



Consumer Protection Thematic Review Report

Fees And Charges on Financial Products and Services in Rwanda

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MCSD

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SECTION 1: INTRODUCTION

In accordance with the law n° 017/2021 of 03/03/2021 relating to financial service consumer protection especially in its articles 33 and 34, the National Bank of Rwanda conducted a thematic review related to fees and charges associated with financial products and services in Rwanda.

1.1. Executive Summary

Market conduct supervision Department conducted a thematic review related to fees and charges associated with financial services and products in Rwanda to assess comparatively the basis used by FSPs to come up fees and charges applied to customers, fairness around those fees and charges as well as compliance with the existing legal and regulatory framework., the

The thematic review covered 22 financial institutions in three categories namely banks, Limited microfinance institutions and SACCOs. The findings revealed the below main concerns:

1. Instances of financial institutions continuing to impose prohibited fees
2. Uses of prohibited interest calculation methods;
3. The absence of a clear pricing policy concerning fees and charges related to financial services and products other than loan related products;
4. Limiting consumer's right to choose when purchasing loan insurance cover due to Bancassurance practices.
5. Charging undisclosed account fees not specified in the contract or tariff.

The National Bank of Rwanda recommends all Financial Institutions to comply with all the existing regulatory frameworks, put in place policies related to fees and charges associated with financial services and products and other strategic actions and frameworks regarding consumer protection to promote transparency, honesty, and fair treatment of customers.

1.2. Objective of the Thematic Review

The general objective of this review was to examine the fairness of fees and charges applied by different deposit taking and lending FSPs in Rwanda.

The following were specific objectives of the review;

- To identify and determine fairness different fees and charges applied by different FSPs in provision of account services in Rwanda;
- To identify and determine fairness different fees and charges applied by different FSPs in provision of payment services in Rwanda;

- To identify and determine fairness different fees and charges applied by different FSPs in provision of credit services in Rwanda;
- To identify and determine fairness different fees and charges applied by different FSPs in provision of digital channels services in Rwanda;
- To determine the extent of transparency of fees and charges to FSCs in Rwanda;
- To determine importance of fees and charges for financial institutions, considerations when setting up a fee or a cost, and provision of services free of charge

1.3. Scope of the Thematic Review

The review covered 22 Financial Institutions in total, being 7 Banks, 9 MFIs and 6 SACCOs on all their products and services.

1.4. Thematic Review Methodology

This thematic review evaluated the main risk of *loss of trust in FSP due to lack of fairness and transparency in fees and charges* using different approaches:

- 1) **Desk-based review:** This consisted of reviewing:
 - Transparency and disclosure policy and procedures
 - Fair treatment policy and procedure in relation to fees and charges
 - The pricing policy, pricing procedure
 - The pricing model to assess all factors considered in price setting.
 - Check whether all the above policies are updated and approved by the board.
 - Assess complaints related to fees and charges.
- 2) **On-site inspections:** This comprised visits to Commercial Banks, MFIs, SACCOs and interview with staff, as well as checking into the FSP systems to ensure that the prices on paper are the same with the ones in the system and also assessed how they are applied.
- 3) **Review of international best practices.** The review assessed the FSP's transparency, disclosure and fairness policies and procedures and compare them with international best practices.

1.5. General Overview of Financial Services and Products

Financial services and products refer to a wide range of offerings provided by financial institutions to consumers and businesses. These offerings include various types of financial products, and for the purpose of this review, the below were considered:

1. **Credit facilities:** These are the types of financial products offered by banks and other financial institutions that allow individuals and businesses to borrow money for a specific purpose. Credit facilities are an important tool for individuals and businesses to manage their finances and access the capital they need to achieve their goals. The

covered scope includes personal and business term loans, mortgage and home equity loans.

2. **Bank account services:** These are financial services provided by banks and other financial institutions to individuals and businesses for managing their money. These services include checking, saving, and term deposits accounts including their associated transactions namely cash deposits, withdrawals, transfers, and standing orders.
3. **Mobile, APPs and Internet banking services:** These are services offered by financial institutions that allow customers to perform a variety of banking transactions using their mobile devices, by using short codes, mobile applications, or through an internet browser.
4. **Debit cards:** Debit cards are linked to a consumer's account and allow him/her to access his/her funds to make purchases or withdraw cash from an ATM. Debit card can be used anywhere that accepts electronic payments and are often provided as part of a checking account package.
5. **Cheques:** This is a written order that instructs a bank to pay a specific amount of money from the bank account of the person or organization that wrote the cheque.

SECTION 2: DETAILS OF THE FINDINGS

2.1 GENERAL FINDINGS

The fees and charges associated with financial products and services vary based on the lending institution, the specific product, and the type of consumer. As general findings of this thematic review, the below issues were noted:

1. **Lack of pricing policy related to fees and charges:** A fee pricing policy is a strategy used by financial institutions to determine the fees or charges for their products or services. The fee pricing policy is typically influenced by a variety of factors, including the cost of providing the service, regulatory requirements, market competition, and customer demand. The policy may also include considerations such as volume discounts, seasonal pricing, and pricing based on customer segments or demographics. During this review, it was noted that all 22 inspected institutions didn't have a fees and charges pricing policy. The discussion with the management of the inspected institutions revealed that they institute these fees based on the market practices. However, the inspection noted a large difference in some products and services fees such as fee for

cheque books, account maintenance fees, transaction fees, ATM fees, CRB checking fees and others.

