



PRESS RELEASE

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BCFI Launches Programmes for Structural Reforms of BC Sector & Promote Customer Awareness & Protection

Business Correspondent Federation of India (BCFI) at the Inclusive Finance India Summit today launched four programmes aimed at structurally reforming the BC sector and promote Customer Protection.

BCFI is the apex national federation of the BC sector. The federation has over 45 Corporate BCs (CBCs) who manage a network of **over 7.86 lakh** Agent BCs (ABCs) across India. BCFI endeavours to promote responsible delivery of financial services by systematizing and harmonizing BCs, besides promoting transparency, customer awareness and protection. BCFI works with its stakeholders for standardized systems and a continually evolving network of quality ABCs that promote deepening access, usage, besides customer awareness & protection holistically and a resilient multi-stakeholder led growth.

The BC sector has created a robust pipeline for delivery of financial inclusion services (including PMJDY) under which the basic savings and deposit accounts (BSBD) and mobile banking have been linked to Aadhaar under the JAM doctrine. This pipeline is not only facilitating savings, remittance, disbursement of credit, social security, and essential services / utilities payments etc. but is also delivering direct benefits of various government schemes to the poor citizens through DBT.

A comparative statement on the performance of financial inclusion (including PMJDY) is as follows:

SL	ITEM	Mar-14	Mar-18
1	Number of BSBD Accounts (million)*	243	536
2	Out of which PMJDY accounts (million)#		314.4 (58.7%)
3	Deposit in BSBD accounts (in Rs billion)*	312.30	1,121.00
4	Deposit in PMJDY accounts (in Rs billion)#		7,849.4 (70.0%)
5	Per account average balance in BSBD account (Rs)	1,285	2,091
6	Per account average balance in PMJDY accounts (Rs)		2,497
7	Bank Branches	1,17,954	1,43,122
8	Number of BCs in Rural Areas	3,37,678	5,15,317
9	Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)		<ul style="list-style-type: none"> ▪ Gross Enrollment: 53.4 mn ▪ No of Claims: 1,00,881 ▪ Claims Disbursed: 92,089
10	Pradhan Mantri Suraksha Bima Yojana (PMSBY)		<ul style="list-style-type: none"> ▪ Gross Enrollment: 135.1 mn ▪ No of Claims: 22,294 ▪ Claims Disbursed: 16,644
11	Atal Pension Yojana (APY)		<ul style="list-style-type: none"> ▪ Subscribers Enrolled: 9.71 mn ▪ Total Contribution: Rs 36.01 bn

Source: *RBI Annual Report 13-14 and 17-18| # as reported by banks| Figures in bracket represent the percentages to total BSBD accounts / deposits



The BC sector not only provides access to financial services, but also opportunities of employment/livelihood and skill development to the populace including in the hinterland. Thus, BC sector attracts not only youth and women, but also marginal retailers, Common Service Centres (CSCs), Fair Price Shops (FPSs), Self-Help Groups (SHGs) etc. to become ABCs. And, the focus now has shifted from providing access and opening account for every household, to every adult, and to enhanced usage via customer awareness and protection - with thrust on accelerating the pace of digitalized, financial inclusion and a risk-protected society.

However, the bane of the FI delivery has been that the ABCs were largely untrained, uncertified, unregistered in a formal mechanism. And, despite concerted efforts to address the supply side of providing access through technology and BCs in the past, a large percentage of Indians still face financial exclusion, with disproportionate levels of access and usage across the country's 1.2 billion population, especially for the country's backbone viz. the agriculture sector and MSMEs. Additionally, the problems of non-standardised and heterogenous interfaces between CBCs and ABCs is there in addition to limited customer awareness of usage & benefits of products, transparency of charges, and grievance redressal besides economic viability of BC remain as challenges.

To address major issues facing the sector, BCFI supported by World Bank Group, DFID and SIDBI nearly two years ago embarked upon developing world class programmes for structural reforms for BC sector covering the full spectrum of financials services – perhaps one of its kind in the world. These programmes include development of Code of Conduct (COC); multi-lingual content for Training BCs and customer awareness accessible inter alia via mobile; frameworks for BC Certification and Registry; Grievance Redressal Mechanism (GRM); and Standards for interfaces between CBCs and ABCs. While the goal of Training content is to make the various products, their usage and benefits easy to understand through video clips to promote customer awareness that cover the entire spectrum of financial services (savings, credit, investments, pension and insurance) in English, Hindi and other vernaculars. These are accessible through various channels including mobile devices. The Certification and Registry frameworks will endeavour to provide quality point-of-service network of ABCs. The goal of the COC and GRM are to promote responsible finance by promoting transparency of charges and customer's rights, as also reporting, tracking and resolving customer protection and grievances.

Speaking on the occasion:

Dr Anand Shrivastav, Chairman BCFI, said "This is a momentous day for BCFI as the structural reforms launched today will not only increase penetration of financial inclusion from every household to every adult through quality Agent BC network, but will promote usage through increased product awareness, besides customer awareness & protection, as also grievance redressal. The programmes will provide a thrust on accelerating the pace of innovation, and a digitalized, financially included and risk-protected society. On behalf of the federation I would like to thank World Bank Group, SIDBI, DFID for the encouragement and support they provided in enabling the development of these structurally important programmes for reforming the BC sector. We now rededicate ourselves for the next stage - to focus on providing quality and deepening reach, innovative products, enhanced usage, and providing financial inclusion sustainably."



Mr Nitin Nagpal, Executive Director, PWC said "For catalysing financial inclusion in India, technology has played a critical role. Fintech companies have demonstrated to some extent how they can contribute in this space. However, to reach the desired levels of banking & digital payments, there is need for stronger partnerships across multiple stakeholders which includes government owned ecosystems, Banks, Fintechs and large technology providers. Also, standardized and open platforms for Agent banking, which can connect the larger ecosystem, would be helpful."

Mr Graham Wright, Group Managing Director, MicroSave said "This project developed a standardised, robust, and practical training, certification, and registration system, to be implemented across Corporate Business Correspondents (CBCs) and financial institutions across India. The digital training content developed under this project is accessible to agents through both the web portal and the mobile application. The portal allows agent registration, online examination, and certification process that delivers a flexible learning platform to agents. It is a significant step forward to delivering quality service and customer protection. India is leading the way once again!"

Dr Hema Bansal, Senior Director, South & South East Asia, Smart Campaign said "With the expansion of business correspondent networks and increase in the variety of products and services they offer, this code of conduct is the right step towards ensuring financial products are delivered safely and responsibly to vulnerable consumers in India," "The Smart Campaign is excited to see adoption of the code of conduct and eager to continue working towards its implementation." said Dr Hema Bansal, Senior Director of the Smart Campaign"

Mr Sunil Kulkarni, Chair, Standards Committee, BCFI & Joint Managing Director, Oxigen said "For business viability of BC Agents, there is a critical need for BC networks to become inter-operable like ATMs are today, especially for rural geographies. For this standardisation of business processes as well as technology interfaces are key focus areas where BCFI is spending significant time and resources along with its partner institutions. This would make each BC Agent location a mini-branch reality in all aspects."

Mr Sasidhar Thumuluri, Vice Chair, Chair, Operations & Resource Mobilisation Committee, BCFI, MD & CEO, Basix Sub-K said "It is in fact a moment of pride and accomplishment that after 2 years of hard work and commitment by all the key members we are able to launch our flagship programs for public consumption. We believe that with such initiatives BCFI will emerge as a formidable force in promoting the cause of financial inclusion in India. Big thanks to our donors World Bank/IFC, DFID and SIDBI for standing firmly behind us in this venture."