Financial literacy in the digital age

Maria Lúcia Leitão - Head of the Banking Conduct Supervision Department
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Advancing financial literacy globally: implementation and innovation
Why a digital financial literacy strategy?

- **Enhance consumer trust** in digital financial services
- **Empower consumers on security** issues
- **Boost consumer awareness** on digital financial services’ features and redress procedures

NEW CHALLENGES!

- New products and services
- New players
- New channels
Are there any specific challenges for young people?

‘Digital financial literacy is key to creating a generation of informed consumers, capable of benefiting from the best that innovation has to offer.’

Carlos da Silva Costa, Governor of Banco de Portugal

in 5 tips for staying safer online

• Young people are digital natives and tech savvy

• Young people tend to be more confident when using digital channels, which may lead them to overlook some safety rules

• The communication strategy to reach the young is different from other target groups (digital tools, social media)
What has Banco de Portugal been doing?

- **Banco de Portugal’s Strategic Plan for 2017-2020** establishes digital financial literacy as one of its strategic goals
  - Awareness campaigns on the Bank Customer Website – [https://clientebancario.bportugal.pt](https://clientebancario.bportugal.pt)
  - Leaflets, booklets and other materials
  - Training sessions and seminars at schools
  - Media

- Digital Financial Literacy is also one of the **priorities of the Portuguese National Plan for Financial Education 2016-2020**
Banco de Portugal launched a digital financial education campaign

• This September, Banco de Portugal launched a digital financial education campaign for young people

#toptip

• Through Instagram - @bancodeportugaloficial - and the Bank Customer Website - https://clientebancario.bportugal.pt

• Through a brochure designed for secondary schools, available at https://clientebancario.bportugal.pt/en/material/5-tips-staying-safer-online-toptip
5 TIPS FOR STAYING SAFER ONLINE

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

#toptip

When you use the internet do you have any idea of the risks?

We hear more and more about hackers and cyber attackers accessing other people’s personal data through security flaws in computers, phones, tablets and Internet accounts.

Phishing? Spyware? What is this?

**Phishing**
This is when a hacker pretends to be an institution or company and, through emails, social networks, calls or SMSs, tries to get you to divulge personal information.

It happens when you receive dubious emails with links that send you to false pages, for example, pages resembling the bank’s website, and asking you to fill out a set of data.

**Pharming**
This is when a virus on your computer, tablet or phone (smartphone) redirects a link input by you to a false internet page (called a ‘mirror website’). Sometimes this page looks like the bank’s website, allowing third parties to obtain all the personal information that you type in.

This virus can be installed when you download an apparently inoffensive file.
Spyware
This is when malicious software installs itself on your computer, tablet or phone (smartphone), without you noticing, and spies on your equipment and on your data.
This software can be installed when you download an apparently harmless file. Once installed, it detects whether you are accessing protected sites, like home banking pages, and records the data inserted, which then may be used unduly by other people.

SIM Card Swap
This is when, for example, someone collects information about you, directly or through social media, and manages to pose as you in a phone store, to request the release of a SIM card.
This allows all calls and SMSs received, including one-time passwords (disposable passwords, valid only for one home banking access or transaction, which are sent by SMS), to be directed to the SIM in the possession of that other person.

What can you do to protect yourself?

### Protect your computer, tablet or phone
- Set passwords and create lock screen sequences so that your equipment can't be used by third parties;
- Do not give permission for sites or apps with confidential information to start sessions automatically, without requiring a login;
- Keep your operating system and anti-virus and anti-spyware software updated on all your equipment. Keep the firewall active;
- Avoid public equipment (shared computers for example), mainly when you want to conduct bank transactions or payments.

### Protect your internet connections
- Don't connect to public or unknown wi-fi networks;
- Don’t open suspicious emails. Does the email have mistakes? Is it in another language? Is it abnormal that they contact you with that kind of email? Don’t trust it and report it directly to the person or through the official channels of any entity allegedly trying to contact you (for example the bank, the online store, the delivery services company...);
- Don’t click on unknown links or download from unknown sources;
- Don’t open email attachments from senders you do not recognise;
- Always type the URL you want instead of using a link or accessing the web history;
- Check that the address you wish to access starts with https: and that there is a padlock in the navigation bar or at the bottom of the window. This means that the link is secure;
- You can test if the site is safe by using the wrong password trick. Instead of your usual login, put the wrong password in. If it is accepted, this means that the entity in question is not checking your login. In other words, it may simply be collecting the password you put in for illicit use;
- Only install trustworthy apps from official app stores. Not all apps are secure and may contain malicious software.

