



FAIR FINANCE ASIA

EMPOWERING CONSUMERS AS PARTNERS IN SUSTAINABILITY: CASE STUDIES ON FINANCIAL REGULATION AND IMPLEMENTATION

JULY 2026

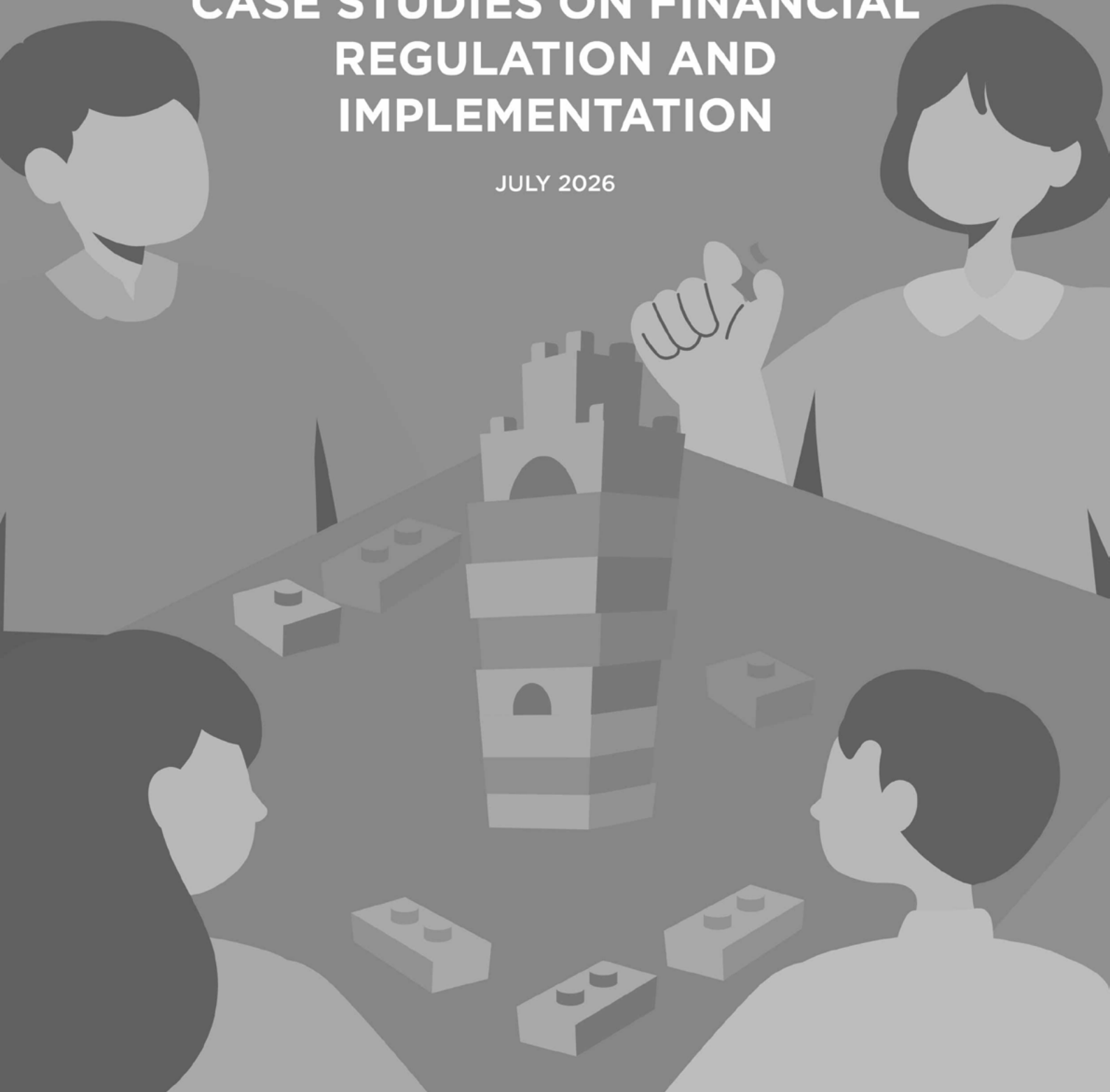




FAIR FINANCE ASIA

EMPOWERING CONSUMERS AS PARTNERS IN SUSTAINABILITY: CASE STUDIES ON FINANCIAL REGULATION AND IMPLEMENTATION

JULY 2026



About this report

This report was commissioned by Fair Finance Asia (FFA) and developed in partnership with Profundo. It documents the lived experiences of banking consumers and aims to provide actionable recommendations for regulators, banks, and consumer advocates to strengthen consumer engagement and promote effective accountability mechanisms.

This report considers data and documents published before April 2026.

This report is intended to provide data-driven evidence to contribute to the public debate on sustainable finance in Asia, with a focus on consumer empowerment.

For more information on this report, please contact: info@fairfinanceasia.org

About Fair Finance Asia

FFA is a regional network of Asian civil society organizations committed to ensuring that the business decisions and funding strategies of financial institutions in the region respect the social and environmental well-being of the communities in which they operate. Civil society coalitions from 10 countries are part of the FFA network: Bangladesh, Cambodia, India, Indonesia, Japan, Lao PDR, Pakistan, the Philippines, Thailand, and Vietnam. To learn more about FFA, visit: www.fairfinanceasia.org

About Profundo

With profound research and advice, Profundo aims to make a practical contribution to a sustainable world and social justice. Quality comes first, aiming at the needs of our clients. Thematically we focus on commodity chains, the financial sector, and corporate social responsibility. More

information on Profundo can be found at: www.profundo.nl

Research partnership

This report was researched and written by Juliette Laplane (Senior Policy Researcher, Profundo) and Chithira Rajeevan (Researcher, Profundo); Fair Finance Cambodia, with contributions from Sam Chanthy; ResponsiBank Indonesia, with contributions from TuK Indonesia; Fair Finance Pakistan; and Fair Finance Thailand, which also provided input for the case study on consumer cybersecurity risks in Thailand.

Correct citation of this document: Fair Finance Asia (2026, July), *Empowering Consumers as Partners in Sustainability: Case Studies on Financial Regulation and Implementation*.

Acknowledgments

This report was reviewed and finalized with strategic guidance and editorial reviews by Bernadette Victorio (Program Lead, FFA), Srishty Anand (Research and Advocacy Advisor, FFA), Shreya Kaushik (Research and Strategic Reporting Advisor, FFA), Kyle Cruz (Influencing and Campaigning Manager, FFA), and Geraldine Hoggang (Communications Officer, FFA).

FFA and Profundo acknowledge the collaboration and support of FFA national coalitions, Fair Finance Cambodia, ResponsiBank Indonesia, Fair Finance Pakistan, and Fair Finance Thailand.

FFA and Profundo would like to thank all contributors to this report, including the interview respondents, for their participation and insightful views. We would also like to thank members of the Thailand Consumer Council and representatives of the State Bank of

Pakistan for sharing their valuable insights and helping to inform this booklet of case studies.

In addition, FFA would like to thank Sandy Pederson of Seed Edit Communications for copy editing, and Hongti Mao and Saovory Nhel, Creative Art Consultants, for designing the report.

Front cover page: The cover was designed using graphic assets obtained from the Magnific website. The assets were used by the designers to create the cover design.

Disclaimer

This report is provided for informational purposes and is not to be read as providing endorsements, representations, or warranties of any kind whatsoever. Fair Finance Asia and Profundo observe the greatest possible care in collecting information and drafting publications but cannot guarantee that this report is complete. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

In connection with this report or any part thereof, Fair Finance Asia and Profundo do not owe a duty of care (whether in contract or in tort or under statute or otherwise) to any person or party to whom the report is circulated to and shall not be liable to any party who uses or relies on this report.

This material/production has been financed by the Embassy of Sweden in Bangkok, Thailand. Responsibility for the content rests entirely with the creator. The Embassy of Sweden in Bangkok does not necessarily share the expressed views and interpretations.

© Fair Finance Asia, July 2026: This publication is subject to copyright, but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured.

CONTENTS

ABBREVIATIONS.....	7
INTRODUCTION	9
1. BACKGROUND	10
1.1. Key findings of the consumer empowerment scorecard	11
1.2. Objectives, scope, and structure of this study	12
2. CONSUMER CYBERSECURITY RISK IN THAILAND	14
2.1. Key findings of the consumer empowerment scorecard	15
2.2. Case study: Online fraud and cybercrime in Thailand	15
2.3. Overview of the regulatory landscape.....	17
2.4. Identification of regulatory and implementation gaps	19
2.5. Conclusion and recommendations	20
3. EMPOWERING WOMEN ENTREPRENEURS IN PAKISTAN.....	22
3.1. Key findings of the consumer empowerment scorecard	23
3.2. Case study: Bridging the awareness gap in collateral-free lending for women-led MSMEs in Pakistan	23
3.3. Overview of the regulatory landscape.....	25
3.4. Identification of regulatory and implementation gaps	27
3.5. Conclusions and recommendations	28
4. CONSUMER ENGAGEMENT AND ACCOUNTABILITY MECHANISMS IN INDONESIA	31
4.1. Key findings of the consumer empowerment scorecard	32
4.2. Case study: Consumer accountability and environmental, social, and governance (ESG) failures in Bank Mandiri's financing of unsustainable palm oil	33
4.3. Overview of the regulatory landscape.....	37

4.4. Identification of regulatory and implementation gaps	40
4.5. Conclusion and recommendations	42
5. OVERINDEBTEDNESS IN CAMBODIA.....	44
5.1. Key findings of the consumer empowerment scorecard	45
5.2. Case study: Lived experiences of overindebtedness among ACLEDA Bank consumers in Cambodia.....	45
5.3. Overview of the regulatory landscape	49
5.4. Identification of regulatory and implementation gaps	52
5.5. Conclusions and recommendations	53
APPENDIX	55
ASSESSMENT CRITERIA USED IN THE CONSUMER EMPOWERMENT SCORECARD	56
REFERENCE	59

LIST OF TABLES

Table 1	Selected banks	11
Table 2	Focus themes and subtopics.....	13
Table 3	Characteristics of the interviewees	46
Table 4	Identified implementation gaps	52
Table 5	List of assessment criteria per theme	56

LIST OF FIGURES

Figure 1	Average policy assessment score per theme (/10).....	12
Figure 2	Average scores per country: Consumer protection (/10).....	15
Figure 3	Average scores per country: Financial inclusion (/10).....	23
Figure 4	Average scores per country: Consumer engagement and accountability mechanisms (/10)	32
Figure 5	Average scores per country: Consumer protection (/10).....	45

ABBREVIATIONS

AAL	Astra Agro Lestari
ABA	Advanced Bank of Asia
ABC	Association of Banks in Cambodia
AMLO	Anti-Money Laundering Office
ANA	PT Agro Nusa Abadi
BBL	Bangkok Bank
BCA	Bank Central Asia
BDO	Banco de Oro (BDO)
BNI	Bank Negara Indonesia
BoT	Bank of Thailand
BPI	Bank of the Philippine Islands (BPI)
BRI	Bank Rakyat Indonesia
CMA	Cambodia Microfinance Association
CSO	Civil Society Organization
E&S	Environmental and social
EC	Equitable Cambodia
ESG	Environmental, social, and governance
FCPC	Financial Consumer and Protection Centre
FFA	Fair Finance Asia
FFGI	Fair Finance Guide International
FFP	Fair Finance Pakistan
FoE	Friends of the Earth
HGU	Hak Guna Usaha (Right to cultivate land)
HRDD	Human Rights Due Diligence
HREDD	Human Rights and Environmental Due Diligence
IAI	Indonesian Institute of Accountants
IDR	Indonesia rupiah
IFRS	International Financial Reporting Standards

IMF	International Monetary Fund
IPK	Izin Pemanfaatan Kayu (Timber use permit)
ISSB	International Sustainability Standards Board
IUP	Izin Usaha Perkebunan (Plantation business permit)
KBank	Kasikornbank
KTB	Krungthai Bank
KYC	Know Your Customer
LICADHO	Cambodian League for the Promotion and Defense of Human Rights
MCB	Muslim Commercial Bank
MFI	Microfinance institution
MNE	Multinational enterprise
MSME	Micro-, small and medium enterprise
NADR	National Authority on Alternative Dispute Resolution
NBC	National Bank of Cambodia
NBP	National Bank of Pakistan
NCCP	National Committee on Consumer Protection
OECD	Organisation for Economic Co-operation and Development
OJK	Otoritas Jasa Keuangan
SBP	State Bank of Pakistan
SPK	Sustainability Disclosure Standards (Indonesia)
TCC	Thailand Consumers Council
THB	Thai baht
TuK	Transformasi untuk Keadilan (Transformation for Justice)
UBL	United Bank Limited
UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNGP	United Nations Guiding Principles

INTRODUCTION

In December 2024, Fair Finance Asia (FFA) published a scorecard assessing the extent to which selected Asian banks enable consumers to actively contribute to sustainability outcomes.

FFA's [scorecard](#), *Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector*,¹ benchmarked the policies of 15 banks across Cambodia, Indonesia, Pakistan, the Philippines, and Thailand in four key areas: financial inclusion, consumer protection, financial literacy and education, and engagement and accountability mechanisms.

The findings indicated significant weaknesses in consumer engagement and accountability mechanisms. To build on this research, FFA, in collaboration with national coalitions in Cambodia, Indonesia, Pakistan, and Thailand, and research partner Profundo, focused more heavily on consumer empowerment by documenting the lived experiences of banking consumers in these countries.

This report features four case studies that describe the current challenges faced by consumers and communities, each addressing a different country and topic covered in the scorecard:

financial inclusion, consumer protection, financial literacy, and transparency and accountability mechanisms. Each case study is complemented by a mapping and short analysis of existing regulations, whether soft or binding, relevant to the thematic area addressed. The mapping aims to identify relevant regulations and the extent to which enforcement mechanisms and monitoring systems are effectively supporting their implementation.

The report is structured into five chapters. Chapter 1 summarizes the main findings of the consumer empowerment scorecard and outlines the methodological approach used for the report. Chapters 2 through 5 focus on a specific country and an issue covered in the scorecard. Chapter 2 covers consumer protection against cybersecurity risks in Thailand, chapter 3 explores women's financial inclusion in Pakistan, chapter 4 examines a case of consumer engagement and accountability mechanisms in Indonesia, and chapter 5 features a case of overindebtedness in Cambodia. Each chapter closes with actionable recommendations for regulators and banks to strengthen consumer engagement and promote effective accountability mechanisms.



1

INTRODUCTION

In December 2024, FFA published a scorecard assessing the extent to which Asian banks enable consumers to actively contribute to sustainability outcomes. The findings indicate significant weaknesses in consumer engagement and accountability mechanisms. With this follow-up research, FFA focuses on four case studies documenting challenges facing consumers in Cambodia, Indonesia, Pakistan, and Thailand. This chapter summarizes the main findings of the scorecard and outlines the objectives and approach used for this report.

1.1. Key findings of the consumer empowerment scorecard

On December 4, 2024, FFA published [a scorecard²](#) assessing the extent to which Asian banks enable consumers to actively contribute to positive sustainability outcomes.

The methodology for this scorecard was based on the Fair Finance Guide International (FFGI) Methodology 2023³ and on guidance published in 2024 by the Principles for Responsible Banking (PRB) on “Driving Impact on Financial Health and Inclusion of Individuals and Businesses.”⁴ The methodology was also developed in line with best practices and a literature

review based on international standards.⁵ The full list of assessment criteria can be found in the Appendix.

FFA’s scorecard, *Empowering Consumers as Drivers of Sustainability in Asia’s Financial Sector*,⁶ benchmarked the policies of 15 banks across Cambodia, Indonesia, Pakistan, the Philippines, and Thailand (see Table 1) in four key areas: financial inclusion, consumer protection, financial literacy and education, and engagement and accountability mechanisms. The assessment for this scorecard was based on public information disclosed by the banks as of September 1, 2024.

Table 1 Selected banks

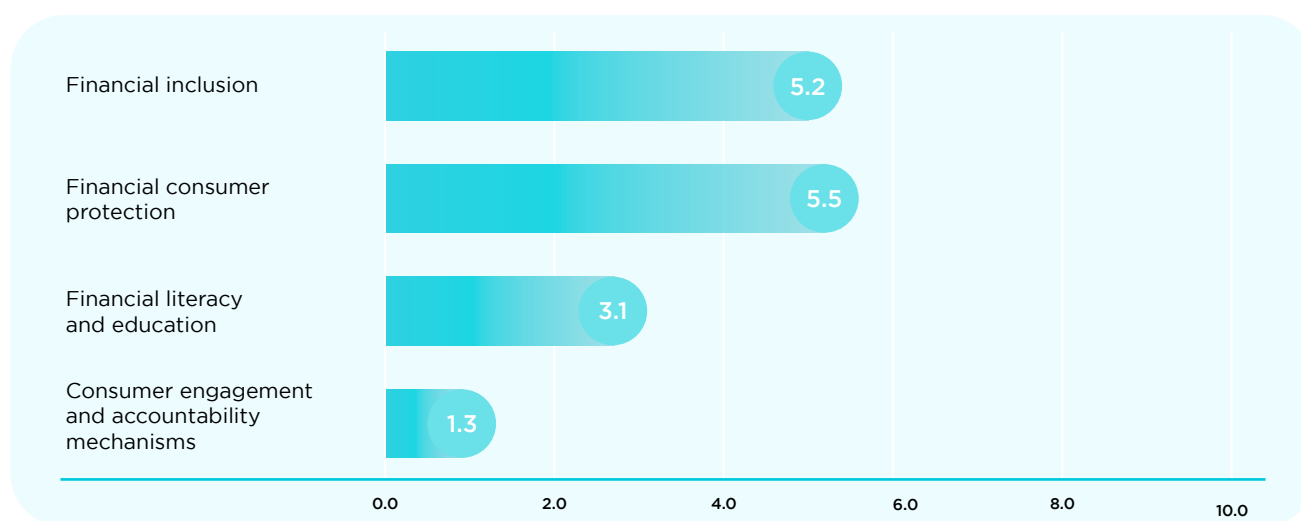
Country	Bank
Cambodia	Advanced Bank of Asia (ABA)
Cambodia	ACLEDA Bank
Cambodia	Canadia Bank
Indonesia	Bank Rakyat Indonesia (BRI)
Indonesia	Bank Negara Indonesia (BNI)
Indonesia	Bank Central Asia (BCA)
Pakistan	Muslim Commercial Bank (MCB)
Pakistan	National Bank of Pakistan (NBP)
Pakistan	United Bank Limited (UBL)
The Philippines	Banco de Oro (BDO)

The Philippines	Bank of the Philippine Islands (BPI)
The Philippines	Metropolitan Bank & Trust Company (Metrobank)
Thailand	Bangkok Bank (BBL)
Thailand	Kasikornbank (KBank)
Thailand	Krungthai Bank (KTB)

As shown in Figure 1, the research found that certain banks performed better on financial inclusion and financial consumer protection, with average scores exceeding 5 out of 10. This result can be explained by the fact that these two topics are often regulated by the central banks of the countries assessed. For instance, Thailand has had a Consumer Protection Act since 1979 (see section 5.2) and Cambodia adopted a Consumer Protection

Law in 2019 (see section 5.3.2). On the other hand, the banks' policies poorly address the topics assessed under the theme "*Consumer engagement and accountability mechanisms*," as reflected in an average score of 1.3 out of 10. The research also showed that banks need to make additional efforts to foster financial literacy and education (3.1 out of 10) among their retail clients and micro-, small and medium enterprises (MSMEs).

