



**ΑΝΟΙΚΤΟ
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**ΣΧΟΛΗ ΟΙΚΟΝΟΜΙΚΩΝ
ΕΠΙΣΤΗΜΩΝ ΚΑΙ ΔΙΟΙΚΗΣΗΣ**

**ΜΕΤΑΠΤΥΧΙΑΚΟ ΠΡΟΓΡΑΜΜΑ ΣΠΟΥΔΩΝ
««Διοίκηση Επιχειρήσεων»»**

ΔΙΑΤΡΙΒΗ ΕΠΙΠΕΔΟΥ ΜΑΣΤΕΡ

**Εναλλακτικοί Τρόποι για την
Αποστολή και Παραλαβή Εταιριών Μεταφοράς Χρημάτων-
Εταιρίες Μεταφοράς Χρημάτων σε Κύπρο και Εξωτερικό**

ΟΝΟΜΑ ΦΟΙΤΗΤΗ: Αντώνης Αντωνίου

**ΟΝΟΜΑ ΕΠΙΒΛΕΠΟΝΤΑ ΚΑΘΗΓΗΤΗ: Αντρέας
Ασιώτης**

ΛΕΥΚΩΣΙΑ, Ιούνιος, 2017

Open University Cyprus
Faculty of Economics and Administration

Graduate Program

Business Administration

Master Thesis



**Alternative Ways for Sending and Receiving Money-Money
Transfer companies in Cyprus and Abroad**

Antonis Antoniou

**Supervisor
Andreas Assiotis**

June-2017

Περίληψη

Η έρευνα αυτή είναι κάτι που δεν έχει ξανασυμβεί στην Κύπρο, και στοχεύει στην παρουσίαση των μέτρων ασφαλείας που εφαρμόζουν σήμερα οι εταιρείες μεταφοράς χρημάτων για να ενισχύσουν τις προσπάθειές τους όσον αφορά την ευαισθητοποίηση και την πρόληψη του πελάτη από δραστηριότητες απάτης και νομιμοποίησης εσόδων από παράνομες δραστηριότητες.

Οι κύριοι στόχοι αυτής της έρευνας είναι να ανακαλύψει τη γνώμη του πελάτη στην Κύπρο σχετικά με την ασφάλεια της χρήσης μιας εταιρείας MT και πόσο ικανοποιημένοι είναι με την υπηρεσία. Επιπλέον, επιδιώκουμε να παρατηρήσουμε τους λόγους που οδηγούν έναν πελάτη να επιλέξει μια εταιρεία MT από ένα τραπεζικό ίδρυμα.

Οι δευτερεύοντες στόχοι είναι να καταλάβουμε τους σκοπούς που οδηγούν ένα άτομο στην αποστολή / λήψη χρημάτων, τη συχνότητα χρήσης αυτών των υπηρεσιών, τα χρηματικά ποσά που αποστέλλονται / λαμβάνουν στην Κύπρο και από / από ποιες χώρες στέλνουν / λαμβάνουν χρήματα.

Με τη χρήση ερωτηματολογίων, συμμετείχαν 140 άτομα σε όλη την Κύπρο για να βοηθήσουν στις απαντήσεις αυτών των ερωτήσεων.

Βάση των αποτελεσμάτων αυτών των ερωτηματολογίων, διαπιστώσαμε ότι η πλειονότητα των πελατών στην Κύπρο που χρησιμοποιούν εταιρείες μεταφοράς χρημάτων δεν είναι Κύπριοι. Επιπλέον, οι πελάτες αυτοί θεωρούν τις υπηρεσίες ως έναν πολύ ασφαλή τρόπο μεταφοράς χρημάτων, και η πλειοψηφία αυτών των πελατών είναι πολύ ικανοποιημένοι από την υπηρεσία.

Ο κύριος λόγος για τη χρήση αυτών των υπηρεσιών είναι η παροχή οικονομικής βοήθειας και ο λόγος επιλογής εταιρείας MT από κάποιο τραπεζικό ίδρυμα είναι κυρίως λόγω των τελών μεταφοράς. Επιπλέον, οι περισσότεροι από αυτούς τους πελάτες στέλνουν / παραλαμβάνουν λιγότερο από 1000 ευρώ σε εβδομαδιαία βάση από διάφορες χώρες. Κυρίως από τις Φιλιππίνες, τη Ρουμανία και την Ελλάδα.

Summary

This research is something that never happened before in Cyprus, and it aims on showing the security measures that money transfer companies are currently implementing to enhance their efforts on regards to customer's awareness and prevention from fraudulent and money-laundering activities.

The main goals of this research is to find out the customer's opinion in Cyprus about the security of using a MT company and their satisfaction towards them. Moreover, we seek to observe the reasons that drive a customer to choose a MT company over a banking institution.

The secondary goals are to understand the purposes that drive an individual to send/receive money, the frequency of using those services, the amounts of money that are send/receive in Cyprus, and on/from which countries are they sending/receiving money.

With the use of questionnaires, 140 people throughout Cyprus have participated in order to help answering those questions.

Based on the results of those questionnaires, we have found that the majority of customers in Cyprus who are using MT companies are not Cypriots. Moreover, those customers consider MT services as a very secure way to transfer money and the majority of those customers are very satisfied with the service.

The main reason of using those services is for financial help, and the reason of choosing a MT company over a banking institution is mostly because of the transfer fee. Moreover, the majority of those customers are sending/receiving less than 1000 Euro in a weekly basis from various countries; mostly from Philippines, Romania, and Greece.

Acknowledgement

First of all, I would like to express my sincere gratitude to my supervisor Mr. Andreas Assiotis for his continuous feedback, support, and motivation to complete this research.

Also, I would like to thank all people who took the time and patience to participate in this research.

Moreover, I would like to thank my family and friends who supported me through this study and life in general.

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Chapter 1

Introduction

Throughout the years, and with the creation of different forms of ways to exchange products and services, people were seeking alternative ways to transfer “money” from one place to the other.

As reported by PAYNETEASY (2013) on the beginning of the fourth Century the Chinese have created the “flying money system” in order to avoid holding large amounts of money on them and evade any potential burglaries. This system had two pieces of paper that acted as a payment proof, one was in the possession of the person who was selling something, and the other was in the possession of a trader. The trader could give this payment proof to another trader and it was acted as a form of currency. In the late 1700s Russians also found a way to transfer money through mail; a piece of printed paper was sent to a person by mail, and the recipient could present this paper to the nearest Post Office in order to receive cash. The actual ancestor of the modern money transfers is the telegraph transfer. A person could send money from one bank to another bank (inside a country) by paying a small transfer fee.

As reported by COINPIP (2016) At the beginning of the industrial revolution and internalization, an innovation in money transfer created, the wire money transfer. Wire money transfers were an innovation on that time and became the most popular and effective way to transfer money through the globe. The popularity of this service has created numerous private organizations that weren't banks but were offering the service. The biggest and most recognized money transfer company that survived since the beginning of that period is Western Union Money Transfer; a telegraph company that transformed into a money transfer company that offers a variety of MT services. Western Union and other money transfer companies offer the same services with the banks on regards to money transfer but with the difference on the delivery speed. When sending money through a bank, you had to wait for several business days for the transaction to appear into the receiver's account, but if you used a private MT company you could choose the express option (money in minutes) in order for the receiver to be able to receive the money within minutes.

This dissertation focuses on Money Transfer companies and especially Western Union Money Transfer which is one of the oldest and largest money transfer companies in Cyprus and in the world in general. The dissertation is also aiming to analyse the safety regulations that currently exists in Cyprus and abroad, what training is given to avoid any fraudulent activities and money laundering, and the security in general of sending or receiving transactions. Specifically, this thesis primarily examines the opinion from the people using those services on regards to safety, satisfaction, and any problems that might occur using those services. This thesis also examines the reasons of choosing a Money Transfer company over banking institutions, the purposes of sending/receiving money, how many times customers use those services, from which countries are the sending/receiving money, and what are the amounts that are send/receive.

This study is important because there were no other examinations in Cyprus focusing on the security measures and customer's opinion who are using money transfer companies.

In section two the research will deal with the review of the literature. Following third section will refer to the theoretical background. The fourth section will explain the research methodology. Section five will be a description of what will be analysed. Section six will present the research analysis. Section seven will present the findings of the research. Section eight will present the epilogue and suggestions for future research.

