

The Quality of Financial Services: Evidence from an Audit Study in Mexico*

Xavier Giné

Development Economics Research Group, World Bank

Cristina Martínez de Cuellar

Development Economics Research Group, World Bank

Rafael Keenan Mazer

CGAP, World Bank

August 2012

PRELIMINARY AND INCOMPLETE

Abstract

We conduct an audit study in peri-urban Mexico to understand the quality of information and products offered to potential low-income customers. Trained “shoppers” visited multiple financial institutions looking for both credit and savings products. Results suggest that staff provide little information voluntarily and when probed, most appear to be misinformed about key characteristics of the products offered. In addition, clients are never offered the most adequate product for their needs, most likely because institutions increase profits by offering more expensive products. This suggests that disclosure and transparency policies may be ineffective if they undermine the commercial interest of financial institutions.

Keywords: financial information, audit study.

JEL codes: D14, D91, G02, G21, O16.

* Giné: xgine@worldbank.org. Martínez: cmartinezcuelar@worldbank.org. Mazer: rmazer@worldbank.org. We thank CONDUSEF and in particular Jesus Chavez Ugalde and Maria Fernanda Saldivar Cortes for their constant encouragement and support. We also thank Hector Villaseñor, Raquel Lopez del Castillo, Maria Jose Gentili and the team at IPSOS. Cristina Martinez de Cuellar provided outstanding research assistance. We are grateful to Santosh Anagol, Claudia Ruiz and Bilal Zia for helpful comments and to the Russian Trust Fund for funding. The views expressed in this paper are those of the authors and should not be attributed to the World Bank, its executive directors, or the countries they represent.

1. Introduction

The share of low-income households with a savings account in a formal institution is notoriously low, especially in developing countries (Demirguc-Kunt and Klapper, 2012). Several explanations have emerged to explain this low level of formal savings. Transaction costs may be high for a variety of reasons, including substantial distances to branches and costly and unreliable transport. In addition, financial illiteracy may prevent households from opening accounts due to a lack of knowledge about the benefits of formal savings and lack of familiarity with account-opening procedures. Finally, the poor quality of savings products, especially among low income households may also contribute to the low level of savings. In Mexico and elsewhere, individuals often complain about high costs and hidden fees that often yield negative effective rates that end up depleting the savings balances. These have lead households to distrust formal financial institutions and rely instead on informal sources such as saving at home or in ROSCAs (Rutherford, 2000 and Collins, Morduch, Rutherford and Ruthven, 2009).

But even when consumers contract financial products, there is evidence that their decision-making is poor. For example, a series of focus groups recently carried out with low-to middle-income consumers in the study areas suggested that many customers were not aware of various key terms of the products, and only became aware when they impacted, often negatively, their account. Customers also reported not reading the contract or not understanding it when they tried to read it; a preference for simpler brochures, even when they contained less information about basic fees and commissions; reliance on the advice and experience of family and friends; and little effort to compare quality and price among products.

To remedy this situation, several governments including the Mexican have recently introduced legislation to improve disclosure and transparency as part of their efforts to improve financial literacy. Mexico enacted in 2009 the Law for Transparency and Regulation of Financial Services. This law requires that consumers be presented with key financial terms for both savings and credit products. In addition, since 2007 financial institutions were required to offer a basic account, free of fees and penalties.

Indeed, improved disclosure that better informs consumers of the costs and key terms of credit products could prove to be a cost-effective method for improving large numbers of consumers' financial capabilities by allowing them to better

understand the different aspects of financial products, and so conduct a more accurate assessment of the products' potential benefit to them. In addition, cheaper products could increase formal intermediation and improve welfare.

This discussion brings to the fore three interrelated questions that are the focus of this paper. First, what is the *quality of information* provided to low-income customers interested in savings products? Second, are financial institutions complying with the new transparency rules? Third, do financial institutions offer the cheapest product that meet the customer needs?

