



annual report

FY 23-24

This work report summarises our work in FY 23-24





policy & regulatory engagement

In a dynamic digital lending landscape, we continued engaging with regulators and the government on the issues that matter to the digital lending industry and customers. Besides representations, we actively shared the industry updates, our work and reports. Members play an instrumental role in shaping our policy/regulatory discourse with their deep understanding of the market.



inputs on wide range of emerging issues

Input to MeitY on [DPDP rules](#), whitelisting of loan apps, emerging cyber frauds

Clarifications on [Default Loss Guarantee](#)

Inputs to RBI, MoF, Meity, MHA and Chairman Standing Committee on [Standing Committee on Finance Report on Cyber Security and Rising Incidence of Cyber/White Collar Crimes](#)

Submitted feedback for baseline cyber security standards for base layer NBFCs

Apr 23

May 23

Jul 23

Aug 23

Aug 23

Oct 23

Oct 23

Feedback to the draft circular on [Fair Lending Practice: Penal Charges in Loan Accounts](#)

Feedback to RBI [Master Directions on KYC](#)

Inputs to RBI on unauthorized digital loan apps

inputs on wide range of emerging issues

Input to NPCI on the implementation/implication of changes in [ACH debit returns Circular](#)

Oct 23

Oct 23

Representation to MeitY [DPDP Act 2023](#)

Nov 23

Paper to RBI Department of Economic and Policy Research on digital lending, opportunities and challenges

Dec 23

Dec 23

Feedback to draft Omnibus Framework for [SRO for REs](#)

Jan 24

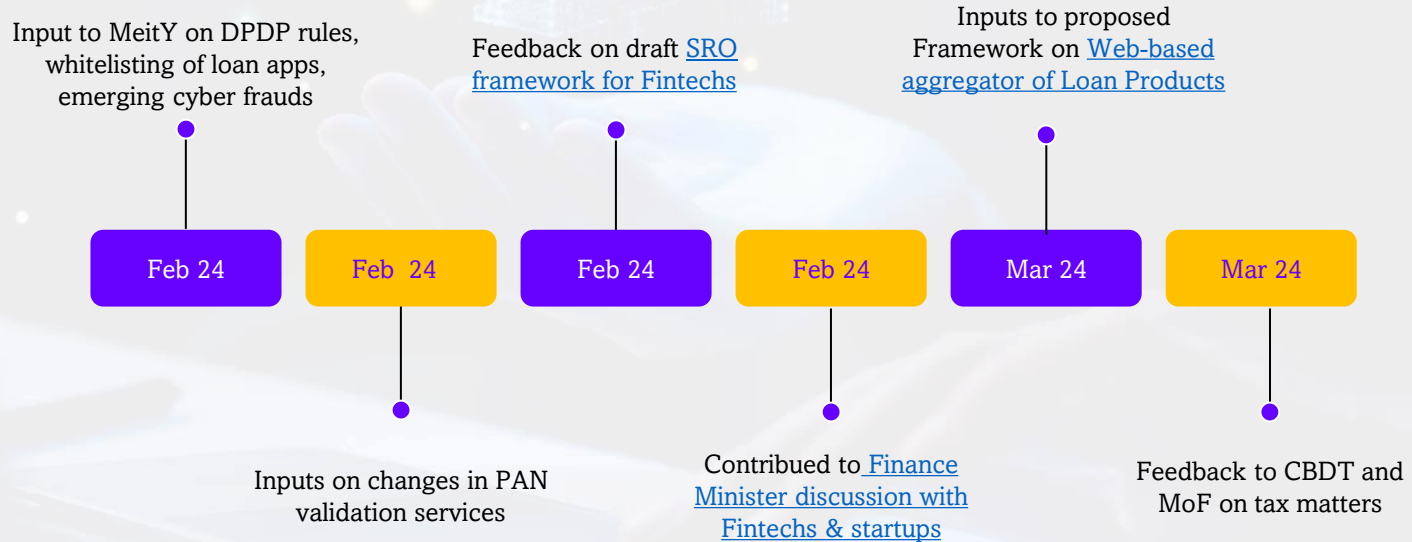
Jan 24

Consultations with MeitY [DPDP Act 2023](#)

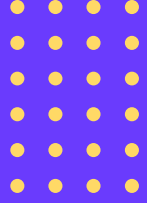
Meeting with MoS, MeitY on [DPDP Act 2023](#)

Comments to draft [Master Direction on Managing Risks and Code of Conduct in Outsourcing of Financial Services](#)

inputs on wide range of emerging issues



*Ongoing engagement with RBI, MHA and MeitY on cyber frauds/illegal loan apps



self-regulation

We firmly stepped-up self-regulation with a new Code of Conduct, developed topical standards/ guides, organised multiple knowledge sessions for members and discussed compliances in every fortnightly meeting. We watched the market practices through app/website/social media monitoring, peer reporting and customer complaints.



consultations with members & beyond for a new code

The [Code](#) released in Sep 2023 brought substantive updates to the previous one from Dec 2020. Code is a self-regulatory standard committed by FACE members to advance customers' interests and safeguard against harm.



synthesising good practices



Unauthorised loan apps often misuse the details of REs, LSPs, and DLAs to garner customer trust

We have a short guide to defend against such frauds on our website



For suggestions/clarifications reach out to us at teamface@faceofindia.org



[FACEofindiaorg](#) [FACEofindiaorg](#) [FACEofindiaorg](#) www.faceofindia.org

- [Advisory](#) on credit bureau process for members to improve reporting to the credit bureaus.
- A [short guide](#) on protecting against fraud so that companies in the digital lending ecosystem (REs/LSPs) keep an eye on the misuse of their identity by unscrupulous elements and report them to relevant agencies for action.
- [CGRM checklist](#) to support members' efforts in delivering effective Customer Grievance Redressal (CGR) that complies with regulatory and industry standards.

learning sessions for members on **compliances** & more

Master direction
on KYC, PwC

May 23

Implementation of DLG
circular, Grant Thornton
Bharat LLP

Jun 23

Jun 23

Personal loans: deep dive
and more, Crif High Mark

Aug 23

Aug 23

Account aggregator
ecosystem, Sahamati

Sep 23

Sep 23

Mitigating fraud and
improving compliance,
Bureau ID

DPDP Act,
PwC

Corporate governance, a
practical perspective for fintechs,
Grant Thornton Bharat LLP

learning sessions for members on compliances & more

The rise and evolution of
India's digital finance,
Transunion CIBIL

Implementation to RBI
notifications regarding credit
bureau process, Equifax

Oct 23

Dec 23

Jan 24

Feb 24

Regulatory measures towards
consumer credit and bank credit
to NBFCs, Grant Thornton Bharat
LLP

Combating the evolving
fraud landscape in fintech,
Bureau ID

watchful on the market practices

- Social media monitoring and analysis to understand customer sentiment and problems.
- Scrutiny of members' website and app.
- Encouraged members to report evidence of unhealthy market practices through a dedicated peer monitoring mechanism.
- Customer complaints through a dedicated email on issues related to FACE member companies.

Consumer Corner

The consumer is in the foreground of our work. Consumer means people and small-medium businesses taking digital loans. On this page, consumers receive clear information about digital lending. We take their feedback and use the lessons to improve industry offerings contributing to thriving and resilient consumers.



Learn

We develop information keeping consumer needs in mind. It helps them understand the risks and opportunities of digital lending and know their rights and responsibilities to make the right choices. Consumer can receive answers to their question by writing to teamface@faceofindia.org



Feedback

We actively interact with consumers to understand their problems and desires. We use these lessons to frame standards for member companies to improve their products and conduct.



Complain

We also provide an additional channel for consumer of member companies to ask questions and report their complaints. Consumer can complain, giving the name of a member company, loan account number and details of the complaint with evidence by writing to teamface@faceofindia.org

