Measuring the “True” Cost of Digital Financial Services: Transaction Cost Index Results

Despite its proven benefits, take-up and continued usage of digital financial services (DFS)
lags in many low- and middle-income countries. Though this challenge is multifaceted, the cost of using DFS, particularly mobile money, is a key barrier. However, little has been done to systematically measure and monitor the true costs of conducting DFS transactions, including official fees, extra informal charges, and non-monetary costs such as failed transactions. To address this gap, Innovations for Poverty Action (IPA) created the Transaction Cost Index (TCI).

In this webinar, William Blackmon (IPA) and Xavier Giné (World Bank) introduced results from the TCI, including a comparison of prices across 16 countries in Africa, Latin America, and Asia, and fieldwork that explores hidden costs in Bangladesh, Tanzania, and Uganda. The webinar concluded with a panel, featuring Jayshree Venkatesan (Center for Financial Inclusion at Accion) and Dr. William Mng’ong’ose (Bank of Tanzania) to discuss the TCI’s implications for regulators, policy, and financial inclusion.

Speakers

- William Blackmon, Innovations for Poverty Action
- Xavier Giné, World Bank
- Jayshree Venkatesan, Center for Financial Inclusion at Accion
- Dr. William Mng’ong’ose (Bank of Tanzania)
- Paul Adams, Innovations for Poverty Action (moderator)

Watch the webinar recording here or below: