



Entry & Capability Barriers

Low data footprint among women

This barrier refers to women's limited digital and financial data footprint, driven by lower access to and use of digital technologies and formal financial services. As a result, **women are more likely to be "thin-file" customers, limiting their ability to access credit, benefit from alternative scoring models, and be accurately represented in data-driven financial and regulatory systems.**

Why is this barrier important?

A low data footprint prevents women from being fully integrated into the formal financial system, reinforcing their exclusion from formal credit and insurance products. Without credit histories or sufficient documentation, women are denied loans, offered unfavorable terms, or discouraged from applying altogether. This trend perpetuates reliance on informal financing, which is often less secure and more costly.

For FSPs, the lack of robust data on women customers represents both a challenge and a missed business opportunity. Thin-file applicants are harder to underwrite using traditional models, yet evidence shows that even thin-file women applicants may be more reliable savers and borrowers than their male counterparts. Emerging practices such as leveraging alternative data (e.g., digital payments, utility bills, mobile phone usage), offer new pathways to assess women's creditworthiness.

Connected Barriers

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Entry & Capability Barriers
 High cost of using DFS (incl. transaction cost)
 Low digital financial capability
 Lack of phone & SIM ownership
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Consumer Protection
 Overcharging
- 

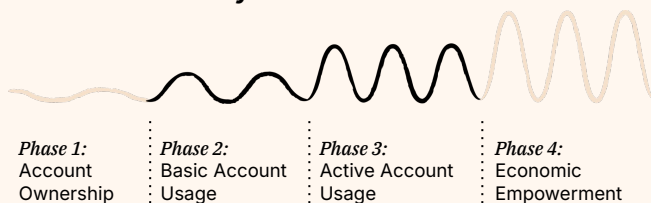
Digital & Physical Infrastructure
 Poor internet & mobile connectivity
 Poor digital & foundational ID infrastructure
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Institutional Norms & Practices
 Lack of strategic focus on women customers

Most Relevant Segments

- | | | | |
|---------------------------|-----------------------------|--------------------------|------------------------------|
| 1 | 2 | 3 | 4 |
| Excluded,
marginalized | Excluded,
high potential | Included,
underserved | Included,
Not underserved |

Customer Journey Relevance





Key evidence relevant to this barrier

Women's thin credit files are not simply a reflection of lower economic activity—they are a product of financial systems that were not designed to capture the informal, social, and small-scale transactions that characterize women's financial lives, leaving them invisible to lenders even when they are creditworthy.

- Borrowing from family and friends remains the most common source of financing in many developing economies, reflecting limited access to formal financial services and weak credit histories. On average, 31% of adults reported borrowing informally in 2024, with regional rates as high as 45% in the Middle East and North Africa, South Asia, and Sub-Saharan Africa. ([Global Findex Report, 2025](#)).
- Women's World Banking's report on "Algorithmic bias, financial inclusion, and gender" highlights that in many markets, lenders are finding new ways of accelerating offerings to individuals and businesses by making decisions based on alternative data. The most successful institutions will be those that combine alternative data with inclusive credit-scoring models for thin-file customers, including women, to access formal credit. ([Kelly and Mirpourian, 2021](#))
- Women's World Banking's report on "Tackling credit and missed business opportunities with reject inference" notes that altering an FSP's credit assessment practice often meets with considerable resistance, making it challenging to persuade institutions to change their established procedures to enhance fairness. However, the emergence of fintech companies has underscored the need for alternative data in credit assessment, highlighting the growing relevance of diverse data sources in financial applications. For women who are often "thin-file" customers with limited credit histories, the rise of fintech offers new opportunities for credit assessments. ([Mirpourian, 2024](#))
- A 2025 survey of financial services providers found that only about 30% of institutions reported their customers had the necessary documentation to qualify for loans. (Women's World Banking, 2025)

Across South and Southeast Asia, limited asset ownership, informal business structures, and exclusion from credit bureaus combine to make women systematically invisible to formal lenders — creating a self-reinforcing cycle where lack of credit history prevents access to the products that would generate it.

