Financial Services Agent Survey
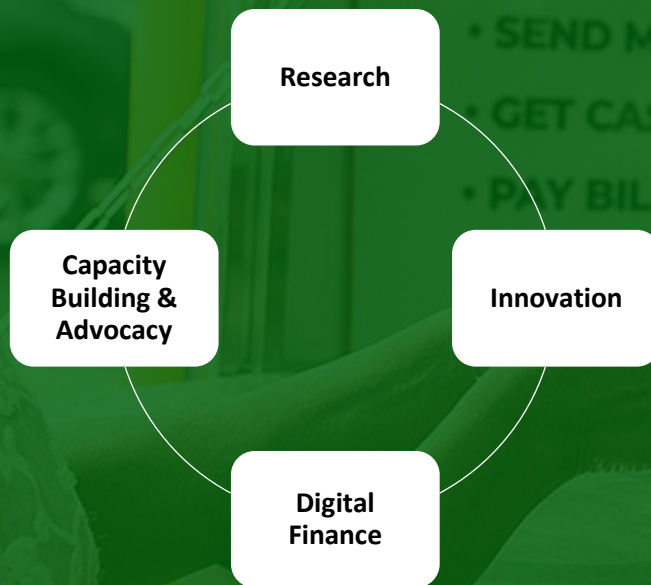
Key Findings

June 2020

About EFInA

Enhancing Financial Innovation & Access (EFInA) is a financial sector development organisation that promotes financial inclusion in Nigeria. Established in late 2007, our mission is to make the Nigerian financial system work better, especially for the poor. EFInA works through four pillars:

- Research
- Innovation
- Digital Finance
- Capacity Building & Advocacy

EFInA is funded by UK Government's Department for International Development (DFID) and the Bill & Melinda Gates Foundation.

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- Agents profile
- Business operations
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- Possible Solutions
- Impact of Covid-19 on Agents' operation

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BACKGROUND & METHODOLOGY

Research Objectives

- ❑ Understand and highlight some of the operational determinants of a sustainable financial services agent network
- ❑ Understand what agents are charging, price determination mechanism, compliance with price regulation
- ❑ Identify some of the factors driving the uptake of or hampering agent services in Nigeria,
- ❑ Identify agents' motivation
- ❑ Capture agent perceptions on how to increase the uptake and usage of agent services
- ❑ Understand the impact of the COVID-19 pandemic on financial services agent's business.

Research Methodology

- ❑ Face to Face interviews with financial services agents
- ❑ Agents were located through their branding materials and based on referrals
- ❑ 1618 financial service agents were randomly selected (based on proportion of agents per region and by provider type in the SANEF database) and interviewed by Nielsen.
- ❑ Interviews were conducted in February 2020
- ❑ The COVID-19 impact survey covers a sample of 735 agents from the previous survey who indicated willingness to participate in subsequent surveys.
- ❑ Data collection was done in May 2020 using Computer Assisted Telephone Interviews

Spread across the regions but mostly found in the urban regions.

Location Classification (FSAS)

Location	Value
Urban	54%
Peri-Urban	7%
Rural	39%
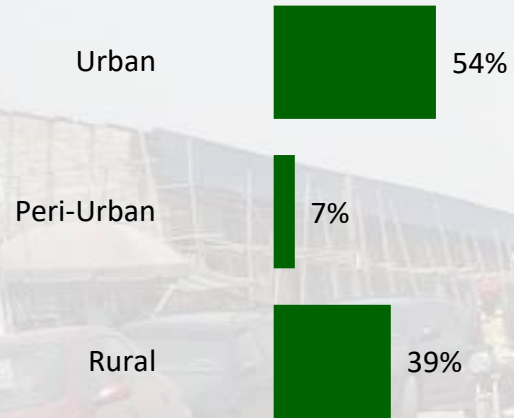
Region
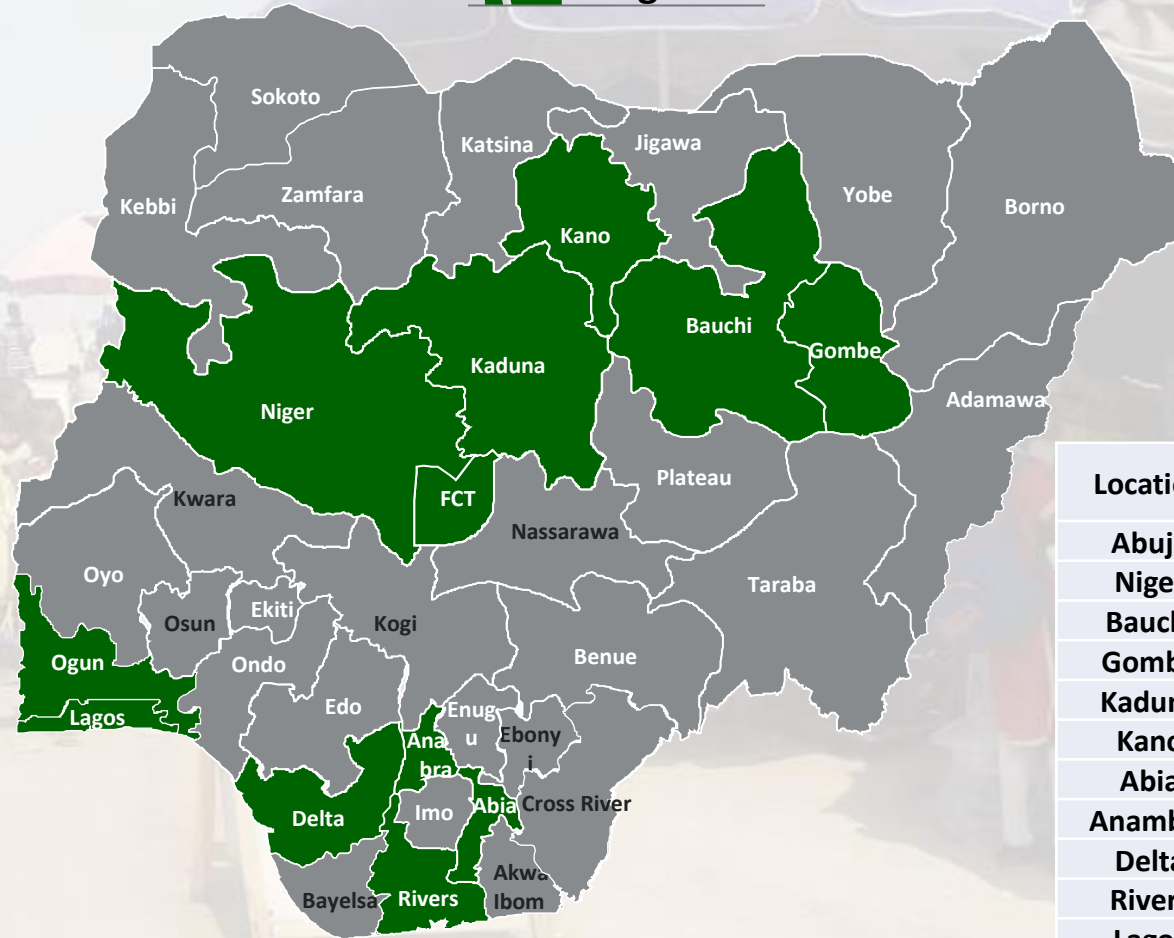
Sample

Location	FSAS	COVID Impact
Abuja	182	88
Niger	84	40
Bauchi	84	40
Gombe	72	37
Kaduna	123	64
Kano	203	98
Abia	66	33
Anambra	57	24
Delta	117	50
Rivers	78	34
Lagos	452	179
Ogun	100	48
Total sample	**1618**	**735**

Base: 1618

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EFInA — Enhancing Financial Innovation & Access

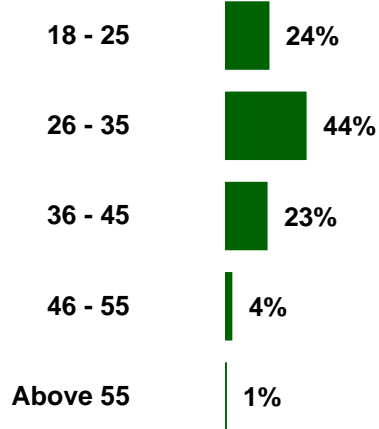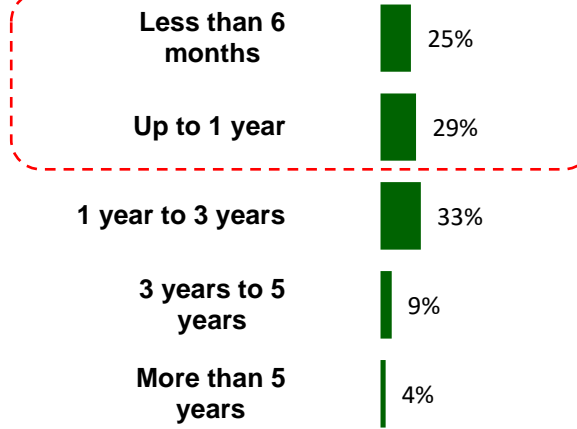## Agents surveyed are predominantly male, youthful and new to the business. Nearly one-third of agents are dedicated

Gender

35% | 65%

Age

18 - 25	24%
26 - 35	44%
36 - 45	23%
46 - 55	4%
Above 55	1%

Time in Business

Less than 6 months	25%
Up to 1 year	29%
1 year to 3 years	33%
3 years to 5 years	9%
More than 5 years	4%

Provider Type

Deposit Money Banks	901
Super Agents	861
Mobile Money	637
Microfinance	75

Education

Secondary complete	33%
University/Polytechnic Incomplete	15%
University/Polytechnic Complete	40%
Post-university	11%

Status

Non-Dedicated	70%
Dedicated	30%
Non-Exclusive	60%
Exclusive	34%
Non-Licensed	6%
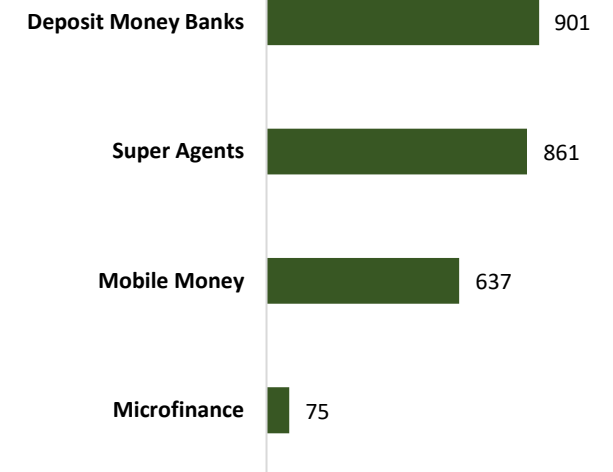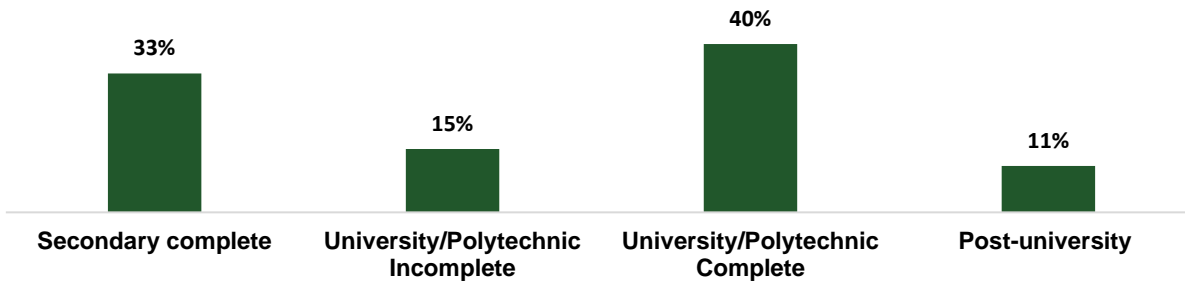
Base: 1618
The sample includes agents who had performed at least one transaction in the past 30 days

