FSCA

Financial Sector
Conduct Authority

FINANCIAL SECTOR REGULATION ACT, 2017

FSCA CONDUCT STANDARD 1 OF 2025 (GENERAL) - REQUIREMENTS FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL EDUCATION INITIATIVES

The Financial Sector Conduct Authority, under section 106(1)(a), read with sections 106(2)(c) and 106(3)(d) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby makes a conduct standard setting out requirements applicable to Financial institutions providing financial education initiatives, as per the Schedule below.



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COMMISSIONER
FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

Date of publication: 26 March 2025

SCHEDULE

FSCA CONDUCT STANDARD 1 OF 2025 (GENERAL) - REQUIREMENTS FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL EDUCATION INITIATIVES

1. Definitions

In this Schedule, **"the Act"** means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) and any word or expression to which a meaning has been assigned in the Act bears the meaning so assigned to it, and unless the context otherwise indicates –

"Authority" means the Financial Sector Conduct Authority as defined in section 1 of the Act;

"evaluation" means a systematic and objective assessment of an ongoing or completed financial education initiative, its design, implementation and results;

"financial customer" has the meaning assigned to it in the Act, but also includes a potential financial customer;

"financial education" means the process by which financial customers improve their understanding of financial products, financial product providers, financial services, financial service providers, financial concepts and risks and, through objective basic information, instruction and the like, aim to develop the skills and confidence to–

(a) become more aware of financial risks and opportunities;
(b) make informed financial decision;
(c) manage their financial affairs more sustainably;
(d) know where to go for financial assistance and recourse; or
(e) take other effective actions to improve their financial well-being and the financial well-being of those under their responsibility;

"financial education initiative" means –

(a) any financial education programme, or other similar initiative or activity that is aimed at providing financial education, excluding any such initiative that is aimed at marketing or creating awareness surrounding a specific financial product or service, financial product provider or financial service provider; or

(b) a consumer education programme, as referred to in paragraph 2.3.2 of GN500, which forms the basis for a financial institution to claim any points for consumer education in terms of the Financial Sector Code;

"Financial Sector Code" means the codes of good practice on broad based black economic empowerment issued by the Department of Trade and Industry under Government Notice No. 1325 in *Government Gazette* No. 41287 of 1 December 2017;

"GN500" means Guidance Notice GN500(A) on Code Series FS500, Statement 500 - the measurement of the consumer education element of broad-based black economic empowerment, issued by the Financial Sector Transformation Council and referenced in the FSC;

"monitoring" means the regular collection and analysis of information about the progress of a financial education initiative;

"service provider" means any person, whether or not that person is a representative or other agent of a financial institution, with whom a financial institution has an arrangement relating to the provision of financial education initiatives on the financial institution's behalf;

"specific financial product or service" means the actual financial product provided by a financial product provider or actual financial service provided by a financial services provider; and

"target group" means any identifiable person or group of people, for example:
(a) youth;
(b) women;
(c) small, medium and micro-enterprises;
(d) older persons/pensioners;
(e) people living with disabilities;
(f) previously disadvantaged;
(g) underserved groups;
(h) people of a specific race;
(i) over-indebted individuals;
(j) individuals unable to repay debts;
(k) individuals unable to maintain insurance policy payments; and/or
(l) any other group characterised by an identified vulnerability.

2. Application, purpose and proportional application

(1) This Conduct Standard is only applicable where a financial institution provides or offers a financial education initiative, including the provision of a financial education initiative by a service provider.

(2) The purpose of this Conduct Standard is aimed at ensuring –

(a) the protection of financial customers by ensuring that financial education initiatives provided by financial institutions are appropriate and support the ability of financial customers to make more informed and/or sound financial decisions about their personal finances or others that fall under their responsibility, as well as the financial health of their small, medium and micro-enterprises; and

(b) that a financial institution providing financial education initiatives takes reasonable steps to ensure appropriate standards of behaviour, governance and oversight when,

(i) developing content, implementing, monitoring and evaluating a financial education initiative; and
(ii) reporting on the effectiveness, efficiency and appropriateness of a financial education initiative, including reporting to the Authority.

