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**MONEY TRANSFER SERVICES IN BANKS: A CASE STUDY OF WESTERN
UNION MONEY TRANSFER IN NIGERIAN BANKS**

BY

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ABSTRACT

This paper attempt to examine money transfer services in banks through the Western Union Money Transfer (WUMT). The dynamism in business environment makes it imperative for banks to adopt an anticipating stance towards changes. The paper investigated and tested the loss of money in transit by comparing traditional and western union money transfer using interviews and questionnaires. The chi square statistic was used to test the result. The study revealed that western union money transfer has really reduced the frequency of loss of money in transit in Nigeria. Due to customers complains, the study recommends that bank management should come out with a very clear policy statement concerning exchange rate.

BACKGROUND STUDY AND OPERATION OF WESTERN UNION MONEY TRANSFER

Western Union Money Transfer (WUMT) started around 1856 with the name western union telegraph. According to First Bank of Nigeria Pie Transfer money Booklet, It has the headquarters in New Jersey in United States of America. The word “Western Union signifies the “Union of the Western Lines”. In 1871, the organization introduced money transfers while in 1989 it began rapid money transfer outside North America. Before now, in 1914, Western Union introduced the first consumer charge card tagged “A retail revolution. In 1974, it launched Western, America first domestic communications satellite and became the first company to have five satellites in orbit. In 1995 Ghana became its first agent in Africa. Also in 1995, it was acquired by First Data Corporation (FDC), a fortune 100 company which is a leading provider of Credit Card processing, payment system, electronic commerce and information. In 1997, Western Union opened its first international regional operation center in Brussels providing support service to agents.

Today, Western Union Money Transfer serves its customers in 187 countries in 111116 locations. First Bank Nigeria Pie pioneered western union transfer in Nigeria in the late nineties followed by Oceanic Bank Plc appointed full agent in June 2003. Western Union Money offers its products and

services to customers “Premium quality services at affordable rates”.

The others are:

WILL CALL - Allows customers to send and receive money at any western union agent worldwide within minutes including additional services (message, test, question, phone notification etc.)

QUICK PAY - is a bill paying service that allows customers to send cash payment to companies for a flat fee.

QUICK CASH - Allows Companies to send money transfer to their customers or employee.

Western Union Customers include family remittance, guest workers, emergency students and tourist, commercial companies. Western Union has two types of agents. The network agent is contracted by western union to provide money transfer service in a specific country while the sub agent is contracted by a network agent to provide money transfer service in a specific country. Western union network agents are well-known financial institutions, currency exchange companies, travel agencies, and other high pedestrian traffic companies such as post offices, banks and exchange bureau. Western Union has the following types of locations. (A location is a point where western union money transfer services can be obtained). Customer service centers (CSC), Non-PC equipped PC equipped locations. A non-PC equipped location will have to phone or fax in a transaction into the CSC while a PC equipped location will directly connect to the host computer and process transaction.

Non-PC equipped locations require the support facilities from the network agent while a PC equipped location maintain a self-support facilities. The customer service centers responsibilities include:

Accounting and reconciliation, transaction processing for non-PC equipped locations technical and telecom support for PC equipped locations, transaction issues - customer inquiries. point of sales training and support, merchandising support According to the interview conducted with a management staff of First Bank Nigeria Plc, western union provide its service based on the understated acronym SRTC'.

Speed - The fastest way to send money worldwide in minutes around the world.

Reliability - Transaction protected and assured right to payee.

Trust- Honesty and Integrity.

Convenience —transact in more than 187 countries World wide in some 1111 16 locations anywhere anytime.

INTRODUCTION

William and Kermit (1980:19) stated that a business transaction is an exchange of goods or services and business transaction affects the elements of the accounting equation. Modern business transaction world wide involves the handling of huge sums of money. Risk is involved in handling cash more so when the amount of cash involved in the transaction is large. Since goods and services are exchanged for money both nationally and internationally, the carrying of cash from one geographical area to another becomes inevitable. As a way of reducing the cumbersome exercise and the risk involved in the movement of cash from one point to another, banking services were developed. Part of banking services therefore involved the facilitation of fiscal transfer for the ease of the business partners and to minimize the risk of lost of cash in transit. As a means of effecting an easy business transaction

involving cash, bank cheque and money order were introduced.(Vickery 1973:35) defined cheque as “unconditional order in writing, addressed by a customer to his banker, instructing the banker to pay on demand a stated sum of money to a specified person or to the order of a specified person or bearer” while Lipscombe and Pond 2002:151 defined cheque as an “ instruction in writing to a banker ordering him to pay a third party the amount stated” But using cheque or money order as means of financial transaction was observed to involve significant delay in business transaction especially when it involves the transfer of money from one bank to another or from one bank in one geographical area to the same bank in another area.

