



NIGERIA'S DEON REGULATIONS 2025: JUDICIAL VALIDATION, REGULATORY IMPLICATIONS AND COMPLIANCE GUIDANCE FOR FINTECHS, TELECOMMUNICATIONS COMPANIES AND TECHNOLOGY PLATFORMS

*An Analysis of the Federal High Court's Decision in WirelessApplication Service Providers
Association of Nigeria v. Federal Competition and Consumer Protection Commission*

AUGUST 3RD, 2026



Background

The regulation of digital consumer lending in Nigeria has entered a new phase. The issuance of the **Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations, 2025 ("DEON Regulations")** by the **Federal Competition and Consumer Protection Commission ("FCCPC")**, together with the recent decision of the Federal High Court in **Wireless Application Service Providers Association of Nigeria v. Federal Competition and Consumer Protection Commission**¹, has reinforced the regulatory framework governing digital consumer lending and provided greater legal certainty regarding the FCCPC's authority to regulate this rapidly evolving sector.

The DEON Regulations represent one of the most comprehensive regulatory interventions in Nigeria's digital financial services ecosystem. They introduced enhanced standards for consumer protection, transparency, responsible lending, governance, complaints management, debt recovery practices, and regulatory accountability for entities that provide consumer credit through digital, electronic, or other non-traditional channels. The Regulations reflect a broader policy objective of promoting responsible innovation while strengthening consumer confidence in Nigeria's digital credit market.

The scope of the FCCPC's statutory powers to make the DEON Regulations and the extent to which those powers could be exercised in relation to businesses operating within the digital financial services sector have been the subject of widespread debate. These questions came before the Federal High Court, Lagos Division (the "Court"), in the present case².

Although several issues were raised for determination in the proceedings, this publication focuses exclusively on "Issue 2" and "Issue 3", as formulated by the Court, together with the Court's conclusions and consequential orders. This approach is intended to examine the aspect of the judgment with the greatest practical implications for regulated businesses – namely, the legal validity of the DEON Regulations and the FCCPC's authority to issue and enforce them.

In determining the two highlighted Issues, the Court upheld the validity of the DEON Regulations and affirmed the FCCPC's authority to issue and enforce them pursuant to its statutory mandate under the Federal Competition and Consumer Protection Act of 2018 ("FCCP Act"). In doing so, the Court provided important judicial guidance on the scope of the Commission's regulatory powers and reaffirmed the central role of consumer protection within Nigeria's digital lending ecosystem. At the same time, the Court's decision highlights the importance of respecting the statutory mandates of sector-specific regulators, reinforcing the need for coordinated regulatory oversight across the digital economy.

This publication also provides practical compliance guidance for fintech companies, telecommunications companies and technology platforms. It outlines key regulatory expectations, identifies areas requiring immediate management attention, and recommends governance and compliance measures to help organisations align their operations with the evolving regulatory framework. In doing so, it seeks to assist boards, senior management, legal advisers and compliance professionals in developing enterprise-wide compliance strategies that not only satisfy regulatory requirements but also promote consumer trust, operational resilience and sustainable business growth.

01 Suit No: FHC/L/CS/760/2026, decided on 20th July 2026.

02 Wireless Application Service Providers Association of Nigeria v. Federal Competition and Consumer Protection Commission.

The Regulatory Challenge Before the Court

Wireless Application Service Providers Association of Nigeria Ltd/GTE (the “Plaintiff”) had sued the FCCPC (the “Defendant”) before the Court.

At the heart of the proceedings was a challenge to both the FCCPC’s statutory authority to issue the DEON Regulations and the Regulations’ legal validity. The Court was therefore required to determine, first, whether the FCCP Act empowered the FCCPC to issue the Regulations, and secondly, whether the impugned provisions of the Regulations remained within the scope of those statutory powers and were consistent with the Constitution and other applicable legislation, particularly the NCC Act.

Further to this, the Plaintiff had earlier sought interim orders from the Court, which were granted on April 15, 2026, and remained in force against the Defendant without an inter partes hearing.

The Court's ruling and judgment on July 20, 2026, have finally laid the issues in dispute to rest (unless and until any contrary decision is made on an appeal to the higher court).

