



# Workshop

## GOGLA Consumer Protection Code

6 October 2022 | 2:00 PM - 3:30 PM (EAT)



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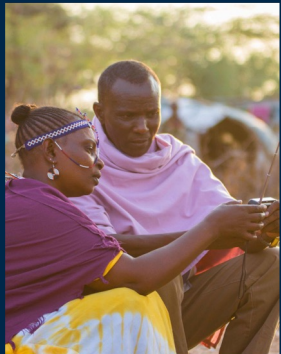


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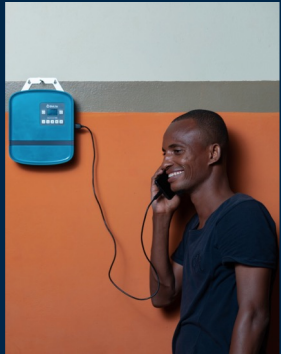
## **EARF Help Desk Contact Details**

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# Consumer Protection Code

## Introductory Workshop for EARF investees



6th October 2022



**1**

Consumer Protection and off-grid solar

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**2**

GOGLA Consumer Protection Code

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**3**

Using the assessment framework

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**4**

Good practices for companies





## Housekeeping

- The session will be recorded.
- Presentation and recording will be shared with attendees afterwards.
- There is allocated time for Q&A during the webinar.
- Please use the chat box for questions or unmute yourself during appointed Q&A.
- We hope you find the next 60 mins informative!

# Introduction: GOGLA's Consumer Protection team



Rebecca Rhodes

Sr Project Manager, Consumer  
Protection & Circularity



Puck van Basten

Jr Project Manager,  
Performance & Investment

### **OGS Providers (e.g., SHS, pico-lantern, SWPs):**

Are required to make a Commitment to the GOGLA Consumer Protection Code.

### **Non-OGS Companies (e.g., cookstoves) and Mini-Grid Developers:**

Shall agree on similar consumer protection principles in alignment with the GOGLA Consumer Protection Code, including (a) Transparency (b) Responsible Sales & Pricing (c) Good Consumer Service (d) Good Product Quality (e) Personal Data Privacy (f) Fair & Respectful Treatment.

To be aligned with the borrower's business activities and incorporated into business practice; e.g., adopted into organisational Code of Conduct, training syllabus etc.

Borrowers are required to use the CP Self-Assessment Tool to measure and monitor consumer protection practices in daily operations. This tool is to be completed as part of the application process and to be re-assessed bi-annually thereafter for the loan duration.





# 1. Consumer Protection

Consumer risks and protection in off-grid solar

# Why Consumer Protection?

The off-grid solar sector is **improving the lives of its consumers** and delivering significant social, economic and environmental impacts.

Consumer protection provides mitigation against consumer exposure to product, finance and service risks. It **protects consumer rights** and **safeguards positive impacts**.

The CP Code ensures that growth objectives remain fully **aligned with consumer interests** to retain the full confidence of consumers, investors, governments and other stakeholders.





## Let's hear from some consumers...

“Neema is a young woman who runs a small jewelry shop and supports a younger brother in college.

Eighteen months ago, she bought a solar system from Alpha-Solar Co. and was enjoying the light for nearly a year when her uncle fell gravely ill. She and her family pooled their resources to pay for his costly medical treatments, but unfortunately, he passed away and the family then had to pay for funeral expenses. This put great pressure on Neema's finances, and **she fell behind on her payments.**

Alpha-Solar Co.'s consumer care centre contacted Neema, and **after discussing the problem, the payment plan was re-scheduled**; the monthly amount was lowered by 20% and the term was extended. Since then, Neema has been current on her payments and continues to enjoy use of the product.”





## Let's hear from some consumers...



“Mary is an elderly woman who lives with her husband in a village.

Earlier this year an agent from Beta-Solar Co. came to do a product demonstration in her village. She liked it very much but believed she couldn't afford it and told the agent this. The agent responded that she should gather as much money as she can now and “then we'll work something out.”

**Trusting the agent**, she gathered as much as she could, but after three months, she and her husband “ran out of money” and had to stop paying. After one week, Beta-Solar Co. phoned her to ask why; she told them she couldn't afford it. One week later her system was repossessed.

