



BANK OF GHANA

**Disclosure and Transparency Guidelines for Digital Financial
Services**

FOR PAYMENT SERVICE PROVIDERS (PSPs)

Exposure Draft

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EXPOSURE DRAFT

PREAMBLE

These Guidelines aim at providing the minimum disclosure and transparency framework to guide providers of Digital Financial Services and Products. The proliferation of mobile devices and access to technology has created a viable environment for the development and creation of services based on these devices and technological platforms.

It is the objective of the Bank to protect consumers who use these digital financial services by ensuring that entities who provide these services, do so in a transparent and fair manner by disclosing to the customers and prospective customers, all the information that is necessary to enable the consumer to make informed decisions about the product.

These Guidelines aim at providing the minimum disclosure framework to guide Providers of digital financial services.

PART I - PRELIMINARY

Title

1. These Guidelines shall be cited as the Disclosure and Transparency Guidelines for Digital Financial Services and Products provided by Payment Service Providers, 2022.

Application

2. These Guidelines are:
 - a. issued pursuant to Section 101(2) of the Payment Systems and Services Act, 2019 (Act 987);
 - b. applicable to Payment Service Providers; and
 - c. agents of Dedicated Electronic Money Issuers.

Objectives

3. The objectives of these Guidelines are to;
 - a. provide a framework to guide payment service providers on the disclosure of information pertaining to digital financial services and products in a manner that reposes trust and confidence in consumers;
 - b. protect consumers of digital financial services and products by ensuring that entities that provide these services, do so in a transparent and fair manner by disclosing to the consumers and prospective consumers, all the information that is necessary to enable consumers make informed decisions.

Interpretation

4. In these Guidelines, unless the context otherwise requires,

“Agent” means a person who provides agency services including consumer enrolment, cash in, and cash out, registering clients and completing consumer due diligence on customers on behalf of a principal (DEMI) under an agency agreement;

“Bank of Ghana” means the Central Bank of Ghana established by the Bank of Ghana Act, 2002 (Act 612) as amended.

“Basic literacy” means forms of abilities to read and understand the language in which a document has been presented;

“Consumer” means an individual, a group or a firm that uses, has used or intends to use any Digital Financial Service or Product;

“Customer Service Centre” means an establishment or platform where PSPs offer support to consumers, to amongst others acquire, cancel or complain about a DFS or its provider;

“Digital Channels” means the communications path and platforms that enable the promotion, marketing or selling of products and services and delivery of information about the product or service. These include but are not limited to websites, mobile phone applications, Self Service Machine (SSM), Point of Sale (POS) Terminals, Automated Teller Machines (ATMs), etc.

“Digital Financial Service Provider” means entities that provide a broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances and insurance. It also includes mobile financial services;

“Digital Financial Service or Product” or “DFS” means financial products or services accessed and/or delivered through digital channels including storing and transfer of funds; making and receiving payments; borrowing; saving; insurance and investment;

“Durable medium” means any channel which enables storing of information in a way accessible for future reference for a period of time adequate to the purposes of the information and which allows the unchanged reproduction of the information stored;

“Electronic Money Account” means the account held by an electronic money holder with an electronic money issuer for the conduct of electronic money transactions;

“Dedicated Electronic Money Issuer or “DEMI” refers to any payment service provider that issues electronic money;

“Electronic Money” means monetary value which is stored electronically or magnetically, and represented by a claim on the issuer which is issued on receipt of funds, redeemable against cash and may be accepted by a person;

“Materials” means information or ideas provided to consumers;

“Payment Service Provider” means Dedicated Electronic Money Issuers and other payment service providers licensed or approved under the Payments Systems and Services Act, 2019 (Act 987) to provide payment services.

“Payment service” means the provision of services to facilitate transfer of funds from a payer to a payee using various forms of payment instruments or electronic money;

“Readability test” means a process designed to analyse and provide a score that illustrates the level of complexity to understand a given text.

“Vulnerable groups” means a segment of the population who might be disproportionately disadvantaged in their access to financial products or services, or who might receive disparate treatment due to their geographic and/or economic situation, physical and mental condition, level of financial and digital literacy, gender, age, race and religion.

PART II – DELIVERY OF INFORMATION

Fairness and transparency in the delivery of information

5. A PSP shall ensure that Materials provided to Consumers, are clear, complete, accurate, understandable and not misleading, regardless of the delivery channel and at any point in time of the DFS lifecycle, including the advertising stage.
6. A PSP shall be liable for all information delivered to Consumers. This is without prejudice to others who might have participated in the development and/or delivery of information.
7. A PSP shall ensure that information disclosure forms an integral part of the product design process.
8. A PSP shall put in place measures to deliver enhanced transparency and disclosure for Vulnerable Groups.
9. Disclosures, procedures, promotional and marketing Materials shall be presented in plain and clear language that a consumer with basic literacy can understand.