• *Issues for determination*

In its Originating Summons, the Defendant had sought relief of the Court on the grounds that:

- a. the FCCPC can only make regulations pertaining to anti-competitive practices and the protection of consumer interest, without more;
- b. the DEON Regulations constitute an unlawful abrogation of the legislative powers vested in the National Assembly by section 4 of the Constitution, and are therefore unconstitutional and void;

c. it is ultra vires the Commission to make the DEON Regulations – particularly paragraphs 3, 7, 10, 12, 13, 14, 15, 16, 24, 27, 29 and 32 – because it goes beyond the scope of the powers of the FCCPC to make regulations under section 163 of the FCCP Act;

d. the Commission, based on its establishment statute, cannot act as a licensing agency issuing licenses and permits to entities providing digital, electronic, online or non-traditional consumer-lending services which are regulated under the Nigerian Communications Act of 2003 (“NCC Act”);

e. the regulatory and licensing powers vested in the FCCPC by the DEON Regulations in respect of the affected entities usurp and interfere with the statutory powers of the Nigerian Communications Commission under the NCC Act and are therefore null and void.

f. the DEON Regulations, being a subsidiary legislation, cannot supersede or override the express provisions of the NCC Act; and

g. paragraph 24 of the DEON Regulations infringes upon the Plaintiff’s members’ rights to associate, engage, select, collaborate and determine intermediaries and service providers for services activation, contrary to section 40 of the Constitution.



The Defendant, on the other hand, filed a preliminary objection to the Plaintiff's suit on three grounds, contending that:

- a. the Plaintiff's suit was premature and incompetent as it was filed without giving the Commission a 30-Day pre-action notice in line with section 156(3) of the FCCP Act, and so the Court has no jurisdiction to entertain it;
- b. the Originating Summons discloses no reasonable cause of action; and
- c. the suit constitutes an abuse of court process because it seeks to stop a statutory regulator from performing its function.

In addition to the objections raised, the Defendant further asked the Court not only to dismiss the suit on technical grounds but also to decide the substance of the dispute on merit, seeking the following cross-reliefs:

- that the Court uphold and affirm its powers to make regulations and to regulate conduct in the digital consumer-lending market for the prevention of anti-competitive practices and the protection of consumers; and

- that in such matters as aforementioned, the Defendant has precedence over sector regulators under sections 104 and 105 of the FCCP Act.

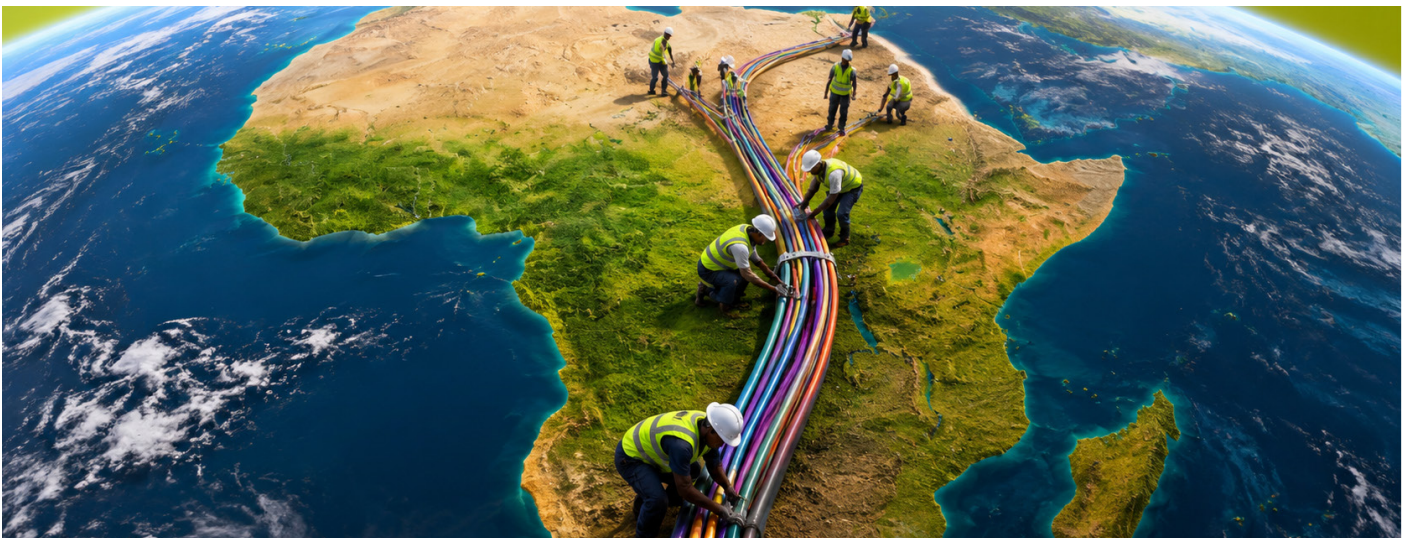
In determining the suit, the Court formulated four issues for consideration as follows:

Whether the suit is competent, having regard to section 156(3) of the FCCP Act, the requirement of a reasonable cause of action, the jurisdiction of this court, and the objection of abuse of process;

Whether the true source and proper construction of the Commission's power to make the DEON Regulations, read with the Constitution and the FCCP Act;

Whether the impugned paragraphs of the DEON Regulations – in both their consumer-protection and their competition aspects are intra vires and constitutionally valid, or ultra vires, in conflict with the NCC Act, or inconsistent with sections 4 and 40 of the Constitution; and

What orders ought to follow, including the fate of the interim orders and the Commission's cross-reliefs.



Court's Interpretation of FCCPC's Regulatory Mandate

In resolving Issues 2 and 3, the Court adopted a purposive interpretation of the Constitution and the FCCP Act, examining the statutory framework as a whole rather than construing individual provisions in isolation.

The Court found that the Commission's authority over the conduct regulated by the DEON Regulations is not founded upon an uncertain implication from the FCCP Act, but upon a statutory mandate that gives effect to constitutional objectives relating to consumer protection, fair competition and the prevention of economic

exploitation. The Court considered the FCCP Act to be the legislative mechanism through which those constitutional objectives are implemented, conferring on the FCCPC economy-wide powers in respect of competition and consumer protection.

Essentially, the Court rejected the proposition that the existence of sector-specific regulation necessarily precluded the FCCPC from exercising its statutory mandate. Rather, it interpreted the FCCP Act as establishing a framework in which the Commission's powers coexist with those of sector regulators, with the Act itself providing mechanisms to address any overlap or potential inconsistency³.



³ Section 104 of the FCCP Act provides for the supremacy of the provisions of the Act over any other law in all matters relating to competition and consumer protection. In the same vein, by the provisions of section 105 of the FCCP Act, any entity or undertaking under the regulatory purview of a regulatory agency or authority established by an Act of the National Assembly, shall be considered as operating in a regulated industry covered by the provisions of the FCCP Act in matters relating to competition and consumer protection.

Judicial Validation of the DEON Regulations

Having considered the statutory and constitutional framework, the Court upheld the legal validity of the DEON Regulations.

The Court rejected the principal arguments advanced against the Regulations, including challenges to the FCCPC's rule-making authority, allegations that the Regulations conflicted with the NCC Act, and assertions that the impugned provisions were inconsistent with sections 4 and 40 of the Constitution.

The Court further observed that any perceived limitation on constitutional rights would, in any event, be capable of justification within the constitutional framework where necessary to protect legitimate public interests.

Of particular significance was the Court's adoption of the principle that, where a legislative instrument can reasonably be interpreted to preserve both its validity and its harmony with related legislation, that interpretation should be preferred to one that renders the instrument invalid. Applying that principle, the Court held that the DEON Regulations should be read consistently with the FCCP Act, the wider statutory framework governing competition and consumer protection, and accordingly upheld their validity.

The Court's decision therefore provides important judicial confirmation that the DEON Regulations constitute a valid exercise of the FCCPC's statutory rule-making powers.

Regulatory Significance of the Judgment

The judgment has implications that extend beyond the immediate validity of the DEON Regulations.

- a. Firstly, it provides a welcome regulatory certainty for participants in Nigeria's digital lending ecosystem. Following the Court's decision, businesses should proceed on the basis that the DEON Regulations form part of the applicable regulatory framework governing digital consumer lending unless altered by legislation or appellate intervention.
- b. Secondly, the judgment reinforces the FCCPC's position as the economy-wide regulator responsible for consumer protection and competition, including in technology-enabled markets. This clarification is particularly significant in an environment where digital business models increasingly operate across traditional sectoral boundaries.
- c. Thirdly, the Court's reasoning affirms that the presence of sector-specific regulators does not, without more, exclude the FCCPC's jurisdiction when consumer protection and competition issues arise. Instead, the judgment supports a model of complementary regulation in which overlapping statutory mandates are reconciled through harmonious statutory interpretation rather than by assuming regulatory exclusivity.
- d. Finally, the decision strengthens the legal foundation for future regulatory oversight of digital lending. Businesses should therefore anticipate continued supervisory engagement by the FCCPC and should ensure that their governance arrangements, consumer-facing practices and internal compliance frameworks reflect the standards established by the DEON Regulations.

