



Did you see my tweet?

**Monitoring financial
consumer protection
via social media**

August 2019



Creating value through
inclusive finance

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**Monitoring financial
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The Kenya Financial Sector Deepening (FSD) programme was established by the UK's Department for International Development (DFID) programme in 2001 to support the development of financial markets in Kenya. In 2005 we were constituted as an independent trust under the supervision of professional trustees, KPMG Kenya, with policy guidance from a Programme Investment Committee (PIC). Our aim today is to help realise a vision of an inclusive financial system to support Kenya's goals for economic and social transformation. We work closely with government, financial services industry and other partners across key economic and social sectors. The core development partners in FSD Kenya are currently the Bill and Melinda Gates Foundation and the Swedish International Development Agency (SIDA).



Government
of Kenya



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Executive Summary

Social media is changing customer service by shifting the ways in which consumers seek resolution of problems and the channels that firms make available to consumers. The ability for consumers to directly, instantly, and publicly praise or chastise the service of a firm has led to increased accountability and new ways to remotely resolve customer issues swiftly.

In Kenya, “#KOT” or the “Kenyan on Twitter” community has become an important channel for public discourse on a wide range of topics.¹ This includes financial services. In Kenya

financial consumer protection via channels such as government authorities is still very limited, and cases of mistreatment of financial customers are commonly reported in the Kenyan media, often with no resolution for the consumers.

This frustration has led some to turn to social media to both attempt to resolve their problems and, it appears, publicly call out consumer protection abuses. Through this active Twitter population, a clearer view is emerging of the extent and type of problems that occur with financial services and how providers and government agencies do—or do not—respond.

1. Nyabola, Nanjala. Digital Democracy, Analogue Politics. 2018.



Chapter 1

Using Twitter for consumer protection monitoring

From August through November 2018, we tested the ability of Twitter to provide insights on financial consumer protection problems, and encourage a public dialogue through the creation of a Twitter handle, @pesastory, which provoked discussions on consumer protection and consumer experience with financial services in Kenya.

Social media monitoring of consumer protection issues – Study design at a glance

Objective: Measure consumer protection issues in Kenyan financial services via Twitter

Time period: August – November 2018

Method 1: Using the CitiBeats social media analysis tools, we tracked every tweet to 29 financial institutions in Kenya over a six-month period, and used this to develop consumer protection topics that the tools tracked over a three-month period in real time. The tweet volumes by topic and provider were then monitored from September through November to identify spikes in consumer complaints and investigate the issues raised via the CitiBeats platform.

Method 2: Separate to the CitiBeats monitoring tool, we created a Twitter handle, @pesastory, which curated conversations with Kenyans regarding their experiences with financial services on different consumer protection topics each week. The tool also engaged with social media influencers to promote and amplify coverage. The PesaStory account was used to understand how a consumer protection agency might use social media to engage with and support consumers when their complaints go unresolved and pursue formal complaints inquiries if necessary.

Using CitiBeats, an artificial intelligence (AI) company that collects and analyses text data such as Twitter messages, FSD Kenya and Princeton University tracked and analysed tweets directed to 29 different Kenyan financial institutions, and used keywords and machine learning to identify tweets relevant to 10 different consumer protection categories (Table 1.)

Table 1. Consumer protection categories monitored through the Kenyan Twittersphere

Category	Category description
1. Agents	Monitoring of the behaviour of banking agents who conduct different services on behalf of banks, such as funds transfers, bills payment, cash withdrawal, cash deposits and balance inquiries.
2. Blacklisting	Refers to the word often used to describe negative loan repayment data in credit histories. This topic included that and other related discussions of credit history and Kenyan Credit Reference Bureaus (CRBs). The truth is that none of the CRBs have a “blacklist”, just a mix of positive and negative credit records. However, this term has entered the vernacular to such an extent that it was the most useful keyword to use to monitor discussions regarding CRBs in Kenya.



Category	Category description
3. Frozen account	Tweets regarding the inability of a consumer to access their accounts and conduct transactions.
4. Functionality	Consumer concerns related to the performance of financial technologies such as mobile banking, apps and websites.
5. Insurance claims	Requests to insurance companies to compensate for loss or occurrence in relation to the loan terms.
6. Loans	A wide range of topics related to loans such as hidden interest rates, being denied loans, or delays in remitting money to borrowers' accounts.
7. Privacy	Primarily concerns regarding how private consumer data is collected, and the ways service providers share consumer data with third parties.
8. Resolution/customer service	How banks communicate and serve their customers, both physically in branches and through non-physical ways such as calls and social media platforms. This topic received the most Twitter traffic of all 10 topics.
9. Scams	Illegal or unauthorised transactions that take place without consumers' knowledge and consent. Unauthorised debits on bank customer accounts was a concerning problem discovered in this three-month pilot.
10. Charges	This includes costs to consumers by financial service providers for provision of services such as account maintenance and transaction fees.

To complement the analysis, and to gain more insight on individual cases, we also created the @pesastory Twitter account, to track and share consumer issues directed at Kenyan Service Providers, mostly in the Financial Sector. @pesastory had three primary activities:

1. Provoking weekly conversations on specific consumer protection topics by asking followers to share their experiences on the @pesastory account.
2. Identifying complaints from consumers and retweeting and replying to them to increase their exposure.
3. Curating threads of tweets on related topics to demonstrate the common experiences and challenges of Kenyan financial consumers.²

The @pesastory pilot uncovered insights across six consumer protection themes:

1. **Hidden and excess charges.** These primarily concerned fees on deposit accounts and mobile money payments and transfers.
2. **Unauthorised bank debits.** Consumers raised issues with their balances on bank accounts reducing without them having transacted, raising concerns about misappropriation of funds.
3. **Digital loans.** The rise in digital credit has led to discussions regarding the cost of these loans and the consequences of negative payment.
4. **Mobile banking.** This included concerns regarding transaction failures and downtime.
5. **Data protection and privacy.** Consumers raised concerns regarding the sharing and use of their information, including for unsolicited loan offers.
6. **Limited responses to consumer complaints.** While some providers quickly followed up with consumers regarding issues raised on Twitter,

2. For a complete list of topical threads curated by @pesastory, see: <https://twitter.com/PesaStory/status/1055767987326799877>



there were some providers who did not respond to consumers for months at a time on issues raised, which speaks to a lack of standard minimum expectations across providers.³

The pilot analysis indicates that social media channels like Twitter offer a new additional channel to measure consumer experience and keep providers accountable for resolving consumer issues. However, social media cannot be seen as a replacement for other complaints resolution and supervision methods. There are limitations on these tools, especially in markets such as Kenya:

- Twitter users are likely younger, urban and wealthier than most Kenyans.
- Tweet volumes do not give a good absolute metric on the number of issues consumers raise with their providers. Therefore, analysis should focus more on relative numbers such as how providers compare, and how the volume of tweets on a specific consumer protection topic to a provider changes over time, to identify emerging risks or concerns.
- Larger providers will by nature have larger volumes of complaints, so the number of accounts should be factored into any comparative cross-provider analysis.
- Resolution of consumer issues is hard to measure as most providers rightly move responses to non-public Direct Messages in order to receive sensitive details like account information from the complainant.

