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Technology firms push for QR code payments

By Faridah Kulabako

Uganda's pursuit for a cashless economy may soon be given a boost after Visa, a global payments technology firm, announced support for Quick Response (QR) code payment specifications. QR is a global system that seeks to promote mobile commerce and e-payments.

In a move to deepen the use of QR codes — machine-readable barcodes used to facilitate mobile payments, Visa, in partnership with EMVCo, a global technical body that manages the EMV specifications, will introduce an innovative mobile payments solution in Uganda in this November.

Dubbed mVisa, the payment solution will enable consumers pay for goods and services by scanning a QR code on a smartphone or entering a merchant number into their feature phones.

The mVisa system promotes interoperability and standardises the fast-growing ecosystem of QR code payments across the world by linking financial institutions, service providers and consumers to facilitate fast payments.

BETWEEN THE LINES: Bribery

- Cash-based economies tend to have rampant corruption because cash does not leave any trail.

With the new system, Ugandans will be able to pay for goods and services from any country without having to carry cash and incurring extra costs.

With the system, payment goes straight from the consumer's visa account into the merchant's account and provides real-time notification to both parties.

"mVisa is interoperable, meaning that the consumer and the merchant do not need to be customers of the same bank for a transaction to be successful, thereby increasing convenience, security and reliability," Visa senior vice-president of digital solutions, Sam Shrauger said.

Other countries on the waiting list for the system are Cambodia, Egypt, Ghana, Indonesia, Kazakhstan, Malaysia, Pakistan, Rwanda, Tanzania, Thailand and Vietnam.

The move to have the service in Uganda and other 11 countries follows the launch of a similar service in 15 other countries around the world, including India, Kenya and Nigeria, with 33 banks and more than 328,000 merchants on board.

Dangers of cash-based economies

According to Standard Chartered Bank head of client risk management for Africa, Barbara Nantege, cash-based economies tend to have rampant corruption because cash does not leave any trail.

"Cash economies are largely driven by deficiencies in technology, a large unbanked population, low income levels, high levels of illiteracy, weak institutions and legislations," Nantege said.

Nantage said investing more in electronic card readers in common business centres such as restaurants, legal chambers, hospitals, supermarkets and petrol stations and many others would help in fighting crime in the country.