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The use of Financial Technology to improve Financial Inclusion in the Funeral Insurance industry in South Africa.

Sean Naidoo

2553451

sean.naidoo@absa.africa - 0832762919

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KEYWORDS

Digital Transformation

Financial Inclusion

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1 Abstract

This research examines the role of financial technology (FinTech) in improving financial inclusion (FI) within the South African funeral insurance industry, focusing on enhancing access, usage, and quality of financial services products. The study addresses challenges faced by the industry, including limited access to cost-effective funeral insurance, low levels of financial literacy, and consumer protection concerns. Employing a quantitative approach, the research surveyed Absa Insurance staff in operational and change management roles within Gauteng to assess the extent to which FinTech aids the FI mandate in this sector.

Findings reveal a growing acceptance of digital technologies and a positive perception of FinTech's impact on accessibility and ease of use. Key factors influencing adoption include user-friendly design, availability of educational resources, and product variety. However, challenges persist, notably the digital divide affecting rural and low-income individuals, and concerns regarding cybersecurity and regulatory adequacy. The study indicates FinTech's potential to streamline the claims process and enhance financial literacy.

The research concludes that while FinTech offers significant transformative potential for FI in the funeral insurance sector, its successful implementation requires addressing user trust, regulatory frameworks, and digital literacy gaps. Recommendations include prioritizing user-centric design, bridging the digital divide, enhancing regulatory compliance and transparency, streamlining claims through automation, and promoting financial education. A collaborative approach among stakeholders is essential to harness FinTech's capabilities for a more inclusive financial ecosystem in South Africa.

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LIST OF ACRONYMS

Acronym	Description
ASISA	The Association for Savings and Investment South Africa
ATMs	Automated Teller Machines
EU	European Union
FAIS	Financial Advisory and Intermediary Services
FI	Financial Inclusion
FINTECH	Financial technology
FSCA	Financial Services Conduct Authority
INSURTECH	Insurance Technology
NDP	National Development Plan
NGOs	Non-Governmental Organisations
OECD	Organization for Economic Cooperation and Development
Ombud	Ombudsman
TCF	Treating Customers Fairly

2 INTRODUCTION

2.1 Statement of purpose

The purpose of this research is to examine the role of financial technology (FinTech) towards improving financial inclusion (FI) within the South African funeral insurance market to improve access, usage and quality of financial services products. Through a quantitative research approach, the study will investigate the extent to which the funeral insurance industry is delivering on the South African FI agenda and assess whether the use of FinTech is aiding FI in meeting its mandate in the funeral insurance sector. The research focuses on the perceptions of funeral insurance policyholders who are based in the province of Gauteng, in South Africa.

According to the FSCA (Financial Sector Conduct Authority) , the view of FI has evolved and intensified over time and differs across areas. The Alliance for Financial Inclusion (AFI) notes that countries should develop a concise and clear definition of what FI means relevant to their national context. The National Treasury financial inclusion policy in South Africa, defines FI as the use and delivery of affordable, regulated, and suitable financial services by the population of society where financial services are needed but not provided or are ineffectively provided. The Financial Sector Regulator (FSR) Act defines FI to mean that all persons have fair and timely access to appropriate and affordable financial products and services. From these definitions, it is notable that FI is broader than simple access but also considers the use and appropriateness of products and services. The assessment and monitoring of FI can therefore be considered in three dimensions, which will be referred to in this study, namely:

- ***Access,*** which speaks to the ease with which a consumer can obtain financial services which includes the electronic or physical reach of the service as well as affordability of the said financial service.
- ***Usage,*** which speaks to both the uptake of appropriate and needed products and services and the subsequent consumption of these products.
- ***Quality*****,** refers to the experience the consumer has when acquiring and during the use of the financial service. This includes the market conduct aspect, treating

customers fairly and equitably and includes client awareness and financial literacy.

2.2 Background of the study

An innovative force has emerged in the form of Fintech within the financial sector. This innovation represents the convergence of information technology, innovation, and the financial industry (Giglio, 2021). This study seeks to contribute to the existing literature on FI and FinTech in South Africa by exploring the potential of FinTech to promote FI in the funeral insurance industry. Many South Africans lack access to the traditional banking system and are unable to access the financial tools that can improve their lives. With the rising popularity in mobile phones in South Africa, there is an opportunity for Fintech solutions to drive access and usage of financial service products (Djoufouet et al., 2023). Given the significant potential of FinTech to enhance FI, there is a need to examine the role of technology in the funeral insurance sector in South Africa.

A sound reinsurance and insurance system are a crucial characteristic of economic growth (Akinlo and Apanisile, 2014). The International Monetary Fund (2022) stated that the South African insurance market is an important pillar of the financial sector, as it accounts for 18% of the sector. The funeral insurance industry particularly has emerged as a significant player in the financial services sector, especially in providing coverage for low-income households. Henderson and Prinsloo (2021) mention that funerals are big business in South Africa, ranking amongst the top five countries worldwide for the most expensive country to die. “The average cost of a funeral in South Africa is about R26, 875, which is 13% of the average South African annual salary according to the latest figures from the OECD Better Life Index (Auto and General, 2022).

However, despite the growing importance of the funeral insurance industry, there are still considerable gaps in terms of FI, with millions of South Africans still unbanked or underbanked. South Africa has made satisfactory progress in improving access to financial service products, where a considerable number own bank accounts, however active usage of these bank accounts remains low (FSCA, 2022). A 2021 Finscope survey found that in South Africa, 40% of dormant bank accounts belonged to low-income households FSCA, 2022).

2.3 Research problem

The South African industry is a crucial role player in the provision of funeral protection cover to bereaved families, this industry however faces difficulty in achieving FI. These challenges include limited access to cost effective funeral insurance, reduced levels of financial literacy among consumers, and concerns prevail around consumer mis-selling practices. While Fintech offers the potential capability to address these challenges, its actual impact on FI in the funeral insurance industry is not fully understood and remains unclear.

2.4 Research questions

Treating Customers Fairly (TCF) deals with the rights that consumers have in the South African market. The FSCA in South Africa clarifies that TCF is an outcomes-based regulatory and supervisory approach which ensures that regulated financial institutions, in this case Life Insurers, treat their customers in a fair manner (FSCA, 2023,pg 55). The six TCF outcomes are as follows:

1. “Customers can be confident they are dealing with firms where TCF is central to the corporate culture”.
2. “Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly”.
3. “Customers are provided with clear information and kept appropriately informed before, during and after point of sale”.
4. “Where advice is given, it is suitable and takes account of customer circumstance”.
5. “Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect”.
6. “Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint.”

The research questions posed focus on the fairness and the financial inclusive nature of the products and services that funeral insurers offer their market.

1. Research Question 1: How do customers access funeral insurance products?

2. Research Question 2: How does the use of Fintech impact customers' perception of the ease of claiming their funeral product?
3. Research Question 3: What is the impact of Fintech on customers' financial literacy regarding their funeral insurance product?

2.5 Rationale

This research is significant for a number of reasons. Firstly, it addresses a gap in existing literature by looking at the role of Fintech in promoting FI in the funeral insurance industry in South Africa. While there are previous studies exploring the broader impact of Fintech of FI, there is a lack of research on its impact in the funeral insurance sector. This study will contribute to the growing body of knowledge in this area and will provide key insights for stakeholders in the insurance sector, policymakers and Fintech companies. Secondly, the research findings will provide practical implications for funeral insurance industry. Insurance providers will be able to develop more effective solutions to reach and serve more of the South African population by understanding the factors that influence the adoption and usage of Fintech. The study will contribute to the South Africa government’s national agenda of promoting FI. This can inform policy interventions and regulatory frameworks through the understanding of the challenges and opportunities of using Fintech in the funeral insurance industry.

2.6 Delimitations of the study

I. **Geographical Scope:** The study will focus on funeral insurance policyholders based in the Gauteng province of South Africa.
II. **Product Scope:** The research will only consider funeral insurance products sold by South African insurance institutions.
III. **Participant Scope:** The study will target Absa Insurance staff within the Absa Group.

2.7 Definition of terms

Digital Transformation – The process of adoption and implementation of digital technology by an organisation to create new or modified existing product, services and operations (Plekhanov et al.,2022).

Financial Inclusion (FI) – is defined as the availability and equality of opportunities to access financial services (World Bank, 2024).

FinTech – Computer programmes and other technology used to support or enable banking and financial services (Arner et al., 2015).

2.8 Assumptions

a) Respondents will have a funeral policy and have experienced the claims process at some point in their life.
b) The respondents will be authentic and honest in their responses.

2.9 Chapter Outline

Chapter 1 presents the purpose of the study, the context of the research, the research problem, the research objectives, the significance of the study and the delimitations. The chapter also defines the terms used in the report and discusses the assumptions made regarding the study.

The literature review is presented in Chapter 2 including a FinTech review, and unpacking of the South African funeral insurance industry, as well as FI previous studies. A conceptual model is introduced to demonstrate how FinTech can be used to improve FI.

Chapter 3 details the process to conduct the research. The research approach, the research design, data collection methods, population and sample and research instrument are discussed. The data collection procedure, data analysis and interpretation, limitations of the study, validity and reliability, demographics of the respondents and ethical considerations are also outlined.

Chapter 4 and 5 presents and discusses the research findings.

Chapter 6 concludes the research with the relevant recommendations from the study outcome. Other recommendations are made for probable future research based on research feedback.

3 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

3.1 Introduction

The concept of financial inclusion (FI) is central to poverty alleviation and economic advancement in South Africa. By facilitating access to essential financial services – including insurance, banking products, credit facilities, and investment opportunities – the financial services industry empowers individuals and households to achieve effective financial management. This empowerment fosters the ability to safeguard assets against financial shocks and make informed investment decisions, ultimately contributing to a more resilient and prosperous society (Howson & Mncube, 2022).

In the case of South Africa, financial exclusion still exists as a major challenge, like many other developing countries where the opportunity for the citizens to access formal and effective financial services remains a challenge with limited access opportunities. Households with unemployed individuals tend to have little or no insurance and are impacted by income shocks, which could lead to these households being financially excluded (Ozili, 2021). The financial burden of healthcare and unexpected events is particularly challenging for low-income households, often leading to financial ruin. Funeral insurance is a significant product in Southern Africa, offering crucial protection for families after the loss of a loved one. However, the lack of access to funeral insurance remains a pressing issue, contributing to poverty and inequality in South Africa. The high cost of financial services, including funeral insurance, is a major barrier to financial inclusion for many South Africans. A main issue plaguing the financial services industry is the high costs of its financial services which creates accessibility challenges for many South Africans. There is also the lack of financial literacy and digital skills that impact the average South African, and this limits the use of digital financial services to access financial services products that are available (Finmark Trust, 2020).

The concentration of the South African banking industry and the low competition in the financial services sector further contributes to the lack of access to financial services (Financial Sector Conduct Authority, 2021). FinTech refers to the utilisation of technology in the forms of mobile devices, digital platforms, and blockchain to provide financial services and drive financial access (World Bank, 2018). The advent of FinTech

offers an encouraging solution to improve and drive financial services access and reduce costs to serve within the South African funeral insurance market (Oba et al., 2022). Quresh et al. (2023) explains how fintech can address limitations like geographical constraints, high costs, and lack of traditional banking infrastructure, all of which contribute to financial exclusion.

This literature review aims to explore the utilisation of fintech to enhance financial inclusion in South Africa's funeral insurance industry by evaluating financial inclusion in South Africa, the funeral insurance industry in South Africa, and the role of fintech in improving financial inclusion in this sector. The research questions which the literature review will address are:

- What is the level of ease with which customers can access funeral insurance products, whether through electronic or physical means, using Fintech? (Access)
- How does the use of Fintech impact customers' perception of ease of claiming their funeral product? (Usage)
- What is the impact of Fintech on customers' financial literacy regarding their funeral insurance product? (Quality)

3.2 Digital Transformation and its relationship with FI

The digital transformation landscape in the financial sector has made substantial strides, garnering significant interest from researchers. Multiple studies have been undertaken to understand the seamless integration of digital technologies into sophisticating customer experiences and financial processes. A study by Mavlutova et al. (2022) comprehensively scrutinized several perspectives of digital transformation within the financial services sector. In their study, researchers and experts concur that digital transformation involves the seamless integration of digital technologies to improve internal processes, lift customer experience agendas, and positively develop business models. This common viewpoint validates the critical role that digital transformation plays in moving financial services institutions towards sustainable development. Another study by Petrikova and Kocisova (2024) focusing on digital payments within the EU (European Union) noted that digital payment adoption fluctuated and varied across EU

countries, pointing to the possible impact of income levels and the delicate relationship between FI and operational efficiency. The research concludes that digital transformation can significantly lift financial and operational risk. It does, however, point out that digital transformation and its impact on financial processes is not a one-size-fits-all and that various regions have differing contexts, as could be observed across the various EU countries within the study. Having said this, another study carried out in the Sub-Saharan African market by Kouladoum et al. (2022) reveals a link between digital technology and financial inclusion. Despite the capability of digital technology, this study's data indicates that digital financial inclusion in Sub-Saharan Africa has not yet reached its peak. The study placed emphasis on the significance of developing financial and technological infrastructure while promoting the importance of financial literacy. This is particularly key in Sub-Saharan African markets that have a high level of marginalized populations.

