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
- Capacity Building & Advocacy
- Innovation
- Digital Finance

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

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

<table>
<thead>
<tr>
<th>Region</th>
<th>FSAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuja</td>
<td>182</td>
</tr>
<tr>
<td>Niger</td>
<td>84</td>
</tr>
<tr>
<td>Bauchi</td>
<td>84</td>
</tr>
<tr>
<td>Gombe</td>
<td>72</td>
</tr>
<tr>
<td>Kaduna</td>
<td>123</td>
</tr>
<tr>
<td>Kano</td>
<td>203</td>
</tr>
<tr>
<td>Abia</td>
<td>66</td>
</tr>
<tr>
<td>Anambra</td>
<td>57</td>
</tr>
<tr>
<td>Delta</td>
<td>117</td>
</tr>
<tr>
<td>Rivers</td>
<td>78</td>
</tr>
<tr>
<td>Lagos</td>
<td>452</td>
</tr>
<tr>
<td>Ogun</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total sample</strong></td>
<td><strong>1618</strong></td>
</tr>
</tbody>
</table>

**Location Classification (FSAS):**

- **Urban:** 54%
- **Peri-Urban:** 7%
- **Rural Town:** 27%
- **Rural Oasis:** 10%
- **Rural Frontier:** 2%

Base: 1618

Rural Town – rural area with population ≥ 150/km², ≤ 5km to road, area ≥ 10km²; rural oasis - rural area with population ≥ 150/km², ≤ 5km to road, area ≤ 10km² OR rural area with population ≤ 150/km², ≥ 5km to road, but with the presence of industry or commercial activity; rural frontier - rural area with population ≤ 150/km², ≥ 5km to road, and no presence of industry or commercial activity.
CONTENT

1. Introduction
   - Background & Objectives
   - Methodology

2. Detailed Findings
   - Agents profile
   - Business operations
   - Agent Pricing & Economics
   - Float Management
   - Challenges Experienced
   - Possible Solutions

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

**Gender**
- Male: 65%
- Female: 35%

**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%

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

**Provider Type**
- Deposit Money Banks: 901
- Super Agents: 861
- Mobile Money: 637
- Microfinance: 75

**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. 1. Non-Dedicated financial service agents run their agency business alongside another business in the same location.
Opportunity to make additional income is the major motivation for becoming an agent. Others are anticipated marketing activities from principals, increased footfall for pre-existing business and customer request.

- To make additional income: 69%
- Principal/Aggregator sold the idea to me: 29%
- Increase the number of customers that visit my business: 24%
- Customers were asking for the service: 23%
- Because others were doing it: 10%
- Family/friend asked me to start it: 9%
- To be gainfully employed: 5%
**Introduction**

- Background & Objectives
- Methodology

**Detailed Findings**

- Agents profile
- Business operations
- Agent Pricing & Economics
- Float Management
- Challenges Experienced
- Possible Solutions

**Summary & Recommendations**

- Recommendations
Agents mostly operate from business centres and kiosks. POS and Smartphones are the most used delivery channels for running the business.
Agents surveyed are signed up by different principals/service providers. Nevertheless, First Bank (First Monie), OPay, QuickTeller, and MTN top the list of principals with a majority share of agents.

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?
Agents choose principals based on some critical business model considerations, including remuneration, platform reliability, bestowed trust and level of convenience attributed to access.

**Factors determining choice of principal**

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

**Main Factor**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better commission</td>
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<td>The requirements are easy to meet/no stringent requirements</td>
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<td>Have quick access to rebalancing</td>
<td>2%</td>
</tr>
<tr>
<td>They approached me and convinced me</td>
<td>3%</td>
</tr>
<tr>
<td>Swift support</td>
<td>1%</td>
</tr>
<tr>
<td>A provider am more familiar with</td>
<td>1%</td>
</tr>
<tr>
<td>Because others (family members/community/members/friends) use them</td>
<td>1%</td>
</tr>
</tbody>
</table>

Additional income is the main reason for becoming an agent: **69%**
Account opening, institutional registration, bill payments and balance enquiry top the list of sought-after transactions by customers although not commonly offered by agents.

