Financial Consumer Protection Survey (FCPS) Philippines 2025

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Innovations for Poverty Action

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Executive Summary

Top five challenges and risks identified by DFS users	
1. Poor network quality	79%
2. Difficulty navigating mobile apps	20%
3. Fraud attempt	18%
4. Unclear fees or charges	14%
5. Difficulty reaching customer care	14%

Choice and transparency	
Compares prices before selecting a financial service provider	49%
Often or always learns prices for DFS before the transaction	58%

Over-indebtedness	
Loan users that missed a scheduled payment in last 12 months	29%
Loan users that regretted taking on debt	8%
Loan users that reduced food expenditure to repay debt	19%

Fraud	
Experienced a fraud attempt in last 12 months	18%
Lost money due to fraud in last 12 months	8%

Executive Summary

Challenges with agents	
Paid an extra fee in last agent transaction	4%
Experience agent discrimination sometimes, often, or always	18%

Complaints redress	
Sought redress in the last 12 months, among those that lost money due to fraud, unclear fees, or service quality challenges	16%
Of redress seekers, somewhat or very satisfied with last redress outcome	41%
Redress seekers changed, stopped, or reduced usage of DFS	
- Of redress seekers, **satisfied** with redress outcome	29%
- Of redress seekers, **dissatisfied** with redress outcome	42%

Trust	
Share of respondents who report full trust in each provider type (regarding privacy, fraud protection, and problem resolution):	
- Mobile banking providers	51%
- Mobile money providers	33%
- Agents	24%
- Mobile loan providers	14%

Executive Summary

Sample characteristics

1 **Demographics:** 96 percent had completed at least some secondary education or more, higher than the 82 percent in the Findex 2025 survey, and about half were between 26 and 45 years of age. 50 percent of interviewed respondents were female, and 50 percent urban (as compared to 61 percent female and 51 percent urban DFS users in Findex).

2 **Smartphone usage:** 100 percent of respondents use smartphones as their primary phone.

3 **SIM card registration:** 2 percent of respondents used SIM cards not registered in their name. Less educated respondents were more likely to use SIM cards registered in someone else's name.

4 **Security vulnerabilities:** Nearly 11 percent of DFS users did not have a PIN or password on their phone to protect their accounts. About 38 percent of those with PIN/passwords shared them with others, typically spouses or other household members.

Executive Summary

Digital Financial Services Usage and Consumer Choice

1 **Services used:** Mobile money (98) and DFS agents (90) are the most used services overall, with 23 percent using mobile banking. Mobile loans, overdrafts, buy-now-pay-later and credit cards are rare, used by less than a third of respondents (25 percent).

2 **Provider concentration:** Two mobile money providers account for 98 percent of the market. 87 percent of mobile loan users had only used one provider, while only 30 percent had used just one agent.

3 **Comparing prices:** Between 35 percent and 51 percent of consumers compared prices depending on the service used, with 8 percent of payment services users and 12 percent of loan users finding it somewhat or very difficult to compare prices.

4 **Stopped using a service:** 17 percent had stopped using of a payment service provider (primarily due to no longer needing the service, or account problems), and 23 percent had stopped using an agent (mostly due to distance, poor customer service, or agents going out of business).

Executive Summary

Challenges and risks

1 **Fraud exposure:** 18 percent of respondents experienced a fraud attempt in the last 12 months, with 8 percent losing money to fraud. The median loss was USD 29.

2 **Over-indebtedness:** Among mobile loan users, 13 percent failed to repay a loan in the last 12 months, 8 percent regretted taking on debt, and 19 percent reduced food expenditure to repay debt.

3 **Sending money incorrectly:** 14 percent of payment services users had ever sent money to a wrong number, with 73 percent of those users were unable to recover the funds.

4 **Service quality issues:** 87 percent experienced any type of service quality challenge in the past 12 months, with 79 percent experiencing poor network quality, 20 percent found it difficult to navigate mobile apps and 14 percent struggling to reach customer care when needed.

Executive Summary

Complaints redress

1 **Redress-seeking rates:** Of the 20 percent of respondents who lost money due to fraud, unexpected fees, or service quality challenges in the past 12 months, only 16 percent sought redress to resolve the issue. Less poor respondents were marginally more likely to seek redress.

2 **Recovery of funds:** Among redress seekers who lost money, 42 percent were able to recover some or all of it.

3 **Redress resolution:** 41 percent of redress seekers were satisfied with the outcome. 59 percent of cases did not get resolved, and 12 percent of respondents spent money (averaging USD 6.36) on resolution costs like airtime fees or travel expenses.

4 **Impact on service usage:** Among redress seekers, 37 percent made a change to their DFS usage as a result of the challenge experienced. Those dissatisfied with the outcome (42 percent) were no more likely to switch providers or reduce/discontinue DFS usage than those satisfied (29 percent).

Executive Summary

Trust in Digital Financial Services

1 **Trust levels by provider:** Consumer trust was highest in mobile banking and mobile money providers, with 51 percent and 33 percent of respondents giving them full trust ratings respectively. Only 14 percent fully trusted mobile loan providers and 24 percent trusted 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 information private.

3 **Demographic trust patterns:** Female respondents tended to be less trustful of DFS providers, as measured by a trust index score constructed from all trust indicators.

4 **DFS challenges and impact on trust levels:** Consumers who lost money to fraud or encountered unclear fees showed markedly lower trust scores; other challenges were not significantly associated with trust levels.

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 two 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/km^2). Field teams then identify the **nearest market** within a 15km radius of these coordinates.

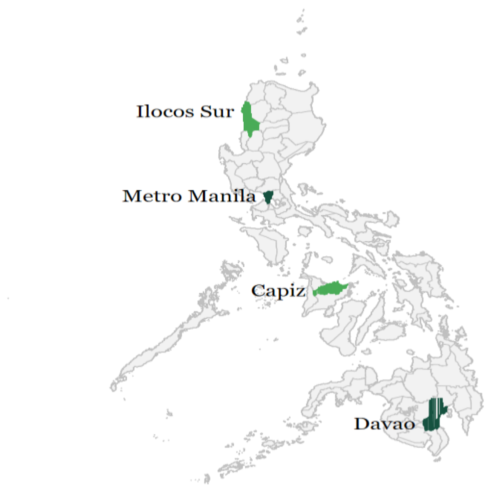
Respondent selection and recruitment: Enumerators station themselves in sampled markets, **intercepting individuals** to screen them for eligibility. Interviews are conducted until a total of 25 surveys have been completed in each market. Respondents must be **at least 18 years old, and have used mobile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

Study Methodology: The Philippines FCP Survey

Sampled Districts: In Philippines, we conducted the FCP survey in **urban markets** in **Metro Manila** and **Davao**, and in **rural markets** in **Capiz** and **Ilocos Sur** province.

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

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:** 96 percent had completed at least some secondary education or more, higher than the 82 percent in the Findex 2025 survey, and about half were between 26 and 45 years of age. 50 percent of interviewed respondents were female, and 50 percent urban (as compared to 61 percent female and 51 percent urban DFS users in Findex).

2. **Smartphone usage:** 100 percent of respondents use smartphones as their primary phone.

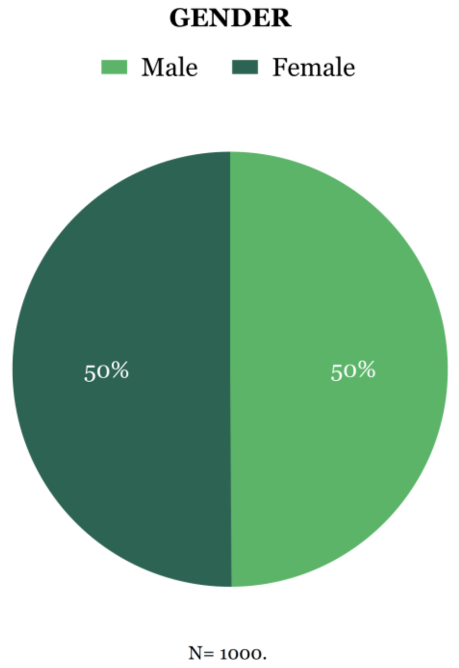
3. **SIM card registration:** 2 percent of respondents used SIM cards not registered in their name. Less educated respondents were more likely to use SIM cards registered in someone else's name.

4. **Security vulnerabilities:** Nearly 11 percent of DFS users did not have a PIN or password on their phone to protect their accounts. About 38 percent of those with PIN/passwords shared them with others, typically spouses or other household members.

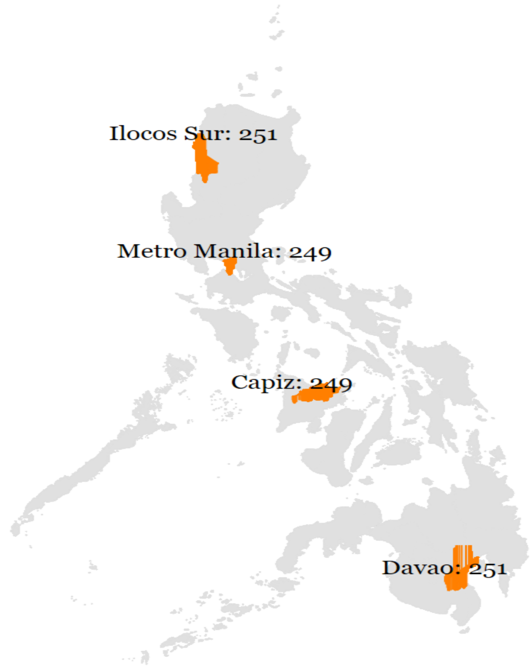
By design, our sample is balanced by gender and urbanicity.

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

Our survey sampled equal shares of men and women.



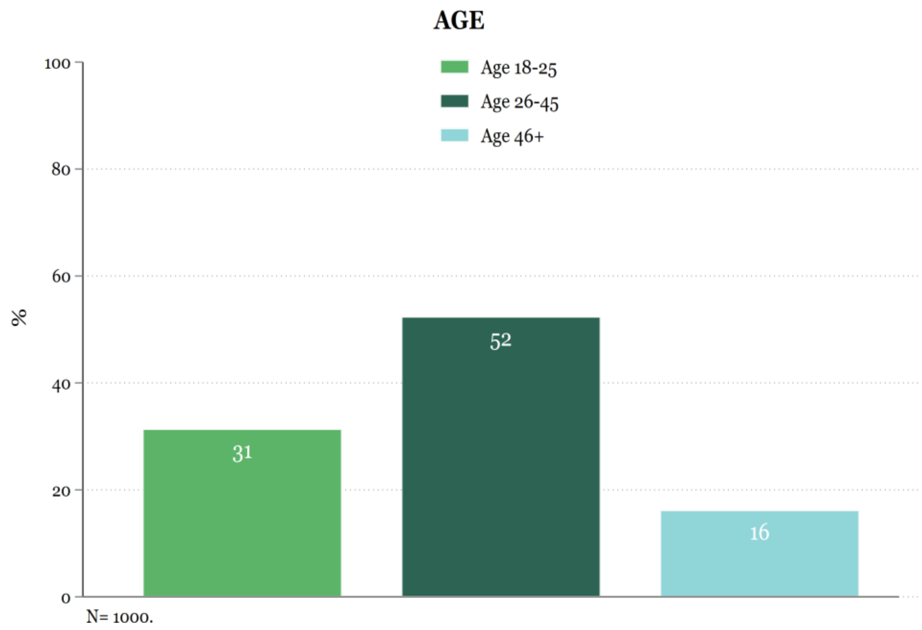
We surveyed 500 respondents in the two biggest cities, Metro Manila and Davao, and another 500 in two randomly selected rural province, Capiz and Ilocos Sur.

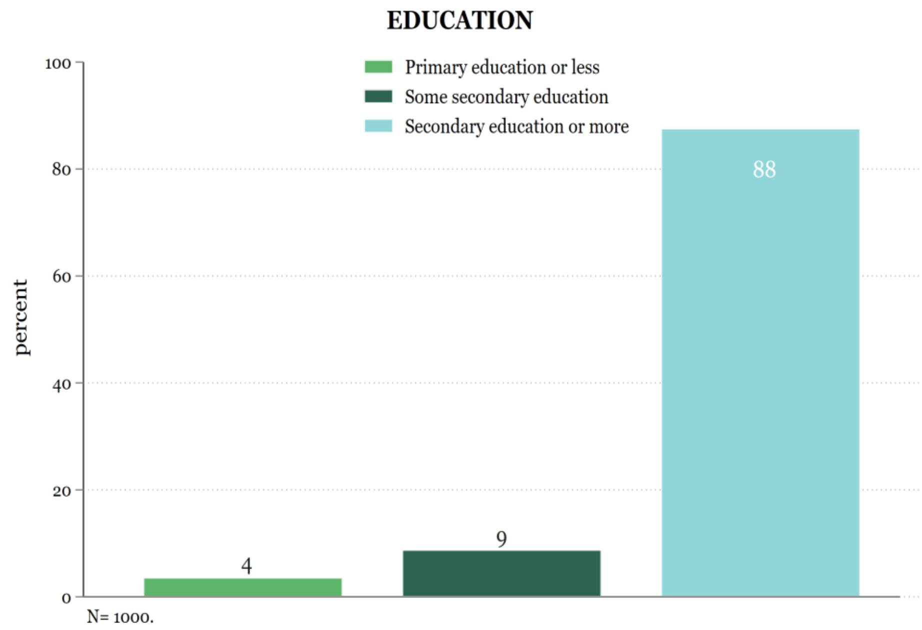


This compares to 61 percent female and 51 percent urban DFS consumers nationally in the Findex 2025 survey.

Surveyed DFS users are middle-aged adults with at least some secondary education or more.

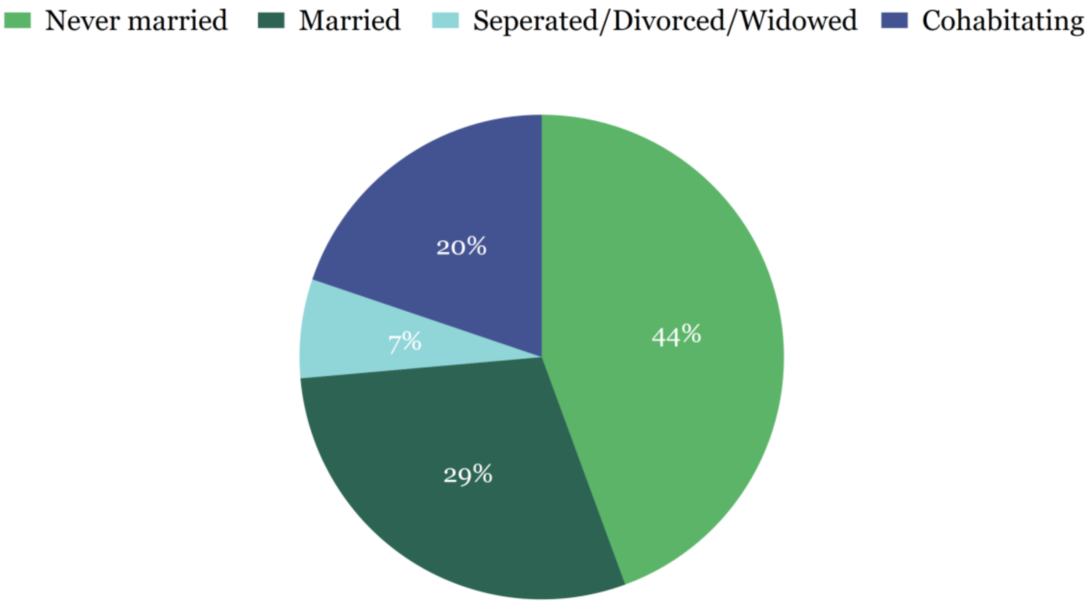
96 percent had at least some secondary education, compared to 82 percent in the Findex data.





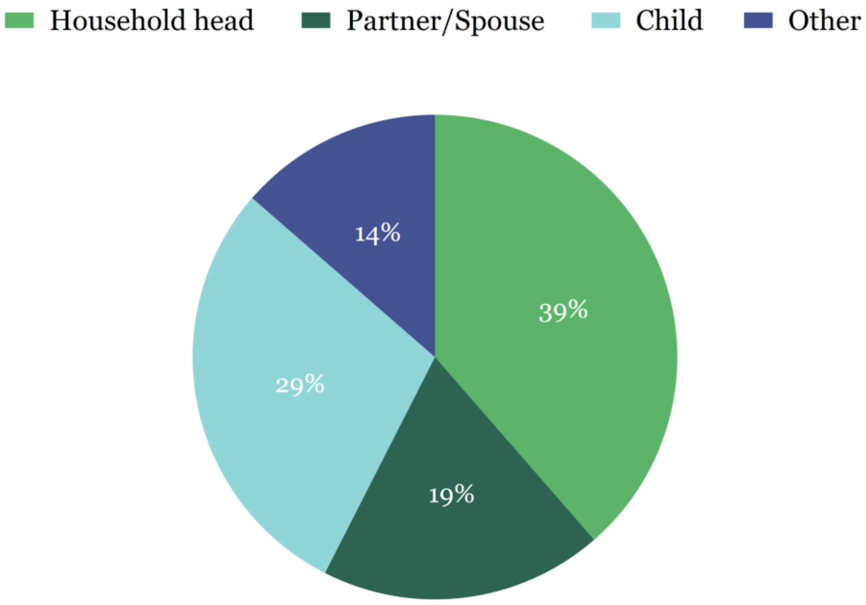
Half of surveyed DFS users were never married, and most were the household head or their partner.

MARITAL STATUS



N= 1000.

RELATIONSHIP TO HEAD OF HOUSEHOLD



N= 1000.

Most respondents are employed in the private sector.

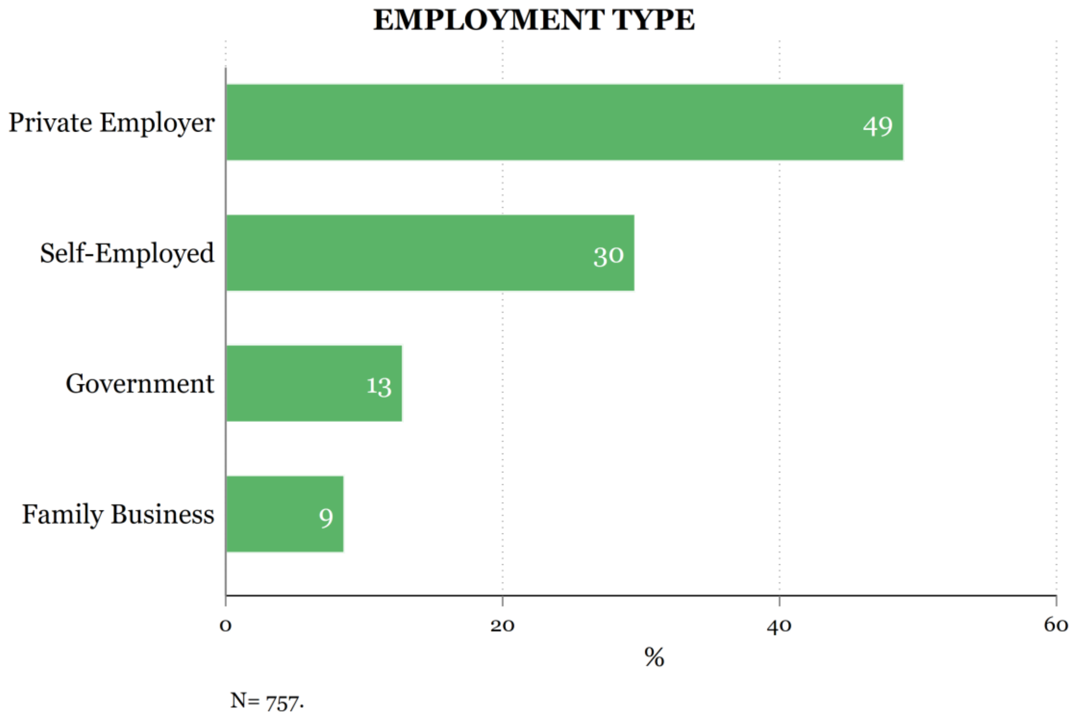
30 percent were self-employed. Among all workers, 52 percent worked at a formally registered business.

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

Of those working for an employer,

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

19 percent
had received wages through their phone.



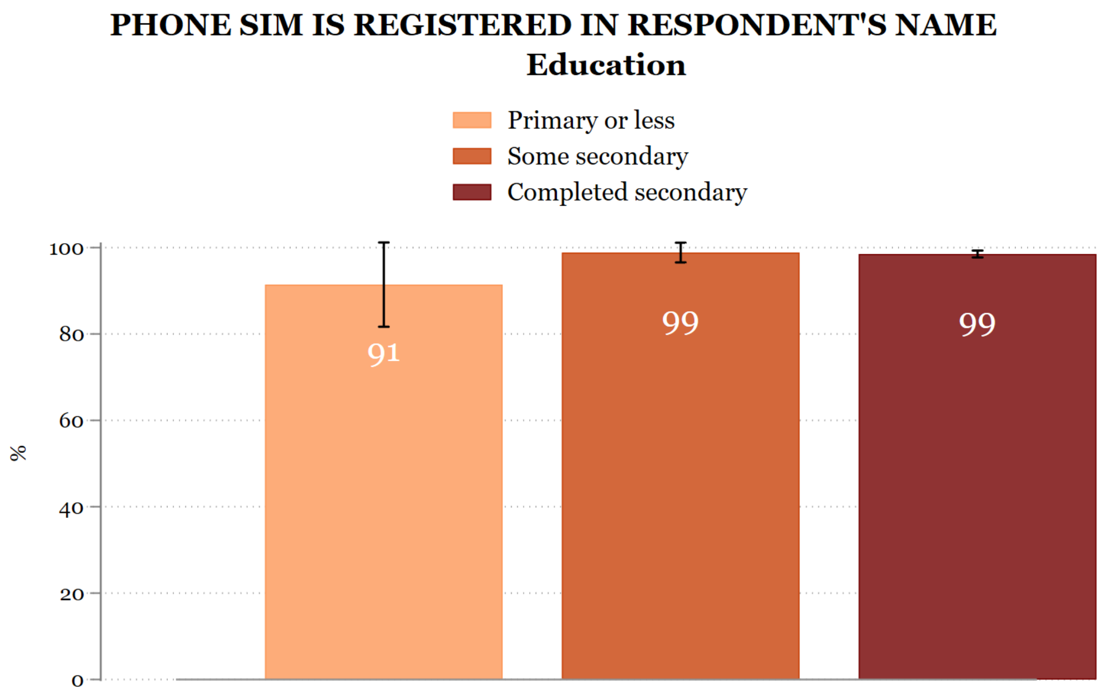
Nearly all respondents use smartphones, and SIM cards were almost always registered in their name.

99.7 percent
of respondents use smartphones compared to

94 percent
of typical DFS users in the Findex 2025 survey owned a smartphone.

Only 2 percent said the SIM card they used was not registered in their name.

Respondents with primary or less education attainment were marginally more likely to use phones registered in someone else's name.

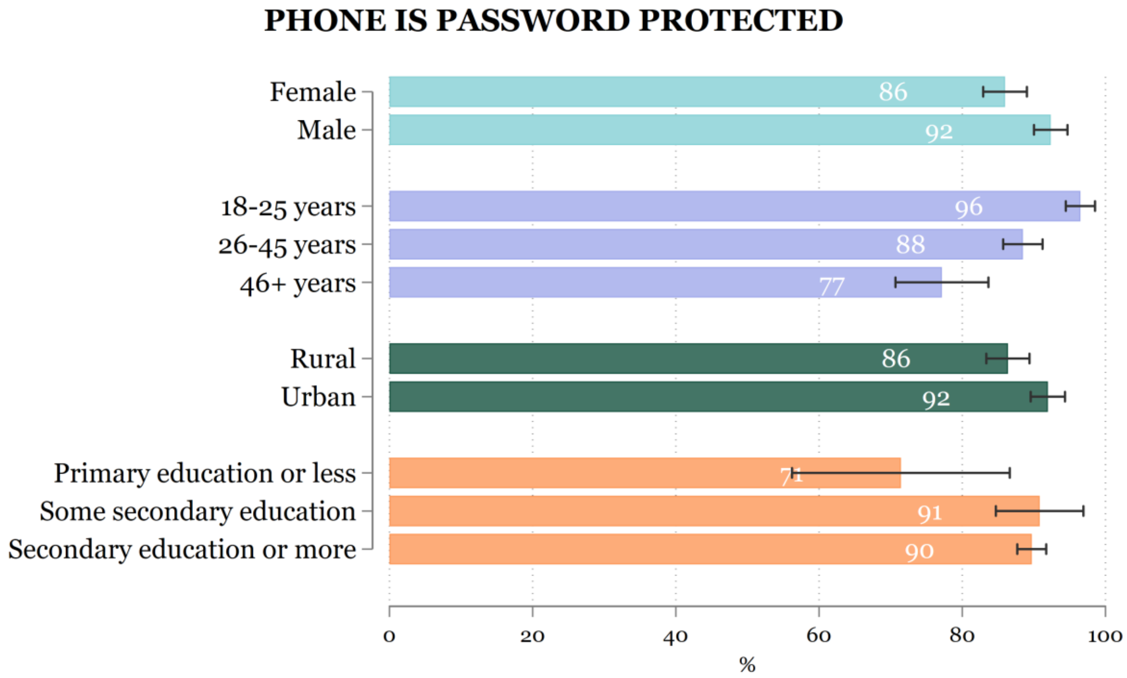


N= 997. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

Among DFS users, 10 percent did not have a PIN or password on their phone to protect their accounts.

Rural, older and less educated respondents were less likely to have password protected phones.

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



N= 996. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

Most consumers use their own phone, but nearly two in five that use a PIN or password share it with others.

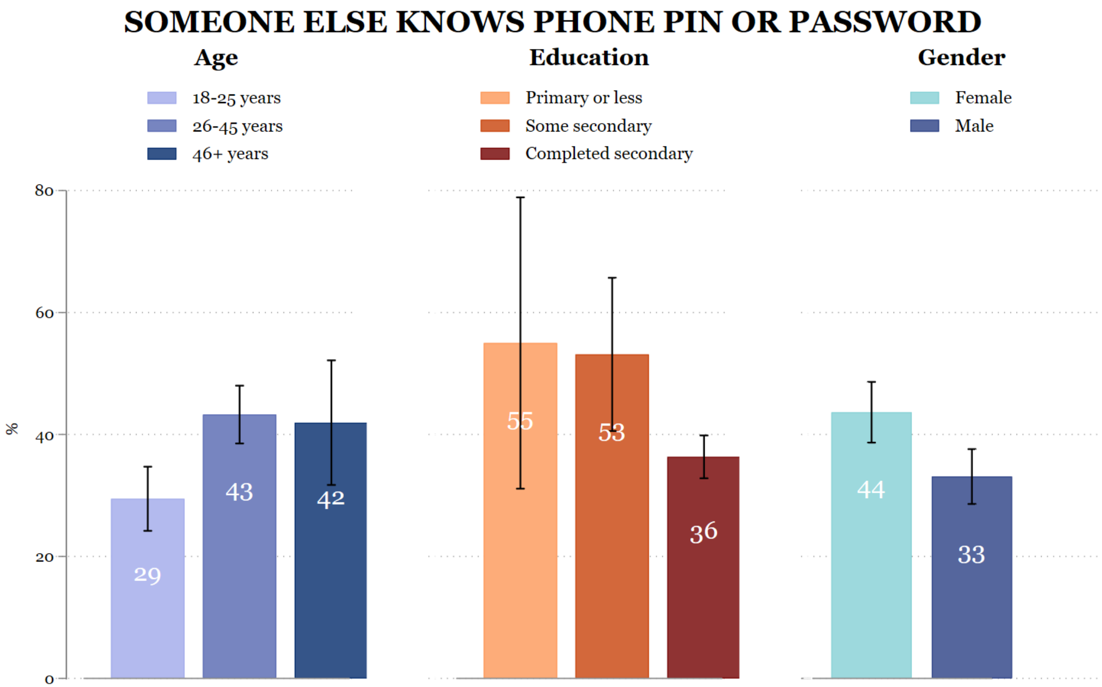
When respondents shared passwords, it was typically with their spouse/partner or another household member. Female, older and less educated respondents were more likely to say that someone else knew their PIN or password.