Another study of the Peruvian banking sector by Ayllon (2020) unpacked the potential of digital transformation in this market focusing on a particular fintech solution, the BIM mobile wallet, which targets the unbanked segment of the population. This study concluded that fintech has huge transformative potential in reaching unbanked individuals thereby allowing for these unbanked individuals entry into formal financial services. Despite this however, the study sighted the entrenched cash culture and low digital accessibility faced by the unbanked, calling for a more conducive digital policy environment and requesting for a bridging of the gap between traditional financial habits and digital financial services. Egypt on the other hand, has placed a high emphasis on financial inclusion within its 2030 government sustainable development strategy. Research by Hussein (2020) mentions that focus was placed on the critical role that governments must play in striking a balance between adopting fintech and tangibly addressing challenges posed by the lack of financial literacy, cash culture and general financial services accessibility barriers. A particular finding raised in this study, is a lack of a clear vision and compelling strategy for financial inclusion in Egypt. The absence of this strategy points to the need for more collaboration amongst government and its stakeholders to get a better understanding of the role of the informal economy as a stumbling block to digital adoption. Despite its challenges, the study found that fintech start-ups are thriving in Egypt, primarily driven by strong internet presence and higher mobile phone penetration rates. Empirical analysis within the study however place

Egypt's financial inclusion levels lower than other African and Arab countries. Egypt will need to create a multi-faceted approach that includes tackling of regulatory constraints incubation, and the elevation of the financial literacy agenda in the country. Agreeably Arner et al. (2020) suggests a compelling strategy for fintech's transformative potential, with a focus on four fundamental pillars. This study was conducted in the context of the UN's sustainable development goals. The first pillar emphasized the need for a resilient digital identity and the improved efficiency in the know your customer mechanism, which is crucial when including marginalized populations into financial services agendas. The importance of open and interoperable electronic payment systems, which allow for straight-through and efficient transactions across diverse financial services providers, is the focus of the second pillar. The third pillar places emphasis on the efforts of integrating digital financial services with government initiatives, while the fourth pillar envisions a sophisticated digital financial market system that enables individuals and businesses to access finance and investment opportunities. Crucially, these pillars allow for a comprehensive strategy that places emphasis on the mutually beneficial relationship between fintech, financial inclusion, and sustainable development.

3.3 Digital Adoption of Fintech

Barriers to Adoption: Several studies have identified barriers to the adoption of fintech, particularly in the context of developing countries. These barriers include:

- Limited digital literacy and financial literacy: Many individuals lack the necessary skills and knowledge to use digital financial services effectively (Akande et al., 2023).

- Lack of trust in digital platforms: Concerns about security, privacy, and fraud deter some individuals from using fintech services (Lin & Chen, 2020).

- Limited access to digital infrastructure: In many rural areas, access to reliable internet connectivity and digital devices is limited, hindering the adoption of fintech (Simatele & Maciko, 2022).

- Cultural and social barriers: In some communities, there may be cultural or social norms that discourage the use of digital financial services (Mende et al., 2020).

Strategies to Promote Adoption: To overcome these barriers and promote the adoption of fintech, several strategies have been proposed:

- Improving digital and financial literacy: Educational programs and initiatives can help individuals develop the skills and knowledge needed to use digital financial services effectively (Bire et al., 2019).

- Building trust in digital platforms: This can be achieved through transparent communication, robust security measures, and consumer protection regulations (Arner et al., 2020).

- Expanding access to digital infrastructure: Investments in internet connectivity and affordable digital devices can make fintech services more accessible to underserved populations (World Bank, 2019).

- Addressing cultural and social barriers: Engaging with local communities and tailoring fintech solutions to their specific needs and preferences can help to overcome cultural and social resistance to digital financial services (Mende et al., 2020).

Digital transformation has led to a profound shift in financial services landscapes. The convergence of digital technologies and financial inclusion offers highly transformational possibilities across the globe for financial services. The above studies heighten the importance of robust policy initiatives, multi-faceted strategies, and the use of innovative technology in harnessing the power of digital transformation, which can lead to a more sustainable and inclusive financial future for the world's population.

3.4 FI in South Africa

A report by the National Treasury of South Africa (2023) defines FI as a state where individuals possess the ability to access and effectively utilize a diverse range of high-quality financial products and services offered by regulated financial service providers. In the South African environment, this definition specifically targets historically excluded segments of the population who have been marginalized from the formal financial sector, together with those who currently underutilize available financial products and services. The report further mentions that it is acknowledged that even with a comprehensive

offering of quality financial products, full accessibility for all individuals may not be achievable.

FI, therefore, advocates for the development of mutually beneficial and sustainable financial products and services that cater to the specific needs of the target population. The report also emphasizes the importance of fostering an enabling environment that encourages innovation, competition, and the diversification of product development and delivery channels among regulated financial service providers.

FI is fast becoming one of the most attractive topics at the global level with policymakers, governments and financial institutions committing to invest more time and understanding in getting to provide better solutions to their citizens (Mhlanga et al., 2021). South Africa is one of Africa's larger economies and its financial services market is the most developed. While South Africa has made significant strides in driving financial services access over the past decade, the access to financial services remains unequal with specific disparity between the different socio-economic groups in the country. According to the World Bank (2019) there is a significant 31% of South African adults that are financially excluded which means that they do not have access to formal financial services. People living in rural areas and low-income households are most at risk according to the World Bank. Access to financial services is not only influenced by the level of financial literacy it also is influenced by the level of income, distance from banking institutions, age, marital status, gender, size of the household, and education that have a huge impact on the decision to access financial services (Noor et al., 2020).

Several studies have been carried out in the past to determine the role of FI in promoting economic development and its ongoing role in actively reducing the poverty status of South Africans. A study by Mathebula and Sheefeni, J. (2022) looked at the impact the relationship between FI and macroeconomic stability in South Africa. The study found that FI had a great benefit in maintain macroeconomic stability, while also having an extended impact on other economic growth and development, this further included the boosting of economic growth, and driving the improvement of living of South Africans, and eradicating poverty.

Another study by Mhlanga and Denhere (2020), examined the factors that influence FI in South Africa. This study found that several different factors influence FI in South

Africa, these include, age, education level, the total salary proxy of income, race, gender, and marital status. According to the study it further found that the promotion of FI and its importance among low-income households was driven by friends, family, and social networks.

A study by Akande et al., (2023) investigated the impact of financial literacy on FI in the Eastern Cape of South Africa, it found that financial literacy is essential for FI and sustainable livelihoods. Financial literacy can significantly influence access and quality to financial products. The study further found that driving financial literacy beyond basic financial education has become necessary given that it can drive uptake of more financial products and services. In essence, the need for improved financial literacy could drive policy direction in South Africa, specific to the impact of financial literacy on FI.

Although the number of unbanked adults has decreased in South Africa, there's still a significant portion of the population excluded. Roughly 3.6 million adults lack access to formal financial products and services in South Africa (South African National Treasury, 2023). In a study conducted by Simatele and Maciko (2022), which explored the challenges of FI in rural South Africa, sentence recognized the important role financial literacy plays in enabling informed financial decision-making. The study suggests that financial education programs need to be culturally relevant and address the specific needs of rural communities to be most effective in promoting FI.

Through numerous inputs and collaboration of different stakeholder such as National Treasury, South African Reserve Bank (SARB), FSCA, Non-Governmental Organisations (NGOs) and private sector organisations, the South African government has implemented a few policies, and a comprehensive approach aimed at improving FI. Mentioned below, are the key policies and initiatives that have been implemented to reduce financial exclusion:

- Microfinance Regulatory Council: The Microfinance Regulatory Council was established in 2005 to regulate and supervise microfinance institutions in South Africa. The council is responsible for ensuring that microfinance institutions are providing affordable and accessible financial services to low-income households and individuals (South African Reserve Bank, 2016).

- National Credit Act: The National Credit Act was introduced in 2007 to regulate the credit industry and protect consumers from unscrupulous lending practices. The act includes provisions aimed at promoting responsible lending, such as affordability assessments, credit limits, and disclosure requirements (South African Reserve Bank, 2016).
- National Strategy for Financial Inclusion: In 2012, the South African government launched the National Strategy for FI. The strategy aims to increase FI by promoting access to appropriate and affordable financial services, products, and information. It also aims to enhance financial literacy among low-income households and individuals, and to support the development of innovative financial products and services (South African Reserve Bank, 2016).
- The National Development Plan (NDP): The NDP, which was launched in 2012, is a blueprint for South Africa's development over the next two decades. One of its key objectives is to ensure that all South Africans have access to affordable financial services. To achieve this objective, the NDP recommends several measures, including the establishment of a comprehensive credit reporting system, the development of new financial products to meet the needs of low-income households, and the promotion of financial literacy and consumer protection. (Government of South Africa., 2012).
- Social Grants: The South African government provides a range of social grants to low-income households, including child support grants, old-age pensions, and disability grants. These grants provide a basic income to millions of South Africans and help to reduce poverty and promote FI (South African Reserve Bank, 2016).
- The Financial Sector Charter: A broad-based black economic empowerment (B-BBEE) framework that seeks to promote transformation in the financial sector. The charter includes a few initiatives aimed at improving FI, including the establishment of a financial literacy program for low-income households and the promotion of financial education and consumer protection (South African Reserve Bank, 2016).
- The Financial Sector Code: A set of guidelines that seeks to promote transformation in the financial sector, including improving FI. The code requires financial institutions to take active steps to promote FI, including developing new

products and services to meet the needs of low-income households and investing in financial education and consumer protection initiatives (Financial Sector Code, 2018).

- The Financial Sector Conduct Authority (FSCA): A regulatory body that is responsible for supervising and promoting the conduct of financial institutions in South Africa. The FSCA has a mandate to promote FI and consumer protection in the financial sector. It does this by setting regulatory standards and guidelines for financial institutions, monitoring compliance with these standards, and taking enforcement action where necessary (Financial Sector Conduct Authority, 2023).

These policies have been instrumental in expanding access to financial services in South Africa, particularly among low-income households and individuals. As per the World Bank (2018), despite the potential of fintech to improve FI, significant challenges persist, including high levels of inequality and poverty, limited financial literacy, and the prevalence of informal and unregulated financial services. To address these challenges, further policy interventions and innovative solutions are needed.

3.5 The South African funeral insurance industry

The South African funeral insurance industry is a critical sector in the country, with a significantly high portion of the citizens relying on funeral cover to carry the growing cost of funerals. According to a report by the FSCA, around R8.3 billion rand in premiums was generated by the funeral industry in South Africa on around 8.5 million active policies (FSCA, 2019). An estimated 80 to 90% of black South African’s have funeral insurance policies.

Micro-insurance is acknowledged as one of the mechanisms through which to reduce the vulnerability of the low-income segment because planning and insuring risk can assist in maintaining financial confidence in the face of significant vulnerability. Funeral insurance is the most established form of micro-insurance in South Africa. It provides benefits intended to cover funeral costs and various expenses. The benefit may be provided in various forms but usually tends to be paid in the form of cash to be used for a funeral or the managing of the funeral itself (Nzembela and Mazambani, 2019). Although it shares a lot of characteristics with life insurance, funeral insurance is

particularly different. The benefit of a funeral policy is prescribed for the sole use of funeral expenses, whereby life insurance is not limited to this prescription (Strijdom, 2020). Funeral insurance is a significant product in the South African insurance market, but several challenges are faced by the industry which includes limited financial services access, limited consumer protection and low levels of financial literacy (Akande, 2023). The challenges have had a significant contribution to fraud in the funeral industry where fraudulent funeral insurance schemes have contributed to declining customer trust in the funeral insurance industry. A South African funeral insurance market view report by Mitchell (2022), exploring the factors that impacted consumers' purchase of funeral insurance in South Africa found that most funeral policies sold will not persist beyond their first year, with a quarter of them lapsing before the first premium is received. Although affordability was a great contributor to this, the report also found that payment method and flexibility was also a factor. Customers sought greater payment flexibility and diverse payment methods to the payment of premiums. Limited distribution channels and barriers were also factors that influenced funeral insurance sales. According to the report, most consumers prefer engaging with providers and administrating policies through digital means although a lack of trust in purchasing through a 'faceless' digital proposition remains a stiff barrier to sales growth. Digital channels face the challenges of improving customer trust and belief. The report recommends that a human-digital Omni channel proposition within an online 'ecosystem' may be solution in restoring customer trust and loyalty.

