

Key Findings:

EFInA Financial Services Agent Survey 2017

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A. Survey Objectives & Methodology

Background & Methodology of the Study

In September 2017, EFInA engaged Ipsos Nigeria to conduct a survey of financial services agents (bank agents, mobile money agents and Super agents) in Nigeria

Survey Objectives

- Understand financial services agents' operations
- Identify trends and factors driving agents to provide financial services
- Identify challenges faced by agents in providing financial services
- Identify agents' motivation for providing financial services
- Identify factors hindering the growth and development of agent networks in Nigeria
- Understand the perceptions of agents' on how financial services providers can increase customer's uptake and usage of agent services
- Provide information to financial services providers about agent transactions and customer preferences

Methodology:

- The survey was conducted via telephone. EFInA provided a database of 29,000 financial services agents covering thirteen financial services operators
- 818 financial services agents were randomly selected (based on the proportion of agents per region in the database) and interviewed by Ipsos Nigeria
- The survey is not intended to be representative of the experiences of all agents in Nigeria

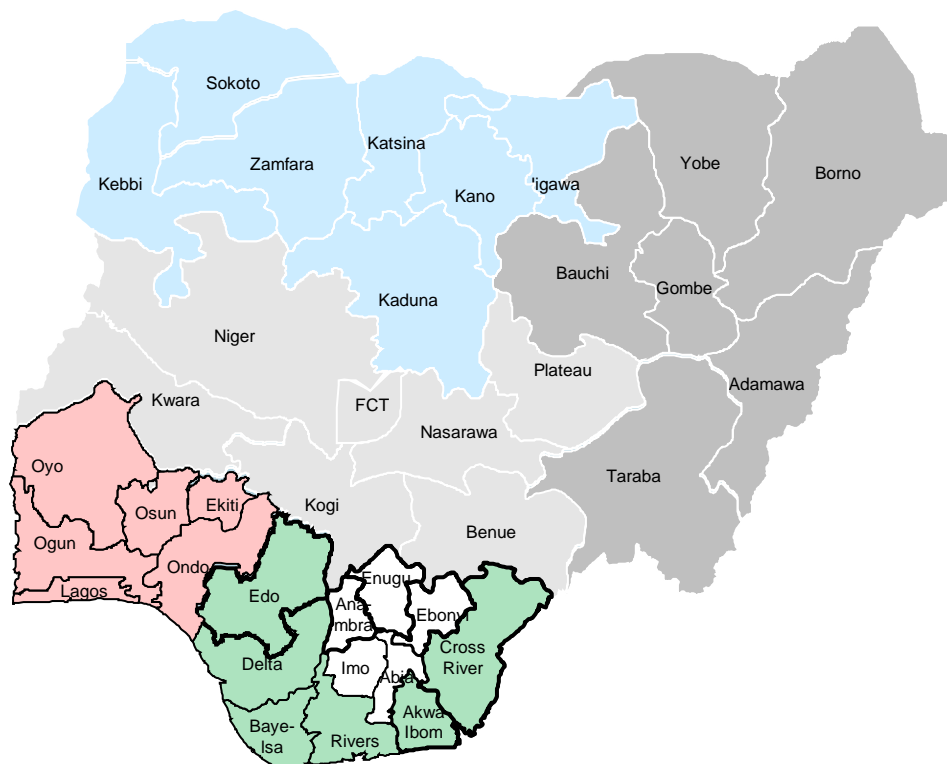
Sample Breakdown by Geo-political Zones & State

- 818 agents were sampled across all six geo-political zones
- The majority of agents surveyed (512) reported working with a single financial services provider

North West	120
Jigawa	1
Kaduna	40
Kano	52
Katsina	12
Kebbi	6
Sokoto	8
Zamfara	1

North Central	155
Benue	1
Kwara	3
Nasarawa	6
Niger	6
Plateau	47
FCT	92

South West	319
Ekiti	12
Lagos	94
Ogun	99
Ondo	25
Osun	30
Oyo	59



North East	42
Adamawa	7
Bauchi	2
Borno	28
Yobe	5

South South	116
Akwa Ibom	26
Bayelsa	3
Delta	18
Edo	29
Rivers	40

South East	66
Abia	29
Anambra	9
Ebonyi	1
Enugu	27

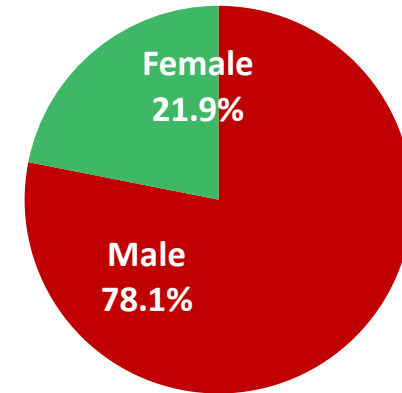
Access Money (Access Bank), Cellulant (Cellulant Nigeria), QikQik (Eartholeum Networks), Mywallet (FETS Solution), Quick-Pay (Fidelity Bank), Fortis Mobile Money, Diamond Y'ello, Paga, FirstMonie, Stanbic #909 Mobile Money (Stanbic IBTC), Teasy Mobile Money, Vcash (Virtual Terminal Network), Eazymoney (Zenith Bank), First Bank, Diamond Bank, Access Bank, FCMB, GTB, Wema Bank, Stanbic IBTC Bank, Sterling Bank, Fidelity Bank, Ecobank, Zenith Bank, Heritage Bank, Skye Bank, Keystone Bank, Union Bank, UBA, Unity Bank, Jaiz Bank, LAPO MfB, FCMB MfB, Page Microfinance Bank, IFIS, Innovectives, Capricorn Digital, Pocket Moni (ETranzact), Ecobank Mobile Money (Ecobank)

Overview of Agents Surveyed

Of the 818 agents surveyed:

- 78.1% of agents surveyed were male, 21.9% were female
- 49.5% of agents surveyed had been operating as agents between 1 and 3 years
- 486 agents (59.4%) are under 35 years
- 816 agents (99.8%) have primary school education or higher

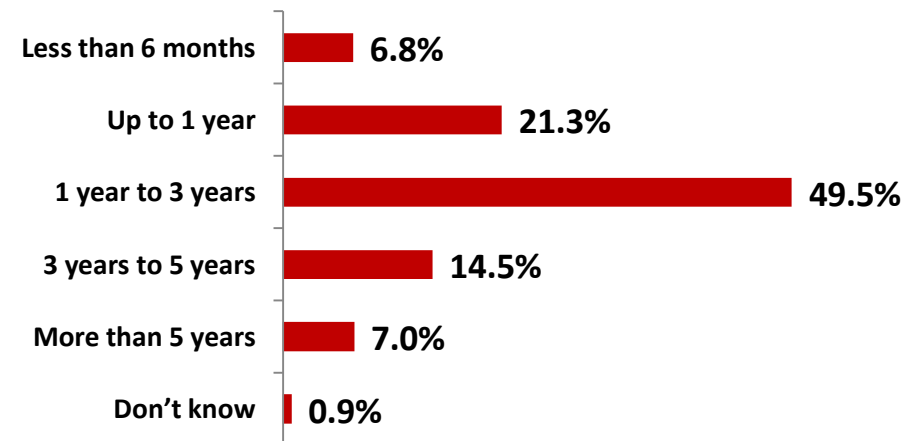
Gender of agents surveyed



Distribution of Agents Surveyed

Principals*	Number of Agents Surveyed
Mobile Money Operators	713
Deposit Money Banks	144
Microfinance Banks	5
Super Agents	168
Others**	74

How long have you been an agent?



* Principals are Financial Service Providers that employ individual agents to provide financial services

* 306 (37.4% of the agents surveyed) provide financial services for more than one Principal

** Some of the Principals reported are not licensed by the CBN as MMO, DMB, MFB or Super Agent but provide financial services



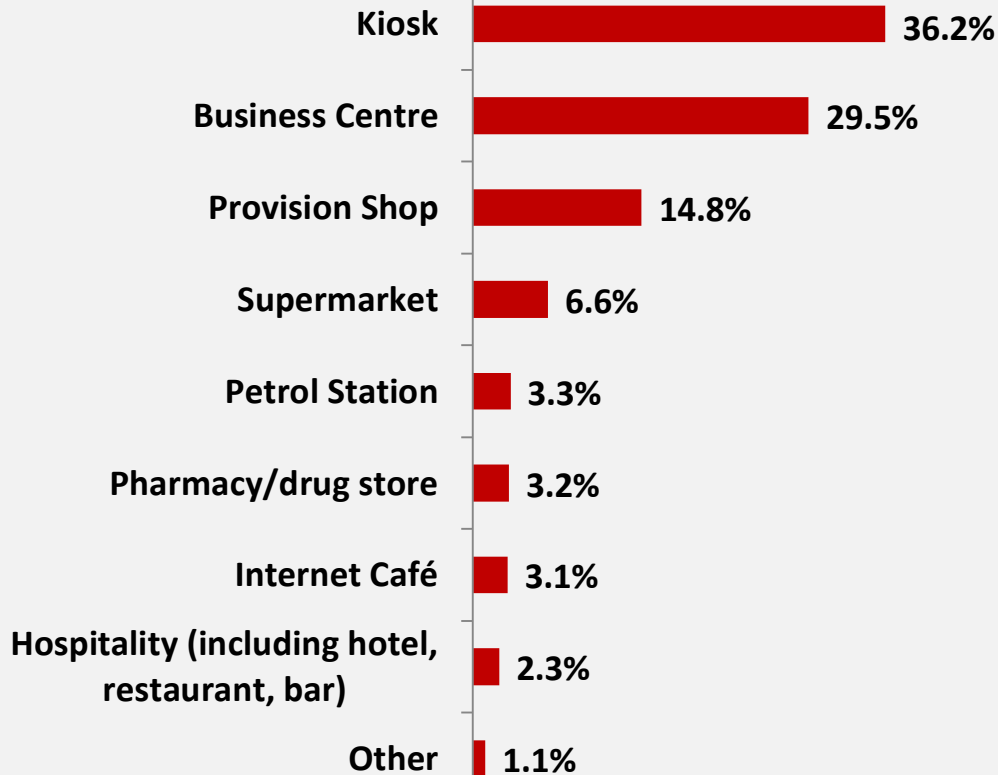
B. Agents' Operations

Business Locations of Agents

- Agents surveyed reported different kind of business locations. The most common response was “kiosk” (36.2%)
- 74.2% of agents who have only one Principal are satisfied with them

