



CONSUMER EMPOWERMENT
AND MARKET CONDUCT
(CEMC) WORKING GROUP

POLICY RECOMMENDATIONS ON THE EFFECTIVE REDRESS MECHANISMS IN AFI MEMBER COUNTRIES

Guideline Note No. 52
December 2022



EXECUTIVE SUMMARY

Enabling financial inclusion requires a strong consumer protection regime that builds trust in financial services. In that sense, establishing an efficient legal and regulatory framework for consumer protection that impacts the development of the financial sector and financial inclusion must meet specific requirements at several levels.

In a Consumer Empowerment and Market Conduct Working Group survey conducted in 2021 with 19 AFI member institutions, 15 reported having a help and redress function in their jurisdiction, and 14 had a law or a regulation for a help and redress mechanism to be delivered by financial institutions. The survey found that nine AFI member institutions that took part in the survey still need a clear mandate for a help and redress function.

A robust help and redress mechanism enables consumers of financial service providers to be informed of the mechanism and internal and external recourse procedures for handling complaints to ensure disputes are handled fairly and quickly. It requires an enabling policy and regulatory environment, an effective internal and external dispute resolution system, and transparent information for consumers of financial service providers about all the associated costs of financial services, complaint handling procedures, and feedback mechanisms.

This guideline note highlights and outlines challenges and tailored responses from regulators to build a strong and efficient help and redress mechanism aligned with the needs of AFI member institutions and the G20 High-Level Principles on Financial Consumer Protection. Challenges identified by AFI member institutions include weak institutional framework (lack of formalized structure function, lack of regulation, lack of regulator mandate), supply-side challenges (lack of transparency and disclosure, inefficient complaint management procedures, no data collection and analysis), and demand-side issues (lack of awareness and tailored available tools and processes, increased digital risks). In response to these challenges, many institutions have developed enhanced help and redress mechanisms and prioritized periodical measurement of their efficiency and benefits, including i) complaint process awareness, ii) receipt, recording, and screening of complaints,

iii) complaint investigation and resolution, and iv) reporting and monitoring.

The guideline note provides a wide range of best practices from AFI member institutions in the development, implementation and monitoring of help and redress mechanisms. Built on strong practical examples from AFI member countries, the document also proposes policy recommendations and key features of an effective redress mechanism centered around five identified pillars: policy and regulatory environment; internal dispute resolution; alternative dispute resolution; awareness, transparency, and disclosure; and feedback mechanisms and enforcement.

1

POLICY AND
REGULATORY
ENVIRONMENT



2

INTERNAL
DISPUTE
RESOLUTION



3

ALTERNATIVE
DISPUTE
RESOLUTION



4

AWARENESS,
TRANSPARENCY,
AND DISCLOSURES



5

FEEDBACK
MECHANISMS AND
ENFORCEMENT



INTRODUCTION AND BACKGROUND

A robust, effective, and fair consumer protection regime drives consumer confidence in financial services and helps regulators earn the trust and respect of financial services providers (FSPs).¹

One of the ten G20 General Principles on Consumer Protection is the principle of Complaint Handling and Redress. This principle reads that "jurisdictions should ensure that consumers have access to adequate complaint handling and redress mechanisms that are accessible, affordable, independent, fair, accountable, timely, and efficient."² This means that consumers should not be subjected to unjustified costs, delays, or burdens due to the inadequacy of such systems.

In 2020, Consumer Empowerment and Market Conduct Working Group (CEMCWG) conducted a survey³ which showed that 8 AFI member countries from the 13 respondents have laws and regulations that incorporate financial consumer protection. However, financial consumer protection regimes may need to be specifically designed to respond to the unique needs, risks (information asymmetry), and pace of the financial services market. These are exacerbated by the increasing complexity of financial products, services, and the fast-paced technological developments in delivery mechanisms.

An effective help and redress mechanism will assist AFI members and other jurisdictional and regulatory bodies in resolving complaints and grievances in a timely, effective, and efficient manner.⁴

50%

According to a 2021 AFI survey on consumer protection for digital financial services (DFS) with 43 respondents,⁵ 50 percent of regulators were concerned about existing complaints and redress mechanisms.

74%

In a follow-up survey conducted for this publication, 74 percent of respondent member institutions reported having a help and redress function, and 50 percent reported having a law or regulation for help and redress mechanisms to be delivered by financial institutions.

While breaches in consumer protection laws can be addressed through the courts, the process is often slow and expensive for financial consumers. In that sense, an effective alternative dispute resolution scheme is a crucial aspect of consumer empowerment and market conduct regulation. It ensures consumers confidently enter the market, knowing they are protected should anything go wrong.

OBJECTIVE AND SCOPE

This guideline note was created by CEMCWG members from the Help and Redress Subgroup to assist AFI member institutions in developing or enhancing existing effective help and redress policy measures. It expands upon AFI's 2013 Guideline Note on Help and Redress for Financial Consumers taking into consideration the changes in the help and redress landscape over the past ten years. Specifically, the present guideline note aims to:

- > highlight current challenges related to help and redress mechanisms and policy issues that must be considered at the preparation and implementation phases
- > present experiences and best practices from AFI member countries regarding help and redress mechanisms, including measurement and criteria to be considered by countries intending to develop effective redress mechanisms
- > provide policy recommendations along the five main pillars for effective help and redress mechanisms.

This guideline note is intended for policymakers, regulators, local and international organizations, FSPs, and other stakeholders involved in advancing effective help and redress mechanisms. It builds on existing knowledge products from the AFI network⁶ and provides further examples, case studies, and recommendations highlighting critical directions to improve help and redress practices across the AFI member countries.

1 AFI. 2013. Guideline Note No. 9: Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.
2 OECD. 2011. G20 General Principles on Consumer Protection.
3 AFI. 2020. Experiences in the Implementation of the Principle of Disclosure and Transparency in AFI Member Countries.
4 AFI. 2013. Guideline Note No. 9: Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.
5 AFI. 2021. Consumer Protection for Digital Financial Services: A Survey of the Policy Landscape.
6 Reference publications: AFI. 2022. [Complaint Handling in Central Bank Toolkit](#). AFI. 2020. [Experiences in the Implementation of the Principle of Disclosure and Transparency in AFI Member Countries](#). AFI. 2020. [Complaint Handling in Central Bank Framework](#). AFI. 2017. [Survey Report 2017: Alternative Dispute Resolution](#). AFI. 2013. [Guideline Note No. 9: Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers](#). AFI. 2013. [Guideline Note 6: Consumer Empowerment and Market Conduct - Transparency and Disclosure](#). World Bank. 2017. [Good Practices for Financial Consumer Protection](#). OECD. 2011. [G20 High-Level Principles on Financial Consumer Protection](#).

HELP AND REDRESS LANDSCAPE

A reliable and robust help and redress mechanism is essential for an effective consumer protection framework. Its development primarily involves establishing internal and external complaint handling methods that ensure disputes between consumers and FSPs are addressed fairly and expeditiously.⁷ Figure 1 shows the three main stages of dispute resolution.

- > **Internal dispute resolution (IDR)** is a process that allows consumers to complain directly to FSPs before escalating to an external organization or authority.
- > **Alternative dispute resolution (ADR)** or external dispute resolution (EDR) refers to using arbitration or mediation to resolve an issue without going to court.⁸
- > **General dispute resolution (GDR)** is a process pursued in courts of general consumer protection authority to address breaches in consumer protection law.

The establishment of help and redress mechanisms in financial systems should be a driving force in exploring and developing policies for consumer protection, financial inclusion, and financial education. Each institutional setup for national financial consumer

protection requires a distinct complaint handling methodology. Although the present guideline note provides important direction and guidance for effective redress mechanisms, it is important to thoroughly discuss institutional arrangements in a country by outlining the key benefits and challenges of each approach. Existing approaches can be grouped into four main categories:⁹

1. Single (integrated) agency model
2. Multiple sectorial (integrated) agency model
3. Multiple sectorial agency model
4. Dedicated financial consumer protection authority model.

Annex 1 provides a visual representation of these four models. A detailed approach aligned with complaint handling processes in central banks is available in AFI's 2020 Complaint Handling in Central Bank Toolkit.

7 AFI. 2013. Guideline Note No. 9 Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.

8 In this document, the terms “alternate dispute resolution” and “external dispute resolution” are used interchangeably.

9 AFI. 2022. Complaint Handling in Central Bank Toolkit.

FIGURE 1: THREE MAIN STAGES OF DISPUTE RESOLUTION



Source: AFI. 2022. Complaint Handling in Central Bank Toolkit.

Note: External Dispute Resolution (EDR) and Alternate Dispute Resolution (ADR) terms can be used interchangeably.

AFI REFERENCE PUBLICATIONS



Complaint Handling in Central Bank Toolkit: Institutional complaint handling arrangements and central bank’s mediator role.

> [View here](#)



Guideline Note 21: Market Conduct Supervision of Financial Services Providers - A Risk-Based Supervision Framework: Dispute resolution mitigates risk for an FSP.

> [View here](#)



CP4DFS Policy Model: Special focus on DFS-related mechanisms to ensure complaints and redress resolution.

> [View here](#)

TABLE 1: HELP AND REDRESS FUNCTION IN SURVEYED AFI MEMBER JURISDICTIONS

COUNTRY	Does your country have a help and redress function?	Is there a law or regulation for help and redress mechanisms by financial institutions?	Does your institution have a clear mandate to administer help and redress function?
ARMENIA	Yes	Yes	No
CAMBODIA	N/A	Yes	No
COSTA RICA	No	No	No
EGYPT	Yes	Yes	Yes
EL SALVADOR	Yes	Yes	No
FIJI	Yes	No	No
HONDURAS	Yes	Yes	Yes
LESOTHO	Yes	No	Yes
MADAGASCAR	Yes	Yes	No
MALAYSIA	Yes	Yes	Yes
MALDIVES	No	No	No
MAURITANIA	Yes	Yes	Yes
MEXICO	Yes	Yes	No
NEPAL	Yes	Yes	Yes
NIGERIA	Yes	Yes	Yes
PAPUA NEW GUINEA	No	No	No
RWANDA	Yes	Yes	Yes
ZAMBIA	Yes	Yes	Yes
ZIMBABWE	Yes	Yes	Yes

Source: The 2021 CEMCWG survey.

