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Creating a Safety Net for Micro and Small Enterprises

**A Call to Action to Close
Consumer Protection Gaps**

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1 Introduction

The Center for Financial Inclusion (CFI), supported by the Mastercard Center for Inclusive Growth, conducted a study in 2024 surveying 4,000 Micro and Small Enterprises (MSEs) located in five metropolises — Delhi, Lagos, Addis Ababa, Jakarta, and São Paulo. This resulted in the landmark report¹ that helped bridge the knowledge gap on the digital transformation of MSEs and the financial services they use, and outlined the risk landscape; all of which contribute to choices made by MSE owners and impact the resilience of the enterprises they operate.

The study focused on MSEs with less than ten employees operating in fixed locations, regardless of formality. MSEs of this size, despite their important role and contributions to the economy, tend to fall between the cracks since they are not individuals and often lack the formality, as well as the financial and legal depth of larger businesses.

The classification of MSEs varies between countries and institutions, and may include a range of factors such as number of employees, annual turnover, or investment in business assets, which makes it harder to define global standards for consumer protection of these enterprises. As evidence of this lack of alignment on the definition of an MSE, we present a sample of MSE definitions from the IFC, FCA UK and that of the Ministry of Micro, Small and Medium Enterprises in India in the [Annex](#). The consequence is that consumer protection of MSEs is a topic that continues to be under-researched although it is beginning to emerge as a crucial area to address, especially if we are to enable long-term trust in digital financial services.

In general, consumer protection principles tend to refer to private individuals while businesses are usually covered by a different set of regulations and laws, depending on the jurisdiction where they operate. Approaches to financial consumer protection also tend to bundle consumers and micro-businesses since the owners of these businesses are not seen as different from the business, especially when

they remain unregistered. This leaves gaps since insolvency and collateral regimes vary for individuals and registered businesses across different countries (Claessens & Klapper, 2006). They tend to be better defined for registered businesses, although even this varies between countries as seen in the Doing Business Reports by the World Bank, which measure the legal rights of borrowers and lenders by examining features that facilitate lending within the applicable collateral and bankruptcy laws of a country (World Bank, n.d.). Between the definitions, legal and regulatory remits for consumer protection of individuals and registered businesses, informal businesses that don't operate through a separate registered firm fall between the cracks.

For businesses that operate informally, the financial lives and therefore the resilience of the firm and the firm owners are intertwined (Eplee et al., 2023). There is a growing realization that consumer protection principles that apply to individuals should apply to micro and small enterprises as well. This shift is seen in the recent OECD/G20 High Level Principles for Consumer Protection, although it is relegated to the first footnote in the document that explains that the meaning of financial consumer may include micro and small enterprises (OECD, 2022).

The interconnectedness of personal and business lives of MSEs and their owners results in a higher vulnerability since consumer protection challenges affect both firms and firm owners. Given the vital role of MSEs in driving economic activity and employment (GPFI, 2024), we posit that it is crucial to examine and address consumer protection issues faced by MSEs. This lens of examining issues faced by MSEs is novel since extant research in the sector has largely focused on financing gaps and the characteristics of MSEs that make it challenging to deliver financial services (GPFI, 2024). As technology-driven financial services are being viewed as a possible mechanism to bridge the

¹ See Totolo et al. (2025), presenting findings on a survey of over 20,000 MSEs with over 4,000 interviews conducted. The study *Small Firms, Big Impact: Digitization, Financial Services, and Climate Resilience in Five Emerging Markets* revealed opportunities for growth and greater efficiencies with use of digital products and services, while also highlighting resource constraints, consumer protection risks, and heightened vulnerability to economic and climate shocks.

large financing gap that MSEs face, we argue that it is crucial to close the consumer protection gaps in using digital technology.

In this brief, we examine data from our field research but also rely on insights drawn from secondary analysis of other reports and studies. As stated earlier, consumer protection challenges faced by MSEs and their owners have seldom been studied together, and this is an early attempt to highlight consumer protection gaps that should be closed. We classify the consumer protection challenges into five groups:

-  Consumer protection and gender
-  Frauds and scams
-  Consumer recourse and grievance redressal
-  Over-indebtedness
-  Consumer protection challenges due to poor connectivity

2 Examining Consumer Protection Challenges

Across all five markets in the study, MSEs that used digital financial services, especially digital payments, saw great benefits. Men and women experienced some common benefits like time savings, convenience of usage, and security of not carrying large amounts of cash. This growing recognition of the value proposition offered by digital financial services is echoed in other research studies as well. The Better Than Cash Alliance (BTCA) conducted research with micro-merchants in ASEAN in 2024, revealing a similar trend (Sivalingam, 2024). Across all markets we surveyed, the use of digital financial services has been associated with lower perceived discrimination due to race, socio-economic status, or gender. In markets like Brazil, the absence of human interaction at the time of opening accounts was seen as a positive, especially by women who said they felt safer transacting digitally.

