

The Single-Sided Trap: Why Can't the Market Woman Borrow Against the Money She Moves by Phone?

A market can scale far beyond any founder's imagination while still declining to build the half of itself that was actually asked for.

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Picture a fabric trader on Kantamanto's third row, midway through a Tuesday morning. A customer she has never met picks four yards of a wax print and pays her the full price, GHS 340, straight into her mobile money wallet before the fabric is even folded under the customer's arm. From where the trader is standing, nothing about that transaction is unfinished. She was paid the right amount, on time, without an argument, in a form she trusts enough to walk to an agent and turn into cash by evening. She does not experience this as half a payment system. She experiences it as Tuesday.

What does not happen, in that moment or in the thousand moments like it across a year, is that the transaction becomes anything more than itself. It settles, and it disappears. No bank, no supplier extending credit for her next order, and no tax authority can see that it happened, or that it was the four-hundredth transaction just like it that month, or that her receipts have grown steadily for three years running. The gap in her life was never that mobile money failed to pay her. It is that being paid, reliably and often, has never once turned into anything she could borrow against, prove to a landlord, or use to formalise her stall into something a bank would recognise as a business. That distinction, between being paid and being made financially visible, is where this piece actually needs to start, because it is also where my 2011 argument was both wrong and quietly right at the same time.

What I argued in 2011, tested against fourteen years of data

Fifteen years on, the record on this argument splits cleanly. It is wrong on the specific consumer mechanism, right on the underlying infrastructure problem, and precise enough on both counts to be checked against the record rather than remembered kindly. That is the standard this series holds itself to, and it is worth stating before the detail, because the alternative, commentary vague enough never to be wrong, is not actually a safer position. It is simply one that can never be tested.

In September 2011, writing from a handset that struggled to load a full webpage, I made a case against the way Ghana's mobile payment providers were reaching for growth. MTN was building out mobile money, Airtel had inherited Zain's Zap product when it rebranded the year before, and a young company called DreamOval, founded by graduates of Ashesi, had built a platform called i-wallet for mobile and internet payments. All of them, I argued, were reaching for the wrong half of Kenya's success. M-Pesa had taken off because it solved a specific obligation, moving money from an urban earner to a rural relation, that ran deep through Kenyan

family life. Ghana, I wrote, did not carry that same intensity of rural remittance duty, and Ghanaians favoured the visible satisfaction of handing something over in person rather than sending an abstraction down a wire. The stronger opportunity, I argued, was payment for services and products rather than money transfers between individuals, paying a trader, a transport operator, a utility, rather than sending cash to a cousin. I called on the telcos, DreamOval, and the Bank of Ghana to build toward that instead, and to fix the infrastructure, standards, and regulatory clarity that would make it possible.

Fourteen years of data have now settled the empirical question, and they have settled it against my specific mechanism while vindicating almost everything around it. Rather than the services-and-products economy I called for, Ghana's mobile money sector became a transfer economy, at a scale my 2011 self had no real capacity to imagine. Mobile money moved GHS 3.01 trillion in 2024 alone, a 56.8 per cent increase on the previous year, and the first two months of 2025 posted GHS 649.2 billion on their own, up 64.7 per cent on the same period in 2024. Registered accounts reached 74.1 million by February 2025, well over double the national population of roughly 34 million, a figure that reflects duplicated registrations across networks and dormant wallets more than universal reach, but which still describes a payments habit that has saturated the country in a way no banking product ever managed. Almost none of that volume is a market woman being paid for tomatoes through a phone instead of cash in hand. It is overwhelmingly people sending money to other people, the very behaviour I argued Ghanaians would resist.

What the evidence actually shows

I want to sit with that reversal rather than argue my way out of it, because the more useful finding here concerns less my misreading of a cultural preference than my correct identification of where the harder and more valuable infrastructure needed to be built, infrastructure that remains substantially unfinished today. The Bank of Ghana did, eventually, do the regulatory work I was calling for in 2011. E-money issuer rules were formalised, and the central bank's settlement institution, GhIPSS, built an interoperability layer that lets a wallet on one network settle directly against a wallet on another, or against a bank account, without either party needing to know which institution sits behind the other side. That interoperable channel alone processed GHS 5.8 billion in December 2025, up 87 per cent on the GHS 3.1 billion it processed the December before, and the fact that value grew faster than volume tells you something the raw headline figures do not. The system is increasingly carrying larger, more considered payments rather than simply more small ones. Elsewhere in this revival I have already noted that mobile money now moves a volume of transactions that dwarfs anything the formal banking sector processes, built with a fraction of the capital intensity and financing risk that constrained Ghana's factory programmes. That observation holds. What it does not tell you, on its own, is which half of the payments economy actually grew.

