

Lockdown impact: Returning migrants turn bank agents

The constant demand for cash has opened the doors for them to become business correspondents of financial institutions

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Subodh Mandal lost his job as a driver in New Delhi due to the lockdown and was forced to move back to his village near Patna. With no means of supporting his family, he was looking for odd jobs when a friend suggested he become a business correspondent for financial institutions.

"Initially I did not know anything about this job but I picked it up with help from a friend who was already an agent. I earned ₹6,000 after I signed up in May," he said. "I may not go back to Delhi if this works out for me."

Mandal is among a large number of people who have

lost their jobs due to the lockdown and who are now turning business correspondents. Fino Payments Bank, for example, has on-boarded close to 30,000 merchants compared to 8,000-10,000 merchants a month in pre-Covid times.

Jump in agent on-boarding

"The migrant population going back is looking for employment or income generation activity to tide over the situation. They have seen how BCs are providing services and doing well," said Ashish Ahuja, Chief Operating Officer, Fino Payments Bank.

Amit Nigam, Executive Director and COO, BANKIT, said the company has seen a three-



New avenues

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- Average income for BC agents is anywhere between ₹10,000 and ₹15,000 per month

five times jump in agent on-boarding. "Earlier, we used to on-board 500 agents a month, which has now increased to 3,000-5,000 agents per month. The demand has come from rural areas, where people have gone back, and they have to do something to earn a livelihood. The entry cost is almost zero and an agent can start operations from Day 1 and earn," he noted.

Players say the average income for BC agents is anywhere between ₹10,000 and

₹15,000 a month, with even low performers earning at least ₹5,000-7,000 every month.

"There is a lot of demand for cash now as people are not able to move around much and the government has also been transferring money to beneficiaries; so there is an opportunity for payment companies and BCs to set up more outlets," said Sasidhar Thumuri, Chairman, Business Correspondent Federation of India and MD and CEO, Sub-K

IMPACT Solutions. He, however, noted that there are challenges in signing up a migrant worker as a BC agent, as criteria such as stability of the person are taken into account while onboarding agents. "Also, there are limited opportunities in rural areas," he noted.

According to Seema Prem, CEO, FIA Global, the increased interest in signing up as an agent or a *mitra* is a combination of migrants returning home from cities, job losses as well as depleted income streams during the lockdown.

"The number of requests has gone up, especially in rural and semi-urban areas. We have seen an increase in the number of requests for bank *mitras*. Typically, we would receive about 30-odd requests in a week, now it is close to 80-100 requests," she said.