Figure 1 Average policy assessment score per theme (/10)



1.2. Objectives, scope, and structure of this study

1.2.1. Objectives

With this study, FFA and its partners in Cambodia, Indonesia, Pakistan, and Thailand aim to document consumer experiences with issues addressed in the four themes of the consumer empowerment scorecard. For each of the

four cases, the report examines relevant national regulations and identifies potential gaps or challenges in their implementation. The ultimate objective of this study is to formulate actionable recommendations for regulators and banks to strengthen consumer protection and engagement and promote effective accountability mechanisms.

1.2.2. Focus topics

FFA's partners in the four countries have chosen a different topic for their cases based on their advocacy priorities. Table 2

outlines the focus themes and subtopics of each country case.

Table 2 Focus themes and subtopics

Country	Theme in the scorecard	Topic
Cambodia	Financial consumer protection	Overindebtedness, complaint handling process for consumers
Indonesia	Consumer engagement and accountability mechanisms	Consumer and community complaints about the environmental and social impacts of the lending activities of the bank
Pakistan	Financial inclusion Financial literacy and education	Financial inclusion of women entrepreneurs and women-led MSMEs
Thailand	Financial consumer protection	Cybersecurity risks

1.2.3. Structure of the cases

Each chapter of this report is dedicated to a country case and is structured as follows:

- Key findings of the consumer empowerment scorecard
- Case study
- Overview of the regulatory landscape
- Identification of regulatory and implementation gaps
- Recommendations for banks and national regulators

1.2.4. Limitations

It is important to note that this report relies on qualitative data from four distinct case studies, each addressing specific

issues and local consumer experiences in Cambodia, Indonesia, Pakistan, and Thailand. Consequently, the findings presented cannot be generalized to represent the systemic behavior of an entire national banking sector or all financial institutions within a country. While these cases are not statistically representative, they offer critical "*lived experience*" evidence of existing implementation gaps and real-world challenges faced by consumers. The resulting recommendations are designed to foster constructive engagement with banks and regulators, providing a basis for dialogue to strengthen consumer empowerment and promote more effective accountability mechanisms across the region.



2

CONSUMER CYBERSECURITY RISK IN THAILAND

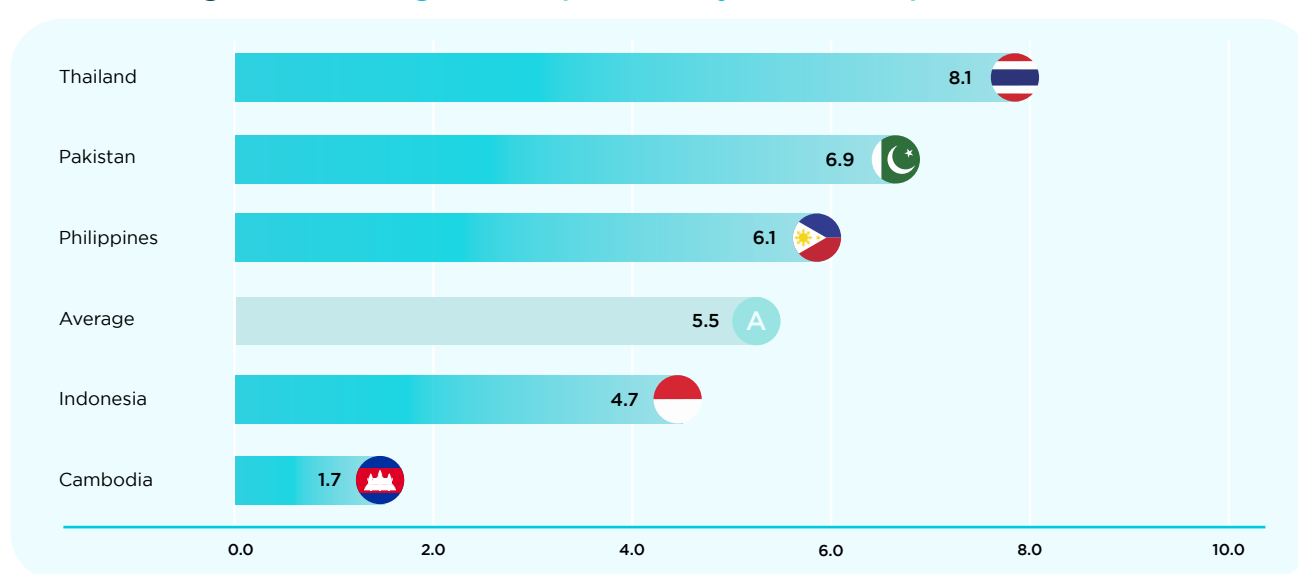
In Phase I of the consumer empowerment report, Thai banks stood out as regional leaders in financial consumer protection. However, these banks face mounting challenges from sophisticated cybersecurity threats. Reports suggest that 700 cases of online fraud and scams are reported daily, with scammers employing tactics through different channels such as phone calls, text messages, social media platforms, and online advertisements to target victims. This case study highlights the various ways retail consumers are at risk of cybersecurity scams. The chapter also covers the regulatory landscape governing cybersecurity in Thailand, followed by an analysis of regulatory or implementation gaps. Finally, recommendations for financial institutions and the national regulator are provided.

2.1. Key findings of the consumer empowerment scorecard

The assessment of 15 Asian banks revealed that financial consumer protection was the highest-scoring theme, with an average score of 5.5 out of 10. More than 70% of the banks achieved scores higher than 5, demonstrating relatively strong

commitments in this area compared to other themes assessed. The three Thai banks assessed—Bangkok Bank (BBL), Kasikornbank (KBank), and Krungthai Bank (KTB)—performed strongly in consumer protection, achieving an average score of 8.1 out of 10, the highest of all the countries assessed.⁷

Figure 2 Average scores per country: Consumer protection (/10)



Thai banks scored well on cybersecurity awareness programs, demonstrating commitment to employee training on best practices. This reflects a growing recognition of digital security as a critical aspect of consumer protection in an increasingly digitalized banking environment. Banks offered cybersecurity training to employees; however, in many cases, it was unclear whether the training was also offered to authorized third-party agents. All three banks have complaint mechanisms through which consumers can raise concerns about a bank's products and services. However, only one bank (BBL) disclosed the results of its complaint monitoring process, including the total number and nature of complaints.⁸

2.2. Case study: Online fraud and cybercrime in Thailand

This case study examines the growing prevalence of cybersecurity fraud in Thailand, highlighting common scam tactics and their impact on consumers. Drawing on data from national authorities and real cases handled by the Thailand Consumers Council (TCC), it illustrates how perpetrators exploit online platforms and mobile apps and use identity theft to deceive victims and steal funds. The study explores shopping-related scams, phishing attacks, and session hijacking incidents, with particular attention to the vulnerabilities faced by elderly consumers.

2.2.1. Methodology

This case study is based on primary and secondary data collected during January 2026. The desk research covered news media articles, NGO reports, and other publications by research organizations. Primary data was collected through in-depth interviews with lawyers and representatives of the TCC in January 2026. TCC is an independent network of organizations that champion consumer rights across various areas, including banking and finance. TCC offers individuals legal consultation, mediation, and access to in-house lawyers in the event of judicial interventions.⁹

2.2.2. Digital deception: cybercrimes and fraud in Thailand

According to the Cyber Crime Investigation Bureau (CCIB), approximately 700 cases of online fraud and scams are reported daily in Thailand.¹⁰ Perpetrators (scammers) employ various methods to target victims, including phone calls, text messages, social media platforms, and online advertisements. A survey of more than 9,000 individuals found that 89% of respondents encountered financial scams at least once a month. Most victims (71%) are unable to recover their losses, with the average loss amounting to approximately THB 36,000 (USD 1,105) per victim.¹¹

Representatives of the TCC shared details of cases they had handled in which consumers were victims of cybersecurity attacks. They indicated that the damages incurred could range from THB 10,000 (USD 307) to THB 100,000 (USD 3,071).^{1,12}

Scams through shopping apps

Fake product listings are frequently posted on Shopee, a leading e-commerce platform. When buyers do not receive

the products they have purchased, they contact the seller to inquire about their orders. The fake seller then shares external phishing links with victims via the mobile app, luring them to download a fraudulent app. If the victim's bank account security is weak, the scammers use this app to hack into the victim's account and transfer money.¹³

If the bank has stronger security measures, the scammer instead transfers money from the victim's credit card, through their digital wallets or credit card applications, to the victim's bank account. The transferred amount exceeds the value of the purchased product. Once the funds are credited to the bank account, the scammer informs the victim that an excess amount has been transferred by mistake and requests that the victim return the surplus. The victim, believing this to be an honest error, transfers the excess funds back to the scammer.¹⁴ In addition to shopping-related scams, identity theft scams are becoming increasingly prevalent.

Scams through identity theft

There has been a concerning rise in identity theft—related scams in which perpetrators impersonate government officials and manipulate victims into providing sensitive information or making fraudulent payments.¹⁵

TCC representatives shared case details involving elderly individuals with Kasikornbank (KBank) accounts who were victimized by phishing scams. Perpetrators posing as government officials, such as officers from the Revenue or Land Departments, contact victims and send links via the popular messaging app LINE. Victims are persuaded to open these links, which direct them to websites that closely resemble official government websites. Under the pretext of assisting with government-related matters, such as

tax payments, victims are asked to provide sensitive information, including passwords and PINs, through these fake websites.¹⁶

Beyond phishing scams, individuals have also fallen victim to session hijacking attacks in which perpetrators remotely monitor victims' electronic devices, obtain necessary information, and gain access to banking apps. Although banks generally offer email notifications when an account is accessed, some charge a service fee, which may discourage users from subscribing to this additional security feature. For example, Bangkok Bank (BBL) charges a monthly fee of THB 15 for login notifications.¹⁷

In one such case, investigators discovered that TeamViewer—a remote access and control app—was installed on the victim's device, confirming that a session hijacking attack had occurred. Investigators also identified the mule account used in the illegal transactions. Criminal proceedings have since concluded, and the court ordered the mule account holder to pay compensation. However, as the mule was unable to pay, they chose to serve a prison sentence instead. The TCC is currently assisting the victim in pursuing a civil case against the bank, as the bank has refused to compensate the victim.¹⁸

2.3. Overview of the regulatory landscape

The Thai government and regulatory bodies have passed laws and measures intended to protect retail consumers from cybersecurity threats. These include overarching consumer protection laws and financial sector-specific regulations. The Consumer Protection Act is Thailand's foundational consumer rights legislation. It lays out various protections afforded to consumers, including the right to expect safety when using goods and services.

The Act also establishes the Consumer Protection Board to fulfil the duty of protecting consumers, handle complaints, and institute legal proceedings regarding infringements of consumer rights.¹⁹

The Royal Decree on Measures for Protection and Suppression of Technology Crimes was enacted in response to the rising number of call center scams and other phishing attacks. Financial institutions are expected to disclose or exchange information about customers' accounts or transactions in the event of a suspected cybercrime. Banks are empowered to freeze the bank account(s) suspected of being used for fraudulent activities. Telephone network operators and other telecommunications providers are also expected to share pertinent information, such as users' registration information or computer traffic data, with the Royal Thai Police.²⁰

2.3.1. Stronger measures under the 2025 amendment

A 2025 amendmentⁱⁱ to the cybersecurity law introduces stronger measures to prevent scams, speed enforcement, and improve compensation for victims. Financial institutions are expected to take pre-emptive measures rather than merely respond to fraud reports. These measures could include refusal to open accounts, suspension of services or transactions, or closure of accounts linked to individuals or entities on government blacklists.²¹

The amendment emphasizes that the return of assets to victims should be prioritized. Citizens who are victims of cybersecurity scams should contact the Anti-Money Laundering Office (AMLO) to report the incident to authorities. Financial institutions are then expected to freeze the account that received

ii Formally called the Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes (No. 2) B.E. 2568 (2025).

the money fraudulently. By reporting promptly, citizens improve their chances of recovering funds. The AMLO is also empowered to freeze suspicious accounts upon receiving a report and to directly return recovered funds to victims without waiting for a court order, provided it can be verified that the seized funds belong to the victims. The legislation is focused on restitutive redress through urgent tracking, freezing, and the return of the victim's stolen assets, rather than compensatory redress through third parties or the state.²²

2.3.2. Shared responsibility of financial institutions

The amendment stipulates that financial institutions or payment service providers share responsibility for damages arising from cybercrimes, unless it can be proven that the standards or measures prescribed by the regulator have been complied with. These standards cover both unauthorized payment fraud (where individuals fraudulently transact on behalf of users) and authorized payment fraud (where users are tricked into making transactions themselves).²³

The amendment also mandates a shared data exchange system to improve collective oversight. This includes inter-institutional sharing where financial institutions must exchange information about suspicious accounts and

transactions through a centralized system or process. The shared exchange system should also be approved by different government agencies, including the Ministry of Digital Economy and Society, the Royal Thai Police, the AMLO, and the national regulator, Bank of Thailand (BoT). The amendment also highlights the shared responsibility of financial entities and telecommunications providers to cross-reference data, such as verifying whether the user of a digital wallet matches the registered user of the associated SIM card.²⁴

Financial institutions are expected to respond proactively to any suspicious activity. If such activity is detected through their own monitoring or the shared exchange system, the financial institution should temporarily suspend the transaction and notify the next recipient institution involved. This information must also be shared immediately on the shared exchange system.²⁵

The amendment also outlines a shared duty to facilitate justice and recovery for victims. Financial institutions should provide customers with electronic channels to report crimes and coordinate responses with competent authorities, such as the police. In the case of suspicious accounts, such as mule accounts, banks are expected to cooperate with relevant agencies to verify the identity of the account holder.²⁶

Mule accounts

Mule accounts are third-party bank accounts through which perpetrators collect or launder money obtained through illegal activities, such as financial scams. The scammers use mules who knowingly or unknowingly allow their accounts to be used for illegal transactions.²⁷ Scammers pay mules between THB 2,000 and 5,000 for opening mule accounts.²⁸

The BoT has issued specific preventive, detective, and responsive measures for protecting consumers from scams and other fraudulent activities:²⁹

- Financial institutions are required not to send harmful links via email or SMS.
- Mobile banking users must be limited to one username and device for a mobile banking app.
- Verification processes for high-risk and high-value transactions must be conducted via mobile banking using facial recognition or biometric fraud detection.
- Mobile banking apps are not allowed to run on mobile devices while other apps with risky behavior are running, such as apps that remotely control mobile devices or that mask or steal information on the screen.
- Customers must be notified of every transaction through any channel (mobile banking, SMS, or email) without being charged fees.
- Financial institutions are required to report suspicious transactions to the AMLO.
- Financial institutions are required to set up a separate channel for financial fraud victims and be responsive when the loss occurs from their institution.

2.4. Identification of regulatory and implementation gaps

2.4.1. Methodology

This section is based on desk research and interviews with the TCC. Engagement with the BoT had not taken place at the time this study was published.

2.4.2. Regulatory and implementation gaps

Despite Thai banks ranking among the highest in the region for consumer protection, the case study and regulatory review reveal critical gaps. The preventive measures adopted by the BoT focus on technical aspects of the banking system: biometric verification, restrictions on app behavior, and informational exchanges. While these are important measures, they do not address the often human aspect of successful scams, some of which are detailed in the case study. Technical control measures do not protect potential victims from being willfully deceived by scammers or from taking actions they believe are legitimate.

Consumer financial literacy programs could address the human error elements of cybersecurity scams. While banks provide cybersecurity training for their employees, similar training is not mandated for the bank's retail customers. Awareness programs delivered through various channels targeting retail clients, particularly vulnerable community members such as the elderly, would empower consumers to protect themselves against cybersecurity threats. These training programs could be delivered in partnership with civil society organizations (CSOs) specializing in relevant topics such as cybersecurity threats, consumer protection, and legal consultants handling relevant judicial cases or mediation.

The scope of financial institutions' obligations under the regulations should also unambiguously cover authorized third-party agents, such as branchless banking agents through whom banking products and services are sold. The cybersecurity training provided to bank staff should also be provided to banking agents, who are an important point of contact between the financial institution and its retail clients.

Treating security notifications as an opt-in feature is another concern that needs to be addressed. The case study revealed that some banks, like Bangkok Bank (BBL), charge a monthly fee for login notifications. Regardless of the value of these additional charges, customers may decline these add-on features, thereby exposing themselves to further risk. Customers such as elderly individuals or those with limited digital literacy could be particularly vulnerable. If account holders were provided with real-time notifications across multiple channels, they could respond to cybersecurity scams more quickly.

With a focus on restitutive rather than compensatory redress, the regulation provides for interim relief through asset freezes and the return of stolen funds upon verification of ownership. However, in the case of protracted judicial proceedings, victims have no mechanisms for interim relief. As the case study also indicates, even when court proceedings mandate restitution for the victim, mule account holders often choose to serve prison sentences because they may not be able to repay the victim. In such cases, victims are further victimized without a clear process for redress.

