Customer-Centricity for Financial Inclusion

Comments
by
Deepak Mohanty
Executive Director
Reserve Bank of India

May 24, 2016

This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

Customer-Centricity

- It is key to Real financial inclusion
  - Transform access to usage
  - Transit from supply to demand driven strategy
- Digitisation is key to this transformation
  - Better delivery, greater choice & lowers cost
- Examples abound
  - E-commerce space (Amazon & Alibaba)
  - Indian Unicorns : Flipkart & Olacab
  - Mobile-based fintech platforms

Indian Inclusion Initiatives

- Recent big push for digital financial inclusion in India (PMJDY)
  - Universal access to banking facility with debit card (RuPay) and accident insurance

- JAM Trinity: Jan Dhan Yojana (financial inclusion programme), Adhar (biometric identification of residents) and Mobile number.

Success and Benefits

- 281 million PMJDY accounts opened
- 180 million debit cards issued
- 98 million accounts Adhar seeded
- Subsidy equivalent of US$ 7 billion to 300 million people plugging leakages
- Overall 1.3 billion accounts for equal population
- Mobile tele-density rose from 52 in 2010 to 81 in 2016
- Village banking outlets including BCs increase from under 68,000 in 2010 to 576,000 in 2016
- New Initiatives
  - Payment banks and small finance banks

Challenges

- Make it self sustainable
  - Expand G2P payments
- Reengineer the business model
  - Develop multiple partnerships
- Trust, reliability & security of service
- Abuse & misselling
- Mechanism for consumer grievance redressal
- Cyber security & regulation?

Thank You