To answer these questions, we implemented an audit study in peri-urban areas of the states of Mexico and Morelos in Mexico. The scripts used by auditors were designed in collaboration with Mexico's National Commission for the Defense and Protection of Financial Service Users (CONDUSEF) and differed along three main dimensions. First, the level of financial sophistication made salient by the language used by the auditor, second, the level of competition by stating that a competing institution had offered better terms and third, a preference for either a checking account or an investment account where funds would be deposited for a minimum duration of one year.

We find that on average customers were offered a product according to their specific maturity needs, but the staff provided little information on a voluntary basis about key features of the product offered. When asked directly about certain key terms, most personnel were unable to answer correctly. Perhaps more importantly, although the product matched their needs, it was never the cheapest product. On the contrary, auditors seeking a short maturity (checking account) product were steered away from the "no frills" account. This lack of transparency and the provision of worse quality products are consistent with the view that financial institutions maximize profits when pricing is not made transparent and thus offer products that are purposefully made complicated even though they are mandated to offer simpler and cheaper products.

We do however find differences between auditors assigned the financially sophisticated or "experienced" profile and those that were not, echoing the results in Anagol et al (2012). Auditors with the "experienced" profile had longer face time with staff, were offered wider choice of products and were given more information about the products offered. In addition, the staff provided more detail about the terms of the products and were more likely to be offered a copy of the contract.

These results underscore the fact that significant problems of transparency and product suitability persist in Mexico, and that recent disclosure and transparency regulations and the mandate that basic savings accounts be offered have not had their intended effect on consumer welfare, in particular for low-to middle-income consumers.

The fact that financial institutions will resist transparency initiatives is not new, and in this sense the paper contributes to the recent literature that uses audit studies to assess financial advice for financial investment (Mullainathan et al, 2012) and life insurance (Anagol et al, 2012).

The remainder of the paper is organized as follows. Section 2 describes the financial market for low-income households in peri-urban Mexico. Section 3 presents the experimental design and setting. Section 4 describes the empirical strategy and Section 5 reports the results of the audit exercises. Section 6 concludes.

2. Context

Financial providers

Financial markets in Mexico have recently experienced drastic changes thanks to the appearance of new providers like the consumer goods chains Elektra, Wal-Mart and Coppel, and new intermediation channels such as agent and mobile banking. These changes have impacted most notably the lower-to middle-class urban consumers, which are the focus of this study (CNMV, 2011).

At present, savings products are offered by a range of financial institutions that include banks, cooperative societies (Cajas de Ahorro), and Popular Financial Societies (SOFIPOS). Commercial banks include both “traditional” banks such as HSBC, Banorte, Bancomer and Banamex, as well as the growing number of banks that have a particular focus on low and middle-income Mexicans. This includes banks established by large retail chains, such as Banco Walmart, Banco Azteca (part of the Elektra Group, affiliated with the Elektra retail chain), Banco Coppel and Banco Ahorro Famsa, as well as credit-providers that have recently obtained banking licenses, such as Banco Compartamos. Sociedades Cooperativas de Ahorro y Préstamo (SCAPs or, more commonly, Cajas de Ahorro) are cooperative-based institutions and offer both credit and savings services. They are considered to be non-profit financial intermediaries. Sociedades Financieras Populares (SOFIPOS) offer both credit and savings products, typically serving low-income consumer segments,

but unlike Cajas de Ahorro they are not considered non-profit institutions.

Sociedades Financieras de Objeto Multiple (SOFOMEs) only offer credit products as they are not permitted to collect deposits. They were included in the study to verify that they were in fact not accepting deposits from clients.

With the exception of the SOFOMEs, all of the institutions visited in this audit study provide current and fixed-term accounts.

Cost and product suitability of savings products

Although in recent years Mexico's financial sector has received significant public attention for its high-cost basic credit products¹, the high cost of savings products due high unanticipated fees and commissions to is also of concern but less publicized (World Bank, 2005).

This concern over high fees and service charges and has led to the reforms by the Bank of Mexico in 2010,² which prohibited fees for use of ATMs of the client's same bank, double-charging of both minimum balance and account maintenance fees, account opening fees on savings accounts that are required as part of a credit solicitation, and fees for cancellation of debit cards, prepaid cards, savings accounts, and electronic banking services.

