



MiVoice app is SA's first free digital wallet thanks to subsidized banking

An estimated 23.5% of South Africans are unbanked*, which brings several personal and economic disadvantages. In a concerted effort to change this situation, MiVoice, the world's first fully mobile HR management solution for domestic employees, has designed South Africa's first genuinely free digital wallet.

According to the World Economic Forum, the fee structure of South African banks is up to four times higher than other countries including Germany, Australia and India. As a result, more than 60% of all purchases are paid for in cash, with transactors willing to risk the loss and theft associated with cash to avoid banking fees. Aside from the security issues, being unbanked means that you cannot start building a credit history for future borrowing, receive direct deposits, or access safe ways of transferring and saving money.

It's also a disadvantage for the country as bringing more people into the financial system has been shown to enhance GDP growth and reduce poverty. Achieving financial inclusion and empowerment is therefore a key milestone on the path towards rebuilding South Africa's economy.

Hennie Heymans, CEO of MiVoice Mobile Apps, says that no digital wallet can offer banking services without a bank, which then charges a fee. 'All financial transactions carry a cost, even when made from our wallet. The difference is that we allocate the cost to the wallet holder (employer) so that the wallet user (employee) can use the funds without carrying the cost. In other words, the employer's monthly fee of R49 provides the employee with subsidized banking.'

Another issue associated with not having a bank account is the resulting lack of a digital identity. 'Our personal digital presence dictates our ability to access most modern services, for example, access to credit, opening accounts, or getting an internet connection or DStv subscription, as they require pay-slips, and proof of address and employment,' says Heymans. 'Because the MiVoice employment relationship is a direct one-to-one connection, the app automatically proves a person's employment status and salary. It goes deeper though: A domestic employee's address may not be verifiable but, because they're employed by a property owner with credit records and an indisputable proof of address, the employee's digital footprint becomes stronger because the employer with a strong digital footprint can vouch for them.'

Heymans says that this becomes like a block chain employment record, which is particularly beneficial in the case of piece workers, as information from each different employer builds up a picture of an employee. 'The bigger benefit to piece workers is that MiVoice turns them into their own small enterprise, because using the app means they validate themselves in different ways. So when employing a piece worker who uses MiVoice, you know that you're dealing with a verified identity, linked to a device that has been RICA'd through the registration of its SIM card, with a trail to and from other people.'

A further benefit of the app is the ability to ringfence payments. Because the MiVoice digital wallet is not a bank account, external deductions such as debit orders cannot be processed against it. This gives low-income earners the ability to manage a budget by using the wallet, and thus the opportunity to gain greater financial understanding and change their lives for the better. 'For example, let's say I earn R5000 per month. My debit orders account for R4000 of my earnings, but I

still need to buy food, pay for transport and buy airtime and electricity. With the wallet, I'm able to buy my airtime and electricity, buy a shopping voucher and withdraw transport money, before putting the remaining money into my bank account to service my debit orders. Some of my debit orders may go unpaid, but I will not have to take out another loan to live – thus slowing the debt cycle,' says Heymans.

* <https://oxfordbusinessgroup.com/analysis/final-20-reaching-unbanked-population-complex-task>

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Notes to Editors

MiVoice is the world's first fully mobile solution built to manage the employment of domestic workers, leaving both parties legally compliant and better off. MiVoice manages related tasks like contracts, pay slips, smart time and task management, personal safety features and commuter accident insurance. It also includes a wallet for the employee to receive wages into and spend from – at no cost to the employee.
www.mivoice.app