



FINANCIAL EDUCATION, FINANCIAL CONSUMER PROTECTION AND FINANCIAL INCLUSION POLICY RESPONSES TO THE COVID-19 PANDEMIC IN ASIA-PACIFIC

Flore-Anne MESSY
Opening Remarks

Tuesday, 9 February 2021 | 08:00-11:00 a.m. CET

Project supported by funding from the Japanese Government



PRESENTATION OVERVIEW



1. Financial literacy and inclusion across economies before the pandemic



2. OECD support, tools and guidance on FCP, FE and FI



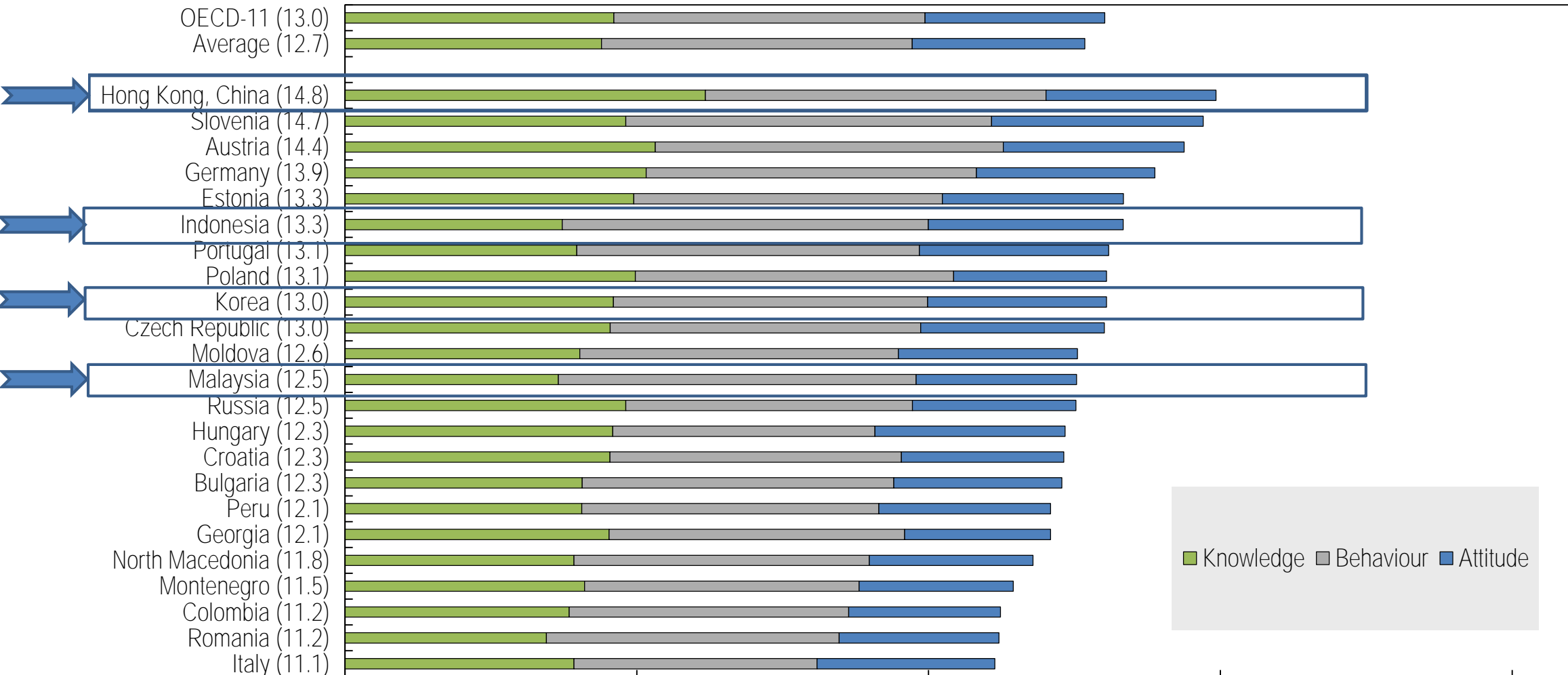
3. Webinar series and today's agenda



1. CONTEXT

LIMITED FINANCIAL LITERACY AND HIGH HETEROGENEITY ACROSS ECONOMIES

Financial literacy score (out of 21)

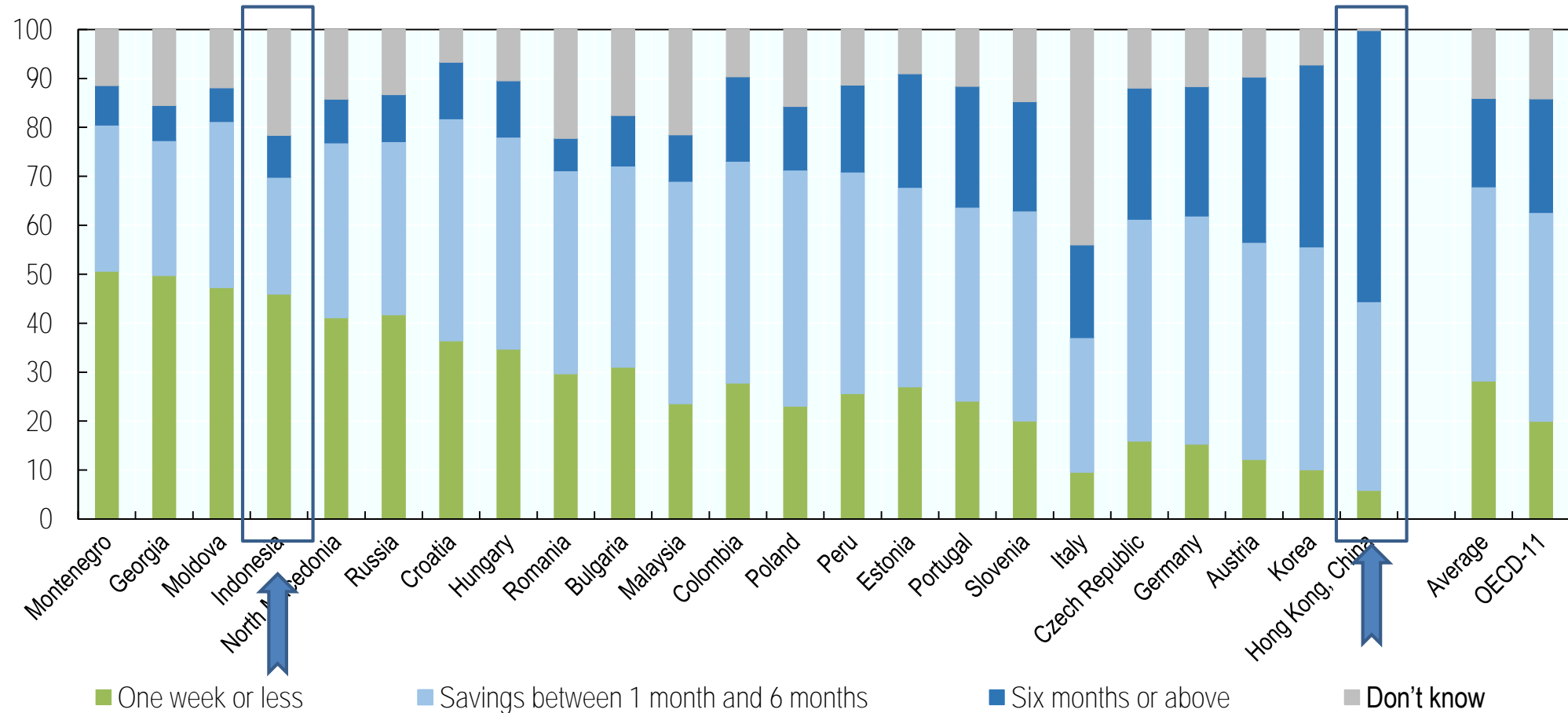




1. CONTEXT

LIMITED FINANCIAL RESILIENCE AND HIGH HETEROGENEITY ACROSS ECONOMIES

Availability of a financial cushion in case of income loss: Percentage of people who could continue to cover living expenses for a given period of time if they lost their main source of income, without borrowing or moving house

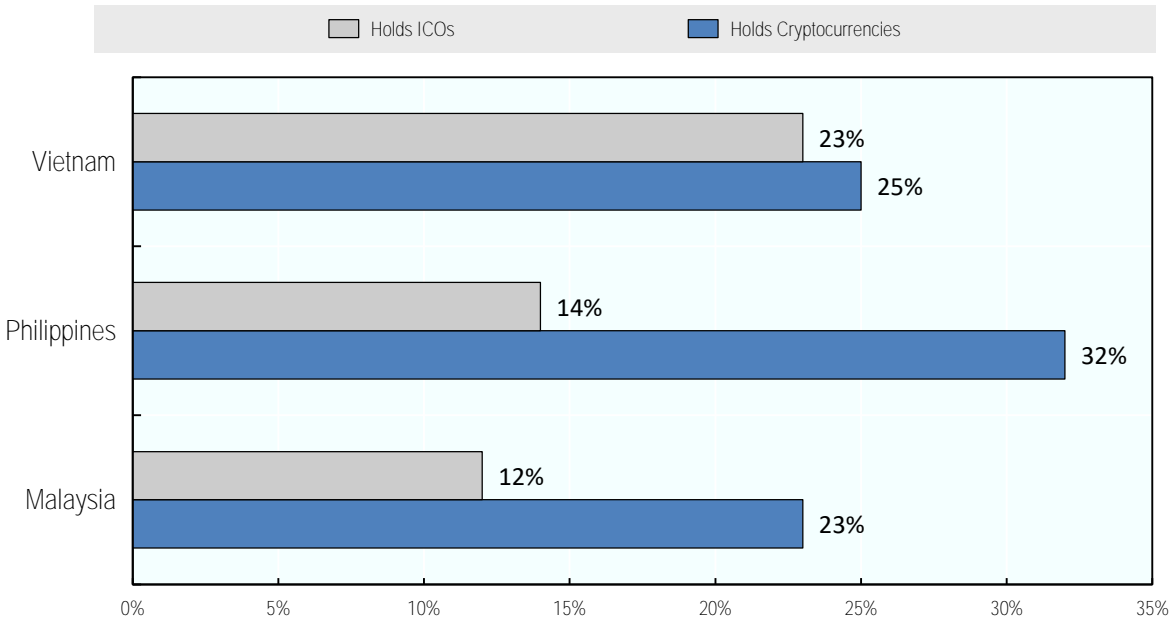




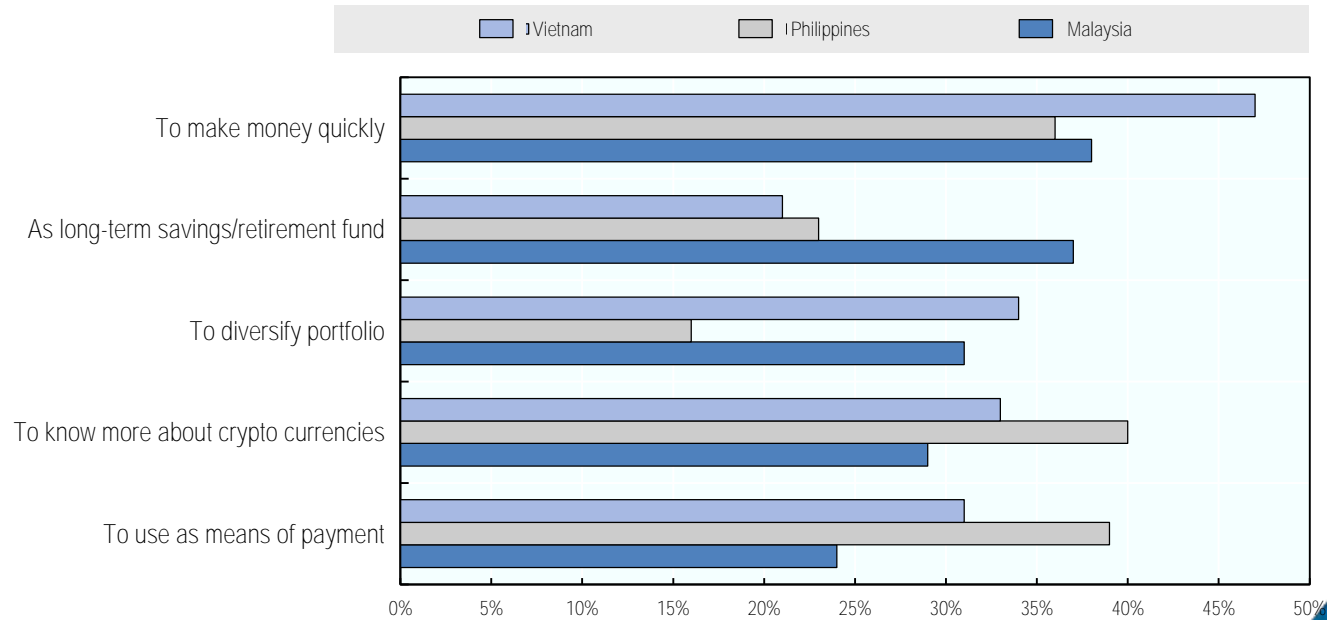
1. CONTEXT

POTENTIALLY INCREASED VULNERABILITIES DUE TO CONSUMER ATTITUDES AND BEHAVIOURS PREVIOUS TO THE PANDEMIC

Holding cryptoassets: Percentage of people who holds cryptocurrencies or ICOs



Reasons for holding cryptoassets: Percentage of respondents who have ever held cryptocurrencies, including booster sample

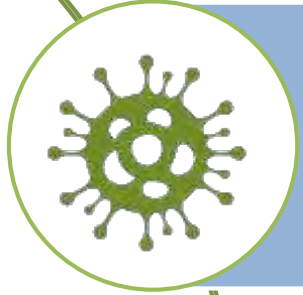


Source: OECD (2019), Cryptoassets in Asia. Consumer attitudes, behaviors and experiences.



