

## Spotlight on the provision of financial literacy content on the Internet

*Executive summary*  
June 2014

The financial decisions that consumers must make have proliferated over the years; they concern not only the household budget, but also the choice of financial products, retirement planning and a variety of other projects. Managing our money wisely is a necessity. That task becomes complicated when financial products are so numerous and complex and when the risks increase. Accordingly, the necessary knowledge for managing our personal finances must be further developed.

Consumers need to be well informed and educated financially, but they also need to be assured that the information that's presented to them by experts in these matters is honest and transparent, that they can trust it and that it will actually improve their ability to make informed choices.

Since financial institutions are often the first to be consulted by consumers searching for financial information, the content of that information must be beyond reproach. But it's easy to suspect that it risks being biased, given the possible conflict of interest that financial institutions face when informing consumers.

Does a consumer trying to raise his level of financial literacy obtain adequate information, whatever the sources he consults? Are the credibility and impartiality, essential to sound financial education, presented by financial institutions as well as by the more independent actors on the market?

The literature groups the financial literacy shortcomings of consumers into three main categories: budget, credit and savings. Our study focused on the credibility of the sources and content of financial education available online in those key aspects. We analysed 11 websites where these issues are addressed by financial institutions, government bodies and community organizations. Our assessment was based on various credibility criteria for the websites identified in the literature, and we submitted a sample of those websites to discussion groups.

Our analysis demonstrated that the information provided on financial institutions' websites and intended to improve consumers' financial literacy is not, with some exceptions, particularly biased or partial. Our comparison with the websites of government bodies and community organizations, from which one would expect impartial and transparent information, is revealing in this regard. It remains that generally, financial institutions obtained the lowest marks, except on the subject of savings.

On the other hand, our comparative study demonstrated that the websites of financial institutions offer very uneven contents and that consumers don't necessarily have the opportunities or tools to evaluate and compensate the discrepancies and lapses. The discussion groups essentially confirmed our assessments. However, the appearance of websites is very important to the

*La force d'un réseau*

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ACQC

6226, rue Saint-Hubert, Montréal (Québec) Canada H2S 2M2  
T : 514 521 6820 | Sans frais : 1 888 521 6820 | F : 514 521 0736  
union@consommateur.qc.ca | www.consommateur.qc.ca/union

participants, so that the websites of community organizations appear less credible because they're visually less attractive. If a website is sufficiently attractive, consumers seem prepared to accept its information without asking questions, in the certainty that they're able to detect intuitively any biased or manipulative language.

On the basis of this research, Union des consommateurs issues recommendations, including these:

1. That the federal and provincial governments, within their respective jurisdictions, continue establishing initiatives to raise consumers' level of financial literacy and ensure that existing initiatives are maintained;
2. That a standards policy be set by the federal and provincial governments, within their respective jurisdictions, to regulate the initiatives of financial institutions that offer financial education, particularly in the relevant sections of their websites or on stand-alone websites;
3. That a policy with clear rules and objectives require, notably, the presentation of financial information for educational purposes to be separate from that of products or services;
4. That funds be specifically allocated to community organizations so that they can put professional-quality websites online;
5. That the federal and provincial governments, within their respective jurisdictions, strictly regulate the market of financial products and services in order to make financial institutions accountable and to protect consumers adequately.

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