

**ELECTRONIC PAYMENT SYSTEM AS A TOOL OF ENHANCING
BANKING OPERATIONS IN RWANDA
A CASE STUDY OF COMPAGNIE GENERALE DES BANQUES S.A.**

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ABSTRACT

This research proposal carried out on “electronic payment system as means of fighting challenges in banking operations” was an attempt to assess the use of an electronic payment system, their benefits and shortcomings. The Specific objectives were as follows i.e. to assess the ongoing level of acceptability of both credit and debit cards comparing to the introduction phase with the current situation; to identify the advantages of electronic cards over manual payment system; to identify the challenges and problems faced by card users. The researcher was keen to establish the following occurrences on the ground i.e. if the electronic payment system was effective and if people were comfortable with it, what challenges they meet in the new system. There were also keen on why people could still prefer the use of the usual method of banking such as cash payment, cheque payment, and order bank transfer which was very costly and time consuming as customers have to wait in the bank for long hours, yet they were limited by bank closing hours. The researcher used the Slovin’s formula for sampling technique where from the entire population of 2000 cardholders and 15 cashiers from the COGEBANK main branch. 30 cardholders and 15 cashiers were selected as a sample. Under this study stratified random technique was used. The researcher used questionnaires, interview and observation to collect data and make use of the statistical method to analyze the data and present them in form of charts and tables in chapter four. From the findings of the research, the following items featured prominently and that is a majority of the bankers 73% stated that the main reason behind introducing credit card in Rwanda, was to facilitate to international transactions when a small number were the opinions that the bank was under pressure from its customers. Also in the findings, The results from the survey reveals that 50% of the respondents were in possession and using Visa Cards while 33 % had master cards and a small percentage had other types of cards. Finally, connectivity problem was sensitive to the customers since credit card transactions relies on that hence the researcher recommends that the government in association with banks and R-SWITCH should develop a harmonious system, by introducing the payment means of both credit cards and debit cards in different banks, increasing the number of traders accepting those cards, and sensitize people to be able to adopt updated technology in order to increase their acceptability in the country.