In their investigations into the challenges and opportunities for FI on the South African funeral market Simatele and Maciko (2022) revealed that low level of competition is a challenge. The funeral market is highly concentrated meaning that a few dominant organisations control a significant share of the market. According to them, this could limit competition and lead to higher prices and low or limited product differentiation which results in a lack of diversity or options for the consumer. Even with these challenges there remain opportunities in this funeral insurance market. The analysis carried out on the South African funeral insurance industry by Mkhabela (2021) discovered that there is a high demand for funeral insurance due to the impact of cultural and religious norms surrounding the execution of funerals in South Africa, and that a funeral product offers solitude and peace of mind to families that have lost a loved one. Culture is the dominant reason funeral cover is highly regarded, as traditional African communities associate the

quality of a funeral as a sign of respect for elders who have since passed away. It also offers financial protection for these bereaved families. There is still a growing demand for funeral insurance products especially amongst the growing middle class in South Africa and that there remains a potential to further develop funeral insurance products that are affordable and flexible for the consumer while making it more accessible from a FI point of view (Simatele and Maciko, 2022).

3.6 The South African informal funeral market

The South African informal funeral insurance industry has several services providers operating in it and these include undertakers, funeral parlors, coffin builders and in some cases community traditional healers. Low-income areas are served by these service providers in communities where the expenses to conduct a funeral are beyond the affordability of the deceased's families. According to the Association for Savings and Investments South Africa (ASISA), for South African households to maintain their living standards, after a household death event, the insurance need for all earner combined is close to R25, 7 trillion, furthermore, for the average South African earner, has a calculated insurance gap of R2, 4 million (ASISA, 2020).

The lack of proper regulation and adherence to existing regulations in the informal funeral sector has meant that vulnerable people are potentially at risk and more particularly those that hail from low-income areas. The Vulnerable People Theory indicates that individuals who lack access to formal financial services are most at risk of being taking advantage of by unethical service providers leading to financial exclusion (Mtyapi, 2021). The informal funeral industry remains unregulated with no formal licencing requirements required by service providers. The Office of the FAIS Ombud have also raised concerns over the past decade with reported instances of service providers taking advantage of vulnerable people by overcharging for funeral cover and subsequently providing inferior service at claims stage (Office of the Ombud for Financial Services Providers, 2022).

3.7 The role of FinTech in improving FI in the funeral insurance industry

The use of the term FinTech was first identified in the early 21st century. The use of technology in financial services can be found as far back as the early days of the advent of computing. Automated Teller Machines (ATMs) were first introduced in the late 1960s while the online banking payment systems have been widely used since the 1990s (Arner et al., 2015). Fintech covers a wide range of technological innovations that focuses on delivery of enhanced financial services including online payment systems, mobile banking, blockchain, artificial intelligence and digital currencies (Barroso and Laborda, 2022). Insurtech, which is a subset of Fintech, is a new terminology used to describe a mixture of insurance and technology combined to deliver a compelling and innovative insurance offer to consumers (Chishti and Barberis, 2018).

There has been an increase in the growth of Fintech over the past few years, which has changed the traditional approach to financial services, and may have long-term positive effects in driving FI in society. One of the primary goals of using such technology is to promote the ease of doing business (Ediagbonya, & Tioluwani, 2023). Fintech is largely viewed as a way to improve access to financial services while reducing the costs of delivering a product to consumers and improving efficiency in delivering the product and service which is particularly important in developing countries where there is a significant challenge with financial exclusion (World Bank, 2018). The penetration of insurance in developing countries measured by premiums to GDP is on average just 2.9% compared to 7% in the United States (Chishti and Barberis, 2018). In order to make insurance more affordable and accessible Chishti and Barberis (2018) believe that technology can help insurers, who have traditionally shielded away from the mass market and lower income groups, to gain traction in these markets by using technology to cut the costs both in manufacturing and distribution of these insurance products.

FinTech allows consumers to easily purchase policies and access policy services via their mobile applications which are usually designed to be user-friendly and importantly require minimal documentation exchange (Shipalana, 2019). The use of online platforms

is also identified as a key means to sell and maintain funeral insurance policies. The South African insurance market had around 51 Insurtech start-ups as at the end of 2019 (Moloko et al, 2019). To remain competitive insurers will need to reimagine their service to customers, provide insurance advice, and capitalise on innovative and new partnerships to develop sustainable business models that promote growth and enhance customer experience (Bichard and Mukhopadhyay, 2022).

The use of chatbots has also rapidly grown worldwide when providing customers with assistance on their financial services products. Customers can send and receive instantaneous responses through chatbot technology which are often available as a continuous service 24 hours of a day (Chen & Florence, 2021). The advent of blockchain technology has meant that consumers can take comfort in improved security and integrity when purchasing or servicing their products via fintech platforms. An example of this is where blockchain can be used to secure claims, underwriting and policy transaction records by making them tamper proof (World Bank, 2018). Artificial intelligence (AI) can be used to assess a funeral claim while sophisticating the underwriting or on-boarding process of a funeral product and AI algorithms can potentially be used to analyse social media usage patterns of consumers to assess their risks more effectively and possibly determine suitable premiums for consumers (Esser et al., 2019).

Nnachi et al., (2020), in their study, identified that the use of biometric authentication can be effectively used to validate customers' identities while crucially working towards reducing fraud in the funeral insurance industry. The fintech market has seen a significant surge in the use of mobile technology to enable digital payments and increase the accessibility of financial services to consumers. A study by Kim (2022) investigating the impact of mobile money on improving FI of Nairobi, Kenya women found that mobile money has meaningfully decreased the proportion of women in Nairobi excluded from using financial services. It has improved levels of FI by increasing women's access to numerous financial channels from which they were previously excluded.

A study by Chisango, Chikodzi and Moyo (2021) investigated the impact that mobile money has had in positively promoting FI in Zimbabwe. This study found that mobile money could potentially promote FI by enabling households to access financial services using mobile devices. Further to this the study also found that mobile money could help

reduce the costs of distribution though traditional channels, such as brokers and agents, which could make financial services more accessible and affordable for individuals from lower income households.

Research done by Telukdarie and Mungar (2023), on the impact of digital Fintech on accelerating FI in developing economies discovered that FinTech had the potential to improve access to financial services products which reducing the cost of delivering these services to consumers. Further to this the study found that FinTech could improve the quality of financial services by allowing customers access to more information and improved transparency on the product being sold. FinTech according to this study can also play a role in lifting financial literacy among customers while also providing improved customer protection. According to Pazarbasioglu et al. (2020), the use of digital platforms can assist financial services companies to improve consumer financial education by providing access to these educational resources and thereby enabling customers to make more informed financial services decisions. They found that FinTech can provide consumers with greater transparency and more control over their financial services purchasing transactions while reducing the overall fraud risk in these transactions.

3.8 Adoption and Use of Technology in Financial Services

A new era of unprecedented technological advancement has been ushered in by the digital revolution which has transformed various economic sectors including financial services. Traditional models of doing business have been disrupted by the advent of Fintech, which has offered more innovative solutions, allowing for improved efficiency and accessibility for consumers. A complex interplay of factors that influence consumer decision-making and preferences are what will make implementation and adoption of these technologies successful. According to Venkatesh et al, individuals are more inclined to adopt and embrace technology, that is beneficial to them achieving their financial goals, and that are user friendly and easy to navigate. Consumers also need to trust the digital platforms that they are using and have confidence in their reliability (Lăzăroiu et al., 2020). Additionally, the influence of social norms and peer recommendations further contributes to the adoption process as individuals are more

likely to embrace technologies that are widely endorsed within their social circles (Swacha-Lech & Solarz, 2021).

Despite the growing popularity of FinTech there are several barriers that impede its widespread adoption. Individuals with limited digital or financial literacy may face challenges in adopting new fintech solutions due to unfamiliarity with digital platforms and financial products (Hakro et al., 2022). Security and privacy concerns, particularly in developing countries where cybercrime and data breaches are prevalent, also act as deterrents for some individuals (Telo, 2021).

To overcome these barriers and foster the widespread adoption of FinTech, a multi-faceted approach is required. Enhancing digital and financial literacy through educational programs and initiatives can empower individuals to confidently navigate digital platforms and make informed financial decisions (Koskelainen et al., 2023).

The successful adoption and use of technology in the financial services sector is crucial for driving financial inclusion and promoting economic development. By understanding the factors that influence digital adoption and implementing strategies to address the barriers, FinTech has the potential to revolutionize the financial landscape and empower individuals to achieve their financial goals.

3.9 Theoretical Framework

The UTAUT2 (Unified Theory of Acceptance and Use of Technology 2) model has been employed as the analytical framework in this study (Venkatesh et al. (2012). The UTAUT2 model provides valuable insights into the factors that shape technology adoption and its consequences for usage, access, and quality. In our research, we use the UTAUT2 model to understand the fundamental factors that influence technology adoption, particularly in the context of the South African funeral insurance industry.

As delineated by Venkatesh et al. (2012) in the UTAUT2 model, several factors significantly impact technology adoption. These factors encompass performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, and habit. Performance expectancy gauges the perceived usefulness of technology in achieving specific objectives, while effort expectancy

measures the ease of technology use. Social influence encompasses the effects of peer and familial influences on technology adoption. Facilitating conditions consider the external factors, including technological infrastructure, which enable or hinder adoption. Hedonic motivation examines the pleasure derived from technology use, while price value assesses the cost-effectiveness and perceived value of technology. Lastly, habit examines the extent to which technology use becomes habitual.

3.10 Conceptual Model

This study introduces a conceptual model (refer to Figure 1) that illustrates the interplay between the adoption of Fintech and its impact on FI within the South African funeral insurance industry. The conceptual model integrates the insights gained from the UTAUT2 framework (Venkatesh et al., 2012) and posits that the adoption of Fintech is shaped by these UTAUT2 factors. Moreover, it highlights how this adoption, in turn, influences the usage, access, and quality of funeral insurance products in the South African context.

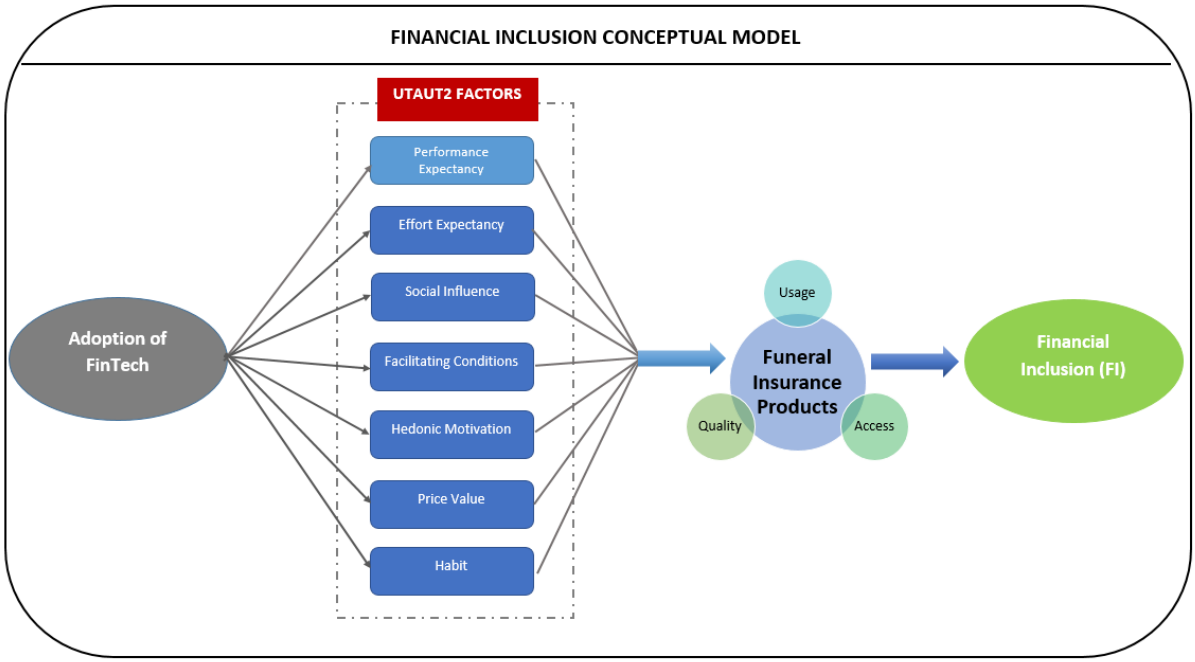


Figure 1: Conceptual Model

3.11 Conclusion

This literature review has explained the intricate relationship between financial inclusion, digital transformation, and funeral insurance in South Africa. FI remains a challenge in the country, especially for low-income households, even though the country has a relatively developed financial services sector. The high costs and lack of financial literacy, together with the limited access to financial products are the main contributing factors to the ongoing challenges. The improvement to access, reducing costs and improving the quality of financial services can potentially be improved by Fintech, according to the findings of the literature. The inclusion of fintech in the funeral insurance market offers potential solutions for low-income households. AI, blockchain and mobile technology can simplify and improve insurance processes and procedures, making it more accessible and efficient. Fintech can further simplify the management of policies, promote secure transactions building greater consumer trust and ultimately reducing operational costs. Moreover, fintech can also play a pivotal role in boosting financial literacy, which is essential for increasing the effective use and uptake of financial services.

