

Agent networks

Ideas and lessons from India

April, 2020





About MicroSave Consulting

MicroSave Consulting (MSC) is a boutique consulting firm that has, for 20 years, pushed the world towards meaningful financial, social, and economic inclusion. We are a globally trusted, yet locally based organization that offers high-quality, practical market-led solutions to accelerate financial, economic, and social inclusion in the digital age.

With about 190 staff of different nationalities and varied expertise, MSC is proud to be working in over 50 developing countries. We have offices in Bangladesh, India, Indonesia, Kenya, Philippines, Senegal, Singapore, Vietnam, Uganda, and the United Kingdom.

We work with participants in financial, economic, and social ecosystems to achieve sustainable performance improvements and unlock enduring value. Our clients include governments, donors, private sector corporations, and local businesses. We can help you seize the digital opportunity, address the mass market, and future-proof your operations.

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Objectives of the module

After going through this module, you will be able to understand...

01



The genesis of agents in India

02



Agent models in India and the role of various stakeholders

03



Services provided by different agents

04



How agent businesses can be viable

05



How G2P payments drive transactions at agent outlets

06



Training and capacity-building of agents

07



Challenges faced by agents and agent networks

08



Challenges faced by agent network managers

09



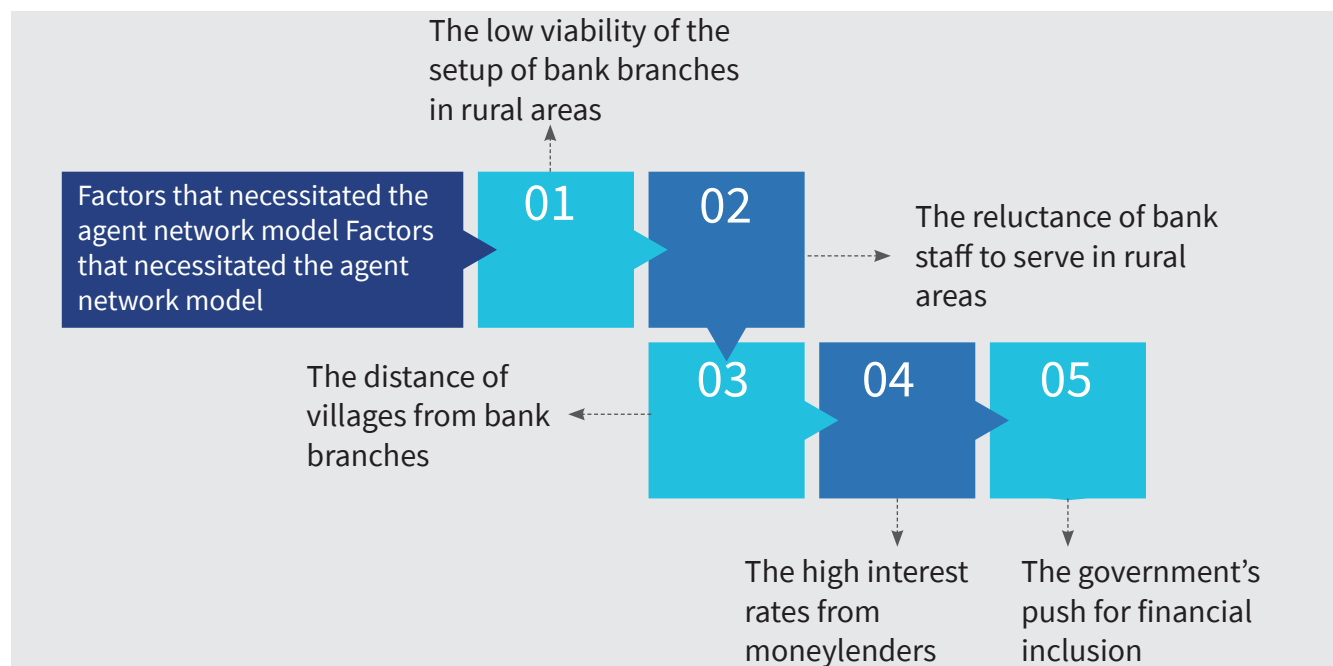
Way forward

The genesis of agents in India



Agent banking provides an alternative to ensure access to financial services in remote areas

RBI introduced the [agent banking \(business correspondent\) model](#) in 2006. Banks were allowed to engage non-bank intermediaries as business correspondents (BC*) to extend basic banking services. As per RBI [annual report](#) 2019, there are around 1 million agent banking outlets in India and more than half of them are in rural areas.



BCs are an integral part of the overall [National Strategy for Financial Inclusion](#) that was finalized in 2019.

See [Appendix for a high level overview](#) of this strategy.

*Individual agents are referred to as business correspondents in India. This terminology was changed to Bank *Mitr* in 2014

Evolution: Agent networks accelerated financial inclusion in India and the launch of PMJDY scheme improved the business case and sustainability for them



2006

RBI allowed not-for-profit organizations to become intermediaries - [business facilitators \(BFs\)](#) and [business correspondents \(BCs\)](#):

- Individual BCs (agents)
- Corporate BCs or Business Correspondent Network Managers* (BCNMs)



2008

A committee headed by former Executive Director of the RBI, R. B. Barman, recommended [a framework for Electronic Benefit Transfer \(EBT\)](#) for government-to-person (G2P) payments through banks and BCs.

Different state governments began pilot-testing digitization of G2P payments. BC and agent networks were also expanded to remote rural areas with the EBT initiative.



2010

RBI [allowed](#) for-profit organizations to become BC agents.

Retired employees and Common Service Centers (CSCs) were also allowed to become BC agents.



2014

The national mission for financial inclusion *Pradhan Mantri Jan Dhan Yojana (PMJDY)*—led to a scale-up of the BC model. BCs were renamed “Bank Mitr” (bank friend) after the launch.



2015-19

[RBI issued licenses to 11 payments banks](#) and six banks are currently operational after four surrendered their license and one decided to wind up.

Many initiatives in Direct Benefit Transfers (DBT) enabled increased transactions at BC outlets as government subsidies were credited directly to the accounts of beneficiaries.



2018-19

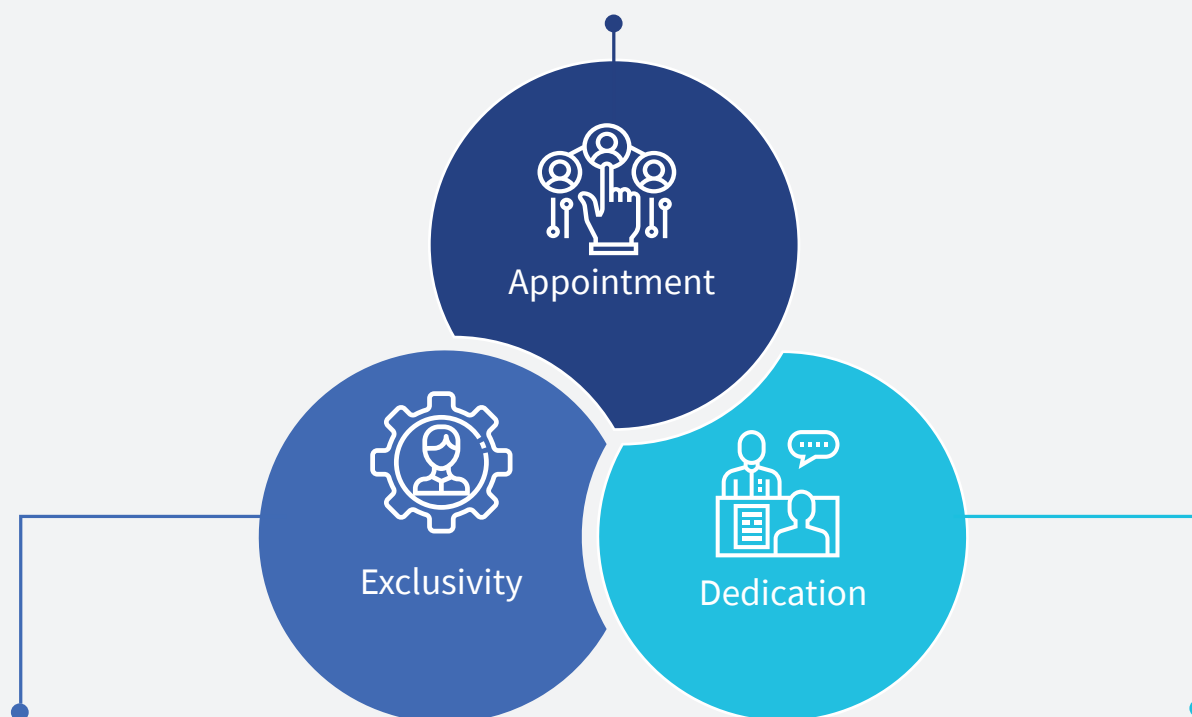
[India Post Payments Bank \(IPPB\)](#) was launched in September 2018. IPPB uses vast network of 155 thousand Post Offices and more than 300 thousand postmen to further scale up financial inclusion initiatives in the country

* BCNMs are equivalent to Agent Network Managers (ANMs) in other countries

The type of agent is determined based on appointment and services provided

Direct to banks/ payments banks: Agents who are appointed directly by the banks/ payments banks (individual)

BCNM managed: Agents who are appointed by BCNMs



Exclusive agents: Agents who provide products and services exclusively for one financial institution

Non-exclusive agents: Agents who provide products and services for more than one financial institution

Dedicated agents: Agents who work exclusively as BCs

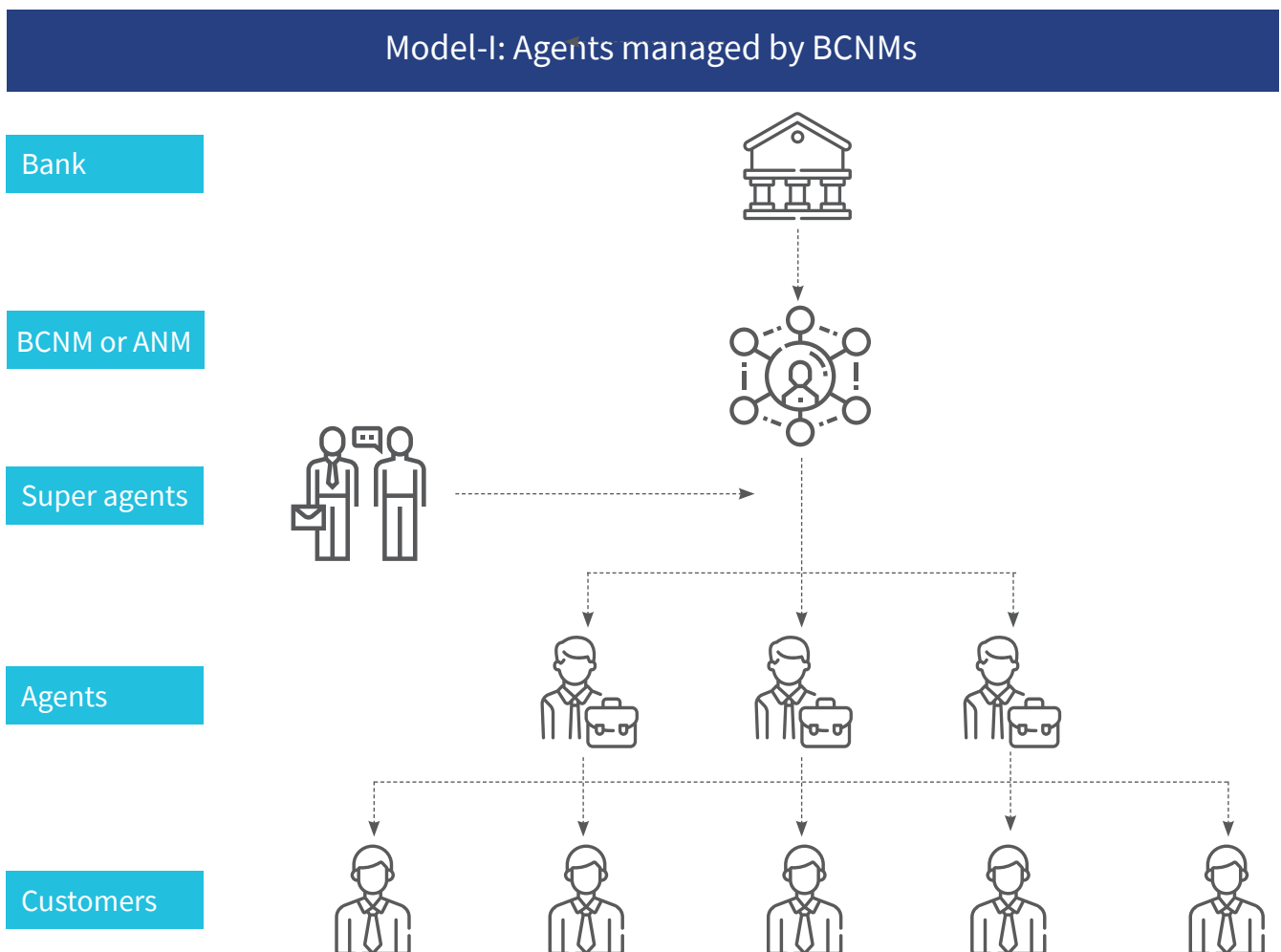
Non-dedicated agents: BC agents who have other sources of income, such as an agent who is also a shop owner



