

Mobile Money Tipsheet:

Potential Issues and Mitigation Approaches

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.

While mobile financial services (MFS) can provide a host of benefits to USAID implementing partners, as a new and growing industry there are still some shortcomings that you need to be aware of and plan for when partnering with a mobile financial service provider. This tipsheet outlines some of the potential issues you may face when using MFS and provides suggested mitigation approaches to dealing with or avoiding them.

Potential Issue	Description	Likelihood	Mitigation Approach
Beneficiary is charged unauthorized fees by agent	Agents may overcharge or charge an unauthorized side transaction fee. This is often due to insufficient consumer awareness of terms and prices.	Medium – High	As part of your on-going monitoring processes, periodically reach out to your beneficiaries to ensure that transactions at agent points are in compliance with your provider agreement.
Beneficiary cannot withdraw cash due to limited agent availability	Insufficient numbers/availability of mobile money and/or bank correspondent agents in a given geography can result in consumers not being able to access cash or incurring extra travel costs and inconvenience.	Medium – High	Confirm in advance that the provider you plan to work with has agents conveniently located in the communities/areas where you plan to send money.
Agents are unwilling or unable to perform transactions for customers	Agents may be unwilling to perform a transaction because of liquidity management concerns, or agents may wish to conserve cash by only servicing large transactions.	Medium	Ensure that the provider has adequate systems in place to manage agent liquidity, including strong distributors or super agents to support agents. Inform the provider in advance of large transactions to ensure agents will have sufficient cash to disburse.
Beneficiary has limited literacy and/or digital literacy	Many mobile financial service products are currently only available in English, which may make them difficult to use for some individuals.	Medium	Provide training and visual aids to your beneficiaries on how to use products and services. Use the training manual developed under mSTAR if you are using bKash or DBBL.
Beneficiary cannot access his/her account or make transactions due to limited mobile network coverage	Using a mobile financial service product requires access to a mobile network. If there is limited network coverage, it can impede seamless access.	Low – Medium	Check the mobile network coverage in the areas you are working in advance to confirm that there are no limitations.

Potential Issue	Description	Likelihood	Mitigation Approach
Beneficiary is unable to receive adequate technical support for service	When issues occur, customers may not know who to reach out to for a solution or the support mechanism in place is not accessible.	Low – Medium	Ensure that the provider has adequately trained staff and fully functional support services to handle customer queries. Easily accessible call centers are crucial.
Unauthorized transactions	Family members, friends, or agents may conduct transactions using clients' PIN without their consent.	Low – Medium	Ensure that when registering a new client, the provider's representative properly communicates the importance of not disclosing PIN details to others. This can be reinforced by providing training to beneficiaries on PIN security.
Beneficiary's account becomes suspended	Beneficiaries may forget their PIN or forget how to properly enter it, resulting in account suspension from too many incorrect attempts.	Low – Medium	Ensure that these types of issues are addressed in training sessions and in refresher sessions for beneficiaries.
Agents pay out counterfeit cash	Agents may pay out counterfeit currency without realizing it is counterfeit.	Low	Ensure that the provider has proper trainings in place for agents on cash management and identifying counterfeits.
Beneficiary has insufficient forms of identification to open an account	Individuals are required by Bangladesh's Know Your Customer (KYC) regulations to have identification to open an account.	Low	To open an account, one must have either a national ID card, driver's license, passport, or citizenship certificate issued by a Ward Commissioner. If your beneficiaries do not have any of these, you will have to speak to the Bangladesh Bank to check if alternatives exist.
Agents cannot execute transactions efficiently	Agents may not be adequately trained to execute transactions for customers, which may lead to unnecessary delays or transaction failures.	Low	Ensure that the provider has proper trainings in place for agents on operations. Ask others using their service for their opinions on agent capacity.

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