

# Beyond Access: Consumer Perspectives on Digital Finance in Fiji.

The Consumer Council of Fiji is excited to announce the launch of a comprehensive report on Digital Finance Services (DFS) titled “Beyond Access: Consumer Perspectives on Digital Finance in Fiji.” This was launched by the Deputy Prime Minister and Minister for Trade, Cooperatives, SMEs and Communications Hon Manoa Kamikamica earlier this week.

The insights gleaned from this research are invaluable in guiding our efforts to create a more inclusive, secure, and user-centric DFS ecosystem. It is evident from the findings that while DFS adoption is on the rise, there remain significant hurdles that must be addressed to ensure the full benefits of digital finance are realized by all Fijians.



## Excerpts from the Deputy Prime Minister and Minister of Trade, Cooperatives, Small and Medium Enterprises and Cooperatives: Hon. Manoa Kamikamica’s Speech

The Deputy Prime Minister officially launched the Councils report, expressing his gratitude towards the Council for spearheading this vital initiative.

The Deputy Prime Minister emphasized that while global statistics from 2021 indicated that 1.4 billion adults remained unbanked and 4.9 billion lacked online connectivity, recent estimates show progress, with around 3.6 billion individuals now online. In alignment with these trends, efforts are underway in Fiji to bridge the digital divide, with the government collaborating with the Telecommunications Authority of Fiji and the ICT sector to expand broadband access, particularly to

underserved communities.

While discussing online DFS uptake, Hon Kamikamica added that E-wallets, hailed as transformative tools, have witnessed a surge in adoption, especially during the COVID-19 pandemic. These digital platforms have played a pivotal role in ensuring financial continuity and fostering financial inclusion by empowering previously unbanked segments of the population.

“However, alongside the benefits come challenges, including cybersecurity concerns and the absence of comprehensive regulations. The report highlighted significant issues such as phishing scams and unauthorized access, underlining the need for robust consumer protection measures,” added Hon. Kamikamica.

In response to these challenges, the Deputy Prime Minister discussed how the government has taken proactive steps, including the enactment of laws such as the Cybercrime Act and the establishment of an anti-scam task force. He also added that efforts are underway to enhance digital and financial literacy programs to equip Fijians with the necessary skills to navigate the digital landscape safely.

The Deputy Prime Minister stressed the importance of collective action in nurturing a vibrant and secure DFS ecosystem in Fiji. He added, “The financial services industry, consumer protection organizations, the technology sector, and every Fijian citizen are called upon to contribute towards this shared goal. By embracing innovation, fostering financial inclusion, and prioritizing consumer protection, Fiji is poised to usher in a sustainable future where digital technology empowers every citizen to prosper.”



## Message from the CEO of Consumer Council of Fiji Seema Shandil

The report “Beyond Access: Consumer Perspectives on Digital Finance in Fiji” is an amalgamation of the comprehensive survey conducted by CCoF on the experiences of consumers with (DFS) in Fiji. This survey, which engaged over 1,100 consumers across various demographics and geographic locations, sheds light on the opportunities and challenges within Fiji’s rapidly evolving DFS landscape.

The insights gleaned from this research are invaluable in guiding our efforts to create a more inclusive, secure, and user-centric DFS ecosystem. It is evident from the findings that while DFS adoption is on the rise, there remain significant hurdles that must be addressed to ensure the full benefits of digital finance are realized by all Fijians.

Key findings from the survey reveal that while convenience and accessibility are driving factors behind DFS adoption, concerns regarding security, transaction disputes, and limited access persist among consumers. Moreover, issues with customer support and digital literacy pose additional challenges that must be tackled head-on.

As stakeholders in Fiji’s financial ecosystem, it is imperative that we collaborate to address these challenges effectively. By enhancing security measures, improving customer support responsiveness, and investing in digital literacy initiatives, we can empower consumers to navigate the digital financial landscape with confidence and ease.

