



Enhancing Financial Innovation & Access

Impact of COVID-19 on Financial Services Agents

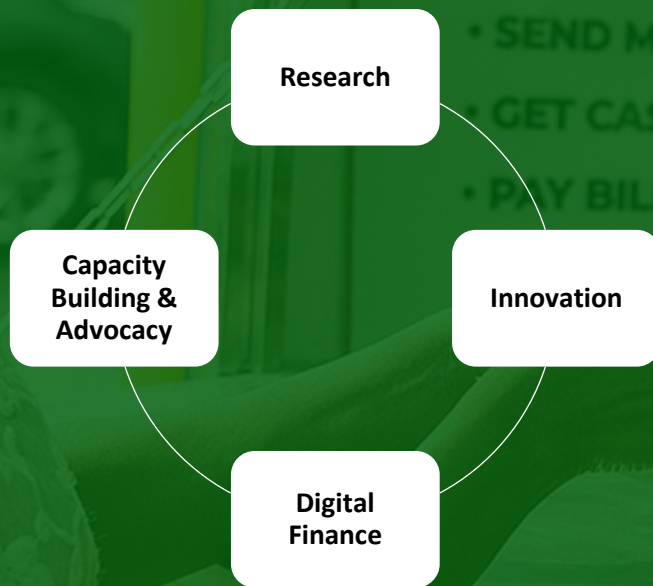
Key Findings

June 2020

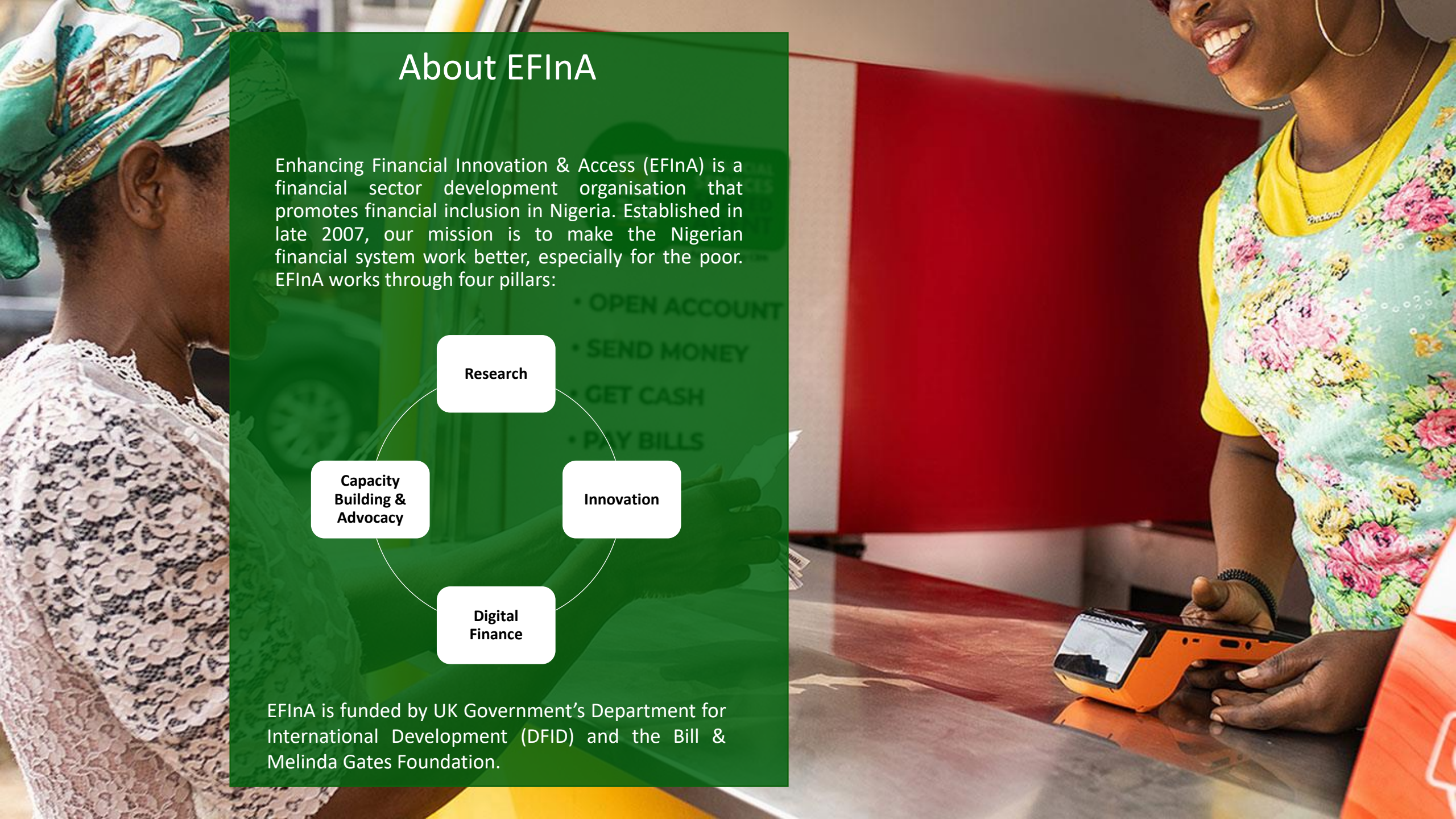


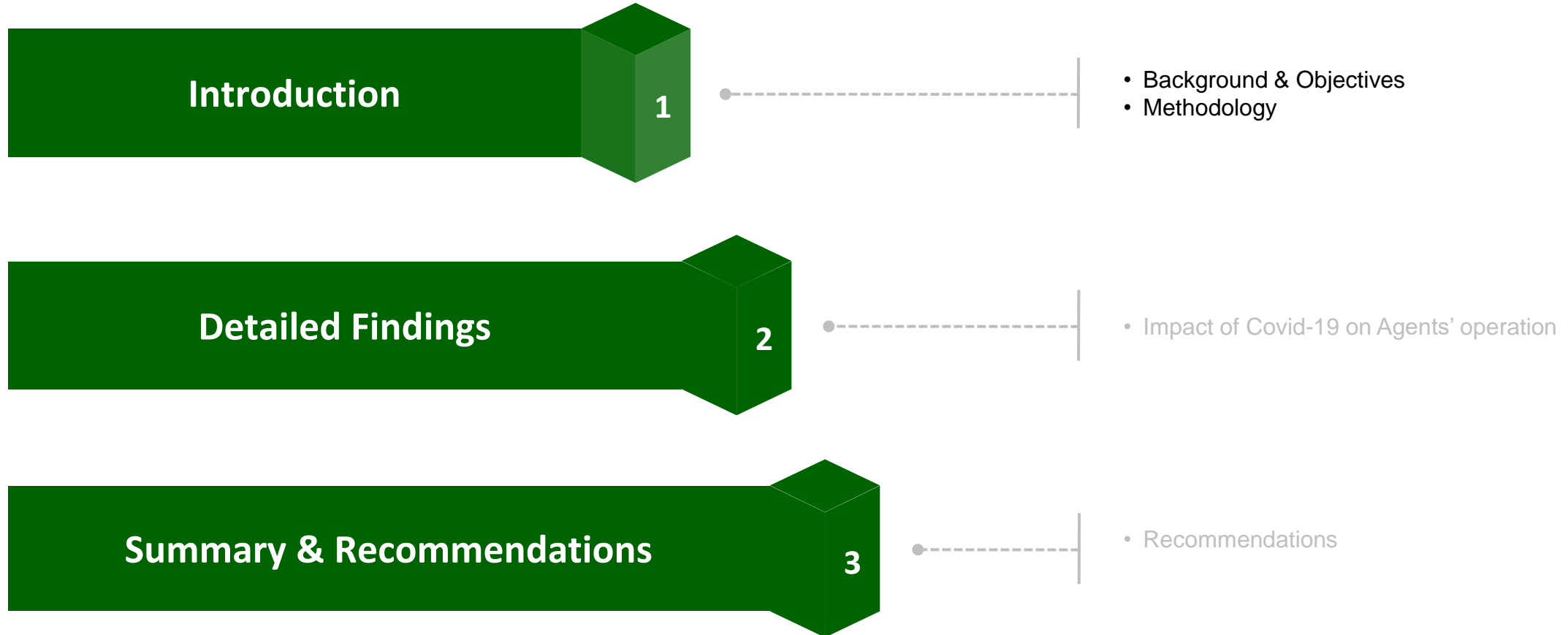
About EFINA

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:



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





Research Objectives



- ❑ Understand the impact of the COVID-19 pandemic on financial services agent's business
- ❑ Understand how financial service agents are managing their businesses in this period
