



FINANCIAL EDUCATION THE SEYCHELLES CONTEXT

2023

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Introduction - Financial Education, No One Left Behind

Financial education across the board should be the right and responsibility of every individual. Where there is financial education, there is also financial freedom. In a world moving rapidly towards modernisation, it is important to cope with such transitions through boosting one's financial knowledge. There are many elements to financial education which will be learnt in this booklet.



The aim of the financial education booklet – an initiative of the Youthonomics group, under the CBS Financial Education Youth Ambassadors Programme 2021 – is to bridge the financial education gap that exists in the vulnerable groups. Through this booklet, these vulnerable groups will be better equipped with adequate knowledge to make better informed financial decisions in the future.

Getting Started

The booklet attempts to summarise some of the important themes of financial education in a simple manner. The Youthonomics project strongly believes in providing equal opportunities to all members of society no matter the demographic and through this booklet, wants to focus on the inclusivity of vulnerable groups.

The main themes covered are:



Basic Banking Procedures

Here are some useful tips to easily navigate through banking procedures¹:

To open a savings account, you will need the following:



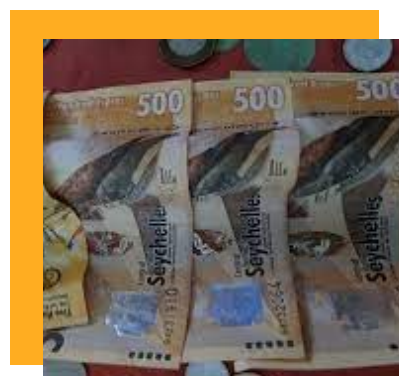
A copy of ID/passport



Source of Income



A valid proof of address (not older than 3 months); if the proof (for example, a water electricity bill) is not in your name, bring along the ID of the person whose name is on the proof of address



A minimum amount to be deposited into your account (amount may vary depending on the bank).

Annex I which is available on the CBS website (<https://www.cbs.sc/FinEd/finedmaterials.html>), provides a list of documents required to open a bank account both for individual/ personal and businesses/Association for all banks and Credit Union.

General advice when accessing banking branches:

- Use of mobile phone is generally prohibited
- Keep conversation and noise level to a minimum, as courtesy to other customers and the staff serving you
- Most banks in Seychelles open from 8.30am and close at 2:30pm
- Have your account card, National Identity Card or passport with you for ease of identification and access to banking services.



- Before visiting your main bank branch, check with your closest branch if it offers the services you require. You can also check what digital banking channels are offered by your bank. These channels (e.g. internet banking, banking apps, SMS banking, etc.) can allow you to effect transactions without having to visit the bank in person.

List of Commercial Banks and credit union in Seychelles



Absa Bank (Seychelles) Ltd
Victoria House, State House Avenue
P.O.Box 167
Victoria, Mahe
Seychelles
Tel: (+248) 428 39 39
Email: customerservices@absa.africa
<https://www.absa.sc>

Mauritius Commercial Bank (Seychelles) Ltd.

Caravelle House
Manglier Street
P. O. Box 122
Victoria, Mahé
Seychelles

Tel: (+248) 4284555

Email: contact@mcbseychelles.com
<http://www.mcbseychelles.com>



NOUVOBANQ
Seychelles International
Mercantile Banking Corporation Ltd

Nouvobanq
Rue de la Possession
P. O. Box 241
Victoria, Mahé
Seychelles
Tel: (+248) 4293000
email: nvb@nouvobanq.sc
<http://www.nouvobanq.sc>

Bank of Baroda

Trinity House
Albert Street
P. O. Box 124
Victoria, Mahé
Seychelles

Tel: (+248) 4618000

email: baroda@seychelles.net
<http://www.bankofbaroda-be.com>





Seychelles Commercial Bank
Kings Gate House
Independence Avenue
P. O. Box 531
Victoria, Mahé
Seychelles
Tel: (+248) 4294000 / 4294077
email: info@scb.sc
<http://www.scb.sc>

Al Salam Bank Seychelles Limited
Maison Esplanade
Ru de la Possession
P. O. Box 672
Victoria, Mahé
Seychelles
Tel: (+248) 438 5600
email: enquiries@alsalamseychelles.com
<https://www.alsalamseychelles.com>



Bank of Ceylon
Oliaji Trade Centre,
Rue de la Possession,
P.O. Box 1599
Victoria
Mahé
Seychelles
(+248) 461 1888
agmseychelles@boc.lk
<http://web.boc.lk>

Seychelles Credit Union
Cooperative House
Huteau Lane Street
PO Box 342
Victoria
Mahe
Seychelles
(+248) 4290190 / 4290100
<https://www.scu.sc/>



Basic banking products and services

Account Services

An account is an arrangement made with a financial institution such as a bank or credit union whereby a customer may deposit and withdraw money. In some cases, the account pays interest. An account is required to access most of the services offered by a bank or credit union.