### Protect your data
- Do not give out your passwords to third parties;
- Don't write passwords or other confidential information on paper, or keep it in emails or on your phone;
- Choose passwords that are hard to guess and use different passwords for different accounts;
- Do not put your data (name, phone number, email address, ID card no., bank account numbers) into sites that you do not know or whose authenticity you cannot trust. In case of doubt, close the window and talk to your parents and the entities you usually contact (for example the bank or online store).
Do you use your phone (smartphone) to access social networks or email? And homebanking? Do you also make payments with your phone?

Your phone can store a large amount of confidential information about you and the transactions you make.

What can you do to protect yourself?

# Make accessing your phone difficult
- Use safe passwords, which are not too obvious (for example, never use passwords like 123456 or your date of birth).
- Use a lock screen sequence for your phone and change it regularly.

# Protect your Internet connections
- Do not give permission for sites or apps to start automatically, without requiring a log-in;
- Regularly update the software that protects your phone, like anti-virus software;
- Don’t connect your phone to public or unknown Wi-Fi networks;
- Don’t click on links or download stuff from unknown sources.

# Use safe apps securely
- Only install trustworthy apps through official app stores;
- If a deal seems too good to be true, do not trust it. If you know that an app or service normally costs something and you find a free version, remember that that version may contain a virus;
- Check the data access permissions required by the apps. Does it ask for access to your phone’s camera at any time? And the microphone? Do not download apps that require apparently excessive permissions.
Is social media your second home?
Social media lets you talk to friends around the world and share stuff with them, and keeps you up-to-date on initiatives that might interest you, videos you might like, and charitable projects you might want to contribute to. But, like everything, it comes with risks.

What can you do to protect yourself?

# Manage your privacy settings
- You must change your profile’s privacy settings on social networks so that only ‘Friends’ or ‘Followers’ can see what you share.
- You can block specific people or groups of people, preventing them from seeing your profile.

# Think before you share
- Don’t disclose personal or confidential information. For instance, don’t disclose your passwords or photos of your bank cards.
- Think if you need to share information like your date of birth, your phone number, the name of your school. If it is not necessary, don’t do it.
- What you share on social networks may be seen and shared by others and may be misinterpreted or used fraudulently.
- Even if you delete information, it may be seen, recorded or shared before being deleted.
- Don’t share images or videos without the authorisation of the people involved.

# Read the data management policies
- Creating a profile on a social network is generally free. However, often companies that manage the social platforms collect your data and store everything you like, comment on or share, so that they can target you for specific advertising.
- Find out how your data are used in the social network’s data policy.
DON’T BE TRICKED #toptip

Do you buy online safely?

Online purchases are a useful and often cheaper way to acquire goods and services. But you have to take care...

What can you do to protect yourself?

Before making a purchase online or through apps, get informed

Find out about the seller:

- Search the internet for the company name;
- Be suspicious if you do not find an address or phone number you can ring and the terms and conditions of the sale;
- Read about the experiences of other customers for a given product or online store, for example in discussion forums.

Check the site or app’s security:

- Check whether the address you wish to access starts with https:// and whether there is a padlock in the navigation bar or at the bottom of the window. This means the link is secure;
- Only install trustworthy apps from official app stores.

Adopt habitual security procedures to protect your computer, tablet or phone:

- Keep your anti-virus and anti-spyware software up-to-date and the firewall active;
- Don’t connect to public or unknown wi-fi networks;
- Don’t use public equipment to make payments.
Read the terms and conditions
- Check the payment methods;
- Learn about any added costs, such as postage or customs costs, if the store is based outside the EU;
- Check the conditions and costs applying to returns or exchanges. Normally in the EU you have 14 days to return any product bought over the internet.

# When you buy something, choose a secure payment method

Make sure you only provide the information needed to complete the purchase

Aim to use one of the following payment methods:
- Multibanco reference. In this case, the store sends you a message or email with the data you need to make your payment, within a given time period, at an ATM or through homebanking;
- Virtual cards. The MB WAY app, for example, allows you to create virtual MB NET cards. So when you pay, you put in the data for the virtual card and not the real card;
- Payment instruments with added security. Like cards with a low credit limit, a short validity period or additional authentication procedures. With 3-D Secure, for example, you can buy safely online with your card’s real data, because you benefit from added security methods in the act of payment. The site where you make this purchase has to feature the system, using the names Verified by Visa, SecureCode or SafeKey. When you pay a 3-D Secure seller, aside from the data on your card, you must introduce your authentication credentials, which might be, for example, a code sent by SMS to your phone.

