

# Telecom Retail Banking Realities and Fintech Shifts in Africa, 2024



# Introduction

**The African financial sector has undergone transformative changes over the past decade, driven largely by mobile technologies, innovative FinTech solutions, and growing access to internet services.**

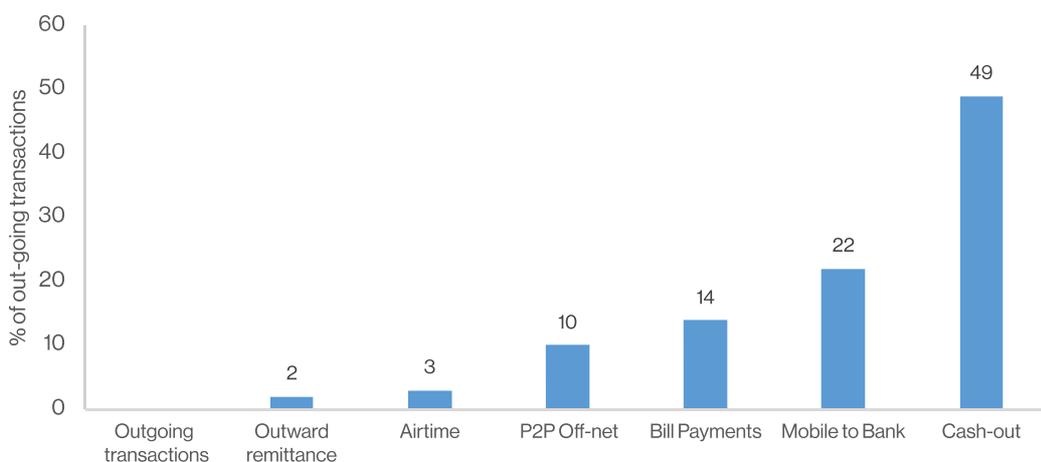
Traditional banks are increasingly challenged by telecom operators and FinTech startups that provide affordable, scalable, and user-friendly financial solutions. Telecom firms play a critical role in supporting banks and FinTechs in the electronic mobile payment systems in Africa, enabling broader financial inclusion and fostering innovation. Over the years, mobile money, USSD and SMS Platforms are key contributions of the Telecoms to the financial sector

For users without smartphones, telecom firms offer USSD and SMS-based channels that banks and FinTechs leverage for transaction services like mobile money, balance checks, and bill payments. Telecom companies like Safaricom (M-Pesa) and MTN (MoMo) have developed mobile money platforms that act as foundational systems for electronic payment services.

The platform is collaborated with banks and Fintechs to offer unlimited services 24/7 to both the local and international users. Also, banks and FinTechs integrate with these platforms to offer savings, lending, and payment solutions, enabling seamless transactions across networks. We cannot place a little emphasize on mobile network coverage in Africa. Telecom companies provide the infrastructure for mobile connectivity, allowing banks and FinTechs to reach underserved and rural areas where traditional banking infrastructure is absent.

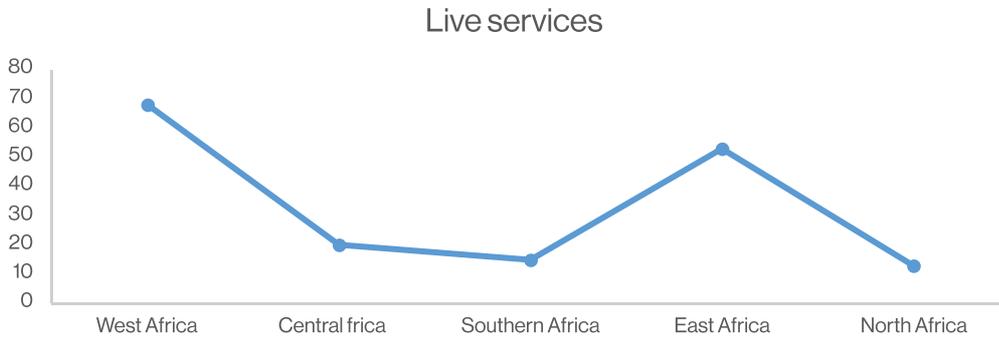
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Figure 1: Outgoing transactions using mobile payment



Source: GSMA (2024)

Figure 2: Mobile money live lines in Africa by region



Source: GSMA (2024)

