DIGITAL FINANCE
THE CONSUMER EXPERIENCE IN 2024

February 2024

CONSUMERS INTERNATIONAL
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“ANNA” National Association of Consumers

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Ashley Onyango - Head of Financial Inclusion and AgriTech, Mobile for Development, GSMA

Deon Woods Bell - Senior Advisor, Global Policy, Bill & Melinda Gates Foundation

Eric Duflos – Consumer Protection Lead, Senior Financial Sector Specialist, CGAP

Juan Carlos Izaguirre - Senior Financial Sector Specialist, CGAP

Maria Lúcia Leitão - Head of Banking Conduct Supervision Department, Central Bank of Portugal (Banco de Portugal)

Myra Valenzuela - Financial Sector Specialist, CGAP

Njuguna Ndung'u - Cabinet Secretary, National Treasury & Economic Planning.

Rosemary Shumirayi Chikarakara Mpofu - Executive Director, Consumer Council of Zimbabwe

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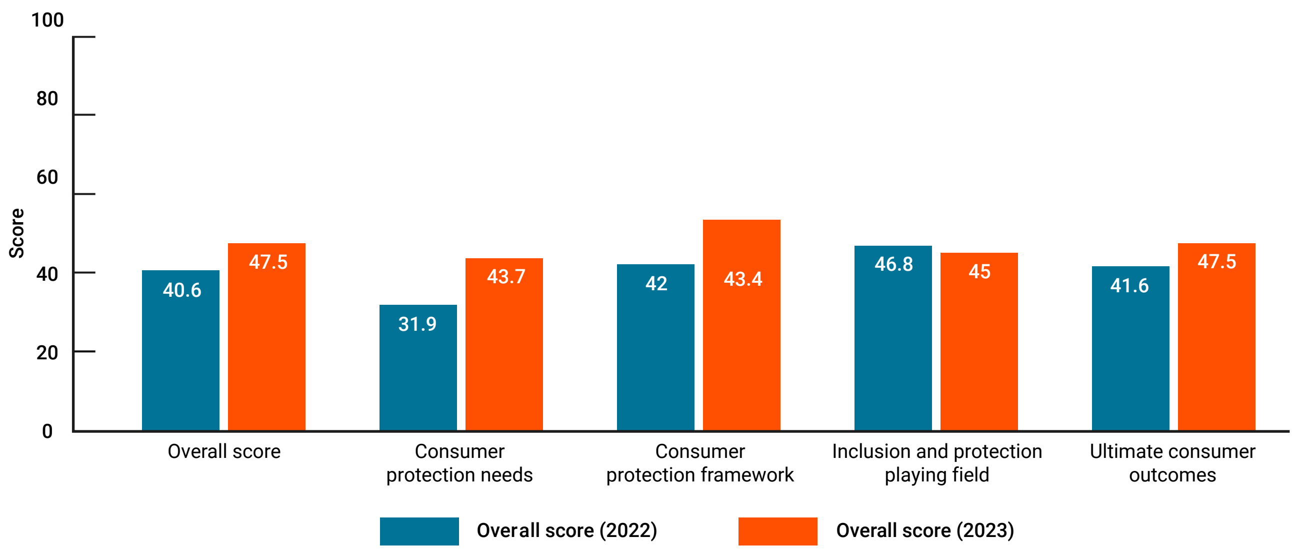
EXECUTIVE SUMMARY

Capturing the consumer voice. The consumer is at the heart of consumer protection, yet in low and middle-income countries, consumers often lack representation in financial sector regulatory decisions. This report presents a fair digital finance index derived from the consumer perspective. It draws on findings from the second annual Consumers International fair digital finance survey, administered to members of the Fair Digital Finance Accelerator, supplemented by secondary data. The report distinguishes itself in the financial consumer protection and inclusion dialogue by directly gauging the consumer vantage point (as represented by consumer bodies) across a broad framework of indicators relevant to consumer outcomes. The results will help track progress over time and pinpoint crucial areas for engagement. In this way, the index contributes to Consumers International's global advocacy for fair digital finance.

Overall findings: the start of a positive trend? The index covers four pillars, each comprising a number of elements: (i) consumer protection needs (risks associated with digital financial services and the ability of consumers to mitigate against the risks), (ii) the status of the consumer protection framework, including the level of engagement of consumer bodies, (iii) the playing field for inclusion and protection in terms of the supporting infrastructure, inclusivity of financial services and the level of usage, satisfaction and trust of users, and (iv) the ultimate outcomes that are witnessed in consumers' lives. The findings show mixed results across the pillars, but progress in the index as a whole, with the overall index score rising from 41 in 2022 to 48 in 2023[1]:

Figure 1: Fair digital finance index scores 2022 vs 2023



What explains the shift? Closer examination of the more detailed variables underlying the index findings shows some positive developments, but also room for improvement:

- **Protection needs: Sharp awareness of risk, low ability to respond.** There is a marginal increase in the consumer protection needs pillar. This pillar covers two elements: the presence of digital finance risks, and the extent to which consumers are financially and digitally literate to enable them to manage the incidence of these risks. Although there is a slight reduction in the perception of risks related to a lack of transparency and network downtime, other significant risks, such as fraud, the absence of adequate redress mechanisms, and data misuse, have either remained steady or

1 While this increase should be interpreted with caution given changes in the measurement of the index (see the discussion in Section 2), it nevertheless suggests a general improvement in the financial consumer protection ecosystem.

increased. Particularly concerning is the significant surge in the risk of insufficient redress over the past year, indicating a perception of the absence of adequate, accessible, and effective channels for addressing consumer complaints. Fake online shopping websites and phishing scams stand out as the top two most prominent fraud risks reported by consumer associations, contributing to the consistently high scores in fraud-related risks. The overall increase in the index score is driven by growth in the consumer financial and digital literacy element, which represents a bullish outlook by consumer associations on this crucial aspect.

- **Protection framework: Progress on paper, but more engagement needed.** Pillar 2, which assesses the consumer protection framework, its customer centricity and the extent to which consumer bodies are consulted in the framework, exhibits an increased index score. This pillar draws largely on the World Bank Financial Inclusion and Consumer Protection survey data for 2023. Since the last update to this survey in 2017, there has been an increase in the proportion of Fair Digital Finance Accelerator countries that have dedicated financial consumer protection frameworks. There has also been an increase in the existence of internal and external dispute resolution mechanisms. There are, however, still gaps. Notably, half the sample does not yet have a national data protection law in place. Complaints data is collected extensively, but often not published for public access. Few countries have explicit consumer outcomes principles as basis for the framework. These gaps are also picked up in the fair digital finance survey, where more than half of consumer bodies indicate that they are not satisfied with the current status of the regulatory framework. The fair digital finance survey findings furthermore show that there is room for improved engagement with consumer bodies. While some positive instances of cooperation exist, there is cause for concern regarding the extent of consumer body engagement overall. Over the past year, there has been a notable increase in the proportion of consumer bodies that never engage with central banks and other financial regulators. Others engage, but without confidence that their inputs will be acted upon. This lack of engagement means that the collective voice of digital financial service consumers is not captured in policy making and regulation.

- **Playing field: Need for greater inclusivity, better lived experience.** Pillar 3 comprises three elements: the state of digital financial services supporting infrastructure, inclusivity for vulnerable groups, and consumers' lived experience in using digital finance, which in turn comprises the level of actual usage (as opposed to access) of digital financial services, as well as customer satisfaction and trust. Overall, the scores across the elements are concerning from a fair digital finance point of view:
  - The pillar scores well in the sub-element on digital financial services infrastructure, due to extensive network connectivity.
  - However, the pillar score is brought down by low scores on inclusivity for vulnerable groups. Homeless individuals, refugees, and the unemployed face significant barriers in accessing digital financial services due to factors like limited device access, poor connectivity, and high costs.
  - The pillar score is furthermore deflated by a relatively low score on actual usage of digital financial services for day-to-day use cases such as making utility payments or saving at a financial institution. Finally, the findings on the lived experience with digital financial services, gauged via perceived levels of trust, are disappointing. The three most significant factors driving the trust deficit are a lack of easily accessible and efficient channels for consumer complaints, poor customer service, and a lack of transparency in fees and charges.

- **Ultimate user outcomes: Financial well-being, resilience and fair customer outcomes remain aspirational goals.** Pillar 4 comprises indicators of financial health and wellbeing, fair customer outcomes in digital finance, and sustainability:
  - Financial health, gauged via Global Findex data, continues to score poorly. Worries persist on consumers' financial position and the ability to meet various obligations. Medical costs are the

foremost concern. Other anxieties include inadequate funds for old age, monthly expenses and bills and school fees or education expenses. Furthermore, a significant proportion of index country consumers would be unable to secure emergency funding within 30 days in case of an emergency. Overall, these findings highlight the precarious financial well-being and low resilience of many consumers.

- This year's index also incorporates perceptions of fair consumer outcomes, drawing on the six-pronged CGAP customer outcomes framework – suitability, choice, voice, fairness and respect, safety and security, and meeting the customer's purpose. Very few countries report positive consumer outcomes for all consumers, including vulnerable segments of society. These outcomes are all within the power of financial service providers and regulators to address.
- Finally, sustainability efforts are not yet making inroads. This year's survey incorporated a question on digital finance initiatives aimed at building resilience in response to climate change: only a handful of instances were reported.

Consumer concerns where it matters most. Overall, then, the progress in the total index score may be misleading if viewed in isolation. The index findings highlight gaps in financial health, resilience and fair customer outcomes, along with poor outcomes related to lived experience and inclusivity. These findings present a wake-up call to the financial sector and regulators: while there may be positive achievements in the development of digital financial service infrastructure and financial consumer protection frameworks, the results are not yet consistently translating to positive experiences and outcomes for all consumer groups.

Need for a mindshift towards consumer outcomes. Turning this situation around asks for a concerted effort among regulators, financial service providers and consumer bodies. It requires a mindshift away from tick-box compliance to a culture of customer outcomes: where complaints are considered a signal of problem areas, but where there is also monitoring of consumer outcomes beyond complaints – and where consumers themselves are polled on their sentiments and perceptions[2]. Key to this is the development of a responsible digital finance ecosystem that promotes a holistic approach to financial consumer protection with more customer centricity but also more collaborations among different key actors in the digital finance ecosystem including consumer associations, providers and regulators (CGAP, 2022). It furthermore requires a concerted effort to build financial and digital literacy and empower consumers as users of digital financial services. Finally, it requires pushing regulators and financial service providers to leverage the benefits of financial inclusion to build resilience in the face of climate related shocks.

Taking up the task. Consumer associations play a vital role in driving and supporting this shift in mindset. The Fair Digital Finance Accelerator, which brings together consumer associations in low and middle-income countries, builds their capacity to represent the collective consumer voice in fair digital finance, and helps them to build constructive bridges to regulators and financial service providers, has taken up the task to backstop consumer associations in this role. In its first year of operation the Accelerator has made large strides in equipping members to reach out to consumers and establish collaboration with market players and regulators. Now, the focus must shift to ensuring tangible outcomes for consumers themselves. The Fair Digital Finance Accelerator is well-positioned to make a difference. To date, it has trained over 90 consumer advocacy organisations and its efforts have reached more than 100,000 consumers through awareness and education initiatives. It has extended sub-grants to eight consumer bodies in seven countries to ramp up their work understanding and acting on consumer needs. Going forward, the Fair Digital Finance Accelerator will further grow its community, increase its direct engagements with business and document more on-the-ground case studies of impact.

2 The current rules-based approach limits authorities' ability to track and verify positive customer outcomes from financial service providers. While this year's index provided a high-level reflection on these outcomes, a more consistent and robust measurement approach is needed at the individual country level.

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INTRODUCTION

A bold vision for consumer empowerment. Digitalisation of financial services is a game changer for financial inclusion. Digital financial services such as mobile money accounts let users safely and cost efficiently store funds and transfer them swiftly across long distances, which leads to higher domestic remittances and consumption, and better resilience against shocks[3] (Jack & Suri, 2014). Digital technology can also leverage alternative data sources to unlock access to credit, and can make insurance more accessible to remote populations. However, it is not enough for digital financial services to be available – to truly add value they must allow people to meet their financial needs in a meaningful way. Consumers International's vision for fair digital finance sees a world where digital technology-enabled finance is:

- **Safe:** Consumers derive maximum benefit in the confidence that their money is secure. Consumers receive accessible, simple and timely and advice, and have recourse if something goes wrong.
- **Data protected and private:** Consumers have real power to control access to, and use of, their data, and are protected from misuse and exploitation.
- **Inclusive:** Digital financial services are affordable and reliable, and easily accessible for *everyone*, including vulnerable consumers.
- **Sustainable:** Digital financial services drive climate finance and incorporate environmental impact considerations in all decisions.

Reality check. However, there is still a disconnect between the vision and the reality on the ground. As the inaugural fair digital finance index of 2022 showed:

- Digital financial services bring **added risks and vulnerabilities** – through service interruptions and the risk of cybercrime[4]. The risks and vulnerabilities are heightened due to low digital and financial literacy, with a number of survey countries lacking institutional arrangements and coordination structures to promote and coordinate financial education.
- Financial consumer protection **regulatory frameworks** – and supervision and monitoring of such frameworks – are not yet consistently focused on fair-digital-finance outcomes for consumers, and consumer bodies are often not directly involved and consulted in policy and regulation.
- Despite advances in supporting infrastructure for digital financial services, **inclusivity** for vulnerable groups[5] and **lived experience** with financial services are lagging.

As a result, financial well-being suffers, and resilience to shocks remains low. This is particularly worrying in the face of **climate change** and the potential impact of income-related shocks.

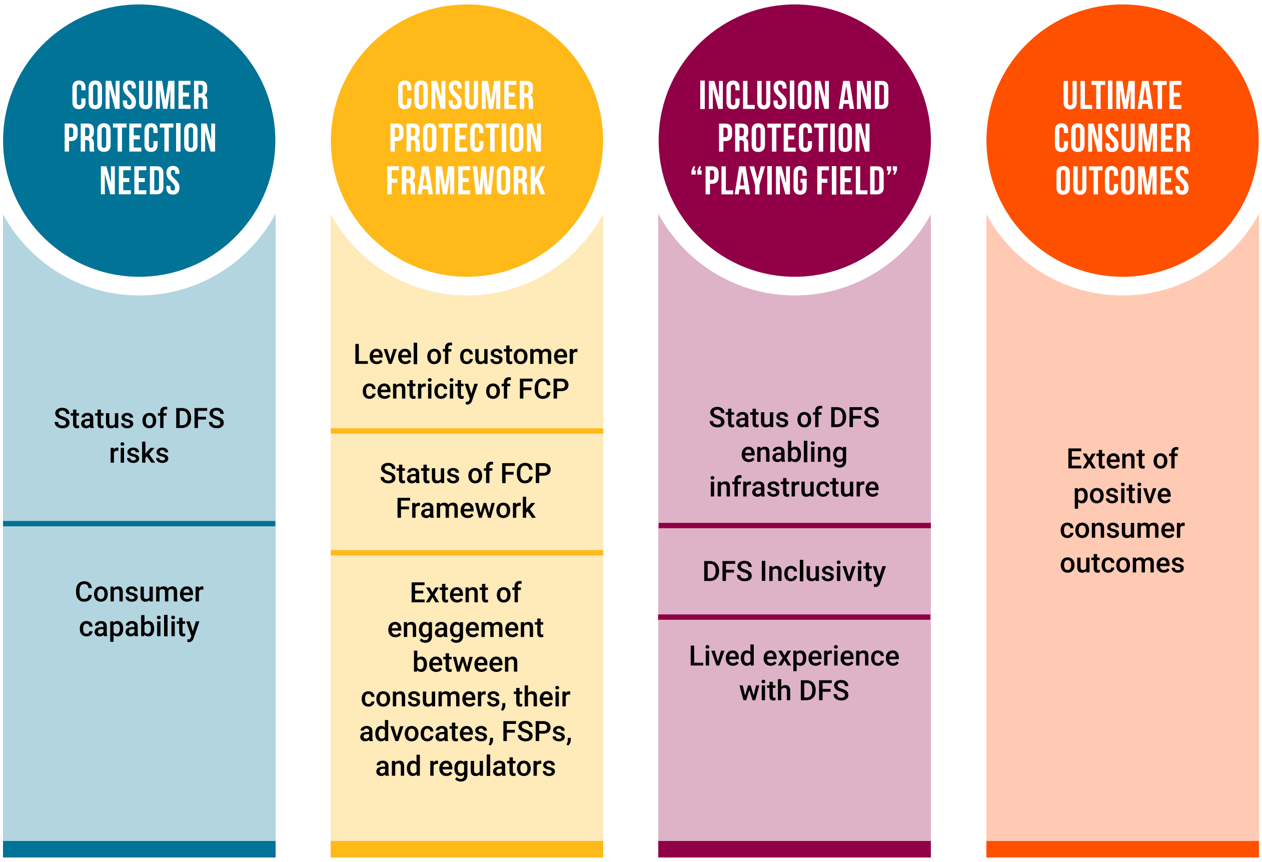
3 For example, in Kenya, mobile money users who experienced a shock in their income were able to receive money from a more geographically disbursed social network of family and friends and did not have to reduce household spending. By contrast, nonusers and users with poor access to the mobile money network reduced their purchases of food and other items by between 7% and 10%

4 For example, national surveys in Senegal and Cote d'Ivoire conducted by CGAP (2023) showed that approximately 90% of digital financial service consumers had been exposed to at least one digital financial service risk during the previous 12-month period and between 30 to 40% of consumers had lost money due to fraud in digital financial services in both countries.

5 Vulnerable groups are populations within the study countries whose specific characteristics put them at higher risk of being excluded from digital financial services (INEE, 2024). This Consumers International fair digital finance survey highlighted disabled individuals, the elderly, homeless individuals, unemployed individuals, women and LGBTQI+ individuals as vulnerable groups.

Pillars of fair digital finance from the consumer perspective. The Fair Digital Finance Accelerator is a network of like-minded Consumers International members set up to effectively influence those who can tackle this challenge. Achieving the vision of fair digital finance requires a combination of factors to come together to, ultimately, translate to fair digital finance outcomes for consumers. It is this framework – presented in nine elements across four pillars – that the fair digital finance index tracks[6]:

Figure 2: Conceptual Framework: pillars and associated elements
Source: Authors' own



Telling the story of digital finance from the consumer vantage point. The four-pillar framework helps to answer four key questions, each comprising a number of angles or elements, that together sketch a customer-centric view of digital finance:

- **Consumer protection needs:** ***Why is there an inherent need for financial consumer protection?*** The starting point is the **risks** to which consumers are vulnerable in digital financial services, and the extent to which consumers are **empowered** to manage or protect themselves against these risks. In a country with high risks and low financial literacy, there is a clear imperative for financial consumer protection.

- **Consumer protection framework:** ***What frameworks are in place to give effect to this protection need?*** All countries have some form of consumer protection, but how entrenched is financial consumer protection in institutional structures, and does it speak to key elements of the Consumers International fair digital finance vision, such as data protection and sustainability? Apart from considering the **completeness** of the core financial consumer protection regulatory framework, it is

6 This framework forms the conceptual basis for the Fair Digital Finance Index. It was developed to encompass elements of interest to the Fair Digital Finance Accelerator and its members, and taking cognisance of the elements and principles of financial consumer protection in the global literature, notably the G20 High-level principles on Financial Consumer Protection. These principles include provisions on the role of oversight bodies, equitable and fair treatment of consumers, disclosure and transparency, and consumer data protection and privacy.

important to specifically consider whether the framework is set up in a **consumer-centric** way. Is it based on principles formulated for fair-digital-finance outcomes for consumers?[7] And importantly: is there **engagement**[8] between consumers, their advocates, financial service providers and regulators in defining the content of financial consumer protection frameworks?

- **Inclusion and protection "playing field":** ***How does the protection framework play out in practice?*** Are financial services "working for" consumers? Is the **enabling infrastructure** in place to allow for pervasive and affordable access to all? Is the way that digital financial services are taken up and used in practice **inclusive**, including for marginalised groups? Also, importantly, what is the **lived experience** of consumers with such services? Do they trust that providers act in their best interests, and in the safety and security of systems, or are they frustrated by service interruptions or opaque practices?

- **Ultimate consumer outcomes:** ***Do digital financial services make a difference to consumers' lives?*** Ultimately, if consumers do not derive benefits that help them to improve their **financial health** and **resilience**, the purpose of financial services for consumers is not met. This year, pillar four also incorporates scores on **outcomes of financial services usage** as gauged from the consumer perspective.

Evolving the index. The 2022 fair digital finance index took stock of the state of each of the pillars as proxied from available data. In 2023, the Fair Digital Finance Accelerator member survey was updated to track the elements and pillars of the framework more closely. Coupled with newly available data from the World Bank on the state of financial inclusion and consumer protection, the current report sketches a more nuanced picture of fair digital finance from the consumer perspective. The following updates have been made:

- **Consumer protection need:** This year, the survey captures detailed indicators on fraud prevalence, types of fraud risks, data misuse, transparency issues, inadequate recourse mechanisms, and cross-cutting risks. Additionally, the survey encompasses variables related to consumer digital and financial literacy, thereby providing nuanced measures directly from consumers and providing a detailed picture of current fair digital finance needs.

- **Consumer protection framework:** The 2023 World Bank Financial Inclusion and Consumer Protection data provides an updated view on progress in financial consumer protection frameworks, and more granular insights into the state of legal frameworks, independent recourse mechanisms, complaints systems, cybersecurity, data protection, and enhanced customer-centricity. The updated index also reflects the outcomes of the Fair Digital Finance Accelerator's efforts to date, as witnessed in the engagements of member associations with regulators.

