



Special Press Release
FINANCIAL INCLUSION INSIGHTS
Access and Trial
Issue 2

Access and Trial: 16% Pakistanis have accessed a formal financial service in Pakistan; lack of need cited as the main reason for not using formal financial services. (InterMedia/ Gallup Pakistan)

Islamabad, September 7, 2017

According to the Financial Inclusion Insights (FII) Survey by InterMedia USA (www.finclusion.org) in Pakistan (fieldwork conducted by Gallup Pakistan), 16% Pakistanis have accessed a formal financial service in Pakistan; lack of need cited as the main reason for not using formal financial services.

For complete report on Pakistan, please click [here](#).

1. Access and Trial of Financial Services: 84% Pakistanis have never accessed a formal financial service

In 2013, only 14% Pakistanis had ever accessed any formal financial account, increasing to 16% in 2016. These percentages indicate that over a period of 3 years, only 2% more Pakistanis have been included in the formal financial sector. Among the formal financial services, banks and mobile money are the most frequently accessed services (9% each). Interestingly, 79% adult Pakistanis are aware of a point of service within 1km of their homes, but only 16% have tried to use a financial service. The latter part of this press release explains the barriers to accessing financial services.

ACCOUNT ACCESS/ TRIAL

	 NON-BANK FINANCIAL INSTITUTION	 BANK	 MOBILE MONEY AWARENESS	 NBFI, BANK AND/OR MOBILE MONEY
2013		9%	7%	14%
2014	0.2%	7%	8%	14%
2015	1%	8%	9%	15%
2016	0.4%	9%	9%	16%

Source: InterMedia Pakistan FII Tracker surveys Wave 1 (N=6,000, 15+), November 2013-January 2014; Wave 2 (N=6,000, 15+), September-December 2014; Wave 3 (N=6,000, 15+), September-October 2015; Wave 4 (N=6,000, 15+), September – October 2016
 (Field work conducted by Gallup Pakistan)



2016: Access to Financial Services by Demographics:

67% of Pakistanis with access to financial services live above the poverty line, 33% live below. 63% of Pakistanis with access to mobile money live above the poverty line, 37% live below. 73% Pakistanis with access to bank accounts live above the poverty line, 27% live below.

Poor: **Mobile money is the most frequently accessed financial service among poor**

11% of the poor have access to any financial service in Pakistan; 89% do not. 7% of the poor have access to mobile money; 93% do not. 5% of the poor have access to banks; 95% do not.

2016: ACCESS TO FINANCIAL SERVICES BY THE POOR



Any Financial Service

11%

YES

89%

NO



Bank

5%

YES

95%

NO



Mobile Money

7%

YES

93%

NO

Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

Women: **Banks are the most frequently accessed financial service among women**

7% women have access to any financial service in Pakistan; 93% do not. 2% women have access to mobile money; 98% do not. 5% women have access to banks; 95% do not.



2016: ACCESS TO FINANCIAL SERVICES BY WOMEN



Any Financial Service

7%

YES

93%

NO



Bank

5%

YES

95%

NO



Mobile Money

2%

YES

98%

NO

Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

Rural Areas: 7% each rural residents have access to mobile money and banks

13% rural residents have access to any financial service in Pakistan; 87% do not. 7% rural residents have access to mobile money; 93% do not. 7% rural residents have access to banks; 93% do not.



