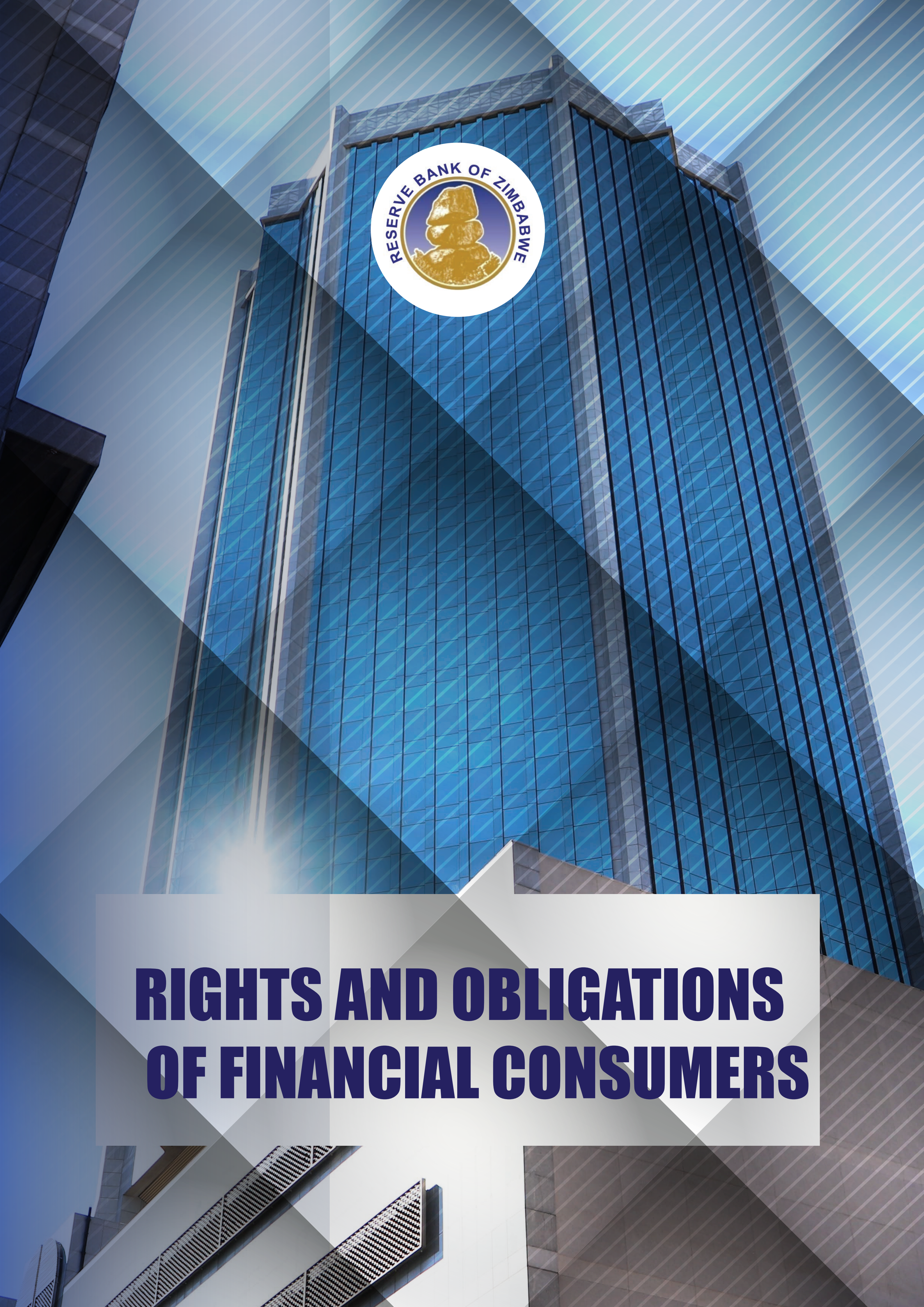

RIGHTS AND OBLIGATIONS OF FINANCIAL CONSUMERS

1. Introduction

1.1. Banking and other financial services and products touch our lives almost every day. However, when we access banking and financial services, be it withdrawing money at the supermarket till point while doing groceries, paying bills online or checking account balances, more often than not, we do not give due regard to our rights and responsibilities as consumers.

1.2. It is critical that as consumers of financial services and products we need to be alive to the fact that as consumers, not just of supermarkets or restaurants, we need to be fully aware of our rights and responsibilities.

1.3. When you open a bank account or take out a loan, you will enter into a contract with the bank / microfinance institution, which forms the basis of your financial relationship. By signing the contract, you are consenting to the obligations that the two parties (you and the financial institution) owe each other. Both the financial institution and the customer are legally obliged to comply with the contract. That contract gives you, the customer, both rights and obligations.

1.4. Being informed about your rights and responsibilities helps you to get the best from your financial services provider.

1.5. Consumers who are empowered with information and are aware of their rights and responsibilities provide an important source of market discipline to the financial sector, encouraging financial institutions to compete by offering better products and services rather than by taking advantage of poorly informed consumers.

1.6. A competitive environment in the financial sector also promotes financial stability which is a pre-requisite for the financial sector to be able to drive sustainable economic growth and development.

1.7. Below is an outline of the rights and responsibilities of consumers of financial services products and services.

2. Rights of Consumers of Financial Services

Information and advice…

2.1 Prior to choosing a product or service from financial institutions, customers have a right to receive accurate, clear, comprehensible, elaborate and updated information and advice on required products and services, in plain and simple language that they understand, to help them make informed decision about whether to agree to a product or service and to guide them in their dealings with the financial institution.

