

Customer protection and engagement for responsible finance

MSC (MicroSave Consulting)

The world's local expert in financial, economic,
and social inclusion in the digital age



We are MSC

The world's local expert in financial, economic, and social inclusion

- MSC is a boutique consulting company that drives financial, economic, and social inclusion by partnering with participants in digital ecosystems.
- We work with our clients and partners across the globe to achieve sustainable performance improvements and unlock enduring value.
- With our support, you can seize the digital opportunity, address the mass market, and future-proof your operations.



International financial, economic, and social inclusion consulting firm with **25+** years of experience



>300 staff in **10** offices around the world



Projects in **~68** developing countries

>550
clients

>1,400
publications

Assisted development of digital G2P services used by
>875 million people

Implemented
>950 DFS projects

Developed
>300 FI products
and channels now used by
>1.7 billion people

Trained >11,000
leading FI specialists globally

Sectors we work in

Impact-oriented business consulting services

MSC has a strong reputation for high-quality work with a wide range of institutions. Over the past 25 years, we managed over 3,500 projects in more than 68 developing countries. Our experts come from a variety of fields and can help you gain the critical edge in a competitive market.



Banking, financial services, and insurance (BFSI)



Water, sanitation, and hygiene (WASH)



Government and regulators



Micro, small, and medium enterprise (MSME)



Social payments and refugees



Gender equality and social inclusion (GESI)



Education and skills



Digital and FinTech



Agriculture and food systems



Youth



Climate change and sustainability



Health and nutrition

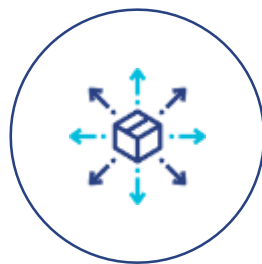
Multi-faceted expertise

Advisory that helps you succeed in a rapidly evolving market

MSC helps you gain a deep understanding of your clients, their needs, aspirations, perceptions, and behavior. We use the opportunities of the digital age to help you create a better, more efficient, and profitable business that focuses on your customers and markets.



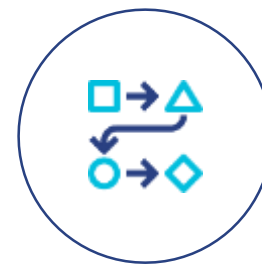
Policy and strategy



Products and channels



Research, evaluation, and analytics



Organizational transformation



Digital technology and channels



Catalytic finance



Design thinking and innovation



Marketing and communication



Training



Government and regulations and policy



Customer protection and engagement for responsible finance



Data insights

Our clients and partners

We work with a range of organizations to build enduring change

Our clients and partners include influencers and decision-makers among financial service providers. We also work with governments and other groups to contribute to financial, economic and social inclusion.

Banks	Mobile network operators	FinTechs & AgTechs	BILL & MELINDA GATES foundation	MetLife Foundation	mastercard foundation	UN CDF	USAID FROM THE AMERICAN PEOPLE
Foundations	Multilateral organizations	Bilateral organizations	CCGAP	Safaricom	Centenary Bank	m-pesa	MTN Mobile Money
Microfinance organizations	Government agencies	Regulators	OMIDYAR NETWORK	ADB ASIAN DEVELOPMENT BANK	NPCI NATIONAL PAYMENTS CORPORATION OF INDIA	NITI Aayog	Center for Global Development
Industry networks	Research centers & think tanks	Cooperatives	dfcu ...with pleasure	EQUITY Bank The Lasting, Caring Financial Partner	FamilyBank With you, for life	FirstBank Since 1894	UKaid from the British people
			WORLD BANK GROUP	IFC International Finance Corporation WORLD BANK GROUP	airtel	vodafone	Michael & Susan Dell FOUNDATION
			OTORITAS JASA KEUANGAN	Ecobank The Pan African Bank	CESAG	no limit	BURO Bangladesh
			SCBF	avpn	CIFAR ALLIANCE		



**MSC's commitment to
customer protection in
Digital Financial Services
(DFS)**

Why customer protection?



Susceptibility to customer protection risks compromises user experience and trust ... and frequently leads to financial loss through fraud. These risks include loss of privacy, data breach, and data misuse.



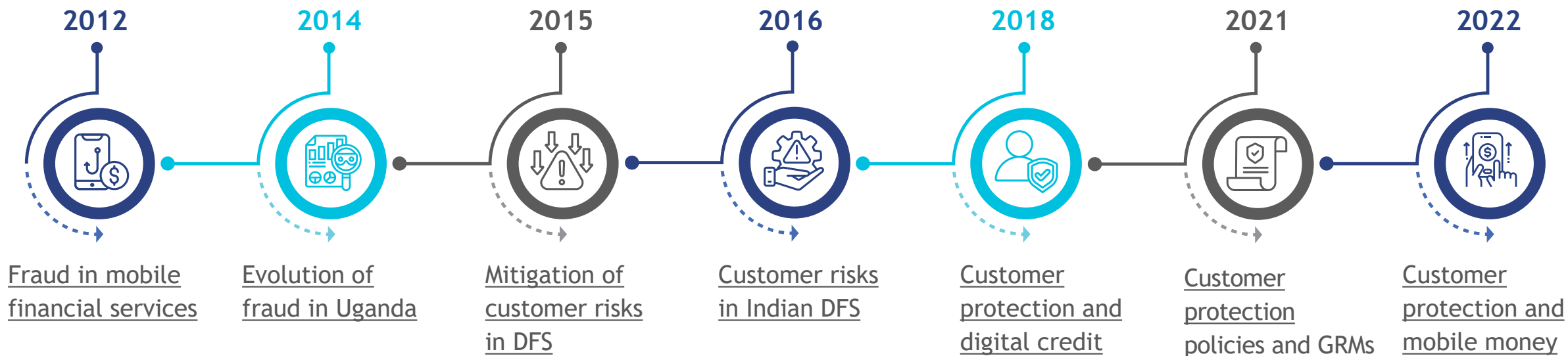
Financial service users are particularly vulnerable to various customer protection risks. Increased digitization and the use of artificial intelligence to improve product offerings and service delivery amplify these risks.



MSC's commitment to customer protection in Digital Financial Services



For more than two decades, MSC has been committed to revolutionize digital financial services. We put customer interest and protection at the center of our work. Through our engagements in multiple thematic areas across geographies, we at MSC have advocated the importance of continued efforts to ensure the safety and retention of customers in the financial inclusion ecosystem.



MSC's vision in the realm of customer protection



Through our work, we aspire to strengthen the financial inclusion ecosystem based on the principles of trust and transparency.



We envision a responsible and secure financial inclusion ecosystem based on these six pillars.

Intuitive UI and UX design



Robust grievance resolution and feedback systems



Transparent communication and information symmetry



Data privacy and security by design



Institutional strengthening, training, and capacity building of agents



Suitable and relevant product offerings and services



Thematic areas we engage in

Our work in the customer protection space spreads across the following thematic areas :



Product suitability

Ensuring financial products and services are suitable for the target audience. This involves assessments of their needs, preferences, and financial capabilities and the customization of products to meet these specific requirements.



Digital financial capability (DFC)

Addressing the knowledge, skills, attitudes, and practice gaps among consumers to help drive safe DFS use. This involves equipping individuals with the knowledge and skills to enhance their awareness of digital financial tools, transactions, and security measures to empower them to make informed and responsible financial decisions.



Fraud and risk management (FRM)

Designing products and associated processes to proactively mitigate consumer risk of fraud. This includes risk assessments and strategy development to strengthen security measures and fraud detection technologies to safeguard customers and financial institutions from potential threats.



Market monitoring

Building a resilient financial ecosystem through the timely detection of emerging risks and evidence-based decision-making. This involves tracking trends, practices, and developments within the financial services market by FSPs to strengthen their existing customer protection mechanisms and policies.