The clearest evidence for that split sits in what the Bank of Ghana chooses to measure, and what it has quietly stopped measuring. Its FinTech Sector Report for 2024 does publish a category breakdown of transaction value: agent-to-agent float movement at 39 per cent, third-party transfers at 14 per cent, cash-out at 10 per cent, cash-in at 10 per cent, bank-to-wallet transfers at 7 per cent, wallet-to-bank transfers at 6 per cent, and person-to-person transfers at 5 per cent. No category in that breakdown is labelled payment for goods and

services, and merchant acceptance does not appear as a named line at all. That is not simply an oversight in one year's report. The Bank of Ghana did report person-to-business transfers as a distinct category in 2021, when they stood at 13 per cent of transaction value, and again in 2022, when the same category had fallen to 4 per cent, a decline of 63 per cent in cedi terms in a single year. It has not reported that category since. The single metric that would tell a reader whether Ghana's mobile money sector had started rewarding merchant acceptance is therefore not a gap in the data. It is a data series that was tracked for two years, showed a collapse, and was then dropped from the reporting template, which is the more precise and more defensible version of the claim this essay is making. GhIPSS launched a universal QR code scheme, GhQR, to let any customer pay any registered merchant by scanning a single code regardless of which bank or wallet they used, the same payment-for-services rail I had argued for in 2011. Early enrolment moved fast: roughly 42,000 merchants had signed up by the first quarter of 2021, over 65,000 by that June, and around 150,000 by June 2022. Then the public numbers stop. Neither the Bank of Ghana nor GhIPSS has published a merchant count, a transaction volume, or a year-on-year comparison for GhQR since, and the 2024 FinTech Sector Report does not mention QR payment data at all. Users who tried it describe an interface that, in their own words, simply does not work as smoothly as sending money directly, and note that awareness of the scheme barely exists outside the merchants who were signed up at launch. A rail built for exactly the use case I described in 2011 grew fast and then went dark in the official record, while the transfer rail I dismissed has become one of the largest financial systems in West Africa.

[Data infographic: The Single-Sided Trap — transaction value, registered/dormant accounts, person-to-business collapse, and the 2024 category breakdown. See the full data infographic in the Substack edition of this essay.]

The Single-Sided Trap

There is a structural reason for that gap, and it is worth naming because it recurs well beyond Ghana. A transfer only requires one party to change behaviour. The sender has to trust the rail, and the receiver, who already wants cash, will take it however it arrives, typically by walking to an agent and cashing out. A merchant payment requires two parties to change behaviour at once, in the same moment, at the same counter. The merchant has to trust the settlement timing, the fee structure, and the reconciliation of a scanned code against pesewas and cedis in a till, while the customer has to prefer scanning a code to handing over a note that both parties already understand perfectly well. My 2011 argument had adumbrated this split without having a name for it. I will give it one now. The Single-Sided Trap is the tendency of any payments ecosystem to reward whichever rail asks only one party to move, and to leave permanently underbuilt whatever rail would ask both parties to move together, because the first produces headline growth numbers almost immediately while the second requires years of unglamorous, simultaneous persuasion on both sides of a counter. Call that second, harder rail the Second Rail, the layer that would convert Ghana's cash-based commerce into a data trail usable for credit scoring, tax formalisation, insurance underwriting, and working capital lending, and which is worth an order of magnitude more to the economy than another percentage point of transfer volume, because nobody has yet made it easy enough for both a trader and her customer to want it on the same afternoon.