Chapter 2

Literature Review

One of the studies that were contacted by Shahid Nawaz, Roddy McKinnon, and Robert Webb (2007) are categorizing Money Transfer Networks (MTN) as Informal Money Transfer Networks (IMTN) and Formal Money Transfer Networks (FMTN). One of the oldest examples of IMTNs can be traced to the Dang Dynasty in China (656AD-909AD) and throughout the years still exists in various forms. Their key benefit is that they function mainly in areas that cannot be controlled by anyone. FMTNs are also very essential in technologically advanced and merging country markets. FMTNs accomplish a significant economic arbitrator part inside the global banking system, particularly to overseas exchange movement.

Their study about Money Laundering Control presented that MTNs always bare the threat of becoming target of financial corruption.

Another study was contacted by Mohammad Adnan Badran (2009) on regards to Money Transfer (MT) companies. The aim of this study was to identify what drives a person to use MT companies. Based on surveys that he contacted on 133 participants who were using the services, he identified that some of the main incentives was the transfer fee that were willing to pay, the speed of the transaction (how fast the transfer can reach the recipient), the level of difficulty when using the service, and the security of their money when using a particular MT company.

Badran also stated that people were using IMTNs to transfer their money because it was a much cheaper way than FMTNs, and since people didn't have to give out any personal information about the sender/receiver and there was no need for a bank account, this was an opportunity for criminals to fund their operations. Badran also stated that since the terrorist attacks on September 2000, there was an increase in legislations on regards to transferring money and that led to a decrease on Informal Money Transfers and an increase in Formal Money Transfers.

A case study was also conducted by Ikpefan Ochi Ailemen (2007) on regards to Western Union Money Transfer through the banks of Nigeria. The aim of this study was to compare normal transactions send from a bank with Western Union transactions, and study the loss of money in the transportation process. To do that, he used a combination of questionnaires and interviews on people that were using the normal transactions and Western Union transactions through the banks of Nigeria.

From this study he discovered that the incidents of losing money that were sent from Western Union had dramatically reduced.

From the questionnaires and interviews Ikpefan Ochi Ailemen conducted, he also discovered that the majority of his participants (70%) stated that Western Union Money Transfer (WUMT) services were considered a fast and secure way to send or receive money abroad.

An 80% of the majority has also stated that the system of WUMT is very user-friendly, and the 20% said that the system was easy to use. Also a 90% of the participants stated that they were satisfied with the WUMT service in general. Overall, a 60% of the participants stated that WUMT in banks in Nigeria is considered to be a fast, secure, and trustworthy way to send/receive money.

Several studies were also conducted by the Department for International Development (2004) on regards to Remittance Products and Services in United Kingdom. One of their studies was aiming to compare banks and private money transfer companies on regards to their transfer fees, availability of Money Transfer (MT) locations inside and outside United Kingdom, criteria of choosing a bank or MT company and other variables like the delivery swiftness of the transaction, the security procedures like ID requirements and their working hours. With the help of questionnaires and mystery shopping they discovered various key findings such us:

- The main reason of choosing a bank or MT company is the security of the service.
- Swiftness of transaction, transfer fees, and number of facilities inside and outside United Kingdom were also factors that affected the decision of customers of choosing a specific company.
- The banks in UK were focusing mostly on higher value customers who had an account with the specific bank, and in order to retain them, they were offering better exchange rates from MT companies.
- Banks were perceived as safer and reliable mean to send/receive money but slow and expensive for small transactions (the swiftness of a transaction depends on the receiving bank and usually takes 2-10 business days for the money to be added into the receiver's bank account).
- On regards to MT companies, it was discovered that they offer more flexibility on regards to working hours and more convenient than the Banks.
- MT companies had more widespread delivery networks and were more conversant with money transfers.
- Mystery shoppers had a more reliable and positive experience with MT companies (MT companies were more customer-focused and faster processes. The evaluators stated that in real life they would rather choose a MT company to send money rather than a banking institution).
- UK banks were considered to have more difficult ID requirements than MT companies.
- UK banks had more transaction obstacles than MT companies (would not send money to someone that didn't have an account with them, customer's had to wait for a long time for the transaction to arrive on their account, and the pay-out locations were very inconvenient.

Another study was conducted by the DFID (2004) and the purpose of this study was to discover the customer preferences and views about the categories of services that are currently used and what would preferably like to use. With the use of focus group, they discovered various key findings such us:

- The reason why people are using a specific money transfer company or bank is based on the customer's needs. Some customers want to send an urgent transaction therefore they will seek for a swift service. Other customers might want to send a large amount so in this case they will seek for the most secure service etc.
- Security is considered as the dominant factor in selecting a MT provided whereas swiftness, transaction costs, and availability of pay-out locations in the receiving countries are considered as secondary factors.

- UK banks were considered as reliable and safe, but slow and costly when transferring small amounts.
- Customers believed that the Bank Customer Service needed some improvements on regards to language proficiency and knowledge on pay-out countries.
- Informal methods of sending money are viewed as low-cost but also unsafe.

This research will help enhance previous findings by examining the latest security measures and anti-money laundering procedures that are implemented by money transfer companies like Western Union in Cyprus and abroad, observe the reasons people are using MT companies in Cyprus, and examine the opinion of those customers about safety and satisfaction. This search also differs from the previous examinations because it will be focusing in MT companies in Cyprus which is something that was never examined before. Based on the findings of this research we will be able to also create a customer profile that uses MT services in Cyprus (which countries are sending/receiving, how often, and how much).

Chapter 3

Theoretical Background

3.1. Money Transfers

Definition of Money Transfer: “Is the process of transferring money to an individual’s account or to a person automatically through the internet or directly to the individual” (The law dictionary, 2017).

3.1.1. Acceptable forms of IDs and Transaction Limit

“Western Union in Cyprus accepts only 2 types of primary IDs:

1. National Identity Card
- or
2. National Passport

Note: If the transaction is above 1000 Euro and the customer is a non EU citizen, then he/she needs to show valid work permit as well.

The maximum limit to send per transaction and per month is 3000 Euro” (Κεντρική Τράπεζα Κύπρου, 2009).

3.1.2. Delivery Services

Western Union Money Transfer has four delivery service types:

- 1) **“Money in Minutes deliver option:** This is the express option; Once the sender sends a transaction, the receiver can go and receive the money immediately.
- 2) **Next day delivery option:** This option is cheaper than money in minutes’ delivery option; Once the sender sends the transaction, the receiver must wait 10-38 hours (depending on the country) in order to go and collect the money.

- 3) **Mobile transfer delivery option:** This option is applicable only for sending money to Kenya and Tanzania. The receiver must have an account with a mobile wallet company and the sender can send a transaction directly into the receiver's mobile account.
- 4) **Direct to bank delivery option:** This option gives the availability to the sender to send money into someone's bank account by providing receiver's bank details like bank name, IBAN code, IFSC code etc." (Western Union Holdings, 2016).

3.1.3. How to send money in Cyprus through Western Union

"A customer can send money by going to a MT representative with their ID and provide some information such as:

- Sender's full name
- Receiver's full name
- Sender's home address
- Sender's telephone number
- Amount to send
- Delivery Option
- Payout country
- Test Question and Answer (Only applicable for African countries)

On regards to the receiver's name, the customer must provide the full receiver's name as it appears in the receiver's ID that will present to the pay-out location.

Once they process all the information, the system will generate a 10-digit code which is called money transfer control number (MTCN). With this code WU can trace the specific transaction on their systems." (Western Union Holdings, 2016).

3.1.4. How to receive money in Cyprus through Western Union

"A customer can receive money by going to a MT representative with the MTCN and their ID and provide some information such as:

- Receiver's full name
- Receiver's home address
- Receiver's telephone number
- Expected amount to receive
- Sender's full name
- Sending country

Note: If the name of the receiver that is on the ID that he/she is presenting, is not exactly the same on the system, the agent would not be able to receive their money" (Western Union Holdings, 2016).

3.1.5. History of Western Union in Cyprus

“Western Union Money Transfer can be offered as a franchise by various master agents in each country. For example, in United Kingdom WU services are offered by GAP Vassilopoulos and by Retail Services. In Cyprus, WU services are offered exclusively by GAP Vassilopoulos.

G.A.P Vassilopoulos Public Ltd is the master agent in Cyprus since 1996. In 2007 has expanded in United Kingdom, and the past couple of years has been a master agent in Israel, Netherlands, Luxemburg, and Belgium as well.

A centralized Customer Service Centre that is based in Cyprus operates 7 days a week, in order to assist agents and customers” (Customer Service Manual, 2016).

3.2. Fraud and Money Laundering through MT companies

3.2.1. Definitions

Definition of Fraud: “Is the deliberate twisting of truth from one individual/group to another individual/group with the intention of gaining money or something of value” (Western Union Holdings , 2016).

Definition of Money Laundering: “Is the method of producing huge quantities of cash acquired from illegal sources and presenting them as legal ones” (Investopedia, 2017).