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

This poses a threat to the National Financial Inclusion target.
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.
Nearly 2 out of 5 agents charge above the maximum fees stipulated by CBN, and report charging extra fees to make more money and on average. Their commissions make up 55% of the customer charges.

P1: What is the typical price charged?
Price cap based on regulation: 1.5% of transaction value or N500, whichever is lower
Most agents charge customers based on fixed fee structures

<table>
<thead>
<tr>
<th>Fee Structure</th>
<th>2020</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Withdrawal</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Super Agents</td>
<td>69%</td>
<td>6%</td>
</tr>
<tr>
<td>Transfer</td>
<td>70%</td>
<td>6%</td>
</tr>
<tr>
<td>Off-Us</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Withdrawal</td>
<td>72%</td>
<td>7%</td>
</tr>
<tr>
<td>Transfer</td>
<td>72%</td>
<td>7%</td>
</tr>
<tr>
<td>On-Us</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Withdrawal</td>
<td>73%</td>
<td>7%</td>
</tr>
<tr>
<td>Transfer</td>
<td>73%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Price Determination Mechanism (who determines price charged)

- **Agent**: 22% in 2020, 42% in 2017
- **Financial services provider**: 36% in 2020, 45% in 2017
- **Both**: 53% in 2020

**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 at an average of 27 transactions per day and a 73% profit margin

Agent Economics

- Startup cost
- Monthly revenue
- Recurring cost
- Monthly profit

27 avg txn/day

Recurrent 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 recurring cost blends dedicated and non-dedicated agents (note: recurring costs do not include rent, utilities, or store maintenance for non-dedicated agents). When we include all costs, average recurring cost is 23k.
Despite being profitable, agents incur high start-up and recurring costs. About 2% of the monthly recurring costs are reported to be losses associated to fraud.

### Start-up costs
- **Initial float capital**: 52%
- **Setting up the shop**: 20%
- **Buying mobile phone(s) \ Laptop(s)**: 9%
- **Buying POS machine**: 7%
- **Generator/inverter**: 5%
- **Registration/Licenses fees**: 3%
- **Branding**: 2%
- **Others**: 1%

### Recurring revenue
- **CICO transactions**: 76%
- **Funds Transfer**: 9%
- **Transactions**: 9%
- **Adjacencies**: 3%
- **Account**: 2%

### Recurring cost
- **Staff /Employee costs**: 42%
- **Amount allocated to agent banking business**: 24%
- **Internet/network/data**: 10%
- **Liquidity management**: 9%
- **Rent**: 4%
- **Utilities**: 4%
- **Lost associated with fraud**: 2%
- **Taxes**: 2%
- **Others**: 3%

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)
Non-dedicated agents have lower marginal costs (-26% start-up and -38% recurring), but lower average transaction per day (-12%) results in lower profits relative to dedicated agents.

<table>
<thead>
<tr>
<th>Business model</th>
<th>Funding costs</th>
<th>Startup costs</th>
<th>Recurring costs</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dedicated - Provide only financial service transactions</td>
<td>higher</td>
<td>higher</td>
<td>higher</td>
<td>(In)ability to borrow capital from till, leverage existing customer base and technology, and spread recurring costs for dedicated and non-dedicated agents respectively.</td>
</tr>
<tr>
<td>Non-dedicated - offer financial service transactions in addition to other business</td>
<td>lower</td>
<td>lower</td>
<td>lower</td>
<td></td>
</tr>
</tbody>
</table>

Agent economics: Dedicated vs Non-dedication

Costs and revenues vary depending on agents being dedicated or non-dedicated.
The cost of maintaining a minimum initial float capital across multiple providers as well as sign-up fees associated with operating within the regulatory framework significantly increases the start-up costs for non-exclusive and registered agents.