Customer engagement and interaction

Designing user-friendly interfaces and experiences of financial services. This involves the design of customer-centric approaches to enhance communication, respond to grievances, and improve overall customer satisfaction and safety.

Our expertise

As global experts, we deliver technical assistance and advise governments, donors, and FSPs to strengthen the financial inclusion ecosystem. Our key expertise areas are as follows:



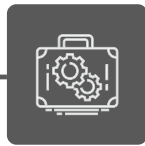
Research and evaluation

We conduct research and assessments with customers, agents, and other stakeholders to study the impact of financial products and services on customers, identify potential risks, and evaluate the effectiveness of existing customer protection measures.



Technical and strategic support

We provide technical and strategic support to governments and financial service providers to develop a customer-centric approach to address emerging risks, implement robust security measures, and ensure compliance with regulatory standards.



Product and toolkit development

We develop financial products tailored to the target audience and aligned with market demands to prioritize customers' safety. We prepare toolkits for governments and financial service providers on the adoption of customer-centric practices.



Intervention design and pilot testing support

We design and test interventions after consideration of factors, such as customer behavior, market dynamics, and regulatory environments to pave the way for scalable and sustainable solutions. These interventions include customer behavior, market dynamics, and regulatory environments.

Some of our work on customer protection in DFS

We have led critical strategic engagements across Asia and Africa.

Research and analytics through a customer protection lens



- MSC, in collaboration with the University of Indonesia, conducted a study to examine the risks women face in the online lending ecosystem.
- We conducted a study in Kenya on access and loan term transparency to understand the high default rate in the country's digital platforms.
- We conducted a study in Uganda to strengthen data protection policies, agent practices, and support to providers to build a responsible mobile money ecosystem in the country.

Policies and program design, pilot testing, and implementation



- We reengineered customer protection policies and practices of the India Post Payments Bank (IPPB).
- We designed a customer protection policy for Frontier Markets—a women-centric ecommerce platform for rural Indian customers.
- We developed prototype solutions to improve the grievance management mechanism for OJK—Indonesia's Financial Service Authority.

Technical assistance and strategic support



- We provided technical assistance to OJK—the Financial Service Authority in Indonesia—to enhance the monitoring and supervision of digital financial services through technology in the country.
- We supported M-PESA in Malawi to improve the user interface of its USSD platform and platform communications.

Clients and partners





Selected flagship projects

Our flagship projects across the globe (1/2)



Development of prototype solutions to improve OJK's grievance mechanisms

MSC supported OJK, the Financial Services Authority in Indonesia, to launch a strategic roadmap for RegTech and SupTech implementation. We helped OJK build and test two SupTech solutions to strengthen consumer protection in the financial services sector. MSC collaborated with OJK to build a tool to automate the analysis of consumer sentiments on social media and an omnichannel chatbot for consumers' complaints to OJK. These initiatives were instrumental to raise OJK's capacities to monitor and supervise the efficient delivery of DFS and are a key SupTech priority of the future.

A multicountry quantitative research on CICO agent dynamics

MSC conducted a multicountry quantitative research (MCQR) on cash-in and cash-out (CICO) agent dynamics in India, Kenya, and Bangladesh. The research focused on trust, customer interactions, and challenges. The research team interviewed 600 customers and engaged with 50 agents per country. We assessed fraud vulnerability and awareness of grievance resolution mechanisms and provided insights for policymakers and financial providers. The research offered recommendations at macro, meso, and micro levels to address issues in agent-customer relationships and strengthen grievance resolution mechanisms.



Responsible finance for client orientation and protection

The Responsible Finance Project contracted MSC to refine training materials on client orientation and protection. MSC trained 38 MFIs in Ghana. We covered topics, such as customer service, consumer protection, financial education, and product marketing. The targeted content development exercise and training were successful. We also enhanced the capacity of trainers from microfinance apex associations and improved their knowledge in key areas. The training received excellent ratings, which led to a notable average knowledge increase of 26%.

