



KENYA BANKERS
ASSOCIATION



The Gold Standard of Banking Services in Kenya

Report 2023

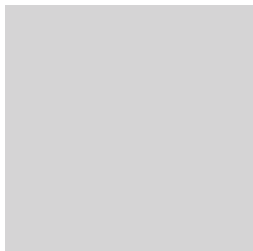




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01 Executive Summary

Banking industry excellence is fostered via the Kenya Bankers Association (KBA). Through KBA, international best practices are shared and mainstreamed, while industrywide principles and standards are developed through member consultations and benchmarking.

In innovation, service delivery and trust building, banks in Kenya have emerged as a gold standard – both regionally and worldwide. To consolidate the sector's leadership and to underpin the Central Bank of Kenya Banking Sector Charter and other policies that regulate service delivery and consumer protection, the KBA Secretariat supported by the Customer Service Working Group developed a set of principles (See Page 11) that seek to provide a minimum threshold for customer experience and a standard of services offered to bank customers across the industry.

Regulations and Standards

While Article 46 of the Constitution of Kenya is the chief policy on consumer-related aspects in the country, there are several other legislations and regulatory guidelines banks must incorporate into their service delivery and customer experience practices in addition to the Banking Charter; these include the Kenya Consumer Protection Act and Competition Authority of Kenya Consumer Protection Guidelines. These policies are even more critical in a digital banking age, when quick and easy

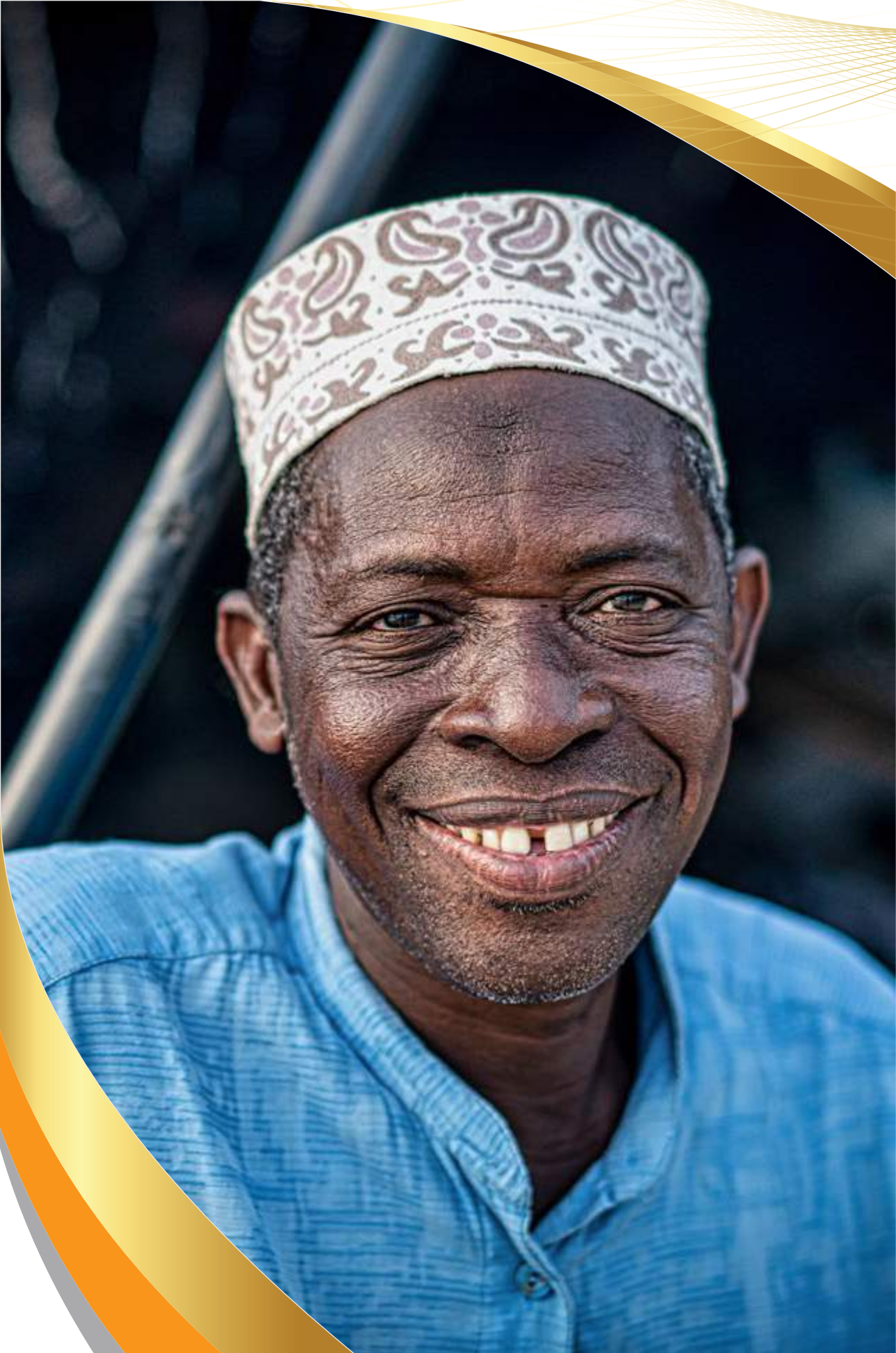
access to capital may impede financial health and well-being due to low financial literacy levels.

The KBA Banking Industry Customer Service Minimum Standards and Best Practices

guidelines are therefore intended to facilitate compliance with such policies, and at the same time encourage the development of a market environment that provides consumers with the most excellent product choices while ensuring product safety and preserving consumers' economic interests.

Overall, the KBA Service Standards are meant to support the aspirations of the Banking Sector Charter implemented by the Central Bank of Kenya. The Service Standards also build on previous work by KBA, including the Consumer Guide to Banking in Kenya and subsequent Cost of Credit Website, and mediation and alternative dispute resolution initiatives. As such, the KBA Service Standards bring out the need for banks to incorporate elements of digital inclusion for Persons with Disabilities (PwDs) and financial literacy into their service delivery – especially in digital banking and mobile loans.

The standards provide practical and actionable guidelines covering staff training, monitoring and evaluation, complaints management, and relationship management, including social media platforms.



02 CEO Foreword

The banking industry is built on trust



Dating back thousands of years to the Mesopotamian civilizations, and later when formal intermediation is said to have begun, our sector has continually reinvented an age-old practice of facilitating trade and stores of value. While we continue to innovate with digital technology and new business models, such as Banking as a Service (BaaS) and market-based ecosystems, strong relationships remain the cornerstone of our business. Therefore, as much as technology makes it more efficient for banks to operate, employees are our most valuable software and asset.

Trust as a service

Kenya Bankers Association (KBA) conducts an annual Customer Satisfaction Survey and has done so for the last five years. The findings have been instructive and encourage banks to enhance their service delivery, benchmarking on their competition. These efforts have

not gone unnoticed by the banking public; research has found that Kenyan banks outperform peer markets, as well as Europe and the United States, when it comes to trust.

Trust is built by conveniently delivering on customer expectations, securing clients' hard-earned resources, and continuously seeking opportunities to innovate and improve. Many companies have embodied these principles in service-forward industries as core values and the basis of their operations.

Perhaps Ritz Carlton, one of the world's leading hotel brands, best articulates "trust as a service" in their Gold Standards. The most elite business schools have studied Ritz Carlton's service standards because they work. The company views employees with just as high of a regard as their clients; it demonstrates this by enabling employees to take care of their guests. Remarkably, Ritz Carlton strives to maximize each customer's lifetime value by empowering employees with company resources – most notable being the "USD2,000 Rule," which provides staff up to USD 2,000 to immediately respond to the expressed and unexpressed service needs of guests.

Ritz Carlton's commitment to service may be unparalleled in the hospitality industry. However, the Gold Standard indeed serves as a benchmark for all. Similarly, KBA through the Customer Satisfaction Survey seeks to define service levels for the industry – based on the expressed and unexpressed needs of the banking public.

We know how banks serve customers matters because they give us feedback via the KBA Survey. We know the banking public recognizes and appreciates how hard bank employees work for them – even amid a global pandemic – and they reward us for it. Finally, we know that even the most digital native customers still value a human connection (a warm smile and an empathetic ear). It is these values that the KBA Customer Service Working Group has infused into this first edition of the **Banking Industry Customer Service Minimum Standards and Best Practices**.

The KBA service guidelines are our version of the Gold Standard, providing a minimum threshold for customer experience across our industry. The KBA Service Standards are anchored by the Central Bank of Kenya (CBK) Banking Sector Charter and build on previous work by the Association, including the [Consumer Guide to Banking in Kenya](#) and subsequent [Cost of Credit Website](#), and mediation and alternative dispute resolution initiatives. The Standards also bring out the need for banks to incorporate elements of financial literacy into their service delivery – especially in the areas of digital banking and mobile loans.

We thank the Customer Service Working Group members for their contributions to this publication. *Hongera sana* to the KBA member banks for the show of effort and we look forward to seeing continuous improvement in banks' customer loyalty and satisfaction measures.