2. **Undisclosed fees in the tariff:** it was noted that certain fees and charges are levied on consumers without proper disclosure in the tariff or contractual agreements. Examples of such fees include SMS notification fees, subscription fees for various digital infrastructures offered by the financial institutions, and others.
3. **Non-compliance with the regulation on tariff publication:** The review highlighted that banks are not fully compliant with Article 28 of the Regulation No. 55/2022 of 27/10/2022 relating to protection of financial service consumers on the Publication of fees and tariffs of financial service providers. This regulation stipulates that the rates and fees published in accordance with paragraph one of this article shall be updated any time there is a change.
4. **Use of flat method of interest calculation:** The flat method of interest calculation was found to be still used by most of MFIs for their group loans and amounts below Frw 3M..
5. **Calculation of penalties on unpaid interest:** The review of the penalties on unpaid installment, calculations noted that most of the assessed institutions apply the penalty rate on the full installment amount (i.e.: unpaid principal and interest) which is contrary to the articles 61 of the regulation N° 55/2022 of 27/10/2022 relating to the Financial Services Consumer Protection.
6. **Concerns over insurance charge for repeat loan with early closure of the previous contract:** The review also noted that for consumers who terminate their loan contract prematurely to apply for a new loan in the same institution, there is no refund nor prorata calculation of the remaining premium to be considered for the new contract. Loan Contracts are silent, this should be included in insurance policy and majority of consumers don't get them
7. **Charging prohibited fees:** Article 61 of the Consumer Protection Regulation lists some of the fees and charges that are prohibited. However, this thematic review noted instances in some institutions that still charges for the prohibited fees namely, account opening and closing fees and FX deposits fees.
8. **Excessive charges hindering consumers' assets security:** The review also noted some excessive charges applied by FSPs that may jeopardize the security of consumers' assets as they can be reluctant to pay these charges but affect the security of their assets held by FSPs. These are namely the charge for PIN reset, token charges and Cheque cancelation fee among others.

In light of these findings, there is a clear need for financial institutions to establish transparent and comprehensive pricing policies on fees and charges, ensuring that all fees and charges are properly disclosed to consumers, and Compliance with the regulatory requirements, such as informing the public and the Central Bank of any rate or fee changes. Eg; one bank Charges Token Activation of Frw10,000 and another charges \$35 for 3rd token replacement

2.2. FEES AND CHARGES ON CREDIT FACILITIES

The fees and charges applied on a loan can vary depending on the lender, the type of loan, and the borrower's creditworthiness. Here are some common fees and charges identified that are applied on credit facilities:

1. **Origination or application or acquisition fee:** This fee is charged by lenders to cover the cost of origination of the loan application (i.e.: effort made to reach out to a consumer and interest him/her to take a loan) and is mostly requested when submitting the loan application documents.
2. **Processing or disbursement fee:** This fee is charged by lenders to cover the cost of processing the loan application (i.e.: analysis to assess the consumer risk and suitability of the loan product chosen) and is mostly deducted from the approved loan amount.
3. **CRB checking fee:** Some lenders charge a fee to obtain the borrower's credit report and is mostly requested when submitting the loan application documents.
4. **Late payment penalty fee:** This is a fee charged if a borrower misses a loan payment date. Some lenders charge from the first day in arrears, others give an exemption for 7 to 30 days.
5. **Monitoring/management fee:** This is a fee charged on some types of loans, such as credit cards, personal lines of credit, or mortgage loans to cover the cost of activities done after a loan has been disbursed.
6. **Restructuring fee:** This is a fee charged to cover the cost of processing the loan restructuring application.
7. **Prepayment/early repayment fee:** Some loans may have a prepayment penalty if the borrower pays off the loan early by him/herself.
8. **Buyout fee:** Some loans may have a prepayment penalty if the borrower sells his outstanding loan to another financial institution.
9. **Collateral valuation fee:** If the loan involves collateral, such as a house or car, an appraisal fee may be charged to determine the value of the collateral.
10. **Collateral visit fee:** If the loan involves collateral, such as a house or car, a fee may be charged to cover expenses related to FSP visit for verification of the adequacy of the value given by the external valuer.
11. **Collateral registration fee:** If the loan involves collateral, such as a house or car, a title search fee may be charged to verify and register the ownership of the collateral at the Registrar General's Office.

12. **Collateral de-registration fee:** If the loan involves collateral, such as a house or car, a title search fee may be charged to verify or de-register the ownership of the collateral at the Registrar General’s Office.
13. **Certificate of indebtedness fee:** This fee is charged upon request of loan confirmation letter by the consumer.
14. **Bank reference letter fee:** Also named as a certificate of good standing, this fee is related to provide a letter to the consumer testifying the good relationship between the consumer and the financial institution.
15. **Cancellation of loan after signing notification and / or contract signature fee:** a fee charged for a consumer rejecting to take the loan offered.

A. BANKS

The following table provides an overview of the credit facilities fees and charges identified for Financial Service Providers in Bank category where 7 banks were reviewed, denominated in Rwandan Francs (Frw):

FEE / CHARGE	BANK Credit Facilities Fees And Charges (Using Percentages (%))						
	Free	0-2%	2.1-3%	3.1-5%	5.1-6%	6.1-7%	7.1-10%
1. Prepayment	7/7	0	0	0			
2. Processing	0	5/7	1/7	1/7			
3. Cancellation of loan after signing offer letter and / or contract	5/7	2/7	0	0			
4. Late payment	0	3/7	1/7	3/7			
5. Monitoring	3/7	4/7	0	0			
6. Restructuring	0	5/7	1/7	1/7			
7. Buy out	0	0	0	0	0	1/7	6/7
	BANK Credit Facilities Fees and Charges (Using Amount)						
	Free	0- 10,000	10,001- 20,000	20,001- 30,000	30,001- 40,000	40,001- 50,000	50,001- 60,000
8. Collateral registration	6/7	0	0	1/7	0	0	0
9. Collateral deregistration	5/7	0	1/7	1/7	0	0	0
10. Certificate of indebtedness	0	2/7	3/7	0	0	2/7	0
11. Bank reference letter	0	3/7	3/7	1/7	0	0	0
12. Miscellaneous Letters	0	3/7	2/7	2/7	0	0	0
13. CRB checking	3/7	3/7	1/7	0	0	0	0

*[per month of late installments]

** [of unpaid amount per day]

*** [of the total approved/initial facility amount]

The review in terms of fees and charges related to loans identified 13 types of fees applied by banks. These include mandatory fees and others applied upon additional services like bank reference letters or certificates of indebtedness.

