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Enhancing Financial Inclusion & Advancement
...Evidence Driven, People Focused

Unlocking Nigeria's Financial Future: Overcoming Challenges and Seizing Opportunities in Last-Mile Expansion

Highlighting the barriers, drivers, and solutions to deepening financial access in Nigeria’s last-mile communities (especially rural, Northern, and female populations), while identifying high-impact opportunities for stakeholders.

Outline of the report

Executive summary

Nigeria's financial access landscape has improved significantly—with 64% of adults now formally included. However, this headline masks stark regional, gender, and rural-urban disparities, especially among last-mile communities in the North and among women. This report was developed to identify the key barriers, enablers, and strategies to deepen financial inclusion where it's needed most—at the last mile.

Key Findings:

- **Exclusion remains regionally and demographically concentrated.**
  While the South West showcases what's possible with digital infrastructure and trust, regions like the North East and North West continue to suffer high exclusion rates—driven not by lack of access alone, but by deeper structural, economic, and cultural barriers.
- **Women and rural populations are doubly disadvantaged.**
  Unbanked women face distinct regional barriers — income irregularity dominates nationwide (50%+), while the North struggles more with service costs and unemployment, and the South grapples with trust issues and geographic access challenges.
- **Agent networks are vital—but under-optimized.**
  Agents now reach over 11 million Nigerians who do not have transactional accounts with a traditional banks and mobile money provider. However, issues like low agent profitability, float shortages, and inadequate support hinder their impact. Rural access and agent usage remain lowest in the North and South East, where proximity and trust are weakest.
- **Digital divides are multi-layered.**
  Smartphone ownership and comfort using apps vary by gender, region, and education—compounding exclusion. Even where phones are available, low digital confidence and weak network infrastructure block DFS adoption.
- **Last-mile challenges differ by region.**
  The South's exclusion is driven by low income and trust, requiring economic empowerment and better service quality. The North's exclusion stems from systemic access issues—distance, identity, literacy, and infrastructure—which demand structural policy reform and inclusive design.

Strategic Implications of these findings

1. **Relevance is the new frontier.**
   Reaching the last mile demands more than access—it demands services that are trusted, usable, and embedded in local realities.
2. **Localization is essential.**
   Programs must be tailored to regional and demographic nuances—what works in Lagos will not work in Yobe. Policy must disaggregate beyond national averages.
3. **Empower and incentivize agents.**
   Invest in women-led, rural agent models; address liquidity constraints; and link agents to national ID and public infrastructure to ensure a more secure, scalable and sustainable reach.
4. **Close the digital comfort gap.**
   Beyond device access, bridge the skills and trust gap through financial literacy, low-literacy interfaces, and community-led onboarding.

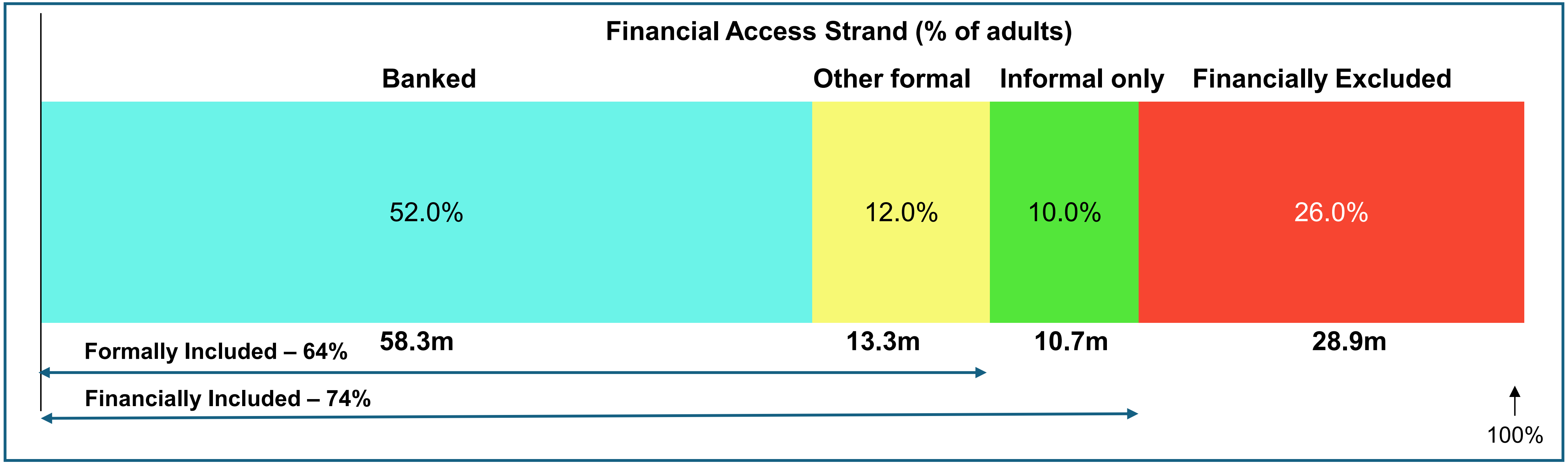
Last-mile expansion is not a frontier of poverty—it is a frontier of possibility.
With strategic investment in relevance, trust, and tailored delivery models, Nigeria can unlock the full economic potential of its underserved communities—turning digital access into inclusive financial empowerment.

The Uneven Map of Financial Access

- *Beneath the Surface: What National Averages Miss*
- Zooming In: Subnational Realities

Formal financial inclusion has grown significantly from 57% in 2020 to 64% in 2023, fueled by marginal growth in the banked population and major gains in non-bank formal adoption

- **Nearly 3 in 4 adult Nigerians are financially included, compared to 68% in 2020**
- **Financial exclusion reduced by 10% points from 2020 (est. 9million drop in excluded adults). Still, about 1 in 4 Nigerian adults remain financially excluded**
- **Over the last 15 years, the proportion of formally served adults has more than doubled, while the proportion of adults who rely on informal providers only and the financial excluded has more than halved**



Source: EFInA Access to Financial Services in Nigeria 2023

Despite growth in access, certain demographic gaps continue to persist in Nigeria

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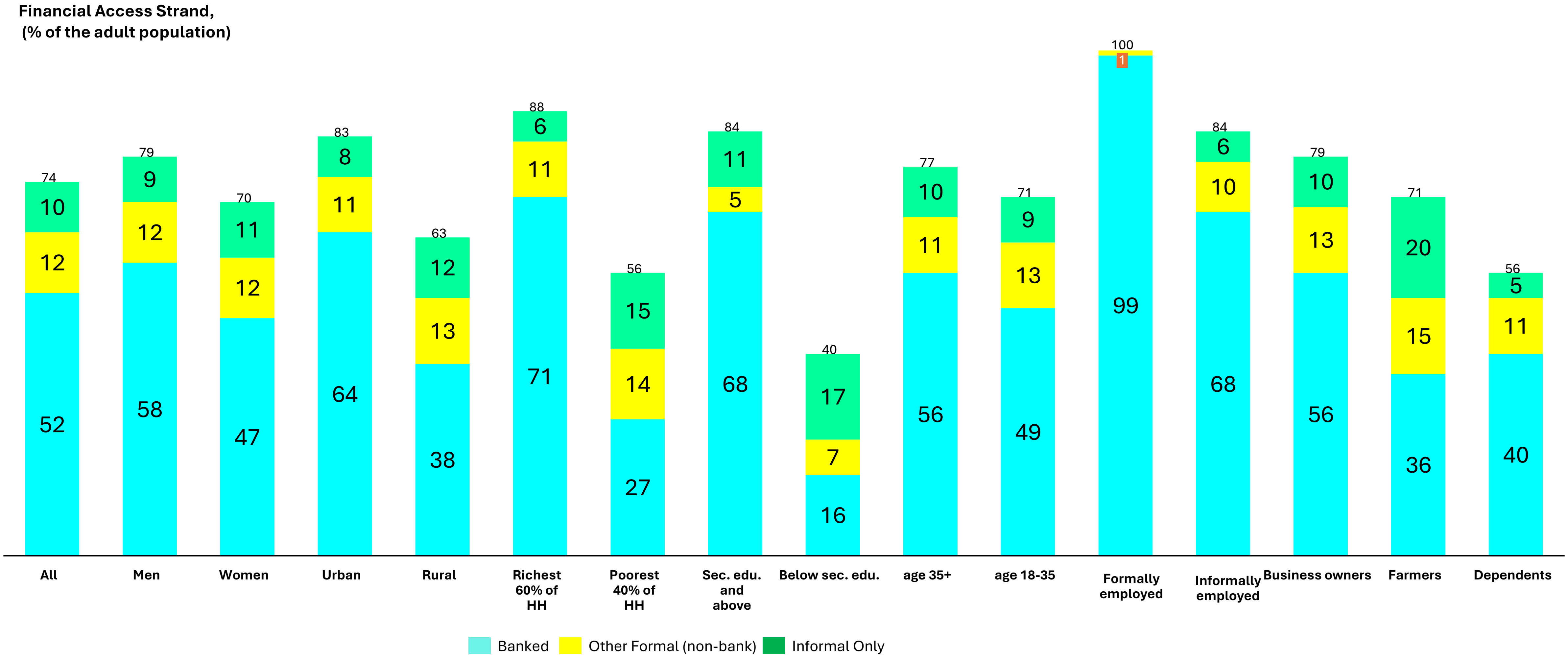
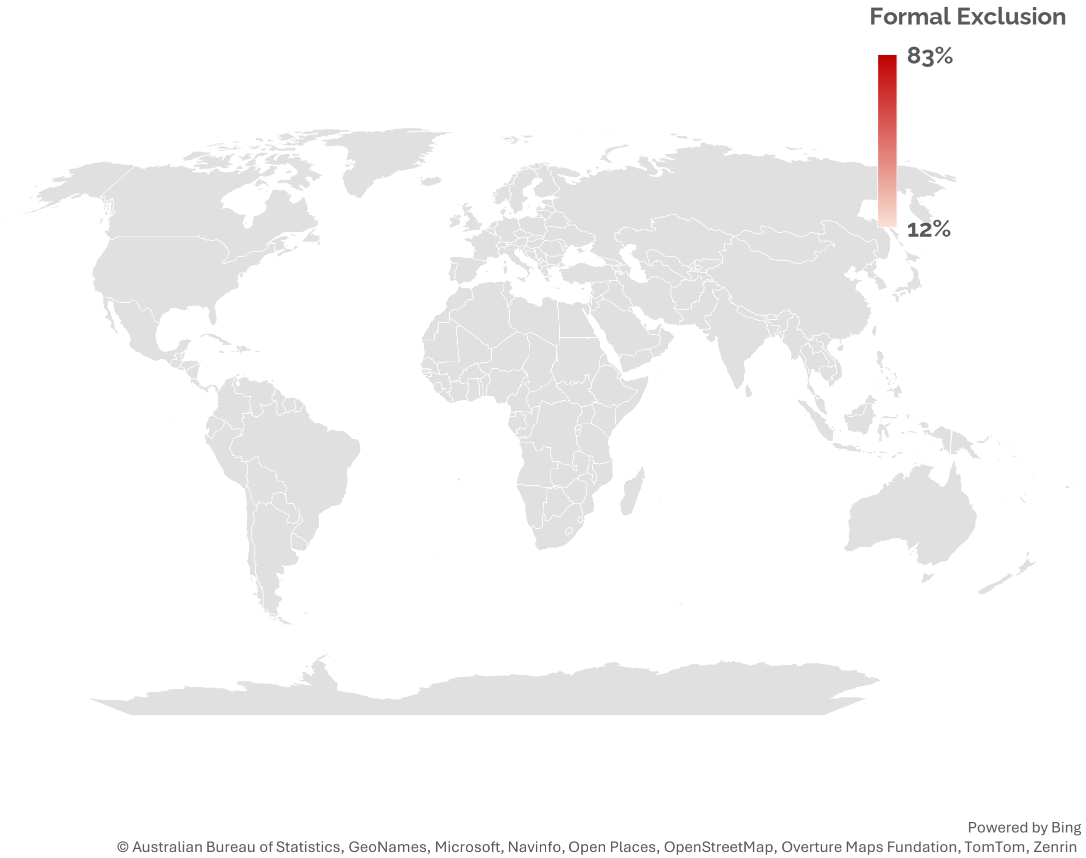