Dr. Habil Olaka, EBS
Chief Executive Officer



Global & Continental Perspectives

Kenyan Banks Outperform Peer Markets, Europe & US when it Comes to Trust

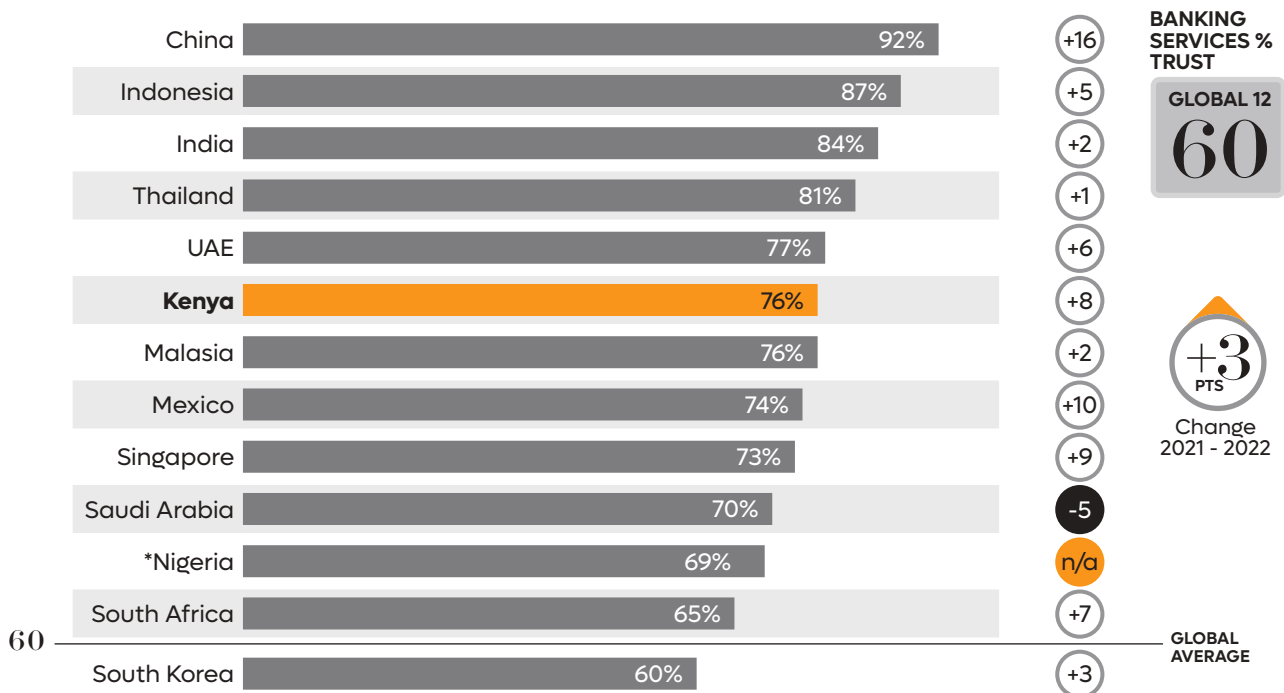
03 Global & Continental Perspectives

Kenyan Banks Outperform Peer Markets, Europe & US When it Comes to Trust

Over the years, banks in Kenya have enhanced their service offering in response to market competition and consumer trends. Of note, over the last two years, Kenyan banks have been ranked highly in trust as a service and value addition by various independent institutions and academia.

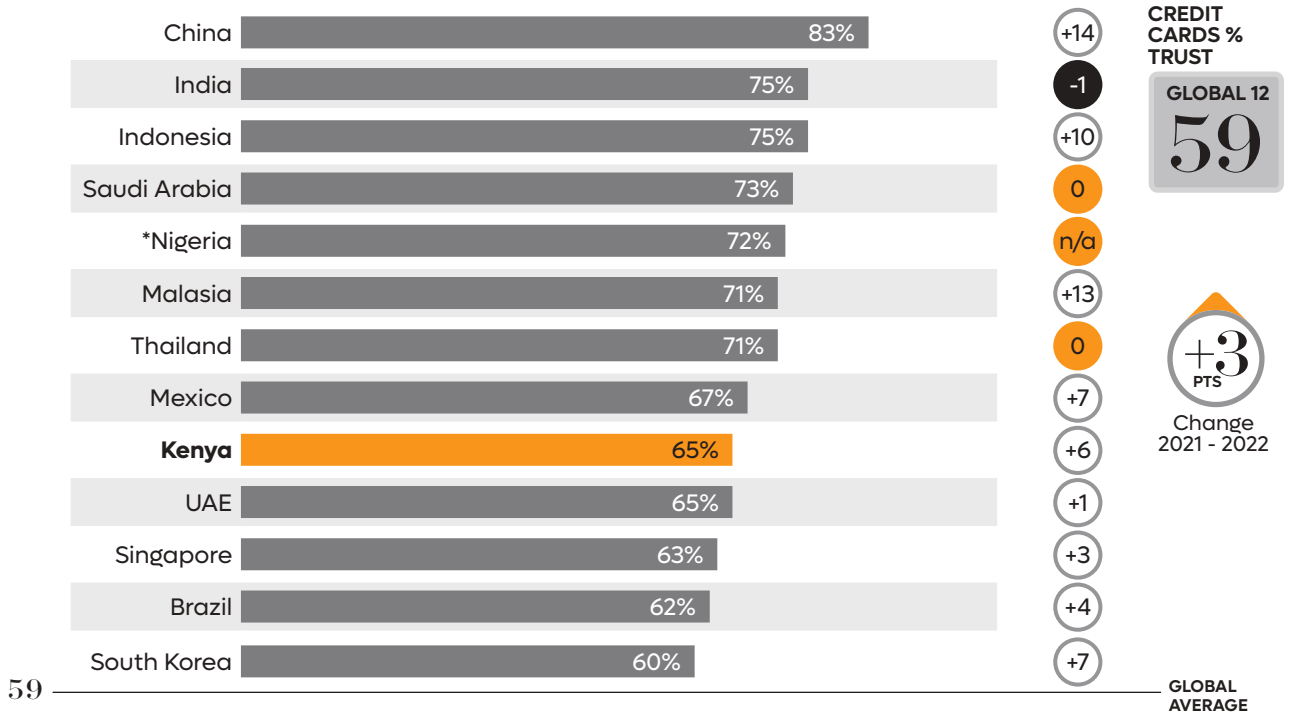
In the Edelman Trust Barometer, a global assessment of trust and credibility of sectors that has been conducted for the last 22 years, Kenya's banks are ranked higher than the worldwide average of the credibility of banking services and credit cards (Figures 1 and 2), while trust in insurance products, most of which are marketed by subsidiaries of banks, is in line with the global average (Figure 3).

Figure 1 Kenya Ranks Top 10 in Banking Services and Credit Cards



SOURCE 2022 Edelman Trust Barometer

Figure 2

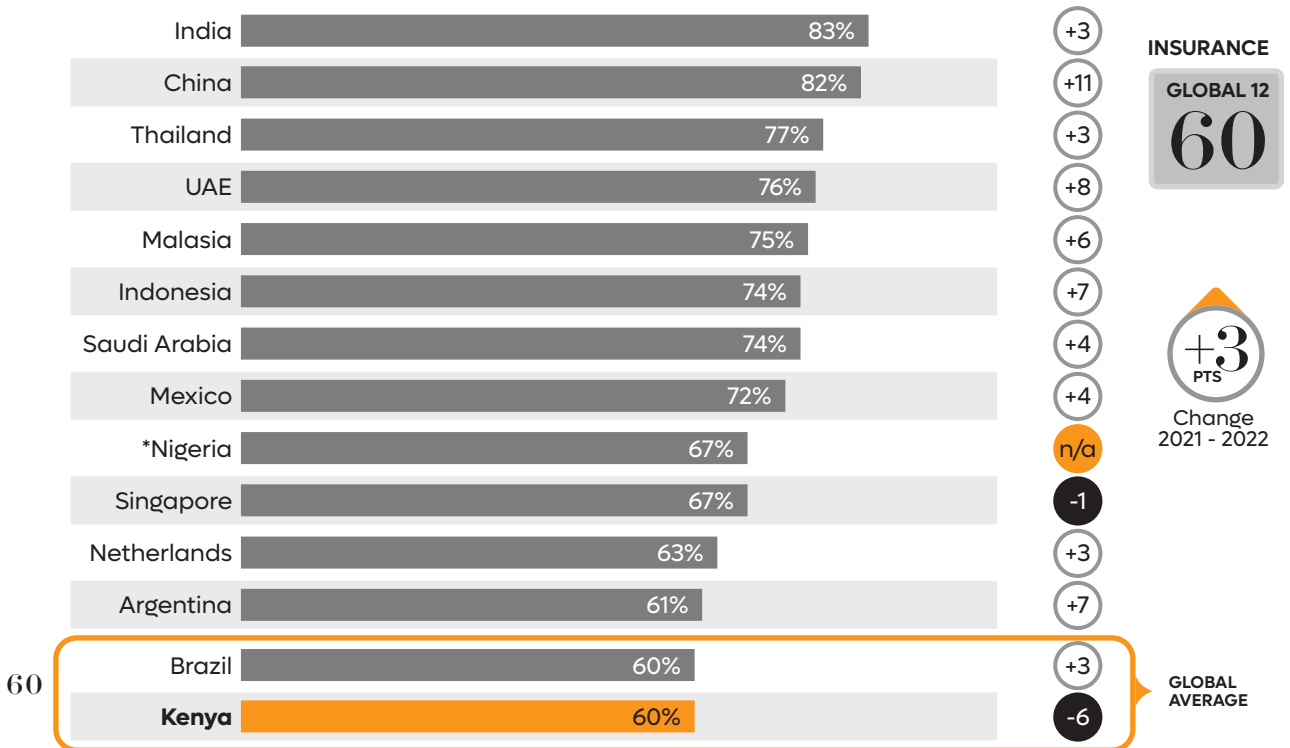


- 0 + Change 2021 - 2022

SOURCE 2022 Edelman Trust Barometer

Trust in Personal Insurance Increases in 21 of 27 Countries

Figure 3 Kenya in line with Global Average



- 0 + Change 2021 - 2022

SOURCE 2022 Edelman Trust Barometer

Africa Perspective

Kenyan Banks Top Africa in Convenient Locations, Reliability & Long-Term Relationship Building

A separate study (Figure 4) assessed Kenyan banks against peers in Botswana, Egypt, Ghana, Mauritius, Seychelles, Tanzania, Uganda, Zambia and Zimbabwe. The research found that Kenyan banks were Africa's gold standard for convenient locations and reliability, and ranked highly in understanding customer needs, response times, the appearance of facilities, and building long-term relationships with clients (Table 1 and Figure 4). However, the report noted room for improvement regarding friendliness, after-sale services, staff efficiency and queues. These areas for improvement have been factored into the KBA Customer Service Minimum Standards and Best Practices (2023) (Page 24).

