

## One Person Banks: Access vis a vis User Experience

Puran Singh, Sanal Gupta<sup>1</sup>

When two girls in light red checkered school dress crossed the road in front of their school to walk into a customer service point outlet, we were curious as to what business did a couple of class eleven students had there. To our surprise, they took out INR 100 each and handed it over to Mahesh, the banking agent, to deposit it in their respective bank accounts. *“They come in every other day”,* said Mahesh, *“In fact, there are about twelve student of this school who walk in whenever they have decent sum and deposit”.*

It was Mahesh who had opened bank accounts for these students and motivated their parents to inculcate in their kids, a habit of small savings. He gets more business and kids get their savings. Win-win! Being a small orchardist, business acumen comes naturally to Mahesh and an intent for social good does not hurt either.

Reserve Bank of India guidelines on agent banking allow a range of individuals to act as banking agent to bring banking closer to people living in remote and rural areas. The list includes ex-servicemen, general merchants, retired teachers, retired bankers, etc. Each of these individuals come with unique background, skills and behaviors which affect the way they operate and manage their respective banking outlets which, in turn, influences users’ banking experience at the last mile.

Cut to another rural location in Himachal. Dharmendra, a retired serviceman, has been functioning as a banking agent since the year 2010 in an area where closest bank branch was ten kilometers away. Armed with bank provided biometric device connected to a feature phone, he had helped open over 350 bank accounts moving from village to village.

Today, he operates out of his living room where he has set up the necessary equipment for banking operations. People from surrounding areas know him for years and typically call him up before walking in to transact. He is a strictly ‘by the book’ kind of person and maintains meticulous records of transactions by customers and details of visitors.

Over the last eight years, despite recurring technical issues, change in allocated service area twice and change in technology, Dharmendra has stuck to agent banking while many of his contemporaries gave up early. He had latest information on products, services, functioning of equipment and online banking portal. He came across as someone driven more by his passion rather than just money which was quite evident by his never give up approach to this profession that earned him INR 2500 last month.

In another case, Monika, travels 10 KMs every morning from city center to a village where she rents a small shop to run a multi-purpose outlet. She has been a banking agent since 2014

---

<sup>1</sup> Dr. Puran Singh is a fellow with DIRI, ISB and Assistant Professor at IIT Mandi. Sanal Gupta is a doctoral student at IIT Mandi.

before which she was only running Lok Mitra Kendra (LMK), an e-governance center, at the same location.

Her experience in working with equipment and existing footfall from LMK operations helped her hit the ground running when she signed up to be a banking agent which brings in about INR 5000 every month for her. Having a master's degree and a computer diploma, Monika wanted to be financially independent.

To this end, she also added Patanjali product range to her small shop in 2016. She earlier used to live in this village but had to move to the city to ensure better education for her two kids. Her strong rapport with locals helped her in all three of her business lines. She makes it to the outlet every day at 10 am and at about 2:30 PM she takes the bus to city, goes to the bank branch, deposits cash, deposits cheques for her customers and gets their passbooks updated. By 4:00 PM, she needs to be home in time to receive the kids from school.

Couple of more interesting cases included our meeting with a travel agent and a school teacher who had taken up agent banking. Tourism business kept Rajesh on the move most part of day, so he hired a full-time staff and assigned banking portal and equipment access to him through 'sublet' option that banking agents can avail.

He continues to have the accountability but has outsourced the operations to another individual who handles day to day affairs related to banking in addition to maintaining reception desk for travel business. More focus on travel agency coupled with the fact that an ATM and a bank branch were within 200 meters, were possibly not working very well for him as footfall of banking customers was observed to be very low. In case of a school teacher acting as banking agent, he was able to offer banking services only during non-work hours.

Our accumulated experience in the field till date indicates that 'how users receive and experience banking services' in remote and rural areas is defined, to a large extent, by background and alternate profession of banking agent. Diversity in backgrounds of banking agents can be both contributing and limiting factor. While the access to banking services increases with widening of pool of banking agents, a bank is likely to have less control over user experience. How close or far are banking agents from providing 'close to bank branch experience' to users is an open question for now and remains to be explored more.