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The Role of Financial Education in the Promotion of Protection for Poor Consumers of Digital Financial Services in Zimbabwe

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Abstract

The increasing use of digital financial services without sufficient financial education, especially to the poor, presents novel consumer protection challenges in many emerging economies, including Zimbabwe. Since the outbreak of the coronavirus disease (COVID-19 pandemic), many poor persons who have limited knowledge of consumer protection rights, use digital financial services such as mobile money in Zimbabwe. However, there is no specific statute that expressly and adequately provides for financial education in Zimbabwe. In addition, extant legislation does not adequately promote consumer protection in the wake of the excessive use of financial technology products in Zimbabwe. To mitigate consumer protection challenges, it is necessary to roll out suitably designed financial

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education programmes that target the poor in Zimbabwe. Financial education will equip and empower poor persons to withstand potential risks such as mis-selling, unsolicited marketing messages and mobile money-related crimes such as fraud and theft in Zimbabwe. In this regard, this article examines the role that financial education can play in enhancing consumer protection for the poor in Zimbabwe. It explores whether the relevant authorities are adequately providing financial education to promote consumer protection for the poor in Zimbabwe. The article further discusses whether the existing legal framework, regulatory bodies and the government adequately promote financial education to protect consumer rights for the poor in the digital age in Zimbabwe.

Keywords: financial education; consumer protection; the poor; mobile money; digital age

1 INTRODUCTORY REMARKS

For the purposes of this article, financial education refers to a sustained process by which the government, financial institutions, regulatory bodies and educational institutions inform and teach the poor about the concepts, opportunities, risks, rights and redress mechanisms on financial matters in Zimbabwe.¹ The robust provision of adequate financial education to consumers, particularly the poor, empowers them to take charge of their financial decisions and assert their rights.² In this regard, the effective provision of financial education by the government, financial institutions, regulatory bodies and other role-players will assist in the promotion of financial consumer protection among the poor in Zimbabwe.³ However, the term financial education is not expressly defined in legislation such as the Consumer Protection Act (CPA)⁴ in Zimbabwe. The CPA is the primary legislation dealing with the rights and welfare of consumers in Zimbabwe. On the other hand, consumer protection is generally defined as the provision of sound legal and regulatory safeguards that sufficiently promote the rights of consumers and provide them with the necessary grievance management mechanisms in the event of disputes.⁵ Thus, financial education and consumer protection are mutually reinforcing concepts but the two are not necessarily the same.

This article seeks to explore whether there are robust legislative provisions on financial education that can be used to equip the poor with skills to manage their finances and adequately protect their consumer rights in Zimbabwe. It focusses on financial education and consumer protection for the poor, especially when they use technology-driven financial products such as mobile money in Zimbabwe. For the purposes of this article, mobile money refers to financial services that are delivered and/or accessed using mobile phones or other hand-held electronic devices connected to a mobile network such as tablets, without the need for bank accounts.⁶

1 See related comments by Chitimira and Magau “A Legal Analysis of the Use of Innovative Technology in the Promotion of Financial Inclusion for Low Income Earners in South Africa” 2021 *PELJ* 1 9.

2 Bonga and Mlambo “Financial Literacy Improvement among Women in Developing Nations: A Case for Zimbabwe” 2016 *Journal of Research in Business and Management* 22 22–23.

3 See related comments by Bonga and Mlambo 2016 *Journal of Research in Business and Management* 22.

4 Consumer Protection Act [Chapter 14:44] 5 of 2019 (CPA), see ss 2, 6 and 9.

5 Lumpkin “Consumer Protection and Financial Innovation: A Few Basic Propositions” 2010 *OECD Journal of Financial Market Trends* 1 2; see related comments by Johnson “Consumer Protection and Financial Inclusion” 2019 *Cato Journal* 489 492–493; Brey *et al.* *Consumer Protection in SADC* (2016) 9 <https://www.researchgate.net/publication/329300564> (accessed 15-11-2021).

6 Buckley, Greenacre and Malady “The Regulation of Mobile Money in Malawi” 2016 *Washington University Global Studies Law Review* 435 437–438; Lumsden “The Future is Mobile: Financial Inclusion and Technological Innovation in the Emerging World” 2018 *Stanford Journal of Law, Business & Finance* 1 7.

2 THE SIGNIFICANCE OF FINANCIAL EDUCATION AND CONSUMER PROTECTION FOR THE POOR IN ZIMBABWE

Although Zimbabwe's general literacy levels are relatively high compared to other developing countries, financial literacy remains very low, especially among the poor.⁷ For the purposes of this article, the term "poor" refers to unbanked individuals who earn below the prescribed minimum wage in Zimbabwe.⁸ While general literacy refers to the ability of persons to read and write, financial literacy is the ability and capacity of persons to understand financial products and services, especially their benefits and risks in order to make sound and informed financial choices and decisions.⁹ Financial illiterate individuals are unable to make prudent financial decisions in managing and using their cash, payment systems and/or planning for future financial needs.¹⁰

The innovative development of financial technology (fintech) products such as mobile money is expanding access to financial services and improving financial inclusion for the poor in Zimbabwe.¹¹ Nonetheless, the expansion in fintech increase risks of the misuse of such products and exploitation of the consumers.¹² Despite the increasing use of fintech products, especially by the poor, there have not been sufficient legislative developments to supervise the usage of these fintech products in Zimbabwe. Consequently, there are no adequate financial education programmes to train and equip the poor on how to use fintech products optimally and make informed financial decisions and choices in Zimbabwe.¹³

2.1 The Importance of Financial Education for the Poor in Zimbabwe

There is growing attention on the need to empower consumers, especially the poor, through financial education globally.¹⁴ Financial education equips poor consumers with skills to understand financial concepts which enable them to make sound financial management decisions and to have the confidence to use available fintech products.¹⁵ When consumers are financially educated, they can stand for their rights, reducing the need and cost of regulatory intervention in countries such as Zimbabwe. In this regard, financial education enhances the quality of financial

7 Bonga and Mlambo 2016 *Journal of Research in Business and Management* 24; Marime, Magweva and Dzapasi "Demographic Determinants of Financial Literacy in Masvingo Province of Zimbabwe" 2020 *Project Management World Journal* 1 4.

8 Mhlanga, Dunga and Moloi "Financial Inclusion and Poverty Alleviation Among Smallholder Farmers in Zimbabwe" 2020 *Eurasian Journal of Economics and Finance* 168 169–170; see related comments by Chitimira and Torerai "The Nexus between Mobile Money Regulation, Innovative Technology and the Promotion of Financial Inclusion in Zimbabwe" 2021 *PELJ* 1 4; Chitimira and Ncube "Legislative and Other Selected Challenges Affecting Financial Inclusion for the Poor and Low Income Earners in South Africa" 2020 *JAL* 337 338.