Thus, methods like the Twitter analysis described here should be seen as an enhancement to more conventional consumer protection monitoring tools. These tools do have particular benefits in markets with fast-growing digital financial services sectors for several reasons:

- Helping to identify and measure the underappreciated flow of financial consumer protection issues on social media.
- Allowing automated monitoring and analysis of complaints records that were not previously possible.
- Facilitating fast and low-cost direct engagement with consumers, reducing reliance on phone and in-person consultations.
- More sophisticated alert systems, like those developed by CitiBeats, allow regulators to quickly focus investigative resources on new problems and concerns, pushing for faster resolution and corrective actions from providers.
- In sub-Saharan Africa, only 57% of jurisdictions report having Alternative Dispute Resolution (ADR) mechanisms in place. These traditionally in-person ADR systems could expand their reach through digital engagement.

The evidence from Kenya shows that the digital world is shifting risks in financial services, with both positive and negative consequences for financial consumers. As the product channels we use change, it is important that consumer protection monitoring methods keep pace with these technological innovations.

3. The Central Bank of Kenya has included maximum response and resolution times for complaints directed to banks in the Banking Sector Charter: <https://www.centralbank.go.ke/wp-content/uploads/2018/08/Proposed-Kenya-Banking-Sector-Charter-2018.pdf>



Through monitoring and adjustments, by the end of the three-month period, the team had developed a monitoring tool that helps to measure general levels and types of consumer problems in the market

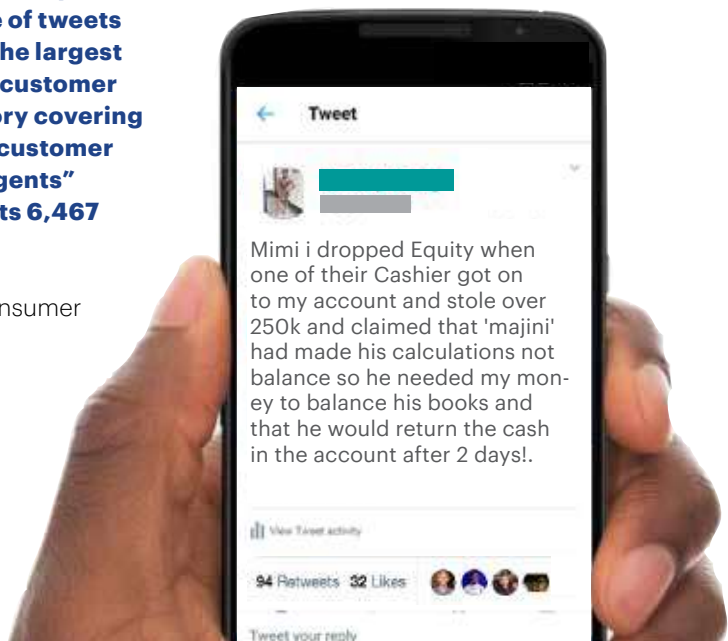


Chapter 2

Evaluating Twitter on the CitiBeats platform

Over the course of three months, the CitiBeats platform flagged 284,909 relevant tweets for each consumer protection topic. There was wide variance in the volume of tweets tagged to each consumer protection topic. The largest volume of tweets was in the “Resolution and customer service” category, which was a broad category covering tweets that seemed to be any kind of call for customer support. More narrow categories such as “Agents” received lower volumes—in the case of agents 6,467 tweets.

Not all tweets ended up being truly relevant to consumer protection, and so the research team periodically removed or added certain keywords for each consumer protection topic to make the filters more effective. The team also implemented new rules regarding tweets originating from the financial service providers themselves to better filter out marketing and content from the media. Finally, we reviewed the various topics to identify which were less relevant



Categories of consumer protection issues used in the Twitter social media monitoring pilot

- **Functionality.** Tweets related to a product or service working, such as failed transactions.
- **Resolution; customer service.** Tweets that indicated a need for customer support, or resolution of an issue raised.
- **Charges.** Fees and other expenses assessed to consumers, such as deposit account fees.
- **Loans.** Tweets that referred to loans or loan-specific issues, including CRBs.
- **Agents.** Tweets that referenced mobile money or banking agents.
- **Insurance claims.** Tweets that related to trying to settle insurance claims.
- **Privacy.** Tweets concerning the use of consumer data, such as unsolicited marketing text messages (SMSs).
- **Frozen account.** Tweets concerning inability to access an account or its being shut down. This category received the least number of Tweets, indicating this issue may not be worth monitoring further.
- **Scams.** Tweets that relate to attempts or actual incidences where consumers were defrauded.

These categories were initially based on several keywords selected by the research team, primarily in English with some Kiswahili phrases. Over time, the CitiBeats tool identified word associations in the Twitter data it reviewed, and proposed new keywords for each topic. These keywords were reviewed by the team, and removed where irrelevant or accepted when relevant. For example, the CitiBeats tool proposed adding “danganya,” Kiswahili for “cheat” to the Scams category, which was accepted as it is likely of high relevance.

(e.g. insurance complaints, frozen accounts.) It is important to emphasise that these types of automated data analysis tools cannot be simply left to run on their own, as keywords and data should be periodically reviewed to make sure the most relevant phrases and topics are being captured. **Through monitoring**