Our flagship projects across the globe (2/2)



Risks and consumer protection in online lending platforms in Indonesia

FinTech lending has increased rapidly in Indonesia, especially for microenterprises, which has increased cases where predatory practices from FinTech lenders target women. MSC, in collaboration with the University of Indonesia, conducted [a study](#) to examine the risks women faced in the online lending ecosystem. We gathered insights through in-depth interviews with female victims who experienced harassment from legal and illegal digital credit providers. We also consulted various stakeholders, which included FinTech association representatives, regulators, and policymakers. The study illuminated the challenges and harassment women encounter when they obtain loans from digital lenders. The report offers recommendations to fortify the regulatory framework, safeguard female consumers, and promote responsible digital credit practices.



Consumer assessment to refine consumer protection principles in Kenya

Access to finance is crucial for financial inclusion. Digital platforms enable the rollout of innovative financial products, such as digital credit in Kenya, which leads to increased uptake due to easy access and quick application processes. However, the Credit Bureau blacklisted clients who had not paid their loans for more than 90 days. MSC conducted [a study](#) that focused on access and loan term transparency to understand the high default rate. MSC conducted market research, qualitative studies, and data analysis. The study yielded recommendations for effective and sustainable digital credit.

Consumer protection and grievance management at India Post Payments Bank: An assessment of existing policies, processes, and systems to identify improvement areas

Customer protection is critical to improve customer service and experience. MSC thoroughly reviewed IPPB's customer protection policies and complaint resolution systems. We conducted stakeholder consultations with the IPPB teams to identify areas and branches with high complaint cases. We also conducted primary research with customers and branch officers in different parts of India to understand the gaps and opportunities to improve customer protection policies for the IPPB. The IPPB used the recommendations to reengineer its customer protection policies.





Engagement summaries (selected)

Development of prototype solutions to improve OJK's grievance mechanisms

Strategic and technical support to OJK to bolster consumer protection in DFS

Work areas:
Digital financial services



The challenge

Indonesia's high internet penetration rate makes it an attractive market for digital financial services. However, the need to strengthen customer protection becomes imperative when customer risks, such as data breaches and financial fraud, are widespread. OJK oversees 2,500+ institutions. It regulates the banking, capital markets, and non-bank financial sectors. In recent times, it has seen a rise in consumer complaints, particularly related to digital financial services. OJK and regulated entities can benefit from powerful tools for oversight and compliance with emerging technologies, such as AI and big data analytics.

Our engagement

- ▶ **Codesigned a strategic roadmap to accelerate the development of RegTech and SupTech ecosystems in Indonesia:** In 2019, OJK launched a strategic roadmap for RegTech and SupTech implementation with support from the Bill & Melinda Gates Foundation's RegTech Lab and MSC. The roadmap outlined OJK's vision and priorities to accelerate the development of RegTech and SupTech ecosystems in Indonesia.
- ▶ **Provided technical assistance to OJK and built and operated two SupTech solutions:** MSC collaborated with OJK to build a tool to automate the analysis of consumer sentiments on social media and an omnichannel chatbot that consumers can use to make complaints to OJK.

Chatbot solutions for consumer complaints



Integrates with multiple channels to receive and process consumer complaints



Using artificial intelligence and natural language processing for efficient consumer service and complaint management



Additional channel for consumer education and awareness

Social media monitoring tool



Supports and automates supervision of market conduct of financial service providers on social media platforms



Using social media crawling and machine learning for sentiment analysis and to monitor complaints posted



Advertisement tracking to identify potential fraudulent practices or breaches

Outcomes and impact

- ▶ MSC's work has helped develop a sentiment analysis solution to monitor social media activity around financial services. It also developed an automated chatbot for the OJK website for consumer education, inquiries, and complaints.
- ▶ These initiatives are instrumental to raise OJK's capacities to monitor and supervise the efficient delivery of digital financial services and are a key SupTech priority of the future.