Yet recent discussions with consumers suggest that the cost of basic savings products remain an area of concern for low-income consumers, and continue to have significant economic consequences for many low-income and inexperienced consumers. For example, participants in a series of focus groups in the Mexico City Metropolitan region conducted as part of this study cited numerous cases where they had lost significant portions of their savings balance due to fees assessed on their accounts, in some instances having lost the entire savings balance in less than a year due to charges assessed by the provider.

These reductions in savings balances were mainly due to monthly maintenance fees, activity fees (such as exceeding a certain number of withdrawals per month), and inactivity fees (for not depositing additional funds over a certain period of time) that were not known at the time the savings account was opened. These hidden and unanticipated fees may have contributed to the sense of mistrust towards financial

¹ See, for example www.mixmarket.org for comparative country-level pricing data for microfinance products and providers.

² Circular 22/2010, Banco de México, July 26, 2010.

institutions that in turn may be responsible for the low uptake of savings products among these population.

This situation points to a combination of insufficient awareness by consumers and the lack of up-front disclosure and explanation of the products by providers. In addition, the irregular and unpredictable income flows by many low-income Mexicans in the informal sector suggest that savings products with such fees will be unsuitable. A self-employed trader could see a rise in sales before the Christmas holidays, and a significant slow in sales in the following months. Low income and limited assets can make these consumers even more vulnerable to unanticipated shocks like health emergencies if they do not have access to insurance, which can force them to draw down on their savings in case of an emergency expenditure. All of these factors can make it hard for a low-income consumer to maintain a minimum balance or exhibit the same usage patterns in their account from one month to the next, and so they often end up paying high percentages of their savings in account-related fees.

Mandated Basic savings accounts

In 2007, as part of the Law on Credit Institutions, the Bank of Mexico began requiring all deposit-taking institutions to offer a “basic account”. Amongst other features, these accounts were not permitted to charge commissions for account opening, withdrawals, or balance consultations, although they were permitted to establish a minimum average balance on these accounts (provided the savings account was not set up for direct deposit of salaries, in which case a minimum balance could not be set). In addition, these accounts offered account maintenance, a debit card, and direct deposit all free of charge.

In 2011 however, Mexico modified its account-opening requirements to permit the opening of another simplified bank accounts with less stringent customer identification processes, referred to as “transactional accounts”. The new rules established several tiers of transactional accounts, with the range of activities and maximum value for these accounts increasing alongside increases in the requirements for account opening. These transactional accounts are intended for consumers seeking frequent movement of funds, direct deposit of salaries, transfers, and debit card payments, and in particular low-income consumers who will now be able to open and use banking accounts through branchless channels such as mobile and agent-banking.

In the area of transparency and disclosure, these accounts are treated differently than savings and investment accounts. For example, it is not required to publish the total annual expense (Gasto Anual Total in Spanish or GAT) because they are meant for consumers to help manage their daily finances rather than as a product to save and accumulate capital. However, the decision of whether a given product is a transactional or a savings account is primarily at the discretion of the financial institution, creating incentives for financial institutions to classify products as transactional that may be similar to savings products, but avoid compliance with the transparency and disclosure regulations that apply to savings accounts.

3. Experimental Design

This audit study was conducted in collaboration with Mexico's National Commission for the Defense and Protection of Financial Service Users (CONDUSEF), the government authority established in 1999 and responsible for financial consumer protection and financial education programs.

One of the advantages of an audit study is that one can randomly vary the characteristics and preferences of auditors. We designed scripts for auditors that varied along three dimensions: financial sophistication or experience, the degree of perceived competition and the preferences for an investment product or a checking account product. In total there were 6 different scripts: no experience and preference for investment; no experience and preference for checking; experience, preference for investment and high competition, experience, preference for investment and low competition; experience, preference for checking and high competition; and experience, preference for checking and low competition.

All auditors were assigned a quantity of 5,000 Pesos (USD 378) that they wanted to deposit either for one year (preference for an investment product) or to make frequent transactions (preference for a checking account).

