Financial Consumer Protection Survey (FCPS) Tanzania 2025

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Associated survey dataset available here: https://doi.org/10.7910/DVN/VKOGM1

November 2025

IPA Innovations for Poverty Action

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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):	
- Mobile money providers	66%
- Mobile banking providers	62%
- Agents	57%
- Mobile loan providers	47%

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

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/km²). 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.
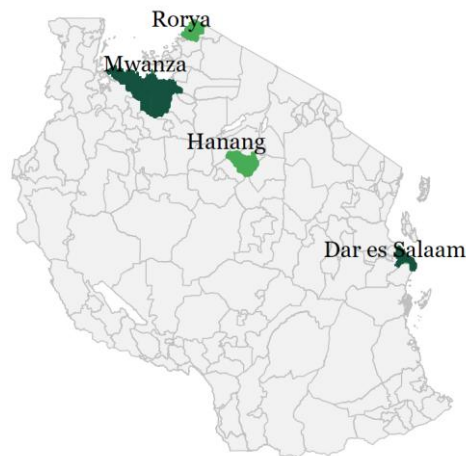
Urban cities are displayed in dark green, rural districts in lighter green

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.

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.

GENDER

■ Male ■ Female

50% 50%

N= 1000.
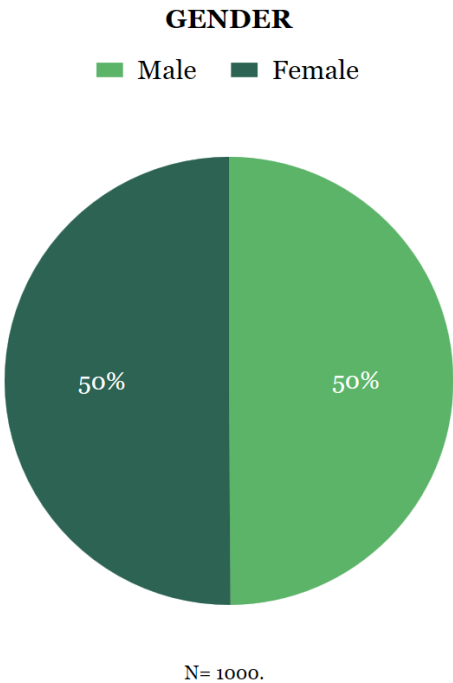
We surveyed 500 respondents in the two biggest cities, Dar es Salaam and Mwanza, and another 500 in two randomly selected rural districts, Rorya and Hanang.

Rorya: 250

Mwanza: 250

Hanang: 250

Dar es Salaam: 250
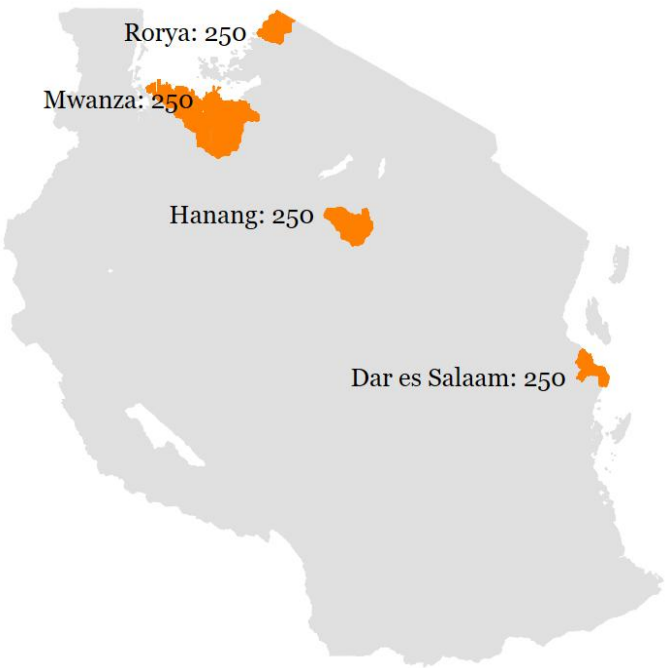
This compares to 51 percent female and 26 percent urban DFS consumers nationally in the Findex 2025 survey.

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.

AGE

- Age 18-25
- Age 26-45
- Age 46+

	%
Age 18-25	28
Age 26-45	51
Age 46+	22

N= 1000.

EDUCATION

- Primary education or less
- Some secondary education
- Secondary education or more

	%
Primary education or less	57
Some secondary education	6
Secondary education or more	38
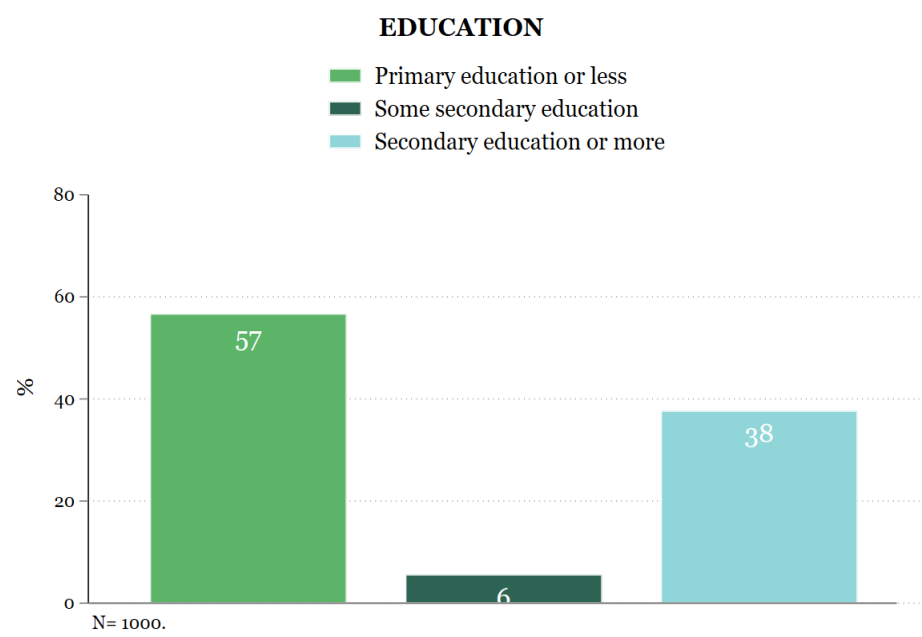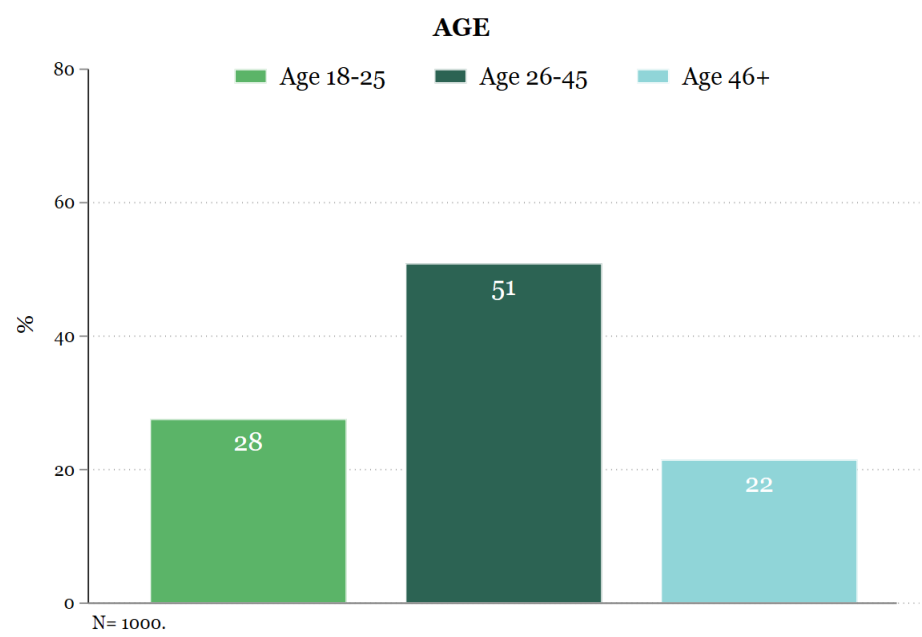
N= 1000.

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

32%
54%
12%
2%
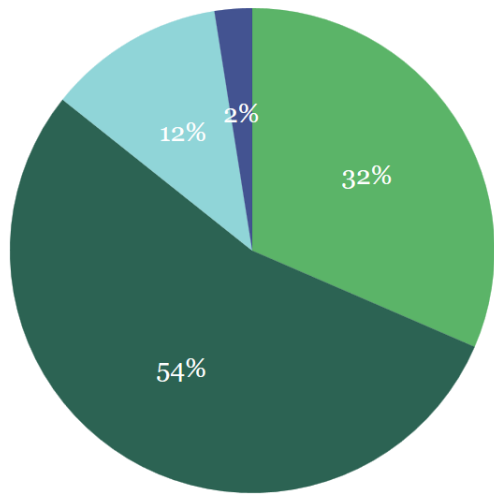
N= 1000.

RELATIONSHIP TO HEAD OF HOUSEHOLD

- Household head
- Partner/Spouse
- Child
- Other

56%
22%
16%
5%
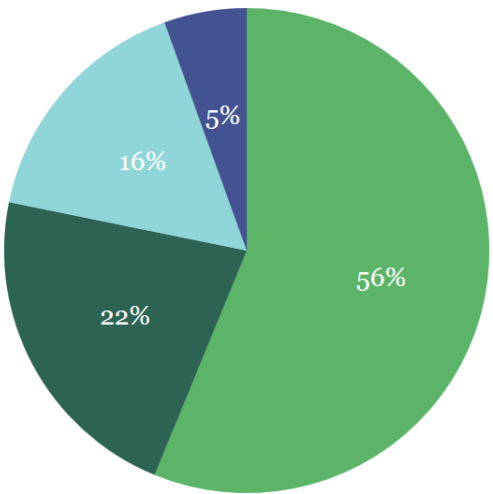
N= 1000.

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.

EMPLOYMENT TYPE

Employment Type	%
Self-Employed	76
Private Employer	16
Family Business	6
Government	2

%

N= 919.
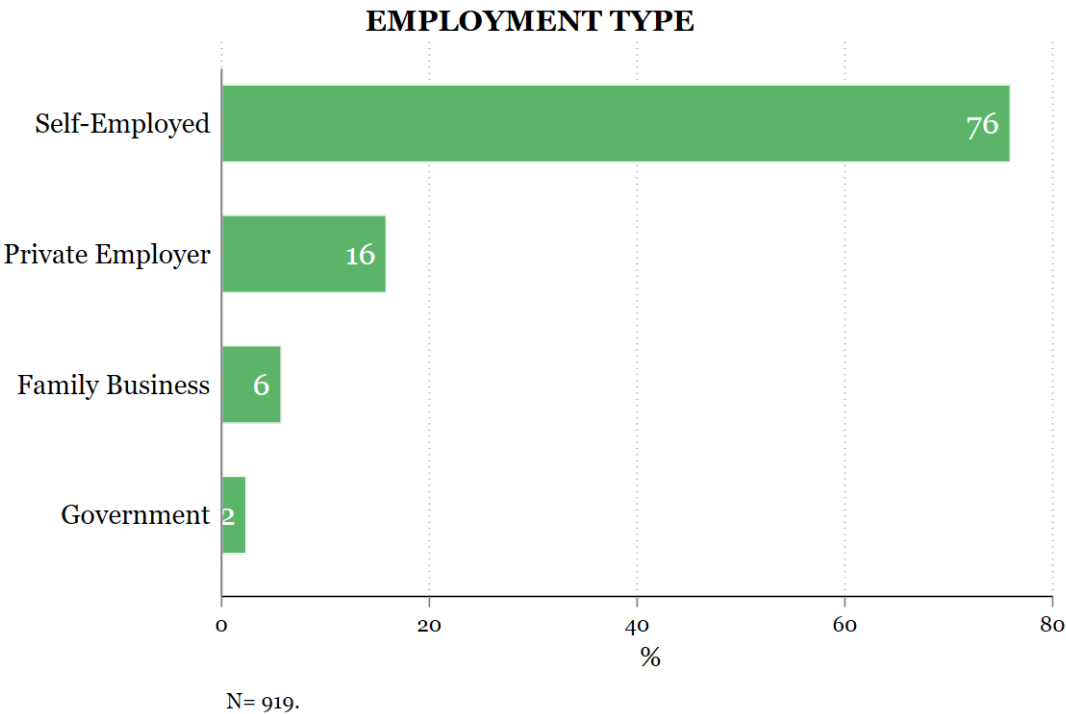
Over half of respondents use basic phones.

PHONE TYPE

- 🟩 Smartphone
- 🟫 Basic phone
- 🟦 Feature phone

2%
53%
45%

N= 986.
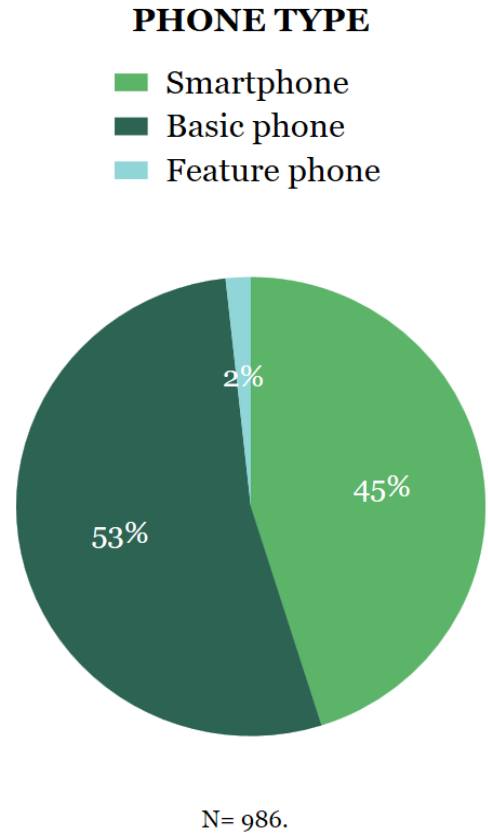
Our respondents are more likely to own smartphones compared to the typical DFS user: 45 percent compared to 30 percent in the Findex survey.

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

N= 986. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
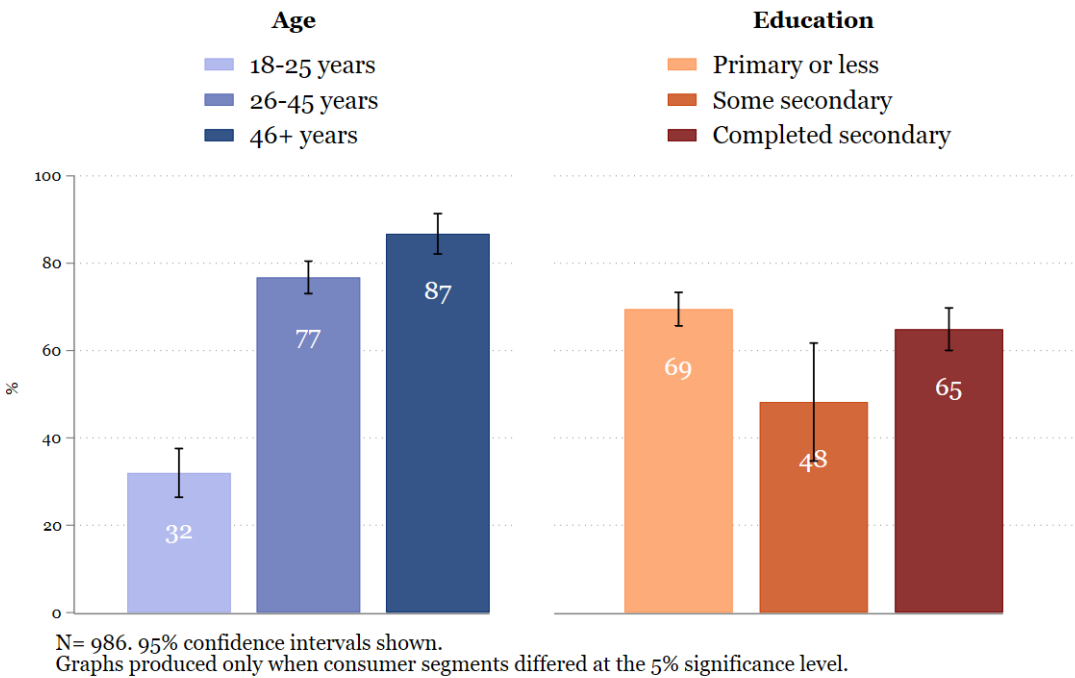
Almost 40 percent of DFS users did not have a PIN or password on their phone to protect their accounts.

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 IS PASSWORD PROTECTED

Group	%
18-25 years	71
26-45 years	62
46+ years	45
Rural	54
Urban	68
Primary education or less	54
Some secondary education	55
Secondary education or more	72
Less poor	65
More poor	57

N= 986. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
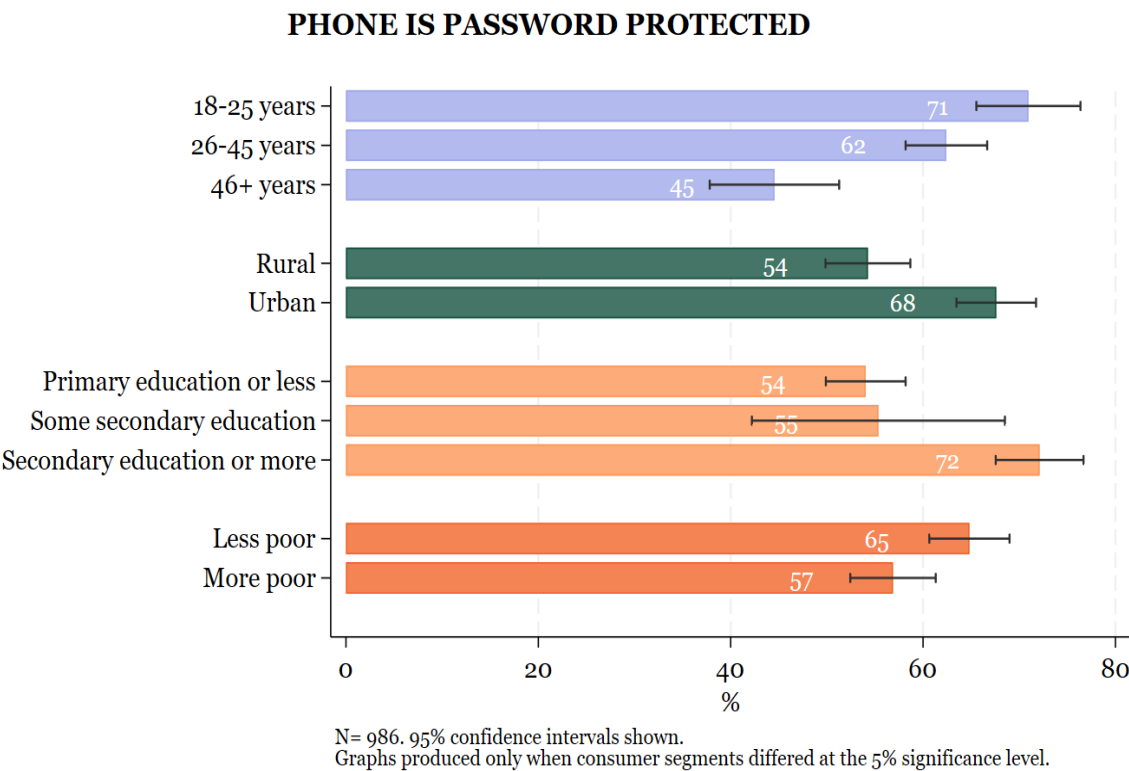
Most consumers use their own phone, but almost one in three that use a PIN or password share it with others.

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.

4%

shared their phone with someone else.

31%

of PIN/password users said that someone else knew their PIN or password.
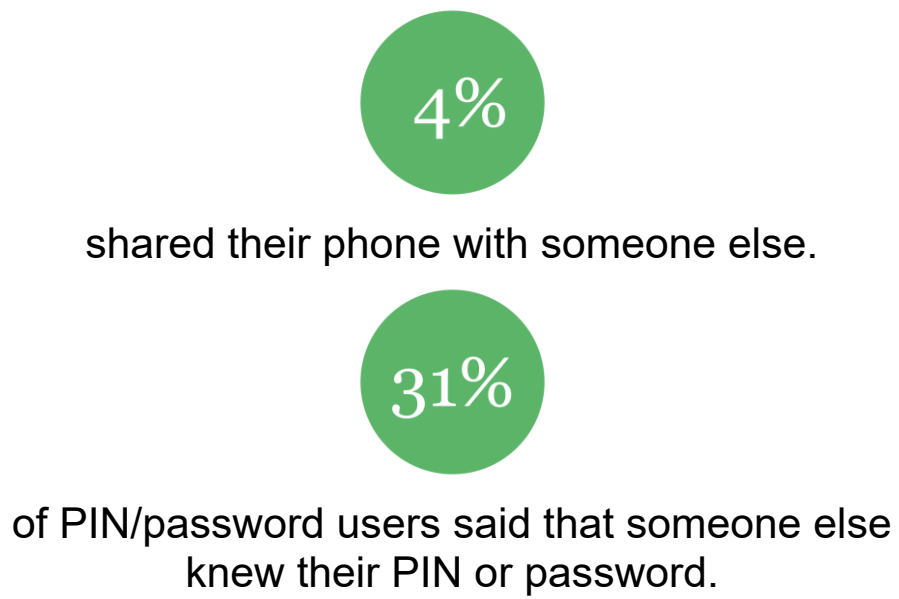
SOMEONE ELSE KNOWS PHONE PIN OR PASSWORD

Age
- 18-25 years
- 26-45 years
- 46+ years

Gender
- Female
- Male

N= 601. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
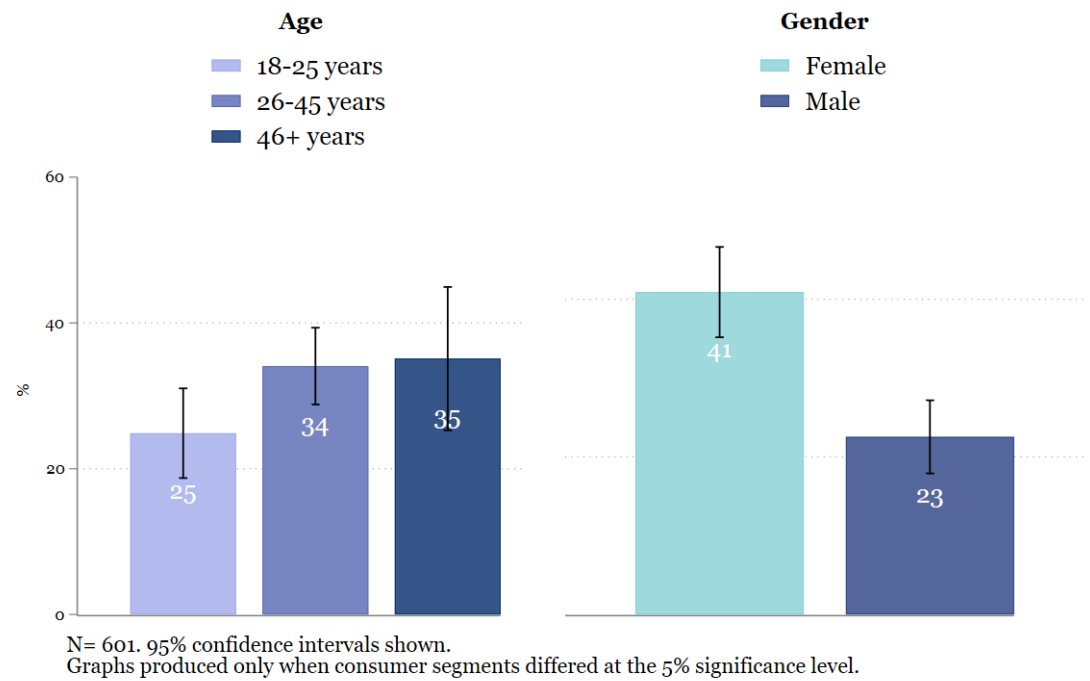
Two thirds of consumers found it difficult to meet a basic financial health benchmark: accessing funds equal to 1/20th of GNI per capita within 30 days in an emergency.

MAIN SOURCE OF EMERGENCY FUNDS
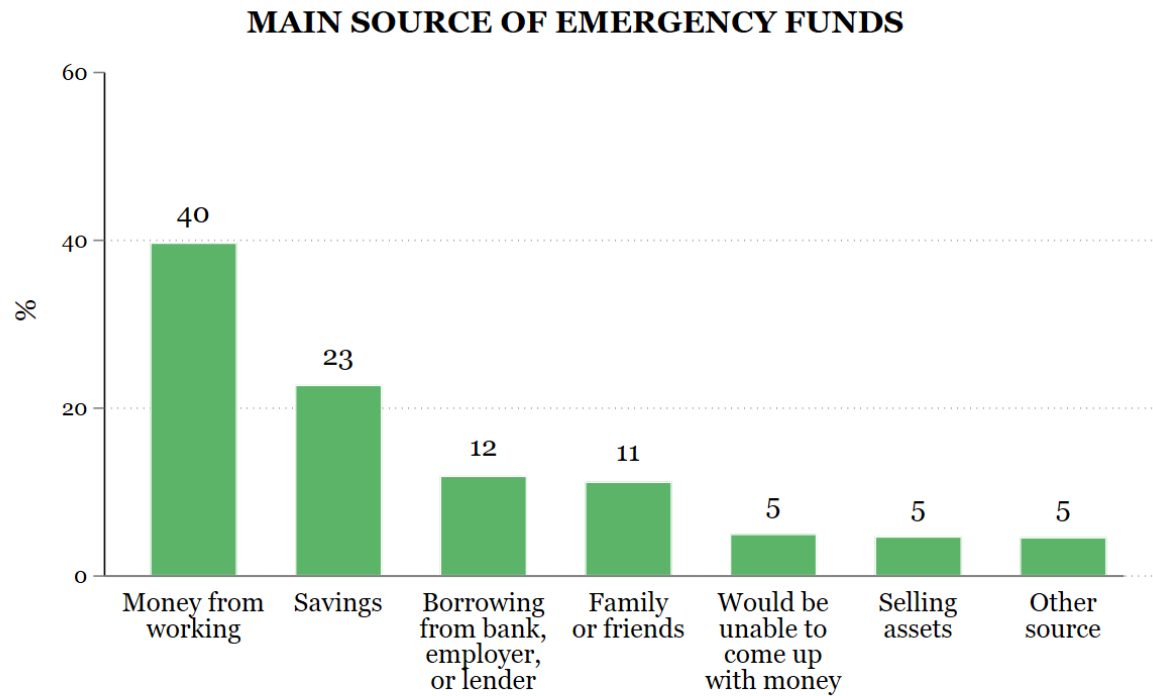
N= 1000. Excludes 3 don't know/refuse to answer responses.

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.*

34%
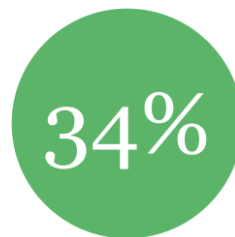
of respondents were financially literate in our sample.

Several key demographic characteristics of our sample are correlated.

CORRELOGRAM OF RESPONDENT CHARACTERISTICS

Only correlations statistically significant at the 5%-level shown.
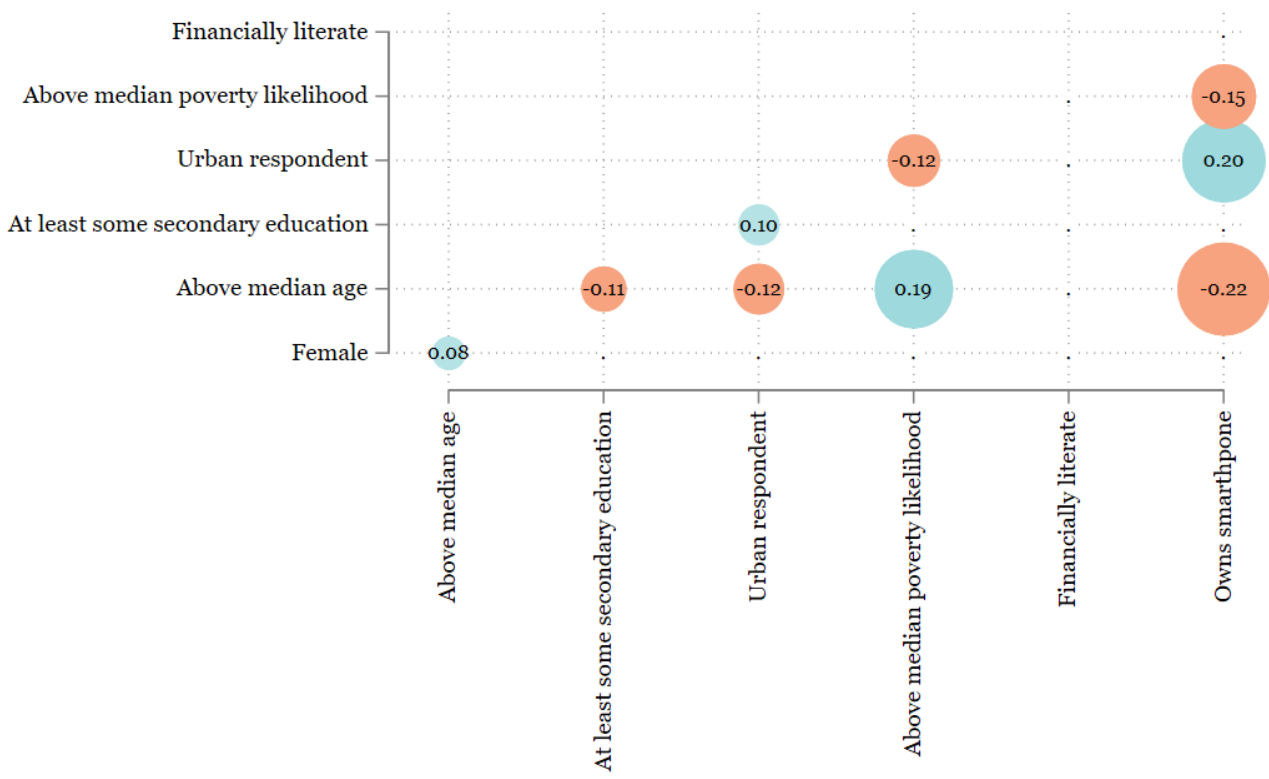
Stronger relationships are shown as larger circles, in light blue for positive correlations and red for negative correlations.

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

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.

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)

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.

DIGITAL FINANCIAL SERVICES
USED IN THE PAST 12 MONTHS

Service	%
Mobile money	98
DFS agent	97
Mobile loan	28
Overdraft service	21
Mobile banking	16
Buy-Now-Pay-Later service	<1
Credit card	0

%

N= 1000. Excludes 31 don't know responses.

FIRST-TIME PAYMENT ACCOUNT USER
Last account opened:

■ This was my first account   ■ I already had an account

54%   46%

N= 986. Excludes 6 don't know/refuse to answer responses.

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.