2016: ACCESS TO FINANCIAL SERVICES IN RURAL LOCATIONS



Any Financial Service

13%
YES

87%
NO



Bank

7%
YES

93%
NO



Mobile Money

7%
YES

93%
NO

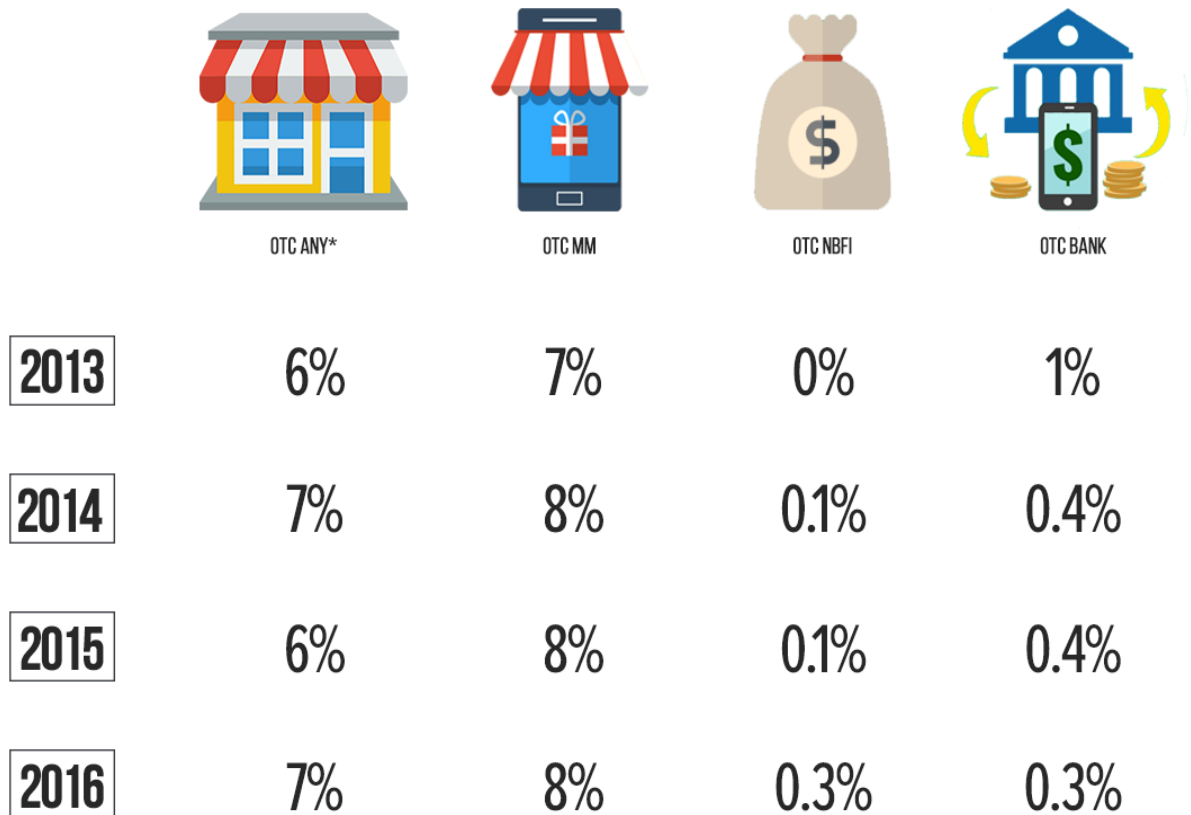
Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

2. Over-The-Counter-Use: **OTC use is driven by mobile money (8%)**

In 2013, 6% Pakistanis were using any OTC service that increased to 7% in 2016. OTC mobile money users increased to 8% in 2016. A very small segment of the Pakistani population (<1%) uses OTC NBFIs services. On the other hand, OTC bank users have decreased to 0.3% in 2016; OTC bank use was at 1% in 2013.



OVER THE COUNTER USERS



*does not include OTC mobile money users who have registered bank accounts

Source: InterMedia Pakistan Fil Tracker surveys Wave 1 (N=6,000, 15+), November 2013-January 2014;
Wave 2 (N=6,000, 15+), September-December 2014; Wave 3 (N=6,000, 15+), September-October 2015; Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

