

Consumer fairness and protection

Key insights and leading practices for financial institutions



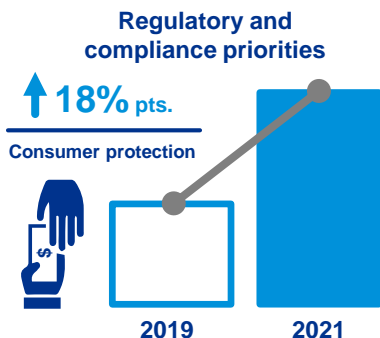
Regulatory and industry focus

Regulatory emphasis on accurate disclosure and fairness principles along with related compliance expectations, including consumer protection and equity, have taken center stage and are driving the need for investment. Consumer fairness is a vast concept that can encompass the following cross-industry areas:



Heightened attention on consumer fairness and protection practices

The 2021 KPMG CCO Survey¹ provided evidence that CCOs have become more focused on the development of defined approaches to strengthen their organizations' action and controls around consumer protection and fairness.



CCOs who contributed indicated that industry-specific regulations and consumer protection were their **top two** regulatory and compliance priorities in 2021, with consumer protection **increasing by 18 percentage points since 2019** and generating **over twice as many selections** since the 2020 KPMG survey.

Key regulations to consider

- Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)
- Privacy (Regulation P)
- Truth in Lending (Regulation Z)
- Fair Credit Reporting Act (FCRA)
- Servicemembers Civil Relief Act (SCRA)
- Americans with Disabilities Act (ADA)
- Fair Debt Collection Practices Act (FDCPA)

¹ KPMG 2021 CCO Survey. © KPMG LLP, KPMG, 2 Sept. 2021, <https://advisory.kpmg.us/articles/2021/cco-survey-2021-gated.html>.

Helping institutions develop key insights and leading practices

KPMG has worked with many clients in the area of consumer protection, sales practices, and conduct risk, helping them to establish a sound framework that connects to the company's overall ethics and compliance program. We understand the critical activities driving process improvement and organizational change, including:



Conducting risk assessments across public-facing operational areas, as well as third-party vendors, to identify and prioritize risks that could impact the organization's reputational risk profile.



Assessing the customer journey across marketing, product/service design, and delivery as well as embedding consumer protection and fairness principles into each step of these processes.






Analyzing consumer complaint data to aggregate concerns, identify root causes, and deploy streamlined response efforts in order to enhance control operations and the complaint resolution process.



Simplifying public communications and policies/procedures to ensure consumers have a clear understanding of Terms and Conditions and consumer-facing employees can clearly articulate organizational standards.

Spectrum of KPMG services to mitigate consumer fairness and protection risks

 Risk and compliance transformation (R&CT)	 Digital innovation and disruption	 Supervisory and enforcement
Tailored compliance program review	Compliance UAT strategy and design	Bespoke regulatory response and strategy
Compliance monitoring and testing support	Agile development and digital banking implementation	Consumer harm restitution and remediation strategy
Three lines of defense & risk/control optimization	Obligation mapping, business and risk integration	Exam management design and execution
Issue and compliant management analytics	Process and control automation	Licensure advisory services
Complaints/disputes trend and root-cause analysis	Integration of intelligent automation and compliance analytics	Regulatory and business change management

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