

Financial Consumer Relations Department,  
Central Bank of Sri Lanka,  
Colombo 01.  
17.02.2023

Dear Madam/Sir,

**LIRNEasia's Response to new regulations on integrated financial consumer protection framework for entries regulated by Financial Consumer Relations Department of Central Bank of Sri Lanka**

LIRNEasia welcomes the opportunity to submit our views and comments on the proposed new regulations on integrated financial consumer protection framework published on 7<sup>th</sup> February 2023.

LIRNEasia is a pro-poor, pro-market think tank whose mission is catalyzing policy change through research to improve people's lives in the emerging Asia Pacific. LIRNEasia has been active in Sri Lanka and the rest of the Asia-Pacific region since 2004, conducting both demand- and supply-side research as well as advocating for policy changes in the ICT sector on issues ranging from universal service policy to open data to accessibility for Persons with Disabilities (PWD).

Our comments seek to promote financial inclusion of PWD. These comments are based on insights derived from multiple quantitative and qualitative research projects on PWD by LIRNEasia. More details about this research can be found on <https://lirneasia.net/disability/>.

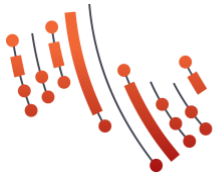
Below are some of key research findings, which emphasize the need for financial inclusion of PWD in Sri Lanka. The quantitative research fieldwork conducted from December 2018 to January 2019 and qualitative research fieldwork from October 2019 to January 2020<sup>1</sup>.

1. There are 570,007 PWD in the country, which is 4% of the population aged 15-65.
2. 73% of PWD have monthly income and 31% of PWD receive a social security allowance.
3. 50% of PWD do not have access to a bank account and 91% do not own a credit or debit card.
4. Only 76% of PWD have National Identity Card and 7% have Disability Identity card.
5. Only 81% of PWD can communicate verbally and 16% use sign language to communicate.
6. Retail bank staff is not aware of PWD rights and various requirements of PWD, the qualitative research revealed. The customers' requirements vary with the type/level of the disability: partial blindness, complete blindness, dyslexia, deaf, deafened and hard of hearing, etc.

Our response to new financial consumer protection framework is given below for your kind consideration.

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<sup>1</sup> For the quantitative research (survey) 400 PWD were interviewed from 400 households in 100 GNDs. Survey sample was designed to be representative of age 15-65 PWD population at national level with 95% Confidence Interval; +/- 9.8 margin of error. The qualitative research used Focus group discussions, Focus ethnographies and in-depth interviews as data collection tools. Over 100 PWD of age 15-65 participated from three provinces: Northern, Uva and Western.



**LIRNEasia**  
Pro-poor. Pro-market.

For questions regarding this submission, please contact us via [isuru@lirneasia.net](mailto:isuru@lirneasia.net) or +94 77336022.

Thank you.

Yours truly,

**Isuru Samaratunga**

Research Manager

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Provision	Comment
<p>16.0 Non-discrimination</p> <p>The FSP shall:</p> <p>(a) Not discriminate against financial consumers based on social status, physical ability, marital status, race, caste, gender, age or religion; and</p> <p>(b) Not discriminate against financial consumers such as elderly, physically disabled, low income, low financial literacy and shall have the right to receive special attention to facilitate them fair access to financial products or services.</p>	<p>The interpretation section of the financial consumer protection framework (Section 64) does not interpret 'physical ability', 'physically disabled' or 'disability' terms. We suggest including the interpretation in the UN Convention on the Rights of Persons with Disabilities (UNCRDP) in Section 64.</p> <p>UNCRDP defines persons with disabilities as those who have 'long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others' (<a href="#">UNCRPD, 2006, p.4</a>).</p> <p>Protection of the Rights of Persons with Disabilities Act, No. 28 of 1996 of Sri Lanka defines person with disability as below;</p> <p>"person with disability" means any person who, as a result of any deficiency in his physical or mental capabilities, whether congenital or not, is unable by himself to ensure for himself, wholly or partly, the necessities of life.</p>
<p>17.4 For the purposes of sub-regulation (1), "unfair business practices" shall include, but is not limited to, the following practices:</p> <p>(g) Imposing fees and charges without the prior written consent of financial consumer;</p> <p>(h) Changing the agreed terms and conditions on such financial products and services without written consent of the other party;</p> <p>(i) Using clauses showing an obligation on a consumer without the written consent for deducting payments and fees automatically for</p>	<p>We suggest that the written consent should be requested in accessible formats by the financial service provider allowing the customer to provide informed consent in preferred format.</p> <p>We suggest these accessible formats: Documents in Sinhala/Tamil with Unicode fonts in electronic formats (e.g., Microsoft Word, PDF), Documents in large font size and sign language interpretation to the document. Documents in simplified language for customers with low financial literacy.</p>

