South Africa Aims to Increase Financial Inclusion to 90 Percent by 2030: Plausible or a Mere Ideal?

M Ncube*

Online ISSN 1727-3781

P·E·R

Pioneer in peer-reviewed, open access online law publications

Author

Menelisi Ncube

Affiliation

University of South Africa,

Email

Ncubemenelisi04@gmail.com

5 March 2024

Date Revised

1 October 2024

Date Accepted

1 October 2024

Date Published

10 December 2024

Guest Editor

Prof H Chitimira

Journal Editor

Prof W Erlank

How to cite this contribution

Ncube M "South Africa Aims to Increase Financial Inclusion to 90 Percent by 2030: Plausible or a Mere Ideal?" *PER / PELJ* 2024(27) - DOI http://dx.doi.org/10.17159/1727-3781/2024/v27i0a18144

DOI
http://dx.doi.org/10.17159/1727-3781/2024/v27i0a18144

Abstract

According to the National Development Plan (NDP) Vision 2030 of South Africa, South Africa aims to increase financial inclusion for everyone to 90 percent by 2030. However, a few challenges have arisen over the course of the years after the drafting of the NDP Vision 2030. This article will first trace some of these challenges under the category of practices that diminish the integrity of banks in South Africa. These challenges include banking fraud (phishing and vishing), automated teller machine (ATM) bombings and cash in transit heists (CITs), the unfair treatment of banking customers as well as the greylisting of South Africa by the Financial Action Task Force (FATF) resulting in failure to fully complying with international standards regarding the prevention of money laundering (ML), terrorist financing (TF) and proliferation financing (PF). It is also apparent that there are no clear guidelines or protocols that accompany the NDP Vision 2030 to comprehensively detail how the 90 percent financial inclusion target for all people in South Africa will be attained. In addition to this, the NDP does not provide any consequences to the stakeholders responsible for the promotion of financial inclusion and/or any exigency plans should 90 percent fail to be achieved by 2030. Undoubtedly, the above-mentioned challenges to financial inclusion place doubt on the achievement of 90 percent financial inclusion by 2030. This article aims to critically investigate these challenges that may have the potential to hinder the optimum achievement of financial inclusion in contemporary South Africa. Furthermore, this article will critically analyse the relevant legislation as well as related policies and regulations aimed at promoting financial inclusion in South Africa. Ultimately, the article will propose measures which may be useful in attaining 90 percent financial inclusion in South Africa by 2030 as per the NDP Vision 2030.

Keywords

Financial inclusion; National Development Plan; South Africa; bank; fraud.

……………………………………………………….

1 Introduction and background of the study

The optimum achievement of financial inclusion seems to have taken centre stage in most countries which seek to eliminate poverty amongst their populations globally.[1] Financial inclusion relates to the timely and fair access to useful, affordable and quality formal financial services and products by individuals and businesses, which meets their banking, insurance, credit and savings needs.[2] It flows from this definition that financial exclusion relates to the lack of access to useful, affordable and quality formal financial services to meet the banking, insurance, credit and savings needs of individuals and businesses. Optimal financial inclusion may be achieved only if financial services and products are delivered by financial service providers to individuals and businesses in a responsible and sustainable manner.[3] Usually financial inclusion seeks to extend the provision of financial services and products to the most financially poor people in any given society.[4] In this regard statistics from the third quarter of 2023 reveal that individuals who earned less than R1 058 per month were considered poor in South Africa.[5] Against this background, this article will assess the plausibility of optimally promoting financial inclusion for the poor in South Africa.

The NDP was drafted by the Minister in the Presidency (the National Planning Commission) and is being implemented by different sectors of society with the object of reducing poverty and reducing inequality by 2030.[6] Although the NDP aims to eliminate poverty through promoting the financial inclusion of both private individuals and small, medium and micro

* Menelisi Ncube. LLB LLM LLD. Post-Doctoral Research Fellow, College of Law, University of South Africa (Muckleneuk Campus), Pretoria, South Africa. Email: ncubemenelisi04@gmail.com. ORCiD 0000-0003-0910-4570. A preliminary version of this paper was presented at the Banking, Competition and Corporate Law Colloquium held on 6-7 July 2023 (virtually). The author would like to express his gratitude to the participants for their invaluable contribution.

1 See discussion by Mahalika, Matsebula and Yu 2023 *Development Southern Africa* 109-110; Lee, Lou and Wang 2022 *Economic Analysis and Policy* 418; Ediagbonya and Tioluwani 2023 *Technological Sustainability* 102.

2 Kling *et al* 2022 *European Journal of Finance* 138; Tuba and Lawack "Towards an International Financial Inclusion Strategy" 24.

3 World Bank 2022 https://www.worldbank.org/en/topic/financialinclusion/overview. Also see related discussion by Ozili "Theories of Financial Inclusion" 89.

4 Khan *et al* 2021 *Journal of Economic Studies* 303-304; Liu *et al* 2022 *Environmental Science and Pollution Research* 58212-58213.

5 Cowling 2023 https://www.statista.com/statistics/1263737/national-poverty-line-in-south-africa/; Stats SA 2023 https://www.statssa.gov.za/publications/P03101/P031012023.pdf.

6 South African Government 2023 https://www.gov.za/issues/national-development-plan-2030; Doorgapersad 2022 *International Journal of Research in Business and Social Science* 629; Zulu and Singh "National Development Plan" 9.

enterprises (SMMEs),[7] the latter is beyond the scope of this article. It is noteworthy that the NDP draws inspiration from the United Nations (UN) 2030 Agenda for Sustainable Development Goals (SDGs)[8] and the African Union (AU) Agenda 2063,[9] which prioritises job creation, the elimination of poverty, the reduction of inequality and growing an inclusive economy by 2030.[10]

According to the NDP, the proportion of the population that is banked or has access to transactional financial services and savings facilities is expected to increase from about 63 percent in 2012 to about 90 percent by 2030.[11] Statistics provided in 2022 suggest that approximately 81 percent of South Africans have a bank account (this figure is often used to suggest financial inclusion).[12] According to statistics provided by the World Bank in early 2024, financial inclusion in South Africa was pegged at 85 percent.[13] Against this background, this article will investigate the state of financial inclusion in South Africa. Ultimately, the article will seek to gauge the plausibility of achieving the 90 percent financial inclusion target as per the NDP by 2030, while taking into consideration some contemporary challenges which may make it difficult to achieve this target.

2 Research methodology

The article employs a qualitative desktop research method. It will interrogate data obtained mostly from secondary sources including internet websites, reports, surveys, journals, newspapers and books. In addition to this, legislation will also be a useful source for this article as it lays the basis for a legal study on financial inclusion. This research method provides ease of access to information, is cost-effective and often provides quick and valuable insights.[14] This article thus seeks to ascertain likelihood of the

---

7 National Planning Commission *NDP 2030* 151; National Treasury *Inclusive Financial Sector* 2.

8 See UN 2023 https://sdgs.un.org/2030agenda.

9 AU date unknown https://au.int/en/agenda2063/overview.

10 The Presidency 2019 https://cdn.24.co.za/files/Cms/General/d/9923/f589f3b5120541e4b6b6974490a94b29.pdf 7.

11 National Planning Commission *NDP 2030* 150; see also Mhlanga and Denhere 2020 *Studia Universitatis Babeş-Bolyai* 40; Chitimira and Ncube 2020 *JAL* 341; also see related discussion by Cloete 2023 https://www.iol.co.za/saturday-star/news/the-importance-and-challenges-of-financial-inclusion-ca1ed386-7616-4405-9e2f-99c01177bd1d.

12 FSCA 2022 https://www.fsca.co.za/Documents/FSCA%20Financial%20Sector%20Outlook%20Study%202022.pdf; see related discussion by Simatele and Maciko 2022 *Journal of Risk and Financial Management* 2; National Treasury 2023 https://www.gov.za/news/media-statements/treasury-publishes-financial-inclusion-policy-framework-south-africa-27-nov.

13 World Bank 2024 https://www.worldbank.org/en/publication/globalfindex/brief/financial-inclusion-in-sub-saharan-africa-overview.

14 Kiely 2024 https://www.meltwater.com/en/blog/desk-research.

government of South Africa and related stakeholders (discussed below) achieving 90 percent financial inclusion for all people by 2030 as envisaged in the NDP.

3 Problem statement

The key influential aspects and propellers of financial inclusion In South Africa include the existence of banking institutions void of financial crime, non-discrimination of financial consumers, adequate financial infrastructure, high levels of financial literacy and an appreciable income.[15] Among the challenges hindering the optimum achievement of financial inclusion are the low savings rates in the traditional formal sector, the low uptake of non-banking products like savings and insurance products excluding funeral, credit, and legal cover products, the inadequate or sub-optimal usage of bank accounts, underdeveloped payment options, and the high cost of remittances and other financial products.[16] However, this article will focus on selected challenges to financial inclusion, including those that negatively influence the integrity of banks, like banking fraud, ATM bombings and cash in transit heists, the unfair treatment of financial customers, the greylisting of South Africa by the FATF and the insufficient infrastructure of banks and ATMs.

4 Challenges to financial inclusion

4.1 Challenges directed at the integrity of banking institutions

The code of banking practice of South Africa does not formally provide a definition for the integrity of banks. In this article the phrase "banking integrity" will refer to a bank's (including its employees') adherence to honest, moral and ethical principles in the conduct of its banking business with financial consumers.[17] It is a generally accepted phenomenon amongst scholars that the integrity of banking institutions has a positive effect *inter alia* on the promotion and optimal realisation of financial inclusion globally.[18] In a bid to keep up with international standards on the integrity of banks, South Africa subscribes to the FATF standards on anti-money laundering or terrorist financing (AML/TF) on the safety and soundness of banks on an international scale.[19] Locally, South African banks must adhere to the code

15 Mhlanga, Dunga and Moloi 2021 *Journal of Economic and Financial Sciences* 8; Chitimira and Ncube 2020 *JAL* 355; Nasreen, Ishtiaq and Tiwari 2023 *Electronic Commerce Research* 19.

16 See National Treasury 2023 https://www.gov.za/news/media-statements/treasury-publishes-financial-inclusion-policy-framework-south-africa-27-nov.

17 See related discussion by Ionescu, Barbu and Popa "Ethics in the Banking Sector" 137-145.

18 Tuba and Lawack "Towards an International Financial Inclusion Strategy" 46; Elsayed 2020 *Social Science Research Network Online Journal* 4.

19 Lessambo "AML/CFT and Cybersecurity Laws" 215.

of banking practice in order to conform with acceptable standards of integrity.[20] Upholding integrity is vital for banks in building and maintaining the trust of their customers, on whom their banking business relies.[21] In the absence of such trust, financial consumers, especially low-income consumers, might resort to informal financial services.[22] As a result, the optimal achievement of financial inclusion in South Africa becomes an arduous task for the National Treasury and all other related parties including the Prudential Authority (PA), Financial Sector Conduct Authority (FSCA), Financial System Council of Regulators (FSCR), Financial Inclusion Task Force (FIT) and the Financial Inclusion Forum (FIF). In the discussion that follows this article will foreground incidents which have to date compromised the integrity of South African banks and have the propensity to delay the achievement of the target of 90 per cent financial inclusion if not addressed by the relevant custodians of financial inclusion referred to above.

4.4.1 Banking fraud (phishing and vishing)

Several incidents have recently been reported wherein financial consumers in South Africa have fallen victim to various financial crimes.[23] As a result of such crimes, the integrity of South African banking institutions is in jeopardy. These crimes often include digital banking fraud in the form of phishing and vishing.[24] Phishing relates to the use of a disguised email by criminals intended to trick financial consumers into downloading malware, or providing login credentials for their banks or credit cards either by replying directly to the email or by clicking on a link that redirects them to a website or login page.[25] Vishing (also known as voice phishing) refers to the use of fraudulent phone calls by criminals intended to trick financial consumers into

---

20 See clause 3 and clause 8.6 of the *Code of Banking Practice* (Banking Association of South Africa 2019 https://www.banking.org.za/wp-content/uploads/2019/04/Code-of-Banking-Practice-2012.pdf).

21 Roberts-Lombard and Petzer 2021 *International Journal of Bank Marketing* 725-726.

22 According to Mashigo 2017 http://financialmarketsjournal.co.za/oldsite/7thedition/printedarticles/informalfinance.htm, in a stokvel (which is a form of an informal financial service), members share information amongst one another and there is a continuing relationship between borrowers and lenders which ameliorates the usual challenges of providing collateral to formal financial service providers like banks. In other words, informal financial services provide a more trustworthy financial service in the opinion of most of the low-income population of South Africa. Also see Chitimira and Magau 2021 *PELJ* 13; Simatele and Maciko 2022 *Journal of Risk and Financial Management* 17; also see Tuba and Lawack "Towards an International Financial Inclusion Strategy" 46.