Modern Bankers therefore started introducing innovations in this area of money movement better described as money transfer. The first of such innovations was the introduction of Trans Atlantic Telegram as a means of international money transfer in (1861) by First Bank of Nigeria Plc. But this had serious shortcomings. According to First Bank of Nigeria Plc, the business of transferring money safely commenced since 1871. In 1920 it introduced the use of telex system for money transfer. The latest and most modern system of money transfer is what Trust Bank describes as “Electronic Money Transfer”, United Bank for Africa (UBA) describes it as “Money Gram” and First Bank of Nigeria Plc describes its Own version as “Western Union Money Transfer” as a consumer service that allows individuals to electronically transfer funds through a global network of more than 111116 locations in over 187 countries world wide”. Since this innovation was introduced into Nigeria, many people are yet to understand the working of the service. A lot of people too have warmly embraced the service. However, many are still skeptical about the new system of money transfer, especially against the background that naira value keeps depreciating against US Dollar and international money transfer

involves monetary conversion. The accusation so far is that First Bank has a different rate of US dollar to naira exchange other than the parallel market rate. Some of those persons who have benefited from the operation claimed that Western Union is “the solution to sending money to Africa”. It is against this background that the research was designed and executed to unravel the true operation of the modern money transfer magic. The paper, therefore discusses briefly the conceptual framework, statement of problem, objectives of the study, significance of the study, scope of the study, limitation of the study and research hypothesis in Section I. Section II, is followed by review of relevant literature. Section III contains the Research Methodology while Section IV discusses the data gathered from the interview and questionnaire administered. Sections V conclude the write-up with conclusions and recommendations on findings.

The onset of increasing unemployment in Nigeria caused by the unpopular structural Adjustment Programme pushed many Nigerians into international emigration. Many of these emigrants were sponsored to the host country with borrowed money. A lot of them mortgaged their buildings to raise fund and at exorbitant interest. The belief for taking such risk by both the skilled and the unskilled labour was that job exists out therein that other country. Labour was ready to take even menial jobs for survival purpose. Those who made savings from their daily earnings after sometimes attempted to repatriate such savings to Nigeria.

A lot sent such money through “trusted friend” others used the postal system. The two means were proved to be faulty as a lot of such remitted money never got to their destinations. The dilemma therefore was frustration. Would people stop to remit money home and allow those who sponsored

them to the host country wallow in poverty and even risk the loss of their houses? Does one send and risk the possibility of loosing the hard earned hard currency in transit? The dilemma was hard to resolve. It was in the mist of this dilemma that banks such as First Bank of Nigeria Plc introduced the Western Union Money Transfer. To fully understand to what extent the innovation has solved the problem of overseas sojourners, and even that of friends and relations at home there arose the need to carefully study the operation of Western Union Money Transfer since the researcher has some brothers and friends who may wish to use the medium to remit money home.

The main objectives of the study are as follows:

- i. To investigate the ease/difficulties involved in the innovation.
- ii. To find out if the operation is accepted by the people resident in the sample frame chosen
- iii. To determine the likes and dislikes of the system
- iv. To make suggestions for better performance if need be.

This study would provide a clearer information on the operation, the likes and dislikes and the acceptance or otherwise of the Western Union Money Transfer. It is going to be beneficial to both the bankers and their customers. Western Union Money Transfer is a global network of money transfer operated in about 111116 locations in about 187 countries. This study Bank (First Bank of Nigeria Plc) was chosen as a focus for purpose of questionnaire administration. Edo, Delta, Lagos and Ogun states in Nigeria were chosen because of high concentration of banking institutions and usage rate of Western Union Money Transfer Services.

The first problem suffered by this study was the fact that the topic happened to be an innovation yet new in Nigeria. There were few text book and journal materials to review. Secondly, the bankers saw

the system as their success strategy which would never be revealed hence there was information restriction. However, the researcher used a persuasive approach to get the cooperation from some Bank officials before some information documents were released.