9 Chitimira and Magau 2021 *PELJ* 8; see related comments by Bonga and Mlambo 2016 *Journal of Research in Business and Management* 24.

10 Zait and Berteau "Financial Literacy – Conceptual Definition and Proposed Approach for a Measurement Instrument" 2014 *Journal of Accounting and Management* 37 38; see related comments by Emmons "Consumer-Finance Myths and Other Obstacles to Financial Literacy" 2005 *St Louis U Pub L Rev* 335 353.

11 Barugahara "Financial Inclusion in Zimbabwe: Determinants, Challenges, and Opportunities" 2021 *International Journal of Financial Research* 261 263; Brey *et al.* *Consumer Protection in SADC*.

12 Brey *et al.* *Consumer Protection in SADC* 5.

13 Barugahara 2021 *International Journal of Financial Research* 267.

14 Bonga and Mlambo 2016 *Journal of Research in Business and Management* 22–23; see related comments by Messy and Monticone "The Status of Financial Education in Africa" 2012 *OECD Working Papers on Finance, Insurance and Private Pensions* 1 8 <http://dx.org/10.1787/5k94cqqx90wl-en> (accessed 22-07-2021).

15 Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 42; also see Bonga and Mlambo 2016 *Journal of Research in Business and Management* 22–23.

products, financial inclusion and financial stability for the poor and society in general.¹⁶ Financial stability enables the poor to build assets, be actively involved in financial markets and lessen their vulnerability to crises.¹⁷ Financial education is critical in wealth creation, encouraging a spirit of saving and challenging service providers to come up with fintech products that respond to the needs of consumers, particularly the poor in many countries, including Zimbabwe.¹⁸ Therefore, financial education goes beyond the mere ability to read and write as it involves imbuing knowledge in consumers for them to meaningfully interact with financial products.

2.2 The Importance of Consumer Protection in Zimbabwe

Fintech developments have increased the importance of consumer protection alongside other financial objectives such as financial inclusion, financial stability and financial integrity.¹⁹ In this regard, organisations such as the Consultative Group to Assist the Poor (CGAP) and initiatives like the Global Partnership for Financial Inclusion (GPFI) have developed the Inclusion–Stability, Integrity and Protection (I-SIP) strategy.²⁰ The I-SIP strategy basically shows the inter-connectedness of consumer protection to related objectives such as financial stability and financial integrity.²¹ It is submitted that the four components of the I-SIP strategy are distinct but mutually reinforcing. Accordingly, consumer protection does not exist in isolation but needs to interlock and interlink with the other three objectives in a mutually supportive manner.

Isolating consumer protection from the other three objectives could adversely affect financial markets stability, market integrity, and jeopardise financial inclusion for the poor in Zimbabwe.²² In line with the I-SIP strategy, mobile money can effectively drive financial inclusion of the poor if there is adequate consumer protection. The Group of Twenty (G20) principle on the protection of consumer data and privacy states that there ought to be appropriate control and mechanisms to protect customers' personal information.²³ Such mechanisms should define the purposes for which personal data may be collected, processed, held, used and disclosed to third parties.²⁴ The G20 principle calls for the acknowledgement of the rights of consumers such as data-sharing, access to data and the right to timely correct or delete inaccurate or unlawfully

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- 16 Bonga and Mlambo 2016 *Journal of Research in Business and Management* 24; see related comments by Plakalović et al. 2019 *Journal of Faculty of Economics Brcko* 3–4.
 - 17 See related comments by Plakalović et al. 2019 *Journal of Faculty of Economics Brcko* 3; Bonga and Mlambo 2016 *Journal of Research in Business and Management* 23.
 - 18 Bonga and Mlambo 2016 *Journal of Research in Business and Management* 30–31; also see Plakalović, Mekenjić, Merko and Lika “Financial Literacy and Conditions for its Improvement” 2019 *Journal of Faculty of Economics Brcko* 1 2.
 - 19 Alber “Financial Inclusion, Stability, Integrity and Protection (I-SIP)” 2019 *Social Sciences Research Network Electronic Journal* 1 2; Di Castri and Plaitakis “Getting Financial Inclusion Policies Right in the Digital Era: Focus on Competition and Innovation as Policy Objectives” (Centre for Financial Inclusion Working Paper 2018) 7.
 - 20 Consultative Group to Assist the Poor (CGAP) Financial Inclusion, Stability, Integrity, and Protection: Observations and Lessons for the I-SIP Approach from the Philippines (2017) 1–3.
 - 21 Tomilova and Valenzuela *Financial Inclusion + Stability, Integrity, and Protection (I-SIP)* (2018) 4; see related comments by Cull, Demirjuc-Kunt and Lyman *Financial Inclusion and Stability: What Does Research Show?* (2012) 1–3.
 - 22 Cull, Demirjuc-Kunt and Lyman *Financial Inclusion and Stability: What Does Research Show?* 1; see related comments by Di Castri and Plaitakis “Getting Financial Inclusion Policies Right” 7; Tomilova and Valenzuela *Financial Inclusion + Stability* (2018) 5.
 - 23 Organisation for Economic Cooperation and Development (OECD) 2011 *G20 High-level Principles on Financial Consumer Protection* 7 <https://www.oecd.org/daf/fin/financial-markets/48892010.pdf> (accessed 04-05-2021).
 - 24 OECD *G20 High-level Principles* 7; see related comments by Remolina, Gurrea-Martinez, Loh and Hardoon *Centre for AI and Data Governance* (2020) 9; Simpson *Consumers International* (2014) 6.

collected or processed data.²⁵ It is not clear whether Zimbabwe has fully adopted the I-SIP strategy. Nonetheless, like many other jurisdictions, Zimbabwe should formulate strategies and realign its financial regulatory frameworks to foster consumer protection for the poor in line with the I-SIP objectives.²⁶

3 HISTORICAL OVERVIEW OF FINANCIAL EDUCATION AND CONSUMER PROTECTION IN ZIMBABWE

3.1 Financial Education and Consumer Protection for the Poor in Zimbabwe

As outlined above, financial education empowers financial consumers to improve their understanding of financial products and concepts in order to make financially sound choices and decisions.²⁷ On the other hand, financial consumer protection refers to the provision of information, instruction or advice that empowers financial consumers to know their rights, where to go for help in cases of disputes and other mechanisms that improve the financial well-being of consumers.²⁸ Zimbabwe gained political independence in 1980 and the article examines whether enough has been done to promote financial education and consumer protection for the poor. In this regard, this article explores how financial education and consumer protection for the poor has been provided by the government, financial institutions, and other relevant stakeholders in Zimbabwe from 1980 to date. This is done considering the recent fintech developments in Zimbabwe.

