

No paying via Bitcoin just yet says Pick n Pay

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Pick n Pay said on Monday it was unlikely to roll out the Bitcoin payment platform until there was a regulatory framework for managing risks associated with cryptocurrencies.



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The grocery retailer [piloted the bitcoin payment system](#) at its Cape Town store in what is described as a world first. Industry insiders say other retailers should follow suit.

Bitcoin is gaining traction across the world and although not recognised by financial regulators locally, it is being taken seriously. The South African Reserve Bank recently established a fintech programme to explore the implications of virtual currencies and other financial technologies for financial regulation and activities such as lending and investing.

Pick n Pay deputy CEO Richard van Rensburg said the pilot was "limited to our canteen store in our head office for a specific period of time and is no longer active".

He said: "We don't expect that in the near term accepting Bitcoin will unlock any significant new business and we are unlikely to roll out the solution until the payments industry and regulatory authorities have established a framework for managing the risks associated with cryptocurrencies. We have proved to ourselves, though, that it is technically possible to roll out a solution very quickly."

He said cryptocurrencies were still in "relative infancy" and would take some time before they become widely accepted as a form of tender. "Progress is unlikely to be hampered by technology but rather by regulatory issues and concerns," Van Rensburg said.



Pick n Pay trials bitcoin payments

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Blockchain Academy MD Sonya Kuhnel said Bitcoin created opportunities that retailers should take advantage of. "It also allows people who do not necessarily have bank accounts to transact at retailers instead of using cash. Furthermore, transactions are also not subject to reversals or costly charge backs," she said.

Kuhnel said the transaction fee retailers had to pay could range up to 1% on debit cards and 2% on credit cards. Smaller merchants could pay up to 7% for card payments.

"Bitcoin transaction fees are significantly less and if we take the example of PayFast, one of SA's payment processing companies, they charge their merchants a 1.9% transaction fee as compared to 3.5% for debit and credit cards payments."

Bitcoin's payment system at Pick n Pay operates similar to a Snapscan or a Zapper payment, where customers are able to check out items by scanning a QR code from a smartphone.

Source: Business Day

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