Clients and partners



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Consumer protection and grievance management at India Post Payments Bank

An assessment of existing policies, processes, and systems to identify areas of improvement

Work areas:
Digital financial services



The challenge

IPPB seeks to build the most accessible, affordable, and trusted bank for ordinary people in India. An efficient customer protection policy and a robust grievance handling framework can translate into higher customer satisfaction and higher uptake of IPPB's expanding banking suite.

IPPB has been on a digital financial inclusion spree by expanding its customer base—90% of its customers reside in India's rural areas. IPPB wanted to strengthen its policies and processes to enhance customer security and satisfaction as customer vulnerabilities to data breaches and fraud are widespread. MSC supported IPPB in an engagement to improve its customer protection practices and grievance resolution processes.

Our engagement

- **Conducted policy review:** MSC thoroughly researched IPPB's customer protection policies and complaint resolution system to identify gaps and suggest revisions.
- **Conducted primary research with IPPB customers:** MSC conducted a study with customers and branch officers in different parts of India to understand the gaps and opportunities to improve IPPB's customer protection policies.
- **Stakeholder consultations:** MSC also conducted stakeholder consultations with IPPB teams to identify areas and branches with higher complaint cases. We also identified key issues in data protection or data privacy, frequency and causes of complaints around the receipt of DBT payments, on-ground complaint tracking and monitoring process, and rates of service denial in IPPB's Northern, Southern, Eastern, and Western operations.

MSC support



Research



Strategy



Training and communication

Outcomes and impact

- MSC's recommendations were used to reengineer IPPB's customer protection policies.
- MSC's recommendation to improve the UI/UX of its webpage and mobile application helped IPPB streamline its engagement with customers.
- MSC's recommendations on service quality measures helped improve IPPB branches' accountability.

Clients and partners



BILL & MELINDA
GATES foundation



The role of mobile money providers and their agents in customer data protection

Identification of responsible practices employed by mobile money agents in Uganda

Work areas:

Digital financial services



The challenge

Consumer risks, particularly data misuse, have been growing significantly. These risks erode consumer trust and undermine financial services' delivery to underserved and low-income segments, especially women.

MSC, in partnership with CGAP, conducted research on the role of mobile money providers and their agents in customers' data protection. This research identified responsible practices employed by mobile money agents and providers to safeguard customer data, particularly for female agents and customers. It examined factors that enabled agents to manage customer data responsibly and assessed the alignment of consumer protection standards with mobile money guidelines in Uganda.

Our engagement

- MSC was responsible for identification of good practices of responsible agents and providers in customer data protection, with a particular focus on female agents and customers.
- MSC interacted with customers, agents, and mobile money providers on the measures each of these undertook to maintain data privacy and develop resistance against other's customer protection risks.
- MSC studied and compared the alignment of consumer protection standards (**Data Protection and Privacy Act of 2019** and mobile money guidelines by the Bank of Uganda) adopted by mobile network providers and agents in Uganda with **GSMA's guidelines on mobile money data protection**.

Study approach



Secondary research



Demand-side interviews with customers and agents



Supply-side interviews with MNO providers and agent management company

Outcomes and impact

- The study made recommendations to strengthen data protection policies, agent practices, and providers' support to build a responsible mobile money ecosystem in Uganda.
- The study also highlighted best practices followed by mobile money agents and mobile money providers to protect customer data.

Clients and partners





Reports and publications (selected)

Publications (1/5)

Decoding the extent and exposure of financial fraud among DFS customers



The publication presents findings from MSC's study on the prevalence and risk of financial fraud among digital financial service users. It outlines key trends in online fraud, the impact on different user groups, and how technology, awareness, and user risks interact. Key recommendations for policymakers include the development of preventive strategies, improved complaint handling, and combining technology with local engagement to prevent fraud. It draws from the experiences of those affected and service providers to offer a comprehensive view of the digital financial sector and its obstacles.