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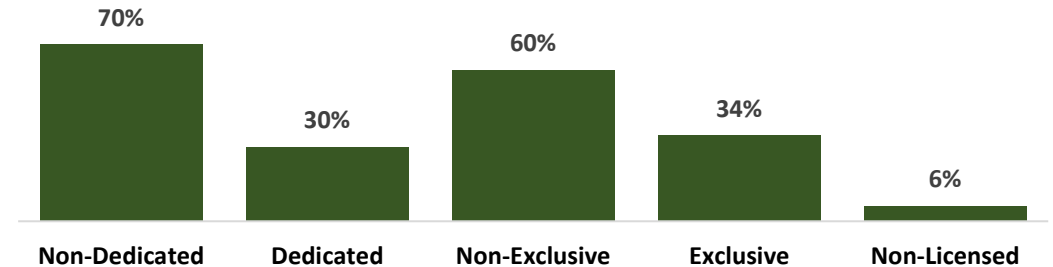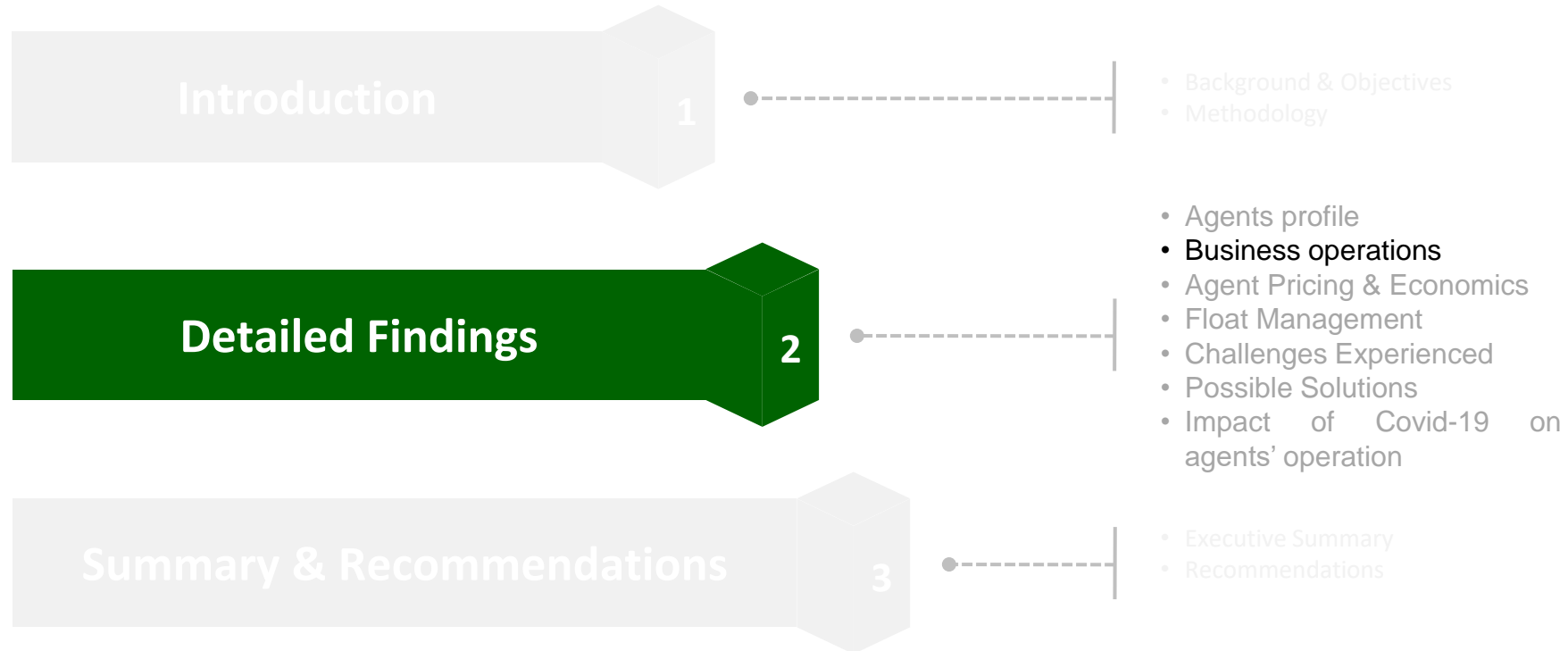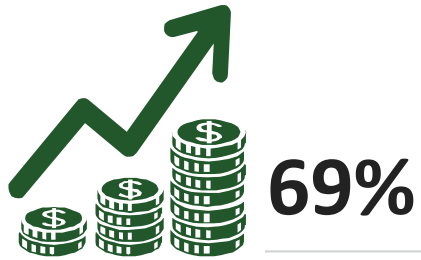**Agents surveyed work for different principals/service providers. Nevertheless, First Bank (First Monie), OPay, QuickTeller, and MTN top the list of principals worked for.**

	Principals Worked For	Major Principal
First Bank	37%	18%
Pay Com(OPay)	28%	11%
Interswitch Financial Inclusion Services (IFIS)/QuickTeller	17%	11%
MTN	16%	9%
Paycentre	11%	7%
Capricorn Digital	7%	3%
Paga (Pagatech)	10%	4%
Zenith Bank	10%	3%
Access Bank	12%	3%
Guaranty Trust Bank (GTB)	9%	2%
Eco System's Accelerex	4%	2%
Xpress Payment	3%	2%
Airtel	4%	2%
LAPO Microfinance Bank	3%	2%
Contec Global (NowNow)	5%	1%
Mimo (MKudi)	3%	1%
Itex	3%	1%
First City Monument Bank (FCMB)	4%	1%
Union Bank	3%	1%
United Bank for Africa	3%	1%
Pocket Moni (ETranzact)	3%	1%

What are these firms doing differently ? (new entrants playing catch up)

Base: 1618

A8a. Please mention all the providers you are registered with?

A9. Which of these providers platform do you process most transaction on?
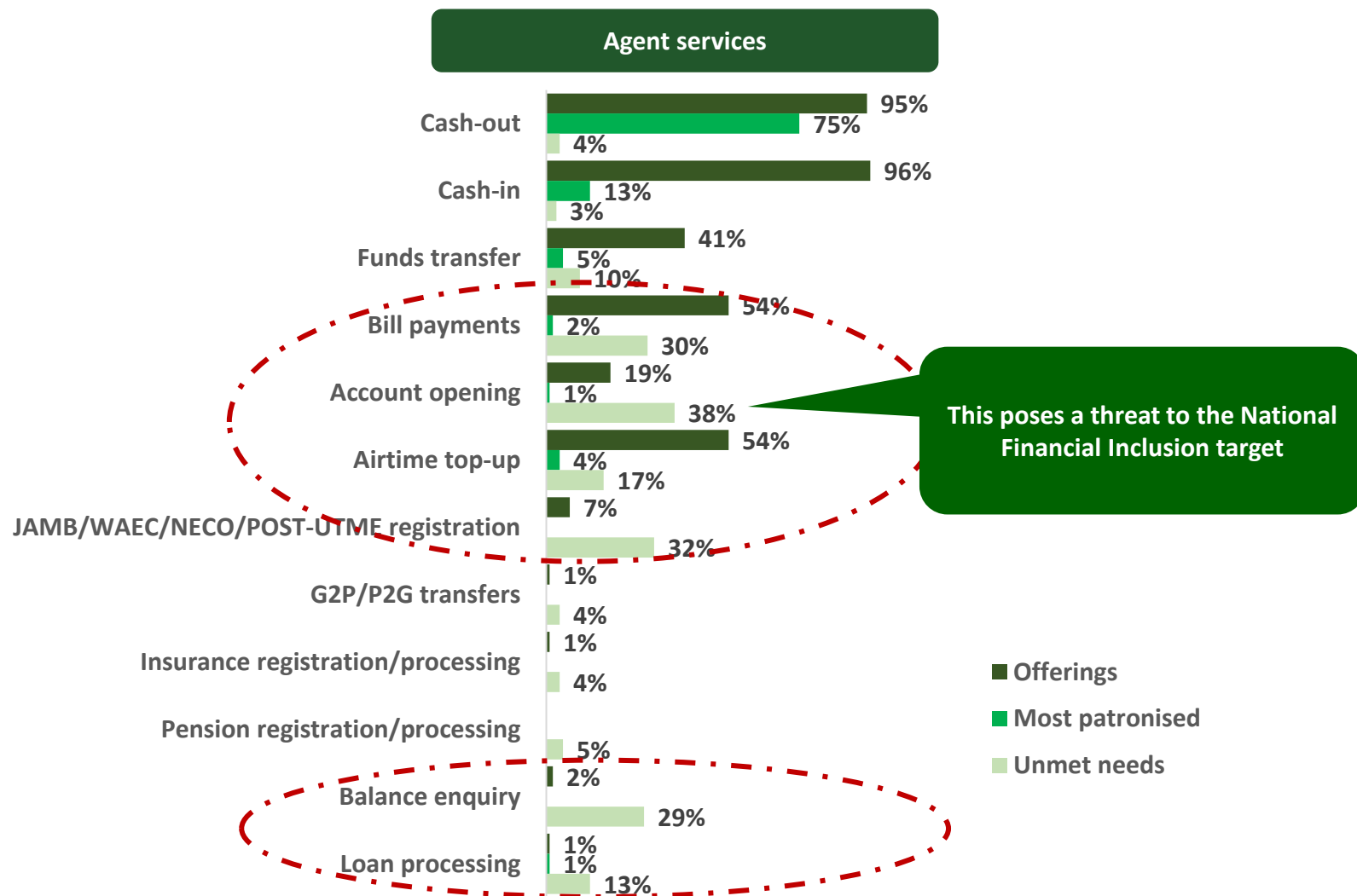
9

Agents' choice of principal is determined by some critical business model attributes. Other factors were reliability of platform, trust, proximity and ease of usage.

69%

Additional income is the main reason for becoming an agent

	Factors determining choice of principal	Main Factor
Better commission	59%	27%
Technology/platform is more reliable	49%	21%
Trust them	48%	13%
Proximity – convenient access	46%	15%
Stress-free to work with	40%	8%
The requirements are easy to meet/no stringent requirements	21%	4%
Have quick access to rebalancing	15%	2%
They approached me and convinced me	7%	3%
Swift support	7%	1%
A provider am more familiar with	7%	1%
Because others (family members/community/members/friends) use them	5%	
Enables access to soft loans	4%	
Effective network services	2%	
Charge rate(s)/ Cost of charges / Tarrif / VAT	1%	
How quick the solve problems	1%	

Base: 1618

A8a. Please mention all the providers you are registered with?   A9. Which of these providers platform do you process most transaction on?

Account opening, institutional registration, bill payments and balance enquiry top the list of sought-after transactions by customers although not commonly offered by agents

Agent services

Service	Offerings	Most patronised	Unmet needs
Cash-out	95%	75%	4%
Cash-in	96%	13%	3%
Funds transfer	41%	5%	10%
Bill payments	54%	2%	30%
Account opening	19%	1%	38%
Airtime top-up	54%	4%	17%
JAMB/WAEC/NECO/POST-UTME registration	7%		32%
G2P/P2G transfers	1%		4%
Insurance registration/processing	1%		4%
Pension registration/processing			5%
Balance enquiry	2%		29%
Loan processing	1%	1%	13%

This poses a threat to the National Financial Inclusion target

Legend:
- ■ Offerings
- ■ Most patronised
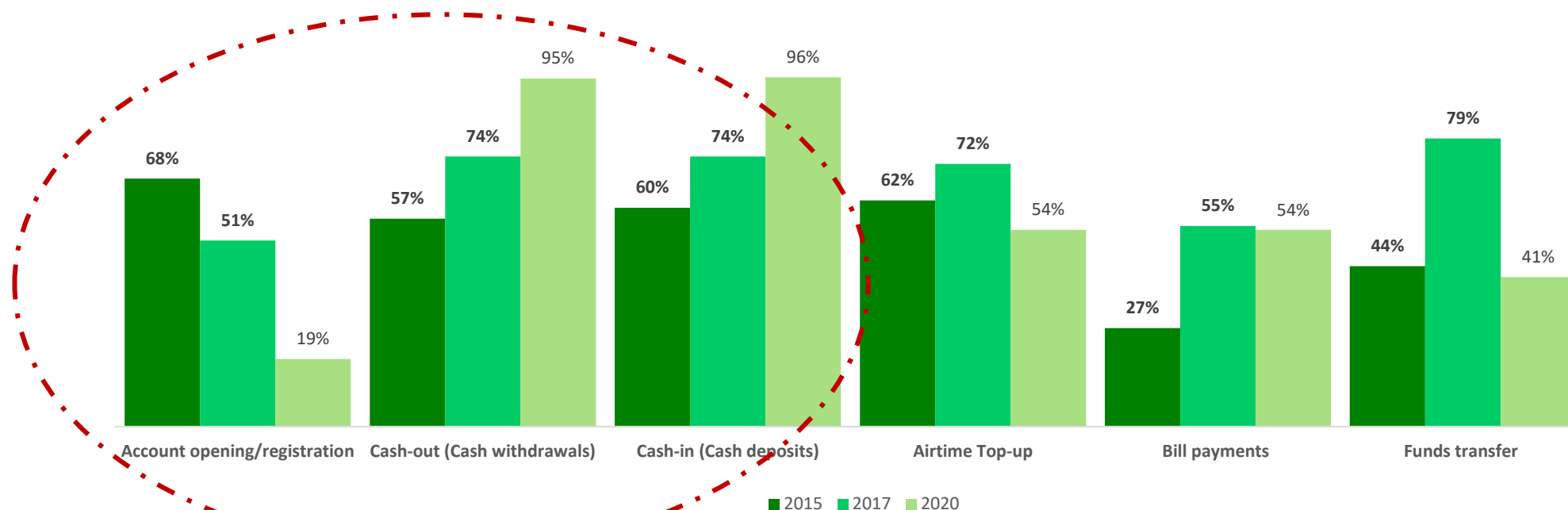- ■ Unmet needs

