

TOOL 9

Consumer Advisory Panels

CONSUMER ADVISORY PANELS ARE A TOOL THAT A MARKET conduct supervisor (MCS) and other authorities use to elevate the collective voice of consumers in financial sector regulation and supervision. For this toolkit, a [consumer advisory panel](#) is defined as a group of experts in the consumer and financial sector, or other relevant industries such as telecommunications, that engage with an MCS to discuss and share information on financial sector policies and emerging consumer risks. The members of consumer advisory panels bring diverse perspectives from civil society, academia, legal aid, and government backgrounds to inform the work of the MCS. Financial service providers (FSPs) and journalists may also participate. The panel membership composition will depend on the purpose and objectives that the MCS has identified for the panel. It is important for the MCS to make concrete efforts from the outset, to ensure that the panel includes members who represent the interests of the most vulnerable and disadvantaged population segments and that the panel is led and organized in a manner that ensures that the voices of those segments are effectively heard.

Benefits and opportunities

- **Deeper insights on consumer risks and issues.** Input from consumer advisory panels facilitates a more nuanced understanding of consumer protection, financial inclusion, and customer experience issues.
- **Reliable and timely flow of information to the MCS.** Regular, ongoing engagement with a consumer advisory panel allows the MCS to deal with issues proactively before they become more serious.
- **More balanced view of the financial sector.** Given that FSPs tend to have greater influence than consumers in the financial sector, the MCS can gain a more balanced perspective of the opportunities and issues in the sector by getting direct insights from consumer representatives through a consumer advisory panel that is effectively chaired.
- **Better financial sector policies.** Consumer advisory panels with strong consumer advocate representation allow for strong citizen engagement with policy makers and regulators. Citizen engagement is, in turn, [associated with](#) higher-quality regulation and greater economic development. Advisory panel discussions can also inform the strategic priorities of the MCS.

- **Platform to disseminate information.** Advisory panel engagement effectively disseminates information on new policies and risk areas to consumer advocates and the public.
- **Access to external feedback.** Consumer advocates and the public can discuss and obtain feedback on proposed policies, regulations, guidance, or consumer awareness initiatives through advisory panels.
- **Increased accountability and credibility of the MCS.** Transparent engagement with the panel enhances MCS accountability, credibility, public confidence, and consumer trust in formal financial services.
- **Capacity building for consumer advocates.** Panel participation can help build the skills of consumer associations and their representatives, where experience in financial services or advocacy are low.
- **Manageable implementation and resource commitment.** The investment of staff time and financial costs of administering an advisory panel is modest relative to other market monitoring activities.

Characteristics of this tool

CGAP research identified several common characteristics shared by consumer advisory panels. Examples of some of these are provided in Table 1.

- **Legal basis for engagement.** Sound legal footing gives the panel authority and credibility. The MCS typically establishes the advisory panel by law or regulation or through its statutory convening powers to serve in an advisory or information-sharing role. Terms of Reference (TORs) or a charter give structure to the relationship.
- **Regular interaction and formal agendas.** Most advisory panels convene several times per year in regular meetings and working groups. Agenda topics are prioritized and set in advance, typically in coordination with the advisory panel chair. Panel members are welcome to share and discuss issues bilaterally with the MCS between meetings.
- **MCS staff and financial support.** The MCS provides support for staff and other costs to administer panel activities. Staff time is usually part of overall duties, rather than a standalone job. Technical materials such as presentations and reports can be delegated to panel members or other MCS subject matter experts.
- **Clear member selection criteria.** Some MCSs use an open application or expression of interest, while others invite specific candidates based on an internal vetting process. Either way, criteria should be transparent and objective, with latitude to achieve the right balance of expertise, experience and varied representation of groups to include different genders, races or locations, for example. The number of members can vary widely, from 5-30 individuals.
- **Specific member qualifications.** The MCS seeks members with a good mix of financial services and consumer protection expertise, and some include FSPs and the media. Members can serve individually or represent a consumer association, legal aid, government, or academia. Panels that include FSPs have demonstrated that direct concerns or feedback provided by consumer advocates to FSPs firsthand is more impactful than an MCS serving as a go-between.

