



## **Proposed National Strategy for Promoting Consumer Financial Education**

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**Prepared by the SPI Secretariat  
October 2007**

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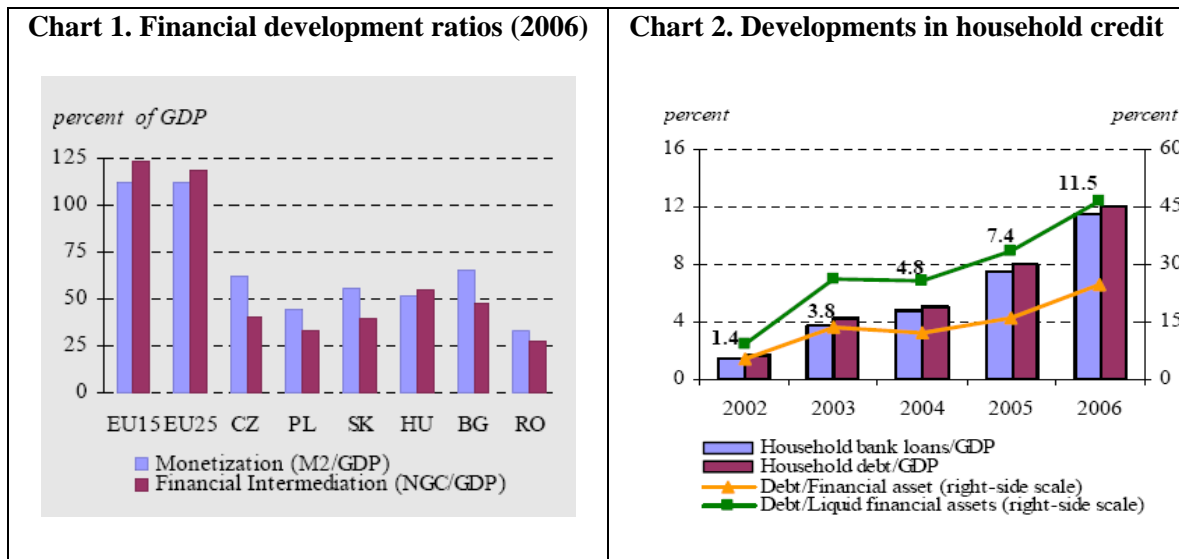
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## I. Background

At present, the penetration of financial services in Romania shows modest levels compared to other European countries (Chart 1), but the retail financial services continue to grow at a fast pace (Chart 2), in a favorable context provided by sustained growth and declining inflation and interest rates, keener competition among credit institutions and an increase in disposable incomes and optimistic expectations of population. This effervescence of the Romanian financial market offers increased opportunities for both consumers and providers of financial services.



Source: National Bank of Romania, Financial Stability Report, 2007.

At the same time, such fast growth of lending can lead to over-indebtedness and/or irresponsible use of credit, as the years of hardship during the transition to a market economy have left clients with a spending appetite which leaves little room for sound financial planning. Individuals are increasingly dependent on the financial services industry for purchasing and furnishing their homes, financing their day-to-day needs, starting a business, or financing their retirement.

Also, as international financial institutions increased their presence in Romania, they offer a variety of financial products and services, with a growing level of sophistication, of which Romanian clients know little about. The risks afferent to these products should be explained to the consumer (for example those of foreign currency or of variable interest rate loans). Consumers should also be instructed to keep up with the technological innovations of the industry (internet banking, self-banking, etc.).

In addition, individuals are becoming more involved as investors in the financial market. These individuals have limited experience with capital markets and therefore a weak understanding of implied risks due to insufficient knowledge on the matter. Moreover, given the transformation of the pension system, citizens need to be aware of the importance of maintaining adequate levels of investment and saving for retirement.

The low financial literacy levels of the population lead to a weak and inefficient utilization of financial services. Because of lack of financial sector knowledge, consumers are unable to make adequate financial planning decisions, which result in a poor administration of their wealth.

## II. The need for a national strategy

In order to choose wisely from the variety of products and providers available on the financial services market and to make efficient use of them, individuals must possess proper financial knowledge. With the necessary skills to make informed financial decisions about purchasing a home, financing their retirement, taking a loan, or financing a business individuals (or financial services consumers) will almost certainly be economically better off than those lacking this knowledge.

The level of credit in the economy and its quality are aspects of national concern, especially in matters of over-indebtedness. Also, changing the pension systems with defined contribution systems can be difficult to understand for the public. Individuals usually do not understand their rights and responsibilities in the new pension regime so there is a need for adequate information and instruction.

The benefits of increasing consumer financial education are spread among financial sector stakeholders:

- **for consumers of financial services:** it helps them budget and manage their income, save and invest efficiently, and avoid becoming victims of fraud;
- **for providers of financial services:** can constitute a marketing tool for financial institutions to build robust client relationships and promotes competition among financial intermediaries;
- **for authorities:** it is a policy instrument for authorities to contribute to a sustainable growth in financial intermediation and ensures the smooth functioning of financial markets and the economy.