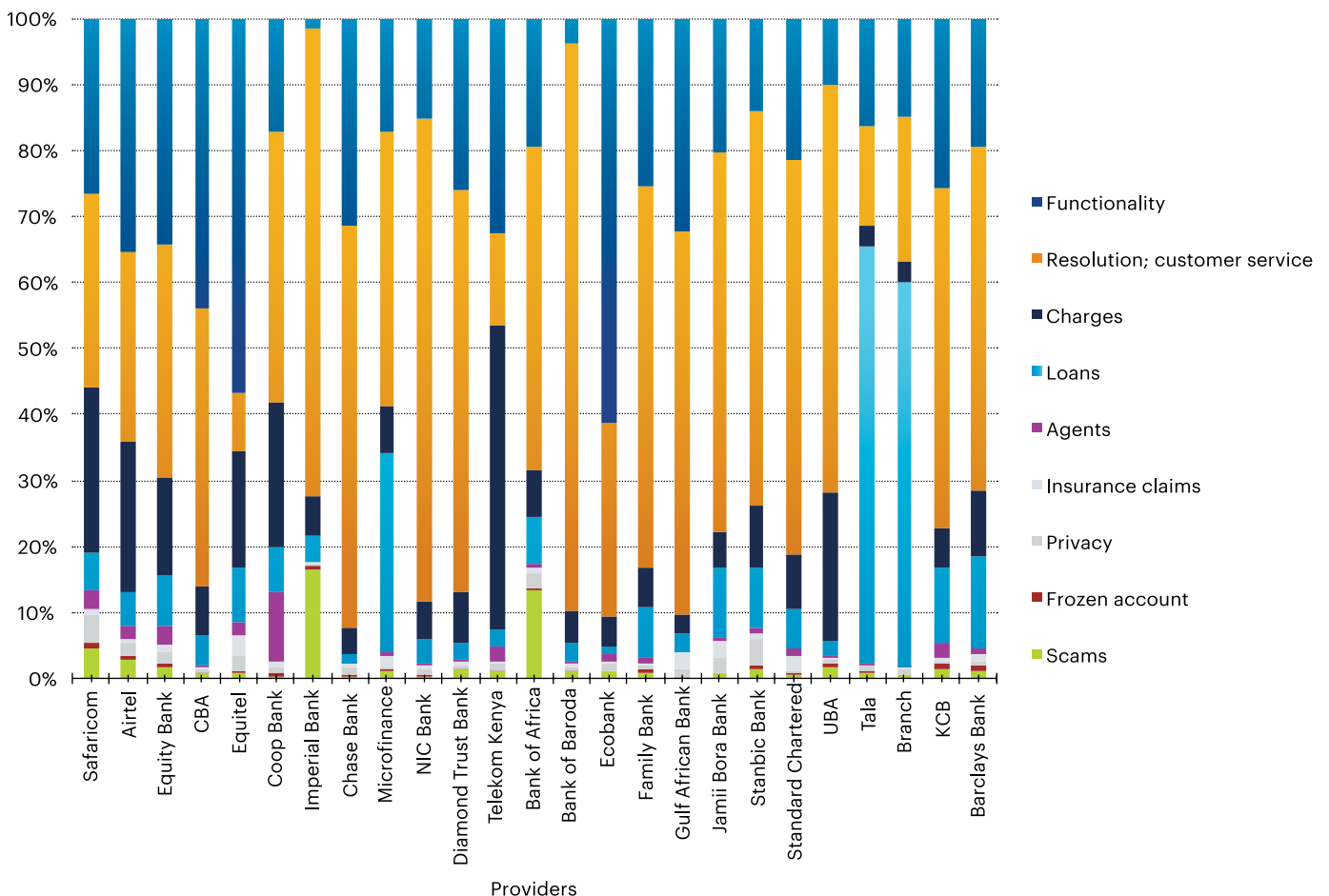
and adjustments, by the end of the three-month period, the team had developed a monitoring tool that helps to measure general levels and types of consumer problems in the market, leading to several observations regarding complaints and consumer protection in Kenyan financial services.

Observation 1: Kenyans tend to Tweet similarly across providers

Through the analysis of the key words, we found that most of the tweets were on the topic of customer service, closely followed by functionality. Figure 1 below shows how tweets were distributed by topic across

each provider in the study. There is some variation across provider types, but generally the distribution was fairly similar within banks, Mobile Network Operators (MNOs), or lenders.

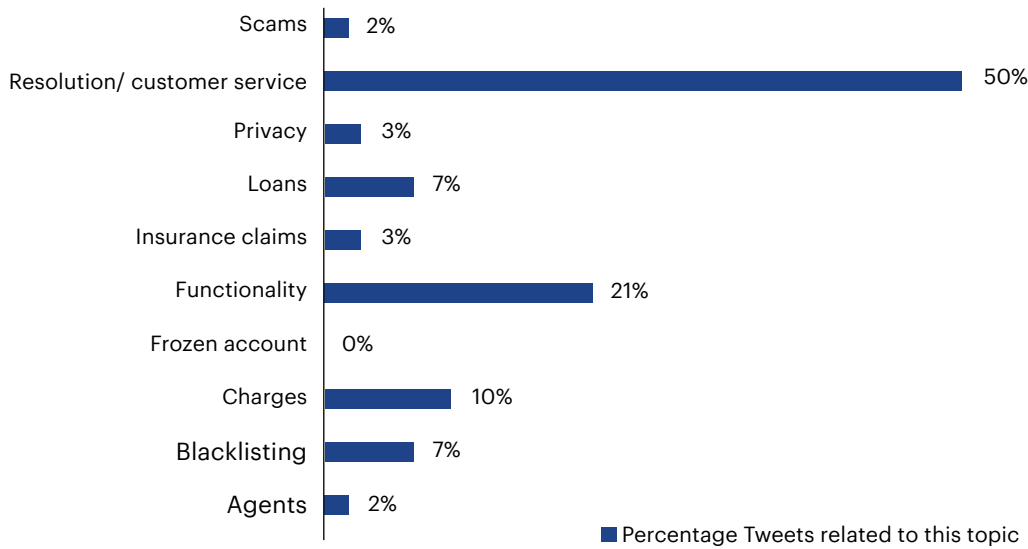
Figure 1: Distribution of tweets sent to each provider by consumer protection topic



Going one step further, the tool allowed us to then restrict data to a single provider for any time period we wanted. Figure 2 shows a one-month sample for

one Kenyan bank, where we can see which topics they received the most tweets about during that time period.

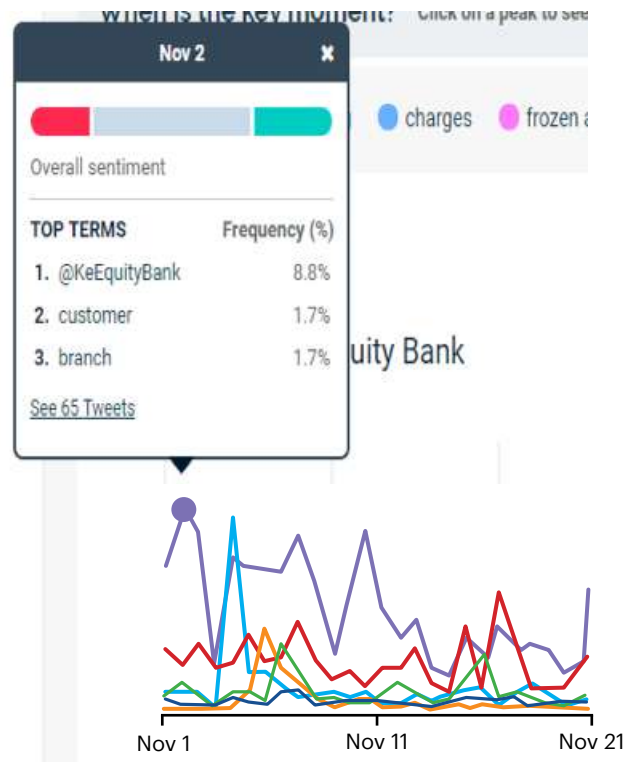
Figure 2: Distribution of relevant tweets across consumer protection topics for the Kenyan