DFS USAGE BY CONSUMER SEGMENT
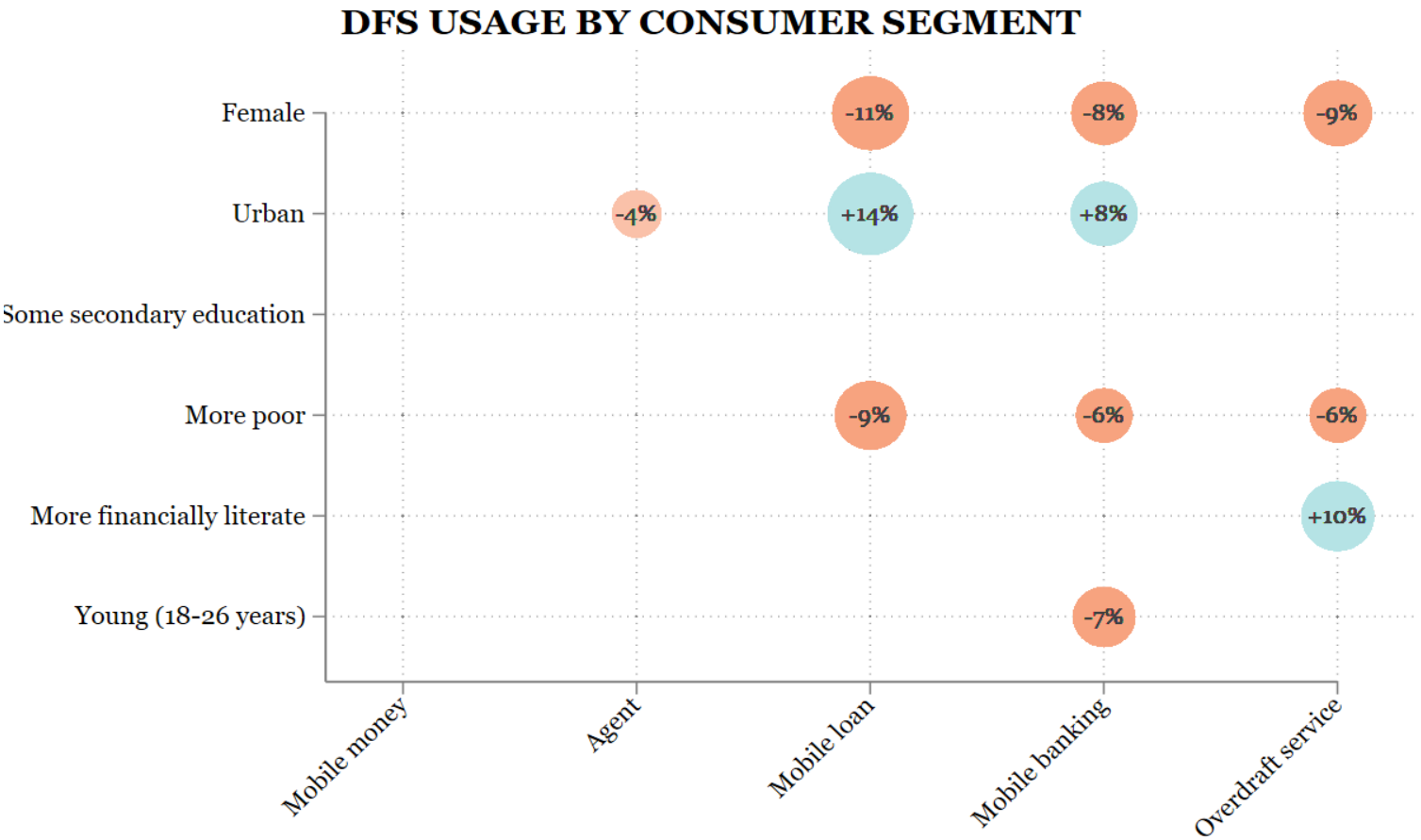
Percentage point difference in usage. Only differences statistically significant at the 5%-level sh...

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.

PREFERENCES FOR USSD AND APPS
Smartphone user prefers:
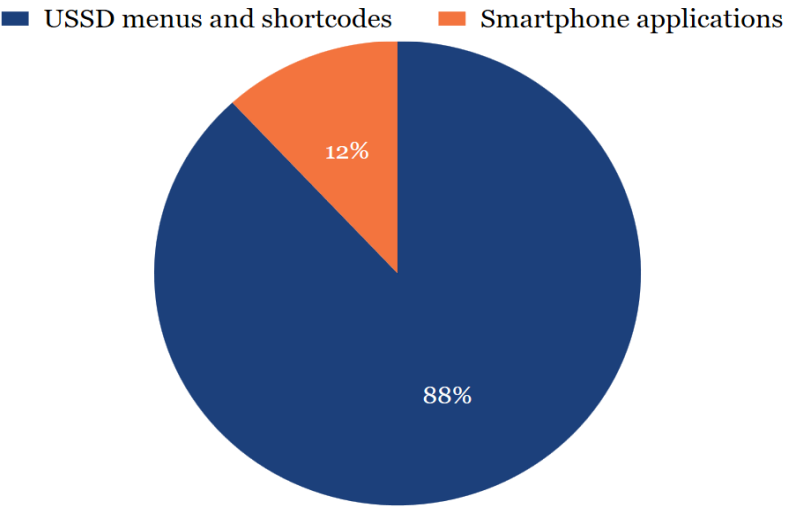
- ■ USSD menus and shortcodes
- ■ Smartphone applications

12%

88%

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

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

PREFERS USSD MENUS OVER APPS

Segment	%
Female	93
Male	84
18-25 years	87
26-45 years	87
46+ years	97
Primary education or less	92
Some secondary education	87
Secondary education or more	85
Less poor	86
More poor	92

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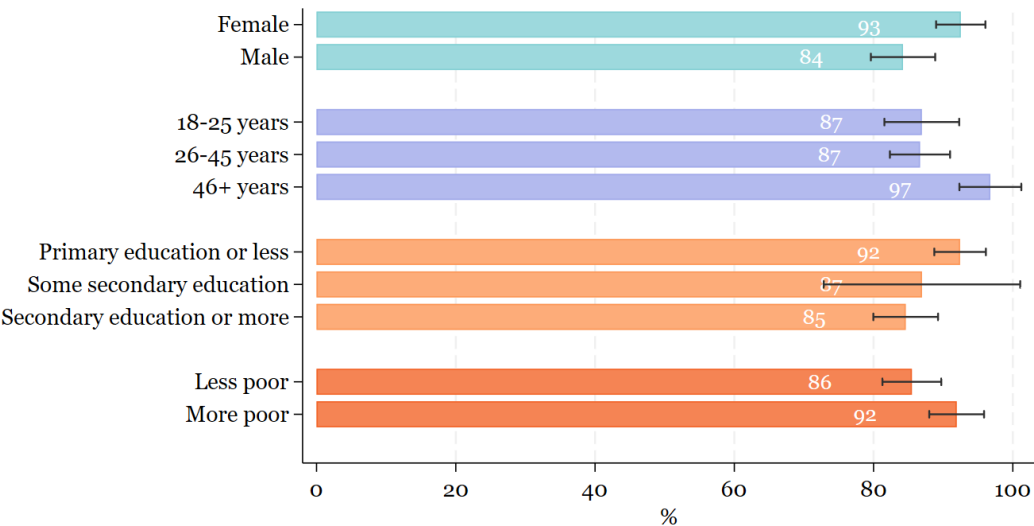
N= 455. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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

NUMBER OF DIFFERENT PROVIDERS OR AGENTS USED
LAST 12 MONTHS

PAYMENT SERVICES

Mean: 2.0
Median: 2.0

MOBILE LOANS

Mean: 1.1
Median: 1.0

AGENTS

Mean: 4.1
Median: 3.0

Payment services: N= 986, Mobile loans: N= 282, Agents: N= 967
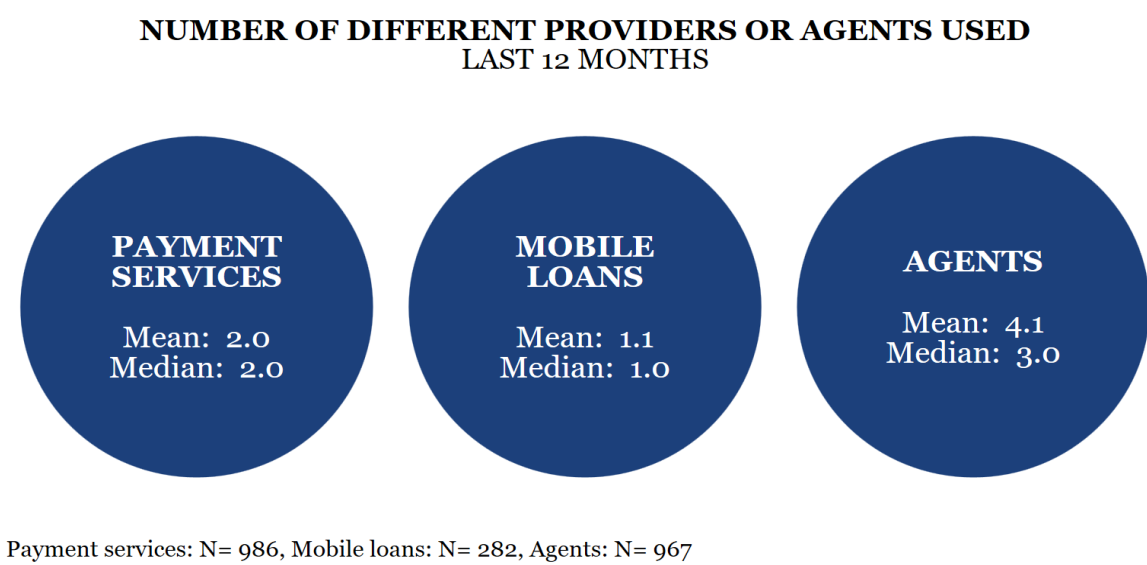
31 percent had only used one payment services provider, 92 percent had only used one mobile loan provider, and 16 percent had only used one agent.

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.

USES MULTIPLE PAYMENT SERVICE PROVIDERS

Age
- 18-25 years
- 26-45 years
- 46+ years

Education
- Primary or less
- Some secondary
- Completed secondary

Urbanicity
- Rural
- Urban

Age: 61, 73, 73
Education: 65, 59, 77
Urbanicity: 65, 73

N= 986. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

USES MULTIPLE AGENTS

- Female: 80
- Male: 88
- Rural: 77
- Urban: 91
- Primary education or less: 78
- Some secondary education: 91
- Secondary education or more: 92
- Less poor: 89
- More poor: 79

N= 992. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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.

FREQUENCY OF MOBILE PHONE TRANSACTIONS

Legend: Weekly | Monthly | Less than once a month | Never

Transaction	Weekly	Monthly	Less than once a month	Never
Purchase airtime	76	10	6	9
Deposit into account	34	20	32	14
Withdraw from account	24	27	44	5
Send money to another person	21	19	41	19
Pay for utilities	13	26	13	48
Make merchant payments	7	7	13	73
Make payments to the government	4	8	6	82
Receieve government payments	2	1		96

N= 986. Excludes 7 don't know/refuse to answer responses.

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

PROVIDER MARKET CONCENTRATION

Legend: MOBILE BANKING · MOBILE LOANS · MOBILE MONEY

Y-axis: More concentration ↑ / Less concentration ↓ (values 0 to 10,000)
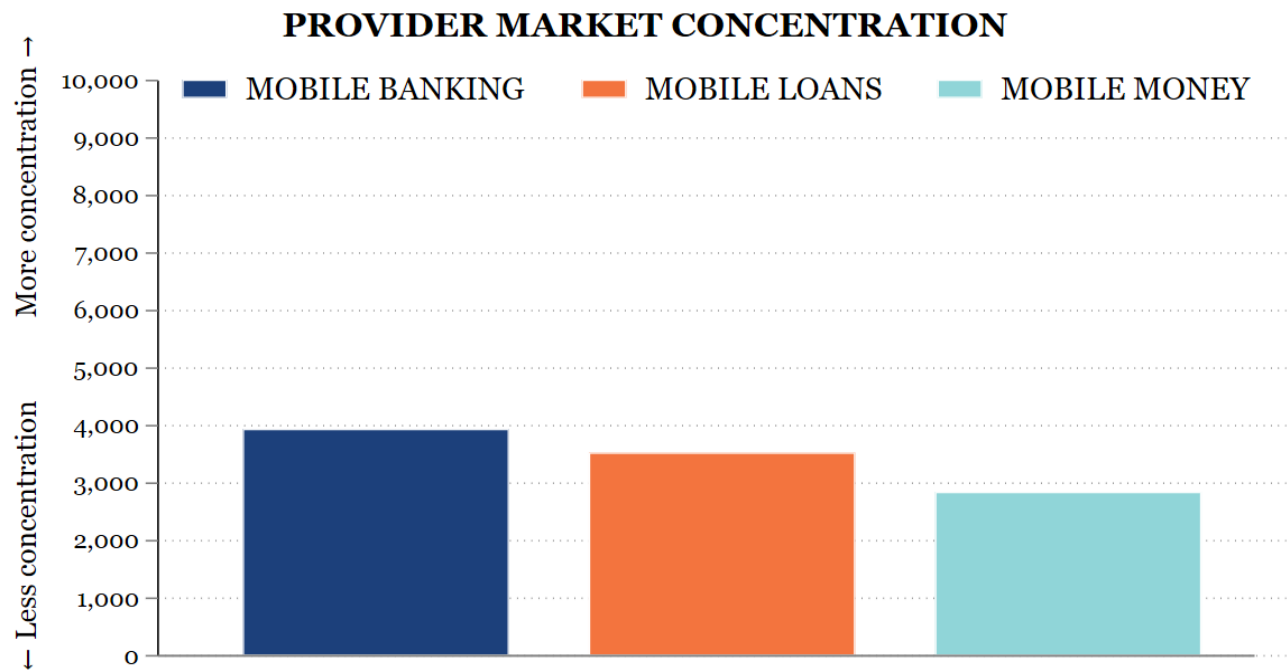
Y-axis shows the Herfindahl–Hirschman Index (HHI).
The HHI is a measure of market concentration, calculated by summing the squares
of the market shares of all the financial services providers used by respondents in our data within
mobile money, mobile banking, and mobile loan services, respectively. Lower values indicate less
market concentration and higher values suggesting greater market concentration.

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.

REASON FOR USING PROVIDER: PAYMENT SERVICES

Reason	%
Good customer service/respectful treatment	38
Only option known or available	37
Easy/quick access	29
Least expensive	20
Fast transactions	16
Provider is trustworthy	16
Used by friend/family member	10
Used by person I transact with	9
My money is safe from fraud/scam	8
Already using this provider	5
Other reason	2
Linked to salary payment	1

Multiple selections possible. N= 986

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.

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

REASON FOR USING PROVIDER: MOBILE LOAN

Reason	%
Easy/quick access	33
Only option known or available	26
Least expensive	25
Fast transactions	21
Good customer service/respectful treatment	19
Already using this provider	16
Provider is trustworthy	7
Better repayment terms	7
My money is safe from fraud/scam	4
Other reason	3
Higher loan amount	2
Does not ask for collateral	1

%

Multiple selections possible. N= 282

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

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

REASON FOR USING DFS AGENT

Reason	%
Proximity to home or work	44
Good customer service/respectful treatment	40
Least expensive	33
Agent is respected/trustworthy	28
Fast transactions	23
Is available better hours	13
Has enough cash or float	11
Agent is a friend/family member	8
Offers all companies/services	7
Recommended by friend or family	1
First one tried	1
Other reason	<1

%
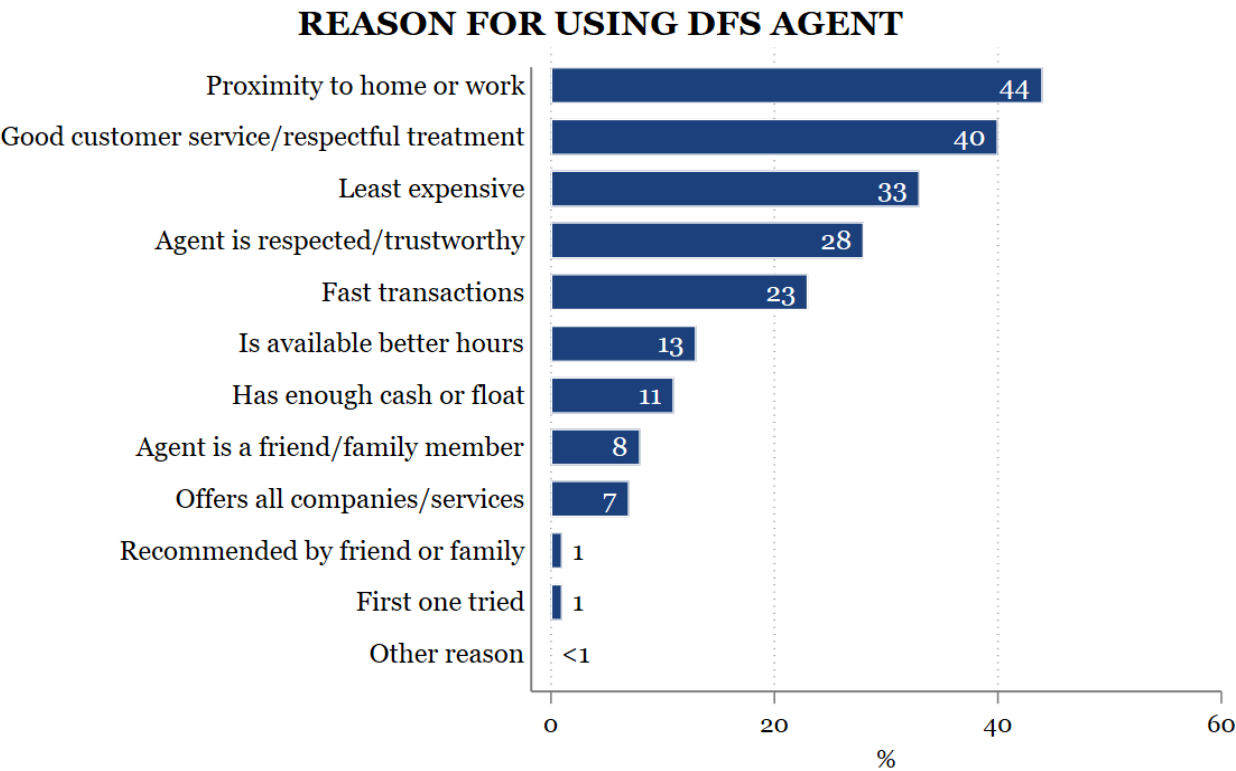
Multiple selections possible. N= 969.

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

Rural respondents and older adults mentioned trust more often.

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.

COMPARES PRICES OF SERVICE PROVIDERS

■ Payment services ■ DFS agents ■ Mobile loans

Payment services: 19
DFS agents: 49
Mobile loans: 23

Respondents: Payment services: N= 986, Agents: N= 969, Mobile loans: N= 282

DIFFICULT COMPARING PRICES

■ Very easy ■ Somewhat easy ■ Neutral ■ Somewhat difficult ■ Very difficult

Payment services: 36, 20, 15, 16, 14
Mobile loans: 34, 23, 20, 15, 8

Payment services: N= 898. Mobile loans: N= 245.
Excludes 125 don't know responses across both variables.

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.

REASON FOR DISCONTINUED USAGE
PAYMENT SERVICES PROVIDER

Reason	%
Problem with phone or account	46
Poor network	15
Price (too expensive)	10
Unexpected deductions/ fees	9
Better services offered by other	8
No longer in need of services	7
Low income flow	7
Poor customer service	6
Provider is far away	6
Other reason	5
Fraud experience	2
Provider no longer in business	1
Disrespectful treatment	1
Outstanding debt	<1

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.

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.

REASON FOR DISCONTINUED USAGE AGENT

Reason	%
Distance from home or work	69
No longer in business	28
Price (expensive/extra fees)	13
Poor customer service	9
Fraud experience	4
Disrespectful treatment	3
Limited provider/services offer	3
Unreliable service	3
Long wait times	1
Low income flow	1
Other reason	1
Did not keep information safe	<1
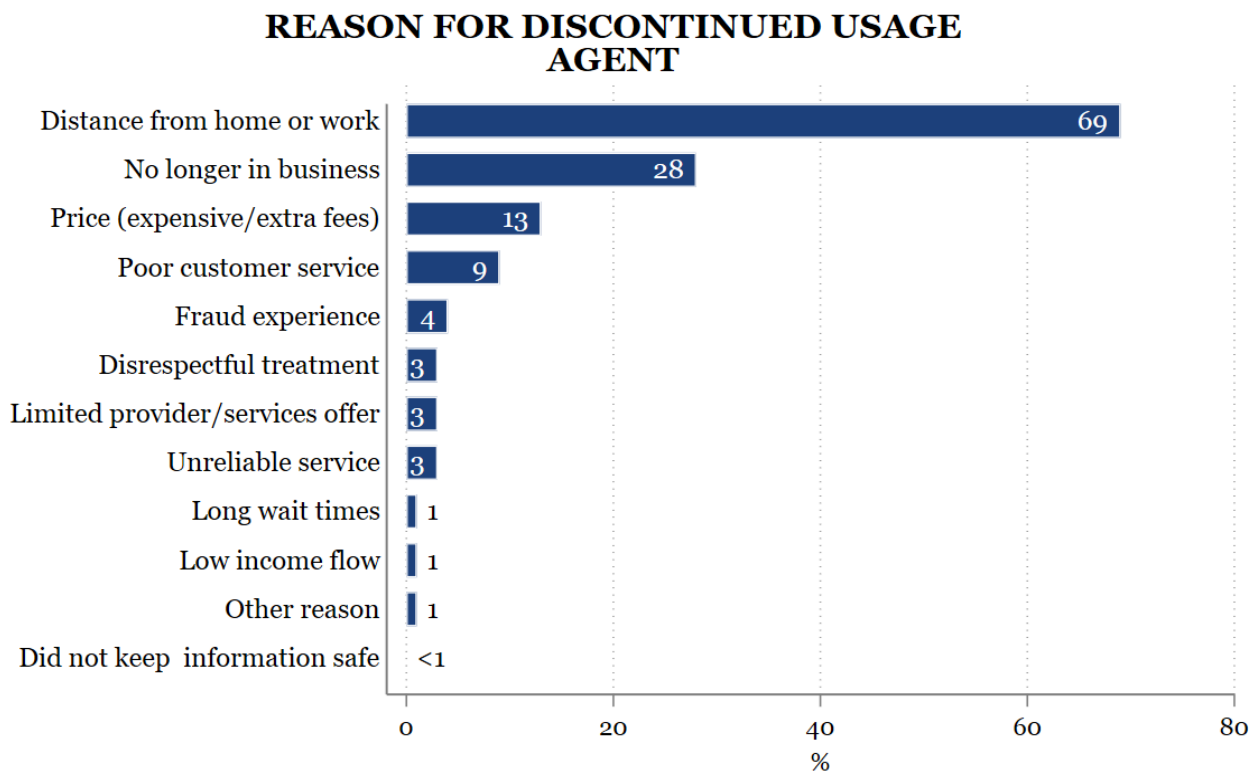
Multiple selections possible. Respondents: N= 576

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

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

**REASON FOR NOT USING SERVICE
MOBILE LOANS**

Reason	%
No need of the service	60
Does not know how/unable to access service	24
Cost is too high	20
Borrows money in other ways	15
Service doesn't fit needs	11
Lack of trust	9
Does not own a SIM card	4
Friends or family had a bad experience	3
Had a bad experience	2
Does not own a mobile phone	2
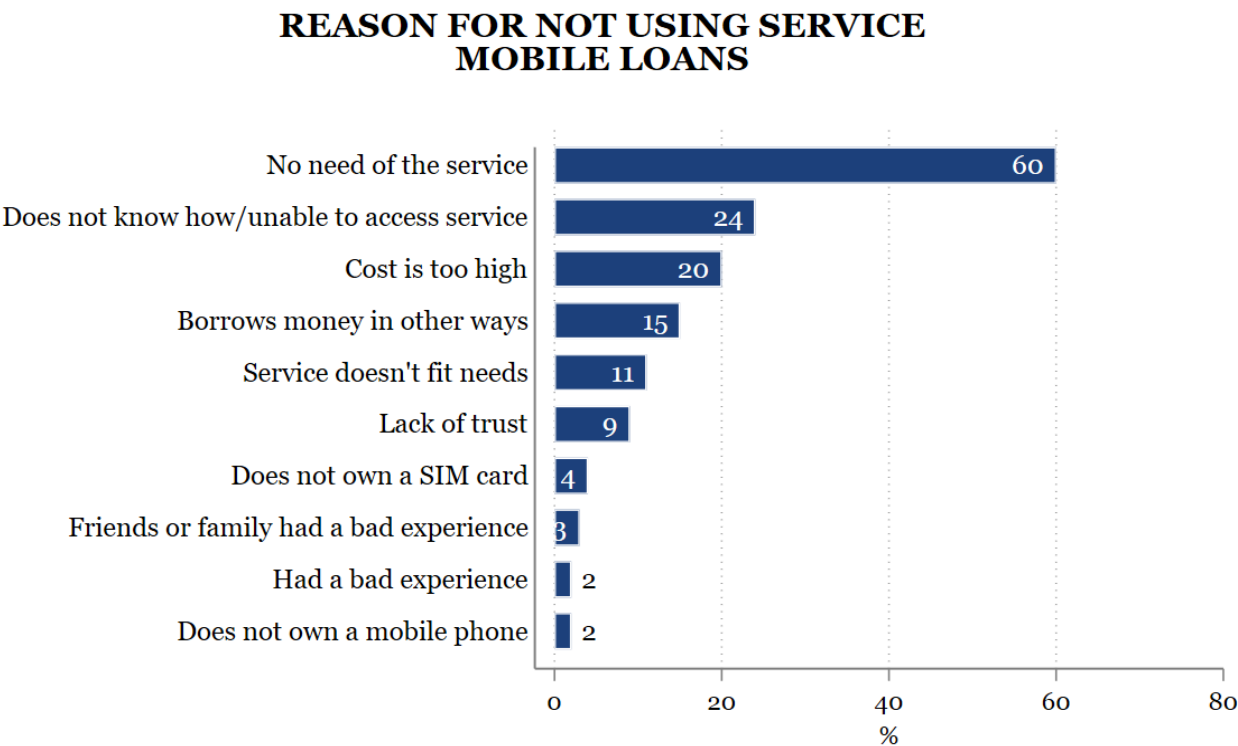
Multiple selections possible. Respondents: N= 717.
Excludes 10 don't know/refuse to answer responses.

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.

TYPE OF LAST AGENT TRANSACTION

Transaction	%
Cash-out/withdrawals	44
Sending money	27
Cash-in/deposits	18
Paying bills	5
Buying airtime	4
Receiving money	2
Buying insurance	<1
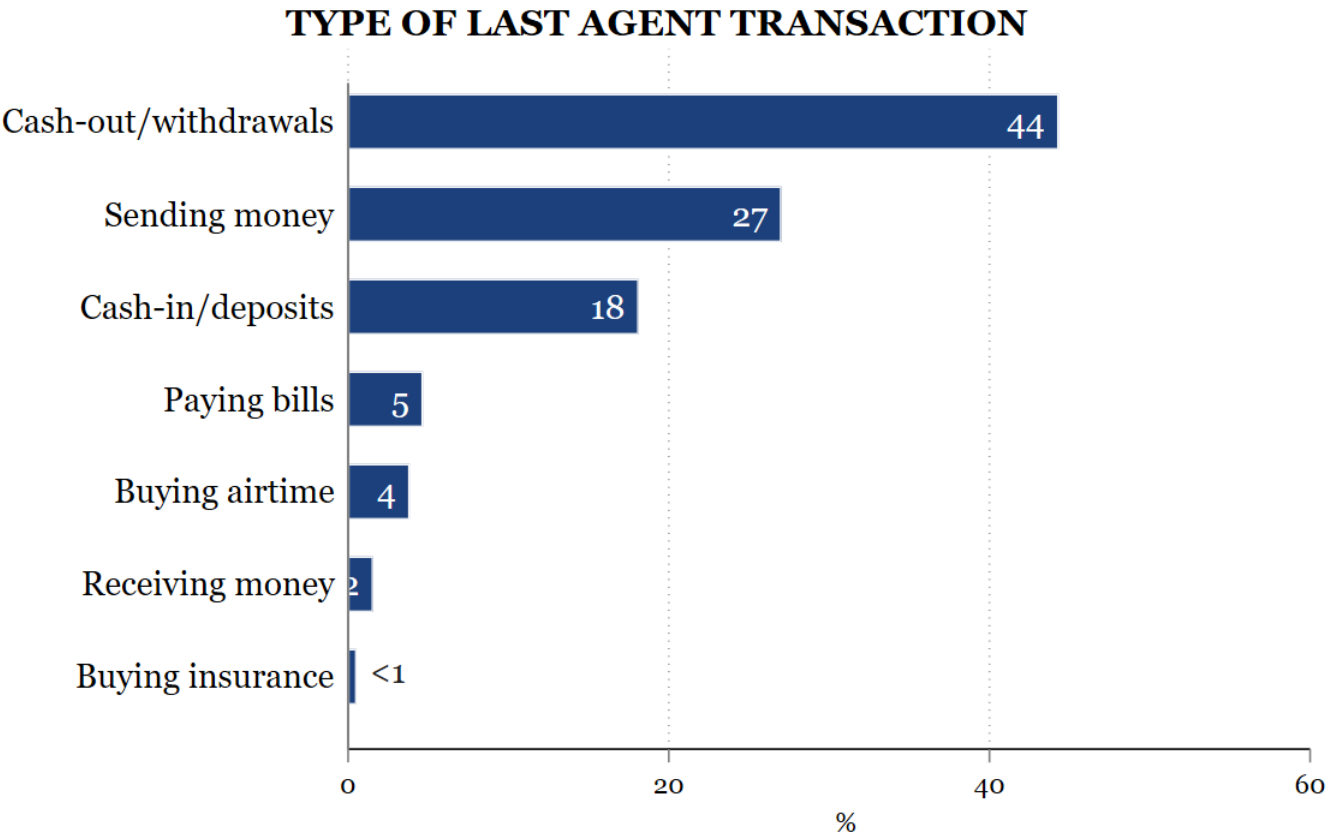
N= 969. Excludes 3 don't know/refuse to answer responses.

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.

USE OF LAST LOAN

Category	%
Airtime	29
Business or agricultural expenses	23
Business or agriculture investments	20
Regular household expenses	17
Emergencies	17
Large household purchases	7
Repay another debt	2
Social events	1
Other	1
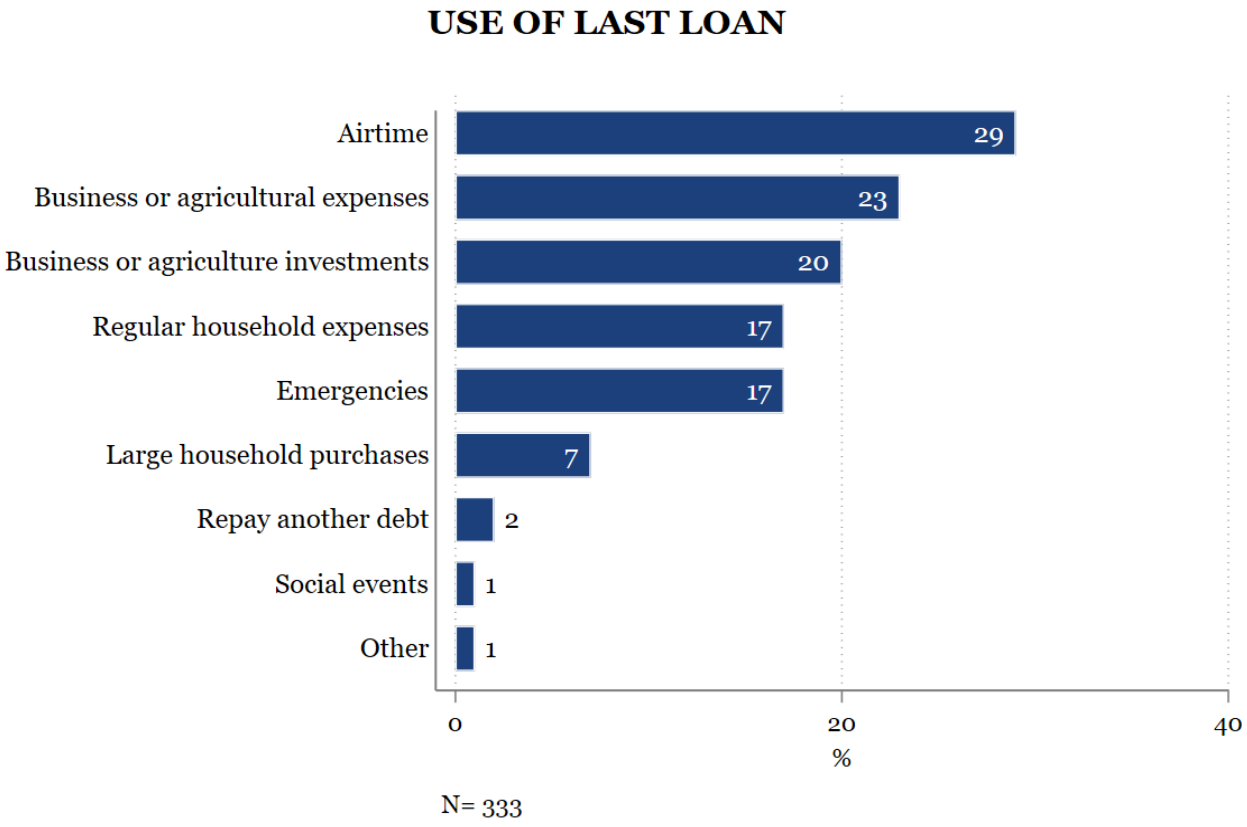
N= 333

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.