23 Pillay, Ntuli and Ehiane 2023 *International Journal of Membrane Science and Technology* 1768; Akinbowale, Mashigo and Zerihun 2024 *JFC* 955.

24 See SABRIC 2023 https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/; see Comins 2023 https://mg.co.za/business/2023-10-06-financial-crime-is-on-the-rise-in-south-africa-report-show/.

25 Varshney *et al* 2024 *Expert Systems with Applications* 1; see Sonowal *Phishing and Communication Channels* 1.

providing confidential information like login credentials to bank profiles or into divulging information pertaining to their credit card numbers.[26] The most recent statistics on digital banking fraud indicate losses of close to one billion South African rands.[27] This success rate of these criminal practices is an indication that some users of digital banking platforms are not aware of these financial crimes. Most banks in South Africa do not freely provide information relating to such criminal practices in order to keep financial consumers well-informed.

Most banks in South Africa offer a zero-rated service for financial clients to access banking applications on their mobile phones or any other technological device.[28] For Capitec bank, users are able to access the banking application for transactional purposes using this zero-rated feature. However, for some important financial literacy related information, mobile data is required.[29] In other words, the bank account holder must have mobile data to access information on phishing and vishing or other messages provided in this platform. This article recommends that banks like Capitec should provide access to such useful information about these criminal practices at no cost to the financial consumer. This might promote better awareness among poor financial consumers. However, it is quite commendable that banks like Capitec endeavour to provide information intended to ensure the safety of their banking clients. In any case, for financial inclusion initiatives to be effective, there must be trust in the banking system because if banks are perceived as unsafe, people, especially the unbanked (the poor), will be reluctant to use banking services.[30] It is therefore safe to say that when mobile banking applications provide such safe financial services and products at no cost, there is a strong likelihood that most poor people would be inclined to open bank accounts, which would assist them in saving and accessing other useful

---

26 Hummer and Rebovich "Identity Theft and Financial Loss" 43; Deora and Chudasama 2021 *Journal of Communication Engineering and Systems* 3.

27 Comins 2023 https://mg.co.za/business/2023-10-06-financial-crime-is-on-the-rise-in-south-africa-report-show/; SABRIC 2023 https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/.

28 van Niekerk G "Digital Transformation Strategies for Financial Inclusion in South African Rural Areas" in Chitimira H and Warikandwa T *Financial Inclusion Regulatory Practices in SADC Addressing Prospects and Challenges in the 21st Century* (2023 Routledge England) 146, 151.

29 See Capitec Mobile Banking Application.

30 See discussion by Tomilova and Valenzuela 2018 https://www.cgap.org/sites/default/files/publications/Toolkit-ISIP-Nov-2018_1.pdf 3, which is emphatic about the fact that here is a need to protect consumers against any unfair treatment in the banking sector, including protecting them against financial crimes which are retrogressive to efforts aimed at promoting their financial inclusion; also see related discussion by Svotwa, Wealth and Makanyeza "Policy and Regulatory Frameworks for Financial Inclusion" 355.

financial services. Financial inclusion is most likely to be optimally achieved in South Africa in this way.

First National Bank (FNB) is one of the favourite bank amongst most financial consumers in South Africa partly because of its "user friendly" and "efficient eWallet" money remittance service. [31] For this reason, it is one of the banks the author has chosen to investigate its provision of security tips and information to financial consumers. Upon successfully logging into the FNB banking application, a user has the option to explore “security centre” which provides different options for the FNB security information hub, which including "Security videos", "Security tips" and "Types of fraud and scams".[32] When the bank account holder selects security videos, a myriad of videos showcasing several scams are provided including videos on phishing and vishing. Similarly, as in the Capitec banking application discussed above, FNB banking application users need to also have mobile data in order to watch such informative videos, as the zero-rated feature does not apply here either. However, the FNB banking application provides another set of brief information on maintaining the safety of banking clients in the care of their bank accounts and applications under "Security tips" outside the videos related to phishing and vishing. This information is provided free of charge meaning it is provided within the zero-rated functions of the FNB banking application. FNB is commended for these positive strides towards providing free awareness about some criminal practices which have the propensity to diminish the integrity of banks and hinder the process of financial inclusion in South Africa. However, this article recommends that the FNB and other banks should be compelled by the FSCA through the *Financial Sector Regulation Act*[33] to provide free informative videos and other related security tips. It is hoped that this would allow poor financial consumers to access information relating to the promotion of the safety of their money.

In addition, there have also been instances of financial consumers making payments without verifying that the account number provided by the service provider relates to the name of such a service provider. This occurred after the FSCA had successfully identified a syndicate of fraudsters who offered

---

31 Thorne 2023 https://businesstech.co.za/news/banking/734971/south-africas-best-and-worst-banks-in-2023-according-to-customers/.

32 See FNB mobile banking application.

33 Section 57(b)(ii) of the *Financial Sector Regulation Act* 9 of 2017 (*FSR Act*) provides that "The objective of the Financial Sector Conduct Authority is to … [provide] financial customers and potential financial customers with financial education programmes, and otherwise [promote] financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions." This article recommends that the FSCA should compel all banks to provide free and up-to-date informative videos and other related security tips in order to keep their financial customers informed of similar financial crimes.

asset management, advice and investment opportunities to victims under the names of reputable companies who offer similar services, like Anchor Capital, Aluma Capital, and Emperor Asset Management.[34] The fraudsters would solicit investments from the public through promising grossly inflated returns across various investment plans which would be highly lucrative.[35] A number of unknowing victims made payments to these fraudsters under the mistaken belief that they were in fact making payments to Anchor Capital, Aluma Capital, and Emperor Asset Management.[36] Usually, when making a payment on a banking application, the customer is asked to provide the account holder's name and account number, which would have ordinarily have been provided by the merchant. In situations where the account holder's name and account number do not match, the payment may be completed successfully. However, for the purposes of protecting the financially illiterate consumers, it is submitted that banking applications should prompt financial consumers to confirm that they are making payments to account holders whose account numbers do not match those in the bank's database. The banking application does not have to go as far as suggesting a correct bank account for the account holder in order to protect this confidential information relating to the account number of other banking application users. Merely alerting the client to the fact that the account number and account holder's name provided do not match may suffice for the purposes of providing some protection to less financially literate consumers. It is believed that this could provide some protection against fraud for victims found in such situations.

Despite the occurrence of many instances of fraud as described above, there has been a commendable decrease in some types of crimes, which is quite commendable of the SAPS, and other crime preventative role players in South Africa. Such decreases include a 39 percent branch and before deposit robbery incidents, 9 percent in mobile banking fraud, 17.6 percent in fraudulent vehicle asset finance applications, and 18.4 percent debit and credit card fraud incidents in 2023-2024, as compared to 2022.[37] Debit and/or credit card online fraud has bedevilled South African banking consumers for a while.[38] The perpetrators often require the debit/credit card,

---

34 Githahu 2023 https://www.iol.co.za/capeargus/news/fsca-flags-syndicates-scam-of-claiming-to-be-associated-with-financial-services-providers-6e18c8c6-7399-4ed9-b521-3335ca573649.

35 Githahu 2023 https://www.iol.co.za/capeargus/news/fsca-flags-syndicates-scam-of-claiming-to-be-associated-with-financial-services-providers-6e18c8c6-7399-4ed9-b521-3335ca573649.

36 Githahu 2023 https://www.iol.co.za/capeargus/news/fsca-flags-syndicates-scam-of-claiming-to-be-associated-with-financial-services-providers-6e18c8c6-7399-4ed9-b521-3335ca573649.

37 SABRIC 2023 https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/.

38 Motseki and Mofokeng 2022 *Research in Business and Social Science* 205-206.

the card verification value (CVV) and sometimes the ATM personal identification number (PIN).[39] More often than not such debit/credit cards are used for online payments where the perpetrators are prompted for the card number and the CVV without the need for a PIN.[40] Undoubtedly, perpetrators of such criminal acts will have obtained this information either by acquiring possession of the card or by having noticed it themselves or through another third party who would have accepted payment from an unknowing victim by a debit/credit card at a shop or garage. Without the CVV, these online transactions are not possible. Therefore, to better protect credit card holders against online fraud, it is submitted that banks ought to privately provide CVVs so that lost and/or stolen debit/credit cards do not provide criminals with the CVV number which allows for online transactions to be completed successfully. In other words, account holders will have the CVV numbers in the online banking application without such information being written on the debit/credit cards.

4.1.2 ATM bombings and cash in transit heists

In addition to the above, there has been a significant surge in ATM attacks in South Africa.[41] These crimes often involve violence, which includes physical attacks on the security guards who man the ATMs as well as customers who might be using the ATMs for access to various banking services and products at the time of commission of the crimes.[42] These criminal practices are more inclined to discourage financial consumers from using ATMs, which form part of the formal banking system, due to their exposure to danger and the losses they may incur should they fall victim to such criminal practices. On the other hand, informal financial services (like stokvels) often do not expose financial consumers to such risks. There is a need for the FSCA to augment security at all ATM points in order to ensure the safety of banking customers.

Furthermore, there has been a steep surge in CIT criminal practices in South Africa from 2020 to date.[43] Not overlooking the loss of life which usually occurs during the orchestration of CIT heists and ATM attacks, banks' operating expenses increase to mitigate this residual risk. Primarily, these expenses emanate from the need to remove damaged equipment and

---

39 Thangavel 2023 *Social Science Research Network Online Journal* 33.

40 See related discussion by Motseki 2022 *Technium Social Sciences Journal* 961.

41 See SABRIC 2023 https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/.

42 Lallupersad and Govender 2024 *Insight on Africa* 7; see related discussion by Thobane 2023 *Research in Business and Social Science* 425; Van Rensburg *et al* 2023 *International Journal of Research in Business and Social Science* 388.

43 Geldenhuys 2022 *Servamus* 10-11; De Simone 2024 https://www.bbc.com/news/world-africa-68023079.

replace damaged property like ATMs.[44] In addition to this, operational costs also increase arising from the deployment of more static security guards and armed response guards employed to make sporadic site or bank visits.[45] Ultimately, banks will have to increase the fees chargeable to financial consumers in order to offset these operating expenses.[46] Bank fees for the ordinary financial consumer would therefore increase, thereby inducing poor financial consumers to use informal financial services like stokvels, which often do not charge monthly fees except for interest on money borrowed.[47] Bank fees have predominantly been a major deterrent to bank account ownership in South Africa[48] and illicit practices such as ATM bombings exacerbate this state of affairs. The above cases, if left unchecked, pose a threat to the achievement of 90 percent financial inclusion in South Africa by 2030.

4.1.3 Unfair treatment of financial customers

There are recent suggestions that some banks' policies on vehicle asset finance are discriminatory.[49] Vehicle asset finance falls under the category of credit amongst the four financial needs of consumers as provided in the definition of financial inclusion in paragraph 1. The *National Credit Act*[50] states that credit providers must not unfairly discriminate directly or indirectly against any person on one or more grounds set out in the *Constitution of the Republic of South Africa*,[51] including, most relevant to this discussion, discrimination based on race. In recent practices it is apparent that some banks have overlooked the *NCA* requirements and unfairly discriminated against clients on racial grounds. It seems that the black population group was charged up to 18 percent more than the white population group, who were charged below 11 percent for vehicle interest

---

44 Mitchell and Horne 2023 *International Journal of Social Science Research and Review* 330.

45 Mitchell and Horne 2023 *International Journal of Social Science Research and Review* 330.

46 See related discussions by Thobane 2023 *Research in Business and Social Science* 427; Ambe 2024 *Social Sciences Research Network Electronic Journal* 18; Nkosi and Mofokeng 2023 *Journal of Islamic Economics and Business* 2.

47 Ngcobo, Chisasa and MaseTshaba 2023 *International Journal of Research in Business and Social Science* 264; also see related discussion by Hlatshwayo, Dloto and Mutekwe 2023 *Journal of Management Small and Medium Enterprises* 446.

48 Chipunza and Fanta 2022 *African Journal of Economic and Management Studies* 179; also see related discussion by Simatele and Maciko 2022 *Journal of Risk and Financial Management* 16.

49 See Manyane 2023 https://www.iol.co.za/sundayindependent/news/former-employee-exposes-how-wesbank-robbed-black-clients-00e9913e-24f8-404a-a21a-716790997f0d?s=09; Mokwena 2024 https://briefly.co.za/south-africa/178267-wesbank-accused-discriminating-black-clients-south-africans-livid-refunds/.

50 See s 61(1)(c) of the *National Credit Act* 34 of 2005 (*NCA*).

51 *Constitution of the Republic of South Africa*, 1996.

rates.[52] This practice is expressly proscribed by the *NCA,* as stated above. Additionally, such a racially based discriminatory practice may drive those who are discriminated against and excluded to other financial platforms like the informal financial services, or stokvels, for credit facilities.[53] Membership of a stokvel, *inter alia*, is voluntary and prospective members would be most inclined to join those which best suit their financial needs and where there is a suitable sense of community void of discrimination.[54] It is safe to say that such discriminatory practices by the WesBank are proscribed by the *NCA* as explained above and are retrogressive to the integrity of banks in South Africa, which is crucial to the optimum realisation of financial inclusion by 2030.