Observation 2: Twitter analysis is very useful for detecting spikes in customer concerns

Through the CitiBeats tool, we developed a daily and weekly alert system to make it easier for the research team to identify spikes in consumer protection issues with providers. This system would send an email to the research team whenever there was an increase in tweets to a provider about a particular topic, based on thresholds determined by the research team. Determining the proper threshold—e.g. a 10% increase in volume versus averages from prior weeks—took some iterations, as we needed to balance between comprehensiveness in reporting out and prioritising the most significant changes in consumer interactions with a provider.

This alert tool proved very useful for monitoring consumer issues. For example, we received an alert of a spike on the Customer Service topic on the November 2, 2018, with a certain Kenyan bank. Using the CitiBeats platform, we can look at all this bank’s related tweets over a time period by topic, and see where spikes occur, such as the one on November 2 (Figure 3.) By selecting the date and topic, we then are told there were 65 tweets sent to the bank on this particular day regarding customer service issues. Finally, we can then read these tweets (Figure 4) to investigate the issues consumers raised, and determine if this needs follow-up with either the customers or the bank. In this case, we see from the tweets that there are



recurring issues with deposits and transfers on mobile banking, and also how this bank’s social media team responds to these problems to try and help resolve them for their customers.

Figure 3: Timeline of tweets by topic, November 2018

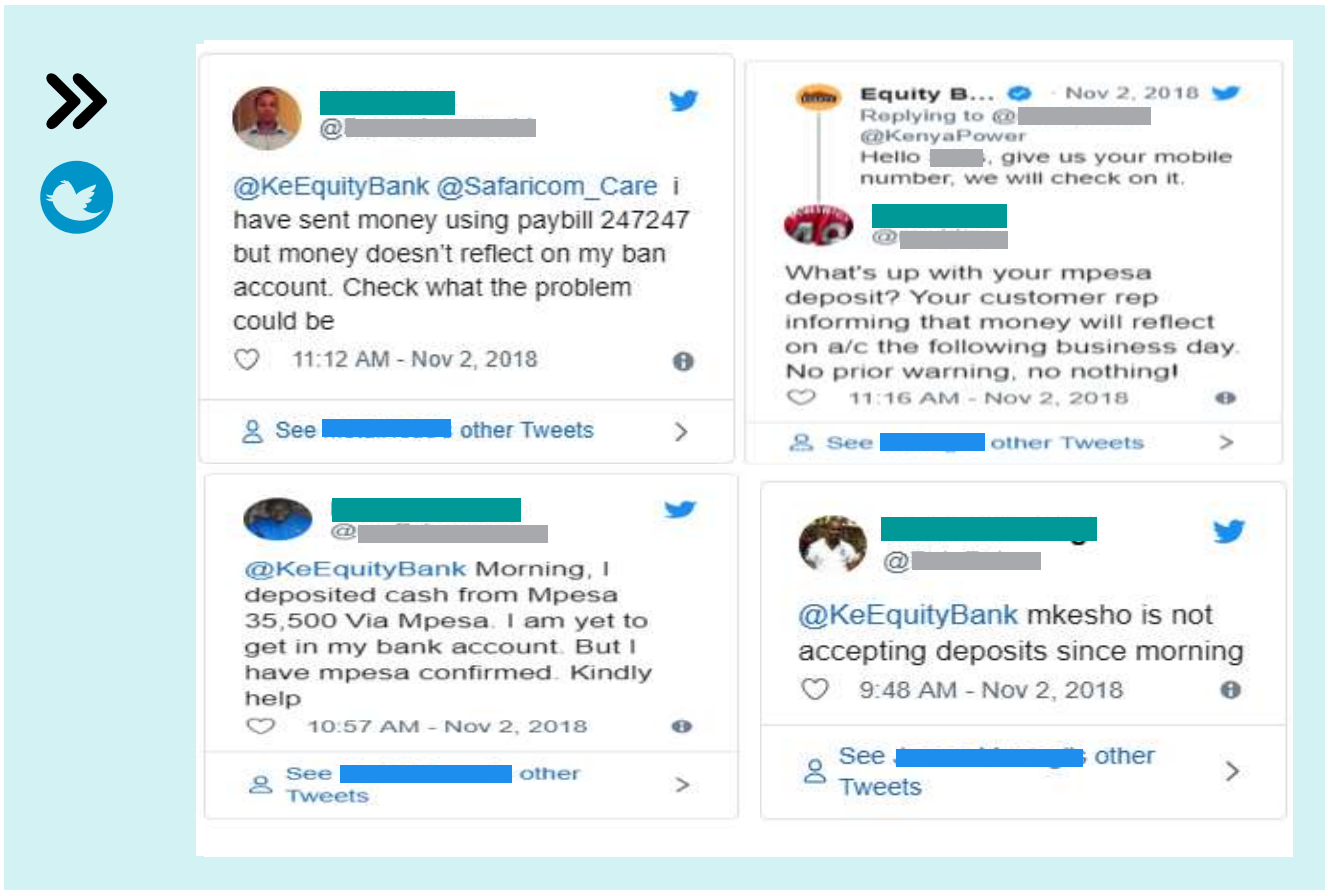
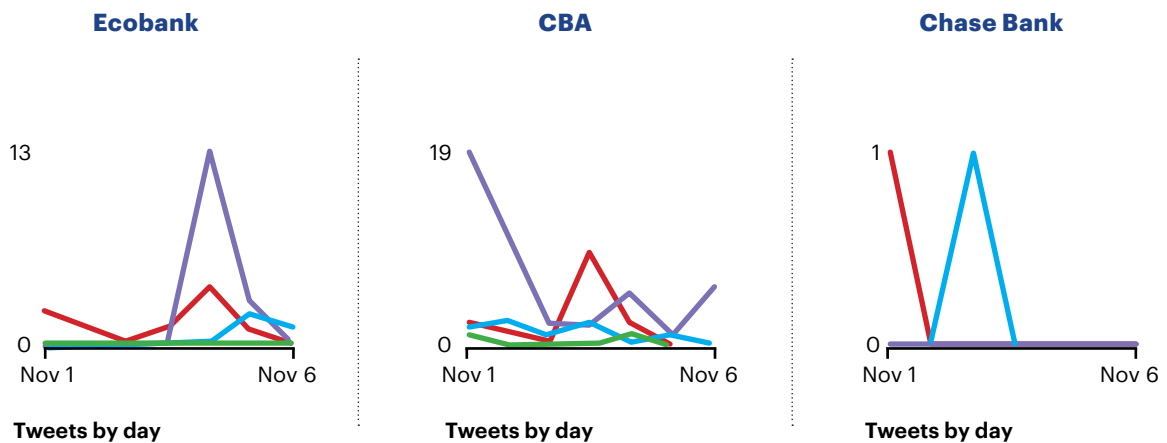
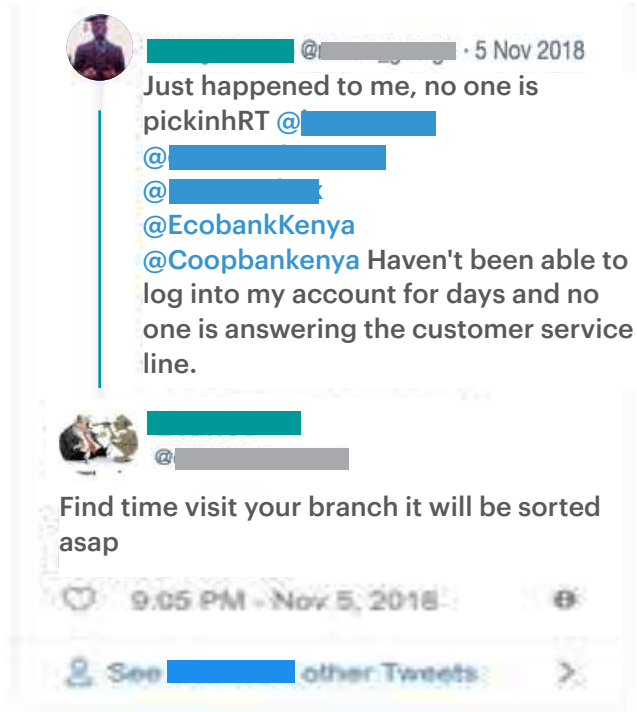
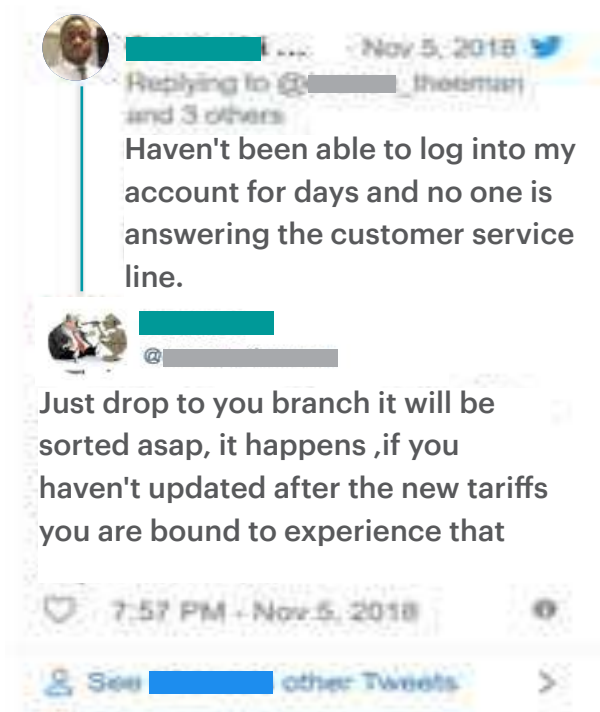


