

Agpaytech's Research  
23<sup>rd</sup> June, 2025

The Benefit of Foresight

# Surviving the Fintech Frenzy

Inside Africa's FinTech Collapse and the  
Blueprint for Success

Agpaytech  
Research / Analytics / Direction

# Executive Summary

Over the past decade, Africa's FinTech landscape has witnessed a remarkable boom, driven by the continent's rapid mobile adoption, a youthful population, and the persistent need to bridge financial inclusion gaps. Ambitious startups and major financial institutions alike have sought to capitalize on these trends, promising innovative solutions in areas such as mobile payments, remittances, lending, digital banking, and cryptocurrency. However, behind the surge in funding rounds and bold headlines lies a sobering reality: a significant number of FinTech and bank-led initiatives have failed—some dramatically so. This report explores the growing pattern of failed FinTech projects across the continent, spotlighting emblematic cases such as Ghana's Dash, Nigeria's Pivo and Patricia, Kenya's Lipa Later and BebaPay, and others like Zazuu, Thepeer, and Cassbana. Despite collectively raising tens of millions of dollars, these ventures succumbed to a range of issues, including regulatory hurdles, internal mismanagement, cybersecurity breaches, investor fatigue, weak product-market fit, and in some cases, outright fraud.

Table 1: Failed or shutdown FinTech projects linked to African banks or markets

Name	Region	Sector	Status / Shutdown Date	What Went Wrong / Reason
Dash	Ghana	Wallet interoperability	October 2023	Mismanagement, alleged fraud, inflated user metrics, poor internal controls
Zazuu	UK/Africa	Remittance comparison	November 2023	Ran out of funding; difficult to scale customer acquisition and build a loyal user base
Pivo	Nigeria	SME neobank & lending	December 2023	Internal co-founder conflict; limited market traction; cash burn issues
Lazerpay	Nigeria	Crypto payments	April 2023	Lost investor backing amid crypto downturn; unable to pivot quickly
Vibra	Pan-Africa	Crypto wallet/trading	Mid-2023	Crypto market crash and poor user engagement in key markets like Nigeria and Kenya
Thepeer	Nigeria	API-based payments	Early 2025	Struggled with compliance and adoption from businesses; couldn't scale fast enough







Name	Region	Sector	Status / Shutdown Date	What Went Wrong / Reason
Patricia	Nigeria	Crypto/gift card exchange	2023 (ongoing issues)	Hacked; lost \$2M+; trust eroded after trying to repay users with tokens
BebaPay	Kenya	NFC transit payments	March 2015	Regulatory resistance and limited adoption by commuters; poor ecosystem integration
OnePay	Morocco	Payment aggregation	2022	Faced stiff competition; failed to innovate or differentiate; small funding base
Cassbana	Egypt	AI micro-lending	2023	AI couldn't accurately predict borrower risk; resulted in high default rates
Lipa Later	Kenya	Buy Now, Pay Later (BNPL)	March 2025 (Administration)	Grew too fast with poor debt collection; regulatory strain; investor exits

Source: Agpaytech 2025



# Why These FinTech Projects Failed

Understanding the downfall of once-promising FinTech ventures in Africa requires a multidimensional analysis. While each case presents unique circumstances, several recurring themes emerge across these failures. FinTech failures across Africa have been driven by a combination of internal and external factors, with governance issues, regulatory barriers, funding difficulties, poor market fit, cybersecurity lapses, and competitive pressures emerging as major themes. One of the most prominent causes is governance failures and mismanagement, where weak internal leadership structures and inadequate oversight have led to operational collapses. For instance, Dash in Ghana raised over \$80 million to unify wallets and bank accounts across Africa but eventually collapsed due to allegations of fraudulent financial reporting, missing funds, and poor internal controls. Similarly, Nigeria's Pivo, a FinTech aimed at supporting SME logistics, was paralyzed by internal leadership disputes between co-founders.

