

PesaLink Service in Kenya mobile cash transfer system

Case Study

Project: "Person-to-Business System for Kenya Interbank Transaction Switch (KITS)" of Kenya Bankers Association (KBA).
Country: Kenya
End-customer: Central Bank of Kenya (CBK) account holders and citizens, new customers
Project Contractor: Pesa Print Limited (interbank money transfer platform)
The platform is offered by: Integrated Payment Services Ltd (IPSL)
Population in Kenya: 48 million citizens
Launch: February 2017

Country specifics

Population in Kenya: 48 million. Telecommunications is a highly competitive sector. Market competition in mobile money transfer platform sector: M-PESA 851B, Equitel 219B, Airtel Money 10.8B, Orange 162.5M.

Central Bank of Kenya (CBK) overview

CBK is the monetary authority of Kenya with the head office located in Nairobi. CBK was founded in 1966 after the dissolution of East African Currency Board (EACB). The Central Bank of Kenya is an independent public institution that works to ensure stability in prices and promote economic growth.

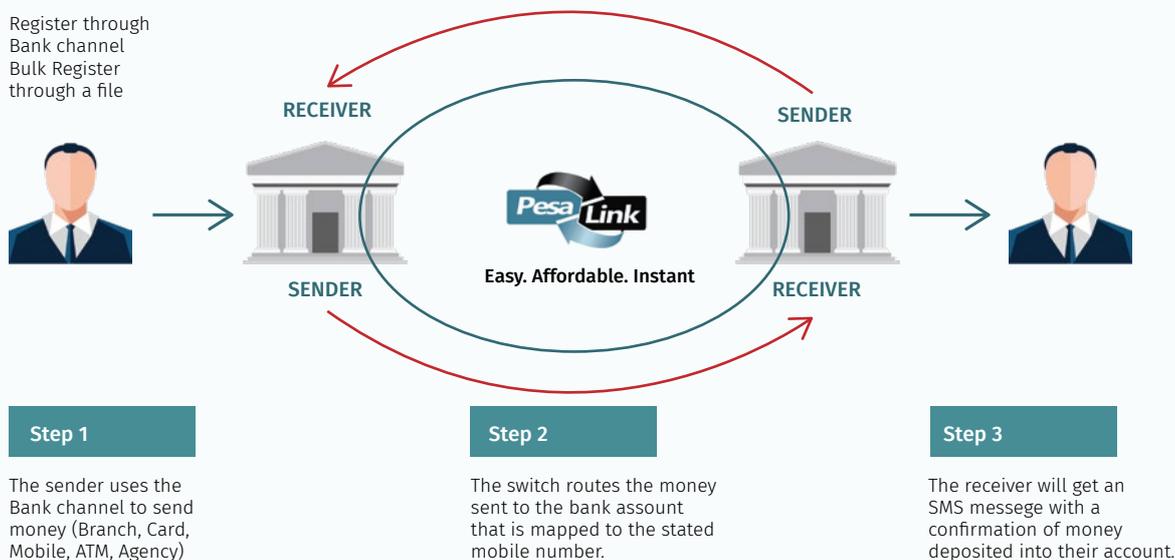
Pesalink overview

PesaLink is a safe, secure and cost efficient platform for bank account to bank account money transfer. It can be initiated from five main bank channels: Mobile banking, (USSD & Application), Internet banking, ATM, Branch front office, Agency Banking and POS.

Project overview

X Infotech delivered its solution "X Infotech Payment Gateway" in response to the tender "Person to Business System for Kenya Interbank Transaction Switch (KITS)" of Kenya Bankers Association (KBA).

- Register through Bank channel
- Bulk Register through a file



The integrated X Infotech solution acts as an aggregator for providing P2B payments to the banks or other institutions connected to the PesaLink system. Payment gateway provides a unified web API for the banks and other institutions to list and process payment transactions to the billers and billing aggregators that are connected to the PesaLink system. Financial messages leverage existing PesaLink system for P2P payments that is already in use.

Solutions integrated by X Infotech

X Infotech Payment Gateway

X Infotech Payment Gateway (PGW) is an automated system for online payments, money transfers or any other operations based on payment processing. PGW ensures that payments are securely processed and transferred by encrypting and storing sensitive data of financial cards. The solution provides an unprecedented level of flexibility to interact with external payment systems, payments for mobile and internet services, traffic fines, theatre and cinema tickets, airplane and railway tickets.

Features:

- 24/7 system to virtually process payments in real time.
- Flexibility to deploy various terminal devices– POS terminals, mobile devices, Web platforms and mobile channels SMS/USDD.
- Extensive operational capabilities to connect an unlimited number of banks and third-party companies.
- Modular architecture to expand the functionality without any interruption in the system.

System functional pre-requisites

Direct bill payments functionality integration with aggregators

PGW provides direct integration with 1 external billing aggregator for processing of bill payment transactions. Custom integration code is developed by X Infotech to support integration with already existing aggregator billing system. These integrations are exposed through the unified API for the connected banks to consume and provide P2B transaction capabilities to their customers.

Messaging and customer notifications

For every successful and failed transaction PGW generates an SMS notification to the end customer with the details of the transaction. SMS notification is sent through existing ISPL MGW and Messaging solutions that are in use right now.

Customer portal

PGW system provides WEB portal for use by the end customers. Portal will be reachable through the internet on desktop or mobile web browsers.

Biller / Aggregator portal

PGW system will provide WEB portal for use by the employees of the biller or billing aggregator. Depending on IPSL requirements this portal can be accessible over public internet or VPN connection which is established between IPSL and third-party. Portal can only be accessible to authenticated users.

Bank portal

PGW system will provide WEB portal for use by the employees of the PesaLink member banks. Depending on IPSL requirements this portal can be accessible over public internet or VPN connection which is established between IPSL and third-party. Portal can only be accessible to authenticated

Custom configurable biller integration interface

Custom configurable biller integration interface allows IPSL administrative staff to develop integration with the biller systems through a wizard based interface within the PGW web portal.

PesaLink and CBK cooperation – achievements and goals

Innovation

First 24/7 real time inter-bank transaction framework
Platform for product innovation tied to interbank transactions

Efficiency & Cost

Remedy disjointed model by providing shared technology infrastructure thus lowering transaction costs

Customer value

24/7 Banking
Lower transaction fees 0-999,999
FX transfers KES, USD, EUR

Risk management

Interconnected systems enables E2E Transactions visibility from an AML/CFT surveillance.

Financial inclusion

Reach more customers and unbanked with competitively priced products.