



## Consumer Protection

# Non-transparent product information

This barrier refers to the lack of clear, timely, and accessible information about financial products and services, including their terms, conditions, and costs. **It can take the form of complicated product explanations, information materials not available in local languages, or unclear and hidden fees at points of service.** These gaps in transparency may adversely affect women customers, who are more likely to be hesitant in asking questions about products and services, leaving critical information gaps unaddressed.

Intro

### Why is this barrier important?

When product terms, conditions, and fees are not transparent, customers struggle to make informed financial decisions, leading to mistrust, dissatisfaction, or avoidance of formal financial services altogether. Hidden costs and confusing pricing structures can discourage customers from opening or maintaining accounts, potentially leading them to opt for informal or less secure financial options. Transparent product information delivered in simple language, through trusted channels, and in local languages empowers customers to use products responsibly, strengthens trust in institutions, and increases uptake and retention.

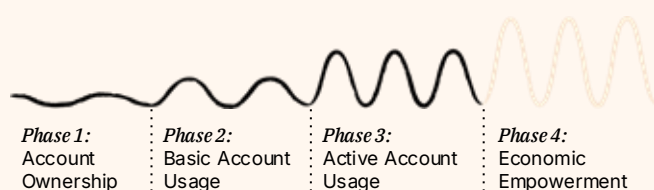
## Connected Barriers

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*Product & Market Design*  
 Low scalability of products
- 
*Consumer Protection*  
 Fear of privacy violations  
 Overcharging  
 Fear of making mistakes
- 
*Entry & Capability Barriers*  
 Low digital financial capability

## Most Relevant Segments

- |                           |                             |                          |                              |
|---------------------------|-----------------------------|--------------------------|------------------------------|
| <b>1</b>                  | <b>2</b>                    | <b>3</b>                 | <b>4</b>                     |
| Excluded,<br>marginalized | Excluded,<br>high potential | Included,<br>underserved | Included,<br>Not underserved |

## Customer Journey Relevance





## Key evidence relevant to this barrier

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### **Limited transparency and complexity in digital financial services undermine users' understanding and confidence, reinforcing exclusion.**

Evidence shows that many clients struggle to interpret loan terms, fees, and pricing structures and often face unclear or unexpected charges and limited access to readily available, comprehensive information. This heightens confusion and mistrust and discourages active use and learning, perpetuating a cycle in which low understanding limits engagement, and limited engagement prevents users from building the knowledge needed to navigate services effectively.

- A survey in DRC finds that women are less likely than men to have information about financial products. 22% of women are unable to name more than two products from each category (loans, savings, mobile banking and insurance), compared to 14% of men. ([FINCA Canada 2020](#))
- A Center for Financial Inclusion (CFI) survey of 1,000 clients in Peru finds that 40% do not fully understand their loan terms, and many are confused about loan insurance coverage. Clients lack clarity on how credit bureau functions and the impact of a negative credit record. ([Center for Financial Inclusion, 2020](#))
- According to Innovations for Poverty Action's (IPA) 2021 Nigeria Consumer Protection in Digital Finance Survey, the leading concern among digital financial services (DFS) users is "unclear or unexpected fees," cited by 25% of respondents. IPA suggests that improving the design and clarity of digital interfaces could help reduce the prevalence of hidden fees, emphasizing that enhancing digital literacy is key to overcoming this challenge. ([Innovations for Poverty Action, 2021](#))

### **Clear, transparent, and accessible communication is critical to building user understanding and confidence in digital financial services.**

Efforts have been made to encourage clear pricing strategies and improve understanding, including developing good practice standards, and advocating for improved digital literacy. When providers use simple language, disclose pricing openly, ensure clients understand terms and conditions, and develop digital interfaces that facilitate understanding, users are better equipped to make informed decisions and manage financial risks. Without these practices, gaps in comprehension and digital literacy persist, increasing the likelihood of confusion, hidden fees, and disengagement from formal financial services.

- Cerise + SPTF's responsible DFS standards for consumer protection include communicating in simple, local languages, offering a free channel for customers to speak with a live representative, ensuring customers understand the terms and conditions before signing a contract, and publicly sharing clear product information, including pricing, both digitally and at physical locations. ([Cerise+SPTF, 2024](#))
- CFI's Client Protection Principles suggest that providers should price their products and services in a way that contributes to the long-term financial health of their clients while meeting their own needs for financial sustainability. When clients have clear, sufficient, and timely information about product options, they are equipped to decide what products are best for them and to accept the consequences of their decisions. ([Center for Financial Inclusion, 2021](#))
- IPA suggests that improving the design and clarity of digital interfaces could help reduce the prevalence of hidden fees, emphasizing that enhancing digital literacy is key to overcoming this challenge. ([Innovations for Poverty Action, 2021](#))



## Key evidence relevant to this barrier

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### **Building trust with customers requires providers to prioritize transparency, clarity, and consistent communication.**

Evidence suggests that institutions must standardize and simplify product disclosures, embed fair practice codes that ensure transparent pricing and marketing, and communicate fees and terms clearly across multiple channels. These efforts should be reinforced by customer-centered approaches and monitoring systems that identify misinformation and ensure accountability.

Recommended actions include:

- In collaboration with industry associations or regulators, develop standardized documents outlining product terms, fees, and conditions. These should be concise, in local languages, and designed for easy comparison across providers.
- Introduce company-level fair practice codes that mandate transparency in advertising, fee disclosure, and product design. Embedding transparency into policy strengthens accountability and signals to women customers that the institution prioritizes fairness and trust.
- Engage local women “champions” or product promoters who can explain financial products in relatable language, using real-life examples. Peer-to-peer communication is especially effective for women with lower financial or digital literacy, ensuring critical information is understandable and trustworthy.
- Ensure that product features and costs are communicated upfront in marketing materials, not buried in fine print. Social media and digital channels should be monitored regularly to identify common complaints and misinformation. Proactive communication during the marketing stage helps reduce confusion and mistrust down the line.
- Increase transparency in fee structures and provide customers with clear, upfront, on-display information on all fees through

multiple channels, such as SMS confirmations, in-app displays, agent receipts, or posters at agent locations.

- Design training programs for tellers, loan officers, agents, or other frontline staff that emphasize customer-centered communication and clarity. These should be accompanied by strong internal audit processes that routinely check whether staff communicate terms transparently. This instills trust that frontline staff will provide accurate, accessible information for customers who may otherwise hesitate to ask clarifying questions.