- ❑ Are agents receiving the required support from their principals? If yes, how useful is the support currently provided?
- ❑ Understand the potential for agents to support the fight against COVID-19

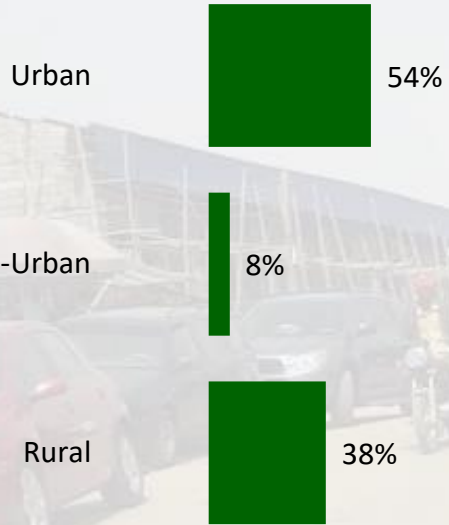
Research Methodology



- ❑ The COVID-19 impact survey covers a sample of 735 agents from the Financial Services Agents 2020 survey who indicated willingness to participate in subsequent surveys
- ❑ Data collection was done in May 2020 using Computer Assisted Telephone Interviews
- ❑ This methodology involved the use of the respondent's contact phone number.

