

BREAKOUT SESSIONS

DIGITAL DATA TRAILS AND CONSUMER PROTECTION

This group considered a range of data types and how researchers might use them for consumer protection research. Digital finance by nature means increased numbers of digital records. Where digital finance is replacing analog approaches, this means more detailed and easily accessed information on customers and accounts than was previously possible. Some examples of this include:

1. Loan data. The Bank of Tanzania analyzed more than 20 million mobile-delivered loans to measure risks such as late payment and default, penalty fees and total cost, and gender and geographic dispersion of borrowers. ([Graham, Izaguirre, Mazer, 2018](#))
2. Payments data. The Central Bank of Kenya has measured consumer response to the removal of fees for mobile money transactions below 1,000 Kenyan Shilling. ([Central Bank of Kenya, 2020](#))
3. Social media data. New channels for consumers to share their voices are being used to identify emerging issues and monitor provider responsiveness. ([Nendo, 2018](#))

This session explored what market monitoring and measurement possibilities these new data trails offer. Beyond that, it sought ideas for how we can move beyond monitoring and measurement to leverage these channels for testing new solutions via rigorous impact evaluations.

Suggested reading:

- Authority, Financial Conduct. [Proposals for a price cap on high-cost short-term credit](#). (2014).
- Bertrand, X., Bazalgette, D., Fraser, F., & Chongo, B. (n.d.). [Support for Bank of Zambia in Relation to Credit Market Regulation: Review of Current Payroll Lending](#). FSD Africa (2015).
- di Castri, Simone, Stefan Hohl, Arend Kulenkampff, and Jermy Prenio. ["The supotech generations."](#) (2019).
- Graham, L., Izaguirre, J, Mazer, R.. [Digital Credit Market Monitoring in Tanzania](#). CGAP, (2018).
- Gwer, F., Odero, J., Totolo, E.,. [Digital credit audit report: Creating value through inclusive finance: Evaluating the conduct and practice of digital lending in Kenya](#). FSD Kenya, (2019)
- Mazer, R., Onchieku, D., [Did you see my tweet? Monitoring financial consumer protection via social media](#). FSD Kenya, (2019).

DIGITAL CHANNELS AND CONSUMER EXPERIENCE

This group set the agenda on how digital delivery changes consumer risks, for good and for bad by shifting the channels and actors involved in product delivery and complaints handling. Issues such

as unexpected fees, fraud, and poor service are not new to financial services. However, the introduction of new channels such as agents or digital banking introduces new channels for risks to affect consumers and new paths to support affected consumers with innovative approaches to customer care and third-party dispute resolution mechanisms. This discussion focused on the ways digital channels shift these risks and how we can better protect digital consumers, with particular emphasis on low-income, low literacy or vulnerable populations.

Suggested reading:

- Aberra, A., Chemin, M. [*Does Legal Representation Increase Investment? Evidence from a Field Experiment in Kenya*](#), (2019).
- Adams, Paul, and Stefan Hunt. [*Encouraging Consumers to Claim Redress: Evidence from a field trial*](#). Occasional Paper No. 2. Financial Conduct Authority, (2013).
- Banerjee, A., Duflo, E., Imbert, C., Mathew, S., Pande, R. [*E-governance, Accountability, and Leakage in Public Programs: Experimental Evidence from a Financial Management Reform in India*](#), NBER Working Papers, (2016)
- Giné, X., Mazer, R.K. [*Financial \(Dis-\)Information: Evidence from a Multi-Country Audit Study*](#) Policy Research Working Paper No. 6902. The World Bank, (2017).
- Mudiri, J.L. [*Fraud in Mobile Financial Services*](#). MicroSave Consulting, (2013).
- Pervaiz, F., Nawaz, R.S., Ramzan, M.U., Usmani, M.Z., Mare, S., Heimerl, K., Kamiran, F., Anderson, R., Razaq, L. [*An assessment of SMS fraud in Pakistan*](#), Proceedings of the 2nd ACM SIGCAS Conference on Computing and Sustainable Societies, COMPASS '19. Association for Computing Machinery, pp. 195–205, (2019).
- Reurink, A. [*Financial Fraud: A Literature Review*](#). J. Econ. Surv. 32, 1292–1325 (2018).
- Stango, V., Zinman, J. [*Limited and Varying Consumer Attention: Evidence from Shocks to the Salience of Bank Overdraft Fees*](#), NBER Working Papers, (2011).
- Stremlau, N., Osman, R. [*Courts, clans and companies: Mobile money and dispute resolution in Somaliland*](#). Stab. Int. J. Secur. Dev. 4, 1–15, (2015).