4.1.4 Financial Action Task Force (FATF) greylisting

In early 2023 South Africa was grey-listed by global financial crime watchdog, the FATF, for not fully complying with global standards on the prevention of money laundering (ML), terrorist financing (TF) and proliferation financing (PF).[55] South Africa is expected to have fully addressed its inadequacies by 31 January 2025, when another assessment will be conducted by the FATF to check full compliance with its recommended measures against ML/TF/PF.[56] According to the FATF, "grey-listing" refers to the practice by the FATF to place under increased surveillance a country which has been identified as having deficiencies in its AML/Counter Terrorism Financing (CTF) legislative and enforcement mechanisms.[57] Countries on the grey list commit to resolving the identified deficiencies within an agreed time frame and with the FATF monitoring such

52 Manyane 2023 https://www.iol.co.za/sundayindependent/news/former-employee-exposes-how-wesbank-robbed-black-clients-00e9913e-24f8-404a-a21a-716790997f0d?s=09; Mokwena 2024 https://briefly.co.za/south-africa/178267-wesbank-accused-discriminating-black-clients-south-africans-livid-refunds/; also see Thorne 2023 https://businesstech.co.za/news/banking/734971/south-africas-best-and-worst-banks-in-2023-according-to-customers/.

53 See related discussion by Hutchison and Allen 2021 *Journal of Law and Society* 93; see also related discussion by Lappeman *et al* 2020 *International Review of Retail, Distribution and Consumer Research* 332.

54 See related discussion by Verhoef and Hidden "Savings Groups in South Africa" 244; see related discussion by Baron and Maponya 2020 *Verbum et Ecclesia* 7.

55 See Gillmer *et al* 2023 https://www.cliffedekkerhofmeyr.com/en/news/publications/2023/Practice/Corporate/corporate-and-commercial-alert-29-march-Understanding-South-Africas-FATF-greylisting-.html; see also Moonstone Information Refinery 2023 https://www.moonstone.co.za/grey-listing-will-have-a-big-impact-on-insurance-industry-says-law-firm/.

56 PA 2023 https://www.resbank.co.za/content/dam/sarb/publications/reports/pa-annual-reports/2023/PA%20AR_2023A.pdf 5.

57 FATF 2023 https://www.fatf-gafi.org/en/countries/detail/South-Africa.html; De Koker, Howell and Morris2023 *Risks* 1; Moiseienko 2023 *LJIL* 114.

implementation.[58] There is also a black list, which is a more extreme sanction practised by the FATF. A country which has serious deficiencies in its AML/CTF legislative and enforcement mechanisms will be black-listed by the FATF,[59] obliged by the FATF to apply enhanced due diligence, and in the most serious cases, to apply counter-measures to protect the international financial system.[60]

The mutual evaluation report (MER) issued by the FATF as per the 2021 onsite visit to South Africa revealed that terrorist financing risks are generally not being adequately addressed by the PA and other relevant stakeholders in South Africa.[61] South Africa has responded by amending the *Protection of Constitutional Democracy against Terrorist and Related Activities Act*[62] in order to meet the requirements of the FATF's MER.[63] This was done *inter alia* through the inclusion in the legislation of acts of TF committed during an armed struggle which were previously excluded from the definition of TF under the *POCDATARA Act*.[64] This is a commendable effort by South Africa in its strides towards exiting the grey-list and improving its legal framework against ML and TF activities.

Secondly, the MER revealed that the "state capture" episode in our national governance undermined key law enforcement and judicial agencies through a myriad of corruption-related activities and fraud.[65] It is noteworthy that the "state capture" involved practices of fraud, corruption, racketeering by some individuals in South Africa.[66] To date little to no justice has been carried out by the relevant authorities in South Africa in apprehending these individuals and some high-ranking officers of the government parastatals wherein most of these fraudulent and corrupt activities took place.[67] These crimes occurred despite the existence of legislation like the *Prevention and*

---

58 Gillmer *et al* 2023 https://www.cliffedekkerhofmeyr.com/en/news/publications/2023/Practice/Corporate/corporate-and-commercial-alert-29-march-Understanding-South-Africas-FATF-greylisting-.html; Van Wyk 2023 *TaxTalk* 1.

59 FATF 2023 https://www.fatf-gafi.org/en/countries/detail/South-Africa.html; see related discussions by Wronka 2022 *JMLC* 90.

60 FATF 2023 https://www.fatf-gafi.org/en/countries/detail/South-Africa.html; see related discussions by Goldbarsht and Harris 2022 *FL Rev* 545. See also Moiseienko 2023 *LJIL* 114.

61 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf.

62 *Protection of Constitutional Democracy against Terrorist and Related Activities Act* 33 of 2004 (*POCDATRA Act*).

63 FATF *Follow-up Report* 1, 6.

64 See s 1(r) of the *POCDATARA Act*, also see FATF *Follow-up Report* 6.

65 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (b).

66 Timbs 2023 *African Studies* 108; see related discussion by Kohn 2022 *CCR* 41.

67 Budhram and Geldenhuys 2018 *Acta Criminologica* 26; also see discussion by Van Niekerk, L'Heureux and Holtzhausen 2023 *Public Integrity* 346.

Combating of Corrupt Activities Act,[68] the *Public Finance Management Act*,[69] and the *Executive Ethics Act*,[70] which proscribe corruption, the abuse of public funds and non-adherence by public office bearers to principles of good faith and acting in the best interests of good governance.

The mass movement of funds from South Africa to offshore havens like Hong Kong and the United Arab Emirates (UAE) which occurred during the period of state capture reveals that indeed the South African banking system is not secure enough. Whether this situation has changed for the better is debatable, as no successful strides have been made by the banks to improve the timeous reporting of such activities in South Africa.[71] What exacerbates this situation is the fact that no successful efforts have been made by the government of South Africa to extradite some individuals who are implicated in the state capture saga. In another instance, the South African Revenue Services (SARS) is acting against SASFIN for its failure to timeously report some suspected ML transactions.[72] This position is further highlighted by the MER, which has revealed that there is a lack of proactive measures by law enforcement agencies including the South African Police Services (SAPS) to timeously and proactively investigate ML or TF cases.[73]

Perhaps closely related to the "state capture" is the Venda Building Society (VBS) Bank saga, which is a case in point involving corruption activities and the embezzlement of about two billion rands (Rs) by banking officials and third parties.[74] VBS was placed in liquidation in 2018, and yet repayments

---

68 Section 4-9 of the *Prevention and Combating of Corrupt Activities Act* 12 of 2004, which proscribes corruption relating to public officers and foreign public officials, members of the legislative authority, judicial officers, members of the prosecuting authority, parties to an employment relationship, contracts with a specific emphasis to the procuring and withdrawal of tenders, auctions, sporting events, gambling games and games of chance, and the acquisition of private interests in contracts, agreements and investments of public bodies; also see Budhram and Geldenhuys 2018 *Acta Criminologica* 23.

69 See s 6(g) of the *Public Finance Management Act* 1 of 1999.

70 See s 2 of the *Executive Ethics Act* 82 of 1998.

71 Neethling 2024 https://dailyinvestor.com/finance/45722/sars-clamps-down-on-south-african-banks/.

72 Neethling 2024 https://dailyinvestor.com/finance/45722/sars-clamps-down-on-south-african-banks/; also see Van Rensburg 2024 https://www.dailymaverick.co.za/article/2024-03-04-sasfins-existential-can-of-worms-and-the-risk-to-other-banks/.

73 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (c); according to FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf Key Finding (f), from the 2019 MER, there has been only one conviction of a money laundering-related case and most cases of TF are obliterated by the general tendency of the law enforcement agencies to classify politically motivated cases of gross violence as TF. This state of affairs obscures the true cases of TF and the prosecution thereof as such.

74 Munoriyarwa 2022 *Journalism* 1104; Chitimira and Ncube 2021 *Interdisciplinary Journal of Economics and Business* 77.

to ordinary financial consumers have not been completed and for those depositors who had above R100 000 in their VBS accounts, the maximum payable as yet is capped at R100 000.[75] It is submitted that the above cases pose a huge threat to the integrity of banks in South Africa, especially to the ordinary financial consumer. These activities pose a risk to the trust of ordinary financial consumers in the formal banking system. It is submitted that placing a cap on the maximum pay-out amount as opposed to a percentage of the depositor's money held by the bank is prejudicial to those depositors who had deposits of more than R100 000. In other words, this repayment strategy in the VBS saga is retrogressive to the objectives of financial inclusion, which encourage everyone to use the formal banks for all their financial transactions. It seems that the VBS repayment strategy was prejudicial to depositors with larger amounts since they can only recoup a maximum amount of R100 000.

In early 2024 the Corporation for Deposit Insurance (CODI) was established, in order to allow bank depositors to have access up to a stipulated limit of their deposits should their banking institution fail, be liquidated or be placed into resolution.[76] It appears that the CODI also limits the amount payable to depositors' when a bank fails to R100 000.[77] As stated earlier, the researcher submits that this maximum payment cap enforced by the CODI is prejudicial to depositors who deposited more than R100 000. Equally, this cap is retrogressive to the objective of financial inclusion, which is to ensure that all persons have timely and fair access to appropriate, fair and affordable financial products and services.[78] Based on this, the maximum pay-out amount payable by the CODI is prejudicial to depositors who may have deposited more than R100 000. It is recommended that the CODI's pay-out strategy should consider making pay-outs based on a percentage of the depositor's money held by the failed bank rather than capping payments at a specific amount. In this way, payments are made in an equitable manner which is fair for all financial consumers. Given the lack of robust action to arrest the perpetrators and speedy and equitable repayments to ordinary financial consumers, the above cases pose a threat to the optimum realisation of financial inclusion in South Africa by 2030.

---

75 Moodley, Cruywagen and Ledwaba 2024 https://www.dailymaverick.co.za/article/2024-02-03-vbs-mutual-bank-scandal-six-years-on-the-r2bn-fraud-the-r500m-settlement-and-the-plight-of-victims/.

76 SARB Corporation for Deposit Insurance 2024 https://www.resbank.co.za/en/home1/what-we-do/Deposit-insurance.

77 SARB Corporation for Deposit Insurance 2024 https://www.resbank.co.za/en/home1/what-we-do/Deposit-insurance.

78 FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf 6.

Thirdly, MER states that there is a low persuasion of money laundering and foreign predicate offences as most closely related and successfully prosecuted cases in South Africa involve fraud.[79] This state of affairs may well prevail in South Africa as there are few reports of successful convictions in cases of ML.[80] The causes of this state of affairs include a lack of sufficient knowledge, sophistication and training in investigating money laundering crimes by the SAPS.[81] As a result, South Africa is rated by the FATF as "low compliant" in the 2023 MER.[82] Based on this, South Africa has until the beginning of 2025 to improve in addressing money laundering and foreign predicate offences in order to exit the FATF grey list. Therefore, there is a need for SAPS authorities to be adequately trained in ML offences so that they are able to comprehend and prevent them. The integrity of South African banks would then be protected, and financial inclusion would be bound to improve.

Fourthly, the MER identifies the prevalent reliance on cash in South Africa as giving rise to a high risk of ML and TF and this state of affairs is aggravated by the largely cash-based cross-border buying and selling of goods. Efforts to detect and confiscate the illicit or undeclared cross-border movement of currency are mired in challenges.[83] However, it is commendable that South Africa has enhanced the electronic traveller declaration system which enables the Financial Intelligence Centre (FIC) to receive a live electronic feed of all traveller declaration information, which includes cash declared or seized.[84] The setback, however, is that this system has been implemented at only three out of the seventy-two ports of entry in South Africa.[85] There is a need by the FIC to accelerate the electronic traveller declaration system in order to maximise the curbing of money laundering practices in South Africa.

The larger, more developed banks in South Africa[86] seem to be more understanding of their ML risks and to have implemented mitigatory

---

79 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (d).

80 See discussion by Machethe and Mofokeng 2022 *Technium Social Sciences Journal* 357; Rapanyane and Ngoepe 2020 *Journal of Public Affairs* 6.

81 Machethe and Mofokeng 2022 *Technium Social Sciences Journal* 357; FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf 7.

