Unpacking the New DEON Consumer Lending Guidelines 2025: Key Obligations and Implications for Lenders

Background

On 21 July 2025, the Federal Competition and Consumer Protection Commission ("FCCPC") issued the *Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations, 2025* ("DEON Regulations") to establish a regulatory framework governing digital, electronic consumer lending services in Nigeria.

Further to this, the FCCPC issued the *Digital, Electronic, Online or Non-Traditional Consumer Lending Guidelines 2025* (the "DEON Guidelines") which became effective on 18 November 2025. The DEON Guidelines were issued pursuant to sections 17 and 163 of the Federal Competition and Consumer Protection Act 2018 ("FCCPA") to provide practical direction for lenders and intermediaries and clarify documentation requirements in ensuring compliance with the DEON Regulations.

This article examines the DEON Guidelines and highlights the obligations for consumer lending service providers.

Scope and Applicability

The DEON Guidelines apply to all persons, entities, or institutions engaged in providing, facilitating, or administering non-traditional consumer lending services in Nigeria, whether through digital platforms, agents, or other intermediaries. It also applies to businesses and establishments under Section 2 of the FCCPA and extends to cross-border digital lending services offered to consumers in Nigeria.[1]

However, the DEON Guidelines exclude the following: (i) financial institutions licensed and regulated by the Central Bank of Nigeria ("CBN"); (ii) lending arrangements between employers and employees arising from contractual arrangements; and (iii) duly registered and licensed cooperative societies.[2]

The DEON Guidelines clarify that any other arrangements outside the scope of exemptions above shall be subject to the provisions of the DEON Regulations and the DEON Guidelines.[3]

Regulatory Oversight of Digital Lending Services

The DEON Guidelines place digital lending services under the FCCPC's regulatory purview and provide that such services shall only be rendered to the extent permitted under the FCCPA, the DEON Regulations, and DEON Guidelines.[4] The FCCPC is also required to engage with undertakings seeking registration, as well as registered undertakings, on matters relating to its regulatory oversight of digital lending services, including requests for clarification, issues arising from the application process, and consumer complaints.[5]

Waiver for Transitions

To facilitate an effective transition, the DEON Guidelines empower the Executive Vice Chairman of the FCCPC to waive any requirement under the DEON Regulations or the DEON Guidelines. A waiver will only be granted upon request and provided it does not defeat the purpose of the FCCPA, the DEON Regulations, or the DEON Guidelines. Any such waiver will be in force for a period not exceeding three (3) months and is not subject to further extension.[6]

Repeal of the Digital Lending Guidelines 2022

The DEON Guidelines repeal the *Limited Interim Regulatory/Registration Framework and Guidelines for Digital Lending* 2022 (the "Digital Lending Guidelines 2022"), establishing the DEON Regulations as the new operative framework[7]. However, the repeal does not affect the previous operation of the Digital Lending Guidelines 2022 or any right, privilege, obligation, liability, penalty, or punishment accrued or incurred under them. Any investigation, legal proceeding, or remedy in respect of such matters will proceed as if the Digital Lending Guidelines 2022 had not been repealed.[8]

[1] Paragraph 2 of the DEON Guidelines
[2] Paragraph 2 of the DEON Guidelines
[3] Paragraph 3 of the DEON Guidelines
[4] Paragraph 4 of the DEON Guidelines
[5] Paragraph 5 of the DEON Guidelines
[6] Paragraph 6 of the DEON Guidelines
[7] Paragraph 7 of the DEON Guidelines
[8] Paragraph 8 of the DEON Guidelines

Deemed Licence Holders

Any undertaking that, prior to the commencement of the DEON Regulations, registered with the FCCPC for the provision of digital lending services under the Digital Lending Guidelines 2022 shall be considered a Deemed Licensee with a licence to provide consumer lending services. This deemed licence is valid until 30 June 2026. A deemed licensee that intends to continue offering consumer lending services after this date must submit an application for approval to the FCCPC at least sixty (60) days before the expiration of the deemed licence, i.e., by 1 May 2026.[9]