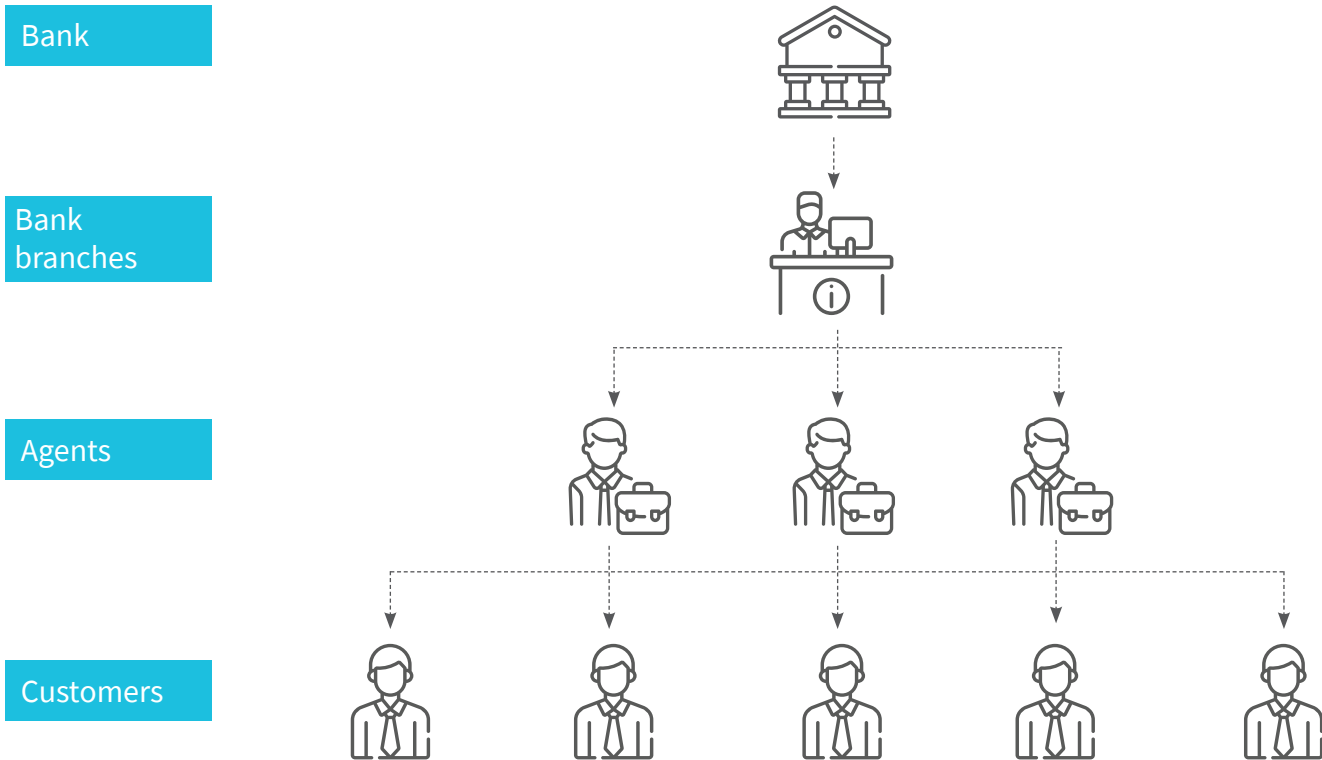
Banks manage 31% of agents directly, while BCNMs manage the remaining 69% – a trend that is similar across locations

Agents managed by BCNMs	Agents managed by banks
<ul style="list-style-type: none"> • Perform a median of 35 transactions daily compared to 25 conducted by agents managed by banks • Offer more services (median 7) compared to agents managed by banks (median 6) • Comprise a larger proportion of agents who offer interoperability (79%) compared to agents managed by banks (70%) • Comprise a larger proportion of agents who offer G2P services (70%) compared to agents managed by banks (67%) 	<ul style="list-style-type: none"> • Comprise a larger proportion of agents who receive refresher training (96%) than agents managed by BCNMs (84%) • Experience less service downtime (46%) compared to agents managed by BCNMs (63%) • Realize higher profits (USD 39) compared to agents managed by BCNMs (USD 31) • Comprise a smaller proportion of agents who make losses (28%) compared to agents managed by BCNMs (30%)

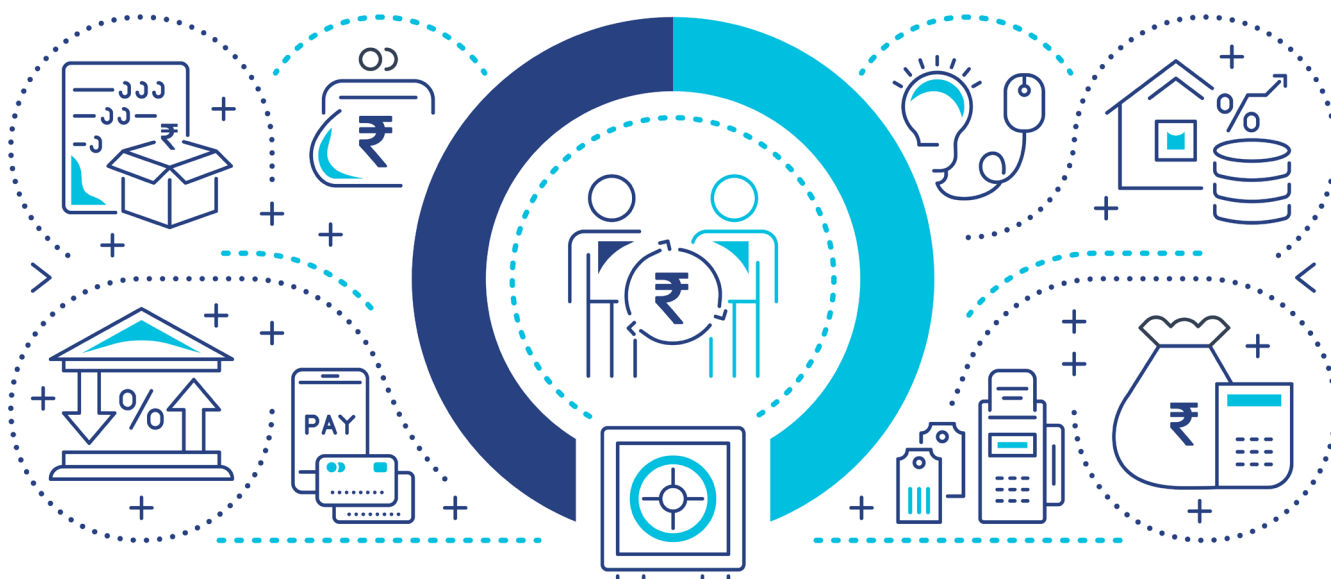
Banks led the agent banking models with active support from BCNMs to elevate financial inclusion and support various DBT programs



Model-II: Agents managed by banks



- In Model-I, banks contract the BCNMs or agent network managers (ANMs) to build and manage agent networks as per the policies of the bank. For example, [Sanjivani Vikas Foundation](#) is a BCNM for various banks including SBI and PNB, among others.
- Model-II is led by the banks. The bank branches are involved in the recruiting and managing of agents. For example, [Syndicate Bank](#) has its own network of agents.
- A few banks are also implementing a hybrid model by combining model-I and model-II. Example, PNB has both model I and II.

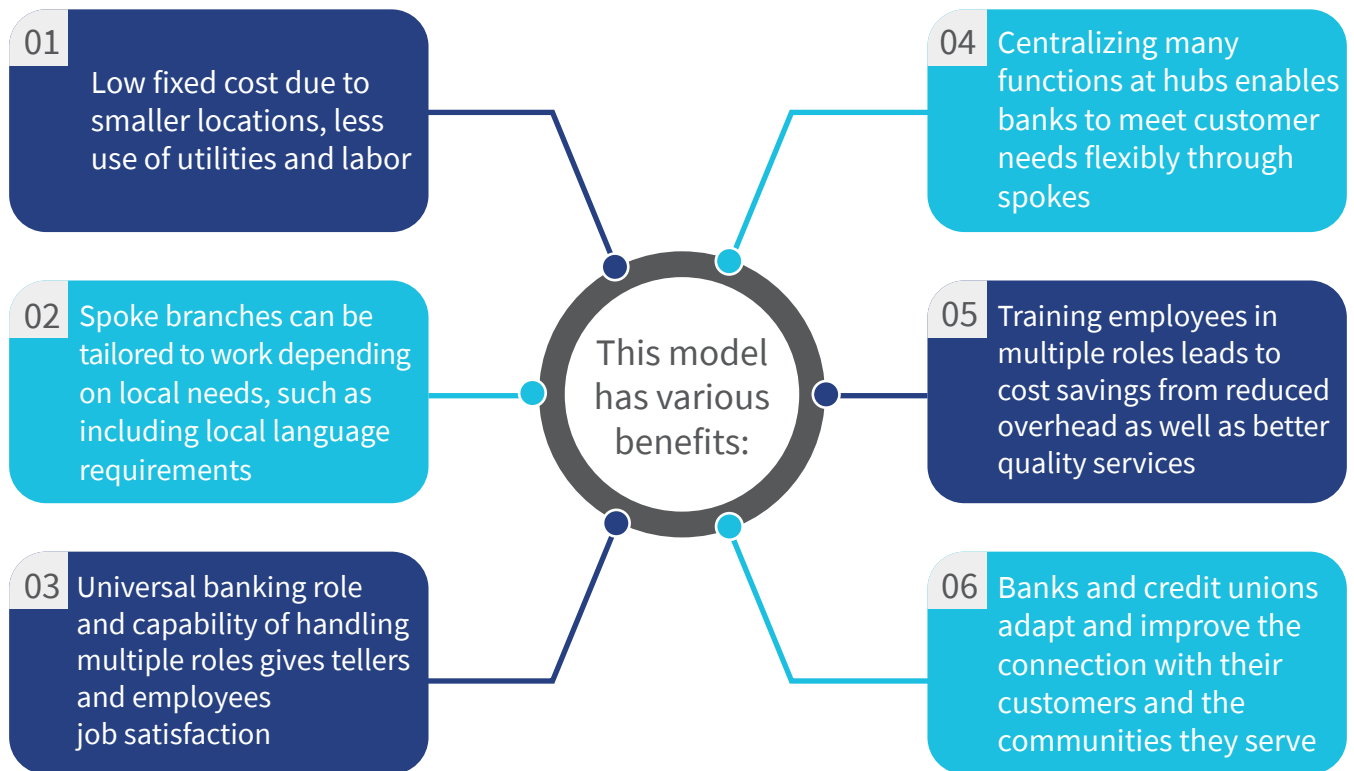


Depending on the model, banks or BCNMs help build and manage agent networks effectively

Activity	Sub-activities	Model-I: Agents managed by BCNMs	Model-II: Agents managed by banks
Agent onboarding	Market scoping, pitching, selection, contract execution, delivery of business tools, and branding	BCNM staff are responsible for onboarding the agents	Branch staff from the bank are involved in onboarding the agents
Agent training	Communicating policies, products and services, processes, customer service and education, and risk management to agents	BCNM staff are responsible for training the agents	Branch staff are responsible for training
Liquidity management	Maintaining sufficient e-value and cash to provide reliable services to customers	<ul style="list-style-type: none"> BCNM staff are responsible for supporting the agents in liquidity management Agents visit bank branches to rebalance float and cash 	<ul style="list-style-type: none"> Branch staff are responsible for supporting the agents Agents visit bank branches for rebalancing float and cash
Agent monitoring	Overseeing agents' financial performance, operations, verifying compliance with brand, policies and procedures, and providing support	<ul style="list-style-type: none"> BCNM staff are responsible for monitoring the agents Bank staff conducts random agent visits to ensure monitoring and support 	<ul style="list-style-type: none"> Branch staff are involved in regular monitoring The Branch Manager conducts random visits to ensure monitoring and support

The hub-and-spoke model of banking, using agents, is working effectively within and outside India

This model is based on having a centrally located, full-service branch that is supplemented by smaller, automated locations using ATMs or kiosks to complement online banking and offer customer services.



Globally, many financial institutions have operated successfully with hub-and-spoke models using small branches, agents, and mobile vans. Some examples are Equity Bank in Kenya, Access Bank in Nigeria, DBS Bank in Singapore, United Arab Bank in UAE, Royal Bank of Scotland in the UK, and many other banks and credit unions in the USA.



Source: [Designing successful distribution strategies for digital money, Helix, May 2015](#)
[The case for moving to a hub-and-spoke banking model, ARCA](#)
[Money on wheels: the hub and spoke approach, NCR, August 2014](#)

ANMs in India are adopting emerging good practises, resulting in efficiency improvements, reduction in costs, and better quality services

Agent onboarding

[EKO's](#) new agent onboarding system has an e-KYC process to onboard agents. Potential agents can visit EKO's website for self-registration. This has reduced the time and cost that officers had to spend collecting physical documents to onboard agents.

Agent training

A large provider in India uses interactive voice response (IVR) to assess training effectiveness after agents have undergone a video-based training session. The IVR system asks a set of questions that agents must answer correctly. The apex organization of BCs, [BCFI](#) also offers a training and professional [certification](#) for agents.

Liquidity management

[FINO](#) in India has dedicated staff members who deliver and pick up cash, relieving agents of the time and expenses associated with rebalancing. Furthermore, FINO pays “super customers”, who are usually well-off villagers, to be “on-call” to make deposits with the FINO agent if the agent requires immediate access to cash to enable other customer transactions.

Agent monitoring

EKO in India introduced float monitoring dashboards. EKO reports monitoring agent liquidity levels every four hours on its dashboards.

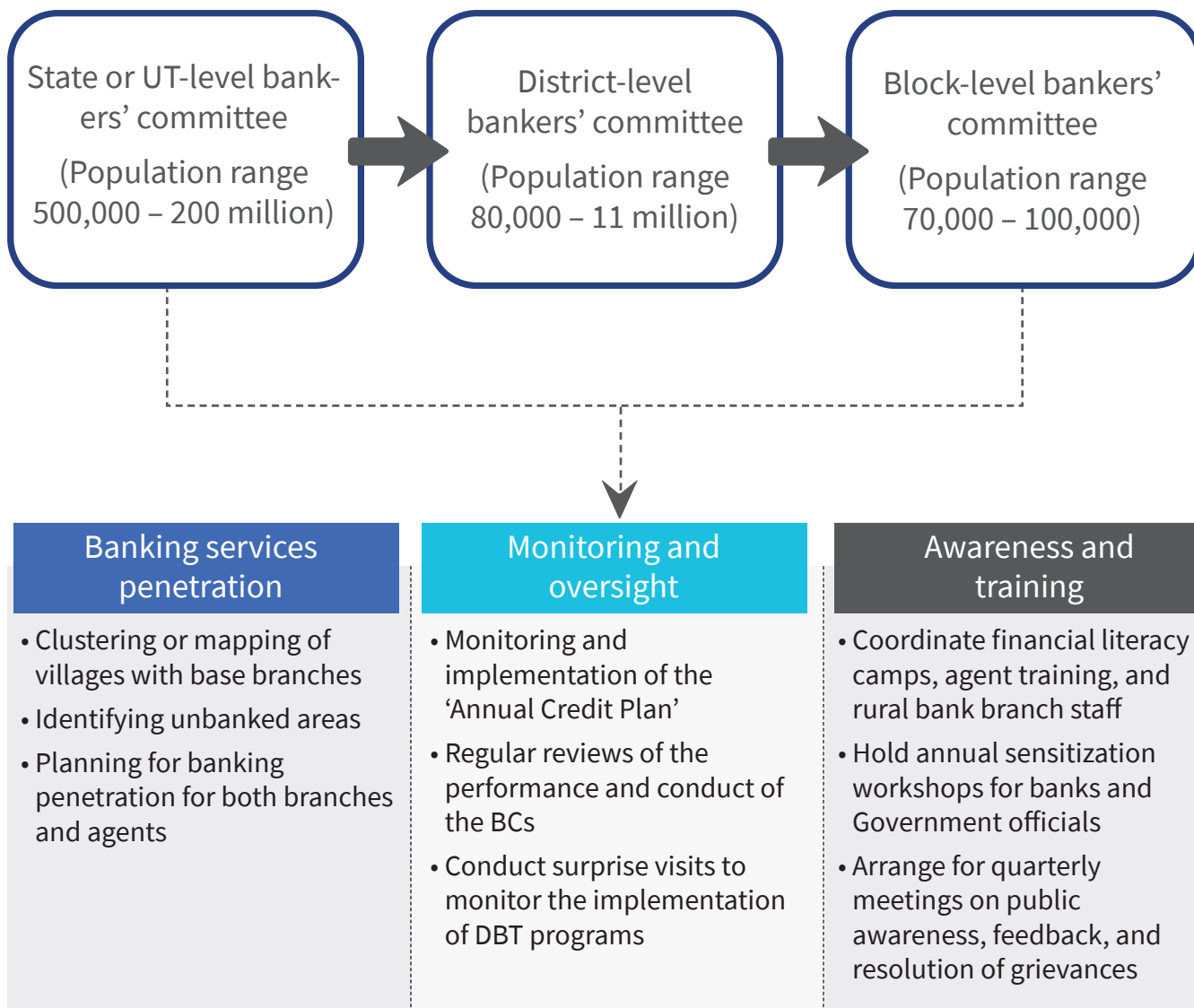
[NovoPay](#) introduced a centralized command center and dashboard to monitor agent outlet activities in terms of their operations and transactions.

