



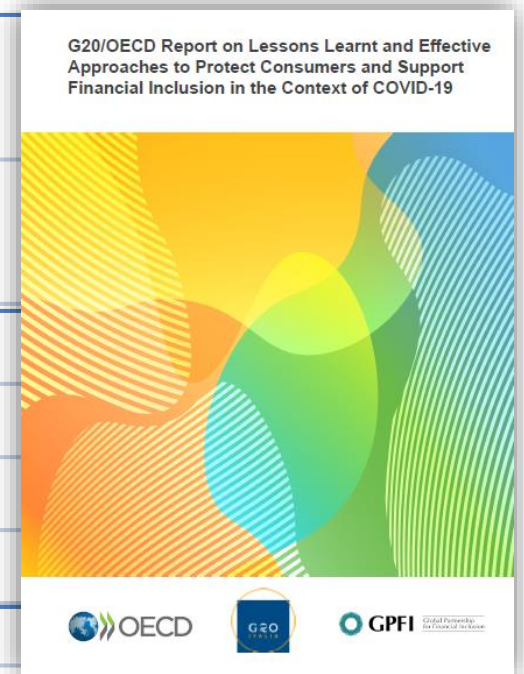
# PROTECTING FINANCIAL CONSUMERS AND SUPPORTING FINANCIAL INCLUSION IN THE CONTEXT OF COVID-19: FOCUS ON INSURANCE

Miles Larbey, Head of Financial Consumer Protection, OECD  
International Conference of Inclusive Insurance, 26 October 2021



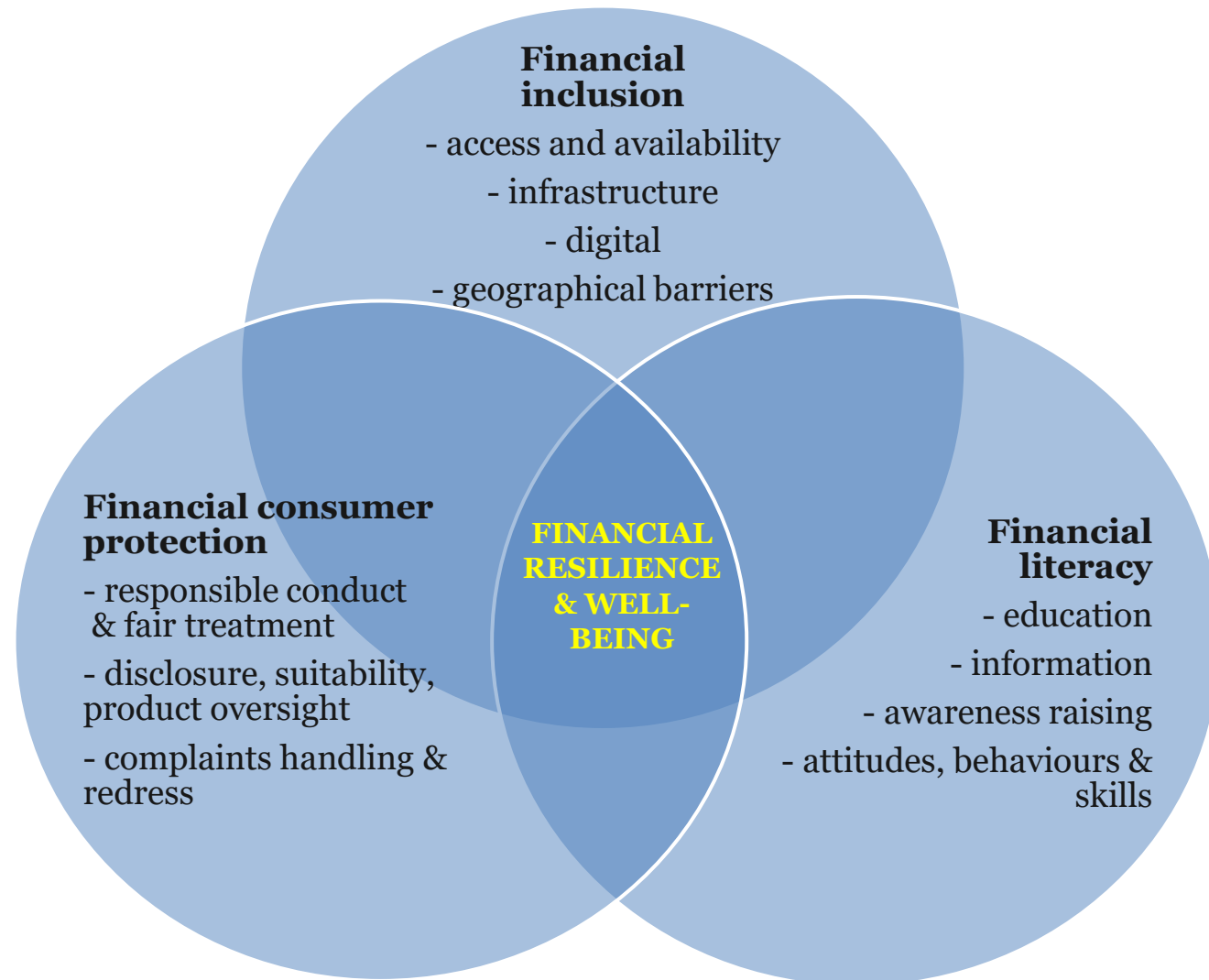
# Lessons Learnt & Effective Approaches to Protect Consumers and Support Financial Inclusion re COVID-19

