

# **Financial Consumer Protection**

***Enhancing Financial Protection of Consumers  
in Particular Women through Financial  
Literacy Initiatives***



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## Preface

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The Government and the Reserve Bank of India (RBI) has made several concentrated efforts to promote financial inclusion. India's 19 percent of population is still unbanked or financially excluded (Assocham-EY Joint Study, July 2017).

The largest unbanked population in the world approximately 145 million resides in India. The Global Financial Inclusion Database suggests that only 26 percent of female adults in India have an account with a formal financial institution compared to 44 percent of male adults (World Bank Report 2014).

In this backdrop, CUTS initiated a project. Enhancing Financial Protection of Consumers in Particular Women through Financial Literacy Initiatives. In partnership with Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India supported under the Consumer Welfare Fund (CWF). The project is being implemented in two districts of Rajasthan: Chittorgarh and Bhilwara. There are 12 blocks in Bhilwara and 11 in Chittorgarh respectively. While Chittorgarh has 290 gram panchayats in 11 panchayat samitis, Bhilwara has 383 gram panchayats in 12 panchayat samitis. Thus in all, 23 panchayat samitis (blocks) of two districts are being targeted to cover maximum gram panchayats.

This publication highlights baseline survey findings conducted under the project in two districts. The purpose of this survey was to gauge the level of awareness on financial consumer rights, financial inclusion and other issues pertaining to financial literacy and related services as on today, which can be offered through financial institutions or development schemes from the government.

The baseline survey revealed that 10 percent of women were unbanked. It also tried to find the level of understanding of survey respondents, who are mostly women from the two targeted districts with regard to issues, such as gas subsidy and Aadhaar number linkage with bank accounts, life insurance, digital payments, mutual funds etc.

The survey recommendations will be able to gauge the level of awareness and understanding of rural-based consumers, especially women, who are being served or purchasing various financial services and the basic problems, which they face in banks and other financial institutions. These recommendations will certainly help formulating key issues for advocacy with the government, regulator and service providers.

We express sincere gratitude to Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India for valuable partnership and support in taking the objectives of financial consumer protection forward and providing incessant guidance.

I thank my colleagues Gauhar Mahmood, Assistant Director & Centre Head; Madan Giri Goswami, Deputy Head; and Radhe Vaishnav, Programme Associate of CUTS CHD and Bhilwara respectively and all other staff involved in the implementation of the project and conducting the survey.

Special thanks to Deepak Saxena, Assistant Director & Deputy Head; Amar Deep Singh, Senior Programme Officer and Satyapal Singh, Programme Associate for overall implementation and coordination. This report would not have been possible without their support.

We also acknowledge the contribution of the editorial and publication team in the editing, layout and publication of the document.

**George Cherian**  
Director  
CUTS International

## **1. About CUTS**

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Established in 1983-84, as a rural development communication initiative, Consumer Unity & Trust Society ([www.cuts-international.org](http://www.cuts-international.org)) is currently at the cutting edge of the consumer movement in India as well as across the globe, and has become a leading Southern voice on Rules-based Trade, Effective Regulation and Good Governance.

CUTS Mission is 'Consumer Sovereignty in the Framework of Social Justice Economic Equality and Environmental Balance Within and Across Borders'. In all its endeavours, CUTS follows the method of research-based advocacy and connects the grassroots with national and international policymaking processes.

Over the last three decades, CUTS has experienced an organic and evolutionary growth – marked by a refreshing spontaneity in responding to the need of the hour, particularly those of the developing world, by addressing contemporary and emerging economic governance issues at national, regional and international level through exchange of ideas and experiences of state and non-state actors.

At present, CUTS operates out of:

- Three Programme Centres in Jaipur and one in Chittorgarh, India
- An Advocacy Centre in New Delhi and a Resource Centre in Kolkata
- Six Affiliated Centres in Lusaka, Zambia; Nairobi, Kenya; Accra, Ghana; Hanoi, Vietnam; Geneva, Switzerland; and Washington DC (USA)

## **2. CUTS Centre for Consumer Action, Research & Training (CUTS CART)**

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CUTS Centre for Consumer Action, Research & Training (CUTS CART) was established in 1996 to continue to contribute towards attaining its inherited agenda of Consumer Protection and Education. The Centre spearheaded several campaigns and pioneered consumer movement.

### **Programme Areas:**

Consumer Empowerment  
Good Governance  
Sustainable Development

### **MISSION**

*"To enable consumers, particularly the poor and the marginalised to achieve their right to basic needs, sustainable development and good governance through strong consumer movement".*

### 3. Project Overview

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#### Geographical Coverage

The project is being implemented in two districts of Rajasthan, namely Chittorgarh and Bhilwara. There are 12 blocks in Bhilwara and 11 in Chittorgarh. While Chittorgarh has 290 *gram panchayats* in 11 *panchayat samitis*, Bhilwara has 383 *gram panchayats* in 12 *panchayat samitis*. Thus in all, 23 *panchayat samitis* (blocks) of two districts are being targeted to cover maximum *gram panchayats*.



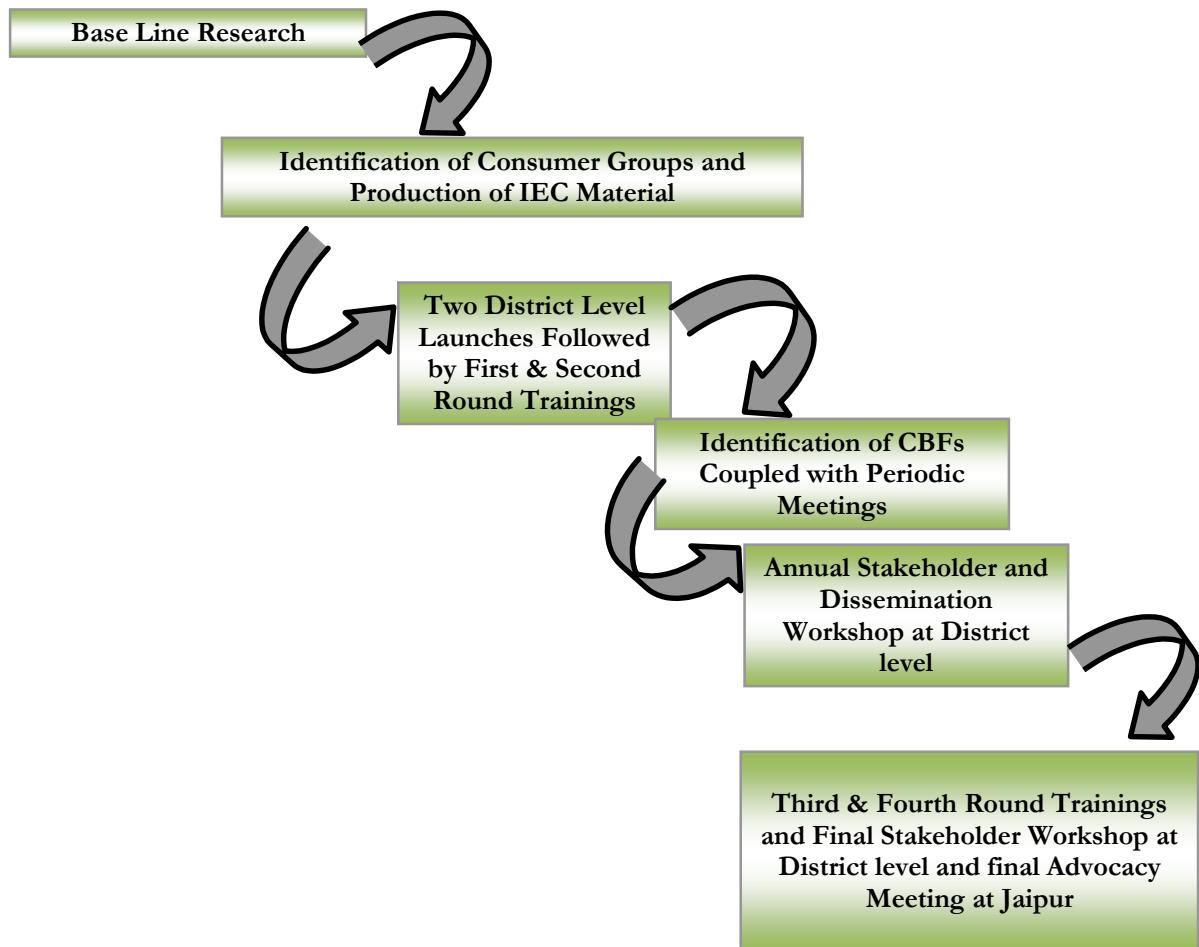
The households in the targeted intervention area belong to the economically backward section of the community. The condition of rural consumers especially women in these households is vulnerable since the decision-making powers are mostly vested with the male members. In women, low education level and lack of access to information for making financial decisions are also responsible for this. The money earned and saved by women is also kept with male members or deposited into accounts of male members, as the number of women having access to banking services is very low.