Therefore, a national financial education strategy is needed in Romania to coordinate and direct national financial education measures and programs with the objective of enhancing the consumer financial knowledge to enable it to improve its financial decisions for life-planning. Ultimately, an increased level of financial literacy of consumers will help increase the stability and the confidence in the financial sector and promote economic growth.

Taking into consideration the fact that a national strategy for consumer protection is already in place (enacted through Government Decision no. 364/2005), the national financial education strategy should become integrant part of the former. The National Authority for Consumer Protection confirmed that the national strategy for promoting consumer financial education is in line with the objectives of the national strategy for consumer protection.

At the same time, Romania's efforts in the area of promoting consumer financial education would be also in line with the most recent EU developments (see EU Commission Green Paper on Retail Financial Services). The European Commission is going to issue in November 2007 a communication on the best practices in financial education in the European member states. The national strategy is going to be closely aligned with the EU guidance once issued.

### III. The objectives of the national strategy

First, the national strategy will provide the basis for an efficient coordination of financial education programs and measures, mainly by establishing a set of principles and good practices for financial education. The underlying objective of the national strategy is to *increase levels of financial education and awareness among the general public and certain sensitive categories, with the lowest levels of financial literacy.*

The long-term objectives of a national financial education strategy include reducing levels of over-indebtedness and improving the quality of credit, better handling of credit and debt by consumers, promoting investment and saving for retirement, bringing the unbanked into the financial system, mitigating the risks of identity theft or other risks related to financial services and products and improving the consumers' capacity to take financial decisions for a better management of its wealth.

While the activities of information and instruction should initially target all the categories of consumers, including existing and prospective borrowers, specific programs could be envisaged for categories such as: debtors in financial difficulty, first-time homebuyers, young people, credit card users, women, the unbanked<sup>1</sup>, the underserved<sup>2</sup>, low-income consumers, ethnic minorities, retirees, etc. Among these categories, the most vulnerable are the young people and the elderly. Also the implementation of actions should consider the target clients groups which are the most dynamic in terms of demanding financial services.

### IV. The pillars of the national strategy

The national strategy for promoting consumer financial education should be based on the following pillars:

**Pillar 1: The main components of the national financial education programs and measures proposed should be:**

- **Instruction**: ensuring that individuals acquire the skills and ability to understand financial terms and concepts, through the provision of training and guidance;
- **Information**: providing consumers with facts, data, and specific knowledge to make them aware of financial opportunities, choices, and consequences;
- **Advice**: providing consumers with counsel about generic financial issues and products so that they can make the best use of the financial information and instruction they have received.

**Pillar 2: The national strategy should be adequately calibrated to ensure that:**

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<sup>1</sup> Consumers affected by financial exclusion and marginalization are called the unbanked: without a bank account at a deposit institution.

<sup>2</sup> The underserved are people who rarely use their account or do not know how to use it.

2.1. – Financial education is provided in a fair and unbiased manner and that programs are coordinated and developed with efficiency;

2.2. – Financial education programs focus on high priority issues, which, may include important aspects of financial life planning such as basic savings, private debt management or insurance as well as pre-requisites for financial awareness as elementary financial mathematics and economics<sup>3</sup>.

2.3. - Financial education programs meet the needs and the financial literacy level of their target audience, as well as reflect how their target audience prefers to receive financial information. Financial education should be regarded as a life-time, on-going and continuous process, in particular in order to take account of the increased complexity of markets, varying needs at different life stages, and increasingly complex information.

### **Pillar 3: Broad participation of stakeholders and their role in implementing the national strategy**

3.1 – Financial education should be as much as possible taken into account in the regulatory and administrative framework and considered as a tool to promote economic growth, confidence and stability, together with regulation of financial institutions and consumer protection.

3.2. – The role of financial institutions in financial education should be promoted and become part of their good governance with respect to their financial clients. Financial institutions' accountability and responsibility should be encouraged not only in providing information and advice on financial issues, but also in promoting financial awareness, especially for long-term commitments and commitments which represent a substantial proportion of current and future income of clients.

3.3. – Non-profit organizations can have improving financial education as their main objective or develop programs that indirectly contribute to raising awareness about financial risks or provide information about sound financial planning. Also, non-profit organizations for consumer protection could be involved in undertaking surveys for assessing the present level of financial knowledge among Romanian consumers, and which should be the target categories of consumers of the financial education actions. Surveys could also be undertaken during the implementation of strategy for a fine tuning of the process and a better monitoring of results.

## **V. Timeframe of the national strategy**

The proposed national strategy timeframe for implementation is of four years (2008-2012), which is a period that is at the same time sufficient for results to materialize and allows for an appropriate monitoring.

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<sup>3</sup> Financial education needs to be distinguished from consumer protection. The provision of information on financial issues is common to both. However, financial education supplements this information with the provision of instruction and advice while consumer protection emphasizes legislation and regulation designed to enforce minimum standards and require financial institutions to provide clients with appropriate information.

