



Feedback Summary and Response:
Public consultation on proposed updates
to the High-Level Principles on Financial
Consumer Protection

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Purpose

This document summarises the feedback received via the public consultation on proposed updates to the High-Level Principles on Financial Consumer Protection (“the Principles”) conducted from 28 January-25 February 2022, and how the feedback was addressed or otherwise considered in the final, updated Principles.

Background

The Principles were originally developed by the G20/OECD Task Force on Financial Consumer Protection (“Task Force”) in response to the call from G20 Leaders to enhance financial consumer protection in the wake of the financial crisis. The Principles were endorsed by G20 Leaders at the Cannes Summit in 2011 and adopted by OECD Governments in the form of a Recommendation in 2012. The Principles are also included in the Financial Stability Board (FSB) Compendium of Standards and referenced in the G20 Financial Inclusion Action Plan.

The Principles are the primary international standard for effective and comprehensive financial consumer protection frameworks. They are designed to be applicable to any jurisdiction and are cross-sectoral. All OECD Members, G20 countries and FSB jurisdictions are Adherents to the Recommendation. Many non-G20 and non-OECD countries and jurisdictions have also established or enhanced their financial consumer protection frameworks aligned with the Principles, and continue to do so.

Ten years after their endorsement and approval, the Task Force conducted a review and update of the Principles during the course of 2021/22, in collaboration with the G20 Global Partnership on Financial Inclusion.

As a first step, the Task Force conducted an implementation assessment of the Principles, which culminated in the 2022 Report to the OECD Council on the Implementation of the Recommendation [\[C\(2022\)7\]](#). This was based on inputs from all G20 countries, FSB jurisdictions, 35 OECD Members plus 10 additional countries, inputs from consumer and business stakeholders, as well as analysis of relevant literature, research, international seminars and expert discussions. In summary, the Report found that the Principles had been widely and well implemented and continued to be important and relevant to all jurisdictions. At the same time, the Report concluded that the Principles should be updated to take account of policy areas and developments that have emerged since they were adopted ten years ago to ensure they continue to reflect global practices and are forward-looking.

In line with the conclusions of the Report, the Task Force developed a number of proposed updates to the Principles. Among other things, the proposed updates included:

- adding two new Principles to cover ‘Access and Inclusion’ and ‘Quality Financial Products’ as these concepts were not covered by the existing Principles
- adding three cross-cutting themes that are relevant to the consideration and implementation of each of the Principles, i.e. ‘Digitalisation’, ‘Financial Well-being’ and ‘Sustainable Finance’
- incorporating the high-level lessons from the response to the COVID-19 pandemic where relevant, such as enhanced protections for consumers who may be vulnerable and a greater focus on tackling financial scams.

A public consultation was conducted on the proposed updates to the Principles from 28 January-25 February 2022. The purpose of the consultation was to seek comments and feedback on the proposed updates to the Principles set out in the [consultation paper](#) on the website

As well as the dedicated public consultation website, a range of key stakeholders were specifically invited to engage with the proposed updates to the Principles and to provide feedback.

There was a strong response to the consultation, with 50 submissions received. A list of respondents is at Annex A. The Task Force is grateful to respondents who provided a response to the consultation process.

Following the consultation, the updated Principles were approved by the Task Force on 3 May 2022, and by the G20 Global Partnership for Financial Inclusion on 12-13 May 2022.

The updated Principles were endorsed by G20 Finance Ministers and Central Bank Governors at their meeting on 12-13 October 2022. The updated Principles were endorsed by G20 Leaders at the [Bali Summit](#) on 15-16 November 2022.

The updated Principles were approved by the OECD Committee on Financial Markets on 1 July 2022, and adopted by OECD Governments on 12 December 2022, via a [revised Recommendation](#) of the Council.

Feedback Summary and Response

Respondents to the [consultation](#) were asked to address the following overarching questions:

- Do you support the three new proposed cross-cutting themes, that is, 'Digitalisation', 'Sustainable Finance' and 'Financial Well-being'?
- Do you support the two new Principles proposed on 'Access and Inclusion' and 'Quality Financial Products'?
- Do you agree that the COVID-19 lessons have been appropriately included in the proposed revisions?
- Are there any developments that have not been incorporated in the proposed draft revised Recommendation

The responses to the four consultation questions were generally very positive and supportive, especially regarding the inclusion of the two new Principles and three cross-cutting themes where support was unanimous.

