



Global Banking Education Standards Board

Standard for Digital Financial Literacy for Professional Bankers and Managers

OVERVIEW

Introduction

The Global Banking Education Standards Board (“**GBESTB**”) was established in 2017. A voluntary, industry-led initiative established by 25 banking institutes, the GBESTB aims to develop clear, internationally agreed-upon standards for the education of Professional Bankers¹. The GBESTB’s standards inform the development of national banking education programmes delivered by banking institutes, and others, providing the foundation for high-quality and consistent education of bankers. Digital financial literacy is a fundamental competency for all bankers. Banking global standards that address digital financial literacy contribute to financial stability and facilitate the international mobility of Professional Bankers.

The GBESTB established the Education Standards Committee to develop and publish standards for banking education.

Defining Digital Financial Literacy

Digital Financial Literacy is having the knowledge and skills to effectively use digital technology for financial transactions and overlay with an individual's ability to leverage digital devices/technology across work processes and activities to solve problems, drive efficiency and facilitate information sharing.

Scope

This Digital Financial Literacy Standard sets out the GBESTB’s expectations of and guidance for, member bodies in terms of general recommendations, and recommendations for the content, delivery and assessment of digital financial literacy education programmes for Professional Bankers.

This Standard is a high level document covering key aspects of digital financial literacy without going into the details of country-specific requirements..

The Digital Financial Literacy Standard is written for GBESTB members but may be helpful to a wide range of stakeholders involved in the education and training of banking professionals, including:

- Banking and financial institutions;

¹ Professional Banker is defined by the GBESTB to mean an individual who has successfully completed a relevant certification programme accredited or provided by a GBESTB member organization.

- Central banks and financial regulators;
- Universities, colleges and business schools;
- Training providers; and
- Government authorities.

Rationale

Digital technologies are increasingly being integrated in society and are changing the financial services industry with new products, services and suppliers and these changes increase the need for effective financial services education to respond to the changing banking environment. Digital financial services can extend the potential reach and access of digital financial services, benefitting previously unbanked sectors of the population and offering digital alternatives to existing bank consumers. They can also offer more convenient, faster, secure and timely transactions which can have positive implications for advanced and emerging economies and provide services that are tailored to individual needs and increase usage, thus creating new bank services from big data, allowing bankers to generate insights into banking activities and facilitating the offering of tailored products. Banking professional must also be aware of the negative impacts of digital technologies and help detect and mitigate them: fraud, scams, breaches of privacy, unchecked biases in artificial intelligence and financial crime.

Format

The Digital Financial Literacy Standard contains recommendations (set out in bold) which the GBESTb expects all members to use their best endeavours to comply with, and guidance (set out in italic) which the GBESTb expects members to consider when implementing the Digital Financial Literacy Standard.

Translation

The GBESTb publishes the Digital Financial Literacy Standard in English. GBESTb members may, at their expense and with written permission from the GBESTb's Education Standards Committee, translate the Digital Financial Literacy Standard into other languages and if they do so, they must ensure that:

- The translation is accurate and faithful to the original;
- Copyright remains with the GBESTb;
- No commercial use of the Standard or translation be permitted; and
- In the event of any inconsistency, the English version of the Standard prevails.

Effective Date

The Digital Financial Literacy Standard is effective as of 1 February, 2022, and GBESTB member bodies are expected to take active steps from that date to work towards adoption of this Standard.

Review Date

The Digital Financial Literacy Standard will be reviewed on or before 1 February, 2025.

STANDARDS AND GUIDANCE

GENERAL REQUIREMENTS

- 1. GBESTB members shall ensure that Professional Bankers complete digital financial literacy education and training consistent with their role, function and organisation.**

GBESTB members should work with employers and educators to ensure that Professional Bankers have access to a programme of digital financial literacy education at an early stage in their career

Such programmes should include education and training in the areas set out in the “Key Aspects of Digital Financial Literacy” section of this Standard. While general appreciation of concepts may be adequate for an elementary level, a deeper understanding of concepts is a prerequisite for modern banking.”

- 2. GBESTB members shall provide, or work with others to provide, appropriate digital financial literacy education and training to support Professional Bankers at all stages of their career.**

GBESTB members should consider how they, and others, can provide an appropriate range of digital financial literacy education and training programmes to support the initial and continuing professional development of Professional Bankers. This is likely to include formal qualifications, CPD and digital financial literacy refresher training, and the provision of self-study digital financial literacy materials, such as case studies. GBESTB members are encouraged to consider introducing periodic digital financial literacy training for Professional Bankers.