Each financial institution sets their own terms and conditions for each type of account it offers. Some of the account type available locally include savings, fixed deposit and foreign currency accounts. You can contact your respective bank for more information of the types of bank accounts it offers.

Loans (e.g. Personal, Motor vehicle, Mortgage)



A loan is money that is borrowed and is required to be repaid over a specific period of time. Some examples of loans offered include personal, motor vehicle and housing loans. Normally, customers are liable to repay the funds borrowed over a certain period of time with interest, as per the terms and conditions agreed between the lender and the borrower.

Debit and Credit cards



Cards allow customers to pay for goods and services without using cash.

A debit card is directly linked to the customer's bank account, where money is deducted from the account according to the value of the transaction.

A credit card allows the customer to buy goods and services using funds that are deducted from the bank's account. As the money is not deducted from the customer's own deposits, it becomes a form of loan that the customer needs to pay at a later date.

Customers can use cards on digital channels such as ATMs and Point of Sale (POS). To note, some banks are offering bank cards with a new feature called 'contactless', where customers can tap their card on a POS terminal to make low-value payments instead of inserting the card in the POS terminal and keying in a PIN. Customers have the option to consult with their banks to either activate or disable the contactless feature.

Night safe

A night safe, also known as a safe deposit, is a secured deposit facility generally offered by a bank. This service allows customers to deposit and store valuable items for safekeeping.



Foreign Exchange services

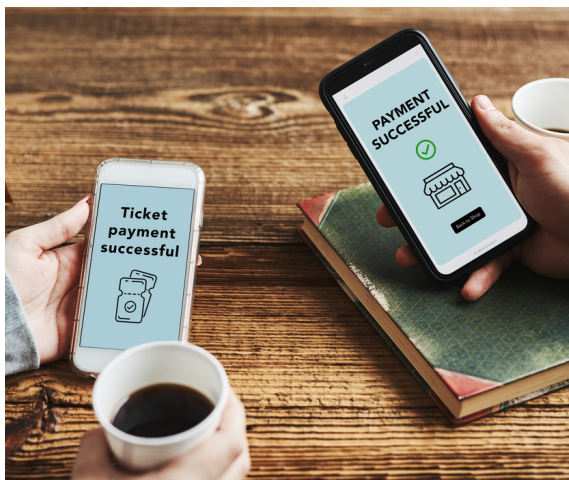
Banks buy and sell foreign currencies at different exchange rate (the value of Seychelles Rupees expressed in terms of another foreign currency). Since each bank is free to set its own exchange rate in Seychelles, the price of foreign currency will differ across banks. Customers can shop around to get the best deal. A person does not need to have an account with the bank to access this service. Foreign currency transactions can be conducted in cash or electronic transfers.



Internet Banking and Banking Applications



Internet banking platforms and mobile banking apps provide customers with an array of online banking services that can be accessed anywhere and at any time (provided there is internet connection). These comprise of viewing account balances, viewing of bank statements, transferring money and settling utility bills, amongst many others.



Fund Transfer Services

A bank or Credit Union can also provide money transmission services where customers can either conduct transactions directly through their bank accounts. Some banks also transfer money through other money remittance platforms such as Western Union or MoneyGram.

You can liaise with your respective bank or Credit Union for more details in regards to the various products and services it offers. You can also access the Comparative Fees and Charges schedule (a document prepared by the Central Bank to facilitate the comparison of different fees and charges related to the various products and services offered by banks and the Credit Union) on the Central Bank's website to view the fees and charges applicable to the various services and products.

**SCAN
ME!**



**TO ACCESS THE
COMPARATIVE FEES & CHARGES**

Complaints Process Guide



From time to time, you may be dissatisfied with, or have certain concerns about an action, lack of action or standard of a service or product offered by your financial institution.

If you have a complaint against institutions supervised by the Central Bank of Seychelles, you should first refer the complaint to the institution concerned. The institution is required by the Financial Institutions (Complaint Handling) Regulations, 2008 to acknowledge receipt of your complaint in writing within two days and provide a reply to you within 21 days of receiving the complaint, to offer either:

- A final response; or
- Written explanation to say why it is not in a position to give a final response and indicating when it expects to provide one.

The institution must also inform you that you may refer your complaint to the Central Bank if you are not satisfied with its decision.

To lodge your complaint with Central Bank, you can either see a CBS staff in the Financial Inclusion and Market Conduct Division (FIMCD), write a letter addressed to the Director of the FIMCD, send an email to complaints.mcs@cbs.sc or speak with a CBS staff by calling 2510025 to provide:

- Details of your complaint
- A copy of the letter from your institution stating its final decision; and
- A copy of any other relevant documents.