credit facilities that are tied to deposit account(s);	
20.2 The FSP shall provide relevant key documents, in English or Sinhala or Tamil based on the financial consumer's preference.	We suggest 'The FSP shall provide relevant key documents <u>in accessible formats</u> , in English, Sinhala, Tamil or <u>with sign language interpretation</u> based on the financial consumer's preference.
21.5 The contract terms shall be considered unfair where there is an imbalance in rights and obligations of one party to the detriment of the other party, including but not limited to: (a) Providing for termination of contracts or alteration of clauses without prior notice to the consumer in writing or through newspaper notice or any other appropriate way at least thirty (30) calendar days before such changes are made;	We suggest 'in writing' and in accessible formats (the formats are given in comments for Section 17.4).
23.0 The FSP shall disclose all relevant information at any stage of a contract in a complete, clear, concise, accurate, not misleading and timely manner written in simple language in either Sinhala, Tamil or English.	We suggest that the relevant information should be in accessible formats as listed in Section 17.4 comment.
24.0 The FSP shall provide copies of the offer letter, agreement and other relevant legal documents to the financial consumer at the time of execution of such documents.	We suggest that the relevant document should be in accessible formats as listed in Section 17.4 comment.
25.2 The information provided shall be in a simple, plain and comprehensible language in either Sinhala, Tamil or English as preferred by the financial consumer.	We suggest that the information should be in accessible formats as listed in Section 17.4 comment.
25.3 Any written communication provided by the FSP shall: (a) be in a font, size, spacing and placement of content that makes communication easy to read for the consumer; and (b) contain and highlight key features of the given financial product or services such as Annual Effective Rate (AER), Tenor of the facility, installment, fees charges and main risks. 25.4 An FSP shall provide a financial consumer with documents, including contracts, forms,	We suggest that the information should be in accessible formats as listed in Section 17.4 comment.

<p>receipts and statements relating to the financial product or service, in written form.</p> <p>25.5 An FSP shall provide clear information on the features of the financial products or services before a financial consumer signs up for any financial product or service, similar to the format specified as the Key Facts Document given in Regulation 37.</p> <p>25.6 An FSP shall provide clarifications if consumers have questions about disclosed information.</p> <p>25.7 An FSP shall obtain a written confirmation from the financial consumer that the details of the products or services and their terms and conditions were received, explained and understood prior to accepting the offer.</p>	
<p>26.0 Key Facts Document</p> <p>26.1 FSPs shall have a standardised document in the form of a “Key Facts Document” in either printed or electronic form for its products/services written in simple language in either Sinhala, Tamil or English, which shall be available to the prospective financial consumers and displayed on the corporate website.</p>	<p>We suggest that the information should be in accessible formats as listed in Section 17.4 comment.</p> <p>We suggest ‘.. and displayed on the corporate website <u>with no accessibility barriers for persons with disabilities</u>.</p> <p>[Note: Website accessibility means that the website is designed in a way that people with disabilities can perceive, understand, navigate and interact with the website].</p>
<p>28.0 Information for Credit Facilities and Credit Instruments</p> <p>28.1 The FSP shall provide an Offer Letter to the consumer who has accepted a credit offer, and the Offer Letter, at minimum, must contain the following basic information in either Sinhala, Tamil or English as preferred by the financial consumer;</p>	<p>We suggest that the offer letter should be in accessible formats as listed in Section 17.4 comment.</p>
<p>Provision of Accounts Statements</p> <p>29.1 The FSP shall provide a consumer with:</p> <p>(a) a periodic statement of every account the FSP operates for the consumer, free of charge either written or electronic mode;</p>	<p>We suggest that the electronic mode of the statement should be compatible to ‘Text to Speech’ tools used by customers with vision impaired.</p> <p>[Note: Text to Speech tool is a type of assistive technology that reads digital text</p>

