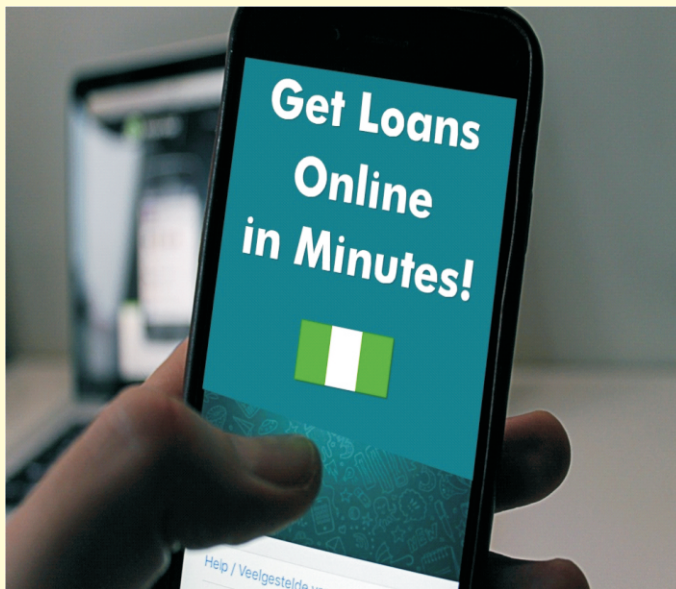



**INDEPENDENT ASSESSMENT REPORT
ON
FINANCIAL INCLUSION AND ABUSES OF THE
WEAK IN THE NIGERIA ONLINE SPACE IN POST
COVID19**



By:  **Children and Young People Living for Peace (CYPLP)**

WWW.CYPLP.NET.NG

About us

Children and Young People Living for Peace(CYPLP) is organic, voluntary association in the Nigeria civil space working to advance rights of the weak through the promotion of SDGs and SDG 16 in particular, through evidence based approach for inclusive development.



Office Address
E4 Kano Road/Ibadan street
Nasara Plaza
Kaduna.
+234 8036464525
youngpeopleforpeace@gmail.com
www.cyplp.net.ng

