

WorldRemit calls for urgent restoration of money transfers to Nigeria

WorldRemit, a leading online remittance provider, is calling for the urgent restoration of money transfers to Nigeria as "draconian" new rules leave virtually all money transfer operators (MTOs) unable to provide services to the West African country.



WorldRemit founder and CEO, Ismail Ahmed.

Only three companies – Western Union, MoneyGram and Ria - will be able to continue operations, following an unexpected move by the Central Bank of Nigeria.

WorldRemit, in common with all other international MTOs, has been instructed by its local correspondents that transfers to Nigeria will no longer be processed and is, accordingly, suspending services immediately.

WorldRemit founder and CEO, Ismail Ahmed said: "This move is arbitrary, inexplicable and hugely detrimental to the Nigerian diaspora who rely on hundreds of money transfer companies and banks, providing them with choice, convenience and competitive pricing.

"Even now, as we suspend our service, there is no clarity on why this sudden change has happened. If it is on the basis of new rules, there was no warning. If it is a re-interpretation of old rules, local correspondent networks and banks should have been forewarned.

“This reverses the progress made by the country when the Nigeria Central Bank banned Western Union’s exclusivity agreements that had created a near-monopolistic position in the international money transfer market. Western Union controlled 78% of the market share when CBN outlawed exclusivity agreements with local banks.”

Until now, money transfer operators such as WorldRemit operated via partnerships with licensed local correspondents in Nigeria, enabling transfer of funds to local bank accounts – providing a more efficient service than the SWIFT infrastructure.

WorldRemit has also raised concerns about a 2015 [memorandum](#) from the Central Bank of Nigeria, setting out minimum requirements for companies offering international Mobile Money transfer services to Nigeria.

The guidelines specify that any company offering Mobile Money transfers must have minimum net assets of \$1bn and have been operating for more than 10 years.

WorldRemit is the world leader in transfers to Mobile Money accounts and had been planning to launch remittances to Mobile Money services in Nigeria.

“It looks like all systems in Nigeria are currently geared against encouraging new entrants and competition in the mobile remittance markets. That is worrying in the extreme,” said Ismail Ahmed.

WorldRemit sends more than 40,000 money transfers to Nigeria every month. Nigeria received more than \$20bn in remittances annual from migrants around the world.

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