- **Inclusion and protection "playing field":** The 2023 index continues to draw on secondary data on network connectivity, data affordability, and mobile device penetration as backbone for digital financial service infrastructure. The updated fair digital finance survey actively seeks insights from consumer associations regarding digital financial services inclusivity for disadvantaged consumers. The updated survey furthermore allows a more granular analysis of perceptions of lived experience.

- **Ultimate consumer outcomes:** The final pillar continues to draw on World Bank Global Findex data for measures of financial well-being and resilience. This year, the updated survey also covers detailed feedback from consumer associations on their perception of fair digital finance outcomes for consumers.

7 Note that all regulation is, ultimately, consumer-centric, in that it aims to protect consumers. The term is used here to refer to the extent to which specific consumer protection measures are incorporated, and whether customer outcomes principles are included in regulation. The specific variables included under this element are listed in Appendix C.

8 Such engagement can be through regular forums, such as a panel or committee, or could be ad hoc. Some Consumers International Fair Digital Finance Accelerator members note that they meet with regulators from time to time or when issues arise; others are represented on committees that see them having more regular interaction.

METHODOLOGY

The fair digital finance index captures the breadth of the conceptual framework. It is set up to allow countries to track their progress per pillar and element over time, as basis for meaningful dialogue on financial consumer protection *from the consumer perspective*[9].

Fair digital finance survey as anchor. As noted, the Consumers International fair digital finance survey, an online survey run with Consumers International's Fair Digital Finance Accelerator members in the third quarter of 2023, is the primary source for the index. Across all elements, 55% of the variables are drawn from the survey, in comparison to 42% last year. A breakdown of the variable sources by each of the relevant index elements, as well as a comparison between questions asked in the inaugural and updated Consumers International fair digital finance survey, are included in Table 2 and Table 3 in Appendix A.

Amplified via secondary sources. While the Consumers International fair digital finance survey captures the perceptions of consumer bodies and, by proxy, the voice of the consumer, the index ensures objectivity by additionally incorporating country-level data from the Global Findex survey (World Bank, 2022), the World Bank Financial Inclusion and Consumer Protection survey (2023) and the GSMA Mobile Connectivity index (2023). Appendix C provides a full overview of the indicators and data variables used for each element.

Low- and middle-income-country representation. Given the centrality of the Consumers International fair digital finance survey to the index, the country sample included in the index is also limited to the survey respondents. It comprises 25 low and middle-income countries spread across various geographic regions, as captured in Table 1 below. As such, the findings are indicative of broader low- and middle-income-country trends but are not definitive[10].

Index scoring methodology. The same methodology is followed for compiling the 2023 edition of the fair digital finance index as for 2022. In line with established best-practice index calculation methodologies, the index is the aggregate of the scores for each of the four pillars, each broken down into its component elements (nine in total). While the pillar-level scores are aggregated to a single global index score, interpretation of the results and insights is extracted and described at pillar and element level. Each element comprises one or more indicators, which in turn are made up of sub-variables where relevant. Presenting the findings in this way allows the findings to build a granular picture of the processes involved in ensuring good financial consumer protection outcomes. It makes it possible to describe the nuance on each underlying element as relevant in the context of a particular pillar. The approach to the construction of the index, normalisation of variables, and dealing with missing values is outlined in Appendix B.

Country clusters. The report presents the results for clusters of countries rather at an individual country score level. This allows for meaningful peer comparison without pronouncing judgement on any particular country. For the purpose of the index, three indicative[11] clusters were defined based on the normalised overall score:

9 As gauged from Consumers International members who represent or speak on behalf of consumers. Note that the study did not entail direct/primary consumer research, however, where possible demand-side surveys (e.g. Findex) are made use of to gauge the consumer voice directly.

10 According to the World Bank country classification, there are a total of 132 low and middle-income countries globally. Thus, the sample represents 19% of all LMIC countries.

11 Note that the clustering of countries into one of these categories reflect the survey scores in the fair digital finance survey. As such, the classification does not pronounce on the overall state of development or strength of policies or markets in the countries. Rather, it is indicative of where the country is at based on consumer body perceptions and other data as captured in the index.

- **Advanced – normalised overall score above 66.67.** Advanced countries perform well on several pillars and elements and are typically characterised by more developed financial consumer protection frameworks and better consumer outcomes.

- **Transitioners – normalised overall score above 33.33 and below 66.66.** Transitioner countries are marked by intermediate performance on the various pillars and elements but still require improvement in areas such as user outcomes and protection needs.

- **Emerging – normalised overall score below 33.32.** Emerging countries have significant room for improvement across the board.

Table 1 below provides a breakdown of how the sample countries are spread across the three clusters and by region. 20% of the survey countries fall in the advanced cluster, 28% in the transitioner and 52% in the emerging cluster.

Table 1: Fair Digital Finance Accelerator member country by region and survey results cluster
Source: Fair Digital Finance Index, based on countries included in the Consumers International fair digital finance survey

Clusters	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub-Saharan Africa	Total
Advanced	Malaysia		Ecuador, St. Lucia		India	Uganda	5
Transitioners	Fiji, Indonesia	Russia			Bangladesh	Kenya, Nigeria, Ivory Coast	7
Emerging	Myanmar	Tajikistan	Costa Rica, Mexico	Sudan, Lebanon	Pakistan, Nepal	Mali, Niger, Rwanda, Zimbabwe, Tanzania	13
Total	**4**	**2**	**4**	**2**	**3**	**9**	**25**

Interpretation in context. When interpreting the index element scores, a higher score signifies better outcomes. For instance, a higher score in the digital financial services risks element indicates that digital financial services risks are less relevant, whereas a lower score suggests that risks are more front of mind. It is also important to interpret the cluster findings within the context of the sample. When we refer to “advanced” countries, it is essential to understand that their advancement is relative to the low- and middle-income countries present in the sample, rather than being assessed in absolute terms. Additionally, the interpretation of each pillar should consider the indicators and variables associated with that pillar. Consequently, comparisons across pillars may not be as meaningful as comparisons within pillars across clusters or over time.

FINDINGS

PROGRESS SNAPSHOT: SLIGHT INCREASE OVERALL, BUT NOT WHERE IT MATTERS MOST[12]

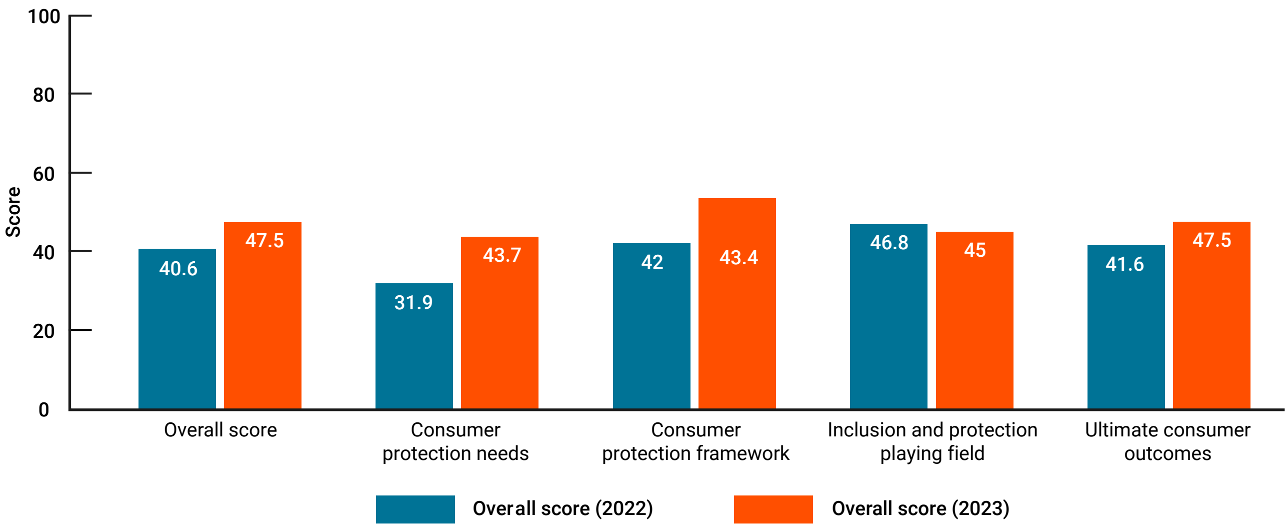
Overall year-on-year increase. Comparing the index score for 2023 to that of 2022[13], Figure 3 below shows an overall increase in the index from 42 in 2022 to 48 in 2023[14]:

Pillar 1, consumer protection needs, shows a marginal increase. This increase is driven by the consumer capability element, which grew off a low base (this was the element that scored the lowest in the previous edition). The marginal increase in the score on consumer protection needs indicates ongoing concerns about risks and underscores the challenge of capability and literacy.

Pillar 2, consumer protection framework, shows an increased index score. This is in part explained by the inclusion of the World Bank Financial Inclusion and Consumer Protection (FICP) survey data. The 2023 survey data shows an improvement in the pervasiveness of financial consumer protection regulatory frameworks over 2017, which is the previous FICP survey year that the 2022 index drew on. This higher score is promising as it forms the foundation for progress in other pillars.

Pillar 3, inclusion and protection playing field, witnessed a slight drop in comparison to last year. Lower scores in this year's edition are driven by poor digital financial services inclusivity scores for vulnerable consumer segments. *This is particularly worrying, as inclusivity and lived experience are indicators of the quality of inclusion and consumer protection*.

Figure 3: Financial consumer protection index scores 2022 vs 2023



12 Unless otherwise noted, the source for all figures is the fair digital finance index for 2023, calculated from the underlying sources as noted in Section 2.

13 Note that the changes in the underlying survey on which most of the survey is based mean that the year-on-year comparison is indicative rather than definitive. The 2023 index represents a more nuanced view.

14 **Note on the interpretation of the index scores:** The pillar scores indicate the normalised index score (out of a hundred) aggregated across sub-elements and indicators for each pillar. Therefore, an overall score of 48 means that the countries included in the sample achieve an average of 48 out of a hundred across all the aspects measured in the index.

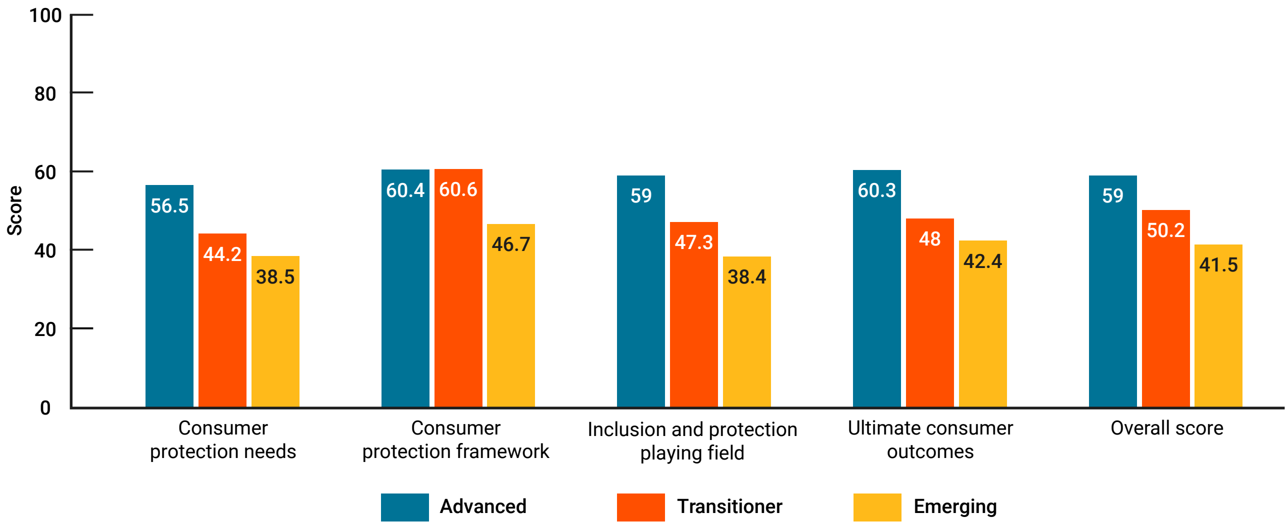
A higher score indicates an overall improvement in the corresponding pillar and its indicators. Conversely, a decrease in the average of a pillar signals a decline in outcomes. For instance, the eleven-point rise in the Consumer Protection Framework pillar signifies an improvement in consumer protection frameworks across surveyed member states.

Cross-pillar comparisons should be approached with caution due to the diverse variables measured at different levels within each pillar and its elements. This complexity makes nuanced comparisons challenging. Therefore, it is not advisable to interpret higher scores in the Consumer Protection Pillar compared to the Consumer Protection Needs Pillar as an indication that regulatory environments are less problematic than the challenges faced by consumers. It is essential to evaluate scores per pillar and element independently, considering the relevant indicators that constitute them. To gain insight into the fluctuations in element scores, it is crucial to understand which key pillars and underlying variables are driving these changes.

Pillar 4, ultimate consumer outcomes, shows a marginal increase. This year's pillar is more nuanced than in 2022, with the addition of perceptions on fair consumer outcomes included, making a one-on-one comparison with 2022 difficult. The financial health element remains stable despite sample variations, and perceptions of resilience are slightly up.

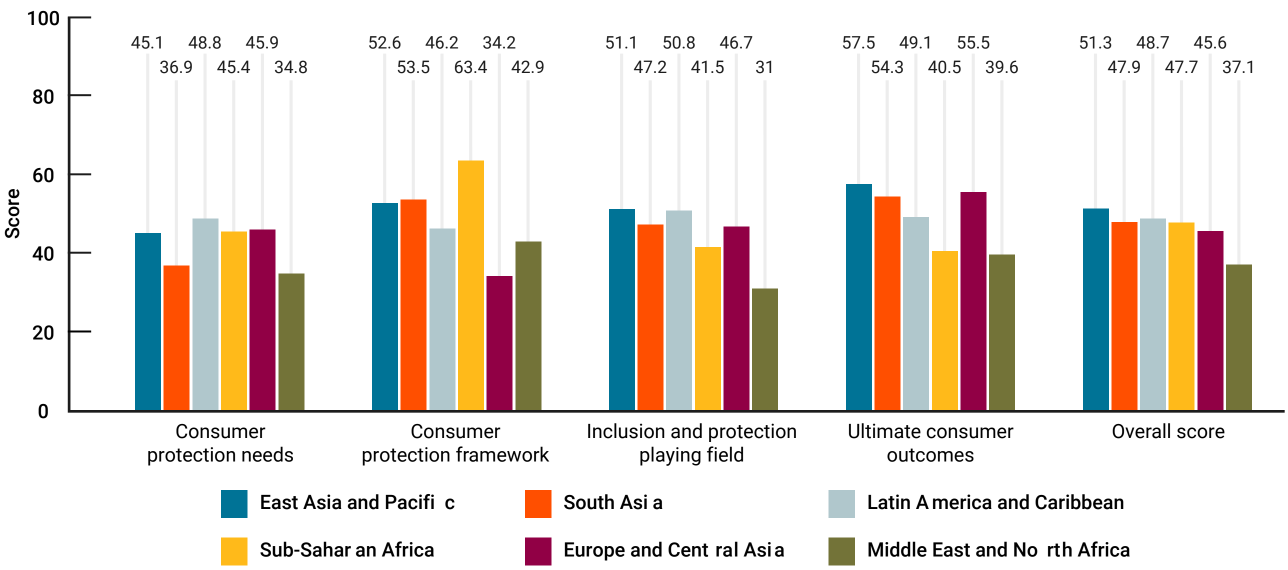
Normal distribution across clusters overall, but some surprises at the individual pillar level. Figure 4 shows that the advanced countries lead the field on consumer protection needs, the consumer protection playing field and ultimate consumer outcomes, but are joined by transitioner countries where the consumer protection framework is concerned. As expected, emerging cluster countries lag. The notably lower score for the emerging country cluster in the consumer protection needs pillar underscores significant differences in the risks that consumers are exposed to in the context of digital financial services.

Figure 4: Fair Digital Finance Accelerator index pillar score by country cluster



No significant regional differences. As indicated in Figure 5, overall, East Asia and the Pacific, South Asia, and Latin America achieve the highest scores, followed by Sub-Saharan Africa, Europe andCentral Asia, and the Middle East and North Africa (MENA), but with the exception of the latter the variation

Figure 5: Financial consumer protection index pillar score by region



is slight[15]. No single region achieves the highest score in more than one category. The biggest regional gap lies in consumer outcomes: East Asia and the Pacific, South Asia, and Europe and Central Asia perform well compared to Sub-Sahara Africa and the MENA region.

Need for a more nuanced per-element perspective. Each pillar is a function of the elements and indicators comprising it. Therefore, caution is warranted when comparing total scores across pillars. Instead, it is meaningful to delve into the underlying elements and indicators of each pillar to unearth the factors influencing the scores, and how these differ across clusters. The sub-sections to follow discuss the detailed findings for each pillar in turn.

PROTECTION NEEDS: SHARP AWARENESS OF RISK, LOW ABILITY TO RESPOND

Spotlight on the consumer experience – the case of Mexico

With e-commerce and digital financial services come new risks. The upsurge of e-commerce during the COVID-19 pandemic showed just how vulnerable customers are to digital service delivery. Ever more social media influencers are promoting goods and services, with limited transparency that they undertake this promotion in a paid-for capacity. Consumers are then at risk of signing up for digital financial services which they do not intend to use or cannot sustain. These risks are exacerbated by a consumer protection regulatory framework fragmented across different authorities, and a financial sector lacking a consumer protection culture.

To bridge the gap, consumer complaints processes must become better known, and be more seamlessly accessible digitally. Fair Digital Finance Accelerator member Tec-Check wants to make that a reality. They are working to design a digital complaints system, they advocate for a regulatory framework for social medica influencer marketing and engage with a broad range of stakeholders to improve the consumer protection culture overall in Mexico.

Source: Interview with Tec-Check, Tec-Check A.C. Consumers International Grant Application (2023); Tec-Check (2023)

There is vulnerability in fraud, data misuse and agent risks, as well as lower consumer capability in most sample countries. Figure 6 below outlines the findings for the consumer protection need pillar and its two constituent elements: the **risks** that consumers face (see Box 1 for an overview) and the level of consumer financial **literacy**[16]. The index score means that a higher score on risk means a better outcome. The findings show that the difference in the digital financial services risks scores can be attributed to, firstly, institutional and agent-related risks (where there is a score of 57 for advanced vs 52 for transitioner and 46 for emerging countries) and, secondly, the risk of network downtime while using digital financial services (55 vs 38 vs 25). Fraud risks (53 vs. 44 vs. 56) and risks associated with data misuse (33 vs. 33 vs. 30) show little variation across clusters, indicating their prevalence regardless of a country's stage of development. The relatively higher scores for the advanced pillar on the consumer capabilities element are driven by better scores related to the presence of digital and financial literacy programmes (79 vs. 54 vs. 53).

15 Caveat: MENA and Europe and Central Asia are small samples – made up of two countries each. This makes the findings difficult to interpret.

16 The fair digital finance survey does not define financial literacy explicitly, but in the questionnaire asks "to what extent has limited digital and financial literacy been a challenge for consumers in your country?". More broadly, financial literacy is defined by AFI as "*…the ability to make sound financial decisions, acquire the necessary knowledge, skills, confidence and competence to use financial products and services and act in one's best financial interest based on individual economic and social circumstances.*" (AFI, 2021).

South Asia and the Middle East and North Africa exhibit the highest consumer vulnerability. The low score for the digital financial service risks indicator for South Asia, the Middle East and Africa and East Asia and the Pacific in Figure 7 are primarily driven by consumer vulnerability related to the misuse of personal data as well as the lack of transparency related to the terms, conditions, fees and features of a financial service. For the consumer capability element, East Asia and the Pacific achieve significantly higher scores than other regions, largely due to their strong performance in the indicator measuring the presence of digital and financial literacy programs.

Figure 6: Consumer protection needs by country cluster

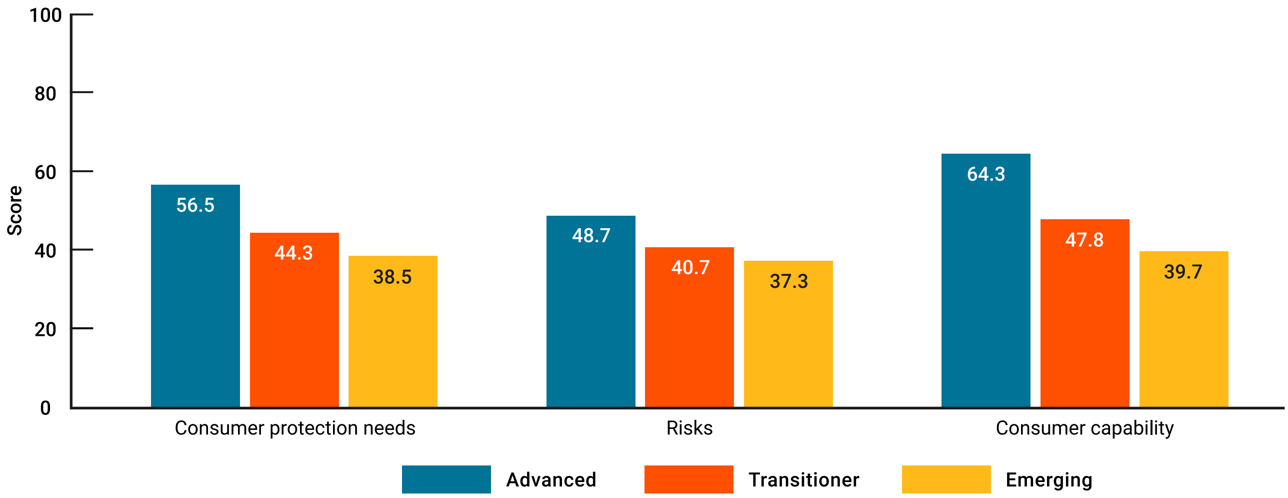
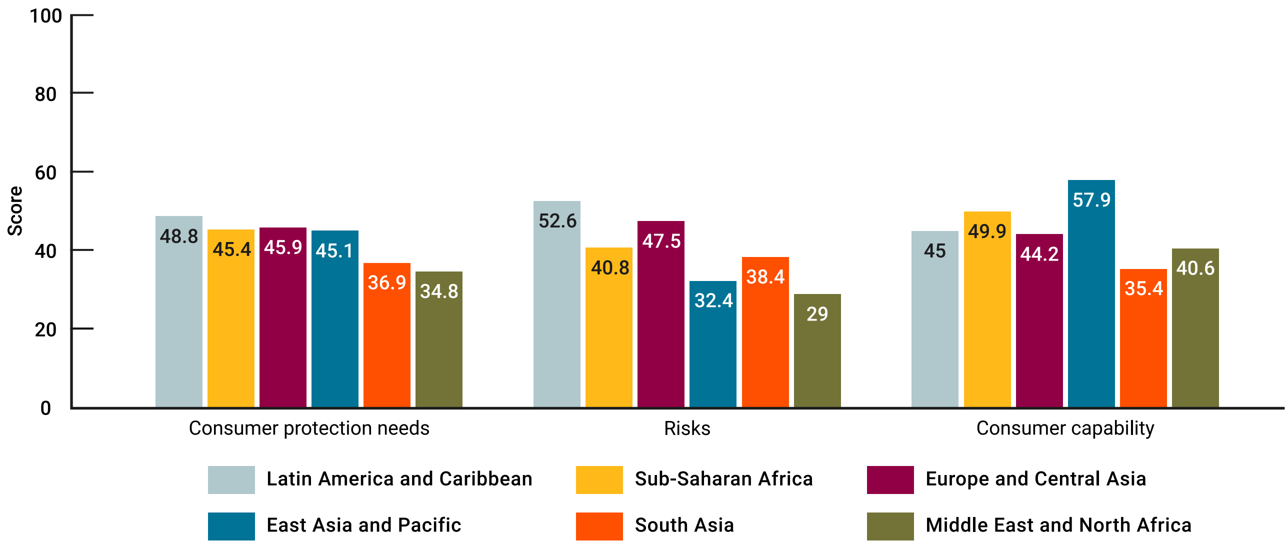


Figure 7: Consumer protection needs by region



An increase in reported risks related to inadequate redress. Consumer bodies observe a significant surge in the risk of insufficient redress over the past year (see Figure 9). This underscores the absence of adequate, accessible, and effective channels for addressing consumer complaints. Establishing independent recourse mechanisms is a crucial step in ensuring that the consumer's voice is not only acknowledged but also addressed. It remains important for consumers to access both internal (within providers) and external (out-of-court) dispute resolution mechanisms for seeking redress[17]. These

17 This includes where complaints can be resolved with the assistance of a third party that is impartial to the complaint, always retaining the option to undertake formal legal action through the court system.

Box 1: Digital finance risk classification

The risks tracked in the index were compiled drawing on the CGAP (2022) digital finance risk classification. This framework, which is based on an extensive global literature review, identifies distinct types of risk, as well as two cross-cutting risk elements, as indicated in the diagram below:

Figure 8. Digital finance risk framework
Source: CGAP, 2022

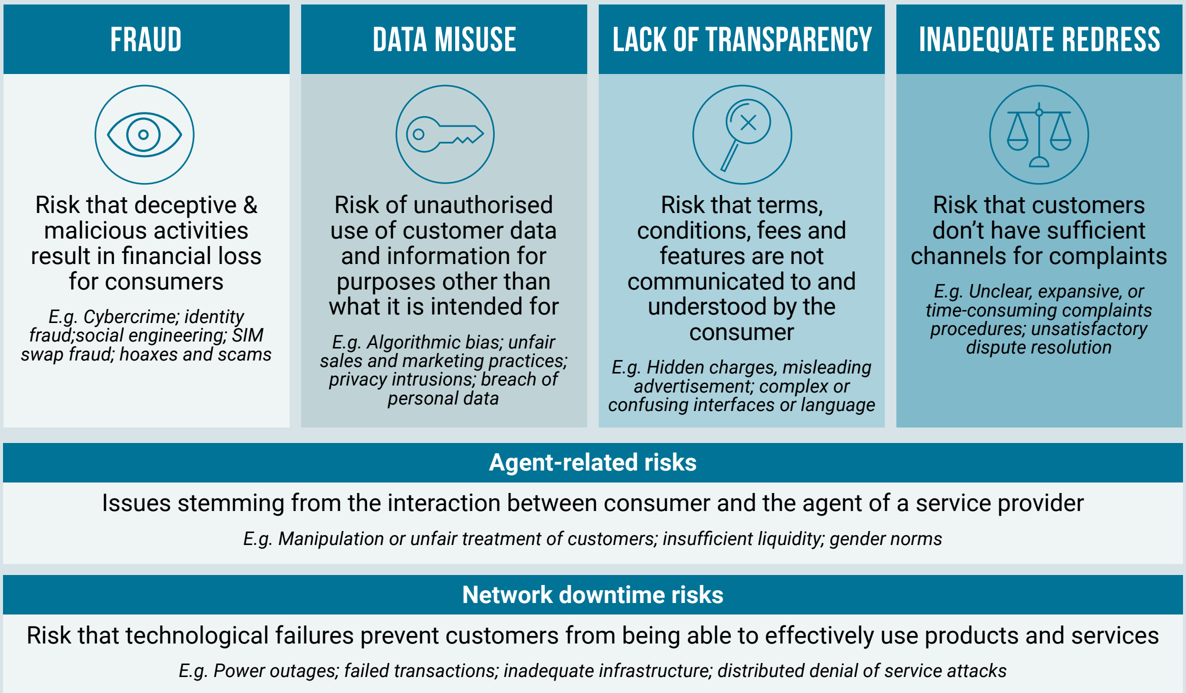
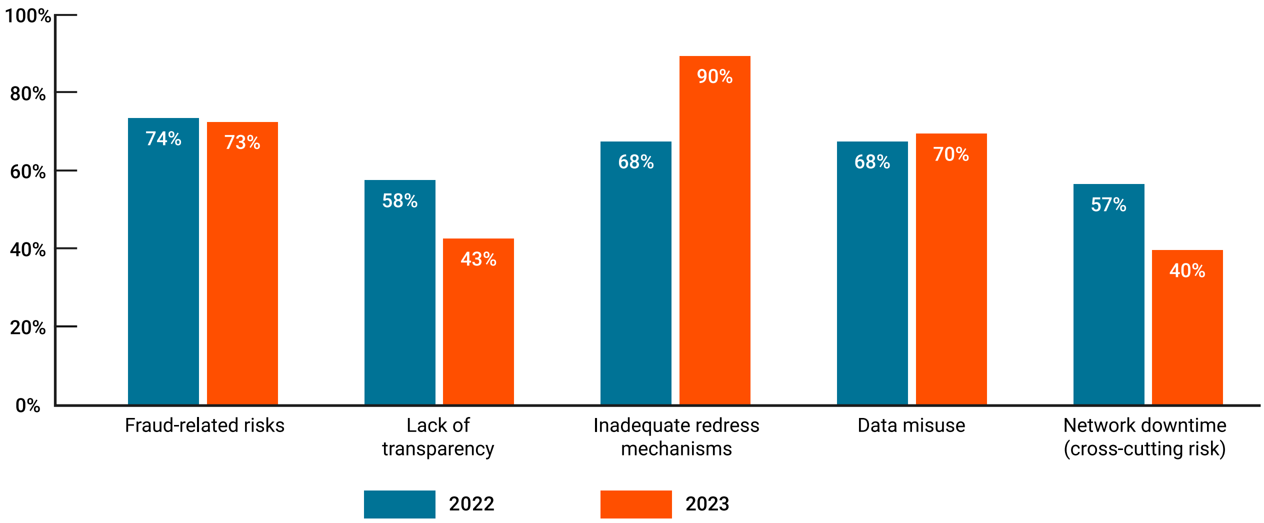


Figure 9: % of consumer bodies that perceive these risk types as significant challenge to consumers.



mechanisms should be characterised by effectiveness, adequacy, accessibility, and professionalism. The increased vulnerability highlighted by consumer associations indicates a deficiency in the current feedback loop from consumers to providers. Consequently, consumers find themselves unable to hold providers accountable for their actions. Also of concern is the persistence of fraud and data misuse-related risks to consumers, which continue to pose a significant challenge. The reduction in the perceived vulnerability of consumers to risks related to a lack of transparency and network downtime is a step in the right direction.

Spotlight on the consumer experience – the emerging risks of cryptocurrencies

As is depicted in Figure 10, consumer associations across all country clusters perceive there to be limited risk related to cryptocurrency and digital asset related fraud. While the perception of these risks are not front of mind for consumer associations yet, the increase in the prevalence of crypto scams and its use for criminal activity is worth highlighting.

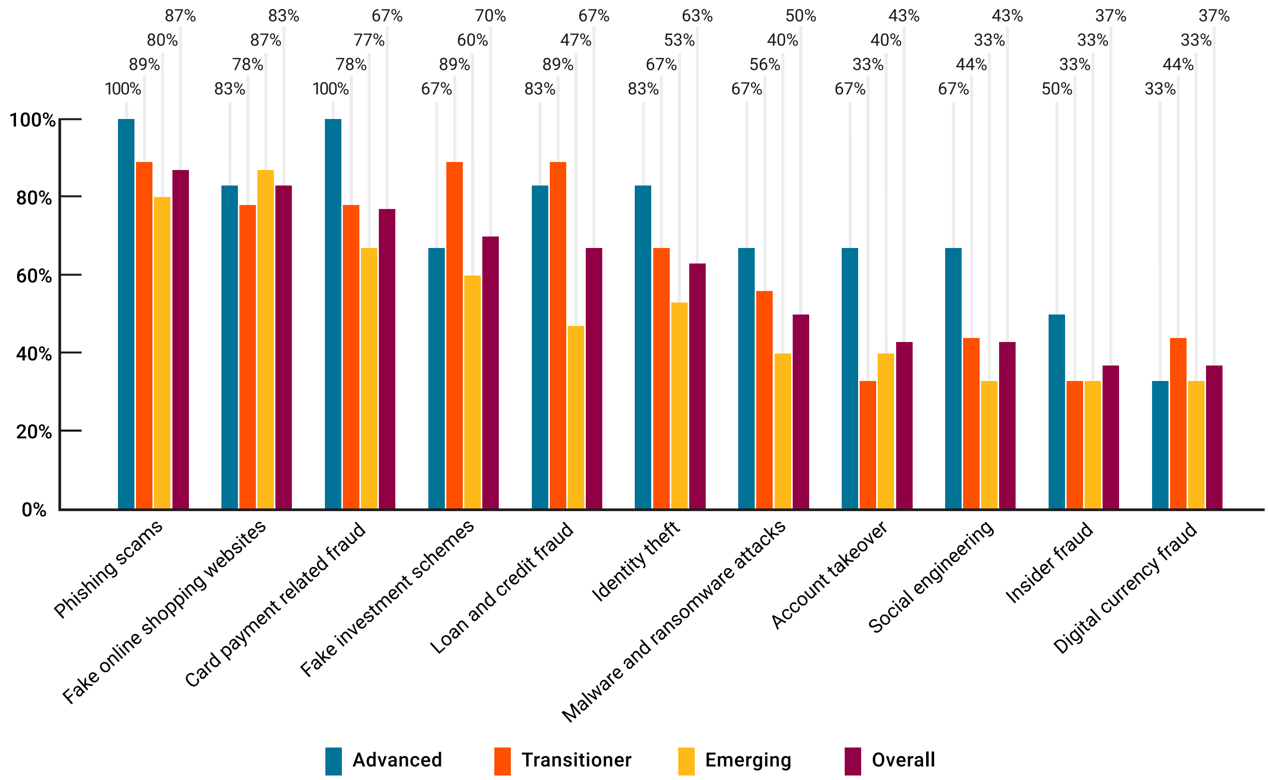
The absence of fit-for-purpose regulatory frameworks to protect consumers' crypto assets mean that often money is at high risk if these firms face funding challenges or the threat of bankruptcy. For instance, following its well-published failure, it emerged that FTX owed more than $3 billion to its unsecured creditors – mainly users of the exchange who had transferred their funds there.

Crypto is also increasingly gaining a reputation as a means to conduct illicit activities such as money laundering, the financing of terrorism and tax evasion. For example, a recent UN publication highlights the use of cryptocurrency in criminal activity across Southeast Asia. Pseudo-anonymity and lack of oversight contribute to these risks, as regulators and law enforcement agencies find it hard to track and trace crypto transactions.

BIS (2023); UNODC (2023); Forbes (2022)

Consumer bodies highlight fake online shopping websites and phishing scams as the top two most prominent fraud risks. Fraud risks relate to deceptive malicious activities – such as cybercrime, identity fraud, social engineering, SIM swap fraud, hoaxes and scams – which result in financial loss for consumers. These risks typically put consumers' financial health at risk and deteriorate trust in financial services. Most new risks emerging in recent years have been related to fraud (CGAP, 2022). Figure 10 below provides an overview of the key fraud risk types seen to be a significant challenge to consumers as noted in the Consumers International fair digital finance survey. The prevalence of

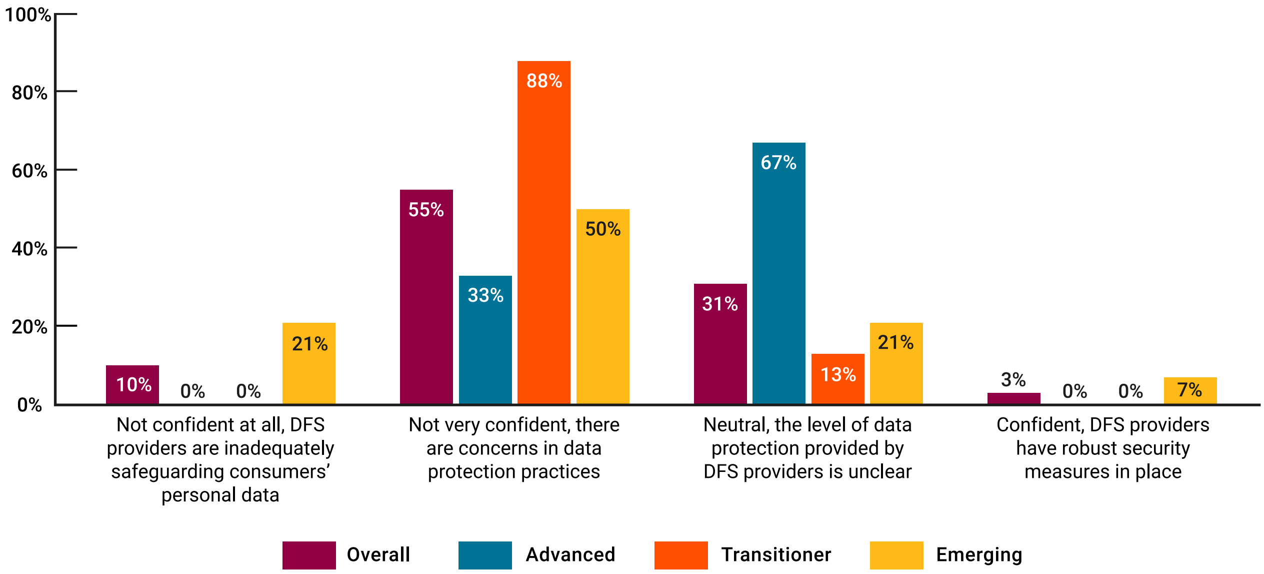
Figure 10: Key fraud risk types seen to be a significant challenge to consumers as noted by consumer bodies (%)



phishing scams and fake online shopping sellers feature as the most prominent risks for concern amongst consumer bodies, regardless of the country clusters. Various fraud-related risks are contingent on the cluster status. In the advanced and transitioning country clusters, these risks typically arise when the digital financial service ecosystem is relatively mature. Some of these risks encompass card payment-related fraud, loan and credit fraud, malware attacks, and account takeovers. While consumers in these countries have access to a diverse range of use cases within the digital financial service ecosystem, it also heightens the potential for fraud-related activities across a wide array of financial products. Emerging countries, which are poised for a rapid increase in digital financial service usage, should take heed of this warning and ensure the implementation of adequate provisions to mitigate these risks.

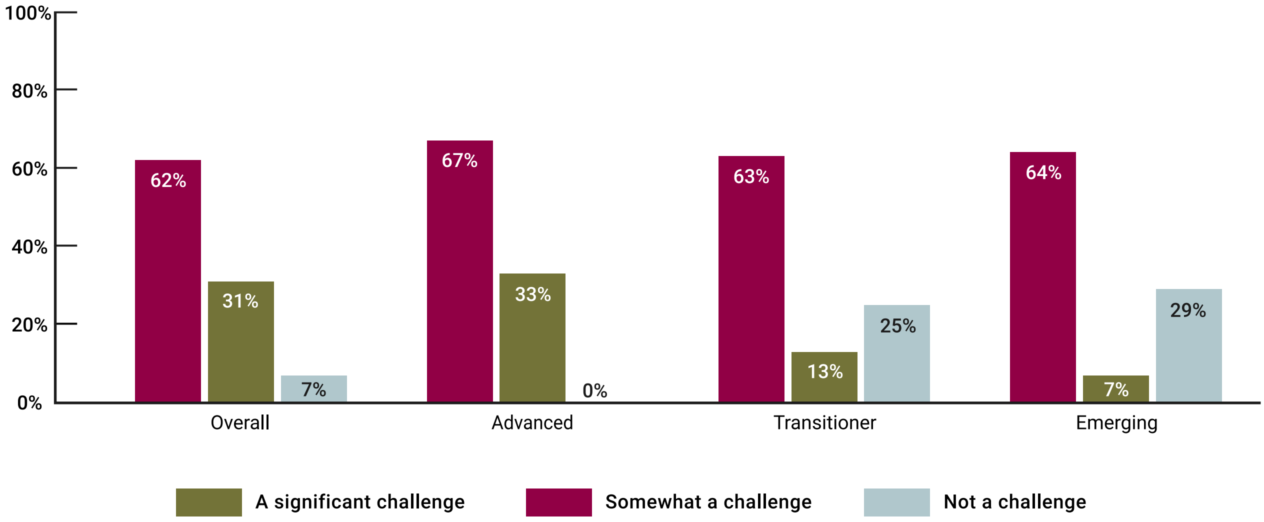
Regardless of the country cluster, consumer organisations are generally not confident in the current approach to data protection practices by financial institutions. Data misuse risks arise from the unauthorised use of customer data and information for purposes other than that for which it is intended. This can manifest in several ways (including algorithmic bias, unfair sales and marketing practices, privacy intrusions and breaches of personal data – all leading to consumers being afraid to share information even in secure environments), which in turn can prevent the efficient and suitable provision of financial services (CGAP, 2022). As per Figure 11 below, data misuse risks are prevalent across all countries in the sample, with a notable concentration among emerging and transitioner country clusters. Within the transitioner country cluster, a striking 88% express low confidence in current data protection practices in their respective countries. In the Emerging country cluster, this figure stands at 50%, while 21% have no confidence at all in the ability of digital financial service providers to safeguard their data. The trend of data misuse risks in emerging and transitioner country clusters may be driven by factors such as limited regulatory frameworks, rapid technological adoption without safeguards measures, insufficient digital and financial literacy, and the challenges posed by global data interconnectedness.

Figure 11: Consumer body confidence in the ability of digital financial service (DFS) providers to safeguard customers' personal data



Consumers ill equipped to weather the risks. In the context of the rapid proliferation of complex digital financial products and emerging consumer risks, the significance of consumer financial literacy cannot be overstated. Individuals with better financial and digital literacy, who make more informed financial decisions and engage effectively with financial service providers, are better positioned to attain their financial goals, and improve the overall well-being of their households. Figure 12 shows that 62% of surveyed consumer associations identify digital and financial literacy as a significant challenge for consumers in their countries, with an additional 31% considering it somewhat challenging. These observations hold true across various country clusters. This suggests that many consumers are not able to effectively utilise a wide array of digital financial service solutions.

Figure 12: Consumer body perception of the extent to which limited digital and financial literacy is challenge for consumers.



PROTECTION FRAMEWORK: PROGRESS ON PAPER, BUT MORE ENGAGEMENT NEEDED

Spotlight on the consumer experience – a concerted effort to build a customer-centric financial consumer protection framework in Pakistan

In Pakistan, a customer-centric framework for financial consumer protection is more necessary than ever given the rise of digital lending and recent press reports of large-scale fraud as well as suicides due to unscrupulous debt collection practices. Consumer body The Network for Consumer Protection – TheNetwork in short – engages the State Bank of Pakistan (SPB) as banking sector regulator, the Security Exchange Commission (SEC), which is accountable for the registration and regulation of lending companies, as well as the Federal Investigation Agency (FIA) in the quest to address these concerns. The response has been heartening. The three bodies began to probe into the digital lending companies in response to the turmoil:

- The SPB banned certain applications
- The SEC began to warn consumers of lending risks via text messages
- The FIA raided some fraudulent organisations

Going forward, TheNetwork would like to see more coordination for maximum effectiveness. The openness of the regulators to engage with consumer bodies is a positive first step. Next, a more detailed understanding of the consumer experience is needed.

Source: Interview with TheNetwork (2023); TheNetwork Consumers International Grant Application (2023); State Bank of Pakistan (2016)

While consumer protection regulatory frameworks and institutional arrangements have improved, a number of gaps still persist, and engagement between regulators and consumer bodies receives low scores across all clusters. As noted in Section 1, this pillar is made up of three key elements: the **status** of the financial consumer protection framework (as gauged by the various aspects of consumer protection covered in global frameworks such as the G20 High Level Principles on Financial Consumer Protection), the level of **customer centricity** thereof, as well as the extent of **engagement** between consumers, their advocates and financial regulators and service providers. Figure 13 indicates the scores for each of these elements[18]:

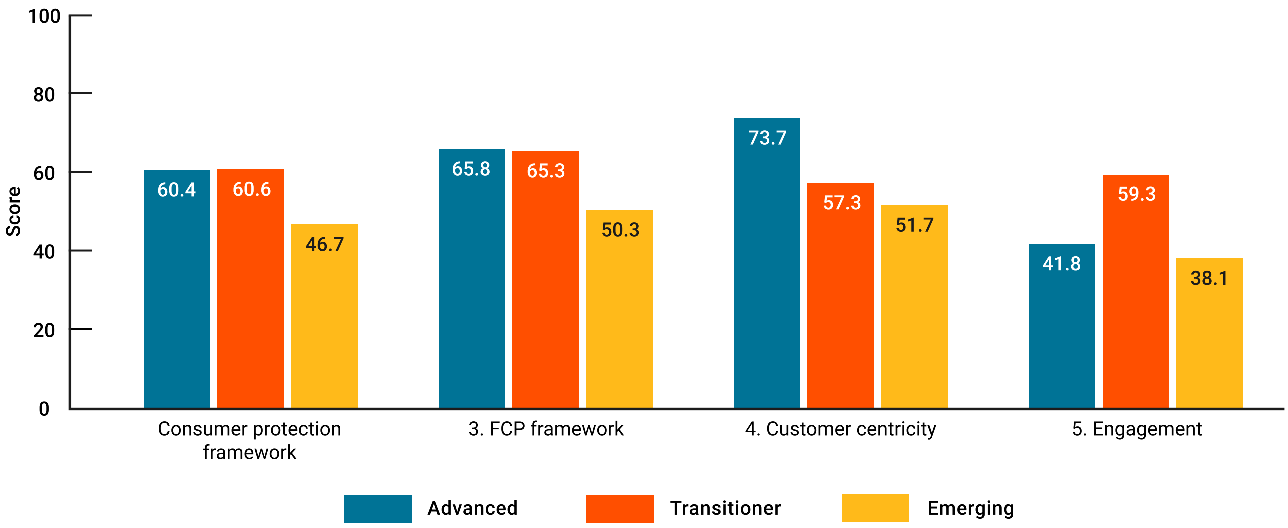
- The gap between the advanced and transitioner cluster and the emerging cluster in the development of the **financial consumer protection framework** as shown in Figure 12 can be attributed to the presence of independent recourse mechanisms and entrenched complaints systems (100 in the advanced vs. 68 in the transitioner and 60 in the emerging cluster), dedicated financial consumer protection laws (89 vs. 78 vs. 71) and the prevalence of data protections frameworks (67 vs. 50 vs. 43)

- The advanced country cluster scores disproportionately better in the **customer centricity** element – in part due to the presence of provisions which restrict excessive borrowings by individuals, unfair practices and terms that limit customer mobility[19].

- The engagement element scores relatively low across all clusters. This suggests that there remains room for improvement in engagement between consumer bodies and regulators as well as for consumers to build specialised knowledge on the digital financial service marketplace.

MENA and Europe & Central Asia score lower in framework pillar than the rest[20]. Figure 13 shows a significant variability in customer centricity of frameworks, indicating that comprehensive and fair consumer-centric frameworks do not exist consistently across regions. Sub-Sahara Africa leads in having more proactive engagement between consumer bodies, financial service providers and regulators. Despite scoring lowest overall for the pillar, Europe and Central Asia (56) achieve the highest scores for the indicator "consumer body specialised knowledge of the digital financial service marketplace", followed by Sub-Sahara Africa (49) and East Asia and the Pacific (44).

Figure 13: Financial consumer protection (FCP) framework by country cluster

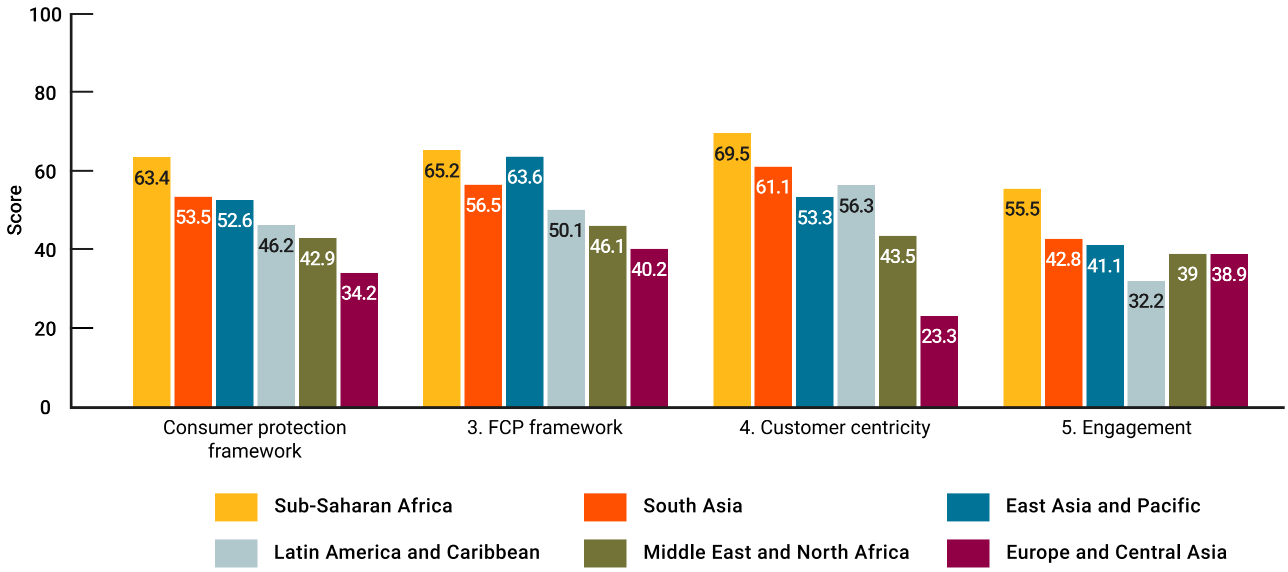


18 Note: Financial consumer protection is abbreviated as FCP in the graphs in this section.

19 Customer mobility refers to the degree to which customers have the ability and ease to make financial decisions, such as closing accounts or paying off loans, without encountering excessive fees, burdensome procedures, or penalties.

20 Note again that the small sample per region may skew the results.

Figure 14: Financial consumer protection (FCP) framework by region



More countries have dedicated consumer protection laws, external and internal recourse mechanisms and disclosure and transparency requirements. When digging deeper into the findings per element, we see a significant improvement in the status of the financial consumer protection framework in recent years. Financial consumer protection is made up of a framework of laws, subordinate regulation and guidance, as well as institutional arrangements. The fundamental goal of financial consumer protection frameworks is to guarantee the fair and responsible treatment of financial consumers in their uptake and usage of financial products and services and to ensure that the increased accessibility to financial services translates into tangible benefits for consumers (World Bank, 2023). The recently-published World Bank Financial Inclusion and Consumer Protection (FICP) survey provides up to date information on the current status of the development of various aspects of financial consumer protection frameworks, globally. The updated data shows wide improvement across financial consumer protection frameworks for the sample countries since the survey was previously conducted in 2017, as outlined in Figure 15 (World Bank, 2023):

- **More dedicated laws:** Most impressively, there has been a large increase in the proportion of sample countries that have dedicated financial consumer protection laws – moving from 11% in 2017 to 56% in 2023 (World Bank, 2023). This points to a strong and positive trend of jurisdictions adopting laws and regulations to protect financial consumers.

- **More dispute resolution mechanisms:** There has been an increase in the existence of internal and external dispute resolution mechanisms. The prevalence of laws/regulations that set standards for internal complaints resolution and handling by financial service providers among the sample countries increased from 79% in 2017 to 91% in 2023. Over the same period, there were also increases in the prevalence of laws and regulations which set standards for alternative dispute resolution, increasing from 65% to 78%. This is a positive step towards ensuring that consumers have access to both internal (within providers) and external (out-of-court) dispute resolution mechanisms to seek redress, which should be effective, adequate, easy to access, and professional. Furthermore, financial consumer protection frameworks have been bolstered by an increase in the availability of supporting standards for resolving complaints by financial service providers (Figure 16).

- **Gaps in data protection:** While there have been large improvements in the robustness and reach of financial consumer protection frameworks, a number of gaps are still prevalent, in particular related to the presence of data protection and cybersecurity related frameworks. Only 50% of countries included in the index have a national data protection law in place.

Figure 15: Status of financial consumer protection (FCP) legal framework (% of index countries)
Source: World Bank FICP Survey (2023)

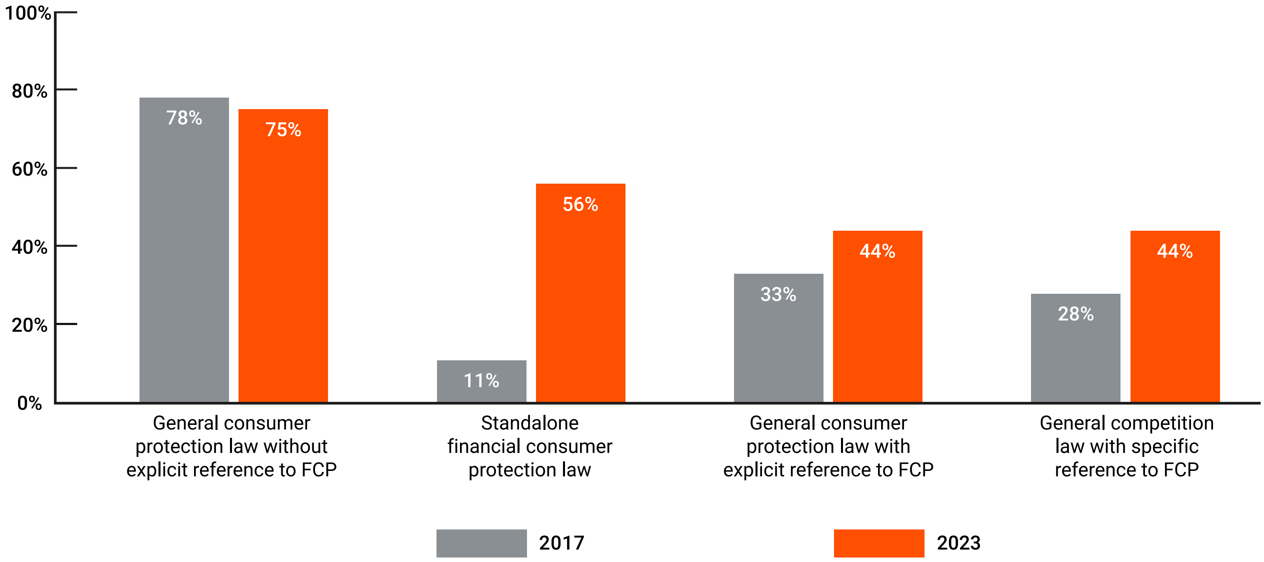
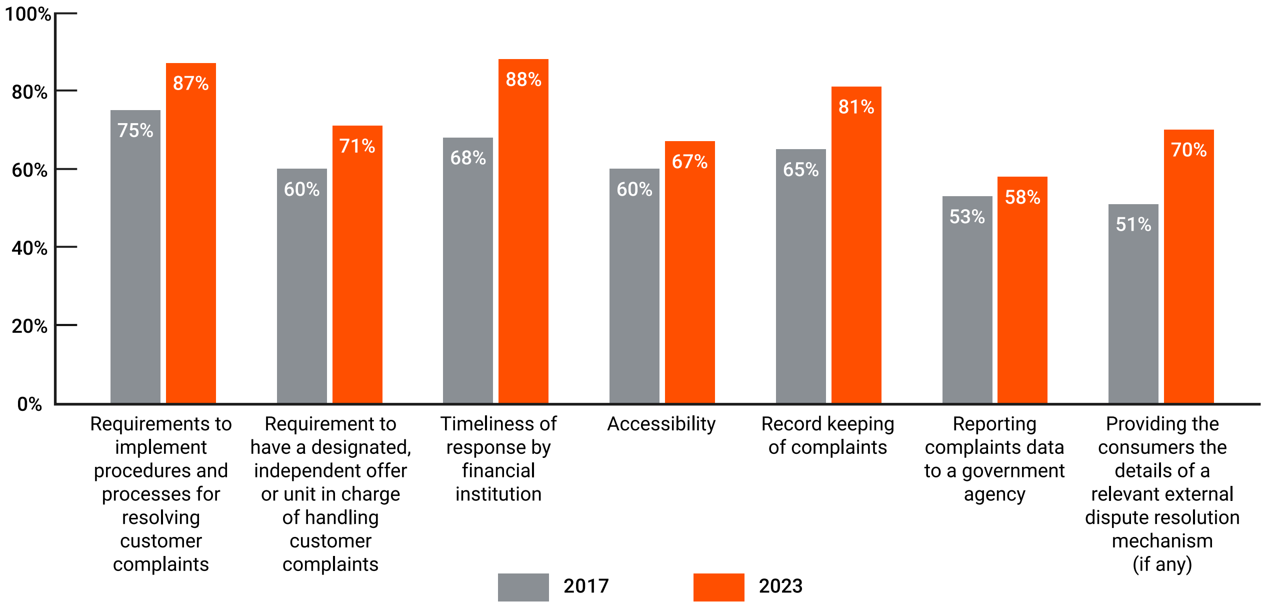


Figure 16: Standards for complaints resolution and handling by financial service providers (% of index countries)
Source: World Bank FICP Survey (2023)



Consumer bodies hold mixed views on framework progress. The advancement in financial consumer protection frameworks, as discussed above, paints a positive picture. However, when the Consumers International fair digital finance survey asked whether consumer bodies are satisfied with the current financial consumer protection framework in their country (Figure 17), a more nuanced picture emerges. 49% of respondents felt that the regulatory framework is either limited or poor – slightly up from 45% in 2022. In contrast, 52% of associations describe the current frameworks as either "solid" with some gaps or "very good". This score is more or less the same as the 51% in 2022, but the percentage of those opting for "solid" decreased and those opting for "very good" increased significantly since 2022. However, no consumer body characterises the financial consumer protection framework as excellent.

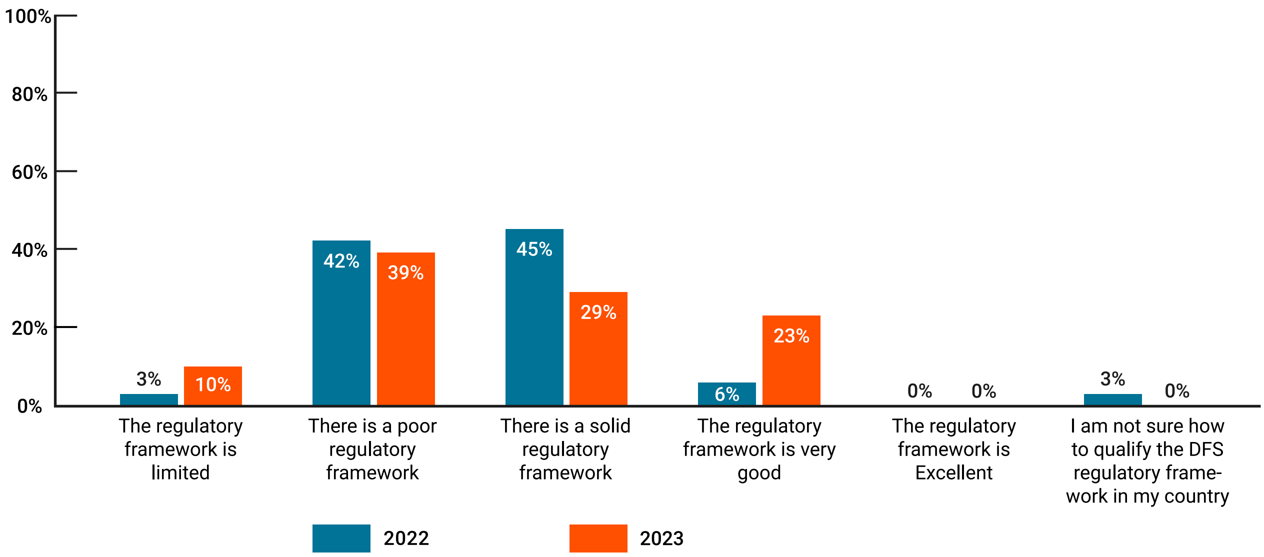
Frustration voiced on three fronts. Individual qualitative responses obtained in the Consumers International fair digital finance survey shed light on three thematic concerns:

- **Obsolete or overly complex provisions:** One respondent stated that some regulation in their jurisdiction is obsolete, while another respondent stated, "It consists of many bottlenecks on one hand and several loopholes on the other hand, which makes it easy to be abused or ignored."

- **Inadequate enforcement:** Respondents note that consumers, especially in poor and rural areas, are not educated about their rights, cannot understand the technical language, are impatient with the lengthy dispute resolution times, or simply do not complain about any misconduct. Digital financial service regulations are relatively new and therefore not fully enforced, or simply not enforced due to inefficiency. In a rather concerning case, a consumers representative said, "24 years in the making and 7 years after passing of the legislation there is still no active Tribunal or Consumer Council, or effective consumer redress. The Courts are ineffective". Some respondents are also concerned about the prevalence of regulatory capture, with financial services providers possessing the ability to influence regulators to the detriment of consumers.

- **A lack of coordination:** Some respondents report there to be regulatory overlaps across various entities on elements of consumer protection. In one jurisdiction, it was noted that there are different entities for general consumer protection, financial consumer recourse and financial consumer protection regulation, and that there is insufficient coordination across the bodies. Correspondingly, a representative from another jurisdiction stated, "The framework is scattered and in pieces with too many federal and provincial departments dealing with this."

Figure 17: Consumer body satisfaction with the current state of financial consumer protection frameworks (%)



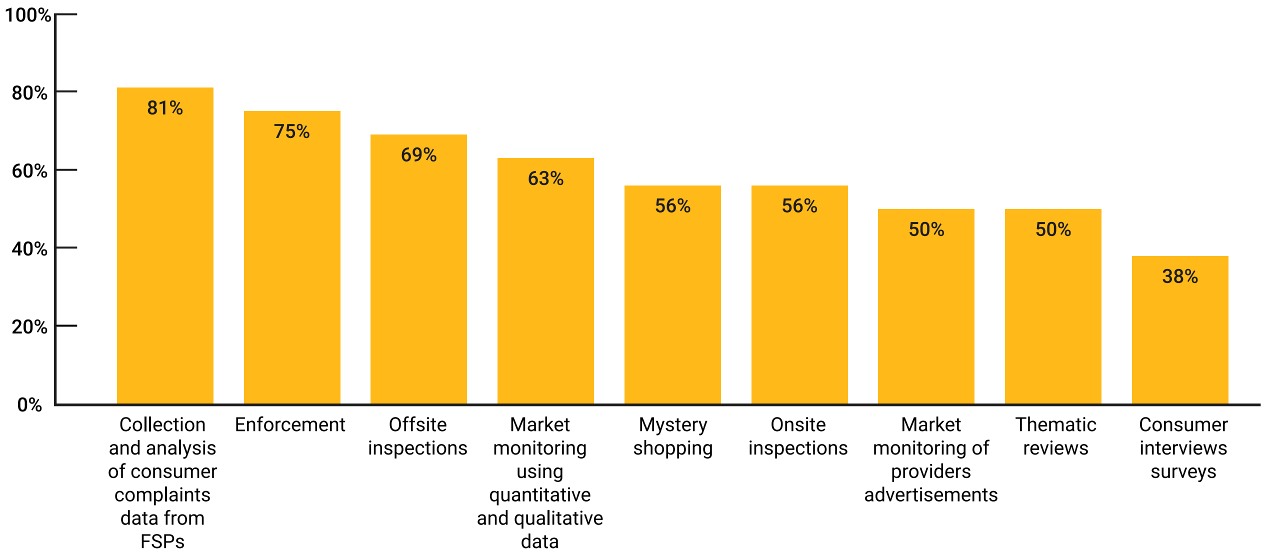
The role of enforcement. Financial consumer protection frameworks are only as strong as their monitoring and enforcement. Effective supervision, enforcement and monitoring are essential to ensure that financial consumer protection frameworks have their intended positive impact:

Various enforcement measures, with a focus on moral suasion. The FICP survey notes a variety of market conduct supervisory activities. The most common form of enforcement activity, undertaken by 75% of index countries, is the use of moral suasion to influence and pressure providers into adhering to financial consumer protection regulations (World Bank, 2023). More direct enforcement measures, such as requiring providers to suspend or withdraw products and services, requiring providers to modify products and services, or imposing fines and penalties on providers, are used in 63% of sample countries. The use of punitive enforcement, such as revoking a provider's license to operate or issuing sanctions against senior management of a provider, is only employed by 50% and 44% of supervisors across the index sample, respectively (World Bank, 2023).

Complaints data collected, but often not publicly disclosed. The collection and usage of complaints in a standardised format is a key tool used by regulators to inform where there are trends in consumer dissatisfaction and where action may need to be taken against financial service providers. Currently, 88% of supervisors amongst the index countries collect aggregated consumer complaints data from providers. The most common use case for this data is to inform consumer protection supervisory approaches (77%), for regulatory purposes (63%) and for obtaining supporting information for enforcement actions (56%). Currently, only 44% of the index countries publish periodic complaint statistics that are made available to the public at large. The availability of complaints-related information, whether in granular form or in an aggregated manner, is a key source of information that consumer bodies should have access to, to understand trends in consumer-related grievances. This information should ultimately inform and influence the approach with which they engage the regulator and support consumers. Strengthening transparency in reporting such statistics can contribute to a more informed and empowered consumer advocacy landscape.