2. OECD support, tools and guidance on FCP, FE and FI

TIMELY GUIDANCE and LONG-TERM JOURNEY to support FINANCIAL RESILIENCE and WELL-BEING



March-May 2020 - Policy notes on responses to the COVID-19 crisis

[Supporting the Financial Resilience of Citizens throughout the COVID-19 Crisis](#)
[Financial Consumer Protection responses to COVID-19](#)



Since 2008- OECD/INFE work on how financial education can support:

- Short/Long-term savings/investment and sound credit behaviour
- Digital financial literacy/inclusion
- Needs of vulnerable groups including women, young people, seniors, MSMEs, etc.



2020- OECD **[Recommendation on Financial Literacy](#)** adopted by OECD Council at Ministerial level on 29 October 2020 reflects this approach

- *One-stop-source* to design, implement and evaluate effective financial literacy initiatives
- Covers digital aspects and COVID aspects to promote resilience
- Support national strategies for financial education and adequate level of resources



OECD RECOMMENDATION OF FINANCIAL LITERACY

Key areas of the Recommendation:

National strategies for financial literacy

Including how to address the needs of vulnerable groups and support financial resilience.

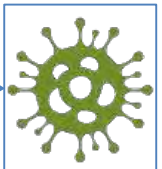
Financial literacy and the various sectors of the financial landscape

Especially on saving, pensions, investments, credit and insurance

Taking into account the increased digitalisation of finance

Effective delivery of financial literacy programmes

Including digital delivery, the use of behavioural insights and the evaluation of such initiatives



Covid-19: Strong relevance in meeting challenges to financial wellbeing and resilience

ADHERENCE

- Non-Members and accession countries invited to adhere to the recommendation (political commitment, not legally binding)
- Non-Members adherence through commitment letter





OECD leading work and supporting jurisdictions on financial consumer protection re COVID-19

Policy Guidance note

- resource for policymakers and oversight authorities
- outlines FCP and financial inclusion responses for consumers experiencing financial difficulties

Data collection on FCP policy responses

- to facilitate information-sharing and provide a global view
- open to all countries to participate, with the support of SSBs and IOs

COVID-19 webinars

- open sessions for countries to share information and experience
- special sessions of the Task Force on Financial Consumer Protection



Financial consumer protection and financial inclusion policy responses

89 organisations from 64 jurisdictions responded to the data collection Questionnaire in 2020 – *thank you to all respondents*



[Report of the high-level summary analysis of responses](#), published October 2020

Credit

Credit moratoria
Changes to loan terms
Suspension of debt collection activity

Banking / Payments

Ensure availability of different access channels (digital service provision)
Promote use of contactless payments, increase payment limits

Insurance

Clear communication re exclusions
Fair handling of insurance claims
Deferral of premium payments

Financial scams

Warnings against financial scams & information for consumers



2. OECD support, tools and guidance on FCP, FE and FI

Policy Considerations & Next Steps

Policy considerations:

Emergency measures to support financial resilience extended in line with the duration of the pandemic

Policy makers working out exit strategies to move out of emergency phase

Significant increase in digital transactions will have lasting effect

Next steps:

Joint project between the Task Force and the GPF I

Report will be a deliverable for the Italian G20 Presidency

New work stream and G20 deliverable on supporting financial resilience and transformation through digital financial literacy

Coordinated G20 survey on the financial literacy of MSMEs and COVID-19 impact

FCP: OECD will launch a follow-up survey in March/April 2021, to gather information on effective approaches and longer term implications regarding consumer protection and financial inclusion

OECD/INFE



WEBINAR SERIES | Financial education, financial consumer protection and financial inclusion in Asia-Pacific

1. **Today: Financial education, financial consumer protection and financial inclusion policy responses to the COVID-19 pandemic in Asia-Pacific**

- *Discuss recent evidence on financial literacy levels in the region & share financial consumer protection and financial responses implemented by different Asia-Pacific jurisdictions in response to the COVID-19 pandemic*

2. **23 February 2021: Financial inclusion, financial consumer protection, and financial education policies in CLMV countries**

- *For policymakers in Cambodia, Lao PDR, Myanmar and Vietnam (CLMV) focusing on the latest updates with regards to the development and implementation of policies and strategies for financial inclusion, financial consumer protection and financial education.*



Further resources

COVID-19 RESPONSES

[Supporting the Financial Resilience of Citizens throughout the COVID-19 Crisis](#)
[Financial Consumer Protection responses to COVID-19](#)
[Global Financial Markets policy responses to COVID-19](#)
[Strengthening Seniors' Financial Well-being throughout the COVID-19 Crisis and its Aftermath](#)

(DIGITAL) FINANCIAL INCLUSION

[Policy Guidance on Financial Empowerment for Vulnerable Groups](#)
[G20 Fukuoka Policy Priorities on Aging and Financial Inclusion](#)
[G20/OECD INFE Policy Guidance Digitalisation and Financial Literacy](#)
[Advancing the Digital Financial Inclusion of Youth](#)

SAVING, CREDIT, INVESTMENTS

[Financial Education, Savings and Investments: An Overview](#)
[Financial Education for Long-term Savings and Investments](#)
[The role of financial education in supporting decision-making for retirement](#)
[OECD/INFE policy framework for investor education](#)
[Short-Term Consumer Credit: provision, regulatory coverage and policy responses.](#)

WOMEN AND GIRLS

[OECD/INFE Policy guidance on addressing women's and girls' needs for financial awareness and education](#)
[Women and Financial Education: Evidence, Policy Responses and Guidance](#)

YOUNG PEOPLE

[PISA 2018 Results Are Students Smart about Money?](#)
[Policy handbook on financial education for young people in the Commonwealth of Independent States](#)

MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

[Financial Education for MSMEs and Potential Entrepreneurs](#)
[OECD/INFE Core Competencies framework on Financial Literacy for MSMEs](#)
[OECD/INFE Progress Report on Financial Education for MSMEs and Potential Entrepreneurs](#)



MAINTAINING CONSUMER FINANCIAL RESILIENCE IN ASIA-PACIFIC, IN THE FACE OF A GLOBAL PANDEMIC (PRELIMINARY DRAFT, PLEASE DO NOT QUOTE)

Adele Atkinson, PhD
Senior Research and Policy Consultant
On behalf of the OECD
AtkinsonFinancial@gmail.com

Work supported by the Japanese Government



Outline

Introduction

Financial resilience prior to the pandemic

Threats to financial resilience caused by the pandemic

Policy responses



Introduction

Aim and objectives

- Identify the key challenges to financial resilience in Asia-Pacific created by the pandemic
- Summarise policy responses designed to support financial consumers
- Policy analysis and suggestions for now and in the future

OECD data

- Questionnaires circulated to G20/OECD Taskforce members; and OECD/INFE members
- Survey data collected by OECD/INFE

Other sources

- Various OECD policy tools
- New reports looking at various aspects of the pandemic and policy responses.
- The outcomes of conferences and meetings (such as this)



Cross-comparison of financial resilience in Asia-pacific economies (OECD/INFE data, pre-pandemic)

Hong Kong,
China

Relatively resilient in terms of: having a financial buffer of 6 months+ (55%)

Indonesia

Struggling most with: making ends meet; 6m+ financial buffer (9%); financial stress around making ends meet (58%); scams (23%)

Korea

Relatively resilient in terms of: making ends meet (12% did not); not worrying about normal expenses (16% worried)

Malaysia

Struggling most with: financial stress around normal expenses (59%); unauthorised transactions (5%)

Thailand

Relatively resilient in terms of: Keeping watch (86%); long-term financial planning (72%)



Threats to financial resilience

Income shocks

- job loss, furlough; lost sales for MSMEs, time off to care for vulnerable/children, reduced investment income

Income declined in 73% of ASEAN households (ADB)

Expenditure shocks

- Out of pocket healthcare costs, loss of access to free school meals

Other factors

Widespread economic downturn, uneven access to social support

Outcomes

- Late payments; reduced savings buffer, reliance on credit; loss of assets

55% of ASEAN households experienced financial difficulty (ADB)



Implications of the pandemic for Asia-Pacific households

Financial difficulties and reduced standard of living

- Across ASEAN, of those facing income shocks, 55% drew on savings, 35% deferred payments and debt repayments, 34% sought government aid (ADBI, 2020). More than half of households in Cambodia, Indonesia, Myanmar and Timor-Leste were cutting back on basics- including meals to make ends meet (Lydia et al, 2020; The Asia Foundation, 2020)

Access difficulties

- Difficulty in accessing FSPs to negotiate loans, make withdrawals etc

Increase in scams

- Targeting a variety of people – e.g. those with a desire for high returns, those seeking to support charities, online shoppers, government support seekers, p2p borrowers joining online platforms

Changing financial behaviour

- Increase in online shopping and trying new brands, making digital payments and using shopping/payment apps



Groups most affected

Some groups are worse affected, but the impact has been widespread, so households of all kinds may be struggling



The self-employed, low wage earners or informal workers



Employees and MSMEs in certain sectors: farming/fishing, transportation, accommodation, food services, construction, garment industry, tourism, food, retail



Rural populations reliant on urban markets; migrants and recipients of remittances (in some industries - others are key workers).



Women, especially those with responsibility for children and older adults. Women also highly represented in worst hit sectors, and have fewer savings. Risk of domestic abuse is also increasing among women and children.



Older people more vulnerable to falling sick, and, more likely to rely on face-to-face financial services and be unfamiliar with digital tools. Children and youth are facing lower educational attainment, few job opportunities.



Some positive signs - some consumers in Asia-Pacific economies have been:

Switching jobs

Engaging with
their retirement
savings
accounts

Seeking
financial
knowledge

Identifying
ways to increase
savings



Policy responses

All G20/OECD FCP respondents in Asia-Pacific implemented at least one FCP measure; similarly for OECD/INFE members in the region

Some measures have been combined to be more effective (e.g. a change in rules combined with an information campaign)

Policy responses from financial regulators/supervisors are part of a much wider package of social protection – including wage subsidies, cash transfers, grants, free access to food and healthcare, tax breaks, reduced cost utilities/transport, digital IDs

Responses also include actions to prevent the spread of the virus such as reducing face-to-face services and increasing digital capacities



Treating customers fairly

Regulators have insisted that providers should, for example: exercise self-discipline, keep customers informed, treat changing circumstances appropriately, avoid penalising those in difficulty

E.g. 1. China: banks are not allowed to take advantage of the epidemic in their advertising campaigns, and must make reasonable adjustments to support vulnerable consumers (e.g. regarding opening hours, larger font, door-to-door services etc).

E.g. 2. Australia: consumers do not incur penalties when they arrange to defer their credit as a result of the pandemic, and if they were not in arrears, their request for deferral does not impact their credit score



Maintaining access to credit, deferring outgoings and minimising fees

Maintaining access to credit for individuals and MSMEs

- Australia and HK have created coordinating mechanisms to ensure continued access to credit, offering full/partial guarantees.
- Flexible repayments (China); extension to debt consolidation (Singapore)
- Supporting MSMEs - Option to defer capital repayments/interest on loans (Aus, China, India, Japan); lower interest rates and higher borrowing limits on case-by-case basis (China)

Deferring outgoings and minimising fees

- Deferred credit repayments (HK, India, Japan, Singapore) and changed terms on credit cards (Aus, HK, Indonesia)
- Accessing money in term deposits without penalty (Aus), fee waiver for min. balance or failed payment (Singapore), waived cash withdrawal fees (China)



Investments and retirement savings; insurance

Investing

- Measures to prevent panic trading – including stability fund, ban on short selling (Korea)
- Flexible ways of working and accepting instructions from clients (HK)
- Suitability tests in the face of changing circumstances

Retirement

- Reduced minimum withdrawal, early access if in hardship (Aus)
- Postponed life-cycling (Indonesia)

Insurance

- Ensure access to (life) insurance despite COVID-19 exposure (Aus)
- Extra time to pay premiums (imposed by regulator or introduced by providers) (e.g. HK, Japan)
- Process claims quickly (Aus, China, India, Japan, Korea)



Information and guidance

Timely information and guidance

- Seen as essential as a component of comprehensive policy responses
- Typically via websites – other tools include blogs, social media, interviews, press releases/conferences
- Some new communication requirements on industry (e.g. Australia)
- Scam warnings (Aus, China, India, Indonesia, Japan, Korea, NZ, Singapore)

Maintaining financial education provision

- Rapid transition of face-to-face delivery to online (webinars, blogs, online campaigns etc) (HK), TV campaigns (India, Malaysia, NZ), social media (e.g. Thailand, Malaysia)
- Facilitators and teachers have been rapidly trained to deliver FE online (NZ)



Next steps

- Revised draft prepared for OECD peer review (mid March)
 - Taking into account feedback and information provided during the two regional webinars
 - Incorporating conclusions and potential policy implications
- Final report prepared for publication, shared with members and published online



THANK YOU

**COMMENTS/SUGGESTIONS?
ADDITIONAL INFORMATION?**

PLEASE LET US KNOW!

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OR CHIARA.MONTICONE@OECD.ORG

Webinar on Financial Education, Financial Consumer Protection and Financial Inclusion Policy Responses to the COVID-19 Pandemic in Asia-Pacific Region

Financial Policy Responses to COVID-19: Indonesia Experience

9 February 2021

Tirta Segara

Member of the Board of Commissioners
in Financial Education and Consumer Protection



Impacts on SMEs in Indonesia

84% MSEs

decreased income

33% MSEs

employee reduction

19% Comp.

only survive in 3 months

Most Vulnerable Sector

Accommodation, Food and Beverage, Transportation and Warehousing

Help Needed by MSEs

*69% Capital Assistance
30% Loan Restructuring*

National Bureau of Statistics, 2020



The open unemployment rate jumped to 7.07% in August 2020, causing an increase in unemployment by 2.7 million people.

The Most Vulnerable Group:

1 *Around 70 million informal workers, in particular around 4 millions motorcycle taxi drivers. They borrow from banks or other financial institutions to buy the vehicles.*

2 *Employees Reduction of the Vulnerable Sector*

*Construction (51,4%)
Accommodation and F&B (50,5%)*

National Bureau of Statistics, 2020

Loan Restructuring Program THE FRAMEWORK AND CHALLENGES...



