

Nigeria's Instant Payment System

Nigeria's NIBSS Instant Payment (NIP) system is an inclusive instant interoperable payment infrastructure that was launched in 2011. The system enables instant transfers between individuals, businesses, and government actors through diverse financial channels. Operated by the Nigeria Inter-Bank Settlement System (NIBSS) under the oversight of the Central Bank of Nigeria (CBN), NIP connects banks, microfinance institutions, and fintechs through a centralized switch, allowing users to send and receive money 24/7 via multiple channels, including mobile apps, USSD, internet banking, and agents. Since 2011, NIP has continuously evolved, adapted, and expanded in reach, transaction volume, and transaction value. Its design, centered on interoperability, standardized account identification, and broad accessibility, has enabled rapid adoption, increased trust and confidence in the digital financial system, and improved affordability to become a leader in inclusive, sustainable, and scalable payment systems.

Quick facts

Barriers addressed



Digital & Physical Infrastructure

- Lack of inclusive instant payment systems
- Unreliable payment system & network
- Distance from financial service points
- Poor digital & foundational ID infrastructure



Social Norms

- Mobility constraints



Consumer Protection

- Increased exposure to frauds & scams
- Financial abuse & harm
- Difficulty resolving complaints
- Fragmented market collaboration

Segment focus

1 2 3 4

Customer Journey Relevance



Geography

Nigeria

Key stakeholders involved

Nigeria Inter-Bank Settlement System
Central Bank of Nigeria

Sources

[AfricaNenda \(2025\)](#)
[Udo Udoma & Belo-Osagie \(2023\)](#)

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Key activities

In 2011, the Nigeria Inter-Bank Settlement System (NIBSS) launched NIBSS Instant Payment (NIP) as a real-time, 24/7 digital payments platform to improve the speed, cost, and accessibility of transactions across individuals, businesses, and government entities. The system was designed for full interoperability, with all deposit-taking institutions required to connect, creating a unified national payments infrastructure ([AfricaNenda, 2025](#)).

NIP was rolled out in phases, beginning with a limited set of participants and use cases before expanding to support a wider range of transactions, including government and cross-border payments ([AfricaNenda, 2025](#)). A tiered participation model enabled microfinance institutions, mobile money operators, and payment service providers to connect indirectly, extending access to underserved populations ([AfricaNenda, 2025](#)).

Transaction fees were progressively reduced and standardized through regulatory support, while ongoing investments in system performance ensured high uptime and fast processing ([AfricaNenda, 2025](#)). In parallel, tiered KYC requirements lowered barriers to account access by allowing users to open basic accounts with simpler forms of identification ([AfricaNenda, 2025](#)).

Outcomes/results

- NIP expanded financial infrastructure in Nigeria and increased overall adoption. However, it is notable that men continue to use the platform at much higher rates than women, who as of 2024 comprise just 31% of the platform's 57.5 million users, and are responsible for just 19% of the total transaction value. ([AfricaNenda, 2025](#))
- Between 2020 and 2024 transaction values grew from \$457 billion to \$1.1 trillion. ([AfricaNenda, 2025](#))
- Recognized as Africa's first "mature" inclusive instant payment system, meeting criteria of expanded use cases, monitoring recourse mechanisms, and low end-user cost. ([AfricaNenda, 2025](#))
- Dramatically reduced per-transaction costs from NGN 46 (USD 0.03) in 2021 to NGN 3.75 (USD 0.0024) in 2025. ([AfricaNenda, 2025](#))

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Key enabling environment factors for the intervention

A strong policy and regulatory foundation supported NIP's development and scale, including early government commitment to digital payments (AfricaNenda, 2025). Mandatory interoperability requirements ensured system-wide participation (AfricaNenda, 2025), and open banking guidelines introduced in 2023 enabled secure data sharing (Udo Udoma & Belo-Osagie, 2023). External factors, particularly the COVID-19 pandemic, further accelerated the shift from cash to digital payments (AfricaNenda, 2025).

Key design elements and principles that led to successful outcomes

- **Phased development and rollout:** Starting with limited participants and use cases allowed for iterative learning, lower upfront costs, and gradual system expansion. (AfricaNenda, 2025)
- **Interoperability and inclusive participation:** Mandatory participation by banks and tiered participation for other financial actors, enabled broad ecosystem integration and outreach. (AfricaNenda, 2025)

- **Affordability and price transparency:** Significant reductions in transaction fees, alongside regulatory caps, improved accessibility and strengthened user trust. (AfricaNenda, 2025)
- **Real-time, instant, and 24/7 service:** Critically, users are able to send and receive payments instantly, leading to increased trust and sustainability. (AfricaNenda, 2025)
- **Minimized ID requirement:** Allowing customers to open lower-tier accounts using only national identity numbers – rather than biometrically-enabled Bank Verification Numbers – reduces ID-related barriers to account opening, which disproportionately impact women. (AfricaNenda, 2025)

Potential for scale/replicability

Nigeria's experience suggests that a centralized payment system can scale rapidly without sacrificing inclusivity if supported by strong regulation, including mandating participation of a wide range of financial institutions to support diverse use cases. However, evidence also points to a need for strong central regulation and trust-building, price transparency, and consistent adaptation and expansion, alongside intentional, gender-focused design and delivery.

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Challenges encountered during the program

- Early on, failed or delayed transactions and issues with dispute resolution contributed to lack of trust, especially salient for lower-income and first-time users ([AfricaNenda, 2025](#)).
- Early transactions were prohibitively expensive for some users ([AfricaNenda, 2025](#)).
- Persistent and significant gender gap in both volume and value of transactions ([AfricaNenda, 2025](#)).

Recommendations from the research

- Continuously strengthen system resilience, improving processing models to reduce bottlenecks and failures.
- Mandate interoperability to ensure all actors are connected and integrated, and enable participation of non-bank actors.
- Enhance governance and regulatory oversight, including robust and transparent consumer protection and recourse mechanisms.
- Pair infrastructure with targeted interventions that address women's constraints, focusing on closing the gap between access and usage to translate expansion into meaningful and equitable inclusion.

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