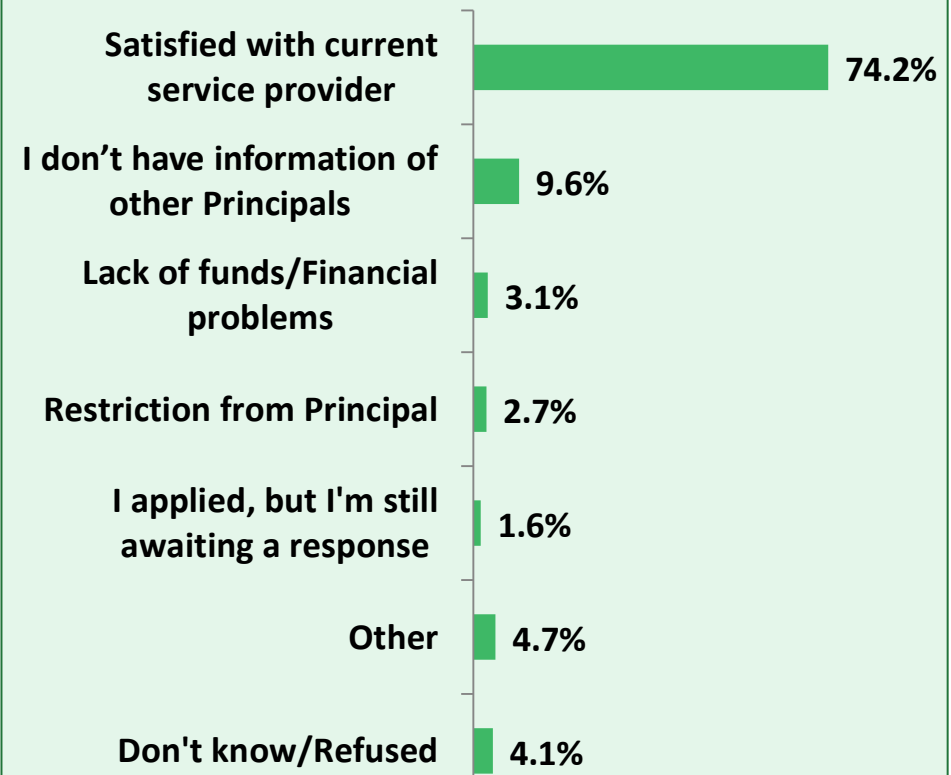
Where is your (main) agent business located?

(Base = 818)



Why do you have only one Principal?

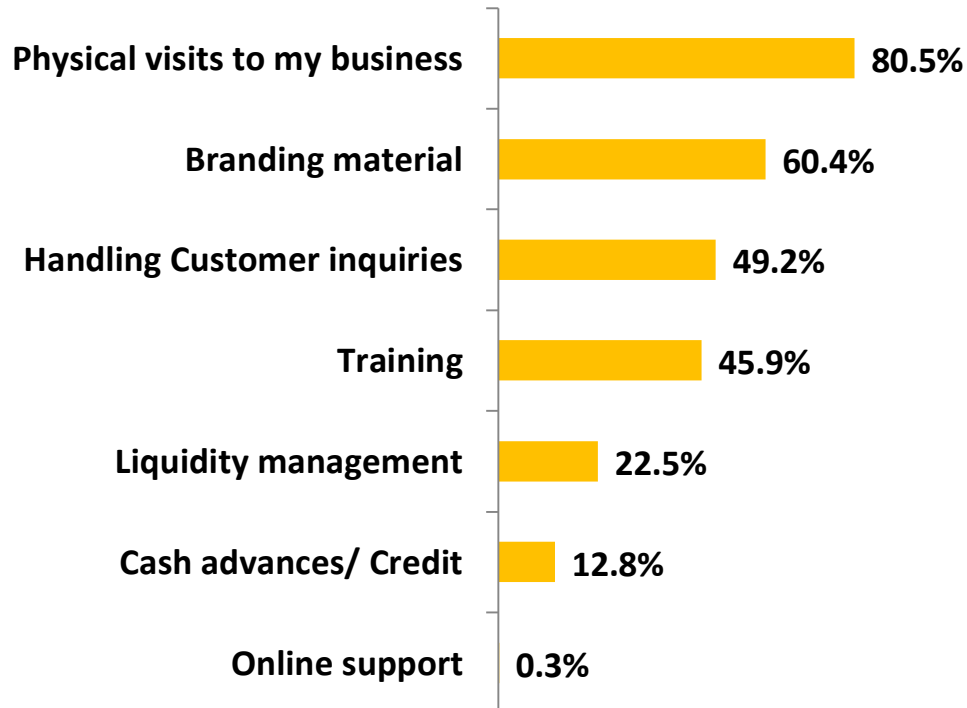
(Base = 512)



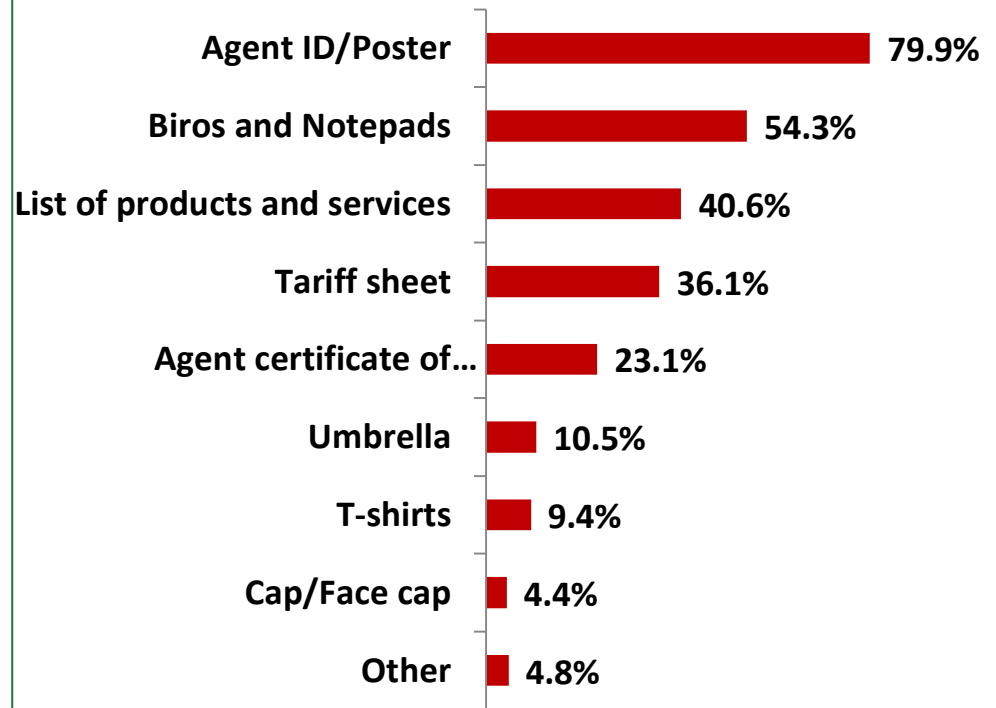
Support Agents Receive from Financial Services Providers

- In the past 6 months, many of the agents surveyed said that they receive physical visits to their business
- Agent ID/Poster is the most frequent branded material received from financial services providers

In the past 6 months which of these support services have you received from your Principal?
(Base=732)