3.2.2. Common Types of Fraud

Internet Purchase: You are asked to send money to purchase a product that you find on the internet but they never send you the product.

Rental Property: You are interested of renting a property and for reasons that look genuine, you are asked to send a prepayment but the property is fake.

Lottery or Prize Winner: You receive a message/e-mail/telephone call that you are the winner of a lottery draw or that you have won an expensive price and you are asked to send them money in order to claim the prize or to pay for the cost of the transport.

Relationship through the internet: You meet someone online and you get involve into a romantic relationship with them and they ask you to send money to them to buy tickets to come and find you, or to help them with a financial problem that they are experiencing.

Check Overpayment: You receive a fake check that looks real and the amount that is on the check is more than what you agreed on and you are asked to send back the extra amount” (Western Union Holdings, 2016).

3.3. Security Measures

All money-transfer companies around the world know that the security of their customers is vital for the survival of their business, therefore they place a lot of emphasis on creating ways to eliminate any fraudulent activity.

Bellow we will go through various security measures that are implemented by MT companies like Western Union in Cyprus and other countries as well to secure their customers from becoming victims of fraud.

3.3.1. Awareness of fraudulent activities through website

In order to avoid any fraud incidents and make the customer aware on how to protect themselves from fraudsters, multinational MT companies such as WU and MoneyGram have included several information about consumer protection through their websites. For example, on MoneyGram's website you can find a *Frequently Asked Questions* section with questions such as: What should you do when you receive a suspicious e-mail, what can you do if you are a victim of fraud, how you can get more information to protect yourself etc. (MoneyGram, 2016).

On WU's website you can also find tips to protect yourself from fraud like for example: don't send money to a person you haven't met before, don't send money to purchase a product etc. WU has also a whole section with typical fraud/scam types like Lottery prizes, Rental properties, Internet purchases etc. in order to make their customer's aware of such fraud attempts (Western Union Holdings, 2016).

3.3.2. Awareness of fraudulent activities through the Sending Form

Western Union in European countries like United Kingdom, have added a Fraud Awareness section on their sending forms so customers can read it before they send money.

This section appears with red bold letters in the top section of the sending form in order to catch the eye of the person who is filling up the form.

On the top of the Fraud Awareness section, it advises the customer to send money only to someone that they have met in person.

On this section there is also a list of cases that a customer should never send money like for example to send money for an internet purchase, or to someone you met online, or to claim lottery or price winnings etc.

At the end of the section, Western Union advice the customers that in order to educate themselves, or if they believe that have been victims of fraud, to either contact the Western Union Customer Service Department or the sales representative for further assistance.

As an addition, they also provide the WU website so the customer can visit and learn more about how to identify a fraud scenario and ways to protect themselves from fraudsters.

3.3.3. Agent's Anti-Money Laundering Training

“Another security measure that has been implemented throughout agencies of WU in Europe is the Anti-money laundering training.

Each registered operator of WU must participate several online courses through a learning management system and undertake several tests before start using the system. If the operator gets less than 70% then they have to take it again.

This training is very important because it helps the operators to be able to recognize various suspicious behaviours, and provide the necessary know how on how to deal each individual case. Apart from that, the operators are learning important procedures to avoid any anti-money laundering activities.

Apart from the original training that is been given, each operator of WU must also undertake refresher trainings in an annual basis” (Western Union Holdings, 2016).

3.3.4. Know Your Customer (KYC)

What it is

“Is a practice that it's been used by various banks and companies of all shapes and sizes in order to better recognize and confirm their customers, supervise the sending/receiving transactions, provide risk aversion for their customers, and eliminate any fraudulent or anti-money laundering activities” (Wikipedia, 2017).

How does it work?

“For MT companies like WU, the KYC practice is used implemented digitally though Western Union Point of Sale System (WUPOS).

Once the agent types all the necessary information of the sender/receiver on the system, that information will automatically store on the KYC system.

Next time the customer goes to send/receive money, the agent will simply type the customer's name and an ID number or telephone number, and the system will recognize the existing customer. The agent must then click on the customer's name and all the rest of the information will appear automatically on the system. Same procedure stands for the receiver as well. If it's a new sender/receiver, the system will save that information until the next time they use the service.

In case the customer exceeds their daily/monthly limit, the system will not allow for the transaction to be generated or paid-out.

For transactions of 1000 Euro and above, WU locations in Cyprus are also require to send a Due Diligence form including a customer's ID copy to WU compliance department for further review” (Western Union Holdings, 2015).

3.3.5. Suspended Transactions

“Western Union main offices have a list of people who were previously involved in suspicious activities like money laundering, consumer fraud etc. and who are not allowed to send or receive money through Western Union.

Each transaction that is sent, is viewed by WU compliance department, and if the name of the sender or receiver matches one of the names on WU list, the transaction gets temporarily suspended and WU asks for some additional information of the suspect like for example the customer’s copy of ID, their date of birth, ID number etc.

When a transaction is suspended, no changes or cancellations are allowed. In the case that the customer cannot present the documents that are required by the main offices, customer has to write an explanation letter explaining why they cannot provide what is requested by the main offices, and other information such as the relationship of the sender with the receiver, the purpose of sending this money, etc.

After the investigation is done, if the person who are reviewing is not the person that is on their list, the transaction gets released and the receiver can go and collect the funds. If the person who are reviewing is indeed the person they are looking for, the transaction is sent back to the sender as a full refund” (Western Union Holdings, 2015).

3.3.6. Security Tokens

Security Tokens

Another security measure that is implemented in most European countries is the security tokens.

“Security token is a small device that is assigned under the agent’s system ID (Terminal ID) and it’s been used when the agent is trying to log in into the system and in the final stage of doing a transaction.

This device is in the size of a USB device with a small screen on it and one button. When you press the button, screen shows you a random six-digit number that you can use to log in on the system and you do the same procedure before completing a transaction.

This is an effective security measure that provides safety from fraudsters because even if an agent’s pc gets hacked, the fraudster will need to have the agent’s token device as well in order to be able to log in into the system and do transactions” (Techopedia, 2017).

Chapter 4

Methodology

4.1 Quantitative Research

Definition: “Quantitative Research is a research method commonly used by creating well-structured surveys (through online sources, face to face, by paper, by telephone etc.). Their purpose is to measure a specific problem/question by creating arithmetical data or data that can be converted into usable information which are used to measure views, attitudes, and other described variables by simplify outcomes taken from a large part of the population” (Snap Surveys, 2017).

In order to carry out my research I decided to use questionnaires because of their many advantages. Questionnaires can be handed out to a large number of people, the question responses can be very well structured and set without any difficulties, it’s a cheap way to cover large geographical areas, and results can be easily extracted and interpreted.

Questionnaires have also some disadvantages; If are not handed out face to face, there is a possibility of a low response rate. Also, questionnaires cannot tell us about the context and meaning behind an answer (University of Portsmouth, 2012).

4.1.1. Survey Design

The questionnaire was build with 16 questions and was designed in four parts; 1) demographics, 2) motives of sending/receiving money through a MT company, 3) general information about the sending/receiving transactions, and 4) opinion about the company’s security and satisfaction rate.

On regards to demographics; I have included questions to find the gender, age, educational level, and ethnicity of the responder.

On regards to motives of sending money through a MT company; I have included questions to find the purpose of sending/receiving money, what are the reasons of selecting the specific company, and what are the reasons of not selecting a banking institution.

On regards to information about the sending/receiving transactions; I have included questions to find out the reasons of sending/receiving money, what are the countries that responders send/receive money, how much are they sending/receiving, and how often do they send/receive money.

On regards to the opinion about the company's security and satisfaction rate; I have included questions to measure the responder's opinion about the security of the company, their satisfaction rate about the company's performance in general, and to find out if they face any issues while sending/receiving money.

Chapter 5

Result Analysis

5.1. Sampling and data collection

After the questionnaire was finalized and approved by my supervisor, it was translated into English for foreigners and Greek for natives and was circulated in various Western Union locations throughout Cyprus.

The period of collecting the questionnaires lasted for 2 months and I was able to gather 140 samples from WU customers that were willing to fill out the questionnaire.

5.2. Demographics

Gender

From the total responders, the majority were female with **61%** and **39%** were men.

Age

From the total samples, the majority of the responders were between the ages of 25-44 with **62%**, **24%** were between the ages of 45-54, **11%** between the ages of 18-24, **2%** between the ages of 55-64, and **1%** between the ages of 65-74.