SOURCE OF LAST LOAN

Source	%
Mobile money operator	43
Savings group	20
Microfinance bank	8
Microfinance institution	8
Family/friend/household member	5
Commercial bank	5
Online/digital/fintech lender	5
Money lender	3
Government	1
Non-interest loan	1
Village/community/association	<1
Savings/thrift collector	<1
Employer	<1
Digital microfinance banks	<1
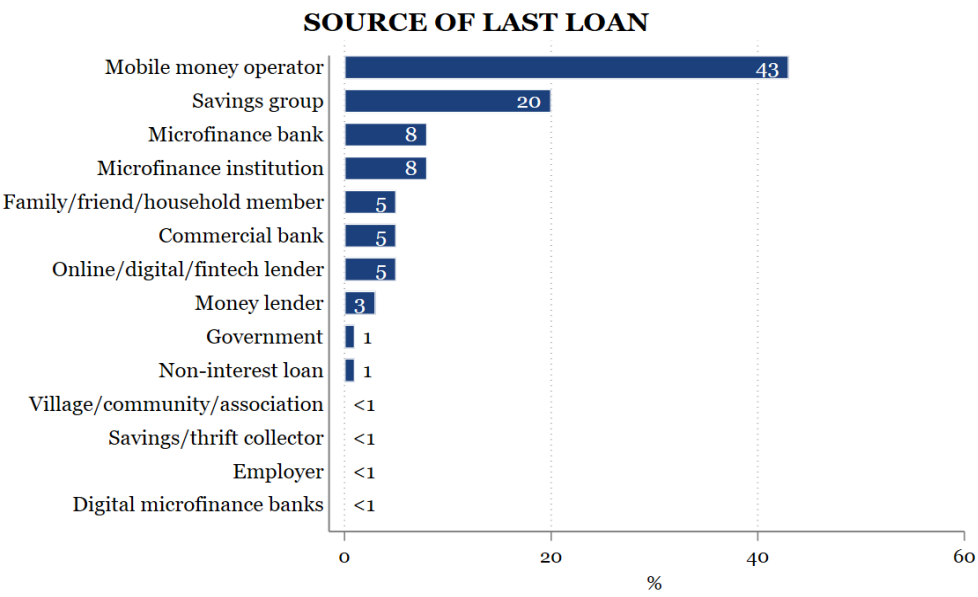
N= 333. Excludes 14 don't know/refuse to anser response.

PRIMARY REASON FOR USING LOAN SOURCE

Reason	%
Easy/quick access	38
Least expensive	17
Better repayment terms	12
Only option known or available	12
Fast transactions	8
Good customer service	4
Does not ask for collateral	2
Already using this company for other services	2
Higher loan amounts	2
My money is safe from fraud/scam	1
Company is trustworthy	1
Respectful treatment	1
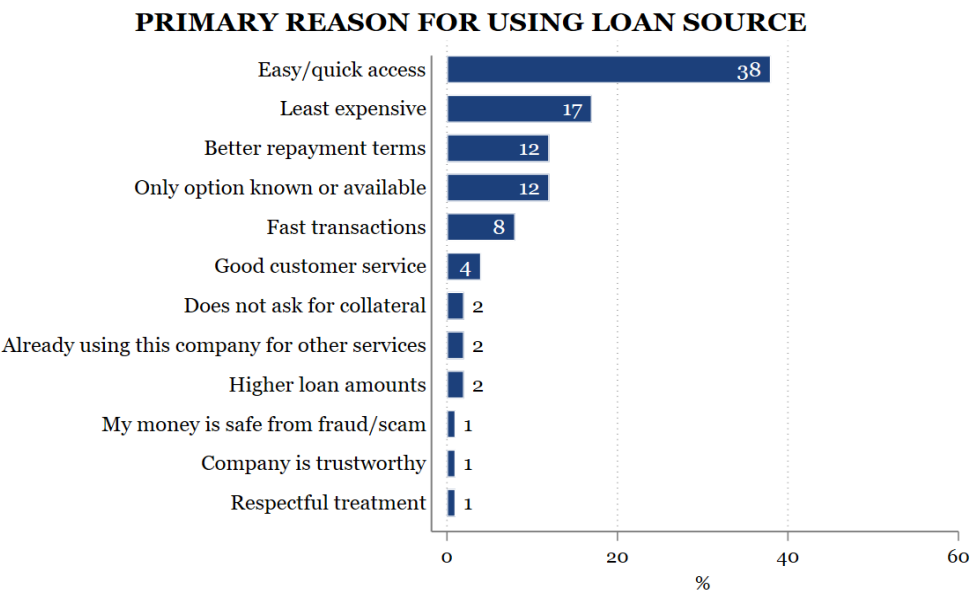
N= 333. Excludes 12 don't know/refuse to anser response.

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

18 percent used them to cover emergency expenses.

USE OF LAST MOBILE LOAN

Category	%
Airtime	51
Regular household expenses	23
Emergencies	18
Business or agricultural expenses	11
Business or agricultural investments	5
Repay another debt	3
Gambling	1
Social events	1
Large household purchases	1
Games	<1
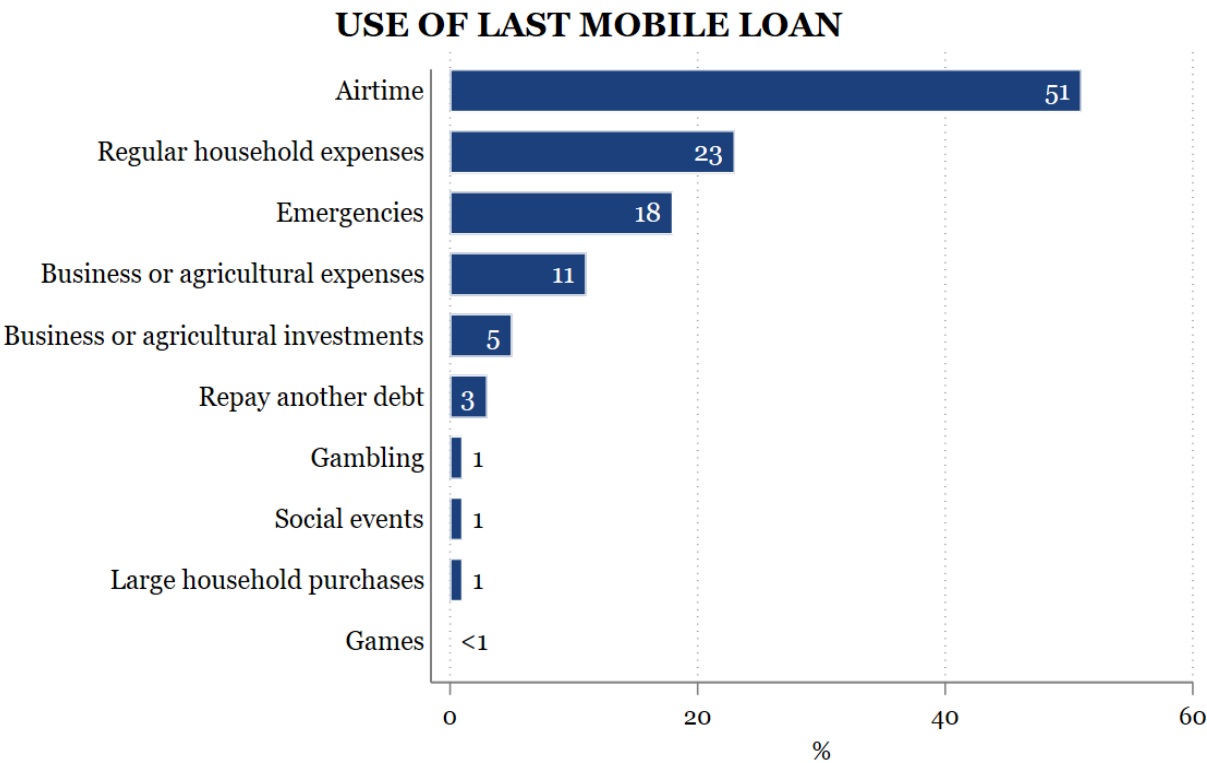
Multiple selections possible. Respondents: N= 1000.
Excludes 9 don't know/refuse to answer responses.

Mobile loans are typically low value and short tenure.

AMOUNT OF LAST MOBILE LOAN

← 70% of loans had values below $5

USD

N= 280

REPAYMENT PERIOD OF LAST MOBILE LOAN

■ Less than 7 days   ■ One week to one month   ■ One month or more

36

60

4

N= 282. Excludes 9 don't know/refuse to answer responses.
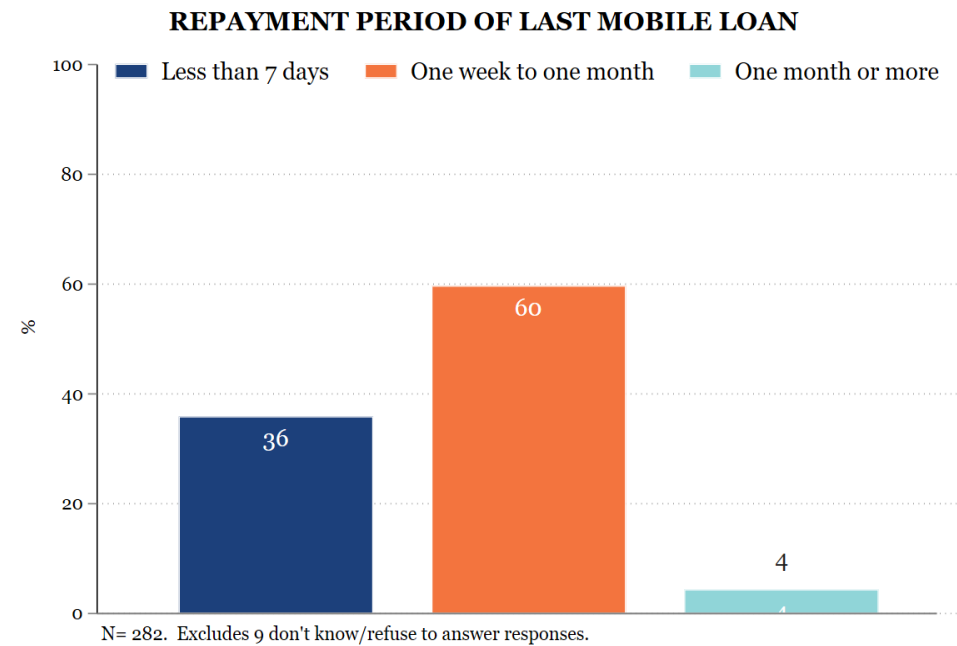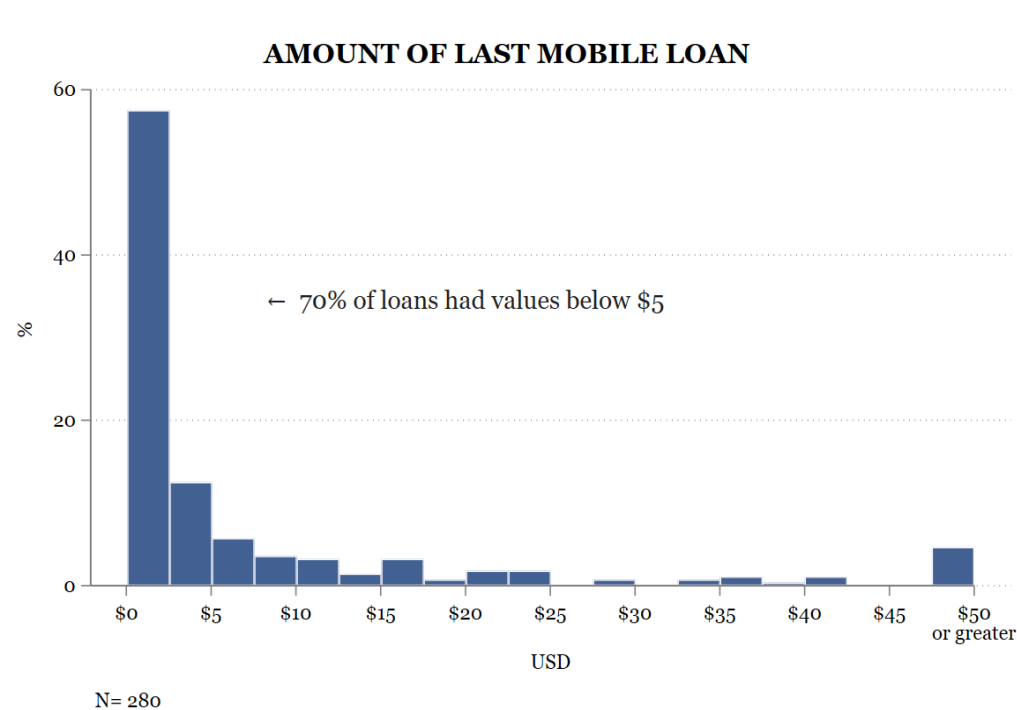
Early repayment is common, but it reduced fees in less than half of cases.

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.

MOBILE LOAN REPAYMENT MODE

N= 282. Excludes 2 don't know/refuse to answer responses.
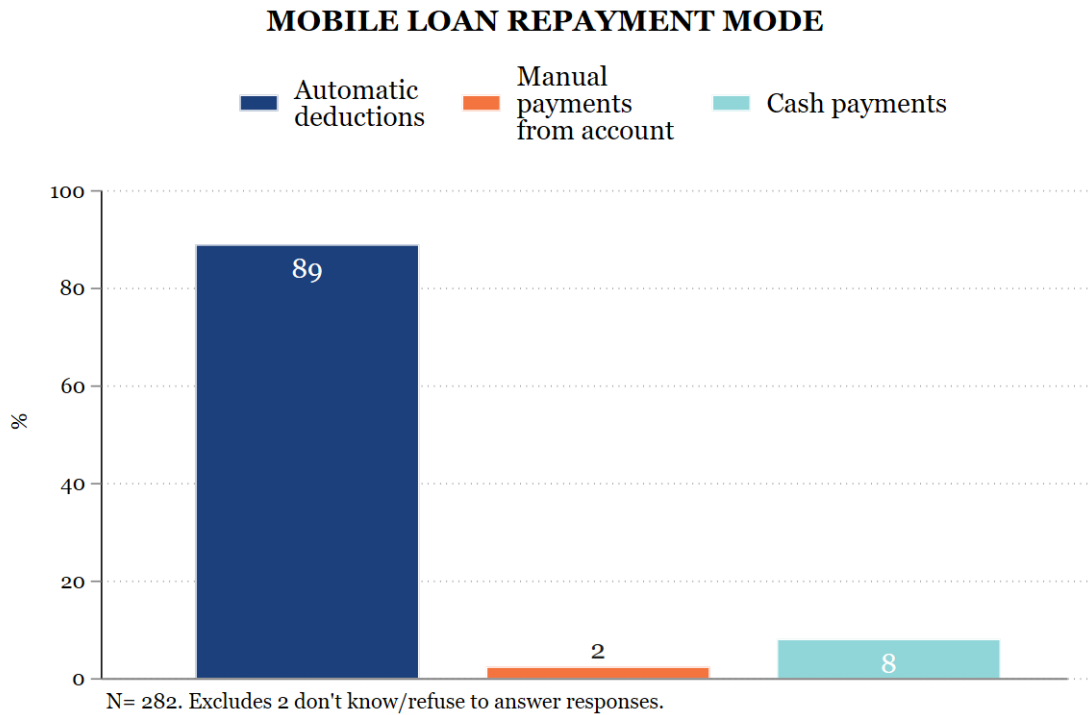
Challenges and Risks

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Key Findings

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.

Challenges experienced in the past 12 months.

CHALLENGES EXPERIENCED IN THE PAST 12 MONTHS

SERVICE QUALITY		
Sent money to an incorrect number	60
Poor network quality	18
Difficulty reaching customer care	11
Difficulty navigating USSD menus	9
Difficulty navigating mobile apps	2
Paid fee to reach customer care	2
FRAUD		
Fraud attempt	86
Lost money due to fraud	6
TRANSPARENCY		
Unclear fees or charges	16
Difficulty understanding service T&Cs	7
DEBT		
Defaulted on mobile loan	8
Difficulty managing debt payments	1
OTHER		
Agent charged extra fee	6
Lost money from account (other reason)	3
Other challenge	1

N=1001. Multiple selections possible. Unconditional values.

Half of respondents consistently knew fees before completing transactions.

20 percent said they did not learn prices at any point.

WHEN CONSUMERS LEARN TRANSACTION FEES

Legend: ■ Often/Always ■ Rarely/Sometimes ■ Never

	Before the Transaction	After the Transaction	Not at Any Point
Never	7	10	46
Rarely/Sometimes	41	41	33
Often/Always	51	50	20

N= 986. Excludes 16 don't know/refuse to answer responses.
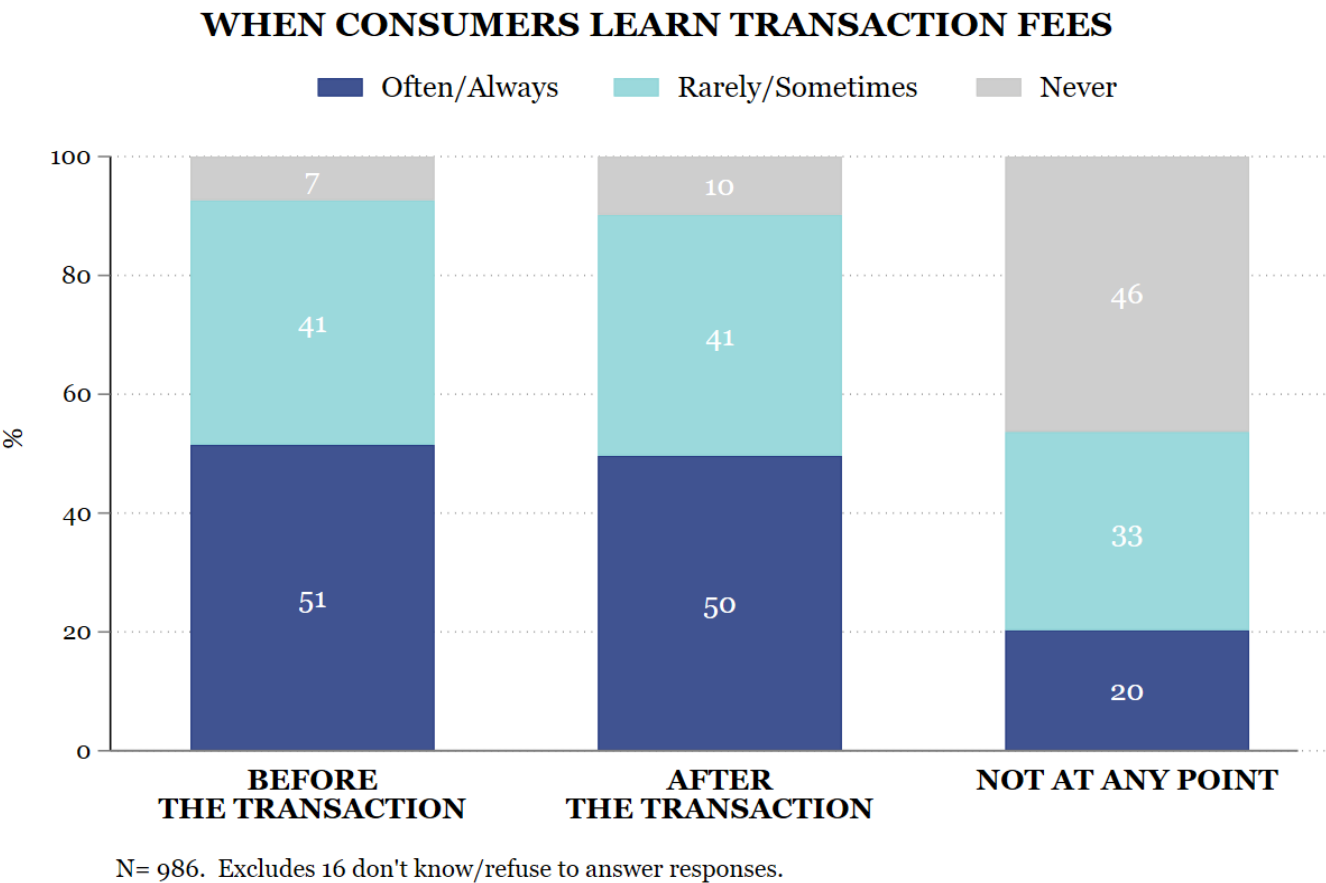
Most respondents learned about prices at agent locations or from receipts after the transaction had been completed.

27 percent usually looked up prices online.

HOW RESPONDENTS LEARN ABOUT PRICES

Legend:
- Agent or customer care (pre-transaction)
- Automated notification (pre-transaction)
- Official website (pre-transaction)
- Other (pre-transaction)
- Receipt (post-transaction)
- Never

Category	Agent or customer care	Automated notification	Official website	Other	Receipt
Payment Services	54	26	23	19	47
Mobile Loan	28	31	30	24	32
Overdraft Service	35	37	27	28	50

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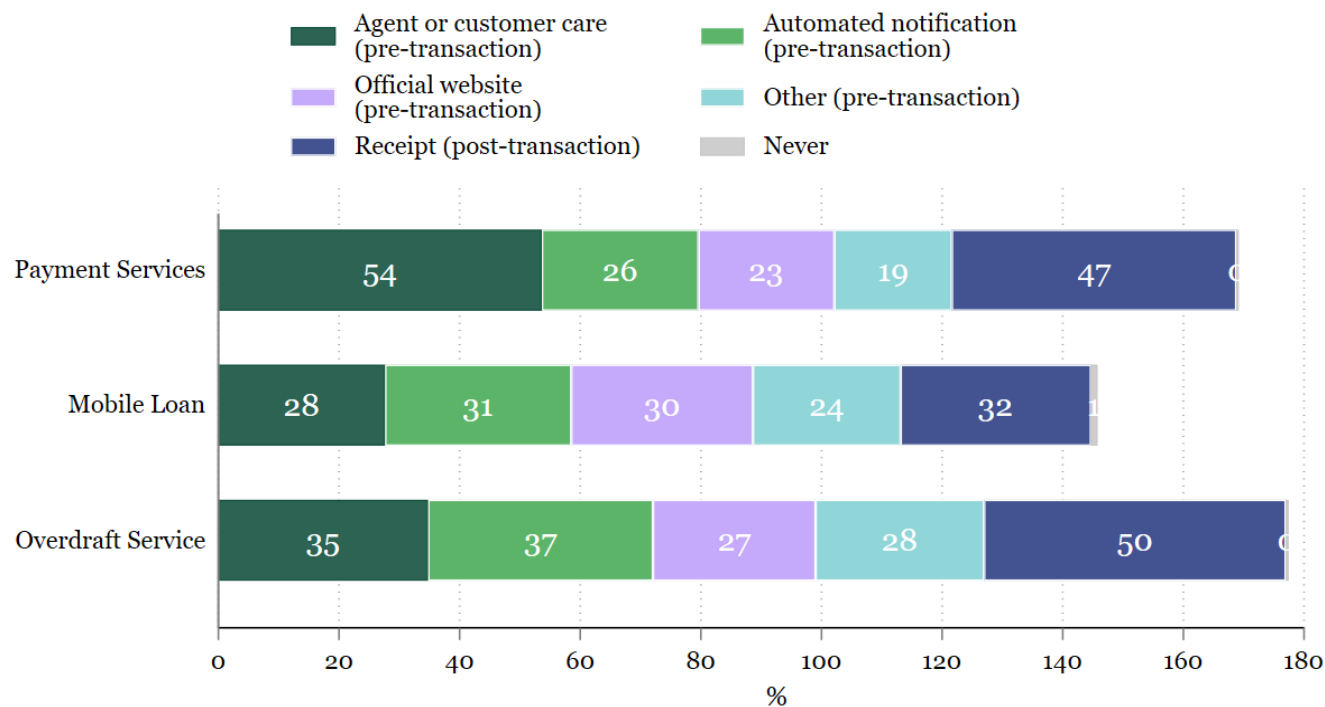
Respondents: Payment services: N=986, Overdraft service: N=282, Mobile loan: N=204.
Totals may add to greater than 100% because respondents could select more than one source of pricing information.
BNPL and credit card omitted due to small sample size.

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

AVERAGE
$3.22

MEDIAN
$0.98

MAXIMUM
$20.50

N= 141

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

TYPE OF UNCLEAR FEE
LAST INCIDENT

Type	%
Service fees	49
Transaction fees	28
Overdraft fees	12
Late payment fees	7
Subscription fees	5

%

N= 43
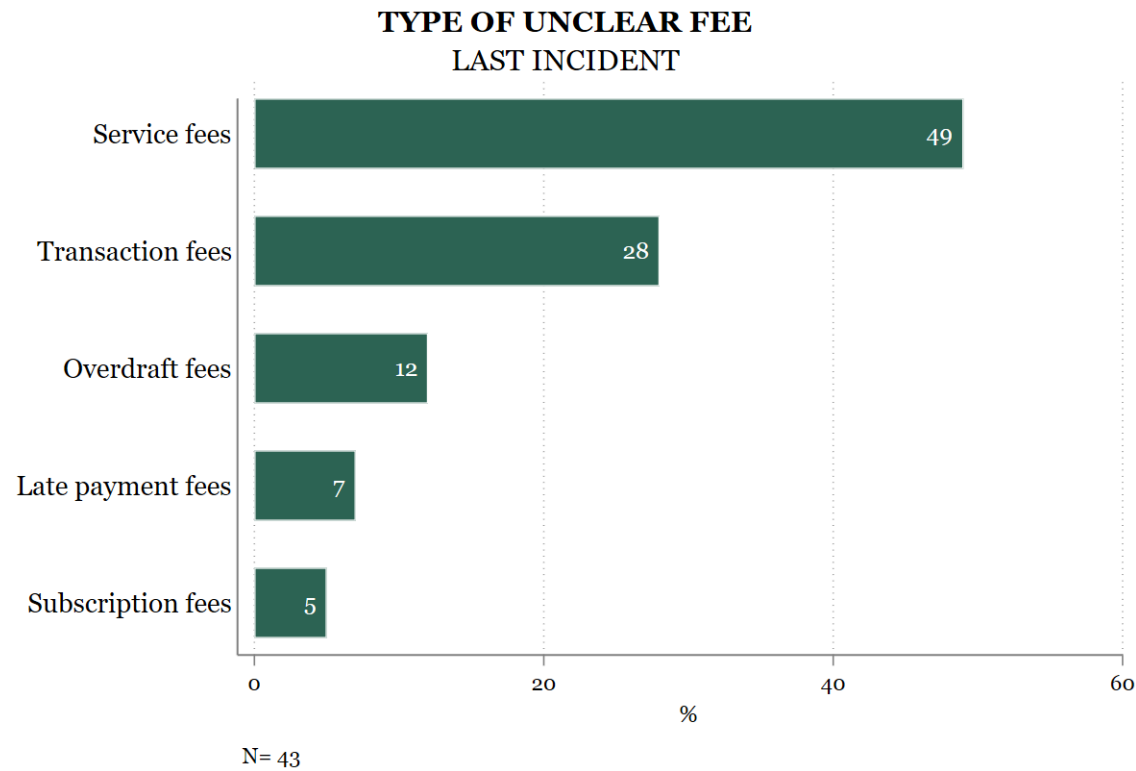
Users of payment services reported more frequent incidents of unclear fees compared to other types of DFS.

TIMES UNCLEAR FEES OR CHARGES WERE EXPERIENCED
IN THE LAST 12 MONTHS

Legend: ■ Payment service ■ Mobile loan ■ Overdraft service

None
- Payment service: 85
- Mobile loan: 82
- Overdraft service: 86

Once
- Payment service: 8
- Mobile loan: 11
- Overdraft service: 9

2 or more times
- Payment service: 8
- Mobile loan: 8
- Overdraft service: 5

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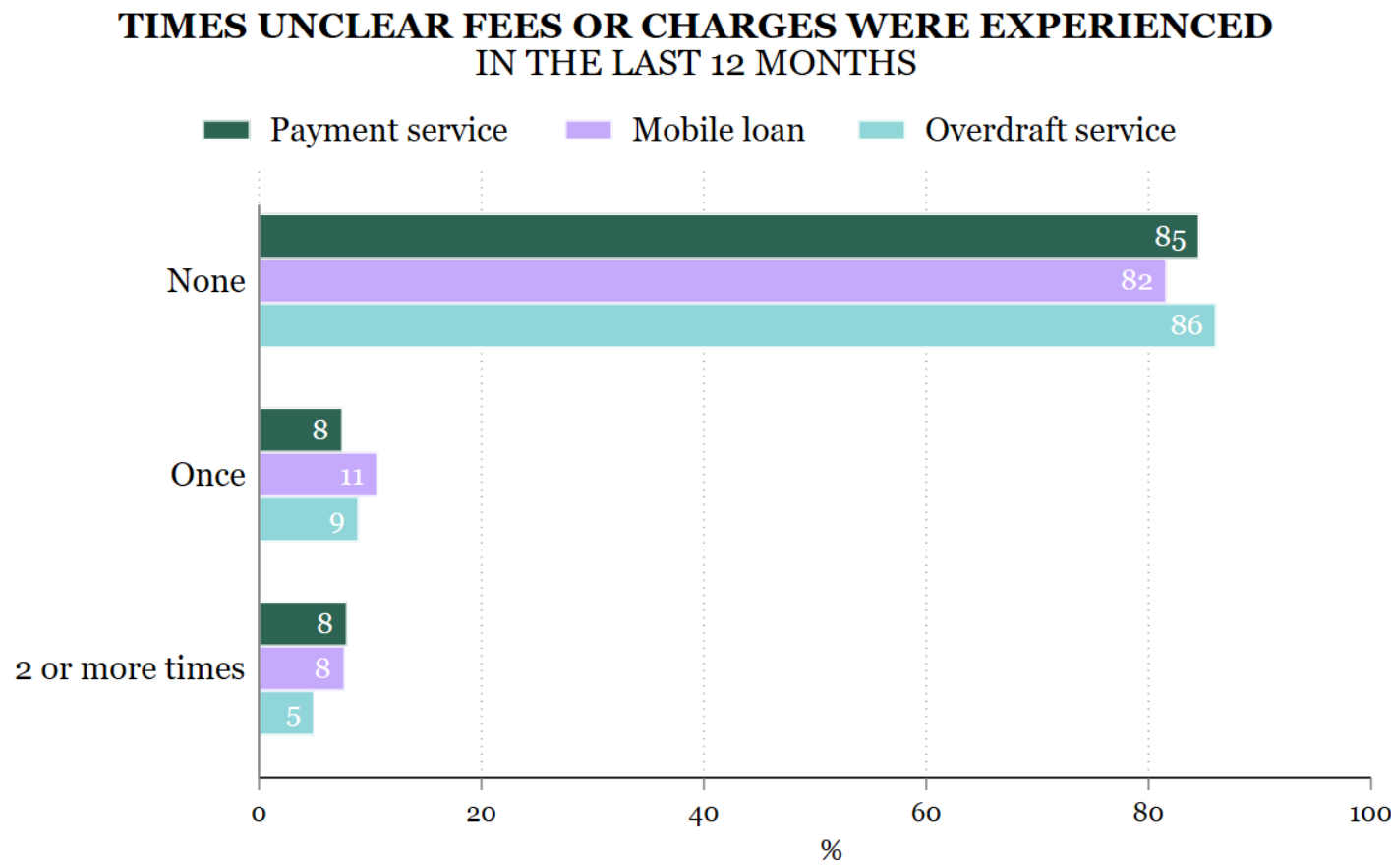
Payment services: N= 958, Mobile loan: N= 272, Overdraft services: N= 201.
Excludes 22 don't know/refuse to answer responses.