Women's risk and consumer protection in Indonesia's online leading platforms



The report details findings from a study that delves into women's experiences as users of Indonesia's online lending platforms. We ran the study in collaboration with the University of Indonesia's Department of Criminology, with support from Indonesia's Ministry of Women Empowerment and Child Protection (MoWECP). In the study, we used a gender lens to examine the risks in online lending platforms unique to women. The study findings led us to distill recommendations to improve the future of online consumer protection in Indonesia.

Publications (2/5)

Digital financial capability—revealing teachable moments through “phygital” (physical + digital) channels



This blog sheds light on tailoring delivery channels to maximize digital financial capabilities (DFC) content’s impact. It introduces personas and the “phygital,” teachable, and engagement or PTE framework. Read on to learn how we can enhance the DFC content’s adoption through the integration of physical and digital channels and the use of teachable moments and interactive tools.

The role of mobile money providers and their agents in the protection of customers’ data



This slide deck serves as a supplement to the blog “How are mobile money agents protecting customers’ data in Uganda?”. The deck presents findings from the research commissioned by CGAP and conducted in partnership with MSC. It sought to identify good practices of responsible agents to safeguard their customers’ data and providers’ role to promote these practices in Uganda. It also examines how Uganda’s Data Privacy and Protection Act has helped strengthen providers’ data protection practices.

Publications (3/5)

The hidden cost of financial services in India



This blog discusses hidden pricing tactics that hinder the adoption of digital financial services (DFS) by low- and moderate-income (LMI) users. It also emphasizes why financial regulatory authorities must promote transparency and accountability in financial services.

OJK adds a suite of exciting tech solutions to address the 100,000+ consumer complaints and ensure stronger consumer protection in Indonesia



Otoritas Jasa Keuangan (OJK), Indonesia's financial services authority, wanted to explore novel approaches to supervise digital financial services. This blog details two SupTech solutions that OJK prototyped to enhance consumer protection in Indonesia.

Publications (4/5)

Trust busters! A dozen reasons why your potential customers do not trust your agents (particularly in rural areas)



Most users who sign up for digital financial services, alarmingly, do not actually use them. This is largely due to a lack of trust in agents. This holds true even in the case of relatively “advanced” geographies. “Trust busters” examines the evidence and lists 12 reasons behind this worrying trend of interest in agency banking that fails to convert into regular usage.

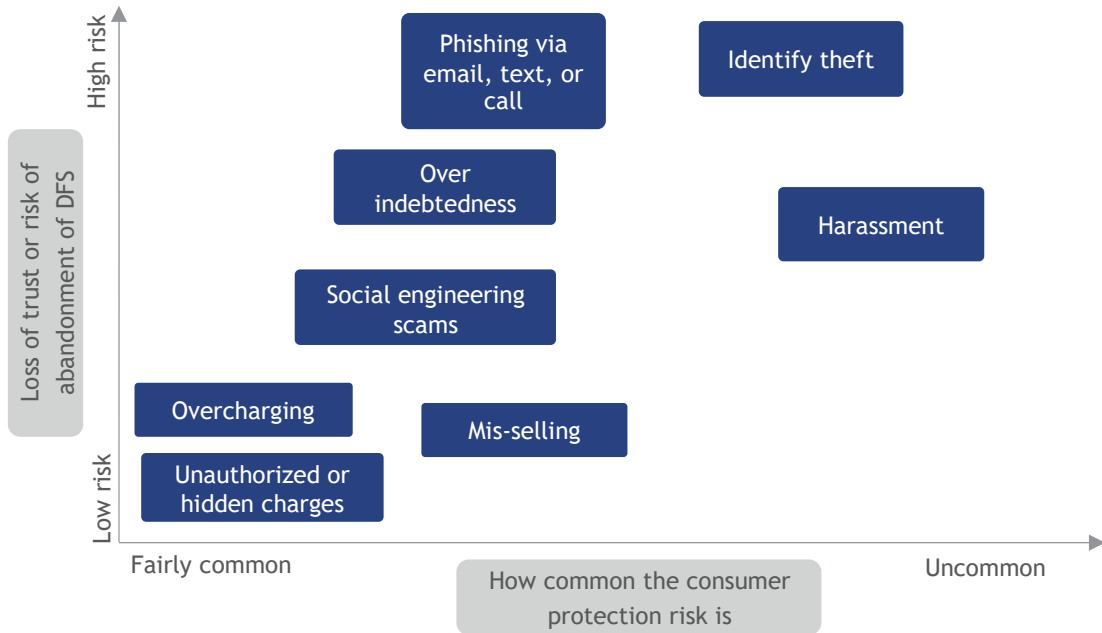
Careful, not customary: How can consent terms be better designed to protect users?