## The Key Players Making the Realities

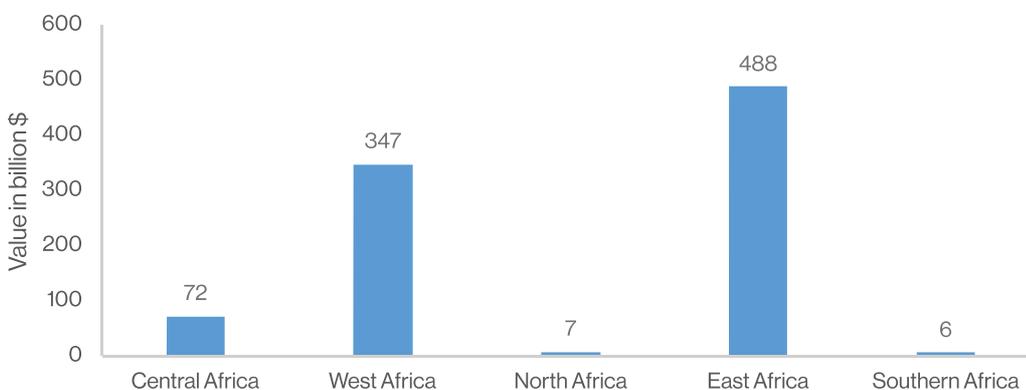
Africa's telecom retail banking market is primarily driven by telecom operators and their mobile money platforms, often in collaboration with banks and FinTechs. However, there is a regional variation in the success of telecoms mobile money products. East Africa leads with 488 million transactions, underscoring its status as a pioneer in mobile money innovation, largely driven by platforms like M-Pesa in Kenya and Tanzania.

This region's success can be attributed to strong telecom infrastructure, early adoption of mobile money, and widespread trust in digital financial services. West Africa follows with 347 million transactions, reflecting growing adoption in countries like Ghana, Nigeria, and Côte d'Ivoire. Initiatives like MTN MoMo and Airtel Money are driving this growth, supported by increasing financial inclusion efforts and cross-border transfer capabilities.

East Africa leads with  
**488 M**  
transactions

West Africa follows with  
**347 M**  
transactions

Figure 3: mobile money transaction across regions



Source: GSMA (2024)

### ■ **Safaricom (Kenya):**

M-Pesa is Africa's most renowned mobile money platform, allowing users to send and receive money, pay bills, access loans, and save through integrated banking solutions. Safaricom mobile product popularly known as the M-Pesa. The firm has partnered with KCB Bank (KCB M-Pesa) and NCBA Bank for services like micro-loans and savings accounts.

### ■ **MTN Group (Pan-Africa):**

Provides mobile money solutions in over 15 countries, enabling services such as remittances, bill payments, savings, microloans, and insurance. Through its MTN MoMo, it has partnered with Ecobank to expand financial access and supports cross-border transfers through the MoMo Pay platform.

### ■ **Airtel Africa (Pan-Africa):**

Operates in over 14 African countries offering domestic and international remittances, bill payments, merchant payments, and airtime purchases. The main financial product is Airtel Money. It worked with banks like UBA for savings and lending solutions. Airtel Africa has collaborated with MasterCard for digital card issuance for online payments.

