

Client Protection Certification Standards

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The Client Protection Standards describe where the financial inclusion industry sets the bar in terms of client protection. In order to be Client Protection Certified, financial institution (FI) needs to comply with the indicators corresponding to the following 25 adequate standards of care for client protection. Please share any comments or questions on the standards to comments@smartcampaign.org



Keeping clients first
in microfinance

Principle	Standard	Client Protection Standards
Client Protection Principle 1: Appropriate Product Design and Delivery		
1	1	The FI offers products and services that are suited to clients' needs.
1	2	The FI monitors the suitability of products, services and delivery channels.
1	3	A policy and documented process are in place to prevent aggressive sales techniques and forced signing of contracts.
Client Protection Principle 2: Prevention of Over-indebtedness		
2	1	The FI has a sound policy and well-documented process for loan approvals and makes decisions using appropriate information and criteria.
2	2	The FI uses credit reporting information, when feasible in the local context.
2	3	FI senior management and board monitor the market and respond to heightened over-indebtedness risk.
2	4	The FI maintains sound portfolio quality.
2	5	The FI incentivizes staff to approve quality loans.
Client Protection Principle 3: Transparency		
3	1	Policy and documented process are in place to require transparency on product terms, conditions and pricing.
3	2	The FI communicates with clients at an appropriate time and through appropriate channels.
3	3	The FI takes adequate steps to ensure client understanding and support client decision making.
Client Protection Principle 4: Responsible Pricing		
4	1	The FI is managed sustainably to provide services in the long term.
4	2	The FI's pricing policy is aligned with the interest of clients.
4	3	The FI's financial ratios do not signal pricing issues. (If outside the ranges, FI must be asked to explain and justify.)
Client Protection Principle 5: Fair and Respectful Treatment of Clients		
5	1	The FI promotes and enforces fair and respectful treatment of clients in line with a code of conduct.
5	2	The FI has policy and documented processes to avoid discriminating against <u>Protected Categories</u> in selecting clients and setting terms and conditions.
5	3	Loans are collected by staff and collection agents in an appropriate manner.
5	4	The FI has effective systems to prevent and detect fraud.
5	5	Insurance claims are processed in a fair and timely manner.
5	6	The FI management and oversight support fair and respectful treatment of clients.
Client Protection Principle 6: Privacy of Client Data		
6	1	Client data is kept secure and confidential.
6	2	Clients are informed about data privacy and consent to the use of their data.
Client Protection Principle 7: Mechanisms for Complaints Resolution		
7	1	The FI has an effective system in place to receive and resolve client complaints.
7	2	The FI informs clients about their right to complain and how to submit a complaint.
7	3	The FI uses information from complaints to manage operations and improve product and service quality.

Eligibility Requirements

Eligibility Requirements are applicable only to financial institutions that mobilize voluntary savings and offer insurance products. The Smart Campaign requires that organizations must meet these requirements before undergoing Client Protection Certification.

Eligibility requirements for FIs mobilizing voluntary savings
The FI has legal and regulatory permission to collect voluntary savings.
The FI is not currently under administration or judicial management and/or in the process of liquidation.
The FI has a net capital to total asset ratio of 8% or local requirement if higher.
The FI has liquid assets to total deposits ratio of 15% or local requirement if higher.
If the FI sells capital shares to clients (i.e. cooperatives), it should have legal and regulatory permission to do so, and should disclose wait times, conditions and penalties for accessing such shares.
Eligibility requirements for offering insurance products
All of the insurance products offered by or through the FI are underwritten by a licensed insurer. An exception can be made, where permitted by applicable local law, for credit life insurance, or if the FI can demonstrate that 1) no insurer is willing to offer appropriate products; and 2) the associated credit risks are minimal and clearly disclosed to clients.
If the FI is bearing the risk of insurance products that it offers its clients, it must be licensed to do so by the insurance regulator.
If the FI is selling insurance products on behalf of a regulated insurer, it must be legally allowed to be an insurance agent (individually OR as a company).

Additional Notes

The column marked product/service there are a number of options that denote which type of product or service for which the indicator is relevant.

c - denotes credit which includes individual credit as well as groups that have no guarantees to each other

i - denotes insurance

s - denotes savings

p - denotes payments

c(g) - denotes group credit where there is joint liability involved or where indicated, group with no joint liability involved

s (g) - denotes group savings

			Product/ Service	Client Protection Standards & Indicators
1	0	0		Client Protection Principle 1: Appropriate Product Design and Delivery
1	1	0		The FI offers products and services that are suited to clients' needs.
1	1	1	c,i,s,p	A policy is in place that defines how the FI will offer suitable products and services through appropriate channels, including designing products, services and channels and monitoring their suitability.
1	1	2	C	Credit products are designed to require principal to be paid down regularly and or with flexible repayment schedules based on client cash flows.
1	1	3	C	A policy is in place to ensure fair collateral requirements that do not create severe hardship for clients.
1	1	4	c,i,s,p	The FI trains staff so that they fully understand how to determine whether products, services and channels are suitable for specific clients, and for lending staff, that collateral policies are understood.
1	1	5	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives to determine whether products, services and channels are suitable for specific clients, and for lending staff, that collateral policies are understood.
1	1	6	I	When insurance is offered through third-party providers, the FI has a transparent process for selecting insurers which involves a competitive bidding and/or market study and a consideration of the value and appropriateness of the products and services offered.
1	1	7	I	The FI's contract with its insurer provides the FI with frequent opportunities to review and cancel, taking into consideration complaints by clients and responsible pricing and delivery.
1	2	0		The FI monitors the suitability of products, services and delivery channels.
1	2	1	c,i,s,p	The FI conducts satisfaction surveys or other systematic means of gathering feedback on client satisfaction with products, services and delivery channels, at least annually.
1	2	2	c,i,s,p	The FI analyzes product usage by client characteristic and investigates the reasons for dormancy, drop-out and cancellation.
1	2	3	P	The FI and/or its agent network provider has a system to monitor third party agent liquidity and network availability and take action in the event of system failures.
1	3	0		A policy and documented process are in place to prevent aggressive sales techniques and forced signing of contracts.
1	3	1	c,i,s,p	The FI defines "aggressive sales" and levels that trigger additional monitoring.
1	3	2	c,i,s,p	The FI trains staff not to use aggressive sales techniques and to respect clients' right to refuse products.
1	3	3	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their representatives not to use aggressive sales techniques and to respect clients' right to refuse products.
1	3	4	c,i,s,p	The FI has a mechanism of rigorous and regular monitoring of front line staff and third-party sales techniques (e.g., agents, insurance companies or money transfer companies) to impede aggressive sales. When 'red flags' are raised, it triggers corrective measures.
1	3	5	c,i,s,p	The FI's incentive/ bonus structure does not promote aggressive sales.
1	3	6	c,i,s,p	The FI does not use deceptive marketing techniques.