In India, the need for financial literacy is even greater considering the low levels of literacy and the large section of the rural women remaining out of the formal financial set-up. Financial literacy is relevant for these rural women who operate at the margins and are vulnerable to persistent downward financial pressures. With no or incomplete financial awareness, the unbanked/under-banked rural women and their families are pushed towards expensive alternatives.

Financial markets offer complex choices to consumers, but literacy is essential for consumers to make informed choices. Informed choices will help in demand generation of the financial services.

The RBI review report on BC model (2009) recognises the fact that the process of financial inclusion involves three critical aspects: (I) access to banking markets, (ii) access to credit markets, and (iii) financial education. It is, therefore the BC model should encompass each of the above three aspects in order to be able to address the issue of financial inclusion in a holistic manner.

Hence, the project is targeted at reaching out and empowering the most vulnerable rural consumers, especially women in order to improve their health, education and other developmental needs and reduce gender inequality.



## **4. Executive Summary**

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Consumer Unity & Trust Society (CUTS) began its journey as a consumer advocacy group in 1983 founded by a voluntary group of citizens and gradually diversified through various programmatic centres to empower consumers in social, political and economic arena. Consumer Action Research and Training (CART) is one of the programmatic centres of CUTS International, which works mainly in three programmatic areas viz. Consumer Empowerment, Good Governance and Sustainable Development. Today, with headquarters at Jaipur (Rajasthan), CUTS is a leading think-tank working on economic and public policy issues. It is a leading Southern voice and face of consumer empowerment through its rights-based approach and activities for influencing the process and content of inclusive growth and development.

As part of its, Consumer Empowerment agenda, CUTS with the support of Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India is implementing a project titled 'Enhancing Financial Protection of Consumers in Particular Women through Financial Literacy.

In various studies and intervention, it is found that poor and vulnerable community specially women in rural areas are unable to come out of poverty due to poor saving and investment habits as well as lack of financial inclusion. Women are more vulnerable compared to their male counterparts mainly because they do not have means and control over finances, although women have important contribution in livelihood activities. But since the decision making is with the male members, who have access to other financial services, spending and investment priorities are seldom in favour of women.

So, with the above current situation, a baseline survey has been initiated to assess the actual ground realities in the targeted area of the project i.e. Bhilwara and Chittorgarh districts. This being the first activity of the project. The focus of the study was to gauge the level of awareness of consumers of their financial consumer rights, their involvement capabilities in financial matters and inclusions etc. In the survey, the educational levels of population sampled are relatively low. Overall, 31.65 percent of the sample population has no education at all; 22.96 percent literate, who can only do signatures, 11.57 percent have some primary education (class 1 to 5), 18.35 percent have reached high school whereas, only 15 percent received some high school education or above it.

### **Key Findings of Field Survey**

In the key findings of the survey, it is found that majority of women contributed to the family income, which is around 82 percent, which is an extraordinary finding of the survey. However, there are 16 percent of them, who did not contribute to the family income. On a related note, around 89 percent of respondents, who were mainly women have accounts in bank or post office, whereas only 10 percent were found to be unbanked. Out of 1150 females, 72 percent are those, whose husband has an account in a Bank/Post Office. There are 12 percent such women also, whose husbands don't have an account.

Among those, who don't have any saving account with either bank or post office or elsewhere, 70 percent of them says that they don't have savings, so they don't prefer to deposit elsewhere but 9 percent of them deposits their savings in their husband's account. Five percent says that distance is a problem and it's a bit difficult to travel across to bank and deposit money. Almost 54 percent of respondents borrow money from a local money lender in case of emergency and seven percent borrow money through inter loaning system from Self Help groups (SHGs), whereas around 21 percent respondent borrow money from multiple sources.

With regard to level of awareness of respondents about government schemes, it is found that only 38 percent are aware of Jan Dhan Yojna, whereas, majority of respondents (81percent) do not know about Atal Pension Yojna. Around 16 percent respondents are aware of Kisan Credit Card but very few respondents know about Rupay card.

67 percent of respondents confirmed the presence of SHGs in their area, whereas 79 percent said that they have micro-finance institutions in their villages.

In an interesting question, half the respondents have confirmed that they have their own mobile phone but 40 percent from the rest use their husbands' mobile. Of the remaining respondents, 5 percent don't have a mobile phone. Only 18 households i.e. 2 percent are those where both men and women own mobile phones.

Maximum respondents have preferred to opt for banks and post offices as their option for depositing their savings and other investments as a safer place. Some have chosen other options as well like share market, private finance companies etc. but the percentage of these are minimal.

42 percent of the respondents can't deposit money in the banks because they don't have any savings. Prima facie, it appears that 32 percent do not trust enough to make deposits in the bank because they haven't given any response. 10 percent of respondents have chosen more than one reason which re-affirms the fact that the subjects of the survey have various problems and hindrances in approaching the bank. Only 22 percent of the respondents are fully satisfied with the banking mechanism. The reason for such a small number could be the absence of banks or the distance between their homes and the banks which are situated in rural areas.

More than three-fourths of the interviewed people doesn't know about the Terms and Conditions on their investment. One-third of the respondents know about their banking investments along with their duties and privileges. The least known terms and conditions are that of the investments in the Share Market.

On an average, 85 percent of the respondents haven't faced any fraud or harassment from any of the financial institutions including banks. Only 0.5 percent (on an average basis) of the respondents' faction has suffered such malpractices. 22 percent of the respondents didn't make any complaints about any offences. Only 1 percent from the 0.5 percent of the population has lodged complaints. 6 percent of the respondents from the 1 percent, who had complained are satisfied with the redressal of their complaints. 2 percent are of the opinion that it won't prove useful because the complaint won't get resolved. With regard to the level of awareness of respondent about grievance redressal mechanism,

only 3 percent are aware of the whole procedure. 16 percent are aware of the procedure but not fully. 64 percent are not aware of it at all.

In a question related to respondent's familiarity with Policy-Making Financial Institutions or Regulator, the institution about which most of the people are aware of is the Reserve Bank of India (RBI). The least known institution is the Securities and Exchange Board of India (SEBI).