Most supervisors do not directly draw in consumer insights. Figure 18 below outlines the response rates among survey respondents on the presence of various supervisory activities in their jurisdiction. The topmost supervisory activity undertaken by authorities is the collection and analysis of consumer complaints data, undertaken by 81% of index countries. This is followed by enforcement activities (75%) and offsite inspections (69%). However, the use of thematic evaluations, mystery shopping and primary consumer research is less widespread.

Figure 18: Scope of supervisory activities of the regulator
Source: World Bank FICP Survey (2023)



Consumer associations play an important role to voice the consumer perspective. To ensure that consumer protection regulation is fit-for-purpose and that products are designed to meet consumer needs, there needs to be sufficient collaboration and interactions between regulators, industry and consumer representative bodies or associations as part of a responsible digital finance ecosystem. The survey shows that consumer associations can – and do – play a role to bring in the consumer perspective that is often lacking in policymaking. As captured in Figure 19 below, trends in engagement between consumer bodies and regulators generally align with levels from the previous year. Moreover,

Figure 19: Engagement with financial regulators and financial service providers (FSPs)
Source: World Bank FICP Survey (2023)

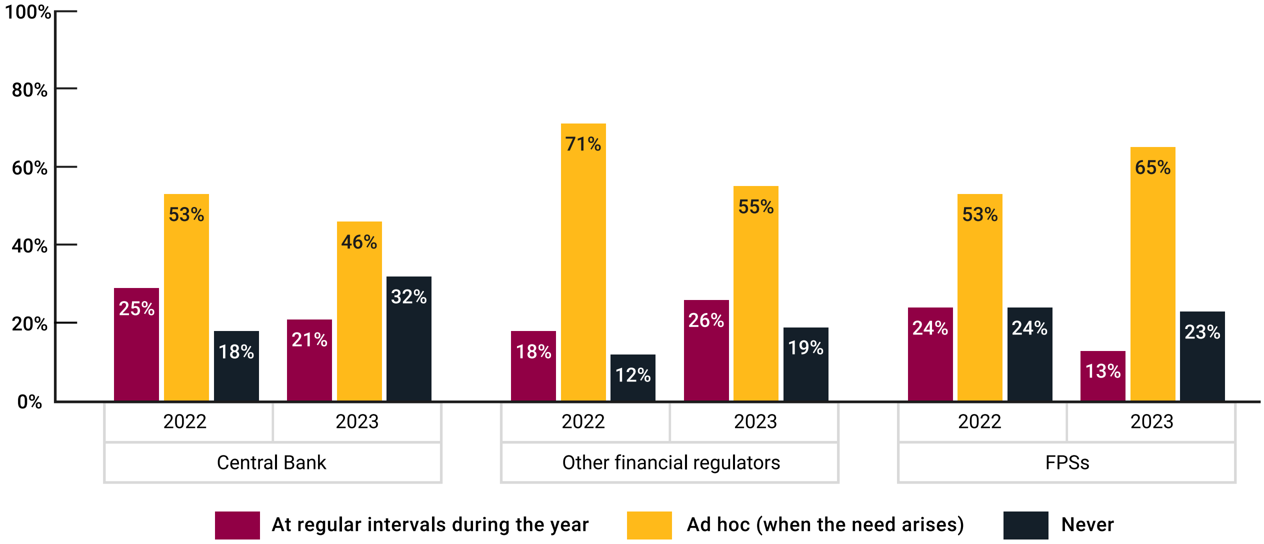
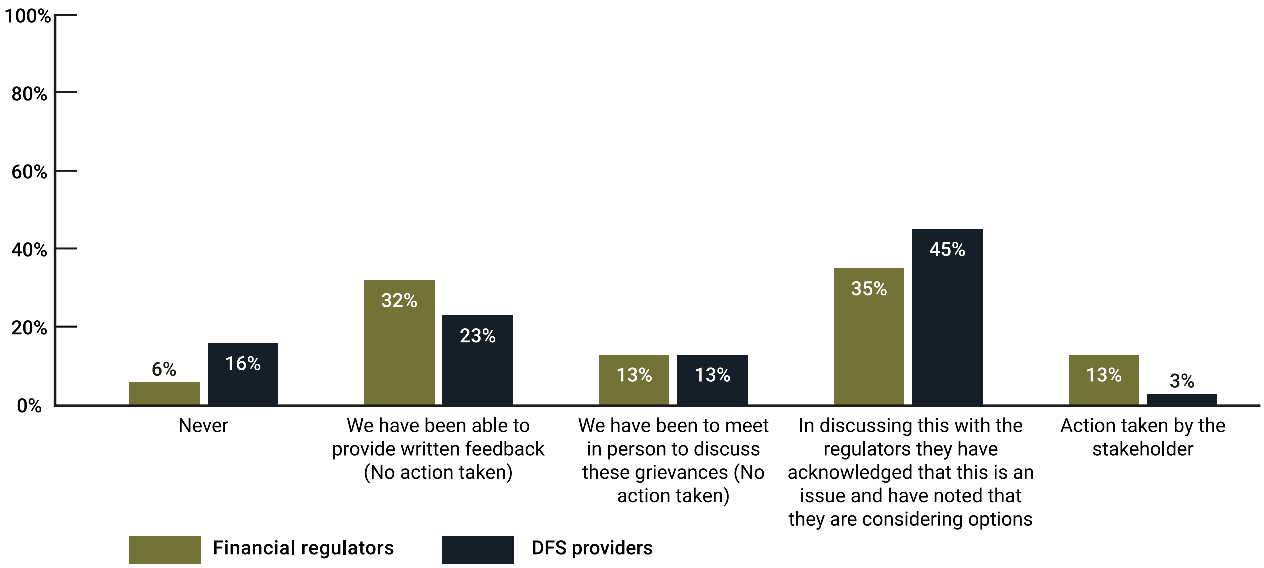


Figure 20 shows that many consumer organisations engage with financial regulators through written inputs (32%) or in discussions where regulators actively acknowledge the relevance of the raised issues (35%). A similar pattern is observed in consumer body interactions with digital financial service providers, with 23% utilising written communication and 45% engaging in direct discussions. The qualitative survey responses show that consumer bodies tend to engage with Central Banks and other financial sector regulators for a number of reasons:

- **To discuss regulatory matters** that have arisen such as the monitoring of banking procedures or the launch of new policies.
- **As input to National Financial Inclusion Strategies or coordination bodies:** In two respondent countries, the government's National Financial Inclusion Council or Strategy Committees encompass consumer bodies. This gives them an official seat around the table.
- **To facilitate digital financial service education:** One respondent stated that their team is constantly in touch with regulators and participates in various seminars and workshops co-hosted with the

Figure 20: Ability to raise consumer grievances with financial regulators and digital financial service (DFS) providers



regulator. They also stated that they engage with digital financial service providers to spread public awareness on digital finance. Another respondent said that “We collaborate with regulators regularly, and during the drafting of the laws and regulations, we work together to raise awareness campaigns through TV shows and radio”.

Overall, not yet enough consumer body engagement. Despite these positive instances of cooperation, there is cause for concern on the extent of consumer body engagement (see Figure 19). In the past year, there has been an increase in the proportion of consumer bodies that never engage with central banks (rising from 18% in 2022 to 32% in 2023) and other financial regulators (increasing from 12% in 2022 to 19% in 2023). This lack of engagement means that there is no direct feedback loop to capture the collective voice of digital financial service consumers.

Voiced, but not heard. More worryingly, Figure 20 shows that, while consumer bodies actively raise consumer grievances with regulators and service providers, such efforts often do not result in direct action being taken. Thus, despite the ability of these associations to actively voice concerns and hold discussions with providers, the impact in terms of actions taken by financial regulators and digital financial service providers appears to be limited. Only 13% of consumer associations reported active steps by financial regulators, and a mere 3% of consumer associations have succeeded in ensuring concrete measures taken by providers. This highlights the need for more effective channels[21] to address consumer grievances within the digital financial service ecosystem.

INCLUSION AND PROTECTION PLAYING FIELD: NEED FOR GREATER INCLUSIVITY, BETTER LIVED EXPERIENCE

Spotlight on the consumer experience – digital financial services in crisis in Lebanon

Lebanon has been grappling with a financial sector liquidity crisis since 2019. The crisis is adversely affecting consumers who previously enjoyed access to a diverse range of financial services, both traditional and digital. Online banking, virtual payments, and mobile money were once commonplace. However, the crisis has drastically altered this landscape. Consumers find themselves unable to withdraw or transact funds from their bank accounts, with banks occasionally closing for extended periods. Additionally, a reliance on cash operations, often in euros or dollars due to local currency hyperinflation, has become the norm. To cope, consumers also increasingly depend on remittances from family and friends working abroad.

The shift to predominantly cash transactions presents significant risks for consumers. The heightened use of cash elevates the risk of theft. In response, innovations have been designed to address the lack of financial services, such as the issuance of cards for online purchases or importing services from neighbouring countries. However, such innovations are frequently not well understood by consumers. The lack of understanding exposes consumers to scams and fraud. Moreover, the introduction of new digital financial services innovations is not without challenges, as they are susceptible to network interruptions.

21 Potential channels could include 1.) Amicable composition, which allows parties to appoint third-party friendly mediators for binding dispute resolutions 2.) Mediation, which involves parties resolving differences with the help of an impartial third party, while conciliation enables autonomous and legally binding complaint resolution with a neutral conciliator. 3.) Arbitration, which allows parties to defer to arbitrators, whose awards have the same legal weight as judicial rulings and are binding, albeit subject to special judicial review for potential invalidation (AFI, 2017).

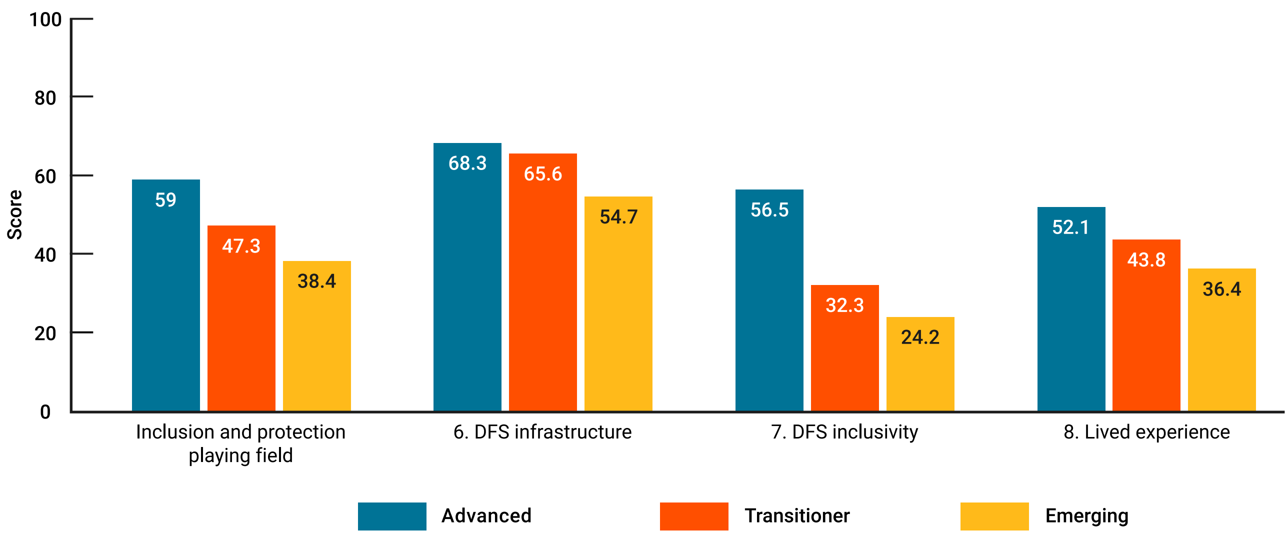
Consumers Lebanon, a member of the Fair Digital Finance Accelerator, is actively engaged in addressing these challenges. Their approach involves a comprehensive understanding of consumer experiences and collaboration with regulators to establish a resilient online payment system that can navigate the complexities of the liquidity crisis. In the meantime, however, the plight of consumers persists, with their financial well-being hanging in the balance.

Source: Interview with Consumers Lebanon (2023); Consumers Lebanon International Grant Application (2023); One Trust (2023)

Relatively high scores in the digital financial services infrastructure element, but the inclusivity and lived experience elements exhibit low scores. The inclusion and protection playing field pillar comprises three core elements: the status of the digital financial services **infrastructure**, the **inclusivity** of digital financial services to vulnerable groups, and the **lived experience** of consumers with such services—whether they actively use their digital financial services, how satisfied they are and the extent of trust. Figure 21 outlines the scores for each of these components:

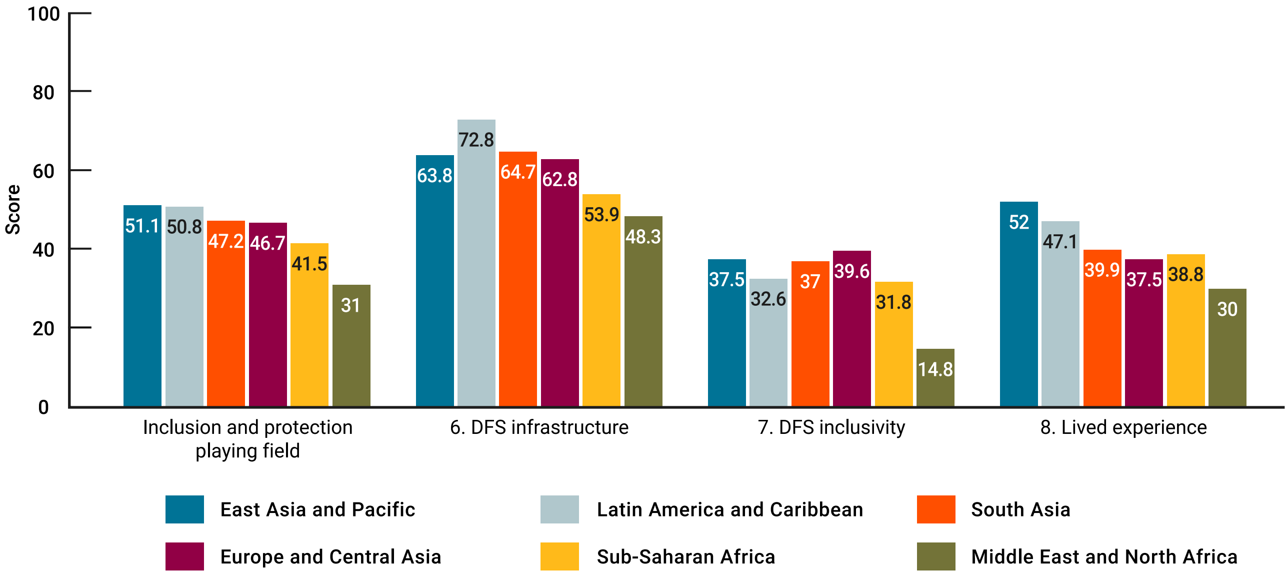
- High scores in digital financial services infrastructure are driven by robust network connectivity (96 vs. 93 vs. 88 for the three respective clusters), with variability among clusters influenced by financial service provider footprint (80 vs. 56 vs. 50) and data affordability (58 vs. 56 vs. 40).
- Despite a relatively well developed digital financial service infrastructure, the financial sector has not effectively translated this into an ability to cater to the needs of vulnerable groups, as evident in transitioner and emerging cluster countries.
- Across clusters, lived experience is hampered by limited active usage of digital financial services (46 vs. 38 vs. 20) and low engagement with digital channels (37 vs. 31 vs. 18), with the emerging cluster notably underperforming in both aspects.

Figure 21: Inclusion and protection playing field for digital financial services (DFS) by country cluster



A similar picture holds when viewed through a regional lens. Latin America and the Caribbean outperform other regions in the digital financial services infrastructure pillar, propelled by notably high scores in perception-based indicators such as the accessibility of digital payment systems and financial service provider footprint (as depicted in Figure 22). However, across all regions, there is a

Figure 22: Inclusion and protection playing field of digital financial services (DFS) by region



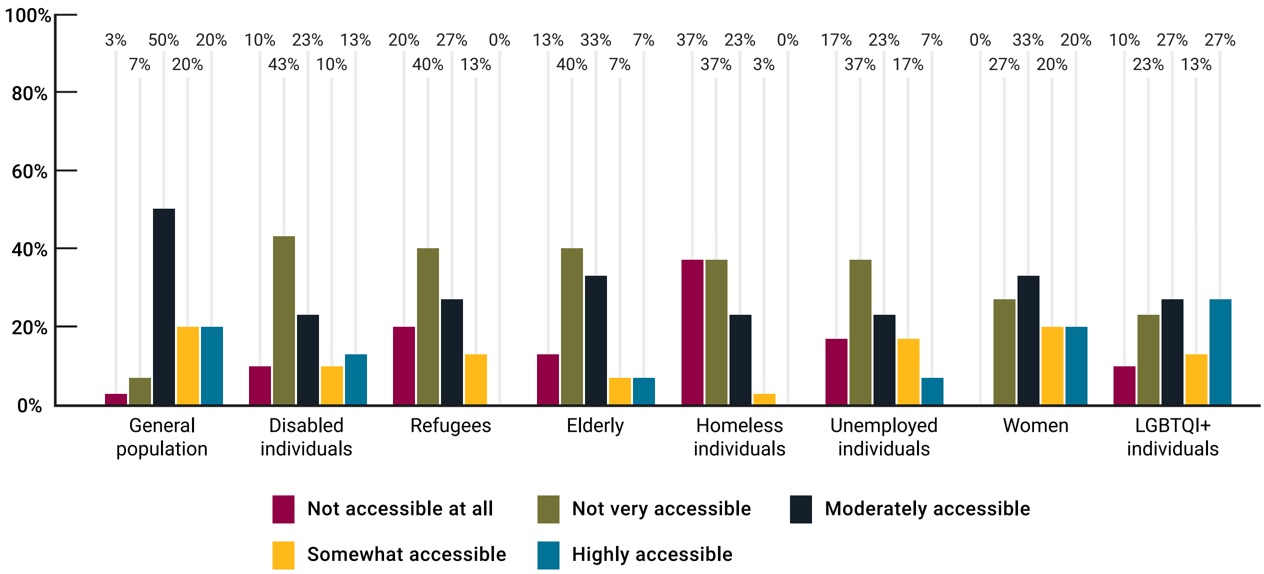
consistent low score in the digital financial services inclusivity pillar, indicating limited access and usage for key vulnerable groups, with Sub-Saharan Africa and the Middle East and North Africa (MENA) scoring notably lower. East Asia and the Pacific take the lead in the lived experience with the digital financial services pillar, driven by relatively higher scores in digital financial services usage, the extent of engagement with digital channels, and the perceived effectiveness of consumer recourse.

Digging deeper. The survey also allows for more granular analysis of what lies behind the scores for each individual element as discussed above:

Ongoing enhancement of digital financial services infrastructure is instrumental in providing consumers with the means to leverage digital financial services in their day-to-day lives. Digital financial service infrastructure comprises various crucial components, including widespread access to affordable internet, availability of internet-enabled handsets, and a robust payment system with extensive cash-in and cash-out options. It serves as a foundational prerequisite, allowing consumers to integrate digital financial services into their daily lives. A key driving factor behind the high infrastructure scores is extensive network connectivity, with 96.3%, 92.3%, and 84.6% of Fair Digital Finance Accelerator countries having access to 2G, 3G, and 4G, respectively (GSMA, 2023). Differences between the advanced and transitioner clusters and the emerging cluster can be primarily attributed to variations in the affordability of data and the penetration of mobile phones—both critical prerequisites to ensure that consumers can access and leverage digital financial services effectively. On average, across the index countries, 57.7% of people have access to an internet-enabled handset. In the advanced and transitioner clusters, this figure is 63% and 62%, respectively, while in the emerging country cluster, it drops to 53% (GSMA, 2023). Notably, in some countries, mobile ownership is as low as 26.2%, acting as a significant barrier to providing consumers with the necessary access to digital financial services. It is important to address these disparities to create a more inclusive and accessible landscape for digital financial services across varying contexts.

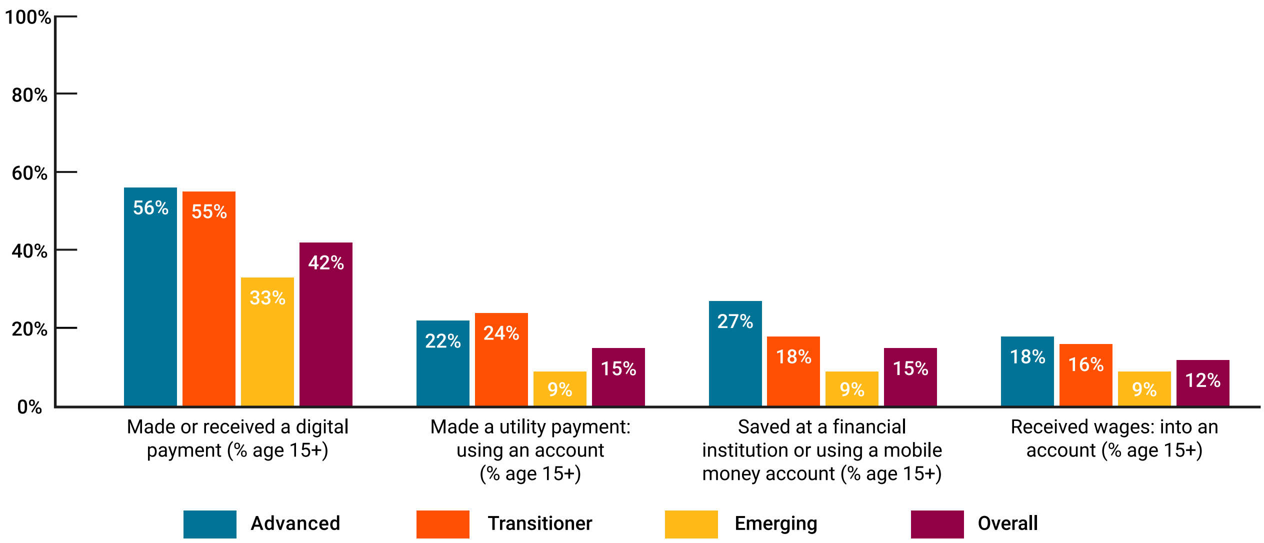
Homeless individuals, as well as refugees and the unemployed, encounter significant barriers in accessing digital financial services. The findings show that access barriers are heightened for specific groups within society. Figure 23 below illustrates consumer associations' perceptions of inclusivity of digital financial services for various groups. It indicates that homeless individuals are perceived to encounter the most substantial barriers to digital financial services, with 74% of consumer associations noting that these services are either "not accessible at all" or "not very accessible". Following closely are refugees (60%) and the unemployed (54%). Addressing these challenges is crucial to ensuring that digital financial services are accessible and beneficial to all members of society.