What fourteen years of transactions never became

Return to the fabric trader on Kantamanto's third row. Her problem was never that mobile money failed to pay her. It is that fourteen years of being paid, reliably, has produced no record that anyone outside that transaction can use. Elsewhere in the world, that record is itself the product. Square, now part of Block, has underwritten \$22 billion in merchant financing since 2013 by reading a seller's own card-processing history, transaction volume, consistency, seasonality, rather than a credit score or collateral, and reports an aggregate loss rate under 3 per cent; in 2024 alone it originated \$5.7 billion this way. PayPal's Working Capital product, built on the same logic, has lent a cumulative \$30 billion to small businesses since 2013 across 1.4 million loans, with the large majority of borrowers returning for a second one. Shopify and Stripe run variations of the same idea, alongside a wave of UK revenue-based lenders. Repayment is set as a share of future sales, sized and priced against a merchant's own transaction history rather than a bank's paperwork. The industry term for this is cash-flow underwriting, and the research on it, most usefully FinRegLab's work in the United States, keeps finding the same result. Transaction data predicts repayment risk about as well as a credit score does, and it reaches the businesses a credit score cannot see.

Kenya, the market my 2011 argument used as its benchmark, has already built this at a scale that dwarfs anything under discussion in Ghana. Fuliza, Safaricom and NCBA's M-Pesa overdraft facility, had 33.4 million users by 2024 and disbursed KES 906 billion, roughly \$7 billion, in that year alone, on top of KES 2.9 trillion lent cumulatively since its 2019 launch. M-Shwari, the older sibling product, has lent a further KES 787 billion since 2012. Both run on the same principle as Square or PayPal. A phone's own transaction history is the collateral. Ghana already has an early version of this too. Fido, a Ghanaian fintech, scores applicants using mobile money transaction history alongside a short questionnaire and device data, and disburses personal loans from GHS 50 to GHS 6,800 and small-business loans up to GHS 8,500 without a credit bureau check; it raised a further \$5.5 million in debt financing in early 2026 to expand the model. The technology and the underwriting logic are not the missing piece. What Fido lends against is still overwhelmingly personal consumption history, not the kind of verified, sustained merchant sales record that would let a trader borrow to restock inventory or finance a bigger order, and no institution in Ghana yet links that data to formal tax status or a national credit file.

Credit is not the only service a persistent transaction record makes possible, and Ghana already runs a working example of a different one, at a scale that dwarfs any lending product operating in the country today. aYo, a mobile-based insurance product MTN launched in 2016 with MMI Holdings, the group behind the Metropolitan and Momentum brands (MTN's insurance partnerships later widened to include Sanlam from 2021), has sold life and hospitalisation cover to Ghanaians with premiums deducted directly from mobile money since 2017, reaching an estimated eight million people, roughly a quarter of the population, and paying out GHS 14 million in claims across more than 40,000 policies by mid-2023. The mechanism is the same one this essay has been describing for credit. A customer's own mobile money activity determines eligibility and funds the product, with no separate bank relationship required. Turaco, a Nairobi-based insurtech, acquired MicroEnsure Ghana in 2023, a business that had already served three million Ghanaians and four thousand small businesses over fifteen years on the same freemium, airtime-linked model. The Second Rail is not a hypothetical for Ghana. It has been running, profitably, in insurance, for most of the period this same data trail sat unused for credit.

That gap is not only theoretical, and it is not only about ordinary Tuesdays. On 2 January 2025, a fire tore through Kantamanto market, the same market this essay opened in, destroying thousands of stalls and stock overnight. The state's response was a GHS 1 million fund, distributed across 7,900 affected traders at GHS 125 each, a flat, single-sided transfer that reached almost everyone and meaningfully helped almost no one. A separate, much smaller intervention tells the other half of the story. Through an existing partnership between Advans Ghana, a microfinance lender, Turaco, and Enterprise Insurance, 227 traders who already held both a loan and embedded cover received over GHS 8.4 million between them, averaging roughly GHS 37,000 each, enough to clear outstanding loan obligations and restock. The difference between GHS 125 and GHS 37,000 is not a rounding error. It is the entire argument of this essay, compressed into one market on one morning: a transfer rail reaches everyone and gives almost nothing, while a Second Rail, built on a prior verified relationship between a trader, a lender, and an insurer, gives real capital, but only to the traders who were already inside it. Most of Kantamanto's traders were not.