2.5. Conclusion and recommendations

Thailand's financial institutions demonstrate comparatively strong consumer protection commitments, yet significant vulnerabilities persist. While the 2023 and 2025 Royal Decrees establish a robust legal architecture—mandating account freezes, shared institutional liability, and expedited asset recovery—the framework remains predominantly technical and restitutive. It does not adequately address the human dimension of fraud, and elderly and digitally excluded customers remain exposed to social engineering tactics that no biometric control can prevent. Critical gaps include

the lack of mandated financial literacy programs for retail customers, inconsistent coverage of third-party banking agents, and treating security notifications as optional paid features. Most concerning, victims involved in protracted legal proceedings face no interim compensatory relief. Bridging these gaps requires moving from reactive enforcement to proactive, education-led consumer empowerment.

Recommendations for financial institutions

1. All security alerts should be free and enabled automatically

Retail customers should receive security alerts and transaction notifications through their preferred communication channel without additional charges. These should extend beyond post-transaction notifications to include session initiation and login alerts, as well as flagging unusual activity such as access attempts from a new device or unfamiliar geographic location. Notifications should be enabled by default, with no opt-in or subscription required.

Customers who choose to opt-out should be required to complete an informed consent acknowledgement that clearly explains the heightened fraud risk associated with disabling these features. This is particularly important for elderly customers and those with limited digital literacy, who are least likely to seek out optional security features and most likely to be targeted by the scams that real-time alerts would help them identify.

2. Complaint mechanisms should be monitored transparently

Financial institutions should publish complaint data annually in a standardized, publicly accessible format. Disclosures should cover the total volume of complaints received by

category—including fraud, unauthorized transactions, and service failures—alongside median resolution times, the proportion of complaints resolved in the customer’s favor, and the number of cases escalated to external bodies or legal proceedings.

Standardized disclosure supports the BoT in monitoring sector-wide trends and targeting supervisory resources where complaint volumes or resolution performance deteriorate. It also allows the regulator to make comparisons across financial institutions.

3. Training should be provided to consumers on cybersecurity threats and sound financial management

Financial institutions should extend cybersecurity awareness beyond internal staff training to include retail customers as well. Consumer-facing programs should operate across multiple channels: digital (in-app alerts, email campaigns), branch-based (printed materials and verbal briefings at account opening and when adding new payees), and community-based (partnerships with CSOs such as the TCC to deliver in-person workshops). In addition to bank staff, relevant cybersecurity training should also be provided to third-party banking agents.

Programs should be designed with particular attention to vulnerable community members, such as the elderly and individuals with low digital literacy. Training content should cover the most prevalent types of scams, including impersonation of government officials, fake e-commerce listings and session hijacking, and be updated annually to reflect emerging tactics.

Recommendations for the Bank of Thailand

1. Regulate human-facing scam tactics

Current consumer protection regulations on cybersecurity threats are largely focused on technical measures and do not address human error. The BoT should issue guidance on the threat posed by scams that manipulate individuals psychologically, rather than just exploit technical vulnerabilities in the banking system. Minimum standards should be established for how banks and their staff respond when customers describe suspicious contact. Clear and consistent communication to customers about security measures should be provided, so that bank staff do not request customer credentials through any communication channel and persistent in-app warnings appear when entering one-time passwords (OTPs).

2. Mandate consumer education for vulnerable groups

The BoT should require financial institutions to deliver structured consumer education programs with minimum standards for content, delivery channels, and demographic reach. Requirements should explicitly address the needs of elderly customers and other vulnerable groups who are disproportionately targeted by social engineering attacks but are also less likely to be reached through digital-only awareness channels. Financial institutions should be required to report annually on program reach and outcomes, with the BoT publishing sector-wide aggregated results.



3

EMPOWERING WOMEN ENTREPRENEURS IN PAKISTAN

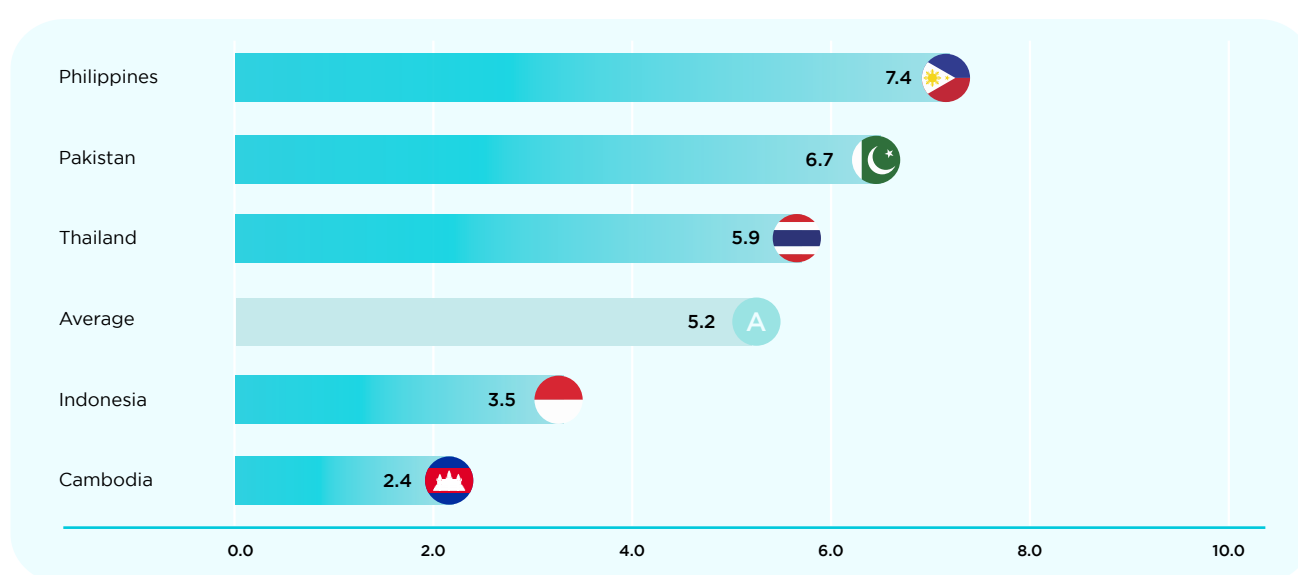
Despite progressive regulatory frameworks, women entrepreneurs in Pakistan continue to face barriers to accessing formal financial services. While the State Bank of Pakistan (SBP) has introduced landmark initiatives—most notably the Banking on Equality policy—to close the gender gap in financial inclusion, a disconnect between policy design and implementation limits their impact. Through this case study, Fair Finance Pakistan highlights the challenges women entrepreneurs face when accessing financial services. The chapter also provides an overview of the regulatory framework and recommendations for SBP and financial institutions.

3.1. Key findings of the consumer empowerment scorecard

In the 2024 FFA consumer empowerment scorecard, financial inclusion ranked among the best-performing themes, with 60% of assessed financial institutions scoring more than 5 out of 10. The scorecard included three banks from

Pakistan: Muslim Commercial Bank (MCB), National Bank of Pakistan (NBP), and United Bank Limited (UBL). Average scores per country showed that banks in Pakistan scored higher than the average (5.2) on the financial inclusion theme, with a score of 6.7 out of 10. Of the three banks, UBL scored the highest (8.3), followed by NBP (6.1) and MCB (5.6).³⁰

Figure 3 Average scores per country: Financial inclusion (/10)



All three banks in Pakistan had identified priority groups for their financial inclusion strategies and offered products and services specifically targeting unbanked or underbanked populations. The products include collateral-free financing to MSMEs.³¹

3.2. Case study: Bridging the awareness gap in collateral-free lending for women-led MSMEs in Pakistan

Pakistan's financial inclusion landscape shows persistent gender disparities, especially among women-led MSMEs. Although the SBP offers collateral-free lending facilities of up to PKR 50 million³² to promote equitable access to finance,

awareness of these provisions remains limited. Many women entrepreneurs lack access to information due to limited financial literacy, cultural barriers, and weak outreach. This case study examines the experience of an entrepreneur who is a customer of MCB and highlights the lack of public outreach on collateral-free lending policies, which is preventing women-led MSMEs from accessing essential financial services. It also underscores the need for inclusive and transparent banking practices.

3.2.1. Methodology

This case study combined desk research with an in-depth interview. The primary data was collected through a structured interview with Mrs. Khan, who runs a

home-based business in Pakistan.ⁱⁱⁱ The interview explored her experiences with banking services, loan applications, awareness of collateral-free lending provisions, and the challenges she faces as a woman entrepreneur accessing financial services. The interview identified a lack of awareness among women entrepreneurs and MSMEs regarding SBP's collateral-free lending provisions.

Fair Finance Pakistan reached out to the Consumer Protection Department at the SBP for their inputs on collateral-free lending policies, implementation frameworks, and outreach strategies. SBP's inputs are incorporated in the analysis and recommendations.

3.2.2. Collateral-free lending for women-led MSMEs in Pakistan: Bridging the awareness gap

Fair Finance Pakistan (FFP) selected financial inclusion as its thematic focus, specifically examining Element 6 of FFA's consumer empowerment scorecard: *"The bank does not require collateral for MSMEs to borrow."* Of the three Pakistani commercial banks assessed in the 2024 scorecard (see 1.1), Muslim Commercial Bank (MCB) received the lowest score (5.6/10) in financial inclusion. Analysis revealed that MCB had not disclosed any policy on collateral-free lending for MSMEs. Consequently, FFP selected MCB as the focus institution for this case study.

The interview conducted by FFP revealed that women entrepreneurs are often unaware of the SBP's collateral-free lending provisions. This persistent information gap between policy and practice was exemplified by the experience of Mrs. Khan, a home-based entrepreneur.

Mrs. Khan's story: A case of missed opportunity

Mrs. Khan founded her business five years ago and has built a loyal customer base through digital banking and online transactions. Despite being an active account holder and a regular mobile banking user, she has never sought or received formal credit from her bank.

When asked about bank loans, she cited multiple deterrents: *"I've never taken a loan because the interest rate is too high. Even if I wanted one, banks ask for property documents worth far more than the loan amount—if I need one million rupees, they want collateral worth two million."*³³

More strikingly, Mrs. Khan was completely unaware of SBP's collateral-free lending policy. When informed, she expressed surprise: *"I'm shocked to learn that the State Bank offers loans up to one crore rupees without collateral for small businesses like mine. I had no idea such an option existed."*³

Information asymmetry and communication gaps

After delving deeper into Mrs. Khan's relationship with MCB, where she maintained a basic account, two critical systemic barriers preventing financial inclusion emerged.

First, *"Women Accounts"*, marketed as easy and accessible, came with hidden charges that she had not fully understood when she opened one. SMS alerts, checkbook and debit card charges, maintenance fees, and other costs gradually eroded her small deposits. The fine print in the terms and conditions, if not stated upfront, can easily go unnoticed by someone juggling business operations and household responsibilities.

iii The name of the interviewee has been changed to protect her identity.

Second, and perhaps more frustrating, was the complete absence of proactive outreach. Despite the bank's physical presence in her area, no bank representatives had conducted awareness-raising sessions in her neighborhood. No one had explained the collateral-free lending provisions that could transform her business.

Mrs. Khan's experience underscores a systemic communication failure between banks and MSME clients. Although she receives frequent SMS notifications and promotional messages from her bank, none has ever mentioned collateral-free lending schemes: *"The bank sends so many messages—they could easily use those to tell people about such opportunities. On social media, we see car schemes and Umrah offers, but never about business loans."*³⁴

This information gap has tangible economic consequences. Without access to credit, she struggles to fulfil large orders: *"Sometimes we get big orders, but can't manage because we don't have enough working capital. I end up using savings or borrowing small amounts from friends."*³⁵

The case demonstrates that inadequate policy disclosures and weak outreach mechanisms deprive small business owners of growth opportunities, limiting the broader objectives of financial inclusion.

Gender-specific barriers

In addition to information asymmetry, Mrs. Khan's experience highlights gender-based challenges in interacting with financial institutions. *"When we go to the bank, there should be a separate counter for women, attended by female staff. I feel uncomfortable discussing financial matters with men."*³⁶

Despite the push for women's champions at all customer points, customers like Mrs. Khan remain insufficiently informed

about SBP's measures to improve women's access to financial services. As a result, she avoids visiting bank branches altogether, depending on digital banking or her husband for in-person interactions. Such structural and cultural barriers further isolate women entrepreneurs from essential financial services.

Untapped potential and aspirations

Mrs. Khan has clear plans for business expansion. With access to collateral-free financing, she aims to scale production and create employment opportunities for other women: *"If I get a loan, I'll invest first in marketing—it's my biggest challenge. I'd also like to open a small factory and employ women who can work from home."*³⁷ Her aspirations reflect the untapped economic potential of women-led MSMEs due to a lack of awareness and accessibility.

This case underscores a critical insight: the mere existence of policy does not guarantee financial inclusion. Without proactive disclosures, gender-responsive communication, and accountability mechanisms, even the most inclusive policies fail to reach their intended beneficiaries. For women entrepreneurs, who already navigate cultural and logistical constraints, this awareness gap compounds existing inequities that restrict business growth, financial autonomy, and women's contribution to the national economy.

3.3. Overview of the regulatory landscape

Financial inclusion remains a significant priority in Pakistan, given the large share of unbanked or underbanked populations. Only 27% of adults aged 15 and over had a bank account in 2024, compared with 77% in South Asia. This metric worsens for vulnerable and marginalized groups of the population, such as women (12%), adults in the poorest 40% of households (13%),

and adults out of the labor force (13%). Other metrics of financial inclusion, such as access to formal credit, are also quite low. While almost 70% of adults borrowed money in 2023, only 8% accessed formal sources.

The SBP notes that social norms and cultural traditions discourage women, especially those from low-income households, from accessing financial services. Women in rural areas often have less mobility, which can have a negative impact on access to, and awareness of, financial products and services. Surveys conducted by SBP also reveal that women often feel intimidated about visiting a bank branch.³⁸

The Banking on Equality policy is a gender-mainstreaming initiative by the SBP aimed at addressing the gender gap in access to financial services by adopting women-friendly practices in the financial sector. SBP is finalizing the second phase of the policy, which aims to integrate digital solutions and remote financing channels to support women-led MSMEs.³⁹

Pakistan is also a signatory to the Women Entrepreneurs Finance Code (WE Finance Code), launched by the World Bank, and has committed to increasing funding for women-led MSMEs. Since its adoption by the state in July 2025, 22 banks (14 commercial and six microfinance) have become signatories to the WE Finance Code. All signatories are part of the National Code Coalition, which is comprised of policymakers, regulators, and financial services providers.⁴⁰

3.3.1. Women's champions and improving gender diversity in the banking sector

Improving the gender balance at bank access points—branches, call centers, and the network of branchless banking agents—would encourage women to use formal financing channels. Financial

institutions are expected to develop a policy to improve gender diversity within their staff, aiming for at least 20% of female participation in their workforce by 2024.⁴¹ According to SBP officials, the overall ratio of women staff has increased to 17% as of June 2025.⁴²

Financial institutions are also expected to integrate gender in their governance structures by creating management subcommittee(s) on gender, incorporating gender diversity targets in performance indicators for C-suite executives, and implementing measures to improve women's representation in senior management.⁴³ As of June 2025, all banks have appointed female directors to their boards and established diversity and inclusion councils or management subcommittees on gender.⁴⁴

The regulator has also found that women are more likely to approach women banking agents than men agents. They were also more likely to learn about and use financial services when dealing with women agents. Thus, women agents are more successful in improving women's adoption of financial services. Financial institutions are expected to have at least 10% of their branchless banking agent network be women by 2024.⁴⁵ However, the share stands at 7% as of June 2025.⁴⁶

Beyond these agents, financial institutions are advised to ensure there are "*women's champions*" at all customer touchpoints, such as bank branches and call centers. Existing male, female, or transgender staff members can be assigned the role of women's champion, provided they have undergone training on gender sensitivity, women-centric financial products, and government schemes targeting women. Financial institutions must have women's champions in at least 75% of customer touchpoints by 2024.⁴⁷ According to SBP officials, 80% of bank branches have dedicated women's champions in place.⁴⁸

3.3.2. Gender-responsive products and services

To improve the uptake of financial services, the SBP expects banks to develop products catering to women's household and entrepreneurial financial needs. This includes establishing specialized departments that apply a gender lens to the products and services offered by the bank. The SBP also provides timelines for when financial institutions may ensure compliance, such as setting up a women's financial services department within six months of the policy's issuance. It is important to note that the policy is not mandated for financial institutions.⁴⁹ SBP has reported that as of June 2025, all banks have established dedicated women's financial services departments or teams.⁵⁰

To ease financing for women, the SBP emphasizes simplifying the loan process and documentation. Financial institutions are expected to:⁵¹

- Provide digital access to SBP's refinance and credit guarantee scheme offered to women entrepreneurs;
- Simplify loan application processes and provide non-financial advisory services to women-led MSMEs; and
- Apply a gender lens to credit policies for women.

3.4. Identification of regulatory and implementation gaps

3.4.1. Methodology

This section is based on desk research and an interview with SBP conducted in December 2025.

3.4.2. Regulatory and implementation gaps

Mrs. Khan's story is not an isolated case. Findings from FFA's Phase I campaign revealed that most community members interviewed in Pakistan, especially women and youth in rural and urban areas, are unaware of banks' regulatory obligations to provide collateral-free lending under SBP directives.⁵²

This lack of public awareness highlights a systemic disconnect between policy formulation and implementation. While SBP's regulations are progressive, commercial banks are not required to proactively communicate these provisions through accessible channels such as SMS, social media, or branch-level outreach. This leaves previously unbanked or underbanked populations unaware of products or services that could improve their access to the formal financial system.

SBP assigns outreach targets for savings and credit products to enhance access, usage, and the quality of financial services for women. However, these are only stipulated as guidelines with unclear timelines and disclosures.⁵³ The policy merely assigns targets to financial institutions without clearly defined milestones, remediation timelines, or response frameworks for non-compliance. This creates an enforcement gap, weakening the policy's overall objectives.

Some of the targets set by SBP have been met—female board member(s) in all banks and dedicated women's champions in 80% of branches—while others have not. As of June 2025, targets set for 2024—the share of branchless bank agents and women staff in branches—are still falling short.⁵⁴ It is also noteworthy that the employees trained to be women's

champions do not need to be women themselves. In the absence of monitoring the share of women filling this position, banks may disproportionately train men to be women's champions, which could affect the potential impact of the policy. For women like Mrs. Khan, who feel uncomfortable discussing financial matters with men, having the option to speak to female women's champions could improve their banking experience.

