



Informed Design: A Case Study Series

Insights from Lucy

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Good design can mean the difference between a woman using digital financial services (DFS) or not. It is a crucial part of every stage of the customer journey – not just for user interfaces or marketing approaches. Despite its importance, DFS design doesn't always consider women's lives and realities, resulting in low adoption and usage of products and services. This is the first of several case studies looking at the role of design in DFS for women across South Africa, India, Uganda, and other geographies - focusing on examples where research findings have translated into design that have eased and encouraged women's use of DFS.



Launched in 2021, **Lucy** is a neobank¹ for entrepreneurial women, providing DFS and business-building tools and training through a mobile app to help them start and grow their businesses. There is a 58% financing gap for women entrepreneurs in Asia and the Pacific, and across ASEAN economies only around 5–6% of women-owned microenterprises, and 12–15% of women-owned small firms, had adequate access to financing.² Recognizing that the full potential of female entrepreneurs in the region has never been realized, one of Lucy's initial target segments has been Foreign Domestic Workers (FDWs) in Singapore of which there are over 255,000.³

Research

FDWs in the Asia region live a unique and precarious reality. They cook, clean and look after the children and homes of their employers. There has been an increased public awareness of FDWs' lives in recent years with some mainstream media highlighting their vulnerable livelihoods and satellite microbusinesses (see first Key Insight below). In this context, the Lucy team's experience living and working in Singapore and their personal interactions with both employers and FDWs over several

years seeded the beginning of their research on the financial challenges faced by FDWs. To inform the design of a tailored financial product for this segment, the team ran a series of focus groups in partnership with **Aidha**, a Singaporean non-profit offering financial management and education courses to FDWs. In discussions with the FDWs, the Lucy team took a conversational approach (a key element of the broader research method) to gain their trust and allow them to probe their financial

1 Neobanks are nonbank providers of account services. See <https://www.cgap.org/blog/what-makes-digital-banking-inclusive>
2 See <https://www.adb.org/sites/default/files/publication/459551/women-entrepreneurship-lessons-asia-pacific.pdf>
3 See <https://www.channelnewsasia.com/news/singapore/maids-foreign-domestic-workers-singapore-necessity-families-12059068#>

lives, asking questions akin to a financial diary's methodology and tracking patterns in the qualitative data that emerged from the conversations.

Engaging employers was another key piece of Lucy's research approach. The employer/employee power dynamic made qualifying assumptions around FDWs' financial lives difficult – for FDWs, it put working and living relationships at risk. Without the blessing of their employers, FDWs were reluctant to engage and disrupt this power balance – fearing they might even jeopardize their employment and living situation. Unless FDWs or their employers were already familiar with the Lucy team, they were reticent to discuss their lives or speak of financial arrangements which placed some limitations on sampling, as the team needed to appeal to friends who employed FDWs.

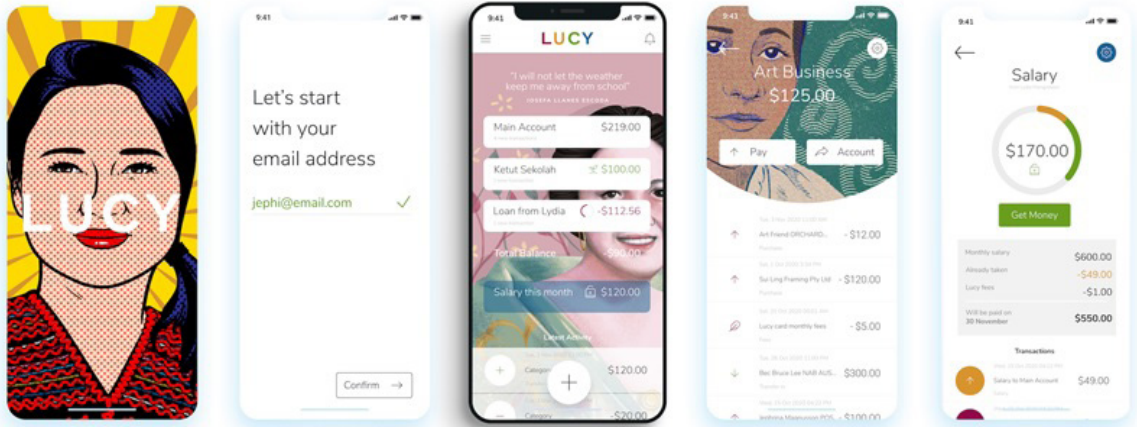
Despite these challenges, Lucy's customer research revealed a set of key insights.

Each month, FDWs send the majority of their earnings back home to family and community. These women often have budding microbusinesses back in their countries of origin such as piggeries or small kiosks, looked after by their family members while they are away. Without social security or significant savings, these investments are the central means by which FDWs create longer-term financial security for themselves and their families. Lucy's research also noted that when there is an emergency in their home country – a health crisis, climate event, or other – FDWs are the first port of call for family members needing financial support as they have few other options to secure cash quickly.



FDWs have limited access to fairly-priced formal financial services, including credit, severely limiting their potential to start or grow their businesses. For FDWs who are interested in starting a business back home, there are few other sources of startup funding – for most, the options are friends, family, loan sharks or borrowing from their employer. In addition to further skewing power dynamics, borrowing from an employer is uncomfortable both for the worker, especially if they are asked to justify the advance, and for the employer, who must then remember to deduct the sum from a future salary payment. The Lucy team found that these loans are often only informally tracked, which makes the situation even more complex for larger, longer-term loans like for a new roof following a cyclone, or a request to borrow money to purchase or form a productive asset, such as livestock or a kiosk-style store.