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

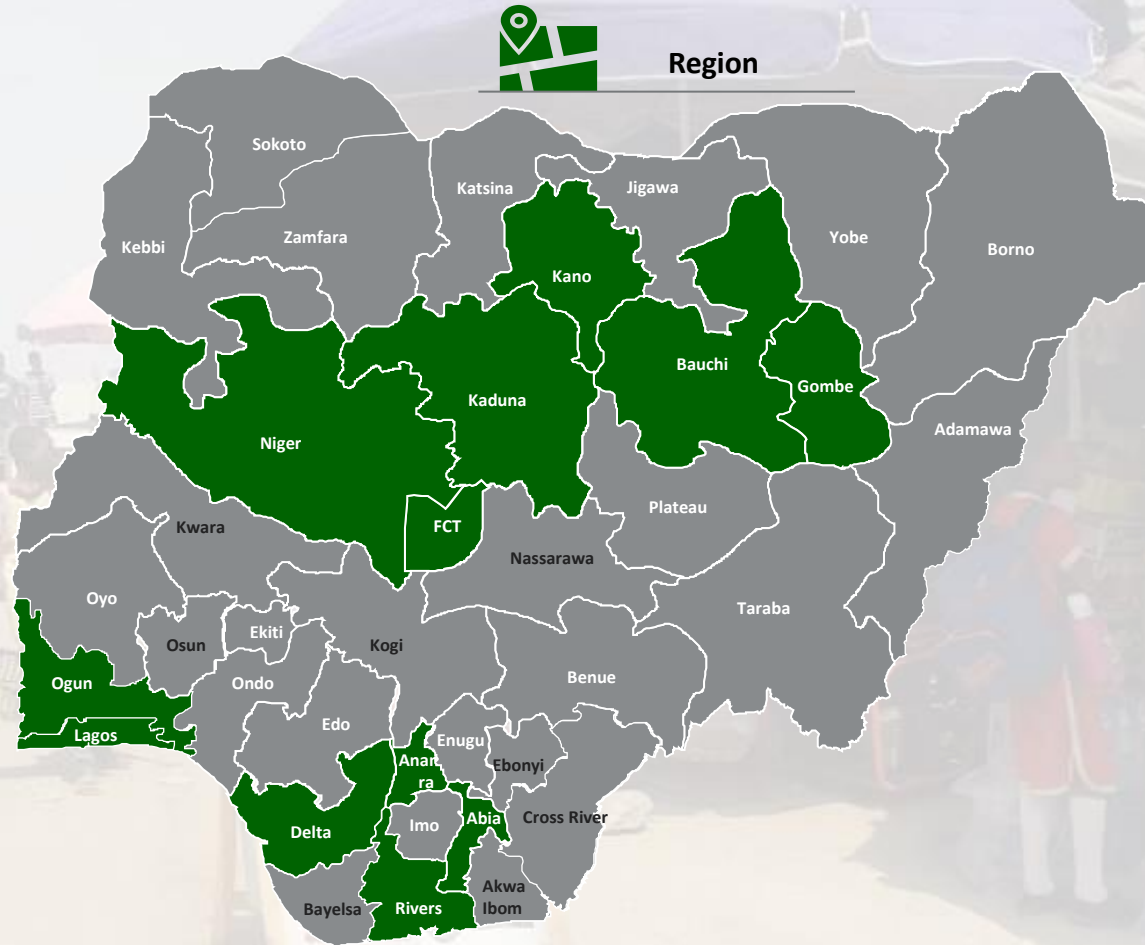
Location Classification (FSAS)



Gender



Base: 1618



Sample

Location	COVID Impact
Abuja	88
Niger	40
Bauchi	40
Gombe	37
Kaduna	64
Kano	98
Abia	33
Anambra	24
Delta	50
Rivers	34
Lagos	179
Ogun	48
Total sample	735

CONTENT

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- Background & Objectives
- Methodology

Detailed Findings

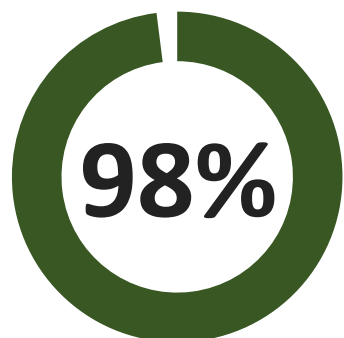
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- Impact of Covid-19 on agents' operation

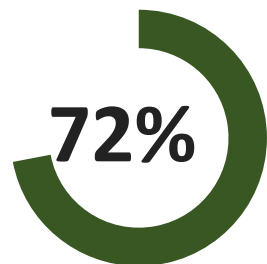
Summary & Recommendations

- Recommendations

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 sources¹



Aware of Coronavirus



Afraid of getting infected

Measures taken towards customer safety



86%

Ensure customers wash or sanitize hands before entering the store.