The forms and arrangements involving help and redress mechanisms depend on the national legal and regulatory landscape, the size and maturity of the financial sector, the products and services, the stakeholders, and other unique characteristics of a particular country or institution.¹⁰ In the 2021 CEMCWG survey of 19 AFI member institutions, 15 reported having a help and redress function in their jurisdiction, and 14 had a law or regulation for help and redress mechanisms to be delivered by financial institutions (Table 1). The survey also found that nine AFI member institutions still need a clear mandate to administer help and redress function.

To complement the 2021 CEMCWG survey results, CEMCWG members participated to online interviews with the subgroup leads. The country example boxes presented in the guideline note are built from these member interviews, such as Nigeria and Mauritania examples on legal frameworks.

COUNTRY EXAMPLE - NIGERIA



The Central Bank of Nigeria developed a consumer protection framework, including clear help and redress mechanisms, in 2016, using the G20 High-Level Principles as a guide. Next, the Central Bank of Nigeria consulted industry stakeholders for their input and recommendations before finalizing the framework and making it available to the public. The process of sensitizing the public (via advocacy groups, etc.) is ongoing and continual.

COUNTRY EXAMPLE - MAURITANIA



Pursuant to the 2018 regulation of credit institutions, the Banque Centrale de Mauritanie has a legal framework to implement a redress mechanism. It is mainly focused on complaints regarding interest rates. The Banque Centrale de Mauritanie is also working to integrate other financial services, particularly mobile payments, which have gained popularity in the country.

CHALLENGES

The 2021 CEMCWG survey has shown that the help and redress landscape remains difficult despite significant global advancements. AFI member jurisdictions struggle with issues revolving around the institutional framework, supply-side, and demand-side, as shown next. A non-exhaustive list of challenges shared by surveyed members is available in Annex 2, and Table 2 lists some recurring feedbacks.

¹⁰ Ibid.

TABLE 2: EXAMPLES OF AFI MEMBER CHALLENGES IN HELP AND REDRESS MECHANISMS

INSTITUTIONAL FRAMEWORK

- > Lack of legislative framework
- > Lack of a clear regulatory mandate
- > Conflict of interest



SUPPLY-SIDE

- > Lack of effective rules and transparency and disclosure
- > Wrong implementation channels
- > Lack of specialized entity
- > Lack of compliance



DEMAND-SIDE

- > Low consumer awareness
- > New digital-related consumer risks
- > Lack of sex disaggregated data to assess impact on women



INSTITUTIONAL FRAMEWORK

- > **Lack of legislative framework:** AFI members shared the existing lack of a legislative framework needed immediate attention. Having a strong legislative framework is imperative to ensure appropriate institutional standards, conformity to best practices, and the ability to hold FSPs entirely accountable for their inaction and infractions.
- > **Lack of a clear regulatory mandate:** Ambiguity on the part mandated by regulatory authorities threatens the need to make informed decisions on regulatory requirements by FSPs. On the demand-side, a clear regulatory mandate increases consumers' awareness of defined rights and roles and responsibilities among stakeholders.
- > **Conflict of interest:** It is important that jurisdictions provide stakeholders with an unambiguous definition of the roles and responsibilities and ensure a clear understanding of regulatory requirements based on effective stakeholder engagement and collaboration.

SUPPLY-SIDE

- > **Lack of effective rules and transparency and disclosure:** Lack of transparency and disclosure contributes to the magnitude of unethical conduct by FSPs. This guideline note aims to ensure that adequate market conduct and consumer protection tools are developed to enhance transparency, disclosure, and effective rules by FSPs.
- > **Wrong implementation channels:** An appropriate complaint channel is vital to support consumers and FSPs in effectively managing escalated complaints.
- > **Lack of specialized entity:** Weak institutional capacity is a key factor in ineffective complaint management. The help and redress mechanism aims to ensure that FSPs set a designated structure and specialized institutions to handle redress and complaints.
- > **Lack of compliance:** Some FSPs do not comply with rules and regulations, voluntarily or not, impeding the efficiency of available help and redress tools and mechanisms for the financial consumer.

DEMAND-SIDE

- > **Low consumer awareness:** Lack of consumers' financial literacy and education contributes to low submissions of complaints and variations in standard approaches to escalated complaints.
- > **New digital-related consumer risks:** DFS and processes present consumers with unique risks and opportunities. The help and redress mechanism would drive the development of an effective risk-based approach to digital-related consumer risk.
- > **Barriers for women:** Properly disaggregated data collection and analysis will ensure a more effective and targeted help and redress mechanism approach for FSPs, particularly for the vulnerable groups identified.

EFFECTIVE HELP AND REDRESS MECHANISMS

AFI member institutions have developed different tools to assist jurisdictional and regulatory bodies and other relevant stakeholders in resolving complaints and grievances in a timely, effective, and efficient manner to tackle the above-mentioned challenges efficiently.

The following section shows examples of the type of information AFI members use to measure the effectiveness of their help and redress mechanisms and the best practices identified by AFI members.

THE IMPORTANCE OF MEASURING THE EFFECTIVENESS

While help and redress tools have been made available by the various institutions in the AFI network, it is important that institutions periodically measure the efficiency and benefits of these tools for financial consumers. Periodic measurement of output is a

verifiable approach to ascertaining the level of impact the help and redress mechanism has on AFI member jurisdictions. Some benefits may include the following:

- > providing fair comparison across programs, countries, and organizations to improve the adoption of best-fit practices and lessons learned
- > aiding informed decision-making processes by providing relevant data and information
- > progressively and accurately detecting and analyzing trends to aid processes, projects, and program improvements on help and redress mechanism
- > providing an unbiased assessment of weak points and cost-efficiency (return on investment) and
- > supporting an accurate understanding of the impact of redress and help mechanisms amongst AFI members and other jurisdictions.

The 2021 CEMCWG survey found that 4 of 19 respondents had not commenced measurement, one was in progress, and 14 were measuring the effectiveness. Reflecting the mandates of different regulators and the realities they face using the help and redress tools in their jurisdictions, regulators emphasize different aspects of the help and redress mechanism to assess its effectiveness. Some of these focus areas identified by AFI members are provided in Table 3.

TABLE 3: HOW AFI MEMBERS MEASURE THE EFFECTIVENESS OF THEIR HELP AND REDRESS MECHANISM

COMPLAINT PROCESS AWARENESS

Level of awareness of the help and redress process	Awareness is a key measurement component. It improves consumer confidence in financial products and services by ensuring consumers know how to file complaints and the channels to seek redress. Low results in awareness indicate that more efforts are needed from regulators and FSPs
Surveys on complaining consumers	AFI members leverage surveys carried out on complaining consumers (via hotline, letters, etc.) to ascertain the level of submissions and claims by FSPs to enhance a firm understanding of complaint handling, which could also guide making informed decisions.

RECEIPT, RECORDING, AND SCREENING OF THE COMPLAINT

Number of complaints coming from the sector or an individual FSP	The number of complaints from various sectors or FSPs enables AFI members to measure help and redress mechanism by providing indicators of the vulnerability of products and FSP processes.
Repetitive complaints	Repetitive complaints provide information on the effectiveness of a help and redress system. It also assists institutions in the assessment of inherent flaws in ongoing practices. It allows a better understanding of complaint trends to support the development of root cause analysis.

TABLE 3: *continued*RECEIPT, RECORDING, AND SCREENING OF THE COMPLAINT *continued*

Declining trends in the number of complaints escalated to the regulator vs. complaints received at FSP	The effectiveness of redress and held mechanism can be assessed by evaluating the rate of declining complaints escalated to regulatory authorities. Jurisdictions could further examine areas for improvement, which will serve as recommendations for best-fit approaches.
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COMPLAINT INVESTIGATION AND RESOLUTION

Number of responses provided to the consumer and satisfaction rates	FSPs' feedback, responses, and updates to consumers, linked with consumer satisfaction rates, provide an insight into the gaps and identified focused areas for better collaboration with customers and increased service quality.
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Cycle time to resolve complaints	This assesses the speed and frequency of complaint handling and resolution. Timely resolution of consumer complaints enhances consumers' confidence in the financial system and promotes the credibility and agility of FSPs.
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Corrective actions and their impact	Implementing corrective actions and their impact provide informed decisions on the extent and responsiveness of FSP's complaint handling and regulatory compliance. Accordingly, the degree of impact reveals the strength of regulatory policies, root cause analysis, and supervisory requirements.
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Number of successfully resolved cases	This serves as an indicative measure of the responsiveness and effectiveness of issue resolution mechanisms by regulated FSPs.
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Percentage of complaints resolved within the stipulated period	It enables an understanding of the dynamics and lifecycle of complaint handling and resolution. The percentage of complaints resolved within a stipulated time or period aids in the measurement of compliance with regulatory requirements and responsiveness to complaint resolution.
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Percentage of complainants satisfied with the resolution	Feedback testimonials from satisfied complainants serve as a measure of the FSPs' credibility. This can also be an indicator of the extent of customer engagement.
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REPORTING AND MONITORING

Reports on complaints	Periodic reports provide a standard approach to complaint reporting. They also offer indicators of the level of commitment and compliance with the regulatory requirements of FSPs. Just like the best practices on regulatory supervision, reports on complaints aim at assessing the level of market disclosure, transparency, and ethical conduct by FSPs. This is critical to achieving market discipline and engendering confidence in the financial system. Periodic reports largely enable regulators to formulate data-driven and evidence-based policies. They also assist in making well-informed decisions.
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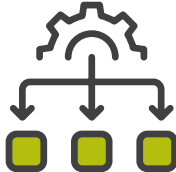

Thematic review on complaint management and redress function	A thematic review measures financial institutions' effectiveness in complaint handling and continuous monitoring for process improvements. A jurisdictional thematic review measures the level of standardization, adoption, and implementation of recommended global and national regulatory practices. A solid review assesses the level of consumer protection, market conduct, and redress mechanism activities amongst FSPs.
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CHARACTERISTICS OF AN EFFECTIVE REDRESS MECHANISM IN AFI MEMBER COUNTRIES

In their measurement and analysis exercises, AFI member institutions have identified success factors in developing and implementing effective redress mechanisms. Table 4 presents the main characteristics of these commonly identified success factors for an effective redress mechanism.