82 FATF *Follow-up Report* 6.

83 Nkoane 2023 *AJICL* 80; FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (e).

84 FATF *Follow-up Report* 37.

85 FATF *Follow-up Report* 37.

86 Cowling 2023 https://www.statista.com/statistics/1346961/leading-banks-in-south-africa-by-assets.

measures which are commensurate with the risks identified.[87] Inversely, most smaller financial institutions (FIs) and designated non-financial businesses and professions (DNFBPs) in South Africa seem to be more focussed on compliance and not on identifying and understanding their risks.[88] These two different positions arise from the fact that the larger banks as compared to the smaller FIs and the DNFBPs are the channels through which most of the laundered money in South Africa is syphoned.[89] Therefore, it is axiomatic that the larger banks have been prone to practices of ML and thus have had to be a step ahead in understanding ML and its related practices in order to avert their occurrence. In this context DNFBPs are now required by the *Financial Intelligence Centre Act*[90] to submit risk and compliance returns (RCRs) in order to provide the FIC with an overview of information regarding their understanding of ML, TF and PF risks. Failure to adhere to this may lead to such a DNFBP being subjected to an administrative action which may result in one of the following sanctions: a public reprimand; a remediation directive; the restriction or suspension of certain business activities; and a fine of up to R10 million for a natural person or up to R50 million for a legal person.[91] Quite recently the FIC's executive manager for compliance and prevention pleaded with practitioners and legal practitioners who are identified as high risk for ML and TF to urgently file their RCRs with the FIC.[92] It is hoped that the submission of RCRs will provide information on their ML understanding at an earlier stage, unlike before. It is believed that such RCRs would allow the FIC adequate time to provide support to DNFBPs who have a scanty understanding of ML and timely provide solutions to this. However, since the above measures are still relatively new, the degree of their success is yet to be seen. It is hoped nevertheless that the understanding of ML, TF and PF risks will be enhanced by these provisions as well as their strict and consistent enforcement by the FIC.

---

87 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (i).

88 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (i).

89 Banker's Academy date unknown http://bankersacademy.com/resources/free-tutorials/57-ba-free-tutorials/610-aml-southafrica-sp-280; also see Al Jazeera Investigative Unit 2023 https://www.aljazeera.com/news/2023/3/30/gold-smugglers-use-south-african-banks-bribes-to-launder-money.

90 *Financial Intelligence Centre Act* 38 of 2001 (*FICA*), schedule 1, Directive 6 and 7.

91 See s 45C(3)(a)-(e) of the *FICA*; *Harlyn Trading International (Pty) Ltd v The Financial Intelligence Centre* (A267/2020) [2021] ZAGPPHC 618 (20 September 2021) para 21.

92 Ramotsho 2024 https://www.derebus.org.za/the-fic-urges-high-risk-entities-to-submit-all-outstanding-risk-compliance-returns/.

The risk-based approach (RBA) on AML/CFT regulation and supervision is relatively new as it was adopted by South Africa only in 2017.[93] The move towards the RBA was inspired by the belief held by regulators and scholars that the RBA is better and more cost-effective as it ensures that control requirements to ML/TF are commensurate with actual risk, such that the greatest risks receive the most attention, while lesser risks warrant simplified control measures.[94] The rules-based approach, the predecessor to the RBA, is dissimilar in its approach to ML/TF in that under it, regulators had to carry out AML obligations using the same level of investigation regardless of the degree of the underlying risk a client posed.[95] Therefore, it was ineffective in that greater ML/TF risks would be afforded the same efforts and urgency as lesser risks. As a result, it is evident that using the rules-based approach to AML/TF was inadequate to curb and deter their occurrence.

Since the RBA is still fairly new in South Africa, it has found most application in banks and authorised dealers in foreign exchange with limited authority (ADLAs), but none of the supervision of FIs or DNFBPs use a proper RBA.[96] At the same time the RBA has been made compulsory to all financial institutions in South Africa including DNFBPs in order to augment their position in curbing ML, TF and PF.[97] It is yet to be seen if the RBA will be successful in optimising the curbing of ML, TF and PF in South Africa and better yet will see South Africa exiting the FATF grey list in 2025.

4.2 Banking institutions' infrastructure in South Africa

As at the beginning of 2023, the number of banks in South Africa was 31, comprising of 18 domestic banks and 13 local branches of foreign banks.[98] In addition to this, the following are the leading South African banks by profit earned, and the number of branches they have in South Africa: Standard Bank – 1 163, Capitec – 860; FNB – 614; Absa Bank – 559, and Nedbank – 406.[99] As for ATMs, there are 69 ATMs per 100 000 adults as well as 10.5 commercial bank branches per 100 000 adults on average.[100] This is quite commendable in terms of improving access to banks and ATMs by South

93 See discussions by FinMark Trust *FinMark Trust Research Report* 7; Beebeejaun and Dulloo 2023 *JMLC* 412.

94 See FinMark Trust *FinMark Trust Research Report* 7.

95 See related discussion by Sobh 2020 *Journal of Applied Security Research* 532-533; also see Kute *et al* 2021 *IEEE Access* 82304.

96 FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf, see Key Finding (i).

97 FATF *Follow-up Report* 2.

98 Statista 2024 https://www.statista.com/study/123920/banking-industry-in-south-africa/ 10.

99 Statista 2024 https://www.statista.com/study/123920/banking-industry-in-south-africa/ 10.

100 National Treasury *Inclusive Financial Sector* 15.

Africans. However, in places prone to criminal acts, like Hillbrow and Yeoville in Johannesburg, the ATMs are dilapidated.[101] The resulting criminal activity will prove to be retrogressive to achieving 90 percent financial inclusion in some areas of South Africa. Additionally, South Africa's banks have been closing ATMs as customers increasingly move their banking business online due *inter alia* to the swiftness and convenience provided by the online banking platforms.[102]

In a study conducted by Gharbi and Kammoun,[103] the authors opine that there is no consensus in the literature on how to measure financial inclusion and that the question of measurement is therefore the subject of much debate among researchers, governments and policymakers. In their comprehensive study of ninety-one developed and developing countries, they measure financial inclusion through the availability,[104] accessibility[105] and use[106] of formal financial services in those selected countries.[107] The measuring of financial inclusion through these factors is quite an acceptable norm amongst other researchers as well, although in their studies they did not cover as many jurisdictions as the study of Gharbi and Kammoun.[108] According to Gharbi and Kammoun,[109] economies with higher levels of financial inclusion are the high-income countries as compared to other countries in the category of low-income, lower-middle-income and upper-middle-income countries.[110] High-income countries surpass the World Bank

---

101 See related discussion by Dragonfly Intelligence 2023 https://dragonflyintelligence.com/news/south-africa-worsening-security-trends-for-johannesburg/.

102 Ritchie 2024 https://outliereditor.co.za/index.php/2024/07/17/capitec-expands-its-atm-network-as-sa-banks-downsize-in-the-shift-to-digital/.

103 Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 2.

104 According to Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 5, this is used to account for the widespread presence of the financial sector in terms of physical bank outlets.

105 According to Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 5, access refers to the ability to access financial services and products. Therefore, an inclusive financial system should have as many users as possible, which means that it should be widely available to those who use it.

106 According to Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 5, usage identifies how customers use financial services, in terms of the regularity and duration of the use of the financial product and service over time.

107 Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 2.

108 See related studies by Jejeniwa, Mhlongo and Jejeniwa 2024 *International Journal of Advanced Economics* 111; Kebede, Naranpanawa and Selvanathan 2021 *Economic Analysis and Policy* 366; see also Chowdhury and Chowdhury 2024 *Journal of the Knowledge Economy* 3332.

109 Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 2.

110 See World Bank 2023 https://ourworldindata.org/grapher/world-bank-income-groups; the categorisation of a country is based on its gross national income such that low-income countries are those with a gross national income (GNI) per capita of $1,145 or less in 2023, lower-middle-income countries are those with a GNI per capita between $1,146 and $4,515 in 2023, upper-middle-income countries are

and International Monetary Fund recommendations which suggest that there should at least be 1 ATM per 10,000 people in a country to ensure reasonable access to financial services.[111] In other words, it has been a generally accepted standard to have 1 ATM per 10,000 people. However, when a country's banking resources allow for more, that is better. Therefore, the author opines that South Africa being an upper-middle-income economy is performing quite commendably in terms of the availability of bank branches and ATMs that offer varied banking services and products to financial consumers. However, it is submitted that South Africa should aim to be a higher-income country since the study by Gharbi and Kammoun has revealed that there is often optimum financial inclusion in countries categorised as such.

5 The structure of financial sector regulation in South Africa

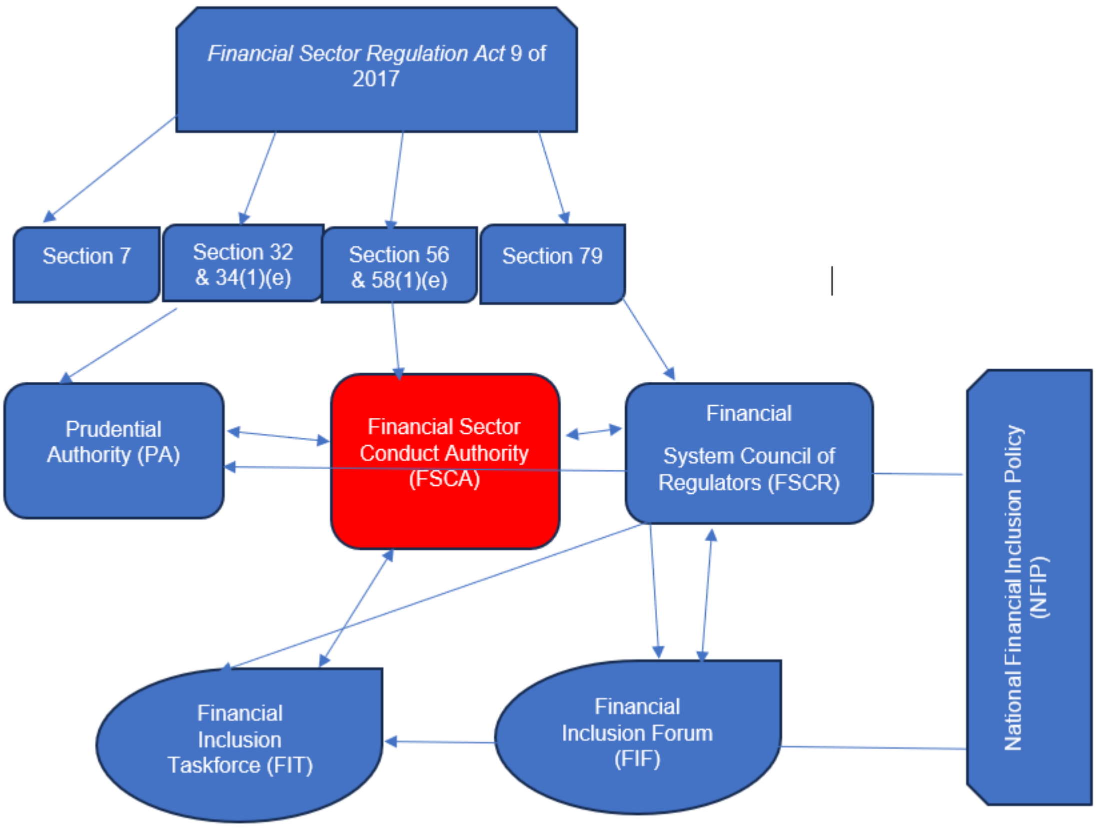

Figure 1: Current regulatory structure of financial inclusion in South Africa

those with a GNI per capita between $4,516 and $14,005 in 2023, and high-income countries are those with a GNI per capita of more than $14,005 in 2023.

111 Gharbi and Kammoun 2023 *Journal of Risk and Financial Management* 2.

Figure 1 above portrays the current regulatory structure for financial inclusion in South Africa. The promotion of financial inclusion for all persons in South Africa gained popularity recently, especially with the introduction of the Financial Sector Regulation Act,[112] which expressly provides for the need to promote and support financial inclusion initiatives by various stakeholders in South Africa. Before the enactment of the Financial Sector Regulation Act 9 of 2017 (*FSR Act*), there was no legislation expressly providing for the promotion or support of financial inclusion in South Africa. In this regard, the *FSR Act* is a triumph in the promotion of financial inclusion in South Africa. It establishes various stakeholders who must spearhead the promotion and/or support of financial inclusion in South Africa. These stakeholders include the PA, the FSCA and the FSCR.[113] The NFIP seeks to establish the FIT and the FIF.[114]

The PA's main objectives include promoting and enhancing the safety and soundness of financial institutions and market infrastructures, and protecting financial consumers should financial institutions fail to meet their objectives.[115] In achieving the above objections, the PA must *inter alia* support financial inclusion.[116] On the other hand, the FSCA is expressly tasked with promoting financial inclusion in South Africa.[117] In addition to the above, the FSCR is established by the *FSR Act*[118] to facilitate co-operation and collaboration and, where appropriate, consistency of action, between the institutions in the financial sector of South Africa.[119] In the service of financial inclusion, the FSCR is composed of stakeholders such as the Department of Trade and Industry (DTI), the National Credit Regulator (NCR), medical schemes, the FIC, the National Consumer Commission (NCC) and the Competition Commission.[120] Most importantly, the FSCR is tasked by the *FSR Act*[121] to establish working groups or subcommittees in matters including financial inclusion. Thus, the FIT is established as a working group under the *FSR Act* while the FIF is established as a platform where industry and other non-governmental

112 Sections 7, 34(1)(e) and 58(1)(e) of the *FSR Act*.

113 FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf.

114 FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf.

115 See s 33(a)-(d) of the *FSR Act*; Chitimira and Magau "Legal Conspectus of Some Role-Players" 366.

116 See section 34(1)(e) of the *FSR Act*; also see Chitimira and Ncube 2021 *Interdisciplinary Journal of Economics and Business* 80.