## VI. Roles of the stakeholders

The main roles of the stakeholders are:

### Public authorities

- Promotion: Given their broad territorial coverage capabilities, public authorities (in particular NACP) should be the main promoters of financial education programs and also the main channel for disseminating information within the financial education programs and campaigns, but also on an ongoing basis (the websites of these institutions may host educational material such as brochures, guides, leaflets, etc.);
- Legislation: Given their legislative capacity, authorities (i.e. Ministry of Education, NACP) may pass legislation that promotes financial literacy in schools and protects the rights of the financial consumers;
- Financing: Given the public good component of financial education programs, the authorities should make contributions in the financing of financial education programs. Also, if deemed feasible, public authorities could access EU funds for promoting financial education, either alone or in cooperation with private sector stakeholders;
- Expertise: Public authorities could support the calibration and the implementation of the programs for promoting consumer education through their comprehensive knowledge and expertise;
- Calibration and Monitoring: Given their national coverage, the authorities could support the undertaking of country-wide surveys to determine the level of financial literacy and the specific needs of citizens in order to better calibrate the financial education programs. The surveys could be conducted by non-profit organizations for consumer protection. Also, public authorities should ensure subsequent monitoring of the financial education programs;
- Logistic Support: The often vast territorial network of public authorities can be put to use in programs at a community level, offering logistic support to study groups. In addition to website assistance, the public institutions may set up toll-free telephone numbers for consumers.

### Romanian Banking Association

- Industry Self Regulatory Measures: Given its role of forum of financial institutions, the RBA could enhance the protection of customers by initiating the development of industry codes or standards which push for more transparency from banks;
- Industry Programs: The RBA could also promote industry-led financial literacy programs which could help customers to better understand the bank products and services (i.e. by asking banks to disseminate more information on their websites or at their territorial outlets or setting up a dedicated industry website including financial education information, etc.);
- Dispute Resolution Schemes: The RBA could also enhance customer protection by encouraging the quick setting up of the bank ombudsman as an alternative dispute resolution scheme.

### Financial institutions

- Information: Individual financial institutions bear mainly the responsibility to provide clear and accurate information to clients in regard to the terms and conditions of banking

products and services. A miss calibration the information disclosed (too little versus too much) is often a cause of why people see financial information as difficult to understand;

- Education: Financial institutions could also disclose education material on their website or at their territorial premises;
- Advice: Financial institutions could be also encouraged to provide on-line simulators and/or any other integrated IT modules that could help the potential clients to better understand the characteristics of the financial services offered to them;
- Training of Staff: Financial institutions should be encouraged to their staff on financial education and develop codes of conduct for the provision of general advice about investment and borrowing, not linked to the supply of a specific product.

### Non-profit organizations

- Focus and Coordination: Non-profit organizations should have the role to provide focus and coordination to the financial education programs as they can dedicate undivided special attention to this issue; also the non-profit organizations should complement effectively the public and private stakeholders' actions;
- Promotion: The non-profit organizations can also be involved in disseminating information and providing instruction and advice by publishing educational materials, organizing courses, seminars, workshops, discussion meetings or mentoring activities (at a community/ socio-professional group level);
- Financing: The non-profit organizations could be used as recipients and managers of financial resources necessary for undertaking targeted financial education campaigns and programs;
- Calibration and Monitoring: Non-profit organizations could undertake country-wide surveys to determine the level of financial literacy and the specific needs of citizens in order to better calibrate and monitor implementation of the financial education programs. The surveys could be conducted with the support of public authorities (by using their territorial networks);
- Awareness raising: Trade unions and large professional associations could be also involved in the awareness raising among consumers as well as increasing the synergies in the process of implementation of the strategy

### International organizations

- Awareness Raising: The role of international organization would be to raise awareness of the authorities to bring financial literacy on the public agenda, thus raising the level of political support for financial education programs and the interest and knowledge on the matter;
- Guidance: Offer guidance on principles and good practices to national and local authorities and any other parties involved in the process of financial education
- Research: Conduct surveys and write studies on financial education;
- Financing: International organizations (EU bodies, World Bank, etc.) could be also involved in financing the implementation of the national strategy;
- Networking: May be involved in organizing seminars and conferences on financial education.



## VII. Coordination, governance, and monitoring

### Coordination

The international experience shows that there is no obvious government authority which should manage the government's financial education programs. OECD has identified the most active coordinators of financial education programs:

1. non-profit / community / educational organizations;
2. partnerships between two or more provider types (often consumer / community organizations and financial institutions);
3. national government agencies / departments or government-sponsored enterprises;
4. credit unions or credit union associations;
5. financial regulatory and supervisory authorities;
6. banks or financial institutions;
7. private sector companies.

Also, some countries encourage the development of appropriate specialized structures (possibly embedded within existing authorities) in charge of promoting and coordinating financial education at the national level. There are examples of countries which promote regional and local public and private initiatives as close to the population as possible.

In Romania, it is proposed that the financial education program is coordinated by a public-private partnership since it is envisaged that this option will secure a more active involvement of the stakeholders in the running of the financial education campaigns and programs. Also, it is considered that a public-private partnership would ensure a better management of the strategy and would ensure its sustainability on the long term.

