

# CONSUMER PROTECTION FRAMEWORK FOR THE NIGERIAN PENSION INDUSTRY

APRIL, 2024



[www.pencom.gov.ng](http://www.pencom.gov.ng)

Public

## Table of Contents

<b>1.0</b>	<b>Introduction .....</b>	<b>3</b>
<b>1.2</b>	<b>Objectives of the Framework .....</b>	<b>3</b>
<b>1.3</b>	<b>Scope .....</b>	<b>4</b>
<b>1.4</b>	<b>Form and Content .....</b>	<b>4</b>
<b>1.5</b>	<b>Definition of Terms .....</b>	<b>4</b>
<b>2.0</b>	<b>Consumer Protection Principles .....</b>	<b>8</b>
<b>2.1</b>	<b>Legal Framework .....</b>	<b>9</b>
<b>2.2</b>	<b>Roles of the Commission in Consumer Protection .....</b>	<b>11</b>
2.2.1	Enforcement Powers.....	11
2.2.2	Collaboration .....	11
2.2.3	Monitoring and Evaluation.....	12
<b>2.3</b>	<b>Pension Consumer Education .....</b>	<b>13</b>
2.3.1	Consumer Segmentation.....	13
2.3.2	Content Development Strategy .....	14
2.3.3	Communication Strategy.....	14
2.3.4	Consultation and Engagement.....	14
2.3.5	Measurement and Evaluation.....	15
<b>2.4</b>	<b>Responsible Business Conduct of Licensed Pension Operators.....</b>	<b>15</b>
2.4.1	Communication.....	15
2.4.2	RSA Registration Process .....	16
2.4.3	Investment of Pension Funds.....	16
2.4.4	Benefits Payment Process.....	16
2.4.5	RSA Transfer Process (Market Conduct).....	17
<b>2.5</b>	<b>Complaints Handling and Redress Mechanism .....</b>	<b>17</b>
2.5.1	Complaints Channels.....	17
2.5.2	Complaints Management & Resolution Process .....	18
2.5.3	Appeals and Dispute Resolution (ADR).....	20
<b>2.6</b>	<b>Equitable &amp; Fair Treatment .....</b>	<b>21</b>
2.6.1	Access to Basic Pension Services.....	21
2.6.2	Equity/Fair Treatment .....	21
2.6.3	Sustainable Service Delivery.....	22
<b>2.7</b>	<b>Disclosure &amp; Transparency .....</b>	<b>22</b>
2.7.1	Clear and Comprehensible Information.....	22
2.7.2	Mandatory and Concise Disclosures .....	22
2.7.3	Publications.....	22
2.7.4	General Contract Terms.....	23
2.7.5	Notice of Variation .....	24

<b>2.8</b>	<b>Protection of Consumer Pension Assets, Data &amp; Privacy</b> .....	<b>26</b>
2.8.1	Protection of Pension Assets .....	26
2.8.2	Data Usage Consent.....	26
2.8.3	Data Security Protection and Access .....	27
2.8.4	Third Party Data Agreement .....	27
<b>2.9</b>	<b>Competition</b> .....	<b>27</b>
2.9.1	Free Market .....	28
2.9.2	Prohibition of Anti-Competitive Practices.....	28
2.9.3	Advertisement .....	28
<b>2.10</b>	<b>Compliance and Enforcement</b> .....	<b>29</b>
2.10.1	Compliance and Enforcement Processes .....	29
2.10.2	Enforcement Method.....	29
<b>3.0</b>	<b>Consumer Rights &amp; Responsibilities</b> .....	<b>30</b>
<b>4.0</b>	<b>Reviews &amp; Enquiries</b> .....	<b>33</b>

## **1.0 Introduction**

- 1.1.1 The National Pension Commission (The Commission) in fulfillment of its statutory mandate of providing adequate protection to consumers, deploy effective regulatory and supervisory tools that facilitate effective monitoring of services offered by Licensed Pension Fund Operators (LPFOs) towards ensuring consistent excellent service delivery to consumers (Contributors & Retirees).
- 1.1.2 Consumer Protection is the practice of safeguarding consumers of goods and services as well as the public, against unfair practices in the marketplace. It provides protection to businesses and consumers from fraud, misinformation or unfair practices by competitors.
- 1.1.3 The need for a Consumer Protection Framework (the Framework) is key towards attaining excellent service delivery in the Pension Industry. Importantly, it will continuously serve as a set of guiding principles for the Industry to meet consumers' expectations on excellent service delivery. This Framework, therefore, seeks to define various consumer protection principles, alongside the rights and responsibilities of consumers.
- 1.1.4 For the purpose of enforcement, the Federal Competition and Consumer Protection Commission (FCCPC) Act, 2019, shall serve as the primary legislation governing competition and consumer protection, and shall be applicable to matters not expressly addressed within this Framework. Nevertheless, in instances where a potential inconsistency arises between the provisions of the FCCPC Act and those of this Framework, precedence shall be accorded to the provisions of the FCCPC Act.

## **1.2 Objectives of the Framework**

- 1.2.1 The main objective of the Framework is to enhance consumer confidence that would help ensure a sound and sustainable pension industry. Other specific objectives of the Framework are to:
- i) Properly manage Pension Funds to provide adequate sustainable income at retirement;
  - ii) Promote transparency and accountability in the pension management process;

- iii) Ensure fair and equitable treatment of consumers;
- iv) Ensure Consumers have access to information to make informed decisions;
- v) Promote professionalism and ethics;
- vi) Provide timely handling of complaints and resolution of disputes;
- viii) Guarantee the protection of consumers' rights; and
- ix) Educate consumers on the Contributory Pension Scheme through sensitization workshops, seminars and advocacy campaigns.