Educational Level

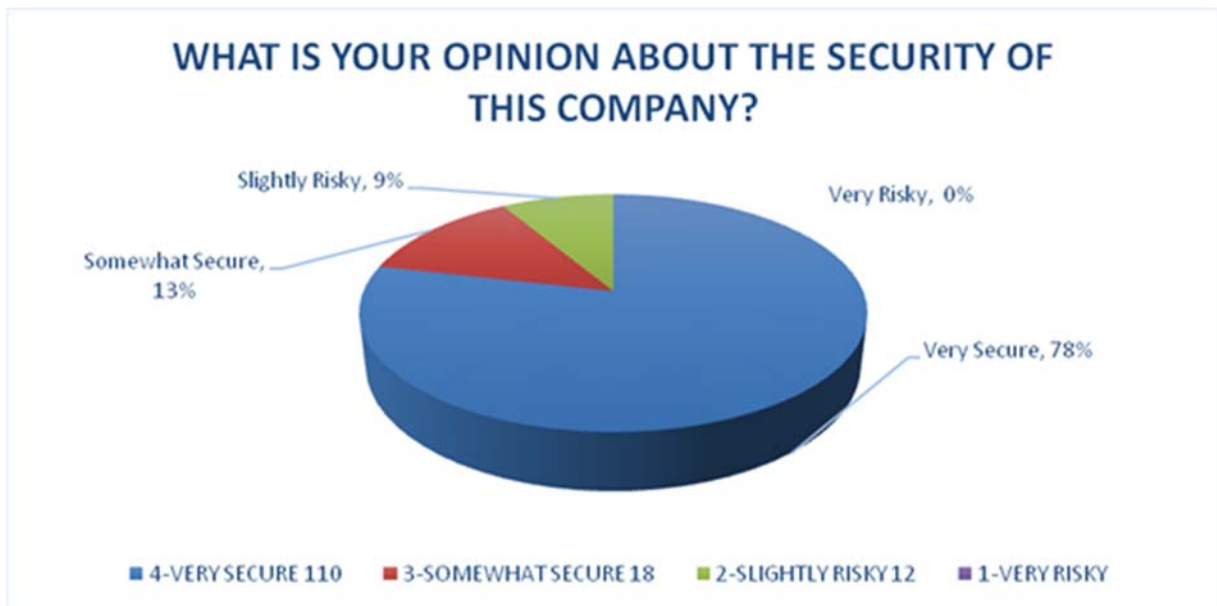
From the total samples, the majority of the responders had a high school diploma with **27%**, **23%** had a bachelor degree, **21%** had a lyceum diploma, **14%** had a master degree, **8%** had a professional degree, **4%** had a primary school diploma, **1.5%** had a doctorate degree, and another **1.5%** had no education.

Ethnicity

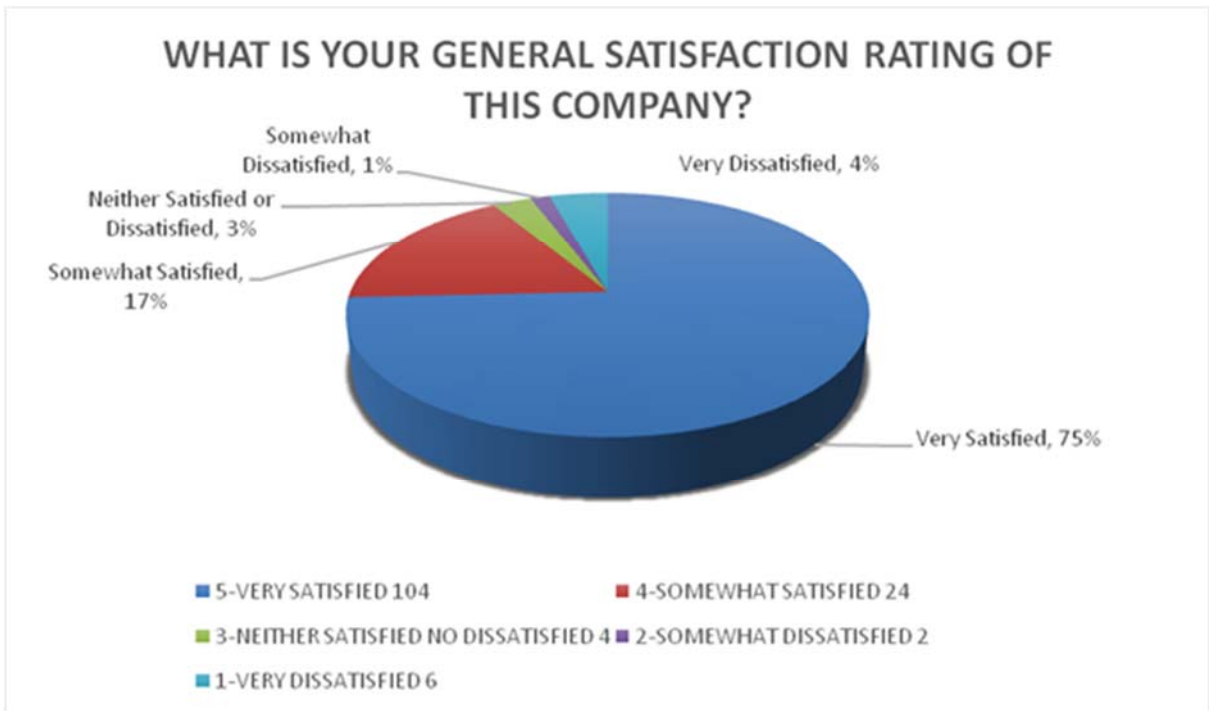
From the total samples, the majority of the responders were not from Cyprus (**23%** from Philippines, **11%** from Vietnam, **15%** from India, **6%** from Greece, **5%** from Sri Lanka, **5%** from

Romania, 2% from Bulgaria, 1.5% from Pakistan, 1.5% from Moldova, and 1% from Israel). 29% were from Cyprus.

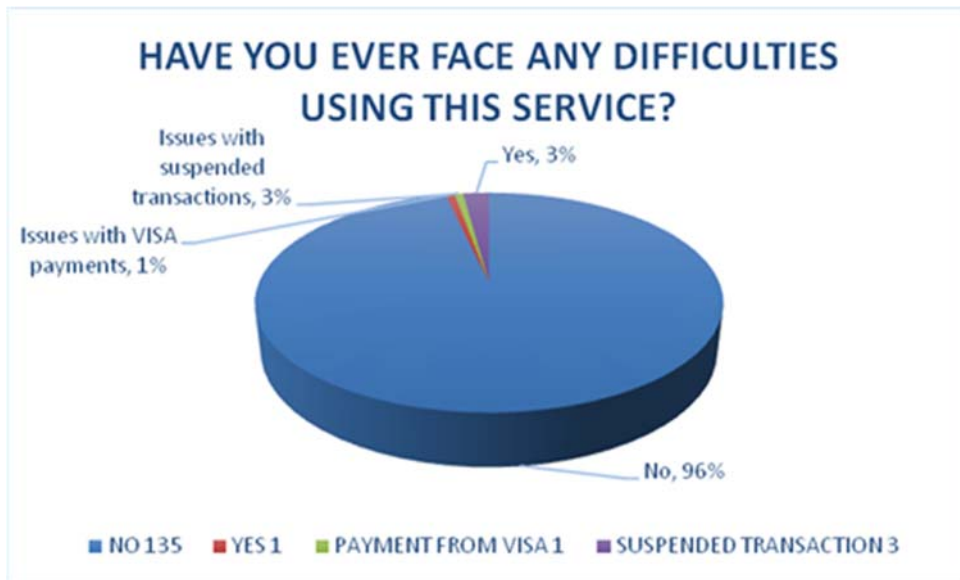
5.3. Customer's opinion about the company's security, satisfaction rate, and issues while sending/receiving money



On regards to the question “What is your opinion about the security of this company”, the majority of the responders with 78% replied that is Very secure, an 13% replied that is Somewhat secure, and a 9% replied that is Slightly risky.

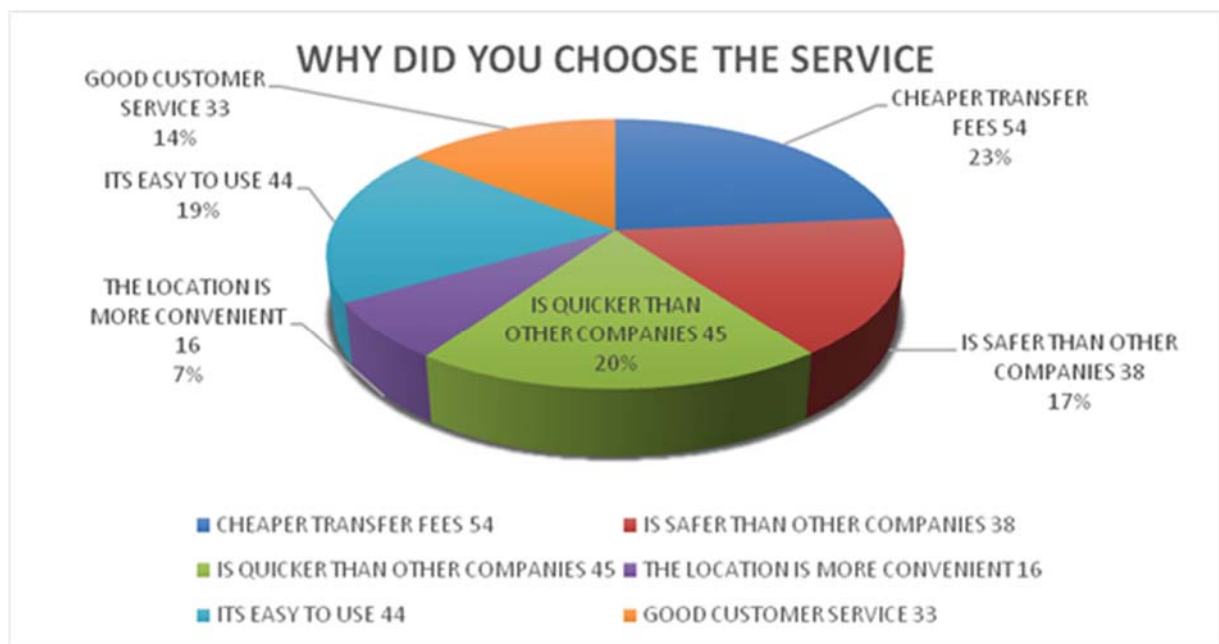


On regards to the question “What is your general satisfaction rating of this company”, the majority of the responders with **75%** replied that are Very satisfied, a **17%** replied Somewhat satisfied, a **4%** replied Very dissatisfied, a **3%** replied that they were Neither satisfied or dissatisfied, and an **1%** replied Somewhat dissatisfied.

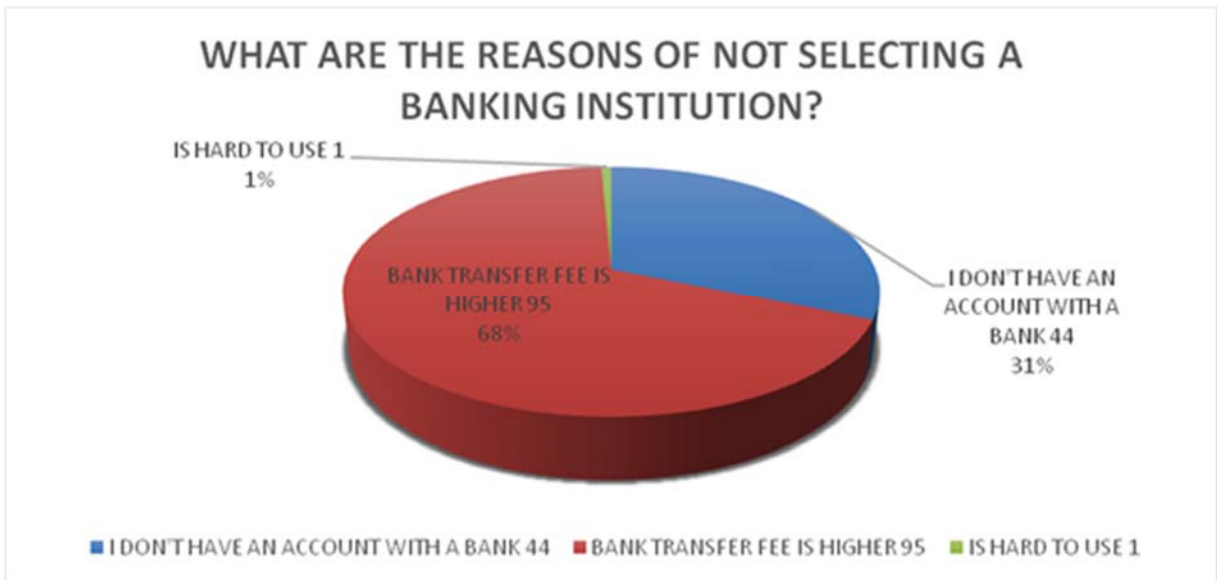


On regards to the question “Have you ever face any difficulties using the service”, the majority of the responders with **96%** replied that they never had any issues, a **3%** replied that they had issues with suspended transactions, and **1%** replied that they had issues receiving money from VISA companies.

5.4. Motives of sending/receiving money through a MT company

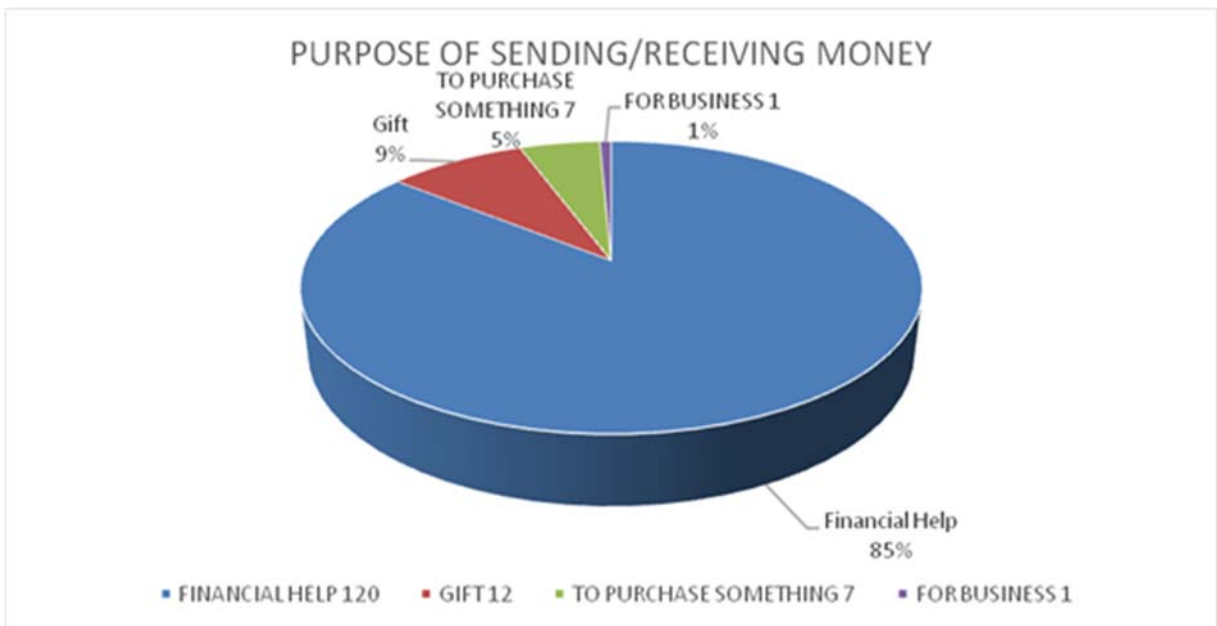


Based on the questionnaire I have contacted, on the question “What are the reasons of selecting the specific service”, a **23%** of the responders selected the specific company because the transfer fees were cheaper, a **20%** of the responders reply that the specific company is quicker than other companies, a **19%** replied that the service is easy to use, a **17%** replied that the specific company is safer than other companies, a **14%** replied that the customer service is very good, and **7%** replied that the location was more convenient.