The following section discusses these key characteristics. It builds on further practical examples and best practices from AFI member institutions to provide policy considerations and guidance for an effective redress mechanism.

TABLE 4: MAIN CHARACTERISTICS OF AN EFFECTIVE REDRESS MECHANISM

INSTITUTIONAL FRAMEWORK	SUPPLY-SIDE	DEMAND-SIDE
<ul style="list-style-type: none"> > Robust legal framework > Existing IDR and EDR regulations > Enforceable regulator decisions > Existing financial ombudsman 	<ul style="list-style-type: none"> > Simplified, clear, and transparent complaint filing procedures > Effective and timely/short-term grievance response system > Innovative mechanisms and digital tools > Free-of-charge processes > Multi-stakeholder communication and collaboration > Dedicated regulator support for FSPs > Efficient monitoring, evaluation, and feedback mechanisms 	<ul style="list-style-type: none"> > Effective consumer awareness > People-centered solutions > Tailored process for most vulnerable groups 

Source: The 2021 CEMCWG member survey and subgroup analysis.

POLICY GUIDANCE

AFI members from the CEMCWG Help and Redress Subgroup participated in a two-layer exercise to identify high-level policy recommendations for the AFI network. This section provides those policy recommendations and a wide range of best practices from AFI member institutions in developing, implementing, and monitoring help and redress mechanisms.

The CEMCWG Help and Redress Subgroup developed and circulated a survey to identify trends in help and redress, including the existence of mechanisms and relevant regulations, the type of existing mandate, the main challenges, identified successful activities and their key characteristics, and, finally, members' global policy recommendations.

Following an in-depth analysis of the survey results, the Subgroup identified the first set of policy guidance and sub-recommendations:

- > The experience of AFI members has shown that it is important that **policymakers and regulators provide a robust policy and regulatory environment** that facilitates the implementation of help and redress mechanisms effectively and efficiently.
- > As consumers transact with FSPs, they may become dissatisfied with products and services, and complain. AFI members agreed it is necessary the FSPs implement **IDR mechanisms for handling consumer complaints to avoid consumer loss of trust and confidence** in the FSPs and the financial system.
- > Consumers who are dissatisfied with the outcome of IDR should be able to **appeal the decision before an independent ADR body within the set timeframe**. Establishing an external appeal process also increases the likelihood that FSPs will implement effective IDR mechanisms and that consumers entitled to redress will receive it.
- > Another important trend among AFI members is the significance of **consumers' accessibility, awareness, and understanding of filing a complaint about a financial product or service**. FSPs should implement fair treatment and responsible business conduct and have proper transparency and disclosure.

- > Finally, the **feedback mechanism for IDR, or through ADR, was identified as a fundamentally important element** for improving the financial system and drawing policies and instructions by tracking dispute trends, knowing where they are concentrated and the main elements that constitute them.

In the second phase, the above results were presented and methodically discussed with all CEMCWG members during the 23rd CEMCWG meeting in San Jose, Costa Rica, in May 2022. Most recommendations from the CEMCWG Help and Redress Subgroup were approved and detailed further to encompass the variety of members' jurisdictions and financial landscapes. The last pillar of policy recommendations was extended to incorporate further inputs on the importance of enforcement from regulatory entities and tailored communication and sanction systems for non-compliant FSPs.

FIGURE 2: GUIDANCE PILLARS FOR EFFECTIVE HELP AND REDRESS MECHANISMS

Built on strong practical examples and in-depth expert discussions, this guideline note proposes policy recommendations and key features of an effective redress mechanism around

FIVE IDENTIFIED PILLARS:

1

POLICY AND REGULATORY ENVIRONMENT

- > Relevant legal and regulatory provisions in consumer protection frameworks
- > Regulatory standards
- > Regulator mandate
- > Stakeholder coordination



2

INTERNAL DISPUTE RESOLUTION

- > FSP IDR
- > Capacity building
- > DFS providers
- > Complaint handling requirements



3

ALTERNATIVE DISPUTE RESOLUTION

- > Independent ADR
- > Regulator role
- > Capacity building for the regulator



4

AWARENESS, TRANSPARENCY, AND DISCLOSURES

- > Accessibility and awareness
- > Fair treatment and responsible business conduct
- > Product suitability, transparency, and disclosure



5

FEEDBACK MECHANISMS AND ENFORCEMENT

- > Data collection and analysis
- > Enforcement and penalties



GUIDANCE PILLAR 1: POLICY AND REGULATORY ENVIRONMENT

Despite the availability of legal and regulatory frameworks for help and redress mechanisms by FSPs in most AFI member countries in the CEMCWG, institutional mandates for help and redress still need to be improved.

More than half of respondents to the 2021 CEMCWG member survey indicated a need for more clarity in institutional mandates for the administration of help and redress functions.

As FSPs would not be held accountable for poor consumer outcomes, the situation would result in the non-administration of much-needed help and redress. This scenario is also made worse by the failure of various financial regulators to coordinate their activities.



It is essential that policymakers and regulators create a policy and regulatory environment that facilitates the implementation of help and redress mechanisms effectively and efficiently. This is even more critical given that consumers' increased use of DFS exposes them to consumer protection concerns.

To protect customers against unfair business practices by FSPs, it is vital to have a robust and viable policy and regulatory environment. The policy and regulatory environment will require FSPs to establish a consumer-centric culture in their organizations. It should be noted that care and tact should be used while building the policy and regulatory framework, as it affects the types and combinations of assistance and redress mechanisms the country will have. Consequently, it is essential that the policy and regulatory framework become sensitive to the demands, risks, and speed of the financial services sector.

COUNTRY EXAMPLE - DOMINICAN REPUBLIC



ProUsuario is the Consumer Protection Office of the Superintendency of Banks of the Dominican Republic. In 2006, Dominican Republic effectively enacted a legal framework for a free and expedited redress mechanism for consumers to access formal FSPs' IDR before accessing ADR at ProUsuario, which is applicable in case FSPs don't conform with the official processes and/or are not responsive.

This framework was revised in 2015 and by 2020, the Superintendence of Banks of the Dominican Republic launched the first contact center for consumers with wide digital channels accessibility for filing claims before ProUsuario to access ADR. In January 2021, it enacted the Circular SB 004/21 promoting different means and alternative mechanisms to file claims before the FSPs for accessing the IDR in a non-face-to-face manner.

The increase in claims handled by ProUsuario during 2021 rose to 4,170, doubling the total of claims received during 2020 and representing an increase of 10.90 percent of claims received in 2019 and 2020 combined. An average resolution timeframe was 50 days (within the mandatory 60 days service level agreement) and 76 percent of claims were resolved in favor of consumer. This framework also allows consumers to conduct GDR before courts of the Dominican Republic.

COUNTRY EXAMPLE - ZAMBIA



Zambia has developed a comprehensive policy and regulatory environment on help and redress mechanisms. Following an environmental scan of Zambia's consumer protection regime conducted in 2016, the government and the Bank of Zambia noticed limited dispute resolution mechanisms and a lack of clear institutional mandates for protection of financial consumers.

Consequently, the National Financial Sector Development Policy and National Financial Inclusion Strategy 2017-2022 have prioritized strengthening dispute resolution mechanisms, among other policy measures. Within the scope of the National Financial Inclusion Strategy, clarification of institutional arrangements and legal mandates for financial consumer protection have been attained through the amendment of financial sector laws and the revision and consolidation of multi-sector memoranda of understanding among sector regulators and general consumer protection authorities. Regular meetings of the joint working committee improved coordination efforts in fostering help and redress mechanisms.

Furthermore, sections 113 and 115 of the Banking and Financial Services Act No. 7 of 2017 cover broad internal and EDR mechanism issues. In 2020, the Bank of Zambia issued Customer Complaints Handling and Resolution Regulations to provide a basis and guidelines for formulating a customer complaint framework for a regulated financial institution. These regulations were officially issued after extensive consultations with the financial sector stakeholders.

COUNTRY EXAMPLE - TUNISIA



The Central Bank of Tunisia is legally mandated to protect customers' rights by ensuring oversight of market conduct, relying on three pillars:

1. setting minimum requirements for FSP
2. following-up and monitoring FSP compliance through onsite and offsite procedures and
3. applying penalties in case of a breach.

In this regard, the Central Bank of Tunisia has issued minimum regulatory requirements for the FSP to ensure free and efficient complaint handling, including:

- > the involvement of the FSP Management Board in the provision of oversight functions on the IDR mechanism through prescribed key performance indicators
- > creation of a dedicated entity in charge of complaint handling in the FSP
- > providing consumers with several channels to escalate complaints
- > setting the maximum tolerance level for delayed complaint handling
- > the development of a technological solution that allows FSPs to centralize all the complaints and acknowledge receipt
- > ensuring regular and granular reporting to the central bank
- > the establishment of formalized internal procedures subject to periodic audits.

RECOMMENDATIONS

RELEVANT LEGAL AND REGULATORY PROVISIONS IN CONSUMER PROTECTION FRAMEWORKS

- > Diagnostic analysis
- > Existing consumer protection frameworks

REGULATORY STANDARDS

- > Unified IDR and ADR guidelines
- > Minimum standards
- > Penalty for non-compliance
- > Adaptation to FinTech development

MANDATE

- > Regulator powers and resources
- > IDR and ADR actors' mandate

STAKEHOLDER COORDINATION

- > Multistakeholder coordination and communication strategy
- > Complaint handling and redress



RELEVANT LEGAL AND REGULATORY PROVISIONS IN CONSUMER PROTECTION FRAMEWORKS

Conduct a diagnostic analysis of the current legal and regulatory environment

The proposed analysis should examine whether the current legal and regulatory environment has strong and effective legal, judicial, or supervisory mechanisms to protect financial consumers from fraud, abuses, and errors. The existing mechanisms should also consider gender issues and ensure women have equal access to consumer protection and redress mechanisms.

Incorporate relevant redress provisions into existing consumer protection frameworks or policies

Consumer protection frameworks should be updated/enhanced with relevant redress provisions informed by diagnostic analysis.

REGULATORY STANDARDS

Regulators should issue IDR and ADR guidelines for unifying the process among FSPs

Regulators and central banks should develop frameworks and guidelines that are standardized across the FSPs and recommend providing certification courses for the FSPs complaint handling specialists. FSPs must try to increase women participation in such training courses to ensure they have a balanced

complaint handling specialist team. A regular audit must be conducted to ensure prescribed IDR and ADR mechanisms are effective and properly functioning.