### 1.3 Scope

1.3.1 This Framework is for the Nigerian Pension Industry. It also applies to other Agencies that render pension related services including but not limited to the following organizations:

- i) Pension Fund Administrators
- ii) Pension Fund Custodians
- iii) Closed Pension Fund Administrators

### 1.4 Form and Content

1.4.1 This Framework is divided into four (4) major sections with Section one (1) being Introduction. Section two (2) focuses on the ten (10) Principles of Consumer Protection, while the Rights and Responsibilities of Consumers are outlined in Section Three (3). Section four (4) deals with Reviews and Enquires.

### 1.5 Abbreviations/Definition of Terms

S/N	Abbreviations	Definition of Terms
1	PRA 2014	Pension Reform Act 2014.
2	Contributory Pension Scheme (CPS)	The Pension Scheme established under Section 3 of the PRA 2014.
3	The Commission	National Pension Commission, established under Section 17 of the PRA 2014.

4	Defined Contribution (DC)	A pension system where periodic employee and employer contribution rates are defined.
5	Pension Funds	All pension funds established in line with the Provision of the Pension Reform Act, 2014
6	Licensed Pension Fund Operators (LPFOs)	The companies licensed by the Commission to manage pension funds, keep custody of the pension assets and companies that operate and manage their own pension arrangements that existed prior to the commencement of PRA 2014.
7	Complaints	Refers to expression of dissatisfaction or grievances lodged by an individual or a group regarding a product, service, person, or situation. These expressions usually outline perceived problems, issues, or dissatisfaction and are communicated to seek resolution or redress.
8	Pension Fund Administrator (PFA)	Any corporate body licensed by the Commission to manage pension funds as provided in Section 54 of the PRA 2014.
9	Pension Fund Custodian (PFC)	A company incorporated under the Companies and Allied Matters Act and licensed by the Commission to keep custody of pension funds and assets as specified in Section 56 of the PRA 2014.
10	Closed Pension Fund Administrator (CPFA)	Means any employer or its subsidiary licensed by, the commission as closed Pension Fund Administrator under section 51 of this Act whose business includes taking responsibility for safe custody of the funds, securities, financial instruments and documents of title of Pension Fund to exclusively manage only Pension Fund of its employees.

11	Retirement Savings Account (RSA)	An account opened with a Pension Fund Administrator as specified in Section 11 of the PRA 2014.
12	Micro Pension Plan	An arrangement under the CPS, which allows the self-employed and persons working in organizations with less than three employees to make voluntary contributions towards provision for retirement.
13	PenOp	Pension Fund Operators Association of Nigeria.
14	Accrued Pension Right	Right to pension and gratuity for services rendered prior to the commencement of the CPS in June 2004.
15	Employee	Any person employed in the public service of the Federation or States and Federal Capital Territory or private company or organization or firm with three or more employees.
16	Employer	Federal Government of Nigeria or State Governments and Federal Capital Territory or a private company or organization or firm that has three or more employees.
17	Pension Consumer Education	A system of impacting knowledge and sharing information on pension matters to enable consumers become aware of pension products, services and their rights/responsibilities within the Pension Industry.
18	Consumers	Registered Retirement Savings Account Holders (Contributors, prospective Contributors and Retirees) under the CPS.
19	Consumer Rights	Entitlements conferred on RSA holders (active employees and retirees) under the PRA 2014, subsidiary legislations

		issued by the Commission and other laws of the Federal Republic of Nigeria.
20	Consumer Protection Laws	Various provisions of the PRA 2014 and subsidiary legislations (guidelines, regulations, circulars, frameworks, etc.) meant to safeguard the interests of contributors and retirees.
21	FCCPC Act	Federal Competition and Consumer Protection Commission Act, 2019.
22	Federal Competition and Consumer Protection Commission (FCCPC)	Agency established by the FCCPC Act 2019 to regulate competition and consumer protection in Nigeria.
23	National Insurance Commission (NAICOM)	Government agency established to regulate the Insurance Industry in Nigeria.
24	SERVICOM (Service Compact with all Nigerians)	A Presidential initiative established on 21 March, 2004, which pledges to render quick and satisfactory services in all government agencies to all Nigerians.
25	OAGF	Office of the Accountant General of the Federation.
26	NECA	Nigeria Employers' Consultative Association.
27	IOPS	International Organization of Pension Supervisors.
28	G20	An international forum formed in 1999 for governments and central bank governors from 19 individual countries and the European Union.
29	CBN	Central Bank of Nigeria.
30	SAMA	Saudi Arabia Central Bank.
31	OECD	Organization for Economic Co-operation and Development. It is an international



		organization comprised of 38-member countries.
--	--	--

## 2.0 Consumer Protection Principles

The Framework is guided by the following:

- a) International Organization of Pension Supervisors (IOPS) Good Practices on the Role of Pension Supervisory Authorities in Consumer Protection Related to Private Pension Systems;
- b) G20 High-Level Principles on Financial Consumer Protection issued by the Organization for Economic Co-operation and Development (OECD); and
- c) The Consumer Protection Frameworks issued by the Central Bank of Nigeria and the Saudi Arabia Central Bank (SAMA).

In consideration of the distinctive nature of the Nigerian Pension Industry, it is, evident that a strong set of principles is essential in establishing a Framework that ensures the utmost protection of consumer rights and the delivery of exceptional services to consumers. Consequently, this Framework comprises the following ten important principles:

1. Legal and Regulatory Structure;
2. Roles of the Pension Regulator in Consumer Protection;
3. Pension Consumer Education;
4. Responsible Business Conduct of Licensed Pension Fund Operators;
5. Complaints Handling & Redress;
6. Equitable and Fair Treatment;
7. Disclosure and Transparency;
8. Protection of Consumer Pension Assets, Data and Privacy;
9. Competition; and
10. Compliance and Enforcement.

## 2.1 Legal Framework

The Consumer Protection Framework is anchored on the following relevant provisions of the PRA 2014.

