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An Integrated ADR Institution as a Better Tool to Secure Socio-Economic Justice in Financial Inclusion Claims in Nigeria

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Abstract

Financial inclusion (F.I.) and transparent democratic practice in the financial services sector are critical elements that make growth inclusive and sustained. This is so because F.I. is an independent variable that plays a significant role in enhancing socio-justice. Ordinarily, every adult population in any nation/ country should be financially included to access a range of formal financial services at affordable costs. However, a larger population around the globe (including Nigeria) is deprived of participation in the F.I. process. Hence, a detectable financial exclusion can be bothersome, especially for nations whose economies' structural arrangement and social and economic disposition have created an economic variation. The role of integrated Alternative Dispute Resolution (ADR) institutions in enhancing socio-justice in the financial service sector rarely gets noticed. The paper shall examine and analyze the impacts of strengthening integrated ADR institutions to improve socio-economic justice in Nigeria. This is necessary to enhance amicable resolution strategies for Nigeria's F.I. claims/disputes. It, therefore, emphasizes the importance of implementing ADR principles and procedures in F.I. claims to enhance socio-justice. F.I. claims are expected to be resolved faster, cheaper, and fairer. Hence, this paper shall advocate for integrated ADR institutions that are capable of strengthening the financial services sector, which is increasingly complex from a legal perspective.

Keywords: Financial Inclusion, ADR, Claims, Socio-Justice.

Introduction

Financial inclusion (F.I.) is a system that seeks to ensure that every member of society can access necessary financial products and services (Amidzic et al ., 2014). The goal is to enable effective and efficient management of financial resources, providing credible access to a wide range of formal financial services for every adult who needs resources to start businesses and meet their financial needs at affordable costs (Akudugu, 2013; Cull R. et al., 2014). The word 'access' means having all the necessary opportunities to take up affordable financial services at any time (CBN et al., 2018). This implies that financial products and services should be simple enough to bring them closer within easy reach of all significant divisions of the population. Hence, financial services are to be designed to meet the needs of every adult individual, taking into account their income levels and geographical locations through appropriate dispersal channels. Besides, individuals should effortlessly use financial institutions and services without bias (Beauclair et al., 2023).

Prices for financial services and products, such as interest rates and ancillary charges, are expected to be affordable even for low-income populations (CBN et al., 2018). F.I. is a process aimed at ensuring that every member of the population can easily open a bank account, access credit, and use financial products and facilities. It encourages maximum deposits from customers and helps them manage their expenses, enabling them to make informed decisions through essential financial services (Barik & Lenka, 2021). In other words, social justice shares certain features with F.I. Like F.I., social justice advocates for equitable rights and liberties, as well as impartial access to resources and opportunities for all individuals, without barriers that could impede certain groups from participating in decisions that affect their lives (Ibrahim, 2015). In essence, social justice demands that all individuals have equal access to societal benefits and opportunities, irrespective of their social status, religious beliefs, gender, or age.

Review of Relevant Literature.

To achieve the research's aim, the following literatures, which are pivotal to the mainstay of our discourse, are surveyed. Enhancing Financial Innovation & Access(EFInA) to Financial Services in Nigeria 2023 Survey Data 2023, several policies related to discourse, articles, and journals on financial inclusion and ADR are the relevant literature for this paper. Hence, the literature was all given adequate review. Some of these authors and commentators shed more light on our topic.

The landscape of F.I. in Nigeria has undergone significant transformation from 2016 to 2023, with formal financial service usage increasing from 30% to 57% (EFInA, 2023). This growth can be attributed to the rising adoption of financial services such as transaction accounts, savings, remittances, credit, and insurance. Specifically, there has been a 2% increase in savings, an 8% increase in remittances, and a 4% increase in credit, indicating a deepening of financial inclusion (EFInA, 2023). Adeleke and Alabede opine that economies that have not fully embraced F.I. often experience a misallocation of funds to the informal sector, which can harm society and individuals (Adeleke & Alabede, 2022). The absence of F.I. compels the unbanked population to resort to non-formal banking sectors characterized by high interest rates and limited access to funds.

