

# Deep Dive on Quality Assessment of DFS – A Regulatory Perspective ITU Workshop on Telecommunication Service Quality

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Presented by: Head, Other Financial  
Institutions Supervision Department

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# Introduction

Digital Financial Services (DFS) have become pivotal in advancing financial inclusion in Sierra Leone and globally. Yet, rapid adoption also exposes gaps in service quality, operational resilience, and consumer protection.

Today's focus:

- The role of the Bank of Sierra Leone (BSL) in regulating DFS.
- Key metrics and indicators for assessing service quality.
- Challenges and opportunities for a robust DFS quality framework.

# Regulatory Perspective

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BSL sees quality in DFS as a foundation for trust and usage.

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Our approach is preventive, risk-based supervision; inclusive innovation; and consumer protection.

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Quality regulation is not just about rules, it's about outcomes for consumers.

# Regulatory Perspective (cont'd)

Quality in DFS means:

- **Availability:** Digital Financial Services that is always there when you want to do a transaction, 24/7, with downtime kept to a minimum.
- **Reliability:** Consistency in transaction speed, accuracy, and reliability.
- **Affordability:** Fair pricing with clear and transparent cost structures.

# Regulatory Perspective (cont'd)

- **Consumer Protection:** Strong safeguards for privacy, dispute resolution, and fraud prevention.
- **Fairness & Transparency:** Clear communication about service terms, pricing, and associated risks.

All of this is to:

- Maintain trust and stability in the financial sector.
- Enable data-driven policymaking and targeted enforcement measures.

# DFS Growth Context

Mobile money accounts increased by 26% over the past three years recording 8.81 million as of March 2025 (OFISD/BSL), representing a significant shift toward digital financial inclusion.

FinTech services have evolved from basic payments to encompass credit, insurance, and savings.

Currently 8 FinTechs operate under formal licenses, with 19 firms currently participating in the BSL Regulatory Sandbox.

# The BSL Regulatory Sandbox

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The BSL introduced a Regulatory Sandbox Pilot program in 2018.

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To enable innovative Fintech products, services and solutions to be deployed and tested in a live environment prior to launch into the marketplace within specified parameters and timeframe.

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Initial testing period should not exceed 12 months unless the product, service or solution has tested positively, and it can be demonstrated that extended testing is necessary to respond to specific issues or risks identified during initial testing.

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8 FinTech institutions have graduated from the Sandbox and are currently operating with a full license granted by BSL. 19 participants are currently in Sandbox

# Key Milestones in DFS Regulation

| No. | Year                | Milestone                                | Purpose   |
|-----|---------------------|--|---|
| 1.  | <b>2015</b>         | Mobile Money Guidelines                  | First regulatory framework for mobile money operators — minimum standards on float, agent networks, KYC.  |
| 2.  | <b>2018–Present</b> | BSL Regulatory Sandbox                   | Testing environment for innovative DFS products with controlled risk exposure. Currently 19 participants. |
| 3.  | <b>2022</b>         | Financial Consumer Protection Guidelines | To enhance customer confidence in the financial services industry and promote financial stability.        |
| 4.  | <b>2022</b>         | E-money Guidelines                       | Broader scope to include FinTechs, safeguards on trust accounts, AML/CFT, and customer redress.           |

# BSL's Regulatory Instruments

The Other  
Financial Services  
Act, 2001

The National  
Payment Systems  
Act, 2022

Guidelines for E-  
money Issuers

Guidelines on the  
Use of Agents

Financial  
Consumer  
Protection  
Guidelines

Sandbox  
Regulatory  
Framework

On-site and Off-  
site Supervision

Schedule of  
Penalties

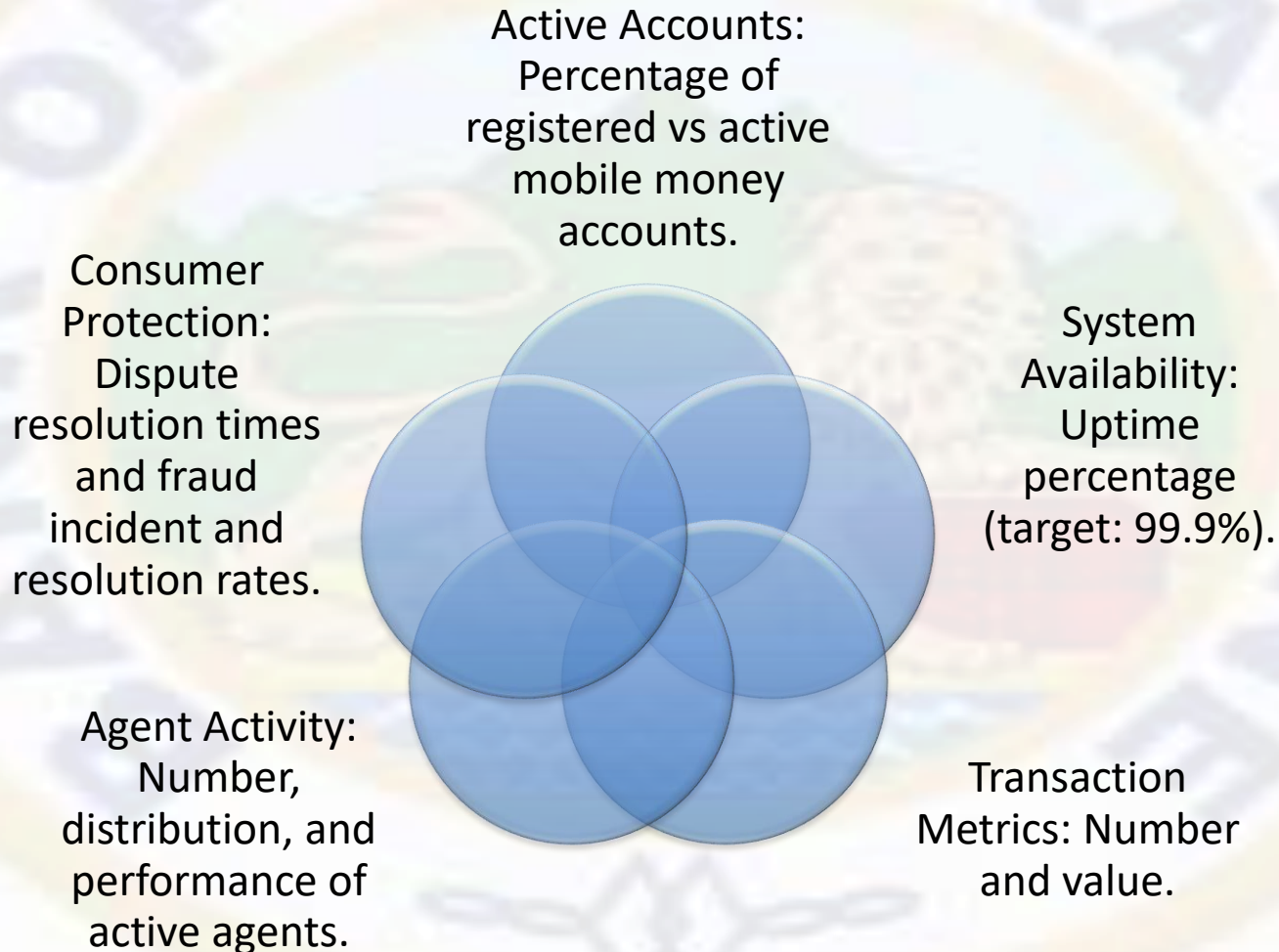
Directives on Minimum Paid-up  
Capital, Licensing Fees,  
Operating Levy, and Other  
Charges

Directives on  
Tiered KYC

Directives and Guidelines for  
Mobile Money Operators on  
the Prevention of ML/TF

*Mobile Money Regulations 2024 –  
yet to be finalized*

# Metrics & KPIs



# Challenges in DFS Quality Oversight

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Lagging Regulations: Rapid DFS evolution outpaces existing regulatory frameworks.

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Staff Expertise: Need for continuous training in digital financial regulation and supervision.

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Coordination Complexity: Multiple stakeholders e.g., BSL, NatCA, FIA telcos, FinTech firms, MoF, NRA, etc.

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Emerging Risks: Growing cybersecurity threats, data privacy concerns, and digital fraud.

# Key Regulatory Focus Areas

- Financial Inclusion
- Financial Consumer Protection
- Cybersecurity and fraud risk management
- Investment in IT infrastructure for real-time supervision.
- Capacity development in digital finance.
- Fostering inter-agency coordination and information sharing.
- Developing/strengthening Environmental, Social and Governance (ESG) Frameworks.

# Conclusion

Collaboration  
is critical

- Regulators need to speak with one voice and act cohesively.
- Develop joint platforms for data-sharing and surveillance across stakeholders.
- Host regular multi-stakeholder forums e.g. ITU Workshop, DFS Workshop, etc.
- Promote consumer literacy campaigns that build trust and deepen financial inclusion.

# Conclusion (cont'd)

DFS quality underpins trust and inclusion.

Regulators must adapt and be proactive.

Call to action: continuous dialogue, innovation, collaboration, and vigilance.

Thank you for your  
attention

Q&A