Regulators should prescribe minimum standards for internal complaint resolution processes

This should be done in consultation with the industry and consumers and supported by consumer advocacy groups.¹¹

Regulations should include penalties for noncompliance with responsible business conduct

The penalties should reflect the gravity of the situation. The penalty should be designed to induce a specific behavior change or change in the FSP's business practices.

Disclosure requirements and regulatory approaches should be considered in line with evolving FinTech developments

Given their rapid development, FinTech and DFS providers should publish clear information about costs, terms, associated risks, liabilities, and conditions on their websites.

¹¹ Annex 3 lists some minimum standards.

MANDATE

Regulatory bodies must have adequate powers and resources to conduct their duties, including enforcement

Having adequate resources means having both financial and human resource capabilities, together with sound and transparent policies, to ensure regulatory bodies conduct their duties thoroughly. Regulatory bodies should consider incorporating gender quotas in their human resources to ensure a balanced team within the organization. The stakeholders/authorities should have adequate resources and operational independence from external political, commercial, and other sectoral interests.

IDR and ADR actors must have a clear and adequate mandate

Regulators must have a clear mandate to resolve financial consumer complaints. This mandate should be made clear and adopted by all FSPs to enable an effective IDR and ADR mechanism to resolve consumer complaints. The relevant authorities responsible for implementing the financial consumer protection framework should have an explicit and clear legal mandate, including legal powers to issue, implement, and enforce binding regulations, guidelines or other instruments for financial consumer protection.

STAKEHOLDER COORDINATION

In countries where there is more than one regulatory entity, develop robust multistakeholder coordination and communication strategy among the different regulatory entities

Given the overlapping legal nature of the agencies involved, there should be standardized inter-agency forums that meet regularly for monitoring and evaluation purposes. Memoranda of understanding between stakeholders or agencies are encouraged to ensure that all FSP-related complaints are received by the responsible stakeholders and will go through the relevant dispute-resolution mechanisms. Consumer advocacy forums can be established and meet regularly. They can be composed of high-level officers who can deal with complaints in each FSP.

Facilitate stakeholder coordination and cooperation in complaint handling and redress

The regulator should collaborate with all the relevant stakeholders involved in complaint handling and redress. They may consist of the FSP's prudential department, consumer protection bodies/associations, regulators (telecommunication and other financial sector regulators), and mobile network operators to ensure that consumers are effectively protected from FSPs' unfair business practices.

GUIDANCE PILLAR 2: INTERNAL DISPUTE RESOLUTION

As consumers transact with FSPs, they may become dissatisfied with products and services, and complain.

Wherever such complaints or disputes are left unresolved adequately and timely, they can create a loss of trust and confidence in the FSPs and the financial system. The potential negative impact on financial inclusion cannot be overemphasized.

As a result, FSPs must put in place IDR mechanisms to handle consumer complaints. The IDR should be easily accessible, flexible, user-friendly, sufficiently accommodate all categories of complainants, responsive, and generally able to track consumer satisfaction with the IDR process.



An effective IDR helps boost consumer trust and confidence while maintaining a healthy relationship between the FSPs and consumers. It is good for the FSPs' reputation and saves them unnecessary expenses should an issue lead to litigation.

The IDR enables FSPs to obtain consumer feedback and data to identify issues or trends that need to be addressed through the review of internal processes and product design and, ultimately, enhance the consumer experience.

On the regulatory side, IDR mechanisms ensure the availability of sex- and age-disaggregated data for evidence-based policymaking. It also enhances the regulator's ability to identify systemic issues and focus its resources on addressing them. Overall, IDR contributes to consumer trust and confidence, which leads to greater financial inclusion, strengthens individual FSPs and, ultimately, leads to the stability of the financial system.

COUNTRY EXAMPLE - RWANDA



In Rwanda, the IDR system is handled by FSPs. They are required to have a complaints policy and register, and then report to the National Bank of Rwanda on data related to complaint handling.

The 2021 Law on Financial Service Consumer Protection requires the Minister of Finance to establish and arrange the functions of a committee responsible for resolving financial consumer's complaint. A complaint escalated from the FSP shall be submitted to the committee to investigate and decide on the matter. Any complainant unsatisfied with the committee's decisions shall take the case to court. The committee will enter into a memorandum of understanding on information-sharing with the Central Bank of Rwanda.

The National Bank of Rwanda is implementing a complaints management and customer engagement chatbot that will allow all consumers to submit their complaints through various channels, including SMS, voice call, WhatsApp, Twitter, Facebook, etc.

COUNTRY EXAMPLE - FIJI

The Reserve Bank of Fiji (RBF) implemented its Banking Supervision Policy Statement No. 13 in 2009, requiring all licensed and supervised FSPs to have a complaints management policy, a complaint register, and dedicated resources to listen to and help resolve customer grievances.¹²

The RBF has worked closely with FSPs to strengthen their IDR processes and improve service delivery. Common pain points like hidden fees, incomplete disclosure, excessive waiting times, and lack of awareness are discussed with individual FSPs and during industry forums.

Customer complaints registered by FSPs grew from 1,857 in 2014 to 4,772 in 2021 (157 percent). This may be attributed to increased access to financial services (bank account ownership increased from 64 percent in 2014 to 78 percent in 2020) and customers' awareness of redress mechanisms. However, the rate of customer complaints that escalated to the RBF fell from 62 to 50 in the same period. This indicates the effectiveness of the IDR function, whereby FSPs can resolve most complaints without having to report them to the RBF.

RBF hopes to reinforce these measures through a market conduct framework that harnesses the protection of consumers through equitable and fair financial practices.

COUNTRY EXAMPLE - LESOTHO

Lesotho developed and implemented complaints handling procedures in 2017.

Once a complainant files a first instance complaint with the FSP, s/he is provided with a reference number and FSP has to respond to the complainant within 30 days. If the complainant is not satisfied with the outcome, s/he can escalate the issue at the Central Bank level.

Due to the inherent costs, the Central Bank of Lesotho does not encourage filing complaints through legal representatives. The Financial Consumer Protection Act of 2022 makes provisions for a complaint handling unit in the Central Bank. Decisions made by the regulator are binding on FSPs.

FSPs are mandated to establish independent internal complaint handling mechanisms. They have to develop policies and procedures to address processes for handling complaints and methods through which a consumer can submit a complaint step-by-step. FSPs have to give information to customers about their internal complaint processes. Customers can escalate complaints to the Central Bank of Lesotho if they are not satisfied with the response from the FSP.

RECOMMENDATIONS

FSP IDR

- > Effective and impartial IDR
- > External channels as a secondary option
- > IDR mandate
- > Whistleblowing provisions

FSP CAPACITY BUILDING

- > Capacity building on IDR implementation should be provided for FSP staff
- > Capacity building on consumer protection and awareness should be provided for FSP staff

COMPLAINT HANDLING MANAGEMENT

- > Internal complaint handling requirements should be issued for FSP
- > Regulators should consider adopting technology for complaints management (chat boxes, interactive videos, etc.)



FSP IDR

FSPs (including associations and DFS providers) should be responsible for implementing an effective and impartial IDR

An FSP's own IDR mechanism is usually the first step in tackling consumer complaints. Typically, it is faster, less expensive, and more effective if institutions resolve complaints themselves. This practice also helps to build trust, strengthen customer relations, and enhance the brand image and reputation of the sector as a whole.

External channels should serve only as a secondary rather than the primary option for all disputes, except in whistleblowing

IDR mechanisms are most effective when FSPs know dissatisfied customers can appeal their case to an external body.

FSPs should be mandated to have an IDR mechanism in place

Ensure IDR is "fit for purpose" and reflects the unique scope of the DFS provider's product/service, channel, consumers, relevant risks, and volumes of complaints it is likely to receive.

FSPs must have provisions for whistleblowing and protecting the whistleblowers

FSPs should implement a whistleblowing policy that allow staff or consumers to report any improper conduct that may result in a complaint. The policy should have provisions to receive, treat and communicate information received from

whistleblowers. The whistleblowers also should be protected from any harm from the non-compliant actors.

FSP CAPACITY BUILDING

Provide FSP staff with capacity building on IDR implementation

Effective IDR requires FSP staff to have IDR technical knowledge, including extensive training and certification programs. Every FSP should have guidelines in place to assess the capacity building of staff and representatives in complaint handling. The capacity building gaps identified should be a source for developing the short-, medium-, and long-term capacity building plan and curriculum in complaint handling. An evaluation program should be put in place to assess whether capacity building is generating the intended results and such evaluation should be used to revise the capacity building curriculum and program. The FSP Board of Directors and Senior Management should oversee the whole capacity-building process.

Provide FSP staff with capacity building on consumer protection and awareness

To ensure the sustainability of the FSP staff's understanding and to embody the principles of IDR, the focus should not only be on strong soft skills but also on strengthening their ability to demonstrate their knowledge and understanding of consumer protection, institutional arrangements, complaint handling lifecycles, the relevant existing frameworks, ethical issues, and protection mechanisms. Measures should

be implemented to ensure consumers escalate their complaints through banks rather than regulators. FSPs should also have a well-trained and competent gender focal point to facilitate access to redress mechanisms by women consumers of financial services.

COMPLAINT HANDLING MANAGEMENT

Issue internal complaint handling requirements for FSPs

The internal FSP complaint handling requirements should consist of a standardized set of complaint handling strategies and processes aligned with identified key indicators. This would ensure consistency and an effective mechanism for prompt recording and tracking of complaints.

Regulators should consider adopting technology for complaint management (chat boxes, interactive videos, etc.)

Rapid technological advancement will confront regulators with growing challenges to develop and enforce rules to protect citizens and ensure fair markets. This requires a sustained investment of financial resources and political capital to develop these capabilities, reengineer processes, and even undergo cultural transformation. The main challenge would be to develop a strategy for moving to technology-enabled regulatory modernization and experiment, learn, and scale up what works for the FSPs. Regulators may implement a technology that allows them to track IDR's efficiency, and allows consumers to submit, track, and escalate their complaints.

