



# 10 Things to Know About Increasing Financial Inclusion in Jamaica

1



Financial inclusion is the sustainable provision of and access to financial products and services to individuals and businesses, including, savings, insurance, payment and credit services. It is integral to poverty reduction and inclusive development as it enables individuals and business to be more resilient and take advantage of economic opportunities.

2



In Jamaica, financial inclusion is low. Seventeen percent of the Jamaican population do not have a bank account or an account with a mobile money service provider.

3



Forty percent of unbanked people have only a government-issued ID, but do not have a bill or statement letter addressed to their home that allows them to prove their address, and so they cannot meet banks' Know-Your-Customer requirements.

4



Cash remains the dominant medium for money transactions as there is a general preference among the population for physical notes to digital ones. Forty-five percent of employed persons receive their pay in cash or cheque, including those with bank accounts.

5



Fifty percent of Jamaicans either do not trust governing institutions (11 percent) or are indifferent towards them (41 percent); this is correlated with a low usage of savings and other financial products.

6



Only 13 percent of the population borrowed from a formal financial institution within the past six months. Tediousness of loan applications, unsuitable collateral, informality, and low educational capacity were cited as hindrances.

7



The development of microfinance and associated products such as microinsurance is critical to expanding financial inclusion.

8



A collateral registry can allow low-income individuals and small-scale entrepreneurs to secure loans against movable assets, but it is currently underutilized. The establishment of a secondary market can encourage usage and acceptance of the collateral registry by banks.

9



Open banking facilitates the sharing of customers' information with third-party financial service providers, through a secure platform, creating a more competitive and innovative environment for the unbanked and underbanked to be adequately served.

10



The framework for financial consumer protection still has gaps. Bridging those gaps, together with financial literacy initiatives, will contribute to expanding financial inclusion.

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