



Make the Difference
We Prove It

GOGLA Consumer Protection Third Party Assessment

METHODOLOGY



Table of Contents

i. GOGLA Consumer Protection Third Party Assessment.....	3
ii. Indicators.....	6
iii. Implementation Timeline and Work Plan	9

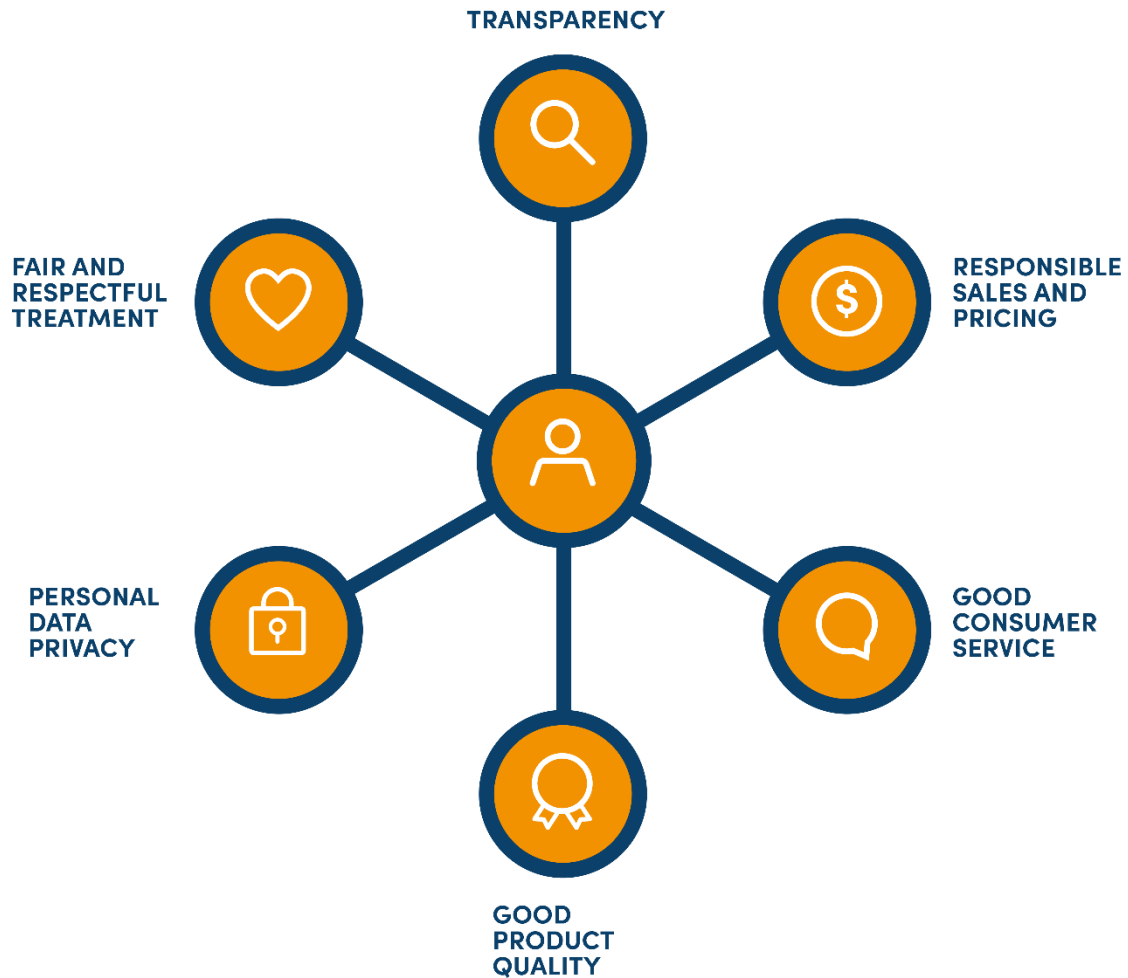
i. GOGLA Consumer Protection Third Party Assessment

The **GOGLA Consumer Protection Third Party Assessment** is an objective and independent assessment of a company’s implementation of GOGLA’s consumer protection standards for the off-grid solar energy industry.

