



FINDINGS FROM THE CONSUMER FINANCE RISK MONITOR

18 March 2024

Launch of Global Money Week 2024 &
International Seminar on Tackling Financial Scams and Frauds



BACKGROUND



Consumer Finance Risk Monitor



Consumer Finance Risk Monitor



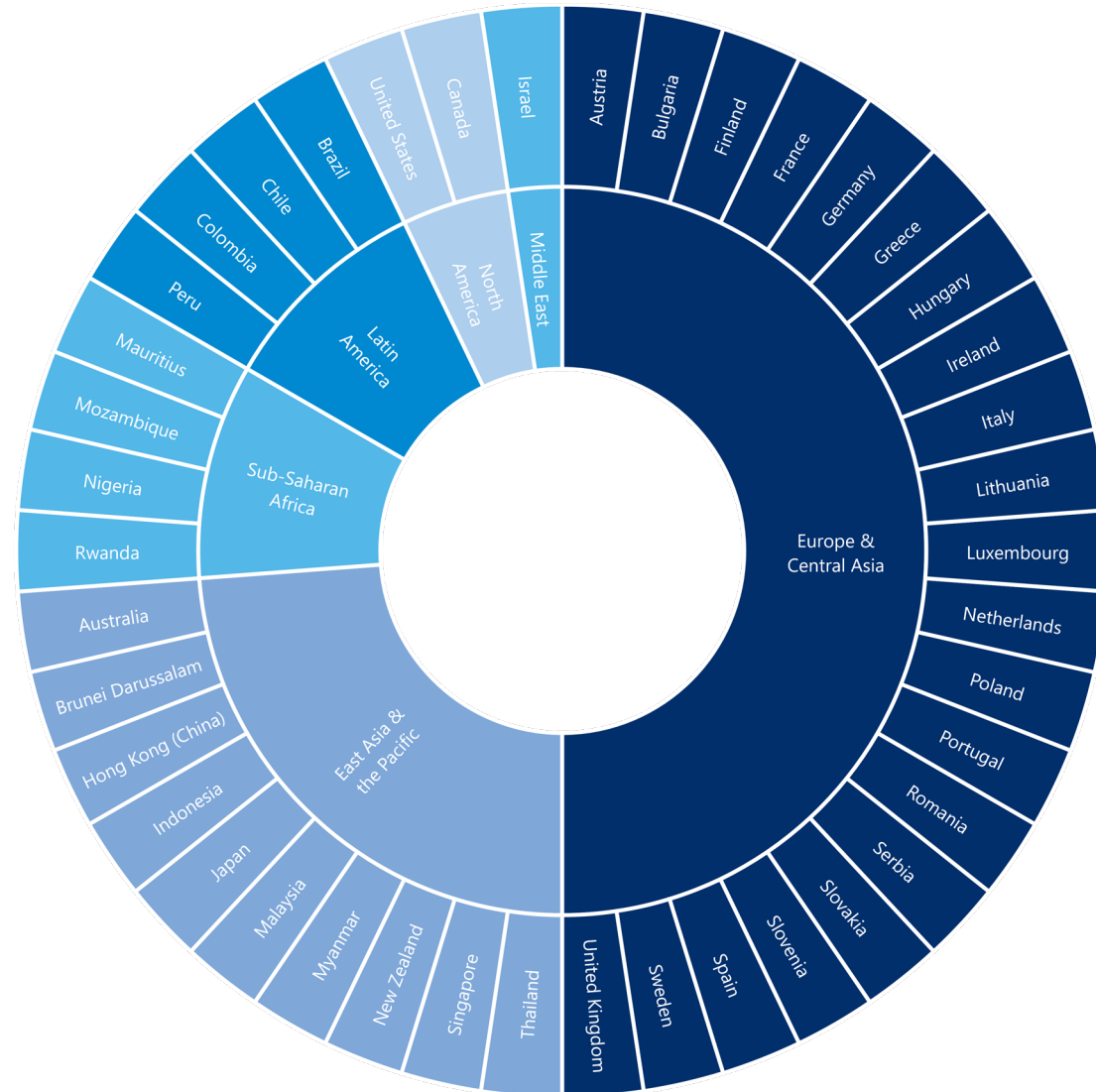


Three inter-related objectives

- 1 Identify and track trends over time
- 2 Assist with prioritisation
- 3 Elevate the FCP perspective