In a question related to satisfaction of respondents for return on investment, only 10 percent of the population is satisfied with the return on their investment. 20 percent are partially satisfied, whereas 23 percent are not at all satisfied. 16 percent preferred not to respond to the question.

41 percent of the respondents have their bank account linked to LPG subsidy. But 47 percent still don't have that facility with them. Majority of the respondents withdraw their money by going to the branch itself. 7 percent use their Aadhar Card for verification. But 69 percent of respondents don't have a debit card to use. 26 percent have it at their disposal. Out of this 26 percent, about 20 percent of the total use Debit Card to withdraw money from the ATM.

Only 13 percent of the respondents know the difference between a debit card and a credit card. 73 percent don't have any idea about the difference. Only 5 percent of respondents have credit cards, whereas 85 percent respondents don't have any access to credit cards and 10 percent have not responded to the question. Only 7 percent of respondents are satisfied with their credit card services but around 23 percent are those, who are not satisfied and 45 percent haven't responded to the question. Only 3 percent of respondents feel that the charges levied on Credit Card transactions are higher than necessary. 24 percent don't think so and 35 percent haven't responded to this question.

89 percent of respondents haven't faced any fraud on or misuse of their credit cards. Only 0.43 percent respondents have faced such issues. 85 percent of the respondents have not faced fraud by any non-banking company other than bank. Only 1 percent of them have declared to have suffered fraud.

90 percent have never been harassed by middlemen for investment purposes. 3 percent of the subjects haven't responded to the question. Only 2% of the respondents have opined to have been harassed by middlemen. Only 19 percent of respondents have Life Insurance. A large percentage of 75 percent don't have Life Insurance. 86 percent of the respondents don't have any Accidental Insurance. Only 10 percent the respondents actually have this. 0.35 percent of respondents have faced difficulty in payment of the claim but 25 percent have not faced any difficulty. Surprisingly, a big number of 67 percent have not responded to the question.

Only 2 percent of respondents are aware of Mutual Funds. 5 percent of the subjects haven't responded to the question. As expected, 90 percent of those are completely unaware of Mutual Funds. Only one percent out of the 2 percent aware respondents has invested in Mutual Funds. 91 percent haven't invested at all.

Only 2 percent of the subjects use Mobile Wallets for making payments as part of the digital payments. 86 percent don't use mobile wallets at all. Only one percent of the respondents uses Paytm for digital payments. 0.5 percent use SBI buddy as a mobile wallet. 71 percent of subjects don't use mobile wallets because they are not aware of them. 2 percent of them find Mobile Wallets expensive. 0.87 percent of them think that these wallets are not trustworthy. 10 percent of the respondents have chosen more than one option. 1.39 percent of them find mobile wallets inconvenient. They need to be educated about them.

Only 11 percent of respondents have used the Aadhaar-verification process as a method to make payment. 86 percent of them haven't used it so far.

## **5. Research Methodology**

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### **Research Technique**

Quantitative research technique was used to collect responses, which consisted of structured schedule with closed-ended as well as open-ended questions.

The aim was to cover maximum area of each district. Taking 575 samples from each district enabled to cover maximum blocks of both covering maximum *gram panchayats*. Hence, the total sample size taken was 1150 covering two districts. There are in all 23 blocks in two districts: 12 in Bhilwara and 11 in Chittorgarh. Samples were collected from all 23 blocks. The quantitative survey focussed on assessing the actual ground realities in the targeted areas.

### **Research Instruments**

The proposed survey methodology includes quantitative research-survey of rural consumers, especially women.

Following a set of study instruments were developed for collecting the required information:

- Structured questionnaire for interviewing respondents; and
- Guidelines discussed during the orientation with surveyors;

### **Training of Enumerators**

As the baseline survey was the first step towards commencement of the FCP Project, the training and orientation was organised at CUTS Centre for Human Development (CUTS CHD) on June 06, 2017. The main objective of the orientation was to help surveyors better understand the background of the project, overview of financial consumer protection, methodology of survey and details of questionnaire and get their queries resolved (if any). Around 20 surveyors from Bhilwara and Chittorgarh districts participated in the meeting.

## 6. Findings

### District wise Distribution of Respondents

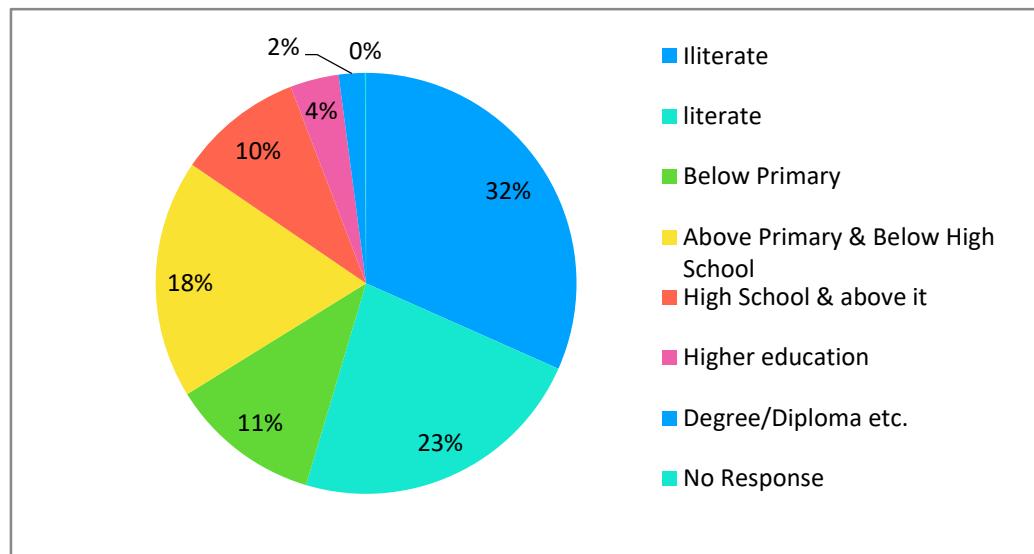
As a part of the quantitative survey, a total number of 1150 respondents were interviewed. Looking at the district-wise distribution of respondents, around 600 and 550 samples from Bhilwara and Chittorgarh districts were interviewed.

**Table 1: Gender Distribution of Respondents**

Options	Analysis	Percentage
Male	219	19.04
Female	931	80.96
Total	1150	100

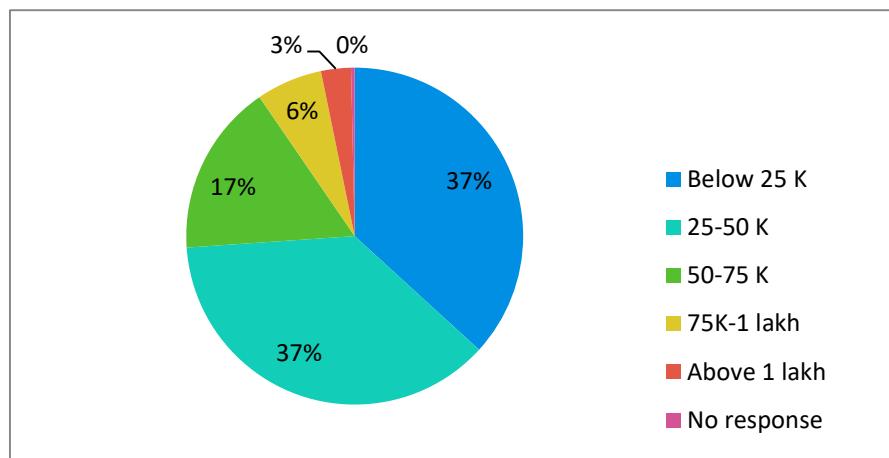
Table 1 depicts the gender/sex of respondents. Out of 1150 respondents, 81 percent were female, whereas only 19 percent were male.