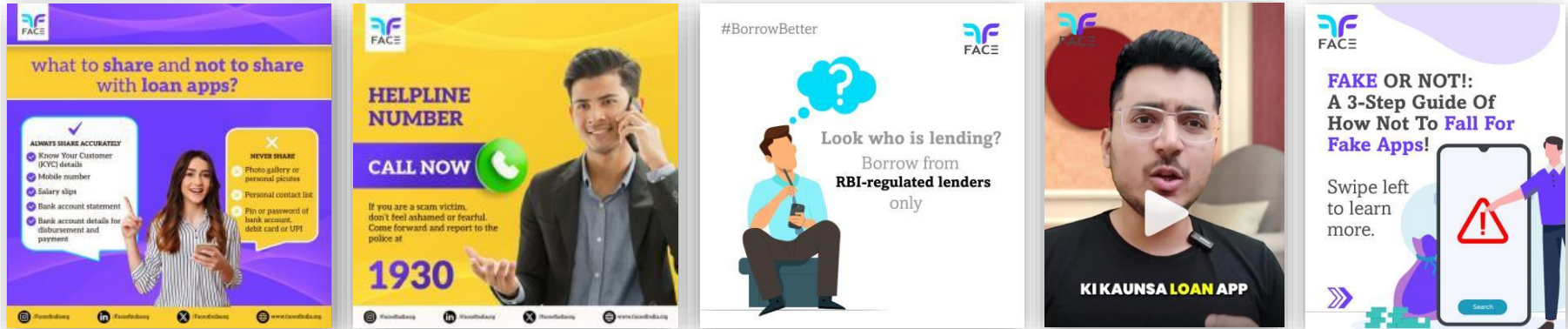
fight against unauthorised loan apps

We continued engagement with Google Play Store for safe loan app ecosystem, reporting over 400 dubious app and tens of Apk links distributed through social media. Quarterly updates to RBI, MHA and Meity on illegal loan apps including insights on new fraud patterns. At Google for India 2023, [Google announced the collaboration with FACE](#) onboarding us as a priority flagger to combat predatory digital lending apps on the PlayStore in India.

FACE partnered with [Indian Citizen Assistance for Mobile Privacy and Security \(I-CAMPS\)](#), an initiative by the Government of India to support Indian citizens in protecting themselves against Mobile Security Privacy.



customer education: a work in progress



Understanding customer experiences and problems, we constantly worked on educational campaigns around safe borrowing practices. These campaigns covered information, behaviour, and recourse aspects in the nuggets that customers could digest. We deploy a multilingual approach, leveraging social/traditional media and our members' network. Content is a mix of videos, animation, static posts, and influencer/founder posts, and it keeps growing.

[More here](#)





research

We brought relevant and timely data through our reports, uncovering demographics, impact, trends, grievance redressal, profitability and much more. We actively contributed to research work by others.



reports contributing to informed view

- Released 4 issues of the [FACETS](#) covering quarterly disbursements trends and other industry relevant data points, establishing itself key industry report.
- Second issue of the [Fintech Lending Trends for FY 22-23 With Equifax](#).
- [Report on Fintech Personal Loans](#) analysing data for 71 Fintech NBFCs from Crif High Mark for Apr 18 to Sep 23.
- Report of the Pilot survey with Dvara & XKDR on Financial Inclusion and Well-being : [Assessing How Retail Digital Lending Has Mattered](#).



contributed & attributed to research

- Omidyar Network-BCG-RBIH Report titled *The Financial InfraTech Opportunity : Powering India's Digital Financial Services journey*. FACE was featured in the report.
- CGAP Blog *How do Industry Associations Promote Responsible Digital Finance*. FACE was featured.
- APAC MSME *Access to Digital Finance Study*, a research initiative by Cambridge Centre for Alternative Finance (CCAF) at the University of Cambridge and the Asian Development Bank Institute (ADBI).
- CCAF and WEF study *the Future of Global Fintech: towards Resilient and Inclusive Growth*.
- A research project by IIIT Bangalore and Cuts International examining the application of privacy in the Fintech sector. Project is funded by Digital Credit Observatory (DCO), a research initiative under the Centre for Effective Global Action (CEGA) at Berkeley, University of California.
- CIIB 20 Task Force Report on Financial Inclusion for Economic Empowerment.



industry voice

Bringing industry voice for meaningful dialogue is central to our work. We actively engaged with media, industry events and forums for informed perspectives, highlighting customer centricity key to a sustainable, impactful and inclusive digital lending ecosystem.

participation in events

FE for The Inclusive
Finance Conclave,
Delhi

Apr 23

Fintech Festival of
India Mega Event,
Mumbai

May 23

Working Group of CII & B20 India
2023 on Financial Inclusion and
Economic Empowerment, Delhi