S/N	Section	Provision
1	Section 1 (a)  (b)	<p>The Objectives of the PRA 2014 are to- Establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the Public Service of the Federation, the Public Service of the Federal Capital Territory, the Public Service of the State Governments, the Public Service of the Local Government Councils and the Private Sector.</p> <p>Ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory, States and Local Governments or Private Sector receives his/her retirement benefits as and when due.</p>
2	Section 18 (b)  (c)	<p>The principal objects of the Commission shall be to:</p> <p>Co-ordinate and enforce all other laws on pension and retirement benefits; and</p> <p>Regulate, supervise and ensure effective administration of pension matters and retirement benefits in Nigeria.</p>
3	Section 23 (f)  (j)	<p>The Commission shall:</p> <p>Carry out public awareness, enlightenment and education on the establishment, operations and management of the Scheme; and</p> <p>Perform such other duties which, in the opinion of the Commission, are necessary or expedient for the discharge of its functions under this Act.</p>

5	Section 24  (c)  (i)  (o)	The Commission shall have power to:  Request or call for information from any employer or Pension Fund Administrator or Pension Fund Custodian or any other person or institution on matters relating to retirement benefits;  Request the Accountant-General of the Federation to credit into the Federal Government Retirement Fund Account, Federal Government's obligation for the redemption of the Retirement Benefits Bonds issued to its employees for their past service (accrued rights); and  Do such other things which in its opinion are necessary to ensure the efficient performance of the functions of the Commission under the PRA 2014.
6	Section 55  (d)  (e)  (f)  h)	A Pension Fund Administrator licensed under this Act shall-  Provide regular information on all investment strategy, market returns and other performance indicators to the Commission and employees or beneficiaries of the RSAs;  Provide customer service support to employees including access to employees account balances and statements on demand;  Cause to be paid retirement benefits to holders of RSA in accordance with the provisions of the PRA 2014;  Carry out such other functions as may be directed, from time to time, by the Commission.
8	Section 115 (1)	The Commission may make regulations, rules or guidelines, as it deems necessary or expedient for giving full effect to the provisions of PRA 2014.

## **2.2 Roles of the Commission in Consumer Protection**

### **2.2.1 Issuance of Framework and Regulations/Guidelines**

2.2.1.1 The Commission plays a crucial role in developing policies and regulations that promote and safeguard consumer interests in the Pension Industry. It also analyzes market trends, assesses potential risks, identifies areas where consumer protection is needed and conducts research to formulate effective regulations.

2.2.1.2 The resultant regulations to be issued as a result of this Framework shall specify standards, guidelines and practices that Pension Fund Operators and the Commission shall adhere to. This would ensure fair and ethical treatment of consumers by highlighting their rights and responsibilities.

### **2.2.2 Enforcement Powers**

2.2.2.1 The Commission shall institute measures for enforcing strict compliance with provisions of this Framework. These measures will encompass comprehensive examination of complaints, performance audits, and the application of essential administrative penalties on any Pension Fund Operator discovered to be in breach of consumers' rights. These enforcement measures will be carried out promptly, impartially, and resolutely, underscoring the Commission's dedication to consistently safeguarding consumers' rights.

### **2.2.3 Collaboration**

2.2.3.1 The Commission shall collaborate with various domestic and international stakeholders to promote consumer protection. It shall also consult standards established by specialized and multilateral organizations, including but not limited to the International Organization of Pension Supervisors (IOPS) and the World Bank, among others.

2.2.3.2 The Commission shall collaborate with other agencies/Financial Sector Organizations for the exchange of beneficial information, initiatives and ideas. The agencies among others shall include the Central Bank of Nigeria, the National Insurance Commission, the Nigeria Deposit Insurance Corporation, the Securities and Exchange Commission, the Federal

Competition and Consumer Protection Commission, the Public Complaints Commission, law enforcement agencies, etc.

2.2.3.3 The Commission shall collaborate with relevant agencies to put in place adequate structures that ensure efficient and hitch-free operations in the Pension Industry. Such agencies may include the National Identity Management Commission (NIMC), the Corporate Affairs Commission (CAC), the Nigeria Data Protection Commission (NDPC).

2.2.3.4 The Commission shall in line with its consultative approach engage in public consultation processes before finalising policy documents and subsidiary legislations. This involves seeking inputs from various stakeholders, such as consumer advocacy groups, industry representatives, the public and private sector representatives.

## **2.2.4 Monitoring and Evaluation**

2.2.4.1 The Consumer Protection Department in collaboration with the Research and Strategy Management Department of the Commission shall monitor the impact of this Framework, from time to time, using the tools outlined in (i) and (ii) below amongst others:

### **i. Survey Questionnaires**

Survey questionnaires will be used as a means of monitoring the effectiveness of this Framework. Specifically, these survey questionnaires will assess the impact of service delivery within the Pension Industry and gauge customers' perception of the services received. The insights obtained will play a crucial role in evaluating the overall performance and customer satisfaction levels within the Industry.

### **ii. Evaluation**

Regular evaluations will be conducted to assess the degree of compliance of Pension Fund Operators with the provisions outlined in this Framework. These evaluations may be conducted using any of the following methods:

- a. On-site evaluations;
- b. Information gathering from whistle blowers;

- c. Spot checks; and
- d. Special investigations.
- e. Periodic Stakeholder Meetings; and
- f. Social Media Monitoring and Complaint Tracking

## **2.3 Pension Consumer Education**

Pension Consumer Education entails the systematic imparting of pension-related knowledge and skills to consumers, enabling them to make well-informed decisions about their retirement savings. This educational process would also empower consumers to understand their rights and responsibilities, thereby enabling them to effectively plan for their future financial security.

