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This is a culmination of more than five years of work by CGAP to pioneer behavioral research methods for consumer protection in emerging markets. This includes technical assistance with consumer protection policymakers in more than 10 jurisdictions and training of hundreds of policymakers on behavioral research and design methods. Please visit cgap.org’s publications page for even more on this topic.

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“Jurisdictions should ensure that consumers have access to adequate complaints handling and redress mechanisms that are accessible, affordable, independent, fair, accountable, timely and efficient...financial services providers and authorised agents should have in place mechanisms for complaint handling and redress.”

Three Considerations for Recourse Regimes

**Awareness.** Consumers need to know what their rights are and how to make a complaint.

For example:
- Customer care number posted on printed disclosure Key Facts Statements or SMS transaction receipts
- Mandatory signage at points of sale
Three Considerations for Recourse Regimes

**Access.** Consumers should be able to present and resolve a dispute easily.

**For example:** CONDUSEF, Mexico's consumer protection agency, uses Twitter to promote Basic Savings Accounts. This Tweet prompts a consumer to ask a question about being denied access to a Basic Savings Account.

Mystery shopping found that many sales staff do not disclose the Basic Savings Account option to consumers. CONDUSEF can use Twitter to monitor this behavior and other common challenges consumers face.
Three Considerations for Recourse Regimes

**Use.** Consumers need to be able to initiate complaints and disputes through formal channels, and persist until these issues are resolved.

For example:
The UK Financial Conduct Authority tested modifications to a letter that encourages consumers to seek a refund from a financial service provider for past mis-selling. Seven modifications to the letter were tested. Different options affected consumers in different ways:

- “Act quickly” on the envelope
  - Impact: .02% increase in uptake
- Adding the FSA logo to the letterhead
  - Impact: None
- Putting the refund amount and contact info in bullets at the top of the letter
  - Impact: 3.8% increase in uptake
- Reducing overall text by 40%
  - Impact: 1.4% increase in uptake
- Mentioning that the refund decision would be made in just 5 minutes
  - Impact: 1.4% increase in uptake
- Replacing “Customer Team” with the CEO in the signature line of the letter
  - Impact: 1.4% decrease in uptake
- Sending a reminder letter 3-6 weeks after the first letter
  - Impact: Up to 12% increase in uptake
Social Context and Sense of Agency

Consumer: How much does my sense of control over my life, or my trust in banks or in government agencies, impact my use of recourse channels?
Consumers in Ghana and Kenya participated in card sorting exercises that were used to reveal whom they trust to help resolve a complaint with a financial institution.

- In Ghana, consumers turned to police when they had problems with financial service providers.

- In Kenya, consumers regarded law enforcement as one of the least trustworthy channels from which to seek help.

Photo: Alexandra Fiorillo, Kenya 2014
Status Quo Bias/Intention-Action Gap

Initiating and following through with a complaint requires effort, so even if a complaint is merited and the consumer wants to pursue a resolution, she may delay or fail to take the first steps to initiate the process.
Availability Bias

For example: A consumer heard that her brother did not successfully resolve his complaint. This can inform her decision not to complain, even though most consumers experience positive outcomes.
Behavioral Factors Matter in Recourse

Limited Expectations/Social Norms

Consumers do not expect firms or their governments to help them, so they do not bother to complain.
Behavioral Factors Matter in Recourse For example:

Hassle Factors

Extra steps or unnecessary documentation requirements may lead consumers to give up on their complaint after the initial filing.
Use new channels and methods to resolve disputes

1. In-person
2. Toll-free hotline
3. SMS
4. Agent locations
5. Sales offices
6. Road shows and promotional campaigns

MTN Ghana will soon be launching a new set of ATMs that will enable you to easily withdraw and deposit money on your mobile money account.
Behavioral research methods can be easily integrated into recourse systems.

1. Review complaints data
2. Design recourse channels
3. Map consumer experience and customer care channels
4. Test uptake and outcomes

MODULE 3: RECOURSE AND COMPLAINTS HANDLING
Behavioral Design of Recourse Regulations in Ghana
In 2012, Bank of Ghana received 146 consumer complaints from banks and the general public compared to 187 complaints in 2011.

Most complaints were for large-value disputes, indicating low-income consumers were not using this channel.
Bank of Ghana used behavioral design principles to improve complaints handling systems

- **Review of complaints received by Bank of Ghana**
  - Problem definition
  - Research plan developed

- **Systems mapping interviews with key actors**
  - Consumers who did or did not bother to complain
  - Customer care staff at financial service providers
  - Icon mapping exercise of ideal recourse system
  - Review of physical and digital materials and forms

- **Bottleneck mapping**
  - Review of field research to identify where problems occurred
  - Identification of common bottlenecks across consumer experiences
  - Development of “How Might We?” statements to turn bottlenecks into design opportunities

- **Redesign recourse systems**
  - Adjustment of rules and processes via regulations
  - Development of new physical materials to inform consumers
Researchers developed a single problem statement to define the behaviors they sought to change:

Existing complaints handling methods and processes are not working sufficiently for low-income financial consumers, as demonstrated by a low volume of formal complaints registered with Bank of Ghana.
Bank of Ghana began with consumer interviews to understand their decision-making when problems arise with financial services. Consumers fell into two groups:

- Consumers who have had a problem with a financial services provider and used a formal channel to try to resolve the complaint.
- Consumers who have had a problem with a financial services provider and **did not use** a formal channel to try to resolve the complaint.