Base: 1618
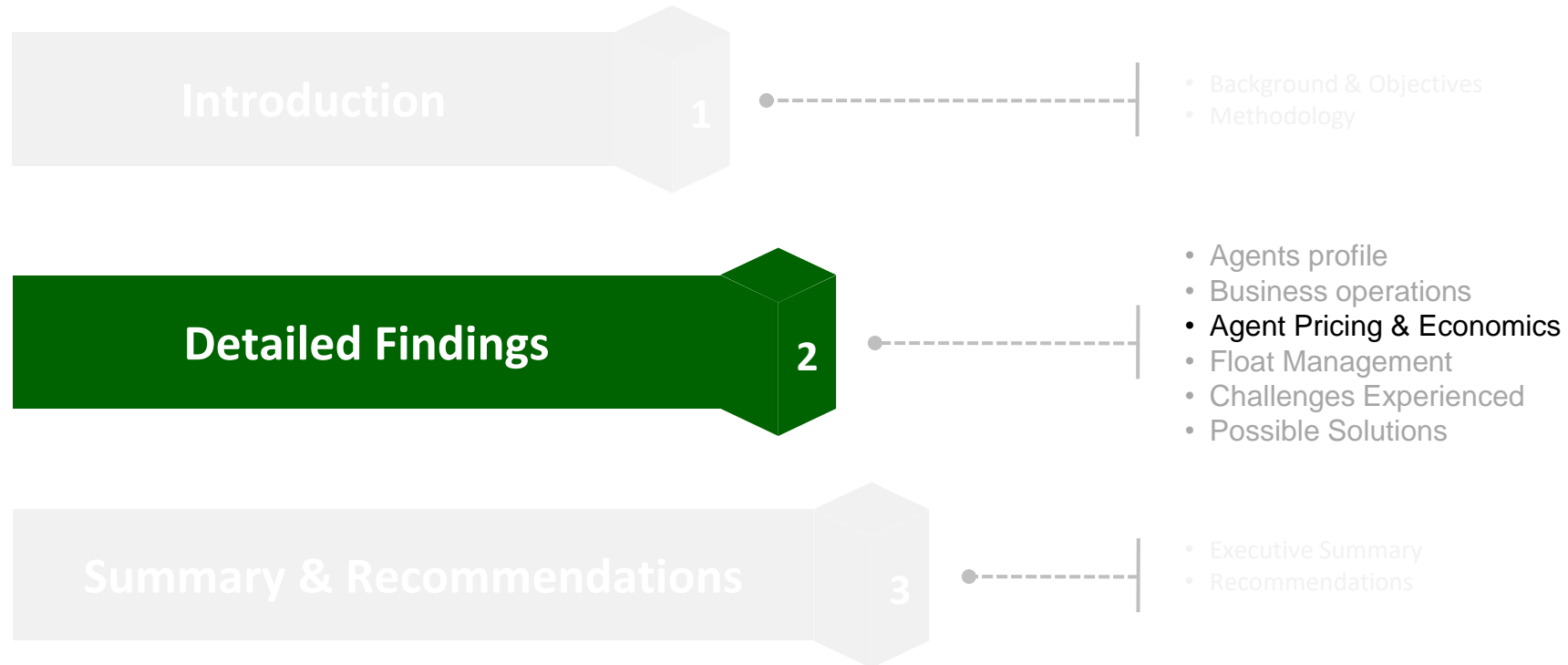A6a. Which of the following services did you offer to your customers?
A6b. Which of the service did your customers use the most?
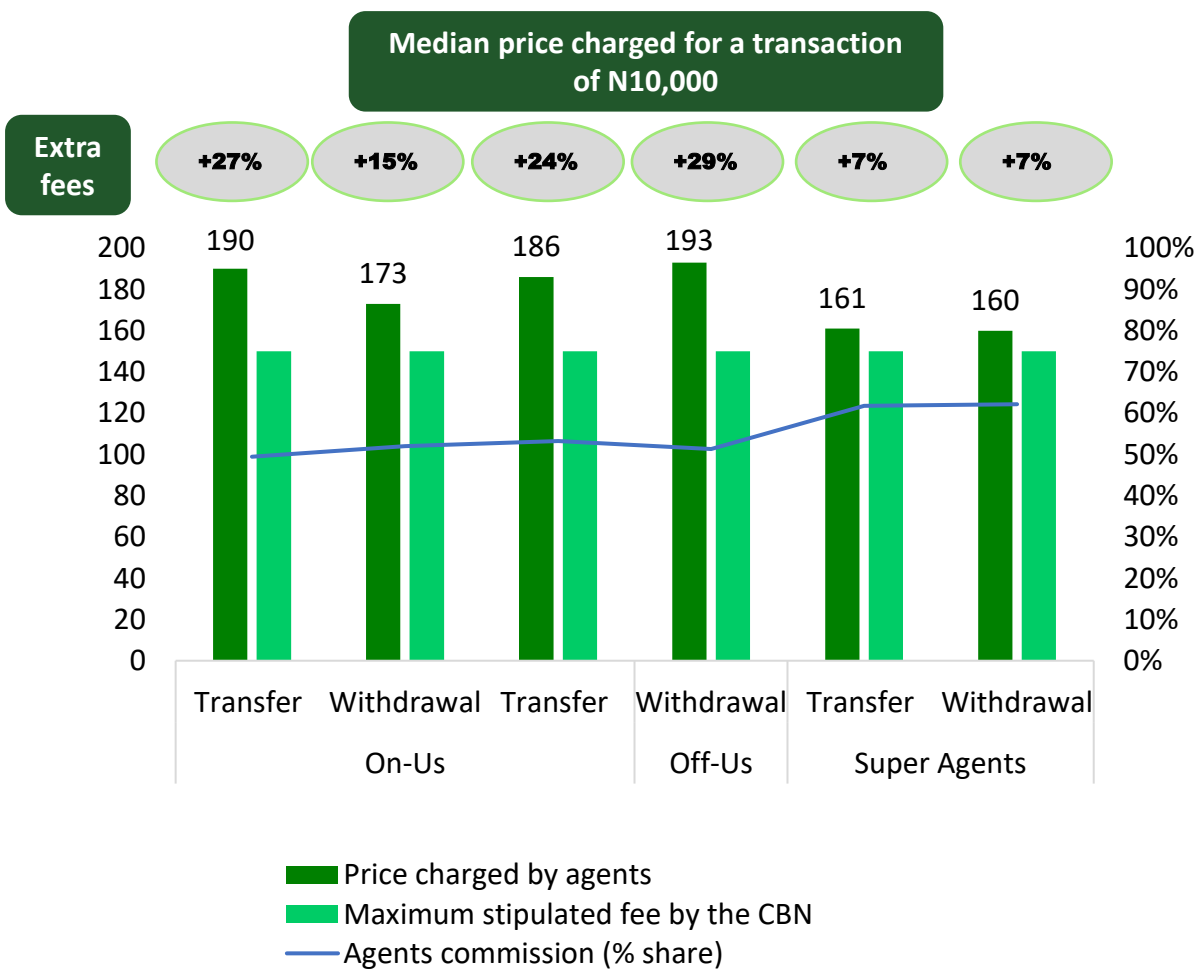Which services do customers demand for that you do not currently offer?

The percentage of agents who offer account opening services has decreased significantly since 2015. Over the same period, the percentage of agents who offer CICO transactions has increased significantly

% of agents who provide these services

	2015	2017	2020
Account opening/registration	68%	51%	19%
Cash-out (Cash withdrawals)	57%	74%	95%
Cash-in (Cash deposits)	60%	74%	96%
Airtime Top-up	62%	72%	54%
Bill payments	27%	55%	54%
Funds transfer	44%	79%	41%

Base: 1618
A6a. Which of the following services did you offer to your customers?

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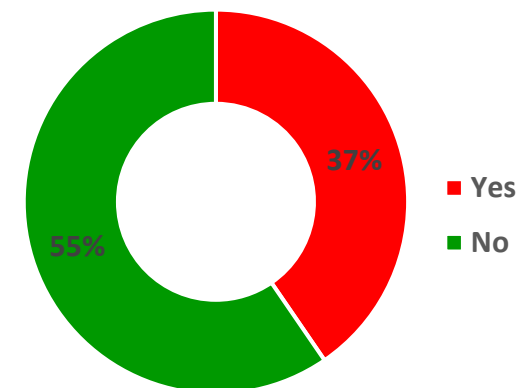**2**

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Nearly 2 out of 5 agents charge above the maximum fees stipulated by CBN. Agents Of these, one-third charge extra fees to stay in business while others do so to make extra money. On the average, agent commission make up 55% of the price charged.

Median price charged for a transaction of N10,000

Extra fees

| +27% | +15% | +24% | +29% | +7% | +7% |

190 173 186 193 161 160

200
180
160
140
120
100
80
60
40
20
0

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

| Transfer | Withdrawal | Transfer | Withdrawal | Transfer | Withdrawal |
| On-Us | | Off-Us | | Super Agents | |

■ Price charged by agents
■ Maximum stipulated fee by the CBN
— Agents commission (% share)

Ever charge higher prices than stipulated by Provider?

37% Yes
55% No

How often do you charge higher fees (% of those who charge higher fees)

26% Always
21% Very Often
50% Sometimes
4% Rarely
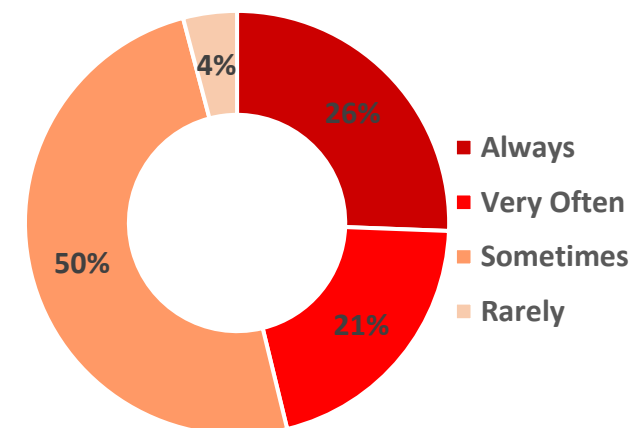
P1: What is the typical price charged?
Price cap based on regulation:1.5% of transaction value or N500, whichever is lower

Majority of agents charge a fixed fee structure even as financial service providers lose majority control of the price determination mechanism
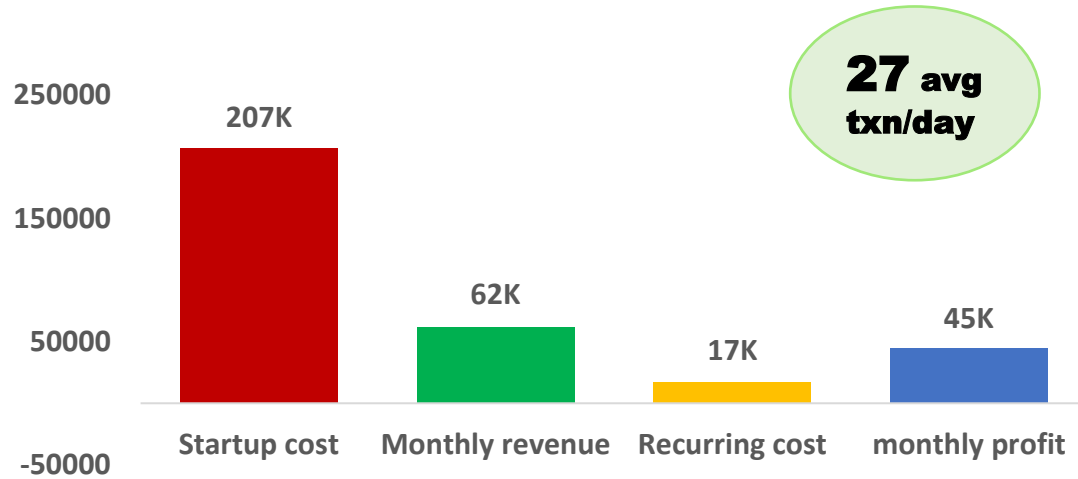
Fee Structure

		Fixed	Percentage	Tiered
Super Agents	Withdrawal	69%	6%	25%
	Transfer	70%	6%	24%
Off-Us	Withdrawal	72%	7%	21%
	Transfer	72%	7%	21%
On-Us	Withdrawal	73%	7%	20%
	Transfer	73%	8%	20%

■ Fixed ■ Percentage ■ Tiered

Price Determination Mechanism (who determines price charged)