Aug 23

Google India,
Delhi

Nov 23

May 23

CGAP Informal Roundtable
discussing MSE Finance in
the Digital Age, New Delhi

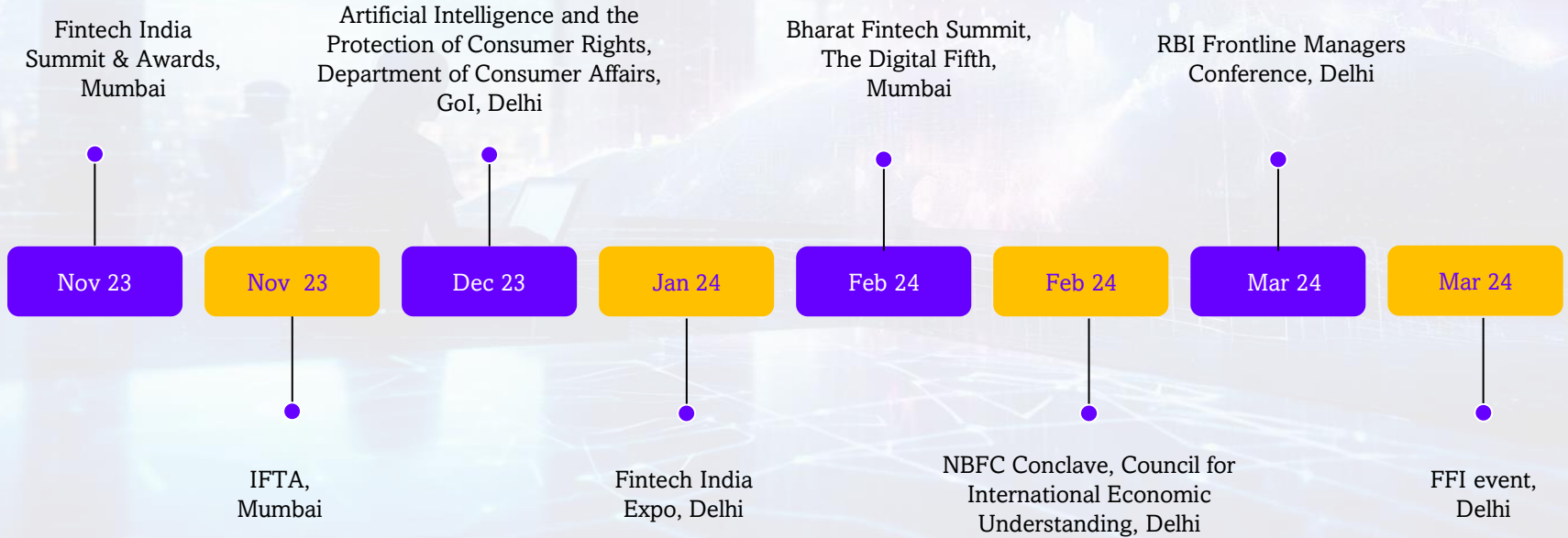
Aug 23

19th BFSI IT
Summit, Mumbai

Oct 23

ASSOCHAM 18th Annual
Summit & Awards, Banking &
Financial Sector Lending
Companies, Mumbai

participation in events





conversations

- Presented **Risk Barometer** at **Dvara webinar**, that brings together the financial inclusion research community.
- Presented FACE work at TU CIBIL internal webinar.
- Award jury member award for Samvaad 2023 that recognised promising ideas around account aggregators.
- Partner on the project **Community for Financial Health**.
- Member of the Alliance of Digital Finance Associations, a collective of 18+ fintech industry associations from different countries.



media extensively carried our work & views

Exclusive daily media updates to members capture news / articles in print / online media covering the digital lending industry, members, and FACE. Nearly 250 media mentions covering our perspectives and data

