



Consumer challenges in the usage of digital Financial Services

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What is CCPC

1. CCPC is an Abbreviation for Competition and Consumer Protection Commission.
2. CCPC was established in 1997 with the mandate of protecting consumers and protecting Competition in the Zambian Economy
3. CCPC endeavors to safeguard and promote a competitive business environment and enhance consumer welfare by prohibiting anti-competitive and unfair trading practices.
4. CCPC collaborates with other sector regulators in conducting investigations as need arises.

Mandate of Consumer Protection Authorities

Consumer protection authorities generally look out for the interests of consumers. They look into inter alia;

1. False, Misleading and Deceptive Conduct (false representations on goods and services, advertising)
2. Information on Goods and Services (display of prices, product labelling, used goods etc)
3. Safety and Quality of Goods and Services (right to quality goods and services, warranty, liability for damaged goods etc)
4. Contracts (unfair or unjust contract terms, written contracts, prohibited contract terms, cancellation of contracts etc)

Challenges faced by consumers in DFS

1. Fraud
2. Disclosure of transaction costs e.g. point-of-sale transactions.
3. Delayed reversals of transactions
4. Display of disclaimers e.g. case of disclaimer displayed on automated teller machines-if the service provider is not going to take responsibility then who will?
5. Unauthorized withdrawals from customers' accounts
6. Failure of MNOs to provide remedy mechanisms in event of erroneous transactions
7. Delayed receipt of tokens purchased using digital platforms.

Examples of Cases CCPC receives to do with DFS

In the year 2021, CCPC received a total of 120 DFS related complaints, most of which related to;

1. Sending money via mobile money to a wrong number and failing to get redress
2. Erroneously buying talk time instead of sending money to one's mobile money account using a bank online platform
3. Wrong input of value for electricity tokens/ wrong input of electricity account number thereby purchasing tokens for another and not self; and service provider refusing to redress
4. Charged to use a debit card for low value transactions
5. Failed ATM transactions where consumers are debited and takes long to be redressed

Conclusion

As much as digital financial services have presented opportunities and made trade more convenient and efficient, there are also some evils that need to be curbed in order to improve consumer experience with DFS.

There is also need to improve consumer redress mechanisms and their turnaround time thereof.

Thank you...