21%

shared their phone with someone else.

38%

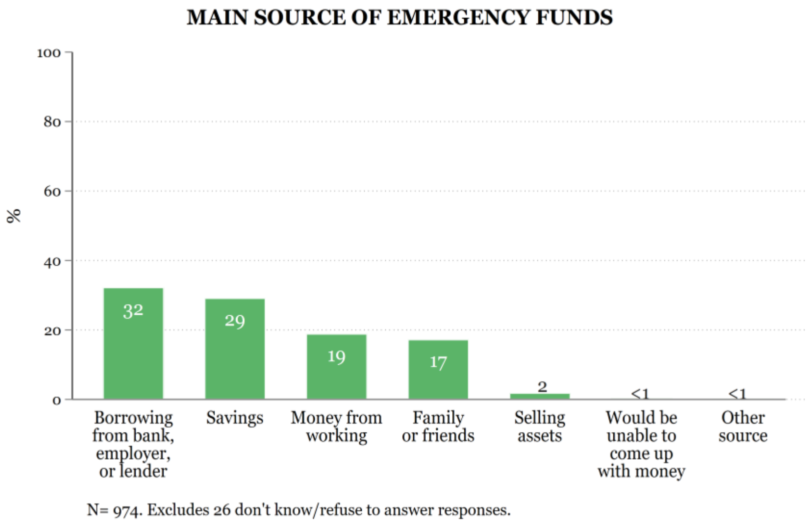
of PIN/password users said that someone else knew their PIN or password



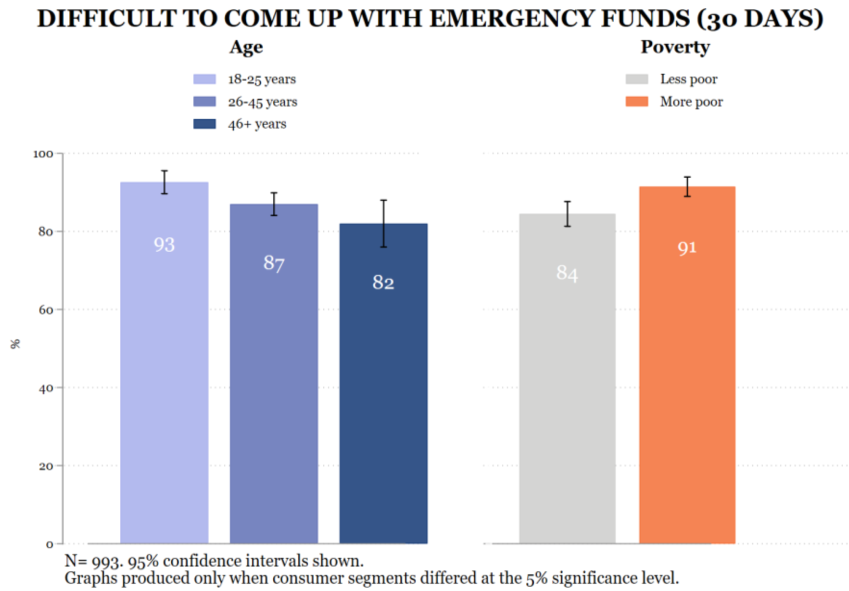
N= 808. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

Most 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.

88 percent of respondents had difficulties coming up with emergency funds equivalent to 1/20th GNI per capita (USD 218) within a month, and nearly all respondents (96 percent) found it difficult to do so within a week.



Younger and poorer respondents were most vulnerable to financial emergencies.



In Philippines, USD 218 or Philippine Peso 13,000 is equal to 1/20th of GNI per capita. The questions are taken from IPA's Financial Health Survey (2020)

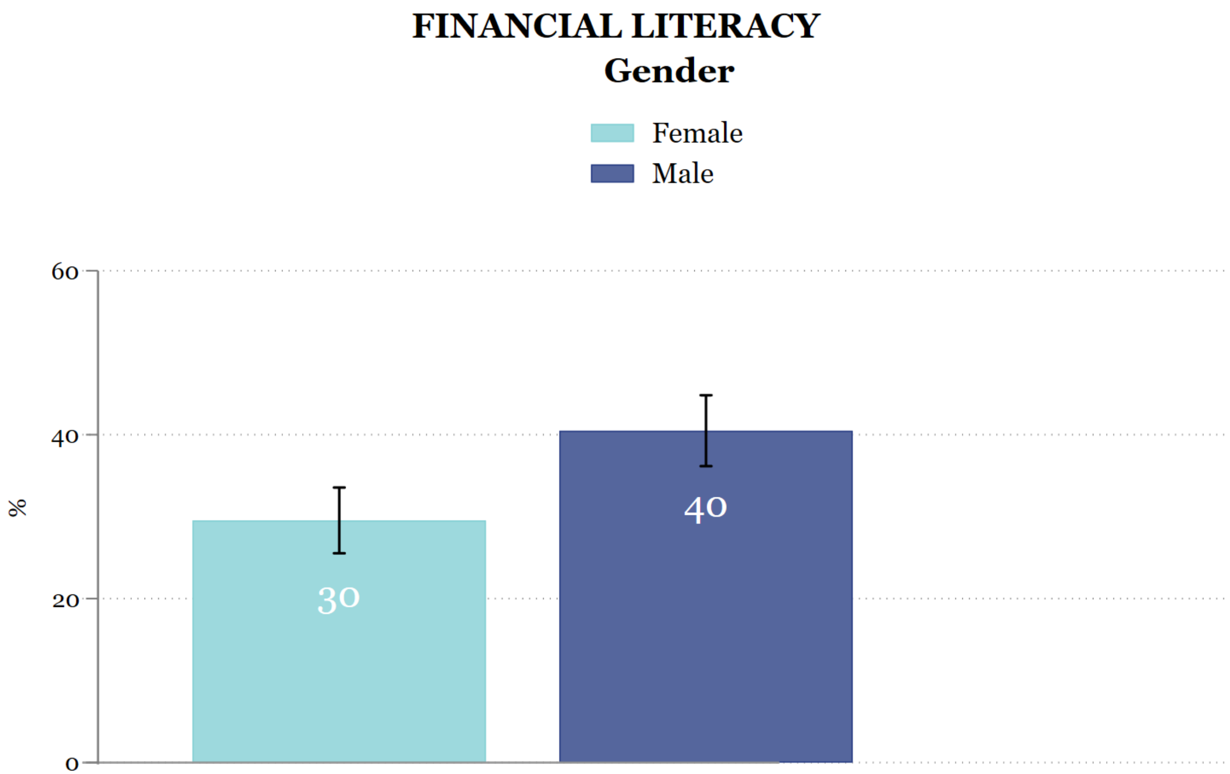
Financial Literacy.

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.

In our sample, 35 percent of respondents were financially literate.

Financial literacy is correlated with gender. Female respondents are less likely to be financially literate.



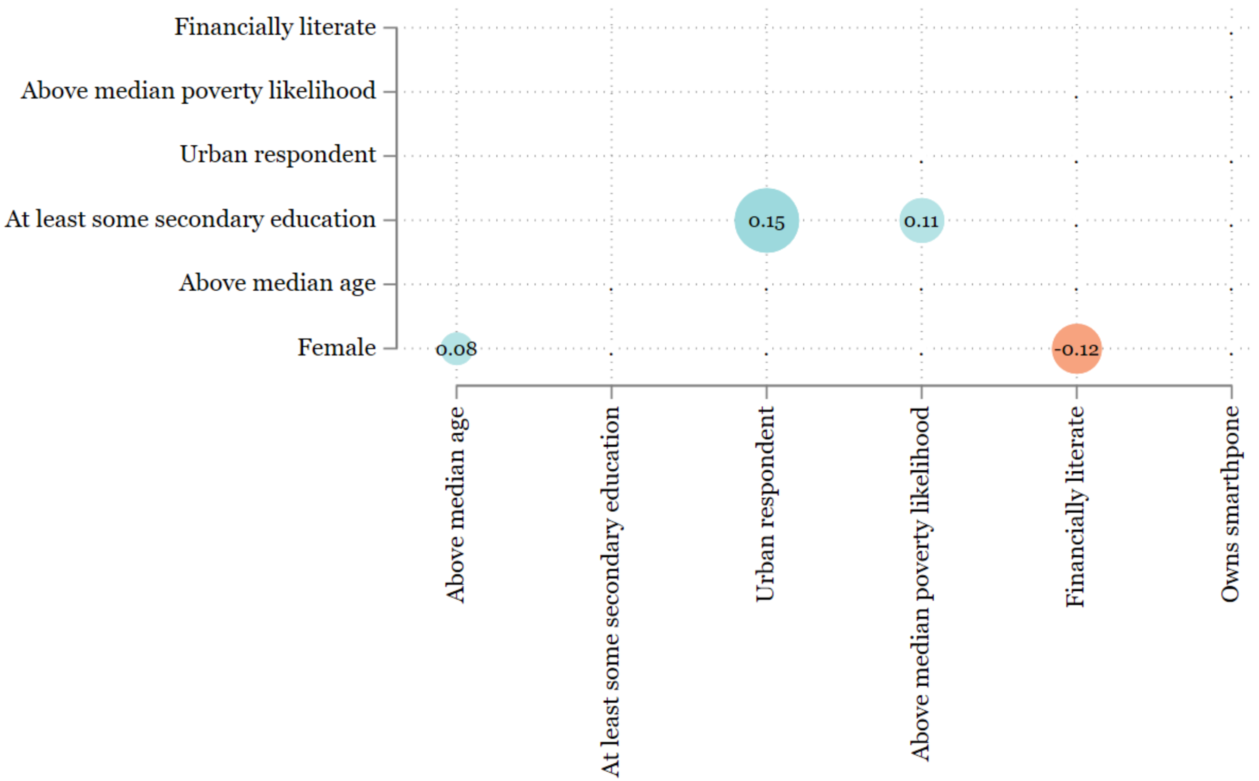
N= 1000. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

CORRELATIONS

Several key demographic characteristics of our sample are correlated.

Higher education was associated with urban residence and higher poverty likelihood. Women were less likely to be financially literate.

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.

Education and urban residence, education and higher poverty likelihood, and being female and older age are most correlated.

Digital Financial Services Usage and Consumer Choice

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Key Findings

1. **Services used:** Mobile money (98) and DFS agents (90) are the most used services overall, with 23 percent using mobile banking. Mobile loans, overdrafts, buy-now-pay-later and credit cards are rare, used by less than a third of respondents (25 percent).

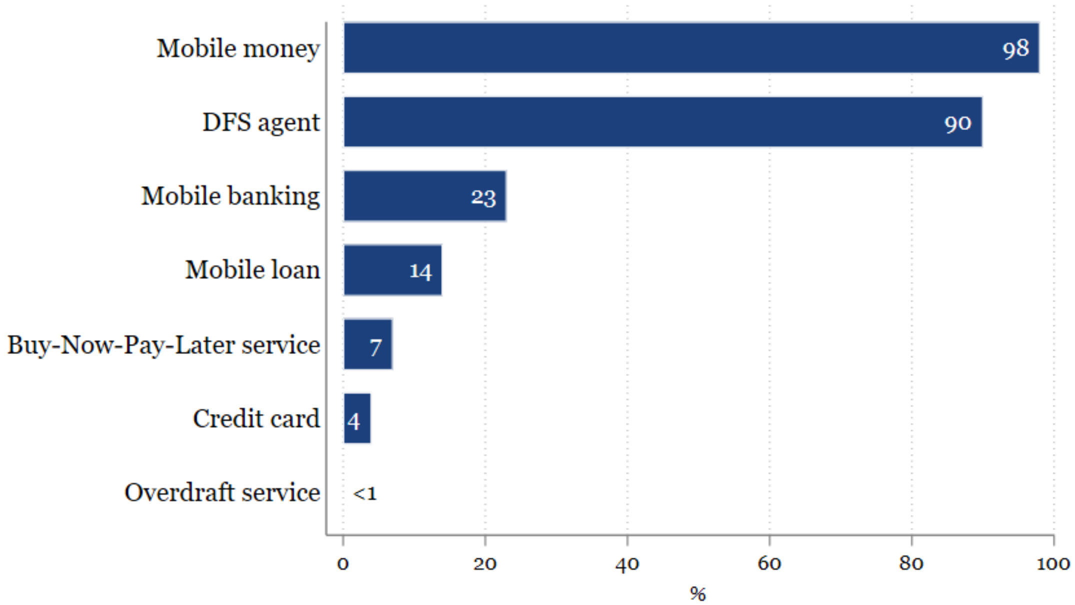
2. **Provider concentration:** Two mobile money providers account for 98 percent of the market. 87 percent of mobile loan users had only used one provider, while only 30 percent had used just one agent.

3. **Comparing prices:** Between 35 percent and 51 percent of consumers compared prices depending on the service used, with 8 percent of payment services users and 12 percent of loan users finding it somewhat or very difficult to compare prices.

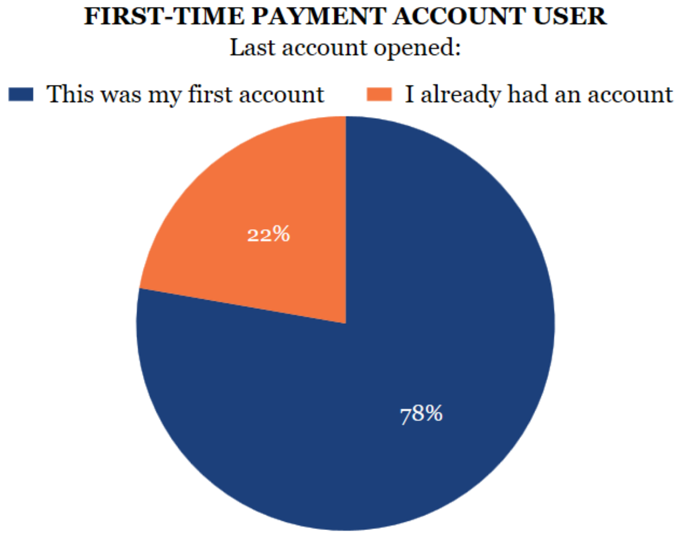
4. **Stopped using a service:** 17 percent had stopped using of a payment service provider (primarily due to no longer needing the service, or account problems), and 23 percent had stopped using an agent (mostly due to distance, poor customer service, or agents going out of business).

Among DFS users, mobile money and agents are the most used services.

Mobile money was nearly universal, used by 98 percent of DFS users, while 90 percent used DFS agents. Mobile banking is much less common, used by 23 percent of DFS users. Credit services, including mobile loans, overdraft, buy-now-pay-later (BNPL) and credit cards are relatively uncommon.



N= 1000. Excludes 0 don't know response.

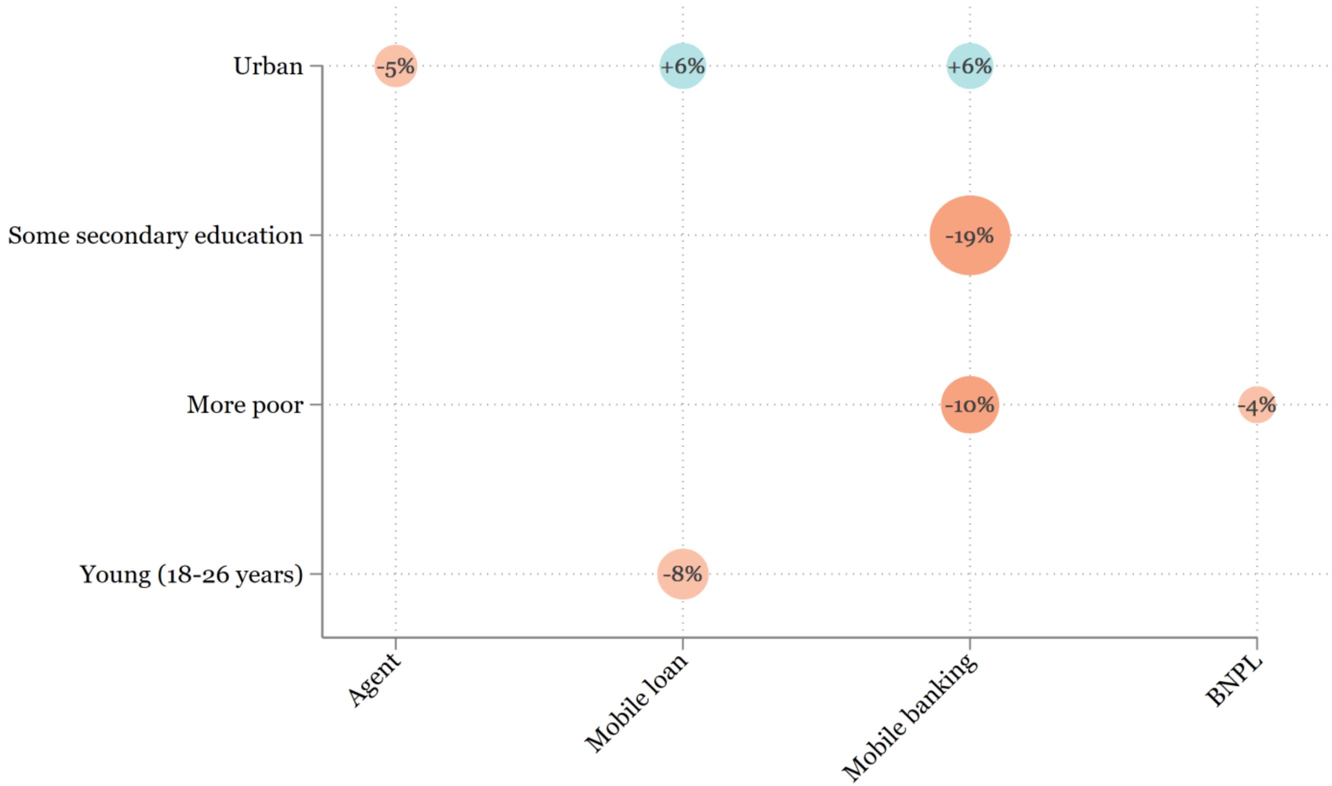


N= 984. Excludes 6 don't know/refuse to answer responses.

The type of services used differed by consumer segment.

Urban consumers used more mobile loans and mobile banking, while poorer consumers used fewer banking and debt services.

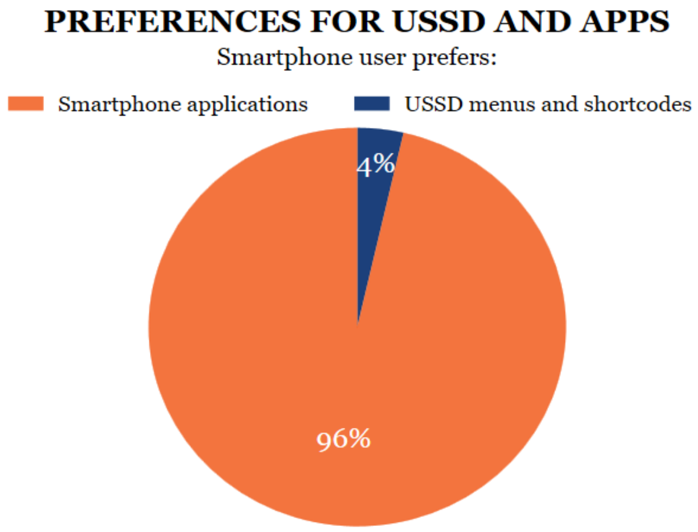
DFS USAGE BY CONSUMER SEGMENT



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

Younger consumers used fewer debt services , with age significantly correlated only with loan services.

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



N= 981. Excludes 16 don't know/refuse to answer responses.

Nearly all smartphone users were more likely to prefer apps over USSD menus.

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

DFS consumers use multiple agents, but typically use just one payment service provider.

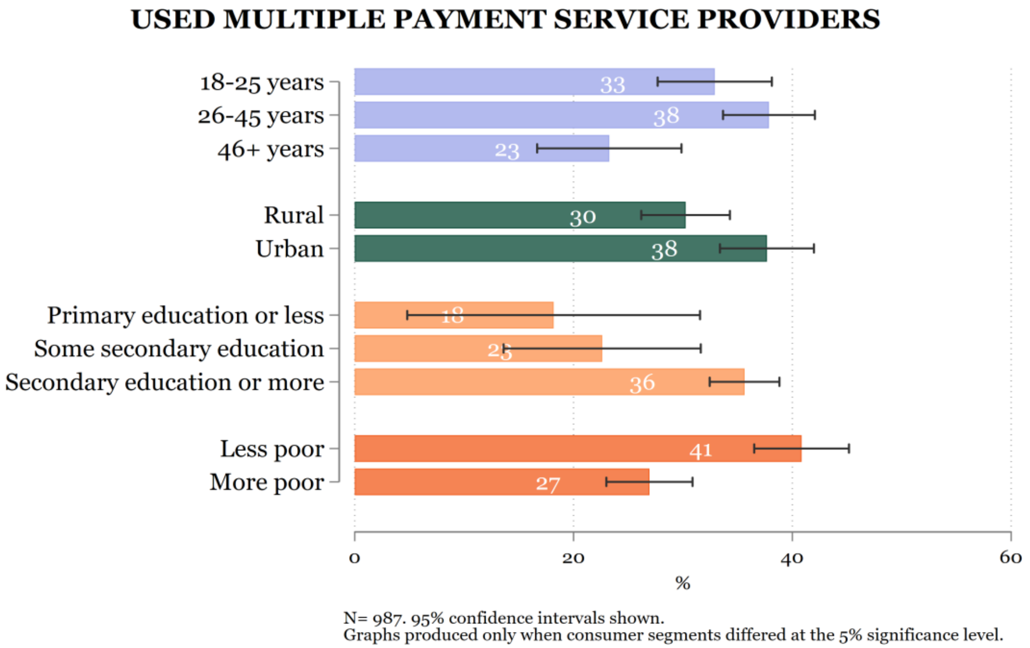
Mobile loans users also typically use only one mobile loan provider.

NUMBER OF DIFFERENT PROVIDERS OR AGENTS USED
LAST 12 MONTHS

Payment services: N= 990, Mobile loans: N= 141, Agents: N= 893

66 percent had used only one payment services provider and 87 percent only one mobile loan provider. Only 30 percent, however, had used just one agent.

Middle-aged, higher educated, less poor and urban respondents used a greater number of providers on average.

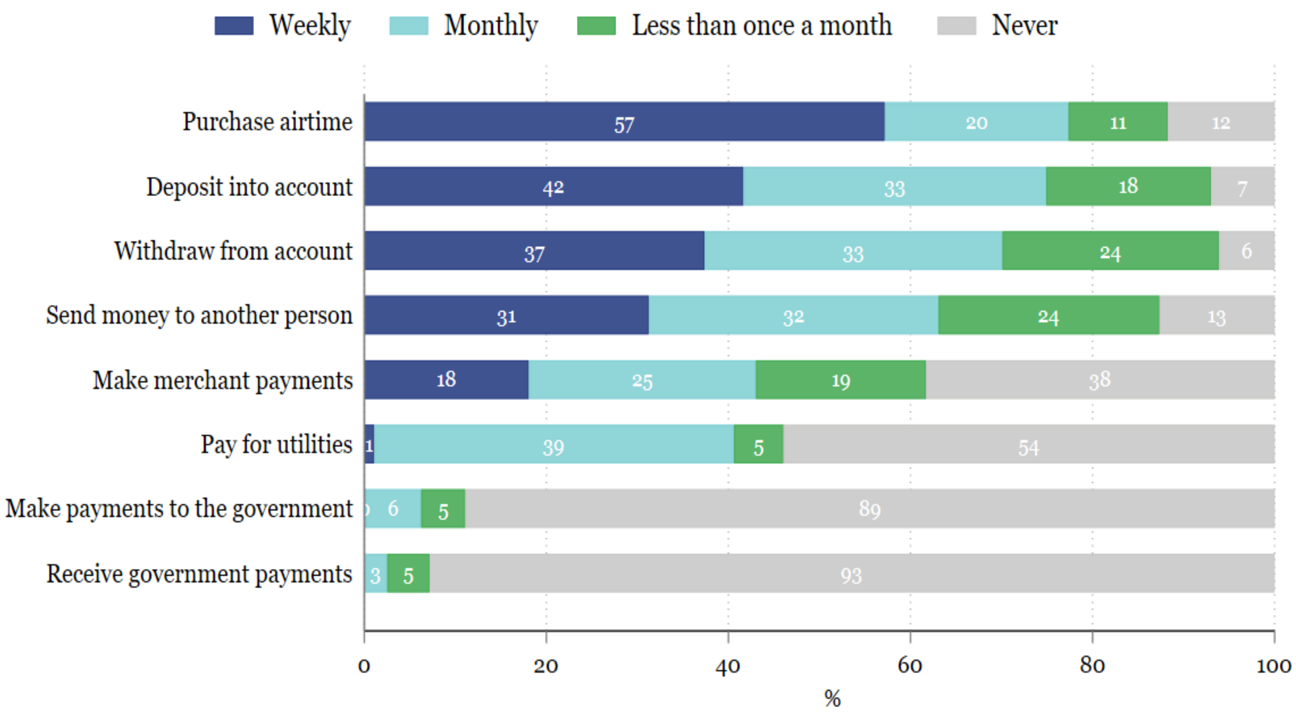


Urban respondents used more agents than rural respondents,
averaging 3.3 compared to 3.0 agents
(with a median of 2 for both).

The majority of respondents used their DFS accounts to deposit, withdraw, purchase airtime and send money at least monthly.

57 percent of respondents purchase airtime weekly. About six in ten respondents have made merchant payments, compared to fewer than half for utility payments.

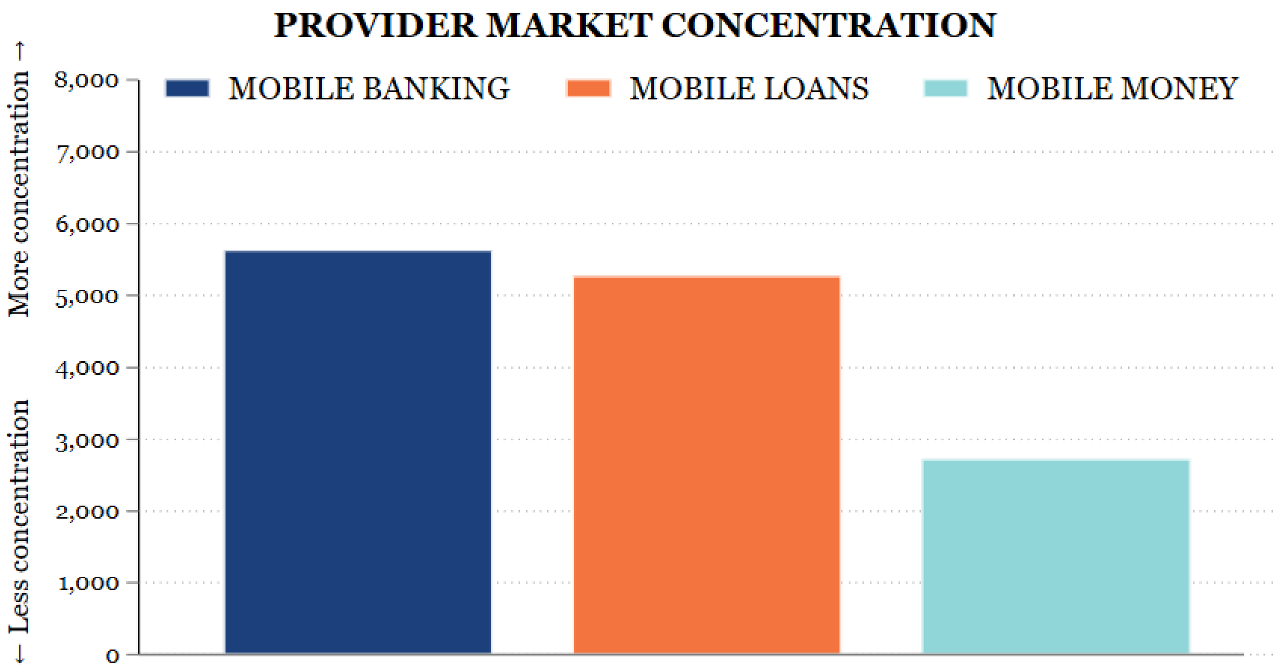
FREQUENCY OF MOBILE PHONE TRANSACTIONS



N= 985. Excludes 5 don't know/refuse to answer responses.

