

GLOBAL FINTECH DIALOGUE

REGULATORY APPROACHES FOR INCLUSIVE FINTECH

26-27 SEPTEMBER 2019, PRAGUE, CZECH REPUBLIC

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Portugal

Key Facts



FINANCIAL
INCLUSION

92.5%

OF THE POPULATION
HOLD AT LEAST ONE
CURRENT ACCOUNT
(2015)

FINANCIAL
LITERACY

14.0

AVERAGE SCORE OF FINANCIAL
KNOWLEDGE, ATTITUTES AND
BEHAVIOUR (2016)

DIGITAL
CHANNELS

85.0%

OF BANKS PROVIDE
PRODUCTS OR SERVICES
THROUGH MOBILE
CHANNELS (2018)



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Portugal

Key Facts



FINANCIAL
INCLUSION

FINANCIAL
LITERACY

DIGITAL
CHANNELS

92.5%

OF THE POPULATION
HOLD AT LEAST ONE
CURRENT ACCOUNT
(2015)

14.0

> 13.7

ABOVE
OECD AVERAGE
COUNTRIES

100.0%

OF BANKS PROVIDE
PRODUCTS OR SERVICES
THROUGH ONLINE
CHANNELS (2018)



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But only...

27.0%

OF INSTITUTIONS REPORTED
THAT MORE THAN HALF OF
PRIVATE CUSTOMERS USE
ONLINE CHANNELS (2018)

MAIN Barriers ?

- Security Risks
- Lack of financial literacy



Challenge

Improve
Digital Financial
Literacy

But only...

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OF INSTITUTIONS REPORTED
THAT MORE THAN HALF OF
PRIVATE CUSTOMERS USE
ONLINE CHANNELS (2018)

MAIN Barriers ?

- Security Risks
- Lack of financial literacy



Banco de Portugal has in place a
DIGITAL FINANCIAL LITERACY STRATEGY
to ensure adequate access to digital
channels and avoid financial exclusion

YOUNG PEOPLE were selected as the lead target group

- **Tech savvy**
- **Current and prospective users** of digital channels
- **Intensive users** of new technologies
- **Unconcerned** with online risks



YOUNG PEOPLE were selected as the lead target group



Young people spread the message among teachers and parents!



The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels



INSTAGRAM



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The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels

#1



INSTAGRAM

DON'T MAKE
THE INTERNET
A HIGH-RISK
GAMBLE
#toptip



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The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels

#2



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The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels

#3



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The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels

#4



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The campaign **#toptip** raises awareness among YOUNG PEOPLE of precautions to take when using digital channels

#5



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A printed brochure with the 5 #toptips and recommendations was distributed to ALL SECONDARY SCHOOLS and SCHOOL LIBRARIES across the country



FACE-TO-FACE TRAINING SESSIONS take place in national schools, complementing the use of digital channels such as the **Bank Customer Website**

To download the brochure, click here:

https://clientebancario.bportugal.pt/sites/default/files/2018-11/Brochura%23ficaadica_EN.pdf



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Banco de Portugal is also concerned with **ADULT** and **SENIOR POPULATIONS**

- Less comfortable with digital channels
- More concerned with security risks
- Financial exclusion is a potential risk





Awareness campaigns are launched on the BANK CUSTOMER WEBSITE,

Banco de Portugal's main communication channel with bank customers, in place since 2008

October
Cybersecurity
Month


*As you don't share
your toothbrush,
don't share your
password either*



Awareness campaigns are
launched on the
**BANK CUSTOMER
WEBSITE,**

Banco de Portugal's main
communication channel
with bank customers, in
place since 2008

<https://cliente bancario.bportugal.pt/en/>



Banco de Portugal, as a
SUPERVISORY AUTHORITY,
also acts on **financial
institutions** providing banking
products and services through
digital channels

Banco de Portugal's supervisory concerns

Strong foundation of digital identification



Strong customer authentication



Responsible credit





Strong foundation of digital identification

Banco de Portugal allows demand deposits to be opened through digital channels

- Technical Know Your Customer requirements established in 2017
- Supervised institutions must use assisted videoconference

Strong customer authentication

Ensuring security on digital payments is a key concern of supervisors

Payment Services Providers must comply with Strong Customer Authentication (SCA), based on the use of two or more independent elements



SOMETHING YOU OWN

Something only the customer owns.
Example: a phone.