|  |  |
|--|--|
| 1. Introduction  | Background and policy context  |
|  | Methodology and process  |
| 2. Impact of the pandemic on financial consumers and financial inclusion   | Risks to financial consumers   |
|  | Reduced financial resilience of consumers  |
|  | Digitalisation of financial products and services  |
|  | Specific impacts relating to use of financial products and services                          |
| 3. Measures to support financial inclusion and protect financial consumers | Supporting financial inclusion   |
|  | Strengthening financial consumer protection  |
|  | Addressing financial vulnerability and supporting the financial inclusion of targeted groups |
|  | Promoting innovation and facilitating entry of new providers                                 |
|  | Changes to supervisory practices   |
| 4. Lessons Learnt and Effective Approaches                                 | Lessons learnt and longer-term implications  |
|  | Effective approaches   |





# Inter-relationship of financial consumer protection and financial inclusion and financial literacy

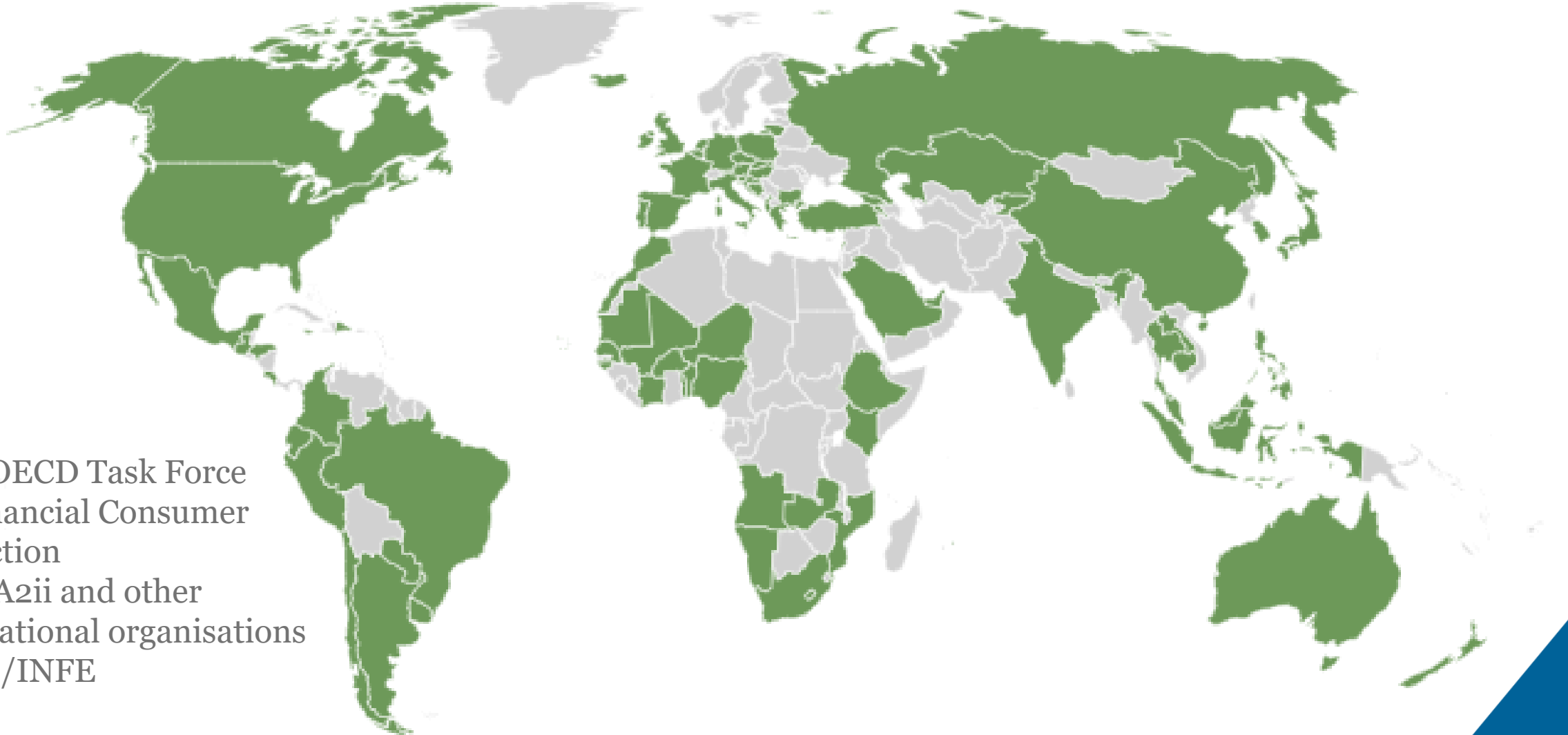




# A wide range of respondents to the Questionnaire – representing 81 jurisdictions and 164 organisations

---

- GPFi
- G20/OECD Task Force on Financial Consumer Protection
- IAIS, A2ii and other international organisations
- OECD/INFE