Mobile money and mobile loan markets are highly concentrated.

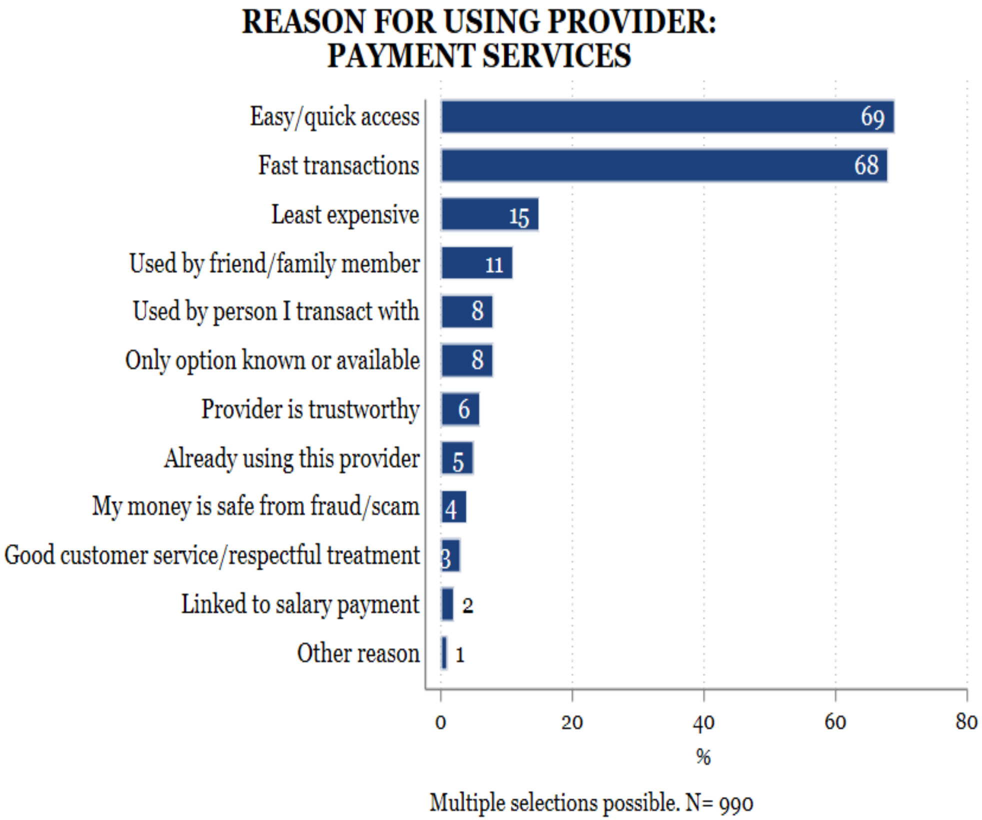
Two providers account for 98 percent of the mobile money market. The largest mobile loan provider accounts for 72 percent of market.



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.

Expediency and price are the main drivers of payment service provider choice.

69 percent of respondents said they chose to use their most used provider due to easy and quick access.



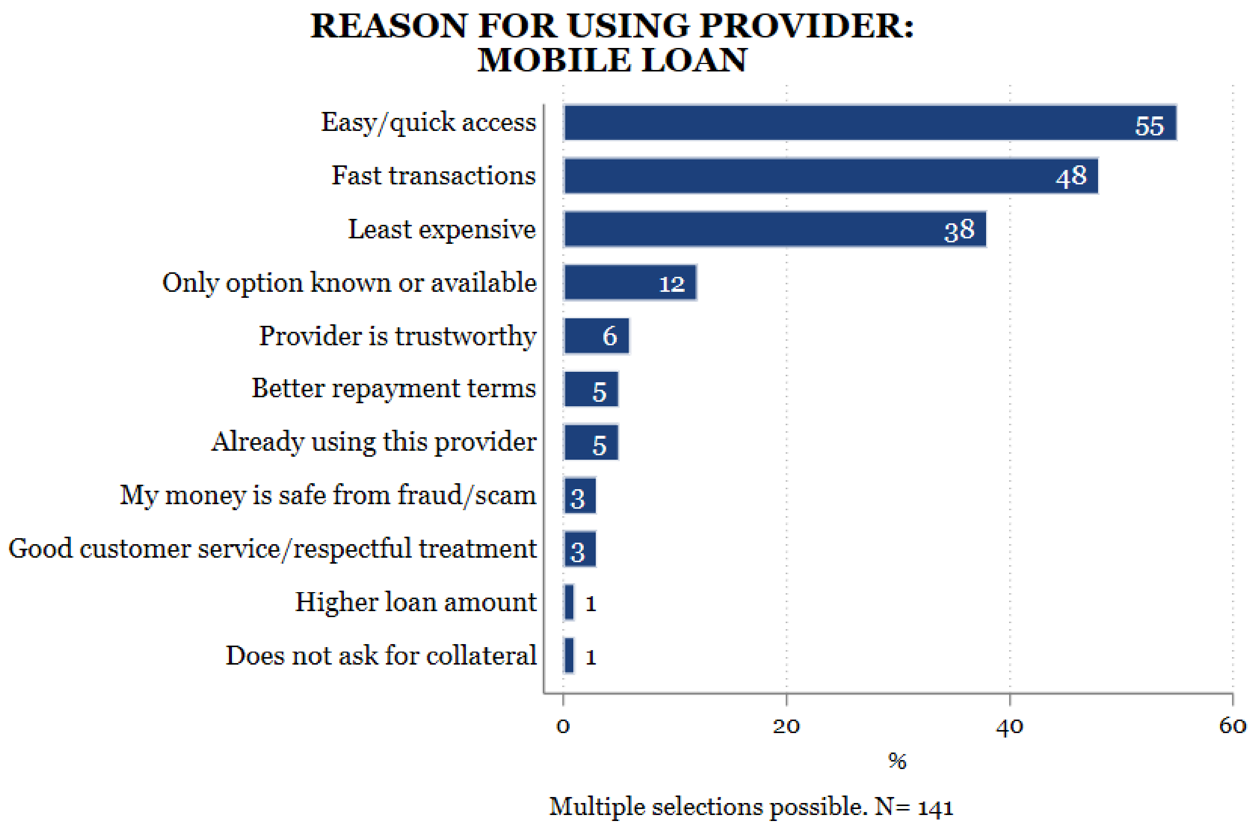
Network effects also play a significant role: consumers often choose providers used by others.

Urban respondents prioritized network effects, cost, customer service, and fraud safety, but were less concerned with transaction speed.

Older and less educated respondents were more likely to say their provider was the only option known or available.

More financially literate respondents prioritized fraud safety, while less educated and poorer respondents cited network effects.

Similar to payment services, the primary reason for choosing a mobile loan provider was ease of access.

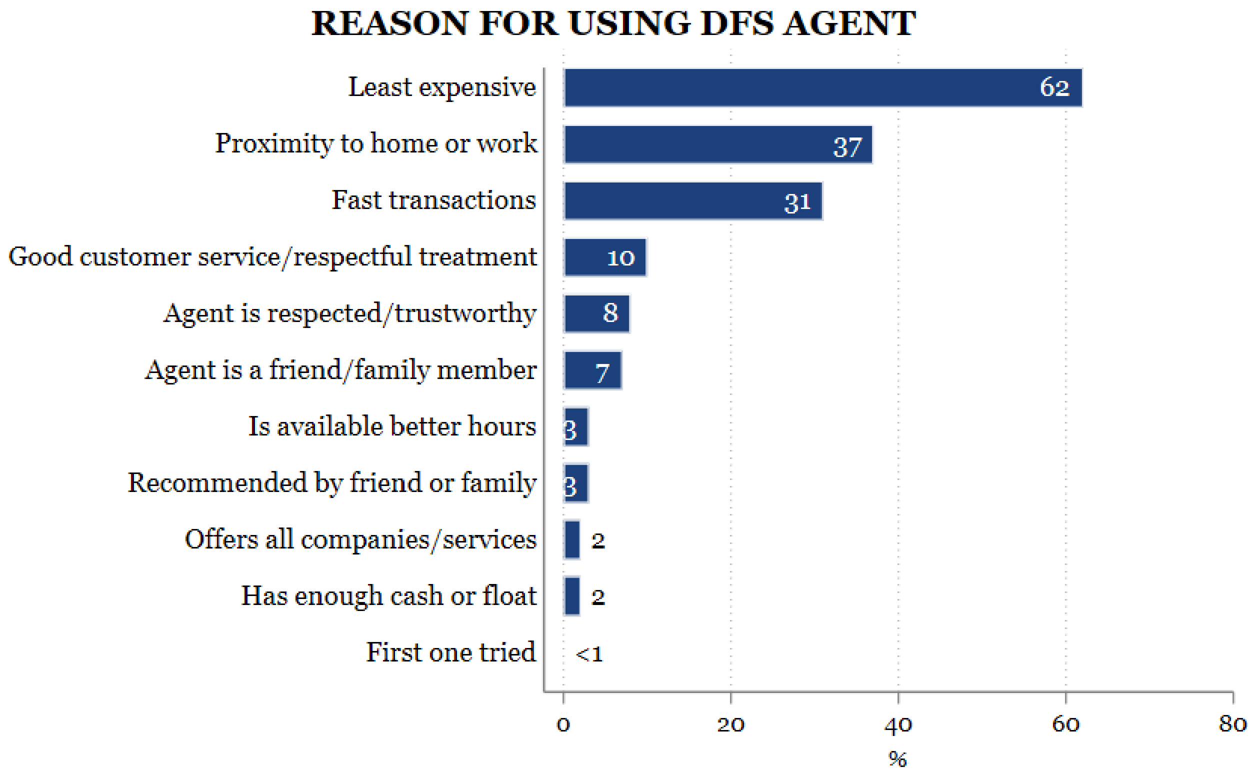


Price ranked below convenience factors like easy access and fast transactions.

Most users appear to be making active choices, with just 12 percent citing their provider as the only known option.

Respondents choose agents primarily based on cost of service.

Proximity and expediency were also commonly cited, by 37 percent and 31 percent respectively.



Multiple selections possible. N= 896.

Agents were chosen based on customer service by 10 percent of respondents, and fewer still cited trust.

Urban, younger, and more educated respondents mention agent proximity more often, while less educated and urban respondents are more likely to cite customer service and personal relationships with agents.

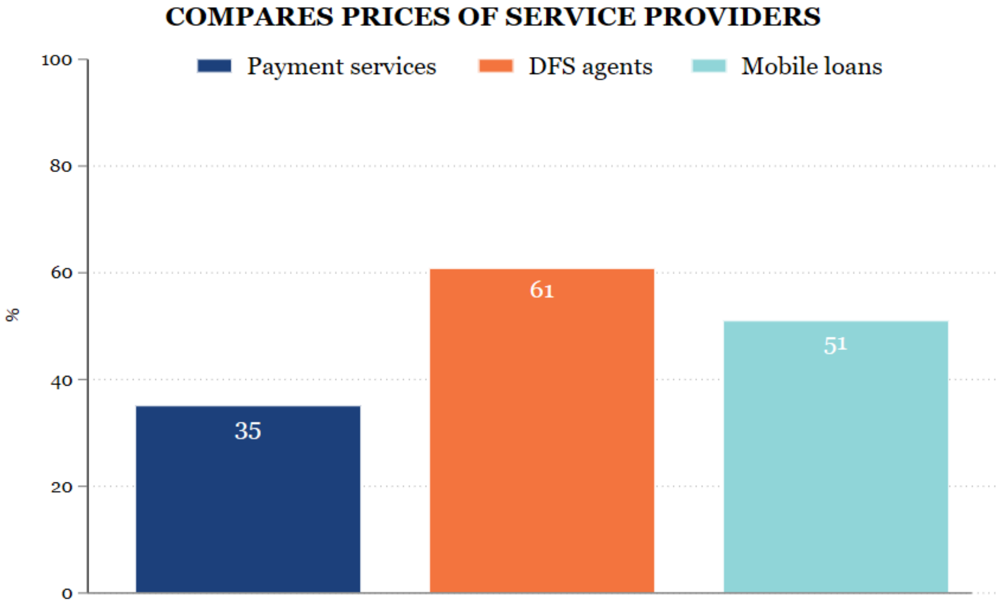
Poorer respondents are more likely to mention friend/family recommendations, and younger respondents are more likely to cite agent availability hours.

PRICE COMPARISON

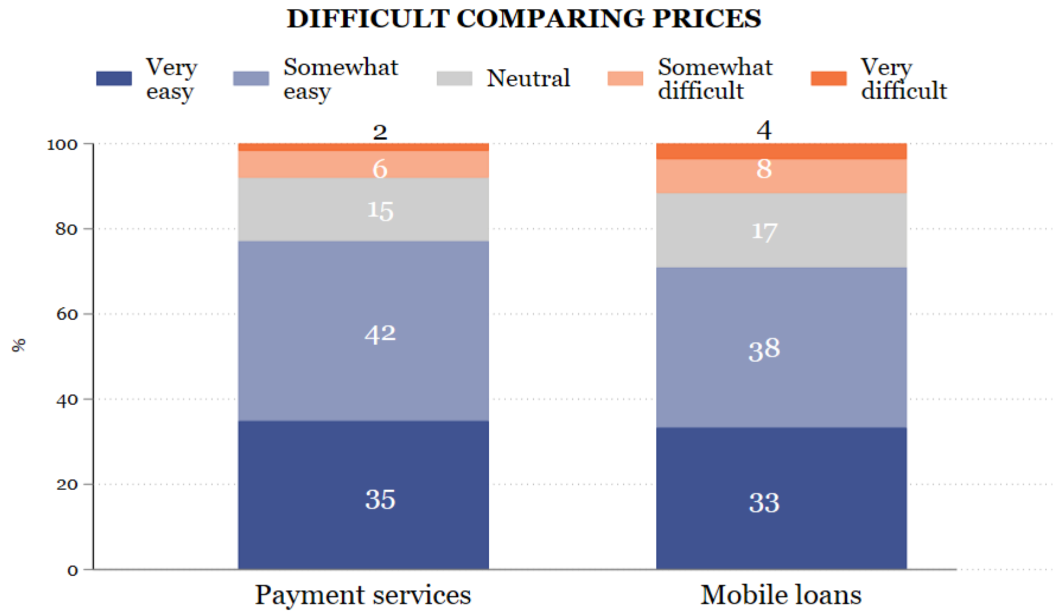
Over half of consumers compare prices for agents and mobile loans, but relatively fewer for payment services.

Between 35 and 51 percent compared prices, depending on the service used. More educated and older respondents were more likely to compare prices and services across different DFS providers.

8 percent of payment services users and 12 percent of loan users said it was somewhat or very difficult to compare prices.



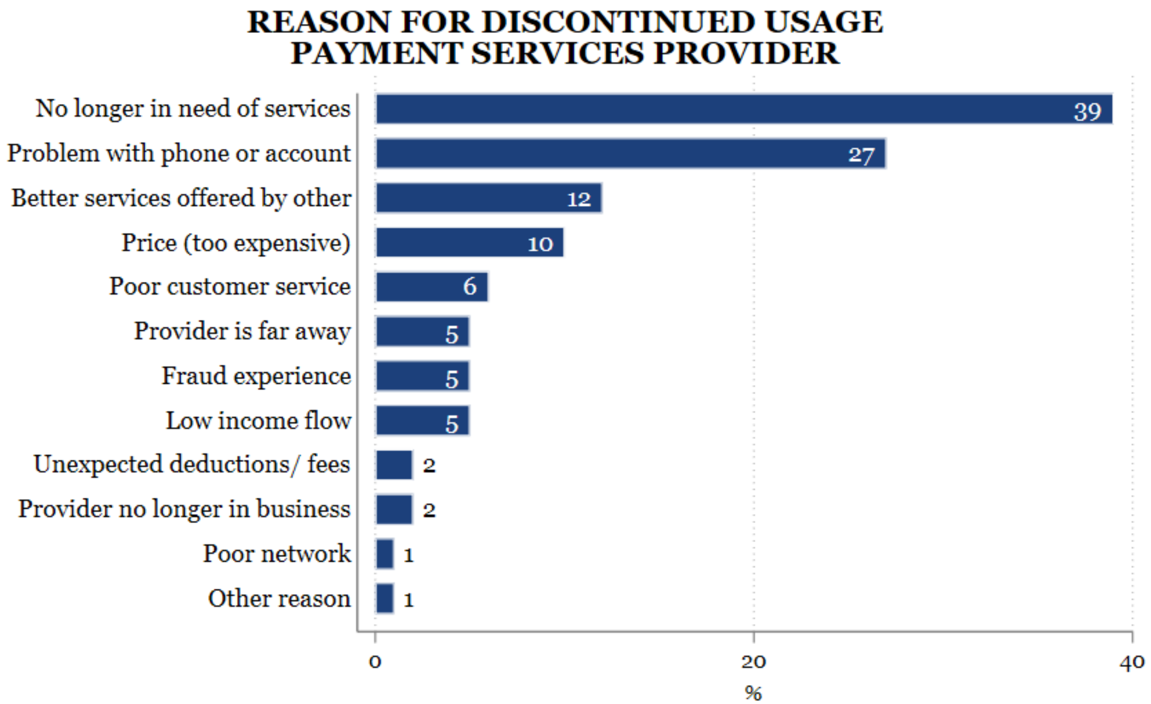
Respondents: Payment services: N= 990, Agents: N= 896, Mobile loans: N= 141



Payment services: N= 968. Mobile loans: N= 138.
Excludes 25 don't know/refuse to answer responses across both variables.

Among respondents, 17 percent had stopped using a payment service provider.

The majority did so because they were no longer in need of the service or due to problems with their account.

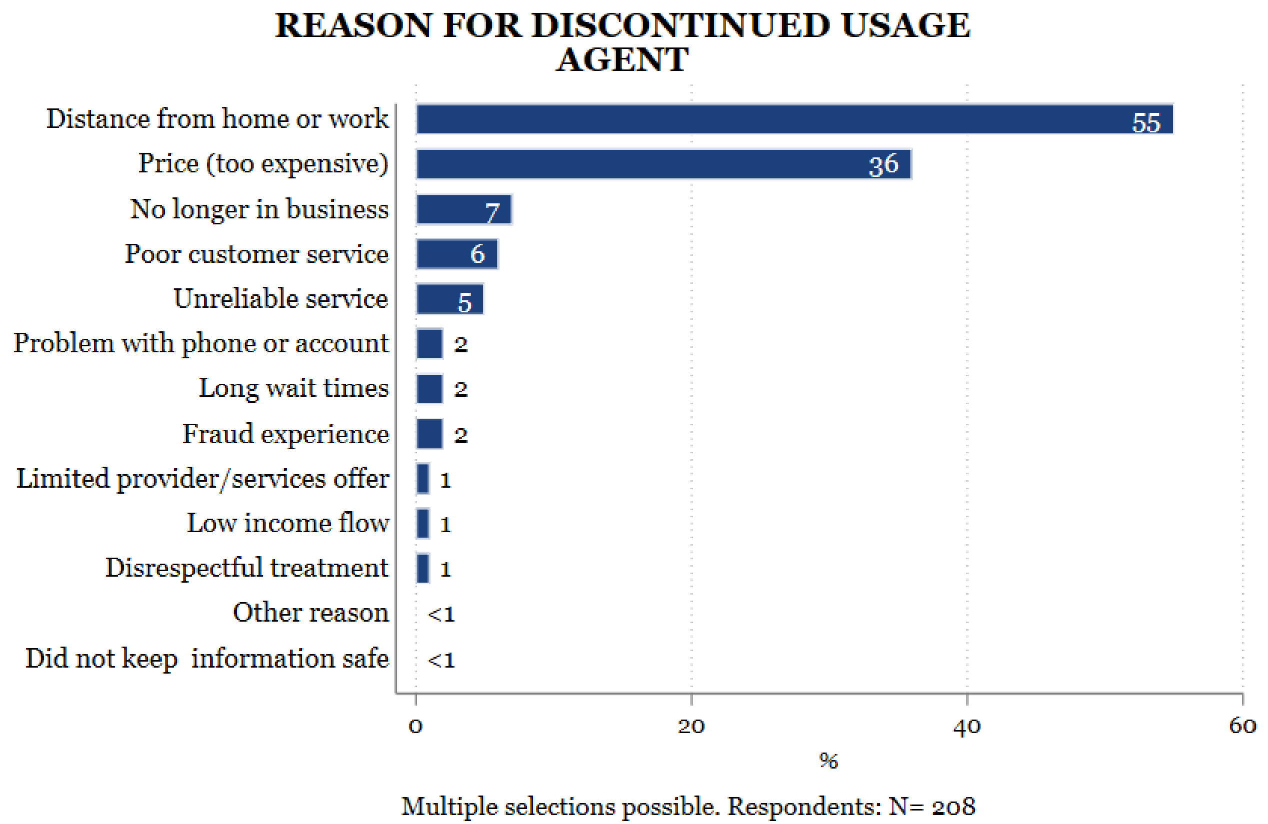


Multiple selections possible. Respondents: N= 168

Urban and middle-aged respondents were more likely to have stopped using a payment services provider.

Among respondents, 23 percent had stopped using an agent.

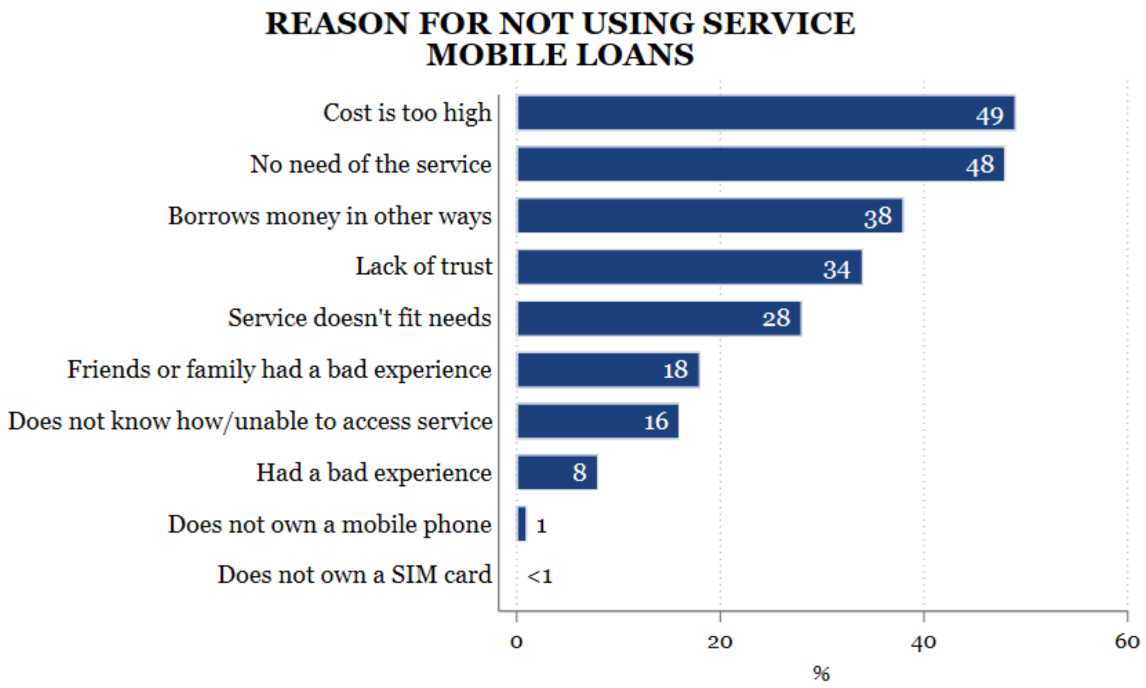
55 percent switched agents due to distance from their home or workplace, while over a third said the agent was too expensive.



Younger respondents were more likely to stop using an agent.

Cost and lack of need were the top reasons consumers did not use mobile loans.

38 percent mentioned alternate borrowing channels, 34 percent cited lack of trust, and 28 percent said the service did not fit their needs.



Multiple selections possible. Respondents: N= 797.
Excludes 62 don't know/refuse to answer responses.

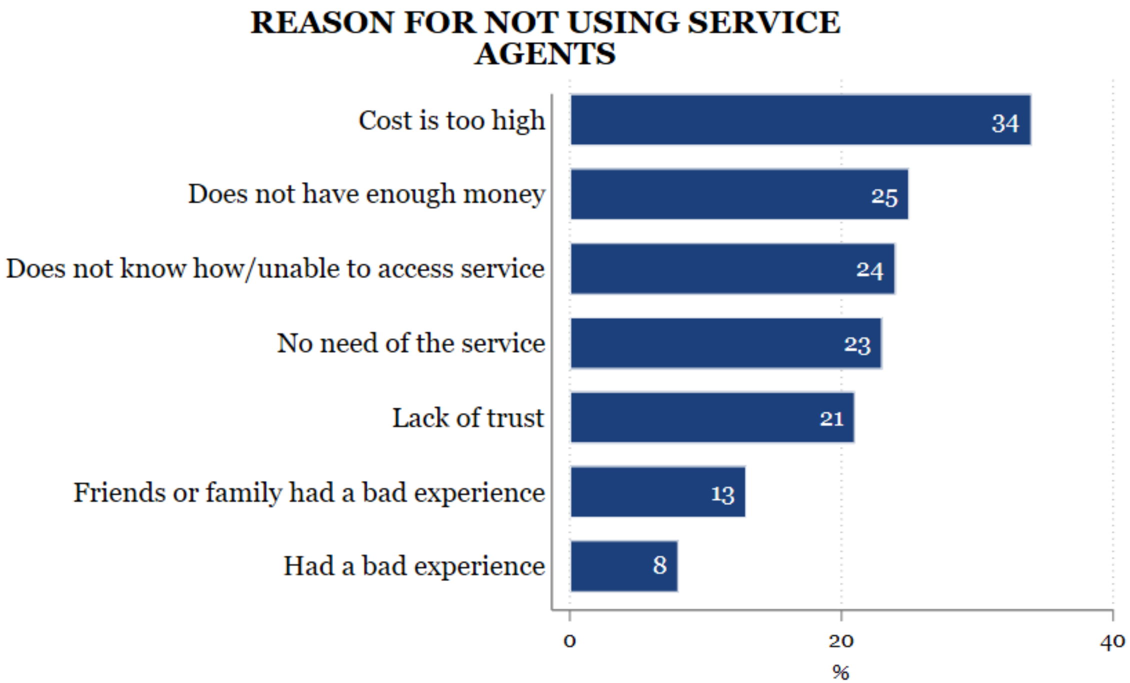
Younger and urban respondents were more likely to say they had no need for borrowing, while older respondents had other means of borrowing.

Less educated, and less financially literate respondents cited access barriers and lack of fit.

Women were more likely to mention cost concerns.

High cost is the primary reason for not using agents.

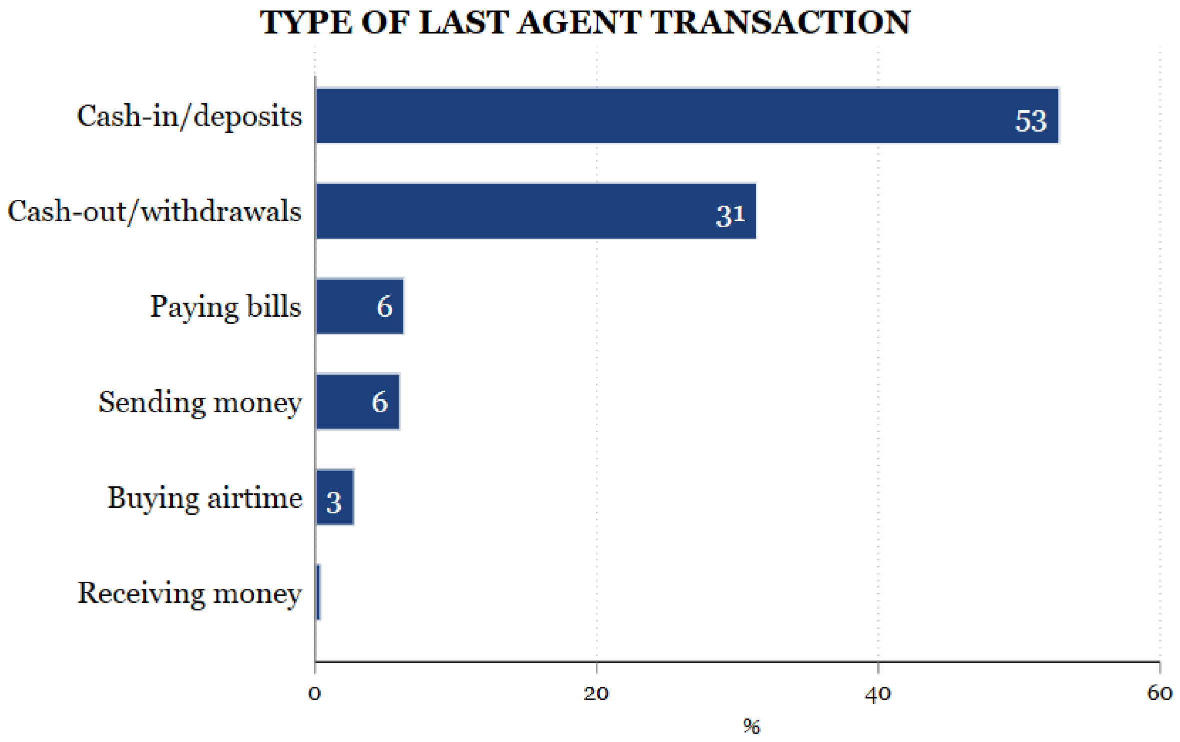
Not enough money, unable to access the service, no need for the service, and lack of trust were cited between 21 and 25 percent of respondents.



