

Service quality must keep pace with agent banking expansion

MATI UL HASAN
Mercantile Bank PLC

As small businesses increasingly use agent outlets to manage their finances, service quality and customer protection become more important. In a conversation with The Daily Star, Mati Ul Hasan, managing director of Mercantile Bank PLC, discusses agent selection, barriers facing women and the practical requirements for supporting local enterprise.

THE DAILY STAR (TDS): How are entrepreneurs using agent banking, and what support can outlets provide?

MATI UL HASAN (MUH): Small entrepreneurs increasingly use agent banking to manage business transactions, facilitate salary disbursements and build financial records, alongside savings and remittances.

Our outlets offer account opening, deposits, withdrawals, fund transfers and inward remittance disbursement. Agents assist with documentation and authorised transactions. Financing enquiries requiring detailed assessment go to designated lending teams, while services beyond an outlet's authority are referred to branches.

TDS: How do you attract and select agents while maintaining standards?

MUH: We require no security deposit, reducing agents' initial financial burden, and offer competitive commissions. Selection considers credibility, financial capability, business experience, local reputation and the ability to serve customers responsibly. Monitoring, regulatory compliance and customer service standards are central to maintaining trust. Expansion must be supported by capable agents, adequate liquidity and consistent service quality.

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> **Mati Ul Hasan**
> Managing Director
> Mercantile Bank PLC

TDS: What barriers do women face, and how are you responding?

MUH: Women may lack collateral, trade licences for home-based businesses and financial or digital literacy. Restricted mobility, concerns about hidden costs and dependence on male intermediaries also create barriers.

We encourage suitable sanitation facilities, female tellers and staff, and local outreach. Women own 12 percent of our agencies; we aim to raise this to 50 percent. Broader social and economic barriers require collaboration beyond banks.

TDS: How are customers informed about charges and protected against misconduct?

MUH: Outlets display the Citizen's Charter and Schedule of Charges. Transaction receipts, relevant SMS alerts and biometric authentication for applicable services provide safeguards. Agents cannot collect unauthorised fees.

Customers can complain through our call centre, responsible branch or controlling office, and escalate complaints to Bangladesh Bank's Customer Interest Protection Center.

TDS: What would help agent banking contribute more to local enterprise?

MUH: Agents need training, reliable connectivity and sufficient cash. Incentives should recognise service quality and customers' needs. Financial literacy can help entrepreneurs maintain records and explore financing.

A grocery shop owner depositing sales proceeds through an outlet can build transaction records. However, transaction history alone may not establish profitability or financing eligibility; additional business information may still be needed.



Connecting grassroots businesses with credit and digital payments

NAZMUR RAHIM
BRAC Bank PLC.

Agent outlets can connect small businesses with credit, digital payments and banking closer to home. In a conversation with The Daily Star, Nazmur Rahim, deputy managing director and head of alternate banking channels at BRAC Bank PLC, discusses lending referrals, support for women entrepreneurs and digital services.

THE DAILY STAR (TDS): How is agent banking supporting local enterprise?

NAZMUR RAHIM (NR): Around 50 percent of our agent banking customers belong to the cottage, small and medium enterprise segment. Outlets offer account and term deposit opening, cash transactions, transfers, remittances, bill payments, loan disbursements and repayments.

Agents also promote Bangla QR for merchants' digital payment collection, while customers can manage finances through the Astha app.

TDS: How do entrepreneurs apply for finance, particularly with limited records or collateral?

NR: Agents gather basic business information and refer eligible prospects to our SME Banking Team. They do not assess or approve credit. The team collects documents and evaluates viability, cash flow and repayment capacity. Documents may include a national identity card, trade licence, bank statements, tax returns and evidence of operations.

Assessment considers business experience, sales, expenses, liabilities, repayment history and financial health. Savings, remittances and transaction histories provide additional insights. We also offer dedicated loans linked to inward remittances credited to customers' accounts, helping migrant workers' families start or expand businesses.

Agricultural financing amounts and repayments reflect the activity, seasonal cash flows and repayment capacity, with eligible customers able to access applicable refinancing schemes.

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> **Nazmur Rahim**
> Deputy Managing Director and Head of Alternate Banking Channels
> BRAC Bank

TDS: How are you addressing barriers facing women entrepreneurs?

NR: Limited financial and digital literacy, mobility, inadequate records, collateral requirements and limited credit histories can restrict access.

TARA offers tailored SME financing, dedicated desks and documentation support. Our women-led TARA Agent Banking initiative extends access in underserved communities. Uddokta 101 and TARA Uddokta Mela help entrepreneurs develop management skills, showcase products, build networks and reach customers.

TDS: How can customers check charges and raise complaints?

