





*Consumer Protection in
Financial Inclusion*



Inclusion Agenda

- ✧ 150 million new financial services customers each year
- ✧ Many will be in emerging markets
- ✧ Many will be unsophisticated, vulnerable customers
 - ✧ Low levels of financial literacy



Information Asymmetry

Imbalance of information places consumers at a disadvantage

Bank

- ✧ Credit Market
- ✧ Customer History
- ✧ Cost
- ✧ Risk

Customer

- ✧ Price Quoted



Why is CP a Policy Solution?

- ✧ Efficiency and transparency lead to deepening of retail financial markets
- ✧ Information builds trust and increases demand
- ✧ Protects financial sector through better risk management



Barriers to Effective CP Policy

- ✧ Regulatory capture
- ✧ Regulatory arbitrage
- ✧ Political economy
- ✧ Unclear roles and responsibilities



What are a consumer's rights?

- ✧ Right to be heard
- ✧ Right to information
- ✧ Right to choice
- ✧ Right to redress
- ✧ Right to privacy