2	0	0		Client Protection Principle 2: Prevention of Over-indebtedness
2	1	0		The FI has a sound policy and well-documented process for loan approvals and makes decisions using appropriate information and criteria.
2	1	1	C	The FI defines the maximum percentage of a borrower's disposable income that can be applied to debt service, including debt from the FI and other lenders, and uses this amount in determining maximum loan amounts and terms.
2	1	2	C	For enterprise loans, the loan approval process evaluates repayment capacity through a cash flow analysis and review of client indebtedness. The analysis considers income, expenses and debt service related to business and family and any other sources, including informal sources.
2	1	3	C	The loan approval process involves at least one staff member other than the one directly involved in the client relationship (e.g., senior loan officer, branch manager, credit committee).
2	1	4	C	The FI has a policy that defines when clients are permitted to prepay loans. If prepayment is allowed, a cooling off period between two loans is required.
2	1	5	C	The FI has a rigorous internal control process to verify the uniform application of policies and procedures about client underwriting, and it can produce evidence of corrective measures taken in case of partial or incorrect implementation.
2	1	6	C	All new staff are trained on loan analysis and the credit approval process and all credit staff receive refresher trainings annually.
2	1	7	C	The FI verifies that third parties (agent network managers, etc.) train their own representatives on loan analysis and the credit approval process.
2	2	0		The FI uses credit reporting information, when feasible in the local context.
2	2	1	C	Policy and documented process require timely reporting to credit bureaus and use of credit reports systematically in the approval process for all loans.
2	3	0		FI senior management and board monitor the market and respond to heightened over-indebtedness risk.
2	3	1	C	The FI's loan officers and branch managers monitor portfolio quality at least monthly to identify areas with high risks of over-indebtedness. Analysis is done by branches, products and client segments.
2	3	2	C	The FI's senior management and the board of directors review results related to over-indebtedness in the market and the FI's portfolio quality at least quarterly. Measures to prevent over indebtedness are discussed, implemented, and monitored and records of these actions exist.
2	4	0		The FI maintains sound portfolio quality.
2	4	1	C	Total credit risk has not averaged more than 10% during any quarter in the past 3 years, including the most recent quarter.
2	4	2	C	If total credit risk has exceeded 10% at any point in the past 3 years or in the past quarter, the FI demonstrates that corrective measures have been put in place.
2	5	0		The FI incentivizes staff to approve quality loans.
2	5	1	C	The FI has a policy and documented process in place to determine sales and caseload targets and monetary incentives for credit staff (if used), including flags for caseload levels that signal high risk.
2	5	2	C	The FI reviews incentive schemes at least annually to assess whether they are reasonable in comparison to industry benchmarks and market risks.

3	0	0		Client Protection Principle 3: Transparency
3	1	0		Policy and documented process are in place to require transparency on product terms, conditions and pricing.
3	1	1	C	The FI provides clients with a Key Facts Document that contains the following information about their loans: <ul style="list-style-type: none"> - total loan amount; - pricing, including all fees; - total cost of credit (all principal, interest and fees) and APR/EIR; - disbursement date and loan term; - repayment schedule with principal and interest amounts, number, and due dates of all repayment installments; - and moratorium interest rates.
3	1	2	c, s, i	Loan contracts include all information included in the Key Facts Document , in addition to: <ul style="list-style-type: none"> - grace period (if any); penalties for arrears or prepayment; - compulsory savings (if any); - linked products (if any); - member or guarantor obligations (if any); - collateral (if any) collateral seizing procedures; - any restrictions on loan use; - cooling off periods; - cancellation rights; - consequences of late payment and default; - and whether terms and conditions can change over time.
3	1	3	S	Savings documentation includes: <ul style="list-style-type: none"> - fees (including closure fees); - interest rate and how amounts will be calculated; - minimum and maximum balances; - and whether deposits are governmentally insured.
3	1	4	i	Insured clients are provided the following information at the time of enrollment (orally and/or in writing): <ul style="list-style-type: none"> - premium; - events covered; - individuals covered; - amount and term of coverage; - when and how to file a claim; - required documentation to prove damage; - any major exclusions; - terms related to cancelation and prepayment; and - cooling off periods, cancellation rights, and other relevant rights under policies. <p>Clients are informed about the importance of informing beneficiaries of their coverage under the client's insurance products.</p>
3	1	5	I	FIs make the same effort to educate clients about their products, whether the products are sold as voluntary, mandatory or

				bundled.
3	1	6	p	<p>Clients initiating or receiving money transfers and other payment transactions are provided the following information, when applicable:</p> <ul style="list-style-type: none"> - amount paid by sender in sender's currency; - estimated exchange rate; - amount to be received in the destination currency; - fees; - instructions for collecting money; - cancellation conditions; - instructions for resolving errors; - transaction confirmation; - taxes (if any); and - linked products (if any).
3	1	7	c,s,p	Fees charged by third-party providers or agents are fully disclosed to clients.
3	2	0		The FI communicates with clients at an appropriate time and through appropriate channels.
3	2	1	c,i,s,p	A documented process is in place to communicate information related to the product or service (on product terms, conditions and pricing, including contracts) before the client signs or renews it.
3	2	2	c,s	A documented process is in place to provide clients with regular and on-demand information on account balances. Information is accurate and clear.
3	3	0		The FI takes adequate steps to ensure client understanding and support client decision making.
3	3	1	c,i,s,p	The FI's public information supports informed decision making by clients.
3	3	2	c,i,s,p	The FI participates in industry transparency initiatives, if available.
3	3	3	c,i,s,p	Staff are trained to explain pricing, terms and conditions to clients and verify client understanding in accordance with policies, and they demonstrate this understanding in practice. They receive refresher trainings annually.
3	3	4	c,i,s,p	The FI has and uses an internal control process to verify uniform application of policies and procedures related to transparency.
4	0	0		Client Protection Principle 4: Responsible Pricing
4	1	0		The FI is managed sustainably to provide services in the long term.
4	1	1	c,i,s,p	The FI is covering its costs or rapidly approaching break-even. Its financial results allows it to maintain its capital base.
4	2	0		The FI's pricing policy is aligned with the interest of clients.
4	2	1	c,i,s,p	There is evidence that the board of directors monitors the FI's performance against policy. (For example, topics of board deliberation may include opportunities to reduce interest rates and fees, dividend policy, and application of profits for client benefit.)
4	2	2	c,i,s,p	The FI's pricing practices are responsible.
4	2	3	C	The interest rate is set to be affordable, taking into account the costs required to deliver credit (considering cost of funding, operations, loan losses and returns to capital).