A deeper structural gap underlies these implementation shortfalls. Even where women access formal finance, the nature of the financing constrains rather than enables growth. Banks in Pakistan disbursed 974,000 loans to women totaling PKR 230 billion between November 2024 and October 2025. Yet nearly 93% of these loans fall under microfinance, indicating that most women remain clustered in micro and entry-level segments. Only 611 women-led corporate and commercial enterprises accessed financing worth PKR 58 billion, representing just 1% of all loans disbursed by commercial banks.⁵⁵ Improved outreach on public policies designed to improve women's access to financing (such as collateral-free lending schemes for SMEs) and communication tailored to social groups, including women and those with limited digital literacy, could help bridge some of the financing gap.

The Banking on Equality policy, which underpins SBP's gender mainstreaming efforts, establishes a data reporting framework to capture critical KPIs. However, the framework is largely focused on input measures at the institutional level. These include dedicated departments, women's champions, and gender-sensitivity training. While the framework acknowledges and addresses some constraints, it does not capture whether these measures are translating into improved outcomes for women customers, such as increased uptake of credit products, more branch visits, or

greater awareness of available schemes. The absence of outcome-based indicators means the policy cannot distinguish between banks that are genuinely embedding gender-responsive practices and those that are merely meeting checklists on paper.

3.5. Conclusions and recommendations

The case study conducted by FFP highlights the various barriers and challenges women entrepreneurs may face when engaging with the formal financial system. While the case study is not representative of the entire banking sector, it does support the existing body of literature on the gendered challenges faced by women-led MSMEs.

Awareness gaps seem to be the immediate barrier preventing women entrepreneurs from accessing financial products and services that could help them grow their businesses. While the regulatory landscape in Pakistan has significantly improved, with a strong focus on financial inclusion and gender mainstreaming, there are still implementation or enforcement gaps that weaken the policy framework.

Recommendations for financial institutions

1. Conduct transparent and proactive public outreach through relevant and accessible channels

Transparent public disclosure of financial inclusion policies is crucial to bridge the awareness gap that prevents women entrepreneurs from accessing available credit opportunities. When banks actively communicate policies such as collateral-free lending, they not only empower women-led MSMEs to grow but also strengthen public trust and accountability. Effective disclosure transforms financial inclusion from a regulatory formality into a practical tool for equitable economic participation.

Banks should adopt proactive, multichannel communication strategies to reach target audiences. Banks have strong direct communication channels with retail customers through SMS and mobile or internet banking, and these channels can be leveraged to regularly inform customers of relevant products and services, such as collateral-free lending and women-specific products and services.

2. Tailor communication for customers with low digital literacy

Not all women entrepreneurs interact with banks through smartphones or internet banking. For customers with low digital literacy, financial institutions should develop simplified materials in local languages, using plain language that avoids financial jargon. Visual aids, audio messages, and in-person explanations at the branch level can make a meaningful difference. Staff and women's champions could be trained in both gender sensitivity and on how to communicate complex financial products clearly to first-time or infrequent borrowers. Banks should also ensure that the terms and conditions of accounts, including fee structures, are clearly explained at account opening, rather than relying solely on written documentation that may go unread.

3. Provide structured community outreach programs

Financial institutions should establish structured and recurring outreach programs that deliver banking services and information directly to communities, especially in areas where women face cultural or mobility constraints that prevent them from visiting branches. This could include partnerships with local women's associations, microfinance networks, and CSOs to host financial literacy workshops, loan application clinics, and awareness-raising sessions on available

government-backed schemes. Mobile banking units or agent-led outreach in underserved neighborhoods could further extend reach. These programs should be designed with feedback mechanisms so that banks can assess whether women are converting awareness into actual product uptake and adjust their approach accordingly.

Recommendations for SBP

1. Adopt an impact-driven approach to target setting and monitoring

International organizations, such as the United Nations Environment Programme Finance Initiative (UNEP FI), provide guidance on setting impactful targets, with an emphasis on Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) target setting. The implementation of SMART targets should also include action plans along with clear monitoring and reporting systems.⁵⁶

SBP's current approach sets targets for financial institutions without clearly defining the consequences of non-compliance or the steps required when targets are missed. SBP is recommended to align its target-setting process and require financial institutions to publicly disclose their progress on gender targets annually. It is also recommended that financial institutions provide SBP with a mandatory action plan when targets are not met. These action plans should specify concrete remediation steps, responsible internal owners, and revised timelines. Public disclosure would create reputational accountability, encouraging banks to treat gender commitments as operational priorities rather than compliance formalities.

2. Introduce intermediate milestones and a response framework

It is recommended that SBP strengthen its gender targets with

phased milestones to enable early identification of implementation gaps before deadlines are missed. Interim benchmarks should be established at quarterly or bi-annual intervals, with mandatory progress reporting from financial institutions. Where milestones are not met, a response framework could be applied, beginning with structured supervisory dialogue and corrective action plans, and progressing to regulatory measures for persistent non-compliance.

3. Expand the monitoring and evaluation framework

As SBP moves into the next phase of gender-inclusive finance, there is an opportunity to complement existing input measures with outcome-based indicators that capture women's actual experiences as bank customers. The current SBP monitoring framework focuses primarily on structural or input measures—whether a bank has established a women's financial services department, appointed female

board directors, or trained women's champions. While these are necessary foundations, they do not capture whether these structures are producing real change for women customers.

It is recommended that SBP expand its framework to include outcome-based indicators that capture women's actual experience as bank customers. These could include: the number of women-led MSMEs that applied for and received collateral-free loans; changes in branch visit frequency among female customers; awareness levels of available credit schemes (measured through periodic surveys); the share of women's champions who are themselves women; and the average loan size accessed by women, disaggregated by segment. By tracking outcomes alongside inputs, SBP would be better positioned to distinguish between banks that are genuinely embedding gender-responsive practices and those that are simply ticking checkboxes, and to direct its supervisory attention accordingly.



4

CONSUMER ENGAGEMENT AND ACCOUNTABILITY MECHANISMS IN INDONESIA

In Indonesia, the role of banks in financing environmentally and socially harmful activities has raised concerns about consumer rights and accountability. The palm oil sector, for example, is often associated with environmental and social issues. Indeed, palm oil is a key driver of deforestation, rainforest destruction, and peatland degradation, with significant contributions to greenhouse gas (GHG) emissions, while social risks include land conflicts with Indigenous communities, labor rights violations, and poor supply chain traceability. Hence, when financing soft commodities such as palm oil, banks should conduct robust environmental and social due diligence given the sector's high-risk profile.

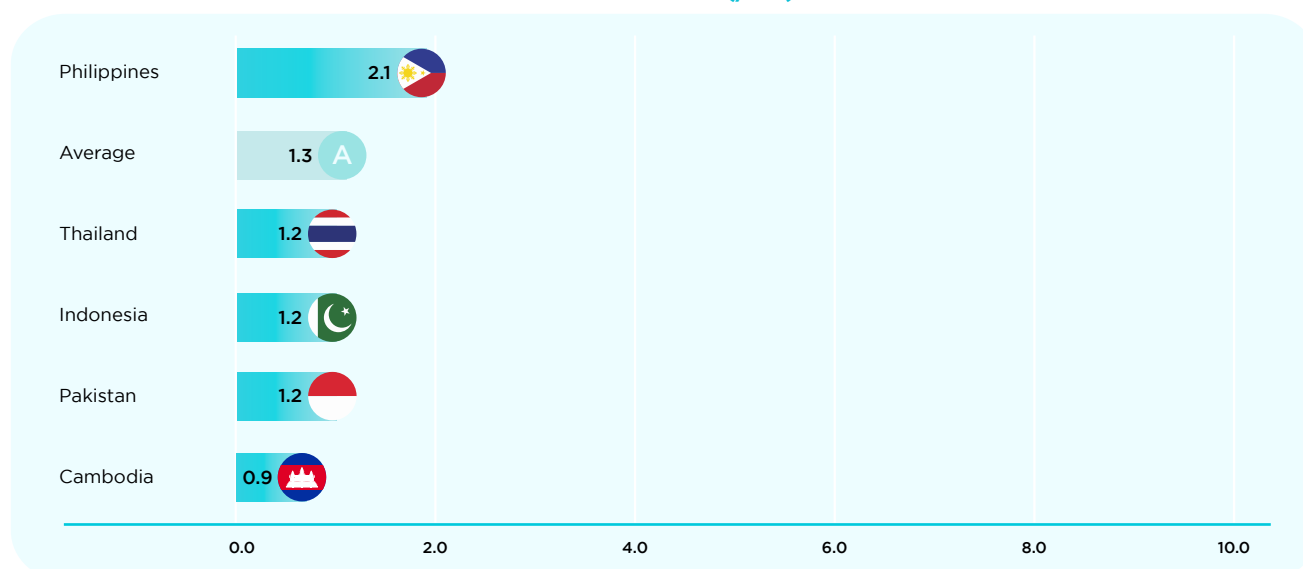
CSOs and consumers play an instrumental role in pushing financial institutions and regulators to adopt stronger sustainability standards. This case features TuK Indonesia (Transformation for Justice), an organization acting as both a CSO and a bank consumer, using legal action to challenge a bank, Bank Mandiri, over the harmful environmental and social impacts linked to its financing of palm oil operations. The case seeks to raise awareness of consumers' rights to demand responsible banking and to establish a legal precedent enabling consumers to hold financial institutions accountable for how their deposits are used, thereby reinforcing transparency and accountability in sustainable finance. The case study is complemented by an overview of the banking regulatory framework on sustainability, transparency, and accountability, and identifies areas where both banks and regulators could strengthen consumer engagement and accountability.

4.1. Key findings of the consumer empowerment scorecard

The 2024 FFA consumer empowerment scorecard assessed 15 banks, including three in Indonesia, on four key areas (see section 1.1). These banks—Bank Central Asia (BCA), Bank Negara Indonesia (BNI), and Bank Rakyat Indonesia (BRI)—received the lowest scores on the consumer engagement and accountability mechanisms theme, with an average of 1.3 out of 10, revealing that banks lack systems

and channels to engage with consumers on sustainability topics (see Figure 4).⁵⁷ The full list of criteria assessed in this theme is included in the Appendix. The average scores per country showed that Indonesian banks scored lower than the average (1.3) on consumer engagement and accountability mechanisms, with a score of 1.2 out of 10. However, scores varied widely among banks. BRI topped the ranking with a score of 3.2 while BCA and BNI scored 0.5 and 0, respectively.⁵⁸

Figure 4 Average scores per country: Consumer engagement and accountability mechanisms (/10)



While most of the 15 banks assessed by the scorecard publish sustainability reports and related content on their websites, none explain how they proactively communicate their sustainability strategy to retail clients. Equally absent is any disclosure of the companies or projects these banks choose to finance—a significant transparency gap that leaves consumers unable to assess the real-world impact of their deposits and investments.

Only two banks, ABA (Cambodia) and BRI (Indonesia), operate complaints or whistleblower channels that are open to clients and external stakeholders and explicitly cover environmental and social

issues, including human rights violations linked to their financing or investment activities. This raises concerns and contrasts with established international standards such as the UN Guiding Principles on Business and Human Rights (UNGPs)⁵⁹ and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNE),⁶⁰ which recognize the responsibility of financial institutions to respect human rights, and call on businesses—banks included—to establish or participate in effective grievance mechanisms.

4.2. Case study: Consumer accountability and environmental, social, and governance (ESG) failures in Bank Mandiri's financing of unsustainable palm oil

In Indonesia, the role of banks in financing environmentally and socially harmful activities has raised concerns about consumer rights and accountability. This case study of Bank Mandiri was brought by TuK Indonesia,⁶¹ a member of the ResponsiBank Indonesia coalition⁶² formed in 2014 and part of the Fair Finance Asia and Fair Finance International networks. ResponsiBank Indonesia engages with financial institutions and regulators to provide inputs on sustainable finance policies and sector-focused regulations. As both a CSO and consumer of Bank Mandiri, TuK Indonesia filed a public lawsuit to challenge Bank Mandiri's financing of palm oil operations linked to environmental and social violations. The case aims to educate consumers about their rights to demand responsible banking and to establish a legal precedent for consumers to hold financial institutions accountable for how their deposits are managed and used, reinforcing transparency and accountability in sustainable finance.

4.2.1. Methodology

This case study applies a qualitative research approach that combined an interview and secondary research document analysis. Primary data was obtained through an in-depth interview conducted in September 2025 with a representative of TuK Indonesia, to collect detailed information on the background, rationale, and progress of the lawsuit against Bank Mandiri. The interview with TuK Indonesia explored its experience engaging with Bank Mandiri on the case and its assessment of the bank's existing policy on grievance mechanisms to ascertain how consumer rights are acknowledged, protected, and exercised

in practice. Complementary secondary data was gathered by ResponsiBank through a literature review and document analysis of materials published between November 2024 and 2025 on TuK Indonesia's website, including reports, press releases, and documentation related to the Desak Mandiri campaign, as well as a review of the Astra Agro Lestari 2024 Annual Report, relevant Eco Nusantara publications, and publicly available information disclosed on the Bank Mandiri website. These sources provided contextual evidence and chronological information supporting the narrative of the case study.

4.2.2. Consumer accountability and ESG failures in Bank Mandiri's financing of unsustainable palm oil

This case study examines the public interest lawsuit filed by TuK Indonesia against Bank Mandiri, one of Indonesia's largest state-owned banks with IDR 2.7 trillion (USD 155 billion) of total assets as of September 2025.⁶³ The lawsuit filed by TuK Indonesia against Bank Mandiri concerns the bank's continued financing of palm oil operations associated with social conflict. The case study reveals weaknesses in consumer empowerment, grievance mechanisms, and financial accountability. It illustrates that when functional institutional channels are lacking, consumers and civil society may be compelled to seek redress through litigation.

The central issue concerns Bank Mandiri's financing of Astra Agro Lestari (AAL) and its subsidiary PT Agro Nusa Abadi (ANA) in Morowali, Central Sulawesi. AAL operates an integrated palm oil business encompassing upstream plantation activities and downstream processing. According to AAL's 2024 Annual Report,⁶⁴ ANA manages oil palm plantations in Central Sulawesi and is effectively wholly owned by AAL, which holds approximately 99.99% of its share capital.

This ownership and financing structure establishes a direct corporate and financial link between Bank Mandiri's lending activities and ANA's operational activities, including the environmental and social impacts arising from those operations. This is evidenced by disclosures in AAL financial reports from 2017 to 2024, which confirm that Bank Mandiri provided financing to the company since 2017 in the form of revolving loan facilities.⁶⁵ Most recently, based on the amendment of the loan facility agreement with Bank Mandiri dated June 25, 2021, AAL obtained a committed revolving credit facility with a maximum limit of IDR 750 billion (approximately, USD 42 million).⁶⁶ On the same date, AAL also entered into an additional loan facility agreement with Bank Mandiri for an uncommitted revolving credit facility with a maximum limit of IDR 250 billion (approximately USD 14 million).⁶⁷ These loan facilities further reinforce the direct financial connection between Bank Mandiri and AAL's ongoing business operations and link the bank's financing activities to the environmental and social risks and impacts associated with ANA/AAL's operations.

TuK Indonesia was part of a civil society coalition (alongside National Executive WALHI, WALHI Central Sulawesi, and Sawit Watch) that publicly questioned AAL's commitments regarding agrarian and environmental conflicts. Investigations by WALHI Central Sulawesi in 2023 revealed that ANA operated without a valid land use permit and was involved in protracted land conflicts with local communities.⁶⁸ WALHI documented that ANA's plantation activities involved the appropriation of community land without adequate consent or legal basis, contributing to long-standing disputes over land rights and livelihoods in multiple villages, including Tompira, Bunta, and Bungintimbe. These findings were also confirmed by the report issued by PT Eco Nusantara Lestari in 2023, which documented that throughout ANA's operational period from 2007 to

2023, none of the land cultivated by the company had been granted business license status.⁶⁹ According to the report, this was due to the plantation areas not being formally declared "*clear and clean*," thereby rendering the issuance of land use rights legally untenable. These unresolved conflicts resulted in economic loss, social tensions, and grievances among affected communities.

These findings contradict Bank Mandiri's public claims as a "*first mover on sustainable banking*"⁷⁰ and its exclusion list,⁷¹ which prohibits companies that finance "*projects that endanger the environment*". TuK Indonesia argued that this case demonstrates a fundamental gap between Bank Mandiri's sustainability rhetoric and its lending practices.

TuK Indonesia filed the lawsuit in November 2024 at the South Jakarta District Court, acting as both a Bank Mandiri customer and as a CSO advocating for responsible and sustainable banking practices. The lawsuit named Bank Mandiri as the principal defendant, with AAL and ANA as co-defendants. The plaintiffs argue that Bank Mandiri continues to provide loans despite ANA operating without a land use permit and causing social conflict in the community. This action constitutes a violation of Bank Mandiri's commitment not to finance business activities that negatively impact the environment and society as written in its environmental, social, and governance (ESG) risk management policy,⁷² while also disregarding the principle of prudence by continuing to fund clients known to be in violation of ESG standards⁷³ (for more details, refer to section 4.3.3). The plaintiffs sought no financial compensation. Instead, they demanded that Bank Mandiri cease financing environmentally harmful operations, issue a public apology to consumers for the misuse of their deposits, and establish a transparent grievance mechanism to address ESG-related complaints. As TuK Indonesia stated, the

lawsuit aimed to hold financial institutions accountable to their customers and to affirm the right of consumers to demand ethical financial practices.

Procedurally, trials at the first-instance court (trial court) should be completed within five months;⁷⁴ however, this case took significantly longer—eight months with 25 court sessions—to reach a verdict. Mediation efforts conducted by the district court failed in January 2025 after Bank Mandiri refused to acknowledge any wrongdoing or commit to corrective measures, leading the trial to advance to the substantive examination stage. Subsequent hearings revealed procedural resistance from the defendants, who repeatedly failed to submit required documents.

In April 2025, expert witnesses emphasized that banks bear responsibility for the environmental and social consequences of their financing. Testimony from a rural sociologist presented in court highlighted how large-scale palm oil expansion has driven widespread agrarian conflicts, land dispossession, and environmental degradation, often involving companies lacking clear legal land tenure.⁷⁵ The experts argued that continued bank financing enables these harmful practices to persist, meaning financial institutions bear responsibility not only for financial risks but also for the social injustice and ecological damage resulting from their lending decisions. This reinforced the view that banks must be held accountable for the downstream consequences of their financing, particularly in sectors linked to systemic land and environmental conflicts.