Purposes

Two Prong Approaches:

- (1) Maintain the borrowers' credit worthiness;
- (2) To keep the financial institution's performance remain sound



Schemes

Financial Institutions allowed to:

- Lower interest rates
- Extend repayment periods
- Reducing arrears
- Topping up the existing facilities



Treatment

- Based on the banks or FIs assessment on their borrowers
- Only borrowers adversely affected by Covid-19

CHALLENGES

- Poor Understanding of the Procedure
- Misconception of the Framework
 - ✓ Restructuring.. Not Hair Cut
 - ✓ Affected by Covid-19



SEQUENCING:

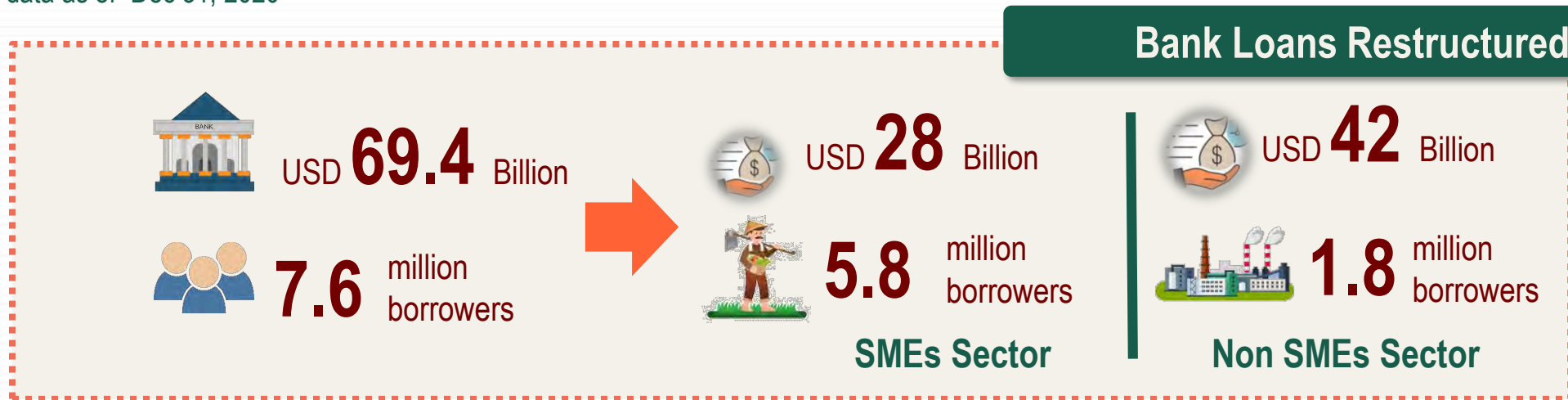
- Announcement Time
- Coordination with the Industry

*Intended to calm down,
but resulted in panic, instead.*

Loan Restructuring Program THE EFFECTIVENESS...



*data as of Dec 31, 2020



The loan restructuring program will be extended until March 2022

Financing Restructured by Financial Institutions



OTHER POLICY INSTRUMENTS

Financial Education Through Digital Means



Switching from face-to-face to digital means or online

Financial Education Program through Social Media

Articles

311%

or 218 articles

Visitors Growth:

176%

or almost 1 Million Visitors

1 Improve the Mobile Apps



2 More Than 240 Webinars

3 Improving Financial Literacy through Life Cycle and Family Approach



CHALLENGES

- Mobile Phone/Gadget Ownership
- Network Coverage
- Low Digital Literacy Rate
- Full Attention from Audience
- One Student One Account Program

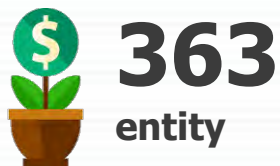




Combating SCAMS

SCAMS from Jan 2020 - 2021

Illegal
Investment



Illegal
Fintech



Illegal
Pawnshop



**Empowering Task Force on
Financial Access Acceleration
under District Government**

*Developing Generic Model for
Credit / Financing Against Loan Shark*

53.060 borrowers
USD 46 Million



**Synergy with
FINANCIAL SYSTEM STABILITY BOARD**



OJK has issued forward looking and countercyclical policies to maintain overall **FINANCIAL SYSTEM STABILITY**. The Government and Bank Indonesia also play an important part by rolling out fiscal stimulus and accommodative monetary policies.

Financial Education and Consumer Protection Policies and Practices in response to the COVID-19 pandemic



ROCHELLE D. TOMAS
Deputy Director
Economic and Financial Learning Office

09 February 2021



LIQUIDITY- ENHANCING MEASURES

- 200 basis points policy rate cut
- 200 basis points cut in reserve requirements
- ₱300B repurchase agreement with NG
- ₱20B advance dividends to NG

STIMULATE BANK FINANCING for MSMEs










- New loans for MSMEs as banks' compliance to reserve requirements
- Temporary reduction in credit risk weights of loans
- Zero risk weights for loans with gov't. guarantee
- Relief on the reporting of past due and non-performing loans of borrowers

PROMOTE DIGITAL PAYMENTS

- Zero fees on e-payments (Instapay, PESONet)
- Support to the National ID (PhilSys); Temporary relaxation of KYC
- Digitalization of payments (social benefits, wages, transportation)
- Grace period for loan repayments

BSP's Policy Responses
to the Pandemic

COVID-induced Acceleration in Digital Payments

	Volume	Value
 <p>ATM Withdrawals</p>	 24%	 13%
 <p>Check Transactions</p>	 67%	 62%
 <p>Electronic Fund Transfers</p>	 87%	 42%



4.6M new accounts opened digitally



41% purchased more online because of the pandemic



39 M e-commerce users in 2020



42% e-commerce revenue growth in 2020

Represents the growth or decline in figures 76 days before and after ECO



FINANCIAL INCLUSION



FINANCIAL EDUCATION



CONSUMER PROTECTION



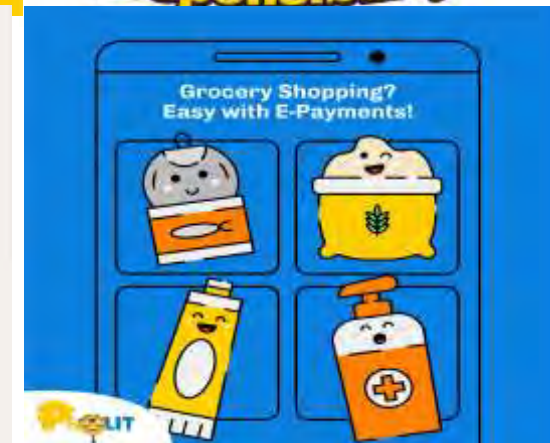


BSP DIGITAL LITERACY PROGRAM

- Build trust
- Increase usage



#SafeAtHome
sa E-Payments!



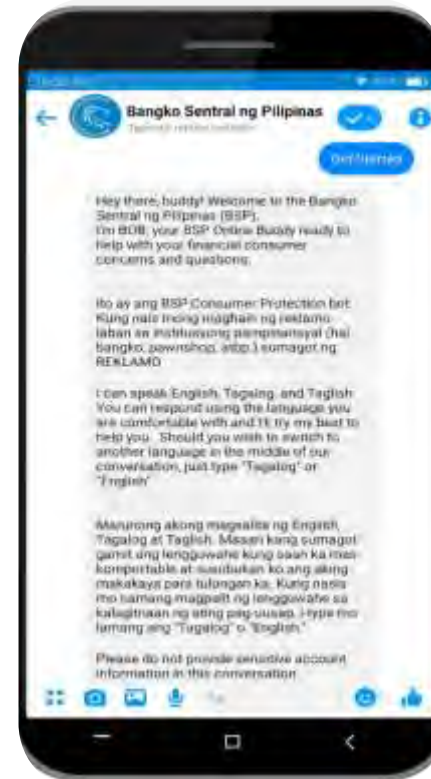
Consumer Assistance Management System



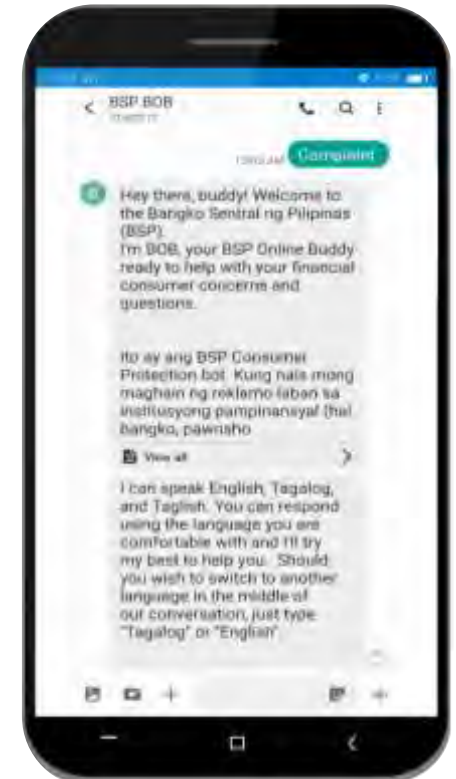
BOB
BSP ONLINE BUDDY



Webchat



FB Messenger

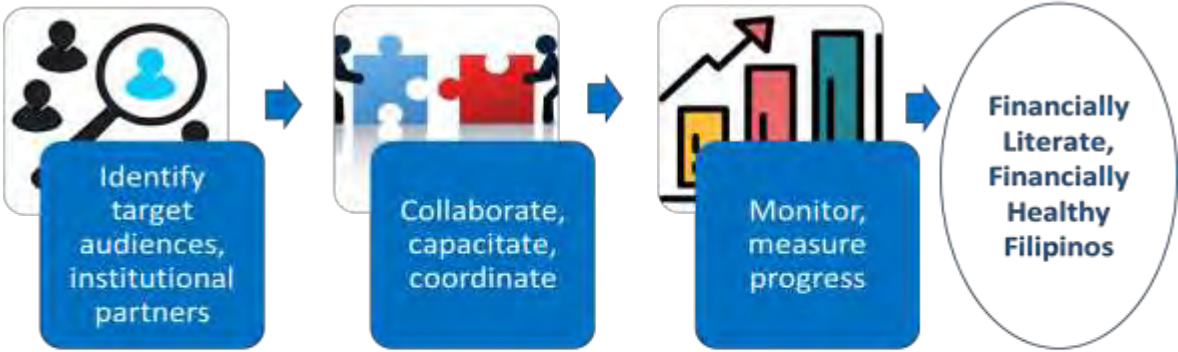


SMS



Strategic Financial Education Partnerships

BSP FINANCIAL EDUCATION PARTNERSHIP FRAMEWORK



- PARTNERSHIP PRINCIPLES**
- ✓ Ensure objective compatibility, shared responsibility, leveraged resources
 - ✓ Add value to existing initiatives and infrastructure
 - ✓ Create sustainable, scalable programs with multiplier effects
 - ✓ Clear terms of reference and performance indicators
 - ✓ Avoid conflicts of interest and commercialization

FIN-ED PARTNERSHIPS THAT SUPPORT THE NATIONAL STRATEGY FOR FINANCIAL INCLUSION



Financially Healthy Filipinos



Use a range of financial tools, products and services



Balance income and expenses



Build wealth and maintain reserves

Plan and prioritize needs over wants



Manage existing debts and have access to potential resources



Manage and recover from financial and economic shocks



Digital Payments Transformation Roadmap 2020-2023

STRATEGIC
OUTCOMES

50% of total retail transaction is digital
70% of Filipino adults are financially included

Innovative and responsible use of data for consumer empowerment and benefit

PILLARS

Digital
Payment
Streams

Digital
Finance
Infrastructure

Data
Governance
and Standards



Thank you.





OECD webinar

Overview of the financial consumer protection and education policies and practices implemented in response to Covid 19

Initiatives and experience of Reserve Bank of India

Ranjana Sahajwala
Chief General Manager
Consumer Education and Protection Department
Reserve Bank of India
February 9, 2021



Agenda

- Regulatory relief measures in response to and amid the pandemic
- Consumer protection measures to address vulnerabilities
- Challenges
- Way forward



Regulatory relief measures

- Forbearance and relief for customers
 - Moratorium on payment of loan instalments and interest till August 2020
 - Relaxation in asset classification
 - Restructuring for MSME loans
 - FSPs to have Board-approved policies
- Customer convenience
 - Round the clock availability of digital payment options



Regulatory relief measures

- Liquidity
 - Reduction in rates
 - Support for specific sectors through long term repos
- Credit flow
 - Guidelines for bank lending to NBFCs for on lending to various sectors
 - Co-lending by banks with NBFCs to MSMEs
 - Incentive for extending credit to areas with low credit flow
 - Increased targets (% of net bank credit) for priority sector lending
 - small and marginal farmers, weaker sections



Consumer protection measures

- Grievance redress
 - 24X7 availability of the RBI grievance redress portal
 - Covid 19 related complaints redress on priority – short turnaround time
- Consumer protection
 - Targeted awareness drive by FSPs
 - Their websites - policies w.r.t. regulatory relief and forbearance
 - Multimedia - safe and secure use of digital payments
 - Messages through SMS/email – customer eligibility for relief package
 - Disclosure by banks and NBFCs regarding digital lending platforms engaged as agents



Consumer protection measures

- Targeted awareness drive by RBI
 - Multi-media campaigns on fraudulent transactions, safe digital banking, availability of Ombudsman mechanism
 - Messages on RBI's social media pages
 - Tickers/scrolls with key messages on the RBI website and the Complaints portal
 - Safe digital banking: E.g. – Do not share bank account information; Only access official websites of FSPs
 - Cyber frauds: E.g. - Beware of messages promising help in securing concessions from banks in any manner as they may be fraudulent
 - Ombudsman Schemes: E.g. - For filing a complaint and for details of RBI's Ombudsman Schemes, please visit <https://cms.rbi.org.in>