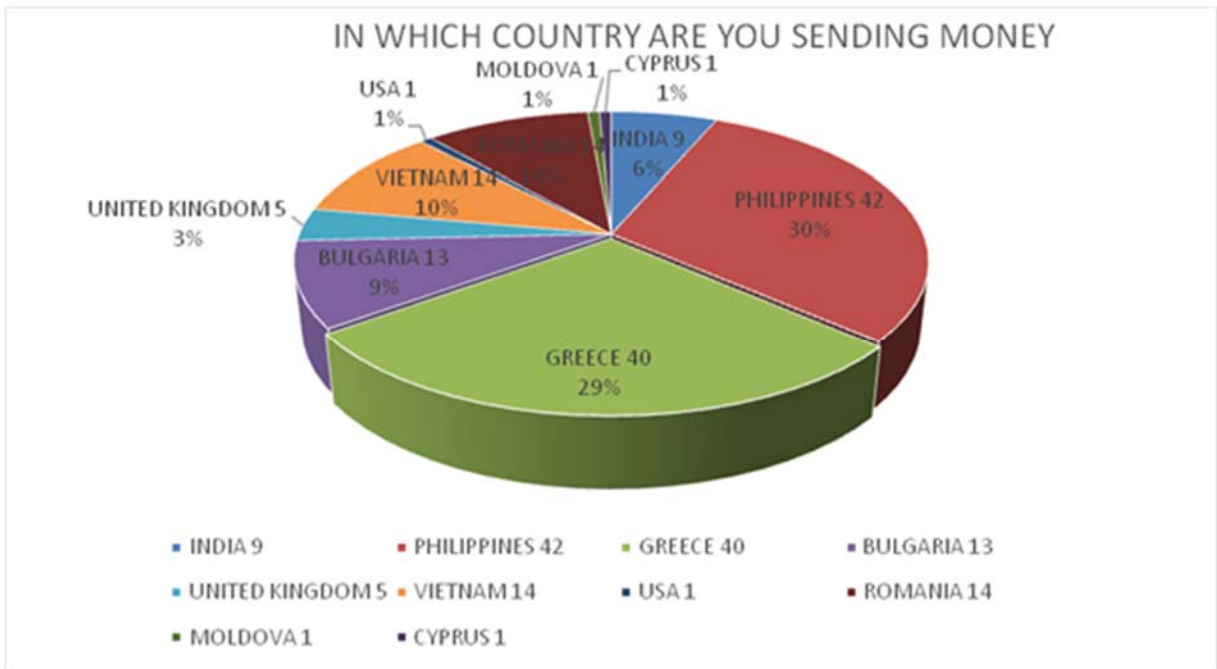


On the question of “What are the reasons of not selecting a banking institution”, the majority of the responders with **68%** replied that the bank transfer fee is higher, a **31%** replied that they don’t have a bank account, and **1%** replied that the services in Banks are hard to use.

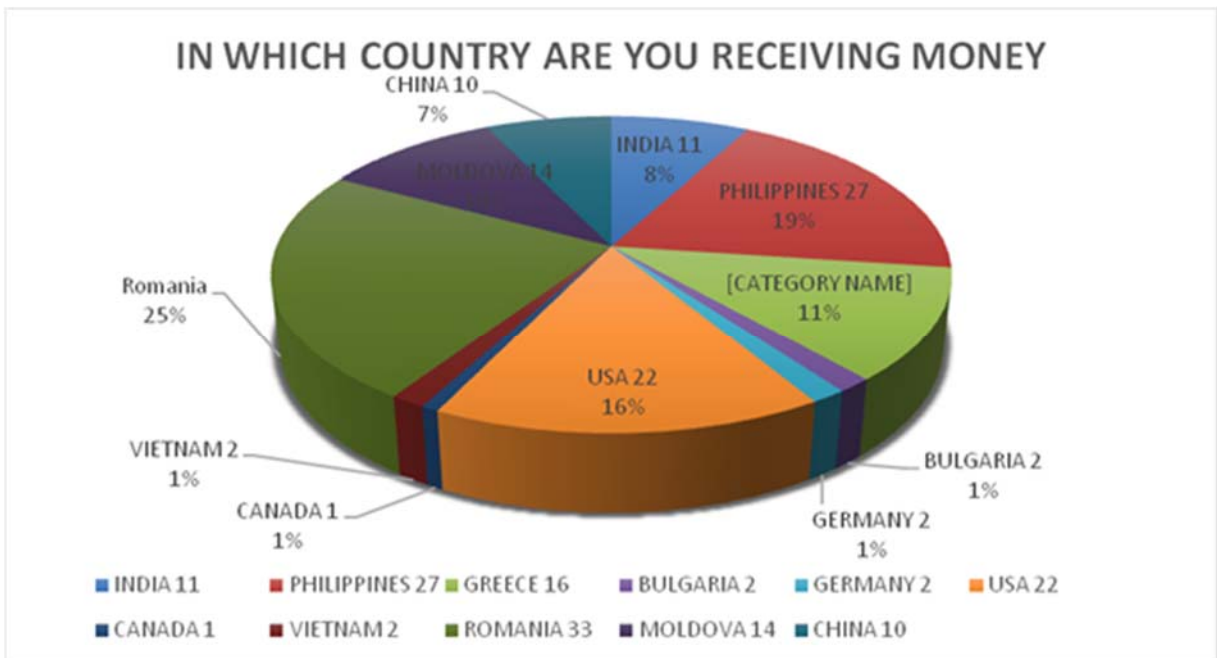
5.5. Information about sending/receiving transactions



On regards to the question “What is the reason of sending/receiving money”, the majority of the responders with **85%** replied that it’s for financial help, the **9%** replied that is for a gift, the **5%** replied that is to buy something, and **1%** replied that is for business.

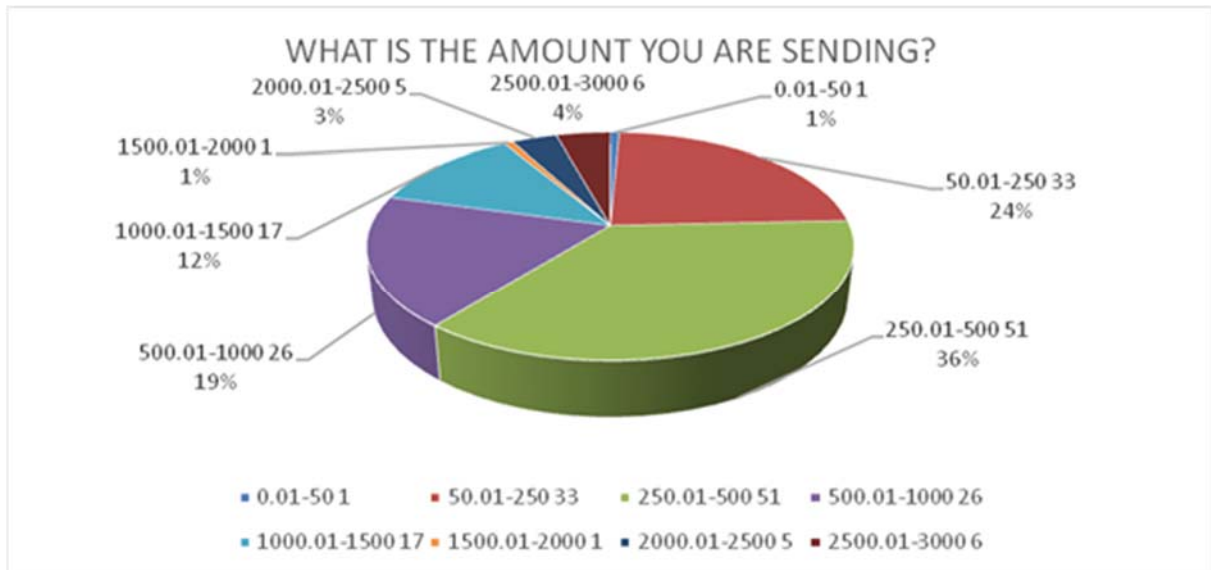


On regards to the question “In which country are you sending money”, a **30%** replied Philippines, a **28%** replied Greece, a **10%** replied Vietnam, another **10%** replied Romania, a **9%** replied Bulgaria, a **6%** replied India, a **4%** replied United Kingdom, a **1%** replied USA, another **1%** replied Moldova, and another **1%** replied Cyprus.

