

Payment Innovation News Update

09 January 2012



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1. RECENT UK REPORTS

1.1 Elavon trials MobileMerchant in UK

- Elavon, a subsidiary of US Bancorp, is trialling its MobileMerchant payments system in the UK. The system allows merchants to process payments transactions through a mobile phone or tablet. The product uses a Chip and PIN device connected to a mobile app through Bluetooth, with the customer receiving receipts via email or SMS. No information is stored on the phone, and the system is intended to meet all UK banking security requirements. The system operates on Blackberry and Android platforms.
- The solution is expected to fully launch in March.

See press release [here](#)

1.2 Google Wallet to launch in UK in 2012

- Reports and speculation continues that Google Wallet will launch in the UK in time for the London Olympics, with Visa, the Olympics payment sponsor, as a possible partner. So far, Google has declined to comment.

See report [here](#)

2. RECENT REPORTS FROM EUROPE

2.1 Seamless unveils SEQR mobile payment application

- Swedish company Seamless Distribution AB has announced that it is awaiting patent approval in Europe and the USA for its new mobile payment application SEQR. The application allows payments to be drawn directly from the user's bank account, removing credit and debit cards from the transaction process and reducing costs for merchants.
- To use the application, the user scans a QR code at the point of sale and taps a button on their phone to transmit this data to the SEQR software. The sale information is transmitted to the phone for user authorisation using a four digit PIN, before the user's bank verifies the transaction and checks and transfers the necessary funds.
- Seamless filed European and US patent applications in October, and announced in December that it will be piloting the system in collaboration with SBAB Bank in Sweden.

See report [here](#), website [here](#) and press release [here](#)

2.2 Klarna raises \$155m in funding

- Swedish payments company Klarna has raised \$155 million in financing to help fund its growth across Europe. The company provides an online payments service that is unusual in allowing customers to pay for goods after delivery, reducing delays in the purchasing process.

- Customers provide their name, address and email which allows Klarna to use a variety of tools to assess the credit risk and maintain a low fraud rate. The service is currently available in Scandinavia, the Netherlands and Germany, and processes \$2.5 billion worth of transactions annually for 14,000 merchants and 6 million customers.
- The company handles the whole transaction process, taking the sole transaction fee of 1.5-2.5%. Online merchants offering Klarna as a means of payment report that the service is used for up to half of all transactions.

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

2.3 PayPal tests NFC stickers in Sweden

- In partnership with retailers Alpingaraget and Webhallen, PayPal tested a new payments app in Sweden over Christmas. The app, called PayPal Instore, allows customers to pay using an NFC-enabled sticker linked to their PayPal account.

See report [here](#)

2.4 eBay acquires BillSAFE

- eBay has announced the acquisition of BillSAFE, a German purchase-on-invoice technology provider. BillSAFE serves over 15 million accounts in Germany, allowing merchants to let shoppers make purchases on invoice, meaning that payment is only required after delivery. The acquisition will be used to add to PayPal's range of payment options.

See press release [here](#)

3. RECENT US REPORTS

3.1 Sequent launches NFC platform

- Sequent, a recently launched start up, has announced its new NFC platform, which is designed to manage the secure element within NFC chips so that companies can integrate NFC in their apps. This platform works with a range of secure elements, and is designed to integrate with many different types of NFC-enabled application. In addition, the company is also offering a white labelled mobile wallet.

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

3.2 Bill.com building B2B cash-flow dashboard

- Business accounts management firm Bill.com intends to use the \$15.5 million it recently raised in new funding to develop its online cash-flow management system. The system allows businesses to easily view the status of accounts payable and receivable, simplifying decision-making.
- There are several other companies competing in the automated invoice market, including PaySimple, Fiserv, and FIS. Bill.com sees this expansion as part of a move away from the use of business cheques towards electronic payments.

See report [here](#)

3.3 PayPal President moves to Yahoo

- Yahoo has hired Scott Thompson, formerly President of PayPal, to be its new CEO. Thompson has said that the mobile market could represent a major opportunity for Yahoo, and there is speculation that his appointment could prompt Yahoo's re-entry into the world of payments.

See report [here](#)

4. RECENT REPORTS FROM THE REST OF THE WORLD

4.1 New Japanese mobile NFC Consortium

- The three largest MNOs in Japan have announced that they are working on a joint venture using international standards for NFC mobile payments. NTT DoCoMo, KDDI Corporation and Softbank Mobile Corp will provide guidance on standards to service providers and handset manufacturers.
- Contactless payments technology is already widely used in Japan, but existing systems use Sony's FeliCa NFC standard which is not compatible with most systems used in the rest of the world. The three partners will work to ensure that the existing infrastructure is developed to ensure compliance with global NFC standards.

See reports [here](#) and [here](#)

4.2 Nokia Money launched in India

- Nokia's new Nokia Money service allows unbanked customers to store money in a secure mobile wallet and make payments. The user adds money to their wallet by paying cash to any authorised Nokia retailer in India, with the money being transferred by SMS. The service is available on all mobile networks, and is complimentary to other Nokia Money services in India provided in partnership with banks.

See report [here](#)

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