

# Contactless Acquiring

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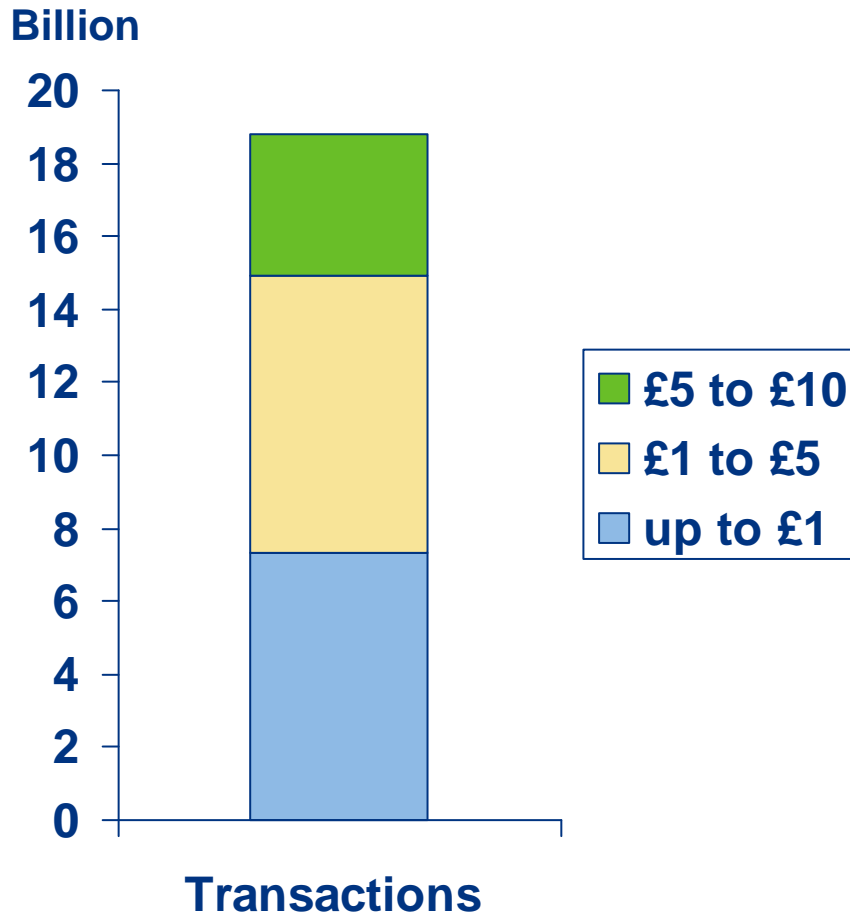


# What is Contactless?

- NFC chip – form factor currently a card
- For customer Contactless = faster low value payment
- For merchant Contactless = less cash and lower card charges
- For acquirer Contactless = new transaction opportunity



# Contactless Opportunity



Source: UK Payments Council 2009

- Nearly 20 Billion sub £10 transactions
- 90% are in cash
- Groceries plus food and drink equates to 50% of sub £10 spend

# RBS and Contactless



**2007**



**2008**



**2009**



Retailer Pilots in London and Liverpool

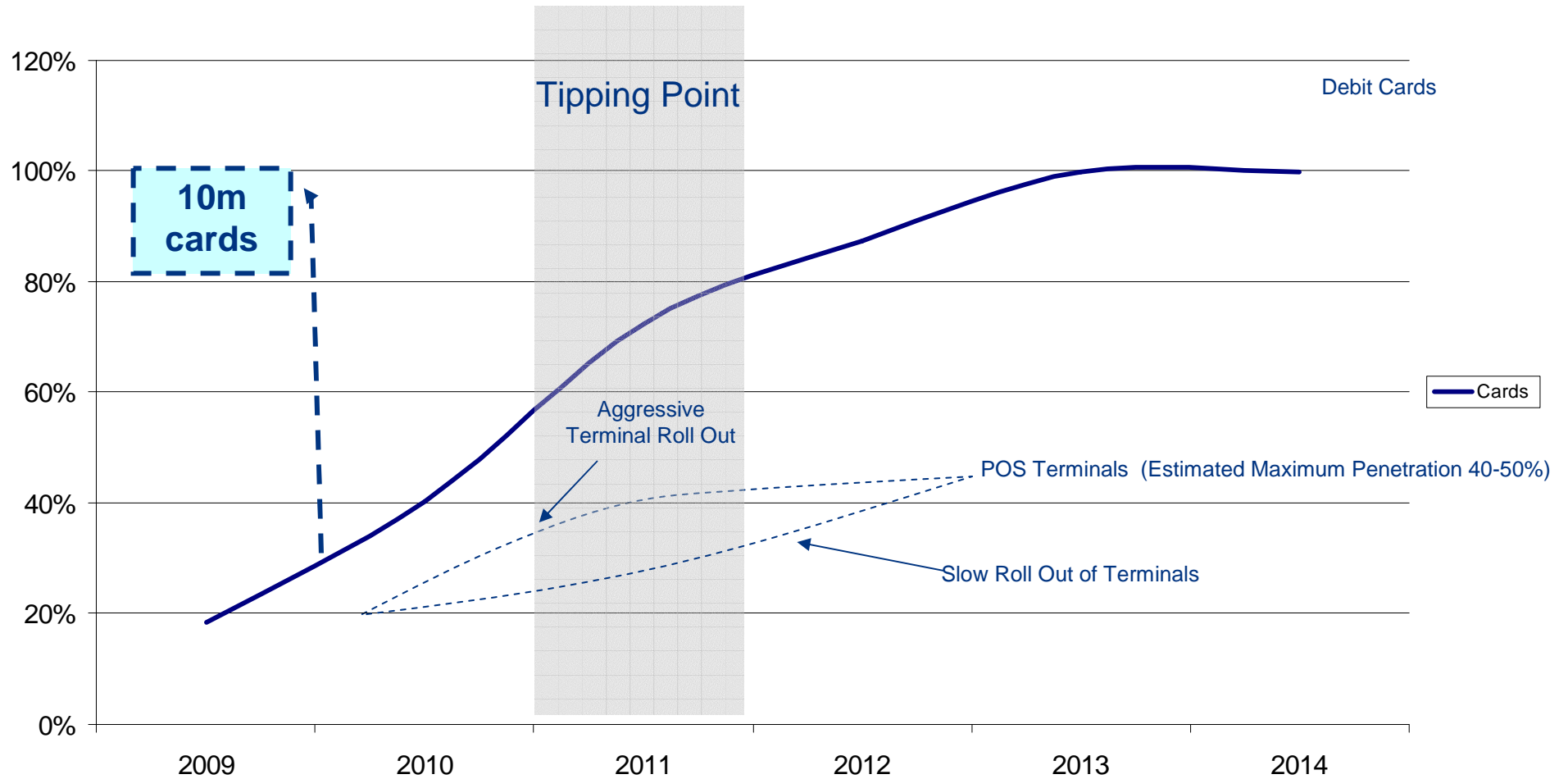


***Issuers don't want to issue cards until there is somewhere to use them***

**Merchants don't want to invest in readers until lots of customers have cards**

# Contactless Adoption

### Contactless Cards in Issuance



Source: RBS WorldPay estimates

- Incentivised adoption:
  - Cardholders
  - Retailers
- Education of consumer
- Retailer education and behaviour
- Killer applications

## RBS Pilot

- Autumn 2008
- NFC stickers acting as Maestro Debit Cards on RBS accounts
- Imperial College – over 100 students participated
- Campus canteen enabled:
  - Contactless reader
  - Trained staff

## Lessons Learnt

- Easy to recruit participants
- Unpredictable behaviour
- Closed loop worked fine
- Significant merchant resistance outside of campus



- Significant opportunity of contactless
- Form factor will change over time
- Consumer education necessary
- Merchant engagement crucial

Questions?