Key Regulatory Requirements, Business Implications & Compliance Guidance for Market Participants

As affirmed by the Court's decision in the referenced case, the DEON Regulations form part of a broader regulatory architecture designed to strengthen consumer protection, promote responsible market conduct and foster public confidence in Nigeria's rapidly evolving digital economy.

For affected entities, compliance should therefore be viewed not merely as satisfying another regulatory requirement but as an opportunity to strengthen governance, improve operational resilience and enhance consumer trust.

Rather than examining the DEON Regulations provision by provision, we consider their core regulatory themes, explain their business implications, and identify practical compliance priorities for industry participants.

a) Consumer protection and responsible lending

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
The DEON Regulations established a comprehensive conduct framework for organizations that originate, facilitate or support consumer lending through digital or technology-enabled channels, while reinforcing the principle that innovation must be accompanied by responsible business practices.⁴ The Regulations reinforce consumer protection as the cornerstone of digital consumer lending. They require businesses to conduct lending activities fairly, transparently and responsibly throughout the lending relationship, from marketing and loan origination to repayment, complaints management and debt recovery.⁵	The Court's affirmation of the Regulations significantly strengthens the expectation that consumer protection principles will be embedded within digital lending operations. Businesses should therefore expect increased regulatory scrutiny not only of their legal documentation but also of their customer experience, operational practices and governance arrangements. Consumer protection is no longer simply a legal obligation; it has become a strategic business issue.	Businesses should: ■ review customer onboarding journeys; ■ simplify consumer disclosures; ■ strengthen complaints management procedures; ■ review debt recovery practices; and establish enterprise-wide consumer protection policies. Organizations most likely to thrive in Nigeria's evolving regulatory environment will be those that measure customer outcomes – not merely legal compliance.

⁴ See paragraph 4 of the DEON Regulations

⁵ See paragraphs 5 and 6 of the DEON Regulations.

b) Governance, accountability, and board oversight

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
The Regulations establish operational obligations. However, effective implementation depends upon sound corporate governance.⁶ Boards and senior management are expected to exercise meaningful oversight of compliance, operational risk and consumer protection to avoid sanctions by the Commission.⁷	The Court's judgment reinforces the importance of governance in regulatory compliance. Increasingly, regulators expect compliance responsibilities to be integrated into corporate decision-making rather than delegated exclusively to legal or compliance departments.	Managements/Boards of participating entities should: ■ receive periodic compliance reports; ■ approve consumer protection policies; ■ oversee enterprise-wide compliance programmes; ■ integrate regulatory compliance into enterprise risk management ; and ■ ensure regular compliance training for senior management. Good governance is rapidly becoming one of the strongest indicators of regulatory readiness.

c) Transparency, consumer disclosure and ethical business conduct

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
The Regulations promote transparency by requiring consumers to receive clear and accurate information regarding lending products, repayment obligations & applicable charges.⁸ Businesses are also expected to maintain ethical standards throughout their interactions with consumers.⁹	Regulatory compliance increasingly extends beyond contractual documentation. Digital interfaces, mobile applications, websites, marketing materials and customer communications all contribute to regulatory a compliance.	Businesses should: ■ review all customer-facing communications; ■ simplify digital disclosures; ■ align marketing materials with regulatory requirements; and ■ strengthen internal review procedures for customer communications. If consumers cannot readily understand a lending product, regulators may question whether meaningful disclosure has been achieved.