These four strands are mutually exclusive

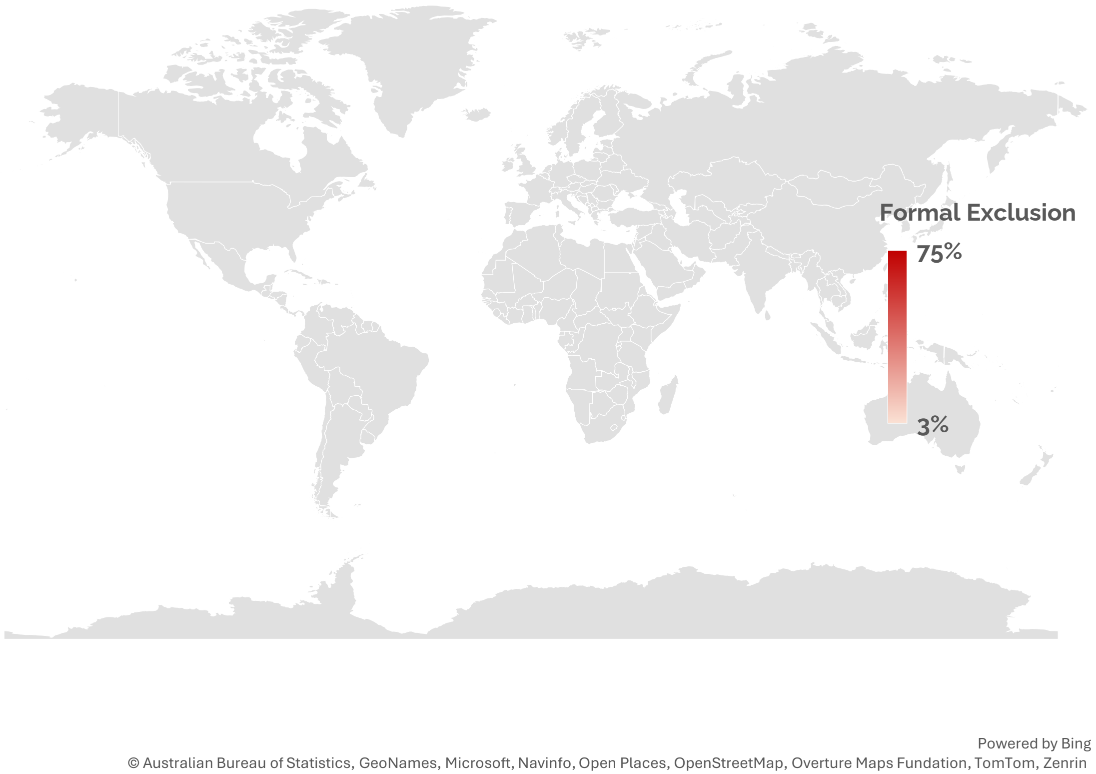
Source: EFInA Access to Financial Services in Nigeria 2023

Despite growing access, including significant gains in the North-East and North-West, all states in the North-East report exclusion levels above the national average. Gains in the adoption of non-bank formal services should also be explored to adopt learnings in lagging states to ensure no state is left behind.

2020 State Formal Financial Exclusion (% of adults)



2023 State Formal Financial Exclusion (% of adults)



Source: EFInA Access to Financial Services in Nigeria 2023

The regional representation of financial access in Nigeria often hides the true picture due to the influence of outlier states like Lagos (South West) and Kaduna (North West). Subnational targeting is critical. Policy and programs must disaggregate beyond regions — e.g., to LGAs or rural-urban splits — especially in Northern zones where pockets of access exist alongside widespread exclusion.

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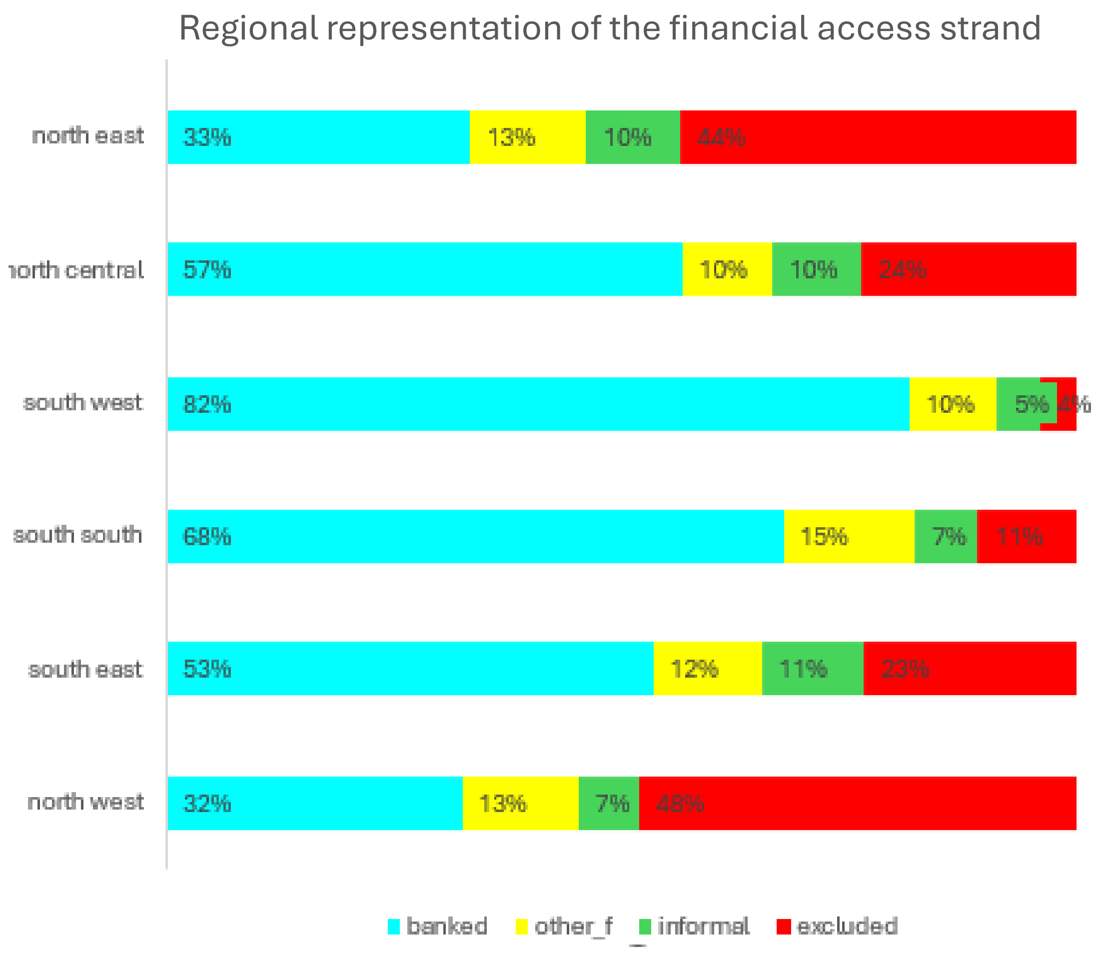
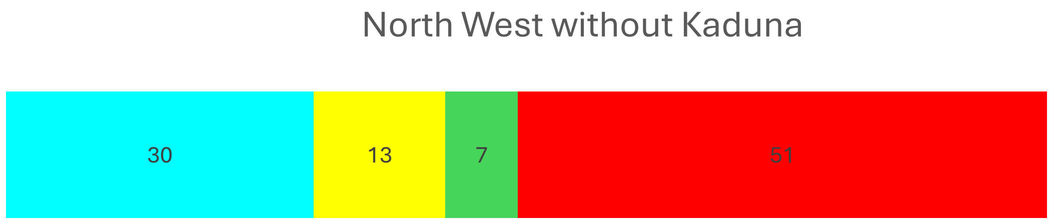
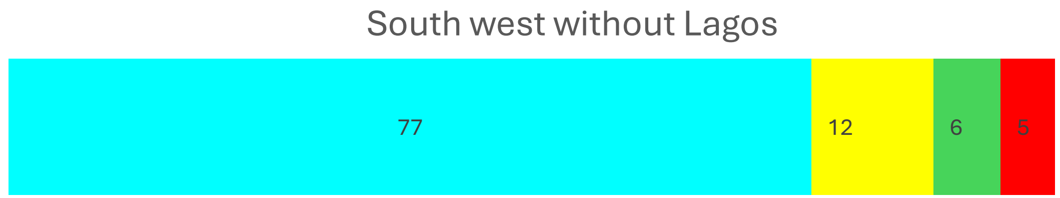
Despite significant gains in the North-West, varying levels of progress needs to be interrogated to ensure no state is left behind. Gains in the adoption of non-bank formal services should also be explored to adopt learnings in lagging states.
All states in the North-East report exclusion levels above the national average with Borno, Yobe and Bauchi driving exclusion levels. Lessons from Taraba and Bauchi with regards to other formal adoption needs to be applied to highly excluded states