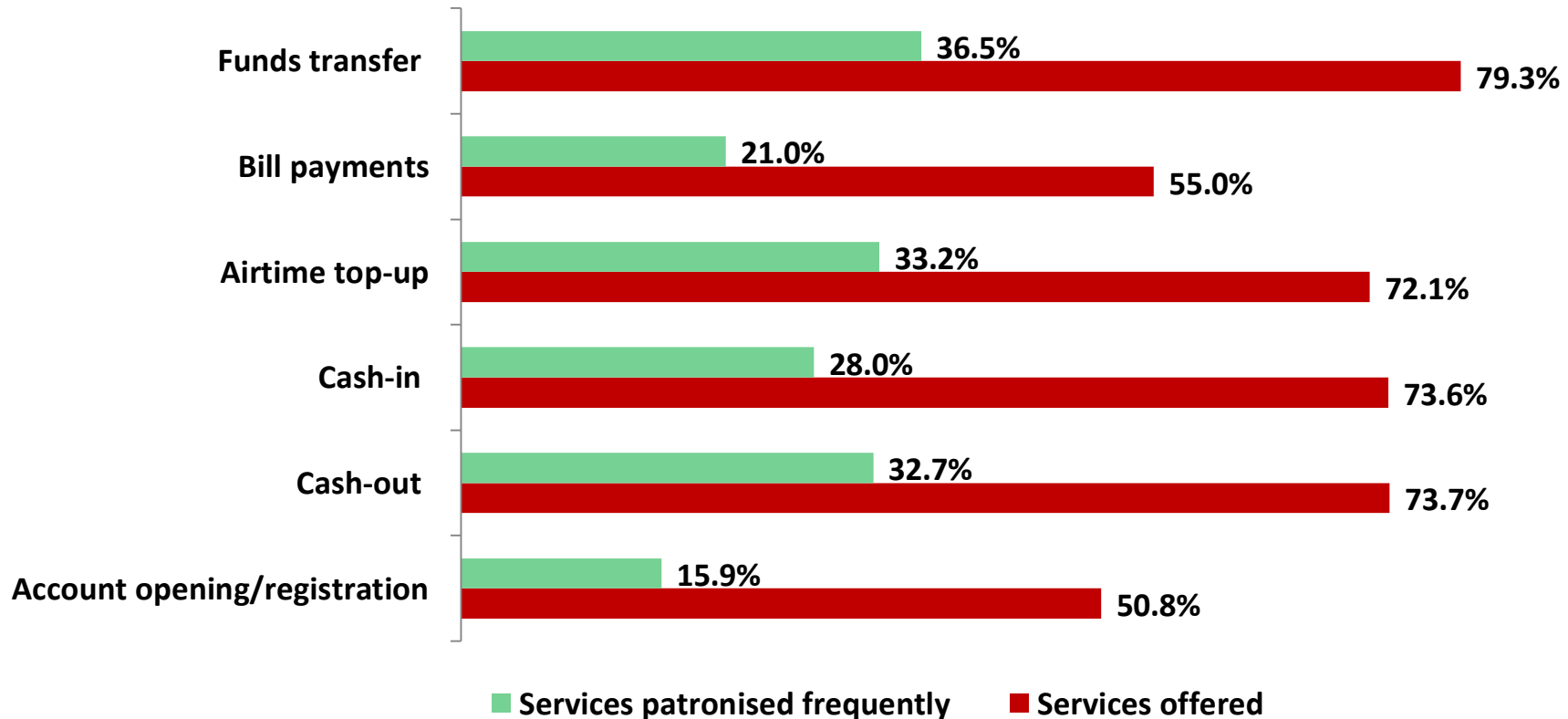
Which of the following branded materials have you received from your Principal?
(Base=726)



Services Offered by Agents

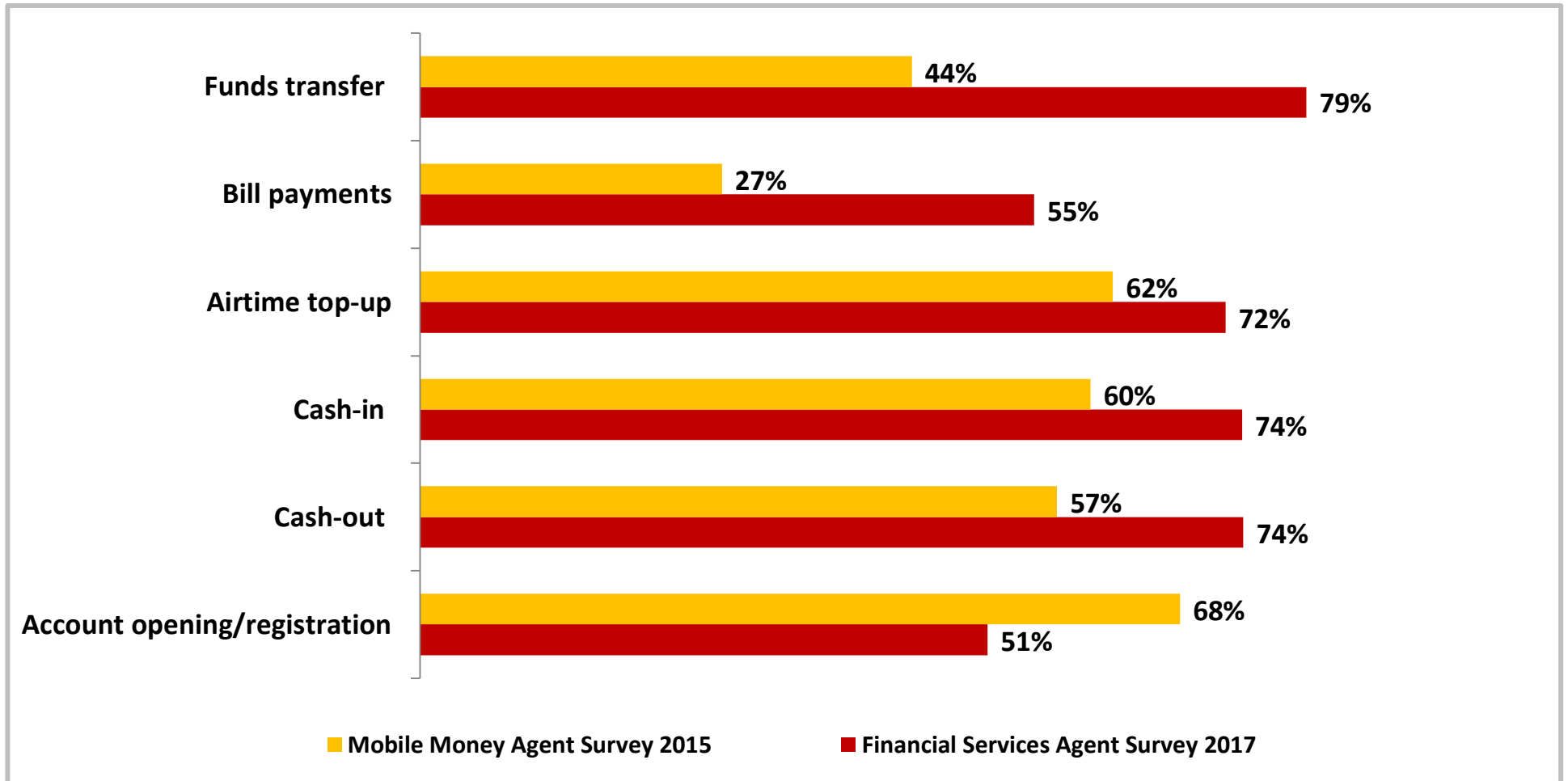
- The service most commonly offered by the agents surveyed was funds transfer, which is offered by 79.3% of them. Over a third of the agents (36.5%) say that funds transfer is the service customers patronised most frequently

Comparison of services offered to customers and services patronised most frequently
(Base = 818)



Apart From Account Opening, Uptake of Other Services Offered by Agents has Increased between 2015 and 2017

- From 2015 to 2017, uptake of ‘fund transfer’ has increased by 35%





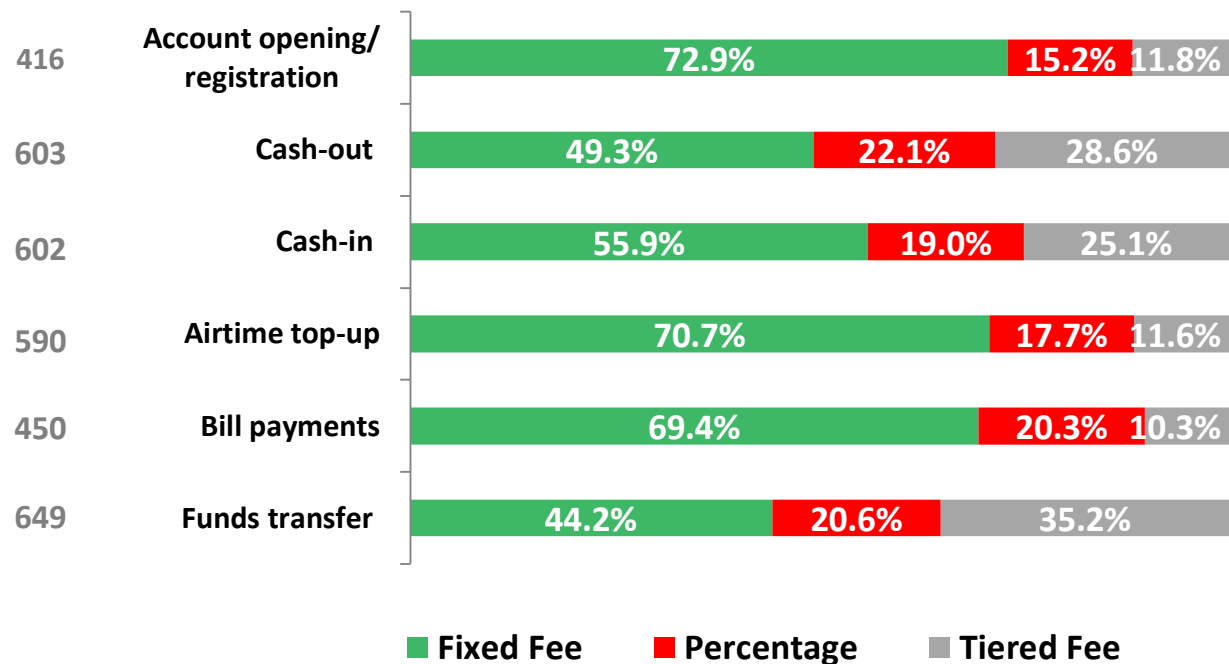
C. Pricing of Financial Services Provided by Agents

More Than 40% of the Agents Surveyed Charge a Fixed Fee on the Product They Offered

- Up to half (45%) of the agents surveyed said that they set the price they charge customers

