FinCoNet
INTERNATIONAL FINANCIAL CONSUMER PROTECTION ORGANISATION

Briefing Note – Public Summary

Implementation by conduct supervisors of the G20/OECD High-Level Principles on Financial Consumer Protection, with a focus on the cross-cutting theme of **Sustainable Finance**

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Disclaimer

This publication is based on information and responses gathered from FinCoNet members between February and May 2025. Information has been updated to the furthest extent possible during the drafting process. Nonetheless, subsequent changes in circumstances and practices may render some information out-of-date from the point of sharing with FinCoNet members and observers.

The opinions expressed and arguments employed herein do not necessarily reflect the official views of FinCoNet member organisations.

About FinCoNet

In November 2013, FinCoNet was formally established as a new international organisation of financial consumer protection supervisory authorities. FinCoNet is recognised by the Financial Stability Board and the G20. The goal of FinCoNet is to promote sound market conduct and enhance financial consumer protection through efficient and effective financial market conduct supervision, with a focus on banking and credit. FinCoNet members see the Organisation as a valuable forum for sharing information on supervisory tools and best practices for consumer protection regulators in financial services. By sharing best practices and by promoting fair and transparent market practices, FinCoNet aims to strengthen consumer confidence and reduce systemic consumer risk.

About this publication

This external publication provides an overview of FinCoNet's Members-only Briefing Note "Implementation by conduct supervisors of the G20/OECD High-Level Principles on Financial Consumer Protection, with a focus on the cross-cutting theme of Sustainable Finance", which is available in full to Members on the FinCoNet Members-only website. The note was prepared by FinCoNet's Standing Committee 6 (SC6), chaired by the Central Bank of Ireland. SC6 is responsible for assessing how relevant components of the G20/OECD High-Level Principles on Financial Consumer Protection ("the Principles") are implemented or applied from a conduct supervisory perspective. As part of its 2025/2026 Programme of Work, SC6 is examining market conduct supervision in challenging times, focusing on sustainability, consumer vulnerability and quality financial products.

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Introduction

The G20/OECD High-Level Principles on Financial Consumer Protection[1] highlight the need to understand the impact, opportunities and risk of sustainable finance[2] for financial consumers. Originally endorsed by the G20 in 2011 and updated in 2022, the Principles include three cross-cutting themes of digitalisation, sustainable finance and financial well-being, reflecting the evolving financial landscape and emerging consumer protection challenges. Financial services providers are increasingly incorporating environmental, social and governance (ESG) and other sustainability-related factors into their operations, products and services due to growing consumer demand for such products. Sustainable finance products offer consumers the opportunity to align their financial choices with social, environmental, and governance values while potentially enhancing their financial well-being and climate resilience. At the same time, the growth of sustainable finance may give rise to consumer risks such as greenwashing and firms' misrepresenting of the degree of sustainability through dishonest and misleading sales practices.[3]

Given FinCoNet's focus on market conduct supervision, this briefing note provides a point-in-time overview of the implementation by conduct supervisors of the cross-cutting theme of Sustainable Finance in the G20/OECD High-Level Principles on Financial Consumer Protection, with an emphasis on how supervision can mitigate consumer risks and strengthen opportunities linked to sustainable finance. This analysis, which focussed on the areas of banking and consumer credit, draws on several workshops, peer-led presentations and an initial fact-finding survey, as well as a more substantive survey completed by 18 supervisory authorities across jurisdictions.

Core trends, supervisory practices, and key findings regarding how conduct supervisors across jurisdictions are addressing sustainable finance are organised into five main areas: (1) regulatory enhancements and initiatives to identify and mitigate risks; (2) the use of SupTech and data analytics; (3) stakeholder partnerships and the communication of expectations to firms; (4) financial literacy and awareness; and (5) accessibility. Each thematic section includes a summary of key findings and a set of potential considerations for jurisdictions, outlining key lessons and opportunities for conduct supervisors to strengthen consumer protection and sustainable finance oversight.

1.1. Regulatory enhancements and initiatives to identify and mitigate risks

A robust regulatory and supervisory framework provides jurisdictions with the necessary foundation required to identify and manage the risks that potentially affect consumers. Within the context of Principle 1: Legal, Regulatory and Supervisory Framework,[4] this analysis assesses the evolving regulatory enhancements and related

[1] OECD (2022), *G20/OECD High-Level Principles on Financial Consumer Protection 2022*, OECD Publishing, Paris, https://doi.org/10.1787/48cc3df0-en.