	2020	2017
Both	22%	
Financial services provider	36%	53%
Agent	42%	45%

■ Agent ■ Financial services provider ■ Both
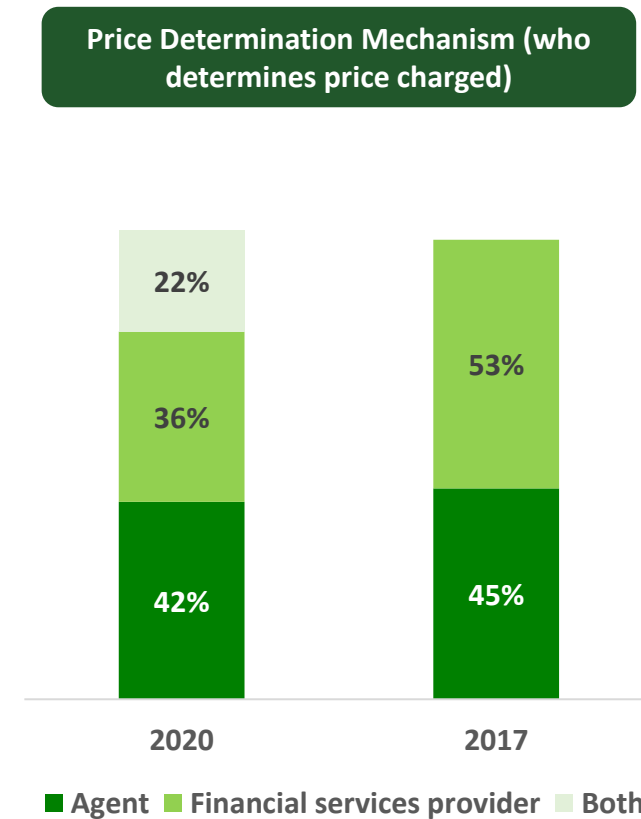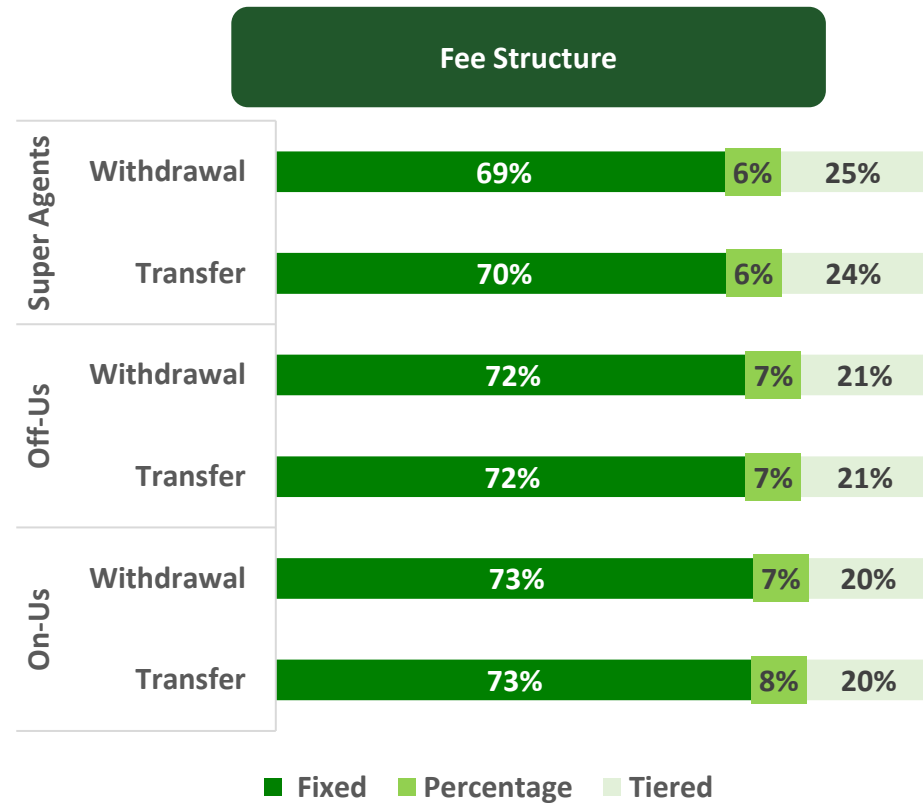
P2: How do you arrive at the typical price charged?
P4: Are the charges set by you or the Financial Service Provider you work for?

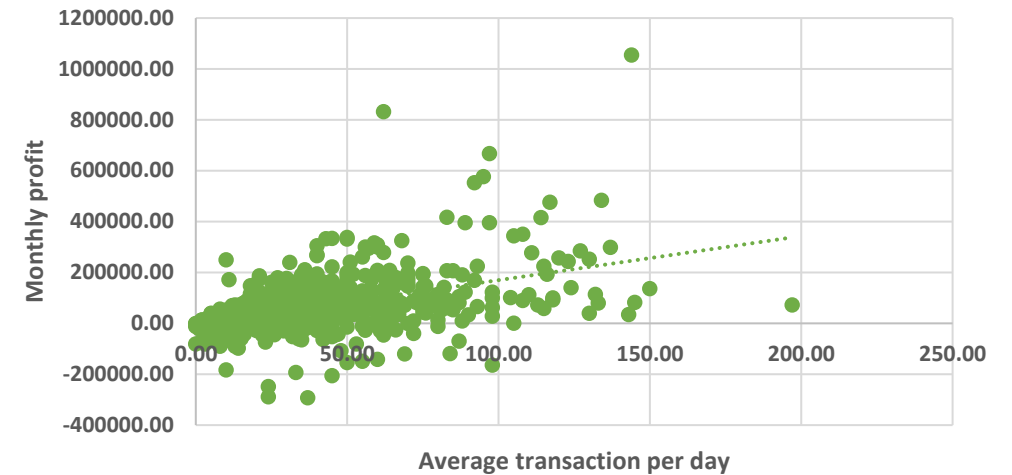# Financial services agents are profitable with an average of 27 transaction per day and a 73% profit margin
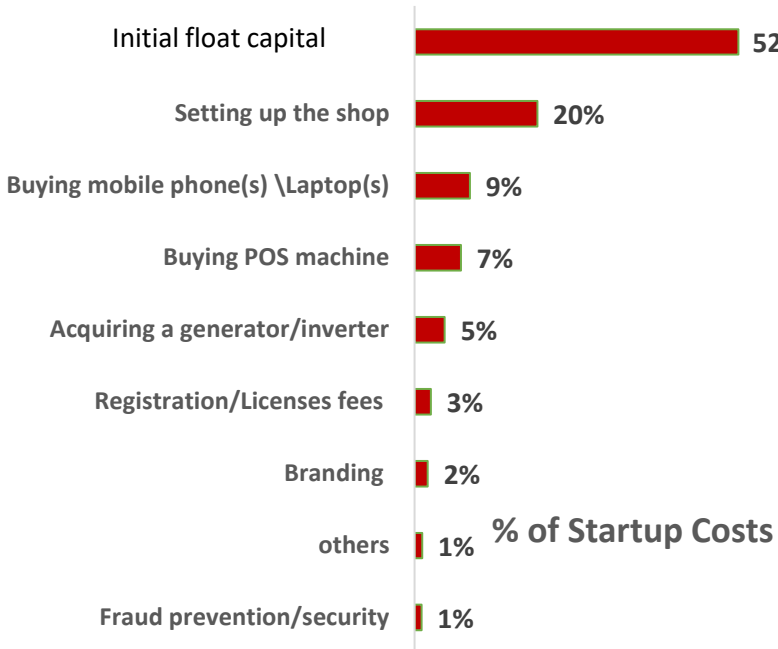
Agent Economics

27 avg txn/day

Bar chart values:
- Startup cost: 207K
- Monthly revenue: 62K
- Recurring cost: 17K
- monthly profit: 45K

Agents profit closely correlated with daily transactions

Y-axis: Monthly profit
X-axis: Average transaction per day

Recurring revenue is calculated assuming 25 working days in a month and is the sum of commissions received across all financial services offered. Daily revenue is estimated as the typical commission received on each financial service offered multiplied by the total number of that transaction performed on a typical day

Average revenue excludes extra fees (upcharges); Average cost blends dedicated and non-dedicated agents (note: Non-dedicated costs do not include rent, utilities, or store maintenance);

Agent profitability is a function of several cost and revenue drivers.

Start-up costs
% of Startup Costs

Initial float capital	52%
Setting up the shop	20%
Buying mobile phone(s) \Laptop(s)	9%
Buying POS machine	7%
Acquiring a generator/inverter	5%
Registration/Licenses fees	3%
Branding	2%
others	1%
Fraud prevention/security	1%

Recurring revenue
% of monthly revenue

CICO transactions	76%
Funds Transfer[1]	9%
Transactions[2]	9%
Adjacencies[3]	3%
Account[4]	2%

Recurring cost[5]
% of recurring cost

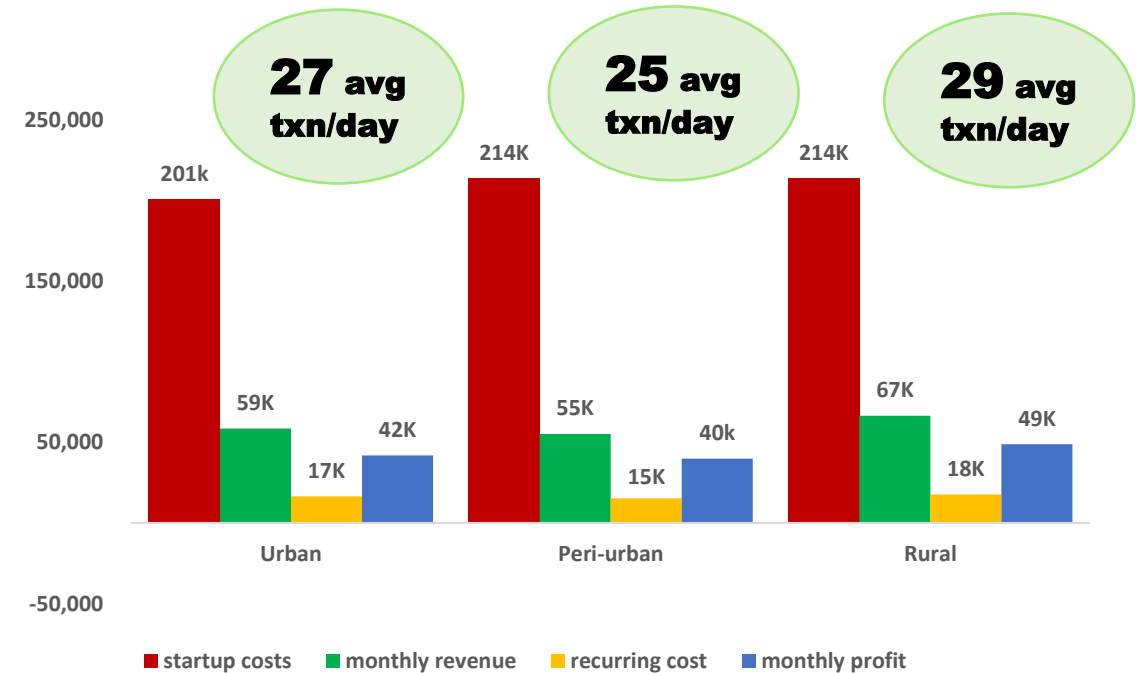|	
Staff /Employee costs	42%
Amount allocated to agent banking business	24%
Internet/network/data	10%
Liquidity management	9%
Rent	4%
Utilities	4%
Losses associated to fraud	2%
Taxes	2%

1. between people, businesses or between people/businesses and the government; 2.Bill payments and JAMB/WAEC registrations; 3. SIM registrations, SIM replacements, and airtime; 4. Account openings; 5: Recurring cost includes rent, utilities, and maintenance for all agents (excl. non-dedicated agents); 6. Utilities Electricity, water, generator (fuel & maintenance)

Viability of agents across geographical zone varies but remain profitable on the average across all zones, with rural agents reporting relatively higher revenue and profits despite higher startup costs.

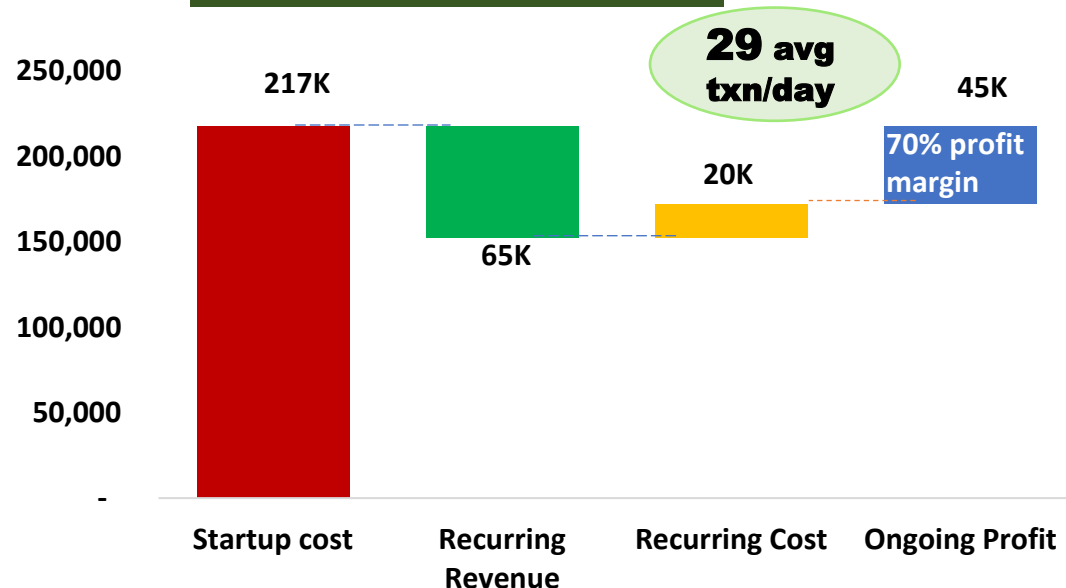| Geographical location	Description	Viability
Urban	Higher DFS penetration Higher banked population Higher proximity to bank branch	Viable
Peri-Urban	High DFS Penetration High banked population High proximity to bank branch	Viable
Rural	Low DFS penetration Low banked population Low proximity to bank branch	Viable

Agent economics by geographical location

27 avg txn/day   25 avg txn/day   29 avg txn/day

Urban: startup costs 201k, monthly revenue 59K, recurring cost 17K, monthly profit 42K

Peri-urban: startup costs 214K, monthly revenue 55K, recurring cost 15K, monthly profit 40k

Rural: startup costs 214K, monthly revenue 67K, recurring cost 18K, monthly profit 49K