Furthermore, it is crucial that we pay attention to the specific needs of vulnerable user groups, including women, elderly individuals, and persons with disabilities. Tailored initiatives aimed at addressing their unique challenges will be instrumental in ensuring equitable access to DFS for all segments of our society.

I urge all stakeholders, including policymakers, regulators, DFS providers, consumer protection organizations, and consumers themselves, to join hands in this endeavour. By working together, we can build a DFS ecosystem that fosters trust, promotes financial inclusion, and drives economic empowerment for every Fijian.

## Summary of Report

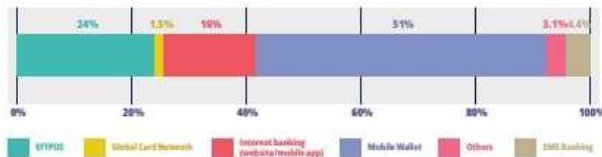
### Background

The Fijian landscape is undergoing a digital transformation, with a growing number of citizens embracing the convenience and accessibility of digital financial services (DFS). The DFS report launched this week, titled, "Beyond Access: Consumer Perspectives on Digital Finance in Fiji," delves into this evolving ecosystem, revealing both the promising opportunities and the crucial challenges that need to be addressed.

This article explores the report's key findings, highlighting consumer motivations for adopting DFS, the major hurdles hindering wider adoption, and actionable recommendations for stakeholders to create a more inclusive and secure DFS environment for all Fijians.

### Consumer Survey Insights: A Nation Embracing Convenience

The report leverages valuable insights from the Council's survey, providing a snapshot of how Fijians are utilizing DFS solutions. The survey reveals a significant portion of the population using mobile money and EFTPOS as their preferred DFS options. This trend aligns with the global rise of mobile-based financial services, offering users a convenient and 24/7 accessible alternative to traditional banking methods.

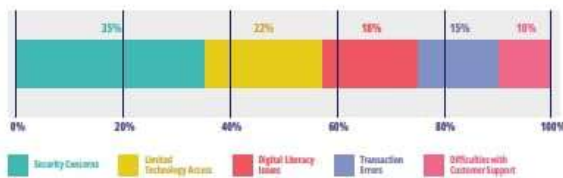


The survey further explores the primary motivators for DFS adoption in Fiji. Convenience emerges as the top reason (42%), followed by 24/7 accessibility (30%). Interestingly, a significant portion of respondents (17%) also recognize the perceived security benefits of DFS compared to carrying cash. These findings highlight the value proposition of DFS solutions for Fijians, particularly those seeking efficient and secure ways to manage their finances.



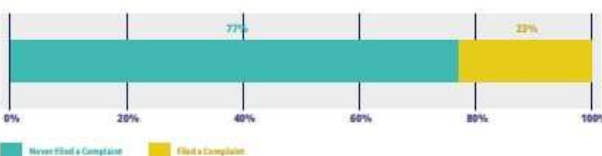
### Understanding Consumer Concerns

While the report paints a picture of growing DFS adoption, it also identifies significant challenges that hinder broader financial inclusion.



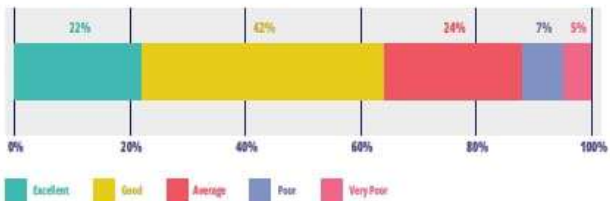
- Security Concerns (35%):** Security is the top challenge for users of Digital Financial Services (DFS), driven by limited awareness of security measures, cybersecurity threats, and lack of experience. Implications include reduced adoption, hesitancy to use advanced features, and increased reliance on cash.
- Limited Technology Access (22%):** One-fifth of users face barriers due to limited technology access, caused by factors like geographic location, affordability, and lack of infrastructure. Implications include unequal access to financial services, exclusion from the digital economy, and reduced efficiency.
- Digital Literacy Issues (18%):** Nearly one-fifth of users struggle with digital literacy, including unfamiliarity with technology, limited financial knowledge, and language barriers. Implications include misuse of DFS platforms, underutilization of features, and increased reliance on traditional banking.
- Transaction Errors (15%):** Transaction errors, though less common, frustrate users due to technical issues, user input mistakes, and network connectivity issues. Implications include loss of trust, financial loss, and inconvenience.
- Difficulties with Customer Support (10%):** While not the most significant, challenges with customer support cause frustration due to limited availability, long wait times, and inadequate training. Implications include unresolved issues, increased risk of fraud, and negative perception of DFS providers.