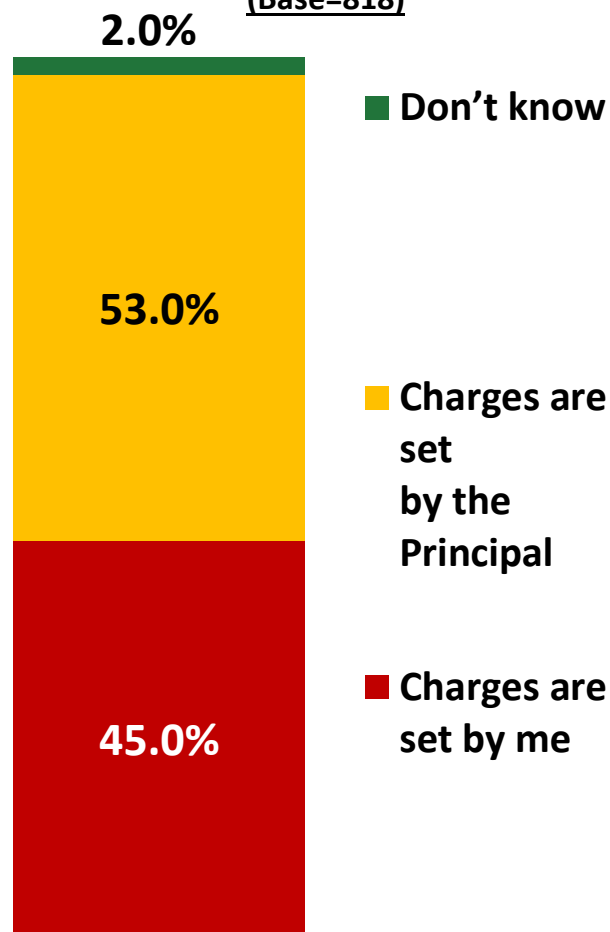
Do you charge a fixed, percentage or tiered fee?

Number of Agent Surveyed



Are the charges set by you or the Principal?

(Base=818)



Some of the Agents Charge more than the Amount Stipulated in the CBN Guide to Bank Charges

Products	Maximum Fee Charged*	
	Fixed (₦)	Percentage of Transaction Value (%)
Cash-out	₦1,000	50%
Cash-in	₦300	50%
Funds transfer	₦1,000	50%
Account opening	₦200	5%
Airtime	₦20	5%
Bill payment	₦500	10%

Charges as stipulated by the CBN**
No charge
On-Us Agent – ₦100 Off-Us Agent – Minimum of ₦50 subject to 1.5% of transaction value or ₦500, whichever is lower
Minimum of ₦50 subject to 1% of transaction value or ₦300, whichever is lower (Sending to Account Holder) Minimum of ₦50 subject to 1.5% of transaction value or ₦500, whichever is lower (Sending to Non-Account Holder)
No charge
₦100

*Some of the agents did not provide information on fee charged

**Source: CBN's Guide to Charges by Banks and Other Financial Institutions in Nigeria (2017)

The Agents Who Use a Tiered Fee Structure Charge higher than the CBN Stipulated Pricing

Products	Tiered*	
	Transaction Value (₦)	Average Fee Charged (₦)
Cash-out	₦10,000 and below	₦150
	₦10,001 – ₦50,000	₦180
	₦50,000 and above	₦240
Cash-in	₦10,000 and below	₦130
	₦10,001 – ₦50,000	₦180
	₦50,000 and above	₦400
Funds Transfer	₦10,000 and below	₦140
	₦10,001 – ₦50,000	₦230
	₦50,000 and above	₦300
Account opening		₦30
Airtime		₦50
Bill Payment	₦5,000 and below	₦100
	Above ₦5,000	₦140

Charges as stipulated by the CBN**
No charge
On-Us Agent – ₦100 Off-Us Agent – Minimum of ₦50 subject to 1.5% of transaction value or ₦500, whichever is lower
Minimum of ₦50 subject to 1% of transaction value or ₦300, whichever is lower (Sending to Account Holder) Minimum of ₦50 subject to 1.5% of transaction value or ₦500, whichever is lower (Sending to Non-Account Holder)
No charge
₦100

*Some of the agents did not provide information on fee charged

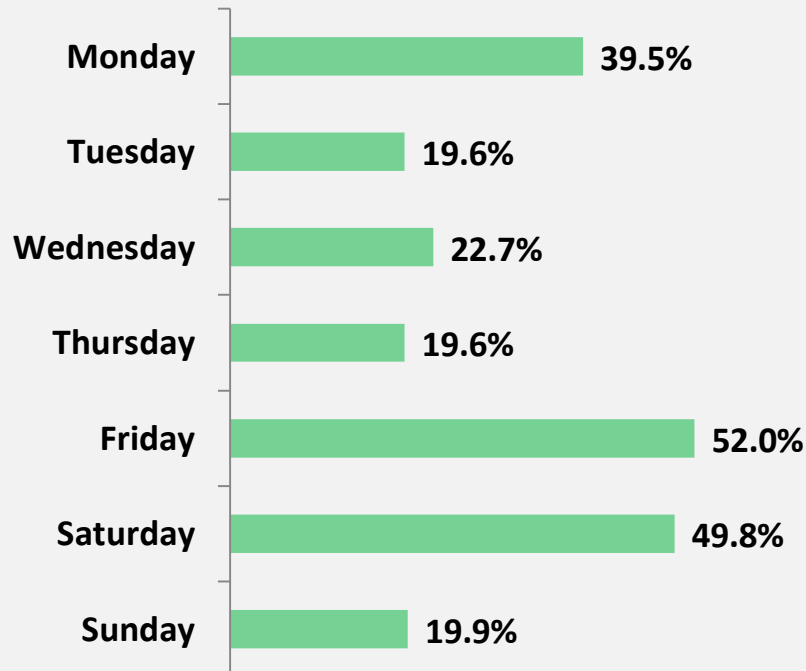
**Source: CBN's Guide to Charges by Banks and Other Financial Institutions in Nigeria (2017)

Agents Typically Serve More Customers at the End and Beginning of the Week. However, Agent Revenues Remain Low

- The median number of customers served on the least busy day is five customers
- The median number of customers served on the busiest day is 20 customers
- Among agents surveyed who were aware of and willing to disclose their average monthly commission earned, their commissions ranged from N100 to above N200,000, with a median value of N5,000

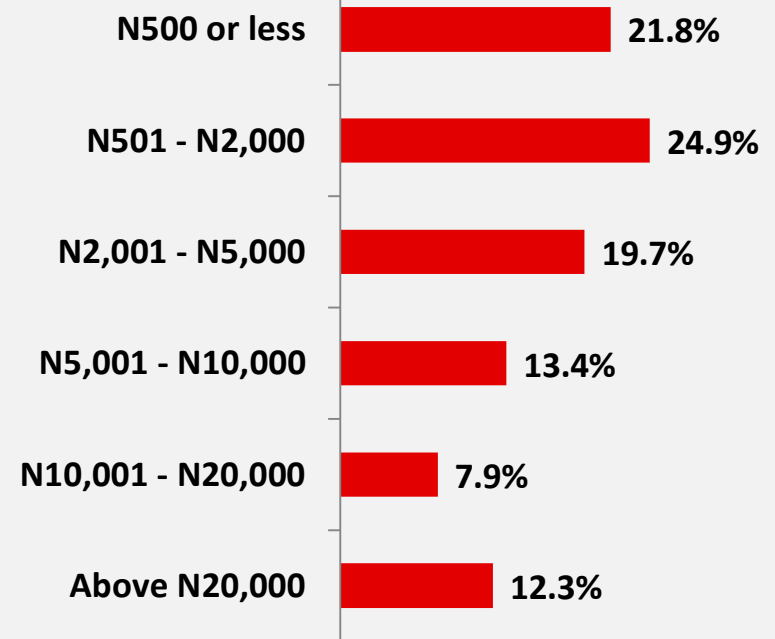
Which day(s) of the week do you typically serve the highest number of customers at your agent business?

(Base=818)



On average, how much do you earn per month in commission from providing financial services? (Base=445)

Percentage of agents who had received a monthly commission and were aware of/willing to disclose the amount received





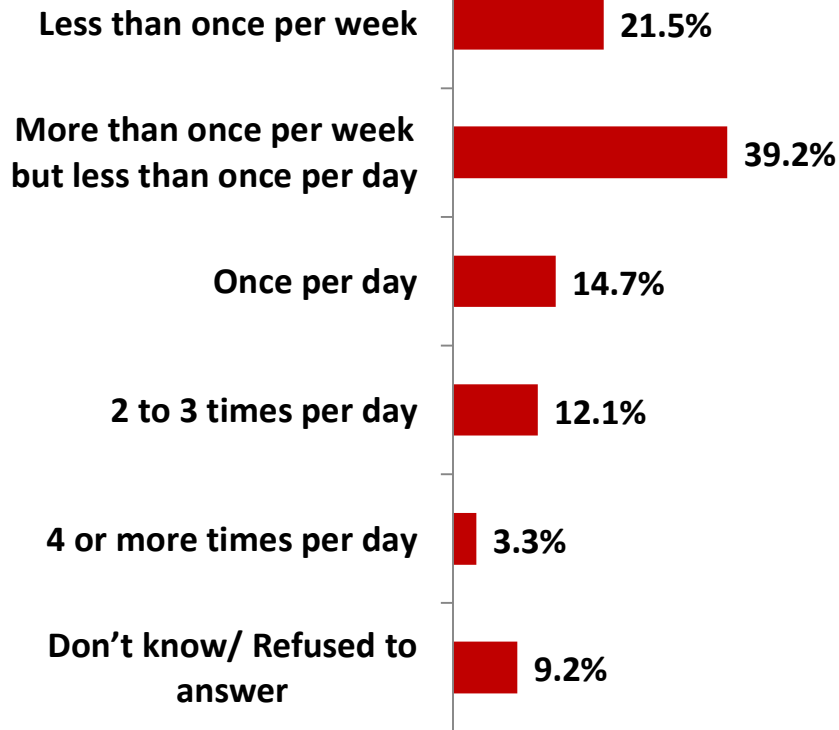
D. Float Management

Float Management

- The median amount of cash and e-float kept as trading float is N50,000
- The most frequent response for how agents rebalance their float is from the bank
- 39.2% of agents rebalance their float more than once a week, but less than once per day

