

Cofece proposes changes in the fintech sector so that Mexicans have access to better financial services

Mexico City, October 23, 2024. In our country, many people are excluded from the financial system. According to data from the Bank of Mexico, 1 out of 5 Mexicans only uses cash and has no access to other forms of payment. In addition, data from the [World Bank](#) confirms that Mexico has a significant lag compared to other Latin American countries in terms of access to basic financial services.

In light of this, fintech, or digital financial services, are changing the way people manage their money, using technology to make savings, credit, and payments more accessible and convenient.

However, even though these new services have benefited the population, constraints that limit their potential for development remain.

For this reason, the Federal Economic Competition Commission (Cofece) conducted a study on the market for digital financial services in which it identified various problems causing few options and high costs.

To ensure that financial services reach more people, Cofece proposes a series of concrete actions so that population benefits from a wider and improved offer of financial services, thus promoting competition, and greater financial inclusion.

The main recommendations are:

1. **Ease switching between institutions:** Create a process so people can fully and easily and thoroughly transfer their bank account from one institution to another. This means not only transferring their money but ensuring that their new account has the same settings as the previous account, like direct debit payments and other services. Thus, the process of switching does not involve any extra effort for users and financial institutions are encouraged to compete by offering better services and products to retain their customers and attract new ones.
2. **Payroll portability:** It is currently possible to transfer payroll between institutions; however, only the balance is transferred, and it can only be done between banks. It's important that this portability resembles the transfer proposed in the previous point, and that in addition to banks, payroll portability can also be done to a Popular Financial Society (Sofipo) so that people have more options to choose where to receive their salary.
3. **Facilitate information for users:** make information available on financial institutions and services they offer easier, so that people can easily compare institutions and services and choose the one that best suits their needs. Also, incentives must be created so that all companies seeking to provide these services are properly registered with financial regulators.
4. **Create a general mechanism for cancellations:** Establishing a mechanism for the cancellation of different financial products would make it easier for users to know what they need to do for a cancellation and establish response times for these types of requests.
5. **Promote digital correspondents:** More commercial companies should be allowed to act as points of contact for financial institutions, and fintech should be allowed to act

as digital correspondents so that financial services can reach more people across the country.

6. **Promote the use of alternative payment methods:** It is necessary to encourage and promote the use of alternative payment methods such as instant transfers and others, so that more people have access to safe and convenient digital payment methods, reducing costs for small businesses and financial exclusion.
7. **Encourage open finance:** Mexico should transition to an open finance system, where financial data is securely shared between institutions, generating more competition and improved products to meet each user's needs.

These recommendations could improve the lives of millions of people: a more competitive financial system generates inclusive economic spillover, facilitating access to better financial services by families, entrepreneurs, and owners of small and medium-sized businesses without incurring high costs or traveling long distances.

As part of the new phase of economic competition policy, actions like this are part of Cofece's commitment to work every day to guarantee competition in key sectors that benefit the population.

[See the full study here](#) (in Spanish)

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MORE COMPETITION FOR A STRONGER MEXICO

The Federal Economic Competition Commission safeguards competition and free market access.

Through its work, it seeks better conditions for consumers, that more services are supplied with higher quality, and that there is a "level playing field" for companies.