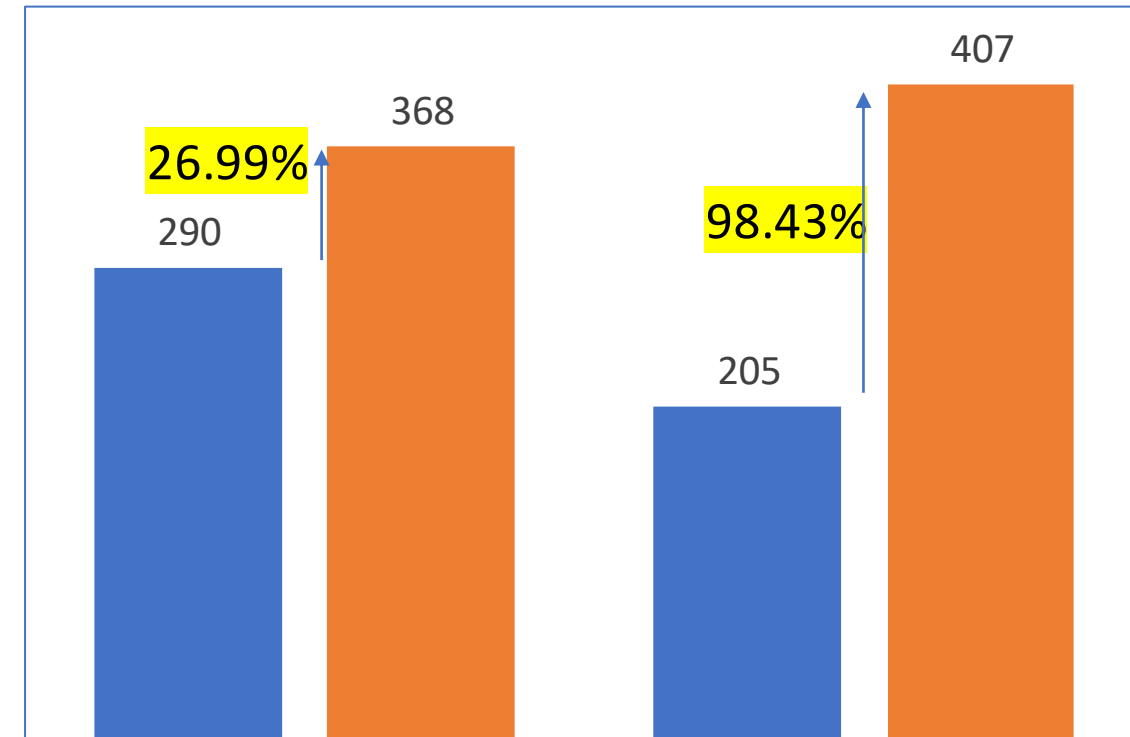
Complaints during the pandemic

Disposal of complaints - 98% increase during April 2020 to January 2021 over the previous year

Pandemic related grievances

- Moratorium not being extended
- Mandates for direct debit to account / cheques being presented despite moratorium
- Recovery measures by FSPs despite moratorium

Receipt & Disposal of Complaints



No of complaints received (in thousands) No of complaints disposed (in thousands)

- April 01, 2019 to January 31, 2020
- April 01, 2020 to January 31, 2021



Challenges

- Sudden transition to digital modes of transaction
 - Digital literacy and impact on rural customers, elderly and migrants
 - Other vulnerabilities
- Awareness
 - Misunderstanding regarding relief measures announced
 - Uniform applicability v/s eligibility
 - First resort with FSP v/s Alternate grievance redressal
- WFH preparedness
- Financial literacy, financial inclusion and financial consumer protection disconnect





Lessons and Way Forward

RBI's consumer protection and grievance redress

- Simultaneity of financial education, inclusion and consumer protection
- Focus on protection related awareness in financial literacy initiatives
 - Integral to financial literacy
 - Cover rights and responsibilities
 - Focus on vulnerable groups
 - Delivery channels to suit target group
 - Impact analysis
- Consumer protection related awareness to include static and dynamic aspects
 - safe banking, frauds, digital banking, digital lending platforms
- Integration of Ombudsman Schemes
- Enhance capabilities of the Complaints portal



Lessons and Way Forward

Consumer protection and grievance redress by FSPs and other participants

- Banks – strengthen consumer protection and grievance redress, make it integral to business
 - Enhanced and granular disclosures
 - Assessment by RBI
 - Recovery of cost of redressal from banks, free for complainants
 - Regulatory and supervisory corrective actions
- Payment System Operators
 - Centralised industry-wide 24X7 helpline for customer queries on digital payment products
 - Operationalise Online Dispute Resolution Framework for resolving customer grievances relating to digital payment transactions
- All FSPs - enhance public awareness through multiple channels, local languages
- Contingency preparedness

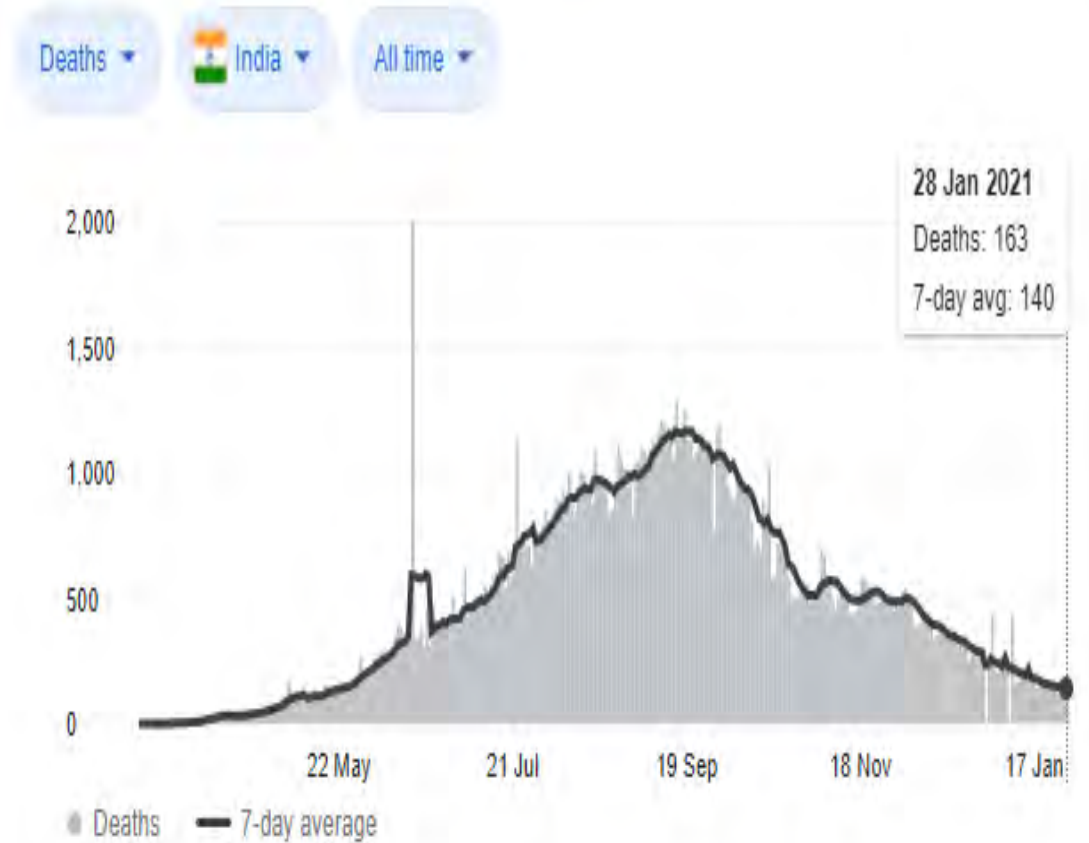


Impact of the Pandemic

- Life – worst case scenario: breadwinner
 - [Decline in the number of new cases and loss of life](#)
- Livelihoods - unemployment
 - [Unemployment has come down](#)
- Income and consequent implications
 - [Income loss expectation has not abated](#)



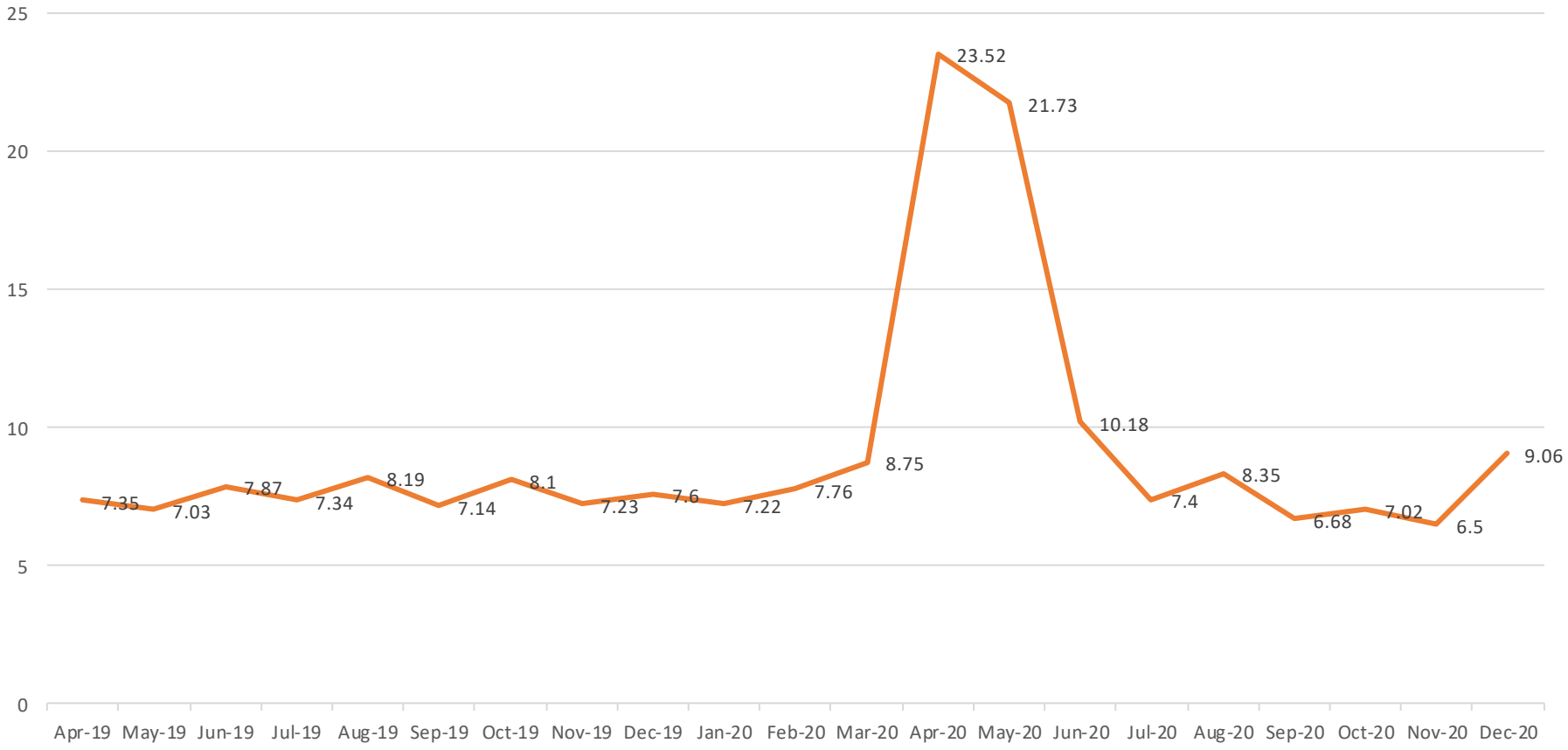
Decline in new cases & deaths





Unemployment Status – recovery is evident

Monthly Unemployment in percent - All India

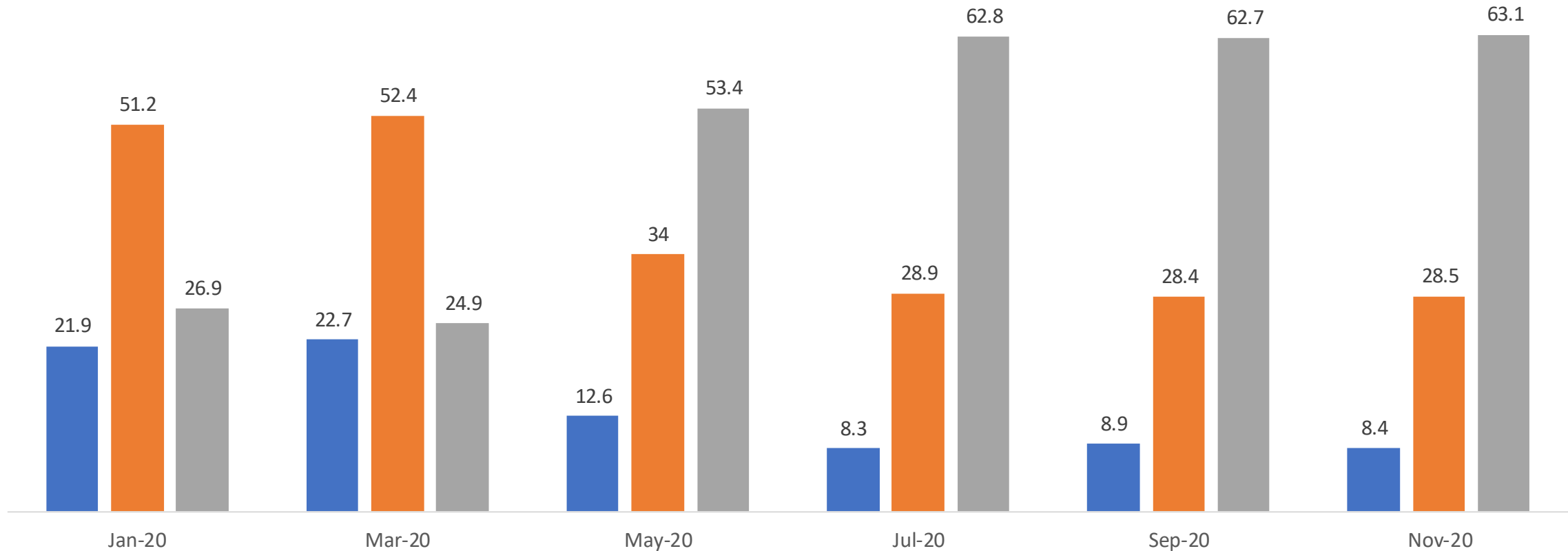




Loss of income perception among consumers

Percent of respondents who perceive the current income compared to the year ago

■ Increased ■ Remained same ■ Decreased



New Zealand Commission for Financial Capability

Financial education, financial inclusion and consumer protection response to covid-19

Dr Celestyna Galicki celestyna@cffc.govt.nz

Covid-19 related challenge	CFFC's response	Long-term change and learnings
People making bad financial decisions because of panic	Focus on addressing anxiety	The Sorted website changed to be more reassuring and supportive rather than just fact-driven
Many people trying to withdraw their retirement fund (KiwiSaver) early	Coordinated campaign by CFFC, other govt agencies and industry to inform about other options	Low % of total assets (0.2%) was withdrawn Knowledge about how KiwiSaver works increased
Confusion in a quickly-changing environment	Money Week focused on answering people's questions	The format of answering questions was so popular that we will keep it for future years
Access to financial education and services for people with low digital literacy	Television and radio	These channels have good reach and cannot be neglected in the "digital turn" Relateable speakers are essential
Inability to conduct face to face financial education workshops	Webinars	Online learning works differently Workplaces more likely to sign up to online workshops



Guides

[View guides](#)



Tools



Get Sorted

[Get sorted](#)



Blog



Resources

Feeling stuck?

