

Analysis of Peru's Financial Consumer Listening Mechanisms

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Disclaimer

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CGAP's Focus on Protecting Vulnerable Customers

Main objective: Ensuring good outcomes for financial consumers, with a focus on vulnerable groups such as women, rural populations, and others.

★ **Workstream 1**
Develop Market Monitoring

Empowers market conduct authorities and other stakeholders to monitor consumer risks through:

- Toolkit
- Country pilots
- Regional pilot

★ **Workstream 2**
Elevate Consumers' Voice

Presents effective mechanisms to elevate collective consumers' voice, potentially captured via:

- Social media
- Consumer associations,
- Regulatory consumer panels

Workstream 3
Showcase Responsible DFS Providers

Illustrates customer-centric business models that help DFS consumers reach positive outcomes, such as:

- Responsible cash-in/cash-out agents
- Responsible industry associations

Cross-cutting research on evolution of nature and scale of DFS consumer risks

★ = Work this pilot contributes to

CGAP's in-country pilot approach: Why Peru?

- CGAP found that the financial sector conduct regulator and supervisor (Superintendencia de Banca, Seguros y AFP –SBS) and the general consumer protection authority (Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual–INDECOPI) are already using technology and social media monitoring to [listen to the voice of consumers for policymaking purposes](#). CGAP also identified opportunities and challenges in their [dialogue with consumers during the COVID-19 pandemic](#).
- Both entities have been making efforts to work together with the aim of building an integrated platform to address consumer claims and complaints, as stated in the [National Consumer Protection Policy](#) and the [National Financial Inclusion Policy](#), among other statutes. For example, under Action 3.1 of the National Financial Inclusion Policy's [multi-sectoral strategic plan](#), the Office of the Prime Minister and SBS will participate in the creation of an integrated platform to address financial consumer claims and complaints.
- Finally, the [National Digital Government Policy](#) promotes interoperability and integration of the public sector initiatives with the aim of improving public services via digitization, and instilling consumer trust in the government's digital services.

CGAP's in-country pilot approach: Why Peru?

- Indecopi and SBS have established [several channels to listen to Peruvian financial consumers](#), including offices, call centers, e-mail accounts, websites, and direct social media accounts to receive inquiries and claims (e.g., via Facebook, WhatsApp, Twitter). Radio is used in remote and rural areas to capture consumer voices.
- Prior to the COVID-19 pandemic, both authorities had already introduced technology to directly capture the voice of consumers and oversee the local market within their legal mandates: SBS as financial market conduct supervisor, and Indecopi as general consumer protection authority. In both cases, the entities enabled social media monitoring tools for institutional purposes.
- Indecopi and SBS acknowledge how crucial it is to interoperate processes and systems with the aim of building an integrated platform to better serve financial consumers. Consequently, CGAP's proposal to conduct an assessment of the current financial consumer listening structure came at a perfect time for both entities interested in fostering greater interinstitutional collaboration.

Objectives of the Financial Consumer Listening Pilot in Peru

1. Assess how Indecopi and SBS are using technology to better listen to the voice of financial consumers for oversight and market conduct monitoring.
2. Conduct an initial mapping of the technology used by SBS and Indecopi to listen to financial consumers and assess the current data systems, flow of information, processes and analytical tools adopted by these authorities for listening to consumers.
3. Analyze the authorities' regulatory and enforcement processes to identify how financial consumer inputs are currently being considered for policymaking and where they may be strengthened.
4. Lay the foundations for stronger collaboration and information exchange for financial consumer listening, market monitoring and regulatory improvements with the aim of building an integrated platform for consumers in the future.

Outcomes: what were the main results of the pilot in Peru?

1. Co-created a replicable and scalable diagnostic tool to assess how financial consumer protection and market conduct authorities are listening to the voice of Peruvian financial consumers via their institutional channels, including social media.
2. Encouraged closer ties and greater coordination between Indecopi and SBS with the aim of building an integrated platform for consumer protection as part of Peruvian internal national policies to better serve consumers.
3. Designed an architecture that allows for full integration of consumer listening mechanisms and enables better market monitoring, which will in turn contribute to gathering consumer insights for policy and regulatory improvements.
4. Improved alignment and compliance with actions set forth in relevant national policies (e.g., National Financial Inclusion Policy).

How did the pilot support authorities in Peru to enhance their financial consumer listening?

The following methodology helped Accenture LLP and CGAP to understand and propose improvements to the financial consumer listening process of each authority in Peru

1. Conduct Desk Review

Researched global financial consumer listening systems in private and public sector, focusing on the **Central Bank of Portugal and a commercial bank in North America** as reference cases.

