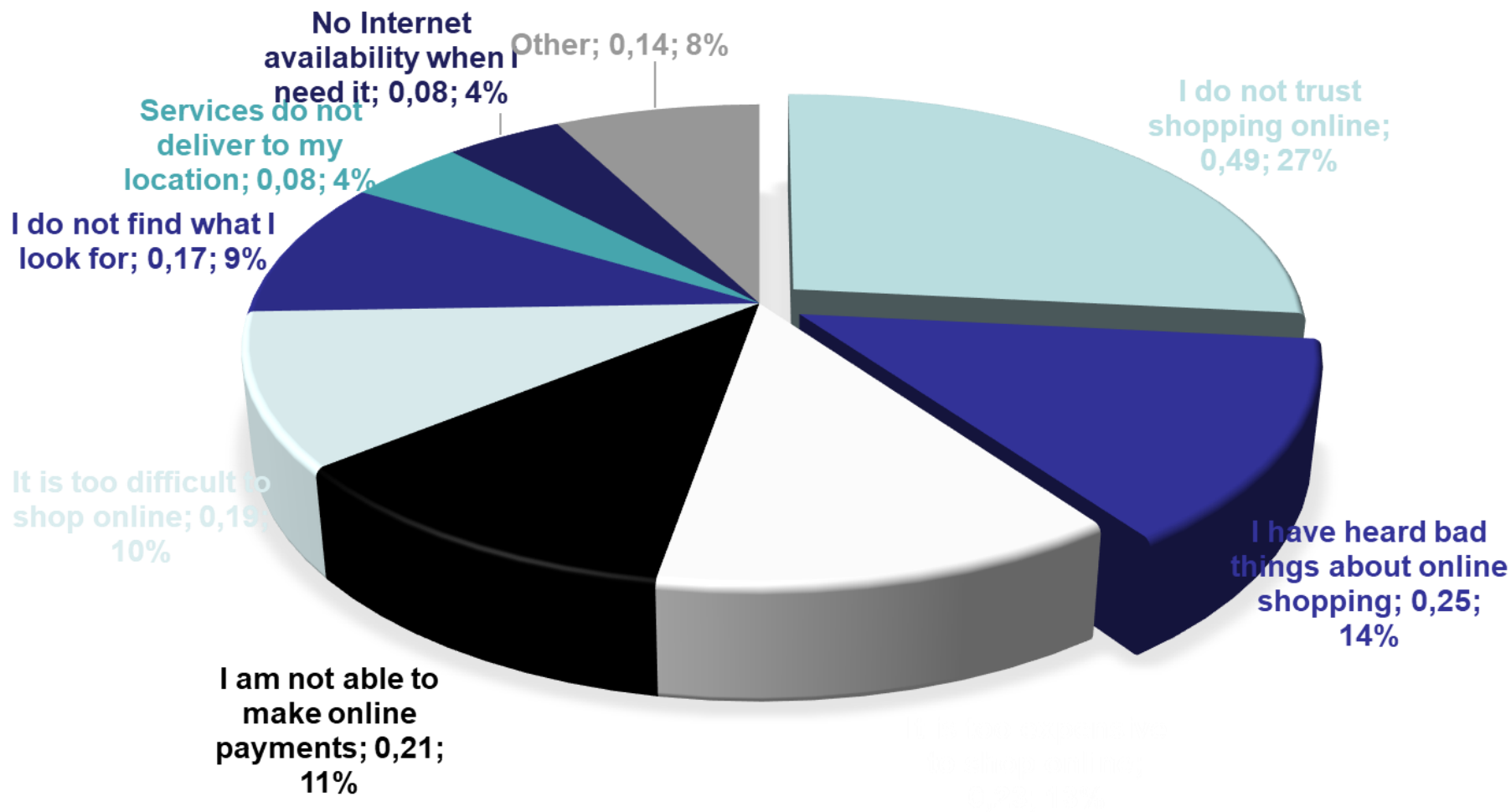
CIGI-IPSOS Global Survey on Internet Security & Trust



International Development Research Centre
Centre de recherches pour le développement international

