

## **TRANSCRIPT Episode 25 – Akinsola Jegede**

**Jonathan Bench:** Welcome to Lawbalization. Today I'm joined by Akinsola Jegede, the co-founder and CEO of VitalSwap, a fintech company building infrastructure that makes cross-border payments more efficient for remittance and global commerce in emerging markets.

VitalSwap empowers individuals and businesses to send, receive, and manage cross-border payments efficiently. From local businesses to international commerce, VitalSwap bridges local currencies and global opportunities through seamless, secure, and fast transactions.

As CEO, Akinsola brings a builder's perspective on execution, fintech realism, and the hard realities of scaling financial systems across Africa and beyond. Akinsola, thank you so much for joining me today.

**Akinsola Jegede:** It's a pleasure to meet you today, Jonathan. I'm very excited to be on your podcast.

**Jonathan:** Give me some of your background. We met originally in Santa Clara, where you had joined an accelerator and I had been a mentor for that accelerator. So we met in person once. It's been a few years, I think, since we last spoke.

So give me a little bit of your background—where you came from, how you got to this point with VitalSwap generally—and then we'll go from there.

**Akinsola:** Yeah, absolutely. My time at Santa Clara was really a turning point for me and my company. I think at that time, we were practically down. We had no way to push forward with this idea of an efficient cross-border payment system. I mean, there are a lot of cross-border payment systems, but do we have efficient ones?

For me, it was: we get it as efficient as possible or nothing. And that's coming from my own personal experience—being someone who was traveling from Nigeria to the United States.

My first reality check started in Nigeria when I couldn't get U.S. dollars to travel with. Then, getting to the United States, I tried to spend my card at Pittsburgh International Airport. This was 1:00 a.m. in a country I'd never been before. I tried to use my card and it got blocked. I was practically stranded for the night. I was eventually able to get my way out of that and get on my bus to wherever I was going.

At that point, it didn't necessarily feel like an ongoing concern because I thought it was a one-time thing. But after living in the United States for several years, I had a different encounter with cross-border payment: I was trying to send money home to support family,

and it was difficult as well. That began to occur to me—this is a real problem that a lot of people face.

From me being stranded to losing a member of my family because I couldn't support them medically, that was a reality check. That was when I started looking into it. And that's what got me to Santa Clara—needing to solve that problem efficiently. That's what gave birth to VitalSwap and joining the accelerator and meeting you at Santa Clara.

**Jonathan:** I'd love to hear more about your background to start. Where did you grow up? What kind of industries have you worked in? And how did you eventually find yourself as the CEO and founder of VitalSwap?

**Akinsola:** I'm Nigerian-bred. I was born and raised in Nigeria, in Ibadan, Oyo State. I had my formal education as an accountant—I got my bachelor's in accounting and finance, and I became a professional thereafter.

But working in the industry in my early days, I knew I was going to go into business. I didn't have this desire to work within the four corners of an office. I knew I wanted to create value as an entrepreneur.

So from being a professional accountant, I became a self-taught software developer. It interested me for one reason; around 2011, I wanted to build an e-commerce platform like Shopify. I didn't have money, but that inspired me to learn how to build software. That's how I got into software development. It caught my interest—I loved it so much. And that was a turning point that made me realize I wasn't going to work in the four corners of an office; I wanted to keep building stuff.

Around that period, there were regulation changes in Nigeria's financial system that would require people to pay for depositing money in the bank, and I thought that wasn't right. That was the reason I registered the domain name VitalSwap. VitalSwap has been registered since 2016, I think, but it never kicked off because the government went back on that regulation.

Fast forward: I decided to travel to the United States as a student. I went to Ivy Tech Community College and enrolled in software development. And just before I graduated, I got into a company that I loved—Atrium Insights. Atrium creates analytics for businesses using AI—this is around 2020. Right after that, I got into Salesforce.

That's how I became a more senior technical consultant at Salesforce, working for large corporations—helping large organizations build systems around their processes and making them more efficient.

**Jonathan:** That's fantastic—really interesting. I didn't realize you'd come from the accounting space. And I think you're like a lot of entrepreneurs; you bootstrap, continue moving forward with the vision, and figure that if you need the skills, you might as well learn them in-house.

I always tell founders that you need to have the skills in-house first, and then you can start outsourcing. Some people do that by building the team; some, like you, do it by building the skill natively and then pivoting from there. I've got to imagine that's been a great advantage—coming from the financial space and teaching yourself to code.

**Akinsola:** Absolutely. It has been—I think it has been the greatest advantage I've gotten since I started my company.

**Jonathan:** You said Nigeria is where you grew up. I'm interested in all places in the world—everything is interesting to me: all people, all cultures. Can you orient us to your part of Africa generally? What are some of the things happening that help us understand why this idea—VitalSwap and payment efficiency—is really important?

