



**THE ROLE OF EXPLICIT
DEPOSIT INSURANCE IN
CONSUMER
PROTECTION: A SOUTH
AFRICAN PERSPECTIVE**

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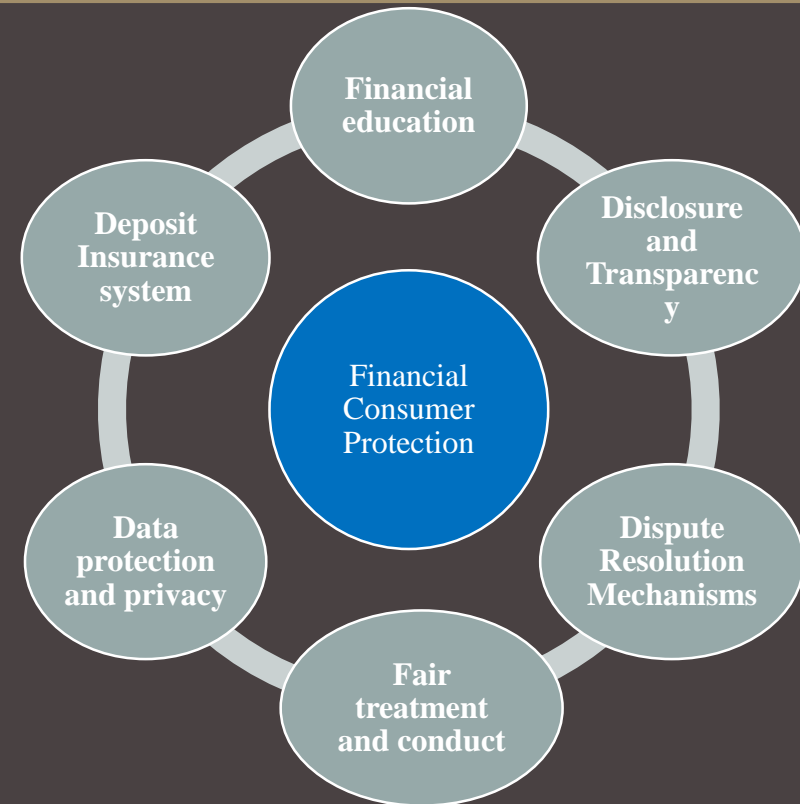
WAY
FORWARD



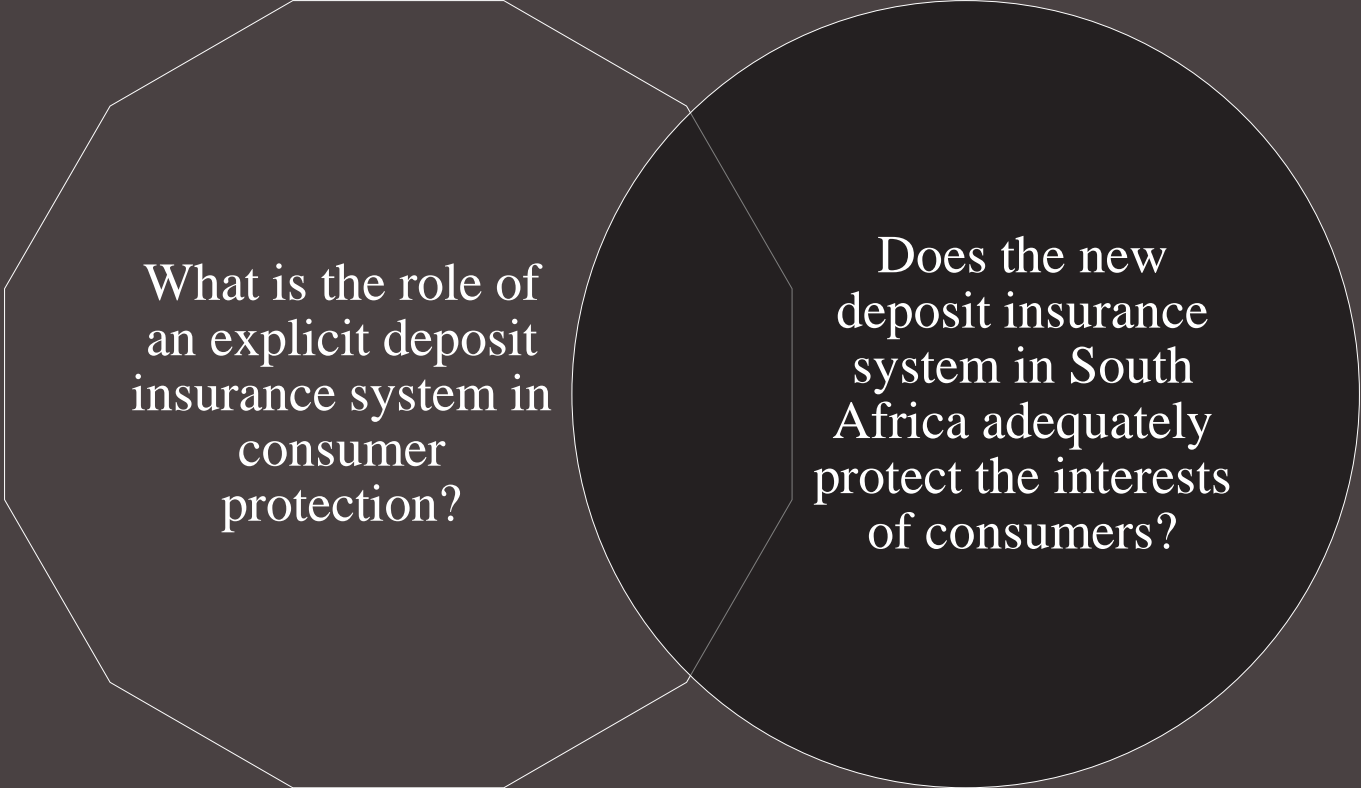
“The hard-earned savings of the majority of our people who are only able to deposit in one bank must be protected.”

