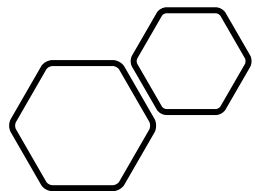


CONSUMER PROTECTION: NAMIBIA EXPERIENCE

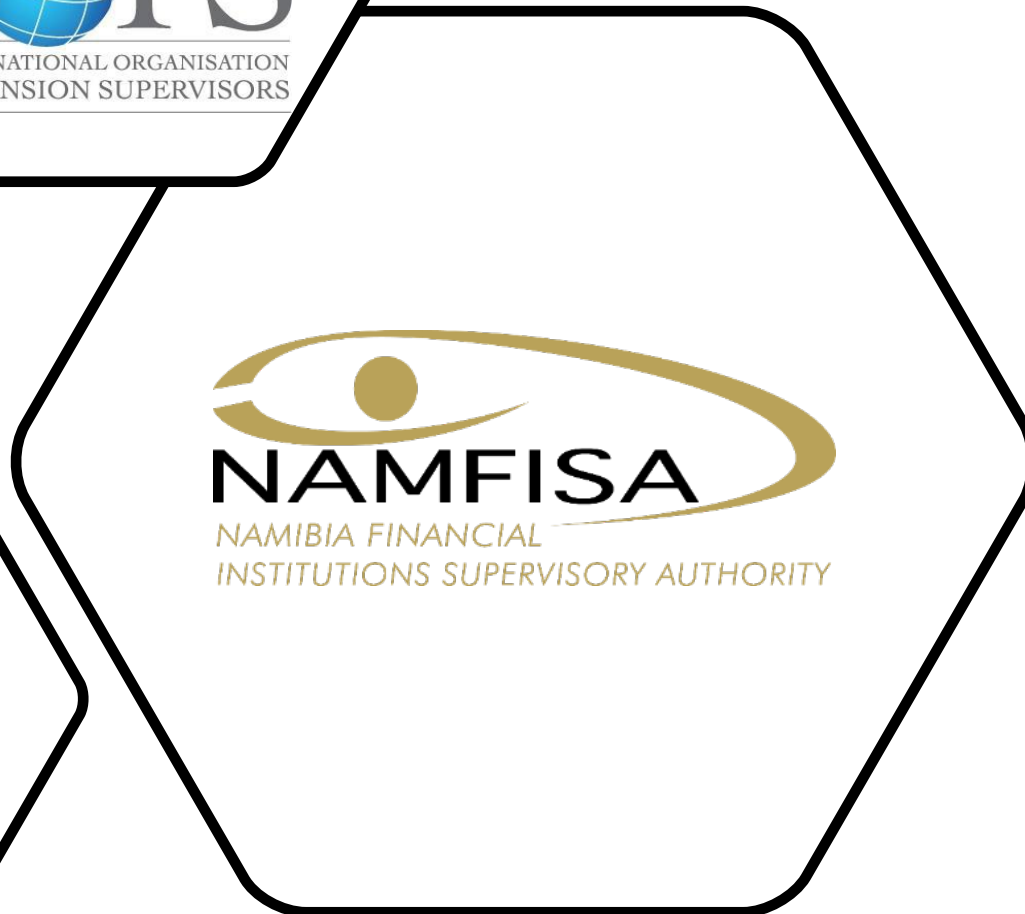
BY ERNA MOTINGA
DEPUTY CHIEF EXECUTIVE OFFICER:
PRUDENTIAL SUPERVISION





OUTLINE

1. ABOUT NAMFISA
2. WHY FINANCIAL CONSUMER EDUCATION MATTERS
3. WHAT CAN BE DONE
4. DESIRED OUTCOMES





ABOUT NAMIBIA FINANCIAL INSTITUTIONS SUPERVISORY AUTHORITY (NAMFISA)

NAMFISA was established by an Act of Parliament: the NAMFISA Act, 2001 (No.3 of 2001)

MANDATE

- Supervision
- Advisory
- Enforcement of Financial Intelligence Act, 2012



VISION

- To have a safe, stable and fair financial system contributing to the economic development of Namibia in which **consumers are protected.**

MISSION

- To regulate and supervise financial institutions and financial intermediaries to foster a stable, fair non-banking financial sector, **to promote consumer protection** and provide sound advice to the Minister of Finance.