- Non-compliance was observed in instances where financial institutions continued to use the prohibited method of calculating late payment penalties on interests despite it being prohibited in article 61 of regulation No 55/2022 of 27/10/2022 relating to protection of financial service consumers.
- Two banks out of seven reviewed were found to be non-compliant with article 30 of Law No 017/2021 of 03/03/2021 relating to protection of financial service consumers where they were found to be charging Frw 25,000 and Frw 20,000-50,000 respectively for collateral de-registration despite the provision prohibiting it.
- Outliers were identified in prices associated with CRB checking and the certificate of indebtedness, where certain institutions demand excessive amounts in comparison to the fee charged by the third party service provider (TransUnion). TransUnion Rwanda charges Banks a maximum of Frw 795 per report. Three out of seven banks reviewed were charging above CRB fee per report while one of them charged Frw 20,000. This means that it makes a profit of Frw 19,205 for each loan applicant.
- The unfair fee noted was the fee charged for canceling a loan after signing the offer letter and/or contract, as well as charges for letters (certificate of indebtedness, bank reference letter, and any other miscellaneous letter), considering that it is the consumer's information that an FSP holds that is requested to be shared by a consumer and that the FSP adds no additional value.
- Excessive charges were noticed to some Banks for some services like certificate of indebtedness where banks considered for this thematic review charge in the range of Frw 15,000 to 50,000. Two out of seven Banks were found to be the outliers where they are charging Frw 50,000 for each certificate of indebtedness provided.
- One bank was found to be charging excessive late payment charges. On average all banks considered for this thematic review were found to be charging late payment penalty with a penalty rate of 0.48% to 5% per month. However, One Bank was found to be charging excessive penalty where it charges 15% per month (0.5% per day)

B. PLC MFIs and Non-Umurenge SACCOs)

The following table provides an overview of the credit facilities fees and charges identified for each considered Financial Service Provider in MFI category, denoted in Rwandan Francs (Frw):

FEE / CHARGE	PLC MFIs and Non-Umurenge SACCOs) Credit Facilities Fees And Charges (Using Percentages (%))						
	Free	0-2%	2.1-3%	3.1-5%	5.1-6%	6.1-7%	7.1-10%
1. Processing	0	6/9	3/9	0	0	0	0
2. CRB checking	9/9	0	0	0	0	0	0
3. Late payment	0	2/9	1/9	5/9	2/9	0	0
4. Monitoring	6/9	0	0	0	0	0	0
5. Restructuring	8/9	0	0	0	0	0	0
6. Buy out	7/9	0	0	0	0	1/9	1/9
7. Prepayment	9/9	0	0	0	0	0	0
8. Collateral visit	6/9	2/9	1/9	0	0	0	0
9. Collateral registration	9/9	0	0	0	0	0	0
10. Collateral de-registration	9/9	0	0	0	0	0	0
	PLC MFIs and Non-Umurenge SACCOs) Credit Facilities Fees And Charges (Using Amount)						
	Free	0- 5,000	5,001-10,000	10,001-15,000	15,001-20,000	20,001 - 25,000	25,001-30,000
11. Certificate of indebted-ness	3/9	2/9	3/7	1/9	0	0	0
12. Bank reference letter	1/9	4/9	4/9	0	0	0	0
13. Miscellaneous Letters	1/9	4/9	4/9	0	0	0	0
14. Recovery fee	1/9	N/A	N/A	N/A	N/A	N/A	N/A

*[Per Year]

**[per month of late installments]

The review in terms of fees and charges related to loans identified 14 types of fees applied by MFIs. These include mandatory fees and others applied upon additional services like bank reference letters or certificates of indebtedness.

- The unfair fee noted was the fee charged for charges for letters (certificate of indebtedness, bank reference letter, and any other miscellaneous letter), considering that it is the consumer's information that an FSP holds that is requested to be shared by a consumer and that the FSP adds no additional value.

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- One PLC MFI was found to be an outlier for the recovery cost where it charges 10% of the amount in arrears if the loan is yet to be written off and 15% of the written off amount if the loan is in written off category. It's the only PLC that charges this.
- Some outliers were identified in collateral visit fee where 3 Non-Umurenge SACCOs were found to be charging recovery costs of 1% of the value of collateral to be visited. It is even hard to differentiate this cost from the administrative/processing fees

C. U-SACCOs

The following table provides an overview of the credit facilities fees and charges identified for each considered Financial Service Provider in SACCOs category, denoted in Rwandan Francs (Frw):

FEE / CHARGE	U-SACCOs FEES AND CHARGES (Using Percentages (%))						
	Free	0-2%	2.1-3%	3.1-5%	5.1-6%	6.1-7%	7.1-10%
1. Processing	0	6/6	3/6	0	0	0	0
2. CRB checking	6/6	0	0	0	0	0	0
3. Late payment	0	2/6	0	3/6	0	0	1/6
4. Monitoring	6/6	0	0	0	0	0	0
5. Restructuring	6/6	0	0	0	0	0	0
6. Buy out	6/6	0	0	0	0	0	0
7. Prepayment	6/6	0	0	0	0	0	0
8. Collateral registration	6/6	0	0	0	0	0	0
9. Collateral de-registration	6/6	0	0	0	0	0	0
10. Recovery fee	5/6	0	0	0	0	0	1/6
	U-SACCOs FEES AND CHARGES (Using Amount)						
	Free	0- 5,000	5,001-10,000	10,001-15,000	15,001-20,000	20,001-25,000	25,001-30,000
11. Certificate of indebted-ness	6/6	0	0	0	0	0	0
12. Collateral visit	4/6	2/9	0	0	0	0	0
13. Bank reference letter	6/6	0	0	0	0	0	0
14. Miscellaneous Letters	6/6	0	0	0	0	0	0

*[per month of late installments]

The review in terms of fees and charges related to loans identified 14 types of fees applied by SACCOs. These include mandatory fees and others applied upon additional services like bank reference letters or certificates of indebtedness.