Further studies worldwide offer valuable insights into the different effects of digital transformation on FI. While regions like the EU and Sub-Saharan Africa have made significant progress, the specific challenges of each region, such as cash-based economies and regulatory difficulties, highlight the need for customized approaches. In South Africa, for example, more robust and targeted strategies are essential to bridge the gap between the unbanked and underbanked. The lack of regulation and oversight in the South African informal insurance market exposes vulnerable individuals to being exploited. Nonetheless, there is a large demand for funeral insurance as it has a deep cultural significance. The industry can contribute immensely to FI if it is properly regulated and managed.

In conclusion, although fintech has great potential to transform the funeral insurance market and improve FI in South Africa, its success is dependent on comprehensive strategies that address financial literacy, regulatory frameworks and customer trust. Collaboration between financial institutions, government and fintech companies are necessary to create a more inclusive and resilient financial market. By using digital technologies and adopting an environment that encourages innovation and

education, South Africa can make considerable progress towards achieving broader financial inclusion and economic stability.

Based on the research questions outlined in Chapter 1, the following three propositions can be formulated:

- Proposition 1: There is an association between the level of financial literacy regarding funeral insurance products and the accessibility of these products in the South African funeral insurance industry.

- Proposition 2: The use of Fintech in the South African funeral insurance industry positively impacts customers' perceptions of the ease of claiming on their funeral insurance product, resulting in increased usage of funeral insurance products.

- Proposition 3: The implementation of financial technology in the South African funeral insurance industry has the potential to enhance individuals' financial literacy regarding their funeral insurance products.

By addressing the research questions, this research study aims to determine the impact of employing the impact of Fintech capability on improving both customer access and usage of funeral insurance products in the South African market. It further seeks to determine the extent to which Fintech can improve South Africa’s financial inclusion agenda, specifically focused on the FI attributes of Access, Usage and Quality.

4 RESEARCH METHODOLOGY

4.1 Research approach.

A quantitative research approach is a methodology that uses the collection and analysis of numerical data to investigate research questions (Creswell, 2014) A quantitative research approach was used in this study. This research approach was selected as it is well suited to the study's objectives which allows for the quantification of the impact on FI.

This chapter discusses the research design, research approach, data collection and population sampling conducted in this study. The collection of data, limitations on the research as well as research instrument and analysis are also addressed in this chapter. A survey was used to gather data from the respondents which allowed for a more time and cost-efficient way to gather data. The survey was an anonymous one which allowed for authentic and honest feedback.

4.2 Research design

This empirical study utilised survey tools to obtain responses from the respondents. The survey captured respondent's demographic and personal profile information. Respondents remained anonymous. The respondents are staff that work within the Absa financial services operational environment. The choice of Absa Insurance was to allow for engagement with users that have had prior experience using digital technologies for financial services. A total of 135 responses was sought, which is 35% of the current operational staff. Respondents were able to answer the survey at their own leisure.

The survey questionnaire was broken down into seven sub-sections of questions following the UTAUT2 constructs identified (Venkatesh et al., 2012). The intention was to group the survey questions into these seven categories and will be assessed against the outcome of user behaviour to understand the motivation for respondents to adopt digital technology to solve their FI problems (Abdullah et al., 2018). The questions were further themed under the FI attributes of Access, Usage and Quality.

4.3 Data collection methods

An online survey was published using Qualtrics survey tool. Individuals were provided the survey link via email. Reminder emails were sent out to respondents to drive completion. The survey utilised the easy to comprehend Likert scale. No personal data was collected during this process with maximum efficiency placed into driving survey completion over the time limit allowed for these responses.

4.4 Population and sample

4.4.1 *Population*

The target population for this study were the employees within Absa Insurance Company within Gauteng. These employees were specifically identified for this study as they occupy operational, change management roles, and have experience using digital technologies for financial services. The total staff in the area is 410 employees.

4.4.2 *Sample and sampling method.*

A non-probability sampling method called purposive or judgemental sampling was used to select the sample from Absa Insurance Company employees in operational and change management in Gauteng only. The research studies feedback from ninety-five respondents who indicated that they have previous experience of FinTech as users.

4.5 The research instrument

The questionnaire was designed in two parts. Part A allowed the respondent to provide age, area and online transacting experience responses using the Likert scale. The second part split into three sub-sections allowing respondents to complete response for each of the three FI performance attributes of Access, Usage and Quality.

4.6 Procedure for data collection

The head of operations was approached to ensure that the appropriate permission is sought to access the email addresses of the respondents. Emails were sent out to all respondents with the link to the Qualtrics survey. Clear instruction and guidance were provided to respondents to ensure an efficient completion of the survey. Weekly reminders were sent out to drive maximum completion of the survey.

4.7 Data analysis strategies and interpretation

All survey data were imported from Qualtrics into Microsoft Excel. Any incomplete or failed data were excluded from the analysis. The analysis tool SPSS was utilised for analysis. Participant interaction with FinTech was gauged through specific survey questions asking about their use of electronic platforms (websites, mobile apps) for accessing information, purchasing, or managing their funeral insurance products. Categorical data was analysed using frequencies, percentages, and graphs. The analysis primarily employed descriptive statistics and cross-tabulations to explore respondent perceptions and identify associations, rather than using inferential methods like regression to measure causal impact, aligning with the study's focus on understanding current user experiences and views. The relationship between the seven identified constructs within the UTAUT2 model was analysed with key aspect of Behavioural Intention related to user acceptance and usage behaviour (Venkatesh et al., 2012).

4.8 Quality Assurance

4.8.1 *External validity*

A replication of the study was considered to take place to increase the generalisability of the results but was not necessary. The sample chosen however does very well represent the general population given that it will touch respondents from the East, South and the West Rand of Gauteng.

4.8.2 *Internal validity*

A pilot survey was conducted within the Puntans Hill cricket club to improve the validity of the research.

4.8.3 *Reliability*

The reliability of this research was evaluated by using the Cronbach Alpha coefficient. This survey adopted questions based on the UTAUT2 model as per studies by Venkatesh et al., (2012).

4.9 Ethical consideration

To maintain the highest level of ethics on this study the following approach was ensured:

- Respondent identities were not collected (anonymised).
- Respondents had an opportunity to consent or decline the survey completion.
- Permission was sought from Absa to survey their staff for this study.
- University ethics clearances were sought prior to engaging on the research data gathering initiative including completing of the Wits ethics form.

4.10 Limitations of the Study

- Survey respondents' interest and responsiveness in completing the survey is a concern.
- Respondent access to internet connected devices to complete survey.

5 PRESENTATION OF FINDINGS

5.1 Statistical Analysis

The data collected using an online survey was analyzed meticulously using the Statistical Package for the Social Sciences (SPSS) software. SPSS was chosen given its robust capabilities in handling and analysing quantitative data. The software facilitated the generation of descriptive statistics and other statistical tests allowing the researcher to explore the relationships between the variables and to test the research propositions.

5.1.1 *Demographics*

Ninety-five participants that currently hold an insurance product were surveyed to explore the impact that FinTech will have in promoting FI in the South African funeral insurance industry.

The demographics table (Table 1) provides a view of the participants backgrounds. This is crucial for understanding the context in which they interact with and their perception of Fintech solutions in the funeral insurance industry. The higher representation of males (56.8%) and the 50.5% concentration of participants in the 35-44 age group might be more reflective of the experiences and perspectives of this particular demographic.

The dominance of full-time employees (76.8%) could suggest that the findings might be more relevant to those with fixed incomes and potentially more access to financial services.

Table 1 - Demographics

Variable	Description	Percent
Gender	Female	43, 2
	Male	56, 8
Age	18 - 24 years old	4, 2
	25 - 34 years old	13, 7
	35 - 44 years old	50, 5
	45 - 54 years old	24, 2

	55 - 64 years old	5, 3
	65 years old and older	2, 1
Race	African	29, 5
	Coloured	17, 9
	Indian	45, 3
	White	7, 4
Employment Status	Employed full-time	76, 8%
	Employed part-time	6, 3%
	Contractors	16, 8%
	Total	100, 0
Education	Pre-Matric	1, 1
	Matric	17, 9
	Diploma	25, 3
	Bachelor's degree	27, 4
	Postgraduate Degree	21, 1
	Masters/Doctoral	6, 3
Gross monthly income	No Income	5, 3
	Below R10, 000	2, 1
	R10, 001 - R30, 000	21, 1
	R30, 001 - R40, 000	10, 5
	R40, 001 - R50, 000	10, 5
	Over R50, 001	50, 5
	Total	100, 0

While the average monthly income of respondents in this study (R50,000+) is significantly higher than the national average, it is important to note that this higher income level may correlate with increased access to digital technology. This is because individuals with higher incomes have greater disposable income, allowing them to afford smartphones, internet access, and other devices necessary to utilize fintech services. Therefore, their experiences and perspectives on the impact of fintech on FI may be influenced by this inherent advantage.

5.1.2 *Funeral insurance product ownership*

5.1.2.1 *Use of Technology*

In Figure 2 below, smartphones were identified as the most used technology device by the participants (91,5%), laptop followed with 62%. The most common combination of technology devices used were smartphone and laptop (19%) followed by Computer, Smartphone, Laptop and Tablet (15%). The overwhelming preference for smartphones (91.5%) and the prevalence of multi-device usage (19% smartphone and laptop) underscore the need for fintech solutions that prioritize mobile-first design and cross-device compatibility. This approach is essential to maximize reach and cater to users' diverse technological preferences, ensuring that fintech services are accessible and user-friendly across a wide range of devices. By understanding and addressing these technological behaviours, fintech providers can create solutions that are more inclusive and better equipped to promote FI in South Africa.