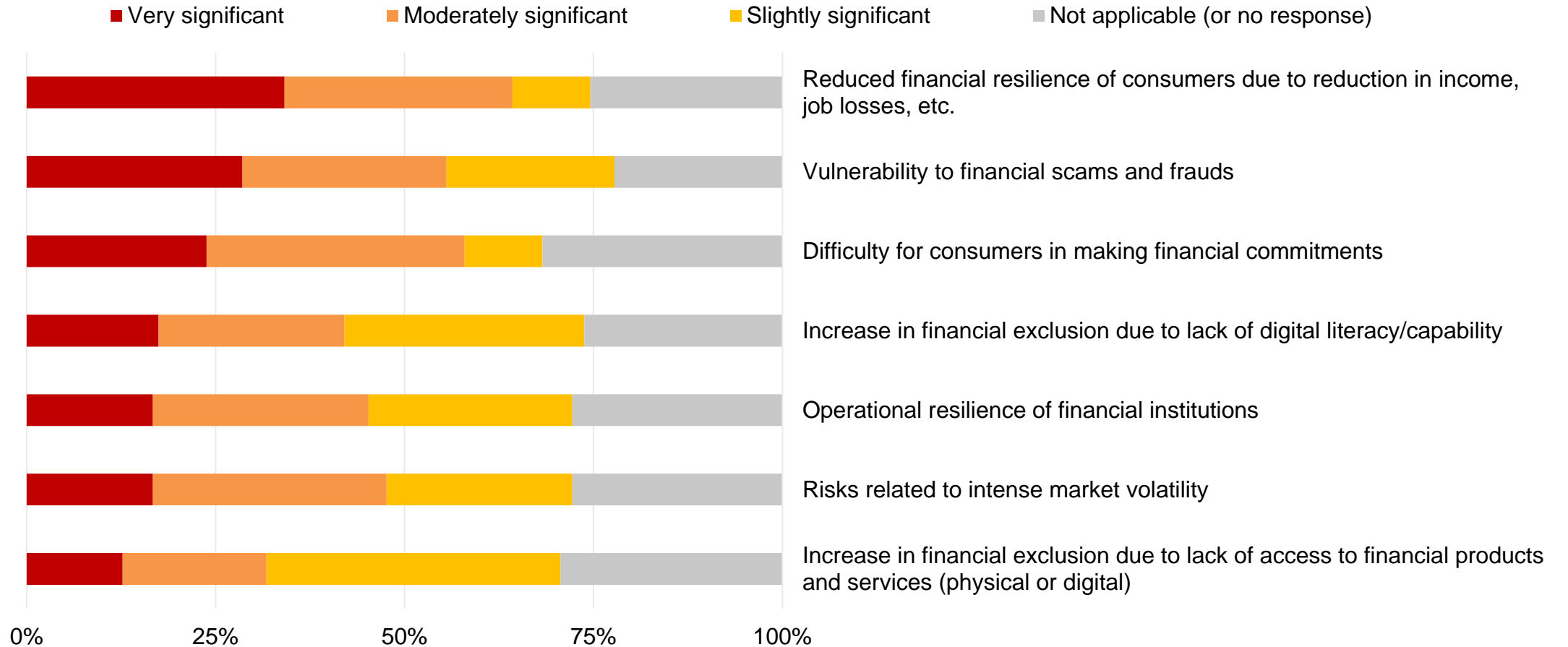




IMPACT OF THE COVID-19 PANDEMIC  
ON FINANCIAL CONSUMERS:  
CONSUMER RISKS & DIGITALISATION



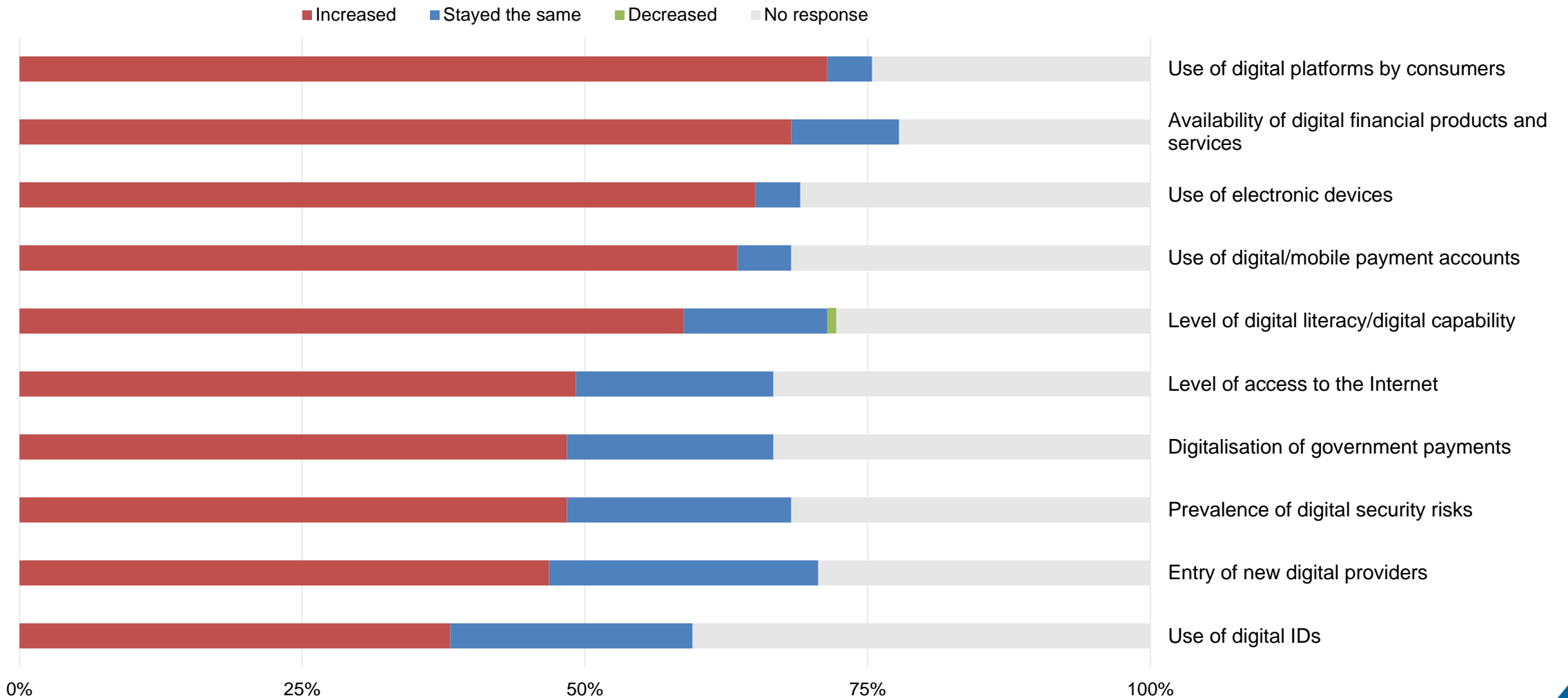
# Overall, reduced resilience and scams/frauds ranked as top risks faced by financial consumers



Note: N=126, Question text: "Please indicate how significant you consider each of the following risks to financial consumers arising from the COVID-19 pandemic in your jurisdiction."



# One of the most significant impacts is the accelerated digitalisation of the financial services sector



Note: N=126, Question text: "How has the COVID-19 pandemic affected the following factors relating to digitalisation in your jurisdiction?"

