By Sorin Suciu, Mobile Editor

Vodafone, Safaricom and Western Union Collaborate for International Money Transfers

At first sight, a highly successful business opportunity for all involved parties

Not at all surprisingly, Vodafone is jumping at any business opportunity it sees, trying to make the most of it. After teaming up with Safaricom and Western Union, Vodafone revealed that the companies were involved in the development of a system that would allow Mobile Money Transfers between the U.K. and Kenya, with the transfers to be completed in a matter of minutes.

Such an initiative was possible mostly thanks to Vodafone's M-PESA service, which has been growing in popularity, having reached a certain "social status" of sorts in Kenya. Safaricom, which has also built up quite an impressive 4 million client base in a little over a year and half, agreed to join Vodafone in the initiative, as expected. Coming to "fill in the ranks," Western Union, a company recognized and respected worldwide for its cross-border remittances, also joined the partnership.

For the time being, the first attempt in this sense will be just a pilot, meant to show all three involved companies the potential of such an action. Considering the fact that, lately, there have been many migrant workers, especially in the U.K., sending remittances back home, this creates the opportunity for a situation in which all sides can benefit. On top of that, in a country like Kenya, where very few people have bank accounts but there are over 10 million mobile subscribers, most with Safaricom, it seems that all the requirements have been met.

Nick Hughes, Head of International Mobile Payments for Vodafone, had this to say regarding the initiative: "The successful take-up of M-PESA in Kenya has clearly demonstrated the demand for easily accessible, secure cash payment services in emerging markets. [...] Our partnership with Western Union allows M-PESA subscribers to receive international remittances and builds on the demand we have already seen domestically in Kenya."

"This program aligns a global leader in money-transfer services, the world's largest mobile operator group, and arguably one of the most impressive success stories in mobile money. [...] In offering M-PESA users the opportunity to receive funds from abroad for the first time, these three companies are changing the way money moves around the globe." Matt Dill, Senior Vice President, Western Union Digital Ventures, also said.

Also speaking about the joint venture, Michael Joseph, CEO of Safaricom, said as follows: "This is another great step for M-PESA and will benefit many Kenyans all over the world. International remittances form a significant part of the total income for some Kenyans, and the partnership with Western Union will provide Kenyans with an opportunity to receive small values of cash from abroad in a fast, safe and affordable way."

In order to mark its contribution to the venture, Western Union will allocate its Reading and Berkshire locations in the U.K. for this pilot, and will guarantee the safe and correct "passage" of the remittances to their destinations. All that is left now, meaning, making sure that such transactions take place in no more than a few minutes, will be Safaricom's contribution. On a final note, should this pilot turn out to be a success, the Kenyan population will be able to make use of all the 4,000 M-PESA agents available.

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