Multiple selections possible. Respondents: N= 98.
Excludes 6 don't know/refuse to answer responses.

Female respondents were more likely to mention lack of access.

DFS users primarily rely on agents for cash-in / cash-out services.

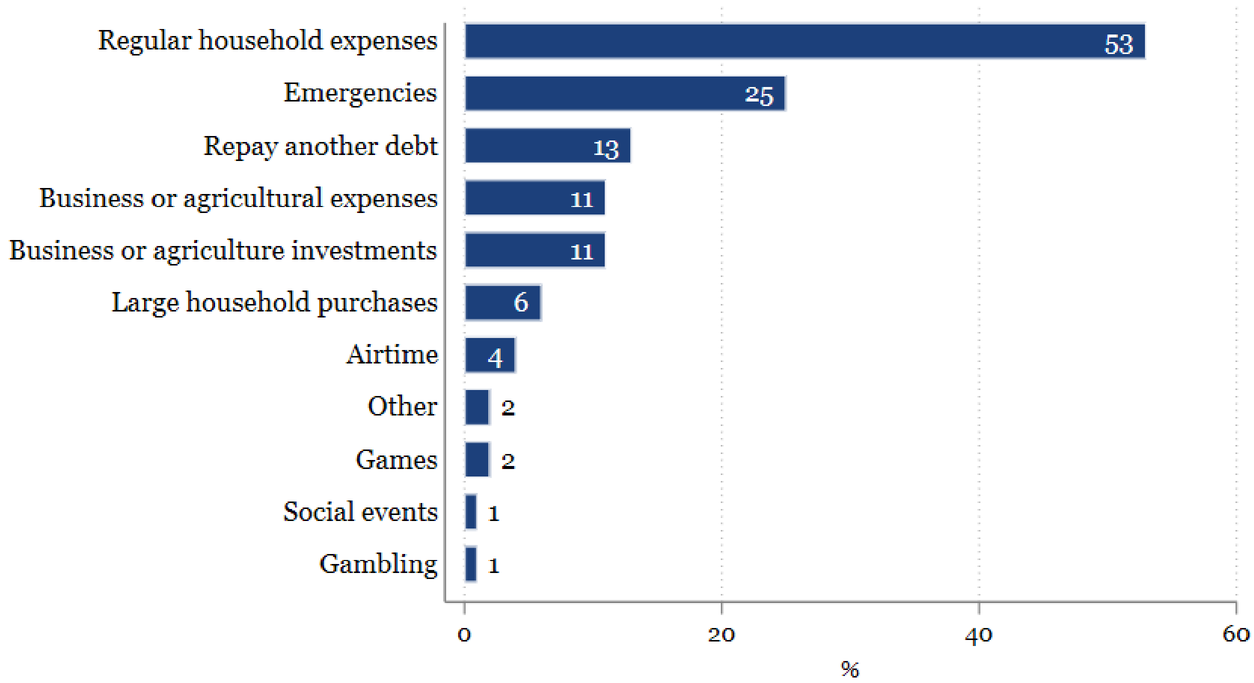


N= 891. Excludes 5 don't know/refuse to answer responses.

Some 37 percent of DFS users had borrowed money from any source in the past 12 months.

Loans were most commonly used for regular household expenses. 25 percent used the loan for emergencies, and 13 percent to repay another debt.

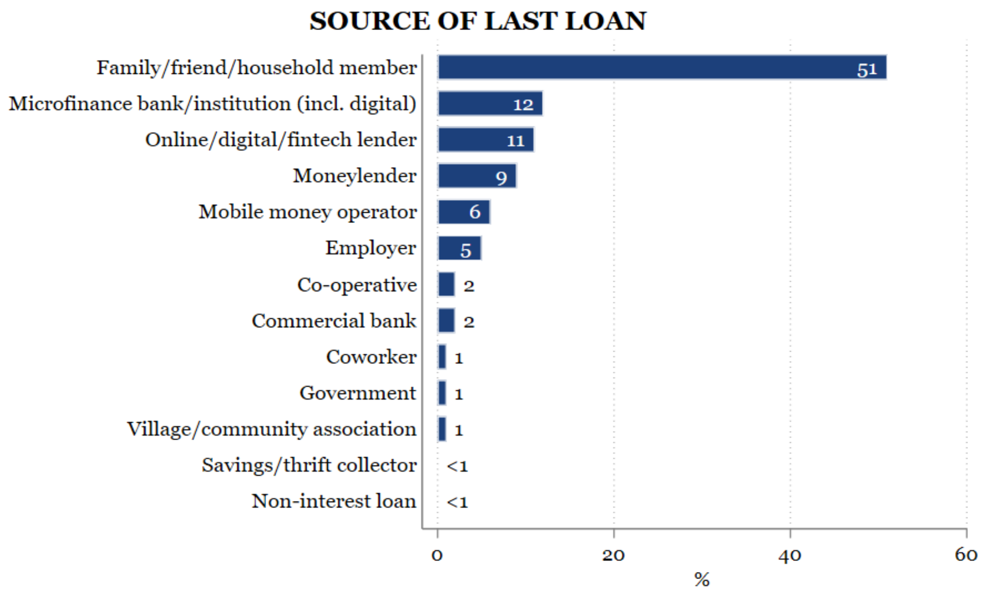
USE OF LAST LOAN



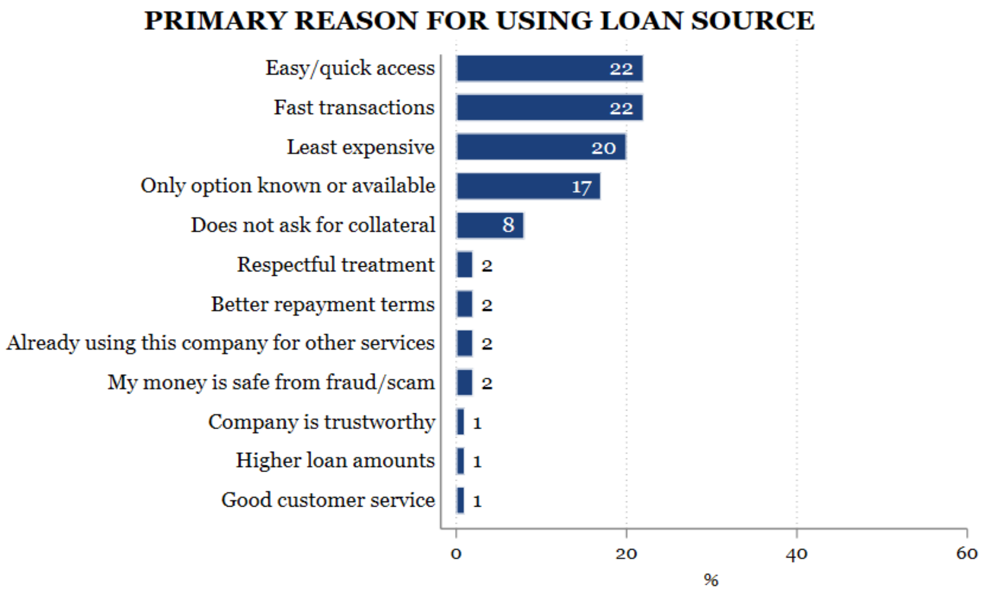
N= 371

Respondents mainly borrowed from their social network, and said they did so because of expediency and cost.

Only 14 percent of most recent loans came from a microfinance or commercial bank.



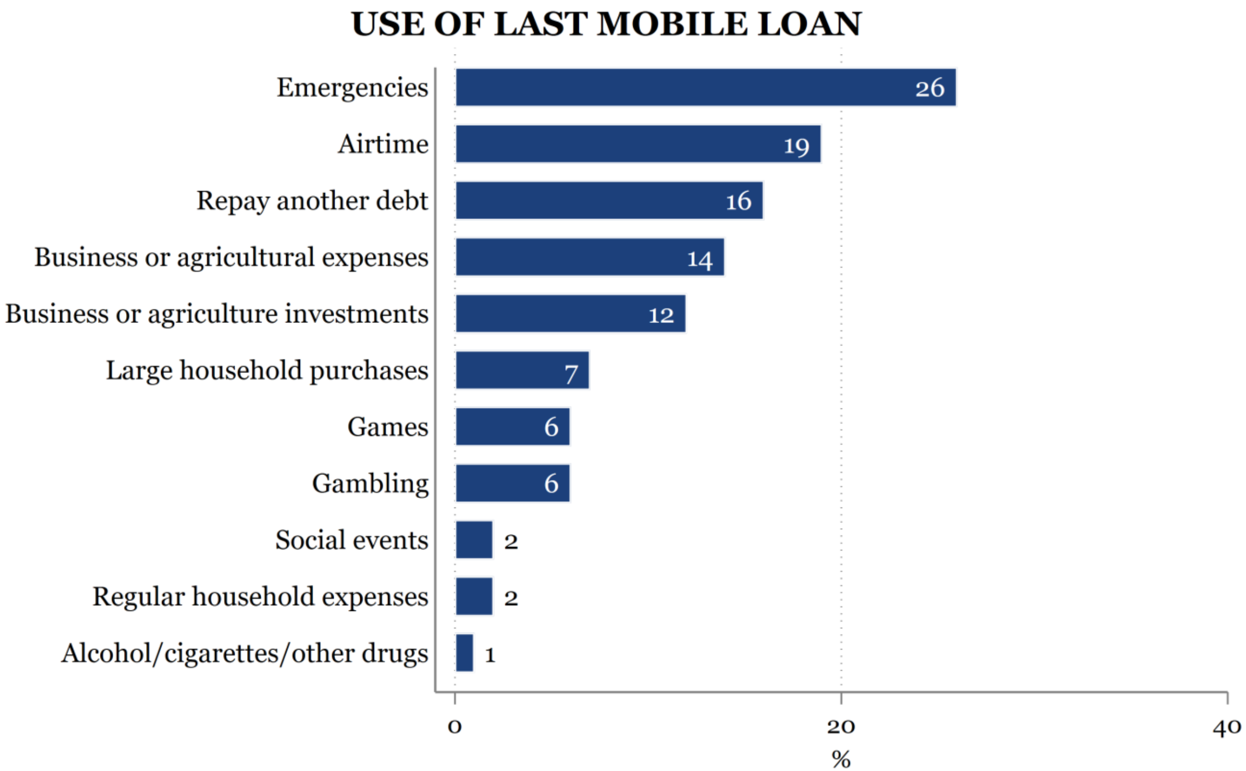
N= 371. Excludes 13 don't know/refuse to anser response.



N= 368. Excludes 3 don't know/refuse to anser response.

Mobile loans are mostly used for emergencies.

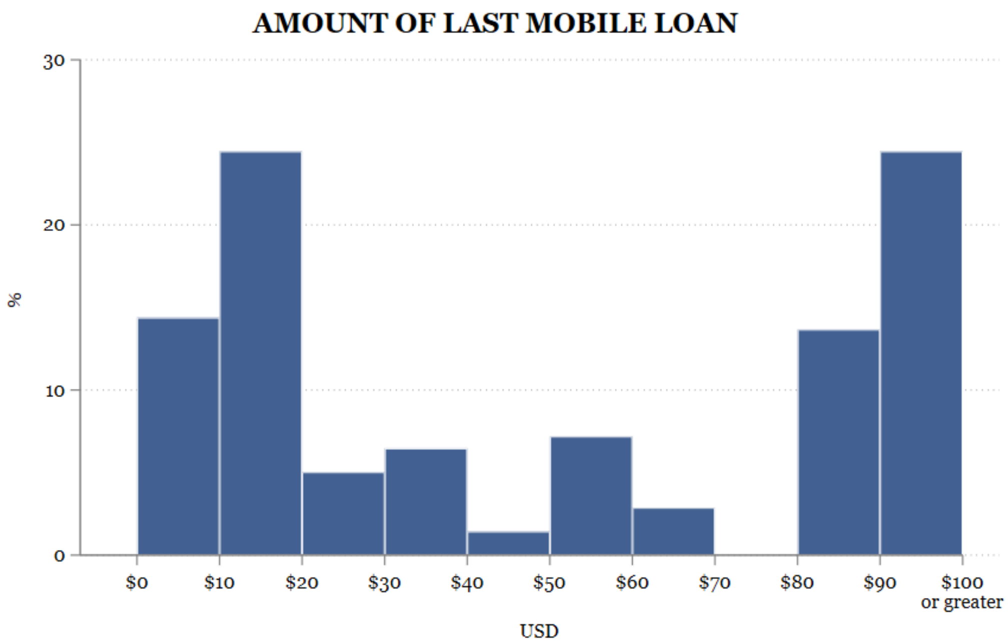
16 percent used it to repay other debt, 19 percent to purchase airtime and 14 percent to cover business expenses.



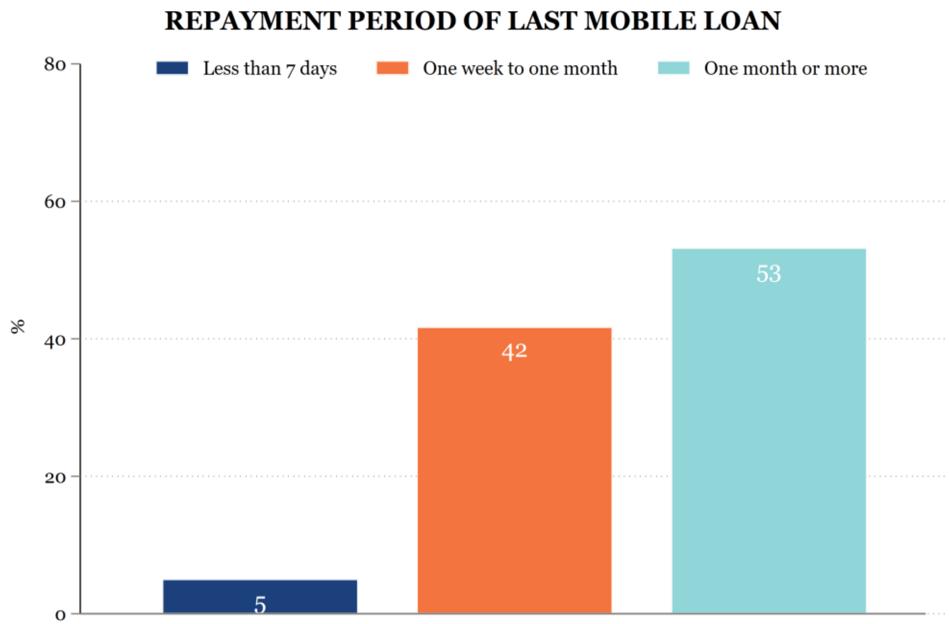
Multiple selections possible. Respondents: N= 141.

Mobile loan amounts vary, with most having repayment periods of one month or more

The median loan amount was USD 34, with an average of USD 153.



N= 139. Excludes 2 don't know/refuse to answer responses.



N= 139. Excludes 2 don't know/refuse to answer responses.

Early repayment is common, but it doesn't usually reduce fees.

77 percent

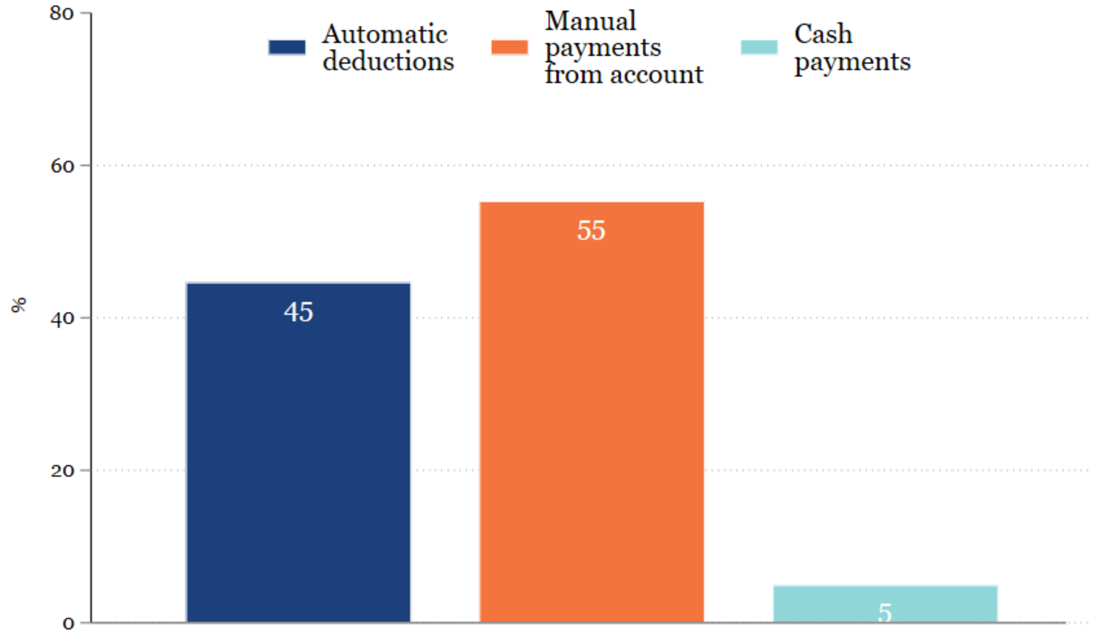
of loan users repaid their last loan before the due date.

Amongst those that did,

33 percent

reported paying less in fees or interest because of it.

MOBILE LOAN REPAYMENT MODE



N= 140. Excludes 1 don't know/refuse to answer responses.

Challenges and Risks

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Key Findings

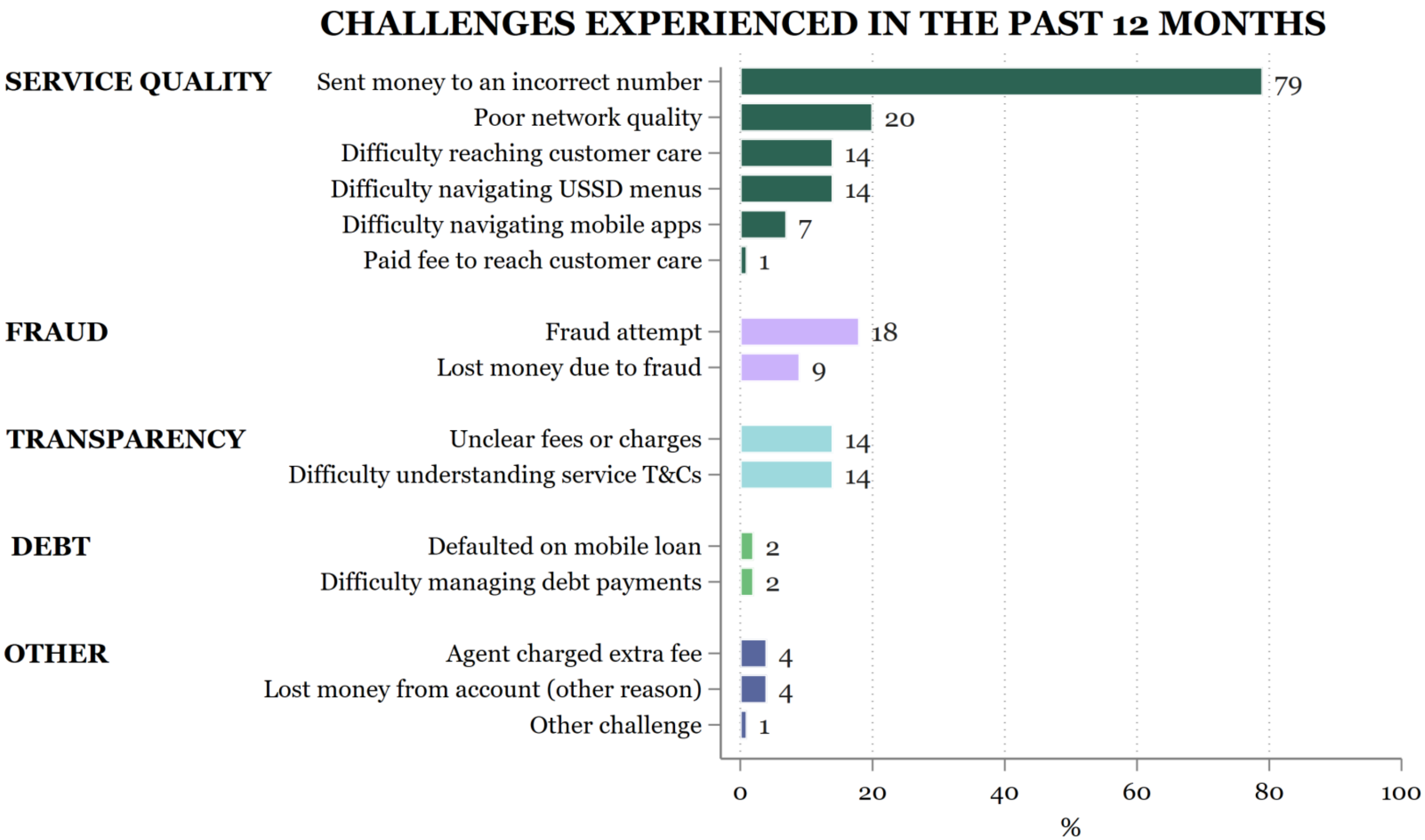
1. **Fraud exposure:** 18 percent of respondents experienced a fraud attempt in the last 12 months, with 8 percent losing money to fraud. The median loss was USD 29.

2. **Over-indebtedness:** Among mobile loan users, 13 percent failed to repay a loan in the last 12 months, 8 percent regretted taking on debt, and 19 percent reduced food expenditure to repay debt.

3. **Sending money incorrectly:** 14 percent of payment services users had ever sent money to a wrong number, with 73 percent of those users were unable to recover the funds.

4. **Service quality issues:** 87 percent experienced any type of service quality challenge in the past 12 months, with 79 percent experiencing poor network quality, 20 percent found it difficult to navigate mobile apps and 14 percent struggling to reach customer care when needed.

Challenges experienced in the past 12 months.

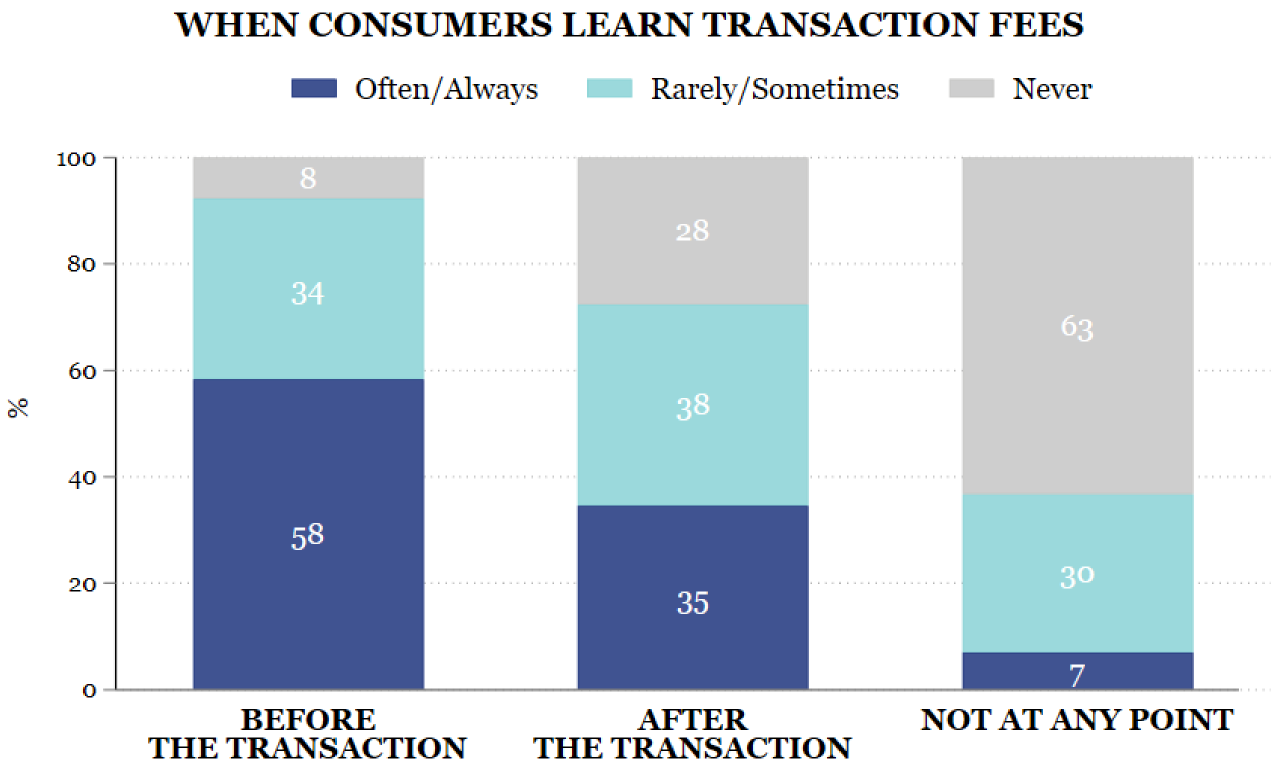


N=1001. Multiple selections possible. Unconditional values.

LACK OF PRICE TRANSPARENCY

More than half of respondents consistently knew fees before completing transactions.

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



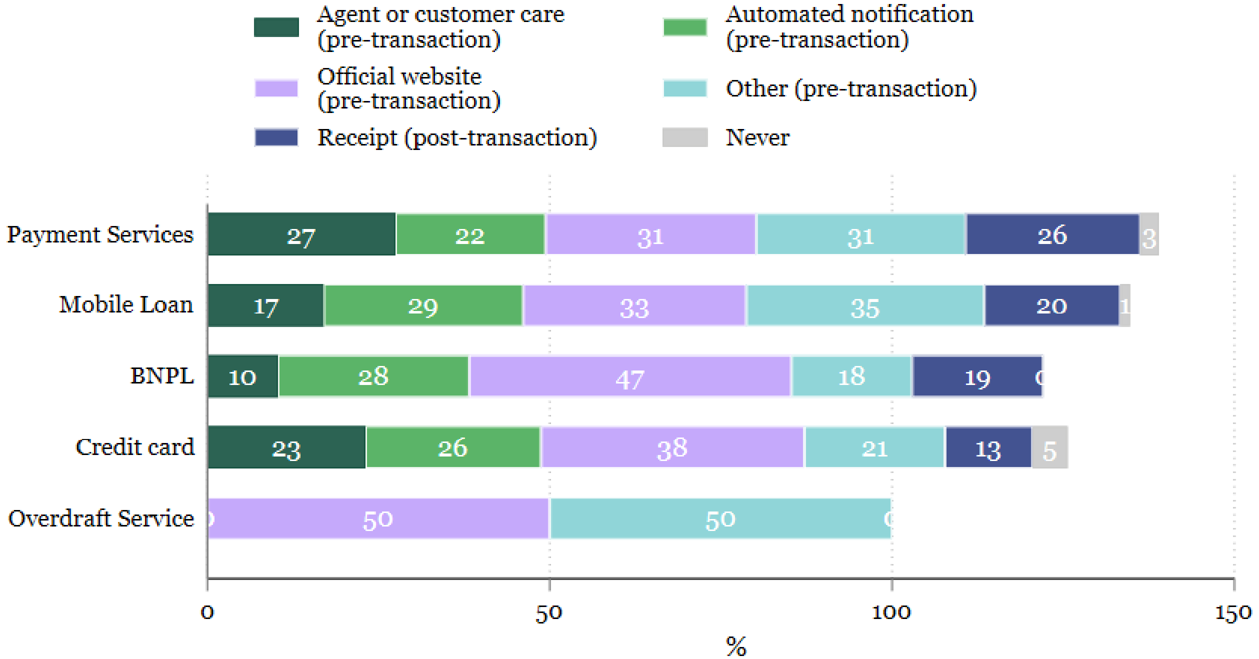
N= 976. Excludes 14 don't know/refuse to answer responses.