⁶ See paragraphs 17 -20 of the DEON Regulations

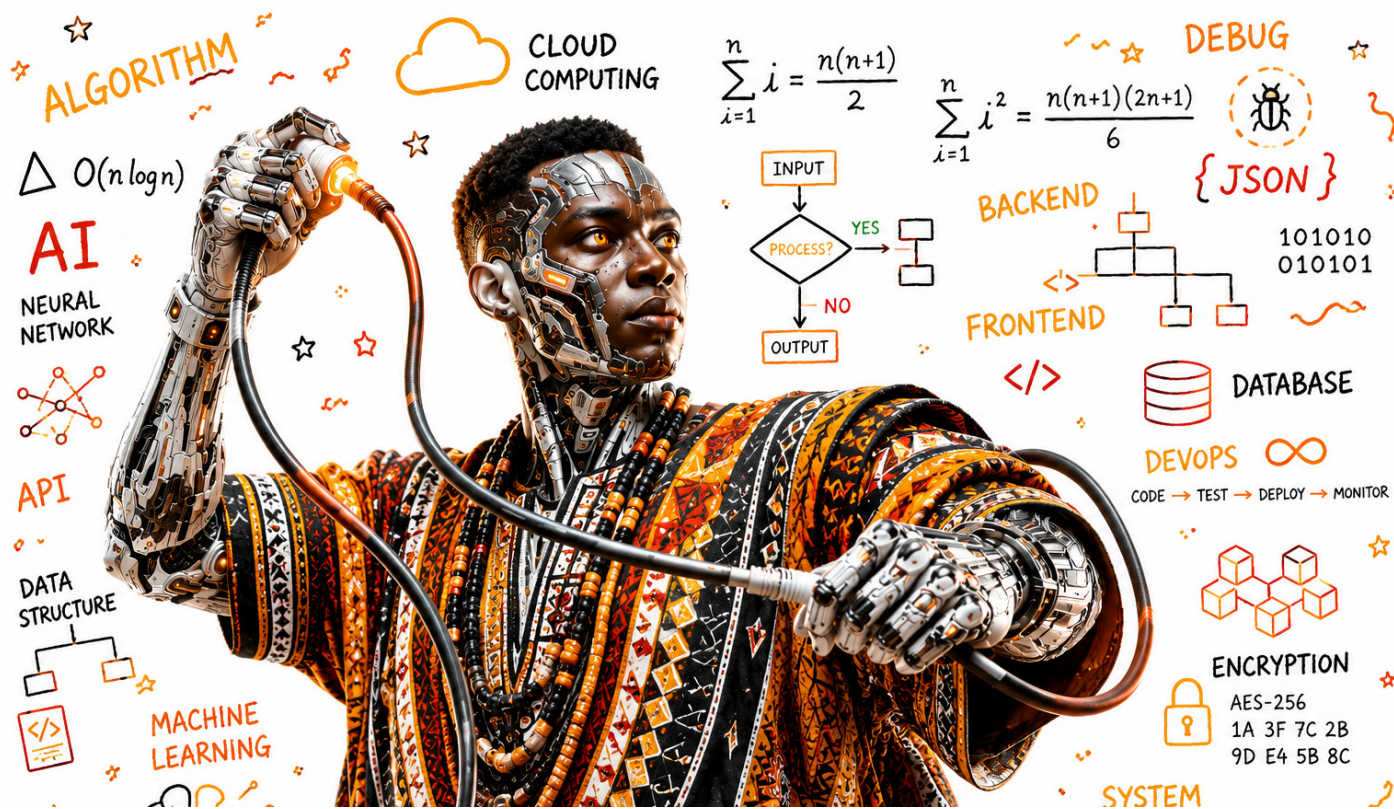
⁷ See paragraphs 16, 25 and 27 of the DEON Regulations

⁸ See paragraph 17 of the DEON Regulations

⁹ See paragraph 19 of the DEON Regulations

d) Data governance, technology governance and artificial intelligence (AI)

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
Digital lending depends upon extensive collection and processing of customer information. Accordingly, compliance increasingly intersects with data governance, cybersecurity and technology governance.¹⁰ Businesses using automated credit assessment tools are required to ensure that technology supports transparency, accountability and responsible lending.	Technology governance is becoming an increasingly important component of regulatory compliance. Lenders should expect regulators to examine not only lending decisions but also the technological processes that produce them.	Entities should: ■ review their privacy notices and consent mechanisms; ■ strengthen cybersecurity controls; ■ review AI-enabled underwriting processes; ■ monitor third-party technology providers; and ■ conduct periodic technology governance reviews. Technology architecture is increasingly becoming part of an organization's compliance framework.



