

IMPACT OF COVID-19 ON DIGITAL CREDIT AND CONSUMER PROTECTION

Competition Authority of Kenya

"A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity"

Introduction



- **First Covid- 19 patient was reported in Kenya on 11th March, 2020**
- **Confusion among consumers-panic buying.**
- **Ministry of Health issued guidelines/measures on containing the disease.**
- **Order on Transparency and Disclosure in DFS;**



Consumer Issues

- **Price Gouging;**
- **Hoarding; Price Fixing;**
- **Growing market power of digital platforms;**
- **Fraud cases e.g. Cash transfer Scams;**
- **Misleading advertisements; Unsafe Products;**
- **Mushrooming of companies selling essential products.**



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Vision:"A Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity"



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Policy Interventions

- **Price Gouging:** Issued a Cautionary Notice to manufacturers and traders on the unconscionable increase in prices, taking advantage of the Covid-19 announcement;
- **Investigations:** Receiving complaints from consumers; mystery shopping in 43 counties across Kenya;
- **Exclusive Contracts:** Order issued to manufacturers to expunge exclusive contracts; retailers to avail essential goods at non-discriminatory terms;
- **Remedial Action:** Taken against undertakings for exploiting consumers;

Other Interventions & Quick Wins



- **Public Engagement Online:** Through public Portal <https://competition.cak.go.ke:444>
- **Availability of essential products;**
- **Price stability for essential products;**
- **Enhanced use of digital platforms to make payments;**
- **All fees and charges for financial transactions through the mobile phone waived**

Ongoing Interventions Regarding Digital Credit and Related to Covid-19



- **Consumer Protection Framework in the Financial Services Sector;**
- **Digital Lending Market Inquiry focusing on fraud;**
- **Sweep on Online Companies targeting seven sectors; revision of restrictive T&Cs**

THANK YOU