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



78%

Use face masks 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

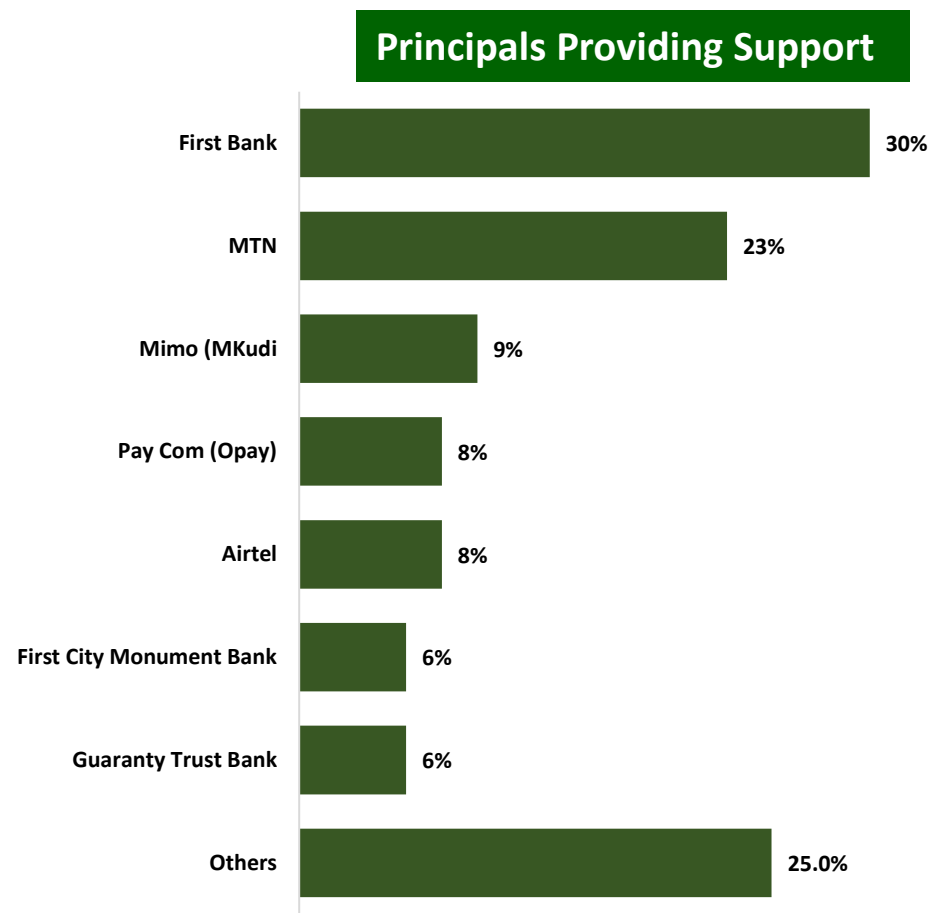
¹Source: Impact of COVID-19 on consumer behavior Nigeria report 2020

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

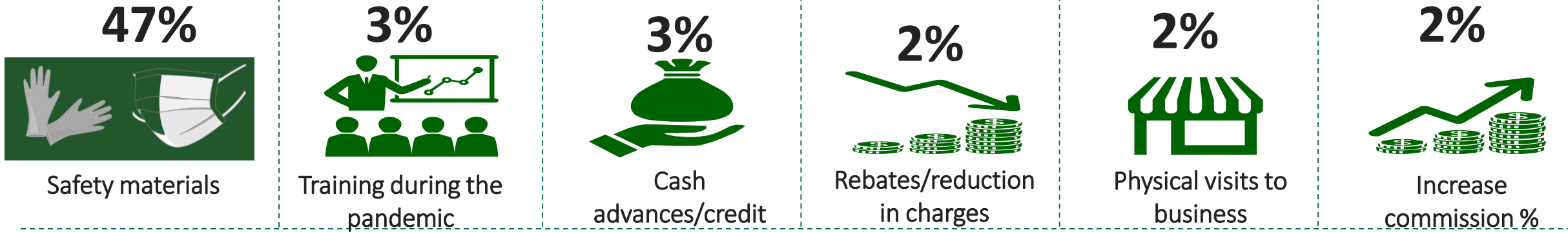
Q4. Have you received any kind of support from the service providers you work for since the Coronavirus / COVID-19 pandemic began?

Q4a. From which service providers have you received support? MULTIPLE RESPONSE. n=53 (caution based on small sample)

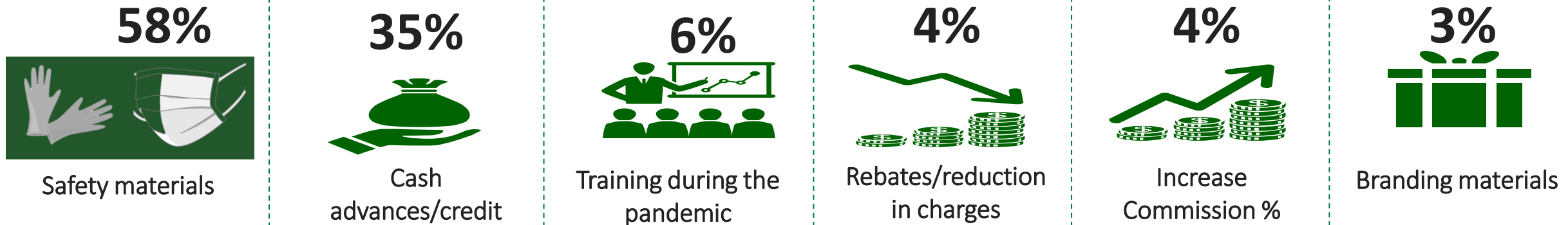
Required support at this time is skewed towards items required to survive the pandemic - safety materials (58%) and cash advances (35%), with current support levels not sufficient

Others(received sms educating them about the virus, food items, free data/airtime etc **(39%)**)