**Figure 1: Educational Background of Respondents**



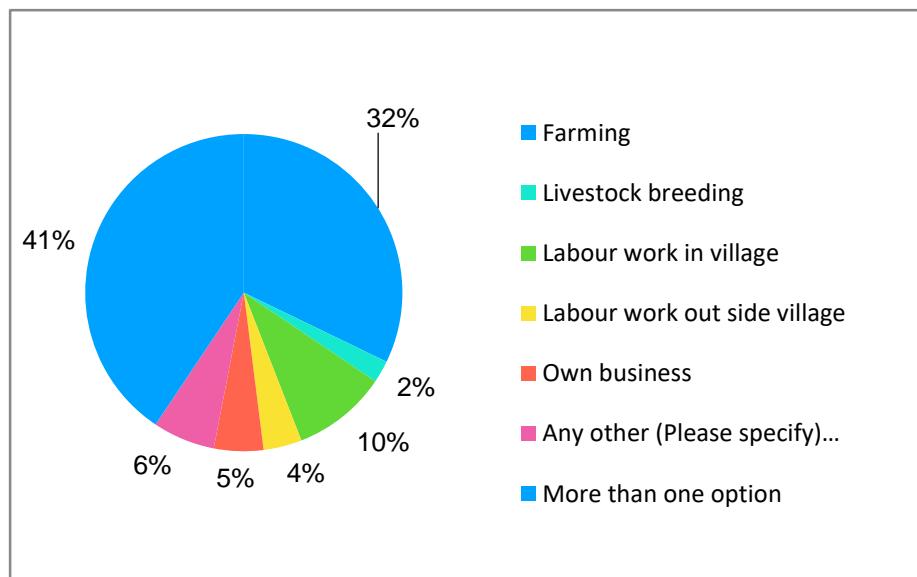
Educational levels are relatively low among populations sampled. Overall, 31.65 percent of the sample populations are not educated at all. 22.96 are percent literate, who can only do signatures. 11.57 percent have some primary education (class 1 to 5), 18.35 percent have reached high school, whereas only 15 percent received some high school or above.

**Figure 2: Annual Income of Respondents**



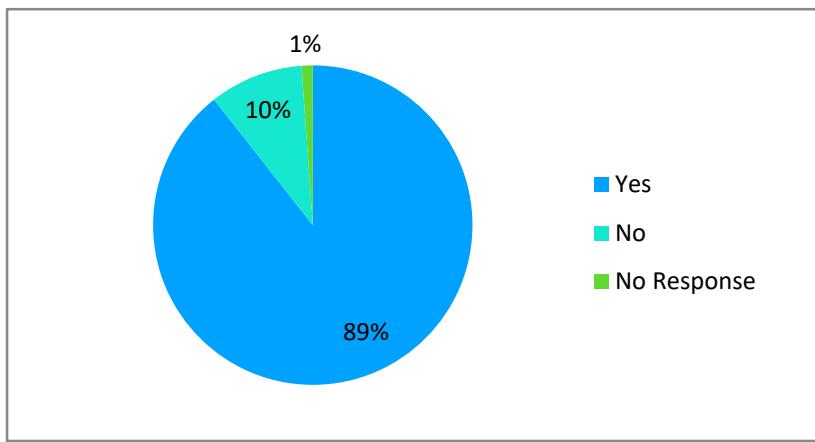
Around 37 percent of the respondents fall under the slab of below 25K annual income and 37 percent found between 25K and 50K, which clearly shows that majority of respondents' annual income is under 50k whereas only around 3 percent of respondents are having above one lakh annual earnings.

**Figure 3: Source of Income of Respondents**



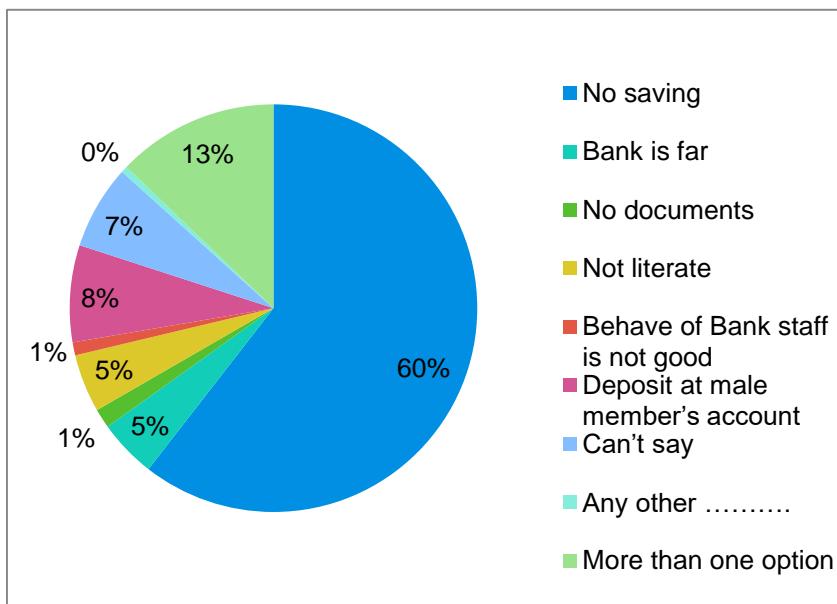
Mostly income is generated from farming. The activity practiced least is livestock breeding. Other than this, the highest income is generated by people engaged in more than one type of occupation. 10 percent of the people are engaged in manual labour inside the village itself.

**Figure 4: Accounts in Bank or Post Office of Respondents**



Around 89 percent of respondents have accounts in banks or post offices, whereas only 10 percent do not have it.

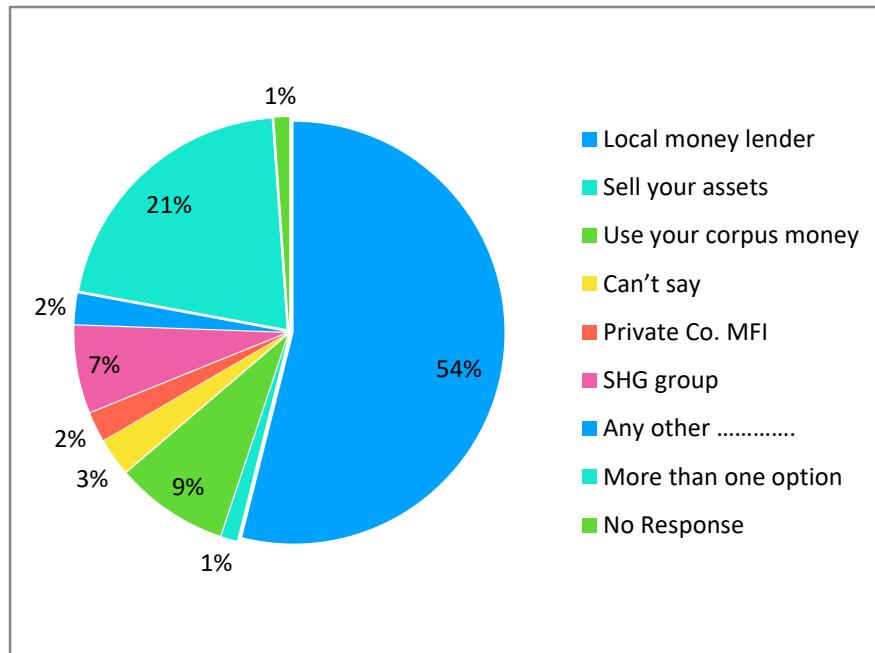
**Figure 5: Reasons Behind Not Having Any Bank Account of Respondents**



Multiple reasons were identified during the survey: 60 percent does not have savings, hence they do not prefer to deposit and 8 percent deposit their savings in their husband's account. Five percent said that banks are far away from their villages and whereas five percent of them are illiterate.