117 See s 58(1)(e) of the *FSR Act*; Chitimira and Ncube 2021 *Interdisciplinary Journal of Economics and Business* 80.

118 Section 79(1) of the *FSR Act*.

119 Section 79(2) of the *FSR Act*.

120 See s 79(3) of the *FSR Act*.

121 Section 81(f) of the *FSR Act*.

stakeholders can engage with policymakers and regulators on strategic priorities.[122]

The FSCA appears in red in figure 1 above as is it expected to play a distinct and active role in coordinating all the stakeholders identified above.[123] Ultimately the National Financial Inclusion Policy (NFIP) seeks to be an all-inclusive policy framework aimed at enhancing the achievement of financial inclusion in South Africa. This is seen through the lines that cut across the FSCR, FSCA, PA, FIT and the FIF from the NFIP seeking to portray that the NFIP is an all-inclusive policy framework for financial inclusion in South Africa. Because of the shortcomings identified and discussed in paragraph three, this article will recommend a more augmented regulatory and policy framework for financial inclusion in South Africa – one that is robust and resilient enough to ward off any barriers to achieving 90 percent financial inclusion by 2030.

6 Recommendations

6.1 Banks must play an active role in providing various videos and explanatory notes on criminal practices to optimally protect illiterate financial consumers

There is a need for concerted and robust efforts to be made by all the bodies discussed in this article to improve the integrity of banks in South Africa in order to achieve 90 percent financial inclusion by 2030. This may be done by parliament's legislating that all banks are to play an active role in promoting financial literacy and awareness on contemporary trends of financial crimes. Against this background, this article recommends that FNB and other banks must be compelled by the FSCA through the *FSR Act*[124] to provide free informative videos and other related security tips. In other words, banks must freely provide various videos and explanatory notes on criminal practices like phishing, vishing and credit card fraud free of charge in their banking applications in different languages suiting different demographical circumstances for all, especially poor financial consumers in South Africa.

Additionally, where financial consumers are making payments to merchants whose account names do not match the account names provided by the ATM or banking application, the ATM and/or the banking application must

---

122 Section 81(f) of the *FSR Act*.

123 FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf.

124 As such, s 57(b)(ii) of the *FSR Act* must be amended to provide that "the objective of the Financial Sector Conduct Authority and banks is to … freely [provide] financial customers and potential financial customers with free financial education programmes, and otherwise [promote] financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions."

alert the financial consumers and should prompt the financial consumers to confirm that they are making payments to account holders whose account numbers do not match those in the bank's database. In this way, it is hoped that payments made to illicit and fraudulent businesses whose purported accounts have dissimilar names to their business names may be deterred.

Moreover, banks ought to better protect credit card holders against online fraud. It is therefore submitted that banks ought to privately provide CVVs so that lost and/or stolen debit/credit cards do not provide criminals with the CVV number, which allows them to illicitly perform online transactions.

6.2 SAPS to augment efforts at protecting ATMs and curbing CIT heists

There is also a need for the SAPS to augment efforts at protecting ATMs and curbing CIT heists. This will in turn reduce the overhead expenses that banks must incur in repairing damaged ATMs and paying high insurance premiums due to CIT heists. Should the capacity of the SAPS to adequately deter and curb the occurrence of these crimes fall short, there is a need for the government to engage with private stakeholders like private armed response companies to enter into memoranda of agreement to assist. Such private companies may be compensated by the government and partially from the insurance companies of the cash in transit armoured vehicles. Beyond the quest to promote financial inclusion through the recommended measure, there is a need above all to protect human life.

6.3 Banks ought to be fined heftily to deter discrimination against customers by the PA

Practices of discrimination in relation to vehicle asset finance by some banking institutions must be investigated and curtailed through hefty fines. In any case, discriminating against financial customers is detrimental to the primary objectives of financial inclusion. Therefore, there is a need for the PA to frequently investigate banks to check for such practices and any other practices harmful to the objectives of financial inclusion. Thereafter, deterrent punishments must be meted out.

6.4 Accelerated implementation of the FATF recommendations

There is also a need for South African bodies regulating ML/TF/PF to accelerate measures aimed at implementing the recommendations of the FATF. It is submitted that implementing all the suggestions of the FATF will augment the safety of the banking infrastructure in South Africa and encourage everyone to be proactive in being part of the formal financial sector through opening a bank account and utilising the beneficial and appropriate products and services which come with having a formal bank account. Over and above all, the author recommends that South Africa adopts the regulatory model shown and explained below in a bid to achieve 90 per cent financial inclusion by 2030.

6.5 The NDP must encapsulate the next steps to be taken should 90 per cent financial inclusion remain an ideal by 2030

As mentioned in this article, the NDP states that South Africa aims to achieve 90 per cent financial inclusion for all by 2030. However, this article submits that this target makes the whole exercise of attaining 90 per cent financial inclusion by 2030 futile if there are no express consequences for the FSCA and other relevant stakeholders charged with achieving this should it not be achieved by 2030. Therefore, it is submitted that the NDP, be amended in such a way as to express the consequences if the goal is not reached timeously.

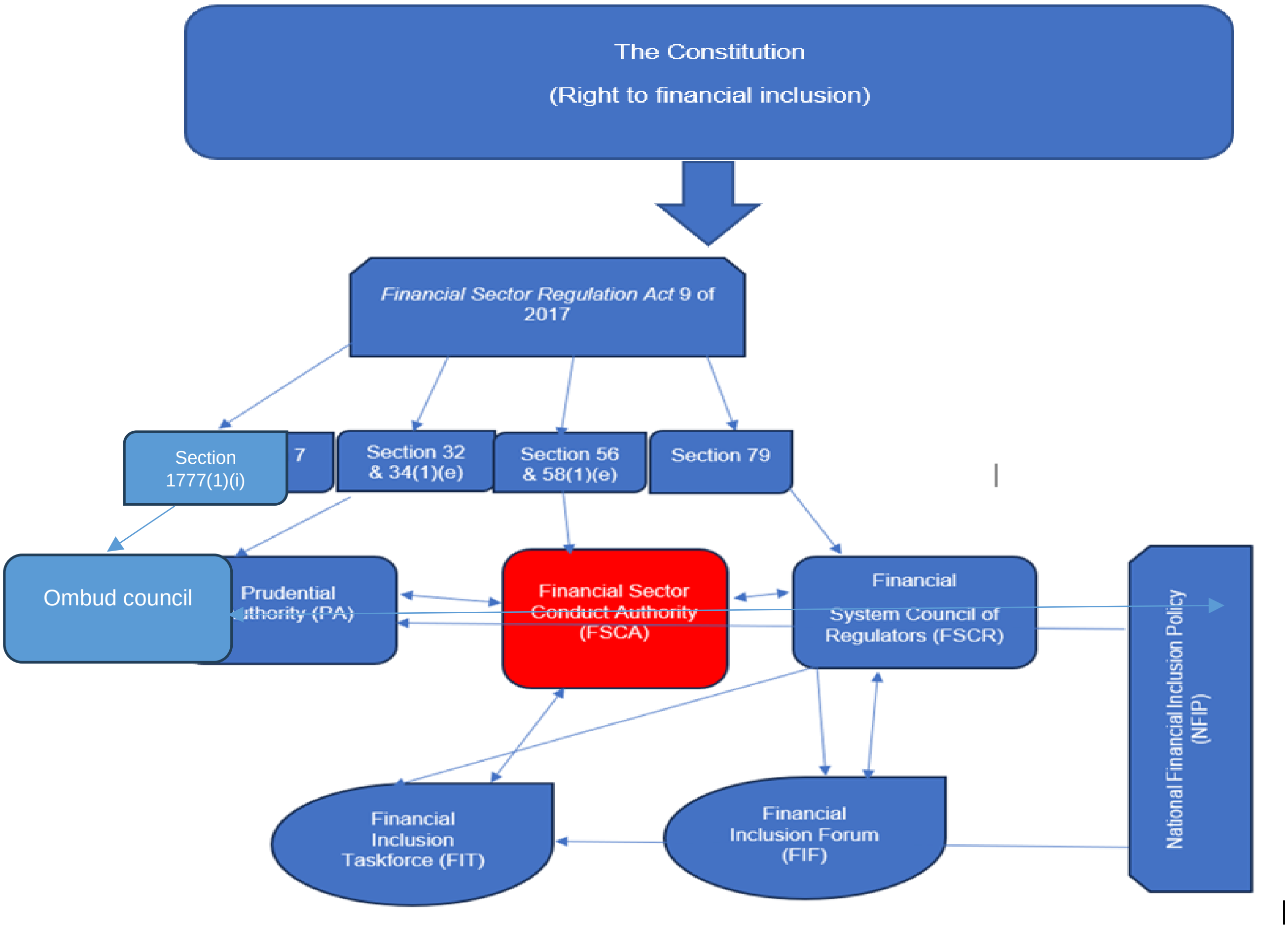

Figure 2

Source: Author's recommended regulatory framework for financial inclusion

Drawing from figure 1, figure 2 above proposes a new regulatory model for financial inclusion in South Africa. Since the NDP aims to achieve financial inclusion of 90 percent by 2030, it is submitted that financial inclusion should perhaps become a constitutionally protected right. This position stems from the accepted norm that rights in the Bill of Rights in the *Constitution* are justiciable and enforceable in the courts of South Africa.[125] With the status quo, should 90 per cent financial inclusion not be achieved in 2030, there would not be any real matter that may be considered by the courts of law in connection with the FSCA and related stakeholders. It is submitted that a failure to legislate any real consequences for the FSCA and related stakeholders for their failure to achieve the 90 percent financial inclusion by 2030 would render all efforts to achieve financial inclusion a futile exercise. This newly proposed regulatory framework considers the existence of the Ombud Council, whose functions include supporting financial inclusion.[126] However, because financial inclusion will now be a constitutional right, the constitutional court will, likewise, be the final custodian of this right. There is a great deal of case law concerning the violation and the requisite corrective measures sanctioned by the courts on the socio-economic rights entrenched in the *Constitution*.[127] In other words, once the right to financial inclusion is expressly protected by the *Constitution*, victims of financial exclusion would be able to approach the courts for relief. However, the fulfilment of this right must not be available on demand. Just like the other rights in the Bill of Rights, it is submitted that this right should not take precedence over other rights or be available on demand as the Court ruled in the *Soobramoney* case.[128] This will mean that some positive and negative acts of bodies and government officials charged with promoting financial inclusion may be enforceable in the courts of law by aggrieved parties.

According to the proposed new regulatory framework (figure 2), the *FSR Act* will remain the primary legislation for financial inclusion. However, it is further recommended that the *FSR Act* should provide more details in its definition of financial inclusion.[129] For example, the *FSR Act* ought to provide definitions and timeframes as to what phrases like "timely" and "fair" access denote. Currently, academics and the NFIP provide some explanatory notes on the definition of the term “financial inclusion”. However, bearing in mind that the NFIP does not have the binding force of

---

125 Dube 2020 *PELJ* 15.

126 See s 177(1)(i) of the *FSR Act*.

127 *Government of the Republic of South Africa v Grootboom* 2000 (1 BCLR 1169 (CC) concerned s 26 of the *Constitution*. The court held that s 26 obliges the state to devise and implement a coherent, co-ordinated housing programme and that in failing to provide for those in most desperate need the government had failed to take reasonable measures to progressively realise the right to housing; in *Soobramoney v Minister of Health (Kwazulu-Natal)* 1998 1 SA 765 (CC) (*Soobramoney* case), the court decided that the right to health care as provided for by s 27 of the *Constitution* depends on the available coffers of the state and not on demand.

128 See para 10 of the *Soobramoney* case.

129 According to the *FSR Act*, financial inclusion means that all persons have timely and fair access to appropriate, fair and affordable financial products and services.

legislation, it is recommended that the *FSR Act* must be explicit in defining financial inclusion and establishing the powers of each body in promoting financial inclusion in South Africa. Of course, the courts will retain their role of developing the law in some matters that relate to financial inclusion.