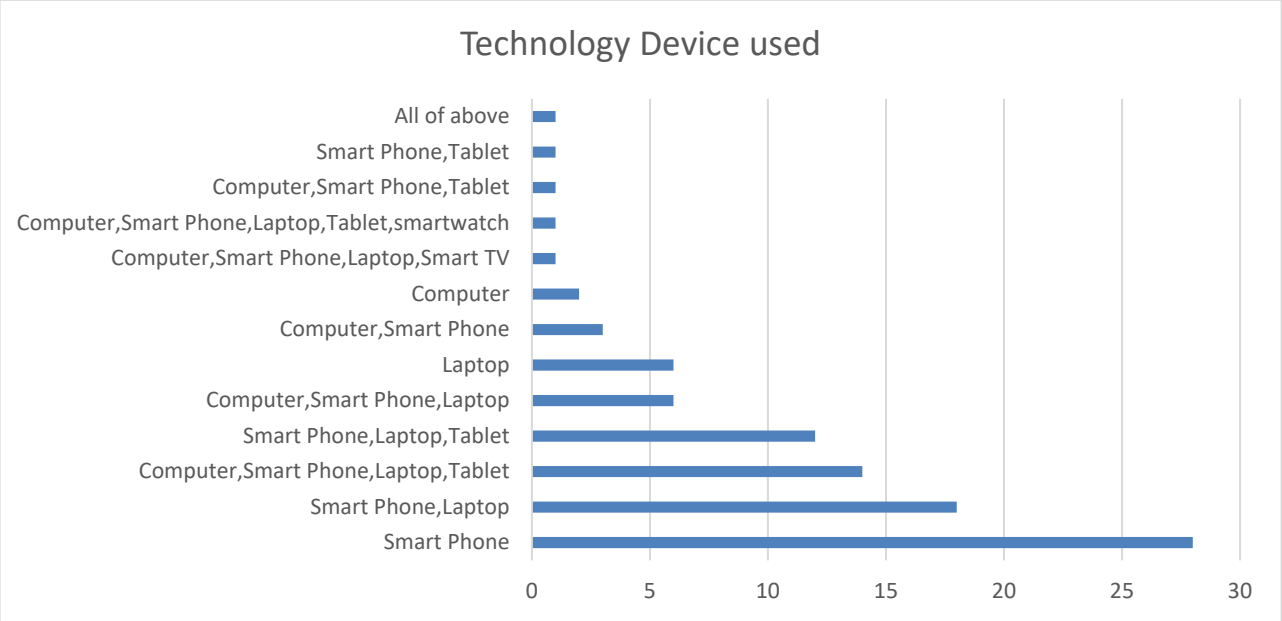


Figure 2: Technology device used

5.1.2.2 *Existence of policy*

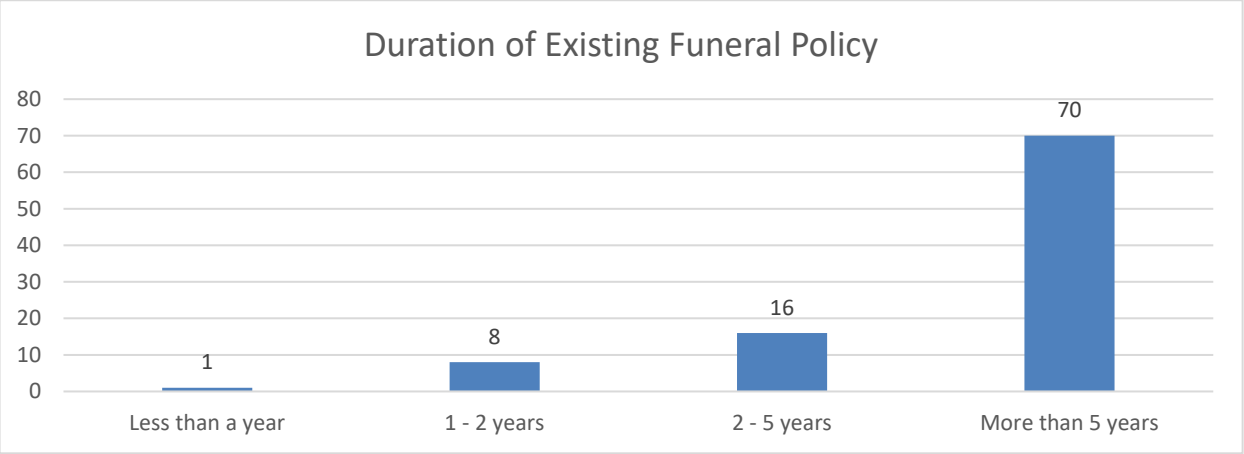


Figure 3: Duration of Funeral Policy

The survey results for existence of policy (as seen above in Figure 3) indicate a high number of respondents (71.6%) have held their policies for over five years. This could indicate a strong preference for funeral insurance cover and potentially a reluctance to switch insurance providers. This could be as a result of trust that has been established with existing service provider, lack of knowledge in how to switch or general lack of awareness of alternative or better options available in the market. The remaining 28.4% of respondents that have had their policies for less than five years could represent a segment of the population that is more willing to consider alternative options if presented with a more compelling proposition.

5.1.2.3 *Source of referrals for funeral insurance*

Table 2 - Referral Partners for Funeral Insurance policies

	Percent
Through a family member or friend	28, 4
Through an advertisement	23, 2
Through an insurance agent/broker	34, 7
Other	13, 7

The strong consumer loyalty to traditional funeral insurance, driven by trust in agents/brokers and family referrals as depicted in Table 2 above, indicates that fintech companies need to prioritize building trust and credibility to compete in this market. While digital channels are gaining traction, the preference for established referral networks suggests a need for fintech solutions that leverage and integrate these existing relationships. The varying premium levels point towards the potential for personalized and flexible digital products to cater to diverse customer needs. Furthermore, the data highlights an opportunity for fintech to educate consumers about funeral insurance options and simplify the purchase process, thereby promoting greater FI within the sector.

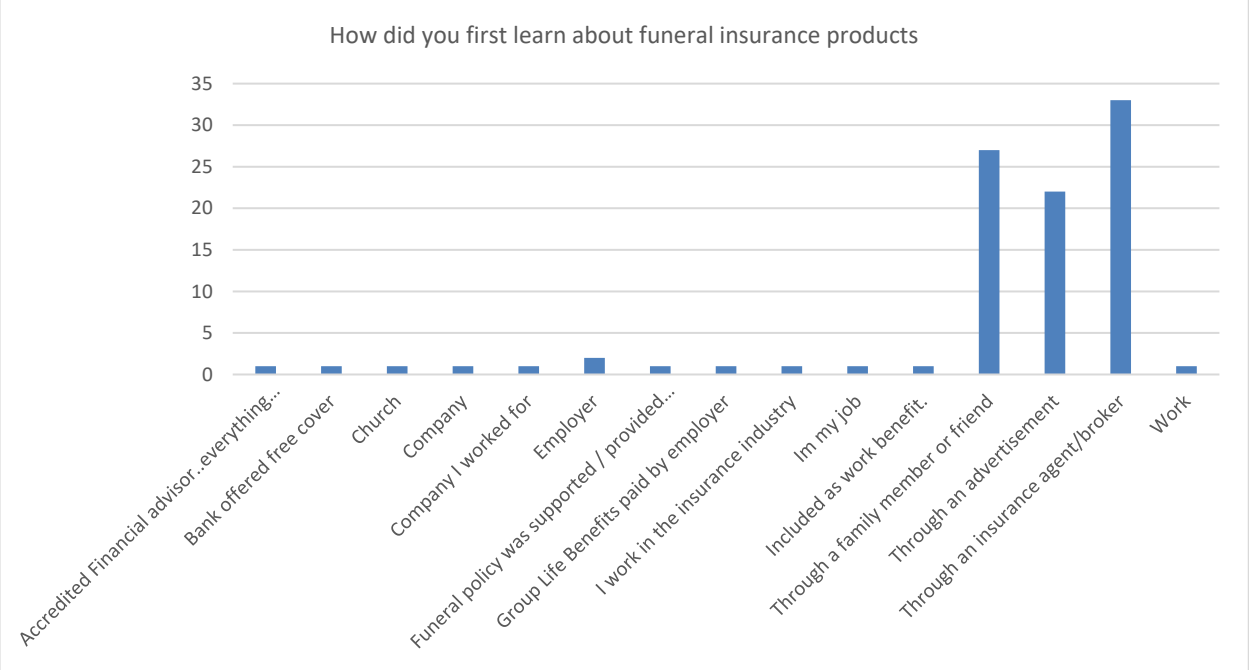


Figure 4 - About funeral Insurance products

The dominance of insurance agents/brokers as the primary source of information and purchase channel (64.2%), as seen in Figure 4 above, underlines the enduring trust and reliance on personal relationships in this sector. Consumers value the guidance and expertise of these intermediaries, especially when dealing with sensitive financial products like funeral insurance. This deep-rooted reliance on traditional channels poses a significant challenge for fintech companies seeking to disrupt the market. However, the notable presence of online purchases (22%), as seen in Table 3 below, signals a growing openness to digital alternatives, especially among tech-savvy individuals or those seeking convenience. This growing trend indicates a promising avenue for fintech companies to expand their reach and influence within the market. The strong correlation between information source and purchase channel further emphasizes the importance of building trust and credibility through multiple touchpoints.

Table 3 – Accessing of funeral insurance products

How did you purchase your funeral insurance product?		
	Frequency	Percent
Through an insurance agent/broker	61	64%
Online	21	22%
Other	13	14%

Total	95	100%

5.1.2.4 *Cost of Policy*

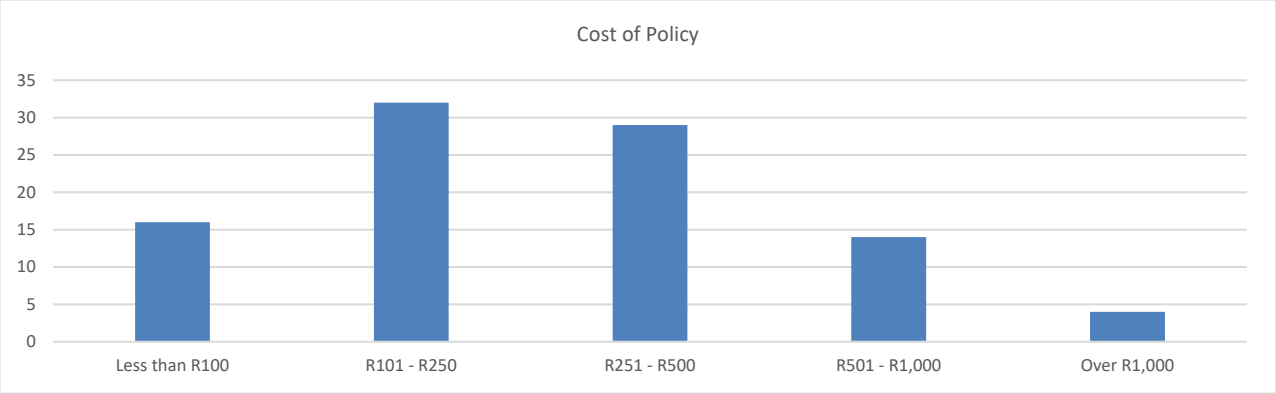


Figure 5 - Cost of Policy

Figure 5 above, indicates a broad range of monthly premiums paid for funeral insurance policies, with most respondents (64%) opting for affordable options between R101 and R500. This affordability underlines the accessibility of funeral insurance for a sizeable portion of the population, potentially contributing to its widespread adoption. However, the existence of a smaller segment (4%) paying over R1000 per month highlights a demand for premium products with potentially higher coverage or additional benefits. This diversity in spending patterns indicates the importance of tailored fintech solutions in the funeral insurance market.

5.1.2.5 *What benefits does your funeral insurance product offer?*

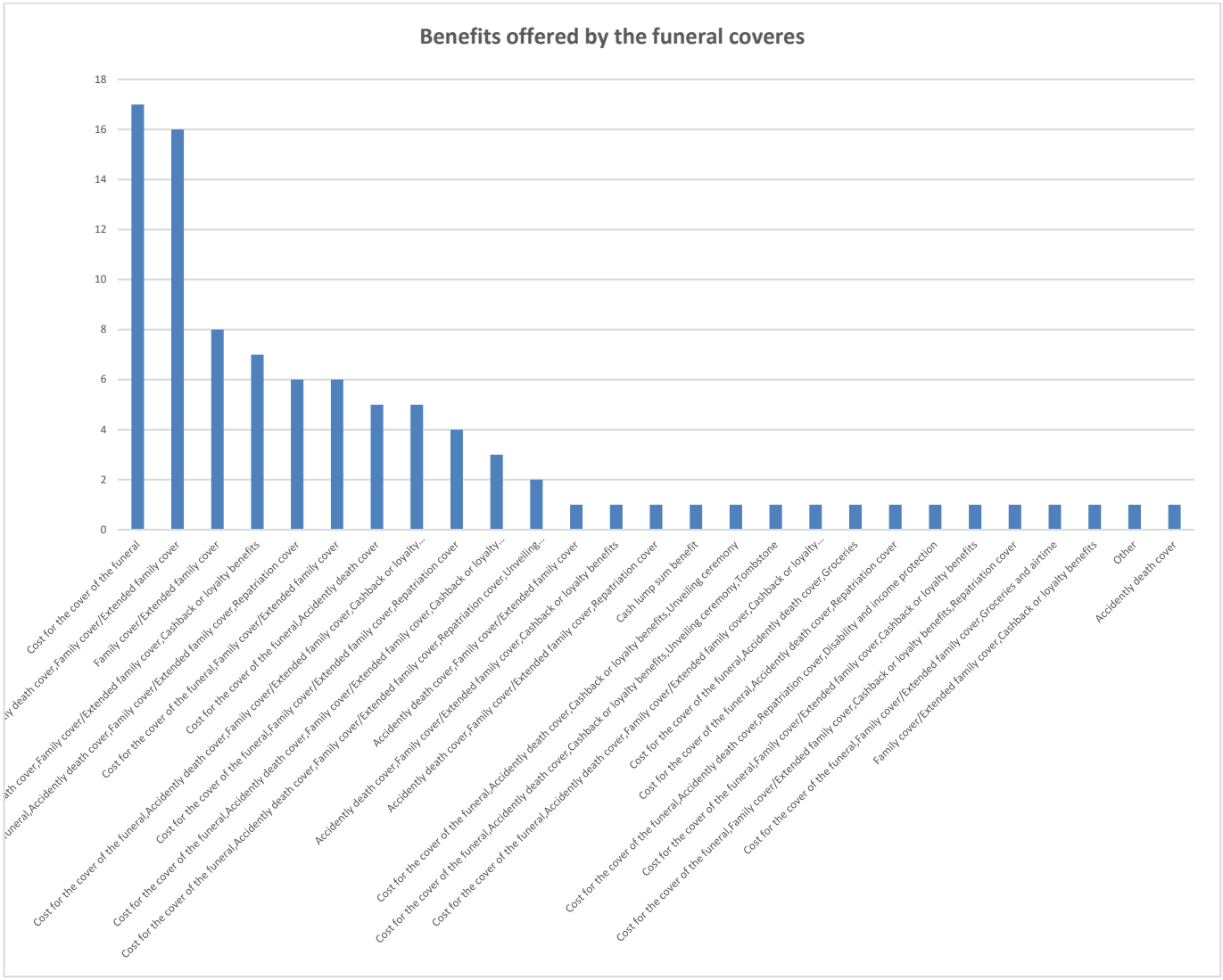


Figure 6 - Benefits offered by funeral products

The “Cost for the cover of the funeral,” “Cost for the cover of the funeral, Accidental death cover, Family cover/Extended family cover” and “Family cover/Extended family cover,” were identified as the top three benefits of having a funeral insurance policy in Figure 6 above. The survey results highlight a strong emphasis on family and financial security as key drivers for funeral insurance adoption. Respondents prioritized coverage for funeral costs, accidental death, and family members, demonstrating a desire for comprehensive protection that extends beyond the individual.

