



Mobile Payments Overview

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Mobile Payments – Example Models

The mobile has the ability to revolutionise customer’s interaction with payments across all modes. The greatest impact on Point will be the roll-out of contactless and the emergence of phone based POS



Mobile Peer-to-Peer (P2P)

- Informal transactions between two people
- Software/application focused

Example models:

- PayPal Mobile
- M-Via (Int’l/remittances)



Proximity Payments (POS)

- NFC-chipped handset or external sticker communicates with contactless terminal
- Hardware focused

Example models:

- Visa payWave
- MasterCard PayPass



Remote Payments (mCommerce)

- Using mobile browser or application to
- Browser/application focused

Example models:

- Amazon Mobile
- eBay Mobile



Mobile Acceptance Devices

- Turns mobile into POS terminal using a card reader attachment for a mobile phone with an application to accept payments
- Hardware/application focused

Example models:

- Square



Card Ease Mobile



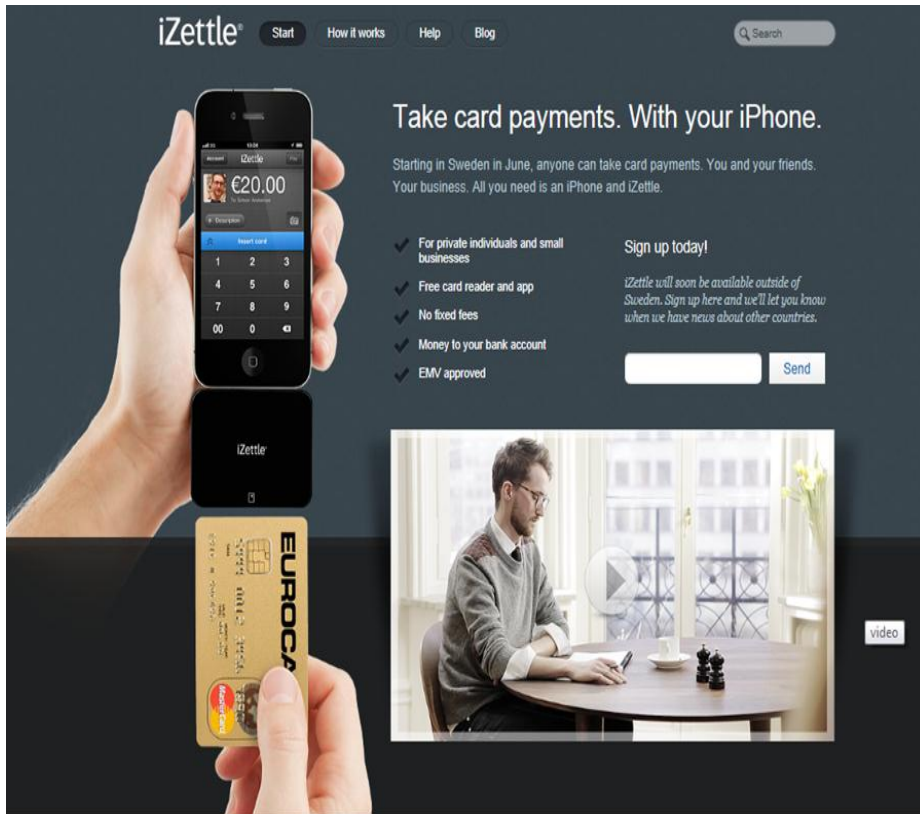
- CardEase Mobile is a fully featured POS terminal that can be used completely standalone but can also be easily integrated with other applications
- CardEase Mobile can run in the background on the Smartphone or other mobile device
- CardEase Mobile is the world's first mobile card reader and payment app which allows you to take Chip and PIN credit and debit card payments on a BlackBerry Smartphone

Key Issue

- Limited to Blackberry
- Solutions are being worked on for Android and Apple devices



Card Present mPayments - iZettle



- There is now a Square type offer in Europe currently being launched in Sweden called iZettle.
- Claims to have added 5% to the overall POS market in Sweden in 2011
- Recently raised additional funding of €8.2 million (\$11.2 million) in venture funding
- The service is aimed at individuals and small businesses with, it is claimed, no complicated contracts, fixed fees or hidden costs.
- It also links with Facebook allowing Merchants to email a photograph and receipt to buyers to share.

Key Issue

- Limited to iPhone Only



VeriFone PAYware



- Pairs VeriFone's encrypted card reader with iPod touch
- Includes a PIN pad and features a bar code scanner
- Initially trialled in the US for magnetic stripe only but now has chip and pin capabilities
- Works with all forms of payment; magnetic strip, chip and PIN and contactless/NFC
- Customer data integration for digital coupons and extensive loyalty programs

Key Issue

- Limited to iPhone Only



Ingenico - Liberti



- Announced early this month (Nov 2011) designed to address the needs of in-store mobility and mobile businesses
- Key Features: PCI PTS security standards, EMV chip & pin, magstripe and contactless payment cards
- Equipped with an advanced barcode reader and integrated with an iPod touch or an iPhone 4 or 4S
- Enable encryption of sensitive card holder data and guaranteed P2P encryption of transactions

Key Issue

- Limited to iPhone Only
- Unproven in the market place



- Founded in 2010 and has since distributed 750,000 readers to merchants
- Square claims to be processing \$11 million a day in mobile payments. This is up from \$4 million a day in July.
- Significant investment (over \$100m) received from variety of players: Visa Inc, Private Equity and Richard Branson

Key Issue

- Magnetic stripe solution only
- Not proven in the EU market to date



Adelante – Mobile Software Solution



- Flexible mobile real-time credit/debit card payments via your mobile phone
- Specifically designed to allow traders, companies and corporations to
- Works on any phone, on any network even when overseas
- Provides the latest in banking security measures by allowing companies to check the Card Certification Verification Value (CVV2) and Address Verification System (AVS)

Key Issue

- CNP transactions – liability with merchants



What are the Challenges? Who will win?



- It is claimed that there are between 300,000 to 500,000 mobile business opportunities in the UK
- No one solution today covers all mobile phone devices with full different acceptance methods
- Ongoing battle with cash – merchants like cash, tax avoidance etc
- Card Scheme regulations out of sync with new practices e.g. receipts which has hindered full deployment
- Key Questions:
 - Is it a niche offering? - Possibly
 - How long will a solution survive before mobile P2P payments explodes?
 - Changing consumer behaviour at the POS?



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