A feasible option for ensuring the operational coordination of the implementation of the national strategy would be through the Romanian Banking Institute, which has a close relationship with both market regulators and participants and could ensure adequate logistical support.

### Governance and monitoring

**1.** The enclosed national strategy will be discussed and endorsed by the SPI public-private project working group composed of representatives of the National Authority for Consumer Protection, National Bank of Romania, National Commission for Supervision of Private Pension Systems, banks, and consumer protection associations.

**2.** The national strategy prepared by the SPI project working group will be submitted to the SPI Committee for endorsement in October 2007. ***It is proposed that a Public-Private Steering Committee for Promoting Consumer Financial Education is set up.*** The proposed Steering Committee will be composed of members of the most relevant public and private institutions and will have the role to endorse the national strategy, to designate the entity that will ensure its execution, and to monitor its implementation.

**3.** The SPI Committee members will submit the national strategy, together with the proposed implementation plan to:

- a) the heads of their institutions, asking for support in its implementation;
- b) other competent authorities (i.e. Ministry of Education, Government, etc.), inviting them to:
  - i) review the proposed strategy;
  - ii) designate members in the Public-Private Steering Committee for Promoting Consumer Financial Education; and
  - iii) participate to a public debate for endorsing the strategy.

4. The public debate (round table) on the proposed national strategy will aim at building the consensus among all stakeholders. The members of the Steering Committee will also endorse a national protocol for promoting consumer financial education and will subsequently approve the implementation plan (through an MOU) to be executed by a public-private partnership under the oversight of the Steering Committee.

## **VIII. Implementation: channels, regulations, funding**

### **Channels**

As mentioned above, the national strategy for promoting consumer financial education will encompass a mix of measures consisting of customer information, instruction, and advice (see Table 1). This mix of measures is the best implementation solution for financial education programs, as it opens the possibility to use a variety of channels to reach as many consumers as possible as well as to ensure that this information is easy to understand by consumers.

In other countries' experience, the solution of a national campaign is often used, as it is most effective in raising awareness about the importance of understanding financial issues.

OECD has identified the following delivery channels for financial education programs (in order of frequency of use):

- training courses;
- printed or online publications (brochures, magazines, booklets, guidance papers, newsletters, annual reports, direct mail documents, letters and disclosure documents);
- advisory services (including telephone help lines and 1-to-1 counseling);
- internet web sites/online services;
- public awareness-raising campaigns;
- events (including lectures, national workshop/forum, symposia, presentations);
- other methods (including resource packs, videos, computer programs).

While financial literacy levels are low in general for consumers, they are especially low for certain groups of consumers, such as the less-educated, those at the lower end of the income distribution, and minorities. Therefore, it would be advisable to consider targeting financial education programs to those groups of consumers who are most in need of it. The Romanian stakeholders will need to decide the best way to convey this information to the target audience.

Consumers receive financial information through a variety of sources and these sources tend to differ according to demographic characteristics. Many consumers, notably those with lower incomes, receive financial information through television programs. A large number of consumers prefer to receive financial information through personal contact, such as consumer

help lines or personal advisors. The Romanian stakeholders will need to think about the most effective delivery channel for the consumers they are targeting, based on the local conditions.

## Regulations

While many countries offer financial education programs, some countries have opted for a regulatory-based approach (issuing consumer codes and other consumer protection legislation). These countries see the role of government as ensuring that financial advisors have a certain minimum level of competence and that consumers are provided with accurate and unbiased financial information. However, there is a case for industry-self regulation, which could be a faster and more efficient solution to addressing the problem of enhancing the transparency of the financial industry providers.

In Romania, the stakeholders could embrace a gradual approach. Therefore, it is suggested that first, private sector self-regulation should be encouraged as this is a more efficient and faster option. However, in cases where this option would fail to bear fruits, co-regulation or even prescriptive regulations could be enacted. The intervention through regulation could be justified only for those aspects where there is a need for an uniform set of rules, whose application would allow avoidance of negative consequence for the consumers of financial services.

A distinct regulatory issue that should be dealt with would be the integration of the financial education into the school curricula. This action should be promoted by the Ministry of Education in close cooperation with NACP.

## Funding

The funding of the national actions and programs for promoting consumer financial education could encompass three levels:

### *Private funding*

The private funding could be ensured through financial industry associations which could mobilize financial institutions to financially support the strategic plan. A more practical and feasible approach would be to have financial institutions fund the initiative by redirecting part of their taxable profit, as permitted by the Fiscal Code. Awareness should be raised through industry associations in respect to this option. Moreover, financing from individual financial institutions could be accessed for achieving specific actions of the strategic plan.

Private financial support can also come from foundations.

### *EU funding*

EU funds could be also a potential source of funds for this strategic plan. This option is particularly relevant as a public-private partnership will implement the national strategy and its actions.