Regulatory and compliance challenges also pose significant hurdles, especially for FinTechs operating across multiple jurisdictions or in emerging crypto markets. Nigeria's Thepeer, despite offering innovative payment APIs, could not sustain operations due to compliance struggles and was shut down in 2025. In Kenya, BebaPay backed by Google and Equity Bank was discontinued in 2015 after encountering insurmountable regulatory issues in rolling out NFC-based transit payments.

Another key issue is funding shortfalls and investor fatigue, particularly after initial seed rounds. Zazuu, a remittance comparison platform, failed to secure follow-up funding beyond a \$2 million round. Similarly, Lazerpay, a crypto payments startup, collapsed in April 2023 after investor withdrawals during a broader downturn in the crypto market. Several FinTechs also suffered from weak product-market fit and low user adoption, despite having

technically sound solutions. Egypt's Cassbana, which used AI for microlending, struggled with credit scoring in informal markets and eventually shut down. Likewise, Thepeer in Nigeria failed to gain traction with its APIs, indicating a disconnect between the backend technology and actual market needs.



Cybersecurity breaches and trust deficits have further contributed to FinTech failures. Trust is foundational in digital finance, and its erosion can be fatal. Patricia, a Nigerian crypto and gift card platform, suffered a \$2 million hack. Its attempt to recover user funds using internally issued tokens backfired, leading to a loss of public trust and mass user exits. Lastly, market saturation and competitive pressure have overwhelmed some players, particularly in heavily contested areas like payments and remittances. OnePay in Morocco shut down due to intense competition from more capitalized firms. Similarly, Vibra, a Pan-African crypto wallet that raised \$6 million, struggled to survive amid a crypto downturn and increasing rivalry from more established platforms.



Table 2: Categorization of FinTech failures by root cause

Name	Governance	Regulatory	Funding	Product Fit	Cybersecurity	Competition
Dash	■	■	■	■	■	■
Zazuu	■	■	■	■	■	■
Pivo	■	■	■	■	■	■
Lazerpay	■	■	■	■	■	■
Thepeer	■	■	■	■	■	■
Patricia	■	■	■	■	■	■
BebaPay	■	■	■	■	■	■
OnePay	■	■	■	■	■	■
Cassbana	■	■	■	■	■	■
Vibra	■	■	■	■	■	■
Lipa Later	■	■	■	■	■	■

Source: Agpaytech 2025      ■ Significant Factor      ■ Not Primary



# What Successful FinTech Projects Are Doing Differently in Africa

Despite the high failure rate of FinTech ventures across Africa, a number of companies have defied the odds, achieving remarkable growth, securing international investment, and revolutionizing financial inclusion. These successful FinTechs operate under the same regulatory uncertainties, infrastructural challenges, and fragmented markets that others struggle with—yet they demonstrate strategic clarity, operational resilience, and deep local insight that set them apart. A key differentiator is their proactive approach to regulation; companies like M-Pesa and Flutterwave work closely with regulators, prioritize compliance, and build legal and AML/KYC frameworks early on. Additionally, these FinTechs show a superior understanding of local markets, designing tailored solutions that address culturally specific needs. Paystack's developer-friendly APIs and Chipper Cash's cross-border remittance model are prime examples. They also build resilient business models by diversifying revenue and reducing dependency on single streams; Jumo partners with banks and telcos, while TymeBank combines digital platforms with physical retail touchpoints. Strategic partnerships further amplify their growth. MFS Africa integrates mobile money systems across the continent, and Paga leverages agent networks and bank partnerships. Crucially, their technological infrastructures are scalable and secure, allowing for cost-effective expansion, as seen with Wave's lean model that delivers mobile money with minimal fees. Lastly, successful FinTechs place a premium on building customer trust through transparency and financial education, as demonstrated by Carbon's responsible lending practices. In summary, thriving African FinTechs blend regulatory foresight, market empathy, financial prudence, ecosystem collaboration, robust tech, and trust-building to create sustainable impact in a challenging environment.