43 jurisdictions reported data, representing 79 authorities and government bodies





OVERVIEW OF KEY FINDINGS

- 1. Risks to financial consumers**
2. Products and services causing detriment
3. Consumer complaints
- 4. Financial scams and frauds**



RISKS TO FINANCIAL CONSUMERS



Most significant risks facing consumers

Stemming from the operating environment

- Inflation and rising interest rates
- Financial scams and frauds
- New business models and digital innovation

Demand-side

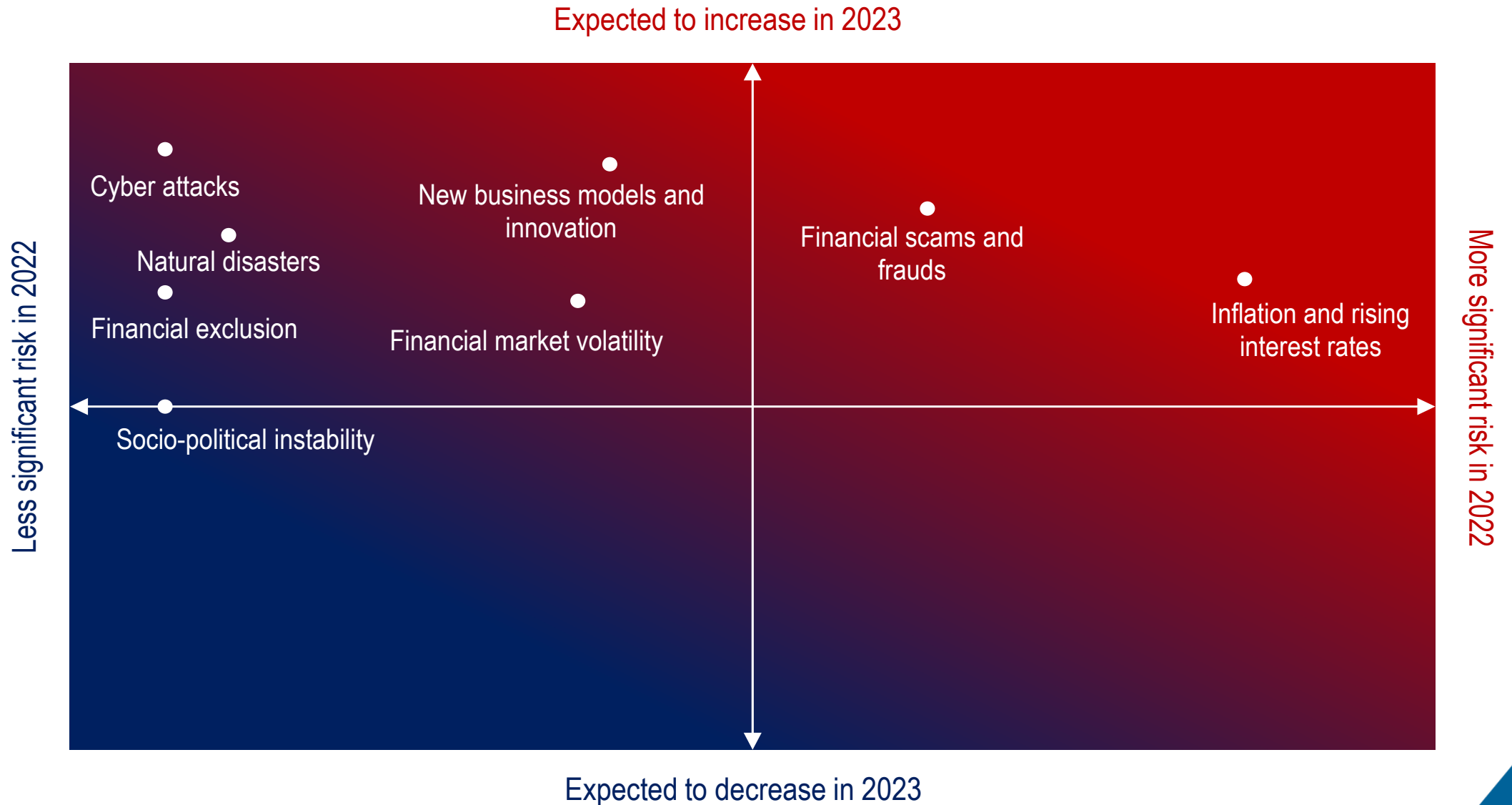
- Lack of financial literacy
- Over-indebtedness
- Lack of digital capability
- Consumer vulnerability