WHY FINANCIAL CONSUMER PROTECTION MATTERS



➤ Financial consumer protection matters from a regulatory and supervisory point of view because:

- imperfect information,
- unfair business practices,
- low financial literacy,
- innovative and complex financial products, and
- consumer behavior

often leads to consumers not being adequately protected in the retail market.

Pension system design:

- Voluntary
- Employer linked
- No provision towards adequacy
- No preservation
- Limited portability
- No access to information

Functioning:

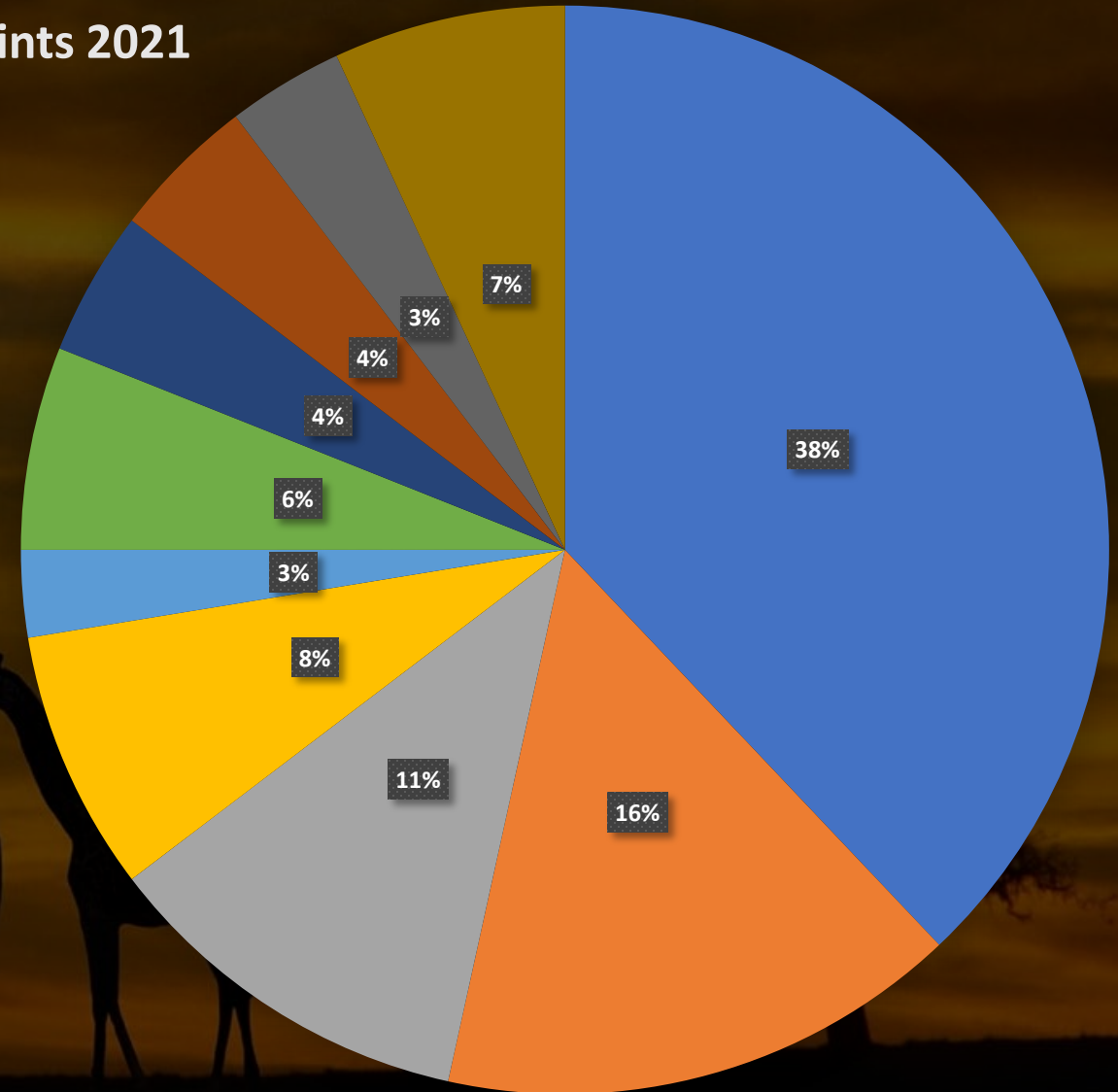
- Low coverage
- Inadequate savings rate
- Leakages
- Only long term savings for a good portion of members

➤ Some of the reasons cited in Namibia is the low levels of financial literacy to comprehend complex financial products and associated services, while the service providers are not transparent, which exacerbates unfair business practices augmented by information asymmetry.