CONSUMER CHOICE

This session explored how information exchange between consumers and financial service providers impacts product choice. We explored these exchanges in both directions: Provider-to-consumer and consumer-to-provider(s). For the former, questions such as how to develop a key facts statement for apps or illiterate phone customers show the need for new research on transparency in digital product models. For the latter, the growing digital records of identity, product usage, and economic activity provide consumers opportunities to increase choice in providers and products. This becomes all the more powerful when linked to online marketplaces and comparison

tools, which raise numerous opportunities for testing the impact of concepts like digital credit information systems and data portability tools.

Suggested reading:

- Adams, P., Hunt, S., Palmer, C., Zaliauskus, R. [Attention, Search and Switching: Evidence on Mandated Disclosure from the Savings Market](#). FCA Occas. Pap. 19, (2016).
- Anagol, S., Cole, S., Sarkar, S. [Understanding the Advice of Commissions-Motivated Agents: Evidence from the Indian Life Insurance Market](#). Rev. Econ. Stat. 99, 1–15, (2017).
- Anagol, S., Kim, H.H. [The Impact of Shrouded Fees: Evidence from a Natural Experiment in the Indian Mutual Funds Market](#). Am. Econ. Rev. 102, 576–593, (2012).
- Bertrand, M., Karlan, D., Mullainathan, S., Shafir, E., Zinman, J. [What's Advertising Content Worth? Evidence from a Consumer Credit Marketing Field Experiment](#). Q. J. Econ. 125, 263–305, (2010).
- Bertrand, M., Morse, A. [Information Disclosure, Cognitive Biases and Payday Borrowing](#). J. Finance 66, 40, (2011).
- Burke, J., Jamison, J., Karlan, D., Mihaly, K., Zinman, J. [Credit Building or Credit Crumbling? A Credit Builder Loan's Effects on Consumer Behavior, Credit Scores and Their Predictive Power](#) (Working Paper No. 26110), NBER Working Paper, (2019).
- Cole, S., Sampson, T., Zia, B. [Prices or Knowledge? What Drives Demand for Financial Services in Emerging Markets?](#) J. Finance 66, 1933–1967, (2011).
- Giné, X., Martínez Cuellar, C., and Mazer R. [Information disclosure and demand elasticity of financial products: evidence from a multi-country study](#). The World Bank, (2017).
- Galenianos, M., Gavazza, A. [Regulatory Intervention in Consumer Search Markets: The Case of Credit Cards](#) 45, (2018).
- Karlan, D., Zinman, J. [Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment](#). Econometrica 77, 1993–2008, (2009).
- Ko, K.J., Williams, J. [The Effects of Regulating Hidden Add-On Costs](#). J. Money Credit Bank. 49, 39–74, (2017).
- Loewenstein, G., Sunstein, C.R., Golman, R. [Disclosure: Psychology Changes Everything](#). Annu. Rev. Econ. 6, 391–419, (2014).
- Seira, E., Elizondo, A., Laguna-Müggenburg, E. [Are Information Disclosures Effective? Evidence from the Credit Card Market](#). Am. Econ. J. Econ. Policy 9, 277–307, (2017).
- Stango, V., Zinman, J. [Borrowing High versus Borrowing Higher: Price Dispersion and Shopping Behavior in the U.S. Credit Card Market](#). Rev. Financ. Stud. 29, 979–1006, (2016).
- Stango, V., Zinman, J. [Fuzzy Math, Disclosure Regulation, and Market Outcomes: Evidence from Truth-in-Lending Reform](#). Rev. Financ. Stud. 24, 506–534, (2011).