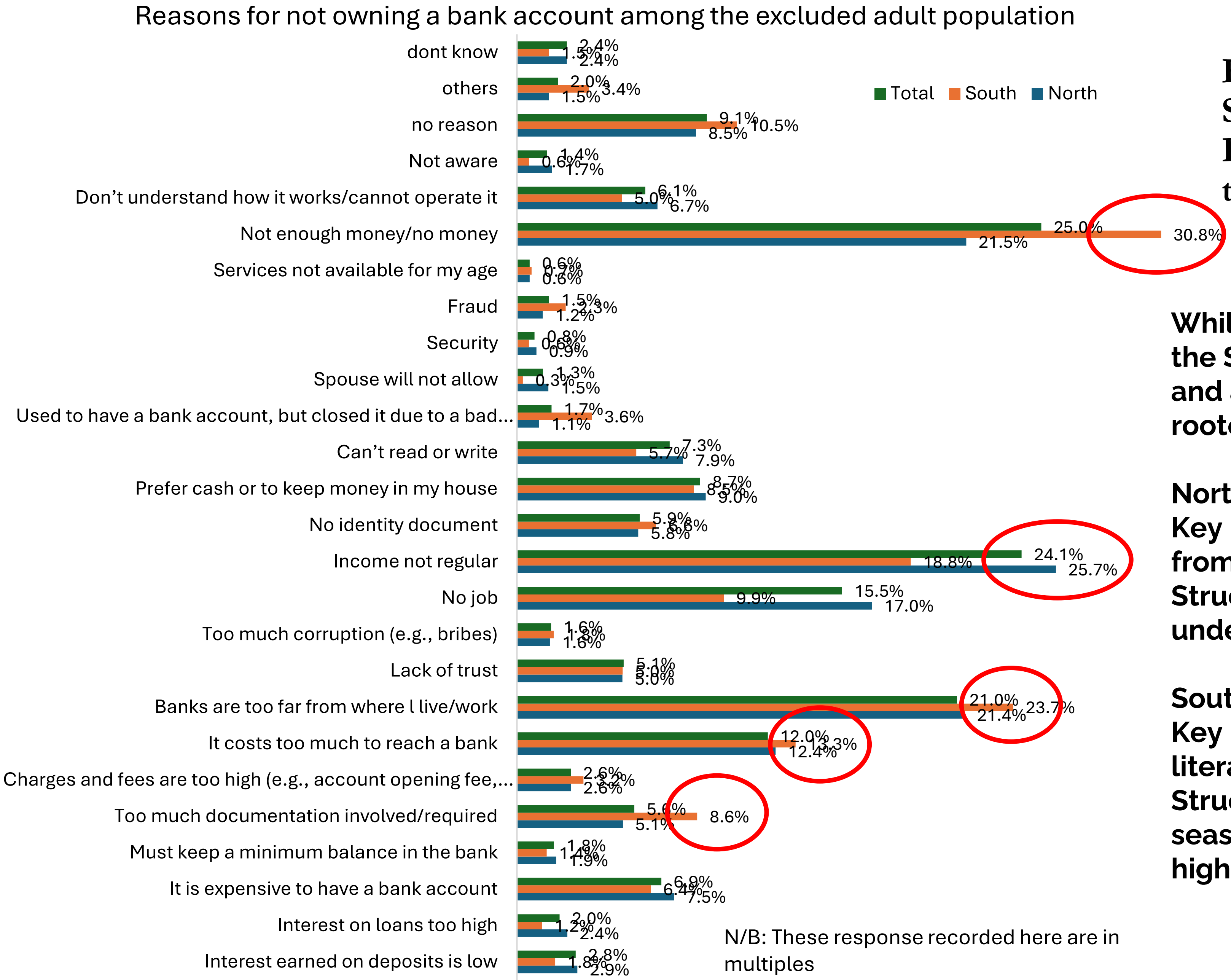




North West – Without Kaduna
Banked drops to 30% (vs 32% with Kaduna) → suggesting Kaduna was slightly masking even poorer financial access in other states. Financially excluded spikes to 51% (vs 48% with Kaduna), making the North West the most financially excluded region.
South West – Without Lagos
•Banked declines to 77% (vs 82% with Lagos), but remains the most financially included region.
•Excluded increases slightly to 5% (from 4%), showing Lagos's role in inflating the zone's high financial access.

Understanding Last-Mile Barriers

- Why People Stay Excluded
- The DFS Paradox in the North West
- *Gendered Exclusion at the Last Mile*



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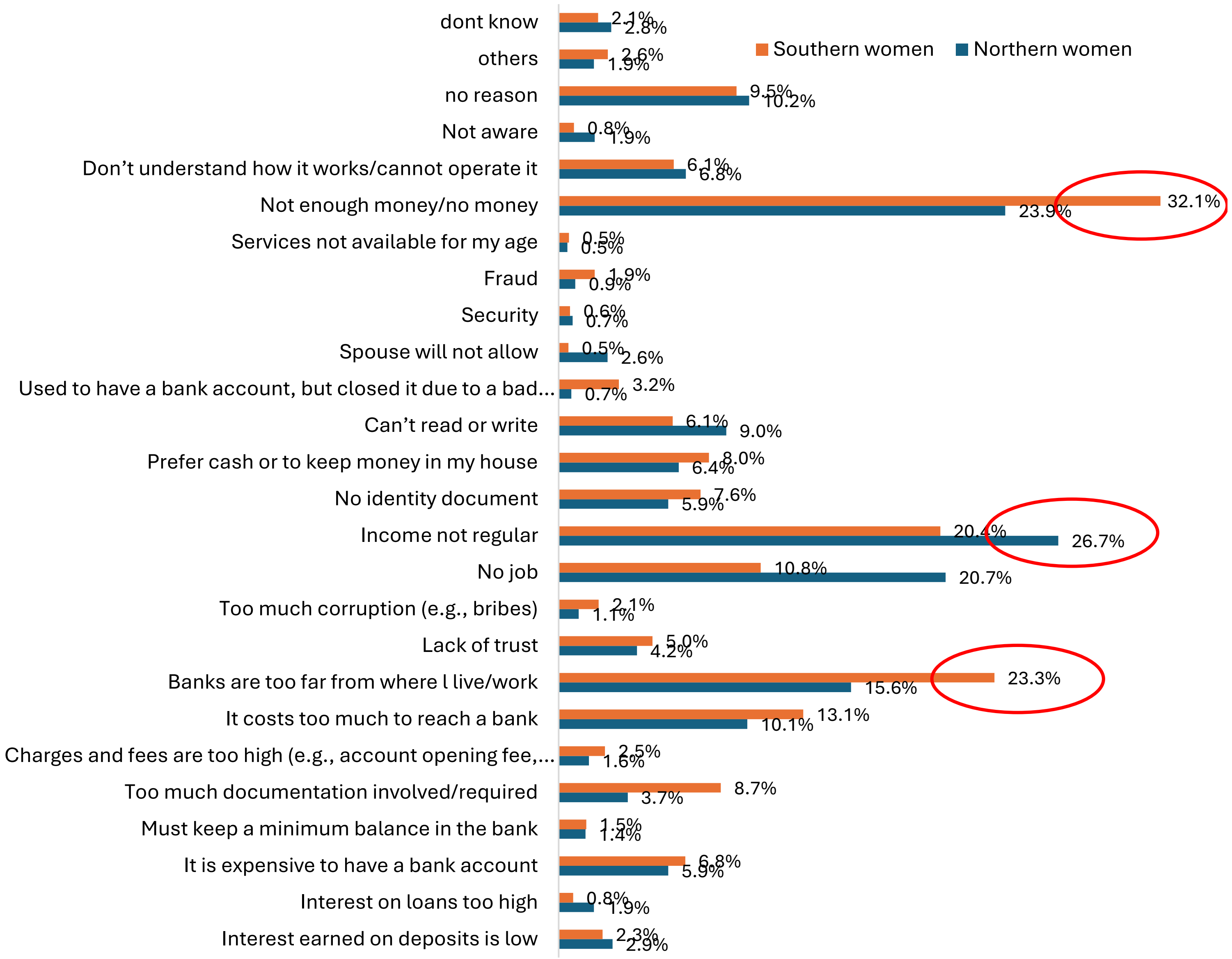
Financial Exclusion Driven by Structural Barriers in the North, Behavioral and Income Constraints in the South

While income constraints are common nationwide, the South's exclusion is shaped more by cash flow and attitudes, whereas the North’s exclusion is rooted in systemic and structural barriers.

North
Key Barriers: Lack of money and physical distance from banks.
Structural Causes: Income insecurity and possibly underserved rural regions.

South
Key Barriers: Irregular income, unemployment, literacy, and cost of access.
Structural Causes: Lower educational attainment, seasonal work, fewer financial access points, and higher levels of economic fragility.

Reasons for not owning bank account among excluded population



Similarly, for women, Income and Structural Barriers Dominate

Little/Irregular income is the top barrier to being unbanked — cited by over 50% of unbanked women in the North and South.

Cost of financial services and unemployment are significantly more pronounced barriers in the North, reflecting deeper economic fragility.

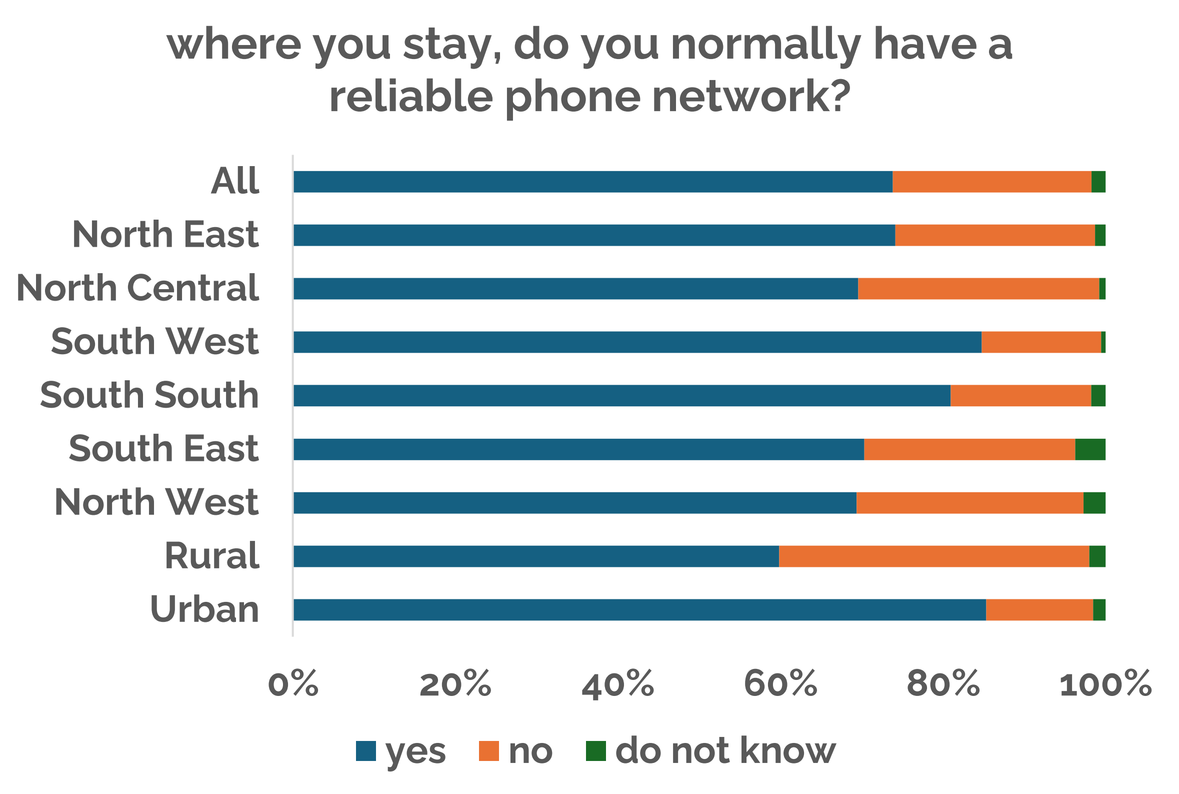
Attitudinal barriers (e.g. lack of trust, perceived irrelevance) are more common in the South, pointing to behavioral and perception-driven exclusion.

Distance to financial institutions remains a greater concern in the South, particularly due to underserved rural pockets in the South East.