2. Adapt Framework

Leveraged an existing listening tool designed to assess private sector listening. The consulting firm, SBS and Indecopi tailored this tool to assess public consumer listening. The tool focused on critical capabilities around three dimensions of **Governance, Execution, and Enablers** for the design, operation and management of the financial consumer listening process.

3. Document Requirements

Conducted **working sessions, interviews and reviews of existing documentation (e.g., internal manuals, policies, regulations)** to document the current status of consumer listening processes at each authority.

4. Perform Diagnostic

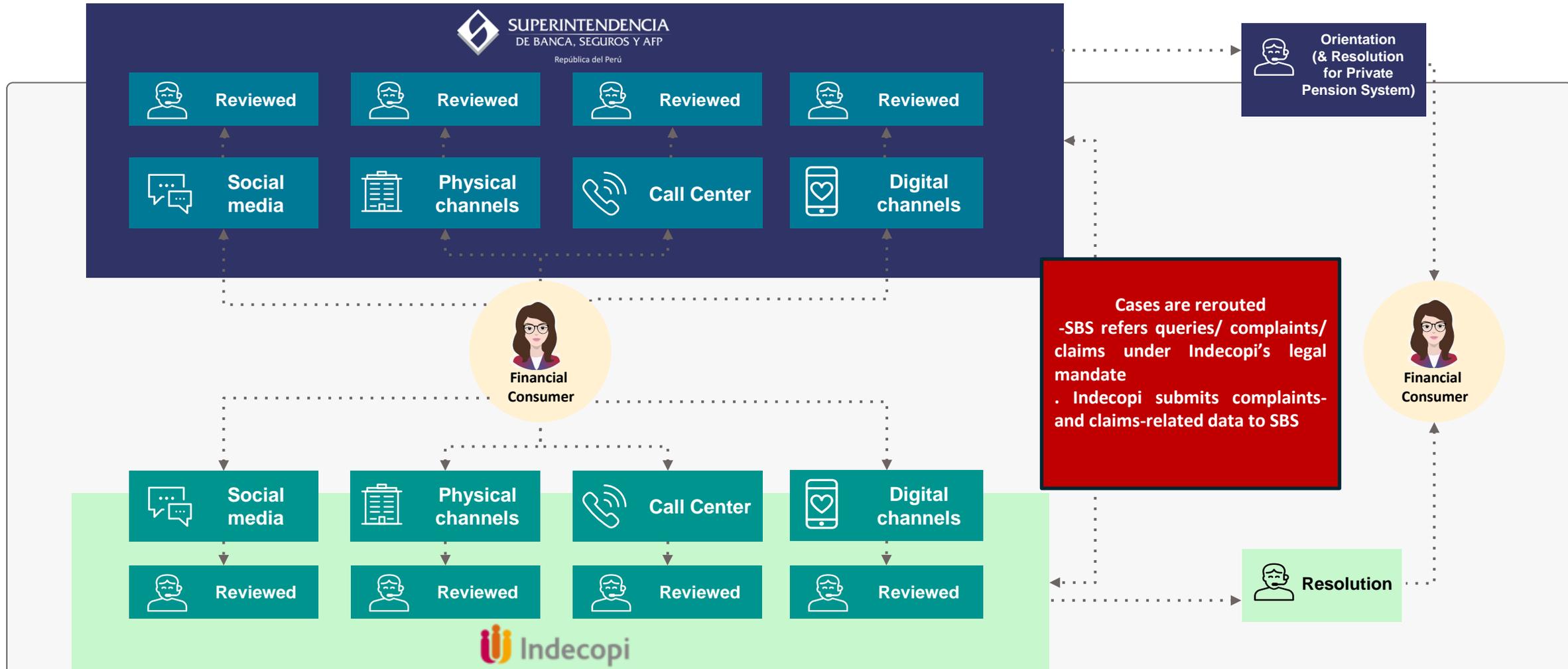
Determined the **maturity level of each authority in the field** by assigning points to insights received at the working sessions and in interviews, with the aim of identifying maturity levels and gaps where it would be most cost-effective to take action.

5. Develop Recommendations

Provided recommendations along the three critical dimensions (Governance, Execution and Enablers), as well as recommendations around **architecture, information security and interoperability**.

As-is: the current financial consumer experience in Peru

SBS and Indecopi offer consumer orientation and complaint-handling services, using different channels, according to their mandates. Yet financial consumers are unclear about each authority's mandates and where they need to go to share their thoughts and issues. In many cases, consumers get frustrated and may not start, finish or understand the processes. In the end, regardless of the existence of many listening channels per authority, consumers remain unable to use them effectively and make sure their queries, complaints and disputes are addressed at the correct authority. This situation could also lead consumers to present their communications to both entities, instead of the correct one.



