

#### THE CHALLENGE

- Customers withdrawing large amounts of cash for distribution to workers and family members
- Wanted to enable customers to send money to unbanked recipients and promote services to potential new customers

#### THE SOLUTION

- Developed CashSend with ACI Worldwide, a person-to-person payments solution
- Enables senders to initiate payments from their mobile phone, online or from an ATM
- Allows recipients to withdraw cash from any Absa ATM using their mobile phone

#### THE RESULTS

- Created a safe way to transmit funds across South Africa
- Provided a greater level of convenience for Absa customers
- Expanded Absa's customer reach

## Absa Bank Brings Mobile Banking to the Masses

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Building on its BASE24-eps® payments platform, Absa Bank has added mobile phone banking to its portfolio of retail banking services and has dramatically extended the reach of its banking services in South Africa. CashSend makes it easier to send cash securely and safely to any phone-owning recipient, anywhere in the country, and has added a new access channel to Absa's existing customers.

The banking sector in South Africa is going from strength to strength, and financial institutions in Johannesburg and Cape Town are providing a leading example of innovation in banking services, notably in retail and wholesale payments. Absa, the country's largest retail bank, is at the forefront of that movement.

Absa Bank is the banking division of Absa Group Limited, one of South Africa's largest financial services organizations. The bank already has nearly 11.5 million customers taking advantage of its complete range of banking, assurance and wealth management products and services. However, it is always looking for ways to identify opportunities to grow its value and enter new markets by meeting the changing financial needs of all of its customers.

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## Finding an Alternative to Cash-Carrying Couriers

Despite the advances made by South Africa's financial sector, approximately 37 percent of the population does not have a banking relationship, to its own and the wider economy's disadvantage. However, traditional banking services are not necessarily appropriate for reaching this demographic.

It is a problem that Absa is acutely aware of, so it began looking for ways to extend its services to the unbanked sector of the South African population. Aside from the broader economic gains, Absa had two primary drivers. The first was to aid its existing customers who wanted to send money to family members or employees who did not have a bank account, regardless of where they are in the country. The second was to encourage the recipients to enter the formal banking sphere and to position Absa as the provider of their primary banking relationship.



**The flexibility within BASE24-eps® and its underlying architecture enables us to reduce the number of customizations needed, which streamlines operations significantly.”**

**Rafick Cassim**  
Business Manager,  
Self Service  
Absa



Christo Vrey, managing executive of digital channels at Absa, explains, “We used to see a large number of customers who would come in at the end of the month and take out huge amounts of cash from our ATMs. This cash would be distributed throughout the country by courier or even by taxi — which is an unsafe practice at best. It’s also one of the most expensive and inefficient ways of conducting that kind of transaction for us as a bank. The month-end branch traffic created significant pressure on our resources. We needed to find a new way to deliver this essential service that was better suited to everyone involved.”

## Person-to-Person Payments via a Mobile Phone

Absa’s response to the problem of distributing cash to unbanked populations is CashSend. CashSend can be used by the bank’s existing customers to send money to anyone in the country — the receiver need not be an Absa customer or have an account with any other bank; they simply need a mobile phone.

The sender can initiate a payment at an ATM, through online banking channels or by using their own mobile phone. Having identified the recipient’s mobile number, the CashSend system creates and sends them a ten-digit code via SMS. The sender also has to contact the recipient to give them details of the amount being sent as well as a separate six-digit code that is created and sent outside the CashSend system. This information is known only to the sender and receiver, ensuring the transaction is secure and free of potential compromise.

The recipient can then go to any Absa ATM, enter the codes and the amount and withdraw the cash. To prevent fraud and money laundering, a “three strikes” rule applies — if three failed attempts are made to withdraw the cash, the whole transaction is cancelled.

Vrey says of the system, “CashSend can be used where recipients need cash urgently, but do not have a bank account or a bank card. It is an SMS- based service and since more than 90 percent of South Africa’s population has access to a mobile phone, it is the ideal vehicle for extending banking services to individuals and small businesses that traditional banking has not historically been able to serve. CashSend can even be used in emergency instances where the card is damaged, lost or stolen,” he continues. “With 2.5 million customers already using mobile banking, and 1.3 million using internet banking, it is no real surprise that currently we are seeing an average of 120,000 CashSend transactions per month.”



## A Critical Role for BASE24-eps®

Absa already processes more than 40 million transactions each month through its ATMs alone, and anticipated a further increase in volumes across ATM, online and mobile phone channels following the introduction of CashSend. A critical factor in the project's success therefore was the availability of a robust and reliable payments platform that would support the new payments service, handle the greater number of transactions and ensure that CashSend could meet the demand for immediate and urgent cash transfers across the country.

The bank has successfully used BASE24® from ACI Worldwide as its payment processing engine for 15 years, and during that time it has supported growth in transactions and functions. However, CashSend is part of a broader business strategy to offer Absa customers the full range of physical and electronic payment options and, as part of that strategy, the bank is in the process of migrating its payments to BASE24-eps to support the quick and efficient rollout of new payment channels and products.

Rafick Cassim, business manager, self service at Absa says, "BASE24 from ACI Worldwide has been the core platform for authorizing, routing and acquiring transactions at Absa since 1995. BASE24 has been a strategic component in our long-term plans at Absa and we have developed a good relationship with ACI and the local support team over the years. However, the flexibility within BASE24-eps and its underlying architecture enables us to reduce the number of customizations needed, which streamlines operations significantly. It has increased our agility as a company and improved our ability to respond effectively to changing market conditions and increasing customer demands like mobile payments. It is a critical element of the CashSend value chain."

**37%**

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## Access, Convenience, Safety AND Security

CashSend is available to all 11.5 million of Absa's customers. It provides a 24/7 banking experience and has improved operations so that low-value payment transactions are now performed through self-service ATM channels rather than in branches. It has given existing customers far greater control over their payments by providing a quick, easy and safe means of transferring funds — and has been adopted with enthusiasm as a result.

ACI Worldwide is a global software company that provides mission-critical real-time payment solutions to corporations. Customers use our proven, scalable and secure solutions to process and manage digital payments, enable omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with local presence to drive the real-time digital transformation of payments and commerce.

## LEARN MORE

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CashSend currently processes approximately 120,000 transactions per month with a total value of one billion rand, and it continues to experience growth rates between 12 and 15 percent each month.

CashSend has also made banking accessible to the wider public and serves the unbanked market by creating greater access, convenience, safety and security. Vrey says, "I think it's fair to say that CashSend has brought banking to the masses in South Africa. It has made a meaningful difference to existing and future clients, and it's a very significant development for us as a business and for the country as a whole."

Although CashSend was originally intended to be a service for retail clients, it is fast evolving into a small business and corporate offering. Businesses use CashSend to make payments for goods or services, and it allows employers to pay multiple recipients, further adding value and convenience. Large corporations have even used CashSend in their campaigns and competitions to enable prize-winners to redeem cash prizes at Absa ATMs.

Vrey concludes, "CashSend has been a phenomenal success and we are looking to expand the service outside South Africa, where we expect it to deliver similar benefits. The service has really confirmed Absa's position as an innovative market leader. CashSend continues to support our ability to offer secure, 24/7 choice and convenience, and an enhanced banking experience to all our customers — present and future."