Figure 23: Inclusivity of digital financial services for vulnerable groups as perceived by consumer bodies (%)



Most consumers do not yet actively use digital financial services to support their daily needs. While account access is widespread across the sample, it does not imply that these accounts are actively[20] being used to promote the benefits of financial inclusion for consumers. In most of the index countries only a minority of consumers use digital financial services in their daily routines, covering a diverse range of use cases that support their everyday needs. As highlighted in Figure 24 below, 42% of consumers across the index countries have engaged in making or receiving a digital payment. When looking at specific use cases that may indicate a deeper understanding of digital financial services – such as making utility payments, saving at a financial institution, or receiving wages into an account – these figures drop to 15%, 15%, and 12%, respectively. Usage is lower across these indicators in

Figure 24: Digital financial services usage by consumers
Source: World Bank (2022)

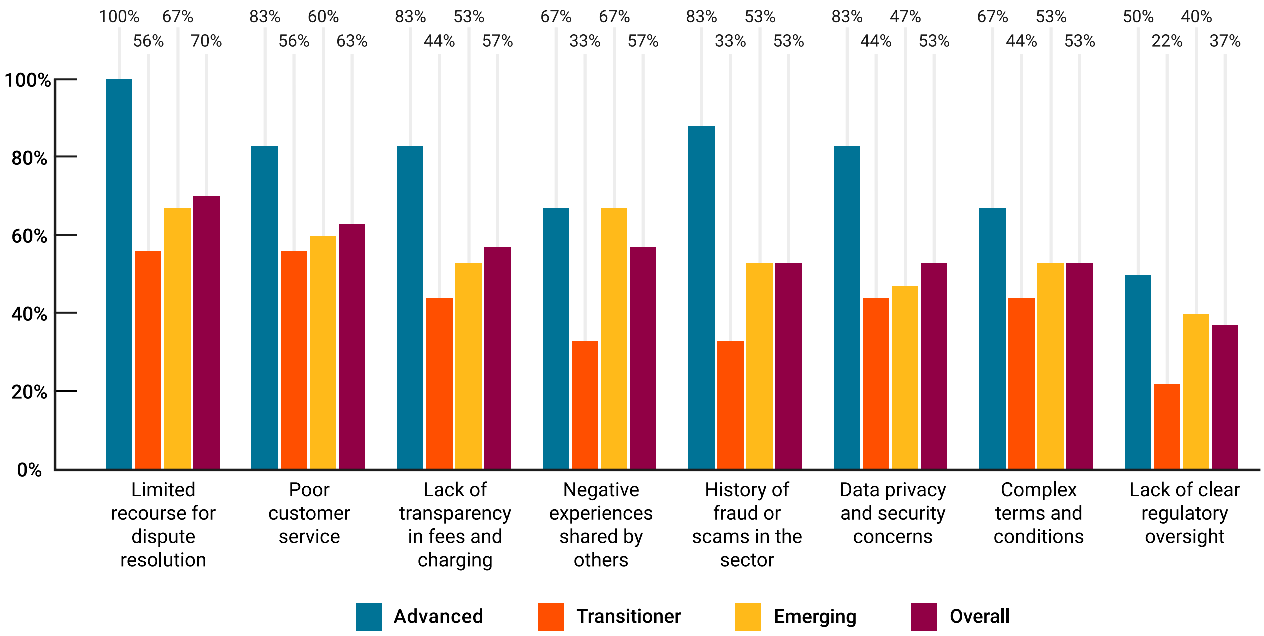


22 An active account is one which has had deposits or withdrawals and incoming or outgoing digital payments in the past year (World Bank, 2022).

emerging cluster countries relative to advanced and transitioner countries. This suggests that there are still significant obstacles hindering the uptake and utilisation of digital financial services within this particular group of countries. Addressing these hurdles is essential for fostering broader and more effective adoption of digital financial services among diverse consumer bases.

Lack of trust. The findings also show that trust remains a challenge. Figure 25 below captures some key factors contributing to this lack of trust, as perceived by consumer bodies. The three most significant factors are a lack of easily accessible and efficient channels for consumer complaints (reported by 70% of survey respondents), poor customer service (63%), and a lack of transparency in fees and charges (57%). Interestingly, these factors are considerably more pronounced in the advanced cluster countries. The fact that the sentiment is that many consumers do not trust financial services or have had bad experiences using them requires urgent attention to ensure progress in fostering meaningful financial inclusion by enhancing the lived experience of consumers.

Figure 25: Factors contributing to a lack of trust as perceived by consumer bodies (%)



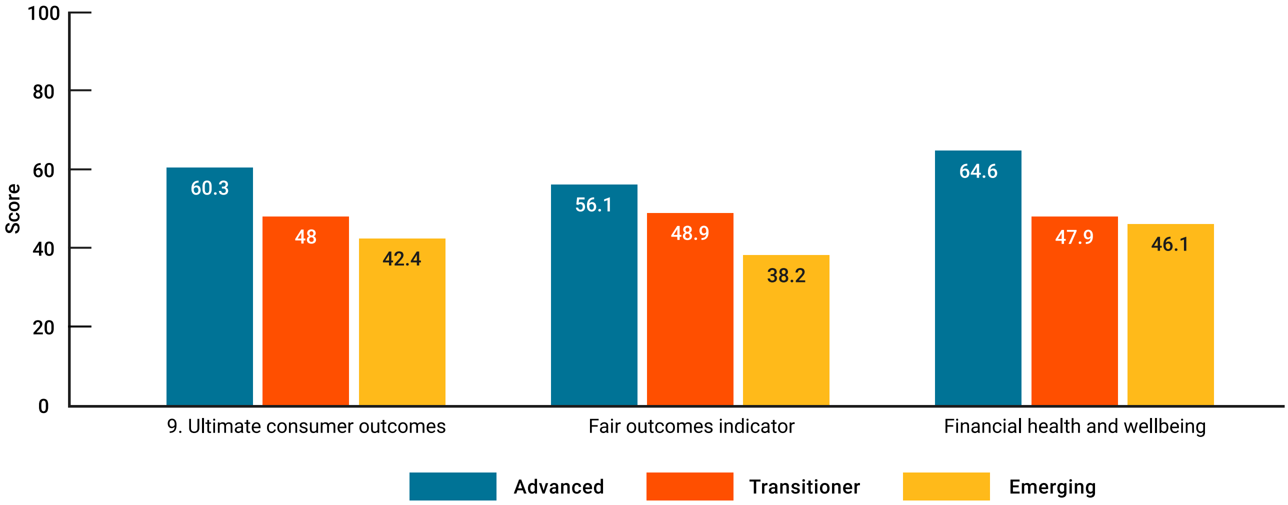
ULTIMATE USER OUTCOMES: STILL STRIVING TOWARDS FINANCIAL WELL-BEING, RESILIENCE, AND FAIR CUSTOMER OUTCOMES

Even in advanced countries, attaining financial health, resilience, and fair customer outcomes remain challenging. The ultimate consumer outcomes pillar is represented by one element—user outcomes, encompassing two key indicators: (i) fair customer outcomes (ii) financial health and wellbeing; and (iii) digital financial services supporting sustainability[21]. As depicted in Figure 26, the results underscore that positive consumer outcomes continue to elude all clusters, with consistently low scores across the board:

- Consumer bodies assert that financial service providers have predominantly failed to apply the consumer outcomes principles, and consumers are yet to witness outcomes related to suitability, choice, fairness and respect, voice, safety and security, and meeting their intended purpose.

21 In the absence of reliable objective data to measure progress, the Consumers International Fair Digital Finance Accelerator survey includes open questions about awareness of digital finance initiatives designed to aid consumers vulnerable to climate change. Therefore, this indicator does not quantitatively contribute to the index score.

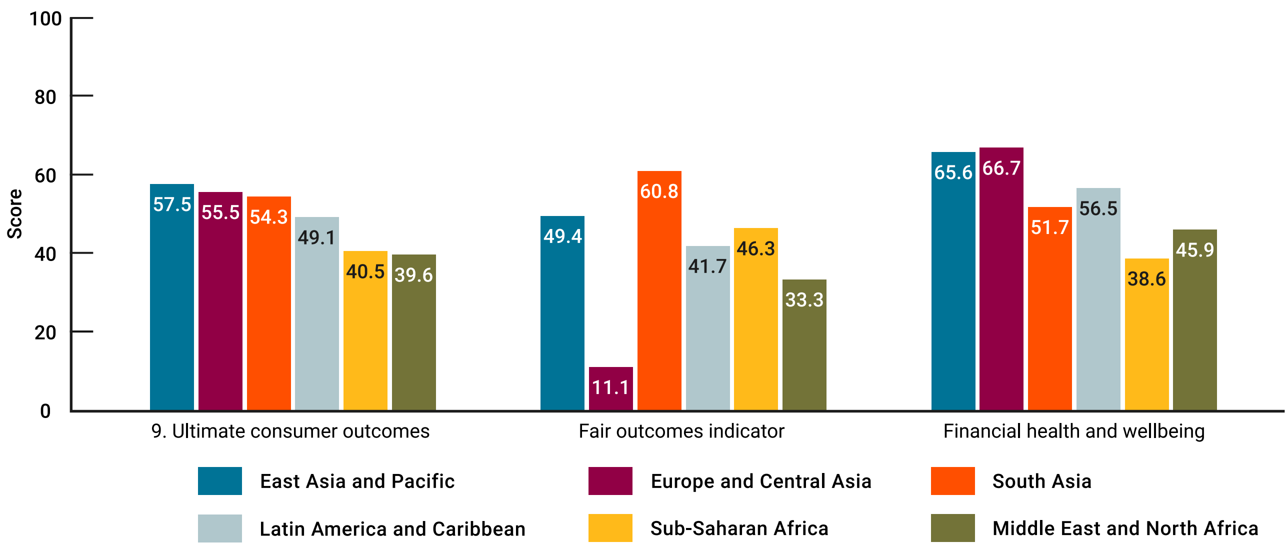
Figure 26: Ultimate user outcomes by country cluster



- Consumers, especially in the emerging cluster, also remain financially vulnerable. Outcomes linked to financial health and wellbeing indicate that many consumers still grapple with concerns about meeting their daily financial needs and saving for long-term financial goals.
- The utilisation of digital financial services to support climate resilience is in its infancy, with only four consumer bodies reporting awareness of initiatives aimed at reducing vulnerability to climate change.

Evident regional disparities in consumer outcomes. Even though overall consumer outcomes are generally poor across the board, certain regions fare better than others (Figure 27). Two distinct regional groups emerge: (i) East Asia, Europe, Central Asia and South Asia ; and (ii) MENA, Latin America and the Caribbean, and Sub-Saharan Africa. Leading the pack is East Asia and the Pacific, driven by relatively high scores in the financial health and wellbeing indicator. In earlier sections of the report Sub-Saharan Africa stood out with high scores in the development of its financial consumer protection framework and the level of engagement between regulators and consumer bodies. However, despite these advancements, there is a gap in translating these positive efforts into improved outcomes at the consumer level in Sub-Saharan Africa.

Figure 27: Ultimate user outcomes by region



Box 2: Defining customer outcomes

Based on research across multiple country contexts, review of standards and guidance issued by standard setters, and extensive stakeholder engagement, CGAP (2022) defined six customer outcomes as outlined in the diagram below. The first five outcomes transpire throughout the financial services usage journey and collectively contribute to a sixth, cross-cutting outcome of meeting the customer's purpose:

Figure 28: CGAP customer outcomes
Source: CGAP, 2022

CUSTOMER OUTCOMES	SUITABILITY	CHOICE	FAIRNESS AND RESPECT	VOICE	SAFETY AND SECURITY
Customer outcomes statements:	*"I have access to quality services that are affordable and appropriate to my preferences and situation, and receive advice and guidance appropriate to my financial situation."*	*"I can communicate with the FSP through a channel that I can easily access and have my problems quickly resolved with minimal cost to me."*	*"I can make informed choice among a range of products, services, and FSPs based on appropriate and sufficient information and advice that is provided in a transparent, non-costly, and easy-to-understand way."*	*I am treated with respect throughout my interactions with the FSP, even if my situation changes, and I can count on the FSP to pay due regard to my interests."*	*"My money and information are kept safe. The FSP respects my privacy and gives me control over my data."*

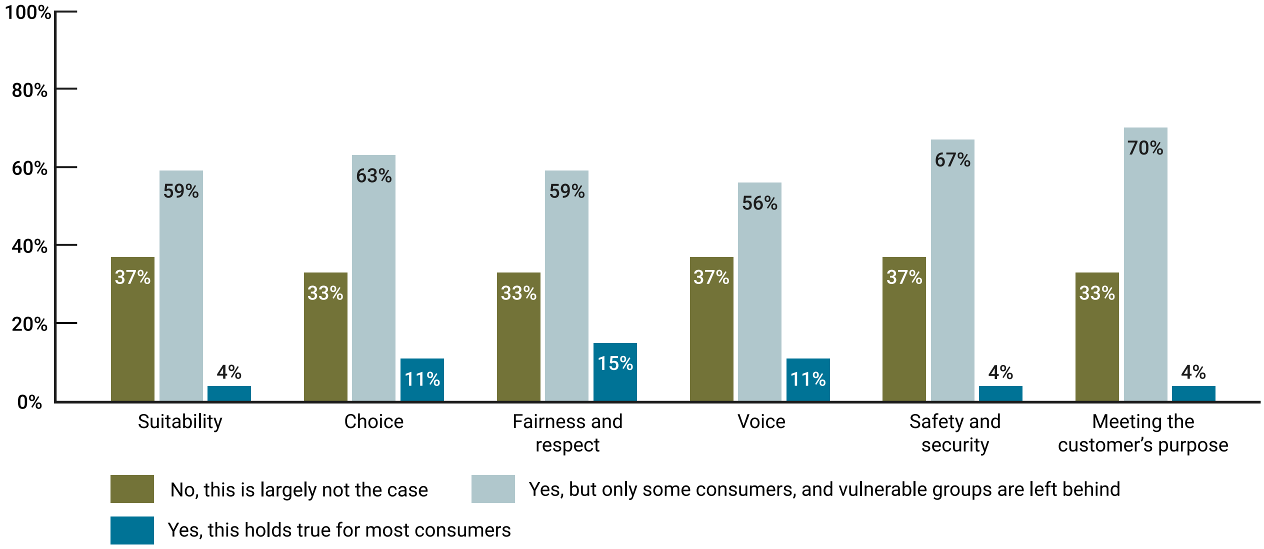
MEETING THE CUSTOMER'S PURPOSE:
"The right choice of services helps me minimise risks and feel more in control of my financial situation. It helps me balance flexibility and discipline in managing my finances even when my circumstances change, and I am in a better position to meet my short-term financial needs and support my longer-term financial goals."

Digging deeper. As with the other pillars, it is useful to dig below the surface to consider the results for each of the core indicators in more detail:

There is a pressing need for consumer protection approaches to evolve to foster regulatory, supervisory and financial service provider actions that prioritise customer outcomes. Fair consumer outcomes refer to the results for consumers in accessing and utilising financial services. These outcomes are directly influenced by financial services providers' products, delivery, conduct, and practices. Focusing on customer outcomes can be considered necessary but not sufficient for putting the customer in a position of increased control over their financial situation, and in a position where they can better manage financial shocks—thereby improving their financial health (CGAP, 2022). The box below outlines customer outcomes from the customer's perspective.

Consumer bodies believe that the outcomes have not been adequately met for consumers. The fair digital finance survey asked member associations for their perceptions of the extent to which consumers in their home country experience the desired outcomes. On average, only 8% of surveyed consumer bodies believe that all the outcomes are met and applicable to most consumers (as depicted in Figure 29). Conversely, and of concern, at least a third of consumer associations believe these consumer outcomes are largely unmet. Most consumer associations believe these outcomes are achieved for some consumers; however, vulnerable groups are left behind.

Figure 29: Consumer body perception of consumer outcomes

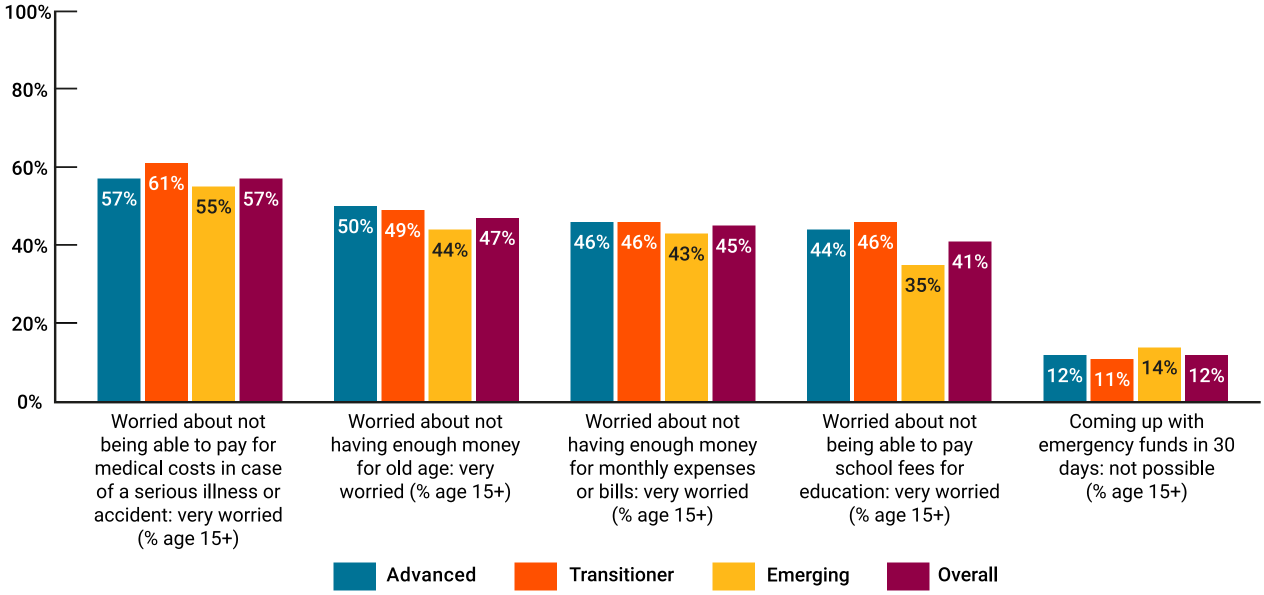


Various factors drive financial health. Various factors, including those from social, economic, and technological environments, can influence a customer's financial well-being. However, if financial services fail to align with the customer's goals, it poses challenges in maintaining financial health (World Bank, 2022). A critical aspect of financial well-being involves individuals' anxiety about their financial situations. A lack of protection against unforeseen events and difficulties in meeting basic family needs can significantly impact one's sense of financial security. Real-life circumstances, especially for those just covering living expenses, play a substantial role in shaping financial stress, highlighting the importance of having a financial buffer. While financial consumer protection plays an important role in shaping financial health outcomes, there are limits to its influence. Financial health goes well beyond financial services and is influenced by several factors such as income levels, external shocks and individual behaviors. Even with strong consumer protection, people may not be financially healthy due to those other factors (Duflos & Izaguirre, 2021).

Consumers continue to experience concern about their financial well-being, even amongst the advanced country cluster. The relatively poor consumer outcomes as captured in Figure 29 implies that digital financial needs amongst consumer remain largely unmet. This then filters through strongly in the financial health and wellbeing of consumers on the ground. Consumers across all country clusters are seriously concerned about their current financial position and the ability to have sufficient funds to meet various obligations. Medical costs are the most common financial worry – overall, the largest share of adults amongst the index countries—57%—say they are very worried about not being able to pay medical bills in case of a serious illness or accident (as captured in Figure 30). This is followed by worries related to not having enough money for old age (47%), not having enough money for monthly expenses and bills (45%) and not being able to pay school fees or fees for education (41%). Moreover, of significant concern is that 12% of index country consumers would be unable to come up with any form of emergency funding within 30 days in the event of an emergency. Overall, these data points indicate that many consumers' financial well-being across all country clusters continues to be precarious, with nearly half of consumers struggling to meet their daily financial needs.