- Non-compliance was observed in instances where Umurenge SACCOs continued to use the prohibited method of calculating late payment penalties on interest as prohibited in Article 61 of the consumer protection regulation.
- Outliers were identified in prices associated with recovery fee where one SACCO was found to be charging 10% of the amount in arrears as recovery cost. This practice is even expensive than the recovery costs of Registrar General's appointed receiver as per Article 17 Remuneration of a receiver of the Law No Law N° 10/2009 of 14/05/2009 on mortgages as amended to date which states that "Remuneration of a receiver shall be agreed on by the two parties who signed the mortgage management contract and shall not exceed 5% of the amount received within the time equivalent to such a period as prescribed in the appointing document

a. FEES AND CHARGES ON BANK ACCOUNT SERVICES

The below identified fees and charges on a bank account were found to be driven by various reasons and considerations that the financial institution considers mostly being the cost of production and market reference. The below list provides the definition or rationale of each type of fee and charge identified:

1. **Account Closing Fee:** Prohibited by Article 60 of the consumer protection regulation, this fee is typically charged to cover administrative costs associated with closing an account, such as processing paperwork and updating records.
2. **Account Management Fee:** The account management fee helps offset the expenses incurred by the bank in maintaining and servicing the account, including account-related customer support and technology infrastructure costs.
3. **Withdrawal Receipt Fee:** This fee may be charged for providing a physical receipt for cash withdrawals made at the bank's branch, covering printing and processing costs.
4. **SMS Subscription Fee:** The fee is associated with the optional service of subscribing to receive SMS notifications or alerts about account activities, offering a convenient way for customers to stay updated on their account status. MFIs have an arrangement where they charge a fixed fee on monthly basis while commercial banks and microfinance banks charge per transaction. When it is charged per month, they have the tendency of calling it a subscription fee.
5. **SMS Notifications Fee:** This fee is levied for each SMS notification sent to the account holder regarding specific account transactions, helping to cover the communication expenses.
6. **Account Balance Enquiry in Branch Fee:** This fee may apply when customers request an account balance inquiry at the bank's branch, compensating for the staff's time and resources involved.
7. **Account Statement Fee:** The fee covers the printing and delivery costs associated with providing periodic account statements to customers.

8. **FX Deposit Fee (Above Limit/Small Denomination):** These fees may be charged for foreign currency deposits exceeding certain limits or for small-denomination currency exchanges, addressing the additional administrative complexities.
9. **FX Withdrawal Against Inward Transfer Fee:** This fee is applicable when customers withdraw foreign currency funds received through inward remittances, covering currency conversion and processing costs.
10. **FX Withdrawal Against Cash Deposit Fee:** This fee may be applied when customers withdraw foreign currency funds from cash deposits, compensating for currency handling.
11. **Audit Confirmation Document Fee:** The fee is for providing an official confirmation document, typically requested by auditors or other financial institutions for verification purposes.
12. **Fee for exceeding Withdrawal Limit on Savings Account:** This penalty fee may be charged if the customer exceeds the allowable number of withdrawals permitted for a savings account within a specified period.
13. **Early Redemption of Term Deposit Account Fee:** This fee may be imposed if the customer chooses to withdraw funds from a fixed-term deposit account before its maturity date, reflecting potential losses for the bank and impacting liquidity management.
14. **Internal Transfers Fee:** This fee is applied when a customer initiates a fund transfer between accounts held within the same bank. It covers the processing and handling costs involved in executing the internal transaction.
15. **Incoming Local Bank Transfer Fee:** The fee is imposed on the recipient when funds are transferred from another local bank into the customer's account. It compensates the bank for processing the incoming transfer.
16. **Transfer to Local Bank Fee:** This fee is levied when a customer initiates a transfer of funds from their account to another local bank in Rwanda. It covers the expenses associated with processing the outgoing local transfer.
17. **Transfer to Bank Subsidiary Fee:** The fee is applicable when a customer makes a transfer of funds to an account held with the bank's subsidiary or affiliated bank in another country. It compensates for the inter-bank transaction processing.
18. **Inward SWIFT Fee:** This fee is charged when the bank receives funds via the SWIFT network, an international messaging system used for secure financial communications. It covers the costs of processing and crediting the incoming SWIFT transaction.
19. **Outward SWIFT Fee:** The fee is imposed when a customer initiates a fund transfer to an overseas bank through the SWIFT network. It includes the expenses incurred in processing and transmitting the outgoing SWIFT transfer.
20. **SWIFT Fee:** This fee encompasses the general charges associated with SWIFT transactions, covering the operational costs of using the SWIFT network for international money transfers.
21. **SWIFT Transfer Cancellation Fee:** In case a customer requests to cancel a previously initiated SWIFT transfer, this fee may apply to cover administrative and processing costs.