Furthermore, the PA will also retain its role of "supporting financial inclusion".[130] The new regulatory framework appreciates the distinct role of the PA, which is primarily to supervise the safety and soundness of financial institutions and market infrastructures.[131] On the other hand, the FSCA will retain its function of promoting financial inclusion.[132] The FSCR will also retain its function of promoting cooperation and collaboration between the various institutions,[133] and most importantly establishing and overseeing the functioning of working groups or subcommittees *inter alia* in matters related to financial inclusion.[134] In other words, as proposed in the NFIP, the FIT is proposed to be the working group established under the FSCR in terms of the *FSR Act,* as stated above. The FIF will be a platform where industry and other non-governmental stakeholders can engage with policymakers and regulators on strategic priorities.[135] This article recommends that the FIT and the FIF should engage robustly with financial inclusion matters as the primary bodies for ensuring the promotion of financial inclusion. In addition to this, it is recommended that the FIT and the FIF should report to the FSCA, which in any case is responsible for ensuring smooth cooperation and collaboration amongst all entities expressly and tacitly responsible for promoting financial inclusion.

7 Conclusion

This article has discussed the regulatory landscape of financial inclusion in South Africa with a specific focus on how plausible it is for South Africa to achieve 90 per cent financial inclusion by 2030, considering especially, some notable challenges and/or hindrances in achieving this. It is good to be able to point out that from the drafting of the NDP in 2012, financial inclusion increased to 81 per cent by the end of 2023.[136] In 2023 the commissioner of the FSCA, Unathi Kamlana, stated that the FSCA was and other relevant stakeholders were progressing adequately to meet the 2025

---

130 Section 34(1)(e) of the *FSR Act*.
131 See s 33 of the *FSR Act*.
132 See s 58(e) of the *FSR Act*.
133 See s 79(1) of the *FSR Act*.
134 See s 81(1)(f) of the *FSR Act*.
135 See FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf.
136 FSCA 2022 https://www.fsca.co.za/Documents/FSCA%20Financial%20Sector%20Outlook%20Study%202022.pdf; see related discussion by Simatele and Maciko 2022 *Journal of Risk and Financial Management* 2; National Treasury 2023 https://www.gov.za/news/media-statements/treasury-publishes-financial-inclusion-policy-framework-south-africa-27-nov.

MER, and possibly to exit the grey-list.[137] In 2024 statistics provided by the World Bank provided that financial inclusion in South Africa had increased to 85 percent.[138] However, there is a need for relevant bodies to address the challenges which may hinder the achievement of 90 percent financial inclusion by 2030, as discussed above. It is further hoped that the adoption of the new regulatory framework for financial inclusion provided by the author above, *inter alia*, will aid in achieving 90 per cent financial inclusion in South Africa by 2030. From the discussion proffered in this article, the government of South Africa must strongly consider implementing the recommendations contained in this article in order to achieve 90 percent financial inclusion by 2030. The author submits that should the government of South Africa and other relevant stakeholders fail to implement (all or some of) these recommendations, the achievement of 90 percent financial inclusion for all by 2030 may simply be a mere ideal.

Bibliography

Literature

Akinbowale, Mashigo and Zerihun 2024 *JFC*
Akinbowale OE, Mashigo P and Zerihun MF "Analysis of Cyberfraud in the South African Banking Industry: A Multiple Regression Approach" 2024 *JFC* 952-973

Ambe 2024 *Social Sciences Research Network Electronic Journal*
Ambe KN "Analysis of the Risk Associated with Bank Crimes in Africa" 2024 *Social Sciences Research Network Electronic Journal* 1-50

Baron and Maponya 2020 *Verbum et Ecclesia*
Baron E and Maponya MS "The Recovery of the Prophetic Voice of the Church: The Adoption of a 'Missional Church' Imagination" 2020 *Verbum et Ecclesia* 1-9

Beebeejaun and Dulloo 2023 *JMLC*
Beebeejaun A and Dulloo L "A Critical Analysis of the Antimoney Laundering Legal and Regulatory Framework of Mauritius: A Comparative Study with South Africa" 2023 *JMLC* 401-417

Budhram and Geldenhuys 2018 *Acta Criminologica*
Budhram T and Geldenhuys N "Combating Corruption in South Africa: Assessing the Performance of Investigating and Prosecuting Agencies" 2018 *Acta Criminologica* 23-46

137 Kamlana "Successful Enforcement of Financial Sector Laws".
138 World Bank 2024 https://www.worldbank.org/en/publication/globalfindex/brief/financial-inclusion-in-sub-saharan-africa-overview.

Chipunza and Fanta 2022 *African Journal of Economic and Management Studies*
Chipunza KJ and Fanta A "Quality Financial Inclusion and its Determinants in South Africa: Evidence from Survey Data" 2022 *African Journal of Economic and Management Studies* 177-189

Chitimira and Magau 2021 *PELJ*
Chitimira H and Magau P "A Legal Analysis of the Use of Innovative Technology in the Promotion of Financial Inclusion for Low-Income Earners in South Africa" 2021 *PELJ* 1-27

Chitimira and Magau "Legal Conspectus of Some Role-Players"
Chitimira H and Magau P "A Legal Conspectus of Some Role-Players in the Development of Financial Education in South Africa" in Danubius University of Galati *European Integration Realities and Perspectives* (12-14 May 2022 Galati) 360-375

Chitimira and Ncube 2020 *JAL*
Chitimira H and Ncube M "Legislative and Other Selected Challenges Affecting Financial Inclusion for the Poor and Low-Income Earners in South Africa" 2020 *JAL* 337-355

Chitimira and Ncube 2021 *Interdisciplinary Journal of Economics and Business*
Chitimira H and Ncube M "Overview Legislative Flaws Hampering the Promotion of Financial Inclusion for the Poor and Low-Income Earners in South Africa" 2021 *Interdisciplinary Journal of Economics and Business* 67-87

Chowdhury and Chowdhury 2024 *Journal of the Knowledge Economy*
Chowdhury EK and Chowdhury R "Role of Financial Inclusion in Human Development: Evidence from Bangladesh, India and Pakistan" 2024 *Journal of the Knowledge Economy* 3329-3354

De Koker, Howell and Morris 2023 *Risks*
De Koker L, Howell J and Morris N "Economic Consequences of Greylisting by the Financial Action Task Force" 2023 *Risks* 1-32

Deora and Chudasama 2021 *Journal of Communication Engineering and Systems*
Deora RS and Chudasama D "Brief Study of Cybercrime on an Internet" 2021 *Journal of Communication Engineering and Systems* 1-6

Doorgapersad 2022 *International Journal of Research in Business and Social Science*
Doorgapersad S "Overview of the Implementation of Sustainable Development Goal One in South Africa" 2022 *International Journal of Research in Business and Social Science* 626-634

Dube 2020 *PELJ*
Dube F "Neither Adopted nor Borrowed: A Critique of the Conception of the South African Bill of Rights" 2020 *PELJ* 1-26

Ediagbonya and Tioluwani 2023 *Technological Sustainability*
Ediagbonya V and Tioluwani C "The Role of Fintech in Driving Financial Inclusion in Developing and Emerging Markets: Issues, Challenges and Prospects" 2023 *Technological Sustainability* 100-119

Elsayed 2020 *Social Science Research Network Online Journal*
Elsayed A "The Interrelationship Between Financial Inclusion, Financial Stability, Financial Integrity and Consumer Protection (I-SIP Theory)" 2020 *Social Science Research Network Online Journal* 1-11

FATF *Follow-up Report*
Financial Action Task Force *Anti-Money Laundering and Counter-Terrorist Financing Measures South Africa: Follow-up Report and Technical Compliance Re-Rating* (FATF place unknown 2023)

FinMark Trust *FinMark Trust Research Report*
FinMark Trust *Assessing the Impact of the Shift to a Risk-Based Approach to AML/CTF on Financial Inclusion and Remittances South Africa: FinMark Trust Research Report* (FinMark Trust Midrand 2021)

Geldenhuys 2022 *Servamus*
Geldenhuys K "Cash-in-Transit Robberies" 2022 *Servamus Community-Based Safety and Security Magazine* 10-15

Gharbi and Kammoun 2023 *Journal of Risk and Financial Management*
Gharbi I and Kammoun A "Developing a Multidimensional Financial Inclusion Index: A Comparison Based on Income Groups" 2023 *Journal of Risk and Financial Management* 1-19

Goldbarsht and Harris 2022 *FL Rev*
Goldbarsht D and Harris H "Check the Balance: Is the Doctrine of Separation of Powers Sufficient in the Context of Intergovernmental Organisations? A Case Study of Australia's AML/CTF Financing Framework" 2022 *FL Rev* 527-557

Hlatshwayo, Dloto and Mutekwe 2023 *Journal of Management Small and Medium Enterprises*
Hlatshwayo M, Dloto A and Mutekwe P "The Solidarity Economy of Marginalized Communities in South Africa: An Analysis of Buying and Savings Clubs in Gqeberha" 2023 *Journal of Management Small and Medium Enterprises (SME's)* 441-457

Hummer and Rebovich "Identity Theft and Financial Loss"
Hummer D and Rebovich DJ "Identity Theft and Financial Loss" in Hummer D and James MB (eds) *Handbook on Crime and Technology* (Edward Elgar Cheltenham 2023) 38-53

Hutchison and Allen 2021 *Journal of Law and Society*
Hutchison A and Allen D "Unsecured Lending and the Indigenous Economy in Australia and South Africa" 2021 *Journal of Law and Society* 84-105

Ionescu, Barbu and Popa "Ethics in the Banking Sector"
Ionescu A, Barbu CA and Popa A "Ethics in the Banking Sector" in *Global Ethics - Key of Sustainability Conference* (20-22 May 2022 Bucharest) 137-145

Jejeniwa, Mhlongo and Jejeniwa 2024 *International Journal of Advanced Economics*
Jejeniwa TO, Mhlongo NZ and Jejeniwa TO "AI Solutions for Developmental Economics: Opportunities and Challenges in Financial Inclusion and Poverty Alleviation" 2024 *International Journal of Advanced Economics* 108-123

Kamlana "Successful Enforcement of Financial Sector Laws"
Kamlana U "Successful Enforcement of Financial Sector Laws as a Credible Deterrent in the Context of the SA's FATF Grey-Listing" in College of Law: Department of Mercantile Law and Banking Law Group University of South Africa *Online Seminar* (24 August 2023 Pretoria)

Kebede, Naranpanawa and Selvanathan 2021 *Economic Analysis and Policy*
Kebede J, Naranpanawa A and Selvanathan S "Financial Inclusion: Measures and Applications to Africa" 2021 *Economic Analysis and Policy* 365-379

Khan *et al* 2021 *Journal of Economic Studies*
Khan I *et al* "Does Financial Inclusion Induce Poverty, Income Inequality, and Financial Stability: Empirical Evidence from the 54 African Countries?" 2021 *Journal of Economic Studies* 303-314

Kling *et al* 2022 *European Journal of Finance*
Kling G *et al* "A Theory of Financial Inclusion and Income Inequality" 2022 *The European Journal of Finance* 137-157

Kohn 2022 *CCR*
Kohn L "The National Prosecuting Authority as Part of South Africa's Integrity and Accountability Branch and the Related Case for an Anti-Corruption Redress System" 2022 *CCR* 1-58

Kute *et al* 2021 *IEEE Access*
Kute DV *et al* "Deep Learning and Explainable Artificial Intelligence Techniques Applied for Detecting Money Laundering - A Critical Review" 2021 *IEEE Access* 82300-82317

Lallupersad and Govender 2024 *Insight on Africa*
Lallupersad N and Govender D "Criminality at Shopping Malls: A South African Perspective" 2024 *Insight on Africa* 1-17

Lappeman *et al* 2020 *International Review of Retail, Distribution and Consumer Research*
Lappeman J *et al* "Exploring Retail Orientated Rotating Savings and Credit Associations: Festive Season 'Stokvels' in South Africa" 2020 *The International Review of Retail, Distribution and Consumer Research* 331-358

Lee, Lou and Wang 2022 *Economic Analysis and Policy*
Lee C, Lou R and Wang F "Digital Financial Inclusion and Poverty Alleviation: Evidence from the Sustainable Development of China" 2022 *Economic Analysis and Policy* 418-434

Lessambo "AML/CFT and Cybersecurity Laws"
Lessambo FI "AML/CFT and Cybersecurity Laws in South Africa" in Lessambo FI (ed) *International and Regional Cooperation* (Palgrave Macmillan Cham 2023) 215-219

Liu *et al* 2022 *Environmental Science and Pollution Research*
Liu D *et al* "Financial Inclusion and its Influence on Economic-Environmental Performance: Demand and Supply Perspectives" 2022 *Environmental Science and Pollution Research* 58212-58221

Machethe and Mofokeng 2022 *Technium Social Sciences Journal*
Machethe P and Mofokeng JT "The Impact of Illicit Drug Networks on the Effectiveness of Law Enforcement in South Africa" 2022 *Technium Social Sciences Journal* 338-360