Aduda and Kalunda observe that the importance of F.I. cannot be overstated, given its numerous benefits. Easy access to financial services can foster significant capital accumulation and credit creation, leading to increased investment and global wealth generation (Aduda & Kalunda, 2012). Furthermore, it improves access to deposit facilities and enhances the ability of financial intermediaries to mobilize savings; hence, better access to finance stimulates economic growth by enabling a more significant portion of the population to engage in productive investments (Migap et al., 2015). According to Mehrotra and Yetman, an efficient level of F.I. can be equated to empowering 70% of the impoverished population, thereby contributing to a nation's growth and economic development (Mehrotra & Yetman, 2015). This explains why Onaolapo argues that the positive impacts of financial inclusion are evident through the stimulation of multiple economic activities, resulting in increased national output and reduced poverty levels (Onaolapo, 2015).

However, a significant portion of the global population is excluded from participating in financial inclusion, depriving them of access to essential financial services. According to EFInA 2023, 26%, equating to 28.9 million adult Nigerians, are financially excluded, and, of course, this percentage signifies a substantial challenge and poses a danger to the nation (EFInA, 2023). In other words, the percentage indicates that specific Nigerian adult populations face financial exclusion. Hariharan and Marktanner define financial exclusion as the inability of particular populations to access financial services, and even when access is available, the services may not be standard, appropriate, practical, or affordable. To these scholars, this predicament is particularly distressing for nations with characterized economic disparity in their structural, social, and economic arrangements (Hariharan & Marktanner, 2012). Consequently, the poverty rate in such nations with high levels of financial exclusion is likely to escalate rapidly, potentially becoming difficult to contain (Hariharan & Marktanner, 2012). Hence, limited economic well-being may ensue, as the excluded individuals tend to experience minimal or no impact during periods of economic growth.

Moreover, the financial exclusion of specific populations carries far-reaching economic and social implications. Dahiya and Kumar observe that countries with high rates of financial exclusion often experience severe economic downturns, which can adversely affect global economic growth (Dahiya & Kumar, 2020). The absence of access to essential financial services/products such as bank accounts, savings, debit facilities, pensions, or insurance impedes these populations from enjoying the benefits of virtual and cashless transactions in the financial system (Dabla-Norris et al., 2015). Furthermore, it exposes rural populations and low-income earners to more expensive, unstable, and distressing lifestyles, constraining their personal and economic development. Financially excluded populations are likely to experience a decline in self-confidence, disrupting family dynamics and everyday lives. Consequently, financial crises may ensue, and recovering from unexpected events becomes challenging, as only those with active insurance policies can be compensated and reintegrated into everyday social life (Ren et al., 2018). Additionally, individuals who have saved through contributory pension schemes are the only ones able to enjoy a peaceful retirement without relying on family or friends when they can no longer earn a living.

The aforementioned emphasizes the significance of financial inclusion in any nation, including Nigeria. Abdu et al., 2015 identified factors such as educational exposure, gender, age, irregular income, and geographical location as contributors to millions of adult Nigerians' exclusion from financial services (Abdu et al., 2015). Such factors as age, gender, education, and income level seem to affect the perception of the barriers to economic inclusion, whilst formality and education are the significant factors for financial inclusion for enterprises ((Abdu et al., 2015). These identified factors are evidenced in the 2023 report released by EFInA.

According to Schraad-Tischler, to effect a meaningful social impact, F.I. strategy is imperative to effectively coordinate the collaboration among stakeholders responsible for implementing F.I., including government agencies, official financial institutions, the Ministry of Finance, the Ministry of Communications and Technology, anti-money laundering units, and micro, small, and medium enterprises development agencies (Schraad-Tischler, 2011). To this scholar, the reason is that national F.I. strategies encompass various aspects of social justice, such as initiatives focused on social protection, entrepreneurship capacity building, MSME financing, and insurance services. Also, observe that government initiatives within the realm of F.I. that aim to enhance financial literacy are particularly crucial in assisting individuals in making sound financial decisions and improving their standard of living, thereby contributing to advancements in social justice.

Hence, the connection between financial inclusion and socio-justice is established, arguing that social justice shares a common goal with F.I. (CBN et al., 2018). Hence, social justice arguably extends to being allowed to adopt and embrace ADR in financial inclusion claims/ disputes. This makes it imperative to discuss access to justice via integrated ADR in this paper. There is a clear and pressing need for out-of-court settlement procedures, particularly amid the escalating number of claims amid the financial inclusion crisis. Regrettably, these crises/ claims often receive inadequate attention, and when addressed, the responses do not consistently meet their satisfaction, especially given the lower degree of financial literacy among these consumers. It is imperative to recognize that claims related to financial inclusion play a crucial role in advancing socio-justice in Nigeria and should be handled with utmost care.

