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**CENTRAL BANK OF NIGERIA**

**Press Release**

## **CBN Slashes Bank Charges, Protects Customers in Revised Guidelines**

The Central Bank of Nigeria (CBN) on December 20, 2019 released two (2) regulatory guidelines- a revised Guide to Charges by Banks, other financial and non bank financial institutions, to replace the one issued in May 2017, and Consumer Protection Regulations to implement the principles prescribed in the Consumer Protection Framework issued in November 2016.

The revision of the Guide to Charges and strengthening of the Consumer Protection Regulation was necessitated by continued evolution in the financial industry over the past few years, which has spurred innovation and the introduction of new products, channels and/or participants. These developments have made it imperative for continued vigilance by the regulatory authorities to ensure the protection of consumer rights as more individuals are financially included whilst encouraging market forces to increasingly drive pricing for financial products.

These innovations supported by a sound regulatory framework have indeed transformed the Nigerian financial landscape over the past decade which has driven financial inclusion (according to EFINA, financial inclusion increased to 63.2% as at December 2018 from 60.3% in December 2012) and the increased use of electronic payments across several channels by bank customers. Data from the Nigeria Inter Bank Settlement System (NIBSS) shows that PoS transactions increased by 4,692% between 2012 and 2018 from N48.46 billion to N2.3 trillion while electronic transfers increased by 1,967% from N3.8 trillion to N80.42 trillion. Paper based cheque transactions declined by 32% from N7.48bn to N5.03bn.

Similarly, statistics from NIBSS on electronic transfers from June to November 2019 show that number of transfers below N10,000 accounted for 61% of the number of electronic transfer transactions. This is a confirmation that that the reduction of the charges for micropayments has huge potential for financial inclusion.

The revised Guide to Charges is thus yet another move by the CBN to build an inclusive banking system that adequately caters for the needs of the banking public whilst preserving the financial sustainability of banks, other financial and non-bank financial institutions.

The Guide will incentivize stakeholders, especially those making micro payments, to further embrace electronic banking channels, thus improving financial inclusion. It will also reduce cost of banking services to customers to deepen access without much impact on bottom line of regulated institutions under the purview of the Bank.

Some of the changes introduced in the revised Guide include:

- A graduated fee scale for electronic transfers to replace the current flat fee of N50. Accordingly transfers below N5,000 will attract a maximum charge of N10; transfer from N5001 - N50,000 -N25; and transfers above N50,000- N50
- Card maintenance fee on current account has been removed as the accounts already attract account maintenance fee. Savings accounts will now attract card maintenance fee of N50 per quarter from N50 per month.
- Annual Card maintenance fee on FCY denominated cards is reduced to \$10 from \$20.
- Remote on us ATM charges are reduced to N35 after third withdrawal within a month from N65
- The charge for hardware token will on cost recovery basis subject to a maximum of N2,500 from previous maximum charge of N3,500
- Fee for SMS mandatory alert will be on cost recovery from previous maximum charge of N4.
- Bill payment via e-channels will attract a maximum charge of N500 from 0.75% of transaction value subject to maximum of N1,200.
- A new section on Accountabilities/Responsibilities and Sanctions regime to address instances of excess, unapproved and/or arbitrary charges.

Similarly, the Consumer Protection Regulations which are being released by the CBN along side the revised Guide to Charges provides clarity on roles and responsibilities of all participants in the industry. It sets our minimum standards on fair treatment of consumers, disclosure and transparency, business conduct, complaint handling and redress in order to protect the rights of consumers,

hold banks, other financial and non-bank financial institutions accountable and preserve trust in the entire financial system.

A handwritten signature in black ink, appearing to read 'Isaac Okorafor', with a large, stylized initial 'A' on the left side.

**Isaac Okorafor**  
Director, Corporate Communications

**December 20, 2019**