

The Case for Gender-Intentional Consumer Protection

In a world with ever more choices for consumers, and vast interconnectedness through the internet, a gender-intentional approach to consumer protection has never been more important.

Introduction

Financial products and services play a crucial role in empowering women, helping them to take control of their finances and improve their resilience. However, with the fast pace of innovation and digitalization, women and vulnerable groups with low digital financial capability face increased risks. Women often get lower quality services than men—or no services at all—due to constraining social norms.

Digitalization has made consumers vulnerable to online scams and fraud, and new products and technology are making it difficult for the policymakers to keep up. Some of these risks are amplified for low-income women and rural populations, especially women, who on average tend to have lower digital and financial capability, less awareness of their rights, and greater distrust in financial services, technology, and complaints mechanisms.

Defining different risks

General market risks

To ensure that markets are inclusive, especially for vulnerable populations, regulatory authorities often seek to encourage open market conditions which allow new players to participate and prohibit the formation of monopolies. This approach should apply to all levels of financial service providers, as well as intermediaries and adjacent technologies such

as IT providers or goods merchants. Rules and regulations should be designed to protect consumers from fraudulent services or vague product terms and conditions, and regulators should keep up to date with new products and channels to ensure consumer protection is effective. With digital financial services on the rise, and new associated risks, such as identity fraud and non-transparent use of data, consumer protection is especially relevant.

Risks in the sales process

Aggressive marketing techniques can lead to vulnerable groups taking up products unsuitable for their needs. Information about the product or service should be complete, and delivered in a manner which is easily understood; for example, using simple language and the use of visuals. Terms and conditions should not be unnecessarily complex, and the process to cancel services should be straightforward. Women tend to feel less comfortable with new digital platforms, so it is important to find ways in which suitable products are accessible for all.

Risks using financial products

Financial Services Providers (FSPs) often resort to misleading marketing practices to attract customers, such as aggressive marketing tactics to push unsuitable products, vaguely defined product terms and conditions, and bundling products together, potentially mis-selling an unsuitable product alongside another. Particular measures to empower women can include simple-to-understand and easily

accessible terms and conditions, well-established complaint mechanisms and non-discrimination laws (for example, in offering credit to women), that are enforced by regulatory bodies.

Policy makers should require clear and non-misleading marketing messages, price disclosure and terms, appropriate and fair conduct during the sale of a financial product and proper handling and disposal of data, complaints management and dispute resolution.

Post sale, FSPs should proactively reach out to customers to communicate changes to product terms and conditions, clearly setting out the changes and offering a simple opt-out if the product is no longer suitable. Access to trustworthy complaints management and dispute resolution processes and protection against unethical collection practices is very important for many consumers.

Data is a valuable resource both for FSPs and customers, and must be properly protected and used only for the purposes agreed with the customer. Policy makers should mandate effective data protection arrangements amongst FSPs.

Fraud and online scams are also of major concern. In a recent national survey in Côte d'Ivoire, researchers found that women were more exposed to cyber risk. Women are more likely to lose money to scams (16% of women compared with 12% of men), have more difficulty navigating the menu of financial services on their phones (25% of women compared with 17%) and understanding the financial products (22% of women compared with 18% of men).

Cambodia Case Study

Increasing product understanding through financial capability and consumer protection

To ensure that customers, especially women, understand what they are signing up for when committing to a financial product, clear and concise information is the first step towards a successful customer journey.

Women's World Banking used its women-centered design approach with the marketing team of WING Cambodia, to design easy-to-understand terms and conditions and encourage usage of Wing's digital wallet among women factory workers. The wallets were only being used to receive salary payments.

Information including pictures and other visual aids was displayed on posters for the women in their breakrooms. This was supplemented by a "learn-by-doing" initiative that used financial capability training sessions as the main touchpoint to teach women factory workers about their account and how to use the Wing app, as well as highlighting key 'use cases' that would be of interest to women customers.