Objectives of the Study

The purpose of this paper is to discuss the roles of integrated ADR (Alternative Dispute Resolution) institutions within the context of the existing literature as a significant instrument for enhancing socio-economic justice in financial inclusion claims/ disputes among populations in Nigeria. The paper, therefore, deals with conceptual issues of financial inclusion and its relevance in Nigeria. It gives an overview of the concept of financial inclusion and analyses its significance for global development. The paper further identifies the most common claims relating to financial inclusion in Nigeria. It discusses the existing government policies on financial inclusion in Nigeria, emphasizing that financial inclusion is not a new concept in the Nigerian financial system, as the Nigerian government has made several efforts by introducing significant policies aimed at deepening the nation's financial inclusion. Hence, the connection between financial inclusion and socio-justice is established, arguing that social justice shares a common goal with financial inclusion. The paper further analyses the benefits of the adoption of integrated institutions in enhancing socio-justice, emphasizing the need for out-of-court settlement procedures to resolve claims arising from financial inclusion.

Materials and Methods

The paper shall apply a normative juridical approach with descriptive-analytical research specification. Primary and secondary sources of materials were utilized. The primary materials used include the Financial System Strategy 2020, Microfinance Policy, Non-Interest Banking, E-banking Products, Electronic Payment Systems, and Cashless Policies. In any case, secondary materials such as Books, Journals, articles, National dailies, and Internet sources relating to the research topic were consulted and surveyed. In addition, the 'Access to Financial Services in Nigeria Survey Report' of 2023, released by EFInA, was used in this research paper to assess financial inclusion in Nigeria accurately.

Results and Discussion

With its myriad benefits, F.I. has emerged as a pivotal strategy in accelerating the economic growth of nations (Abdul Karim, 2022). It is widely recognized as the most potent tool for achieving inclusive growth. Countries with efficient F.I. policies and measures are incentivized to enhance their global financial capacity, promoting worldwide economic prosperity (Azimi, 2022).

According to the EFInA 2023 Report, approximately 111 million adults comprise the Nigerian population, with 41.3% residing in rural areas and 58.7% in urban areas (EFInA, 2023). The EFInA report indicates that 52% (58.3 million Nigerians) of the population use formal banking systems, 12% (13.3 million Nigerians) use other formal channels, 10% (10.7 million adult Nigerians) are engaging with informal financial services providers such as ajo and Jesus. The report emphasizes the evident gender bias within Nigeria's formal financial system, indicating a clear preference for men over women (EFInA, 2023). It reveals that a staggering 21.3 million adult women, considerably more than the 17 million men, are excluded from this system.

Furthermore, gender bias is particularly pronounced against women in rural areas, especially female farmers, in the North-West and North-East regions of Nigeria compared to the Southern regions. Consequently, many of these women do not have access to banking services (EFInA, 2023). Nonetheless, private financial institutions have recognized the considerable commercial potential of these women and have made concerted efforts to engage, support, and adapt to this demographic segment (Osibogun, 2020; AFI, 2016).

The EFInA report shows that inconsistent or low income is a significant barrier. This is evident in the increase from 31% in 2020 to 49% in 2023. It emphasizes income-related challenges and the ongoing importance of physical access to financial institutions. Many studies have attempted to explain income inequalities in terms of external factors that affect people in specific areas and the advantages linked to individual predispositions and efforts (Krumer-Nevo et al., 2017). These predispositions may be innate or acquired during human development. In the latter case, the environment and lifestyle can strongly influence them. Inequality of opportunity is considered a social injustice; ideally, individual efforts would explain the differences (Atadouanla et al., 2023). Therefore, the expansion of economic opportunities is believed to gradually tighten income distribution as entrepreneurs create more jobs and offer better wages (Tita & Aziakpono, 2017).

Poverty is another reason for financial exclusion, with nearly 50% of Nigerian adults lacking a financial account due to insufficient income (EFInA, 2023). It is therefore important to emphasize that addressing endemic poverty through social investments in education, vocational skills, entrepreneurship, health, and market-friendly economic policies is essential for promoting financial inclusion and broader social impact (Njideka, 2014). Thus, the objectives of F.I. can be primarily achieved through proactive measures taken by the banking sector to reach diverse segments of society, various regions, genders, and income levels (Achugamonu et al., 2020). Encouraging the public to adopt banking practices is crucial in this regard. There is an urgent need for swift and collaborative action to pursue F.I. goals in Nigeria.

