



Financial Consumer Protection Survey (FCPS) Tanzania 2025

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Executive Summary

Top five challenges and risks identified by DFS users

1. Fraud attempt	86%
2. Poor network quality	60%
3. Defaulted on mobile loan (% of loan users)	29%
4. Sent money to an incorrect number	18%
5. Unclear fees or charges	16%

Choice and transparency

Compares prices before selecting a financial service provider	30%
Often or always learns prices for DFS before the transaction	51%

Over-indebtedness

Loan users that missed a scheduled payment in last 12 months	33%
Loan users that regretted taking on debt	13%
Loan users that reduced food expenditure to repay debt	10%

Fraud

Experienced a fraud attempt in last 12 months	86%
Lost money due to fraud in last 12 months	6%

Executive Summary

Challenges with agents

Paid an extra fee in last agent transaction	6%
Experience agent discrimination sometimes, often, or always	2%

Complaints redress

Sought redress in the last 12 months, among those that lost money due to fraud, unclear fees, or service quality challenges	35%
Of redress seekers, somewhat or very satisfied with last redress outcome	75%
Redress seekers changed, stopped, or reduced usage of DFS	
- Of redress seekers, satisfied with redress outcome:	19%
- Of redress seekers, dissatisfied with redress outcome:	54%

Trust

Share of respondents who report full trust in each provider type (regarding privacy, fraud protection, and problem resolution):	
- Agents	57%
- Mobile money providers	66%
- Mobile loan providers	47%
- Mobile banking providers	62%

Executive Summary

Sample characteristics

- 1 Demographics:** 43 percent had completed at least some secondary education or more, the same share as in the Findex 2025 survey, and half were between 26 and 45 years of age. 50 percent of interviewed respondents were female, and 50 percent urban (comparing to 26 percent of typical urban DFS users in Findex).
- 2 Smartphone usage:** Less than half of respondents use smartphones as their primary phone, with higher usage among younger adults, urban, higher educated, and less poor consumers.
- 3 SIM card registration:** 33 percent of respondents used SIM cards not registered in their name. Younger adults and those with some secondary education were more likely to use SIM cards registered in someone else's name.
- 4 Financial health challenges:** 67 percent of respondents found it difficult to access emergency funds equivalent to 1/20th of GNI per capita (USD 58) within 30 days, with 86 percent finding it difficult to do so within a week.

Executive Summary

Digital Financial Services Usage and Consumer Choice

- 1 Services used:** Mobile money and DFS agents are the most used services overall, with 28 percent using mobile loans, 21 percent using overdraft services, and 16 percent using and mobile banking. Buy-now-pay-later services and credit cards are rare.
- 2 DFS Providers:** Mobile money markets are less concentrated than mobile banking or mobile loan markets. 31 percent had only used one payment services provider, while only 92 percent had used just one mobile loan provider.
- 3 Comparing prices:** Between 19 percent and 49 percent of consumers compared prices depending on the service used, with 30 percent of payment services users and 23 percent of loan users finding it somewhat or very difficult to compare prices.
- 4 Provider choice:** Consumers value customer service and ease of access over price when choosing payment services and mobile loan providers. 45 percent had stopped using a payment service provider in the past (primarily due to problems with their account)

Executive Summary

Challenges and risks

- 1 Fraud exposure:** 86 percent of respondents experienced a fraud attempt in the last 12 months, with 6 percent losing money due to fraud. The median loss in the last attempt was USD 24.
- 2 Over-indebtedness:** Among mobile loan users, 29 percent failed to repay a loan on time in the last 12 months, 13 percent regretted taking on debt, and 10 percent reduced food expenditure to repay debt.
- 3 Sending money incorrectly:** 18 percent of payment services users had ever sent money to a wrong number, with 71 percent unable to recover the funds.
- 4 Service quality issues:** 65 percent experienced any type of service quality challenge in the past 12 months, with 60 percent experiencing poor network quality and 11 percent struggling to reach customer care when needed.

Executive Summary

Complaints redress

- 1 Redress-seeking rates:** Only 35 percent of respondents who lost money due to fraud, unexpected fees, or service quality challenges in the past 12 months sought redress to resolve the issue. Middle-aged respondents were more likely to seek redress.
- 2 Recovery of funds:** 46 percent of redress cases involved loss of funds, averaging USD 15. Among redress seekers who lost money, 38 percent were able to recover some or all of it.
- 3 Redress resolution:** Most complaints are resolved within a day, and 75 percent of redress seekers were satisfied with the outcome, with female respondents more likely to be satisfied. 28 percent of respondents spent money (averaging USD 0.22) on resolution costs like airtime fees or travel expenses.
- 4 Impact on service usage:** Among redress seekers, 27 percent made a change to their DFS usage as a result of the challenge experienced. Those dissatisfied with the outcome were significantly more likely (54 percent) to switch providers or reduce/discontinue DFS usage compared to those satisfied (19 percent).

Executive Summary

Trust in Digital Financial Services

- 1 Trust levels by provider:** Consumer trust was highest in mobile money and mobile banking providers, with 66 percent and 62 percent of respondents giving them full trust ratings. 47 percent fully trusted in agents.
- 2 Help with challenges:** Across all services, consumers were least confident in providers' ability to help them resolve challenges related to DFS usage, and most confident in their ability to keep money safe from fraud, with ability to keep information private between the two.
- 3 Demographic trust patterns:** Rural respondents tended to be less trustful, as measured by a trust index score constructed from all trust indicators.
- 4 DFS challenges and impact on trust levels:** Consumers who experienced DFS challenges showed markedly lower trust scores, with issues related to fraud and unclear fees particularly strongly correlated with reduced trust.

Key Terms

BNPL: Buy-now-pay-later, or installment payment services, allow users to purchase goods or services immediately and repay the cost later through deductions from their accounts over several weeks or months. These services are typically provided by a financial company instantly at the time of purchase.

Credit card: A credit card is a card that allows users to borrow money in order to make payments or purchases. The balance is repaid later.

Debit card: A debit or ATM card is a card connected to an account that allows users to withdraw money or buy things, and the money is taken out of the account immediately.

DFS agents: DFS agents provide cash-in (deposit) and cash-out (withdrawal) services for customers, acting as human ATMs. Agents may also support customers complete other types of transactions, open accounts for new customers, and help customers resolve problems.

Digital credit: financial service that enables you to obtain loans through digital rather than in-person channels, most often via a mobile phone.

Digital financial services (DFS): Financial services—such as deposits, payments, and credit—delivered through digital channels, most commonly via mobile phones.

Key Terms

Mobile banking: A service that allows users to access and manage their bank account via a mobile phone using USSD codes or a bank app. A bank account is required to use mobile banking services.

Mobile money: An electronic wallet service that uses a phone number as the account number, allowing users to hold money electronically, send and receive funds, and make payments without needing a bank account - just a phone number and ID are required.

Overdraft services: Overdrafts allow users to spend more than their account balance by automatically covering the cost of a purchase if it exceeds the account balance. This credit is repaid later.

USSD: Unstructured Supplementary Service Data. A communication service that enables customers to use mobile financial services (MFS) on nearly any phone, by sending instructions to the MFS provider along with their personal identification number (PIN) for authentication, while enabling MFS providers to send responses to clients and confirm transactions. Examples of usage includes making payments or sending funds with mobile money, checking account balances, and buying airtime and internet bundles.

SUBGROUPS

Subgroups

Throughout this report, segmentation analysis is conducted using the following six respondent characteristics:

GENDER: In our survey, respondents self-identified as either male or female.

AGE: Grouped into brackets of 18-25 years, 26-45 years, and older than 46 years.

URBAN: Respondents were automatically categorized as urban or rural. We sampled from the country's two largest cities by population size (urban) and randomly selected districts with a population density below the country median (rural)

EDUCATION: We grouped respondents into those who have completed primary education or less, those who have completed some level of secondary education, and those who have completed secondary education or a higher level. Higher levels includes diplomas and university education.

POVERTY: Our definition was based on the [Poverty Probability Index \(PPI®\)](#) score. Individuals were grouped into more and less likely to be poor, where more poor individuals had a poverty probability higher than the sample median

FINANCIAL LITERACY: We grouped respondents into less financially literate (scoring less than 3/4 questions correctly) and financially literate (scoring at least 3/4 questions correctly), based on [Standard & Poor's global financial literacy survey](#)

Study Methodology: Financial Consumer Protection Study

Summary: FCPS studies are conducted as **in-person market intercept surveys** targeting **1,000 DFS active customers** (respondents who had used digital financial services in the past 12 months). By design, the samples include **equal representation by gender as well as rural and urban** locations. We present **unweighted statistics**.

Sampling: Our sampling methodology involves a multi-tiered purposive sampling process to select markets where intercept surveys are conducted. An equal number of urban and rural markets are selected, each with different sampling approaches:

Urban locations: We select the country's **two largest cities** by population. In each selected city, field teams identify five markets (where food, clothing, or other consumer goods are typically sold), one market in the city's central business district and one market in each cardinal direction from the central business district (with modifications based on geography as needed).

Rural locations: We select administrative units at the level with a count closest to 100 units, and randomly select **two administrative units**, subject to three constraints: (1) below median population density, (2) no safety and security concerns, and (3) no IPA or partner survey firm operational limitations. To sample markets, we **randomly generate ten geocoordinates** per administrative unit, excluding areas with high population density ($>1,000/\text{km}^2$). Field teams then identify the **nearest market** within a 15km radius of these coordinates.

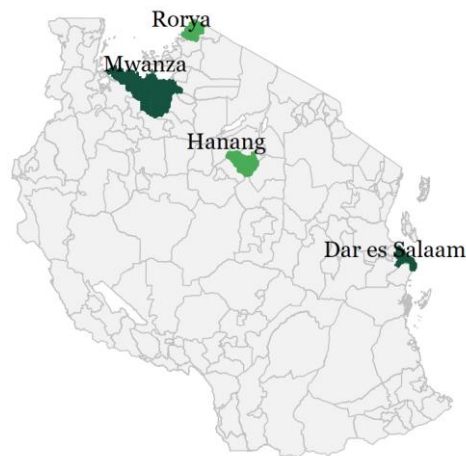
Respondent selection and recruitment: Enumerators station themselves in sampled markets, **intercepting individuals** to screen them for eligibility. Interviews are conducted until a total of 25 surveys have been completed in each market. Respondents must be **at least 18 years old, and have used mobile money, mobile banking, or a DFS agent within the past 12 months**. We sample an **equal number of men and women**.

Study Methodology: The Tanzanian FCP Survey

Sampled Districts: In Tanzania, we conducted the FCP survey in **urban markets** in **Dar es Salaam** and **Mwanza**, and in **rural markets** in **Rorya** and **Hanang** district.

Representation: Our survey is **not representative of the population of DFS users in Tanzania**.

Our **purposive sampling approach** is designed to allow us to make comparisons across important consumer segments, without taking a resource-intensive, nationally representative sampling approach. As a rough assessment of representativeness, we present detailed sample demographics and compare them with those of DFS users in the nationally representative 2025 Global Findex survey.



Urban cities are displayed in dark green, rural districts in lighter green

Sample Characteristics

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Key Findings

1. Demographics: 43 percent had completed at least some secondary education or more, the same share as in the Findex 2025 survey, and half were between 26 and 45 years of age. 50 percent of interviewed respondents were female, and 50 percent urban (comparing to 26 percent of typical urban DFS users in Findex).

2. Smartphone usage: Less than half of respondents use smartphones as their primary phone, with higher usage among younger adults, urban, higher educated, and less poor consumers.

3. SIM card registration: 33 percent of respondents used SIM cards not registered in their name. Younger adults and those with some secondary education were more likely to use SIM cards registered in someone else's name.

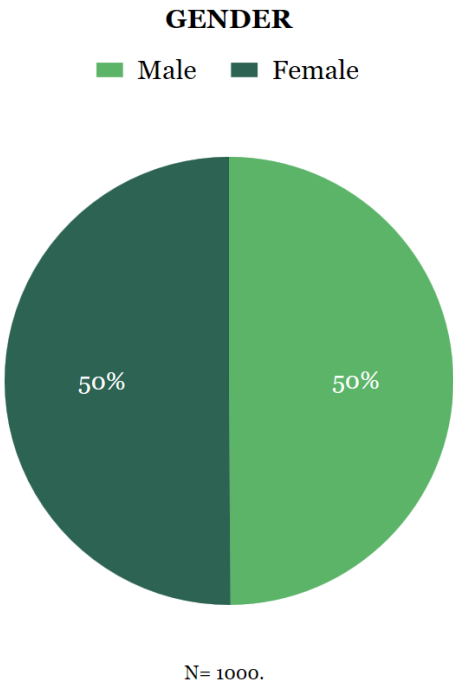
4. Financial health challenges: 67 percent of respondents found it difficult to access emergency funds equivalent to 1/20th of GNI per capita (USD 58) within 30 days, with 86 percent finding it difficult to do so within a week.

SAMPLE CHARACTERISTICS

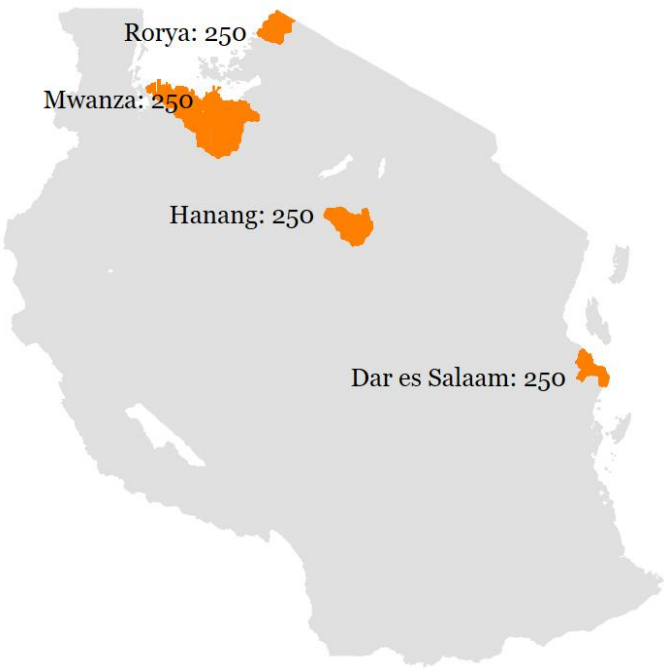
By design, our sample is balanced by gender and urbanicity.

We surveyed a total of 1,000 DFS users in Tanzania.

Our survey sampled equal shares of men and women.



We surveyed 500 respondents in the two biggest cities, Dar es Salaam and Mwanza, and another 500 in two randomly selected rural districts, Rorya and Hanang.

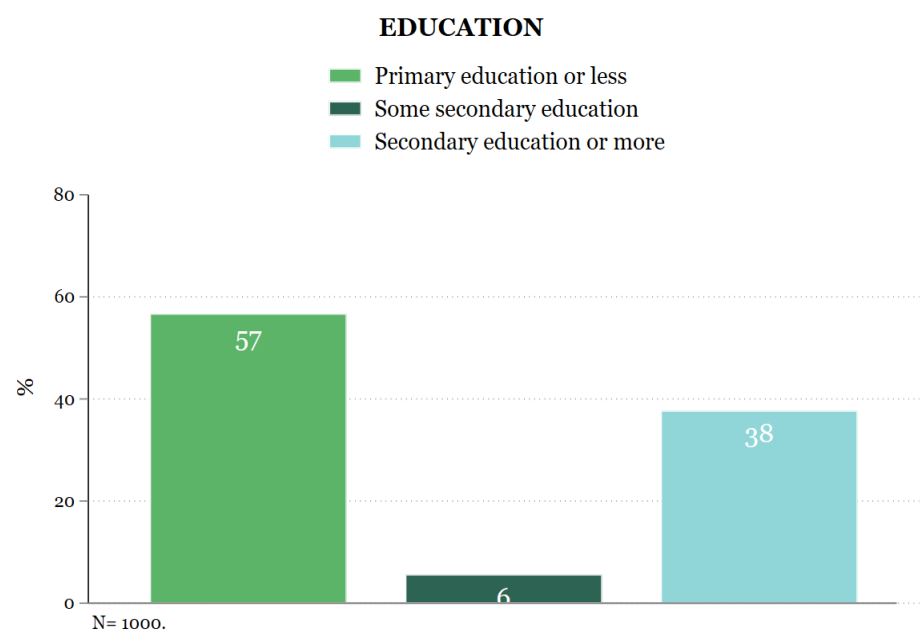
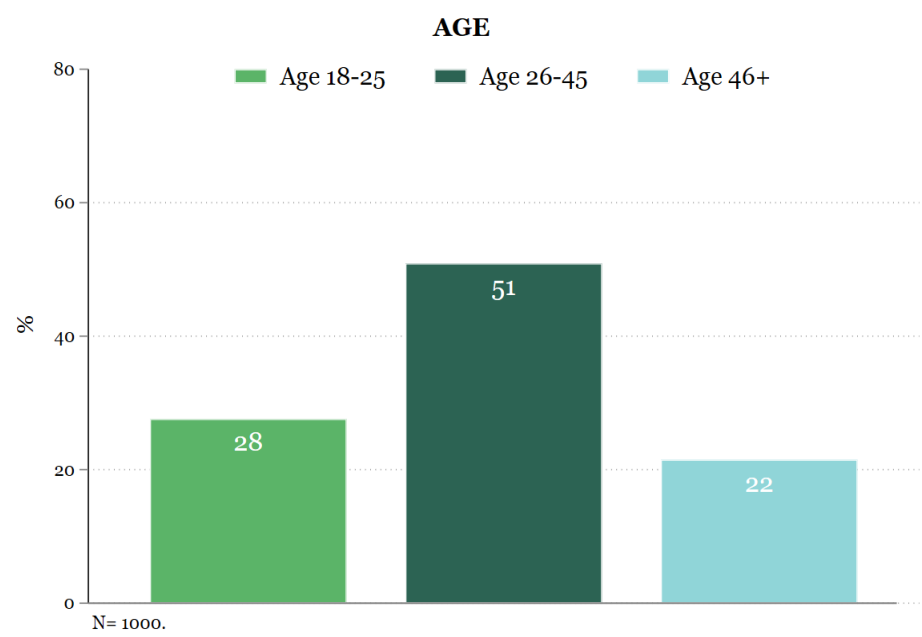


This compares to 51 percent female and 26 percent urban DFS consumers nationally in the Findex 2025 survey.

AGE AND EDUCATION

Surveyed DFS users are primarily middle-aged adults with primary education.

43 percent had at least some secondary education, the same share as in the Findex data.

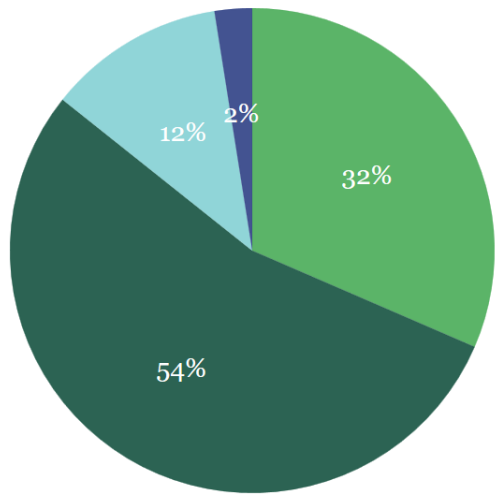


HOUSEHOLDS

More than half of surveyed DFS users were married, and most were the household head or their partner.

MARITAL STATUS

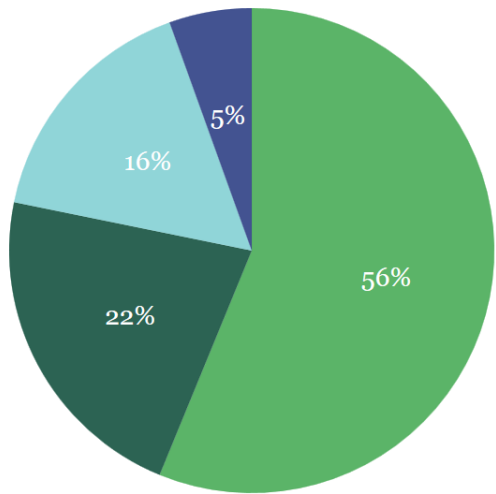
Never married Married Seperated/Divorced/Widowed Cohabitating



N= 1000.

RELATIONSHIP TO HEAD OF HOUSEHOLD

Household head Partner/Spouse Child Other



N= 1000.

EMPLOYMENT

Most respondents were working and self-employed.

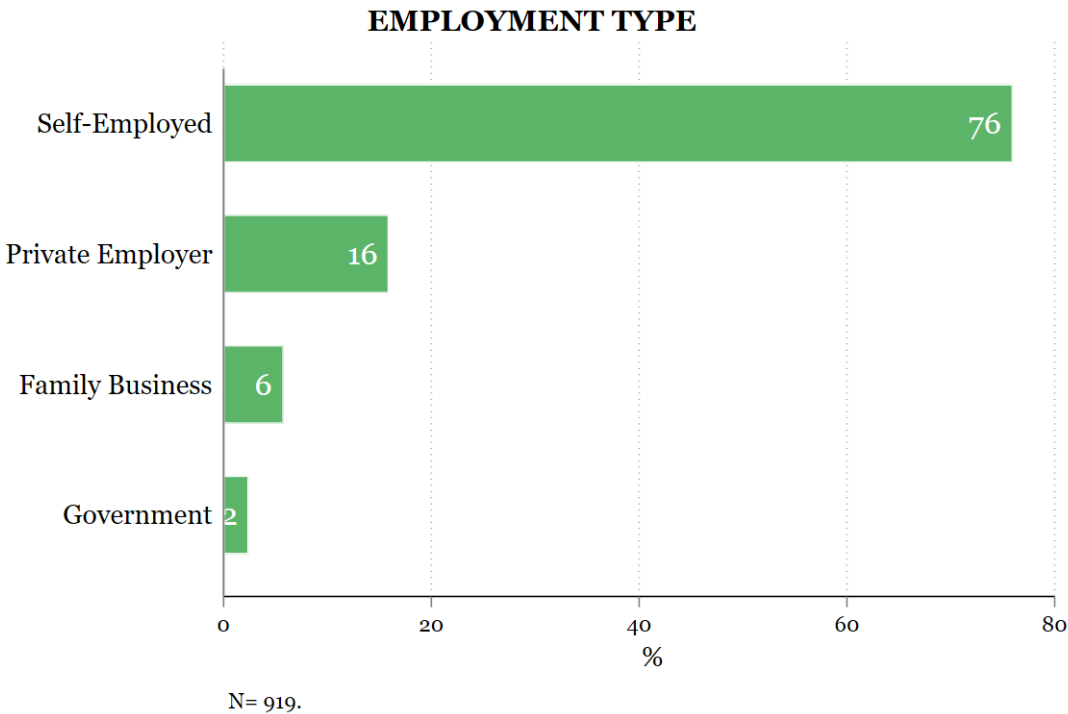
92 percent of respondents were working at least 20 hours a week.

Of those working for an employer,

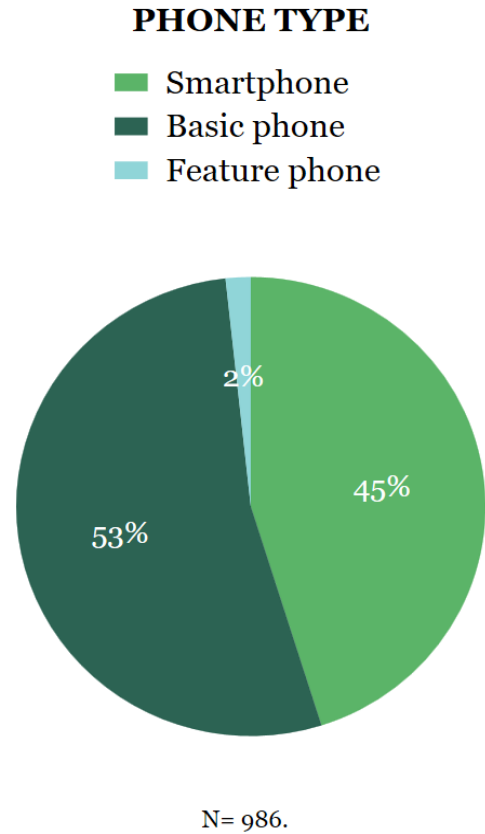
23 percent
had received wages into an account at a bank or similar financial institution.

18 percent
had received wages through their phone.

76 percent were self-employed. Among all workers, 23 percent worked at a formally registered business.



Over half of respondents use basic phones.



Our respondents are more likely to own smartphones compared to the typical DFS user: 45 percent compared to 30 percent in the Findex survey.

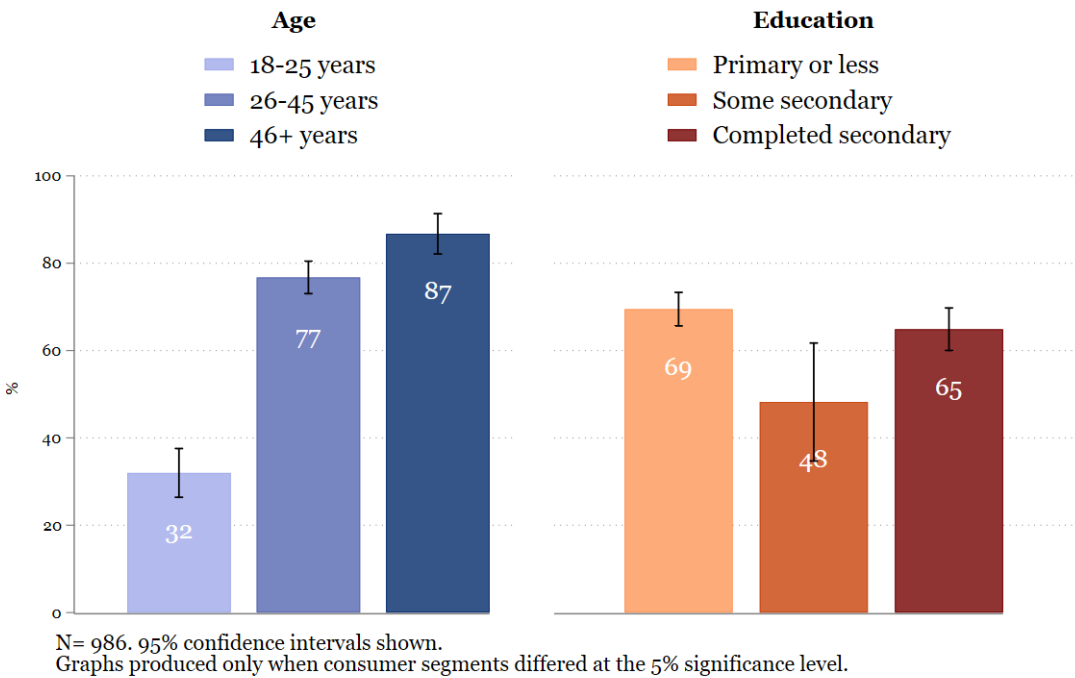
Urban, higher educated, younger and less poor respondents were more likely to use a smartphone as their primary phone.

A third of SIM cards were not registered in the respondent's name.

33 percent said the SIM card they used was not registered in their name.

Younger adults and those with some secondary education were more likely to use phones registered in someone else's name.

PHONE SIM IS REGISTERED IN RESPONDENT'S NAME

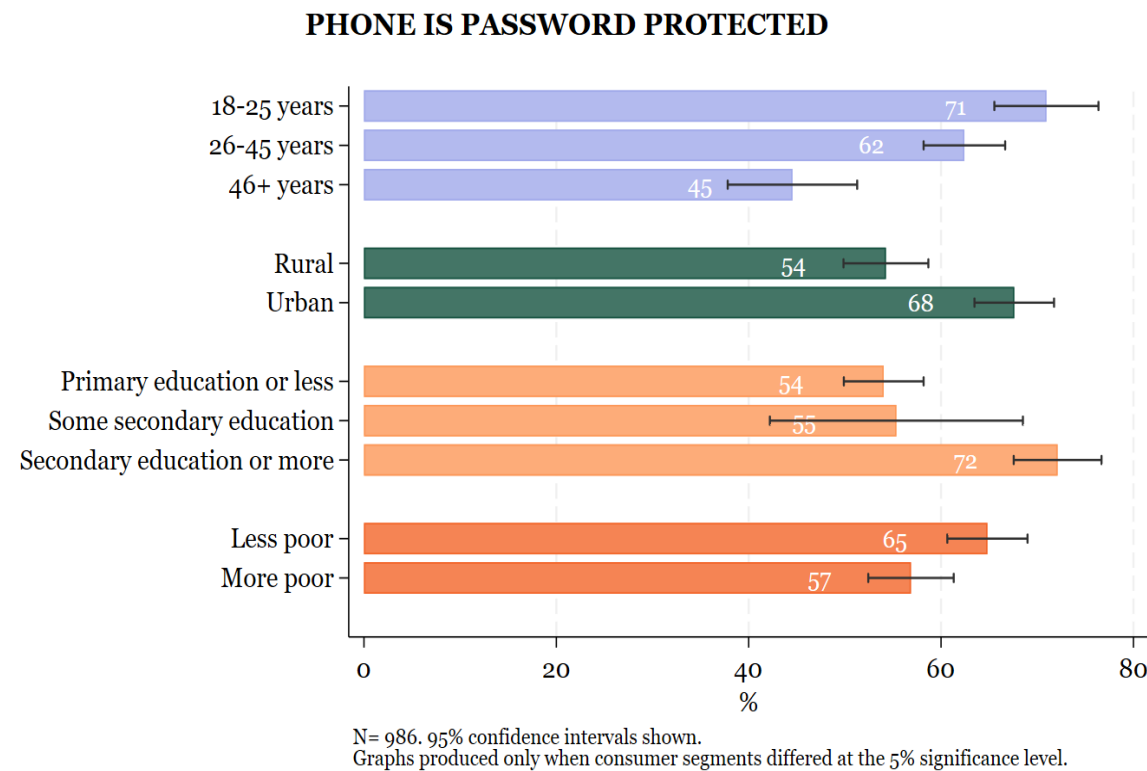


PHONE USAGE

Almost 40 percent of DFS users did not have a PIN or password on their phone to protect their accounts.

Older, rural, less educated, and poorer respondents were less likely to have password protected phones.

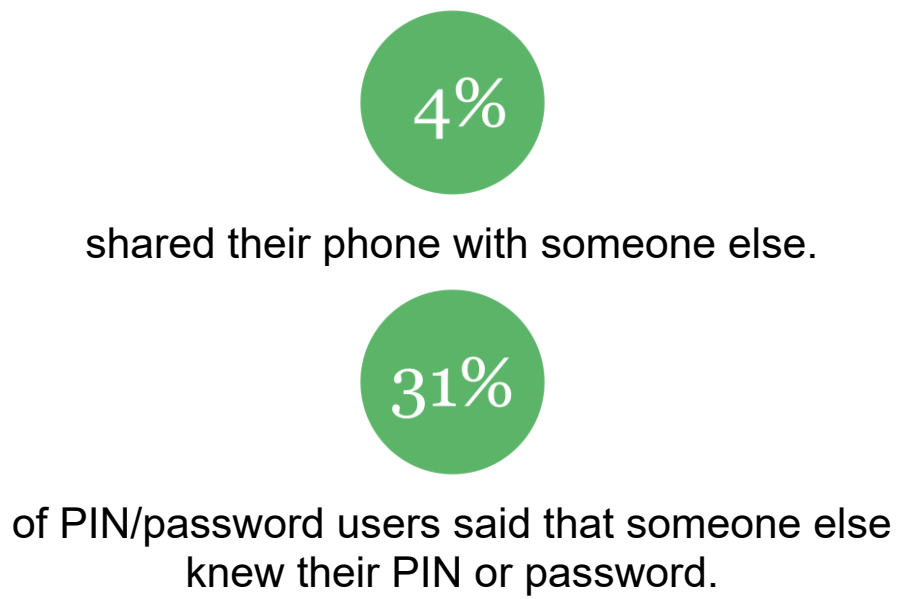
Among respondents who had a PIN or password, 21 percent did not know how to change it.



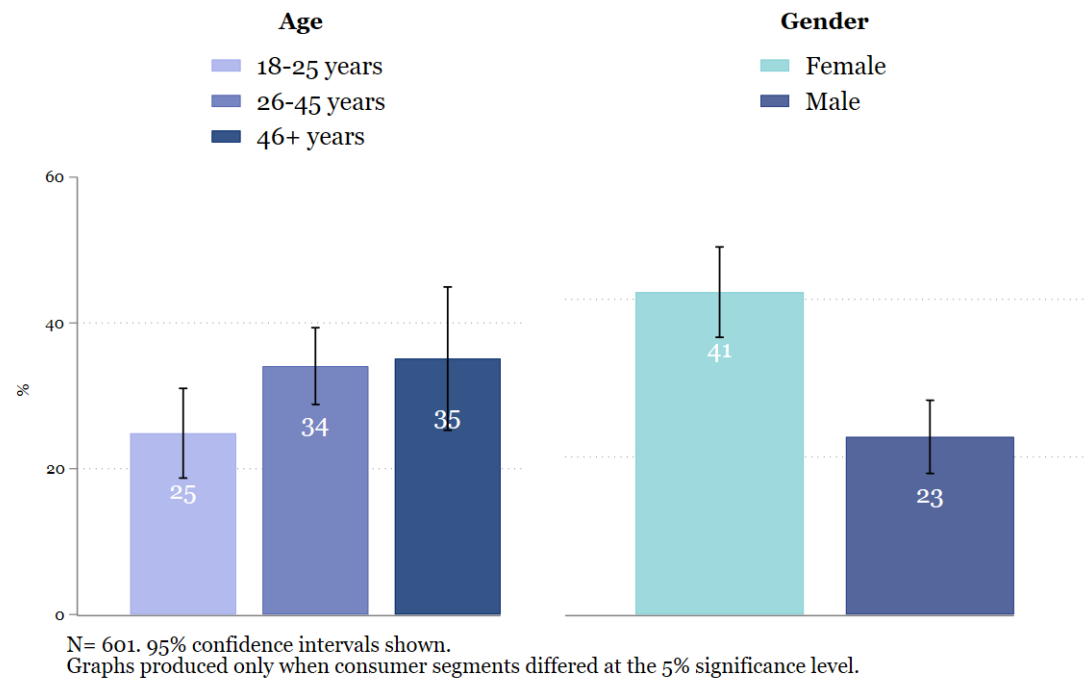
PHONE USAGE

Most consumers use their own phone, but almost one in three that use a PIN or password share it with others.

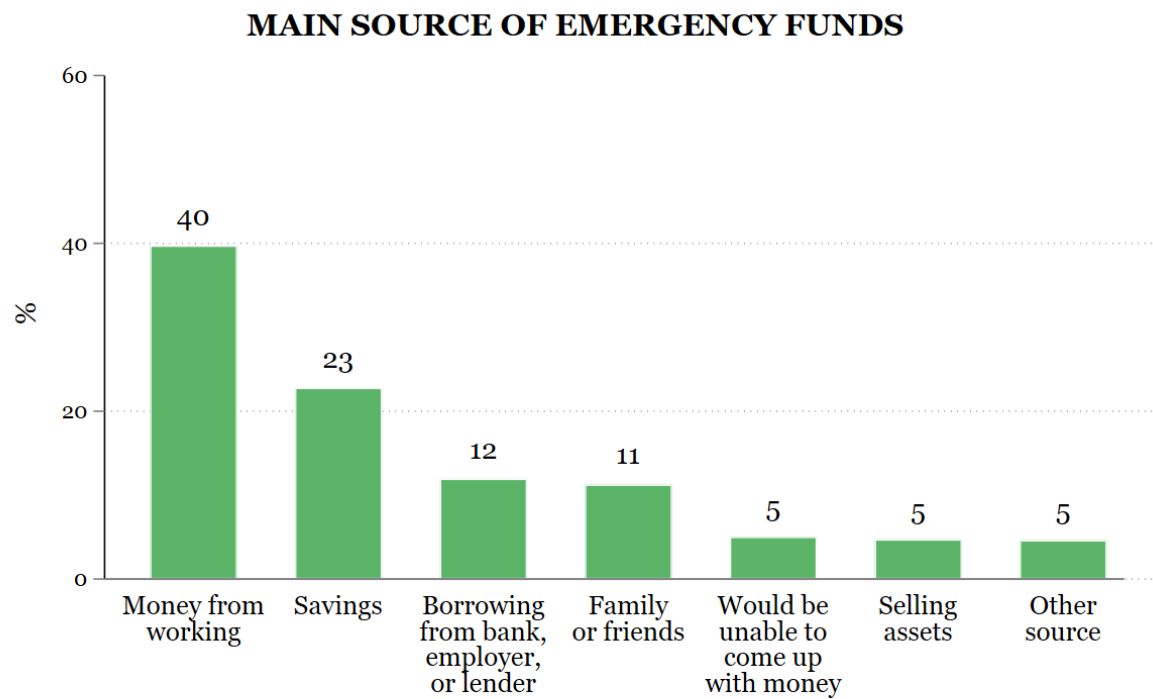
When respondents shared passwords, it was typically with their spouse/partner or another household member. Female and middle-aged adults were more likely to say that someone else knew their PIN or password.