Customer centric approach

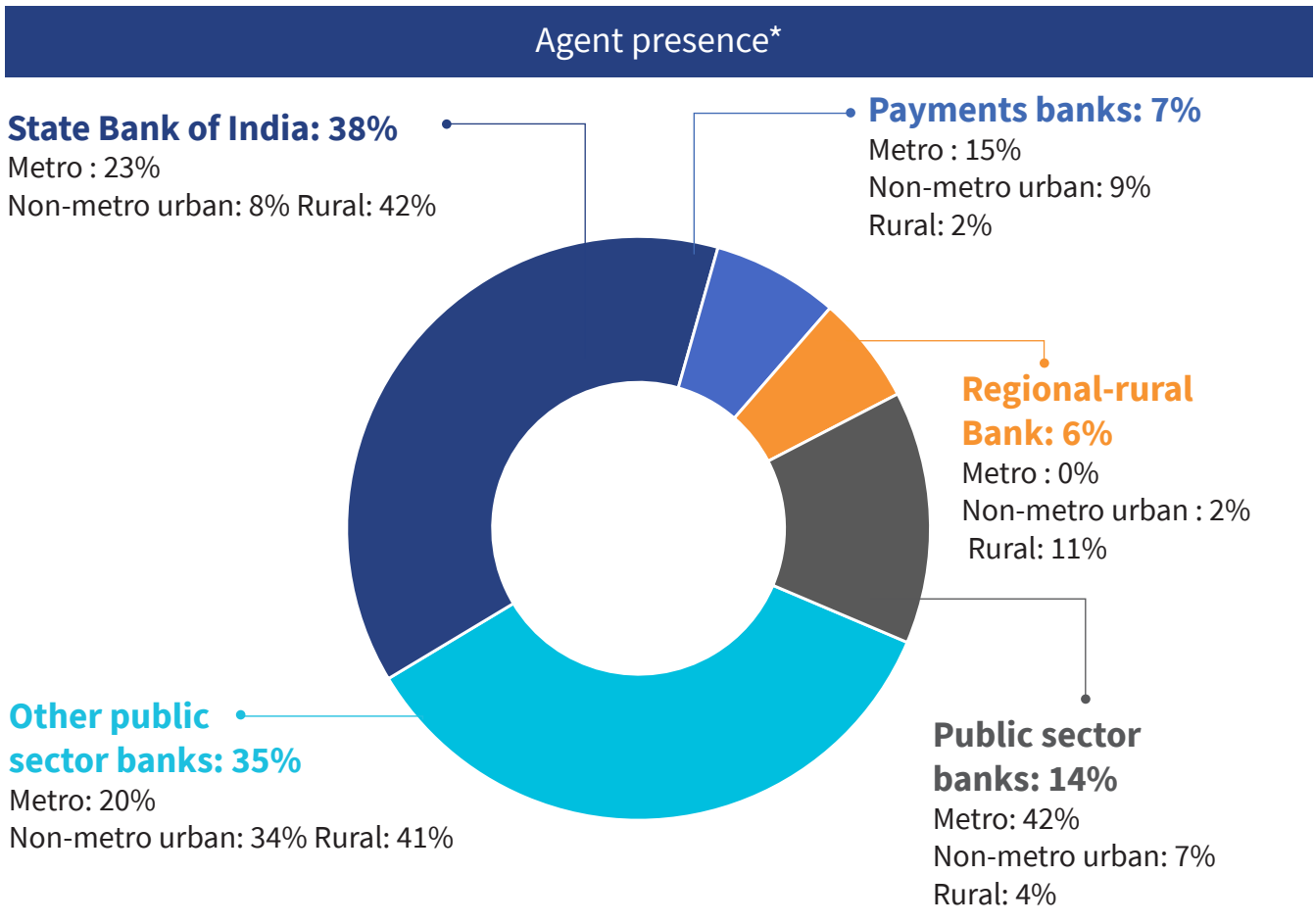
[PayNearby](#) leverages technology and digital payments to partner with neighborhood retail stores who can offer assisted digital financial services like [Aadhaar Banking](#), [SMS payment](#), [merchant accounting](#), [utility payments](#), [prepaid cards](#), mutual funds & insurance, [money transfer](#), and hyperlocal services and payment services like [Bharat QR](#) and [UPI](#) using the PayNearby App.



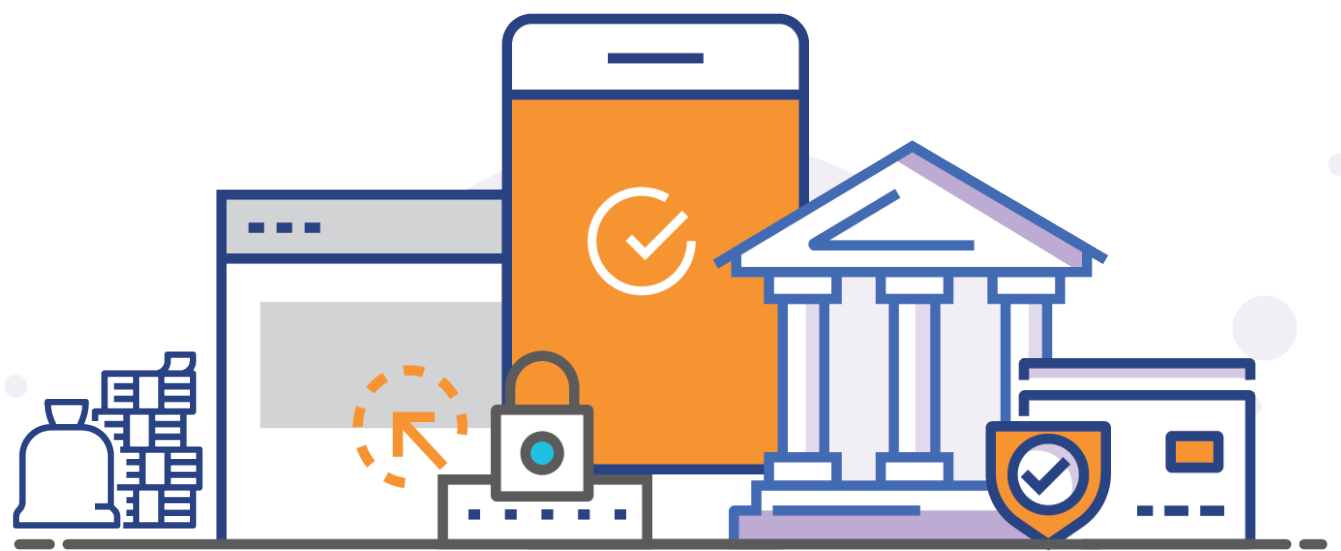
Committees involving government and bank officials monitor financial inclusion and government initiatives implemented through agent networks



New players have emerged but public sector banks continue to lead initiatives in India



- In metro areas, private sector banks dominate and have almost the same presence as all public sector banks combined.
- Public sector banks dominate the rural areas, with a total of 83% of the market share.



* Agent market presence is defined as the proportion of provider tills. For example, if an agent serves three providers it is counted three times.
 Note: Other public sector banks: Banks where a government holds the majority stake. Private Sector Banks: Banks where private shareholders hold the majority stake. Regional Rural Banks: Local-level banking organizations that serve rural areas. Payments Banks: A new model of banks that can accept restricted deposits, but cannot issue credit.

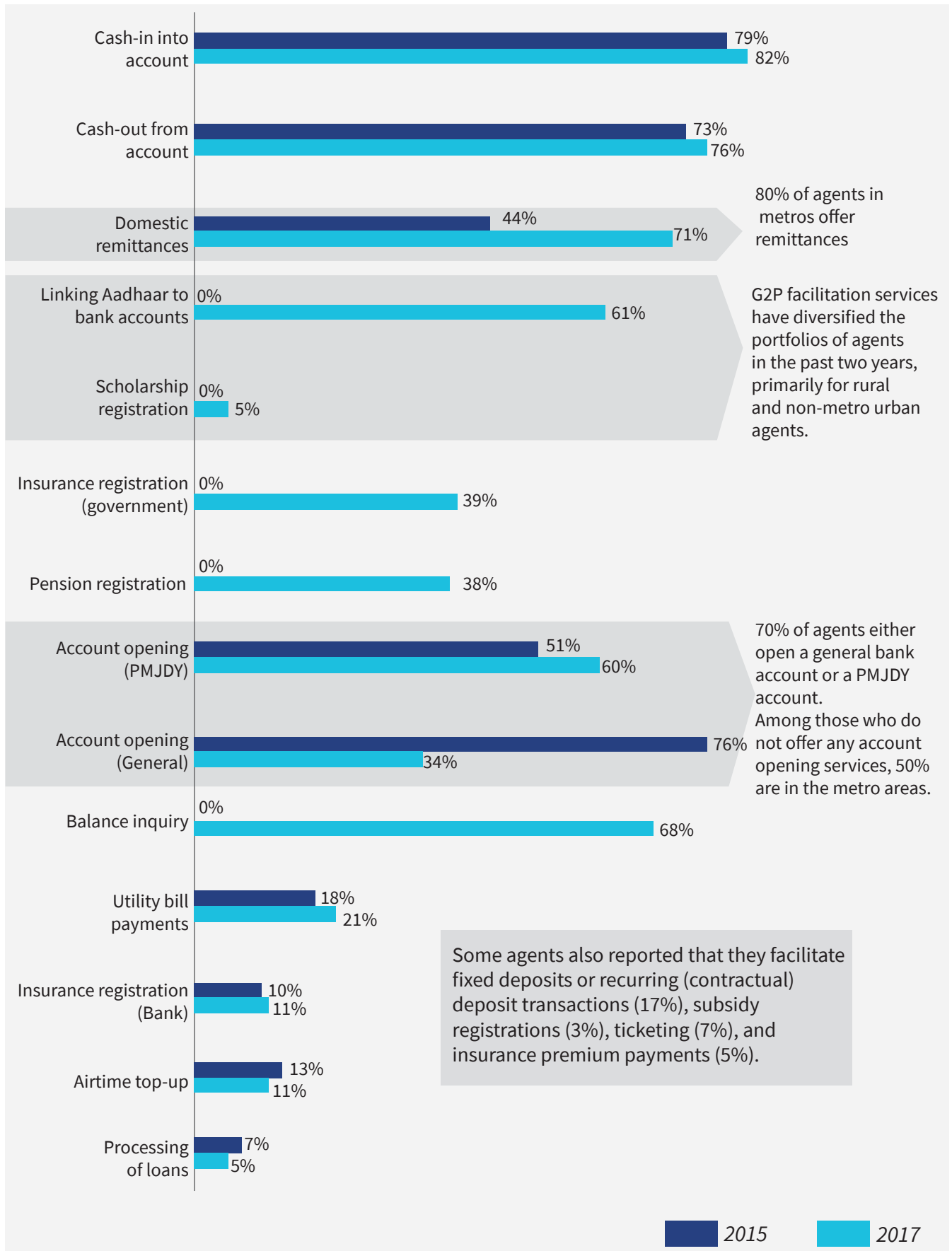
Services offered by different agents



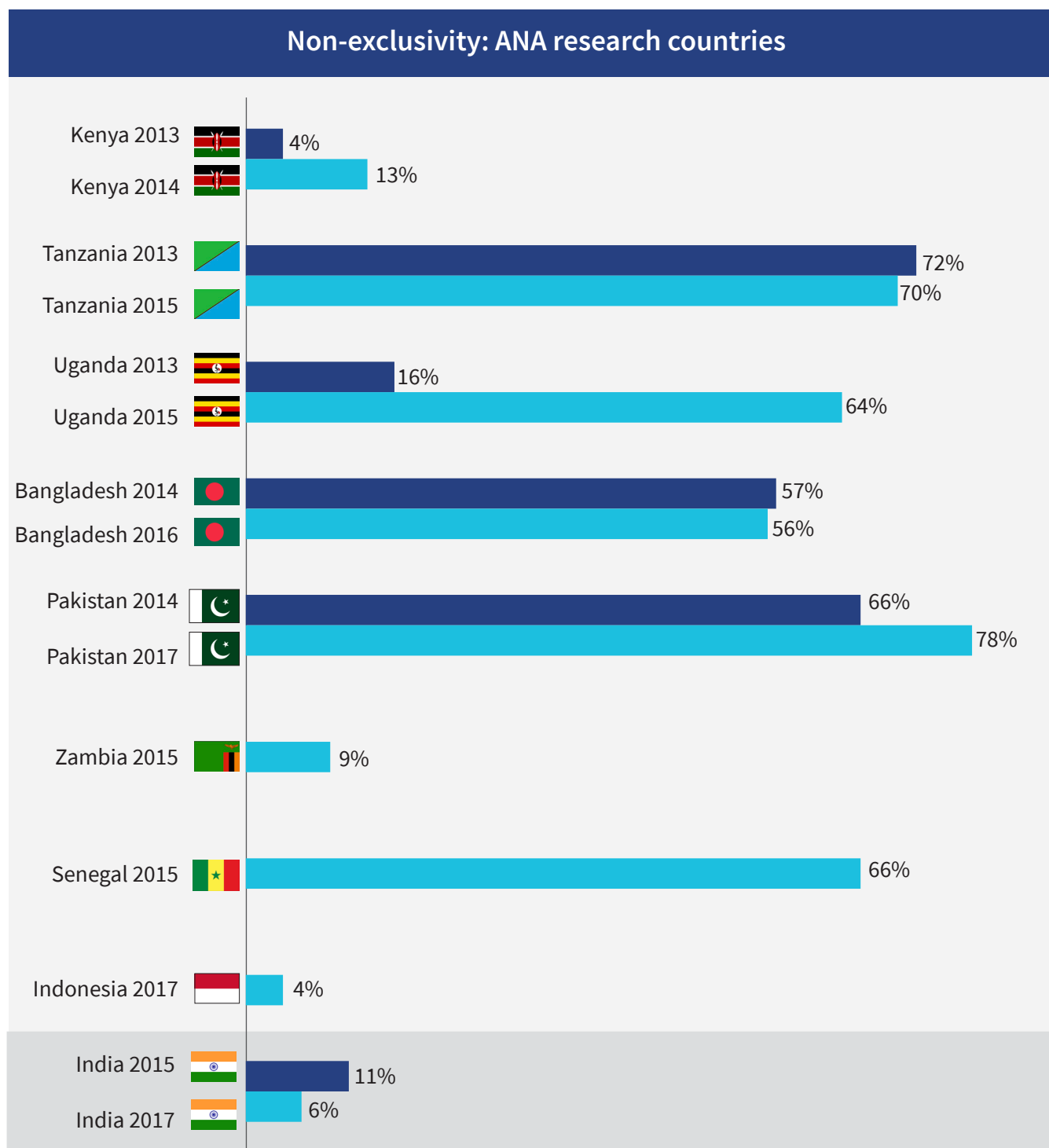
Banking agents in India provide a range of services to customers. They are allowed to conduct basic transactions such as: Account opening, cash-in/ cash-out, bank transfer, recurring deposit, fixed deposit, loan repayment etc. They also provide services for extended products like insurance and pension. Depending on the type of BC, they can help the banks in creating awareness about basic financial products, and collection of applications and documents for the products. BCs in India can also provide services for registration under various government schemes, utility bill payments, and mobile phone top-up.



