

# SIMPLIFYING BILL PAYMENTS IN NIGERIA

## An effective solution for financial inclusion

### 1. The importance of electronic bill payments

On the agenda of most organisations actively pursuing financial inclusion strategies, most focus on savings, microcredit, and insurance.

Not surprisingly, bill payment seen as lower priority – after all, the common wisdom goes that the merchant is in business to sell products and *underbanked* have ample time to settle their bills.

Paying bills, however, is a consumer payment category with billions of transactions globally touching every household. Emerging market facts are:

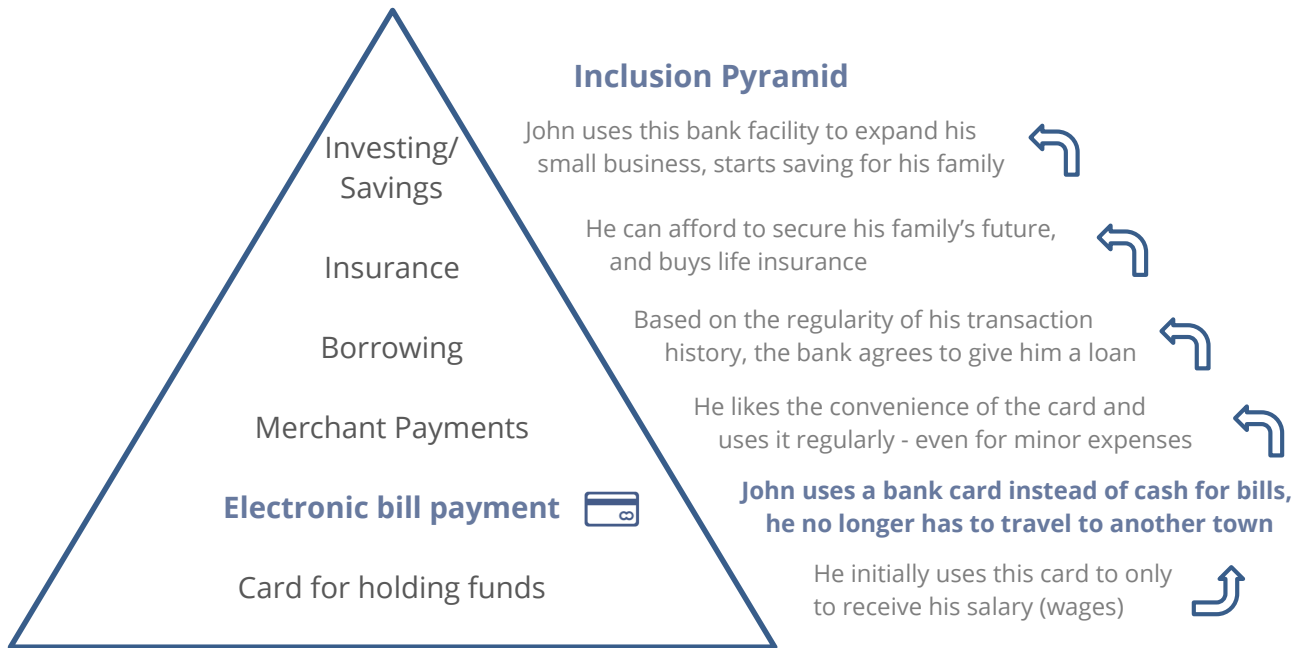
1. The majority of utility, government, school fees, and medical services are paid in conventional ways using cash.
2. Settling a bill is often a tedious and time consuming process. This involves travel, time spend in queues, forms with signatures, and paper receipts.

Why can't this be an electronic payment and smoother experience? Bill payment is one of the most basic financial needs because it generally represents the essential living expenses of consumers, payments that every household has to make regularly.

There are further reasons for encouraging bills payment as an easy method for greater financial inclusion. A simple transaction leads onto a credit history, which in turn enables greater access to financial services.

For most people, paying bills is a breeze for those who have access to internet banking or self-service touchscreen kiosks. But beyond these advanced technologies, bills payment is a tedious chore in everyday life in Nigeria.





## 2. Integration with 3<sup>rd</sup> parties

Nigeria has various service providers who've identified the opportunity to streamline the bills payment process. They provide centralised administration who capitalise on the economies of scale to process bills on behalf of billing organisations.

Globasure ([www.globasure.net](http://www.globasure.net)) is a 3<sup>rd</sup> party payment service provider. They offer a suite of services to enable intelligent collection and payment capabilities for business. Each of their services is designed to simplify collections from debtors and payments to creditors, whilst reducing the overall processing costs.