Pension Education shall be carried out by the Commission, Licensed Pension Fund Operators and PenOp either independently or jointly. This will be consistently carried out in collaboration with relevant professional bodies and stakeholders in order to provide consumers with the essential knowledge and skills needed to make informed decisions about their pensions.

The Commission shall develop a Pension Literacy Framework to guide the implementation of pension literacy in Nigeria, in order to enhance the pension knowledge of stakeholders. The Pension Literacy Framework shall consider the following:

### **2.3.1 Consumer Segmentation**

2.3.1.1 The strategy of Consumer Segmentation will be used in determining the engagement methods to be adopted and how information can be circulated to different segments or target groups, ensuring a proper alignment with the unique characteristics of various categories of consumers within the Nigerian population.

2.3.1.2 Specifically, the stakeholders shall be categorized into various segments based on the following parameters: demography, geographical location, level of education and occupation.

## **2.3.2 Content Development Strategy**

2.3.2.1 Contents shall be developed to reflect the needs of specific target groups on the basis of consumer segmentation.

2.3.2.2 The Commission shall establish common repository of data as a means of ensuring sustainability and uniformity of information on pension education.

## **2.3.3 Communication Strategy**

2.3.3.1 The Communication Strategy shall encompass a comprehensive approach to ensure that adequate coverage is achieved in the delivery of pension education programs in the country. These programs would also aim to raise awareness about consumer rights and responsibilities under the CPS. They will be thoughtfully designed to cater for the specific needs and peculiarities of various segments of the population.

2.3.3.2 The Commission shall leverage on variety of media, including traditional and news media, to rollout pension education programs. Materials would be developed in English and some indigenous languages or other means of communication for people with special needs, where necessary.

2.3.3.3 Pension Fund Administrators shall be encouraged to offer functional phone lines to assist consumers with resolution of inquiries and provision of required information. These phone lines shall be recorded or monitored for the purpose of ensuring quality assurance and providing enhanced support to consumers seeking relevant information about their pensions.

2.3.3.4 The Commission shall encourage outreach programs through Trade Unions and Associations.

## **2.3.4 Consultations and Engagements**

2.3.4.1 The Commission shall engage in consultations and collaborations with relevant stakeholders to develop robust programs that serve as platforms for exchange of valuable information and ideas which are pertinent to the Pension Industry. Additionally, the Commission will collaborate with relevant stakeholders to stay abreast with global trends and best practices, ensuring that pension education objectives align with international standards and developments.

2.3.4.2 Pension education shall form part of the corporate culture of the Pension Industry. Pension Fund Operators may organize educational programs in conjunction with the Commission, relevant professional bodies, consumer advocacy groups and agencies to enhance general pension knowledge of consumers.

### **2.3.5 Measurement and Evaluation**

2.3.5.1 There shall be a mechanism for monitoring the performance of the Commission and Pension Fund Operators with respect to implementation of various consumer pension education initiatives, in line with appropriate industry standards.

## **2.4 Responsible Business Conduct of Licensed Pension Operators**

LPFOs play a vital role in the management and custody of pension funds and ensuring the protection of consumers' rights. In addition, they are required to observe high ethical standards and professionalism in their business transactions with consumers.

Pension Fund Operators shall exercise due diligence while discharging their obligations to consumers, by ensuring that all services/products are rendered efficiently for sustainable and effective service delivery.

### **2.4.1 Communication**

2.4.1.1 Pension Fund Operators shall communicate with consumers in a clear, concise and transparent manner. This includes using plain language to explain complex processes and avoiding unnecessary use of technical terms that may mislead consumers. Pension Fund Operators shall ensure that communication is timely and easily accessible to consumers devoid of possibly misleading interpretations.

2.4.1.2 All requests for information shall be promptly and clearly addressed in writing or through the consumers' preferred means of communication, accompanied by the necessary documentation. Responses to enquiries should be provided within 24 hours. However, issues that may not be resolved within that time frame, a holding reply should be issued to the consumer. This is to ensure effective service delivery.



## **2.4.2 RSA Registration Process**

2.4.2.1 The registration of RSAs shall be in line with the Guidelines for Retirement Savings Account Registration.

2.4.2.2 LPFOs have the responsibility of offering clear and precise information to prospective contributors throughout the RSA registration process. This entails explaining the various features of the pension scheme; the advantages of becoming a contributor; the contribution requirements; and the rights and obligations of contributors. It is crucial for LPFOs to ensure that contributors have a comprehensive understanding of the registration process and the implications of each stage.

2.4.2.3 LPFOs shall maintain transparency throughout the registration process. They shall disclose all relevant information including fees, charges, fund options and potential risks associated with the Scheme.

## **2.4.3 Investment of Pension Funds**

2.4.3.1 All investment of pension funds shall, be in line with the Regulation on Investment of Pension Fund Assets issued by the Commission.

2.4.3.2 PFAs have a fiduciary duty to act in the best interest of consumers. They shall prioritize the safety, security and growth of pension funds while managing its associated risks. They shall exercise due diligence, implement robust risk management practices to protect pension funds against potential risks and make informed investment decisions that aim to maximize returns within acceptable risk parameters.

## **2.4.4 Benefits Payment Process**

2.4.4.1 Processing and payments of benefits shall be in line with the Revised Regulation on the Administration of Retirement and Terminal Benefits.

2.4.4.2 LPFOs are responsible for processing and disbursing pension benefits to eligible retirees or beneficiaries. They shall ensure that benefit payments are paid in a timely and accurate manner, adhering to the specified time frame for pay-outs. Any exception shall be escalated to the Commission.

2.4.4.3 LPFOs shall clearly explain the features of the two modes of receiving periodic retirement benefits (Programmed Withdrawal and Retiree Life

Annuity). They shall provide comprehensive educational materials to help consumers make informed decisions about the modes of receiving their periodic retirement benefits most suitable to them.