**Akinsola:** Yeah, absolutely. When you look at the entire African ecosystem, we're talking about several countries. One thing that has always been a barrier is cross-border payments and access to liquidity.

Global trade is conducted using U.S. dollars. U.S. dollars are very scarce in African countries. In fact, the banks don't have access to it as much as they would. If a country in Africa needs, say, \$2 billion for cross-border payment needs—and we're talking about the aggregation of people who want to buy on e-commerce stores; you want to buy laptops shipped to your country; you're a photographer who needs U.S. dollars to buy expensive cameras; you're a student who needs to pay tuition; you're a business owner who needs to ship in equipment—you need U.S. dollars to transact.

The right place to go is your bank. You walk into your bank and say, "Hey, I'm trying to buy \$500,000 worth of machinery for my farm. I need you to send this money to XYZ." And they tell you, "Are you lost? We don't have it." You can see how much impact this has on general productivity for Africans living in Africa.

Unlike in other continents, you don't even think about it. In the United States, if you're trying to pay China \$500,000, you can walk into your bank, initiate it, and go home believing it's done. It doesn't happen that way. And these things trickle down from large corporations to medium-sized businesses to small businesses.

There was a time airlines—Delta Airlines—were in a deep financial mess because they couldn't get their money out. The money was denominated in local currency, and they

couldn't convert it to U.S. dollars and repatriate it. We can go into why that happens, but it's because trades are denominated in U.S. dollars. When these things are happening, fintechs and even governments have tried their best to address it, because it's a big problem for productivity.

How can we solve it? That's why a lot of fintechs are springing up—trying to make sure there's access to liquidity, whether formal or informal. In a country like Nigeria, historically there's a government FX market, and there's also an informal FX market that's recognized by the government. It's usually called the black market, but it's recognized as a place where you can go and get foreign exchange so you can transact with companies abroad. That was the situation in Nigeria, just to curb challenges around access to liquidity.

In my own case, as a student traveling abroad, I needed U.S. dollars. I walked into the bank—"Hey, I need some dollars to pay my tuition"—and they told me they didn't have it. I had to go to the black market, get the exchange at a premium rate. That's another point of inefficiency: the fact that it wasn't available at the bank, and I had to spend more time and inconvenience myself to go elsewhere, and then buy at a higher rate than the bank would offer.

After getting it, I traveled, I had the cash, and that was it. But when you look deeper, it's very difficult for African economies to grow as fast as they should with these types of barriers.

Now layer that with over-regulation—over-regulation in the sense that, as a student, I'm trying to pay tuition and I need to send, say, \$8,000. There's a lot of compliance I have to fulfill before I can make that type of transfer. We're talking about going into the bank, showing evidence of source and destination of funds. And even when the funds are transferred, there's a high chance it's stopped somewhere along the line to demand more questions around the transaction.

Now shift gears: look at a professional from Nigeria. You got a job from a foreign company and you're trying to get paid. Moving the money through many financial systems results in scrutiny. We've had payment processors hold onto people's money just because they're from Nigeria. We're seeing backlash now as people try to re-enter Nigeria again this year.

So when you put the liquidity challenge and the regulation challenges together, it makes it even more difficult for an economy to grow. And these challenges are visible across the African continent.

**Jonathan:** Are these regulatory issues internal—native African country regulations—or are we talking about integrating with U.S.-forced KYC/AML type regulations?

**Akinsola:** I think it's more the external ones. As far as internal ones are concerned—and I'll get into it—it's more of the external.

As a Nigerian, you're trying to receive payment for exports. Let's use a realistic example: you exported raw materials—something you produced—and you're trying to receive \$15,000 for your produce. A lot of questions are going to be asked, which is very normal. If you're moving money, you should be asked questions. But when you provide these details, the lack of contextual knowledge on the part of the U.S. processor is a big factor.

Locally, regulators understand what's happening in the community. People are exporting their skills, people are exporting products. So when you provide answers to diligence questions, it's like, "Oh, I know where you're coming from—this makes sense." The contextual knowledge is there.

But that contextual knowledge is missing on the other side. So there's a high chance you're not believed, and your funds get stopped—or you have to go through unconventional means to get paid legitimate funds.

**Jonathan:** And you're not talking about just P2P payments—this is embedded in the infrastructure. This blocks economic growth that would otherwise be happening because of inefficiencies in the system, even just transacting business across borders.

**Akinsola:** Absolutely. Not just inefficiencies. Even cross-border e-commerce is an area we currently play in, because we've been able to solve that problem efficiently.

