

Stokvel banking now possible

Research by Finmark Trust reveals that more than 50% of stokvel members in the mass market do not have a bank account, 94% of members are black and 57% are women. In response to this, FNB has launched its Smart Solutions Stokvel Account.



This makes banking services more accessible to unbanked South Africans, thereby encouraging them to join the formal sector and better manage their finances. Stokvels, seen as savings for a specific item, event or emergency, are part of the informal savings market that has a strong tradition of creating a much-needed alternative for encouraging savings amongst previously disadvantaged communities.

Head of product and marketing, Jeff McDonald says, "Unfortunately, and especially towards the end of the year when most stokvels are closing their books for the year, members who do not have access to bank accounts to transfer funds saved by the group for the year become soft targets for criminals."

"By opening this account, members are not only introduced to banking but are also encouraged to adopt safer and more effective ways of handling their finances. With a stokvel account, members are assured of greater security on their account as the risk of fraudulent activities is reduced and members are equipped with financial literacy skills.

No deposit, withdrawal fees

The account has no deposit or withdrawal fees charged. In order to open the account, a R100 opening deposit and at least two signatories are required. The account remains active for a maximum of six months after all funds have been withdrawn, allowing time for the group to resume savings.

As an added security feature, customers can also register for FNB's inContact Pro, a messaging service that alerts up to three members of the stokvel via SMS each time there is a transaction on the account, so they are always updated about the activities on their account.

The stokvel account further supports the government's call for people to save more, particularly in the current economic climate. According to *Stokvel Times*, both government and the financial sector have identified the need for more vigorous money management and keeping track of credit within the stokvel saving group arena.

For more, visit: <https://www.bizcommunity.com>