In addition, auditors were either experienced or not. Experienced shoppers mentioned that they were shopping around for the best savings or investment product and were knowledgeable of certain terms. If the staff did not voluntarily provide certain information about the characteristics of the account, they had to ask. In particular, experienced auditors had to ask about minimum balance (if they had a preference for a checking account), interest rate, GAT, fees and commissions, whether there was a linked debit card and had to ask for a copy of the contract.

Auditors without experience only had to ask about the minimum balance (if they had a preference for a checking account) and the interest rate.

The study was conducted in four towns with a population of around 30,000 to 50,000 in the states of Mexico and Morelos in proximity to the greater metropolitan region of Mexico City: Amecameca, Cuernavaca, Ecatepec, and Los Reyes de la Paz. These communities were selected for their high penetration of financial institutions targeting low-to middle-income consumers, and for their high proportion of low-to middle-income population.³ Each town has an average of 17 institutions, of which 12 are banks, 2 are Cajas de Ahorro (SCAPs) and 2 are SOFIPOS. The study also includes a few visits to an average of 2 SOFOMEs, although by law they are not allowed to collect deposits.

For the purposes of the analysis we divide the banks between commercial banks (Scotiabank, HSBC, Banorte, Banamex, etc) and low income banks that target poor to middle-income households (Banco Ahorro Famsa, Bancoppel, Compartamos Banco, Banco Walmart and Banco Azteca). All but Banco Compartamos are all located inside “department stores”.

A total of 112 visits were carried out between the months of April and May in 2012 by 6 professional auditors, with each auditor visiting roughly 5 different institutions in each town. A total of 19 different financial institutions were visited, with the same branch in a given site being visited more than once. A visit was deemed completed when either the institution refused to open the account (this never happened except for the visits to SOFOMEs) or when the auditor was asked to sign the contract. Auditors conducted follow-up visits whenever needed to complete the product inquiry up to the product sign-up. Each visit was recorded with a hidden digital recorder, and after each visit the shopper was required to complete a questionnaire assessing various aspects of the visit, including the length of the visit, the products offered and their features, and quality of the service provided. The responses to each questionnaire were then validated through a third-party verification of the responses compared to the audio recording.

4. Empirical Strategy

³ Although there are considerable disparities in access by region and between rural and urban populations, the towns selected are similar to other peri-urban towns in Mexico.

Because the assignment of scripts to auditors was random, we can run the following OLS regression:

$$y_{ij} = \beta_1 HL * HI + \beta_2 HL * LI + \beta_3 INV + \varepsilon_{ij} \quad (1)$$

where y_{ij} is the outcome of interest for auditor i visiting institution j , $HL * HI$ is an indicator for high literacy or experience and high interest rate, $HL * LI$ is an indicator for high literacy or experience and low interest rate and INV is a dummy that takes the value of 1 if the auditor is interested in an investment account or fix term deposit (0 if savings/checking account) and ε_{ij} is a mean-zero error term. The regression specification also includes dummies for each type of financial institution. Robust standard errors are included.

Notice that other auditor individual characteristics were not included as controls because with only 6 shoppers, some of these characteristics were near collinear with the treatment assigned.

For the purpose of the analysis we constructed 6 indexes representing each of the following categories: terms of account, fees and commissions, account usage, explanation of key terms and information provided in the printed material. The terms of account index includes the information that the official voluntarily mentioned regarding the need to be member/client to open an account, the minimum amount to open an account, the minimum balance required, the available maturities, if a debit card is provided, the interest rate amount and its type, the Total Annual Return (GAT), the Deposit Insurance (IPAB), and a tax on rent (IDE). The fees and commissions index incorporates the information that the official voluntarily provided in terms of the minimum balance, inactivity, early withdrawal (for investment accounts), withdrawal, balance inquiry and debit card reposition fees. The usage of account index includes the information that the official voluntarily mentioned regarding where can the customer consult the balance and withdraw money. The fourth index is the explanation of information and includes if the official explained the GAT and the printed information. Finally, the fifth and sixth indexes incorporate all the information that can be found on the printed materials voluntarily given to each shopper; the fifth includes the same variables as the terms of account and the sixth is composed by the same variables as the fees and commissions index.