“As women, I think we are much more at risk in a personal meeting, a personal environment, such as in the branch, than when using an app. In the app, the conversations are usually saved, and the person is not even seeing you, so there is no incentive for them to start the harassment. In-person is a totally different risk. The person can say something, and we will never have the means to prove it.”

(Female MSE owner, São Paulo)

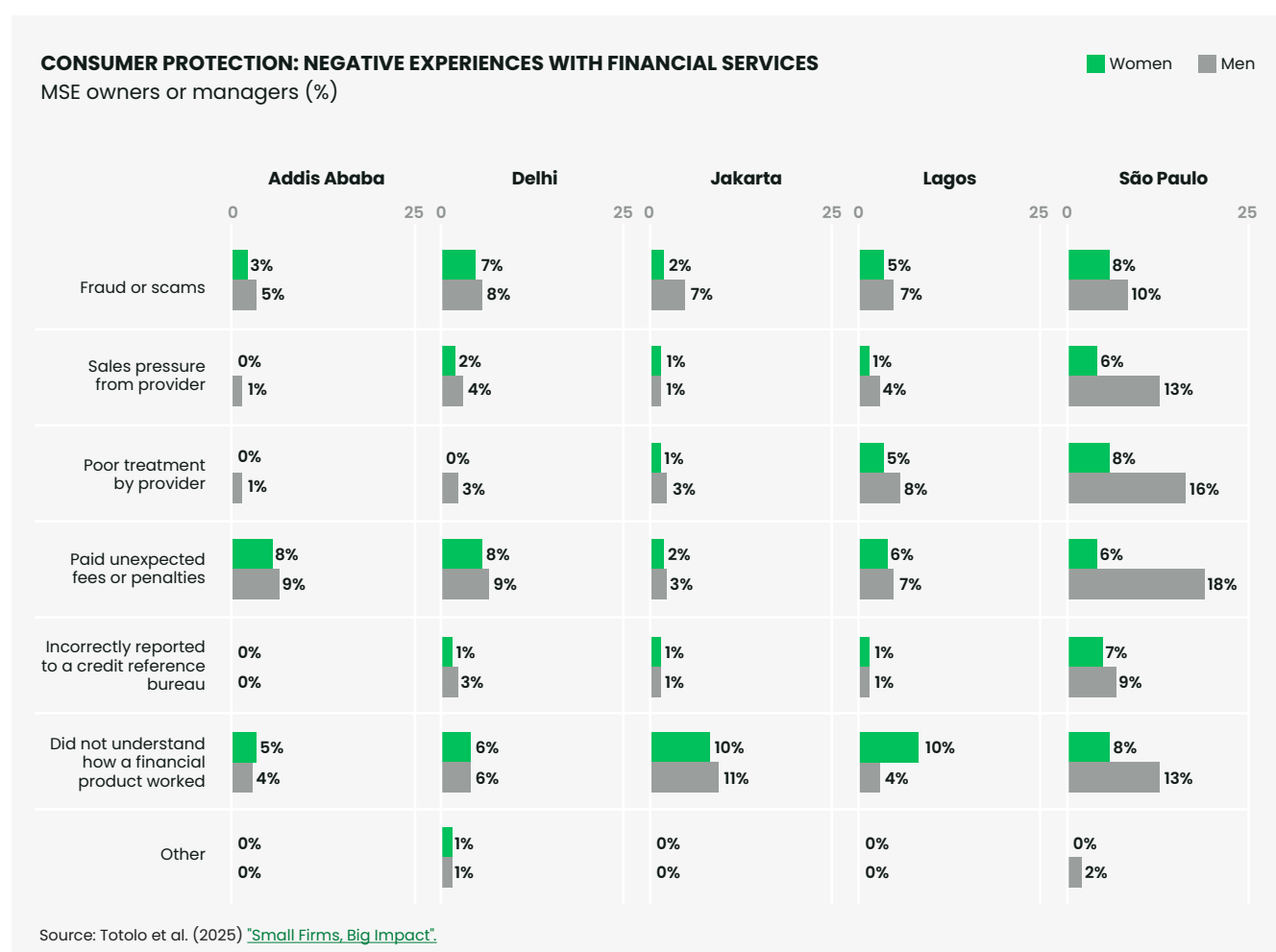
This indicates that when digitization works well, it has the potential to democratize access, making it crucial to address consumer protection gaps. However, this can only be realized if the perception of reduced bias through digital channels is supported by the reality of fair access and offerings regardless of demographic or other characteristics. While reduced bias perception from consumers is positive and can drive access and usage, ensuring true progress in fairness and non-discrimination requires active monitoring and enforcement from providers and regulators.