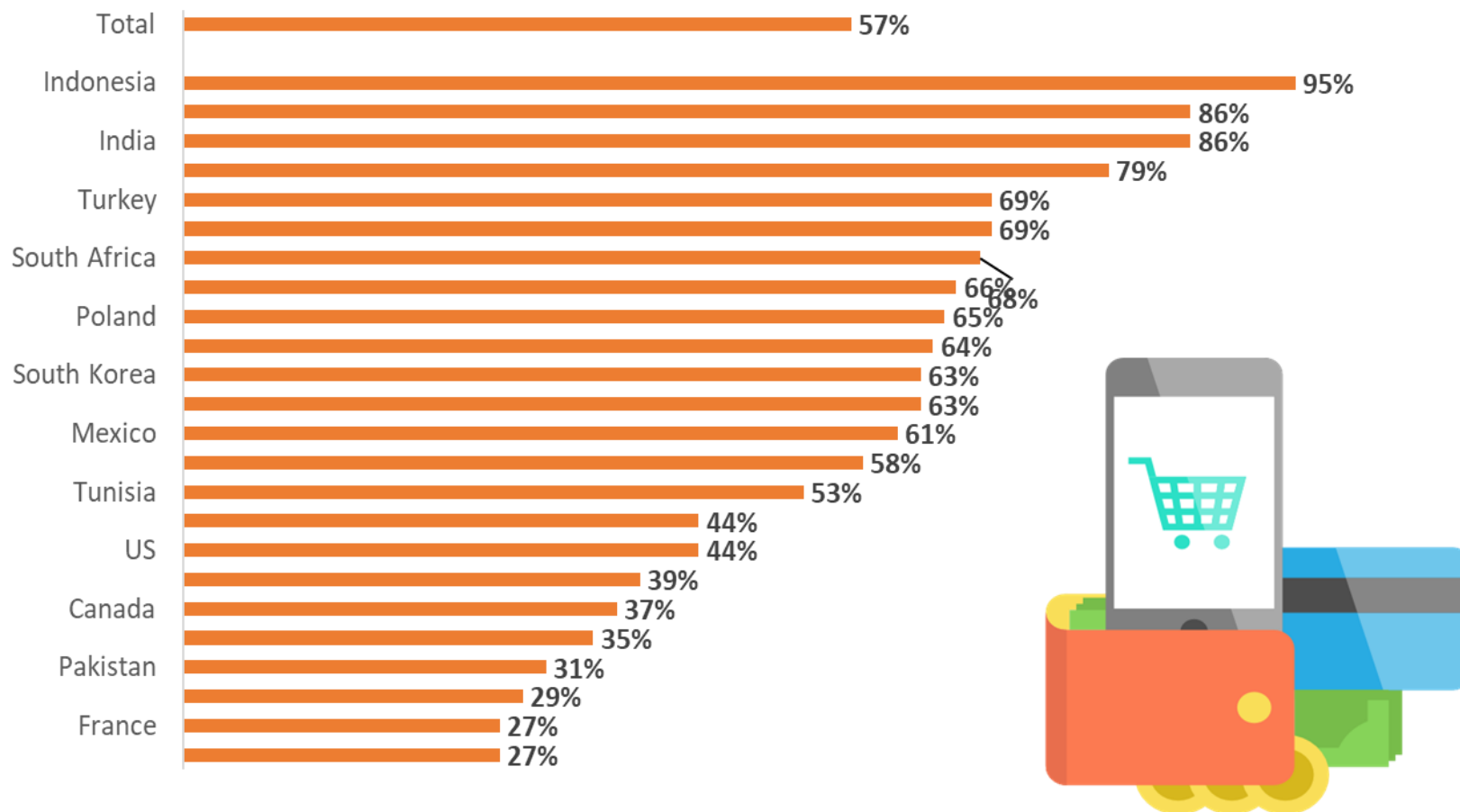


Among those who never shop online, the key reason they do not is a lack of trust

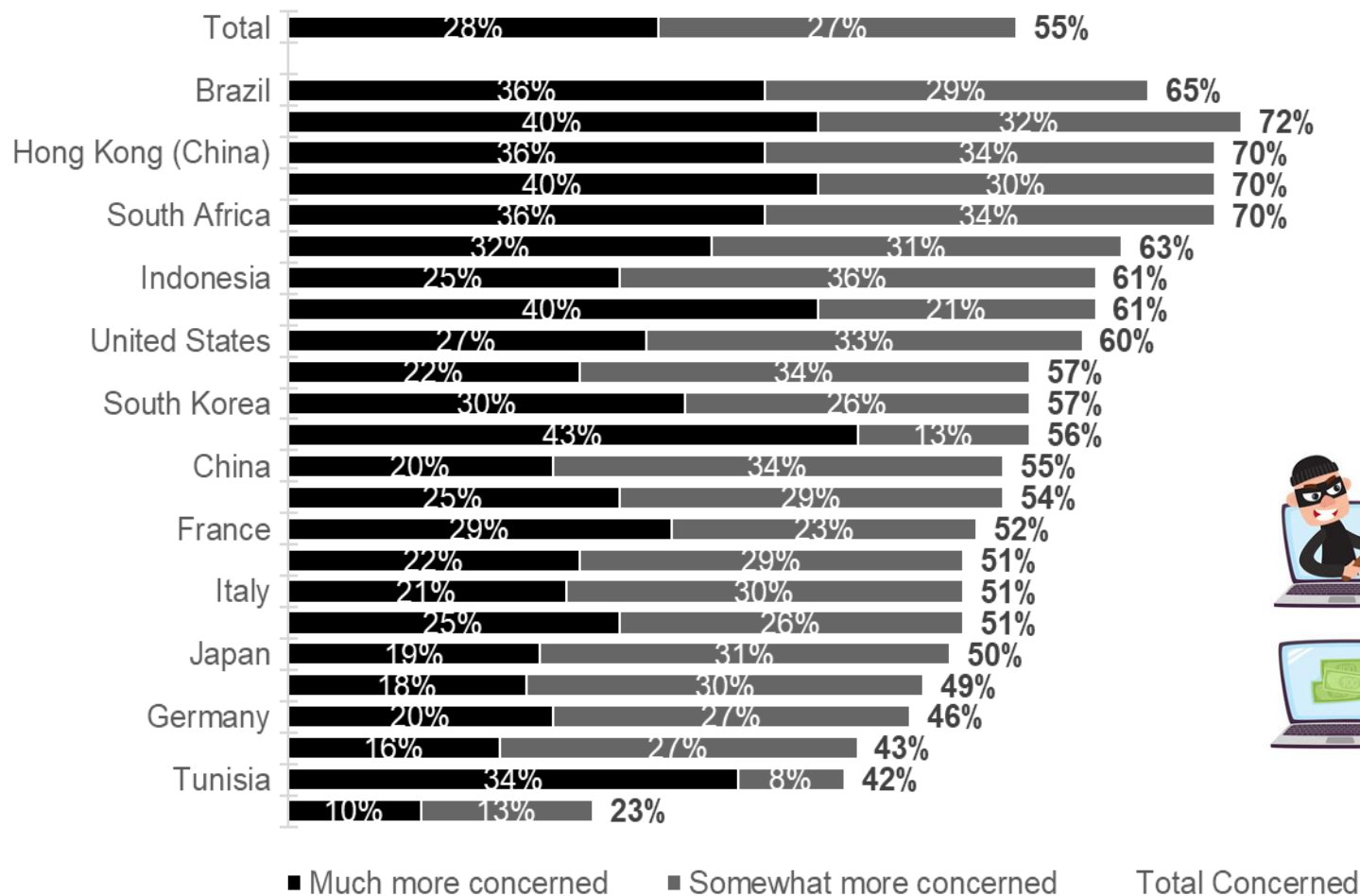


Propensity to use online payment systems on mobile phones varies greatly by country - most developed countries near the bottom of the list, and emerging economies near the top.