Rural agents offer a median of seven services compared to two services offered by metro agents

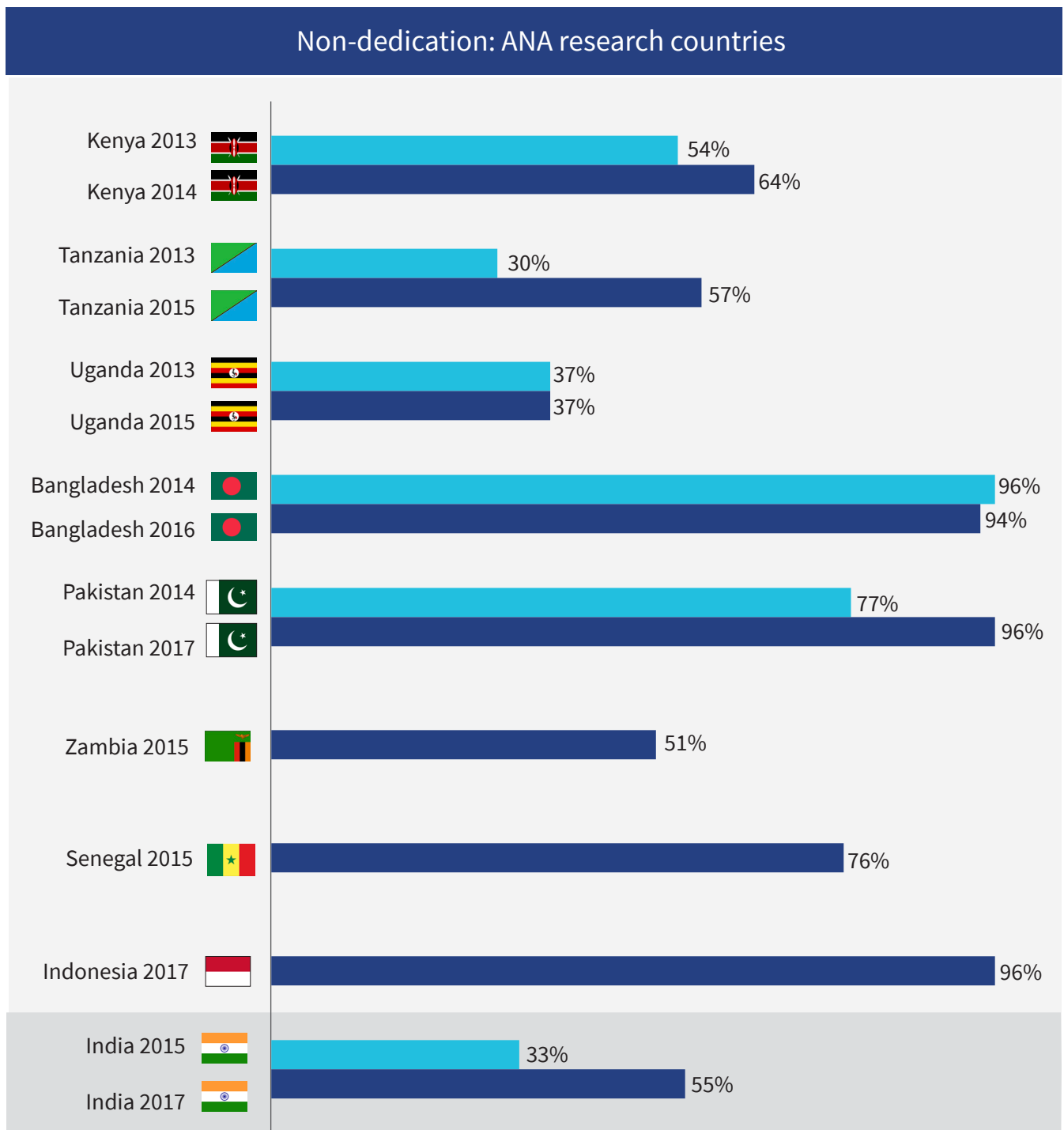


India has fewer non-exclusive agents compared to most countries



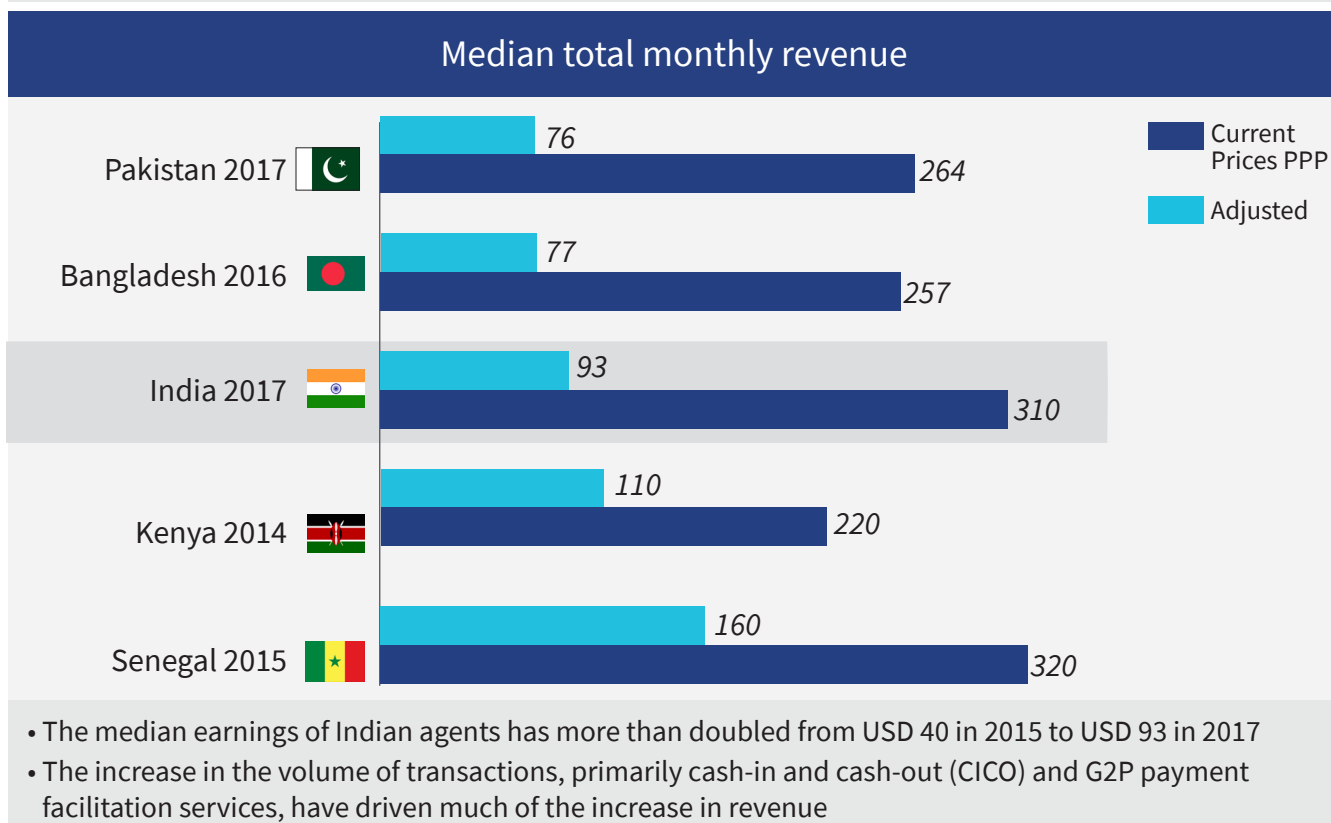
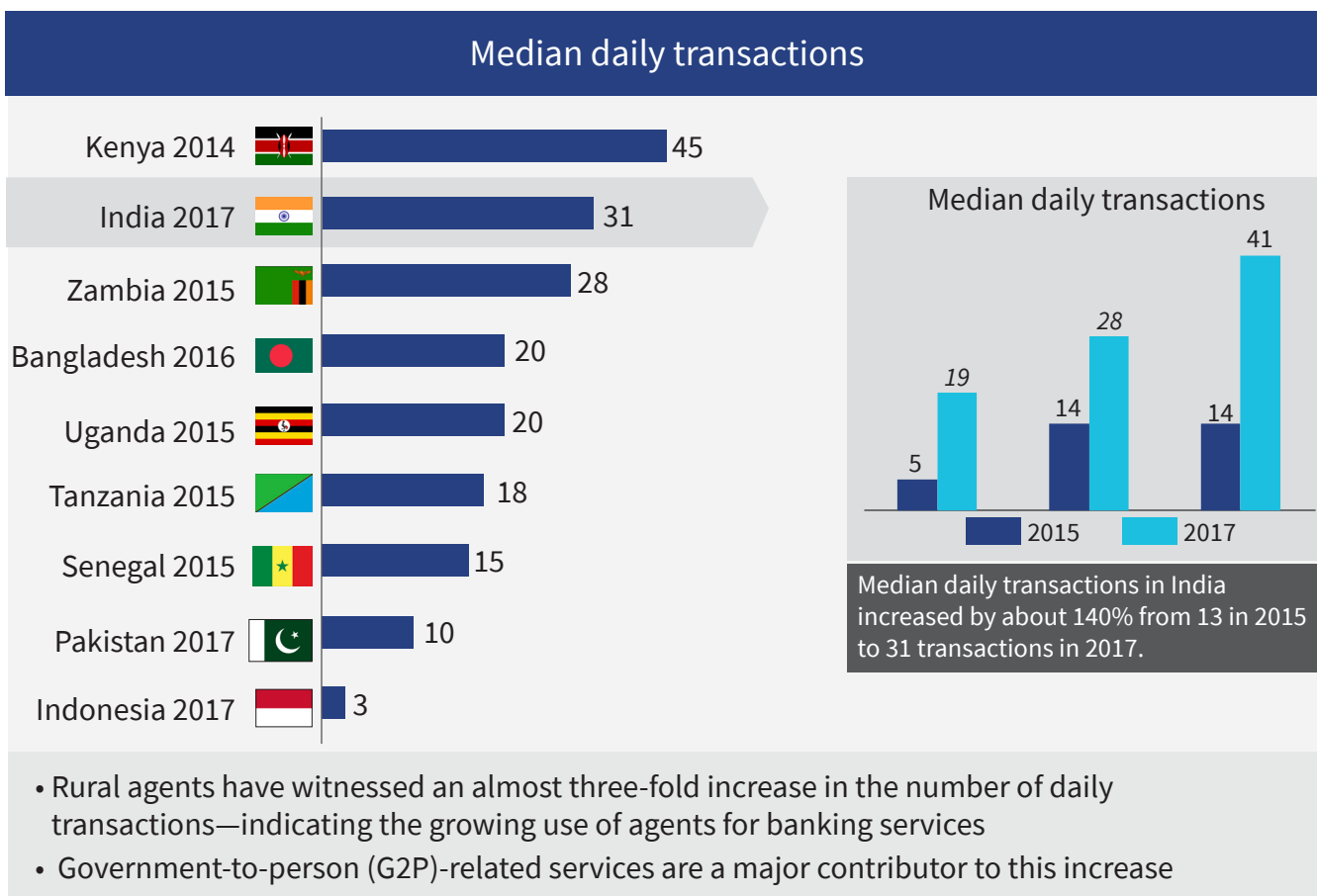
Non-exclusive agents are agents who provide products and services for more than one financial institution.