The nearest thing to a working example on the credit side, in fact, is not a cash loan at all. TradeDepot operates in Accra and eleven other African cities, extending goods rather than cash to informal retailers on roughly a 5 per cent monthly instalment rate through its ShopTopUp platform, then building a credit score from each retailer's purchase and repayment history to size the next credit line. It is, in effect, what the trader on Kantamanto's third row would need to restock without a cash loan at all. A supplier extends trade credit against her verified resale velocity rather than her collateral. TradeDepot reported roughly 100,000 merchants and fivefold gross-merchandise-value growth in the eighteen months leading up to a \$110 million raise in 2021. The model is not a guaranteed win either, and neither of its two clearest cautionary cases turns out to be simple. Twiga Foods, the Kenyan retailer-financing pioneer that inspired much of this category, paused its Nairobi operations for two months in June 2025 to restructure toward a leaner distribution model, after years of losses had made its original capital-heavy warehousing approach hard to sustain, a retreat rather than a shutdown, but a retreat all the same. Sabi, a comparable Nigerian platform, cut a fifth of its staff the same month and pivoted hard toward mineral-traceability software; a year on, the picture has not resolved either, with one 2026 industry report listing Sabi alongside TradeDepot and Moniepoint as an active player in embedded SME credit once again, while separate 2026 coverage attributes its growth that year almost entirely to the minerals pivot instead. Trade credit built on verified transaction data works. It does not work by default, and both of its best-known recent setbacks turn out to be less settled, on closer reading, than the first headline made them look.

A third layer deserves its own mention, and the record here is more mixed than a single verdict allows. Kenya's Mbao Pension Plan lets informal workers save toward retirement in contributions as small as a few dozen cedis' equivalent, paid through mobile money. Ghana has, in fact, run an informal-sector pension vehicle since 2016, when People's Pension Trust (PPT), a subsidiary of a Dutch pension firm, launched an SMS-based product letting workers register, deposit, withdraw and check balances without a smartphone or internet connection, aimed at exactly the market traders and artisans that SSNIT's formal contributory scheme was never built to reach. What was missing was the specific Mbao mechanic, contributions pulled automatically from a mobile wallet rather than deposited by hand. That arrived on 10 June 2026, when PPT and MTN Mobile Money launched FlexiPension, splitting each contribution automatically between a six-month-access savings pot and a longer-term investment pot, with no minimum or maximum and no fixed schedule, deducted straight from a

subscriber's MoMo wallet whenever they choose to save. It targets the same 80 per cent of Ghana's 14.2 million-strong workforce that operates informally, of whom barely 1.2 million, 16 per cent, currently have any pension coverage at all. FlexiPension is roughly ten weeks old at the time of writing, with no independent adoption figures yet, so it cannot be judged a proven success the way aYo or TradeDepot can be. But it repeats a pattern this essay keeps finding elsewhere, a private consortium building the harder, two-sided mobile money product before the state does. SSNIT, the state pension fund, has no equivalent of its own; its own Director-General said only in May 2025 that riding on mobile money's convenience "just makes sense" as a future direction, a stated intention rather than a built product, arriving in the same late pattern as the credit-reporting directive and the presumptive tax scheme. The state saw the same opportunity. It simply arrived after someone else had already built it.

The state has made two moves toward the credit-specific version of that linkage and one move away from it, and the difference between them is instructive. The move away came first. The Electronic Transfer Levy, introduced in 2022 at 1.5 per cent on mobile money and bank transfers, was Ghana's first real attempt to treat transaction data as something the state had a claim on, and it treated that claim purely as revenue. Within nine months, mobile money usage fell by an average of 25 per cent, transaction value dropped by up to 35 per cent year on year, and cash-out transactions rose sharply as users retreated toward physical cash; GSMA's own modelling concluded the levy was a net revenue loser once that behavioural shift was accounted for. Parliament cut the rate to 1 per cent in 2023 and repealed it entirely in April 2025. It is, in miniature, the Single-Sided Trap again. The state reached for the transfer rail because it was the only one large enough to tax, asked users to bear a cost for a system that gave nothing back, and watched them defect to cash rather than comply.

The two moves toward formalisation have been more careful, and one of them is genuinely new. The Ghana Revenue Authority's Modified Taxation Scheme applies a flat 3 per cent presumptive tax on turnover to informal-sector traders in its main tier, payable through mobile money or a USSD code, aimed at a sector the tax authority estimates generates 27.4 per cent of GDP while contributing roughly 1 per cent of tax revenue. It is a real attempt to bring traders like the one on Kantamanto's third row into the formal system, but as of this writing it remains a payment channel, not a data pipeline; paying it does not yet build her a credit file anywhere. The more consequential move came in March 2026, when the Bank of Ghana directed telecoms, mobile money operators, and fintechs to begin feeding customer payment data into the national Credit Reporting System through Ghana's three licensed credit bureaus, explicitly to strengthen credit risk assessment. That directive is the first time any Ghanaian institution has compelled the exact linkage this essay is describing, transaction history converted into something a lender can read. It is months old at the time of writing, untested, and not yet connected to the presumptive-tax population specifically. But it is the first infrastructure move, rather than an extraction move, that the state has made in this space since I wrote about it in 2011.