The current financial education and consumer rights mechanisms have their origins in the 1960s, when the expansion of goods and services available to consumers gave rise to the need for consumer protection.²⁹ The increase in the range of fintech products available to consumers has led to marketing competition by producers.³⁰ Subsequently, issues such as product safety, product information and the conduct of traders require consumer rights to be entrenched in the relevant laws of countries such as Zimbabwe. In 1985, the United Nations (UN) adopted guidelines for consumer protection which provided, *inter alia*, the rights to consumer safety, information, choice and education.³¹ Furthermore, the UN requires its Member States to develop consumer protection measures for the financial services sector which include enhanced financial education strategies that promote financial literacy.³² It is submitted that Zimbabwe has a general consumer protection statute, namely the CPA which applies to all sectors of the economy, including the financial services sector.³³ The CPA provides for the right to consumer education.³⁴ This right should be incorporated into the primary and secondary education

25 OECD *G20 High-level Principles* 7; see related comments by Remolina, Gurrea-Martinez, Loh and Hardoon *Centre for AI and Data Governance* 8–9; Simpson *Consumers International* 6.

26 Di Castri and Plaitakis “Getting Financial Inclusion Policies Right” 7; Tomilova and Valenzuela *Financial Inclusion + Stability* 2.

27 Messy and Monticone “The Status of Financial Education in Africa” 2012 *OECD Working Papers on Finance, Insurance and Private Pensions* 18 <http://dx.org/10.1787/5k94cqx90wl-en> (accessed 22-07-2021).

28 Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 8.

29 Brey *et al.* *Consumer Protection in SADC* 8.

30 Brey *et al.* *Consumer Protection in SADC* 8.

31 United Nations *Guidelines for Consumer Protection* (New York and Geneva 2016) 7 https://unctad.org/system/files/official-document/ditceplpmisc2016d1_en.pdf (accessed 15-12-2021); Brey *et al.* *Consumer Protection in SADC* 8; Benöhr “The United Nations Guidelines for Consumer Protection: Legal Implications and New Frontiers” 2020 *Journal of Consumer Policy* 105 108–109.

32 United Nations *Guidelines for Consumer Protection* 21; see related comments by Benöhr 2020 *Journal of Consumer Policy* 112.

33 Section 6 of the CPA.

34 See s 9 of the CPA.

curricula in Zimbabwe.³⁵ In this regard, there is no sufficient awareness and financial literacy programmes in schools and other educational institutions in Zimbabwe.

3 2 Enforcing Financial Education and Consumer Protection for the Poor in Zimbabwe

There are several challenges that could have curtailed the robust enforcement of financial education and consumer protection for the poor in Zimbabwe since 1980. This is mainly caused by the fact that most poor people live in rural areas that are largely marginalised economically and often do not have access to formal financial services.³⁶ As a result, many poor individuals struggle to manage the risks associated with limited social and financial market opportunities in Zimbabwe.³⁷ Moreover, most poor people in Zimbabwe typically depend on irregular informal jobs that make it difficult to effectively implement financial education campaigns.³⁸ Furthermore, like in many other African countries, the enactment of financial education and consumer protection legislation has not been adequately supported with resources to enforce it in Zimbabwe.³⁹ Consequently, many poor people have been economically marginalised and excluded from formal financial markets and services in Zimbabwe.⁴⁰

In light of the above, it is argued that financial education has largely been directed towards the privileged few at the expense of the poor in Zimbabwe. In this regard, the Securities and Exchange Commission of Zimbabwe (SECZ) has been implementing various investor education programmes to teach and inform the investing public on the workings of Zimbabwe's capital markets.⁴¹ The SECZ's investor education programmes have reached schools and are also presented at various expos, workshops, conferences and seminars throughout Zimbabwe.⁴² However, as discussed below, the SECZ's investor education programmes are sporadic in nature and may not have the effectiveness required to empower the poor in Zimbabwe. Thus, there is a need for basic financial literacy programmes before specialised programmes such as those of the SECZ are rolled out to the poor in Zimbabwe.

3 3 Other Financial Education and Consumer Protection Initiatives Targeting the Poor in Zimbabwe

Despite challenges caused by the outbreak of the coronavirus (COVID-19) pandemic in 2020, the Reserve Bank of Zimbabwe (RBZ) conducted various financial education outreach programmes such as school visits and the Global Money Week (GMW) initiative.⁴³ In 2021, the activities included the launch of the GMW booklet, GMW quiz and educational video and school visits.⁴⁴ The GMW report shows that pupils at three secondary schools in Harare received lessons on

35 See related comments by Mandongwe, Murairwa and Jachi "Financial Literacy and Economic Sustainability of Rural Retail SMEs in Zimbabwe: Evidence from Manicaland Province" 2020 *IOSR Journal of Business and Management* 2–9.

36 Plakalović, Mekenjić, Merko and Lika 2019 *Journal of Faculty of Economics Brcko* 2; see related comments by Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 10.

37 Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 10; see related comments by Plakalović et al. 2019 *Journal of Faculty of Economics Brcko* 2.

38 Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 10; also see Plakalović et al. 2019 *Journal of Faculty of Economics Brcko* 3.

39 Messy and Monticone 2012 *Working Papers on Finance, Insurance and Private Pensions* 10.

40 *Ibid.* 11.

41 *Ibid.* 41.

42 *Ibid.*

43 Reserve Bank of Zimbabwe (RBZ) *Report on the 2021 Global Money Week Celebrations* <https://www.rbz.co.zw/documents/BLSS/2021/CONSOLIDATED-GLOBAL-MONEY-WEEK-CELEBRATIONS-2021-REPORT-pdf.pdf> (accessed 30-10-2021).

44 RBZ Report on the 2021 *Global Money Week Celebrations*.

the structure of Zimbabwe's financial sector, money matters, savings, entrepreneurship and the significance of financial literacy.⁴⁵ MetBank Limited's financial inclusion strategy targeted to provide financial literacy to 2 000 minors, 3 000 students and 2 000 youths across Zimbabwe by the end of December 2021. In addition, the People's Own Savings Bank (POSB) also ran a week-long GMW programme where it ran a radio, video and Zoom webinar on financial literacy initiatives that targeted primary school, high school, and tertiary students respectively.⁴⁶ The POSB initiatives were in a competition format where winners received monetary prizes. Many other banking institutions, mobile network operators (MNOs) and the SECZ were also involved in GMW programmes that sought to provide financial literacy lessons to young people. The Insurance and Pensions Commission (IPC) and the Zimbabwe Stock Exchange (ZSE) also used public media platforms and social media to reach out to young people across Zimbabwe.

However, these financial literacy initiatives only last within the targeted frameworks. In this regard, the GMW programmes run for just a week in a calendar year and that is not enough. Moreover, some of these initiatives tend to be concentrated more in urban areas and urban schools to the exclusion of those in rural and other informal settlements. To this end, it is submitted that there should be more sustainable financial education initiatives to promote financial literacy for the poor in Zimbabwe.

