



PRESS RELEASE

COMMEMORATION OF THE WORLD'S CONSUMER RIGHTS DAY, 2022

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Director and Chief Executive Officer

The COMESA Competition Commission ('the Commission') today joins the rest of the world in commemorating World Consumers Rights Day under the theme 'Fair Digital Finance'.

In the last decade, Digital Financial Services (DFS) have registered a rapid growth, transformed the traditional ways of accessing and using financial services and expanded the reach of the services to more people at a lower cost and with greater convenience in the Common Market. There is no doubt, however, that this potential will only be realised when such services, among other things, are delivered in a manner that enhances consumer welfare.

Based on emerging evidence, there are consumer protection related risks associated with DFS which increasingly diminish consumer welfare including, but not limited to: frequent network/service downtime (out of service), insufficient agent liquidity or float to transact, complex and confusing user interfaces, nontransparent fees and terms & conditions, transaction delay and denials, fraud, poor consumer recourse and complaint

handling system, and inadequate data privacy and protection. There is also strong evidence to suggest that these risks have increased in recent years especially during the COVID-19 pandemic.

The unique peculiarities and the rapidly evolving and complex nature of DFS necessitates innovative regulatory approaches with clear and relevant regulations. Further, given that digital financial services are evolving with a range of technical and, market regulatory issues, it is important to increase transparency and awareness to the consumers to appreciate the benefits, understand effective usage, understand their rights and obligations and generally increase the uptake and compliance. Equally important, good coordination among regulators can also greatly enhance the effectiveness of interventions in the DFS market.

The Commission, cognizant of the aforementioned, has been undertaking a number of activities with the aim of promoting fair digital markets. The Commission, as part of its consumer advocacy programme, has also been engaged in creating awareness of consumers within the Common Market on emerging consumer risks associated with the usage of DFS and e-commerce in general.

The Commission has also been engaged in reforming its existing legal frameworks to explicitly address digital trade and reflect on the increasing role of DFS in the Common Market. In this regard the Commission has prepared Guidelines for E-Commerce as guiding principles for e-commerce business which, among other things, will have the effect of enhancing its regulatory and enforcement capacity on issues of consumer protection arising out of DFS.

Consumers of digital financial services, on their part, are expected to continuously familiarize themselves with their rights and obligations including acquainting themselves with terms and conditions of the service providers and

conducting due diligence before concluding any DFS transaction. Consumers should immediately report any anomaly observed or suspected following the prescribed procedures of the competent authority.

On the other hand, service providers should refrain from engaging in unfair practices such as overcharging consumers and frauds targeting consumers. Most importantly, consumers should have access to adequate complaints handling mechanisms that are accessible, timely and efficient. Engaging in such and other similar conducts may constitute acts of misleading representation and unconscionable conducts in consumer transactions, delivery of power quality services and entails imposition of a fine of up to 10% of the total turnover of the culprit or any other penalty as may be determined by the Board as mandated under the Regulations.

Focus Areas for 2022

The Commission, in its enforcement endeavor, will continue focusing on creating awareness, enhance its market surveillance to detect unfair market conducts in the DFS market, investigating identified or reported cases while keeping pace with the rapidly changing digital financial technology. Furthermore, the Commission, in its legal review undertaking, will focus on updating the legal and regulatory framework to enable the Commission to be responsive to the dynamic DFS industry and e-commerce in general. The Commission will also continue to deepen cooperation with consumer protection agencies and financial and e-commerce regulators of Member States to enhance the welfare of consumers in the Common Market.

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Our Vision

To be a center of excellence for competition regulation and consumer protection by 2030.

Our Mission

To promote competitive markets and enhance consumer welfare within the Common Market by preventing and prohibiting anticompetitive business practices and protecting consumers, thereby deepening regional integration.

Our Core Values

In carrying out the mission, the Board of Commissioners and the staff of the Commission are guided by the following values:

- Integrity: We shall uphold integrity through operating in a manner that is fair, transparent, ethical, honest and incorruptible.
- Efficiency: We shall deliver services in a timely and cost-effective manner ensuring that every function that is executed contributes to the achievement

of competitive markets, enhancement of consumer welfare, and ultimately regional integration within the Common Market.

- Effectiveness: We shall exhibit the highest level of ability and willingness to do work. This shall be accompanied by a learning attitude and recognition that we are all stewards of public trust and as such have a higher calling to deliver public service.
- Accountability: We shall ensure accountability to stakeholders in our operations and decision-making process.
- Independence: We are independent in carrying out our mandate and reaching our decisions without undue influence. Continuous improvement: We shall embrace and sustain a culture of innovation, responsiveness to change and best practices.
- Cooperation: We shall work in close collaboration and mutual assistance with Member States and Stakeholders.