Diagnostic tool: Adapting a private sector consumer listening tool to enhance public listening

- Leveraging global good practices and a previous listening framework, Accenture LLP (consulting firm), CGAP and the Peruvian authorities co-created and piloted a scalable diagnostic tool to assess direct consumer listening conducted by similar authorities elsewhere.
- Financial consumer listening in the public sector encompasses more than fielding complaints. Customers also submit queries, request information about procedures, share perceptions (on social media, or any other channels available by financial consumer protection authorities) in addition to filing complaints or claims regarding issues they face.
- The public listening framework encompasses an assessment of three main dimensions to conduct consumer listening: Governance, Execution and Enablers. This tool allows an authority to learn if they have implemented specific strategies to listen to financial consumers, how the listening process is managed and if the system in place has adequate resources (e.g., team, technology, consent to process consumer's data, etc.)
- Accenture LLP reviewed institutional documents and interviewed all relevant units responsible for managing the listening system with the aim of diagnosing the level of maturity reached by each financial consumer protection authority. The diagnostic allows authorities to determine the status of their consumer listening, highlight relevant touch points and identify areas of improvement to enhance their internal systems, plans and procedures, so that they improve collaboration and become more interoperable for the benefit of the financial consumer.

Tool in action: an instrument to assess listening by consumer protection and market conduct authorities

After co-creating a consumer listening diagnostic tool suitable for authorities with financial consumer protection mandates, Accenture LLP reviewed the relevant internal documentation, laws and regulations before interviewing relevant internal stakeholders at both authorities in Peru. This process helped testing the new listening diagnostic tool to measure the level of maturity of financial consumers' listening conducted by two public authorities.

Summary of Diagnostic Tool

Dimension	Component *	Maturity level assessment				How did we reach to this assessment?	Gaps between current and advanced level	What to do to move to advanced level?
		Basic	Emerging	Leader	Advanced			
Governance	Strategy and planning							
	Policies and enforcement							
	Analysis and reporting							
Execution	Consumer management							
	Data operations and management							
Enablers	Listening through channels							
	Integration of processes							
	People and partner development							
	Content sharing							
	Tools and technology							

* In the tool, each component is further divided into sub-components whose maturity level is to be assessed.
[Click the image to view the full diagnostic tool.](#)

What the results and the diagnostic showed us...

SBS and Indecopi listen to financial consumers and analyze their data with their own tools and operating models, following high-level government directives and internal guidelines per institution.

Both authorities learned their status on financial consumer listening and are therefore in a better position to articulate efforts toward the implementation of an integrated platform for financial consumer protection.



Consumer

- There is a high burden on consumers, as they may reach out to both authorities to submit the same query/claim/complaint. Lack of interoperability in systems oblige consumers to invest time and resources to raise their voice.
- More queries/claims/complaints are submitted through digital channels, likely due to the pandemic (e.g., lockdown).
- All consumers are served equally, without any segmentation or differentiation based on their profile or vulnerability (such as financial inclusion or digitization levels).



Operations

- Process is highly manual at both entities. This is evident when legal analysts are involved.
- Challenges in tracing cases transferred between authorities (since e-mail is the primary means of communication and information exchange)
- There are not clear indicators related to set of codes and identification mechanisms
- Each authority has its own coding mechanisms to label conducts, resulting in complex reporting standards.



Data

- Data Management is transactional in both authorities (case-by-case basis), making it difficult to have complete historical information for each consumer.
- There is no evidence of shared documents, interinstitutional collaboration and data sharing between systems implemented at each entity.
- Unnecessary replication of analytical capabilities across authorities, each authority has relied on internal technology and manpower duplicating effort for financial consumer listening.

Joint recommendations for Indecopi and SBS

The diagnostic helped both authorities assess their current status of consumer listening, and explore recommendations to build a more comprehensive and collaborative approach with interoperable systems, processes and tools that use technology to better capture the voice of the Peruvian financial consumers.



Consumer experience

Co-create a **customer-centric listening model**, paying special attention to the voice of the most vulnerable consumers (e.g. women, rural population) when crafting an integrated platform.



Efficiency of care

Develop a **single registration process based on interoperability** and improve **monitoring and control mechanisms**



Intelligent monitoring and automation

Move to **automate front- and back-end processes** and data-supported follow-up mechanisms, focusing on **transparency** for consumers.