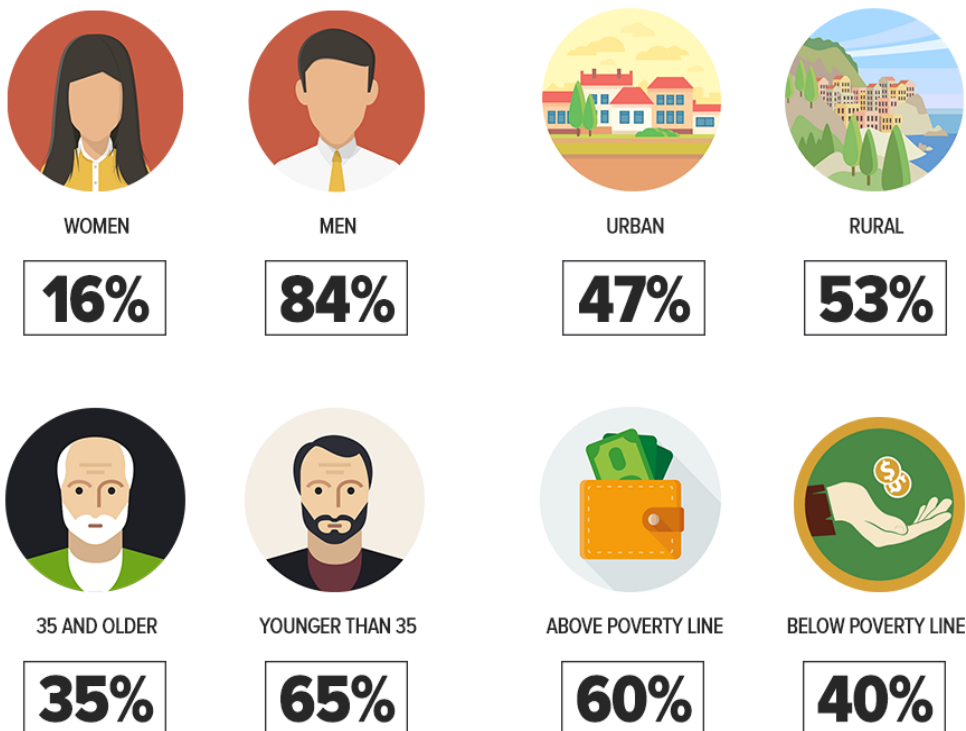
OTC Users of Any Financial Service by Demographic: **OTC users tend to be male (64%), rural (53%), young (35%) and live above the poverty line (60%)**

In 2016, 84% of OTC users were male; only 16% were females. 60% of OTC users were above the poverty line, while 40% were below the poverty line. Majority OTC users (53%) tend to be rural dwellers, 48% reside in urban areas. Youth (younger than 35 years) dominate OTC use (65%); only 35% above 35 years of age are OTC users.



2016: OTC USERS OF ANY FINANCIAL SERVICE, BY DEMOGRAPHIC

(Shown: Percentage of Pakistani adults who accessed any financial service over the counter, n= 411)



Source: InterMedia Pakistan Fil Tracker surveys; Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

3. Reasons for Using Mobile Money: **Peer-to-peer money transfer drives mobile money use as cited by 92% Pakistanis**

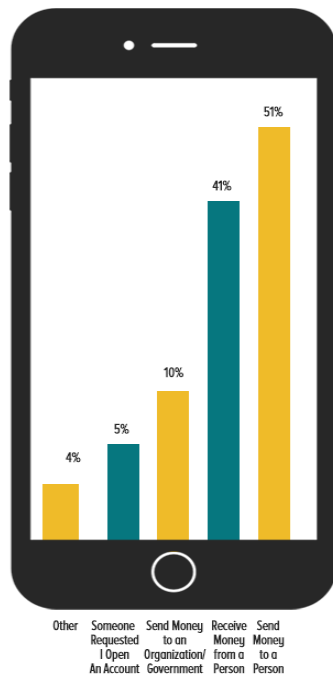
51% Pakistanis cite sending money to another person as the main reason to start using mobile money, followed by 41% who cite receiving money from another person. A further 10% cite sending money to an organization / government, 5% say someone requested I open an account, while 4% say other reasons.



2016: MAIN REASON TO START USING MOBILE MONEY

(Shown: Percentage of Pakistanis adults with access to mobile money, n=505)

What is the main reason you started using mobile money?



Source: InterMedia Pakistan Fil Tracker survey Wave 4 (N=6,000, 15+), September – October 2016

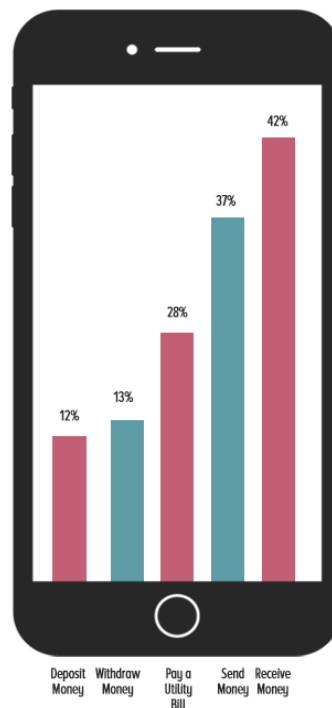
Among mobile money users, 42% cite receiving money as the top use of mobile money, followed by 37% who say sending money. Other frequent uses include bill pay as reported by 28%, withdrawing money (13%) and depositing money (12%).



