



CONSUMER EDUCATION DEPARTMENT



1. INTRODUCTION, BACKGROUND and PURPOSE

The Consumer Education Department (CED) celebrates over a decade of consumer financial education in South Africa. This is done in response to the mandate below as specified in the Financial Services Board Act (Act no. 97 of 1990), as amended in the Financial Services Laws General Amendments Act, 2013, i.e. to:

“provide, promote or otherwise support financial education, awareness and confidence regarding financial products, institutions and services.”

The FSB implements financial education through a multifaceted approach that includes face-to-face presentations and workshops, media interaction through published articles, radio and television as well as online environments. The FSB acknowledges that financial education needs a holistic approach and has therefore targeted two key focus areas, namely youth and the formal education system and through community education initiatives. The need to monitor, evaluate and to assess the impact of our programmes has also led to more directed research. Thus our approach is to provide **appropriate content to an appropriately identified target audience using appropriate and relevant delivery channels.**

2. CED STAFF

The CED is staffed by 14 full-time, highly-qualified and experienced individuals. The staff who are responsible for the implementation of the financial education programmes holds 14 degrees amongst them of which the least is at Bachelor’s level. Proven experience in facilitation and project management is also evident. Of the 14 degrees held, three are at Master’s, three at Honours and eight at Bachelor’s level. Currently, one staff member of the Department is undertaking her Doctoral studies in the field of Education. In addition, three staff members have passed the FAIS level 1 Regulatory examinations (RE 1) with more to write this year. The staff expertise has been sourced from multiple disciplines including communications, law, economics, public management and education. In total, the CED staff brings with them over 50 years’ experience in the educational sector. The success of the implementation side of the Department is also due to the continual support provided by the highly efficient administration staff both of which hold Diplomas and multiple certificates.

In addition to these qualifications and experience staff is obliged to continually up skill as part of their personal development. This has included advanced project management, content development, social media, administration, monitoring and evaluation, refining research skills and presentation skills.

As the nature of consumer education is continually evolving staff are required to attend conferences, workshops and presentations presented by other regulators, regulated entities and professional associations. This is to obtain a wider understanding of different methods and focus areas which are being employed to carry out consumer financial education. Close relationships with the various FSB line departments are critical to ensure that content of the various resources is technically correct and inter-departmental training is a standard. Further to this, the FSB line departments rely on the educational expertise within the CED to convey key messages to consumers in an appropriate and understandable manner. The combination of qualifications, skills, experience, free access to those who regulate the industry and raw enthusiasm for the work, has provided the FSB with a CED which is considered, not only by the management of the FSB, but regulated industries and other stakeholders, as leaders in the field both locally and internationally.

3. LEADERS IN THE FIELD OF RESEARCH

As the CED evolved and became more focussed it became apparent that formalising the research process would further assist the CED in providing more targeted programmes. This is critical given the need to target limited resources to ensure maximum benefit for consumers.

In 2011, the CED was invited to participate in a study among 13 member countries of the International Network on Financial Education (INFE), an institution established by the Organisation for Economic Cooperation and Development (OECD). The purpose of the study was to determine the feasibility of gathering internationally comparable data on financial literacy. Though this study proved a vital starting point, the CED led the thinking, in conjunction with National Treasury (NT), in further developing questions for the purposes of conducting a national baseline survey. This would be the first time any country had attempted to expand the INFE questionnaire to acquire a deeper understanding of the levels of Financial Literacy in their country. In 2012 the FSB published the results of the first study into the levels of financial literacy in South Africa: *Financial Literacy in South Africa: Results of a baseline study* (Baseline Study). The methodology employed by the FSB and the Human and Sciences Research Council (HSRC) is considered one of the most complete by any INFE member country. The Baseline Study also established the four domains by which financial literacy is currently measured by financial stakeholders in South Africa namely,

Financial Planning, Financial Control, Financial Knowledge and Understanding and Financial Product choice.

Since the initial baseline, the CED has conducted follow-up surveys as part of the HSRC's South African Social Attitude Survey (SASAS). These surveys have provided a national barometer of South Africans financial literacy and behaviour year-on-year. The data collated over a period of four years has provided those involved in consumer education with clear emergent trends clearly reflecting the economic and social stressors being experienced by South Africans.