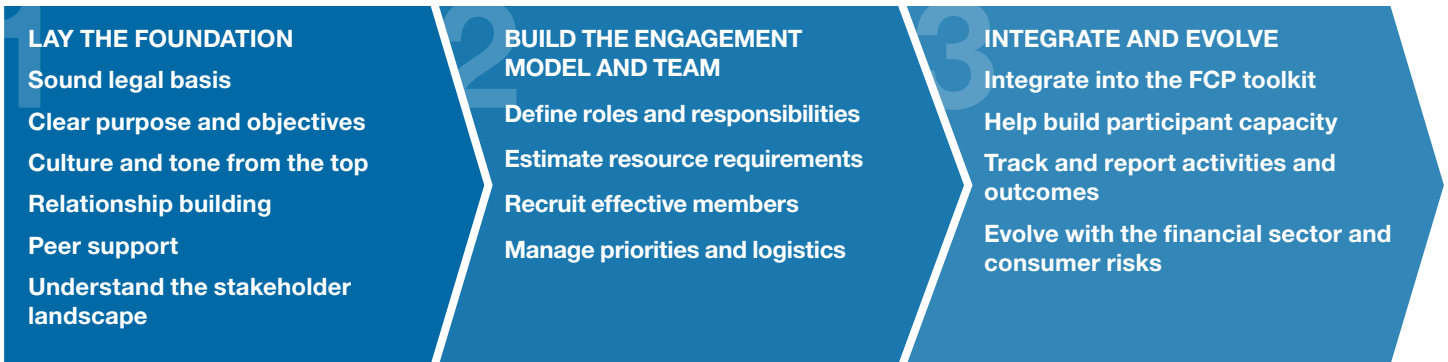
- **Remuneration of advisory panel members.** The MCS reimburses advisory panel members for travel to attend in-person meetings. Most pay a modest honorarium or stipend, as well, for the time and effort spent in preparing for and actively contributing to panel meetings. This is especially important to ensure that potential members are not excluded solely due to the cost of participating. Compensation may be higher for members who devote additional time to working groups and other activities.
- **Effective leadership by the Chair.** Chairs are responsible for effectively facilitating panel activities, and prioritizing issues, including leading controversial or challenging discussions in a collegial manner, ensuring that the voices of all stakeholders — especially those representing the most vulnerable and disadvantaged segments — are heard. Chairs are also responsible for promoting constructive dialogue with the MCS. Independent Chairs, who are not an MCS staff or management team member, are most common and helpful.
- **Elevation of vulnerable consumer voices.** While advisory panels deal with issues affecting all consumers, members need to ensure that the unique needs of vulnerable consumers are addressed as they are less likely to be heard on their own. Advisory panels can also be a good platform to engage with female leaders and consumer advocates to raise awareness of gender-related issues.
- **Transparency.** Most advisory panels publish an annual report of their activities, ranging from a separate publication to a brief mention in the MCS annual report. Some MCS staff post meeting agendas, minutes, and transcripts on their websites. Some advisory panels also open meetings to the public.

TABLE 1. **Examples of advisory panel size, membership and meeting requirements**

Information as of 8/4/22

Jurisdiction Name of Authority <i>Consumer advisory panel</i>	Panel members	Independent Chair?	Membership mix	Meetings per year
Australia Australian Communications and Media Authority (ACMA) <i>Consumer Consultative Forum</i>	12	No (ACMA board member)	Consumer association representatives (up to 8), telco industry, regulators (e.g. general consumer protection, communications), ombudsman	2
Canada Financial Consumer Agency of Canada (FCAC) <i>Consumer Protection Advisory Committee</i>	12-15	No (FCAC Commissioner)	Consumer associations, academia, media, industry, other financial sector regulators	2
Province of Québec, Canada Autorité des Marchés Financiers <i>Financial Products and Services Consumer Advisory Council</i>	5-9	Yes	Academia, youth education, media (e.g., consumer reporter), consumer advocates	5-6
Ireland Central Bank of Ireland <i>Consumer Advisory Group</i>	6	Yes	Consumer advocates, academia, regulators, retired industry professional	4-5
Nigeria Nigeria Communications Commission <i>Industry Consumer Advisory Forum</i>	20 (max)	Yes	Consumer associations, differently abled groups, industry, academia, youth, professional organizations	4 (one public)

How to use this tool



The key to effectively using this tool is to start with a good foundation, build the engagement model and team, and integrate and evolve the consumer panel over time. Start small and don't try to do everything at once. Some authorities may find it helpful to conduct a pilot to test different approaches. Certain activities — such as building relationships and a strong organizational culture, recruiting effective members, and managing priorities — will continue throughout the life of the panel.