Consumers remain vulnerable to the effects of climate change, and there are limited digital finance initiatives to help build their resilience. Financial inclusion can play a crucial role in enabling communities to adapt to and withstand the impacts of climate change. Without access to essential services such as savings, loans, payments, and insurance, households and businesses face challenges in preparing for, managing, and recovering from the increasingly severe and unpredictable climate-related challenges (CGAP, 2023). Governments can significantly contribute to fostering access to financial services in response to climate-related shocks. For example, the Central Bank of the Philippines reworked the National Retail Payment System to improve digital payment flows between financial institutions and government-to-person and person-to-person transactions, making it easier to transfer financial assistance during a climate emergency (Smith, Scott, Luna, & Lone, 2017). The Consumers International fair digital finance survey included open questions about awareness of digital finance initiatives designed to aid consumers vulnerable to climate change. With only a handful of exceptions, respondents were unaware of any such initiatives.

Figure 30: Consumer financial health and wellbeing
Source: World Bank (2022)



CONCLUSION

A view into the consumer perspective on fair digital finance shows that the work is not yet done. The updated Consumers International fair digital finance survey for 2023 includes consumer body input for all index elements, offering a more nuanced understanding over the 2022 index. When comparing the findings across the two survey years, it is encouraging to see a slight overall increase in the index score for 2023[24]. However, there is little movement in the playing field for financial consumer protection (inclusivity for vulnerable groups, plus how people use and experience their financial services) and in the overall outcomes for consumers. It is these two areas that are the true test of the efficacy of consumer protection for consumers.

Overall: pain points highlight areas for action. The findings on financial health, resilience and fair customer outcomes, along with the findings on lived experience and inclusivity, present a wake-up call to the financial sector and regulators alike: while there may be good achievements on infrastructure and frameworks, the results are not yet consistently translating to positive experiences and outcomes for all consumer groups. This presents a pressing call for an evolved consumer protection approach that emphasises building a responsible digital finance ecosystem, a holistic perspective, customer-centric practices, and increased collaboration among key actors to prioritise customer outcomes and enhance overall financial well-being:

- **For regulators**, this means proactively consulting consumer bodies when developing financial consumer protection policy and regulation, revisiting the accessibility and appropriateness of consumer recourse channels, and working with all stakeholders to build financial and digital literacy. It also means a re-orientation of regulation away from rules focused on market conduct as input, towards consumer outcomes. Such a change in orientation requires a new approach to supervisory monitoring, away from tracking which boxes financial service providers tick, to understanding outcomes as they transpire for consumers on the ground. The Consumers International fair digital finance survey results as presented in this report provide a cross-country view. At the individual country level, the insights now need to be supplemented by a more rigorous approach by supervisors to measure customer outcomes. As a starting point, more effort can be made to monitor and publish complaints statistics[25]. Ultimately, however, a reorientation is needed towards customer outcomes measurement, drawing on existing data, gathering new customer data, and examining performance and financial metrics through a customer lens[26].

- **For financial service providers**, the journey to better customer outcomes starts with imbibing a culture of fair customer treatment, and entrenching language on customer outcomes, rather than market conduct outputs. It also requires them to revisit complaints processes and to see customer complaints as a key source of intelligence on areas for improvement, rather than something to be refuted as far as possible. In addition to what they are required to report to the regulator, financial service providers can also use their own data to track and measure how good customer outcomes contribute to better business performance and risk management while assessing against customer-centricity goals[27] (CGAP, 2022).

24 This is an indicative finding, as a like for like comparison is not possible given the changes in the survey and sample.

25 While 88% of supervisors collect aggregated consumer complaints data from providers, only 44% publish this information to the public at large. The availability of complaints-related information, whether in granular form or in an aggregated manner, is a key source of information that consumer bodies should have access to in order to understand trends in consumer-related grievances. This information should ultimately inform and influence the approach with which they engage the regulator and support consumers based on the needs of consumers within their market. Strengthening transparency in reporting such statistics can contribute to a more informed and empowered consumer advocacy landscape.

24 CGAP has published a market monitoring toolkit that provides guidance in this regard. For more, see https://www.cgap.org/topics/collections/market-monitoring-tools.

25 CGAP selected South Africa to pilot an outcomes indicator framework. The Financial Sector Conduct Authority (FSCA) (South Africa's market conduct authority) and five selected financial service providers tested customer outcomes leveraging 156 indicators, including 77 qualitative and 79 quantitative indicators. Feedback from the exercise indicated that indicators on customer outcomes can be collated from financial service providers' existing data but it requires adoption of processes and buy-in from the organisation at all levels.

- **For consumer bodies**, the findings show the importance of continuing to advocate for regulatory and market change that take the consumer perspective into account. Consumer associations are key players in the ecosystem that can drive and support regulators and financial service providers in realising the benefits of shifting toward such an outcomes-orientated approach. The adoption of such an approach is unlikely to take place overnight; however, consumer associations have a key role to play in shifting the mindset of regulators and financial service providers over time. The findings also show the importance for consumer bodies to be close to consumer realities, have their finger on the pulse of key digital finance risks and trends, and to collaborate with other stakeholders to help build consumer digital financial capability and resilience. Finally, the findings highlight a gap in engagement on matters related to climate resilience and sustainable finance.

The Fair Digital Finance Accelerator has taken up the task. The call to action presented by these findings aligns with the Fair Digital Finance Accelerator's vision for fair digital finance. The Accelerator continues to engage members on these topics and has successfully rolled out a tailored digital finance, consumer protection and empowerment training course. So far, over 100,000 consumers have been reached through awareness and education schemes and 90 consumer advocates have been trained. As a result, several members have been able to influence policy and complaints mechanisms, and several more have initiated interactions with regulators. The Fair Digital Finance Accelerator itself has become a respected voice in the regulatory and digital finance realm, globally.

The role of the Fair Digital Finance Accelerator. The accelerator holds a distinctive position in spearheading the necessary change. Its primary global objective is to establish a network of consumer associations and integrate consumers into the worldwide conversation on financial consumer protection. On a national scale, it empowers consumer associations by providing them with expertise in digital financial services and risk awareness. This assistance enables them to establish connections with market players and regulators, facilitating a grassroots approach to driving the change agenda.

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APPENDIX A: Comparison between the 2022 and 2023 fair digital finance indices

Table 2: Data sources and number of variables included in the FCP index by index element

Element	Sources	Number of variables (2023)	Number of variables (2022)
1. Risks	Consumers International Fair Digital Finance Survey	11	14
2. Consumer Capability	Consumers International Fair Digital Finance Survey	7	1
	Findex	1	1
	World Bank FICP	0	4
3. Status of financial consumer protection framework	Consumers International Fair Digital Finance Survey	1	6
	World Bank FICP	8	5
	GSMA Connectivity Index	1	1
4. Level of customer centricity	Consumers International Fair Digital Finance Survey	2	0
	World Bank FICP	4	4
5. Extent of Engagement	Consumers International Fair Digital Finance Survey	10	6
6. Status of digital financial services infrastructure	Consumers International Fair Digital Finance Survey	2	1
	GSMA ConnectivityGSMA Connectivity Index	12	12
	IMF Financial Access Surveys	0	4
7. Digital financial services Inclusivity	Consumers International Fair Digital Finance Survey	6	3
	Findex	0	3
8. Lived experience with digital financial services	Consumers International Fair Digital Finance Survey	8	3
	GSMA ConnectivityGSMA Connectivity Index	1	1
	Findex	9	9
9. Extent of positive outcomes	Consumers International Fair Digital Finance Survey	6	1
	Findex	5	5
Total	**Consumers International Fair Digital Finance Survey**	**53 (55%)**	**35 (42%)**
	Findex	**15 (15%)**	**18 (21%)**
	GSMA Connectivity Index	**14 (t14%)**	**14 (17%)**
	World Bank FICP	**15 (15%)**	**13 (16%)**
	IMF Financial Access Surveys	**0 (0%)**	**4 (5%)**

Table 3 below compares the questions asked in the 2023 Consumers International fair digital finance survey to those asked in 2022. Overall, the survey has been updated to speak to all pillars in the framework and has also been framed to include the consumer organisations' perception and understanding of these elements. Note, the table below uses the abbreviation FSP to denote "financial service provider" and DFS to denote "digital financial services".

Table 3: Comparison between Fair Digital Finance Accelerator survey questions in 2022 and 2023
Source: Fair Digital Finance Accelerator baseline survey

<table>
<tr><th></th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="11">Element 1
Status of Digital Financial Services Risks</td><td>Extent of fraud-related risks for consumers of DFS</td><td>Main challenges faced by consumers of digital financial services: Safety</td></tr>
<tr><td>Types of fraud risk which are front of mind for consumers</td><td>Main challenges faced by financial service providers to advance consumer-centred products: Fraud/theft and scams</td></tr>
<tr><td>Consumer confidence in the ability of DFS providers to safeguard customers' personal data and not misuse data</td><td>Main challenges faced by financial service providers to advance consumer-centred products: Perception of lack of transparency due to aggressive but unregulated marketing</td></tr>
<tr><td>Extent of the lack of transparency by DFS providers on their terms, conditions and data handling processes pose a risk to consumers</td><td>Main challenges faced by consumers of digital financial services: data protection and privacy</td></tr>
<tr><td>Challenges surrounding inadequate recourse mechanisms when customers engage with financial services</td><td>Main challenges faced by regulators to advance consumer-centred regulation: Risk of sensitive data capture by providers, and associated ethics</td></tr>
<tr><td>Main risks for consumers when dealing with DFS providers</td><td rowspan="6">Main challenges faced by consumers of digital financial services: Data breaches</td></tr>
<tr><td>Level of consumer confidence in the practices and integrity of agents representing DFS providers</td></tr>
<tr><td>Types of agent issues which are of high concern for consumers</td></tr>
<tr><td>Prevalence of over-indebtedness among DFS consumers</td></tr>
<tr><td>Factors which contribute the most to over-indebtedness among DFS users</td></tr>
<tr><td>Frequency with which consumers experience network downtime while using DFS</td></tr>
<tr><td rowspan="6">Element 2
Consumer Capability</td><td>Extent to which limited digital and financial literacy have been a challenge for consumers</td><td rowspan="6">Main challenges faced by consumers of digital financial services: Education</td></tr>
<tr><td>Extent of urban/rural divide affecting capability to use DFS</td></tr>
<tr><td>Significance of gender gap affecting ability to use DFS</td></tr>
<tr><td>Presence of government mandate to provide financial education to consumers</td></tr>
<tr><td>Existence of financial education initiatives by FSPs or civil society organisations</td></tr>
<tr><td>Extent of digital and financial literacy campaigns to support consumers by consumer protection agencies</td></tr>
</table>

	2023	2022
Element 3 Status of Financial Consumer Protection Framework	Satisfaction with the regulatory framework for DFS, from a consumer perspective	Presence of established complaint mechanisms with digital financial services regulators and providers
		Perceived consumer protection strength of the regulatory framework for digital financial services
		Main challenges faced by financial service providers to advance consumer-centred products: Regulatory framework not tailored to the digital financial sector
		Main challenges faced by financial service providers to advance consumer-centred products: digital financial services being regulated by telecommunications and the traditional financial sector regulators
		Main challenges faced by consumers of digital financial services: Poor regulatory framework
		Main challenges faced by financial service providers to advance consumer-centred products: Poor law enforcement
Element 4 Customer Centricity	Inclusion of explicit principles for fair treatment of customers in the financial sector regulatory framework	
	Applicability or scope of the principles	
Element 5 Extent of Engagement	Main challenges faced by financial service providers to advance consumer-centred products: Lack of direct input from consumer perspective when designing products and services for consumers)	Main challenges faced by financial service providers to advance consumer-centred products: Lack of direct input from consumer perspective when designing products and services for consumers
	Frequency of engagement with the Central Bank	Engagement with digital financial services stakeholders
	Frequency of engagement with other financial regulators	Number of consumer-centred policy formulation / review mechanisms with the regulator participated in
	Ability to raise consumer grievances with regulators	Number of interactions with providers to discuss digital financial services issues
	Degree of regulator consultation when formulating new policies	No. of digital financial services stakeholders that demonstrated support to consumer protection and empowerment?
	Frequency of engagement with FSPs	Organisation of policy roundtables or bilateral meetings on digital financial services issues with regulators and/or providers
	Ability to raise consumer grievances with FSPs	Main challenges faced by consumers of digital financial services: Representation - lack of involvement of consumer association in policy development
	Rating of understanding of technical and policy issues relating to DFS	Rating of understanding of technical and policy issues relating to digital financial services
	Extent of capacity building programs focused on DFS	Reason for not engaging in policy campaigning in the digital financial services regulatory space: lack of knowledge
	Frequency of engagement with DFS providers to stay updated on industry trends	
Element 6 Status of Digital Financial Services Enabling Infrastructure	Perceived availability of DFS infrastructure for CICO	Main challenges faced by consumers of digital financial services: Availability of digital financial services
	Availability of digital payment methods	Main challenges faced by consumers of digital financial services: Access to digital financial services

	2023	2022
Element 7 Digital Financial Services Inclusivity	Perception of the prevalence of gaps in access to and usage of DFS for disadvantaged consumers	Perception of the prevalence of a gap in access to and usage of digital financial services for disadvantaged consumers
	Main challenges faced by consumers of DFS: Inclusivity and protection of disadvantaged consumers	Perception of the prevalence of the gender gap in access to and usage of digital financial services
	Perception of the impact of the urban/rural divide on access to and usage of DFS	Perception of the impact of the urban/rural divide on access to and usage of digital financial services
	FSP and public sector initiatives to improve DFS inclusivity	Main challenges faced by consumers of digital financial services: Inclusivity and protection of disadvantaged consumers
	Quality of DFS usage for vulnerable groups	
	Government lead initiatives aimed at improving climate resilience for vulnerable groups	
	Perception of the prevalence of gaps in access to and usage of DFS for disadvantaged consumers	
	Main challenges faced by consumers of DFS: Inclusivity and protection of disadvantaged consumers	
	Perception of the impact of the urban/rural divide on access to and usage of DFS	
	FSP and public sector initiatives to improve DFS inclusivity	
	Quality of DFS usage for vulnerable groups	
	Government lead initiatives aimed at improving climate resilience for vulnerable groups	
Element 8 Lived Experience with Digital Financial Services	Perceived uptake of DFS	What are the main challenges faced by consumers of digital financial services in your country?
	Perceived level of trust among DFS consumers	Main challenges faced by consumers of digital financial services: Availability of effective consumer dispute resolution and redress
	Factors contributing to a lack of trust	Main challenges faced by financial service providers to advance consumer-centred products: Lack of or ineffective recourse and compensation mechanisms
	Efforts by DFS providers to increase levels of trust with consumers	Main challenges faced by financial service providers to advance consumer-centred products: inadequate mechanisms for consumer feedback
	Consumer awareness of available recourse mechanisms	
	Consumer accessibility of recourse mechanisms	
	Fairness of the decision-making process within the recourse mechanisms	
	Efficiency of the recourse mechanisms in resolving consumer complaints	

<table>
<tr><th></th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="7">Element 9
Ultimate User Outcomes</td><td>Familiarity with the concept of Treating Customers Fairly (TCF)</td><td rowspan="7">Main challenges faced by consumers of digital financial services: Sustainability - promotion of sustainable consumption patterns, i.e., environmental, social and governance practices in banking</td></tr>
<tr><td>Perception of TCF application by FSPs</td></tr>
<tr><td>Perception of TCF outcomes: suitability, choice, fairness and respect, voice, safety and security, meeting the customers purpose</td></tr>
<tr><td>Familiarity with the concept of Treating Customers Fairly (TCF)</td></tr>
<tr><td>Consumer access to emergency savings</td></tr>
<tr><td>Consumer ability to save for their long-term financial goals</td></tr>
<tr><td>Consumer climate resilience</td></tr>
</table>

The table below provides an overview of the country sample for 2023 and its representivity in 2022 versus 2023:

Table 4: Country sample overview
Source: Fair Digital Finance Accelerator baseline survey, plus World Bank, n.d for the regional classification and total

Region	Fair Digital Finance Accelerator countries	Low- and middle-income countries	% representation (2023)	% representation (2022)
East Asia and Pacific	4	23	17,4%	21,7%
Europe and Central Asia	2	20	10%	5,0%
Latin America and Caribbean	4	25	16%	20,0%
Middle East and North Africa	2	13	15,4%	23,1%
South Asia	4	8	40%	25,0%
Sub-Saharan Africa	9	47	19,2%	25,5%
Total	**25**	**136**	**18,4%**	**19,8% (29)**

APPENDIX B: Index methodology and sample structure

The methodology followed for compiling the Fair Digital Finance Index follows established best-practice index calculation methodologies. The indices scoped for best-practice methodologies include the GSMA's regulatory and connectivity indices, the financial consumer protection Outcome Index for Kenya published by FSDK, as well as the Consumer International Consumer Protection and Empowerment Index, which drew on the OECD's Handbook for the Construction of Composite Indicators.

Note on data availability. Some of the variables are only updated every few years (or sometimes longer) – particularly if the variable is not expected to significantly vary year to year and if collecting the data is particularly complex. This applies to all variables used from Findex, which is current for 2022, but will not be renewed in the next three years, and the World Bank Financial Inclusion and Consumer Protection survey. For the latter, a new survey was released during 2023, and therefore the financial consumer protection framework should be reflective of the current state of financial consumer protection frameworks in the index.

Methodology for dealing with missing data. To ensure that the included variables are as complete as possible, the index leverages proxy data where available. For variables drawn from time-series-related data sources, where data may be missing for a country in its most recent addition, the most recent data available is used as a proxy. This was primarily done for variables drawn from Findex, where several low- and middle-income countries were excluded from the 2022 edition[26]. If data for a given country is missing at the variable level, the indicator is calculated without this value – such that the weight for this variable is equal to zero[27]. However, if a given indicator could not be calculated due to missing data for all variables that make up that indicator, the score would be imputed and replaced by the minimum value for that indicator.

Variable exclusion cut-off. To ensure the integrity of the index after accounting for missing data through proxies or weighting, a threshold was applied whereby each variable included in the index has data on at least two-thirds of countries overall. Given that the index is comprised of 95 individual indicators, that those countries with missing values above the threshold of 32 would be excluded from the index. This ensures that a significant proportion of data for each variable is based on actual data and that the indicator largely comprises data and not missing values. The result is that not all countries which filled out the relevant survey were included in the final calculated index. As captured in Table 5 only Yemen was dropped due to the presence of missing indicators on 43 occasions.

26 2017 Findex data was used for Mexico and 2014 data for Sudan.

27 The caveat of this approach is that, where indicators make use of a limited number of variables and one or more variable is missing, the score(s) drawn on may not be a true reflection of the overall indicator, but rather just of one variable.

Table 5: Number of missing values per country
Source: Consumers International Fair Digital Finance survey

Country	Missing values	Status
Bangladesh	19	Included
Costa Rica	4	Included
Ecuador	0	Included
Fiji	30	Included
India	0	Included
Indonesia	0	Included
Ivory Coast	14	Included
Kenya	1	Included
Lebanon	1	Included
Malaysia	7	Included
Mali	30	Included
Mexico	9	Included
Myanmar	14	Included
Nepal	15	Included
Niger	31	Included
Nigeria	0	Included
Pakistan	2	Included
Russia	5	Included
Rwanda	8	Included
Saint Lucia	26	Included
Sudan	11	Included
Tajikistan	31	Included
Tanzania	1	Included
Uganda	17	Included
Yemen	43	Dropped
Zimbabwe	15	Included

Element, pillar and indicator weighting. To aggregate indicators into element scores (and element scores to pillar scores and pillar scores to an overall index score), it is necessary to assign a weight to each component of the index. In constructing the weights at the element, pillar and overall index level, these are calculated in a uniform manner. At the indicator level, in circumstances where a single indicator combines data sources that are completely comprised of variables based on perception (from the accelerator baseline survey), half-weights are assigned for each of the relevant indicators in aggregating scores to the element level.

Normalisation. To meaningfully aggregate up different types of data, it is necessary to apply a standard scoring system to all data sources. To adjust for different units of measurement and different ranges of variation across the indicators, the minimum-maximum approach is leveraged, which transforms all indicators so that they lie within a range between 0 and 100 using the following formula:

$$I_{q,c} = \frac{x_{q,c} - min_c(x_q)}{max_c(x_q) - min_c(x_q)}$$

Where 'I' is the normalised min-max value, 'x' represents the actual value and the subscripts 'q' and 'c' represent the variable and country respectively.

The minimum-maximum approach is selected over alternative approaches such as rankings and categorical scales, since it maintains interval-level information. For example, in the case of ranking usage of financial accounts, Country A might have a 75% usage rate, Country B might have a 70% usage rate, and Country C might have a 60% usage rate. These countries would therefore be ranked in order as 1, 2 and 3 respectively (or they may all be categorised as having the highest score on an ordinal scale). However, this ranking does not consider the differences between countries – specifically the fact that B is much closer to A than it is to C.

Where the data used takes the form of a categorical measure, these variables are ranked and assigned a numerical value between 0 and 100 based on their relative ranking. For example, in the accelerator baseline survey, where consumer bodies are asked to rank the severity of a given issue as to whether it is "a challenge", "somewhat of a challenge" or "not a challenge", depending on the choice of the respondent, these would be assigned scores of 0, 50 and 100 respectively. This is exclusively the case for variables drawn from the accelerator baseline survey. For variables that are already normalised prior to aggregation, no additional transformation is applied. For example, access to financial accounts (% of adults) is already normalised, with the minimum possible value being 0% and the maximum value being 100%.

Aggregation. Once weights have been assigned to the indicators, elements and pillars, they need to be aggregated to produce the relevant overall scores. This aggregation is conducted via the arithmetic mean drawing on the weighting approach outlined above.

Converting scores to measure positive outcomes. To ensure all scores can be consistently interpreted, all variables are converted to positive values before they are normalised and aggregated. This means that, where variables measure a negative event, such as in the case of a gender gap or the prevalence of a risk, they are inverted to instead measure the absence of the negative event. Where a positive event is measured, scores are left as they are. Doing so ensures that, across all variables, higher scores are better.