GUIDANCE PILLAR 3: ALTERNATIVE DISPUTE RESOLUTION

An ADR or EDR refers to the use of methods such as arbitration or mediation to resolve an issue without recourse to the courts. An ADR mechanism is a free and independent service for resolving disputes between consumers and FSPs.

An ADR body may be the complaints department within the regulator's office, an ombudsman or independent consumer protection department or agency, or a self-regulatory agency. The choice will depend on the development of a country's social, economic, and financial sectors.



In low-risk or early-stage markets, a self-regulatory system may be the best solution, as it would be less cumbersome on government resources and regulatory capacity. In higher-risk, more complex, or more mature markets, it is recommended to utilize the services of an independent ombudsman. In general, an autonomous ombudsman should be financed by the FSP.

If the regulator's complaints department handles disputes, it should be a separate function (outside the prudential regulation function)¹³ that specializes in recourse handling and reports independently to the head of the regulatory body.¹⁴

Some common characteristics to be considered in the design of an ADR scheme for financial services are highlighted in Annex 4. They are based on a comparison of various features identified in the studies and practices across jurisdictions in AFI's 2017 survey report on ADR. The survey also showed that ADR services from member institutions cover a range of activities, from providing information to consumers to mediation, arbitration, and conciliation. In most countries, regulators mandate complaint handling processes for FSPs. These processes are occasionally used to guide policymaking.

COUNTRY EXAMPLE - MOROCCO



The Central Bank of Morocco, Bank Al-Maghrib, developed the Moroccan Banking Law No. 103-12 on credit institutions and similar bodies, which gives the bank the prerogative to have an independent mediating council chaired by the bank's president. The council addresses the most sensitive complaints.

Efforts were also made to inform the public about the council and its mandate. To achieve efficiency in complaint handling, Bank Al-Maghrib intervenes at a third level. However, the consumer could also seek redress from the bank at the first level. The bank ensures that customers are informed when their complaint is forwarded to the proper authorities.

¹³ Prudential activities are primarily looking at financial institution safety and stability, while redress activities balance this dimension with a stronger focus on consumer protection and proper market conduct.

¹⁴ AFI. 2013. Guideline Note No. 9 Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.

COUNTRY EXAMPLE - MALAYSIA

The following available redress channels for financial consumers are shared on the Bank Negara Malaysia website.

Bank Negara Malaysia *Laman Informasi Nasihat dan Khidmat* (BNMLINK) handles general inquiries and complaints on FSPs matters regulated by Bank Negara Malaysia.

The Ombudsman for Financial Services is an independent body that provides consumers with objective and timely solutions to disputes, claims, and complaints arising from services provided by financial institutions. Accept disputes relating to monetary losses that fall within the stipulated limits.

Agensi Kaunseling dan Pengurusan Kredit (Counseling and Credit Management Agency) is set up by Bank Negara Malaysia to help individuals and

small and medium enterprises take control of their financial situation and gain peace of mind through the wise use of credit.

The Securities Industry Dispute Resolution Center is a body approved by the Securities Commission Malaysia to handle capital market-related disputes involving monetary losses between individuals or sole proprietors and their members.

The Corporate Debt Restructuring Committee is a platform for corporate borrowers and creditors to work out feasible debt resolutions without resorting to legal options. This initiative has been implemented to ensure that all avenues are available to assist distressed corporations in resolving their debt obligations.

As an alternative next step, financial consumers may seek legal assistance to resolve their situation.

Source: Bank Negara Malaysia. [Scope of Complaints Handled by BNMLINK.](#)

RECOMMENDATIONS**INDEPENDENT ADR**

- > Accessible independent ADR body
- > Clear roles and responsibilities
- > Specialized DFS unit

REGULATOR ROLE

- > Clear regulator role in ADR
- > Regulator as a mediator
- > Fair and impartial mediation
- > Root cause analysis

CAPACITY BUILDING FOR THE REGULATOR

- > ADR implementation and supervision
- > Consumer protection and awareness

**INDEPENDENT ADR**

Consumers who are dissatisfied with the outcome of IDR should be able to appeal the decision before a recognizable independent ADR body within the set timeframe

Establishing an external appeal process from the outset increases the likelihood that FSPs will implement effective IDR mechanisms and that consumers entitled to redress will receive it. It raises the level

of accountability of the institution about financial products and services rendered to consumers.

Clearly define roles and responsibilities of the existing ADR entities in the country

The policies and guidelines must identify the roles, responsibilities, and processes for each existing ADR. Existing ADRs must also adhere to the policies and guidelines approved by each respective country's regulator and become gender sensitive.

A specialized DFS unit should be considered part of ADR

The IDR or ADR office should consider a specialized DFS unit, where feasible, if permitted by the national jurisdiction and as per the maturity of the DFS industry in the jurisdiction.

REGULATOR ROLE

Clarify the role of the regulator in the ADR system because it varies from country to country

The regulator can have different roles in ADR, such as introducing an arbitration framework for the industry, introducing rules that require FSPs to inform consumers about their rights to independent ADR, establishing a financial mediation bureau or an office of an ombudsman, requiring FSPs to become members of a financial ombudsman scheme, and acting as a mediator in smaller economies with insufficient resources to establish an office of an ombudsman.

The regulator may act as a mediator between the consumer and the FSP when taking part in ADR

Wherever the main regulator is an independent ADR, it must be guided through the adjudication process. In this capacity, the regulator may act as a mediator between the consumer and the FSP. The decision taken by the regulator is still not final, as the financial consumer can still appeal if he/she doesn't agree with the regulator decision.

When involved in ADR, the regulator must only act as fair and impartial mediator

Once regulators are engaged as mediators, they must always be fair and impartial and should not be seen to favor any parties involved in the dispute. In their role as mediators, they are expected to assist the parties in finding common ground and settling disputes or arguments. It is recommended that mediation also focus on addressing conduct, not just complaints.

Conduct a root cause analysis to identify the underlying causes for complaints

Studies have shown that most complaints need to be addressed or resolved effectively due to the need for a better understanding of the underlying root causes. Often, a few factors cause a complaint to go unresolved or still incur dissatisfaction among financial consumers.

CAPACITY BUILDING FOR REGULATOR

Provide the regulator with capacity building on ADR implementation and effective supervision

Effective ADR requires the staff of the regulator to have extensive knowledge of existing ADR programs and stakeholders.

Provide the regulator with capacity building on consumer protection and awareness

Regulators should also have people/customer-centric-related policies designed to promote and embed appropriate behavior and deliver the appropriate outcomes. The regulator must ensure these capacity building programs include a gender dimension. Regulator should be provided with gender-sensitive and unconscious bias training.

AFI REFERENCE PUBLICATION



CEMC Survey Report:
Alternative Dispute
Resolution

> [View here](#)

GUIDANCE PILLAR 4: AWARENESS, TRANSPARENCY, AND DISCLOSURE

CEMC policies have a vital role to play in addressing the information imbalance between FSPs and their customers. This can be achieved partly by healthy competition between FSPs, assuming the market is disciplined and provides sufficient information to customers to help them make choices.

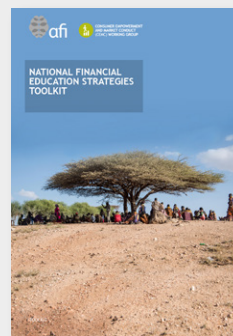
Limitations on the market's scope to meet customers' information needs leave a gap to be filled by consumer protection policies, including setting standards for FSPs in terms of transparency and disclosure, and initiatives aimed at promoting financial education, capability, and confidence.



Consumers' awareness and understanding of how to file a complaint about a financial product or service are essential. However, raising awareness remains difficult in developing countries where many vulnerable consumers, including women, do not have access to information provided through regular channels.¹⁵

Rapid changes in the (digital) financial services sector have brought many new, predominantly vulnerable, first-time consumers into the market. Hence, disclosure and transparency requirements “help to protect these vulnerable consumers. Disclosure and transparency principle requires financial institutions to act fairly and reasonably in all dealings with consumers, including a prohibition on unfair and deceptive practices.”¹⁶ The successful implementation of a transparency and disclosure regime depends mainly on understanding customer needs, consultation and engagement with stakeholders, supervision, monitoring and enforcement, and financial capability.

AFI REFERENCE PUBLICATION



National Financial Education Strategies Toolkit: Importance of financial education and its role complementing financial inclusion and consumer protection policies.

[> View here](#)



DFL Guideline Note: Complaint handling for DFS clients with a focus on increasing clients' DFL and facilitating data collection to inform interventions.

[> View here](#)

¹⁵ AFI. 2013. Guideline Note No. 9: Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.

¹⁶ AFI. 2020. [Experiences in the Implementation of the Principle of Disclosure and Transparency in AFI Member Countries.](#)



COUNTRY EXAMPLE - ARMENIA

The Central Bank of Armenia, Regulation 8/04, Annex on “Minimum Conditions and Principles for Internal Rules, Regulating the Procedure of Examination of Complaints of Customers” directs to always post “How to act, in case you have a complaint” on the website of the financial organization, the place of operation, and as a leaflet.

Logo of the organization

Important notification

HOW TO ACT, IN CASE YOU HAVE A COMPLAINT

1

PLEASE BE INFORMED ABOUT YOUR RIGHTS

2

PLEASE APPLY

15 days later

3

PLEASE CONSIDER YOUR RESPONSE

If you are not satisfied

4

PLEASE APPLY

Every employee of the organisation must:

- guide you towards the employee responsible for complaints,
- Provide necessary information for communication (telephone number, electronic address).

the responsible employee must:

- Inform you about your rights and procedure of investigation of complaint,
- Provide the applicable rules in the organization and Application form.

Name of organization

Please submit the written complaint to the responsible employee or send to the addresses as follows:

@

✉

- Please indicate Your data in order to receive an answer,
- Please take the receipt and hold it before the final resolution of the issue.

The organization shall make a decision on complaint (to satisfy the complaint, to partially satisfy, to refuse) within 15 working days.

In case you have questions, please refer to the responsible employee.

🏠

TO THE FINANCIAL SYSTEM MEDIATOR, in case

- You are a natural person,
- The complaint refers to the provided services and you have a monetary complaint (up to 10 mln. AMD) or the complaint refers to the information in the credit register,
- Within 15 working days you did not receive any reply or the reply is not satisfying,
- The complaint is not under the court ruling or in the arbitration tribunal,
- 6 months are not passed from the response,
- The deed or misdeed under complaint has taken place after August 2, 2008.