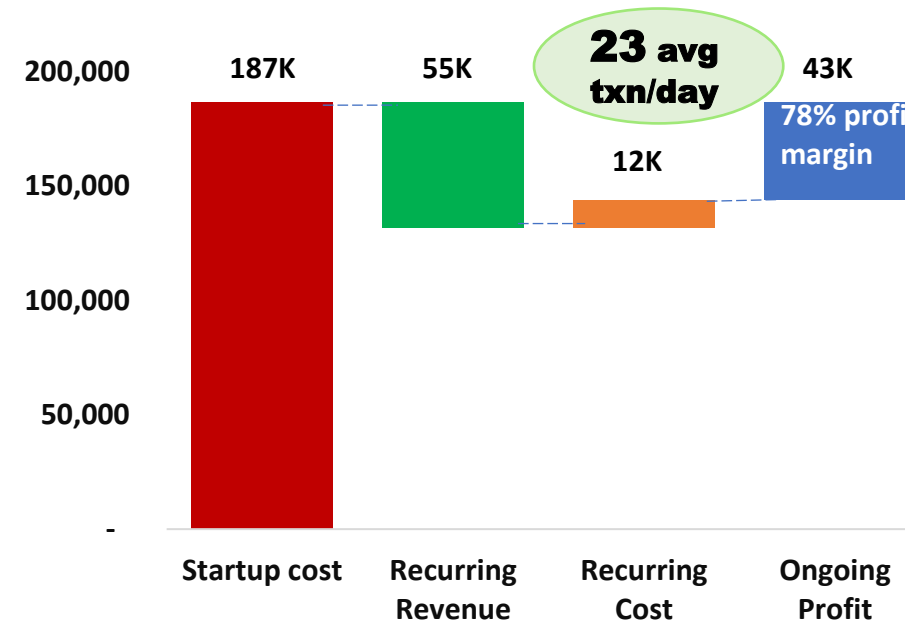■ startup costs   ■ monthly revenue   ■ recurring cost   ■ monthly profit

Rural agents have higher marginal costs (+6% startup and +6% recurring); but also relatively higher monthly profits (+17%) driven by CICO services and higher transaction volumes.[1]

While higher transaction volumes drive profitability for male agents, female agents leverage on lower marginal costs (-14% startup and -40% recurring) for profitability
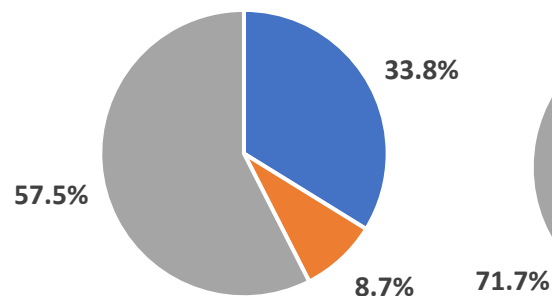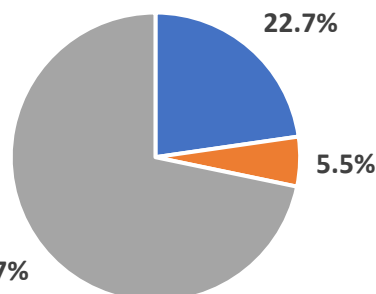
Male Agent Economics

29 avg txn/day

217K — Startup cost
65K — Recurring Revenue
20K — Recurring Cost
45K — Ongoing Profit
70% profit margin

Female Agent Economics

23 avg txn/day

187K — Startup cost
55K — Recurring Revenue
12K — Recurring Cost
43K — Ongoing Profit
78% profit margin

Other gender dynamics

Male Agents

33.8%
8.7%
57.5%

Female Agents

22.7%
5.5%
71.7%

■ Majority Male   ■ Majority Female   ■ Balance

Female agents appear to be more gender neutral in their customer reach

13% of agents report that customers prefer to engage with a specific gender or agent
- 48% opposite gender
- 34% same gender

A19. What are the gender balance of customers that come in?

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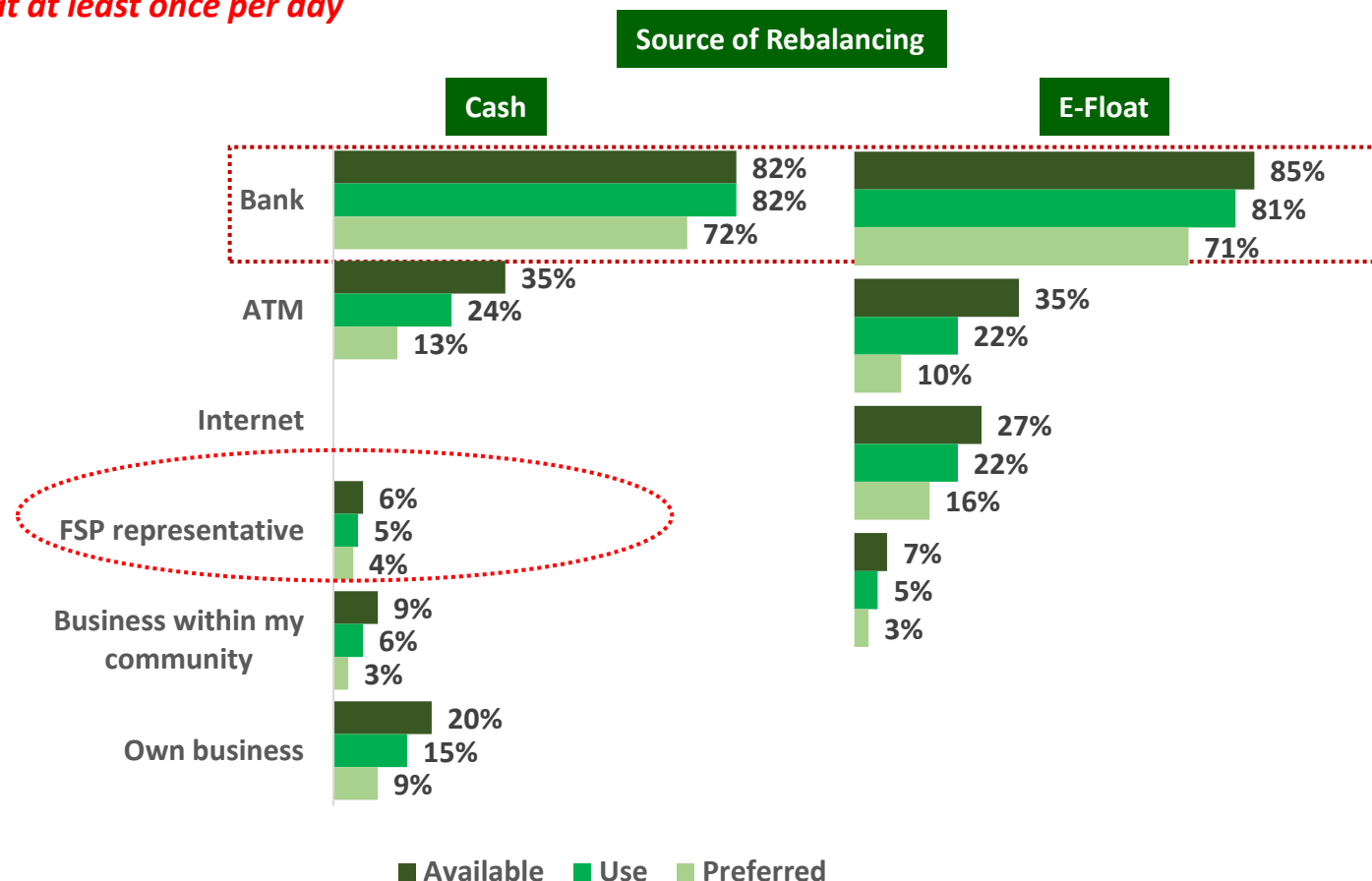- Possible Solutions
- Impact of Covid-19 on agents' operation

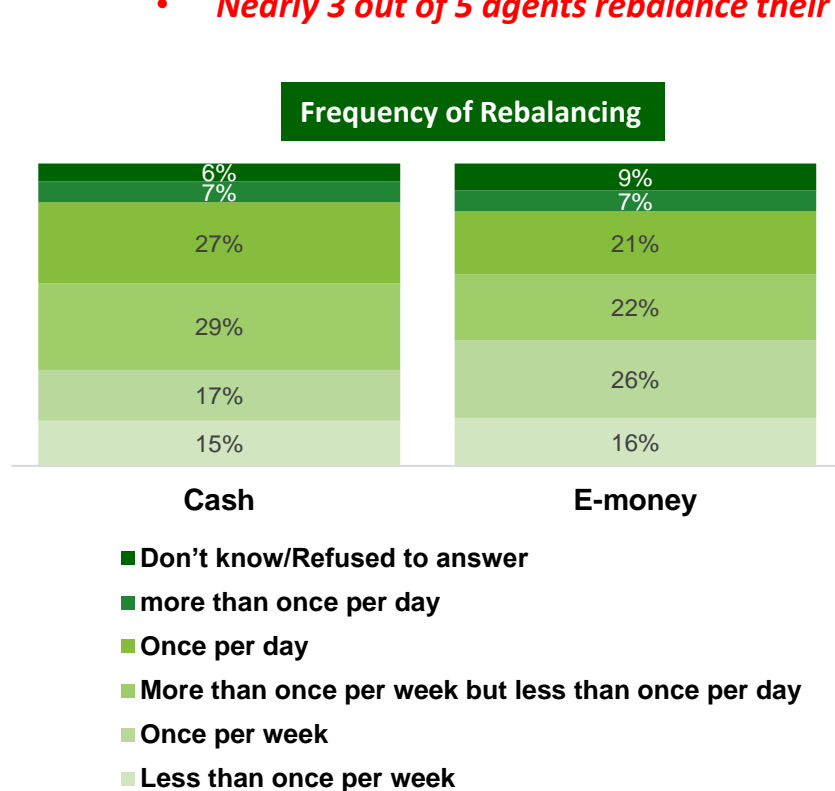**Summary & Recommendations** — 3
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Banks remain the most common and preferred source of rebalancing as 7 out of 10 agents prefer to rebalance their floats from banks. This method of rebalancing involves associated costs as 4 out of 5 agents get to their nearest rebalancing point through transport.

- The median amount of cash float and E-float kept as trading float is N77500 and N95000 respectively
- *Nearly 3 out of 5 agents rebalance their cash float at least once per day*
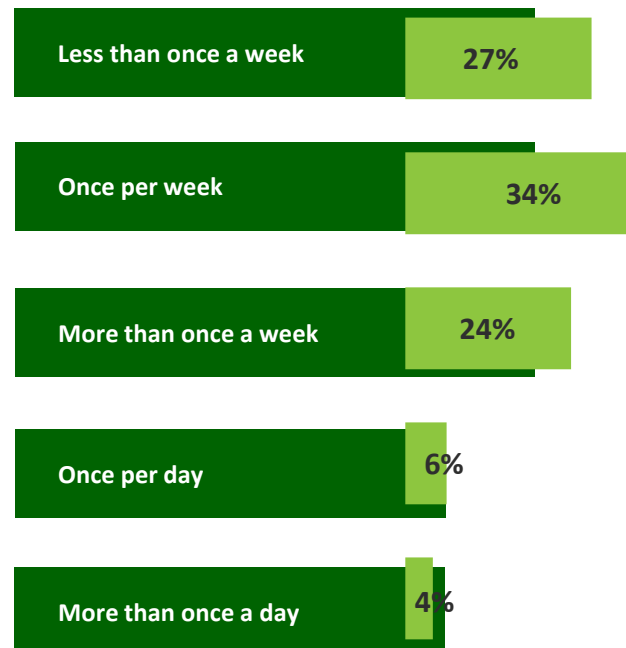
Frequency of Rebalancing

Source of Rebalancing

Cash

	Cash		E-money
Don't know/Refused to answer	6%		9%
more than once per day	7%		7%
Once per day	27%		21%
More than once per week but less than once per day	29%		22%
Once per week	17%		26%
Less than once per week	15%		16%

Legend:
- ■ Don't know/Refused to answer
- ■ more than once per day
- ■ Once per day
- ■ More than once per week but less than once per day
- ■ Once per week
- ■ Less than once per week

Cash

	Available	Use	Preferred
Bank	82%	82%	72%
ATM	35%	24%	13%
Internet			
FSP representative	6%	5%	4%
Business within my community	9%	6%	3%
Own business	20%	15%	9%

E-Float

	Available	Use	Preferred
Bank	85%	81%	71%
ATM	35%	22%	10%
Internet	27%	22%	16%
FSP representative	7%	5%	3%

Legend: ■ Available ■ Use ■ Preferred

6 out of 10 agents run out of cash usually weekly. This is unsurprising given the most patronized agent service is cash withdrawal.
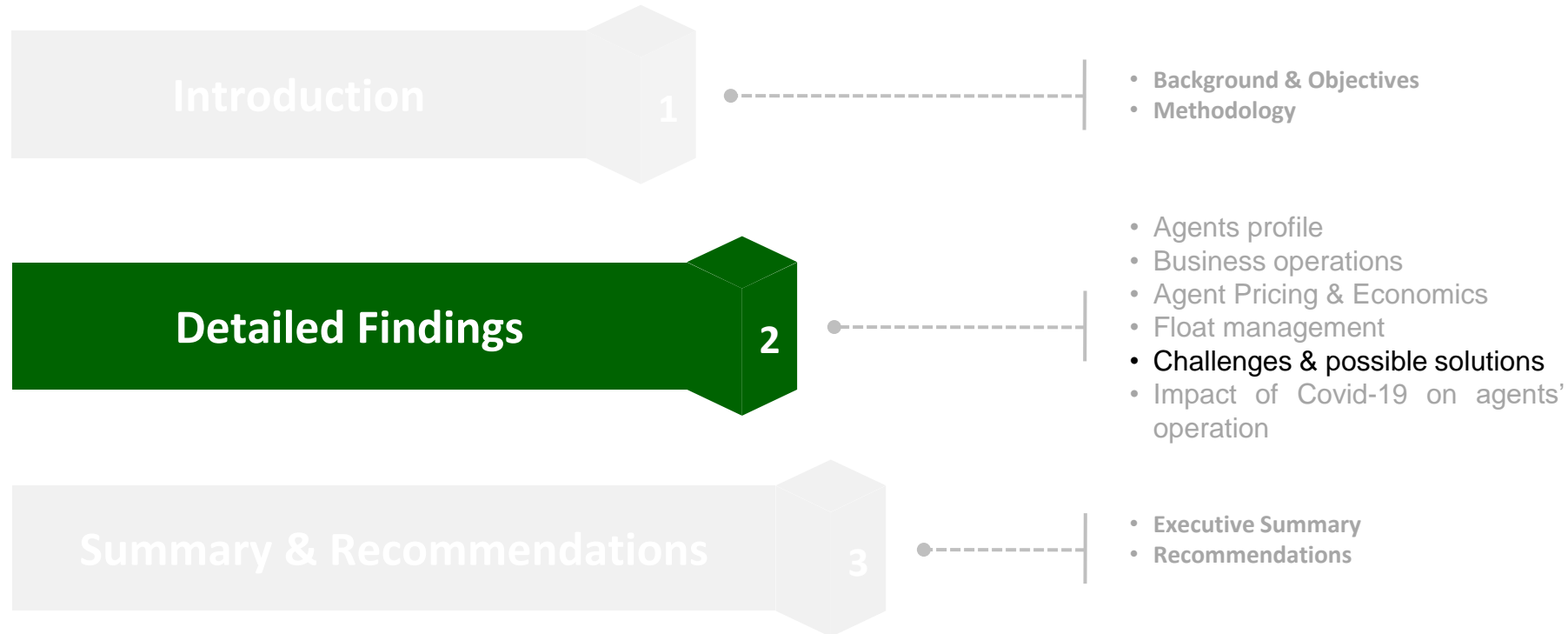
**63%
Run out of cash**

This underlines the important of float management training and aiding agents with cash advances/loans to prevent disruption to their services.