Few consumers seek formal redress for issues involving unclear fees.

REDRESS: UNCLEAR FEES

Respondents (100%)

84 No unclear fees (84%)

16 Experienced unclear fees (16%)

5 Provider should not compensate (38%)

9 Provider should compensate (62%)

2 4 Sought redress (37%)

4 5 Did not seek redress (63%)

3 Satisfied with outcome (49%)

3 Dissatisfied with outcome (51%)

N=999
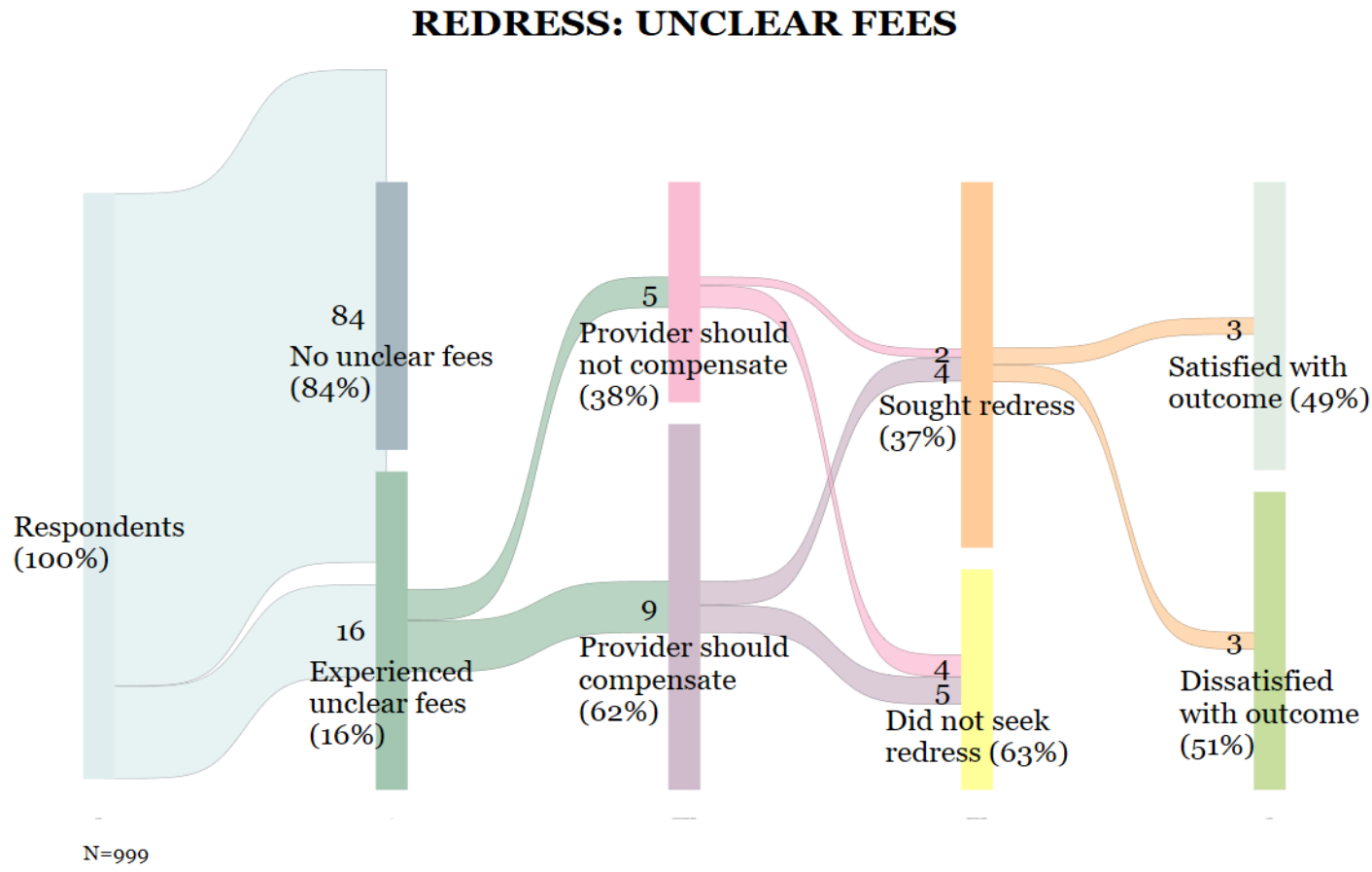
30 percent of consumers never found out the cause of the unclear fee.

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

Gender
- Female
- Male

N= 158. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
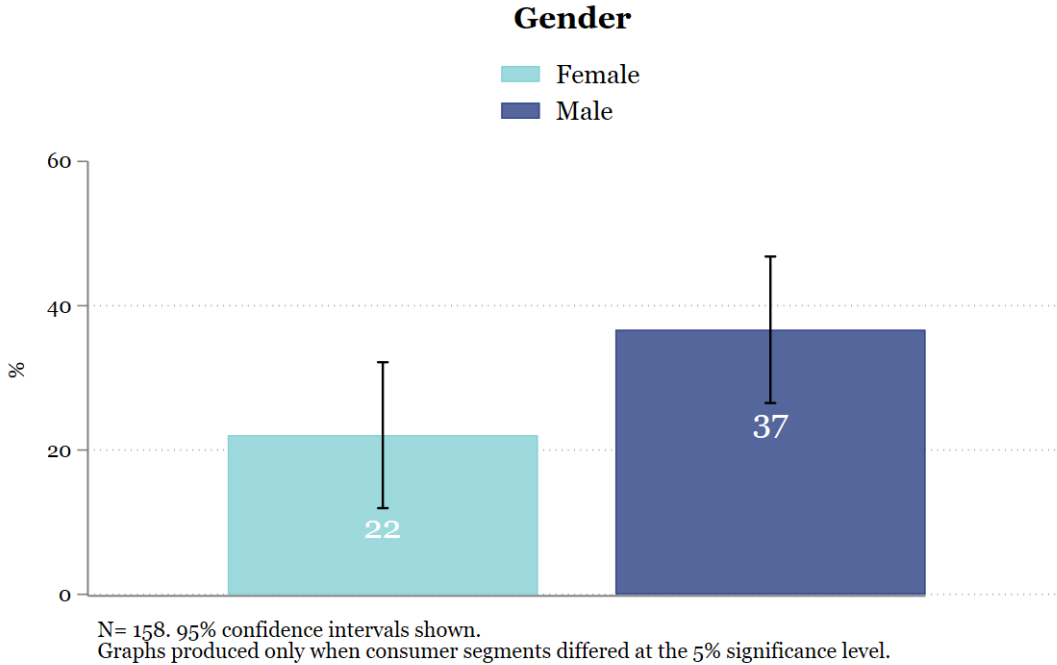
The vast majority of respondents had experienced a fraud attempt.

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.

EXPERIENCED A FRAUD ATTEMPT
IN THE PAST 12 MONTHS

Age
- 18-25 years
- 26-45 years
- 46+ years

Urbanicity
- Rural
- Urban

Age bars: 76, 89, 89
Urbanicity bars: Rural 88, Urban 83

N= 1000. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
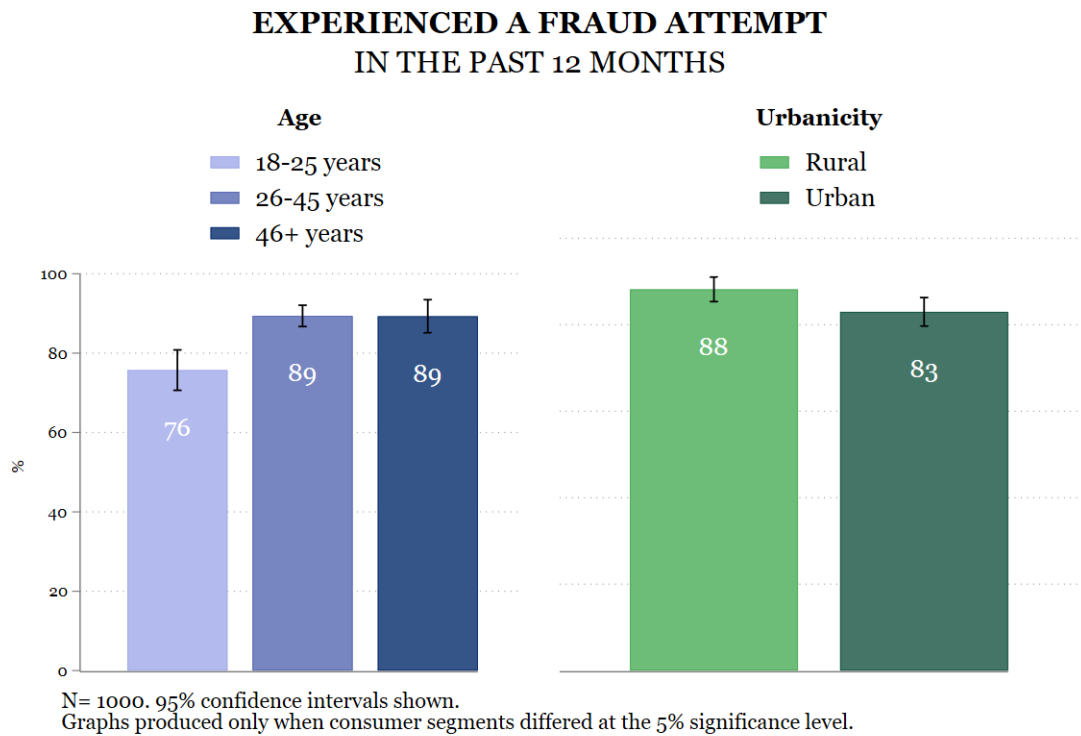
Rural consumers and older adults reported higher incidents of fraud attempts.

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

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

**FREQUENCY OF FRAUD ATTEMPTS
IN A TYPICAL MONTH**

%

None	<1
Once	32
2 to 3 times	38
4 to 5 times	11
More than 5 times	17

N= 856. Excludes 1 don't know/refuse to answer responses.
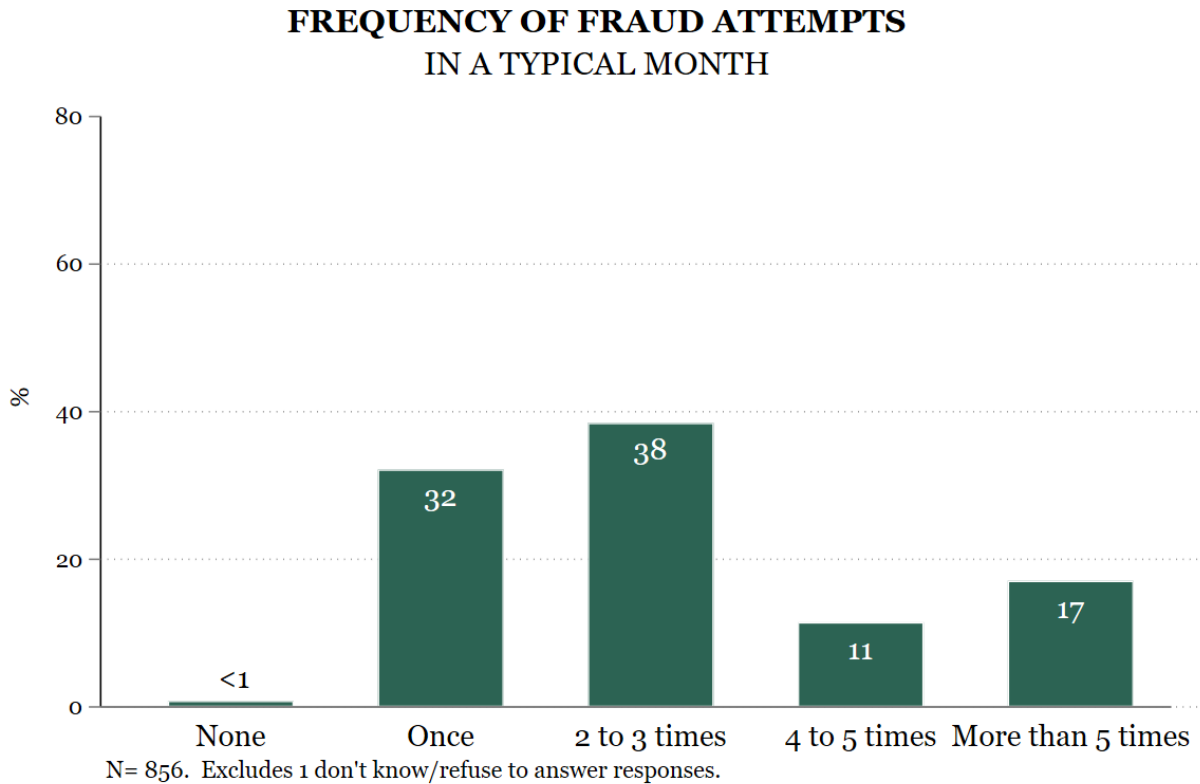
67 percent
of respondents were typically targeted
more than once a month.

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

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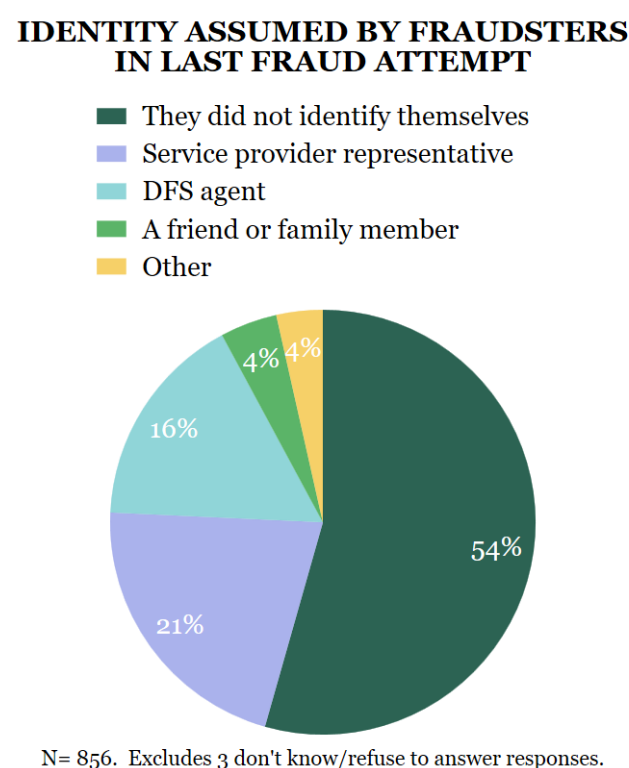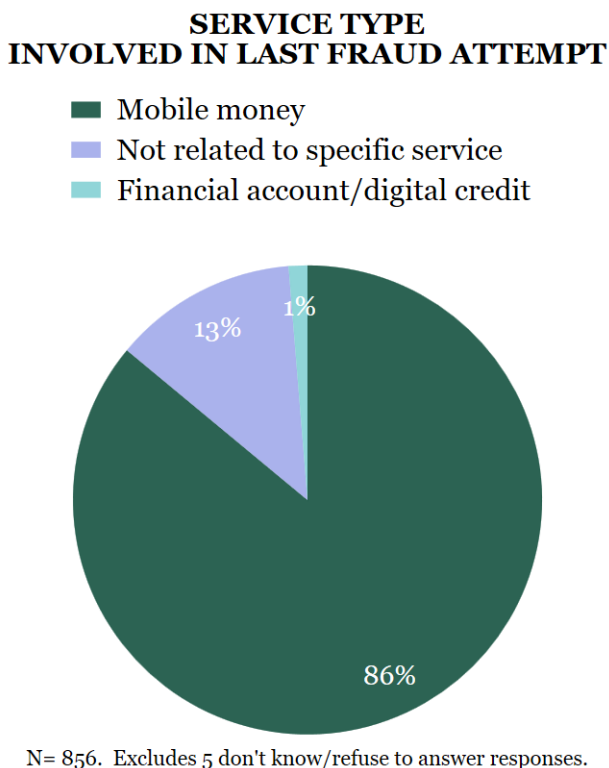
FRAUD CHANNEL

- Text message
- Phone call
- Messenger app
- Social media
- Email

51%
41%
4%
3%
1%

Multiple selections possible. Responses: N = 856.
Excludes 6 don't know/refuse to answer responses.

SERVICE TYPE INVOLVED IN LAST FRAUD ATTEMPT

- Mobile money
- Not related to specific service
- Financial account/digital credit

86%
13%
1%

N= 856. Excludes 5 don't know/refuse to answer responses.

IDENTITY ASSUMED BY FRAUDSTERS IN LAST FRAUD ATTEMPT

- They did not identify themselves
- Service provider representative
- DFS agent
- A friend or family member
- Other

54%
21%
16%
4%
4%

N= 856. Excludes 3 don't know/refuse to answer responses.

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.

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.

FRAUD RUSE

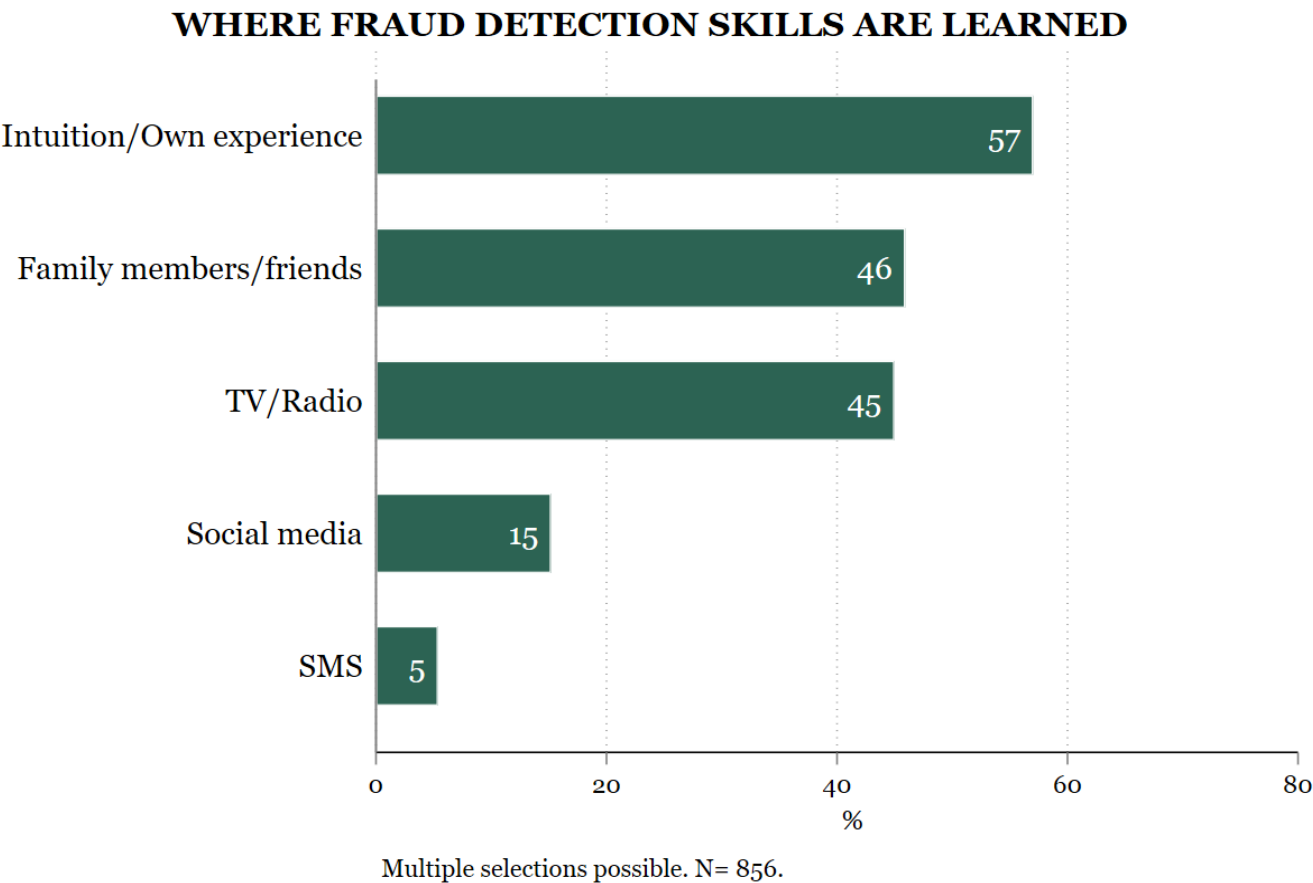| Fraud Ruse	%
Asked to reverse a fake payment	69
Claimed to be family or friend in need of help	28
Won a prize or offered to send money	28
Offered fake investment/business opportunity	21
Claimed a problem with my account	14
Offered fake product/service	12
Blackmail	10
Said I owed money to company/government	5
Stole card or account information	4
Used romance to gain my trust	2
Other	2

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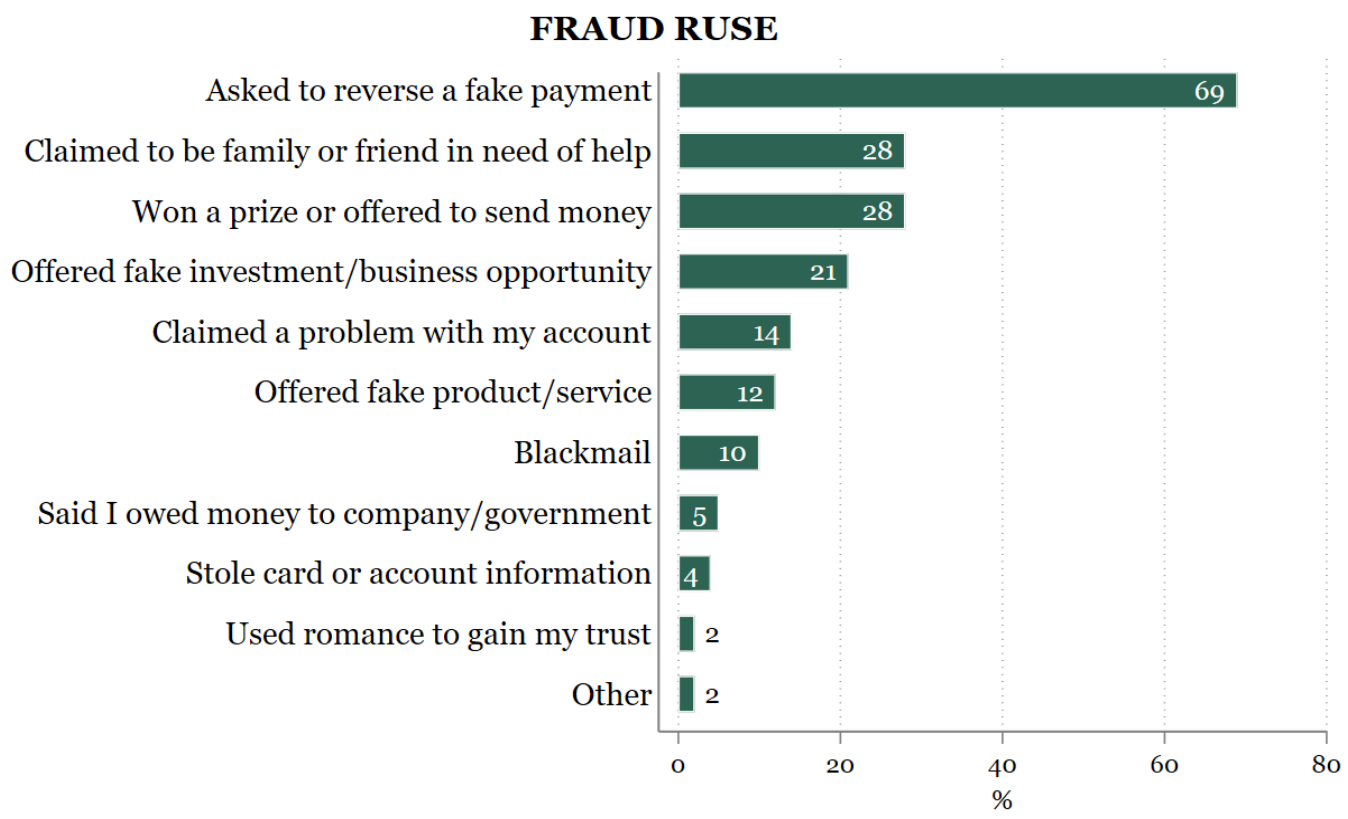
Multiple selections possible. N= 856.
Excludes 22 don't know/refuse to answer responses.

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

HOW THE FRAUD ATTEMPT IS DETECTED

Category	%
Non-institutional phone number	55
Mentions unfamiliar transactions/services	42
Incorrectly identifies respondent	28
Poor spelling, grammar, or formatting	26
Verifies with person/organization	18
Asks for private information	17
Offers free money	14
Unusual times	12
Experiences shared by others	12
Instinct	4
Warnings or advice from bank/trusted sources	1
Bank would use other channels	1
Other	<1

%

Multiple selections possible. N= 856

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

WHERE FRAUD DETECTION SKILLS ARE LEARNED

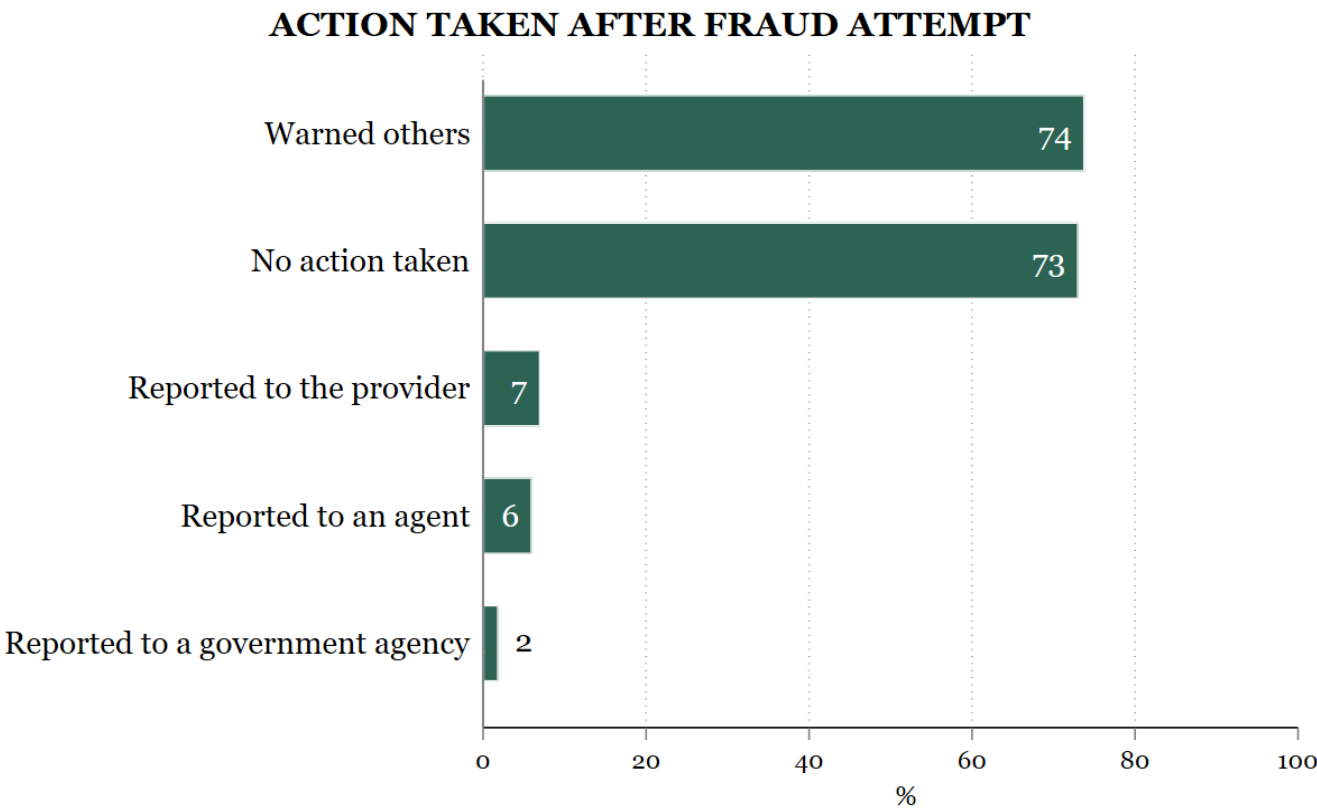| Category	%
Intuition/Own experience	57
Family members/friends	46
TV/Radio	45
Social media	15
SMS	5

Multiple selections possible. N= 856.

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

**SOURCE OF FRAUD DETECTION SKILLS
SOCIAL MEDIA, TV/RADIO, OR SMS**

■ Service providers   ■ Other consumers   ■ Government

Providers are most efficient at reaching consumers through these channels

- Service providers: 71
- Other consumers: 70
- Government: 61
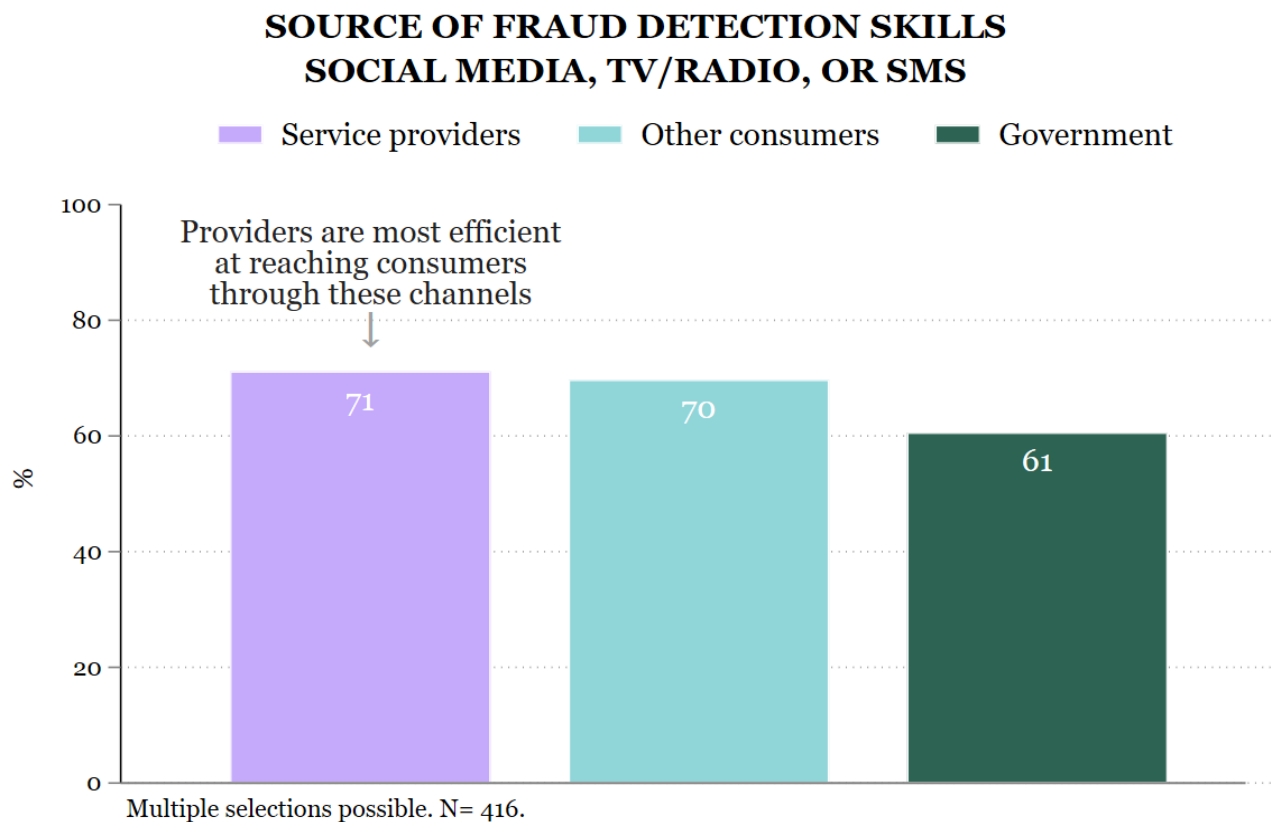
Multiple selections possible. N= 416.