Mahalika, Matsebula and Yu 2023 *Development Southern Africa*
Mahalika R, Matsebula V and Yu D "Investigating the Relationship Between Financial Inclusion and Poverty in South Africa" 2023 *Development Southern Africa* 109-132

Mhlanga and Denhere 2020 *Studia Universitatis Babeş-Bolyai*
Mhlanga D and Denhere V "Determinants of Financial Inclusion in Southern Africa" 2020 *Studia Universitatis Babeş-Bolyai. Oeconomica* 39-52

Mhlanga, Dunga and Moloi 2021 *Journal of Economic and Financial Sciences*
Mhlanga D, Dunga SH and Moloi T "Understanding the Drivers of Financial Inclusion in South Africa" 2021 *Journal of Economic and Financial Sciences* 1-8

Mitchell and Horne 2023 *International Journal of Social Science Research and Review*
Mitchell A and Horne J "Mitigating Express Takeovers and Unrest in South Africa: Centralised Predictive Capability and the Use of Advanced Analytics" 2023 *International Journal of Social Science Research and Review* 324-339

Moiseienko 2023 *LJIL*
Moiseienko A "Does International Law Prohibit the Facilitation of Money Laundering?" 2023 *LJIL* 109-132

Motseki 2022 *Technium Social Sciences Journal*
Motseki M "Prospects and Challenges in the Investigation of Credit Card Fraud in Vall Region of the Gauteng Province, South Africa" 2022 *Technium Social Sciences Journal* 959-967

Motseki and Mofokeng 2022 *Research in Business and Social Science*
Motseki MM and Mofokeng JT "Exploring the Challenges of Forensic Technology in Responding to Credit Card Fraud in Sedibeng Region, South Africa" 2022 *Research in Business and Social Science* 205-212

Munoriyarwa 2022 *Journalism*
Munoriyarwa A "Data Journalism Uptake in South Africa's Mainstream Quotidian Business News Reporting Practices" 2022 *Journalism* 1097-1113

Nasreen, Ishtiaq and Tiwari 2023 *Electronic Commerce Research*
Nasreen S, Ishtiaq F and Tiwari AK "The Role of ICT Diffusion and Institutional Quality on Financial Inclusion in Asian Region: Empirical Analysis Using Panel Quantile Regression" 2023 *Electronic Commerce Research* 1-68

National Planning Commission *NDP 2030*
National Planning Commission *National Development Plan 2030: Our Future – Make It Work* (National Planning Commission Pretoria 2012)

National Treasury *Inclusive Financial Sector*
National Treasury *An Inclusive Financial Sector for All* (National Treasury Pretoria 2023)

Ngcobo, Chisasa and MaseTshaba 2023 *International Journal of Research in Business and Social Science*
Ngcobo L, Chisasa J and MaseTshaba MT "Stokvel Saving and Banking Sector Liquidity in South Africa: Cointegration and Short-Run Dynamics" 2023 *International Journal of Research in Business and Social Science* 263-270

Nkoane 2023 *AJICL*
Nkoane P "A Clean Swipe: Assessing the Vulnerability of South Africa and Nigeria to Money Laundering Committed with Prepaid Cards" 2023 *AJICL* 65-85

Nkosi and Mofokeng 2023 *Journal of Islamic Economics and Business*
Nkosi SK and Mofokeng JT "The Robbery of Financial Institutions in Witbank Policing Area, South Africa" 2023 *Journal of Islamic Economics and Business* 1-30

Ozili "Theories of Financial Inclusion"
Ozili PK "Theories of Financial Inclusion" in Grima S and Ozen E (eds) *Uncertainty and Challenges in Contemporary Economic Behaviour* (Emerald Bingley 2020) 89-108

Pillay, Ntuli and Ehiane 2023 *International Journal of Membrane Science and Technology*
Pillay P, Ntuli PN and Ehiane S "Exploring the Prevalence of Cybercrime in the Banking Industry in KwaZulu-Natal, South Africa" 2023 *International Journal of Membrane Science and Technology* 1763-1775

Rapanyane and Ngoepe 2020 *Journal of Public Affairs*
Rapanyane MB and Ngoepe CC "The Impact of Illicit Financial Flows on the South African Political Economy Under Jacob Zuma, 2009–2018" 2020 *Journal of Public Affairs* 1-7

Roberts-Lombard and Petzer 2021 *International Journal of Bank Marketing*
Roberts-Lombard M and Petzer DJ "Relationship Marketing: An S–O–R Perspective Emphasising the Importance of Trust in Retail Banking" 2021 *International Journal of Bank Marketing* 725-750

Simatele and Maciko 2022 *Journal of Risk and Financial Management*
Simatele M and Maciko L "Financial Inclusion in Rural South Africa: A Qualitative Approach" 2022 *Journal of Risk and Financial Management* 1-22

Sobh 2020 *Journal of Applied Security Research*
Sobh TS "An Intelligent and Secure Framework for Anti-Money Laundering" 2020 *Journal of Applied Security Research* 517-546

Sonowal *Phishing and Communication Channels*
Sonowal G *Phishing and Communication Channels: A Guide to Identifying and Mitigating Phishing Attacks* (Apress Berkeley 2021)

Svotwa, Wealth and Makanyeza "Policy and Regulatory Frameworks for Financial Inclusion"
Svotwa TD, Wealth E and Makanyeza C "Policy and Regulatory Frameworks for Financial Inclusion in South Africa, Botswana, Namibia and Zimbabwe" in Chitimira HT and Warikandwa TV (eds) *Financial Inclusion and Digital Transformation Regulatory Practices in Selected SADC Countries South Africa, Namibia, Botswana and Zimbabwe* (Springer Cham 2023) 351-372

Thangavel 2023 *Social Science Research Network Online Journal*
Thangavel V "Global Identification of Smart Card Technologies-Safe and Secure: A Research" 2023 *Social Science Research Network Online Journal* 1-39

Thobane 2023 *Research in Business and Social Science*
Thobane MS "A Deductive Reflection on the Modus Operandi Used to Commit Bank-Associated Robbery in South Africa" 2023 *Research in Business and Social Science* 421-428

Timbs 2023 *African Studies*
Timbs L "The Politics of the Penis: Post-Apartheid Zulu Nationalism and Martial Masculinity, ca 1999 to 2018" 2023 *African Studies* 99-121

Tuba and Lawack "Towards an International Financial Inclusion Strategy"
Tuba MD and Lawack VA "Towards an International Financial Inclusion Strategy, Institutional Frameworks and Enforcement: Setting Regulatory Benchmarks for the SADC Countries" in Chitimira H and Warikandwa TV (eds) *Financial Inclusion and Digital Transformation Regulatory Practices in Selected SADC Countries* (Springer Cham 2023) 23-56

van Niekerk "Digital Transformation Strategies for Financial Inclusion"
van Niekerk G "Digital Transformation Strategies for Financial Inclusion in South African Rural Areas" in Chitimira H and Warikandwa T *Financial Inclusion Regulatory Practices in SADC Addressing Prospects and Challenges in the 21st Century* (2023 Routledge England) 146-160

Van Niekerk, L'Heureux and Holtzhausen 2023 *Public Integrity*
Van Niekerk T, L'Heureux AV and Holtzhausen N "State Capture in South Africa and Canada: A Comparative Analysis" 2023 *Public Integrity* 337-349

Van Rensburg *et al* 2023 *International Journal of Research in Business and Social Science*
Van Rensburg SKJ *et al* "'You are Reminded That You Don't Have Power': The Victimization of Security Guards Working in Gauteng, South Africa" 2023 *International Journal of Research in Business and Social Science* 383-392

Van Wyk 2023 *TaxTalk*
Van Wyk J "South Africa's Imminent Greylisting: 'Sword of Damocles' or a Wake-Up Call for Our Economy?" 2023 *TaxTalk* 1-4

Varshney *et al* 2024 *Expert Systems with Applications*
Varshney G *et al* "Anti-Phishing: A Comprehensive Perspective" 2024 *Expert Systems with Applications* 1-34

Verhoef and Hidden "Savings Groups in South Africa"
Verhoef G and Hidden K "Savings Groups in South Africa" in Redford DT and Verhoef G (eds) *Transforming Africa* (Emerald Bingley 2022) 235-260

Wronka 2022 *JMLC*
Wronka C "Money Laundering Through Cryptocurrencies: Analysis of the Phenomenon and Appropriate Prevention Measures" 2022 *JMLC* 79-94

Zulu and Singh "National Development Plan"
Zulu BM and Singh SB "The National Development Plan (NDP) in South Africa: An Inspiration to Shape Communities by 2030" in Adeniran AI (ed) *African Development and Global Engagements Policy, Climate Change, and COVID-19* (Palgrave Macmillan Cham 2023) 7-30

Legislation

Constitution of the Republic of South Africa, 1996

Executive Ethics Act 82 of 1998

Financial Intelligence Centre Act 38 of 2001

Financial Sector Regulation Act 9 of 2017

National Credit Act 34 of 2005

Prevention and Combating of Corrupt Activities Act 12 of 2004

Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004

Public Finance Management Act 1 of 1999

Case law

Government of the Republic of South Africa v Grootboom 2000 11 BCLR 1169 (CC)

Harlyn Trading International (Pty) Ltd v The Financial Intelligence Centre (A267/2020) [2021] ZAGPPHC 618 (20 September 2021)

Soobramoney v Minister of Health (Kwazulu-Natal) 1998 1 SA 765 (CC)

Internet sources

Al Jazeera Investigative Unit 2023 https://www.aljazeera.com/news/2023/3/30/gold-smugglers-use-south-african-banks-bribes-to-launder-money
Al Jazeera Investigative Unit 2023 *Gold Smugglers Use South African Banks, Bribes to Launder Money* https://www.aljazeera.com/news/2023/3/30/gold-smugglers-use-south-african-banks-bribes-to-launder-money accessed 2 December 2023

Anon 2023 https://businesstech.co.za/news/banking/721898/the-reality-of-capitecs-21-million-customers-in-south-africa/
Anon 2023 *The Reality of Capitec's 21 Million Customers in South Africa* https://businesstech.co.za/news/banking/721898/the-reality-of-capitecs-21-million-customers-in-south-africa/ accessed 28 November 2023

AU date unknown https://au.int/en/agenda2063/overview
African Union date unknown *Agenda 2063: The Africa We Want* https://au.int/en/agenda2063/overview accessed 7 August 2024

Banker's Academy date unknown http://bankersacademy.com/resources/free-tutorials/57-ba-free-tutorials/610-aml-southafrica-sp-280
Banker's Academy date unknown *Anti Money Laundering (AML) in South Africa* http://bankersacademy.com/resources/free-tutorials/57-ba-free-tutorials/610-aml-southafrica-sp-280 accessed 2 December 2023

Banking Association of South Africa 2019 https://www.banking.org.za/wp-content/uploads/2019/04/Code-of-Banking-Practice-2012.pdf
Banking Association of South Africa 2019 *The Code of Banking Practice* https://www.banking.org.za/wp-content/uploads/2019/04/Code-of-Banking-Practice-2012.pdf accessed 11 September 2024

Cloete 2023 https://www.iol.co.za/saturday-star/news/the-importance-and-challenges-of-financial-inclusion-ca1ed386-7616-4405-9e2f-99c01177bd1d
Cloete N 2023 *The Importance and Challenges of Financial Inclusion* https://www.iol.co.za/saturday-star/news/the-importance-and-challenges-of-financial-inclusion-ca1ed386-7616-4405-9e2f-99c01177bd1d accessed 10 October 2023

Comins 2023 https://mg.co.za/business/2023-10-06-financial-crime-is-on-the-rise-in-south-africa-report-show/
Comins L 2023 *Financial Crime is on the Rise in South Africa, Report Show* https://mg.co.za/business/2023-10-06-financial-crime-is-on-the-rise-in-south-africa-report-show/ accessed 2 December 2023

Cowling 2023 https://www.statista.com/statistics/1263737/national-poverty-line-in-south-africa/
Cowling N 2023 *National Poverty Line in South Africa from 2015-2023* https://www.statista.com/statistics/1263737/national-poverty-line-in-south-africa/ accessed 16 July 2024

Cowling 2023 https://www.statista.com/statistics/1346961/leading-banks-in-south-africa-by-assets
Cowling N 2023 *Leading Banks in South Africa as of 2023, by Assets (in Million US Dollars)* https://www.statista.com/statistics/1346961/leading-banks-in-south-africa-by-assets/ accessed 2 December 2023

De Simone 2024 https://www.bbc.com/news/world-africa-68023079
De Simone D 2024 *Cash-in-Transit Heists Bring Terror to South Africa's Roads* https://www.bbc.com/news/world-africa-68023079 accessed 29 February 2024

Dragonfly Intelligence 2023 https://dragonflyintelligence.com/news/south-africa-worsening-security-trends-for-johannesburg/
Dragonfly Intelligence 2023 *South Africa* | *Worsening Security Trends for Johannesburg* https://dragonflyintelligence.com/news/south-africa-worsening-security-trends-for-johannesburg/ accessed 20 November 2023