	aloud. It's sometimes called "read aloud" technology].
<p>Settlement of Obligation</p> <p>30.1 An FSP shall provide a consumer who has fully settled financial obligations with a written declaration indicating the full settlement of the obligation.</p>	We suggest that the 'written declaration' should be in accessible formats as listed in Section 17.4 comment.
<p>Notification of Changes in Terms and Conditions</p> <p>32.1 The FSP shall notify a consumer within a reasonable time in writing, including in electronic form, prior to changes in agreed terms and conditions related to-</p>	We suggest that the 'notification of changes in terms and conditions' should be in accessible formats as listed in Section 17.4 comment.
<p>Accessibility</p> <p>33.0 Formulation of Accessibility Policy</p>	This section requests FSPs to formulate and implement an accessibility policy. Our comments for different sections of the financial consumer protection framework suggest means to implement such policy.
<p>36.0 Web Accessibility</p> <p>36.2 Web accessibility shall include but is not limited to</p> <p>a) Font size, colour and colour contrast adjustability.</p> <p>b) Fully navigability and ability to function with the keyboard.</p> <p>c) Fully readability with screen readers.</p> <p>d) All buttons and graphics shall be appropriately labelled or use alternative text.</p> <p>e) All security, protection or safety features shall be provided in text and audio options.</p> <p>f) Adequate time shall be granted to perform all functions.</p>	We suggest Sign Language Web Interpreter facility for websites.
<p>37.0 Information Accessibility</p> <p>FSPs shall provide all the necessary documents in accessible formats at the request of the financial consumer.</p>	We suggest that the 'all the necessary documents' should be in accessible formats as listed in Section 17.4 comment.
<p>Timely Response and Contacting a Financial Consumer</p> <p>42.1 The FSP shall respond to a consumer's request for information clearly, timely and in writing or electronically, as per the preferred communication channels, either Sinhala, Tamil or</p>	We suggest that the 'communication channels' should be in accessible formats as listed in Section 17.4 comment and Video Interpreting for customers who preferred Sign Language communication.

<p>English as preferred by the financial consumer within a reasonable time period.</p>	<p>[Note: Video Interpreting (VI): or interpreting via videophone: General term for all interpreter services via videophones]</p>
<p>42.3 When making telephone contact with a consumer, the person shall identify himself or herself by the name and the name of the FSP on whose behalf the financial consumer is contacted and the commercial purpose of the contact.</p>	<p>We suggest ‘..telephone contact/<u>Video Interpreting contact</u>’</p>
<p>Complaint Handling Procedure of FSPs 49.1 The mechanism for receiving complaints under Regulation 48 shall have multiple channels with clear procedures, including help desk assistance, telephone numbers, dedicated email/ postal addresses and online web forms.</p>	<p>We suggest Video Interpreting as a channel for receiving complaints.</p>
<p>63.0 Financial Consumer Education and Awareness Program Deliver Effective Financial Education Programs (a) FSP, either on its own or in partnership with industry associations or in colobaration with CBSL/ agencies promoting financial literacy, shall develop specific financial literacy programs to improve the financial consumer awareness of financial products/services. Financial education programs should be designed to meet the needs and financial literacy of the target audience.</p>	<p>We suggest that financial literacy programs and the content of the program should be prepared in accessible formats as listed in Section 17.4.</p>
<p>Interpretations “Accessible format” means electronic/word format, and for Sinhala and Tamil, electronic/ word format with unicode fonts or any other mechanism facilitating elderly, disabled or with low financial literacy financial consumers.</p>	<p>We suggest documents in large font size and sign language interpretation should be included in accessible formats.</p>