Mary feels embarrassed and ashamed of not paying her debt and is upset to lose the lighting that she loved. **“They should never have exposed me to a debt in my position and age.” “**

Let's hear from you...



- ❖ **Do these stories resonate with your experience?**
- ❖ **What would you do in these situations?**
- ❖ **What can the companies change or continue doing?**
- ❖ **Do you have a similar story to share?**



## Consumer Protection Risks in OGS



Poor  
treatment  
from agents

Product  
quality risk

Service risk

Over-  
indebtedness

End-of-life  
product risks

**GOGLA Insights:** There is a strong correlation between NPS, reported payment rates and challenge rates. Nobody will pay for anything that does not work, and people are more inclined to repay a company that treats them well.



Let's hear from you...

The biggest risks to consumers of energy-access products are (multiple choice):

- a. Financial risk, such as over-indebtedness from PAYGo payments
- b. Product risk, affected by the quality of the product
- c. Service risk, such as poor aftersales service or lack of warranty
- d. Risk of poor treatment from agent-based sales networks
- e. No risks – Off-grid solar is the best!
- f. Other – type in chatbox





## 2. Consumer Protection Code

What it is and how you can make a Commitment



## Poll Question

My company has made a Commitment to the Consumer Protection Code.

- a. Yes
- b. No
- c. Not sure



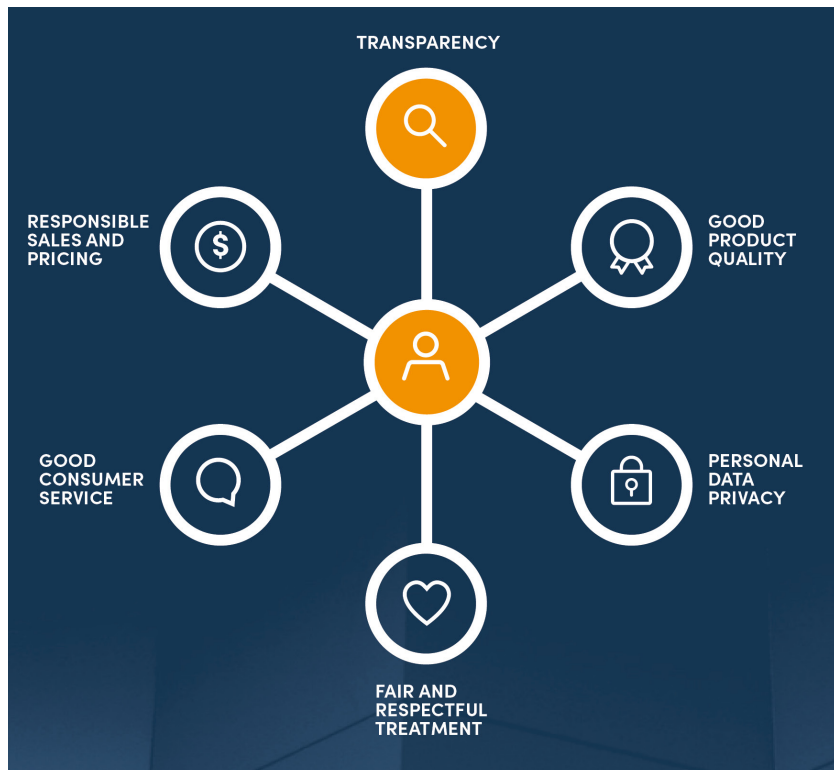


# GOGLA Consumer Protection Code - Principles



Defined & maintained by the **GOGLA** Consumer Protection Working Group

# Principle Example: Transparency



## Transparency

- The company shares clear and sufficient information on the product, service, payment plan and personal data privacy practices to enable consumers to make informed decisions.
- The company shares relevant and timely information before, during and after sales.
- The company communicates in a language and manner consumers can understand.

## Indicator example - Transparency

### **A1. Consumers are informed of key terms and conditions of the contract, including:**

- **Duration of contract**
- Circumstances that may result in a change of price or payment plan length (including changes in foreign exchange rates)
- **Sanctions for late and non-payment (including penalties system lock-out, repossession policies)**
- If applicable, possibility of reporting a consumer to a credit bureau (for full and partial file reporting)
- **Provider's obligations to consumers**



There are 37 indicators in the CP Framework across the 6 principles + Governance & Management.

# Commit to or Endorse the CP Code



GOGLA encourages all members to explore how the Consumer Protection Code can add value to their business or organisation, and make a **Commitment** or **Endorsement** of the Code.

## Commitments:

- Signify that the solar off-grid provider strives to achieve the Consumer Protection Principles in its treatment of consumers, and uses the defined CP Indicators to measure and monitor performance within daily operations.

## Endorsements:

- Signify that the organisation aligns internal practices with the Consumer Protection Principles and / or supports off-grid solar providers to fulfil the minimum standards of practice in their treatment of customers.

# Benefits of making a Commitment to the CP Code



## Brand reputation

Upholding the Principles and ensuring good consumer protection **protections your brand image** and helps you to **build trust** with customers.



## Investor attractiveness

Investors increasingly expect companies to have made a Commitment to the CP Code.

Having this in place early on shows that you are a **responsible company** that takes steps to **manage business risks**.



## Sustainable growth

Good standards of consumer protection ensure **customer satisfaction, protect repayment rates** and help **improve portfolio quality**.

Good CP practices are correlated to higher NPS and repayment rates.



## CPWG & Resources

GOGLA aims to share **tools and resources** that help companies implement high standards of consumer protection.

GOGLA members can also join the **Consumer Protection Working Group** to share good practices and learning.



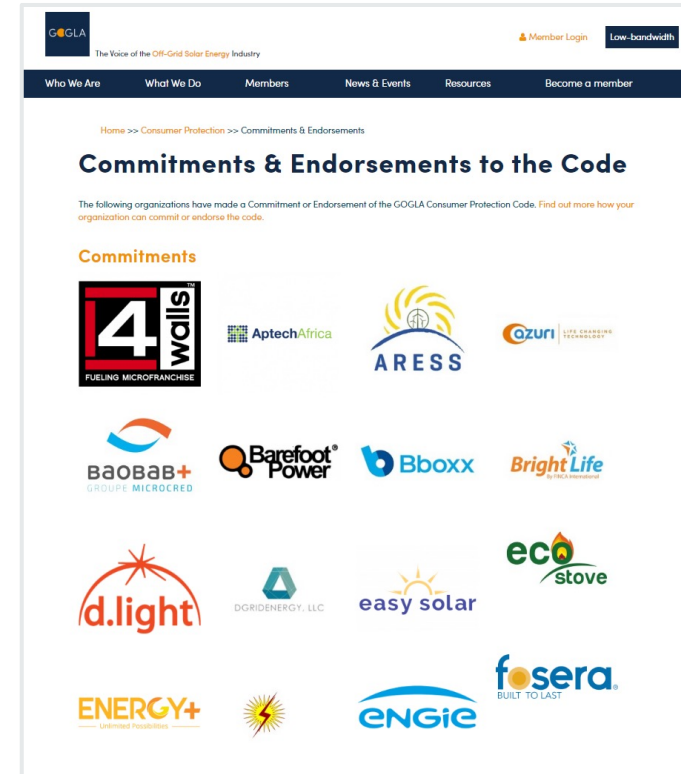
# How to make a Commitment to the CP Code



# 80+ Commitments and Endorsements to the CP Code



- 82 Commitments & Endorsements have been made to the CP Code.
- GOGLA promotes logos of all committed companies to CPC on website.
- Gives public recognition and demonstrates that the organisation is striving for high standards of performance .
- Completion of annual Self-Assessment required to maintain display of logo.



# CP Code for non-OGS Companies

- Use the CP Code as a framework – but tailor to your business
- Integrate into your own ESMS policy
- Use & adapt the self-assessment tool – it is flexible!
- Find your strengths, gaps and build a roadmap



# 3. CP Assessment Framework

Using the assessment framework to improve business practices

# Consumer Protection Assessment Framework – New!



## Make a Commitment

Company sends a letter of Commitment to GOGLA.

Demonstrates that a company strives to meet the minimum standards of practice for good CP.



## Company Self-Assessment

Companies review their performance against 37 CP indicators using self-assessment tool.

An internal assessment undertaken by the company every 12 months.



## Third-party Assessment

A robust, independent assessment undertaken by an specially trained accredited agency.

Results include an in-depth analysis, a narrative report and action plan for companies.



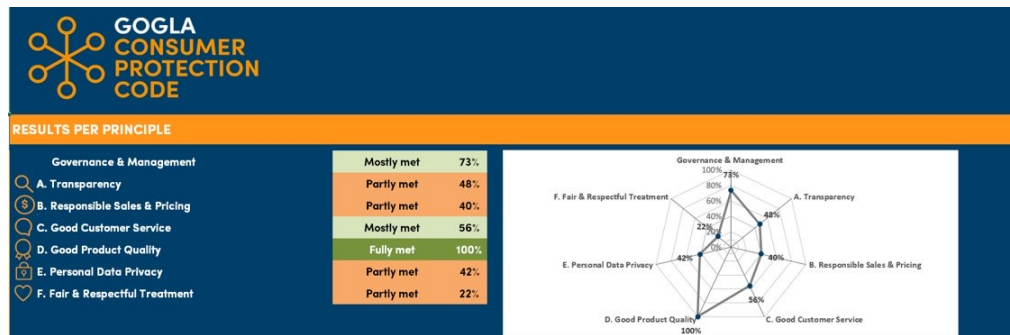
## Lean Data CP Survey

Lean data survey that provides rich, consumer-focused insights to validate performance against the CP Principles.



# Self-Assessment Tool

- **The Self-Assessment Tool** is a key part of the CP Code, and provides a framework for companies to measure, monitor and improve their consumer protection performance.



- The **self-assessment declaration policy** requests that companies carry out a self-assessment **at least every 12 months**. Sending a **declaration letter** to GOGLA as confirmation of completion of the Self-Assessment ensures that:
  - ✓ Your logo remains to be displayed on the CP Hub.
  - ✓ Investors are signalled that you are taking your commitment seriously.

## 1. Involve the right people

- No individual activity
- Identify key roles critical to good CP

## 2. Use evidence for objectivity

- Understand implementation on the ground
- e.g. customer feedback, training records

## 3. Build an action plan

- Identify strengths & gaps and act upon results
- Appoint owner, timeline & resources to action and review action plan regularly



Let's now hear from you..



- ❖ **How does the CP self-assessment align with your other internal monitoring processes?**
- ❖ **Who would you include in undertaking the Self-Assessment?**





# 4. Good practice for companies

Improving Consumer Protection in your business



1. Use the assessment framework to help to identify gaps
2. Integrate Consumer Protection into your business at all levels
3. Benefit from the tools and resources developed by GOGLA, sharing good practices to improve CP



## Identifying gaps and strengths

### Case Study: Greenlight Planet



- Held business practices up with a critical eye during self-assessment.
- Identified a number of areas where policies or intentions could fall short of practice if not properly enforced.

- These insights have informed an internal action plan, managed by our Head of Risk.
- The action plan is informing a number of process changes we are implementing throughout our business to ensure we are 100% compliant, not just in spirit but fully in practice.



## EXAMPLE: WE'VE CHANGED PART OF OUR SALES PROCESS TO COMPLY

Since completing the self-assessment and creating this action plan, we've added a step in our customer acquisition process to reinforce the principle of transparency.

**PRINCIPLE:** Transparency

**INDICATOR:** *"The provider ensures prospective consumers are advised about all the provider's available products and payment options."*

- It was likely that our sales agents ('Energy Officers') were not indicating the 'up-front' cash price of our systems to customers while selling, favoring a PAYG sale
- We added a step in the pre-sale 'prospecting' stage to ensure consumers were aware of the option and price to purchase a Sun King EasyBuy (PAYG) product up front
- Customers must now complete a conversation with our Customer Care Center (head office based call centers) where a CC Agent explains all the options to purchase (up front vs. PAYG), the pricing plan

Kenyan SHS company  
**Pawame** integrated the CP Code across  
their business – from top to bottom:

- They include Consumer Protection training for all consumer-facing staff and agents
- They have developed tools to ensure that it is well embedded into processes, such as this checklist used for onboarding new agents >

## Checklist for onboarding new agents on consumer protection:

**1) Discuss Pawame's commitment** to consumer protection and why it is good for the agent to follow the principles:

- Aligned with our core value of customer-centricity
- Better customer satisfaction
- Better reputation for Pawame
- More sales through referrals
- Better repayment rates
- The right thing to do!