2.4.4.4 LPFOs shall explain to consumers the eligibility and prerequisite requirements for other grounds of benefits payment or for accessing RSA balance (Temporary access to 25%, Residential Mortgage, Voluntary Contribution, Death Benefit, Pre-Act benefits and NSITF contribution).

2.4.4.5 LPFOs shall provide clear and concise information about benefits computation and exit options.

#### **2.4.5 RSA Transfer Process (Market Conduct)**

2.4.5.1 Pension Fund Administrators shall demonstrate good faith when handling and processing consumers' requests for RSA transfer. A Pension Fund Operator shall not compel or induce any consumer to transfer his/her RSA. It is of utmost importance that the decision to transfer an RSA shall originate solely from the consumer's own volition, free from any form of inducement or compulsion from either the employer or the receiving PFA.

2.4.5.2 All RSA transfers shall strictly adhere to the Regulation for the Transfer of RSAs issued by the Commission. LPFOs shall ensure transparency, fairness, and consumer-centric practices throughout the RSA transfer process.

### **2.5 Complaints Handling and Redress Mechanism**

Complaints handling and redress mechanisms are crucial for ensuring that consumers have some means of addressing their concerns or disputes with the Pension Fund Operators and the Commission. These mechanisms should be designed to provide fair, transparent, timely, accessible and independent processes for resolving complaints while offering appropriate remedies or compensation that would enhance overall consumer confidence in the Pension Industry.

#### **2.5.1 Channels for Consumer Complaints**

2.5.1.1 Avenues for lodging complaints shall be readily available, easily accessible and known to the Consumers. The Commission and LPFOs shall have

multiple channels (electronic and non-electronic) for consumers to lodge complaints. These complaints channels include dedicated email addresses, telephone numbers, helpdesk, web chat, walk-in, etc. Such channels shall be functional and available to consumers or their agents at all times.

- 2.5.1.2 Complaints channels shall be manned by courteous individuals with experience in handling consumer issues. Supervision of complaints handling process shall be undertaken by qualified employees who possess the requisite authority to resolve complaints effectively.
- 2.5.1.3 The Commission and the Pension Fund Administrators shall provide appropriate training to employees who directly interact with their consumers, as well as those involved in developing and approving complaints handling policies, practices, and procedures. The training would ensure that employees possess the essential skills and knowledge to effectively address consumer needs and concerns, while maintaining excellent standards of customer service and complaints resolution.
- 2.5.1.4 The Commission shall establish minimum standards for Pension Fund Operators for the operation of different complaints handling channels within the pension industry. Such channels shall be periodically assessed to determine its availability and adequacy.
- 2.5.1.5 The Commission shall undertake periodic comprehensive evaluation of its and Pension Fund Operators' compliance with the established minimum standards to ensure an effective and consumer-centric complaints resolutions process across the Industry.

## **2.5.2 Complaints Management and Resolution Process**

- 2.5.2.1 The complaints management process shall be designed to be simple, efficient, and automated, facilitating the swift and effective resolution of consumer complaints. The Commission and LPFOs shall offer efficient services and implement proactive measures to minimize the occurrence of complaints.
- 2.5.2.2 Pension Fund Operators shall establish and implement effective and transparent processes, which must be in line with the minimum standards set by the Commission for receiving and resolving complaints.

2.5.2.3 Consumer complaints shall first be lodged with the Pension Fund Administrator who shall manage the complaints process and provide consumers with the status updates. The PFA shall comply with the following when addressing consumers' complaints:

- i. Timelines stipulated by the Commission;
- ii. Issuance of withholding replies;
- iii. Provision of reference/tracking number for all complaints received;
- iv. In the event of delay, PFAs are to provide reasons indicating the status of complaint; and
- v. Communicate resolution of complaints in a timely manner.

2.5.2.4 Without prejudice to 2.5.2.3 above, the consumer may escalate to the Commission in the event of dissatisfaction or unresolved complaints within a reasonable timeframe.

2.5.2.5 All complaints can be forwarded to the physical or electronic addresses of the head office and branches of the Commission via the following contact details:

Channel	Number/ Addresses
Telephone	Channel Number/ Addresses Telephone 0700-2255-736266 070-669-24512 +23494603930 +23494603939
Email Addresses	<a href="mailto:info@pencom.gov.ng">info@pencom.gov.ng</a> or <a href="mailto:consumer@pencom.gov.ng">consumer@pencom.gov.ng</a>
Social Media Platform	twitter@pencomnig www.facebook.com/pencom.gov.ng Instagram@_pencom_
Corporate Head Office Address	No 174 Adetokunbo Ademola Crescent Wuse II, Abuja, FCT

SN	Zonal Office Locations & Addresses
1	<b>NORTH-CENTRAL ZONAL OFFICE</b> Plot 1, Aderemi Adeleye Street Off Fate Road, GRA Ilorin, Kwara State Tel: (+234) 805 599 9341
2	<b>NORTH-EAST ZONAL OFFICE</b> Plot No. 10, Gombe-Biu Road Gombe, Gombe State Tel: (+234) 805 599 9339
3	<b>NORTH-WEST ZONAL OFFICE</b> No. 22, Kazaure Road, Bompai, Kano Kano State Tel: (+234) 805 599 9335
4	<b>SOUTH-WEST ZONAL OFFICE</b> 88A Oduduwa Crescent, Ikeja, GRA Lagos State Tel: (+234) 805 599 8808
5	<b>SOUTH-EAST ZONAL OFFICE</b> Road 1/47, Udoka Housing Estate Awka, Anambra State Tel: (+234) 805 599 9337
6	<b>SOUTH-SOUTH ZONAL OFFICE</b> Plot 9, PCN Layout Diamond Hill Calabar Cross River State Tel: (+234) 805 599 9332

### 2.5.3 Appeals and Dispute Resolution

2.5.3.1 Any Consumer who is dissatisfied with the decision of a Pension Fund Operator may request in writing that such decision be reviewed by the Commission.