# After making your purchase, keep the records

- Keep the records of the purchase made, including the information on the seller;
- Regularly check your bank account to see if the debits correspond to the purchases you made.
DON’T GIVE IN TO FRAUD #toptip

What if you are a victim of online fraud?
When you make bank transactions and payments over the internet or by phone (smartphone), beware of possible fraud situations. In case of doubt, close the window and share your doubts with your parents and your bank.

Do you suspect a fraudulent situation?
Lost track of your bank card?
Have people taken money from your account without authorisation?

What can you do to protect yourself?

# If you suspect fraud, move fast
- Contact your bank immediately through the contact details it supplied you or through the contact information on the list of payment card issuers, available on the Banco de Portugal website and the Bank Customer Website.
- Ask for cancellation of the homebanking access credentials immediately or, where relevant, cancellation of the card.
- Inform the nearest police entity (PSP, GNRP or P) or the Public Prosecutor’s Office of the fraudulent situation.

# If you lose your bank card, report the disappearance
- Immediately contact the entity that issued the card if you have lost it, if it was stolen or misappropriated, or if you believe that the card was cloned or counterfeit;
- You can check the contact details for card-issuing entities on the Banco de Portugal website and the Bank Customer Website.

# Understand your rights and obligations
- If payments were made that you did not authorise, you may have to pay up to €150 at most;
- If you lie or if you have not complied with the security rules, you may have to pay an amount higher than €150;
- If you suffered loss, theft or misappropriation of access credentials for homebanking or for your card and if you alerted your bank to this, you cannot be asked to pay the sums that were moved without authorisation after this alert.
Digital financial education campaign for young people

• The campaign #toptip raises awareness among school-age children of precautions to take when using digital channels to access banking products and services

• This brochure was released at the Conference on Banking Conduct Supervision: new challenges ten years after the financial crisis (25th September 2018)

• This brochure will be distributed in secondary schools across the country
Financial literacy in the digital age

Maria Lúcia Leitão - Head of the Banking Conduct Supervision Department
4-5 October 2018

Advancing financial literacy globally: implementation and innovation
The Chin Family’s brief history

• Established in 2016 as a consumer-facing financial education platform
  • Self-learning portal with a suite of digital tools
  • Public engagement events
  • Segment-specific education programmes
• Strong presence on social media
  • Facebook fan page – over 60,000 followers
  • YouTube channel – latest video uploaded saw over 900,000 views
  • The Chin Blog – average 40,000 views per month
• 41% of Hongkongers were aware of the Chin Family as of survey conducted in July 2018
Edutainment
Future Me Career Lab

• 6-week event held at a shopping mall in 2017 summer, engaging over 33,000 kids
• Borrowed concept from the popular job simulation games – provides fun and educational experience for kids aged 4-10 to “earn money” and learn what to do with their “income”
• 6 careers to choose from, with each simulation lasting around 30 minutes including debriefing
Fun learning experience

- Kids can then choose to:
  - save their earnings at the “bank” which enables them to earn interest
  - purchase a range of merchandize from the Chin Family store
  - donate their earnings

- Around 40% of the kids put their wages into the “bank” to earn interest (given out on a weekly basis)
- Many parents found this mechanism meaningful in encouraging saving and introducing the function of banks and the concept of interest to kids
Overwhelming reception

• All sessions are fully booked
• 168 print, online and social media clips
• 31 NGOs/Schools participated
• Onsite survey with participants:
  • 98% of parents were satisfied with the event
  • 86% agreed it could help them teach their kids about money
  • 98% of kids enjoyed the event
Enlivening Seminars
Health & wealth going hand-in-hand for retirees

- Research showed that managing health and finance in retirement are the top concerns for retirees. And this programme highlights the relationship between health and finance.
- A series of 4 workshops exploring principles and skills in health and wealth management in retirement.
- The programme is run with partners, such as elder academies, non-governmental organisations and retiree associations. Our partners help recruit workshop participants and provide venues, while we provide speakers and education resources.
- The programme is well-received among partners and retirees, and pre- & post-programme surveys showed:
  - Significant increase in financial knowledge
  - Confidence of managing personal finance well in retirement increased significantly, from 40% to almost 80%
Making financial education part of formal tertiary education

- A two-session financial education programme targeting tertiary students is embedded into credit bearing elective courses (e.g. Personal Finance; Personal Financial Planning) that tertiary institutions offer to their students as general electives.