THE SERVICES ARE FREE
(Yerevan, 0010, M. Khorenatsi street 15, Eilit Plaza business centre, 7th floor, (+37460)701111, info@fsm.am)

ARBITRATION TRIBUNAL

- If You and the organization have concluded an arbitration agreement, then the conflict between you are subject to resolution by the arbitration tribunal.
- When concluding the contract you have right to refuse the arbitration agreement and the organization must provide you the services.
- Please remember that even in case of arbitration agreement you can apply to the Financial System mediator until the complaint is not under tribunal's ruling.
- The Mediator is not authorized to accept the complaint in case that complaint is already under tribunal's investigation.

THE CENTRAL BANK OF ARMENIA

- You can apply to the Central Bank, and your complaint will be answered within 15 working days
(Yerevan, 0010, V. Sargsyan 6 street, (+37410) 592697 consumerinfo@cba.am)
- In case your complaint is under authority of other institutions, then the Central Bank will forward your questions to them.
- The Central Bank advises you to firstly apply to the financial organization with your issue (step 2).

COURT

- You can always apply to the court.
- The court decision is not subject to be revised by the Financial System Mediator.

In case you have questions, please apply

.....

(Name of the organisation, address, telephone number and electronic mail address)

Source: Central Bank of Armenia. Regulation 8/04: Minimum Conditions and Principles for Internal Rules, Regulating the Procedure of Examination of Complaints/Claims of Customers.

COUNTRY EXAMPLE - MALAYSIA



BNMLINK assists the public and businesses with information, inquiries, and complaints relating to financial products and services under its purview.

How to lodge complaints?

Three steps to follow when making a complaint:



STEP
1

- **Lodge your complaint to the FSP Complaint Unit**
- Refer to the list of FSPs' Complaints Unit [here](#)

Tips

- Contact the FSP as soon as possible to give them a chance to rectify your issue
- Record a complaint reference number and the date you lodged your complaint
- In most cases, the FSP will publish its complaints process online or advise you on how to make a complaint in their decision notification
- The FSP may ask you for more information to help assess your complaint



STEP
2

- **Obtain response and final decision on your complaint from FSP**

Tips

- If you have not received a response within the timeframe provided by the FSP, you should contact the FSP to follow up
- Try to follow up in writing if you can, so that there is a proper record trail
- FSP must inform you if further extension is required for resolution of your complaint



STEP
3

- If no response received after 14 days, you may refer your case to BNMLINK through [eLINK at bnm.gov.my/LINK](#)

OR

- If you are dissatisfied with the FSP's decision, you may refer to the relevant [redress channels](#) to address your complaints

Tips

- If you are still not satisfied with the resolution received from the relevant redress channels, you may seek legal advice on this matter

Source: Bank Negara Malaysia. [Scope of Complaints Handled by BNMLINK](#).

AFI REFERENCE PUBLICATIONS



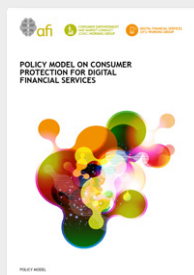
Experiences in implementing the Principle of Disclosure and Transparency in AFI Member Countries: Challenges and recommendations for implementing the disclosure and transparency.

[> View here](#)



Guideline Note 17: Digitally Delivered Credit: Regulatory considerations on digitally delivered credit, complaint and redress.

[> View here](#)



Policy Model: Consumer Awareness, Complaints and Redress for DFS.

[> View here](#)



Survey Report: Consumer Awareness, Complaints and Redress for DFS.

[> View here](#)



Guideline Note on Data Privacy for Digital Financial Services: Data privacy risks, awareness of complaints processing systems and ADR scheme.

[> View here](#)



Digital Financial Services Regulation: Current State of Practice Report: Regulatory considerations on price disclosure and complaint handling.

[> View here](#)

RECOMMENDATIONS

AWARENESS AND ACCESSIBILITY

- > Financial literacy and awareness programs
- > Help and redress mechanisms' accessibility
- > FSPs to inform consumers of complaint handling mechanisms
- > Appropriate complaint handling channels
- > Free and accessible procedures
- > Digital channels

PRODUCT SUITABILITY, TRANSPARENCY, AND DISCLOSURE

- > Sound transparency and disclosure practices
- > Sound product development and customer-centric approach
- > Demand- and supply-side data collection
- > Target population consultation

FAIR TREATMENT AND RESPONSIBLE BUSINESS CONDUCT

- > Interventions defined for specific target groups
- > Responsible marketing, advertisement, and sales
- > Indicators for unsuitable products
- > Help and redress for over-indebted consumers



AWARENESS AND ACCESSIBILITY

Implement financial literacy and awareness programs specifically focused on consumer rights and responsibilities

Awareness programs should be tailored to help consumers identify and adapt to emerging DFS-related risks and trends. FSPs must also identify potential gender barriers that might interfere with filing a complaint. Programs should include creating awareness of redress mechanisms among women and take into account their lower literacy levels.

Help and redress mechanisms should be easily accessible and user-friendly

Consumers should have easy access and a clear understanding of filing and investigating complaints. Consumers should be able to deal with the complaints system in the language in which they conduct their everyday business, not just in the official national language that is understood by the consumer.

Regulators should require FSPs to inform consumers verbally and in writing about their internal and external complaint handling mechanisms

Regulators should require that this information is included in documents such as notices displayed in branch offices, price quotes for products and services, customer contracts, and monthly account statements.

This requirement will also depend on the institution hosting the help and redress mechanism (if the Central Bank, it will be easier to display at the Central Bank level).

Consumers should be able to file complaints through all locally appropriate and commonly used channels

There should be one identified central point where consumers can complain about financial products and services, such as the internet (commonly used digital channels through social media platforms), email, telephone¹⁷, post, or in-person visits to the FSP's internal dispute or complaints office.

Complaint procedure should be free of charge and accessible 24/7

This is to ensure all financial consumers, including vulnerable segment, can have access to support.

Implement digital channels to access help and redress mechanisms more efficiently

The news media (television, radio, national/local newspapers) can play an important role in awareness raising. FSPs should pursue collaborative efforts with

¹⁷ This should also include toll-free phone numbers available outside regular working hours and making information about financial services and consumer rights available to consumers in urban and rural areas.

local and national media outlets. FSPs should facilitate the suitability of (digital) communication through customer-centric features, appropriate language, and relevant tools (digital financial calculators, TV, media, SMS). Some CEMCWG members emphasized that the drive for digital channels is for efficiency. If investing in digital channels does not result in greater efficiency, these should not be prioritized.

PRODUCT SUITABILITY, TRANSPARENCY, AND DISCLOSURE

FSPs should develop and implement sound transparency and disclosure practices

Effective and consumer-focused transparency and disclosure regulations need to be implemented at all stages of the consumer's process of choosing and using a financial product, including pre-agreement quotes and disclosure in advertisements and brochures, standards for contractual disclosure, and standards for post-contractual disclosure.

Redress provisions should be incorporated into product development, with a customer-centric approach

FSPs should incorporate appropriate and gender-sensitive resources and ensure sufficient help and redress capacity in their organization for effective implementation and meeting consumer needs. Consumer-centric policies and strategies can be aligned with staff's performance indicators. Staff capacity building and training must continue.

Demand- and supply-side data should be collected to identify specific vulnerabilities, risks, and appropriate help and redress mechanisms for specific target groups

Disaggregation of data based on identified demographics, needs, and possible risk mitigation for the target groups will ensure a more effective and targeted help and redress mechanism approach for FSPs, especially vulnerable groups. Demand- and supply-side data collection should also reflect accurate and updated complaint records, collect data relevant to specific and identified complaints, and always ensure the records are secure and confidential.

Consult representatives of the target populations during the development and implementation of help and redress activities

This will ensure that the policies and strategies designed for FSPs' help and redress mechanism will effectively identify the risks, possibly mitigate, and appropriately address the complaints as and when they arise. Women and women-owned MSMEs should be considered as part of the population representatives.

FAIR TREATMENT AND RESPONSIBLE BUSINESS CONDUCT

Help and redress interventions should be well-defined for specific target groups, though identified efficient delivery channels

Demand- and supply-side data should be collected to identify particular vulnerabilities, risks, and appropriate help and redress mechanisms for specific target groups. Representatives of the target populations must be included in consultations to develop and implement help and redress activities.

Authorities should provide principle-based guidance as appropriate for responsible marketing/advertisement/sales

Principle-based guidance should give prominence to key features of a product/service, such as its price, risks, return policy, amounts due, and access conditions and restrictions, which are easily readable and understandable and would allow consumers to make an informed decision.

Develop indicators for unsuitable product features and benchmarks for financial products that can be used safely by a wide variety of consumers to help consumers make informed decisions

In the absence of indicators for unsuitable product features, mechanisms should be put in place including laws with provision of regulation, supervision, and penalization, and regulations. In the long run, FSPs must be encouraged to develop indicators, or at least appropriate benchmarks, for unsuitable product features.

Make available specific avenues of help and redress to help over-indebted consumers address their financial difficulties and regain control

The relevant mechanisms and processes should provide consumers with key information (debt counseling, personal finance management, etc.) that would allow them to make informed decisions about their financial difficulties and choose the appropriate avenue for complaining.

GUIDANCE PILLAR 5: FEEDBACK MECHANISMS AND ENFORCEMENT

The feedback mechanism for IDR or ADR constitutes a fundamentally important element for improving the financial system and drawing policies and instructions by tracking dispute trends and knowing their main elements and where they are concentrated.

This allows for improving the monitoring and evaluation mechanism and knowing the negatives or obstacles in the financial institutions. It also provides a possibility of discovering appropriate recommendations to improve the performance of these institutions.



Moreover, to achieve transparency, disclosure, and justice in financial transactions and to reinforce financial inclusion, it is vital to strengthen the mechanisms and procedures to protect the rights of consumers of banking services by automatically addressing consumers' disputes and following up in accordance with the relevant instructions.

In that light, financial institutions must prepare work procedures to address public disputes, including at least the mechanism for dealing with complaints (contact point, procedures, deadlines).

