

# FinEquity - Design in Action: Consumer Protection

Gender-intelligent consumer protection

18 MAY 2023



**CONSUMERS  
INTERNATIONAL**

## Who we are

Consumers International is **the only global** membership organisation for consumer groups. Together, we empower and champion the rights of consumers everywhere.



# Fair Digital Finance Vision

Digital Financial Services can empower consumers, everywhere. To achieve this, digital financial services must be **inclusive**, **safe**, **data protected** and **private**, and **sustainable**



## **Inclusive:**

Everyone, including women and vulnerable consumers, can easily access affordable, reliable digital financial services. Services are designed to meet consumers needs and promote financial wellbeing.



## **Safe:**

Consumers get maximum benefit from digital financial services and are confident that their money is secure. Accessible, simple, timely advice and redress is available when things go wrong.



**Sustainable:** Communities have a home to live for and a financial future to save for. Digital financial services drive climate finance and incorporate environmental impact considerations in all decisions. Sustainability impact is communicated to consumers and net zero aligned financial services are the default option offered.



**Data protected and private:** People's identity and rights are respected. Digital financial services genuinely equip people with real power to control access to, and use of, their data. Safeguards and their enforcement protect people effectively from misuse and exploitation.

# Fair Digital Finance Accelerator: Inclusive, Safe, Data-Protected, Private and Sustainable



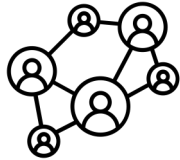
Engaged 600 leaders, 95 Members and reached 1.2 million views in the Fair Digital Finance Summit



Tailored Digital Finance training modules on digital finance and consumer advocacy with gender specific topics



Stakeholder mapping and collaboration; Creation of new and enhanced regulatory and policy engagement opportunities for consumer organisations



Robust network of Over 60 members from over 40 countries; Coordinated consumer advocacy, regionally and internationally



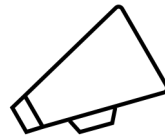
Unique insights on Digital financial services; Sub-grants and Case studies on digital finance issues



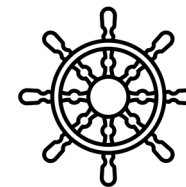
Launched Member Support Hub on key Digital Finance issues and technical capacity provision;



Thought Leadership - Advisory panels of digital finance leaders and champions



Representation of consumer advocacy and consumer issues in global and regional fora; collective consumer voice



Digital collaborative member platforms. Creation of a global network of specialised Digital Financial Services consumer advocates and Digital Financial stakeholders beyond the consumer movement