Table 3: African FinTech projects and their success factors

FinTech	Country/Region	Core Offering	Key Success Factors
M-Pesa	Kenya, Tanzania	Mobile money	Regulatory alignment, telco partnership, offline agent network
Flutterwave	Nigeria, Global	Payment infrastructure	Developer-friendly APIs, multi-market compliance, global expansion
Chipper Cash	Pan-Africa	P2P payments/remittances	Cross-border simplicity, low fees, regional partnerships
TymeBank	South Africa	Digital banking	Physical-digital hybrid model, retailer partnerships, transparent onboarding
Jumo	South Africa, Global	Infrastructure for lending	B2B model, partnerships with banks/telcos, data-driven credit scoring



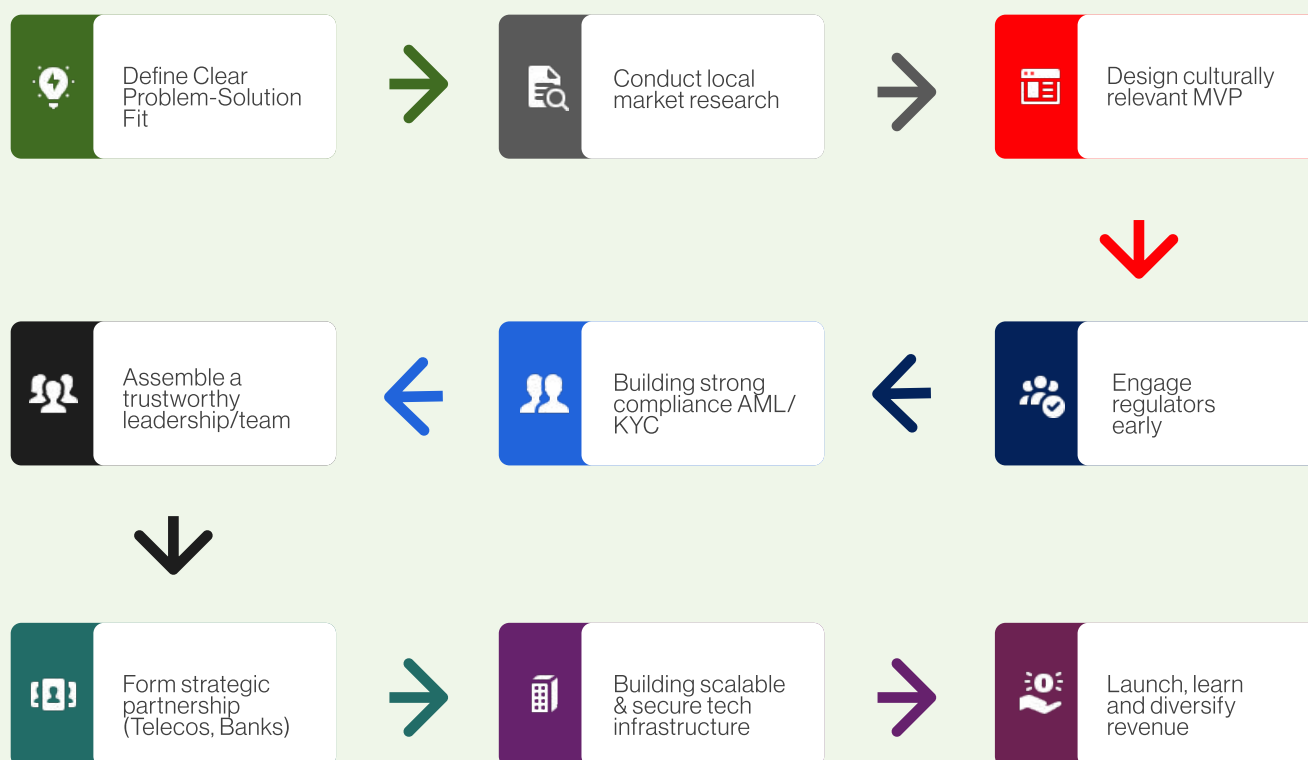
FinTech	Country/Region	Core Offering	Key Success Factors
Paystack	Nigeria, Ghana	Merchant payments	Seamless integration, localized features, Stripe acquisition provided global leverage
MFS Africa	Pan-Africa	Mobile money interoperability	Aggregation model, regulatory foresight, cross-network flexibility
Wave	Senegal, Côte d'Ivoire	Senegal, Côte d'Ivoire	Low-cost, user-friendly platform, security-first design
Paga	Nigeria	Digital wallet and agent banking	Deep offline agent reach, ecosystem partnerships, versatile transaction services
Carbon	Nigeria	Digital lending and payments	Transparent credit model, in-house credit scoring, customer-centric app