In the period preceding the court's ruling, on June 2025, eight CSOs submitted amicus curiae^{iv} briefs to the South Jakarta District Court to support the lawsuit and underscore its broader public

significance.⁷⁶ These submissions were intended to assist the court in examining the substantive issues raised in the case, particularly the accountability of financial institutions for environmental and social harms resulting from their financing activities. The amicus curiae emphasized that the dispute extended beyond a private legal claim and instead reflected systemic concerns regarding sustainable finance, ESG obligations, and the protection of affected communities.

On July 17, 2025, the South Jakarta District Court dismissed the lawsuit, citing the absence of several government agencies, such as the Ministry of Agrarian Affairs, the Ministry of Environment, and the Financial Services Authority (OJK), and PT Eco Nusantara Lestari (consultant firm), as parties to the case.⁷⁷ TuK Indonesia criticized the ruling, arguing that the judges mischaracterized the case as a land dispute rather than a financial accountability issue. This decision reflected, according to TuK Indonesia, a lack of judicial understanding of sustainable finance and corporate responsibility frameworks.

Lack of consumer engagement and accountability mechanisms

TuK Indonesia attempted to file a grievance by submitting a written complaint via email to the bank's corporate secretary, as the officially designated grievance mechanism is narrowly structured and largely limited to issues related to fraud, corruption, or internal misconduct. Environmental and social harms linked to financing activities are not clearly accommodated within this framework. Following the submission, TuK Indonesia did not receive a substantive response from the bank or any formal acknowledgment of receipt. There was no indication of an assessment

^{iv} An amicus curiae (literally "*friend of the court*") is someone who is not a party to a case, but offers information that bears on the case, and has not been solicited by any of the parties to assist a court.

process or timeline for handling the complaint, nor any explanation of why the grievance fell outside the bank's procedures. This absence of procedural clarity, responsiveness, and substantive engagement points to significant deficiencies in the bank's accountability infrastructure.

Given this, TuK Indonesia pursued litigation as a strategic avenue to address these structural gaps. The legal process is intended not only to seek accountability in this specific case, but also to establish a public precedent underscoring the obligation of banks to meaningfully involve consumers and affected stakeholders in their ESG agendas. Through litigation, TuK Indonesia aims to affirm that financial institutions have a responsibility to engage constructively with consumers, provide accessible channels for dialogue and grievance, and proactively educate clients about their ESG approaches and risk management practices.

Institutional barriers to hold banks accountable for their ESG impacts

Beyond the bank's internal failures, the case exposed broader institutional barriers within Indonesia's legal system. The court's procedural dismissal avoided addressing the substantive question of whether a bank can be held accountable for ESG impacts arising from its lending. This reflects the limited capacity of judicial institutions to adjudicate ESG-related disputes and a lack of legal precedent on financial accountability for environmental harm. TuK Indonesia and allied organizations have since called for judicial training and regulatory reforms to strengthen the capacity of courts and financial regulators in handling ESG litigation. Academic commentaries and student groups have also criticized the verdict, noting that it reflects weak corporate accountability and inadequate enforcement of sustainable finance principles.⁷⁸

Although the lawsuit was dismissed, this case remains a significant milestone in the pursuit of consumer rights and financial transparency. It established that consumers and civil society actors can invoke legal standing to demand accountability from financial institutions for the environmental and social impacts of their portfolios. Through its public campaign, TuK Indonesia mobilized public awareness and encouraged bank clients to question how their savings and deposits are used. The campaign emphasized collective responsibility and transparency, turning a legal dispute into a broader advocacy platform for consumer empowerment. The case underscores, first, the need for Indonesian banks to establish clear, accessible, and transparent non-judicial ESG grievance mechanisms, in line with the UNGPs. Second, it highlights the importance of effective judicial mechanisms to enable consumers, communities, and CSOs affected by banks' lending practices to hold financial institutions accountable for their adverse impacts.

Strengthening consumer empowerment in sustainable finance requires institutional mechanisms that go beyond policy declarations to ensure that banks not only claim ESG and sustainability integration but also demonstrate responsiveness to consumer and civil society concerns. The case reinforces that, without robust grievance systems and transparent reporting, consumer rights in sustainable finance remain largely theoretical, undermining the credibility of Indonesia's transition to responsible banking.

4.3. Overview of the regulatory landscape

4.3.1. Business and human rights

Indonesia has formally committed to implementing the UNGPs through Presidential Regulation No. 60/2023, which establishes the National Strategy on Business and Human Rights, a government-wide policy framework to guide ministries, local governments and enterprises in integrating human rights considerations in business practices.⁷⁹ Following the regulation, the Ministry of Law and Human Rights began establishing national and regional task forces across the country, charged with enforcing laws in business settings, ensuring accountability and compliance.⁸⁰ The implementation of this human rights strategy is particularly relevant in the context of Indonesia's planned accession to the OECD by 2027.⁸¹

The Strategy applies to Indonesian business actors and focuses on three policy priorities:

- “enhancement of understanding and capacity building in relation to business and human rights;
- the development of regulations, policies and guidelines supporting protection and respect for human rights; and
- strengthened redress mechanisms”.⁸²

The strategy, which highlights issues such as labor rights violations, discrimination, child labor, land use abuses, and environmental pollution, encourages businesses to conduct human rights due diligence (HRDD) and to examine human rights impacts arising from their business relationships. Interpreted in the context of the banking sector, this means that banks should assess the human rights impacts of their lending and investments, paying particular attention when they finance high-risk sectors. However, this strategy has yet to be fully translated into binding due diligence regulations that explicitly impose mandatory human rights and environmental due diligence obligations on all companies and financial institutions.

The relationship of banks to adverse impacts

As outlined in the UNGPs, where banks may cause, contribute to, or be directly linked to negative impacts on people, they should conduct ongoing HRDD, and play a role in access to remedy for the communities and individuals that are negatively affected, where appropriate. Banks' responsibility to respect human rights encompasses not only their own operations (with their employees, suppliers, and clients) but also the actual or potential impacts they are connected to through their institutional investments, lending, and underwriting activities. Banks should seek to prevent and mitigate human rights abuses caused by companies they lend to or invest in, and encourage them to provide remedy where they have caused or contributed to abuses.

The OECD Guidelines for Responsible Corporate Lending and Securities Underwriting (OECD Guidelines) explains that “[...] the due diligence should be an integral part of banks' decision-making and risk management. It should enable the bank to be vigilant throughout the entire life cycle of the client relationship”.⁸³ The OECD Guidelines also clarify that “[...] In some instances, a bank may also contribute to adverse impacts if the activities of the bank somehow cause, facilitate or incentivise the client to cause harm”.⁸⁴ In such a case, the bank is expected to provide for or cooperate in the remediation of the adverse impacts caused by its client.

4.3.2. Financial sector regulation

In Indonesia, the Financial Services Authority, Otoritas Jasa Keuangan (OJK), regulates the implementation of sustainable finance through the Financial Services Authority Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies (POJK 51/2017), which requires companies to prepare a sustainability report and a sustainable finance action plan. OJK has also issued guidelines on the elements of sustainability information disclosure as outlined in OJK Circular Letter No. 16/SEOJK.04/2021 on the Format and Content of Annual Reports for Issuers and Public Companies (SEOJK 16/2021).⁸⁵

In July 2025, the Indonesian Institute of Accountants (IAI), together with Bank Indonesia, the Ministry of Finance, and the Financial Services Authority (OJK), launched the Sustainability Disclosure Standards (SPK) after a series of consultations with regulators, ministries, professional associations, industry players, and the public.⁸⁶ The reporting standard aims to maintain the competitiveness of the Indonesian economy in the context of sustainability and to connect sustainability information with financial information to attract domestic and foreign investment.

The SPK, comprising PSPK 1 and PSPK 2, is based on the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) developed by the International Sustainability Standards Board (ISSB). The ISSB is part of the same global body that sets the widely used IFRS accounting standards. While IFRS focuses on traditional financial reporting, the ISSB standards focus on how companies should disclose sustainability-related risks and opportunities. The Indonesian SPK standards will come into effect on January 1, 2027. Unlike the IFRS Sustainability Standards, the SPK mandate climate-

related disclosures, while reporting on other sustainability topics (beyond climate) remains voluntary.⁸⁷ The standard is structured around four main pillars: governance, strategy, risk management, and targets and metrics.

In its Roadmap of Indonesian Sustainability Disclosure Standards, the IAI indicates that a review will be conducted following the implementation of the SPK between 2027 and 2029 to determine whether the scope of mandatory reporting will be broadened to “*non-climate*” information.⁸⁸

To ensure the standard is implemented, IAI has launched the Indonesia Sustainability Reporting Forum (ISRF),⁸⁹ a collaborative platform for companies, regulators, and stakeholders to exchange knowledge, address challenges, and share best practices.

In February 2026, OJK launched a consultation for a new sustainability reporting regulation that would mandate sustainability disclosures with PSPK 1 and PSPK 2.⁹⁰ The draft proposal introduces a phased implementation, beginning in 2027 with main board issuers, large banks, and the stock exchange, before extending to additional listed entities, debt issuers, and smaller banks through 2028 and 2029. In-scope organizations would also be required to develop transition plans addressing sustainability-related risks and opportunities, with mandatory independent assurance of reported information.⁹¹

The SPK standards do not explicitly mandate entities to set up and operate a formal grievance mechanism, although it asks entities to disclose how they identify, assess, and respond to material sustainability-related risks and opportunities, including how they take stakeholder concerns into account in decision-making. Another limitation is that, in line with ISSB standards, the SPK primarily adopt a financial

materiality approach, requiring financial institutions to identify and report material sustainability-related risks and opportunities that are likely to affect their financial position, performance, or cash flows.⁹² The SPK also do not include operational sector guidance.

4.3.3. Principle of prudence

Because mismanagement of ESG risks can lead to significant financial consequences, such as a client facing human rights allegations and losing its social license to operate, incurring penalties for corrupt practices or for non-compliance with the law, or facing stranded asset risks due to regulatory changes, banks must perform thorough assessments of the ESG impacts of financed projects and companies while protecting their own reputation.

Under Law No. 10 of 1998, which amended Law No. 7 of 1992 on Banking, banks have the duty to “[...] *operate on the basis of economic democracy and implement the principle of prudence*”.⁹³ Article 29 of this law explicitly states that banks are required to maintain soundness in accordance with provisions regarding capital adequacy, asset quality, management quality, liquidity, profitability, solvency, and other aspects related to banking operations, and must conduct business activities in accordance with the principle of prudence.⁹⁴

Although the law does not explicitly mention environmental or social risks, this principle of prudence is implemented in Indonesia through standard credit risk assessment mechanisms, such as Know Your Customer (KYC) processes. In the case against Bank Mandiri, TuK Indonesia argued that Bank Mandiri breached the principle of prudence⁹⁵ by extending credit to AAL without adequately analyzing these risks, despite documented legal irregularities (lack of land cultivation permit), environmental issues, and human rights concerns raised by civil society. These shortcomings in due diligence

should have been identified by the bank prior to granting the financing, as they affect the legality and operational stability of the borrower.

4.3.4. Permits for oil palm plantations

Oil palm plantations in Indonesia require several permits intended to ensure that forests are not illegally cleared and that the rights of local communities are not violated. The following are the six main permits that must be issued sequentially:⁹⁶

- Location permit (Izin Lokasi);
- Environmental permit (Izin Lingkungan);
- Plantation business permit (Izin Usaha Perkebunan, IUP);
- State forest release letter (SK Pelepasan Kawasan Hutan);
- Right to cultivate land (Hak Guna Usaha, HGU); and
- Timber utilisation permit (Izin Pemanfaatan Kayu, IPK).

A location permit, provided by the district administration, defines an area in which the company can negotiate with existing landowners and conduct an environmental impact assessment. The findings of the impact assessment, including dialogues with relevant stakeholders and rights holders, need to be approved by a panel of academics, NGOs, and community representatives. When the environmental permit is approved, the company applies for an IUP. In some cases, district administrations expedite the permit process and cut corners with the environmental impact assessment.⁹⁷

According to a report by Friends of the Earth (FoE) U.S. and WALHI, ANA never obtained the permit to cultivate land (HGU).⁹⁸ The company is alleged to have forcibly taken over 5,000 hectares of land despite community ownership claims

documented through land certificates (SKT).

4.4. Identification of regulatory and implementation gaps

4.4.1. Methodology

The analysis of regulatory and implementation gaps is based solely on the findings of ResponsiBank Indonesia's case study and secondary research on the regulatory framework conducted by Profundo. As part of this research, OJK was contacted on multiple occasions by ResponsiBank Indonesia for an interview. A list of questions was shared in advance covering existing ESG regulations for the banking sector, enforcement mechanisms, and monitoring systems. OJK did not respond to requests for comments.

4.4.2. Regulatory and implementation gaps

The current regulatory framework, governed by OJK Regulation No. 51/2017 (POJK 51/2017), requires banks to publicly disclose a sustainability report, but lacks several critical mandates.

- **No transparency at the transaction level**

Banks are not required to disclose information about individual loans or clients, as their sustainability reporting operates at the portfolio or policy level. This means it is impossible for external stakeholders to assess whether a specific high-risk borrower underwent adequate environmental and social (E&S) due diligence. Furthermore, the absence of project-level disclosure undermines the ability of affected communities, civil society, and consumers to identify financiers and raise concerns through available grievance mechanisms.

- **No standardized metrics**

While POJK 51/2017 mandates the disclosure of a sustainability report, the regulation does not prescribe uniform quantitative indicators that all banks must report, making cross-bank comparisons difficult and allowing banks to define and measure sustainability performance in different ways or leaving information gaps in certain areas. For instance, banks can remain silent on the number and types of complaints they have received on the ESG impacts of their financing. In addition, third-party assurance of the sustainability report is still optional.⁹⁹ The new SPK standards, set to take effect in 2027, represent an opportunity to mitigate this gap, as they may mandate independent assurance of sustainability reporting. However, some limitations temper this prospect:

- ◆ The standards primarily adopt a financial materiality approach, focusing on risks to the bank's financial position rather than its external impacts on people and the environment.
- ◆ Non-climate-related disclosure indicators will remain voluntary rather than mandatory.¹⁰⁰
- ◆ No operational guidance for the banking sector has been disclosed yet.

- **Lack of channels to address concerns about the ESG impacts of financing**

There is currently no requirement for banks to operate formal grievance mechanisms or complaint channels through which consumers can raise concerns about the ESG impacts of financed projects and companies. Grievance mechanisms, where they exist, are often narrowly structured to handle fraud, internal misconduct, or consumer complaints related to operational issues. The case study illustrates that even when a complaint is

filed, banks may provide no substantive response or procedural clarity, which led the complainant to escalate the complaint to legal action.

- **No mandatory due diligence law**

There is no mandatory requirement for banks to conduct ongoing, risk-based environmental and social due diligence to identify, prevent, mitigate, and account for actual and potential adverse impacts on people and the environment across their business relationships. Indonesian banking law requires commercial banks to apply the principle of prudence. In theory, this principle could be interpreted broadly enough to encompass ESG risk, since if a bank finances a borrower whose operations expose it to issues, such as regulatory sanctions or reputational damage, this would constitute a material credit risk that prudent banking practice should capture. However, the expression of the prudential principle in the law does not explicitly refer to environmental or social considerations.¹⁰¹ The absence of binding implementing regulations specifying this connection gives banks significant discretion to treat E&S risk assessment as voluntary rather than obligatory.

- **Limited judicial capacity to handle ESG-related disputes**

The lawsuit against Bank Mandiri, which is the first lawsuit in Indonesia aiming to hold a bank accountable for the harmful E&S impacts of its financing activities, points to some limited judicial capacity to deal with inadequate E&S due diligence. Despite the case proceeding through full hearings, including evidence and expert testimony stages, the lawsuit was declared inadmissible (*Niet Ontvankelijke Verklaard*/NO) in July 2025, on formal procedural grounds citing “*lack of parties*,” without

addressing the substantive legal questions raised.¹⁰²

According to TuK Indonesia, this ruling reflects poor judicial quality and a disregard for access to justice, stating that the case was dismissed purely for incorrect procedural grounds, rather than for its substance. TuK Indonesia argued on appeal that the ruling’s failure to recognize the causal link between the bank’s financing and the resulting harm reflects the limited capacity of Indonesia’s judiciary to respond to the challenges of sustainable finance and the climate crisis, and that social and environmental responsibility in banking remains largely rhetorical in the absence of judicial enforcement.¹⁰³

The case thus reveals a critical gap in the broader regulatory framework: even where ESG violations can be documented and substantiated with evidence, the absence of a clear legal standard governing banks’ E&S due diligence obligations leaves courts without an adequate normative basis to adjudicate such claims, limiting the possibility for civil society and consumers to hold banks accountable for their practices. As a consequence, TuK Indonesia appealed to the Supreme Court.

- **Lack of sanctions for misleading sustainability claims**

This case study illustrates clear misalignment between the bank’s voluntary policies and its practices. Bank Mandiri defines itself as a “*first mover on sustainable banking*”,¹⁰⁴ and commits to “[...] *not financing businesses that engage in environmentally adverse projects or illegal logging operations*”.¹⁰⁵ Its published approach to sustainable finance further states that “[...] *Bank Mandiri conducts comprehensive*

*qualitative assessments of wholesale debtors including compliance with regulations related to land acquisition and resettlement”.*¹⁰⁶ Yet simultaneously, the bank financed ANA, a company operating without a legal plantation business permit (HGU) in Central Sulawesi, a factual circumstance directly contradicting the previous sustainability claims. Despite this contradiction being documented, publicly litigated, and brought before the South Jakarta District Court, no regulatory sanction has been imposed on the bank. In the absence of legal consequences for false sustainability claims, banks face no material cost from publishing ESG commitments they do not operationalize. A dedicated regulatory framework, with OJK empowered to investigate the accuracy of banks’ sustainability representations and impose graduated sanctions for material misrepresentation, would provide a more accessible, efficient, and predictable accountability mechanism for stakeholders raising concerns.