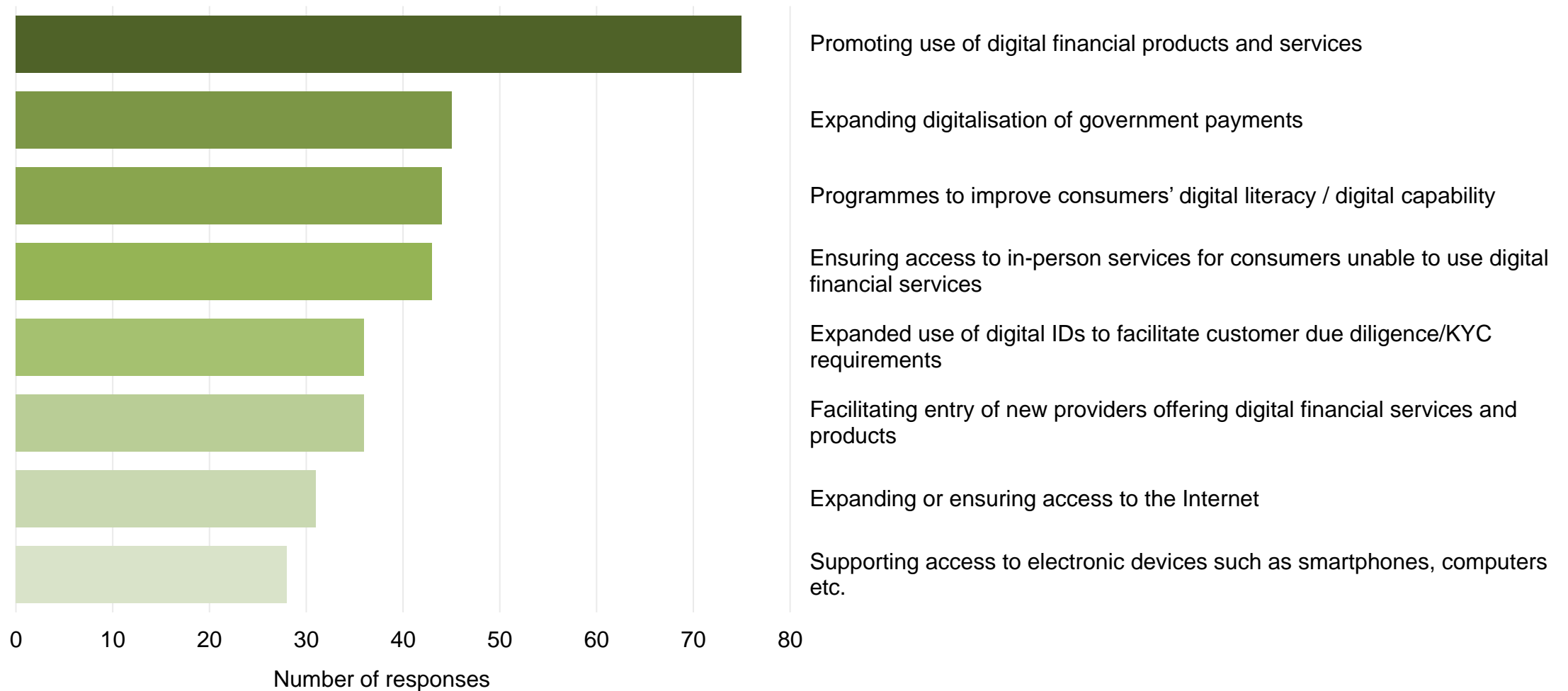


# MEASURES TO SUPPORT FINANCIAL INCLUSION & PROTECT FINANCIAL CONSUMERS





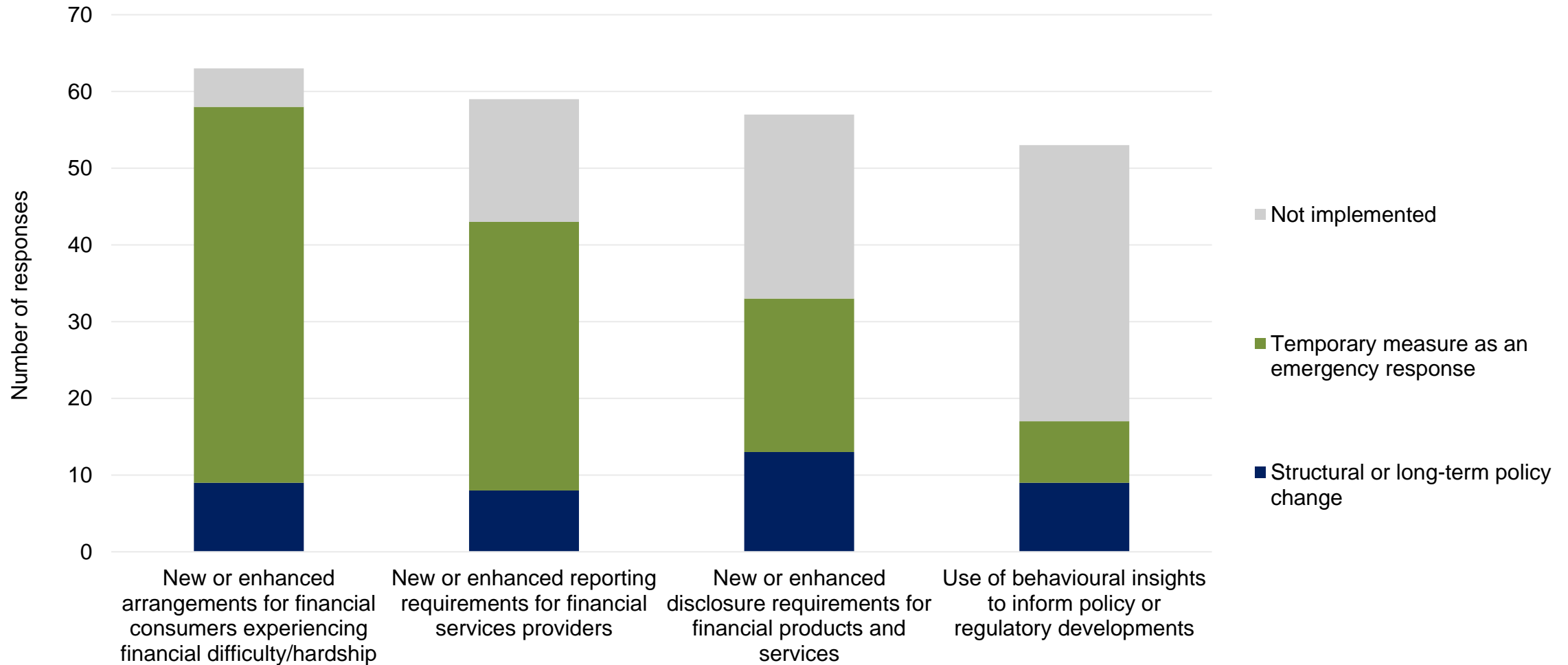
# More than half of respondents adopted measures to support financial inclusion