Flick a question to the Sorted team, or reach out to MoneyTalks^{ca} on 0800 345 123 for personalised help.

Email us



Wondering about money? Ko te ahumoni hei aronga mōu?

We've got you sorted.

Mā mātou koe e āwhina.

Common money questions answered

Mindfulness, money and this moment

Tips to stay on track these holidays without FOMO

Need financial help?

Money can be tight over summer.

There are good options available to help.

Money uni

University is hardly any c

Sorted Money Week – “just wondering...”

- “No stupid questions”
- Questions could be asked anonymously
- Many stakeholders took part with their own question-answering sessions
- Can be easily implemented both online and face to face
- The questions received will inform Sorted.org.nz content for months to come

Webinars – what we learned

- People have a shorter attention span online; an online meeting is more tiring than face to face
- A full-day face to face workshop cannot be translated into a full-day online seminar without loss of engagement

What works better:

- Short daily sessions (e.g. 40 min x 5 days)
- Quizzes, polls, facilitators trained in online delivery – needs to be 2-way, not a lecture
- Good use of available tools e.g. apps for virtual “sticky notes”
- Large initial cost of preparation and training (time, learning design, tools) but more cost-effective to deliver long term (less need for instructor travel)
- Many companies prefer online delivery and shorter multiple sessions – no need for room bookings, equipment checks, less disruption to work
- Even after lockdown ended and face to face delivery is possible again, there is great demand for online delivery

Digital financial inclusion and education in times of a pandemic

- revisiting the fundamentals for the longer term -

9th February, 2021



Masaki Tsumagari, CFA

Strategy Development Division

Strategy Development and Management Bureau

Financial Services Agency

Topics

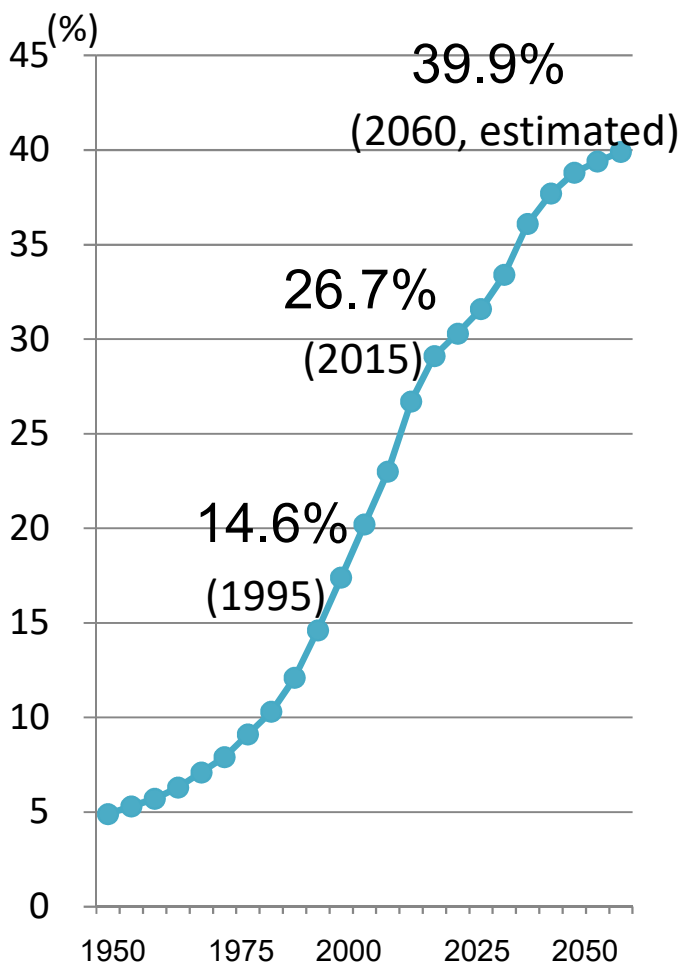
- 1. Background: Financial education in Japan**
2. Observation and reactions during COVID-19 crisis
 - What happened and happening / Reactive and Proactive actions
3. Implication for future and actions to be taken

1. Background: Financial education in Japan

Japan Faces Extreme Aging Society under Low Interest Rate Environment...

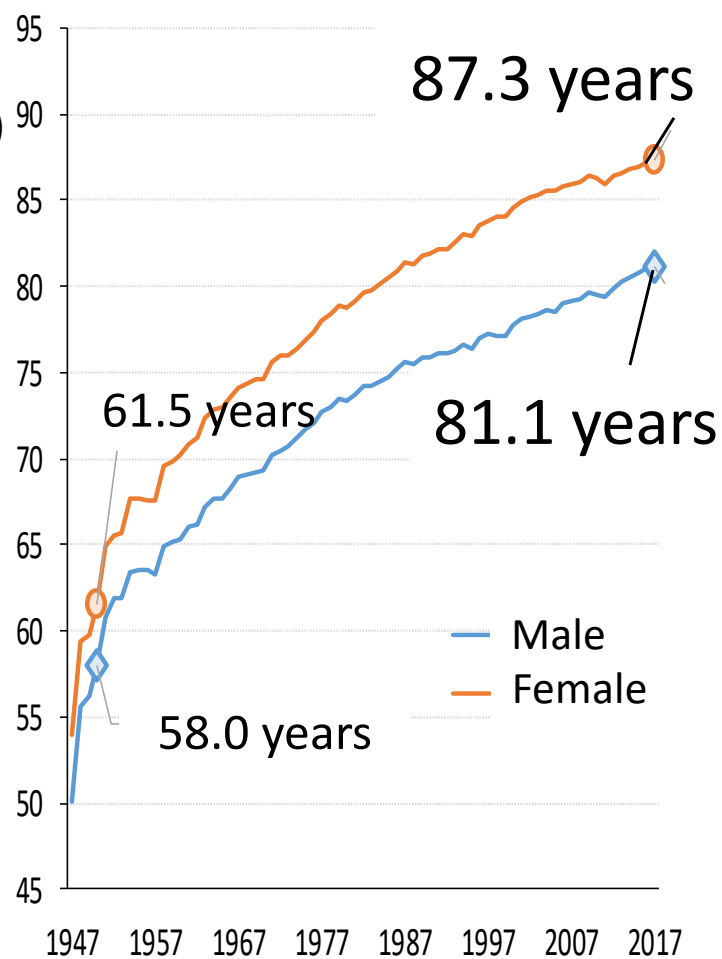
- Ratio of elderly people is rapidly increasing...
- ...and people live longer and longer
- Interest rate has been around zero for decades

Ratio of people aged 65 or older to the entire population



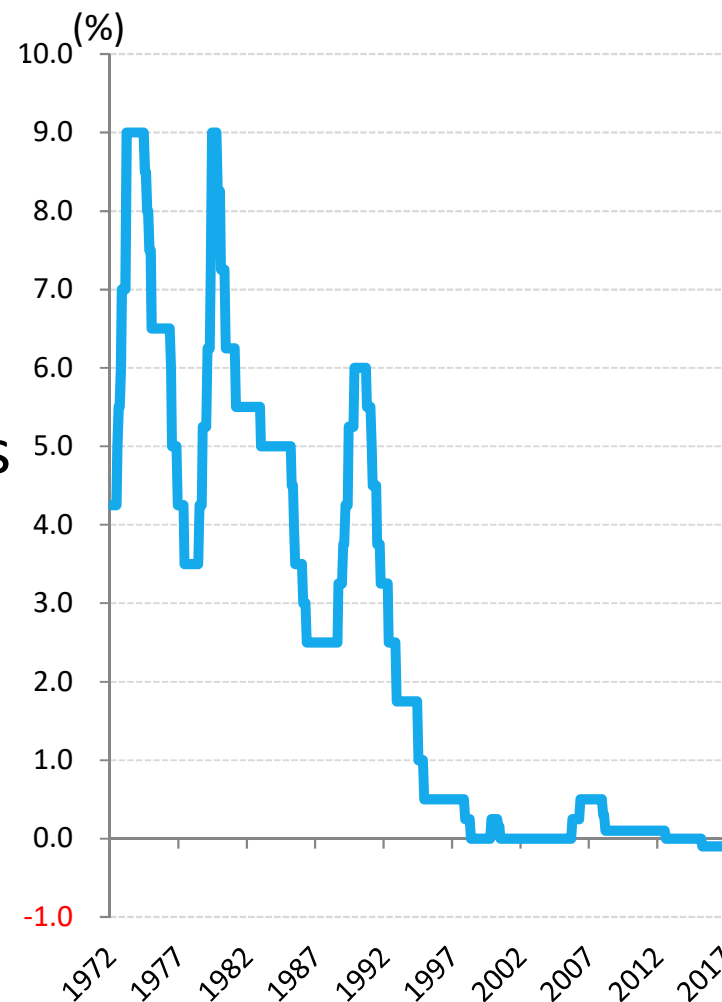
Source: Cabinet Office

Average Lifespan



Source: Ministry of Health, Labor and Welfare

Bank of Japan's Policy Rate



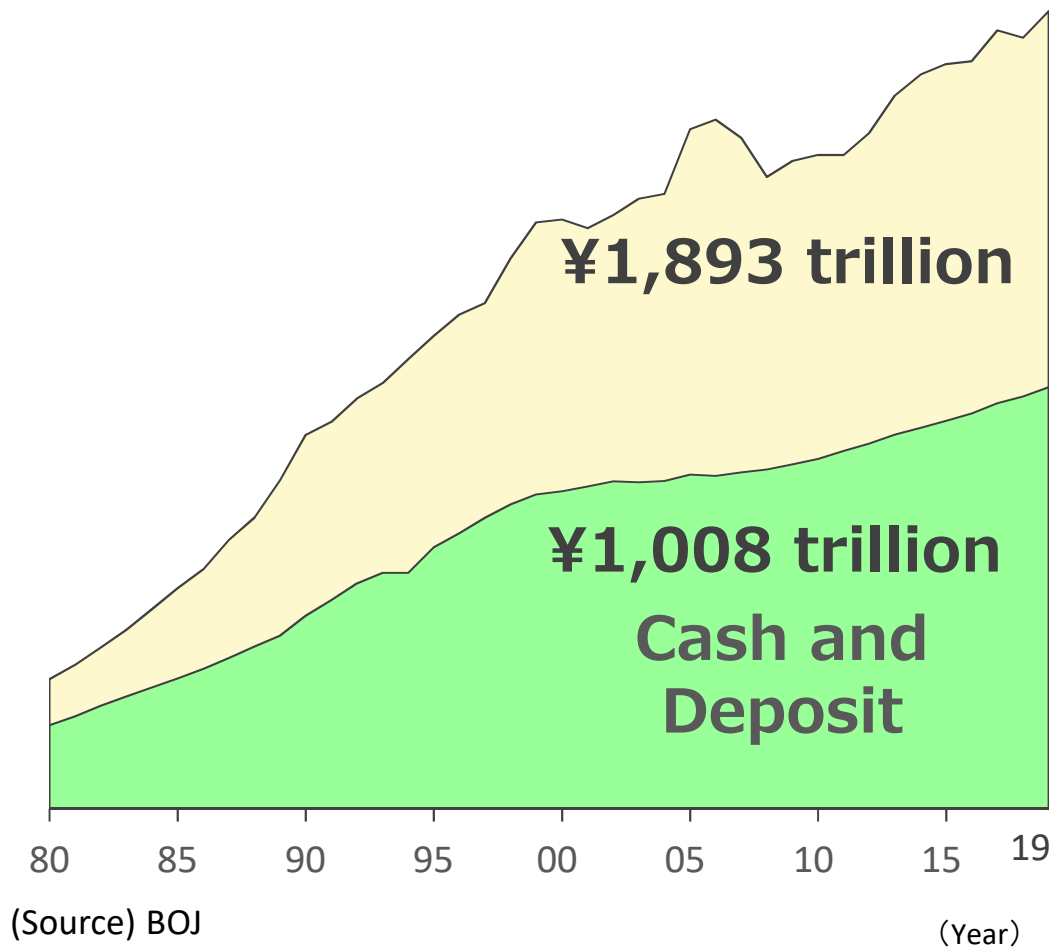
Source: Bank of Japan (BOJ)

