

# Ukheshe helping empower SA's youth through financial freedom

By  Sindy Peters

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Clayton Hayward is the co-founder and MD of UKheshe, a digital banking platform driving financial inclusion among SA's unbanked individuals, including the youth. He believes that Ukheshe can help empower and assist in building financial freedom and independence among SA's youth.



Clayton Hayward, co-founder and MD of UKheshe

We chatted to Hayward to find out more about the Ukheshe platform, what some of the barriers are for financial inclusion among SA's youth, and what some of the advantages are of bringing more people into the formal financial system.

## ■ What is Ukheshe and what prompted you to start the platform?

**Clayton Hayward:** Ukheshe is an SMME-focused digital banking platform that was established to improve and address financial inclusion within the country. Sub-Saharan Africa is one of the fastest-growing investment zones for financial technology companies and is fast-becoming the flagship for mobile disruption. Driving this growth is the unbanked.

Mastercard reports that while around 1.2 billion adults opened bank accounts for the first time over the past decade, 1.7 billion remain outside the formal banking sector worldwide. Our challenge, as a continent, is to reach these “unbanked” individuals and better understand, as financial service providers, why they opt to stay in the informal sector.

Since launching uKheshe 15 months ago, the plight for financial inclusion has become glaringly obvious. While progress has been made in terms of mobile money, it's become imperative that we move beyond that and look into digital payment solutions. What we have realised is that financial inclusion is not just about technology disruption, but more about solving greater economic problems. Consumers need simpler, more cost-effective ways to do simple tasks such as sending or receiving money and buying airtime, as examples.



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## ■ What are the advantages of bringing more people into the formal financial system?

**Hayward:** Financial inclusion goes beyond consumers and plays a far greater role in the lives of small-scale entrepreneurs. The gains for these informal merchants are significant, bringing income for the community at large. We have seen this as so many of our users have trebled their businesses since using our platform to trade.

It's ultimately about inclusive economic growth and how digital financial services can play a major role in the increase of financial inclusion in Africa. With an ever-growing mobile base, Sub-Saharan Africa has the potential to lead the way, while also creating widespread economic prosperity. Small scale, the Ukheshe platform enables registered users to pay and get paid without a bank account. It enables cross-borders payments and gives users the ability to buy airtime, and pay for electricity, etc.

### ▣ *What are some of the barriers to financial inclusion for SA's youth?*

**Hayward:** Without an identity document and bank account, many consumers, and especially the youth, are very limited in what they can do and earn. A cashless society is becoming the norm, making it hard for working youth to make additional money, and to also contribute to society.

### ▣ *How can South Africa's youth benefit from using Ukheshe?*

**Hayward:** By using the platform, the youth will benefit from learning how to utilise and manage digital payments, etc. It will empower them and assist in building financial freedom and independence. All that is required is a mobile phone and the consumer can be registered and ready for transactions within minutes.



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### ▣ *Has the organisation made any efforts toward promoting financial literacy among SA's youth?*

**Hayward:** Ukheshe launched 16 months ago and is slowly building a presence among its target market. Their presence can be seen at select taxi ranks and through partnerships with Mastercard and Nedbank. Ukheshe recently made its platform free for all government grant disbursements during the Covid-19 pandemic to alleviate the delay in payments.

### ▣ *Beyond SA, does Ukheshe have plans to reach the rest of Africa's unbanked youth?*

**Hayward:** Yes, Ukheshe recently appointed an African director, Mark Dankworth, and he has opportunities under way for the micro-payment platform in Zimbabwe, Zambia, Namibia, Nigeria, Malawi, Botswana and Angola.

### ▣ *Your message for Youth Month 2020?*

**Hayward:** "Learn to code and if you can't code, learn to sell."

## ABOUT SINDY PETERS

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