

G20/OECD HIGH-LEVEL PRINCIPLES ON FINANCIAL CONSUMER PROTECTION

(Updated)

About the Principles

The G20/OECD High Level Principles on Financial Consumer Protection (the Principles) set out the essential foundations of an effective and comprehensive framework for financial consumer protection. The Principles were first endorsed by G20 Leaders in 2011 and adopted by the OECD as a Recommendation in 2012.

The Principles are designed and intended to be applicable in any country or jurisdiction. The Principles are cross-sectoral in nature, that is, they can be applied to credit, banking, payments, insurance, pensions and investment sectors.

The Principles are the leading international standard for financial consumer protection frameworks, and are included in the Financial Stability Board Compendium of Standards and referenced in the G20 Financial Inclusion Action Plan.

All G20 countries, OECD Members and FSB jurisdictions have adopted the Principles, as well as many other countries as they establish or enhance their financial consumer protection frameworks.

The G20/OECD Task Force on Financial Consumer Protection is responsible for monitoring and maintaining the Principles.

Review and update of Principles

Over the course of 2012-22, the Task Force conducted a review and update of the Principles, in collaboration with the G20 Global Partnership on Financial Inclusion, to ensure they continue to reflect global best practice and are forward-looking. The update was the result of an in-depth assessment of implementation by jurisdictions as well as extensive targeted and public consultation.

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

The updated Principles are summarised in the infographic at Figure 1 below.



Figure 1: Note: The green text illustrates the main updates to the original Principles.

Rationale and objectives

Since the adoption of the Principles in 2011-12, the size and nature of the consumer financial services market have grown and changed considerably, with new types of financial products, services and distribution channels.

There are also global trends that impact financial consumers, such as digitalisation and sustainable finance, as well as developments or new approaches in terms of financial consumer protection policy and regulation.

The response to shocks, such as the COVID-19 pandemic and changes in economic conditions, has also highlighted the importance of appropriate financial consumer protection arrangements to contribute to financial inclusion, resilience and well-being of consumers.

The objectives of the review of the Principles were therefore:

- to assess the implementation of the Principles
- to evaluate the continued importance and relevance of the Principles; and
- to identify new or emerging developments or approaches in financial consumer protection policies that require updates to the Principles to ensure they continue to reflect global best practices and are forward-looking

Result of Implementation Assessment

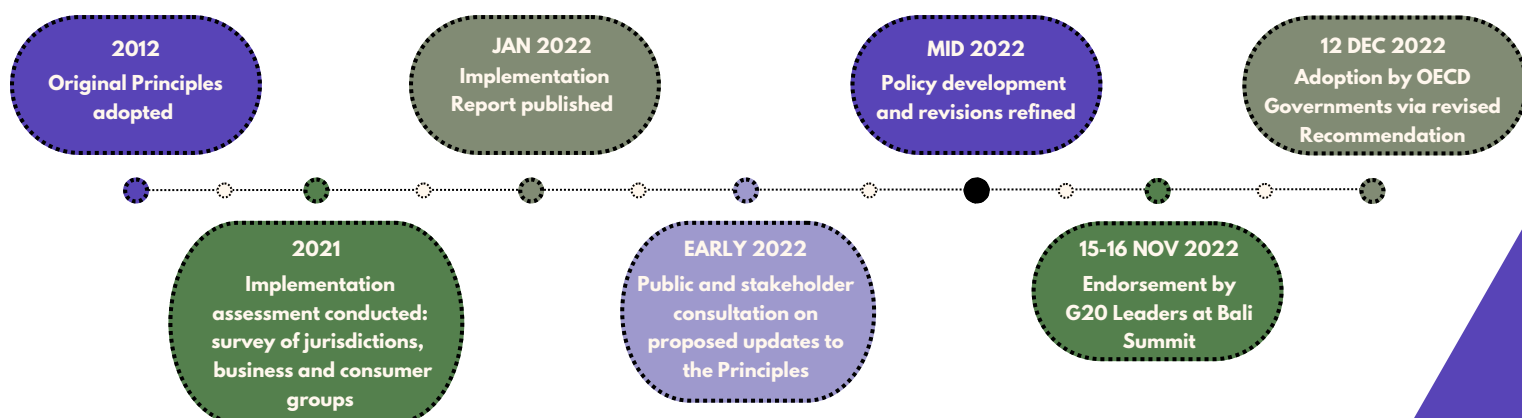
The Implementation Assessment found that the Principles have generally been well and widely implemented by jurisdictions, and the topics addressed by the Principles continue to be important and relevant. Building on the solid foundation of the existing Principles, the Implementation Assessment concluded that the Principles should be updated to take account of policy developments that have emerged since they were adopted ten years ago.

Key updates to the Principles

Building on the existing Principles, the key updates are:

- two new Principles (12 in total), i.e. “Access and Inclusion” and “Quality Financial Products” because these concepts are not currently covered by the existing Principles
- three new cross-cutting themes that are relevant to the consideration and implementation of each and all 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 throughout the Principles such as enhanced protections for consumers who may be vulnerable and a greater focus on tackling financial scams.

Timeline for the review and update of the Principles



About the G20/OECD Task Force on Financial Consumer Protection

The Task Force was established in the wake of the 2008 global financial crisis to conduct financial consumer protection policy work on behalf of the OECD and the G20.

The Task Force brings together OECD Members, G20 countries and Financial Stability Board jurisdictions, as well as representatives of international organisations and standard-setting bodies. It is established as a subsidiary body of the OECD Committee on Financial Markets.

What is Financial Consumer Protection?

Financial consumer protection refers to laws, regulations and other measures generally designed to ensure fair and responsible treatment of financial consumers in their purchase and use of financial products and services and their dealings with financial services providers.

Why is Financial Consumer Protection important?

Financial products and services are essential to most people lives in the twenty-first century. Many are complex, relatively high value and long term in nature. Financial consumer protection frameworks are important to protect and support consumers given asymmetries of information and market power, and the risk of consumer detriment if things go wrong. In this way, financial consumer protection policies underpin public trust and confidence in the financial system, and support the financial inclusion and resilience of individuals and households.

Visit: oecd.org/finance/high-level-principles-on-financial-consumer-protection.htm

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