

COMMUNIQUE

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Promoting Consumer Protection and Confidence in Nigeria's
Financial Services Ecosystem

Issued following the Conclusion of a 1-Day Ask the Regulator
Virtual Consumer Protection Townhall

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Enhancing Financial Inclusion & Advancement
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Introduction

The Ask the Regulator Virtual Consumer Protection Townhall was convened by Enhancing Financial Inclusion and Advancement (EFInA) as a live platform for Nigerian consumers to engage directly with regulators, industry leaders and consumer advocates on issues affecting trust and safety in the financial system.

The Townhall featured the Director of the Consumer Protection and Financial Inclusion Department (CPFD) of the Central Bank of Nigeria (CBN), Dr Aisha Isa-Olatinwo, as lead guest; joined by the Director, Surveillance & Investigation at Federal Competition and Consumer Protection Commission (FCCPC), Mrs Boladale Adeyinka; Founder and President, Consumer Advocacy Foundation of Nigeria (CAFON), Mrs Sola Salako-Ajulo; and Mr Adeyemi Salisu, Group Head, e-Business, Sterling Bank and Provost, CeBIH Academy (representing the CeBIH Chair).

Over 350 participants joined the session from across Nigeria and beyond.

The discussions highlighted both the progress made in strengthening consumer protection and the persistent gaps that continue to undermine trust in digital and traditional financial services, as well as recommendations towards sustained protection for Digital Financial Services (DFS) users.

Key issues raised

1. Trust deficit threatens financial inclusion

The integration of consumer protection and financial inclusion functions within CBN's CPFD was welcomed, but participants emphasised that bringing people into the financial system without protecting them is unsustainable. CBN's CPFD operates 24/7 with 94% month-on-month timely resolution, but many consumers still perceive the regulator as distant, slow to respond, or hard to reach.

2. Fraud and failed transactions: Burden of proof falls on victims

Refunds for fraud, unauthorised debits, failed transfers, and PoS/ATM errors are delayed or never completed. The burden of proof falls too heavily on consumers, who lack access to the data and systems that institutions control.

The townhall clarified differences between card/PoS transactions (covered by chargeback frameworks) and transfers to merchants' accounts (harder to reverse). While this distinction offers little comfort to victims, genuine victims are discouraged from reporting as they over-rely on informal fixes and social media escalation, while fraud losses continue to rise.

What's needed, as established during the session, are clear, balanced rules on fraud investigation and liability that recognise providers' control over systems; automated reversal processes for failed transactions with strict timelines; improved frontline capacity to detect, investigate, and resolve fraud fairly and quickly.

3. Hidden charges and poor transparency

Many registrants complained about hidden or poorly explained charges and serial small debits. FCCPC and consumer advocates reiterated that consumers have a right to full, plain-language information on charges and terms at account opening and whenever they change. There was a strong call for "protection by design"; clarity and fairness built into products from the start, not as an afterthought.

4. Complaint pathways remain unclear

The CBN restated that the appropriate complaint sequence is to report to the bank/provider first (get reference number), then escalate to CPFD if unresolved within defined timelines, by sending an email to cpd@cbn.gov.ng. But many participants don't know this process or believe the CBN won't respond. Consumer advocates supported exploring an independent financial ombudsman structure to provide an intermediate, specialised layer for dispute resolution, if it doesn't increase costs for consumers.

5. Weak enforcement: No real consequences for inaction

Participants questioned whether existing regulations are enforced, and whether financial service providers that ignore Service Level Agreements (SLAs) face real consequences. There was a clear call for "punishment for inaction": institutions that repeatedly fail to resolve complaints should face visible, credible sanctions, including naming and shaming persistent offenders while recognising strong performers.

6. Financial literacy gaps persist

Even relatively informed participants had knowledge gaps around complaint procedures, risk, and payment channel implications. Low-income and rural consumers, those most vulnerable, have even less access to such knowledge. The townhall underscored the need for increased, sustained financial and digital literacy delivered in multiple languages and channels.

7. Innovation in risk sharing: Fraud insurance and industry sinking fund

Dr. Isa-Olatinwo (CBN) shared that initial efforts to establish fraud insurance were challenged by high premiums. As an alternative, she referenced discussions on an industry sinking fund financed from bank profits that could support compensation in cases of genuine fraud or erroneous transfers without imposing additional charges on consumers. This concept received strong support.

8. Need for structured collaboration and prevention

The townhall highlighted the need for improved collaboration among regulators (CBN, FCCPC, NCC, NAICOM, PENCOM), industry bodies (CeBIH, ACCOBIN), advocacy groups (CAFON, CADEF), and development partners. Participants emphasised a structured risk mitigation framework: Prevent, Prepare, Respond and Recover, rather than focusing mainly on reaction after harm.

