

CGAP Launches a Market Monitoring Toolkit to Advance Financial Consumer Protection

As digital finance introduces new and evolving consumer risks, the Toolkit helps financial and consumer protection supervisors spot and act on risks promptly



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The Consultative Group to Assist the Poor (CGAP) today launched its [Market Monitoring Toolkit](#), a set of tools that enables financial and consumer protection supervisors to improve consumer protection. The Toolkit aims to help supervisors identify, understand, and track financial consumer risks, behaviors, and outcomes which allow for more preemptive and forward-looking supervisory work. It is especially valuable during times of rapid change when underserved and low-income consumers are targeted with a range of digital financial services that are exposing them to new and heightened risks, according to [CGAP research](#).

“Our aim is to help financial and consumer protection supervisors go beyond reactive and corrective action to mitigate financial consumer risks, which are evolving in nature and scale,” said Juan Carlos Izaguirre, who is leading the development of CGAP’s Market Monitoring Toolkit. “Implementing market monitoring tools enables them to identify consumer risks early on and act promptly to prevent significant consumer harm.”

Market monitoring plays an important role in consumer protection. It enables financial market supervisors to gather deep insights about consumers’ experiences with financial services based on analysis of supply- and demand-side data at a market level. It complements traditional supervisory efforts that focus on the performance and conduct of individual financial institutions.

CGAP’s Market Monitoring Toolkit consists of different types of data-gathering and analytical procedures, case studies from a wide range of countries, and practical guidance for selecting and implementing individual tools. Using the Toolkit, financial and consumer protection supervisors will be better equipped to spot emerging consumer risks in financial services, assess and monitor regulatory compliance, and monitor overall market developments.

“The Market Monitoring Toolkit can be used to produce early insights about consumer risk implications of financial services extended to vulnerable consumers, such as low-income rural and urban women,” explained Izaguirre. “Such insights provide critical input about market developments, which help financial supervisors prioritize their limited resources and increase supervisory efficiency and effectiveness.”

In addition to financial and consumer protection supervisors, the Toolkit can be used by other authorities, consumer groups, industry associations, and market actors supporting the implementation of market monitoring activities or broader improvement of market conduct supervision.

To learn more, visit www.cgap.org/marketmonitoring.

About CGAP

CGAP is a think tank that empowers poor people, especially women, to capture opportunities and build resilience through financial services. We test, learn and develop innovative solutions through practical research and active engagement with our partners on building responsible and inclusive financial systems that help move people out of poverty, protect their gains and advance global development goals. Housed at the World Bank, CGAP is supported by over 30 leading development organizations committed to making financial services meet the needs of poor people. For more information, visit <https://cgap.org>.

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