Figure 4: Sample tweets from November 2, 2018





In addition to the email alerts, the CitiBeats tool also provides a visual representation of how the volume of tweets on each consumer protection topic changes over time for providers. For example, a comparative view of the volume and types of tweets in the first week of November 2018 for three banks facilitated quick yet insightful review of each provider to detect issues worth querying further. In this case, the significant

spike in tweets at one bank appeared to relate to problems with account access for customers, making it a significant concern. Because the spike was measured against this bank's normal tweet volume, rather than the total volume that includes much larger providers, this issue was detected and not lost in the thousands of tweets on the CitiBeats platform during the first week in November.

Observation 3: There is missing data on fintechs

Despite significant market share, and a user base that is almost exclusively smartphone users, the volume of tweets to leading fintechs like Tala and Branch in this project was relatively low. Consultations with fintechs revealed that this is likely because they handle most their consumer inquiries via the customer care functions of their apps. This means that monitoring the conduct of fintech providers and others who have

in-app customer care via social media may not be as effective as it was for banks and MNOs. However, if fintechs were to integrate the CitiBeats tools into their in-app conversations with customers, they could conduct similar analysis. In future research it would be useful to test this approach with willing fintechs.



There have been discussions for many years in Kenya on hidden and excessive charges in financial services, and Twitter has become another channel through which these issues are being raised.

Chapter 3

@pesastory: Sparking conversations about consumer protection in Kenya

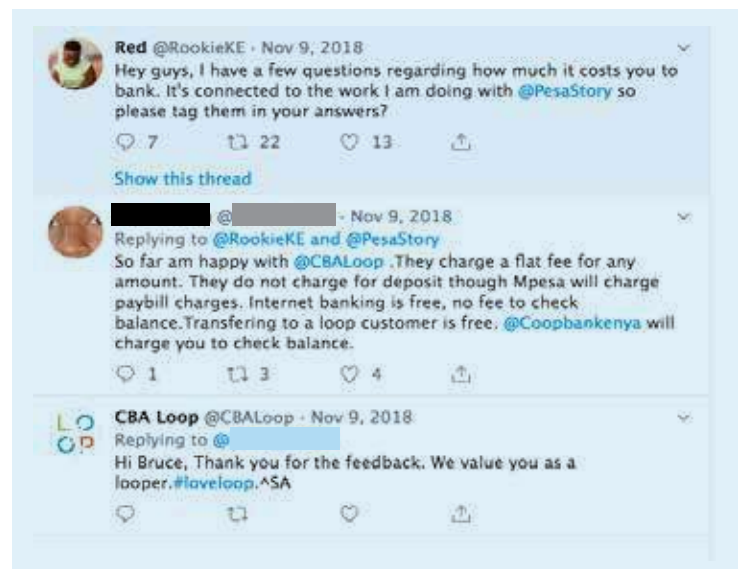
The second component of this project was directly soliciting consumer experiences via a new Twitter account, @pesastory. Our reasons for adding this element to the research were several:

1. Previous analysis of twitter threads had shown that when one Twitter user shares a problem with a financial service, other consumers often decide to share their story too, even if they previously had been silent about their experiences.
2. We imagined there would be some latent consumer stories that occurred before our pilot that we could bring out by soliciting experiences via twitter threads.
3. We wanted to create a trusted channel where we could then discuss consumers' experiences in more detail via private Direct Messages or even in follow-up meetings and phone calls, as people do not always want to share all their details via public tweets.