Support Received from Principals



Support Needed from Principals



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

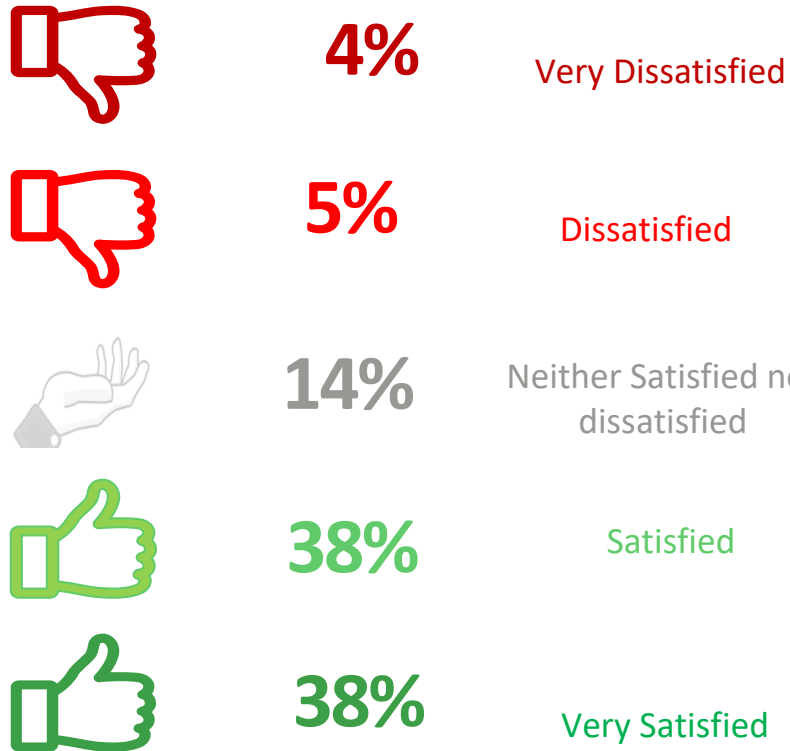
Base: n=631

Q5. What kind of support have you received from your service providers? (n=49) (caution based on small sample)

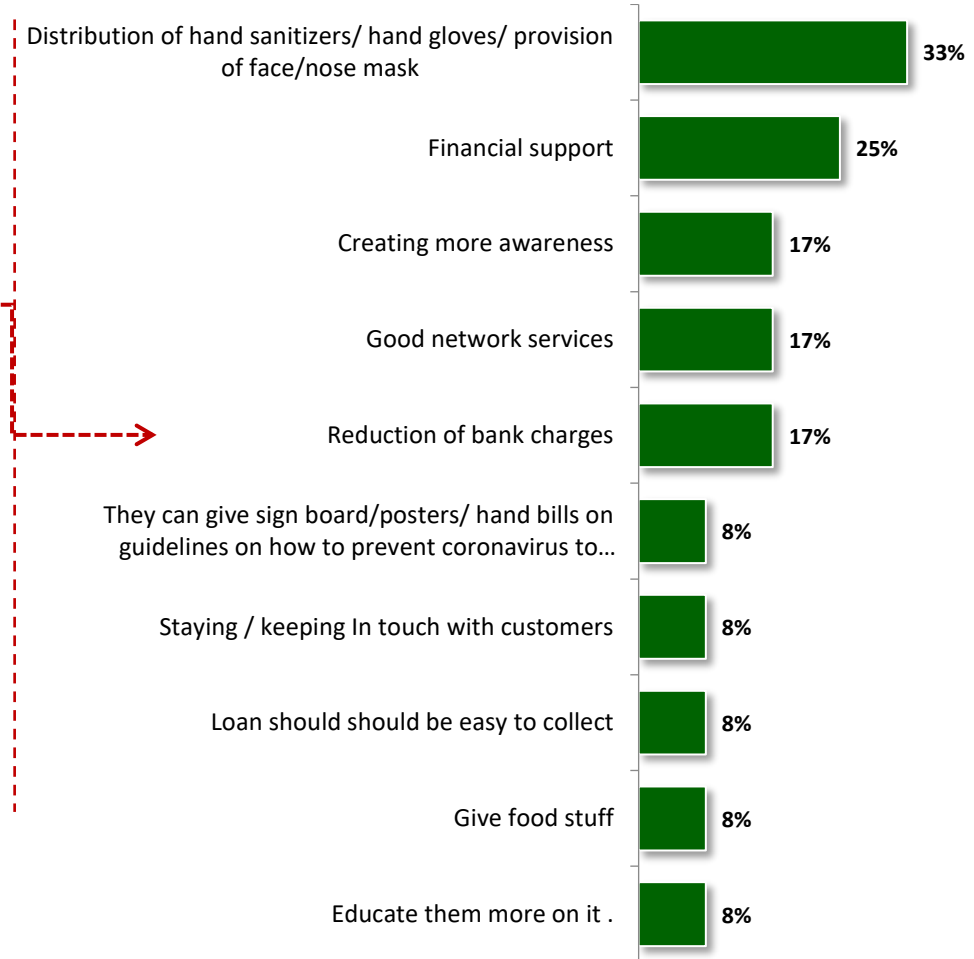
Q8. What kind of support would you like to receive from your service provider during this period? (n=582)

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



What can be done to improve Support received from providers?



Base: n=53 (caution based on small sample)

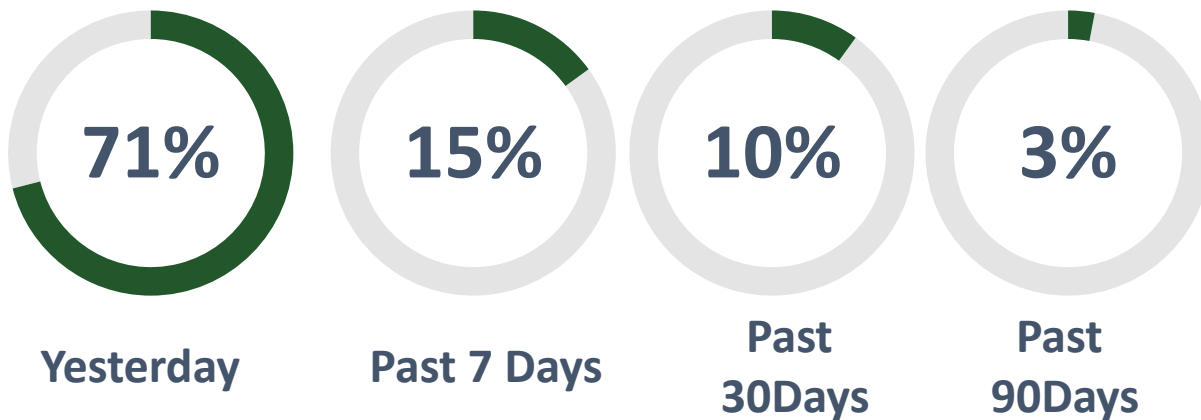
Q6. Can you please tell me how satisfied you are with the support given by your service provider?