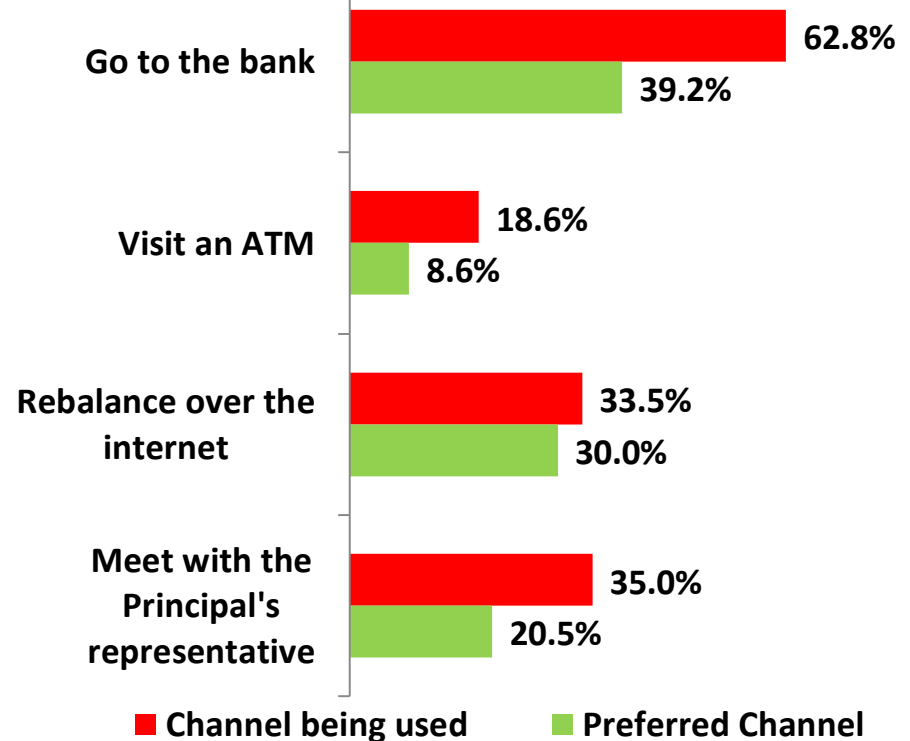
How often do you rebalance?

(Base = 818)



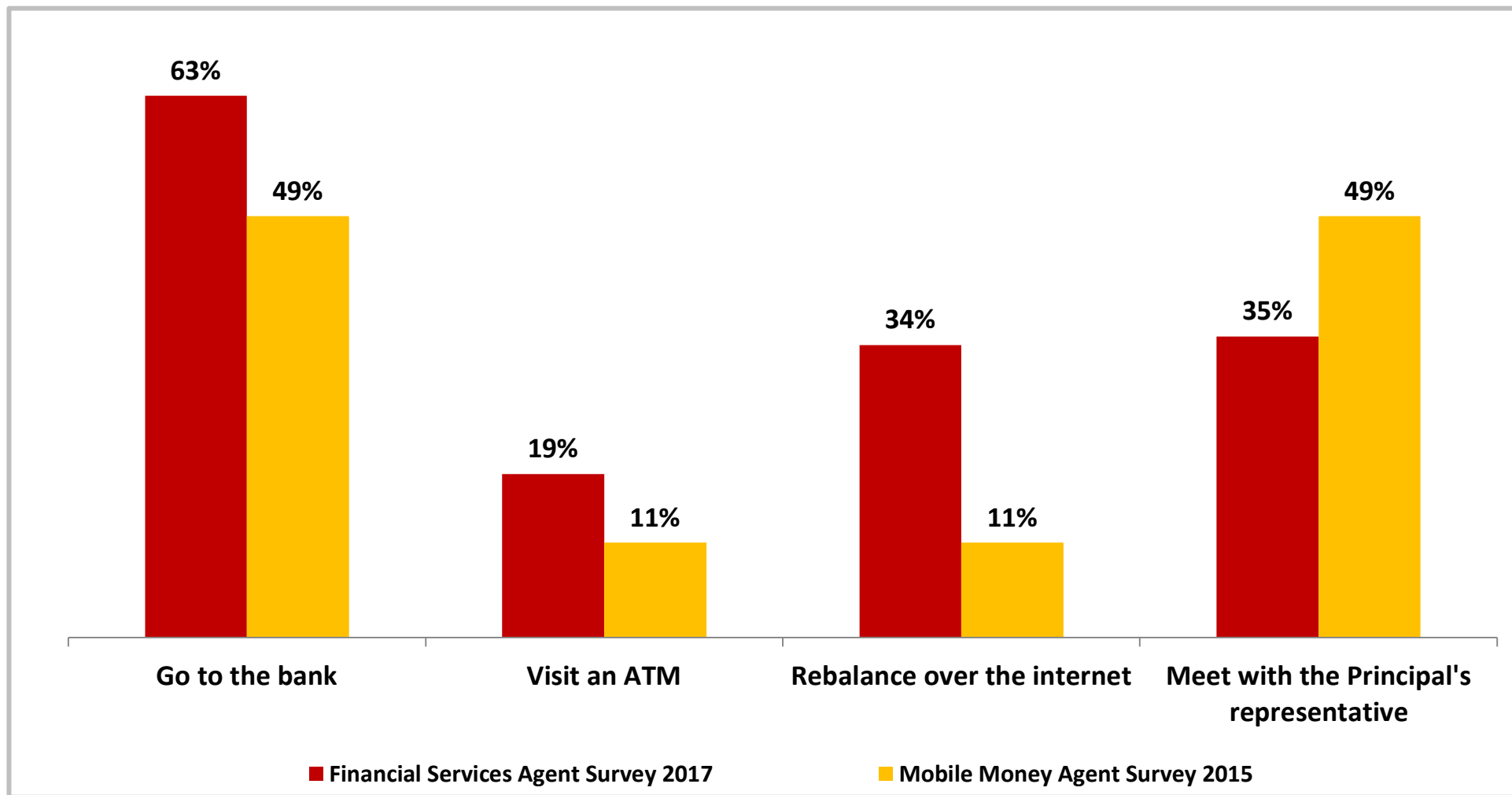
How do you manage the amount of e-money (e-float) that you have in your account to meet customer needs?

(Base = 818)



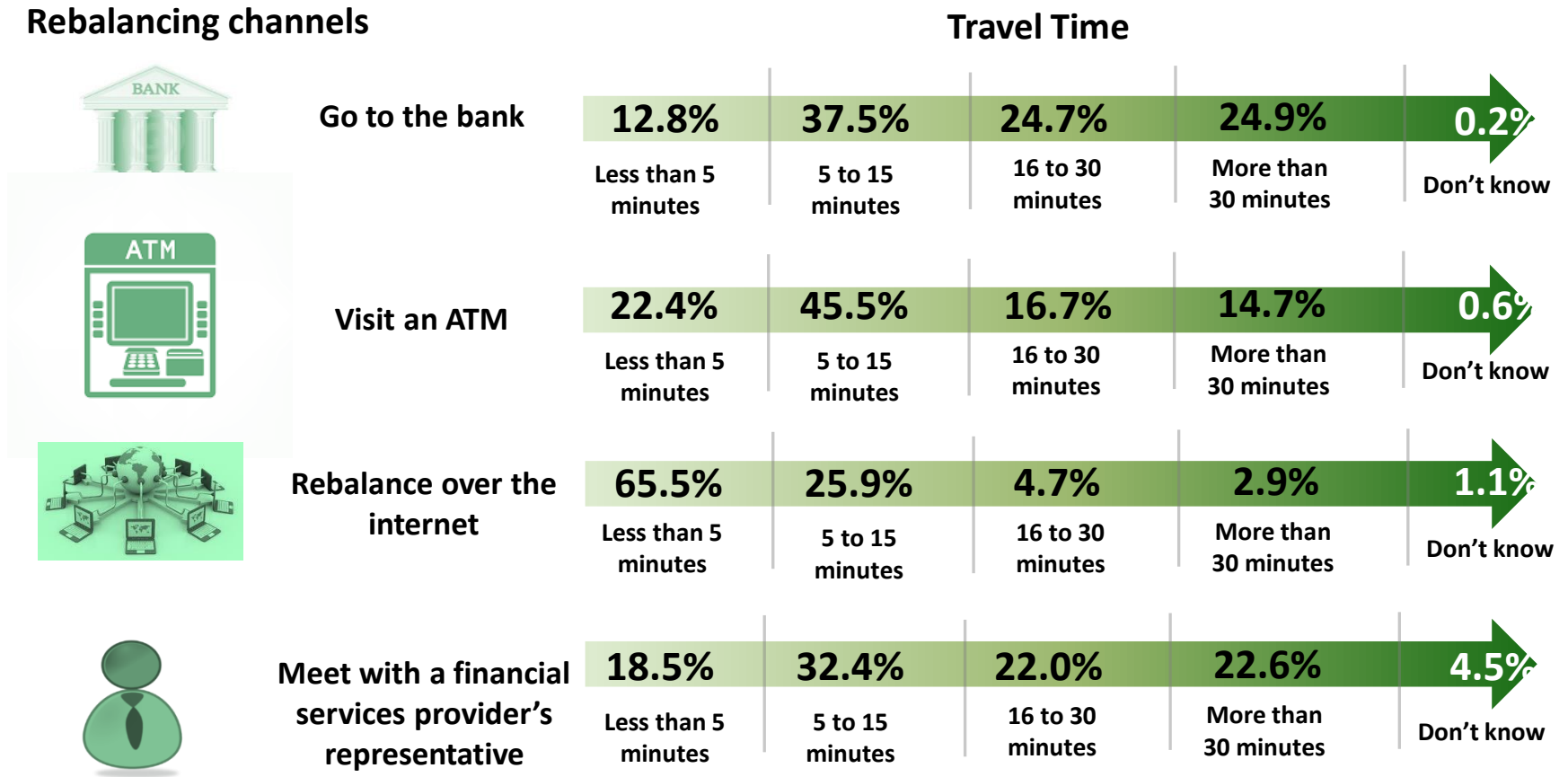
Between 2015 and 2017, most Agents have adopted other Channels of Rebalancing (Bank, ATM and Internet)

