

## Voice of the Aggrieved Customer (VoAC) - Request for Proposals

**Deadline for Submissions:** 30<sup>th</sup> April 2022

**Focus Country:** India

**Focus Financial Services:** Digital Financial Services in relation to payments, savings, credit, insurance, investing, pensions

### VoAC Project Abstract:

- **Aim:** to harvest aggrieved customer cases<sup>1</sup> to develop a repository of lived stories pertaining to customer protection in the digital financial services domain
- **Objective:** to surface customer protection issues in digital finance that may be going unreported and to understand the nature of difficulties the aggrieved individual experienced
- **Themes:** suitability, frauds, data protection, grievance redress, market monitoring and information asymmetry<sup>2</sup>
- **Tenure:** 3-6 months; however, based on the experiences of implementing this Request for Proposals and the quality of outputs, Dvara Research may choose to regularize VoAC case harvesting and publishing in the long-term with select Applicants

### Overview

Dvara Research has established itself as a thought leader in the realm of customer protection in financial services, data protection and digital financial services. Dvara Research has also been a relentless advocate for improved customer protection in financial services, particularly those targeting low-income households. Through the Customer Protection Program (CPP), housed within the Centre for Customer Protection (CCP) horizontal, we aim to design and advocate for products and interventions through which digital financial services (DFS) can meet the needs of poor, rural and women customers where they are, rather than waiting for them to achieve higher levels of financial literacy or awareness. The CPP is expected to improve access to and usage of DFS by improving customers' trust in DFS providers.

The Centre is announcing a call for proposals for the Voice of the Aggrieved Customer (VoAC) project, under the auspices of CPP. The Centre invites Consumer Groups, Self-Regulatory Organisations (SRO), industry associations, Financial Service Providers (FSPs) including digital FSPs, DFS agents and business correspondents, financial planners/advisors, investigative journalists, institutional and independent academicians, research institutions/think-tanks and scholars to submit proposals to document authentic experiences of customers, in the context of digital financial services and customer protection. Experiences can range from unexpected and sub-optimal to unfair and violative. Special consideration will be given to studies with a focus on poor and women customers in addition to other vulnerable groups. The body of work we hope to create under the VoAC is expected to delve into and showcase the experiences of Indian low-income and women consumers with financial services i.e. nature of interaction, grievance areas, what works and what doesn't. These stories will be harvested in a variety of formats including but not limited to qualitative surveys, focus group discussions, in-depth individual interviews, field diaries, and video documentaries.

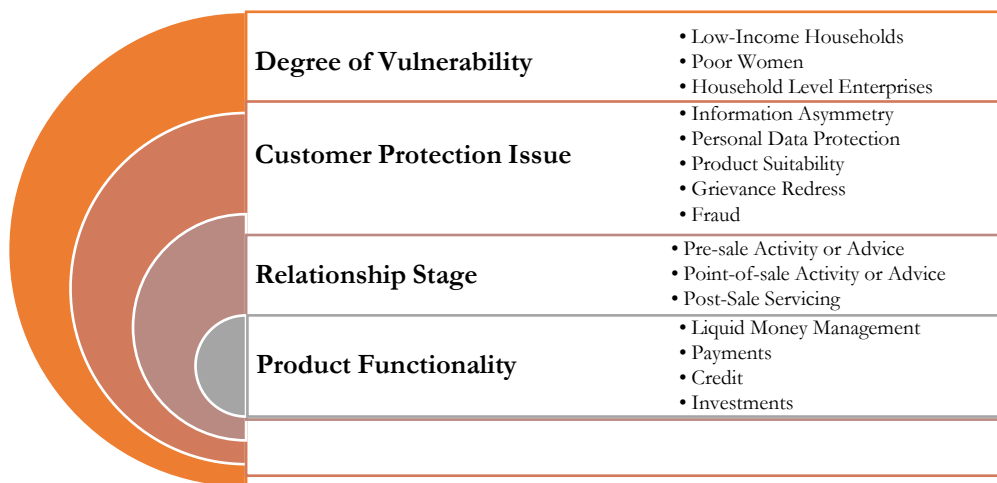
**Six themes** have been carefully curated to address the current challenges that exist in the fields of DFS and customer protection and are given below:

1. **Information Asymmetry:** favouring the provider, which then creates a burden on the provider to furnish customers with product, process and other disclosures/communication that enable improved customer choices and outcomes.
2. **Personal Data Protection:** as it relates to how customers think about the utility of their data, and what inclusive consent architecture should look like.
3. **Product Suitability:** which requires understanding the financial lives of poor and women customers so that financial products and services can be specifically designed to suit those lives.
4. **Grievance Redress:** that is, designing effective and timely grievance redress mechanisms.
5. **Fraud:** in the context of safeguarding customers from emerging digital fraud risks.