### ■ **Vodacom Group (South Africa & East Africa):**

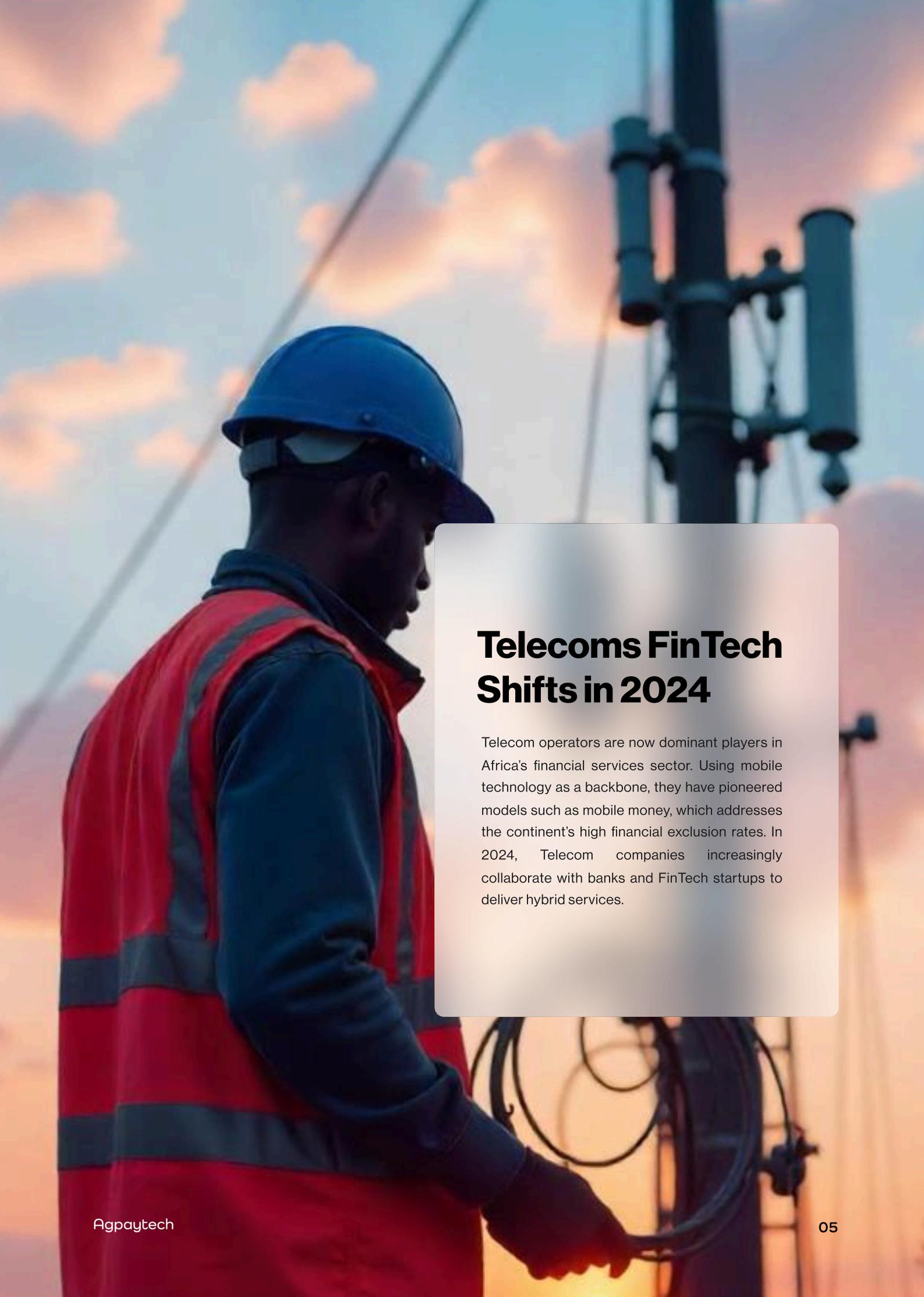
Operates M-Pesa alongside Safaricom in markets like Tanzania, Mozambique, and DRC, offering savings, loans, and payment services. Collaborates with banks and merchants to provide financial services tailored for SMEs and individuals.

### ■ **Orange (West Africa and North Africa):**

Available in over 17 countries, offering digital wallets, payment processing, microloans, and international money transfers in the West and North Africa regions. Orange operates the Orange Money and partnered with NSIA Bank to launch Orange Bank Africa, providing savings and credit solutions.

### ■ **Tigo (Millicom):**

Operates primarily in Tanzania, offering mobile money services, savings products, and P2P payments. Millicom's Tigo Pesa works with local banks to provide integrated mobile banking experiences to customers. Among other growing players include Econet Wireless (Zimbabwe) with EcoCash, Telkom (South Africa & Kenya) with T-kash (Kenya) and partnerships in South Africa and Globacom (Nigeria) with the financial product Glo Xchange with offers agency banking solutions and wallet-based mobile money services in partnership with banks to enable savings, payments, and remittances.



## Telecoms FinTech Shifts in 2024

Telecom operators are now dominant players in Africa's financial services sector. Using mobile technology as a backbone, they have pioneered models such as mobile money, which addresses the continent's high financial exclusion rates. In 2024, Telecom companies increasingly collaborate with banks and FinTech startups to deliver hybrid services.