3 Consumer Protection and Gender

While digitization has its benefits, risks created due to the interplay of technology and finance are outpacing digital adoption and technological progress. A study by CGAP indicated that a 38 percent rise in mobile app transactions was accompanied by an 83 percent increase in fraud (Chalwe-Mulenga et al., 2022). Further, the study showed that 27 percent of digital financial services users who had been surveyed had reported facing at least one consumer protection issue – whether it was fraud, poor customer service or hidden fees (Chalwe-Mulenga et al., 2022). While this is true and we know that low-income users bear a disproportionate burden of these risks, for MSEs, the burden of loss combined with the cost of seeking redress can erode already thin margins in their business.

The rise in consumer protection risks along with the rise in digital use is a trend that is echoed in our study across five markets. Frauds and scams, unexpected fees and penalties, and poor treatment by providers feature across the issues faced. Across all five markets, women reported fewer negative experiences than men, but this is a function of fewer women business owners and lower usage of digital financial services by women; the lower the participation, the lower the possible exposure to risks. However, lower usage among women also limits their ability to capitalize on the benefits and opportunities to increase productivity and drive growth that are provided by digital services.

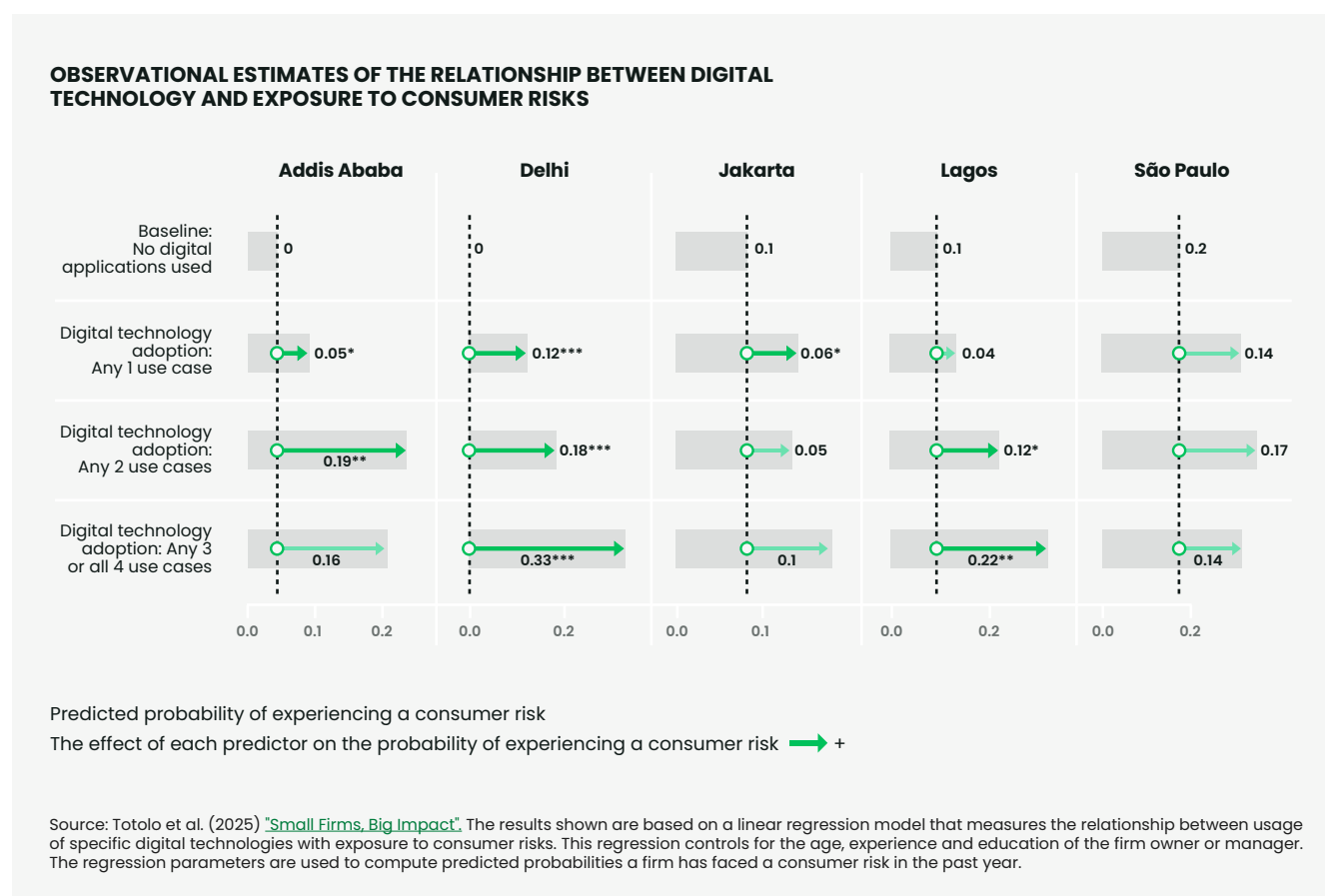
FIGURE 1:



In general, the higher the exposure to digital financial services, the higher the probability of experiencing a consumer protection challenge. In cities like Addis Ababa, Delhi, and Lagos, the use of multiple digital applications corresponds to higher consumer protection risk scores. For instance, in Lagos, businesses that utilize three or more digital use cases show significantly higher exposure to consumer

protection risks compared to firms that use no digital solutions. Exposure to consumer protection risk by gender follows a similar pattern. Thirty-nine percent of male MSE owners in São Paulo and 21 percent in Delhi had faced consumer protection challenges in the past 12 months prior to the survey, compared to 28 percent of female MSE owners in São Paulo and 18 percent in Delhi, respectively.

FIGURE 2:



Social norms could also play a role in the gender difference observed (Chalwe-Mulenga et al., 2022). Women MSE owners are especially afraid of making mistakes and often adopt a self-effacing attitude to using digital financial services or blame themselves when things go wrong (Sivalingam, 2024).

"I am not much into downloading things. I do not see it as a huge challenge, but I never know [if] I am on the right track. There are several icons that look similar, I fear I might download the wrong one. It is not a challenge. I know how to download it; it is more a fear of doing something wrong, downloading a fraudulent app that will steal my information. Then I ask my son to send me the link to the app, or to download it for me. After that, it is easy. Using the app is fairly easy."

(Female MSE owner, São Paulo)

4 Frauds and Scams: A Growing Threat

Frauds and scams affect all MSE owners, irrespective of their gender. The Better Than Cash Alliance indicated in a report that of 1,615 Asia-Pacific respondents surveyed, 52 percent had experienced money theft and 72 percent had experienced some form of online scam involving digital payments (Sivalingam, 2024). While loss of money, even in small amounts, is felt by all MSEs, it does not seem to affect their willingness to use digital financial services. It may erode trust in specific providers and their ability and willingness to protect them or offer redressal, which may result in MSE owners switching providers. However, MSEs have begun to accept the occurrence of frauds and scams with digital financial services, and did not indicate a tendency to switch back to cash. This could more accurately be described as ‘resigned acceptance’ as issues like a lack of alternatives for financial services and demand from consumers mean MSEs face pressure to accept and manage the risks in order to access the potential benefits. As one user said,

“These scams have always existed, like 200 years ago. Technology only made them spread quicker. So again, using technology has become common sense among most segments of society, financial or non-financial, ecommerce, e-mail, everything is so accessible. We just need to be careful.”

(Male MSE owner, São Paulo)

In the absence of systematic support, MSEs have begun to adopt strategies to protect themselves.

1. Crowd-sourcing information and learning through social networks: Whatsapp channels, Facebook groups, and word-of-mouth sharing of experiences are a few ways in which MSE owners are becoming aware of emergent scams and risks, and how they can avoid becoming victims to similar scams. A few individuals pass on this information to others in their network, so it becomes common knowledge.