4	2	4	c,i,s,p	The FI's fees are reasonable.
4	3	0		The FI's financial ratios do not signal pricing issues. (If outside the ranges, FI must be asked to explain and justify.)
4	3	1	C	Loan Loss Expense Ratio (LLER Ratio) is within the accepted performance range. If it is outside the range, the FI can provide a valid justification.
4	3	2	c,i,s,p	The FI is not transferring unnecessary costs to clients: Operating expense Ratio (OER Ratio) is within the accepted performance range. If outside of the range, the FI can provide a valid justification.
4	3	3	c,i,s,p	Return on Assets (ROA) is within the accepted performance range. If outside of the range, the FI can provide a valid justification.
5	0	0		Client Protection Principle 5: Fair and Respectful Treatment of Clients
5	1	0		The FI promotes and enforces fair and respectful treatment of clients in line with a code of conduct.
5	1	1	c,i,s,p	The code of conduct (or equivalent) clearly spells out organizational values, standards of professional conduct and treatment of clients that are expected of all FI or third-party provider staff or agents. Policies also spell out what sanctions to apply in case of a breach of the code of conduct.
5	1	2	c,i,s,p	Human resource policies and procedures reinforce the standards identified in the code of conduct.
5	2	0		The FI has policy and documented processes to avoid discriminating against <u>Protected Categories</u> in selecting clients and setting terms and conditions.
5	2	1	c,i,s,p	Protected Categories include: ethnicity, gender, age, disability, political affiliation, sexual orientation, caste, and religion.
5	2	2	c,i,s,p	Terms and conditions for individuals may differ based on 1) risk-based analysis, 2) target markets defined in the FI's mission, 3) accommodations based on special needs. Such differentiation should be consistently applied, stated in advance and made with the goal of benefitting clients.
5	3	0		Loans are collected by staff and collection agents in an appropriate manner.
5	3	1	c, c(g)	A policy is in force that clearly defines appropriate and inappropriate debt collection practices by staff and third parties.
5	3	2	c,p	The FI has a policy for rescheduling loans/ refinancing/writing off on an exceptional basis.
5	3	3	C	Policy, documented processes and management oversight are in place to ensure that collateral seizing is respectful of clients' rights.
5	4	0		The FI has effective systems to prevent and detect fraud.
5	4	1	S	A documented process is in place to avoid fraud related to client savings, and is in line with international best practice.
5	4	2	P	A documented process is in place to manage appropriately transactions that are not completed or are incorrectly completed.
5	5	0		Insurance claims are processed in a fair and timely manner.
5	5	1	I	Almost all claims are settled within one month or such shorter period as may be required by local law (some exceptions may be permitted due to complexity).
5	5	2	I	Claimants are notified when claims are received and when they are settled.
5	5	3	I	When a claim is denied, claimants are provided notice, the reason for rejection, and a reasonable time period during which to correct any deficiency; in almost all cases, such notice is received within one month of the filing of the claim (some exceptions may be permitted due to complexity).

5	6	0		The FI management and oversight support fair and respectful treatment of clients.
5	6	1	c,i,s,p	The FI has an internal control process to verify uniform application of policies and procedure related to fair and respectful treatment of clients. The FI can produce evidence/records of monitoring/reporting of corrective measures taken in case of partial or incorrect implementation of the policies and procedures to ensure an adequate compliance in the practice.
5	6	2	c,i,s,p	Management reviews key results (e.g., client satisfaction survey, complaints handling summary) related to fair and respectful treatment of clients. Measures for improvement are discussed, implemented, and monitored, and records of these actions exist.
6	0	0		Client Protection Principle 6: Privacy of Client Data
6	1	0		Client data is kept secure and confidential.
6	1	1	c,i,s,p	A policy and documented process are in place to maintain the confidentiality, security, and accuracy of clients' personal, transactional and financial information. They cover gathering, processing, use, distribution and storage of client information.
6	2	0		Clients are informed about data privacy and consent to the use of their data.
6	2	1	c,i,s,p	Starting at the time of the application, clients give their consent before the FI shares personal information with any external audience, including credit bureaus, family members, guarantors, insurance agents, collections companies, and marketing material or other public content. Staff is required to highlight the text of consent signed by a client.
6	2	2	c,i,s,p	Product contracts include a clear, concise explanation of how client data will be protected and how it may be used or shared and with whom, including sharing with a credit bureau.
6	2	3	l	Clients name beneficiaries for life insurance policies, and are reminded to notify those beneficiaries that they have been designated.
6	2	4	c,i,s,p	The FI has an effective training program in place to ensure that staff understand and have the skills to implement the policies and processes related to privacy of client data.
6	2	5	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives on policies and processes related to privacy of client data.
7	0	0		Client Protection Principle 7: Mechanisms for Complaints Resolution
7	1	0		The FI has an effective system in place to receive and resolve client complaints.
7	1	1	c,i,s,p	Clients can submit complaints to the FI through someone other than their main point of contact for obtaining the product and that person's supervisor.
7	1	2	c,i,s,p	Complaints about the FI's third-party providers can be submitted directly to the third-party providers or to the FI. If submitted to the FI's third-party provider, the FI needs to get reports of the complaints.
7	1	3	c,i,s,p	Mechanisms to submit complaints are adapted to clients' needs and preferences and easily accessible (toll free number, etc.). Suggestion boxes are not sufficient, and at least two channels are available.
7	1	4	c,i,s,p	Resolution of complaints is prioritized based on their severity, and almost all complaints are resolved within one month (some exceptions may be permitted due to complexity).
7	1	5	c,i,s,p	There is a clear and secure system in place so that complaints from branches and (if applicable) agents reach the FI's complaints handling staff and/or management.
7	2	0		The FI informs clients about their right to complain and how to submit a complaint.