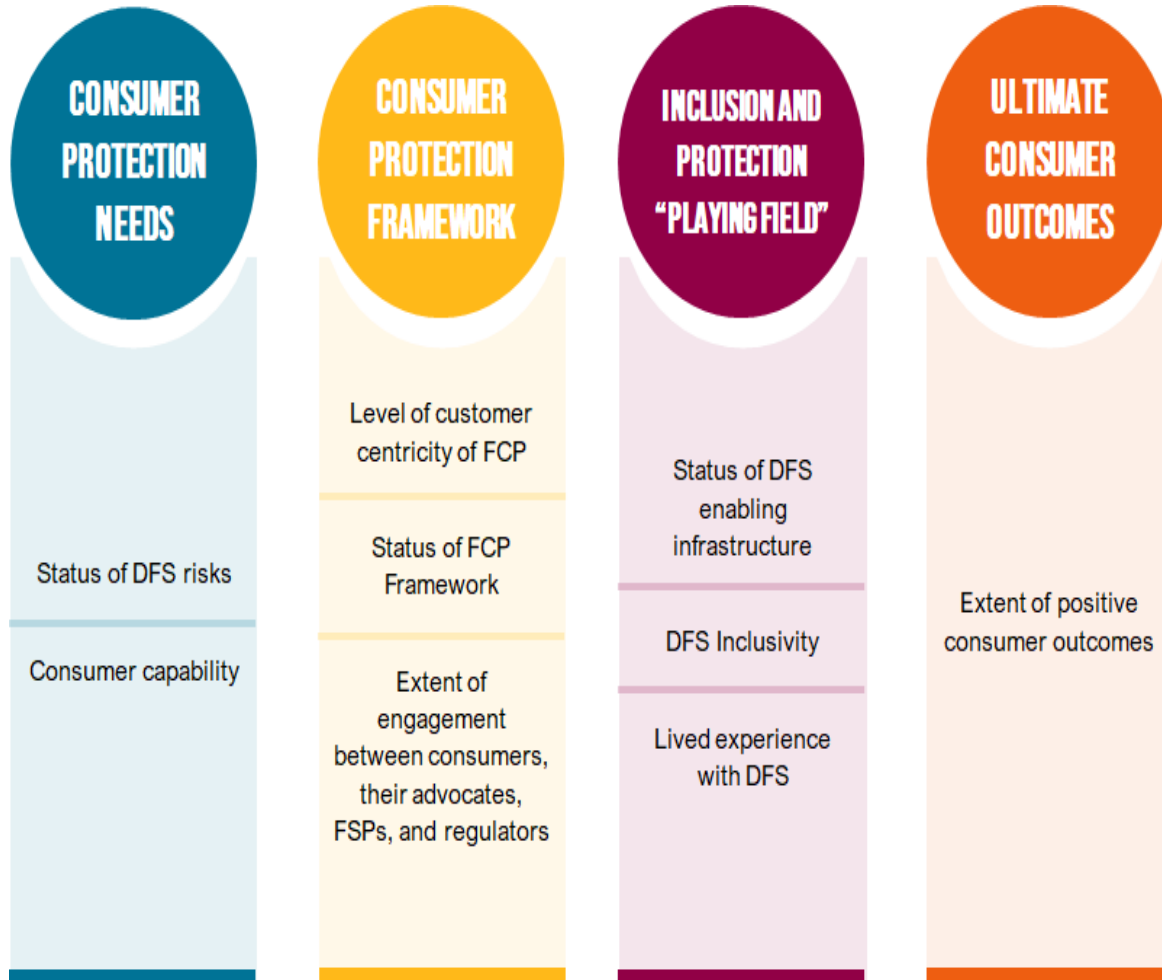


97% of members actively promote the rights of women consumers; 82% of children consumers, 73% of older consumers, and of hard-to-reach communities



Contribution to Global policy reviews of digital finance issues affecting consumers