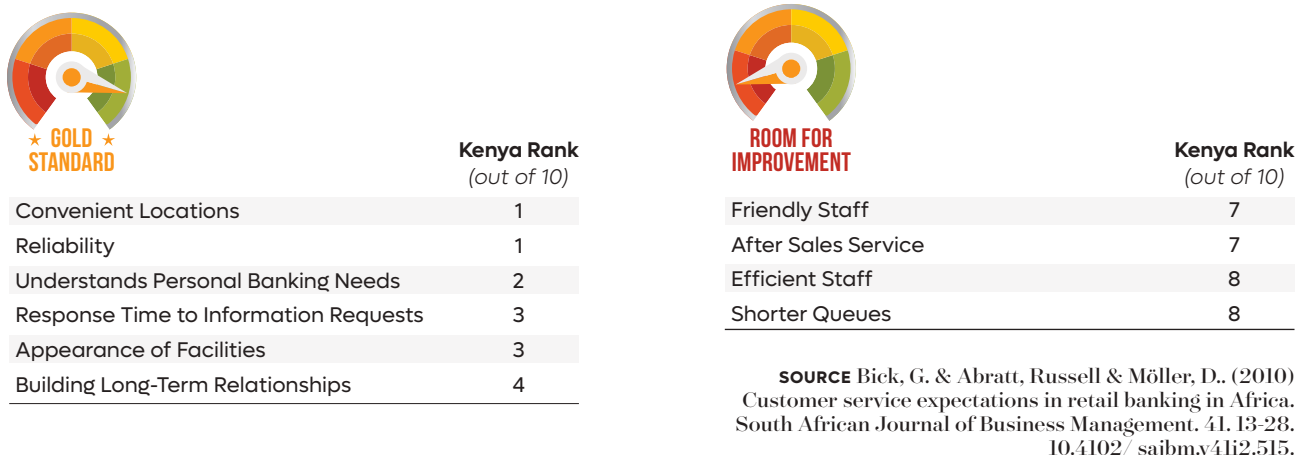
Table 1 Service Attributes by Country

Service Attributes	Sample Means									
	Bots.	Egypt	Ghana	Kenya	Maur.	Seych.	Tanz.	Ugan.	Zam.	Zim.
1. Efficient Staff	1,101	0,988	0,800	0,779	0,518	0,882	0,864	0,836	0,905	0,769
2. Shorter queues	0,416	0,925	0,403	0,249	0,409	0,259	0,544	0,278	0,245	0,399
3. Convenient locations	0,015	0,161	0,354	0,481	-0,065	-0,068	0,285	0,475	0,419	0,318
4. Friendly staff	0,022	0,117	0,586	0,069	0,299	0,019	0,480	0,203	0,191	-0,141
5. After sales service	-0,313	0,048	-0,360	-0,282	0,043	0,513	-0,453	-0,343	-0,201	-0,165
6. Response time info requests	0,066	0,428	0,165	0,322	0,303	0,510	-0,119	0,094	0,037	0,167
7. Reliability	0,419	0,066	0,234	0,761	0,114	-0,022	0,097	0,342	0,422	0,610
8. Appearance of facilities	-0,357	-0,477	-0,303	-0,250	-0,173	-0,370	-0,168	-0,375	-0,326	-0,571
9. Building long term relationships	0,356	0,222	0,249	0,088	-0,257	-0,254	-0,224	-0,190	0,030	0,018
10. Understands personal banking needs	0,236	0,352	0,080	0,383	0,173	0,176	-0,299	0,304	0,127	0,438

Note Assumptions

- The data has been standardised, therefore the overall mean = 0, and the overall standard deviation = 1
- Each of the samples is drawn from a normal population
- Central Limit theorem can be used as the basis for normality due to large sample sizes
- The samples are independent and selected at random
- Variance (or standard deviation) of the items (populations) are equal
- Significance level: 5% ($\alpha=0.05$)

Figure 4 Customer Service Expectations in Retail Banking in Africa

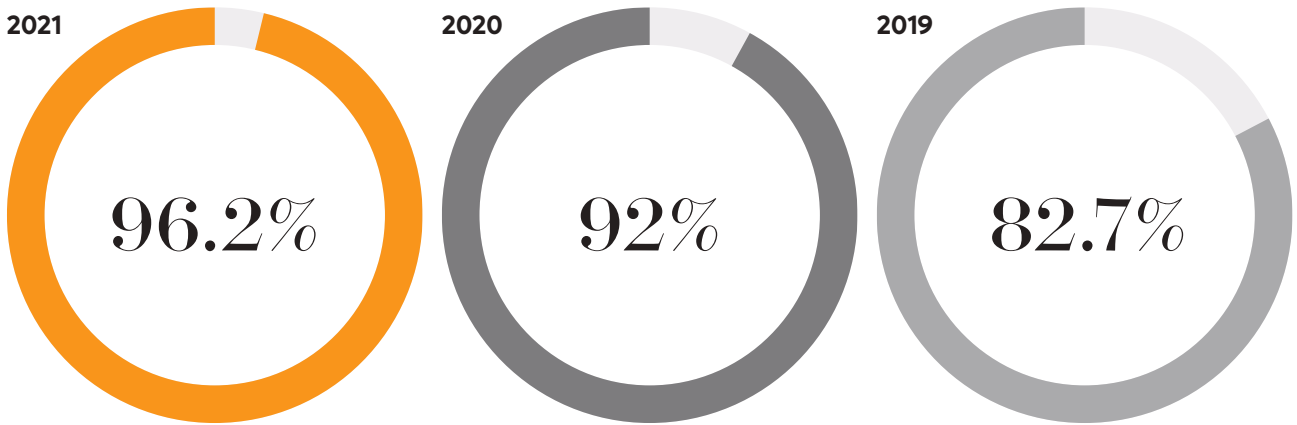


KBA Customer Satisfaction Survey Highlights

KBA has also conducted an annual survey on service standards, attracting thousands of responses, with 2021 being the most extensive sample at 33,000 respondents countrywide. Banks utilize the findings from the KBA Survey to continuously optimize the user experience – and customers are bearing witness to the industrywide improvements. Between 2019 and 2021, the banking public consistently rated Kenyan banks better in service delivery than the previous year (Figure 5). The public also acknowledged efforts by banks during the Coronavirus (COVID-19) pandemic (Figure 8).

The COVID environment accelerated digitization and branchless banking, with more customers opting for self-service via mobile applications and the Internet (Figure 6). KBA was keen to find out if customers still value interacting with bank staff within the banking halls, through customer contact centers and online via social media platforms. Customers came out clearly with a view that as much as 24/7 automated banking provides them with greater flexibility, they still value human interaction, especially regarding addressing customer service concerns and navigating the suite of bank products (Figure 7). As such, banking is intrinsically human-centered. The KBA Service Standards (Page 24) provide institutions with minimum requirements to improve client relations while complying with industry regulations and guidelines on service and consumer protection (Page 11).

Figure 5



Banks have consistently improved service delivery, with customer satisfaction increasing by **13.5 percent** in just two years

Figure 6

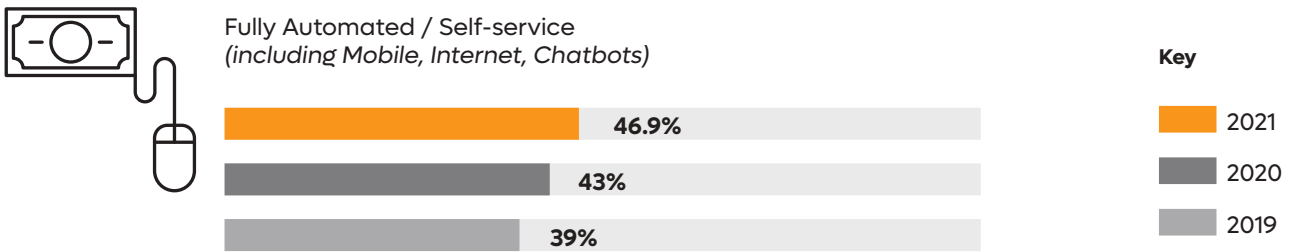
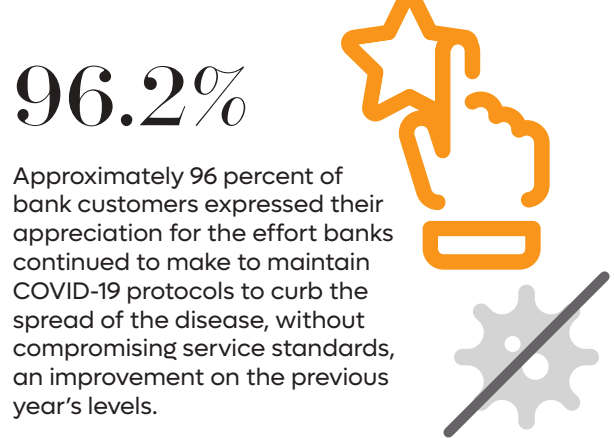


Figure 7



Kenyan consumers prefer human-assisted customer service/ support (46.4 percent); however, acceptability of fully automated/ self-service has significantly increased between 2019 and 2021 (by 10.6 percent)

Figure 8



04 Primary Service Regulations and Guidelines

While Article 46 of the Constitution of Kenya is the chief legislation governing consumer-related aspects in the country, there are several other legislations and regulatory guidelines banks must incorporate into their service delivery and customer experience practices; these include the Kenya Consumer Protection Act, Central Bank of Kenya Banking Charter, and Competition Authority of Kenya Consumer Protection Guidelines. These policies are critical in a digital banking age, when quick and easy access to capital may impede financial health and well-being due to low financial literacy levels.

Kenya Banking Sector Charter 2019

The Kenya Consumer Protection Act, 2012 provides for the protection of all consumers of products and services, including banking services. Overall, the national government aims to prevent unfair trade practices in consumer-related transactions. In addition to setting guidelines for contracts lenders and borrowers enter into, the framework introduced such elements as the Annual Percentage Rate (APR) as a means for banks to enhance pricing transparency. The policy also outlines how loan defaults are to be handled. Marketing of products and services, a key avenue for banks in their customer acquisition strategies, is detailed by the legislation, including the area of false representation through misleading or deceptive communication. The use of electronic signatures as defined in the Kenya Information and Communications Act is also incorporated. Finally, the Act formalizes consumer rights by setting guidelines for consumer rights organizations and class action lawsuits.

Competition Authority of Kenya Consumer Protection Guidelines (2017)

The Competition Act 2010 established the Competition Authority of Kenya (CAK) to promote and protect effective competition in markets and prevent misleading market conduct. In 2016, the Competition Act was amended to expand the mandate of the Authority to include investigating consumer violations and setting standards for consumer protection. Towards this end, CAK in 2017 published the Consumer Protection Guidelines, which are modeled after the United Nations Guidelines on Consumer Protection. The Guidelines are intended to encourage the development of a market environment that provides consumers with the most excellent product choices while ensuring product safety and quality, and preserving consumers' economic interests. As with the Consumer Protection Act (2012), the CAK guidelines regulate false or misleading representations (advertising) and unconscionable conduct against consumers and business transactions, including price disclosures and contract language. The Authority also provides a framework for customer dispute resolution.

Central Bank of Kenya (CBK) Kenya Banking Sector Charter (2019)

As the primary regulator of the banking industry, the mandate of the Central Bank of Kenya includes directing the industry on the standards by which they must deliver banking services. In 2019, CBK introduced the Kenya Banking Sector Charter for regulated entities (banking, microfinance and mortgage finance institutions).