Fintech loans jump 46% in Q3: Report

The Fintech Association for Consumer Empowerment (FACE), an industry body for digital lenders, said in the ninth edition of its FACES report that its member companies disbursed loans amounting to ₹35,522 crore in the third quarter of fiscal year 2024, which is a 46 per cent year-on-year (YoY) increase from Q3 FY23. The companies disbursed around 2.5 crore loans in Q3 FY24, marking a 12 per cent YoY growth in volume from 17.5 million loans in Q3 FY23. According to the report, 12 per cent of loans dis-



tion in digital lending present a new horizon for its clients," said Sugandh Saxena, CEO, FACE. Meanwhile, in Q3 FY24, on an aggregated level, the average loan size was ₹11,142, though it varied across companies. As of December 31, the total asset under management (AUM) was ₹41,250 crore, with a two-thirds portfolio on-balance sheet. For fintech companies that have non-banking financial companies, 76 per cent of AUM is on-balance, and 24 per cent is off-balance. According to the report, 28 members, namely 80 per cent, are profitable compared to two-thirds in the

Digital lending sees stable growth in Q3 FY 23-24: Report

The number of loans disbursed in Q3 FY 23-24 reached 2.5 crore, marking a 12% YoY increase.

Digital lending booms — disbursement volume rises 12%, value jumps 46% in Q3

The Fintech Association for Consumer Empowerment (FACE) report also highlighted that 12% of loans disbursed in FY24 were directed towards women.



Fintech's Q3 loan disbursement value jumps 46%

GOOD GROWTH Disbursement volume (in crore)

Q3 FY23	Q3 FY24
17.5	19.8

Fintech firms disburse 2.5 crore loans in Q3, FACE reports

Fintech lending rises 12.2% to 24.8 mn in third quarter

Fintech Association for Consumer Empowerment (FACE), an industry body for digital lenders, in its ninth edition of its FACES report, said its member companies distributed 24.8 million loans during the third quarter (Q3FY24). This is a 12.2 per cent year-on-year (YoY) increase from 22.1 million loans. On a sequential basis, the growth in loan disbursements remained stagnant after companies distributed 24.8 million loans in Q2.

Digital lenders report slower volumes but higher loan values in Q3FY24

Mayur Shetty / TNN / Updated: Mar 21, 2024, 19:55 IST



The Fintech Association for Consumer Empowerment (FACE) on March 20 unveiled the ninth edition of its quarterly report, a comprehensive analysis of the digital lending industry in the third quarter of the fiscal year 2023-24. The report, the disbursement volume and value saw a 12% and 46% growth, respectively. This amounted to 2.5 crore loans totalling

BFSI

Business Standard Fintech firms welcome omnibus framework for self-regulated bodies businessline. Google partners Fintech Association for Consumer Empowerment to combat predatory lending apps ET Diverse business models: Fintechs will need multiple SROs, industry FINANCIAL EXPRESS

Google, FACE join hands to eliminate illegal lending apps: How borrowers will gain from this initiative

moneycontrol TOI Compliance costs may spur fintech sector consolidation: Industry experts

Digital loans grow 43% in Q2 Industry experts What FinTech firms want from RBI's upcoming guidelines for the sector

दैनिक भास्कर 62% पर्सनल लोन सिर्फ डिजिटल प्लेटफॉर्म से बढ़े FACE adopts new code of conduct to strengthen customer protection BUSINESS INSIDER INDIA

FINTECHS WEIGH IN ON THE IMPACT OF RBI'S MOVE ON UNSECURED LOANS Fintech personal loan disbursement doubles in 5 years, defaults drop: Report mint

YOURSTORY

media extensively carried our work & views

Panel to look into compliance lapses by fintechs soon

FINTECH ASSOCIATION FOR CONSUMER EMPOWERMENT UPGRADES ITS CODE OF CONDUCT

The association will be submitting a report to the Reserve Bank of India (RBI) in January 2023. There is a team of experts who will be looking into the compliance lapses by fintechs. There is a team of experts who will be looking into the compliance lapses by fintechs. There is a team of experts who will be looking into the compliance lapses by fintechs.

FACE adopts new code of conduct to strengthen customer protection

The association applied to become an SRO with the Reserve Bank of India (RBI) in January last year.

Business Standard

FINTECH ASSOCIATION FOR CONSUMER EMPOWERMENT UPGRADES ITS CODE OF CONDUCT

FACE members also welcomed Reserve Bank of India (RBI) as the member director for the association.

Fintechs take steps towards self-regulation after RBI push

“Will set up committee to review compliance lapses”: FACE CEO

FINANCIAL EXPRESS

FINTECH

FACE members also welcomed Reserve Bank of India (RBI) as the member director for the association

TOI

Delinquency rates for digital credit industry at 4.2% in FY23: report

FinTech players disburse 92,267 crore loans in FY23, up 21% YoY

The number of loans disbursed jumped 49 percent YoY to 477 million in FY22 in a significant reflection of the growth.