- From 2015 to 2017, use of Principal's representative for rebalancing has decreased by 14%



Time Taken to Rebalance

- The internet is the fastest means to rebalance for agents followed by ATMs





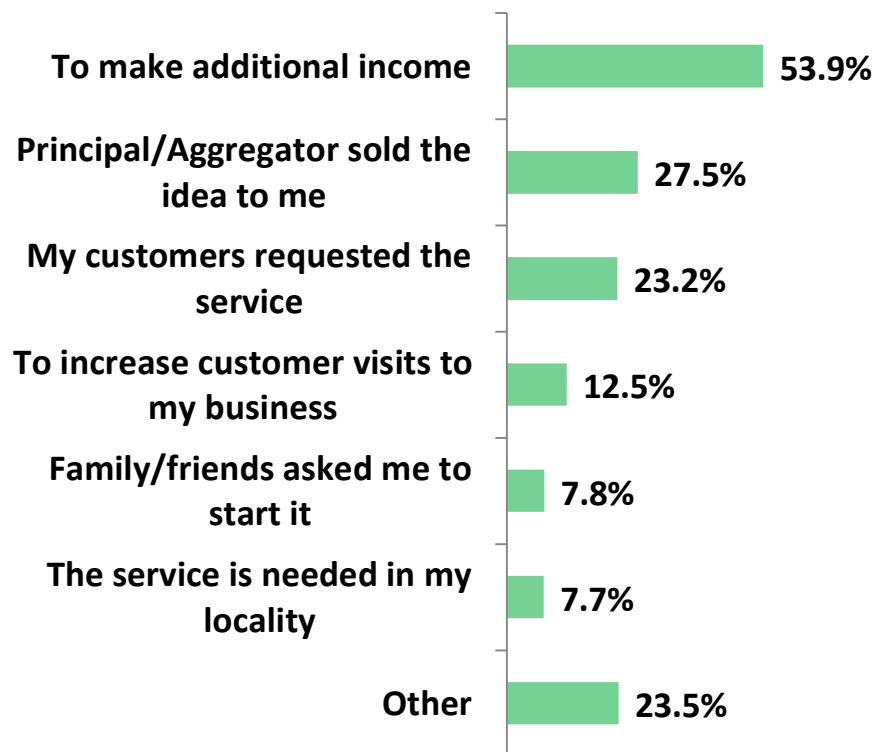
E. Agents' Motivation, Perceptions and Challenges for Providing Financial Services

Additional Income is a Major Motivation for becoming an Agent

- More than half of the agents surveyed said that they became agents to make additional income
- About 50% of the agents reported that it took them about a week to register as an agent

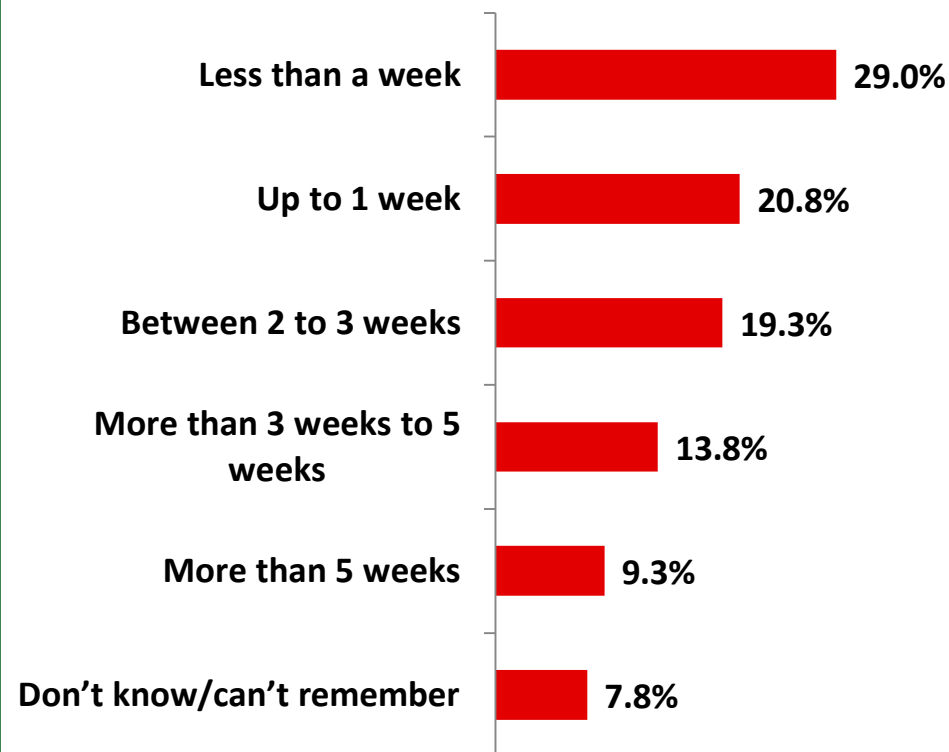
Why did you decide to become an agent?

(Base=792)



How long did it take to register as an agent?

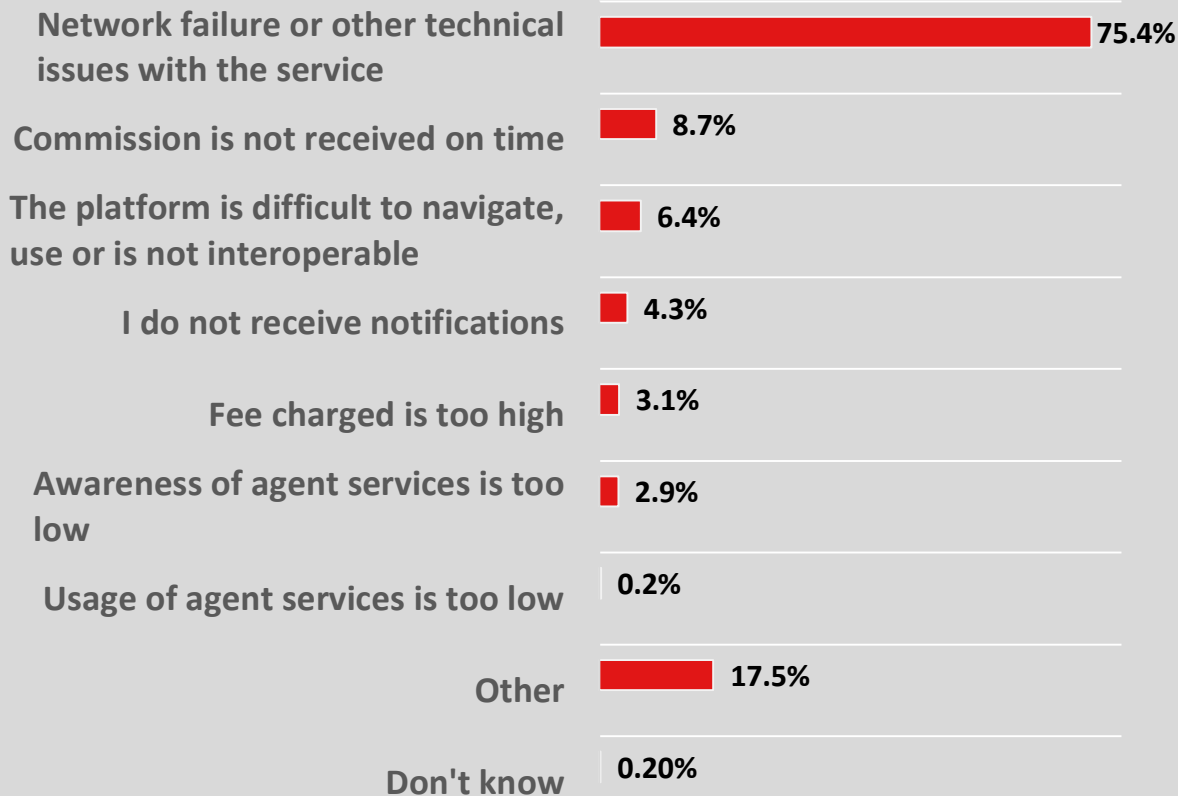
(Base=818)



Network Failure and other Technical Issues are the Main Challenges being Faced by Agents and Customers

- Network failure and technical issues are frequently faced by agents (75.4%)
- The top challenges customers frequently complain about is unavailability of the service (52.7%), transaction failure (35.1%) and that they do not receive notifications on their accounts (23.3%)

