



Article taken from [<http://www.businessday.co.za/articles/Content.aspx?id=128572>]
3 December 2010

Ubank provides mobile service to draw clients

UBANK, formerly known as Teba Bank, is to add mobile banking to its products to target clients beyond its traditional market.

Ubank partnered with Blue Label Telecoms , the distributor of prepaid products and secure electronic payment technology, to provide mobile banking services such as short message service notifications and balance inquiries using the telecommunications company's technology platform.

Ubank has a client base of 500000, who hold deposits worth about R3bn. It has 90 branches, 52 agencies and 80 automatic teller machines countrywide.

So far it has sent 23000 customers notifications about the service as part of its pilot programme, and will embark on a marketing and education drive to convince its clients to use it. The bank is catching up with rivals that are already providing the services to customers.

More services will be added later, which will include prepaid mobile airtime, prepaid electricity purchases and an insurance offering.

Ubank CEO Mark Williams said the partnership would be beneficial to customers as they would have all-day access to the banking facility.

The bank hopes that the new mobile banking will be a significant acquisition strategy that will help increase its client base to more than 1-million and reach far more people than before.

Mr Williams said Ubank was a workers' bank and would target more workers from all economic sectors.

Ubank is majority owned by a trust jointly managed by the National Union of Mineworkers and the Chamber of Mines. The bank has already spent R180m on a new information technology platform to prepare for the larger diversified customer base.

According to FinScope's 2009 Banking Study, more than 40% of the South African population was unbanked or under-banked, and over the past two years this number has increased.

Globally, mobile banking is expected to grow more than sixteenfold by value over the next five years, and South African demographics, such as banked versus unbanked customers, placed "us favourably for the rapid uptake of this technology by a broad spectrum of the population", said Mark Levy, joint CEO of Blue Label Telecoms.



He said Blue Label's technology platform was "device agnostic" as it was compatible with any mobile devices.

The uptake of the services will also be boosted by the range of cellphone handsets on the market, many of which come standard with the technology that allows a variety of data services.