Table 1. Summary of responses to consultation questions

Consultation Question	Summary of responses to the consultation
i. Do you support the three new proposed cross-cutting themes, that is, 'Digitalisation', 'Sustainable Finance' and 'Financial Well-being'?	100% supportive, with 12% (6) suggesting amendments
ii. Do you support the two new Principles proposed on 'Access and Inclusion' and 'Quality Financial Products'?	100% supportive, with 10% (5) suggesting amendments
iii. Do you agree that the COVID-19 lessons have been appropriately included in the proposed revisions?	98% supportive, with 10% (5) suggesting amendments and 1 suggesting that amendments could go further
iv. Are there any developments that have not been incorporated in the proposed draft revised Recommendation?	Supportive, with around a quarter of respondents suggesting some additional developments (majority were minor suggestions)

In addition to the responses to the four overarching questions, respondents to the consultation provided a range of helpful comments and feedback on the draft proposed updates. These comments and feedback took the form of suggested additions, edits and refinements to the draft proposed updates.

The Task Force has carefully considered all comments and feedback received. All feedback was incorporated as far as possible, in line with the scope and objectives of the Principles. Feedback was not adopted where it was already covered elsewhere, beyond scope or too sector-specific or granular for a high-level instrument.

The main items of feedback from the consultation are summarised in Table 1 below, with an explanation of how the feedback was considered or incorporated into the final version of the updated Principles.

Table 2. Summary of main issues raised by respondents to the consultation

Principle	Main theme of feedback/issue raised	Response
Principle 2	The Principles should include more information about effective enforcement.	Effective enforcement emphasised and examples added to Principle 2.
Principle 3	The Principles should include references to over-indebtedness and impartial debt advice for consumers.	Added a reference to over-indebtedness and availability of impartial debt advice in the context of financial hardship as an example in Principle 3. The issue of over-indebtedness is also addressed, along with other consumer protection measures specific to consumer credit, in the OECD Recommendation on Consumer Protection in the field of Consumer Credit [OECD/LEGAL/0453].
Principles 3 and 5	The Principles should include the concept of interoperability (e.g. across systems). The importance of data sharing was raised and suggestion to include reference to consumer data right.	References to interoperability across systems added to Principles 3 and 5. The suggestion to include an explicit reference to consumer data right was not adopted as this is primarily under the jurisdiction of data protection authorities where relevant and the Principles do not preclude this. A reference to importance of data sharing added to Principle 5, and the ease of switching between products and providers was in the existing Principles.
Principle 3	Access to cash or traditional financial services is still important for some consumers and should be made clear in the Principles.	Amended Principle 3 was amended to acknowledge that account should be taken of the digital skills of consumers and the needs of consumers experiencing vulnerability, for example where access to cash and traditional forms of financial services may be important.
Various	More digital examples should be included, and there should be explicit references to crypto/digital assets and digital security (cybersecurity) risks. The importance of consumers developing digital skills should be made more explicit.	Further digital examples were added throughout the Principles, in line with the Digitalisation cross-cutting theme. Digital aspects are referenced in Principles 1, 2, 3, 4, 6, 7, 10, as well as the inclusion of Digitalisation as a cross-cutting theme. For example: <ul style="list-style-type: none"> - a specific reference to cryptoassets was added to the cross-cutting theme on Digitalisation and digital assets was included in Principle 10. - references were added to digital security risks in Principles 4 and 10 and to digital skills in Principles 3 and 4.
Various	Innovation should be more	The importance of innovation has been made more

