



Sendit.money makes international payments faster and cheaper, using blockchain technologies

Working with IONOS not only gave sendit.money a scalable and reliable container platform, but also a direct line to expert support.

Learnings

- IONOS Cloud Managed Kubernetes abstracts away the complexity of managing and maintaining a container platform, including security patches and software updates.
- Sendit.money was able to work with IONOS to adopt new services and capabilities even before the documentation for them was live.
- The IONOS Startup Program supports new companies with free cloud services, expert consultancy and joint marketing activities.



sendit.money

Sending money between Europe and Africa has in the past been slow and expensive, but sendit.money is changing that. The new service uses USD-collateralized cryptocurrencies to transfer money quickly and cost-effectively. The solution chooses the cheapest route for sending money at the time of each transfer, so the software needs to scale containers up and down depending on which routes are being used.

The challenge

Flexible scalability for cryptocurrency payments

When sendit.money's co-founder, Michael Lawal, was travelling in Africa, he found it was virtually impossible to send US\$200 from Kenya to the UK. Lawal is a Nigerian-Ghanaian who has been living in the UK for 20 years. He also regularly sends money to family in Africa, which is a costly process. Lawal hit on the idea to use blockchain technologies to send money internationally, more quickly and at lower cost, especially to and from emerging markets. Founded in June 2019, sendit.money now has eight team members and has raised more than US\$750,000 in investment.

"Remittance is broken," said Julie Hendy, COO and co-founder, sendit.money. "There are not only people outside of Africa sending money back home, but there are also many Africans who want to send money out of Africa or between different African states, which is extremely difficult and costly."

Sendit.money is also the name of the company's remittance platform for cross-border payments, initially between Africa and Europe. The solution is based entirely on fiat-collateralized stablecoins, which are cryptocurrencies that are pegged to fiat money (traditional currencies).

"Not only are we using stablecoin to complete a transaction, with more security and a faster transfer time, but we're also creating an end-to-end payment system so that people can send money not only into Africa, but out as well," said Hendy.

The beta mobile apps are available for Apple and Android devices now. The service began with a digital wallet for storing, sending and receiving cryptocurrencies. Traditional currencies, including US dollars, UK pounds, euros, and Nigerian naira were later added. The company is now looking at adding its own custody layer so it can hold crypto funds on behalf of customers without relying on third parties.

Ash Nunn is the head of engineering for sendit.money, responsible for the solution's architecture, roadmap, and scaling plan. "We're targeting multiple blockchain protocols for stablecoins and we're using a variety of existing African third-party financial service providers, both mobile money and virtual accounts. Essentially, we're trying to build a responsive and adaptable mesh of those services to allow for seamless and cheap remittance."

Key to the service is having a number of routes to transfer funds, and being responsive to the market to drive down costs, and ultimately customer fees.

Nunn said: "The ability to transfer value from stablecoin to stablecoin and from protocol to protocol means that we can be responsive to the costs. Other payments companies have a fixed platform fee. We can look at which pipeline would be most cost effective to move value from one country to another, before we make the transfer. Today, for example, Ethereum gas prices might be high, so we could route funds through the Oasis protocol, which is a separate blockchain, instead. We have a way to observe the market and respond in real time, which is why it's important for us to cover as many different fiat-collateralized stablecoins as possible."

To deliver the service, sendit.money needs to scale resources flexibly, depending on which protocols it is using for payment. "Different parts of our service will be at different levels of capacity, depending on how we are currently routing funds," said Nunn. "So, if it's a busy Ethereum day, then we're going to have lots more worker processes running and talking to that protocol than we will need for any of the other protocols."

Sendit.money needed a responsive and scalable architecture that would enable it to quickly scale services up and down in line with demand. At the same time, the company needed a close working relationship with a cloud provider who could offer advice as it built its pioneering technologies.

The solution

Adopting a managed container platform

Sendit.money was selected for the IONOS Startup Program, which supports startups with consultants who can help to design optimised cloud architecture, and with credit for cloud services. Hendy said: "A lot of people don't understand how much that credit can help a startup of our size and age, where cashflow is a concern. Whatever else happens in the business, we can be sure that we can keep that our virtual machines running, without having a cause for concern."

She adds: "We've had several conversations with your team about how we can grow together and how IONOS can support us. IONOS has been so open to helping us scale and grow our company, including potentially co-creating where necessary. This is a huge benefit to us as we are building out our technical infrastructure."

Sendit.money uses IONOS Cloud Managed Kubernetes, the ideal platform for demanding, highly scalable container applications. It is backed by 24/7 expert support. Updates and security fixes are automated, and sendit.money chooses when they happen. The fault-tolerant architecture with georedundant distribution guarantees maximum cluster reliability and availability. The automatic scaling ensures consistent performance and includes the capability to release unneeded resources to lower costs.

"IONOS Cloud Managed Kubernetes enables us to be very reactive with the types of services we have live and to scale them independently," said Nunn. "The application programming interfaces (APIs) are very good for orchestration of management services, so we can scale resources as we need them."

Sendit.money has plans to migrate file storage and document stores to IONOS Cloud S3 Object Storage and will be using IONOS Managed Databases.

With IONOS Cloud, sendit.money can also have confidence that its customer data is being stored in Europe. "That's definitely useful, given that financial services is such a regulated industry," said Hendy.

The implementation

A direct line to expertise

As a participant in the IONOS Startup Program, sendit.money has established a close working relationship with IONOS.

"We appreciate the access that IONOS has given us to their senior developers who have the inside information on upcoming cloud features," said Nunn. "I realise we are early adopters for the new features that IONOS is rolling out. There have been times where we've been very much pushing the edge of the documentation, very much pushing the edge of what IONOS has released. Our IONOS contact has been fantastic at getting the right information in front of me and my team."

Nunn adds: "Even when the documentation isn't complete, we've been able to get the inside track on how we can access new and upcoming features and configure them. A very good example of that was the ability in Kubernetes to tag server resources or to tag virtual machine resources, so they are earmarked for just certain workloads. It wasn't on the dashboard, but the IONOS team were very good at getting in a virtual space with me and explaining how we can access that feature through the API. It unblocked us and kept us running."

Nunn has experience of working with other cloud providers, including hyperscale providers, in previous roles. "With other cloud providers, you throw in a ticket, and at some point, someone from the tech team might get back to tell you what they've broken and when they're going to fix it. That's not much good when you've got potentially hundreds of thousands of dollars a day going missing," he said. "With IONOS, I feel more comfortable knowing that I have a direct line to a customer account manager, which I've not had with hyperscale cloud platforms. The level and speed of engagement we get from IONOS is unprecedented."

"Our account manager responds in less than a day." Nunn concludes: "It's easy for me to choose to do things on IONOS because of the support IONOS has given us and because of the loyalty that they've shown us."

Conclusion

A platform for rapid growth

Hendy concludes: "Over the next six to eight months, we will be securing several licences from regulators in the UK and Europe, which will enable us to start aggressively onboarding. We'll be looking to onboard our first 45,000 customers within 12 months. At that key time, we will be walking hand in hand with IONOS to scale our technical infrastructure."



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