4 MOBILE MONEY, FINANCIAL EDUCATION AND CONSUMER PROTECTION FOR THE POOR IN ZIMBABWE

The increasing influence of fintech products such as mobile money on financial markets in Zimbabwe has made financial education crucial in order to help the common poor person to make informed financial decisions.⁴⁷ The provision of adequate financial education benefits all consumers, particularly the poor to understand basic money management skills so that they effectively use their financial resources.⁴⁸ Consumer protection also empowers consumers with financial literacy skills so that they can access and make informed choices regarding financial products and financial services.⁴⁹ When individuals are financially literate, they can assert their rights which helps contribute to a sound and competitive financial sector.⁵⁰ Sound consumer protection and financial literacy can assist in building consumer trust and confidence in financial institutions. In turn, this empowers consumers to demand quality services while it also compels financial institutions to provide suitable quality financial services and products that meet people's needs, including the poor, unbanked and low-income earners.⁵¹

45 *Ibid.*

46 *Ibid.*

47 Bonga and Mlambo "Banks and Financial Literacy Enhancement in Zimbabwe" 2016 *IOSR Journal of Economics and Finance* 69 69–70.

48 Bonga and Mlambo 2016 *IOSR Journal of Economics and Finance* 69.

49 Tomilova and Valenzuela 2018 *Financial Inclusion + Stability* 3; see related comments by Hannig and Jansen 2010 *Asian Development Bank Institute Working Paper Series* 19; Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 6; Lumpkin *OECD Journal of Financial Market Trends* 1 2.

50 Tomilova and Valenzuela *Financial Inclusion + Stability* 3; see related comments by Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 12; Simpson "Mobile Payments and Consumer Protection" 2014 *Consumer International* 1, 3.

51 Tomilova and Valenzuela *Financial Inclusion + Stability* 3; see related comments by Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 12.

4.1 The Negative Effects of Fintech Products on Consumers

As the world increasingly becomes digital-centric, the consumers' personal information (PI) or personal data has become a strategic resource to those who control it.⁵² Some financial service providers have taken advantage of the consumer data at their disposal to gain a competitive edge through targeted marketing, product customisation and selling the data for profit at the expense of poor consumers.⁵³ In countries like Zimbabwe, where the poor lack financial literacy and there are poor consumer protection legal frameworks, some financial institutions could engage in unethical practices that result in the abuse of consumers' personal information.⁵⁴

While innovative financial products such as mobile money and responsible data use may be of economic benefit to poor persons, the absence of sufficient consumer protection measures poses risks to the privacy of individuals.⁵⁵ Personal data could end up used for purposes that were never anticipated at the time of collection and it is possible that most poor persons neither give consent nor are well-informed on how their personal information is stored or used.⁵⁶ This exposes poor persons to risks such as unsolicited marketing emails, invasion of privacy, fraud and theft.⁵⁷ As mobile money services expand to many other functions, including lending services in Zimbabwe, there is a need for financial regulators to monitor the risk of aggressive marketing practices, direct marketing, over-indebtedness, transparency of product cost, awareness of terms and conditions, availability of resources, and the discrimination bias poor persons can be subjected to.⁵⁸

Although these risks are not necessarily novel, they take new digital guises owing to the possible erroneous application of artificial intelligence, machine learning and big data credit scoring models.⁵⁹ Technology has made it possible for service providers to capture, store, combine and analyse consumer data focussing on their current or previous location, behaviour and

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- 52 Da Vega, Vorster, Li, Clarke and Furnell "Comparing the Protection and Use of Online Personal Information in South Africa and the United Kingdom in line with Data Protection Requirements" 2019 *Information and Computer Security* 399 400; Organisation for Economic Cooperation and Development (OECD) 2020 *Personal Data Use in Financial Services and the Role of Financial Education: A Consumer-Centric Analysis*, 5 <http://www.oecd.org/daf/fin/financial-education/Personal-Data-Use-in-Financial-Services-and-the-Role-of-Financial-Education.pdf> (accessed on 03-5-2021); Global System for Mobile Communications (GSMA) 2018 *Guidelines on Mobile Money Data Protection* 2 <https://www.gsma.com> (accessed 02-04-2021).
- 53 Remolina, Gurrea-Martinez, Loh and Hardoon "Regulatory Approaches to Consumer protection in the Financial Sector and Beyond: Towards a Smart Disclosure Regime" 2020 *Centre for AI and Data Governance* 1 4; see related comments by Da Vega *et al.* 2019 *Information and Computer Security* 400; Hannig and Jansen 2010 *Asian Development Bank Institute Working Paper Series* 18; OECD 2020 <http://www.oecd.org/daf/fin/financial-education/Personal-Data-Use-in-Financial-Services-andthe-Role-of-Financial-Education.pdf> 5.
- 54 Remolina *et al.* *Centre for AI and Data Governance* (2020) 5; see related comments by Hannig and Jansen 2010 *Asian Development Bank Institute Working Paper Series* 18; Simpson "Mobile Payments and Consumer Protection" 2014 *Consumers International* 1 5–6.
- 55 OECD *Personal Data Use in Financial Services and the Role of Financial Education: A Consumer-Centric Analysis* (2020); see related comments by Remolina *et al.* 2020 *Centre for AI and Data Governance* 5; GSMA <https://www.gsma.com> 2.
- 56 OECD *Personal Data Use in Financial Services*; see related comments by Remolina *et al.* *Centre for AI and Data Governance* 5; GSMA 2018 <https://www.gsma.com> 2.
- 57 Da Vega *et al.* 2019 *Information and Computer Security* 400; see related comments by Di Castri and Plaitakis 2018 *Centre for Financial Inclusion Working Paper* 14; GSMA 2018 <https://www.gsma.com> 2.
- 58 Pazarbasioglu, Mora, Uttamchandani, Natarajan, Feyen and Saal "Digital Financial Services" 2020 *World Bank Group* 1 8; see related comments by Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 15; GSMA 2018 <https://www.gsma.com> 2.
- 59 Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 15; see related comments by GSMA 2018 <https://www.gsma.com> 2.

preferences.⁶⁰ However, Zimbabwe should be commended for setting out clear data protection measures to protect consumers against possible abuse of their personal information and related cybercrimes by such service providers or other unscrupulous persons. For instance, the CPA prohibits the abuse of consumers' personal data by businesses that harass consumers through unsolicited advertising.⁶¹ Cybercrimes such as hacking are criminal offences in Zimbabwe.⁶²