2016: TOP USES OF MOBILE MONEY AMONG MOBILE MONEY USERS

(Shown: Percentage of Pakistanis adults with access to mobile money, n=505)

Have you ever used a mobile money account to do the following...?



Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016

4. Barriers to Access: Banks and Mobile Money: **Lack of need cited as the main reason for not opening a bank account or using mobile money.**

84% Pakistanis are without access to financial services in Pakistan and cite low perceived need for financial services as the most frequent reason for not opening a bank account or using mobile money.

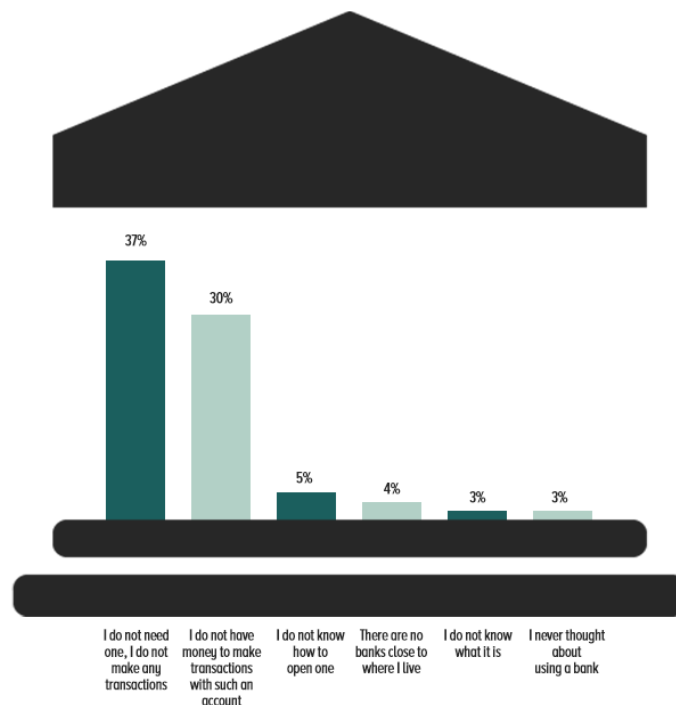
Of these 84% Pakistanis, 37% Pakistanis cite lack of need as the main reason for not opening a bank account, followed by 30% who say they do not have enough money to make any transactions with a bank account, while 5% did not know how to open a bank account. Moreover, 4% said there are no banks in their vicinity and 3% each said they did not know what a bank is and they never thought about using a bank.



2016: MAIN REASON FOR NOT OPENING A BANK ACCOUNT

(Shown: Percentage of Pakistani adults without bank accounts, n=5,405)

What is the main reason you do not have a bank account?



Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

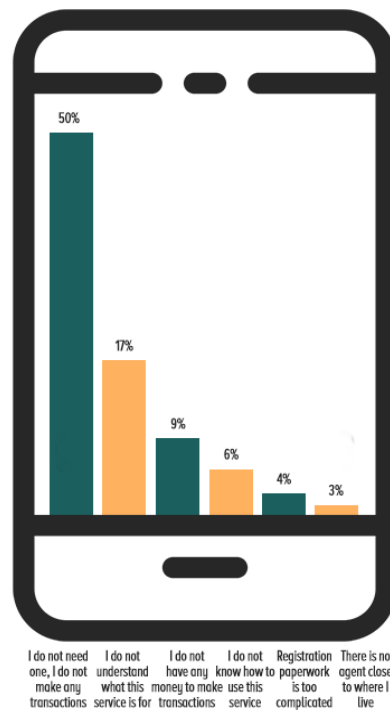
Of these 84% Pakistanis, 50% Pakistanis cite lack of need as the main reason for not using a mobile money service, followed by 17% who say they do not understand the service, while 9% cite lack of money to make the transaction. Moreover, 6% said they do not know how to use the service, 4% quote registration paperwork is complicated and 3% say there is no agent in their vicinity.



2016: MAIN REASON FOR NOT OPENING A MOBILE MONEY ACCOUNT

(Shown: Percentage of Pakistani adults without mobile money accounts, n=4,042)

What is the main reason you have never used mobile money services?