# Dominance of Mobile Money Platforms/Apps

Telecoms operate mobile wallets such as M-Pesa (Safaricom), MoMo (MTN), and Orange Money, which are integrated with FinTech platforms.

This enables users to fund wallets using their mobile balance, make payments to merchants directly from mobile wallets via FinTech apps as well as cash-in and cash-out funds at agent locations. Services such as M-Pesa (Kenya), MTN MoMo (various countries), and Airtel Money have millions of active users, enabling seamless payments and money transfers.

In 2024, mobile money penetration exceeds 60% in regions like East and West Africa. Mobile money interoperability across borders continues to improve under regional frameworks such as the East African Payment System (EAPS). Also, several FinTech firms across Africa have developed mobile apps to revolutionize payments.

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Table 1: Notable FinTech apps, their telecom collaborations, and the features

FinTech Firm	App Name	Collaborating Telecom(s)	Key Features of Collaboration
Flutterwave	Flutterwave Mobile	MTN, Airtel	Integrates mobile money services for seamless wallet funding and direct payments.
Paystack	Paystack App	MTN MoMo, Airtel Money	Supports payment collections and subscriptions by leveraging mobile wallet integrations.
Chipper Cash	Chipper Cash	Safaricom (M-Pesa), MTN	Facilitates cross-border peer-to-peer transfers via mobile wallets.
Paga	Paga App	MTN, Airtel	Offers USSD payment capabilities for basic phone users in underserved regions.
Opay	Opay Mobile	MTN, Airtel	Supports wallet funding, bill payments, and cash withdrawals through telecom agent networks.
MFS Africa	Beyonic	MTN, Airtel, Orange Money	Ensures interoperability across over 300 mobile money wallets for cross-border payments.
Wave	Wave App	Orange Money, MTN	Specializes in ultra-low-cost remittance and mobile payments in multiple regions.
Eversend	Eversend App	MTN, Safaricom	Multi-currency wallet that integrates with telecoms to enable seamless mobile transfers.

# Collaboration with Card Networks

Recently, giant card networks have collaborated with Fintechs, telecoms, MTOs, PSPs, banks, etc to increase their dominance and market locations within Africa.

MTN said that the deal values the entire fintech unit at

**\$5.2 billion**



Master Card, Visa, etc. are growing their presence in the African market through strategic partnerships with Fintechs and key Telecom players in the Sub-Saharan Africa region. The partnerships include leveraging APIs and data-sharing agreements for seamless customer onboarding, cross-border payments and remittance services, building Fintech ecosystem, other innovative services.

Airtel Africa and MasterCard have announced the launch of a new cross-border remittance service, which will enable Airtel subscribers across 14 African markets to send and receive money safely and securely, with speed and certainty.

Mastercard Inc. agreed to take a minority stake in the financial technology business of MTN Group Ltd., Africa's biggest wireless carrier, sending the telecom company's stock up the most in three months. MTN said that the deal values the entire fintech unit at \$5.2 billion.

Safaricom, Kenya's largest mobile operator, and leading digital payments company Visa partnered to develop products that will support digital payments for M-Pesa customers.

Visa announced a partnership with MFS Africa to give millions of mobile money users the ability to use a virtual card and other services.

# API Access

Telecom firms grant banks and FinTechs API access for integrating their payment systems with mobile platforms, creating interoperability between services. For instance, MTN provided API access to Flutterwave, enabling seamless integration with the MoMo mobile money platform across key African markets like Nigeria, Ghana, and Uganda. This integration allows Flutterwave merchants to accept payments directly from MTN MoMo wallets, simplifying the checkout process. Orange Money's APIs were utilized by Chipper Cash to facilitate cross-border remittances, connecting wallets across multiple countries, including Ivory Coast, Senegal, and Mali. Airtel granted Opay API access, allowing Opay's app to integrate Airtel Money payments. This supports wallet funding and bill payments in countries like Uganda, Tanzania, and Zambia. Safaricom's APIs allowed Paystack to integrate with M-Pesa, enabling Kenyan businesses to receive payments via mobile money. Users can easily link their M-Pesa accounts to make merchant and subscription payments.