Challenges agents experience (Base=818)

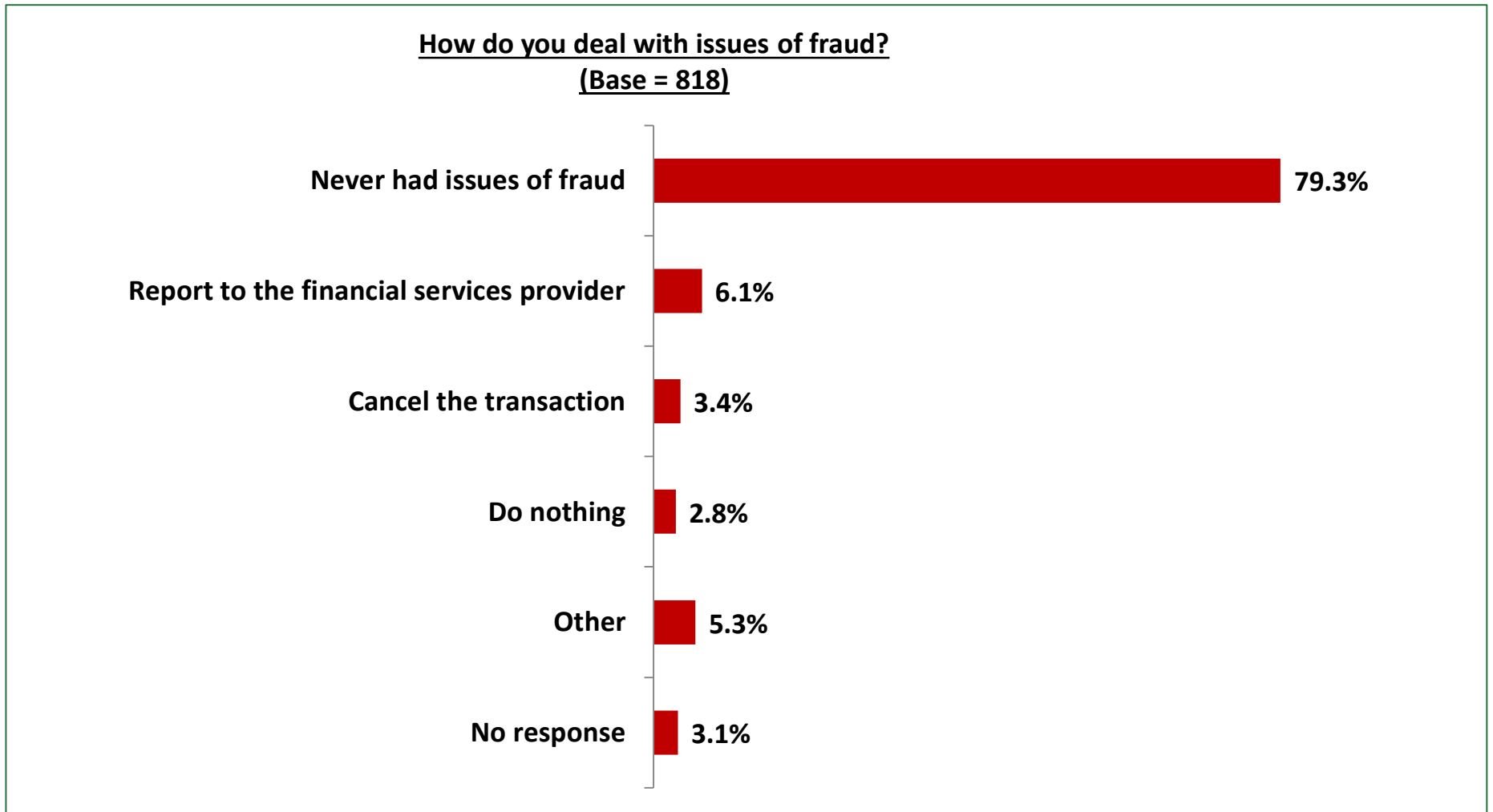


Challenges customers frequently complain about (Base=442)

Service is usually unavailable	52.7%
Transaction typically fails	35.1%
Do not receive notifications (e.g., SMS alerts)	23.3%
Platform is slow	17.6%

The Rate of Fraud Experienced by Agents is generally Low

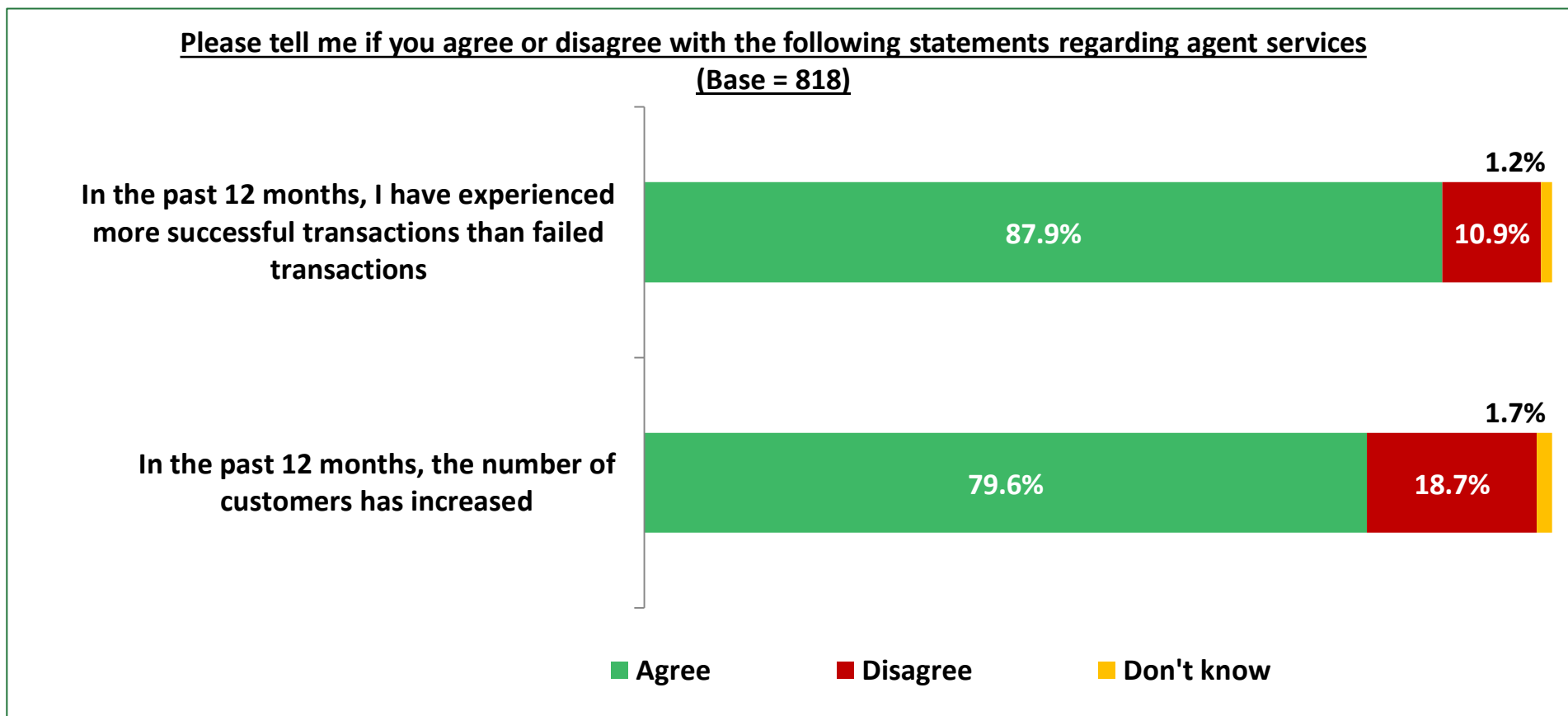
- 79.3% of agents surveyed said that they have not had any issues of fraud



G. Recommendations from Agents on How to Drive the Uptake and Usage of Agent Services

Agents Have Recorded more Successful Transactions and Increased Number of Customers in The Past Twelve Months

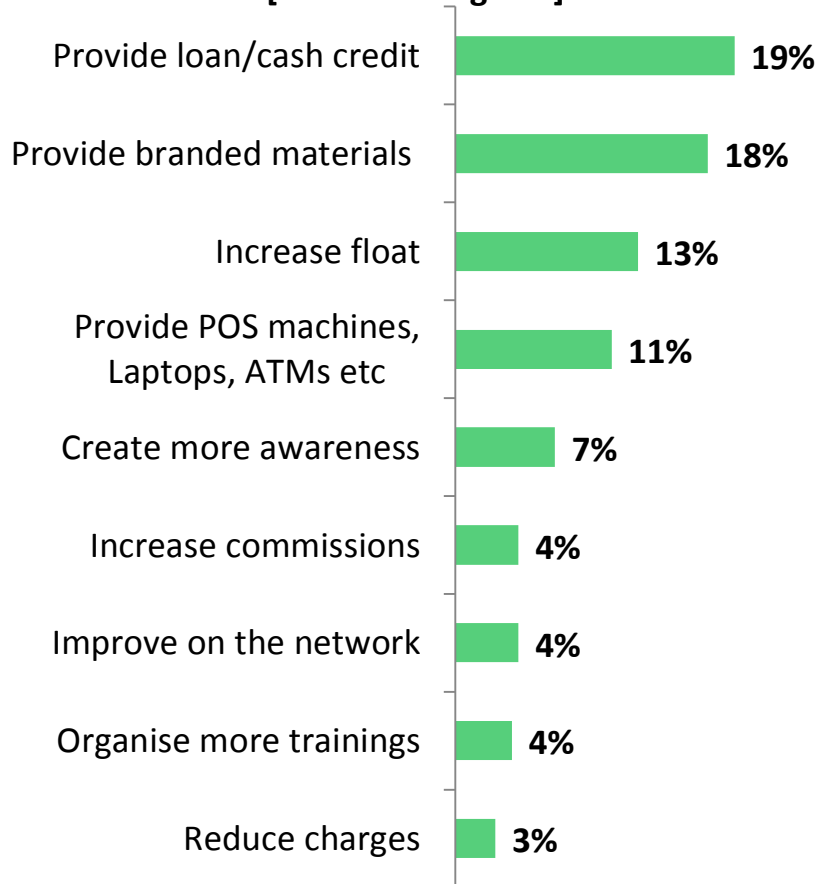
- 79.6% of agents surveyed said that the number of customers they serve has increased in the past 12 months