India has fewer non-dedicated agents compared to most countries

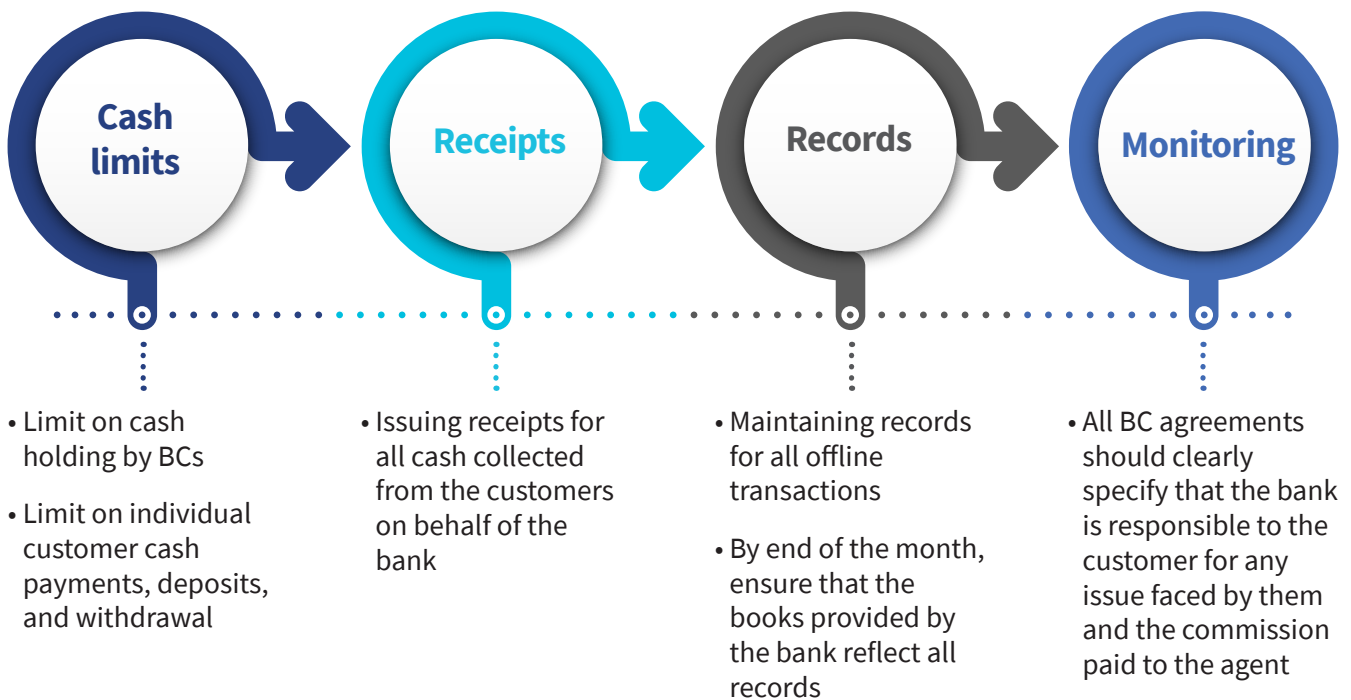


Non-dedicated agents are BC agents who have other sources of income, such as an agent who is also a shop owner

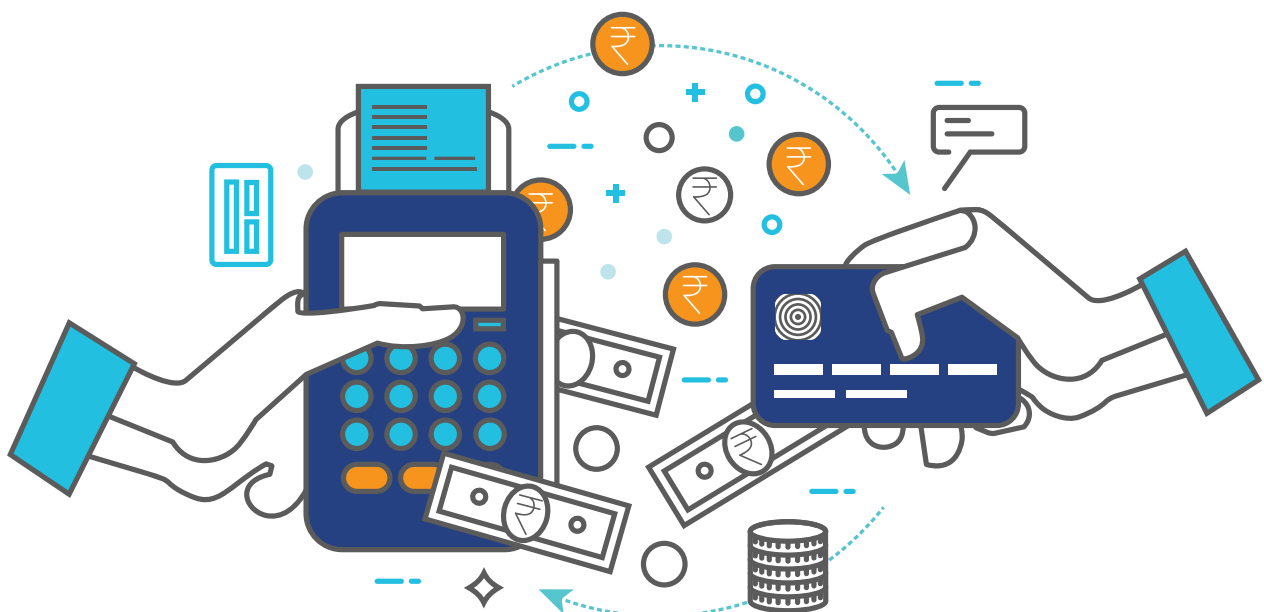
G2P payment facilitation and CICO have helped Indian agents to more than double their median daily transactions and revenues in two years



RBI has established clear guidelines for agreement on the cash limits, receipts, records, and responsibility of banks , and for BCs of payments banks



- The [Payments Banks](#) (PB) can also appoint BCs for their financial activities. Such BCs can also perform Business Facilitation (BF) such as sourcing (but not approving) loans for other full commercial banks.
- PBs themselves can also function as BC for other banks. All the activities carried out at the BC point should be in line with the RBI [guidelines](#). It is important to note that in cases where a PB is acting as the BC for a bank, the BC engaged by the PB shall not open deposit accounts for the partner bank for whom the PB acts as the BC or undertake KYC documentation for that bank.





Agent viability and remuneration structure

The agent remuneration system varies depending on the type of BCs

1

Individual BCs and corporate BCs have different compensation structures

2

All BCs have a fixed component (salary), a variable component based on the number of transactions, and a product-specific component

3

[Indian Banks' Association](#) (IBA), [RBI](#), [NPCI](#), [BCFI](#), and [TCS decided](#) that a minimum monthly remuneration of USD 71 (INR 5,000) should be given to all bank-appointed BCs

4

Banks may pay a reasonable commission or fee to the BC, the rate and quantum of which may be reviewed periodically

5 Some part of the variable remuneration could be deferred or clawed back in case services are determined to be deficient

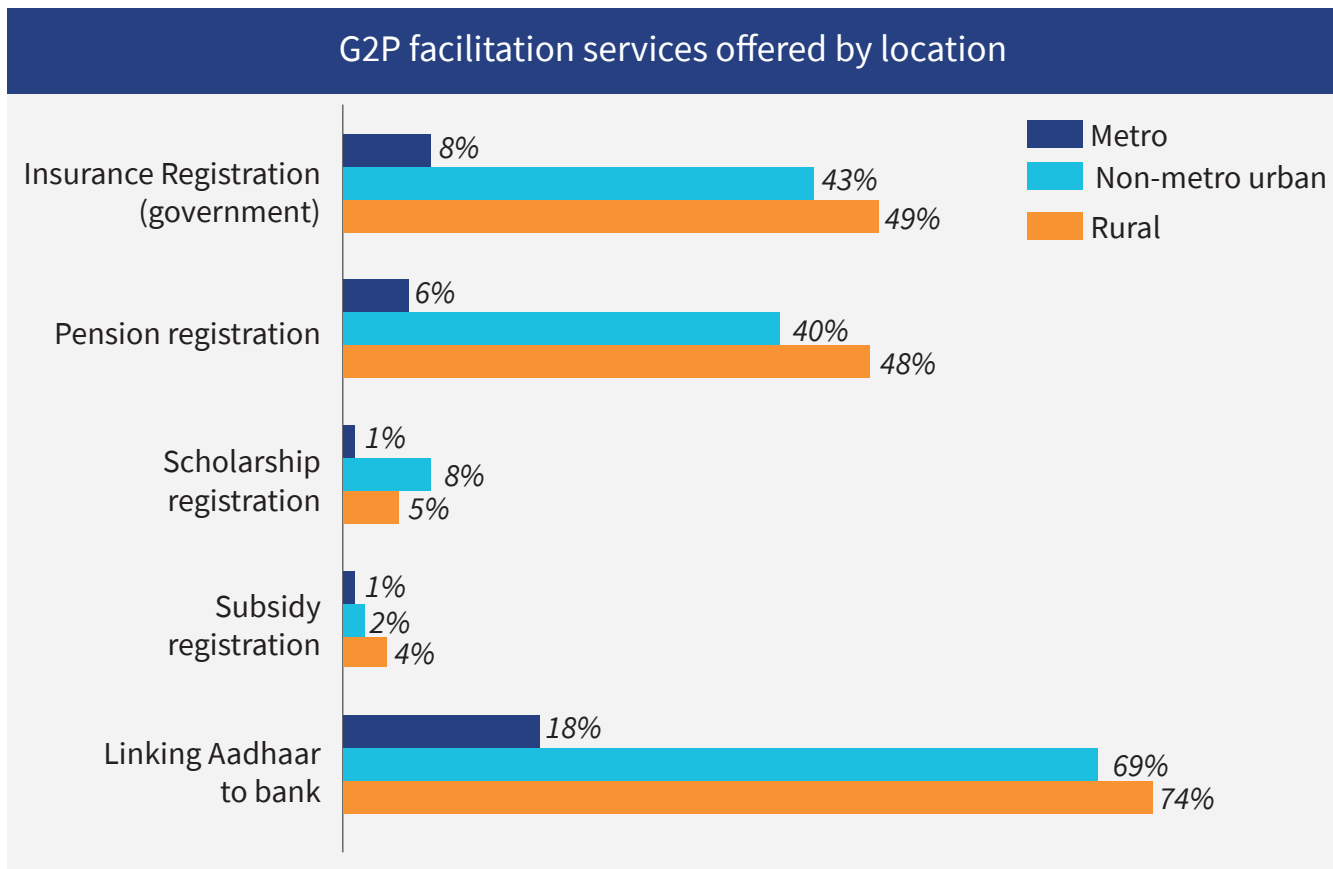
6 In the case of BCNM-appointed BCs, the commission is paid to the BCNM and BCs receive their share from this. The BC's share depends on the agreement between the BCNM and BC; the bank plays no role in determining this

7 Banks (and not BCs) are permitted to collect reasonable service charges from the customers in a transparent manner

8 For a few services, BCs are permitted to charge a small fee based on the agreement with the bank. Such fees should be clearly communicated to the customers through brochures or posters

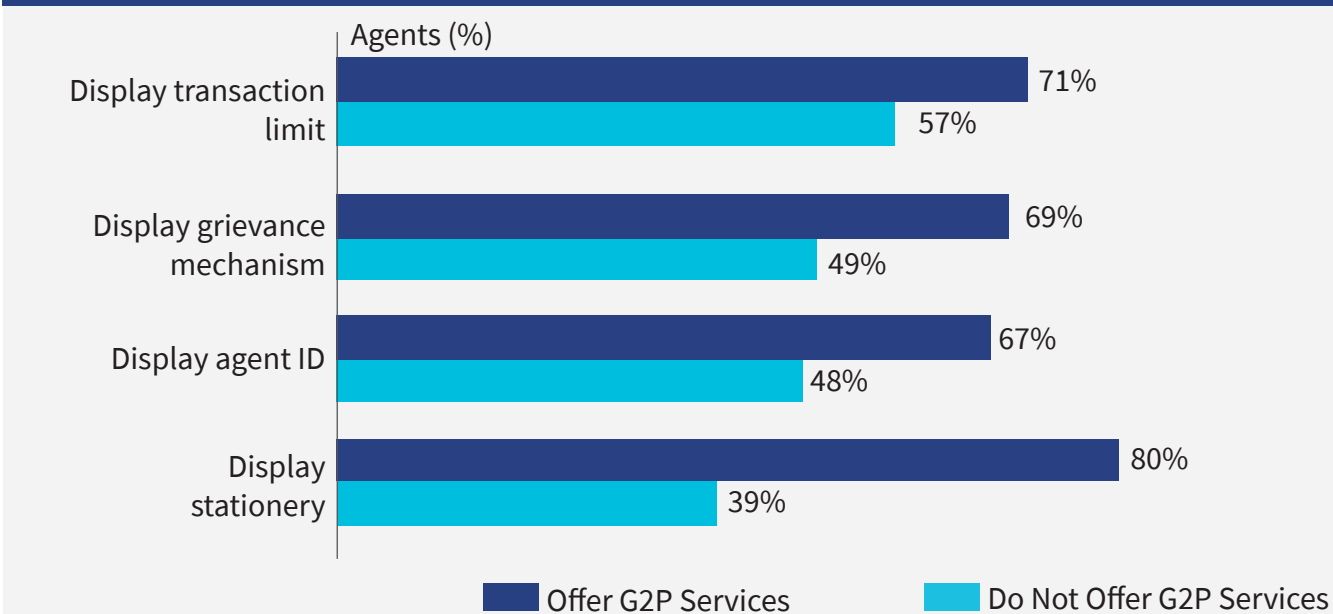


G2P facilitation is the major driver of transactions for rural and non-metro urban agents and has also helped improve compliance



- At the country-level, 69% of agents offer at least one of the government services.
- Close to four-fifths of agents in rural and non-metro urban areas offer a G2P service.