5. Empirical Results

This section presents evidence of the quality and quantity of information, the quality of printed material and the quality of the services that institutions give to low-income customers of basic savings products in Mexico.

Table 1 presents the differences in the interview times and the amount of products offered to each shopper. Columns (1)-(3) present the results of the average time that the shoppers had to wait in order to be attended and the average length of the interview with the official. On average, each visit lasted 25 minutes, including 15 minutes of face to face interaction with the official. The experienced shoppers reported a longer interview time in comparison to those with no experience, their interview time was 6.5 (for those with high interest rate) and 8 (for those with low interest rate) minutes longer. There were no significant differences between those who stated that they had been shopping around nor those who were seeking and investment or checking accounts.

In half of the visits, staff offered more than one savings product, especially to experienced shoppers who stated that they were offered a higher interest rate in another institution (0.17 more product in comparison to those with low experience), those were looking for an investment account were offered less products than those looking for a checking account (Column 4). Additionally, in most visits, the official offered the product aligned with shopper needs, there is no difference between shoppers' experience nor specific needs (Column 5). However, this does not mean that they offered the cheapest products to the shopper. From the 54 shoppers that were offered a checking account, only 2 were offered this basic account.

Table 2 reports the quality of information given to the shoppers. Officials, on average, voluntarily provided information on 5 out of 16 items (3.5 term items, 1.2 fees items and 0.6 usage items). Experienced shoppers who argued that they were offered a higher interest rate in another institution were provided more information on fees (1.6 more items), terms of account (0.7 more items) and usage (0.9 more items). Those who were "offered" a lower interest rate in another institution were provided 1.7 more items on fees and commissions and 0.7 more items on the account usage. Shoppers seeking investment products were provided less information on fees (0.4)

and usage (0.6). Interestingly, there are no differences in quality of info across the financial institutions.

Table 3 presents the explanation of information and the amount of printed material given to the shoppers. Column (1) shows that experienced shoppers were provided explanations on GAT when requested, nonetheless out of the whole sample there were only two situations in which the GAT was correctly explained. Column (2) reports that experience shoppers are also more likely to be shown the contract, although many of the terms and fees are missing in these documents. With respect to the terms of account, although 62% display the interest rate, only 21% show the GAT and 44% state if a minimum amount is needed to open an account, only 1.4% state if a minimum balance is required, 4% display if the account is protected by the IPAB and 0% mention the IDE. Regarding fees and commissions only 5.7% present if the institution charges a minimum balance fee, 1.4% an early withdrawal fee, 2.8% a debit card reposition fee and 5.7% mention if there is fee for consulting the account's balance. Column (3) shows experienced Shoppers were not more likely to be given more printed materials. There aren't significant differences among the other treatments.

Analyzing the printed material in a higher level of detail, Table 4 shows that only 28% of the shoppers were given *relevant* information. SCAPS and low-income banks gave more relevant information than commercial banks and SOFIPOS. Of those who were given relevant material, out of 17 items, on average, these materials only have 2.2 key terms (1.7 terms of account and 0.5 fees and penalties). Those who stated that they were given a lower interest rate in another institution got 1.9 more items of information than those with low experience (0.9 terms of account and 1.0 fees and commissions) and those who argued that they were offered a higher interest rate got 0.6 more items of fees and commissions. Those who asked for investment accounts were given more information on the terms of account than those asking for a checking account. Commercial banks, low income banks and SOFIPOS gave more information on the terms of account, furthermore, all the institutions gave the same amount of information on fees and commissions.