Principle	Main theme of feedback/issue raised	Response
	prominent in the Principles.	prominent with additional references in Principles 2, 3 and 7, in addition to Principle 5.
Various	'Intermediaries' is a more appropriate descriptive term that should be used instead of 'Representatives' or 'Authorised Agents' in the Principles. 'Distributors' should be explicitly included in the scope of this term.	<p>The term 'Intermediaries' has been used as an umbrella term and the existing descriptor has been adjusted appropriately:</p> <ul style="list-style-type: none"> - "Intermediaries are understood to mean third parties acting for the financial services provider or in an independent capacity. They include any agents (tied and independent agents), representatives, brokers, advisors and distributors etc." <p>In the original Principles the term used was 'Authorised Agent', which is too narrow, and 'Representatives' was proposed in the 2022 consultation. The change to "Intermediaries" is consistent with the Consumer Protection in the field of Consumer Credit Recommendation [OECD/LEGAL/0453]. Distributors were also explicitly included in the definition of 'Intermediaries' in response to the feedback seeking clarity.</p>
Various	Various suggestions relating to adding definitions or explanations of the following terms in the Principles: Sustainable Finance, Greenwashing, Financial Literacy, Consumer (and other more minor suggestions).	<p>Regarding suggestions to add definitions, most of the terms in the Principles were generally intended to have a broad meaning. This is in keeping with the Principles as a high-level instrument and to allow jurisdictions to apply the Principles flexibly as appropriate for their framework, rules and regulations. Defining terms can also be restrictive in terms of application, especially given the ever-changing nature of consumer financial products services.</p> <p>Explanations have been added or enhanced where it is helpful to facilitate a common understanding, for example, to explain:</p> <ul style="list-style-type: none"> - the common understanding of 'financial consumer': "While the meaning of financial consumer is not defined so as not to restrict coverage, it is generally considered to include private individuals at a minimum, but may also include micro and small enterprises however defined by jurisdictions." - the scope of the 'Sustainable Finance' cross-cutting theme: "The impact, opportunities and risks of sustainable finance for financial consumers. This includes considering that financial services providers are increasingly incorporating environmental, social and governance (ESG) and other sustainability-related factors into their operations, products and services, and growing consumer demand for such products." - the common understanding of 'greenwashing' in the example in Principle 7: "Generally, greenwashing is understood as financial products

Principle	Main theme of feedback/issue raised	Response
		<p>being marketed as being more environmentally friendly than they are.”</p> <p>Internationally recognised definitions have been included where available and relevant, for example:</p> <ul style="list-style-type: none"> - the definition of Financial Literacy has been included from the OECD Recommendation on Financial Literacy [OECD/LEGAL/0461], while being clear that some jurisdictions may use other terms: “Financial literacy is defined as a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being; OECD 2020. Some jurisdictions use different terms, for example, financial capability. Financial education is understood as the process to achieve financial literacy and ultimately supporting financial well-being.”
Principle 8	The meaning of ‘Quality Financial Products’ should be made clearer. The reference to ‘manufacturer’ could instead use ‘financial services provider’, for consistency with the rest of the Principles.	<p>Refinements have been made to explain the meaning of ‘Quality Financial Products’: “Quality financial products are those that are designed to meet the interests and objectives of the target consumers and to contribute to their financial well-being.”</p> <p>The reference to ‘manufacturer’ in this Principle that was consulted on has been removed and ‘financial services provider’ used instead.</p>
Principle 10	Include a reference to liability arrangements in the context of protecting consumers’ assets from fraud and scams.	Added a reference to the need for clear and transparent liability arrangements to Principle 10. This also reflects Task Force Policy Guidance on protecting consumers’ assets, data and privacy.
Principle 11	Consent in the context of data sharing should be explicit.	Added a reference to consent in regard to data sharing in Principle 11. This also reflects Task Force Policy Guidance on protecting consumers’ assets, data and privacy.
Principle 12	The Principles should acknowledge the difficulties for some consumers of accessing complaints mechanisms.	Added a reference to Principle 12 that the needs of consumers experiencing vulnerability should be considered when designing and publicising complaints handling and redress mechanisms. This reflects earlier Task Force Policy Guidance on this Principle.
General	Suggestion relating to a greater emphasis on reducing the regulatory burden, the proportionality of regulation and measures to ensure a level playing field.	<p>This issue is addressed in the OECD Recommendation on a Policy Framework for Effective and Efficient Financial Regulation [OECD/LEGAL/0377], and this has been added as a cross-reference in the preamble. These concepts are important and included at a high-level in the Principles in the context of an effective and holistic policy framework for all jurisdictions to protect and support financial consumers. Relevant references added include:</p> <ul style="list-style-type: none"> - Encouraging a level playing field across financial services is covered in Principle 2 (Role of Oversight Bodies) and Competition was an existing Principle (now Principle 5). - Reference to the proportionality of regulation has

