

FNB sees over R1.8bn in stokvel contributions as members adopt digital platforms

FNB reveals that stokvel members who use its no monthly account fee digital account have contributed over R1.8bn since the solution was launched in 2020.



Source: Supplied. Sifiso Nkosi, stokvels and group savings head at FNB cash investments.

Himal Parbhoo, chief executive officer of FNB retail cash investments, says: "Being a member of a stokvel is one of the most popular ways for South Africans to develop a saving culture.

"The challenge, however, has always been ensuring that stokvel savings are managed efficiently. This inspired us to develop a digital stokvel account that makes it easy and safer for members to make contributions and share proceeds.

"In addition, members earn interest on the money they save as a group, which encourages them to save even more. The rising interest-rate cycle provides an excellent prospect for stokvels to capitalise on the trend by holding their savings for a longer period rather than cashing them out. We're encouraged by the continued progress among stokvel members who use our solution."

FNB's stokvels and group savings head, Sifiso Nkosi, echoes this sentiment, saying: "Stokvels have transformed in recent years, and the future of group savings is being reimaged through digital adoption.

"According to our data, stokvels earn the best savings account interest on the market. The good momentum in stokvel savings has bolstered our efforts to facilitate the promotion of a savings culture among South Africans through a secure and transparent savings platform that generates competitive returns despite the tough economic conditions."

FNB has seen over 80% of stokvel payments made by its banked signatories. Of the 102,293 stokvel members on FNB's platform, 46% have opened a transactional account for easier contributions or to conveniently receive their share of proceeds.



South African savings grew by 15.4% in 2021, report shows

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As South Africa approaches the festive season, FNB encourages members of stokvels to continue using digital channels to manage their money. Members are also encouraged to avoid exhausting their savings during the upcoming spend season.

"Our strategic approach to integrated financial inclusion has allowed stokvel members access to a suite of our financial solutions tailored for their needs. There is a shift and an entirely new spectrum of how groups are using the power of collective savings to achieve their financial objectives.

"This transition requires FNB to be more innovative in our solutions that cater to our customers' individual and collective demands while assisting in improved management of group savings, administration, deposits, and money distribution through FNB's award-winning digital channel," Nkosi concludes.

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