Q7. What can be done to improve on the support that you have received/ are receiving from your service provider? (n=12**)

80% of agents' businesses have been negatively impacted by the pandemic



Last agent transaction performed



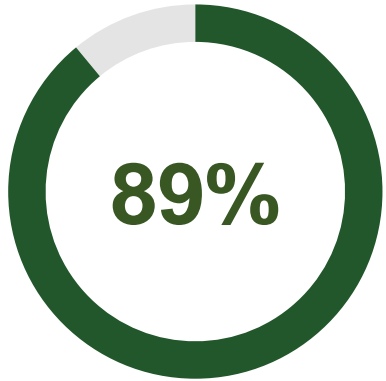
Even though business is deeply impacted by the virus, they are still trading.
The more reason why support is required not only to keep up with the business but to cater to their family needs.

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.

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%.



Monthly Income has changed since the pandemic

Monthly Income _ Pre-Pandemic Period



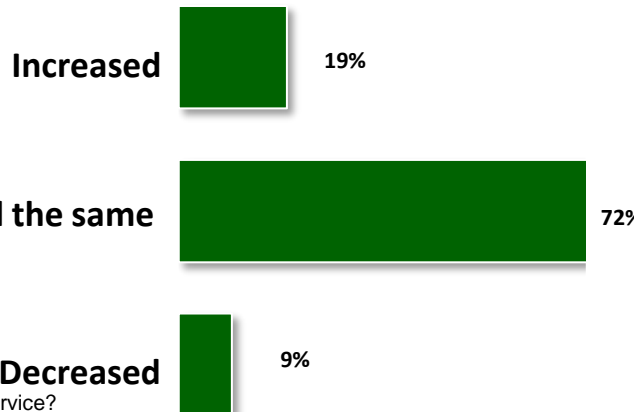
Typical Income (Avg)

Monthly Income _ Pandemic Period



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.

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

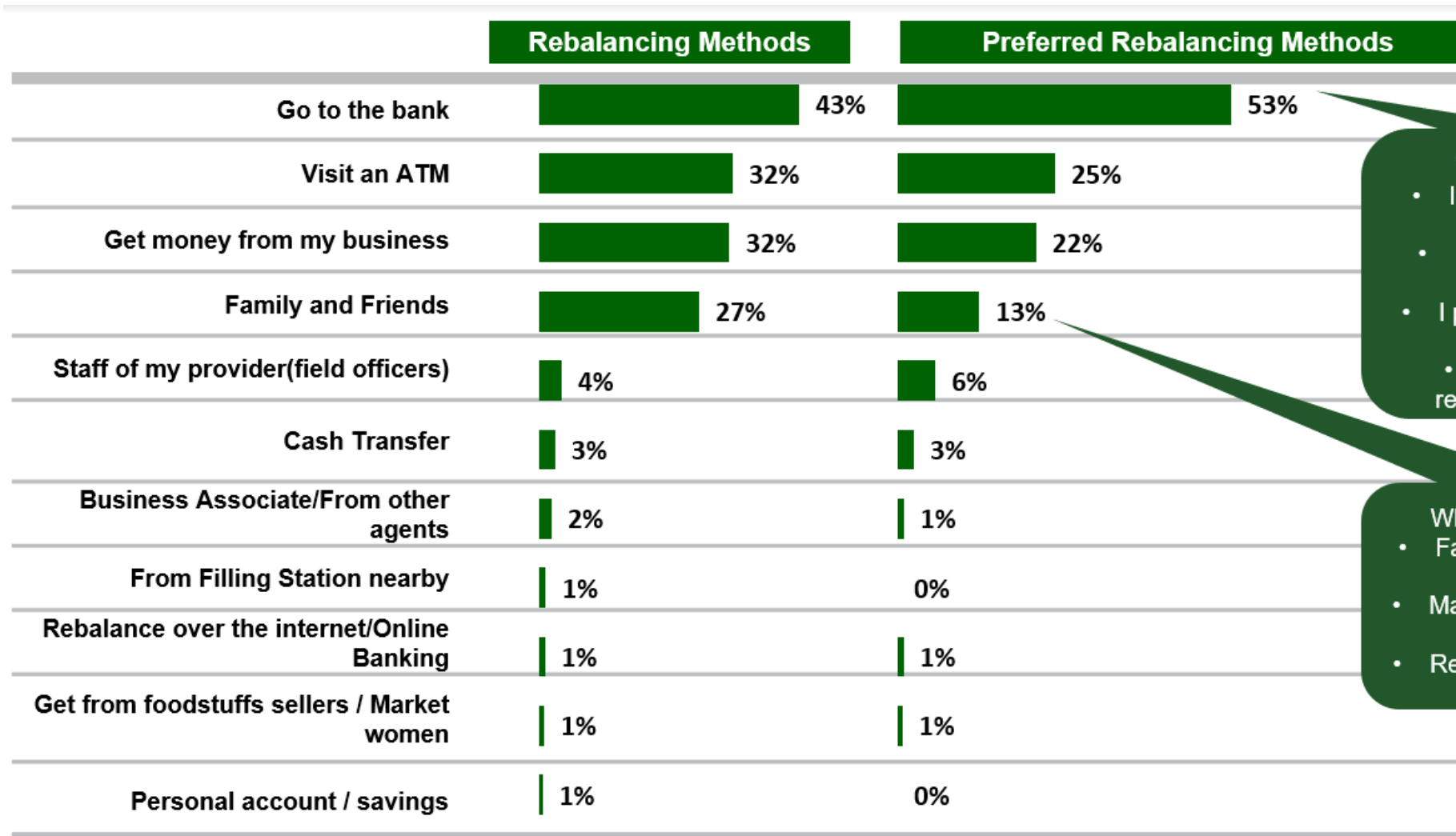
Q12 Could you tell us how much total income you make per typical month from your agent banking service?