Country clusters. The report presents the results for sets of country clusters rather at an individual country score level. This allows for meaningful peer comparison without pronouncing judgement on any particular country, given the need to interpret the findings of the index in the country context. For the purpose of the index, three clusters were defined based on the normalised overall score:

Advanced – normalised score of 66.67 and above. Advanced countries perform well on several pillars and elements and are typically characterised by more developed financial consumer protection frameworks and better consumer outcomes.

Transitioners – normalised score from 33.33 to 66.66. Transitioner countries are marked by intermediate performance on the various pillars and elements but still require improvement in areas such as user outcomes and protection needs.

Emerging – normalised score of 33.32 and below. Emerging countries have significant room for improvement across the board.

As per the methodology outlined above, a breakdown of the normalised overall score per country is provided in Table 6 below, along with the country cluster in which they are categorized in Table 7.

Table 6: Breakdown of countries by country cluster
Source: Consumers International Fair Digital Finance survey

Country	Rank	Overall score	Overall score (normalised)	Country cluster
Malaysia	1	63,7	100,0	Advanced (66,66 – 100)
India	2	62,1	94,2	
Uganda	3	59,6	85,3	
Saint Lucia	4	54,9	68,6	
Ecuador	5	54,9	68,3	
Indonesia	6	53,5	63,4	Transitioner (33,33 – 66,65)
Nigeria	7	53,1	62,1	
Fiji	8	52,0	58,2	
Ivory Coast	9	50,7	53,3	
Kenya	10	50,3	52,0	
Russia	11	46,4	38,2	
Bangladesh	12	45,3	34,0	
Tajikistan	13	44,7	31,9	Emerging (0 – 33,32)
Mali	14	44,6	31,5	
Costa Rica	15	43,9	29,1	
Zimbabwe	16	43,9	29,1	
Tanzania	17	43,9	29,1	
Pakistan	18	43,1	26,3	
Rwanda	19	42,1	22,7	
Nepal	20	41,3	19,9	
Mexico	21	41,3	19,8	
Niger	22	40,9	18,6	
Lebanon	23	38,4	9,4	
Myanmar	24	35,8	0,0	
Sudan	25	35,8	0,0	

Table 7: Overview of countries in each cluster
Source: Consumers International Fair Digital Finance survey

Clusters	East Asia & Pacific	Europe & Central Asia	Latin America & Caribbean	Middle East & North Africa	South Asia	Sub-Saharan Africa	Total
Advanced	Malaysia		Ecuador, St. Lucia		India	Uganda	5
Transitioners	Fiji, Indonesia	Russia			Bangladesh	Kenya, Nigeria, Ivory Coast	7
Emerging	Myanmar	Tajikistan	Costa Rica, Mexico	Sudan, Lebanon	Pakistan, Nepal	Mali, Niger, Rwanda, Zimbabwe, Tanzania	13
Total	**4**	**2**	**4**	**2**	**3**	**9**	**25**

Country clusters are largely consistent. Table 8 below compares the countries in each cluster in the 2022 and 2023 analyses. In the East Asia & Pacific region, Malaysia and Indonesia maintained their positions as advanced and transitioning nations, respectively. Discouragingly, Fiji and Myanmar ranked lower in the 2023 study. Similarly, Russia also ranked lower. In Latin America, Ecuador maintained its position in the advanced cluster, but Mexico and Costa Rica both had lower scores in 2023, with Costa Rica notably moving from the advanced cluster in 2022 to the emerging cluster in 2023. Similarly, in North Africa, Sudan experienced a downgrade in its score. In South Asia, India maintained its rating as an advanced nation, while Bangladesh regressed. Finally, in Sub-Saharan Africa, Kenya and Zimbabwe saw a reduction in their rankings, while countries like Nigeria, Mali, Niger, and Ivory Coast maintained their positions. On a positive note, Uganda moved into the advanced cluster in 2023. Overall, the country cluster comparison reveals a worsening trend in index scores for several countries.

Table 8: Comparison of countries by country cluster in 2023 and 2022:
Source: Consumers International Fair Digital Finance survey

Clusters	Advanced		Transitioners		Emerging		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
East Asia & Pacific	Malaysia	Malaysia, Fiji	Fiji, Indonesia	Indonesia, Myanmar, Philippines	Myanmar		4	5
Europe & Central Asia		Russia	Russia		Tajikistan		2	1
Latin America & Caribbean	Ecuador, St. Lucia	Brazil, Costa Rica, Ecuador,		Mexico, Nicaragua	Costa Rica, Mexico		4	5
Middle East & North Africa		Morocco, Algeria		Sudan, Yemen	Sudan, Lebanon		2	4
South Asia	India	Bangladesh, India	Bangladesh		Pakistan, Nepal		3	2
Sub-Saharan Africa	Uganda	Kenya	Kenya, Nigeria, Ivory Coast	Rwanda, Senegal, Zimbabwe, Nigeria, Côte d'Ivoire, Chad, Cabo Verde	Mali, Niger, Rwanda, Zimbabwe, Tanzania	Mali, Niger, Gambia, Benin	9	12
Total	**5**	**11**	**7**	**14**	**13**	**4**	**25**	**29**

APPENDIX C: Indicator and data variable lists

FINANCIAL CONSUMER PROTECTION NEEDS

ELEMENT 1 – Status of digital financial services risks: This element consists of six indicators shown in Table 9 that represent key digital financial services risks that affect consumers in low- and middle-income countries. The risks captured were adapted from the CGAP's (2022) digital financial services risks typology. All indicators in this element are derived from the Consumers International fair digital finance survey.

Table 9: List of indicators and sources in element 1

Indicators	Variable	Source
1. Fraud	Extent of fraud-related risks for consumers of DFS	FDFA Survey
	Types of fraud risk which are front of mind for consumers	
2. Data misuse	Consumer confidence in the ability of DFS providers to safeguard customers' personal data and not misuse data	
3. Lack of transparency	Extent of the lack of transparency by DFS providers on their terms, conditions and data handling processes poses a risk to consumers	
4. Inadequate redress mechanisms	Challenges surrounding inadequate recourse mechanisms when customers engage with financial services	
5. Institutional and agent-related risks (cross-cutting risk)	Main risks for consumers when dealing with DFS providers	
	Level of consumer confidence in the practices and integrity of agents representing DFS providers	
	Types of agent issues which are of high concern for consumers	
	Prevalence of over-indebtedness among DFS consumers	
	Factors which contribute the most to over-indebtedness among DFS users	
6. Network downtime (cross-cutting risk)	Frequency with which consumers experience network downtime while using DFS	

ELEMENT 2 – digital financial services consumer capability: This element is comprised of two indicators as seen in the table below. The first is digital and financial literacy outcomes and the second is the presence of digital and financial literacy programmes. These indicators were collected from the global Findex survey and the Consumers International fair digital finance survey.

Table 10: List of indicators and sources in element 2

Indicators	Variable	Source
1. Digital and financial literacy outcomes	Extent to which limited digital and financial literacy have been a challenge for consumers	Fair Digital Finance Survey
	Extent of urban/rural divide affecting capability to use DFS	
	Significance of gender gap affecting ability to use DFS	
	Can use account at a bank or financial institution without help if opened	Findex
2. Presence of digital and financial literacy programmes	Presence of government mandate to provide financial education to consumers	Fair Digital Finance Survey
	Existence of financial education initiatives by financial service providers or civil society organisations	
	Extent of digital and financial literacy campaigns to support consumers by consumer protection agencies	

FINANCIAL CONSUMER PROTECTION FRAMEWORK STATUS

ELEMENT 3 – financial consumer protection framework status: This element consists of 8 indicators which investigate the presence and strength of various components that make up a financial consumer protection framework, as captured in Table 11.

Table 11: List of indicators and sources in element 3

Indicators	Variable	Source
1. Financial consumer protection consumer protection law	Financial consumer protection legal framework	World Bank FICP survey
2. Independent recourse mechanism and entrenched complaints systems	Existence of Internal Dispute Resolutions (IDR)	
	Existence of Alternative Dispute Resolutions (ADR)	
3. Disclosure and transparency requirements	Disclosure Requirements by FSP Type	
	Disclosure Requirements by Stage of Customer Relationships	
4. Cybersecurity framework	ITU Global Cybersecurity Index	
5. Data Protection framework	Data Protection Law	
6. Perceived strength of the financial consumer protection framework	Satisfaction with the regulatory framework for DFS, from a consumer perspective	Fair Digital Finance Survey
7. Strength of supervision and enforcement	Supervisory activities	World Bank FICP survey
	Enforcement Powers	
8. Consumer complaints	Aggregated consumer complaints data collection	
	Usage of complaints data	

ELEMENT 4 – financial consumer protection customer centricity: Fair consumer practices enacted is the only indicator under this element as captured in Table 12.

Table 12: List of indicators and sources in element 4

Indicators	Variable	Source
1. Fair consumer practices enacted	Inclusion of explicit principles for fair treatment of customers in the financial sector regulatory framework	Fair Digital Finance Survey
	Applicability or scope of the principles	
	Provisions to restrict excessive borrowings by individuals	World Bank FICP survey
	Provisions to prohibit/restrict unfair practices	
	Provisions to prohibit/restrict terms or practices that limit customer mobility	
	Minimum standards for debt collection practices	

ELEMENT 5 – engagement of consumers, their advocates, financial service providers and regulators in financial consumer protection: This element consists of three indicators, which are specified in Table 13, to gauge the extent to which the financial services market and policy dialogue incorporates consumer representation.

Table 13: List of indicators and sources in element 5

Indicators	Variable	Source
1. Extent and quality of consumer engagement within DFS	Frequency of engagement with the Central Bank	Consumers International Fair Digital Finance Survey
	Frequency of engagement with other financial regulators	
	Ability to raise consumer grievances with regulators	
	Degree of regulator consultation when formulating new policies	
	Frequency of engagement with financial service providers	
	Ability to raise consumer grievances with financial service providers	
2. Consumer body specialised knowledge of the digital financial services marketplace	Rating of understanding of technical and policy issues relating to DFS	
	Extent of capacity building programs focused on DFS	
	Frequency of engagement with DFS providers to stay updated on industry trends	

FAIR DIGITAL FINANCE PLAYING FIELD

The third pillar consists of three elements which each consist of various indicators:

ELEMENT 6 – digital financial services enabling infrastructure: Uptake and usage of digital financial services requires necessary and appropriate infrastructure. The element consists of six indicators which are shown in Table 14 below. The primary data sources are Findex, GSMA Connectivity Index, and the Consumers International fair digital finance survey.

Table 14: List of indicators and sources in element 6

Indicators	Variable	Source
1. Level of Connectivity: network reach	Percentage of population covered by 2G networks	GSMA Connectivity Index
	Percentage of population covered by 3G networks	
	Percentage of population covered by 4G networks	
2. Accessibility of digital payment systems	Perceived availability of DFS infrastructure for CICO	Consumers International Fair Digital Finance Survey
3. Financial service provider footprint	Availability of digital payment methods	
4. Mobile phone penetration	Covers mobile ownership as a % of population	GSMA Connectivity Index
5. Data affordability	Cost of 100MB data (% of monthly GDP per capita)	
	Cost of 500MB data (% of monthly GDP per capita)	
	Cost of 1GB data (% of monthly GDP per capita)	
	Cost of 5GB data (% of monthly GDP per capita)	
	Cost of cheapest internet-enabled device (% of monthly GDP per capita)	
6. Network connectivity: reliability	Average mobile broadband download speeds	
	Average mobile broadband upload speeds	
	Average mobile broadband latencies	

ELEMENT 7 – digital financial service inclusiveness: Inclusion is a key component of Consumers International's vision for fair digital finance. The indicators are captured in Table 15 below, all entirely sourced from the Consumers International fair digital finance survey.

Table 15: List of indicators and sources in element 7

Indicators	Variable	Source
1. Inclusiveness of DFS for vulnerable groups	Perception of the prevalence of gaps in access to and usage of DFS for disadvantaged consumers	Consumers International Fair Digital Finance Survey
	Main challenges faced by consumers of DFS: Inclusivity and protection of disadvantaged consumers	
	Perception of the impact of the urban/rural divide on access to and usage of DFS	
	FSP and public sector initiatives to improve DFS inclusivity	
	Quality of DFS usage for vulnerable groups	
	Government lead initiatives aimed at improving climate resilience for vulnerable groups	

ELEMENT 8 – digital financial services lived experience: Table 16 summarises the key sources and indicators of which this element which consists of.

Table 16: List of indicators and sources in element 8

Indicators	Variable	Source
1. DFS usage	Received wages: into an account (% age 15+)	Findex
	Saved at a financial institution or using a mobile money account (% age 15+)	
	Made or received a digital payment (% age 15+)	
	Made a utility payment: using an account (% age 15+)	
	Perceived uptake of DFS	Consumers International Fair Digital Finance Survey
2. Extent of engagement with digital channels	Mobile social media penetration	GSMA Connectivity Index
	Use a mobile phone or the internet to make payments, buy things, or to send or receive money using a financial institution account (% age 15+)	Findex
	Used a mobile phone or the internet to check an account balance (%)	
	Used a mobile phone or the internet to pay bills (% age 15+)	
3. Reported level of trust in financial service providers	Reason for not using their inactive account: don't trust banks or financial institutions (% age 15+)	
	No account because of a lack of trust in financial institutions (% age 15+)	
	Perceived level of trust among DFS consumers	Consumers International Fair Digital Finance Survey
	Factors contributing to a lack of trust	
	Efforts by DFS providers to increase levels of trust with consumers	
4. Effectiveness of consumer recourse	Consumer awareness of available recourse mechanisms	
	Consumer accessibility of recourse mechanisms	
	Fairness of the decision-making process within the recourse mechanisms	
	Efficiency of the recourse mechanisms in resolving consumer complaints	

FAIR DIGITAL FINANCE USER OUTCOMES

ELEMENT 9 – digital financial services outcomes: This element consists of three indicators as shown in the table below. The indicators seek to assess whether digital financial services are providing value and fairness to consumers and whether these are contributing to sustainability and consumer resilience.

Table 17: List of indicators and sources in element 9

Indicators	Variable	Source
1. Fair consumer outcome indicator	Familiarity with the concept of fair consumer outcomes	Consumers International Fair Digital Finance Survey
	Perception of fair consumer outcomes application by financial service providers	
	Perception of fair consumer outcomes: suitability, choice, fairness and respect, voice, safety and security, meeting the customers purpose	
2. Financial health and wellbeing	Consumer access to emergency savings	
	Consumer ability to save for their long-term financial goals	
	Worried about not being able to pay for medical costs in case of a serious illness or accident: very worried (% age 15+)	Findex
	Worried about not having enough money for monthly expenses or bills: very worried (% age 15+)	
	Worried about not having enough money for old age: very worried (% age 15+)	
	Worried about not being able to pay school fees or fees for education: very worried (% age 15+)	
	Experience or continue to experience severe financial hardship because of the disruption caused by COVID-19: very worried (% age 15+)	
3. DFS supporting sustainability	Consumer climate resilience	Consumers International Fair Digital Finance Survey

APPENDIX D: INDICATOR SCORE BY ELEMENT

ELEMENT 1: Status of Digital Financial Services Risks

Table 18: Element 1 indicator scores

	Fraud	Institutional and agent-related risks (cross-cutting risk)	Data misuse	Lack of transparency	Frequency with which consumers experience network downtime while using DFS
Advanced	52,5	56,7	33,3	75,0	55,0
Transitioner	44,1	52,2	33,3	62,5	37,5
Emerging	56,2	46,1	30,0	43,1	25,0
East Asia and Pacific	29,7	50,0	22,2	25,0	37,5
Europe and Central Asia	62,5	57,5	33,3	100,0	25,0
Latin America and Caribbean	72,7	60,0	33,3	87,5	37,5
Middle East and North Africa	59,4	47,5	16,7	0,0	25,0
South Asia	49,1	45,4	25,0	41,7	43,8
Sub-Saharan Africa	49,0	46,9	46,7	62,5	33,3
Overall	**51,6**	**50,2**	**31,7**	**54,9**	**35,0**

ELEMENT 2: Consumer Capability

Table 19: Element 2 indicator scores

	Digital and financial literacy outcomes	Presence of digital and financial literacy programmes
Advanced	45,2	79,2
Transitioner	36,6	54,2
Emerging	23,3	52,6
East Asia and Pacific	32,4	83,3
Europe and Central Asia	38,5	50,0
Latin America and Caribbean	31,8	58,3
Middle East and North Africa	31,2	50,0
South Asia	24,9	45,8
Sub-Saharan Africa	35,0	64,8
Overall	**32,4**	**61,3**

ELEMENT 3: Status of Financial Consumer Protection Framework

Table 20: Element 3 indicator scores

	Independent recourse mechanism and entrenched complaints systems	Disclosure and transparency requirements	Strength of supervision and enforcement	Consumer complaints	financial consumer protection consumer protection law	Cybersecurity framework	Perceived strength of the financial consumer protection framework	Data Protection framework
Advanced	100,0	63,9	69,6	96,7	88,9	58,2	54,2	66,7
Transitioner	68,3	55,6	64,1	80,0	77,8	69,3	56,3	50,0
Emerging	60,0	66,7	47,8	58,6	71,4	49,1	58,3	42,9
East Asia and Pacific	98,3	55,6	71,9	90,0	88,9	64,6	50,0	66,7
Europe and Central Asia	60,0	58,3	56,7	80,0	66,7	57,6	33,3	0,0
Latin America and Caribbean	65,0	55,6	56,3	66,7	77,8	46,6	54,2	66,7
Middle East and North Africa	50,0	70,8	25,6	60,0	50,0	32,7	33,3	50,0
South Asia	66,7	66,7	73,0	93,3	55,6	72,2	50,0	0,0
Sub-Saharan Africa	70,0	64,6	54,2	57,5	100,0	59,2	79,6	75,0
Overall	**70,6**	**62,0**	**58,0**	**73,8**	**77,1**	**57,9**	**58,7**	**50,0**

ELEMENT 4: Level of Customer Centricity of Financial Consumer Protection

Table 21: Element 4 indicator scores

	Level of customer centricity
Advanced	73,7
Transitioner	50,1
Emerging	56,0
East Asia and Pacific	53,3
Europe and Central Asia	23,3
Latin America and Caribbean	56,4
Middle East and North Africa	43,5
South Asia	61,1
Sub-Saharan Africa	69,5
Overall	**57,7**

ELEMENT 5: Extent of Engagement

Table 22: Element 5 indicator scores

	Extent and quality of consumer engagement within DFS	Consumer body specialised knowledge of the DFS marketplace
Advanced	40,5	42,2
Transitioner	48,8	61,5
Emerging	40,3	35,3
East Asia and Pacific	36,3	44,4
Europe and Central Asia	19,2	55,8
Latin America and Caribbean	18,8	43,6
Middle East and North Africa	39,2	36,7
South Asia	43,7	40,9
Sub-Saharan Africa	62,7	47,3
Overall	**43,0**	**45,1**

ELEMENT 6: Status of Digital Financial Services Enabling Infrastructure

Table 23: Element 6 indicator scores

	Level of Connectivity: network reach	Accessibility of digital payment systems	Financial service provider footprint	Mobile phone penetration	Data affordability	Network connectivity: reliability
Advanced	95,5	62,5	80,0	62,5	58,3	47,2
Transitioner	93,4	66,7	56,3	61,8	55,5	44,1
Emerging	87,7	61,1	50,0	53,0	40,9	40,9
East Asia and Pacific	96,4	55,6	41,7	68,5	56,2	58,0
Europe and Central Asia	92,3	50,0	66,7	71,7	53,5	42,7
Latin America and Caribbean	95,4	75,0	91,7	69,0	61,2	44,8
Middle East and North Africa	87,0	16,7	50,0	56,5	36,3	43,4
South Asia	92,2	70,8	58,3	57,2	62,2	47,4
Sub-Saharan Africa	86,9	70,4	50,0	45,3	36,4	34,2
Overall	**91,1**	**63,2**	**58,0**	**57,7**	**49,0**	**43,2**

ELEMENT 7: Digital Financial Services Inclusivity

Table 24: Element 7 indicator scores

	DFS inclusivity
Advanced	56,5
Transitioner	32,7
Emerging	23,3
East Asia and Pacific	37,5
Europe and Central Asia	39,6
Latin America and Caribbean	32,6
Middle East and North Africa	14,8
South Asia	37,0
Sub-Saharan Africa	31,8
Overall	**32,9**

ELEMENT 8: Lived Experience with Digital Financial Services

Table 25: Element 8 indicator scores

	DFS usage	Extent of engagement with digital channels	Reported level of trust in financial service providers	Effectiveness of consumer recourse
Advanced	45,7	37,1	64,5	61,0
Transitioner	38,6	30,6	56,4	44,8
Emerging	19,8	19,6	51,9	61,3
East Asia and Pacific	43,5	41,7	55,4	70,0
Europe and Central Asia	38,2	36,6	59,2	0,0
Latin America and Caribbean	39,8	42,3	62,5	44,0
Middle East and North Africa	7,3	11,6	45,9	55,0
South Asia	22,8	15,8	68,9	57,5
Sub-Saharan Africa	29,9	18,9	48,3	67,7
Overall	**31,4**	**26,9**	**56,0**	**57,1**

ELEMENT 9: Ultimate User Outcomes

Table 26: Element 9 indicator scores

	TCF outcome indicator	Financial health and wellbeing
Advanced	56,1	64,6
Transitioner	50,2	52,1
Emerging	39,4	43,2
East Asia and Pacific	50,9	65,6
Europe and Central Asia	11,1	66,7
Latin America and Caribbean	42,3	56,5
Middle East and North Africa	34,3	45,9
South Asia	61,4	51,7
Sub-Saharan Africa	46,2	38,6
Overall	**45,0**	**50,6**

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