1. Background: Financial education in Japan

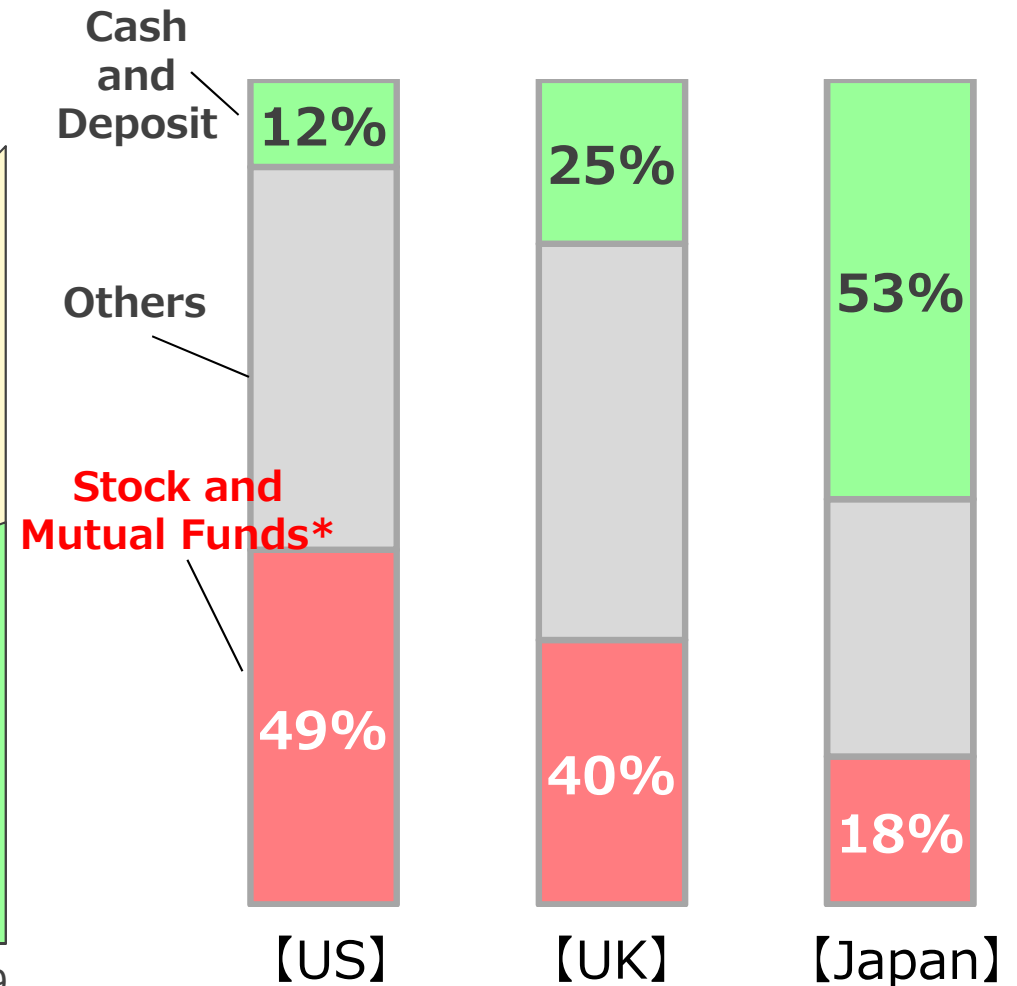
But Japanese Households' Financial Behavior is still Too Conservative

- People still prefer cash and deposits.
- One of the major reasons is insufficient opportunity for financial education.

Total Household Assets in Japan



Components of Household Assets (2019)

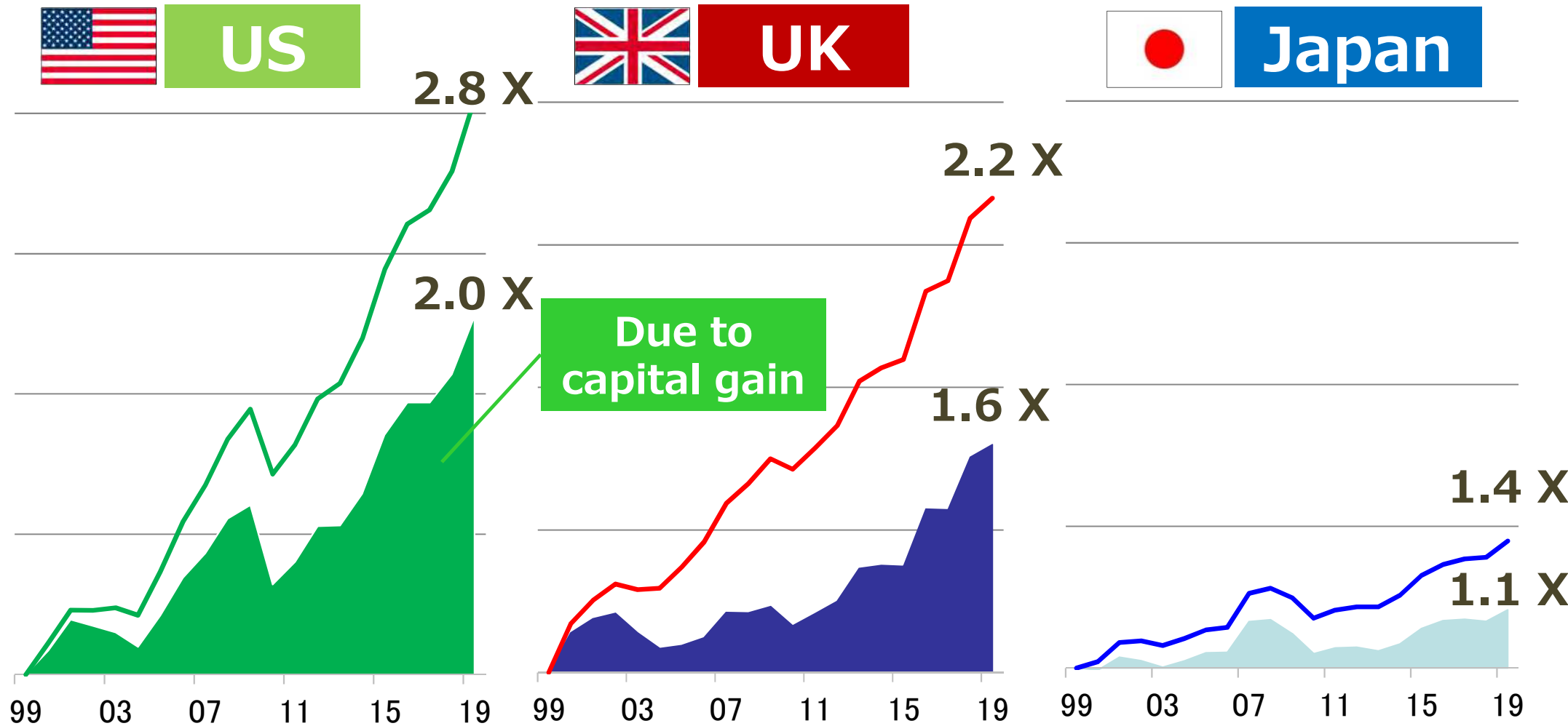


(*) The stock and mutual funds data includes indirect holdings.
(Source) Federal Reserve Board, Bank of England, BOJ

1. Background: Financial education in Japan

Sample slide from FSA Financial Literacy lectures for university/high school students

■ Illustrating how financial asset value grew from 1999 to 2019.



(*) Shaded area above which represent asset accumulation reflecting capital gain only.

(Source) JFSA prepared charts based on data from FRB, BOE, and BOJ

1. Background: Financial education in Japan

Mission of Financial Services Agency (JFSA)

“Mission”

The JFSA’s mission is to contribute to the national welfare by securing sustainable growth of national economy and wealth through achieving the following three sets of goals:

- i. Financial stability and effective financial intermediation;
- ii. Consumer protection and consumer benefit; and
- iii. Market integrity and market vigor.

1. Background: Financial education in Japan

FSA is Enhancing Financial Literacy in the Aging Society

- Promote financial education at school
 - Visit schools all over Japan to hold lectures about personal finance
 - Strengthen relationship with related parties including teachers, education committees and textbook companies
- Promote long-term personal asset building
 - Spread knowledge about personal asset building and promote use of tax incentive schemes on investments through seminars at workplace, especially for young people
- Enhance financial literacy in the digital age
 - Discuss financial literacy in the digital age with ICT companies



These approaches particularly relate to...

- *Strengthen digital and financial literacy*
- *Support lifetime financial planning*
- *Encourage stakeholder engagement – a multi-sectoral approach*

in the G20 Fukuoka Policy Priorities

1. Background: Financial education in Japan

Structure for promotion of financial education in Japan

Committee for the Promotion of Financial Education

Japanese Bankers
Association

Japan Institute of Life
Insurance

Japan Association for
Financial Planners

Japan Securities
Dealers Association.

Investment Trusts
Association

General Insurance
Association of Japan

FSA

Consumer Affairs
Agency

Ministry for
Education, Culture,
Sports, Science and
Technology

The Central Council for
Financial Services
Information

1. Background: Financial education in Japan

Global and Local context behind financial education initiatives

2002 **Start of the OECD “Financial Education Project”**

May 2008 **Launch of the INFE (International Network on Financial Education)**

Jun 2012 **G20 Los Cabos Summit Leaders’ Declaration**

“On financial education, we endorse the OECD/International Network on Financial Education (INFE) High Level Principles on National Strategies for Financial Education, and call on the OECD/INFE and the World Bank in cooperation with the GPFII to deliver further tools to promote financial education, with a progress report to the next Summit.”

April 2013 **FSA publish “Study Group on Financial Education Report”**

This report contains following as “national strategy”

- purpose of financial education
- approaches in each category
- measures for promoting financial education

1. Background: Financial education in Japan

Conclusion of Study Group on Financial Education (November 2012 to April 2013)

Significance/Purpose of Financial Education	
<p>➤ Financial literacy as a life skill</p>	<ul style="list-style-type: none">✓ No one in modern society can avoid involvement with financial matters.✓ It is important to make life planning a habit and acquire the knowledge and judgment needed to appropriately select/use financial products in order to achieve financial independence and lead a better life as a member of society.
<p>➤ Financial literacy to encourage the provision of sound, high-quality financial products</p>	<ul style="list-style-type: none">✓ Government regulations alone can only go so far in achieving user protection; moreover, excessive regulation could hinder innovation by financial institutions.✓ As users improve their acumen in selecting financial products, better financial products can be expected to become prevalent.
<p>➤ Financial literacy encouraging the effective use of household financial assets in Japan</p>	<ul style="list-style-type: none">✓ The majority of Japan's approximately 1500 trillion yen in household financial assets is held in cash and savings. One reason for this is inadequate understanding of the benefits of diversified, long-term investment.✓ If households are encouraged to engage in diversified, medium to long-term investment, the effect would be to help make available to growth sectors a sustained supply of funds.

1. Background: Financial education in Japan

Conclusion of Study Group on Financial Education (November 2012 to April 2013)

Measures for promoting financial education

(1) Organizations for promoting financial education

- "Committee for the Promotion of Financial Education" will be organized.
- This Committee will manage progress through an appropriate division of roles to ensure streamlined and seamless efforts.

(2) Regular measurements of effectiveness

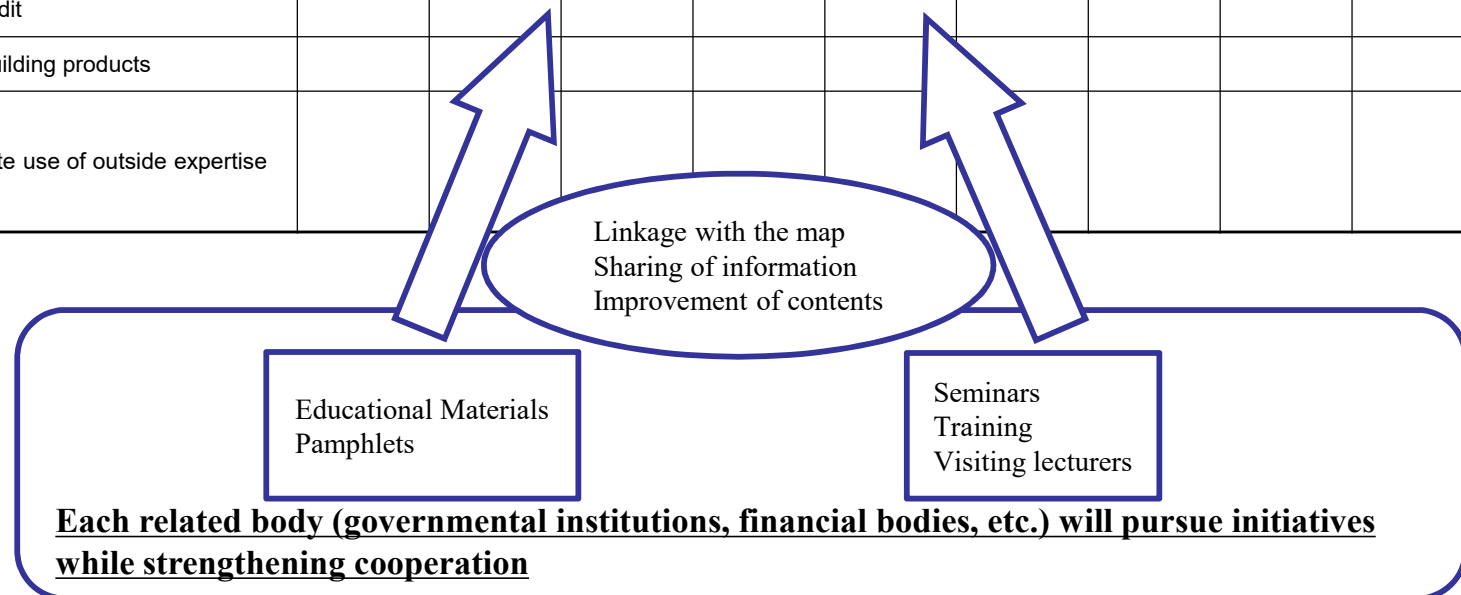
- to utilize "Financial Literacy Survey" to measure progress in making financial education available.

1. Background: Financial education in Japan

Financial Literacy Map

Standards of the minimum level of financial literacy that should be attained by item and age group (Map)

		Elementary Students			Junior High School Students	High School Students	University Students	Young Working People	General Working People	Seniors
		Lower Grades	Middle Grades	Higher Grades						
Category 1: Family budget management	Item 1	Making a habit of proper income/expenditure management								
Category 2: Life planning	Item 2	Articulating life plans and understanding the need to secure the funds required for life plans								
Category 3: Understanding of financial knowledge and financial/economic circumstances, and selection/use of appropriate financial products	Item 3	Knowledge of the basics of financial transactions								
	Item 4	Common to all categories of finance								
	Item 5	Insurance products								
	Item 6	Loans/credit								
	Item 7	Wealth-building products								
Category 4: Appropriate use of outside expertise	Item 8	Appropriate use of outside expertise								



1. Background: Financial education in Japan

Various Initiatives in Line with the Map

Provision of Educational Materials

- Development of learning materials usable in school.
- Provision of guidebooks and brochures, etc. targeted at different age groups from elementary school students to the elderly.
- Utilization of the Internet and DVDs, in addition to printed material.
- Preparation of educational materials with entertainment value by incorporating games and quizzes, etc.