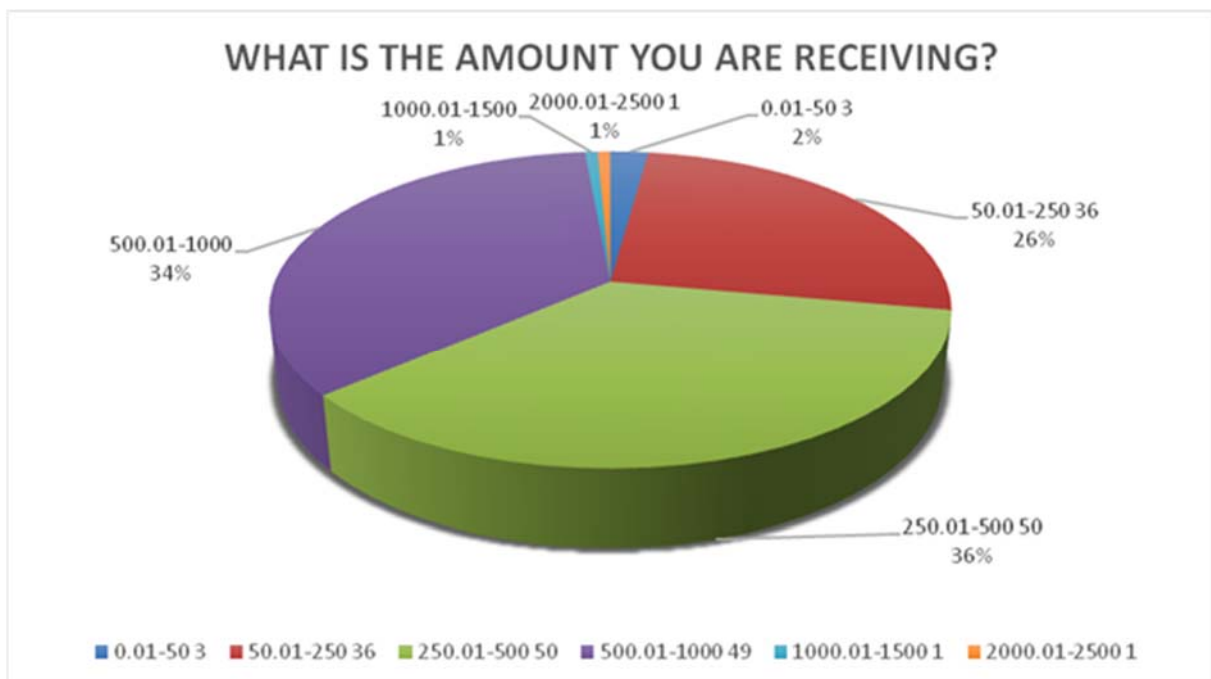


On regards to the question “In which country are you receiving money”, a **25%** replied Romania, a **19%** replied Philippines, a **16%** replied USA, and **11%** replied Greece, a **10%**

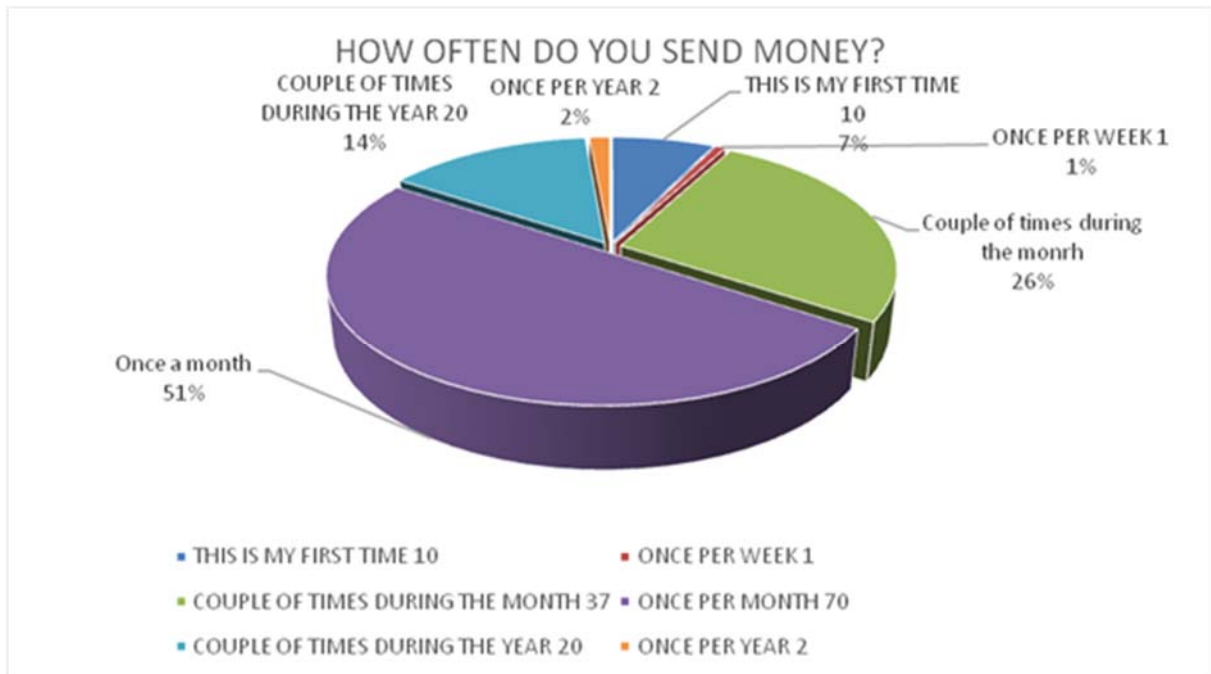
replied Moldova, an **8%** replied India, a **7%** replied China, a **1%** replied Bulgaria, another **1%** replied Germany, another **1%** replied Vietnam, and another **1%** replied Canada.



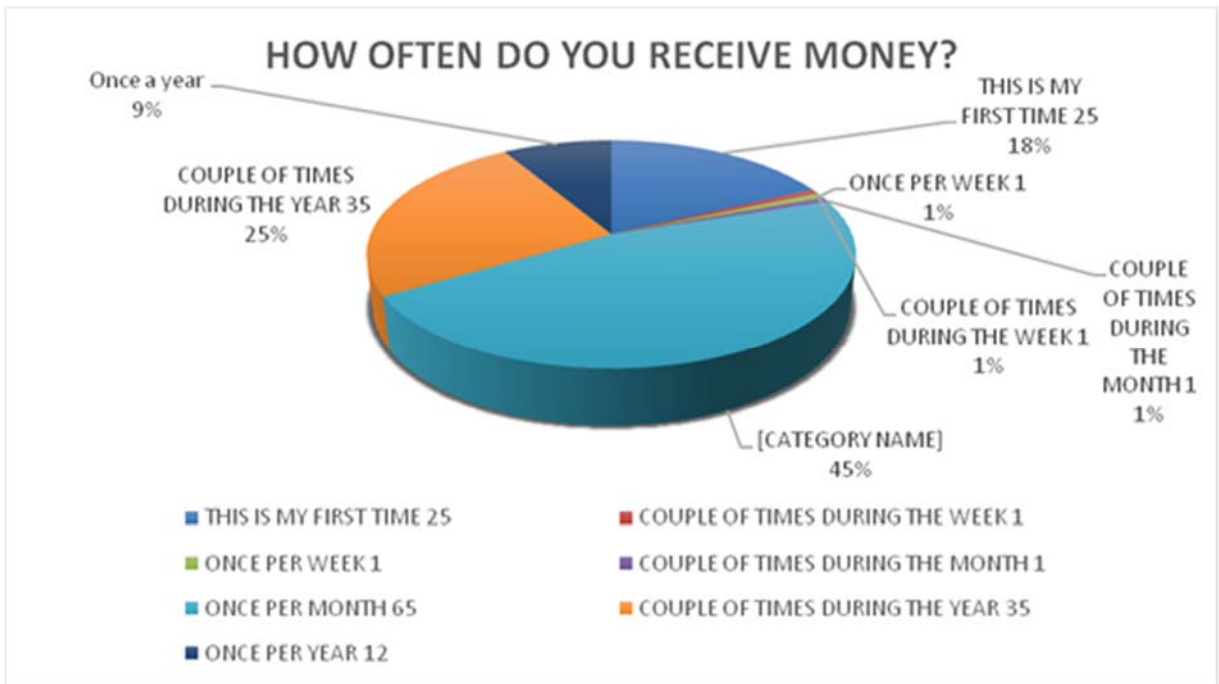
On regards to the question “What is the amount you are sending”, a **36%** of the responders replied 250.01-500 Euro, a **24%** replied 50.01-250 Euro, a **19%** replied 500.01-1000 Euro, a **12%** replied 1000.01-1500 Euro, a **4%** replied 2500.01-3000, a **3%** replied 2000.01-2500 Euro, an **1%** replied 1500.01-2000, and another **1%** replied 0.01-50 Euro.



On regards to the question “What is the amount you are receiving”, a **36%** of the responders replied 250.01-500 Euro, a **34%** replied 500.01-1000 Euro, a **26%** replied 50.01-250 Euro, a **2%** replied 0.01-50 Euro, a **1%** replied 1000.01-1500, and another **1%** replied 2000.01-2500 Euro.



On regards to the question “How often do you send money”, a **51%** of the responders replied Once a month, a **26%** replied Couple of times during the month, a **14%** replied Couple of times during the year, a **7%** replied This is my first time, a **1%** replied Once per week, and another **1%** replied Once per year.



On regards to the question “How often do you receive money”, a **45%** of the responders replied Once per month, a **25%** replied A couple of times during the year, an **18%** replied This is my first time, a **9%** replied Once a year, an **1%** replied Couple of times during the week, another **1%** replied Once per week, and another **1%** replied Couple of times during the month.

Chapter 6

Conclusions

6.1. Demographics

The result of the questionnaires on regards to demographics can be summarized as follows. The majority of customers using MT companies are not from Cyprus (71%), they are women (61%), in the ages between 25-44 years old, with a high school diploma (27%) and a bachelor degree (23%).