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

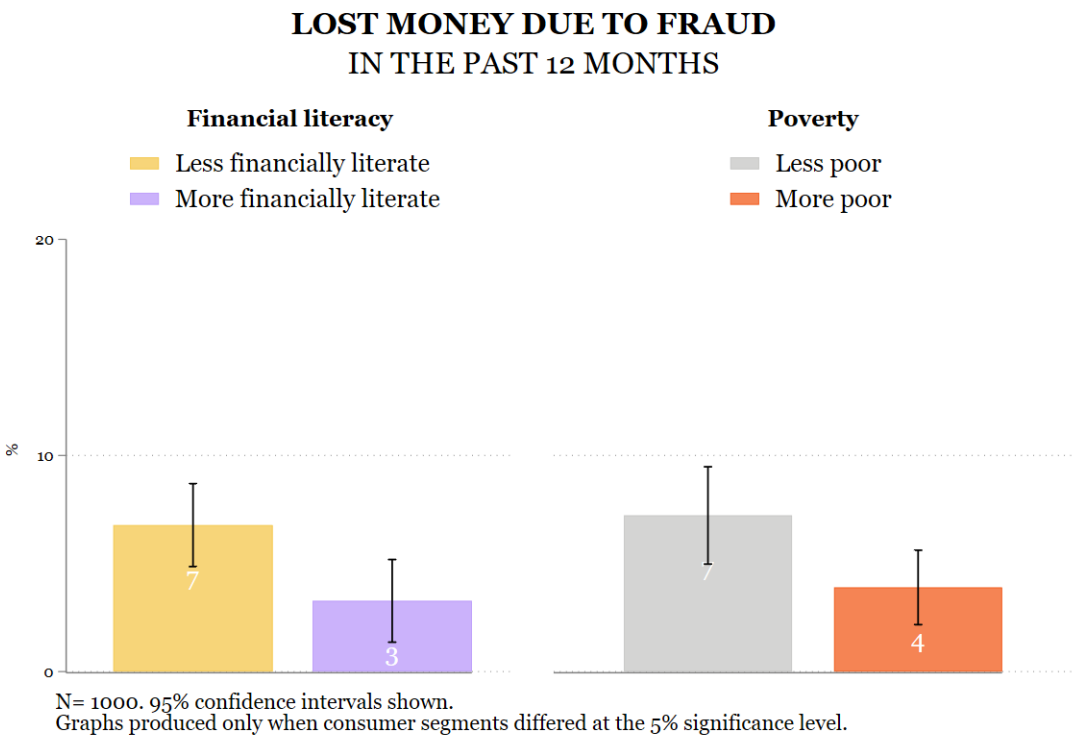The majority warned friends and family. 73 percent took no action at all.

ACTION TAKEN AFTER FRAUD ATTEMPT

Warned others — 74
No action taken — 73
Reported to the provider — 7
Reported to an agent — 6
Reported to a government agency — 2

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

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.

LOST MONEY DUE TO FRAUD
IN THE PAST 12 MONTHS

Financial literacy
- Less financially literate
- More financially literate

Poverty
- Less poor
- More poor

N= 1000. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

3 percent

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

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

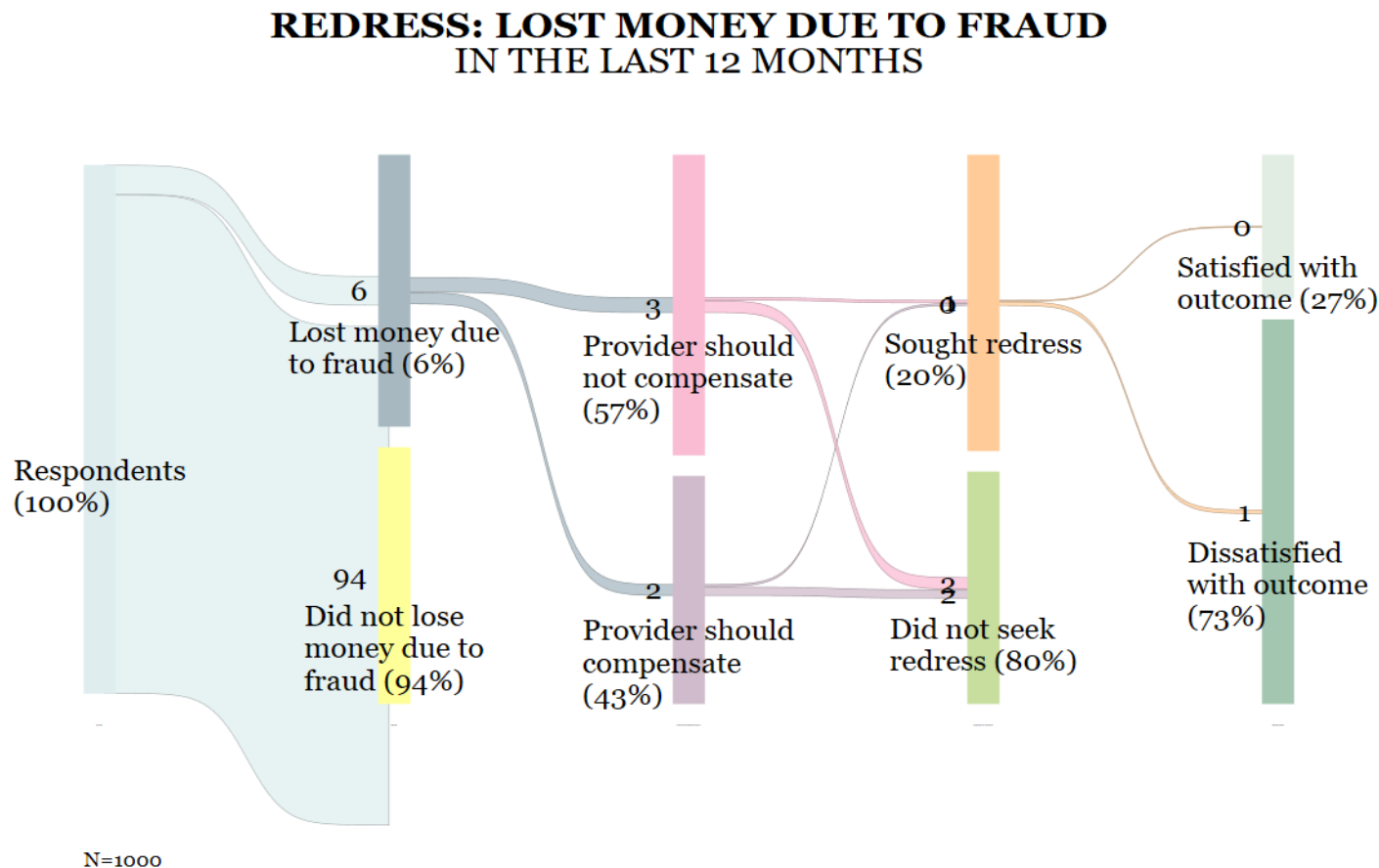**MONEY LOST DUE TO FRAUD**

N= 56
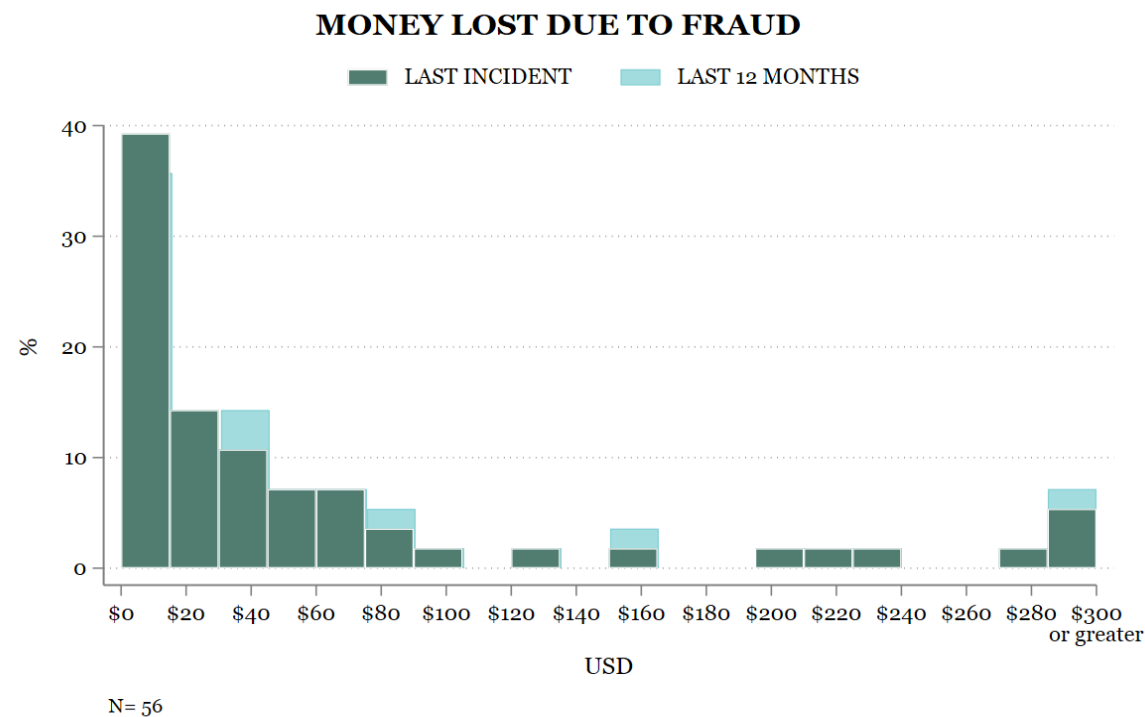
$33.83

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.

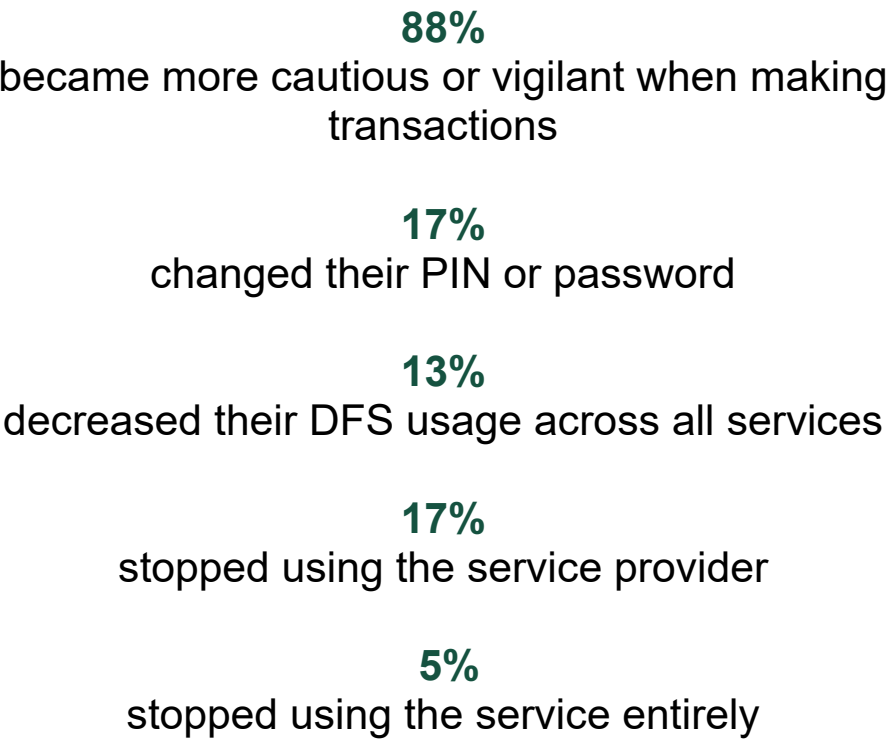# When consumers lose money due to fraud, they rarely seek redress.

REDRESS: LOST MONEY DUE TO FRAUD
IN THE LAST 12 MONTHS

Respondents (100%)

6 — Lost money due to fraud (6%)

94 — Did not lose money due to fraud (94%)

3 — Provider should not compensate (57%)

2 — Provider should compensate (43%)

0 — Sought redress (20%)

2 — Did not seek redress (80%)

0 — Satisfied with outcome (27%)

1 — Dissatisfied with outcome (73%)

N=1000

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.
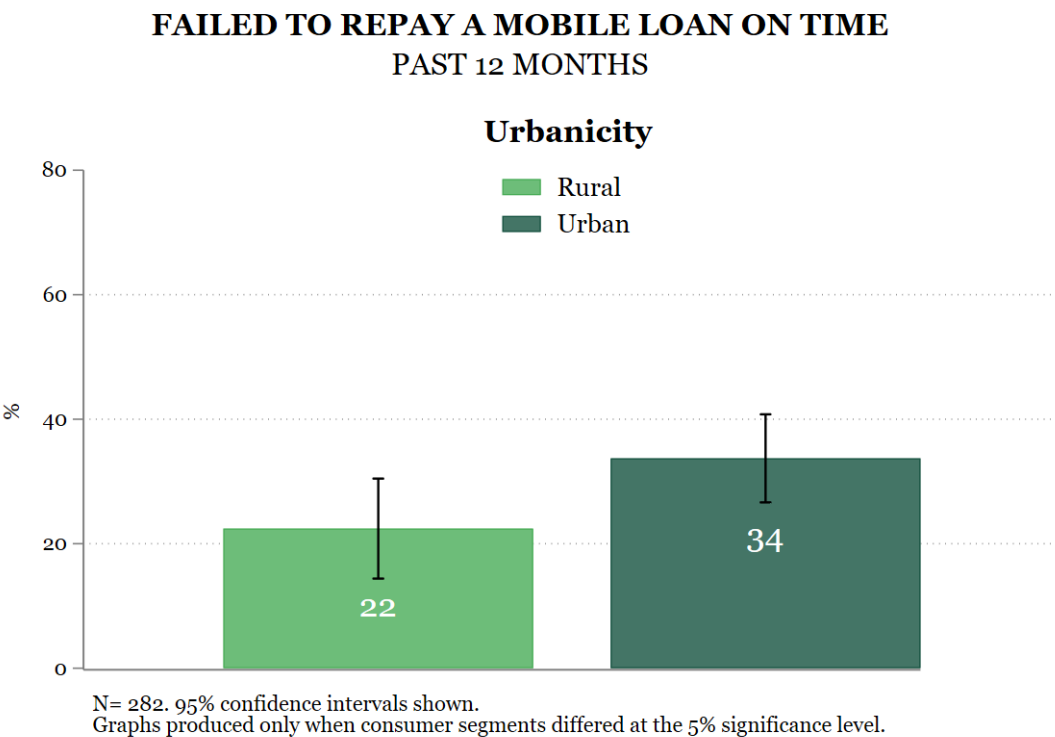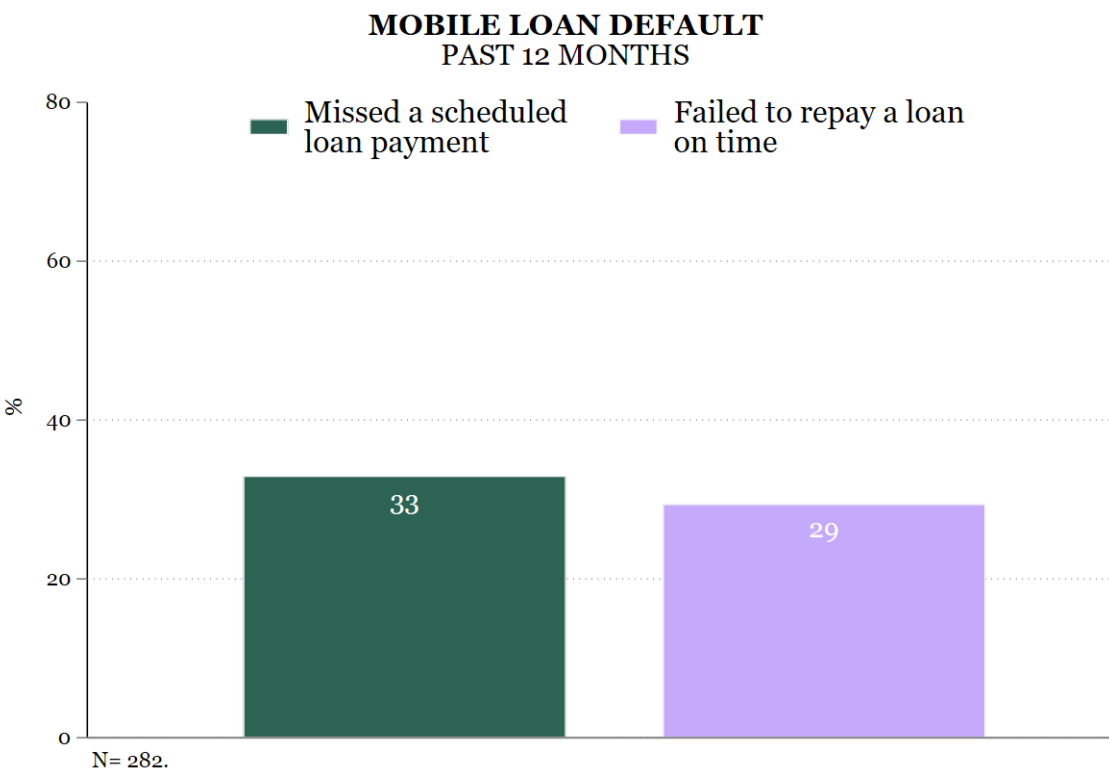
IMPACTS ON DFS USAGE

88%
became more cautious or vigilant when making transactions

17%
changed their PIN or password

13%
decreased their DFS usage across all services

17%
stopped using the service provider

5%
stopped using the service entirely

IMPACTS ON WELL-BEING

93%
felt anxious or worried

95%
felt angry or frustrated

79%
lost confidence

61%
felt helpless or vulnerable

64%
felt embarrassed or ashamed

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.

MOBILE LOAN DEFAULT
PAST 12 MONTHS

- Missed a scheduled loan payment
- Failed to repay a loan on time

33

29

N= 282.

FAILED TO REPAY A MOBILE LOAN ON TIME
PAST 12 MONTHS

Urbanicity
- Rural
- Urban

22

34

N= 282. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

18 percent of mobile loan users had multiple active loans.

Urban consumers were more likely to have multiple loans.

HAS MORE THAN ONE ACTIVE MOBILE LOAN

Urbanicity
- Rural
- Urban

N= 282. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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

FAILED TO REPAY A LOAN ON TIME
PAST 12 MONTHS

- Does not have multiple loans
- Has multiple active loans

N= 282
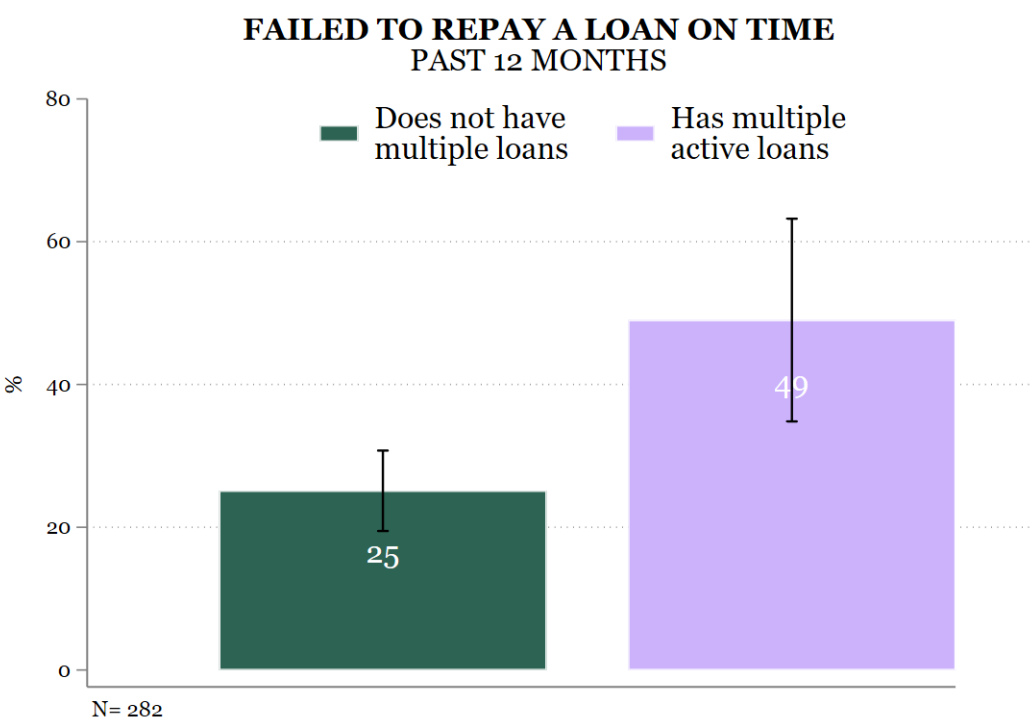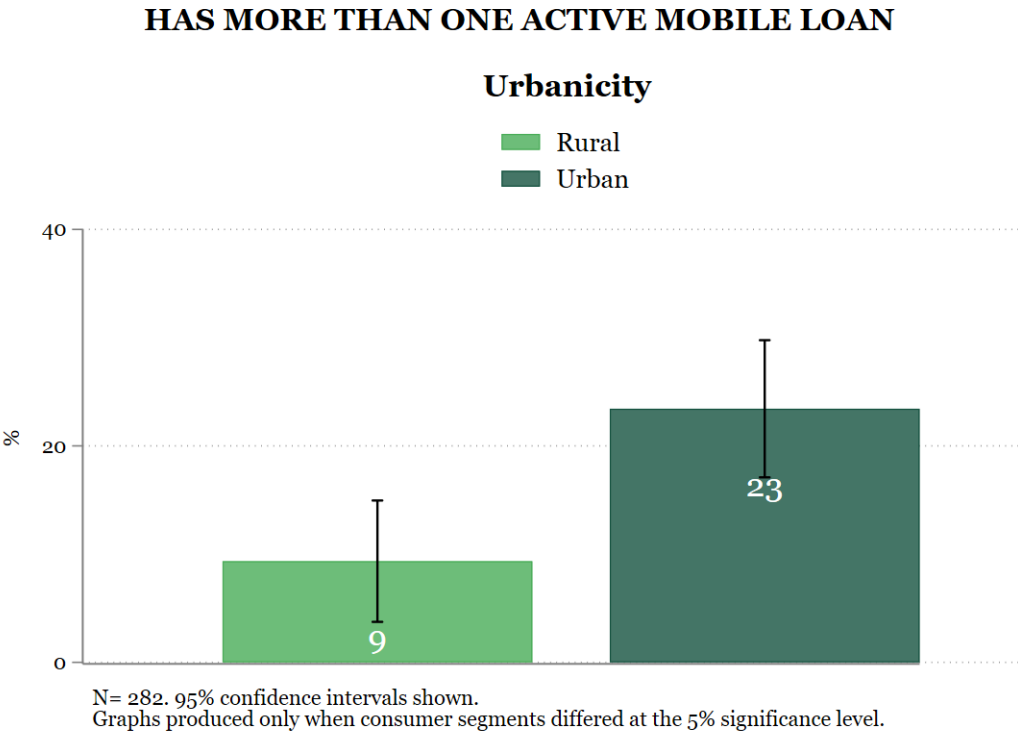
# One in five overdraft users are automatically enrolled in the service.

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.
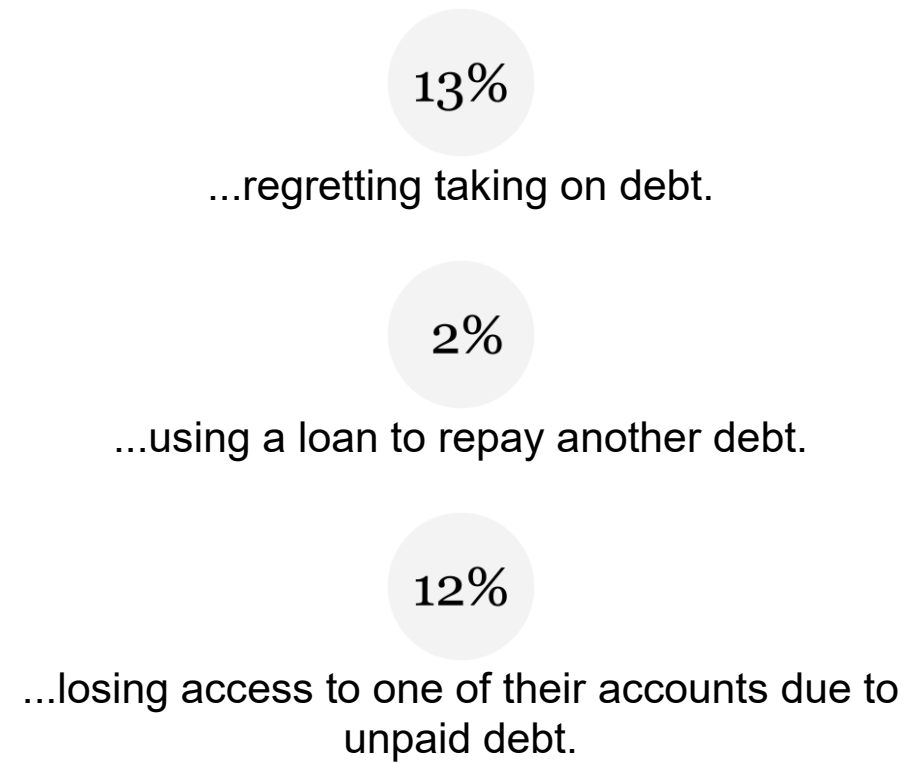
UNKNOWINGLY ENROLLED IN OVERDRAFT SERVICES

Financial literacy

- Less financially literate
- More financially literate
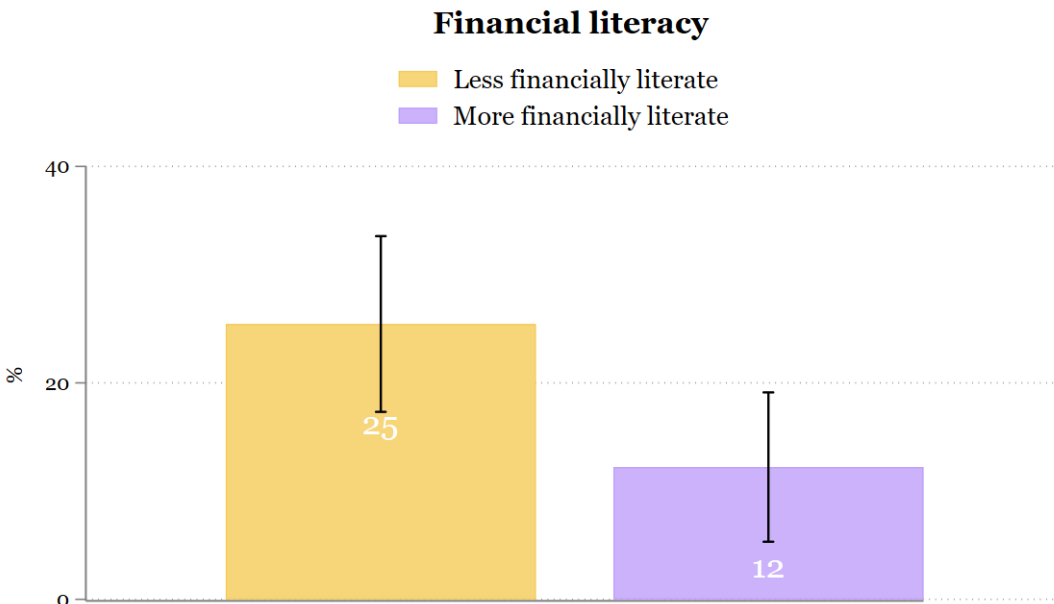
N= 204. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
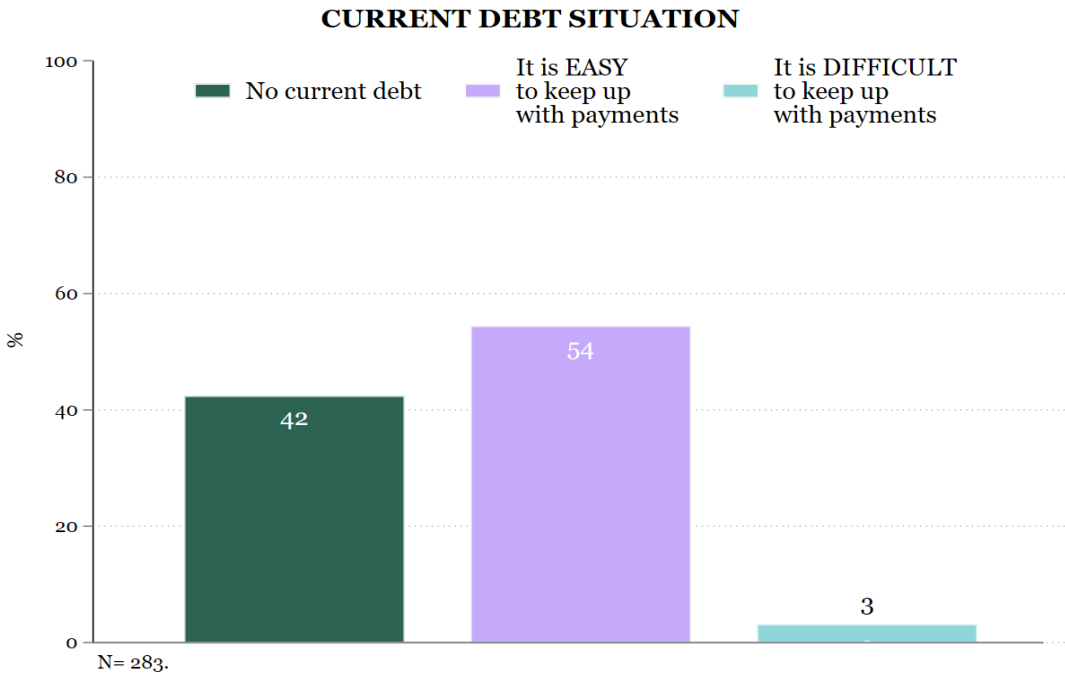
About one in ten mobile loan, overdraft, and buy-now-pay-later users show signs of over-indebtedness.

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

13%

...regretting taking on debt.

2%

...using a loan to repay another debt.

12%

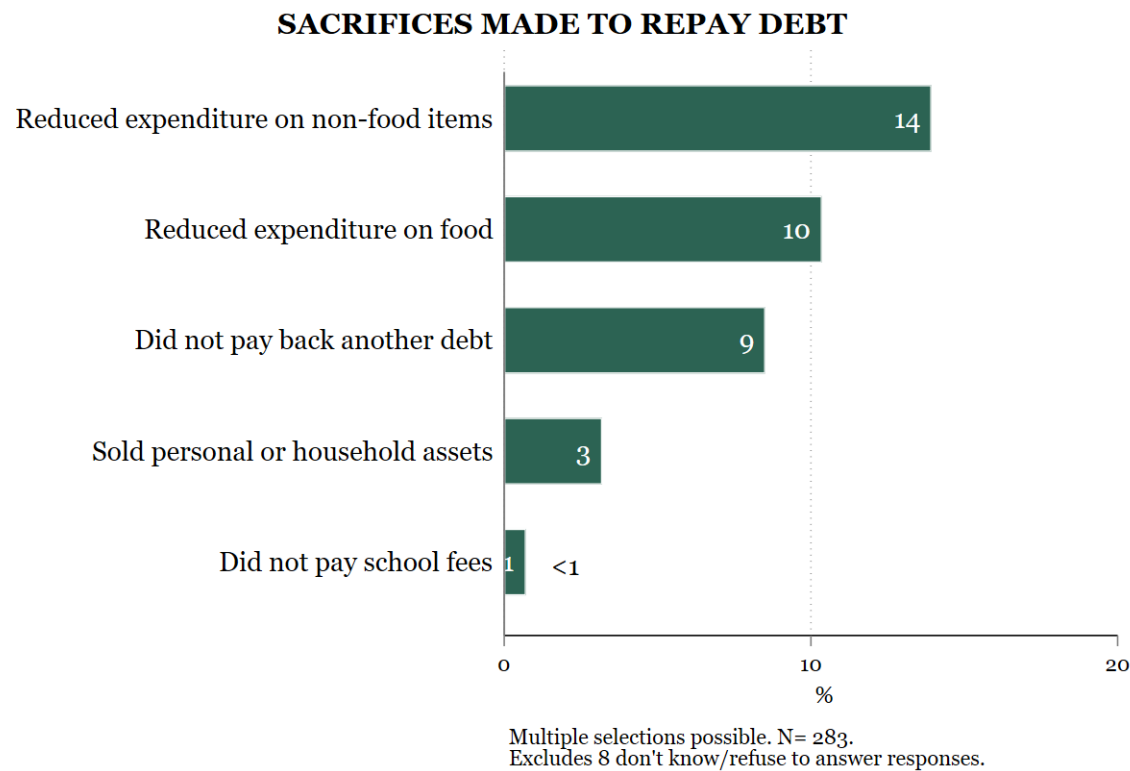...losing access to one of their accounts due to unpaid debt.