“I have experienced that there are scams I heard from my close friends. These scams involve the presentation of fake transactions to deceive and defraud individuals. According to their accounts, these scams involve the creation of fake screenshots that closely resemble genuine transactions. Unfortunately,

I know someone who fell victim to this fraudulent activity and lost a significant amount of money...around 60,000 birr. As a result, I now strongly advise people to thoroughly verify their actual account status following any transactions conducted by third parties or individuals.”

(Male MSE owner, Addis Ababa)

While crowd-sourcing information can make users aware of the modus operandi of the crime, and serve as a helpful mechanism to drive awareness of possible scams and fraud risks, it can also result in misinformation especially about specific providers. Policymakers and consumer advocates should take note of users’ desire to obtain real-time, reliable information, and set up a hotline or mechanism that allows MSEs to verify for themselves if the information received is real or not, along with a fraud registry that allows people to understand the various types of risks they can face. This can prevent misuse in a competitive landscape.

2. Trusted sources: Close family members, including children and friends, are trusted sources of information to help understand how to navigate against fraud, or for reassurance and guidance when unsure.

“Fraud, this is something I fear. That’s why I’m constantly asking my daughter for help. To avoid doing something that I should not be doing. I know I am generally aware of scams, my daughter tells me about them. She is constantly sending the types of scams that exist in our WhatsApp family group, I read all of them. But still, we never know, it is better to be on the safe side.”

(Female MSE owner, São Paulo)

Policy recommendations have often included the idea of creating an “ambassador program” with trusted sources to help address ongoing challenges (Chettri et al., 2023). A successful example is the government-backed merchant support program ‘Jakpreneur’, that provides assistance during onboarding, access to a network of other merchants, and ongoing support (Hanggara & Simorangkir, 2021).

5 Consumer Recourse and Grievance Redressal

Providers of digital financial services, even when focused on consumer experiences, often forget about the complaint and grievance redressal leg of a customer journey. The failure of complaint resolution and grievance redressal for MSEs using digital financial services can be split into three categories:

1. Awareness of customer support and avenues to seek redress
2. Experience of accessing complaint channels
3. Inherent design flaws that prevent redress

1. Awareness of customer support and avenues to seek redress

While MSE owners might be confident in using digital tools, there isn't a uniform understanding of what they could do if things go wrong. This could be due to a combination of factors — their own awareness, lack of transparency around the service offered, and limited customer support. The last two factors are even more likely when the product is an embedded finance offering.

As one female MSE owner in Jakarta reflected, **“if we have a transfer issue, who am I going to report to? There is no information about that.”** Another MSE owner expressed frustration with completely digital banks that did not have a branch or phone number to contact, and all transactions were through an app.

“If the app is down, you have no other way to do banking. There is no phone number you can call. Once my bank was offline for a full day and I had to make some payments, I was only able to do them the following day. There is no branch you can go, no phone to call.”

(Male MSE owner, São Paulo)

2. Experience of accessing complaint channels

Across São Paulo and Delhi, MSE owners expressed frustration with long wait times or a lack of response when calling the customer care number. Customer care through chat was also dismissed as being unhelpful.

“Banks think we have all the time in the world to wait for a response...usually when we get in the chat it's because we are having an issue and it's urgent, but the chat takes forever, it takes too long to respond and is often just a bot. It takes you to some generic menu that cannot really solve your issue.”

(Female MSE owner, São Paulo)

Similar to the findings in the ASEAN region by BTCA (Sivalingam, 2024), MSE owners in our study perceived recourse mechanisms as inefficient and not worth pursuing given the time it took. As one male merchant in Delhi said, **“What can we do? Who has so much time to follow up? Nobody picks up the customer care number, even if they pick up, they will keep you waiting. We lose hope and never try to follow up.”**

In some cases, it wasn't just the time it took to contact customer care or file a complaint, it was also the cost of placing the call. A male MSE owner in Jakarta explained, **“Whenever I call the customer center, it's usually through WhatsApp, which is free. But if it's a regular phone call, it usually uses up credit because we might not spend exactly 50,000 rupiahs, and the problem might not get solved right away.”**

3. Inherent design flaws that prevent redress

In Delhi and São Paulo, the use of UPI and Pix respectively, is high by small business owners. Both UPI and Pix are set up as instant, interoperable payments that allow transactions to be completed in under 15 seconds. The instant nature of payments, while convenient, has not been designed with a redressal feature when transfers are made to the wrong person accidentally. A participant in our study shared that he sent money to the wrong number and could not recover the funds despite contacting the unintended recipient of his funds. Customer-initiated fraud where merchants are shown the screenshot of a completed transaction, only to discover later that they haven't received funds is common. For small business owners operating on thin margins, the loss of even small amounts of funds without effective grievance mechanisms leaves them feeling vulnerable and unsupported.