[2] As defined in OECD (2023), "Financial consumers and sustainable finance: Policy implications and approaches", OECD Business and Finance Policy Papers, No. 32, OECD Publishing, Paris, https://doi.org/10.1787/318d0494-en., "sustainable finance" refers to financial products, strategies or financial market activities which support and prioritise long-term economic, social and environmental objectives by, for example, taking into account environmental and social drivers of financial returns; mitigating adverse environmental or social impacts; or advancing positive environmental and social outcomes.

[3] OECD (2024), Consumer Finance Risk Monitor, OECD Publishing, Paris, https://doi.org/10.1787/047b2ea6-en

[4] In summary, Principle 1: Legal, Regulatory and Supervisory Framework maintains countries should establish a comprehensive legal and regulatory framework for financial consumer protection. This includes clear laws, effective enforcement, and independent supervision to ensure institutions act in consumers' best interests. The Principle

initiatives relevant to sustainable finance, examines how greenwashing and other risks are currently being mitigated and identifies potential considerations for jurisdictions.

Summary of Key Findings:

- While a relatively new and evolving market for most jurisdictions, the majority of responding authorities did not report consumer detriment to date that had required supervisory intervention/enforcement. While similar risks are being considered across jurisdictions, they are currently being managed using existing legislative and supervisory frameworks. It was noted that a number of jurisdictions operate in the absence of a harmonised definition of Sustainable/Green Finance.
- For the majority of survey respondents, both the regulation and the risks are in a relatively early stage of development and maturity. The most cited potential risks include greenwashing,[5] insufficient or inconsistent disclosures and information arising from unsubstantiated claims, varying information spread across platforms, performance exaggeration, limited training/knowledge of staff and/or inadequate sales incentives. In addition, risks stem from knowledge gaps arising from lack of financial literacy, consumer biases and financial jargon, which impedes consumers' ability to evaluate and compare products, resulting in uninformed decisions about potentially complex products. Other less common risks referenced include limited access to products/restricted competition, potentially high pricing, unsuitability and expansion without safeguards.
- Planned regulatory and supervisory developments include a focus on further implementing existing measures, enhanced socialisation of requirements with firms, and evaluation of protections with the possibility of enhancing them further. For example, a small number of jurisdictions indicated that they would implement National Green Taxonomies and roadmaps to advance sustainability supervision, a few jurisdictions reported that they would concentrate on socialising requirements further with firms and with a view to firms taking on responsibility and a small number have indicated that they would be evaluating their guidelines, frameworks and approaches, to take account of the dynamic changes and to address gaps and strengthen protections. This could include modifying the scope of application of requirements, introducing formal definitions, and strengthening specific measures such as sustainable finance disclosures.

Potential considerations for authorities:

- Scope for jurisdictions to consider (collectively) adapting the OECD harmonised definition of sustainable finance (which would provide clarity and consistency in future multi-stakeholder partnerships/engagements).
- Notwithstanding the current level of risk, it is important for regulators to look ahead to ensure existing toolkits will allow modification of current approaches and flexibility to innovate as needed, should the observed level of greenwashing risk increase or if other risks emerge. This includes consideration to be given to explore the impact of risks from a consumer perspective.

provides that, *"…Regulation should reflect and be proportionate to the characteristics, types, risks and variety of the financial products and services, providers and consumers…"* (https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0394)

[5] i.e. misleading consumers to believe that the products meet the marketing claims of being "green" or of a "sustainable" standard, to gain commercial advantage. Coupled with a lack of consistent definition/green taxonomy.

- Opportunity for jurisdictions to further consider legislative measures and gaps by way of comparison to their peers through, for example, reviewing those measures currently being implemented in other jurisdictions.