(3) The requirements in this Conduct Standard, where appropriate, may be applied in a manner that is proportional to the nature, size, complexity and risk profile of the financial institution concerned as well as the nature and target group of the relevant financial education initiative.

3. Governance arrangements

(1) A financial institution must have appropriate governance arrangements in place to oversee the design and implementation of financial education initiatives.

(2) The governance arrangements referred to in subparagraph (1) must include establishing and implementing appropriate oversight arrangements to monitor and review the design, suitability and effectiveness of its financial education initiatives on an ongoing basis.

(3) A financial institution must have appropriate systems, processes, policies and controls in place to ensure appropriate reporting on financial education initiatives, pre- and post-implementation, to the Authority.

(4) A financial institution must take reasonable steps to ensure that the relevant employee and service provider responsible for the design and implementation of a financial education initiative possesses the necessary skills, knowledge and expertise to fulfil their functions.

(5) A financial institution must take reasonable steps to ensure that the governance arrangements referred to in this paragraph also apply to a service provider, including that it obtains sufficient information from that service provider, to ensure that these financial education initiatives are, and remain, effective in achieving the intended outcomes.

(6) A financial institution retains responsibility and accountability for all regulatory obligations pertaining to the provision of financial education initiatives as set out in this Conduct Standard, regardless of whether such financial education initiative is performed by the financial institution itself or by a service provider.

4. Design and development requirements for financial education initiatives

(1) Financial education initiative provided by a financial institution should aim to –

(a) enable natural persons and small, medium and micro-enterprises to make more informed decisions, about their own finances and financial well-being or the finances and financial well-being of others that fall under their responsibility; and

(b) in respect of financial decision making, encourage positive customer behaviour, influence behavioural change and contribute to long-term skills development.

(2) A financial institution may use any delivery platform for a financial education initiative, provided that the delivery platform is appropriate for the type of financial education initiative and the identified target group, to ensure appropriate and effective reach.

(3) The content of a financial education initiative provided by a financial institution must –

(a) be based on objective and impartial information, generally accepted methodologies, research and trends;

(b) be targeted suitably at the appropriate target group, taking into account the identified needs of the target group and financial inclusion objectives;

(c) be distinct from any brand specific financial product or financial service sales process or marketing campaign; and

(d) be brand agnostic, but may unpack the meaning of different types of financial concepts and terms related to a particular financial product or financial service, or categories of financial products or financial services.

5. Location and logistics

(1) A financial institution providing face-to-face financial education initiatives must utilise a location that is appropriate for this purpose to ensure that the financial education initiative is effective.

(2) A financial institution providing virtual financial education initiatives must ensure that the virtual platform is appropriate for this purpose to ensure that the financial education initiative is effective.

(3) A financial institution should consider contingency plans for unforeseen circumstances regarding implementation of financial education initiatives.[1]

6 Measurability requirement

(1) The outcomes of financial education initiatives must be measurable in order to, amongst other things and to the extent possible, –

(a) demonstrate effectiveness; and

(b) measure impact.

(2) The manner used by a financial institution to measure the outcomes of each financial education initiative provided must be appropriate for the specific initiative and relate directly to the outcome.

7 Monitoring and evaluation requirements

(1) A financial institution must monitor and evaluate each financial education initiative that is provided, to amongst other things –

(a) assess its effectiveness;

(b) identify areas for improvement; and

(c) collect data, which can and should (where relevant) be used to improve the effectiveness of future programmes.

8 Marketing and branding restrictions

A financial institution may not use a financial education initiative for the –

(a) excessive marketing of a specific brand or financial institution; or

(b) marketing and sales of a specific financial product or financial service.

9 Reporting to the Authority

(1) Subject to a determination made in accordance with subparagraph (2), a financial institution must report information relating to the provision of financial education initiatives in accordance with this Conduct Standard to the Authority.

(2) The Authority may determine the form, manner, content and period for reporting the information contemplated in subparagraph (1), by notice on the website of the Authority.

10 Short title and commencement

This Conduct Standard is called Requirements for financial institutions providing financial education initiatives, 2025 and comes into effect 12 months after the date of publication.

[1] For example, load shedding.