

## BJFCI Market Survey

# Consumers urge BB to lift limit on MFS transaction

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## BJFCI report

People of low-income group are unhappy with the existing pricing model of Mobile financial service (MFS) with low limit of transactions and demanding a market-driven pricing model that allows them to transact more money through this secured digital channel to meet their needs.

More than 90 per cent agents of different MFS operators in the capital city, according to a consumer survey, say the restriction imposed by Bangladesh Bank on MFS transaction has dragged down their MFS business and forced many people to shut down their business.

They urge the Bangladesh Bank to lift limit on MFS transactions or increase limit to help them need their needs.

The survey was conducted by Bangladesh Journalists Foundation For Consumers And Investors (BJFCI) among consumers of MFS services in different parts of capital Dhaka city last week as part of the foundation's objective to give exact insights of the fast growing digital financial services industry of Bangladesh.

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A total of 201 consumers said the authority should lift limit of transactions or push up the limit to up to Tk 50,000.00 per day, as allowed by the Postal authority for its service Nagad. Other respondents denied to give any answer

BJFCI, the largest platform of senior journalists of leading dailies and media conducted the survey last week among 501 MFS users aged between 35 and 50 years and 301 MFS agents working in different corners, shops in

Khilgaon, Malibagh, Mirpur, Badda and Gulshan under the capital city.

The survey findings are also reflected in the Bangladesh Bank's latest data on mobile banking transactions that shows mobile banking transactions dropped by Tk. 3113.6 crore (9.0%) to Tk. 31512.6 crore in February' 19 as compared to January' 19.

Transactions dropped by Tk. 359.1 crore (48.0%) in SCBs and TK. 2754.6 crore (8.1%) in PCBs in February' 19 as compared to January. A senior central bank official admitted that the low limit of MFS is the big reason behind the fall of mobile banking transactions, which ultimately will hit financial inclusion.

Bangladesh Bank has restricted daily ceiling of mobile cash-in to Taka 15,000, lower from the previous amount of Taka 25,000, while maximum cash-out limit has been slashed to Taka 10,000 from Taka 25,000.

Experts see the imposed limit counterproductive to financial inclusion and steady growth of MFS industry. Most people who have graduated from being unbanked to MFS account holders, small traders, women entrepreneurs and lower scale service holders are now confronting with a major shift from their half a decade of MFS experience.

In festivals time, more people use mobile pay in shopping and donating money to their near and dear ones. During the last Eid festival, newspaper reports say people faced troubles to meet their requirements and losing interest in using this payment method as cash out limit and cash in limit are too small for person to person.

In the next week, the holy Ramadan month will begin and people's will spend billions of taka in Eid shopping across the country when reach people will send money to their poor relatives living in rural areas to perform fasting and Eid shopping.