



Consumer Protection


# Overcharging


Overcharging occurs when customers pay more than the stated or expected cost of financial products or services. **This can include hidden fees and transaction charges, inflated interest rates, or unofficial charges added by agents.** This barrier disproportionately affects women customers, who may lack the financial literacy, confidence, or recourse mechanisms to detect or report discrepancies. Overcharging is one of the most common customer complaints, particularly in cash withdrawal transactions.


### Why is this barrier important?


Overcharging undermines trust in financial institutions and discourages long-term usage of services, especially for first-time or underserved women customers. It can also erode savings, reduce uptake of formal services, and push customers toward informal alternatives. Customers with lower digital literacy, who rely more heavily on agent support, are particularly vulnerable to overcharging as agents act with significant autonomy and little direct oversight. Hidden and unauthorized costs can discourage continued use of financial services and erode trust, transparency, and long-term customer engagement.

### Connected Barriers

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*Digital & Physical Infrastructure*  
Lack of female agents
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*Consumer Protection*  
Fear of making mistakes  
Predatory lending  
Difficulty resolving complaints
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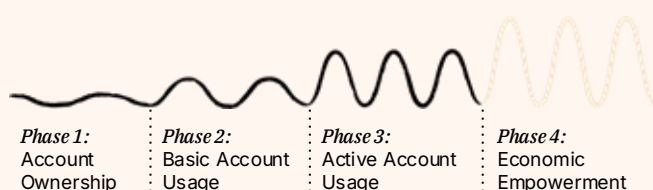
*Entry & Capability*  
High cost of using DFS (incl. transaction costs)  
Low digital financial capability  
Real or perceived lack of money  
Limited personal exposure to DFS
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*Product & Market Design*  
Inflexible product terms  
Complex onboarding process

### 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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### **Evidence suggests that hidden fees, taxes on mobile transactions, and other costs are common and prohibitive features of digital financial services.**

Critically, evidence suggests that women are more likely than men to face overcharging due to real differences between women's and men's financial capabilities, including the ability to understand and navigate complex fee structures, and also as a result of perceptions that women are less aware of true costs and more susceptible to scams.

- Innovations for Poverty Action (IPA) finds that 33% of digital finance customers in Nigeria cite "agent charged extra to complete a transaction" as a common challenge. This is the most cited challenge among customers. ([Innovations for Poverty Action, 2021](#))
- IPA finds that customers faced a significant risk of overcharging when using mobile money services: 19% of transactions in Tanzania, 18% in Bangladesh, and 11% in Uganda involved agents charging unofficial extra fees. Tanzanian providers charge some of the highest fees for mobile money transactions, an average rate of 8.6% for cashing out. Tanzania's tax rate is higher than that of most countries, contributing to the overall high cost of mobile money transactions. ([Innovations for Poverty Action, 2023](#))
- Female customers in Ghana are between 41 and 55% more likely to be overcharged than male customers during over the counter mobile money transactions. ([Annan, 2020](#))
- A survey of vendors and customers reveals that 58% of respondents believe male customers were more financially savvy. Importantly, female vendors themselves are more likely to view women customers as easier to overcharge. These widespread perceptions reinforce biased behaviors among vendors, leading to systematic overcharging of female customers. ([Annan, 2022](#))
- A study in Bangladesh finds that users who asked for agents' assistance in making transactions were 44 percentage points more likely to pay an informal fee than those who did not. ([Klapper et al., 2020](#))