

Payment and Related Innovation Update
14 November 2012



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1. PAYMENTS MARKET DEVELOPMENTS

1.1 **Worldwide:** Google Wallet simplifies mobile payments process

- Google is now giving users the option to use Google Wallet on their phones for one-click ordering online. Google Wallet is an app for Android devices which allows users to store their credit and debit card details. Early iterations of Google Wallet primarily allowed users to pay via their mobile devices at Near Field Communication ("**NFC**")-enabled point of sale ("**POS**") terminals.
- Google is now offering merchants a "Buy with Google Wallet" button for their mobile sites, which will allow users to purchase items with one click using card details stored in the Google Wallet app.
- Research by Google found that 97% of mobile users who attempt to make a purchase online fail to complete it. Their solution should help improve the mobile user experience as users will not need to enter lengthy card and shipping details at the point of payment.

See a report [here](#)

1.2 **Germany & UK:** iZettle launches its mobile payments dongle

- iZettle is a service targeted at smaller merchants which, in return for a 2.75% transaction fee, enables them to use their Apple or Android mobile device to take chip and PIN payments using a card reader dongle.
- iZettle has partnered with DZ BANK and Deutsche Telekom to distribute the service in Germany. iZettle has said it will initially make 25,000 card readers for Apple's iOS devices available for free.
- iZettle has also launched in the UK, where its card readers will be distributed (again, effectively for free) by Everything Everywhere (now known as EE), with merchants able to take up to £5,500 of payments per day. Interestingly, iZettle will rely on Facebook registration as part of their due diligence on individual customers wishing to use the service to take payments.

See a report [here](#) and [here](#)

1.3 **Netherlands:** MasterCard and ING trial new mobile payment methods

- MasterCard and ING are trialling, in the Netherlands, new ways of using MasterCard's PayPass mobile app for online payments.

- One method will allow customers shopping online through their phone to make PIN-authenticated payments on a simple "click-to-buy" basis, with an EMV-compliant cryptogram being sent by the phone directly to the merchant's online payment system.
- A second method allows customers shopping online through their personal computer or tablet to use their phone to scan a quick response code ("QR code") generated online to make payment.

See a report [here](#) and the press release [here](#)

1.4 **India:** Vodafone and ICICI Bank to launch "m-pesa" in India

- Vodafone and ICICI Bank have agreed to launch "m-pesa", made up of a mobile money account with ICICI Bank and a mobile wallet with a Vodafone subsidiary.
- The service is expected to have functionality similar to the M-pesa offering in Africa. It will enable customers to make cash deposits or withdrawals from designated outlets, transfer money to any mobile phone or bank account in India, and use a wide range of mobile payment services.
- Vodafone has said this deal will make basic financial services more accessible to the millions of currently unbanked in India.

See a report [here](#)

1.5 **Singapore:** MasterCard to release card with LCD screen and keyboard

- MasterCard has announced plans to release an interactive payment card incorporating an LCD screen and a keyboard, which will be available in Singapore from January before being launched globally.
- The additional functionality removes the need to insert the card in a special reader and enter a PIN in order to create a 'one-time password' such as that used to access online banking services with many major banks. The card can generate the 'one-time password' itself.
- This follows Visa's release of a similar card last year and increases the portability of secure banking technology. MasterCard has stated that the card could be developed in future to display more information, such as customer reward points, the remaining balance or recent transaction history.

See a report [here](#)

2. **OTHER MARKET DEVELOPMENTS**

2.1 **Europe:** Atos Worldline showcases multi-purpose secure communication device

- IT services company, Atos Worldline, has showcased a new "eGo" service, which will enable an individual's credentials to be embedded in an everyday item such as their watch. The idea is to enable the device to communicate securely with a range of electronic devices in order to complete transactions "at a touch".

Examples of use include as a key to open a hotel door or car, or to make payments.

See press release [here](#)

3. **PRIVACY AND IDENTITY**

3.1 **United Kingdom:** Justice Select Committee criticises European Commission's data protection proposals

- The UK House of Commons' Justice Select Committee has issued a report responding to the European Scrutiny Committee's request for an opinion on the Commission's data protection proposals. The Commission published the draft "General Data Protection Regulation" and an accompanying Directive in January, to update the European Union's existing data protection regime.
- The report is supportive of many of the overall aims of the draft EU legislation, but believes what has been proposed is too prescriptive and expresses the view that it "cannot work" in its current form.

See a report [here](#) and the Justice Select Committee's report [here](#)

4. **SURVEYS AND REPORTS**

4.1 **United Kingdom:** Payments Council research finds payments barriers for elderly and disabled

- The Payments Council has released research on the use of payment systems among people over 80 and those with a disability. The research found that these groups experienced a number of difficulties including access to and use of ATMs, some data entry and verification procedures (for example, filling in payment details when shopping online) and the need to remember personal identification numbers and passwords.
- The research suggests improvements are particularly needed in the delegation of payment services which do not compromise the account holder's privacy and challenges providers to introduce procedures allowing more limited and flexible sharing of access and control.

See the research [here](#)

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