- The two guest lectures focus on practical financial management skills and cover financial planning, responsible use of credit products, investment and insurance basics, etc.

- Scaled-up to covered 10+ tertiary institutions with Outsourced Financial Speakers, a model that we learnt from the Monetary Authority of Singapore

- Surveys administered before starting the 1st guest lecture and immediately after the 2nd guest lecture (one month apart) showed encouraging results:
  - % of students who agreed that it’s unwise to keep too many credit cards increased from 59% to 82%
  - % of students who tracked their expenses (in the past month) increased from 28% to 65% (they were encouraged to use the Chin Family’s Money Tracker mobile app)
錢家有道
the Chin family

Facebook | YouTube | www.thechinfamily.hk
Innovating through the What Works Fund

Jonathan Hollow
Head of Financial Capability, Strategy & Innovation
The Money Advice Service (UK)
www.fincap.org.uk

Moscow, 5 October 2018
The United Kingdom “What Works Fund”  
(June 2016 to Autumn 2018)

Our offer: if you are doing something anywhere in the UK to improve financial capability, we would be interested in paying for a formal evaluation of its effectiveness.

400+ applications
From many different types of organization, target group, delivery channel, all across the UK

58 projects funded
- 40,000 participants
- Seven projects delivered to more than 1,000 participants
- Included six randomised control trials
- 60% of projects achieved Nesta’s Standard of Evidence Level 2 (on a 5-point scale), and the remainder have Standard 3

x 3
Tripled the amount of evaluation evidence for financial capability in the UK – our innovation context was the very low level of usable evidence

Cost circa £9m. In many cases this included delivery as well as evaluation costs.

As a comparison, the UK Big Lottery Fund’s *Realising Ambition* programme funded 25 projects with just two randomised control trials, and cost £50m.
Standout projects

Young Money: training teachers and measuring the effects on students they taught

Generated positive outcomes for both teachers (in terms of their confidence and lesson delivery) and students. The effect of the training had the impact of increasing post-16 students’ confidence in managing money to a level comparable with the older 18-24 age group.

Open University: Managing money for the “just-about managing”

Online tool or face to face sessions aimed at encouraging financially squeezed people to think about their budgeting, build a small savings buffer, and avoid common debt pitfalls. Delivered to working age adults including social housing tenants, credit union customers and students. The workshop-based delivery of the content increased savings balances by about £100 within 1-2 months, the online version of the content by about £20-£30. The online tool has causal effects on behaviour, with almost no impacts on attitudes and feelings.

My Bnk: “Money Twist” in schools

Money Twist approaches financial capability in a hands-on manner as young people in schools debate, play games, watch video case studies, and involve physical activity in their learning. The programme demonstrated noticeable improvements in ability and mindset compared with a control group that did not participate (and showed no improvements). For example, 44% of Money Twist participants would now delay financial gratification, and 31% would now make a spending plan and stick to it.

Optivo Housing, Centre for Responsible Credit: Rent Flex

Social housing tenants (with an average rent arrears of £290) could enter a scheme in which they underpaid and overpaid rent in months across the year, provided they undertook a budgeting exercise and engaged with an ongoing money guidance service. Reductions were measured in use of credit to meet essential needs, and money worries. Improvements were measured in living standards, physical and mental health, relationships, and working lives. After a year, 72% were reducing their arrears by overpaying contractual rent.

For more information on all projects go to www.fincap.org.uk/en/articles/what-works-grant-funded-projects
Какая привилегия представить вам в Москве - Спасибо большое!

jonathan.hollow@moneyadviseservice.org.uk
FINANCIAL EDUCATION AND FINANCIAL LITERACY PROJECT FOR THE RUSSIAN FEDERATION: REALISATION AND INNOVATIONS

Anna Zelentsova, advisor, the Ministry of Finance of the Russian Federation
PROJECT IMPLEMENTATION MODEL

The Project is implemented by reference to specific features of the Russian Federation:

- large area and different density of population in constituents;
- different level of infrastructure development;
- lack of staff and educational materials at the early stage, the need to carry out testing and assessment.