LACK OF PRICE TRANSPARENCY

Most respondents learned about prices pre-transaction, primarily through official websites, automated notifications, and other channels.

40 percent usually looked up prices online.

HOW RESPONDENTS LEARN ABOUT PRICES



Respondents: Payment services: N=1000, Overdraft service: N=407, Mobile loan: N=289, BNPL: N=21, Credit card: N=16. Totals may add to greater than 100% because respondents could select more than one source of pricing information.

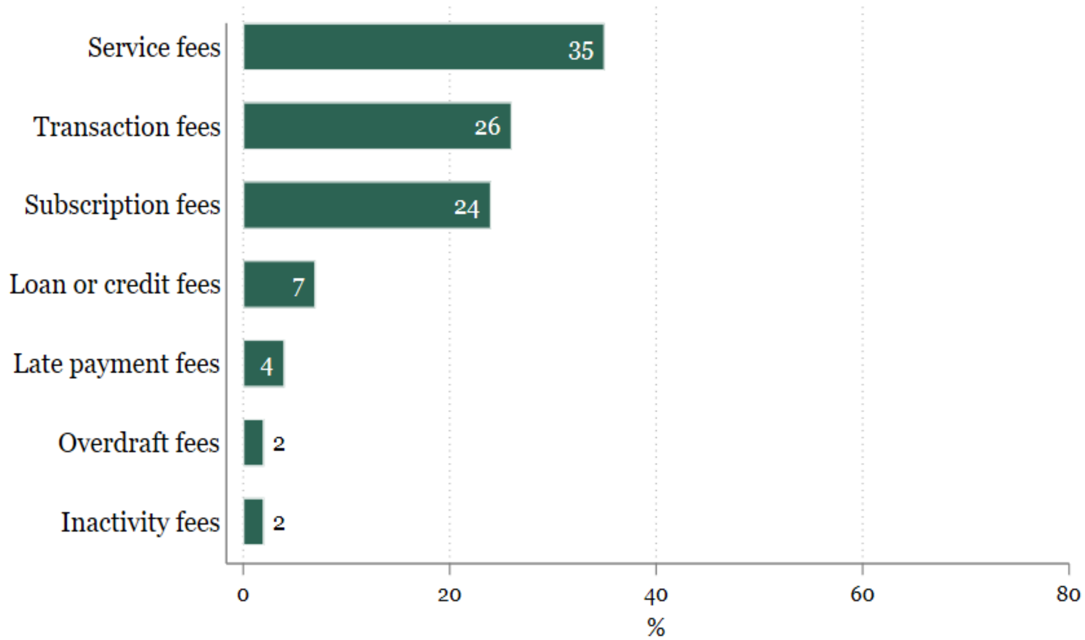
In our sample, 14 percent of respondents had experienced a fee or deduction on their account that they did not understand at first.

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

AMOUNT PAID IN UNCLEAR FEES
LAST 12 MONTHS

N= 136

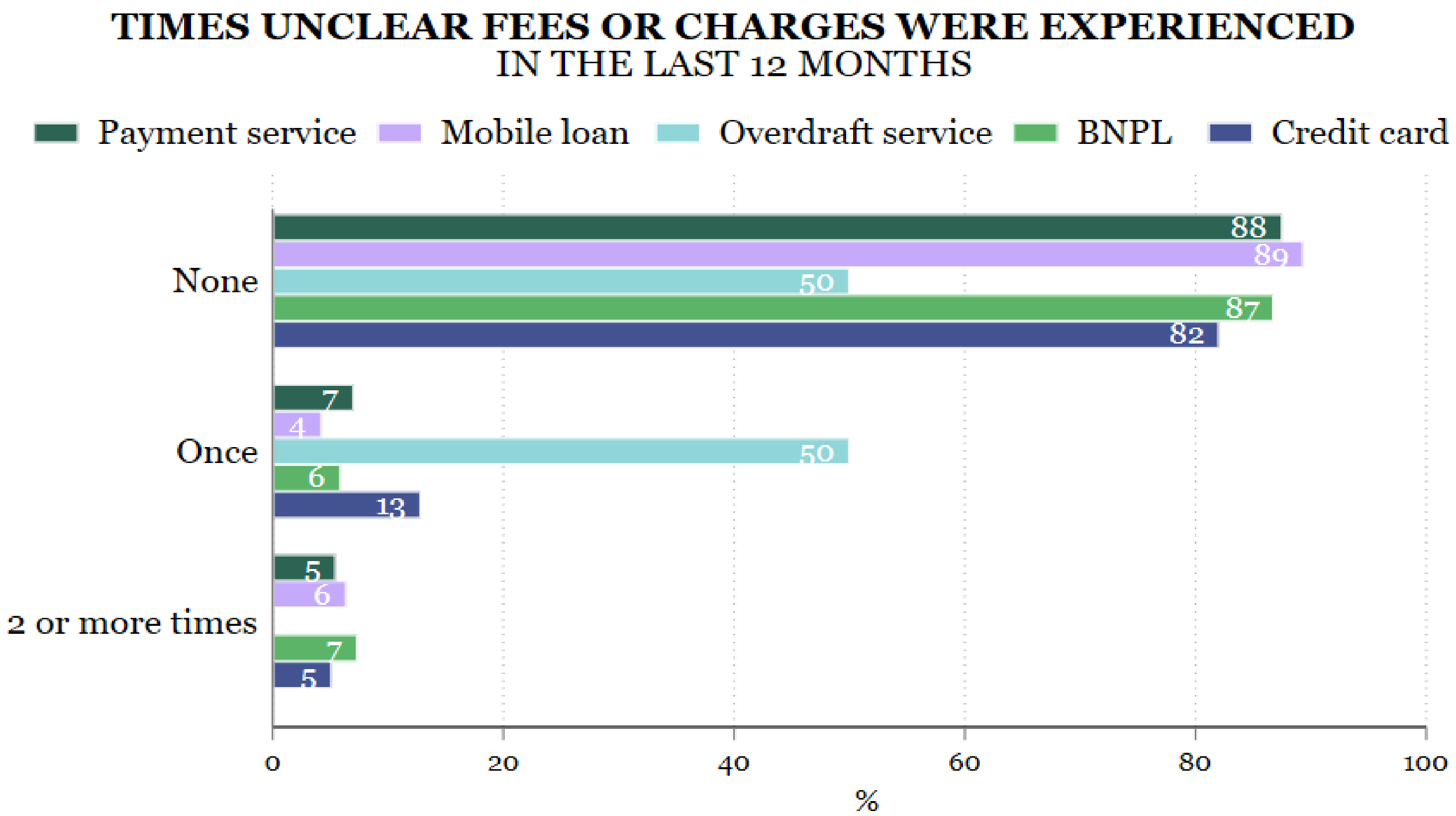
TYPE OF UNCLEAR FEE
LAST INCIDENT



N= 46

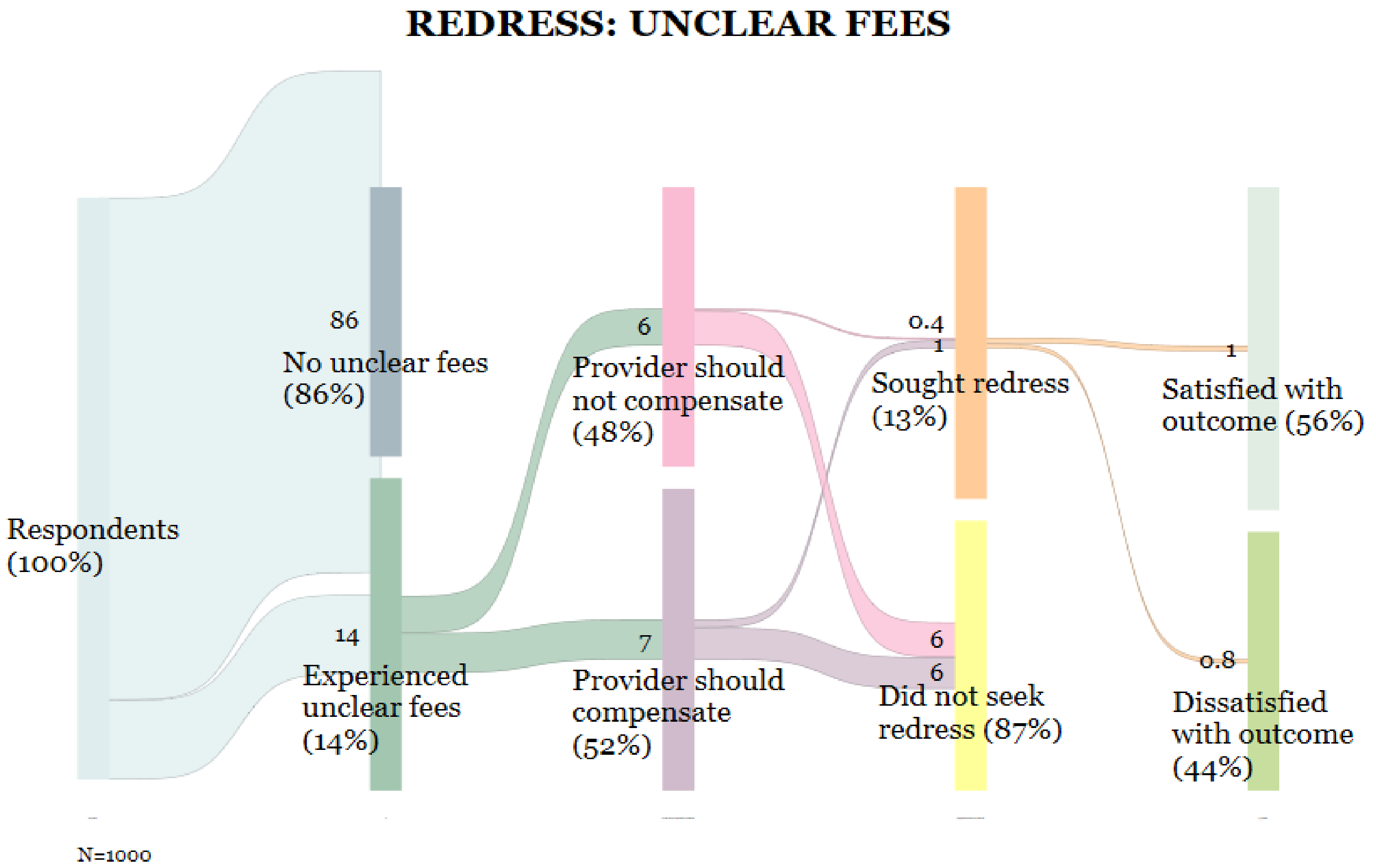
UNCLEAR FEES

The large majority of users reported no unclear fees, though credit card users were somewhat more likely to report at least one incident.



Payment services: N= 970, Mobile loan: N= 141, Overdraft services: N= 2, BNPL: N= 68, Credit card: N= 3
Excludes 1 don't know/refuse to answer responses.

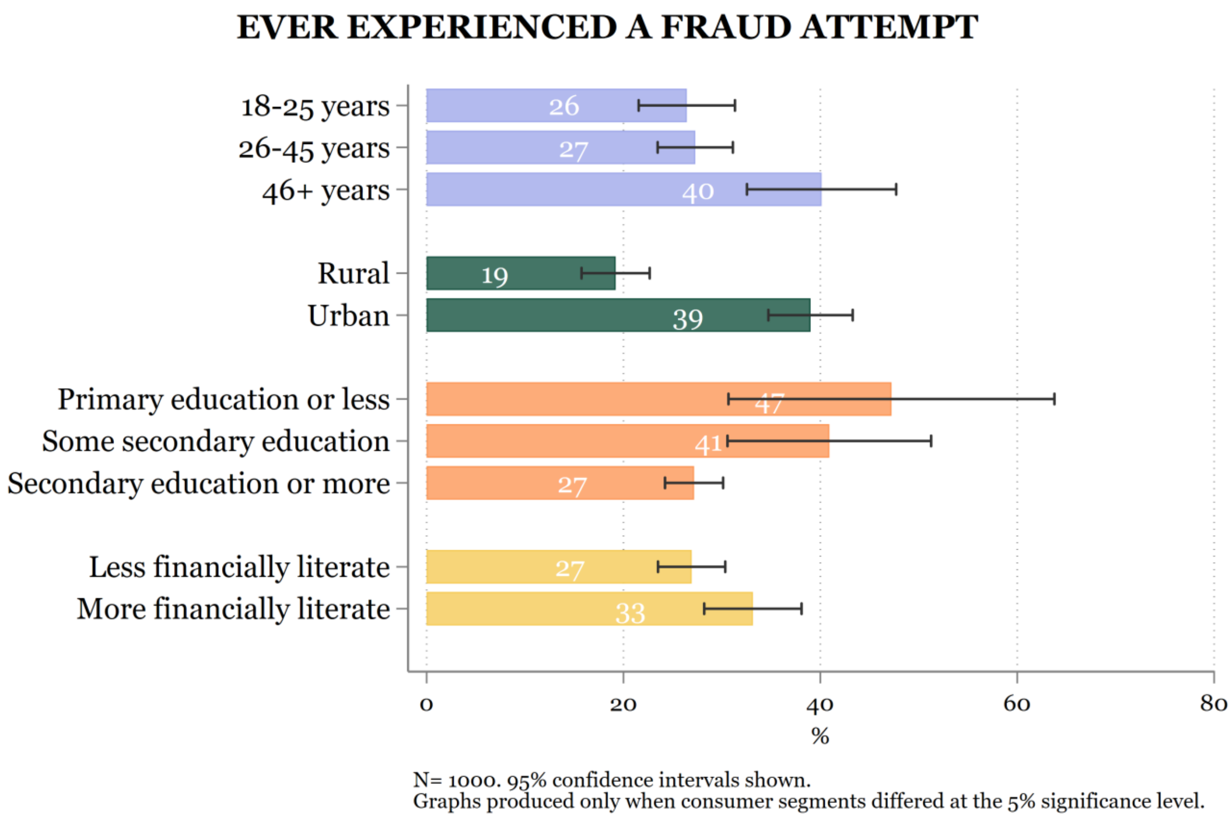
Few consumers seek formal redress for issues involving unclear fees.



ATTEMPTED FRAUD

Nearly a third of respondents reported experiencing a fraud attempt.

29 percent said they had been contacted by someone attempting to deceive them into sharing personal financial information or authorizing a transaction, and 18 percent said that it had happened in the past 12 months.

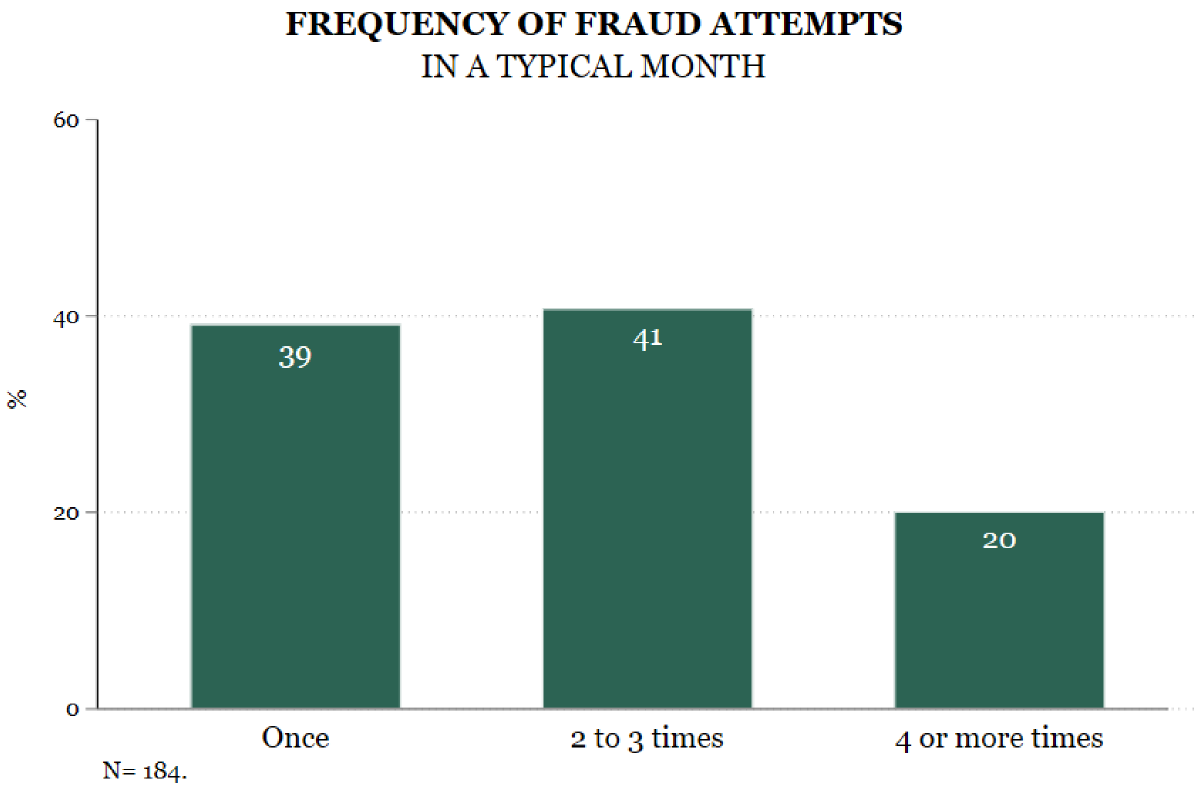


Older, urban, more financially literate and less educated consumers reported higher incidents of fraud attempts.

We did not observe any significant differences in reported fraud attempts by gender or wealth.

ATTEMPTED FRAUD

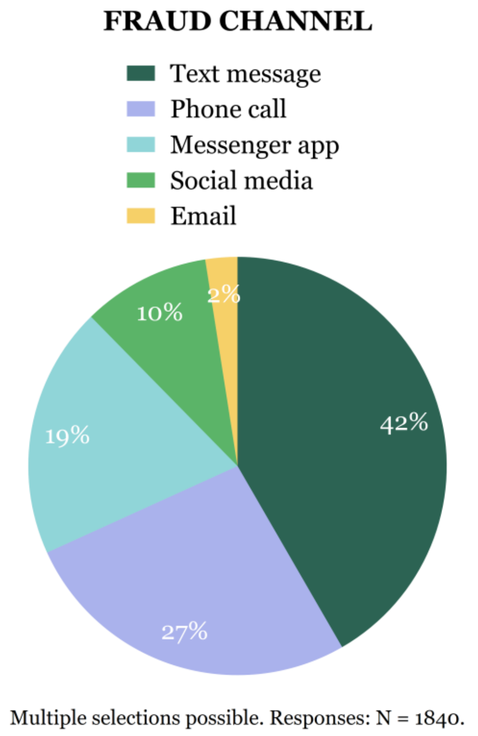
More than half of respondents receive fraud attempts more than once a month.

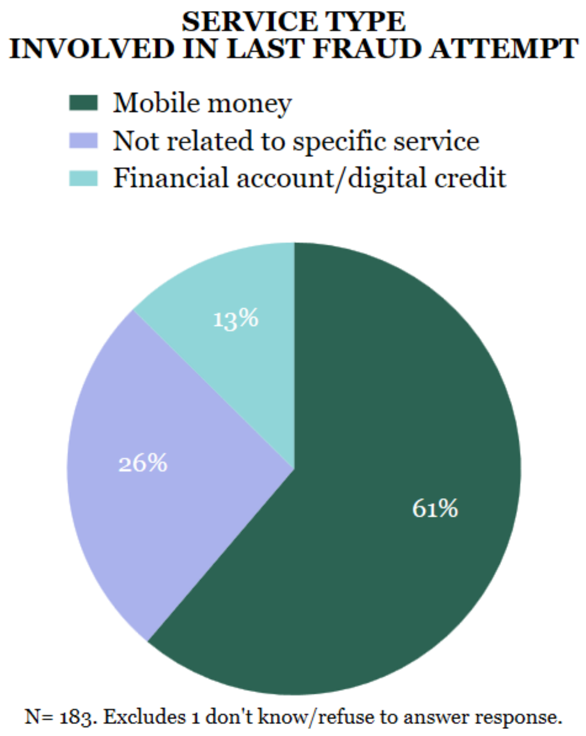


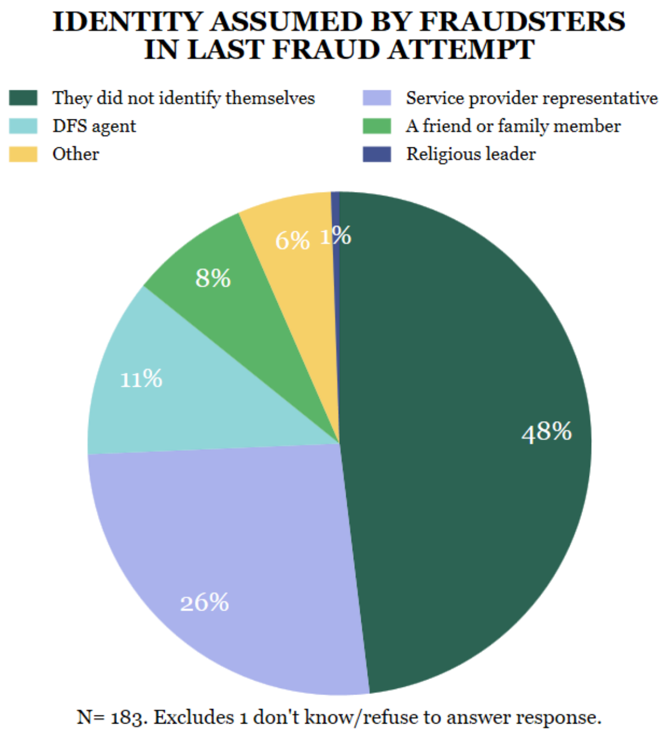
61 percent
of respondents were typically targeted more than once a month.

ATTEMPTED FRAUD

Most fraud attempts occur by SMS or phone, and nearly half of fraudsters do not identify themselves.





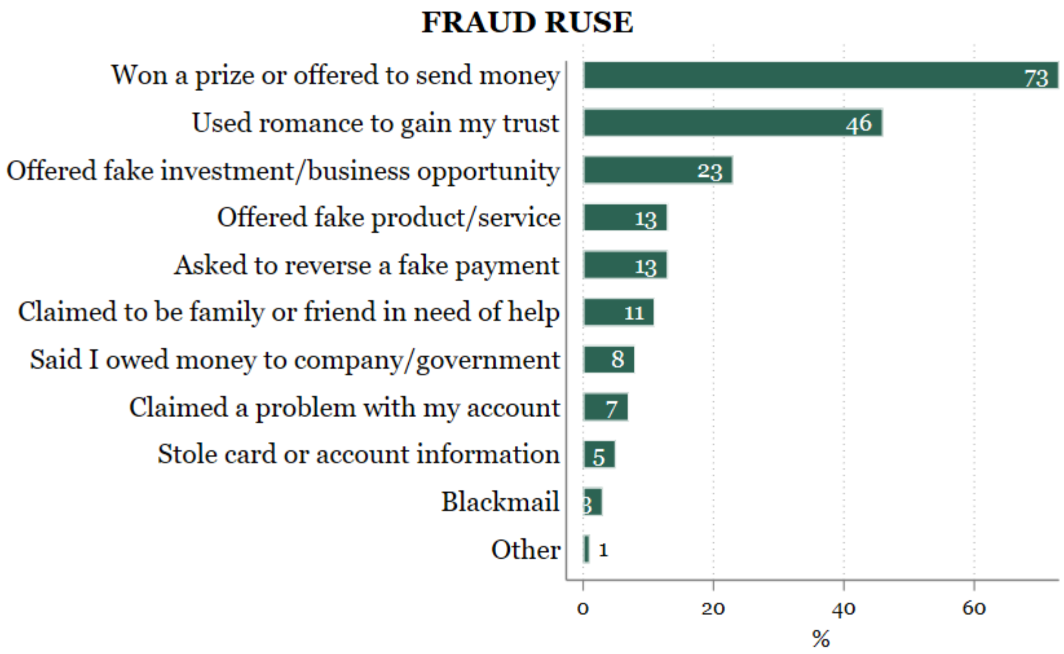


All graphs refer to the last fraud attempt experienced, except for fraud channel which due to a survey error refers to fraud attempts experienced in the last 12 months, and allows for multiple selections.

ATTEMPTED FRAUD

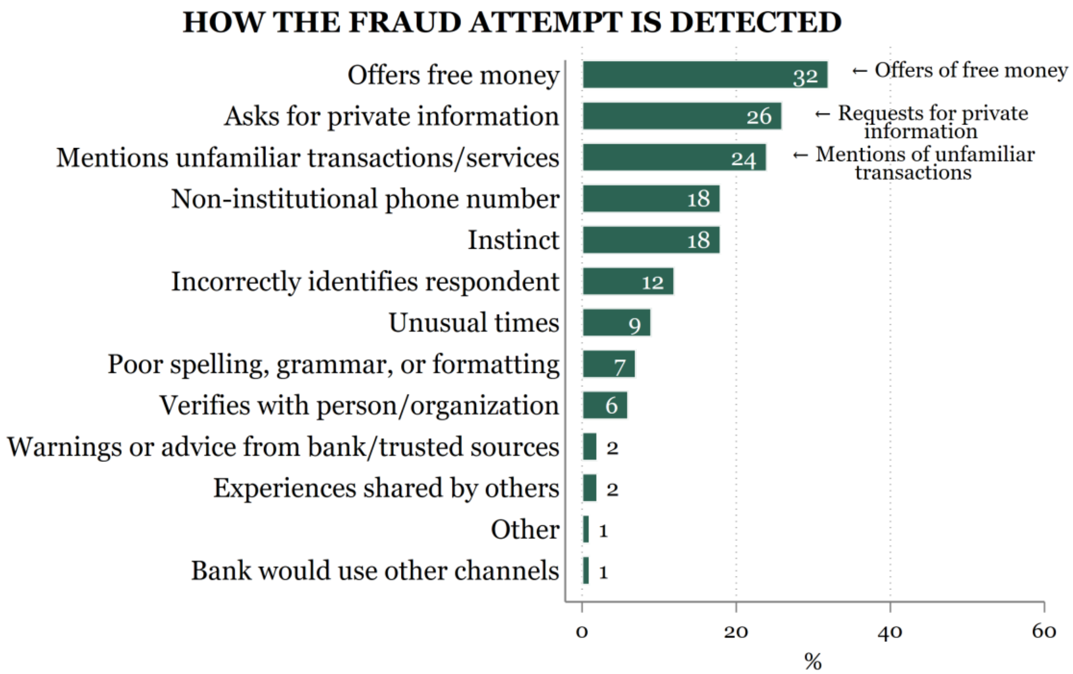
Fraudsters most commonly offer respondents free money or prizes to lure them in.

Romance scams were the second most common ruse, used in nearly half of all fraud attempts.



Multiple selections possible. N= 180.
Excludes 4 don't know/refuse to answer responses.

Respondents identified scams by three common red flags: offers of free money, requests for private information, and mentions of unfamiliar transactions—each cited by at least a quarter of respondents.

