

Dvara Research Releases Report on MFIN's CGRM - Findings and Recommendations

India, October 10, 2023: Microfinance Institutions Network (MFIN), the premier industry association and RBI recognised Self-Regulatory Organization (SRO) has made public its Study Report by Dvara Research on its Customer Grievance Redressal Mechanism (CGRM). MFIN's CGRM was set-up in 2015 in response to the RBI mandate of having a grievance and dispute redressal mechanism for NBFC-MFI clients (Reserve Bank of India, 2013), an important requirement to qualify as an SRO in the microfinance industry.

In a bid to gain insights on users' experience of navigating the MFIN-CGRM and further enhance its effectiveness, MFIN partnered with Dvara to undertake this study. Dvara deployed a methodology comprising a mix of a primary survey of over 300 users, stakeholder interviews and desk research to understand the user-centricity of the MFIN-CGRM where the concept of user-centricity was anchored in nine attributes - Accessibility, Seamlessness, Proactive Communication, Cost-effectiveness and Timeliness, Personal Data Protection, Objectivity, Independence in the Operation of the GRM, Accountability of the GRM and Capacity Building.

The study finds that the MFIN-CGRM demonstrates an incisive understanding of the lived context of its user base. The study recognised the provision of simple, costless, multilingual, toll-free phone-based channels to access the CGRM. The registration process was considered uncomplicated as it did not ask for excessive data. Complaints were accepted regardless of the date of registering. MFIN's CGRM was found to expend a sizeable effort in familiarising users with the procedure while maintaining provisions to fast-track critical complaints.

Speaking on the study, Dr Alok Misra, CEO and Director – MFIN said, *"In the nine years since MFIN-CGRM was established, it has established itself as a critical function of customer protection. While CGRM of lenders is the first port of call for the customers, over years we have witnessed MFIN' CGRM getting widely accessed by customers for a recourse to an independent redress process for complaints that are not efficiently resolved via the financial services provider's internal dispute resolution mechanisms. The CGRM is now available in 12 languages and has supported the sector immensely in times of crisis. 85% of the complaints are resolved in a turnaround time of 15 days."*

"As observed in the study, MFIN's toll-free number is a powerful costless tool available to a customer. Besides resolving disputes, MFIN CGRM is also a governance tool as it has vested within it the power to escalate matters pertaining to a provider to the Self-Regulatory Organization Committee (SROC) for disciplinary action, which is then reported to the RBI, over and above the quarterly reports that the MFIN-CGRM furnishes to the RBI. Dvara's recommendations for further bolstering the user-centricity of the MFIN-CGRM will be extremely useful and will make this invaluable tool even more robust for customer use," he further added.