THE CONCEPTUAL FRAMEWORK

In an attempt to make their economies a cashless .The world over is currently experiencing a global transformation in information technology. Business transactions can be initiated, processed and completed right from the bedrooms, offices e.t.c. The banks are not left out in this wave that is passing through the length and breadth of the business world. The innovations brought into the banking system in the early nineties by the new generation banks in Nigeria especially, in information technology, made the older banks such First Bank Plc, Union Bank Plc, United Bank of Africa christened the “Big three” to sit tight or else they would lose a significant proportion of their market share.

According to First Bank Plc annual reports 2005/06, “the big one” in the financial services industry, more branches and delivery channels are to be added to the network to bring the services closer to their numerous customers. The bank has acquired the finacle banking application software developed by infosys Technologies of India to meet new operational challenges. The new banking software will operate from a centralized database and all branches on the network will be able to access the data center. The above statement implies that bank management are consciously thriving to keep abreast with changes in modern technology in order to keep and retain their customers

LITERATURE REVIEW

It was the views of Lawrence, Corbit, Fisher and Tidwell (2000: 102) that banks could dramatically reduce the cost of transaction using the internet and converging technologies. Rose (1999 :101), emphasised that most banking services involve the movement of financial information from one account to another and from one financial institution to another. Financial information can often be transferred most efficiently through electronic wire network, which span the nation and even link institutions world wide.

Oceanic Bank is the second direct agent of Western Union Money Transfer after First Bank of Nigeria Plc. According to Ibru. (2003 :21) cited in the Punch 11th August, 2003, the bank would pay all its Western Union Money Transfer Customers in dollars except where the local currency is requested for. This served as a great challenge to First bank Plc the pioneer of the scheme in Nigeria. However in February, 2003 First Bank Plc designated the following branches namely Broad Street, Lagos, Marina, Lagos and King square, Benin City to pay customers in dollars. This was extended to many more branches in order to retain its market share. According to Chomel (2003:2 1) cited in the Punch 11th August, 2003, the Western Union history dates back to over 150 years ago. He stated that the Western Union consummate three (3) transactions every second all over the world. He posited that Nigeria is a growing market since immigration from the country to other parts of the world is still frequent.

The Bank explained that it is a consumer service that allows individuals to electronically transfer funds through a global network of more than 111116 locations in over 187 countries world wide. The exercise which began in Nigeria in early 1996 has recorded remarkable success explained the customer service manager. The customer service center explained that First Bank has selected a large number of branches spread all over the country to ensure that one will be near to you wherever you are. The beneficiary would complete “To receive Money” form giving details about himself and the sender. This enables the Bank to locate the transfer in the Global Computer System following a proper identification; the beneficiary will be paid the proceeds of the transfer in local currency at a competitive market related rate for US dollar. One can be identified by a combination of the following: International Passport, and National Driver’s License Employers Identification Card and other means deemed suitable by the banks. Identification issued by Institutions of Higher Learning can also be used by students.

However, the Bank stated that where a customer is already in current Account relationship with the paying branch, additional form of identification may not be required. If a customer has no means of identification as required above, he/she is requested to ask the sender of the money to include a “Test Question” with the transfer. This is an additional means of security. The sender will provide a question and answer which he must make known to the receiver. The question is deemed to have been answered correctly, if the answer given by the recipient is what has been specified by the sender as the correct answer. When the recipient answers test questions correctly, he is paid.

The Bank explained that you do not have to be a customer of First Bank of Nigeria Plc or any Bank for that matter. However, clients are advised in their own interest to open an account with the paying bank for security reasons if the money involved is large. The customer service center stated that the system is not only the fastest means of sending/receiving money world wide, it is also the most convenient, simple and secured. Western Union has over 140 years experience in Money Transfer business and this is complemented by over a century of banking experience and reliability in Nigeria. The Customer Service Officer of First Bank of Nigeria Plc explained that where a recipient lives in a town or village without the services of First Bank Plc, the sender is advised to inform the receiver to go to the nearest town or village where First Bank Plc operates the Western Union Money Transfer Service. This information can be sent to the receiver through the telephone, Fax, courier service or Emergency Mail Service (EMS).