SOMEONE ELSE KNOWS PHONE PIN OR PASSWORD



Two thirds of consumers found it difficult to meet a basic financial health benchmark: accessing funds equal to 1/20th of GNI per capita within 30 days in an emergency.



N= 1000. Excludes 3 don't know/refuse to answer responses.

67 percent of respondents had difficulties coming up with emergency funds equivalent to 1/20th GNI per capita (USD 58) within a month, and 86 percent found it difficult to do so within a week.

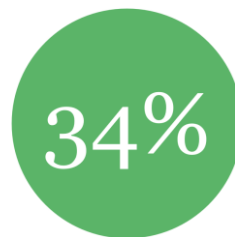
Most would rely on money from working to come up with the funds.

In Tanzania, USD 58 or TZS 143000 is equal to 1/20th of GNI per capita. The questions are taken from [IPA's Financial Health Survey \(2020\)](#)

Financial Literacy.

In our study we relied on [Standard & Poor's global financial literacy survey](#) which is the world's largest global measurement of financial literacy. This measure probes knowledge of four basic financial concepts: risk diversification, inflation, numeracy, and interest compounding.

*A person is considered financially literate
if they answer three out of the four questions correctly.*

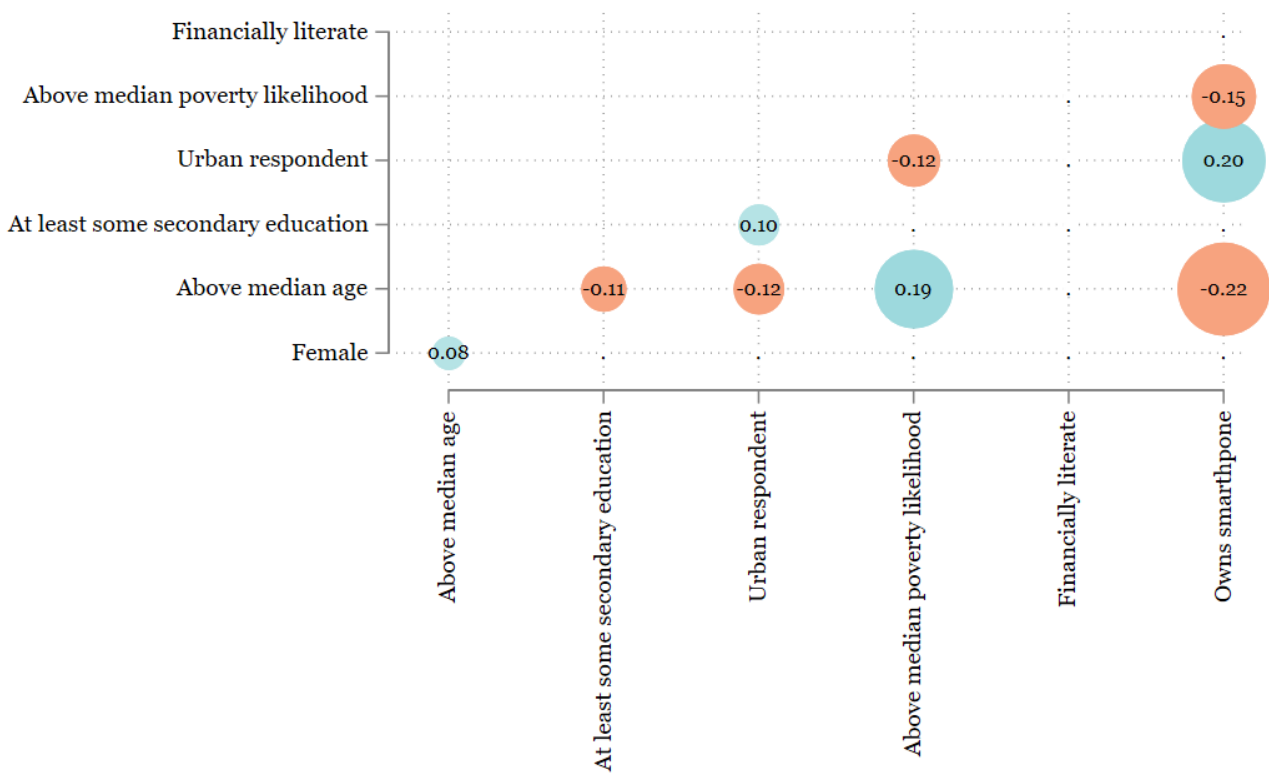


of respondents were financially literate in our sample.

CORRELATIONS

Several key demographic characteristics of our sample are correlated.

CORRELOGRAM OF RESPONDENT CHARACTERISTICS



Stronger relationships are shown as larger circles, in light blue for positive correlations and red for negative correlations.

Age, poverty, urbanicity, and smartphone usage are most correlated.

Only correlations statistically significant at the 5%-level shown.

Digital Financial Services Usage and Consumer Choice

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Key Findings

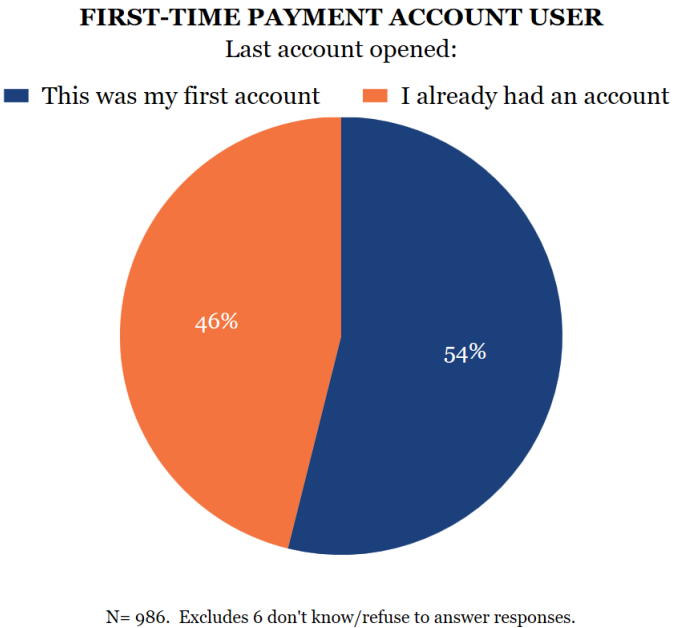
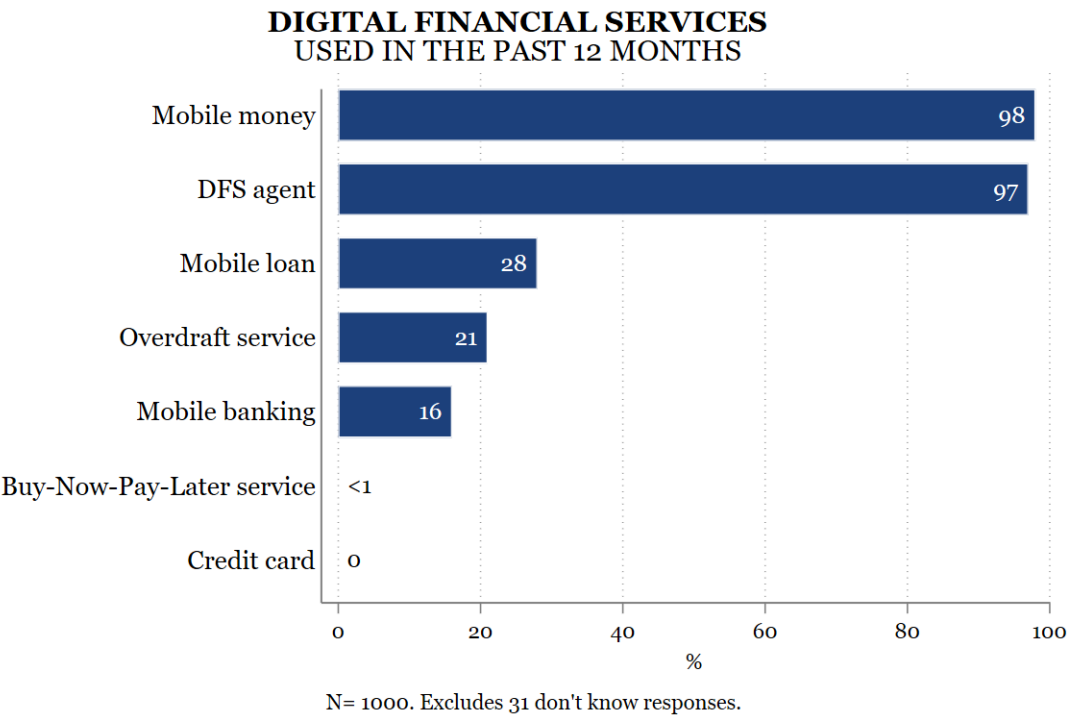
1. Services used: Mobile money and DFS agents are the most used services overall, with 28 percent using mobile loans, 21 percent using overdraft services, and 16 percent using and mobile banking. Buy-now-pay-later services and credit cards are rare.

3. Comparing prices: Between 19 percent and 49 percent of consumers compared prices depending on the service used, with 30 percent of payment services users and 23 percent of loan users finding it somewhat or very difficult to compare prices.

2. DFS Providers: Mobile money markets are less concentrated than mobile banking or mobile loan markets. 31 percent had only used one payment services provider, while only 92 percent had used just one mobile loan provider.

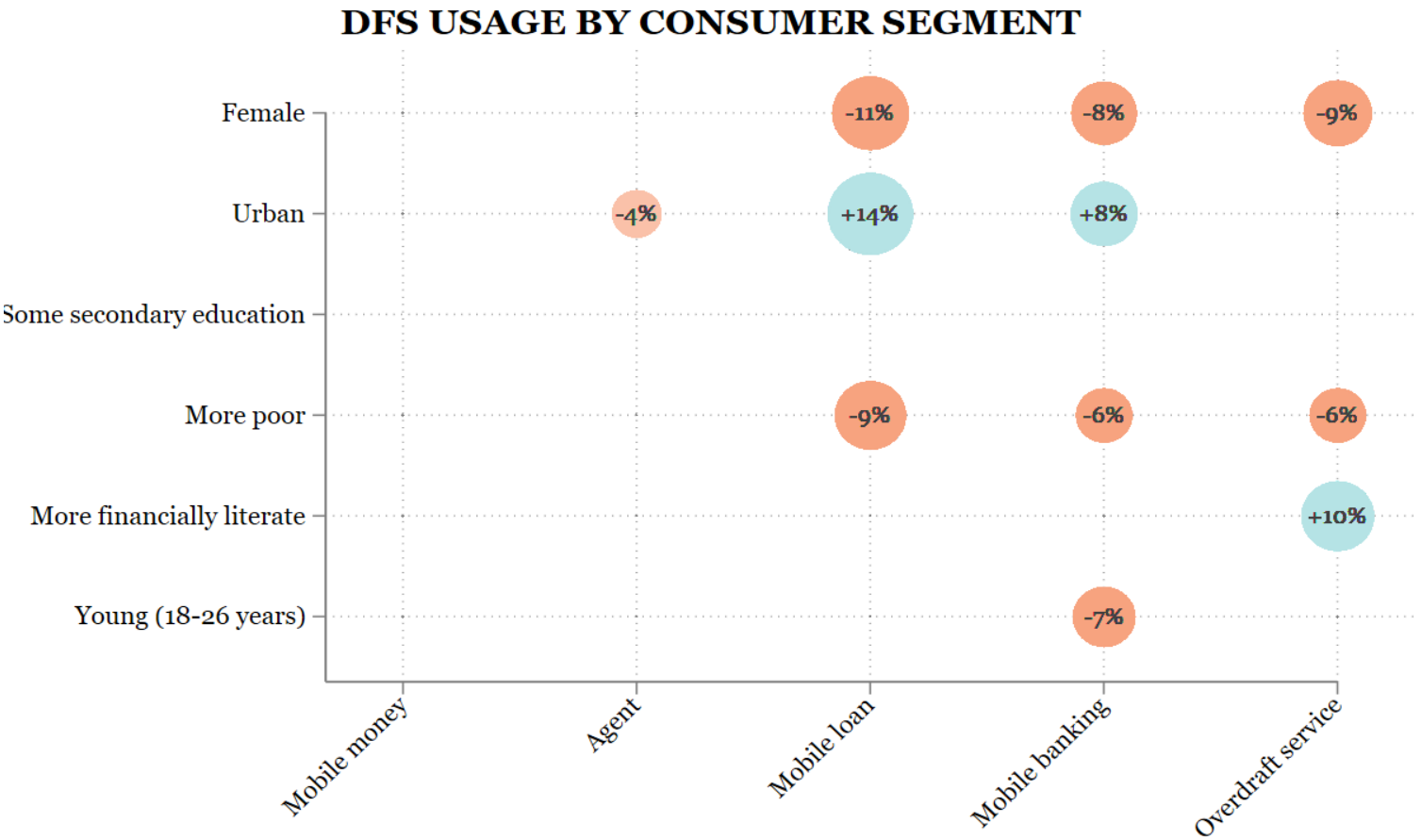
4. Provider choice: Consumers value customer service and ease of access over price when choosing payment services and mobile loan providers. 45 percent had stopped using a payment service provider in the past (primarily due to problems with their account)

Among DFS users, mobile money and agents are nearly universally used. 28 percent had taken out a mobile loan. Overdraft services and mobile banking are less common, used by 21 and 16 percent of DFS users, respectively. Less than 1 percent had used buy-now-pay-later (BNPL), and no one had used credit cards.



The type of services used differed by consumer segment.

Urban and more financially literate consumers tended to use banking and debt services to a greater extent.



Percentage point difference in usage. Only differences statistically significant at the 5%-level sh

USER CHARACTERISTICS

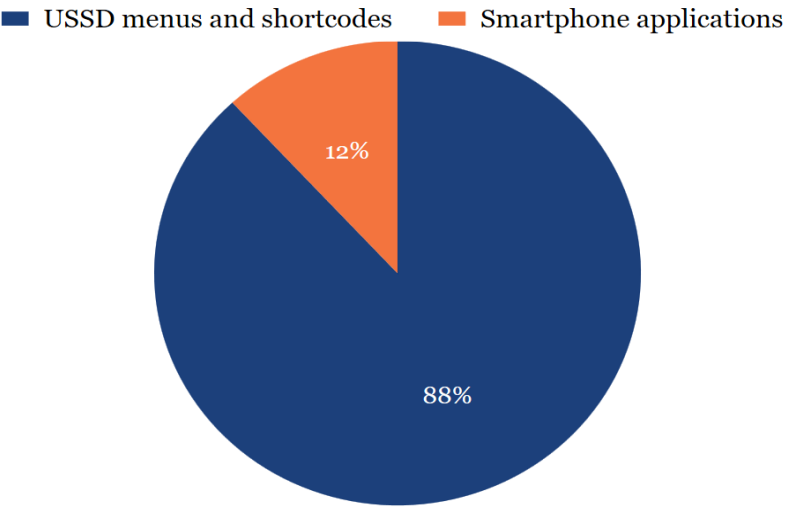
The majority of smartphone users preferred USSD menus over apps for digital transactions.

Mobile banking and non-mobile banking users were equally likely to prefer USSD menus.

Female, older, rural, less educated and poorer smartphone users were more likely to prefer USSD menus.

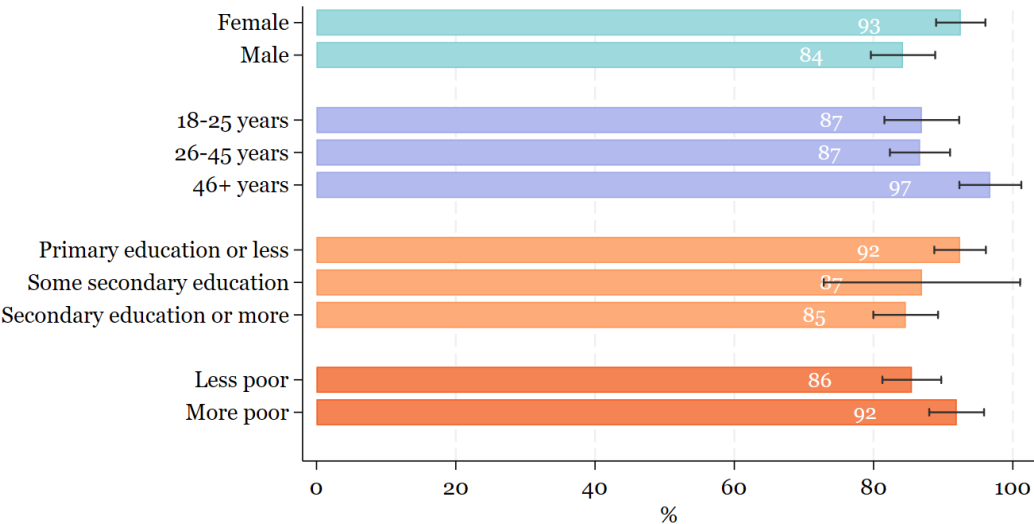
PREFERENCES FOR USSD AND APPS

Smartphone user prefers:



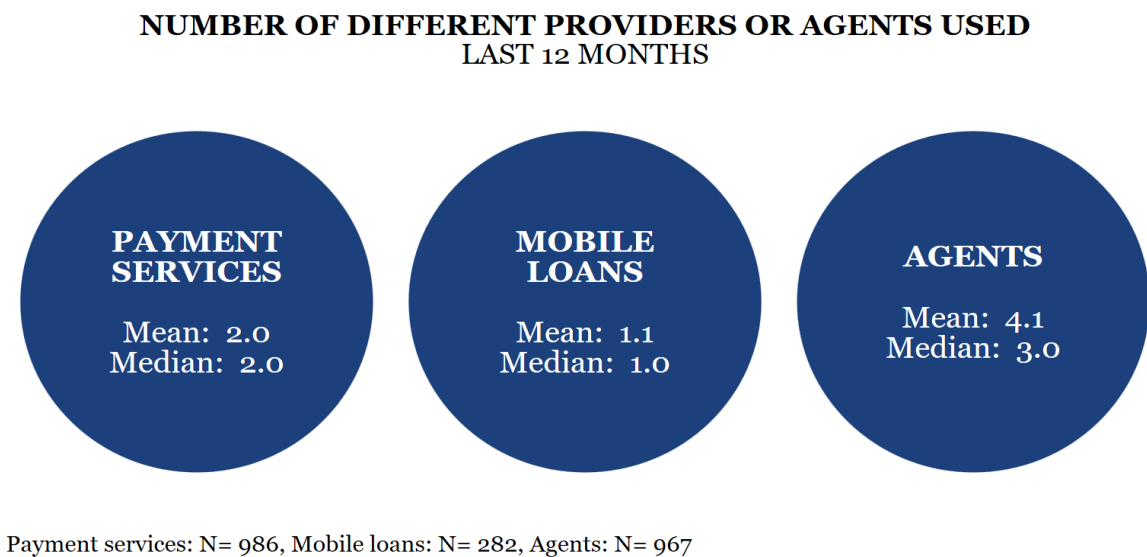
N= 461. Excludes 6 don't know/refuse to answer responses.

PREFERS USSD MENU OVER APPS



N= 455. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

DFS consumers use multiple agents, and have typically used two payment service providers. Nearly all mobile loan users had only used a single provider.

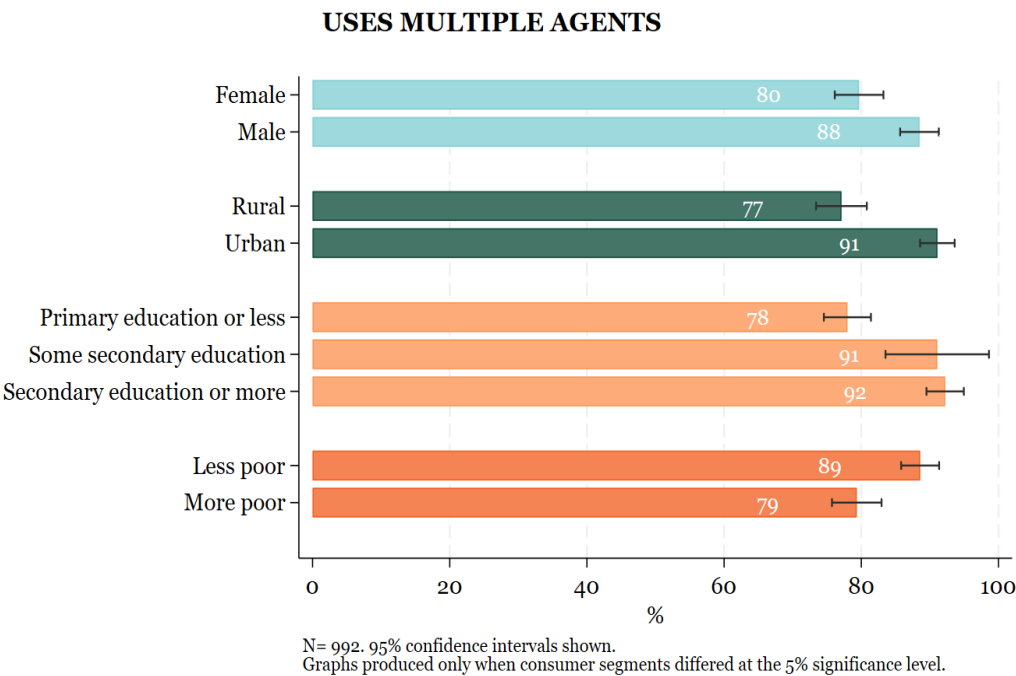
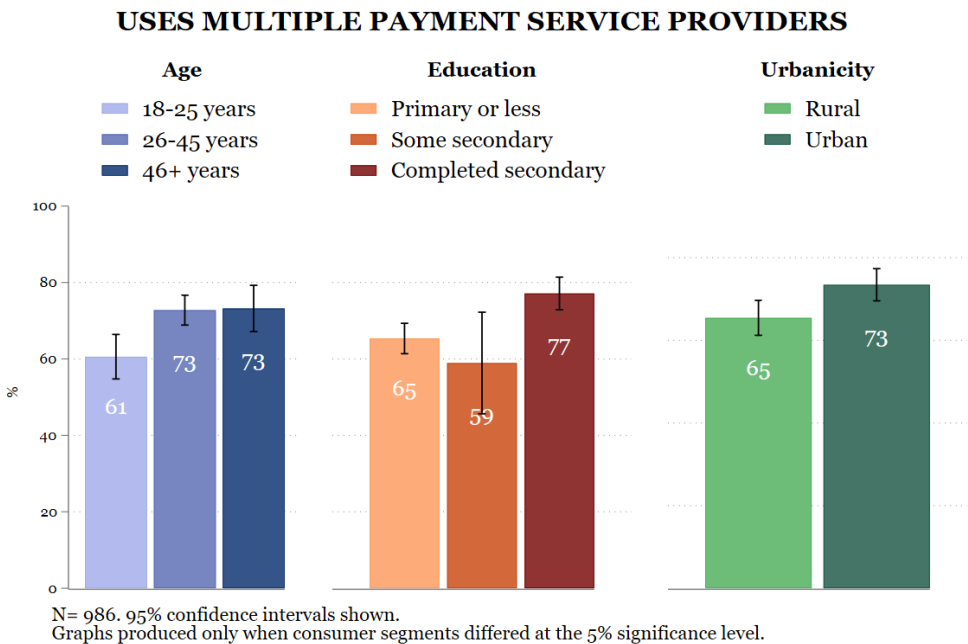


31 percent had only used one payment services provider, 92 percent had only used one mobile loan provider, and 16 percent had only used one agent.

Urban respondents used more agents than rural respondents, averaging 4.8 compared to 3.3 agents (with a median of 3 for both).

Older adults, urban, and higher educated respondents used a greater number of providers on average.

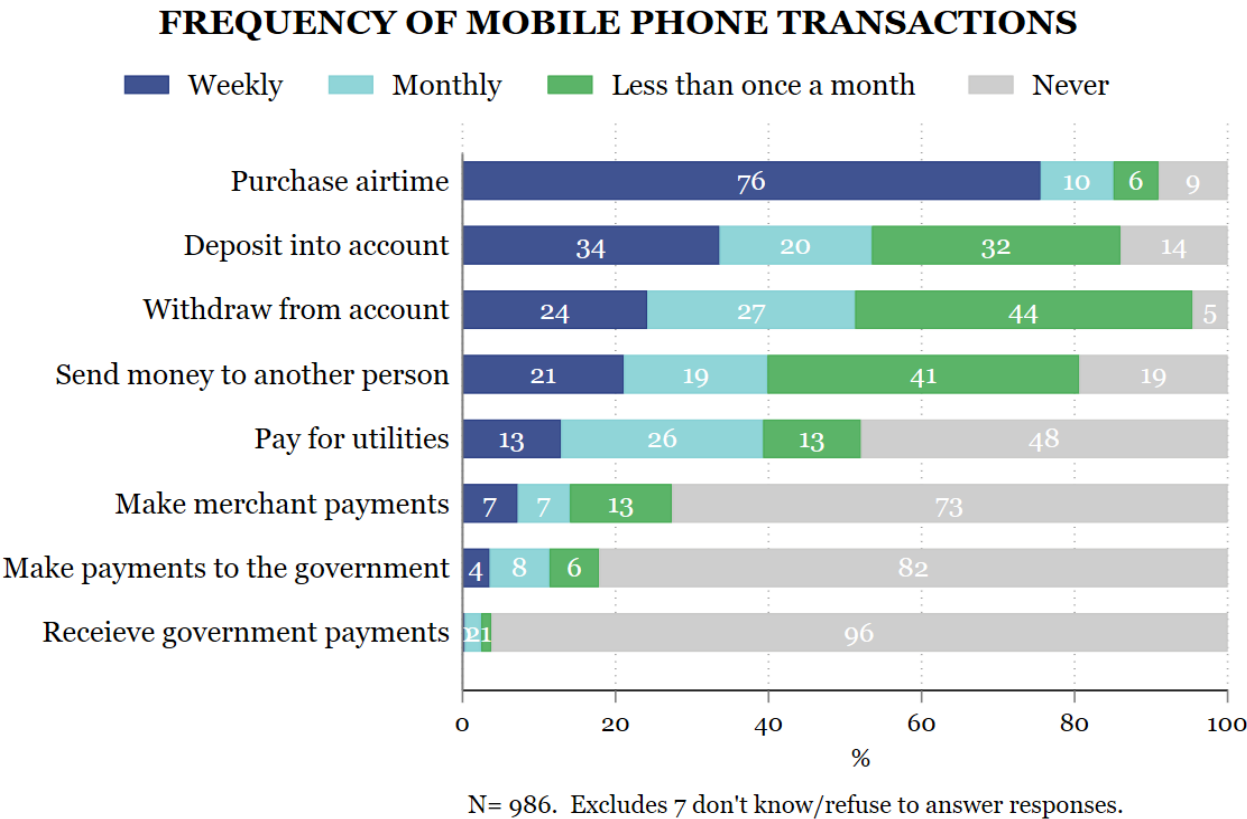
Male, urban, higher educated, and less poor respondents were also more likely to use multiple agents.



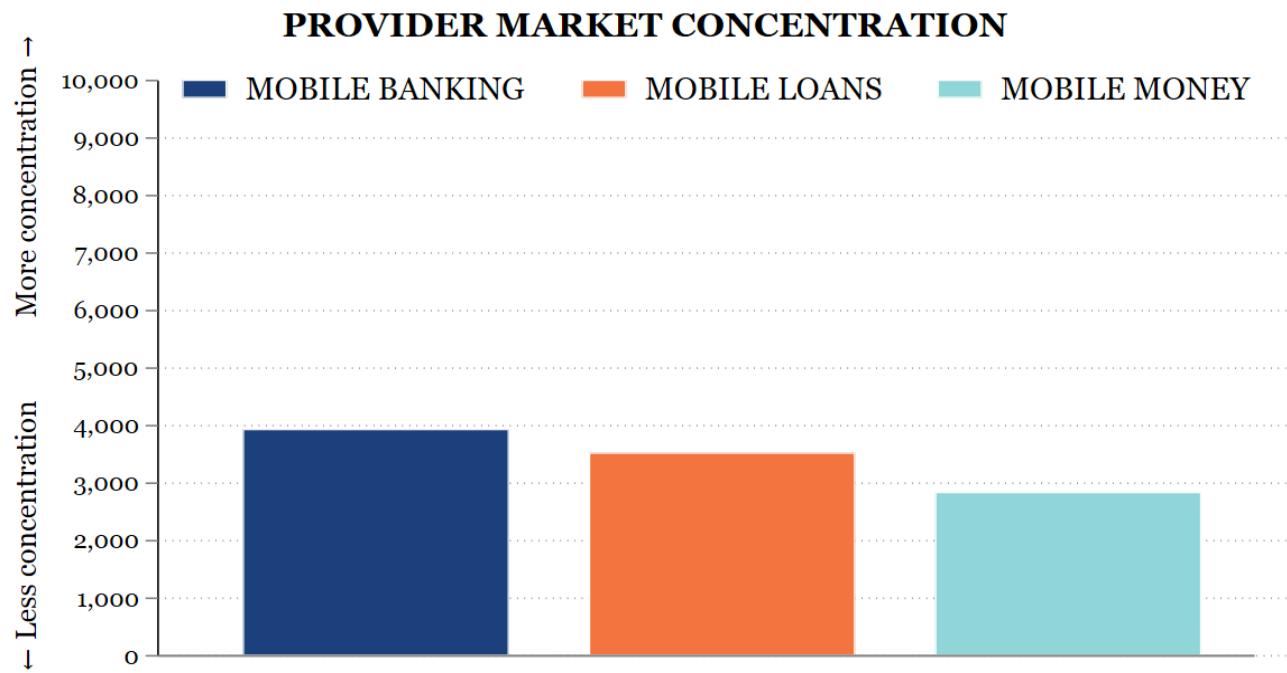
USAGE

The majority of respondents used their DFS account to deposit, withdraw, or send money at least monthly.

76 percent of respondents purchase airtime weekly. Payments for utilities and merchant payments are relatively common.



Mobile banking markets are more concentrated than mobile money and mobile loan markets.

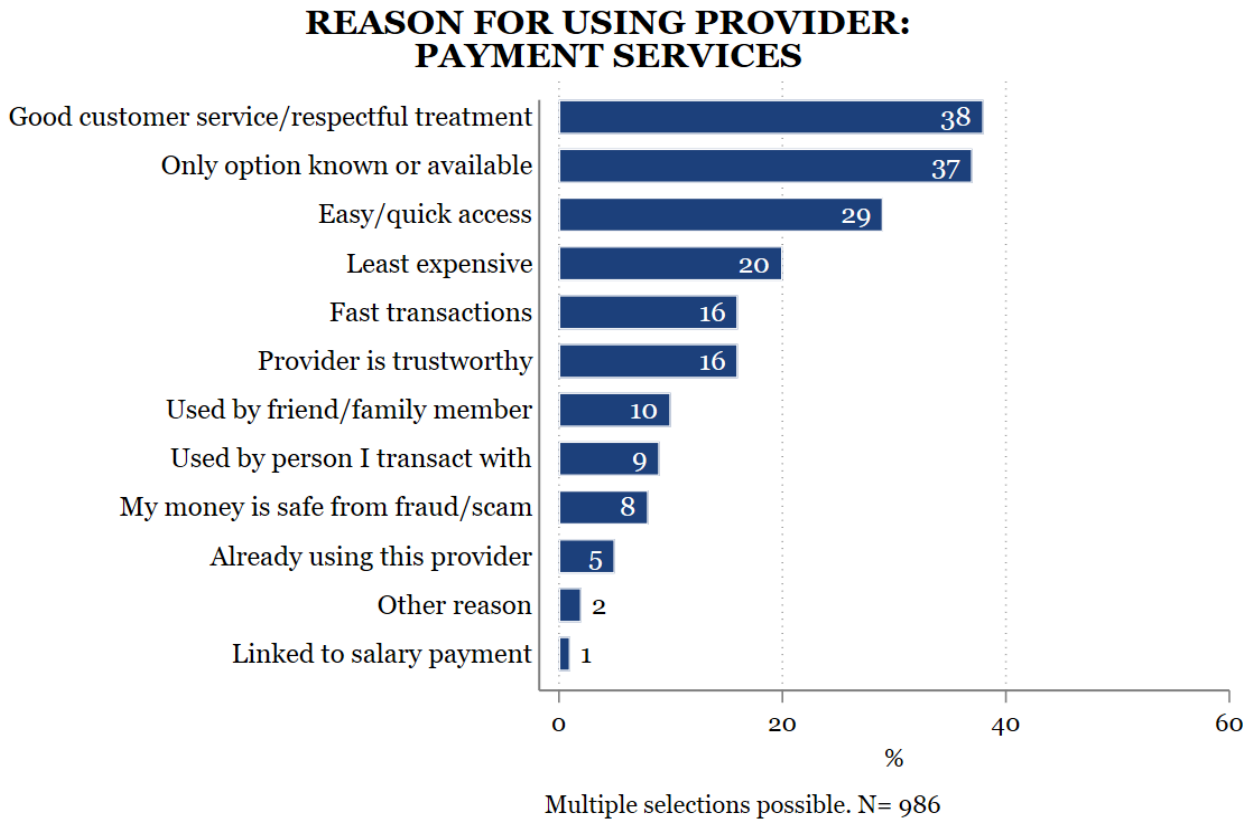


Y-axis shows the Herfindahl–Hirschman Index (HHI). The HHI is a measure of market concentration, calculated by summing the squares of the market shares of all the financial services providers used by respondents in our data within mobile money, mobile banking, and mobile loan services, respectively. Lower values indicate less market concentration and higher values suggesting greater market concentration.

REASON FOR USING PROVIDERS

Customer experience and availability are the main drivers of payment service provider choice.

38 percent of respondents said they chose to use their most used provider based on customer service, and 37 percent cited lack of other options or knowledge of other providers.

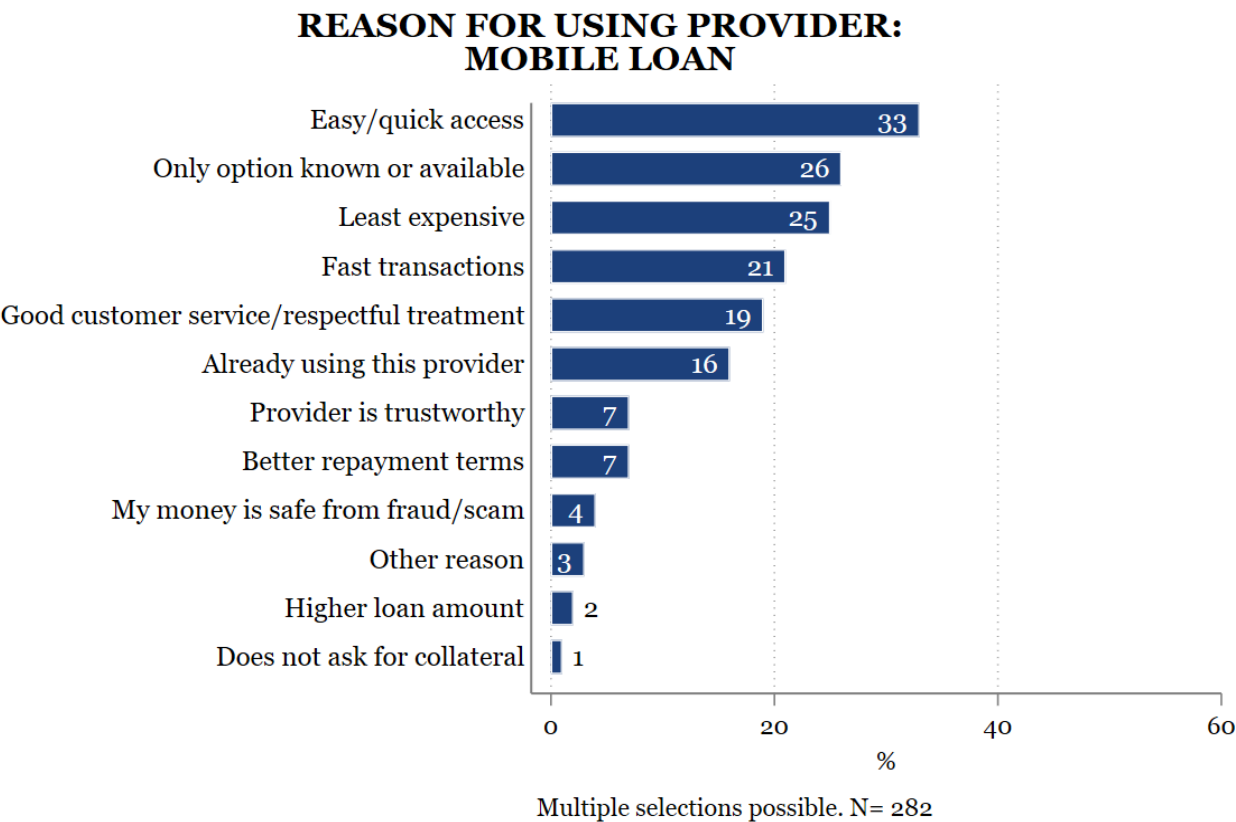


Younger adults, rural, and more financially literate respondents were more likely to cite lack of knowledge or other options as a motivating factor.