### Consumer Protection and Advocacy



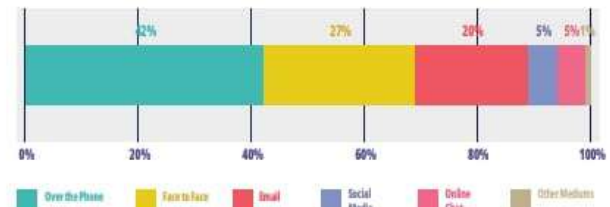
A large majority of users (77%) have never lodged a complaint with any service provider or regulator regarding Digital Financial Services (DFS), indicating either a lack of awareness

about formal complaint channels or a reluctance to report issues. Potential reasons for this include users being unaware of their rights and complaint resolution procedures, as well as a perception that complaints won't be addressed effectively. The implications of low complaint reporting are substantial, as unreported problems impede regulators and DFS providers from identifying and addressing systemic challenges that affect consumer protection.



Despite a majority of respondents (64%) rating customer service support as good or excellent, suggesting a positive perception of responsiveness among users, there is room for improvement. A significant portion of users (36%) rated customer service as average, poor, or very poor, indicating a need for some DFS providers to enhance the quality and efficiency of their customer support channels. Ineffective customer service can result in user frustration, unresolved issues, and ultimately, a reluctance to use DFS platforms altogether.

Security concerns persist as a significant barrier to adoption, with 82% of users expressing worry about the safety of their personal and financial data on DFS platforms. This widespread anxiety presents a critical trust barrier that could impede broader adoption of DFS. The implications are profound: these concerns may deter users from using DFS altogether or restrict their full utilization, leading to hesitancy in storing financial information electronically or conducting online transactions. This hampers financial inclusion efforts, exacerbates existing inequalities, and constrains economic growth.



Traditional channels like phone calls (42%) and face-to-face interactions (27%) remain popular among consumers for addressing issues related to digital financial services (DFS), indicating a continued reliance on traditional communication methods, especially in areas with limited internet access. However, there is a growing preference for digital support channels, with email (20%), social media (5%), and online chat (5%) gaining traction. This underscores the importance for DFS providers to invest in user-friendly and efficient online support systems to meet evolving user preferences and ensure accessibility for all.

### The Nature of Complaints and Their Impact:



The breakdown of complaints reveals key themes that highlight potential roadblocks to wider DFS adoption and user trust:

- Technical Glitches:** Malfunctioning ATMs, failed transactions (EFTPOS, mobile wallets), and service disruptions can be frustrating and lead to financial losses for users. These issues can damage user confidence and create a perception of unreliability in DFS platforms.
- Security Concerns:** Unauthorized transactions, fraudulent charges exceeding card limits, and concerns about stolen ATM cards expose vulnerabilities in the system. This can lead to financial losses, anxieties about data privacy, and a reluctance to embrace DFS altogether. Users need reassurance that their financial information and transactions are safeguarded.
- Customer Service Shortcomings:** Delays in resolving problems, unresponsive customer care, and perceived difficulties in obtaining assistance can be incredibly frustrating for users facing challenges. Poor customer service erodes trust, discourages users from seeking help, and can ultimately lead to them abandoning DFS platforms.
- Lack of Transparency:** Unclear information on fees (surcharges, standing order charges) and lack of transparency (e.g., inactive accounts receiving statements) can create confusion and erode user trust. Without clear explanations of associated costs and account activity, users may feel misled or hesitant to fully utilize DFS services.
- Accessibility Limitations:** Minimum transaction amounts for EFTPOS and mobile wallets, along with the unavailability of EFTPOS machines in certain locations, might limit user access and convenience. This can exclude specific user segments, particularly those in rural areas or those who rely on smaller transactions, and hinder the goal of financial inclusion through DFS.