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.



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.

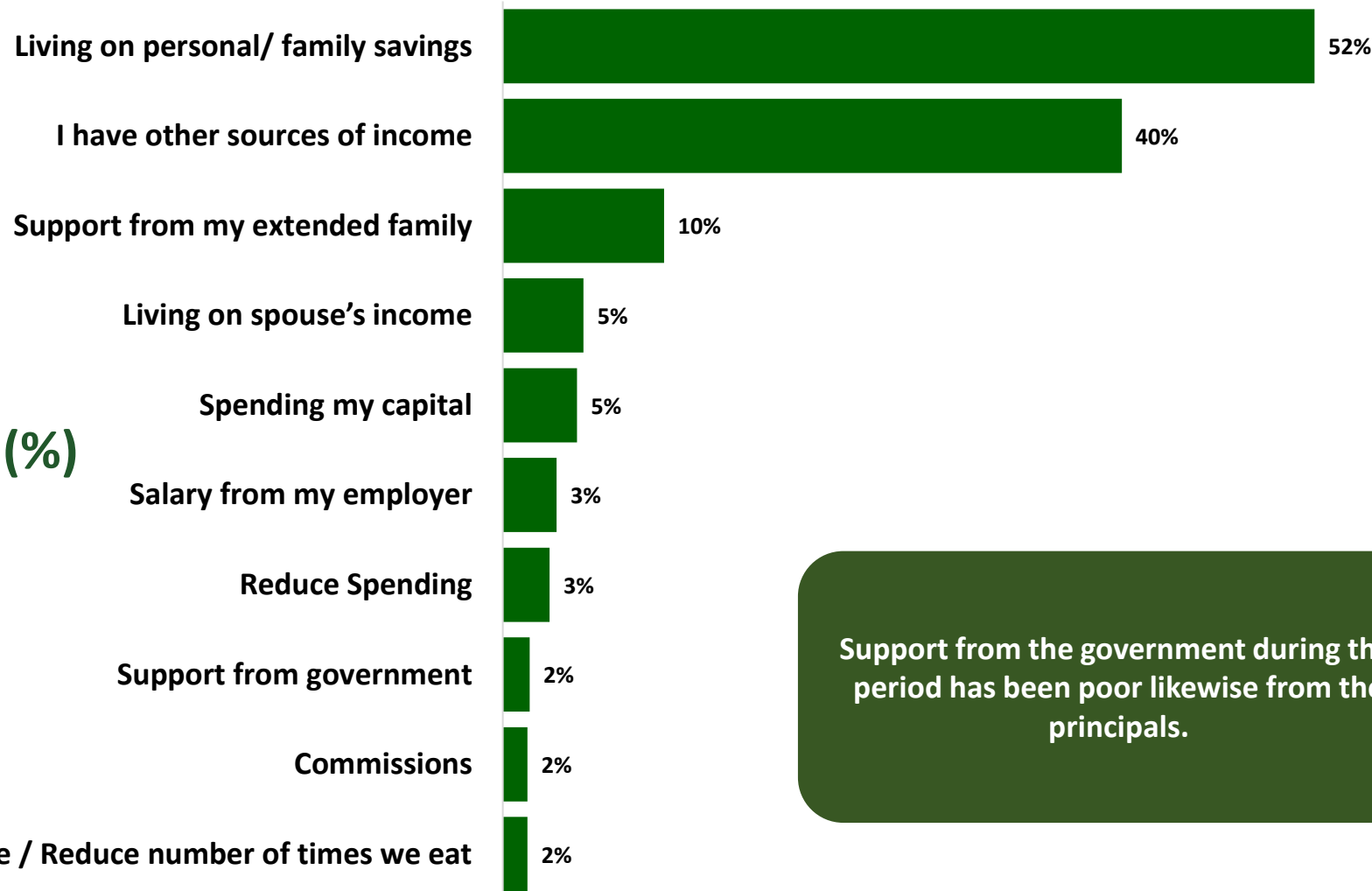
Base: n=735

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)