According to the terms and conditions of operating WUMT provided by the Customer Service Department; "Refund of Principal Amount and cancellation of Money Transfer will be made at the applicable exchange rate in effect at the time the refund is made and upon written request of the sender if payment to the Recipient is not made within 30 days, excluding Sundays and holidays" The Bank explained that "Money Transfer payment will be made in Nigerian Naira at Western Union's rate of exchange in effect at the time of conversion" . This rate may be less than the official market rate or the parallel market rate. This is the principal criticism that this Bank Service receives from its customers. First Bank Nigeria Plc emphatically explained that it cannot be sued or damages claimed for money not delivered to the recipient beyond the principal amount sent to the receiver and the

service charge paid by the sender. And the total claim in addition to the principal sum will be subject to a maximum of \$500 (U.S Dollars).

First Bank of Nigeria Plc further explained that following the success the international Western Union Money Transfer service recorded between 1996 and 1999, it decided to introduce the local version of the service in 1999. "The response of customers is so far good" the Bank claimed. The Customer Service Manager claimed that the local WUMT operates exactly the same way as the international WIJMT, with the same terms and conditions.

According to Noah and Diala-Ukah (1980:100) treasury bills are used in the money market financial transactions and for deferred payments and money transfer purpose. They defined money market as a market for short term credits 1 to 6 months. Onoh and Diala-Ukah (1980:112) explained that treasury bills came into existence as a result of the need to finance domestic and international trade and other economic transactions. According to Onoh and Diala-Ukah (1980: 119), Call Money Scheme is a form of Money transfer introduced into the Nigerian money market in 1962. In this scheme, commercial banks placed their idle cash at call with the Central Bank for which some interest was paid. The interest paid is usually less than that paid for treasury Bills and maturation period is equally less and attract shorter period than that paid for Treasury Bills. Central Bank requires such loan for settlement of bills usually involving countries during international transactions.

Customer Service Manager United Bank for Africa posited that bank draft came into being as a means to creating greater confidence and assurance to business partners that the holder of the draft is

capable of paying his bills up to the amount of money specified in the draft. It is similar to Bank Cheque as a means of transfer but different in the sense that while Bank Cheque can bounce (Cheque without cash backing), bank draft cannot be without cash backing. This is another means of money transfer from one individual in a location to another individual in another location through the post offices or Postal Agency. Somebody wishing to send money to his business associate, friend or relation can come to the Post Office to buy Money Order up to the amount of money desired. Premium is usually paid by the purchaser to the Post Office to cover the handling charges. According to the Commercial Manager, General Post Office, (Headquarters) Benin City, Postal Order as a medium of money transfer is safe, though not as fast as the “modern bank electronic money transfer system”.

The beneficiary identifies himself/herself by producing a Post Office Slip and identity card, or a driving license, or an international passport or a letter of introduction from a place of work, a clergy or a lawyer. This is the Commercial Manager explained, is to ensure *that* the wrong person does not receive the money. He further explained that if the sender desires the beneficiary to receive the money fast (even within 24 hours), he/she can send the draft through the Post Office Emergency Mail Service (EMS).

METHODOLOGY

The study was focused on measuring the awareness and acceptance of Western Union Money Transfer operations in selected States (Edo State, Delta State, Lagos State and Ogun State) using selected banks and a random sample of customers. A face to face interview of selected bank customers and few Bankers was conducted using structured questionnaire. Two categories of persons

were sampled namely: those persons who have benefited from the operation of the service of Western Union Money Transfer and the operators of the system service that are resident in the states under consideration. This describes the stratification of respondents. The operators are in the position to give the details on the methods/systems of carrying out the service.

SAMPLING

TECHNIQUE

Edo State, Delta State, Lagos State and Ogun State were chosen as the sample frame for convenience because the researcher resides in Benin City and work in Ogun State, which is also proximate to Lagos State. Edo State has 10 (ten) branches, Delta State 12 (twelve branches), Ogun State 7 (Seven) branches and Lagos State 57 (fifty Seven) branches of First Bank Plc. The respondents were however, chosen by random sampling technique. This was executed by a way of First in First Interviewed. This implies that the customers coming for Western Union Money Transfer (WUMT) service were identified and interviewed individually until the desired numbers of respondents were completed

SAMPLE SIZE, STRUCTURE AND INSTRUMENT OF DATA COLLECTION

The structured questionnaire was used to gather responses from the selected individuals. The questionnaire contains both open ended and closed ended questions. The stratified random sampling technique was also employed. The selected customers were also interview with the use of structured interview schedule. The questions were designed based on the objectives of the study. Descriptive statistics such as frequencies and percentages were used in analyzing the data obtained. The researcher administered questionnaire to three hundred and fifty respondents out of which two

hundred and fifty were retrieved. The first part contained demographic characteristics of the respondents while the second part was to tap information on the effectiveness and efficiency of management operation of Western Union Money Transfer (WUMT)

METHOD OF DATA ANALYSIS

The data collected was edited, coded manually and electronically collated. It was then processed into frequencies and percentages for interpretations. The chi-square statistics was used to test the hypothesis to determine how significant the null hypothesis holds, the chi-square statistics formula is given as.