6 Overindebtedness of MSEs

Studies estimate that MSEs have an unmet USD \$4.9 trillion credit gap (Pillai & Zetterli, 2019). However, between 20 to 25 percent of the small business owners who borrowed in the past year reported facing difficulties in making full, on-time repayments (Totolo et al., 2025). Loan repayment is a challenge across all markets, with a significant proportion of MSEs struggling to make timely payments. This reflects that broader financial pressures and cash flow issues are prevalent among small businesses, making it difficult for them to keep up with repayment schedules. The mismatch between the unmet credit gap and the struggles in repaying loans indicates that current loan products are not conducive to MSE cash flows and business models.

Easy access to digital loans can often create more stress. The blending of MSE owners' finances and business finances could be an underlying factor. A respondent to our study in São Paulo regretted his decision to take an online loan.

"I logged to the app one day and there was this ad offering a loan, that I had an amount available for me, pre-approved, all that. I just had to click to have access to it. The banks make it very easy, two clicks and you are already owing the bank a large sum of money. I don't know where I had my head when I took that loan, now I have to pay for it."

(Male MSE owner, São Paulo)

Aggressive debt collection practices by physical and digital lenders have come under scrutiny in several markets, but seem to continue. While most MSEs

are careful about not borrowing excessively for their businesses, in markets like Nigeria, digital loans are not uncommon, especially for cash flow smoothening or personal consumption. In other markets, where digital loans are easily available, MSE owners have regretted succumbing to the temptation to borrow. In some markets, when digital loan repayments are delayed, there have been instances of using phone contacts to shame and pressure borrowers to repay. While harassment and access to contact data for misuse by collectors should not be allowed in any circumstances and has come under the scrutiny of supervisors and consumer advocates in most markets, the practice seems to continue. In addition to avoiding harassment, MSEs should have access to restructuring options and impartial debt advice so their businesses remain unaffected.

Coping strategies to manage repayment of loans varies across markets, but inevitably impacts MSE owners' personal savings or business assets. Selling or pawning business assets appears as a strategy in Jakarta, where some MSEs are liquidating assets to stay on top of loan repayments. This shows that, in certain cases, businesses are forced to sacrifice their capital assets, which could have long-term consequences for their growth and sustainability. This inter-dependence between businesses and their owners' financial lives creates a vulnerability that could be avoided if there were clear bankruptcy laws that could allow a business to declare itself bankrupt or insolvent, without affecting the personal financial lives of their owners. In addition, of course, there is a need for a judicial system that can enforce the rights of borrowers, for the law itself to be credible in practice.

7 Consumer Protection Challenges Due to Poor Connectivity

For small business owners in Ethiopia, a market that is pursuing an ambitious digital transformation strategy, connectivity and network problems affect business continuity. Network connectivity was especially a challenge over weekends, affecting MSEs' ability to transact digitally consistently. It also leads to other challenges such as delayed confirmation of payment transactions, making merchants anxious, especially if they were just beginning to use digital payments.

“During my initial experience with the Chappa Application, I encountered some difficulties. In that first instance, I required assistance. The primary issue was my lack of awareness regarding delays in confirmation about money transactions. Consequently, receiving a confirmation SMS was not a straightforward process due to network delays. I was asking family and friends where my money went. However, with time, I realized that I needed to be patient and wait for confirmation.”

(Male MSE owner, Addis Ababa)

However, for small businesses, delays in payments can mean delays in paying vendors and suppliers, making physical payments more attractive. Network problems also result in making double payments, which adds time and other expenses if the additional payment must be recovered. Often, if the payment is made to a person who is not known, then it's a loss.