Feedback mechanisms leverage on:

- > **follow-up**, documentation, and archiving of consumer complaints/disputes electronically
- > **extracting the necessary reports to obtain accurate statistical data** for the consumers' complaints/disputes which would help analyze the trend¹⁸
- > **extracting conclusions and recommendations** from the reports to inform the relevant instructions and create policies.

COUNTRY EXAMPLE - PALESTINE



In the context of automating the work mechanisms and control tools of the market conduct department, an automated internal system has been developed to follow up the complaint/dispute and obtain reports that would help in controlling and analyzing complaints/disputes received from banks, microfinance institutions, PSPs, and money exchanger.

Furthermore, banks, microfinance institutions, payment service providers and money exchangers must submit a periodic quarterly report to the Palestine Monetary Authority, including all complaints and the procedures taken regarding the treatment and correction of their issues in a form prepared by the Palestine Monetary Authority.

18 Reports:

- Complaints/dispute data report provides the following information: number of complaints/disputes for a certain period according to the date of submission, the name of the complaint/dispute, the subject of the complaint/dispute, and the status of complaint/dispute.
- Daily follow-up complaints/disputes report lists all complaints/disputes that have been submitted for more than (15) working days.
- Report of the total number of complaints/disputes submitted shows statistical data and trends.

A well-established help and redress mechanism without a reliable enforcement mechanism may impair the mechanism's effectiveness. Optimal efficiency requires a robust legal mandate, consistent enforcement tools, and adequate implementation of enforcement measures. Enforcement mandate and tools should also be adapted to the changing landscape in DFS supervision. While it would not be possible to eliminate the FSPs' potential to act against the best interests of consumers, the regulator should aim to provide a credible deterrent against unfair practices towards consumers through its supervisory and enforcement activities.

COUNTRY EXAMPLE - MALAWI



In Malawi, a range of non-compliance monetary penalties are included in various market conduct directives and regulations. In addition, a market conduct penalty schedule was developed and issued to operationalize sanctions in the regulations pertaining to the market conduct.

The penalty schedule also guides an enforcement committee in determining the extent of penalties to impose after establishing a violation of the legal and regulatory requirements. The penalties have been categorized into four levels depending on whether it is the institution's first, second violation, and so on.

1. Once the violation has been identified, the institution is informed and requested to show cause why the Registrar should not impose administrative or monetary penalty. This provides the institution with an opportunity to be heard. An institution is usually requested to respond within 14 days of the communication.
2. Once an institution has explained its side, the Reserve Bank of Malawi assesses whether the institution had a plausible justification for the breach. A further consideration is made of the history of violations by the institution (first or repeat offender). An additional consideration is made for the gravity of the harm caused to the consumer.
3. Based on the above, the Registrar may uphold a penalty, or if it is considered the situation arose due to circumstances beyond the control of the institution, penalties may be waived.

COUNTRY EXAMPLE - DOMINICAN REPUBLIC



The Dominican Republic framework states that FSPs must execute all favorable decisions immediately, notwithstanding further appeals or other procedural instances that may be opened within one month of issuing the decision.

Therefore, the FSP must provide sufficient evidence of compliance with the decision. Should it fail to do so promptly, the SBDR is lawfully entitled to pursue noncompliance penalties against the defaulting FSP.

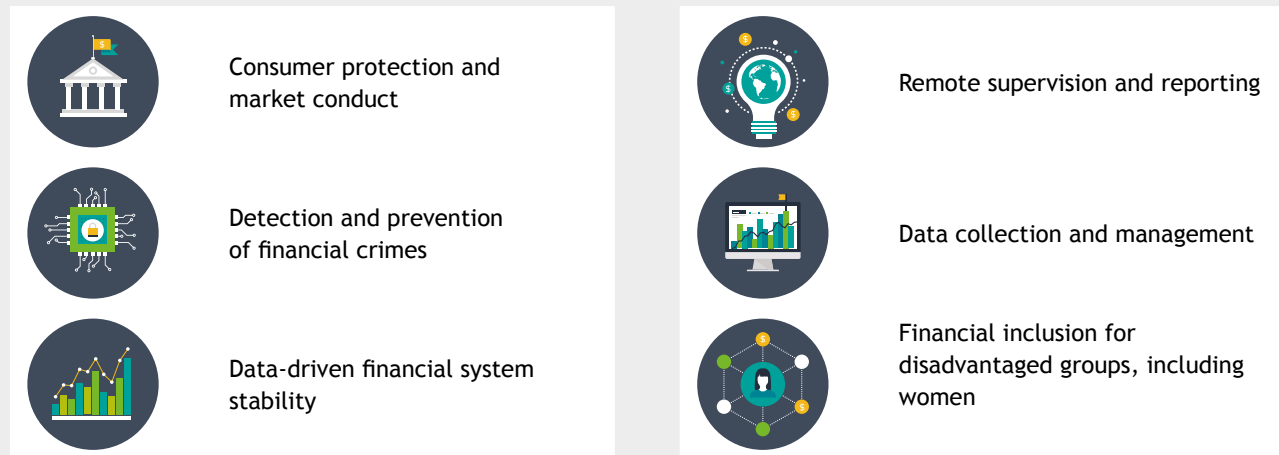
IDR supply-side data is submitted to the SBDR every quarter. It contains statistics on all claims handled according to product/service, amount involved, claim subject, reasons for the decision, and whether it was favorable for the consumer. This data is assessed for consumer protection supervision, policymaking, penalties to FSPs when applicable, and financial education purposes.

With the rapidly evolving DFS and FinTech ecosystem, AFI member institutions are also turning to regulatory and supervisory technologies (RegTech and SupTech) driven by different tools and innovations.¹⁹ AFI's 2022 Special Report on Regulatory and Supervisory Technologies for Financial Inclusion identifies six key thematic areas (Table 5) for an inclusive regulatory and supervisory regime delivered through technology-enabled innovations.

RegTech solutions can assist regulators to ensure that FSPs are compliant with help and redress regulations by lowering compliance and reporting costs, procedure bottlenecks and increasing processes efficiency.

¹⁹ Such as artificial intelligence/machine learning (AI/ML), cloud computing, blockchain technology, data analytics, etc. (AFI. 2022. *Regulatory and Supervisory Technologies for Financial Inclusion*).

FIGURE 5: KEY THEMATIC AREAS FOR REGTECH AND SUPTECH FOR FINANCIAL INCLUSION



Source: See AFI. 2022. Regulatory and Supervisory Technologies for Financial Inclusion Special Report.

RECOMMENDATIONS

DATA COLLECTION AND ANALYSIS

- > IDR and ADR tracking and improvement
- > FSPs feedback requirement
- > Statistics analysis and publication

ENFORCEMENT AND PENALTIES

- > Remedial or enforcement action
- > Inter-agency coordination and public disclosure
- > Communication with non-compliant FSP
- > Tailored and proportionate sanction
- > Enforcement adapted to the DFS sector



DATA COLLECTION AND ANALYSIS

Establish a feedback mechanisms to track the results of internal and EDRs and to improve regulation and supervision

Creating a process for identifying and reporting systemic issues with a particular financial product, business practice, or service provider is central because this will enable the regulator to take appropriate action.

The regulator should require FSPs to submit statistics on the number, types, and outcomes of complaints resolved internally regularly (monthly or quarterly)

This sex- and age-disaggregated data should identify if high-risk business practices are more likely to happen to specific population segments and determine tailored actions. The regulator could also require the financial

ombudsman to report data and systemic issues to the regulator, where applicable.

Statistics on consumer complaints and resolutions should be analyzed, published, and used to improve the financial consumer protection framework

This information could also help FSPs identify high-risk business practices or business units, and improve their business practices and customer service. This could also assist the regulator in identifying issues that need to be discussed and addressed at an industry level through joint forums.

ENFORCEMENT AND PENALTIES

Regulators should implement remedial or enforcement actions for any breach of help and redress requirements by FSPs

An effective enforcement system is essential to ensuring adherence to regulations or guidelines on effective help and redress and encouraging gradual and increased adoption of good business practices among FSPs.

Promote inter-agency coordination and public disclosure of enforcement actions

Promoting inter-agency coordination in implementing enforcement measures for help and redress interventions lowers the risk of duplication and inconsistency. It is also recommended to consider public disclosure of enforcement actions, especially sanctions, to promote adequate FSP conduct.

Communicate with the non-compliant FSP before any potential sanction

Once the violation has been identified, FSP should be informed and given the opportunity to provide justification. Before confirming a penalty, assess the reason behind the FSP breach (voluntary or not), and other considerations, such as the history of violation (first of repeat offender), the gravity of the harm caused to the consumer, etc. If the breach is involuntary, initiatives can be put in place to fix the identified issue, for example, by furthering the FSP capacity building.

Imposed sanctions should be tailored and proportionate to the FSP's breach

Sanctions can include monetary and non-monetary administrative actions, public reprimand, ordering an FSP to remedy a breach and compensate any damaged party, etc.

Enforcement mandate and tools should be adapted to the DFS sector

Regulators are reacting to the changing landscape in DFS supervision with different approaches, including technology-based supervision. It is recommended to reform help and redress enforcement frameworks to respond to the expanding scope of DFS in the financial sector.

AFI REFERENCE PUBLICATIONS



Policy Model on Consumer Protection for Digital Financial Services.

Key recommendations to enable regulators to reform their supervisory frameworks to be efficient and effective in a DFS landscape.

[> View here](#)



Regulatory and Supervisory Technologies for Financial Inclusion:

Technology-enabled tools, methods and processes enhancing regulation compliance, reporting, comprehensive supervision and oversight outcomes.