By promoting F.I., a more significant portion of the population can participate in the formal financial system, thereby increasing the currency in circulation within the banking system and facilitating the provision of credit for productive purposes, ultimately contributing to GDP growth. Regrettably, those who engaged in formal financial systems are still not satisfied. Despite being formally served, many adult Nigerians face challenges and have raised concerns about fraud, poor service, high banking costs, and a lack of clarity in financial information. Addressing these issues is crucial for advancing financial inclusion in Nigeria.

Adult Nigerians who are financially included have expressed several concerns, including lack of transparency in the banking system, poor customer service, insufficient clarity in financial information, and recurring incidents of fraud.(Eugene Enohoro 2024,). Notably, formally served Nigerians have reported a lack of transparency in the banking system, citing unexpected charges, fees, and levies (Achugamonu et al., 2020). In recent years, relatively few customers have been informed about changes to fees or charges associated with financial products or services (Anthony et al., 2005). Nigerians who are formally served have experienced unexpected fees or charges after availing of financial products or services, leading to a perception that bank fees or charges are not affordable (Badejo et al., 2017).

Inadequate customer service provision is another critical concern among formally banked individuals in Nigeria. Nigerians have reported delays in service at bank branches and unfair treatment by financial institution staff/agents (Anthony-Orji et al., 2023). Dissatisfaction with customer support and frequent platform downtime have also been highlighted. Also, little or no information and understanding of the financial product offerings continue to hinder trust in financial bank products among a significant portion of the adult population in Nigeria (Shashank, 2014). Thus, financial literacy would be crucial for increasing the penetration of financial products and services. Financial literacy is described as a process by which financial consumers improve their understanding of financial products, concepts, and risks and, through information, instruction, and objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other practical actions to improve their financial well-being (RBI, 2008). Hence, financial literacy becomes important in promoting F.I. and financial stability.

Additionally, many Nigerians still rely on traditional financial coping mechanisms to achieve their objectives and address financial challenges, both actively and passively. Furthermore, many individuals using banks have reported money loss and account-related fraud, such as card/PIN fraud (Taiwo et al., 2024). Nigerian adults with bank accounts have encountered fraud-related issues with financial service agents, highlighting the growing concern about banking risks (Badejo B.A, Okuneye, B.A, Taiwo M.R., 2017).

In response to these challenges, the Nigerian Government has implemented various policies to address the obstacles to financial inclusion and resolve the issues raised by formally served Nigerians. The following discussion provides an overview of the government's historical and recent initiatives to enhance financial inclusion in Nigeria.

F.I. has long been a focal point in the Nigerian financial system. Over the years, the Nigerian Government has implemented various policies to enhance F.I. within the nation (Samuel-Hope et al., 2020). The Policy on 'Institutional Involvement' (PII) was an initiative introduced by the Central Bank of Nigeria in the 1970s to establish community and microfinance banks across Nigeria. The primary objective was to ensure the presence of at least one bank branch in each local government area, thereby promoting banking habits, facilitating savings mobilization, and expanding access to credit for small-scale industries and businesses in rural areas (Joseph, 2017).

Subsequently, the establishment of People’s and Community Banks in 1989 and 1990 aimed to cultivate banking habits further and encourage savings among low-income and rural populations. The People's Bank (P.B.s) specifically targeted individuals with limited financial means, offering accessible account opening and micro-credit facilities to support those who did not meet traditional banks' stringent requirements. Despite initial success, bureaucratic challenges hindered the sustained impact of these initiatives (Joseph, 2017).

Similarly, Community Banks (C.B.s) were designed as community-owned financial institutions supported by the government to ensure simple and accessible services tailored to residents. By 1999, 550 CBs had been established, amassing substantial assets, bank deposits, and loans and advances were also recorded (Kama & Adigun, 2013). The government's provision for a 100% matching grant was aimed to encourage more establishments of C.B.s that operate a simple and non-sophisticate service so that the banks' services/products can be targeted to serve primarily residents. Bank deposits with the C.B.s also reached over N5.7 billion, with loans and advances of about N2.9 billion.

