18 March 2024

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

<table>
<thead>
<tr>
<th>Stemming from the operating environment</th>
<th>Demand-side</th>
<th>Conduct-related</th>
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<tbody>
<tr>
<td>• Inflation and rising interest rates</td>
<td>• Lack of financial literacy</td>
<td>• Poor-value financial products and services</td>
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<tr>
<td>• Financial scams and frauds</td>
<td>• Over-indebtedness</td>
<td>• Lack of or ineffective disclosures</td>
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<td>• New business models and digital innovation</td>
<td>• Lack of digital capability</td>
<td>• Dishonest sales practices</td>
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<td>• Consumer vulnerability</td>
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Risks stemming from the operating environment

- Financial market volatility
- Natural disasters
- Socio-political instability
- Financial exclusion
- New business models and innovation
- Financial scams and frauds
- Cyber attacks
- Inflation and rising interest rates

Less significant risk in 2022

- Financial market volatility

Expected to increase in 2023

- Cyber attacks
- Natural disasters
- Financial exclusion
- New business models and innovation
- Financial scams and frauds
- Inflation and rising interest rates

More significant risk in 2022

Expected to decrease in 2023

- Socio-political instability
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

Average increase in amount of financial losses from 2021 to 2022: 27%
Types of financial scams and frauds

Most common scam is tricking consumers into providing personal information

- Tricking consumers into providing personally identifiable information
- Fake schemes designed to tempt consumers to transfer/pay/invest money/buy fake insurance
- Fraudsters posing as banks, financial advisers, or other financial services providers
- Debit/credit card fraud
Other types of reported scams

<table>
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<tr>
<th>Advance fee frauds</th>
<th>Authorised push payment fraud</th>
<th>Bank loan or credit card scams</th>
<th>Payment card fraud</th>
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<tr>
<td>Phishing and social engineering</td>
<td>Malware attacks</td>
<td>Copying websites</td>
<td>Posing as a representative of the financial authority</td>
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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
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:

THANK YOU.