

**Payments Innovation News Update**  
7 February 2012



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## 1. RECENT UK REPORTS

### 1.1 More details on Transport for London's plans for contactless cards

- TfL intends to upgrade its ticketing systems to allow customers to pay for travel using contactless bank cards (research suggests at least 30% of customers would do so), and to decrease the amount of information stored on Oyster cards.
- The upgraded system will use a "deny list" to prevent the use of stolen cards or cards where the account has insufficient credit. The card reader will check that a card is valid and not on the deny list before allowing the journey. This transaction data will then be transferred to the user's bank for confirmation.
- The use of the deny list should help address potential concerns regarding offline card transactions made at TfL terminals.

See report [here](#)

## 2. RECENT REPORTS FROM EUROPE

### 2.1 Paris travel card updated

- A new generation of Passe Navigo, Paris's contactless travel card, will be available from 1 January 2013. The new card uses a different technology standard to previous generations, and it will be possible to top up the card using a near field communications (NFC) enabled mobile phone.
- It will be interesting to see whether the development of for travel card schemes in Paris, London and elsewhere will drive wider uptake of NFC contactless payments.

See report [here](#)

### 2.2 Raiffeisen bank launches CardMobile

- Austrian bank Raiffeisen is launching CardMobile in Q2 2012. CardMobile is a contactless mobile payments system that uses Visa's V PAY cards and Cardis's low-value payments solution. The system is available as an app for iPhone, using a microSD card and plug in. Raiffeisen is aiming to attract merchants by the relative cost efficiency of the solution compared to other mobile payment systems.

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

### 2.3 French consumers favour fingerprint authentication

- A new survey suggests that around 70% of French consumers are in favour of replacing PIN codes with fingerprint authentication.

- The same survey suggests a decline in the appetite for NFC contactless payments among French consumers.

See report [here](#)

## RECENT US REPORTS

### 2.4 MasterCard's payments roadmap

- MasterCard has published its plans for rolling out EMV chip cards and NFC phones to replace magnetic stripe cards across the USA. The plan includes incentives for merchants, support for loyalty programmes and the use of dynamic authentication technologies. Visa announced similar plans in August 2010.
- There is a focus on security, and the new systems will be rolled out across all channels including ATMs, POS terminals and online and mobile commerce. The roadmap anticipates that the acquiring infrastructure will be ready by April 2013.

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

### 2.5 FIS and Paydiant launch white label mobile wallet

- FIS, a leading banking technology provider, has just launched a mobile wallet solution in collaboration with Paydiant, a mobile payments technology provider. The solution is aimed at financial institutions and retailers and allows them to incorporate mobile payments into apps, issue branded mobile wallets and redeem offers.
- The solution does not use NFC (which requires merchants and consumers to have NFC-enabled hardware), but is instead a software solution allowing contactless payments using a QR code, so making roll out cheaper, easier and quicker. Users' credentials will be securely hosted on FIS's servers, not on mobile handsets or point of sale payment terminals.

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

### 2.6 NCR unveils cloud-based POS solution

- Terminal manufacturer NCR has announced its new cloud-based point of sale software solution for independent retailers, NCR Silver. The software allows merchants to process card transactions using a touch-screen terminal or mobile device.
- To ensure security, payment data is encrypted and sent directly to the issuing bank or processor and not stored on the merchant's systems. The new software is to be offered on a monthly subscription basis, and also allows merchants to track transaction and customer data to produce targeted marketing.
- NCR Silver should be available within three months. The move is a response by a large existing terminal manufacturer to the recent success of new market entrants like Square in the US and iZettle in Europe.

See report [here](#)

## 3. RECENT REPORTS FROM THE REST OF THE WORLD

### 3.1 Commonwealth Bank launches mobile payments apps in Australia

- MasterCard is piloting its new QkR mobile app for Android and iPhone in collaboration with Commonwealth Bank. The app allows cinemagoers to pay for refreshments to be delivered to their seats by scanning a QR code on the seat with their phone, tapping an NFC-enabled phone on the QR code or typing in the unique scan code. In future, the app may be available for a much wider range of mobile purchases.

- Commonwealth Bank also recently launched its Commbank Kaching app for iPhones, which enables person to person (P2P) and contactless mobile payments.

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

### 3.2 MasterCard expands in Singapore

- MasterCard has announced it will be expanding its Asian regional headquarters in Singapore, including a new R&D centre and MasterCard Labs to research new payments solutions.

See press release [here](#)

### 3.3 Cellulant and Barclays Africa collaboration

- Kenyan mobile financial services provider Cellulant has signed a deal with Barclays Africa to provide digital services in 12 countries across the continent. Cellulant will deploy a new aggregator platform to simplify mobile and internet banking, and payments services, for Barclays Africa customers.

See report [here](#)

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