

ABSTRACT

Mobile money services in Tanzania have been on high demand in the recent years and this is evidenced in the increasing number of service subscribers. Accordingly, the number of cybercrimes related to theft from agents and customers have been on the increase. The aim of this study was to assess challenges of cybercrime in mobile money transactions in Tanzania with particular interest in M-Pesa services in Arusha region. The study was set to achieve three specific objectives including: (a) to determine common uses and transactions made through M-Pesa mobile money services, (b) to examine service providers' experiences with cybercrimes in M-Pesa mobile money services, and (c) to assess the effectiveness of support mechanisms to recover stolen money through M-Pesa mobile money services. This study involved a total of 118 respondents who were mainly mini-agents offering M-pesa services. Data were collected through key informant interview and by use of a questionnaire. Findings revealed that although large proportion of providers of mobile money services provided M-Pesa services. It was also shown that average profit per month ranged from TZS 10,000 to 600,000. More than half of respondents (54.2%) indicated that they were victims of money theft through M-Pesa mobile money services. Also, there was poor cooperation from both Police Force and Vodacom Tanzania when it came to supporting mini agents to recover their stolen money. This study calls for deliberate efforts by dealers (telecom companies) to introduce more secure arrangements that can prevent the situation. In particular, they could introduce finger print authentication in withdrawing, mechanism which can easily be used identify thieves who regularly steal from the mini-agents Vodacom M-Pesa department should ensure that there is control of its part time and full time employees. Further, they should establish mechanism to curb fake employees in the streets.