- Henry Steagall
(Former chairman of the Committee on Banking and
Currency).

INTRODUCTION



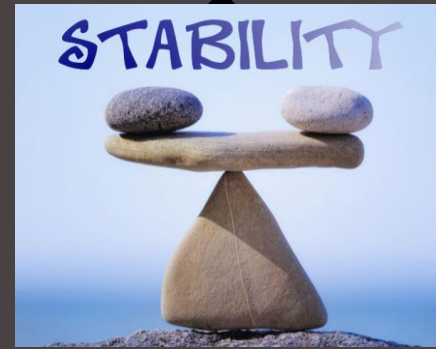
□ RESEARCH PROBLEM?



What is the role of an explicit deposit insurance system in consumer protection?

Does the new deposit insurance system in South Africa adequately protect the interests of consumers?

ROLE AND PURPOSE OF DEPOSIT INSURANCE



Financial Stability



Deposit Protection



Depositor confidence



Reimbursements of deposits



SOUTH AFRICA'S APPROACH TO CONSUMER PROTECTION

- ◆ Financial Advisory and Intermediary Services Act (FAIS Act)
- ◆ Consumer Protection Act (CPA)
- ◆ National Credit Act (NCA)
- ◆ Financial Sector Regulation Act (FSRA)
- ◆ Financial Sector Laws Amendment Act (FSLAA)

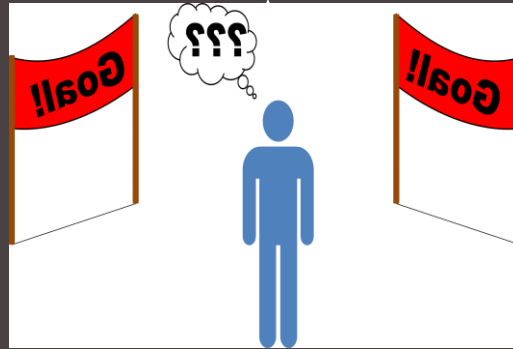
CONSUMER PROTECTION UNDER SA's DEPOSIT INSURANCE FRAMEWORK

1. Public policy objectives
2. Mandate and Powers
3. Deposit reimbursements
4. Scope of protection
5. Governance

❖ KEY CHALLENGES



Lack of
independence




Misalignment
between objectives and
mandate and powers



Lack of
Sanctions



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- i. Spending safeguards
 - ii. Alignment of objectives and mandate
 - iii. Membership termination
 - iv. Consumer complaints and inquiries

WAY
FORWARD

THANK YOU



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