Aligned with the Banking Act, CBK Prudential Guidelines, CBK Guidelines on Credit Risk Management, Microfinance Act, and Credit Reference Bureau Regulations (2013), the central pillars of the Charter are:

1. Adoption of customer-centric business approaches, including product design and development;
2. Utilization of risk-based credit pricing in the extension of credit facilities;
3. Enhanced pricing transparency and information disclosure; and
4. Entrenching an employee culture based on ethics and doing the right thing.

The Charter guides how regulated entities can promote fairness and financial inclusion, as well as, financial literacy through customer education. What is apparent in the policy is that banks must adopt customer-centric business models. Ultimately, the CBK goal is to facilitate “a market-driven transformation of the Kenyan banking sector and bring about tangible benefits for Kenyans.”¹

Data Protection Act (2019)

The Data Protection Act (2019) stipulates the privacy of personal information as a fundamental right and the subsequent Data Protection (Civil Registration) Regulations (2020) guide how such information should be collected, stored and utilized. The Act defines the different types of data, including recorded information such as application forms and biometrics, and regulates how data controllers (natural or legal persons) process such information -- be it directly or automatically. In this case, bank employees would be defined as data controllers and processors, and data subjects are bank customers, suppliers and other natural or legal persons that the firm interacts with as part of its daily operations. The Act introduced the role of a Data Commissioner, who is responsible for the establishment and maintenance of a register of data controllers and data processors.

COMPLAINTS HANDLING AND CONSUMER RECOURSE MECHANISMS

An institution, on receiving a complaint, shall provide the complainant with a prompt written acknowledgment within 48 hours and resolve the complaint in seven (7) working days. For complaints not resolved within seven (7) working days, written updates should be forwarded to the customer on the progress in resolving the complaint, once in every seven days.

TRANSPARENCY

CBK now mandates all commercial banks to upload their respective internal and external fees for all products on the Cost of Credit website to enable customers make rational financial (product) decisions. The institutions will be held liable on any erroneous or outdated data posted (on) the website arising from the institutions' errors. Failure to adhere to this clause will result (in) administrative sanctions as embedded in Section 49 of the Banking Act.

SOURCE CBK Kenya Banking Sector Charter

¹ Central Bank of Kenya (CBK) Kenya Banking Sector Charter (2019)





Financial Health and Consumer Protection: Two Frameworks Converging

By Eric Duflos and Juan Carlos Izaguirre

In 2019, FSD Kenya discovered something surprising. Over the past three years, usage of formal financial services in Kenya had gone up by eight percentage points, rising from 75 to 83 percent of adults. But during that same time period, financial health had gone down, with the percentage of financially healthy adults declining from 39 to 22 percent. What happened? Around this time, FSD Kenya and CGAP also identified significant consumer protection issues in digital credit, such as lack of transparency and high delinquency and default rates. It turned out that usage of certain formal financial services was actually harmful to some people's financial health, highlighting the important link between financial consumer protection and financial wellbeing.

While financial health levels vary across countries, the global picture is bleak, according to recent research, including a report from the Financial Health Working Group convened by H.M. Queen Máxima of the Netherlands in her capacity as the United Nations Secretary- General's Special Advocate for Inclusive Finance for Development (UNSGSA). Action is needed to reverse this trend, and policymakers, including market conduct supervisors who focus on consumer protection risks, are showing an increasing interest in financial health. In this context, it is useful to explore the connections between these two distinct yet overlapping concepts. We will look at what financial health and financial consumer protection have in common, and then we will analyze how they impact each other.



Points of convergence

First, financial health and financial consumer protection go well beyond the traditional notions of access and usage. Both put a renewed emphasis on the quality of financial services, aiming to ensure that consumers have positive financial lives and benefit from financial services rather than being harmed by them.

Second, both frameworks look at finance with a customer lens and, increasingly, put customers at the center. In the case of consumer protection, new regulatory frameworks are shifting their focus toward customer outcomes. For example, South Africa's Financial Sector Conduct Authority, along with a dozen other countries, is exploring how to set up consumer protection regulation and supervision that make providers accountable for ensuring customers are satisfied with and value their financial services, as opposed to simply ticking boxes to comply with rules. Similarly, financial health frameworks encourage providers and regulators to put greater attention on how financial and related services contribute to the wellbeing of individuals and societies.

A third interesting convergence point is the use, in both frameworks, of specific measurement tools to assess consumer situations, and the potential for financial health measurement to provide useful information for consumer protection efforts. A key component of a customer-centric financial consumer protection framework is strong market conduct supervision using a range of market monitoring tools (such as phone surveys, mystery shopping and social media analysis) to understand consumers' risks, experiences and outcomes when using financial services. Financial health measurement could constitute another interesting market monitoring tool for consumer protection supervisors and financial service providers, providing them with valuable information, for example, on consumers' capacity to borrow or save.

How does financial consumer protection support financial health?

We see two important correlations between these frameworks.

1. As financial consumer protection prevents consumer harm, it can be a necessary condition for good financial health and therefore a crucial aspect for the financial sector to strengthen. Recent CGAP research shows that the scale of consumer risks from digital finance is growing faster than the adoption of such services. These risks are likely to create financial shocks for consumers that will reduce their resilience and affect their financial health. For example, we are seeing signs of over-indebtedness through digital credit in some markets such as Kenya, Tanzania and, more recently, India. Reducing consumer risks through better consumer protection will likely lead to better financial health.
2. When consumer protection takes into account customer outcomes, it also supports improving financial health. Outcomes-based consumer protection frameworks focus on the customer experience and those outcomes which can be traced directly to the influence of financial service providers. These outcomes are important intermediate stages in a customer's financial journey, and are necessary to reach final goals such as income generation or building resilience. For example, intermediate outcomes include customers' capacity to make an informed choice among a range of products, to have their complaints resolved effectively, to be safe in their use of services, and most importantly to have financial services that meet their needs. Financial services that help consumers attain such intermediate outcomes put them in a better position to become financially healthy.

There are limits to these correlations though. Financial health goes well beyond financial services and is influenced by several factors such as income levels, external shocks and individual behaviors. Even with strong consumer protection, people may not be financially healthy due to those other factors. Inversely, consumers could appear financially healthy despite facing irresponsible financial practices, because other factors, like economic growth or easy access to consumer credit, may overcompensate inadequate consumer protection in the near term.

Collaboration between both approaches is key

Financial health and consumer protection are increasingly important for the financial sector. With multiple points of convergence and connection between the two frameworks, collaboration and sharing of learnings will be key to ensure we make significant progress in both areas. Collaboration needs to involve a large breadth of regulators, supervisors and policymakers who influence consumer protection and financial health, as well as financial service providers who can play an essential role in improving both.

SOURCE CGAP (Consultative Group To Assist The Poor)

05 Banking Industry Best Practices

Banks in Kenya have emerged as a gold standard for innovation and trust-building through service delivery. Industry excellence is fostered, and best practices are shared and mainstreamed via the Kenya Bankers Association (KBA). This section highlights some industry initiatives and best practices influencing and elevating the banking customer experience.



Q&A with the 2021 Best Bank in Customer Service

Family Bank was ranked the top bank overall in customer service in the 2021 KBA Customer Satisfaction Survey. The Survey received feedback from a record 29,791 respondents. KBA Director of Public Affairs and Communications Christine Onyango sat down with Family Bank CEO Rebecca Mbithi to glean insights on the bank's approach to service delivery.

1 How does Family Bank define good customer service?

Family Bank relates good customer service with customer centricism, essentially putting the customer at the center of everything we do. Customer-centricity is as much a strategy as it is a culture. Customer Centricity has to be so ingrained in us that it is easily recognized and felt by the customer. Ultimately, the customer has to be the focal point of all decisions related to delivering products, services, and experiences so that the bank can create customer satisfaction, loyalty & advocacy.

2 What do you think Family Bank customers value most? Is there a tradeoff between affordability and service?

Based on customer feedback, it stands out that our customers value the proactive and continuous nature of our customer service engagement framework. Our people understand the importance of building solid relationships with our customers. From this premise, it is unlikely that customers would be happy to trade off excellent service for affordability.

3 How does the bank build trust through customer support?

Our Core purpose, "With You For Life," has enforced our "Customer First" approach to everything we do. This in return, has created a culture of empathy, responsiveness, accountability, reachability, and relatability, which makes the customer feel like we are putting ourselves in their shoes and that we care. This culture is the backbone of building trust between our customers and us.

4 What is an example of the best feedback you have received from your customers?

One example I can share is from a customer testimonial. The customer, in this case, attested to the fact that he has consolidated all his banking with Family Bank. As a result, his business has grown from a small to an SME employing more than 800 staff. He has since taken it upon himself to recommend Family Bank to his business associates, friends, and family at every opportunity. That is the level of customer advocacy that can emanate from being customer-centric.

5 Which areas is the bank working on to improve service delivery?

As goes the adage 'the biggest room is the one for improvement' goes, Family Bank has in place robust systems that have enhanced our speed of collecting and collating 'Voice of Customer' feedback. As customers complete transactions at various touchpoints, the quality of service delivery is instantly rated. The input forms the basis of improvement projects and prioritizes strategic initiatives.

6 KBA advocates for alternative dispute resolution (ADR), and the Kenya Judiciary Court-Annexed Mediation program is increasing participation. Does the bank have an ADR policy?

The Bank has adopted a non-litigious approach to resolving disputes with customers and/or service providers and the first instance. The policy provides that once a dispute arises, the parties shall attempt to resolve it through negotiations. Should negotiations fail, the parties will explore mediation which is essentially an opportunity for a neutral party to facilitate amicable discussions between the parties. Unless there is a need for interim reliefs sought by either party that are incapable of being granted by a mediator or the parties have failed to reach an agreement to the dispute, thus necessitating arbitration or court proceedings as the case may be, most of the disputes end at the negotiation or mediation stage.