The CBS will review your complaint based on the facts of the case. It may meet with you individually and will decide on your case in line with relevant laws, industry rules and practices pertaining to your specific issue.

If you are not satisfied with the Central Bank's decision, you can file a court case against the concerned institution.

Savings Tips



Avoid unnecessary debt

Only borrow or take a loan for things that you need

Set savings goals

One of the best ways to save money is by visualising what you are saving for. If you need motivation, set savings targets along with a timeline to make it easier to save. Want to buy a house in three years with a 20 percent down payment? Now you have a target and know how much you will need to save each month to achieve your goal.



Consider your priorities

Do you really need the latest Phone? When money is tight, you should spend on what is absolutely necessary. Do not let your mood, emotion or a good deal influence your spending habits, otherwise it will drain your funds and set you back on your commitments. Focusing on your needs is a good way to manage your finances and maintain a healthy financial well-being. If you want something new, make it your goal and start saving to achieve it.



Find everyday savings

An obvious money-saving tip is finding everyday savings. For example, instead of buying take away for lunch which can cost around SCR75, bringing your own lunch from home to work will help you cut back on expenses and save money.

Make a budget

Making a budget will help you to better manage your finances. A budget is simply a plan on how to spend your money. Below are some benefits of financial planning:

- It can help you avoid mistakes and getting side-tracked from your financial goals.
- Helps you make better informed and smarter financial decisions
- Achieve your goals faster



You can visit the Financial Education Facebook and Instagram accounts using the links below to access more information on how to create a budget.



<https://www.instagram.com/seyfinancialeducation/>



<https://www.facebook.com/FinancialEducationSeychelles/>



Try lowering your energy bills

Turn off appliances and lights when they are not needed. Purchase energy-efficient appliances. When you can, open windows or use a fan instead of air conditioning.

Avoid spending leaks

It is very easy to spend more money than you intended, if you do not pay attention to how you are spending. Some tips to consider to plug spending leaks include:

- Mind how you spend your money; keep track of what you spend money on, even the little things. Those two samosas every morning can quickly add up!
- Cut out or reduce costly habits
- Look for deals (shop around)
- Make a shopping list and stick to it
- Get creative – DIY projects can sometimes save you money





Make use of savings facilities offered by commercial banks or the Credit Union

Instant Savings Account

A savings account allows customers to earn an interest either monthly or quarterly (depending on your bank's policy). This encourages customers to save money and receive more through the interest provided.

Fixed Term Deposit Account

A fixed deposit account allows customers to invest funds in the account for a set period of time with a guaranteed rate of interest. During this period, customers generally do not have access to the funds and this automatically allows the customers to save money. However, customers can access the funds in their fixed deposit account in case of urgent need. To note that interest payment is based on maturity term, therefore customers may lose out if funds are withdrawn before maturity. In addition, some banks charge a penalty for withdrawing of fixed deposit before maturity. You can liaise with your respective bank or credit union for more details related to charges.

Minor Account

A minor account is a deposit account for individuals under 18 years of age. It is designed for the child's parent or legal guardian to save money and invest in the child's future, while limiting access to the money in the account until the child turns 18 (which is the legal contractual age when the child can access the account). Nonetheless, some banks do allow parents or legal guardians to access funds in cases or emergency related to the child and for the child's benefit, as per the terms and conditions of the account.

Financial Well Being

Financial well-being means:

- You have control of your daily finances;
- Ability to absorb a financial shock (in the short term);
- Are on track to meet your financial goals;
- You can make choices that allow you to enjoy life while properly managing your finances.



Financial Freedom Rules



- Pay yourself first, in other words, set aside your savings before any spending!
- Define your financial targets! E.g. extend your house, buy a car, plan for further studies
- Protect yourself and stay healthy. You are the generator of your income.

You can start today

Take care of your financial well-being. Knowing how you truly feel about your financial goals and progress toward reaching them is key. If you are happy with where you are that is okay too.

- Set your financial goals as priority. Look out for yourself and what is important to your financial well-being.
- Say no to requests that do not align with your values and financial priorities. If other people try to influence your decisions, remember you are the best decision maker on your financial future.
- It is okay to change your mind. If your circumstances change or you have a new idea, you can always adjust your goals.
- Align your goals for your future lifestyle with your values. This will give you the flexibility to set a higher priority for your needs.

CONCLUSION

Financial Education is the right and responsibility of everyone. No one should be left behind. Always remember that it is never too late to start saving and adopt good financial habits. Although at times it may seem impossible to achieve your financial goals, patience and discipline will get you there.

Do not lose hope even when times become hard. Manage your time, organise your priorities, and minimise your spending level. You are only one step away from achieving your goals.