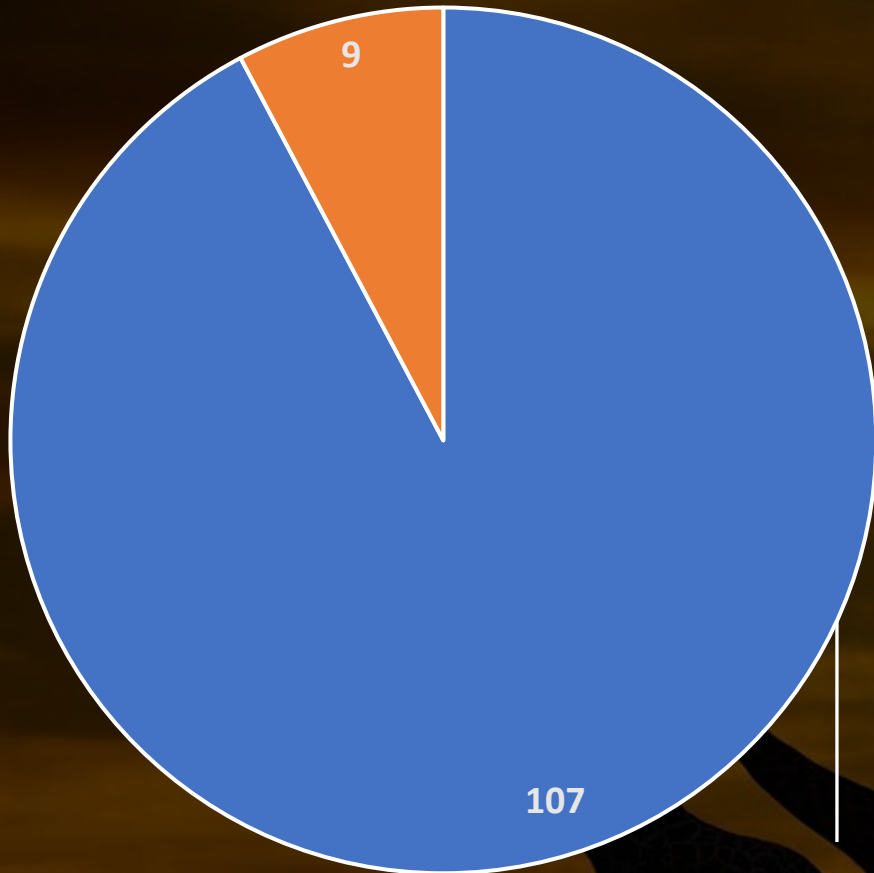
➤ Jan to Dec 2021 number 2 complaint against Pension Funds is 'non-provision of information'(benefit statements, amount of savings, amount of benefit due, tec.)

Pension Funds Complaints 2021

- Withdrawal benefits not paid
- Information not given
- Death benefits not paid
- Retirement benefits not paid
- Contributions not paid
- Disputed benefit amount
- Low retirement benefit
- Annuity not paid
- Service not Acceptable
- Others