Principle	Main theme of feedback/issue raised	Response
		been enhanced in Principle 1 (Legal, Regulatory and Supervisory Framework): “Regulation should reflect and be proportionate to the characteristics, types, risks and variety of the financial products and services, providers and consumers....Financial services providers and intermediaries should be appropriately and proportionately regulated and/or supervised, with account taken of relevant service and sector specific approaches”.
General	Sector specific comments (e.g. relating specifically to the credit or insurance sector)	The Principles are designed and intended to be applicable to any jurisdiction and are cross-sectoral in nature, that is, they can be applied to credit, banking, payments, insurance, pensions and investment sectors. As such, sector specific comments were not generally incorporated. The Principles are also not intended to duplicate sector-specific standards or guidance produced by the OECD or other International Organisations/Standard-Setting Bodies. An example of a sector-specific application of the Principles is the OECD Recommendation on Consumer Protection in the field of Consumer Credit [OECD/LEGAL/0453].

Summary of the final updated Principles

The main policy changes to the Principles are summarised below:

- adding two new Principles (12 in total), that is, “Access and Inclusion” and “Quality Financial Products” because these concepts are not currently covered by the existing Principles
- adding three cross-cutting themes that are relevant to the consideration and implementation of each of the Principles, namely “Digitalisation”, “Financial Well-being” and “Sustainable Finance”, and including references throughout the Principles to illustrate the cross-cutting themes
- incorporating the high-level lessons from the response to the COVID-19 pandemic where relevant, such as enhanced protections for consumers who may be vulnerable and a greater focus on tackling financial scams.

References to the following concepts have also been included or enhanced in the Recommendation reflecting issues, trends, opportunities and risks facing financial consumers, and developments in financial consumer protection best practices:

- explicit references to digital aspects, including crypto/digital assets, digital security and the importance of supporting consumers to develop digital as well as financial skills (Principles 1, 2, 3, 4, 6, 7, 10)
- emphasising a flexible toolkit for oversight bodies responsible for financial consumer protection and effective enforcement (Principle 2)
- emphasis on cross-border transactions by consumers, given the increase in such transactions as cross-border payments, driven in part by the effects of accelerating digitalisation and COVID-19 (Principles 2 and 7)

- the need for special attention to be paid to the treatment of consumers who may be experiencing vulnerability, for example, in the event of financial hardship (Principle 6)
- making innovation more prominent (Principles 2, 3 and 7, in addition to existing reference in Principle 5)
- the importance of interoperability across systems, data sharing and consumer consent (Principles 3, 5 and 11)
- the use of digital channels and behavioural insights to inform financial literacy and consumer awareness approaches (Principle 4)
- importance of culture alongside responsible business conduct of financial services providers and intermediaries to promote appropriate consumer outcomes (Principle 9)
- the need for clear and transparent liability arrangements for consumers in the context of financial loss by consumers arising from scams, frauds and misuse (Principle 10).

The updates to the Principles/Recommendation are illustrated in Figure 1 below.

Figure 1. Overview of updates to the Principles/Recommendation



Note: The green text illustrates the updates to the Principles.

Next Steps

As noted above, the final, updated Principles were endorsed by G20 Leaders at the [Bali Summit](#) on 15-16 November 2022, and adopted by OECD Governments in the form of a [revised Recommendation](#) of the Council on 12 December 2022.

Following the finalisation and release of the updated Principles, the next steps will be to communicate, disseminate and implement the updated Principles. Jurisdictions and other stakeholders can support these efforts by:

- Promoting the release of the updated Principles via their communication networks and channels to raise awareness, and support communication activities by the Task Force.
- Supporting efforts to disseminate the updated Principles to countries around the world that wish to establish or enhance their financial consumer protection frameworks.

All OECD Members, G20 countries and FSB jurisdictions are Adherents to the Recommendation which contains the Principles. Many other countries and jurisdictions have also adopted the Principles, and they are encouraged to consider formal adherence to the Recommendation. Adherence contributes to the goal of the Principles which is to lift the standards of financial consumer protection around the world.

Countries or jurisdictions who would like to formally adhere to the Principles are encouraged to contact the Task Force Secretariat at the OECD.

The Task Force will also support the implementation of the updated Principles by jurisdictions via updating existing or developing new policy guidance (effective approaches) where relevant.

