

FSCA COMMUNICATION 2 OF 2025 (General)

Publication of final Conduct Standard – Requirements for financial institutions providing financial education Initiatives

1. Purpose

The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the following documents:

- Conduct Standard 1 of 2025 (General) – Requirements for financial institutions providing financial education initiatives;
- Statement of Need and Impact of the Conduct Standard – Requirements for financial institutions providing financial education initiatives; and
- Consultation Report – Conduct Standard – Requirements for financial institutions providing financial education initiatives.

2. Background

2.1 Financial Education (FE) initiatives can influence the financial decisions and financial well-being of consumers and SMMEs and given the low levels of financial literacy in South Africa, as illustrated in the supporting documents to this standard, Financial Education initiatives has a significant role to play in advancing transformation and inclusion of financial customers.

2.2 Financial institutions currently use various methods of design and development for FE activities. This sometimes leads to marketing principles and interventions being used under the guise of education. FE initiatives should follow recognised educational design models where possible, and the standardisation of design and development needs to be addressed and should be subject to an appropriate supervisory and enforcement framework.

2.3 On the basis of comments received from industry and other stakeholders, on a Discussion Paper the FSCA published in 2020, and taking into account the FE mandate of the FSCA, the FSCA has developed this Conduct Standard which is aimed at

improving the appropriateness and quality of financial education initiatives, by prescribing requirements for financial institutions providing financial education initiatives.

- 2.4 The requirements of the Conduct Standard is aimed at ensuring that financial institutions that provide FE initiatives take reasonable steps to ensure appropriate standards of behaviour, put in place governance and oversight arrangements when developing FE content as well as when implementing, monitoring, evaluating and reporting on consumer FE activities. Adherence to these requirements will ensure that all FE initiatives developed by financial institutions are of a similar standard, creating consistency across the sector.
- 2.5 The Conduct Standard underwent a public consultation process and was also submitted to Parliament as required in terms of section 103 of the Financial Sector Regulation Act, 2017 (FSR Act).
- 2.6 The process for making regulatory instruments as prescribed in Chapter 7 of the Financial Sector Regulation Act, has now been concluded and the FSCA therefore today publish the final Conduct Standard and relevant supporting documents.

3. Availability of Information and Equiries

- 3.1 The documents referred to in paragraph 1 is available on the FSCA's website at www.fsca.co.za.
- 3.2 For more information regarding the Conduct Standards and/or this Communication please contact the Regulatory Framework Department of the FSCA at hannelie.hattingh@fsca.co.za.



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