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# Strengthening the Effectiveness of Uganda's Consumer Protection Framework: Mystery Shopping Assessment of Credit Cost Disclosures

Uganda has made substantial advancements in financial consumer protection policy in recent years but understanding whether and how the financial sector complies with these new regulations can be a challenge in the absence of systematic monitoring. Setting rules is

insufficient to ensure proper market conduct, so supervision of sales visits is needed to ensure that the rules established are upheld in practice. To provide a snapshot of current practices and compliance with existing guidelines on consumer credit information provision at the point of sale, Innovations for Poverty Action (IPA) conducted a “mystery shopping” exercise of lending institutions in three districts of Uganda. For this survey, a mystery shopper posed as a regular customer and, unannounced, visited lenders in order to discover information about the loan application process without the credit officer knowing they are being observed, and thus avoiding impacting their normal behavior or practices.

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