FATF 2021 https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf
Financial Action Task Force 2021 *Anti-Money Laundering and Counter-Terrorist Financing Measures. South Africa. FATF Mutual Evaluation Report* https://www.treasury.gov.za/publications/other/Mutual-Evaluation-Report-South-Africa.pdf accessed 7 September 2024

FATF 2023 https://www.fatf-gafi.org/en/countries/detail/South-Africa.html
Financial Action Task Force 2023 *Black and Grey Lists* https://www.fatf-gafi.org/en/countries/detail/South-Africa.html accessed 11 October 2023

FSCA date unknown https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf
Financial Sector Conduct Authority date unknown *Financial Inclusion Strategy* https://www.fsca.co.za/Documents/FSCA%20Financial%20Inclusion%20Strategy.pdf accessed 10 December 2023

FSCA 2022 https://www.fsca.co.za/Documents/FSCA%20Financial%20 Sector%20Outlook%20Study%202022.pdf
Financial Sector Conduct Authority 2022 *Financial Sector Outlook Study 2022* https://www.fsca.co.za/Documents/FSCA%20Financial%20Sector%20Outlook%20Study%202022.pdf accessed 10 October 2023

Gillmer *et al* 2023 https://www.cliffedekkerhofmeyr.com/en/news/publications/2023/Practice/Corporate/corporate-and-commercial-alert-29-march-Understanding-South-Africas-FATF-greylisting-.html
Gillmer J *et al* 2023 *Understanding South Africa's FATF Greylisting* https://www.cliffedekkerhofmeyr.com/en/news/publications/2023/Practice/Corporate/corporate-and-commercial-alert-29-march-Understanding-South-Africas-FATF-greylisting-.html accessed 30 August 2023

Githahu 2023 https://www.iol.co.za/capeargus/news/fsca-flags-syndicates-scam-of-claiming-to-be-associated-with-financial-services-providers-6e18c8c6-7399-4ed9-b521-3335ca573649
Githahu M 2023 *FSCA Flags Syndicate's Scam of Claiming to be Associated with Financial Services Providers* https://www.iol.co.za/capeargus/news/fsca-flags-syndicates-scam-of-claiming-to-be-associated-with-financial-services-providers-6e18c8c6-7399-4ed9-b521-3335ca573649 accessed 30 November 2023

Kiely 2024 https://www.meltwater.com/en/blog/desk-research
Kiely TJ 2024 *What Is Desk Research? Meaning, Methodology, Examples* https://www.meltwater.com/en/blog/desk-research accessed 9 August 2024

Manyane 2023 https://www.iol.co.za/sundayindependent/news/former-employee-exposes-how-wesbank-robbed-black-clients-00e9913e-24f8-404a-a21a-716790997f0d?s=09
Manyane M 2023 *Former Employee Exposes How WesBank Robbed Black Clients* https://www.iol.co.za/sundayindependent/news/former-employee-exposes-how-wesbank-robbed-black-clients-00e9913e-24f8-404a-a21a-716790997f0d?s=09 accessed 21 January 2024

Mashigo 2017 http://financialmarketsjournal.co.za/oldsite/7thedition/printedarticles/informalfinance.htm
Mashigo MP 2017 *Informal Finance: An Instrument for Developing the Poor Households In South Africa* http://financialmarketsjournal.co.za/oldsite/7thedition/printedarticles/informalfinance.htm accessed 1 December 2023

Mokwena 2024 https://briefly.co.za/south-africa/178267-wesbank-accused-discriminating-black-clients-south-africans-livid-refunds/
Mokwena T 2024 *Wesbank Accused of Discriminating Against Black Clients, South Africans Livid: "We Want Our Refunds"*

https://briefly.co.za/south-africa/178267-wesbank-accused-discriminating-black-clients-south-africans-livid-refunds/ accessed 24 January 2024

Moodley, Cruywagen and Ledwaba 2024 https://www.dailymaverick.co.za/article/2024-02-03-vbs-mutual-bank-scandal-six-years-on-the-r2bn-fraud-the-r500m-settlement-and-the-plight-of-victims/
Moodley N, Cruywagen V and Ledwaba L 2024 *Dissecting the VBS Elephant Six Years On – The R2bn Fraud, the R500m Settlement and the Plight of Victims* https://www.dailymaverick.co.za/article/2024-02-03-vbs-mutual-bank-scandal-six-years-on-the-r2bn-fraud-the-r500m-settlement-and-the-plight-of-victims/ accessed 29 February 2024

Moonstone Information Refinery 2023 https://www.moonstone.co.za/grey-listing-will-have-a-big-impact-on-insurance-industry-says-law-firm/
Moonstone Information Refinery 2023 *Grey-Listing Will Have a Big Impact on Insurance Industry, Says Law Firm* https://www.moonstone.co.za/grey-listing-will-have-a-big-impact-on-insurance-indu accessed 7 September 2024

National Treasury 2023 https://www.gov.za/news/media-statements/treasury-publishes-financial-inclusion-policy-framework-south-africa-27-nov
National Treasury 2023 *Treasury Publishes Financial Inclusion Policy Framework for South Africa* https://www.gov.za/news/media-statements/treasury-publishes-financial-inclusion-policy-framework-south-africa-27-nov accessed 30 November 2023

Neethling 2024 https://dailyinvestor.com/finance/45722/sars-clamps-down-on-south-african-banks/
Neethling B 2024 *SARS Clamps Down on South African Banks* https://dailyinvestor.com/finance/45722/sars-clamps-down-on-south-african-banks/ accessed 29 February 2024

PA 2023 https://www.resbank.co.za/content/dam/sarb/publications/reports/pa-annual-reports/2023/PA%20AR_2023A.pdf
Prudential Authority 2023 *Prudential Authority Annual Report 2022/23* https://www.resbank.co.za/content/dam/sarb/publications/reports/pa-annual-reports/2023/PA%20AR_2023A.pdf accessed 7 September 2024

Ramotsho 2024 https://www.derebus.org.za/the-fic-urges-high-risk-entities-to-submit-all-outstanding-risk-compliance-returns/
Ramotsho K 2024 *The FIC Urges High-Risk Entities to Submit All Outstanding Risk Compliance Returns* https://www.derebus.org.za/the-fic-urges-high-risk-entities-to-submit-all-outstanding-risk-compliance-returns/ accessed 12 February 2024

Ritchie 2024 https://outliereditor.co.za/index.php/2024/07/17/capitec-expands-its-atm-network-as-sa-banks-downsize-in-the-shift-to-digital/
Ritchie R 2024 *Capitec Expands its ATM Network as SA's Big 4 Banks Downsize in the Shift to Digital* https://outliereditor.co.za/index.php/2024/07/17/capitec-expands-its-atm-network-as-sa-banks-downsize-in-the-shift-to-digital/ accessed 30 July 2024

SABRIC 2023 https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/
South African Banking Risk Information Centre 2023 *SABRIC Crime Statistics 2022* https://www.sabric.co.za/media-and-news/press-releases/sabric-annual-crime-stats-2022/ accessed 3 December 2023

SARB Corporation for Deposit Insurance 2024 https://www.resbank.co.za/en/home1/what-we-do/Deposit-insurance
South African Reserve Bank Corporation for Deposit Insurance 2024 *Corporation for Deposit Insurance* https://www.resbank.co.za/en/home1/what-we-do/Deposit-insurance accessed 18 July 2024

South African Government 2023 https://www.gov.za/issues/national-development-plan-2030
South African Government 2023 *National Development Plan 2030* https://www.gov.za/issues/national-development-plan-2030 accessed 16 August 2023

Statista 2024 https://www.statista.com/study/123920/banking-industry-in-south-africa/
Statista 2024 *Banking Industry in South Africa* https://www.statista.com/study/123920/banking-industry-in-south-africa/ accessed 11 September 2024

Stats SA 2023 https://www.statssa.gov.za/publications/P03101/P031012023.pdf
Statistics South Africa 2023 *National Poverty Lines 2023* https://www.statssa.gov.za/publications/P03101/P031012023.pdf accessed 16 July 2024

The Presidency 2019 https://cdn.24.co.za/files/Cms/General/d/9923/f589f3b5120541e4b6b6974490a94b29.pdf
The Presidency 2019 *South Africa's Implementation of the 2030 Agenda for Sustainable Development. "Solving Complex Challenges Together". National Treasury Voluntary National Review (VNR) Report 2019* https://cdn.24.co.za/files/Cms/General/d/9923/f589f3b5120541e4b6b6974490a94b29.pdf accessed 7 September 2024

Thorne 2023 https://businesstech.co.za/news/banking/734971/south-africas-best-and-worst-banks-in-2023-according-to-customers/
Thorne S 2023 *South Africa's Best and Worst Banks in 2023 – According to Customers* https://businesstech.co.za/news/banking/734971/south-africas-best-and-worst-banks-in-2023-according-to-customers/ accessed 1 December 2023

Tomilova and Valenzuela 2018 https://www.cgap.org/sites/default/files/publications/Toolkit-ISIP-Nov-2018_1.pdf
Tomilova O and Valenzuela M 2018 *Financial Inclusion + Stability, Integrity, and Protection (I-SIP). Policy Making for an Inclusive Financial System. A Toolkit for Financial Sector Policy Makers* https://www.cgap.org/sites/default/files/publications/Toolkit-ISIP-Nov-2018_1.pdf accessed 7 September 2024

UN 2023 https://sdgs.un.org/2030agenda
United Nations 2023 *Transforming Our World: The 2030 Agenda for Sustainable Development* https://sdgs.un.org/2030agenda accessed 7 August 2024

Van Rensburg 2024 https://www.dailymaverick.co.za/article/2024-03-04-sasfins-existential-can-of-worms-and-the-risk-to-other-banks/
Van Rensburg D 2024 *Sasfin's Existential Can of Worms and the Risk to Other Banks* https://www.dailymaverick.co.za/article/2024-03-04-sasfins-existential-can-of-worms-and-the-risk-to-other-banks/ accessed 4 March 2024

World Bank 2022 https://www.worldbank.org/en/topic/financialinclusion/overview
World Bank 2022 *Financial Inclusion: Financial inclusion is a Key Enabler to Reducing Poverty and Boosting Prosperity* https://www.worldbank.org/en/topic/financialinclusion/overview accessed 15 August 2023

World Bank 2023 https://ourworldindata.org/grapher/world-bank-income-groups
World Bank 2023 *World Bank Income Groups* https://ourworldindata.org/grapher/world-bank-income-groups accessed 7 August 2024

World Bank 2024 https://www.worldbank.org/en/publication/globalfindex/brief/financial-inclusion-in-sub-saharan-africa-overview
World Bank 2024 *Financial Inclusion in Sub-Saharan Africa—Overview* https://www.worldbank.org/en/publication/globalfindex/brief/financial-inclusion-in-sub-saharan-africa-overview accessed 8 August 2024

List of Abbreviations

AU	African Union
ADLAs	authorised dealers in foreign exchange with limited authority
AJICL	African Journal of International and Comparative Law
ATM	Automated Teller Machine
CCR	Constitutional Court Review
CIT	cash in transit heist
CODI	Corporation for Deposit Insurance
CTF	counter terrorism financing
CVV	card verification value
DTI	Department of Trade and Industry
DNFBPs	designated non-financial businesses and professions
FATF	Financial Action Task Force
FICA	Financial Intelligence Centre Act 38 of 2001
FIF	Financial Inclusion Forum
FIT	Financial Inclusion Taskforce
FIs	financial institutions
FIC	Financial Intelligence Centre
FL Rev	Federal Law Review
FNB	First National Bank
FSCA	Financial Sector Conduct Authority
FSCR	Financial System Council of Regulators
FSR Act	Financial Sector Regulation Act 9 of 2017
IEEE Access	Institute of Electrical and Electronics Engineers Access
JAL	Journal of African Law
JFC	Journal of Financial Crime
JMLC	Journal of Money Laundering Control
LJIL	Leiden Journal of International Law
MER	mutual evaluation report
ML	money laundering
NCA	National Credit Act 34 of 2005
NCC	National Consumer Commission
NCR	National Credit Regulator
NDP	National Development Plan
NFIP	National Financial Inclusion Policy
PA	Prudential Authority
PELJ	Potchefstroom Electronic Law Journal
PF	proliferation financing

PIN	personal identification number
POCDATARA Act	Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004
RBA	risk-based approach
RCRs	risk and compliance returns
SABRIC	South African Banking Risk Information Centre
SAPS	South African Police Services
SARB	South African Reserve Bank
SARS	South African Revenue Services
SDGs	Sustainable Development Goals
SMMEs	small, medium and micro enterprises
Stats SA	Statistics South Africa
TF	terrorist financing
UAE	United Arab Emirates
UN	United Nations
VBS	Venda Building Society