

the week

trend

By Lameez Omarjee

A digital platform to compare financial products

Using a single platform, South Africans can now compare products from different financial institutions in order to decide which one will best meet their financial needs.

When Michael Bowren and Christopher Ball realised that many ordinary South Africans have low levels of financial literacy and often get caught out by loan sharks and Ponzi schemes, they decided to develop a single platform that would assist consumers in finding products that could meet their financial needs.

The pair met at St Andrews in Grahamstown, where they both matriculated. Bowren, a BSc graduate, was working as a junior engineer and Ball was working for a peer-to-peer lending company when they decided to develop Fincheck.co.za. They saw a gap in the market to better allocate financial products to suit consumers' needs.

The website is modelled on UK tech start-up Moneysupermarket.com, a price-comparison website. "[Moneysupermarket.com] was saving people a lot of money, just by presenting what is out there," says Bowren.

Many people apply for the "wrong" products when it comes to finding financial products that suit their needs. For example, people who only need R300 might end up taking a much larger personal loan from a bank, unaware that there are smaller institutions that could loan them far smaller amounts. "There are a lot of smaller companies out there who do very good jobs in terms of finance and investments. They just need the platform in order to be marketed," Bowren explains.

Fincheck is a free and independent platform, connecting people to 26 different products from 106 reliable and accredited financial institutions. Only registered credit providers are presented on the platform, he says.

It allows people to sum up the costs involved in taking out any financial offering easily and quickly. Consumers therefore don't have to go to several websites to get information about the financial service or product they are researching. The Fincheck website is compatible with mobile devices as well as easy to navigate and understand, making it accessible to the majority of consumers it is targeted at.

Products range from loans (including personal and student loans), cheque accounts and debit cards, as well as foreign exchange and investment products such as unit trusts.

Household debt in SA averaged 78% of gross income in 2015, according to tradingeconomics.com, leaving households with limited disposable income to live on. Fincheck's goal is to guide the average consumer from a place of indebtedness to a stage where they are saving and, finally, where they're investing for the future, he says.



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Co-founder and CEO of
Fincheck.co.za

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How it works

Fincheck gathers information from South African lenders, banks, and debt consolidation partners and presents it on Fincheck.co.za in an independent, unbiased and transparent way, says Bowren. This allows users to compare similar financial services products on offer from different financial services institutions.

The system matches consumers' requirements to relevant products. Once the consumer has made their choice, they are linked to the financial service provider that best meets their needs. Essentially, a consumer is "two clicks away" from an application.

After applying, the consumer will deal with the financial institution directly. Fincheck is strictly an allocator, he emphasises. Consumers don't pay for the service. The financial institution pays a standard fee to Fincheck whenever a consumer chooses a product from the institution. The website is updated on a continual basis as financial institutions change their rates.

Companies looking to be presented on Fincheck can use the contact details on the website. Thereafter they will be reviewed to ensure that they are legal, registered credit providers, says Bowren.

Making South Africans money savvy

Fincheck provides extensive education on its portal to help consumers become more financially literate. There are basic information tools such as that of Imaal Life, which presents basic financial concepts like the origins of "money", "interest rates" and "debt" by using infographics and cartoon comic strips.

There are also informative tips and a blog with content ranging from saving to investing, and understanding various financial products and terms, he says.

Since its launch in November 2015, Fincheck has experienced exponential traffic growth on a month-on-month basis. It currently receives 15 000 unique page views per month.

Bowren says that, at this stage, they do not want to dilute the product too much by adding quote comparisons for other products and services: "You need to be known for what you do and you need to do that well."

Currently they're focusing on being "good" at presenting financial information and connecting with users. However, if consumers' needs change and they start enquiring about other products, Fincheck will explore other offerings.

At the moment, the team's main focus is on creating value for the end user. "We want Fincheck to be the financial shopping centre in SA – the household name where you just come on here and pick anything you like," Bowren says. ■ editorial@finweek.co.za