**Figure 6: Source of Loan in Emergency or Need of Respondents**

Almost 54 percent of respondents borrow money from a local money lender in case of emergency and seven percent through inter loaning system from Self Help Groups (SHGs), whereas around 21 percent respondents borrow money from multiple sources.



**Table 2: Level of Awareness of Respondents about Government Schemes**

	Options	Yes	No	No Answer	Yes (%)	No (%)	No Response (%)
Are you aware of below-mentioned schemes by governments?	<i>Jan Dhan Yojna</i>	433	692	25	37.65	60.17	2.17
	<i>Atal Pension Yojna</i>	180	935	35	15.65	81.30	3.04
	<i>Kissan Credit Card</i>	295	819	36	25.65	71.22	3.13
	<i>Rupay Debit Card</i>	131	979	40	11.39	85.13	3.48
	<i>Jeevan Jyoti Bima</i>	207	918	25	18.00	79.83	2.17
	<i>Jeevan Suraksha Bima</i>	237	885	28	20.61	76.96	2.43
	<i>Mudra Yojna</i>	78	1030	42	6.78	89.57	3.65
	<i>Bhamasha Yojna</i>	801	329	20	69.65	28.61	1.74

Only 38 percent respondents are aware of *Jan Dhan Yojna*. From above figures, it is depicted that majority of respondents (81 percent) are unaware of *Atal Pension Yojna*. Around 16 percent respondents are aware of *Kissan Credit Card*. Very few respondents are aware of Rupay debit.

**Table 3: Approached by Bank to Respondents to Open Various Accounts**

	Options	Analysis	Value in %
Were you approached by the Bank to open the above-mentioned accounts?	Yes	184	16
	No	827	71.91
	Can't say	138	12
	No Reponses	1	0.087
	Total	1150	100

72 percent of respondents were never approached by Bank for availing of above mentioned schemes.

**Table 4: Level of Satisfaction of Respondents from Banking Services**

	Options	Fully	Partially	Not at all	Can't say	No answer
If yes, please select the level of satisfaction from Services	Bank	261	134	105	60	590
	Post Office	78	69	135	112	756
	Private Finance Companies	4	15	188	152	791
	Share Market	3	12	193	153	789
	NBFCs	3	15	191	154	787
	Cooperative Society	37	51	151	149	762
	Other.....	7	12	157	152	822

*Percentage Table*

Options	Fully	Partially	Not at all	Can't say	No answer
Bank	22.70	11.65	9.13	5.22	51.30
Post Office	6.78	6.00	11.74	9.74	65.74
Private Finance Companies	0.35	1.30	16.35	13.22	68.78
Share Market	0.26	1.04	16.78	13.30	68.61
NBFCs	0.26	1.30	16.61	13.39	68.43
Cooperative Society	3.22	4.43	13.13	12.96	66.26
Other.....	0.61	1.04	13.65	13.22	71.48

Only 22 percent of respondents are fully satisfied with the banking mechanism. The reason for such a small number could be the absence of banks or the distance between their homes and banks situated in rural areas. 16 percent of respondents are not satisfied with the private finance companies at all which is a major concern. 9 percent of respondents are not satisfied with banks at all. The connection of the people of villages with banks is of utmost importance.

**Table 5: Level of Awareness of Respondents about Terms and Conditions of Investment**

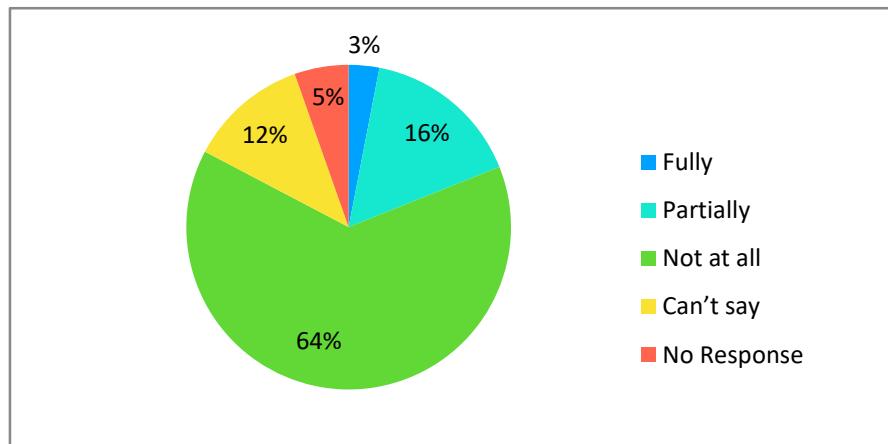
	Options	Yes	No	Can't say	No answer
Are you aware of the Terms and Conditions on your Investment?	Bank	390	661	74	25
	Post Office	149	792	75	134
	Private Finance Companies	18	885	79	168
	Share Market	5	897	77	171
	NBFCs	8	896	78	168
	Other	0	858	77	215

*Percentage Table*

Options	Yes	No	Can't Say	No Response
Bank	33.91	57.48	6.43	2.17
Post Office	12.96	68.87	6.52	11.65
Private Finance Companies	1.57	76.96	6.87	14.61
Share Market	0.43	78.00	6.70	14.87
NBFCs	0.70	77.91	6.78	14.61
Other	0.00	74.61	6.70	18.70

More than three-fourths of the populations do not know terms and conditions on their investment. The most awareness comes when investments are in the Banking Sector. One-third of respondents know their banking investments along with their duties and privileges. The least know terms and conditions are that of investments in the Share Market.

**Figure 7: Level of Awareness of Respondents about Grievance Redressal Mechanism**



Only 3 percent are aware of the whole procedure. 16 percent are aware of the procedure but not fully. 64 percent are not aware of it at all and 5 percent have not responded to the question at all.

