

**Banking the unbanked in South Africa – is mobile banking the answer?**

Prior to the advent of South Africa's democratic dispensation in 1994, South African society was characterised by racial inequality in the political, economic and social spheres. Although huge strides over the past 18 years have been made in the political arena, the economic sector still evidences South Africa's apartheid legacy. In order to address certain aspects of this society's economic inequality, the retail banking sector created a Financial Services Charter in 2004 which required the retail banks to offer banking products and services to the "unbanked". This paper highlights the challenges facing the retail banking sector in meeting its mandate, and explores whether mobile banking could offer a viable solution.