ETPFS Research • ETPFS
Updated on Aug 25, 2023 at 12:08 PM IST

On today's episode, financial journalist Govindraj Ethiraj talks to Sugandh Saxena, CEO of the Fintech Association of Consumer Empowerment as well as Hormazd Sorabjee, Editor of Autocar India.

Fintech loan disbursement rose 21% YoY in FY23: FACE-Equifax report

Number of loans disbursed increased 49%, delinquency rate fell

Tier 3 cities accounted for 40% of digital loan disbursements in FY23, says report

businessline.

Tier-3 cities accounted for 40% of digital loan disbursements in FY23: report

Fintech Loans Surge By 21% YoY In FY23: Report

At ₹31,692 cr, digital lending rises 40% in Q2

businessline.

PIYUSH SHUKLA
FINANCIAL EXPRESS

‘Fintech firms disburse ₹31,692-cr loans in Q2’

ON THE RISE

Average ticket size

Business Standard

‘Fintech firms disburse ₹31,692-cr loans in Q2’

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FINANCIAL EXPRESS

ON THE RISE

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Business Standard

Digital loans grow 43% in Q2: Report

Times News Network

Digital-Loan Disbursements Rise 43% in September Quarter

NDTV | Profit

Digital lending sector continued steady growth in September quarter: report

ETPrime

Loan disbursements by FACE-fintech companies jump 43% in Q2: Report

ON THE RISE

Average ticket size

Business Standard

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Times News Network

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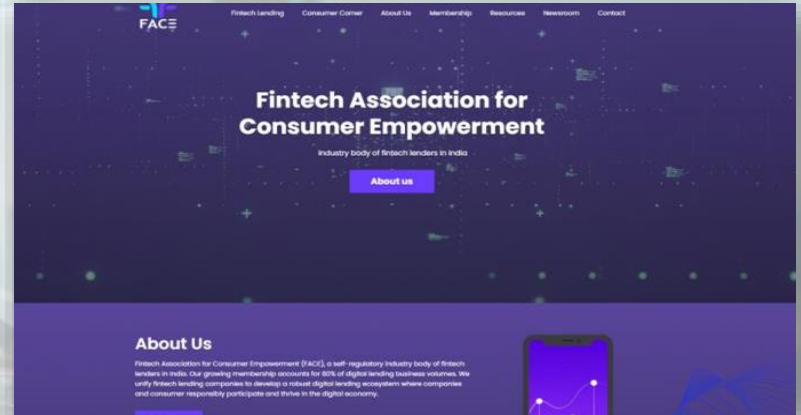
NDTV | Profit

Digital lending sector continued steady growth in September quarter: report

ETPrime

website & social media to engage & share

We launched a new website with a dedicated section for customers to learn, share and engage and a resource section converging our reports, standards and publications. Social media remains key tool to engage and interact with customers and fintech lending community





