

THE CLIENT PROTECTION PATHWAY

ENSURING TRANSPARENCY

ANNEX

ELEMENTS TO COMMUNICATE AT EACH STEP OF
THE CUSTOMER JOURNEY



Customer journey – Transparency matrix (I/V)



	Promotion and Sales	+ for illiterate clients / language barriers
Information to communicate	<ul style="list-style-type: none"> • Provider background, legal status, and services • Eligibility requirements for a loan • Process to get credit (including time required and documents needed) • Pricing (including all fees) • Product bundling (insurance and/or savings) • Security/guarantee requirements • Linked or compulsory products and associated charges • Late payment/default consequences and action by the FSP • FSP practices to avoid client over-indebtedness • What clients can do to avoid over-indebtedness • Clients' rights and responsibilities • FSP code of conduct (especially • Customer's right to refuse a product 	
Information format	<ul style="list-style-type: none"> • Product brochures • In person customer meetings • Audio visual media • local language 	<ul style="list-style-type: none"> • Detailed verbal explanation • Use visual aids • Provide extra time for questions • Ask what is preferred in terms of communication



Communication need not only be one way – it is important to check if the clients are able to understand – for this, ask questions after key points, and recap key messages

Customer journey – Transparency matrix (II/V)



Evaluation

Information to communicate

Prior to starting evaluation

- What is the data the FSP needs to collect?
- Why is the FSP collecting the data?
- How accurate data and client transparency can help prevent over indebtedness
- How will the data be used and shared by the FSP

During the evaluation

- Possible loan amount, repayment instalment, tenure
- Next steps and time

Post evaluation (inform, remind and recap)

- Collateral and/or guarantee requirements
- Guarantor obligations and collateral seizing procedure
- Linked or compulsory products and associated charges
- Late payment/default consequences and action the FSP can take
- Grace period, cooling off period between loans
- Penalties for arrears or prepayment
- Loan use and restrictions
- Whether terms and conditions can change over time
- Complaint handling mechanism
- Right to refuse a product

Information format

- Product brochures
- Loan form
- In person customer meetings
- Audio visual media
- Local language



Customer journey – Transparency matrix (III/IV)



	Approval
Information to Communicate	<p>This process may involve going back to the customer for additional information prior to the FSP deciding on the application.</p> <p>In case this happens, it is important to;</p> <ul style="list-style-type: none">• Inform clients why you are seeking additional information• How will the information be used and shared• Timeframe for decision
Information format	<ul style="list-style-type: none">• Over mobile call• In person customer meeting



Customer journey – Transparency matrix (IV/V)



Disbursement

Information to Communicate

To inform

- Total loan amount
- Product bundles
- Pricing including all fees (including bundled products)
- Total cost of credit (Interest and fees)
- Loan term
- Repayment schedule with principal and interest amounts, number, and due dates of all repayment installments
- Cost incase client repays via an agent
- Grace period
- Cancellation rights/ Right of refusal
- Pre-closure/payment charges
- Expected action and staff behavior incase of delay/default

Minimum **one day** for client to review key facts and think through other terms

To recap/check understanding at time of actual disbursement

- Penalties for arrears or prepayment
- Compulsory savings or linked products
- Any restrictions on loan use
- Cooling off periods
- Consequences of late payment and default
- Guarantor obligations
- Collateral and collateral seizing procedure
- Complaints redressal mechanism
- Review contract and repayment schedule with client



Information format

- Loan contract
- Key Facts Document
- Repayment Schedule

Important to note that the information is to be provided **prior to signing the contract**

This is an important process point for also recapping/checking client awareness

Customer journey – Transparency matrix (V/V)



	Collection and Recovery
Information to Communicate	<p>To inform:</p> <ul style="list-style-type: none">• Installment amount that is to be deducted• Balance remaining to be paid• Next payment due <p>To recap/remind:</p> <ul style="list-style-type: none">• Who to contact in case of any issues with repayment• Complaint redressal mechanism• Guarantor and collateral conditions• FSP practice related to default/delayed payments (including collateral seizing process and timing)• Customer rights and responsibilities• FSP rights and responsibilities
Information format	<ul style="list-style-type: none">• Receipt• Repayment schedule



Transparency matrix for savings (I/II)



Promotion and Sales

Information to Communicate

- Benefits of a savings account and how it can be used to meet goals
- Eligibility for opening account
- Interest rate and how it is calculated
- Minimum and maximum balances
- Account facilities available
- Deposit and withdrawal processes (location, mode, documentation, currencies, fees, receipts/electronic confirmation)
- Other costs (fees for card replacement, account closing, overdraft, dormant account)
- Linked to other services like loans

Information format

- Product brochures
- Key terms and conditions document
- Application form

Transparency matrix for savings (II/II)



	Opening account	Operating account
Information to Communicate	<p>Prior to opening</p> <ul style="list-style-type: none"> • Interest rate and how it is calculated • Minimum and maximum balances • Account facilities available • Deposit and withdrawal processes (location, mode, documentation, currencies, fees, receipts/electronic confirmation) • Other costs (fees for card replacement, account closing, overdraft, dormant account, taxes) • Linked to other services like loans • Whether savings are legally protected by a regulatory body • Explain rights of joint holders • What documents have to be signed and what their signature implies • Complaints redressal mechanism <p>After form filling/account opening</p> <ul style="list-style-type: none"> • PIN (how to use, to protect, access in case forgotten, block/change in case lost) 	<p>Operating account</p> <ul style="list-style-type: none"> • Transaction amount and status • Time for transaction to complete • Fees, taxes, and any penalties applied • Complaint redressal mechanism
Information format	<ul style="list-style-type: none"> • Product brochures • Key terms and conditions document – on passbook/TD certificates • Term Deposit Certificate 	<ul style="list-style-type: none"> • Transaction receipts • Mobile/application messages

Transparency matrix for insurance (I/II)



	Promotion and sales	Policy generation
Information to Communicate	<ul style="list-style-type: none">• Product type/purpose• Events covered under each product• Who is covered• Who can be beneficiary• Estimated premium and term coverage• Major exclusions	Certificate of coverage <ul style="list-style-type: none">• Premium amount• Term of coverage• Beneficiaries• Events covered• Major exclusion• How to file a complaint and when• Documents needed to prove damages• Cancellation conditions
Information format	<ul style="list-style-type: none">• Product brochures• Audio visuals	<ul style="list-style-type: none">• Certificate of coverage

Transparency matrix for insurance (II/II)



	Claims
Information to Communicate	<ul style="list-style-type: none">• How to file a complaint• Documents needed to file a claim• Time for claim settlement• Contact of ombudsman incase of dispute <p>If claim is denied Reason for denial Resubmission conditions</p>
Information format	<ul style="list-style-type: none">• Claims process note/document• Contact information

Transparency matrix for payment/transfer services



	Promotion and sales	Payment/Transfer (sending and receiving)
Information to Communicate	<ul style="list-style-type: none">• Amount that can be transferred (maximum and minimum)• Whether exchange rate is applicable or not• Fees and tax deductions• How to transfer (in brief)	For clients who are initiating or receiving money transfers, or using other payment services: <ul style="list-style-type: none">• Amount paid by sender, in sender's currency• Estimated exchange rate• Amount to be received in the destination currency• Fees• Instructions for collecting payment• Cancellation conditions• Instructions for resolving errors• Transaction confirmation• Taxes
Information format	<ul style="list-style-type: none">• Product brochures• Branch displays• Verbal	<ul style="list-style-type: none">• Transfer/withdrawal form• Transaction receipts• Mobile/application messages• Verbal communication