The theme for Financial Inclusion Week (FIW) 2022 was “Inclusive Growth in a Digital Era.” For years, financial products and services have been moving digital, and the pandemic further accelerated the trend toward digitalization. As digital becomes the new norm, we must ensure that these services are safe and inclusive of all people and do not exacerbate exclusion of marginalized and vulnerable groups. FIW 2022 explored how the global financial inclusion community can harness digital innovation to expand inclusive financial services for all people across the globe, ensuring that products meet customer needs, have appropriate safeguards in place, and contribute to inclusive economic growth.

FIW 2022 hosted 125 live and on-demand sessions, featuring nearly 400 speakers from around the world. With over 3,330 registered participants from 2,000 organizations and 146 countries, FIW 2022 was the largest event to date.

WHY FOCUS ON CONSUMER PROTECTION & DATA RISKS AND OPPORTUNITIES

An unprecedented number of consumers began using digital financial services during the pandemic. In the emerging market context, several were first-time users. According to Findex 2021, about 80 million adults in India made their first digital merchant payment during the pandemic. The data trails generated by these new-to-financial-services consumers present the opportunity to develop and deliver innovative financial services relevant to their lives. However, alongside this potential for innovation is a slew of new and old consumer risks -- exacerbated by the digital environment. In the context of data opportunities, it is also important to consider data risks and consumer protection when thinking about how financial services can give low-income consumers more options and agency. These considerations will help them build resilience and trust in their continued use of financial services.

WHAT WE HEARD AT FIW 2022: KEY TAKEAWAYS

1. **It is crucial to embed privacy into the design and delivery of financial services.** As many low-income consumers have started using digital financial services, it is crucial to maintain their trust in the services they use. Privacy violations can have long-term implications in eroding trust for consumers and businesses. Privacy by design is the perspective that companies should embrace privacy as a value proposition to low-income consumers rather than merely fulfilling regulatory requirements.

2. **Being gender intentional is fundamental when addressing consumer protection challenges and translating them into better opportunities.** In addition to issues of fraud and consumer protection that all consumers experience, women are subject to greater harassment due to breaches of privacy and online harassment and are less likely to complain. Addressing these specific concerns can promote a more equitable consumer environment and ensure that women’s needs are adequately met and protected.

3. **Responsible digital lending needs responsible investors who can check for privacy, biases, and other human rights issues.** Investors are an important stakeholder group that can enforce best practices through due diligence and monitoring. Investors can shape market-level incentives through advocacy and catalytic capital investments. Catalytic capital investors can spur lending in underdeveloped markets. However, they should consider the broader market-level consequences of their investments and ensure that responsible lending practices are adopted at an early stage.
1. **Consumer protection needs to look beyond the remit of traditional financial sector regulation.** As business models evolve to deliver financial services bundled with non-financial services, consumer protection challenges lie at the intersection of the two, often outside traditional financial sector regulation. Addressing these challenges could require collaboration between regulatory bodies and supervisory authorities in the short run and a change in the supervisory/regulatory architecture in the long run.

2. **Leverage data to address vulnerable consumers.** Advances in data analysis, prediction, and generation capabilities have the potential to be used to develop better services for low-income consumers and reduce the risk of consumer harm. Suptech tools that use natural language processing and topic modeling on complaints data to identify possible areas of emerging consumer risks. Apps and artificial intelligence-driven scoring models can also help use data to lend to traditionally underserved MSEs.

3. **Faced with advances in AI across various countries, consumer groups, policymakers, and legislators are coming together to address data risks and consumer protection challenges.** There is a growing need to address and prevent socio-political harms that can arise through the use of AI so that it does not violate fundamental human rights and the underlying risk of privacy. Companies, investors, civil society organizations, and state and private sector actors must work together to address accountability, transparency, and liability issues as tech-led models continue to use artificial intelligence.

4. **Standards are necessary but not sufficient to ensure consumer protection.** While standards can provide a guideline, they must be constantly upgraded in an evolving environment to address consumer risks adequately.
• How to Translate Privacy by Design for Inclusive Finance Innovation to Address Latin America’s Missing Middle Financing Gap

• Understanding Algorithmic Bias

• Research in Action: Advancing financial inclusion through measurement and innovation

• Data-Driven Design for Inclusive Growth in the Digital Era Eswatini Case Study

• Impact and Lessons from a FinTech in Cross-border Money Transfer for Migrants and MSMEs in Korea

• How to improve the financial situation of the unbanked, unserved or under-served people in West Africa

• AI and Financial Inclusion: Digital financial services, human rights, and the future of regulation

• The Double-Edged Sword of Digital Finance

• Advancing Cybersecurity and Financial Inclusion

• Codifying Client Protection in Digital Lending

• Catalytic Capital: Shaping consumer protection in digital credit

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Financial Inclusion Week (FIW) is an annual gathering of the global community working to advance inclusive finance. A virtual forum for exchanging ideas, research, and perspectives from around the world, FIW is an opportunity for global stakeholders to showcase work, share ideas on what’s ahead, engage with the community, and more. FIW is convened by the Center for Financial Inclusion (CFI).