



Press release

African Fintech innovation is about improving client access rather than experience

16 August 2016 - Logistics and infrastructure challenges, together with high business start-up costs, have in the past prevented many financial institutions from establishing themselves in developing markets. Thanks to technology and mobile phones, this is no longer the case.

So just how are and can mobile devices benefit consumers in emerging markets, and where does the fast-growing FinTech sector fit in?

Tim Nuy, executive director at leading African FinTech company, MyBucks, believes that with the uptake of mobile devices in Africa continuing to increase at a rapid rate, one needs to think of FinTechs as enablers rather than disruptors.

“Take the concept of mobile money, for instance. It is something that is already relatively well known across the African continent thanks to the likes of products such as M-PESA, Eco Cash, etc. It is these players that continue to play a significant role in getting mobile money to the poorest of the poor in the most remote regions,” he says. “However, in my view, in Africa it is not as much about increased convenience but rather increased ‘access’ to mainstream financial services such as credit and insurance, that presents the most opportunity.”

For Nuy, another important aspect to consider is the fact that traditional brick and mortar, and people on the ground, cost money. “This scenario makes it unsustainable to service clients through traditional banking or financial services models within emerging markets and Africa in particular”

In addition, the distances between and distribution of the population, together with the fact that they don’t have huge wealth, means that as a whole these markets don’t really establish a strong business case in terms of establishing branches in these areas.

“So in effect this means that, while in developed countries, FinTechs challenge credit and financial processes where turnaround times are about increased convenience. In Africa however, FinTechs can be regarded as game changers, as they fill a longstanding void by promoting financial inclusion,” he explains.

Just as bookstores may not favour the introduction of electronic books, and CD shops and video stores the likes of Amazon and Netflix, Nuy says the traditional banking sector may not necessarily fully appreciate the new innovation brought to the sector via ongoing FinTech developments.

“The difference though is that banks are large, licensed and regulated institutions with very large balance sheets, will continue embracing technology through either buying the FinTech innovators, or by throwing money at their own innovation,” he concludes.

About MyBucks

MyBucks is a FinTech company based in Luxembourg that delivers seamless financial services through technology. Through its brands GetBucks, GetBanked and GetSure the company offers unsecured consumer loans, banking solutions as well as insurance products to customers. MyBucks has experienced exponential growth since its inception in 2011 and today has operations in twelve African and two European countries. MyBucks aims to ensure that its product offering is accessible, simple and trustworthy, in comparison to traditional, non-technological methods, ultimately working towards enhancing the benefits to the customer. The MyBucks product offering enables customers to manage their financial affairs



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