The last section of the questionnaire included a set of subjective questions on the shoppers' perceptions of the service provided by the officials. According to Table 5, at least 70% of the shoppers thought that the official showed interest, was kind and trustworthy, showed knowledge of the products being offered and gave clear

information. Only 63% thought that the official was able to explain the product. Yet only 57% of the shoppers declare that they would acquire the product. There are no significant differences between any of the treatments. It is worth noting that, in spite of the low quality and limited amount of information that officials gave to potential customers, the officials attending to the shoppers were given high ratings from the shoppers for quality of service and explanation of the product, and most of the shoppers indicated they would likely acquire the product based on their experience.

6. Discussion and Conclusions

This study provides evidence of the quality and quantity of information that financial institutions provide to potential customers on their savings products, and demonstrates striking differences in the amount and quality of disclosure provided to consumers who behave in ways that indicate they have little experience with formal savings products.

While inexperienced consumers received less information overall, the audit exercise shows a low amount of information provided by officials gave to all shoppers, including those presenting the experienced consumer profile. In fact, much of the difference in the amount of information they received appears to be only due to the fact that they were instructed to ask specific questions about the product if the official did not disclose this information voluntarily. Not only was voluntary provision of basic product information exceedingly low, the officials also appear to be ill-informed about key characteristics of the products they are selling, and almost every one of them failed to correctly explain the meaning and significance of GAT, the key component of the existing disclosure requirements for savings products in Mexico.

The results show an evident misalignment of incentives between officials and potential customers. Disclosure and transparency policies are difficult to implement successfully because financial institutions have strong incentives to undo them, as evidenced by the poor quality of disclosure of key terms such as GAT and the low advertisement of the basic accounts in this study. At the same time, legal efforts are insufficient to correct the lack of information since the incentives of the institutions to hide information are greater, and monitoring of sales practices presents considerable capacity challenges, even for a large, well-resourced agency such as CONDUSEF. Perhaps a better strategy than either disclosure or new regulations by themselves is a

strategy that combines both increased understanding by current and potential customers of the products they are using and the key terms they should pay particular attention to, with new measures that make providers improve their efforts to advertise the existence of basic accounts, make enrollment in these account easier, and expand their product suitability efforts to include offering a broader range of products to would-be consumers for their consideration.

References

Anagol, Santosh, Cole, Shawn Allen and Sarkar, Shayak, 2012. Understanding the Incentives of Commissions Motivated Agents: Theory and Evidence from the Indian Life Insurance Market. Harvard Business School Finance Working Paper No. 12-055.

Comisión Nacional Bancaria y de Valores. 2011. *Informe de Inclusión Financiera*. Third Volume.

CGAP. 2006. *Safe and Accesible: Bringing Poor Savers into the Formal Financial System*. Washington, D.C.

Fung, Archon, Graham, Mary, and Weil, David, 2007. Full Disclosure: The Perils And Promise of Transparency. Cambridge University Press.

Mullainathan Sendhil, Nöth Markus & Schoar, Antoinette. 2010. *The Market for Financial Advice: An Audit Study*. Center of Economic Policy Research, mimeo.

World Bank. 2005. *Broadening Access to Financial Services Among The Urban Population: Mexico City's Unbanked*. Washington, D.C.

Table 1: Product

	(1) Waiting time (mins)	(2) Interview time (mins)	(3) Total time in institu- tion (mins)	(4) Offered more than one product	(5) Product of- fered aligned with needs
High Exp X High Interest	1.892 (3.973)	6.455*** (2.009)	6.689* (3.546)	0.169* (0.090)	-0.097 (0.077)
High Exp X Low Interest	-2.035 (2.165)	8.183*** (2.454)	5.286* (2.858)	0.091 (0.106)	-0.022 (0.061)
Investment	-0.443 (2.401)	1.096 (1.574)	1.902 (2.448)	-0.455*** (0.084)	-0.025 (0.055)
Comm. Bank	18.716*** (3.836)	7.587*** (1.379)	25.002*** (3.528)	0.619*** (0.107)	0.866*** (0.074)
Low income bank	7.840*** (1.586)	10.340*** (1.196)	17.638*** (1.992)	0.792*** (0.084)	0.979*** (0.054)
Scap	7.195** (3.386)	19.756*** (4.242)	27.374*** (2.881)	1.005*** (0.123)	1.048*** (0.045)
Sofipo	6.829*** (2.234)	7.088*** (1.452)	13.860*** (2.500)	0.443*** (0.109)	1.039*** (0.047)
N	112	110	112	107	107
R-squared	0.473	0.755	0.782	0.684	0.923
Dep Var Mean	10.464	13.300	23.196	0.523	0.916
Test: H:interest-L:interest	0.346	0.576	0.734	0.471	0.381
Test: Comm.Banks-3Banks	0.003	0.137	0.036	0.093	0.131
Test: Comm.Banks-Scap	0.022	0.005	0.547	0.006	0.014
Test: Comm.Banks-Sofipo	0.003	0.682	0.002	0.128	0.010
Test: 3Banks-Scap	0.842	0.037	0.001	0.096	0.130
Test: 3Banks-Sofipo	0.611	0.073	0.117	0.001	0.104
Test: Scap-Sofipo	0.917	0.003	0.000	0.000	0.772