# MEASURING FAIR FINANCE -the consumer experience 2023 REPORT in digital finance

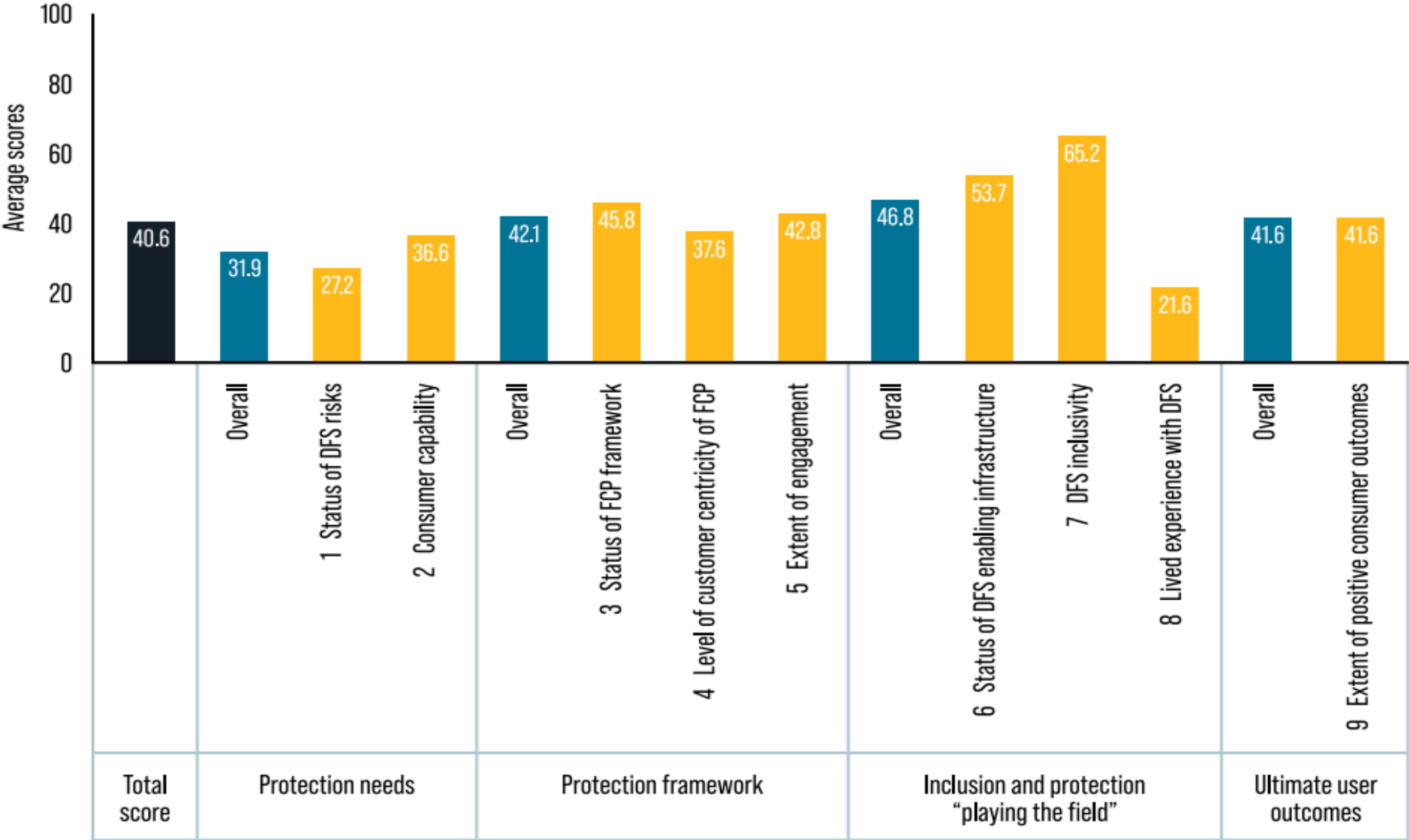


## Framework across four pillars:

- Need for a financial consumer protection framework centred on understanding the risks that consumers face and their ability to protect themselves against risk
- Regulatory frameworks in place, based on consumer-centric principles and how they have sought participation from consumer representatives.
- How is financial service usage playing out for consumers? Do consumers actively use and have positive experiences with digital finance?
- Outcomes in real-terms for consumers. Are digital financial services making a difference to consumers' financial health? What impact are they having on advancing sustainability?

Report link: <https://www.consumersinternational.org/media/451453/digital-finance-the-consumer-experience-2023-final.pdf>

# DIGITAL FINANCE REPORT FINDINGS: OVERVIEW



# Report Findings on Gender, Inclusivity and lived experiences

## Element 7 – digital financial service inclusiveness

- Assessed the degree of accessibility of digital financial services to all population groups.
- Fair digital finance cannot be realised if certain population groups are excluded or unable to share in its benefits.
- There is insufficient country-level data to assess how well products are tailored to the needs of various vulnerable groups (including women, people with disabilities, young consumers, refugees, the elderly and unemployed consumers) and the degree to which usage is impactful, ultimately improving livelihoods.
- There is a further need for disaggregated, country-level data across a large-enough sample of countries on these key marginalised groups – not only related to access and usage of digital financial services, but also the quality of usage.