7	2	1	c,i,s,p	Front line staff and agents inform clients on how to submit a complaint during the product application process. This includes how to submit a complain to a mechanism other than the FI, if available (e.g., self-regulatory organization or public sector ombudsman).
7	2	2	c,i,s,p	Information on how to submit a complaint is displayed visibly in branch offices, at agents and/or included in product documentation.
7	2	3	c,i,s,p	Clients are notified when complaints are received and when they are resolved.
7	3	0		The FI uses information from complaints to manage operations and improve product and service quality.
7	3	1	c,i,s,p	Management regularly reviews KPIs (e.g., percent resolved, average time to resolve) and takes corrective action to resolve mis-handled cases and improve systematic shortcomings.
7	3	2	c,i,s,p	The FI has an internal control process to verify uniform application of policies and procedures for complaints handling, including review of a sample of cases. The FI can produce evidence of corrective measures taken in case of partial or incorrect implementation of the policies and procedures, to ensure an adequate compliance with these in the practice.
7	3	3	c,i,s,p	Complaints and their resolutions are taken into account in staff bonuses or performance evaluations.
7	3	4	c,i,s,p	The analysis of complaints data, satisfaction surveys and reason for drop-outs contributes to improving operations and services.
7	3	5	c,i,s,p	The FI's complaints handling training covers how the complaints mechanism works, the role of complaints staff, how to appropriately manage complaints until they are resolved, and how to refer them to the appropriate person for investigation and resolution.
7	3	6	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives on how the complaints mechanism works, the role of complaints staff, how to appropriately manage complaints until they are resolved, and how to refer them to the appropriate person for investigation and resolution.

				Product / Service	Client Protection Standards, Indicators & Compliance Criteria
1	0	0	0		Client Protection Principle 1: Appropriate Product Design and Delivery
1	1	0	0		The FI offers products and services that are suited to clients' needs.
1	1	1	0	c,i,s,p	A policy is in place that defines how the FI will offer suitable products and services through appropriate channels, including designing products, services and channels and monitoring their suitability.
1	1	1	1	c,i,s,p	The FI considers design and delivery suitability when products and services are designed or offered through a third-party provider.
1	1	2	0	c	Credit products are designed to require principal to be paid down regularly and or with flexible repayment schedules based on client cash flows.
1	1	3	0	c	A policy is in place to ensure fair collateral requirements that do not create severe hardship for clients.
1	1	3	1	c	The FI does not collect "mandatory" savings from clients other than as cash collateral, and cash collateral may not exceed 10% of loan disbursed.
1	1	3	2	c	The FI has a list of assets or goods that cannot be pledged as collateral. The list is based on local norms and includes items that would create severe hardship or total loss of income earning ability for the client.
1	1	3	3	c	Collateral valuation is determined based on a verifiable market price/resale value. The credit committee or second level approval verifies the collateral valuation.
1	1	3	4	c	Collateral value as percentage of loan amount is not excessive.
1	1	3	5	c	Collateral documents (such as title deeds) are returned to clients after the loan is repaid.
1	1	4	0	c,i,s,p	The FI trains staff so that they fully understand how to determine whether products, services and channels are suitable for specific clients, and for lending staff, that collateral policies are understood.
1	1	5	0	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives to determine whether products, services and channels are suitable for specific clients, and for lending staff, that collateral policies are understood.
1	1	6	0	i	When insurance is offered through third-party providers, the FI has a transparent process for selecting insurers which involves a competitive bidding and/or market study and a consideration of the value and appropriateness of the products and services offered.
1	1	7	0	l	The FI's contract with its insurer provides the FI with frequent opportunities to review and cancel, taking into consideration complaints by clients and responsible pricing and delivery.
1	2	0	0		The FI monitors the suitability of products, services and delivery channels.
1	2	1	0	c,i,s,p	The FI conducts satisfaction surveys or other systematic means of gathering feedback on client satisfaction with products, services and delivery channels, at least annually.
1	2	1	1	c,i,s,p	The FI management uses results of client feedback to improve products and services. Measures are discussed, implemented, and monitored, and records of these actions exist.
1	2	1	2	c,i,s,p	The FI evaluates the clients' ability to interact effectively with the technologies it uses to provide services and information.

1	2	2	0	c,i,s,p	The FI analyzes product usage by client characteristic and investigates the reasons for dormancy, drop-out and cancellation.
1	2	2	1	i	The FI analyzes data from insurance products to assess their value to clients and client satisfaction. Data should include: product uptake, claims ratio, claims rejection ratio, renewal rate, coverage ratio, demographics of those covered, complaints ratio, average time for claim's resolution, reasons for lapses in coverage and rejection of claims.
1	2	3	0	p	The FI and/or its agent network provider has a system to monitor third party agent liquidity and network availability and take action in the event of system failures.
1	3	0	0		A policy and documented process are in place to prevent aggressive sales techniques and forced signing of contracts.
1	3	1	0	c,i,s,p	The FI defines "aggressive sales" and levels that trigger additional monitoring.
1	3	2	0	c,i,s,p	The FI trains staff not to use aggressive sales techniques and to respect clients' right to refuse products.
1	3	3	0	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their representatives not to use aggressive sales techniques and to respect clients' right to refuse products.
1	3	4	0	c,i,s,p	The FI has a mechanism of rigorous and regular monitoring of front line staff and third-party sales techniques (e.g., agents, insurance companies or money transfer companies) to impede aggressive sales. When 'red flags' are raised, it triggers corrective measures.
1	3	5	0	c,i,s,p	The FI's incentive/ bonus structure does not promote aggressive sales.
1	3	6	0	c,i,s,p	The FI does not use deceptive marketing techniques.
2	0	0	0		Client Protection Principle 2: Prevention of Over-indebtedness
2	1	0	0		The FI has a sound policy and well-documented process for loan approvals and makes decisions using appropriate information and criteria.
2	1	1	0	c	The FI defines the maximum percentage of a borrower's disposable income that can be applied to debt service, including debt from the FI and other lenders, and uses this amount in determining maximum loan amounts and terms.
2	1	1	1	c, i	Guarantees, guarantor income and/or insurance coverage are not the main basis for loan approval.
2	1	1	2	c	Clients are prohibited from borrowing on behalf of another person.
2	1	2	0	c	For enterprise loans, the loan approval process evaluates repayment capacity through a cash flow analysis and review of client indebtedness. The analysis considers income, expenses and debt service related to business and family and any other sources, including informal sources.
2	1	2	1	c	The repayment capacity analysis is refreshed at each loan cycle to identify changes in the client's situation.
2	1	2	2	c (g)	For loans with a group guarantee, due diligence may be conducted by the FI or group members. For group loans without group guarantees, the FI carries out a repayment capacity analysis for each borrower.
2	1	3	0	c	The loan approval process involves at least one staff member other than the one directly involved in the client relationship (e.g., senior loan officer, branch manager, credit committee).
2	1	4	0	c	The FI has a policy that defines when clients are permitted to prepay loans. If prepayment is allowed, a cooling off period between two loans is required.
2	1	5	0	c	The FI has a rigorous internal control process to verify the uniform application of policies and procedures about client underwriting, and it can produce evidence of corrective measures taken in case of partial or incorrect implementation.

