



Policy & Regulation

Policies that discourage healthy financial sector competition

Healthy financial sector competition - where multiple providers can safely offer financial services to customers - helps lower prices, improve service quality, and expand consumer choice. **Policies that restrict healthy financial sector competition are those that limit market entry, constrain participation, or prevent fair and open access to infrastructure and information**, including restrictive licensing regimes, inadequate data-sharing frameworks, and lack of interoperability.

Why is this Barrier Important?

Policy environments that discourage competition often reinforce existing inequalities in financial markets. When only a few providers dominate, financial services tend to remain expensive, limited, and designed around customers with assets, formal credit histories, or established financial activity - conditions that exclude many low-income women from participating fully in the financial system. Evidence from the [2025 Global Findex](#) shows the cost of mobile devices and financial services is the primary barrier for women. For regulators, encouraging healthy competition is therefore critical: it lowers prices, improves service quality, and creates incentives for providers to serve women and other customers historically left outside the formal financial system.

Connected Barriers



Consumer Protection

- Non-transparent product information
- Predatory lending
- Overcharging



Product & Market Design

- Fragmented market collaboration
- Low scalability of products
- Low utilization of gender-disaggregated data (GDD)



Digital & Physical Infrastructure

- Lack of diversity in distribution channels

Most Relevant Segments

1

Excluded, marginalized

2

Excluded, high potential

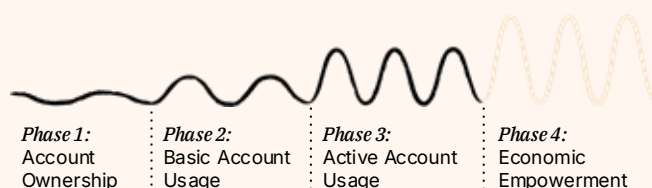
3

Included, underserved

4

Included, Not underserved

Customer Journey Relevance





Key evidence relevant to this barrier

These constraints weaken competition in different but reinforcing ways: **by limiting entry, reducing transparency, constraining consumer choice, and preventing efficient market expansion.** Together, they reduce competitive pressure on providers, allowing high prices, low-quality services, and exclusionary practices to persist. The evidence below summarizes how these elements shape women's financial inclusion in such markets.

Restrictive licensing regimes, fragmented regulatory authority, and exclusive agent contracts can limit entry and reduce incentives for innovation. Conversely, reforms that [expand market participation](#) - such as enabling branch expansion, licensing new types of financial institutions, or removing agent exclusivity - can significantly [increase access and reduce costs](#).

- Regulatory gaps - particularly around agent exclusivity and interoperability - create barriers to competition, reducing incentives for innovation and keeping prices higher than they would be in more competitive markets. ([NBER 2023](#))
- Financial sector authorities play a powerful role in shaping how financial markets evolve – often in ways not intended. Decisions about who can enter the market, how data is shared, or how infrastructure is governed all influence market outcomes. Equally, what, when, and how regulators decide to regulate (or choose not to), are also key determinants of how the market evolves. ([CGAP 2025](#))
- Greater bank competition in Sub-Saharan Africa significantly increases uptake of accounts and reduces the likelihood that individuals report cost as a barrier to account ownership - suggesting price barriers are competition-driven, not purely structural. ([IMF 2021](#))

- [Rwanda's National Bank](#) began collecting real-time granular data from all regulated financial service providers, shifting away from periodic demand-side surveys to a continuously updated electronic data warehouse. This resulted in a publicly accessible Financial Inclusion Dashboard providing weekly updates disaggregated by gender, age, account type, and location - giving regulators, providers, and development partners a live picture of who is and is not being served. Key to its approach was the integration of supply-side data with national ID systems, enabling individual-level gender identification across the entire regulated financial sector.

Weak consumer protection and supervision reduce competition by limiting consumers' ability to compare providers, trust services, and switch when harmed. Without effective [redress mechanisms](#) and market conduct oversight, providers face less pressure to improve quality or pricing. These constraints disproportionately affect women, who are [more likely to cite distrust](#) as a barrier and face greater obstacles to seeking recourse.

- Gender-neutral consumer protection frameworks produce unequal outcomes because they are implemented in contexts shaped by unequal constraints - mobility, digital access, documentation, household power dynamics, and social norms. ([AFI 2026](#))

Opaque pricing and weak data systems undermine competition by limiting transparency. When prices are unclear and supply-side data is not disaggregated, consumers cannot compare services and regulators [cannot identify market failures](#). This reduces pressure on providers to compete on price or quality. The absence of sex-disaggregated data further obscures how women are priced, served, or excluded, allowing inequities to persist undetected.



Key evidence relevant to this barrier

- Though global initiatives have improved demand-side data availability - generating better consumer surveys and Findex-style measures of who holds accounts - supply-side sex-disaggregated data remains significantly undercollected and underutilized, meaning regulators lack the administrative data needed to see where women are being excluded, underserved, or discriminated against in real time. Without this data, financial supervisors cannot fulfill their core market oversight mandate with respect to half the population. ([CGAP 2024](#))

Poor digital and agent infrastructure constrains competition by limiting the reach of financial service providers and restricting consumer choice.

Where [connectivity is weak](#), agent networks are sparse, or interoperability is limited, customers are effectively locked into a small number of providers. These constraints disproportionately affect women, whose mobility, safety, and social norms further limit their ability to access distant or male-dominated service points.

- Gender norms and infrastructure gaps in agent networks continue to limit women's ability to transact, particularly where women face restrictions interacting with male agents and rely on nearby, trusted access points. Evidence shows that barriers such as mobility constraints, low digital access, and discomfort with male agents reduce women's use of financial services, even where agent networks exist. [2021 CGAP](#).
- The underrepresentation of female agents remains a critical constraint in last-mile infrastructure, despite strong evidence that women are more likely to transact with - and trust - female agents.

Studies show that female agents can match or outperform male agents in transaction volumes and outreach, yet systemic barriers in recruitment and support limit their scale, constraining women's access to financial services. [2022 MSC](#).

- In Kenya and Côte d'Ivoire women prioritize ubiquitous agent networks, transparent fees, seamless interoperability, and tiered KYC over agent gender - and are more fee-sensitive than men, with non-transparent charges actively discouraging uptake and savings behavior. [2021 Caribou Digital](#).
- Evidence from the DRC, India, Ghana, and Pakistan finds that female agents outperform male counterparts on transaction volumes and profitability in several contexts, and are more effective at reaching vulnerable customer segments - but concludes that evidence remains limited and context-specific, and that the business and social case requires deliberate policy and provider support to materialize. [2023 CGAP](#).