The process of implementing the tool could be sequenced in the following steps:

STEP 1: LAY THE FOUNDATION

- 1. Provide a sound legal basis:** Providing a legal basis for the engagement ensures clarity, credibility, and continuity of advisory panel activities. For some examples of laws relating to setting up consumer advisory panels, click [here](#). Creating an advisory panel by statute or using MCS convening powers are both effective approaches. The legal basis should be formalized in a TOR or Charter. [Click here](#) to view an example.
- 2. Establish clear purpose and objectives:** Having a clear purpose and objectives helps ensure that expectations and obligations of MCS and consumer panel members are realistic. Consider questions such as: “What do we need to know that we don't know already?” Or: “How can panel engagement improve our financial consumer protection work?” Knowing your ‘why’ will make other decisions such as membership, budget and priorities easier. This will also help define the scope of stakeholder landscaping if the MCS chooses to do one (see Box 2).
- 3. Instill a customer-centric, listening culture and tone from the top:** Advisory panel engagement must be taken seriously at all levels of the MCS. This may require a change in organizational culture if interacting with consumers and advocates does not come naturally. The adoption of a [customer-centric approach to financial consumer protection \(FCP\)](#), which focuses on customer outcomes in regulation and supervision, would facilitate the adoption of such cultural change. MCS leadership should attend meetings and listen to consumer concerns with the same focus and attention given to the financial industry. MCS must be willing to take constructive criticism and have productive disagreements,

so that the panel is not just providing a rubber stamp or seal of approval.

4. **Build relationships:** The MCS does not need to wait until the panel is launched to start building relationships. Talking to existing contacts in the sector informally and getting information flowing will help identify the landscape of issues and potential consumer advisory panel members. After the panel is created, MCSs should continue to meet informally with members, for example through check-in calls, or by meeting for coffee, to strengthen relationships and the flow of information.
5. **Seek peer support:** The MCS may find it helpful to work with another authority that has an existing advisory panel to serve as a mentor and sounding board when considering various design features. South Africa's Financial Sector Conduct Authority (FSCA) did this as part of their consumer panel pilot (see Box 1).
6. **Understand the stakeholder landscape.** Having good knowledge of key stakeholders in the consumer landscape will help identify participants who will have the relevance, capacity, and interest to participate in the advisory panel and increase understanding of the main consumer protection issues. A stakeholder landscaping exercise may help (see Box 2).

STEP 2: BUILD THE ENGAGEMENT MODEL AND TEAM

1. **Define roles and responsibilities:** MCS staff, consumer panel Chair, and advisory panel member roles and responsibilities should be clearly defined in writing. This will form the basis for the TOR or Charter, annual funding and

Box 1. South Africa's Financial Sector Conduct Authority (FSCA) consumer advisory panel pilot

CGAP is facilitating the development of a consumer advisory panel at the FSCA through a partnership with the UK Financial Conduct Authority (FCA) and their Financial Services Consumer Panel (FSCP). The FSCA is developing the new consumer advisory panel, expected to launch in 2023, to ensure that its work formally considers consumer views and experiences and to alert the FSCA to emerging risks and trends facing financial customers. The FCA and FSCP bring a wealth of knowledge and experience to FSCA's deliberations. It is important to note that this pairing was not for the purpose of transplanting the UK model to South Africa, but rather for FSCP/FCA to be a sounding board to respond to questions and brainstorm options with FSCA counterparts.

Box 2. South Africa FSCA's stakeholder landscaping exercise

MCSs with low familiarity of consumer organizations and advocates in their jurisdictions may benefit from a stakeholder landscaping exercise prior to defining terms of reference and recruiting members. For example, as part of the South Africa pilot, CGAP commissioned [Cenfri](#) to conduct a stakeholder analysis for FSCA to better understand the relative influence, interest, and capacity of the large and diverse landscape of consumer-facing bodies. The landscaping exercise mapped South African consumer advocates and other stakeholders such as industry associations, statutory bodies and regulators across several categories including women, youth, MSMEs, persons with disabilities and the elderly. This helped to draw out important cross-cutting observations related to capacity, expertise, and willingness to engage. The mapping results will also be useful for other types of stakeholder engagement beyond creating a consumer advisory panel. While a formal, third-party mapping exercise will not be essential or practical in every case, especially for small, less well-resourced emerging markets and developing economies (EMDEs), it could be worth the investment if the landscape is complex or unfamiliar. Smaller jurisdictions could also undertake a simple mapping exercise on their own without an outside consultant.

