Finwise: Student-Focused Fintech Platform

Project Overview

Finwise is a comprehensive fintech platform designed specifically for students, combining traditional banking services with innovative student-to-student commerce and lending solutions. The platform addresses the unique financial needs of students by providing free banking services while generating revenue through embedded lending, peer-to-peer financing, and subscription-based business services.

Core Value Proposition

For Students: Free banking + access to capital + investment opportunities + marketplace for products and services
For Student Businesses: Access to funding + built-in customer base + payment processing + subscription management
For Finwise: Revenue through lending spreads + transaction fees + subscription fees + business listing fees

Platform Architecture

1. Core Banking Module (Free Services)

Features:

- Account creation and management using MFB API
- Free peer-to-peer transfers between students
- Bill payments and airtime purchases
- Debit card services
- Transaction history and spending analytics
- Savings goals and financial planning tools

User Registration Requirements:

- Valid student ID/email verification
- Basic KYC (Know Your Customer) documentation
- Phone number verification
- University/institution verification

2. Student Marketplace with Embedded Lending

Marketplace Features

For Sellers (Student Businesses):

- Business profile creation with verification
- Product/service listing with photos and descriptions
- Inventory management tools
- Order processing and fulfillment tracking
- Customer communication system
- Sales analytics and reporting

For Buyers:

- Browse products and services by category/university
- Search and filter functionality
- Secure payment processing
- Order tracking
- Review and rating system
- Wishlist and favorites

Embedded Lending System

Loan Application Process:

1. Student business applies for inventory/equipment loan
2. Automated credit assessment based on:
    - Academic standing
    - Previous platform transaction history
    - Business performance metrics

- Personal guarantees
3. Instant approval for micro-loans (₦5,000 - ₦50,000)
4. Funds disbursed directly to business account

Loan Terms:

- Interest rates: 2-5% monthly (24-60% annually)
- Repayment period: 1-6 months
- Automatic deduction from marketplace sales
- Early repayment bonuses

Risk Management:

- Maximum loan limits based on transaction history
- Automatic collections from marketplace sales
- Partner fund cushion for defaults
- Student guarantor system for larger loans

3. Peer-to-Peer Lending Platform

Lending Process

For Lenders (Student Investors):

1. Browse available loan requests with business details
2. Review risk assessments and expected returns
3. Choose loan amount and terms
4. Automated fund transfer to escrow
5. Receive monthly repayments with interest

For Borrowers (Student Businesses):

1. Create detailed business plan and funding request
2. Specify loan amount, purpose, and repayment timeline
3. Platform assigns risk score and suggests interest rates
4. Lenders fund the request (can be partially funded by multiple lenders)
5. Funds released upon full funding

Investment Tiers

Bronze Lender: ₦5,000 - ₦25,000 investment capacity

- Expected returns: 5-8% annually
- Access to low-risk, established student businesses

Silver Lender: ₦25,000 - ₦100,000 investment capacity

- Expected returns: 8-12% annually
- Access to medium-risk growth businesses

Gold Lender: ₦100,000+ investment capacity

- Expected returns: 12-15% annually
- Access to high-risk, high-growth opportunities
- Exclusive business pitches and early access

Risk Assessment Algorithm

Factors Considered:

- Academic performance (40%)
- Platform transaction history (30%)
- Business plan quality (20%)
- Social validation (reviews, referrals) (10%)

Default Protection:

- Partner fund provides 50% default insurance
- Automatic collection from future marketplace sales
- Legal action for defaults above ₦50,000
- Credit reporting to discourage defaults

4. Subscription Box/Service Aggregator

Subscription Management

For Business Owners:

- Create subscription offers (monthly, quarterly, annual)
- Set pricing and delivery schedules
- Manage subscriber lists
- Track renewal rates and churn
- Send notifications and updates
- Generate unique payment links

Subscription Types:

- **Physical Products:** Monthly care packages, snacks, stationery
- **Digital Services:** Tutoring sessions, design services, coding help
- **Educational Content:** Course materials, study guides, exam prep
- **Lifestyle Services:** Laundry pickup, food delivery, cleaning

One-Time Payment Links

Features:

- Custom payment link generation
- QR code integration
- Expiration date settings
- Usage limits (single-use or multiple)
- Automatic receipt generation
- Integration with social media sharing

Revenue Model

- 5% platform fee on all subscription payments
- ₦500 monthly listing fee for subscription services
- 2% transaction fee on one-time payment links
- Premium analytics: ₦2,000/month