Phased implementation of the Project:

- 2011 – 2013 – development of the competency framework for students and adult population, development of methodology, study guides and programs, assessment system of implementation efficiency and financial literacy level monitoring, and approbation.
- 2013 – 2017 – broad approbation, final review and correction of methods, development of information and methodological support of the Project and human resources development system.
PROJECT GEOGRAPHY

2 PILOT REGIONS SELECTED in 2011
- Kaliningrad region
- Volgograd region

7 REGIONS JOINED in 2013
- Altay region
- Arkhangelsk region
- Krasnodar region
- Saratov region
- Stavropol region
- Tomsk region
- Republic of Tatarstan

Regional programs take into account the best practices of pilot regions and the first results of the Project.

MORE THAN 60 REGIONS OF RUSSIA
will receive methodological and information support and educational materials

NATIONAL PUBLIC AWARENESS CAMPAIGN COVER ALL REGIONS
CAPACITY BUILDING IN THE REGIONS

REGIONAL FINANCIAL LITERACY CENTERS ARE CREATED IN

- Arkhangelsk region
- Altay region
- Volgograd region
- Kaliningrad region
- Saratov region
- Stavropol region
- Tomsk region

- INFRASTRUCTURE for counseling and education for citizens is formed.
- CONSULTING citizens on personal finance management and consumer protection, training of different target audiences and distribution of information through different channels are arranged.
- EDUCATIONAL ACTIVITIES FOR SCHOOL TEACHERS AND EMPLOYEES ENGAGED IN LIBRARY SYSTEM are being arranged in the framework of the round tables, seminars, webinars, workshops (more than 15 000 people).
- EDUCATIONAL ACTIVITIES FOR DIFFERENT TARGET GROUPS are being arranged. More than 500 000 completed trainings, including: preschoolers – 10 000, schoolchildren – 200 000, students and youth – 70 000, adults – 220 000.
- REGIONAL SOCIAL RESEARCHES of financial literacy level is being conducted, results are taken in the account within the adjustment of regional programs and events.
- REGIONAL PUBLIC AWARENESS CAMPAIGNS are being conducted.
Financial literacy

Copywriting

Consultants

1: 10 000

People

Local newspapers

Internet portals

Local

TV and Radio

Newsletters

Social networks
DISTANT LEARNING DIGITAL EDUCATIONAL RING IN ARKHANGELSK REGION

13-17 YEARS OLD STUDENTS

> 5 000 students

- Lectures
- Classes
- Parents online meeting
understanding the trade-off between risk and rewards in choosing financial products

% of active and potential low- and middle-income users of financial services in participating regions

compare alternatives before obtaining a credit

% of active and potential low- and middle-income users of financial services in participating regions

understanding the importance of having a financial cushion for life emergency and crisis situations

% of active and potential low- and middle-income users of financial services in participating regions

know what administrative/legal actions to be taken having discovered a deceit by a provider of a financial service

% of active and potential low- and middle-income users of financial services in participating regions
GOOD IDEAS FUND

• **The Good Ideas Fund** is a competitive mechanism aiming to support the grass-roots initiatives in the field of financial literacy, development of the financial education and consumer rights protection.

• **Over 65 initiatives** from different regions of Russia – from Kaliningrad to Far East have been supported, including the ones focused on vulnerable groups of population.

**Good Ideas Fund supported the creation of:**

10 education kits

Over 30 educational programs and electronic educational resources

Over 100 video materials including tutorials, social advertisements, and lectures

2 mobile apps for iOS и Android

42 printed materials and a board game

**posters of outdoor public service advertising are placed in streets of Moscow and other cities**

supplements on financial literacy to teaching and learning aids in 7 compulsory school subjects

5 issue-related stories on financial literacy, integrated into the television drama series
City quest for youth “Financial navigator”

How can I:

• Choose credit product?
• Save money?
• Get free service?
• Apply for tax reduction?
• Pay for credit?

Play city quest and:

1. Explore city financial infrastructure
2. Visit banks, businesses and official institutions
3. Find out about their functions
4. Make good decisions
5. Give financial literacy advice to other people
Children’s Financial Summer Camp

- two weeks
- 36 secondary school students
- from 22 regions
- games, master classes, trainings, quizzes, case studies and much more

- dissemination of Financial Summer Camp know-how among 502 school teachers from 17 regions
Boarding Game

- Developed in 2016 for teenagers (14 – 17 y.o.)
- Light version developed in 2018 (for kids 9 – 13 y.o.)
- Available professionally printed (limited quantity) + online as Print & Play
- Competitive game mechanism
- Players learn how to plan personal finance and get to know basic financial services
- Colorful, entertaining, fun!