Source: Agpaytech 2025

# Strategic Advice for Emerging FinTech Startups in Africa

To succeed in Africa's dynamic FinTech landscape, startups must adopt a strategic, step-by-step approach that is grounded in local realities and geared toward sustainable growth. First, defining a clear problem-solution fit is essential—startups must address real and pressing issues such as high remittance fees, limited credit access, and financial exclusion, while avoiding the mistake of importing Western-style solutions that do not resonate with local users. This must be followed by deep local market research through surveys, interviews, and pilot testing to understand informal systems, cultural nuances, and levels of tech accessibility. Armed with these insights, FinTechs should then develop a culturally relevant minimum viable product (MVP) that prioritizes usability, trust, and affordability. Engaging regulators early is crucial; FinTechs should treat regulatory bodies as partners, leveraging sandbox opportunities and proactively understanding licensing requirements.

Figure 1: Step-by-Step Strategic Advice



Source: Agpaytech 2025



Building a strong compliance framework—particularly in AML and KYC—from day one further enhances credibility with both users and investors. Equally important is assembling a leadership team with strong technical, financial, and legal expertise, underpinned by high ethical standards. Startups must also secure initial funding with a sustainable burn rate, focusing on early revenue rather than over-relying on venture capital or chasing vanity growth metrics. Strategic partnerships with banks, telecoms, retailers, and payment providers are essential for reducing customer acquisition costs and expanding reach. A robust, scalable, and secure technology infrastructure should be developed from the outset to avoid expensive overhauls later. Once launched, FinTechs should adopt an agile mindset—using customer feedback to continuously iterate, refine, and improve their products. Diversifying revenue streams is key to long-term viability, with income sources ranging from transaction fees and subscriptions to partnerships and data services. Finally, fostering trust through transparent pricing, privacy policies, and financial education initiatives is vital in a region where fraud concerns and low financial literacy often hamper adoption. By following this structured roadmap, FinTech startups in Africa can build resilient, impactful businesses that are prepared to survive early challenges and thrive in the long run.

# Conclusion

The African FinTech boom has delivered remarkable innovations in financial services, unlocking new avenues for inclusion, efficiency, and cross-border connectivity. Yet, the striking number of high-profile failures ranging from Dash in Ghana to Lipa Later in Kenya reveals that success in this space is neither guaranteed nor purely dependent on funding or technological innovation. Instead, the survival and scalability of FinTech ventures hinge on a nuanced interplay of governance, regulation, cultural alignment, funding strategy, and customer trust. This report has unpacked the underlying causes of FinTech failures, categorized them for clearer analysis, and juxtaposed them against the practices of standout success stories such as M-Pesa, Flutterwave, and Paystack.

Key insights reveal that mismanagement, poor product-market fit, inadequate compliance frameworks, and cybersecurity failures continue to undermine even the most promising ideas. In contrast, successful FinTechs differentiate themselves through regulatory alignment, strategic partnerships, robust infrastructures, and a customer-first mindset rooted in local realities. The strategic roadmap presented centered on research, cultural adaptation, compliance, iterative development, and trust-building offers a practical guide for startups navigating Africa's complex FinTech terrain. As Africa's digital economy matures, it is no longer enough to be innovative; FinTechs must be resilient, responsible, and strategically grounded.



# 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.

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