someone would sell his piece of land, he goes to buy a motorcycle in Congo, and the next day he is on the road. He doesn't know how to ride motorcycles well, not even road signs. And this is why we have had numerous road accidents.

The Ministry of Works and Transport ... projected in 2027

Sebei locals urged to embrace banking, update details

BY ANDREW WABUSHENDA & FRED WAMBEDE

MBALE. The Deposit Protection Fund of Uganda (DPF) has urged the people of the Sebei Sub-region to embrace banking and also to keep updating their personal details to ease recovery of their deposits in case of bank closures.

Officials from DPF made the remarks during a town hall meeting in Mbale City at the weekend.

The meeting was attended by a variety of stakeholders, including district leaders, police officers, taxi operators, market vendors, and boda boda riders from Kapchorwa, Bukwo, and Kween in the sub-region.

Dr Julia Claire Oyet, the DPF Executive Director, said anyone with money should know where to keep it, emphasising the importance of depositing money in regulated banks.

"It is also important for depositors to confirm that the institution where they keep their money is properly licensed and regulated by the Bank of Uganda," she said.

Ms Oyet also encouraged depositors to regularly update their personal details with their respective financial institutions, including their National ID details and mobile phone numbers, among others.

"If you find that the institution asking you to deposit your money is not licensed by the Bank of Uganda, and anything happens to such an institution, you will not be helped by the Deposit Protection Fund. We provide protection specifically to depositors whose money is in banks regulated by the Bank of Uganda," she said.

When asked by participants whether the DPF also protects deposits on mobile money accounts, Dr Oyet clarified that mobile money savings do not form part of the deposit insurance scheme established under the Financial Institutions Act, Cap 57, and are, therefore, not protected by the Fund. She added that mobile money savings are governed by the National Payment Systems Act, Cap 59.

Dr Oyet said in 2024, the Bank of Uganda closed EFC Bank Limited and Mercantile Credit Bank Limited, and DPF paid the depositors.

Mr Roy Nambogo, a board member of the Deposit Protection Fund, revealed that the entity's role is, among others, to contribute to financial sector stability through public awareness and act as receiver or liquidator if appointed by the Bank of Uganda.

Ms Susan Wasagali, the secretary at the Bank of Uganda, noted that the Central Bank has a supervision directorate that conducts both on-site and off-site supervision to assess the health of financial institutions.

"So we don't wake up in the morning to close any institutions. It takes a process and engagement. By the time a bank is closed, it means all efforts have failed," Ms Wasagali said.

She added that as long as depositors have proper records, they are able to be paid by the Deposit Protection Fund.

Mr Patrick Ezanga, the director of communications at DPF, said the concept of deposit protection targets people at the bottom of the pyramid, low-income earners who form the majority of Ugandans.

"If a person with Shs3m saved in a bank loses their money because the bank collapses, their livelihood is severely affected. The impact of closing a financial institution is much greater on people with small savings than on those with above Shs500m, or even billions," he said.

Mr George Awanyi, the Bukwo resident district commissioner, said several people in Sebei are not part of the banking sector because they lack confidence and trust that their money will be safe in banks.

"With this engagement, we are going to assure them that if they deposit their money in a bank and anything bad happens, the Deposit Protection Fund will compensate them up to Shs10m," he said.

Mr Awanyi also appealed to the Deposit Protection Fund to consider customers with money exceeding Shs10 million in a licensed bank.

He noted that while the Fund mainly focuses on covering deposits of up to Shs10m, there is also a need to look into mechanisms for supporting those with higher amounts held in a given bank.

Mr Ahmed Chekwoti, the chairperson of the Boda Boda SACCO, said after being sensitised on how their money is protected when deposited in a bank under the DPF, they now have more confidence in the banking system.

"We have been keeping money in our houses. Today, we have learnt that we can grow financially by depositing our money in the bank," he said.

BACKGROUND

The government established the DPF to ensure customers are paid their protected deposits in the unlikely event of failure /closure of a deposit-taking institution licensed by Bank of Uganda. The Fund pays the depositors of such institutions up to the protected limit of Shs10 million.

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