While the regulatory mandate of non-dedication and non-exclusivity is associated with agent viability, dedicated agents are also on the average profitable regardless of their exclusivity status.

Despite much lower transaction volumes, non-registered agents are on the average viable, owing to relatively lower costs.
Viability of agent business across geographical zones vary, but on the average, remains profitable across all zones. Rural agents report relatively higher revenue and profits despite higher startup costs.

<table>
<thead>
<tr>
<th>Geographical Location</th>
<th>Description</th>
<th>Viability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Higher DFS penetration</td>
<td>Viable</td>
</tr>
<tr>
<td></td>
<td>Higher banked population</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher proximity to bank branch</td>
<td></td>
</tr>
<tr>
<td>Peri-Urban</td>
<td>High DFS Penetration</td>
<td>Viable</td>
</tr>
<tr>
<td></td>
<td>High banked population</td>
<td></td>
</tr>
<tr>
<td></td>
<td>High proximity to bank branch</td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>Low DFS penetration</td>
<td>Viable</td>
</tr>
<tr>
<td></td>
<td>Low banked population</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low proximity to bank branch</td>
<td></td>
</tr>
</tbody>
</table>

Compared to urban agents, 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.

Average revenue excludes extra fees (upcharges); Average recurring cost blends dedicated and non-dedicated agents (note: recurring costs do not include rent, utilities, or store maintenance for non-dedicated agents). When we include all costs, average recurring cost ranges between 22-24k across geographical zones.
Agent business viability extends to frontier areas. Leveraging the potential for agents in promoting financial inclusion in frontier areas, requires a concerted effort to address cost and revenue drivers both on the agent and provider side.

**Testing the limits of agent business viability**

![Graph showing average transactions per day for different areas.]

- **30 avg txn/day** in Rural town with 194K transactions, 68K startup costs, 18K monthly revenue, 50K recurring cost, and 9K monthly profit.
- **27 avgtxn/day** in Rural oasis with 273K transactions, 67K startup costs, 19K monthly revenue, 48K recurring cost, and 9K monthly profit.
- **25 avgtxn/day** in Rural frontier with 175K transactions, 54K startup costs, 19K monthly revenue, 45K recurring cost, and 9K monthly profit.

Frontier agents incur the least marginal costs (-15% startup and -47% recurring) compared to all agents.

**Agent business viability in frontier areas**

Despite lower marginal costs, start-up costs is significantly driven by initial float capital (64%) and laptop/POS costs (19%).

Revenues are mainly driven by CICO (67%), Bill payments and JAMB/WAEC/UTME registrations (21%), and SIM registrations/replacements, and airtime purchase (7%). These non-CICO transactions are critical for viability in rural areas. Less than 1% of revenues come from account openings.

Recurring cost are mainly driven by staff costs (61%), data costs (17%) and liquidity management (11%).
While higher transaction volumes drive profitability for male agents, female agents leverage on lower marginal costs (-14% startup and -40% recurring) for profitability.

Female Agent Economics

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

Average recurring cost blends dedicated and non-dedicated agents (note: recurring costs do not include rent, utilities, or store maintenance for non-dedicated agents). When we include all costs, average recurring cost is 27k for men and 16k for women.

Gender dynamics

1A9. What are the gender balance of customers that come in?
Female agents surveyed are relatively more youthful, new to the business, predominantly deposit money bank agents, less educated and more dedicated.