Male and rural respondents valued easy and quick access more, while females were more likely to mention social networks.

REASON FOR USING PROVIDERS

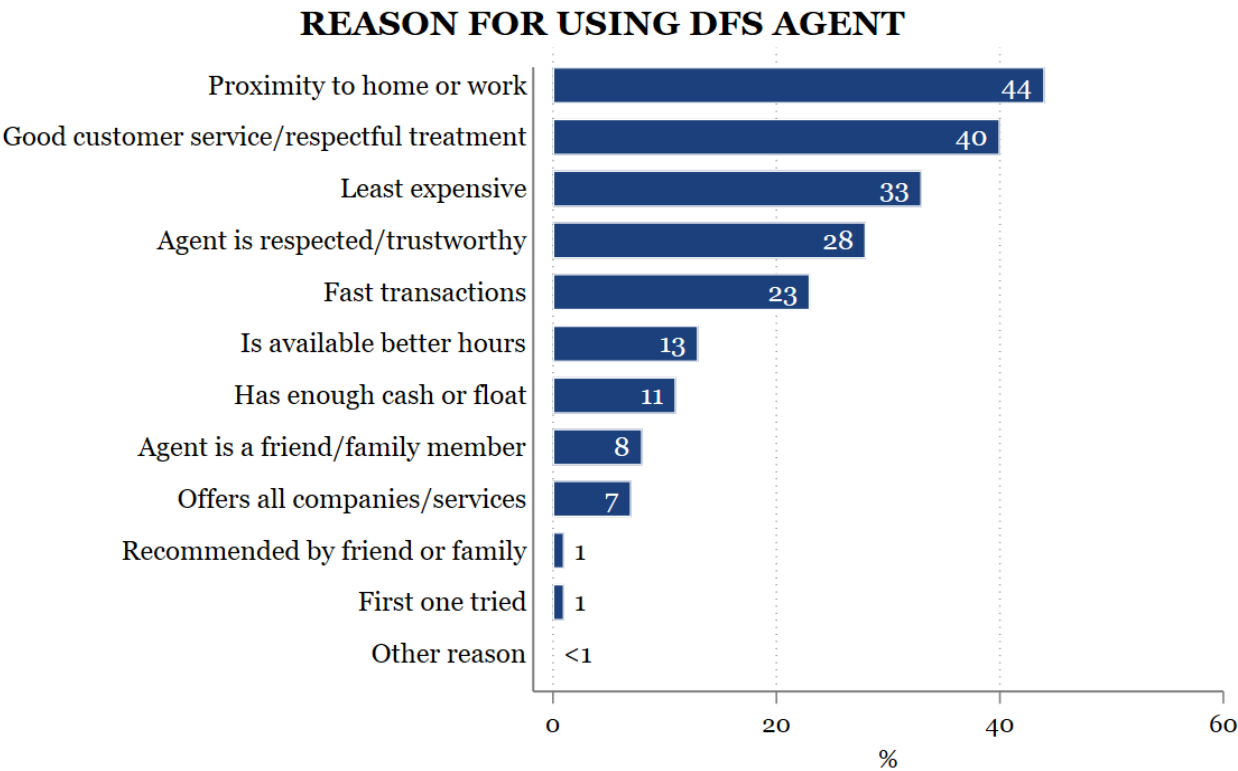
Ease of access, availability, price, and customer service are the primary reason for choosing a mobile loan provider.



Mobile loan users prioritize an easy and fast experience over pricing when selecting a provider.

REASON FOR USING PROVIDERS

Respondents choose agents based on their quality of customer service and proximity.



Multiple selections possible. N= 969.

28 percent of respondents said they chose agents based on trust.

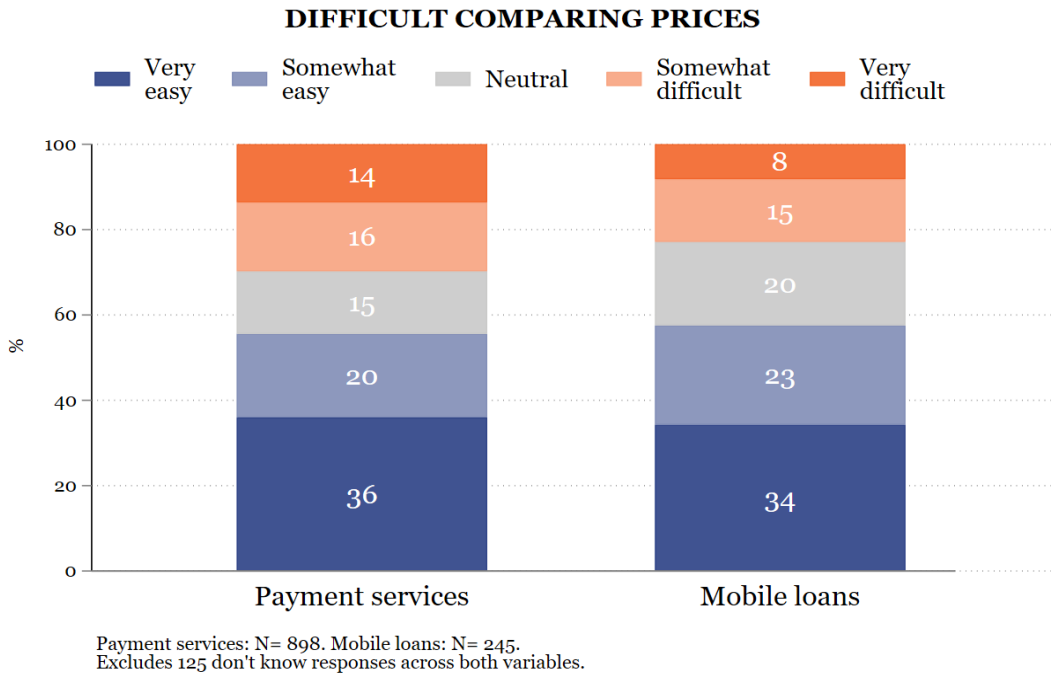
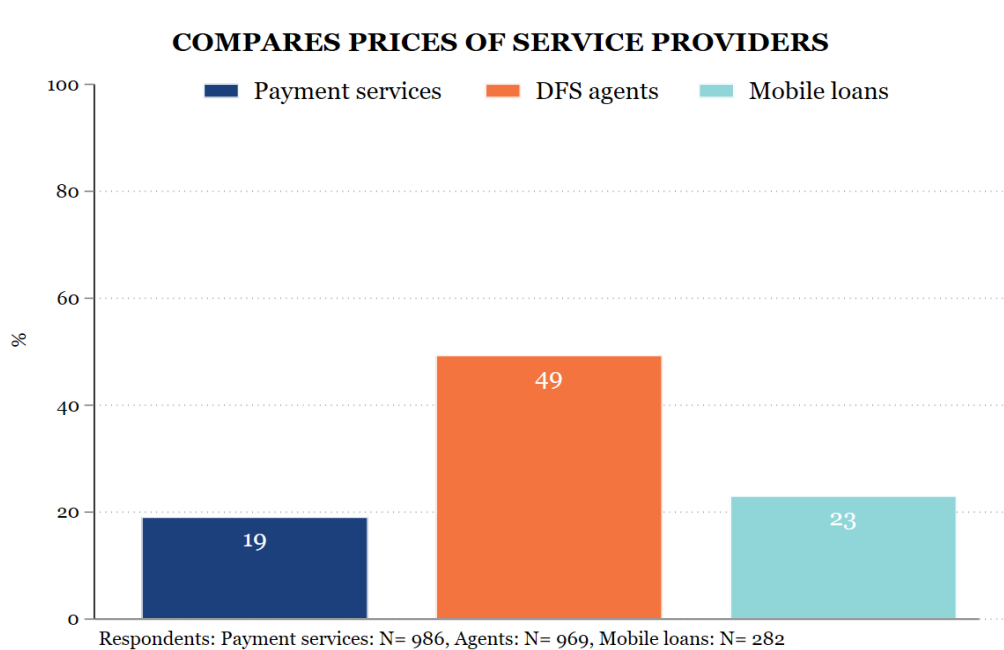
Rural respondents and older adults mentioned trust more often.

PRICE COMPARISON

Half of consumers compare prices for agents, and relatively fewer for payment services and mobile loans.

23 percent compared prices and services for mobile loan providers, and 19 compared payment services. Male, higher educated, and less poor respondents were more likely to compare prices and services across different DFS providers.

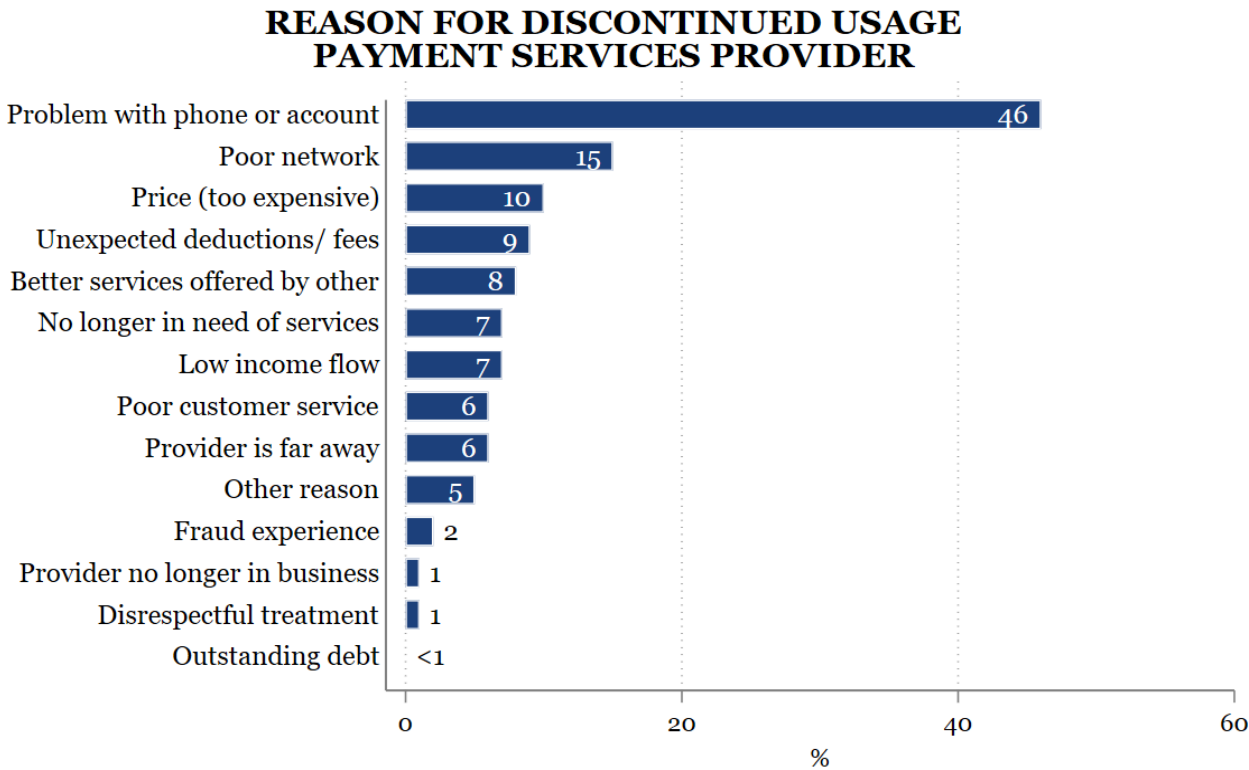
There are barriers to price comparison: 30 percent of payment services users and 23 percent of loan users said it was somewhat or very difficult to compare prices.



DISCONTINUED USAGE

45 percent of respondents had stopped using a payment service provider in the past.

The majority did so due to problems with their account, for example because they lost access to their account, forgot their password, or lost their phone or SIM card.



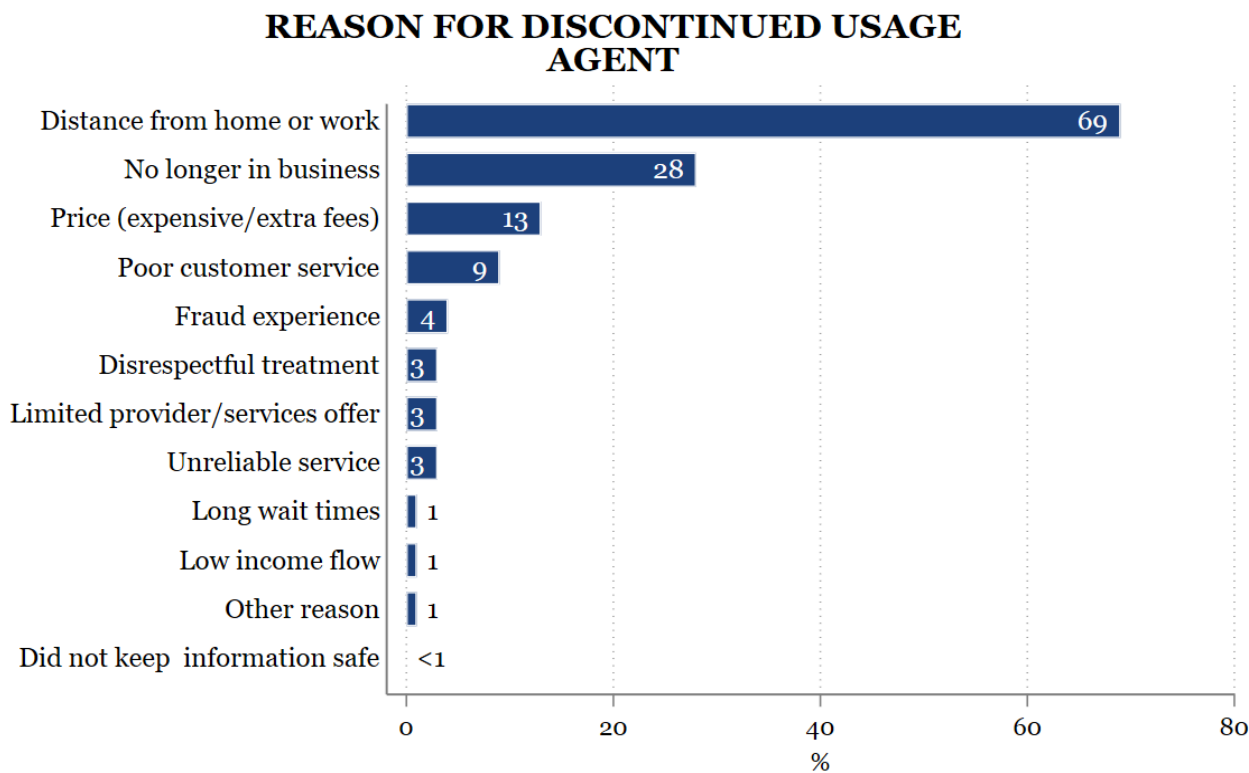
Multiple selections possible. Respondents: N= 448

Rural, less educated, poorer, and middle-aged respondents were more likely to have stopped using a payment services provider due to account problems.

DISCONTINUED USAGE

60 percent of respondents had stopped using an agent in the past.

Most switched agents due to distance from their home or workplace. 28 percent said their agent had gone out of business.

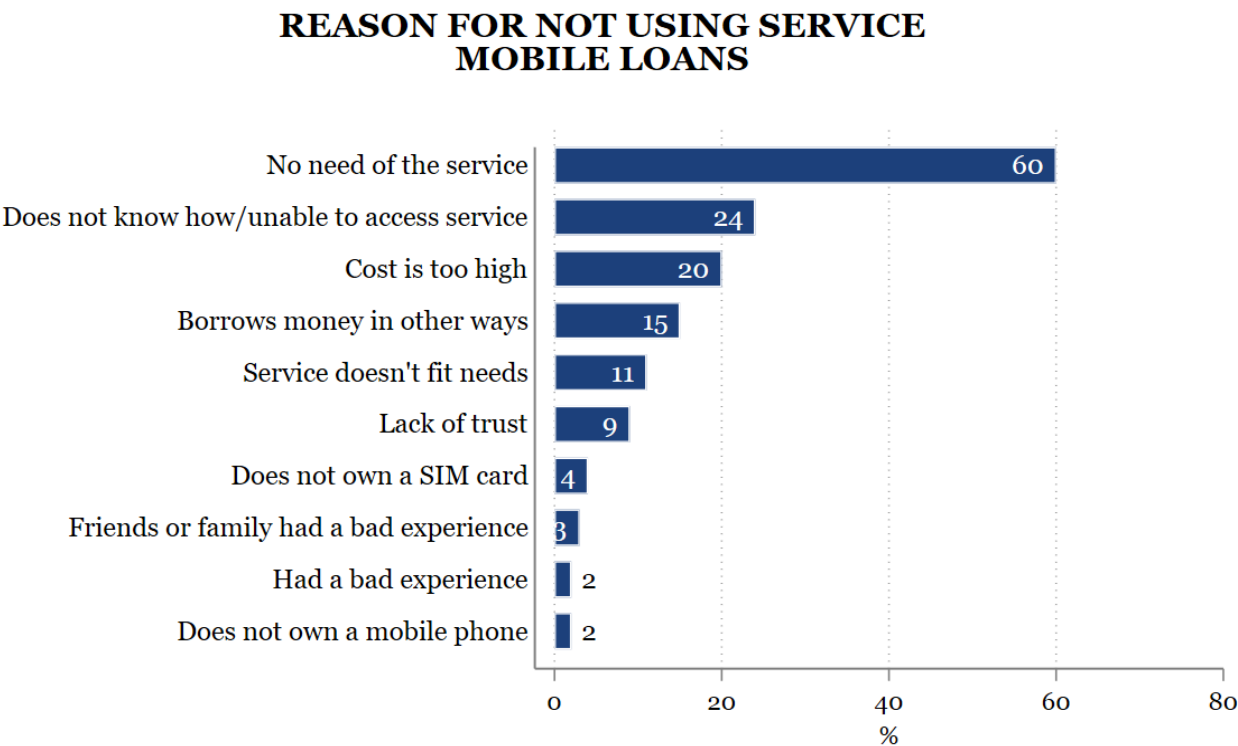


Multiple selections possible. Respondents: N= 576

Male, higher educated, urban, and less poor respondents were more likely to stop using an agent.

REASON FOR NOT USING SERVICE

Respondents cited lack of accessibility, high costs, and lack of need for the service as reasons for not using mobile loans.

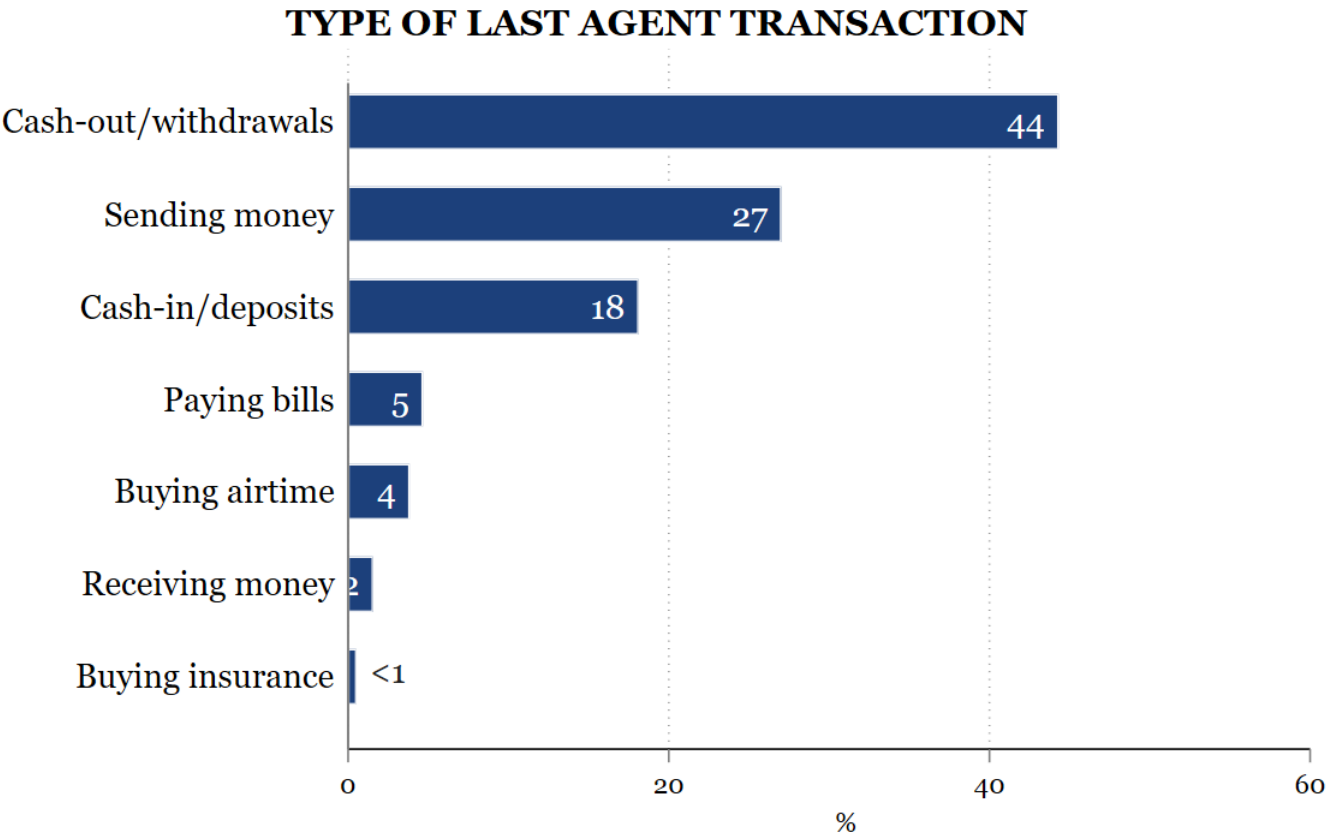


Multiple selections possible. Respondents: N= 717.
Excludes 10 don't know/refuse to answer responses.

Older adults, female, lower educated, rural, and poorer respondents were more likely to cite lack of access to or knowledge of the service.

Two types of transactions account for nearly three-quarters of agent use: cashing out and sending money.

More than one in four use agents to help with making transfers.

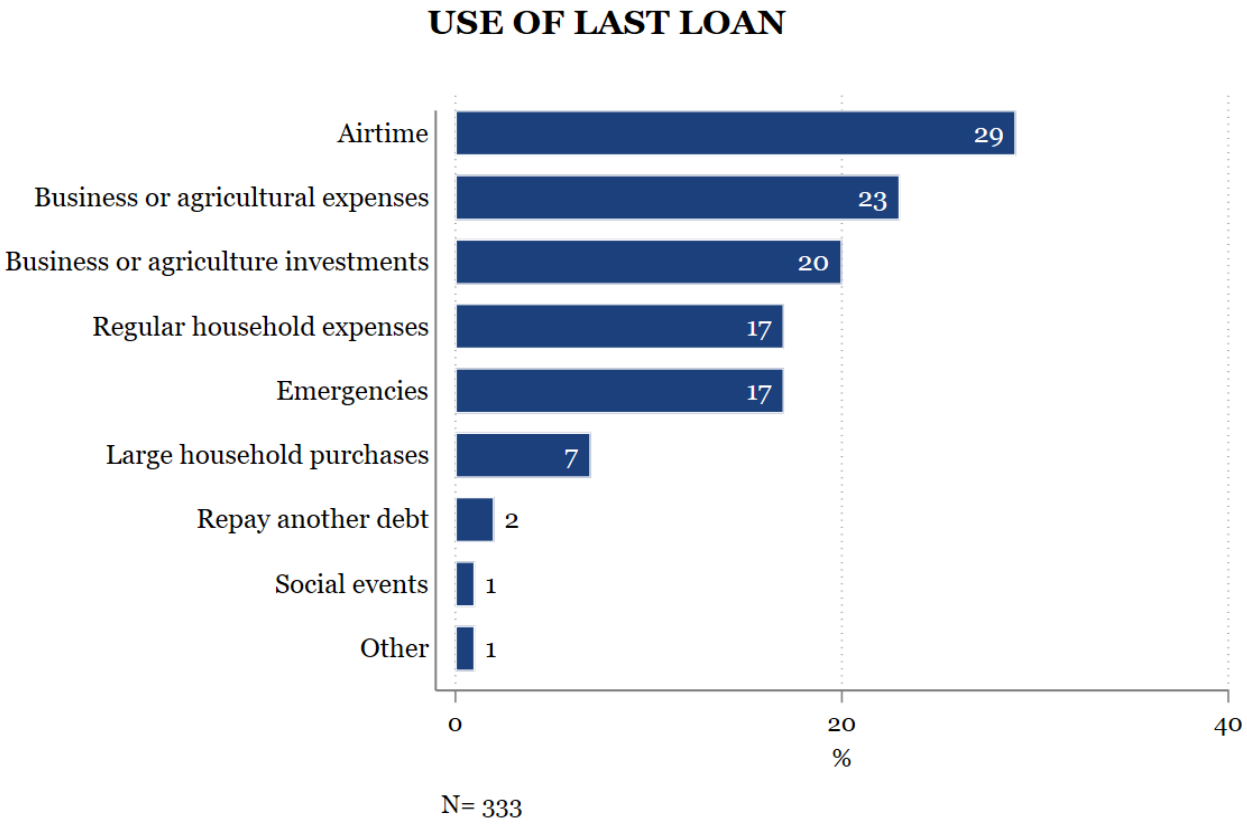


N= 969. Excludes 3 don't know/refuse to answer responses.

LOANS

A third of DFS users had borrowed money from any source in the past 12 months.

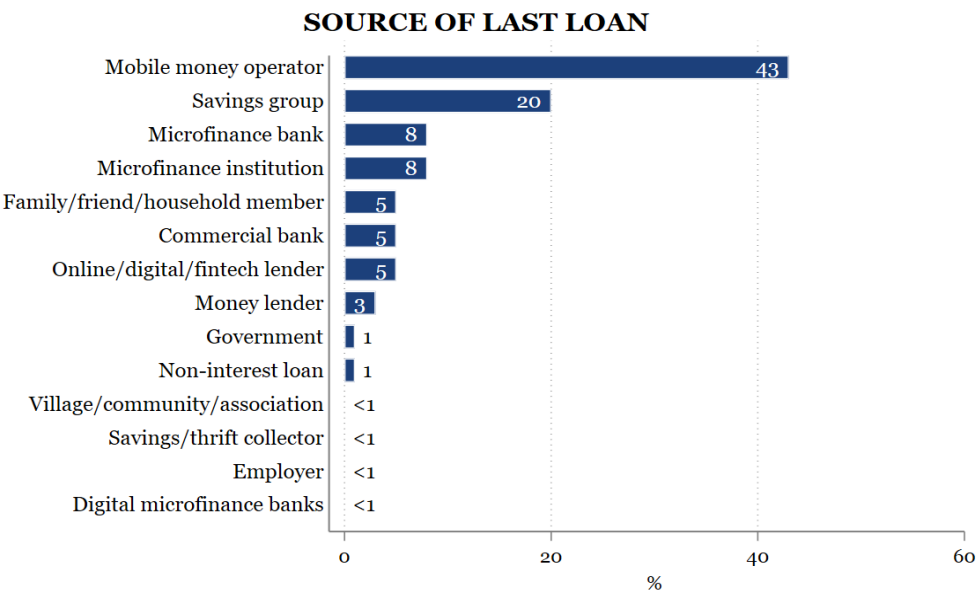
20 percent of loans were used for business or agriculture investments, and 17 percent for emergencies.



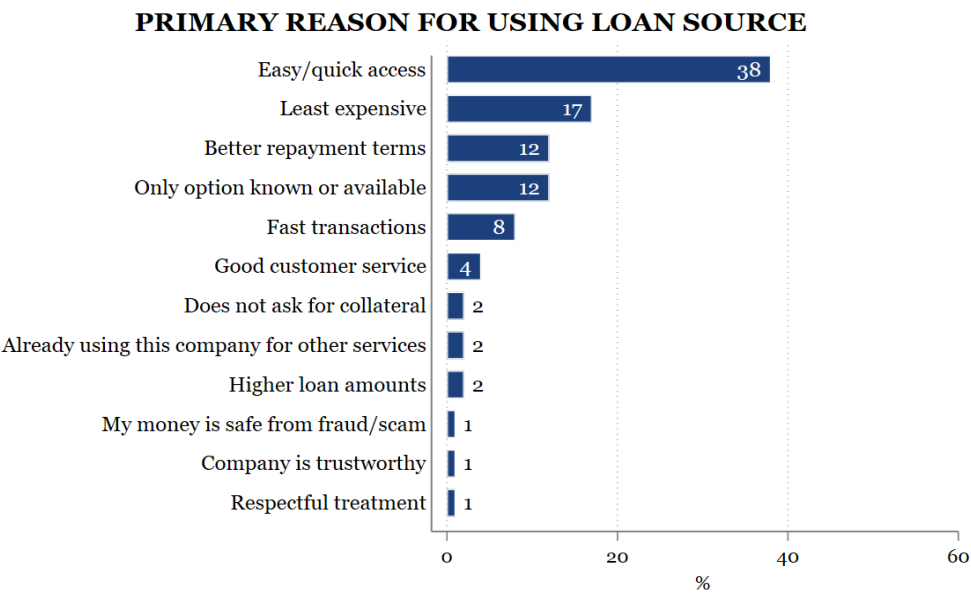
LOANS

43 percent of all borrowing was done through mobile money operators.

One fifth of most recent loans came from a microfinance or commercial bank. Respondents often choose the loan source based on ease of access.



N= 333. Excludes 14 don't know/refuse to anser response.

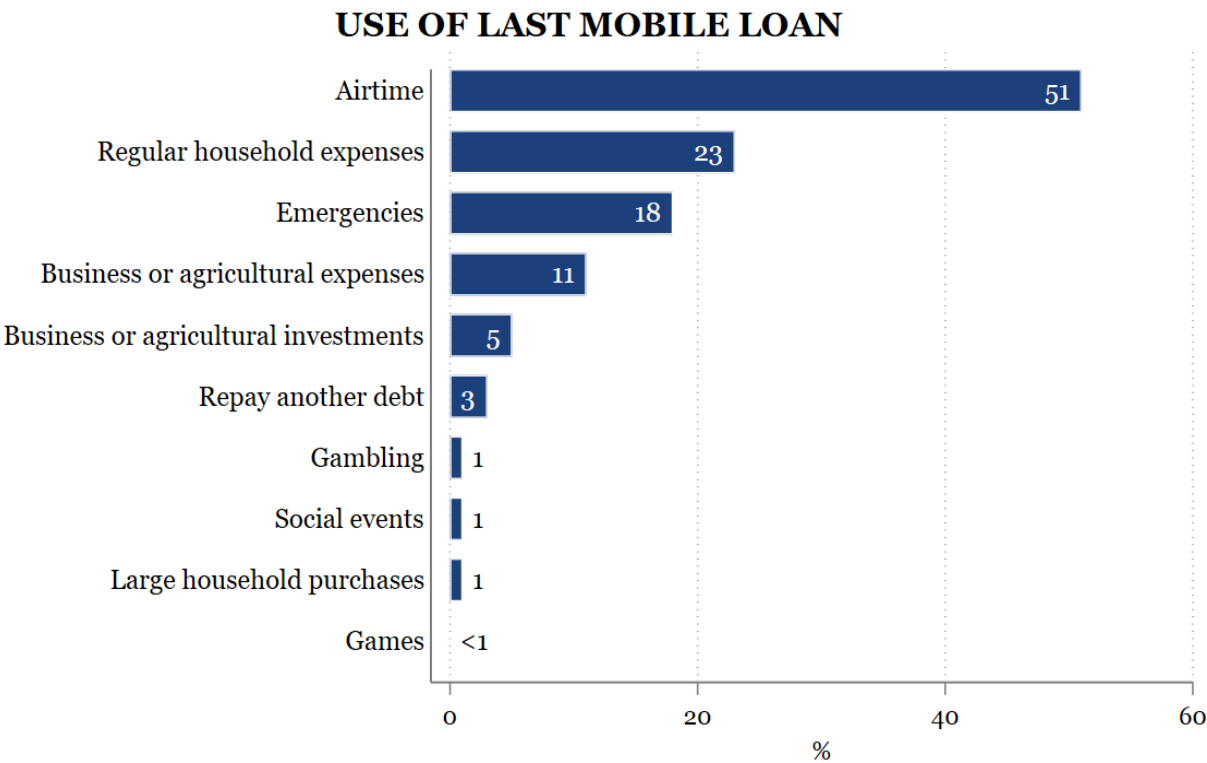


N= 333. Excludes 12 don't know/refuse to anser response.

MOBILE LOANS

Mobile loans are mostly used for airtime and routine household needs—not investments.

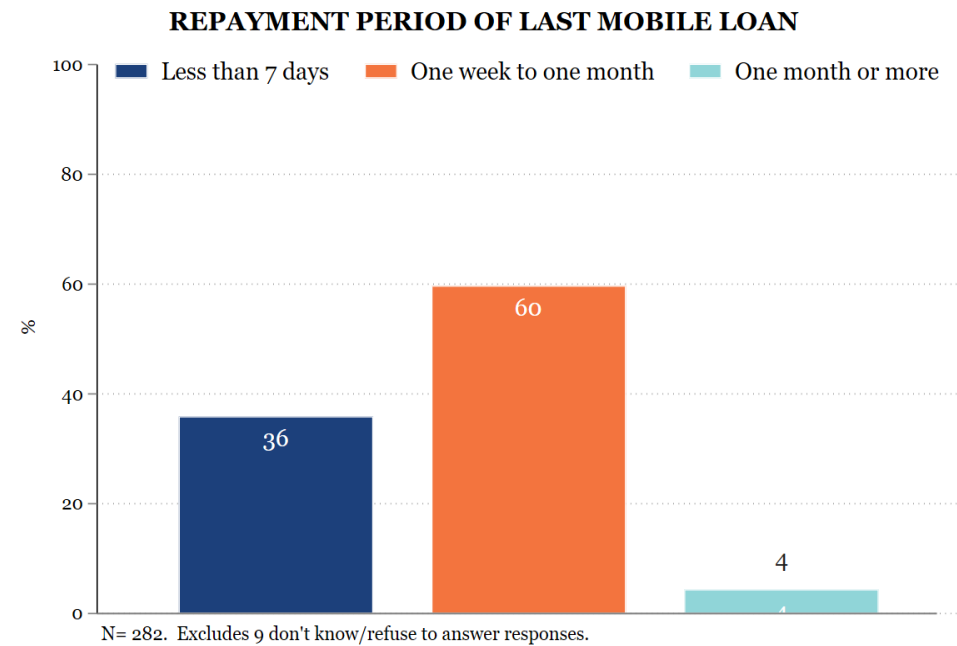
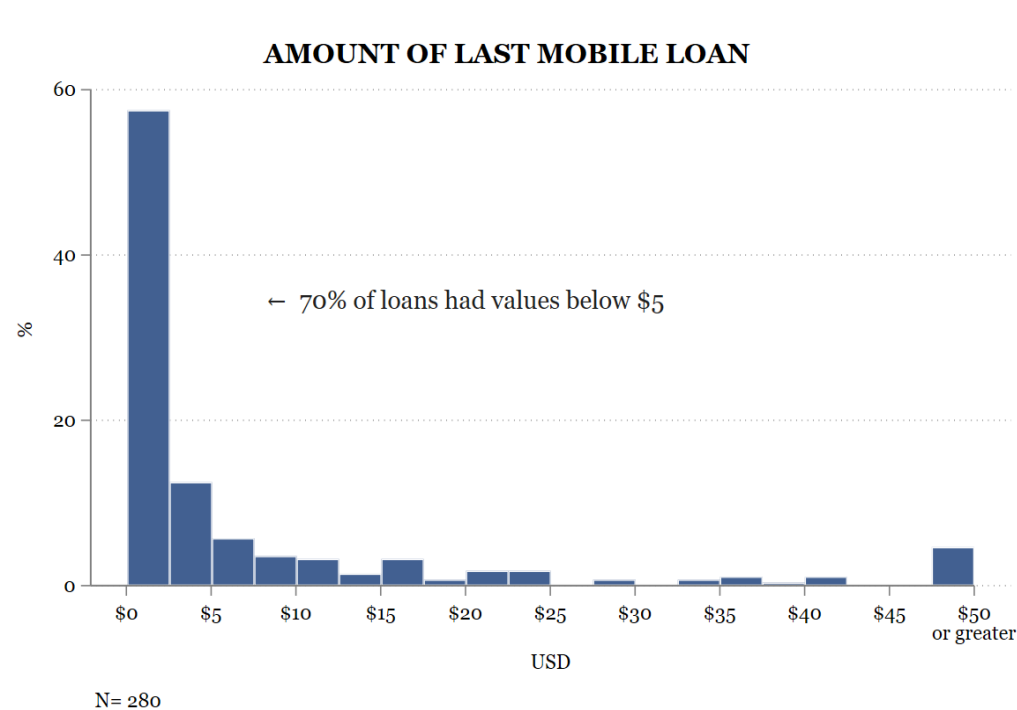
18 percent used them to cover emergency expenses.