Infrastructure Gaps Undermine the Promise of Technology for Financial Access

Despite the widespread availability of digital financial services, infrastructure constraints continue to deepen access gaps—especially in rural and underserved regions

- **74% of Nigerians report having access, but this average masks significant regional and rural-urban disparities**
- **25 percentage point urban-rural divide in connectivity access illustrates how rural areas remain digitally and financially excluded.**
- **Regional disparities highlight inequity – higher financial access in the South West and South South morrors stronger infrastructure, compared to lower financial access in the North Central, and North West, mirroring development and connectivity deficits.**



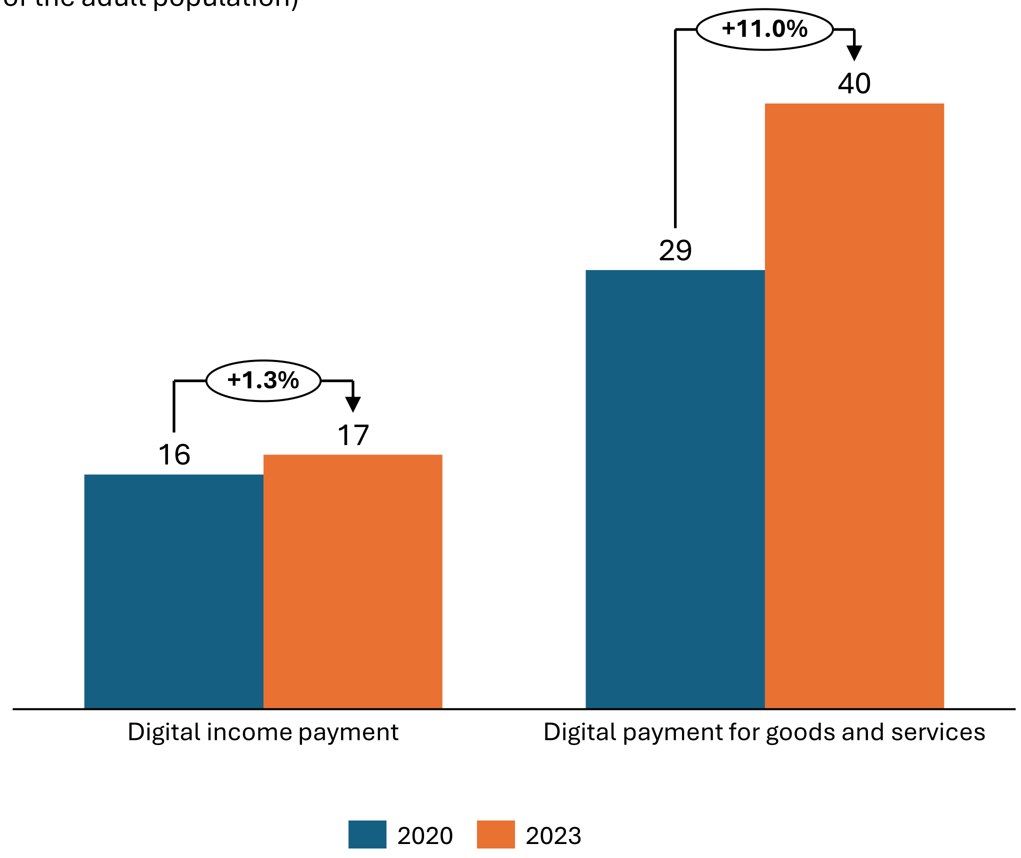
The potential of technology is real—but without parallel investments in infrastructure, the digital divide will continue to mirror and reinforce the financial divide.

What's Working and Why?

- CICO agent networks as a bridge: South vs North usage patterns
- Learnings from North East's DFS uptake despite low device penetration
- Digital intensity among the connected few

45% (50m) of Nigerians used Digital Financial Services in 2023 , up from 34% in 2020

Usage of Digital Financial Services
(% of the adult population)



83% of adults with a transactional account use digital financial services, up from 60% in 2020

Among transactional account owners

- **31% are receiving digital income payment**
- **75% are making digital payments for goods**

Source: EFInA Access to Financial Services in Nigeria 2023

Financial Service Agents extend formal access to approximately 4m adults in the South and 7m adults in the North who do not use banks or mobile money. 60% of these adults have NIN

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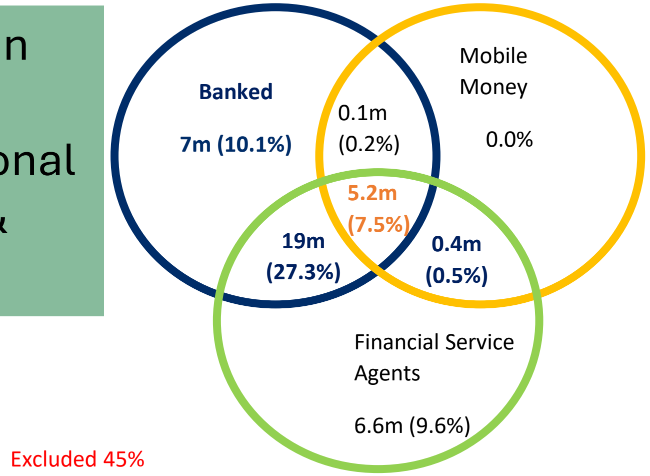
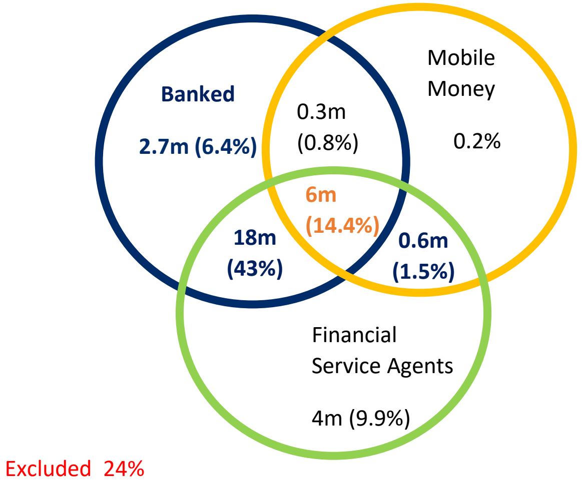
Overlaps in use of Transactional account & Agents

North
Number of adults (% of adults)



South
Number of adults (% of adults)



- **Agent networks are a bridge for financial access, but expansion must target rural, Northern, and female populations.**

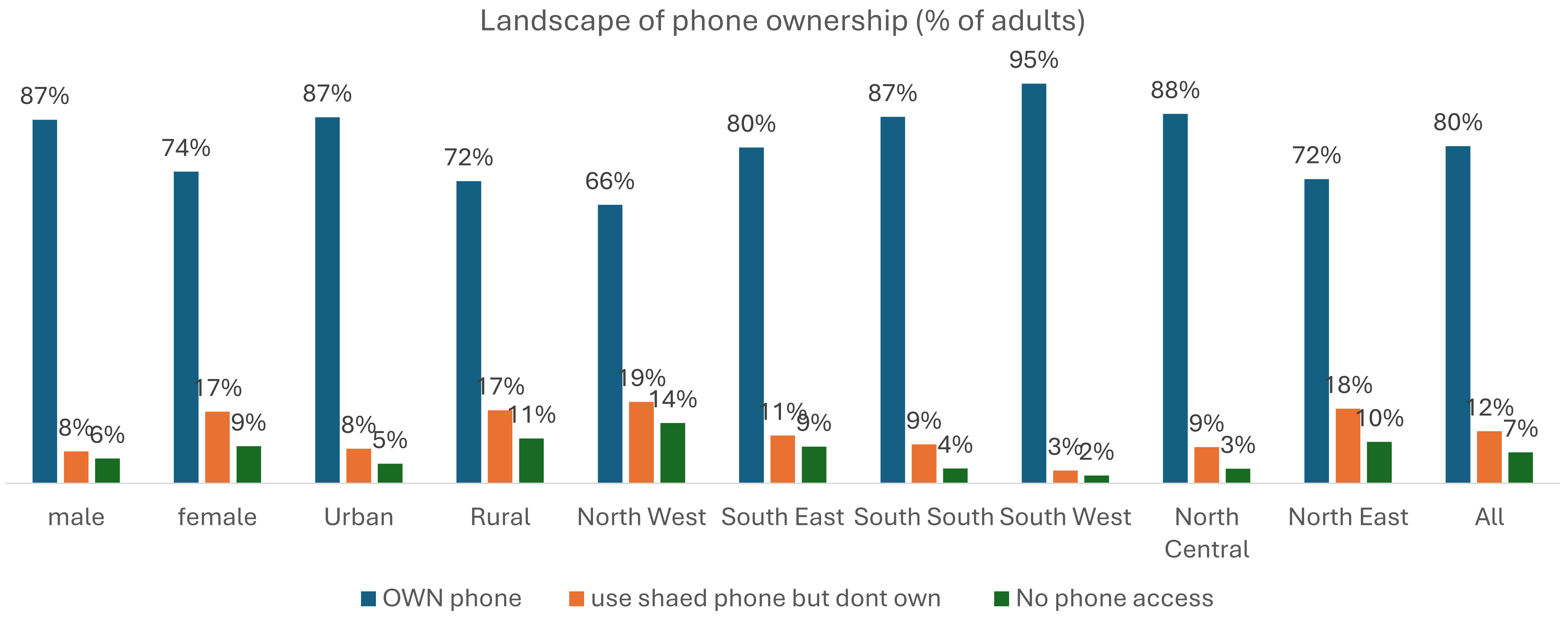
- **Digital financial services alone (MM-only or MM+Bank) aren't making significant inroads—bundled, human-assisted models appear more effective in Nigeria.**

- **DFS expansion must also leverage existing digital public infrastructure, such as NIN. Of approximately 11 million adults served through financial service agents only, nearly 60% have NIN.**

Source: EFInA Access to Financial Services in Nigeria 2023

Despite gender, geographic, and regional gaps, mobile phone ownership is significantly high at 80% of adults

Women, rural residents, in the North East and North West—are less likely to own mobile phones and more likely to rely on shared devices, highlighting a critical digital access divide that must be addressed to enable inclusive digital and financial services.



Critical Considerations for Unlocking the Last Mile:

- Expand women-led agent models
- Strengthen last-mile agent profitability and liquidity
- Localize financial literacy and onboarding content
- Map underserved communities and launch proximity-first programs

Agent networks remain a vital channel for onboarding last-mile users, but without resolving structural and economic challenges, they risk becoming underutilized.

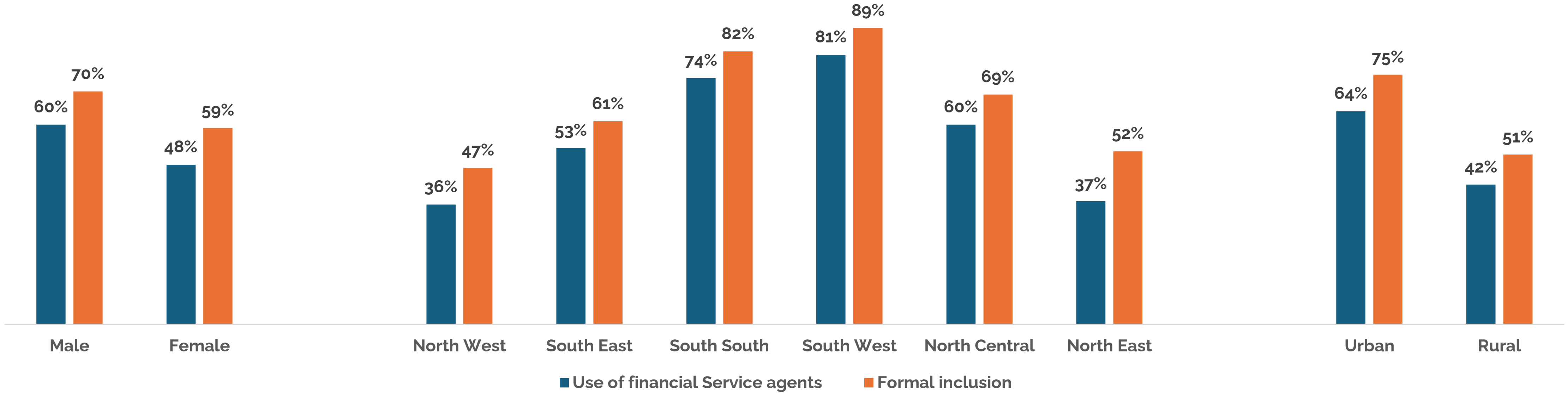
- **High Operating Costs: Several studies (e.g., GSMA, BFA Global) highlight the challenge of agent profitability — especially in rural or low-traffic areas.**
- **Liquidity & Float Management: Agents struggle with maintaining sufficient liquidity, particularly in cash-based environments. 6 out of 10 agents run out of cash weekly[1]**
- **Poor connectivity:, About 7 out of 10 agents and customers alike report failed transactions, interconnectivity and technology issues as the top challenge faced[1].**
- **Limited Product Offering: Some agents are only able to perform cash-in/cash-out, reducing incentives for both customers and agents to engage more deeply.**
- **Declining incentives for account opening: Just 1.7% of adults opened an account at an agent location in 2023 compared to 4.3% in 2020. used agents for registration**