Robust s.e. in parenthesis. Levels of significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 2: Information voluntarily provided

	(1) Total infor- mation	(2) Legal re- quirements	(3) Terms of ac- count	(4) Fees and commissions	(5) Account us- age
High Exp X High Interest	3.234*** (0.466)	0.003 (0.133)	0.706** (0.339)	1.628*** (0.211)	0.897*** (0.155)
High Exp X Low Interest	2.705*** (0.643)	0.001 (0.121)	0.292 (0.407)	1.732*** (0.251)	0.681*** (0.164)
Investment	-0.997** (0.446)	0.051 (0.105)	-0.053 (0.307)	-0.351** (0.176)	-0.644*** (0.119)
Comm. Bank	5.888*** (0.482)	1.357*** (0.127)	3.211*** (0.327)	0.709*** (0.218)	0.611*** (0.143)
Low income bank	5.800*** (0.428)	1.421*** (0.105)	3.343*** (0.294)	0.504*** (0.174)	0.531*** (0.116)
Scap	4.965*** (0.646)	1.388*** (0.388)	3.070*** (0.475)	0.073 (0.342)	0.434 (0.324)
Sofipo	6.290*** (0.614)	1.920*** (0.088)	3.118*** (0.432)	0.702*** (0.227)	0.550*** (0.168)
N	107	107	107	107	107
R-squared	0.914	0.892	0.842	0.755	0.657
Dep Var Mean	6.850	1.514	3.467	1.243	0.626
Test: H.interest-L.interest	0.454	0.985	0.353	0.730	0.308
Test: Comm.Banks-3Banks	0.858	0.634	0.702	0.320	0.555
Test: Comm.Banks-Scap	0.188	0.935	0.781	0.091	0.599
Test: Comm.Banks-Sofipo	0.531	0.000	0.827	0.980	0.746
Test: 3Banks-Scap	0.228	0.931	0.593	0.217	0.769
Test: 3Banks-Sofipo	0.434	0.000	0.591	0.435	0.915
Test: Scap-Sofipo	0.098	0.161	0.932	0.113	0.744

Legal requirements includes: officer requested (1) IFE (2) Address certificate. Terms of account includes: (1) customer needs to be member-client to open account (2) minimum amount to open account (3) minimum balance required (4) available maturities (5) debit card (6) interest rate (7) fixed/variable interest rate (8) GAT (9) IPAB (10) IDE. Fees and commissions includes: (1) fee if minimum balance not maintained (2) inactivity fee (3) before deadline withdrawal fee (4) withdrawal commission (5) balance consult commission (6) debit card reposiotion fee. Info. on usage of account includes: places to (1) consult balance (2) withdraw money. Quantity of information aggregates legal requirements, terms of account, fees and commissions and info. on usage of account. Robust s.e. in parenthesis. Levels of significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 3: Printed information and shoppers satisfaction

