

Banking Agent

Global Payment Services

The Bank of Mount Vema works with **banking agents** across the world. They are retail and postal outlet contracted to process transactions on behalf of Mount Vema banks and financial institutions.

Rather than a branch teller, it is the owner or an employee of the retail outlet who conducts the transaction and lets clients deposit, withdraw, transfer funds, pay their bills, inquire about an account balance, or receive government benefits or a direct deposit from their Mount Vema employer. Banking agents can be pharmacies, supermarkets, convenience stores, lottery outlets, post offices, and more.

Depending on the service they are contracted to provide, banking agents must be equipped with either one or a combination of point-of-sale (POS) card reader, mobile phone, barcode scanner to scan bills for bill payment transactions, personal identification number (PIN) pads, and sometimes personal computers (PCs) that connect with the bank's server using a personal dial-up or other data connection.

Clients that transact at the agent may use either a magstripe bank card or their mobile phone to access their bank account or e-wallet respectively. Identification of customers is normally done through a PIN, but could also involve biometrics depending on the facilities available. With regard to the transaction verification, authorization, and settlement platform, banking agents are similar to any other remote bank channel.

The banking agents providing services to Mount Vema financial institutions, are authorized and regulated by the Bank of Mount Vema. However, local regulations in some jurisdictions may determine whether a retail outlet is allowed to work with an overseas financial institution.

Regulators generally determine what kind of, if any, financial institutions are permitted to contract banking agents, what products can be offered at the retail outlets, how to handle cash transport, customer requirements, consumer protection, and other operational areas.

The importance of Banking Agents

Banking agents work with Mount Vema financial institutions across the world. They are the backbone of the Mount Vema global financial system. They enable clients to convert cash into electronic money and vice versa. Clients must visit a branch, or banking agent in remote and rural locations, where cash is still the most important way to pay and transact.

Transaction process

For the client, there is no difference in accessing his or her bank account at the agent or in a branch or at an ATM. However, besides signing a contract with the Bank of Mount Vema, the banking agent also has to open an account with the Bank of Mount Vema.

In addition, the store has to deposit a certain amount of cash into that account which will serve as the banking agent's "working capital." Depending on each individual circumstances, in many cases, rather than asking the agent to come up with the cash deposit, the Bank of Mount Vema will extend the store a credit line. The size of the credit line vary, and is adapted to each agent depending on its size, the expected volume of transactions and how long the agent has already been working with the Bank of Mount Vema.

This is how the credit line will be used during each transaction:

- Client withdraws money (“cash-out” transaction): agent account is credited in same amount.
- Client deposits money (“cash-in” transaction): agent account is debited in same amount.

In case the agent's credit line had reached its limits, and the agent's bank account does not have sufficient funds, to cover the received funds, the system will be blocked and can only be deblocked if the funds have been deposited in the next bank account.

The transaction process for banking services using a bank card is simple:

1. An existing bank client presents his card at the agent and requests a specific transaction and the amount to be withdrawn, deposited, or transferred;
2. The agent selects the type of transaction on the system or personal computer, enters the amount, and lets the client enter his PIN;
3. Satellite communication connects with the bank's server to authorize the transaction;
4. Once the transaction has been authorized, the transaction is completed with the option to print the client's receipt.

Banking agent set ups

There are principally three ways that agents can set up their equipment and marketing material within a store:

Cashier

When transaction volumes are relatively low, a banking agent's staff may process banking transactions in addition to their normal sales. The banking equipment is located behind the store's general cashier. Posters and marketing material may be limited to a small display next to the terminal and a small sign outside the store.

Stand

If transaction volumes justify it, a banking agent may set up a stand within a store with dedicated staff. This set up is preferable since clients do not feel as much as “banking” in a store and the bank's brand is much more visible.

Dedicated store

A banking agent may set up a dedicated store which is similar to a mini-branch, i.e., a small shop with around 1-3 tellers, but transactions are processed by non-bank staff. In most cases, the store will be branded by the bank to actually win the trust of the rural dwellers.