

# Aggressive African expansion for fintech startup Mama Money

The South African fintech startup, Mama Money, announced on Tuesday the expansion of its money transfer service into Nigeria, Ghana and Tanzania.



Mathieu Coquillon and Raphael Grojnowski Mama Money co-founders.

The business will expand into Mozambique, Malawi and Kenya by April. It has also earmarked a country outside of Africa for entry later this year. The startup that slashed the costs for Zimbabweans living in SA to send money home when it launched two years ago, is expected to have a similar impact with its expansion.

Mama Money's technology and innovative social business model cemented its market position as an inexpensive and trustworthy money transfer operator for the SA-Zimbabwe corridor. This experience provided a solid launch pad to extend Mama Money into other countries.

Mama Money co-founder, Raphael Grojnowski says, "Our platform, software and service solutions are developed for African and emerging economies where the rise and growth of mobile money is coupled with increasing demand for affordable legal money transfer. Mama Money has developed a sophisticated platform capable of processing money transfers reliably and securely."

"Trust and cost are our biggest differentiators. Our total fees are charged on a sliding scale with a maximum fee of 5% –

dramatically less than the industry average of 12%. There are no clearance periods or delays. Exchange rates and commission fees are completely transparent.”

He continues, “Central to our success in the SA-Zimbabwe corridor is the Mama Money registration agent network, the inbound and outbound call centre, our vendor network within SA to accept payments in cash or electronically, and successful integration with Zimbabwe’s financial institutions and mobile money deployments.

“In South Africa, people can register with the 650 Mama Money agents on the ground or with our primary retail partner which is PEP. They can transfer at any of our retailer partners which at 32 000 cash-in points or via bank transfer using a computer or mobile phone. In Zimbabwe, through Mama Money’s integration with financial institutions we are reaching 6 million mobile wallets and 2 million bank accounts.

“Similarly, our growth into Africa is enabled by our partnership with PEP stores which has a strong footprint in Africa.”

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Mama Money is a gold member of AlphaCode, a Rand Merchant Investments (RMI) club for fintech startup entrepreneurs. RMI’s senior investment executive and head of AlphaCode, Dominique Collett, says: “MamaMoney’s rapid expansion is testament to its ability to service a fundamental need of migrant workers in South Africa. This fintech startup is making significant strides in the area of financial inclusion by lowering the costs of financial services. It has a real impact on real people’s lives.”

Says Grojnowski, “We are licensed by The South African Reserve Bank, so people do not need a bank account or a SA ID document to use Mama Money, which is simple, accessible and fast. No smartphone or internet is required – the platform can be accessed without airtime, and even those with only basic literacy skills can use Mama Money.

“South Africa is home to Africa’s largest migrant community. Money transfer is not a luxury product. People come here to find work and support their families back home,” says Grojnowski.

In Nigeria, Mama Money is connected to the 25 biggest banks and a mobile wallet called VKash. In Ghana, Mama Money is working with MTN Mobile Money and Airtel Money. In Tanzania, Mama Money’s launch partners are Vodacom M-Pesa, EzyPesa and Airtel Money.

“We have also just launched our android family app that is available to senders in SA,” adds Grojnowski. “And we’re celebrating Mama Money’s second birthday.”

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