

# Universal Account for accessible/inclusive banking

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## If you wish to have a bank account, what do we do?

Go to bank, call a banker and open an account with lots of paperwork. The paperwork allows the bank to safeguard your deposits from frauds. But if you are uneducated or do not know what to do in a bank; the paperwork is **restraining**.

New technology such as cash machines, automatic tellers (ATM) and fingerprint biometrics allow you to withdraw money without paperwork. But can you keep an account without papers?... Impossible!

Particularly in rural areas and poor countries, the banks are not located within the villages and customers may have to travel far for accessing banking services.

## What is Universal Account for accessible banking

Universal Account is a biometric (such as fingerprint) based account that **does not need** any paperwork in pure theory.

Many countries already have a database system to uniquely identify their citizens through biometric details such as fingerprints or retina scans. They have extended these systems for disbursing cash subsidies by linking citizens' bank accounts. Because many citizens may not know how to open an account in a commercial bank or link them to biometric IDs... they end up being left out of the banking system completely.

If instead of linking each person's bank account to the national database, we open a universal account for each person; **we may offer banking to each human**.

It may reduce efforts in opening fresh accounts such as:

- Customers may not need to go to a bank or ask anyone for opening this account
- No need for an account number because the government ID serves as the account number
- No paperwork required because all accounts are opened by default. Customer who do not need this account may simply opt out or close by linking an existing account

The **benefits in operating** the account are for more significant:

The basic idea of this account is ease of operation and universal access. Universal access means that the account could be accessed through **any bank, any city, any branch or any teller** in the country.

Because each person has a unique ID, **only one** account is created and multiple banks in the same location are not required. For example, the central bank of the country may open these accounts by creating a single national database and allow all commercial banks to access it for transactions.

It may significantly **reduce travel** effort each time a customer needs to do a cash transaction. They may just walk into any bank branch nearby, scan their fingerprints to the teller/cashier and request a deposit/withdrawal after paying a standard fee.

Customers in **old age**, remote areas and less education may not be well versed with ATM cards. They may find it more convenient to operate accounts through simple biometric aids.

For each transaction, customers must pay a standard **transaction fee** so that no bank feels discouraged. Due to its basic nature, the government may not need to offer any interest on funds lying in the account.

No need to maintain a passbook at all as the account is identified through biometrics. Account balance maybe queried through mobile phone, kiosks and internet banking. And customers may take statement printouts by paying standard fees.

These accounts are **no-frill accounts**, thus common benefits such as cheque books, loans, interest and credit cards are not offered. The customers may open a conventional account with any commercial bank for such needs.

**In summary:**

No need to do any paperwork in opening the account

No need to remember the bank account number, keep a passbook or **any papers at all**

No need to use cheques or withdrawal forms for drawing money

No need to bring any papers/documents/cards for transactions

Transactions could be done through any branch of any bank because the transaction fee is directly paid at each step and interest is not offered

No risk of losing documentation for remembering bank details as fingerprints can immediately identify the person and only one account is created

For account-to-account money transfers, mobile or internet banking may be offered

Governments can directly send subsidies and cash payments without asking any bank details

No need for “Know Your Customer” paperwork for spurious or ghost accounts, because the account is already based on government ID

Each person gets only one account

Uneducated people may find it **extremely easy and simple to access** basic banking services

Significant savings in **transaction costs** for banks, particularly in cases where human interaction is required

It may reduce **transaction time** for the teller if good biometric technology is used