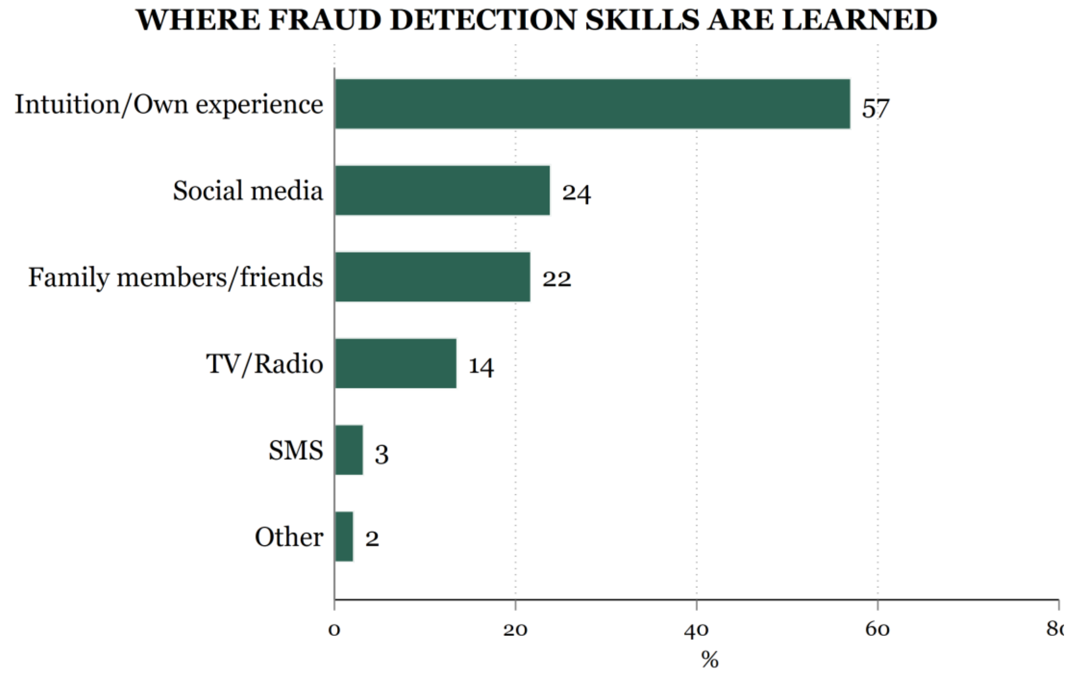


Multiple selections possible. N= 184

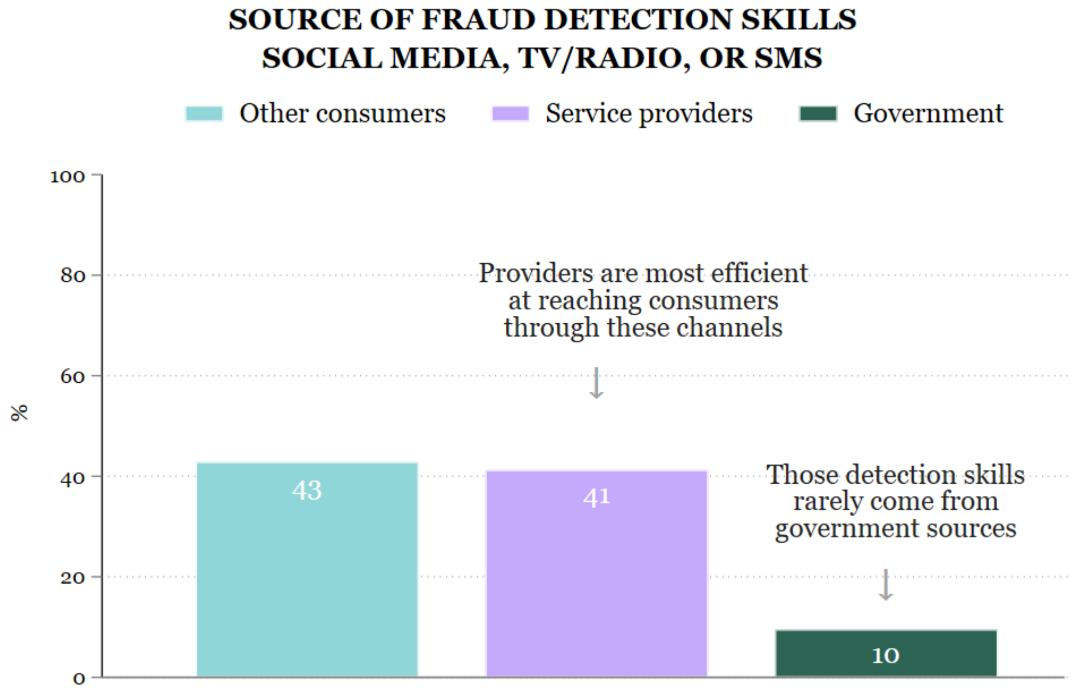
Non-institutional phone numbers and instinct were also noted, each by 18 percent.

Respondents often learn to detect scams based on own experiences, social media, or from their social network

When fraud detection skills are learned through social media, TV, radio, or SMS, the source is often service providers or other consumers.



Multiple selections possible. N= 184.

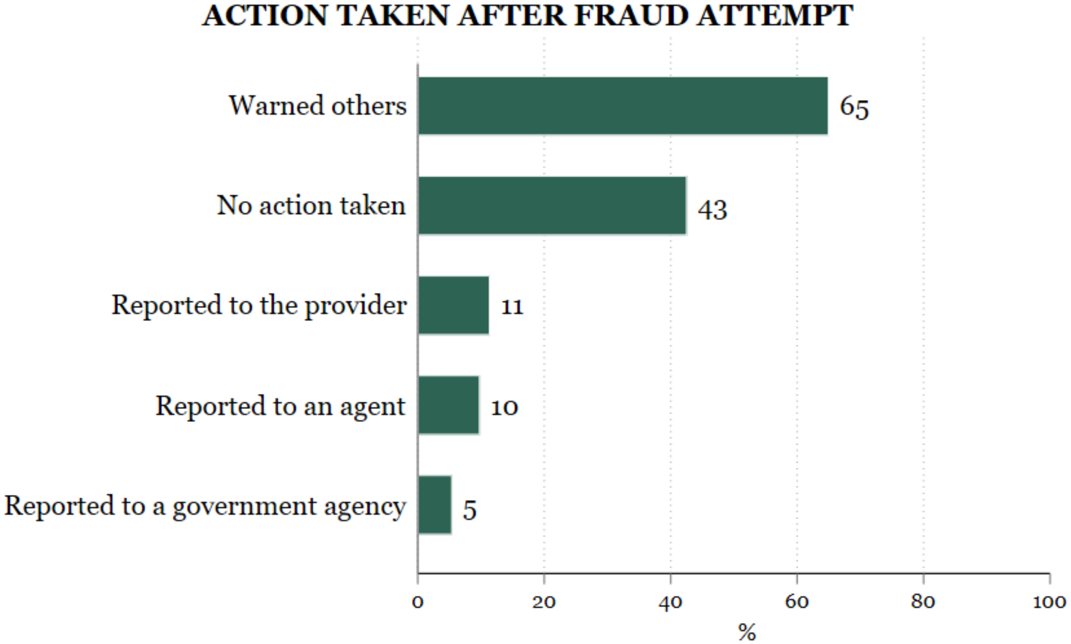


Multiple selections possible. N= 63.

ATTEMPTED FRAUD

Among respondents, 16 percent reported their last fraud attempt to their provider, an agent, or a government agency

While nearly two-thirds of respondents warned friends and family, 43 percent took no action at all



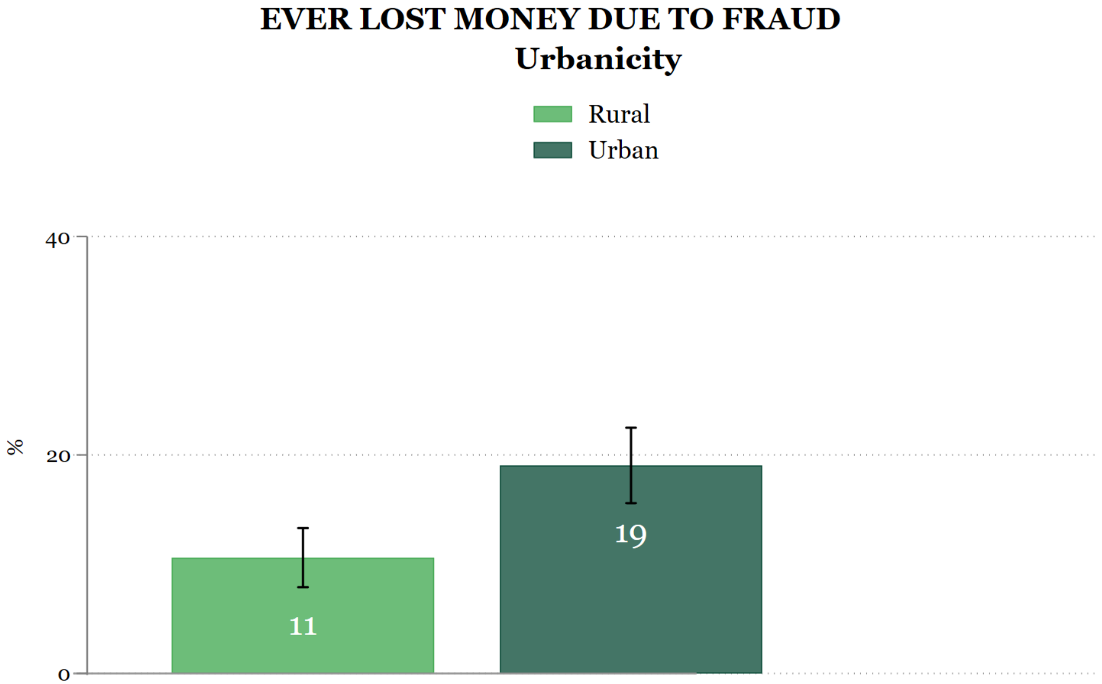
Multiple selections possible. N= 182.
Excludes 2 don't know/refuse to answer responses.

SUCCESSFUL FRAUD

One in seven DFS users had lost money due to fraud.

15 percent of respondents had ever lost money, and 8 percent had lost money in the past 12 months.

Urban consumers were more likely to say that they had been defrauded.



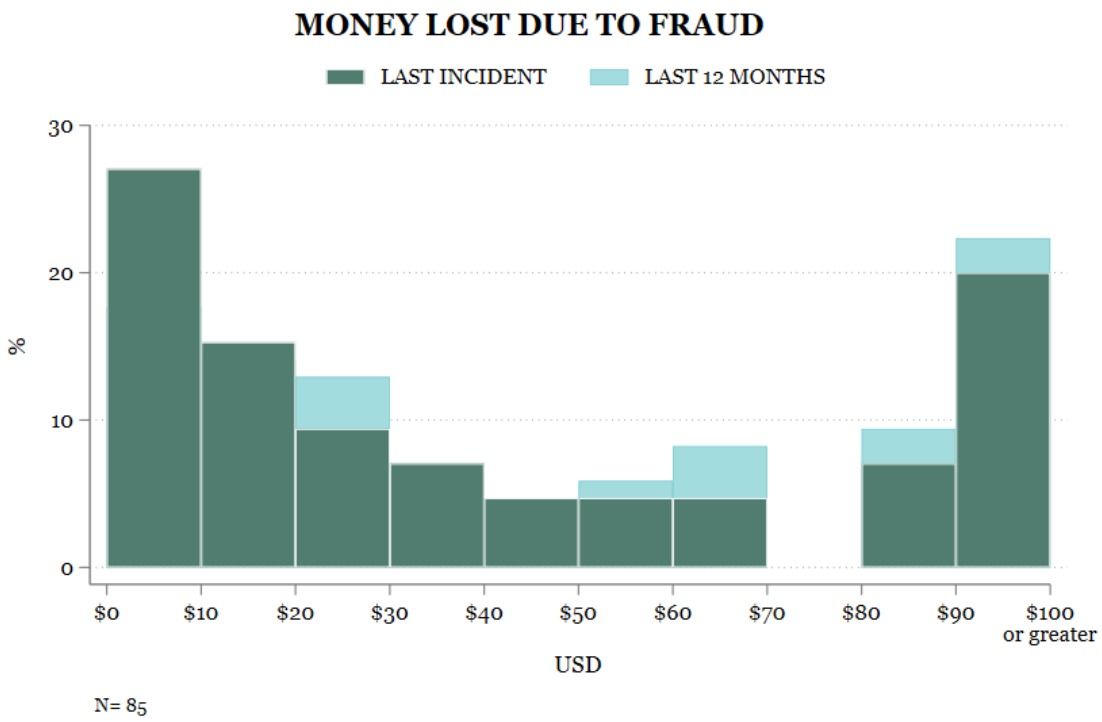
N= 999. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

4 percent

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

The median respondent lost $29 the last time they were defrauded.

This corresponds to 10 percent of mean monthly income per capita.*



$34.40

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

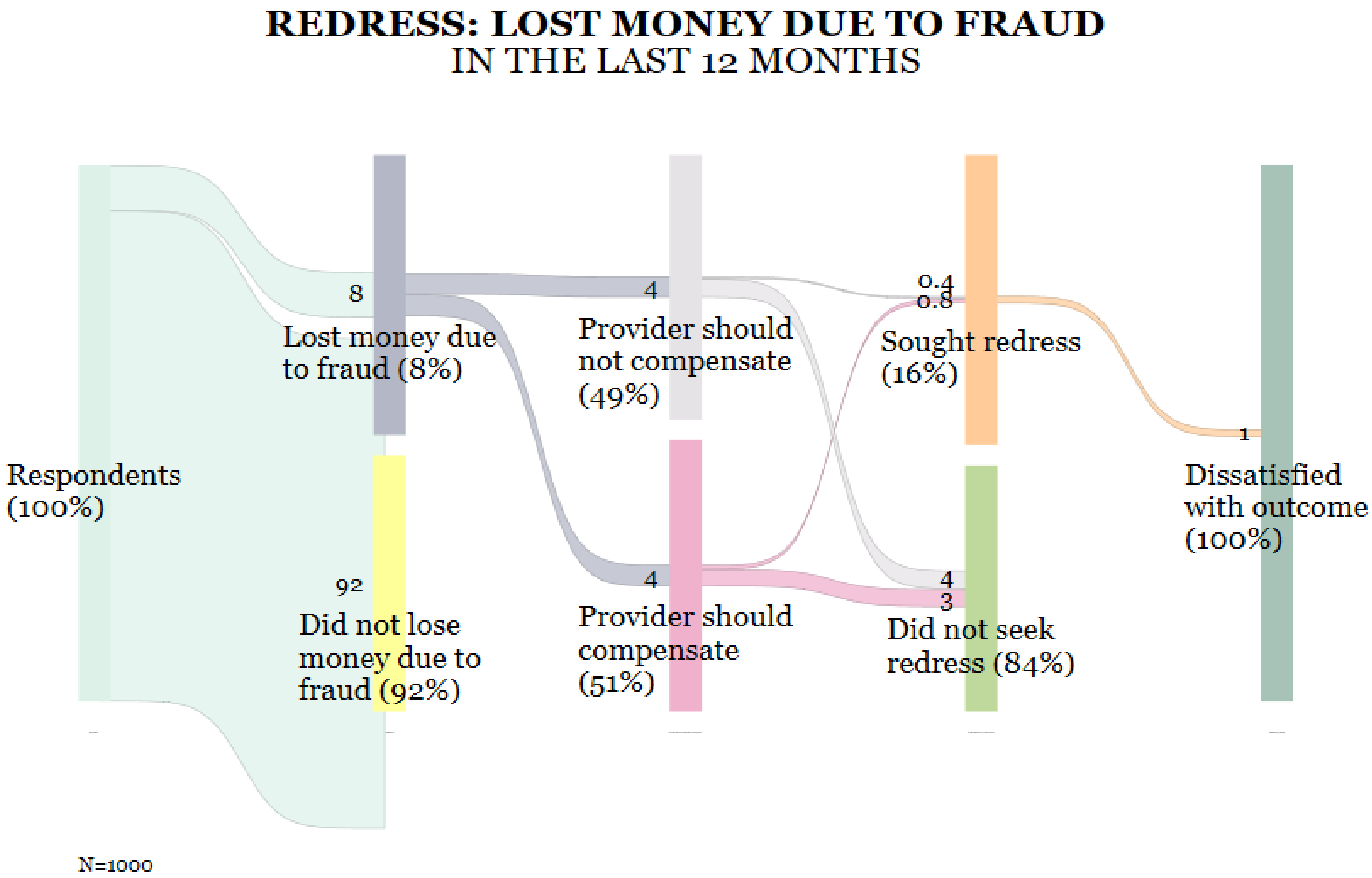
$254 million

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

*The comparison uses national-level data for Philippines (World Bank Open Data, SI.SPR.PCAP: survey mean consumption or income per capita) rather than region-specific figures.

**Calculated by multiplying the mean amount lost due to fraud across our entire sample (including those who did not lose money to fraud) – $7.12 – by the total number of Philippines DFS consumers (reported by Findex 2025) – 22,962,928.

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



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

Female respondents were more likely to experience negative psychological impacts.

IMPACTS ON DFS USAGE

85%
became more cautious or vigilant when making transactions

43%
changed their PIN or password

15%
decreased their DFS usage across all services

18%
stopped using the service provider

9%
stopped using the service entirely

IMPACTS ON WELL-BEING

88%
felt anxious or worried

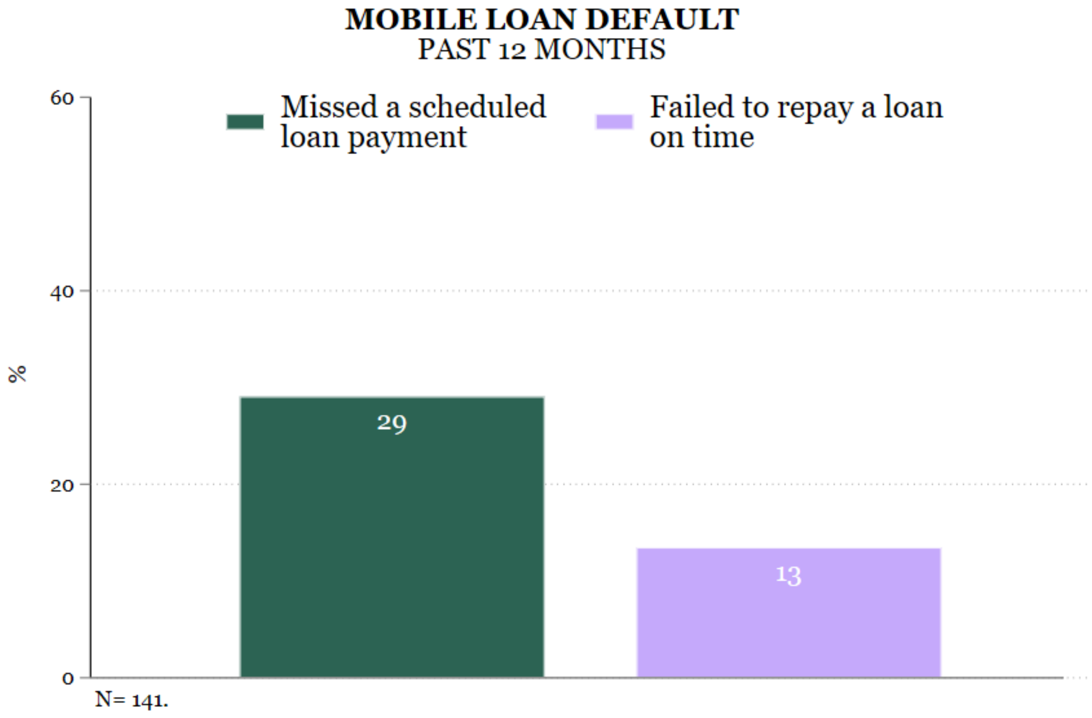
91%
felt angry or frustrated

60%
lost confidence

79%
felt helpless or vulnerable

46%
felt embarrassed or ashamed

Some 13 percent of mobile loan users reported failing to repay on time in the last year.



17%

of mobile loan users had more than one active mobile loan.

Failure to repay a loan did not differ significantly by number of active loans.

Credit cards and buy-now-pay-later remain relatively rare forms of credit.

Less than 1 percent of DFS users have used overdraft services.

CREDIT CARDS

4%

had used a credit card in the past 12 months.

21%

of credit card users had missed a scheduled credit card repayment.

51%

of credit card users received reminders to make payments.

BUY-NOW-PAY-LATER

7%

had used buy-now-pay-later in the past 12 months.

10%

of BNPL users were charged an unexpected fee for the service.

21%

of BNPL users missed a scheduled Installment payment.

Some mobile loan, credit card, and buy-now-pay-later users show signs of over-indebtedness.

Proportion of debt services users who reported…

8%

...regretted taking on debt.

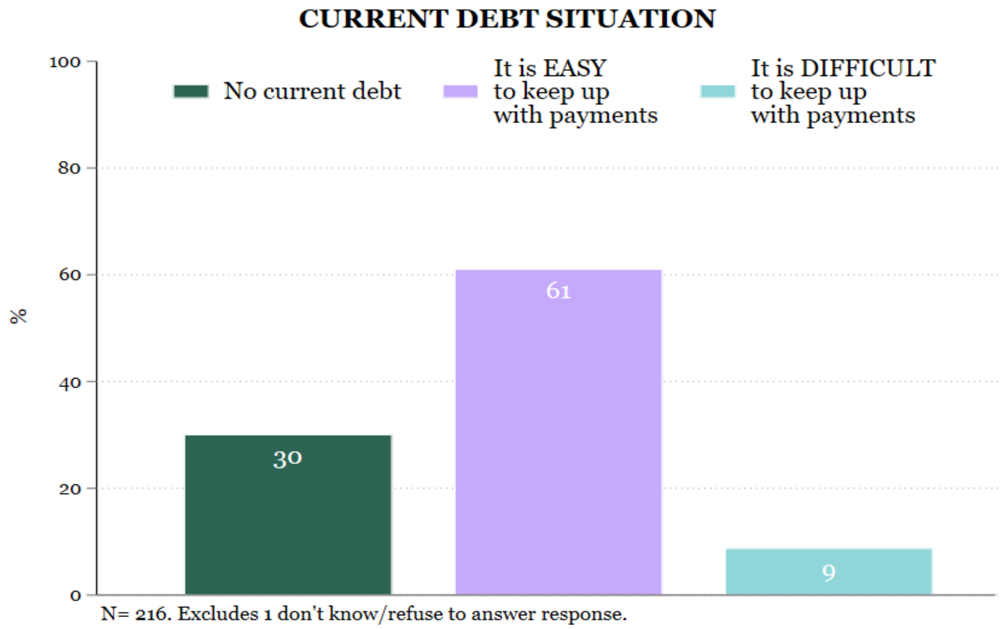
8%

...used a loan to repay another debt.

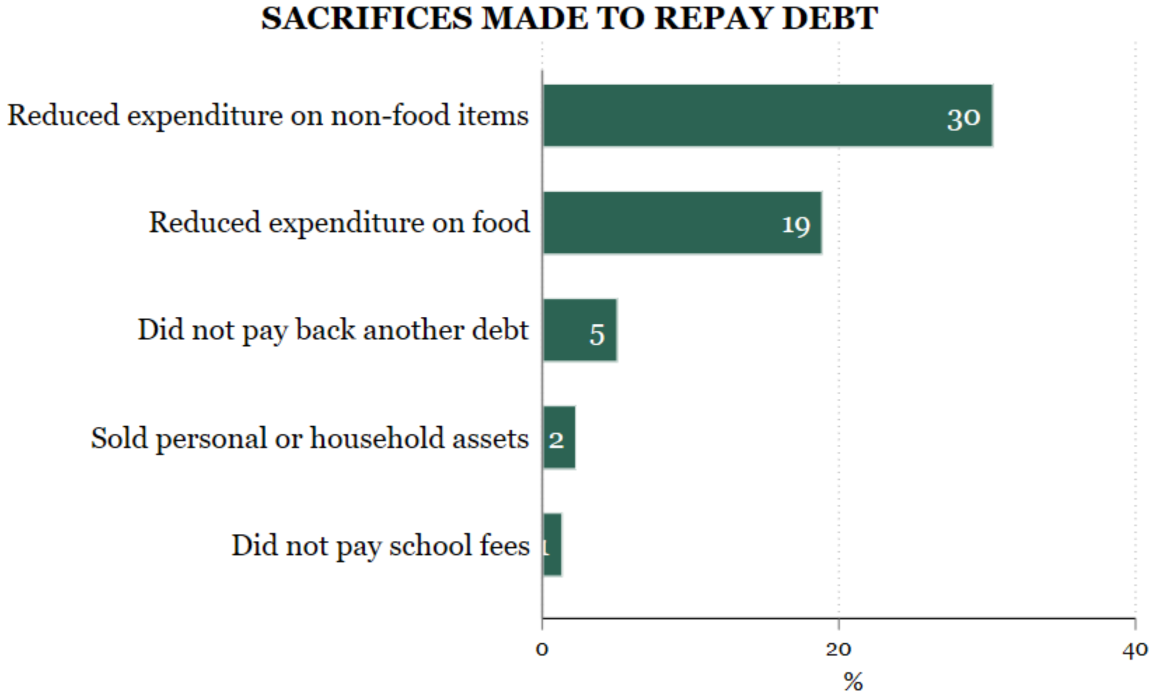
7%

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

Among respondents that used debt services in the past 12 months,
9 percent
found it somewhat or very difficult to keep up with their debt payments.



Among mobile loan, credit card, and buy-now-pay-later users, 19 of respondents had cut back on food expenditure to repay their debt in the past 12 months.

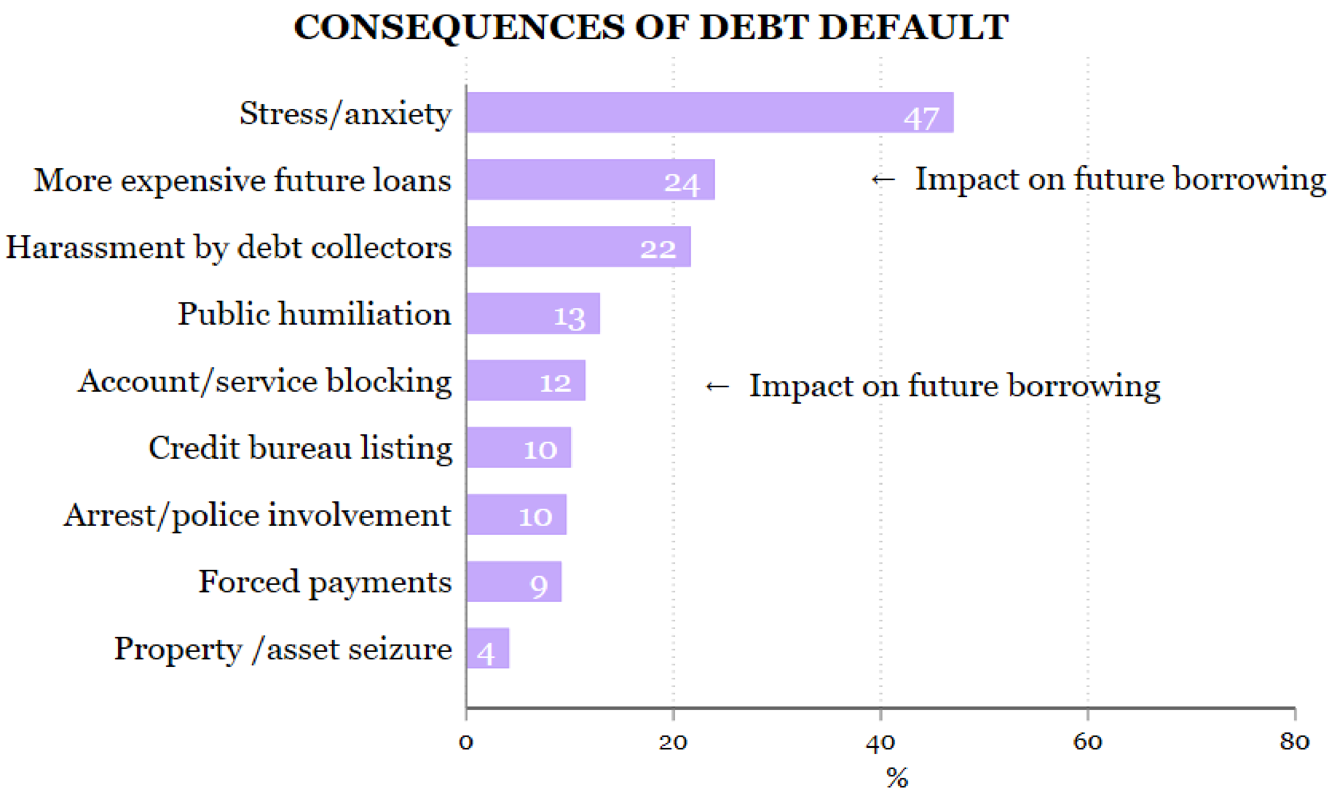


Multiple selections possible. N= 216.
Excludes 1 don't know/refuse to answer response.