Consider policy interventions, business models, or public-private partnerships that:

- **Improve agent profitability**
- **Incentivize account registration at agent locations**
- **Strengthen rural agent infrastructure**

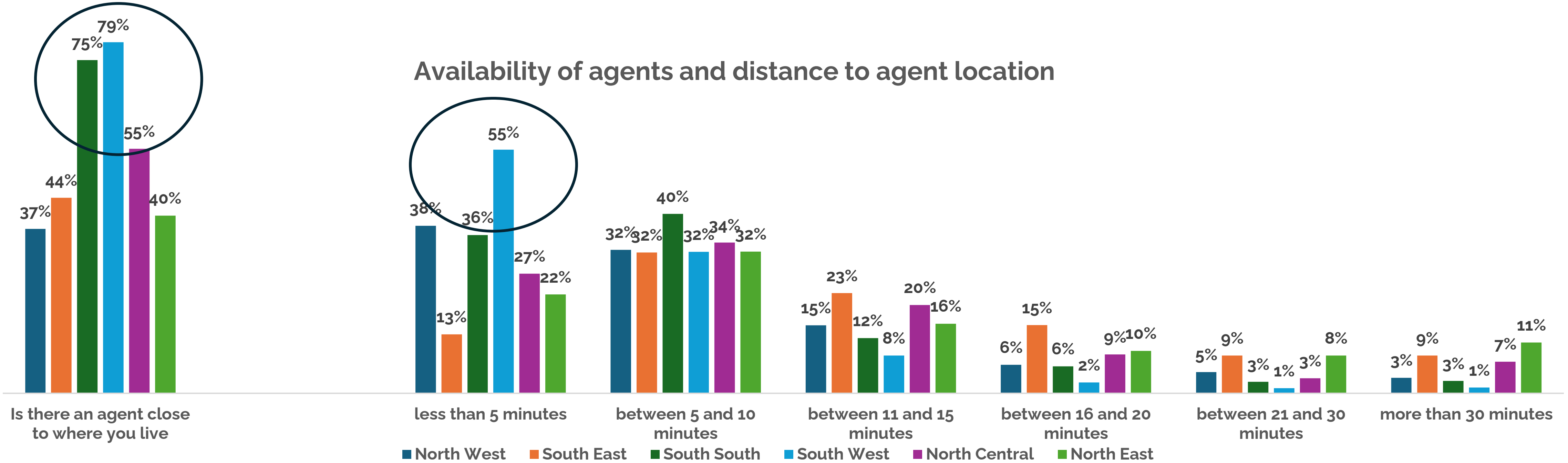
[1]Financial Service Agent Survey 2020

Financial agents are the frontline for financial access — but not equally used. Women, rural residents, and northern populations are less served. Closing these usage gaps could unlock deeper DFS adoption and inclusion.



- 53.9% of Nigerians use financial service agents — a key access point for digital and cash-based services.
- There's a 12-point gender gap, suggesting that women may face access barriers — possibly related to mobility, cultural norms, or lower DFS literacy.
- Women and rural dwellers remain the most excluded; financial inclusion efforts must be tailored with context-specific solutions (e.g., low-literacy apps, women agents, solar-powered kiosks).
- There's a North-South divide in agent usage, mirroring broader DFS access patterns. Agent networks are clearly a core part of the success story in the South.
- Agent networks are under-penetrated in rural areas where they could be most transformative. This urban-rural gap highlights an opportunity for targeted expansion.
- Notably, regions with high agent usage—such as the South West and South South—also report the highest formal inclusion rates, suggesting agents are vital gateways into the formal financial system. Yet, agent presence alone is insufficient; the services must be relevant, trusted, and tailored to local needs to drive real impact.

Access to agents varies significantly across regions, revealing a **north-south divide** and localized gaps in last-mile coverage.
South West stands out with **exceptional access. South East**, while 44% report agent proximity, has the **lowest sub-5-minute access (13%)**, highlighting a **disconnect between perceived and actual access**. Agents may be present but not distributed for quick reach. In the **northern regions (North Central and North East)**, access is **consistently weaker.** North East has the **highest percentage (11%)** traveling over 30 minutes — the worst in last mile access.



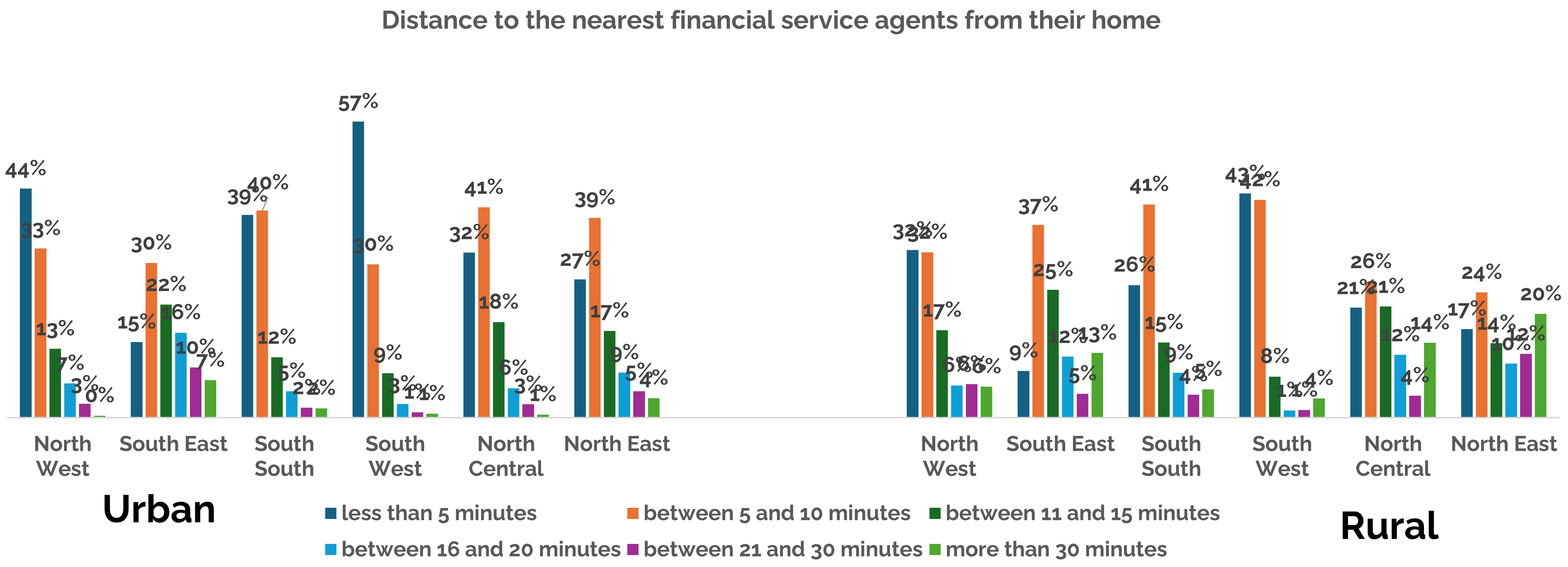
- **79% of respondents in South West report having an agent close to where they live — the highest of any region. Only 55% in North Central and 40% in North East say there's an agent close to them — well below the South West and South regions. South East (44%) have relatively better proximity compared to the North East and North Central.**

- **In South east - the gap between the 44% who say there's an agent nearby and the mere 13% who can reach one in under 5 minutes suggests:**
  - **Agents may be concentrated in fewer or central locations**
  - **Travel infrastructure or density may be limiting fast access**

- **North East especially shows the weakest last mile presence, with Just 22% having agents within 5 minutes. South also performs decently in the "within 5–10 minutes" range.**

Access within 5 minutes is much stronger in urban zones across most regions. South East urban, however, already starts low at 15%, highlighting an urban access gap compared to peers. Across all regions, rural acces drops sharply — but the decline is most extreme in South East rural: Only 9% have access within 5 minutes. striking 13% must travel more than 30 minutes, the highest long-distance rate among all rural zones.

South East rural is the most underserved area in terms of quick and convenient agent access. The combination of low proximity and high long-distance travel (13%) signals a critical last mile infrastructure gap. It suggests either poor agent distribution, limited road access, or low agent density in remote zones.



The lower agent penetration in the South East compared to the North Central likely reflects a combination of **sociocultural preferences**, **business model dynamics**, **provider strategy**, and **local operating conditions**. To deepen agent presence, interventions must address trust-building, cost of operations, and integration with existing informal financial systems.

Business Model Misfit

- Many South Easterners are traders and entrepreneurs who prefer direct cash handling, rotating savings groups (esusu), and informal credit systems, which may reduce reliance on agents.
- The region's strong informal financial networks may compete with or reduce the perceived need for agent services.

Trust and Security Concerns

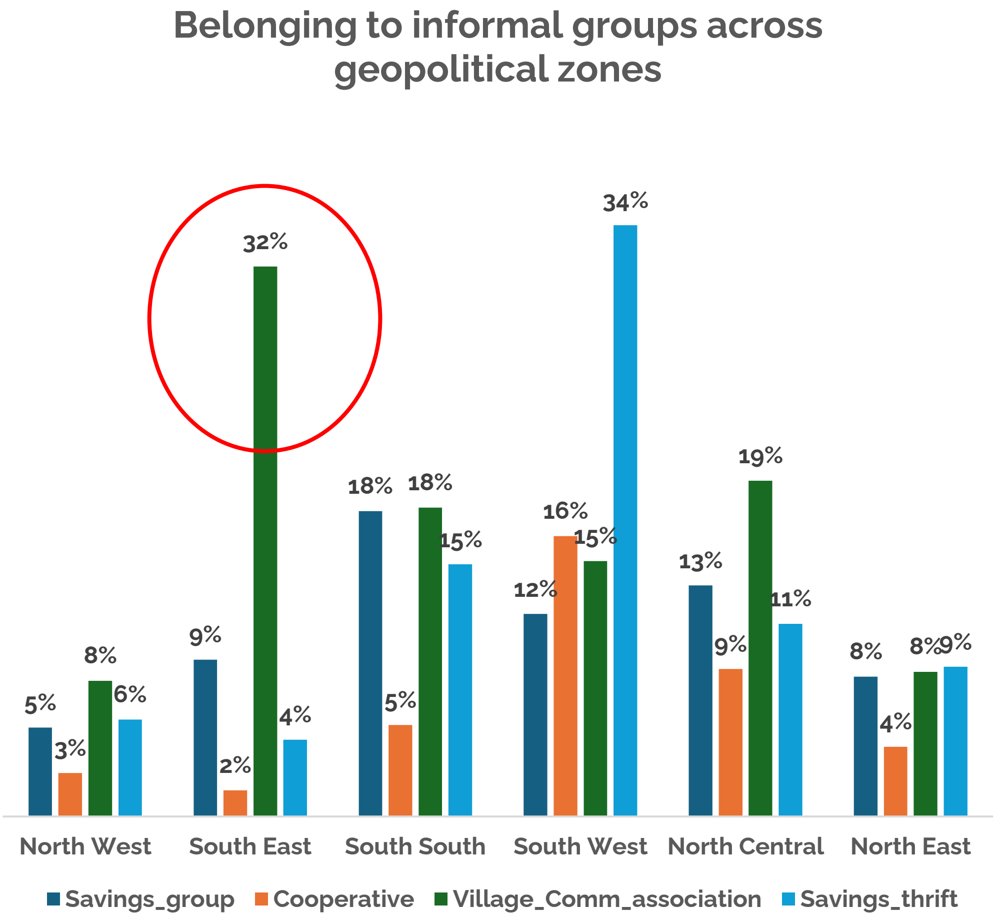
- In some South Eastern communities, there's greater skepticism toward agent banking, especially with issues like fraud, impersonation, or lack of financial education.
- Agents may also struggle with security risks, including robbery, discouraging them from operating in cash-heavy markets.