Revenue Streams

Primary Revenue Sources

1. **Lending Interest Spread:** 15-25% of interest earned

2. **Marketplace Transaction Fees:** 3-5% per transaction
3. **P2P Lending Processing Fees:** 1-2% of loan amount
4. **Subscription Platform Fees:** 5% of subscription revenue
5. **Business Listing Fees:** ₦1,000-5,000 monthly

Secondary Revenue Sources

1. **Premium Business Accounts:** ₦5,000/month for advanced analytics
2. **Advertising Revenue:** Sponsored listings and banner ads
3. **Payment Processing Fees:** Small interchange fees
4. **Financial Education Courses:** ₦2,000-10,000 per course

User Journey Examples

New Student Registration

1. Download Finwise app
2. Verify student status with student ID/email verification
3. Complete KYC requirements
4. Receive virtual debit card instantly
5. Explore marketplace and investment opportunities

Student Business Owner Journey

1. Create business profile with product listings
2. Apply for inventory loan (₦20,000)
3. Receive funds within 24 hours
4. List products on marketplace
5. Set up subscription service for regular customers
6. Repay loan automatically from sales
7. Apply for larger loan based on performance

Student Investor Journey

1. Explore available lending opportunities
2. Invest ₦10,000 in a promising food business

3. Receive 10% annual returns through monthly payments
4. Reinvest returns in new opportunities
5. Build investment portfolio over time

Technical Implementation

Technology Stack

- **Backend:** Node.js with Express framework
- **Database:** MySQL for user data
- **Payment Processing:** MFB API integration
- **Mobile App:** React Native for cross-platform development
- **Web Dashboard:** React.js for business management (This webpage would be opened by a webview in the app not accessed by the browser. A section available for business owners.)
- **Security:** JWT authentication, AES encryption, SSL certificates

Key Integrations

- **MFB API:** Core banking services
- **BVN Verification:** Identity verification
- **SMS Gateway:** OTP and notifications
- **Email Service:** Automated communications
- **Push Notifications:** Real-time updates
- **Analytics:** User behavior and business intelligence

Risk Management & Compliance

Financial Risks

- **Credit Risk:** Diversified lending, automated collections
- **Liquidity Risk:** Partner fund backup, conservative loan-to-deposit ratios
- **Operational Risk:** Comprehensive insurance, robust IT systems

Regulatory Compliance

- **Data Protection:** NDPR compliance for user data
- **Financial Regulations:** CBN guidelines for fintech operations
- **Consumer Protection:** Clear terms, dispute resolution processes
- **Anti-Money Laundering:** Transaction monitoring, suspicious activity reporting

Security Measures

- **Multi-factor Authentication:** Required for all transactions
- **Fraud Detection:** AI-powered transaction monitoring
- **Data Encryption:** End-to-end encryption for sensitive data
- **Regular Audits:** Quarterly security assessments

Launch Strategy

Phase 1: MVP (Months 1-3)

- Basic banking features with MFB integration
- Simple marketplace with payment processing
- Limited lending to 50 beta users
- Single university pilot program

Phase 2: Expansion (Months 4-6)

- P2P lending platform launch
- Subscription service integration
- 5 additional universities
- Advanced analytics dashboard

Phase 3: Scale (Months 7-12)

- Full feature suite deployment
- 20+ universities across Nigeria
- Partnership with student organizations
- Advanced AI credit scoring

Success Metrics

User Acquisition

- Target: 10,000 registered users by month 6
- Target: 1,000 active businesses by month 12
- Target: ₦100 million transaction volume by month 12

Financial Performance

- Target: ₦5 million monthly revenue by month 12
- Target: 15% default rate or lower
- Target: 60% gross margin on lending operations

Platform Engagement

- Target: 80% monthly active user rate
- Target: Average 5 transactions per user per month
- Target: 85% customer satisfaction score

Competitive Advantages

1. **Student-Focused Design:** Purpose-built for student needs and behavior
2. **Integrated Ecosystem:** Banking + commerce + lending in one platform
3. **Free Core Services:** Attractive to price-sensitive student market
4. **Community Building:** Social features encouraging peer interaction
5. **Financial Education:** Built-in tools for financial literacy
6. **Local Partnerships:** Deep integration with Nigerian universities

Long-term Vision

Finwise aims to become the primary financial platform for Nigerian students, eventually expanding to recent graduates and young professionals. The platform will evolve into a comprehensive financial services provider, offering insurance, investment products, and career services while maintaining its core focus on community-driven commerce and peer-to-peer

finance.