To help amplify the engagement we partnered with Kellie Murungi, better known as [@RookieKE](#), a leading voice for financial consumers in Kenya. Together, [@RookieKE](#) and [@pesastory](#) were able to lead several robust conversations with consumers on concerning consumer protection issues.

Issue 1: Hidden/ Excess Charges

There have been discussions for many years in Kenya on hidden and excessive charges in financial services, and Twitter has become another channel through which these issues are being raised. Consumers commonly raised concerns about excess charges on activities such as balance inquiry through their Apps and USSD service, such as this thread on charges based on customer feedback that was facilitated by [@RookieKE](#): <https://twitter.com/RookieKE/status/1060876920185741312>, which received a total of 49,116 impressions.



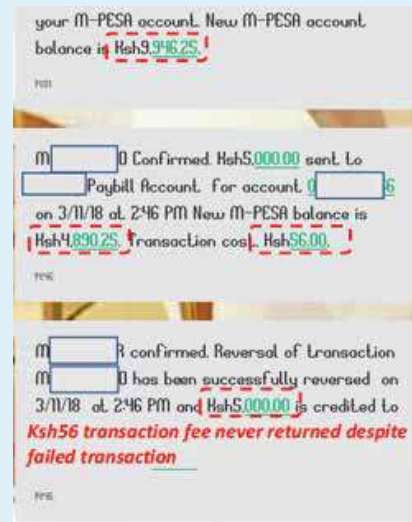
At the same time some customers also applauded banks that do not have hidden or unnecessary charges made to their accounts during transactions, such as this one customer of CBA Loop: https://twitter.com/Bruce_Super/status/1060951690243960833. The Twitter threads on this topic were useful resources to both monitor fees—a topic the Central Bank of Kenya has issued notices on before—and to see which banks might be the better low-fee options for consumers based on their peers' experiences. Some of the more concerning fee practices that may require regulatory attention include:

a) Transaction fees on failed transactions

Some banks refund customers the transaction fees they spent on a transaction that fails—such as a dropped USSD session—while others do not. This was mentioned by two customers making mobile money transfers from their bank accounts which failed, and the customers voiced concerns that the transaction fees were not refunded for these failed transactions (Figure 5).

Figure 5: Sample tweet regarding failed transaction fees.

A Kenyan banking customer wanted to move money he had received on his mobile money wallet to his bank account. However, after sending the transfer order, he received a notice that the transaction failed. Failed transactions between mobile money and bank accounts are not unheard of, and are a common complaint from customers. However, in this case the failed transaction was not the only problem the consumer faced. They were also charged for the failed transactions. As the screenshot shows, this consumer had the transaction fail twice, and while they were charged Ksh 56 each time he sent the funds, that amount was not refunded to his account when the transactions failed. So this consumer was charged for transactions they were never able to make. Despite complaints to the two providers, this case was not resolved, and the fees were never returned.



b) Undisclosed fees before transactions

In October 2016, the Competition Authority of Kenya (CAK) issued a notice that all financial service providers must display all transaction charges upfront before a consumer conducts a transaction. However, the @pesastory conversations revealed that some lenders may not be complying, making it difficult

for consumers to figure out the interest and some transaction charges. For example, a customer of one bank shared with @pesastory a tweet with an attached image indicating that she was charged twice by this bank. Other consumers engaged the @pesastory thread to share comparative pricing information, which could be useful for other consumers seeking lower-fee banking options.

Figure 6: Sample tweets from consumers sharing comparative pricing information via a @pesastory thread on bank fees



Issue 2: Unauthorised bank debits



After a few weeks @pesastory started to be tagged by some consumers when sharing issues that they had with providers. This helped @pesastory to more easily track issues in the market through notification alerts on Twitter. By tagging @pesastory, the account was

able to take one experience and then amplify it to both pressure for a response from the provider, and to see if others had similar experiences. For example, @felix_ogoti sent us a tweet of an unauthorised transaction done to his account.

We shared this Tweet, and started a thread on this topic to get other responses (see sample tweets below), and the response clearly indicated that there is a recurring problem with these unauthorised transactions. Overall, 669 people reacted to @felix_ogoti’s tweet, and there were nearly 20,000 impressions of this tweet, which shed light on this concerning practice.

Figure 7: Twitter conversation of consumers with missing funds in bank accounts



Figure 8: Missing funds response to @pesastory thread

One of the useful elements of the social media analysis is that when we identified Felix’s tweet, we could then go search in historical tweets to find other cases. As Figures 7 and 8 show, this included several more large-value missing funds cases. Using @pesastory, we highlighted these cases via a new conversation thread, which led to other consumers sharing missing money experiences, including stories of how long it took to get their refunds if they got them at all (See Figure 9) In addition to missing funds, there are consumers who have raised concerns about loans being originated on their accounts that they never took. These issues point to serious concerns over internal fraud and identity theft, which have also been reported in the media, and a need for banks to focus on their data and account security obligations.



Figure 9: Slow refund for missing money tweets



Issue 3: Unsolicited digital loans

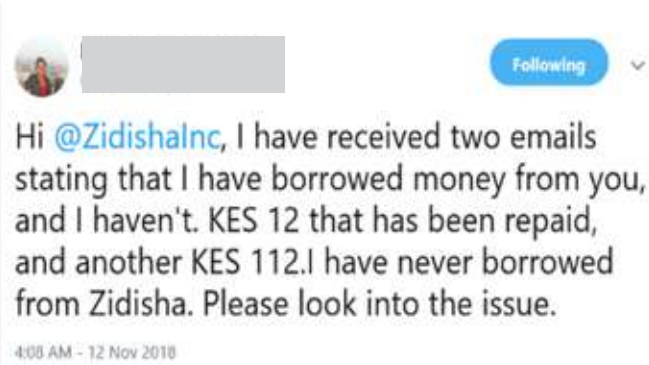
According to an FSD Kenya/CGAP national survey, by late 2017 more than six million Kenyans had taken a mobile loan.⁴ Some Kenyan banks are also diving into the digital loans by launching new loan services that can easily be accessed from their phones. This growth

has also led to an increase in consumer concerns regarding the digital lending platforms. @pesastory chose to lead a thread about digital loans, which received lots of response—the lead tweet (Figure 6) of that thread alone received a total of 23,366 impressions. Twitter user feedback helped to identify several consumer protection concerns that should be addressed in the digital lending sector:

Incorrect listing of digital loans in credit bureaus

Some consumers reported they had been listed in credit bureaus for loans they never took from mobile lending platforms. One consumer for example, raised concerns regarding a debt of Ksh 54, an amount they claim they never took from that lender, while another was given a loan they never requested.