A deemed licensee is not required to immediately obtain the approval of the FCCPC to provide consumer lending services, provided it furnishes the FCCPC with required information and operational details including but not limited to: (a) schedule of loan books and transactions; (b) financial statement for the preceding financial year; (c) details of lending applications deployed or utilised by the deemed licensee for the provision of digital lending services; (d) evidence of compliance with annual returns filing in line with the CAMA and other sector-specific laws and regulations; and (e) any other information as the FCCPC may require.[10]

However, if the FCCPC determines that the details, composition, beneficial ownership, or business of a deemed licensee have substantially changed since its initial registration under the Digital Lending Guidelines 2022, the FCCPC may require the deemed licensee to obtain a new approval to continue operations.[11]

Existing Partnerships

Under the DEON Regulations, partnerships between undertakings in a regulated industry and non-regulated undertakings for providing consumer lending services must be governed by a consumer lending or service level agreement, which must be submitted to and approved by the FCCPC. All existing partnerships must be regularised and approved by the FCCPC no later than 31 December 2025[12].

Existing Loans Arrangements

The DEON Guidelines also contemplate situations where an existing loan cycle remains active under a partnership that has been terminated. Businesses in partnerships with existing loan cycles that predate the DEON Regulations and would be affected by termination of such partnerships are required to prepare a register of all subsisting loans. This register must be submitted to the FCCPC by 5 January 2026. Based on the submitted register, the FCCPC has the discretion to waive the termination requirement for the disclosed transactions, allowing those loan cycles to conclude naturally.

If a partnership is disrupted by the termination or restriction of a regulated partner's license, the affected undertaking must submit the details of all subsisting loan cycles to the FCCPC within five (5) business days. The FCCPC may at its discretion, exempt such existing loans from termination, allowing them to run to their contractual maturity. Any such exemption would be limited strictly to loans already issued at the time of licence disruption and not a continuation of lending operations, partnerships, or the origination of new loans. Post-termination activities are limited to actions incidental to the orderly recovery or conclusion of the exempted loans, subject to FCCPC oversight.

The termination of any partnership or licence does not affect any rights, obligations, or liabilities that accrued before the termination. These will remain enforceable as if the termination had not occurred, unless otherwise specified in the FCCPA, the DEON Regulations, or the DEON Guidelines.[13]

Lending Applications and Approval Fee

Lenders must disclose all lending applications to the FCCPC during the application process. This disclosure must include: (a) evidence of compliance with relevant ISO standards for mobile applications and security; (b) evidence of ownership or a valid licence for the application's intellectual property; (c) evidence of compliance with data protection laws; and (d) such other information the FCCPC may require.[14]

In addition, all applicants, whether in a joint venture or otherwise, are restricted to a maximum of five (5) lending applications for the provision of consumer lending services. No member of the joint venture may independently register, use or control separate apps or software to provide consumer lending services unless the joint venture is terminated.

Under Regulation 15(2)(a) and (b) of the DEON Regulations, digital money lenders are required to pay a non-refundable approval fee of ₦1,000,000 (One Million Naira), or such amount as may be determined by the FCCPC from time to time. This

[9] Paragraph 11 of the DEON Guidelines
[10] Paragraph 10 of the DEON Guidelines
[11] Paragraph 12 of the DEON Guidelines
[12] Paragraph 15 of the DEON Guidelines
[13] Paragraph 18 of the DEON Guidelines
[14] Paragraph 19 of the DEON Guidelines

fee covers the initial registration of 2 (two) lending applications. Any additional application attracts a fee of ₦500,000 (Five Hundred Thousand Naira) per app, subject to the overall limit of five (5) registered applications.[15]

For licence renewal under Regulation 16(3) of the DEON Regulations, an applicant must provide details of all lending applications utilised or deployed in offering consumer lending services.[16]

The FCCPC may refuse to grant approval where an applicant does not fully declare all lending applications currently in use or intended for use. The FCCPC may also revoke an approval granted upon later discovery of an undeclared or undisclosed lending application or impose an administrative penalty in accordance with the Regulations or the FCCPA. Furthermore, the FCCPC may direct any mobile application marketplace or digital distribution platform to immediately delist any lending application operated in breach of the DEON Regulations or the DEON Guidelines.[17]