OVERVIEW

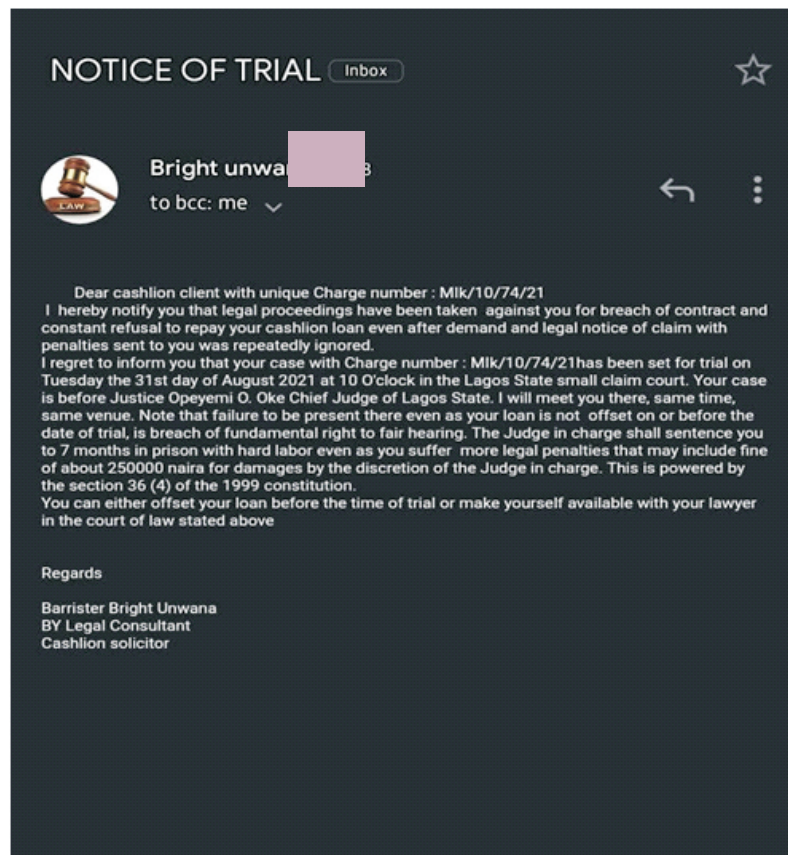
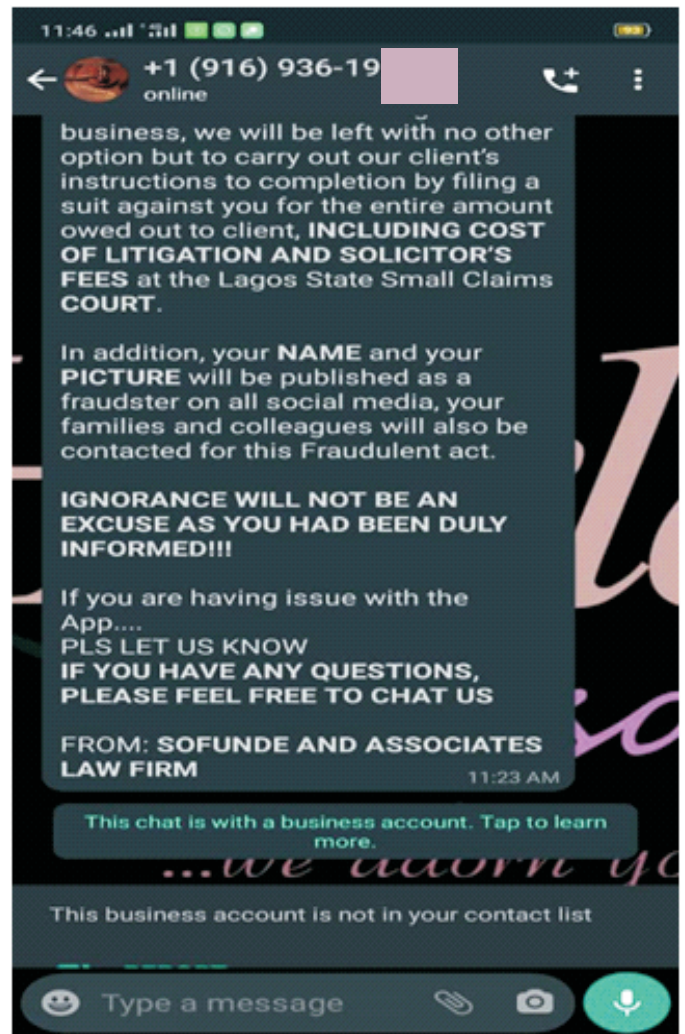
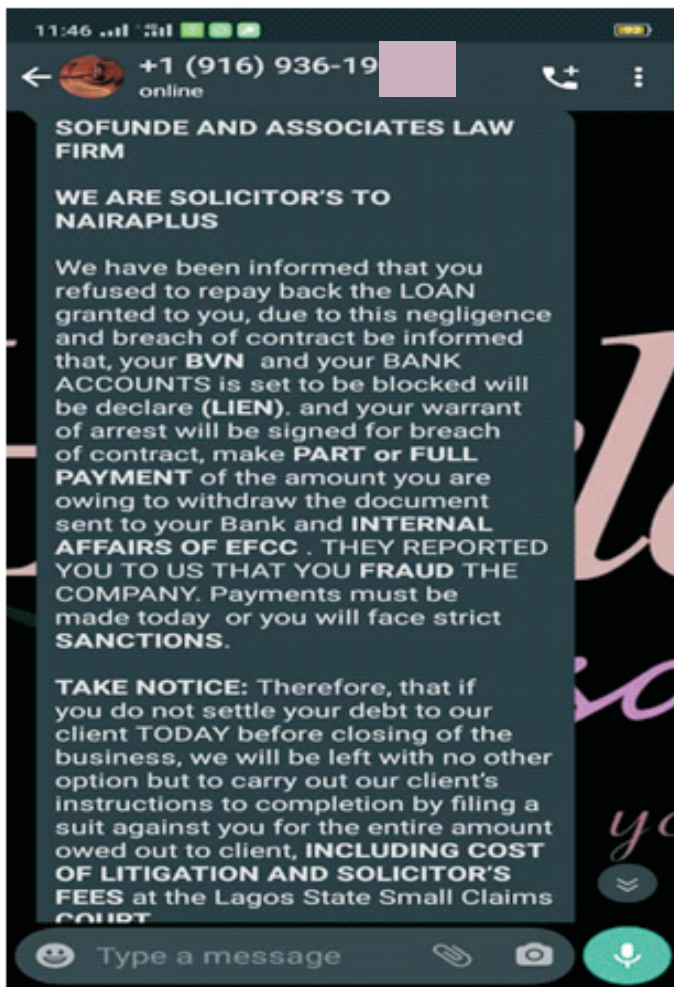
Covid19 affected and is affecting the poorest of poor livelihood more than any in Nigeria, thereby exposing very high numbers to vulnerabilities of exploitation and deepened inequalities. The pandemic brought the new normal and bolder online activities including online financial transactions as best alternatives to the weak masses and thereafter.

App-based micro lending is popular in Nigeria, both because banks generally require collateral for loans and because the bureaucracy involved with lending can be overwhelming. So there's a flock of new lending sites springing up, like Okash, Gocash, Credit9ja, Lcredit, Sokoloan, Kash Kash, Fastmoney, Newcredit, Cashlion, 9jacash etc. These online loan app companies in Nigeria operates as financial institutions aka Fintech; targeting very financial underserved population as low income earners and the poor with very high interest rate with shortest time for repayment date plan. The consequence has adversely pushed many people into deepened poverty and widened inequality gaps, while the FinTech companies inconsiderably continue to exploit and dig gold out of the poor masses.