Pesa Story @PesaStory - 25 Oct 2018
 According to a survey done by FSD Kenya <http://fsdkenya.org/blog/kenyas-digital-credit-revolution-5-years-on/> ..., 1 in 4 Kenyans have taken a digital loan, with M-Shwari leading the pack. We are running a thread of customer concerns about digital loans. Join in with your thoughts and experiences. Share widely!



4. <https://fsdkenya.org/publication/the-digital-credit-revolution-in-kenya-an-assessment-of-market-demand-5-years-on/>

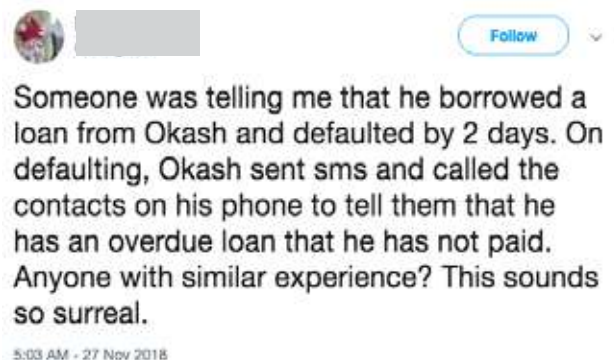
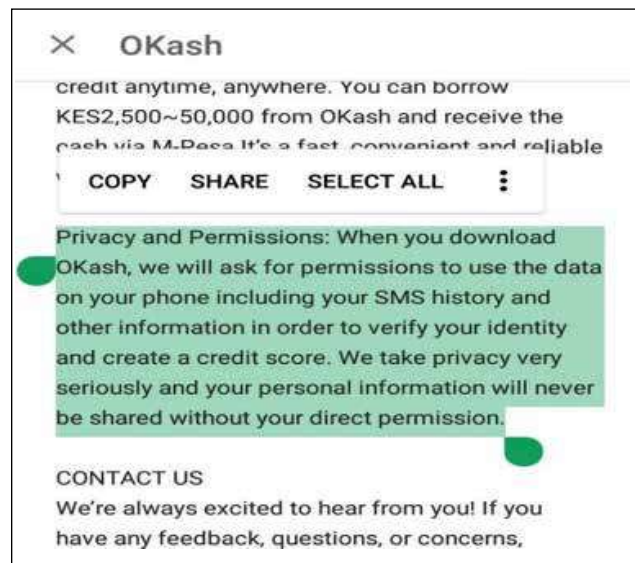
More egregious still was a case where a customer who had never downloaded digital lender Branch's app was disbursed a Ksh 2,000 loan, and forced to pay the loan back, despite this having all the hallmarks of identity theft (See Box below)

A Kenyan who went to make an M-Pesa transaction in October 2018 noticed that his balance was higher than he expected. He checked his SMS records and saw he had been sent a Ksh 2,000 loan by M-Pesa from Branch, a digital lender with an interest rate of more than 15% per month. However, he had never applied for a loan with the lender, in fact he had never even downloaded their app. He then tried to find a way to get in touch with the lender, but they do not have a customer care line or a phone number. He finally found their Twitter account and sent a tweet noting "I have received a branch loan of Ksh 2,000 today at 15:02. I have neither downloaded your app nor requested for a loan from your service. Please take back the money you have deposited in my M-Pesa account immediately."

During his exchange with the lender they did not answer questions he raised of how they could have gotten his information, and how someone could have taken a loan in his name. They also would not reverse the transaction, and would not remove his information from their database. In the end he felt he had no option but to pay back the loan, plus interest, to avoid being listed in the credit bureau. It appears that someone was able to impersonate the consumer's phone line and borrow in his name. Despite similar concerns of identity impersonation with digital lenders, the lender was not willing to help and there was no independent regulatory agency to which the consumer could appeal.

Intrusive debt recovery

The loans offered by most digital lending platforms are not secured by formal collateral and unconventional methods are used to obtain payment. One example was several consumers reporting that a lender was using contacts obtained from their phones to demand for payment after they had defaulted on their loans. This is happening even after stating on their terms that the customer data is safe.⁵ Some of the tweets from consumers regarding this invasion of privacy are shared below:



5. While this could not be independently confirmed, it has been indicated that Okash has recently discontinued this policy.



Issue 4: Failed transactions on mobile banking platforms

Many of the banks in Kenya have embraced mobile banking to enable customers to easily access their bank accounts and conduct transactions through their phones from anywhere, as long as they have internet access. Given that Twitter users are likely smartphone owners, it is not surprising that many have experiences with mobile banking apps. The main challenge faced by consumers using these apps is functionality. Some of the applications are not functioning to the optimum level they are supposed to. For example, Figure 14 shows a case where a consumer responded to our thread on mobile banking and shared the story of transactions which had never been confirmed by text, even several months later. He had to make a call to the recipient to confirm whether the transaction was complete.



Issue 5: Data protection and privacy



With the increase in technological advances globally over the years, personal data is being shared by consumers to financial institutions for purposes such as verification and credit scores. Most financial institutions are making efforts to be ahead of the curve by coming up with more technological advances. However, concerns have emerged on the need for the information shared to be protected.

Unsolicited marketing messages

A common privacy concern shared with @pesastory includes the promotional text messages consumers get from third parties. One example is where a consumer who had paid for goods/services through the Lipa Na M-pesa service by Safaricom received messages without consent. The issue was raised with Safaricom. In response, an easier mode of payment was introduced in November 2018 which eliminates the need for a customer to share their mobile phone number or M-Pesa confirmation message.⁶ However, feedback on the @pesastory handle also indicates that even when consumers attempt to unsubscribe from marketing text messages, they may still receive these third party texts.