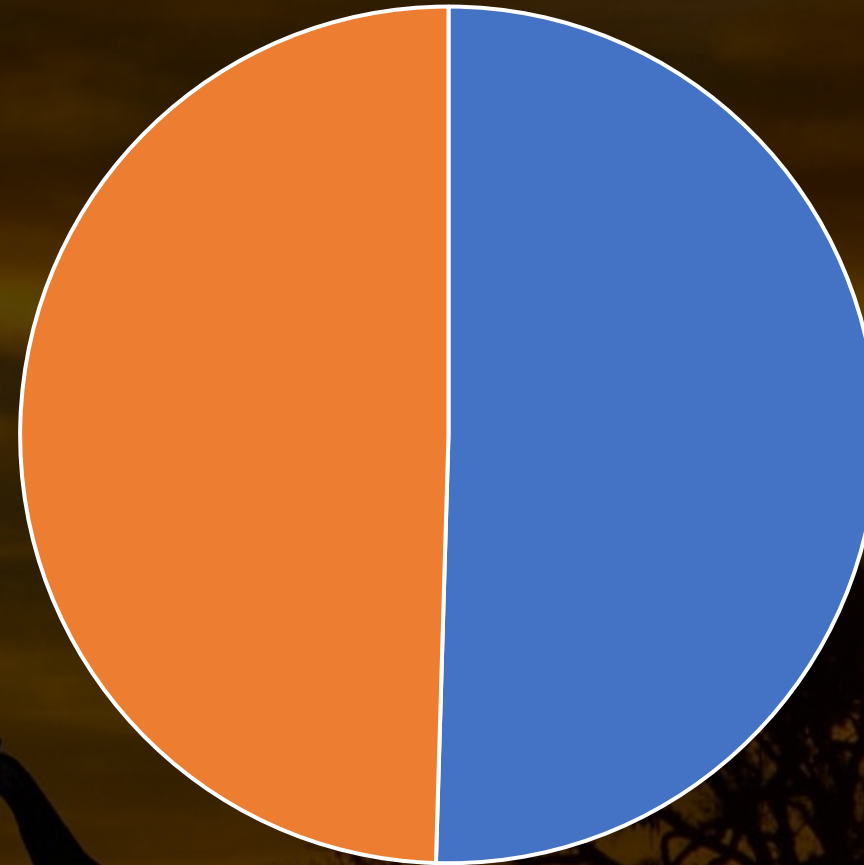


Resolution Rate



■ Resolved ■ Inprogress

Resolution Decision



■ For Complainant ■ For Fund



WHAT CAN BE DONE?



- On March 15, 2012, NAMIBIA launched the **Financial Literacy Initiative (FLI)** platform to enhance the financial literacy of individuals and micro-small-medium sized enterprises and narrow the economic divide.
- NAMFISA intends to introduce a **Treating Customers Fairly (TCF) Framework**, in the form of a market conduct standard, which is aimed at improving market conduct of regulated entities in the interest of the consumers.



Treating Customer Fairly (TCF) Standard addresses the root causes of complaints and ensures that consumers of financial services are protected.

TCF standard aims at improving outcome on market conduct.

TCF Standard places a requirement on all NBFIs to provide fair treatment to consumers across all stages of the product life cycle.



SEVEN DESIRED OUTCOMES OF TCF STANDARD



TCF OUTCOMES	KEY EXPECTATIONS FROM NAMFISA
<p>1: Fair Treatment Culture</p> <p>Consumers are confident that they are dealing with NBFIs where fair treatment of consumers is central to the corporate culture.</p>	<ul style="list-style-type: none"> • Ensure TCF responsibility is for all parties within a regulated entity and implemented daily.
<p>2: Appropriate Product Design and Distribution of Products and Services</p> <p>Products and services marketed and sold are designed and distributed to meet the needs of the targeted consumer group.</p>	<ul style="list-style-type: none"> • Ensure product design and risk management are based on written policies. • Ensure needs, affordability and suitability assessments. • Ensure responsible pricing methodology.

TCF OUTCOMES

KEY EXPECTATIONS FROM NAMFISA

3: Clear and relevant information provided

Consumers are given clear and relevant information, and appropriately informed before, during and after point of sale.

- Ensure provision of clear and truthful information during marketing, sale and after sale services.
- Ensure full disclosure and transparency.

4: Proper advice

Where advice is given, it is suitable to the consumer and takes account of their circumstances.

- Principles to ensure suitable advice.

TCF OUTCOMES	KEY EXPECTATIONS FROM NAMFISA
--------------	-------------------------------

5: Products and Services perform as promised and at an acceptable standard

Products and services must perform the way consumers were led to expect, and services rendered must be according to an acceptable standard.

- Ensure product perform as sold and risks, if any, are communicated

6: No unreasonable post sale barriers

Consumers do not face unreasonable post-sale barriers that will inhibit consumers to change products, switch service providers, submit a claim or file a complaint.

- Inhibit post sales barriers for consumers

TCF OUTCOMES

KEY EXPECTATIONS FROM NAMFISA

7: Privacy and Data Protection

Consumers are informed about data collection, the use and disclosure of personal information, data ownership and information consent.

- Ensure privacy and confidentiality of consumer data

THANK YOU



21 YEARS
ANNIVERSARY