### *Public funding*

Authorities should have a significant contribution to the financing of financial education programs. Authorities can provide support to non-governmental organizations conducting financial education programs through grants, thus creating a marketplace for such programs and increasing the quality of the selected programs.

However, given current budgetary constraints, it is more likely that public funds could be sought for particular implementing actions.

It would be preferable that the budget for the implementation of the national financial education strategy is centralized, which would ensure flexibility in managing the money and directing it towards the most needed and effective actions.

## IX. Pre-launch activities

The following pre-launch activities are proposed in order to move from the drafting of the national strategy for consumer education to actual implementation:

Table 1 **Pre-launch Activity Plan**

	Action	Timeframe	Responsibility
1	Endorsement of draft strategy by project working group (PWG meeting)	Mid October 2007	SPI Secretariat, project working group
2	Endorsement of proposed strategy by SPI Committee (SPI Committee meeting)	Early November 2007	SPI Secretariat
3	Invitation launched to relevant stakeholders to designate members in the Public-Private Steering Committee for Promoting Consumer Financial Education (letters to Ministry of Education, Government, other public and private institutions, etc.)	Early November 2007	SPI Secretariat
4	Round table for a broad endorsement of the national strategy (signing the national protocol) (event organized by SPI Secretariat)	End November 2007	SPI Secretariat
5	Designation of experts to prepare the memorandum of understanding between the Steering Committee institutions (nominees sent to SPI Secretariat)	Early December 2007	Steering Committee for Promoting Consumer Financial Education members
6	Preparation of the MoU, including governance and monitoring procedures for implementation of national strategy and implementation plan (working group meetings)	Early January 2007	Project working group, Steering Committee for Promoting Consumer Financial Education members
7	Signature of MoU (meeting of Steering Committee for Promoting Consumer Financial Education)	Mid January 2008	Steering Committee for Promoting Consumer Financial Education members
8	Operational meetings with stakeholders (a series of meetings to outline the concrete implementation steps for each institution involved in the financial education actions)	January – February 2008	SPI Secretariat, Steering Committee for Promoting Consumer Financial

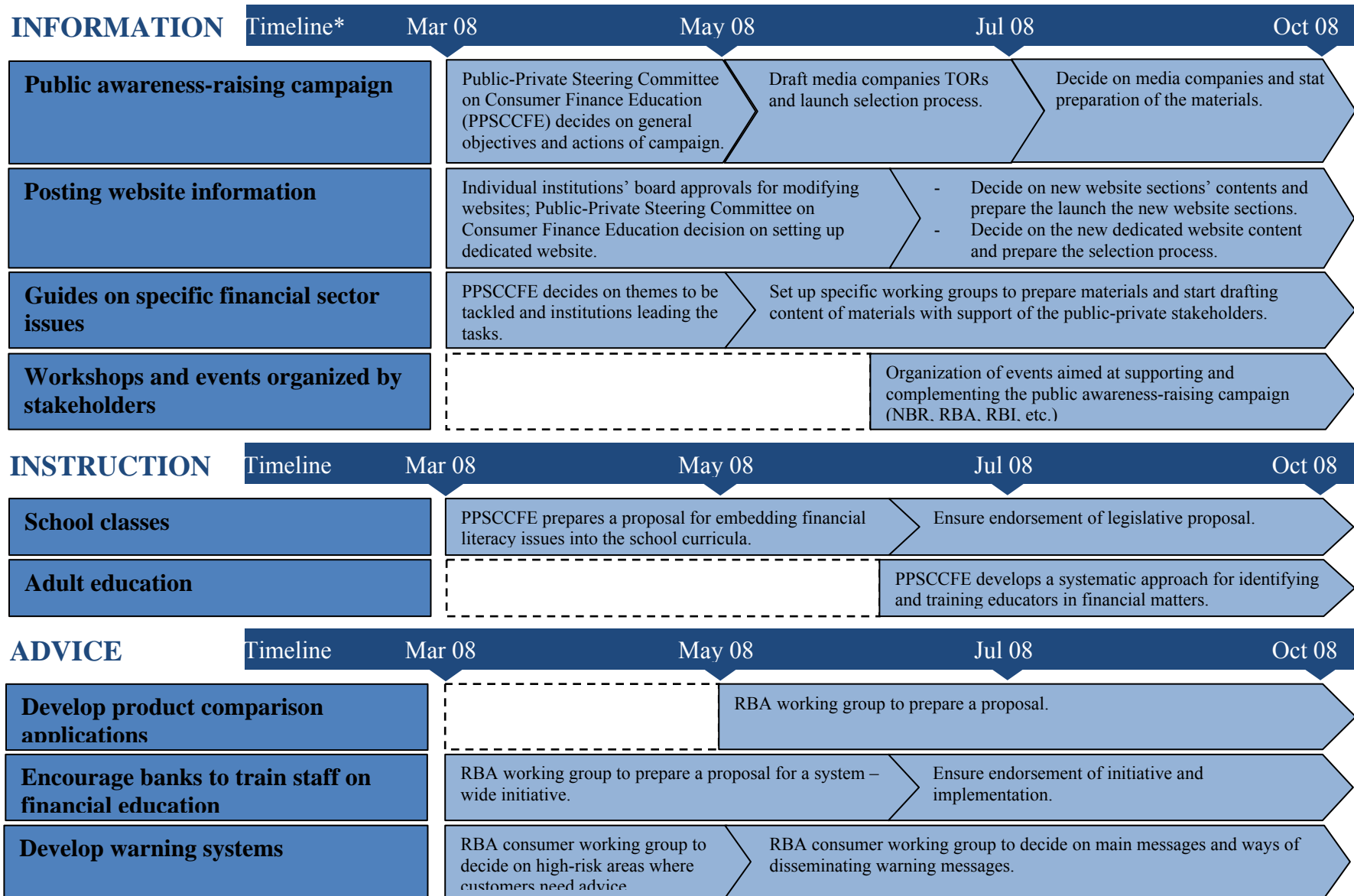
	Action	Timeframe	Responsibility
	(meetings organized by the SPI Secretariat)		Education institutions
9	Launch of the financial education actions and measures	March 2008	Steering Committee for Promoting Consumer Financial Education member institutions