The blog investigates predatory practices around obtaining digital consent and advocates for protective policy and the use of technology to empower users to make informed decisions about their personal data.

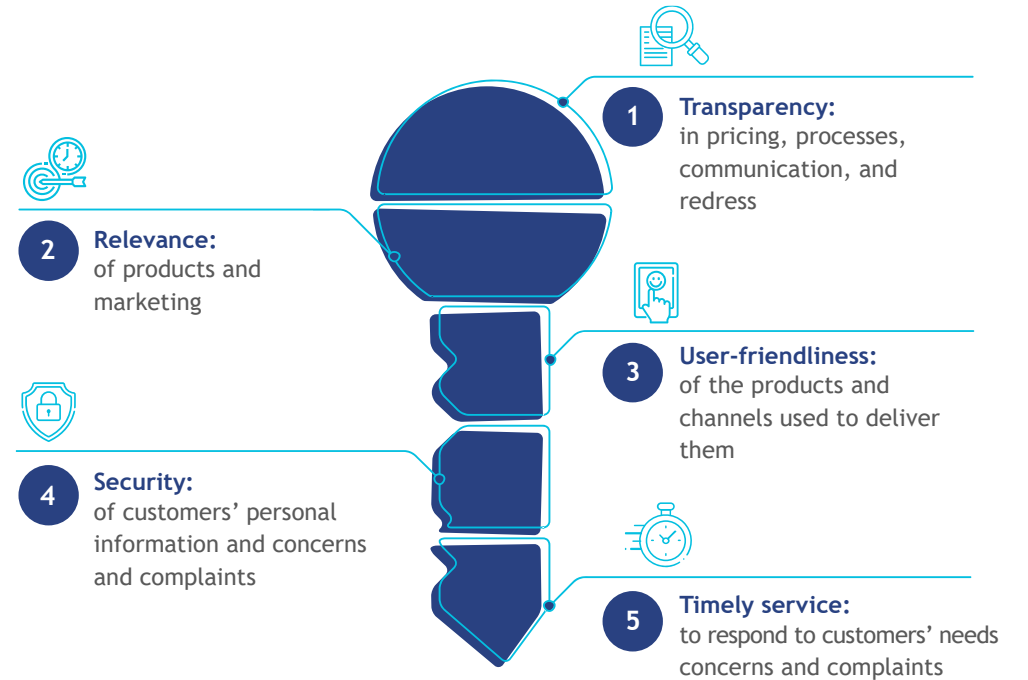
Publications (5/5)

