



## An open letter to the G20 finance ministers and G20 leaders from Consumers International, the global federation of consumer organisations

Dear G20 finance ministers and G20 leaders,

During your meetings in France over the next two weeks, the global financial crisis and economic instability will no doubt be top of your agenda.

However, we urge you to remember that weak consumer protection in the form of irresponsible mortgage lending was both a catalyst for this crisis, and is a long-standing concern of 'ordinary people' who use financial services every day.

We therefore call on you to improve consumer protection in financial services by strengthening the reports you have requested from the OECD and the Financial Stability Board (FSB), and establishing an international organisation to support consumer protection in financial services. This will benefit consumers in your countries, and set a strong example for protecting consumers worldwide.

Following concerted pressure from the world's consumer organisations ahead of the last G20 summit, you asked the OECD and FSB to address how consumers of financial services can be better protected. Consumers International welcomed these steps and, together with its national members in many G20 countries, has contributed formally to the draft recommendations.

Where the reports meet the high standards needed to protect consumers, we ask you to adopt the recommendations and promote them immediately. However, we are concerned that in important areas the recommendations fall short of what is required.

In particular, **we are concerned that the OECD principles do not include any explicit reference to deposit guarantees** in the event of bank failures, nor do the reports support the adoption of **minimum standards for financial products** or address the structural changes that are necessary to **promote greater competition** in financial services.

We ask that more work is done on these areas, and that the work is done quickly and through a completely open process that allows consumer organisations to fully participate from beginning to end. This should include consumer organisations' access to national representatives sitting on OECD and FSB committees and groups.

**We also ask you to support the establishment of an effective new international organisation to support and champion improved consumer protection in financial services.** Given the importance of financial services, it is unacceptable that such an organisation does not already exist. Working with national financial consumer protection agencies, it should have the independence to promote best practice and recommendations from whichever international and national initiative is setting the highest standards, conduct peer reviews and support implementation. If this organisation is to meet the considerable task before it, it must have a strong mandate, political support, sufficient resources and a formal process for input from independent consumer organisations.

We wish you a successful meeting, and look forward to working together to protect consumers' rights to fair, safe and competitive financial services.

## **Signed**

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