A lot of businesses in the United States and other countries are global. They have customers from Nigeria, Ghana, Kenya trying to buy from them. The first issue is their bank card won't work because of the liquidity problem we mentioned earlier. So they need to find a U.S.-dollar-denominated card. A platform like ours sells those cards; they come to us, buy virtual cards, and then use those cards on foreign sites—say you want to buy a camera lens on Amazon—and ship it through last-mile delivery.

One thing we've seen is a high level of decline when a U.S. e-commerce platform is integrated with Stripe or PayPal—there's a severe level of decline just because the payment is coming from an IP address in Africa. What we've been able to do is create a checkout—think of it like Stripe, but for Africans—where African consumers can pay Amazon or other e-commerce platforms in their local currency. VitalSwap acts as the middle layer; we exchange it to U.S. dollars and settle the foreign company in USD.

We've bridged the gap so nobody needs to think about liquidity, FX risk, or settlement delays. We've increased the speed of settlement and drastically reduced costs because

now you're paying in local currency. You don't have to buy a virtual card or do anything extra.

It's convenient for the customer to pay in local currency—that's what they're used to—and convenient for the business to receive in U.S. dollars—that's what they're used to. Now we don't have Stripe blocking the card or PayPal restricting your IP address and things like that. And this can only happen because, being a Nigerian and being an African, I understand the difference between someone transacting a legitimate payment and someone transacting for fraudulent reasons.

**Jonathan:** Who are the partners you had to bring together to build this pipeline? There have to be banks in Africa and some infrastructure. Tell me—what were the key components you had to string together to make these end-to-end transactions work?

**Akinsola:** Absolutely. This is a fantastic question. I'll go back a little bit to when we met at Santa Clara. When we met, one problem we had was: we have this model that works—how can we build a regulatory framework around it?

One thing we were finding at the accelerator was advisors who could help us navigate that space. I'd been in accounting and finance, but not in banking. Talking to advisors helped us realize that first, we need some level of licensing. So before partnership, the first question was: where can we get licensed to start building a regulatory framework? We were able to get licensed in the United States. That advice—go get licensed—came from our time at Santa Clara.

That was the first thing we did. We understood the guidelines; if you're trying to do something like this—being in charge of people's money—you have to get licensed, and you have to put certain things in place regulatory-wise, which we did.

Then the next thing is money movement. It's one thing to be licensed; it's another thing to be able to move money through the rails. That's where partnership comes in. We started looking at partners who could support the model—not only on the U.S. side but also on the African side where payments are collected. We've been able to partner with other fintechs in the United States and banks, especially in Nigeria.

We're currently expanding; in March, we'll be in over five countries in Africa, and over 20 countries in Europe. We'll be able to settle payments to China, and settle payments in Canada as well. Partnership is what enabled us to put all these rails together and be the efficient system I described. It includes banks and other financial institutions—locally and internationally—especially because we're talking about liquidity.

**Jonathan:** Do your payment rails involve cryptocurrency at all, or is it all normal fiat currencies?

**Akinsola:** That's an interesting question, because I get fired up when I talk about cryptocurrency—but you're never going to see VitalSwap talk about cryptocurrency on the front end.

I believe cryptocurrency adds an extra layer of inconvenience to payment settlements from Africa. And when I say cryptocurrency, I'm mostly talking about stablecoins. Stablecoins are beneficial for fast payments—they're efficient as long as it's inside the network. But when you start looking at it as a means of payment for a regular person in Africa—and by the way, Nigeria is one of the biggest adopters of stablecoins—think about it this way: payment is a means to an end. People don't go on platforms just because they want to pay. It's a means to getting something they value.

Having an extra layer of on-ramp, off-ramp, on-ramp—a challenging process—for something that's just a means, feels difficult. So on the front end, we deal with fiat currencies. But on the back end, we support liquidity with stablecoins—mostly stablecoins. We're not saying no to crypto or stablecoins; we're saying yes to them, but we're not putting that burden on our customers as a means of payment.

Recently, as we're launching version two of our checkout, businesses can choose to get paid in stablecoin. That's not to say customers from Africa will have to send stablecoin. Customers can pay in stablecoin if they want, but the business decides whether they want to receive it in stablecoin or in U.S. dollars—just like the model I described earlier. You don't care what your customers pay. Our platform is built to make sure your business gets paid in the currency you choose.

In general, we are pro-cryptocurrency, but it is not in the forefront of our payment rails.

**Jonathan:** It's interesting how you describe using it on the back end. With liquidity partners, I can see stablecoins factoring in—especially the ones pegged to dollars. Big Wall Street organizations have been leaning into that side of it.

Let me ask a two-part question. What is something you learned along the way that you thought would be more difficult, but worked faster or better than you expected when building VitalSwap? And what's something that's been extremely hard to get through as you've been building the company?