4.5. Conclusion and recommendations

The consumer engagement and accountability mechanisms theme received the lowest average score in the consumer empowerment scorecard, indicating a systemic failure among the banks assessed to provide consumers with channels to influence or monitor the ESG impacts of their activities. While Bank Mandiri was not among the three Indonesian banks assessed in the 2024 FFA scorecard, the case brought by TuK Indonesia highlights similar deficiencies in the bank’s policies and processes, and provides a clear example of obstacles faced by consumers and CSOs to hold banks accountable for conducting environmental and social due diligence and ensure their financing decision does not jeopardize business sustainability, the environment, or affected communities.

Based on the results of the scorecard and the information collected for this case study, FFA and ResponsiBank Indonesia offer the following recommendations:

Recommendations for Indonesian banks

- 1. Establish non-judicial ESG grievance mechanisms:** Banks should create clear, accessible, and transparent grievance channels, aligned with the UNGPs, specifically for consumers and stakeholders to report environmental and social harms linked to the bank’s portfolio. In addition, banks should disclose, annually in their sustainability report, the number, topics, and status of complaints received.
- 2. Respond to stakeholder concerns:** Banks should disclose and implement a formal assessment process and timeline for responding to ESG complaints, ensuring that complainants receive substantive feedback.
- 3. Enhance portfolio transparency:** To build trust, banks should publicly disclose the names of companies and projects they finance, particularly in high-risk sectors, to allow consumers to see how their deposits are used.
- 4. Proactive sustainability engagement:** Banks should move beyond the passive disclosure of sustainability commitments in annual reports and website policy statements, which are unlikely to reach a broad range of consumers. Instead, banks should be required to integrate sustainability information directly in client-facing touchpoints, including product documentation, account interfaces, and customer communications, in a manner that is specific, comprehensible, and tied to the financial products and services the client is actually using and their interests.
- 5. Strengthen ESG due diligence:** Banks should ensure that the principle of prudence is strictly applied by conducting robust environmental and social due diligence throughout the entire life cycle of a client relationship in line with the UNGPs and the OECD Guidelines for the financial sector. Specifically, in high-risk sectors like

palm oil, which are often associated with land conflicts, banks should always verify the legality of land permits and the concession status of borrowers by requiring third-party verification of land tenure legality before any credit is extended or renewed.

Recommendations for regulators, especially OJK

- 1. Broaden the scope of mandatory disclosure:** Expand the scope of mandatory sustainability reporting to include “double materiality” (both financial and impact-based) and ensure the mandatory disclosure of all sustainability-related information (e.g., gender equality, land rights, labor rights), not only climate-related information.
- 2. Mandate third-party assurance of sustainability reporting:** Require independent, third-party audits of sustainability reports to ensure the accuracy of disclosed ESG data.
- 3. Mandating client consent to disclosure in high-risk sector lending:** Issue binding guidance requiring banks to include client consent to basic relationship disclosure as standard language in loan agreements for borrowers and projects in the palm oil sector.
- 4. Advocate for and help design a mandatory human rights and environmental due diligence (HREDD) law also applicable to the financial sector:** Building on the National Strategy on Business and Human Rights, OJK could work with the Ministry of Law and Human Rights and other relevant ministries to develop a HREDD law for businesses that explicitly includes financial institutions’ downstream activities (lending and investments). The law’s definition and core elements of due diligence should be aligned with the UNGPs and the OECD Guidelines for MNE.
- 5. Enforce strict penalties for misleading claims:** OJK should be empowered to investigate and penalize banks for misleading sustainability claims. When a bank’s actual lending practices contradict its published ESG policies, OJK should impose graduated financial sanctions rather than mere administrative warnings. This recommendation should be enforced jointly with recommendation 4 to ensure it does not lead to “greenhushing” behavior.^v
- 6. Support judicial and regulatory training on sustainable finance:** OJK could collaborate with the Supreme Court’s Judicial Training Center, the Ministry of Law and Human Rights, and relevant partners to provide targeted training for judges, supervisors, and other regulators on Indonesia’s sustainable finance framework, so that ESG-related litigation and disputes are handled with adequate technical understanding.

^v Greenhushing is the practice whereby companies or financial institutions deliberately withhold, downplay, or stop communicating their sustainability commitments and progress not because those commitments do not exist, but to avoid attracting scrutiny that could expose them to accusations of greenwashing or legal liability.



5

OVERINDEBTEDNESS IN CAMBODIA

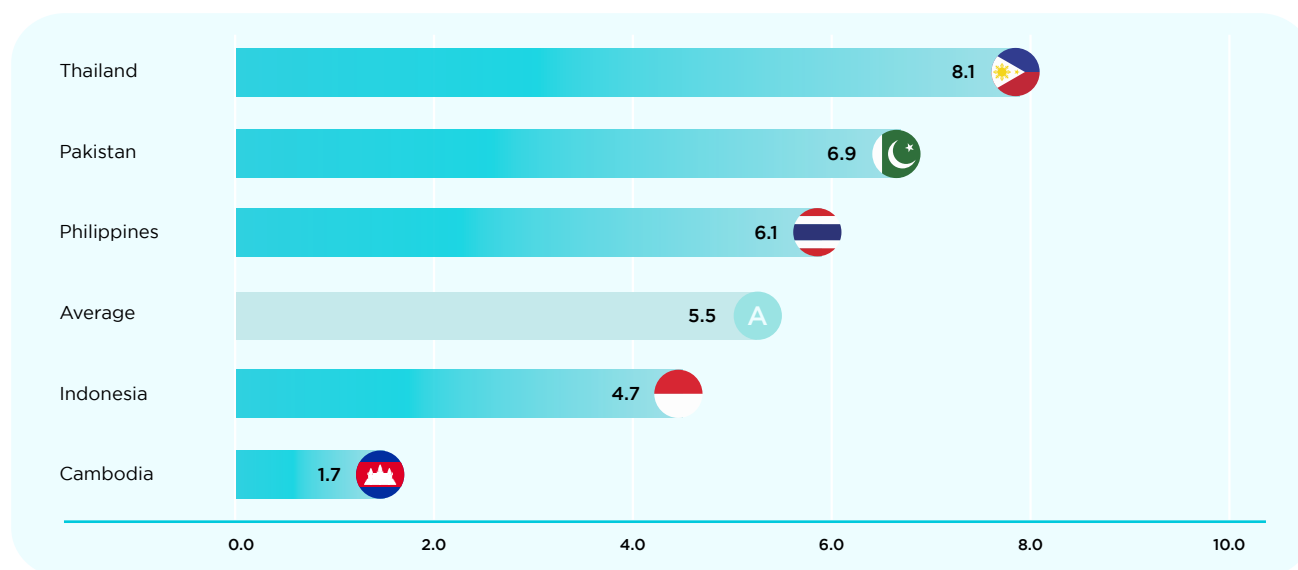
Widespread indebtedness among micro, small, and medium enterprises (MSMEs) and individual borrowers is a persistent concern in Cambodia. Overindebtedness is primarily driven by high interest rates charged by lenders, including microfinance institutions (MFIs), and by predatory lending practices targeting vulnerable groups. Limited financial literacy further exacerbates borrowers' exposure to excessive debt and economic insecurity, particularly during crises such as the COVID-19 pandemic. In this case study, Fair Finance Cambodia (FFC) collected testimonies from consumers and MSMEs affected by these dynamics, revealing that the COVID-19 crisis severely disrupted some business activity, resulting in income losses for bank clients and difficulties in meeting repayment obligations. The case study also provides an overview of the regulatory framework for consumer protection and highlights potential areas for improvement for both banks and regulators to strengthen consumer safeguards.

5.1. Key findings of the consumer empowerment scorecard

In the scorecard, financial consumer protection emerged as the highest-scoring theme, with more than 70% of banks

scoring 5 or higher out of 10. However, Cambodian banks scored lowest with an average score of 1.7, as shown in Figure 5.

Figure 5 Average scores per country: Consumer protection (/10)



Only four of the 15 Asian banks assessed had systems in place to prevent overindebtedness, none of which was a Cambodian bank. Such systems could be specific processes or tools to detect financial problems at an early stage, enhanced monitoring systems for customers at risk of indebtedness, prevention campaigns targeting individuals with a higher risk of overindebtedness (low-income groups, ethnic minorities, or young adults), and partnerships with CSOs that have expertise in supporting people facing financial difficulties.

Of the three Cambodian banks assessed, two explicitly commit to disclosing consumers' rights and the risks related to the products and services they sell, but none of the banks publicly reports that sales employees and authorized agents are regularly trained on fair treatment of consumers. Two Cambodian banks, including ACLEDA Bank Plc., disclose their

complaint-handling and redress processes for consumers.

5.2. Case study: Lived experiences of overindebtedness among ACLEDA Bank consumers in Cambodia

5.2.1. Methodology

FFA, FFC, Oxfam in Cambodia, and Profundo have collaborated to develop a comprehensive plan for data collection and desk review, focusing on MSMEs and individuals affected by overindebtedness. A detailed set of interview questions was developed to address key customer protection, financial literacy, and consumer empowerment issues. Structured to gather relevant data on customers' experiences and the effectiveness of bank interventions, in-depth interviews were conducted with six individuals and

six MSMEs getting loans from ACLEDA Bank Plc. Informants provided qualitative insights into the real-world impacts, challenges, and perceptions related to borrowing and debt management practices.

Five of them were referred by the National Authority for Alternative Dispute Resolution (NADR),¹⁰⁷ which mediates cases of overindebtedness with bank, MFI and informal lending, while the remaining

individuals were recommended by Equitable Cambodia (EC) and Cambodia League for the Promotion and Defense of Human Rights (LICADHO), which has advanced expertise in overindebtedness. The interviews were conducted in November 2025 both online and in person based on the availability of the interviewees. Table 3 outlines the main characteristics of the interviewees.

Table 3 Characteristics of the interviewees

No.	Informant	Modality	Characteristics
1	Individual customer	In person	Getting a business loan (<USD 5,000) for running a coffee shop
2	Individual customer	In person	Getting a business loan (<USD 5,000) for setting up a grocery store
3	Individual customer	In person	Getting a business loan (USD 17,000) for buying a car to transport goods to border
4	Individual customer	In person	Getting a business loan (USD 17,000) for buying a car to transport goods to border
5	Individual customers	Telegram call	Getting a small business loan (USD 5,000) for an online shop
6	Individual customer	Telegram call	Getting a housing loan (USD 30,000) for buying a new house
7	Individual representing an MSME	In person	Getting a business loan (<USD 30,000) for setting up a locally produced beverage and food enterprise
8	Individual representing an MSME	In person	Getting a business loan (USD 110,000) for setting up a construction company
9	Individual representing an MSME	In person	Getting a business loan (USD 23,000) for small trade and purchasing land
10	Individual representing an MSME	In person	Getting a business loan (USD 32,000) for a dump truck service
11	Individual representing an MSME		Getting a business loan (USD 440,000) for setting up a night pub and expanding the business
12	Individual representing an MSME	Telegram call	Getting a business loan (USD 50,000) for setting up a high-end coffee shop

Source: Fair Finance Cambodia

5.2.2. Description of the issue

Most loans aimed at supporting business growth are tied to timely repayment and long-term success. However, the COVID-19 pandemic in Cambodia disrupted many businesses and caused significant income loss for clients.¹⁰⁸ As a result, borrowers struggled to meet their loan payments. The pressure from banks for on-time repayment made this situation worse, as clients were already dealing with the financial fallout from their business being disrupted. They had to manage reduced business operations while also facing the stress of repaying loans and accumulating interest, which led to ongoing financial distress. Late payment penalties increased their debt, adding to their burdens.¹⁰⁹ All customers interviewed reported that ACLEDA provided little relief during these tough times and focused only on strict repayment schedules. Based on the interviews, bank credit officers often pressured clients to make payments, demanding cash on time despite the challenges they faced. One informant said, *“[...]They came to our house frequently and demanded cash on time, though we did tell them we were in difficult times.”*

Recognizing the significant implications of the COVID-19 pandemic, the National Bank of Cambodia (NBC) took steps to assist financial institutions in supporting their clients during those challenging times. In a notice dated May 21, 2021, the NBC urged banks to adopt flexible approaches, such as refinancing loans multiple times—at least three times or more for clients living in high-risk “red zones”.^{110,111} Additionally, banks were advised to consider reducing or exempting unnecessary fees based on the individual circumstances of their clients. 75% of the interviewees expressed their appreciation for the resolutions that banks implemented in response to the NBC’s guidance. Despite these efforts, many clients reported continued difficulties in repaying their loans. The ongoing disruptions to their economic

activities caused by the pandemic have severely affected their income generation.

During the interviews, it was discovered that credit officers not only encouraged but also actively advised clients to seek additional private or informal loans to settle existing debts, further complicating their financial situations by requiring them to obtain land titles as collateral. Three-quarters of interviewees confirmed that they received various forms of coercive guidance aimed at securing loans or repaying existing obligations. One individual recounted, *“[...] I was urged to take private loans with daily interest rates. I borrowed 6 million riels (about \$1,500) and had to pay \$2.50 to \$3.00 each day. I was advised to take this private loan to clear my previous credit and return my land titles for another bank loan.”*

Many ACLEDA clients reported that they raised concerns about repaying their loans, but the bank’s response was limited. The bank’s focus was on enforcing the original loan term, requiring on-time payments, and, in cases of missed payments, warned of penalties, including the possible loss of land titles. For clients unfamiliar with formal financial and legal systems, these warnings caused significant stress. Several clients shared that they feared being taken to court if they missed paying interest and felt deeply anxious because they had little understanding of what that process would involve.

Clients also noted that loans were sometimes approved even when they did not have steady income. In one case, a client in Kampong Speu province took out a \$4,000 loan to cover her son’s wedding costs, disclosing this purpose to the loan officer. Despite the son’s monthly income being only \$150, the loan was approved with a land title required as collateral.

For many clients, these experiences raised concerns about whether the loan assessment process adequately evaluated

their repayment capacity and whether the requirement to use land and property as collateral exposed them to risks they were not fully equipped to anticipate or manage. The result was that some clients felt more exposed than supported by the borrowing process, particularly when their financial circumstances changed during the economic distress of COVID-19.

This approach raises significant ethical concerns. From a responsible business perspective, it is fundamentally wrong to target vulnerable clients for profit while neglecting their financial well-being. Ultimately, this practice transforms the loan process into a predatory venture where the aim is not to foster clients' financial stability but to create opportunities for the bank to seize their assets when repayment becomes difficult. Such tactics undermine the essential principles of ethical lending and financial empowerment, driving clients into a cycle of dependency and risking the loss of their properties instead of providing constructive solutions for their needs. Such practices may point to potential business ethics concerns within the bank and could be indicative of a business culture that tends to emphasize short-term gains over long-term relationships and community welfare, which may contribute to persistent overindebtedness.

From a different perspective, EC and LICADHO observed that the bank was unable to independently resolve the issue of indebtedness, urging clients to seek assistance from the NADR.^{vi} There are cases of *"inability to repayment bank loans"* filed and logged with the NADR, as clients hoped for critical mediation to achieve a satisfactory *"win-win"* resolution for themselves and the bank. Throughout the process, the NADR worked to facilitate communication between the affected

clients and the bank, striving to address each party's concerns and finding common ground. The mediators acknowledged the challenges faced by clients, especially during economically difficult periods. They gathered information from both sides, aiming to create fair solutions while maintaining the bank's interest in recovering loans. Five informants had satisfactorily accepted the resolutions from the NADR and so had the bank.

Even though few clients understood the terms of their loans, many were unaware of other services that banks offered. There was a clear lack of consumer protection, with clients feeling uncertain about their rights and available support. This uncertainty led to negative outcomes, as the interviewed clients did not know how and who to turn to for help when they were unable to make payments, leaving them stuck in unfavorable loan agreements. The lack of clear communication about how to file complaints made clients vulnerable. All informants expressed confusion about the complaint process and relied on credit officers for guidance without knowing other options. One informant said, *"When I want to talk to the bank or log any complaint, I just ring the officer and report my case. I don't know what other channels I can use."* This lack of clarity increased feelings of vulnerability, making it more likely for clients to fall deeper into financial distress.

Responses from the interviewed clients also highlighted a serious gap in financial literacy and support from banks. All interviewees sought help from informal sources rather than receiving proper education from their lenders. Clients reported never being invited to formal finance or debt management-related

^{vi} Established in 2023, the NADR provides mediation and conciliation services for civil and commercial disputes outside the court system. Its goal is to offer faster, more affordable, and inclusive dispute resolution, helping to reduce court congestion. Banks, MFIs, and their clients can file complaints with the NADR for resolution before resorting to court, as its final decisions carry the same weight as a court verdict. The NADR plays a crucial role in client protection by focusing on accessible and equitable dispute resolution mechanisms.

training sessions or workshops, revealing a failure by the bank to equip them with the knowledge required for effective financial management. One informant stated, *“I have not been invited for any formal training or awareness by the bank. I usually seek advice from my peers or relatives,”* which resonated with others.

In conclusion, the experiences of these borrowing clients showed a significant disconnect between what clients needed and how banks operated, especially during tough economic times. While a few clients felt supported by their banks, most felt overwhelmed and pressured. To improve consumer protection, banks need to adopt a clearer communication system, including complaint logging procedures or a feedback system to improve client interactions and address issues such as debt as early as possible. For a better banking environment, banks should prioritize clear communication, providing straightforward explanations of terms and conditions through easy-to-understand documents and consultations. Banks must be more proactive and protective when issuing loans, using a more reliable loan assessment approach or methodology that captures the real repayment capacity of clients. More educational programs focusing on financial literacy and financial management are also essential to support more informed financial decisions.

5.3. Overview of the regulatory landscape

5.3.1. Capping interest rates

In April 2017, the NBC introduced an interest rate cap policy relating to lending by MFIs: Prakas No. B7-017-109.¹¹²

The regulation applies to MFIs, deposit-taking microfinance institutions (DTMFIs), and rural credit operators, with its stated objective being to protect consumers from excessive interest rates and predatory lending practices, and it sets the rate at 18% per annum.

However, some organizations, like the International Monetary Fund (IMF), have found that the adoption of this rate cap has some undesirable effects, including a significant increase in non-interest fees charged on new loans.¹¹³

5.3.2. Law on Consumer Protection and unfair contract terms

In 2019, the National Assembly of Cambodia adopted a Consumer Protection Law¹¹⁴ aiming to *“ensure the protection of consumers, to contribute to the promotion of fair competition, and to provide rules and mechanism that will contribute to a trading environment in which the rights and interest of consumers are protected”*.¹¹⁵ The law is applicable to all persons conducting business activities in Cambodia, and its main provisions include the prohibition of unfair business conduct and unfair business practices, as well as the obligation to comply with consumer information standards. The Law stipulates that sanctions may include a written warning, suspension, revocation or withdrawal of business certificates or business licenses, transaction fine, financial penalty, and imprisonment.¹¹⁶

The Law establishes the National Committee on Consumer Protection (NCCP) as the competent authority for consumer protection.