**2) Go through the practical actions related to each principle:**

### a) Transparency:

The agent should tell the customer:

- What products we sell
- How much the down payment is for each one
- How much the daily payment is for each one
- What the total price of the product is
- What happens if they don't pay
- What happens if they want to pay in cash

### b) Responsible sales and pricing:

The agent should:

- Ask the customer what kind of service the customer wants and very clearly state what level of service we can provide – e.g. don't say we can power a fridge!
- Tell the customer that they are expected to pay daily for the full loan term

### c) Good customer service & Good product quality:

pawame



# Integrating CP into your business – CP Training

- Make use of case studies in staff training
- Consider using role play and pop-quizzes and explain important information in a clear, consistent manner.
- Carry out refresher training
- Visit GOGLA's [Consumer Protection Hub](#) for a [CP Training Guide](#), [CP overview presentation for company staff](#) and much more information on Consumer Protection



Ensuring that customers understand the most important parts of the contract is vital:

- Companies can use a Key Facts Statement (KFS).
- Share the KFS with the contract.
- GOGLA has developed a template for you to adapt and use.

### Key Facts Statement for Off-Grid Solar PAYGo Purchases (Example)



#### The Basics

- You are buying: **GOGLA SolarHome Kit2021**
- The total amount you will pay is: **KES 49,500**
- You will pay by: **Mobile Money (#####) or via cash with a GOGLASolar-Agents only**



#### Your Repayments

- You have paid a down-payment of **KES 5,000** on **02/07/2021**
- You will pay: **KES 2,750** every **Month** for **18 Months**
- Your next payment is due on: **02 August 2021**



#### Late Payment Penalties and Fees

- If you do not pay in time, after **0** days, your product will be **locked so that you cannot use it**. It will be unlocked when you next pay a minimum of **KES 2,750**.
- If you do not pay for **180** consecutive days, your product will be **repossessed**.



#### Your Warranty

- The warranty on your **GOGLA SolarHome Kit2021** is valid for **3 years** and ends on **02/07/2024**
- To claim your warranty, Call Freephone **0800 123 456 789**



#### Data Sharing and privacy

- Your personal details will only be used for **our internal use** and will not be shared with other parties.
- We **[will/may]** report your data with a Credit Reference Bureau (CRB). If you fall behind on your payments, this may negatively affect your credit profile and affect your ability to obtain further credit.

# Available tools and resources

**GGLA**  
The Voice of the Off-Grid Solar Energy Industry

“  
**Empowering consumers  
through better communication,  
information and support**  
”

Consumer Protection Briefing Note: Transparency




**cDC** **DOEN** **FMO** **GGLA CONSUMER PROTECTION CODE**

**GGLA**  
The Voice of the Off-Grid Solar Energy Industry

“  
**Building trust with off-grid  
solar consumers through  
better data practices**  
”

Consumer Protection Briefing Note: Personal Data Privacy



**cDC** **DOEN** **FMO** **GGLA CONSUMER PROTECTION CODE**

**Let's now hear from you..**



- ❖ **Do you have any tools in place that contribute to CP?**
- ❖ **Good practices to share?**





## Poll question

How strongly do you agree with the statement:  
*“Making a commitment to the CPC will  
help a company in fundraising” ?*

- a. Agree
- b. Disagree
- c. Not sure



## Where to start and how to continue?

- Appoint a Point of Contact for Consumer Protection.
- Review the CP Principles with key company personnel (e.g. C-suite, directors, sales and aftersales leads)
- Make a Commitment to the CP Code.
- Undertake a self-assessment and build a roadmap to work on areas where gaps are identified.



The [company] agents are very nice to us. And the company itself often notifies us of things by text messages and phone calls. In addition, the solar panel and the battery are useful and durable.

PAYGo Customer - Cote d'Ivoire



They are very friendly, quick to resolve customer issues, I also enjoy how well they communicate with their customers and that makes me happy and appreciative of their products.

Off-grid solar customer - Kenya<sup>8</sup>



Q&A ?

# Get in touch!

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