10. The Bank may at its discretion, require a PSP to complete an acceptable Readability test of its disclosures, before they are made available to Consumers.
11. A PSP shall conduct a pilot of these disclosures through its digital channels to assess the effectiveness of the disclosure.
12. Disclosures shall be delivered in the English language or any additional local language(s) the Consumer is comfortable with.
13. Any written form of digital communication, shall use a readable font and use a spacing and placement of content that makes the message readable for the Consumer.
14. Disclosures delivered through digital means shall be prominently presented and contextualized effectively in the display screen, in order to enable effective Consumer comprehension.
15. Where a Consumer is required to agree or disagree to a term or condition associated with a DFS, the PSP shall make both options available, giving the Consumer the opportunity to make a choice.
16. A PSP shall take into account the best interest, characteristics and financial capabilities of their target market when drafting, reviewing, and simplifying the product information and literature to be displayed through digital means.
17. A PSP shall, in disclosing information, put in place mechanisms that enable an adequate level of understanding for individuals with visual and hearing impairments and other deficiencies within the Vulnerable Group.

18. When assessing the manner to disclose information and its effectiveness in relation to a Consumer's level of comprehension, a PSP shall make use of current technologies and innovative approaches that facilitate Consumer awareness.
19. A PSP shall provide delivery channels that will minimise a Consumer's exposure to fraud and theft. A PSP shall at a minimum;
 - a. Deliver information in a consistent format and style;
 - b. notify Consumers of any changes in the format for information dissemination;
 - c. provide a caution statement and a means to verify and authenticate the source and content of the information.

PART III – ADVERTISING AND PROMOTIONAL MATERIALS

Receipt of Automated Advertisements

20. Consumers shall be presented with the option to accept or decline the receipt of automated advertisements and promotional information.
21. A PSP shall not make opting for automated advertising, or promotional information, a prerequisite for on-boarding a Consumer.
22. Subject to the express consent of the Consumer, a PSP may send automated advertisement and promotional information, through short messaging services (SMS), electronic mails, automated calls or any other means to a Consumer.

23. A Consumer's choice to opt-in shall be documented and proof of same, shall be retained by a PSP in accordance with Section 52 of the Payment Systems and Services Act 2019, (Act 987).

Misrepresentation of Information Contained in Promotional Materials

24. A PSP shall not misrepresent the nature of digital financial services or products.
25. A PSP shall disclose the associated risks relating to DFS as prominently as the benefits.
26. Unless advantageous to a Consumer, a PSP shall not deliver a product or service to a Consumer, with characteristics and prices which are different from that which has been advertised.
27. A PSP shall be liable for all statements made in advertisement Materials. This is without prejudice to others who might have participated in the development and delivery of the said advertisement Materials.
28. A PSP or its agents, shall be liable for losses arising out of the transmission of unsolicited messages to Consumers.
29. A PSP shall not omit information that is important to a Consumer's decision to acquire a DFS, and shall at minimum, include:
 - a. Type of product;
 - b. Fees and charges; and
 - c. Conditions and options to subscribe or unsubscribe to the DFS

Prohibition of the Use of Certain Terminology

30. Promotional materials shall not generally use terminologies such as “free”, “zero cost”, or similar words or phrases, if there exist associated costs to the product or service.
31. Subject to paragraph 30, a PSP that intends to use “free”, “zero cost”, shall explicitly indicate the specific component of the DFS the terminologies refer to.

Minimum Information to be contained in Advertisements and Promotional Materials

32. Any advertisement or promotional material developed by the PSP, regardless of its delivery channel, shall include:
 - a. The identity and contact information of the PSP;
 - b. A statement to the effect that the PSP and its DFS is duly licensed and authorised respectively by the Bank of Ghana;
 - c. A summary of the main terms and conditions associated with the DFS;
 - d. The qualifying criteria for participating in the promotion, and the duration of the promotion; and
 - e. The contact information of the PSPs internal dispute resolution mechanism, and Consumer Complaints Unit at the Bank of Ghana.

PART IV – DISCLOSURE OF TERMS AND CONDITIONS

Pre-contractual Disclosures

33. A PSP shall display a list of its fees and charges at its premises, agents' locations, websites, or any other medium available to the PSP.