Collaboration and interoperability

Simplify knowledge transfer, hand-offs, and customer service across entities by creating a single registration point and enabling access to financial consumer data for further analysis per each authority's legal mandate.



New Knowledge

Build a **360° view of the consumer**, their expectations and risks, to enable better **enforcement of consumer protection and satisfaction with queries and other public services.**

Cross-cutting Recommendations

Adopt **agile methodologies** to deploy consumer listening improvements in sprints

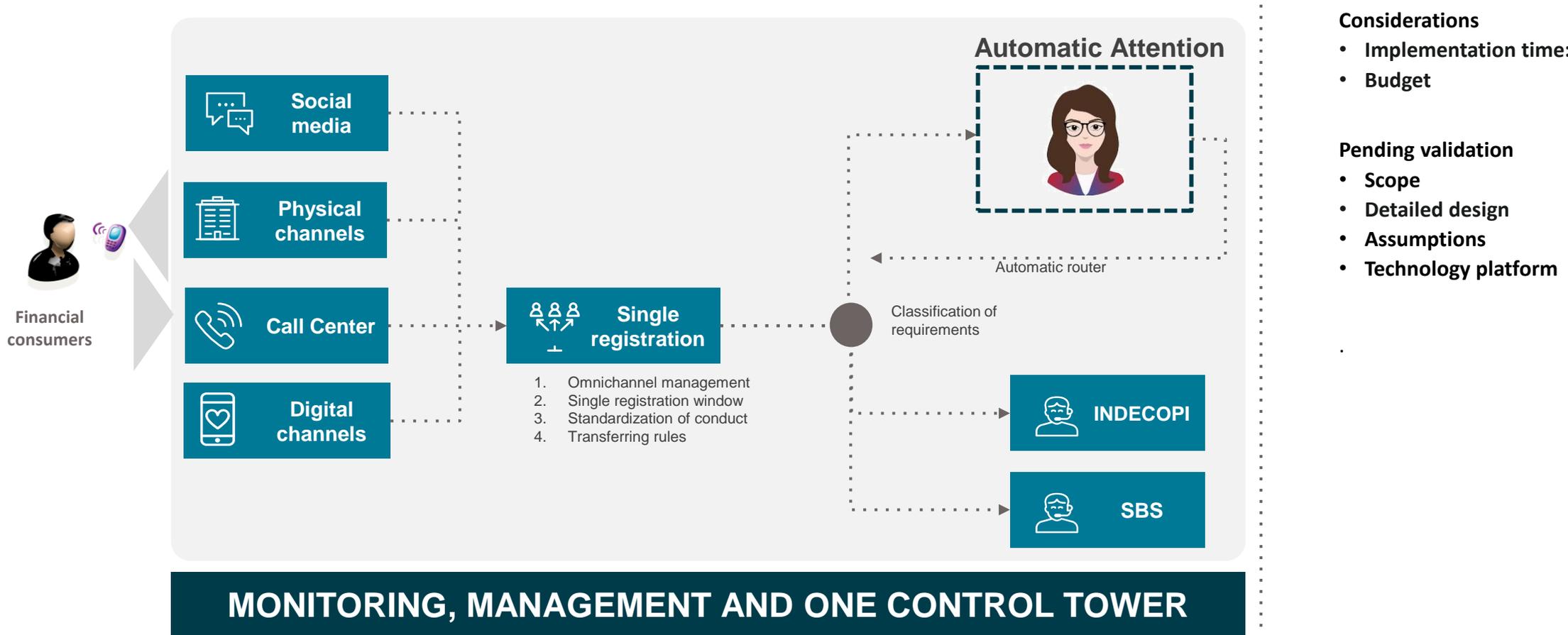
Invest in **data analytics, labeling, geo-localization, artificial intelligence, and process automation**

Restructure existing data strategy and management, including integrating consumer data and building APIs

Build change management capabilities to support transition to a more integrated and digital consumer listening

What is next to implement the recommendations?

In the following conceptual model, the consulting firm presented how the management of the financial consumer listening would be carried out through the single registration window, as per the local legal mandate aimed to be implemented by Indecopi and SBS.



Considerations

- Implementation time: 6 -12 months
- Budget

Pending validation

- Scope
- Detailed design
- Assumptions
- Technology platform

Implementation process: a pilot in action

We suggest an implementation process across three waves which allows for gradual build-up of new capabilities. This process will reduce implementation risks and support controlled investment of resources, while seeking to create short-term value for consumers.



