

Vodafone, Safaricom and Western Union form partnership

Vodafone, Safaricom and The Western Union Company announced on Monday, 8 December that they will partner to pilot a cross-border Mobile Money Transfer (MMT) service between the UK and Kenya. This service will enable customers to send cross-border remittances from select locations directly to Safaricom mobile subscribers in Kenya.

The initiative uses Western Union's global "hub" for processing cross-border remittances. It builds on the success of M-PESA, a mobile money transfer service in Kenya offered by Vodafone and sister company Safaricom, which has attracted over four million customers since its launch in March 2007.

The pilot will take place through a select number of Western Union agents based in Reading, Berkshire. Consumers can send funds to any Safaricom mobile subscriber in Kenya in a matter of minutes. Receiver can use their funds in a variety of ways, including visiting one of 4,000 M-PESA agents in Kenya to withdraw their cash, or forwarding it on to another mobile phone in Kenya.

"The successful take-up of M-PESA in Kenya has clearly demonstrated the demand for easily accessible, secure cash payment services in emerging markets," said Nick Hughes, Vodafone's Head of International Mobile Payments. "Our partnership with Western Union allows M-PESA subscribers to receive international remittances and builds on the demand we have already seen domestically in Kenya."

"This program aligns a global leader in money-transfer services, the world's largest mobile operator group and arguably one of the most impressive success stories in mobile money," said Matt Dill, senior vice president, Western Union Digital Ventures. "In offering M-PESA users the opportunity to receive funds from abroad for the first time, these three companies are changing the way money moves around the globe."

Michael Joseph, CEO of Safaricom, said, "This is another great step for M-PESA and will benefit many Kenyans all over the world. International remittances form a significant part of the total income for some Kenyans, and the partnership with Western Union will provide Kenyans with an opportunity to receive small values of cash from abroad in a fast, safe and affordable way."

There are many benefits of using mobile phones for micro-transactions in a country like Kenya, where few people have bank accounts and over 10 million people have mobile phones. Furthermore, increased global migration has led to a significant increase in the flow of funds from expatriate migrant workers who send money home. Last year, for example, Kenya received approximately USD1.3bn in international remittance: