

**Speech to mark the launch of Westpac, Bmobile Top-up Cross Connection
by Ms Caroline Kanoko, Manager National Financial Inclusion of Central Bank of Solomon Islands
8th December 2014, Honiara, Solomon Islands**

Salutations

Westpac Bank General Manager, Mr Elliot Griffin;
Distinguished guests,
Ladies and Gentlemen,

I have the honor and pleasure to present a short address on behalf of the Governors, whom are not available, on this very important occasion to mark the launch of Westpac's Bmobile Top-up cross connection.

Importance of digital Financial Services

Around the globe and even key promoters of financial inclusion such as the Alliance for the financial Inclusion (AFI) have witnessed the important role that digital financial services (DFS) has and has impacted on the lives of the people and importantly the poor and the unbanked.

Pacific countries and particularly Solomon Islands has just began and is yet to see results and measure the impact this great innovation does to its people. For Solomon Islands the up-take was only less than 3 years old.

Up-take of mobile financial services

Amongst its Pacific neighbors, Solomon Islands is the only country that rolled DFS thru the commercial banks, known as Bank-led DFS model. This made SI a little unique from our neighbors such as Fiji, PNG who witnessed both the Bank-led and the Mobile Network Operator led models of DFS.

In Solomon Islands DFS up-take was tremendous and statistics revealed that since 2011 till Q3'2014, more than 129,000 new accounts were opened, and majority was thru the use of digital financial services. This sets a new record for our neighbors, particularly with the use of Bank-led DFS model with a huge leap.

Westpac took the lead

When I thought about all these innovations in the banking sector in Solomon islands, I realize there was something unique about Westpac Bank.

Back in 2011 when NFIT promoted financial inclusion in SI and included as one of its KRA to "**promote innovative financial services/products thru technology**" it was Westpac Bank that took the lead to introduce the **In-store banking** in later part of 2012.

Today we mark another innovation by Westpac ahead of its colleague service providers to launch an added service, **the use of top-up with cross connections between 2 service providers**. I must congratulate Westpac, and your hard working team for taking such bald steps, and a fine achievement. Be the first takes a bald decision and you have made it again.

This achievement we witness today could take place without working relationship with different parties. For this I want to acknowledge both Bemobile and Telekom for partnering with Westpac to allow such a service to be delivered to our people. This is another elevated service that you are providing to your customers and today you are unlocking another barrier and gave freedom to your customers to enjoy. This is yet another innovation that DFS brings to its customers.

Financial Inclusion issues with DFS in SI.

Before I take my seat, Let me briefly share and remind us on some issues that the National Financial Inclusion Taskforce (NFIT) prioritizes with regards to digital financial services.

- 1. Service Literacy and Awareness.** The result of the 2012 financial competency study undertaken by CBSI/PFIP on low income households revealed that:
 - a.** in terms of financial literacy, Solomon Islands low income households was rated on the lower scale as compared with Fiji and Samoa.
 - b.** Also results revealed that generally low income households in Solomon Islands do use mobile phones for making calls and answering calls but not to send text messages.

The result indicates that the customer is prone to abuse due to negligency. This result is very important for NFIT as far as DFS are concerned. NFIT therefore revised its key result areas (KRA) and now requires and encourages all financial service providers to prioritize service/product awareness and education.

- 2. Consumer Empowerment.** With the low level of literacy, even functional literacy, an area that NFIT will be working along with partner service providers is on consumer empowerment. That is, on how to empower consumers to know and understand what is offered and be able to make informed decisions. This is an area that we encourage service providers to assist us on.

Ladies and gentlemen, as we witness an added innovation from DFS today, let us congratulate each other but let us not forget the responsibility that we must do to our customers. DFS is a new vocabulary in Solomon Islanders , especially the rural. It is our responsibility to ensure our customers receive the best service,

Once again let me take this opportunity to thank Mr Elliott and your hardworking team, along with Telekom and Bemobile Management to make this occasion happen as we witness today.

End/
3