From the baseline study and the follow-up surveys, the CED has further lead thinking around consumer education both locally and internationally with the first complete monitoring and evaluation framework. This framework not only provides for in-depth project management and reflection, but requires project managers to fully map the initiatives' outcomes according to main items and trends from the baseline and SASAS surveys. It is envisaged that the framework will become a benchmark locally and internationally.

The findings of the above-mentioned research went beyond providing a comprehensive and impartial insight into consumer financial literacy in the South Africa. It was also used to develop the first National Strategy for Consumer Financial Education in South Africa.

All research documents are available at www.mylifemymoney.co.za.

4. FROM RESEARCH TO NATIONAL STRATEGY

The development of a National Strategy was an idea mooted by Ms Olivia Davids, previous Head of CED, as far back as 2006. During her tenure, industry and other stakeholders consulted on the viability of having a single strategy for financial education in South Africa. However, it was not until the research results of the Baseline Study were published that the CED engaged with NT to more actively pursue the drafting of a National Strategy. In 2013 NT established the National Consumer Financial Education Committee, with the objective of developing a national strategy and to coordinate the implementation of financial education in South Africa. The Committee consists of Government Departments, regulators, Industry Bodies, Labour, NGO's and Community Organisations. The CED serves as the secretariat to the Committee. In July 2013 the NCFEC approved and adopted the first National Strategy for Financial Education in South Africa. The Strategy is largely based in the results of the Baseline Study and uses a risk based approach to increase the levels of financial literacy in the four domains.

The development and adoption of the National Strategy made South Africa one of only nineteen countries worldwide who had and were implementing a National Strategy and one of only four countries in Africa that had a National Strategy. The National Strategy provided the CED with a more efficient method for targeting consumers which was different to its international and regional counterparts. The risk-based approach allows for targeting specific at-risk-groups and potentially at-risk groups with specifically tailored interventions. These interventions are based not only on the National Strategy and the findings of the four years of research, but also on the 13 years of experience the CED has built up in the area of consumer financial education. Some of these high risk groups identified include: youth; woman; those in rural areas; those with low income and education attainment; the elderly and those of previously disadvantaged groups.

5. FROM NATIONAL STRATEGY TO IMPLEMENTATION

Improving the financial literacy levels of consumers requires more than simply providing them with more information. Ultimately, we want to see consumers use this information to increase their financial capability and thereby their financial well-being. The CED therefore undertakes a broad array of education initiatives. These range from face-to-face workshops and on-line activities, which cater for information and knowledge transfer, to “town hall” style presentations and media activities which focus more on creating awareness of financial matters. Using the above mentioned risk-based targets the following are examples of targeted initiatives over the past three years.

5.1 Workshops:

- *Further Education and Training (FET) colleges:* this project targeted 3060 learners in FET colleges by offering 298 workshops nationwide.
- *Train-the-trainer:* as discussed above woman and those in rural areas are considered to be at-risk. The first train-the-trainer the CED partnered with Igama La Makhosikazi to train 11 facilitators to deliver workshops specifically targeting rural woman and farm workers. Following from the initial success of this project the CED continues with train-the-train programmes with community organisations as experience reveals that these organisations are most effective in working in communities.
- *The South African Council of Churches (SACC) project:* this project has been one of the most successful of interventions. Following a directive from parliament, the CED and the SACC partnered in presenting workshops to congregants on the risks of high-cost funerals and dealing with unscrupulous service providers. This project is currently being rolled-out nationally.
- *Young- unwed mothers’ programme:* this programme aimed to provide monthly workshops on the importance of money-management for young un-wed mothers as this

group was found to be spending their stipends on luxury items instead on planning for their future or the future of their children.

