

A conversation with Michael Jordaan

 By [Nicci Botha](#)

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You just have to track Michael Jordaan's various projects to see he has never shied from the exploiting the potential of technology, particularly in the financial space.



Michael Jordaan. Photo: Stellenbosch University

In fact, this pattern dates back to his days at FNB when he headed up eBucks. The initial concept came from the then-CEO of the bank, Paul Harris, who wanted to create an electronic currency for customers. But the South African Reserve Bank quickly shut it down, saying "it was only issuer of currency in South Africa", says Jordaan.

Then FNB decided to turn eBucks into a rewards programme after their initial plans were stopped.

But things have changed since then. Jordaan - who describes himself as an amateur wine farmer, who has to find ways to fund his hobby – has left traditional banking and emerged as a venture capitalist. He backed Bank Zero, one of the flurry of digital banking platforms that have been launched to challenge the traditional banking model.

He also believes this new class of bank is putting banking fees under pressure. "The cost of electronic transfers should be the same as a Google search," Jordaan says. In other words, they should be free.

Is it a currency or is it an asset?

Jordaan describes himself as a "crypto bull". Another of his projects is Valr, the cryptocurrency platform based on the South African rand.

But can he answer the burning question. Is cryptocurrency a currency or is it an asset class investment?

"Over time I suspect it will be viewed as an investment, however, it requires a higher risk appetite," he says.

Will technology replace the financial advisor?

Jordaan supports the growing sentiment that technology won't replace jobs, but rather supplement them by taking over mundane, repetitive tasks.

Technology is able to offer many solutions that are more efficient and more accurate than human advisors. But, he says, "I think the role of the advisor is becoming more and more that of a life coach.

"Robo advisors can already do many things, but unfortunately investors are all prone to well-established behavioural biases. Advisors can manage that better than machines ever will."

Jordaan was a speaker at Satrix's The Future is Factor Investing conference held in Cape Town recently

ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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