22. **SWIFT Statement Fee:** The fee is charged when a customer requests a statement detailing their SWIFT transactions. It covers the printing and administrative expenses related to providing the SWIFT statement.
23. **Recalling Funds Fee:** This fee is applicable when a customer requests to recall or reverse a funds transfer that has already been processed. It compensates for the additional administrative efforts and processing required for fund recall.
24. **Retrieval of CCTV Camera Footage:** If customers request retrieval of CCTV camera footage, this fee covers the cost of processing and providing the footage.
25. **Document Retrieval:** The fee may apply when customers request retrieval of specific banking documents through internet or mobile banking.
26. **RRA Taxes Collection for Non-Clients:** If non-bank customers pay taxes through internet or mobile banking, this fee compensates for the service provided to non-clients.
27. **Limit per Transaction for Paying RRA Taxes with Cash:** This fee may be imposed to limit cash transactions for tax payments through internet or mobile banking.
28. **Treasury Bills and Bonds Subscription:** The fee is charged when customers subscribe to treasury bills and bonds through internet or mobile banking.
29. **Bid for Treasury Bills and Bonds:** This fee is applicable when customers place bids for treasury bills and bonds using internet or mobile banking.
30. **Coupon Payment:** The fee is charged for processing coupon payments related to investments and bonds.

A. BANKS

The following table provides an overview of the bank account services fees and charges identified for each considered Financial Service Provider in Bank category, denoted in Rwandan Francs (Frw):

Fee / Charge	FEES AND CHARGES ON BANK ACCOUNT SERVICES(Amount in small figure)							
	N/A	Free	0- 50	51- 100	101- 500	501- 1,000	1,001- 2,000	2,001- 6,000 and Above
Account closing	0	2/7	0	0	0	0	0	5/7
Account Management	0	0	0	0	1/7	5/7	1/7	7/7 on Corp
Withdrawal receipt	0	0	0	0	2/7	2/7	0	3/7
SMS Subscription	0	5/7	1/7	1/7	0	0	0	0
SMS Notifications	0	1/7	5/7	0	0	0	1/7 per month	0
Account Balance Enquiry in Branch	0	3/7	0	0	4/7	0	0	0
Account Statement per page	0	0	0	0	2/7	3/7	1/7	0

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Transfer to local bank	0	0	0	0	3/7	2/7	2/7	0
Incoming local bank transfer	0	4/7	0	0	3/7	0	0	0
Coupon payment	4/7	2/7	0	0	0	0	0	1/7
Internal transfers	0	5/7	0	0	1/7	1/7	0	0
RRA Taxes collection for non-clients	4/7	1/7	0	0	0	0	1/7	0
	FEES AND CHARGES ON BANK ACCOUNT SERVICES (Using Percentages (%))							
	N/A	Free	0-2%	2.1-3%	3.1-5%	5.1-6%	6.1-7%	7.1-10% and above
FX deposit fee (above limit)	0	4/7	0.5%, 0.7% and 0.33% of USD	0	0	0	0	0
FX deposit fee (small denomination)	0	3/7	1/7	1/7	1/7	0	1/7	0
FX withdrawal against inward transfer	0	2/7	5/7	0	0	0	0	0
FX withdrawal against cash deposit	0	5/7	1/7	0	0	0	0	0
Inward SWIFT	2/7	2/7	3/7	0	0	0	0	0
Outward SWIFT	2/7	0	5/7	0	0	0	0	0
Fee for exceeding withdrawal limit on Saving account	0	0	7/7	0	0	0	0	0
Early redemption of Term Deposit Account	0	3/7	1/7	0	0	0	0	2/7
Transfer to bank subsidiary	4/7	0	3/7	0	0	0	0	0
Inward SWIFT	2/7	2/7	3/7	0	0	0	0	0
Outward SWIFT	2/7]	0	5/7	0	0	0	0	0
	FEES AND CHARGES ON BANK ACCOUNT SERVICES (Using Amount)							
	N/A	Free	0-10,000	10,001-20,000	20,001-30,000	30,001-40,000	40,001-50,000	50,001-60,000 and above
SWIFT Fee	3/7	0	1/7	3/7	0	0	0	0
SWIFT transfer cancellation	3/7	0	3/7	1/7	0	0	0	0

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Recalling funds	5/7	0	0	1/7	1/7	0	0	0
SWIFT statement	3/7	1/7	0	0	1/7	0	0	1/7
Treasury bills and bonds subscription	4/7	0	2/7	0	1/7	0	0	0
Bid for treasury bills and bonds	3/7	1/7	1/7	2/7	0	0	0	0
Retrieval of CCTV Camera Footage when initiated by the customer	2/7	1/7	1/7	0	2/7	0	0	0
Document retrieval	1/7	0	6/7	0	0	0	0	0
Audit Confirmation Document	0	0	2/7	1/7	1/7	0	1/7	2/7
Limit per transaction while paying RRA taxes with cash	6/7	0	0	0	0	0	0	1/7

The review in terms of account management services identified 31 types of fees applied by banks. These include mandatory fees and others applied upon additional services like audit confirmation or early redemption of term deposit accounts or coupon payment.

The below are non-compliance issues noted:

- **Account closing fees:** Although this fee is prohibited by the consumer protection regulation, article 60 on the prohibited fees, the review in banks noted that 5 banks among 7 covered by the review were still charging the account closing fees, one Bank having the highest cost of Frw 10,000 for closing individual account and Frw 20,000 for closing corporate account.
- **SMS subscription and notification:** The consumer protection regulation in its article 60, regarding the transaction notification, prohibit charging transaction notification fees apart from the costs paid to a third-party service provider. However, the review found out that banks charge between Frw 25 to Frw 50 per one transaction notification and noted that 1 bank in addition to the Frw 50 per one transaction notification, also charges a monthly subscription of Frw 50.
- **Foreign currencies deposit fee:** It was noted that some FSPs still charge FX deposits fees mostly 0.5% of the deposited amount which is prohibited by article 61 of the consumer protection regulation.