34. A PSP shall at minimum, disclose the following to Consumers:
- a. The name of the PSP and a statement indicating that it is a regulated entity by the Bank of Ghana;
 - b. The fact that the Consumer is responsible for keeping Personal Identification Numbers (PIN), passwords and other security credentials safe;
 - c. The contact information of the PSP's customer support and complaints unit;
 - d. The fact that the Consumer's personal information, including a record of their transactions will be stored up to the maximum legal limit;
 - e. The terms and conditions of the DFS.
35. A Consumer shall not be liable for any undisclosed costs, fees or charges associated with a DFS.
36. A PSP shall only use the methods outlined by the Bank of Ghana if any, when computing and disclosing the total cost of or yield on a DFS, inclusive of fees, at any stage of the product or service lifecycle.

Prohibition of Use of Default Options to Induce Acquisition of Products

37. A PSP shall not induce the acquisition of products or services by default, including the use of pre-ticked boxes for the acquisition of ancillary products. Any add-on to a main product shall be presented separately in a way that allows Consumers to give active and informed consent.

Activities to Improve Levels of Financial Literacy

38. The Bank may require certain activities such as campaigns or programs to be developed and executed by a PSP, in order to achieve financial literacy and Consumer awareness, especially targeting vulnerable groups in the country.

Contractual Disclosures – Terms and Conditions

39. When a Consumer is contracting a DFS, the PSP shall issue its associated terms and conditions in accordance with the principles of fairness and transparency, under paragraph 5 to 19 of these Guidelines.
40. A PSP shall at minimum, provide the following:
- a. Name, address and contact details of the PSP;
 - b. Key service features, including risks;
 - c. All costs, fees, and charges (including from third parties) that arise or may arise from the agreement;
 - d. Processes and procedures for redemption where applicable;
 - e. Any transaction restrictions such as limits on the value and number of daily and monthly transactions and balances;
 - f. Any term and condition that may be subject to change and the condition that may trigger the change;
 - g. The mode of communication for changes to terms and conditions;
 - h. The notice period required for changes in terms and conditions to be effected and how a Consumer will accept or reject it;
 - i. The rights and responsibilities of the Consumer;
 - j. The liability of the PSP for unauthorized transactions and system malfunctions;

- k. Penalties and any other remedies that a PSP may seek to impose in the event of a perceived breach of the agreement by the Consumer;
 - l. Complaint reporting and resolution procedure as required by section 47 of the Payment Systems and Services Act, 2019 (Act 987);
 - m. The procedures to resolve erroneous and duplicate transactions undertaken by the Consumer or the PSP;
 - n. A summary of procedures to enable Consumers to report in the event of suspicious, unauthorized, or mistaken transactions, fraud, system malfunctions, or lost or stolen payment instruments and/or authentication information, including contact information, and the parties' liability in such cases.
41. When it is reasonably clear that a Consumer has a low level of financial literacy or has difficulty understanding a contract, the PSP shall exercise additional efforts to ensure an adequate level of comprehension of the product or service.

Issuance of Complete Contractual Disclosures

42. A PSP shall issue in a Durable medium, a complete copy of the contractual disclosures when a Consumer acquires a DFS, or when terms and conditions are being changed.

Proof of Disclosure Delivery

43. A PSP shall maintain proof of a Consumer's acknowledgement of receipt and acceptance of contractual disclosures for a minimum of six (6) years in accordance with section 52 of the Payment Systems and Services Act, 2019 (Act 987).

Availability of terms and conditions

44. A PSP shall inform Consumers of DFS about the option to obtain copies of the terms and conditions at an agent location, customer service centre, branch, or on the PSP's website before they agree to a product contract.

Contradictory Clauses

45. Where there are contradictions and ambiguities in the clauses disclosed in the terms and conditions, the most favourable interpretation to the Consumers shall prevail.

Undisclosed Fees and Charges

46. A PSP shall not apply any fees or charges unless previously disclosed to the Consumer in the terms and conditions associated with the DFS. Any amount requested by the PSP in contravention of this provision shall be void and shall be refunded with the applicable interest to the Consumer at the prevailing Ninety-One (91) Day -Day Treasury Bill rate.

Amendment of Terms and Conditions

47. A PSP may amend a term or condition if it was explicitly provided in the terms and conditions that, changes could be effected during the life cycle of the DFS.
48. A PSP shall notify a Consumer at least seven (7) working days in advance before implementing any changes to the terms and conditions including fees and charges associated with a DFS.

