

# Ukheshe and Komuniti SA join forces to revolutionise digital-banking accessibility

African communities have historically found innovative ways of collaborating and combining individual financial resources for the good of the many.



Source: Supplied. Paul Carter-Brown, Ukheshe's co-founder and chief technology officer.

Stokvels and funeral savings are just two examples of community initiatives to which everyone contributes and from which everyone benefits. These and other savings and community wealth creation mechanisms are often entered into without proper banking and financial services resources, and many individual members who contribute have no bank account.

Now, Komuniti, an app that facilitates stokvels, funeral donations, stokvel borrowings, and a wide range of other financial products and services, is set to change all that.

Komuniti in collaboration with banking as a service (BaaS) and embedded finance enabler, Ukheshe is bringing digital banking to more people in South Africa.

## But what is Komuniti?

Komuniti is part of the new generation of neobanks, providing a revolutionary digital-banking alternative to traditional banks. Designed to empower customers through comprehensive financial solutions, Komuniti enables users to gain control over their finances, support community causes, and achieve their financial goals, all through a single app.

Neobanks are disruptors in the financial-services sector - start-ups that have not had to pivot or effect a drastic digital transformation. These new financial apps and services have been built from scratch using the latest innovative technology to drive them.

They offer easy, affordable, secure online financial- and banking services, transforming the way people manage their money – opening up the digital global economy to those who were previously excluded.

Komuniti is filling a gap in the banking market by providing online virtual accounts, virtual payments, stokvel savings, burial books for charitable donations, instant borrowing, and convenient deposit- and withdrawal options.

Komuniti has created a digital financial ecosystem where those currently underserved by traditional banking can be exposed to alternative saving and income streams.

## The business challenge

In today's digitally driven world, traditional banking methods often fall short of meeting the diverse financial needs of individuals and communities. A large proportion of the African population has remained unbanked, and despite a high penetration of smartphones on the continent, many people have remained underserved by any formal financial service.



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Komuniti set out to offer a solution to this challenge but faced challenges of their own early on in the development stages.

“Without investors, we struggled to raise finance but through sheer will and determination, we have raised funds ourselves from our own pockets to make Komuniti a reality,” says Nick Dutuma, one of the co-founders and chief executive officer at Komuniti.

In addition, the process of implementation was difficult as some of the processing of payments had to be done outside the app. “It’s difficult to build trust as a new money platform and it takes time to gain the confidence of potential new clients, so it was critical to ensure the integrity of our services from the beginning,” explains Dutuma.

Despite these challenges, Komuniti knew that it had the opportunity to take advantage of a market ripe for change. “Those living in townships are looking for alternatives beyond banks where they can save and derive an income,” he adds.

## Finding a solution

Komuniti’s founders were introduced to Ukheshe through Mastercard when they were looking for an aggregator to enable them to conduct business as a neobank. Finding alignment in their vision of providing inclusion in the digital global economy for the underserved population, the two companies are now collaborating to further democratise the financial market.

Ukheshe plays a crucial role in facilitating smooth and cost-effective transitions by providing Komuniti with the necessary framework on which to base their banking services.

“Ukheshe has been an invaluable partner in our journey to democratise financial services. Their innovative framework has enabled us to bring accessible and seamless digital banking services to underserved communities, aligning perfectly with

our mission to empower individuals and communities through financial inclusion," says Dutuma.

"Ukheshe's Eclipse platform serves as the infrastructure for fintechs and banks such as Komuniti to drive and realise their own innovative aspirations. Our platform handles everything from issuing, acquiring, payment processing and digital onboarding which then facilitates know your client (KYC), ledgering, financial transactions, integrations, backend, payment systems, and local identity systems.

In addition, we are able to help Komuniti meet all the regulatory and compliance requirements for their financial services offerings," says Ukheshe's co-founder and chief technology officer, Paul Carter-Brown.



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Ukheshe's Eclipse platform provides a user-friendly and universal solution that is fully customisable and scalable, enabling Komuniti to use it to build and develop its innovations.

"By building on our platform, innovators can fully realise their great ideas while also complying with the relevant regulatory and compliance requirements," says Carter-Brown.

## Reaping rewards

Since launching Komuniti in July 2023 and leveraging Ukheshe's technology platform, the company is now offering four different products to 136 clients across the country. The partnership allows Komuniti to process clients' contributions and withdrawals seamlessly, safely and securely with transparency for all members.

Additionally, clients can now conveniently lend money from their stokvels and make peer-to-peer payments.

## The future

Looking ahead, Komuniti will explore the possibility of leveraging Ukheshe's suite of offerings which would enable Komuniti to scale into the wider African market including the informal trade sector, providing the ability to accept digital payments.

"Our solution aims to preserve the foundation that money in itself is not a measure of success, but that success is measured by the prosperity of the community as a whole, laid by past generations, and bringing it into the modern digital age. By democratising financial services, we enable this growth of communal prosperity," says Dutuma.

"Our focus on financial inclusivity guides all our partnership decisions," says Ukheshe's Carter-Brown. "When both parties share a common goal, in this case making banking and associated services accessible to more people, both parties, the industry as a whole and customers all benefit.

"These symbiotic collaborations generate a positive ripple effect within organisations, paving the way for more partnerships and exponential business growth," concludes Carter-Brown.