Less than once a week	27%
Once per week	34%
More than once a week	24%
Once per day	6%
More than once a day	4%

24% Get charged for rebalancing

Similarly, access to loans is for a select few which again highlights importance of providing financial support for agents.

66% Do not have access to loans to balance their float

Base: 1618
L11: Do you ever run out of float?

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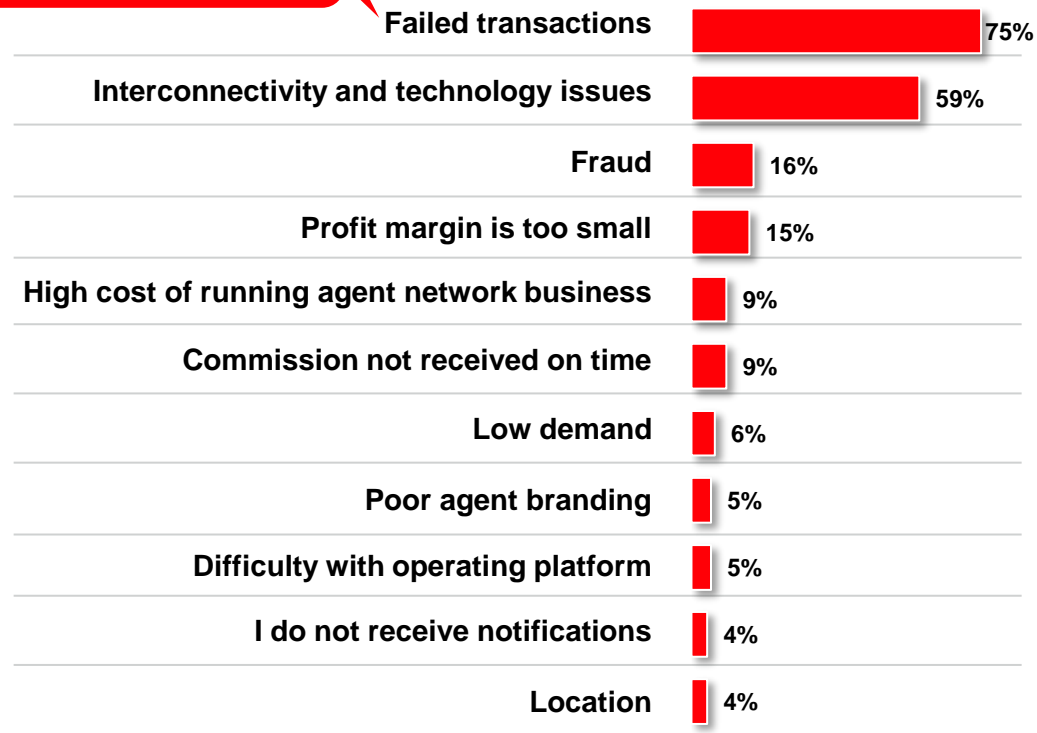
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Failed transactions and issues with the platform are the top challenges faced by agents. More than half are relatively new to the business (6 months up to 1 year) and may need hand-holding from principals to solve some of these challenges.

As already seen, agents want more support on handling failed transactions.

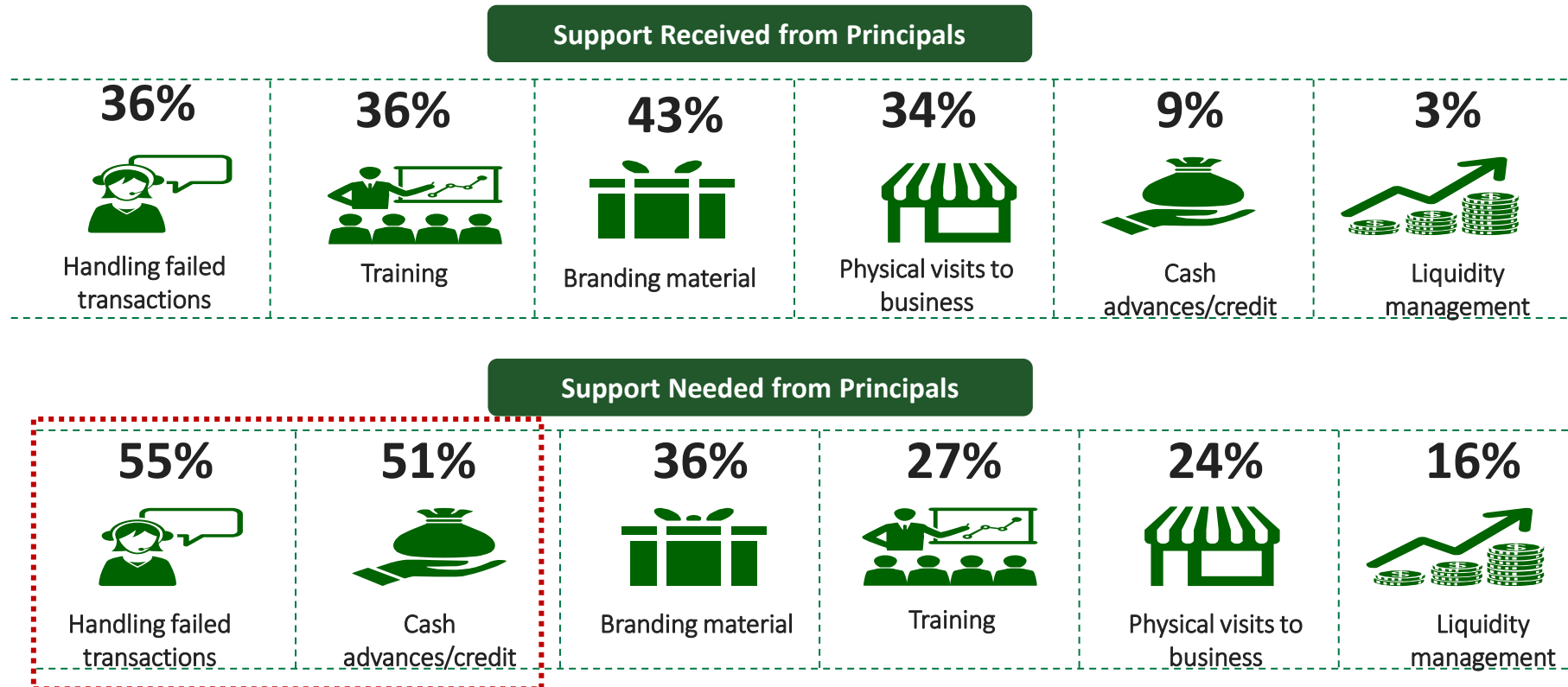*2 out of 5 agents experienced fraud issues. Of these, a little over one-third did nothing*
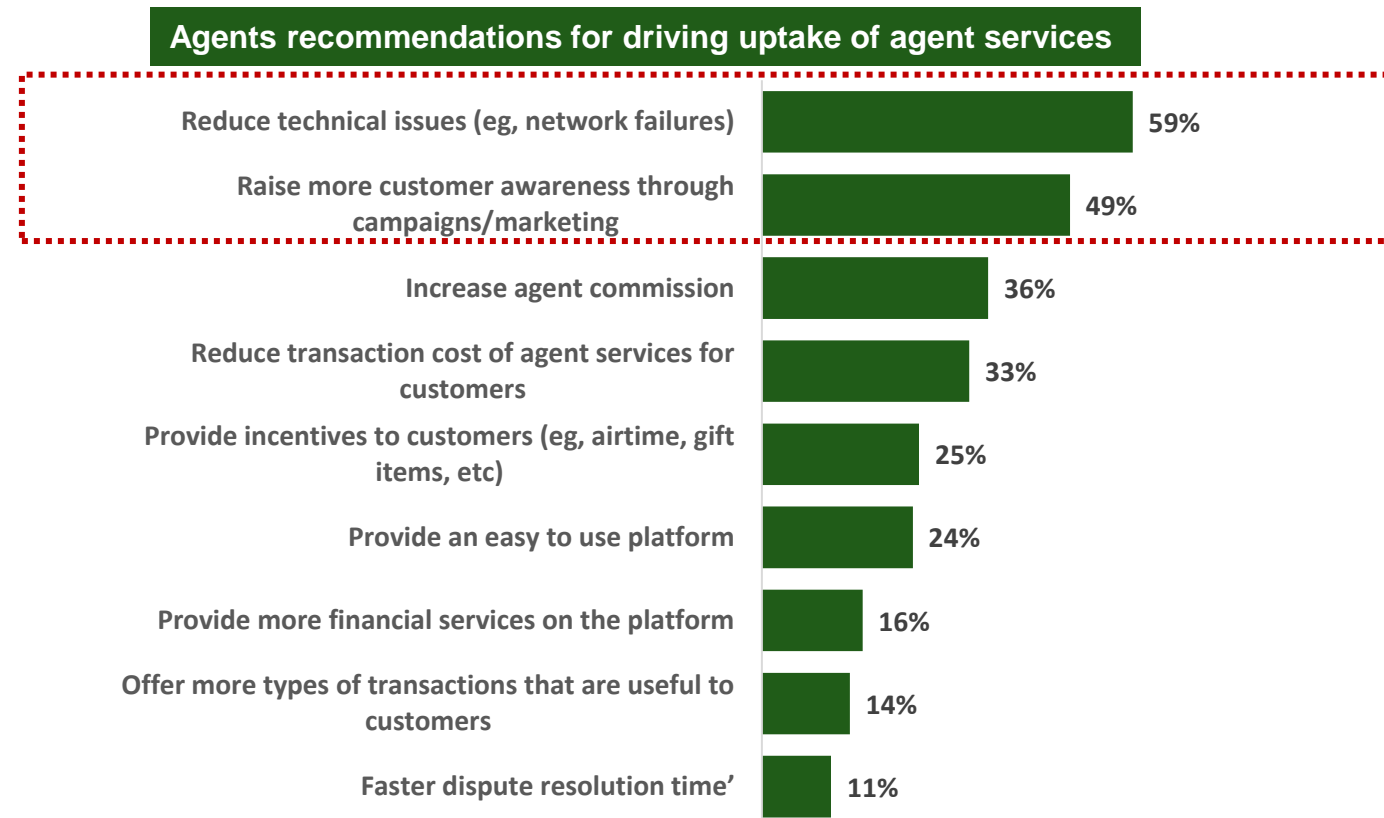
Challenges faced

Challenge	%
Failed transactions	75%
Interconnectivity and technology issues	59%
Fraud	16%
Profit margin is too small	15%
High cost of running agent network business	9%
Commission not received on time	9%
Low demand	6%
Poor agent branding	5%
Difficulty with operating platform	5%
I do not receive notifications	4%
Location	4%

Complaints By Customers	
Transaction failures	64%
Service being unavailable	57%
Platform is slow	24%
Do not receive notifications (e,g, SMS alerts)	20%
Cost of transaction	14%

Base: 1618
C1: What are the challenges you face as a financial service agent?

C2: What issues do customers frequently complain about?

Principals need to provide the relevant support for agents as there seems to be a mismatch between what is needed and what is provided. Agents want more support in handling failed transactions, providing liquidity as well as liquidity management.

Support Received from Principals

36%	36%	43%	34%	9%	3%
Handling failed transactions	Training	Branding material	Physical visits to business	Cash advances/credit	Liquidity management

Support Needed from Principals

55%	51%	36%	27%	24%	16%
Handling failed transactions	Cash advances/credit	Branding material	Training	Physical visits to business	Liquidity management

Eliminating challenges with the platform is key to driving usage and adoption of agent services. Creating awareness with customers is also important as people can only use what they are aware of.

Agents recommendations for driving uptake of agent services

Recommendation	%
Reduce technical issues (eg, network failures)	59%
Raise more customer awareness through campaigns/marketing	49%
Increase agent commission	36%
Reduce transaction cost of agent services for customers	33%
Provide incentives to customers (eg, airtime, gift items, etc)	25%
Provide an easy to use platform	24%
Provide more financial services on the platform	16%
Offer more types of transactions that are useful to customers	14%
Faster dispute resolution time'	11%

Base: 1618
C4: In your opinion, what should be done to drive the usage and uptake of agent networks in Nigeria?