None of this, across credit, insurance, or trade financing, should be mistaken for an easy win. Amazon quietly stopped underwriting new loans to its US and UK marketplace sellers in March 2024, after its own economists flagged rising defaults among the sellers it had been lending to on exactly this transaction-history basis, and CGAP's research across Africa, Asia and Latin America between 2022 and 2024 found several embedded-finance platforms serving micro-retailers folding despite raising over \$100 million each. Cash-flow

underwriting works when the underlying data is genuinely verified and the lender's discipline holds; it is not a switch that turns transaction volume into safe capital by itself, in any of its three forms. What the Bank of Ghana's 2026 directive and the Modified Taxation Scheme share is that both, for the first time, put the state in a position to make the credit-specific linkage real rather than aspirational, if the two are ever actually connected to each other, the same test insurance has already passed and pensions have not yet been given the chance to sit.

What comes next, and the same trap at a larger scale

The pattern is now repeating itself one level up. Ghana connected to the Pan-African Payment and Settlement System when it launched in Accra in January 2022, with its first live cross-border transaction settling through a Ghanaian bank the following year, giving the country a rail to settle payments across the continent in local currencies rather than routing everything through correspondent banks and a hard currency in between. That is a genuine and overdue piece of infrastructure. But institutional settlement between two known counterparties, a bank in Accra and a bank in Lagos, is the cross-border equivalent of a single-sided transfer. It asks one side of a relationship, the institutions, to adopt a new rail, while the actual informal trader moving goods between Ghana and her neighbours still has no easy way to reconcile an invoice, extend credit, or price currency risk against that same rail. The current enthusiasm for embedded finance and agentic, AI-mediated payments risks becoming another exercise in velleity, a stated ambition with no funded mechanism behind it, unless someone treats the two-sided coordination problem as the actual work rather than a detail to be solved later. Ghana's fintech sector is well positioned to avoid repeating the trap only if it remembers, from the GhQR experience, that announcing a rail and building adoption on both sides of it are entirely different projects requiring entirely different budgets.

What a founder, regulator, or investor should do with this now

For founders: do not build another wallet, and do not assume the only product a transaction record can become is a cash loan. aYo has already proven the model at national scale in Ghana for insurance; TradeDepot has proven it for trade credit. The proven next step is extending verified transaction history into whichever of credit, insurance, or supplier financing a specific trader actually needs next, priced against her verified sales velocity rather than collateral she does not have. That is a harder product to build than a wallet and a far more defensible one once built.

For regulators and the Ghana Revenue Authority: connect the two systems that are currently sitting next to each other unconnected, the Modified Taxation Scheme's presumptive-tax payment record and the Bank of Ghana's new Credit Reporting directive. A trader who pays her 3 per cent turnover tax through mobile money should walk away from that compliance with a credit file, not just a receipt. Learn the lesson of the E-Levy. Formalisation that only extracts value gets evaded or reversed; formalisation that hands something back, in this case a bankable financial identity, has a real chance of sticking.

For investors: treat the Bank of Ghana's 2026 credit-data directive as a signal, not a finished product. The lending opportunity it creates will go to whoever builds disciplined, verified underwriting on top of it first, and Amazon's 2024 retreat from its own lending programme is a reminder that transaction volume alone is not proof

of repayment quality. Ask any team pitching merchant credit in this market what they are doing differently from a platform that already tried this and pulled back.

For anyone building toward PAPSS or the next wave of embedded finance: do not declare a payments rail finished when two institutions can settle with each other, and do not declare a credit system finished when a directive has been issued. Declare it finished when the trader on Kantamanto's third row can point to a file with her name on it and borrow against it. That is the test GhQR failed, it is the test the new credit-reporting directive has not yet been given the chance to pass or fail, and it is the only test that will tell you whether the next decade of Ghanaian payments infrastructure closes the gap I first named in 2011, or simply moves the Single-Sided Trap onto a bigger stage.