Location Classification (FSAS)

- Urban: 53% Male, 55% Female
- Peri-urban: 7% Male, 6% Female
- Rural: 39% Male, 38% Female

Age

- 18-25 years: 19% Male, 34% Female
- 26 - 35 years: 34% Male, 46% Female
- 36 to 45 years: 25% Male, 19% Female
- 46 to 55 years: 5% Male, 2% Female
- 56 years and above: 1% Male, 2% Female

Time in Business

- Less than 6 months: 22% Male, 31% Female
- Up to 1 year: 29% Male, 31% Female
- 1 year to 3 years: 34% Male, 31% Female
- 3 years to 5 years: 10% Male, 5% Female
- More than 5 years: 5% Male, 2% Female

Main platform used

- Mobile Money: 21% Male, 20% Female
- DMB: 34% Male, 39% Female
- Microfinance: 3% Male, 3% Female
- Super agents: 42% Male, 38% Female

Services Provided

- Account opening: 20% Male, 15% Female
- Cash-out: 95% Male, 96% Female
- Cash-in: 95% Male, 97% Female
- Airtime Top-up: 55% Male, 53% Female
- Bill payments: 52% Male, 57% Female
- JAMB/WAEC/NECO/POST-UME registration: 8% Male, 6% Female
- Funds transfer: 42% Male, 39% Female

Education

- Secondary complete: 30% Male, 39% Female
- University incomplete: 13% Male, 17% Female
- University Complete: 43% Male, 33% Female
- Post-university incomplete: 2% Male, 2% Female
- Post-university complete: 9% Male, 8% Female

Status

- Non-Dedicated: 73% Male, 66% Female
- Dedicated: 27% Male, 34% Female
- Non-exclusive: 60% Male, 60% Female
- Exclusive: 34% Male, 34% Female
- Non-licensed: 6% Male, 6% Female

Base: 1618

The sample includes agents who had performed at least one transaction in the past 30 days.
Banks remain the most common and preferred source of rebalancing as 7 out of 10 agents prefer to rebalance their float from banks. This method of rebalancing involves extra costs as 4 out of 5 agents report to incur costs associated to traveling to the banks.

- 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**

**Cash**
- Don’t know/Refused to answer: 5%
- More than once per day: 7%
- Once per day: 27%
- More than once per week but less than once per day: 29%
- Once per week: 17%
- Less than once per week: 15%

**E-money**
- Don’t know/Refused to answer: 9%
- More than once per day: 7%
- Once per day: 21%
- More than once per week but less than once per day: 22%
- Once per week: 26%
- Less than once per week: 16%

**Source of Rebalancing**

- **Cash**
  - Bank: 82%
  - ATM: 35%
  - Internet: 13%
  - FSP representative: 6%
  - Business within my community: 9%
  - Own business: 20%

- **E-Float**
  - Bank: 85%
  - ATM: 35%
  - Internet: 27%
  - FSP representative: 7%
  - Business within my community: 5%
  - Own business: 15%
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

- 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%

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

- Get charged for rebalancing: 24%
- Do not have access to loans to balance their float: 66%

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

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

Detailed Findings

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• Agents profile
• Business operations
• Agent Pricing & Economics
• Float management
• Challenges & possible solutions

Summary & Recommendations

3

• Recommendations
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.

**Challenges faced**

- **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**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction failures</td>
<td>64%</td>
</tr>
<tr>
<td>Service being unavailable</td>
<td>57%</td>
</tr>
<tr>
<td>Platform is slow</td>
<td>24%</td>
</tr>
<tr>
<td>Do not receive notifications (e.g., SMS alerts)</td>
<td>20%</td>
</tr>
<tr>
<td>Cost of transaction</td>
<td>14%</td>
</tr>
</tbody>
</table>

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

**Support Needed from Principals**

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

Base: 1618

S1: In the past 6 months, which of the following support services have you received from your provider?
S2: List all types of support that you want more of.
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**

- Reduce technical issues (e.g., 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 (e.g., 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?
Introduction
- Background & Objectives
- Methodology

Detailed Findings
- Agents profile
- Business operations
- Agent Pricing & Economics
- Float management
- Challenges & possible solutions

Summary & Recommendations
- Recommendations
RECOMMENDATIONS

- The findings show that 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.