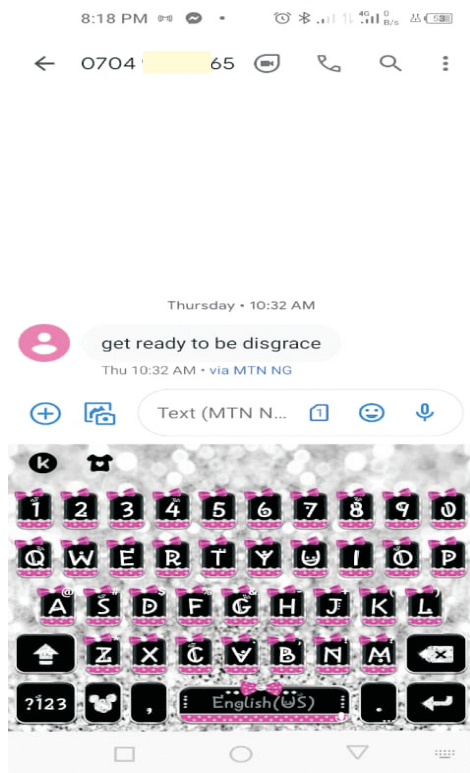
Worrisome, FinTech companies in Nigeria are hardly traceable to official addresses and seem to be owned mostly by Chinese companies operating in the Nigeria internet space. These companies use threat, impersonation and defamation of customer's character as strategy for debt recovery, knowing very well the customers are vulnerable, weak and voiceless.

During application for loan by applicants on the app, they will capture all contacts on applicant's phone and use it against them at loan repayment default with several messages of defamation sent to contacts. They will sent out several legal threat of litigation emails, sms and whatsapp messages with fake legal practitioner's letterhead papers including purported fake letters from high court and TV stations.

Their staff mandated for recovery, will impersonate and use pictures of lawyers as profile pictures. When they put a phone call to customers in default, they will put up siren sound on the background that they are coming after the customer with police for arrest. The act is embarrassing, unethical, and unprofessional and amount to violation and abuse.



Moreover, they will use all confidential information given out during the filling of forms by customer for loan application without customers consent, and disclose same to the public. Upload customer's pictures on social media and tagged them "**CRIMINAL**". That the public should be aware that the customer defrauded a company and is on the run, as police search is on and customer is on police criminal wanted list.



These online loan companies/FinTech companies also collect ATM, PIN, BVN and CVV of customers and deduct and over deduct monies **DIRECTLY** from customer's bank accounts without authorization, with the excuse that it is part of terms and conditions of service agreed on by customers in the process of application before loan was granted.

This study is therefore independent assessment and is particularly focused on the activities of online loan app companies in the Nigeria internet space in relation to complaint of unprofessional conduct, sharp and unethical financial practices raised by vulnerable and voiceless citizens against the following - Okash, Sokoloan, Lcredit, Credit9ja, Fastmoney, Gocash, KashKash, New Credit, Icredit, Lioncash, Ncash, Easy Credit, True Naira, Fair money, Cashlion, 9credit, Naira Plus amongst others. THIS COMPLAINT resonate how frustrated citizens are on the

ongoing digital rights violation in a space supposed to be as highly regulated as financial institution. This study is therefore a concrete attempt to bring to fore issues around human rights violations.

Recognizing that there are regulations guiding the operations of online loan companies/FinTech in Nigeria, this assessment is to challenge concerned authorities on the operations of these companies in Nigeria and open constructive dialogue on legal frameworks to ascertain if the activities are not abusive, contrary to stipulated financial guidelines by Central Bank of Nigeria and Nigeria Data Protection Regulation (NDPR) including the infringement of consumer's rights.

METHODOLOGY

The assessment adopted exploratory research method of enquiry that utilizes and generates primary information through focus group discussion using the instrumentality of Whatsapp social media platform with verified victims.

The whatsapp group members are verified to have been defamed by submitting screenshots sms of defamation messages sent to their contacts as proof of evidence by any of the named online loan app companies in Nigeria. The group goes forward to weld together victims so they can learn about digital rights, share experience, build and strengthen resilience to dismantle, disrupt and counter unethical practices perpetrated by these fintech/online loan apps.

Out of those that joined the group, 27 victims' group members tendered evidences and were verified, participated actively in the online focus group discussion in the whatsapp group. Number of gender in focus group participation couldn't be ascertained as the group is made of youths, young men and women.