All banks considered for this review charge printed bank statement in the range of Frw 500 to Frw 1,625 per page. Article 24 Printed account statement of regulation No 55/2022 of 27/10/2022 relating to protection of financial service consumers' states

that” A financial service consumer is entitled to a printed account statement per year free of charge upon request. Subsequent printed account statements shall be provided at a reasonable price determined by the costs of providing that service without profit margin.”. The regulation entitles a financial service consumer a free copy of the annual bank statements. The regulation goes further to specify that FSPs should charge only reasonable prices to recover the costs incurred in the printing process for the subsequent bank statements without any profit margin

- We also noticed some banks with excessive fees on the retrieval of either CCTV Camera footage and document where they charge in the range of Frw 5,000 and Frw 30,000. However, 3 banks stood out to be the most expensive where they charge more than Frw 20,000 for retrieval of each document and Frw 20,000 for retrieving CCTV camera footage

B. PLC MFIs and Non-Umurenge SACCOs)

The following table provides an overview of the account services fees and charges identified for each considered Financial Service Provider in MFIs category, denoted in Rwandan Francs (Frw):

Fee / Charge	PLC MFIs and Non-Umurenge SACCOs account services fees and charges (Amount in small figure)								
	N/A	Free	0- 50	51- 100	101- 500	501- 1,000	1,001- 2,000	2,001- 3,000	3,001-6,000 and Above
Account Opening	0	5/9	0	0	0	1/9	0	2/9	1/9
Passbook	5/9	0	0	0	0	1/9	3/9	0	0
Account closing	0	6/9	0	0	0	1/9	0	1/9	1/9
Account Reactivation	0	7/9	0	0	1/9	1/9	0	0	0
Account Management Fees	0	4/9	0	0	4/9	1/9	0	0	0
Withdrawal Charges (receipt)	0	8/9	0	0	1/9	0	0	0	0
SMS Subscription	6/9	2/9	0	1/9	0	0	0	0	0
SMS Notifications	6/9	0	1/9	1/9	1/9	0	0	0	0
Account Balance Enquiry in Branch	0	9/9	0	0	0	0	0	0	0
Account Statement (per page)	1/9	0	0	0	4/9	3/9	1/9	0	0
Charges for exceeding withdrawal limit on saving account	5/9	0	0	0	1/9	1/9	0	0	Lose all monthly interest

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Charges for early redemption	11% of accrued interest	6/9	0	Lose all interest before 3	0	0	0	0	1/3 or realized interest
Internal transfers	1/9	5/9	0	0	3/9	0	0	0	0
Incoming local bank transfer	0	3/9	0	0	4/9	2/9	0	0	0
Transfer to local bank	3/9	0	0	0	3/9	1/9	0	2/9	0

- **Account opening and closing fees:** Although these fees are prohibited by the consumer protection regulation, article 60 on the prohibited fees, the review in MFIs noted that 4 MFIs among 9 covered by the review were still charging the account opening fees, while 3 among 9 covered were still charging the account closing fee.
- **SMS subscription and notification:** The consumer protection regulation in its article 60, regarding the transaction notification, prohibit charging transaction notification fees apart from the costs paid to a third-party service provider. However, the review found out that MFIs charge between Frw 25 to Frw 50 per one transaction notification or Frw 50 to Frw 200 flat per month.

C. U-SACCOs

The following table provides an overview of the account services fees and charges identified for each considered Financial Service Provider in SACCOs category, denoted in Rwandan Francs (Frw):

Fee / Charge	Umurenge SACCOs account services fees and charges (Amount in small figure)						
	N/A	Free	0- 50	51- 100	101- 500	501- 1,000	1,001- 2,000 and Above
Account Opening	0	5/6	0	0	0	0	1/6
Passbook	0	0	0	0	0	4/6	2/6
Account closing	0	5/6	0	0	0	0	1/6
Account Reactivation	0	5/6	0	0	0	1/6	0
Account Management Fees/ per year	0	0	0	0	1/6= 200 per month	3/6	2/6
Withdrawal Charges (receipt)	0	6/6	0	0	0	0	0
SMS Subscription	6/6	0	0	0	0	0	0
SMS Notifications	6/6	0	0	0	0	0	0
Account Balance Enquiry in Branch	0	6/6	0	0	0	0	0

Charges for early redemption of Term Deposit Account	0	5/6	0	0	1/6= Penalty of 1% of the withdrawn amount	0	0
Incoming local bank transfer	0	0	0	0	6/6	0	0

- **Account opening, reactivation and closing fees:** Despite the fact that these fees are prohibited by the consumer protection regulations, article 60 on prohibited fees, the review of SACCOs found that one SACCO out of six covered by the review was still charging account opening fees, account reactivation fees, and account closing fees.

b. FEES AND CHARGES ON CARDS AND CHEQUES

The charging of the below fees on a bank account for various card-related services is driven by several reasons and considerations:

1. **Purchase of Debit Card:** This fee covers the cost of issuing a new debit card to the customer, including card production and processing expenses.
2. **Annual Management Fee:** The annual management fee is charged to cover the costs associated with maintaining and servicing the debit card account over the course of a year.
3. **Monthly Management Fees:** Similar to the annual fee, the monthly management fee helps offset the ongoing costs of managing the debit card account on a monthly basis.
4. **PIN Renewal/Reissue:** This fee may apply when a customer requests a new Personal Identification Number (PIN) for their debit card, covering the administrative expenses involved.
5. **Balance Enquiry at ATM:** The fee is charged when a customer checks their account balance using an ATM, compensating for the use of ATM network services.
6. **Card Mini Statement on Us:** The fee is applicable when a customer requests a mini statement of their recent transactions from the bank's ATM or branch.
7. **Card Renewal/Replacement:** This fee is imposed when a customer's debit card is up for renewal or requires replacement due to expiry, loss, or damage. It covers the production and processing costs of issuing a new card.
8. **ATM Withdraw Us on Us:** The fee is charged for cash withdrawals made at the bank's own ATMs by its customers.
9. **ATM Withdraw Us on Other (Local/International):** These fees are applied when a customer withdraws cash from another bank's ATM, whether within the country (local) or abroad (international).
10. **ATM Withdraw Other on Us (Local/International):** These fees are charged to customers from other banks who use the bank's ATMs for cash withdrawals, whether within the country (local) or abroad (international).