**Table 6: Respondent's Familiarity with Policy-Making Financial Institutions**

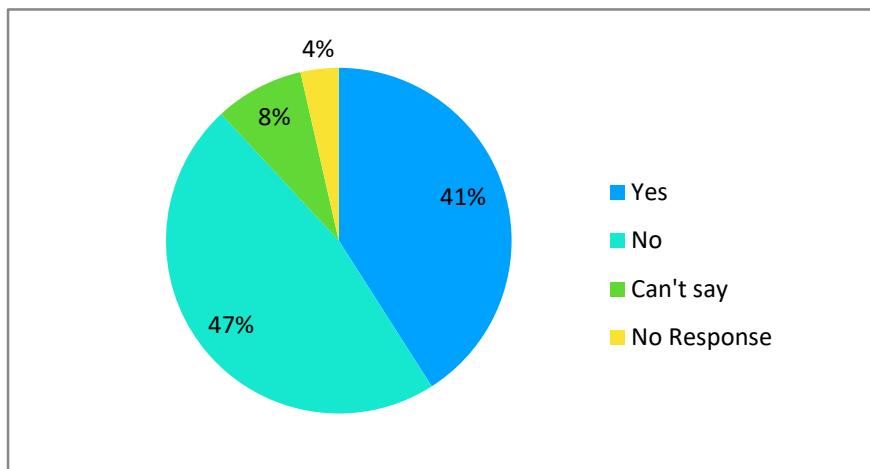
	Options	Yes	No	Can't Say	No answer
Did you hear about mentioned agencies/ Institutions?	Banking Ombudsman	36	1076	16	22
	Insurance Ombudsman	45	1063	19	23
	IRDA	16	1086	19	29
	SEBI	11	1092	15	32
	RBI	295	815	19	21

*Percentage Table*

Options	Yes	No	Can't Say	No answer
Banking Ombudsman	3.13	93.57	1.39	1.91
Insurance Ombudsman	3.91	92.43	1.65	2.00
IRDA	1.39	94.43	1.65	2.52
SEBI	0.96	94.96	1.30	2.78
RBI	25.65	70.87	1.65	1.83

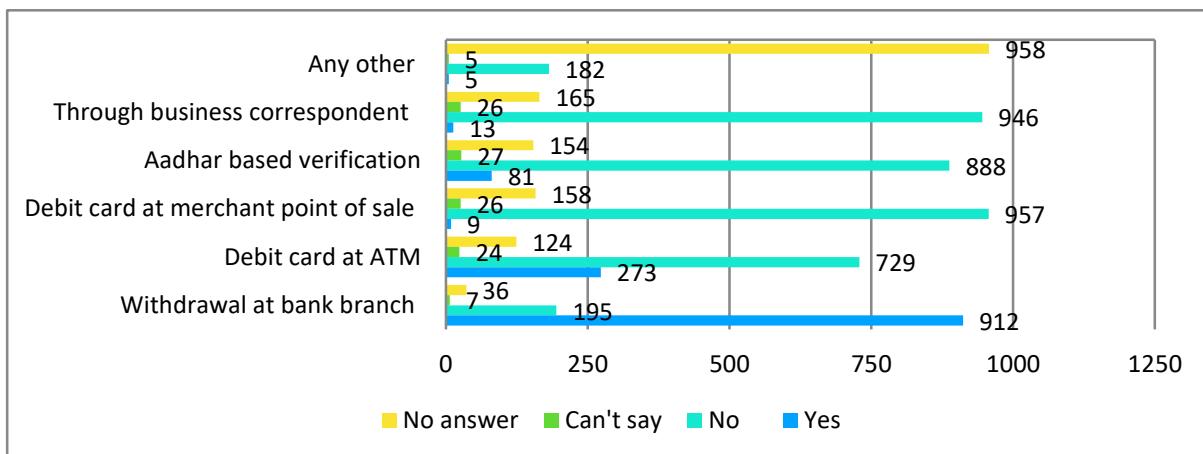
The institution about which the most people are aware of is the Reserve Bank of India (RBI). The least known institution is the Securities and Exchange Board of India (SEBI)

**Figure 8: Bank Account Linked to LPG Subsidy**



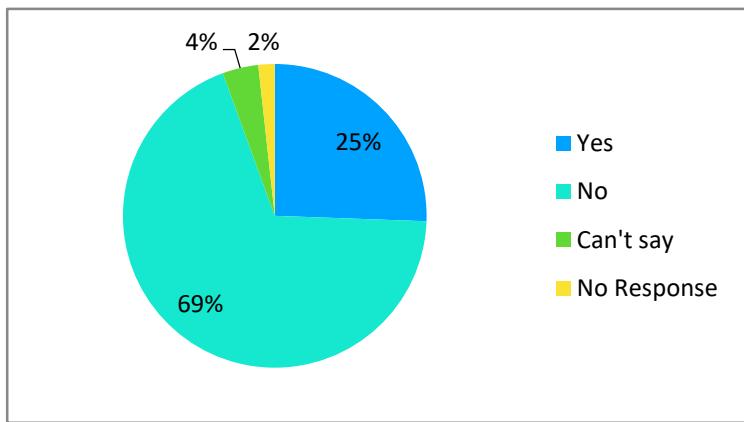
41 percent of respondents have their bank accounts linked to LPG subsidy. But 47 percent still does not have that facility going for them.

**Figure 9: Method Used by Respondents for Money Withdrawal**



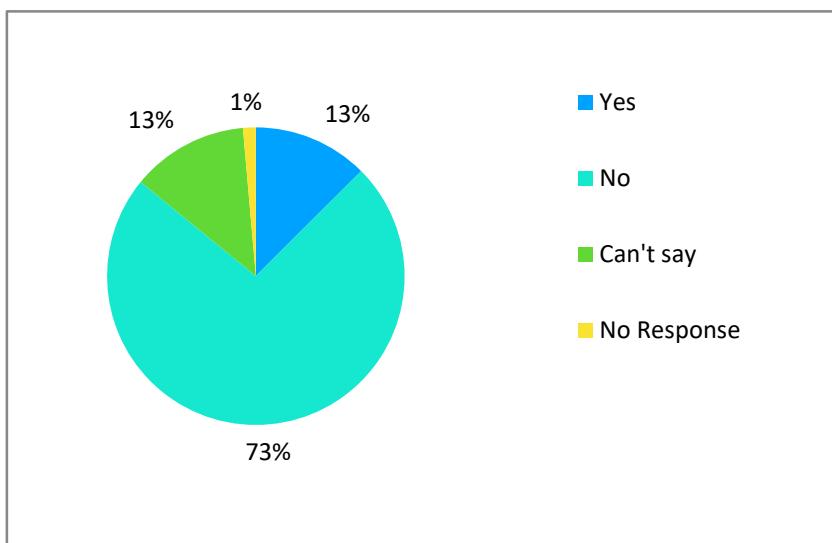
Majority of respondents withdraw their money by going to the branch itself. About 20 percent use debit card to withdraw money from the ATM and seven percent use their Aadhaar-card for verification.

**Figure 10: Availability of Debit Card for Respondents**



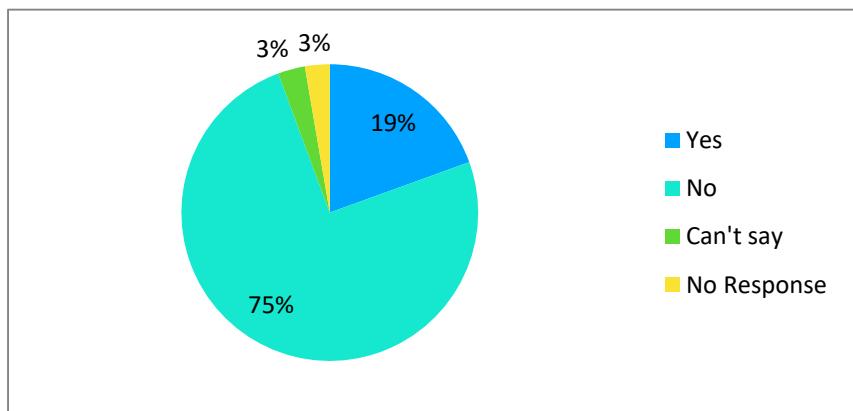
69 percent of respondents does not have a debit card and 26 percent have it at their disposal.

**Figure 11: Awareness about Distinction of Debit and Credit Card**



Only 13 percent of respondents know the difference between a debit and credit card. 73 percent does not have any idea about the difference.