Note: N=126, Question text: "Have any of the following measures or initiatives been adopted in your jurisdiction in light of the COVID-19 pandemic?"



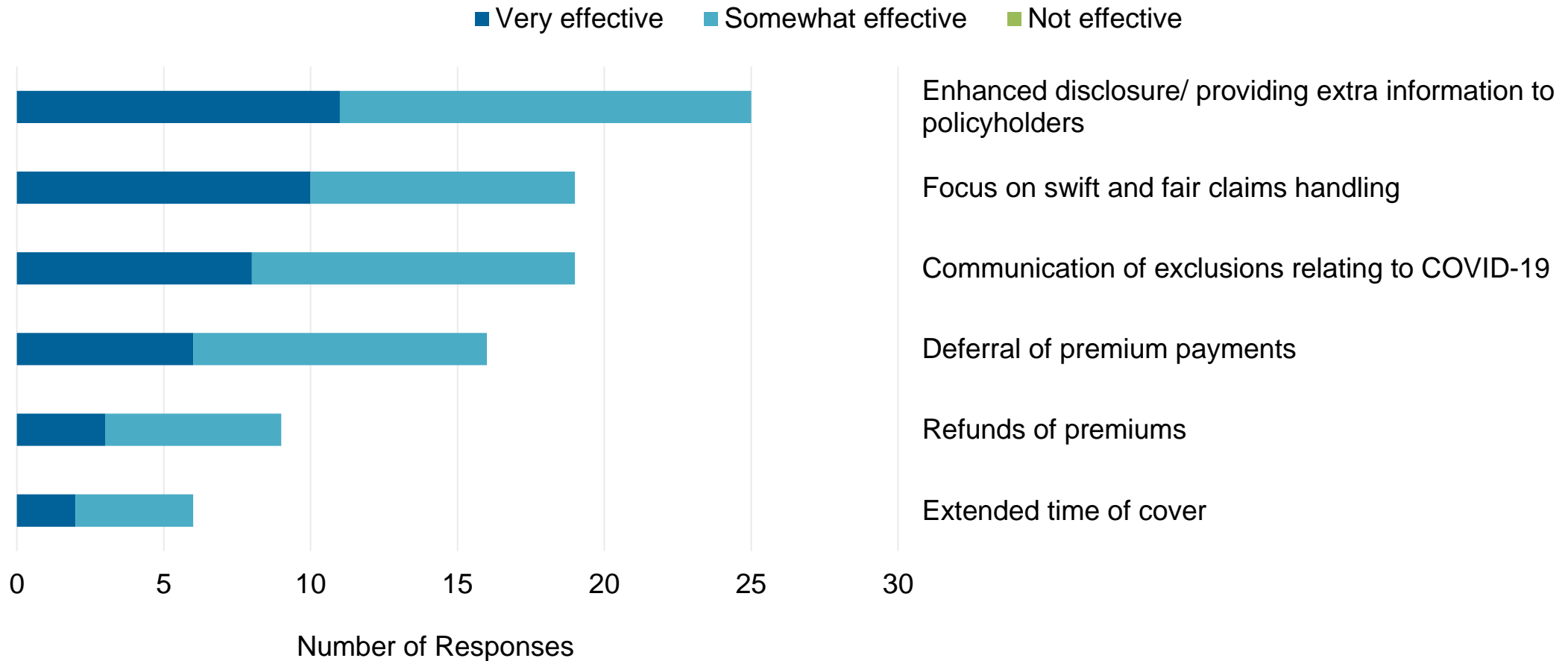
# Seventy-seven respondents adopted policy or regulatory changes relating to financial consumer protection



Note: N=77, Question text: "Have there been any policy or regulatory changes or approaches adopted in your jurisdiction relating to financial consumer protection and regulation, in light of the COVID-19 pandemic? If YES, do the changes or approaches include any of the following?"