2.5.3.2 The Commission shall review the steps taken by the Pension Fund Operators in addressing the complaints mentioned in Clause 2.5.3.1 above,

with a view to ensure that the resolution process was effective, transparent and adequate so as to engender consumer confidence.

2.5.3.3 Where the consumer is dissatisfied with the decision of the Commission, he/she may refer the matter to Arbitration under the Arbitration and Conciliation Act or to a Court of competent jurisdiction, in line with the provisions of Section 107 of the PRA 2014.

## **2.6 Equitable and Fair Treatment**

All consumers shall be treated equitably and fairly at all stages of their relationship with LPFOs. Treating consumers fairly shall be an integral part of good governance and corporate culture in the Nigerian Pension Industry. Special attention shall be dedicated to the needs of vulnerable persons/groups. In addition, there shall be uniform terms of contract for consumers in the Industry at entry, contribution and exit stages of the CPS.

### **2.6.1 Access to Basic Pension Services**

2.6.1.1 The Commission shall develop policies/regulations/circulars that will ensure that pension fund operators maintain adequate structures that enhance access to pension products/services, particularly among vulnerable persons/groups and people with special needs.

### **2.6.2 Equity/Fair Treatment**

2.6.2.1 Consumers must be treated with absolute fairness, without any form of discrimination. Pension Operators are prohibited from discriminating against their consumers' on attributes such as social status, physical ability, marital status, gender, age, religion, tribe, etc.

2.6.2.2 Operators shall treat consumers with respect and shall not engage in practices such as, threats, intimidation, humiliation, misrepresentation, deception or unfair inducements.

### **2.6.3 Sustainable Service Delivery**

2.6.3.1 Pension Fund Operators shall ensure that their approaches and practices in providing services meet the needs of the consumers without jeopardizing their ability to meet future demands.

2.6.3.2 Pension Fund Operators shall make adequate provision for infrastructure, to meet customer needs, regulatory requirements, and accepted industry standards.

## **2.7 Disclosure and Transparency**

Pension Fund Administrators shall be required to furnish consumers with essential information that outlines the fundamental benefits, risks, and terms of their products. This information shall be comprehensive, concise, accurate, and free from any misleading content. The information shall be easily accessible to consumers and include a clear description of the rights and responsibilities of all parties involved.

### **2.7.1 Clear and Comprehensive Information**

2.7.1.1 All information disseminated by PFAs must be clear and comprehensive without ambiguity. It is to contain adequate information that provides simple and easy understanding by the consumers.

### **2.7.2 Mandatory and Concise Disclosures**

2.7.2.1 Mandatory and clear disclosure in the CPS aims to provide contributors with vital information in plain and suitable language, helping consumers make informed decisions about their service choices. Specifically, PFAs are mandated to provide summarized pamphlets, fliers etc containing key features of any services/products rendered by it to enable consumers make informed decisions.

### **2.7.3 Publications**

2.7.3.1 Pension Fund Operators shall ensure that all services offered are published in a simple and understandable language for easy comprehension of Consumers.

2.7.3.2 LPFOs shall, in line with the provisions of the Code of Corporate Governance of the Pension industry (the Code), provide adequate information on their annual reports, in order to engender transparency in the Industry.

2.7.3.3 Pension Fund Operators shall ensure that their websites and other information dissemination channels are functional and regularly updated with the current features of products and services offered.

#### **2.7.4 General Contract Terms**

2.7.4.1 Disclosure and transparency are fundamental aspects of consumer protection when it comes to contract terms. The goal is to ensure that consumers have access to clear, accurate and comprehensive information about the terms and conditions of a contract.

2.7.4.2 Contractual agreements between the Commission and LPFOs shall be precise and clear. Information must be communicated in simple language to avoid misinterpretation. Contractual agreements must be in legible font sizes. Where technical terms are used, LPFOs shall ensure that such terms are clearly explained, to the understanding of the consumer in order to avoid confusion or miscommunication.

2.7.4.3 This framework aims to ensure that contract terms are standard and provide mechanism for redress.

2.7.4.4 Pension Fund Operators shall disclose and document all terms and conditions including inherent risks, fees, charges and other payments to be made (if applicable) by a consumer for a product or service.

2.7.4.5 In line with the above, the following are considered to be unfair contract terms. The following among others are considered to be unfair terms:

- i. Contract terms that conflict with the regulations guidelines and policies issued by the Commission.
- ii. Unilateral amendment or termination of clauses of agreement without reasonable notice to the consumer.



2.7.4.6 Consumers or other stakeholders are encouraged to report contract terms that are in conflict with any regulation, guidelines and policies issued by the Commission.

## **2.7.5 Notice of Variation**

2.7.5.1 Notice to consumers on any variation to the terms and conditions of any contract shall be implemented as follows:

- i. Pension Fund Operators shall issue notice of any change to the terms and conditions of contracts to consumers through the approved modes of communication and shall display the same on their websites, prior to implementation. The new terms and conditions shall allow consumers adequate time to prepare and adjust accordingly;
  - ii. The notice shall be at no cost to the consumers and there must be evidence that the notice was properly served; and
  - iii. The notice shall be given within the minimum timeline as stipulated in the appropriate Industry Standard periodically issued by the Commission.
- iv. The notice shall contain the following minimum details:
- a) Clear and easily understandable language describing the changes to the terms and conditions of the contract. Avoid complex words or technical language that may confuse consumers;
  - b) A detailed explanation(s) of the rationale for the change, including any factors that necessitated the variation, such as regulatory requirements, market conditions, or operational improvements;
  - c) The exact commencement date of the new terms and conditions, allowing consumers adequate time to prepare and adjust accordingly; and