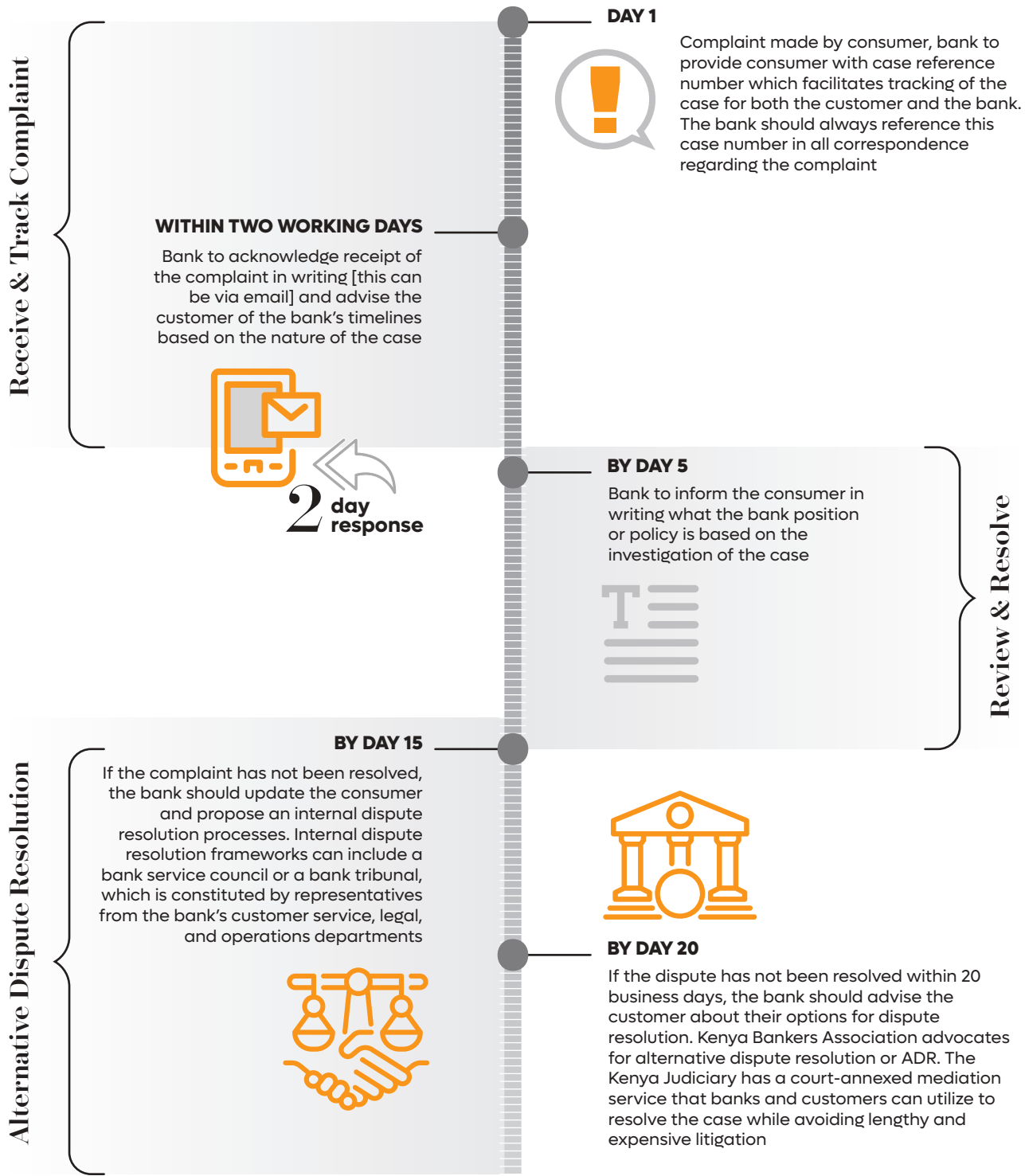
Family Bank Managing Director Rebecca Mbithi interacting with customers in the banking hall.

2021 Top Overall Bank in Customer Service



KBA Consumer Guide and Dispute Resolution Guidelines (2013)

The Kenya Bankers Association (KBA) encourages its members to employ best practices when providing financial services, including the highest level of customer care when engaging with the banking public. Towards this end, KBA 2013 published the Consumer Guide to Banking in Kenya to define for bank customers' standards of good banking practice, as well as to outline bank processes and provide a glossary of banking terms. Available in Kiswahili and English, the Guide builds on the KBA 2001 Banking Code and outlines for customers what they should expect in the area of customer complaints handling and dispute resolution.



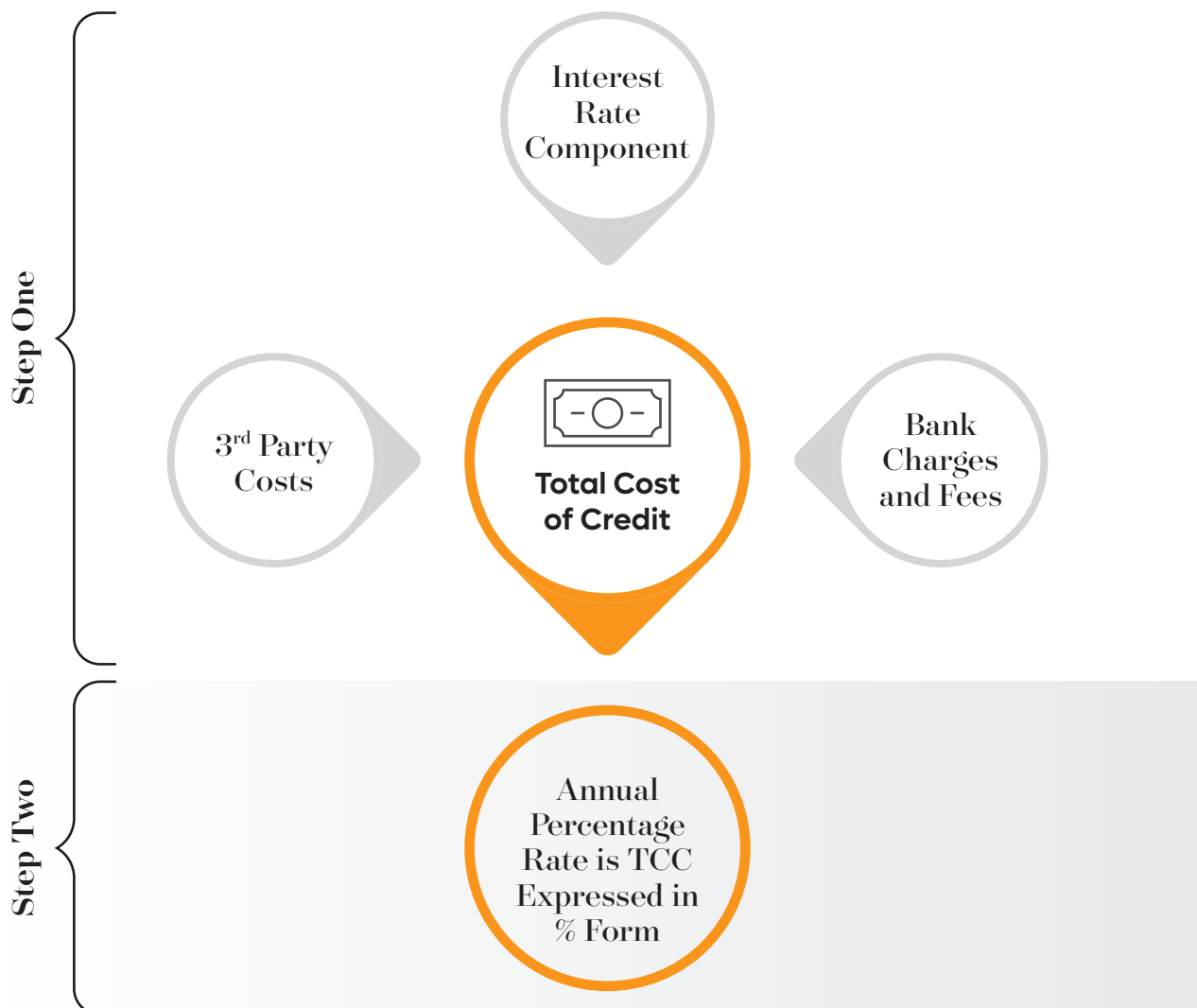
Building Trust through Pricing Transparency

(Total Cost of Credit Website)

Commercial banks in Kenya have adopted a Total Cost of Credit (TCC) pricing mechanism, enabling consumers to compare bank loan costs based on standardized parameters and a standard computation model. KBA and CBK introduced the Cost of Credit Website, which provides prospective borrowers with information on the TCC and loan facilities' Annual Percentage Rate (APR), to facilitate enhanced pricing transparency and financial empowerment.

The Cost of Credit site and mobile application was introduced by KBA in 2014 and enhanced in collaboration with CBK to align with Kenya Banking Sector Charter. The platform includes a quick loan estimator, a detailed TCC and APR calculator, and a budgeting tool that enables prospective borrowers to determine an appropriate loan amount they should apply for. The platform also promotes market competition by comparing examples of bank loan interest rates.

How Total Cost of Credit and APR are Derived





Accessibility for Persons with Disabilities

According to the World Bank, 15 percent of the world's population experiences some form of disability, with a higher prevalence in developing countries. In Kenya, there are approximately 1 million citizens living with either a temporary or permanent disability, according to the 2019 Kenya Population and Housing Census.

Through KBA, the banking sector in 2020 reaffirmed its commitment to enhance service delivery for Persons Living with Disabilities (PwDs) as part of its long-term strategic objective to entrench financial services across the country. The affirmation follows the official release of a PwD Pilot Project Report following a study by KBA in partnership with Financial Sector Deepening Trust (FSD Kenya) and non-profit inABLE in conjunction with seven banks, namely Absa Bank, Co-Operative Bank, Equity Bank, Family Bank, KCB, Bank Rafiki Microfinance Bank, and Standard Chartered Bank. The study highlighted the challenges experienced by PwDs in accessing financial services (in banking halls and across channels such as ATMs and mobile platforms) and provided recommendations on strategies for enhancing service delivery.

Included in the recommendation was the need for banks to ensure their information Websites are accessible according to international standards that cater to a range of disabilities, including visual, physical and cognitive.

In line with the project findings, KBA developed an Industry Roadmap, [a curriculum for bank training, and the certification of sign language trainers for banks](#). The Association also launched a website and mobile application for banking terms in Kenyan Sign Language (www.deafelimubanking.africa) to enable customer-facing branch staff to communicate better with clients with different hearing abilities.

KBA industry-level efforts in the area of PwD accessibility lead on the Continent.

“Banks should ensure that their products and services are tailored to the needs of their customers. This applies to all segments of their customers of whom the disabled are an important component. Banks must therefore clearly understand the needs of the disabled as they design products and services for them. More importantly is how the disabled access these products and services. Advances in technology and innovations present us with opportunities to ensure convenient ‘anytime, anywhere’ services on digital platforms.”

