



# Mobile Money Tipsheet:

## Five Key Factors to Consider When Choosing a Mobile Financial Services Provider (MFSP)

USAID promotes increased access to and usage of mobile financial services in order to deepen financial inclusion, accelerate broad-based economic growth, and instill transparency into funding flows. These tipsheets are intended to assist USAID implementing partners in Bangladesh to more effectively make use of mobile financial services.

Choosing an MFSP is not always an easy choice, particularly in Bangladesh where 28 banks have received a Mobile Financial Services License from Bangladesh Bank and at least 10 of them are already operational. MFSPs have different service offerings, pricing, and reach, so successfully deciding which MFSP is the right fit for your organization requires planning and research. Considering the five factors below will help you get started.

**1. Organizational Need:** When trying to find an MFSP, an important first step is to identify your institutional needs and requirements. Start by creating a list of services that are important for you to have and note how often you would actually use them. For example, an institution may only need to ensure efficient transfer of money to its beneficiaries in remote locations. In a scenario like this, the immediate requirement is for a provider with an extensive and liquid (in other words, sufficient cash on hand) agent network. You may also want to check on how bulk payment requests are made, if that is important to you. Some MFSPs require you to send requests manually via email, while others have automated systems to receive requests. Finally, if the bank your organization uses for core banking has an MFS product, you should consider if using their product will offer benefits, such as faster fund transfers between accounts.

**2. Recipient Need:** It is important to keep in mind that even though you may only need a service for one type of transaction, your recipients may be interested in or already using other types of mobile financial services. It is important to find out what MFSPs (if any) your target recipients are already using, and what types of services they are interested in using. For example, if your recipients are interested in saving schemes, but the MFSP you select does not offer interest bearing accounts, then promoting uptake may be challenging.

**3. Geographic Coverage:** Knowing whether an MFSP has access points (i.e. agents, ATMs, bank branches) in your program implementation area is critical. If an MFSP lacks sufficient coverage in your target geography, it may not make sense to work with that MFSP, or you may need to consider working with multiple MFSPs.

**4. Cost:** Fee structures vary by provider. For instance, costs associated with account opening, cash transfers, cash-in, and cash-out may differ among providers and within providers (for example, high volume transactions may carry lower fees than low volume transactions). mSTAR's [Mobile Money Infosheets](#) provide helpful overviews of fees and limits for some of Bangladesh's larger MFSPs.

**5. Quality of Service:** Given the rapid growth of Bangladesh's MFS industry, it is important to stay informed vis-a-vis the quality of service of different providers. Check with others who are already using MFS to learn from their experiences. mSTAR's [Mobile Money Snapshots](#) are a good place to start to see what organizations are already using MFS.

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