Additionally, the Data Protection Act (DPA)⁶³ provides for the establishment of a data protection authority and the investigation and collection of evidence related to cybercrime and unauthorised data collection and sharing. Furthermore, the DPA provides for the levels of security, integrity and confidentiality required of those in control of personal data which belongs to consumers.⁶⁴ The DPA also provides for the amendment of the Code and the Interception of Communications Act [Chapter 11:20] 6 of 2007 to broaden their scope and application.⁶⁵ It is submitted that countries like Zimbabwe should establish national data protection agencies and/or put in place data protection strategies with effective resources and enforcement powers while providing adequate digital and financial literacy to poor persons so as to effectively promote consumer protection.⁶⁶

5 THE REGULATION AND PROMOTION OF CONSUMER PROTECTION AND FINANCIAL EDUCATION FOR THE POOR IN ZIMBABWE

Generally, consumer protection is premised on three goals such as effective mediation through commercial law, product transparency as well as fair and ethical treatment of consumers.⁶⁷ In this regard, commercial law refers to statutes such as the CPA and the Banking Act⁶⁸ while product transparency entails a clear definition of the rights and responsibilities of all parties, product terms and conditions. Fair and ethical treatment of consumers requires a robust complaints procedure with set timelines for responses by the relevant authorities.⁶⁹ The Organisation for Economic Co-operation and Development (OECD) provides that one of the best ways to ensure effective consumer protection in the ever-changing digital era is by providing sufficient financial education to consumers, especially the poor.⁷⁰

As indicated before, consumer protection is generally regulated under the CPA in Zimbabwe.⁷¹ In the banking sector, there are exclusive consumer protection measures that apply to wealthier persons who have bank accounts.⁷² To this end, there is no statute that specifically provides

60 Pazarbasioglu *et al.* 2020 *World Bank Group* 8; see related comments by OECD 2020 <http://www.oecd.org/daf/fin/financial-education/Personal-Data-Use-in-Financial-Services-and-the-Role-of-Financial-Education.pdf> 5; GSMA <https://www.gsma.com> 2.

61 Section 54 of the CPA.

62 See the Criminal Law (Codification and Reform) [Chapter 9:23] (the Code), s 163.

63 Data Protection Act [Chapter 11:12] 5 of 2021 (DPA), see ss 5 and 6.

64 Sections 15–18 of the DPA.

65 Sections 35–37 of the DPA.

66 OECD *Personal Data Use in Financial Services and the Role of Financial Education: A Consumer-Centric Analysis*; see related comments by GSMA <https://www.gsma.com> 2.

67 Benöhr 2020 *Journal of Consumer Policy* 108–109.

68 Banking Act [Chapter 24:20] 9 of 1999 as amended, see ss 28D–28G.

69 United Nations Guidelines for Consumer Protection 6–7.

70 Organisation for Economic Co-operation and Development (OECD) *Consumer Protection in E-commerce: OECD Recommendation* (2016) 18 <http://dx.doi.org/10.1787/9789264255258-en> (accessed 25-07-2021); see related comments by Benöhr 2020 *Journal of Consumer Policy* 112.

71 Section 6 of the CPA.

72 Sections 28E and 28F of the Banking Act.

financial education for the poor in Zimbabwe.⁷³ There is inadequate statutory enforcement of financial education and consumer protection measures for poor financial consumers in Zimbabwe.⁷⁴ Some of the selected statutes relevant to the regulation of consumer protection and consumer education in Zimbabwe are briefly discussed below.

5 1 Consumer Protection and Financial Education for the Poor under the CPA

The CPA was enacted in 2019 to provide consumer protection measures in all transactions involving all goods and services in Zimbabwe except those involving the state.⁷⁵ The CPA establishes the Consumer Protection Commission (CPC) as an enforcement agent for consumer protection rights.⁷⁶ The CPC's functions include, *inter alia*, protecting consumers against unjust, deceptive, misleading, unfair or fraudulent conduct,⁷⁷ resolving consumer disputes⁷⁸ and promoting consumer confidence, awareness, empowerment and a culture of responsibility through individual or group education, vigilance, advocacy and activism.⁷⁹

In addition, the CPA provides that consumers have the right to consumer education.⁸⁰ The CPA further provides that consumer education may be incorporated into the education system with a particular focus on teaching consumers on, *inter alia*, product hazards, product labelling and how to obtain redress.⁸¹ Although the stated provisions are good and sound for general application, they fall short in that they do not specifically address consumer education and protection for poor consumers in Zimbabwe.⁸² One of the challenges is that the CPC, like its predecessor, the Consumer Council of Zimbabwe (CCZ), lacks the resources to fully enforce its duties.⁸³ Since its formation in 1975, the CCZ did very little in advancing its primary objectives such as consumer education, information dissemination and complaints handling due to a lack of human and capital resources.⁸⁴ In this regard, without the necessary resources, the CPC is doomed to fail in providing sufficient consumer protection in Zimbabwe. To this end, the CPA does not expressly provide for financial consumer protection. This is a major weakness given the exponential fintech-induced developments in the Zimbabwean financial sector. Thus, policymakers should consider amending the CPA so that it adequately provides for financial education and consumer protection of financial consumers in Zimbabwe.

5 2 Consumer Protection and Financial Education for the Poor under the Banking Act

The Banking Act provides for consumer protection.⁸⁵ It requires banking institutions to display information setting out their interest rates on deposits and loans and conditions under which such institutions accept deposits or provide loans to the public.⁸⁶ Furthermore, banking institutions

73 See related comments by Messy and Monticone 2012 Working Papers on Finance, Insurance and Private Pensions 10.

74 Messy and Monticone 2012 Working Papers on Finance, Insurance and Private Pensions 10–11.

75 Section 3(1)–(2) of the CPA.

76 Section 4 of the CPA.

77 Section 6(a) of the CPA.

78 Section 6(b) of the CPA.

79 Section 6(e) of the CPA.

80 Section 9(1) of the CPA.

81 Section 9(2) of the CPA.

82 World Bank Zimbabwe: *Diagnostic Review of Consumer Protection and Financial Literacy* 21 <https://openknowledge.worldbank.org/handle/10986/25874> (accessed 04-10-2021).

83 See World Bank Zimbabwe: *Diagnostic Review of Consumer Protection and Financial Literacy* 21.

84 *Ibid.*

85 See s 28D of the Banking Act.

86 Section 28D(1)(c) of the Banking Act.

should provide information to their consumers on aspects such as available funds, interest rates and overdraft facilities.⁸⁷ The Banking Act also provides for customer complaints procedures which compel banking institutions in Zimbabwe to set out mechanisms to deal with consumer grievances.⁸⁸ The complaints handling procedure appears to be more bank-centric in that each banking institution has control over the entire process.⁸⁹ A bank that does not comply with the complaints handling procedure is liable to a civil penalty of fifty United States of America (USA) dollars.⁹⁰ It is argued that the stated sum is too little for deterrence purposes to banking institutions that violate consumer protection procedures in Zimbabwe.