Dispatching of Instructors

- Dispatching of instructors to schools and public classes for citizens in communities.
- Implementation of educational activities on Saturdays by registering with “Saturday study cheering squads” being promoted by the Ministry of Education, Culture, Sports, Science and Technology as an initiative to support schools.
- Implementation of omnibus-form classes at universities through cooperation among interested organizations joining promotion councils.

Seminars

- Holding of seminars, lecture meetings, presentation meetings, and consultation meetings, etc.

Events

- Holding of events on “NISA Day” (February 13) and “Investment Day” (October 4).
- Holding of a variety of symposiums.
- There are also events structured to allow parents and children to participate together.

Contests

- Holding of respective essay contests for elementary school students, junior high school students, and high school students.
- There are also initiatives designed to have students feel familiar to real life economics, including stock trading learning contests.

Securing of Human Resources

- Development of educational materials for teachers.
- Holding of seminars targeted at teachers.
- Preparation of a list of talent, including people with experience of working at financial institutions, and establishment of an office for dispatching instructors.

Topics

1. Background: Financial education in Japan

2. Observation and reactions during COVID-19 crisis

- What happened and happening / Reactive and Proactive actions

3. Implication for future and actions to be taken

2. Observation and reactions during COVID-19 crisis

- What happened and happening / Reactive and Proactive actions-

- **Consultation at Financial Services Users Office: Enhanced the capacity with well-experienced staff during COVID-19 Crisis.**
 - 17,361 cases in Q2 which dramatically increased from 9,644 in Q1.
- **Dissemination of information about typical and new financial fraud/scam cases on daily basis via multiple measures.**
 - Designated segment within the most watched morning TV news show is especially effective to reach to the elderlies, the most vulnerable cohort.
- **Conducted annual symposium about financial literacy by online.**
 - 1500 participants (viewers) joined from different regions, not just Tokyo.
- **Organize online seminars and opinion exchange events for individual investment communities incl. university student group, and others.**
 - Like the case of symposium above, FSA could have engaged more diversified participants compared to face-to-face/in-person style events.
- **Reformatted and restarted financial literacy courses at number of universities by utilizing real-time and on-demand digitized measures.**
 - Joint effort by multiple players under Committee for the Promotion of FIE

2. Observation and reactions during COVID-19 crisis

Samples financial education resources prepared by FSA and provided on-line basis



Topics

1. Background: Financial education in Japan
2. Observation and reactions during COVID-19 crisis
 - What happened and happening / Reactive and Proactive actions
- 3. Implication for future and actions to be taken**

3. Implication for future and actions to be taken

i. Research project in the pipeline;

Conducting a massive survey trying to gauge and analyze how individuals'/households' financial behavior and attitudes have change (are changing) under COVID-19 crisis. The survey result will be analyzed by a dedicated researcher from personal finance academism.

ii. Improving methods to deliver financial education resources to wider range of audiences; e.g., short-videos, on-line simulator for life-time financial management for high school students and teaches , and online quiz game for very young audiences.

iii. Collaborating with new 'players.'



ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Digital financial inclusion and education in times of a pandemic: re-visiting the fundamentals for the longer term

The case of Thailand

Thammarak Moenjak

9 February 2021



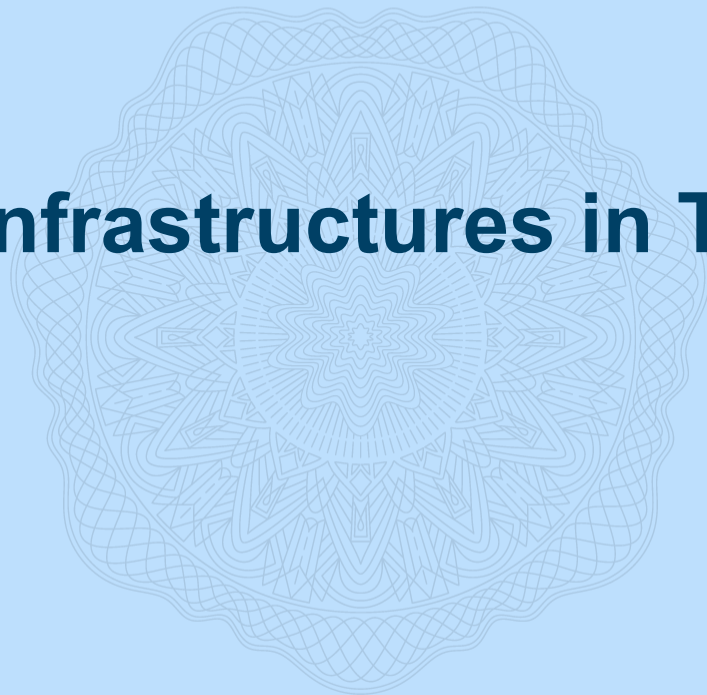
Outline

- **Pre-Covid-19: Digital infra structures in Thailand**
- **Covid-19 responses: Analog and Digital**
- **Going forward: Technology, behavior, and literacy**



ธนาคารแห่งประเทศไทย
BANK OF THAILAND

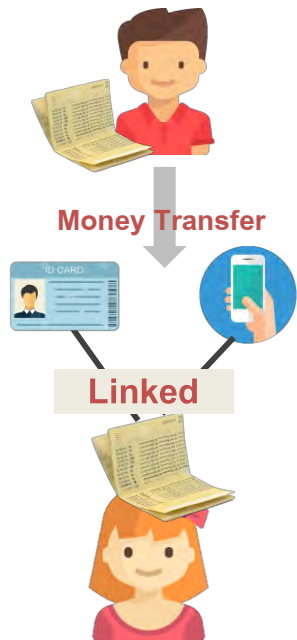
Digital infrastructures in Thailand





Digital payment and interoperable infrastructures: key building blocks for financial inclusion

PromptPay



Standardized QR code

All merchants in our daily life

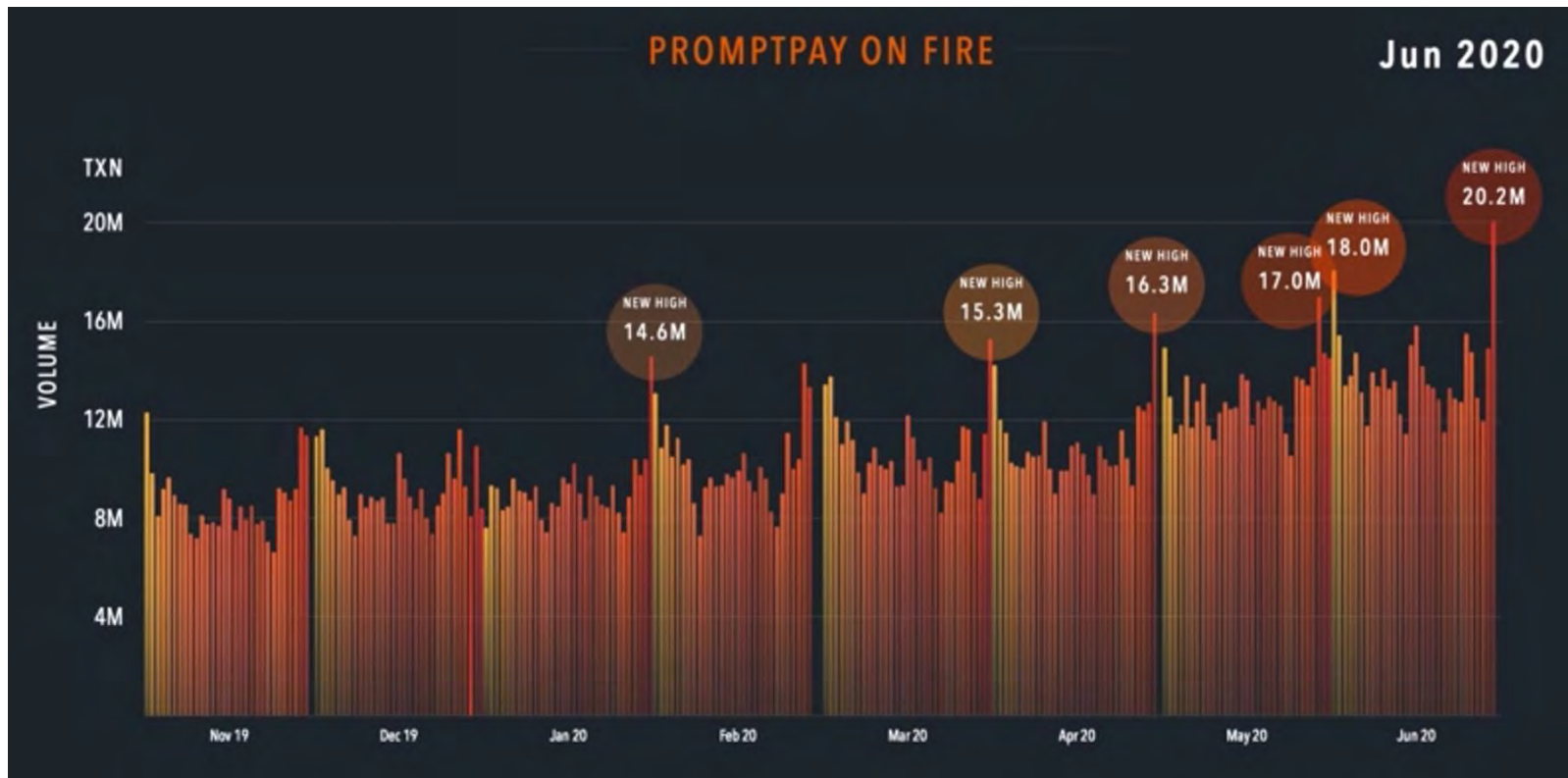


National Digital ID (NDID)





During the Covid-19 pandemic, PromptPay usages increase significantly





ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Covid-19 Responses: Analog and Digital





BOT's responses to COVID-19

A loan payment holiday

- Pause 6-month payments of both principal and interest for all SMEs with a credit line not exceeding THB 100 Mil

Soft loans to FIs

- Support liquidity for SMEs with a credit line not exceeding TH 500 Mil, with a concessional interest rate of 2% per annum and interest-free for the first 6 months

Assistance programs

- Commercial banks assist their customers through debt restructuring program, interest rate reduction and debt payment deferment etc.

Progress in providing soft loans to SMEs

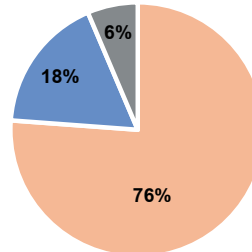
Number of SMEs

74,082

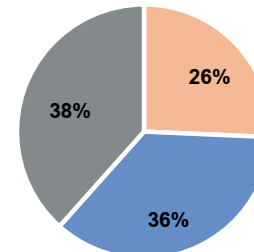
Total approved Loan

THB 123,717 Mil

Number of SMEs who got soft loans
by firm size



Total approved loans
by firm size



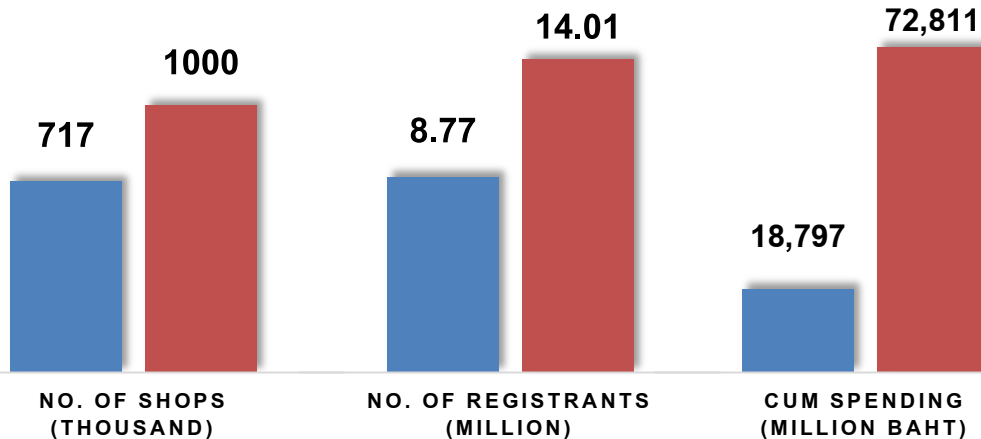
Micro SMEs
Small SMEs
Medium SMEs



Co-payment subsidy scheme via E-wallet helps create digital footprint

Co-payment subsidy scheme

- 50% of food, drink and general goods purchased at small retail shops is subsidized by the government
- Up to 150 Baht per day (\$5), capped at 3,500 baht per person (\$117) is transferred to the gov E-wallet app




