



Trinidad &
Tobago IFC

OVERVIEW OF FINANCIAL INCLUSION IN TRINIDAD AND TOBAGO

| Key Insights from the Survey Report

About the TTFC



Financial Inclusion Research Programmes

Governments worldwide, including Trinidad and Tobago, have pledged to achieve sustainable development by 2030, with poverty reduction as a central focus.



Digital Payments Acceleration

The digitalisation of government payments involves shifting from paper-based payments—that is, payrolls, benefits, pensions, social programs, fines, fees, taxes, and other payments—to some form of electronic or digital payment.



FinTech Innovation

A well-developed well-driven FinTech or financial technology ecosystem has the potential to bring increased diversity and advances to the financial sector of Trinidad and Tobago.

Why conduct a financial inclusion survey?

TTIFC, in collaboration with the UNCDF, conducted a **National Financial Inclusion Survey** in 2023 to:

- Obtain the Financial Exclusion rates.
- Discover the challenges faced in accessing and using financial products and services.
- Evaluate the willingness to use digital financial solutions.



Evidence of Challenges in Trinidad and Tobago



Our digital economy agenda prioritises expanding financial inclusion, backed by compelling statistics:

- ▶ **25% of the population is financially excluded;** owing to a lack of access to basic transaction accounts.
 - When compared to the financially included, the survey found that the financially included population sustained better financial resilience and possessed the ability to manage financial shocks.
- ▶ **77% of responding MSMEs lack a dedicated business bank account,** a pre-requisite to growth, investment and access to new markets outside of hyper-localised areas.
- ▶ **86% of responding MSMEs do not accept digital payments,** a prerequisite for participating in the digital economy and accessing online markets (tourism, trade, etc.).
- ▶ **56% of the account holders lack the knowledge to use mobile banking apps.** General information provided by the financial sector to help with accounts or resolve issues is often seen as cumbersome, confusing, and, at times, hostile.

Access to Financial Services for Individuals

▶ *In T&T, financial exclusion profoundly affects individuals' abilities to mitigate economic shocks and maintain resilience.*

- There are significant differences in financial behaviours between the financially included and financially excluded populations in Trinidad and Tobago. Out of the population, 50% of the financially included and 32% of the financially excluded indicated that they made a plan for their income and expenses. Additionally, 43% of financially included individuals reported being ready to face a sudden surge in expenses, compared to only 20% of the financially excluded.

▶ *The share of the population having an account at a formal financial institution stood at 81% in 2017 and has declined between 2017 and 2023.*

In 2023, 75% of the population responded to having access to a basic transaction account, either with a commercial bank or other financial institution. Additionally, 46% of respondents reside within a 15-minute radius of a bank branch or ATM.

▶ *High fees and documentation requirements significantly hinder the use of accounts and digital payment products and services.*

The following are the major barriers that the population encounters when accessing a standard bank account:

- **41% of the financially excluded believe they don't possess adequate funds to register or fully utilise an account:** Accounts are too expensive to open and use; and
- **13% of the financially excluded reported documentation as the main reason for not having a financial account:** Accounts are too cumbersome to open.