11. **ATM Receipt:** This fee may apply when a customer requests a printed receipt for ATM transactions, covering printing and processing expenses.
12. **POS (Point of Sale):** This fee may be charged for using the debit card for transactions at a Point of Sale terminal or merchant establishment.
13. **Block Card:** The fee is applied when a customer requests to block or temporarily disable their debit card, typically in the case of a lost or stolen card.
14. **Change Card Limits:** This fee may apply when a customer requests to modify the spending limits on their debit card, compensating for the administrative efforts involved.
15. **Cheque Book (24 Leaves/48 Leaves):** These fees cover the cost of providing a new cheque book to the account holder, including printing and processing expenses.
16. **Express Personal Cheque Book (24 Leaves/48 Leaves):** The fee for an express personal cheque book is charged for expedited delivery of the cheque book, accommodating urgent requirements of the account holder.
17. **Cheque Certification (Per Leaf):** This fee is imposed when a customer requests to have a cheque certified by the bank, confirming the availability of funds in the account. It covers the administrative effort and verification process.
18. **Cheque Cancellation (One Leaf):** The fee applies when a customer cancels a single cheque leaf from their cheque book, compensating for the administrative processing involved.
19. **Cancellation of a Certified Cheque:** This fee is charged when a customer requests to cancel a previously certified cheque. It covers administrative and processing costs related to the cancellation.
20. **Clearing of Other Banks' Cheques:** The fee is applicable when the bank processes cheques from other banks through the clearing system. It covers the handling and processing charges for clearing these cheques.
21. **Bounced Cheque Sanction:** This fee may be charged to the account holder if a cheque issued by them bounces due to insufficient funds or other reasons. It serves as a penalty for the inconvenience caused to the recipient.
22. **Commission to Clear Cheque Presented in Clearing with Insufficient Funds:** If a cheque from another bank, presented for clearing, is returned due to insufficient funds, the bank may charge a commission for handling the transaction.

A. Banks

The following table provides an overview of the cards and cheques fees and charges identified for each considered Financial Service Provider in Bank category, denoted in Rwandan Francs (Frw):

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Fee / Charge	BANK CARDS AND CHEQUES FEES AND CHARGES (Using Amount)						
	N/A	Free	0- 5,000	5,001-10,000	10,001-15,000	15,001-20,000	20,001-25,000
Cheque book (24 leaves)	0	0	6/7	1/7	0	0	0
Cheque book (48 leaves)	2/7	0	0	5/7	0	0	0
Express Personal Cheque book (24 leaves)	0	0	1/7	4/7	2/7	0	0
Express Personal Cheque book (48 leaves)	2/7	0	0	1/7	1/7	3/7	0
Cheque certification (per leaf)	0	0	6/7	1/7	0	0	0
Cheque cancellation (one leaf)	0	0	6/7	1/7	0	0	0
Cancellation of a certified cheque	4/7	0	3/7	0	0	0	0
Clearing of other banks' cheques	0	4/7	3/7	0	0	0	0
Bounced cheque sanction	0	0	0	10,000 + BNR Sanction	0	0	0
Commission to clear cheque presented in clearing with insufficient funds	4/7	0	0	0	0	0	Loan IR + 2%
Other Banks ATM Withdraw on us (local)	3/7	0	4/7	0	0	0	0
Other Banks ATM Withdraw on us (international)	3/7	0	4/7	0	0	0	0
ATM receipt	3/7	0	1/7	0	0	0	0
Block card	4/7	1/7	0	0	0	0	0
Purchase of debit card	1/7	0	2/7	4/7	0	0	0
Annual management fee	1/7	3/7	2/7	1/7	0	0	0
	BANK CARDS AND CHEQUES FEES AND CHARGES (Amount in small figure)						
	N/A	Free	0- 50	51- 100	101-500	501-1,000	1,001- 2,000 and Above
Monthly management fees	0	5/7	0	0	2/7	0	0
PIN renewal/reissue	1/7	0	0	0	2/7	2/7	2/7

Balance enquiry at ATM	1/7	1/7	1/7	3/7	0	0	0
Card mini statement on us	4/7	0	0	3/7	0	0	0
Own ATM Withdraw on us	2/7	1/7	0	0	4/7	0	0
Own ATM Withdraw on others (local)	1/7	0	0	0	3/7	0	2/7
Own ATM Withdraw on others (international)	3/7	0	0	0	0	0	4/7

The review of the cards and cheques fees and charges identified 23 types of fees applied by banks.

- The outliers were noted in prices related to cheques cost where there is a significant discrepancy in cost compared to peers.
- The review also noted some excessive charges applied by FSPs which may threaten the security of consumers' assets because they may be hesitant to pay these charges yet have an impact on the security of their assets held by FSPs. These include, among others, the charge for cheque cancellation and the fee for PIN renewal/reissue.
- 3 Banks were found to be charging extra charges on top of regulatory sanctions on the clearance of bounced cheque due to insufficient balance. These Banks were found to be charging Frw 10,000 on top of the NBR regulatory sanction of 20% of cheque value.
- 2 Banks were found to be charging Frw 3,000 and Frw 1,000 for blocking an ATM card. This fee is deemed detrimental because in most cases consumers request card blocks when they notice unusual transactions or when their cards are stolen or lost. Therefore, without that fee means that a client would not be facilitated accordingly

c. FEES AND CHARGES ON MOBILE, APPs, AND INTERNET BANKING SERVICES

The charging of the below fees on a bank account related to internet and mobile banking is driven by various reasons and considerations:

1. **Registration:** This fee covers the cost of registering for internet and mobile banking services, including administrative and setup expenses.
2. **Monthly Subscription Fee:** The monthly subscription fee allows customers to access and use internet and mobile banking features. It covers maintenance and operational costs.