MFR is the sole assessment company accredited by GOGLA to conduct Third Party Assessments. GOGLA is the global association for the off-grid solar energy industry.



The **Consumer Protection Principles** are the foundation of **the Consumer Protection Code established by GOGLA**. They have been defined by GOGLA’s Consumer Protection Working Group, with contributions from companies, investors and other stakeholders. The code is business model and product agnostic, applicable to SHS as well as Productive Use equipment, such as solar water pumps. The six Principles, together with an over-arching indicators for Governance & Management area, represent the minimum standards of practice customers should expect from an off-grid solar company:



Goals

- **Improve sector-wide standards for consumer protection**, providing mitigation against risks to consumer safeguarding, company image and financial performance. Good standards of consumer protection help build confidence in the industry and enhance company performance by increasing consumer satisfaction and repayment rates.
- **Apply an effective framework of objective assessment of consumer protection standards within the off-grid solar sector.** Consistent scoring of consumer protection practices can enable sector-wide benchmarking and portfolio-level assessments to support key decisions around targeted funding and technical assistance, as well as enabling comparative scoring over a period of time to assess the effect of funding on consumer-facing operations.
- **Provide companies with an independent, objective review of customer facing operations in respect to the Consumer Protection Principles.** In doing so, the company is made aware of high-performing areas and gaps in operational standards, from which informed decisions can be made in order to improve adoption and adherence to the Consumer Protection Code and realize positive business growth as a result.

Benefits for companies

- **Public recognition as a leader in commitment and implementation of consumer protection.**
- **Gaining insights and recommendations from an external perspective** to continue improving in consumer protection, in a priority-ranked action plan.
- **Recognition of improvements** to investors and other stakeholders. Increase investor awareness of challenges in the field, in order to set expectations of improvement areas at levels which are ambitious but achievable/realistic.
- **Streamline investor due diligences** to be more efficient.
- Contribute to **enhancing self-regulation in the off-grid solar industry** through credible external assessments.

Eligible companies

Third Party Assessment is open to a wide range of off-grid solar companies and a variety of business models. There are three main eligibility requirements for an assessment to take place. The company must have:

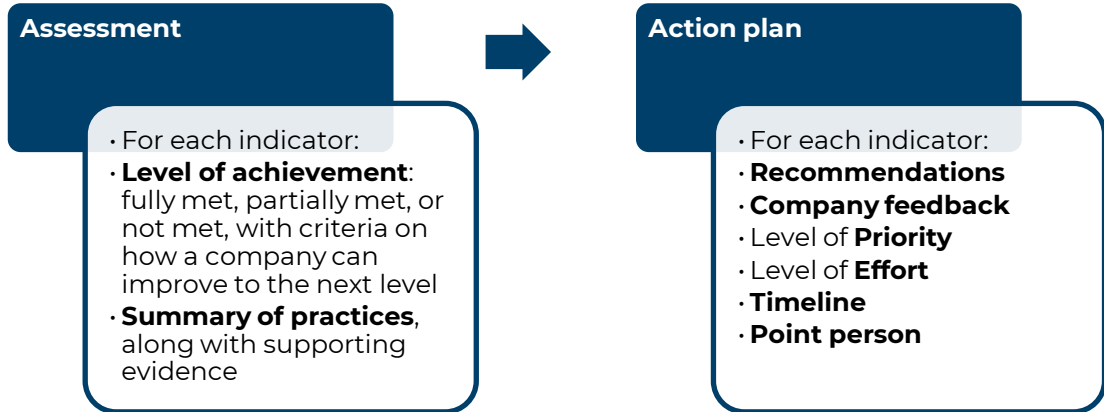
- the **primary business model being sales of off-grid solar products and appliances to end-customers**, either through upfront/cash sales or through multiple payment (PAYGo) contracts.
- at least **three years of operational activity.**
- made a **commitment** to the **CP Code** and **completed** at least one [Self-Assessment](#) in the last two years.

Companies that are eligible for an assessment under the Third Party Assessment scheme are **companies incorporated in their country of operation.** It is recognized that some companies are subsidiaries of international groups, however if a company operates in several countries, a separate assessment is required for each country, due to the differing context and nature of operations.

