



NAVIGATING BANKING DISCRIMINATION: THE EXPERIENCES OF NIGERIAN NATIONALS IN INDIA AMID CRIME-DRIVEN ACCOUNT CLOSURES

Suleiman Muhammed Sadiq

Department Of Information Technology, (Artificial Intelligent)

Nims University Jaipur Rajasthan, India.

ABSTRACT

This paper examines the challenges that Nigerian nationals in India face due to frequent account closures, which are often linked to concerns about severe crime. Although these challenges affect only a subset of the Nigerian community, the broader implications cause financial, emotional, and social hardships for many Nigerians in India. This paper analyzes the root causes, including regulatory and societal factors, and proposes solutions to foster fair banking practices, enhance diplomatic support, and reduce stereotypes that contribute to account closures.

This paper explores the financial challenges faced by Nigerian nationals in India, focusing on the issue of account closures often attributed to concerns over severe crime. Over recent years, many Nigerian students, business owners, and patients have reported difficulties in accessing banking services, with some experiencing abrupt account closures. Although these measures are typically implemented to combat money laundering and other financial crimes, they can inadvertently affect innocent individuals. The lack of clarity in banking regulations, combined with prevalent stereotypes, has led to discriminatory practices that significantly disrupt the lives of Nigerians in India. The study analyzes various factors contributing to these challenges, including ambiguous financial regulations, stereotypes and profiling, and breakdowns in trust between Nigerian nationals and Indian banking institutions. Through this analysis, the paper emphasizes the need for fair treatment within the financial sector and advocates for a balanced approach that considers individual risk profiles rather than generalizations based on nationality.

In response to these challenges, the paper proposes several solutions: enhancing regulatory transparency, strengthening diplomatic relations between Nigeria and India, and promoting community awareness initiatives to counter stereotypes. Additionally, recommendations



include expanding partnerships between Nigerian banks and international payment networks, providing legal support for Nigerians facing unjust account closures, and establishing a government-backed emergency support program. These solutions aim to foster a fairer, more inclusive banking environment for Nigerians in India, enabling them to access essential financial services without undue barriers. By addressing these issues, this paper seeks to contribute to a constructive dialogue on financial inclusion, international cooperation, and the rights of foreign nationals in host countries.

Key words: *Navigating, Bank Account Closure, Nigerian Nationals, Server-Crime.*

INTRODUCTION

Nigerian nationals form a significant expatriate community in India, engaged in various sectors, including education, business, and cultural exchange. For many Nigerians, maintaining an active bank account is essential for daily life, financial stability, and fulfilling regulatory requirements. However, reports of account closures affecting Nigerian nationals have increased in recent years, with some attributing this trend to concerns over severe crime. While some incidents have drawn negative attention, it is vital to address the broader impact of this generalized suspicion and identify practical solutions to protect innocent Nigerians from unfair banking practices.

In recent years, the Nigerian community in India has grown significantly, with nationals arriving for various purposes, including higher education, business opportunities, and medical treatment. India offers high-quality educational institutions, diverse business opportunities, and advanced healthcare services, making it an attractive destination for many Nigerians. However, alongside these benefits, Nigerians in India face unique challenges, particularly in the financial sector, where access to banking services is essential for day-to-day life, supporting dependents, and maintaining long-term stability.

One critical issue that has emerged is the increasing difficulty Nigerians encounter in maintaining bank accounts in India, often linked to concerns over severe crime. While most Nigerians are law-abiding residents, instances of crime involving individuals from Nigeria have led to negative perceptions and, in some cases, generalized suspicion within the banking sector. This has resulted in some banks applying precautionary measures, including account closures, targeting Nigerians based on nationality rather than individual behavior. These



actions disrupt the lives of innocent individuals who rely on these accounts for essential transactions like paying tuition, handling business operations, or covering medical expenses. This paper aims to examine the underlying causes of this issue, shedding light on how stereotypes and regulatory ambiguities contribute to the financial obstacles Nigerians face. It will also explore the social and economic impact of restricted access to banking services and propose practical solutions to address these challenges. Through improved regulatory transparency, diplomatic collaboration, community engagement, and other targeted measures, we can foster a more equitable financial environment, ensuring Nigerians in India can access and manage their finances without fear of discrimination or undue restriction.