6.2. Customer's opinion about the company's security, satisfaction rate, and issues while sending/receiving money

According to the results of the questionnaires, the majority of the responders (78%) believe that the service is very secure whereas a 13% of the responders stated that the service is somewhat secure, and a smaller percentage of the responders (9%) reported that the service is slightly risky. From the above results we can observe that the majority of the customers are showing a lot of trust to the service. Those results can support I.O. Ailemen's (2009) findings, stating that the MT companies are considered to be a fast, secure, and trustworthy way to send or receive money.

On regards to their satisfaction rate, the majority of the responders (75%) reported that they are very satisfied with the service whereas a 17% reported that they were somewhat satisfied. A smaller percentage (4%) reported that they were very dissatisfied using the service, a smaller percentage (3%) reported that they were neither satisfied or dissatisfied, and a 1% of the responders replied that they are somewhat dissatisfied. Those results can support I.O. Ailemen's (2009) findings, stating that the majority of the participants (90%) stated that they were satisfied with the MT service in general.

On regards to facing any problems while using the service, a very high percentage of the responders (96%) replied that they have never had any issues and only a small percentage (4%) replied that they face issues while using the service. A 3% of the responders had issues with suspended transactions because they had to provide additional information to release the transaction, and an 1% of the responders had issue with VISA payments because it takes longer for the card company to authorize card payments.

6.3. Motives of sending/receiving money through a MT company

Based on the questionnaire results, the majority of the responders (23%) have selected a MT company because the fees are cheaper, 20% have selected a MT company because the MT company provides a quicker delivery service, a 19% selected the specific company because it was easy to use their services, and 17% of the responders said that the MT company is safer than other companies or banks. These results can support M. A. Badran's (2006) findings stating that the main incentives of using a MT company is the price of the sending fees, the speed of the transaction delivery, the level of difficulty using the service, and the security of the particular MT company. Moreover, those results can also support I.O. Ailemen's (2009) findings, stating that customers use MT services because they are fast, secure, and easy to use. In addition, those results can support the Department of International Development's (2004) findings as well, stating that the reasons of affecting the decision of customers of choosing a specific MT company is the security of the service, the swiftness of the transaction delivery, and the transfer fees.

The main reason of people choosing a MT company over a bank is mostly because of the price of the transfer fees (68%). A smaller percentage (31%) chooses a MT company over a bank because they don't have a bank account.

6.4. Information about sending/receiving transactions

This research also examines on what are the purposes that drive an individual to use an alternative way of sending money such as MT companies, how many times the customers are using those services, in which countries they send/receive money, and what amounts are send/receive to or from those countries.

On regards to the purposes that drive an individual to use a MT company in Cyprus, the research shows that the majority of the responders (87%) have selected to send/receive money for financial help therefore we can observe that financial help is the main reason that drives an individual to send/receive money through a MT company. Secondary reasons that drive an individual to send/receive money through a MT company is to receive a gift (9%), to purchase something (5%), and for business related reasons (1%).

The majority of the responders (51%) reported that they are using the service to send money in a monthly basis, (26%) replied that they send money a couple of times during the year, a smaller percentage (14%) reported that they are sending money a couple of times during the year. An even smaller percentage (7%) reported that this is their first time using the service.

On regards to receiving money, the majority of the responders (45%) have also reported that they use the service in a monthly basis, a 25% is using the service a couple of times during the year, and a 9% they are using the service only once per year.

On regards to which countries are the customer's sending money, we can observe that a 30% of the customers are sending money to Philippines, a 28% to Greece, and smaller percentages to various countries inside and outside Europe.

For receiving, the majority of the customers (25%) are receiving money from Romania, a 19% from Philippines, and smaller percentages to various countries mostly outside Europe.

Based on the findings, the majority of customers are sending less than 1000 euro (36% 250.01-500 Euro, 24% 50.01-250 Euro, and 19% 500.01-1000 Euro). A smaller percentage of customers (20% in total) are sending amounts above 1000 Euro therefore the service is being used mostly to send small amounts. This applies also with receiving transactions; the majority of customers are receiving less than 1000 euro (36% 250.01-500 Euro, 34% 500.01-1000 Euro, 26% 50.01-250 Euro, and 2% 0.01-50 Euro).

Chapter 7

Epilogue

7.1. Epilogue and recommendations for future research

Through the beginning of the creation of ways to send and receive money, MT companies have reached to a point that is considered a valid alternative option over a banking institution.

As per S. Nawaz, R. McKinnon, and R. Webb (207), the money transfer networks will always bare the threat of becoming target of financial corruption and fraudsters, but we can see that MT companies like Western Union who are leaders on MT services, are continuously trying to improve their security measures in order to stop any fraudulent and money-laundering activities, and to ensure the safe transfer of the customer's transactions.

In Cyprus, they have recently started the implementation of the KYC procedure in all WU locations, in order to speed up the process of sending or receiving a transaction by storing the customer's transaction details and the system and also to provide risk aversion on fraudulent and money laundering activities.

Moreover, at the beginning of 2017 they have started to hand out token devices in all location in Cyprus in order to protect their agencies of becoming victims of fraudsters.

In general, we can see that people are using money transfer companies in a weekly basis to send amounts mostly less than 1000 Euro and they consider money transfer companies as a safe way to transfer their money.

The majority of customers in Cyprus are very satisfied using the service and rarely had issues while in the process of sending and receiving money.

Several future studies can be conducted in the area of money transfer services; the results from the study showed that there are more foreigners using the service in Cyprus rather than Cypriots therefore a study can be conducted in order to find the reasons why Cypriots are not using the services as much as the foreigners.

Moreover, a study can be created in order to observe how can alternative ways of sending/receiving money are affecting or will affect the future of the financial services in general on regards to structure, delivery, and usage.

Annex A

Questionnaires

Appendix A: Questionnaires

Please spend a few moments to complete our service satisfaction survey. This survey is for academic study and your responses will be kept confidential. This survey will take approximately 5 minutes to complete.

1. What is your gender?

Male

Female

2. What is your Age?

18-24 years old

25-34 years old

35-44 years old

45-54 years old

55-64 years old

65-74 years old

75 years or older

3. What is your Educational Level?

No education

Primary School Diploma

High School Diploma

Lyceum Diploma

Bachelor's Degree

Master's Degree

Professional Degree

Doctorate Degree

4. What is your ethnicity?

- India
- Cyprus
- Pakistan
- Philippines
- Other (Please write bellow)

.....

5. What is the purpose of sending/receiving money?

- Financial Help
- Gift
- To purchase something
- Other (Please write bellow)

.....

6. Why did you choose this service?

- Cheaper Transfer Fees
- Is safer than other companies
- Is quicker than other companies
- The location is more convenient
- It's easy to use
- Good Customer Service
- Other (Please write bellow)

.....

7. In which country are you sending money? (Only for sending transactions)

- India
 - Philipines
 - Greece
 - Bulgaria
 - Other (Please write bellow)
-

8. In which country are you receiving money? (Only for receiving transactions)

- India
 - Philipines
 - Greece
 - Bulgaria
 - Other (Please write bellow)
-

9. How often do you send money?

- This is my first time
- Couple of times during the week
- Once per week
- Couple of times during the month
- Once per month
- Couple of times during the year
- Once per year

10. How often do you receive money?

- This is my first time
- Couple of times during the week
- Once per week
- Couple of times during the month
- Once per month
- Couple of times during the year
- Once per year

11. What is the amount you are sending? (Only for sending transactions)

- €0,01-€50,00
- €50,01-€250,00
- €250,01-€500,00
- €500,01-€1000,00
- €1000,01-€1500,00
- €1500,01-€2000,00
- €2000,01-€2500,00
- €2500,01-€3000,00

12. What is the amount you are receiving? (Only for receiving transactions)

- €0,01-€50,00
- €50,01-€250,00
- €250,01-€500,00
- €500,01-€1000,00
- €1000,01-€1500,00
- €1500,01-€2000,00
- €2000,01-€2500,00
- €2500,01-€3000,00

13. Why haven't you send/receive money through a bank?

- I don't have an account with a bank
 - Bank transfer fee is higher
 - Other (Please write bellow)
-

14. What is your opinion about the security of this company?

- 4-Very Secure
- 3-Somewhat Secure

2-Slightly Risky

1-Very Risky

15. What is your general satisfaction rating of this company?

5-Very Satisfied

4-Somewhat Satisfied

3-Neither Satisfied Nor Dissatisfied

2-Somewhat Dissatisfied

1-Very Dissatisfied

16. Have you ever face any difficulties using this service?

No

Yes (Please write bellow)

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