<sup>1</sup> A case may be a single story or a collection of stories. Similarly, a case need not pertain to just one individual or household.

<sup>2</sup> The six themes are listed to provide an understanding of Dvara Research's areas of interest within the CPP. However, they are not limiting in nature as we are open to considering other themes if a compelling case is made.

6. **Market Monitoring:** which is a function performed by regulators and Civil Society Organizations, to surface customer protection issues. Often, they don't have the requisite tools to perform the function properly and therefore our work will focus on creating the requisite tools for them.



Applicants are expected to consider the multiple dimensions covered in the Figure in responding to this Request for Proposals. We encourage applicants to consider how your proposals will relate to these dimensions and to indicate the same while applying.

Due consideration to the following list of questions, while applying for this contract is recommended:

- Does the story or experience accurately capture the qualitative journey of poor or women customers in the context of a specific product or service? Does it present an unbiased view of on-ground realities of these focus segments?
- Does the experience represent customer protection challenges for poor and women customers?
- Does the case/story/experience thematically cut across various dimensions of DFS and customer protection?
- Does the experience capture consumer outcomes or results of using DFS?

**Expected Outputs and Outcome**

**Expected Outputs:**

Applicants once selected will need to develop a minimum of 10 VoAC cases in different formats and using varied approaches. The Applicant can specify one or more qualitative methodologies, such as qualitative and ethnographic surveys, one-on-one in-depth interviews, focus group discussions and/or field diaries, among others.

Below are representative outputs of interest for Dvara Research. The Applicant has the flexibility to pitch outputs within the broad contours of what is laid out in this Request for Proposals, such that at least one of the below Focus Areas (I, II) is covered, while also covering the Ancillary Output.

	DESCRIPTION	TO NOTE
<b>PRIMARY OUTPUTS</b>		
FOCUS AREA I	High impact case studies that will go into a compendium of customer cases on VoAC which will serve as an information repository for stakeholders. A diversity in themes is a must. Cases must fall into either subgroup A or B below:  <b>Subgroup A:</b> Capturing the lived experience of the customer(s), without going into the specific technical nature of the problem  <b>Subgroup B:</b> Capturing the lived experience of the customer(s), that goes into the specific technical nature of the problem <sup>5</sup>	A single case need not pertain to a single individual or household.  A case could also be a collection of stories that have a common theme relevant to a specific issue in financial consumer protection, and/or covering a specific customer segment <sup>3</sup> , demographic or geography <sup>4</sup> , or a category(ies) of providers.
FOCUS AREA II	Cases studies of customer-facing employees or agents of FSPs on their lived experiences of working for their employer (they may or may not be whistle-blowers). <sup>6</sup>	

<sup>3</sup> For instance, migrant workers, agriculturist households, gig workers, nano entrepreneurs, disabled persons, weaker sections (as defined by RBI), gender identity / sexual orientation minorities, etc.

<sup>4</sup> For instance, south, north, central India OR select States OR 2 highest-2lowest ranking States in financial inclusion etc.

<sup>5</sup> See Annex 1 for more details

<sup>6</sup> Also see Annex 1 for how to consider this

### ANCILLARY OUTPUT

Technical note on methodologies used and on-ground learnings, that can feed into toolkits that Dvara Research may produce and that can serve as a best practice guide for customer voice harvesting. Formats to be shared by Dvara Research.

The selected VoAC cases may be showcased at various fora by Dvara Research and BMGF.

#### Outcomes:

To amplify the lived experiences of poor and women customers, including their households and household/proprietorship businesses, in their use of formal financial services including DFS, highlight gaps/customer grievances which require intervention and further research/analysis by FSPs, regulators and civil society organisations.

#### Minimum criteria for Applicants

- Research/implementation team experience and track record in delivering successful projects
- Financial qualifications (*detailed in application*)
- Prior experience in documenting Customer Voice using qualitative research methods OR familiarity with consumer issues in retail financial services

Please note that all applicants will be expected to submit proposals for a minimum of 10 VoAC cases.