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.

CURRENT DEBT SITUATION

Legend:
- No current debt
- It is EASY to keep up with payments
- It is DIFFICULT to keep up with payments

Bar values:
- 42
- 54
- 3

N= 283.

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.

SACRIFICES MADE TO REPAY DEBT

Category	%
Reduced expenditure on non-food items	14
Reduced expenditure on food	10
Did not pay back another debt	9
Sold personal or household assets	3
Did not pay school fees	<1

%

Multiple selections possible. N= 283.
Excludes 8 don't know/refuse to answer responses.

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

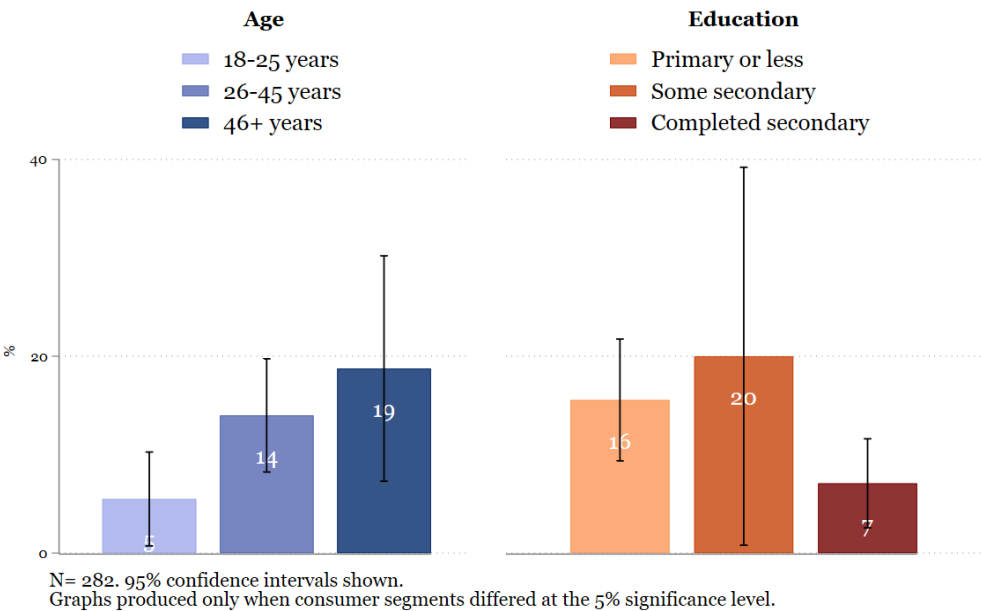**4 percent** used three or more coping strategies.

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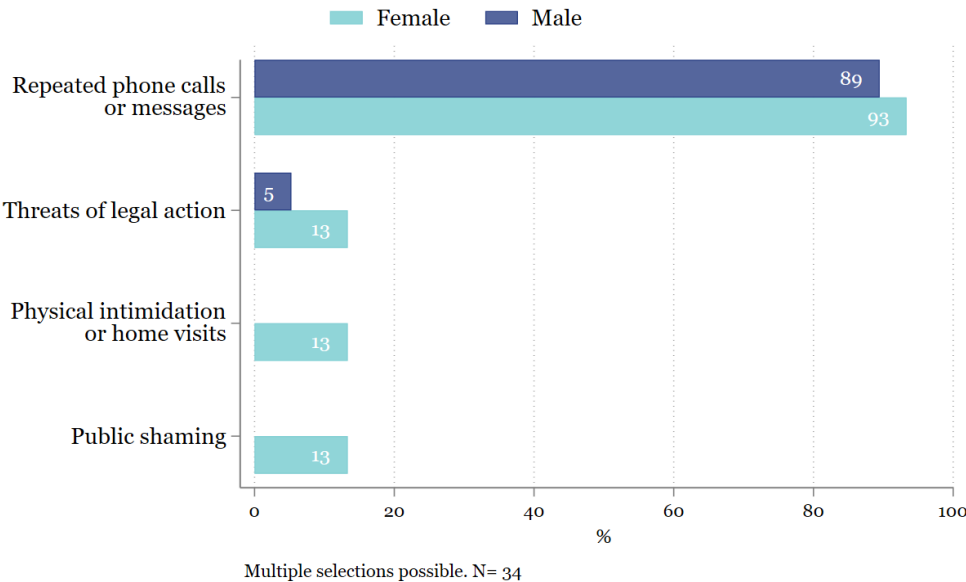
The most common form of harassment was through **phone calls or text messages.**

13 percent had been publicly shamed or physically intimidated, all of them female.
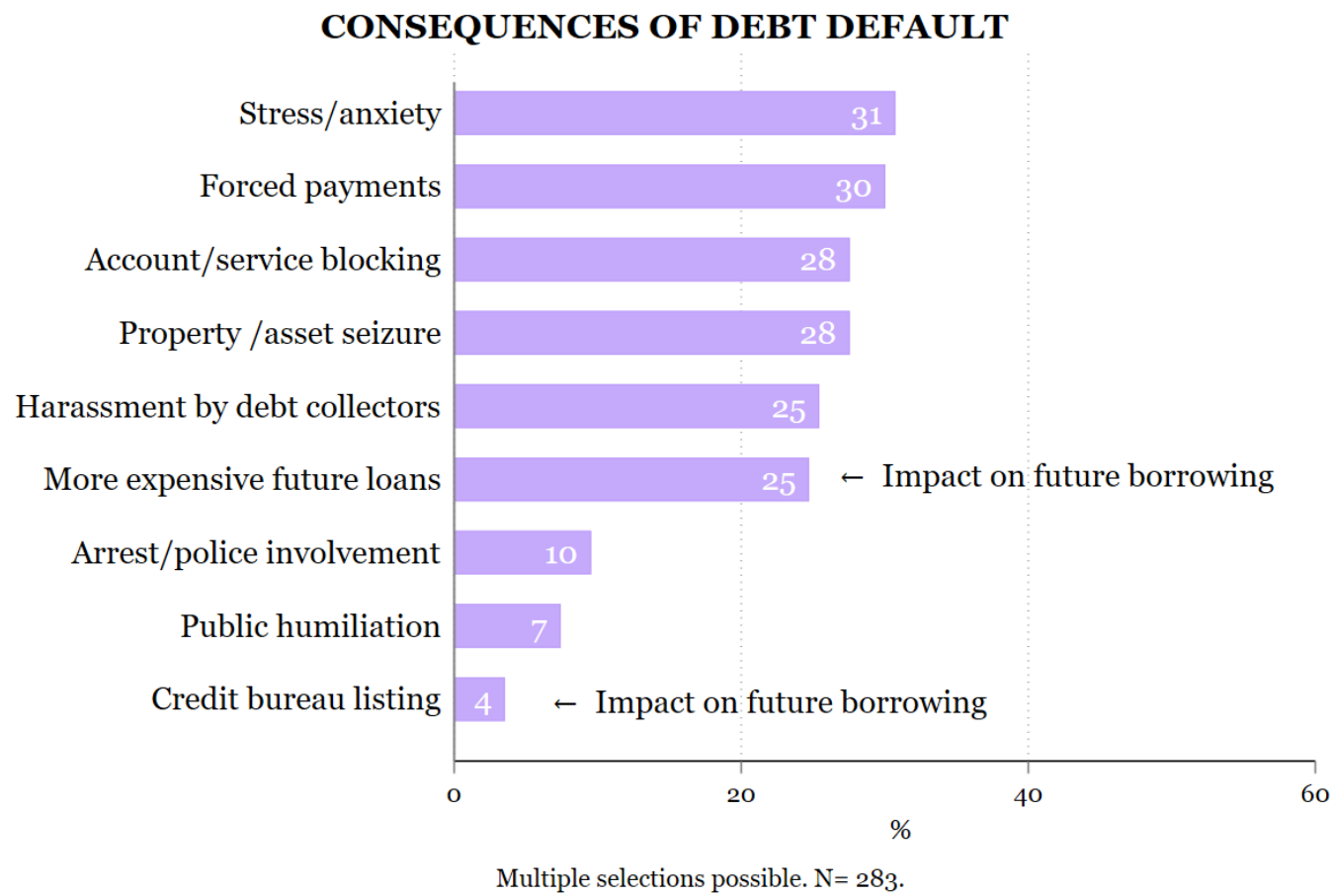
EXPERIENCED HARASSMENT BY DEBT COLLECTOR

Age
- 18-25 years
- 26-45 years
- 46+ years

Education
- Primary or less
- Some secondary
- Completed secondary

Age bars: 14, 19
Education bars: 16, 20, 7

N= 282. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

HARASSMENT BY DEBT COLLECTORS

Female / Male

Category	Female	Male
Repeated phone calls or messages	93	89
Threats of legal action	13	5
Physical intimidation or home visits	13	
Public shaming	13	

Multiple selections possible. N= 34

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

CONSEQUENCES OF DEBT DEFAULT

Consequence	%
Stress/anxiety	31
Forced payments	30
Account/service blocking	28
Property /asset seizure	28
Harassment by debt collectors	25
More expensive future loans	25 ← Impact on future borrowing
Arrest/police involvement	10
Public humiliation	7
Credit bureau listing	4 ← Impact on future borrowing

%

Multiple selections possible. N= 283.

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

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

LAST SUCCESSFUL AGENT TRANSACTION: PRICING TRANSPARENCY

■ Price list displayed at location   ■ Agent verbally disclosed fee   ■ Receieved transaction receipt

N= 969. Excludes 23 don't know/refuse to answer responses across all three variables.
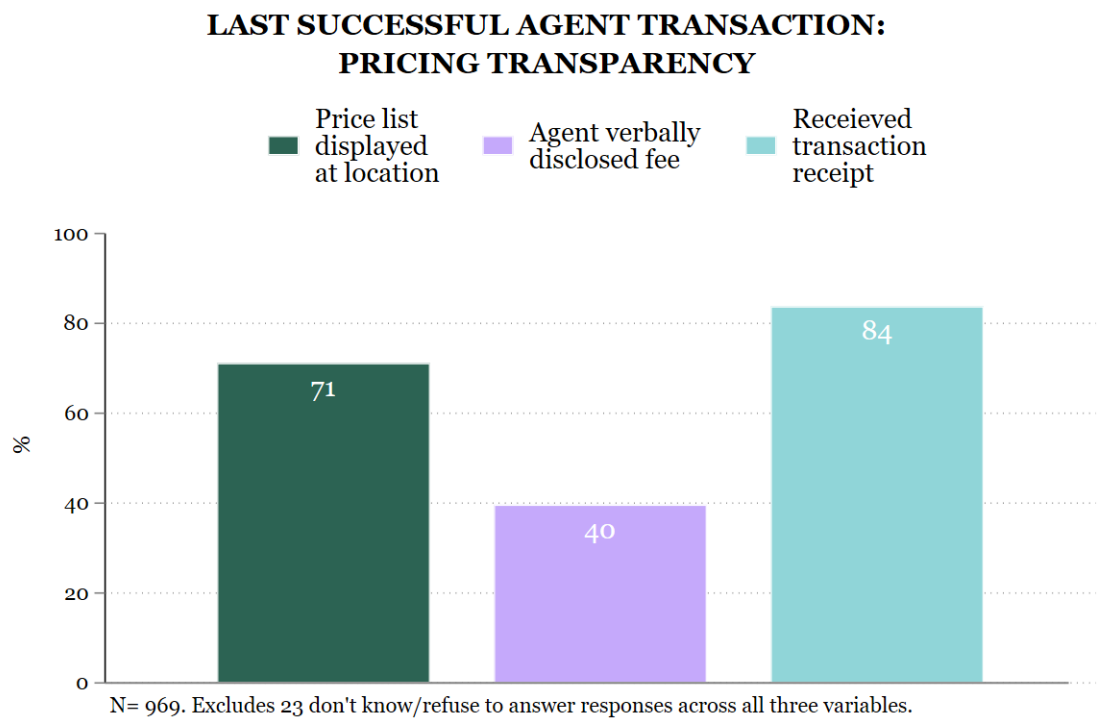
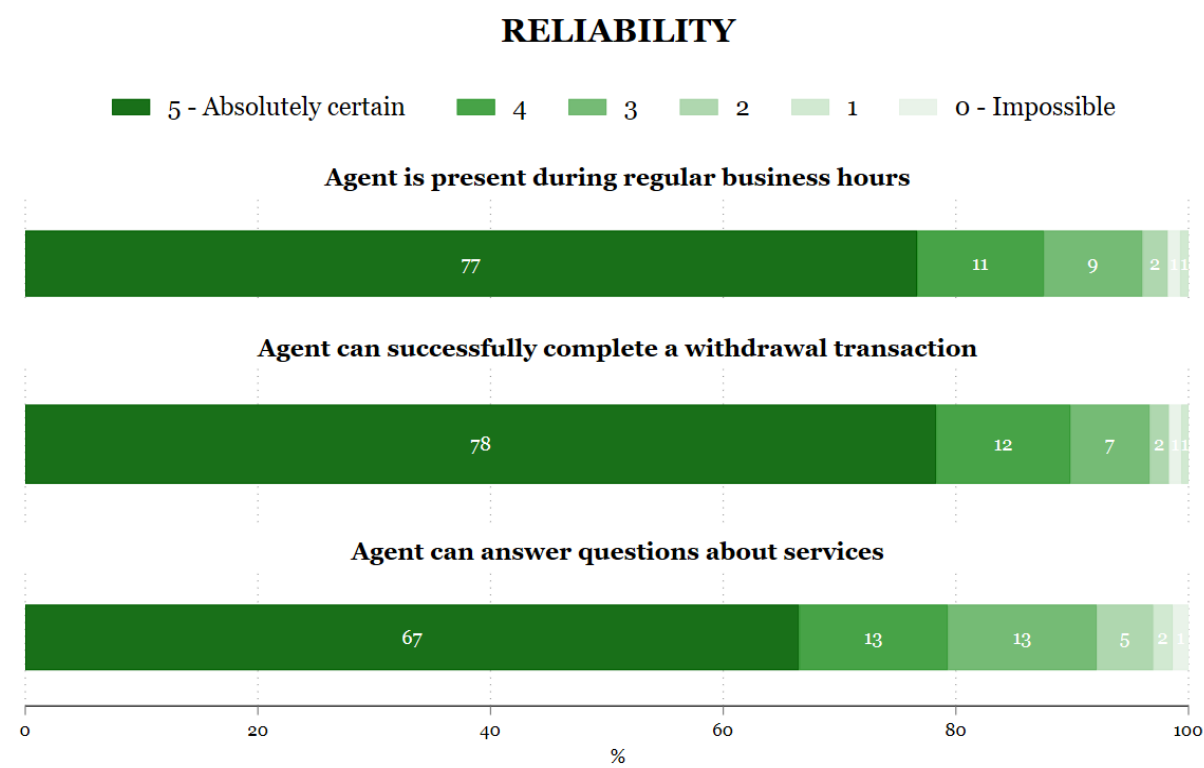Most consumers stated that they received transaction receipts.

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.
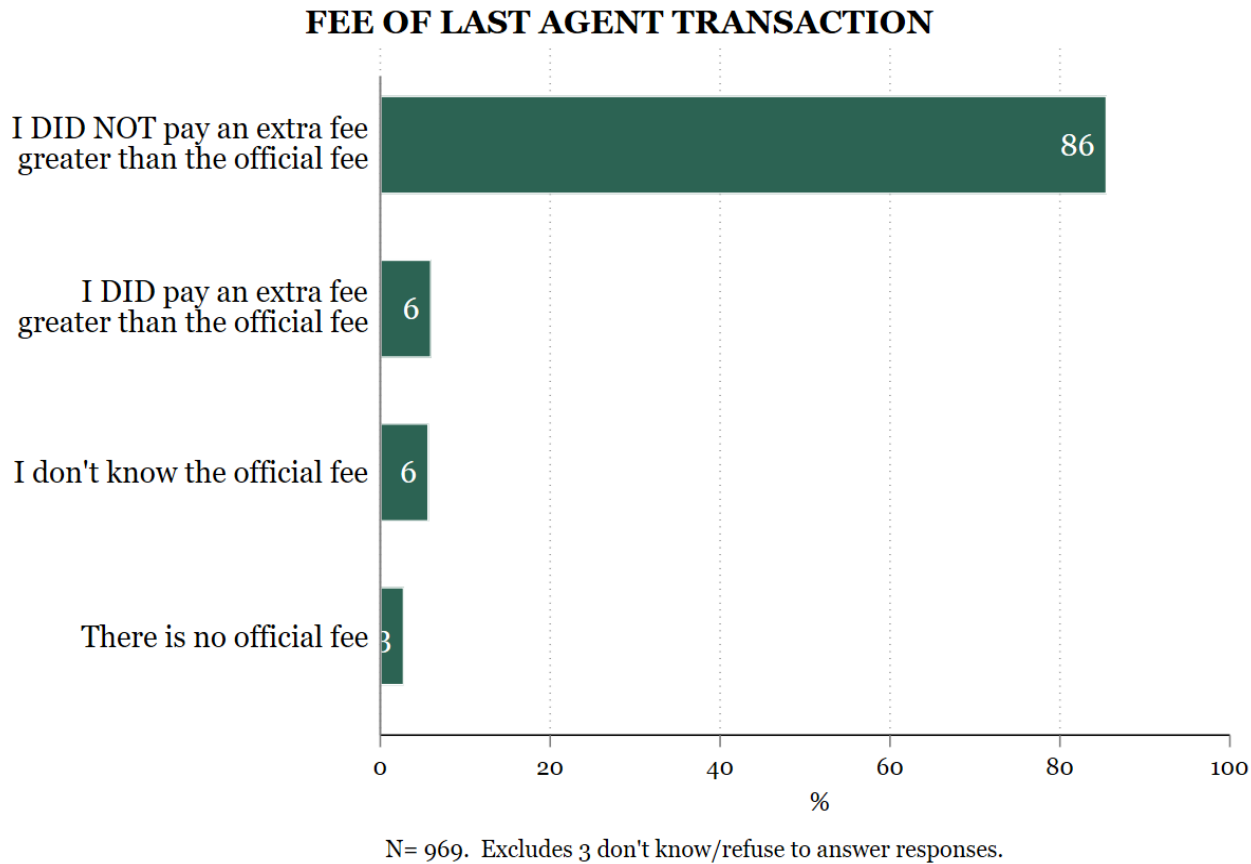
Agents generally provide reliable service.

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

RELIABILITY

Legend: 5 - Absolutely certain | 4 | 3 | 2 | 1 | 0 - Impossible

Agent is present during regular business hours

| 77 | 11 | 9 | 2 | 1 | 1 |

Agent can successfully complete a withdrawal transaction

| 78 | 12 | 7 | 2 | 1 | 1 |

Agent can answer questions about services

| 67 | 13 | 13 | 5 | 2 | 1 |

(x-axis: 0, 20, 40, 60, 80, 100) %

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.

FEE OF LAST AGENT TRANSACTION

Category	%
I DID NOT pay an extra fee greater than the official fee	86
I DID pay an extra fee greater than the official fee	6
I don't know the official fee	6
There is no official fee	3

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

Amongst the respondents that were overcharged,

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

29%
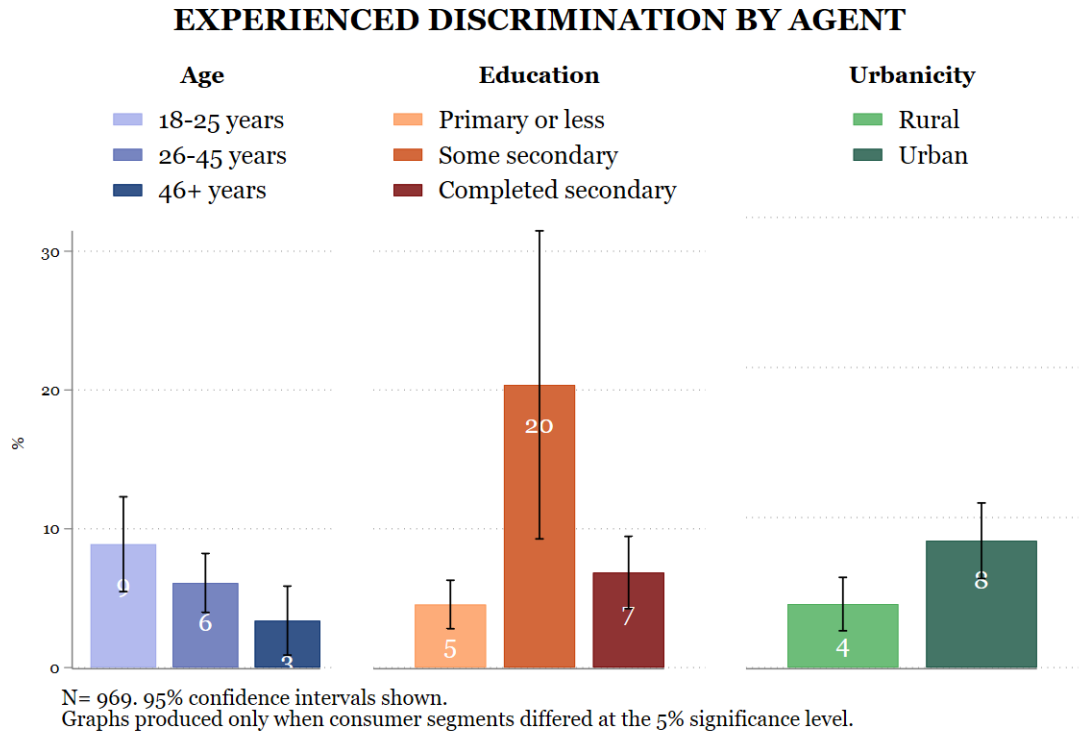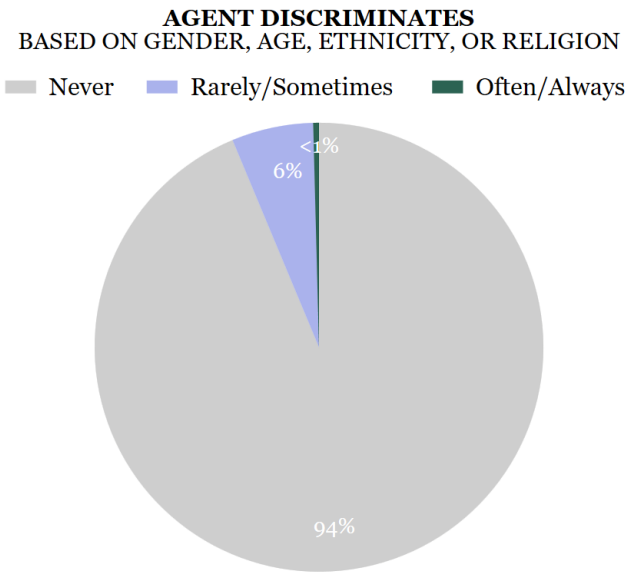would know how to seek formal redress

2%
sought formal redress for the issue

6 percent of respondents said that agents had treated them differently because of their gender, age, ethnicity, or religion.
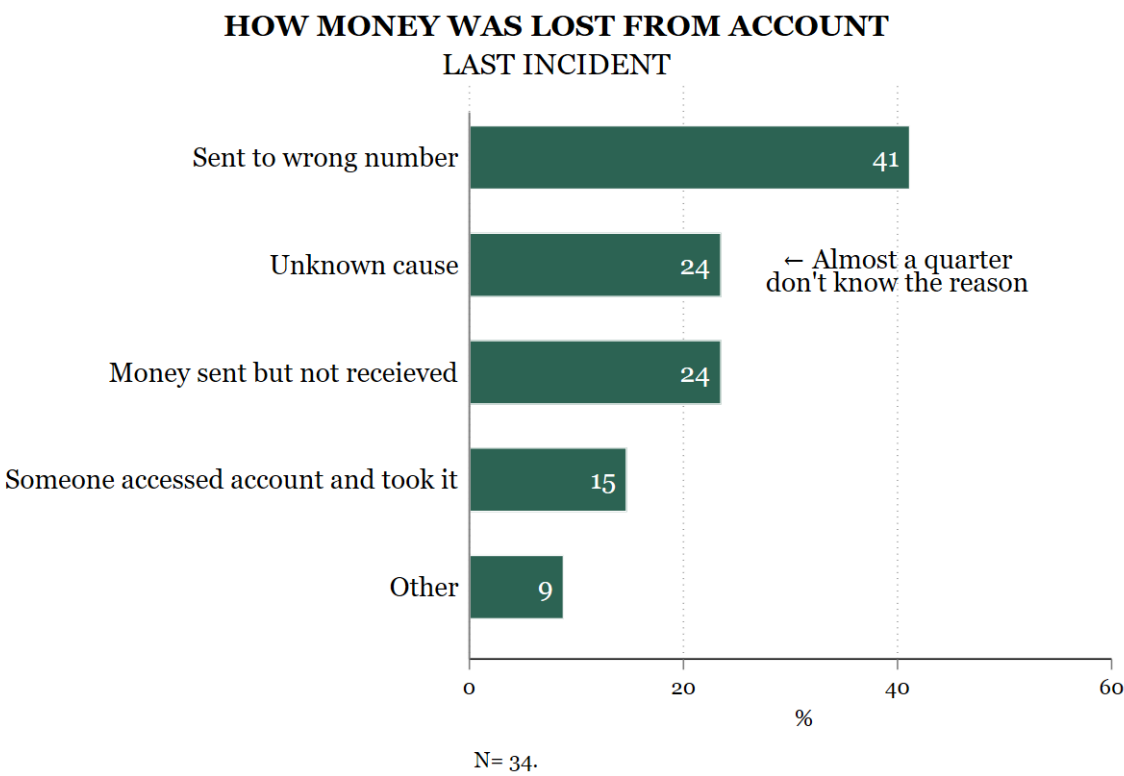
Urban, younger respondents, and those with some secondary education were more likely to report experiences of discrimination. There were no differences by gender.

AGENT DISCRIMINATES
BASED ON GENDER, AGE, ETHNICITY, OR RELIGION

Never   Rarely/Sometimes   Often/Always

EXPERIENCED DISCRIMINATION BY AGENT

Age
- 18-25 years
- 26-45 years
- 46+ years

Education
- Primary or less
- Some secondary
- Completed secondary

Urbanicity
- Rural
- Urban

N= 969. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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.

HOW MONEY WAS LOST FROM ACCOUNT
LAST INCIDENT

Category	%
Sent to wrong number	41
Unknown cause	24
Money sent but not received	24
Someone accessed account and took it	15
Other	9

← Almost a quarter don't know the reason

N= 34.

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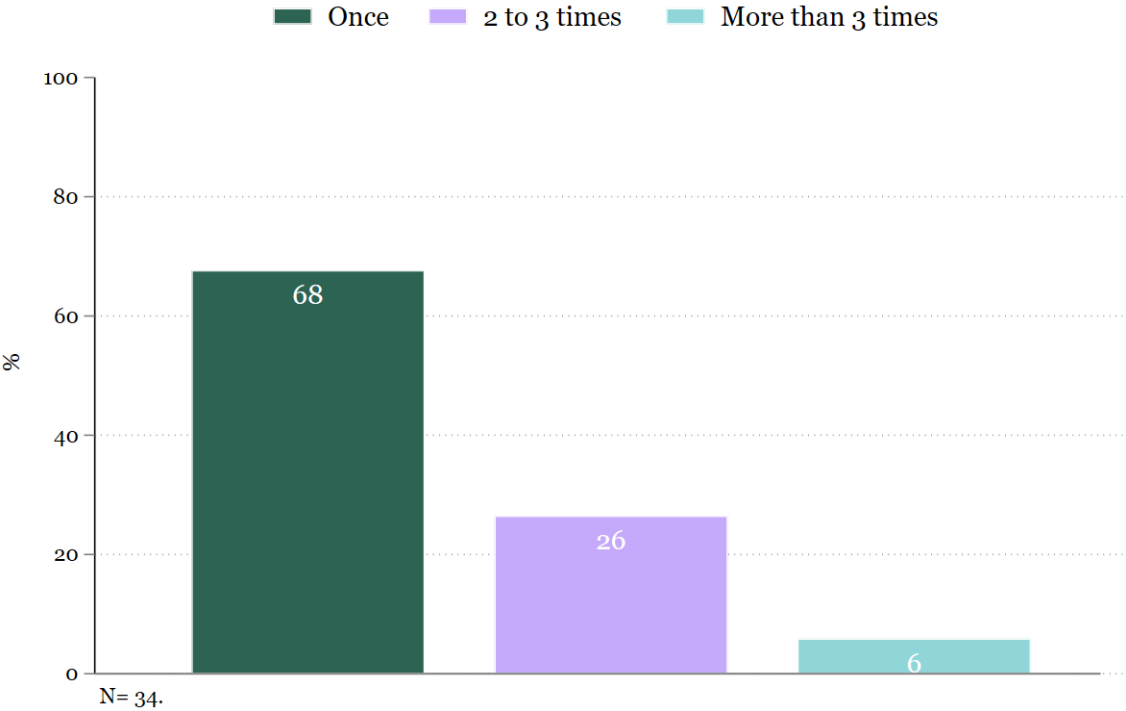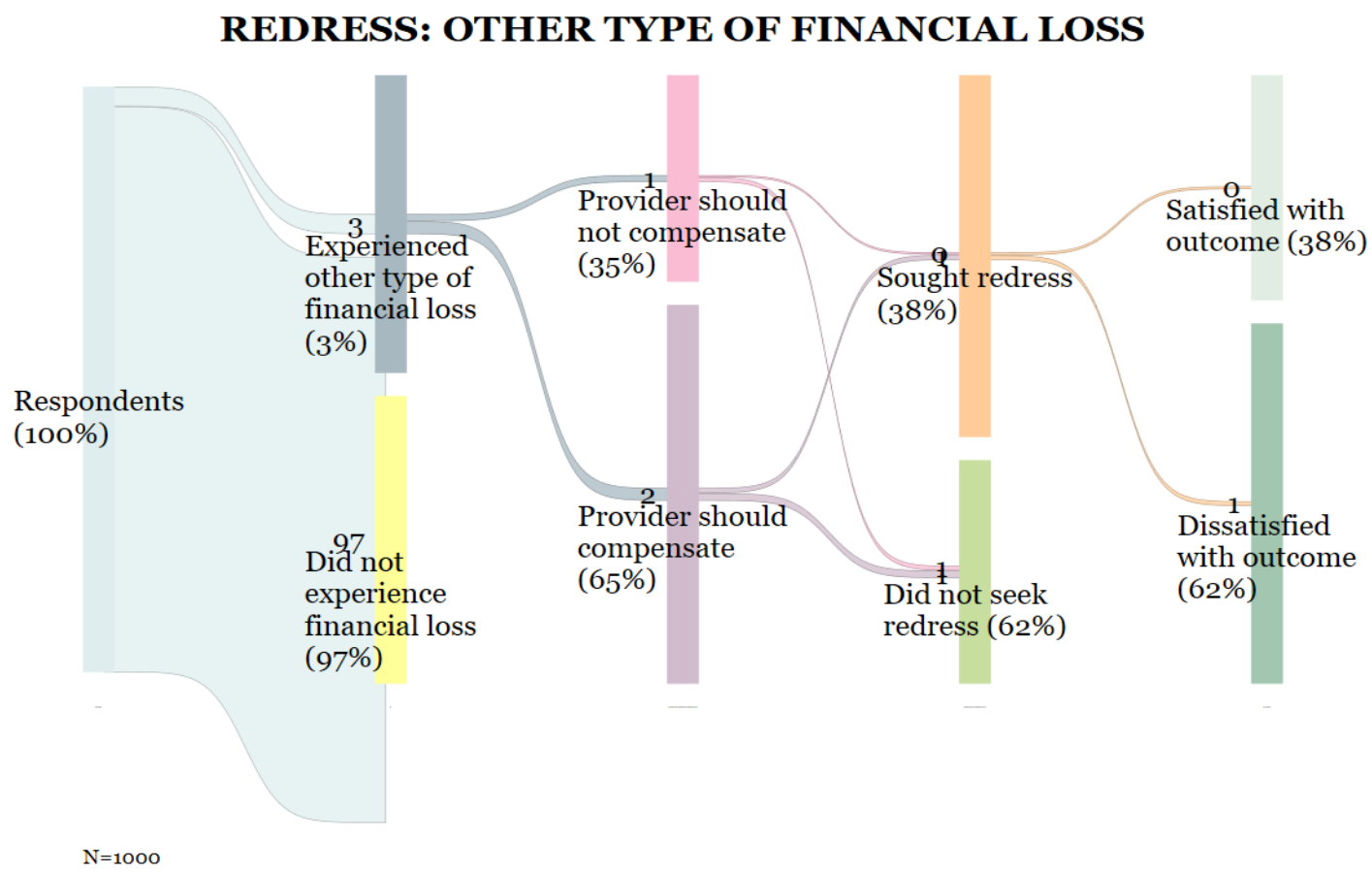
AMOUNT LOST FROM ACCOUNT
LAST INCIDENT

AVERAGE
$23.08

MEDIAN
$10.05

MINIMUM
$0.08

MAXIMUM
$131.20

N= 34

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

HOW OFTEN MONEY WAS LOST

■ Once   ■ 2 to 3 times   ■ More than 3 times

68

26

6

%

N= 34.