Connectivity issues resulting in business losses are also common in India, Indonesia, and Nigeria. Busy small business owners often find it hard to keep track of payments and credits made to their account, and discover at the end of the day that payments have been

delayed or not made. Poor connectivity also creates a fertile environment for customer-initiated fraud where they claim that payment has been made but has not been processed due to network issues. Women MSE owners often face this challenge and have resorted to asking for cash payments when transactions don't go through. Women business owners in India also reported being asked for their mobile number when the QR code didn't work, and then received inappropriate calls and messages.

“Often the customers say that they have initiated the payment, while at times it is not credited to my account. Customers insist me to install a wifi in my shop. You tell me, is it feasible? I run such a small business, where data in my mobile is sufficient for my daily functioning. Why do I invest in such expenses? But I have learned from mistakes. These days, I do not let the customers go unless the amount is credited to my account. I insist them to pay in cash, even if they say their online transaction was successful. I keep a note whether there is any double payment. If the customer comes back, I return them the amount.”

(Female MSE owner, Delhi)

In Nigeria, hidden costs on transactions came up as a challenge. Research shows that merchants are comfortable paying charges if there is transparent pricing, however, complex fees and hidden charges can dissuade use of digital financial services, since it creates uncertainty in their business planning (Sivalingam, 2024).

8 Recommendations and the Way Forward

Our study was conducted in urban cities and may not represent the behavior of small merchants in semi-urban and rural areas. However, for the MSEs who are using digital financial services, there is a growing recognition of the value they provide. There is also a growing realization of the risks that accompany digital financial services. For these services to truly transform MSEs, it is important to prevent business and financial losses, and create a secure environment.

Across this research, CFI has sought to build understanding of the unique factors driving digitization among MSEs, as well as the emerging opportunities and risks that accompany this shift. Significantly, we also aim to call attention to the unique role that MSEs

play in driving economic activity and employment among low-income populations, and how existing research and regulation has largely failed to address the needs of these businesses. Much of the existing work on consumer protection looks at challenges faced by individual consumers, and regulatory responses have focused there or on issues pertaining to formalized businesses that tend to be larger in size and fall more clearly under their remit. For MSEs with varying levels of formality, the resource investment and focus of various stakeholders to study and address consumer protection has been significantly lacking.

To better support MSEs, we offer the following recommendations.

RECOMMENDATION 1	Enable quick and easy recourse, especially for small transactions.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Codify and enforce requirements for accessible and effective recourse channels.	Develop recourse channels and clear policies around timely and effective resolution; ensure customer awareness of multiple channels.	Monitor effective implementation of recourse channels, and elevate consumer voices on challenges they encounter with this process.	Recognize recourse as a key driver of consumer trust and loyalty, and utilize influence to drive its development.
RECOMMENDATION 2	Create channels for access to reliable information on common scams and emerging risks for individual consumers and MSEs, as well as unbiased resources to build financial literacy. Aim to formalize the 'crowd-sourcing' of complaints, which is already undertaken by MSEs informally. This can become part of a formal fraud registry to help verify and prevent misinformation among consumers.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Develop shared databases and unified complaint channels across financial regulatory agencies to quickly identify emerging risks; Proactively identify and integrate alternative data sources (social media, app reviews, etc.), which increase timeliness and depth of understanding of current issues.	Engage with regulators to highlight emerging market risks, such as fraud and scams, with the recognition that addressing consumer trust and confidence provides benefits for all stakeholders.	Proactively engage with consumers to understand the existing sources they rely on for information that should be monitored by regulators and providers, and to capture risks and challenges faced by consumers that may not be apparent through existing data sources.	Encourage partners to view effective market information systems as mutually beneficial to all stakeholders, and drive collaboration and transparency in their own tracking of emerging risks and frauds.