## **X. Implementation plan**

The following implementation plan has been designed in accordance with the above mentioned considerations, so as to ensure that the national strategy will achieve its objectives.

For illustrative purposes, a project timeline for the first six months of activities is enclosed below.

**Figure 1: Implementation Timeline for the First Six Months of Activities**



\* According to the Pre-launch Activity Plan (see p.12), the implementation activities start in March 2008.

**Table 2: Implementation Plan**

	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
<b>I. Information</b>	<b>I.1. Public awareness-raising campaign</b>	<p><u>Main:</u> National Authority for Consumer Protection (NACP), Consumer Associations</p> <p><u>Secondary:</u> NBR, Ministry of Economy and Finance (MEF), Romanian Banking Association (RBA), Financial Industry, National Fiscal Administration Agency (NFAA), Credit Bureau, Romanian Banking Institute (RBI), SPI Romania</p>	RBA	1 year	<p>National campaign, conducted in Romanian and in the languages of minorities, using a variety of media resources to reach all citizens, stressing the importance of being adequately informed about financial issues important for life-planning. Particular emphasis should be placed on:</p> <ol style="list-style-type: none"> <li>1. The importance of having a bank account;</li> <li>2. The role and the risks of borrowing;</li> <li>3. Other risks for consumers (identity theft, predatory lending, check fraud, skimming and scamming);</li> <li>4. The importance of saving for retirement and of the pensions system;</li> <li>5. The role of insurance services (life and non-life products);</li> <li>6. The role and use of debit/credit cards;</li> <li>7. The rights of consumers (the Bank Ombudsman);</li> <li>8. Use of online banking.</li> </ol> <p>Campaign directed at an emotional response, not building technical knowledge but motivating people to gather more information and making it easy for them to find out more. (international relevant experience: Slovakia, Australia, Ireland, United States).</p> <p>To be delivered nationally using a wide range of media including newspapers, radio, television, internet, train and bus advertisements, conferences, etc.</p>

	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
<b>I. Information</b>	<p><b>I.2. Website information</b></p> <p><b>A. Individual websites</b></p>	NBR, RBA, NFAA, MoJ, NACP, MEF, Financial Institutions, Credit Bureau, Ministry of Education (MoE)	Individual institutions	6 months	<p>Publishing general, non-commercial information on financial industry products and services, the risks, benefits and uses of the respective products. Also, publishing basic financial mathematics explanations, e.g. the calculation of interest, commission, installments, etc.</p> <p>The following represent indicative information that could be disseminated by each institutions:</p> <ul style="list-style-type: none"> <li>• <u>NBR</u>: Information about customer rights, glossary of economic terms; links to websites of financial institutions; information about and links to the Bank Ombudsman; news section presenting current economic and business issues in an accesible way; provide information on specific risks associated with banking products like overindebtedness, market risk, FX risk, etc;</li> <li>• <u>RBA</u>: Links to websites of member financial institutions; information about the fees and commissions of bank products; basic financial mathematics explanations; information about and links to the Bank Ombudsman; news section presenting current economic and business issues in an intelligible way; virtual library; distance learning such as comprehensive multimedia e-learning courses, including basic banking courses, accompanied by illustrations, animation clips and films; games, educational software;</li> <li>• <u>Credit Bureau</u>: Links to websites of financial institutions; explanations about the importance of maintaining a good credit history; information about the risks of over indebtedness and other risks of</li> </ul>