2	1	6	0	c	All new staff are trained on loan analysis and the credit approval process and all credit staff receive refresher trainings annually.
2	1	6	1	c (g)	If due diligence is conducted by group members, groups are trained on how to conduct due diligence and relevant loan criteria.
2	1	7	0	c	The FI verifies that third parties (agent network managers, etc.) train their own representatives on loan analysis and the credit approval process.
2	2	0	0		The FI uses credit reporting information, when feasible in the local context.
2	2	1	0	c	Policy and documented process require timely reporting to credit bureaus and use of credit reports systematically in the approval process for all loans.
2	2	1	1	c	When effective credit bureaus are not available, the FI shares data with competitors and uses data from competitors in loan approvals, as feasible in local context.
2	3	0	0		FI senior management and board monitor the market and respond to heightened over-indebtedness risk.
2	3	1	0	c	The FI's loan officers and branch managers monitor portfolio quality at least monthly to identify areas with high risks of over-indebtedness. Analysis is done by branches, products and client segments.
2	3	1	1	c	The FI tracks any restructured, rescheduled or refinanced loans separately.
2	3	2	0	c	The FI's senior management and the board of directors review results related to over-indebtedness in the market and the FI's portfolio quality at least quarterly. Measures to prevent over indebtedness are discussed, implemented, and monitored and records of these actions exist.
2	3	2	1	c	The FI has a policy on sustainable target growth rates considering the FI's growth capacity and the markets being targeted.
2	3	2	2	c	When a risk of systemic over-indebtedness arises in the market, the FI adopts risk mitigating policies, such as slower growth, more conservative loan approval criteria, or limits on total number of loans an individual can have at one time from multiple providers.
2	3	2	3	c	The FI defines PAR levels that trigger additional internal monitoring and response.
2	4	0	0		The FI maintains sound portfolio quality.
2	4	1	0	c	Total credit risk has not averaged more than 10% during any quarter in the past 3 years, including the most recent quarter.
2	4	2	0	c	If total credit risk has exceeded 10% at any point in the past 3 years or in the past quarter, the FI demonstrates that corrective measures have been put in place.
2	5	0	0		The FI incentivizes staff to approve quality loans.
2	5	1	0	c	The FI has a policy and documented process in place to determine sales and caseload targets and monetary incentives for credit staff (if used), including flags for caseload levels that signal high risk.
2	5	1	1	c	The FI's productivity targets are reasonable as compared to industry benchmarks for similar organizations operating in similar conditions.
2	5	1	2	c	The incentive systems value portfolio quality at least as highly as other factors, such as client growth. Targets are aligned with context so that they are achievable.
2	5	1	3	c	If loan officer salaries are comprised of a fixed and a variable portion, the fixed portion must represent at least 50% of total salary and it must constitute a living wage.

2	5	2	0	c	The FI reviews incentive schemes at least annually to assess whether they are reasonable in comparison to industry benchmarks and market risks.
3	0	0	0		Client Protection Principle 3: Transparency
3	1	0	0		Policy and documented process are in place to require transparency on product terms, conditions and pricing.
3	1	1	0	c	The FI provides clients with a Key Facts Document that contains the following information about their loans: <ul style="list-style-type: none"> - total loan amount; - pricing, including all fees; - total cost of credit (all principal, interest and fees) and APR/EIR; - disbursement date and loan term; - repayment schedule with principal and interest amounts, number, and due dates of all repayment installments; - and moratorium interest rates.
3	1	2	0	c, s, i	Loan contracts include all information included in the Key Facts Document , in addition to: <ul style="list-style-type: none"> - grace period (if any); penalties for arrears or prepayment; - compulsory savings (if any); - linked products (if any); - member or guarantor obligations (if any); - collateral (if any) collateral seizing procedures; - any restrictions on loan use; - cooling off periods; - cancellation rights; - consequences of late payment and default; - and whether terms and conditions can change over time.
3	1	2	1	c,i,s,p	Contracts are written in simple language and do not contain illegal clauses.
3	1	2	2	c(g)	For loans with a group guarantee or a guarantor, member or guarantor obligations are clearly defined, and communicated to group members or guarantors.
3	1	2	3	c	For variable rate loans and loans denominated in a foreign currency different from the main currency of the client source of income, the FI demonstrates that it clearly explains pricing and cost scenarios to the clients, including a pessimistic scenario.
3	1	2	4	c	If the FI deducts the first payment from principal and fees (i.e. upfront fee, insurance, guarantee deposit), it clearly communicates this to clients before disbursement.
3	1	3	0	s	Savings documentation includes: <ul style="list-style-type: none"> - fees (including closure fees); - interest rate and how amounts will be calculated;

					- minimum and maximum balances; - and whether deposits are governmentally insured.
3	1	3	1	s	Savers are informed of timing, conditions and fees for accessing their savings and equity shares, if relevant.
3	1	3	2	s, c	If savings are used as cash collateral for loans, the documentation available to the client specifies whether and how savings can be used in case of default.
3	1	4	0	i	Insured clients are provided the following information at the time of enrollment (orally and/or in writing): - premium; - events covered; - individuals covered; - amount and term of coverage; - when and how to file a claim; - required documentation to prove damage; - any major exclusions; - terms related to cancelation and prepayment; and - cooling off periods, cancellation rights, and other relevant rights under policies. Clients are informed about the importance of informing beneficiaries of their coverage under the client's insurance products.
3	1	5	0	i	FIs make the same effort to educate clients about their products, whether the products are sold as voluntary, mandatory or bundled.
3	1	6	0	p	Clients initiating or receiving money transfers and other payment transactions are provided the following information, when applicable: - amount paid by sender in sender's currency; - estimated exchange rate; - amount to be received in the destination currency; - fees; - instructions for collecting money; - cancellation conditions; - instructions for resolving errors; - transaction confirmation; - taxes (if any); and - linked products (if any).
3	1	6	1	p	Documentation that lists all fees, terms, taxes and cancellation conditions is accessible for clients of any payment service provided at the FI's agent (such as: money transfers, bill payments, airtime top-up, and deposit withdrawal) .
3	1	7	0	c,s,p	Fees charged by third-party providers or agents are fully disclosed to clients.
3	2	0	0		The FI communicates with clients at an appropriate time and through appropriate channels.