– Central Bank of Kenya Governor Dr. Patrick Njoroge during the launch of the KBA Persons with Disability Digital Accessibility Report (December 2020)

The Cost of Credit site features a quick loan estimator, a detailed TCC and APR calculator, and a budgeting tool to enable borrowers to determine an appropriate loan amount.

1 Million Kenyans are living with either a temporary or permanent disability



78.1%

of PwD customers able to use banking services independently

Nearly eight out of every 10 bank customers (78.1 percent) classified as people living with disability (PwDs) indicated that they were able to use banking services independently i.e., without any assistance, with 14.3 percent requiring assistance.



KBA Customer Service
Minimum Standards and
Best Practices (2023)

06 KBA Customer Service Minimum Standards and Best Practices (2023)

Introduction

The banking industry plays an important role in supporting the economy. Through the provision of financial services, banks are also instrumental in facilitating access to credit to individuals and businesses, ultimately promoting financial inclusion and sustainable economic development. It is, therefore, important to recognise the interdependent relationship between banks and the banking public. This set of standards seeks to provide a minimum threshold for customer experience and a standard of services provided to bank customers across the industry. Overall, the guidelines are meant to support the aspirations of the Banking Sector Charter, implemented by the Central Bank of Kenya.

Key Commitments

As financial service providers, banks offer customers products and services that empower them to manage and grow their financial resources. Towards this end, banks work to:

- Act professionally, fairly and reasonably in all dealings with customers;
- Ensure that all the products and services on offer meet KBA standards, even if individual banks have their own terms and conditions;
- Give customers information about products and services in plain language, and explain as needed, including advising the customer about their options and if a different product/service can better suit their needs;
- Help customers to understand the financial implications of the products and services and how they work, to enable the customer to make an informed decision;
- Have secure and reliable banking and payment systems so as to limit inconveniences;

- Make sure that the procedures followed by bank staff and agents reflect good banking practice and the highest level of customer care;
- Recognise factors that may affect bank customers, such as adverse impacts of macroeconomic and political changes, and consider individually as well as collectively through the KBA how to assist customers through periods of financial difficulty;
- Create open channels of communication with customers, including knowledgeable complaints handling support systems, and ensure these channels are advertised and made accessible to all customers;
- Handle customer complaints within reasonable time, and advise customers on the approximate timelines in which their inquiries or complaints would be responded to and addressed; and
- Make sure that all products and services adhere to relevant laws and regulations, including the Central Bank of Kenya Prudential and Risk Management Guidelines.

Minimum Standards

Toward delivering on the industry commitment to the banking public, there are basic minimum standards that banks should strive to attain so as to elevate the customer experience and attain higher net promoter scores. The KBA Customer Service Working Group comprised of a representation of the KBA General Body define these minimum standards as follows:

- i. Banks should ensure that, through **Continuous Training**, staff are equipped to treat customers with dignity, fairness, empathy, and respect.

- ii. Banks should ensure that **Clients and Visitors** to their premises feel satisfied. This should include utilising a **Monitoring and Evaluation** framework to track user experience of all bank branch visits, office visits, agent outlet visits, and contact centre interactions.
- iii. **Terms and Conditions** should be written in simple language that is easy to understand. Where **Legal Contracts** include lengthy complex clauses, a simple summary of key points (in English and Kiswahili) should be provided as an addendum to the loan contracts and other contractual documents.
- iv. Banks should establish **Complaints Management Mechanisms** as guided by the Central Bank of Kenya's Banking Charter (2019), CBK Prudential Guidelines, and KBA Consumer Guide and Dispute Resolution Guidelines (2013) to facilitate **Seamless Acknowledgement** and timely resolution of enquiries and track complaints across all customer touchpoints (branch, social media, call-in).
 - Banks should publish their complaints management process on their website and have a copy available in brochures at branches
- v. The key focus in handling disputes between a bank and a client should always be **Favourable Resolution** for all parties; in order to avoid issues that can be resolved from escalating into court litigations. It is recommended that banks utilise **Alternative Dispute Resolution** mechanisms such as **Negotiation, Mediation** and **Arbitration** and the courts as the last resort. In the case of litigation, banks should encourage customers to first utilize the **Judiciary Court Annexed Mediation Program** as an alternative.
 - Banks contracts should be amended accordingly to include all forms of Alternative Dispute Resolution. Currently, most bank contracts only site Arbitration; this should be amended to include **Negotiation** and **Mediation** as well as the **Judiciary Court Annexed Mediation Program**

- vi. Banks should continuously strive to achieve and exceed Central Bank of Kenya's guidelines and requirements in the area of **Consumer Protection and Service Standards**.

In addition, bank customer-facing staff should familiarize themselves with legislations and policies which regulate customer interaction and the delivery of services, namely: Kenya Consumer Protection Act (2012), The Banking Act, CBK Prudential Guidelines, CBK Guidelines on Credit Risk Management, Microfinance Act, Credit Reference Bureau Regulations (2013), Competition Authority of Kenya Consumer Protection Guidelines (2017), CBK Kenya Banking Sector Charter (2019), and Data Protection Act (2019).

Best Customer Experience Practices

In addition, the KBA Customer Service Working Group have identified the following best practices that banks should incorporate into their strategies:

1. Banks Customer Experience teams should ensure expedient **Social Media Turnaround Time** to avoid disputes from degenerating into bank/ industry crises.
 - a. Social media complaints should be responded to or at least acknowledged within **15 Minutes** during business hours.
2. Customer feedback should be received on an ongoing basis through:
 - Annual **Customer Feedback Roundtables** sponsored by the bank; and
 - Quarterly **Voice of Customer Surveys** and mystery shopping.
3. Communication should always be made:
 - To notify customers in writing (post office, email and/or SMS) about any change in interest rates, tariffs, and product structure
 - To notify customers whenever transactions fail via SMS or email
 - To notify customers about system downtime via SMS or email
 - To follow up on enquiries or complaints after branch visits via SMS or email

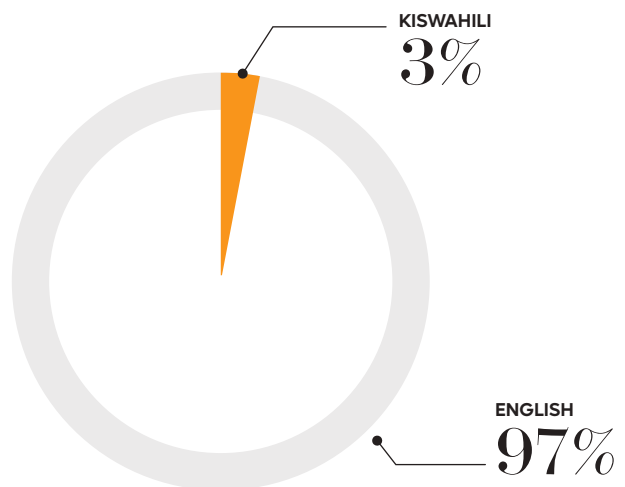
- To notify clients about new products or features updates on existing products/services
 - To notify customers about bank branch closures via SMS and/or email
 - Whenever a customer closes their account(s) (exit interview)
4. Customer **Relationship Management Systems** or mechanisms are instrumental in recording and tracking customer-bank interactions. Banks are encouraged to have these in place.
 5. A **Relationship-Based** approach in the handling of complaints is recommended as the best approach.
 6. **Net Promoter Scores** should be implemented at bank branches and other touch points level.
 7. Customers with different abilities, including **Persons Living with Disabilities (PwDs)**, should be catered for at the branch and across bank channels and touchpoints
 - a. All customers should have access to the same products and services, including bank debit and credit cards, regardless of their physical abilities
 - b. Banks should utilize the **KBA PwD Accessibility Roadmap** which provides a framework for the areas banks should address (See Annex)
 - c. Branch staff should be trained on basic sign language utilizing the KBA certified sign language trainers database and Deaf Elimu Banking Website and Mobile Application
 8. **Proactive action should be taken to mitigate complaints** through root-cause analysis, undertaken to identify gaps/trends.
 9. The **cost of complaint handling should be measured to demonstrate the value proposition of customer experience** / service investments through:
 - ROI measurement of happy customers, including lifetime value of customers and new revenue from customers who previously had disputes with the bank; and
 - Quantification of customer loyalty and happy customers (e.g., compare with acquisition cost)

10. Customer Experience teams should be empowered and be in a position to understand legal issues and to negotiate with customers in instances when the bank is at fault.

In addition, although Kenya has high financial inclusion rates, a significant population is financially illiterate. Therefore, banks must strive to both inform and educate their customers about products and processes. This financial literacy approach to service delivery and the customer experience aligns with the CBK Banking Sector Charter which advocates for the well-being of bank clients.

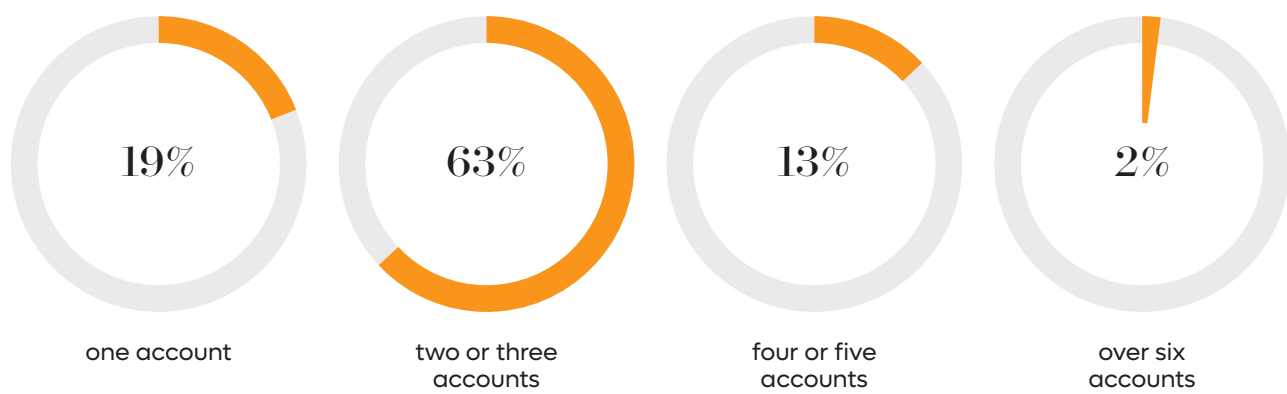
For more information and capacity building on how to implement these standards and practices, please contact the Kenya Bankers Association Communications and Public Affairs Department.