The study also went further to utilize information generated from an online petition campaign launched by Dennis Ekwere, Focal person for ***“Children and Young People Living for Peace (CYPLP)”*** on digital rights violation of Nigerians by online loan companies in Nigeria against Central Bank of Nigeria (CBN), National Information Technology Development Agency (NITDA), National Human Rights Commission (NHRC), Federal Competition and Consumers Protection Council (FCCPC).

The petition called for supporters to sign the petition in support of the cause and promoted for comments and reasons for signing from the public on the ongoing practice of online loan companies in Nigeria. The online petition campaign was launched on the **11th August 2021** and is ongoing. But the assessment takes its study analysis from the campaign, from **11th August 2021 – 11th November 2021**.

2,227 – VIEWS (within the timeline of the review)

OVER 1000 PEOPLE SIGNATURES ENDORSEMENT

410 - SHARED THE CAMPAIGN ON ANY OF THE SOCIAL MEDIA.

The link to the online petition is here-

<https://chnng.it/DswKcHPy>

TARGET POPULATION

The study is targeted at the voice of vast majority of the underserved in the financial sector in Nigeria as customers to online loan app companies in Nigeria. The intention of this study is to examine users/consumers experience across customer spectrum.

KEY FINDINGS

Despite the dissatisfaction among consumers with traditional banking service and the rise in online loan companies to address these pain points of collaterals, time and bureaucracy, consumers prefer the use, easy access, timely availability of loan from online companies but consumers want better regulations for a better experience and operators of online loan business operates out of the confines of law. Most consumers on the focus group discussion complained of high interest charged by these loan companies and the short time frame for repayment as one leading factor for default. Yet would have preferred them in the absent of defamation. Even though loans are given in between 7 days or at most 14 days for repayment plan with over 50%-60% interest rate charged.

Victimized consumers complained of harsh customer relations and abusive communication behavior of staff of these online companies leading to

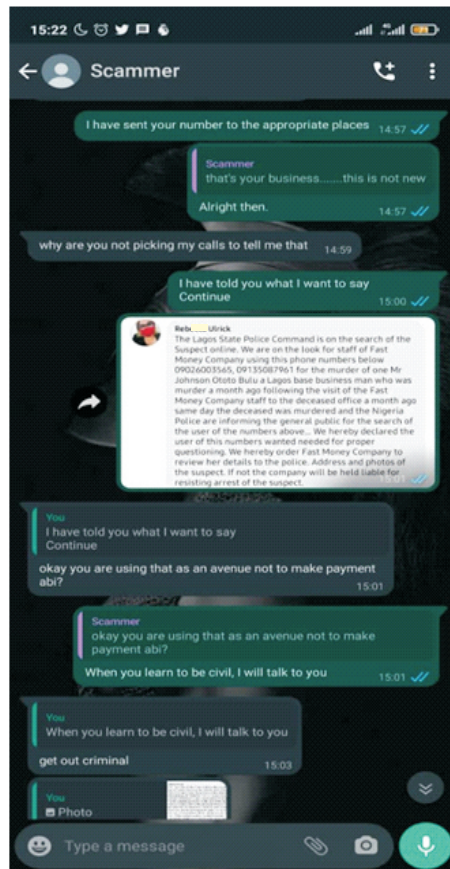
harassment and embarrassment. Consumers also complained on unsuitability and the use of untrained staff without prerequisite customer's relations and unavailability of complaint mechanism for redress by the companies.

They also complained of how helpless they are in the face of continued and sustained direct deductions, over deductions in their bank accounts even when repayments of debt have been made. In most cases, the direct deduction and over deduction is denied by online loan companies and in other rare cases where they accept/admit the over deduction, they do not make refunds.

The study recorded complaint of extreme daily surcharged on the loan amount collected as interest at default, keeps growing rapidly which usually lead to what makes them unable to repay the loan once at default. That at default loan companies will send out defaming sms messages to all customers contact, upload pictures of customers on different social media and tagged as them **"criminals"** even while the daily surcharged is running high on you. The defamation discourages them from repaying as its have caused them pains and diluted image in the eyes of their contacts/pubic without any form of remedy or compensation after repayment.

The study also realized that victims were or is at crossroad, as many didn't know that the act of defamation is **unlawful** including the use of their personal data without consent amount to **violation of their rights**. Many more did not or do not know the right institution to report to, have no idea on how to navigate the matter for remedy lawfully.

Physical contact addresses of the online loan companies as indicated online on website of the companies were not traceable nor opened functionally, and accessibility to customers/victims to lay complaints was hindered. Complaints sent by victims via emails contact addresses were not acknowledged nor replied. Moreover, customers/victims using true callers' app on their phones reported that the official phone numbers of these online loan companies displays their names as **"scammers", "scams" or "419"** when they dialed the number(s) or receiving calls from them.



⚠️ LCredit does not have any official Whatsapp number. Any use of Whatsapp to represent LCredit is a F.A.K.E

⚠️ LCredit payment accounts are only displayed in the LCredit app. Please look for it in the bill. Any other account is F.A.K.E for account information if you cannot find it in LCredit app, pls contact our hotline or inbox fanpage.