Annex A. Respondents to the public consultation

	Type	Jurisdiction	Organisation
1	Government/Public Authority	Albania	Albanian Financial Supervisory Authority (AFSA)
2	Government/Public Authority	Argentina	Ministry of Economy of Argentina
3	Government/Public Authority	Australia	Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC), Australian Treasury
4	Government/Public Authority	Brazil	Ministry of External Relations, Federative Republic of Brazil (Ministério das Relações Exteriores República Federativa do Brasil (MER)
5	Government/Public Authority	Brazil	Superintendência de Seguros Privados – SUSEP
6	Government/Public Authority	Brunei Darussalam	Brunei Darussalam Central Bank
7	Government/Public Authority	Canada	Global Affairs Canada
8	Government/Public Authority	Canada, Ontario	Investor Advisory Panel, Ontario Securities Commission
9	Government/Public Authority	Chile	Comisión para el Mercado Financiero (CMF)
10	Government/Public Authority	Colombia	Superintendence of Industry and Commerce (SIC)
11	Government/Public Authority	Colombia	Financial Superintendency of Colombia (SFC)
12	Government/Public Authority	Croatia	Croatian National Bank
13	Government/Public Authority	Estonia	Estonia, Business and Consumer Environment Department, Ministry of Economic Affairs and Communications
14	Government/Public Authority	European Commission	DG Justice and Consumers
15	Government/Public Authority	France	Autorité de Contrôle Prudentiel et de Résolution (ACPR)
16	Government/Public Authority	Greece	Greek Directorate-General for Consumer Protection
17	Government/Public Authority	Guatemala	Superintendency of Banks, Guatemala (Superintendencia de Bancos)
18	Government/Public Authority	Hungary	Central Bank of Hungary
19	Government/Public Authority	India	Reserve Bank of India (RBI)
20	Government/Public	Indonesia	Otoritas Jasa Keuangan (OJK)

	Type	Jurisdiction	Organisation
	Authority		
21	Government/Public Authority	Ireland	Competition and Consumer Protection Commission
22	Government/Public Authority	Italy	Bank of Italy
23	Government/Public Authority	Jordan	Central Bank of Jordan, Financial Consumer Protection Department
24	Government/Public Authority	Mexico	Comisión Nacional del Sistema de Ahorro para el Retiro (CONSAR)
25	Government/Public Authority	Mexico	Mexico CNSF Insurance regulator
26	Government/Public Authority	New Zealand	New Zealand Retirement Commission and Ministry of Business, Innovation and Employment (MBIE)
27	Government/Public Authority	Peru	Peru, Indecopi, National Consumer Protection Authority
28	Government/Public Authority	Peru	SBS, Superintendent Of Banking, Insurance, And Private Pension Fund Administrators
29	Government/Public Authority	Portugal	Banco de Portugal
30	Government/Public Authority	Portugal	Insurance and Pension Fund Supervisory Authority, Autoridade de Supervisão de Seguros e Fundos de Pensões (ASF)
31	Government/Public Authority	Republic of Korea	Korea Consumer Agency (KCA) and Korea Fair Trade Commission (KFTC)
32	Government/Public Authority	Republic of Latvia	Latvia Financial and Capital Market Commission
33	Government/Public Authority	Romania	National Bank of Romania
34	Government/Public Authority	Slovak Republic	Pension Savings Department, Ministry of Labour, Social Affairs and Family of the Slovak Republic
35	Government/Public Authority	Slovak Republic	Ministry of Finance of the Slovak Republic
36	Government/Public Authority	South Africa	Financial Sector Conduct Authority (FSCA)
37	Government/Public Authority	Suriname	Centrale Bank van Suriname
38	Government/Public Authority	Taiwan	Taiwan Financial Supervisory Commission (FSC)
39	Government/Public Authority	United Arab Emirates	UAE Ministry of Finance
40	Government/Public Authority	United Kingdom	Foreign, Commonwealth and Development Office (FCDO)
41	Government/Public Authority	Uruguay	Superintendence of Financial Services of Uruguay
42	International body	International	UN Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA)
43	International body	International	International Finance Corporation (IFC)
44	Consumer group	International	Consumers International
45	Consumer group	Australia	Consumers' Federation of Australia
46	Consumer group	Ireland	Ireland National Traveller Money Advice and Budgeting Service (MABS)

	Type	Jurisdiction	Organisation
47	Industry association	International	Global Federation of Insurance Associations
48	Industry association	International	World Federation of Insurance Intermediaries
49	Industry association	America	American Property Casualty Insurance Association (APCIA)
50	-	Member of the public	A member of the public