

PRESS RELEASE

BUILDING FINANCIALLY SMART ATTITUDE FOR PUBLIC WELFARE

OJK Launches Financial Consumer Protection Strategy 2013- 2027

Jakarta, May 18, 2017 – The Financial Services Authority (OJK) has launched the Financial Consumer Protection Strategy (SPKK) 2013 – 2027 to evaluate its Consumer Protection programs that have been running for the last five years and respond to challenges in the next 10 years.

The launch, on the theme of “Building Financially Smart Attitude towards Public Welfare,” was marked by the opening of the Jakarta Stock Exchange’s first trading session by Coordinating Minister for Human Development and Culture Puan Maharani and OJK Chairman Muliaman D. Hadad.

“The strategy was designed as an effort to respond to challenges and strategic issues concerning protection for consumers in the financial services sector both today and in the future, within national, regional as well as international scope,” Muliaman said.

The targets that the OJK seek to achieve from the strategy have been divided into three phases, each of which runs for five years, as the Authority wants to ensure consumer protection that is proportional to the financial services industry’s development.

The stages include the Development Phase (2013 – 2017), the Expansion Phase (2018 – 2022), and the Acceleration Phase (2023 – 2027). They are based on the four main pillars of consumer protection: (1) infrastructure; (2) consumer protection regulations; (3) market conduct supervision; as well as (4) education and communication.

Puan Maharani stated that the Government welcomed this initiative from the OJK as part of the implementation of the National Strategy on Financial Inclusion (SNKI), which was incorporated into Government Regulation No. 82 of 2016.

She emphasized that in its application, the strategy should result in wider access for members of the public who never had exposure to financial products and/or services before, and better efforts to protect financial consumers, by changing public mindset.

“Indonesian public should be financially smart, including the lower middle class that has been facing lack of access to financial products and services,” Puan Maharani said.

She believed that higher financial skills would be achievable by means of massive education movement and financial inclusion programs targeted at middle lower economy groups, the elderly, mothers, school-age children whose parents came from low-income community, also disabled people or those with special needs.

OJK Commissioner for Consumer Education and Protection Kusumaningtuti S. Soetiono explained that the OJK together with the financial industry provided financial products and services suitable for public needs, including micro investments in shares, retail mutual funds, micro insurance, farmers insurance, et cetera. Both parties also took steps to bring the public closer to branchless banking services (*Laku Pandai*) and encourage them to use digital financial services.

“Minimizing misrepresented information, low financial literacy and inclusion levels, financial consumer protection regulations that are not yet standardized, and an influx of unlicensed financial product offers that could inflict financial damages on the public, are some of the challenges confronting efforts to protect financial consumers today,” Kusumaningtuti said.

In addition, there are also strategic issues that need to be considered, including financial technology (fintech), the importance of market conduct supervision, higher traffic of cross-border transactions, and the security significance of consumers’ personal data.

Consumer protection and education efforts that the OJK have carried out are results of its cooperation with various parties, including ministries, state agencies, the financial services industry, the World Bank, the Australia Indonesia Partnership for Economic Governance (AIPEG), the National Consumer Protection Agency (BPKN), consumer representatives such as the Indonesian Consumers Foundation (YLKI), and other OJK’s strategic partners.

For more information:

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