✅ We only have one Facebook fan page:
<https://www.facebook.com/lcreditNg> and the only hotline: +234 1 631 0555
 Thanks all !



Victims/customers also reported duplications of online loan companies social media handles especially on facebook, which is used to scam Nigerians. That it is difficult to differentiate any and these facebook pages/groups ask customers/victims to repay loans through them with a displayed account numbers, but after repayment another will approach you that you paid to the wrong sets of people.

Reasons for signing the online petition lunched on 11th August 2021

See why supporters are signing and why this petition is important to them. They also shared reason(s) for signing (this mean a lot in validating this assessment as a report).

See the link to the petition here –

<https://www.change.org/p/central-bank-of-nigeria-violation-of-digital-rights-of-nigerians/c>

Eunice Yavala

Loan sharks are causing depression and suicide

Ibrahim Lame

We want to live in peace

Tukur Yamele

I found it unacceptable

CHIROMA MAINA ABUBAKAR MAINA

People like us living in rural areas still struggling to survive economically, following the immense pressure laid by covid19 on livelihood

Government intervention not reaching rural areas

Ahmad Musa

They should be banned from the country.

Orevaoghene Arabono

They are defaming people's character

Seun Ezekiel-Oni

I want financial freedom for the Nigeria Youths and Adults.

Emmanuel Adigwe

You humiliate us when we default in payment and we need an end to this

Oma Okoroafor

I have been abused

Chuks Albert

They keep sending text messages to my contacts after I had paid back my loan..even deducting from my account.

Christiana Obiageri

This is one of the worst experience of my life, my name was tarnished cause of the loan I took from the this company, I have always make my payment before the due date, but due to some circumstances which are that I was sick together with my daughter, I had a heart issue So couldn't meet up with my payment, I was tagged a criminal on the run, sending messages to my contacts that am been wanted and I used them for guarantor, pls Nigerian government have to do something about this because masses are dieing of hunger and heart attack due to this loan companies, and the money don't worth it, they are putting people's life in danger

were by someone is ready to commit any sort of crime just to paid of a loan,the worst companies that need to be short down are Gocash,9credit,Fastmoney so many of them,only there calls and threatening can lead someone to an early grave,.pls federal government need to do something about this to save the life of the masses

Kosisochukwu Ikechukwu-ubaka

I'm signing because we live in a democratic system of government that should allow free press and freedom of speech and the freedom to exercise human right and express how we feel in the country hence, legitimacy.

Blessing Okuro

My name is okuro blessing,I am a victim of this so called gocash,soko loan who go abt tarnishing my image, sending bad messages to people to people that am a frauster.just because I lost my phone nd when I was back on line,nd my pictures were sent to everyone on my contacts

Andrew Ibhagbemien

I am signing this petition because Nigerians have too often be denied their digital rights.

Fatunberu Thomas

Even our Government should find solution to it. If life is so easy who will be borrowing money. Even government is owing salaries nobody tag them as criminal on the run. This bad habit must be stopped. Most expecially solo loan.

Adagold Eze

It's so painful and disheartening This loan company are so heartless and wicked. I was late by 3days to make repayment.. I was talking to this so called workers or agents.. to give me time but they refused rather they insulted me.. Before evening most of my contacts started calling me saying that some text were sent to them. Only to find out that it was soko loan that sent it.. they keep on tarnishing peoples image and reputation but they Don know that they are also tarnishing their company.. very abusive and insulting and irresponsible company..

Adesewa Daramola

I am having a terrible experience with Sokoloan as my name, pictures and phone number were sent to my contacts labeling me a thief and fraudster because I pleaded for an extension of a loan I got from them which I couldn't make the payment on the due date due to delay in payment from my customers but instead they defamed me with different phone numbers to contacts that I know and those that I do not even know, please help me

GABRIEL ANGEL

I was embarrassed

Mercy Aya

I want to put a stop to this.

Kayode Oluwaseun

It is so painful these so called loan app could cause damages to one's life....As am writing right now, am shedding tears..My mother who happens to be my hero was so down and sick in hospital,I could not get means to take care or get drug or pay hospital bill... I had to borrow 9Credit in order to get means..Even though the interest is so high...I still took it...They do not chat non call before they started sending messages to all my contact that am a criminal,fraudsters,wanted and all sort of names..This is unprofessional,please help the poor..

Enitan Olumuyiwa

It is disheartening that this people don't care about their customers image, they can go any learn to retrieve their money even destroying people's lives indirectly. I took a loan from Faircash and because I was unable to pay back within a week even with interest above 4k, they had to post my picture and send diminishing messages to my contacts about me. Also the way this application increase payment after due day is terrible. For example, Lcredit wil increase your payment by 1,800 per day, it's crazy!