**Objective:** Tease out what makes a consumer choose or not choose to present a formal complaint.
Simple, interactive tools can help draw out consumer preferences and lead to increased consumer engagement and creativity.

Future State Mapping Activity:
Each Ghanaian consumer interviewed was given a set of cards and asked to map out an ideal version of the complaints process. This provided insights about which channels they preferred, what their expectations were for responses, and how aware they were of Bank of Ghana.
Examples of Consumers in Each Interview Segment

<table>
<thead>
<tr>
<th>Problem Type</th>
<th>Vendor in Madina Market, Accra</th>
<th>Public Sector Teacher in Accra Metro Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failed microfinance company took savings</td>
<td>Improper deductions on payroll loans</td>
<td></td>
</tr>
<tr>
<td>Presented a complaint</td>
<td>No formal complaint to provider. Contacted police and visited branch with friends.</td>
<td>Complained to local branch, then to central office, but not resolved.</td>
</tr>
<tr>
<td>Aware of options through Bank of Ghana</td>
<td>Not aware</td>
<td>Aware, but “their office is like a fortress.”</td>
</tr>
<tr>
<td>Channel Barriers</td>
<td>Illiterate</td>
<td>Not near center of city.</td>
</tr>
<tr>
<td>Possible Solutions</td>
<td>- Roaming field agents from Bank of Ghana in marketplaces</td>
<td>Standardized process to escalate provider-level complaints to Bank of Ghana</td>
</tr>
<tr>
<td></td>
<td>- License verification service via SMS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Radio awareness programs</td>
<td></td>
</tr>
</tbody>
</table>
From Field Research and Insights to Policy Design

The field research team held a policy design workshop for the Bank of Ghana Consumer Protection Unit. In the workshop, staff developed rules on recourse that reflected challenges and ideal consumer outcomes.
Participants developed a “How Might We” statement to inform potential policy solutions.

For example: How might we improve Ghana’s financial recourse system to encourage consumers to submit complaints and persist to achieve satisfactory results?
At the beginning of the workshop a consumer selected from the field interviews described his unsuccessful attempts to resolve a complaint with a bank.

Workshop participants mapped the customer's journey in their design notebooks to build empathy and identify barriers.
Use consumer insights and evidence to fuel the policy design team

Participants used the icon maps that consumers created to illustrate their ideal experiences to develop complaints processes and posters that explain the process to consumers.
The workshops helped to inform new guidelines from Bank of Ghana:

- Posters that describe the customer care process displayed in all bank branches.
- Steps to file a complaint clearly and visually illustrated.
- Complaints form revised and standardized based on user-centric design exercise.
- Time and date commitment on complaints forms.
- Complaints data including consumer data, reported to central bank.
Visual Representation of All Channels a Consumer May Use to Initiate a Complaint

Source: Bank of Ghana
“20 Working Days” maximum turnaround time in large font, so consumers know how long to wait for resolution before following up with Bank of Ghana

Source: Bank of Ghana
Good Practices from Guidelines

Awareness

“The financial service providers shall display a poster which shall be a reproduction of Annex I of this document at every branch, agent location and any other location where the financial service provider’s products and services are sold. The poster shall be prominently displayed at every location where the financial service provider’s products and services are sold…”
Good Practices from Guidelines

Access

“All consumers shall have access to adequate complaints’ handling and redress mechanisms that are easily accessible, independent, fair, accountable, timely and efficient.”

Consumer Recourse Mechanism Guidelines for Financial Service Providers, 2017
The financial service provider shall also inform consumers of their right to redress, in the event that the consumer is dissatisfied with a product or service, or in the event of a dispute between the consumer and the financial service provider.

Consumers may present complaints to financial service providers . . . Verbally, in person; Verbally, by telephone; In writing, in person; In writing, by post; Any additional communication channels the financial service provider offers, including websites, email, and agent locations.”
Time Limits and Reduced Need for Consumer Follow-Up

- “A financial service provider shall acknowledge receipt of every complaint filed by a complainant within five (5) days of receipt of the said complaint.”

- “The financial service provider shall resolve the complaint and present the decision to the complainant no later than twenty (20) working days after the date of receipt of the complaint.”
Visual Tools Reinforce Awareness and Use

Posters displayed at branches inform consumers about new complaints rules.

1. Uses simple visuals to illustrate two-step resolution process.
2. Presents four most common complaints channels.
3. Emphasizes use of a unique registration number.
4. Lists various contact numbers.

Source: Bank of Ghana, 2017
Keys to Successful Visual Aids

- Visuals should be displayed in a high-traffic area where consumers will take in the information.
- Providers should use consumer insights to inform the visual elements and test prototypes to ensure the language and format work for consumers.
What's next?

Next steps to improving your recourse system, include:

1. Review complaints data to identify market trends and possible issues.

2. Interview complaints handling staff at government and provider customer care centers.

3. Seek the help of an experienced recourse systems design expert.
CONGRATULATIONS!
You have completed the Recourse and Complaints Handling Learning Module.
Click on the Learning Module you want to take next:

- Transparency and disclosure
- Sales practices and fair treatment
- Financial Capability