

Consumer Protection: An Exploration of the Role of the State in Protecting Consumers Before and During Inflation

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Abstract : Economic growth promotion, inflation reduction and consumer protection are among the core public interest aims of governments. Nevertheless, higher rates of default by consumers in relation to credit card loans and mortgages in recent times illustrate that government's performance in balancing the protection of the economy and consumer is subpar. This thereby raises an important question on the role of government in protecting consumers during prolonged spells of inflation, particularly when such inflationary trends may be traceable to the acts of the government. Adopting a doctrinal research methodology, this article investigates the evolution of the concept of consumer protection in the United Kingdom and also brings to the fore the tensions and conflicts of interests in the aims and practices of the main regulators within the financial services industry. Relying on public interest theories of regulation and responsive regulatory theory, the article explores the limitations in the state's ability to strike the right balance in meeting regulatory aims of the regulatory agencies at the opposite ends of the spectrum.

Keywords : financial regulation, consumer protection, prudential regulation, public interest theories of regulation, central bank

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