

Consumer fairness and protection

Key insights and leading practices for financial institutions

July 2024

Regulatory and industry focus

Increased regulatory rulemaking and enforcement activity, along with new and evolving technologies, have highlighted various focus areas for financial institutions and their compliance functions. The key areas of focus include:



Fair access and consumer impact

Considering the impact of services on society at large and enhancing access to products/services and a broader range of customers.



Marketing and advertising practices

Providing customers with accurate, transparent, and fair information and disclosures that are designed with the consumers in mind.



Fairness across consumer lifecycle

Embedding fairness precepts across the consumer journey, from product development, implementations, marketing, etc.



Complaint management

Building complaint management systems that address customer concerns promptly and fairly.



Data privacy and protection

Prioritizing data privacy and protection for consumers and stakeholders during digital transformations and implementations.



Artificial intelligence

Developing standard principles that support the deployment of thoughtful, unbiased, and explainable algorithms and models.

As rapid advancements ensue in the industry, chief compliance officers (CCOs) have identified consumer protection as one of the key areas requiring substantial improvement in the next two years.¹



Call to action...

- 1 Embed fairness controls**
 Embed fairness controls across consumer and retail products and services.
- 2 Prioritize fairness**
 Prioritize and embed fairness across the full customer journey.
- 3 Centralize processes**
 Execute centralized processes; streamline and simplify customer-focused communications.
- 4 Enhance equitable treatment**
 Enhance complaint, claims, and dispute management processes, technology, and data analytics.
- 5 Evolve compliance management**
 Evolve the compliance management system by revisiting the inputs and weights into risk assessments and new product and service reviews and approvals—all to consider inclusion, access, tangible benefit, and consistent and equitable outcomes.



Key regulations to consider

- Unfair, Deceptive, or Abusive Acts or Practices
- Equal Credit Opportunity Act
- Dodd-Frank Act
- Privacy (Regulation P)
- Truth in Lending (Regulation Z)
- Fair Credit Reporting Act
- Americans with Disabilities Act
- Web Content Accessibility Guidelines

Helping institutions develop key insights and leading practices

KPMG has worked with many clients with matters related to consumer protection, sales practices, compliance management, 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 mitigate risks that could impact consumers.



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 to enhance control operations and the complaint resolution process.



Enhancing compliance management programs to prepare financial institutions for regulatory scrutiny and assist in identifying potential gaps and issues that could impact strategy.

¹ “2023 KPMG Chief Ethics & Compliance Officer Survey,” KPMG LLP, May 12, 2023, <https://kpmg.com/us/en/articles/2023/cco-survey-2023-gated.html>.

Spectrum of KPMG services to help mitigate consumer fairness and protection risks

 Risk and compliance transformation (R&CT)	 Digital innovation and disruption	 Supervisory and enforcement
Tailored compliance program review	Compliance user acceptance testing 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 and risk 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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