Customer protection risks limit DFS's use among women: Here is what we can do



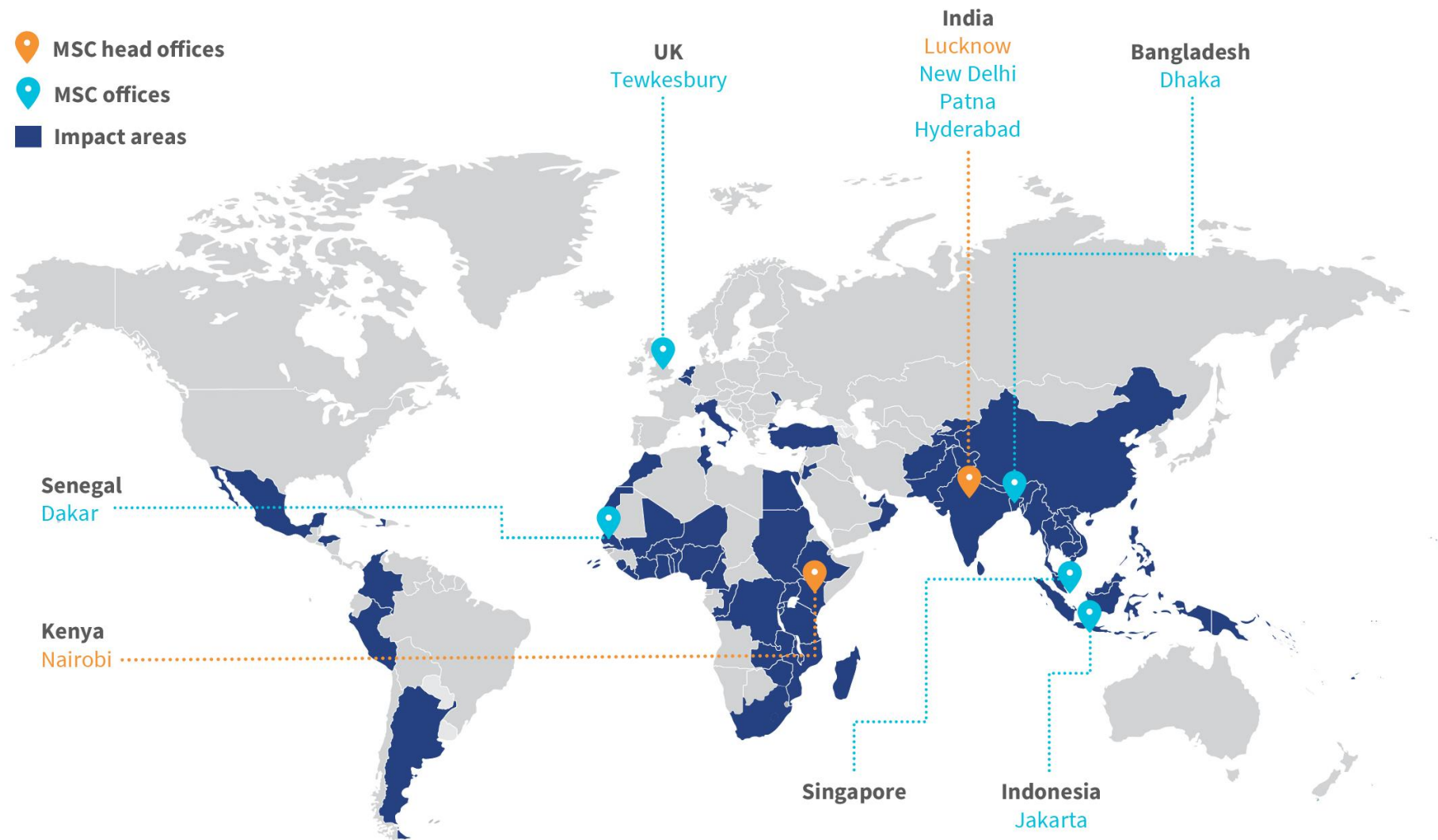
This blog acknowledges how the DFS-related risks disproportionately affect women's use of digital channels for financial services and their trust in these channels. It proposes a proactive approach to create a safer DFS ecosystem that would empower women to navigate it confidently.

Five keys to build TRUST to strengthen customer protection in financial services



The blog investigates predatory practices around obtaining digital consent and advocates for protective policy and the use of technology to empower users to make informed decisions about their personal data.

-  **MSC head offices**
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-  **Impact areas**



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