STUDY SUMMARY

Strengthen Women's Confidence in Dealing with Consumer Complaints in India

Structural barriers including discrimination, gender-specific social and personal stigma, lower economic mobility and access to technology, and individual barriers including low self-efficacy and external locus of control (i.e., outcomes based on luck or chance), are among the challenges that can discourage women from resolving disputes with financial service providers when they arise. As a result, this can impede their use of key digital services. In India, researchers evaluate the role of individual factors in governing consumer behavior and test whether an intervention designed to strengthen women’s understanding of their rights and capabilities encourages them to take greater action in dealing with disputes with their digital financial services providers.

Policy Issue

The spread of digital financial services (DFS) has democratized financial inclusion for consumers in low-and-middle-income countries. However, regulations surrounding consumer redress—the process of raising complaints and having them listened to and addressed—are usually underdeveloped or underenforced. This can force consumers to spend a lot of time, money, and resources to resolve their complaints. When consumers encounter issues with their providers, they often do not go through direct redress with the institution, instead declining to take action or seeking more informal channels, such as having family speak on their behalf or agent-based redress.

Women consumers in particular face numerous obstacles in the banking sector, such as discrimination, gendered social and personal stigmas, and lower economic mobility and access to technology. As a result, they are more likely than men to opt out of taking formal redress channels when a dispute arises with their providers. For example, recent research conducted by IPA in Uganda found that while 89 percent of consumers experienced challenges with DFS, only 32 percent of female consumers made complaints. And in a phone-based survey by IPA in Kenya, women were found to be less likely than men to report challenges with DFS.

There is a body of evidence on the barriers women consumers face in banking. However, this study will be a key contributor in analyzing the role of individual factors in governing behavior around consumer
redress. This focus lays the groundwork to untangle the complex web of structural, social, material and individual barriers to consumer redress for women.

**Evaluation Context**

India’s robust DFS market has played a significant part in boosting financial inclusion, especially in rural parts of the country. However, formal redress is rarely taken by consumers when they encounter challenges with their financial providers. The incidence of women taking redress action is low, perhaps as a result of contending with structural economic and social barriers that can limit their financial inclusion. Although India has made important progress closing the gender gap in account ownership, social attitudes towards women’s financial agency limit the success of digital banking in generating stronger financial livelihoods for women.

**Details of the Intervention**

In India, researchers are partnering with NITI Aayog, a Government of India think tank, to assess whether an intervention designed to strengthen women consumers’ understanding of their rights and capabilities encourages them to take increased action in handling disputes with their DFS providers.

The researchers will randomly select 225 men and 225 women from rural Bihar and Varanasi to participate in two consumer redress simulations.

In a pre-intervention exploratory phase, the researchers will conduct qualitative interviews and surveys to understand the factors influencing consumer perceptions, attitudes, and behaviors. The results from this phase will be used to inform subsequent intervention testing by confirming barriers and facilitators to accessing consumer redress and reporting complaints through various channels.

In the first intervention-testing exercise, the researchers will show the participants video narratives of consumers’ experiences in financial services disputes to enable recognition of rights and proper redress channels.

The researchers will include three different versions of the narratives that alternate the gender of the lead character (male, female, neutral) or voice-over in the video. This will allow the researchers to assess if gender has a larger impact on female participants (i.e., female to female) than a male, or the same with male participants.

The participants in this exercise will be divided randomly into the following groups:

- **Videos with recognition of rights and redress mechanisms**: Participants will watch videos of past consumers who have successfully identified their rights, violations of their rights, and obtained redressal in their disputes.
- **No mention of rights or redress mechanisms**: Participants will watch video narratives that do not address recognition of rights or consumer redress protocols.

In the second intervention-testing exercise, the researchers will assess the ways in which confidence, or lack thereof, influences women consumers’ decision-making in handling redress matters. They will also explore methods that can potentially improve consumer confidence. The researchers will divide
women consumers divided randomly into the following groups:

- **Hypothetical redress case**: Women consumers will handle a hypothetical breach of contract case with a bank and must resolve it through legal channels. While they try to resolve the matter, researchers will test their confidence by constantly reminding them of the futility of redress.

- **Reward game**: Women consumers will play a game in which they will be reminded how their decision to resolve the dispute benefits their loved ones. This exercise will help researchers determine whether altruism triggers consumer confidence.

- **No intervention**: This group will not participate in the activities.

Data will be collected in surveys before and after the intervention with the consumers who participated and will address the factors affecting consumers’ hesitancy to initiate redress (fatalism, self-efficacy, locus of control) and outcomes (redress knowledge, attitudes towards redress after doing it, and behavior in the future), among other subjects.

**Results and Policy Lessons**
Research ongoing; results forthcoming.

**Sources**


3. Dilip Modi, “Success of digital financial services rests on rural India’s shift from cash to digital payments economy,” Financial Express, February 7, 2021