**Akinsola:** That's thought-provoking. Let me make sure I got the question right: something I thought would be difficult, but isn't?

**Jonathan:** Yes. Maybe it's a partner who came to you and said, "We want to help you—let me make this easier."

**Akinsola:** Yeah, absolutely. One thing I thought would be difficult, but eventually wasn't—I'm thinking about two things. I don't know which one to prioritize.

**Jonathan:** That's okay. You can share both.

**Akinsola:** Let's talk about trust—trusting a platform like ours to transact.

**Jonathan:** Exactly—the user experience. How did you get through the user experience to the point where people are more willing to do business with you?

**Akinsola:** Before we started—before I did anything at all—there was an advisor I was working with, Ruja Lee. He virtually became our first investor. We explored this question: why would people want to use VitalSwap rather than Western Union? Forget whether it's cheaper or more convenient.

Only people who have been scammed understand that return of capital is better than return on capital. If you get your money back, you're like, "Okay—I don't care about the profit." So we explored why people would choose us ahead of platforms like Western Union. The number one factor—really the only factor—is trust. He's a research analyst, and he dug into it. We reviewed the research together. Bigger players like Western Union have done similar research, and what I'm about to share is based on what we found there.

People don't choose a platform just because the fee is cheaper. People don't choose it just because it's faster. The number one reason they choose it is trust. We had to decide and research trust layers and trust models. We found three trust models in our industry.

The first trust model is that you've been in the market for so long that you're a household name. Someone says "transfer money," and people say "Western Union," right? It doesn't even cross their mind to ask, "Is my money safe?" They might ask that about a bank they've never heard of, but not about a long-established name. Is Western Union slow sometimes? Yes. Is it expensive? Yes. But people generally use it.

The second trust model is that you partner with a bigger brand. That partnership announcement gives you credibility—people assume the bigger partner did due diligence.

The third trust model is: your platform does exactly what it says it does. I had a personal experience with this. When Mercury started, I downloaded the app, signed up, onboarded—everything just worked. That made me trust Mercury. I send money, I get notifications, I see where the money is, I get receipts—everything works. And I trusted them.

So when we explored these three trust models, we decided to go with the third one first. We weren't a household name—we were new. Even if you partner with a big company, it's still very important that your platform does exactly what you say it does. So we kept iterating, fixing bugs, making sure everything works exactly how customers expect.

Since we focused on that, our lead conversion has been about 15%, and repeat customers around 40%, which is far beyond industry standard. So that trust model was the first thing we invested in. Then every partnership we got and every good feedback we received, we broadcast it so people could see and gain that trust from shared credibility. That's the number one thing I thought would be difficult, but with research and focus, it became easier—though the work itself wasn't easy.

The second thing is partnership. Before we got licensed, it was very difficult to form partnerships. You approach people and they won't respond, or they tell you no. But after we got licensed, all these things got easier. We approach a bank, they listen, they give access. Other fintechs approach us—they want to partner and collaborate. Things I thought were difficult became easier after we got licensed.

**Jonathan:** Was this a license in Indiana or some type of federal license?

**Akinsola:** Apart from being federally registered, we're licensed in Georgia, Maryland, and Illinois. We'll continue to get more licenses, but we also have partners that are licensed across the country that enable us to facilitate payments across the country.

**Jonathan:** Fantastic. We're almost out of time—this has been extremely fun for me. Last question, which I didn't prep you for: if you were not building VitalSwap right now and money was no object, what would you be doing with your time?

**Akinsola:** Interesting question. If I wasn't building VitalSwap and I had all the money in the world, I'd go live in peace. I'd exclude myself from the chaos. I'd just go enjoy my life.

But looking at the problem I experienced, and all the challenges I've faced building VitalSwap—especially early on—sometimes I go to bed thinking I quit. But I wake up in the morning remembering my reason for starting, and I'm like, "No—we've got to do this."

And looking back at those moments and where we are now—where we're talking about scaling across over 20 countries, where we have over 5,000 customers on the platform, where we have businesses depending on us—we cannot quit. So if money wasn't a problem and I wasn't working on VitalSwap, I have a strong feeling I'd still do payments.

The reason is: every time I think about other business ideas, they have some type of payments in them. And that tells me I'm in the right spot.

**Jonathan:** Akinsola, it's been wonderful being with you today. Thank you so much for sharing your story. I loved learning about your history and the history of VitalSwap, and I really look forward to catching up with you again.

**Akinsola:** Awesome. It's great being on this podcast, Jonathan, and it's great seeing you again after a very long time. I'm excited to connect again. I look forward to more greatness at VitalSwap—and for you as well.

**Jonathan:** Thank you.