Apart from this, the consumer protection section in the Banking Act is silent on consumer financial education.⁹¹ Consequently, there is no duty on banking institutions to provide financial education to the poor in Zimbabwe.⁹² Moreover, many poor individuals do not have bank accounts in Zimbabwe and the consumer protection provisions in the Banking Act are of no consequence to them. Therefore, it is submitted that the Banking Act should be amended to sufficiently provide for consumer education and consumer protection for poor financial consumers in Zimbabwe.

5 3 Consumer Protection and Financial Education for the Poor under the Reserve Bank of Zimbabwe Act

The Reserve Bank of Zimbabwe Act⁹³ provides for the RBZ's functions which include, *inter alia*, the supervision of banking institutions and the promotion of smooth operations of the payment system.⁹⁴ The RBZ is primarily obliged to ensure fiscal and monetary stability in Zimbabwe.⁹⁵ Furthermore, the RBZ should advance the general economic policies of the government, supervise banking institutions and promote the smooth functioning of the payment systems.⁹⁶ Although the above provisions could be broadly interpreted to include financial consumer protection owing to their significance to general financial stability, there is very little the RBZ Act says about financial education for the poor. In this regard, the RBZ Act should be amended to provide further clarification on the role of the RBZ in promoting financial education for the poor. The increasing use of mobile money by many unbanked individuals in Zimbabwe requires a clear policy on the RBZ's role in financial education and consumer protection for the poor in Zimbabwe.

5 4 Consumer Protection and Financial Education for the Poor under the National Payment Systems Act

The National Payment Systems Act⁹⁷ provides for the recognition, operation, and regulation of systems for clearing payment instructions between financial institutions in Zimbabwe.⁹⁸ In this regard, financial institutions could be banks or any other institutions in Zimbabwe that engage

87 See s 28E of the Banking Act.

88 Section 28F(1)(a) and (b) of the Banking Act.

89 See s 28F(2) of the Banking Act.

90 Section 28G(a) of the Banking Act.

91 Section 28D of the Banking Act.

92 Section 28D of the Banking Act.

93 Reserve Bank of Zimbabwe Act [Chapter 22:15] 5 of 1999 as amended (RBZ Act), s 6.

94 Section 6(e) of the RBZ Act.

95 Section 6(1)(c) of the RBZ Act.

96 See ss 6(1)(d) and (e) of the RBZ Act.

97 National Payments Systems Act [Chapter 24:23] of 2001, as amended (NPS Act), ss 2 and 3.

98 Section 2 of the NPS Act.

in financial activities specified in the Banking Act.⁹⁹ However, the NPS Act does not expressly include non-financial institutions such as MNOs which provide mobile money services in Zimbabwe. Thus, in its current form, the NPS Act only recognises the RBZ, commercial banks, mutual banks and any other conventional financial institutions as payment systems participants in Zimbabwe.¹⁰⁰ Nonetheless, the absence of an express reference to MNOs as part of financial institutions does not necessarily preclude their participation in Zimbabwe's payment systems. The NPS Act provides that the RBZ's National Payments Systems Division (NPSD) should supervise the regulation of mobile money services in Zimbabwe.¹⁰¹ The RBZ can recognise a payment system such as mobile money and regulate it like any other payment system in Zimbabwe.¹⁰²

Furthermore, the RBZ has the power to recognise different payment systems offered by different classes of financial institutions.¹⁰³ Among other considerations, the RBZ can recognise a payment system if it is in the best interests of all financial institutions that are participants in the system.¹⁰⁴ The RBZ also registers participants in the payment system if it has the capacity to regulate it in compliance with the NPS Act and the Banking Act.¹⁰⁵ Nonetheless, the absence of an express provision on mobile money in the NPS Act weakens the Zimbabwean payment system's legal framework.¹⁰⁶ This leaves a gap in the regulation of mobile money services and aspects such as consumer protection and financial education for those who use this relatively new financial product in Zimbabwe. In addition, the NPS Act does not expressly provide measures on consumer protection and financial education for the poor in Zimbabwe.

5 5 Consumer Protection and Financial Education for the Poor under the Banking Regulations 2020

The Minister of Finance gazetted the Banking Regulations 2020¹⁰⁷ in response to the growing use of mobile money in Zimbabwe. Although the Banking Regulations 2020 do not define mobile money, it defines related terms such as mobile money wallet. In this regard, a mobile money wallet is an account which is on the mobile money service provider's network with the funds held in the mobile money provider's trust bank account in Zimbabwe.¹⁰⁸ It is submitted that a mobile money wallet can be an equivalent of a bank account.

Moreover, the Banking Regulations 2020 does not expressly mention MNOs, but it defines a money transmission provider as any person who owns a payment system that facilitates the transmission of funds from one person to the other in Zimbabwe.¹⁰⁹ In this regard, MNOs in Zimbabwe can be considered as money transmission providers. Furthermore, mobile money providers should open trust bank accounts that are used for the safe keeping of consumers' funds in Zimbabwe.¹¹⁰ This requirement compels MNOs to deposit mobile money consumers'

99 See s 2 of the NPS Act, ss 7(a)(d)(f) and (l) of the Banking Act.

100 See s 2 of the NPS Act, ss 7(a)(d)(f) and (l) of the Banking Act.

101 See s 3 of the NPS Act.

102 See s 3(1)(a)–(c) of the NPS Act.

103 Section 3(2) of the NPS Act.

104 Section 3(2)(3) of the NPS Act.

105 Section 3(1) of the NPS Act.

106 Sections 2 and 3 of the NPS Act.

107 Banking (Money Transmission, Mobile Banking and Mobile Money Interoperability) Regulations, 2020 (Banking Regulations 2020), see ss 2 and 3.

108 Section 2 of the Banking Regulations 2020.

109 Section 2 of the Banking Regulations 2020.

110 Section 4(3)(4) of the Banking Regulations 2020.

funds in trust accounts at commercial banks.¹¹¹ MNOs do not have access to trust funds and in the event of an MNO becoming insolvent, consumer funds in the trust account are free from third-party claims.¹¹² The trust accounts give regulators such as the RBZ the power to demand that MNOs should maintain a balance between the money in their mobile money system and the deposit in the trust accounts.¹¹³ Moreover, the mobile money service providers should open up their payment systems to the RBZ for monitoring and supervision purposes.¹¹⁴

The Banking Regulations 2020 also require that all mobile money service providers in Zimbabwe put internal policies, procedures and controls on data security, and cyber security to mitigate associated risks.¹¹⁵ Mobile money service providers are prohibited from accepting transaction requests from unregistered mobile money consumers.¹¹⁶ Failure to adhere to these measures makes the mobile money provider liable to various civil penalties in Zimbabwe.¹¹⁷ Available penalties include the withdrawal of the mobile money service provider from the national payments system, a fine or imprisonment for a period not exceeding six months.¹¹⁸

In addition, the Banking Regulations 2020 provide that RBZ should levy transaction charges for mobile money services in Zimbabwe.¹¹⁹ If a mobile money provider is found to have levied its own charges, the RBZ has the discretion to penalise such mobile money provider.¹²⁰ It appears that the relevant authorities in Zimbabwe envisage a central tariff mechanism as a consumer protection measure that shields the poor from overpricing by mobile money service providers. However, the Banking Regulations 2020 do not have provisions for financial consumer education. While the Banking Regulations 2020 provide some measure of consumer protection for mobile money users, it does not go far enough. Therefore, policymakers should consider amending the regulations to include financial education and consumer protection provisions that can benefit financial consumers, especially the poor in Zimbabwe.