5.1.3 *Accessibility*

Table 4 - Access to Funeral Products

Access to Funeral Products			
	FinTech Usage		
	No	Yes	Total
How easy was it to navigate the platform and access the information you needed?			
No response (did not use Fintech before)	48	0	48
Somewhat difficult	0	2	2
Somewhat easy	0	18	18
Very easy	0	27	27
Have you ever accessed funeral insurance products physically (e.g., via an insurance agent or broker)?			
No	20	17	37
Yes	28	30	58
How easy was it to obtain the information and products you needed?			
Did not access funeral insurance via a broker or agent	20	18	38
Somewhat difficult	6	0	6
Somewhat easy	11	14	25
Very easy	11	15	26
How do you prefer to access funeral insurance products? - Selected Choice			
At a store or an agent that can explain it to me	0	1	1
Electronically (e.g., via a website or mobile app)	30	34	64
No preference	6	6	12
Physically (e.g., via an insurance agent or broker)	12	6	18
In your opinion, how does the use of Fintech impact the ease of accessing funeral insurance products?			
I don't know what Fintech is	1	0	1
It makes it much easier	32	34	66
It makes it somewhat easier	11	12	23
It makes it somewhat more difficult	1	0	1
It makes no difference	3	1	4
Total	48	47	95

Seen in Table 4 above, forty-eight of the participants with funeral cover have never accessed their cover through electronic means. Forty-seven of the ninety-five have used electronics to access funeral policies. Two participants found it somewhat difficult to navigate the Fintech platform, while forty-five of the forty-seven found it somewhat easy and very easy. Twenty of the participants who indicated that they have never used

FinTech also indicated that they have also never accessed funeral products physically, while thirty of those who used FinTech have also accessed their funeral policy physically. A total of thirty-eight participants (40%) opted not to respond to the question about how easy it was to obtain the information and products you needed, however, most participants indicated that the is somewhat easy and very easy to obtain the information and products required. Although forty-eight out of ninety participants indicated that they have never used FinTech, thirty of them indicated that they would prefer to access it electronically. Sixty-six of the 95 (69%) indicated that the use of Fintech impacts the ease of accessing funeral insurance products. Participants indicated that more educational resources and more product options are key improvements required for making funeral insurance products more accessible on FinTech.

Table 5 - Improvements on FinTech

What improvements do you think could be made to funeral insurance products to make them more accessible using Fintech?	
Improved website or mobile app design	24%
More educational resources	20%
Improved website or mobile app design, more educational resources, More product options	17%
More product options	14%
Improved website or mobile app design, more educational resources	14%
Other	12%

The survey results, depicted in Table 5 above, reveal a clear demand for improved accessibility and user experience in the funeral insurance market, with a strong emphasis on educational resources and product variety. A sizeable portion of respondents (49%) highlighted the need for improved website or mobile app design, indicating a desire for more intuitive and user-friendly digital platforms. This suggests that consumers value ease of navigation, streamlined processes, and clear information when interacting with funeral insurance products online. Furthermore, the demand for more educational resources (32%) underlines the importance of transparency and consumer education in the funeral insurance market. Respondents are seeking comprehensive information about the diverse types of coverage, benefits, limitations, and the overall value proposition of funeral insurance. This highlights an opportunity for fintech companies to develop informative and accessible content that empowers consumers to make informed decisions about their funeral insurance needs.

The desire for more product options (29%) indicates a need for greater flexibility and customization in funeral insurance offerings. Consumers are seeking a wider range of choices to meet their unique financial circumstances and individual preferences. This could include different coverage levels, premium payment options, or additional benefits tailored to specific needs. This finding suggests that fintech companies can differentiate themselves by offering a diverse range of products that cater to various segments of the market.

5.1.4 *Ease of Use*

Sixteen percent of the participants have made a claim on their insurance product. Of those of claimed seven out of sixteen who claimed indicated that the claim process was very easy(See table 6 below). Ten of the sixteen received their pay-out in less than a week of claim and only three of those that claimed were somewhat dissatisfied and very disappointed.

Table 6 - Ease of Use

		Percent
Have you ever made a claim on your funeral insurance product?	No	83, 2
	Yes	16, 8
How easy was the claims process?	Did not claim	84, 2
	Somewhat difficult	4, 2
	Somewhat easy	3, 2
	Very difficult	1, 1
	Very easy	7, 4
How long did it take to receive your pay-out after filing your claim?	Did not claim	84, 2
	1 - 2 weeks	1, 1
	2 - 4 weeks	2, 1
	Less than a week	10, 5
	More than 4 weeks	2, 1
How satisfied were you with the overall claims experience?	Did not claim	84, 2
	Somewhat dissatisfied	2, 1
	Somewhat satisfied	5, 3
	Very dissatisfied	1, 1
	Very satisfied	7, 4
Do you think the use of Fintech could improve the ease of use of funeral insurance products at the claims stage?	Did not respond	7, 4
	No, I don't think it would make a difference	2, 1
	Yes, significantly	70, 5
	Yes, somewhat	20, 0
	Total	100, 0

The table 6 above indicated that the participants recommends that the online claims filling system can be improved in the claim processing using FinTech. The survey results reveal a clear demand for a more efficient and user-friendly claims process in the funeral insurance market, with a strong emphasis on leveraging Fintech. A combined 39% of respondents identified "improved online claims filing system" or "automated claims processing" as key areas for improvement, highlighting a desire for streamlined digital solutions that can expedite and simplify the claims experience. Additionally, 17% of respondents specifically requested a combination of improved online filing, automation, and more educational resources, underlining the need for a comprehensive approach that addresses both technological and informational needs during the claims process.

These findings indicate, as shown in Table 7 below, that consumers are seeking a more efficient, transparent, and supportive claims experience, one that leverages technology to minimize paperwork, reduce delays, and provide clear guidance throughout the process. This presents a significant opportunity for fintech companies to address a major pain point for consumers in the funeral insurance market.

Table 7 – Anticipated claims process improvements using Fintech

What specific improvements do you think could be made to the claims process using Fintech?	
Improved online claims filing system	20
Improved online claims filing system, Automated claims processing	19
Automated processing	19
Improved online claims filing system, Automated claims processing, more educational resources	17
Other	17

5.1.5 *Risks*

According to the participants, the biggest risk, as displayed in Table 8 below, that could be introduced from Fintech in funeral insurance business is lack of proper regulation of the FinTech platform with twenty-six participants who ranked it number 1 followed by the Cyber security risk. The Unclear teams and conditions were ranked last with thirty participants ranking it on four. Thirty-eight percent of the participants indicated that they somewhat believed that the regulations are adequately protecting their interests as a customer when using a fintech platform. The "lack of proper regulation of the fintech platform," cited as the top concern by twenty-six respondents, followed by "cyber security risks" (23 respondents) and "misunderstanding what I am purchasing" (21 respondents). This concerns highlights the consistent challenges of trust, transparency, and consumer protection that fintech companies must address to adopt wider adoption. The concerns surrounding regulation, expressed by over a quarter of respondents, indicates a perceived lack of oversight and potential for fraudulent activity within the fintech space.

Table 8 - Identified Risks (ranked)

Rank	Lack of proper regulation of the fintech platform	Cyber security risks (protecting my private information)	Misunderstanding what I am purchasing	Unclear terms and conditions	Other
1	26	23	21	12	2
2	16	23	25	17	3
3	13	21	26	22	2
4	25	15	9	30	5
5	4	2	3	3	72

Table 9 - Perceptions of Regulatory Adequacy in Fintech:

Political Influence	Frequency	Percent
	8	8, 4
Neither believe nor disbelieve in the adequacy of regulations	16	16, 8
Somewhat believe regulations are adequate	37	38, 9
Somewhat do not believe regulations are adequate	16	16, 8
Strongly believe regulations are adequate	11	11, 6
Strongly do not believe regulations are adequate	7	7, 4
Total	95	100, 0

Table 9 results reveal a significant lack of confidence in the current regulatory landscape for fintech in South Africa. Over half of respondents (56.8%) expressed scepticism regarding the adequacy of regulations and government policies to protect consumers from cyber risks. This sentiment is particularly explicit among those who "somewhat do not believe" (38.9%) or "strongly do not believe" (11.6%) in the efficacy of existing measures.

This widespread apprehension highlights a critical trust deficit that could impede the adoption and growth of fintech in the funeral insurance market. It emphasizes the urgent need for policymakers and industry leaders to strengthen regulatory frameworks, enhance transparency, and actively communicate the measures in place to protect consumer interests in the digital financial space.

The implications of these findings extend beyond consumer confidence. The lack of trust in regulatory oversight could suppress innovation and investment in the fintech sector, deterring its potential to drive FI and economic growth. Furthermore, it could expose consumers to unnecessary risks, eroding the potential benefits that fintech can offer in terms of accessibility, affordability, and convenience. Addressing these concerns is vital for unlocking the full potential of fintech in the South African funeral insurance market.

5.1.6 *Promotion of FI*

As seen in Table 10, most participants ranked Insurance number 1 as the sector that they believed will be most affected by the Fintech service with Banking taking second position as the sector most affected by FinTech. Asset management was the least sector affected by FinTech service.

Table 10 - Descriptive Statistics: Promotion of FI

Rank	Banking	Insurance	Asset Management	Other
1	35	39	6	1
2	35	28	16	2
3	10	13	51	7
4	1	1	8	71
Missing	14	14	14	14
Total	95	95	95	95

An insurance company's claims paying reputation is the highest ranked attribute while it is evident from the table below that participants felt that the funeral insurance company historical performance is the least likely item to drive them to purchase or service a funeral insurance product via Fintech in the future as compared to the quality of funeral insurance product offer, the company's service reputation and their claims paying reputation.

Table 11 - Descriptive Statistics: Influence to take up Financial Insurance Products

Rank	The funeral insurance company historical performance	The quality of funeral insurance product offer	The company's service reputation	Their claims paying reputation
1	15	21	24	25
2	12	22	23	28
3	24	23	24	14
4	34	19	14	18
Missing	10	10	10	10
Total	95	95	95	95

5.2 Propositions

5.2.1 *Proposition 1*

There is an association between the level of financial literacy regarding funeral insurance products and the accessibility of these products in the South African funeral insurance industry.

The table 12 below is a cross tabulation between the responses to the question “How does the use of Fintech impact the ease of accessing funeral insurance products?” and the responses to the question “Do you think the use of Fintech could improve your financial literacy on funeral insurance products?” the variables were cross tabulated to asses if there are associations between answers from the two questions which will assist to assess proposition 1 of the study.

Table 12 – How does Fintech impact funeral insurance product access?

How does the use of Fintech impact the ease of accessing funeral insurance products?							
		I don't know what Fintech (fintech) is	It makes it much easier	It makes it somewhat easier	It makes it somewhat more difficult	It makes no difference	
Do you think the use of Fintech could improve your financial literacy on funeral insurance products?	No, I don’t think it would make a difference	0	47	10	0	1	58
	Yes, significantly	1	15	10	1	2	29
	Yes, somewhat	0	1	0	0	0	1
	Missing	0	3	3	0	1	7
Total		1	66	23	1	4	95

To support the proposition, that there is a relationship between the level of financial literacy regarding funeral insurance products and the accessibility of these products in the South African funeral insurance industry, the question that

asks the participants to indicate if they think the use of Fintech could improve your financial literacy on funeral insurance products was cross tabulated with the variable that asked the participants:

How does the use of Fintech impact the ease of accessing funeral insurance products?

