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Mbanking to extend reach

A financial services company Ubank, formerly known as Teba Bank, has partnered with Blue Label Telecoms to provide banking services to a broader spectrum of the population.

Ubank, which has 500 000 customers mainly in the mining industry, says it wants to grow its customer base to more than one million in the next year.

According to Ubank, Blue Label Telecoms has developed an integrated mobile solutions platform which provides the back-end infrastructure to mobile banking solutions, such as cellphone banking, mobile wallets and electronic money transfer, and other value-added services, such as prepaid airtime and electricity, transport and event ticketing, and lotto.

According to Blue Label Telecoms CEO, Mark Levy, the mobile technology platform has proven capability to process secure transactions and an extensive distribution network is key to enabling Ubank to deliver to its customer base.

He says, at the moment, the only major challenge that they are facing in rolling out this product is governance issues around banking. Levy however says that countries are responding to this.

The chief executive at Ubank, Mark Williams, says the move is part of its repositioning strategy of taking the product to the people. "This comes with our understanding the financial services needs of the working class."

"Our customers require banking and transactional products which address the particular financial requirements in difficult travelling and working conditions," he adds.



“In most cases, especially in the mining industry that we have been focusing on, workers do not have enough time to access banks and the costs of transport to the bank are usually high for the working class especially those in rural areas.”

This platform will eliminate risks as well as pre-transaction costs.

According to Ubank, the product will be rolled out in phases over the next few years and so far the technology has been piloted on 23 000 customers. The bank says it is sending notifications about the service to its existing customers and it will embark on a marketing and education initiatives.

This is in line with global mobile payment. Gartner predicts that the number of mobile payment users will reach more than 190 million in 2012, representing more than 3% of total mobile users worldwide and attaining a level at which it will be considered "mainstream".

Levy says research has predicted that mobile banking will grow more than sixteen-fold by value over the next five years globally.

“SA demographics, such as 'banked' versus 'unbanked' customers, places SA favourably for the rapid uptake of this technology by a broad spectrum of the population.”

FinScope's 2009 Banking Study revealed that more than 40% of the South African population remain unbanked or under-banked, and over the last two years this number has increased.