SmartPesa has leveraged its *last mile* solution to be the merchant facing interface to all these available bill payment service providers. The mobile app relies on the capabilities of the spWorkflow engine to integrate with the XML web services of Globasure; as:

1. Data Provider – logic to retrieve the available billers list from Globasure, retrieve the various input fields, validations, and captions for each available service
2. Post Processing – trigger to inform Globasure on the successful authorization and payment of the amount (prepared in item 1) for their settlement to the biller

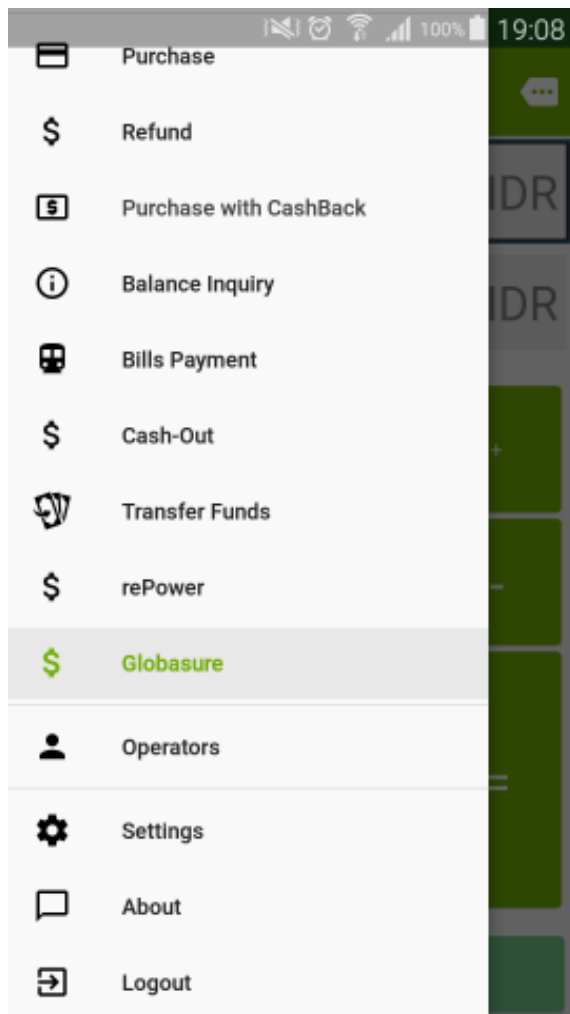


SmartPesa extensible mPOS solution enables the solution provider to enter into B2B engagements for efficient bills payment. An *underbanked* customer – with just his card – now has an easy means to pay his bills with his own card (or in cash assisted by an agent).

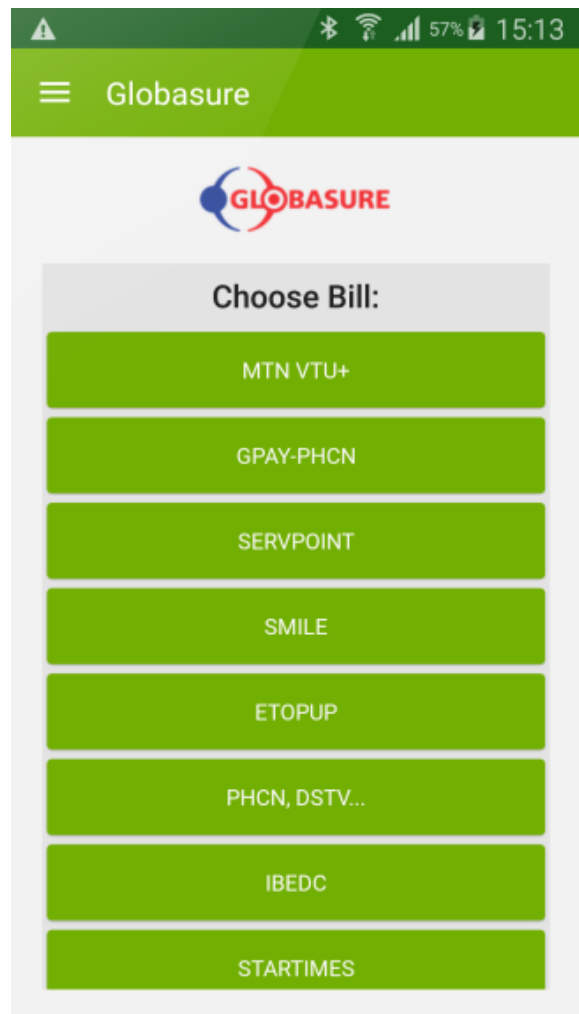
This case study demonstrates how directly and visually SmartPesa incorporates bills payment; and adds value with the focus on the effective solutions for financial inclusion.

### 3. The mPOS bill payments solution

The solution is deployed as KeshPOS, a SmartPesa mPOS Android acquiring solution deployed in Nigeria using SmartPesa SDK and spWorkflow open interfaces to provide Globasure services:



Visual examples of menu options



Retrieval of options in real-time

#### About SmartPesa

SmartPesa is a specialist payments technology provider that aims to solve the last mile problem for financial institutions in emerging markets. SmartPesa directly addresses the dual needs of financial inclusion and cash reduction whilst eliminating the need for costly/risky changes to banks' proven systems. SmartPesa is deployed on-premises with full legal/regulatory compliances and industry leading security systems and fully integrates with any financial switch.

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