

PRESS RELEASE

BUILDING CONSUMER BEHAVIOR VITAL TO DEVELOP STRONG FINANCIAL INDUSTRY

Bali, May 4, 2017 — The Financial Services Authority (OJK) hosted International Seminar on Changing Consumer Behavior through Financial Literacy, Financial Inclusion, and Consumer Protection, from May 4 to 5, 2017, in Nusa Dua, Bali.

The theme conformed to the main principle of consumer protection initiated by G-20 countries, which underlines the importance of consumer behavior in creating sound financial industries, both in terms of financial products or services provision and consumer interests' protection.

“Many countries and international organizations now make consumer behavior the underlying factor of their consumer protection policies and strategies. The OJK, as the authority over Indonesia’s financial services industry, has also adopted the same approach since it first operated in 2013,” OJK Chairman Muliaman D. Hadad said when opening the international seminar in Nusa Dua, Bali, on Thursday (May. 4).

According to him, the thriving financial industry and financial technology (fintech) advances had turned consumer behaviour into an important aspect for both the financial services industry and the public, since it could boost demand for financial products or services. It also encouraged financial services institutions to develop more attractive products and applied consumer protection principles. Overall, consumer behaviour was critical to economic growth.

This seminar aims to show that financial literacy will equip the public to be more capable of understanding the benefits and risks, so they can exercise more caution when choosing financial products and avoid illegal investments.

Good consumer behaviour will raise awareness on the importance of financial products or services for better welfare, which ultimately will lead to higher financial inclusion.

Today, consumers pay more attention to their rights and obligations, and this fact has prompted regulators to be more observant of the aspect of financial consumer protection.

Good financial behavior is evident, among others, in one’s financial planning and management, taking the right financial decisions, one’s confidence in using financial products, and excellent interaction between consumers and financial services institutions.

Different efforts have and will be made in an attempt to change consumer behavior, and they include:

1. Financial education and literacy programs, which were developed based on consumer behavior. Materials of these programs cover financial planning and management, introduction to a variety of financial products and services offered

- by banks, the capital market, and the non-bank financial industry, and increased caution in investing one's money;
2. Encouraging financial services institutions to provide affordable financial products—which are more suitable to the needs of financial consumers—and utilize financial technology that facilitates faster and more efficient selection of financial products and services for the public; and
 3. Developing methods of market conduct supervision over financial services providers in order to create a healthier, fair, and sustainable financial ecosystem that encourages excellent interaction with consumers.

On the same occasion, OJK Commissioner for Consumer Education and Protection Kusumaningtuti S. Soetiono explained the measures that the OJK had taken so far paralleled the steps and implementation of President Jokowi's *Nawacita* (a nine-point development program). Financial consumers needed to be equipped with financial knowledge and skills, so later these financial products or services would create multiplier effects on Indonesian economy. "OJK programs are in line with the implementation of the National Strategy for Financial Inclusion as stated in Government Regulation No. 82 of 2016," she said.

The international seminar is a tool to gain return benefits from spending OJK's budget for this industry. It will run for two days, with its speakers and participants coming from financial regulators, financial services supervisory agencies, governmental institutions, international organizations, financial industry players, scholars/researchers, observers of financial services consumers' behavior, and the general public. The seminar will discuss a range of topics, including:

- a. The role of government/regulators and financial services institutions in changing financial consumer behavior through financial literacy and inclusion, and financial consumer protection;
- b. Influence of fintech development on prompting changes of financial consumer behavior;
- c. Results of researches on financial inclusion's influence on changes of financial consumer behavior;
- d. Various methods that financial services institutions use to assess consumer behavior and risk-based supervision on market conduct;
- e. Advantages of financial literacy and inclusion, and market conduct from financial regulators' perspectives.

From this seminar, the OJK hopes that it will get feedback, strategies, and best practices from financial experts and practitioners, to be applied in consumer protection policies and future implementation of financial literacy and inclusion programs, for the purpose of supporting changes in financial consumer behavior, which will bring positive impacts on the financial services industry.

For more information:

Anggar B. Nuraini, Deputy Commissioner for Consumer Education and Protection
Tel: +62 21 2960 0000 or 1 500 655 E-mail: b_nuraini@ojk.go.id www.ojk.go.id