2.2 The information should include:

a) features of the range of products and services that the consumer is interested in to enable the consumer to arrive at an informed decision concerning the products and services;

b) all charges, fees, penalties and any other financial liability or obligation which would be incurred arising from accessing the product or service; and

c) terms and conditions in a clear format and design, in easily readable font type.

2.3 If the channel used to sign up for the service does not allow the consumer to retain the information, it should be kept by the provider, in the exact form it was agreed upon, and should be available to the consumer upon request.

2.4 Providers of digital financial services should ensure that the terms and conditions for the use of retail payment instruments are easily accessible and understood by the user.

2.5 Further, financial service providers should put in place systems to maintain accurate and complete records of transactions executed by the user.

2.6 Consumers have the right to be protected against fraudulent, dishonest or misleading advertising, labellings and promotions.

2.7 In addition, consumers should be timely informed of important / material changes in the terms and conditions of the availed products and services.

Access to basic financial services….

2.8 All consumers of financial services and products including low income groups and children have a right to access a wide range of financial services that may include a basic bank account, access to credit, payment services, insurance and pension products, and simple investment products.

2.9 As part of implementation of the National Financial Inclusion Strategy, the Reserve Bank availed various empowerment facilities to stimulate access to affordable finance by special target groups.

2.10 Banking institutions are also opening low cost or 'no frills' accounts to cater for the banking needs of low income groups in line with the financial inclusion drive.

Choose financial products and services…

2.11 All consumers of financial services and products have a right to ask for and obtain explanations if there is any aspect of products and services which they do not understand its financial implications and to help them to choose a service or product to suit their needs.

Ethical and Fair Conduct…

2.12 All customers have the right to be treated equitably, honestly, fairly and in a professional manner at all stages of their relationship with the providers of financial services. Special attention should be dedicated to the needs of vulnerable groups such as the persons with disabilities, the elderly and children.

Be heard and redress…

2.13 Consumers of financial services and products have the right to seek redress for misrepresentation, breach of contractual obligations, sub-standard or unsatis factory services and products.

2.14 Financial institutions should put in place reasonable channels to enable consumers to submit claims, make complaints and seek redress that are accessible, fair, auditable, timely, and efficient and facilitate accountability.

2.15 In this regard, consumers must have access to complaints resolution mechanisms, be informed of grievance lodging forums and be redressed in an adequate, affordable, efficient, fair, timely and unbiased manner.

Financial education…

2.16 Consumers have the right to receive adequate education regarding features, terms, systems and procedures, and inherent risks of a financial institution's products and services and their responsibilities as well.

2.17 Financial institutions should promote financial education and awareness, which assist customers on how to access products and services that can help them achieve their own financial goals.

2.18 Consumers must have their privacy respected and personal information treated confidentially in accordance with the agreed terms and conditions.

2.19 Financial institutions should have in place appropriate security and control mechanisms to protect customers' financial and personal information. Such mechanisms should define the purposes for which the data may be collected, processed, held, used and disclosed. Data should only be used for specific purposes and with prior consent of the customer, except where the law stipu lates otherwise.

3. Consumer Obligations

3.1 Consumers of financial services have obligations in relation to their access to financial products and services. They should:-

- a) provide accurate, truthful and up to date information to the financial institution;
- b) avoid over-indebtedness;
- c) take necessary steps to be informed about a product, including making comparisons, before subscribing to financial products and services;
- d) read and understand all terms and conditions before accepting them, and ask questions or obtain clarifications where necessary;
- e) use the product or service in line with the terms and conditions which should fulfil their obligations in contractual relationships with financial institutions;
- f) exhibit civility in all dealings with the financial institution;
- g) ensure that their personal information such as account numbers, Personal Identification Number (PIN), Bank Verification Number (BVN), access codes, payment instruments including cheques, Automated Teller Machine (ATM) cards are safely protected and not shared with third parties, including the financial institution's staff, for any reasons;
- h) ensure records of transactions or communications between financial institutions and the consumer such as card receipts, account statements and transaction statements are safeguarded or disposed of properly to avoid unauthorised access;
- i) review account statements regularly and immediately notify the financial institution in case of any unauthorised transaction and any stolen card;
- j) take reasonable steps to prevent fraud;
- k) exercise due care when issuing a power of attorney;
- l) avoid using the account for money laundering and financing of terrorism purposes;
- m) report complaints as per defined mechanisms/procedures; and
- n) observe complaints resolution timelines and hierarchies.

3.2 Consumers of digital financial services such as mobile money and internet banking are required to observe the following:

- a) Keep the personal identity number (PIN) confidentially;
- b) Continuously familiarize with the product terms and conditions;
- c) Not use or allow their digital gadgets to be used for illegal activities; and
- d) Immediately and procedurally raise or report any anomaly observed or suspected.

4. Conclusion

4.1 Consumers with knowledge of their rights and responsibilities make confident decisions, wise choices and more importantly, they can recognise when their rights have been breached such that they can complain and seek redress.

4.2 For further reading on financial consumer protection regulations, please read the Consumer Protection Framework available on the following Reserve Bank website link:

https://www.rbz.co.zw/index.php/public-awareness/85-consumer-protection-framework; and Minimum Requirements for a Retail Service Payment Systems Provider on https://www.rbz.co.zw/index.php/regulation-supervision/regulation-supervision/public-notices/605-minimum-requirements-for-a-retail-service-payment-systems-provider.

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