Multiple selections possible. Respondents: N= 1000.
Excludes 9 don't know/refuse to answer responses.

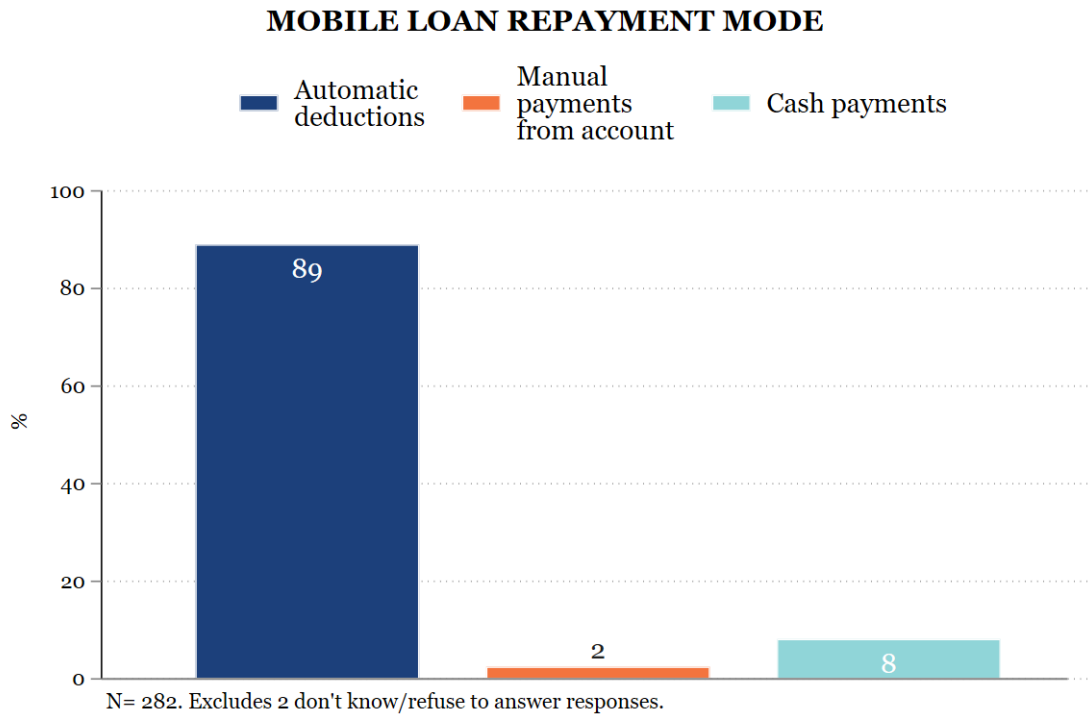
MOBILE LOANS

Mobile loans are typically low value and short tenure.



Early repayment is common, but it reduced fees in less than half of cases.

66 percent
of loan users repaid their last loan before the due date.
Amongst those that did,
45 percent
reported paying less in fees or interest because of it.



Challenges and Risks

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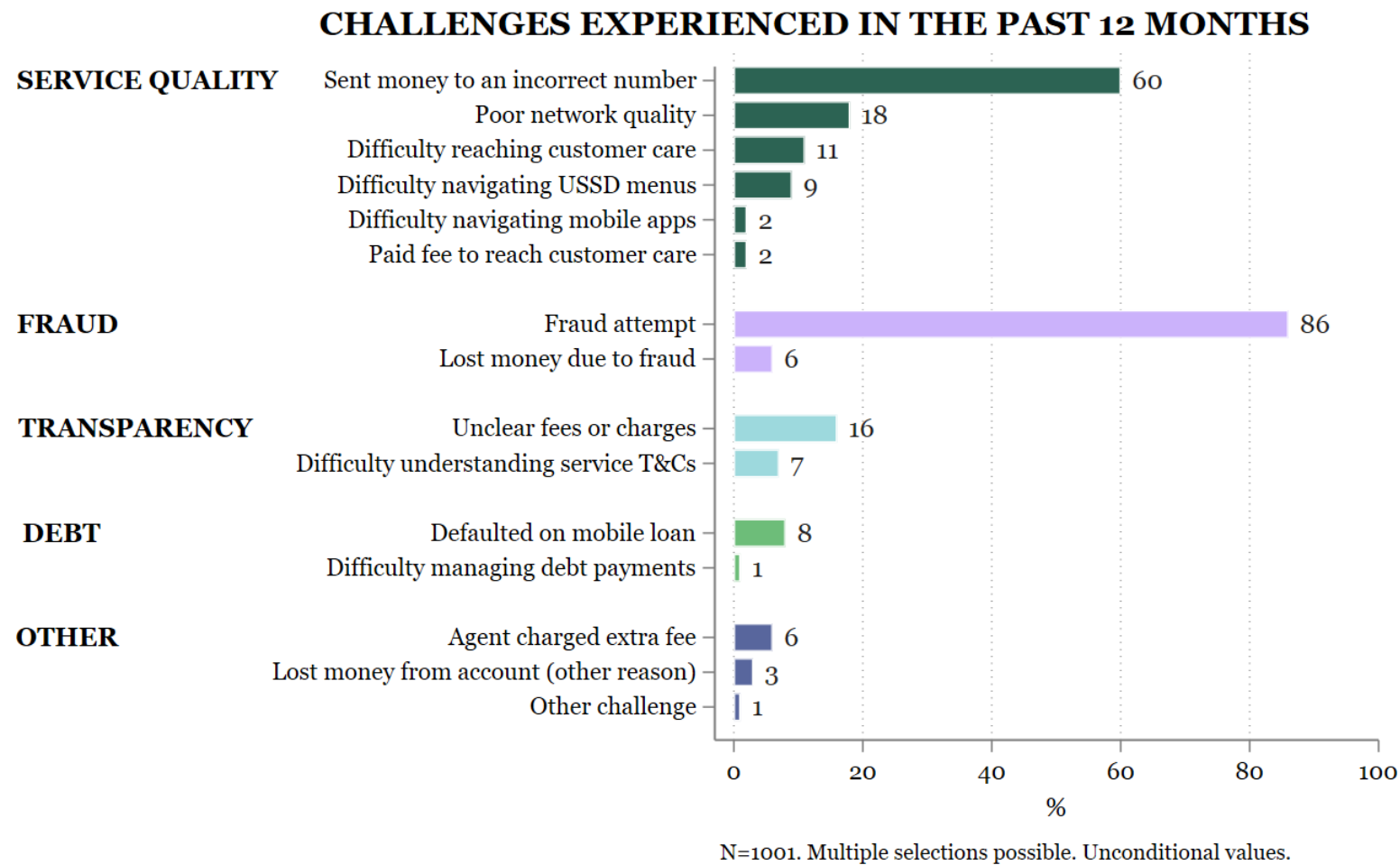
54	Lack of price transparency
60	Fraud
72	Over-indebtedness
79	Challenges with agents
83	Other types of financial loss
87	Service quality challenges
90	Financial abuse

Key Findings

- 1.** Fraud exposure: 86 percent of respondents experienced a fraud attempt in the last 12 months, with 6 percent losing money to fraud. The median loss in the last attempt was USD 24.
- 3.** Sending money incorrectly: 18 percent of payment services users had ever sent money to a wrong number, with 71 percent unable to recover the funds.

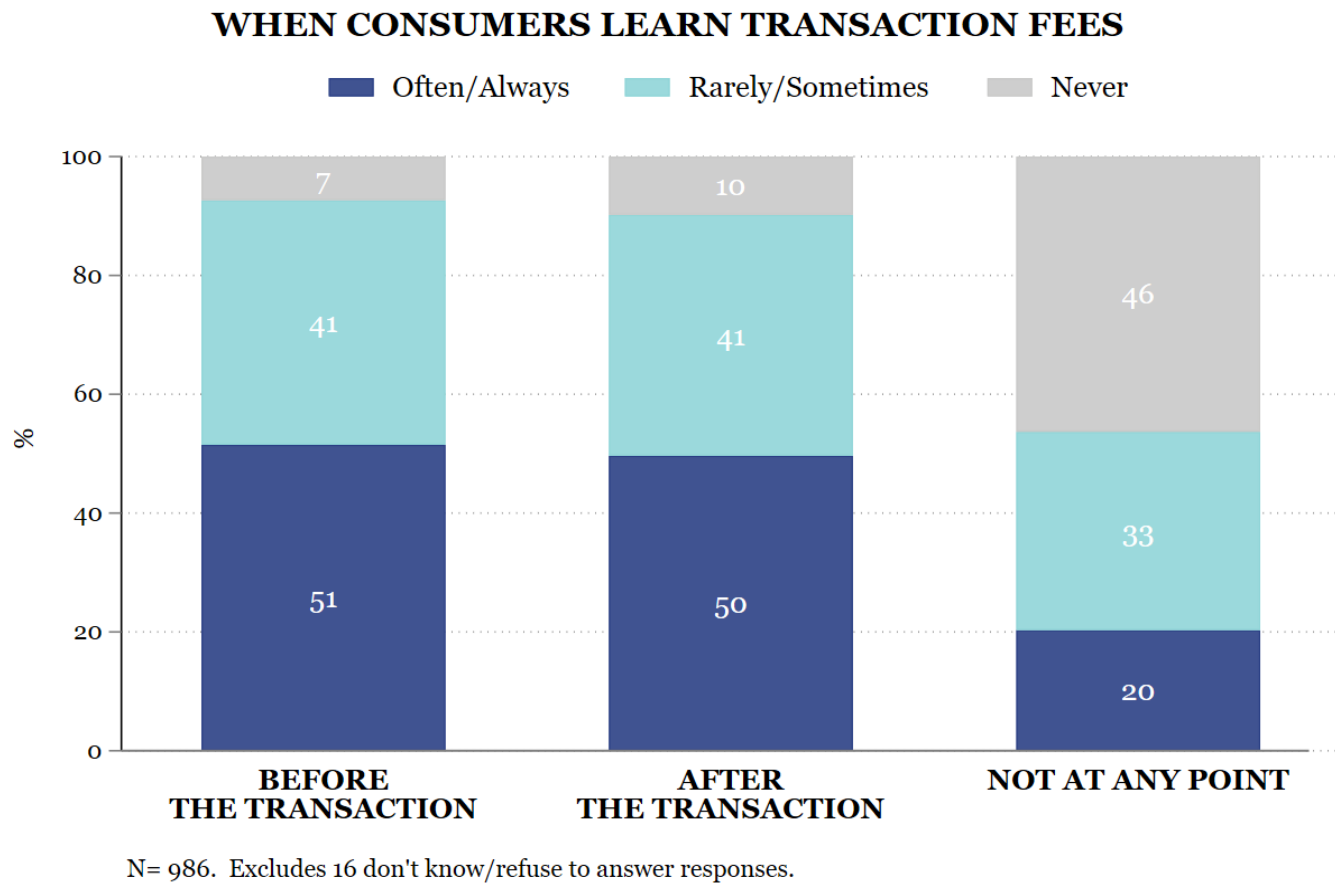
- 2.** Over-indebtedness: Among mobile loan users, 29 percent failed to repay a loan in the last 12 months, 13 percent regretted taking on debt, and 10 percent reduced food expenditure to repay debt.
- 4.** Service quality issues: 65 percent experienced any type of service quality challenge in the past 12 months, with 60 percent experiencing poor network quality and 11 percent struggling to reach customer care when needed.

Challenges experienced in the past 12 months.



LACK OF PRICE TRANSPARENCY

Half of respondents consistently knew fees before completing transactions.
20 percent said they did not learn prices at any point.

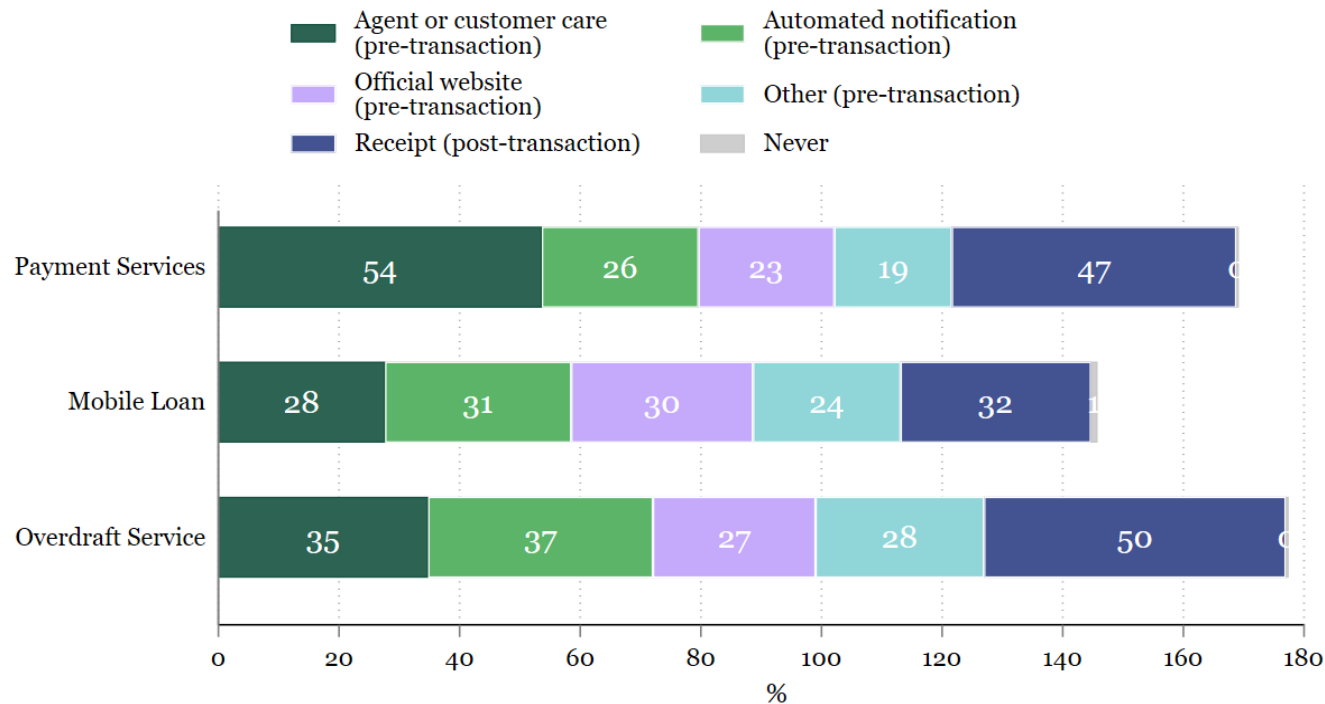


LACK OF PRICE TRANSPARENCY

Most respondents learned about prices at agent locations or from receipts after the transaction had been completed.

27 percent usually looked up prices online.

HOW RESPONDENTS LEARN ABOUT PRICES



Respondents: Payment services: N=986, Overdraft service: N=282, Mobile loan: N=204.
Totals may add to greater than 100% because respondents could select more than one source of pricing information.
BNPL and credit card omitted due to small sample size.

UNCLEAR FEES

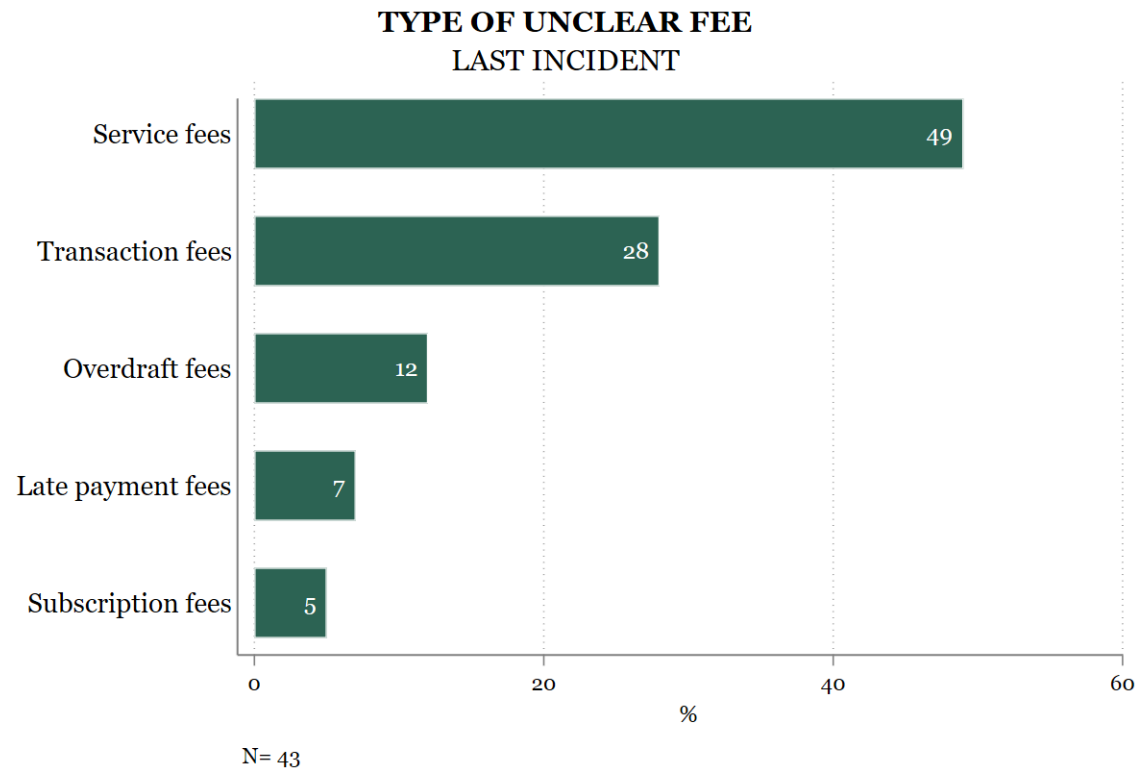
In our sample, 16 percent of respondents had experienced a fee or deduction on their account that they did not understand at first.

AMOUNT PAID IN UNCLEAR FEES
LAST 12 MONTHS



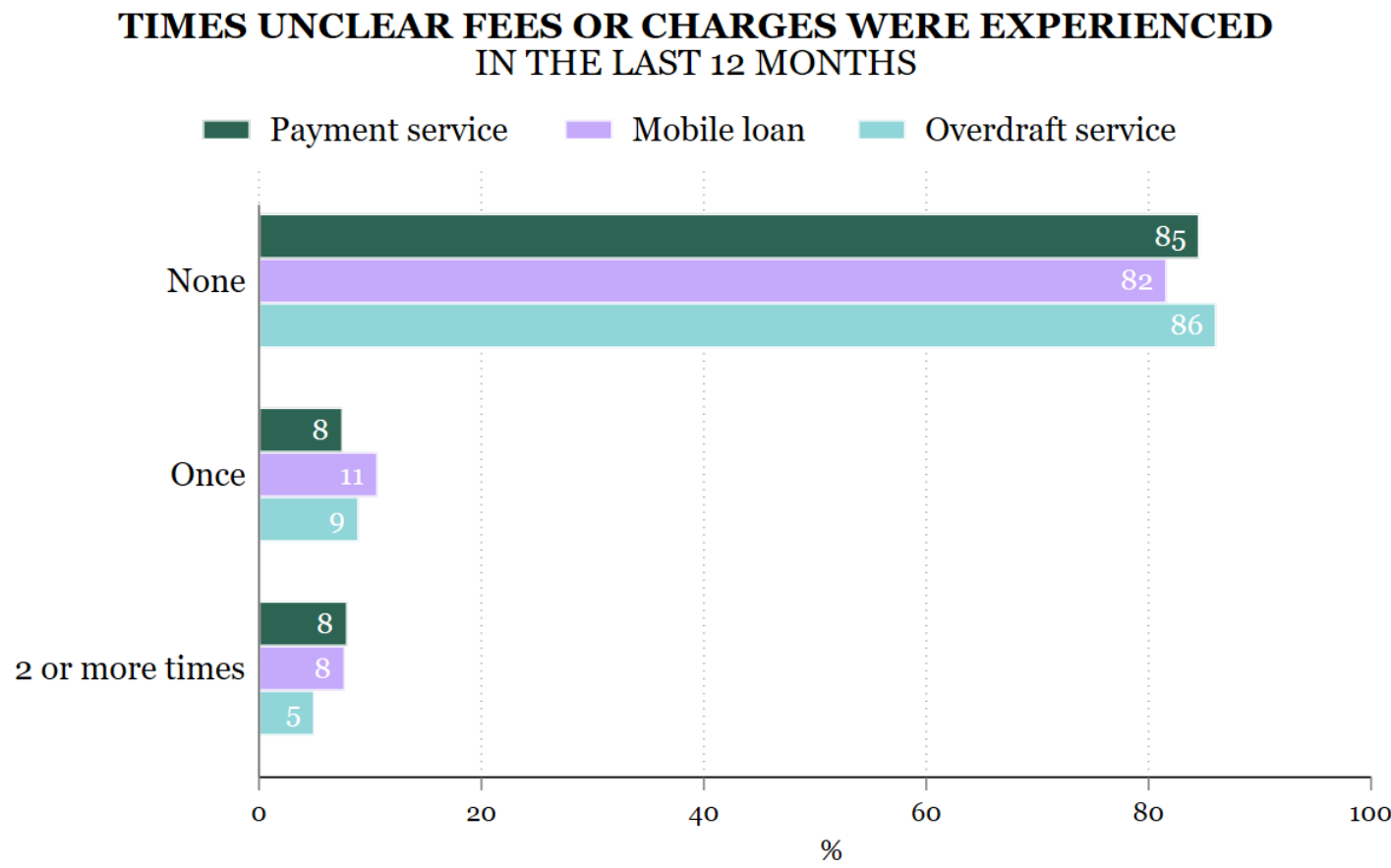
N= 141

Among consumers who later identified a provider fee as the cause of an unclear deduction, service fees were the most common type.



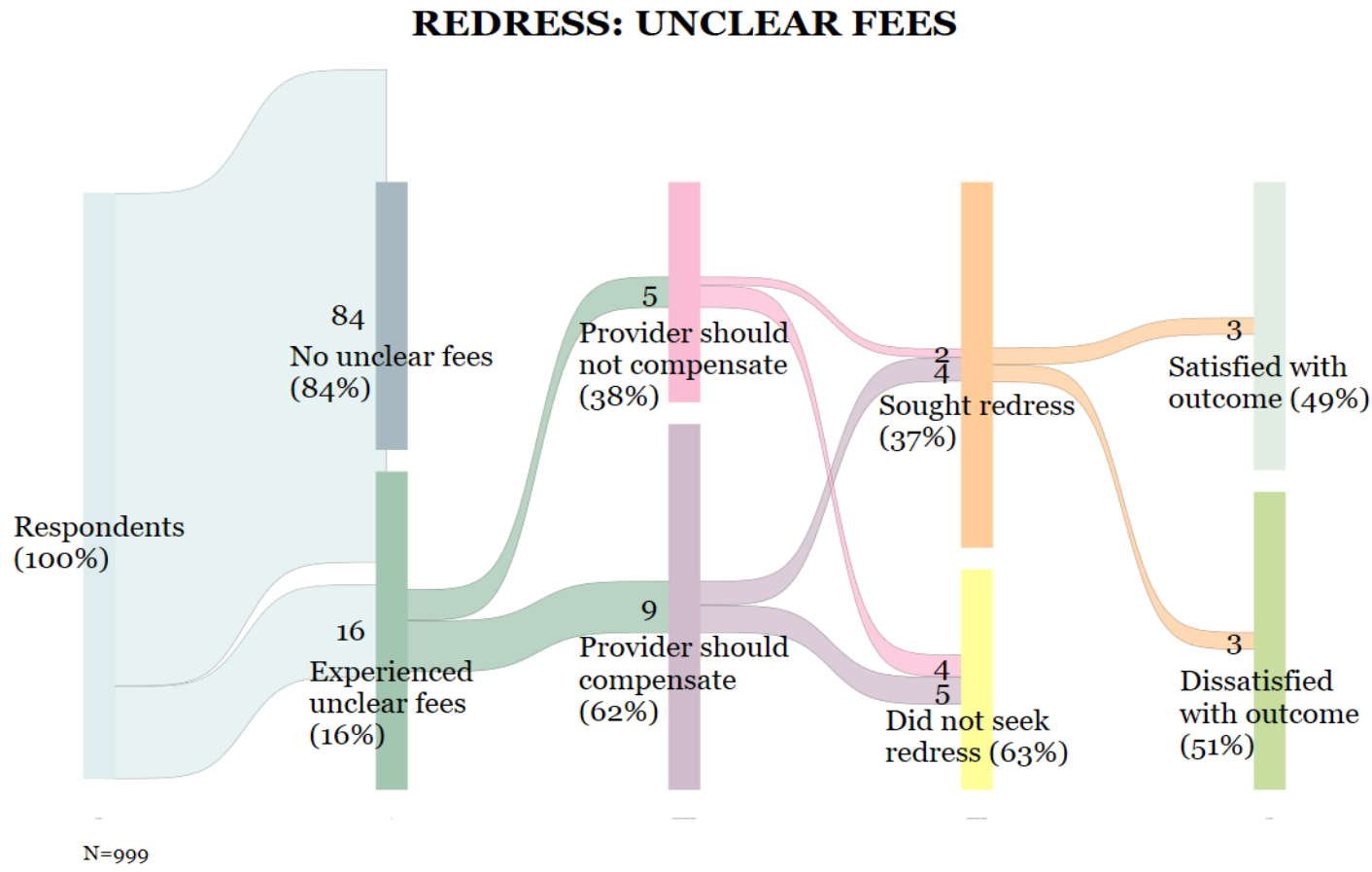
UNCLEAR FEES

Users of payment services reported more frequent incidents of unclear fees compared to other types of DFS.



Payment services: N= 958, Mobile loan: N= 272, Overdraft services: N= 201.
Excludes 22 don't know/refuse to answer responses.

Few consumers seek formal redress for issues involving unclear fees.



UNCLEAR FEES

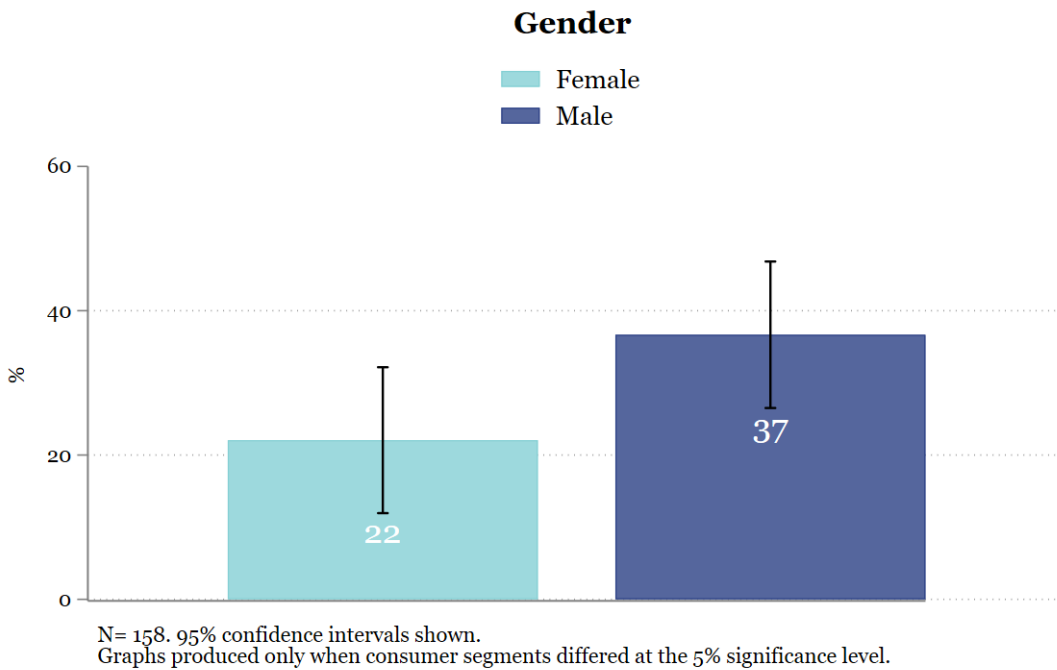
30 percent of consumers never found out the cause of the unclear fee.

Female respondents were less likely to find out the cause.

The fee was usually charged directly by the provider (in 90 percent of cases) as opposed to a payment or transfer made to another person or business.

62 percent believed that this charge was not allowed under their account's rules.

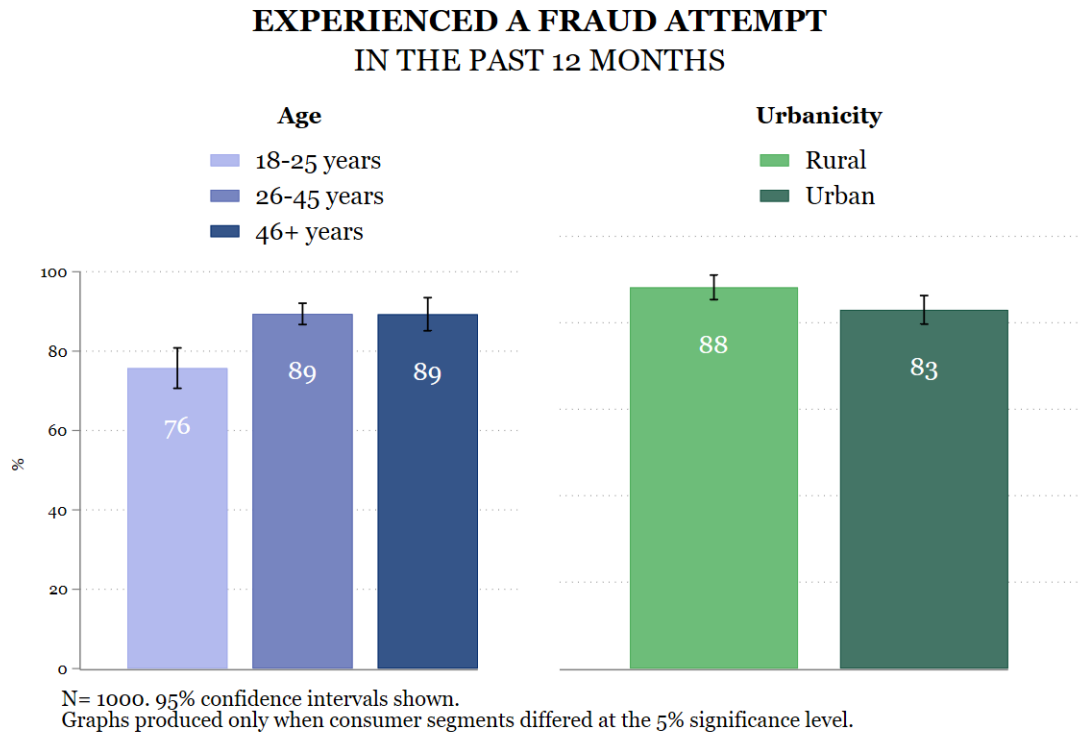
FOUND OUT WHAT CAUSED THE UNCLEAR FEE



ATTEMPTED FRAUD

The vast majority of respondents had experienced a fraud attempt.

92 percent said they had been contacted by someone attempting to deceive them into sharing personal financial information or authorizing a transaction, and 86 percent said that it had happened in the past 12 months.

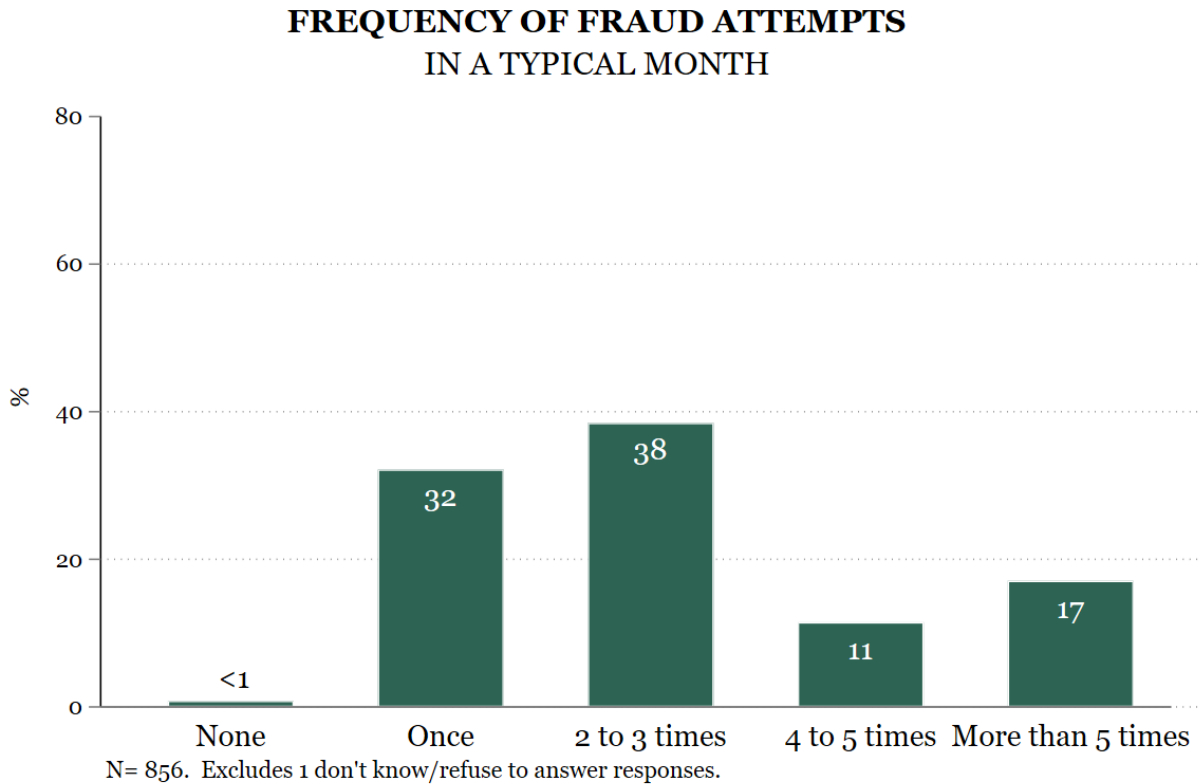


Rural consumers and older adults reported higher incidents of fraud attempts.

We did not observe any significant differences in reported fraud attempts by gender, education level, poverty, or financial literacy.

ATTEMPTED FRAUD

Fraud attempts happen two to three times in a typical month.

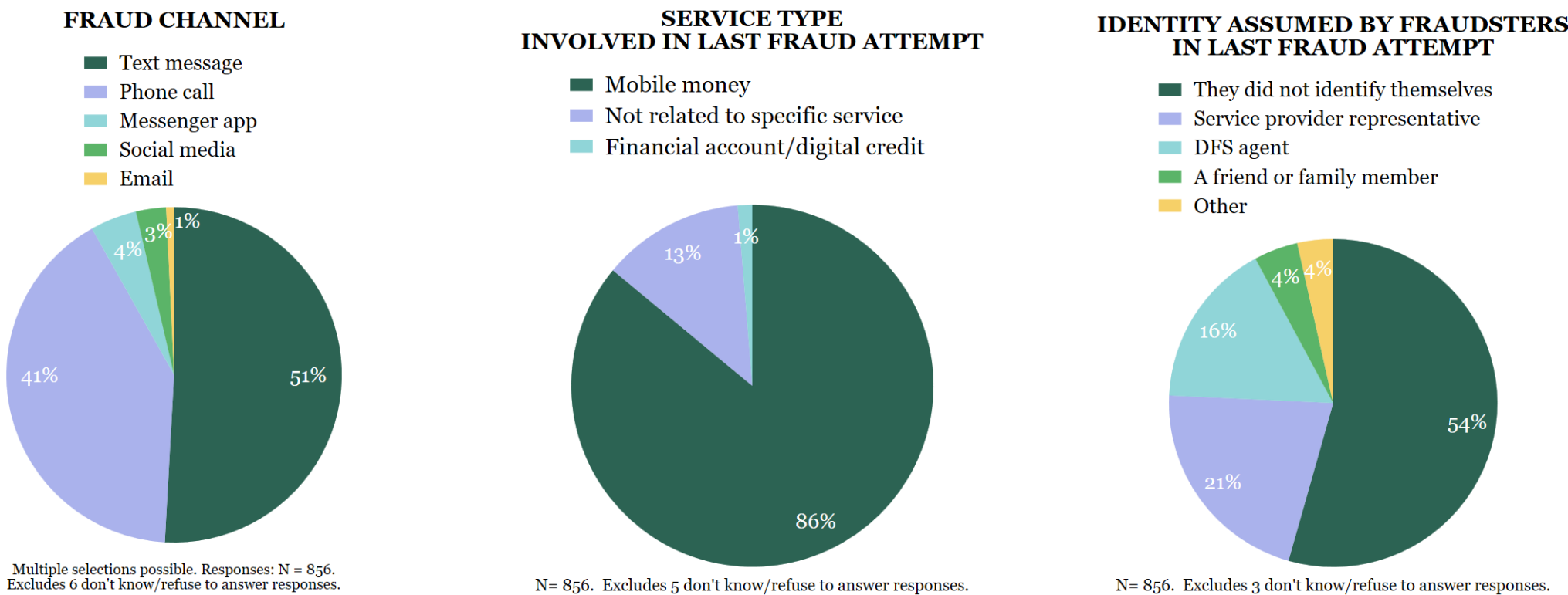


67 percent
of respondents were typically targeted
more than once a month.