- *Mogale city*: elderly are also a high-risk group. The FSB has been working closely with the Mogale City municipality in delivering workshops to elderly members of the community. This group is especially susceptible to scams and are often ill-informed when it comes to dealing with their pensions.
- *SAICA camps*: over the last three years the CED has worked closely with the South African Institute of Chartered Accountants (SAICA) in the delivery of workshops to black and coloured grade 11 learners attending their Winter Camps. The attending learners are aspiring chartered accountants and who intends to study in further in the field of finance. This partnership has grown to include workshops for girls and those in the Thutuka program at university. Thutuka is a SAICA bursary scheme.
- *Industrial theatre*: This innovative project saw seven industrial theatre performances being presented at ESKOM, City of Johannesburg, Tiger Brands and Gauteng Department of Economic Development reaching a total of 727 consumers. Due to success of this pilot project an additional 50 industrial theatre performances are planned for 2015/16.
- *Ad-hoc and partnership workshops*: the CED has a wide variety of stakeholders and is often invited to present at workshops (see 6. National Stakeholders). These workshops continue to grow as the FSB's work is becoming more known, positioning the FSB as leaders in the field of targeted interventions.

Table1: Consumer workshops and presentations

	2012/13	2013/14	2014/15
No of workshops/presentations	159	499	289
Consumers reached	9876	13111	19771

5.2 Media:

The importance of media in reaching consumers is growing as is it serves to reach the diverse groups the CED targets. These include radio interviews (supported by outside broadcasts) on various SABC radio stations covering 10 out of the 11 of the official languages. A major challenge is monitoring an evaluating the impact of such interventions and the CED is mostly dependent on statistics received from radio and television stations.

The most notable CED media innovation is the Next of Next Week (NONW) three minute situational clips. These clips are developed in partnership with the SAIA and have proven to be extremely popular as they provides a humoristic look into financial issues such as taking out insurance and the pitfalls of using credit, amongst other topics. The clips were aired on e-TV in 2015.

Table 2: Estimated consumer reach through media 2012 -2015

	2012/13	2013/14	2014/15
Interventions	156	119	113
Estimated reach*	± 7 Million	± 5.5 Million	± 6 Million

*Estimation as per listenership received from radio and television stations

5.3 Resource development:

The CED prides itself on being able to provide consumers with a hardcopy resource of the topics covered during our activities. This does not result in pamphleteering, but a serious engagement with consumers before handing over the resources. The development of the resources has thus become a well-researched design and development process. Over the past three years resources which the CED have developed has been in response to our risk-based approach. The targeting of teachers by developing curriculum resources has been particularly successful. The development of the *Money in Action* was commended by the Department of Education (DBE), as 52 100 were initially developed, printed and distributed to Economic and Management Science teachers nation-wide. A further 6500 copies, that were used in the training of multi-grade class teachers, were requested by the DBE in 2015.

Resources developed for specific regulatory issues include Financial Advisory and Intermediary Services (FAIS) Act, Retirement funds, Unclaimed benefits, Wills, Long-term Insurance, Consumer tips when being sold insurance, Shares, Capital Markets, a series of three investment guides and a Budget booklet.

The CED updates and revises its resources every three years, or as legislation changes. Updates and revisions are not limited to content only, but include design and presentation. Going forward a complete content review of all CED's resources, online and offline will be re-evaluated for relevancy and accuracy. This will lead to the revamp of current content and material as well as the development of new content, an e-learning platform, portable toolkit for trainers to train consumers as well as the packaging of these resources. The project is scheduled to take start in the first quarter of 2017.

5.4 Exhibitions: though a traditional method, exhibitions have proven a very effective means of creating awareness of consumers' rights and responsibilities. Through exhibitions, the CED has also developed networks, which has resulted in partnerships with other regulators and stakeholders in the Consumer Protection environment

Table 3: Exhibitions

	2012/13	2013/14	2014/15
Number	10	15	32
Consumers reached	20 000	24 698	17 295

5.5 Trustee Qualification:

In response to the need to professionalise the trustee of pension funds, the CED is currently in the process of developing a qualification for trustees in collaboration with our Pensions division. This qualification has seen representatives of industry, unions and the FSB coming together to developing a formal qualification. The CED has also contracted a service provider to develop the content for the qualification of a Principal Officer. The Principle Officer's qualification has already been registered on the National Qualification's Framework (NQF) and it is envisaged that the qualification for the Trustees will be registered on the NQF in late 2016.