Output

The outputs of the Third Party Assessment include:

- **Summary Report:** summarized report focused on the highest priority findings.
- **Report and Action Plan:** comprehensive excel report including the detailed third-party assessment findings and action plan:



A key element of the assessment approach is the recommendations for improvement: the action plan contains practical suggestions to improve the implementation of consumer protection. While the assessment process evaluates and provides an opinion on the different levels of achievement for each indicator, the focus of the assessment is on identifying ways to continue progressing. Indicators are assessed according to three levels of achievement:

- **Fully met:** The company meets all elements of the indicator. What the indicator is seeking to measure has been fully achieved, though there may be small areas for improvement.
- **Partially met:** The company has achieved some of the elements of the indicator. There are some practices that highlight positive results and still there are important areas for improvement before reaching full achievement.
- **Not met:** The company has not meaningfully achieved any of the elements of the indicator.
- **N/A:** The indicator is not applicable to the business model of the company.



All assessed companies are subject to **uniform processes**, with assessment criteria consistently applied and final decisions made impartially (through MFR's Assessment Committee), in accordance with an independent and objective assessment process.




The Assessment results are **valid for 3 years**, unless material changes occur in the business model or ownership structure, thus interrupting the validity of the assessment.

Monitoring can be requested as an optional add-on service to the Third Party Assessment, to monitor the progress in the implementation of the Action Plan over time.

ii. Indicators

The following indicators are used to assess the company's consumer protection performance. These indicators are available on [GOGLA's website](#).

PRINCIPLE	INDICATORS
<p>GOVERNANCE & MANAGEMENT</p> 	<p>GM1 The Board periodically reviews the provider's alignment with - and holds Management accountable to - the Consumer Protection Principles and Indicators.</p> <p>GM2 The indicators form part of the institutional management KPIs to ensure continued assessment, improvement, and fulfilment of good consumer protection practices.</p> <p>GM3 The Consumer Protection Principles are widely visible and easily accessible to staff, including management, and consumers (e.g., in organization's premises and intranet, external website, staff communication channels).</p> <p>GM4 All relevant staff, including management, and (non-staff) sales agents are trained on the relevant Consumer Protection Principles and Indicators at onboarding and refresher trainings.</p> <p>GM5 In cases where the company works with partners or service providers, an agreement is in place to ensure compliance with the relevant Consumer Protection Principles and Indicators.</p>
<p>TRANSPARENCY</p> 	<p>A1 Consumers are informed of key terms and conditions of the contract, including:</p> <ul style="list-style-type: none"> • duration of contract and payment plan • fees/pricing • circumstances that may result in a change of price or payment plan length (including changes in foreign exchange rates) • whether or not ownership is transferred to the customer once all payments are complete • sanctions for late and non-payment (including penalties system lock-out, repossession policies/fees) • if applicable, possibility of reporting a consumer to a credit bureau (for full and partial file reporting) • if applicable, cooling off period policies to return the product for a refund <p>A2 All fees and charges are conveyed clearly and included in the total price (financed or cash).</p> <p>A3 The company ensures prospective consumers are advised about all the provider's available products and payment options.</p> <p>A4 The company communicates to consumers in the most appropriate language - be it the country's official or other local language(s). The provider communicates in an appropriately clear and simple manner; for less literate consumers, oral and visual communication supplements written information, including reading the contract out loud to the consumer.</p> <p>A5 Consumer-facing statements in all sales and marketing materials and packaging accurately reflect the product's features and technical performance (for light output, runtime, etc.). Consumers are provided with a user manual, warranty terms and customer service information (including how to make a complaint). The company always informs consumers if the product is used and/or refurbished.</p> <p>A6 Consumers receive payment confirmation and update remaining balance after making a payment unless they opt out. Consumers can access their transaction history upon request.</p> <p>A7 The company informs consumers which of their personal data is collected, used, shared and stored.</p>