1.2. Use of SupTech[6] & data analytics

This portion of the review includes an exploration of SupTech currently being used across jurisdictions[7] to help inform their work on sustainable finance related initiatives. These themes were analysed against the backdrop of the Principles and Principle 2 in particular: Role of Oversight Bodies.[8]

Summary of Key Findings:

- All responding authorities are proactive in building their general knowledge and understanding of issues related to sustainable finance, but there is scope for enhanced use of innovative SupTech and more regular data collection and analysis by supervisory authorities.
- More specifically, the analysis finds that all responding authorities are proactively building their general knowledge and understanding through *more traditional channels* i.e. largely via desk-based reviews/repository (publicly available information), questionnaires, consultation and/or engagement (with the industry/firms), regulatory reporting and, (in a minority of cases) research (public reports, databases), and thematic reviews.
- Just over two-thirds of responding authorities noted the current use of SupTech in the context of sustainable finance. For example, Artificial Intelligence (AI) is used to summarise large information gathering exercises and day-to-day data monitoring quickly and efficiently minimising the need for more laborious manual interventions.
- Evidence-based intelligence is being used to inform supervisors' work across jurisdictions; however, it can be ad-hoc in nature, and not consistent across jurisdictions. For example, FinCoNet Members outside of the EU were more likely to report collating regularly-collected dedicated data (as opposed to solely ad-hoc) – with all but one respondent gathering such data regularly.
- The types of basic intelligence gathered include general information on the size of market/applications, the types of funded sustainable finance projects and any historical losses, availability of sustainable products and product features, sustainability policies, promotional materials, industry practices (including governance and operations) and complaints.

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[6] SupTech usually refers to the use of digital tools and solutions – including hardware and software – by public sector regulators and supervisors to carry out their responsibilities (OECD 2021)

[7] SupTech tools can support supervisory activities by helping supervisors detect potential risks, including those related to sustainability. These solutions enable the processing of large quantities of data thus reducing the effort needed to obtain and analyse a company's ESG data (in the case of Sustainable Finance) and contribute to enhance data quality and reliability. The adoption of technology can potentially help supervisors verify that ESG-related product claims to consumers are accurate and complete.

[8] In summary, Principle 2: Role of Oversight Bodies states that oversight bodies should be independent, well resourced, and mandated to enforce consumer protections rules/laws. Coordination among supervisory authorities is essential to cover all financial sectors and avoid regulatory gaps. Principle 2 provides that "*…oversight bodies should have the capability, flexibility and the appropriate range of tools and powers to carry out their role. This may mean adapting market monitoring, for instance relating to technological or sustainable finance developments…*"

Potential considerations for authorities:

- Explore options to enhance SupTech learning options (listed) from peer authorities; and
- Support a more holistic data-driven supervisory approach. There may be opportunities for jurisdictions to increase the quality of data collection relating to sustainable lending products, both in terms of regulatory and specificity. The absence of high-quality data can make it difficult for jurisdictions to accurately track the growth of sustainable lending vis-à-vis traditional products, and to have oversight of the performance of these products (e.g. arrears management) in a timely manner.

1.3. Stakeholder partnerships and communicating expectations to firms

This aspect of the review surveyed the use of various stakeholder initiatives currently being used across authorities, with a view to identifying what is working well and could be taken into consideration by authorities in other jurisdictions.

Industry engagements can be utilised as a key tool to build on and communicate expectations of firms and to support authorities' understanding of sustainable products and the market more generally. In addition, by engaging with industry, supervisors can identify emerging risks early and develop strategies to mitigate them. This can include, but is not limited to, issuing new guidance and enforcing stricter regulations.

Summary of Key Findings:

- All authorities are actively engaging with industry on sustainable finance issues, with varying means of engagement noted. The most common approaches include public consultations, feedback reports, and guidance documents. Stakeholder events, forums, workshops, committees, and round-table meetings are also used to share financial knowledge and experiences. These involve key players such as firms, supervisory and regulatory authorities, consultants, and rating agencies.
- Authorities communicate with industry following thematic reviews and questionnaires. These communications often outline expected standards and share best practices. For example, they may arise from reviews of banks' sales of green and sustainable products or assessments of investment providers' readiness to integrate sustainable finance.
- Other forms of outreach include speeches by senior leadership to convey key messages, particularly on sustainable-related marketing. Messages are also promoted through website content, online publications, social media, LinkedIn campaigns, and press releases.
- Most authorities are forging collaborative partnerships with other international and domestic bodies to help inform their approach to supervising sustainable finance.

Potential considerations for authorities:

- Jurisdictions could consider other potential stakeholder engagement initiatives, including cross-jurisdiction opportunities.