6 THE COVID-19 PANDEMIC, MOBILE MONEY, FINANCIAL EDUCATION AND FINANCIAL CONSUMER PROTECTION IN ZIMBABWE

The outbreak of the COVID-19 pandemic caused an increase in the use of mobile money owing to the relative safety it provides when compared to other payments systems in Zimbabwe.¹²¹ Mobile money is part of the evolving digital financial innovations which promote contactless transactions, reducing the usage of cash which could potentially transmit COVID-19 at payment

111 Mas and Radcliffe “Mobile Payments Go Viral: M-Pesa in Kenya” 2010 *The Capco Institute Journal of Financial Transformation* 169 170; see related comments by Ndung’u *A Digital Financial Services Revolution in Kenya: The M-Pesa Case Study* (2021) 11.

112 Ndung’u *A Digital Financial Services Revolution in Kenya* 11; see related comments by Buku and Meredith 2013 *Washington Journal of Law, Technology & Arts* 379.

113 Mas and Radcliffe 2010 *The Capco Institute Journal of Financial Transformation* 170; see related comments by Ndung’u *A Digital Financial Services Revolution in Kenya* 11; Buku and Meredith 2013 *Washington Journal of Law, Technology & Arts* 379.

114 Section 4(8) of the Banking Regulations 2020.

115 Section 4(9) of the Banking Regulations 2020.

116 Section 4(10)(a) of the Banking Regulations 2020.

117 Section 4(11)(a)–(c) of the Banking Regulations 2020.

118 Section 4(12) and (13) of the Banking Regulations 2020.

119 Section 5(1) of the Banking Regulations 2020.

120 Section 5(2) of the Banking Regulations 2020.

121 Lupo-Pasini “Financial Inclusion and the ‘War for Cash’” 2021 *Law and Contemporary Problems* 17 28; see related comments by Chitimira and Torerai 2021 *PELJ* 21; Botchey, Qin and Hughes-Lartey “Mobile Money Fraud Prediction-A Cross-Case Analysis on the Efficiency of Support Vector Machines, Gradient Boosted Decision Trees, and Naïve Bayes Algorithms” 2020 *Information* 1 5; Kasradze “Challenges Facing Financial Inclusion Due to the Covid-19 Pandemic” 2020 *European Journal of Marketing and Economics* 63 70.

points.¹²² Mobile money has shown considerable potential in providing cheaper, sound and safe financial services which are unlocking financial inclusion opportunities for the poor in Zimbabwe.¹²³ Notwithstanding its high usage especially by the poor, the regulation of mobile money has largely been poor in Zimbabwe. Consumer protection and financial education have remained inadequately developed and there is no specific statute enacted to regulate mobile money in Zimbabwe.¹²⁴ This article also explores the effects of the COVID-19 pandemic on the promotion of financial education, financial literacy and consumer protection for the poor in Zimbabwe.

Despite the positive developments that came with the use of mobile money services in Zimbabwe since the COVID-19 pandemic started,¹²⁵ there are various negative factors that came with the COVID-19 pandemic. The COVID-19 pandemic and the related lockdowns adversely affected the poor's ability to earn and spend income in many countries including Zimbabwe.¹²⁶ The COVID-19 pandemic induced an economic and health crisis that required consumers to take expedient and informed financial decisions.¹²⁷ In Zimbabwe, the COVID-19 pandemic came amidst an economy reeling from years of instability and a financial sector experiencing a recurring cash shortage challenge that affected the poor more than their wealthier counterparts.¹²⁸

Furthermore, the lockdowns restricted social interactions between and among people leaving many individuals to make financial decisions without their normal social support structures.¹²⁹ Owing to the loss of employment and income for many poor persons since the outbreak of the COVID-19 pandemic, the government of Zimbabwe should urgently address financial consumer protection and financial education for the poor.¹³⁰ Some countries such as Canada developed a

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- 122 See related comments by Lupo-Pasini 2021 *Law and Contemporary Problems* 28; Chitimira and Torerai 2021 *PELJ* 21; Botchey, Qin and Hughes-Lartey 2020 *Information* 5; Kasradze 2020 *European Journal of Marketing and Economics* 70.
- 123 Omarova "Dealing with Disruption: Emerging Approaches to Fintech Regulation" 2020 *Washington University Journal of Law & Policy* 25 28–29; see related comments by Lupo-Pasini 2021 *Law and Contemporary Problems* 24; Kernan "Sustaining the Growth of Mobile Money Services in Developing Nations: Lessons from Overregulation in the United States" 2018 *Vanderbilt Journal of Transnational Law* 1109 1111–1151; Munyoro, Kutesera, Tanhara, Mazuvawanda and Chigunhah "The Significance of Mobile Money Transfer Facility to Zimbabwean Economy: A Case Study of EcoCash" 2017 *International Journal of Research in Business Management* 1 7; Ondiege *Regulatory Impact on Mobile Money and Financial Inclusion in African Countries – Kenya, Nigeria, Tanzania and Uganda* (2015) 16; Alexandre and Eisenhart "Mobile Money as an Engine of Financial Inclusion and Lynchpin of Financial Integrity" 2013 *Washington Journal of Law, Technology and Arts* 285 286.
- 124 Chitimira and Torerai 2021 *PELJ* 5; see related comments by De Koker, Morris and Jaffer "Regulating Financial Services in an Era of Technological Disruption" 2019 *Law in Context* 1 5–6; Chatain, Zerzan, Noor, Dannaoui and De Koker *Protecting Mobile Money against Financial Crimes: Global Policy Challenges and Solutions* (2011) 54; Malady, Buckley, Didenko and Tsang "A Regulatory Diagnostic Toolkit for Digital Financial Services in Emerging Markets" 2018 *Banking and Finance Law Review* 1 4.
- 125 Lupo-Pasini 2021 *Law and Contemporary Problems* 28; Chitimira and Torerai 2021 *PELJ* 21; Botchey, Qin and Hughes-Lartey 2020 *Information* 5; Kasradze 2020 *European Journal of Marketing and Economics* 70.
- 126 Smith "Pandemic Pirates: An Essay Calling for Legislation Curbing Pandemic Profiteering" 2021 *Lincoln Memorial University Law Review* 1 3–4; Olivia, Gibson and Nasrudin "Indonesia in the Time of Covid-19" 2020 *Bulletin of Indonesian Economic Studies* 143 165–166; Buheji, Da Costa Cunha, Beka, Mavric, De Souza, Da Costa Silva, Hanafi and Yein "The Extent of COVID-19 Pandemic Socio-Economic Impact on Global Poverty. A Global Integrative Multidisciplinary Review" 2020 *American Journal of Economics* 213 215.
- 127 Kasradze 2020 *European Journal of Marketing and Economics* 64; Nakouwo and Akplehey "COVID-19 and Mobile Money Agents in Ghana" 2020 *African Journal of Emerging Issues* 75 78.
- 128 Barugahara 2021 *International Journal of Financial Research* 261–262.
- 129 Olivia, Gibson and Nasrudin 2020 *Bulletin of Indonesian Economic Studies* 165–166; Ben-Ishai 2021 *Osgoode Hall LJ* 650.
- 130 Smith 2021 *Lincoln Memorial University Law Review* 3–4; Ben-Ishai 2021 *Osgoode Hall LJ* 649–650; Olivia, Gibson and Nasrudin 2020 *Bulletin of Indonesian Economic Studies* 165–166.