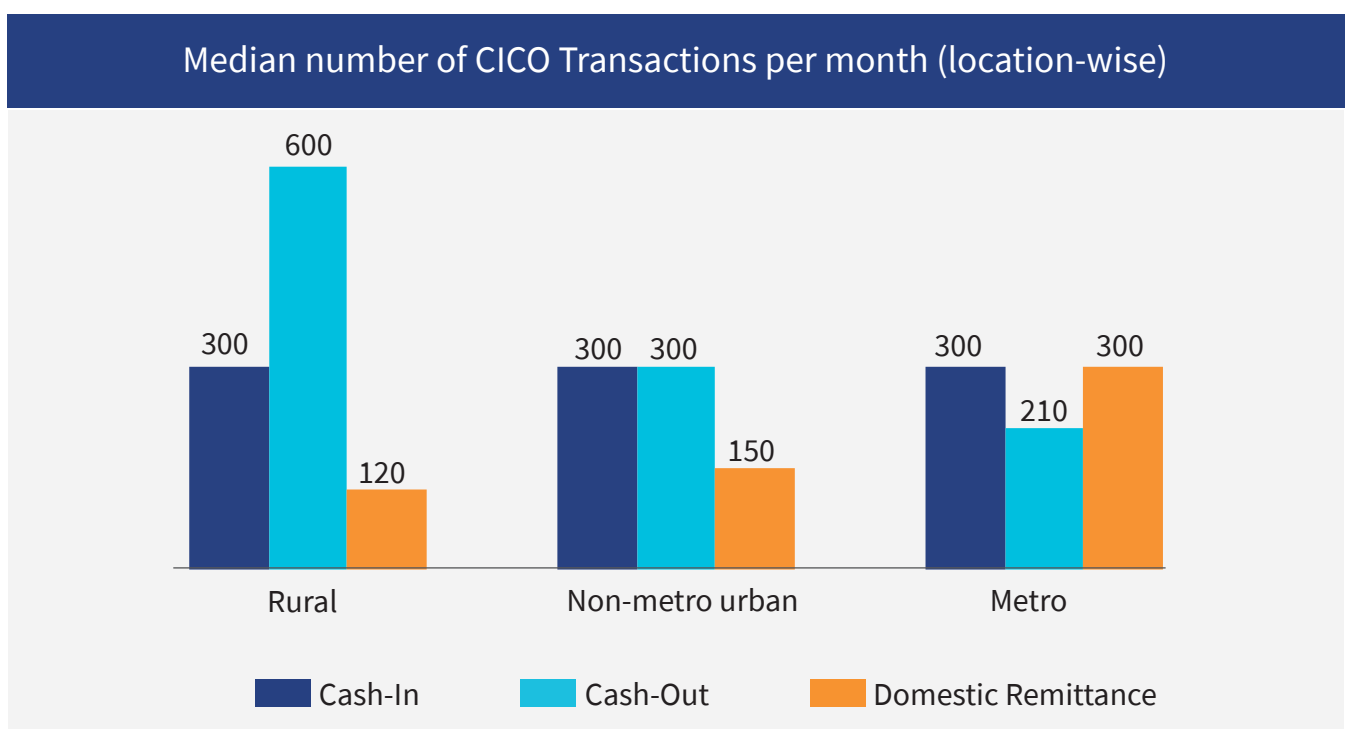
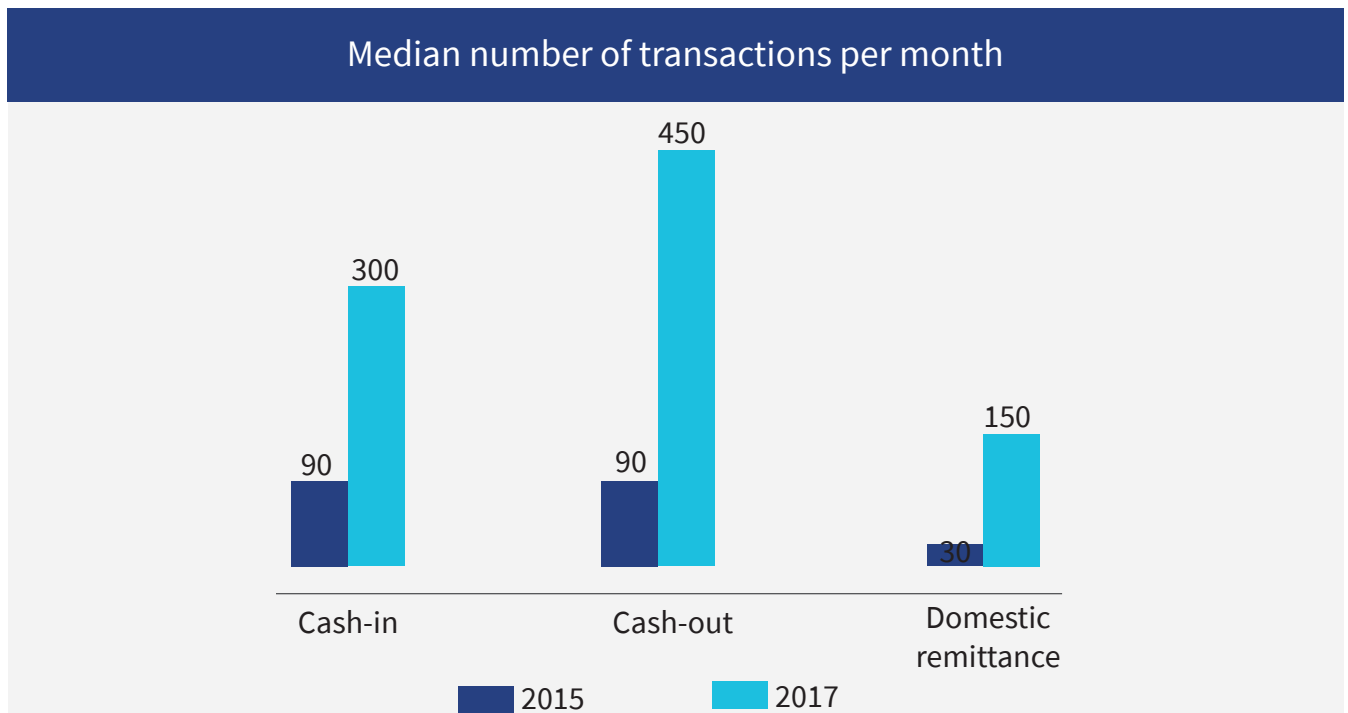
Compliance of agents offering G2P services against agents that do not offer G2P services



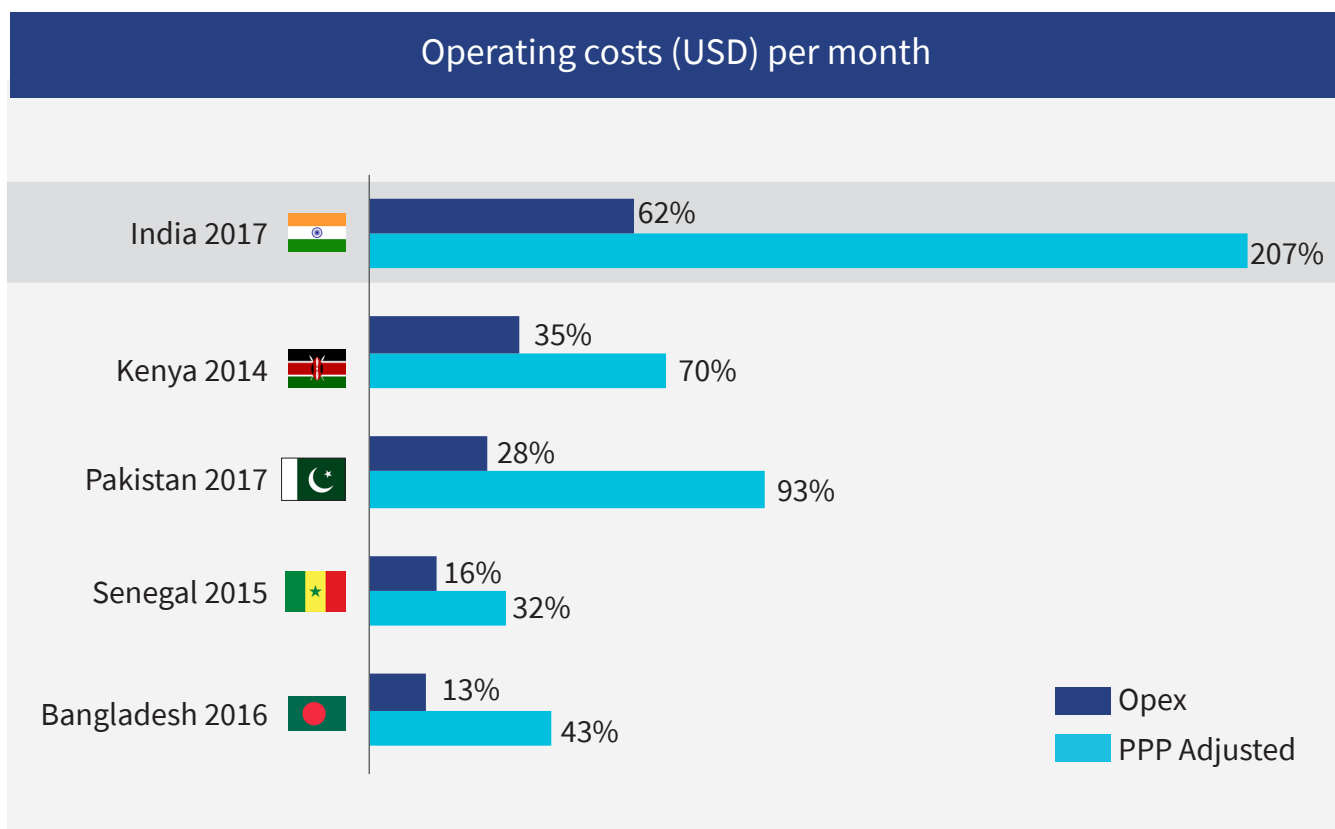
G2P agents are more compliant—a factor that has contributed to the increase in the number of transactions.

PMJDY accounts and DBT transactions for G2P programs drive transactions and customer activity, especially in rural areas

- Analysis of transactions at BC points in India, shows that cash-out transactions are the highest followed by cash-in transactions.
- This is especially in rural areas while urban areas have higher instances of cash-in and remittance transactions at the BC points.
- This reflects that urban to rural remittances and G2P payments remain the majority transactions, reflecting the nascent nature of agents' business in India.



High operating expenses are still a cause for concern for the Indian agents



Key contributors to high operating expenses are monthly rent, utility payments, and staff salaries, as well as the high cost of technology, such as computers or tablets and power back-up systems that agents are required to maintain. Yet, the crux of the issue lies with dedication. The agency business must be able to cover the operating expenses of dedicated agents; whereas agency is an additional line of business for non-dedicated agents, and thus represents a marginal cost.

Dedicated agents seem to have significantly high operating expenses in all geographies. Also, 36% of dedicated agents realize losses compared to just 21% of non-dedicated agents.

For Indian and similar markets, providers might try the concept of service and sales agents. In this model, sales agents offer a full range of services including new registrations and non-financial services, while service agents offer CICO services alone.



Training and capacity-building of agents

Agent training has been institutionalized to ensure effective capacity-building

1

Banks are responsible for proper training and capacity-building of all the agents hired by them. In the case of corporate BCs, the BCNM is responsible for the training sessions with the bank's support.

2

The nearest bank branch to which the BC is attached also plays an important role in capacity-building of the BCs.

To strengthen the capacity-building of BCs

1

The Indian Institute of Banking and Finance (IIBF) offers a [certification course](#) for BCs. The current regulation makes it mandatory for all BCs (existing and new) to get the certification, but progress is slow and RBI keeps extending its deadline. BCNMs are not clear why certification is necessary or adds value. An informed, open discussion amongst all the stakeholders might make the certification process and idea more efficient.

2

NABARD advised banks that the [Financial Inclusion Fund](#) will help successful candidates meet a portion of their setup cost to start BC services.

3

[e-Paathshala](#) is another initiative that comprises an innovative and transformative library of financial literacy digital assets created for capacity-building of Bank *Mitrs*, bank officials, and customers.

4

The [Business Correspondent Federation of India](#) (BCFI) offers the [Agent Business Correspondent – Training, Certification and Registration](#) on-line platform developed by [MSC](#).

To strengthen the BC model, a two-tier program started in March 2019

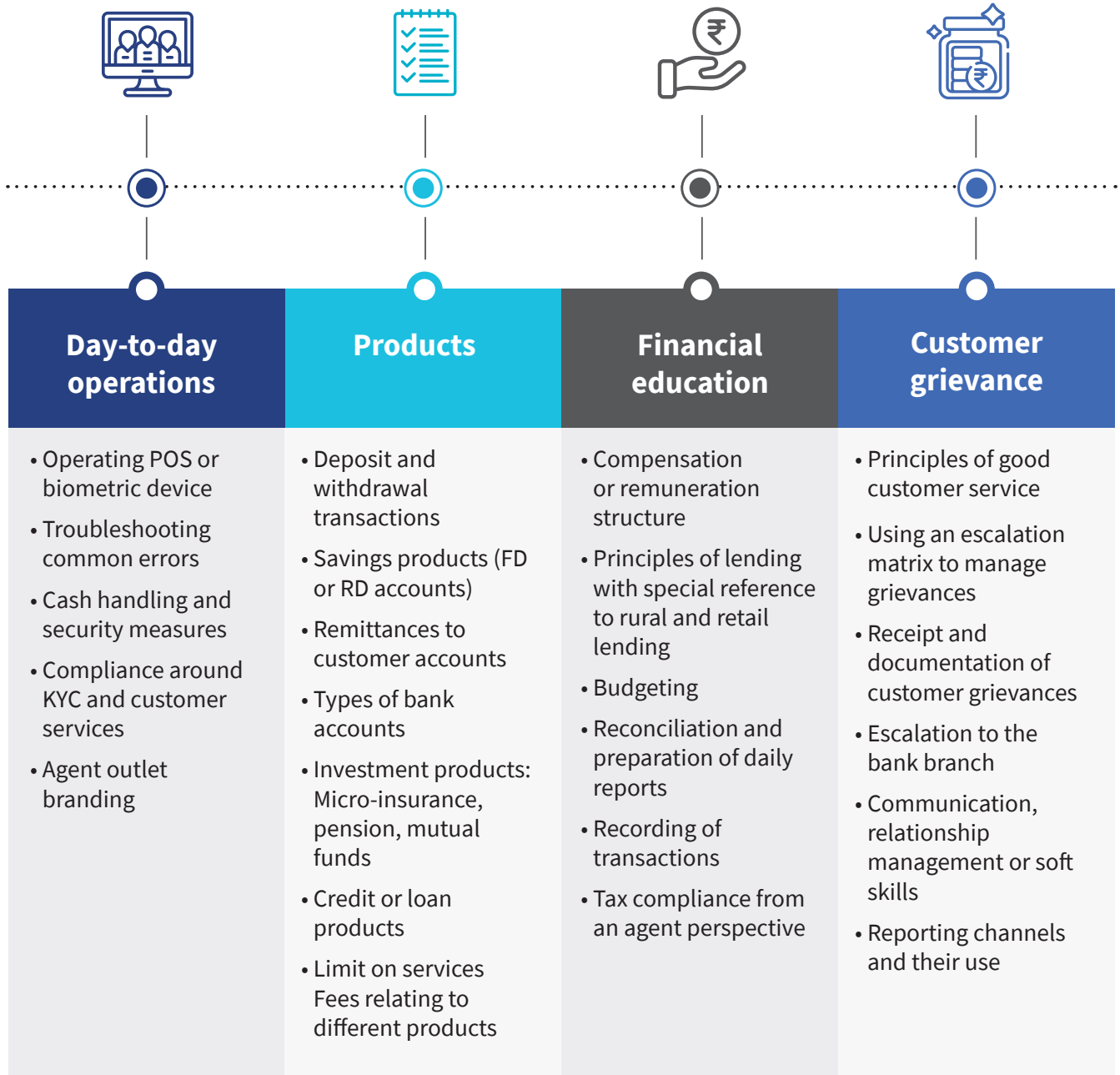
The objectives of this initiative are:

- To train a group of motivated trainers who will take the responsibility of training their field level functionaries who deal with the BCs,
- To create a professional BC workforce to cater to the needs of people beyond the traditional financial products, and
- To provide a forum to share best practices on BC framework and possible convergence across banks and apprise them of potential opportunities and risks with rapid expansion of BC network

The program works in different levels for easy and efficient implementation:

- Tier 1 “Train the Trainers”: Senior staff of banks are sensitized at the [College of Agricultural Banking](#) (CAB), Pune.
- Tier 2 “Skill Upgradation for Performance of Resources – BCs (SUPER-B)”: delivered by Tier 1 graduates involves a one-day sensitization workshop for bank branch managers (with special focus on rural bank branches).
- Finally, Bank managers being trained under Tier 2 are expected to sensitize and handhold the BCs attached to their branches.

Banks or BCNMs are responsible for ensuring BCS operate efficiently in the field



Challenges faced by agent networks and agents



Agent sustainability and density remain causes of concern

Commissions paid for G2P payments (DBT transactions) are extremely low at 1%. Instead, an [adequate commission](#) would be 3%.

Agents in India earn far less than their counterparts in other countries in Asia and Africa. Worryingly, even though agent profitability in India has doubled in the past two years, about [one-third of agents continue to make losses](#).

The presence of an active agent network depends solely on [healthy transactional agent economics](#). It is understandable that agents who do not reach a critical mass of customers become dormant or leave the agency business.