Click [here](#) for a short guide on how to conduct a stakeholder landscaping exercise, and click [here](#) for an Excel template to compile and organize information to assist this landscaping effort.

other resource commitments, and membership recruitment. Sample TORs and charters are provided [here](#).

2. Estimate resource requirements:

- **MCS staff and budget:** Internal resources used to administer the panel are often part of broader staff responsibilities and departmental budgets, but it will be helpful for an MCS with limited resources to define these clearly, to ensure that the panel is sustainable in the long-term.
- **Member compensation.** The budget should include the cost of member travel to meetings. In addition, reasonable meeting honoraria show appreciation for members' time and effort — including for preparation in advance of meetings — and may encourage more economically diverse participation.

3. Recruit effective members:

- **Size.** The panel should be small enough to have meaningful discussions, but large enough to be representative of the interests and needs of different groups, including consumers in situations of vulnerability who are susceptible to harm. This is a good “test and learn” area, where it is better to start small and grow the panel based on needs and experience.
- **Attributes and skills.** While each advisory panel is as unique as its country context, members do share common characteristics. Box 3 lists those most frequently cited in CGAP research. For sample member recruitment materials, click [here](#). Member bios are provided on some of the advisory panel webpages. For some examples, click [here](#).

4. Manage priorities and logistics:

- **Prioritizing topics.** Meetings should cover significant issues. The MCS and panel chair can work together to decide the best use of panel members' time and address other matters in a working group or other interaction, such as by email. Even if not considered a priority, comments and issues raised by panel members should always receive a timely response.
- **Meeting materials and logistics.** Meeting packets should not be too technical or long. MCS will need to determine preferences regarding in-person versus virtual meetings.

Box 3. Characteristics of effective advisory panel members

Effective panel members

- **Credible:** able to contribute productively and hold their own when debating complex or controversial financial sector issues.
- **Strategic:** offer useful insights and input into strategic initiatives in pursuit of improving financial consumer protection.
- **Committed:** willing to show up and work, not seeing role as an honorary or perfunctory title.
- **Advocate:** actively raise issues of vulnerable consumers and communicate effectively with different stakeholders, including government, industry, and other consumer groups.
- **Representative:** responsive to a wide range of demographic, geographic, and financial consumer issues, not lobbying for their own individual interests.

Effective chairs

- **Independent:** preferably not part of the MCS management hierarchy, able to have brave conversations, promote horizontal dialogue among members and with MCS leadership, and advocate more vocally on behalf of consumers, especially if the panel also includes industry representatives.
- **Facilitator:** able to prioritize issues, leverage the expertise of individual members, and bring together diverse perspectives to achieve common goals.

Hosting and attending in-person meetings is more time-consuming and expensive, but the interactions are usually more robust. A combination of virtual and in-person may be the best approach.

STEP 3: INTEGRATE AND EVOLVE

1. **Integrate into the FCP toolkit:** The advisory panel should not be siloed. In addition to informing policies, insights gleaned from panel engagement can be a valuable qualitative tool in the FCP toolkit to validate and deepen other sources of information, such as complaints data, social listening, consumer research, financial education programs, and other monitoring and supervisory tools. For example, if there is a concerning trend in complaints, the MCS can ask panel members: “What are you seeing or hearing?”
2. **Help build participant capacity:** Panel engagement can be used to build the capacity of consumer advocates in countries where this is lacking. For example, the MCS could recruit some small consumer associations as members rather than just the largest or most vocal ones. Bringing together consumer associations with different resources and experience levels can facilitate knowledge sharing and exposure to diverse perspectives on financial consumer protection issues and approaches to dialogue with the MCS. Panel meetings and public events can also be used to clarify roles and mandates of different regulators and disseminate information on new products or provider types.
3. **Track and report activities and outcomes:** The MCS should track and report outcomes — including anecdotal outcomes — and be transparent about panel activities. Results can be shared via annual and ad hoc reports; meeting agendas, minutes, and transcripts on the MCS website; and inviting the public to meetings, if appropriate. When consumers and other stakeholders see efforts by the MCS to listen and respond to issues, it will build confidence and trust in the panel and its work. For examples of meeting materials click [here](#) and for examples of annual reports, click [here](#).
4. **Evolve with the financial sector and consumer risks:** The financial sector is not static, so the mix of advisory panel members and topics addressed should evolve with financial products, providers, technologies and risks. The terms of reference and other foundational documents should provide sufficient flexibility to accommodate these changes. For example, some TORs establish that members are appointed for a term of two or three years, which may be renewed once or twice.