Effective measures included enhanced disclosure/providing extra information to policyholders, followed by focusing on swift and fair claims handling.

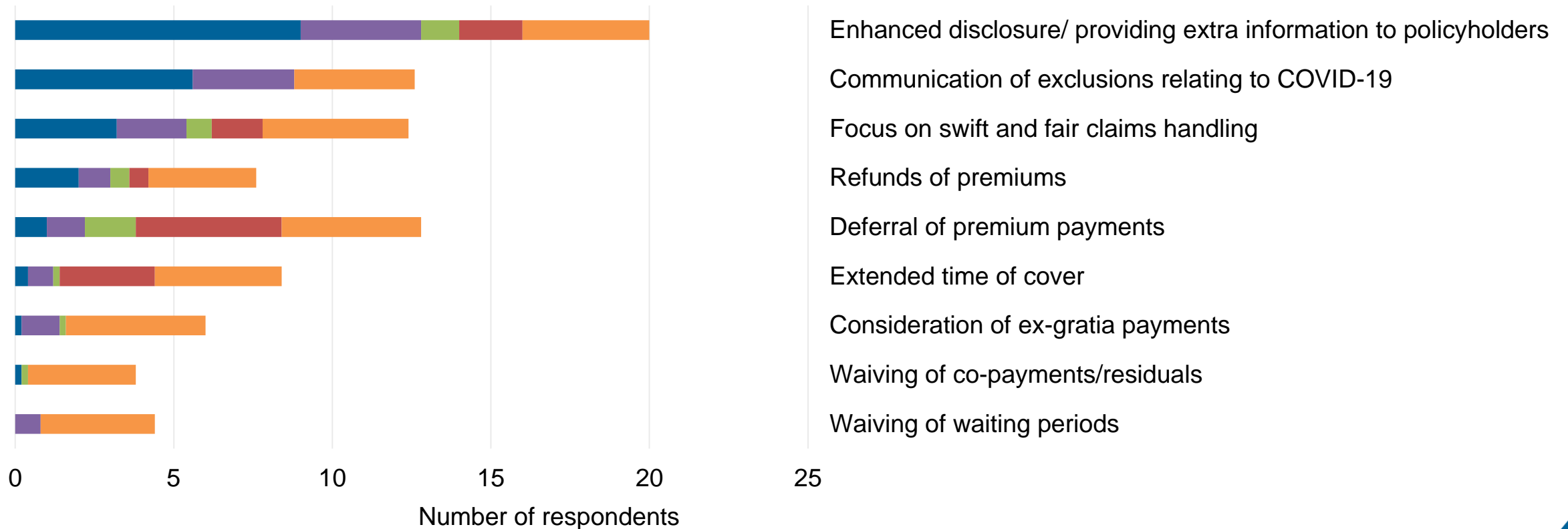


N= 48, Question text: "Please indicate the effectiveness of the following measures relating to general and/or life insurance. If a measure was not implemented in your jurisdiction, please indicate N/A."