Following the promulgation of the Law on Consumer Protection, the Ministry of Commerce (MOC) issued Prakas 0067 on Unfair Contract Terms in March 2022. The regulation aims to protect consumers’¹¹⁷ rights against excessive exploitation of benefits and abuse of circumstances arising from the contractual relations between consumers and business operators in Cambodia. The regulation, which applies to all business operators in their relationships with consumers, including banks and financial institutions, prohibits unfair clauses in standard form

contracts. Unfair contract clauses cover issues such as:

- clauses allowing unilateral modification of interest rates or contract terms without consumer consent;
- clauses granting the right to the business operator to unilaterally and arbitrarily interpret or to terminate the contract at their sole discretion; and
- any clause excluding or limiting the liabilities of the business operator on the guarantee of the services and/or goods.

On March 24, 2023, following the observations of a number of contracts containing “*unfair*” clauses,¹¹⁸ the MOC and the NBC issued a joint press release on the implementation of the Law on Consumer Protection and Prakas on Unfair Contract Clauses in the Banking and Financial Sector.¹¹⁹ In the press release, they encourage banks and financial institutions to operate in accordance with the Law on Consumer Protection and Prakas on Unfair Contract Clauses; and “[...] *encourage members of the general public, especially consumers*” to report any “*excessive exploitation*” in standard form contracts.¹²⁰

In August 2023, the Association of Banks in Cambodia (ABC) and the Cambodia Microfinance Association (CMA) launched standardized loan agreements and contractual terms (endorsed by the NBC Governor), for banks, MFIs, and leasing firms to boost transparency, fair competition, and consumer protection.¹²¹

5.3.3. Easing the burden of debtors during the COVID-19 pandemic

In March 2020, the NBC announced it issued a directive to all banks and financial institutions to restructure loans to maintain financial stability, support economic activity, and ease the burden of debtors

facing major revenue declines during the ongoing COVID-19 pandemic.¹²²

The directive, which is not mandatory, requires banks to adopt a policy and procedure for loan restructuring and to pay particular attention to sectors most affected by the pandemic, including garments, transportation, tourism, and construction. Among the restructuring measures that banks are encouraged to take are reducing the amount of loan principal, reducing the interest rate, extending the payment deadline, waiving or reducing collateral, and providing a grace period for non-repayment.¹²³

Despite this announcement, several CSOs have flagged that, because the directive does not provide clear interpretative guidance and leaves it to financial institutions to decide which borrowers are considered to be “*facing financial difficulties*,” these debt measures can be applied in an arbitrary manner, effectively granting lenders broad discretionary power to approve or refuse debt relief.¹²⁴ Instead, various CSOs have called for a debt collection moratorium to address the overindebtedness crisis, but the Cambodian government did not implement such a moratorium.¹²⁵

5.3.4. Code of conduct regarding fair treatment of consumers

Cambodia’s banking client protection framework is anchored around the Banking and Financial Institution (BFI) Code of Conduct.¹²⁶ The Code of Conduct, launched in March 2022 by ABC, CMA, and Cambodia Association FinTech and Technology, is applicable to all banking and financial institutions licensed by the NBC. The document addresses key issues such as ethical sales practices, management of overindebtedness, transparency, and fair treatment of clients.

- **Fair marketing practices**

The code requires financial institutions to ensure all advertising materials are clear, honest, compliant with relevant compliant with all relevant and applicable laws and regulations to be fair, and prevent overindebtedness. Moreover, the code stipulates that, when using third-party sales or marketing agents, financial institutions should hold those parties to the same standards of conduct, confidentiality, and security as their own.¹²⁷

- **Financial literacy**

The code also mentions that banking and financial institutions should *“[...] provide financial literacy to the consumers and the public:*

- ◆ Financial Literacy initiatives should be targeted at consumers at teachable moments and through financial services providers to ensure understanding, retention, and usage of disseminated information.
- ◆ To build the financial competence and management skills through implementing financial literacy initiatives.
- ◆ Launched campaigns to promote financial awareness emphasizing on consumer empowerment and financial sector transparency in order enhance financial inclusion and support vulnerable consumers.
- ◆ To design campaign to empower consumer to use, to choose, to negotiate, and to communicate in order to make well-informed financial decision.
- ◆ To raise awareness of promoting lending for investment over lending for consumption.”¹²⁸

- **Overindebtedness and debt collection practices**

The code also requires financial institutions to develop measures to prevent overindebtedness and to adopt responsible debt collection practices, which means that banks must not use any type of threats, abusive or intimidating tactics, or harassment practices to recover debts.¹²⁹

5.3.5. Consumer complaints

In 2017, the NBC issued a Prakas on the Resolution of Consumer Complaints to establish a formal complaints mechanism, which mandates standardized complaint-handling procedures for banks and financial institutions. The regulation defines clear timelines for acknowledging, resolving, or escalating complaints.¹³⁰ In September 2023, to enhance complaint resolution mechanisms, the ABC and the CMA released a joint mechanism on handling consumer complaints.¹³¹ The framework outlines a structured mediation process designed to resolve disputes between clients and financial institutions fairly and transparently. As of July 7, 2025, the framework has evolved to a new centralized contact point for consumers, the Financial Consumer and Protection Centre (FCPC).¹³² The FCPC has its own governance and budget, and its mandate covers both complaint handling and counseling, as well as complaint resolution, including mediation, jurisdiction, and, potentially, ombudsman services. The FCPC is governed by its Board of Directors and a dedicated Executive Office led by the General Manager.¹³³

This measure is part of a broader five priorities reform agenda resulting from a multi-stakeholder consultation process launched by the NBC and the United Nations in Cambodia in November 2023 to address overindebtedness and promote responsible lending.¹³⁴ Since then, high-level consultations have continued with the government, regulators, financial

institutions, investors, civil society, and international partners, yielding key actions such as restrictions on certain land collateral, ethical collateral handling, and protections for borrowers' personal identification documents (e.g., no ID retention).¹³⁵

5.4. Identification of regulatory and implementation gaps

5.4.1. Methodology

This section is based solely on the interviews conducted by the FFC coalition with six individuals and six MSMEs getting loans from ACLEDA Bank. Engagement with the NBC or ABC had not yet taken place at the time of publication. FFC will

continue its engagement with the NBC and ABC at a suitable time.

5.4.2. Regulatory and implementation gaps

FFC's interviews highlight specific implementation gaps between ACLEDA Bank's practices and Cambodia's regulatory framework, as well as opportunities to strengthen NBC oversight. While these observations are drawn from a limited sample of six individual and six MSME interviews, which cannot be generalized to systemic bank-wide failures, they provide valuable qualitative insights into real consumer experiences that merit further investigation to inform targeted improvements.

Table 4 Identified implementation gaps

Issues reported by interviewees	Regulation	Gap
Inadequate process to assess borrowers' ability to repay loans; credit officers actively advised clients to seek additional private or informal loans to settle existing debts	BFI Code of Conduct NBC circular on Loan Restructuring during COVID-19 pandemic	- Financial institutions should ensure all advertising materials are clear, honest, and prevent overindebtedness - Financial institutions should develop measures to prevent overindebtedness
Aggressive debt collection practices, such as pressure tactics (frequent home visits, threats of judicial procedures)	BFI Code of Conduct Law on Consumer Protection NBC Prakas on handling consumer complaints	- Financial institutions should adopt responsible debt collection practices - Consumers should first get a formal 30-day investigation period with documented updates before any escalation threat - No sanctions imposed by the regulator on ACLEDA Bank
Credit officers pressured clients to pledge land titles despite unstable incomes	BFI Code of Conduct NBC-UN 5-Point Plan, including regulation on collateral restriction	Financial institutions should adopt responsible debt collection practices
Consumers feel uncertain about their rights and available support	Prakas on the Resolution of Consumer Complaints	- Banks must establish a consumer complaint management framework - Banks must appoint a Senior Consumer Relations Officer (SCRO), handle complaints within strict timelines, and publicly disclose processes in Khmer and English at branches and websites¹³⁶

5.5. Conclusions and recommendations

Research conducted by FFC highlights that there are gaps between the regulatory landscape and the lived experiences of bank consumers. While consumer protection has emerged as a priority for Cambodian regulators, supported by a mix of mandatory laws and voluntary standards, field interviews suggest that banking practices often fall short of these requirements. Specifically, borrowers continue to encounter flawed debt burden evaluations, unreliable adherence to mandated complaint timelines, and a risky dependence on vulnerable collateral, such as land titles, indicating that existing safeguards are not yet consistently applied across the sector.

While this case study cannot be considered a representative sample of ACLEDA Bank's practices, it adds to the existing body of evidence to raise awareness among banks and regulators of the need for stronger regulatory enforcement and oversight.

Interviews by FFC reveal persistent gaps in Cambodian banking practices, such as inadequate debt burden assessments, inconsistent complaint handling, and abusive debt collection practices.

Despite consumer protection being a regulatory priority for the NBC and industry associations like the ABC, implementation remains inconsistent, as flagged by other actors such as Human Rights Watch¹³⁷ and LICADHO.¹³⁸

While not statistically representative, the findings of this case study and the consumer empowerment scorecard underscore the urgent need for stronger NBC enforcement and oversight.

Based on the results of the scorecard and the information collected for this case study, FFA and FFC have formulated the following recommendations.

Recommendations for financial institutions:

- 1. Comply with the Code of Conduct for Banking and Financial Institutions** (see section 5.3.4), including ensuring fair, transparent, and comprehensive disclosure of consumer rights, product risks, fees, and terms in accessible language.
- 2. Conduct a detailed, systematic, and documented assessment of borrowers' ability to repay their loans** prior to loan approval, using standardized tools like debt-service-to-income ratios and vulnerability screenings to prevent overindebtedness.
- 3. Restrict collateral practices** to avoid cumulative impacts of overindebtedness. Banks should prohibit the acceptance of collectively owned land, including Indigenous community land or communal properties, as collateral for new loans.
- 4. Develop responsible debt collection guidelines** that address the following issues:
 - 5.** Zero tolerance for intimidation, pressure tactics, threat, or harassment by staff or agents to collect payment;
 - 6.** Prohibition of advising or facilitating additional private or informal loans to repay existing debts;
 - 7.** Tailored, non-abusive debt settlement options adapted to consumer vulnerability (e.g., payment grace period, restructuring), avoiding exacerbation of overindebtedness; and
 - 8.** Defined sanctions for staff or agents in cases of non-compliance, with regular audits.
- 9. Extend ethical business standards to third parties:** Banks should ensure all recommendations apply equally to third-party providers, including sales, marketing, or collection agents, via binding contracts and training requirements.
- 10. Strengthen complaints handling:** Banks should ensure consumers have clear access to complaint channels, with comprehensive communication on handling procedures, including timelines and escalation processes to external bodies like the FCPC or NBC if they are

unsatisfied with the bank's proposed solutions.

11. Enhance the transparency and accountability of complaints

resolution: Banks should publicly disclose the results of complaints monitoring, including the number of complaints received, the primary topics, channels used, resolution rate by the bank, and the number of escalations to external bodies such as the FCPC or NBC.

Recommendations for the NBC

1. Mandate annual public audits on consumer protection:

The NBC should conduct an annual audit of banks' consumer protection policies and practices and publicly disclose the key findings, non-compliance rates, and corrective action plans.

2. Standardize repayment capacity assessments:

The NBC can define and mandate the adoption of a clear methodology (e.g., debt-service-to-income ratio inferior to a certain

threshold, vulnerability screenings) for assessing borrowers' repayment ability and debt burden prior to loan approval.

3. Cap recovery fees:

The NBC should set strict caps on debt recovery fees applied by banks and financial institutions and require banks to implement loan restructuring measures for clients with financial difficulties.

4. Impose sanctions for unethical practices:

The NBC should impose financial penalties for unethical debt collection and unfair consumer practices, and publicly disclose when this happens.

5. Support the FCPC:

The NBC should provide technical and financial support to the FCPC, monitor its performance, and formalize escalation pathways for unresolved complaints.

6. Ban high-risk collateral via directive:

The NBC should prohibit acceptance of Indigenous or communal land or "soft titles" as collateral for new loans through enforceable Prakas.

APPENDIX

ASSESSMENT CRITERIA USED IN THE CONSUMER EMPOWERMENT SCORECARD

Table 5 List of assessment criteria per theme

No.	Theme
Financial inclusion	
1	The bank reports how it has identified priority groups for its financial inclusion strategy.
2	The bank discloses quantitative target(s) related to financial inclusion.
3	The bank offers products and services that specifically target unbanked or underbanked population.
4	The bank enables customers to open a banking account without initial deposit or maintaining a minimum balance requirement.
5	The bank offers products and services designed for MSMEs to support them in managing their climate, environmental, and social risks.
6	The bank does not require collateral for MSMEs to borrow.
7	The bank offers products and services that have been designed to be gender responsive.
8	The bank has an explicit commitment or provides evidence that it has developed products and services accessible to rural and remote areas, with limited access to physical banking infrastructure.
9	The bank has developed partnerships with (informal) community-based financial organizations or other relevant stakeholders to foster the financial inclusion of women, unbanked, or underbanked people in rural areas.
Financial consumer protection	
10	The bank has a policy to disclose customers' rights and the risks related to its products and services.
11	The bank trains its sales employees and authorized agents on fair treatment of consumers.
12	The bank has systems in place to prevent overindebtedness.
13	The bank provides regular cybersecurity awareness and training programs for its employees and authorized agents to ensure they understand and follow best practices.
14	The bank ensures that consumers have access to adequate complaints handling and redress that have a due diligence process in place.
15	The bank discloses the results of complaints monitoring, such as the number of complaints, main issues, and from which channels they were received (call centre, website, e-mail, phone, bank branch).

Financial literacy	
16	The bank trains its sales staff and authorized agents on financial inclusion/financial health issues and the products and services it offers in this regard.
17	The bank provides financial education and training for vulnerable groups or underbanked people, especially to provide them with some knowledge of money management and understanding of risks associated with financial products and services.
18	The bank provides training in entrepreneurship and business development for women.
19	The bank participates in awareness-raising initiatives aimed at informing consumers about the environmental, social, and governance (ESG) impacts of the financial industry.
20	The bank participates in awareness-raising initiatives about sustainable finance targeting the young.
21	The bank trains its sales staff and authorized agents on sustainable finance products and services.
Consumer engagement and accountability mechanisms	
22	The bank communicates with all its retail clients about its sustainability strategy.
23	The bank has channels in place to systematically collect information on its retail customers/ MSMEs' knowledge and expectations of ESG issues (sustainability profile).
24	The bank offers sustainable finance products and services to retail clients.
25	The sales staff of the bank and authorized agents communicate proactively with (actual or potential) consumers on its offer of sustainable finance investment products.
26	The bank is transparent about the composition of its sustainable investment funds and the criteria applied to build them.
27	The bank discloses the names of companies and projects to which it has granted credits.
28	The bank has set up channels through which its retail clients can raise questions or submit complaints related to the ESG impacts of companies or projects the bank finances through lending or investments.
29	The financial institution reports on the complaints it has received from its retail clients or from CSOs related to the ESG impacts of its financing.
22	The bank communicates with all its retail clients about its sustainability strategy.
23	The bank has channels in place to systematically collect information on its retail customers/ MSMEs' knowledge and expectations of ESG issues (sustainability profile).
24	The bank offers sustainable finance products and services to retail clients.
25	The sales staff of the bank and authorized agents communicate proactively with (actual or potential) consumers on its offer of sustainable finance investment products.

26	The bank is transparent about the composition of its sustainable investment funds and the criteria applied to build them.
27	The bank discloses the names of companies and projects to which it has granted credits.
28	The bank has set up channels through which its retail clients can raise questions or submit complaints related to the ESG impacts of companies or projects the bank finances through lending or investments.

REFERENCES

- 1 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector.
- 2 Ibid.
- 3 Laplane, J., L. van Loenen, and J.W. van Gelder (2023, February), Fair Finance Guide Methodology 2023, Amsterdam, The Netherlands: Profundo.
- 4 UNEP Finance Initiative (2024). Driving Impact on Financial Health and Inclusion of Individuals and Businesses: From setting targets to implementation, Geneva, Switzerland: UNEP Finance Initiative.
- 5 Anderson, L., M. Pekkari, G. Gray, V. Neugebauer, and L. Candotto (2023), Building MSME Resilience in Southeast Asia, with a country focus on Thailand and Malaysia, New York, United States: United Nations Development Programme.

ASEAN (2022), Strengthening Women's Entrepreneurship in National MSME Policies and Action Plans: Toolkit for Policymakers, Jakarta, Indonesia: ASEAN.

Asian Development Bank (2017), Accelerating Financial Inclusion in South-East Asia With Digital Finance, Metro Manila, The Philippines: ADB.

Alliance for Financial Inclusion (2022, May), Enhancing financial inclusion in rural areas, Kuala Lumpur, Malaysia: AFI.
- 6 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector.
- 7 Ibid.
- 8 Ibid.
- 9 Consumers International (n.d.), "Members – Thailand Consumers Council", [Accessed online](#), viewed in January 2026
- 10 Thongmeensuk, S. (2025), Online Fraud and Scams in Thailand, Jakarta, Indonesia: Safer Internet Lab.
- 11 The Nation (2024, October 8), "Over a quarter of Thais targeted by scams over past year", [Accessed online](#), viewed in January 2026.
- 12 Jaikhiaw, K. (2026, January 8), Interview with Chithira Rajeevan of Profundo.
- 13 Ibid.
- 14 Ibid.
- 15 The Nation (2024, October 8), "Over a quarter of Thais targeted by scams over past year", [Accessed online](#), viewed in January 2026.
- 16 Wongkaew, S. (2026, January 8), Interview with Chithira Rajeevan of Profundo.
- 17 Ibid.
- 18 Ibid.
- 19 ASEAN Consumer (2010), Consumer protection Act, B.E. 2522 (1979), [Accessed online](#), viewed in February 2026.
- 20 Bunyamissara, P. (n.d.), "New measures for protection and suppression of technology crimes", [Accessed online](#), viewed in February 2026.