Oluwaseun Ojeleye

I am signing because I my wife is a victim of this illegal acts of these companies

Akinola Akorede

I'm signing because am a Nigerian

ABUBAKAR SANI SAID

Privacy protection

Joshua Ugwu

Many online financial institutions in Nigeria have resorted to defaming Nigerians in the name of loan recovery.

Not only are they defaming Nigerians but they have also resorted to exploiting from Nigerians hereby taking advantage of the poverty in the country. How can a loan institution give someone a loan of #5000 to pay back #7000 in 7days, isn't that using the borrower as a 'money doubler' for you? And then defaming the person for such a meagre sum lend. With high interest in failure to pay back on time. Even Banks don't do that.

They know fully well that an average Nigerian can't access a lawyer because of financial constraints and won't possibly do anything.

Invading into someone's privacy and denting the person's image by sending messages to his/her contacts which is not even in the terms written by the online loan company in their Apps and calling the person's family 'theives and criminals' is a gross violation of not only there own T&C but also against the law.

This loan apps should be fine heavily and made to pay for damages caused.

Emiola Racheal

Sokoloan continue to blackmail me even after I av paid their money. They tag me and my family a fraudster

Damilola Oluwaseyi

I'm also a victim of defamation from these so called lending platforms and they have ruined my business due to this

Moses Adik

They have falsely accused me. I was called a thief, criminal and a fraud. Evidence exists.

Ifeoma Ononye

I am signing because of how Lcredit, and Gocash called my mother and threatened to arrest her if I don't pay, and my mother is a BP patient.

Then they sent out messages to my contacts that am a thief on the run, even after I made part payment to both companies,

Olatunji Kehinde Florence

I am signing because of the rascality approach and defamation of character they have been sending message to all my contact calling me a thief , criminal, prostitute and fraudulent all sort of names even go to my whatsapp contact and share pictures SOKOLOAN and 9jacash

Sarah Akoja

Dis defamation of character has to stop by this company known as soko lending company(fast money)..who on daily bases send messages to my contact,,calling me n my family a harden criminal,n all sort of names..

Stella Ibeh

I am a victim, these people caused damages in my life and family. They caused me heartbreak and made me loose my job.

Umoh Williams

I am signing because of the rascality and unprofessional approach used by these online companies in Nigeria, tarnishing people's image. They almost ruined my marriage by the kind of defamation they sent out, and made to demean my person

in the eyes of the public. I wonder if they are they are regulated at all. This approach of defamation must be stopped and sanity brought in the system else they should be completely banned. Digital rights is human rights, but I doubt if it is so in Nigeria given what is going on unabated. How safe are our data with these companies? Where is regulations and why is it thrown to the winds. sad.

Moses Yashua

Gocash and their likes use blackmail and libellous messages against those who use their services. THis is illegal. And they should be made to face the law.

YUSUF OWOSENI

An organization with such ridiculous interest rates is nothing but a ponzi in disguise. Loans are supposed to alleviate and bring succor to those taking it and not to aggravate their conditions.

Nneka Ugwu

I'm a victim of the loan apps but why is Nigeria government not looking into these???? All they do is spoil your Name and even you family name just to get thier money back....but what happens when you pay back they don't go back to your contact to tell them you have paidthere is no shame in taking a loan....they make it look like you stole from them.. may God help us all in these country..Amen

Adeyemi Abbey

Am a victim and am joining hands with other people all over the world facing such too to bring the evil companies down . We are not animals and we all have right to collect loans to build up ourselves and to make us not to suffer even nigeria itself is on loan. Why are we now being treated like a criminal and been assaulted by all this ruthless criminals like sokoloan , lcredit, fast money, 9jacash, lioncash, cashlion, Ncash, 9credit and other wicked companies by sending a tarnishing messages to our contacts terming us as criminals and making some pple refusing to do business with us again n making us loose our jobs because of all this messages sent to our contacts. Who gave them the audacity to hack our contacts to do so. It is so wrong. We need to bring them down. They keep debiting our accounts after

paying their money and won't give us Our money back. We have a solid evidence over them all. Say no to all this useless loan companies now..

Festus BEWAJI

I have signed this petition because I have had to deal squarely with 9Mobile's KwikMoni fraudulent scheme two years ago. Yesterday; I had to pay N17,000 to Soko Lan Collection's Company; after the company started sending irritating text message to me, for a loan WHICH I never knew when it was being granted to one of my children. 9Mobile's KwikMoni and SokoLoan's Mode of Business Operations is banditry aforethought! Holding parents to ransom; for cash loans never guaranteed by them!! The Central Bank of Nigeria MUST sanitize the e-loans environment.

Priscilla Olayemi

I Priscilla olayemi sign this petition

Ify Allor

Because my sister is a victim... No day went by did I not receive threat messages from these people even to the point of threatening to arrest me! This is bad!