6. <https://www.safaricom.co.ke/about/media-center/publications/press-release/release/492>

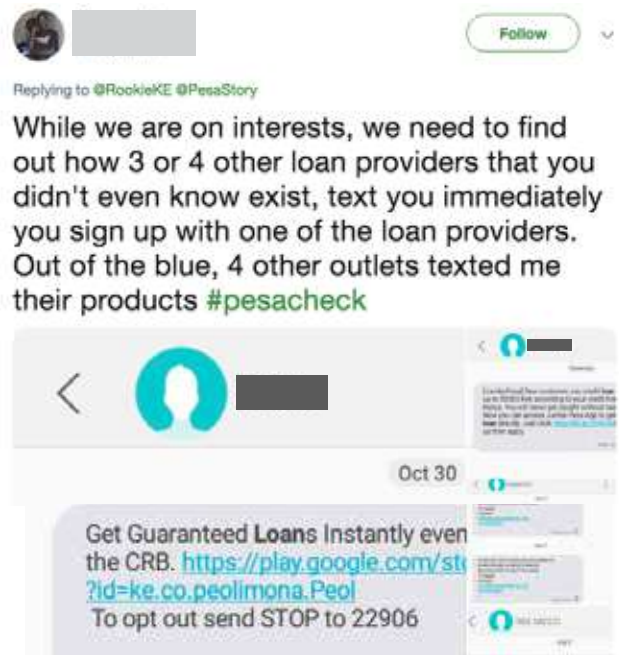
Another consumer was annoyed by frequent unauthorised promotional texts sent to his phone number and as a result, he decided to change his phone number. Surprisingly, the new line he bought still got an SMS in less than 24 hours from a local betting company, showing how quickly consumers’ contact information can be compromised.

Unsolicited digital loan offers

Kenyan consumers on Twitter are tired of the frequent messages they receive from digital lenders. This includes those with whom they have no direct relationship. It appears that mobile phone providers pass contact data to their commercial partners. These unwanted texts - SMS spam – were a common complaint found in the CitiBeats data as well. It suggests the need for greater protection against unsolicited marketing in Kenya’s mobile communications space.

Some consumers are also concerned by texts they get immediately they sign up for one mobile lending platform. The messages received are from other

lending entities to which the consumer has not subscribed. It raises questions over the privacy of consumers’ data in the hands of these platforms.



Issue 6: Financial service provider responses to consumer complaints

As mentioned earlier, customer service was the main topic of conversation amongst the tweets that were analysed. This demonstrates the utility of Twitter in allowing for fast engagement with bank customer care teams. In some cases these proved more efficient than traditional channels such as hotlines and branch visits. The Kenyan firm Nendo conducted an analysis of response rate for major banks in Kenya on Facebook, and found response rates varied from 99.83% to 18.75%, reflecting a wide difference in how banks are treating consumer inquiries via social media.⁷

The evidence from @pesastory shows that Twitter can be an effective consumer complaints channel when providers responded to consumer complaints in a quick manner, although in some cases consumers may not receive replies for concerns they raise. For example, digital lender Tala received a tweet from the friend of a consumer, who had similar concerns raised by Okash borrowers discussed earlier. However, in this case Tala was quick to respond and followed up on the matter via private direct message. This demonstrates

how Twitter complaints can also help providers, as it can increase the volume of complaints and let lenders flag improper conduct within their organisation, to help reduce consumer protection abuses, fraud and other risks.



7. https://uploads-ssl.webflow.com/59ad2221052e560001d6401f/5a1bd39f6b2f3a0001d65f7b_Bank%20Report%20Executive%20Summary%20Infographic.pdf

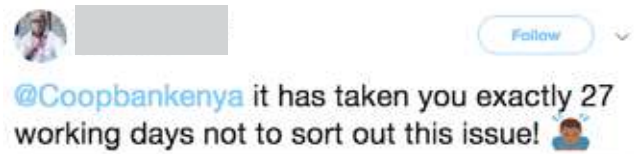


However, not all providers offer prompt resolution and follow-up of consumer issues via Twitter. This includes cases where there is significant financial harm to the consumer. For example, one bank customer waited 27 days regarding a suspicious transaction, and had to again reach out to the bank to ask why they had not yet resolved the matter.

@pesastory proved effective in identifying and highlighting these unresolved issues. For example a bank customer reported an ATM fraud by tweet in March. As of October, no response had been received.

These varied experiences with customer service response on Twitter both demonstrate varying standards of customer service across the financial sector, and an area where banks and financial sector regulators can leverage social media to improve consumer protection standards.

Financial service providers could employ metrics like those demonstrated by Nendo to measure the rate of response to tweets. Taking this one step further, using the consumer protection filters identified by CitiBeats, these response rates could then be disaggregated into separate categories to see where the provider's social media team is stronger or weaker in responding to their customers' needs. For example, since fraud that leads to lost money in deposit accounts was a common and serious problem identified by CitiBeats and the @pesastory thread, providers could develop specific analytics for fraud-tagged tweets. In addition, using the email alert system for spikes in tweets regarding consumer protection issues, providers could monitor how their staff handle widespread issues such as service downtime or problems with mobile and internet banking.



Tuesday 5:13 PM

Dear [redacted] you have sent Ksh. 1000.00 to Account 78709#[redacted]. Coop Bank Don't share your PIN with anyone

Ref:729828378913:Dear KEVIN , you have sent Kshs 1,000 to ELIFE DIGITAL SOLUTIONS for Beneficiary 78709#KevinObura. Cost 0 Excise Kes 0..

Today 9:56 AM

Dear Customer, case no.CAS-1289853-B3J8N4, is your ref-number for the report you made on MCO-OPCASH. We will resolve and advise immediately we do. Co-opbank.

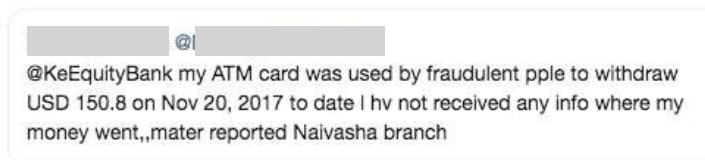


Pesa Story

@PesaStory

Follow

8. Also, no response. Since March.



7:21 AM - 9 Oct 2018

6 Retweets 2 Likes



1 comment 6 retweets 2 likes



Chapter 4

The future of consumer protection market monitoring

This pilot analysis demonstrates the utility of social media analytics tools for consumer protection market monitoring. Monitoring consumer experience can be some of the most time-consuming activities for both providers and regulators.

For providers, this can require significant investment in customer care staff, supervision and monitoring via means such as recorded calls, and reviewing of internal complaints logs. For regulators, monitoring consumer experience is even more difficult, especially in markets where there are not well-developed consumer complaints channels like a financial services ombudsman.

Where regulators do not commonly receive direct consumer queries in significant volumes, they must rely on complaints reports from providers, which can be hard to verify, and may not be truly comprehensive of all consumer issues.

While there are caveats regarding the urban, higher-income bias of Twitter users, and the need to formally investigate tweets to confirm validity of the issues raised by consumers, monitoring tools like this pilot offer a relatively low-cost, reduced effort method to track and analyse patterns in consumer complaints across the market. Further, since the social media data is updated daily, this tool can offer a more timely view of complaints volume and type than official monthly or quarterly complaints reports that consumer protection authorities often use. We hope that fast-changing digital finance markets like Kenya will begin to use these tools to improve consumer protection conduct and outcomes across the industry.







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