- d) A clear and concise summary of available options to the (consumer, including the option to opt out or terminate the contract if they disagree with the proposed changes.

v. LPFOs shall:

- a) Provide regular updates to consumers and the Commission regarding any outstanding responsibilities related to the variations. These updates shall include progress reports and milestones achieved; and shall be made available promptly to ensure transparency and accountability;
- b) Provide notice to consumers at no cost and there must be verifiable evidence that the notice was properly served, including confirmation of receipt by the consumers; and
- c) Give notice in advance for changes in contract terms, allowing consumers sufficient time to assess the changes and make informed decisions.

vi) The notice shall contain the following minimum details:

- a) Clear and easily understandable language describing the changes to the terms and conditions of the contract. Avoid complex words or technical language that may confuse consumers;
- b) A detailed explanation(s) of the rationale for the change, including any factors that necessitated the variation, such as regulatory requirements, market conditions, or operational improvements;
- c) The exact commencement date of the new terms and conditions, allowing consumers adequate time to prepare and adjust accordingly; and
- d) A clear and concise summary of available options to the (consumer, including the option to opt out or terminate the contract if they disagree with the proposed changes.

## **2.8 Protection of Consumer Pension Assets, Data and Privacy**

The Commission shall ensure that appropriate measures are established to guarantee protection of pension assets. Consumers' pension and personal information shall also be protected by Pension Fund Operators at all times and shall not be released to a third party without the consent of the consumer, except as required by relevant laws.

### **2.8.1 Protection of Pension Assets**

2.8.1.1 The separation of management and custody of pension fund between Pension Fund Administrators and Custodians indicate that consumers' pension funds are ring-fenced and therefore safeguarded.

2.8.1.2 All Pension Fund Administrators are required to comply with the regulation on Investment of Pension Fund Assets issued by the Commission. The regulation, is periodically updated to ensure that pension assets under management are not unduly exposed to risks in the course of the investment activities of the PFA.

### **2.8.2 Data Usage Consent**

2.8.2.1 Pension Fund Operators have a duty to maintain the confidentiality of consumers' personal information. Moreover, they are obligated to ensure the privacy and security of their customers' data.

2.8.2.2 Pension Fund Operators are mandated to obtain the prior consent of RSA holders before using their information for promotional offers via e-mail, SMS, phone calls and other channels.

2.8.2.3 Pension Fund Operators have a duty of care to maintain the confidentiality of consumers' personal information and shall ensure privacy and security of their consumers' data:

i) Where the request is made by the Commission and/or other law enforcement agencies/bodies; and

ii) Where there is a valid court order for the request made.

2.8.2.4 Appropriate data protection safeguards and security measures including employees training shall be in place to prevent unauthorized access, alteration, disclosure, accidental loss or destruction of consumers' data and information.

### 2.8.3 Data Security Protection and Access

2.8.3.1 Pension Fund Operators shall implement policies and controls to safeguard consumers against fraud. These policies may incorporate the use of robust software and transaction monitoring systems to oversee internal processes and operations. Therefore, the policies shall include:

- (i) **Segregation of duties**; the initiation and conclusion of transaction shall not rest with an individual. Necessary hierarchical controls, second level authentication, among others shall be put in place.
- (ii) **Access to information**; Appropriate access control system shall be established to restrict and monitor access to consumer database.
- (iii) **Security (Physical and Electronic)**: consumers' data and records must be securely stored at all times and accessed only by authorised personnel.
- (iv) **Adequate data storage infrastructure**: Pension Fund Operators shall determine/assess the required data specifications to aid the procurement of suitable data storage infrastructure.
- (v) **Periodic Audit**: Pension Fund Operators shall ensure periodic audit of control systems to ascertain adequacy and effectiveness in order to guard against breach.

### 2.8.4 Third Party Data Agreement

2.8.4.1 Pension Fund Operators shall prioritize the safety and security of consumers' data when engaging in transactions with third-party agents. In such cases, consumers' data should only be used for the specific purpose requested and must not be utilized for any other purpose.

## 2.9 Competition

The promotion of competitive markets is essential to provide consumers with a wide range of choices among PFAs and create competitive pressure on them to offer diverse pension-related products within the boundaries set by the PRA 2014. This approach encourages innovation and helps maintain high service

quality within the Pension Industry. Consumers should have the ability to search, compare, and, when suitable, switch between products and service providers to ensure they make informed decisions that best suit their needs.

### **2.9.1 Free Market**

2.9.1.1 Consumers should have the freedom to enter or exit from one PFA to another, as well as the choice of modes for withdrawing of retirement benefits and selecting their preferred pension fund, within the compass of the PRA 2014.

2.9.1.2 It should be noted that encouraging a free market environment is vital to enhance effective service delivery for consumers. Therefore, Pension Fund Operators should actively promote healthy competition while refraining from unethical and de-marketing practices, ensuring fair and beneficial outcomes for all consumers.

### **2.9.2 Prohibition of Anti-Competitive Practices**

2.9.2.1 Pension Fund Operators are strictly prohibited from engaging in unhealthy de-marketing practices that involve tarnishing the image or service of their competitors when dealing with consumers. Such conduct goes against ethical standards and fair competition principles.

### **2.9.3 Advertisement**

2.9.3.1 The Commission shall ensure that advertisements by Pension Fund Operators aligns with approved product features. Accordingly, Pension Fund Operators shall ensure that advertisements on pension products/ services shall:

- i. Not be misleading;
- ii. Be clear and explicit;
- iii. State the features of the products/services; and
- iv. Neither misrepresent nor exaggerate the benefits of the products/services.

2.9.3.2 All advertisements shall disclose full information about the products and services being advertised. Where a promotional material refers to rates of return, the Pension Fund Operator shall also indicate all other applicable

charges. In addition, the Commission shall provide enabling environment for RSA holders to make further enquiries in this regard.

