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Demonetisation: Now, encash digital money at Vodafone's M-Pesa

By [Devina Sengupta](#) & [Niharika Banerjee](#), ET Bureau | Updated: Nov 24, 2016, 12.39 AM IST

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MUMBAI: The country's second-largest telecom operator [Vodafone India](#) is taking steps to ensure that its 8.4 million [M-Pesa](#) customers can encash their [digital money](#) from specified outlets.

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Unlike a Paytm or Oxigen, Vodafone M-Pesa is essentially a banking correspondent, which facilitates financial services on behalf of an equal or unequal financial institutions, that enables a customer to go to specified outlets and get cash of same worth.

"Today both banks and ATMs are choked. The unique cash out feature of Vodafone M-Pesa makes it an ideal digital wallet for masses, enabling users to digitise cash, remit it to family and friends, pay bills and/or withdraw it at their convenience from over 1,20,000 touch points across the country," Suresh Sethi, business head, Vodafone M-pesa, said.

To avail of the facility, customers need to carry an identity proof to their nearest Vodafone M-Pesa outlet from where they can withdraw money, subject to availability, in line with RBI guidelines. With at least 56% of M-Pesa outlets in rural areas, the company plans to extend the facility to its customers, who are reeling under the impact of [demonetisation](#).

ET had reported that the recent demonetisation is likely to grow mobile payment solutions. Though telcos are unlikely to see a massive jump since a mobile wallet contributes just 2% to a telco's revenue, it could help them retain mid- and top-end customers amid cut-throat competition once they are used to mobile payment channel for a small transaction.

"Since the days of demonetisation, M-Pesa has reported a 100% increase in its app download. Digital money transactions since have doubled too," Sethi added.

The largest telecom operator [Bharti Airtel](#) on Wednesday launched a pilot payments bank service from Rajasthan, becoming the first payments bank in the country to go live.

When asked on the impact of demonetisation on Airtel Money, the company spokesperson said, "Existing wallet users can upgrade to a savings account through a simple biometric based eKYC process and earn interest on their deposits."

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