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High awareness level and understanding of Coronavirus is seen amongst the contacted financial agents. This is no surprise as about 82% of Nigerians get information on COVID-19 multiple times a day through different sources

98%
Aware of Coronavirus
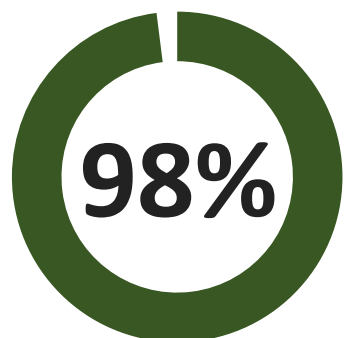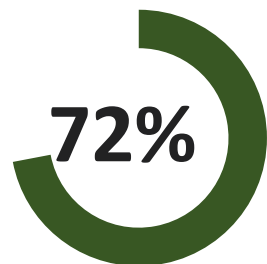
72%
Afraid of getting infected

86%
Ensure customers wash or sanitize hands before entering the store.

78%
Use face masks self & employees

Measures taken towards customer safety

24%
Limit the number of customers inside the store at a time

15%
Educating employees/customers on how to stay safe

Measures taken towards Self & Employees

25%
Use hand gloves to operate POS machine or other agents related functions

18%
Avoid Shaking hands

Base: n=735
Q1. Are you aware of Corona Virus Disease 2019? [SA]
Q2. What do you understand about Corona Virus Disease 2019 / COVID-19? VERBATIM RESPONSE
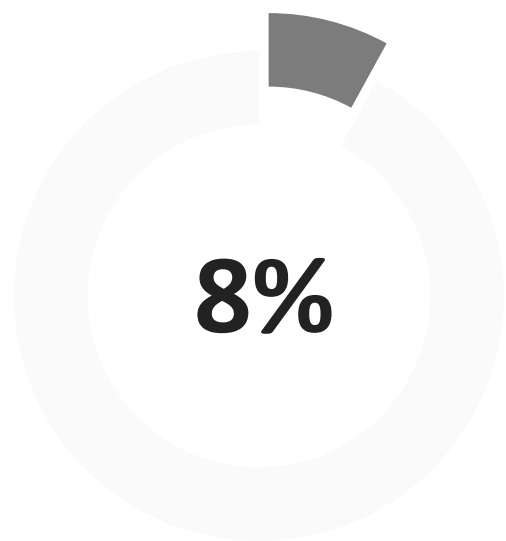*Source: Impact of COVID-19 on consumer behavior Nigeria report 2020*

![EFInA - Enhancing Financial Innovation & Access]

Poor support received from providers/principals so far. Only 8% claimed to have received support from FSPs since the pandemic began.

- *First Bank (First Monie), MTN, OPay, Airtel & Mimo(Mkudi) top the list of principals who have provided support .*

8%

Have Received Support From Providers

Base:n= 631

Principals Provided Support	
First Bank	27%
MTN	19%
Pay Com(OPay)	7%
Airtel	7%
Mimo (MKudi)	7%
First City Monument Bank (FCMB)	5%
QikQik (Eartholeum Networks)	3%
Zenith Bank	3%
Access Bank	3%
Guaranty Trust Bank (GTB)	3%
Interswitch Financial Inclusion Services (IFIS)/QuickTeller	2%
Paycentre	2%
Stanbic IBTC	2%
Paga(Pagatech)	2%
LAPO Microfinance Bank	2%
Fidelity Bank	2%
Keystone Bank	2%
Others	19%

Q4. Have you received any kind of support from the service providers you work for since the Coronavirus / COVID-19 pandemic began? SA.
Q4a. From which service providers have you received support? MULTIPLE RESPONSE.

Required support at this time is skewed towards items required to survive the pandemic; Safety materials 47%, and financial support, 35% with current support levels not sufficient

Others(received sms educating about the virus, First Bank allows agents to enter the bank, food items, free data/airtime etc **(39%)**
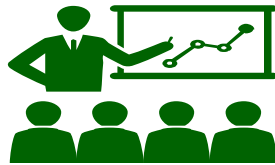
Support Received from Principals

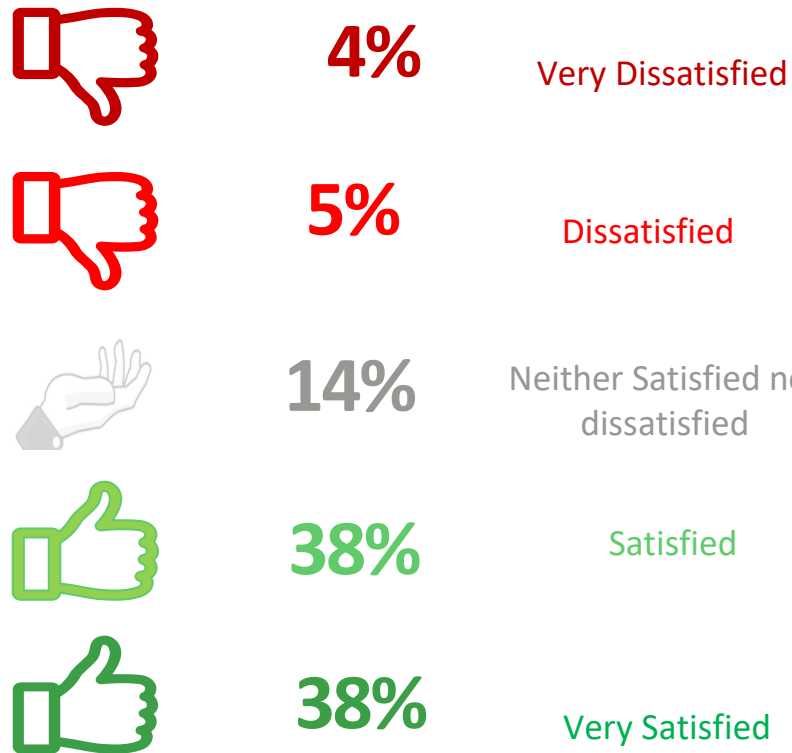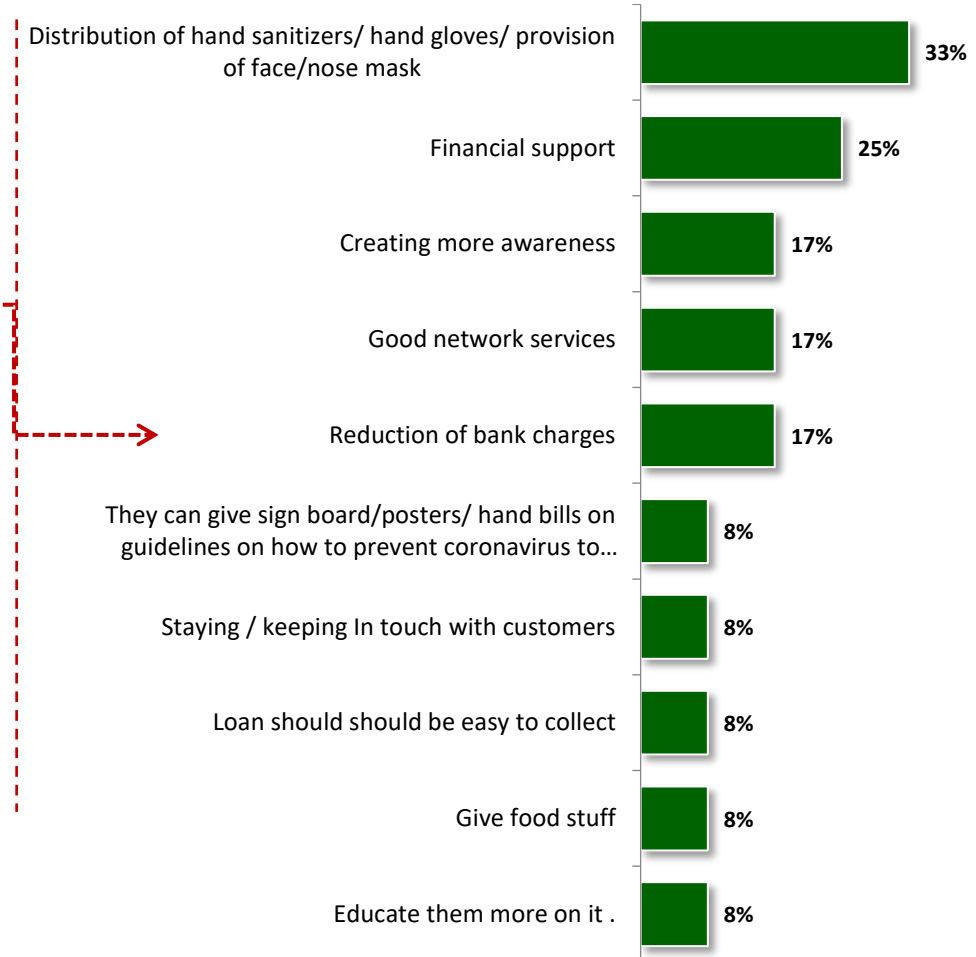| **47%**	**3%**	**3%**	**2%**	**2%**	**2%**
Safety materials	Training during the pandemic	Cash advances/credit	Rebates/reduction in charges	Physical visits to business	Increase commission %

About **37%** of the agents mentioned Palliatives such as financial aids & Food items, Improve network for smooth transactions, resolve queries in time)

Support Needed from Principals

58%	**35%**	**6%**	**4%**	**4%**	**3%**
Safety materials	Cash advances/credit	Training during the pandemic	Rebates/reduction in charges	Increase Commission %	Branding materials

Base: n=631
Q5. What kind of support have you received from your service providers? MA. (n=49)
Q8. What kind of support would you like to receive from your service provider during this period? (n=582)

Over 70% of the agents who received support are satisfied with the level of support received. However more can be done towards improving the level of support given to the agents.

Overall Satisfaction Level

4% Very Dissatisfied

5% Dissatisfied

14% Neither Satisfied nor dissatisfied

38% Satisfied

38% Very Satisfied

What can be done to improve Support received from providers?

Response	%
Distribution of hand sanitizers/ hand gloves/ provision of face/nose mask	33%
Financial support	25%
Creating more awareness	17%
Good network services	17%
Reduction of bank charges	17%
They can give sign board/posters/ hand bills on guidelines on how to prevent coronavirus to…	8%
Staying / keeping In touch with customers	8%
Loan should should be easy to collect	8%
Give food stuff	8%
Educate them more on it .	8%

80% of agents' businesses have been negatively impacted by the pandemic yet only 8% of these agents claim to have received any support from the providers since the pandemic started but majority are still transacting..

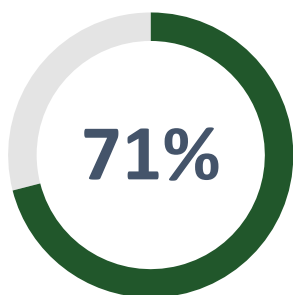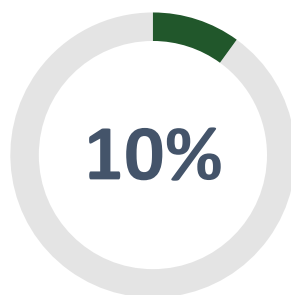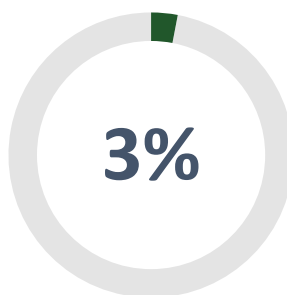| 41%	39%	4%	11%	5%
Business is much worse	Business is slightly worse	Business is still the same	Business is slightly better	Business is Much Better

Last agent transaction performed
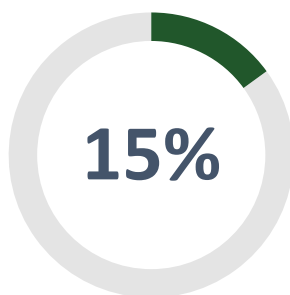
71%	15%	10%	3%
Yesterday	**Past 7 Days**	**Past 30Days**	**Past 90Days**

Even though business is deeply impacted by the virus, they are still trading.
The more reason why support is required not only to keep up with the business but to cater to their family needs.

Base: n=631
Q9. How has your agency business been affected since the Corona virus / COVID-19 pandemic started? SA.
Q10. When did you last perform a transaction as a financial service agent? SA.

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Limited hours of operation and low patronage have impacted monthly income of 89% of agents. Current monthly earning is less than previous earning by almost 50%.
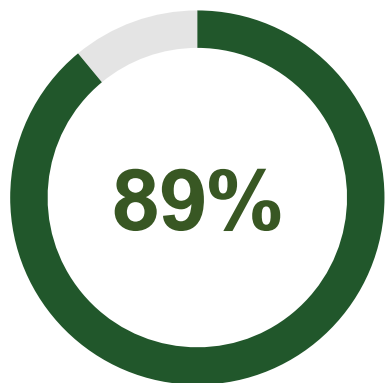
89%
Monthly Income has changed since the pandemic

Monthly Income _ Pre-Pandemic Period

54,662 NGN

Typical Income (Avg)

Monthly Income _ Pandemic Period

27,944 NGN

Income Per Month (Avg)

Price Charged to Customers

Those who have increased price are likely to be part of those who have gained more customers due to the restriction of movement. And those who wish to make more money during this period.
.

