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Proletariat will now be able to bank at night

UBank and Blue Telecoms say they will help workers eliminate costs of accessing a bank.

JOHANNESBURG - UBank, a workers bank formerly known as Teba, said its partnership with Blue Label Telecoms will help the mining proletariat to cut the pre-transactional costs involved in accessing a bank branch and allow the working class to send remittances home even when the bank branches were closed.

UBank's CE Mark Williams said workers did not have enough time to access a bank branch as they went underground in the morning and by the time they came out of the mine shaft banks would already be closed.

Now the partnership with Blue Label will provide UBank with a mobile solutions platform allowing its customers, mainly workers, to use cellphone banking, electronic money transfer anytime of the day and saving them the costs of having to pay for transport before accessing a bank.

"There are costs of going to the bank (for the workers)... what we want to do is to eliminate pre-transaction costs ... the risk associated with having money on your pocket ... So it's not about the commercial benefits but social benefits," Williams said.

Mark Levy the joint chief executive of Blue Label said the vision of his company has always been taking a product to the people and the partnership with UBank would give workers access to "branchless banking".

"From a technical perspective we will ensure that it is competitive. Our approach is, there has to be value for the customers."

The costs of transacting are still not clear. But UBank said it had tested the initiative through a pilot project involving 23 000 customers. UBank has about 500 000 clients. The partnership with Blue Label in the future, will offer bundle contracts to miners that will allow them to buy airtime using their phones, check bank statements, buy electricity vouchers and Blue Label will have an opportunity to advertise its products.

UBank is born of mine workers recruitment agency Teba, which now has banking facilities, such as savings, loans, funeral plans and transactional accounts.