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

5 percent
used three or more coping strategies.

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



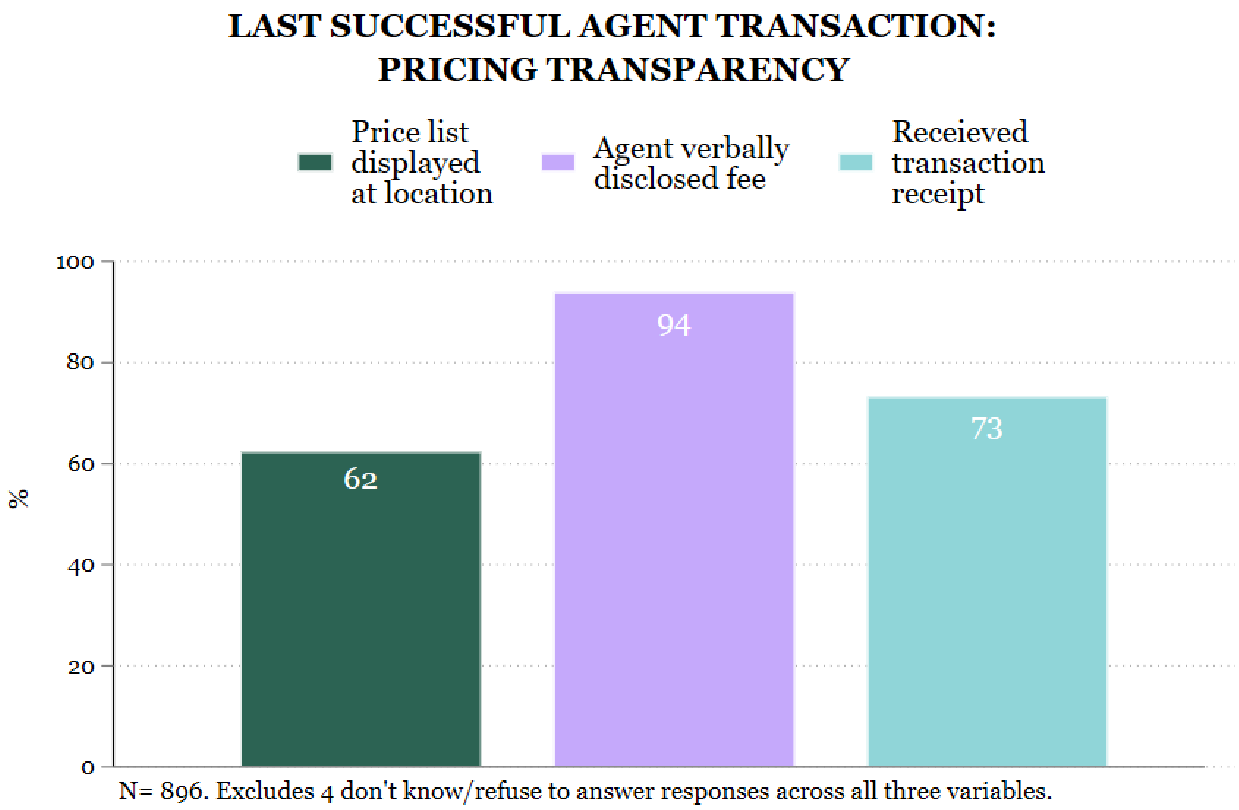
Multiple selections possible. N= 217.

percent
borrowers reported actual experience of harassment by debt collectors (as opposed to 22 percent who reported this as a possible consequence of a hypothetical default).

Older consumers were more likely to have experienced harassment.

No more than a quarter of borrowers mentioned impacts on future credit, such as more expensive future loans, and credit bureau listing.

Among respondents, 38 percent reported agents without price lists visible in last transaction.



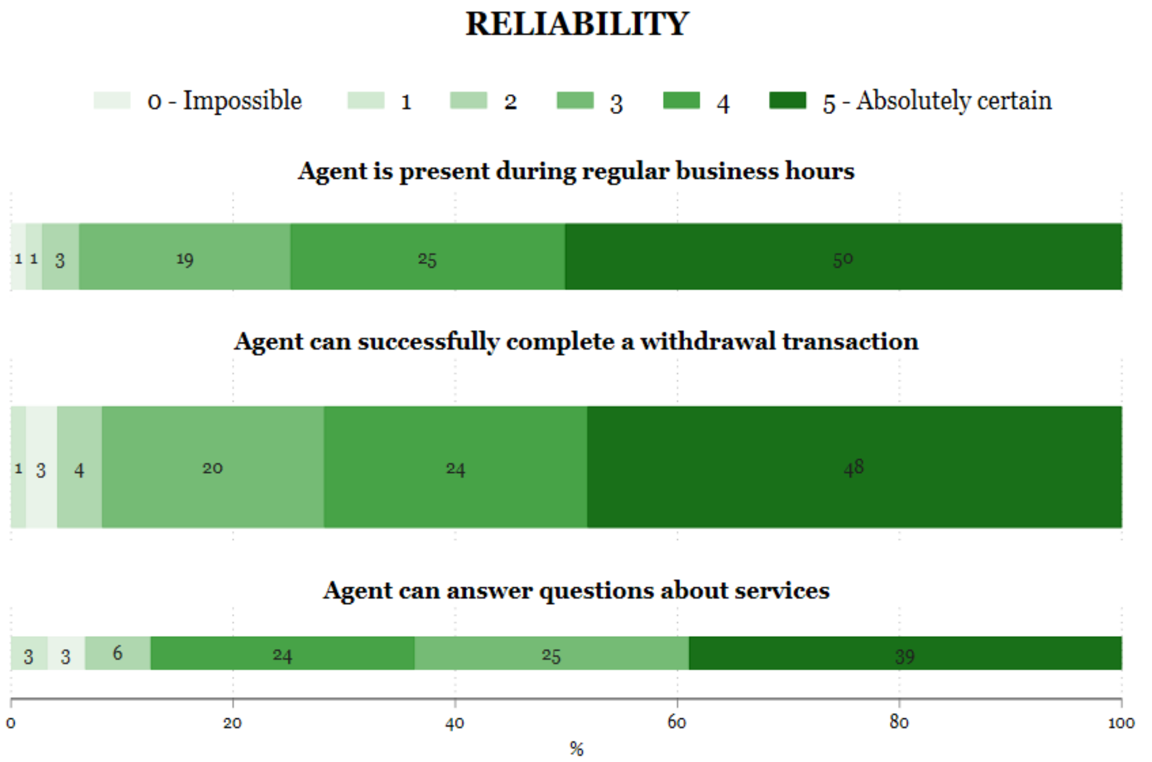
Most consumers stated that the agent verbally disclosed fees and that they received transaction receipts.

Less educated and younger respondents were significantly less likely to report seeing pricelists at agent locations.

CHALLENGES WITH AGENTS

Agents do not always provide reliable service.

Agents are not always present or able to complete transactions successfully. Less than 40 percent of respondents were absolutely certain that an agent could help them answer questions related to their services.



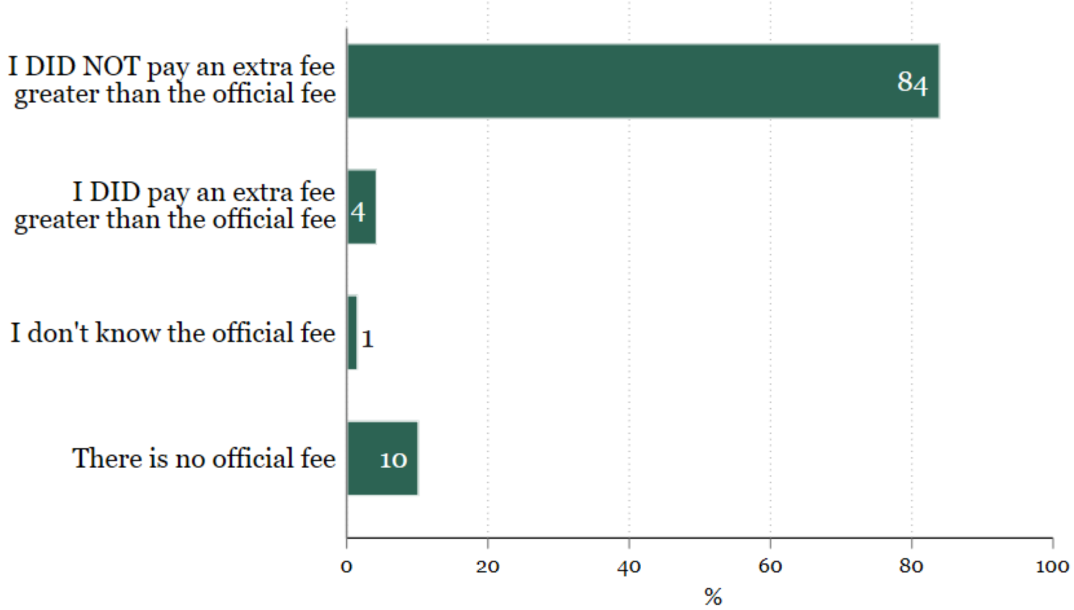
N= 883. Excludes 21 don't know responses across all three variables.

CHALLENGES WITH AGENTS

Four percent of agent users report overcharging.

No one sought formal redress after having been overcharged, even if they thought the provider should be held accountable.

FEE OF LAST AGENT TRANSACTION



N= 893.
Excludes 3 don't know/refuse to answer responses.

Amongst the respondents that were overcharged,

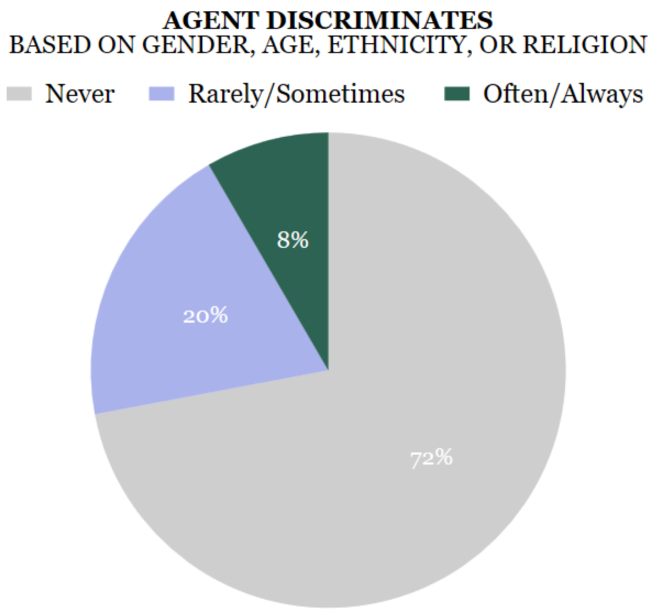
28 percent
thought that the provider should compensate them for the money that was lost

32 percent
would know how to seek formal redress

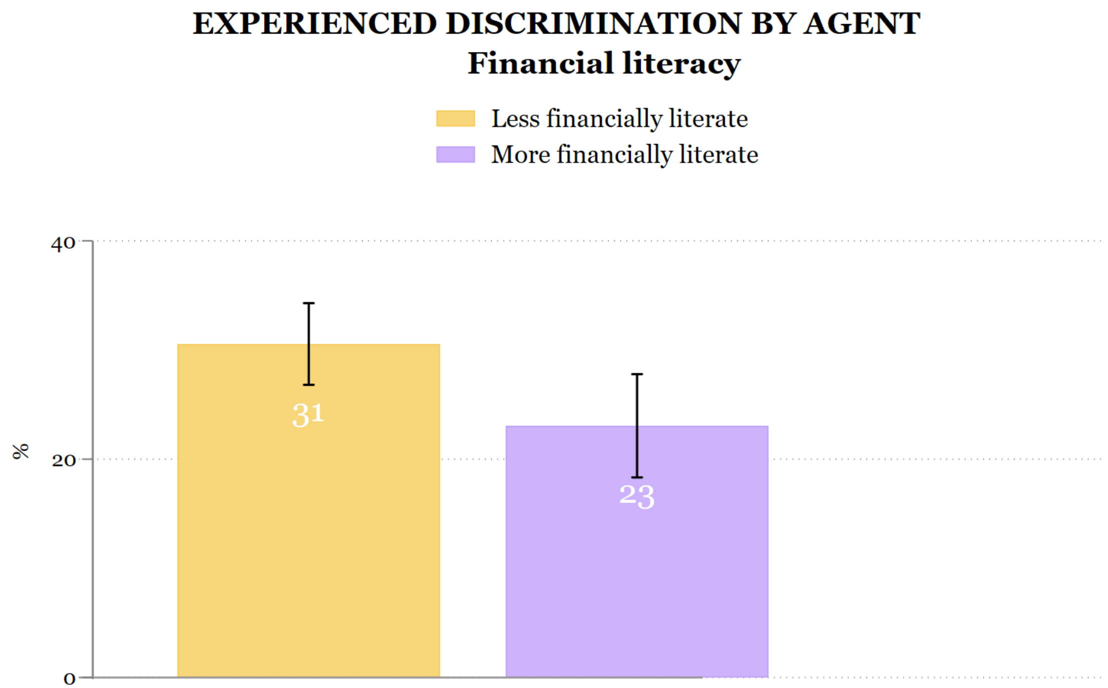
0 percent
sought formal redress for the issue

Eight percent of respondents said that agents often or always treat them differently because of their gender, age, ethnicity, or religion.

Less financially literate respondents were more likely to report experiences of discrimination. There were no differences by gender.



N= 894. Excludes 2 don't know/refuse to answer responses.



N= 894. 95% confidence intervals shown.
Graphs produced only when consumer segments differed at the 5% significance level.

SENT MONEY TO WRONG NUMBER

Despite safeguards, one in seven respondents had sent money to the wrong number. Many are not able to recover the funds.

Urban respondents were more likely to experience the challenge.

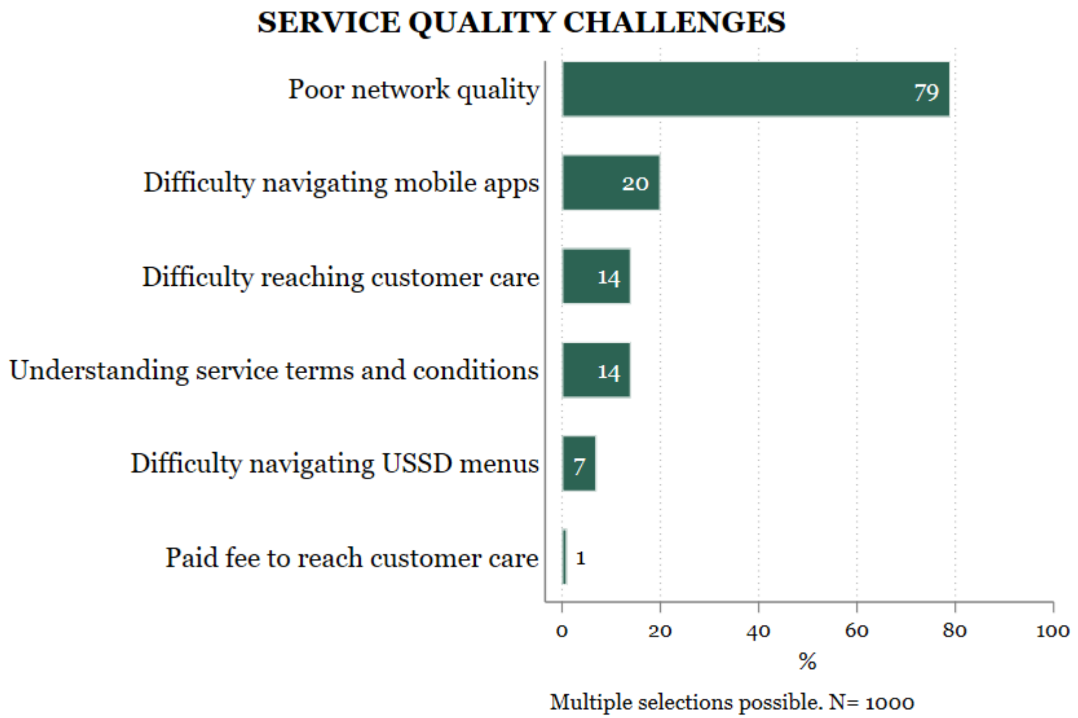
83 percent
of respondents said that there was an extra verification step they had to complete before sending money to a new phone number. Nonetheless,

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

73 percent
were not able to recover the money.

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

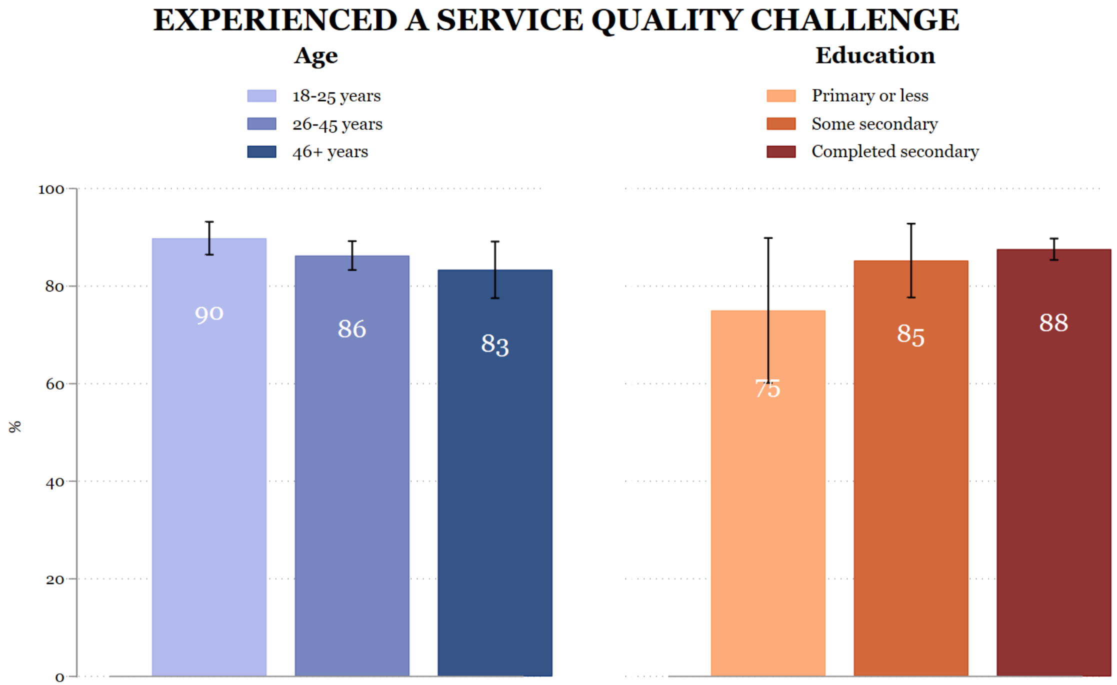
87 percent had experienced such a challenge in the past 12 months.



The most common challenge was poor network quality.

Nearly one in five had difficulty navigating apps.

More educated and younger respondents were more likely to report having experienced any type of service quality challenge.



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

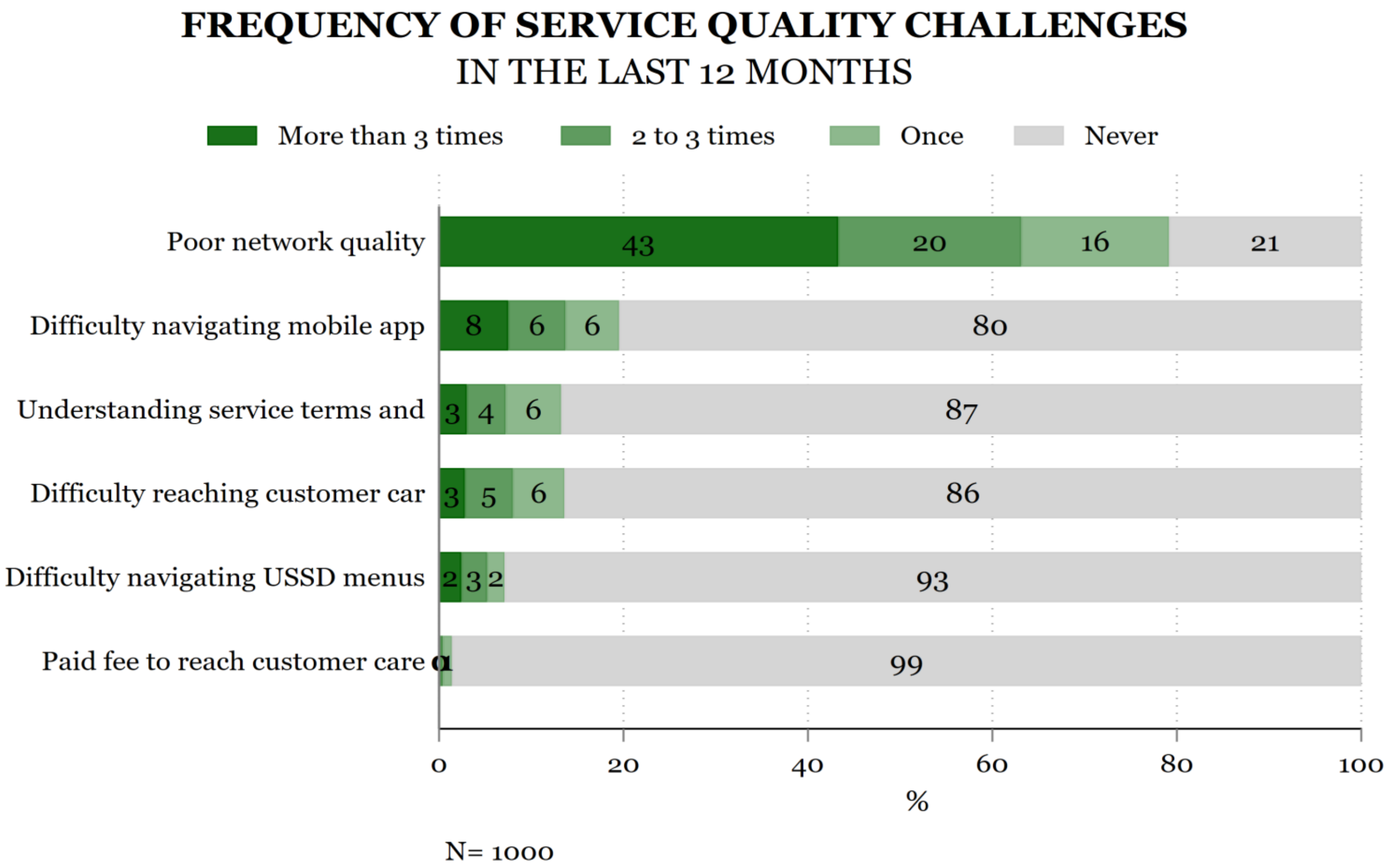
Among all respondents experiencing these difficulties,

3 percent
lost money as a result.

The average loss was **$42.90.**

Higher-educated and urban respondents were more likely to report difficulty reaching customer care, urban respondents less likely to report network issues.

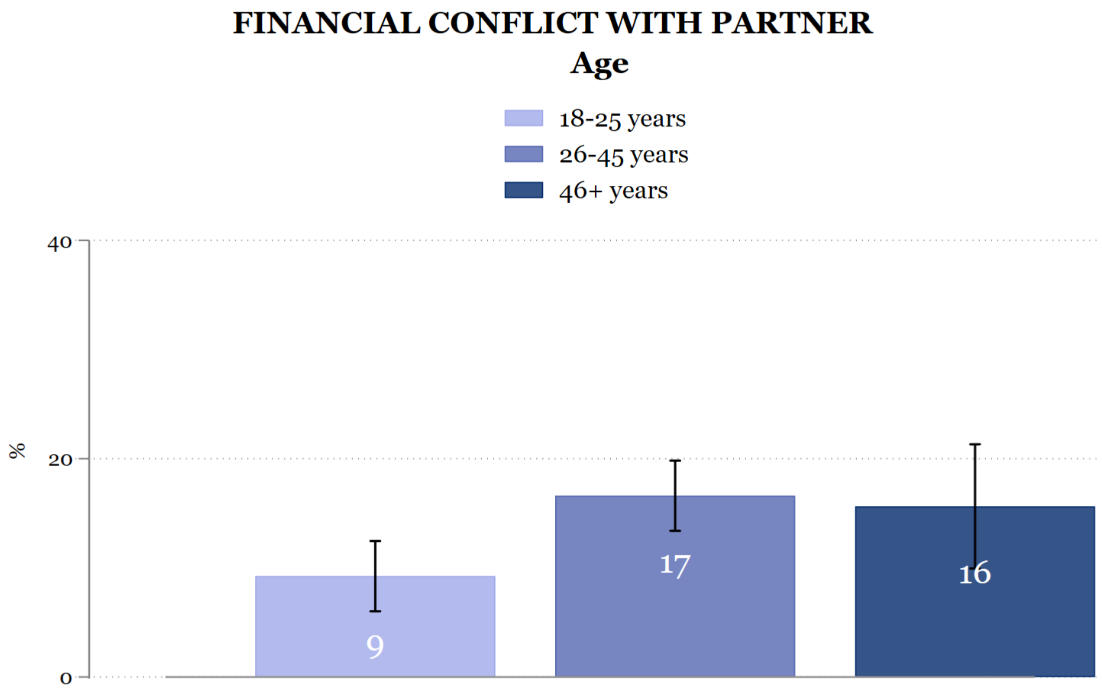
Poor network quality was by far the most frequently experienced service quality challenge encountered.



FINANCIAL ABUSE

In total, 14 percent had experienced a financial disagreement with a partner or household decision maker, a potential indicator of financial abuse.

Older respondents reported higher rates of intra-household financial conflicts.



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

5 percent
said that a spouse or decision maker had accessed their financial account without their permission.

8 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:** Of the 20 percent of respondents who lost money due to fraud, unexpected fees, or service quality challenges in the past 12 months, only 16 percent sought redress to resolve the issue. Less poor respondents were marginally more likely to seek redress.

2. **Recovery of funds:** Among redress seekers who lost money, 42 percent were able to recover some or all of it.

3. **Redress resolution:** 41 percent of redress seekers were satisfied with the outcome. 59 percent of cases did not get resolved, and 12 percent of respondents spent money (averaging USD 6.36) on resolution costs like airtime fees or travel expenses.

4. **Impact on service usage:** Among redress seekers, 37 percent made a change to their DFS usage as a result of the challenge experienced. Those dissatisfied with the outcome (42 percent) were no more likely to switch providers or reduce/discontinue DFS usage than those satisfied (29 percent).