Preferred Language of Documentation



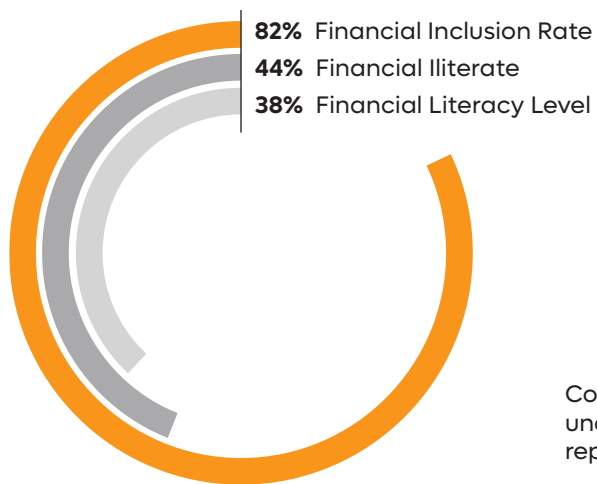
SOURCE KBA Customer Satisfaction Survey 2019

Multi-banking among Bank Customers



SOURCE KBA Customer Satisfaction Survey 2019

Contract Language that Customers Prefer



Consumers using financial services they may not understand, nor appreciate risk nor have ability to repay bank loans, especially mobile loans

SOURCE Global Alliance for Legal Aid (GALA)

07 Acknowledgments

The Kenya Bankers Association wishes to express its sincere gratitude to the KBA Customer Service Working Group for playing an important role in defining the KBA Customer Service Minimum Standards and Best Practices (2023) and overseeing the annual KBA Customer Satisfaction Survey.

We would also like to express our gratitude to the thousands of bank customers across the country who took the time to provide the feedback that has informed these standards and other industry best practices.

This report has been edited by Hesborn Nyakundi-Nyagaka and Kaleidoscope Consultants. Design services have been provided by Sabinga Brand Design Ltd.





Annex

**Making Banking Work for Everyone:
A Roadmap for Digital Accessibility & Financial
Inclusion of People with Disabilities**

08 Annex

Making Banking Work for Everyone: A Roadmap for Digital Accessibility & Financial Inclusion of People with Disabilities

In 2019, KBA introduced an initiative to improve banks' service for clients with disabilities. In 2020, the KBA effort resulted in the release of an industry roadmap to enhance digital accessibility for Persons with Disabilities (PwDs). The Roadmap harmonized individual bank submissions on their projected PwD inclusion initiatives and aligned with international best practices. The following is an excerpt from the Banking Industry PwD Accessibility Roadmap. Please contact the KBA Secretariat for a copy of the entire Roadmap.

Phase	Timeline	Objectives	Goals	Outcomes	Reference
	Immediate	All bank branches and ATM machines are accessible by ramps	Identify and install ramps at bank-owned branches and ATMs that are not accessible for clients that need assistance walking or utilize wheelchairs; for leased premises and agent locations, require the landlord to install ramps	Clients with mobility challenges can access bank branches, ATMs and agents	Kaa Chonjo Safety Awareness Campaign
1. Strategic Planning, Internal Alignment and Resourcing	1 Month	Develop bank wide PwD accessibility strategy, Inclusivity Policy and roadmap for both staff and clients; and allocate budget and staff to implementation	A well articulated and comprehensive PwD Accessibility strategy and policy that factors both employees/ human resources and bank clients; dedicate staff and monetary resources to implementation of the strategy Issue public statement on bank commitment to PwD Accessibility (see annex ii)	Bank wide alignment to Kenya Bankers Association PwD Standards as adopted by the KBA General Body (Nov. 2020)	

Phase	Timeline	Objectives	Goals	Outcomes	Reference
1. Strategic Planning, Internal Alignment and Resourcing <i>Continued</i>	1 Month	Appoint bank Accessibility Champion(s) to work across departments responsible for service delivery	Facilitate implementation of bank PwD strategy and roadmap thus enabling proactive and consistent monitoring of service delivery for accessibility and financial inclusion.	Bank wide alignment to Kenya Bankers Association PwD Standards as adopted by the KBA General Body (Nov. 2020)	
	1 Month	Review all client related policies and service level agreements to ensure they are consistent with PwD accessibility goals	Identify and remediate policies that limit clients with disabilities from accessing the same level of services as other customers	Responsive client relationship management that promotes accessibility	
2. Capacity Building	Ongoing	Conduct regular client training to facilitate access to mobile applications and internet banking, and bank security including data protection	Train clients on how to safely access bank mobile and internet banking channels; notify clients whenever system upgrades and changes in service menus take place; utilize instructional videos with closed caption to demonstrate how to use bank products, apply for bank loans, etc.	Clients can independently and securely transact via digital banking channels	Kaa Chonjo Safety Awareness Campaign
	1 to 2 Months	All staff provided access to KBA Deaf Elimu Banking website and mobile application	Staff can assist clients who are deaf and hard of hearing to navigate the branch environment	Staff can communicate basic bank vocabulary in Kenyan Sign Language	
	3 to 4 Months	At least one (1) staff in every branch trained and certified in basic Kenya Sign Language (KSL)	Staff can assist clients who are deaf and hard of hearing to navigate the branch environment. For banks with several branches closely located within the same city/ town, designate which branch CWDs should go to	Staff are certified in basic Kenyan Sign Language and can communicate with clients	See appendix 3

Phase	Timeline	Objectives	Goals	Outcomes	Reference
2. Capacity Building <i>Continued</i>	4 to 6 Months	Train all branch staff and security guards on disability etiquette	Enable banking hall staff and branch customer service and security agents to recognize customers with disabilities and enforce consistent queuing and customer care policies	Staff can aid customers with disabilities to skip queues and can direct them to the correct service counters	See appendix 3
	Annually	Train all staff on diversity and inclusion	Incorporate a focus on PwD etiquette in bank diversity and inclusion training	Promoting diversity and inclusion in the workplace	See appendix 3
3. Clients and Staff with Disabilities Mapping & Survey	1 to 2 Months	Conduct a client survey to identify clients with disabilities and provide identification to clients that identify as having hearing, low vision, speech or other non-obvious impairments or disabilities	Identify clients with disabilities and provide the necessary service levels based on their location and service needs to ensure they can seamlessly access bank systems and information. Provide clients with nonobvious disabilities a discreet way to notify branch staff of their special needs. Conduct PwD client analysis on an annual basis	Responsive client relationship management that promotes accessibility	
	1 to 2 Months	Provide desk level cashier services for clients on wheelchair or clients with dwarfism	Utilize bulk cash rooms and designated desks within the branch to provide easy access for clients who cannot reach the cashier counter	Clients can access cashier points with dignity	
	1 to 2 Months	Conduct an employee survey to identify staff with disabilities	Analyze staff on a bi-annual basis and provide necessary human resources support; institute PwD policies for staff, including staff with both permanent and temporary disabilities and mental health related disabilities	Fostering a responsive and caring work environment	

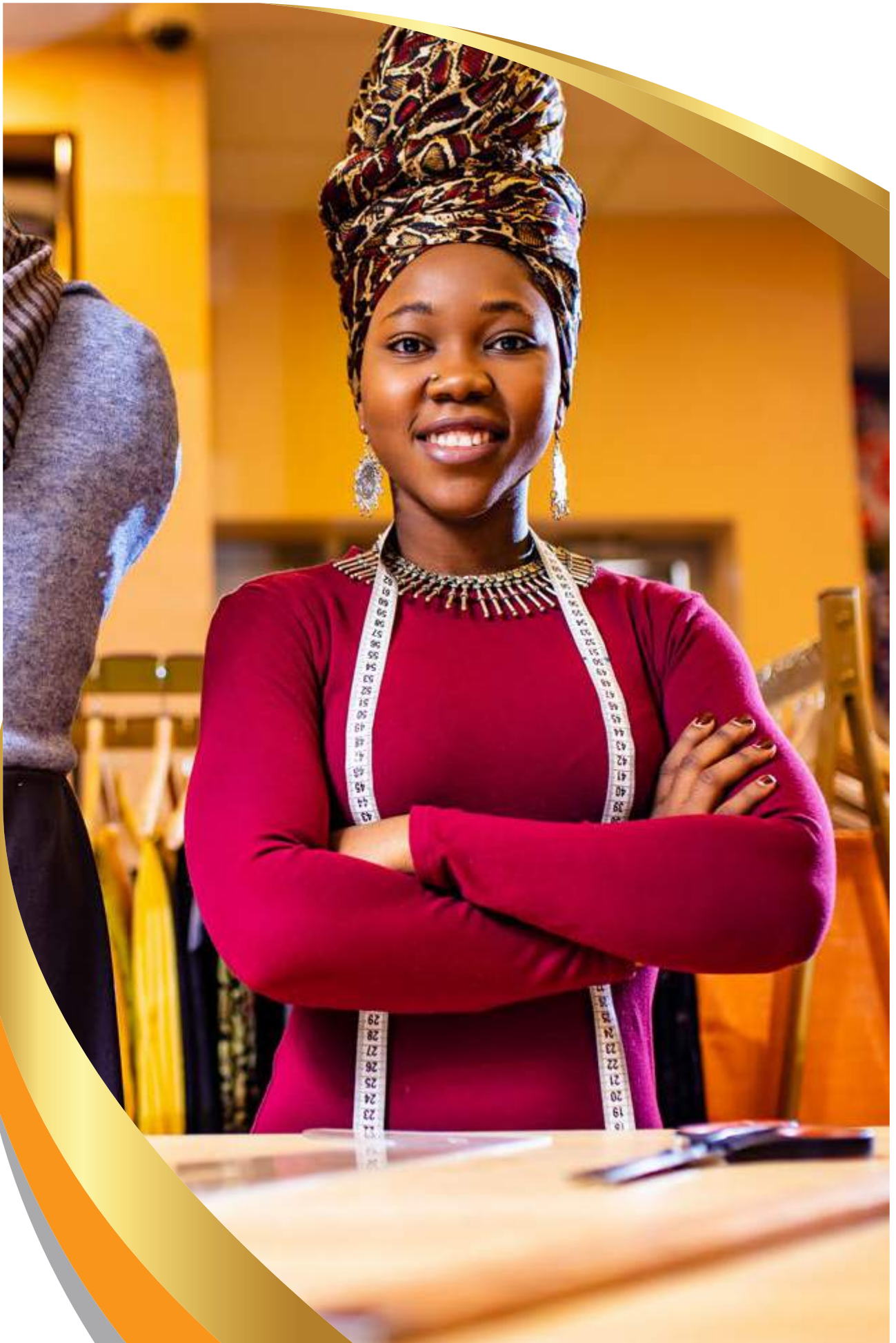
Phase	Timeline	Objectives	Goals	Outcomes	Reference
3. Clients and Staff with Disabilities Mapping & Survey <i>Continued</i>	1 to 2 Months	Identify opportunities to hire full-time employees and contract PwD staff and actively seek out PwD candidates	Incorporate PwDs in bank recruitment strategies; recruit PwD employees and staff through partnerships with professional organizations and PwD aligned organizations such as Kenya Paraplegic Organization, Kenya Society for the Blind and Association for the Physically Disabled of Kenya	Promoting diversity and inclusion in the workplace	
	Ongoing	Identify opportunities to hire full-time employees and contract PwD staff and actively seek out PwD candidates	Incorporate PwDs in bank recruitment strategies; recruit PwD employees and staff through partnerships with professional organizations and PwD aligned organizations such as Kenya Paraplegic Organization, Kenya Society for the Blind and Association for the Physically Disabled of Kenya	Promoting diversity and inclusion in the workplace	
	Ongoing	Identify opportunities to contract PwD suppliers	Incorporate PwDs in bank procurement policy and practices; annually track PwD contractors relative to overall bank expenditure on services; include professional organizations and PwD aligned organizations such as Kenya Paraplegic Organization, Kenya Society for the Blind and Association for the Physically Disabled of Kenya in tender notices and expressions of interest	Promoting diversity and inclusion in the workplace	