The Agents recommend that Customer Awareness Programs, Provision of Credit and Branding Materials to Agents will Promote the Utilisation of Agent Services

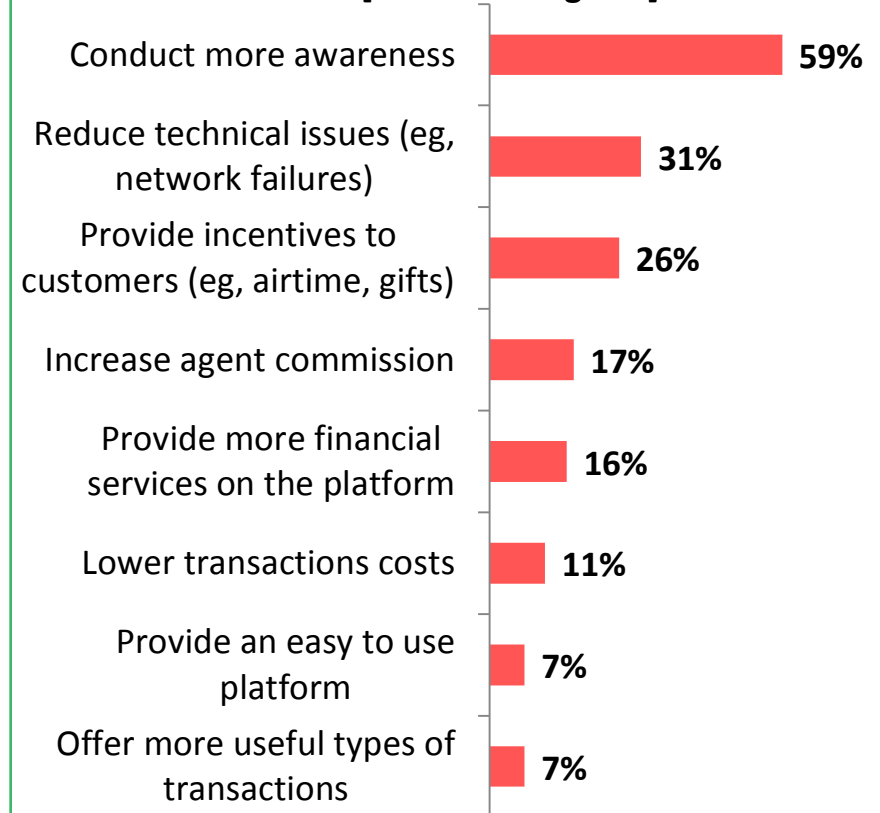
What (more) can be done to support you?

[Base = 434 agents]



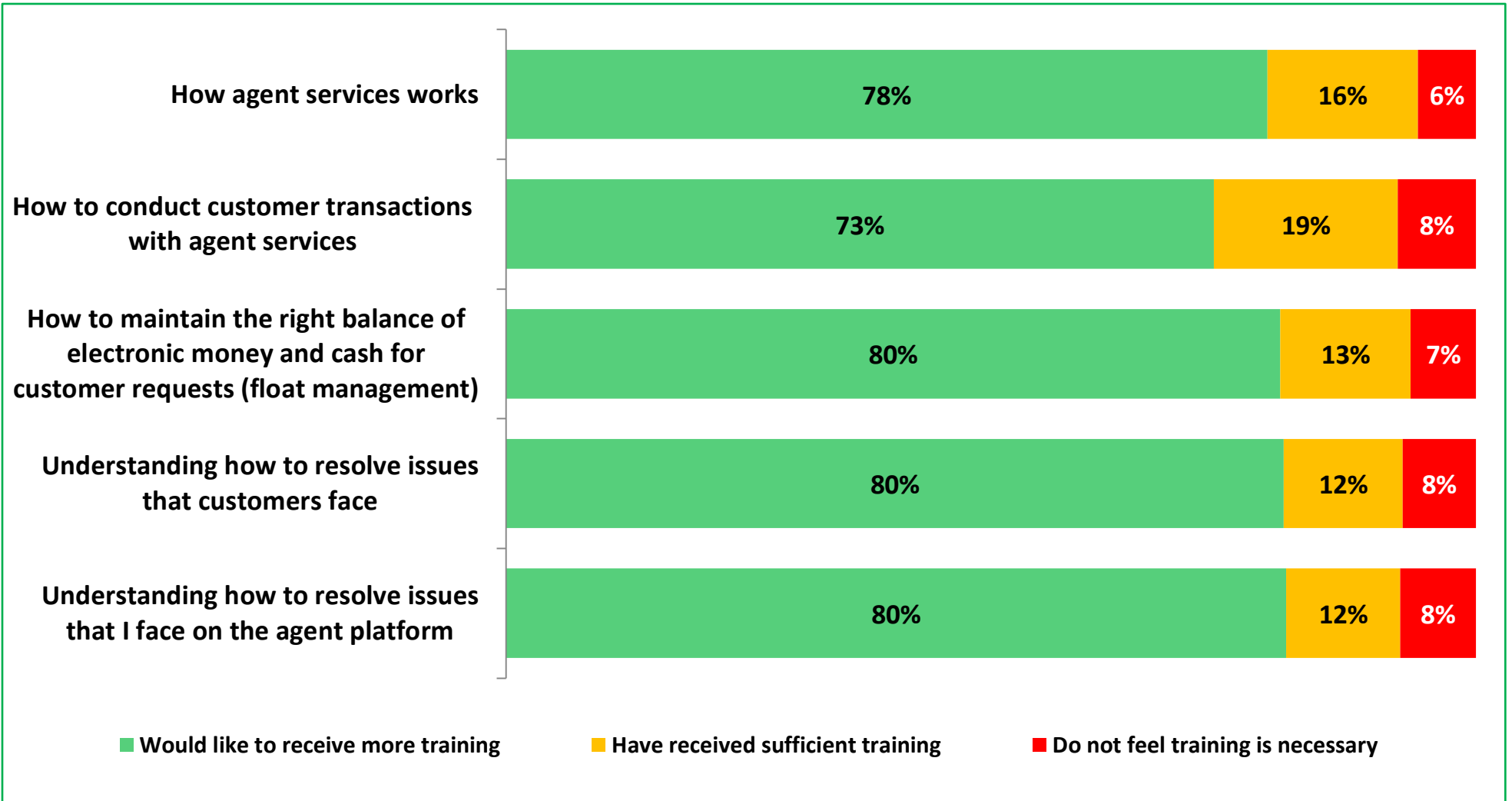
In your opinion, what should be done to drive the usage of agent networks in Nigeria?

[Base = 798 agents]



80% of the Financial Services Agents would like to receive Training on Issue Resolutions and Float Management

Base = 818 Agents



Conclusions and Recommendations

- The most common reason why agents decided to provide the services is to make additional income. Not surprisingly, agents charge more than the stipulated price to earn more money. There is a need to allow market forces determine the price for agent services to enable its profitability
- Agents require several training needs on topics such as how to maintain the right balance of electronic float; how to resolve issues that customers face, and; how to resolve issues that they face on the agent platform. These are significant issues that need to be addressed by operators as it is limiting the growth of agent networks.
- Agents also require awareness campaign initiatives to bring customers to their agent locations. This is important as it will help drive revenues for all stakeholders in the business.
- Beside Account Opening, uptake of agent services has increased in the past 2 years. Specifically, uptake of 'fund transfer' has increased significantly. Funds transfer is the most profitable service for agents and the most frequently patronised product for customers. Therefore, interoperability within the platform of all operators will benefit the entire industry as well as grow the agent network.

How EFInA Intends to Deepen Financial Inclusion in Nigeria

Enhance collaborative efforts through EFInA's pillars

Review status, understand challenges, leverage opportunities

Research

- Continue to provide credible market information on the Nigerian financial sector
- Disseminate bespoke results at EFInA breakfast series, working groups and at stakeholders' events

Support stakeholder linkages for an enabling environment

Advocacy

- Work closely with regulators & policy makers in Nigeria to foster an enabling environment for innovative inclusive financial services and products for the un-banked and under-banked segments

Provide incentives for developing innovative products and services

Innovation Fund

- Host and facilitate innovation fora to trigger debate and ideas about pertinent issues.
- Financial support for new ideas and approaches to expanding financial access to the un-banked and under-banked segments

Support capacity to implement

Capacity Building

- Provide linkages between local stakeholders and experts who can help with the development and implementation of inclusive products
- Facilitate skills acquisition through opportunities to attend training sessions or interact with success stories within and beyond Nigeria

Primary efforts will target selected thematic areas

Women, Northern Nigeria, Mobile Money, Non-Interest Finance, Micro Savings, Micro Loans & Micro Insurance, Financial Literacy

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