Poorer respondents and older adults were
more likely to experience fraud attempts
more than once a month.

ATTEMPTED FRAUD

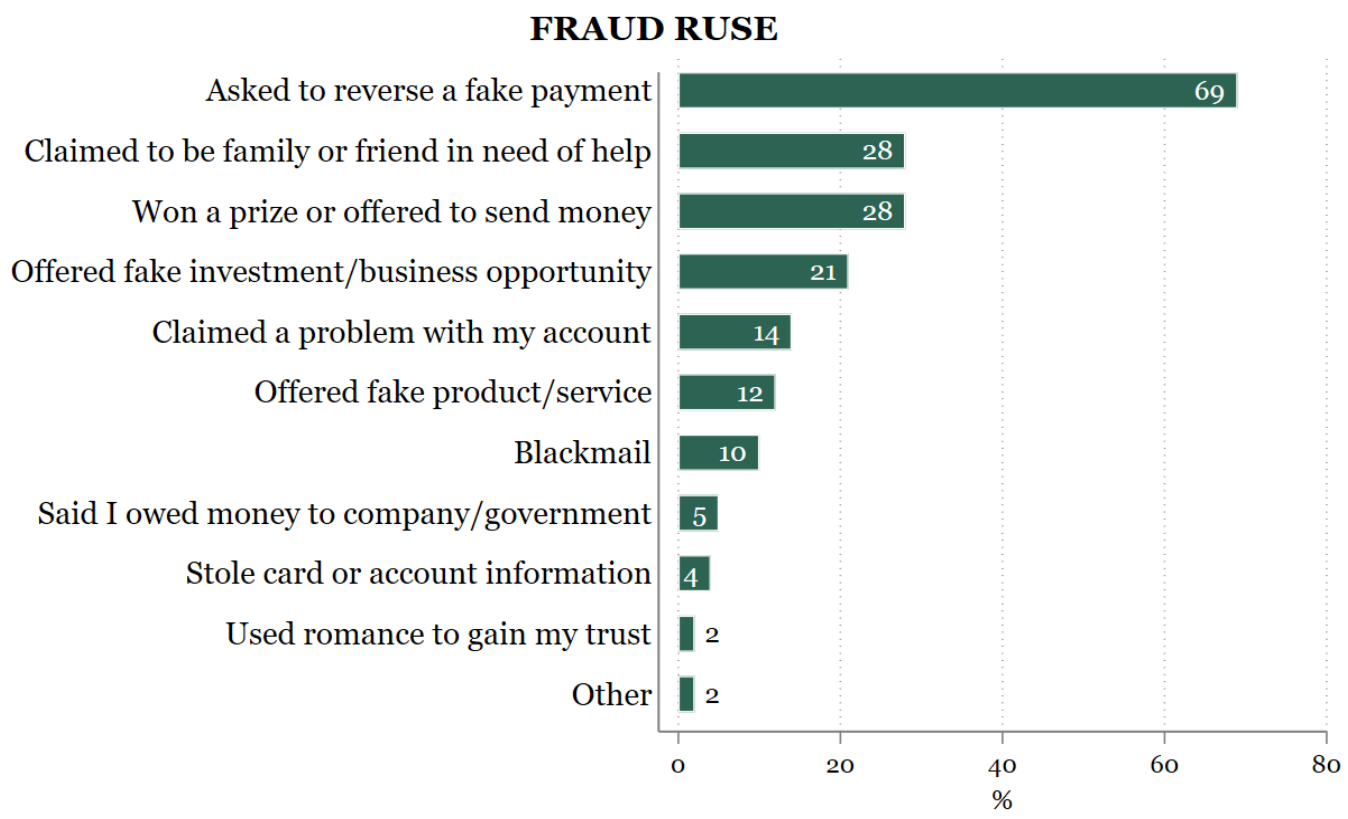
Most fraud attempts occur by phone or SMS, and many fraudsters pose as FSP representatives.



All graphs refer to the last fraud attempt experienced, except for fraud channel which due to a survey error refers to fraud attempts experienced in the last 12 months, and allows for multiple selections.

ATTEMPTED FRAUD

Fraudsters most commonly try to trick respondents into reversing a payment, claim to be a friend or family member in need of help, or offer them free money.



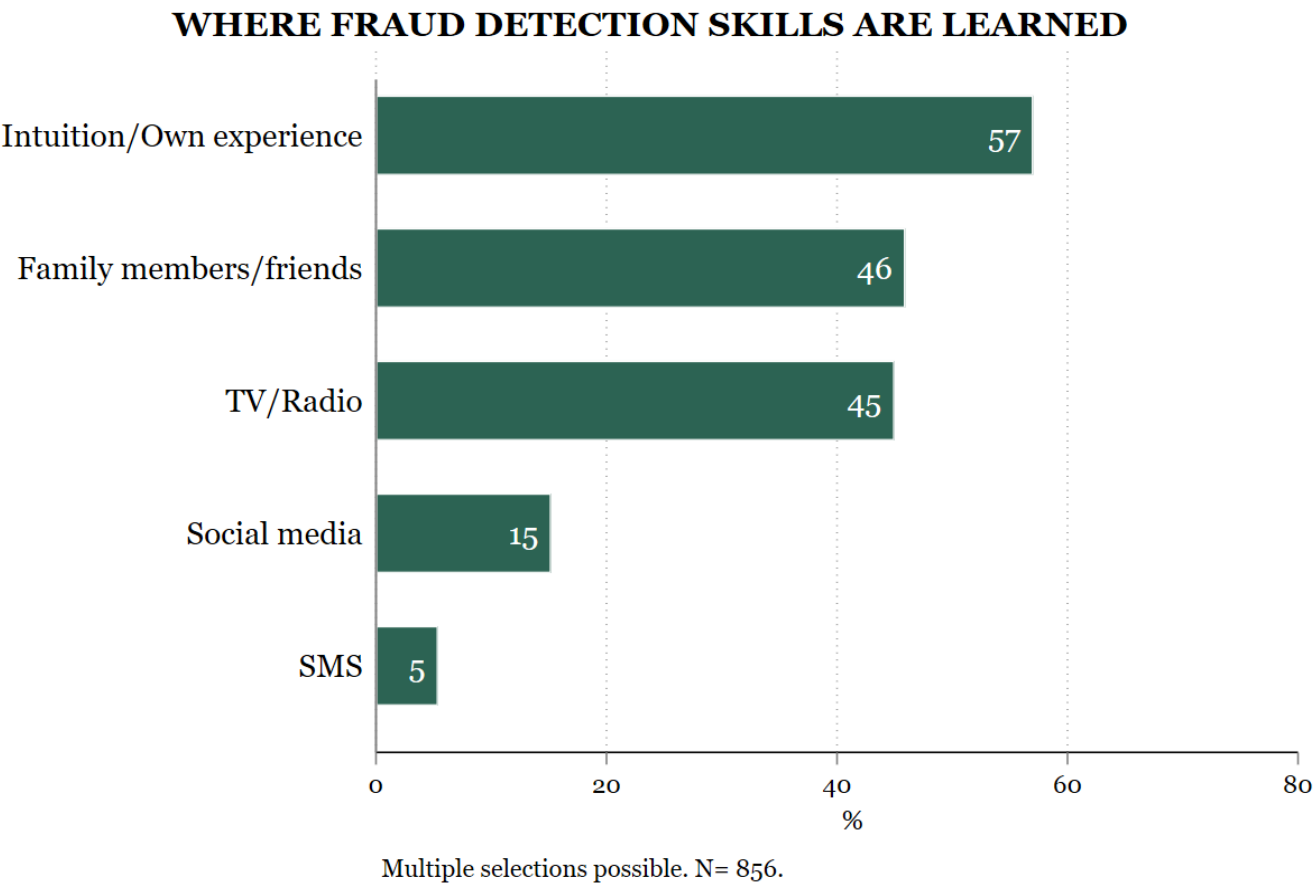
Multiple selections possible. N= 856.
Excludes 22 don't know/refuse to answer responses.

ATTEMPTED FRAUD

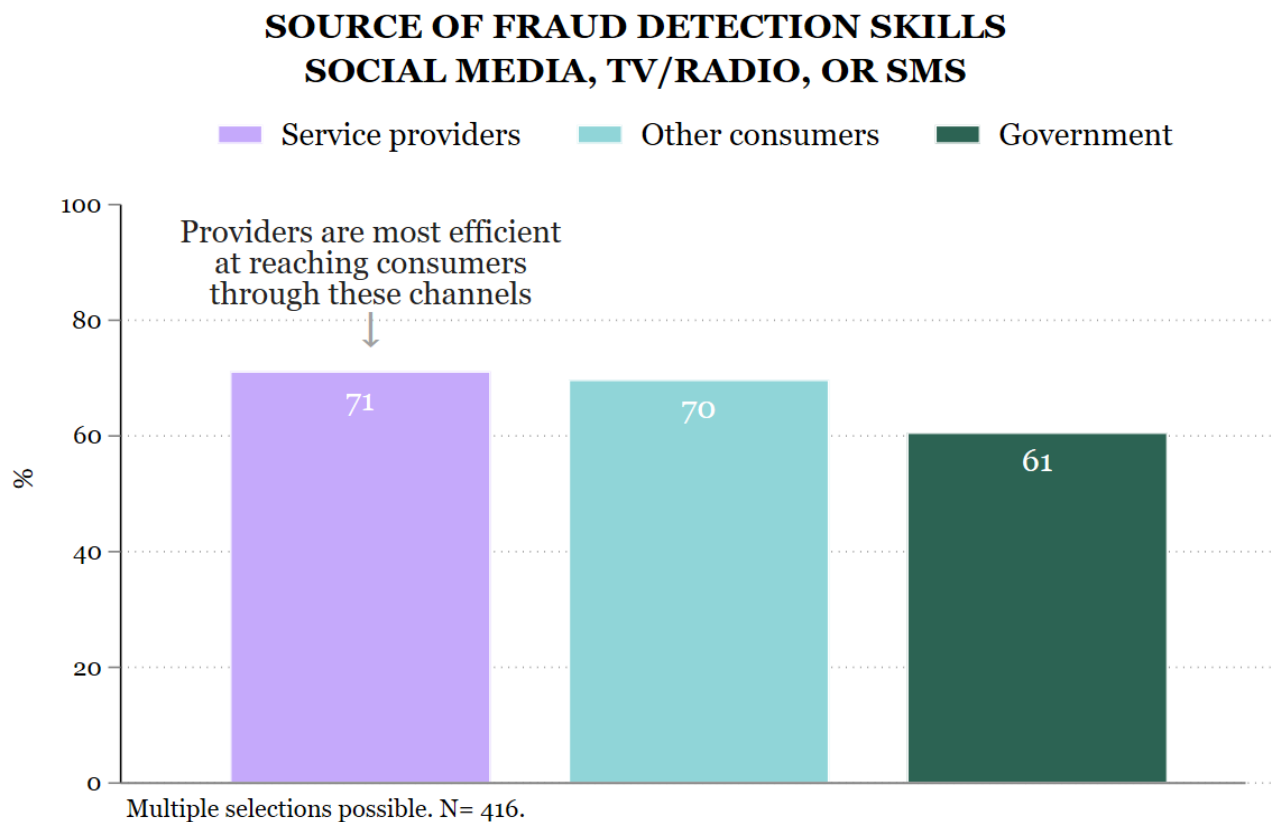
Respondents typically identify fraud attempts through references to unfamiliar transactions, and calls from regular numbers.



Respondents often learn to detect scams based on own experiences or those of their social network.



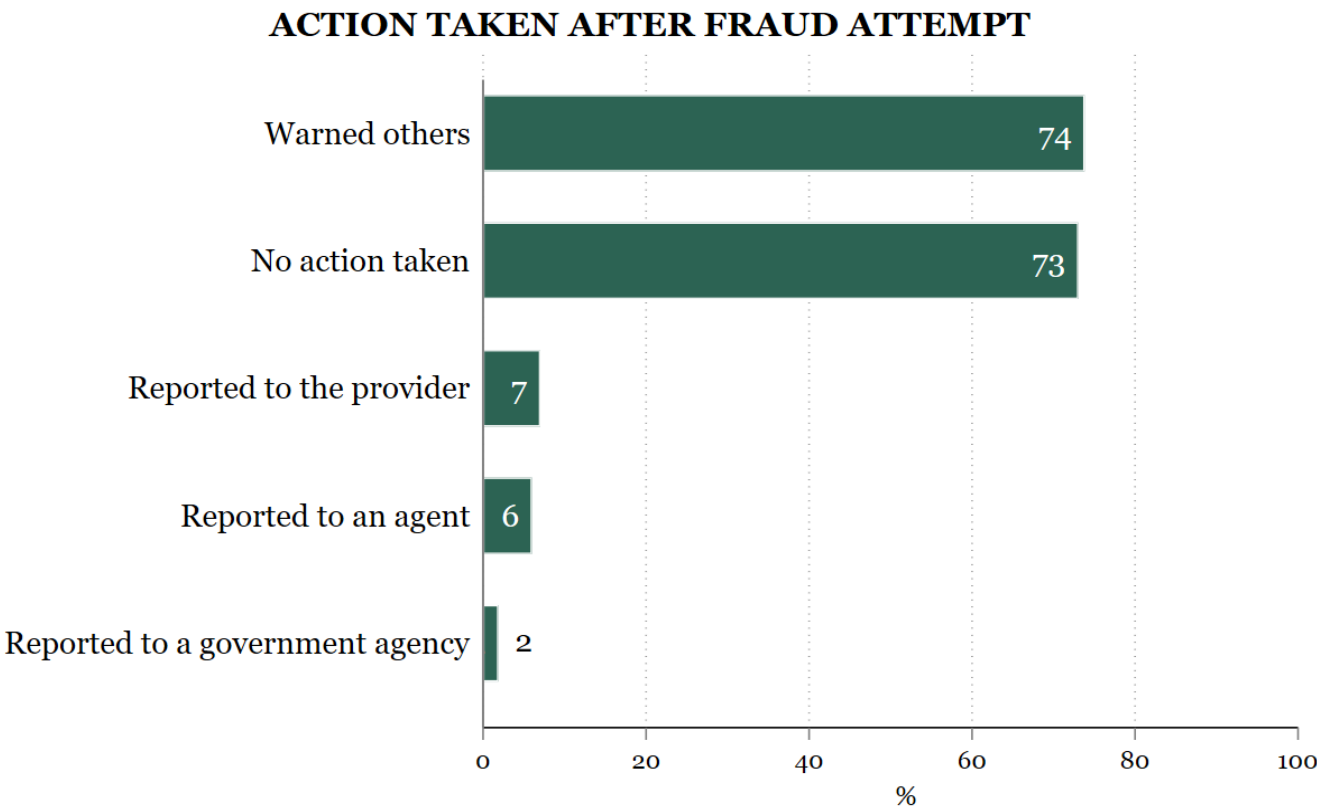
Service providers and other consumers are most effective at improving fraud detection skills acquired through social media, TV, radio, or SMS.



ATTEMPTED FRAUD

Only 12 percent formally reported the last fraud attempt they experienced.

The majority warned friends and family. 73 percent took no action at all.



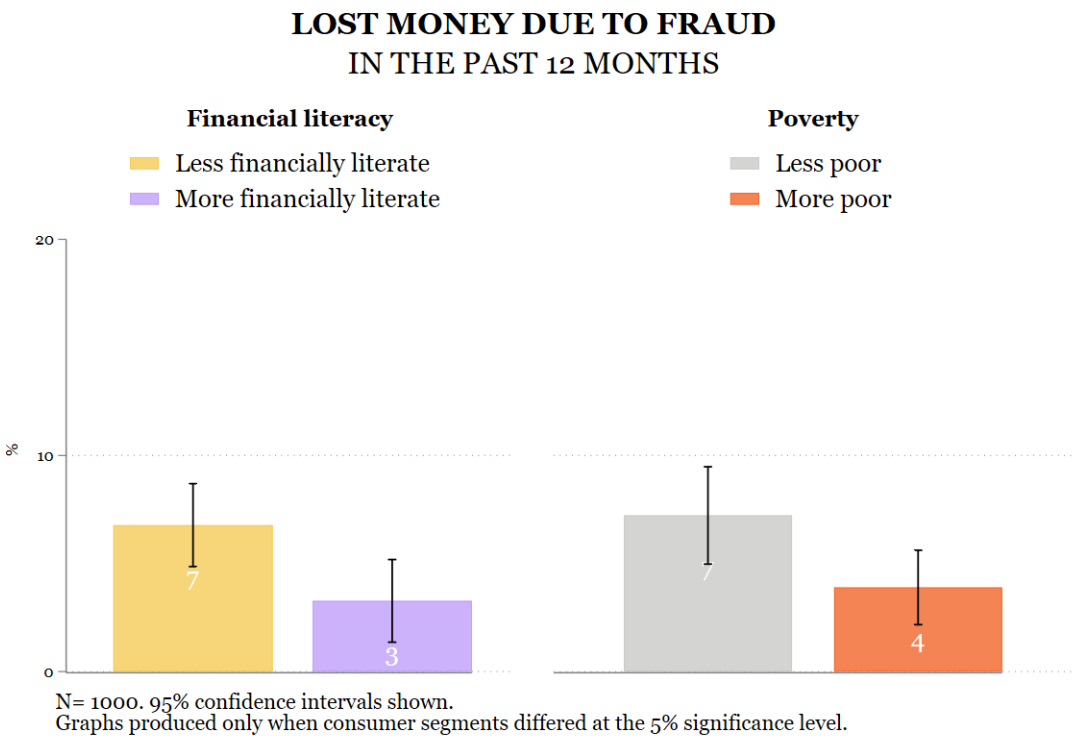
Multiple selections possible. N= 856.
Excludes 4 don't know/refuse to answer responses.

SUCCESSFUL FRAUD

14 percent of respondents had ever lost money due to fraud.

6 percent had lost money in the past 12 months.

Less financially literate and less poor consumers were more likely to say that they had been defrauded.

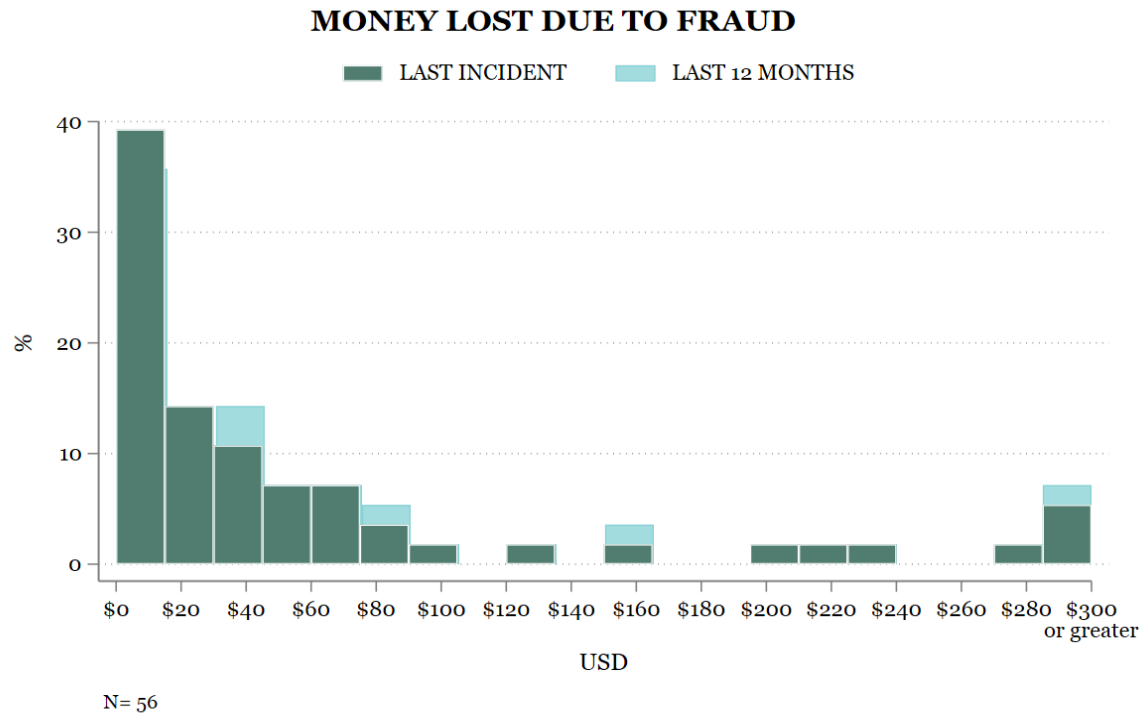


3 percent

of respondents had lost money specifically due to fraudulent fintech smartphone applications in the past 12 months.

SUCCESSFUL FRAUD

The median respondent lost \$24 the last time they were defrauded.



\$33.83

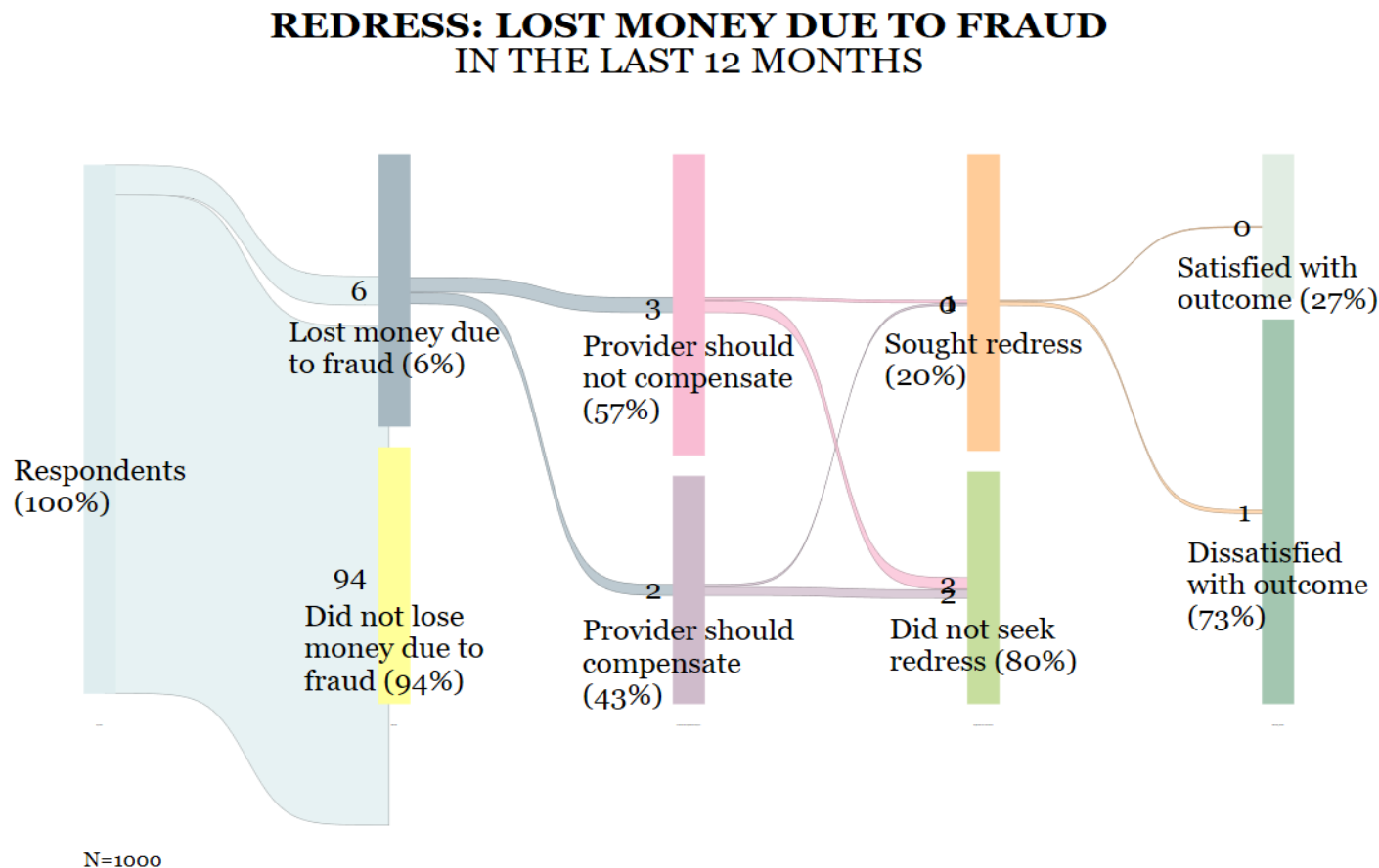
Median annual financial loss due to fraud among fraud victims in our sample

\$80 million

Estimated total annual loss due to fraud among all Tanzanian DFS users.*

*Calculated by multiplying the mean amount lost due to fraud across our entire sample (including those who did not lose money to fraud) – \$3.83 – by the total number of Tanzanian DFS consumers (reported by Findex 2025) – 20,985,784.

When consumers lose money due to fraud, they rarely seek redress.

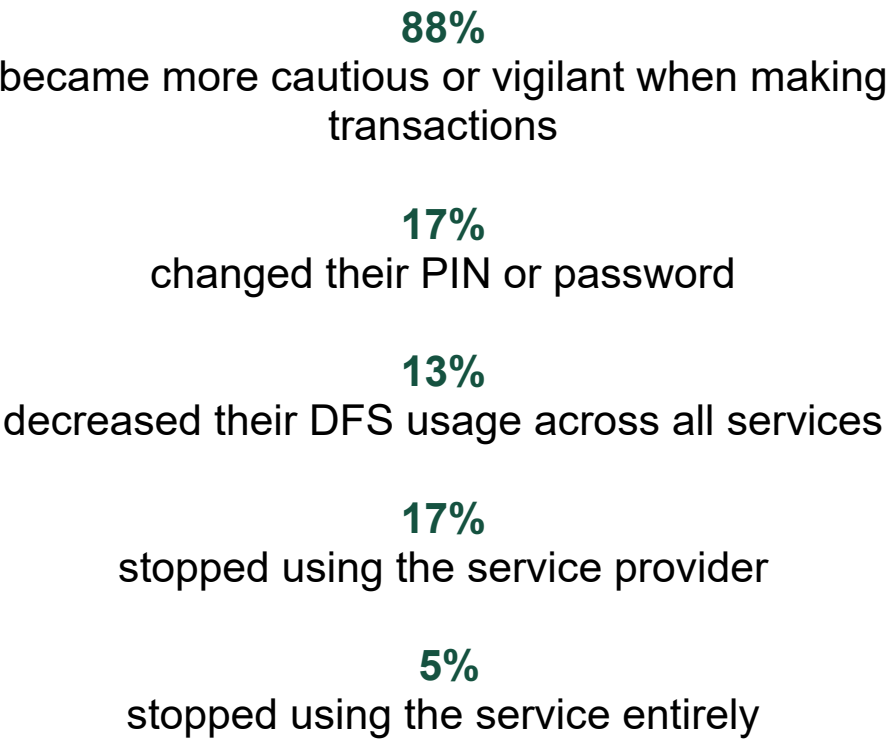


SUCCESSFUL FRAUD

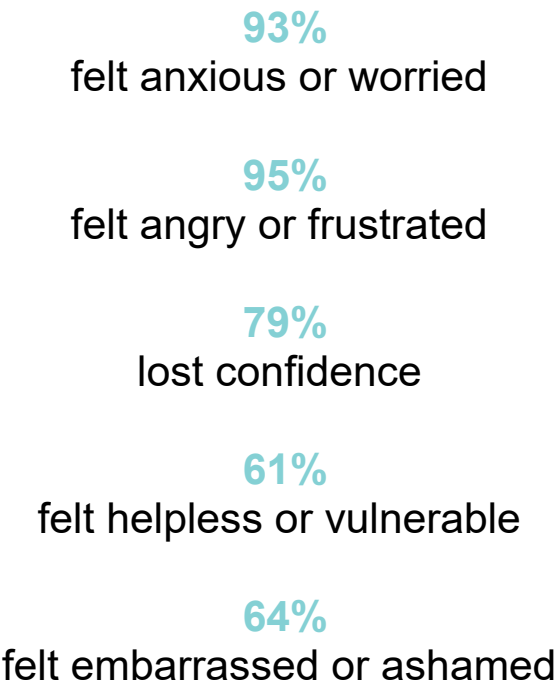
Fraud victims become more cautious, reduce their DFS usage, and experience negative impacts on their well-being.

Rural and less financially literate respondents were more likely to experience negative psychological impacts.

IMPACTS ON DFS USAGE



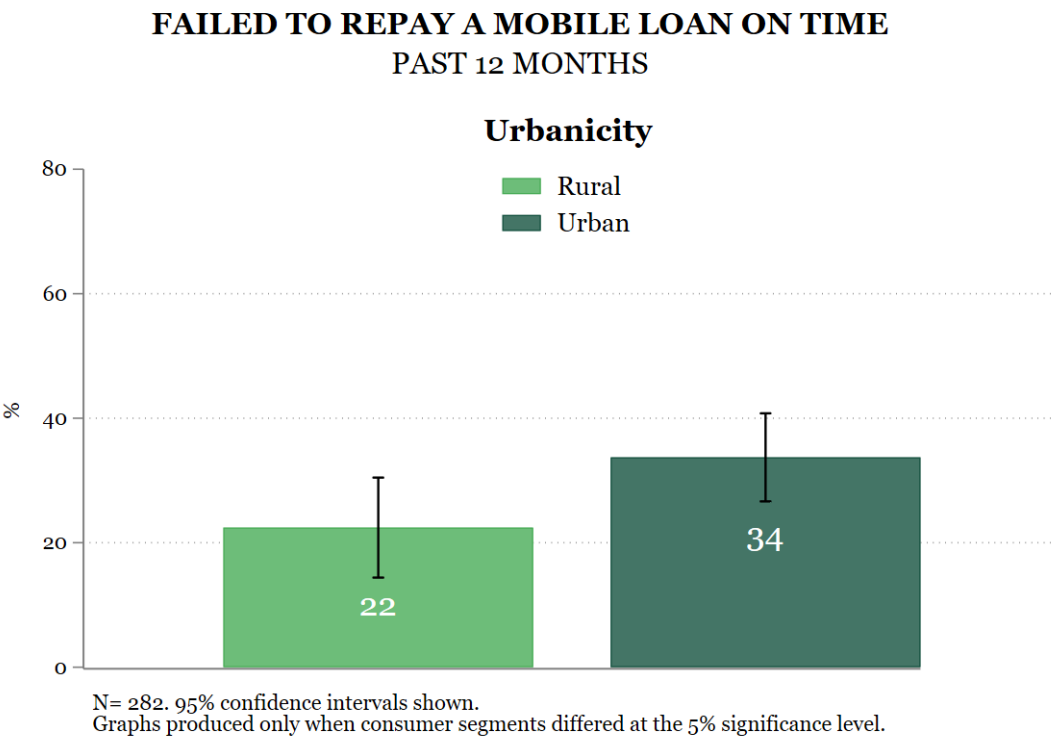
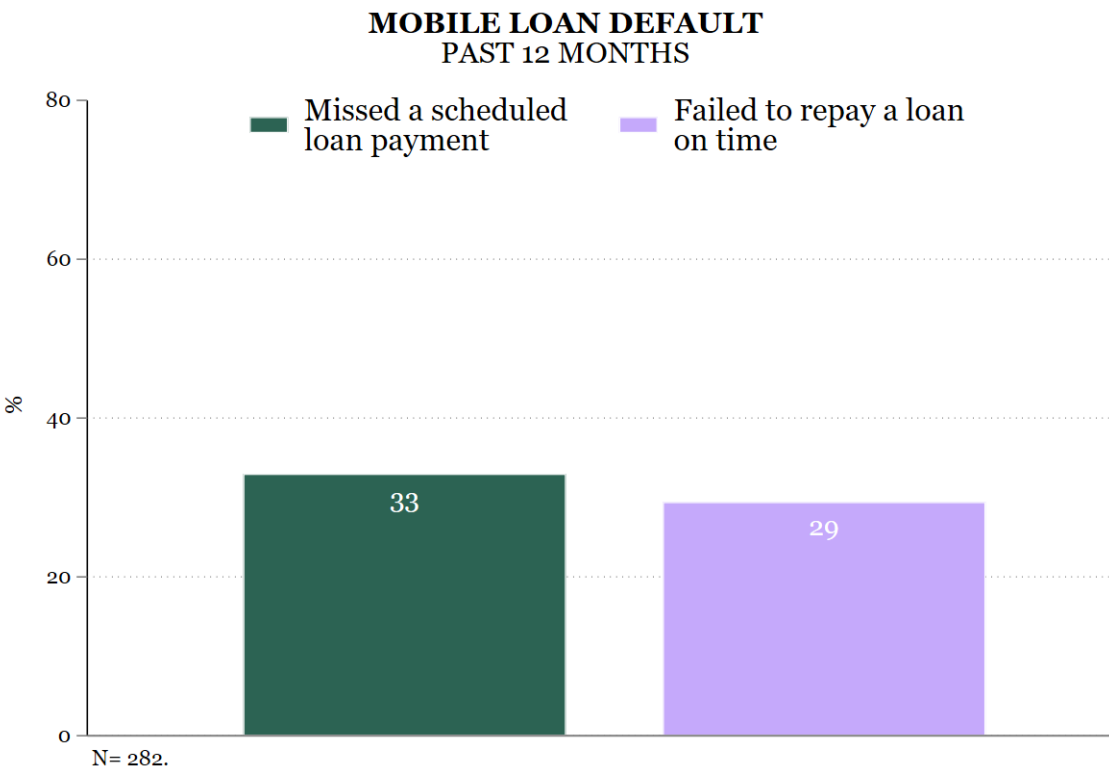
IMPACTS ON WELL-BEING



OVER-INDEBTEDNESS

29 percent of mobile loan users reported failing to repay on time in the last year.

Urban consumers were significantly more likely to fail to repay a loan on time.