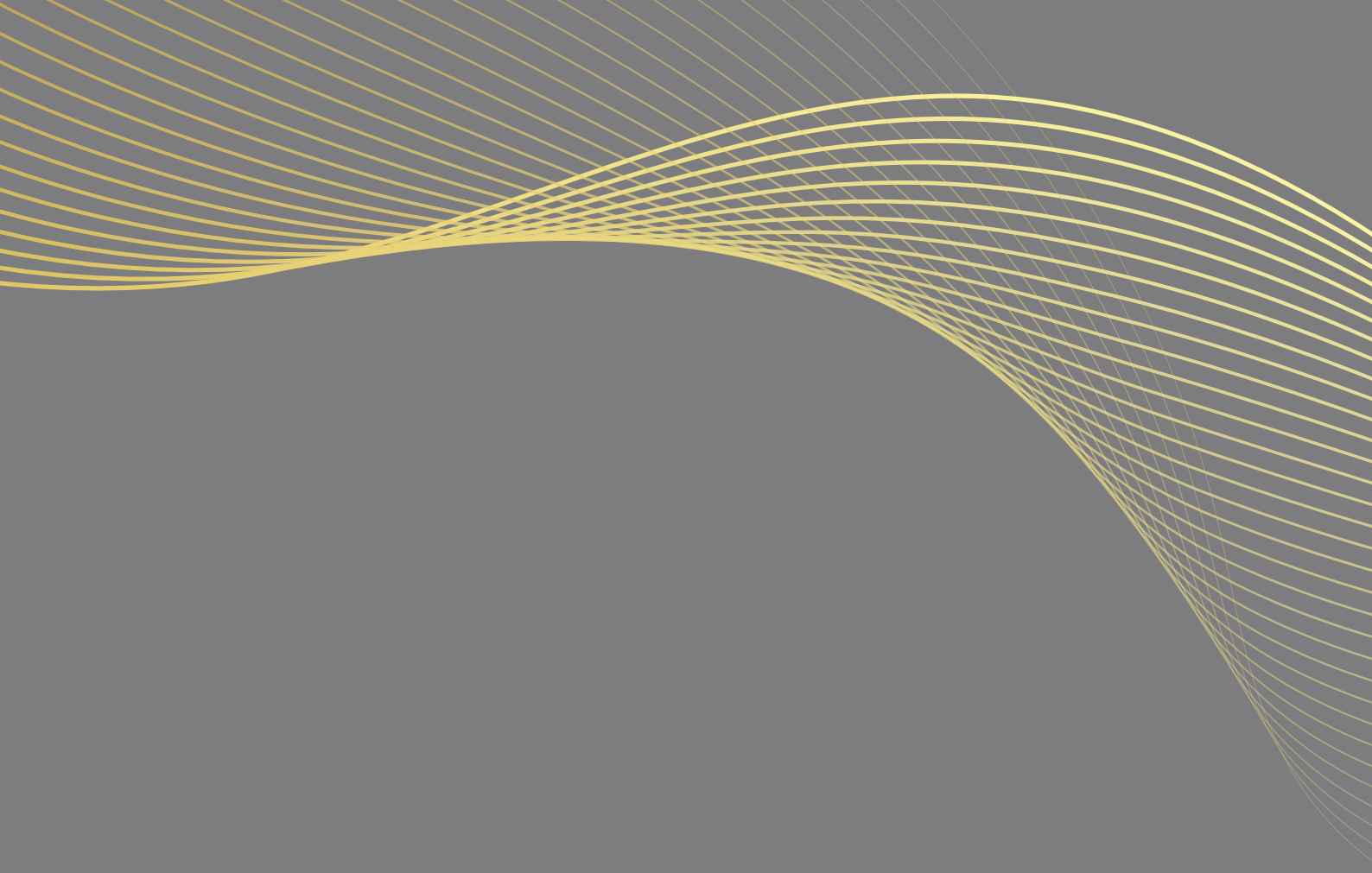
Phase	Timeline	Objectives	Goals	Outcomes	Reference
3. Clients and Staff with Disabilities Mapping & Survey <i>Continued</i>	Annual	Client with Disability Satisfaction Survey	Conduct an annual assessment targeting CwDs to gain their feedback on bank service delivery and areas for improvement	Responsive client relationship management that promotes accessibility	
4. Documents & Channels Review and Remediation	2 to 4 Months	Make available bank documents in English and Kiswahili in large print with explanatory images, if necessary, provide documents in vernacular	Ensure ease of understanding for clients with reading, literacy or language challenges	Clients can easily access and understand bank documents, limiting misunderstanding and promoting financial literacy and consumer protection for clients with reading or learning disabilities thus reducing disputes	
	2 to 4 Months	Review and remediate bank websites [both internal / intranets and external] to ensure they are accessible according to the Web Content Accessibility Guidelines (WCAG) 2.1 A, AA Standard, and are aligned to the Accessibility Principles	Bank websites can be accessed by clients and staff who utilize screen readers via Microsoft, Android, Apple and Google systems, including via NonVisual Desktop Access (NVDA), TalkBack Google, and Apple Voiceover screen readers	Clients and staff who utilize screen readers are empowered to independently access bank information online	Web Content Accessibility Guidelines (WCAG): https://www.w3.org/WAI/standards-guidelines/wcag/ Accessibility Principles: https://www.w3.org/WAI/fundamentals/accessibility-principles/
	2 to 4 Months	Review and remediate branch signage for inclusive language and accessibility	Review branch posters, tariff guides and floor decals [clarity, font size, color, etc.]; provide tariff guides in larger font for clients with reading difficulties	Clients can independently transact within the branch environment	

Phase	Timeline	Objectives	Goals	Outcomes	Reference
4. Documents & Channels Review and Remediation <i>Continued</i>	4 to 8 Months	Review and remediate bank mobile applications and internet banking channels for digital accessibility	Enhance the user journey to ensure CwDs can independently open mobile banking, USSD and internet accounts; transact via PesaLink, Mpesa and RTGS, including transfer funds and pay utilities; access account statements and check account balances and transactions; and independently change passwords and other sensitive account information	Clients can independently and securely transact via digital banking channels	
	4 to 8 Months <i>Continued</i>		Bank applications and internet portals can be accessed by clients who utilize screen readers, braille technology, virtual keyboards and other assistive technology to access mobile applications and Websites Introduce fingerprint biometrics for mobile applications for client password access		
	Annually	Facilities audit	Annual audit of bank-owned offices and branches and leased premises to ensure facilities are compliant with PwD Act	Compliance with PwD laws and regulations	
5. Introduction of Assistive Technology & On-Demand Sign Language Interpretation	6 to 12 Months	For documents that cannot be accessed online via screen readers, conduct an assessment on applicability of braille	Identify documents that need to be produced in braille and invest in converting the material into braille, including procuring braille printing services	Clients who are blind or have low vision can access bank documents	

Phase	Timeline	Objectives	Goals	Outcomes	Reference
5. Introduction of Assistive Technology & On-Demand Sign Language Interpretation <i>Continued</i>	6 to 24 Months	Phase out old generation ATMs and introduce ATMs with embossed keypad and voice activation	Enable blind and low vision customers to enter their PIN and transact via ATMs	Clients who are blind or have low vision can access ATMs	
	6 to 12 Months	Contract sign language interpreters and provide video chat customer service	Customer Service agents can communicate with clients who are deaf and hard of hearing	Clients can independently and securely interact with customer service agents	
	6 to 12 Months	Introduce to Customer Service Channels Text Telephone or Telecommunication Device for the Deaf (TTY/ TDD) which allow text messaging over the phone line	Customer Service agents can communicate with clients who are deaf and hard of hearing	Clients can independently and securely interact with customer service agents	
	6 to 12 Months	Introduce speaker verification for Customer Service	Customer Service agents can communicate with clients who are blind or have low vision	Clients with disabilities can conveniently and securely access bank services; higher level of security for all clients;	Case Study: Safaricom Jitambulisho Voice Biometrics
	Ongoing	Celebrate Clients with Disabilities and normalize disability by commemorating International Persons with Disabilities Day and target PwD clients in annual Customer Service Week; participate in the KBA #SignLanguageChallenge as a way to engage employees, customers and the public		Promoting diversity and inclusion and excellence in service delivery	
		Allocate a percentage of bank corporate social investment budget to PwD financial literacy and inclusion	Sponsor assistive technology devices [screen readers, brailers, braille displays, braille printers, hearing aids and other deaf assistive technology, etc.], financial literacy training and other support for the PwD community	Promoting financial inclusion and shared value	

NOTE The implementation of the bank's accessibility strategy and policies will need to be carried out as a crosscutting initiative with Management level oversight and budget support. There are areas that will need to be monitored by each bank's compliance departments to ensure adherence to industry regulations and laws pertaining to PwDs and consumer protection.





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