# The Need for 'E-Wallet' Specific Legislation



The rise of e-platforms and e-wallets in Fiji has revolutionized financial transactions, offering speed and convenience while promoting financial inclusion. Despite the benefits, it's essential to recognize the potential risks and advocate for robust regulatory frameworks, considering the significant flow of funds through these platforms weekly. Globally, e-wallets have become dominant in e-commerce, with Fiji following suit, particularly during the COVID-19 pandemic, when concerns about cash as a virus vector accelerated the shift towards digital payments. E-wallets have played a vital role in ensuring financial continuity and driving financial inclusion by providing access to financial services for previously unbanked populations.



## Challenges and Issues:

Despite the undeniable benefits, the rapid growth of e-wallets has also brought to light potential challenges:

- **Security Concerns:** The rise in cyberattacks worldwide and phishing scams targeting OTPs (one-time passwords) fuels anxieties about data security and unauthorized access to e-wallet accounts.
- **Lack of Consumer Protection:** The absence of comprehensive regulations governing e-wallets leaves consumers vulnerable to unfair practices and potential exploitation. This is evident in the CCoF's data, which reveals over 251 complaints lodged since 2019, with a monetary value exceeding \$13,000. These complaints highlight issues such as:
  1. **Exorbitant Fees:** Unregulated withdrawal fees charged by registered and unregistered agents can disproportionately impact consumers, particularly during times of hardship.
  2. **Minimum Spending Limits:** The imposition of minimum spending

requirements by some agents for QR pay services can be restrictive and limit consumer choice.

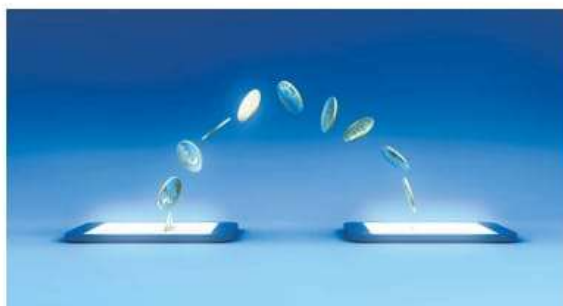
3. **Hidden Charges:** Unforeseen service fees charged by agents for QR Pay transactions add unnecessary costs and violate user expectations.
4. **E-Wallet Scams:** Phishing scams tricking users into sharing OTPs to access "prize money" highlight the need for user education and robust security measures.
5. **Limited Agent Availability:** The lack of registered agents in rural areas can hinder financial inclusion by limiting access to essential services.



## The Case for Regulation: Safeguarding Billions in Transactions

The increasing complexity and volume of e-wallet transactions, with billions of Fijian dollars flowing through the system, necessitate a regulatory framework to ensure a secure, fair, and inclusive digital financial ecosystem. Regulation can address the concerns raised above and provide several key benefits:

- **Enhanced Consumer Protection:** Clear regulations establishing user rights and outlining fair practices can safeguard consumers from exploitation and unfair charges. This becomes even more crucial considering the significant volumes of money being transacted.
- **Stronger Security Measures:** Regulatory frameworks can mandate robust security protocols for e-wallet providers, ensuring data protection and minimizing the risk of cyberattacks. This is essential to protect the billions of dollars entrusted to these platforms.
- **Promoting Financial Inclusion:** Regulations can encourage responsible practices by agents and service providers, ensuring greater accessibility and affordability of e-wallet services for all Fijians. This fosters a more inclusive financial system where everyone can participate in the digital economy, regardless of location or financial background.
- **Fostering a Level Playing Field:** Clear regulations create a fair and competitive environment for e-wallet providers, ultimately benefiting consumers through innovation and competitive pricing. A healthy and regulated market incentivizes providers to invest in user-friendly features, robust security measures, and competitive fees, leading to a better overall experience for Fijian consumers.



