

Visa, MasterCard moving into mobile pay in Africa

March 3 2015, by Ken Sweet

Americans may just be getting used to mobile pay, but consumers in many African countries have been paying with their phones for years. Now payment processors Visa and MasterCard want to get a slice of that market, and are launching card services aimed at Africa's growing mobile payment industry.

VISA CARD WITH A CELL PHONE

Visa is partnering with African telecommunications company Bharti Airtel to link Visa cards to customers' [mobile](#) phones. While many Africans do not have bank accounts, most have a cell phone—sometimes more than one. Gallup estimates that 80 percent of sub-Saharan African households have a cell phone, while only 2 percent have a landline.

For the past several years, Africans have been using linking their phones to prepaid payment accounts, in order to send money to each other, pay utility bills or buy more airtime.

Now Airtel Money subscribers in Kenya will be able to get a physical Visa card tied to their [mobile payment](#) accounts, so they can use their [phone](#)'s pre-paid account to shop in stores and online wherever Visa is accepted. They can also use the Visa card at the ATM to withdraw money from their Airtel Money account. Users will enter a PIN number into their phones each time they want to approve a transaction, said Bill Gajda, a Visa executive who works with mobile network operators.

As smartphones become more common on the continent, Apple Pay-like services are likely to be introduced as well, he said.

The service will be expanded to Gabon, Ghana, Madagascar, Rwanda, Seychelles and Tanzania later this year.

EVERY EGYPTIAN TO GET A MASTERCARD

MasterCard announced a partnership with the Egyptian Government this week that will eventually attach a MasterCard to every Egyptian's national identification card.

In Egypt, there are more cell phones than people. Mobile penetration in the country was 113 percent in 2012, according to the Egyptian Ministry of Communication. Like their sub-Saharan counterparts, a growing number of Egyptians use their cellphones as mobile payment accounts. Less than 5 percent of Egypt's 54 million citizens have a formal bank account, according to the World Bank.

As part of the agreement with MasterCard, the government will issue digital ID cards which can be used to pay for services including government fees, mobile bills, and items in stores. It will pay salaries and social benefits through the card as well. Each Egyptian will be able to link that mobile payment account to a MasterCard number that will eventually be displayed on the ID.

MasterCard did not have a timetable for when the service will be introduced, and the company said the privacy issues related to having a national ID attached to a credit card number will still need to be resolved.

MasterCard also said it is doing mobile pay deals in Zimbabwe and Nigeria to allow certain banking customers in those countries to receive

funds sent by family and friends abroad directly into mobile pay accounts. Those with companion MasterCard debit cards can then withdraw money at ATMs and pay for goods and services anywhere MasterCard is accepted.

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