Wave 1

Update the consumer listening procedures, putting consumers at the center

- Create single registration window, with levels of front-end consumer listening based on consumer profiles
- Evaluate **quality of services** per interaction (incorporate traceability of customer's requests)
- Implement a **control tower** to monitor **consumer listening in real time**
- **Automate report generation**, distribution and notifications once the consumer listening system is created, which will help authorities and consumers to be informed about the status of a query/ claim/ complaint, and identify inputs to change a regulation or procedure.



Wave 2

Improve services for financial consumers

- **Automatically collect, process and integrate consumer data** from **different listening channels** in a single database
- Segment customer data
- Standardize and publish a **service catalog**, documenting all **options provided by the authority** to resolve consumer queries/claims/complaints.
- **Automatically route consumers** to the relevant authority's team
- **Create or improve existent KPIs per listening channel** across teams



Wave 3

Build technical capabilities, skills and methods of operation.

- **Automate processes** to reduce person-hour labor.
- **Train employees** with new skills such as **data analysis and computing**
- Deploy **interoperable technology architecture**
- **Integrate KPIs** that **measure employee performance** across the financial consumer listening process

Peruvian authorities taking action to enhance consumer listening and monitoring

Indecopi and SBS agreed on implementing the recommendations laid out by Accenture LLP.

Indecopi and SBS, with CGAP's support, have worked on a proposal for a joint project to carry out the activities suggested for Wave 1 (short-term recommendations), which will contribute to the implementation of national policies and related legal mandates to build the foundations of an integrated platform for financial consumer protection.

This is a great example of shifting from thought to action, and CGAP is happy to accompany Peruvian consumer protection and market conduct authorities on this journey to collaborate, co-create and interoperate. It's exciting to see that the diagnostic and recommendations built on the results provided by the Financial Consumer Protection Listening Tool can help improve consumer services and market monitoring and generate inputs to improve policies and regulations.

Indecopi and SBS are committed to using technology and systems to develop an integrated platform for financial consumers with a marked consumer-centric approach, that aims to enhance the quality of governmental services, and better elevate consumer voices.

Annexes

The local context

CREDIT RESCHEDULING AND INTEREST APPLICATION

LATEST NEWS



March, 2020. Due to the pandemic, SBS announces that their supervisees will be able to reschedule credits, without prior notice. Now you are able to stay at home during quarantine and they will be in touch afterwards. Take care and stay home!

LIMA, PERÚ. APRIL 2020



Carmen, you've just received the debt you owe the bank.

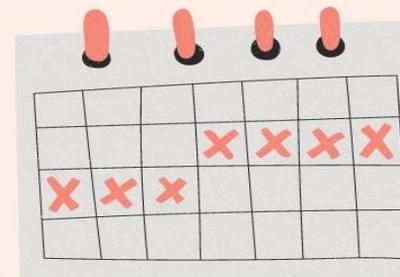
I did not want them to reschedule my credit. Did they even ask? I will be complaining on Facebook to the SBS and Indecopi.

QUILLABAMBA, CUSCO. MAY 2020



My advisor says I now owe more than before, but I kept paying. I don't understand why are they now charging me as if I had not cancelled? I'm calling the radio program to complain.

DAYS LATER.....



AT INDECOPI OFFICES



We have received numerous reports in recent weeks.

It would be ideal to see the cases at the same time, right? Along with a joint application so that when reporting we can see both entities in real time, right?

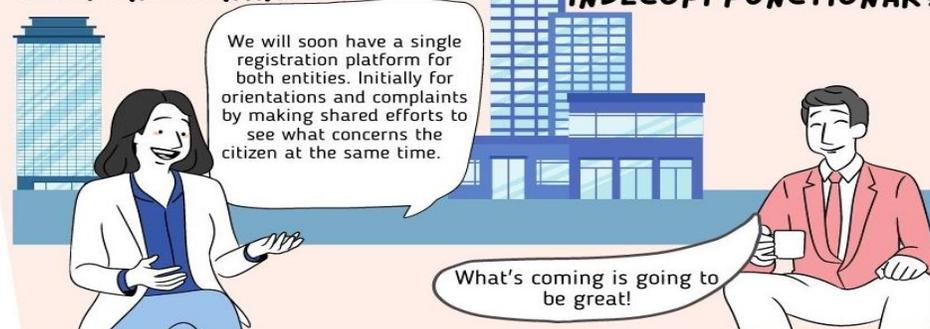
JULY 2020

AT SBS OFFICES



We've experienced the same. As you can see, we have sent you several cases.

SBS FUNCTIONARY



We will soon have a single registration platform for both entities. Initially for orientations and complaints by making shared efforts to see what concerns the citizen at the same time.

What's coming is going to be great!