NR: Each outlet displays the Schedule of Charges and a Customer Grievance poster with relevant contact details, alongside a complaint box. Complaints are recorded, investigated and addressed through a structured process to protect customers against misleading information, unauthorised charges and unfair treatment.

TDS: What changes would strengthen agent banking's contribution?

NR: Priorities are interoperability, digital lending and a change in perceptions. Interoperability would enable transactions across institutions. Digital lending could help assess cash flows and transaction histories to provide timely finance to eligible entrepreneurs. Agent banking should be recognised as an extension of the bank's service network, beyond cash deposits and withdrawals.

Local savings to local enterprise

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Applicants may need identification, a trade licence, business and income information, bank statements and details of existing borrowing. Guarantors or collateral documents may also be required, depending on the product.

The practical difficulty is often assembling these requirements. A customer accustomed to withdrawing money with fingerprint verification may not already have a chequebook, as Rehana discovered. Obtaining another person's documents can involve additional visits and expense.

Clear guidance at the outset can help applicants understand what they need, which steps require a branch visit and where their application stands.

SHOWING HOW A BUSINESS EARNS

A busy shop does not necessarily keep detailed accounts. Rehana describes a continuous cycle of buying stock and making sales, without calculating precise profit figures.

> **A nearby outlet makes banking easier. Turning that access into business growth depends on clear requirements, timely decisions and finance that fits the borrower's cash flow.**

That leaves a bank with questions that transaction records alone cannot answer. How much of the money entering an account comes from sales? How much must go towards suppliers, rent or household expenses? What remains available for repayments?

In their responses for this supplement, Prime Bank and Islami Bank describe considering cash flow and business activity alongside savings and transaction histories. Business visits and verification help put those records in context.

Regular use of an account can therefore support an application, but deposits are not the same as profit. Remittances may supplement household income without necessarily being available to repay a business loan.

Simple records of sales, purchases, expenses and customer dues can make a small enterprise easier to assess. They can also help the owner judge how much borrowing the business can manage.



ILLUSTRATION: AI GENERATED

WHEN THE AMOUNT MATTERS

In Malumghat, Cox's Bazar, Farbeen Akter makes crochet toys and accessories under the name Papiya Fashion House. Producing an order requires cash for yarn and other materials before payment arrives from the buyer.

She says buyers may pay 15 to 20 days after delivery. Purchasing materials in bulk can reduce costs, but requires more money upfront.

Farbeen recalls requesting Tk 50,000 through a local banking outlet and receiving Tk 25,000. She used the financing to buy materials in smaller batches than planned. The agent helped scan documents and coordinate with branch staff, although she still needed two guarantors and a branch visit.

Her account shows why receiving finance and receiving enough suitable finance are different experiences. A smaller amount may help fulfil orders while leaving the business unable to obtain the savings available through bulk purchases.

Timing matters too. A loan arriving after an order's deadline may be less useful, while repayments falling before customers settle their bills can put pressure on working capital.

The amount, duration, repayment frequency and total borrowing cost all shape what an entrepreneur can do with the money. These terms need to be understood before the commitment is made.

WOMEN AND THE PAPERWORK BARRIER

Women held approximately half of agent banking accounts at the end of June 2026, but received 12.72 percent of cumulative loan disbursements by value. This measures their share of money disbursed, rather than the proportion of women who obtained loans.

Farbeen's experience illustrates one complication behind an application. Her trade licence was in her own name, but the family home housing her workshop was not. She says she obtained local verification of her right to use the premises.

Mercantile Bank's responses identify similar barriers, including limited collateral ownership, missing licences for home businesses, restricted mobility and dependence on male intermediaries. UCB points to financial and business training as part of its support for women entrepreneurs.

Nearby service can reduce travel, but it cannot by itself resolve ownership and documentation difficulties. Applicants still need a workable route through requirements that may involve family members, guarantors and local authorities.

BEYOND THE FIRST TRANSACTION

The outlet must also function reliably. Cash availability, connectivity, staff knowledge and clear information about charges affect customers' experience before borrowing even enters the picture.

For financing enquiries, useful assistance means explaining eligibility and documents accurately, making effective referrals and helping customers obtain updates. Displayed charges, receipts and accessible complaint channels also give customers a way to check what they are paying.

The borrowers' accounts show that satisfaction and frustration can coexist. Rehana values the service while her husband questions paperwork expenses. Farbeen would consider using the channel again, but wants financing better matched to her production needs.

For these businesses, progress will be felt in practical ways: fewer avoidable visits, understandable requirements, timely decisions and repayments that fit their earnings. The nearby counter has already become part of their financial lives. What happens after they ask for finance will determine its role in their businesses.