GBESTB members should regularly review the content, delivery and assessment of digital financial literacy education, training and CPD programmes for Professional Bankers, and those delivered by others, to ensure they remain relevant and up-to-date.

- 3. GBESTB members shall ensure that digital financial literacy education and training programmes include appropriate assessments to demonstrate that Professional Bankers understand and demonstrate professional knowledge consistent with their level of expertise and experience.**

GBESTB members should consider formal assessments for Professional Bankers at an early stage in their career.

GBESTB members should consider which forms of assessment might be most suitable for Professional Bankers with greater expertise and experience.

GBESTB members may consider working with employers and others to assess the application of professional values throughout Professional Bankers' careers.

KEY ASPECTS OF DIGITAL FINANCIAL LITERACY FOR PROFESSIONAL BANKERS

4. GBESTB members shall promote the set of key aspects of digital financial literacy for Professional Bankers and ensure these are aligned with national laws and regulations.

5. GBESTB members shall ensure that digital financial literacy education programmes for Professional Bankers:

- (a) Take into account the increasing access to, and use of digital financial services;
- (b) Explain the different types of financial products and services delivered through digital means for personal or business bank customers (e.g., electronic money, mobile banking, crowdfunding, peer-to-peer lending, digital credit and insurance services, digital currencies, mobile phone wallets, crypto assets, remittance services, internet banking, online brokers, robo advisors, mobile trading, online balance sheet lending, invoice and supply chain finance, instant mobile payments);
- (c) Address the importance of customer trust through the dissemination by bankers to customers of accurate information about the existing policies and systems in place to offer bank customers with digital products, as well as education to help them avoid becoming victim of crimes;
- (d) Provide training on consumer rights and obligations and the obligations of banks, bank staff and agents in the digital world (e.g signing a contract digitally), and when operating online or virtually;
- (e) Cover the requirement to adhere to an organisation's personal data and privacy policies;
- (f) Train on types of cybersecurity risk to protect banks and customers from potential risk such as phishing scams, account hacking and data theft to maintain the safety and soundness of their banking system;
- (g) Provide an educational process [for employees across all functional areas of the bank and at all experience levels] to be prepared for the digital ecosystem in financial services by understanding the competitive environment and how digitisation is affecting customer expectations.
- (h) Provide a basic understanding of the core elements of digital banking and how they can be applied to the business of banking in the following areas:

- Cybersecurity
- Cloud computing
- Data Analytics
 - Understand the implications of the digital ecosystem for data management [data collection, data mining and data analytics help banks make informed decisions about customers]
 - Understand how to use CRM analytical tools to derive data-driven insights from CRM systems
 - Make better, faster, and more personalised decisions about lending to individuals and businesses
 - Identify new sources of data to assess credit risk differently and increase access to finance
- Artificial Intelligence and Automation
 - Identify the role of these new technologies in banking
 - Understand the Robo-Advisor model – how humans and algorithms can work best in a hybrid model
 - Explain to customers how automation and new technologies are being deployed within the organisation to build customer trust in the digital environment.
 - Understand ethical pitfalls with data collection which could cause AI insights to lead the business towards unethical decision making
- User Interface (UI) and User Experience (UX) design
 - Understand what influences customer uptake of technology and how digital solutions are different for each client segment
 - Understand the principles of design thinking [human-centred design] – designing products and services from the customer’s perspective
 - Understand the techniques and solutions that enhance digital customer experience, improve customer outcomes, and solve customer problems

(i) Cover digital ethics

(j) Be familiar with methodologies to work in a digital/data-driven environment

- Understand what influences customer uptake of technology and how digital solutions are different for each client segment
- Understand the basic principles of design thinking [human-centred design] – designing products and services from the customer’s perspective
- Understand the basic techniques and solutions that enhance digital customer experience, improve customer outcomes, and solve customer problems
- Understand agile and other approaches

ADVANCED DIGITAL FINANCIAL LITERACY PROGRAMMES

6. GBESTB member bodies may include some or all of the following advanced topics in digital literacy education and training programmes:

- (a) Measures to prepare and implement appropriate supervisory programmes to ensure that their respective banks have effective governance structures and risk management processes that operate to identify, manage and monitor risks arising from the use of digital financial services including those associated with new business models applications, processes or products including:
 - (i) Business planning processes that allow member banks to synthesize emerging trends in the digital environment to anticipate changes required to their business strategies to take into account the potential impact new technologies and market entrants may have on their financial position;
 - (ii) Staff development processes that ensure that member bank personnel have the appropriate awareness and capability to manage cybersecurity risks;
 - (iii) New product approval and change management processes to address changes in technology and business activities;
 - (iv) Risk management processes in line with sound management of operational risk relevant to digital financial developments; and
 - (v) Processes for monitoring and reviewing new products, services or delivery channels for compliance with applicable regulatory requirements, including those related to consumer protection, data protection and anti-money laundering and counter-terrorist financing;
- (b) Training on usage of digital technology tools, systems and processes to identify any breaches of organisation's digital and IT policies
- (c) Ensure leaders consider the ethical implications of their data and AI strategy by not implicitly trusting the results from AI models
 - (i) Collaboratively build a framework for measuring the validity, quality and compliant use of data:
 - Data fairness
 - Data design
 - Implementation fairness
 - Outcome fairness

- (i) Provide for data governance and transparency by:
- Justifying the process
 - Clarifying the content and explaining the outcome
 - Justifying the outcome

GBESTB members shall ensure that all Professional Bankers demonstrate at least an understanding of the key topics set out above.

For Professional Bankers with experience in banking and financial services, GBESTB member bodies may consider seeking to ensure they demonstrate an ability to analyse and apply the topics set out in section 5 and 6.

For Professional Bankers at manager levels, GBESTB member bodies may consider seeking to ensure they demonstrate the ability to critically reflect on the topics set out in section 6.

DELIVERY OF DIGITAL FINANCIAL LITERACY EDUCATION AND TRAINING PROGRAMMES

7. GBESTB members shall ensure that digital financial literacy education and training programmes are delivered appropriately.

A wide range of structured assessment methodologies may be appropriate, depending on context, but may include some or all of:

- Formal study of one or more stand-alone digital financial literacy modules as part of a wider programme of banking education;
- The integration of ethics into technical banking modules (e.g., considering ethical aspects when making a decision);
- Classroom-based digital financial literacy training;
- E-learning and/or blended learning;
- Supported or unsupported distance-learning; and
- Seminars, workshops and similar events organised by GBESTB member bodies, employers, training providers and others.

In addition, the delivery of digital financial literacy education and training to Professional Bankers may include:

- Discussing case studies and similar materials, either in classroom/online or via employer-led study groups;

- Participating in role-plays or simulations where different digital decisions lead to different outcomes for organisations;
- Discussing real-life digital financial literacy issues and conflicts of interest with professional colleagues and others;
- Using digital financial literacy decision-making models to analyze real-life client situations arising in the workplace;
Studying and discussing digital issues from other industries;
- Coaching and mentoring; and
- Self-reflection on personal and professional experiences where digital financial issues have occurred.

8. GBEstB members shall establish quality assurance mechanisms to ensure that digital financial literacy education and training programmes help Professional Bankers develop an understanding of digital financial services.

GBEstB members should consider regularly obtaining and acting upon feedback from Professional Bankers undertaking digital financial literacy education programmes, their employers and from other interested parties.

GBEstB members may want to set criteria to ensure that digital financial literacy education and training programmes are delivered by qualified educators with relevant expertise and experience.

ASSESSMENT OF DIGITAL FINANCIAL LITERACY EDUCATION AND TRAINING PROGRAMMES

9. GBEstB members shall ensure that all Professional Bankers undergoing digital financial literacy education and training programmes are assessed at appropriate stages in their career, to ensure they demonstrate an understanding of the key aspects of digital financial literacy for banking.

GBEstB members should consider and apply appropriate forms of formative and summative assessment which may include:

- *Objective testing (although this may not be suitable for assessing all aspects of digital literacy education);*
- *Traditional examinations;*

- *Reflective essays and journals;*
- *Work-based projects and assignments;*
- *Facilitated and assessed group discussions, and other groupwork; and*
- *Case studies (either completed individually, or as a group).*

GBESTB members may consider regular assessment of digital financial literacy education and training for Professional Bankers (e.g. annually) as part of CPD or other recommendations or regular training programmes

IMPACT MEASUREMENT

- 10. GBESTB members shall develop a set of indicators that enable the monitoring of the impact of this Standard across their operations. This measurement should validate the degree of adherence to the standard and assist the member to identify and address any gaps.**

GBESTB members should use employee satisfaction surveys or other suitable mechanisms to gather feedback on whether and how this Standard is being implemented.

PUBLIC DECLARATION

- 11. GBESTB members shall publicly endorse and, when implemented, declare their alignment with this Standard, identifying and explaining any areas where they have not been able to fully implement the Standard.**

The GBESTB retains the right to withdraw or refute any form of endorsement or declaration by any member body who has failed to adhere to this Standard.