[> View here](#)

CONCLUSION

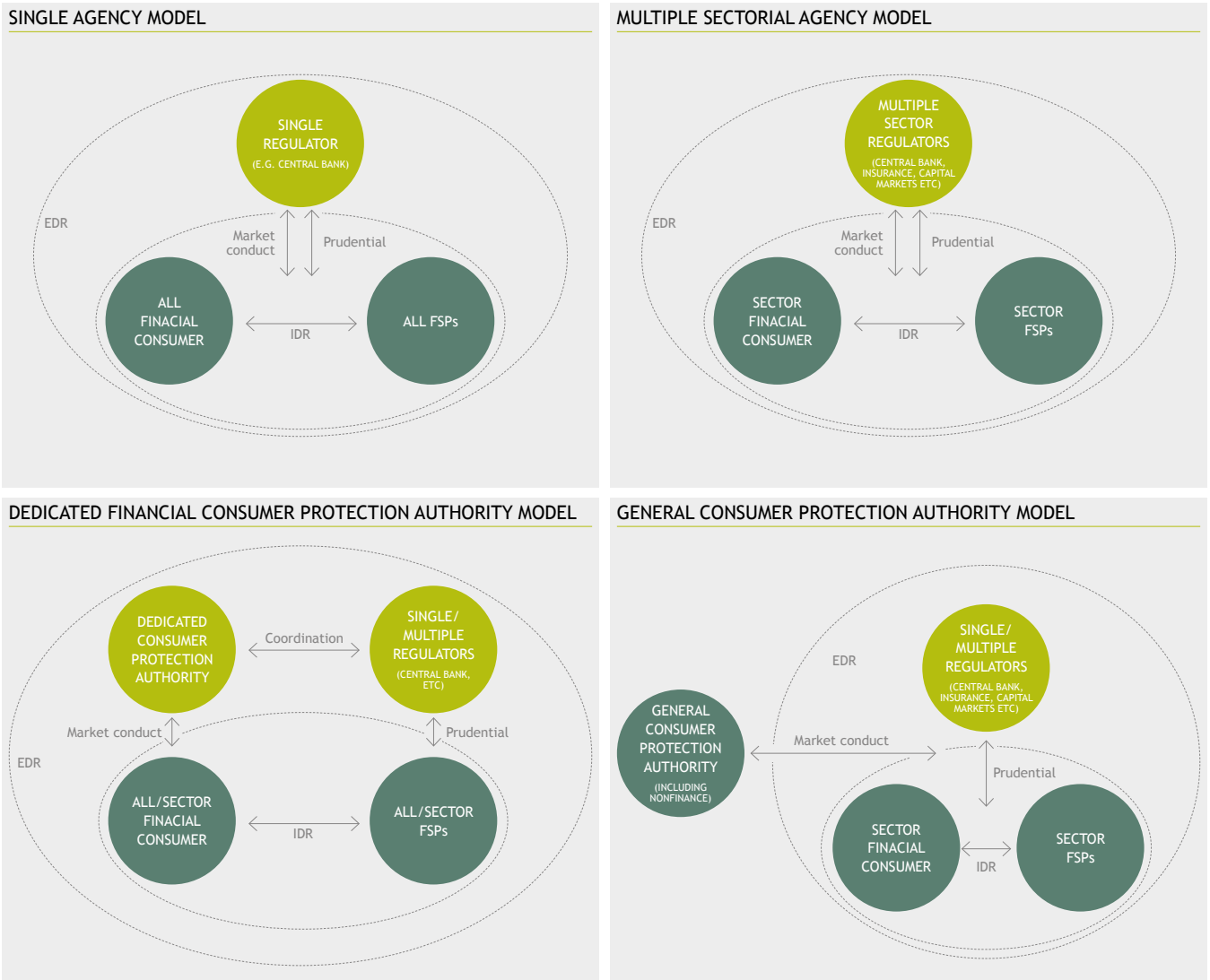
This guideline note provided policy guidance for an effective redress mechanism that guarantees a robust, effective, and fair consumer protection regime that promotes consumer confidence in financial services and assists regulators in earning the trust and respect of FSPs.

In that, it represents a key milestone in developing an effective consumer protection regime. Given the fast-paced changing landscape of digital financing, regulators and FSPs will need to be able to anticipate future associated risks and ensure a sustainable and effective help and redress mechanism.

The document hinges on guidance pillars that may be used for AFI member institutions and other stakeholders looking at implementing an effective redress mechanism.



ANNEX 1. EXAMPLES OF EXISTING INSTITUTIONAL ARRANGEMENTS



Source: AFI. 2022. Complaint Handling in Central Bank Toolkit.

ANNEX 2. AFI MEMBERS' CHALLENGES IN HELP AND REDRESS

Non-exhaustive list of challenges shared by AFI members in the 2021 CEMCWG survey:

INSTITUTIONAL FRAMEWORK

- > Lack of help and redress functions in some jurisdictions.
- > Lack of formalized structure. The existing framework is sometimes enforced at the discretion of certain individuals, and not properly institutionalized.
- > Lack of strong regulations, especially on customer compensation.
- > There is no legal background to develop or implement a help and redress framework or make its decisions binding.
- > The regulators have no authority to intervene in contractual relations or resolve consumer complaints.
- > Some regulators are unwilling to sanction financial institutions.

SUPPLY-SIDE

- > The regulator does not provide clear rules on consumer protection.
- > Lack of transparency and disclosure of the help and redress processes at the regulator and service provider level.
- > FSPs have difficulty in automating and unifying complaint categories and segments in their jurisdiction.
- > Unclear assignment of roles and implementation of procedures, even where written procedures exist.
- > Lack of compliance with existing rules and regulations by some FSPs.
- > No specialized, separate, and independent entity for the protection of financial consumers.
- > No strong stakeholder engagement to ensure buy-in.
- > No capacity building for regulators and staff responsible for complaints/consumer protection.
- > Lack of data and analysis to understand financial consumers' complaints from every dimension.

- > Absence of women-friendly redress mechanisms in institutions to assist female consumers of financial services.

DEMAND-SIDE

- > Consumers preference to file complaints with the regulator instead of going to banks for first-level resolution.
- > Help and redress mechanisms are unavailable to most of the population.
- > Lack of understanding about financial literacy and awareness of the help and redress mechanism on the part of the member countries' population.
- > Unjustified expectations from the help and redress mechanism by consumers.
- > Perception that redress channels (financial institutions and the Ombudsman for Financial Services) favor the industry over financial consumers.
- > Emerging digital risks are leading to complaints, consumer protection issues, and risks associated with the use of technology and digital financial illiteracy.
- > Women face several barriers and challenges when seeking access to remedial and redress mechanisms, including but not limited to socio-economic and cultural barriers, inadequate consumer protection and regulations, high levels of illiteracy in many developing countries, and a lack of trust and awareness about filing complaints or seeking redress mechanisms.²⁰

²⁰ Particularly where women labor under a general perception that consumption of financial services is a prerogative of their male counterparts.

ANNEX 3. MINIMUM STANDARDS

Regulators should prescribe minimum standards for internal complaint resolution processes. They should be defined through consultations with the industry and consumers and supported by consumer advocacy groups. Requirements may include:

- > FSPs adopt a formal policy and procedures for complaint resolution approved by their board of directors and reviewed regularly
- > staff overseeing consumer complaints is at a senior level and required to report independently to the CEO or the board
- > FSPs designate a particular department (or staff) responsible for handling customer complaints
- > all complaints recorded in the register are available for the regulator to inspect
- > statistics on complaints are reported to the regulator in a standardized format that helps facilitate oversight of the FSPs and monitor the market
- > procedures exist regarding credit collection and credit score handling of pending claims
- > minimum standards for the execution of favorable decisions to consumers.

The minimum standards to be developed and issued by the regulator may also include the following:

- > an explanation of consumer rights and recourse options in all marketing and contractual materials in plain and unambiguous terms in the language in which consumers conduct their everyday business, not just in the official national language
- > consumer rights and dispute resolution mechanisms (both internal and external) are to be posted prominently in every branch of the FSP and other public information channels, including its website
- > a visible, well-publicized, and accessible complaints process, including information about the stages of the complaint handling process and the time frame for each
- > the obligations of consumers and FSPs (such as the handling of information requests and participating in the process in good faith)
- > a timely, clear, and reasoned response from the FSP
- > notification of available EDR mechanisms if the customer is not satisfied with how the internal dispute mechanism resolved a dispute

- > co-branded products and services (a bank and telco arrangement, such as mobile money) to indicate who is responsible for handling complaints
- > a compensation system in the event of injury to the consumer.

Source: AFI. 2013. [Guideline Note No. 9: Consumer Empowerment and Market Conduct - Help and Redress for Financial Consumers.](#)

ANNEX 4. FEATURES OF AN IDEAL ADR SCHEME

INDEPENDENT	The effectiveness of redress and held mechanism can be assessed by evaluating the rate of declining complaints escalated to regulatory authorities. Jurisdictions could further examine areas for improvement, which will serve as recommendations for best-fit approaches.
AFFORDABLE	Affordable or free so that the cost does not deter lower-income consumers.
SUSTAINABLY AND ADEQUATELY FUNDED	The government could fund the ADR provider, central bank, financial regulator, or financial services industry. A levy contribution by the industry provides the right incentives for firms to handle complaints properly. Funding should be sufficient to resource the ADR provider with competent mediators and staff, to be able to resolve disputes in a timely and effective manner.
WELL SIGNPOSTED	Consumers should be made aware that they can seek independent redress. Ideally, financial services firms should be obliged to publicize the details of the ADR scheme to all customers.
CLEAR IN SCOPE AND PROCESS	The ADR provider should publicize its scope and services. This should include the types of disputes it handles, which consumers are eligible for (this might include, for example, foreign consumers, small businesses, as well as individuals), any time limits for bringing a complaint, and any limits on the amount of compensation. The ADR provider should also make clear to consumers what to expect, including the process that will be followed and the estimated time required to resolve a complaint. It should also offer help and advice to consumers on how to make a complaint.
FAIR AND IMPARTIAL	The ADR provider should be seen to examine both sides of a case fairly, taking account of relevant laws and precedents so that its decisions are respected. Given the clear information asymmetries between financial services firms and consumers, decisions should rightfully be binding on firms.
ACCOUNTABLE	The ADR provider should publish an annual report on its activities and operations to promote public accountability for its decisions and actions. In addition, the lessons from the ADR scheme should be considered in policy formulation and supervision so that financial services markets can be continuously improved for consumers.

Source: AFI. 2017. *Survey Report 2017: Alternative Dispute Resolution*.

ABBREVIATIONS

ADR	Alternative dispute resolution
CEMCWG	Consumer Empowerment and Market Conduct Working Group
DFS	Digital financial services
EDR	External dispute resolution
FSP	Financial service provider
IDR	Internal dispute resolution
RBF	Reserve Bank of Fiji
SBDR	Superintendence of Banks of the Dominican Republic

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