Notification of Subscription

49. A PSP shall give a Consumer an electronic notification of the final subscription to a DFS with an option to opt out of the digital financial service or product.
50. A PSP, pursuant to paragraph 51, shall provide the notification within twenty-four (24) hours after successful subscription.

Bundling of Products

51. If additional products and services are sold in conjunction with or included with a product or service, the PSP shall clearly and separately communicate to the Consumer, the individual products or services that make up the bundle.
52. A PSP may provide the opportunity to a Consumer to contract any additional product or service from other sources with or without the approval of the PSP.

Unsubscribing from a Digital Financial Service or Product

53. A PSP shall provide the Consumer with the procedures to unsubscribe from a DFS at the time of establishing a contractual relationship.

PART V – ONGOING COMMUNICATION

Information to be verified before a transaction is executed

54. A PSP shall provide a summary of details of a transaction prior to the Consumer approving the transaction. The summary of details shall at a minimum include:
 - a. Information that identifies the beneficiary of the transaction such as name and telephone number;

- b. The transaction amount;
- c. The fees and charges as a result of the transaction;
- d. A caution statement indicating time limits relevant for execution of the transaction and the point of time from which the time limits count, including the instance of finality and irrevocability of the transaction;
- e. Where applicable, the average interbank exchange rate published by the Ghana Association of Bankers on the day the transaction is executed or as prescribed by Bank of Ghana for the conversion of settlement funds.

Confirmation of Transactions

55. A PSP shall issue, free of charge, a confirmation to Consumers each time a transaction has occurred in relation to the DFS. The confirmation shall at a minimum, contain the following:
- a. Name of beneficiary (if applicable);
 - b. Transaction amount;
 - c. Date transaction was completed;
 - d. The beneficiary's account or wallet number (if applicable);
 - e. The originating source of transaction (if applicable);
 - f. The contact information for the PSP's customer service line and internal dispute resolution.

Channels to deliver transaction confirmation

56. At a minimum, a PSP shall deliver a transaction confirmation through: a short messaging service (SMS) or electronic mail (email). A PSP may resort to the use of an automated phone call as an enhancement, where necessary.

Access to Account History

57. A PSP shall provide, upon request by the Consumer, an account history. The account history may be provided through any of the following means:
- a. Short Messaging Service;
 - b. Electronic mail;
 - c. Web service
 - d. At the Premises of the PSP; and
 - e. any other means agreed by the Consumer and the PSP
58. Where the DFS is accessed through a mobile device, a PSP shall enable an account history of transactions within one (1) month, or the last twenty (20) transactions, whichever is lower at no cost to the Consumer.

PART VI – OTHER PROVISIONS

Internal Policy on Disclosure and Transparency

59. A PSP shall establish internal procedures and policies approved by its Board to ensure compliance with disclosure and transparency requirements under these guidelines.

Data Collection and Sharing

60. A PSP shall not collect and process data of a Consumer without the prior written consent of the Consumer in accordance with the Data Protection Act, 2012 (Act 843).
61. A PSP which collects personal data of a Consumer shall take necessary steps to ensure that the Consumer is aware of the purpose of the collection of the data.

62. A PSP who collects personal data of a Consumer shall use it solely for the purpose for which it was collected.
63. A PSP shall not share personal data of a Consumer with a third party without the prior written consent of the Consumer, unless authorized or required by law.
64. In reference to paragraph 65, a PSP shall disclose to the Consumer all third parties that the PSP intends to share the Consumer's personal data with at the time of seeking the consent.
65. A PSP shall not share a Consumer's data for a period longer than the contractual period unless;
 - a. Required or authorized by law.
 - b. With the prior written consent of the Consumer

Agent Behaviour and Responsibilities (Applicable to DEMIs only)

66. A DEMI may use an agent to serve its Consumers. The DEMI shall however be ultimately responsible and liable for the actions and omissions of the agents in respect of the delivery of the DFS.
67. It shall not be a defense to the DEMI that the actions of the agent in relation to the DFS were not authorised by an agency agreement.

Provision of Unique Agent Identification

68. DEMIs shall allocate unique identification to its Agents. Identification numbers are to be displayed prominently at Agents' locations.

Notification of Termination of an Agent

69. Where an agency agreement is terminated;
- a. a DEMI shall publish a notice of the termination in the locality where the agent or master-agent was operating and on the website of the DEMI; and
 - b. inform the Bank of Ghana of the termination within ten (10) days of its occurrence.

Penalties for Non-Compliance

70. Any action which contravenes any section of these Guidelines shall attract the corresponding sanctions and penalties under the relevant laws.