Source: InterMedia Pakistan Fil Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

5. Barriers to Accessing Banks: Significant differences in how men and women experience barriers to bank access

Breakdown by Poverty Level: 4% more Pakistanis below the poverty line cite reported not having enough money to make any transactions as the main reason for not opening a bank account compared to those living above the poverty line

36% below the \$2.5/day poverty line cite lack of perceived need as the main reason for not opening a bank account, followed by 32% who quote they do not have enough money to make any transactions and 7% cite lack of knowledge on how to open a bank account. On the other hand, 38% above the \$2.5/day poverty line cite lack of perceived need as the main reason for not opening a bank account, followed by 28% who quote they do not have enough money to make any transactions, while 4% cite lack of knowledge on how to open a bank account.



Rural Urban Breakdown: **No significant difference in how rural and urban residents experience barriers to bank access**

36% in urban areas cite lack of perceived need as the main reason for not opening a bank account, followed by 31% who quote they do not have enough money to make any transactions, while 5% cite lack of knowledge on how to open a bank account. On the other hand, 38% in rural areas cite lack of perceived need as the main reason for not opening a bank account, followed by 29% who quote they do not have enough money to make any transactions, while 6% cite lack of knowledge on how to open a bank account.

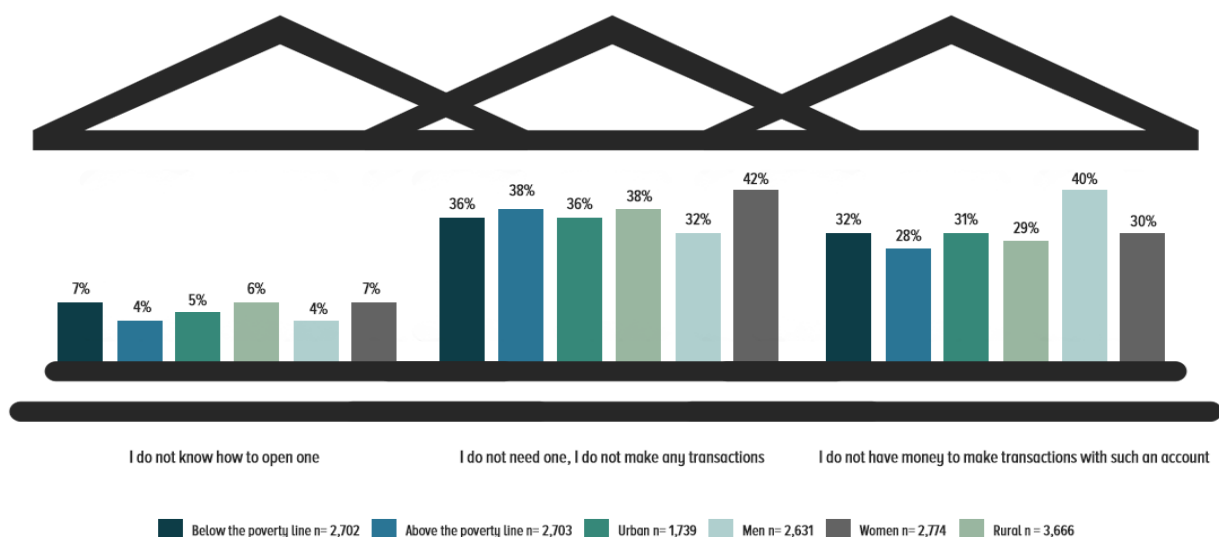
Gender Breakdown: **10% more males than females cited not having enough money as the main reason for not being able to access banks; while 10% more females cite lack of perceived need**

32% males cited lack of perceived need as the main reason for not opening a bank account, followed by 40% who quote they do not have enough money to make any transactions, while 4% cite lack of knowledge on how to open a bank account. On the other hand, 42% females cited lack of perceived need as the main reason for not opening a bank account, followed by 30% who quote they do not have enough money to make any transactions, while 7% cite lack of knowledge on how to open a bank account.

2016: MAIN REASON FOR NOT OPENING A BANK ACCOUNT

(Shown: Percentage of Pakistani adults without mobile money accounts, n=4,042)

What is the main reason you do not have a bank account?



Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)



6. Barriers to Accessing Mobile Money: Across all demographics groups, reasons for not using mobile money are more homogenous than reasons for not using banks

Breakdown by Poverty Level: 9% more Pakistanis below the poverty line reported not understanding what mobile money service is as the main reason for not using mobile money

49% below the \$2.5/day poverty line cite perceived lack of need as the main reason for not using mobile money, followed by 22% who quote they do not understand what this service is for and 8% cite lack of money. On the other hand, 50% above the \$2.5/day poverty line cite perceived lack of need as the main reason for not using mobile money, followed by 13% who quote they do not understand what this service is for and 10% cite lack of money.

