

Ghana's Digital Credit Directive Balancing Financial Inclusion, SME Growth, and Risk Management a FactSheet

PREPARED BY: ReFinD | November 2025



Background

The Bank of Ghana's 2025 Directive on Digital Credit Service Providers marks a transformative shift from unregulated digital lending to a structured, secure ecosystem. This fact sheet draws on mixed-methods research examining:

- 1 Ghana's market readiness for regulated digital credit,
- 2 Financial inclusion potential and conditions for success,
- 3 SME growth and trade facilitation opportunities, and
- 4 MTN Mobile Money Ltd.'s strategic implementation role.

Retail Finance Distribution Research Initiative

Key Research Findings

1 Market Readiness: Strong Foundation, Critical Gaps

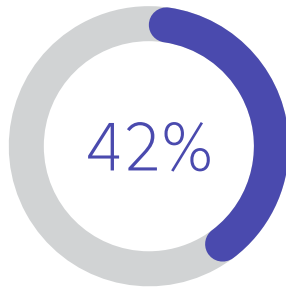
Infrastructure Strengths:

Ghana's 87% mobile money access penetration and surging credit appetite (searches doubled from 13M to 29.5M annually) create ideal conditions for digital credit.



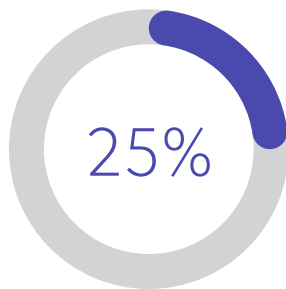
Implication for MTN MoMo: The company's existing 24M customers and 400k agents dramatically reduce acquisition costs and enable instant deployment, allowing Mtn MoMo Ltd. to capture first-mover advantage in the newly regulated market.

Critical Vulnerabilities and Strategic Responses:



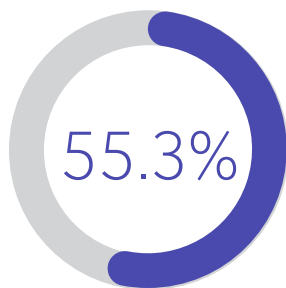
Trust Deficit (42%):

Implication for MTN MoMo: This is a core strategic challenge and opportunity. You must invest in consumer education, positioning MTN credit as "safe, transparent, and regulated" to differentiate from predatory loan apps. Your brand credibility is a key competitive advantage to be leveraged.



Credit History Gap (under 25%):

Implication for MTN MoMo: This represents a massive opportunity to build "financial identities" using your mobile money transaction data for alternative credit scoring. Your data is a competitive advantage; you should urgently develop proprietary "MoMo Score" algorithms to unlock this value.



Default Patterns (55.3% partial default):

Implication for MTN MoMo: Product design must prioritize affordability. Implement flexible repayment options and ethical collection protocols that distinguish "willing-but-unable" borrowers from strategic defaulters to sustain portfolio health.

Assessment: Technologically ready, but success depends on trust-building, alternative credit scoring innovation, and affordable product design.

2

Financial Inclusion Impact: High Potential, Conditional Success

What MTN should leverage:



Regulatory Trust Premium: Kenya saw 68% confidence increase post-regulation.

Implication for MTN MoMo: Being among the first fully compliant providers positions you as the "trusted alternative", a powerful marketing tool to rapidly gain market share.



Credit Scoring Advantage: Your transaction data (payments, bills, merchant activity) is your competitive advantage.

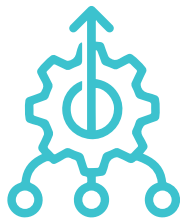
Implication for MTN MoMo: Investing in a transparent "MoMo Score" is not optional; it is the key to profitably unlocking millions of customers that traditional banks cannot reach.



Zero-Friction Deployment: 78% mobile money ownership means customers are already onboarded.

Implication for MTN MoMo: Credit can be deployed instantly through existing apps, giving you a massive cost and speed advantage over branch-dependent lenders.

Critical risks to avoid:



Market Consolidation: High compliance costs may eliminate 50% of FinTechs.

Implication for MTN MoMo: Consider a platform strategy that partners with smaller, innovative FinTechs. This maintains ecosystem diversity, fosters innovation on your platform, and helps avoid regulatory backlash against perceived monopolization.



Over-Indebtedness:

Implication for MTN MoMo: Implement mandatory, real-time credit bureau checks before every disbursement and enforce conservative debt-to-income limits. Proactively build "kill switches" to pause products if default rates spike, protecting both consumers and your balance sheet.