Festus BEWAJI

Festus Bewaji is signing this petition because I'm a businessman and publisher who also deals with Human and Peoples Rights Defences. 9Mobile's KwikMoney had once tried the less than transparent method of attempting to foist an unacceptable loan on my Bank Account. WHEREAS; there are many voiceless fellow Nigerians who always come to me for help and I have had to pay-off such felonious loan grants (after warning such victims to always seek advise from knowledgeable citizens, before accepting such ruinous loans). The Central Bank of Nigeria must always endeavour to arrest recalcitrant loan operators who fail to abide by Financial Regulations Policy of the apex Bank.

Melina Dayne

The terms f the loans are unfair, and must be reconsidered to make it more reasonable, and supportive. Let me know what changes you plan to make.

Akinterinwa Akinyemi

I knew of a lady that nearly commit suicide as a result of this so called fintech company

ENOBONG EKWERE

I'm signing this signature as a strong supporter and an advocate of digital and consumer's rights to stop FINTECH companies in Nigeria from using derogatory and defamation of character of customers as a tool for debt recovery.

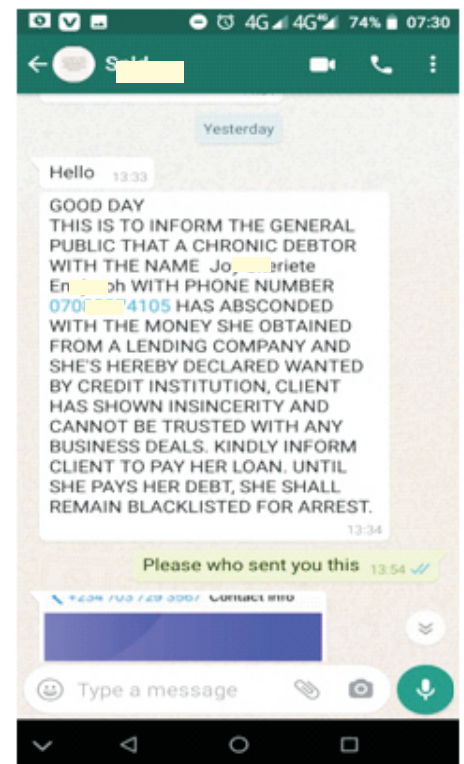
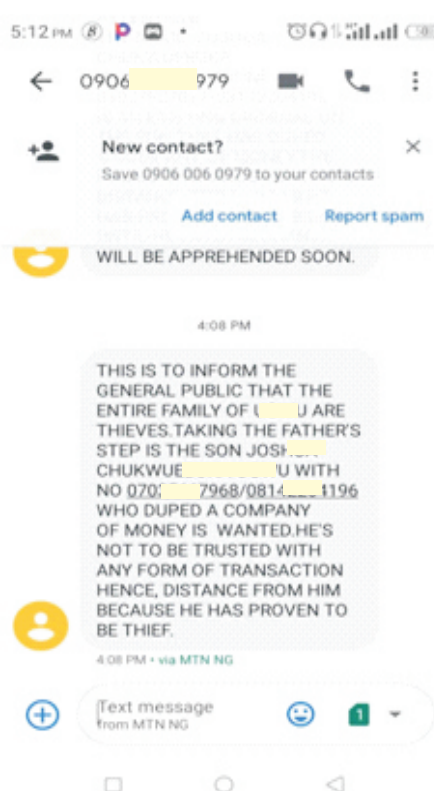
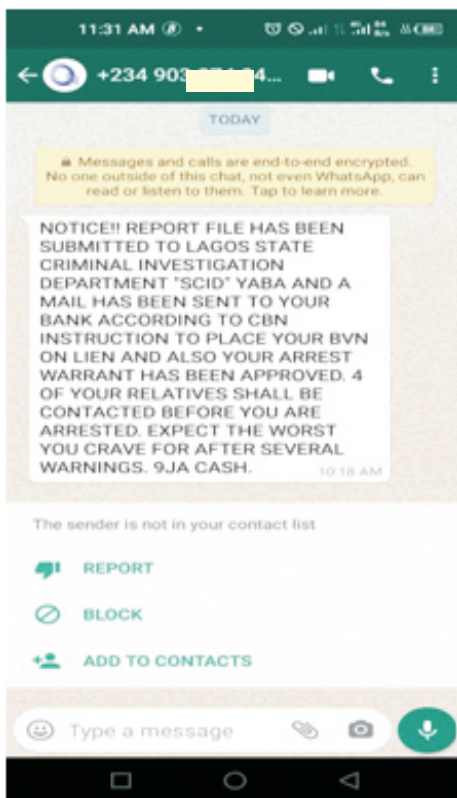
Ifeoma Ononye