Rural Urban Breakdown: 6% more rural residents cited perceived lack of need as the main reason for not using mobile money

46% in urban areas cite perceived lack of need as the main reason for not using mobile money, followed by 18% who quote they do not understand what this service is for and 9% cite lack of money. On the other hand, 52% in rural areas cite perceived lack of need as the main reason for not using mobile money, followed by 15% who quote they do not understand what this service is for and 9% cite lack of money.

Gender Breakdown: 7% more men than women cited lack of money as the main reason for not using mobile money

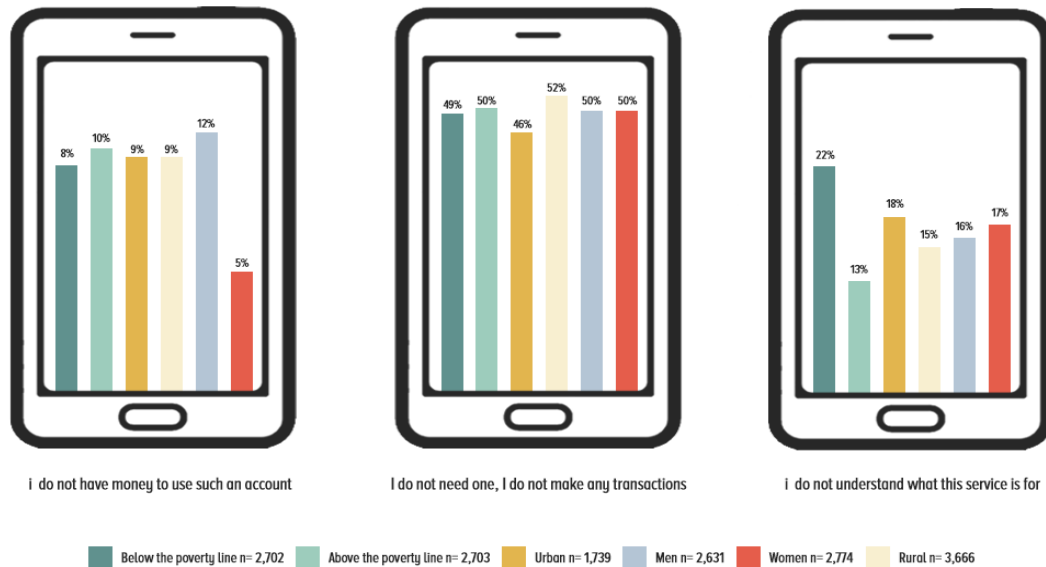
50% males cite perceived lack of need as the main reason for not using mobile money, followed by 16% who quote they do not understand what this service is for and 12% cite lack of money. On the other hand, 50% females cite perceived lack of need as the main reason for not using mobile money, followed by 17% who quote they do not understand what this service is for and 5% cite lack of money.



2016: MAIN REASON FOR NOT USING MOBILE MONEY

(Shown: Percentage of Pakistani adults without mobile money, by demographic)

What is the main reason you have never used mobile money services?



Source: InterMedia Pakistan FII Tracker survey Wave 4 (N=6,000, 15+), September – October 2016
(Field work conducted by Gallup Pakistan)

The Survey findings are from FII series which aims to provide demand-side insights into consumer's financial behaviors, and identify pathways so those most in need have the financial tools necessary to improve their economic stability. The survey was conducted among a sample of 6000 men and women in both rural and urban areas across the four provinces in the country. For more details, please visit international website: <http://finclusion.org/>

Introduction to the series on Financial Inclusion Research:

This press release is part of a special series that aim to foster an empirical understanding of financial inclusion in Pakistan and that hopes to create a collaborative network of individuals working on the topic. Before starting any conversation on developing a methodology of increasing financial inclusivity in Pakistan, it is vital to be aware of the perceptions that the general public has with regards to banks, other formal financial institutions as well as individual and household decisions on financial matters.

Furthermore, this analysis can also help in producing consumer insight to support product and service development and delivery.

For more survey data on social and other issues see website www.gallup.com.pk

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