3. **Balance Enquiry:** This fee is charged when customers check their account balance using internet or mobile banking platforms, compensating for the technology and infrastructure used.
4. **PIN Reset:** The fee applies when customers request to reset their PIN for internet and mobile banking, covering the administrative efforts and security verification.
5. **Mini-Statement:** This fee is charged when customers request a mini-statement of recent account transactions through internet or mobile banking.
6. **Session Fee:** Some banks charge a session fee for each active session of internet or mobile banking, covering data usage and system maintenance costs.
7. **Internal Account Transfers:** The fee is imposed when customers transfer funds between their own accounts within the same bank using internet or mobile banking.
8. **Local Transfer to Other Bank:** This fee is applicable when customers make fund transfers to accounts held in other banks within the country, compensating for interbank transaction processing.
9. **App Account Statement:** The fee is charged when customers request an account statement through the bank's mobile app.
10. **Fund Transfer to Local Banks:** This fee is levied when customers transfer funds to accounts in other banks within the country.
11. **Overdraft Request:** The fee may be applicable when customers request an overdraft facility through internet or mobile banking.
12. **Bill Payment (Water, Electricity, TV, etc.):** This fee is charged for processing bill payments through internet or mobile banking.
13. **Bank to Own Wallet:** The fee applies when customers transfer funds from their bank account to a digital wallet provided by the bank.
14. **Bank to Other Wallet:** This fee is imposed when customers transfer funds from their bank account to a digital wallet provided by another service provider.
15. **Email Alert:** The fee is charged for providing email alerts related to account activities and transactions.
16. **E-Statement:** This fee is applicable when customers request to receive electronic account statements instead of physical paper statements.
17. **Local Bulk Transfer:** The fee is applicable when a bulk transfer of funds is made to multiple accounts within the country.
18. **E-Token:** This fee may apply for using an electronic token for additional security measures during internet and mobile banking transactions.
19. **Physical Token:** The fee is charged for providing a physical security token for transaction verification.

A. Banks

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The following table provides an overview of the mobile, APPs, and internet banking services fees and charges identified for each considered Financial Service Provider in Bank category, denoted in Rwandan Francs (Frw):

Fee / Charge	FEES AND CHARGES ON MOBILE, APPs, AND INTERNET BANKING SERVICES(Amount in small figure)						
	N/A	Free	0- 50	51- 100	101- 500	501- 1,000	1,001- 2,000 and Above
Registration (USSD)	0	7/7	0	0	0	0	0
Monthly subscription (USSD)	0	0	0	1/7	1/7	0	0
Balance enquiry (USSD)	0	1/7	1/7	1/7	0	0	0
PIN reset (USSD)	0	1/7	2/7	4/7	0	0	0
Mini statement (USSD)	0	1/7	0	5/7	1/7	0	0
Session fee (USSD)	1/7	6/7	0	0	0	0	0
Internal account transfer (USSD)	2/7	0	0	1/7	4/7	0	0
Fund transfer to local bank (USSD)	3/7	0	0	0	2/7	1/7	0
Registration (Push &Pull)	0	7/7	0	0	0	0	0
Balance inquiry (Push &Pull)	0	7/7	0	0	0	0	0
Own account funds transfer (Push &Pull)	0	7/7	0	0	0	0	0
Transfer to third-party account (Push &Pull)	MTN Charges						
Registration (Apps)	4/7	2/7	0	0	0	0	1/7
Account statement (Apps)	4/7	0	0	2/7	1/7	0	0
Internal account transfer (Apps)	4/7	1/7	0	0	2/7	0	0
Fund transfer to local Banks (Apps)	4/7	0	0	2/7	1/7	0	0
Bill payment (Apps)	4/7	1/7	0	1/7	1/7	0	0
Registration (Internet)	2/7	5/7	0	0	0	0	0
Monthly subscription (Internet)	2/7	2/7	0	0	0	1/7	2/7
E-Statement (Internet)	2/7	2/7	0	2/7	1/7	0	0
Fund transfer to local Banks (Internet)	2/7	0	0	0	4/7	1/7	0

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Local Bulk transfer (Internet)	4/7	0	0	0	0	0	3/7
E - Token (per year) (Internet)	3/7	1/7	0	0	0	0	2/7
Physical token (Internet)	5/7	0	0	0	0	0	2/7

The review of the mobile, APPs, and internet banking services fees and charges identified 24 types of fees applied by banks.

- The outliers identified in prices associated monthly subscription to internet banking, and registration to use mobile APPs, where certain institutions demand excessive amounts in comparison to the service provided.
- The review also noted some excessive charges applied by FSPs that may jeopardize the security of consumers' assets as they can be reluctant to pay these charges but affect the security of their assets held by FSPs. These are namely the charge for PIN reset and token charges fee among others.

SECTION 3: RECOMMENDATIONS

1. The NBR will continue to perform the close monitoring to ensure that FSPs comply with the legal and regulatory framework including:
 - ✓ Avoiding charging prohibited fees and methods of calculating interest rate;
 - ✓ Ensure that all FSPs put in place the pricing policy;
 - ✓ Ensure that FSPs cease applying prohibited methods for calculating late payment penalties on interest, as stated in Article 61 of the consumer protection regulation;
 - ✓ Ensuring that fees and charges applied to customers are justified, transparent, fair and not detrimental to consumers;
2. The NBR requests customers to always consult the web comparator through (<https://geraranya.bnr.rw>) and price publications by FSPs so that they can take informed decisions after ascertaining that they know the total cost of the product or service they are about to consume.
3. The NBR further requests FSPs to comply with the provisions of the financial service consumer protection legal and regulatory framework in terms fair and transparent pricing, availing to consumers Key Facts Statements before consuming their products, publishing their prices through the web comparator, their websites and branches, provide thorough explanations to consumers on the fees and charges as well as the basis for their computation and regularly communicate to consumers in case there are changes.