Royal Thai Government (2023), "Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes, B.E. 2566", Royal Gazette, Vol. 140 (Part 18 A), pp. 1-7.
- 21 Bank of Thailand (2025, April 28), "The Bank of Thailand has set standards for the banking sector to share responsibility under the Emergency Decree on Measures for the Prevention and Suppression of Technology Crimes", [Accessed online](#), viewed in February 2026.

Thailand Law Library (n.d.), "New Cybercrime Laws in Thailand: What Foreigners Need to Know", [Accessed online](#), viewed in February 2026.
- 22 Bank of Thailand (2025, April 28), "The Bank of Thailand has set standards for the banking sector to share responsibility under the Emergency Decree on Measures for the Prevention and Suppression of Technology Crimes", [Accessed online](#), viewed in February 2026.

Royal Thai Government (2025), "Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes (No. 2), B.E. 2568", Royal Gazette, Vol. 142 (Part 27 A), pp. 5-13.
- 23 Bank of Thailand (2025, April 28), "The Bank of Thailand has set standards for the banking sector to share responsibility under the Emergency Decree on Measures for the Prevention and Suppression of Technology Crimes", [Accessed online](#), viewed in February 2026.

- 24 Royal Thai Government (2025), "Emergency Decree on Measures for the Prevention and Suppression of Technological Crimes (No. 2), B.E. 2568", Royal Gazette, Vol. 142 (Part 27 A), pp. 5-13.
- 25 Ibid.
- 26 Ibid.
- 27 Thailand Law Library (n.d.), "Mule Accounts and Financial Scams in Thailand", [Accessed online](#), viewed in January 2026.
- 28 Jaikhiaw, K. (2026, January 8), Interview with Chithira Rajeevan of Profundo.
- 29 Bank of Thailand (2025, April 28), "The Bank of Thailand has set standards for the banking sector to share responsibility under the Emergency Decree on Measures for the Prevention and Suppression of Technology Crimes", [Accessed online](#), viewed in February 2026.

Bank of Thailand (2023, March 9), "The Bank of Thailand issues additional measures to combat financial fraudulent activities", [Accessed online](#), viewed in February 2026.
- 30 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector, p. 15.
- 31 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector, p. 16.
- 32 State Bank of Pakistan (2025, November 6), Prudential Regulations for Small & Medium Enterprise Financing, p. 4.
- 33 Khan (2025, October 28), Interview with Asim Jaffry and Huma Iqbal of Fair Finance Pakistan.
- 34 Ibid.
- 35 Ibid.
- 36 Ibid.
- 37 Ibid.
- 38 State Bank of Pakistan (2021), Banking on Equality, pp. 7, 18.
- 39 Dawn (2025, October 22), "Women's access to finance expands, says SBP chief", [Accessed online](#), viewed in March 2026.
- 40 Financial Alliance for Women (2025, July 29), "Making Women's Financial Inclusion a Policy Priority: An Interview with the State Bank of Pakistan", [Accessed online](#), viewed in March 2026.
- 41 State Bank of Pakistan (2021), Banking on Equality, p. 13.
- 42 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 43 State Bank of Pakistan (2021), Banking on Equality, p. 13.
- 44 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 45 State Bank of Pakistan (2021), Banking on Equality, pp. 13-14.
- 46 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 47 State Bank of Pakistan (2021), Banking on Equality, p. 18.
- 48 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 49 State Bank of Pakistan (2021), Banking on Equality, p. 15.
- 50 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 51 State Bank of Pakistan (2021), Banking on Equality, p. 17.
- 52 Fair Finance Asia (2025, March 13), "Video: Are Asian Banks Empowering Consumers as Partners in Sustainability?", [Accessed online](#), viewed in March 2026.
- 53 State Bank of Pakistan (2021), Banking on Equality, p. 15.
- 54 State Bank of Pakistan (2025, December 30), Interview with Chithira Rajeevan and Juliette Laplane of Profundo.
- 55 Daily Times (2025, December 5), "Rs230bn financing for female entrepreneurs shatters SBP targets", [Accessed online](#), viewed in March 2026.
- 56 UNEP Finance Initiative (2024), Driving Impact on Financial Health and Inclusion of Individuals and Businesses: From setting targets to implementation, Geneva, Switzerland: UNEP Finance Initiative.

- 57 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector, p. 20.
- 58 Fair Finance Asia (2024, December), Empowering Consumers as Drivers of Sustainability in Asia's Financial Sector, p. 19.
- 59 Ruggie, J. (2011), Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, New York, United States: United Nations Human Rights Council.
- 60 OECD (2023), OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Paris, France: OECD Publishing.
- 61 Association for Transformation of Justice Indonesia TuK Indonesia (n.d), "About us", [Accessed online](#), viewed in March 2026.
- 62 ResponsiBank Indonesia (n.d.), "About us", [Accessed online](#), viewed in March 2026.
- 63 Bank Mandiri (2025), Statements of Financial Position, [Accessed online](#), viewed in December 2025.
- 64 Astra Agro Lestari (2025). Annual report 2024, p. 241.
- 65 Astra Agro Lestari (2019), Annual report 2018, p.198;

Astra Agro Lestari (2020), Annual report 2019, p. 201, [Accessed online](#), viewed in November 2025.

Astra Agro Lestari (2021), Annual report 2020, p. 201, [Accessed online](#), viewed in November 2025.

Astra Agro Lestari (2022), Laporan tahunan 2021, p. 191, [Accessed online](#), viewed in November 2025.

Astra Agro Lestari (2023), Annual report 2022, p. 216, [Accessed online](#), viewed in November 2025.

Astra Agro Lestari (2024), Annual report 2023, p. 237, [Accessed online](#), viewed in November 2025.

Astra Agro Lestari (2025), Annual report 2024, p. 241, [Accessed online](#), viewed in November 2025.
- 66 Astra Agro Lestari (2022), Laporan tahunan 2021, p. 191, [Accessed online](#), viewed in November 2025.
- 67 Ibid.
- 68 WALHI Sulteng (2023, September 8), "Astra Group's Palm Oil Conflict in Central Sulawesi has no end", [Accessed online](#), viewed in December 2025.
- 69 Friends of the Earth U.S. (2024, June), Cultivating Conflict, p. 9.
- 70 Bank Mandiri (2024), Sustainability Report 2023, p. 115.
- 71 Bank Mandiri (2024, October), Sustainable Finance Framework, p. 10.
- 72 Bank Mandiri (2023), Sustainability Report 2023, p. 277.
- 73 Bank Mandiri (2023), Sustainability Report, p. 126, [Accessed online](#), viewed in February 2026.
- 74 JDIH MA (2014, March 13), "Circular Letter of the Supreme Court (SEMA) No. 2 of 2024 concerning Settlement of Cases in First Instance and Appellate Courts in 4 (Four) Judicial Areas", [Accessed online](#), viewed in April 2026.
- 75 TuK Indonesia (2025, April 25), "Ahli Sebut Konflik Agraria Sawit Masif, Bank Mandiri Jadi Sorotan di Persidangan", [Accessed online](#), viewed in October 2025.
- 76 TuK Indonesia (2025, June 19), "Delapan organisasi sipil ajukan amicus curiae, desak pengadilan tegakkan akuntabilitas Bank Mandiri atas pembiayaan merusak. TuK Indonesia", [Accessed online](#), viewed in December 2025.
- 77 Tuk Indonesia (2025, July 28), "Court Issues Dismissal on Bank Mandiri Lawsuit", [Accessed online](#), viewed in December 2025.
- 78 TuK Indonesia (2025, June 19), "Delapan organisasi sipil ajukan amicus curiae, desak pengadilan tegakkan akuntabilitas Bank Mandiri atas pembiayaan merusak", [Accessed online](#), viewed in December 2025.
- 79 National Action Plans on Business and Human Rights (n.d.), "Country: Indonesia", [Accessed online](#), viewed in March 2026.
- 80 Diederich, S. Friedrich Naumann Foundation for Freedom (2024, May 24). "Business and human rights: An important milestone for human rights in Indonesia," [Accessed online](#), viewed in March 2026..
- 81 Cabinet Secretariat of the Republic of Indonesia (2024, May 16), "Indonesia Seeks to Become OECD Member State by 2027", [Accessed online](#), viewed in March 2026.

- 82 Herbert Smith Freehills Kramer (2024, March 8), "Indonesia's National Strategy on Business and Human Rights and expectations in relation to human rights due diligence", [Accessed online](#), viewed in March 2026.
- 83 OECD (2019), Due Diligence for Responsible Corporate Lending and Securities Underwriting: Key considerations for banks implementing the OECD Guidelines for Multinational Enterprises, p. 17.
- 84 OECD (2019), Due Diligence for Responsible Corporate Lending and Securities Underwriting: Key considerations for banks implementing the OECD Guidelines for Multinational Enterprises, p. 42.
- 85 Islam, M. (2025, May 23), "Dissecting the content of sustainability reports in Indonesia: A practical guide according to OJK regulations", [Accessed online](#), viewed in March 2026. BATS Consulting.
- 86 Sustainable Finance Indonesia (2025, August 12), "Release of the Sustainability Disclosure Standards", [Accessed online](#), viewed in September 2025.
- 87 Ikatan Akuntan Indonesia (2024, December), Roadmap of Indonesian Sustainability Disclosure Standards, p. 7.
- 88 Ikatan Akuntan Indonesia (2024, December), Roadmap of Indonesian Sustainability Disclosure Standards, p.14.
- 89 Indonesia International Sustainability Forum (n.d.), "About Event", [Accessed online](#), viewed in September 2025.
- 90 OJK (2026, February 10), "Penerapan Keuangan Berkelanjutan bagi Pelaku Usaha Sektor Keuangan, Emiten dan Perusahaan Publik (RPOJK SF)", [Accessed online](#), viewed in March 2026.
- 91 XBRL (2026, February 22), "Indonesia consults on ISSB-aligned sustainability reporting mandate", [Accessed online](#), viewed in March 2026.
- 92 Ikatan Akuntan Indonesia, International Federation of Accountant (2025, March), Pernyataan Standar Pengungkapan Keberlanjutan 1 – PSPK 1: Persyaratan Umum Pengungkapan Informasi Keuangan terkait Keberlanjutan (Draf Eksposur).
- 93 Otoritas Jasa Keuangan (OJK). (1992). Undang-Undang Nomor 7 Tahun 1992 tentang Perbankan (sebagaimana telah diubah dengan Undang-Undang Nomor 10 Tahun 1998), article 2, p. 7.
- 94 Otoritas Jasa Keuangan (OJK). (1992). Undang-Undang Nomor 7 Tahun 1992 tentang Perbankan (sebagaimana telah diubah dengan Undang-Undang Nomor 10 Tahun 1998), article 29, p. 16.
- 95 TuK Indonesia (2024, December 3), "TuK INDONESIA vs. Bank Mandiri Lawsuit Hearing: Holes in Legal Standing Draw Scrutiny", [Accessed online](#), viewed in March 2026.
- 96 Friends of the Earth U.S. (2022), Analysis of compliance with key social and environmental licensing regulations by three Astra Agro Lestari oil palm plantations in West and Central Sulawesi Provinces, Indonesia: PT Mamuang, PT Lestari Tani Teladan and PT Agro Nusa Abadi, p. 9.
- 97 Friends of the Earth U.S. (2022), Analysis of compliance with key social and environmental licensing regulations by three Astra Agro Lestari oil palm plantations in West and Central Sulawesi Provinces, Indonesia: PT Mamuang, PT Lestari Tani Teladan and PT Agro Nusa Abadi, p. 12.
- 98 Conant, J. and Madan, G. (2022, March). No consent: Astra Agro Lestari's land grab in Central and West Sulawesi, Indonesia, p. 3. Friends of the Earth.
- 99 Validerra (2026, March 11), "Factors Influencing Sustainability Reporting Assurance in Indonesia", [Accessed online](#), viewed in March 2026.
- 100 Ikatan Akuntan Indonesia (2024, December), Roadmap of Indonesian Sustainability Disclosure Standards, p. 7.
- 101 OJK (1992), Undang-Undang Nomor 7 Tahun 1992 tentang Perbankan (sebagaimana telah diubah dengan Undang-Undang Nomor 10 Tahun 1998), article 29, p. 16.
- 102 Forests & Finance (2025, July 28), "Court Issues Dismissal on Bank Mandiri Lawsuit", [Accessed online](#), viewed in March 2026.
- 103 TuK Indonesia (2025, October 29), "TuK INDONESIA Appeals To Supreme Court: Bank Mandiri Urged To Answer For Financing Linked to Social Conflict", [Accessed online](#), viewed in March 2026.
- 104 Bank Mandiri (2024), Sustainability Report 2023, p. 115.
- 105 Bank Mandiri (n.d.), Exclusion List, [Accessed online](#), viewed in March 2026.

- 106 Bank Mandiri (n.d.), “Approach to sustainable finance”, [Accessed online](#), viewed in March 2026.
- 107 National Authority for Alternative Dispute Resolution (n.d.), [Accessed online](#), viewed in March 2026.
- 108 UNICEF, World Food Programme (WFP), and Asian Development Bank (ADB) (2022, December), Cambodia: COVID-19 socio-economic impact assessment — Phase II report.
- 109 LICADHO and Sahmakum Teang Tnaut (STT) (2020), “Collateral Damage: Land Loss and Abuses in Cambodia’s Microfinance Sector”, [Accessed online](#).
- 110 SokSiphana&associates (2021, May 6), “National Bank of Cambodia issues new guidelines on payment services”, [Accessed online](#), viewed in March 2026.
- 111 Khmer Times (2020, April 27), “New NBC guidelines on financial institutions”, [Accessed online](#), viewed in March 2026.
- 112 JICA Ogata Sadako Research Institute for Peace and Development (2021, October), Impact of interest rate cap policies on the lending behavior of microfinance institutions: Evidence from millions of observations in the credit registry database (JICA Ogata Research Institute Working Paper No. 224). Japan International Cooperation Agency (JICA).
- 113 Heng, D., S. Chea, and B. Heng. (2021, April), Impacts of Interest Rate Cap on Financial Inclusion in Cambodia, IMF Working Paper, p. 4.
- 114 Royal Government of Cambodia. (2019). Law on Consumer Protection.
- 115 ASEAN Consumer (2019, November 2), “Cambodia’s consumer protection law adopted”, [Accessed online](#), viewed in March 2026.
- 116 Royal Government of Cambodia. (2019). Law on Consumer Protection, p. 15.
- 117 DFDL (2024, February 7), “Cambodia: Implementation of Prakas on Unfair Contract Terms”, [Accessed online](#), viewed in March 2026.
- 118 HBS Law (2023, April 1), “Consumer Protection Law in Cambodia and Interest Rate Hikes”, [Accessed online](#), viewed in March 2026.
- 119 Kingdom of Cambodia (2023, March 24), “Press release on the implementation of the Law on Consumer Protection and Prakas on Unfair Contract Clauses in the Banking and Financial Sector”, [Accessed online](#).
- 120 Kingdom of Cambodia (2023, March 24), “Press release on the implementation of the Law on Consumer Protection and Prakas on Unfair Contract Clauses in the Banking and Financial Sector”, [Accessed online](#).
- 121 Cambodian People’s Party (2023, August 30), “Cambodia Launches Standard Loan Contract to Enhance Transparency, Effectiveness, and Consumer Protection”, [Accessed online](#), viewed in March 2026.
- 122 Tilleke & Gibbins (2020, April 2), “Cambodia: New Directive on Loan Restructuring During the COVID-19 Epidemic”, [Accessed online](#), viewed in March 2026.
- 123 European Chamber of Commerce in Cambodia (2020, March 30), “Keeping you informed: Recent announcements by the Royal Government”, [Accessed online](#), viewed in March 2026.
- 124 Human Rights Watch (2020, July 14), “Cambodia: Micro-loan borrowers face Covid-19 crisis”, [Accessed online](#), viewed in March 2026.
- 125 LICADHO (2020, April 27), “Suspend MFI debts and return land titles amid covid-19 pandemic”, [Accessed online](#), viewed in March 2026.
- 126 Association of Banks in Cambodia, Cambodia Microfinance Association, and Cambodian Association of Finance and Technology (2022, March), Banking and Financial Institutions Code of Conduct.
- 127 Association of Banks in Cambodia, Cambodia Microfinance Association, and Cambodian Association of Finance and Technology (2022, March), Banking and Financial Institutions Code of Conduct, p. 9.
- 128 Association of Banks in Cambodia, Cambodia Microfinance Association, and Cambodian Association of Finance and Technology (2022, March), Banking and Financial Institutions Code of Conduct, p. 4.

- 129 Association of Banks in Cambodia, Cambodia Microfinance Association, and Cambodian Association of Finance and Technology (2022, March), Banking and Financial Institutions Code of Conduct, pp. 9, 10.
- 130 Association of Banks in Cambodia and Cambodia Microfinance Association (2023, September), Jointed Mechanism of the Financial Sector Resolutions on Consumer Complaint Handling Management Framework, p. 1.
- 131 Association of Banks in Cambodia and Cambodia Microfinance Association (2023, September), Joint Mechanism of the Financial Sector Resolutions on Consumer Complaint Handling Management Framework.
- 132 Cambodia Microfinance Association (n.d.), “Putting Consumers First: FCPC Takes Over Complaint Resolution Mechanism from CMA and ABC”, [Accessed online](#), viewed in May 2026.
- 133 Ibid.
- 134 Cambodia Investment Review (2024, July 25), “NBC and United Nation launch 5-point plan to address growing indebtedness in Cambodia’s microfinance sector”, [Accessed online](#), viewed in March 2026.
- 135 Cambodia Investment Review (2025, January 29), “Cambodia advances on microfinance reforms: NBC-UN Highlights Responsible Lending, Consumer Protection, and Insurance Innovations”, [Accessed online](#), viewed in March 2026.
- 136 Association of Banks in Cambodia and Cambodia Microfinance Association (2023, September), Joint Mechanism of the Financial Sector Resolutions on Consumer Complaint Handling Management Framework.
- 137 Human Rights Watch (2025, September), Debt Traps: Predatory Microfinance Loans and Exploitation of Cambodia’s Indigenous Peoples.
- 138 Equitable Cambodia and LICADHO (2021, June). Right to Relief: Indebted Land Communities Speak Out.



FAIR FINANCE ASIA