1st Phase as of Nov 20

2nd Phase as of Jan 21





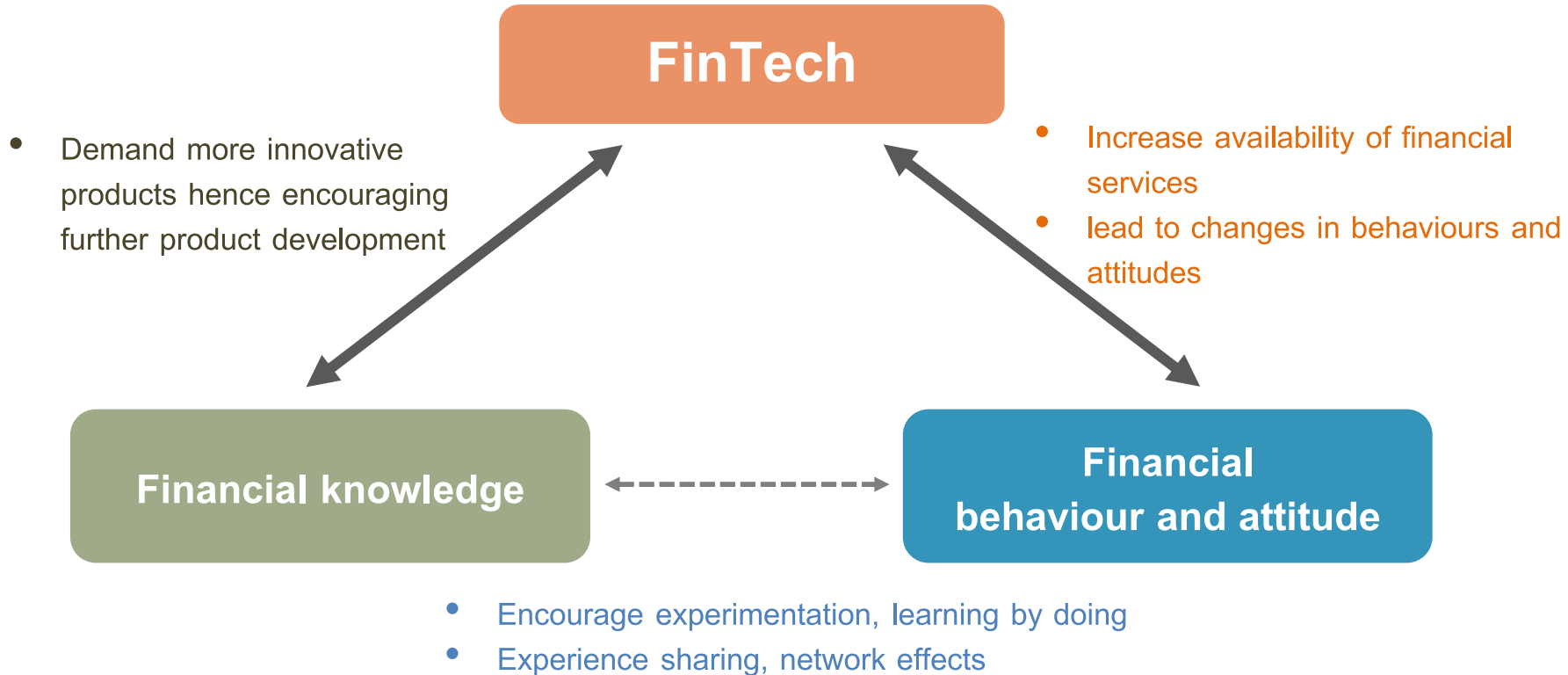
ธนาคารแห่งประเทศไทย
BANK OF THAILAND



Going forward: Technology, behavior, and literacy



Interdependent relationship between FinTech, Financial knowledge, and Financial behaviour





Digital infrastructure plays an integral role in creating a more inclusive financial system

The BOT's digital infrastructure projects

← Soft infrastructure →

Digital lending policy



← Hard infrastructure →

Digital factoring



API



Credit Risk Database





Promotion of financial literacy

“ *Fin-d we can do!* ” project

- Obj: Raise financial awareness and promote financial discipline among gen-Y
- Tools: activity-based approach and peer-to-peer learning from change agent
- Performance: A saving-to-income ratio of the participated vocational students was higher than those who did not join



“ *Fin-d happy life!* ” project

- Obj: Cultivate prudent financial behaviors and foster financial immunity and skills for first jobbers
- Tools: Workshop and peer-to-peer interaction
- Performance: Loan repayment per month of the participants decreased by 12 percent whereas the monthly saving increased by 3 percent





Boosting digital financial literacy is a key to accelerate financial inclusion

How to use online Banking

ตัวช่วยที่จะทำให้...
การใช้ Online Banking

Ins 1213

ล็อกกัน
มากขึ้น

ตั้งรหัส เข้ามือถือ	ใช้รหัสเดายาก ๆ TA@k28PL และเปลี่ยนบ่อย ๆ	ส่งสลิปให้รับ ติดต่อธนาคาร	ตรวจสอบธุรกรรมบ่อย ๆ จนสามารถจับผิดความผิด ของธนาคารได้
ห้าม Jailbreak	ใช้โปรแกรม ป้องกันไวรัส	พิมพ์ URL เอง https://www.฿	ไม่ใช้ Free wifi ทำธุรกรรมทางการเงิน
ไม่ click link จาก SMS/email ADS log in โดยใคร	Log out ทุกครั้ง หลังใช้งาน	ไม่ติดตั้ง software ที่อ่อน แอ	จำกัด วงเงินที่ใช้เดบิต 20,000.00 บาท

การสมัครรับ SMS/email แจ้งเตือนการทำธุรกรรม*
จะช่วยให้เราทราบความเคลื่อนไหวธุรกรรมทันที
หากเราไม่ได้ทำรายการ ก็สามารถแจ้งธนาคารได้ทันที
*ตรวจสอบวงเงินค่าธรรมเนียมก่อนกดใช้บริการ

Not sure? Don't share

ไม่แชร์ อย่าแชร์

! (Warning icon)

ตรวจสอบข้อมูลบัญชี (Check for account info that belongs to you)

เลขบัตรประจำตัวประชาชน

เลขที่บัญชีธนาคาร

บัตรเครดิต (Credit Card)

เลขหน้าและหลังบัตรเครดิต

วันเดือนปีเกิด

มัลติ ไมโลก สงสัยให้ถาม ติดตามข่าวสาร

A trick to detect fake website

WRONG PASSWORD TRICK

ซิงหลอก ก่อนถูกหลอก

เมื่อต้อง log in เข้าสู่ระบบออนไลน์
บน website หรือจาก link ที่ไม่คุ้นเคย

ลองกรอก password ปลอมดูก่อน

หากเข้าสู่หน้าต่อไปได้ แสดงว่าเป็น
website ปลอม ที่นำหลอกเอาข้อมูลส่วนตัว

Use infographic materials to provide knowledge of digital financial risk control, enabling the public to use digital financial products and services in a safe and secured manner

OECD/INFE Webinar on financial education, financial consumer protection and financial inclusion policy responses to the COVID-19 pandemic in Asia-Pacific

Session 2:

Digital financial inclusion and education in times of a pandemic:
re-visiting the fundamentals for the longer term

Ms. Arlina Ariff

Director - Development Finance and Inclusion Department, Bank Negara Malaysia



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA



FEN FINANCIAL
EDUCATION
NETWORK

Efforts since 2020 focused on value adding & supporting decision-making by consumers, particularly vulnerable groups

Challenges & trends

Limited financial resilience & inherent financial literacy gaps

Trending towards low-touch economy, e.g. e-banking, e-payment, online equity crowdfunding

Risks with going digital, e.g. digital exclusion, financial exclusion & cybersecurity risks

1 Timely outreach & intervention via digital means to specific target groups

Guide consumers to **navigate & benefit** from various **relief measures & assistance** available



Ease cash flow constraints, e.g. loan repayment moratorium & assistance
✓ Remind consumers that **repayment moratorium is not “payment holiday”**



Access to **new financing facilities** for **SMEs**



Availability of **e-Central Credit Reference Information System (CCRIS)** report & **e-channels** for **complaints & redress**



Availability of **socio-economic programme/benefits** & cash aid to ease financial burden for loss/reduction of incomes



Leverage on **agent banking** & **BNM regional offices** to **engage vulnerable segments**
✓ e.g. low-income groups, microenterprises & elderly

2 Continuous dissemination of FE contents & messages

Influence behavioural changes among consumers



Promote use of **e-channels** for **financial transactions & payment**



Alerts on financial fraud/scams,
✓ e.g. ‘Amaran Scam’ Facebook, anti-scam videos

Digital channels have broadened outreach & scaled-up interactions to cater to all life stages



1

Extensive use of digital & online platforms via FB, IG, Twitter, website, e-mail, instant message service (WA & Telegram), **complemented by traditional mediums** (e.g. TV & regional radios)

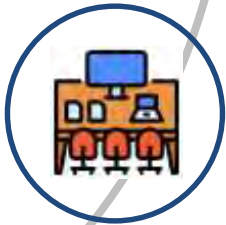
✓ Achieved **four-folds interactions** in 2020 as compared to 2019



2

Harness resources of social media influencers (key opinion leaders) with large number of followers for wider reach & greater impact

✓ As webinar speakers & moderator, **disseminate FE messages** via FB live, blogs, periodic feature articles series & educational videos



3

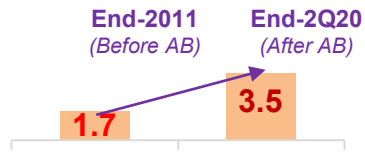
Encourage sharing of best practices, practical guides, useful tips & FE programmes in digital space

✓ Various FE initiatives via **social media platforms**, e.g. series of webinar, online modules & programmes, games & tools, virtual booths & competition, quizzes & public speaking

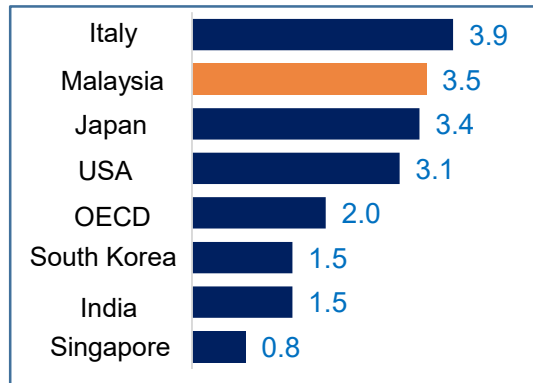
An example in Malaysia: Agent banking successfully increased convenience & accessibility of financial services, also generated positive spillover effects to local communities

Agent banking (AB) has increased accessibility to financial services

- 1 Financial access points per 10,000 Malaysian adults more than **doubled**



... ranking above the OECD median

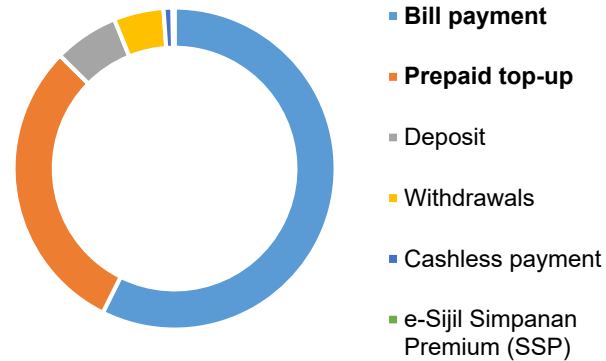


- 2 **94.1%** of areas have at least one physical access point (Before AB: 46.4%)

- 3 **99%** of population have access to financial services

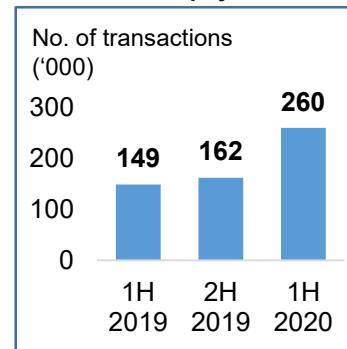
... facilitated financial services

- 1 More services are offered via agent banking channel

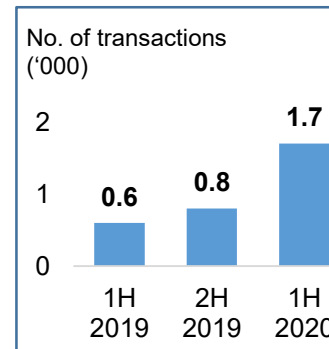


- 2 Higher number of cashless transactions

Cashless payment



Fund transfer



- e-Wallet transactions grew by **111%** during Movement Control Order

.. And improved livelihood and economic well-being of community

- 1 Reduced time & cost to travel to nearest access point
- 2 Provided additional income source to agents (typically self-employed / B40)
 - up to 50% increase due to increased income and commission
- 3 Inculcate savings habit particularly for rural communities – provide buffer for uncertainties
 - 46,600** new savings accounts opened at agents

• **5,122 agents nationwide** provided through **6 FIs**



• **No police reports / fraud cases** reported by FIs on agents

Alliances/collective efforts as key success factor to reap greater benefits when leveraging on digital means



Harness resources, experience & expertise among FEN members

- ✓ Deploy **multiple digital channels** to amplify FE messages to target segments
- ✓ **Shared responsibility, play effective roles as**
 - e.g. resources (person & budget) on digital channels
 - social media listening
 - online polls on consumer issues
- ✓ **Digital consumer outreach**
 - e.g. Financial Literacy Month (FLM)



More cost effective & expeditious implementation to leverage on partners' existing digital infrastructure/platform

- ✓ In 2020, FEN established **11 partnerships** to support FE efforts
 - As **programme implementor** (e.g. Prudential Assurance signature FE programmes for children)
 - **Develop materials & tools** (e.g. Bursa Academy e-learning)
 - **Outreach & communications** (e.g. RinggitPlus e-articles)
- ✓ Secure **buy-in from senior government officers**, e.g.
 - Deputy ministers promoted FE messages on social media platforms & launched FLM digitally respectively
- ✓ Leverage on **digital efforts of other ministries/agencies**, e.g.
 - Malaysia Digital Economy Corporation (MDEC) #sayadigital initiative (empower Malaysians with digital skills)
 - UNCDF 'Go-Get' initiative for gig-workers

Moving forward, continue to elevate financial literacy level & empower consumers to know their rights



Digitisation as powerful force for sustainable financial inclusion

- ✓ Digitisation provides:
 - Access to more essential financial services, e.g. e-payments, & micro-insurance
 - Benefit underserved segments, by increasing scale & reach
- ✓ Other innovations e.g. banking & insurance aggregators help:
 - Increase confidence in using financial services
 - Consumers make better financial decisions



FE interventions continue to support consumers in embracing digitisation for financial transactions, advices & redress

- ✓ Need to close the gaps in digital divide & in financial literacy level
- ✓ Impact from pandemic enhanced importance of savings & emergency fund, & readiness to cope with financial shocks & unexpected events
- ✓ Consumers more empowered to be proactive & confident in seeking information & helps, & be vigilant on financial fraud/scams



Focus areas for medium to longer term

- 1 Create **enabling conditions** for **sustainable economic recovery** & inclusive financial sector post-pandemic
- 2 Greater attention to **specific target groups** to **strengthen financial footing & resilience**
 - ✓ Low income segments (B40) & micro entrepreneurs
 - ✓ Deprived of digital connectivity & not digitally savvy
 - ✓ Access to products & services via digital means, e.g. digital banks
- 3 Develop reliable **insights into behavioural influences** for informed financial decisions
- 4 Implement laws & regulations for **fair treatment of consumers** & safeguards against abuse of customers personal data