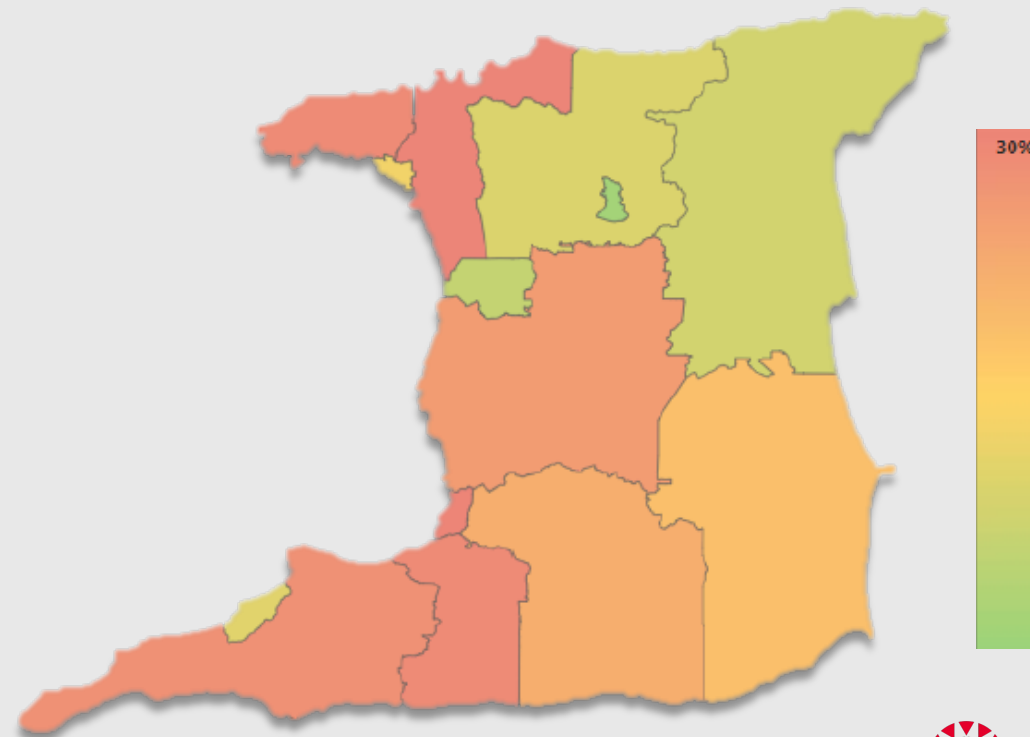


Access to Financial Services for Individuals



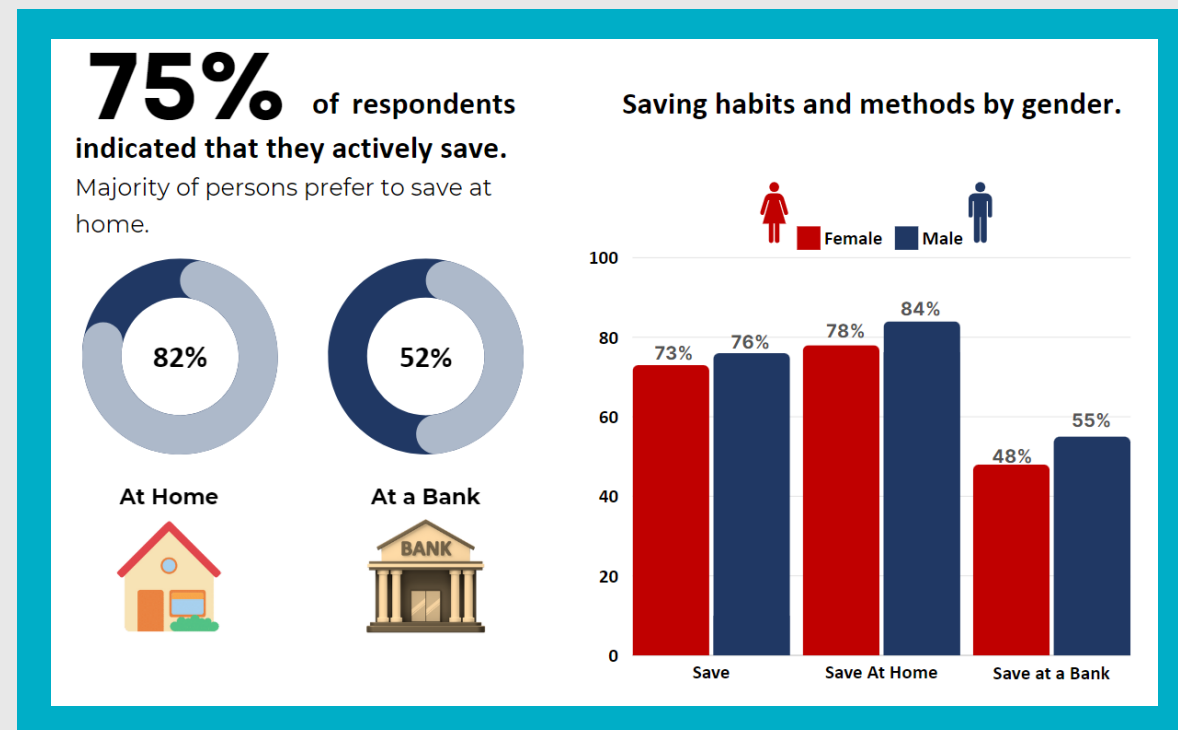
Certain municipalities are more excluded than others

Municipality	% Financially Excluded
SAN	29.63%
JUAN/LAVENTILLE	29.58%
CITY OF SAN FERNANDO	28.57%
DIEGO MARTIN	28.57%
SIPARIA	27.42%
COUVA/TABAQUITE/TALPARO	25.39%
PRINCES TOWN	21.92%
MAYARO/RIO CLARO	18.75%
TOBAGO	17.50%
CITY OF PORT OF SPAIN	13.21%
BOROUGH OF POINT FORTIN	10.71%
TUNAPUNA/PIARCO	9.84%
SANGRE GRANDE	8.57%
BOROUGH OF CHAGUANAS	6.67%
BOROUGH OF ARIMA	2.13%



Usage of Financial Services: Savings & Other Financial Services

- ▶ **75% of the population saves.**
 - 82% of the population save their cash at home. These are clear opportunities for banks to help mobilise cash savings into **an appropriate, easy-to-use account** to enhance safety and security. 52% of the population save at the bank.
- ▶ **29% of the population owns a formal insurance product.**
- ▶ **17% of the population owns a pension account.**
- ▶ **3% of the population owns broader financial services** such as car loans, mortgages, crypto-assets, bonds, stocks, or investment funds.



Draft National Financial Inclusion Strategy

◆ Consultation Workshop (Private sector, public sector, FIs and MSMEs)

Working group stakeholders were engaged to co-draft and consult on high-level elements of the NFIS:

- ✓ **Definition of financial inclusion**
- ✓ **Vision**
- ✓ **Objectives areas**
- ✓ **Target groups**
- ✓ **Develop action plans**
- ✓ **Validate final documents**



Objectives of the Strategy

Objective 1: All individuals can easily open, afford and use a basic transaction account without undue challenges. Accounts are competitive, easily interoperable and without exorbitant fees.

Objective 2: All MSMEs can easily open a merchant/business account with options to accept digital payments and any payment-related issues can be settled promptly.

Objective 3: All underserved populations can better protect themselves and are better equipped to mitigate against social and financial risk.



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Financial Sector Development

Thank you!