**Figure 12: Respondent's Opinion on Life Insurance**



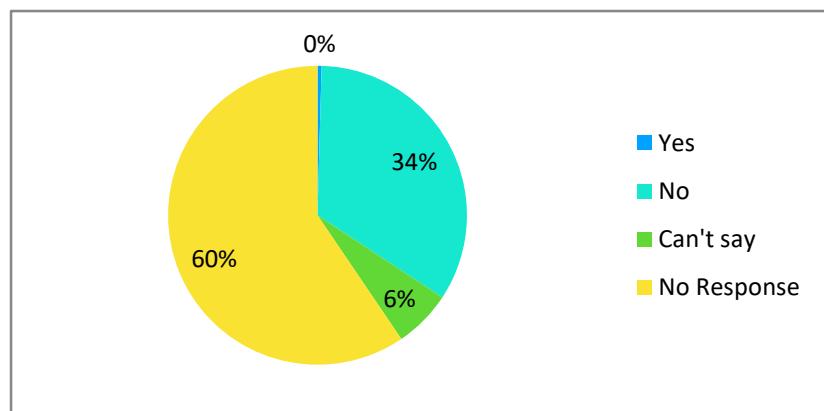
Only 19 percent of respondents have life insurance. A large percentage of 75 percent do not have insurance and three percent did not respond to the question.

**Table 7: Respondent's Opinion on Accidental Insurance**

	Options	Analysis	Percentage
Do you have any Accidental Insurance?	Yes	115	10.00
	No	986	85.74
	Can't say	28	2.43
	No Response	21	1.83

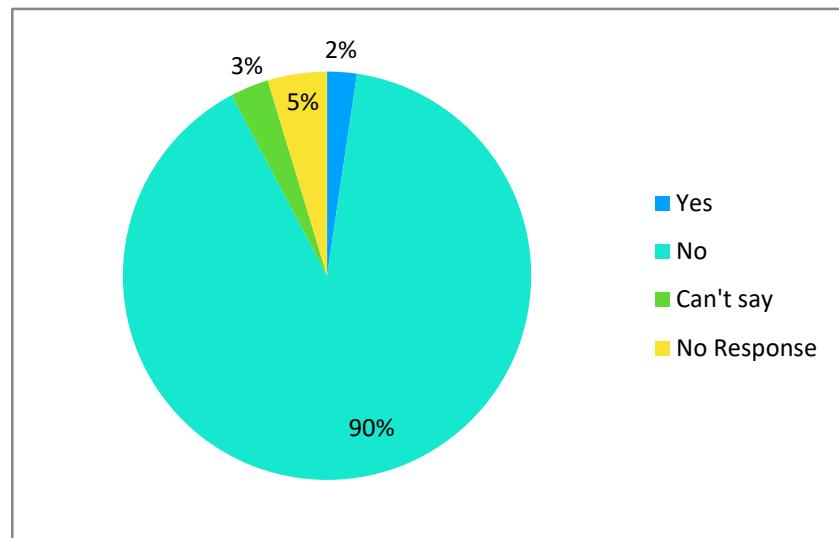
86 percent of respondents do not have any accidental insurance. Only 10 percent of respondents actually have accidental insurance and two percent did not respond to the question.

**Figure 13: Respondent's Claim applied for Accidental Insurance**



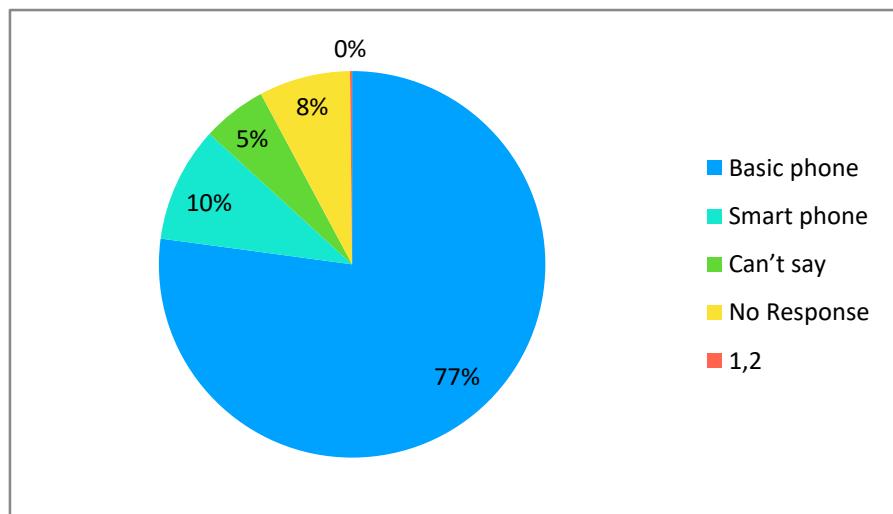
Only 0.43 percent of respondents have applied for a claim of accidental insurance. 34 percent have never applied for any claim and 60 percent did not respond to the question.

**Figure 14: Level of Awareness of Respondents about Mutual Funds**



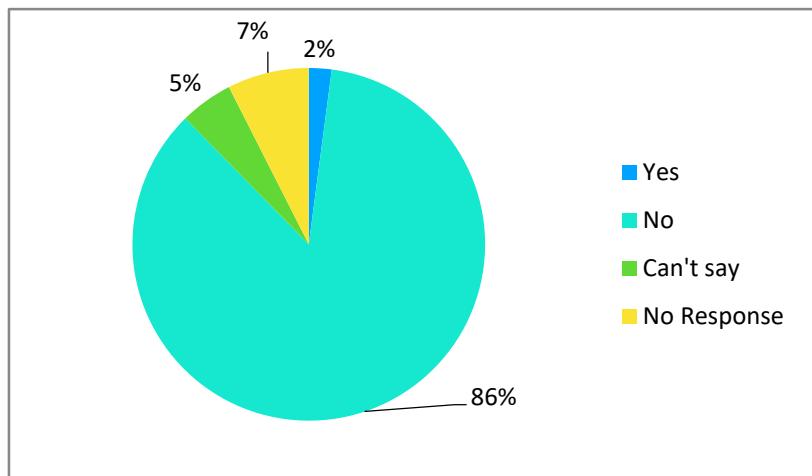
Only two percent of respondents are aware of mutual funds. Five percent did not respond to the question and 90 percent are completely unaware.

**Figure 15: Types of Mobile Phone Used by Respondents**



77 percent of respondents use a basic phone and only nine percent use a smart-phone. Seven percent did not respond to the question. It may be assumed that they do not own a phone.

**Figure 16: Usage of Mobile Wallets by Respondents**



Only two percent of respondents use mobile wallets for making payments. 86 do not use mobile wallets at all and seven percent did not respond to the question.

**Table 8: Respondent's Reasons for Not Using Mobile Wallets**

	Options	Analysis	Percentage
If No, why?	Not aware	816	70.96
	Inconvenient	16	1.39
	Expensive	20	1.74
	Internet not available	10	0.87
	Not trustworthy	10	0.87
	Any other	33	2.87
	More than one option	116	10.09
	No Response	129	11.22

71 percent of subjects don't use mobile wallets because they are not aware of them. Two percent of them find mobile wallets expensive. 0.87 percent of subjects think that these wallets are not trustworthy. 10 percent of respondents have chosen more than one option. 1.39 percent of them find mobile wallets inconvenient. They need to be educated about them.

**Table 9: Respondent's Response on Payments through Aadhaar Verification Process**

	Options	Analysis	Percentage
Have you made payments through Aadhaar verification process?	Yes	123	10.70
	No	992	86.26
	No Response	34	2.96

Only 11 percent of respondents have used the *Aadhaar*-verification process as a method to make payment and 86 percent have not used it.