#### Process and Timelines

Activity or Deliverables	Timeline (Tentative)
Announcement of call for proposals	1 <sup>st</sup> April 2022
Information Session	2 pm, 18 <sup>th</sup> April 2022
Deadline for proposal submission	30 <sup>th</sup> April 2022
Announcement of shortlisted proposals	23 <sup>rd</sup> May 2022
Signing of service agreement and Commencement	7 <sup>th</sup> June 2022
Interim reviews	To be jointly decided
Final review	TBD, Aug/Sept 2023
Submission of the work	To be jointly decided
VoAC Stories Showcasing	Expected to be done in a periodical manner throughout tenure of contract or as jointly decided

**Project Timeline:** 3-6 months from time of awarding the contract, depending on the scope of activities outlined in the Applicant's proposal

\* Please note that the nature of engagement will be in the form of a service agreement and not sub-grant.

## Selection and Evaluation Criteria

The following criteria will guide the evaluation and selection of projects to receive funding:

Minimum Criteria
Research/implementation team experience
Financial qualifications ( <i>detailed in application</i> )
Prior experience OR familiarity with consumer issues in retail financial services

Once the applicant passes the minimum criteria evaluation, they will then be scored on the selection criteria listed below. The criteria has been listed in descending order of importance.

Criteria	Explanation
Relevance to customer protection in DFS and the outlined themes	Relevance of proposal to customer protection in DFS, connection to the themes/areas of focus outlined, impact
Project viability	Implementation capabilities and partnerships, logistical and political challenges, threats that compromise result validity
Output format & contribution	Mediums used to source information, unique representative presentation format, footprint
Local relevance	Does the proposal involve local body involvement, does it cater to the excluded population and/or women and/or vulnerable customer segments
Value for Money	Is the cost of the proposal in line with the value it will deliver

## Application Materials

- *Project Application Form*
- *Project Budget*
- *2 years Audited Financial Statements*
- *Letter from Practitioner organization (if applicable)*

Applicants are encouraged to include details on output formats, communication support they can provide to raise awareness<sup>7</sup>, search costs, quality control and any Institutional Review compliance measures, if in place<sup>8</sup>.

## Information Sessions

An information session will be held on the 18<sup>th</sup> of April, 2022 at 2 PM. This session aims to answer any Request for Proposal-related questions applicants may have. A brief overview of the Customer Protection Program and the curated themes will also be part of the session's agenda to inform project applications.

<sup>7</sup> While Dvara Research will undertake all communication related activities we seek applicants who can contribute to the development of an effective communication plan to showcase these stories to a wide audience and support our efforts

<sup>8</sup> i.e. Ethical review of research involving human subjects is crucial to ensure that any potential for harm is minimized and that the autonomy of the participants is respected. <https://www.hhs.gov/ohrp/regulations-and-policy/belmont-report/index.html>

## ANNEXURE 1

Technical issues can be infrastructural issues or conduct violations whether the fault may or may not rest with the FSP or the agent of the FSP. Below is a list of issues that result from a violation of institutional conduct.

<b>Obligation to act with Professional Diligence</b>	to carry out business that follows the general principle of good faith, with an intention to be fair and in line with <i>honest market practices</i>
<b>Obligation of Fiduciary Responsibility</b>	in the case where the retail customer's <i>monies are entrusted</i> to the FSP for purposes of investment (and is not a bank or e-wallet deposit)
<b>Obligation of Suitability</b>	That the product or service that the FSP deals in or attempts to deal in with respect to the retail customer is <i>not unsuitable</i> for the customer, considering the customer's needs, objectives and financial situation
<b>Obligation of aligned Incentive Design</b>	design of all forms of performance measurements and incentives <i>to not compromise the ability of FSP or its representatives</i> in discharging its duties under these obligations
<b>Obligation to Avoid &amp; Manage Conflict of Interest</b>	arising from misalignment between business objectives & customer objectives, that may cause a representative to inadequately perform one's duties. It is not enough to solely disclose to customer, but <i>demonstrate additional efforts to manage it</i>
<b>Obligation to ensure Customer Data Protection</b>	such that the decision to seek any information from the retail customer must be taken based on whether it is for a <i>legitimate purpose</i> , i.e., it is lawful, is necessary for the provision of the product or service, and is proportionate, i.e., balanced against the rights of the retail customer
<b>Obligation to Disclose Relevant Information</b>	about the product or service to the retail customer before she decides to purchase, on an on-going basis (and wherever an impending material financial impact is expected for the customer), in a manner that is <i>intended to improve understanding</i> of the product by the customer
<b>Obligation to ensure Capabilities through Training</b>	that one's representatives are trained adequately to have the <i>necessary capabilities to uphold these obligations</i> , and such training is provided both at the time of employment, and on an ongoing basis including when an inadequacy of capabilities is identified.