Furthermore, the National Economic Reconstruction Fund (NERFUND) and Family Economic Advancement Programme (FEAP) were launched to provide financial support for small and medium-scale businesses, as well as rural women entrepreneurs (Wezel & Ree, 2023). These initiatives, along with agent networking and women's group establishment and training, reflect the concerted efforts of the government, international development organizations, and non-governmental organizations to address the specific financial needs of women and female entrepreneurs, thereby advancing women's economic inclusion (Torsten & Ree, 2023).

In recent years, the Nigerian financial services sector has implemented various initiatives, including the Financial System Strategy 2020, Microfinance Policy, Non-Interest Banking, E-banking Products, Electronic Payment System, and the Cashless (Cashlite) Policy. These measures are designed to promote F.I. The Nigerian Government has prioritized F.I. as a critical agenda in the Financial System Strategy 2020 to serve as a comprehensive framework for developing the Nigerian financial sector and positioning it as a leading player in the global economy. The ultimate goal is to elevate Nigeria's economic standing to compete with the world's largest economies. The Financial System Strategy 2020 identifies banking institutions, non-bank financial institutions, insurance companies, capital market players, pension institutions, and technology providers, along with their regulatory bodies, as major stakeholders in the value chain of F.I. The active involvement of these stakeholders is essential to achieving effective financial inclusion.

In 2019, the Central Bank of Nigeria (CBN) established the Shared Agent Network Expansion Facilities (SANEF) in collaboration with commercial banks, the National Payments System, and Mobile Money Operators (MMOs) to enhance financial access points to facilitate account opening at agent locations; promote bank verification number (BVN) enrollment and; advance financial literacy. The initial target of 500,000 agents in 2020 has been revised to 1,375,000 as of September 2022. However, there remains a shortage of agents in Northern Nigeria, with only 34% agent coverage compared to the expected 60%. Additionally, the CBN granted licenses to Payment Service Banks (PSBs) to offer digital payments but not loans. Furthermore, in 2022, additional licenses were issued to PSBs to operate as mobile money operators under large telecommunication firms, thereby contributing to increased F.I. (Oladoyin A.M, Elumilade D. O, & Ashaolu T. O. 2005).

All these government efforts aim to enhance F.I. so that the populace can experience what is known as 'social justice' in Nigeria. The alignment of social justice with F.I. underscores the importance of recognizing the interconnectedness of these two concepts. Hence, it is essential to elucidate the essence of social justice.

The Nexus Between Financial Inclusion and Socio-Justice

In the modern context, social justice aims to achieve equal opportunities and life prospects. It can be perceived as a framework of principles for an inclusive society that empowers and facilitates its members. Critical criteria for attaining social justice encompass poverty alleviation, access to education, integration into the labor market, social cohesion, non-discrimination, healthcare, and intergenerational equity.

To have a social impact requires an F.I. strategy to coordinate the interaction between parties responsible for implementing F.I. such as government agencies, official financial institutions, the Ministry of Finance, the Ministry of Communications and Technology, anti-money laundering units, MSMEs micro, small and medium enterprises development agency (CBN et al., 2018) successfully. This is because F.I. strategies include various topics related to socio-justice. These topics include initiatives directed at social protection, entrepreneurship capacity building (technically and financially), MSME financing, and providing insurance services. Government initiatives in the context of F.I. to expand financial literacy in society are very important to help people make the right financial decisions and improve their standard of living, which is reflected in enhancing issues related to socio-justice. Hence, social justice emphasizes prioritizing an inclusive society that fully engages all individuals in every facet of societal life (Al-Nahal & Nuha, 2022). However, social justice arguably extends to being allowed or allowed to embrace ADR in financial inclusion claims. This will lead to a viable discussion on access to justice via integrated ADR institutions.

Alternative dispute resolution (ADR) is a viable option to address some of these financial inclusion claims, aiming to circumvent general court proceedings' stress, expense, and protracted nature (Khalid Y., 2012). ADR, encompassing arbitration, conciliation, mediation, and negotiation, has been enshrined in the legislation of numerous countries to resolve disputes associated with financial claims and crises. However, in connection with financial products and services, the most popular ones are the Financial System Mediator (FSM) and the Financial Arbitration institutions. These institutions cover all financial services and give consumers access to out-of-court resolution to their complaints against firms. Financial arbitration operates by the Law on Commercial Arbitration, Civil Procedure Code, and other laws and regulations. Individuals can use the Financial Arbitration, including private entrepreneurs, legal entities, and foreign citizens.

