

# Funding boost for SA's small retailers

Two South African fintechs, alternative lender Merchant Capital and online payment specialist Payflex, have launched a cash advance solution that aims to breathe new life into South Africa's growing small and medium-sized retail sector.



Ryan Cohen of Merchant Capital (left) and Paul Behrmann of Payflex. | Source: Supplied.

Known as FlexiAdvance powered by Merchant Capital, the offering is customised and backed by technology to allow access to funding within 24 hours of application, with a flexible repayment mechanism based on monthly turnover. Retailers can apply through the Payflex portal and tailor their funding to suit their individual business needs, without the burden of onerous paperwork and documentation.

Ryan Cohen, the co-founder and chief relationship officer at Merchant Capital, said the solution would give Payflex merchants quick and easy access to funds to use how they see fit.

Payflex CEO Paul Behrmann said that Payflex's online merchants are achieving up to 30% higher average order values, larger purchases and significant revenue increases when offering Payflex Buy Now Pay Later (BNPL) as a payment option. BNPL allows shoppers to pay for their online purchases in a series of four equal interest-free installments.



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Payflex is a pioneer of the rapidly growing BNPL market in South Africa with over 1,500 merchants, while Merchant Capital is a provider of working capital to SMEs and has assisted more than 15,000 SMEs with working capital of close to R3bn over the past nine years.

FlexiAdvance will use Merchant's Capital's funding technology, combined with Payflex's payment technology to bring Payflex's growing merchant base a working capital solution. Payflex merchants will have access to both Merchant Capital's alternative lending to fund their businesses and Payflex's BNPL solution to drive increased sales.

Cohen said the small retail sector was bouncing back well from the effects of the pandemic, with many SMEs undertaking projects that had been delayed due to the uncertainty caused by Covid-19. "This sentiment bodes well for 2022 with a greater sense of predictability and optimism in the economy," he said.

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