	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
					<p>borrowing; information about and links to the Bank Ombudsman;</p> <ul style="list-style-type: none"> <li>• <u>NACP</u>: Information about the rights of consumers; information about and links to the Bank Ombudsman and other dispute resolution bodies; basic information about the bank products and services and their risks;</li> <li>• <u>Financial institutions</u>: Explanations about banking products, services and the associated risks; interest calculators; games; educational software;</li> <li>• <u>MEF</u>: Information about taxes and financial reporting; educational software; information on financial advice services;</li> <li>• <u>MoE</u>: “Teacher's Centre” - a service designed for teachers of economics or economics - related subjects containing teaching aids in the form of ready-to-use lesson plans;</li> <li>• <u>NFAA</u>: Sep-by-step animated guide to filling fiscal forms and income statements (audio version should also be available); Explanations about taxation, consequences of tax evasion; Games, Educational software;</li> <li>• <u>MoJ</u>: Explanations and guide to writing and legalizing a will; Explanations about bankruptcy procedures, contracts, legal responsibilities of debtors, creditors and guarantors; provide information on regimes of mortgages and pledges.</li> </ul>
<b>I. Information</b>	<b>I.2. Website Information</b>	NBR, RBA , NACP, Financial	a) MEF	1 year	Comprehensive website, designed with the support of the indicated shareholders, with sections for different categories of users, comprising general information as well as product comparison software applications or tables and the

	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
<b>I .Information</b>	<b>B. New dedicated financial education website</b>	Institutions, Credit Bureau, MEF NFAA, MoJ	b) New institution		<p>following:</p> <ul style="list-style-type: none"> <li>• Information about banks products and services and their risks, such as bank accounts, credit cards, insurance, investment, loans, mortgages, pensions, retirement options;</li> <li>• Information about customer rights;</li> <li>• Complaints and claims: Bank Ombudsman and other dispute resolution bodies;</li> <li>• Information about the fees and commissions of bank products;</li> <li>• Links to websites of financial institutions;</li> <li>• Distance learning - comprehensive multimedia e-learning courses, including basic banking courses, accompanied by illustrations, animation clips, and films;</li> <li>• Games, educational software, decision-making quizzes, skill-enhancing and strategic games, crossword puzzles, etc.</li> <li>• Virtual library;</li> <li>• Glossary of economic terms;</li> <li>• News section presenting current economic and business issues in an intelligible way;</li> <li>• “Teacher's Centre” - a service designed for teachers of economics or economics-related subjects containing teaching aids in the form of ready-to-use lesson plans.</li> </ul> <p>The website should be easily accessible and contain information that is easy to understand for consumers. Materials should be available in audio and video format,</p>

	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
					with subtitles.  International examples:  <a href="http://www.itsyourmoney.ie">www.itsyourmoney.ie</a> , <a href="http://www.federalreserveeducation.org/fred/">http://www.federalreserveeducation.org/fred/</a> , <a href="http://www.yourmoney.cba.ca/">http://www.yourmoney.cba.ca/</a> , <a href="http://www.lafinancepourtous.com/">http://www.lafinancepourtous.com/</a>
<b>I. Information</b>	<b>I.3 Guides on specific financial sector issues</b>	NBR, RBA, Financial Institutions, RBI, Credit Bureau	RBA	1 year	Publication to be made available through websites of specialized institutions as well as distributed in hard copies.
	<b>I.3.1 Guide to borrowing and its risks</b>	RBA, Financial Institutions, Credit Bureau	RBA	1 year	Publication to be made available through websites of specialized institutions as well as distributed in hard copies.
	<b>I.3.2 Guide to mortgage loans</b>	RBA, Financial Institutions, Credit Bureau	RBA	1 year	Publication to be made available through websites of specialized institutions as well as distributed in hard copies.

	<b>Proposed actions</b>	<b>Stakeholders</b>	<b>Responsible</b>	<b>Timeline</b>	<b>Comments</b>
	<b>I.3.3. Guide to retirement saving</b>	National Pensions and Social Security Commission (CNPAS), Ministry of Labor, Pension Funds, Financial Institutions	CNPAS	1 year	Publication to be made available through websites of specialized institutions as well as distributed in hard copies.
<b>I. Information</b>	<b>I.4. Regulatory or industry self-regulatory actions (codes of conduct) that require financial institutions to provide consumers with a specific minimal set of information, which should be clearly distinguished from commercial advice</b>	NACP, RBA, Financial Institutions	RBA	1 year	<p>The consumer codes should aim at increasing the transparency of the financial institutions to the benefit of consumers. As an alternative to regulatory actions, industry-self regulatory measures can be envisaged. The latter can represent a faster and more efficient solution.</p> <p>Examples: Ireland Consumer Protection Code issued by the Financial Regulator (Rialtoir Airgeadais), article 12: “A regulated entity must ensure that all information it provides to a consumer is clear and comprehensible, and that key items are brought to the attention of the consumer. The method of presentation must not disguise, diminish or obscure important information. “, article 21 “A regulated entity must provide each consumer with the terms and conditions attaching to a product or service, before the consumer enters into a contract for that product or service, or before the cooling-off period (if any) expires”.</p> <p>Title II of the Italian Consumer Code called "Information to customers" states the minimal set of information that has to be indicated to the consumer.</p>
	<b>I.5. Public workshops and other events aimed</b>	NGOs, RBA, NBR, RBI, NACP, Consumer	PP Partnership	Ongoing	A public-private partnership could be established to ensure the overall coordination of the financial education strategy or to conduct specific actions part of the