3	2	1	0	c,i,s,p	A documented process is in place to communicate information related to the product or service (on product terms, conditions and pricing, including contracts) before the client signs or renews it.
3	2	1	1	c,i	The FI gives clients adequate time to review the terms and conditions of products, ask questions, and receive additional information prior to signing contracts. The client has an opportunity to decline the product (loan + insurance combination in the case of bundled products).
3	2	1	2	c, s	Upon signing, clients receive a signed copy of contract with no blank spaces. This applies to group products as well as individual. Digital services should be embedded into account opening documents for ease of client processing.
3	2	1	3	i	Clients receive a certificate of coverage that includes the most salient information, which in all cases includes: - premium; - events covered; - individuals covered; - amount and term of coverage; - when and how to file a claim. This certificate is delivered to clients promptly after enrollment (in the case of insurance enrollment at the time of the loan application, the certificate should be delivered at or before loan disbursement).
3	2	1	4	c,i,s,p	If products renew automatically, the FI provides clients notice and, for voluntary products, the opportunity to opt out. Communication for credit and savings products is orally and in writing.
3	2	1	5	c, i	The FI notifies clients before any change, including expiration, cancellation or material change of terms (such as insurance coverage) or price. Where relevant, FI informs clients of any right or procedure to prevent the change. Communication for credit and savings products is orally and in writing.
3	2	1	6	i	When initiating an insurance claim, clients are provided information on their prospective benefits.
3	2	2	0	c,s	A documented process is in place to provide clients with regular and on-demand information on account balances. Information is accurate and clear.
3	2	2	1	p	The FI gives clients receipts via email, paper, or text message (SMS) for every transaction. Appropriate format varies with channel and with client capability.
3	2	2	2	c (g), s (g)	For loans with a group guarantee or a guarantor and group savings accounts, each member in the group or guarantor receives notification of the total balance of the account at least quarterly. Clients are permitted to review the account activity upon request.
3	3	0	0		The FI takes adequate steps to ensure client understanding and support client decision making.
3	3	1	0	c,i,s,p	The FI's public information supports informed decision making by clients.
3	3	1	1	c,i,s,p	Basic product information on product and service features, including pricing, is displayed and visible in branches (e.g., posters, brochures, pamphlets) and should be readily available and proposed at agents.
3	3	1	2	c	The FI discloses the pricing information in the public domain (e.g., website and branches) using the common standard for quoting interest rates (APR or EIR). In addition, the FI can also disclose other formats in markets in which interest rates are quoted in another form by nearly all offerers (e.g. flat rates, CAT in Mexico, TCEA in Peru, TEAC in Bolivia, etc.).
3	3	1	3	c	Marketing materials provide pricing information that is consistent with ultimate product terms and conditions.

3	3	2	0	c,i,s,p	The FI participates in industry transparency initiatives, if available.
3	3	3	0	c,i,s,p	Staff are trained to explain pricing, terms and conditions to clients and verify client understanding in accordance with policies, and they demonstrate this understanding in practice. They receive refresher trainings annually.
3	3	3	1	c,i,s,p	The FI communicates all information related to products and policies to clients in plain language; information is not hidden in legalese or small print.
3	3	3	2	c,i,s,p	The FI communicates all information related to products, services and policies to clients in the local language and at an appropriate level given financial literacy limitations. For less literate clients, oral communication supplements written information.
3	3	4	0	c,i,s,p	The FI has and uses an internal control process to verify uniform application of policies and procedures related to transparency.
4	0	0	0		Client Protection Principle 4: Responsible Pricing
4	1	0	0		The FI is managed sustainably to provide services in the long term.
4	1	1	0	c,i,s,p	The FI is covering its costs or rapidly approaching break-even. Its financial results allows it to maintain its capital base.
4	2	0	0		The FI's pricing policy is aligned with the interest of clients.
4	2	1	0	c,i,s,p	There is evidence that the board of directors monitors the FI's performance against policy. (For example, topics of board deliberation may include opportunities to reduce interest rates and fees, dividend policy, and application of profits for client benefit.)
4	2	2	0	c,i,s,p	The FI's pricing practices are responsible.
4	2	2	1	c,s	Interest is calculated in a straightforward manner (on a declining balance; according to the exact date of payment; for deposits - based on daily balances)
4	2	2	2	c	Loan interest (including arrears interest) stops accruing after 180 days of arrears.
4	2	2	3	i	Pricing for insurance, including mandatory insurance fees, covers at least premiums passed to insurance companies and actual costs.
4	2	2	4	i	Insurance pricing is adjusted based on actual claims experience.
4	2	2	5	i	Claims ratios for life insurance are no less than 30%. If below 30%, raises a yellow flag and can be justified by the FI.
4	2	3	0	c	The interest rate is set to be affordable, taking into account the costs required to deliver credit (considering cost of funding, operations, loan losses and returns to capital).
4	2	3	1	c	Annual Percentage Rate (APR) for all of the FI's major products (> 20% portfolio) is within the accepted performance range. If it is outside the range, the FI can provide a valid justification.
4	2	3	2	c	Portfolio Yield is within the accepted performance range. If it is outside the range, the FI can provide a valid justification.
4	2	3	3	p	FIs compare their pricing for payment services with the market. If it is outside the accepted range, the FI can provide a justification.
4	2	4	0	c,i,s,p	The FI's fees are reasonable.
4	2	4	1	c,i,s,p	The FI does not charge clients for confirmation of transactions and balance inquiries. Fees are acceptable for repeated balance or receipt requests over a stated frequency