FINANCIAL REGULATIONS IN INDIA

Indian financial institutions operate under strict guidelines from the Reserve Bank of India (RBI), particularly concerning anti-money laundering (AML) and combating the financing of terrorism (CFT) protocols. While these regulations aim to secure the financial system, they sometimes inadvertently target groups perceived as higher risk, such as foreign nationals, including Nigerians.

THE IMPACT OF CRIME-RELATED POLICIES

Recent crime-related policies in India often focus on limiting access to financial services for individuals associated with severe crime. Unfortunately, these policies may lead to over-generalized risk assessments, affecting legitimate account holders from specific nationalities due to perceived associations.

NIGERIAN NATIONALS' EXPERIENCES

Prior research on expatriate experiences highlights issues such as discrimination, stereotypes, and mistrust. Many Nigerians in India report facing challenges in opening and maintaining bank accounts due to biases that link them to criminal activity, even when they have no personal history of crime.

KEY ISSUES

1. **Stereotyping and Profiling** Nigerians often face profiling based on perceived crime associations. This profiling leads to discriminatory practices, where innocent Nigerians face difficulties in accessing or retaining banking services.



2. **Ambiguities in Financial Regulation** Indian banks sometimes struggle with applying regulations consistently for foreign nationals. This lack of clarity can lead to precautionary closures of accounts for foreign nationals, particularly Nigerians, in response to perceived risks rather than actual incidents.
3. **Breakdown in Trust** Many Nigerians in India feel that they are treated unfairly by financial institutions, leading to a breakdown in trust. Without adequate communication or justification from banks, individuals are left without recourse, creating a cycle of fear and frustration within the Nigerian community.

PROPOSED SOLUTIONS

1. Enhancing Regulatory Transparency

- The RBI should clarify guidelines on handling accounts for foreign nationals, with a focus on balancing security concerns and fair treatment. Clear regulations will help banks make more informed decisions based on individual risk rather than nationality alone.
- Regular audits by the RBI could ensure that banks comply with these guidelines, discouraging discriminatory account closures.

2. Strengthening Diplomatic Relations

- Close cooperation between the Nigerian Embassy in India and Indian banking authorities could help protect Nigerians' rights and address complaints. An established diplomatic channel for such issues would offer Nigerian nationals an avenue for support in case of account closures.
- Joint discussions could facilitate understanding, leading to less bias in financial practices affecting Nigerians.

3. Community Awareness Programs

- Programs that promote understanding between Nigerian communities and Indian banks could alleviate misconceptions. By highlighting the contributions of Nigerians to the Indian economy, these initiatives can counter stereotypes and foster goodwill.
- Awareness campaigns led by both countries' embassies would also help bank staff better understand cultural differences, reducing unconscious biases.



4. Providing Legal Support and Advocacy

- Legal frameworks should be strengthened to support Nigerians who face unjust account closures. Embassies and local NGOs could work together to create a support network for affected individuals, offering legal advice and representation.
- Establishing a helpline for reporting discriminatory practices would allow Nigerian nationals to report and address unjust account closures in real time.

CASE STUDIES

Including testimonials from Nigerian nationals affected by account closures in India adds a personal dimension to the discussion. For example:

- Case Study 1: A Nigerian student in Jaipur faced a sudden account closure due to nationality-based profiling, impacting their ability to pay tuition fees.
- Case Study 2: A Nigerian entrepreneur in Mumbai lost access to funds after his account was closed without explanation, affecting his small business operations. These stories illustrate the real impact of generalized assumptions and the need for systemic changes.