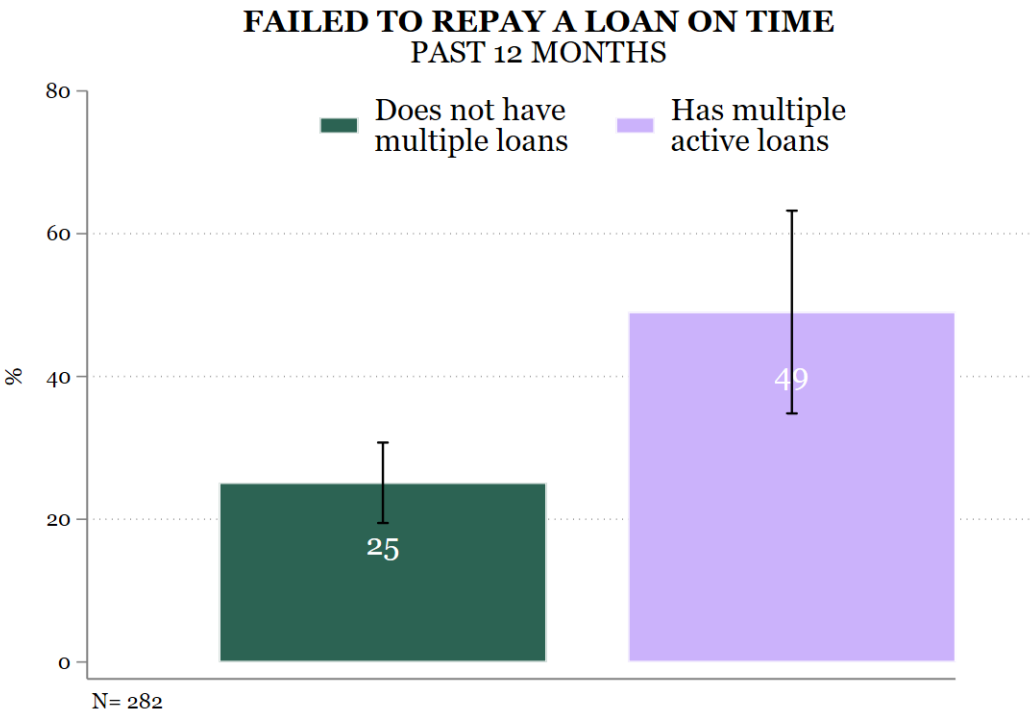
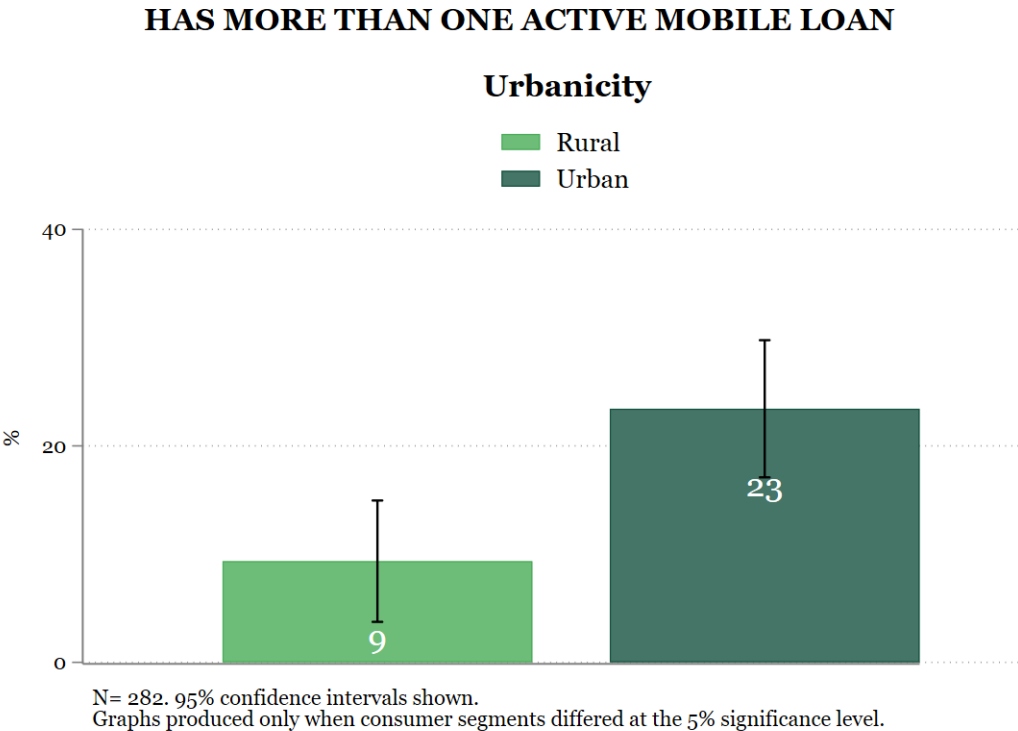


OVER-INDEBTEDNESS

18 percent of mobile loan users had multiple active loans.

Urban consumers were more likely to have multiple loans.

Consumers with multiple loans were significantly more likely to have failed to repay a loan on time.



OVER-INDEBTEDNESS

One in five overdraft users are automatically enrolled in the service.

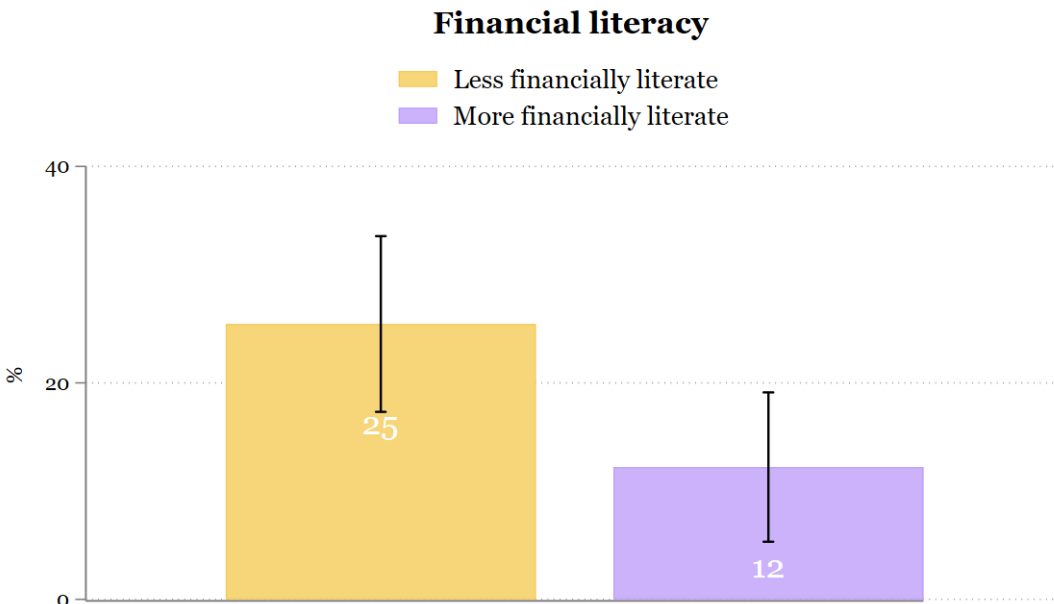
4 percent of overdraft users said they were enrolled without the option to decline.

21%
had used overdraft services in the
past 12 months.

20%
overdraft users were automatically
enrolled without their knowledge.

Less financially literate respondents were more likely to say they were unaware of enrollment.

UNKNOWNLY ENROLLED IN OVERDRAFT SERVICES

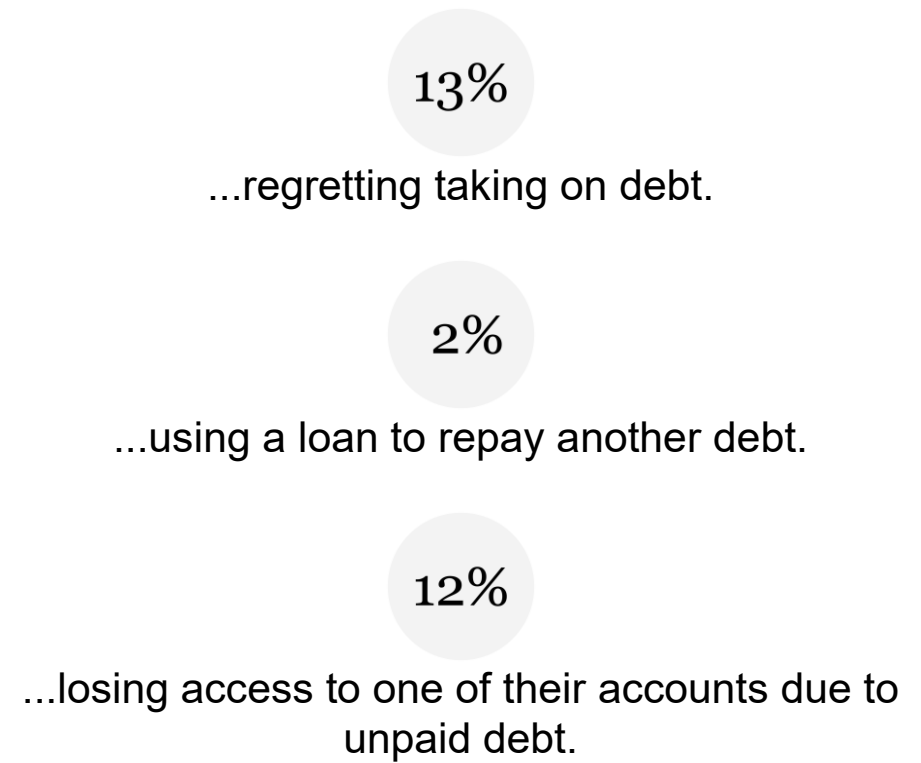


N= 204. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

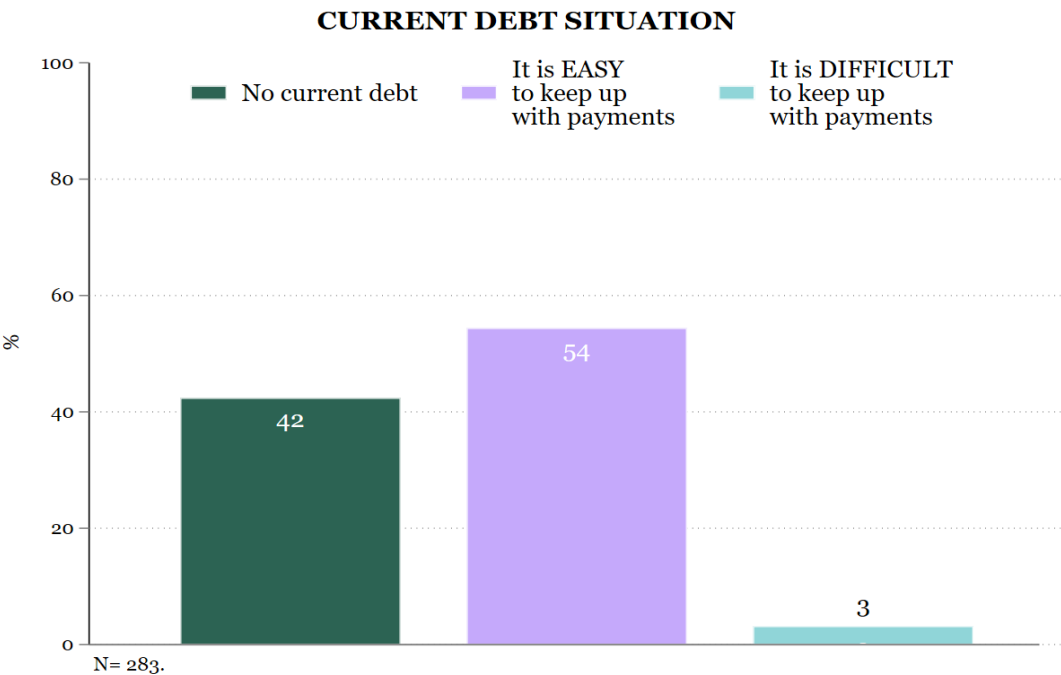
OVER-INDEBTEDNESS

About one in ten mobile loan, overdraft, and buy-now-pay-later users show signs of over-indebtedness.

Proportion of debt services users reporting in the last 12 months...



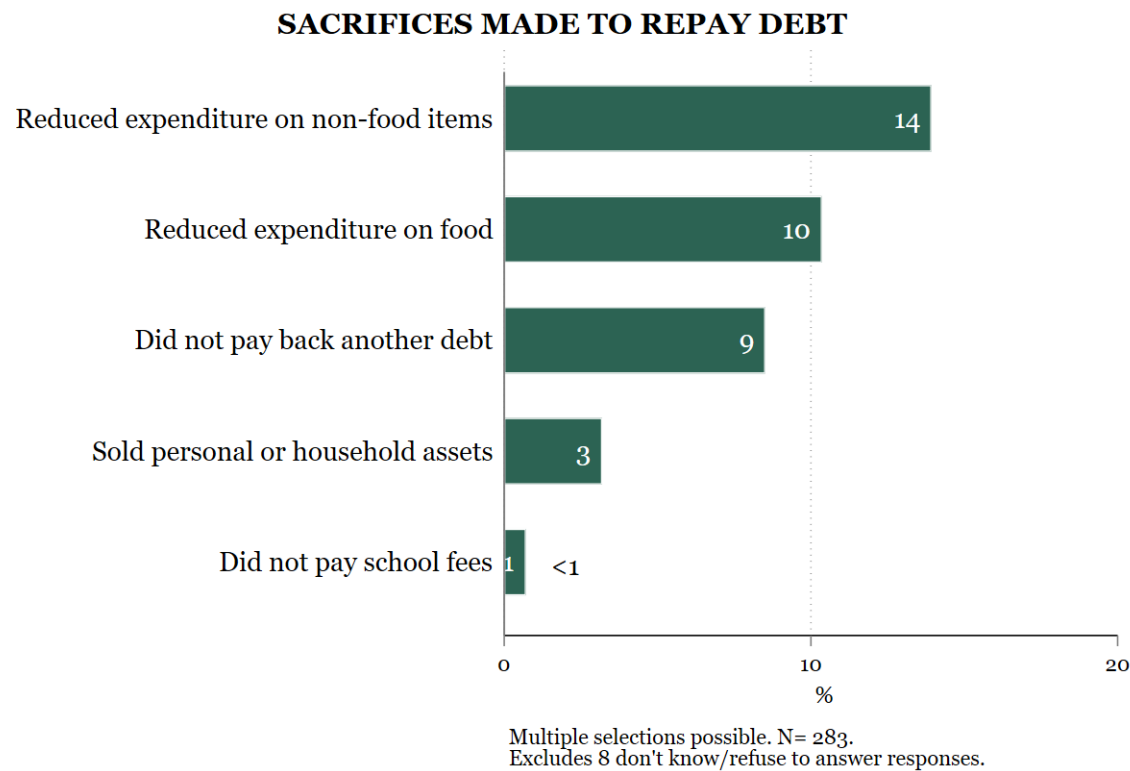
Male respondents were more likely to regret taking on debt.
3 percent of debt service users found it somewhat or very difficult to keep up with their debt payments in the last 12 months.



OVER-INDEBTEDNESS

10 percent of mobile loan, overdraft and buy-now-pay-later users had cut back on food expenditure to repay their debt in the past 12 months.

Higher educated respondents and older adults were more likely to sell assets, and middle-aged respondents were more likely to reduce expenditure on non-food items relative to older adults.



9 percent
of debt users used two or more strategies to cope with their debt situation.

4 percent used three or more coping strategies.

OVER-INDEBTEDNESS

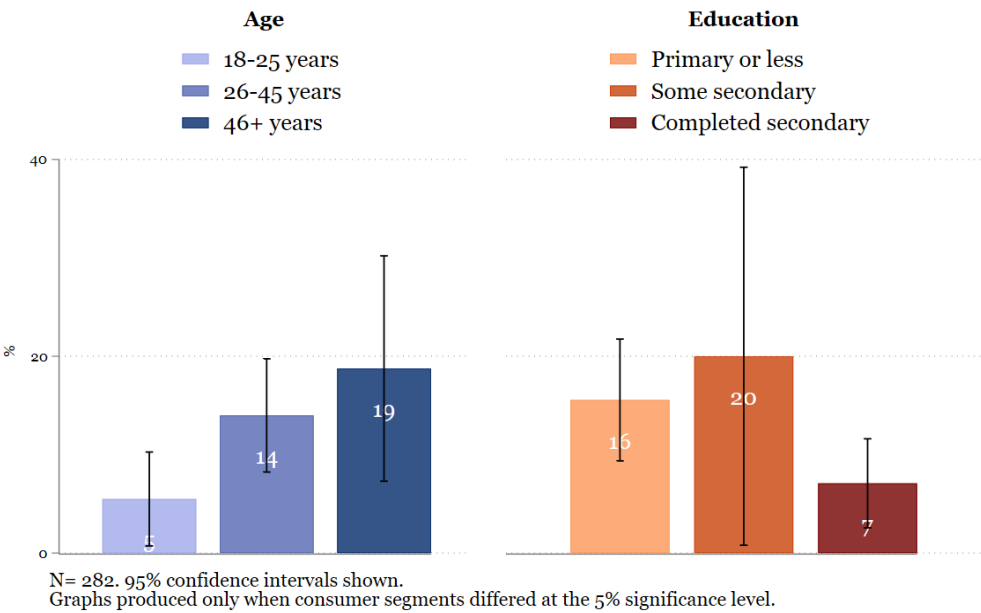
Users of mobile loans, overdrafts, and buy-now-pay-later services sometimes experience harassment by debt collectors.

12 percent had experienced harassment by debt collectors. Middle-aged and less educated consumers were significantly more likely to have experienced harassment.

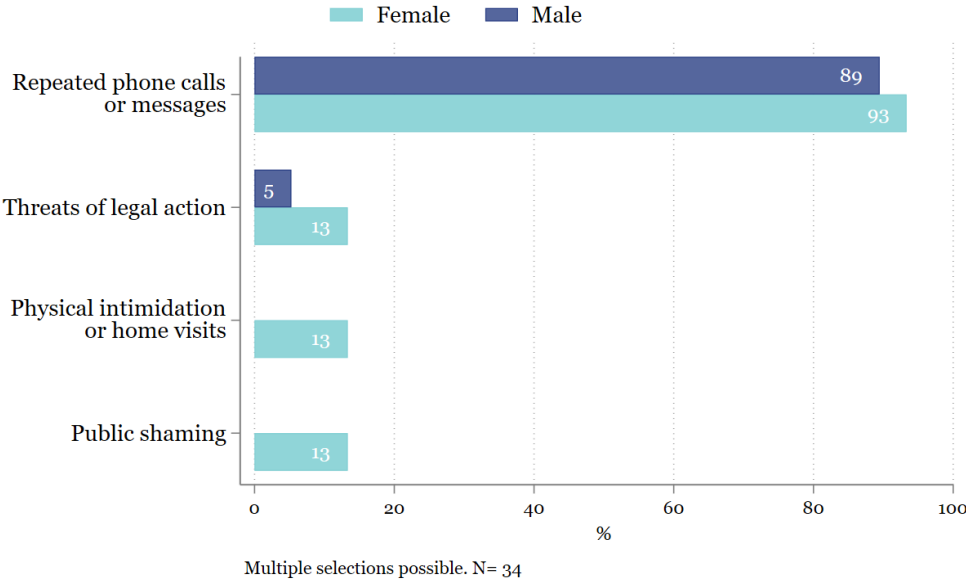
The most common form of harassment was through **phone calls or text messages**.

13 percent had been publicly shamed or physically intimidated, all of them female.

EXPERIENCED HARASSMENT BY DEBT COLLECTOR

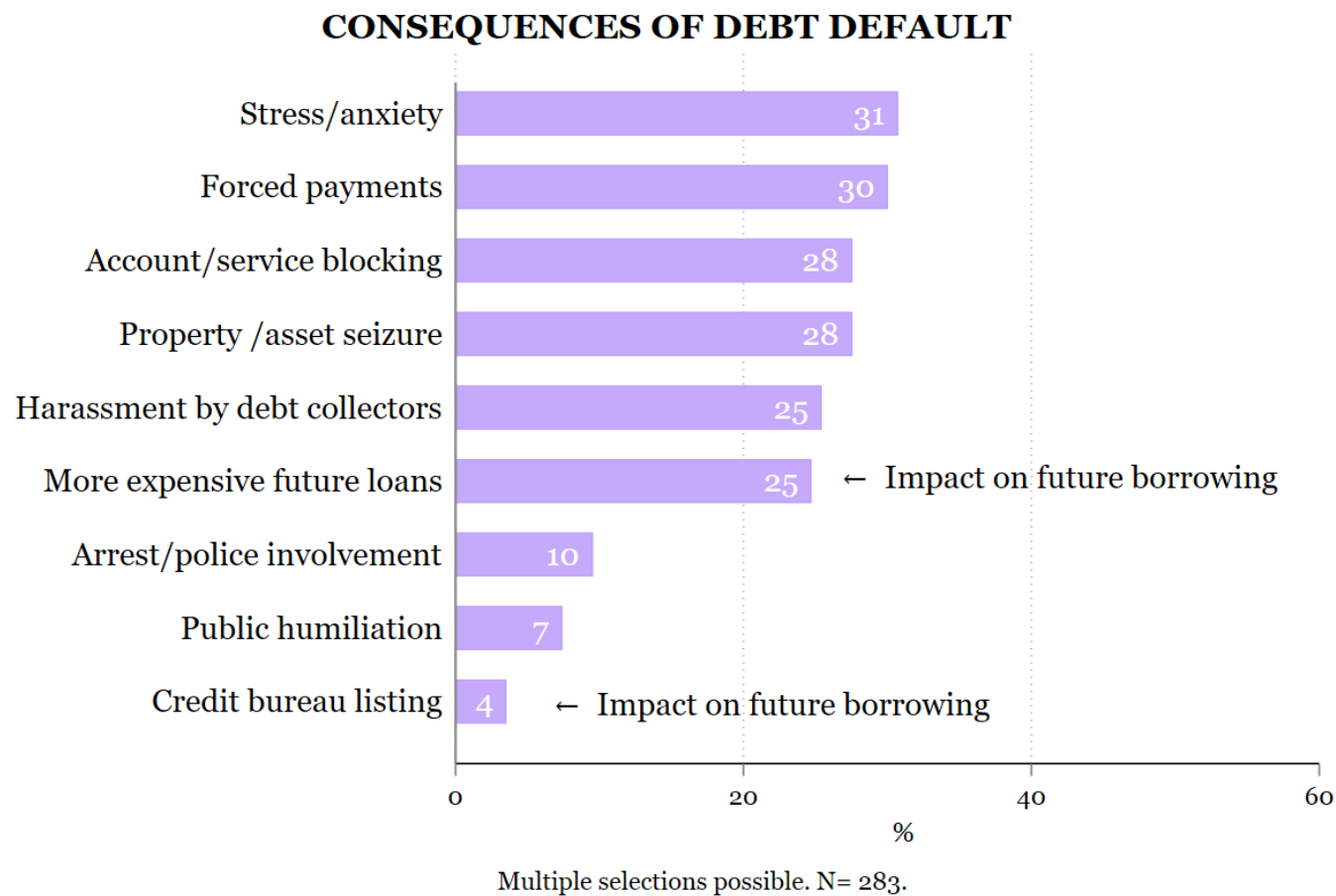


HARASSMENT BY DEBT COLLECTORS



OVER-INDEBTEDNESS

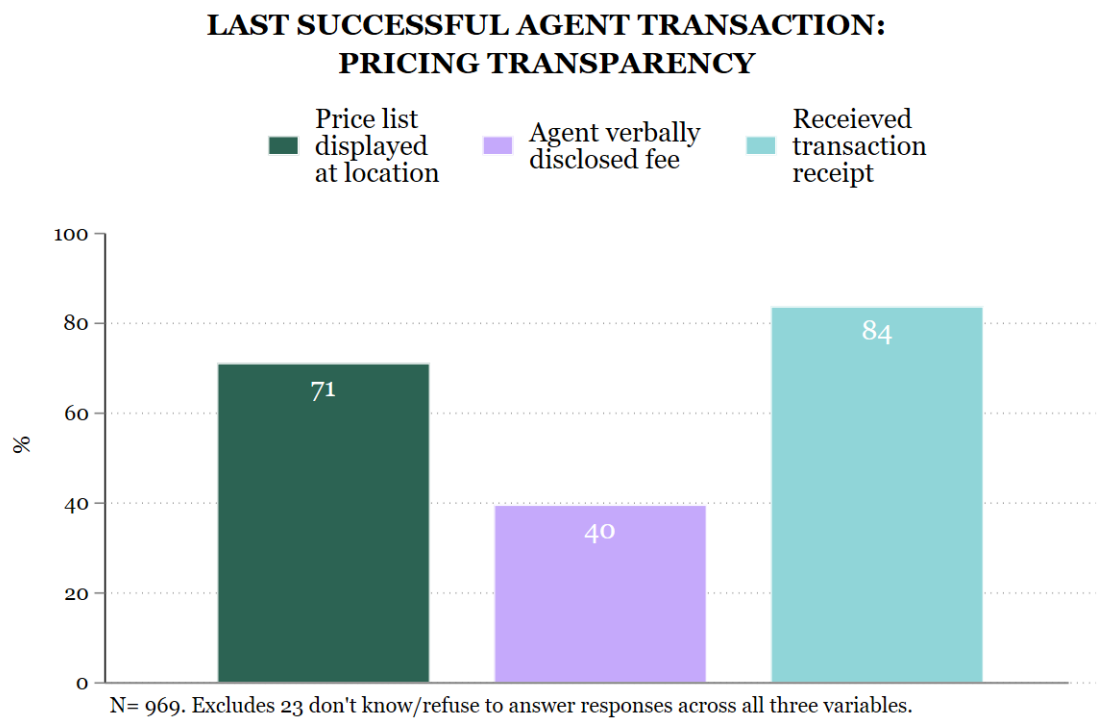
Consumers identified the negative consequences a borrower might face if they default on their debt.



Just one quarter mentioned impacts on future credit (see more expensive future loans and credit bureau listing).

CHALLENGES WITH AGENTS

Agents typically do not disclose prices and 29 percent do not have price lists visible to consumers.



Most consumers stated that they received transaction receipts.

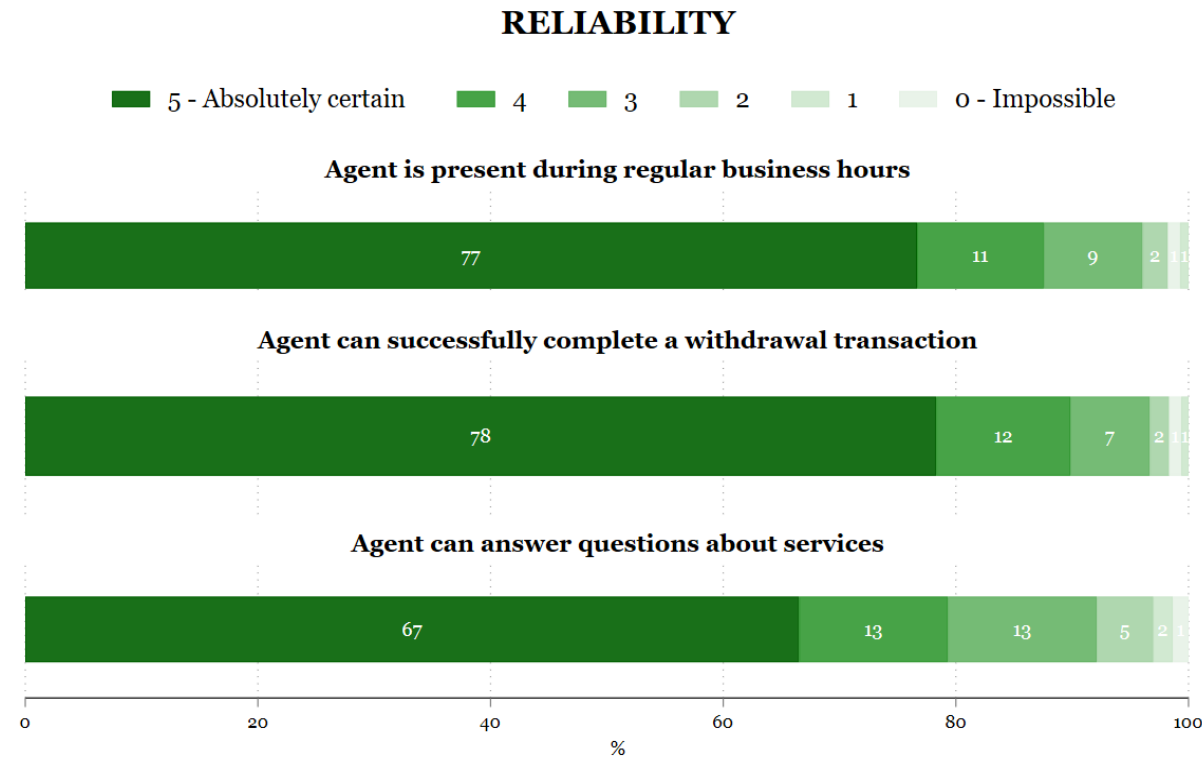
Higher educated respondents were significantly more likely to report seeing pricelists at agent locations.

A separate mystery shopping study* found that agents disclosed fees verbally 2 percent of the time, price lists were displayed 67 percent of the time, and customers received receipts 99 percent of the time, suggesting that respondent recall may lead to overestimates of some of these outcomes.

*IPA (2025) conducted mystery shopping visits at agent locations in rural and urban markets in Tanzania.

Agents generally provide reliable service.

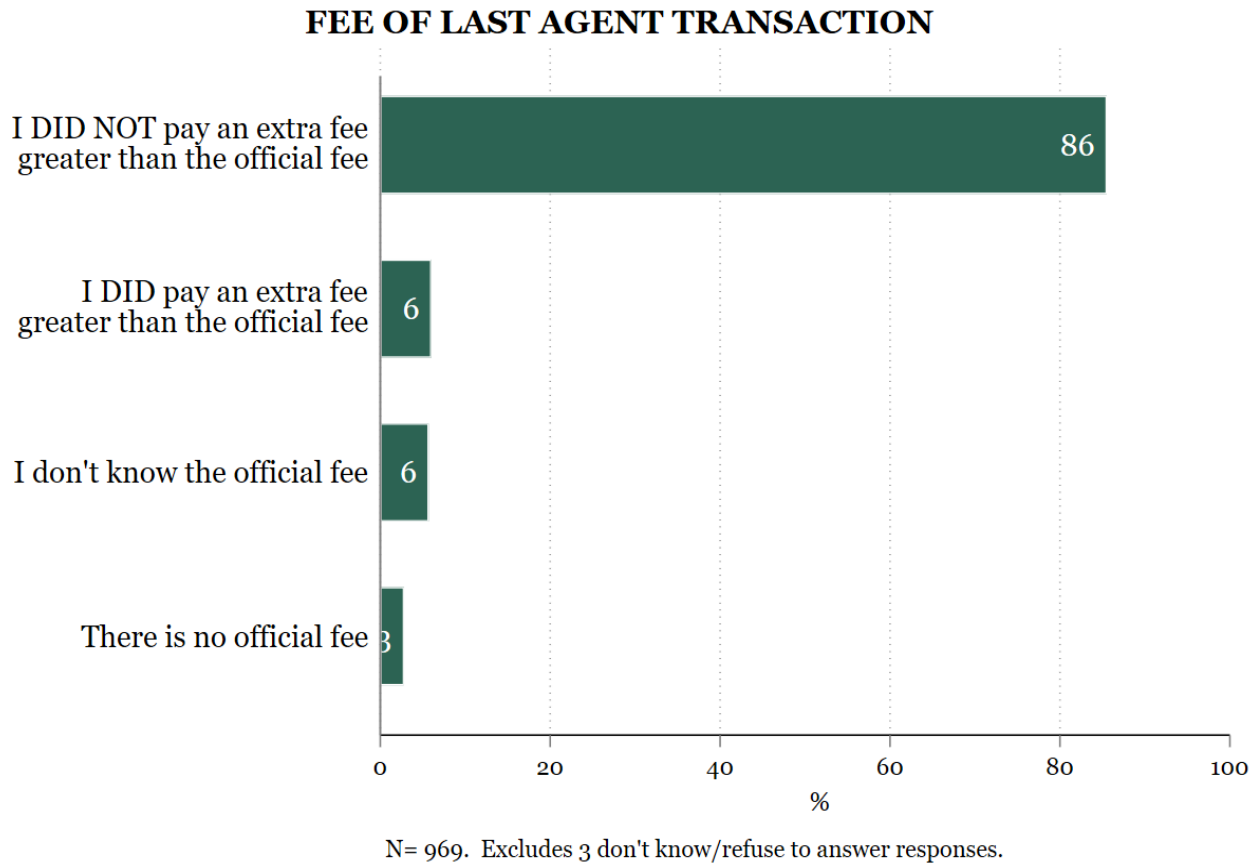
A third of respondents were not absolutely certain that an agent could help them answer questions related to their services.



N= 969. Excludes 17 don't know responses across all three variables.

Overcharging among agents is relatively uncommon.

6 percent of respondents reported paying an extra fee for their last agent transaction. Higher educated and urban consumer reported higher rates of overcharging.



Amongst the respondents that were overcharged,

44%
thought that the provider should compensate them for the money that was lost

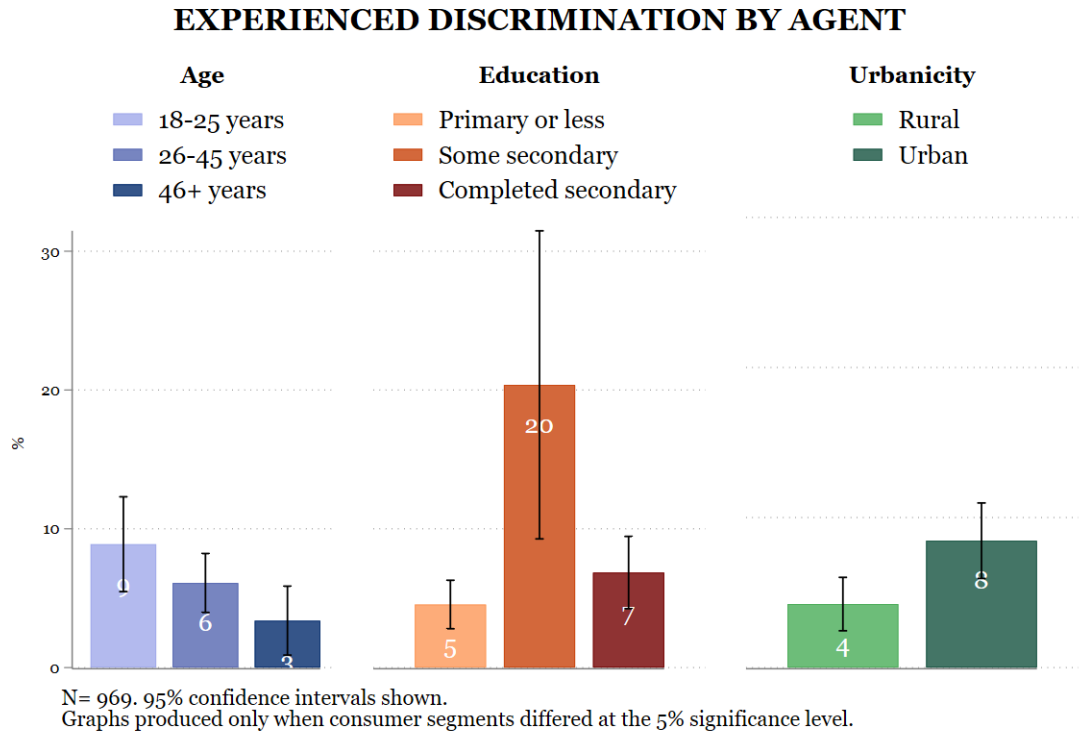
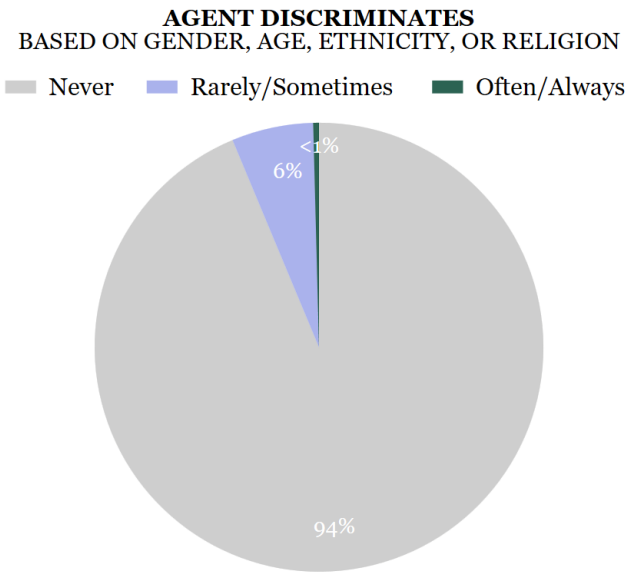
29%
would know how to seek formal redress

2%
sought formal redress for the issue

CHALLENGES WITH AGENTS

6 percent of respondents said that agents had treated them differently because of their gender, age, ethnicity, or religion.

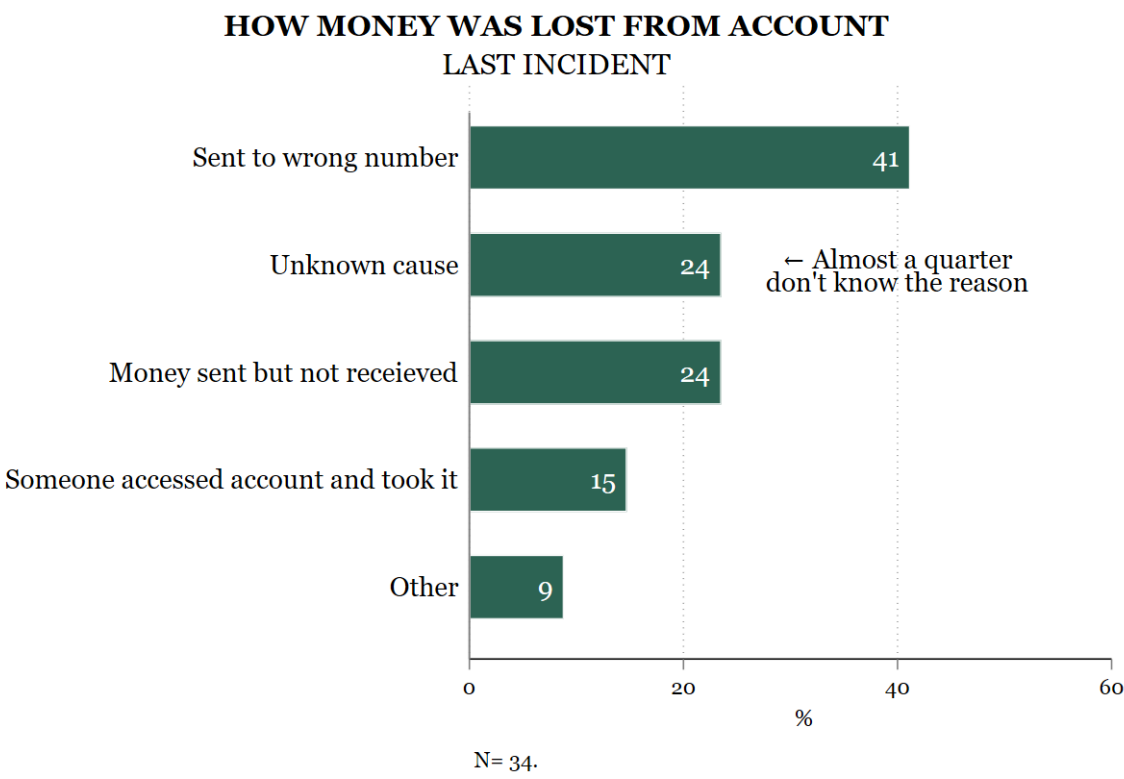
Urban, younger respondents, and those with some secondary education were more likely to report experiences of discrimination. There were no differences by gender.