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<b>I. Information</b>	<b>at helping customers better understand financial services and pushing for more transparency from financial institutions</b>	Associations, SPI Romania			
	<b>I.6. Ensuring the quality of disclosed financial information</b>	National Audio-Visual Council, NACP, Financial Institutions	NACP	6 months	<p>Financial institutions must ensure that all their advertisements are fair and not misleading.</p> <p>An advertisement must not influence a consumer's attitude to the advertised product or service or the regulated entity either by inaccuracy, ambiguity, exaggeration or omission.</p> <p>The design and presentation of an advertisement must allow it to be clearly understood. Where small print or footnotes are used, they should be of sufficient size and prominence to be clearly legible. Where appropriate they should be linked to the relevant part of the main copy.</p>
<b>II. Instruction</b>	<b>II.1. Organizing courses, seminars, workshops, discussion meetings or mentoring</b>	<p>A. Financial Education Foundation/ NGO</p> <p>B. Financial Institutions, NBR, NACP,</p>	Dedicated Financial Education Foundation	Ongoing	<p>U.K: The Financial Services Authority (FSA) Local Committees designate "Study Group on Financial and Economic Matters" as grassroots organizations comprising 50-100 persons and provide guidance through discussion meetings and the distribution of financial services information materials.</p> <p>U.S: Most Reserve Banks offer Teacher Workshops on a</p>

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	<b>activities, often at a community/ socio-professional group level</b>	RBA			wide variety of economic and Fed-related topics. The workshops are designed to help teachers gain a deeper understanding of the role of the Fed and monetary policy in the U.S. economy, to explore economic issues and to examine principles of personal financial education.
<b>II. Instruction</b>	<b>II.2 School classes</b>	Ministry of Education, RBI, MEF, NACP	NACP	2 years	<p>Developing a systematic approach to teaching financial literacy.</p> <p>Embedding financial literacy in school curricula. Students should have financial literacy elements included in Economics, Mathematics and other courses.</p> <p>For those programs which favor use of classrooms, proper education and competence of the educators should be promoted. In this respect, the development of programs to “train the trainers” and the provision of specific information material and tools for these trainers should be encouraged.</p> <p>Providing practical support to educators and trainers and improving the availability of quality of educational resources.</p>

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	<b>II.3 Adult education</b>	Ministry of Education; Unions	Ministry of Education	2 years	Targeting specific categories (pensioners, first time home buyers, racial and ethnic minorities), most often held at the workplace or at community centers.  Examples: US: Program intended for parents of adolescents likely to be susceptible to misuse of credit. Federal Deposit Insurance Corporation (FDIC) Money Smart, a training program to help adults outside the financial mainstream enhances their money skills and creates positive banking relationships. The Money Smart program is available in two versions: an instructor-led version and a computer-based instruction (CBI) version
	<b>II.4 Seminars, student projects and conferences which promote financial education</b>	Academy of Economic Studies, RBI	Individual institutions	2 years	Financial institutions can be the main sponsors and trainers for such events. Universities can provide the venues.
<b>III Advice</b>	<b>III.1 Product comparison software/table application</b>	Financial Institutions, RBA	Individual institutions	2 years	To be included on the financial education sections of the financial institution's websites and/or in the specialized financial education website.
	<b>III.2 Toll-free telephone numbers</b>	Authorities (NACP, etc.)	Individual institutions	3 years	
	<b>III.3 Encourage banks to train staff on financial education</b>	Financial institutions, RBA, RBI	Individual institutions	Ongoing	
	<b>III.4 Suitability for</b>	Financial	Individual	Ongoing	Before providing a product or service to a consumer, a

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	<b>the consumer (written statement)</b>	Institutions	institutions		<p>financial institution must prepare a written statement setting out the reasons why a product or service offered to a consumer is considered to be suitable to that consumer. The financial institution must give a copy of this written statement to the consumer and retain a copy.</p> <p>This requirement should not apply where the consumer has specified both the product and the provider and has not received any advice.</p> <p>An example of institutionalizing this sort of requirements is provided by MiFID, which requires the advice to individual investors to be calibrated on their knowledge and sophistication.</p>
	<b>III.5 Developing warning systems for consumers</b>	Financial Institutions	Individual institutions	Ongoing	<p>Customers should be instructed which are the financial high-risk areas and how to recognize fraud.</p> <p>In addition, financial institutions may include visible and distinct warnings regarding their obligations, published on contracts next to the signature mark.</p> <p>The Irish Consumer Protection Code specifies such warnings: “As a guarantor of this loan, you will have to pay off the loan, the interest and all associated charges if the borrower does not. Before you sign this guarantee you should get independent legal advice.” Or “Purchasing this product may negatively impact on your ability to fund future needs”.</p>
	<b>III.6 Developing 1-to-1 counseling</b>	NACP, NGO, Consumer Associations	Individual institutions	Ongoing	Targeting debtors in financial difficulty, first-time homebuyers, the unbanked, low-income consumers, ethnic minorities, immigrants, refugees.