SOMETHING YOU KNOW

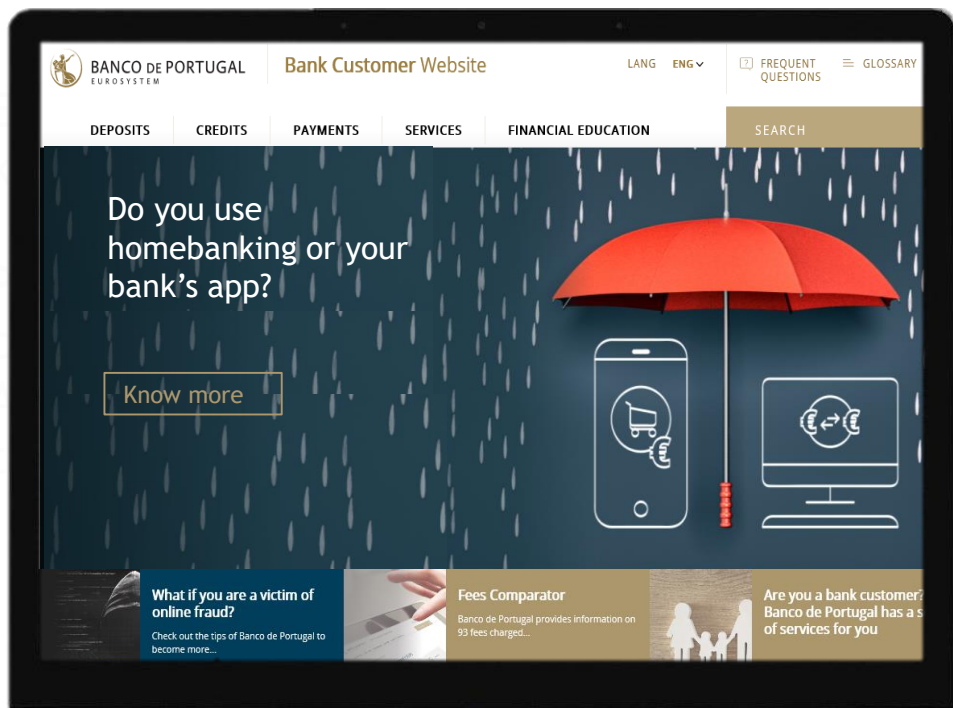
Something only the customer knows.
Example: a PIN code.



SOMETHING YOU ARE

Something that characterizes only the customer.
Example: a fingerprint.





<https://clientebancario.bportugal.pt/en/>

NEW CAMPAIGN

Strong Customer Authentication

- Video
- Decoder



Mandatory in EU Countries
as of 14 September

Responsible credit

- **The same rights to customers shall be granted regardless of the channel used in the access to credit**
- **Focusing on consumer credit through digital channels, Banco de Portugal evaluates compliance with regulations in force**

Best practices and recommendations were issued considering lessons of **BEHAVIOURAL ECONOMICS**



- Compulsory scroll-down
- Consumer assistance
- Non-use of pre-ticked boxes
- Right of withdrawal and early repayment
- Strong customer authentication

The screenshot shows a document from Banco de Portugal. At the top left is the bank's logo and name. To the right, it says 'ANEXO À INSTRUÇÃO N.º 12/2013 - (BO N.º 6, 17.06.2013)'. Below this, there are two boxes: 'Temas' and 'SUPERVISÃO Supervisão Comportamental'. The main title is 'ANEXO I' followed by 'FICHA DE INFORMAÇÃO NORMALIZADA EM MATÉRIA DE CRÉDITO AOS CONSUMIDORES - GERAL' and 'INFORMAÇÃO PRÉ-CONTRATUAL'. Underneath, it says 'A. ELEMENTOS DE IDENTIFICAÇÃO'. There is a table with two columns: '1. Identificação da instituição de crédito' and a description box. The table has two rows: '1.1. Denominação' and '1.2. Endereço'. The description box for '1.2. Endereço' contains the text '[Indicar o endereço geográfico do credor a utilizar pelo consumidor.]'.

| A. ELEMENTOS DE IDENTIFICAÇÃO | |
|--|---|
| 1. Identificação da instituição de crédito | |
| 1.1. Denominação | |
| 1.2. Endereço | [Indicar o endereço geográfico do credor a utilizar pelo consumidor.] |



DIGITAL FINANCIAL CITIZENSHIP
is a key goal of Banco de Portugal



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THANK YOU

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