OTHER TYPES OF FINANCIAL LOSS

In the last 12 months, 3 percent of respondents lost money from their account for reasons other than fraud, unexpected fees, or agent overcharging.

Most of respondents that lost money from their account had sent money to the wrong number.



OTHER TYPES OF FINANCIAL LOSS

When money was lost for reasons other than fraud, unexpected fees, or agent overcharging, typically it happened once in a 12 month period.

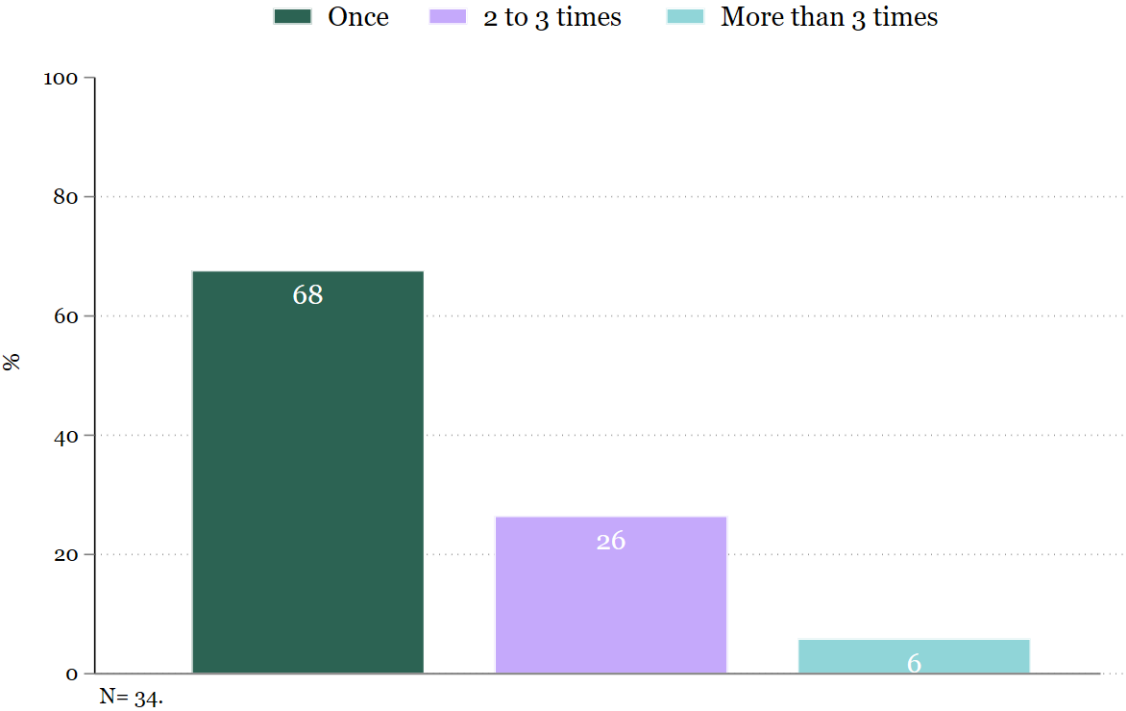
AMOUNT LOST FROM ACCOUNT
LAST INCIDENT



N= 34

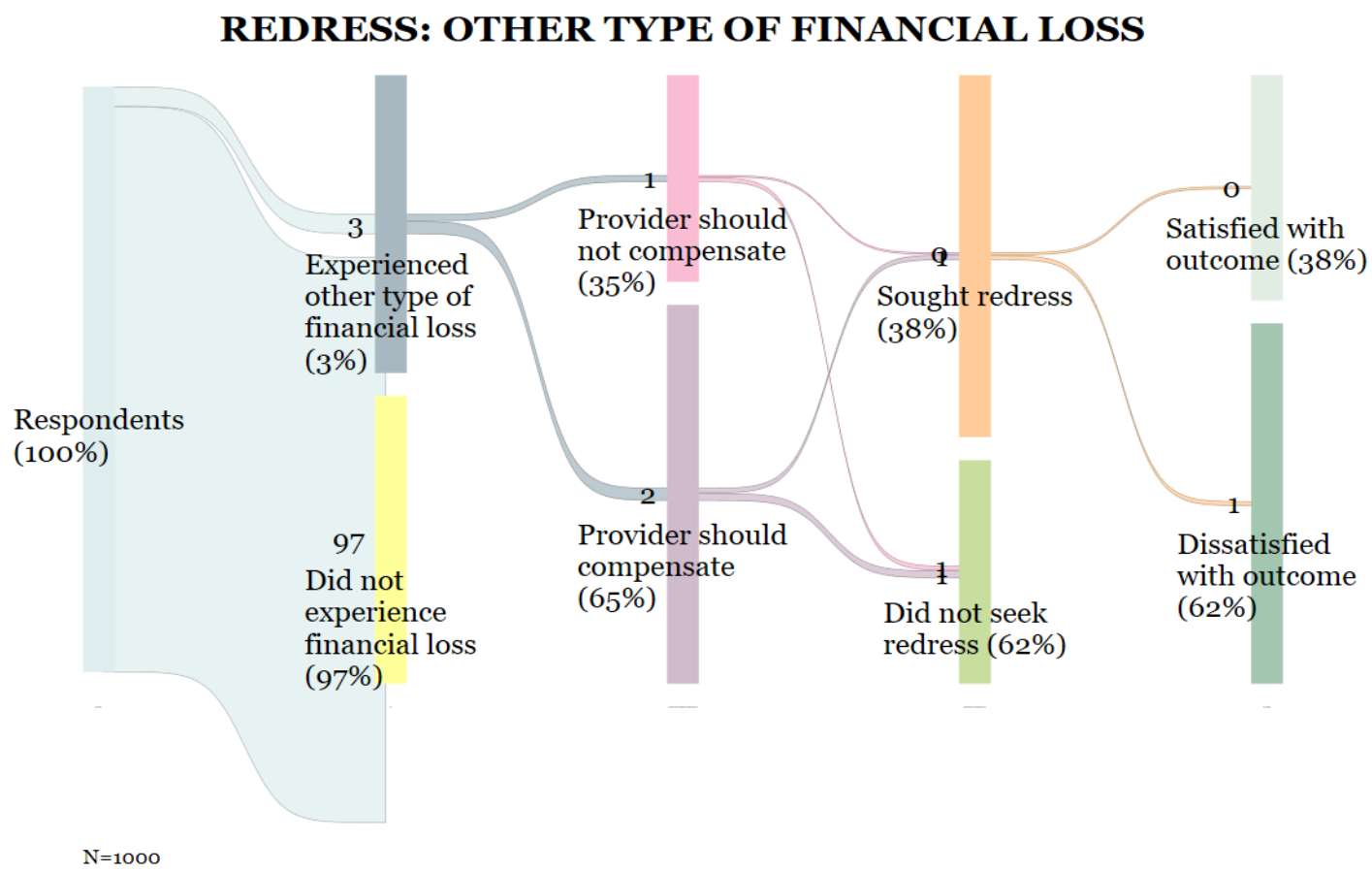
In 32 percent of cases, it happened two times or more.

HOW OFTEN MONEY WAS LOST



OTHER TYPES OF FINANCIAL LOSS

Less than half of consumers sought redress when money was lost from their account.



SENT MONEY TO WRONG NUMBER

Despite safeguards, consumers sometimes send money to the wrong number. Most are not able to recover the funds.

91 percent of respondents said that there was an extra verification step they had to complete before sending money to a new phone number. Nonetheless,

18 percent

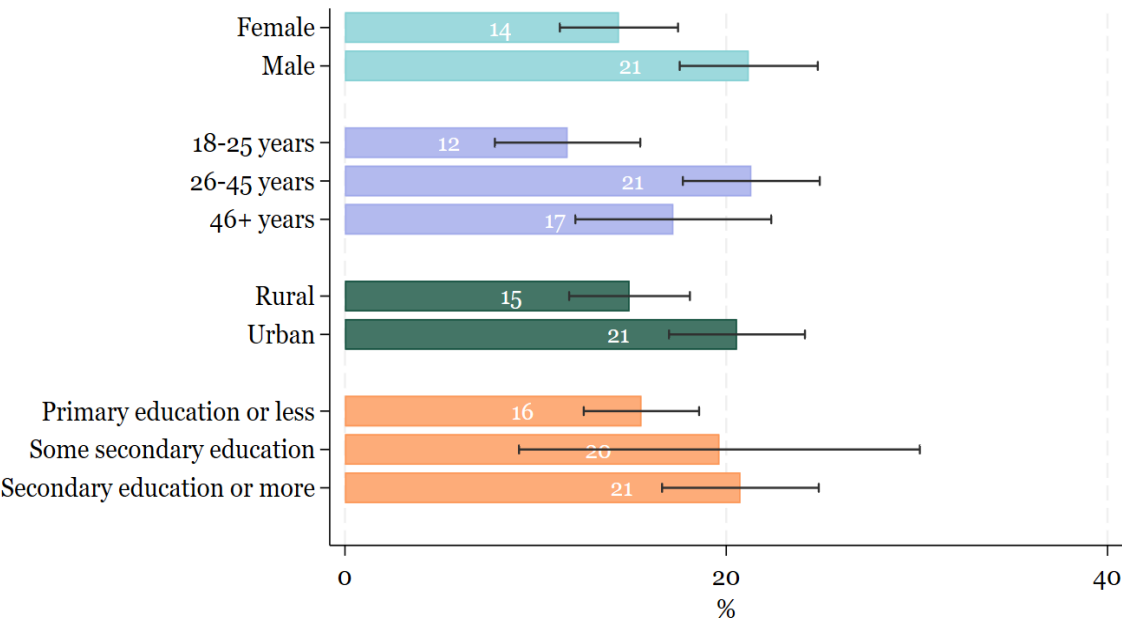
of payment services users had ever sent money to a wrong number. Of those,

71 percent

were not able to recover the money.

Male, middle-aged, urban, and higher educated consumers were more likely to experience the challenge compared to younger ones.

EVER SENT MONEY TO A WRONG NUMBER

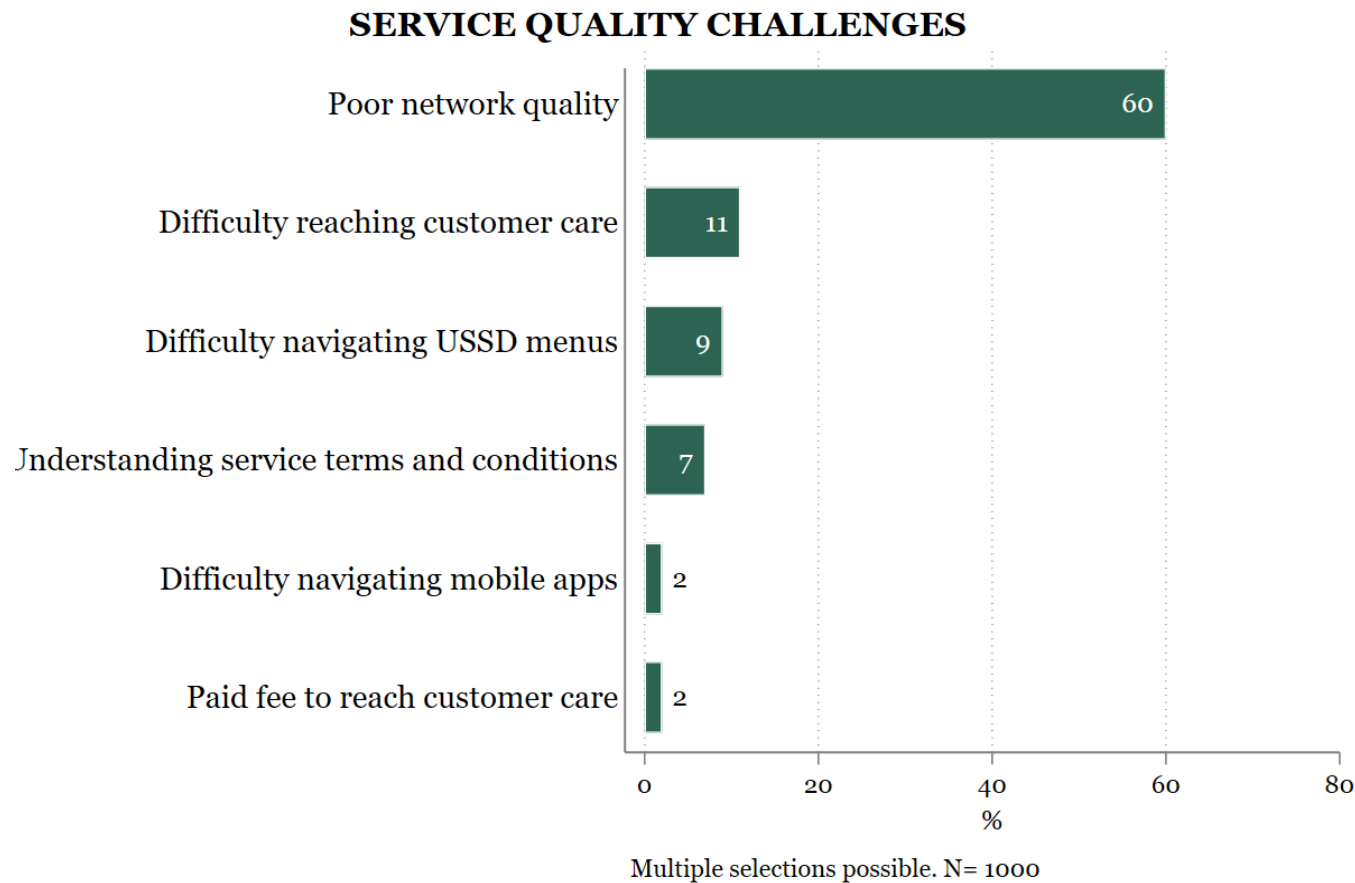


N= 985. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

SERVICE QUALITY CHALLENGES

Most consumers encounter challenges related to the quality of a service.

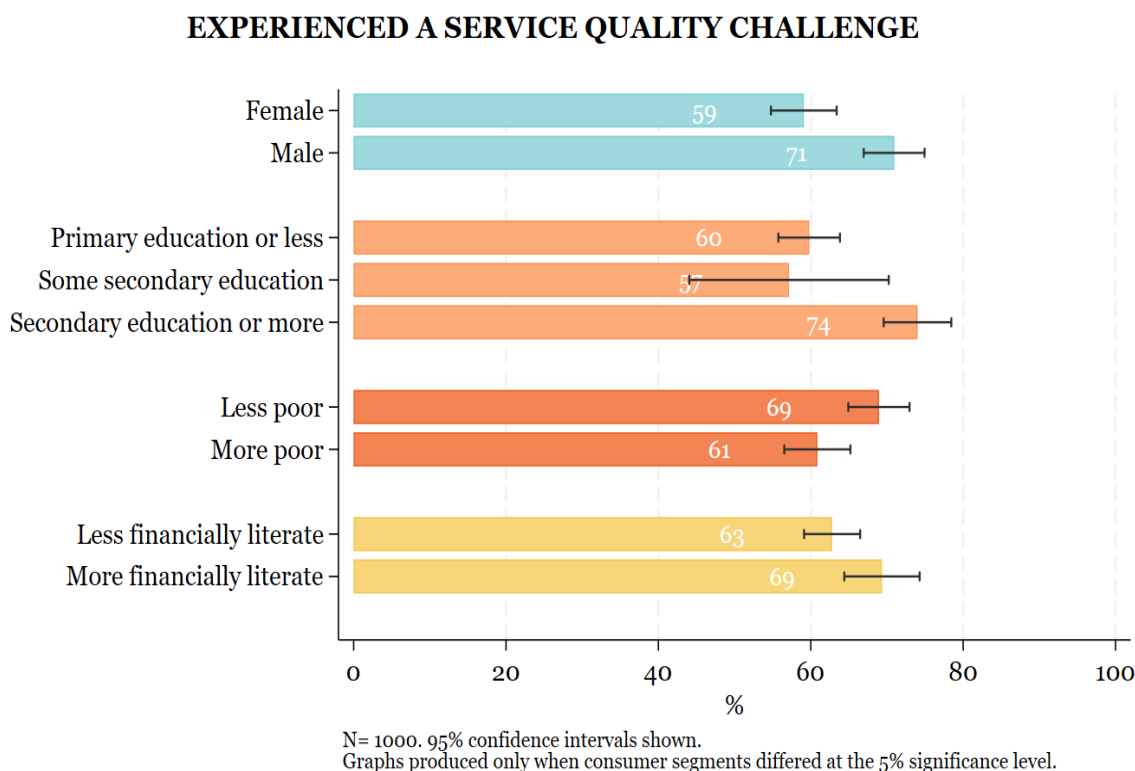
65 percent had experienced such a challenge in the past 12 months.



The majority had experienced poor network quality that impacted their usage of DFS. One in ten had struggled to reach customer care when needed.

SERVICE QUALITY CHALLENGES

Male, higher educated, less poor, and more financially literate respondents were more likely to report having experienced any type of service quality challenge.



Rural and more financially literate respondents reported significantly higher rates of **not understanding a service or how to use it.**

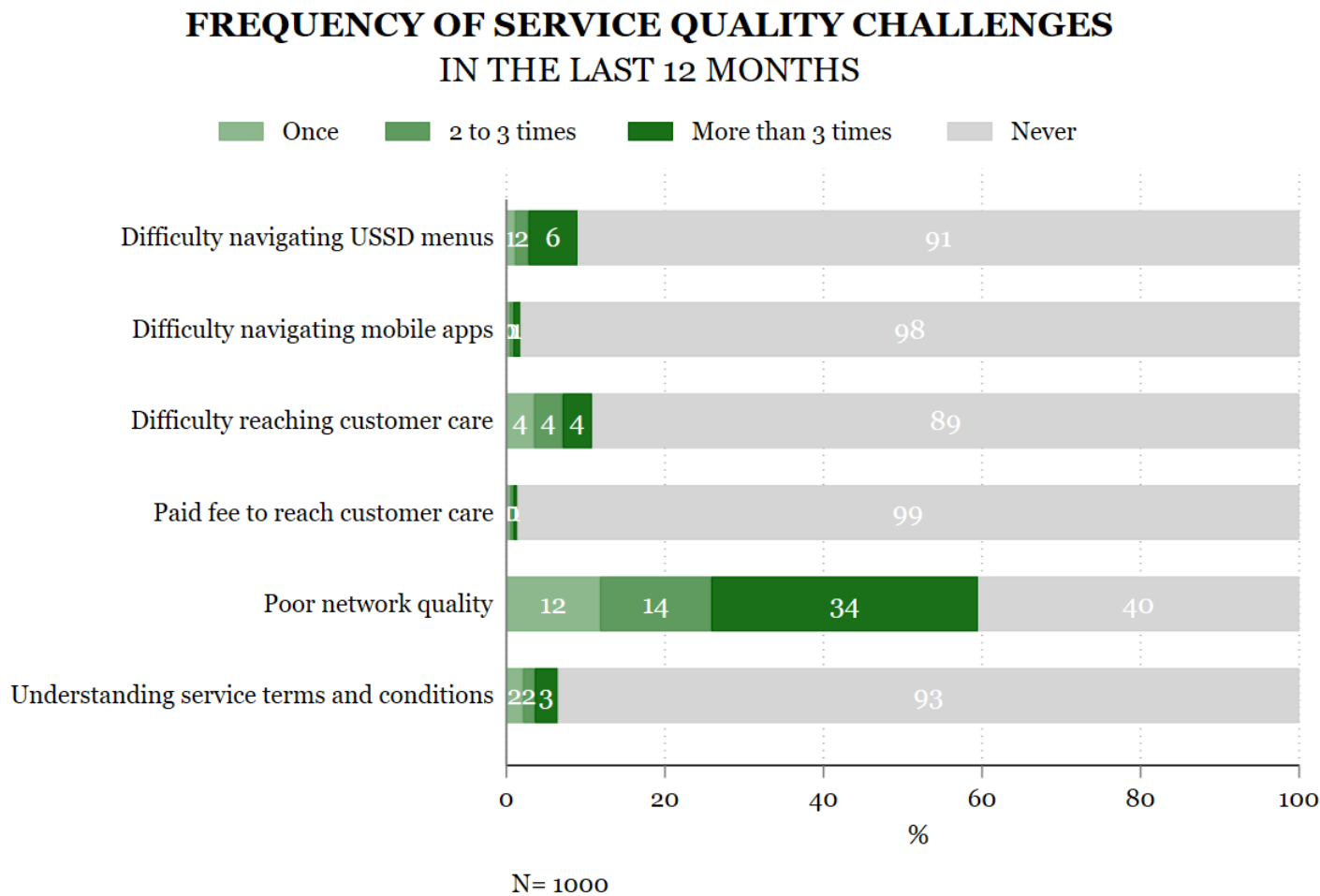
Among all respondents experiencing these difficulties,

4 percent

lost money as a result, losing on average

\$1.96.

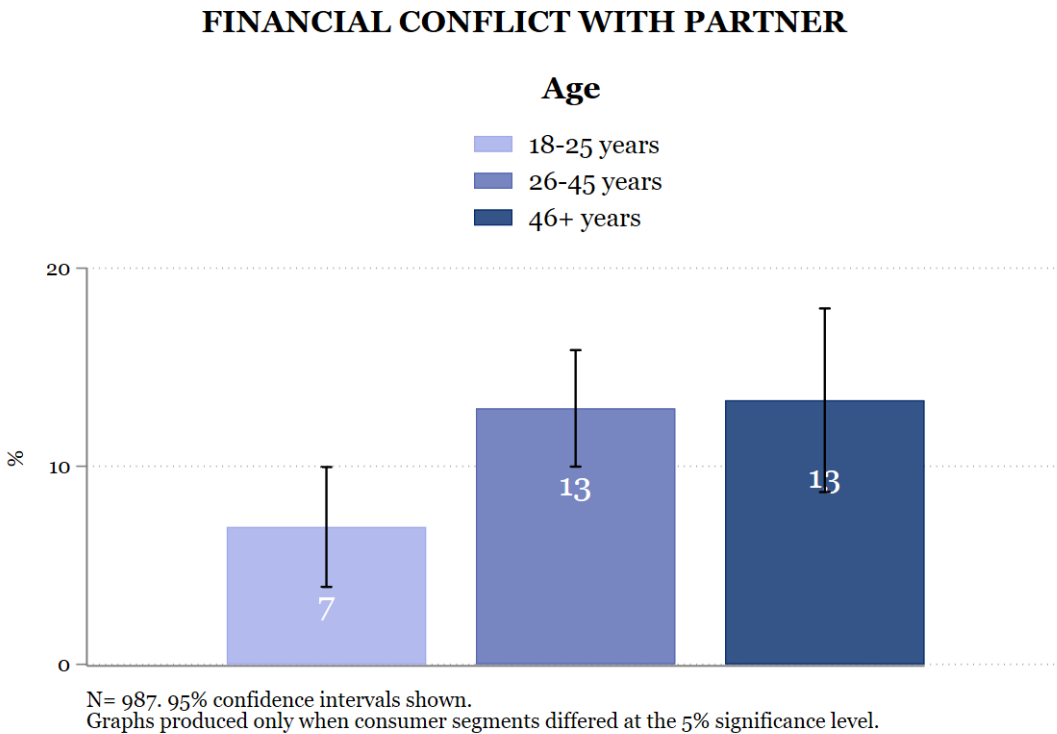
Network quality challenges were encountered frequently.



FINANCIAL ABUSE

11 percent had experienced a financial disagreement with a partner or household decision maker, a potential indicator of financial abuse.

Middle-aged respondents reported higher rates of intra-household financial conflicts.



- 3 percent** said that a spouse or decision maker had accessed their financial account without their permission.
- 2 percent** had been prevented from using money stored in their account.
- 3 percent** said a spouse or decision makers had taken out a loan in their name without their permission.

Challenging Complaints Redress Processes

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93	Seeking redress
98	Complaints resolution
101	Impact on usage

Key Findings

1. Redress-seeking rates: Only 35 percent of respondents who lost money due to fraud, unexpected fees, or service quality challenges in the past 12 months sought redress to resolve the issue. Middle-aged respondents were more likely to seek redress.

2. Recovery of funds: 46 percent of redress cases involved loss of funds, averaging USD 15. Among redress seekers who lost money, 38 percent were able to recover some or all of it.

3. Redress resolution: Most complaints are resolved within a day, and 75 percent of redress seekers were satisfied with the outcome, with female respondents more likely to be satisfied. 28 percent of respondents spent money (averaging USD 0.22) on resolution costs like airtime fees or travel expenses.

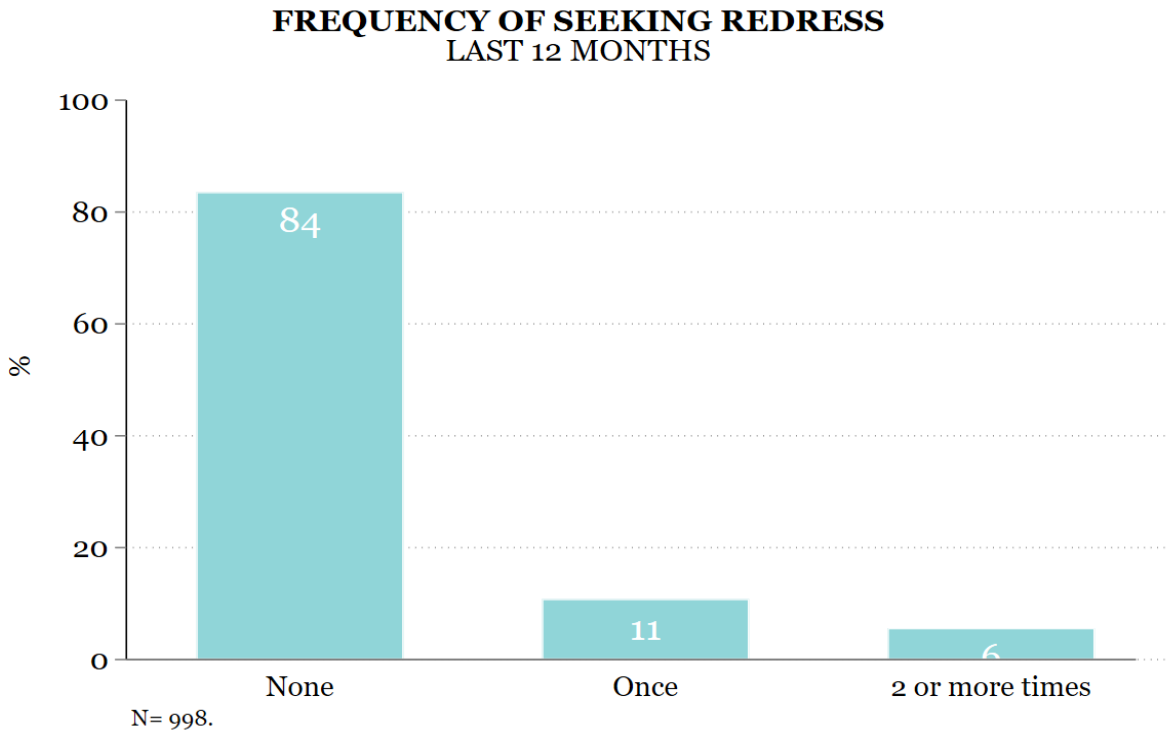
4. Impact on service usage: Among redress seekers, 27 percent made a change to their DFS usage as a result of the challenge experienced. Those dissatisfied with the outcome were significantly more likely (54 percent) to switch providers or reduce/discontinue DFS usage compared to those satisfied (19 percent).

Respondents rarely sought redress for a DFS challenge.

16 percent
of all respondents had sought redress for an issue in the past 12 months.

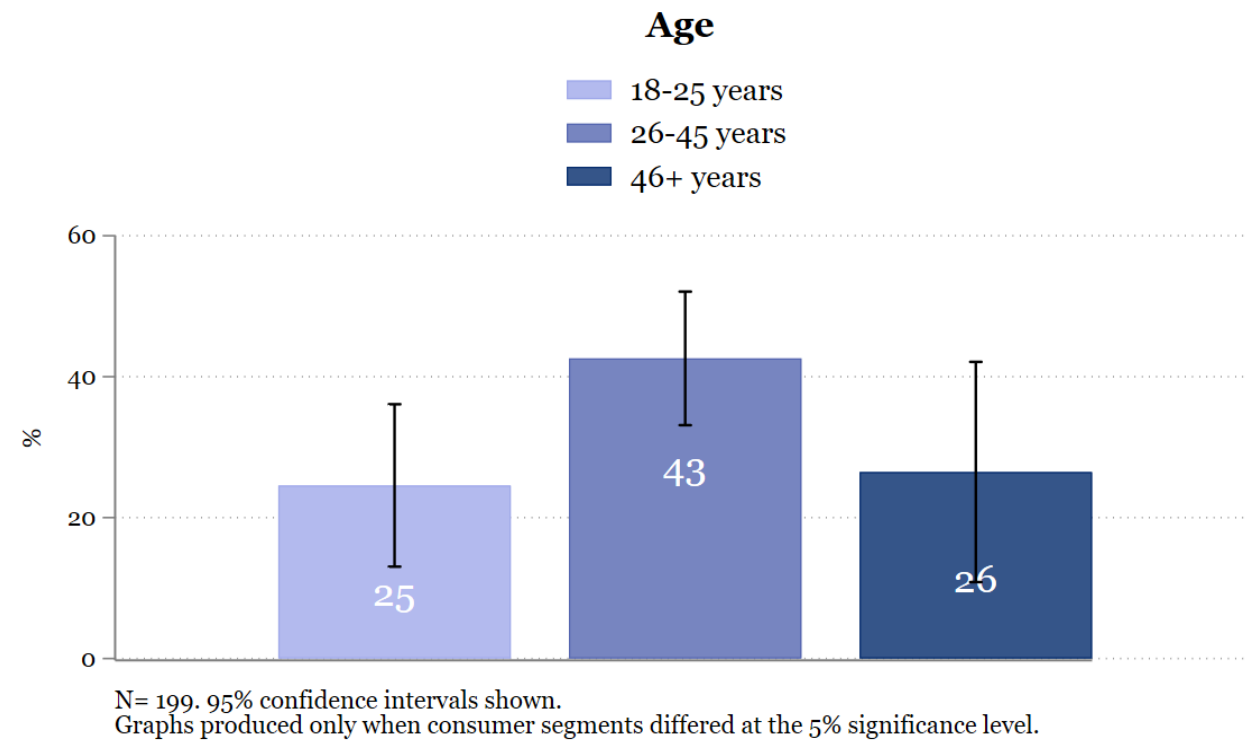
6 percent
had sought redress for an issue more than one time in the past 12 months.

35 percent
of respondents who had lost money due to fraud, an unexpected fee, or a service quality challenge had sought redress in the past 12 months.

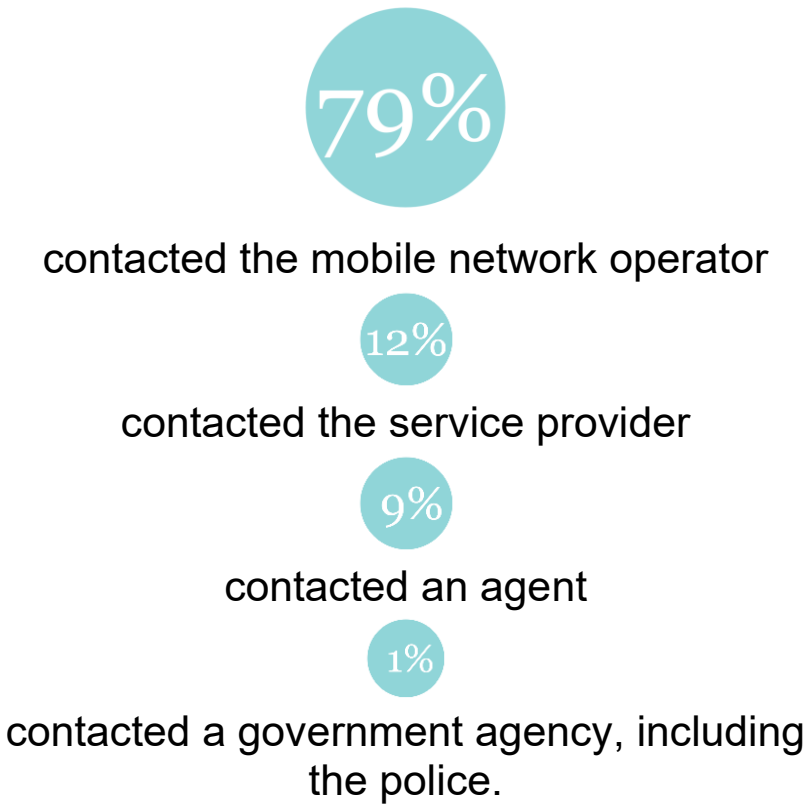
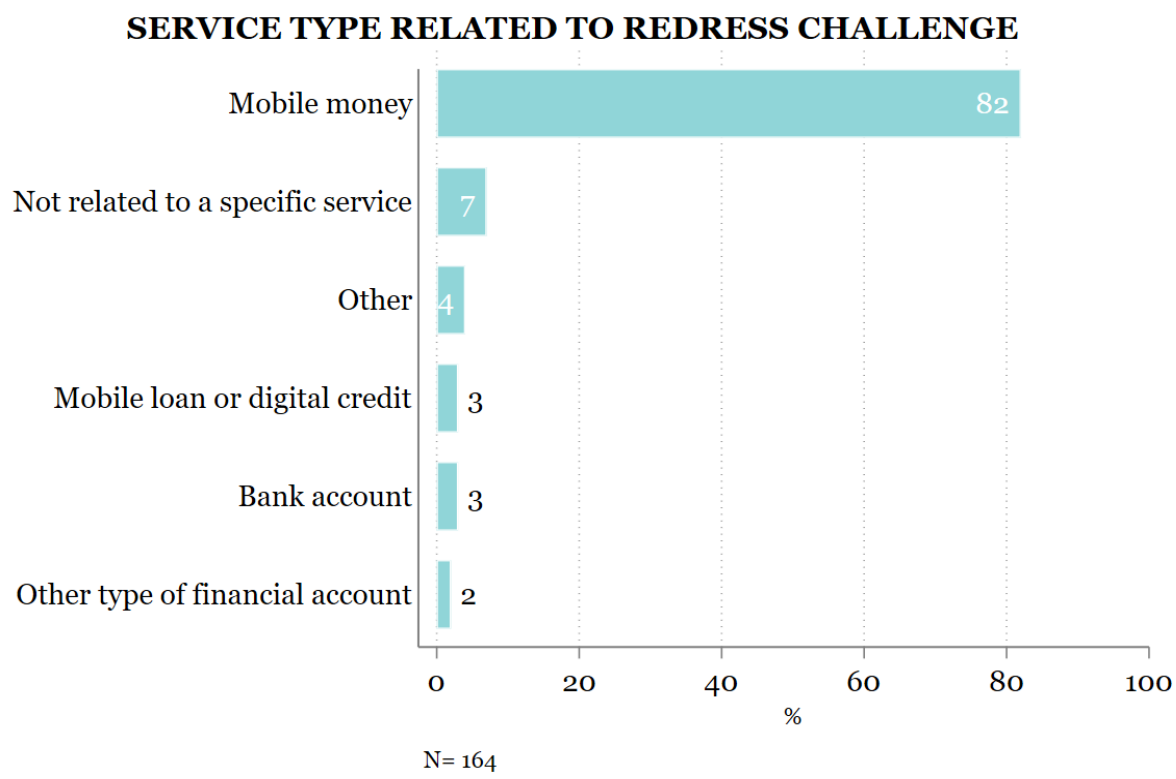


Of those that lost money due to a DFS challenge, middle-aged adults were more likely to seek formal redress.