Limitations of this tool

- **Complex impact measurement.** Unlike most market monitoring tools, consumer panels are a qualitative tool that may also require the MCS and consumer representatives, which typically have different skills and expertise, to put significant effort into effectively communicating with each other to ensure that consumer insights are understood and properly incorporated into the MCS’s work. As a result, the relationship between panel activities and improved financial sector oversight can be more challenging to quantify and take more time to materialize than for other tools.

Clearly defining goals and tracking and reporting progress and results is important.

- **Open-mindedness and political will.** MCS staff and leadership may be reluctant to step outside their comfort zone to engage with consumer groups, or fail to see these interactions as relevant to their work. Setting a positive tone from the top and making sure staff understand the benefits of the engagement can help with organization-wide buy-in.
- **Consumer association capacity and visibility.** If consumer associations and other advocates lack financial services knowledge and experience, it will be challenging for them to engage meaningfully and credibly in advisory panel work. Also, some EMDE consumer advocacy sectors are not well-organized or developed, so the MCS may not know who would be best suited for advisory panel work. These challenges would in turn demand greater effort from the MCS to build relationships (see step 1 above) before the panel is set up and during its early stages.

Effective market monitoring requires a strong mix of tools, including basic tools such as the analysis of traditional regulatory reports. Different tools complement and reinforce each other, and positive consumer outcomes and changes in market practices depend on how an MCS uses tools, combines them with other evidence, and takes timely action to generate changes in market practices, reform regulations, clarify supervisory expectations, and penalize poor conduct.

Other resources

Consumers International. 2021. [“The Role of Consumer Organisations to Support Consumers of Financial Services in Low and Middle Income Countries,”](#) London: Consumers International.

Duflos, Eric; Peter Andrews and Myra Valenzuela, 2022. [“Consumer Associations: A Major Player in Responsible Digital Finance.”](#) CGAP blog post, 15 March.

Duflos, Eric; Mary Griffin and Myra Valenzuela, 2021. [“Elevating the Collective Consumer Voice in Financial Regulation.”](#) Working Paper. Washington, D.C.: CGAP.

Newbury, Laura and Eric Duflos, 2022. [“Consumer Advisory Panels: A tool to Bridge the Regulator-Consumer Gap.”](#) CGAP blog post, 29 August.

Newbury, Laura and Eric Duflos, 2022. [“Consumer Advisory Panels: A tool to elevate the collective consumer voice in financial sector regulation and supervision.”](#) Washington D.C: CGAP.

Supplementary Materials

Click on the pages below for panel background information, membership lists and bios, and other helpful resources. Please note that the level of detail varies.

EXAMPLES OF CONSUMER ADVISORY PANEL WEBSITES	
Authority / advisory panel	Domain or focus area
Australian Competition and Consumer Commission Consumer Consultative Committee	Competition / Fair trade regulator
Australian Communications and Media Authority Consumer Consultative Forum	Telecommunications regulator
Australian Financial Complaints Authority Consumer Advisory Panel	Complaints authority / Ombudsman
Australian Securities and Investments Commission Consumer Consultative Panel	Financial sector regulator
Autorité des Marchés Financiers (Quebec) Financial Products and Services Consumer Advisory Committee	Financial sector regulator
Central Bank of Ireland Consumer Advisory Group	Central Bank / Financial sector regulator
The Consumer Council of Northern Ireland	Statutory body
European Commission Financial Services User Group	Statutory body
European Banking Authority Banking Stakeholder Group	Statutory body
Financial Consumer Agency of Canada Consumer Protection Advisory Committee	Financial conduct regulator
Financial Services Regulatory Authority of Ontario Consumer Advisory Panel	Financial sector regulator
Nigeria Communications Commission Industry Consumer Advisory Forum (no webpage)	Telecommunications regulator
UK Financial Conduct Authority Financial Services Consumer Panel	Financial conduct regulator
US Consumer Financial Protection Consumer Advisory Board	Financial conduct regulator
US Federal Deposit Insurance Corporation Advisory Committee on Economic Inclusion (ComE-IN)	Financial sector regulator / Deposit insurer

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EXAMPLES OF LAWS ESTABLISHING A PANEL

Australian Communications and Media Authority

Consumer Consultative Forum

[Australian Communications and Media Authority Act 2005](#) (Section 59)

Central Bank of Ireland

Consumer Advisory Group

[Central Bank Reform Act 2010](#) (Section 18E)