1.4. Financial Literacy & Awareness

A lack of financial literacy can lead to uninformed decisions and consumer inertia, especially when individuals face complex financial products. This is particularly true in emerging sustainable finance sectors, where products and concepts may be unfamiliar. To address this, the section provides a point-in-time stocktake of financial literacy and awareness programmes across jurisdictions. These initiatives are being used to support work on sustainable finance and are reviewed in the context of Principle 4: Financial Literacy and Awareness.[9]

Summary of Key Findings:

- The survey results show that while all jurisdictions have financial literacy programmes/related initiatives, 10 of the 18 responding authorities were currently undertaking consumer financial literacy programmes specific to sustainability. Some jurisdictions that did not have financial literacy programmes specific to sustainable finance at the time of data collection reported that they were considering adding specific online information.
- The majority of authorities offering related initiatives provide dedicated website content or public factsheets, often linked to European Supervisory Authorities (ESAs). A smaller number offer alternative formats, such as interactive public sessions, exhibits, guided tours, thematic weeks, youth-focused educational activities, and social media campaigns. Some also conduct consumer surveys and host forums for stakeholders to exchange information on the transition toward sustainable business practices.

Potential considerations for authorities:

- Given all jurisdictions offer general financial literacy programmes, there is opportunity to include sustainable finance-related content (and to consider the initiatives of other jurisdictions).

1.5. Accessibility

The review included an assessment of access-related issues, using the framing of Principle 3: Access and Inclusion.[10] This is important as greater access to sustainable products could allow consumers to benefit from a financial perspective, e.g. lower interest rates on Green Mortgages and favourable terms for loans to finance energy efficiency projects. The larger financial institutions are generally at the forefront of introducing new products such as green mortgages, and there are some market specific innovations such as preferential terms offered to low carbon agriculture businesses. There are also smaller institutions offering more bespoke products such as ethical or green credit cards.

Summary of key findings

- Survey findings revealed that information on potential barriers to consumer access and limitations to eligibility was generally low. Most responding supervisory authorities

[9] In summary, Principle 4 (Financial Literacy and Awareness) provides that *"appropriate mechanisms should be developed to help consumers gain the knowledge, skills, behaviours and attitudes to be aware, understand risks and opportunities, make informed choices, know where to go for assistance, and take effective action to support their financial well-being and resilience"*. Literacy programmes should also be assessed for effectiveness.

[10] In summary, Principle 3: Access & Inclusion states that governments, regulators, and financial service providers should seek to promote an inclusive financial system by removing barriers that prevent consumers from accessing and using financial services, include and embed financial inclusion and consumer protection in policies and strategies (relating to innovation), and leverage digitalisation in a way that recognises the diverse need and skills of consumers, including the continued need for some to access traditional services and cash.

cited either a lack of available information or considered it a commercial decision made by firms.

- Among the authorities that provide information, several report notable limitations to access, which may disproportionately affect low-income households. These limitations include strict eligibility criteria, such as higher income thresholds or recent regulatory changes, as well as factors like borrowers' credit history and repayment capacity. Other barriers include the cost of green loans, limited geographic availability, and the need to provide evidence of how funds will be used. Additionally, challenges arise from limited product availability and competition, low consumer awareness, and prudent lending practices aimed at managing risk—such as avoiding funding agricultural products during a drought.

Potential considerations for authorities:

- Consider identifying potential gaps in data, which would enhance intelligence on the root causes of access barriers.
- Consider the existing and potential limitations to access referenced in this report (where applicable) and how to mitigate risks for consumers.

Conclusion

In order to maximise the benefits and mitigate potential harms, oversight bodies should continue to consider the consumer protection risks associated with sustainable finance products, as well as assess whether existing consumer protection frameworks effectively address these risks. This is essential to ensure positive consumer outcomes, especially as demand for sustainable finance continues to grow.

Responses to the questionnaire show that sustainable finance is receiving increasing attention from conduct supervisors. However, it remains a relatively new and evolving area within the conduct supervision function. Consumer risks may be heightened due to the emergence of new products and providers, inconsistent definitions, and limited understanding of the consumer experience. As new regulations are developed and implemented, the landscape will continue to change.

Supervisory authorities should therefore continue to evaluate and strengthen existing practices. This includes addressing barriers to access, assessing risks from a consumer perspective, and clarifying definitions of sustainable finance. These efforts are key to promoting sound market conduct and ensuring strong consumer protection.

References

OECD (2022), *G20/OECD High-Level Principles on Financial Consumer Protection 2022*, OECD Publishing, Paris, https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/financial-consumer-protection/G20-OECD-FCP-Principles.pdf

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