# Measures relating to disclosure and communication were most likely to be made permanent

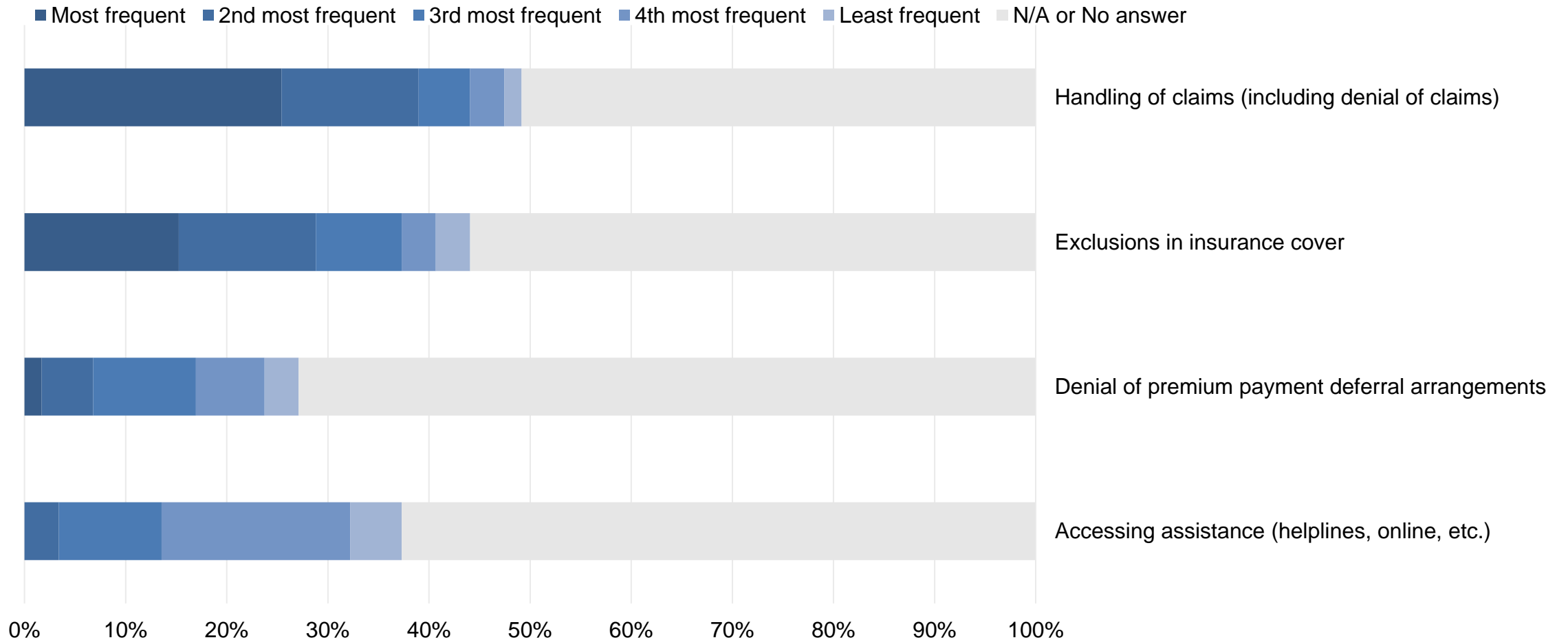
■ Made Permanent ■ Extended more than 12 months ■ Extended 6-12 months ■ Extended 3-6 months ■ Not extended



N= 45, Question text: "Please indicate whether and how the following measures relating to general and/or life insurance have been extended since their original implementation. If a measure was not implemented in your jurisdiction, please indicate N/A.."



## Regarding insurance, the most common complaints received by public authorities related to handling claims and exclusions in insurance coverage



N=59, Question text: "Please rank the frequency of the following types of complaints in your jurisdiction (1 = most frequent). If a type of complaint is not applicable in your jurisdiction, please select N/A."



# LESSONS LEARNT AND EFFECTIVE APPROACHES



# Implications of the pandemic for financial consumer protection and financial inclusion

---

Pandemic has highlighted the importance of robust FCP and meaningful financial inclusion. Going forward, these policy aims will benefit from greater support.

The massive digitalisation that has occurred is unlikely to reverse course post-pandemic.

The pandemic has increased vulnerability and exposure to risk for many consumers, including through online scams and cyber risks.

In many jurisdictions, large numbers of retail investors entered the market.

The crisis has required regulators to coordinate more closely among themselves and with industry and consumer stakeholders.

COVID-19 has deepened regulators and market actors' thinking about risk and crisis-preparedness.



# Effective Approaches

---

**Quick and flexible hardship arrangements, integrated into FCP frameworks going forward**

**Harnessing digitalisation to expand product offerings and maintain continuity**

**Business continuity plans to ensure access to services and support**

**Strengthened coordination among stakeholders**

**Supporting complaints channels and redress mechanisms**





## Effective Approaches, cont'd.

---

**Addressing online financial scams and frauds through a multi-pronged approach**

**Embedding financial inclusion and FCP within innovation strategies**

**Leveraging digital IDs and revising customer due diligence requirements**

**Enhanced monitoring, drawing from multiple sources of data and using digital tools**

**Clear communication for consumers to understand relief measures their implications**



## Some next steps

---

- Inform the G20 Menu of Policy Options for “Enhancing digital financial inclusion beyond the COVID-19 crisis”
- Supplementary report by the G20/OECD Task Force on Financial Consumer Protection with more data analysis on sector-specific FCP measures
- Lessons learnt and effective approaches will feed into the review and update of the **G20/OECD High-Level Principles on Financial Consumer Protection**



# THANK YOU

For more information, please contact: [miles.larbey@oecd.org](mailto:miles.larbey@oecd.org)