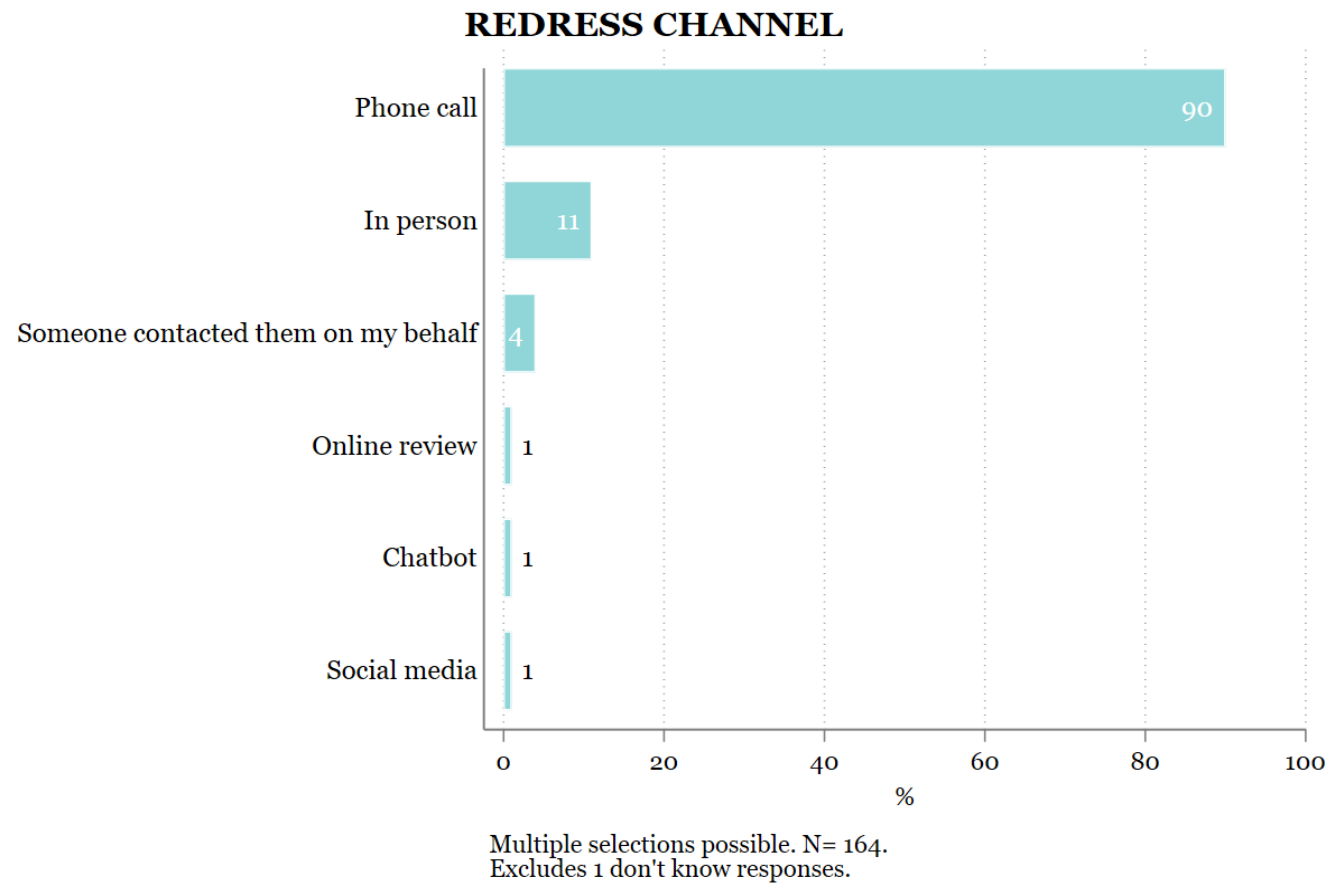
SOUGHT REDRESS IN THE PAST 12 MONTHS
LOST MONEY DUE TO FRAUD, SERVICE QUALITY CHALLENGE, OR UNCLEAR FEES



Mobile money was usually involved in the last challenge for which redress was sought.



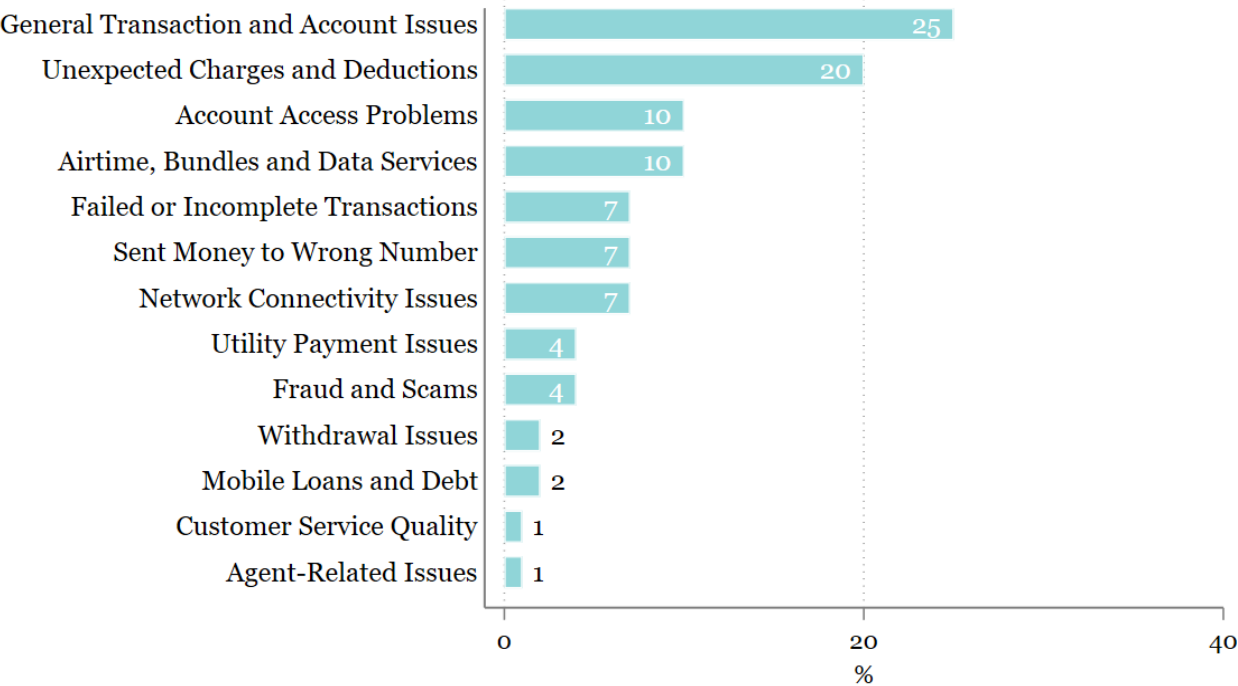
Phone call was the most common mode of seeking redress.



Older adults were more likely to seek redress in person.

Problems with transactions or accounts and unexpected fees were the most common issues for which redress was sought.

LAST CHALLENGE REDRESS WAS SOUGHT FOR



Categorized ex-post from text describing the redress issue.
N= 164

Rural, male, and poorer respondents were more likely to seek redress for account problems, while female respondents were more likely to seek redress for failed or incomplete transactions.

Redress cases often involved loss of funds.



of challenges for which redress was last sought involved loss of funds.

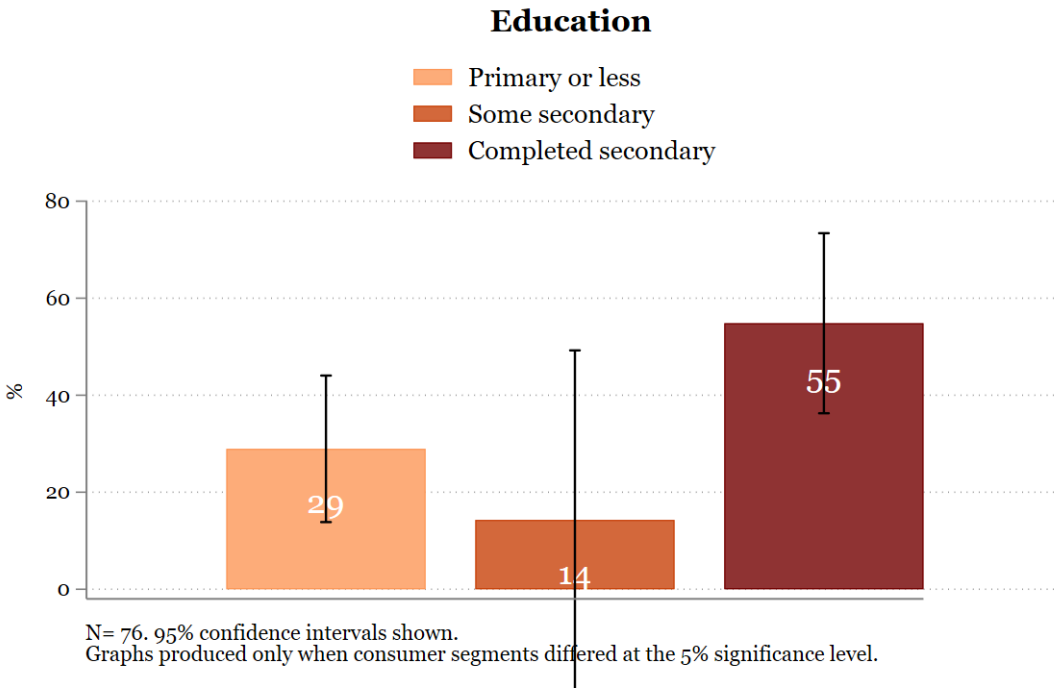


of respondents that lost money were able to recover some or all of it.

The average amount lost in the incident was **\$14.67**

Higher educated respondents were more likely to recover some or all of the money that was lost compared to less educated respondents.

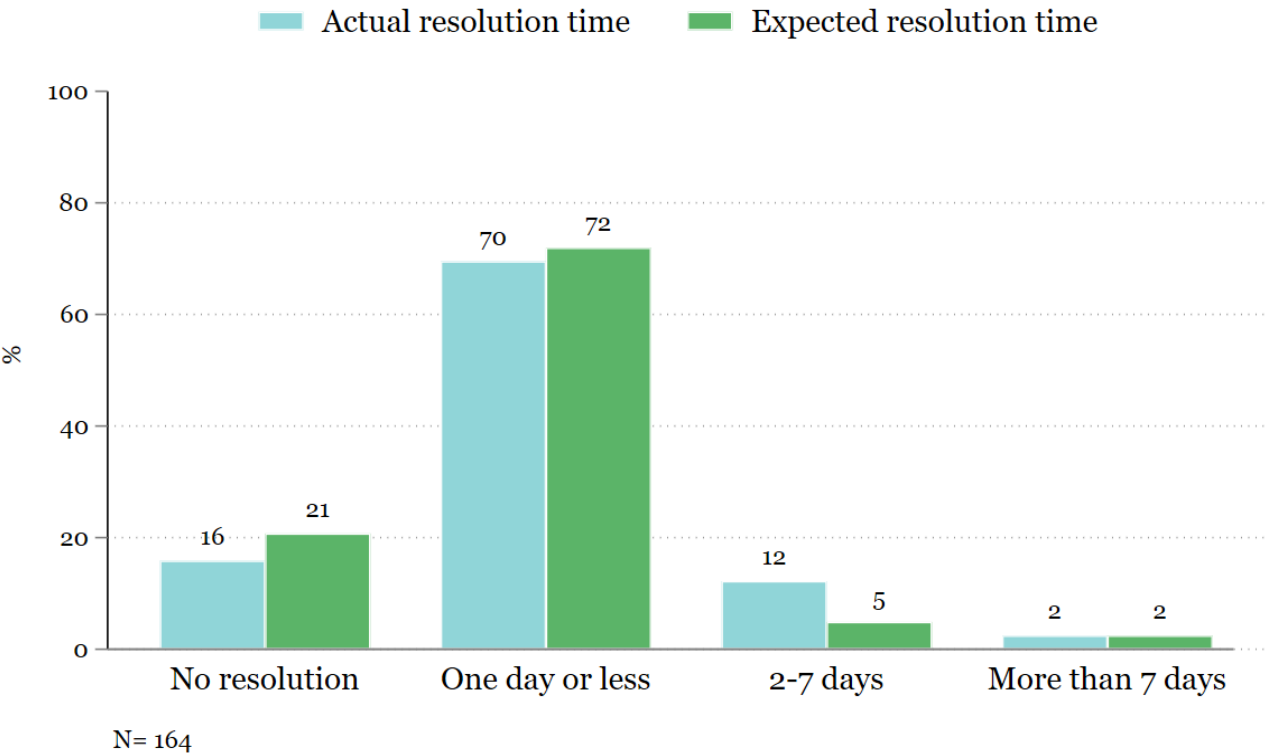
RECOVERED MONEY THAT WAS LOST IN REDRESS INCIDENT



Most cases are resolved within a day.

28 percent of respondents spent money to resolve their issue, for example in airtime fees or travel expenses when reports were made in person. On average, they spent \$0.22 on the resolution.

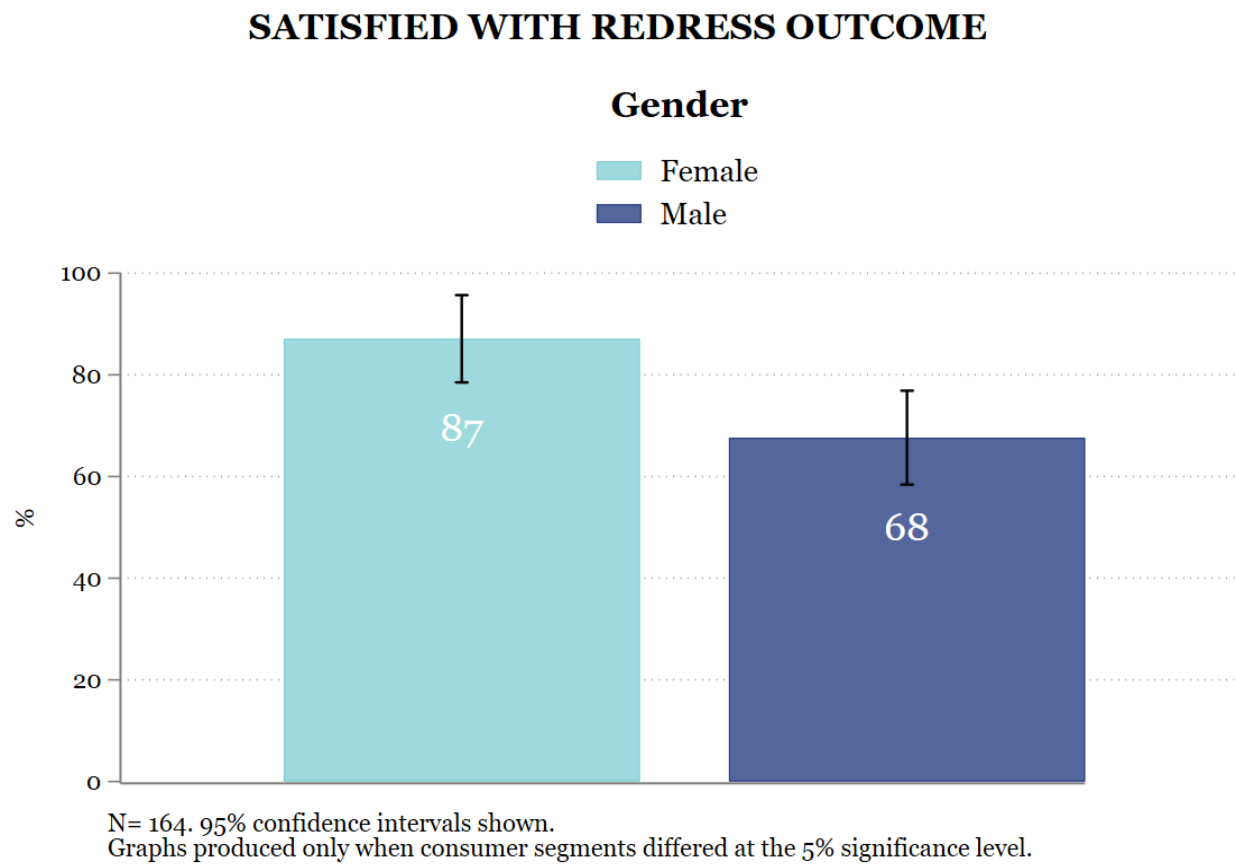
RESOLUTION TIME OF LAST REDRESS INCIDENT



One fifth of respondents did not expect that their issue would be resolved.

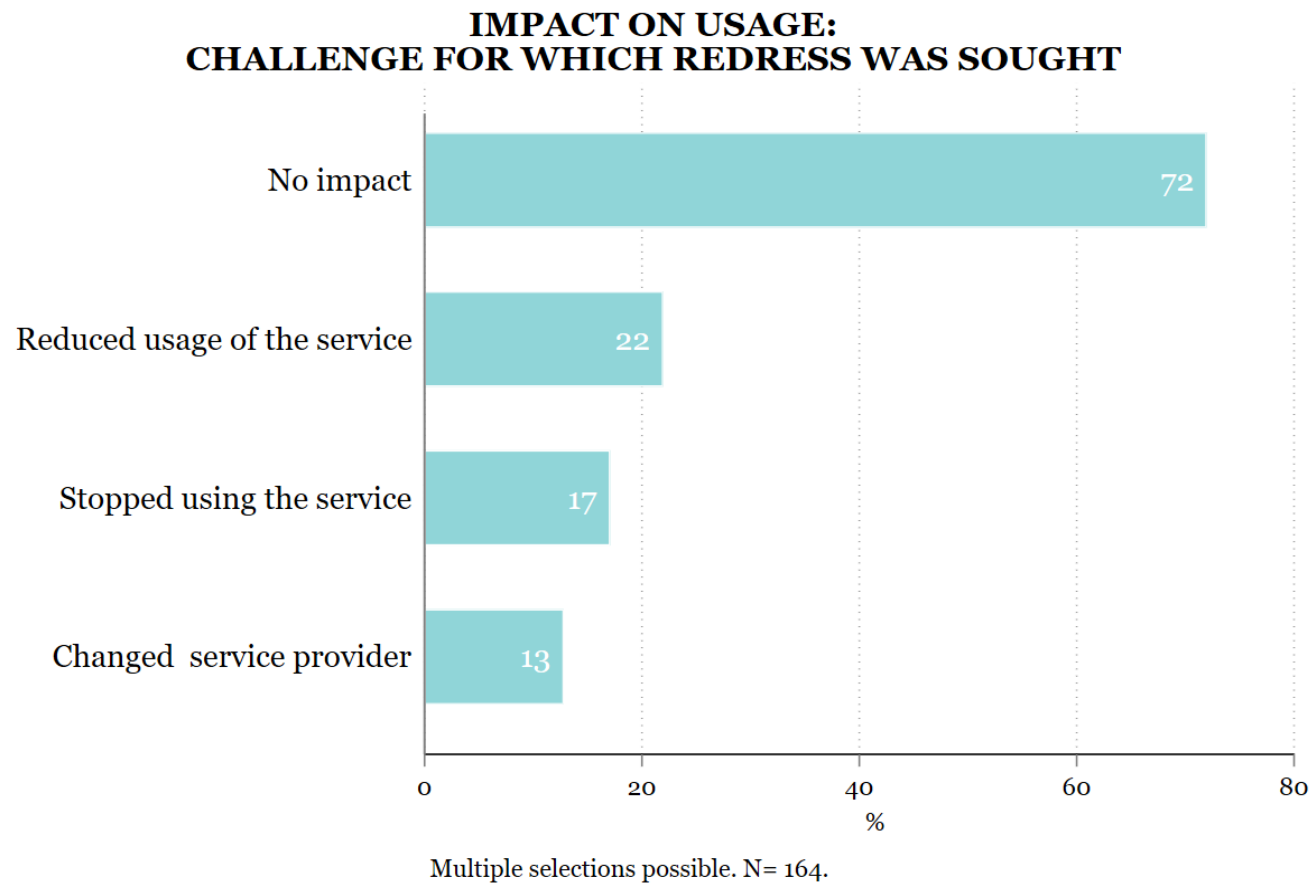
75 percent were somewhat or very satisfied with the redress outcome.

Female respondents were more likely to be satisfied with the outcome.



EFFECT ON DFS USAGE

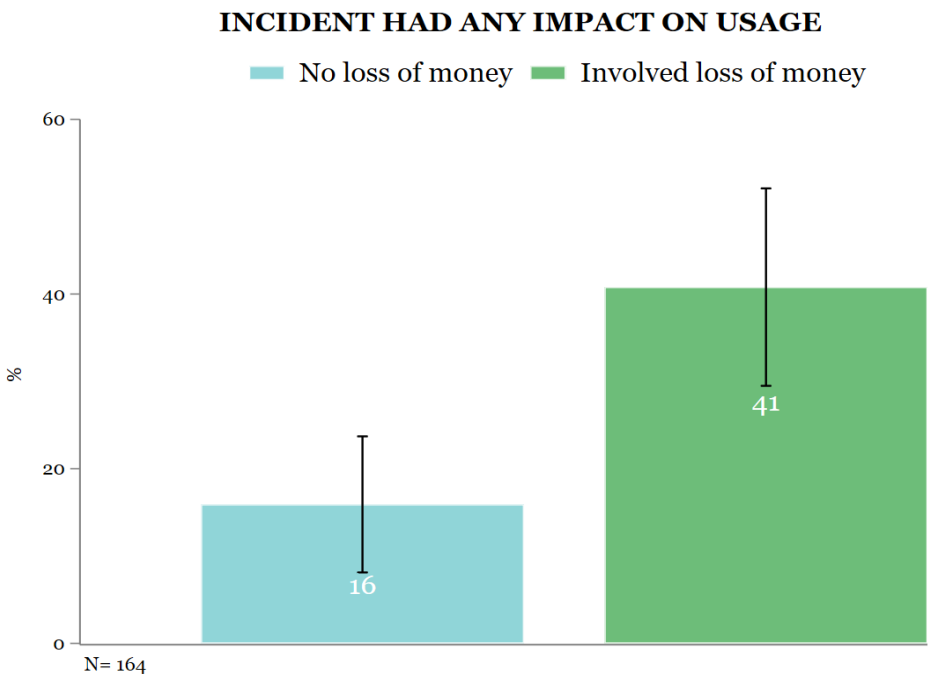
Amongst redress seekers, 27 percent made a change to their DFS usage as a result of the challenge they had experienced.



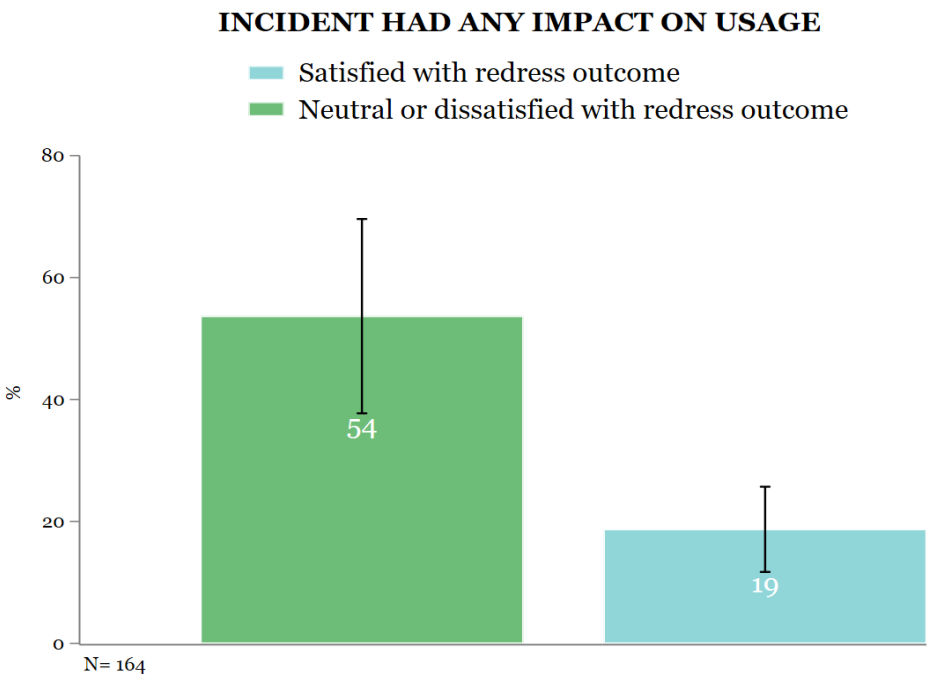
Lower educated consumer were more likely to reduce their DFS usage, while poorer respondents changed service provider to a higher extent.

Complainants reporting lost money or dissatisfied with the redress process tend to reduce their DFS usage.

Respondents were more likely to reduce their DFS usage when the challenge involved **loss of funds**.



Those **dissatisfied with the outcome** of their complaint were also more likely to reduce their DFS usage.



Trust in Digital Financial Services

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Key Findings

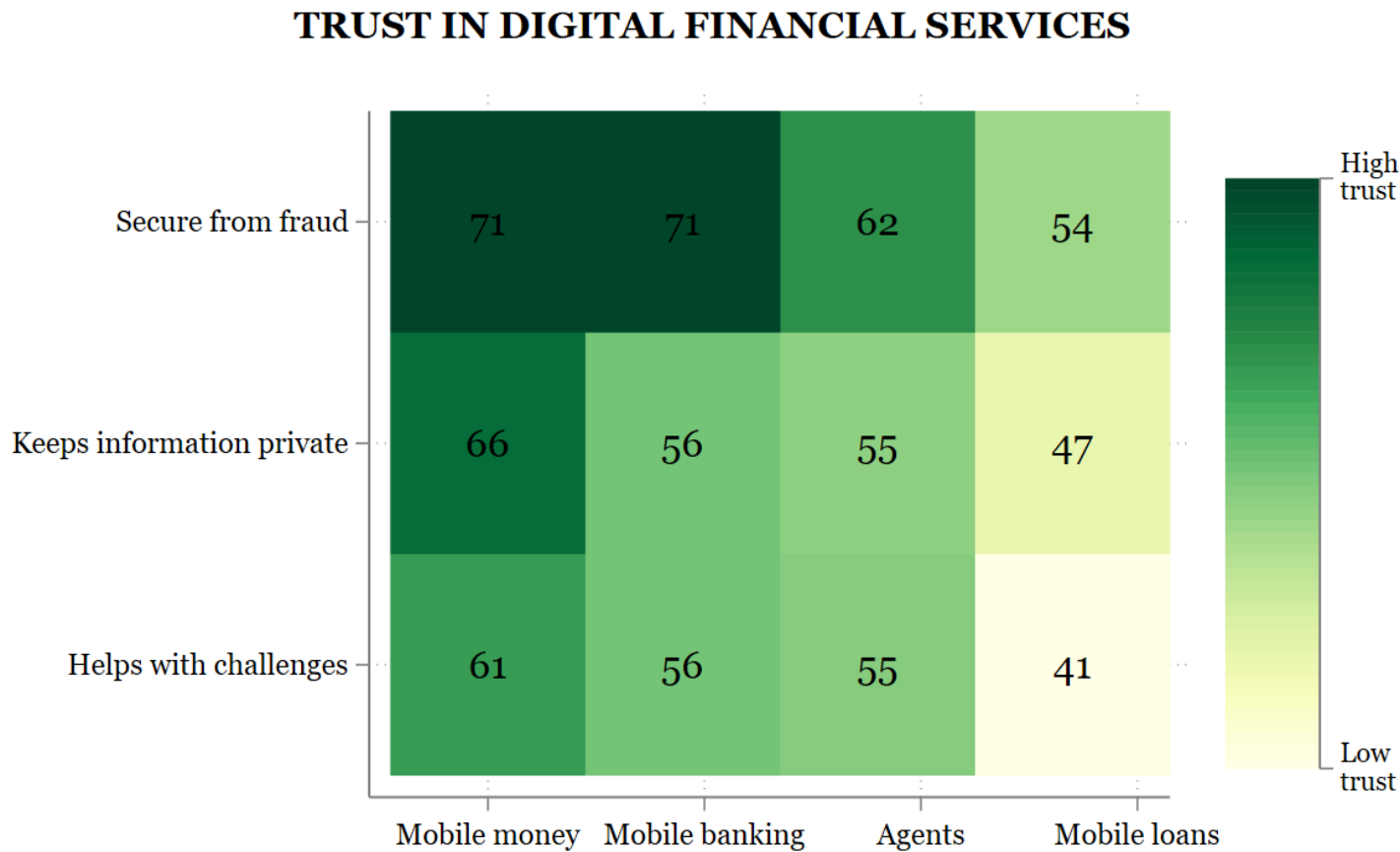
1. Trust levels by provider: Consumer trust was highest in mobile money and mobile banking providers, with 66 percent and 62 percent of respondents giving them full trust ratings. 47 percent fully trusted in agents.

2. Help with challenges: Across all services, consumers were least confident in providers' ability to help them resolve challenges related to DFS usage, and most confident in their ability to keep money safe from fraud, with ability to keep information private between the two.

3. Demographic trust patterns: Rural respondents tended to be less trustful, as measured by a trust index score constructed from all trust indicators.

4. DFS challenges and impact on trust levels: Consumers who experienced DFS challenges showed markedly lower trust scores, with issues related to fraud and unclear fees particularly strongly correlated with reduced trust.

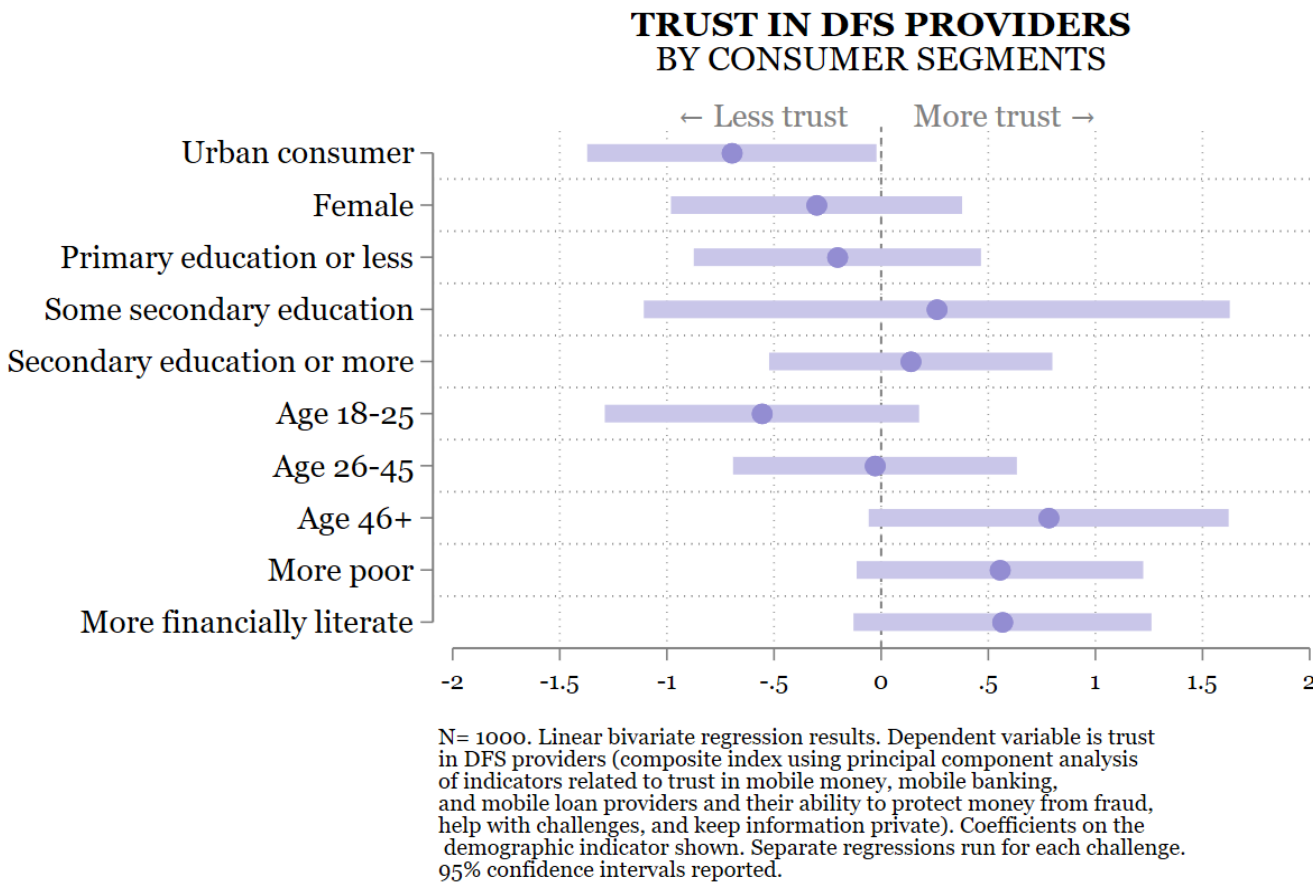
Consumer trust is highest for mobile money and mobile banking services.



N= 1000. Graph shows the percentage of respondents who gave the highest trust rating to statements related to security from fraud, privacy, and help with challenges.

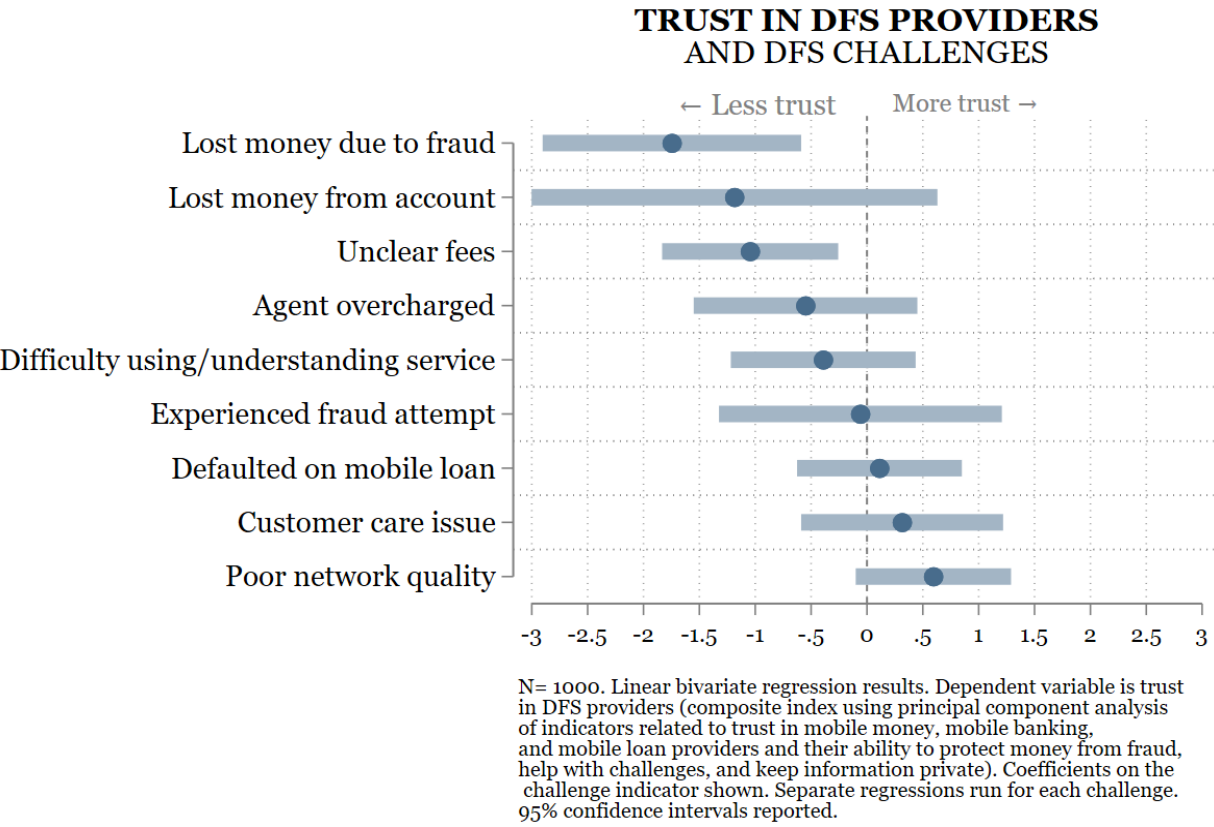
Trust in DFS providers varies by consumer segments.

Urban respondents tend to be less trustful.



Consumers who have experienced DFS challenges tend to have lower trust in DFS providers.

Most challenges experienced are associated with lower levels of trust. Provider trust is particularly strongly correlated with issues related to fraud and unclear fees. Experiences of poor network quality is associated with an increase in provider trust.





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