Provider Investment Patterns

- Agent network providers (banks, fintechs, super agents) may have prioritized geo-political balance and underserved rural zones like parts of North Central for deeper penetration to meet financial inclusion targets.
- Telecom and energy infrastructure in some rural areas of North Central has also improved, enabling agent viability.

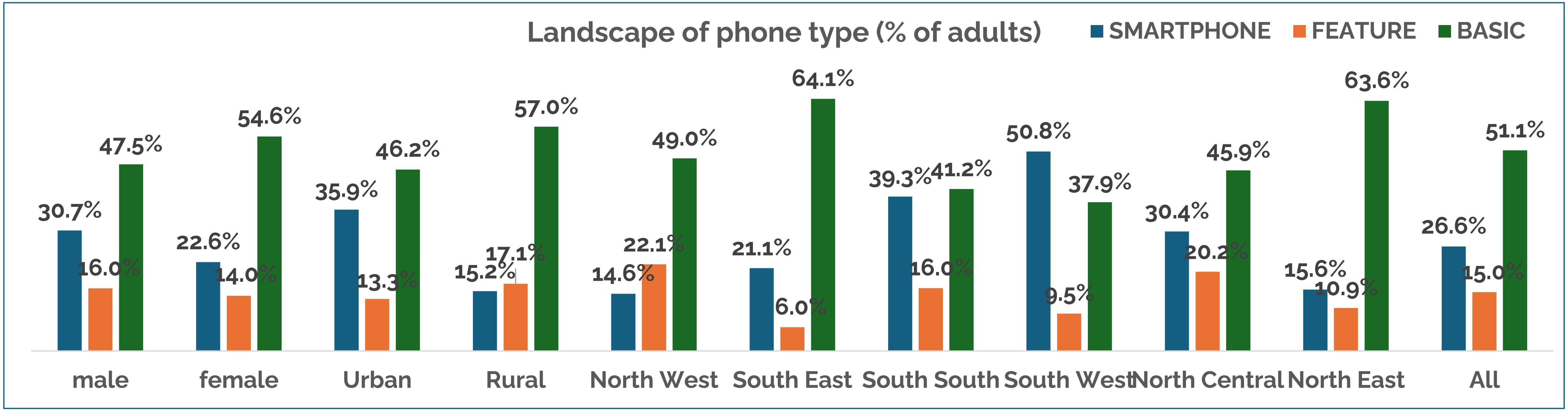
Regulatory and Market Access Factors

- Differences in state-level policies, levies, and ease of doing business may affect where agents set up.
- Some South East states have been reported to have multiple levies or stricter local government taxes, which can discourage agent network growth.



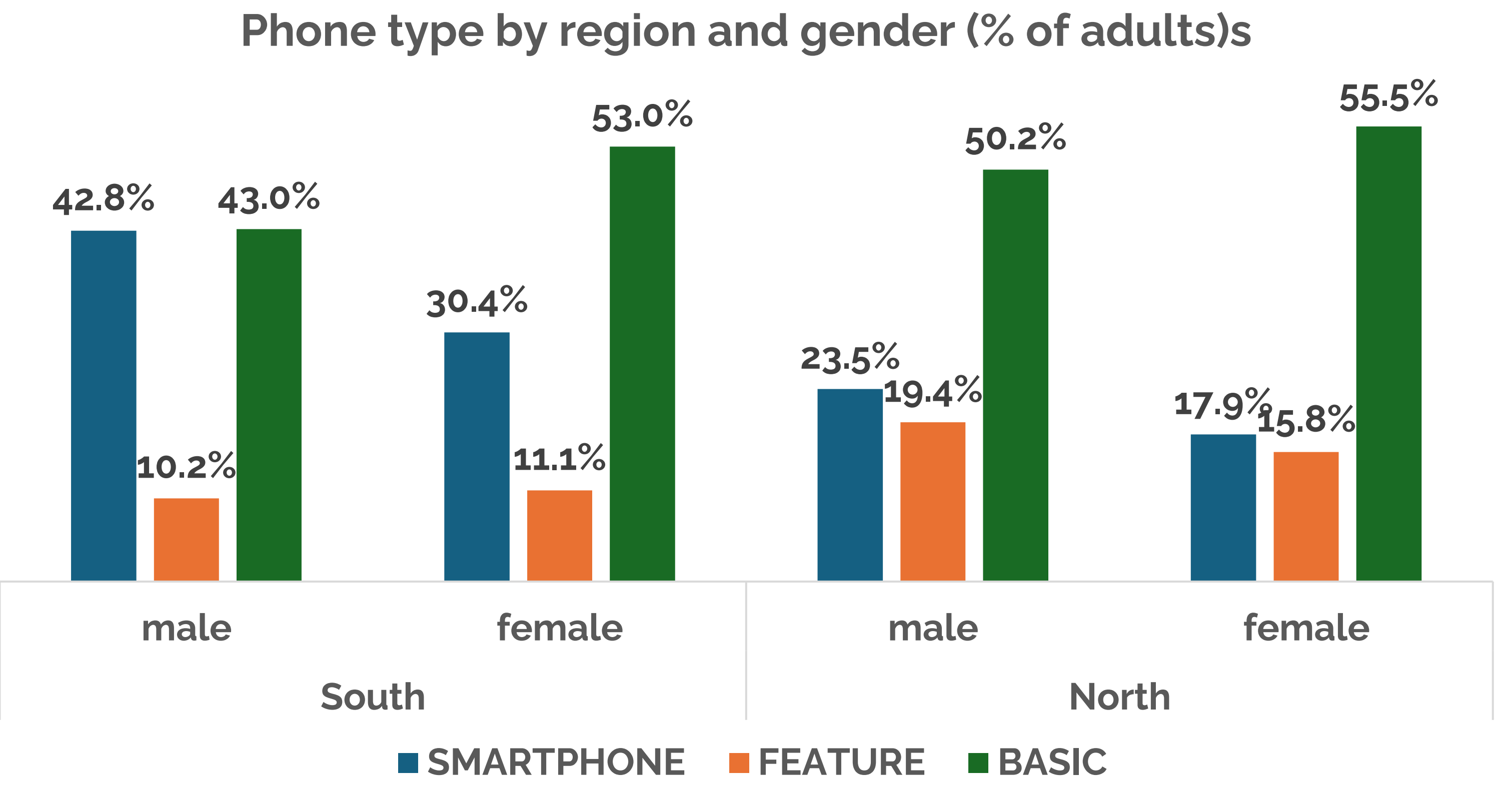
Phone Ownership Is High—But Phone Type Shapes Financial Inclusion Outcomes

- **While mobile phone ownership is widespread, the type of phone people own critically determines access to digital financial services.**
- **Smartphones—key to app-based services—remain out of reach for most Nigerians, especially women, rural residents, and northern communities.**



- **The promise of mobile-enabled financial inclusion depends not just on phone ownership—but on the right kind of phone.**
- **Without broader smartphone penetration or robust USSD alternatives, many Nigerians remain excluded from digital finance.**

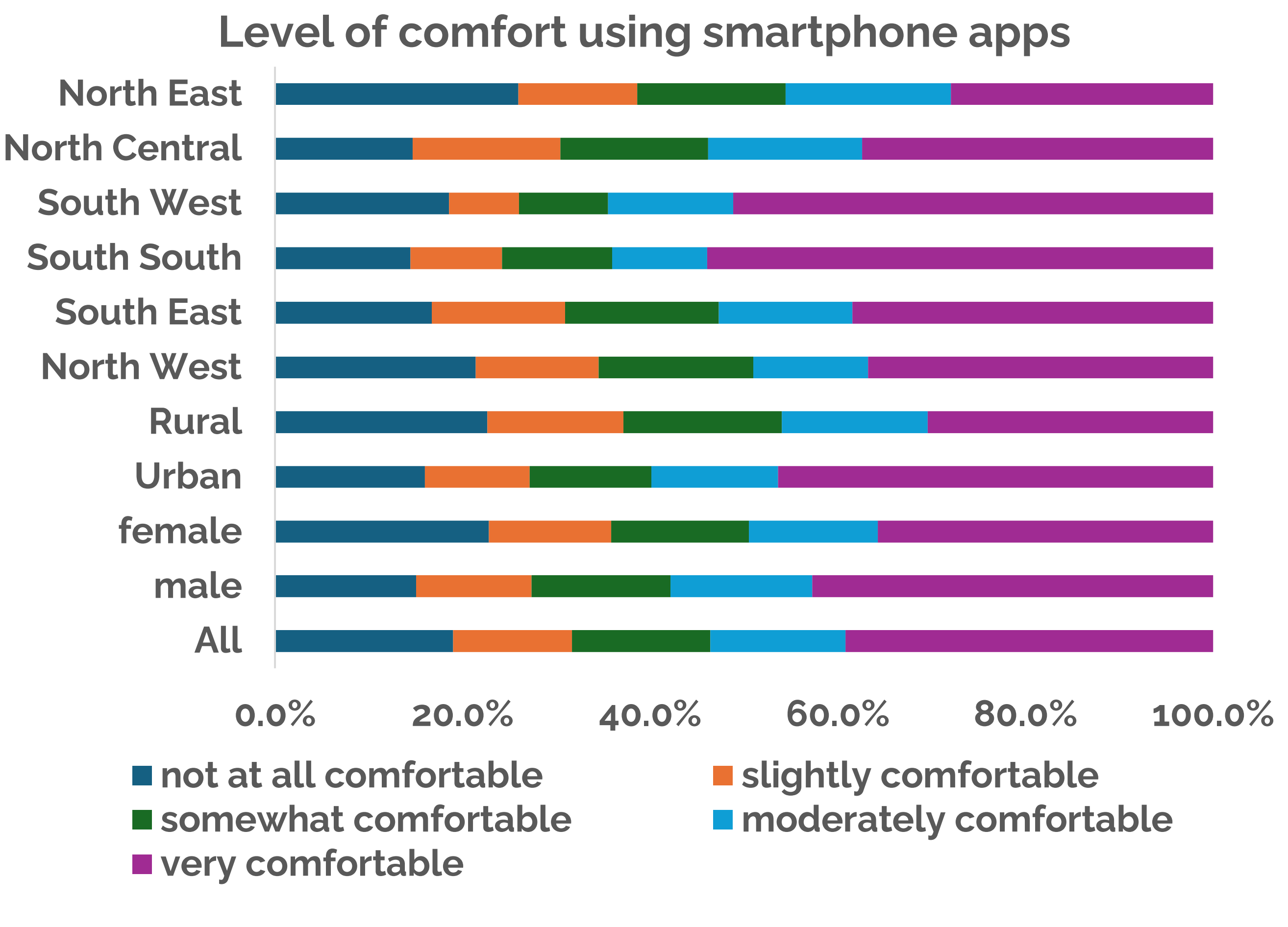
Men are consistently more likely than women to own smartphones, with the widest gaps in Southern regions. Meanwhile, Northern women are the most excluded group overall. Closing this gap is essential to ensure equitable participation in digital financial services and to prevent deepening exclusion as financial systems become increasingly smartphone-dependent.