<p>RESPONSIBLE SALES & PRICING</p> 	<p>B1 The company assesses Ability to Pay in a way that is proportionate to the consumer's financial obligation and perceived level of risk.</p> <p>B2 Sales and other consumer-facing staff who are responsible for assessing Ability to Pay receive additional training on understanding consumer financial vulnerability and mitigating the risks of financially overburdening consumers (beyond the requirements outlined in GM4).</p> <p>B3 The company ensures the sales force practice responsible selling and are managed – with incentives, monitoring and sanctions where appropriate – to deter mis-selling or over-selling to consumers.</p> <p>B4 The company ensures (via phone call, in-person, or via an automated system able to validate with the consumer) that the consumer understands the key terms and conditions of the payment plan.</p> <p>B5 If an additional service or product is bought (during or after the original contract term), with the original energy product serving as collateral (including the possibility of product disablement and/or repossession), this is only done with the informed consent of the consumer.</p>
<p>GOOD CUSTOMER SERVICE</p> 	<p>C1 The company offers a minimum warranty length of 1 year for products under 10W, and a minimum of 2 years for products of 10-350W. If the scheduled payment period is longer than this, the warranty period offered is not less than the scheduled payment period. The warranty on appliances is for a minimum of 1 year.</p> <p>C2 The company ensures availability of technical support and endeavors to repair damaged or defective products as fast as possible.</p> <p>C3 The company has a customer support service (e.g., call center, app, chatbot, or other appropriate system) to address queries, complaints, returns and other customer issues.</p> <p>C4 The company endeavors to design and manage its operations in a way that would enable the consumer to have continued service in the event of the failure of the provider. This may entail take-over or transfer of operations to a third-party, unlocking the product, or other means.</p> <p>C5 The company captures consumer feedback on its products and services and payment plan through satisfaction surveys and/or interactions with consumers (before, during and after sales, including through consumer support services). The provider uses this feedback to improve its products, services, and payment plan.</p> <p>C6 The consumer is made aware of the disposal requirements of the product at end-of-life, with particular attention to the battery. As appropriate, the company implements a collection scheme or informs consumers about other collection options (e.g., from other agencies).</p>
<p>GOOD PRODUCT QUALITY</p> 	<p>D1 All products are certified according to the relevant product quality standard.</p> <p>D2 If the product is not plug-and-play, the system is installed by a trained technician.</p> <p>D3 Solar Home System kits (10 - 350 W) and component-based systems are sold with a user manual that includes instructions on installation, use, troubleshooting, and health and safety. Technical specifications of the system and components (and replacement methods) are clear.</p> <p>D4 The user interface and payment process is appropriate for consumers (i.e. if relying on mobile network or mobile money agent this is readily accessible, and payment procedures are not unduly complicated).</p>