## **2.10 Compliance and Enforcement**

To ensure effective compliance with the Consumer Protection Framework and regulations within the Pension Industry, the Commission shall put in place mechanism to enforce the provisions of this framework with the application of appropriate administrative sanctions in accordance with the regime of sanctions issued by the Commission. The sanctions shall be timely, objective, firm, aiming to increase awareness, foster consumer confidence and trust in the Pension Industry.

### **2.10.1 Compliance and Enforcement Processes**

2.10.1.1 The Commission shall issue Regulations for the effective execution of the provisions of this Framework. Pension Fund Operators shall ensure compliance with the provisions of the Regulation while dealing with consumers in order to ensure the protection of the rights of the Consumers so as to increase their level of confidence in the Nigerian Pension Industry.

### **2.10.2 Enforcement Method**

2.10.2.1 The Commission shall put in place mechanism to ensure enforcement of the Consumer Protection Regulation. The mechanism shall include:

1. Conduct of investigations and findings shall form the basis for Management decision.
2. Contravention of the provisions of this Framework or other Regulations on Consumer Protection shall result in appropriate administrative sanctions, which shall include one or more of the following:
  - a) Refund to consumers in line with relevant Regulations issued by the Commission;
  - b) Letter of Apology;
  - c) Restriction on Activities;
  - d) Denial of Approvals;
  - e) Monetary Penalty;
  - f) Advert Cancellation;
  - g) Warning/Caution Letters to Management/Board;

- h) Suspension/removal of Board/Management staff/employees;
- i) Referral to law enforcement agencies for prosecution;
- j) Revocation of license; and
- k) Any other sanction that the Commission may deem appropriate from time to time.

### 3.0 Consumers' Rights and Responsibilities

To enhance confidence in the Pension Industry, consumers shall have basic rights and responsibilities, which shall be protected by all stakeholders.

#### 3.1 Consumers' Rights

The basic rights of consumers shall be:

1. **Right to be treated fairly:** Consumers shall be treated fairly, regardless of the nature of complaint, financial knowledge, status, physical ability, age, gender, tribe or religion.
2. **Right to redress:** Consumers shall have access to an efficient redress mechanism for settlement of claims or disputes.
3. **Right to confidentiality:** Consumer information must be protected from unauthorized access and disclosure.
4. **Right to safety:** LPFOs shall provide a safe and conducive environment, channels and platforms for use by the consumers.
5. **Right to choose:** Consumers shall have the liberty to choose from a variety of products and services without restriction. This right includes the choice to transfer from one PFA to another.
6. **Right to consumer education:** Have the right to be provided with adequate and necessary information needed to make informed decisions.
7. **Right to be informed:** Consumers shall be provided with accurate and timely information on products and services to enable consumers make informed decisions by LPFOs.

### 3.2 Consumers' Responsibilities

The Consumers have a corresponding responsibility, which shall be strengthened through continuous consumer education and awareness programs provided by the Commission and Pension Fund Administrators. The main responsibilities of the Consumers are as follows:

1. **Being honest with information provided:** When completing documents or forms for their chosen Pension Fund Administrators, consumers should consistently supply correct, accurate and precise information, while refraining from providing false details or omitting crucial information.
2. **Carefully read all information provided by the Pension Fund Operator:** Consumers should always read and understand the details of any service or product offered by the Pension Fund Operator.
3. **Ask questions:** Consumers should make it a priority to seek clarification on any uncertainties or unclear conditions. The Pension Fund Administrators have the obligation to provide professional responses to enquiries.
4. **Know how to make a complaint:** Consumers should take a proactive stance by fully comprehending/understanding the complaint procedure of the chosen PFAs. In particular, they should ensure they fully understand the process for escalating issues to higher authorities when required. The Pension Fund Operators shall provide consumers with guidance on how to initiate a complaint and the anticipated response timelines.
5. **Report unauthorized transactions:** If Consumers discover unauthorized transactions, they should immediately report this to the Pension Fund Operators or the Commission.



6. **Not to disclose personal information:** Consumers shall ensure that their Personal Identification Numbers (PINs) and sensitive personal details are not disclosed to third parties or unauthorized persons.
7. **Talk to Pension Fund Operator in difficulty:** Consumers should always discuss any unclear issue or any challenges they encounter in the process of using any product or service offered by the Pension Fund Administrators.
8. **Updating information:** Personal information should be updated when the need arises or where so requested by the Pension Fund Administrators.
9. **Appropriate mail:** Consumers should provide accurate personal mailing addresses as contact information to the Pension Fund Administrators. It is important not to use the mailing addresses of friends or relatives
10. **Do not sign uncompleted forms:** Consumers must verify that all mandatory fields and numerical entries are filled out in any form.
11. **Review all your documents:** Consumers shall carefully examine all documents and ensure that they fully understand the content of the information before signing their signature to ensure accuracy and avoid any mistakes. It is essential to recognize that their signature signifies approval and agreement with the content.
12. **Retain copies of documents:** Consumers should obtain and secure relevant pension documents. RSA Statements and other critical paperwork provided by the Pension Fund Administrator should be preserved and stored securely. Pension Fund Administrators are mandated to furnish consumers with copies of signed documents and other pertinent records at the conclusion of each transaction.
13. **Report Unethical Practices, Fraud and Error:** Consumers shall lodge complaints promptly and honestly through established redress platforms. They shall report instances of misconduct, unethical

practices, such as fraud and unauthorized charges, and any malpractices they encounter.

#### **4.0 REVIEWS AND ENQUIRIES**

4.1 This Framework is subject to review, as the need arises.

4.2 All enquiries pertaining to this Framework shall be directed to

The Director General  
National Pension Commission  
Plot 174, Adetokumbo Ademola Crescent  
P.M.B. 5170, Wuse II, Abuja