For Nigerian nationals studying, doing business, or receiving medical treatment in India, the ability to easily access funds is critical. Here are a few recommendations the Nigerian government could consider to improve financial access and reduce reliance on Indian bank accounts:

1. Negotiate Bilateral Financial Agreements with Indian Authorities

- **Objective:** Establish a bilateral financial agreement with Indian banking authorities to enable Nigerian ATM cards to function seamlessly in India.
- **Implementation:** Nigeria's Central Bank could negotiate with the Reserve Bank of India (RBI) to allow Nigerian banks to integrate their services with Indian ATMs. This would enable Nigerians to withdraw funds directly from Nigerian accounts using Indian ATMs, making funds accessible without opening local accounts.

2. Increase Partnerships with International Payment Networks

- **Objective:** Encourage Nigerian banks to partner with international payment networks like Visa, MasterCard, or UnionPay, which are widely accepted in India.
- **Implementation:** By promoting Nigerian banks' participation in international payment networks, Nigerian nationals could use their domestic cards abroad, reducing dependence on Indian bank accounts and the associated challenges.



3. Expand Nigerian Bank Branches or Representatives in Major Indian Cities

- **Objective:** Create a secure, convenient option for Nigerians to access banking services directly through Nigerian banks.
- **Implementation:** The Nigerian government could work with private banks to establish branches or representative offices in major Indian cities, such as Mumbai, Delhi, and Bangalore, to assist Nigerian nationals. This would provide a direct, reliable banking service for Nigerian students, businesspeople, and medical tourists.

4. Develop a Government-Backed Support Program for Financial Assistance

- **Objective:** Support Nigerians abroad who face financial challenges due to sudden account closures or ATM issues.
- **Implementation:** A government-backed emergency financial support program could provide Nigerians abroad with temporary funds. This could be managed through Nigeria's embassies and consulates, providing short-term financial support in emergencies.

5. Raise Awareness of International Transaction Limits and Fees

- **Objective:** Educate Nigerians on international transaction rules to help them plan for financial needs abroad.
- **Implementation:** Provide information on international transaction limits and fees through seminars, online resources, and embassies. Knowledge of transaction rules will help Nigerians manage funds more efficiently and avoid issues with account blocks or unexpected fees.

6. Advocate for Fair Financial Practices through Diplomatic Channels

- **Objective:** Protect Nigerian nationals from discriminatory financial practices in India.
- **Implementation:** The Nigerian government can actively advocate for fair treatment of its nationals through diplomatic engagements with Indian authorities. Nigerian embassy staff in India could work with Indian banks to establish guidelines to prevent unjustified account closures.

Conclusion

This paper highlights the pressing issue of account closures faced by Nigerian nationals in India and provides a structured response to foster fairer practices in banking. By enhancing regulatory transparency, strengthening diplomatic relations, and supporting community engagement, we can help Nigerian nationals integrate better into Indian society, reducing the



impact of stereotypes and building a more inclusive environment. Implementing these solutions will protect the rights of Nigerians in India and support broader goals of financial equity and cultural harmony.

The ability of Nigerian nationals—students, businesspeople, and patients—to access funds seamlessly in India is essential for their well-being and economic stability. This paper underscores the need for stronger financial collaboration and proactive measures by the Nigerian government to support its citizens abroad. Through initiatives like negotiating bilateral agreements, encouraging partnerships with global payment networks, and increasing Nigerian banking presence in India, Nigeria can empower its nationals to manage their finances more independently and avoid the challenges associated with local account closures. Additionally, the establishment of a government-backed support system for emergencies, along with enhanced diplomatic advocacy, can address immediate financial issues and protect Nigerians from unfair treatment. Educating citizens about international transaction fees and limits will further empower them to make informed decisions about managing their money abroad.

By implementing these solutions, the Nigerian government can significantly improve the experiences of its nationals in India, helping them focus on their studies, business ventures, or healthcare without the stress of financial restrictions. These actions will not only strengthen diplomatic ties with India but also foster a sense of security and support for Nigerians living abroad, paving the way for a more inclusive and fair global financial system.

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