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

Where:

\sum = sum

f_o = Observed frequency (Given)

f_e = Expected Frequency = $\frac{P_{mv}}{N}$

X^2 = Chi - Square Symbol

With (r-1) (c-1) df $\alpha = 0.05$

ANALYSIS OF DATA

Some of the notable results of the data analysis gathered from the field were carefully edited, coded and collated. The information emanating from the analysis is hereby discussed below.

The first part of the questionnaire, which is on demographic characteristics of the respondents revealed that 42% of the samples were male while 58% of the respondents were female. This shows that majority of the respondents interviewed are male and to a large extent shows that they patronize more WUMT. The ages of the respondents were between 15 to 66 and above although a higher percentage (90%) of the respondents fall within 26-55 age bracket while only 34% of the respondents had education up to secondary school level (WASC) while 66% of the remainder fall within N.C.E!OND and other higher degrees. This shows that information was collected from the well-experienced people within the organization and outside. This is an indication of the reliability of the information obtained.

The table 2 below shows the responses of the respondents as regards to the effectiveness and efficiency of Western Union Money Transfer. 60% of the respondents maintained account with First Bank Plc while remaining 40% maintain account elsewhere but received funds through First Bank Plc. (WUMT). The study also revealed that 50% of the respondents dislike Western Union Money Transfer because the rate of dollar to Naira exchange is less than the market rate and 10% of the respondents said nothing. They were neutral. However, 40% of the respondents disagreed with the former position, according to them their dislike for Western Union Money Transfer is due to non-payment to customers in hard currency. It was also revealed from the study by 60% of the respondents that Western Union Money Transfer is fast, safe and reliable while 30% and 10% recorded that the operators are careful and that Western Union Money Transfer made sending money home easy. 70% of the respondents claimed that the old system of getting money from friends/relations residing

overseas was “Unsafe/very unsafe. Also 60% of the respondents associated loss of money in transit to the old system.

STATISTICAL INTERPRETATION OF HYPOTHESIS

As a basis for discussion and deduction the following hypothesis shall be tested.

Null Hypothesis (H_0): Western Union Money Transfer has not significantly reduced the frequency of loss of money in transit in Nigeria.

Alternative Hypothesis (H_1): Western Union Money Transfer has significantly reduced the frequency of loss of money in transit in Nigeria.

X^2 Test Statistics = 0.05 2° f

X^2 Table value = 5.99

X^2 Calculated value = 15.28

Since the chi-square calculated value is more than the chi-square table value, that is $15.28 > 5.99$ we therefore reject the null hypothesis that is X^2 fall within the rejection zone. By implication, it is concluded that Western Union Money Transfer has significantly reduced the frequency of loss of money in transit in Nigeria. Rejecting the null hypothesis on the basis of sample evidence is to commit type II error.

CONCLUSION AND RECOMMENDATION

This paper examines the money transfer service in Banks using the Western Union Money Transfer as a case study. In recent times the world economy has witnessed a lot of dynamism and challenges in

information technology. Nigeria being a growing economy has graciously embraced the wind of changes taking place in this new system. The discussion so far from the field through interview and questionnaire can be summarized as follows. More female (60%) in the age group of 36-55 years, 70% married and widowed (60%) receive money from western union money transfer. Bulk (70%) of the respondents claimed Western Union Money Transfer Means as a “fast and safe” means of getting money from overseas. Bulk (80%) of the respondents claimed that the system is “very easy” another 20% said it is “easy” while overwhelming majority (90%) of the respondents claimed the system is acceptable to them. This means that Western Union Money Transfer is popular in the areas under study. Half of the respondents complained that the operators fail to pay recipients at the current dollar to Naira exchange rate while another 40% complained that customers are not paid with hard currency sent to them.

However, 60% of the users of Western Union Money Transfer in the areas under study commended the system and claimed it is “fast safe and reliable. To ensure that the system continues to receive wide popularity, regain its market share in the light of growing competition in the banking industry, about 60% of the respondents suggested that the operators should start paying them at the current rate of dollar to Naira exchange rate.