4	2	4	2	c	Any prepayment penalty does not include interest that would be accrued between time of pre-payment and the end of the loan term.
4	2	4	3	c	Arrears interest and penalties do not compound debt; they are calculated based on the principal amount only.
4	2	4	4	s	Fees on deposit accounts are not disproportionately high relative to small deposit balances.
4	2	4	5	i	The FI does not charge or receive an entrance fee, exclusivity fee or initiation fee from the insurance provider.
4	2	4	6	c,i,s,p	The FI monitors the fees charged to its clients by its third-party providers to ensure that they are in line with peers.
4	3	0	0		The FI's financial ratios do not signal pricing issues. (If outside the ranges, FI must be asked to explain and justify.)
4	3	1	0	c	Loan Loss Expense Ratio (LLER Ratio) is within the accepted performance range. If it is outside the range, the FI can provide a valid justification.
4	3	2	0	c,i,s,p	The FI is not transferring unnecessary costs to clients: Operating expense Ratio (OER Ratio) is within the accepted performance range. If outside of the range, the FI can provide a valid justification.
4	3	3	0	c,i,s,p	Return on Assets (ROA) is within the accepted performance range. If outside of the range, the FI can provide a valid justification.
5	0	0	0		Client Protection Principle 5: Fair and Respectful Treatment of Clients
5	1	0	0		The FI promotes and enforces fair and respectful treatment of clients in line with a code of conduct.
5	1	1	0	c,i,s,p	The code of conduct (or equivalent) clearly spells out organizational values, standards of professional conduct and treatment of clients that are expected of all FI or third-party provider staff or agents. Policies also spell out what sanctions to apply in case of a breach of the code of conduct.
5	1	1	1	c,i,s,p	The following behaviors are always prohibited and sanctions are specified in writing and enforced: using abusive language; using physical force; limiting physical freedom; shouting at the client, entering the client's home uninvited; publicly humiliating the client; violating the client's right to privacy; mistreating a client based on any Protected Categories ; using intimidation or threats; sexual or moral harassment.
5	1	1	2	c,i,s,p	Fraud and unethical actions (e.g. corruption, theft, kickbacks) are also prohibited. Sanctions in such cases are clear and strictly enforced.
5	1	1	3	c,i,s,p	Clients are informed of the FI's standards of professional conduct and the prohibited behaviors mentioned in the code of conduct.
5	1	2	0	c,i,s,p	Human resource policies and procedures reinforce the standards identified in the code of conduct.
5	1	2	1	c,i,s,p	All staff sign a document acknowledging that they will abide by the code of conduct.
5	1	2	2	c	The FI has an effective training program in place to ensure that staff understand and have the skills to implement policies and procedures related to fair and responsible treatment of clients and aligned with the code of conduct. Unacceptable behavior is highlighted.

5	1	2	3	c	The FI verifies that third parties (agent network managers, etc.) train their own representatives on fair and responsible treatment of clients. The training is aligned with the FI's code of conduct and spells out unacceptable behavior.
5	1	2	4	c,i,s,p	Employee and agent performance evaluations include reviews of adherence to the code of conduct, ethical behavior, and the quality of interaction with customers.
5	2	0	0		The FI has policy and documented processes to avoid discriminating against <u>Protected Categories</u> in selecting clients and setting terms and conditions.
5	2	1	0	c,i,s,p	Protected Categories include: ethnicity, gender, age, disability, political affiliation, sexual orientation, caste, and religion.
5	2	2	0	c,i,s,p	Terms and conditions for individuals may differ based on 1) risk-based analysis, 2) target markets defined in the FI's mission, 3) accommodations based on special needs. Such differentiation should be consistently applied, stated in advance and made with the goal of benefitting clients.
5	3	0	0		Loans are collected by staff and collection agents in an appropriate manner.
5	3	1	0	c, c(g)	A policy is in force that clearly defines appropriate and inappropriate debt collection practices by staff and third parties.
5	3	1	1	c	The FI defines what actions should be taken in case of collections. The schedule of collections actions allows time for the FI or contractor to determine the reasons for a client's default.
5	3	1	2	c(g)	The FI trains staff and/or group members (if applicable) on the FI's debt collections practices and loan recovery procedures (including actions they are expected to take and those they are prohibited from taking in case of default).
5	3	1	3	c	The FI verifies that third parties (agent network managers, etc.) train their own representatives on the FI's debt collections practices and loan recovery procedures.
5	3	2	0	c,p	The FI has a policy for rescheduling loans/ refinancing/writing off on an exceptional basis.
5	3	2	1	c	The policy lists cases of specific distress under which clients can be granted rescheduling or refinancing (e.g., natural or man-made disaster; major hospitalization, etc.) or under which loans can exceptionally be written off.
5	3	2	2	c	The FI reschedules, refinances or writes off loans on an exceptional basis for late clients who have the willingness to repay but not capacity to repay, prior to seizing assets. These are authorized by a higher ranked individual than the one proposing the rescheduling, refinancing or write off.
5	3	3	0	c	Policy, documented processes and management oversight are in place to ensure that collateral seizing is respectful of clients' rights.
5	3	3	1	c	Clients are informed on collateral seizure processes before they take the loan. The FI follows local regulations to the extent possible. However, if court orders are not feasible for FI to obtain, FIs may follow local best practice guidelines. Seizure must be preceded by informing the client and allowing the client to attempt to remedy the default. This applies to group and individual loans.
5	3	3	2	c	If the collateral is seized and the value of the collateral exceeds the outstanding principal, accrued interest up to 180 day, any penalty fees and legal costs, the difference is returned to the client.
5	3	3	3	c	The FI staff may not force clients to sell their own collateral to pay off their debt.
5	3	3	4	c	Collateral cannot be sold to the FI, the staff of the FI, to their relatives, or to third parties involved in the seizing process.
5	3	3	5	c	The FI has an internal control process to verify uniform application of policies and procedure related to collateral seizing. The FI can produce evidence of corrective measures taken in case of partial or incorrect implementation of the policies and procedures