6. NATIONAL STAKEHOLDER ENGAGEMENT

As the CED has been implementing financial education since 2002, the department is regularly called on to consult with, advise or partner with industry bodies, government departments and consumer protection organisations on financial education matters. The Consumer Protection Forum (CPF), a forum made up of regulators and Provincial Consumer Affairs Offices, is one of such organisations. The CED meets with the CPF and its sub-committees at least twice a quarter to coordinate consumer activities and to discuss ways to resolve consumer complains easier and quicker.

The CED has formal relationships through signed Memoranda of Understanding (MOU) with the South African Insurance Association (SAIA), Government Employees Pension Fund (GEPPF), and Road Accident Fund (RAF) and is currently formalising partnerships with the Association for Savings and Investments of South Africa (ASISA), the Department of Public Works (DPW) and the South African Savings Institute (SASI).

7. INTERNATIONAL ENGAGEMENT

In 2008 the Organisation for Economic Cooperation and Development (OECD) created and established the International Network on Financial Education (INFE). INFE seeks to promote and facilitate international co-operation between policy makers and other stakeholders on financial education issues worldwide. It further serves as a platform to collect data on financial literacy, develop analytical and comparative reports, research, and develop policy instruments. INFE currently has members from more than 240 public institutions from over 110 countries.

The FSB has been a full member of the INFE since its inception as a member of the Advisory Board that governs INFE. The HOD of the CED serves also serves on the various established Expert sub-groups of INFE namely the National strategies, Long-term savings, Core

competencies and the sub-group on Micro, Small and Medium enterprises. In addition to serving on these sub-groups the HOD co-chairs the Expert Sub-Group on National strategies. The work of this sub-group, under the chairing of the HOD, has been internationally recognised, particularly when the G20 Leaders endorsed the sub-groups 'High level principals on National Strategies' in Mexico in 2012. The high-esteem in which the CED is held internationally is evident when considering that the CED has been specifically requested to provide expert input into various international publications stemming from the work of the INFE. It is also important to note that when the CED provides comment that it is included in the final version of the publications. These publications are available on the INFE website. The continual level of excellence delivered by the CED in respect of international involvement on a global scale has seen the CED be invited as guest presenters to various conferences including but not limited to the Bank of Indonesia-OECD Regional Asian Seminar on Financial literacy; OECD-Spain Conference on Financial Education; OECD/World Bank Conference on Financial Literacy held in Kenya; and the 7th INFE meeting in Canada. The CED is also seen as an international capacity builder as is evident the HOD's annual facilitation of workshops at the Alliance for Financial Inclusion's (AFI) capacity building programmes that is held in Kuala Lumpur.

The CED also provides input into the work of other international bodies such as the International Organisation of Securities Commissions (IOSCO) and in particular IOSCO's framework in Investor Education.

Further to serving on and presenting at global forums, the CED has been crucial in leading the Southern African Development Community's (SADC) regional developments in the area of consumer financial education. In December 2011 the HOD was appointed as the Chairperson of the Committee of Insurance, Securities and Non-Banking Authorities of Southern Africa's (CISNA) Technical Committee on Financial Education. CISNA forms part of the Trade, Industry, Finance and Investment Directorate with the SADC. Since the establishment of the subcommittee the FSB, through the work of the CED, has facilitated the development of the terms of reference, the monitoring and evaluation framework and most recently the CED has in conjunction with Finmark Trust drafted a paper on sustainable funding models for CISNA member countries. The thought leadership provided by the CED for CISNA member countries is evident in the bi-annual hosting of the CISNA familiarisation programme. Though this programme covers all aspects of the work of the FSB an additional three days are provided specifically for delegates to engage with members of the CED. These programmes have resulted in a number of neighbouring countries developing their own national strategies and formalising their consumer education programmes.