According to the Law on Commercial Arbitration, the courts cannot accept a case if an arbitration agreement is in place unless the agreement is invalid (Arbitration and Conciliation Act 2004, Section 5). Additionally, according to the Civil Procedure Code, a court cannot consider a case if another court is already dealing with the same matter. The final decision of the Financial Arbitration is binding on both parties. Thus, it is subject to enforcement by a national court. Hence, complainants may only use financial arbitration, where an arbitration agreement is stipulated in the original contract to purchase the financial product or service.

With FSM, consumers can complain, even if this is not stipulated in a contract. Once it is satisfied that the claim is within its jurisdiction, the complainant can now file a written complaint against the firm. The firm has to respond, and if it does not respond, or if the complainant is not happy with the response, the complainant can file a written complaint to a mediator. The mediator sends the complaint to the firm and asks for additional information. The firm has a few days to reply. At this point, the mediator commences the investigation.

Further to looking at the facts, the mediator may ask for oral hearings, invite the opinion of an independent expert, or look at the industry's best practices. The process usually takes around two to three months. The decision is binding on both the firm and the complainant. In accepting a decision, the complainant must sign a written agreement within 30 business days, or the decision does not become binding. This means the parties are free to go to court. It is imperative to state that FSM may award compensation.

The use of ADR to resolve F.I. claims has many advantages (Arfin M.R., 1995). Confidentiality is a positive factor in most disputes in which financial institutions are engaged. Mediation/arbitration offers financial institutions the opportunity to avoid publicizing internal processes. In certain contexts where standardization of judgments is sought, such as in derivatives, confidentiality may be less desirable. In sovereign finance matters, confidentiality may also be problematic since the State may require transparency with its disputes. However, these are narrow exceptions.

Expertise of Mediators/Arbitrators is another added advantage. Financial disputes often entail specialized knowledge of the instruments and financial institutions' operations. Many mediators and arbitrators have vast experience in the financial sector, and their ability to speak to disputant parties in their language offers an excellent opportunity to resolve disputes on bases that make sense. For instance, in arbitration, a financial arbitrator often holds the authority with prerequisite knowledge to adjudicate disputes between institutions, such as banks or entities, on issues arising from electronic payment instruments and their clients concerning fund transfers, settlement adjustments, or fraud cases perceived with the use of electronic payment instruments.

Besides, adopting ADR can also mean future deals on the horizon instead of pending litigation. Litigation often entails extensive discovery and a confrontational environment where accusations of bad faith and mendacity abound. It is then unlikely that the parties would enter into future business dealings. Mediation certainly can entail the airing of harsh characterizations, but it still provides a better platform for enabling parties to engage in future commercial relationships (Carrie J. et al., 2013).

Furthermore, ADR is unbound by the Rules of Evidence. In mediation, instead of being 'buried' by the evidence, the parties can concentrate on putting their most reasonable positions forward, supported by the most pertinent evidence. This lowers costs and enables the parties to present their differences to each other without the stifling effects of evidentiary strictness (Owolabi, K. 2023). Thus, mediation does not assure that the disputing parties will be future business partners. However, it is, in many respects, a "talking cure." By airing their differences in an informal, non-binding setting, the parties often can see, in part, the adversary's point of view and come to a financial arrangement that nobody is happy with but everybody can live with.

Unfortunately, most financial institutions in Nigeria lack an ADR institution besides a customer service desk to address the identified claims faced by their customers/ consumers. The introduction of ADR institutions would significantly contribute to upholding customers' legal rights. Therefore, implementing a mandatory ADR scheme with robust and binding procedural rules is highly desirable in contemporary Nigeria. Establishing an ADR institution will bolster customer confidence and alleviate the workload on branch office staff, as customer claims will be directed to ADR personnel. Moreover, it will facilitate enhanced quality management, including understanding each complainant's grievances and leveraging customer claims to refine service distribution processes.

Thus, the successful integration of ADR institutions in the financial service sector (FSS) lies in several key factors. These include an independent legal structure separate from industry influence, professionalism, active presentation, and availability of information regarding the company's documentation and contact details on its website, as well as the scope and competence of the ADR scheme (FSUG 2011). This should include the types of disputes it handles, which consumers are eligible, any time limits for bringing a complaint, and any limits on the amount of compensation. It is also vital that ADR institutions should make clear to consumers what to expect, including the process that will be followed and the estimated time required to resolve a complaint. It should also offer help and advice to consumers on how to make a complaint. Additionally, an explicit declaration on the choice of procedural rules, such as coverage, mandatory participation, case resolution methods, binding nature of decisions, decision timeframe, transparency with the public, and comprehensive annual reporting, are crucial (FSUG 2011).