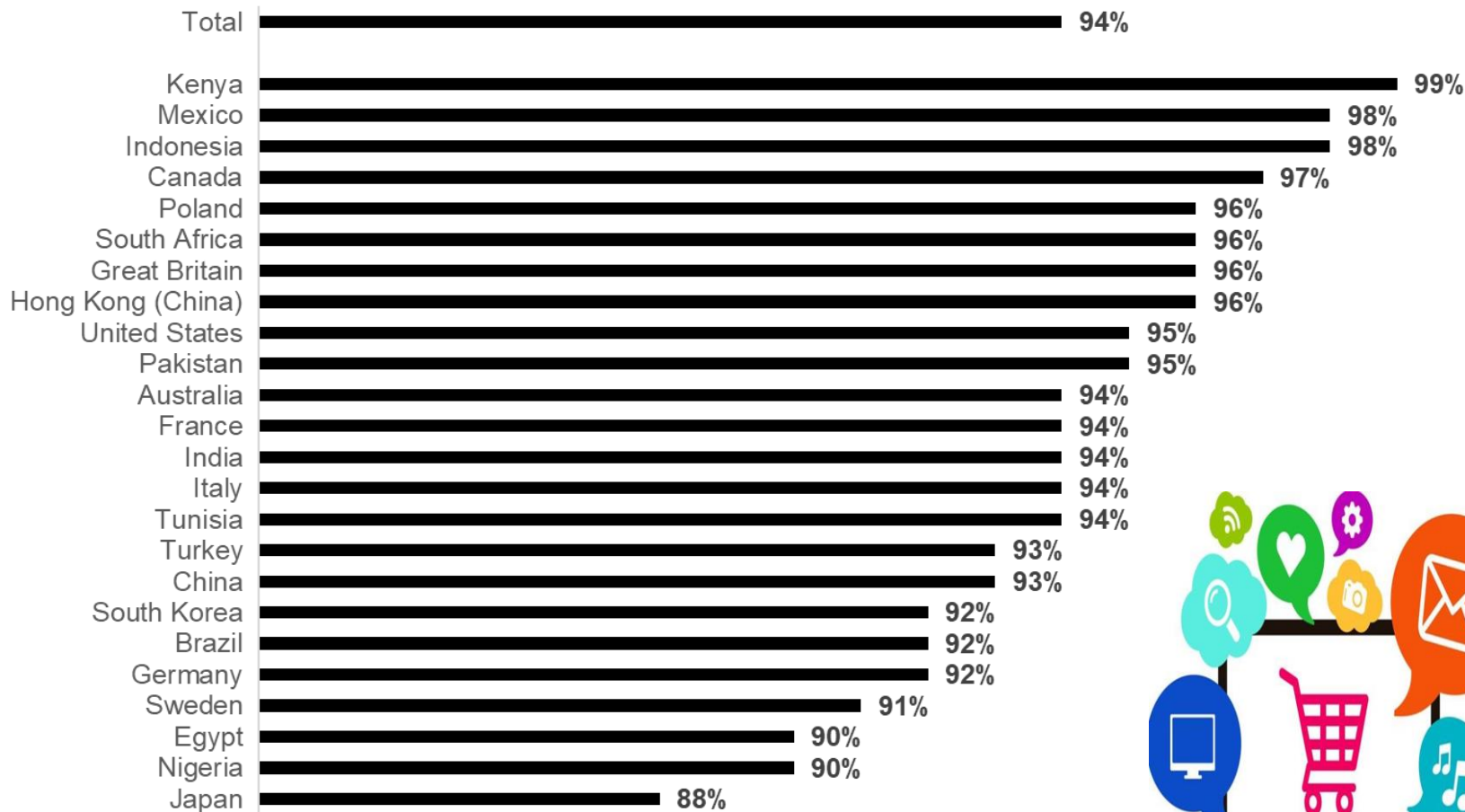
How likely are you to use mobile payment systems on your smartphone? by country - 2017



A majority (55%) are more concerned about their online privacy compared to one year ago, although concern is increasing at a slower rate.



Importance of Consumer Protection Online



Current Consumer Protection concerns and challenges

- **Trust:** key factor in a globalized and interdependent world.
- **Information, education, awareness raising:** crucial for consumers (especially the vulnerable groups) as for businesses.
- **Financial services - payments** are indispensable and decisive for consumers' daily life.
- **Digital divide:** age; education; social and economic conditions; Developing countries are in a more sensitive position.
- **Data protection:** increasingly valuable for consumers.



Current Consumer Protection concerns and challenges (2)

- Public policies are of the utmost importance as effective sectoral Regulation.
- Services providers may complement legal and regulatory frameworks through self-regulation and standards.
- Consumer organizations and other non-governmental organizations need to be closely involved.
- Excellent opportunity for enhanced International Cooperation - UNCTAD plays an important role monitoring markets' developments worldwide and cooperates with other international and regional organizations seeking to assist and support developing countries and countries with economies in transition.





THANK YOU!

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<http://unctad.org/en/Pages/DITC/CompetitionLaw/Competition-Law-and-Policy.aspx>

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