

Nigerian fintech startup Paystack closes on \$1.3m seed funding

Nigerian fintech startup Paystack has closed on seed investment of \$1.3million from international investors Tencent, Comcast Ventures and Singularity Investments, with participation from Spark, M&S Partners, Tokyo Founders Fund, Blue Rinc Capital, Pave Investments, KIBS-CFY Partners, Michael Siebel, Justin Kan, Olumide Soyombo, Leonard Stiegeler and a number of angel investors.



Paystack co-founders Shola Akinlade and Ezra Olubi

The announcement follows news that the fintech startup has recently built a payment gateway integration for e-commerce platform Shopify.

The Y Combinator-backed online payments platform aims to solve the challenge of online payment transactions in Nigeria, by seamlessly connecting all multi-channel payment options with merchants across the country, enabling them to accept payments from around the world, via credit card, debit card, and direct bank transfer on web and mobile.

Led by co-founders Shola Akinlade and Ezra Olubi, the Paystack team will use the investment to build out its engineering team in Lagos, as well grow its sales and marketing operations, to accelerate product development and customer onboarding.

Linking African business with payment options

The startup says its goal is to become the go-to, indispensable layer that connects merchants to payment options. Paystack is platform agnostic – it does not favour one payment platform over any other – something unique in African fintech, which is currently very fragmented. Merchants who sign up for Paystack can receive live payments from customers within 30 minutes of integration and the product allows for recurring billing, owing to its PCI-Compliant one-click and subscription payments infrastructure.

Paystack CEO Shola Akinlade says: “Having painstakingly identified the many barriers that merchants on the continent have when it comes to online payments, we have built and refined a product for Africa that we hope will act as a catalyst for the continent’s online economy, be it on-demand services, e-commerce, travel & hospitality, financial services or entertainment. We know Africa’s digital economy has potential, many billions of dollars of potential, we simply need to unlock it and make businesses work better, faster and more effectively.”

Paystack is launching its service in Nigeria, Africa’s largest and most populous economy, before rolling out the service across the continent. Nigerian businesses collected about \$150B last year, most of which was collected offline. However the digital economy on the continent is growing fast, and Nigeria alone currently sees 6 million new Internet users every year. As mobile adoption continues at a torrid pace, with 400 million more smartphone connections by 2020 expected, the continent will need a reliable payments platform to support growth in online transactions.

Now moving out of beta, Paystack has partnered with some of Nigeria’s leading internet companies iROKOtv, Jobberman, Payporte, and Hotels.ng, to facilitate fast, safe payments. Over 30 independent developers have also built additional plug-ins and tools for Paystack, using the company’s REST APIs and client libraries.

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