	(1) Explanation of informa- tion	(2) Contract Shown	(3) Total num- ber of printed materials
High Exp X High Interest	0.730*** (0.083)	0.514*** (0.104)	0.188 (0.332)
High Exp X Low Interest	0.755*** (0.079)	0.412*** (0.104)	-0.135 (0.277)
Investment	0.300*** (0.068)	0.148* (0.087)	0.365 (0.243)
Comm. Bank	0.282*** (0.077)	0.226** (0.095)	0.753*** (0.249)
Low income bank	0.089 (0.057)	0.268*** (0.097)	1.085*** (0.296)
Scap	-0.103 (0.171)	0.282 (0.212)	0.361 (0.503)
Sofipo	0.279*** (0.101)	0.074 (0.107)	0.827*** (0.342)
N	107	107	107
R-squared	0.842	0.646	0.450
Dep Var Mean	0.692	0.523	1.084
Test: H.interest-L.interest	0.774	0.383	0.391
Test: Comm.Banks-3Banks	0.021	0.677	0.236
Test: Comm.Banks-Scap	0.038	0.802	0.433
Test: Comm.Banks-Sofipo	0.981	0.205	0.844
Test: 3Banks-Scap	0.273	0.949	0.154
Test: 3Banks-Sofipo	0.066	0.098	0.490
Test: Scap-Sofipo	0.055	0.369	0.410

Explanation of terms includes: explanation of (1) GAT (2) info. on printed material. Robust s.e. in parenthesis. Levels of significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 4: Shopper's Satisfaction

	(1) Officer was kind	(2) Officer showed knowledge	(3) Officer ex- plained the product	(4) Clarity of in- formation	(5) Shopper trust officer	(6) Officer showed interest	(7) Shopper would acquire product
High Exp X High Interest	0.015 (0.107)	-0.106 (0.098)	-0.018 (0.117)	-0.024 (0.104)	-0.055 (0.109)	-0.009 (0.112)	0.069 (0.112)
High Exp X Low Interest	0.094 (0.100)	-0.147 (0.102)	-0.021 (0.113)	-0.096 (0.112)	0.013 (0.109)	-0.002 (0.111)	-0.301** (0.117)
Investment	0.008 (0.086)	0.027 (0.080)	-0.089 (0.094)	-0.075 (0.087)	-0.088 (0.089)	-0.050 (0.091)	-0.100 (0.094)
Comm. Bank	0.735*** (0.097)	0.873*** (0.088)	0.728*** (0.102)	0.770*** (0.098)	0.700*** (0.100)	0.732*** (0.101)	0.658*** (0.103)
Low income bank	0.702*** (0.086)	0.844*** (0.070)	0.669*** (0.094)	0.826*** (0.071)	0.831*** (0.079)	0.723*** (0.088)	0.689*** (0.099)
Scap	0.574** (0.226)	0.466** (0.207)	0.229 (0.199)	0.644*** (0.236)	0.437** (0.220)	0.614*** (0.232)	0.452 (0.274)
Sofipo	0.757*** (0.124)	0.836*** (0.124)	0.793*** (0.136)	0.807*** (0.133)	0.791*** (0.134)	0.765*** (0.133)	0.749*** (0.132)
N	107	107	107	107	107	107	107
R-squared	0.752	0.800	0.657	0.735	0.725	0.703	0.613
Dep Var Mean	0.748	0.785	0.636	0.729	0.710	0.701	0.570
Test: H.interest-L.interest	0.497	0.734	0.985	0.574	0.599	0.956	0.007
Test: Comm.Banks-3Banks	0.741	0.747	0.588	0.580	0.205	0.929	0.779
Test: Comm.Banks-Scap	0.494	0.056	0.014	0.612	0.251	0.627	0.466
Test: Comm.Banks-Sofipo	0.856	0.757	0.638	0.791	0.510	0.806	0.515
Test: 3Banks-Scap	0.579	0.073	0.026	0.449	0.076	0.647	0.398
Test: 3Banks-Sofipo	0.637	0.943	0.343	0.879	0.751	0.736	0.641
Test: Scap-Sofipo	0.458	0.106	0.010	0.534	0.146	0.553	0.314

Robust s.e. in parenthesis. Levels of significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.