Pilot Programmes

Undertakings proposing to offer services under a pilot programme must apply for a no-objection letter[18] from the FCCPC. Applicants must demonstrate that: (i) the total exposure will not exceed ₦1,000,000 and will involve no more than 100 unique customers; (ii) the service is innovative and improves market accessibility or choice; and (iii) the applicant has the resources and a viable business plan for a full-scale launch after the pilot.[19]

Participants in a pilot programme must provide the FCCPC with monthly operational updates within fifteen (15) days of the end of each month. A pilot programme will last for ninety (90) days and is renewable once for an additional ninety (90) days upon request. During this period, the FCCPC may relax certain compliance requirements, issue directives, and monitor the activities of participating undertakings.[20]

Participants seeking full licensing after the pilot programme must apply to the FCCPC at least fourteen (14) days before the pilot term expires. The FCCPC may grant a full licence based on the participant's performance during the pilot, potentially waiving some of the standard licensing requirements.[21]

Financial Institution Providing Certain Consumer Lending Services

Although generally excluded from the DEON Regulations, financial institutions may only offer consumer lending services that are permissible under their existing licences. Where a financial institution intends to provide services outside the scope permitted by BOFIA and applicable CBN regulations, it must notify the FCCPC, which may grant approval at its discretion.[22]

Approval of Contractual Changes

While any modification to a consumer lending services agreement requires prior approval from the FCCPC, the DEON Guidelines clarify this applies only to material amendments. Material amendments include changes to the parties' identity and obligations, nature of services, consumer rights, fees, risk allocation, and recovery processes.[23] Amendments relating to non-material or less significant matters do not require pre-approval but must be self-reported in periodic compliance filings[24].

Complaint Framework and Resolution

As part of the FCCPC's efforts to ensure consumer protection, all licensed undertakings must maintain a complaint handling framework, including a dedicated complaint channel.[25]

Aggrieved customers must first file a complaint with the business, which it is required to resolve within forty-eight (48) hours. If a complaint is complex and requires more time, the business must notify the consumer in writing and ensure full resolution within fourteen (14) days of receipt[26].

Where a complaint remains unresolved after fourteen (14) days, the consumer may escalate the matter to the FCCPC by submitting the details of the complaint, along with the business's response and supporting documentation. Upon review, the FCCPC may issue directives, impose sanctions, or take any other enforcement action it deems necessary.[27]

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15 Paragraph 21 of the DEON Guidelines
16 Paragraph 22 of the DEON Guidelines
17 Paragraph 23 of the DEON Guidelines
18 Paragraph 24 of the DEON Guidelines
19 Paragraph 25 of the DEON Guidelines
20 Paragraph 29 of the DEON Guidelines
21 Paragraph 31 of the DEON Guidelines
22 Paragraph 32 and 33 of the DEON Guidelines
23 Paragraph 38 of the DEON Guidelines
24 Paragraph 39 of the DEON Guidelines
25 Paragraph 42 of the DEON Guidelines
26 Paragraph 44 of the DEON Guidelines
27 Paragraph 46 of the DEON Guidelines

In compliance with the DEON Regulations, all undertakings providing consumer lending services are also required to (a) submit quarterly reports on consumer complaints, indicating the volume, nature, and resolution status of such complaints; and (b) maintain proper records of all complaints received, actions taken, and timelines for resolution, and make such records available to the FCCPC upon request.[28]

Conclusion

Overall, the DEON Guidelines provide greater clarity on the obligations of digital lenders, including deemed licence holders previously registered under the Digital Lending Guidelines 2022 and introduce a clear framework for the treatment of existing partnerships and legacy loan cycles. The DEON Guidelines introduce new compliance requirements, including:

- the registration of partnerships by 31 December 2025;
- the submission of compliance registers by 5 January 2026 where loan cycles remain active under partnerships that have been terminated; and
- application of deemed licensees for FCCPC approval by 1 May 2026.

The DEON Guidelines also amend Form 001 and Form 003 under the DEON Regulations, introducing additional documentation requirements for registration with the FCCPC. Digital lenders and service providers must pay close attention to the timelines and obligations set out in the DEON Guidelines, as failure to comply may attract penalties, administrative actions, or revocation of approval

[28] Paragraph 47 of the DEON Guidelines

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