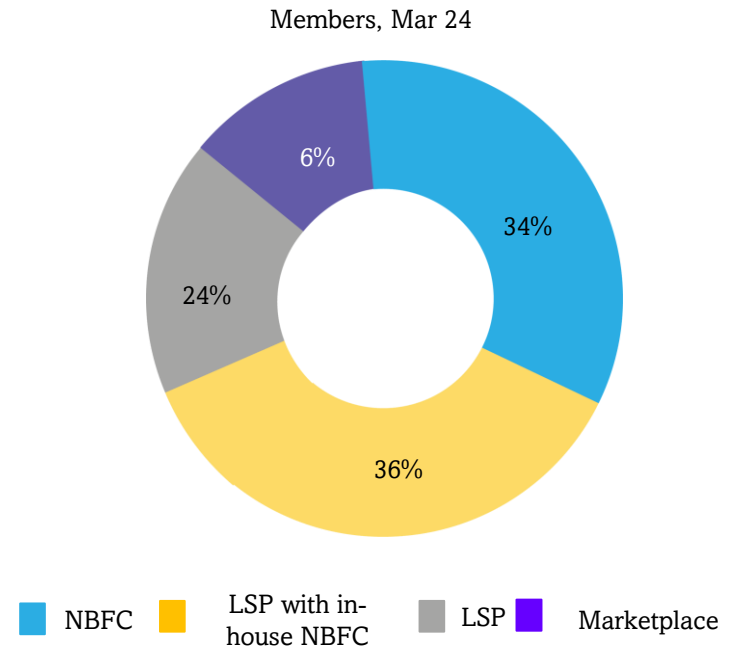
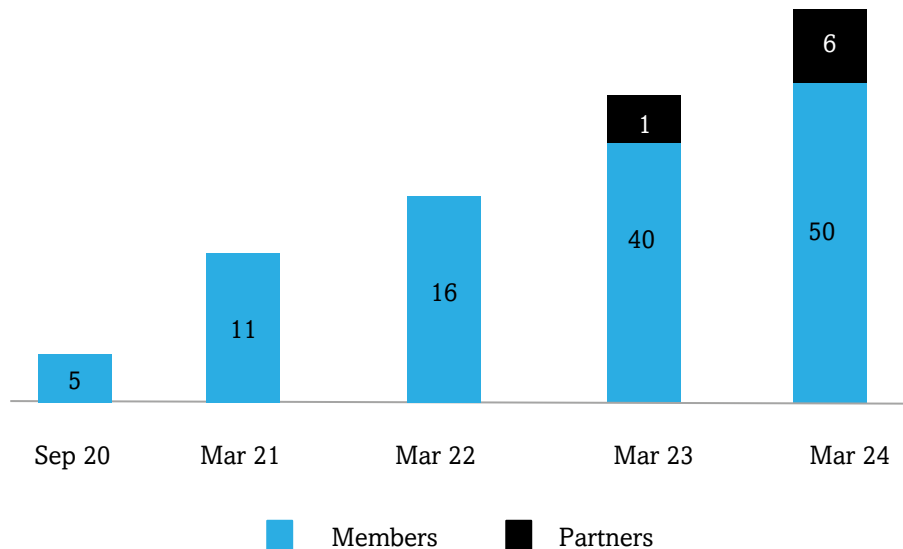
organisation

In line with our work, we grow as an institution, strengthening our membership, process, governance and team to deliver value. Thanks to tremendous support from our members/partners and many others, who immensely contribute to our work.



our members drive our work

FACE started with 5 Members in Sep 2020 and grew to 56, representing estimated 80% of fintech lending business volume and diversity of digital lending business. Our fortnightly calls with members are an engaging platform to exchange updates, discuss the market trends/regulations/compliances and take regular feedback from members to orient our work. Members, across functions, contribute to all aspects of FACE work.



robust governance

A 5-member board, with majority Independent Directors, guide and supervise **FACE**. This year, Board conducted four quarterly meeting and 2 consultation meetings on topical issues of **SRO framework**.

This year, we had our first ever elections where members elected 2 industry directors (**Mr Ashish Goyal** and **Mr Naveen Kukreja**) from 7 contestants.

AGM on 15th Sep, 23 in Mumbai, adopted **Audited Financials, Audit reports and Code of Conduct**.



Ashish Goyal



Naveen Kukreja

thanks to all our well wishers for their support

Alliance of digital finance associations

Cambridge centre of alternate finance

CGAP

Cloudsek

Crif High Mark

Cuts International

Dvara research

Equifax

Finbox



Google

Hovo Digital

I- Camps

KPMG

Mavericks

Microsave Consulting

Pwc

Swadhaar Finaccess

VR Associates

XKDR

members

CASH 


LOANFRONT®

 mPokket

paisabazaar 


SahiBandhu


fibe®

 PaySense


EXCELLENCE THROUGH ENDEAVOURS
MAS
FINANCIAL SERVICES LTD.

wefin

UNI 



 vivriti
CAPITAL

PH  CKET

 true credits


MyShubhLife

 LoanTap

chqbook


Orange
Retail Finance
Your Money & Loanhead Partner

LEO 1

 SmartCoin
MADE IN BHARAT

 Pay With
Ring

 stashfin

oricred 

 Spice money
तो Life बनी

InCred!
Borrow. With Confidence.

members



TALA



slice



partners





thank you board, members and partners