Service [downtime continues to rise](#), causing dissatisfaction among agents and customers. The average downtime duration was one hour and 20 minutes per day.

Although monitoring visits [help to increase transactions](#), regular monthly monitoring of agents is deteriorating, which has resulted in a lack of compliance.

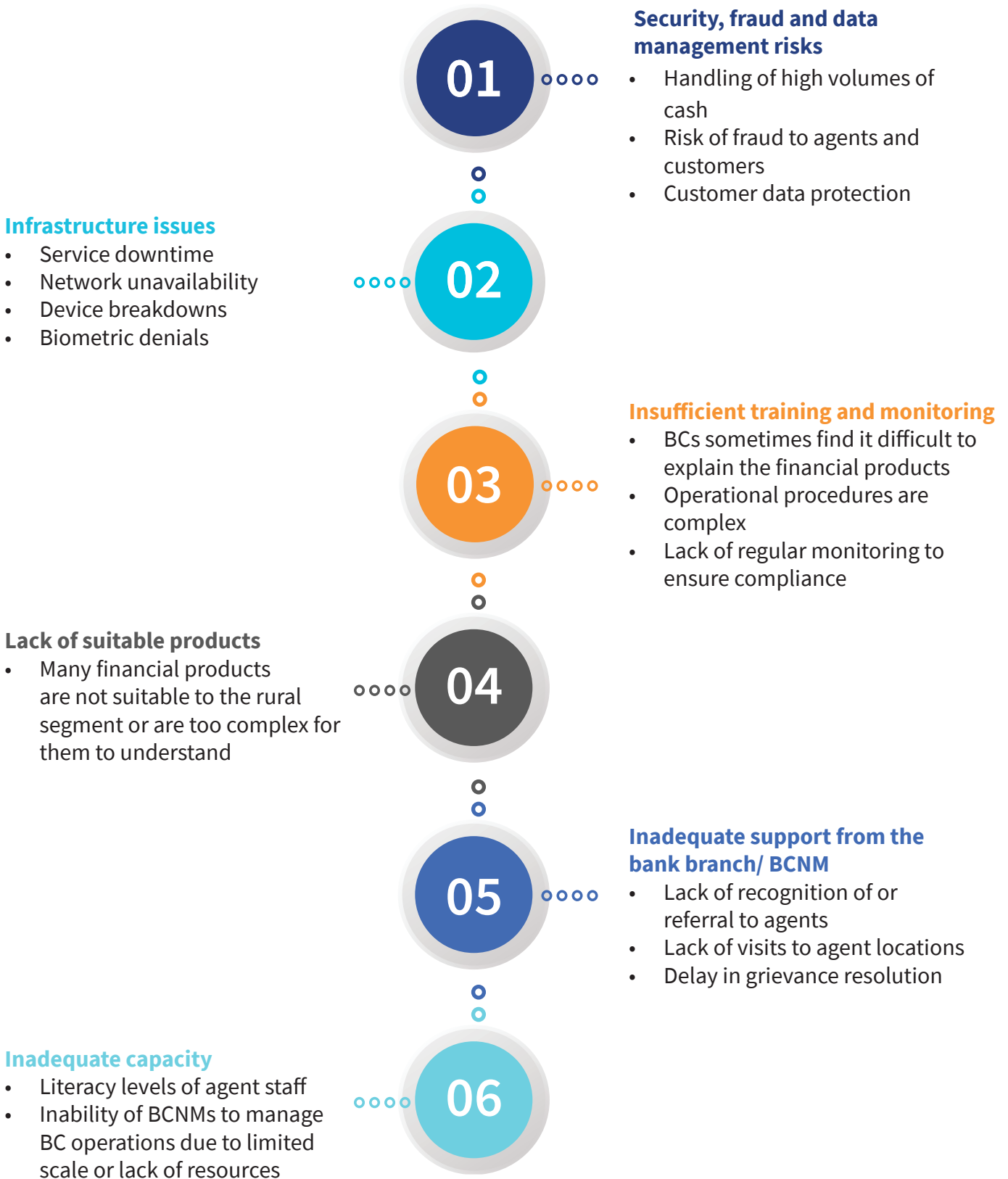
Inadequate [“financial access points”](#) in India, especially agents, continue to be a challenge for low-income segments—both in terms of numbers and geospatial distribution.

Limited physical infrastructure, limited transport facility, inadequately trained staff etc. create a barrier to the customer while accessing financial services, and leads to loss of business for agents as well

The protracted and complicated procedures act as a deterrent while on-boarding customers for any financial product. This difficulty is further increased when the products are not easy to understand, and do not meet the requirements of the customers such as those receiving erratic and uncertain cash flows from their occupation. This makes it difficult for the BCs to sell the products and increase business

BCs face various other challenges that affect financial inclusion

Operational and technical challenges



[Business Correspondents and Facilitators - Pathway to Financial Inclusion?, Inclusive Finance India](#)
[PMJDY wave III assessment, MSC](#)
[Indian DFS landscape is changing: Insights from State of the Agent Network India, 2017 \(ANA\) Wave II Research, MS](#)

Female BC agents have added challenges, though they do help ensure that more women are financially included and use their bank accounts actively

[The Financial Inclusion Insights Wave IV India](#) report reveals a significant gender gap in terms of access to formal financial services. In 2016, 33% of women had active bank accounts as compared to 47% of men, but advanced active* usage was seen in only 6% and 10% accounts for women and men respectively.

Female agents in India perform at par with male agents in terms of running the business, especially in rural areas. Still, they face various challenges.

- They do not receive similar levels of support from providers in terms of cash or e-money delivery, and training sessions.
- They find it difficult to establish a good rapport with the staff of service providers, who are mostly male.
- They find it challenging to handle difficult customers, particularly men.

Some steps that could increase participation from women agents:

- Parity in terms of onboarding efforts, monitoring, and support offered to male and female agents.
- Training the service providers' male staff on soft skills as it pertains to gender sensitivity.
- Utilizing the SHG model to get more women agents onboarded in the village.

Women agents in India:

- Have acquired 51% of the women customer base
- Enjoy a presence of 71% in rural areas, of which 65% are dedicated solely to agency banking services
- Conduct 37 median number of transactions against 31 for male agents
- Earn a median revenue of USD 78 against the median revenue of USD 93 for male agents
- Bring in a median profit of USD 23 against a profit of USD 34 for male agents

*Accounts using advanced features such as bill pay, buy airtime, save or set aside money, pay for goods or groceries, loan activity, etc.



Way forward

‘New Age BCNMs’ leveraging technology and enabling BC centric operations are emerging in India and scaling up in an efficient manner

The advent of interoperable platforms like [Aadhaar enabled Payment System](#) (AePS) and [Immediate Payment System](#) (IMPS) by National Payment Corporation of India (NPCI) has levelled the playing field for BCNMs by creating a back-end digital public infrastructure. A few BCNMs and banks have leveraged this infrastructure leading to a stiffer competition and the rise to players who are able to scale rapidly with more efficient processes and lower costs.

As a result, the BC landscape of India has observed an emergence of a new class of BCNMs (**New Age BCNMs**) which can leverage these changes and use technology to reach scale in a very efficient manner.

Some of the features which differentiate these New Age BCNMs are:

Agile agent on-boarding – scaling the BC recruitment process using a network of well-incentivized distributors and leveraging technology to ensure compliance and efficiency in the on boarding process.



Sharper product focus - focused on high frequency products like cash-in cash-out (CICO) and money transfer, leveraging NPCI’s interoperable platforms (AePS and IMPS). Also, adding a range of non-banking services like Bharat Bill Pay System, ticketing, etc. to augment the income of BCs.



BC centric operations – simple and user friendly applications, digital training methods to allow non-dedicated agents to be trained without hindering their existing business, a higher standard of support in solving BC grievances.



Redefining BC agent economics – using low cost and non-dedicated business model for BCs by reducing the entry barrier for prospective agents through low capex leading to faster breakeven, and augmenting their existing business and income.





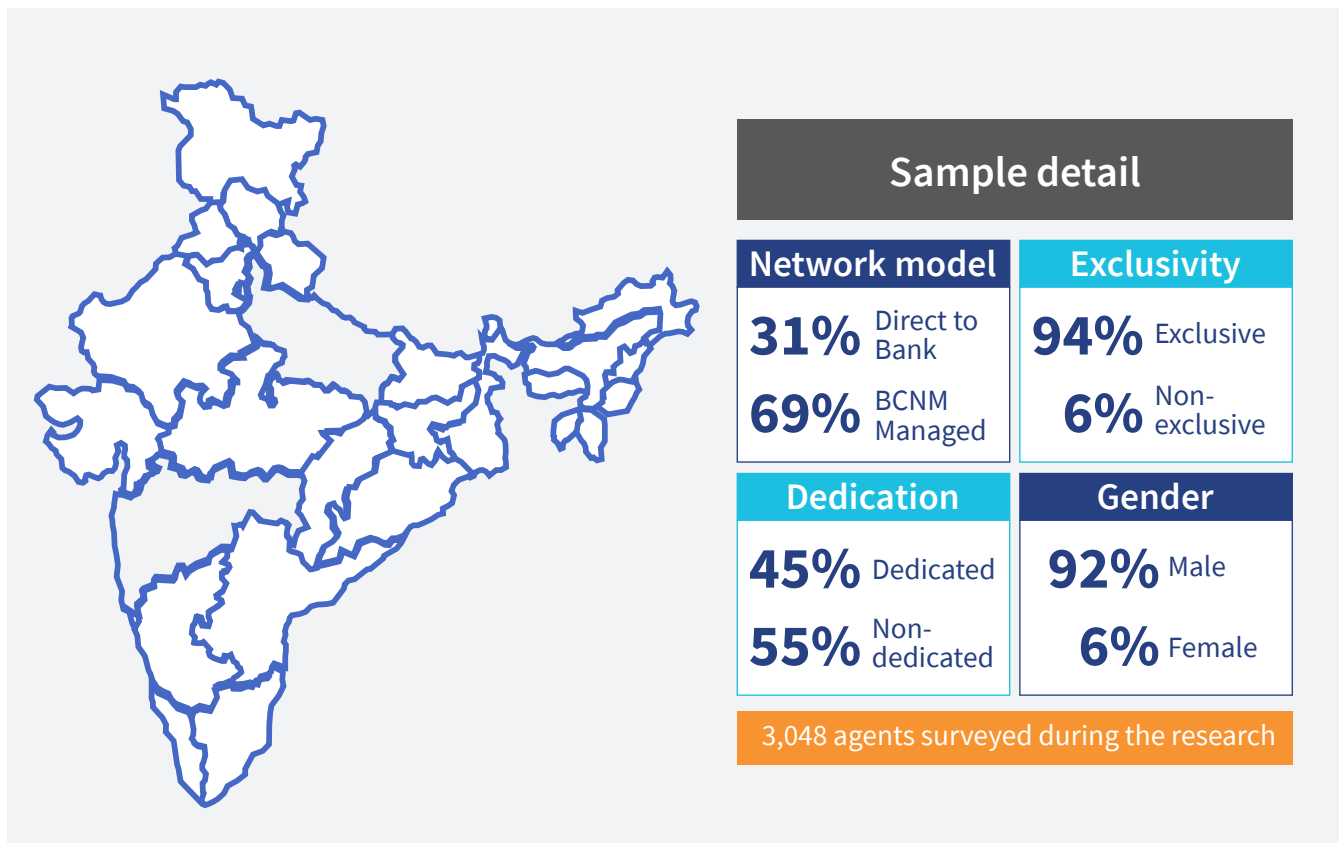
Annexures

A brief overview of ANA India conducted by MSC in 2017

[Agent Network Accelerator](#) (ANA) was a four-year research project on Agent network models conducted by MSC in 11 focus countries with the financial support of the Bill & Melinda Gates Foundation and the United Nations Capital Development Fund (UNCDF), with the objective of understanding agent models employed in different jurisdictions.

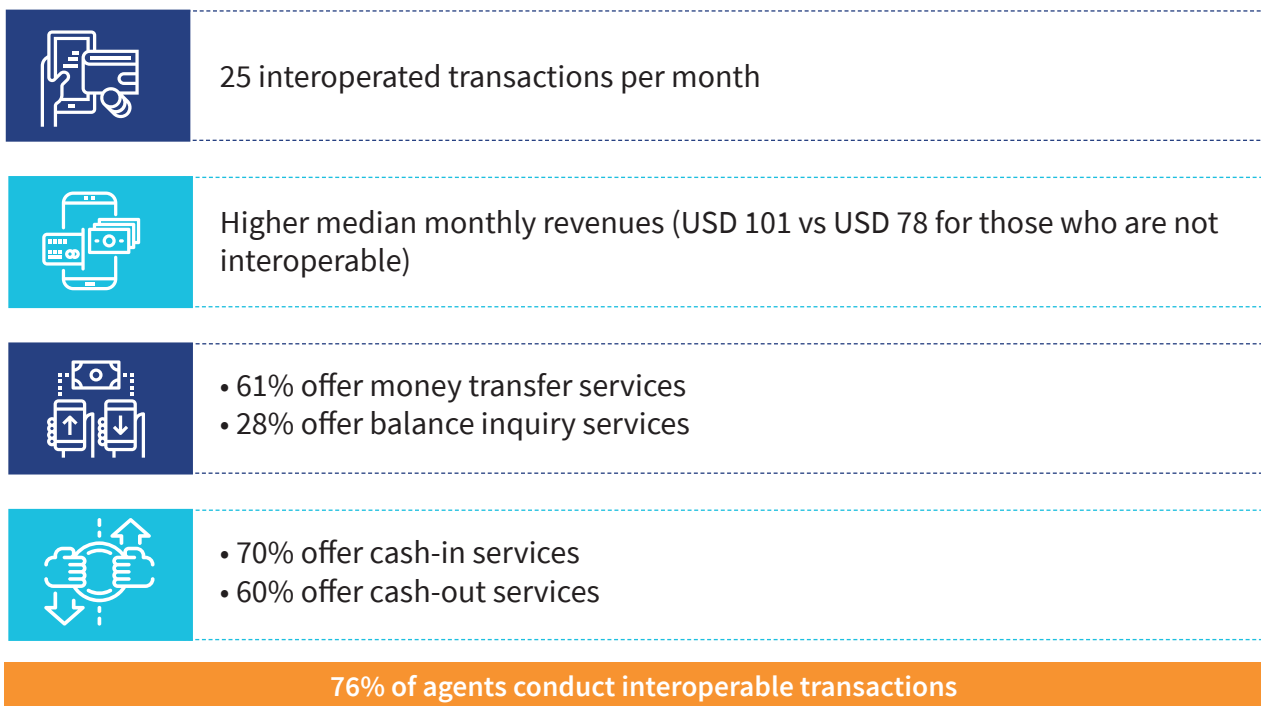
Key findings on [Agent networks in India](#)