European Banking Authority

Banking Stakeholder Group

[Regulation \(EU\) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority \(European Banking Authority\) amending Decision No 716/2009/EC](#) (Article 37)

European Commission

Financial Services User Group

[Commission Decision 2010/C 199/02 of 20 July 2010 setting up a Financial Services User Group](#)

Financial Conduct Authority (UK)

Financial Services Consumer Panel

[Financial Services and Markets Act 2000](#) (Part 1A, Chapter 1, Section 1Q)

Financial Sector Conduct Authority (South Africa)

Consumer Advisory Panel

[Financial Sector Regulation Act, 2017](#) (Section 283)

Nigerian Communications Commission

Industry Consumer Advisory Forum

[Nigerian Communications Act 2003](#) (Section 106, sub-section 1)

The Consumer Council (Northern Ireland)

[The General Consumer Council \(Northern Ireland\) Order 1984](#)

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EXAMPLES OF TERMS OF REFERENCE AND CHARTERS

Australian Communications and Media Authority

Consumer Consultative Forum

[Terms of Reference](#)

Consumer Financial Protection Bureau (US)

Consumer Advisory Board

[Charter](#)

Federal Deposit Insurance Corporation (US)

Advisory Committee on Economic Inclusion (ComE-IN)

[Charter](#)

Financial Consumer Agency of Canada

Consumer Protection Advisory Committee

[Terms of Reference](#)

Financial Conduct Authority (UK)

Financial Services Consumer Panel

[Terms of Reference](#)

European Commission

Financial Services User Group

[Rules of procedure](#)

Financial Services Regulatory Authority of Ontario (Canada)

Consumer Advisory Panel

[Terms of Reference](#)

The Consumer Council (Northern Ireland)

[Terms of Reference](#)

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EXAMPLES OF MEMBER RECRUITMENT MATERIALS

Consumer Financial Protection Bureau (US)

Consumer Advisory Board

[Call for applications](#)

European Banking Authority (EU)

Banking Stakeholder Group

[Call for expressions of interest](#)

[Online application form](#)

Financial Sector Conduct Authority (South Africa)

Consumer Advisory Panel

[Call for applicants](#)

Financial Services Regulatory Authority of Ontario (Canada)

Consumer Advisory Panel

[Call for applicants](#)

EXAMPLES OF MEETING MATERIALS

Central Bank of Ireland

Consumer Advisory Group

[Meeting minutes](#)

Consumer Financial Protection Bureau (US)

Consumer Advisory Board

[Agendas, meeting minutes, transcripts, videos](#)

European Banking Authority (EU)

Banking Stakeholder Group

[Meeting minutes](#)

European Commission

Financial Services User Group

[Agendas, meeting minutes](#)

Federal Deposit Insurance Corporation (US)

Advisory Committee on Economic Inclusion (ComE-IN)

[Agenda, meeting minutes, transcripts](#)

Financial Services Regulatory Authority of Ontario (Canada)

Consumer Advisory Panel

[Meeting minutes](#)

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EXAMPLES OF STAND-ALONE ANNUAL REPORTS

Consumer Financial Protection Bureau (US)

Consumer Advisory Board

[Annual Report](#) (appears these were discontinued after 2017)

European Commission

Financial Services User Group

[Annual report](#)

Financial Conduct Authority (UK)

Financial Services Consumer Panel

[Annual report](#)

Financial Consumer Agency of Canada

Consumer Protection Advisory Committee

[Annual Report](#)

Financial Services Regulatory Authority of Ontario (Canada)

Consumer Advisory Panel

[Annual report](#)

The Consumer Council (Northern Ireland)

[Annual report](#)

EXAMPLES OF EMBEDDED ANNUAL REPORTS

Australian Financial Complaints Authority

Consumer Advisory Panel

[Annual report](#) (p.116)

Australian Competition and Consumer Commission

Consumer Consultative Committee

[Annual report](#) (p.95)

Australian Securities and Investments Commission

Consumer Consultative Panel

[Annual report](#) (p. 214)

Autorité des Marchés Financiers (Quebec, Canada)

Financial Products and Services Consumer Advisory Committee

[Annual report](#) (Annex 5, p.116, French only)

Central Bank of Ireland

Consumer Advisory Group

[Annual Report](#) (p.33)

Federal Deposit Insurance Corporation (US)

Advisory Committee on Economic Inclusion (ComE-IN)

[Annual report](#) (p.60)

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