

Democratising payments

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Can you tell us a bit about what PaySe is, and what the market feedback has been since its launch in December 2015?

Cash has long had properties that have eluded other financial instruments—it works offline, person-to-person, is atomic, fungible, anonymous, and there is no fee as there is no third party ‘reconciling’ the transaction.

That said, cash is physical. This physical nature, apart from the logistics issue of printing, stocking and dispensing, makes carrying cash cumbersome and less secure. For bank this shows as cost of cash.

PaySe is an end-to-end solution that retains the properties of cash while eliminating the ills that accrue due to cash’s physical nature. PaySe is digital or dematerialised cash. It addresses the single biggest deterrent to cost effective

delivery of financial services to the last mile—the cost of cash. It is the cost of cash that drives banks away from setting up ATMs in rural areas, since it is as much a logistics and security issue as it is infrastructural. This leads to financial exclusion. By digitising cash, the physical cash cartridge is no longer required in the ATM and the computer in today’s ATM can be shrunk to an application running on any smart phone. PaySe has delivered this personal ATM; enabling banking access from anywhere an internet connection is possible. PaySe will democratise money the same way music was democratised by digitisation.

Use cases of cash are numerous. As a fintech start-up, we had to focus on some low-hanging fruit where the return on investment (ROI) was clear for our customer. Our initial focus has been the B2B space, with banks as our first customers. We are working with microfinance institutions that are playing a pivotal role in extending financial services like credit, saving, remittance, insurance, DBT, micro-pensions etc. to people at the bottom of the pyramid.

These institutions were facing delays in deposit of collections, high cost of cash as well as security issues. By using PaySe, they have: reduced the cost of cash collection or disbursement by 50 per cent; completely eliminated risk of cash in transit; removed the need for reconciliation and improved productivity through digitisation; eliminated revenue loss due to pilferage of cash and receipt of soiled and counterfeit currency; and enhanced personal safety of employees.