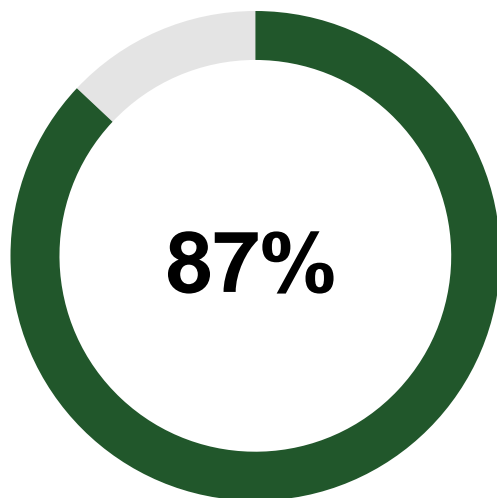
Personal savings and other sources of income have been instrumental to agent's resilience to the pandemic

COPING MECHANISM (%)



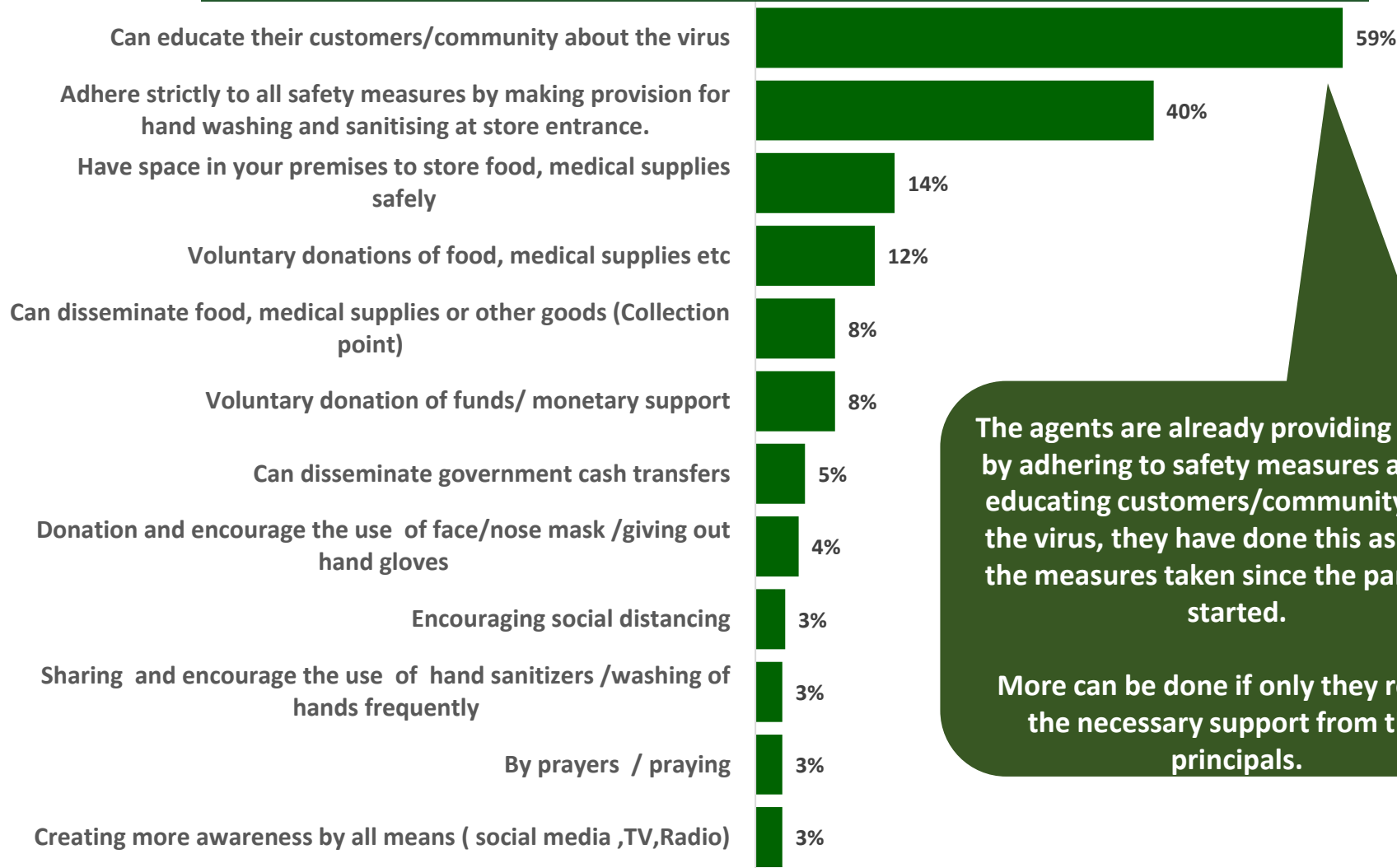
Support from the government during this period has been poor likewise from the principals.

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



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

How Can You Support the fight against the Corona Virus?



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.

Introduction

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- Background & Objectives
- Methodology

Detailed Findings

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- Impact on agent's business

Summary & Recommendations

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- Summary and Recommendations

- ❑ Majority of agents are concerned for their safety and that of their clients. There needs to be more support in terms of empowering agents with the knowledge to protect themselves and their clients, as well as the provision of PPEs to ensure agents can provide financial services safely
- ❑ There is a need for standardisation of safety messages amongst agents to avoid communication of wrong messages to clients
- ❑ With about 50% decline in average incomes for agents and about 80% of agents reporting some form of negative impact on the agency business, financial support for agents, particularly towards float management/financing have also become imperative for agents
- ❑ 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 and distribution of CCTs are particularly relevant to profitability in rural areas





Thank You