- Southern men and women lead in smartphone ownership (42.8% and 30.4%), while Northern women have the lowest smartphone access at just 17.9%, reinforcing the digital gender gap.
- Basic phones are still the most common device type across all groups, especially Northern women (55.5%) and Northern men (50.2%), indicating that most users in the North are not digitally ready for app-based financial services.

Comfort with smartphone use is a critical factor in advancing financial inclusion

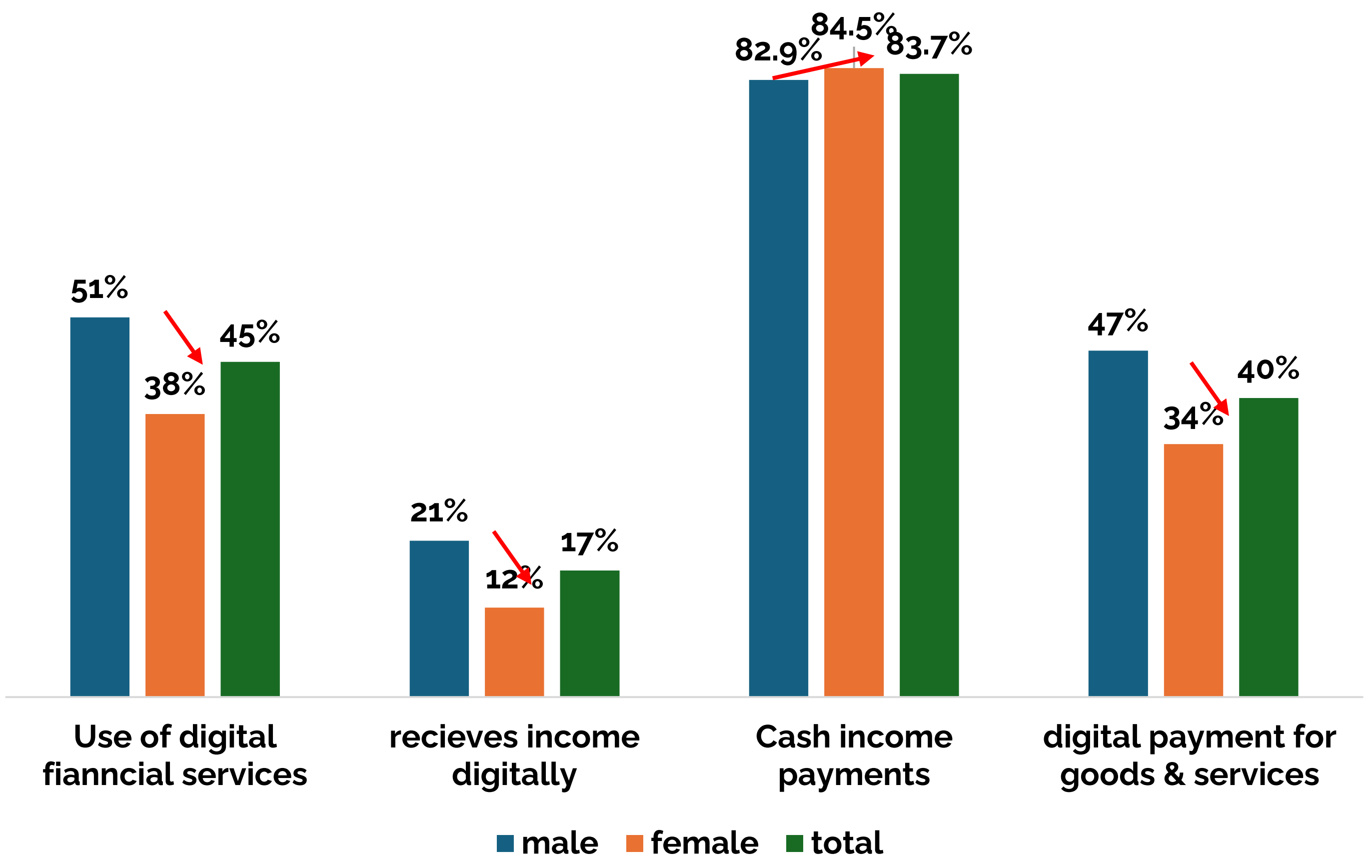
Even when people own smartphones, low digital confidence is a major barrier to using them for financial services—particularly among women, rural residents, and people in northern regions.



- **Only about 2 in 5 adults feel *very comfortable*—the level of confidence often required to navigate mobile financial apps effectively.**
- **16% urban-rural gap and 7% gender gap, in digital confidence**
- **Highest digital discomfort in the North East, and highest digital confidence in the South South and South West.**
- **These disparities implies that interventions must account for confidence gaps, not just device access.**

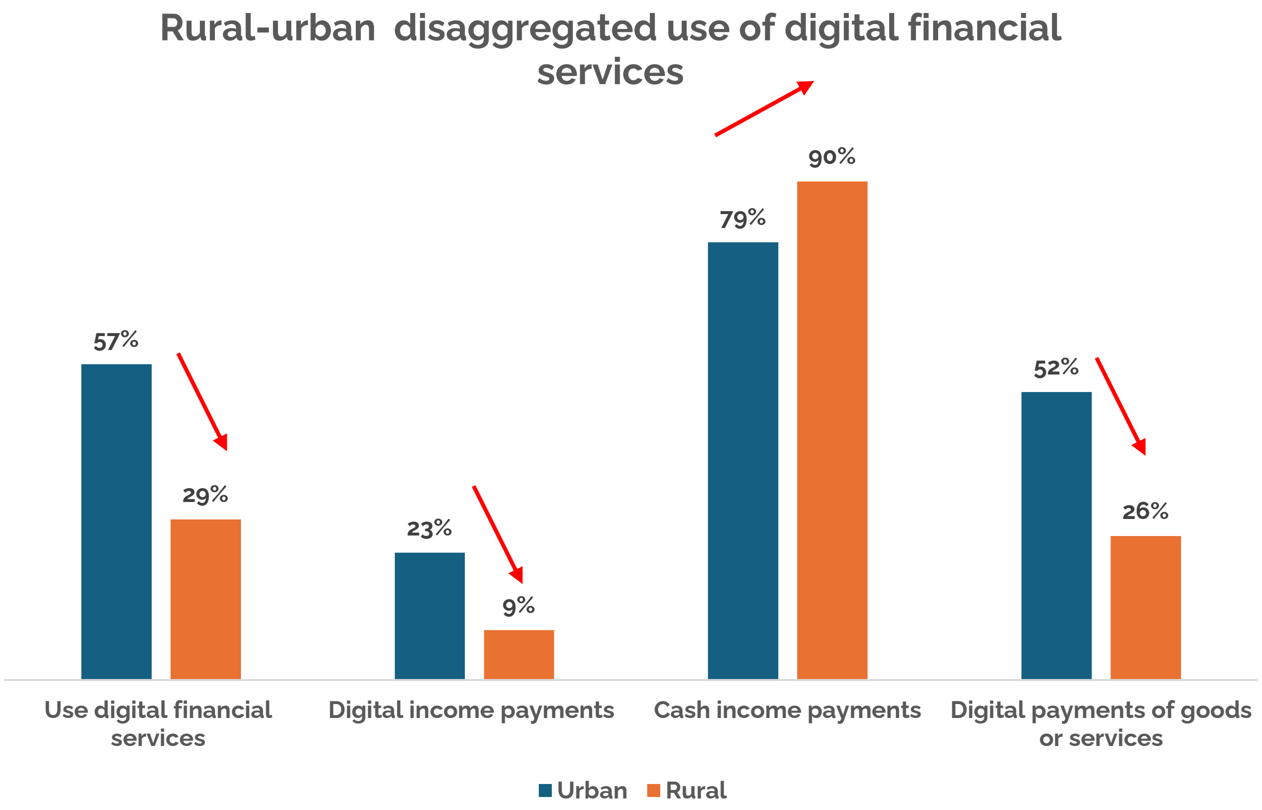
Layered exclusions in digital financial services reflect the intersection of gender, geography, and structural inequities. While men benefit more from income-linked digital tools, women—especially in rural areas—are confined to basic transactions due to occupational roles, limited financial literacy, and infrastructural barriers.

Gender disaggregated use of digital financial services



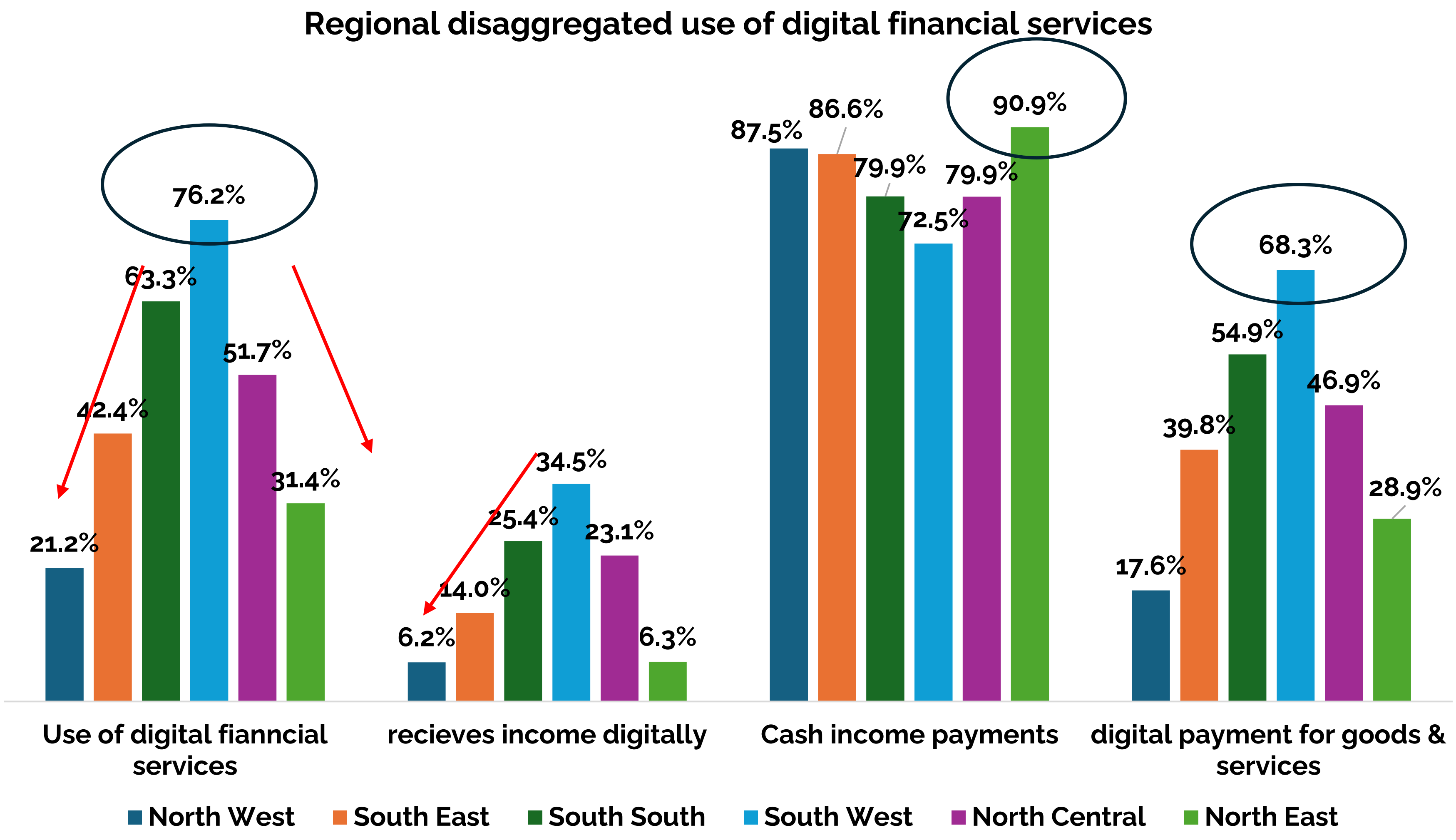
- A 13-percentage-point gender gap exists, indicating men are significantly more likely to receive income digitally. This could reflect occupational disparities (e.g., formal employment favoring men) or unequal access to digital tools.
- There is a gender gap in receiving income digitally reliance is higher overall (9 percentage points). Women may face barriers like limited bank account ownership or distrust in digital systems.
- Surprisingly, women slightly outperform men here (84.5% vs. 82.9%). This could signal women's dominance in informal trade or mobile money use for household expenses.
- Further analysis show that gender disparities are more pronounced in digital transfers and goods/services payments, especially in rural areas
- Even urban women lag behind urban men but perform better than rural populations.