RECOMMENDATION 3	Create policies to protect small businesses against frauds and scams.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Relying on direct engagement with providers and consumers, develop agile policies to address the leading issues impacting market health and consumer trust.	Share information and advocate on behalf of MSEs as consumers to address market issues that are driving consumer protection risks.	Build evidence and elevate consumer voices on the effectiveness of existing policies and new areas to address.	Capitalize on market influence to drive actions by regulators and providers in identifying market failures driving frauds and scams.
RECOMMENDATION 4	Monitor for indications of bias in the types of customers accessing digital services and in the specific terms and offerings they can access to ensure perception of reduced bias is reflective of reality.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Develop tools for uncovering bias in the increasingly tech-driven tools and systems used for onboarding, credit assessments, and recourse; Establish clear indicators and targets; Build enforcement mechanisms for when bias is identified.	Build understanding of the drivers of algorithmic bias, and ensure robust internal testing and monitoring of systems.	Perform robust client-facing research to identify uneven access levels and provision of unfair terms and conditions or unsuitable products among population segments that have traditionally been excluded.	In deal sourcing and negotiation, enforce the use of systems and mechanisms to identify bias in the provision of products and services.
RECOMMENDATION 5	Elevate the focus on understanding the factors driving differences between men and women in their use of digital services, and their experience and reporting of associated risks, to identify promising solutions.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Ensure the use of gender disaggregated data in market monitoring practices to enable understanding of gender differences in usage and outcomes.	Introduce gender-intentional design principles to understand the differing needs of male and female customers and address existing gaps in access and usage.	Develop evidence-based recommendations for regulators and providers to both identify and effectively respond to gender differences in the access and experience of using digital services.	Enforce the use of gender-intentional design and the collection of gender disaggregated data among funded partners.

RECOMMENDATION 6	Provide small business owners the right credit products and opportunities to access reliable debt advice and restructuring options during times of stress.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Develop policies to ensure wider coverage and accuracy of credit information systems (including alternative lenders); Drive expansion of responsible and independent debt advice and restructuring options.	Improve the robustness of credit assessment processes to ensure alignment between consumer needs and their ability to manage debt.	Advocate for improved debt restructuring options, develop resources to provide debt advice to consumers, and improve their awareness of existing tools, when possible, for debt management. Advocate for insolvency law and bankruptcy code for MSEs.	Direct funding towards the expansion of credit monitoring systems and debt restructuring options.
RECOMMENDATION 7	Address connectivity challenges and offer USSD-based options on a smart phone interface in no-internet / poor connectivity zones.			
	REGULATORS	PROVIDERS	CONSUMER ADVOCACY GROUPS	DONORS / INVESTORS
	Collaborate with market infrastructure regulatory agencies to drive reliability of systems.	Develop alternative access channels (such as USSD) in areas where internet connection is limited or unreliable; Enhance recourse channels and resolution options for issues caused by network failures.	Build evidence on the consumer protection issues and potential for losses driven by connectivity issues to build understanding that the impact of this issue goes beyond temporary inability to use services.	Support the development of multiple delivery channels among partners to enable increased access and drive consistency in service availability.

As part of CFI's ongoing focus on the specific needs and challenges facing MSEs in the face of a rapidly developing digital services sector and the emergence of new risks, we are continuing to examine this critical issue. In particular, we will be reviewing how shifts in

the enabling environment can focus on providing the resources, creating the structures, and driving tangible changes in market conduct to create the conditions for these recommendations to be implemented responsibly and successfully.

9 Annex

Sample of Definitions of MSEs in Different Jurisdictions

Understanding the legal and regulatory perimeters that define consumer protection of MSEs is difficult because different jurisdictions and institutions have varying definitions for what constitutes a micro, small, and medium enterprise segment.

	Microenterprise	Small Enterprise	Medium Enterprise
IFC Definition (employees, assets, annual sales)	<10 employees < USD \$100,000 total assets < USD \$ 100,000 total annual sales	10-50 employees - USD \$100,000 - \$3 million total assets - USD \$100,000 - \$3 million total annual sales	50-300 employees - USD \$3 million - \$15 million total assets - USD \$3 million - \$15 million total annual sales
Financial Conduct Authority of the United Kingdom Definition (employees, annual turnover/annual balance sheet)	<10 employees - annual turnover and/or annual balance sheet total <€2m (~ USD \$2.6 million)	<50 employees - annual turnover and/or annual balance sheet total <€10m (~ USD \$13 million)	
Government of India Definition (investments in plant and machinery, annual turnover)	- Investment in Plant, Machinery, or Equipment: <Rs. 2.5 crore (~USD \$ 283,000) - Annual Turnover <Rs. 10 crore (USD \$1.13 million)	- Investment in Plant, Machinery, or Equipment: <Rs. 25 crore (~USD \$2.8 million) - Annual Turnover <Rs. 100 crore (~USD\$11.3 million)	- Investment in Plant, Machinery, or Equipment: <Rs. 125 crore (~USD \$14.2 million) - Annual Turnover <Rs. 500 crore (~USD \$ 56.7 million)

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