**PERSONAL
DATA PRIVACY**

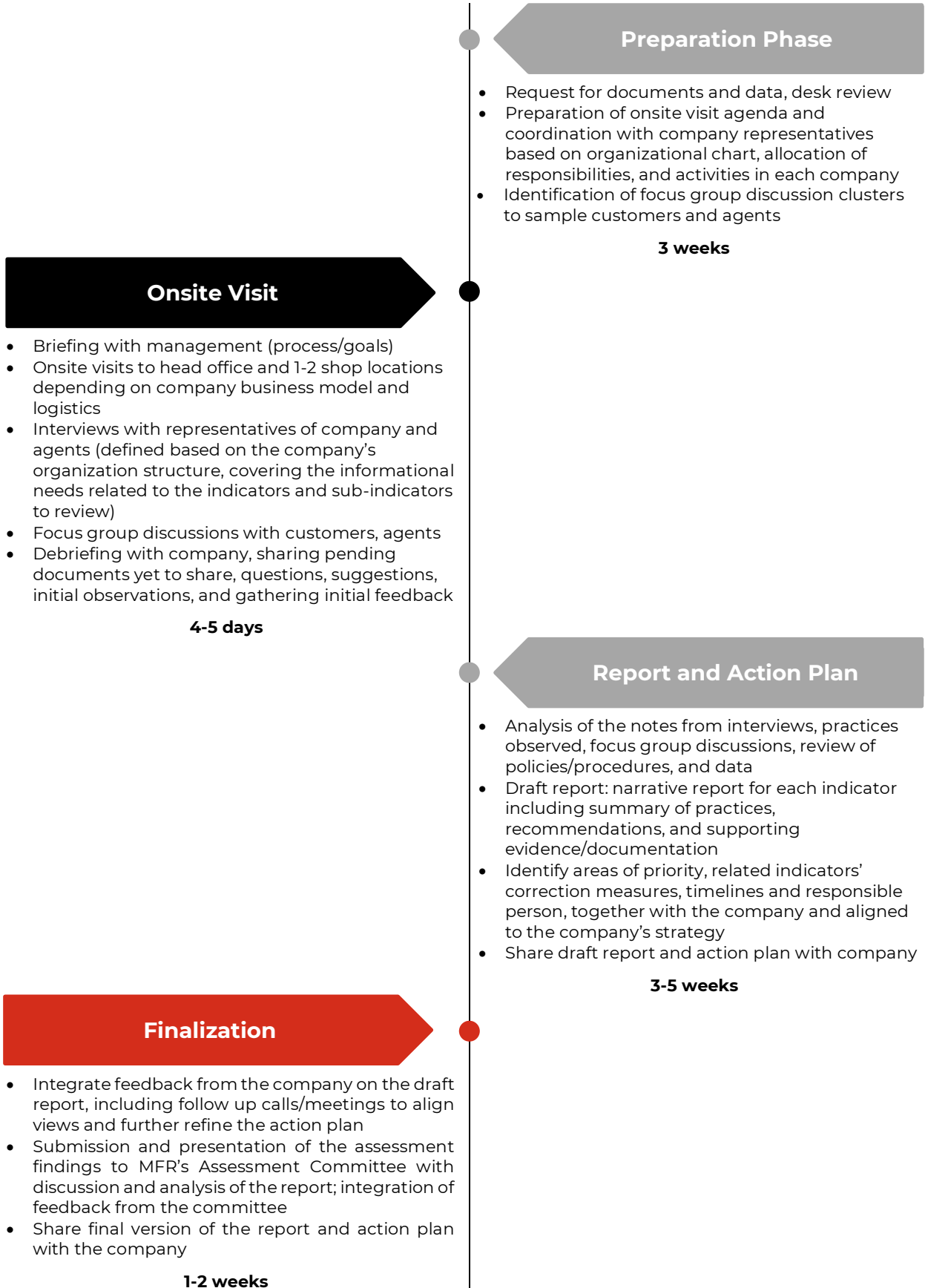
- E1** The company complies with all relevant laws and regulation governing data privacy in its country of operations.
- E2** The company only collects, uses, shares, and stores personal data (including KYC, energy usage and payment information) for which there is a legitimate interest and for which consent is obtained.
- E3** The company obtains meaningful consent from consumers for the sale of personal information (and for purposes other than legitimate interests) to third parties such as advertisers.
- E4** Personal data (in both paper and electronic copies) is adequately protected/encrypted to minimize risk of data theft or misuse in all storage and transmission.

**FAIR &
RESPECTFUL
TREATMENT**

- F1** The company ensures that staff and sales agents are informed of prohibited behaviors and penalized appropriately should they engage in such prohibited behaviors.
- F2** Appropriate safeguards are in place to prevent, detect, and remediate fraud committed by staff and sales force (including agents), against consumers.
- F3** If a consumer falls behind on payments because of a financial (or other) shock, the provider has a mechanism in place to find a solution that is clear and fair for both the company and the consumer, while respecting the contractual obligations of both.
- F4** The company has multiple steps for managing consumers in breach of contract payment term cases, such as phone calls and house visits. In cases where repossession of the asset is pursued, this is done only when no other reasonable resolution is possible and conducted in a way that is fair and respectful to the consumer.
- F5** The company respects consumers' privacy. Whenever possible, any discussion relating to delayed payments, sanctions, or other sensitive situations are conducted in private (including by phone).
- F6** In cases of claimed product complaint or claimed defect, there is a presumption of honest intentions on the part of the consumer. The company investigates the claim before making conclusions regarding misuse, fraud, or deceit.

iii. Implementation Timeline and Work Plan

The assessment process starts when the company signs a contract with MFR. The process goes as follows:





Make the Difference
We Prove It



MFR Head Office
Via R. Rigola 7, 20159
Milan, Italy

Tel. +39 02 3656 5019
info@mf-rating.com
www.mf-rating.com