Rural populations remain heavily cash-dependent, with limited access to or usage of digital financial tools and digital inclusion is still weak in rural areas, with significant gaps in both receiving income digitally and making digital purchases. Despite national push towards digital finance, rural areas have not transitioned — pointing to barriers such as poor connectivity, low smartphone penetration, digital literacy gaps, and trust issues.



- **Urban residents are almost twice as likely to use digital financial services compared to rural residents.**
- **Digital income payments are very low overall, but particularly low in rural areas — less than 1 in 10 rural dwellers receive income digitally.**
- **Cash remains the dominant form of income in both urban and rural areas, but even more so in rural communities, where 9 out of 10 still rely on cash.**
- **Urban users are twice as likely to make digital payments for purchases compared to rural users.**

The North East and North West lag catastrophically reflects a structural marginalization — poor digital infrastructure, limited financial access, and economies reliant on informal, non-digital sectors (e.g., subsistence agriculture) signaling a vicious cycle: low digital access ➔ limited economic participation ➔ reinforced poverty.



- **There's a stark regional divide. The South appears more digitally included than the North, potentially due to differences in digital infrastructure, financial literacy, or economic activity.**
- **Digital income channels are underutilized, especially in the North, with high dependence on informal cash-based systems.**
- **Cash is still dominant, even in regions with high DFS usage — indicating people use DFS for spending, not for receiving income.**

DFS patterns and important things to note

- *Financial inclusion is not just about access—it's about who controls economic narratives*. Men's structural advantages and women's informal participation coexist, but geography magnifies disparity. Addressing this requires dismantling the dual barriers of place and patriarchy to rebuild systems where access aligns with equity.
- The regional gap is a symptom of deeper inequities. The South's hybrid cash-digital system reflects *adaptation*; the North's cash dependence reflects *exclusion*. Bridging this requires not just tech rollout but dismantling the structural roots of disparity — unequal access to education, formal jobs, and financial infrastructure.
- A striking pattern is that having access to a mobile phone does not always translate to DFS adoption. North West exemplifies this paradox – it has one of the highest mobile phone usage rates but the lowest digital finance usage. Conversely, North East shows the opposite: limited phone access overall, yet very high DFS uptake among the few connected. These gaps point to other factors (cultural, educational, infrastructural) heavily influencing DFS outcomes beyond just device access.

What Drives or Limits DFS Uptake Across Nigerian Regions?

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Enabling Conditions (Where All Pillars Align)

- South West: The gold standard. High DFS usage aligns with near-universal mobile ownership, highest smartphone penetration, high comfort using tech, and strongest network reliability (84.8%).
- South South: Another strong performer. High DFS usage supported by high mobile access, rising smartphone adoption, good user comfort, and reliable networks (~81%).

Mixed or Latent Potential

- North Central & South East: High mobile ownership and moderate-to-good network access, but only mid-range DFS adoption. South East's case especially suggests behavioral factors (e.g., trust, habit) may be slowing down adoption.
- North Central reflects urban-rural splits — some communities thrive digitally, others lag.

Contradictions and Barriers.

- North West: High phone ownership (77.7%) and decent network (~69.3%) but DFS usage is the lowest nationally (21.2%).Strong indicator of non-infrastructure-related challenges: cultural norms, literacy, or low DFS awareness.
- North East: A fascinating outlier. Despite lower phone penetration, the region has high DFS usage among the connected. Targeted humanitarian DFS programs may drive this; it's an example of "digital intensity among the few" rather than broad access.
- In summary, Access alone does not guarantee adoption. Where mobile access, comfort with tech, and reliable networks align — DFS usage thrives. But where social, cultural, or trust barriers persist, even good infrastructure cannot drive change. North West and North East exemplify this divergence."

Actionable Strategies for Unlocking the Last Mile

Financial inclusion at the last mile is possible — if we focus on *relevance*, not just reach.

Strategic recommendations for stakeholders in the financial ecosystem

For Policymakers & Regulators (CBN, SEC, NAICOM, PENCOM)

1. Disaggregate financial inclusion targets by state and demographic segments to expose hidden gaps, especially in Northern and rural zones.
2. Strengthen rural digital and mobile infrastructure, particularly in the North East and North West, to support digital financial service (DFS) expansion.
3. Mandate gender- and geography-disaggregated reporting for DFS providers to track and address exclusion among women and rural populations.
4. Incentivize agent deployment in underserved regions through tax reliefs, infrastructure support, or agent-specific financing policies.
5. Ensure interoperability across financial platforms and agents to boost seamless transactions and build trust in formal systems.

For Financial Service Providers (Banks, Fintechs, MMOs, PSBs)

1. Invest in agent support systems—including cash advance solutions, branding, liquidity management tools, and simplified onboarding procedures.
2. Deploy human-centered financial literacy initiatives with localized content and visual aids to reach low-literacy and rural populations.
3. Develop bundled agent-led models (not just digital apps) that combine CICO services with account opening, savings, and micro-credit tools.
4. Tailor services to match real user preferences—e.g., agents for cash-based users, feature-phone-friendly tools, and culturally relevant channels in the North.
5. Build trust by reducing failed transactions, improving dispute resolution, and raising awareness of fraud prevention mechanisms.

For Donors & Development Partners

1. Support pilots for women-led and community-embedded agent networks, especially in the North and rural zones.
2. Invest in region-specific diagnostics and LGA-level mapping to guide program targeting beyond regional averages.
3. Fund digital public infrastructure expansion, such as identity-linked accounts (NIN), rural broadband, and digital literacy campaigns.
4. Co-design accountability frameworks with government and providers to track the relevance, not just availability, of financial services.
5. Anchor interventions in livelihood strategies, ensuring inclusion efforts are connected to income generation, not just account ownership.

Strategic recommendations for stakeholders in the financial ecosystem II

For Agent Network Managers & Super Agents

1. Prioritize high-impact regions with low agent penetration, including South East rural areas and Northern last-mile communities.
2. Reduce agent churn by addressing liquidity constraints, lowering rebalancing costs, and improving float loan access.
3. Train agents on customer service, fraud awareness, and literacy-sensitive communication—especially those serving low-trust or excluded populations.
4. Track and respond to customer feedback, especially on transaction failures and platform reliability, to improve service delivery.
5. Collaborate with local informal groups (e.g., cooperatives, esusu, village associations) to deepen trust and reach in cash-heavy economies.

For Community-Based Organizations & Informal Networks

1. Partner with financial providers and agents to serve as trusted intermediaries, especially in rural North and among women.
2. Help identify local barriers (e.g., cultural norms, mobility constraints, literacy issues) that formal institutions may overlook.
3. Use existing informal financial systems as entry points for gradual integration into the formal financial ecosystem.
4. Support peer-led financial education and trust-building campaigns, particularly targeting excluded women and youth.

Translating Data into Action Across the Ecosystem

The data reveals not just where the gaps are, but where targeted investments can drive the most inclusive impact at the last mile.

Practical Investments within the ecosystem to reach Nigerians in the last mile I

Expand Women-Led Agent Networks in the North

Why: Northern women face *the most severe exclusion*—driven by low literacy, limited phone access, distance from agents, and cultural mobility constraints. Yet, women-led models are proven to enhance trust and uptake among women.

- Opportunity: Recruit and train female agents in rural North; support them with mobility tools, trust-building, and basic infrastructure (e.g., solar kiosks).

Prioritize Agent Infrastructure in Underserved Zones

- Why: Agent networks are key access points for over 50% of Nigerians—but rural, Northern, and female users remain under-reached. The South West has 79% agent proximity vs. only 40% in the North East.
- Opportunity: Deploy agents in South East rural (only 9% have access within 5 minutes) and North East (longest travel times to agents). Use geo-mapping to launch proximity-first programs.

Optimize Existing Mobile Phone Access with Low-Tech DFS

- Why: While mobile ownership is high in many areas (especially North West), DFS use is low. This indicates a gap not in access, but in service design, literacy, and relevance.
- Opportunity: Roll out USSD-based, low-literacy-friendly financial tools tailored to users with feature/basic phones. Partner with telcos to push financial awareness and demo campaigns.

Scale Financial Literacy Through Informal and Trusted Channels

- Why: Excluded populations—especially in the North—cite lack of understanding, inability to read/write, and distrust in financial systems as key reasons for exclusion.
- Opportunity: Leverage village associations, religious groups, cooperatives, and savings groups to deliver financial literacy campaigns in local languages, using audio, visuals, and storytelling formats.

Design Services for the Digitally Underserved (Women, Rural Youth, Feature Phone Users)

- Why: A sharp gender and rural divide in smartphone ownership persists. Only 17.9% of Northern women have smartphones. Comfort using apps is also much lower in rural and female populations.
- Opportunity: Innovate for non-smartphone platforms; build feature-phone-compatible services, IVR voice apps, and integrate agent-assisted onboarding with limited tech reliance.

Practical Investments within the ecosystem to reach Nigerians in the last mile II

Improve Agent Liquidity and Profitability

- Why: Over 60% of agents run out of cash weekly, and many incur high costs rebalancing. 1 in 3 agents still lack support to manage float or handle failed transactions.
- Opportunity: Launch float credit facilities (with donor or fintech support), subsidize rural agent liquidity, and provide rebalancing hubs or digital tools to reduce travel and cost burden.

Embed DFS into Livelihoods and Income Sources

- Why: Exclusion in the South is largely driven by low income and irregular cash flow, not just infrastructure. DFS adoption is highest where digital payments are linked to economic activity.
- Opportunity: Target traders, farmers, artisans with embedded financial services—e.g., savings tools linked to trade income, credit scoring from group activity, or DFS integrated into agricultural value chains.

Leverage States With Positive Deviance to Replicate Success

- Why: Some Northern states like Taraba and Bauchi report gains in non-bank formal service adoption, despite being in otherwise high-exclusion zones.
- Opportunity: Study and scale localized models or programs that succeeded in these states—could involve effective NGO programs, humanitarian aid linkages, or agent investment incentives.

Use NIN Integration to Unlock DFS for the Agent-Only Segment

- Why: 60% of agent-only users already have NIN, which could enable easier onboarding and KYC for expanded services.
- Opportunity: Promote NIN-linked digital wallets or accounts with simplified onboarding at agent locations; allow account upgrades or remote re-verification to deepen engagement.

Address Service Reliability and Trust

- Why: The top complaints from users and agents are failed transactions, unavailable platforms, and slow support. This erodes confidence and repeat usage.
- Opportunity: Invest in infrastructure upgrades, ensure 24/7 agent support, and streamline dispute resolution (e.g., instant SMS confirmation, faster refund timelines).