					to ensure an adequate compliance in the practice.
5	3	3	6	c,i,s,p	In case collateral is kept in the FI premises, it is kept in a locked room or secure premises, and noted in the contract.
5	4	0	0		The FI has effective systems to prevent and detect fraud.
5	4	1	0	s	A documented process is in place to avoid fraud related to client savings, and is in line with international best practice.
5	4	2	0	p	A documented process is in place to manage appropriately transactions that are not completed or are incorrectly completed.
5	4	2	1	p	In cases where the receiver cannot cash out money after a period of time, funds are returned to sender with a notification.
5	4	2	2	p	If a funds transfer or similar electronic transaction is made to the incorrect account, mechanisms are in place to correct the error by either the agent, branch or provider.
5	5	0	0		Insurance claims are processed in a fair and timely manner.
5	5	1	0	i	Almost all claims are settled within one month or such shorter period as may be required by local law (some exceptions may be permitted due to complexity).
5	5	2	0	i	Claimants are notified when claims are received and when they are settled.
5	5	3	0	i	When a claim is denied, claimants are provided notice, the reason for rejection, and a reasonable time period during which to correct any deficiency; in almost all cases, such notice is received within one month of the filing of the claim (some exceptions may be permitted due to complexity).
5	6	0	0		The FI management and oversight support fair and respectful treatment of clients.
5	6	1	0	c,i,s,p	The FI has an internal control process to verify uniform application of policies and procedure related to fair and respectful treatment of clients. The FI can produce evidence/records of monitoring/reporting of corrective measures taken in case of partial or incorrect implementation of the policies and procedures to ensure an adequate compliance in the practice.
5	6	2	0	c,i,s,p	Management reviews key results (e.g., client satisfaction survey, complaints handling summary) related to fair and respectful treatment of clients. Measures for improvement are discussed, implemented, and monitored, and records of these actions exist.
6	0	0	0		Client Protection Principle 6: Privacy of Client Data
6	1	0	0		Client data is kept secure and confidential.
6	1	1	0	c,i,s,p	A policy and documented process are in place to maintain the confidentiality, security, and accuracy of clients' personal, transactional and financial information. They cover gathering, processing, use, distribution and storage of client information.
6	1	1	1	c,i,s,p	There are penalties for exposing or revealing client data to third parties (including guarantor and family not party to the account) without prior client consent.
6	1	1	2	c,i,s,p	The FI's agreement with third-party providers that have access to client data specifies that these providers will maintain the security and confidentiality of client data. The FI monitors fulfillment of this agreement and takes action when problems are identified.
6	1	1	3	c,i,s,p	There is a clear process to safeguard client data when staff leave or are terminated.
6	1	2	0	c,i,s,p	The FI's systems protect against theft or misuse of client data or identity; security breaches, and fraudulent access.
6	1	2	1	c,i,s,p	There is a disaster/ downtime recovery plan in place, including a business continuity plan.

6	1	2	2	c,i,s,p	Files are maintained in a secure system, whether electronic or in physical format, with protections from inappropriate access, theft and damage.
6	1	2	3	c,i,s,p	Data security measures are in place to protect against unauthorized access to data (i.e., passwords, access levels, software infrastructure). IT passwords are changed periodically with different access levels according to the position of the staff member accessing the data.
6	1	2	4	c,i,s,p	The FI performs at least daily back ups of its client data.
6	1	2	5	c,i,s,p	Employees use of files outside the office is controlled (e.g. they cannot take client files or loan documents to their homes or access the MIS from home), and the FI keeps records of the names of staff who request access to client files.
6	2	0	0		Clients are informed about data privacy and consent to the use of their data.
6	2	1	0	c,i,s,p	Starting at the time of the application, clients give their consent before the FI shares personal information with any external audience, including credit bureaus, family members, guarantors, insurance agents, collections companies, and marketing material or other public content. Staff is required to highlight the text of consent signed by a client.
6	2	2	0	c,i,s,p	Product contracts include a clear, concise explanation of how client data will be protected and how it may be used or shared and with whom, including sharing with a credit bureau.
6	2	3	0	i	Clients name beneficiaries for life insurance policies, and are reminded to notify those beneficiaries that they have been designated.
6	2	4	0	c,i,s,p	The FI has an effective training program in place to ensure that staff understand and have the skills to implement the policies and processes related to privacy of client data.
6	2	4	1	c(g)	Group leaders are trained to safeguard group member information, particularly saving account balances, dates of loan disbursement, and information on repayment problems.
6	2	4	2	c,s,p	Staff inform clients on importance of protecting Personal Identification Numbers (PINs) and how to do so.
6	2	5	0	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives on policies and processes related to privacy of client data.
7	0	0	0		Client Protection Principle 7: Mechanisms for Complaints Resolution
7	1	0	0		The FI has an effective system in place to receive and resolve client complaints.
7	1	1	0	c,i,s,p	Clients can submit complaints to the FI through someone other than their main point of contact for obtaining the product and that person's supervisor.
7	1	2	0	c,i,s,p	Complaints about the FI's third-party providers can be submitted directly to the third-party providers or to the FI. If submitted to the FI's third-party provider, the FI needs to get reports of the complaints.
7	1	3	0	c,i,s,p	Mechanisms to submit complaints are adapted to clients' needs and preferences and easily accessible (toll free number, etc.). Suggestion boxes are not sufficient, and at least two channels are available.
7	1	4	0	c,i,s,p	Resolution of complaints is prioritized based on their severity, and almost all complaints are resolved within one month (some exceptions may be permitted due to complexity).
7	1	5	0	c,i,s,p	There is a clear and secure system in place so that complaints from branches and (if applicable) agents reach the FI's complaints handling staff and/or management.
7	2	0	0		The FI informs clients about their right to complain and how to submit a complaint.

7	2	1	0	c,i,s,p	Front line staff and agents inform clients on how to submit a complaint during the product application process. This includes how to submit a complain to a mechanism other than the FI, if available (e.g., self-regulatory organization or public sector ombudsman).
7	2	2	0	c,i,s,p	Information on how to submit a complaint is displayed visibly in branch offices, at agents and/or included in product documentation.
7	2	3	0	c,i,s,p	Clients are notified when complaints are received and when they are resolved.
7	3	0	0		The FI uses information from complaints to manage operations and improve product and service quality.
7	3	1	0	c,i,s,p	Management regularly reviews KPIs (e.g., percent resolved, average time to resolve) and takes corrective action to resolve mis-handled cases and improve systematic shortcomings.
7	3	2	0	c,i,s,p	The FI has an internal control process to verify uniform application of policies and procedures for complaints handling, including review of a sample of cases. The FI can produce evidence of corrective measures taken in case of partial or incorrect implementation of the policies and procedures, to ensure an adequate compliance with these in the practice.
7	3	3	0	c,i,s,p	Complaints and their resolutions are taken into account in staff bonuses or performance evaluations.
7	3	4	0	c,i,s,p	The analysis of complaints data, satisfaction surveys and reason for drop-outs contributes to improving operations and services.
7	3	5	0	c,i,s,p	The FI's complaints handling training covers how the complaints mechanism works, the role of complaints staff, how to appropriately manage complaints until they are resolved, and how to refer them to the appropriate person for investigation and resolution.
7	3	6	0	c,i,s,p	The FI verifies that third parties (agent network managers, etc.) train their own representatives on how the complaints mechanism works, the role of complaints staff, how to appropriately manage complaints until they are resolved, and how to refer them to the appropriate person for investigation and resolution.