RECOMMENDATION

The following are recommended for the improvement of Western Union transfer in Nigeria.

- i. It is recommended that from the field results, since money transfer is widely accepted in the areas under study which may perhaps be the situation in most cities in Nigeria, the

bank management should find a way of ensuring that customers receive the correct amount due to complains from customers that they are not paid at prevailing exchange rate at the time the money is received.

- ii. In addition it may be necessary that bank management should come out with a very clear policy statement concerning exchange rate because this seems to be the only bone of contention respondents picked with the banks. It was doubtful whether the complaint was only the views of the areas under study or it represented the views of other Western Union Money Transfer customers in other parts of Nigeria. To this extent, further research is recommended to be conducted on a larger scale that is, using more sample size and locations. In this way, the bank management would be more informed about the performance of Western Union Money Transfer service nationwide.

Table Diagrams

**TABLE 1:
SOCIO-ECONOMIC (DEMOGRAPHIC) CHARACTERISTICS OF
RESPONDENTS**

Sex	Frequency	Percentage	Cumulative Percentage
Male	105	42.0	-
Female	145	38.0	100
Total	250	100	

Age	Frequency	Percentage	Cumulative Percentage
15-25	25	10	-
26-35	25	10	20
36-45	75	30	50

46-55	100	40	90
56-65	25	10	100
66+	-	-	-
Total	250	100	-

Educational Qualification	Frequency	Percentage	Cumulative Prcentage
WASC/G.C.E	85	34	-
N.C.E/OND	75	30	64
HND/B.SC	50	20	84
M.ScIMBAIMPA	40	16	100
Total	250	100	-

Source: Researcher Findings.

TABLE 2: STAFF AND BANKERS RESPONSES ON THE EFFECTIVENESS AND EFFICIENCY OF WESTERN UNION MONEY TRANSFER

Maintain with First Bank Plc any where in Nigeria	Frequency	Percentage	Cumulative Percentage
YES	150	60	-
NO	100	40	100
Total	-	-	-

Dislikes For Western Union Money Transfer (WUMT)	Frequency	Percentage	Cum. Per.
Rate of dollars to naira exchange less than market	125	50	-
Refused to pay customers in hard currency	100	40	90
Nothing	25	100	100
Total	250	-	-

Likes For Western Union Money Transfer(WUMT)	Frequency	Percentag	Cum.Per.
Fast, safe and reliable	150	60	-
Operators are Careful	75	30	90
Made Sending Money Home easy	25	10	100
Total	250	100	-

What Western Union Money Transfer Mean to you	Frequency	Percentage	Cum. Per.
Fast and state means at getting money from oversea	175	70	-
Western world device to sending money any where in world	50	20	90
Bank way of making money from	25	10	100

people			
Total	250	100	-

Table 3: WHETHER THE INTRODUCTION OF WESTERN UNION MONEY (WUMT) HAS REDUCED THE FREQUENCY OF LOSS OF MONEY IN TRANSIT

Response	Total Frequency	%	Cumulative %	Bankers			Recipients		
				Frequenc	%	Cumu.%	Frequency	%	Cumu. %
YES	125	50	-	25	10	-	100	40	-
NO	100	40	90	-	-	10	100	40	80
DON'T	25	10	100	-	-	-	25	10	90
Total	-	90	25	10	-	-	225	90	-

Source: Researcher Findings

CALCULATION OF X^2

RESPONSE	OBSERVED FREQUENCY		TOTAL
	BANKERS	RECIPIENTS	
YES	25	100	125
NO	-	100	100
DON'T KNOW	-	25	25
TOTAL	25	225	250

Fo	Fe	$(Fo-Fe)^2$	$(Fo-Fe)/Fe$
25	12.5	156.25	12.50
100	112.5	156.25	1.39
100	90	100	1.11
25	22.5	6.25	0.28
250			15.28

df = degree of freedom (2 -1) 3-1

X^2 = statisticed oc 0.05 2° f

X^2 = calculated = 15.28

X^2 = table value =5.99

Safety of the old system of ~ettin~ money	Frequency	Percentage
Very Safe	25	10
Safe	50	20
Neither Safe or Unsafe	-	-
Unsafe	100	40
Very Unsafe	75	30
Total	250	

Problem Associated with the old ways	Frequency	Percentage
Loss of money in transit	150	60
Friends/Relations never handed money over to the recipient correctly	100	40
Total	250	

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