Increased 19%

Remained the same 72%

Decreased 9%

mainly as a result of customers complaints of high charges, inability to pay the price charged due to cases of low/no income during the pandemic. In order to accommodate the customers the agents tend to perform the transaction at a lower price or for free
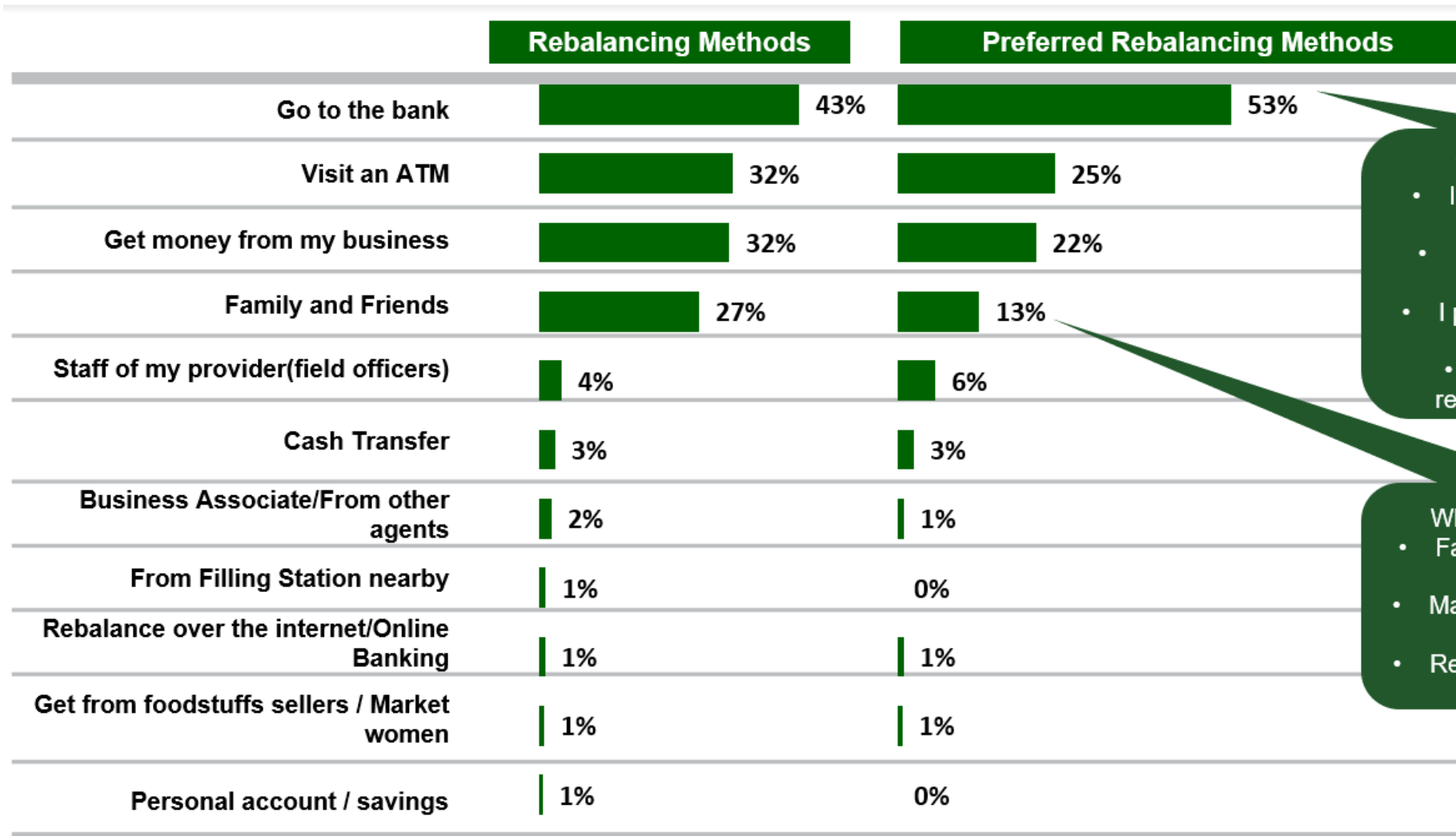
Base: n=735
Q12 Could you tell us how much total income you make per typical month from your agent banking service?
Q13a. Has the monthly income changed since the pandemic (COVID 19/Corona virus) began?
Q13b. If YES? How much do you make now? (n=657)
Q15a. Has there been any change in the price you charge to customers? (Has it increased, decreased or remained the same)

Banks, ATM & money from own business remains the preferred methods of rebalancing at this time. Banks are generally perceived as being safe and reliable.

	Rebalancing Methods	Preferred Rebalancing Methods
Go to the bank	43%	53%
Visit an ATM	32%	25%
Get money from my business	32%	22%
Family and Friends	27%	13%
Staff of my provider(field officers)	4%	6%
Cash Transfer	3%	3%
Business Associate/From other agents	2%	1%
From Filling Station nearby	1%	0%
Rebalance over the internet/Online Banking	1%	1%
Get from foodstuffs sellers / Market women	1%	1%
Personal account / savings	1%	0%

WHY VISIT THE BANK?
- Its safer for me to collect bulk money.
- I am used to it. That's what I have been doing.
- I prefer it so that people will not know how I get my money
- I cannot get that kind of reloading money anywhere else

WHAT'S DIFFERENT NOW?
- Family and friends come to play during the pandemic
- Market women since they handle more cash.
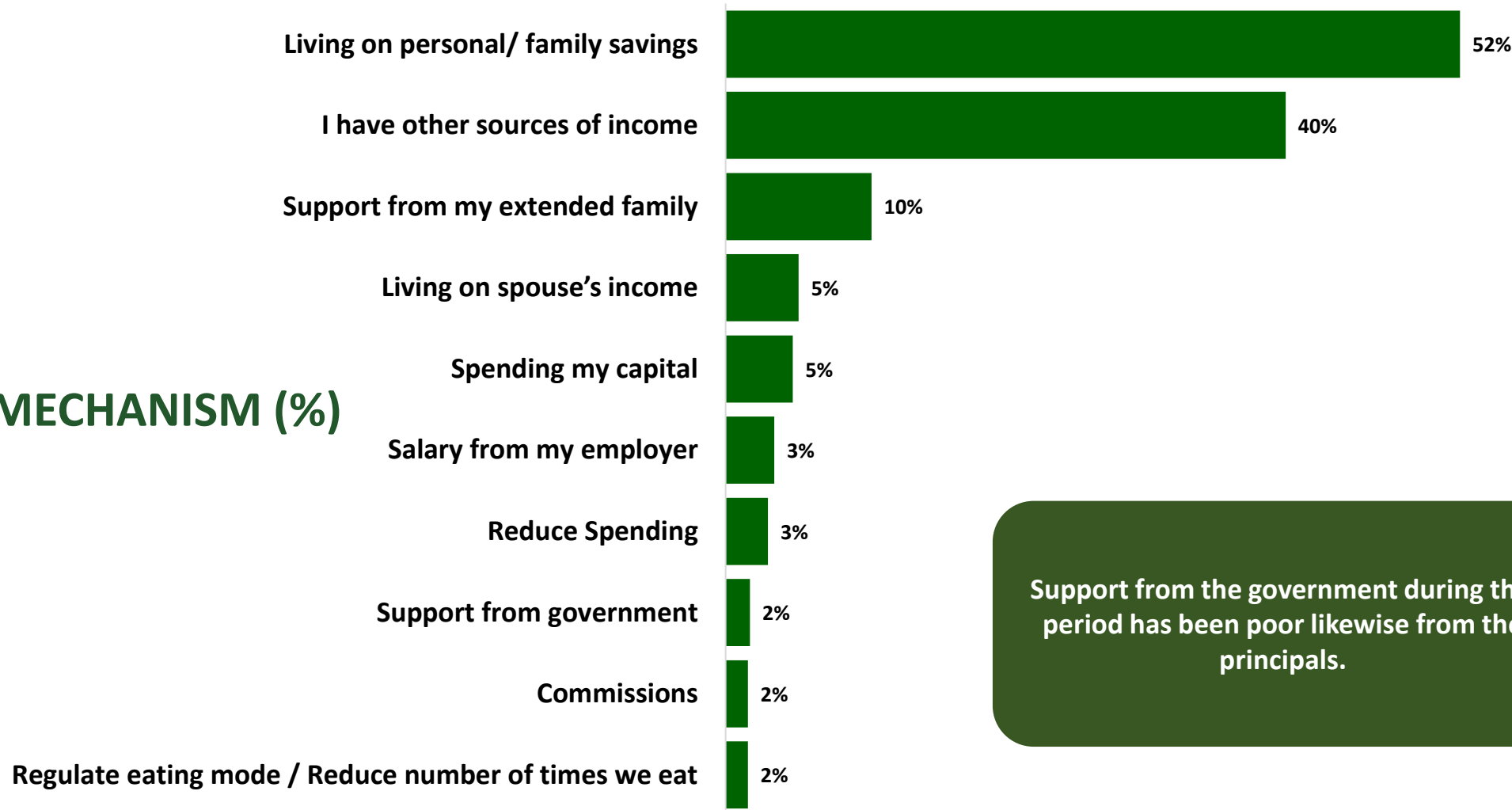- Rebalance through other agents.

Base: n=735
Q14a. What methods do you use in managing your rebalancing of float since the pandemic started? (Multiple Response)
Q14b. What methods/options of rebalancing would you prefer? (Multiple Response)

COPING MECHANISM (%)

Personal savings and other sources of income have been instrumental to agent's resilience to the pandemic

Coping mechanism	%
Living on personal/ family savings	52%
I have other sources of income	40%
Support from my extended family	10%
Living on spouse's income	5%
Spending my capital	5%
Salary from my employer	3%
Reduce Spending	3%
Support from government	2%
Commissions	2%
Regulate eating mode / Reduce number of times we eat	2%

Support from the government during this period has been poor likewise from the principals.

Base: n=63 (Those whose price/charges have decreased)
Q15b.How have you and your household been coping financially since the Corona virus / COVID-19 pandemic started? MA.

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Despite bad business conditions and little or no support received from principals, the agent are still willing to render support hence should be activated to aid the fight against the spread.

How Can You Support the fight against the Corona Virus?

87%
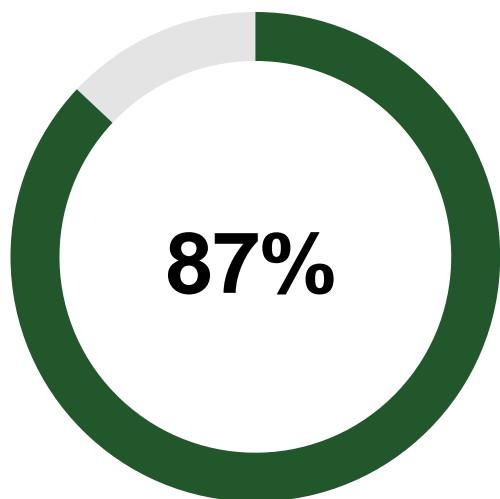
Willing to be part of the support system in the fight against the Corona Virus disease

Category	Percentage
Can educate their customers/community about the virus	59%
Adhere strictly to all safety measures by making provision for hand washing and sanitising at store entrance.	40%
Have space in your premises to store food, medical supplies safely	14%
Voluntary donations of food, medical supplies etc	12%
Can disseminate food, medical supplies or other goods (Collection point)	8%
Voluntary donation of funds/ monetary support	8%
Can disseminate government cash transfers	5%
Donation and encourage the use of face/nose mask /giving out hand gloves	4%
Encouraging social distancing	3%
Sharing and encourage the use of hand sanitizers /washing of hands frequently	3%
By prayers / praying	3%
Creating more awareness by all means (social media ,TV,Radio)	3%

The agents are already providing support by adhering to safety measures and also educating customers/community about the virus, they have done this as part of the measures taken since the pandemic started.

More can be done if only they receive the necessary support from their principals.

Base: n=735
Q18. Are you willing to be part of a support system in the fight against the Corona virus disease/ COVID-19 SA
Q19. In your opinion, how can you support the fight against the Corona virus disease/COVID-19?

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Introduction

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- Background & Objectives
- Methodology

Detailed Findings

2

- Awareness of covid-19 & coping mechanisms
- Provider/principal's support mechanism
- Impact on agent's business
- Impact on agent's customers
- Business continuity/coping mechanism

Summary & Recommendations

3

- Summary and Recommendations

RECOMMENDATIONS

❑ The findings shows 30% of agents are standalone and profitable. This highlights the need for the regulator to consider reviewing the current guidelines for agent eligibility

❑ There are several unmet needs which agents have shown capacity to deliver. Financial service providers(FSPs)/stakeholders should consider exploiting the agents' capacity to extend more financial/non-financial services to users. These non CICO transactions are particularly relevant to profitability in rural areas

❑ The percentage of agents who offer account opening services has decreased by about 70% since 2015. This speaks to gaps in product development and financial inclusion efforts. FSPs should offer more incentives to agents to drive account opening and push financial inclusion from commercially viable business models

❑ The findings revealed that agents are winning the pricing determination mechanism. This shows market maturity and the regulator should consider deregulation of agent pricing and allow market-based pricing

❑ Liquidity management has continued to be a huge problem for agents. The report shows that 6 out of 10 agents run out of cash usually weekly. FSPs should explore partnerships that will support agents' liquidity management

❑ There is need for better alignment in support provided by principals, as the study result shows a mismatch between what is needed and what is provided

❑ Platform instability /failed transactions is still a big challenge hampering agents' operation. There is need to identify these challenges and collaboratively build initiatives to address this bottleneck

Thank You