# Recommendations For a Secure and Inclusive Digital Financial Future in Fiji

## For Policymakers:



### Enhancing Digital Literacy Programs:

- **Targeted Campaigns:** Design and implement financial literacy programs tailored to the specific needs of different user segments (age, location, language). Partner with NGOs and community organizations for broader reach.
- **Focus on DFS Skills:** Integrate modules on safely using DFS platforms, identifying scams, and understanding user rights and responsibilities within the digital financial ecosystem.
- **Leveraging Technology:** Develop interactive online modules and mobile applications to deliver financial literacy training in a user-friendly and accessible format.



### Promoting Accessibility:

- **Infrastructure Investments:** Invest in expanding internet access and mobile network coverage, particularly in rural and remote areas. Explore public-private partnerships to accelerate infrastructure development.
- **Subsidized Devices:** Implement programs offering subsidized smartphones or data plans to make technology more affordable for low-income households.

### Strengthening Regulatory Frameworks:

- **Robust Consumer Protection:** Update existing regulations to explicitly define consumer rights and obligations of DFS providers in areas like data privacy, transparency of fees, and security standards.
- **Data Security Standards:** Establish clear guidelines and enforce strict data security protocols for DFS providers, ensuring user data is protected through encryption and regular security audits.

### Streamlining Complaint Resolution:

- **Standardized Complaint Handling:** Develop clear and consistent procedures for processing complaints, ensuring timeliness, transparency, and effective communication with users throughout the resolution process.

## For Financial Service Providers (FSPs):

### Improving Accessibility Features:

- **Inclusive Design:** Develop DFS platforms and mobile applications with user-friendly interfaces and accessibility features that cater to the needs of elderly, disabled, and less tech-savvy users.
- **Multilingual Support:** Offer information and customer support in multiple languages to cater to the diverse Fijian population.

### Enhancing Security Measures:

- **Multi-Factor Authentication:** Implement robust security measures such as multi-factor authentication and strong encryption technologies to protect user data and transactions.
- **Regular Security Audits:** Conduct regular security audits to identify and address potential vulnerabilities in DFS platforms.
- **User Education Campaigns:** Launch ongoing user education campaigns to raise awareness about online security practices and empower users to protect their



### Streamlining Transactions:

- **Efficient Processing Systems:** Invest in efficient transaction processing systems to minimize errors and ensure transactions are completed promptly and accurately.
- **Clear Error Messages:** Provide clear and actionable error messages for failed transactions, along with readily available troubleshooting resources to help users resolve issues independently.

### Customer Support Responsiveness:

- **24/7 Availability:** Offer customer support through multiple channels (phone, email, online chat) with extended hours or 24/7 availability to ensure users can receive timely assistance.
- **Staff Training:** Invest in regular training programs for customer support staff to equip them with the knowledge and skills to handle user queries efficiently and provide a positive user experience.



## For Consumer Protection Organizations:

### Raising Awareness:

- **Public Education Campaigns:** Partner with FSPs and policymakers to develop and deliver public education campaigns that raise awareness about the benefits and risks associated with DFS.
- **Community Outreach Programs:** Organize community outreach programs to educate vulnerable groups, particularly those in rural areas, about DFS and empower them to participate safely and confidently.

### Empowering Users:

- **Complaint Resolution Support:** Provide guidance and support to users navigating the complaint resolution process, ensuring their concerns are heard and addressed effectively.
- **Financial Literacy Workshops:** Organize workshops and training sessions to equip users with the knowledge and skills required to make informed decisions about using DFS platforms.

By implementing these concrete recommendations, stakeholders can work together to create a more user-centric and inclusive DFS ecosystem in Fiji. This will empower all Fijians to participate in the digital economy, manage their finances effectively, and unlock the vast potential of digital financial services.



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