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

REDRESS: OTHER TYPE OF FINANCIAL LOSS

Respondents (100%)

3 Experienced other type of financial loss (3%)

97 Did not experience financial loss (97%)

1 Provider should not compensate (35%)

2 Provider should compensate (65%)

Sought redress (38%)

1 Did not seek redress (62%)

0 Satisfied with outcome (38%)

1 Dissatisfied with outcome (62%)

N=1000

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,
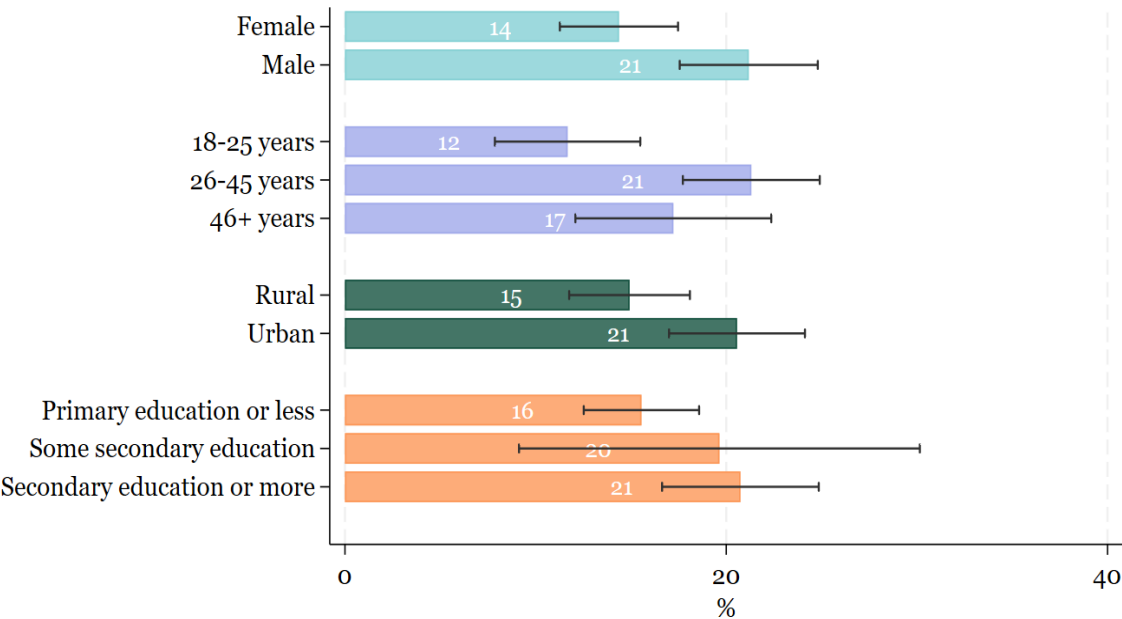
18 percent

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.
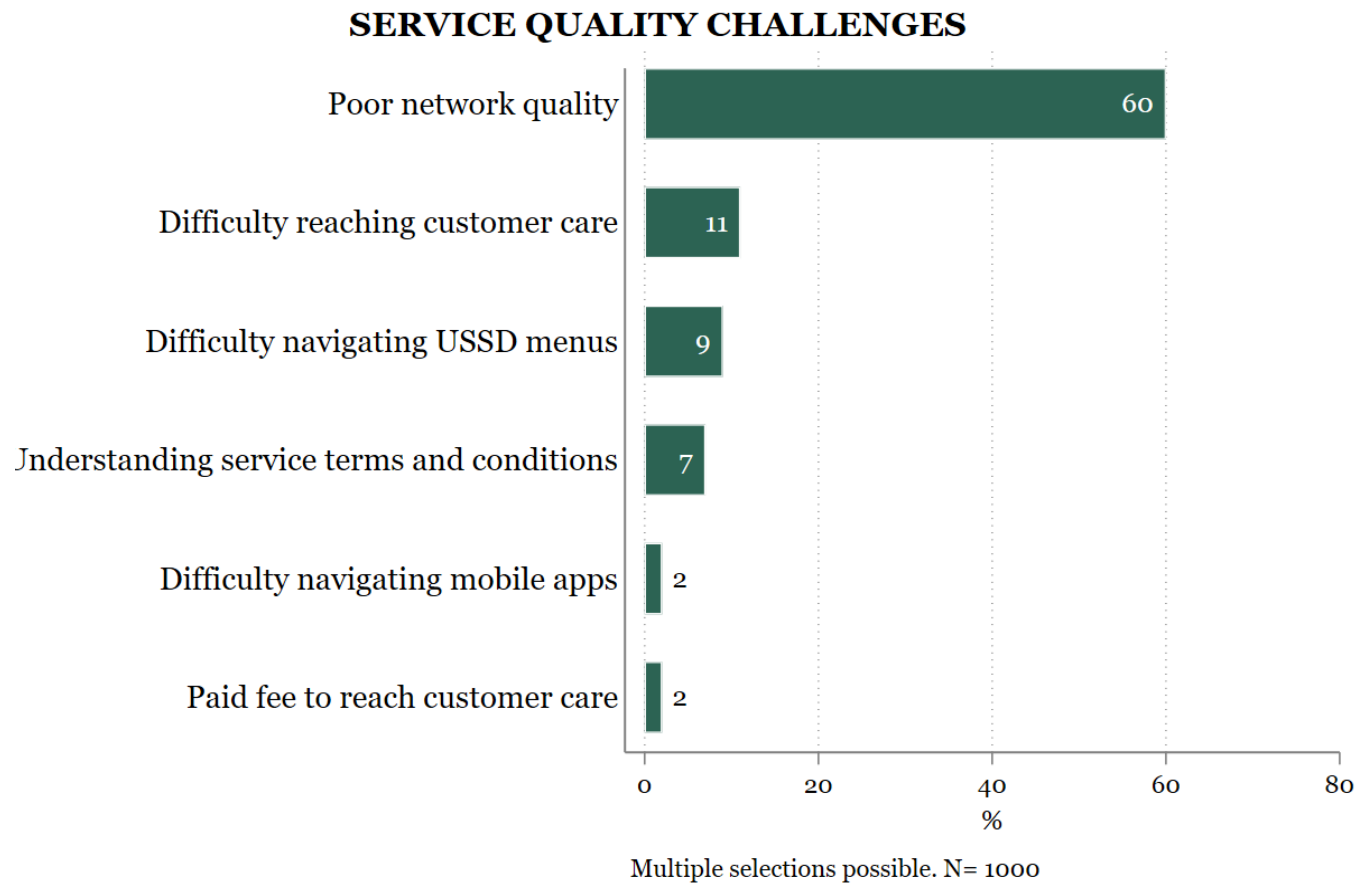
EVER SENT MONEY TO A WRONG NUMBER

Category	%
Female	14
Male	21
18-25 years	12
26-45 years	21
46+ years	17
Rural	15
Urban	21
Primary education or less	16
Some secondary education	20
Secondary education or more	21

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

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

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

SERVICE QUALITY CHALLENGES

Challenge	%
Poor network quality	60
Difficulty reaching customer care	11
Difficulty navigating USSD menus	9
Understanding service terms and conditions	7
Difficulty navigating mobile apps	2
Paid fee to reach customer care	2

Multiple selections possible. N= 1000

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

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

EXPERIENCED A SERVICE QUALITY CHALLENGE

Female — 59
Male — 71

Primary education or less — 60
Some secondary education — 57
Secondary education or more — 74

Less poor — 69
More poor — 61

Less financially literate — 63
More financially literate — 69

N= 1000. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.
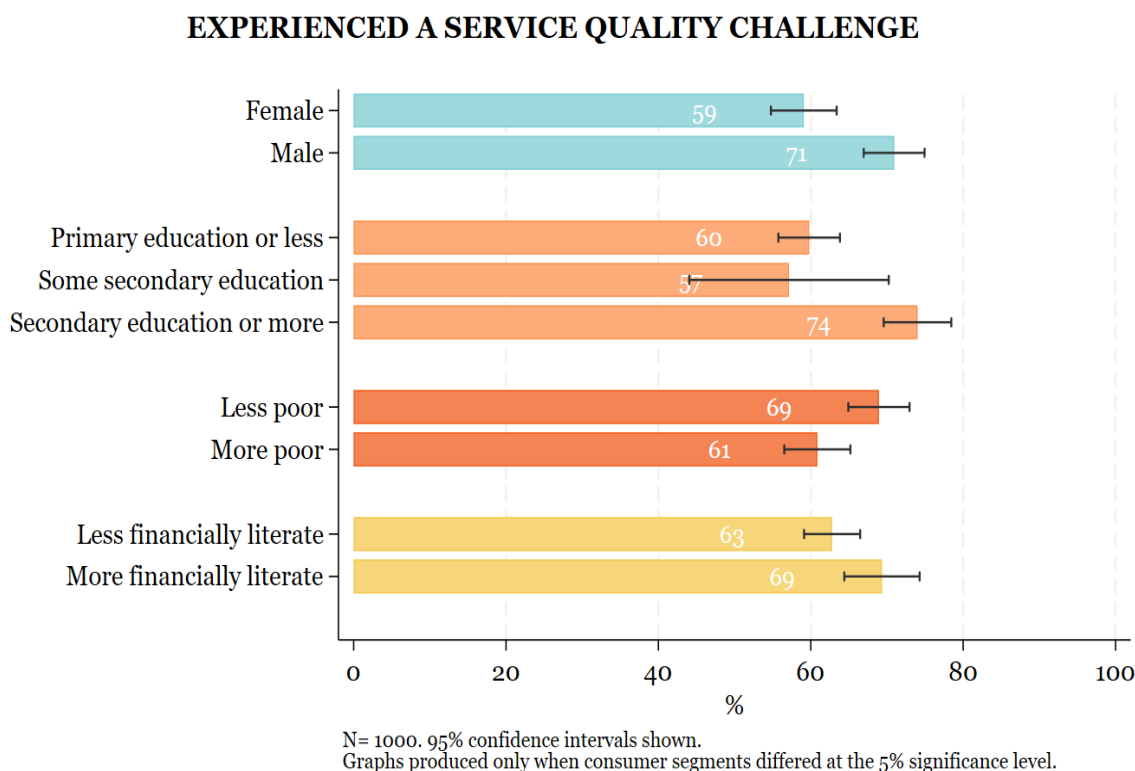
Rural and more financially literate respondents reported significantly higher rates of **not understanding a service or how to use it.**
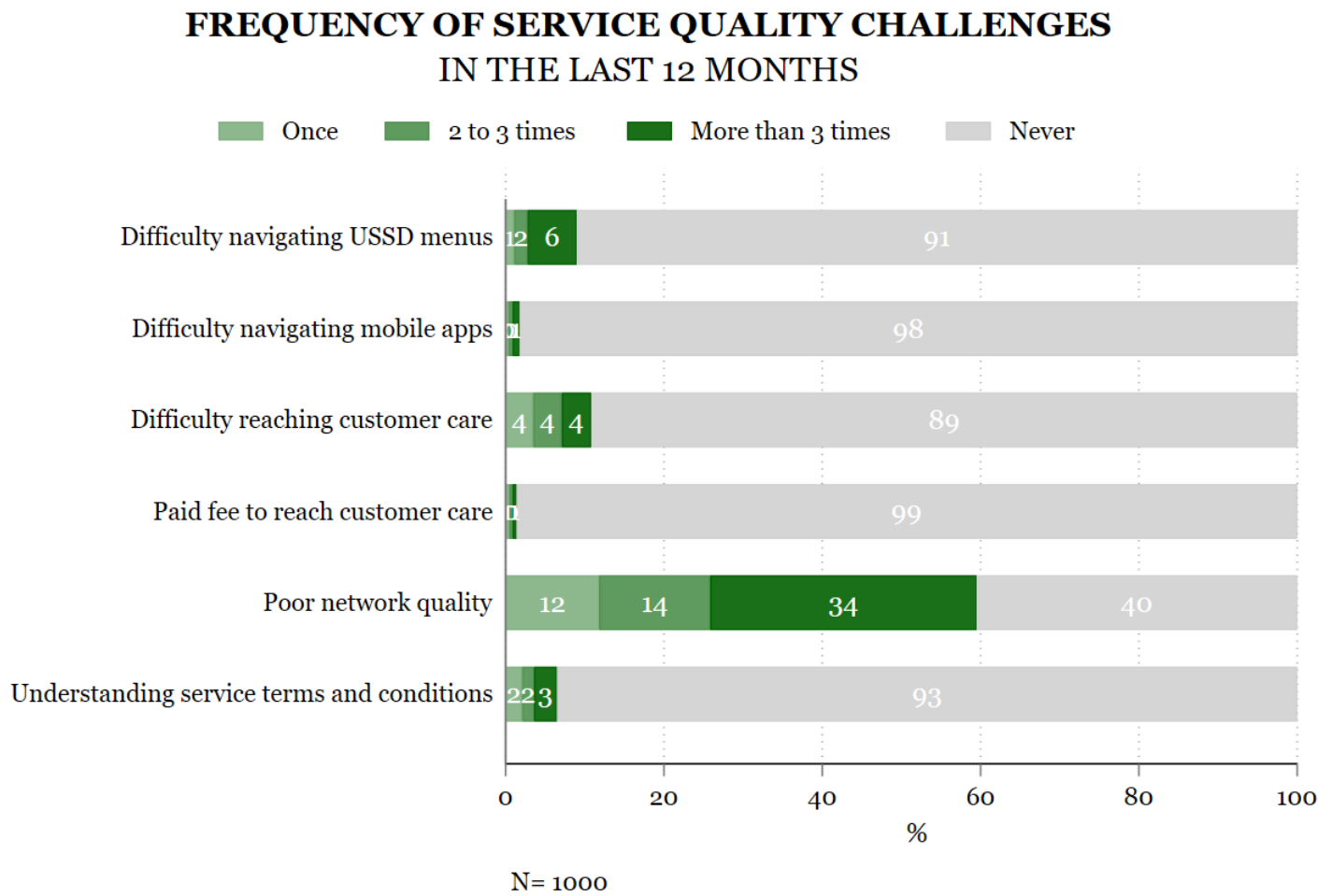
Among all respondents experiencing these difficulties,

4 percent

lost money as a result, losing on average

$1.96.

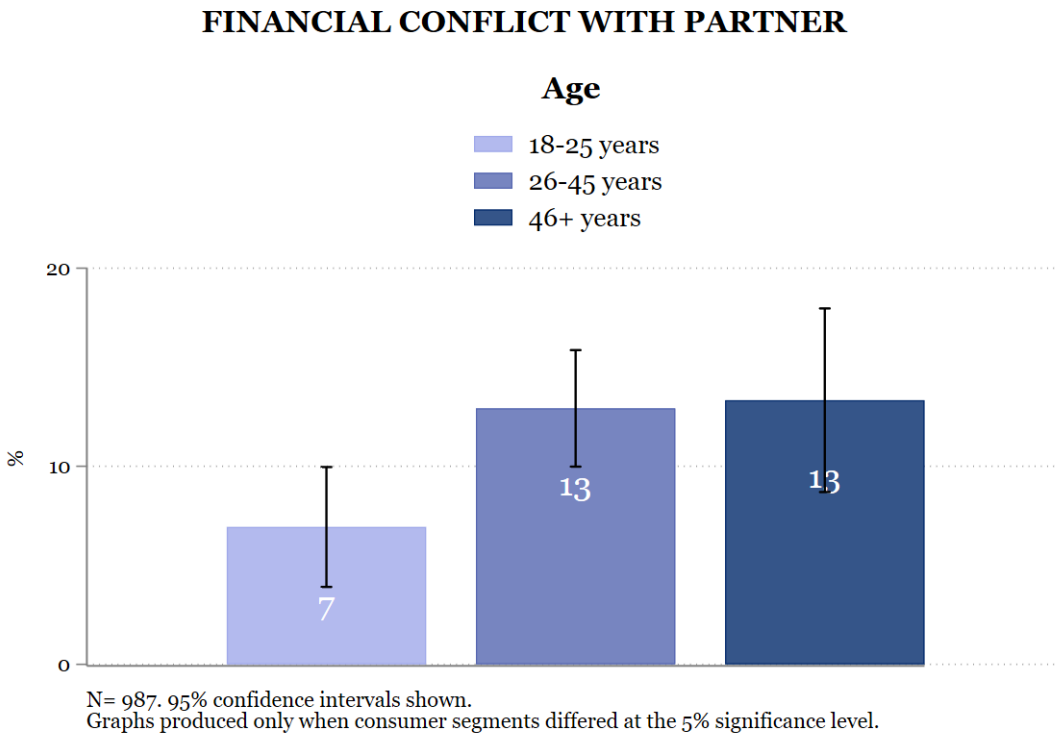# Network quality challenges were encountered frequently.

FREQUENCY OF SERVICE QUALITY CHALLENGES
IN THE LAST 12 MONTHS

Once   2 to 3 times   More than 3 times   Never

N= 1000

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.

FINANCIAL CONFLICT WITH PARTNER

Age

- 18-25 years
- 26-45 years
- 46+ years

N= 987. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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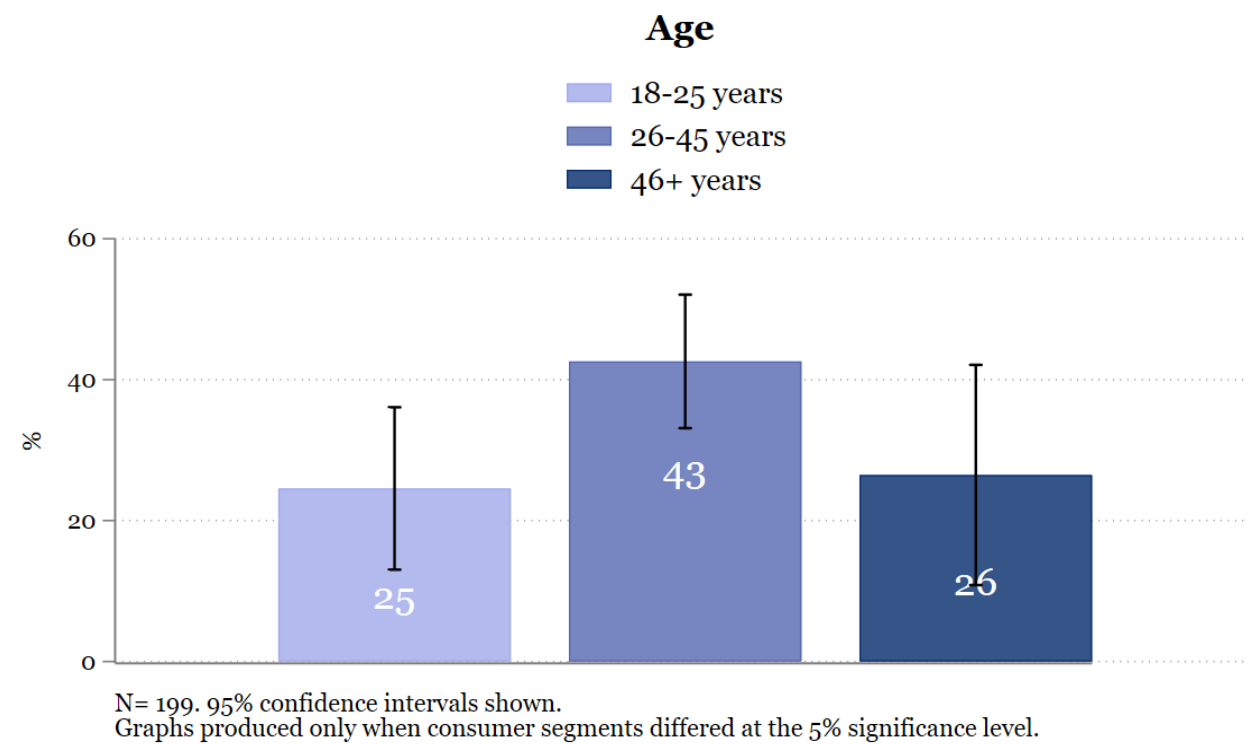
6 percent
had sought redress for an issue more than one time in the past 12 months.

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

FREQUENCY OF SEEKING REDRESS
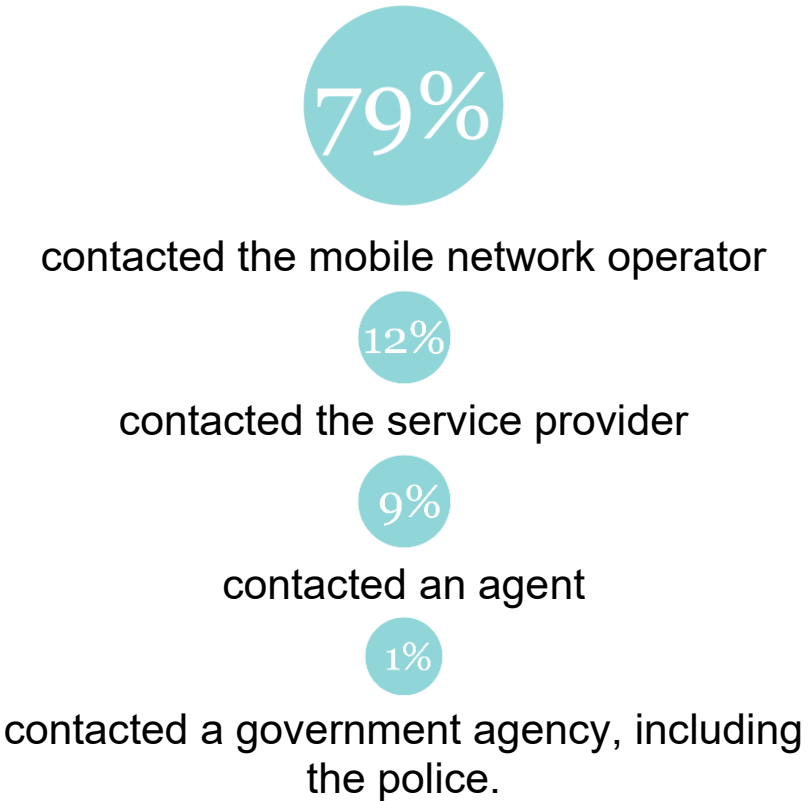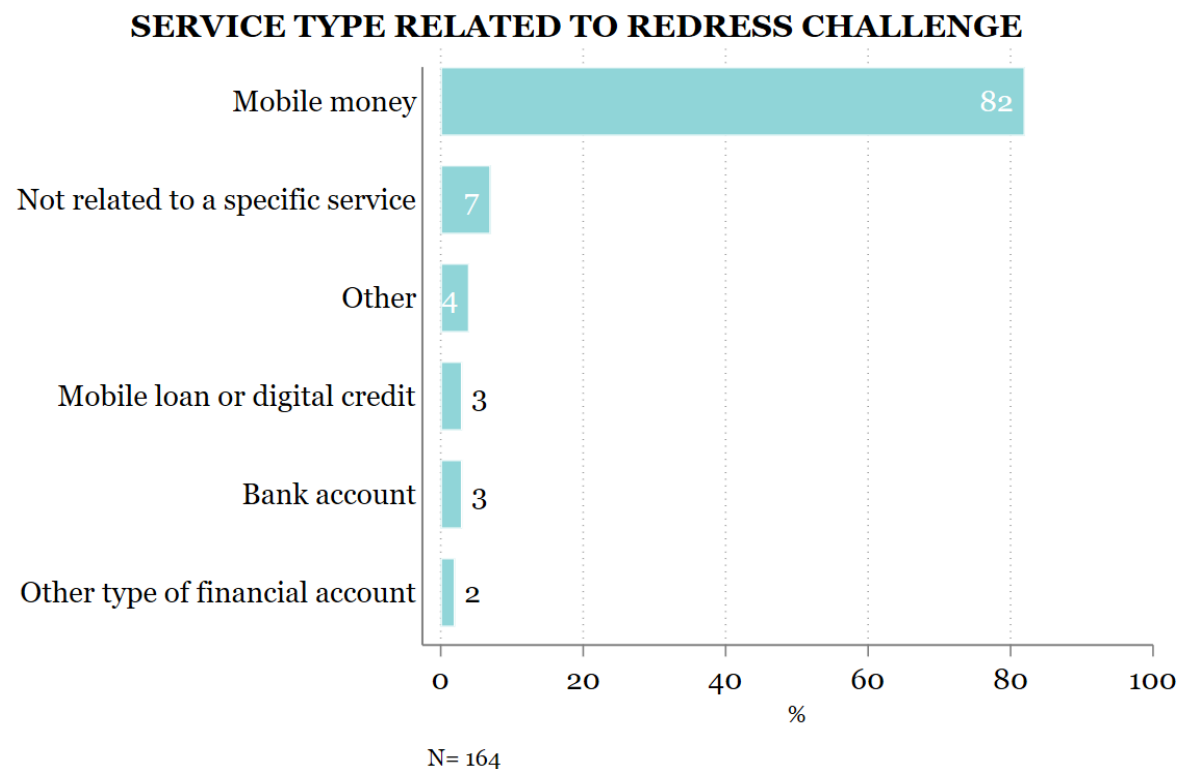LAST 12 MONTHS

N= 998.
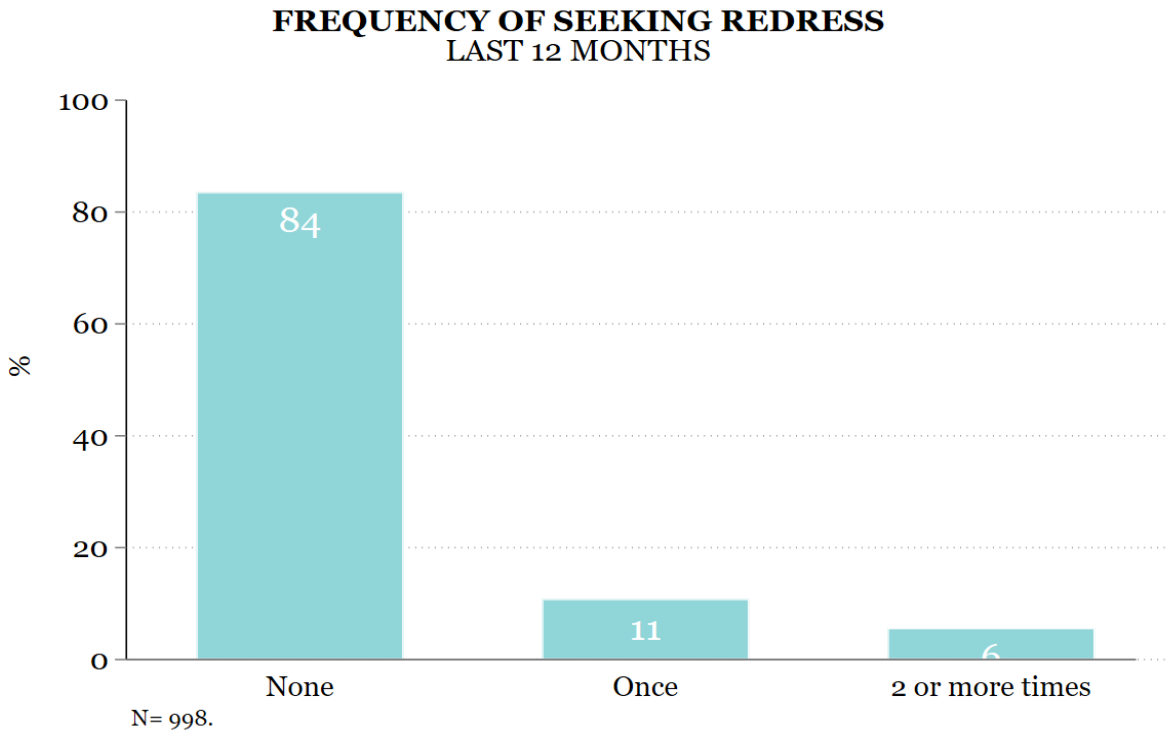
Of those that lost money due to a DFS challenge, middle-aged adults were more likely to seek formal redress.

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

Age

- 18-25 years
- 26-45 years
- 46+ years

N= 199. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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

SERVICE TYPE RELATED TO REDRESS CHALLENGE

Mobile money — 82
Not related to a specific service — 7
Other — 4
Mobile loan or digital credit — 3
Bank account — 3
Other type of financial account — 2

%

N= 164

79%
contacted the mobile network operator

12%
contacted the service provider

9%
contacted an agent

1%
contacted a government agency, including the police.

Phone call was the most common mode of seeking redress.

