



GLOBAL CUSTOMER SERVICE WEEK 2023: BANK OF GHANA CONSUMER PROTECTION MECHANISMS

Financial Consumer Protection has gained significance the world over, following the 2007/2008 Global Financial Crisis which exposed gaps in consumer protection mechanisms on the part of regulators as well as regulated institutions.

Central Banks have since the crisis accepted consumer protection as one of the tools for ensuring financial stability and have developed regulatory frameworks that mandate supervisors and regulated institutions to place precedence over practices that guarantee protection of consumers.

According to the World Bank Group Technical Note, June 2019, an effective financial consumer protection framework should ensure recourse mechanisms that are accessible, efficient and enable consumers assert their rights to have their complaints addressed in a transparent and just way and within a reasonable timeframe.¹

Section 3(2)(c)(d)(e) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), mandates the Bank to develop appropriate measures to ensure that the interests of clients of regulated institutions are adequately protected.

The Bank issues appropriate consumer protection directives, promotes fair market practices and ensures responsible lending and borrowing in the industry. The Market Conduct Office established by the Bank provides a clear point process and an avenue for customers to escalate their grievances if regulated institutions are unable to resolve their complaints amicably. Beside resolving complaints, the mechanism fosters confidence building in the financial system and promote financial inclusion through awareness creation.

¹ World Bank Group Technical Note, Complaints Handling within Financial Service Providers - Principles, Practices, and Regulatory Approaches, JUNE 2019

The Bank of Ghana so far has succeeded in issuing consumer protection directives to address regulatory gaps, promotes standardization in the resolution of complaints and respond to emerging practices in the industry comprising:

1. Consumer Recourse Mechanism Guideline for Financial Service Providers, 2017;
2. Disclosure and Product Transparency Rules for Credit Products and Services, 2017;
3. Notice on Abolition of Unfair Fees, Charges and Other Practices in the Banking Sector, 2021;
4. Notice on Sanctions for the Issuance of Dud Cheques, 2021; and
5. Unclaimed Balances and Dormant Account Directive, 2021.

These measures indicate the degree of focus on consumer rights and interests.

As part of our supervisory functions, the Bank promptly identifies systemic issues in product and service designs, channels, systems, and third-party arrangements and determines consumers' level of satisfaction and appreciation of their rights in procuring products and services from Financial Service Providers. As new products and services are introduced onto the market, the Bank ensures they fully address consumer interest and all disclosures are front-loaded.

The Bank embarks on all-year-round financial literacy programme which targets the most vulnerable in society. Additionally, the Bank organizes annual workshops for Consumer Reporting and Compliance Officers of banks to assess the root causes of all recurring complaints and proffer directives to mitigate recurrence.

The Year 2022 Complaints Management Report published by the Bank showed a 15% increase in complaints escalated by consumers of financial services to the Bank of Ghana as compared with 2021. The rise was largely attributed to the increased awareness of the public and the confidence reposed in the Central Bank to use its supervisory authority to adjudicate and resolve complaints. The numbers also suggest that consumers are becoming more assertive of their rights to fair treatment and would not hesitate to trigger the second level resolution process if they are not satisfied with the financial service provider's resolution. Despite the increase in complaints escalated to the Central Bank, it was observed that, regulated institutions resolved most of the cases

reported by consumers through their Internal Dispute Resolution (IDR) processes and only referred the complex complaints to the Bank of Ghana.

The recurring themes for complaints received comprised delays with discounting of investments, variation of loan terms unilaterally by lenders, delays in loan processing and poor approach to loan recovery. Others included disputed charges on accounts, issues with digital channels such as high downtimes and truncated transactions, and mobile money fraud.

It is pertinent to note that, the Consumer Recourse Mechanism Guideline for Financial Service Providers (2017) prescribes the three (3) level process for dispute resolution namely: 1) Financial Service Provider 2) Bank of Ghana and 3) The Courts.

Our channels for reporting complaints comprising email, phone, WhatsApp, in-person and post remain accessible to complainants and the general public as follows:

- I. Walk-in - **7th Floor, Cedi House, Accra, and Regional Offices**
- II. Phone - **0302665005/0302665252**
- III. Email - **complaints.office@bog.gov.gh**
- IV. WhatsApp - **0596912354/0501502270**
- V. Post - **P.O. Box GP 2674, Accra**

On Global Customer Service Week 2023, we remind ourselves of a quote by Horst Schulze which says, '**unless you have 100% customer satisfaction, you must improve**'. As we celebrate our customers, it is our fervent hope and expectation that regulated institutions will recognize consumer complaints as a measure of the adequacy of the redress structures, and an impetus for the improvement of our consumer protection measures.

The Bank of Ghana is committed to empowering consumers through financial literacy and sensitization programs, ensuring timely resolution of consumer complaints, providing a legal framework that adequately protects consumers, while helping the industry improve on customer service delivery and experience.

Happy Customer Service Week!!!