

Government action on illegal lending apps is correct to ensure that only legitimate lending apps operating under the RBI's regulatory framework are available to consumers

Delhi/Mumbai, 13th Feb 2023: [Fintech Association for Consumer Empowerment \(FACE\)](#) is an industry body of fintech lenders working towards building a consumer-first ecosystem for digital lending that is responsible and responsive to consumers' needs. FACE wholeheartedly supports the Central Government's actions and the policy intent to ban predatory lending apps with dubious antecedents. This would ensure that only legitimate lending apps operating under the RBI's regulatory framework are available to consumers.

Commenting on the Government's actions on illegal lending apps, Sugandh Saxena, CEO at FACE, said, *"All of us as industry stakeholders, including fintech entities and investors and lenders, draw huge confidence from the Government's actions to create a safe and robust ecosystem for consumers and the fact that Ministry of Electronics and Information Technology (MEITY) is resolving the issue for legitimate entities with the highest priority. Steps like this will improve customer trust in digital lending and expand the market for legitimate entities"*.

She further highlighted that *"The fintech lenders, who have built their offerings leveraging India's digital public infrastructure and under the applicable regulations and laws of the land, have long faced the onslaught of illegal lending apps and recognise them as the most significant risk to the entire industry, as our [Fintech Lending Risk Barometer Report 2022-23](#) captured. Such illegal lending apps erode the consumers' trust and encroach the market of legitimate players."*

FACE, convening the fintech lenders, looks forward to engaging with and contributing to efforts by RBI, and relevant government departments, such as MEITY and state governments, in creating a trustworthy digital lending environment that links consumers and legitimate lending apps. All FACE members are committed to setting the highest benchmarks for customer service, innovation, and impact, in line with the public policy goals.

About FACE:

Fintech Association for Consumer Empowerment (FACE), an industry association and self-regulatory body for fintech lenders set up as a non-profit company in Sep 2020. FACE brings together fintech lenders (regulated balance-sheet lenders and platforms/aggregators partnering with the regulated balance-sheet lenders) and other stakeholders committed to advancing fair and responsible digital lending practices through self-regulation and customer-centricity. FACE members account for nearly half of India's fintech retail lending business and abide by the FACE Code of Conduct.

Working with the fintech lenders and other ecosystem players, FACE pursues customer empowerment through its work, including policy advocacy, knowledge, standards, market monitoring, and customer insights.

For more information, visit <https://faceofindia.org/>