**One of the technologies used by Fintechs and Telecoms is AI. Artificial intelligence (AI) has emerged as a critical tool in revolutionizing customer analytics for fintech and telecom companies in Africa.**

# Customer Analytics

Telecoms provide customer usage data, such as call patterns, recharge behavior, and payment histories, to banks and FinTechs. This helps in developing credit scoring models and targeted financial products. One of the technologies used by Fintechs and Telecoms is AI. Artificial intelligence (AI) has emerged as a critical tool in revolutionizing customer analytics for fintech and telecom companies in Africa. These industries are leveraging AI technologies to enhance customer experiences, optimize operations, and drive financial inclusion across the continent. In 2024, the rapid adoption of AI-driven customer analytics tools is evident in the strategies fintechs and telecoms employ to understand their customer base, improve decision-making, and offer tailored solutions. AI enables companies to analyze vast amounts of customer data, derive insights into behavior, and predict future trends. In customer analytics, AI applications typically include machine learning (ML), natural language processing (NLP), predictive analytics, and real-time data processing. These tools empower businesses to:

- **Understand Customer Behavior:**

By analyzing patterns in transaction data, payment trends, and service usage.

- **Segment Customers:**

Based on demographics, usage behavior, or risk profiles.

- **Provide Personalized Recommendations:**

Tailored offers and services that meet individual needs.

- **Detect Fraud and Reduce Risks:**

AI algorithms identify suspicious activities and mitigate risks.

- **Enhance Customer Support:**

AI-driven chatbots and voice assistants provide real-time support.

A woman with dark dreadlocks is looking down at a laptop on a desk. The background is decorated with blue and red circular wall art and a potted plant. The scene is lit with warm, soft light.

## Enhanced Digital Payments Ecosystem

The FinTech industry remains dynamic, with startups developing specialized solutions for financial inclusion, payments, lending, and remittances. Key areas include increased adoption of QR-code payments, tap-to-pay systems, and blockchain-based remittance solutions. FinTechs like Flutterwave, Chipper Cash, and Paystack lead innovation, bridging retail commerce with digital finance. Embedded finance solutions integrate financial services directly into e-commerce, ride-hailing, and agritech platforms, creating seamless user experiences. FinTech companies are increasingly partnering with telecom providers to scale embedded credit and insurance solutions. Furthermore, digital lending solutions offer small-scale loans to micro-enterprises and individual consumers without the need for traditional credit scores.

# Conclusion

**In 2024, this synergy has fundamentally redefined traditional banking models, enabling innovative financial products, broader inclusion, and enhanced accessibility for underserved populations.**

Telecom operators, leveraging their expansive networks and customer bases, have emerged as formidable players, bridging gaps in financial service delivery where traditional institutions have struggled. Fintech, with its agile and customer-centric approach, complements these efforts by driving digital innovations that prioritize convenience, speed, and cost-efficiency.

However, the intersection of telecom, retail banking, and fintech also presents distinct challenges. Regulatory complexities, data privacy concerns, interoperability issues, and the digital divide remain critical barriers. Stakeholders must prioritize collaboration, transparent policies, and infrastructure development to sustain the sector's progress and unlock its full potential.

As Africa's digital financial ecosystem matures, its ability to adapt and innovate will shape the future of financial inclusion and economic growth. This report underscores the importance of strategic partnerships, scalable solutions, and forward-thinking governance in navigating these realities and capturing the abundant opportunities within Africa's dynamic financial landscape.

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# About Agpaytech

Agpaytech Ltd. is a company pioneering in the Fintech space with a focused approach to building robust technologies for e-commerce Card Processing Solutions for Payment Service Providers (PSPs). Additionally, we provide Compliance and Regulatory Umbrella, Remittance-as-a-Service (RaaS), Banking-as-a-Service (BaaS), Foreign Exchange, Cross Border Payments, and digital currency technology.

We also provide practical white paper research support to central banks, government and private institutions, economic organizations, and NGOs in Africa. Our services expand from research projects, state-of-industry reports, project assessment, data collection, and consulting services in the fintech space.

## Contact Us

### United Kingdom

AGPAYTECH LTD.  
3rd Floor, 86-90 Paul  
Street  
London, EC2A 4NE,  
United Kingdom

### United States of America

AGPAYTECH USA LLC  
9701 Apollo Dr Suite 100  
Largo MD, 20774,  
United State of America



[www.agpaytech.com](http://www.agpaytech.com)



[info@agpaytech.com](mailto:info@agpaytech.com)

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