Yakiv Smolii: Financial Inclusion Forum - opening speech

Speech by Mr Yakiv Smolii, Governor of the National Bank of Ukraine, at the Financial Inclusion Forum, Kyiv, 12 June 2019.

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Dear ladies and gentlemen,

participants of the second international Financial Inclusion Forum.

Today, the slogan **Leaving No One Behind** unites us all. Why this particular slogan, you may ask.

**First**, as a UN member country, Ukraine shares and supports the Global Sustainable Development Goals. We apply the principle Leaving No One Behind.

**Second**, if we explain the meaning of the term “financial inclusion” in one word, this word would be accessibility.

Technical accessibility and price accessibility.

At present, over one third of people all over the world still have no access to financial services. Our mutual goal is to reduce the share of Ukrainians in this huge number.

I will not be mistaken if I confidently say that all present here are aware of the fact – financial inclusion offers broader opportunities for people.

Access to loans advances business and access to insurance creates a safety cushion.

For the least secured social groups, an access to high quality financial services means safety today and social mobility tomorrow.

Numerous studies, particularly by such respected international institutions as the World Bank and the International Monetary Fund, have proved a strong connection between financial inclusion and financial stability.

At the macroeconomic level this translates into the country’s capacity to tackle crises.

At a personal level, it gives Ukrainians a chance to be prepared for rapid changes and unexpected developments that have permeated the life of our country for the past two decades.

Ladies and gentlemen,

It should be noted that financial inclusion is not only about an increase in the number of consumers of financial services, or their sales, so to say.

It is about social responsibility – transparency and clarity of products to their consumers.

Protection of consumers is important because it is the prerequisite for the safe use of loans. It is impossible for anybody to benefit from the full potential of financial services without financial literacy.

This is where the NBU sees great opportunities for everybody gathered here.

Anyone has a purpose and anyone can play a role:

* **commercial sector** can develop new technologies and offer progressive solutions
**nongovernmental organizations** can ensure control and enhance communal capacity in an informal way.

While we at the **public sector** will continue creating conditions for the increased well-being of Ukrainians.

**What are our plans?**

**First.** The NBU will improve the quality of regulation and lay the grounds for strengthening the financial sector.

Our foremost task, as we see it, is **enhancing protection of rights of financial services consumers.**

I will be honest with you — at the NBU we truly hoped that Ukraine would get a real protection system guaranteed by laws.

But the parliament decided otherwise.

However, this is not an excuse to abandon people with their problems with banks and nonbank financial institutions.

**Today, I am very happy to inform you of the following:**

The NBU assumes responsibility for protection of rights of financial services consumers and establishes a special unit in charge of these issues.

First of all, it will enable regulation of the information disclosure system that will deal with information on financial products and services. Information transparency is at the core of trust in the financial services and safeguards higher prosperity of the public.

We will continue our work on people's complaints, but from now on it will be more systematic.

The chain “complaint – response – changes in regulations” will become shorter and more efficient.

This will help reduce the number of misunderstandings between financial institutions and their customers, improve their information awareness, and teach the financial market to address their customers' questions and comments.

**Second.** The NBU has assumed the leadership and developed a vision for the future strategy of financial literacy.

Why does the central bank need it, considering that we are not part of the education system?

Our goal is to **prepare young people for life in the real world** full of challenges and rapid changes.

Today, we encourage everybody present to join in common work based on our vision. I hope in a year we will be able to sum up our first results.

Ladies and gentlemen,

I am confident that many of you have joined the Forum with brilliant ideas of how to make financial services more accessible for Ukrainians.

So, let's get to work!