## Element 8 – digital financial services lived experience

- Consists of six indicators: Extent of digital financial service usage (as opposed to just uptake); Extent of engagement with digital channels; Common user frustrations and perceptions; Reported level of trust in financial service providers; Effectiveness of consumer recourse; Reported statistics on consumer complaints
- Data limitations meant that it is not possible to score the common frustration indicator into the index, but insights from this variable will allow us to provide some context to a given country in terms of consumer protection challenges
- No cross-country data was available on reported statistics on consumer complaints. This is classified as an aspirational indicator.
- Findex allowed us to paint a picture on actual level of engagement with digital financial services versus just ticking the box on having an account, as an indicator of lived experience.
- The Accelerator baseline survey added perception data on trust and user frustrations based on feedback from consumer representatives across 29 LMIC countries

# Report Findings on Ultimate User Outcomes

## Element 9 – Digital Financial Services Outcomes

- This element consists of three indicators, two of which remain aspirational indicators due to absence of cross-country data: Treating Customers Fairly outcome indicator, financial health and wellbeing; and whether digital financial services support sustainability
- 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.
- The Treating Customers Fairly outcome indicator is an aspirational indicator, since there was insufficient cross-country data on Treating Customers Fairly outcomes or close proxies
- Consumer level data on the ability to access and leverage digital financial services solutions for resilience in the face of climate induced shocks (such as proportion of adults covered by disaster risk insurance, countries with macro disaster cover in place, or pervasiveness of “green” retail financial service offerings) is also an aspirational indicator.
- Extent of positive consumer protection outcomes Consumer financial health is well proxied by Findex, but robust measures on climate change resilience were nascent, and no cross-country database in this regard could be found yet
- The results for the outcomes pillar (41.6) hold a disconcerting mirror up to the financial community
- Whilst there have been advances in financial consumer protection frameworks and financial inclusion – these have not yet translated into improved financial health and sustainability outcomes for consumers.
- Concerted effort needed to build consumer-level and system-level resilience to risk.
- The report lays out a call to action for decision-makers at the global and national levels for collective solution design and implementation
- At all levels, actors should initiate action on bringing sustainability to digital financial services.



# Member Reflections and PERSPECTIVES

“Working to demonstrate that the gender perspective permeates consumer relations has always been the main challenge for our organisation and we must continue working, because it is still not reflected in consumer protection legislation”

“Reducing the gaps that prevent equitable participation of women and people of non-binary or diverse identities is still a challenge across various spheres”

“Incorporating gender strictly into vulnerability may be misleading; as once protections are in place, vulnerability may stop, yet gender issues persist”

“Gender violence impacts relationships and femicides and trans femicides have grown...education services are closed to victims.

“Some companies are speaking about gender and seem more aware, yet there’s limited available evidence to show for it”

“There are no surveys on gender policies so we have limited to no access to gender policy information or consumer information specific to gender.”

“No clear guidance and regulations that consider gender in addressing consumer protection.”

“Impact measurement of policies, digital finance solutions and projects is important for evidence based policy and solution change advocacy.”

“Incorporating women into governance positions, both in the public and private sector is critical for system-level and more sustainable outcomes.”

# Gender Interventions by Consumer Associations

- ❖ All projects are implemented in deprived neighbourhoods and with an intentional gender target.
- ❖ Campaigns against gender violence.
- ❖ Publications of books and research, for example book by Argentina consumer association "Consumption and Gender Perspective" that will be used as a fundamental advocacy tool in the projects of the coming years.
- ❖ Joining Advisory Councils of the Gender Cabinet of the Ministry of Economy, where influence of the legislative measures and resolutions are adopted.
- ❖ "We are part of the Committee in the standards bureau of Argentina (ISO representative in the country) that is preparing the standard "Gender Equity Management", a tool that will allow us to influence the entire Argentine productive framework."
- ❖ Advocacy for Equal work environments
- ❖ Contribution to paper accelerating women's financial inclusion with regulators and public decision-makers and will ensure that the policy and regulatory environment accelerates women's access to digital financial services, strengthens financial and digital education and improves consumer protection
- ❖ A gender and vulnerability sub-training component incorporated in the 'advocacy and impact measurement' training modules ...to further build the capacity of Consumer representatives in terms of measuring the impact of their advocacy work on gender and vulnerable consumers
- Grassroots community interventions for financial and digital literacy for women and female youth
- Community mobile clinics for redress and consumer complaints management in digital finance targeting women and women's groups"

Thank you!

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