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**Consumer Redress as a Precursor to  
Consumer Trust in the Digital Age**



# Outline

- What is DFS?
- Who is a Consumer?
- Why is Consumer Redress Important?
- Institutions to Ensure Consumer Redress
- Examples of Cases CCPC receives to do with DFS
- Conclusion
- Way Forward

# What is DFS?

- Digital financial services, are any financial services that are available through digital channels, and includes payments, credit, savings, transfers and insurance
- Digital channels include POS machines, ATMs, Internet, mobile Phones
- Payments include paying for utility bills, school fees,
- Transfers include: sending money
- Credit include getting loans eg on your phone from an MNO, eg MTN

# Who is a consumer?

- Sec 2 of the CCP Act defines a consumer as an end user of a product or service and not one who purchases for resale

# Why is consumer redress important?

- Important because it is a universal right under the UN (UN Guidelines)
- They provide for principles that establish the availability of effective consumer dispute resolution and redress as a legitimate need.
- They provide Principles for good business practices; ie to ensure businesses “make available complaints-handling mechanisms that provide consumers with expeditious, fair, transparent, inexpensive, accessible, speedy and effective dispute resolution without unnecessary cost or burden.
- This makes consumers retain the confidence to engage with individual traders, the market and enforcers and that the marketplace remains fair for all participants
- Therefore, trust is earned

# Institutions to consider consumer redress

- In Zambia like many countries, various institutions are mandated to ensure consumers get redress
- CCPC, BOZ, Zicta, ZP, ERB, PIA
- Laws include: the Competition and Consumer Protection Act. No. 24 of 2010; the Energy Act No. 12 of 2019; Information and Communications Technology (ICT) Act. No. 15 of 2009; Electronic Communications and Transactions Act, 2009; the National Payment Systems Act, 2007; the Electronic Money Directives, 2018 and Pensions Scheme Regulation Act No. 27 of 2005. Banking and Financial Services Act, The National Payment Systems Act, 2007, 2018, BOZ Directive on handling complaints, 2020, ECT Act administered by ZICTA.
- Use of MoU have led to joint working groups, eg CCPC, BOZ , SEC, PIA have an MMOU to work together on Financial Consumer Complaints
- CCPC and ZICTA have an JWG as well
- In these MOUs /MMOUs, there is joint investigations, collaboration, one can work as an individual entity but may consult another if necessary
- International cooperation eg. ICPEN, Adialogue, Bilateral MoUs with Consumer Protection Agencies

# Examples of Cases CCPC receives to do with DFS

- Failed ATM transactions where consumers are debited and takes long to be redressed
- Sending money via mobile money to a wrong number and failing to get quick redress
- Erroneously buying talk time instead of sending money to your mobile money account using a bank online platform
- Wrong input of electricity account number thereby purchasing tokens for another person and not self and service provider refusing to redress (Consumers end up being tossed about by the two providers)
- Charged to use Debit card for low value transactions

# Conclusion

- Consumer redress is key to drive the agenda for Financial Inclusion
- It requires all stakeholder participation
- Most importantly for service providers to ensure that they do not make redress to be costly or impossible for consumers



# Way forward

- There is need for service providers to offer more avenues for recourse especially for erroneous transactions.
- There is need for strong collaboration among key stakeholders such as regulators for information sharing and implementation of consumer redress.
- There is need for continuous consumer education to ensure consumers are aware of channels to lodge their complaints whenever they need to.
- There is strong need to harmonise the laws and agree on which institution to be the starting point for handling consumer complaints to make the process seamless.
- To engage in much consumer education to ensure consumers do not engage in practices that compromise their security eg. Consumers not to share PINs.
- To encourage international collaboration in enforcement of consumer cases, and handling scams among consumer protection agencies.
- Need for relevant stakeholders to know the need for innovation does not stifle consumer redress