Call to action

In light of the issues raised, the Ask the Regulator Townhall calls for the following actions:

1. Increased and sustained financial literacy

Design and execute nationwide financial and digital literacy programmes that explain consumer rights, clarify complaint processes, highlight safe-usage tips, and reach low-income, rural, youth, and women segments in appropriate languages and media. Co-funded by regulators, providers, and development partners.

2. Independent ombudsman for financial services

Explore establishing an independent ombudsman mechanism to provide an intermediate, specialist layer between providers and CBN; handle high volumes of routine disputes quickly and transparently; and reduce pressure on CBN's complaint channels. This must be designed to avoid increasing cost burden on consumers.

3. Fraud insurance and industry sinking fund

Further explore an industry sinking fund for fraud redress funded primarily from bank profits, not consumer charges. This should support compensation in genuine fraud and erroneous transfer cases within agreed thresholds, operating alongside improved investigation processes and strong sanctions for abuse.

4. Penalty for inaction

Apply credible, visible sanctions to financial service providers that repeatedly fail to address consumer complaints within regulatory and internal SLAs. Consider naming and shaming persistent offenders while recognising institutions with strong consumer protection performance. Ignoring consumers cannot be a viable business strategy.

5. Increased accountability of Financial Service Providers (FSPs)

FSPs must ensure prompt, respectful responsiveness across all channels; make policies, requirements, and SLAs visible to consumers; and embed consumer protection in internal performance indicators. Industry bodies should help define minimum standards and promote peer accountability.

6. Improved stakeholder collaboration

Strengthen structured collaboration among regulators, industry bodies, consumer advocacy organisations, and development partners. Focus on joint campaigns, shared data on consumer harm, co-created guidelines, and fast-track channels for systemic issues.

This collaboration should focus on joint campaigns, shared data and analytics on consumer harm, co-created guidelines, and fast-track channels for handling systemic issues.

7. Risk Mitigation Framework: Prevent, Prepare, Respond, Recover

Adopt a practical risk mitigation framework that prioritises:

- Prevent: Design systems to minimise fraud, errors, and unfair practices
- Prepare: Build capacity and contingency plans within institutions and regulators
- Respond: Provide clear, timely, empathetic responses to affected consumers
- Recover: Enable financial and psychological recovery, with institutional learning that feeds back into prevention

Integrate this approach into regulatory guidance, institutional risk management, and industry codes.

Next steps

Priority actions	Actors
Design and implement a coordinated national financial and digital literacy programme focused on rights, complaint pathways and safe usage.	CBN CPFD, FCCPC, EFInA, CeBIH, ACCOBIN, CAFON, CADEF, development partners
Push for an independent financial services ombudsman mechanism that does not increase consumer costs.	CBN, FCCPC, Industry bodies, consumer groups, National Assembly committees, Ministry of Finance
Commission a technical working group to explore design options for an industry sinking fund for fraud redress, aligned with prudential rules and consumer protection objectives.	CBN (CPFD and other relevant departments), Banks, MMOs, NDIC, CeBIH, EFInA, other experts
Strengthen enforcement of existing consumer protection regulations, including sanctions for repeated non-compliance and inaction on complaints.	CBN, FCCPC, Industry bodies, advocacy groups (through complaint evidence)
Define and adopt minimum industry standards on responsiveness and consumer SLAs, and ensure bank-level transparency on these standards.	CBN, CPFD, CeBIH, ACCOBIN, banks, MMOs
Establish a regular multi-stakeholder forum on consumer protection and trust (e.g a quarterly Ask the Regulator sessions and technical round tables).	EFInA, CBN, CPFD, FCCPC, CeBIH, advocacy groups, development partners
Integrate the Prevent–Prepare–Respond–Recover framework into regulatory guidance and institutional risk management for consumer protection and fraud.	CBN, FCCPC, Industry risk and compliance functions, NeFF, CeBIH

Priority actions

Develop and disseminate consumer-friendly FAQs, guides and tools based on the over 200 questions received during the Townhall.

Track and report on consumer protection performance indicators (complaints, resolution times, enforcement actions) to the public.

Actors

EFInA, CBN, CPFD, CAFON, CADEF, media partners

CBN CPFD, FCCPC, Industry bodies, EFInA (technical support)

Conclusion

This Ask the Regulator Townhall demonstrated both the depth of consumer concern and a strong willingness across regulators, providers, and advocates to address systemic gaps. The path forward is to improve literacy, create independent dispute resolution, establish shared risk mechanisms, enforce consequences for inaction, and build prevention into the system, not as afterthoughts, but as design principles.

EFInA and partners intend to institutionalise Ask the Regulator as a recurring series and support stakeholders to deliver on these commitments, so that Nigeria's financial system becomes safer, fairer, and more inclusive for all.



For more resources, including explainers, research reports, and policy briefs, visit www.efina.org.ng

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