dedicated COVID-19 pandemic finance management programme to assist the poor.¹³¹ However, there was no coordinated financial education strategy to assist the poor during the COVID-19 pandemic in Zimbabwe. In this regard, it is recommended that financial education and consumer protection programmes should be rolled out nationwide to equip poor financial consumers so that they can withstand the pressure that comes in periods of crises such as the COVID-19 pandemic. This could enable consumers to assert their rights and make informed decisions even during periods of economic distress.

7 CONCLUDING REMARKS

The government, regulatory bodies and financial institutions should provide financial education measures to inform and teach consumers about the concepts, opportunities, risks and redress mechanisms in financial matters for the poor in Zimbabwe.¹³² Likewise, the government, regulatory bodies and financial institutions should promote consumer protection for the poor to increase their consumer rights through robust grievance management mechanisms in the event of disputes.¹³³ Both financial education and consumer protection empower financial consumers with skills and confidence to, *inter alia*, know the opportunities and risks for each financial product, take control of their financial well-being and assert their consumer rights.¹³⁴ Appropriate financial education and consumer protection measures promote financial literacy among all consumers.¹³⁵ In this regard, there is a need for a robust financial education and consumer protection policy relevant in an environment where fintech products such as mobile money are in high usage. A comprehensive financial education and consumer protection policy requires the cooperation of stakeholders such as government, regulatory bodies, policymakers and the civic society.¹³⁶ To this end, Zimbabwe has a weak financial education and consumer protection policy for financial consumers, particularly the poor.

Since the outbreak of the COVID-19 pandemic, the use of digital financial services has increased in Zimbabwe. In this regard, mobile money enabled the poor to withstand some of the limitations that were caused by the COVID-19 pandemic. However, the provision of financial education and consumer protection for the poor remains weak despite a generally high literacy level in Zimbabwe. Low levels of financial literacy hinder the poor from accessing and using financial products such as capital, pensions and insurance that increase opportunities for savings and investment opportunities.¹³⁷ The government and relevant stakeholders should promote consumer protection objectives to empower all consumers with financial literacy skills which enable them to make informed choices regarding financial services and products.¹³⁸ When individuals are financially literate and have the necessary capacity to decide and choose, they can assert their rights which helps contribute to a sound and competitive financial

131 See Ben-Ishai 2021 *Osgoode Hall LJ* 659.

132 Chitimira and Magau 2021 *PELJ* 9; see related comments by Llanto *Financial Inclusion, Education and Regulation in the Philippines* (2015) 19.

133 Lumpkin 2010 *OECD Journal of Financial Market Trends* 1 2; see related comments by Johnson 2019 *Cato Journal* 489 492–493; Brey *et al. Consumer Protection in SADC* 9.

134 Bonga and Mlambo 2016 *IOSR Journal of Economics and Finance* 69 70–71; Chitimira and Magau 2021 *PELJ* 9; Llanto *Financial Inclusion* 19–20.

135 Bonga and Mlambo 2016 *IOSR Journal of Economics and Finance* 70–71.

136 Llanto *Financial Inclusion* 19.

137 See related comments by the Reserve Bank of Zimbabwe (RBZ) *Zimbabwe National Financial Inclusion Strategy 2016–2020* (2015) 15.

138 Tomilova and Valenzuela 2018 *Financial Inclusion + Stability* 3; see related comments by Hannig and Jansen 2010 *Asian Development Bank Institute Working Paper Series* 19; Lumpkin 2010 *OECD Journal of Financial Market Trends* 1 2.

sector.¹³⁹ Sound consumer protection and financial literacy build consumer trust and confidence in financial institutions. This empowers consumers to demand quality services while it also compels financial institutions to provide suitable services that meet all consumers' needs.¹⁴⁰

As mobile money services expand to functions beyond payment services, there is a need for financial regulators to monitor the risk of aggressive marketing practices, over-indebtedness and discrimination bias poor persons can be subjected to.¹⁴¹ Although these risks are not necessarily novel, they take new digital guises owing to the increasing use of technology.¹⁴² Technology has made it possible for service providers to capture, store, combine and analyse consumer data focussing on their current or previous location, behaviour and preferences.¹⁴³ In this regard, policymakers should develop sound and suitable financial education and consumer protection laws that are effectively enforced to protect all consumers in Zimbabwe. Thus, the government and other relevant stakeholders should adopt measures that can improve financial education to enhance financial education and consumer protection for the poor in the digital age in Zimbabwe.

139 Tomilova and Valenzuela *Financial Inclusion + Stability* 3; see related comments by Simpson 2014 *Consumer International* 1 3.

140 Tomilova and Valenzuela *Financial Inclusion + Stability* 3.

141 Pazarbasioglu *et al. Digital Financial Services* 8; see related comments by Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 15; GSMA 2018 <https://www.gsma.com> 2.

142 Di Castri and Plaitakis "Getting Financial Inclusion Policies Right" 15; see related comments by GSMA 2018 <https://www.gsma.com> 2.

143 Pazarbasioglu *et al. Digital Financial Services* 8; see related comments by OECD 2020 <http://www.oecd.org/daf/fin/financial-education/Personal-Data-Use-in-Financial-Services-andthe-Role-of-Financial-Education.pdf> 5; GSMA <https://www.gsma.com> 2.