## **7. Challenges and Recommendations**

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### **Challenges**

- Low financial literacy is a major barrier to financial inclusion. Due to low level of financial literacy, consumers are not able to judge and compare various products. When they do not have that level of financial literacy, it creates a trust deficiency and also does not break their hesitation to use banking services
- A large number of people who have come into the financial system have low or uncertain incomes. For them, any high fee, such as maintaining a minimum balance is biggest challenge
- Language barrier in understanding terms and conditions regarding financial services
- The hesitation in using ATMs, mobile banking, net banking etc. is a technological challenge which restricts them from availing various banking services.
- Initial low take-up is often an issue, with limited subsequent impact on financial behaviours
- Difficult to translate knowledge to action due to lack of will
- Poor penetration of bank services in rural India, people have to walk for miles

### **Recommendations**

- Need for massive financial literacy programme for financial inclusion and growth
- Trainings that are simple, targeted, actionable, and/or accessible are more likely to be effective
- Need to develop and maintain consumer confidence and trust in financial services for positive outcomes
- Need to develop strong financial literacy infrastructure
- Need to lay emphasis on digital literacy through trainings and workshops
- Consumers need to be motivated to participate actively in the process of transformation
- Need to evaluate the impact of financial education programme
- Need to maintain the sustainability of the financial education programme
- Language of terms and conditions should be user-friendly and developed in regional languages
- Need to enhance coordination among stakeholders



**8. Would you like to open a bank account?**

Yes                  No                  Can't say

**9. Do you have below mentioned groups/institutions in your village?**

Self Help Groups	Yes	No	Don't know
Micro Finance Institutions	Yes	No	Don't know

**10. Do you use a mobile phone?**

Yes, have a separate mobile phone                  Yes, use husband's mobile phone

No

*Please respond, If you have an account*

**11. Are you able to take decision on investing your savings?**

Yes                  No

**12. Please select services available in your village or Gram Panchayat**

Banks	Post Office	Private Finance Companies
Share Market	NBFCs	Other (Please specified) .....

**13. Do you deposit your savings in above mentioned institutions?**

Yes                  No

**12.1 If no, then please mention the reason**

Very far	Illiteracy	No saving	Expensive
Behave of Bank staff	Depends on male member		

**12.2 If yes, please select (Can select more than one)**

Banks	Post Office	Private Finance Companies
Share Market	NBFCs	Other (Please specified) .....

**12.3 If yes, please select the level of satisfaction from Services**

Bank	Fully	Partially	Not at all	Can't say
Post Office	Fully	Partially	Not at all	Can't say
Private Finance Companies	Fully	Partially	Not at all	Can't say
Share Market	Fully	Partially	Not at all	Can't say
NBFCs	Fully	Partially	Not at all	Can't say
Other .....	Fully	Partially	Not at all	Can't say

**14. Are you aware about the Terms and Conditions on your investment?**

Bank	Yes	No	Can't say
Post Office	Yes	No	Can't say
Private Finance Companies	Yes	No	Can't say
Share Market	Yes	No	Can't say
NBFCs	Yes	No	Can't say
Other	Yes	No	Can't say

**15. Have you face any fraud/harassment by any of these institutions?**

Bank	Yes	No	Can't say
Post Office	Yes	No	Can't say
Private Finance Companies	Yes	No	Can't say
Share Market	Yes	No	Can't say
NBFCs	Yes	No	Can't say
Other	Yes	No	Can't say

**14.1 If yes, did you make any complaint of this?**

Yes    No    Can't say

**14.2 Are you satisfied with the result?**

Yes    No    Can't say

**14.3 If no, why? (Please specify)**

Not aware about the process

Long and complicated process

Never get resolved

Amount is very less

Any other reason .....

**16. Are you aware about process of grievance redressal?**

Fully    Partially    Not at all    Can't say

**17. Did you hear about mentioned agencies/institutions?**

Banking Ombudsman	Yes	No	Can't say
Insurance Ombudsman	Yes	No	Can't say
IRDA	Yes	No	Can't say
SEBI	Yes	No	Can't say
RBI	Yes	No	Can't say

**18. Have you taken any below mentioned loan from bank?**

Home loan	Yes	No	Can't say
Personal Loan	Yes	No	Can't say
Loan against deposit	Yes	No	Can't say
Credit Card Loan	Yes	No	Can't say
Any other (Please Specify)	.....		

**19. Are you happy about the return on your investment?**

Fully    Partially    Not at all    Can't say

**19.1 If not, how do you think you can maximize return on your savings?**

Please explain .....

**20. Do you get subsidies (like LPG subsidy etc.) directly in your bank account?**

Yes    No    Can't say

**20.1. How do you withdraw money from your bank account?**

Withdrawal at bank branch	Yes	No	Can't say
Debit card at ATM	Yes	No	Can't say
Debit card at merchant point of sale	Yes	No	Can't say
Aadhar based verification	Yes	No	Can't say
Through business correspondent	Yes	No	Can't say
Any other (Please Specify)	.....		

**21. Do you have a debit card?**

Yes    No    Can't say

**22. Do you know difference between Debit and Credit Card?**

Yes    No    Can't say

**23. Do you have any credit card?**

Yes    No    Can't say

**21.1 If yes, are you satisfied by the services?**

Yes    No    Can't say

**21.2 Do you feel that charges are more on credit cards?**

Yes    No    Can't say

21.3 If yes, please describe.....

**24. Have you faced any fraud/misuse of credit card?**

Yes              No              Can't say

21.1 If yes, please describe.....

**25. Which Card do you find easier to use?**

Debit Card    Credit Card    Can't say

**26. Other than Bank, have you faced any fraud by any company or agencies on your investment?**

Yes              No              Can't say

If yes, please describe.....

**27. Have you ever harassed by any agent/middlemen for investment purpose?**

Yes              No              Can't say

If yes, please describe.....

**28. How do you send/transfer money out of your account to someone staying in some other town within the country?**

NEFT        RTGS        Any other (Please mention) .....

**29. Do you feel the charges for money transfer are reasonable?**

Yes              No              Can't say

**30. Have you faced any problem using NEFT/RTGS?**

Yes              No              Can't say

**31. Do you have any Life Insurance?**

Yes              No              Can't say

**32. Do you have any Accidental Insurance?**

Yes              No              Can't say

**32.1 If yes, have you applied for any claim?**

Yes              No              Can't say

**32.2 If yes, did you face any difficulty in payment of claim?**

Yes              No              Can't say

**33. Are you aware about mutual funds?**

Yes              No              Can't say

**34. Have you invested in mutual funds?**

Yes              No              Can't say

Any Other Comments.....

*Please respond, if you use a mobile phone*

**35. What kind of mobile phone do you use?**

Basic phone              Smart phone              Can't say

**36. Do you use mobile wallets for making payments?**

Yes              No              Can't say

**36.1. If yes, what mobile wallets do you use?**

Paytm	Yes	No	Can't say
SBI Buddy	Yes	No	Can't say
BHIM	Yes	No	Can't say
ItzCash	Yes	No	Can't say
Any other (Please Specify) .....			

**36.2. If no, why?**

Not aware wallet	Inconvenient	Recipient does not possess mobile
Expensive	Internet not available	Not trustworthy
Any other (Please Specify) .....		

**37. Have you made payments through Aadhar verification process?**

Yes	No
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**Name of Surveyor**  
**Contact Details**