REDRESS CHANNEL

Redress Channel	%
Phone call	90
In person	11
Someone contacted them on my behalf	4
Online review	1
Chatbot	1
Social media	1

Multiple selections possible. N= 164.
Excludes 1 don't know responses.
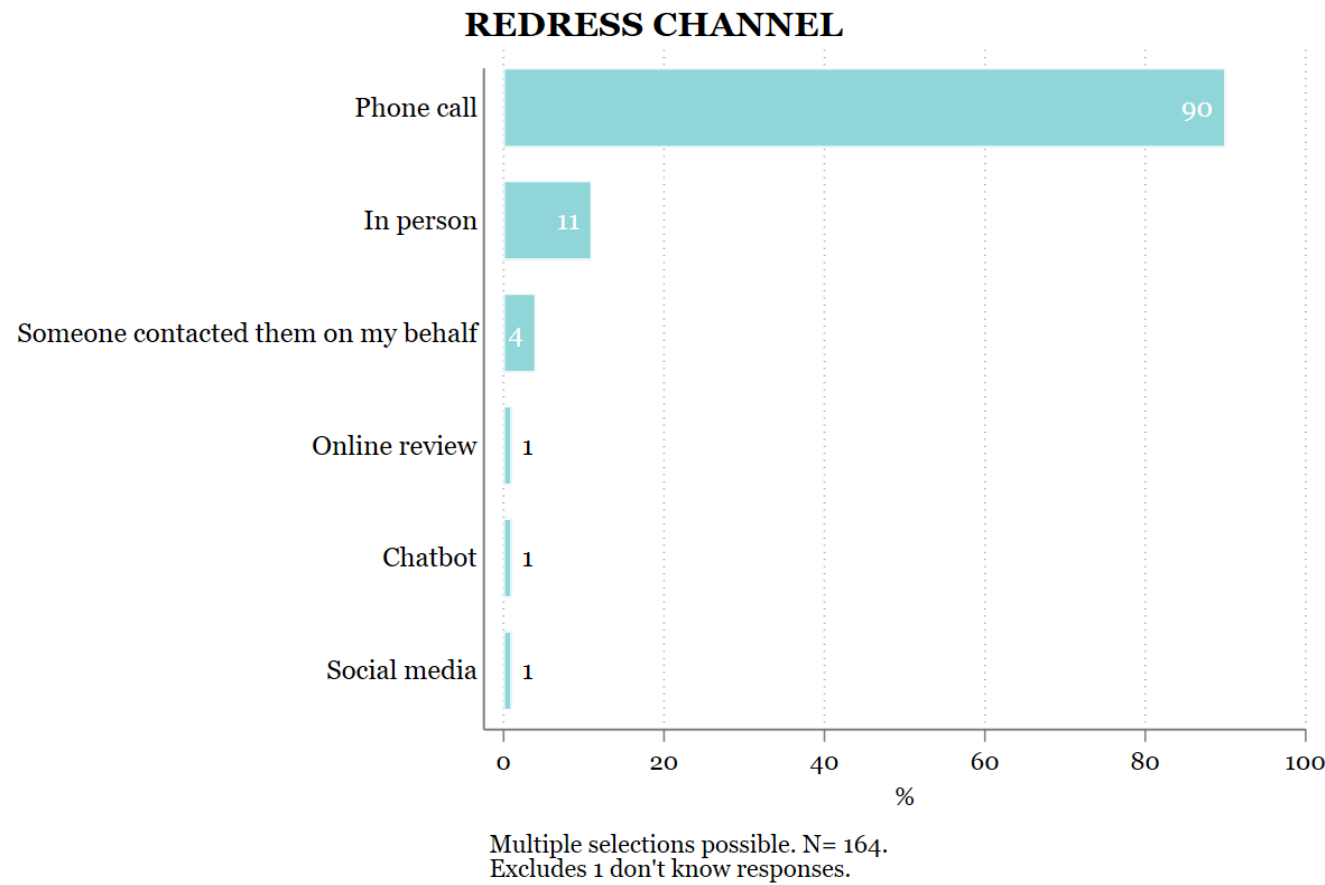
Older adults were more likely to seek redress in person.

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

LAST CHALLENGE REDRESS WAS SOUGHT FOR

Challenge	%
General Transaction and Account Issues	25
Unexpected Charges and Deductions	20
Account Access Problems	10
Airtime, Bundles and Data Services	10
Failed or Incomplete Transactions	7
Sent Money to Wrong Number	7
Network Connectivity Issues	7
Utility Payment Issues	4
Fraud and Scams	4
Withdrawal Issues	2
Mobile Loans and Debt	2
Customer Service Quality	1
Agent-Related Issues	1

%

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.

46%

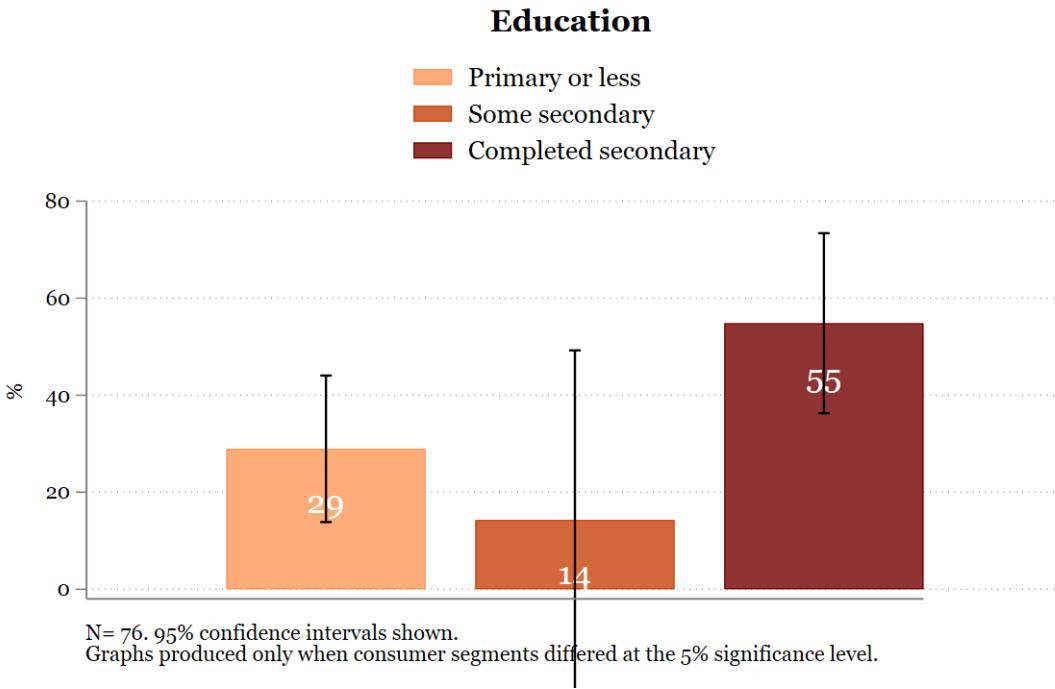of challenges for which redress was last sought involved loss of funds.

38%

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

Education

- Primary or less
- Some secondary
- Completed secondary

N= 76. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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.
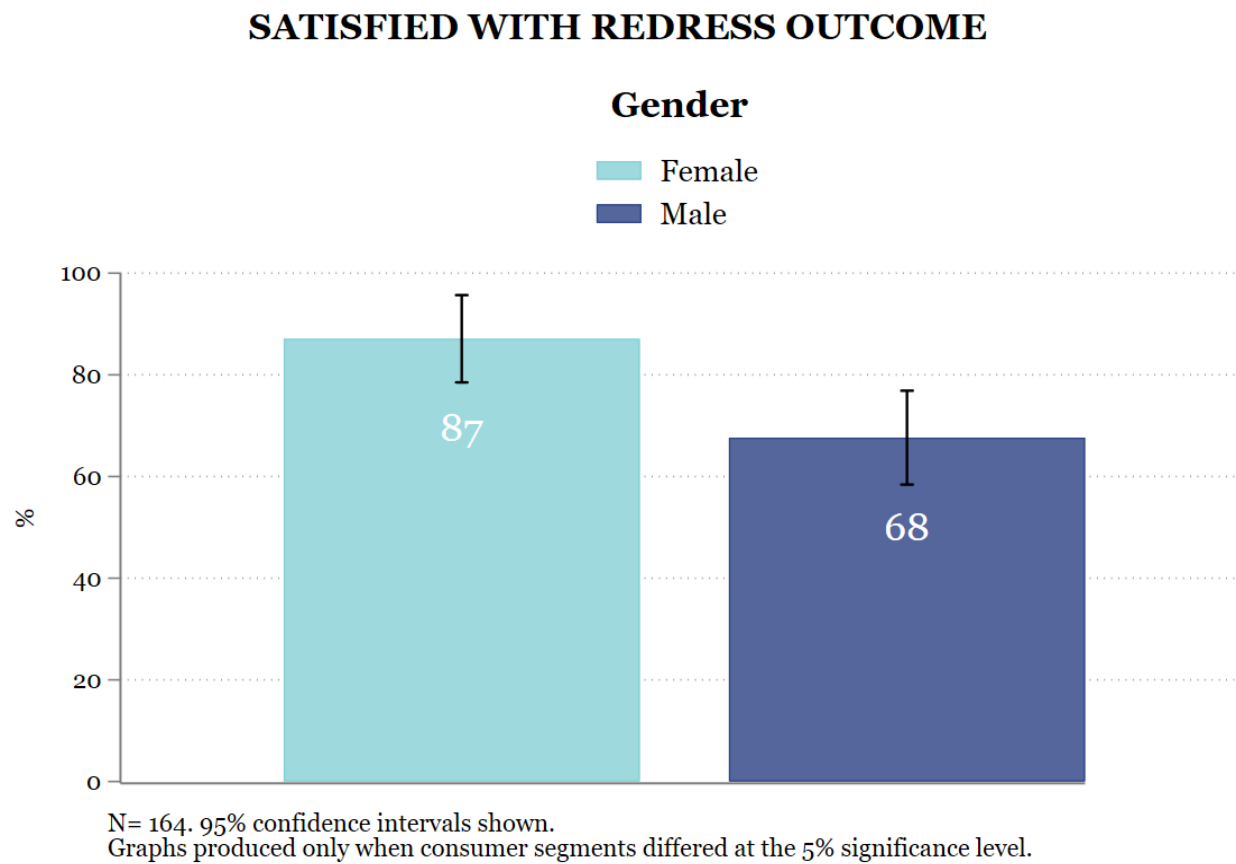
RESOLUTION TIME OF LAST REDRESS INCIDENT

Legend: ▇ Actual resolution time   ▇ Expected resolution time
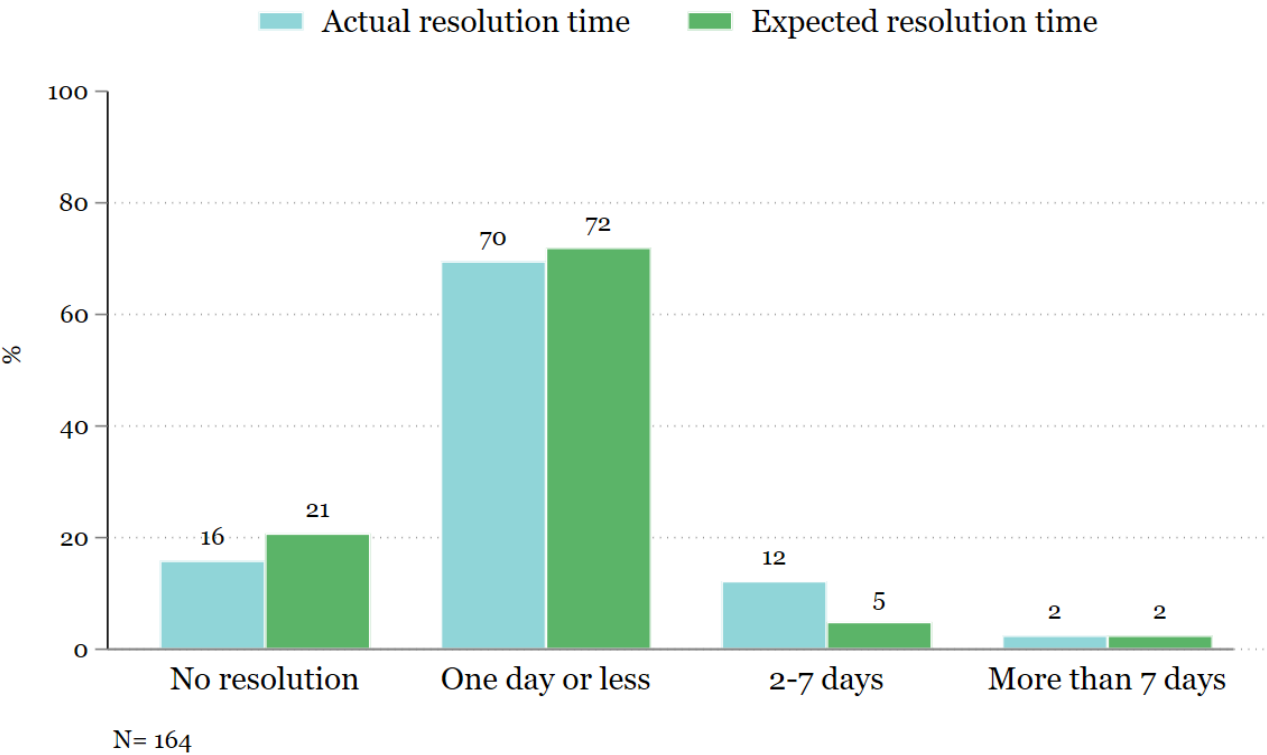
One fifth of respondents did not expect that their issue would be resolved.

N= 164

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

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

SATISFIED WITH REDRESS OUTCOME

Gender

- Female
- Male

N= 164. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

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

IMPACT ON USAGE:
CHALLENGE FOR WHICH REDRESS WAS SOUGHT
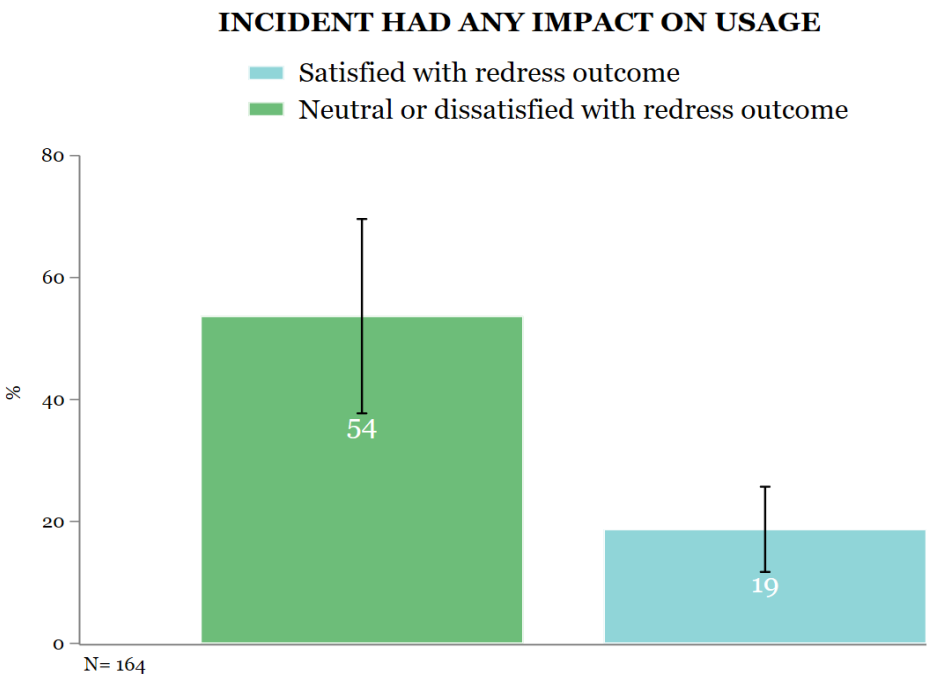

Multiple selections possible. N= 164.
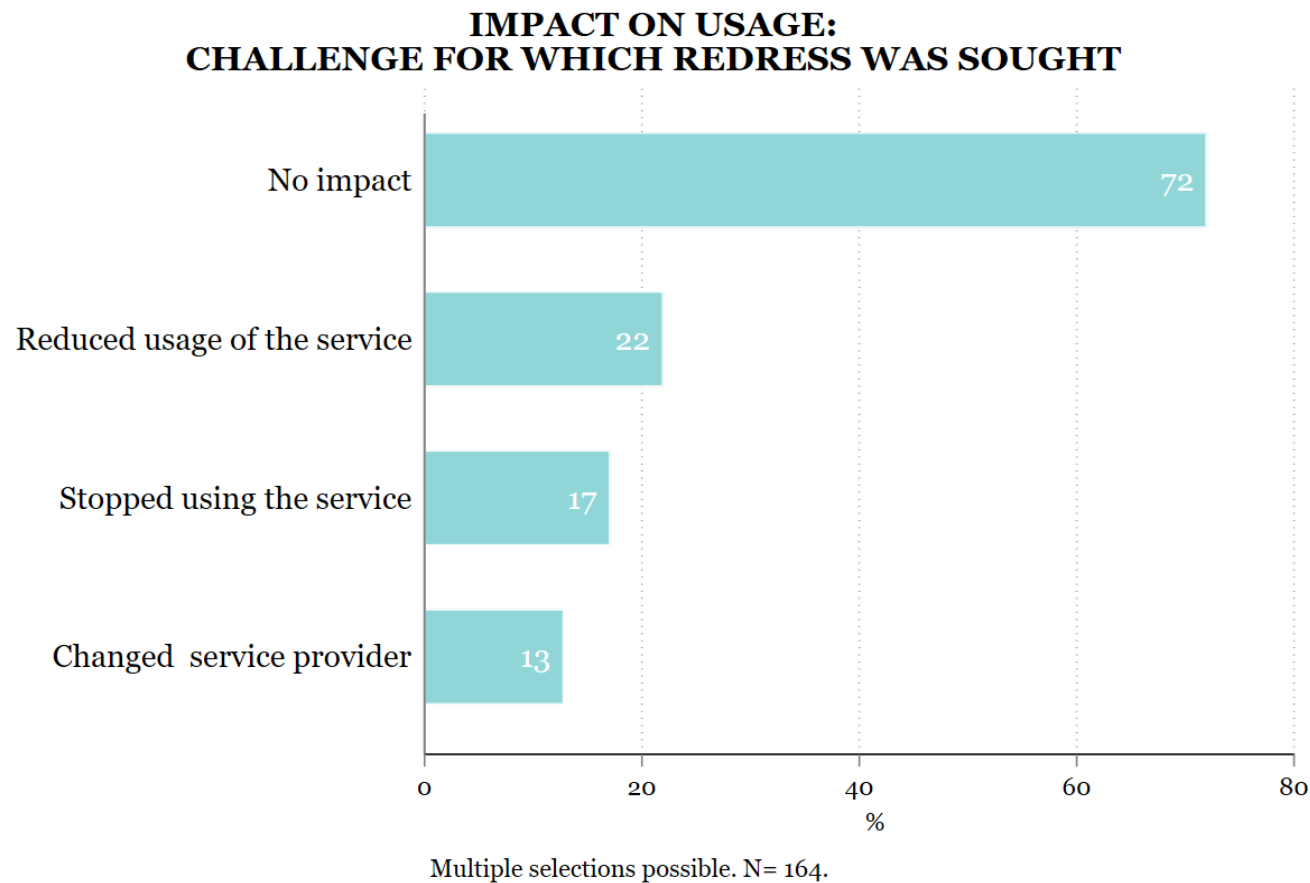
Lower educated consumer were more likely to reduce their DFS usage, while poorer respondents changed service provider to a higher extent.

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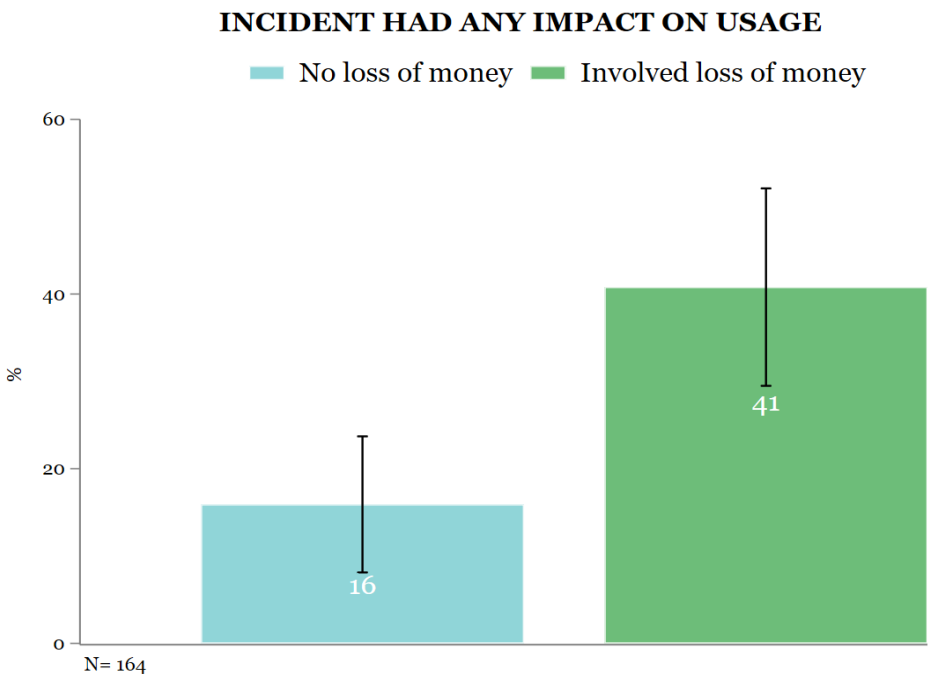
Those dissatisfied with the outcome of their complaint were also more likely to reduce their DFS usage.

INCIDENT HAD ANY IMPACT ON USAGE

■ No loss of money ■ Involved loss of money

N= 164

INCIDENT HAD ANY IMPACT ON USAGE

■ Satisfied with redress outcome
■ Neutral or dissatisfied with redress outcome

N= 164

Trust in Digital Financial Services
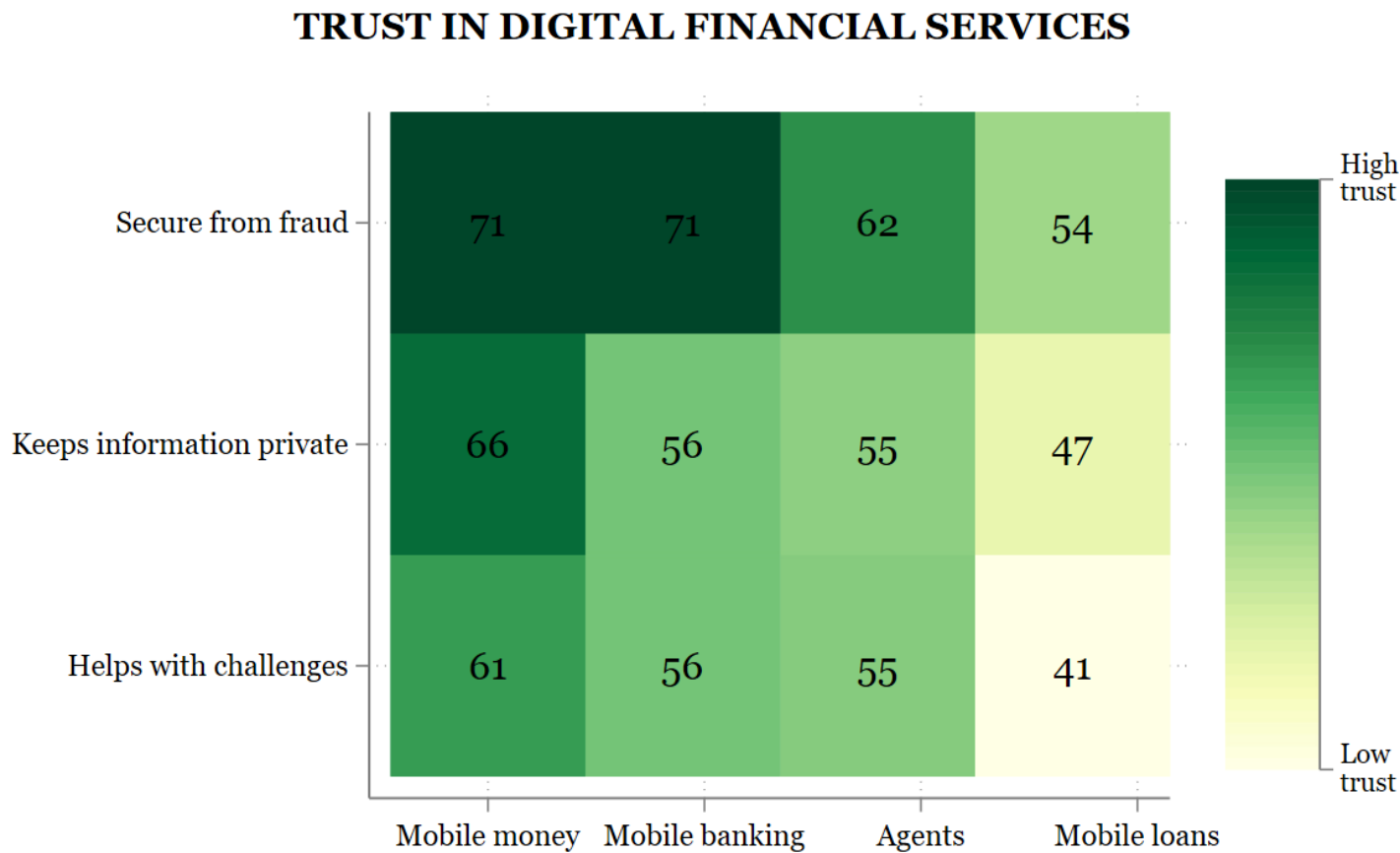
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Key Findings

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.

TRUST IN DIGITAL FINANCIAL SERVICES

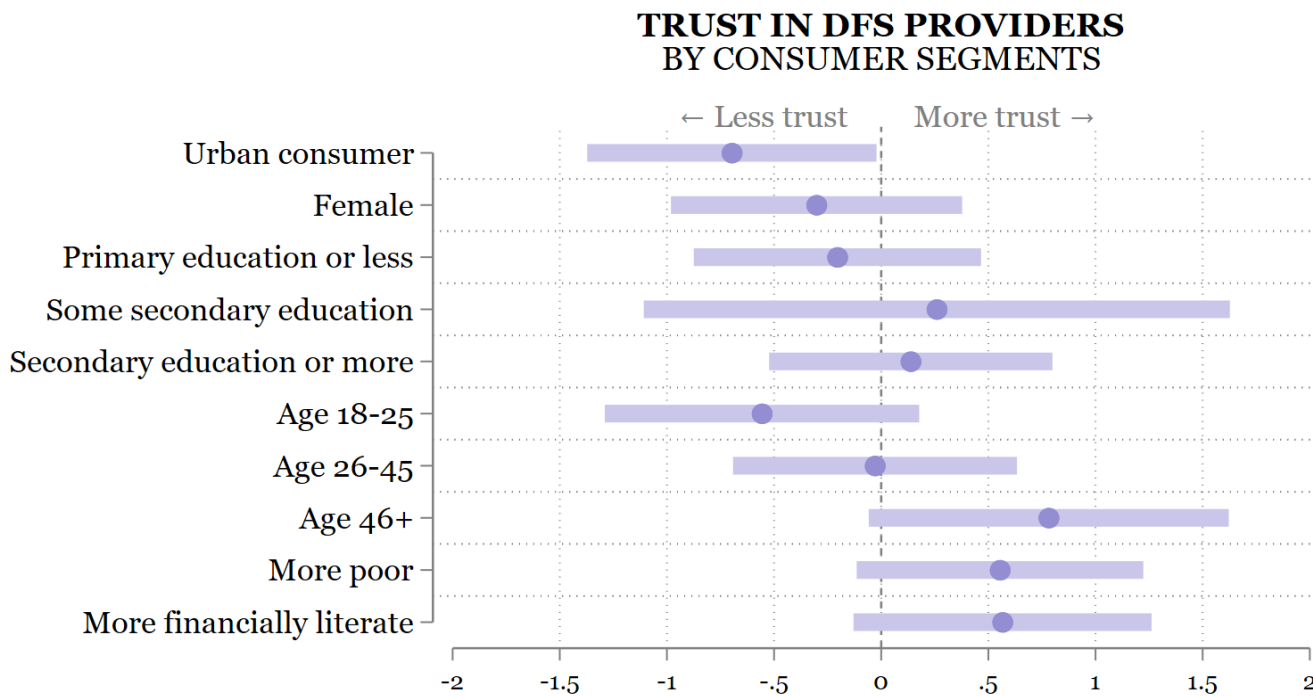|	Mobile money	Mobile banking	Agents	Mobile loans
Secure from fraud	71	71	62	54
Keeps information private	66	56	55	47
Helps with challenges	61	56	55	41

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.

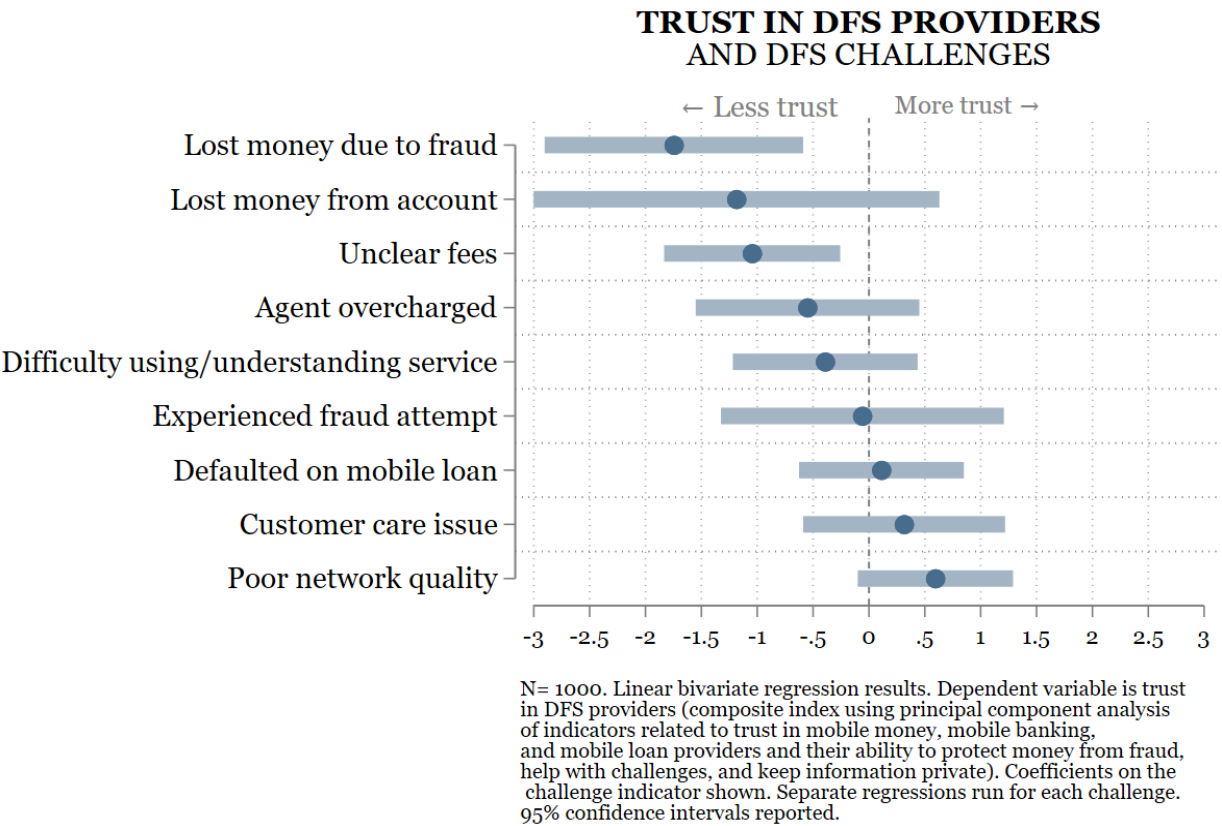# Trust in DFS providers varies by consumer segments.

Urban respondents tend to be less trustful.

TRUST IN DFS PROVIDERS
BY CONSUMER SEGMENTS

← Less trust   More trust →

N= 1000. Linear bivariate regression results. Dependent variable is trust
in DFS providers (composite index using principal component analysis
of indicators related to trust in mobile money, mobile banking,
and mobile loan providers and their ability to protect money from fraud,
help with challenges, and keep information private). Coefficients on the
demographic indicator shown. Separate regressions run for each segment.
95% confidence intervals reported.

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.

TRUST IN DFS PROVIDERS
AND DFS CHALLENGES

← Less trust   More trust →

Lost money due to fraud	
Lost money from account	
Unclear fees	
Agent overcharged	
Difficulty using/understanding service	
Experienced fraud attempt	
Defaulted on mobile loan	
Customer care issue	
Poor network quality	

-3 -2.5 -2 -1.5 -1 -.5 0 .5 1 1.5 2 2.5 3

N= 1000. Linear bivariate regression results. Dependent variable is trust in DFS providers (composite index using principal component analysis of indicators related to trust in mobile money, mobile banking, and mobile loan providers and their ability to protect money from fraud, help with challenges, and keep information private). Coefficients on the challenge indicator shown. Separate regressions run for each challenge. 95% confidence intervals reported.

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