An FDW's entire financial life can remain very informal despite working a six-day week (assuming employers honor their FDW's day off). Salary payments and loan repayment agreements are often made in cash, and it is not mandatory for employers to set up bank accounts for their domestic helpers.



Turning Research into Design

Smartphone penetration is extremely high in Singapore, and given FDWs' limitations on their time off, it made sense to the Lucy team to develop their product as an app. The app aims to empower women from all walks of life by equipping them with the financial tools, mentoring support and self-belief to take control of their future and make a positive contribution to their own growth and, consequently, to the economy. Lucy was initially built as an android app, (but is now available on iOS as well) offering a suite of complementary financial products that address specific pain points of individual segments, accessed through an approachable and appealing user interface.

Lucy also worked with Aidha to carry out UX testing within the app. While this would have typically been carried out in-person, due to COVID-19, Aidha arranged a virtual UI session for the app with FDWs, recording the potential users' thoughts and reactions as they navigated through the screens remotely and used the products. Products offered in the app include:

Personal account access: Regardless of employment or visa status, anyone can get a personal account with Lucy; these accounts

can have (prepaid) Mastercard credit cards attached to them. Lucy has also set up automated salary payments for employers to pay directly into these accounts. For FDWs, this provides much more control over their finances – they can allocate funds into savings envelopes, as well as purchase items on websites in their home country for delivery to their family. Lucy accounts are also valuable for other segments of women not employed as FWDs. For example, trailing spouses in Singapore are not able to get a bank account in their own name, only as a joint account with their husband. Lucy enables these individuals to setup accounts on their own. Employers of FDWs, too, can create a separate account within Lucy that they use as a 'household expense account' – they just give the card to their FDW when she goes shopping and can easily keep track of all expenditures.

Low-cost digital remittances: Despite their largely cash-driven financial lives, FDWs generally do have access to a bank account in Singapore. A bank account alone does not solve for all financial activities and transactions FDWs need, however, and their family members back home are largely unbanked and rely on agents to receive transfers. Lucy's digital remittances solve for this by allowing FDWs to send money to banks, mobile wallets and cash agents with mid-market exchange rates and low transfer fees. Additionally, bank fees (both

fixed and forex) tend to be disproportionately high for small amounts; for these reasons, physical agents are still preferred by many. FDWs get one day off a week (sometimes less), and it is not uncommon for a few hours of that precious time to be spent traveling to, queuing at and traveling back from a remittance agent in Singapore. With the ability to send money right from the app, FDWs are saved travel time to and from remittance storefronts.

Earned wage access: The Lucy app enables an FDW to draw down on her earned-to-date salary at any time during the month, without interest. Lucy found that FDWs often need access to money mid-month due to financial crises at home, and in some cases preferred to send money home weekly rather than monthly to help their family with budgeting. Automated access to this service means that the FDW

does not need to appeal to her employer for funds ahead of time and risk straining the relationship, nor does the employer need to then remember to deduct the advance from her salary at the end of the month.

Named savings pocket: All Lucy customers can set up multiple savings pockets, give each one a name and set a savings goal against it. A pie diagram shows how far the user has progressed in achieving each goal. This savings pocket works similarly to the “savings jars” often used by underbanked populations — the FDW can save for specific needs, such as an additional pig for their farm back home or a child’s birthday present.



Key Insight	Corresponding design element
Employers often pay their FDWs in cash, and if they don't pay salaries on time, it can become uncomfortable for the live-in FDW to remind them	Lucy allows employers to automate salary payments, alleviating tension in an employer/ employee live-in power dynamic
FDWs have just one day a week off; it can be challenging to find time to go to a physical storefront to send money to relatives back home	The app-based service means that FDWs can send money from anywhere direct to an agent, bank, or mobile wallet abroad
While FDWs generally have bank accounts, their communities in their countries of origin often do not	Lucy allows FDWs to send money to banks, mobile wallets, and cash agents with fair exchange rates and transfer fees
FDWs sometimes need to send money home for emergencies (e.g., illness, typhoon) before their monthly payday	Lucy lets FDWs access earned-to-date salary at any time during the month, without interest

Looking Forward

Lucy is still in its early days: the beta version launched in July 2021, a soft launch followed (with a 2000+ person waitlist) and the official launch took place in September 2021.

Early feedback is very positive, with FDWs keen to take advantage of Lucy's affordable remittance rates, and employers enjoying the ease of cashless wages.

An employer says, *"I transferred in money to Lucy, became connected with my helper, transferred her salary to her and then she sent that to the Philippines. She was most excited about the earned wage access, that she only had to pay \$3 to transfer the funds to the Philippines (instead of the usual \$8) and I was happy that I did not have to go to the ATM to withdraw cash."*

In addition to its intended use case (FDWs using Lucy to send money home), the app has also generated several unintended use cases since its launch. These include mothers using the app to give their teenage daughters access to the (optional) Mastercard associated with an

account, and microbusiness owners using the app to keep their business finances separate from their personal money.

Although Lucy's features were designed with the pain points of its target segment (FDWs) in mind, one interesting and unexpected fan group has been Gen-Z Singaporeans, who use Lucy purely for the user interface, card design and its ability to meet all their financial product and service needs without feeling like a bank.