Seventy percent (66/95) participants indicate the use of Fintech makes it much easier to access funeral insurance products. Sixty one percent (68/95) indicated that the use of Fintech would not make a difference in their financial literacy on funeral insurance products.

It is evident from the cross table that majority of the participants (47/95 – 50%) indicated that the use of Fintech makes it much easier to access funeral insurance products, however, they do not think that the use of Fintech would make a difference in the financial literacy on funeral insurance products. Fifteen percent (15/95) of participants indicated that that the use of Fintech makes it much easier to access funeral insurance products, and that the use of Fintech would make a significant difference in the financial literacy on funeral insurance products.

5.2.2 *Proposition 2*

The use of Fintech in the South African funeral insurance industry positively impacts customers' perceptions of the ease of claiming on their funeral insurance product, resulting in increased usage of funeral insurance products.

Table 13 – Can Fintech improve the ease of use?

		Have you ever accessed funeral insurance products electronically?		Total
		No	Yes	
Do you think the use of Fintech could improve the ease of use of	No, I do not think it would make a difference	31	36	67
	Yes, significantly	10	9	19

funeral insurance products at the claims stage?	Yes, somewhat	2	0	2
	Missing	5	2	7
Total		48	47	95

Table 14: Accessing of Funeral products electronically.

To support the proposition that the use of Fintech positively impacts customers' perceptions of the ease of claiming on their funeral insurance product, the variable “Have you ever accessed funeral insurance products electronically” was cross tabulated with the “Do you think the use of Fintech could improve the ease of use of funeral insurance products at the claims stage.”

In General, 70% of the respondents indicated that they do not think that the use of Fintech could improve the ease of use of funeral insurance products at the claims stage. Thirty-six of the sixty-seven have accessed the funeral insurance products electronically before. It is also evident that the perceptions of the ease of claiming on their funeral insurance product was the equally distributed between those who used Fintech before and those who did not use it.

5.2.3 *Proposition 3*

The implementation of Fintech in the South African funeral insurance industry has the potential to enhance individuals' financial literacy regarding their funeral insurance products.

Forty-nine percent of the participants indicated that they are somewhat familiar with the terms and conditions of their funeral insurance products, while 14, 7% say that they are not very familiar. Most of the participants indicated that they are somewhat confident that they understand their funeral insurance products while, 27% of them are very confident. Sixty one percent of participants believed that the use of Fintech will improve your financial literacy on funeral insurance products.

Table 15 - Financial Literacy and FinTech: Respondent Perspectives (as %)

		%
How familiar are you with the terms and conditions of your funeral insurance product?	No response	7, 4
	Not at all familiar	5, 3
	Not very familiar	14, 7
	Somewhat familiar	49, 5
	Very familiar	23, 2
How confident are you in your understanding of your funeral insurance product?	No response	7, 4
	Not at all confident	1, 1
	Not very confident	12, 6
	Somewhat confident	51, 6
	Very confident	27, 4
Do you think the use of Fintech could improve your financial literacy on funeral insurance products?	No response	7, 4
	No, I don't think it would make a difference	1, 1
	Yes, significantly	61, 1
	Yes, somewhat	30, 5
	Total	100, 0

Participants suggest that to improve financial literacy on funeral insurance products using Fintech, requires educational resources on the website or mobile app, personalised recommendations based on user data and well as financial literacy tools be made available.

Table 16 - Improvements: Financial Literacy

What specific improvements do you think could be made to improve financial literacy on funeral insurance products using Fintech?	
Educational resources on the website or mobile app, financial literacy tools, Personalised recommendations based on user data	33%
Educational resources on the website or mobile app	29%

Personalised recommendations based on user data	14%
Educational resources on the website or mobile app, financial literacy tools	13%
Other	11%

6 CONCLUSION, RECOMMENDATIONS, AND THE WAY FORWARD

6.1 Introduction of findings

The research findings presented in this study offer great insights into the transformative potential of FinTech in promoting financial inclusion within the South African funeral insurance industry. The data has revealed a growing acceptance and adoption of digital technologies among consumers. This is coupled with a positive perception of their impact on accessibility, ease of use, and financial literacy.

The study's findings align with the research objectives and support the proposed propositions, highlighting the significant role that FinTech can play in addressing the challenges of financial exclusion in this sector. The convergence of technology and financial services has the potential to reshape the funeral insurance landscape offering innovative solutions that cater to the diverse needs of the South African population.

The study underscores the importance of user-friendly design, educational resources and product variety in enhancing the accessibility of funeral insurance products through FinTech platforms. The preference for intuitive interfaces, clear instructions, and mobile-first designs highlights the need for FinTech solutions that prioritize simplicity and ease of use, particularly for individuals with limited digital literacy. The demand for educational resources and transparent information further emphasizes the importance of empowering consumers with the knowledge necessary to make informed decisions about their funeral insurance needs.

Moreover, the study reveals the persistent challenge of the digital divide, particularly in rural areas and among low-income individuals. Expanding internet infrastructure and providing affordable digital devices are crucial steps in

ensuring that FinTech solutions are accessible to all segments of the population, leaving no one behind in the digital transformation of financial services.

The findings also highlight the potential of FinTech to streamline the claims process, a critical touchpoint in the customer journey. The preference for automated claims processing and improved online systems underscores the desire for efficiency, transparency, and convenience. By using and leveraging technologies such as artificial intelligence and machine learning, FinTech solutions can expedite claims processing, reduce administrative burdens and provide real-time updates. This could enhance the overall customer experience and foster trust in the industry. Furthermore, the study demonstrates the positive impact of FinTech on financial literacy, empowering consumers with the knowledge and tools to make informed decisions about their funeral insurance needs. The availability of educational resources, personalized recommendations, and interactive tools on digital platforms can contribute to a more financially literate and empowered consumer base.

However, the study also reveals lingering concerns about regulation, cybersecurity, and transparency which need to be addressed to foster wider adoption and trust in FinTech solutions. The apprehension surrounding the adequacy of regulations and data protection measures underscores the importance of robust regulatory frameworks and clear communication to alleviate consumer concerns and ensure the responsible and ethical use of technology. The findings suggest that a collaborative approach involving financial institutions, policymakers, and FinTech companies is essential to create a conducive environment for innovation and growth in this sector.

6.2 Recommendations

Based on the research findings, the following recommendations are proposed to harness the power of FinTech in promoting financial inclusion in the South African funeral insurance industry:

1. **Prioritize User-Centric Design:** Develop FinTech solutions that are intuitive, user-friendly, and accessible, catering to the diverse needs and preferences of consumers. Prioritize mobile-first designs that are clear and that possess multi-lingual options to ensure inclusivity.
2. **Bridge the Digital Divide:** Invest in expanding internet infrastructure and providing affordable digital devices. This is particularly necessary in rural areas and among low-income populations. This will ensure equitable access to FinTech solutions.
3. **Engage with Local Communities:** Conduct surveys which could include focus groups and collaborate with community leaders to understand the unique needs and preferences of different communities. This will allow service providers to tailor FinTech solutions accordingly.
4. **Leverage Existing Distribution Networks:** Explore collaborative partnerships with mobile network operators, community-based organizations, and traditional intermediaries to expand the reach of FinTech solutions and promote financial inclusion.
5. **Ensure Regulatory Compliance:** Adhere to regulatory guidelines, implement robust data protection measures, and communicate transparently about security and privacy policies to build trust and confidence in FinTech platforms.
6. **Streamline the Claims Process:** Leverage automation, AI, and proactive customer support to expedite claims processing. This could help to reduce administrative burdens and provide a seamless and efficient claims experience.
7. **Promote Financial Education and Literacy:** Develop interactive educational content, gamification, and partnerships with educational institutions to empower consumers with the knowledge and tools to make informed decisions about their funeral insurance needs.
8. **Foster Transparency and Communication:** Provide clear and concise information, regular updates, and open channels for feedback to ensure transparency and maintain open communication with customers.

6.3 The Way Forward

The findings of this study pave the way for future research and innovation in the world of FinTech and financial inclusion. Future studies can track the long-term impact of FinTech on consumer behaviour and financial well-being, while qualitative research can provide deeper insights into the lived experiences of consumers and insurance service providers. Comparative studies across different regions and demographic groups can identify factors that influence the adoption and impact of FinTech allowing for improved product development solutions tailored to consumer needs. Rigorous impact evaluation studies can assess the effectiveness of specific FinTech solutions in promoting financial inclusion, guiding future investments and policy decisions.

The integration of FinTech in the funeral insurance industry represents a promising avenue for addressing the challenges of financial exclusion and empowering individuals to achieve their financial goals. By embracing innovation, collaboration, and customer-centric design, stakeholders can create a more inclusive and resilient financial ecosystem that benefits all members of society. The journey towards greater financial inclusion is ongoing, and FinTech has the potential to be a powerful catalyst for change, driving progress towards a more equitable and accessible financial future for all.

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Table 17 - Prior Studies on Financial Inclusion

Author	Year	Purpose of Study	Findings
Abdullah et al.	2018	financial technology (Fintech) in mutual fund/unit trust investment	The study explored the adoption of financial technology (Fintech) in mutual fund/unit trust investment among Malaysians, using the Unified Theory of Acceptance and Use of Technology (UTAUT). Type of Study: Quantitative
Akande et al.	2023	financial literacy on financial inclusion	The research investigated the impact of financial literacy on financial inclusion in the Eastern Cape of South Africa, finding that financial literacy is crucial for financial inclusion and sustainable livelihoods. Type of Study: Mixed Methods (Quantitative and Qualitative)
Asisa	2021	Media release ASISA on fraud in funeral industry South Africa	The Association for Savings and Investments South Africa (ASISA) published a media release in August 2021 detailing the dangerous underground of funeral insurance where vulnerable members of the South African community were being used for illegal funeral claims (Media Release ASISA, 2021). The report detailed the key issues of fraudulent activity within the funeral industry especially at point of claim including issues of claim fraud within the funeral policy waiting period, funeral crime syndicates buying of dead bodies as well as the practice of insuring vulnerable drug and alcohol addicts from poor communities (see table 2). All this activity could lead to beneficiaries gaining unlawfully at the point of claim of an insurance policy.
Asisa	2022	Unclaimed Assets	Unclaimed assets in South Africa sit at an alarming R33.5 billion rand as of July 2022 (South Africa is sitting with R33.5 billion in unclaimed policies and

Author	Year	Purpose of Study	Findings
			investments, 2022). For an economy of the size of South Africa this is a huge amount owing to its people and is a growing financial inclusion problem from an access and usage point of view.
Ayllon	2020	digital transformation in the Peruvian banking	The study unpacked the potential of digital transformation in the Peruvian banking sector, focusing on the BIM mobile wallet, which targets the unbanked segment of the population. It concluded that fintech has significant potential in reaching unbanked individuals, but also highlighted challenges such as the entrenched cash culture and low digital accessibility. Type of Study: Qualitative (Case Study)
Bahre, E	2012	Study of financial penetration in Cape Town townships	A quarter of those surveyed had no insurance while some had up to nine policies. At least 63% had at least one funeral policy and almost 96% that earned over R4000 had at least one policy or were covered by a partner.
Bire et al	2019	Study on MSMEs in Kupang City, Indonesia. Determine whether financial training has an impact on financial literacy	A study conducted by Bire et al (2019) on Micro, Small and Medium (MSMEs) enterprises in Kupang City, Indonesia focused on determining the impact of financial training on financial literacy. The approach was a quantitative study sampling fifty-four respondents from 119 MSMEs. The study found that improving financial training in this MSME sector will improve financial literacy. Importantly it was found that financial training when provided can mediate the relationship between financial literacy and financial inclusion (Bire et al., 2019).
Chisango, Chikodzi, and Moyo	2021	the impact of mobile money in promoting	The research investigated the impact of mobile money in promoting financial inclusion in Zimbabwe, finding that it has the potential to increase

Author	Year	Purpose of Study	Findings
		financial inclusion in Zimbabwe	access to financial services and reduce distribution costs. Type of Study: Quantitative
Chishti & Barberis	2018	Insurtech definition	The study provided definitions of Insurtech and explored insurance penetration in 2018, highlighting the United States' leadership with 7.9% of premiums against the country's gross domestic product. Type of Study: Not explicitly stated, likely a literature review or analysis of existing data
Dubois & Simpson	2020	Market Conduct research survey – Financial services companies South Africa	According to the KPMG Market Conduct survey conducted in 2020 in the South African insurance industry there is evidence of malicious compliance on the side of the insurance companies and associated stakeholders. Several banks, insurers and asset managers were surveyed by KPMG and the results were startling around their view of customer perception on the effectiveness of the market conduct regulations that are operating in their market. Forty-six percent of insurers believed that customers will not be aware of the conduct regulations that protect them as customers. Fifty-four percent of the respondents on the survey felt that customers are aware of the new legislation but that customers will only perceive slight improvement in their fair treatment. Alarmingly 0% felt that customers believed that the legislation would be effective (Dubois & Simpson, 2020).
Financial Sector Conduct Authority (FSCA) (2022)	2022	financial inclusion study in South Africa	The study conducted a financial inclusion study in South Africa, finding that 81% of South Africans over the age of 16 have a bank account, but further access to financial services remains low. It also noted that 42% of adult South Africans have a funeral insurance policy. Type of Study: Quantitative (Survey)