8. TECHNOLOGICAL AND ONLINE DEVELOPMENTS

Mylifemymoney

Realising the potential of technology and on-line media, the CED commissioned the development of an interactive portal for consumers, the content of which is financial matters and issues. The website, aptly called *MyLifeMyMoney* (<https://www.mylifemymoney.co.za>) was launched in September 2014. The unbiased and consumer-friendly content went through intensive development and screening by the relevant line departments of the FSB, before being approved and placed on the website. With the use of colour, graphics and having a life-stages approach, the CED can now communicate with consumers on a platform that is focused on helping all consumers in South Africa to make the most of their finances. The website boasts online tools and calculators, a blog, polls, surveys and online quizzes as well as a dedicated e-mail address, feedback forum, topical articles, useful links, a glossary, a downloadable budget template, weekly financial tips, media clips and consumer warnings and alerts.

As the CED is constantly ensuring its approach is current and relevant, *MyLifeMyMoney* is an integral part in the delivery of information to consumers as it is referenced in all other activities and it is envisaged that *MyLifeMyMoney* will become a trusted brand for unbiased financial information and education in the future.

Since August 2016, 114 691 visitors have visited the website.

Trustee Toolkit

In response to the industry for the FSB to play a more active role in facilitating trustee education in South Africa the CED headed the development of the Trustee Training Toolkit (TTK) in collaboration with the FSB's pensions division. The TTK is an online e-learning platform to assist trustees in learning more on how to fulfil their fiduciary duties and responsibilities with greater confidence. Trustees can learn the principles of good governance in a fun and interactive way, namely: modules and tutorials, off line assignments, bite-sized learning, an extensive glossary and case studies. Once trustees are completed with the material they can complete the Summative Assessment test which tests their new gained knowledge. At the end of the test the user will be graded and receive a completion certificate with either a Diamond (90+), Platinum (80+), Gold (70+), Silver (60+) or Bronze (50+) rating.

In response to requests from trustees, the CED has developed further support for trustees by developing a hardcopy manual of the TTK as well as an interactive case study DVD. In addition, CED staff offers presentations to Boards of Trustees at no charge.

Since August 2016 4690 trustees have registered on the trustee toolkit, 3500 trustee toolkit handbooks have been distributed via conferences, post or at overview presentations and

over 90 overview presentations have taken place. CED has interacted with over 2000 trustees in the past two years at multiple conferences and exhibitions.

9. THE FUTURE

Having established itself as one of the leading authorities on Financial Education and its implementation the CED is constantly looking to engage in innovative and relevant activities that will provide consumers with the necessary skills and knowledge to participate in the South African economy in an informed way.

The Financial Sector Regulation Bill was drafted with financial education as one of the three objectives of the proposed Financial Sector Conduct Authority. The Bill provides the mandate for the future regulation of financial institutions in South Africa through a Twin Peaks approach, which will see the South African Reserve Bank become the Prudential Regulator while the FSB will evolve into the Financial Sector Conduct Authority. The Bill gives more prominence to financial education and provides the Conduct Authority with a broader mandate to implement and monitor the implementation of financial education in the country (see below).

Objective of Financial Sector Conduct Authority

52. The objective of the Financial Sector Conduct Authority is to protect financial customers by–

- (a)* ensuring that financial institutions treat financial customers fairly;
- (b)* enhancing the efficiency and integrity of the financial system; and
- (c)* providing financial customers and potential financial customers with financial education programs, and otherwise promoting financial literacy and financial capability.**

Financial education functions

54. In addition to its other functions, the Financial Sector Conduct Authority has the function of formulating and implementing strategies and programmes for financial education for the general public.

The above mandate will allow the FSB to be more proactive in developing innovative new projects and approaches and to act as a thought leader on implementation and delivery. By capturing the lessons learnt from innovation through case studies and in-depth monitoring and evaluation, the FSB will be able to share findings to build up the knowledge around different financial delivery models and help improve the success rates of other national projects in future.

To this effect, the CED will look to identify projects that can be replicated and scaled-up into larger projects to reach a wider consumer base. This will further allow the FSB to continue with current successful financial education practices, while sharing research and best

practice learnings with others and providing strategic guidance on project delivery and implementation.

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Financial Services Board
