

## ABSTRACT

This research is concerned with mobile money security issues that are facing mobile money customers. Mobile money service is a new added service in telecom industry but with financial features. It facilitate the customer to have the ability to deposit, withdraw, transfer funds from one mobile money account to the other. Also with mobile money account a customer can pay various types of bills and buy airtime.

Mobile money business started in 2007 in East Africa, and from there it has been able to penetrate further and reach more customers. This result into more funds in mobile money business that needs security assurance. This research has been conducted to find out how do Mobile Money service provider protects customers and how do customers protect themselves. Also the research investigate the security issues that are facing the customers. From the research findings the research is giving out conclusions and recommendations on how to mitigate the security issues found.

The research was conducted using mixed method type of research in order to gain the strength that quantitative and qualitative research have. Mixed method provide the research with various amount of data that are helpful for finding ways to mitigate the security issues. The research used random sampling while selecting participants of the research and come up with 2562 research participants. Data from respondents were being collected through questionnaire and interviews.

The findings showed that 43.44% of the mobile money customers have experienced fraud on their mobile money accounts. Also the results showed that women are more victims to mobile money frauds and with less security practice on their accounts. Despite mobile money to be regarded as an alternative to bank for the unbanked, the research showed that, only 0.82% of the respondents are unbanked.

Mobile money customer have found protecting themselves by using cell phone security code, regular change of PIN, implementation of unique and hardly guessed PIN. The Mobile money provider has allowed customers to a maximum of only 5 million in account and can transfer only 3 million in a day with a limit of 15 transactions.