- Women with fewer assets in their name may have no options for collateralized security. This lack of collateral causes women-owned businesses to be denied bank credit more often than men. Women are also more likely to be 'thin-file' customers — lacking a formal credit score or credit history — which means standard credit product requirements simply do not work for them. ([Ajayan, 2023](#))
- In India, women-led small businesses form only 10 percent of the gross loan portfolio of most FSPs. This is partly because women do not approach formal finance, and if they do, they do not get access to credit due to a lack of collateral and credit histories. In addition, women-led businesses are essentially micro businesses – too big for micro-finance institutions (with a loan requirement of greater than INR 50,000) and too small for banks (with a loan requirement that is less than INR 10 lakhs)--suggesting that plenty of genuine demand in this "missing middle" goes unmet. ([Madhok, 2023](#))



Key evidence relevant to this barrier

- In India, women business owners are often not discovered or serviced by the formal finance sector because either they are too small or don't have credit histories, making it hard to reach them. Many women entrepreneurs are not aware of the loans they could avail of through existing Government schemes, such as *Mudra* and *Stand Up India*. However, a digital footprint of women entrepreneurs can act as a proxy for their lack of banking and credit histories and assets. This can be helpful for FSPs to underwrite gender intentionally. ([Madhok, 2023](#))
- In Indonesia, many women ultra-micro entrepreneurs do not view licensing as essential and therefore operate without one. Women are also more likely to run their businesses from home, using part of their living space as business premises. While this setup reduces costs, it also limits access to formal financial services. In particular, lenders often require collateral or proof of business formalization for larger loan amounts, meaning women with informal setups are less likely to qualify. The lack of formalization thus reduces their likelihood of securing loans. ([Salyanty and Wahyudi Askar, 2022](#))
- Research by Women's World Banking shows that many ultra-micro women entrepreneurs operate with minimal financial documentation. As many as 23% buy their inventory daily in full, and only 20% record business transactions or purchase costs. For those who do not keep records, the main reason cited is that bookkeeping is not mandatory for businesses with small expenses and revenues. However, without proper records, these entrepreneurs have limited evidence to demonstrate business performance, making it more difficult for lenders to assess creditworthiness and approve loans. ([Salyanty and Wahyudi Askar, 2022](#))
- In Cambodia, only 21% of women and 19% of men account holders are registered with the Credit Bureau Cambodia (CBC), meaning they have a credit report or score. While some financial service providers have developed internal scoring models to better assess thin-file customers, these figures highlight the ongoing need for more robust and inclusive credit scoring systems that can accurately cater to a wider range of credit applicants. ([Women's World Banking, 2024](#))



Key evidence relevant to this barrier

Addressing women's low data footprint requires FSPs to move beyond traditional credit assessment models toward approaches that recognize the full scope of women's financial activity. The recommendations below span both technical solutions — alternative data, bias audits, and cashflow-based lending — and partnership approaches that leverage existing trusted relationships to bridge women into formal financial systems.

- **Leverage alternative data for credit assessment** by adopting third-party data sources such as mobile phone usage, e-commerce transactions, utility payments, and digital wallet activity to build a more complete risk profile of women customers. This can help overcome the thin-file problem and expand access to credit. Integrate gender-intentional credit scoring models by prioritizing models that can account for women's unique borrowing patterns, repayment reliability, and informal financial activity to generate fairer outcomes.
- **Evaluate existing and alternative models for bias** against women and other thin-file customers. This involves not only auditing algorithms for fairness but also stress-testing how different data inputs (such as mobile usage, utility payments, or transaction histories) affect approval rates across genders.
- **Participate in data sharing where possible**, creating a data footprint for women who access and use siloed services.
- **Partner with governments and NGOs** to create accessible pathways for women to formalize their businesses.
- **Build relationships with savings and credit cooperatives (SACCOs) and other group-based institutions** where women already maintain informal or semi-formal credit relationships. This helps bridge women into more formal financial systems while leveraging existing trust.
- **Embed cashflow-based lending as a practical workaround.** When women lack audited statements, collateral, or structured financial histories, cashflow-based methodologies can provide a fairer measure of repayment capacity.