Conduct-related

- Poor-value financial products and services
- Lack of or ineffective disclosures
- Dishonest sales practices



Risks stemming from the operating environment





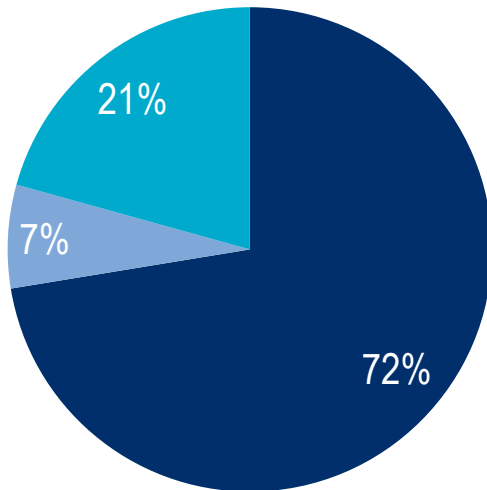
FINANCIAL SCAMS AND FRAUDS



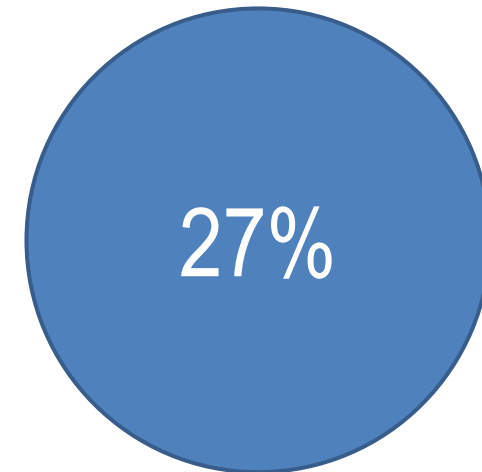
Volume of financial scams and frauds increased, as did the amount of losses

Volume of financial scams and frauds increased in ~70% of jurisdictions between 2021 and 2022