¹⁰ See paragraph 21 of the DEON Regulations

e) Implications for fintech companies

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
Fintech companies providing digital lending services remain at the centre of the DEON regulatory framework.	The Court judgment significantly strengthens regulatory certainty. Fintech companies should therefore proceed on the basis that compliance with the DEON Regulations represents an established regulatory expectation.	Fintech companies should: ■ conduct regulatory gap assessments; ■ review lending algorithms; strengthen regulatory reporting processes; ■ review outsourcing arrangements; and ■ establish periodic compliance audits.

f) Implications for telecommunications companies

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
Telecommunications companies increasingly support digital lending through USSD platforms, APIs, digital identity solutions and mobile communications infrastructure.	The Court's recognition of the FCCPC's economy-wide mandate highlights the importance of consumer protection obligations even where telecommunications companies primarily provide enabling infrastructure.	Telecommunications companies should: ■ review digital lending partnerships; ■ strengthen third-party due diligence; ■ monitor customer communication channels; and ■ review contractual risk allocation.



g) Implications for technology platforms

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
Technology companies increasingly facilitate lending through software, cloud infrastructure, embedded finance and digital platforms.	Technology providers should anticipate increasing regulatory expectations concerning governance, cybersecurity and consumer outcomes.	Technology companies should: ■ assess products supporting regulated activities; ■ strengthen technology governance; ■ review contractual compliance obligations; and ■ improve cybersecurity resilience.

h) Competition law and multi-regulatory compliance

REGULATORY REQUIREMENTS	BUSINESS IMPLICATIONS	COMPLIANCE PRIORITIES
The Court's interpretation of the FCCP Act reinforces the Commission's economy-wide consumer protection and competition mandate while recognising the coexistence of sector-specific regulators.	Compliance programmes should no longer be organized solely around individual regulators. Businesses should instead anticipate increasing regulatory coordination.	Entities should: ■ establish integrated regulatory compliance frameworks; ■ coordinate legal, compliance and technology functions; ■ monitor developments across multiple regulatory agencies; and ■ conduct enterprise-wide regulatory risk assessments. The future of compliance in Nigeria's digital economy lies in regulatory convergence rather than regulatory silos.

Enterprise Compliance Roadmap

The combined effect of the DEON Regulations and the Court's decision points towards a new model of regulatory governance. Generally, and in the light of the new regulatory era, an effective compliance framework should include:

- a. Board oversight and executive accountability;
- b. enterprise-wide regulatory risk management;
- c. consumer protection governance;
- d. integrated legal and technology compliance;
- e. robust data governance and cybersecurity;
- f. comprehensive third-party risk management;
- g. internal audit and compliance monitoring;
- h. periodic staff training;
- i. regulatory engagement; and
- j. continuous monitoring of legislative and judicial developments.

Businesses that institutionalise these practices will be better positioned to manage regulatory risk while supporting innovation and sustainable growth.

The Road Ahead and How We can Help

Navigating Nigeria's evolving regulatory landscape requires more than a technical grasp of individual statutes and regulations. It calls for practical, commercially informed advice that integrates legal, regulatory and business considerations into coherent compliance strategies.

At Brooks Partners, we advise fintech companies, financial institutions, telecommunications companies, technology businesses, payment

service providers, investors and other market participants on the full range of regulatory and commercial issues arising in the digital economy. Our multidisciplinary teams draw on expertise in financial services regulation, competition and consumer protection law, telecommunications law, technology and data protection, corporate governance, and dispute resolution to deliver solutions that are both legally robust and commercially pragmatic.

Enterprise Compliance Roadmap

We regularly advise clients on:

- regulatory compliance and governance reviews;
- licensing and regulatory engagement;
- digital lending and consumer protection compliance;
- fintech, payments and digital assets regulation;
- technology and data governance frameworks;
- outsourcing and strategic partnership arrangements;
- internal investigations and regulatory enforcement matters;
- mergers, acquisitions and strategic investments within regulated industries; and
- board and executive advisory on emerging regulatory developments.

Whether your organisation is launching a new digital lending product, reviewing an existing compliance framework, entering into strategic technology partnerships or responding to regulatory change, we are well positioned to assist you in identifying legal risks, strengthening governance arrangements and developing practical compliance solutions that support innovation while meeting evolving regulatory expectations.





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