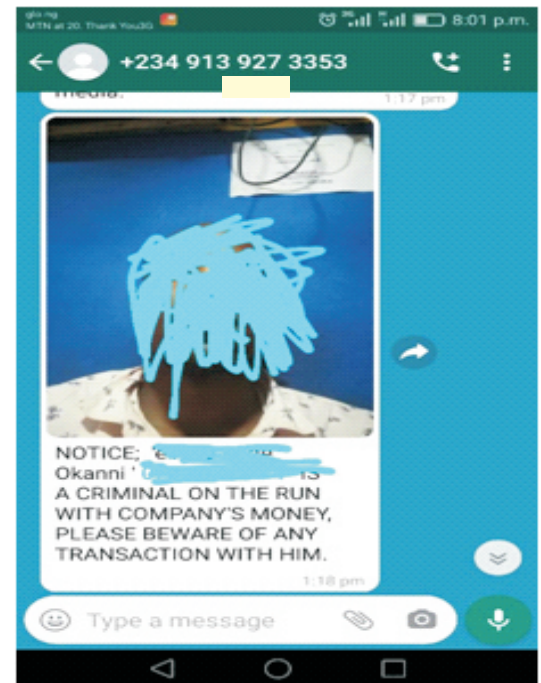
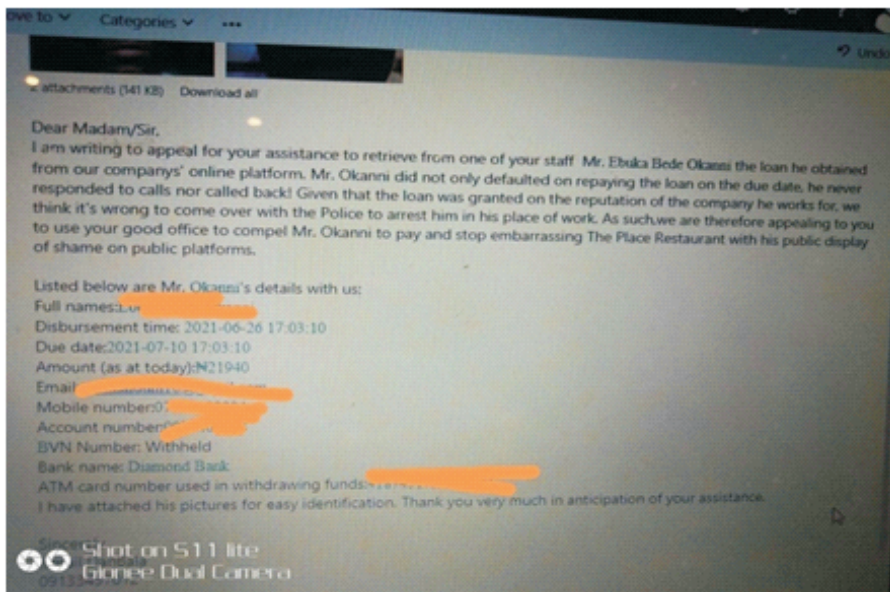
Am signing because, am a victim of there insults threats, defamation of character etc. These has gotten me to be hospitalized

Dennis Ekwere

I am a victim and the defamation caused me and family pains. No one is above the law.

Some screenshots of defamation sms from victims. (These were messages sent to their contacts).





RECOMMENDATION

Aware that nobody is above the law, and that FinTech/online loan companies cannot be above the law in Nigeria and that they cannot use and continue to use defamation of defaulters character as tool for debt recovery without corresponding consequences, we call –

1. On the relevant Government authority to look into the claim of this violation on the digital rights of Nigerians as expressively captured on this report and investigate same, and if found to be true, prosecute offenders for sanity in the system and as deterrent.
2. Recognizing the Nigeria Data Protection Regulation (NDPR) including operational financial regulations and guidelines in Nigeria, as well as the protection of consumer's rights as human rights, this report is strongly opined that regulators should call these online loan operators to order while relevant authorities work collaboratively to strengthen legal frameworks that protect the weak in the financial digital space in Nigeria.
3. Make available rights redress mechanisms to victims of defamation by app loan companies and compensation should be considered as respite to the injured for justice. (Some poor victims committed suicide, mental health/distress and depression, deepened poverty, lost of jobs, family conflict and relationship instability, diluted trust in the eyes of the public etc).
4. **And never again should online loan companies in Nigeria use defamation as tool for debt recovery.**

DISCLAIMER:

This assessment has been prepared by the Children and Young People Living for Peace (CYPLP), showing reasonable skill and care, for the intended purpose. The report is based on focused group discussion obtained through whatsapp group survey and online petition. All the information supplied through these methods has been assumed to be correct. Nevertheless, no responsibility can be accepted by CYPLP for any inaccuracies in the data/information supplied. The conclusions and recommendations in this report are based on the data/information supplied. No part of this report may be copied or duplicated without the prior consent from CYPLP