■ Increased ■ Stayed the same ■ Decreased



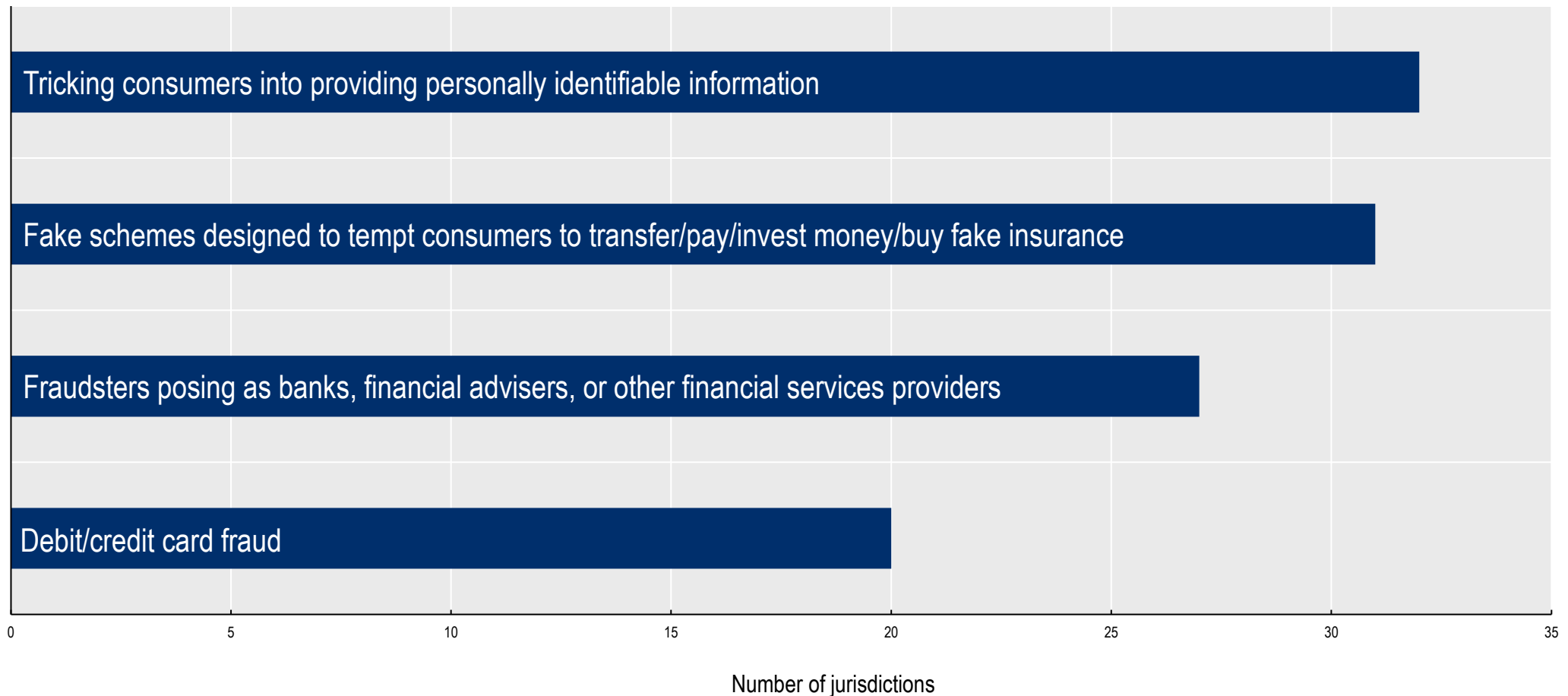
Average increase in amount of financial losses from 2021 to 2022





Types of financial scams and frauds

Most common scam is tricking consumers into providing personal information





Other types of reported scams

Advance fee
frauds

Authorised push
payment fraud

Bank loan or
credit card
scams

Payment card
fraud

Phishing and
social
engineering

Malware attacks

Copying
websites

Posing as a
representative
of the financial
authority



Regulatory and supervisory responses

- Enhanced authentication requirements
- Warnings to investors
- Discouraging search engines and social media platforms from promoting scams
- Engaging with law enforcement and industry associations through task forces and working groups



THEMATIC RISKS AND AREAS OF CONCERN; POLICY RESPONSES



Thematic risks and areas of concern

Increasing incidence and complexity of scams and frauds

New credit products and risk of over-indebtedness

Innovation in digital technology and business models

Increasing access to unregulated crypto-assets

Alternative sources of financial advice (e.g., *finfluencers*)

Greenwashing and risks related to sustainable finance



Responses to current and emerging risks

Implementing and improving comprehensive financial consumer protection frameworks

Strengthening supervisory capacity... with a focus on culture

Protecting consumers at heightened risk of vulnerability

Empowering financial consumers



To read the full Report:



OECD (2024), *Consumer Finance Risk Monitor*, OECD Publishing, Paris, <https://doi.org/10.1787/047b2ea6-en>.



THANK YOU.