

FNB, Standard Bank, Absa and Nedbank offer first cloud-based instant payments service

South Africa today reached a milestone with the launch of the first national cloud-based instant payment service that will be rolled out across four of SA's well-known banks - FNB, Standard Bank, Absa and Nedbank.

 By [Katja Hamilton](#) 13 Mar 2023



Source: Supplied. Fundi Tshazibana, deputy governor of the South African Reserve Bank announces the launch of Payshap!

The interbank, real-time digital payments service, known as PayShap, is the result of five years of collaborative effort between the Payments Association of South Africa, BankServAfrica and the South African Reserve Bank, and allows individuals to make instant payments to service providers across the board whether they be a hairdresser, fruit vendor, gardener or car guard.

The payment takes place using cellphones and the only pre-requisite is a service provider's mobile number. No banking details are required.

With no waiting periods, South African bank account holders can now easily pay and receive up to R3,000 per transaction, instantly, between participating banks.

While originally intended to be used among individuals, the app has far-reaching benefits for small businesses too.

Financial inclusion a highlight

"We see this as an opportunity to deepen our financial-sector inclusion to give more South Africans in both formal and informal sectors greater access to a variety of payment services and to also allow them to grow to trust payment offerings.

"With PayShap there is no more waiting for days before the money is reflected in their bank accounts," said Fundi Tshazibana, deputy governor of the South African Reserve Bank.

Absa's managing executive for payments, says, "As a Pan-African bank, we are committed to making financial services more inclusive and accessible to our (Absa) customers."



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"Absa's contribution to South Africa's payment modernisation is significant and we are extremely proud to part of delivering yet another market-first payment solution. Importantly, Absa is delighted to be part of the first cohort of banks to roll out PayShap to our customers."

FNB's Ravi Shunmugam, chief executive officer of FNB EFT product house, adds, "As a founding member of this modernised and inclusive South African payments infrastructure, we are excited to provide our FNB customers with more real-time payment options."

"PayShap will help FNB customers transition from cash to digital and is the first of many customer solutions for real-time payments and the transformation of the payments infrastructure, aligning to our payments modernisation and digital platform strategy. We're ecstatic to be one of the first banks in South Africa to offer PayShap to our FNB customers."

PayShap is not a standalone app and is accessed through existing banking channels only such as mobile banking and internet banking.

It also uses distributed ledger technology and the Amazon Web Services cloud platform.

The evolution of payments

PayShap will be released to the market in two stages. The first leg will see the launch of the PayShap instant clearing feature that gives the option to pay-by-account (using account details) or pay-by-proxy (using a unique identifier such as a cellphone number (ShapID)).

The second leg, will introduce an additional request-to-pay function which will make it possible for a person to initiate a request for payment and receive money securely and immediately in their bank account.

Says Mpho Sadiki, head of real-time payments at BankservAfrica, "We are all excited to witness the evolution of payments in South Africa that will be delivered through this next-generation digital payments service delivers."

A much longer list of banks is expected to join PayShap in the near future, among them Discovery Bank, Standard Chartered Bank and Capitec.

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