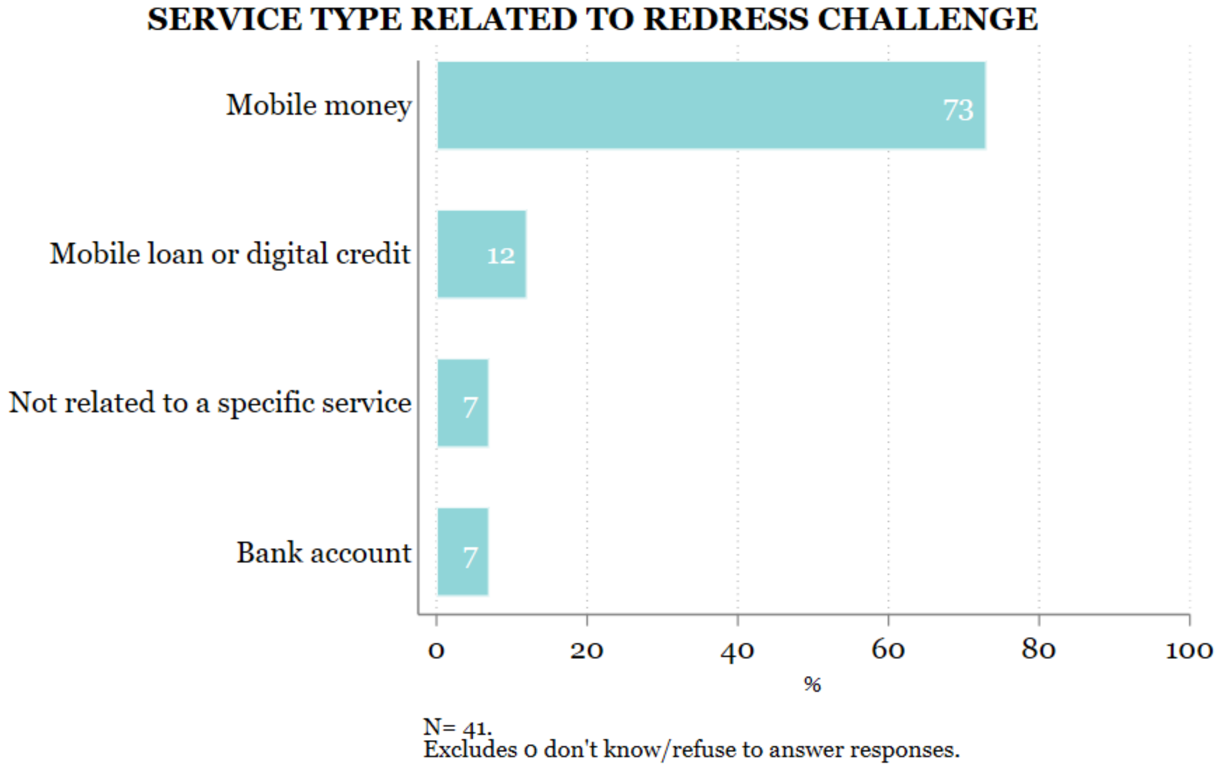
Respondents almost never sought redress for a DFS challenge.

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

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

16 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.

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



54%

contacted the service provider

17%

contacted an agent

12%

contacted an email provider.

10%

used an online platform, such as Google Play store.

5%

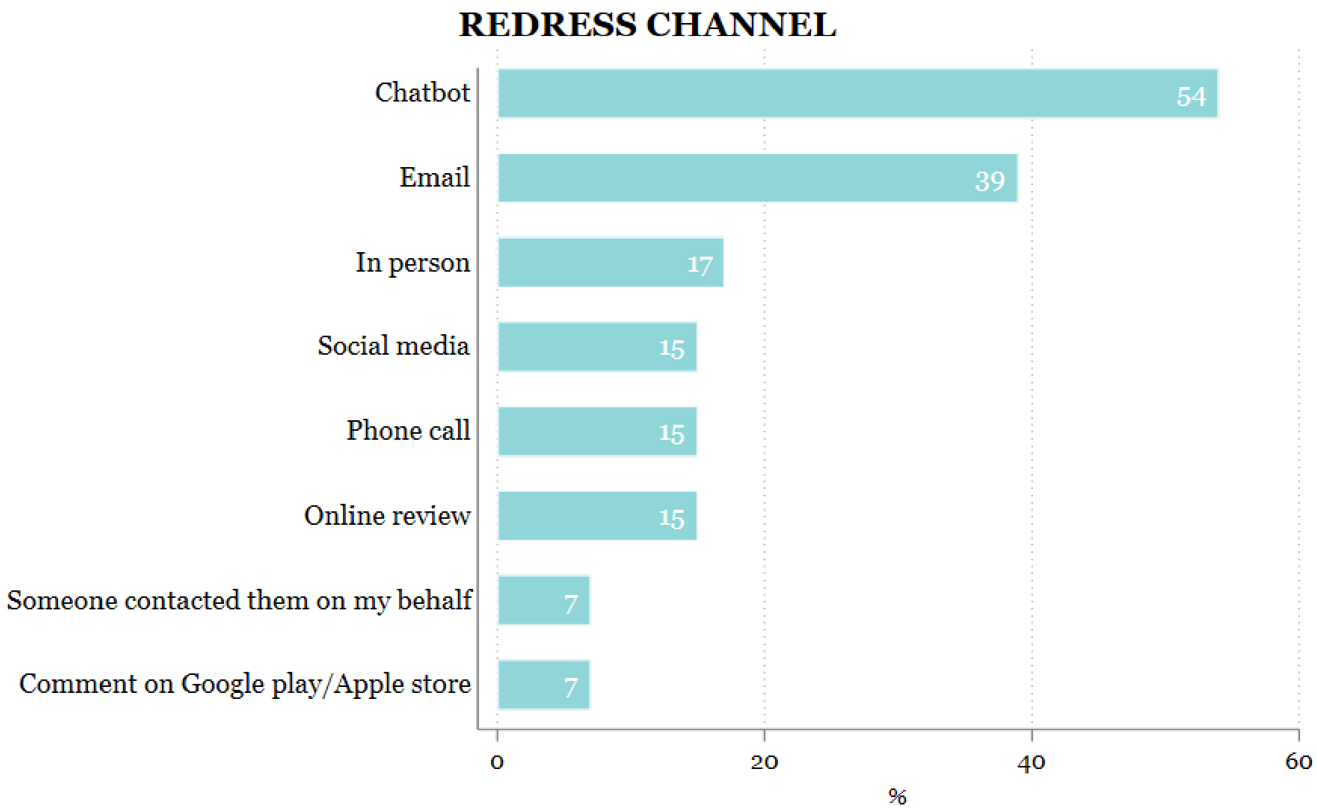
contacted a government agency, including the police.

2%

contacted the mobile network operator

Chatbot was the most common mode of seeking redress.

Email was the second most common channel at 39 percent, followed by in-person, social media, phone call, and online review.



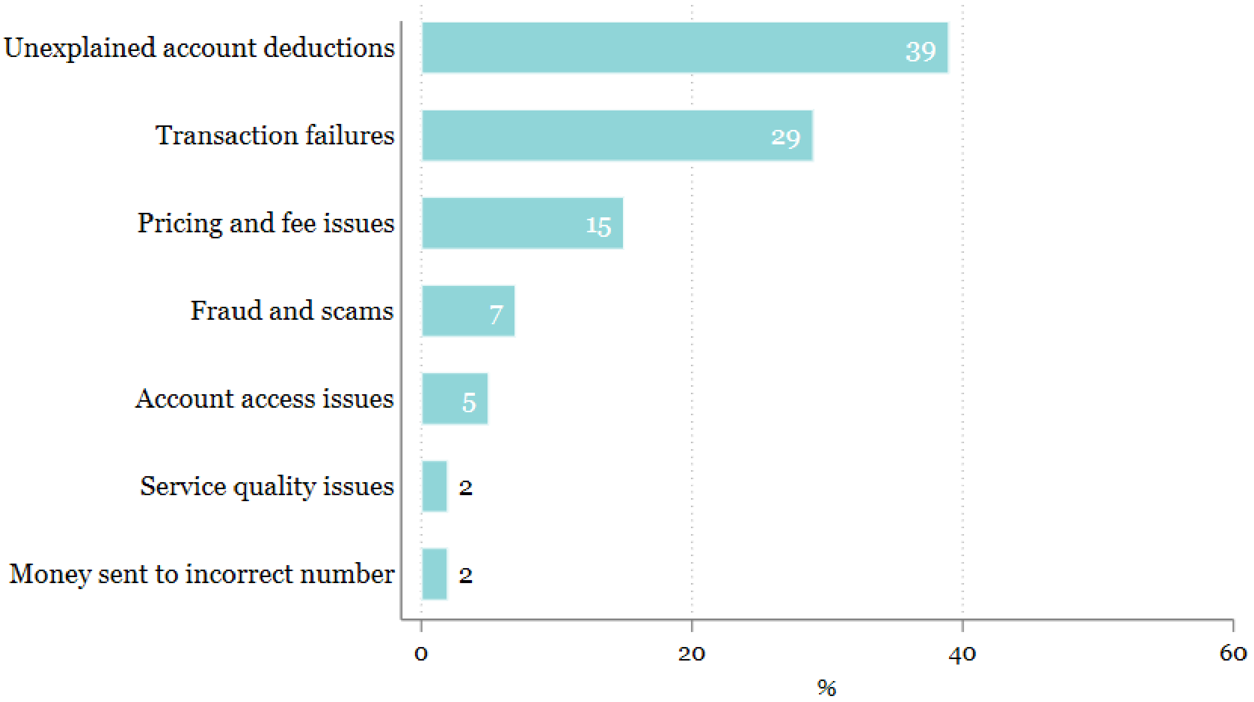
Multiple selections possible. N= 39.
Excludes 2 don't know responses.

Older adults and less educated respondents were more likely to seek redress in person and less likely to use phone call.

More financially literate respondents sought redress more frequently by phone compared to less financially literate respondents.

Unclear fees or charges was the most common issue for which redress was sought.

LAST CHALLENGE REDRESS WAS SOUGHT FOR



Categorized ex-post from text describing the redress issue.
N= 41

Those with completed secondary education or beyond and those with primary education or less were more likely than those with some secondary education to have sought redress for issues related to fraud and scams.

Less poor respondents were more likely to have sought redress for issues relating to transaction failures.

The majority of redress cases involved loss of funds.

LOST MONEY

66%

of cases (N=41) for which redress was sought involved loss of funds.

RECOVERED MONEY

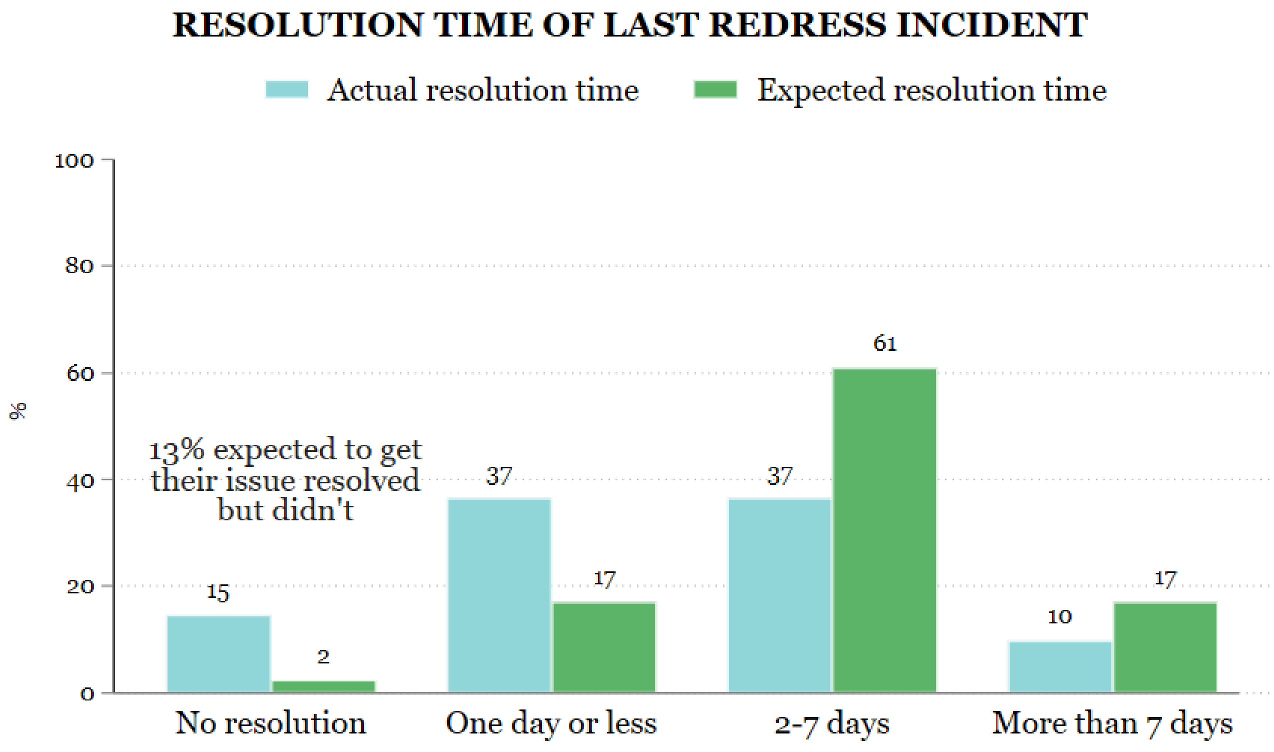
42%

of respondents (N=26) that lost money were able to recover some of it.

Recovering money did not differ by consumer segment.

Resolution times, when successful, are faster than expected.

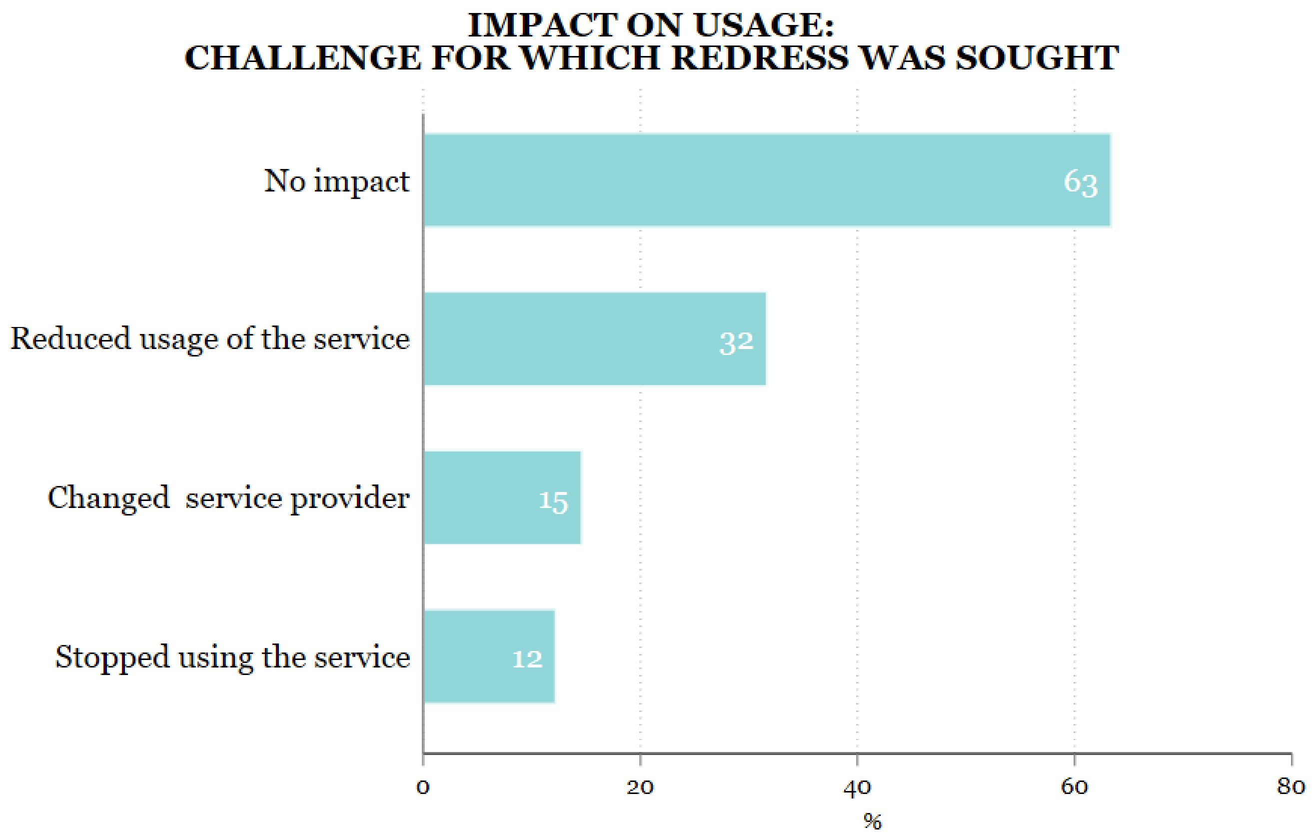
Less than a quater of respondents - 12 percent - spent money to resolve their issue, for example in airtime fees or travel expenses when reports were made in person. On average, they spent $6.36 on the resolution.



N= 41.
Excludes 2 don't know/refuse to answer responses.

EFFECT ON DFS USAGE

Amongst redress seekers, 37 percent made a change to their DFS usage as a result of the challenge they had experienced.



Multiple selections possible. N= 41.

percent
were somewhat or very satisfied with the redress outcome.

Likelihood of making changes to DFS usage did not significantly differ depending on whether the consumer was satisfied with the redress outcome.

Trust in Digital Financial Services

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Key Findings

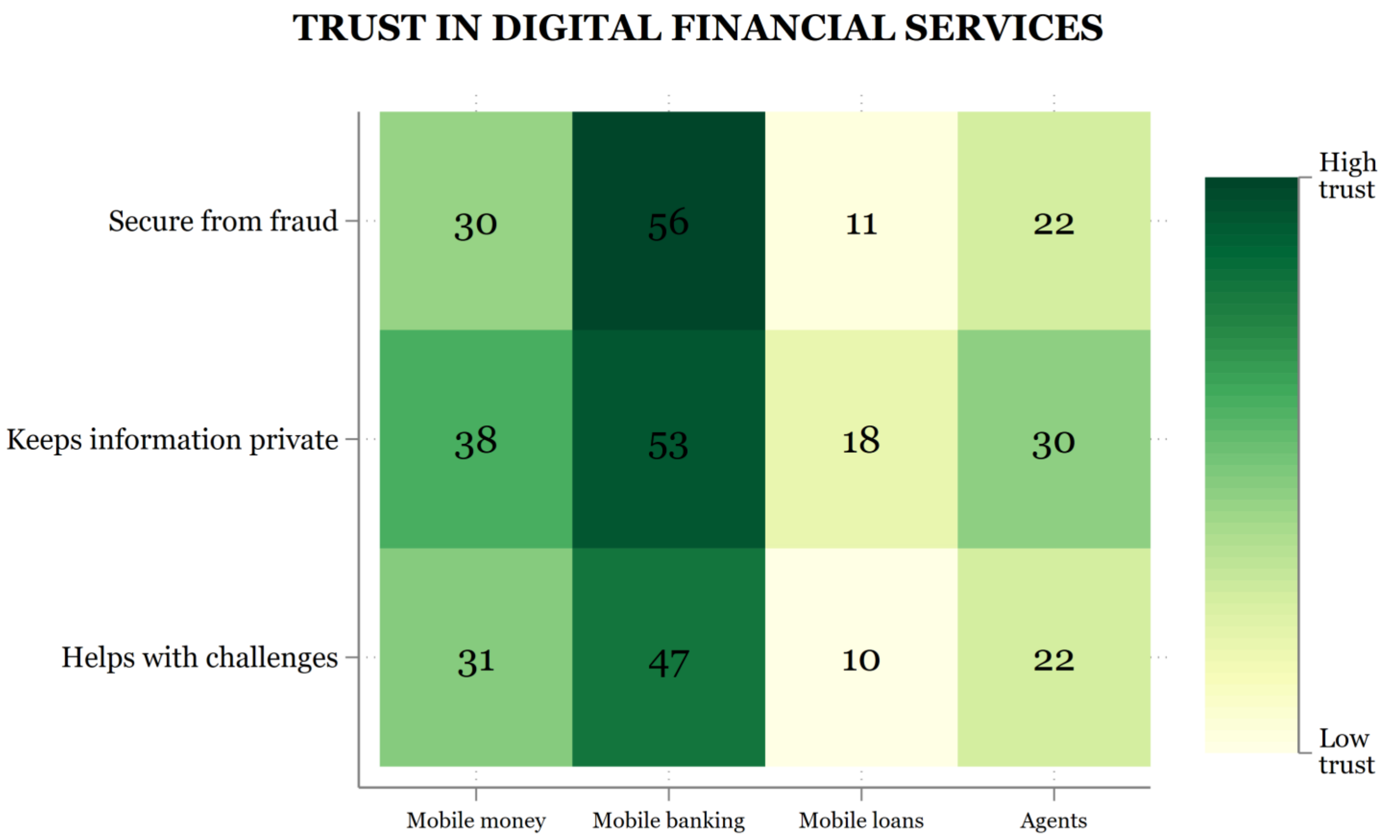
1. **Trust levels by provider:** Consumer trust was highest in mobile banking and mobile money providers, with 51 percent and 33 percent of respondents giving them full trust ratings respectively. Only 14 percent fully trusted mobile loan providers and 24 percent trusted agents.

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 information private.

3. **Demographic trust patterns:** Female respondents tended to be less trustful of DFS providers, as measured by a trust index score constructed from all trust indicators.

4. **DFS challenges and impact on trust levels:** Consumers who lost money to fraud or encountered unclear fees showed markedly lower trust scores; other challenges were not significantly associated with trust levels.

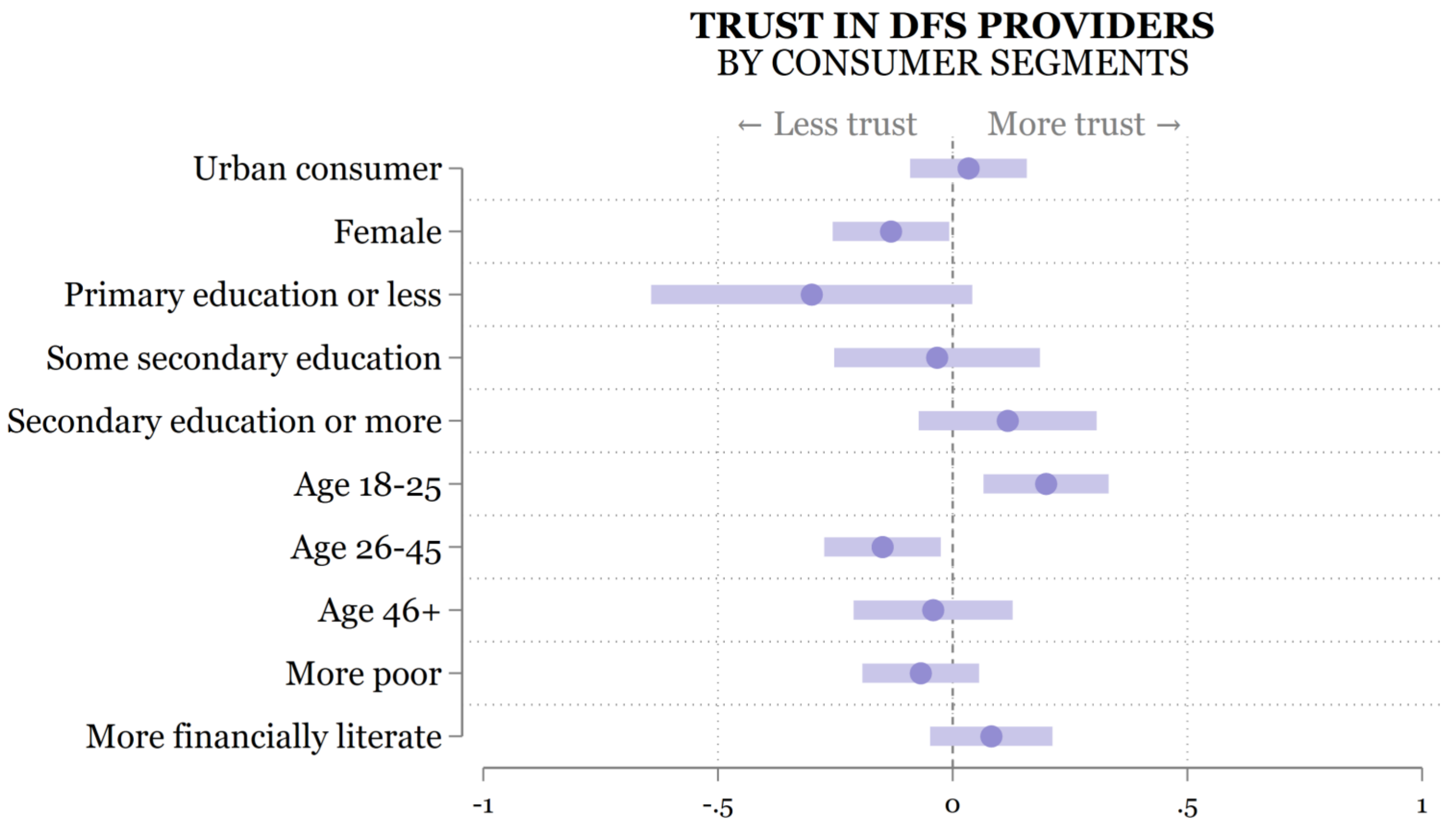
Consumer trust is highest for mobile banking services, and lowest for mobile loans.



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.

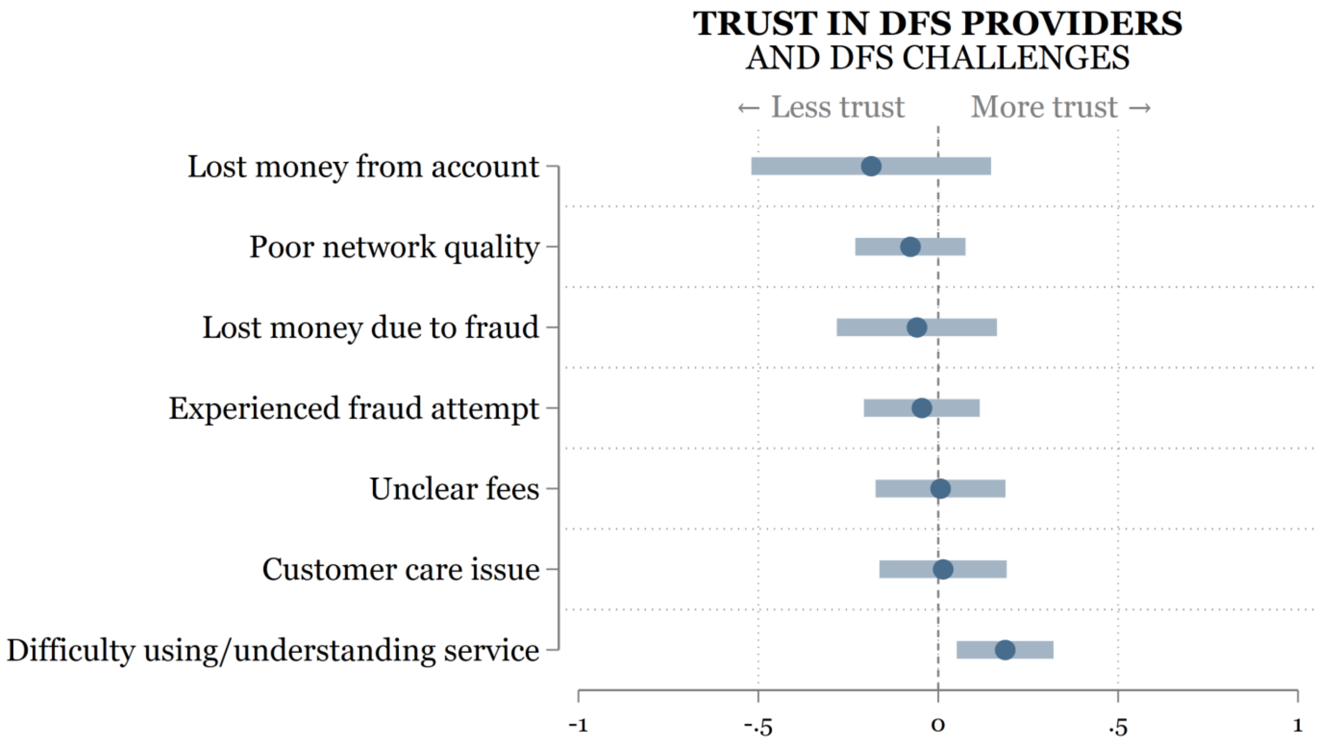
Trust in DFS providers varies across several consumer segments.

Younger respondents trusted providers more, while women and the middle-aged trusted them less; other segments showed no significant differences.



N= 997. Linear bivariate regression results. Dependent variable is trust in DFS providers (composite additive index of 12 items across mobile money, mobile banking, digital credit, and agent banking providers, covering trust in providers to protect money from fraud, help with challenges, and keep information private. Standardized to mean=0, SD=1. Separate regressions run for each segment. 95% confidence intervals reported. 3 observations (0.3%) excluded: respondents who answered 'Don't know' or refused to answer on more than 50% of trust items.

Trust in DFS providers does not significantly vary by challenge faced.



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