This resulted in a significant increase in Wing account usage, both increasing monthly transactions on the mobile app, and different services such as saving and sending money to family members. and increasing the value of those transactions.

Women have unique financial preferences, many of which emerge from their specific challenges:

- **Privacy:** With competing demands on their financial resources, women place a high value on privacy.
- **Security:** Women know they can only save a limited amount of funds at home without risk, and informal savings mechanisms can be unreliable. They need to be confident that their money will be there when they need it.
- **Control and Trust:** Women are expert money managers and want control over their financial lives. Hidden fees and restrictions on account usage deter women's financial activity. If a product lacks consumer protection, women will be less likely to use it.

Recommendations for Policymakers

The role of policymakers in strengthening consumer protection

Policymakers have a significant role to play in strengthening consumer protection, particularly for women and vulnerable groups. Some practical suggestions are outlined below.

1. Strengthen consumer protection laws and hold FSPs accountable for their consumer protection duties

Policymakers should ensure that consumer protection laws are comprehensive and consider the specific needs of women customers. Consumer protection standards should include strong penalties for financial institutions that engage in discriminatory practices, and the creation of independent bodies to investigate consumer complaints. Regulators should take action to ensure that women are not subject to discriminatory practices, particularly in relation to lending, such as charging women higher interest rates, or denied equal access to credit.

2. Promote gender-sensitive product design and Digital Financial Capability amongst FSPs

Financial products should be designed with the specific needs of women customers in mind, and sales processes should be gender-sensitive and non-discriminatory. This can include products that offer a convenient, affordable and safe way to save, make payments, send money and plan for the future, to protect herself in times of family emergency.

Many policymakers set expectations for FSPs to embed Digital Financial Capability in products and services. These programs can help women understand the different financial products available to them, especially those with limited financial capability, the terms and conditions of those products, and their rights as customers.

3. Monitor discriminatory industry practices through gender-disaggregated data analysis

Requiring gender-disaggregated data from FSPs on usage, complaints handling, and other relevant metrics, is essential to assess the effectiveness of consumer protection efforts at achieving equality of access and increasing women's financial inclusion.

4. Connect consumer protection to digital public infrastructure projects

Digital public infrastructure (DPI) is designed to build the essential "rails" on which digital payment systems, digital identity, and data management sit. Women are often less confident than men in using these technologies for the first time. Coupling the rollout of DPI with delivery of Digital Financial Capability is essential for fostering a truly inclusive digital financial environment. For example, digital social protection payments, which may be a consumer's first introduction to the formal financial system, can be designed in ways that streamline payments for ease and security, and safeguard women's interests, in areas such as data privacy.

Conclusion

Regulators play a vital role in ensuring that financial products are designed and sold in a way that takes into account the specific needs of women. By strengthening consumer protection standards, promoting gender-sensitive product design, financial capability, and addressing discriminatory practices, regulators can be instrumental in creating a more equitable and inclusive financial system for women.

Read more: Empowering Women on a Journey Towards Digital Financial Capability (DFC)

Women's World Banking has developed a framework for designing DFC programs comprising of five interrelated principles. These are:

1. **WHO:** the segment of women customers we are targeting;
2. **WHAT:** the specific capacities we are trying to build;
3. **WHEN:** the optimal time to most impactfully engage her with DFC;
4. **WHERE:** the best way to most effectively reach the target customers, and;
5. **HOW:** content development that facilitates behavioural change

The report also sets out seven core design elements to guide implementation, and examples of successful DFC initiatives.

Women's World Banking, [Empowering Women on a Journey Towards Digital Financial Capability](#)

References

- CGAP (2022), CGAP and Côte d'Ivoire's Ministry of Economy and Finance Host Roundtable
- Women's World Banking (2021), WING outcome research
- Women's World Banking [Empowering Women on a Journey Towards Digital Financial Capability](#)

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