The ADR institution should examine both sides of a case fairly, taking account of relevant laws and precedents so that its decisions are respected. Given the apparent information asymmetries between financial services firms and consumers, decisions should rightfully be binding on firms (FSUG 2011). Hence, accountability is another crucial measure to be considered. The ADR institution should publish an annual report on its activities and operations to promote public accountability for its decisions and actions. Consumers should be made aware that they can seek independent redress. Ideally, financial services firms should be obliged to publicize the details of the available ADR institutions open to all customers.

In addition, an efficient ADR institution should also consider providing optimal incentives to the main actors in the enforcement process, such as lawyers, judges, associations, public authorities, and self-enforcers, to ensure enforcement. This, in turn, encourages (potential) wrongdoers to comply and deter them from violating the law(FSUG 2011).

Hence, there are several reasons why the financial services sector (FSS) dispute resolution, as it relates to financial inclusion claims/ disputes, should opt for alternative dispute resolution outside the court. Firstly, the financial services industry, particularly in the banking sector and the capital market, is closely linked to economic growth and requires adaptable regulations. Secondly, global financial services sector regulation prioritizes the protection of investors, including FSS consumers. Therefore, ADR institutions in the FSS offer distinct advantages over other dispute-resolution institutions. They allow parties to select an alternative institution outside the court, providing a sense of justice.

Moreover, the approach seeks agreement and deliberation for the best solution for both parties, resulting in a win-win situation. This is vital as consumer confidence significantly impacts business actors. For these reasons, alternative dispute resolution in the FSS can be effective and efficient compared to court-based dispute resolution. It is expected to support business actors and maintain the sector's economic sustainability.

Conclusion/Recommendations

In its most accurate form, financial inclusion entails raising awareness and motivating individuals to engage with financial products and services. The Central Bank of Nigeria (CBN) and the government must proactively address impending challenges and implement requisite measures to bolster policies that foster inclusive growth. Efforts should be directed towards developing effective mechanisms to narrow this gap and involve a larger demographic from rural and urban areas in mainstream financial activities, with a notable emphasis on promoting banking practices. Several pivotal measures are imperative for bolstering the economy:

Firstly, formulating comprehensive financial inclusion strategies is essential for amplifying growth in rural areas through facilitating deposit money banks. It is paramount to engage banks to carry out their roles in the financial inclusion process robustly. Furthermore, monetary authorities should craft targeted policies to fortify the financial system and encourage rural dwellers to embrace contemporary banking practices.

Secondly, substantial enhancements and investments in the nation's infrastructure are paramount. Allocations towards accessible roadways, dependable power supply, and other critical components are pivotal for domestic investments, directly influencing

Nigeria's financial evolution and stability. Prioritizing infrastructure upgrades will expedite domestic investments.

Thirdly, providing comprehensive financial education to rural denizens, in line with global best practices, is pivotal. The government ought to formulate policies that elevate the financial literacy of individuals in the country, thus contributing to an escalated level of financial development. Furthermore, ramping up investments in financial infrastructure is necessary to enable broader citizen access to diverse financial products and services. However, a nation with inclusive growth will also experience several financial claims; hence, such issues deserve an amicable settlement. A robust and effective integration of ADR institutions in addressing financial inclusion claims is desirable in Nigeria. To achieve this, the following recommendations are proposed:

1. The government, the central bank, financial regulatory bodies, or the financial services industry should fund the ADR institution. The funding should be substantial to equip the ADR provider with competent mediators/arbitrators and proficient staff, thus enabling timely and effective dispute resolution.
2. ADR institutions ought to be financially affordable for consumers, ideally free to use, so that they do not deter lower-income consumers due to costs.
3. The CBN should enact regulations mandating financial services providers to apprise consumers of their entitlement to seek independent ADR. Financial firms should be obliged to incorporate information about Financial Services Mediation (FSM) or financial arbitration in their contracts.
4. The CBN should promote FSM and financial arbitration through its official website.
5. The insights and lessons derived from the ADR institution should be duly considered in formulating policies and supervision, ensuring continuous improvement of consumer financial services markets.

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The author initiated the research ideas, instrument construction, data collection, analysis, and draft writing.

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