Author	Year	Purpose of Study	Findings
Geldenhuys	2018	claims stage in the South African insurance industry	The research raised concerns about underwriting at the claims stage in the South African insurance industry, highlighting potential issues with fairness and transparency. Type of Study: Not explicitly stated, likely a commentary or analysis based on industry observations
Govender et al.	2013	health insurance scheme in South Africa	The study examined the uptake of a voluntary government health insurance scheme in South Africa, finding relatively poor adoption despite a free offer at the entry level. It highlighted the importance of physical access to service providers and clear benefit options for promoting universal coverage. Type of Study: Mixed Methods (Quantitative and Qualitative)
Grohmann et al	2017	Financial literacy impact on Financial Inclusion - Worldwide	Grohmann et al., (2017) in performed a study to determine whether financial literacy improves FI. The study used data from 143 countries and across more than one thousand respondents collected by Gallup in 2014. Six groups of variables were used. These were financial literacy, financial inclusion measured as access to finance, use of financial services, general country characteristics, financial infrastructure of a country, institutional country characteristics. The study showed that good financial literacy contributes to good financial decision making. Results concluded that both the demand for financial services in the form of financial literacy and the supply of financial services, are important for financial inclusion while the push for higher financial literacy could lead to higher use of financial services infrastructure.
Hussein	2020	the impact of financial technology	The study examined the impact of financial technology on financial inclusion in Egypt, finding that fintech startups are thriving but financial inclusion levels are lower than in other African and Arab countries. It emphasized the

Author	Year	Purpose of Study	Findings
		on financial inclusion in Egypt	need for a clear vision and strategy for financial inclusion, addressing challenges such as financial literacy and accessibility barriers. Type of Study: Not explicitly stated, but likely a mix of quantitative analysis and case studies
Kandpal & Mehrotra	2019	Financial Inclusion study in India	FI returned a mixed bag of results in a study conducted. While access to banking accounts has increased the uptake of formal financial services beyond savings account has remained low
Kim	2022	impact of mobile money on improving the financial inclusion of women in Nairobi, Kenya	The study assessed the impact of mobile money on improving the financial inclusion of women in Nairobi, Kenya. It found that mobile money has significantly decreased the proportion of women excluded from using financial services and increased their access to various financial channels. Type of Study: Quantitative
Kouladoum et al.	2022	the relationship between digital technology and financial inclusion in Sub-Saharan Africa.	The research examined the relationship between digital technology and financial inclusion in Sub-Saharan Africa. It revealed a link between the two but indicated that digital financial inclusion has not yet reached its full potential. The study emphasized the importance of developing financial and technological infrastructure and promoting financial literacy. Type of Study: Quantitative
Lin & Chen	2020	Insurtech risks and limitations	Highest threat to Insurtech is cybersecurity risks and personal data protection. United States lead the world with 56% of all transactions made on Insurtech platforms coming from the US.

Author	Year	Purpose of Study	Findings
Masuku and Bonga-Bonga	2020	investigated the relationship between Fintech and financial inclusion in South Africa	The research investigated the relationship between Fintech and financial inclusion in South Africa, finding a positive correlation between Fintech adoption and financial inclusion. Type of Study: Quantitative
Matsebula and Sheefeni	2022	explored the relationship between financial inclusion and macroeconomic stability in South Africa	The study explored the relationship between financial inclusion and macroeconomic stability in South Africa, finding that financial inclusion has a positive impact on macroeconomic stability and contributes to economic growth, poverty reduction, and improved living standards. Type of Study: Quantitative
Matsebula & Yu	2020	Financial Exclusion – National Income Dynamics Study	This study revealed that while there was an overall improvement in the use and access to financial products in the period from 2008 to 2015 there was a strong indication that financial inclusion was a phenomenon that predominated households that earned more. The most important conclusion though was that the possibility of financial exclusion impacted rural households in Limpopo, Kwa-Zulu Natal and Eastern Cape provinces made up of households of predominantly the majority Black community. This study shows that access to financial services products for the most marginalised and poor in our communities is still an issue.
Mende et al	2020	Banking deserts study – To gauge FI impact on	A study by Mende et al (2020) on marginalised communities in the banking industry in the United States identified that consumers living in low-income areas have double the likelihood of living in “banking deserts” which is defined as vulnerable communities with low or inadequate access to

Author	Year	Purpose of Study	Findings
		marginalised communities	banking services. The study proposes that banks can achieve more success in these marginalised communities by influencing the consumers' opinion that communal financial orientation is a tangible banking benefit. This perception suggested by the study is that consumers will believe that using the products and services of the bank will improve their community's overall wellbeing. This study concludes that driving this perception of communal financial orientation could lead to more empowered customers that are financially literate and that have higher utilisation of the banking services on offer in these marginalised communities
Mhlanga and Denhere	2020	factors influencing financial inclusion in Southern Africa	The research examined the factors influencing financial inclusion in Southern Africa, finding that age, education level, income, race, gender, and marital status all play a role. It also highlighted the importance of social networks in promoting financial inclusion among low-income households. Type of Study: Quantitative
Mhlanga, Dunga, and Moloi	2021	the drivers of financial inclusion in South Africa	The study aimed to understand the drivers of financial inclusion in South Africa, emphasizing the role of various factors such as demographics, income, and access to financial services. Type of Study: Quantitative
Ngcobo & Chisasa	2018	Stokvels study	This type of insurance cover provides the poorest with immediate and effective burial cover without the hassle of lengthy validation processes often with full burial and funeral parlour services attached to the offer. The results further show funeral policy consumers look for convenience and effective turnaround when identifying service providers. This means that this study pushes for improved policy improvements within the formal financial

Author	Year	Purpose of Study	Findings
			institutions that are building products for the entry level market. Finally, the study demonstrated results that showed that the burial society stokvel offer succeeded due to its informal nature, which is characterised by less technical administration and reduced administration costs when contrasted to formal financial service providers
Nnachi et al.	2020	the effect of bank verification numbers on fraud management in selected commercial banks in Ebonyi State, Nigeria	The study examined the effect of bank verification numbers on fraud management in selected commercial banks in Ebonyi State, Nigeria, highlighting the potential of technology in mitigating fraud risks in the financial sector. Type of Study: Quantitative
Oyedokun & Gabriel	2018	Nigerian market claims management	Their study of the Nigerian market asserts that insurance companies in that industry do not enjoy a good image as they are seen as dupes who are good at extorting money in the form of premiums but are reluctant in settling claims. Research by KPMG shows that the National Insurance Commission (NIC) of Ghana had to intervene in the local insurance industry to address the growing problem of unpaid policy premiums from consumers which was leading to severe delays in claims settlement which affected the perception of the industry that is in a growth phase in the long-term insurance industry (Insurance in Africa, 2015).
Pazarbasioglu et al.	2020	the role of digital financial services in promoting financial	The study explored the role of digital financial services in promoting financial inclusion, emphasizing the potential of fintech to provide greater transparency, control, and fraud reduction in financial transactions. Type of

Author	Year	Purpose of Study	Findings
		inclusion, emphasizing the potential of fintech to provide greater transparency, control, and fraud reduction in financial transactions.	Study: Not explicitly stated, likely a literature review or analysis of existing data
Thesmar et al	2019		Claims processing in some environments worldwide has reached a sophisticated level of artificial intelligence and data management as per research conducted in healthcare insurance industry where data scientists are suggesting the advanced use of claims data and insured medical information coupled with improved technology to predict future illnesses and potentially enable early detection of critical illnesses thereby improving the lives of the insured while also driving claim costs down.
Sodzi-Tettey et al	2012	Ghana national health insurance scheme claims management	Conversely research shows that the national health insurance scheme of Ghana has an intensively manual claims process which had human resource, technical administration and working environment related challenges to settle outstanding claims from claimants (Sodzi-Tettey et al., 2012). The study further found that to improve the confidence of the members of the Ghana National Health Insurance Scheme the insurance company would need to reform its payment and claims submission and processing systems to enable faster and simpler processing of claims.

APPENDIX A

Participant Agreement/Consent Form

Research Title The use of Financial Technology to improve Financial Inclusion in the Funeral Insurance industry in South Africa.

Researcher Name: Sean Naidoo

I, ……., agree to participate in this research project. The research has been explained to me and I understand what my participation will involve. I agree to the following:

(Please circle the relevant options below).

I understand that I am volunteering to take part in the study	YES	NO
I agree that my participation will remain anonymous (my name will not be used by the researcher in their research report.	YES	NO
I agree that the researcher may use anonymous quotes in her research report	YES	NO

I agree that the interview may be audio recorded	YES NO
I agree that the information I provide may be used anonymously after this project has ended, for academic purposes by other researchers, subject to their own ethics clearance being obtained but my name and any personal information will not be used or passed on	YES NO

…… (signature)

…… (name of participant)

…… (date)

APPENDIX B

Participant Information Sheet

Good day,

My name is Sean Naidoo. I am completing my Masters in Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. My supervisor is Dr. Rene Pellissier. I am conducting a research study about Financial Inclusion in the Funeral insurance market. The study is titled: **The use of Financial Technology to improve Financial Inclusion in the Funeral Insurance industry in South Africa.** I am inviting you to take part in in answering a questionnaire that analyses the impact of the use of digital technology on the funeral insurance market. If you decide to take part, your participation in this research study will last about 35 minutes.

With your permission, I would like to store your responses to the questionnaire on a secure file for 1 year and deleted after 2 years. Only the researcher will have access to the data.

During the research activity, I will need to ask some personal information about you, including your name, surname, job title and your views on the subject.

The interview will be confidential and anonymous. When I share the results of the research study, I will not include your name or anything else that could identify you. With your permission, other researchers may use the data collected from this research study, but your name and any personal information will not be used or passed on.

If you decide to take part in the research study, it should be because you want to on a voluntary basis. You do not have to take part and can stop being in the study at any time. You do not have to answer any questions if you do not want to.

If you have any questions during or afterwards about this research study, please feel free to contact me or my supervisor on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Many Thanks,

Sean Naidoo

seannaidoo1@students.wits.ac.za

Supervisor:

Rene Pellissier

rene@pellissier.co.za

APPENDIX C

See via email

APPENDIX (X) Instrument

Section 1: Demographics

1. What is your age?
2. What is your gender?
3. What is your highest level of education completed?
4. What is your occupation?
5. What is your household income?

Section 2: Funeral insurance product ownership

1. Do you currently have a funeral insurance policy?
2. If yes, how long have you had your policy?
3. How did you first learn about funeral insurance products?
4. How did you purchase your funeral insurance product?
5. How much do you pay in premiums per month?
6. What benefits does your funeral insurance product offer?

Section 3: Access to funeral insurance products

1. Have you ever accessed funeral insurance products electronically (e.g., via a website or mobile app)? If yes, how easy was it to navigate the platform and access the information you needed?
2. Have you ever accessed funeral insurance products physically (e.g., via an insurance agent or broker)? If yes, how easy was it to obtain the information and products you needed?
3. How do you prefer to access funeral insurance products?
4. In your opinion, how does the use of financial technology impact the ease of accessing funeral insurance products?
5. What improvements do you think could be made to funeral insurance products to make them more accessible using financial technology?

Section 4: Ease of use at claims stage

1. Have you ever made a claim on your funeral insurance product? If yes, how easy was the claims process?

2. Have you ever used financial technology to make a claim on your funeral insurance product? If yes, how easy was it to navigate the platform and make the claim?
3. Do you think that using financial technology can improve the ease of making a claim on your funeral insurance product?
4. Would you be more likely to use a funeral insurance product that offers an easy-to-use claims process through financial technology?

Section 5: Financial literacy on funeral insurance products

1. How confident do you feel in your understanding of your funeral insurance product and its benefits?
2. Have you ever used financial technology to learn more about your funeral insurance product or improve your financial literacy in general? If yes, how helpful was it?
3. In your opinion, can the use of financial technology improve customers' understanding and knowledge of their funeral insurance product?
4. What improvements do you think could be made to funeral insurance products to enhance customers' financial literacy and understanding?

Section 6: Conclusion

1. Do you have any additional comments or suggestions regarding funeral insurance products and the use of financial technology to improve accessibility, ease of use, and financial literacy?