<p>1</p> <p>New players, such as payments banks and common service centers, have emerged as banks consolidate agent management and focus on refresher training.</p>	<p>2</p> <p>Transactions, revenues, and profitability have increased as a result of use-cases provided by banking services and G2P payments.</p>	<p>3</p> <p>Agent recruitment has reduced, as providers increasingly look to enhance existing operations.</p>
<p>4</p> <p>High operating costs and agent dedication have an impact on profitability.</p>	<p>5</p> <p>Increased instances of fraud is an area of concern.</p>	<p>6</p> <p>Policy moves of interoperability and payment banks are reshaping the market.</p>



In India, interoperability has led to higher revenues for agents though fraud is still a major concern

Agent interoperability in India



Fraud and theft

USD 115 is the median amount of loss per agent due to fraud in 2017

Reporting of fraud

42%
did not report

32%
reported to provider

30%
reported to BCNM

Most common frauds reported

14%
Fake or demonetized
currency notes

9%
Unauthorized reversal
of transactions

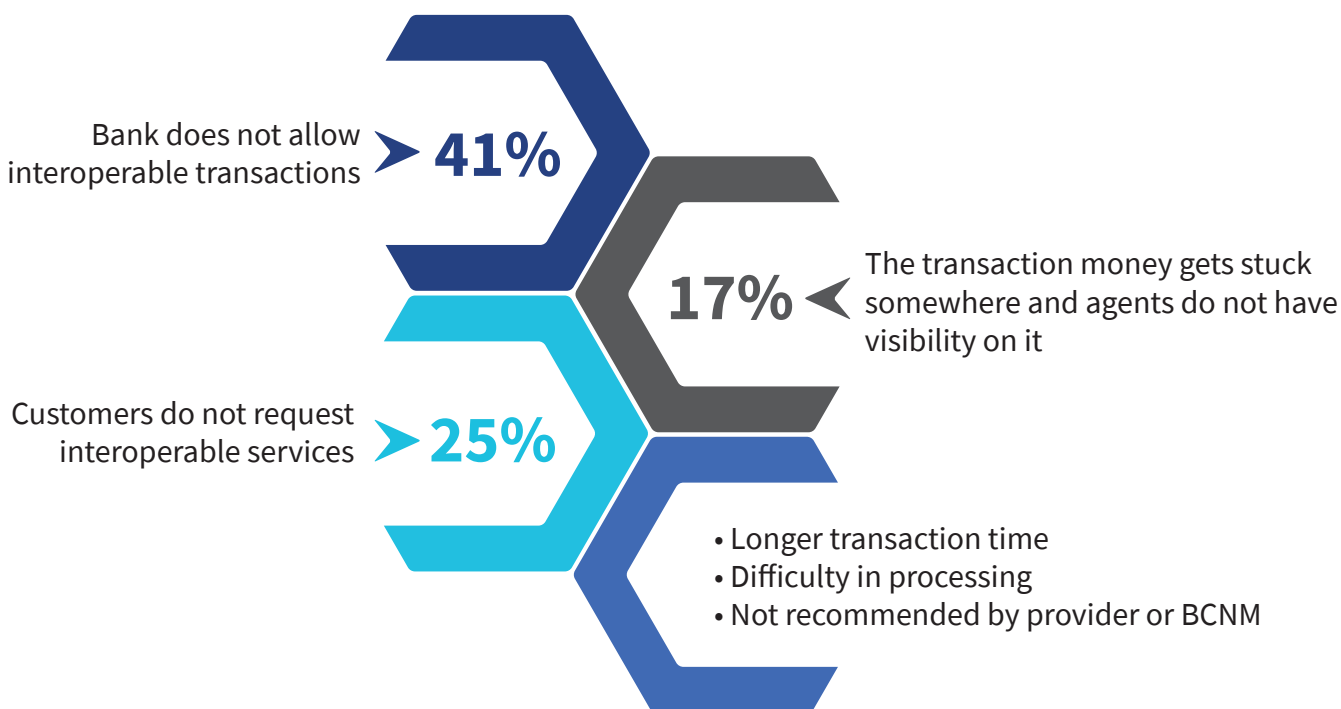
6%
Higher than actual amount
deposited for customers

Emerging compliance concerns

35%
Agents entering the PIN on
behalf of customers

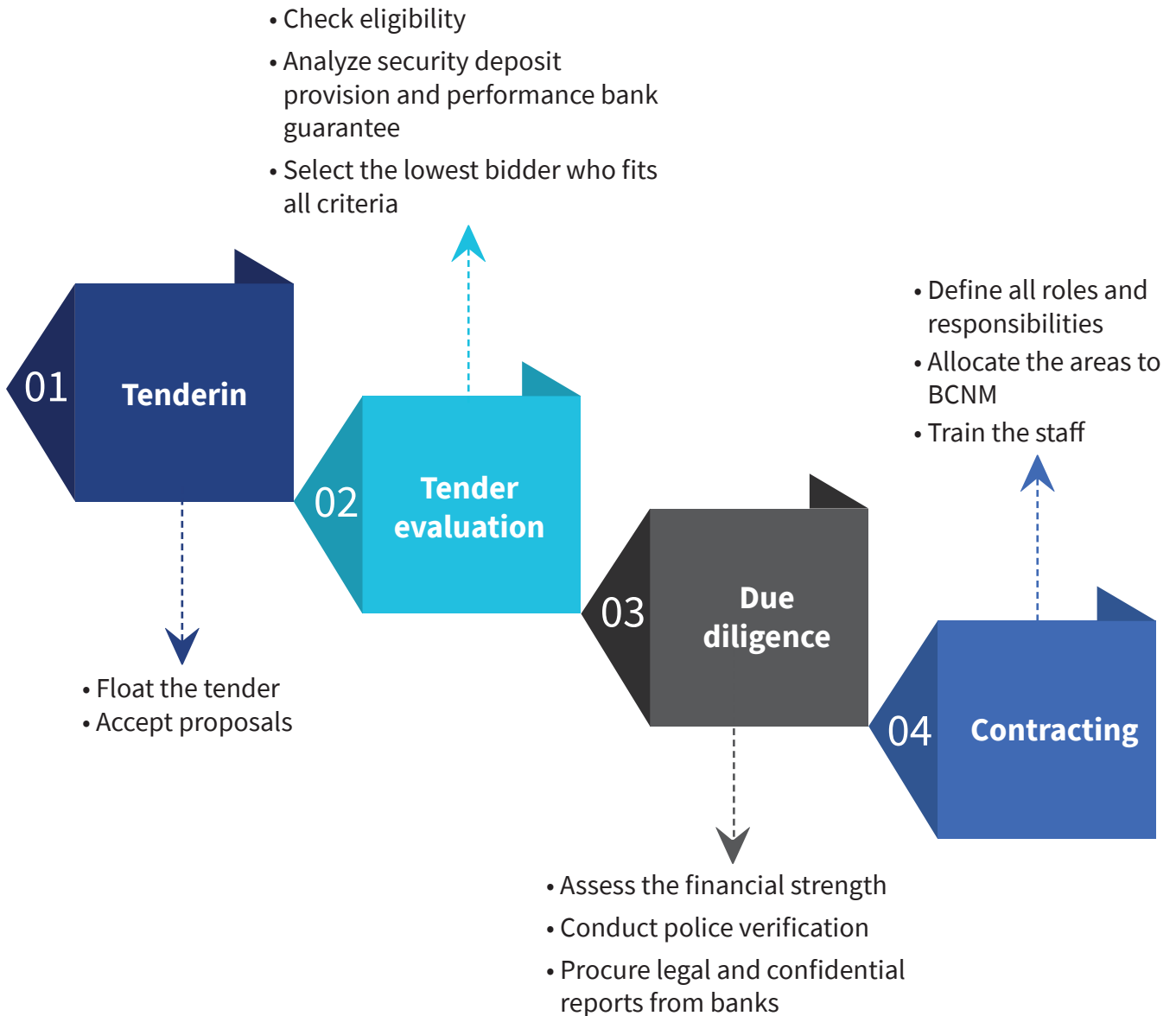
24%
Manually prepared transaction
slips by agents

Reasons for agent non-compliance with interoperability



BCNMs or corporate BCs are the intermediaries appointed by banks to recruit and manage BC agents

Procedure to appoint a BCNM, an example from Central Bank of India



Scheduled commercial banks, including Regional Rural Banks* (RRBs) and Local Area Banks** (LABs), are allowed to appoint BCNMs or corporate BCs, subject to compliance with specific guidelines.

*RRBs are Indian scheduled banks that operate at a regional level created to serve primarily the rural areas with basic banking and financial services.

**LABs are small private banks that provide financial intermediation services in rural and semi-urban areas, comprising three contiguous districts.

In October 2019, RBI released [India's National Strategy for Financial Inclusion \(NSFI\)](#) which highlighted the need of strengthening of banking agents

- Plan to provide a robust and efficient digital network infrastructure to all financial service outlets/ touch points for seamless delivery of the financial services. This will ensure better infrastructure at BC points as well as increase in adoption of BCs as choice of channel for financial transactions.
- Banks need to address various BC issues in a timely manner to ensure smooth functioning of the BC network. Some of such issues are remuneration to the BCs, need for furnishing cash-based collaterals, cash management issues, and lack of insurance for cash in transit.
- Initiate measures for capacity building of the BCs by encouraging and incentivizing them to acquire requisite certifications and enabling them to deliver a wide range of financial products.
- Financial literacy amongst customers will help BCs in their business as well. Concerted efforts are needed to ensure coordination among the ground level functionaries viz. Lead District Manager (LDM), District Development Manager (DDM) of NABARD, Lead District Officer (LDO) of RBI, District and Local administration, Block level officials, NGOs, SHGs, BCs, Farmers' Clubs, Panchayats, Primary Agricultural Credit Society (PACS), village level functionaries etc. while conducting financial literacy programs.



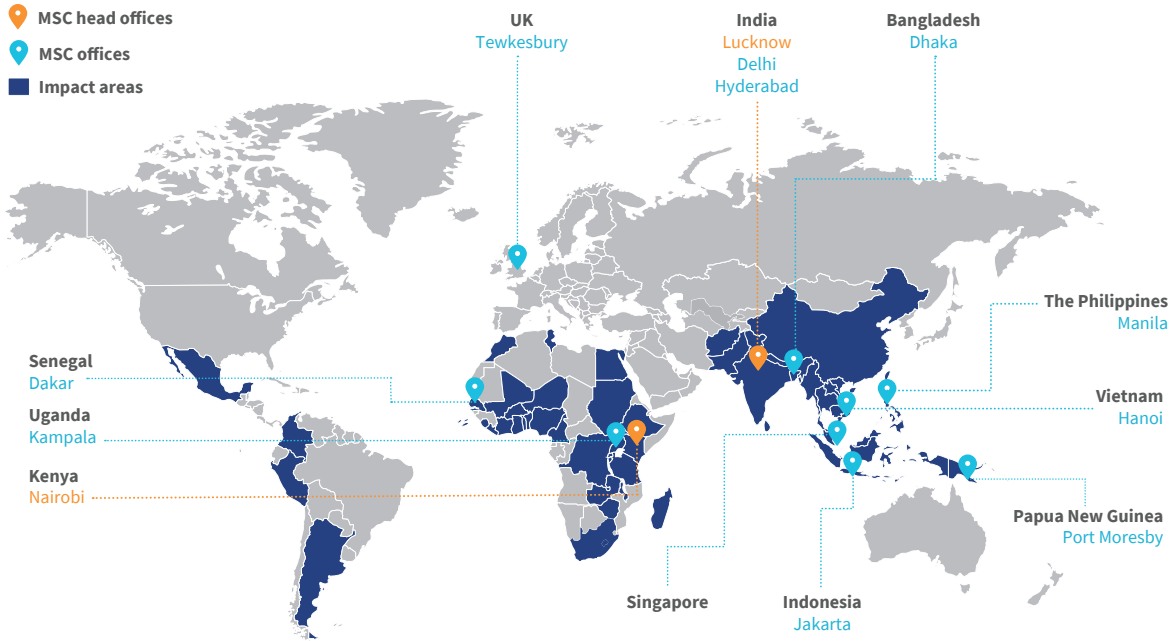
The [National Strategy for Financial Inclusion](#) also focused on other areas to strengthen the overall Financial Inclusion in the country

Key highlights of the strategy are:

Universal access to financial services	Every village to have access to a formal financial service provider within a reasonable distance of 5 KM radius. The customers may be on boarded through an easy and hassle-free digital process and processes should be geared towards a less-paper ecosystem.
Providing basic bouquet of financial services	Every adult who is willing and eligible needs to be provided with a basic bouquet of financial services that include a Basic Savings Bank Deposit Account, credit, a micro life and non-life insurance product, a pension product and a suitable investment product.
Access to livelihood and skill development	New entrants to the financial system, if eligible and willing to undergo any livelihood/ skill development program, may be given relevant information about ongoing livelihood programmes of the government thus helping them to augment their skills and engage in meaningful economic activity to improve income generation.
Financial literacy and education	Easy to understand financial literacy modules, with specific target audience orientation (such as children, young adults, women, new workers/ entrepreneurs, family person, about to retire, retired, among others), in the forms of audio-video/ booklets shall be made available for understanding the product and processes involved. It is also expected that these modules would help the new entrants.
Customer protection and grievance redressal	Customers must be made aware of the recourses available for resolution of their grievances. About storing and sharing of customer's biometric and demographic data, adequate safeguards need to be ensured to protect the customer's Right to Privacy.
Effective coordination	There needs to be a focused and continuous coordination between the key stakeholders viz. government, the regulators, financial service providers, telecom service regulator, skills training institutes etc. to make sure that the customers are able to use the services in a sustained manner. The focus shall be to consolidate gains from previous efforts through focus on improvement of quality of service of last mile delivery viz., capacity building of Business Correspondents, creating payments system ecosystems at village levels to deepen the culture of digital finance leading to ease of use and delivery.

Abbreviations

ANA	Agent Network Accelerator
BC	Business Correspondents
BF	Business Facilitator
BM	Bank <i>Mitr</i>
BCNM	Business Correspondent Network Managers
BCFI	Business Correspondent Federation of India
CICO	Cash-in/ cash-out
CSC	Common Service Centers
DBT	Direct Benefit Transfers
EBT	Electronic Benefit Transfers
FD	Fixed Deposit
FLCC	Financial Literacy and Credit Counseling
G2P	Government-to-Person
IBA	Indian Banking Association
IVR	Interactive Voice Response
KYC	Know Your Customer
NPCI	National Payments Corporation of India
PMJDY	<i>Pradhan Mantri Jan Dhan Yojana</i>
PNB	Punjab National Bank
PoS	Point of Sale
RD	Recurring Deposit
RBI	Reserve Bank of India
SHG	Self-Help Group
SBI	State Bank of India
TCS	Tata Consultancy Services
USD	United States Dollar



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