

Empowering postmen to become door-step bankers

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IndiaPost will educate, train postmen to act as banking correspondents as part of an initiative to promote digital transactions



Digital connect The initiative will not only help people in smaller towns and villages who have to travel long distances to reach a physical branch but also result in financial inclusion faster that expected P_V_SIVAKUMAR

Mumbai, September 26:

In a bid to empower about three lakh postmen in the country, IndiaPost, which also has the licence to run a payments bank in the country, will be educating and training them to act as banking correspondents.

The postmen, with smartphone-cum-biometric reader, printer and card reader, will go door-to-door to educate people about cashless transactions. This move by IndiaPost, a government entity, also resonates with the Modi government's initiative to make India a less-cash economy.

Ashok Pal Singh, CEO of IndiaPost Payments Bank, told *BusinessLine* the government is trying to encourage people to do more and more cash-less transactions in the country and IndiaPost's initiative to employ postmen will not only help the people in smaller towns transact from the comfort of their homes with a click, but would also help the humble postmen stay relevant in this dynamic world and contribute to the fintech revolution.

“We have around three lakh postmen in the country and they will be carrying a micro-ATM sort of device, with the help of

which our customers will be able to transact digitally at their door-steps,” Singh said, adding that the IndiaPost Payments Bank will soon be launching a mobile app for the same.

With the help of the device, customers will be able to not only deposit their money in their accounts but also pay all kinds of utility bills, book tickets for train and buses, book gas cylinders, pay for services at public hospitals, fees at government schools and buy financial products such as mutual funds, insurance and ETFs, among others.

According to experts, the initiative will not only empower people in smaller towns and villages who have to travel long distances to a physical branch but will also result in financial inclusion faster that expected.

“We have noticed that people go to banks either to deposit or withdraw money. So, getting customers to transact remains a big challenge. With payments banks and our initiative, we expect interaction with banks to go up. This will also help the entire ecosystem,” Singh said, adding that the whole of India generates about 10 crore bills every month and of that only 10 per cent is done digitally.

Pilot project

IndiaPost Payments Bank, which is currently undertaking a pilot project in Chhattisgarh and Jharkhand, plans to start training its postmen by January before it goes for a pan-India launch in March next. India Post has about 30 crore customers of which 18 crore are active users and would get the benefit of door-step banking immediately.

Nation-wide campaign

With 1.55 lakh post offices, IndiaPost will thus become the largest payments bank in the country in terms of reach. Other players are Airtel, Paytm, Reliance and Fino. However, Singh said that it would not be using the Rs. 800 crore

granted by the government to give discounts to customers but would rather use that to help the entire ecosystem grow. IndiaPost will soon launch a nationwide campaign and has appointed Prachaar as its advertisement agency.

Singh further said the bank would be profitable in the fourth year of operations.

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