Algorithmic Bias:

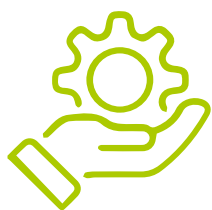
Implication for MTN MoMo: Conduct and publish quarterly fairness audits examining gender, regional, and aid distribution in your scoring. Proactively design for thin-file customers to ensure inclusivity and maintain your social license to operate.





Why SME Lending is a Priority: Alternative data scoring bypasses collateral barriers excluding 80% of the informal sector.

Implication for MTN MoMo: SME lending is a strategic imperative. It offers higher margins and potentially lower default rates than consumer credit (when based on sales data) and creates greater economic impact, aligning your commercial goals with national development.



MTN's Strategic Advantage – Closed-Loop Credit:

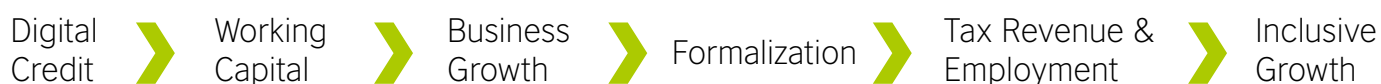
Implication for MTN MoMo: Partner with supplier credit providers to disburse directly to suppliers for inventory, tracked on your system. Partner with wholesalers and distributors so loans finance specific productive activities. This "closed-loop" model reduces diversion risk, secures repayment, and creates powerful, sticky B2B partnerships.



High-Impact Products: Agricultural finance (harvest-linked), SME working capital (sales-based credit lines).

Implication for MTN MoMo: Focus first on your existing merchant base. You already have the transaction data showing their sales patterns, allowing for accurate, collateral-free assessment. This is your lowest-hanging fruit for scalable, impactful lending.

Economic pathway:



**Infrastructure backbone:**

24M customers and 400k agents provide ready distribution license as provider or become preferred partner

**Improved Trust Architecture:**

Launch education campaigns emphasizing "safe, transparent, regulated" positioning

**Robust Credit Scoring framework:**

Develop transparent "MoMo Score" with fairness audits and explicit consent

**Ecosystem Approach to SME Credit:**

Prioritize merchant accounts starting with inventory financing

**Risk Mitigation:**

Offer regulatory reporting APIs for real-time credit monitoring

**Essential risk controls:**

Real-time credit bureau integration, dynamic borrowing limits tied to transaction velocity, ethical collections protocols, kill switch capability for pausing products if defaults spike.

Key Recommendations

For the Bank of Ghana

1

Establish Transparent Interest Rate Benchmark:

Create digital lending equivalent of Ghana Reference Rate preventing exploitation while ensuring sustainability.

2

Mandate Real-Time Credit Bureau Integration:

Move from daily to real-time data exchange eliminating loan stacking risk.

3

Implement Tiered Regulation:

Launch regulatory sandbox for FinTech startups, establish fast-track digital small claims tribunal, define fair mobile money deduction protocols.

For Service Providers

4

Create Industry-Wide Credit Scoring Utility:

Collaborate on shared "Ghana Digital Credit Score" using pooled, anonymized data.

5

Adopt Phased, Ethical Product Strategy:

Large platforms follow micro-overdrafts → SME finance → sectoral products sequence. Embed financial education with AI-triggered debt warnings.

6

Forge Strategic Ecosystem Partnerships:

Partner with agribusinesses, FMCG, telcos, government for "closed-loop" SME credit tied to productive activities.



Conclusion

Ghana's digital credit directive promises to transform the informal economy, build financial identities for millions, and fuel SME-led growth. Success depends on balancing innovation with prudence through adaptive regulation, real-time oversight, and collaboration between the Bank of Ghana and trusted platforms like MTN MobileMoney Limited.

The opportunity is clear: extend responsible financing to the unbanked, provide SME working capital, and generate data for evidence-based policymaking. The risks are real: market consolidation, over-indebtedness, and algorithmic bias. The path forward calls for vigilant supervision, ethical data use, genuine consumer protection, and strategic public-private partnerships. If these pillars hold, Ghana's digital credit ecosystem can become a continental model for inclusive finance.



Prepared By: ReFinD Research Initiative of ISSER, University of Ghana

About ReFinD

Retail Finance Distribution Research Initiative is a sub-grants-awarding research initiative that aims to support interventions that will effectively expand the reach and efficiency of agent network operations through public policy and commercial solutions that can plausibly be scaled. Hosted at ISSER, University of Ghana, ReFinD combines rigorous analysis with practical insights to support regulators, financial service providers, and development partners.

Contact:

refind-isser.ug.edu.gh | refind.isser@ug.edu.gh | LinkedIn & X: ReFinD_ISSER