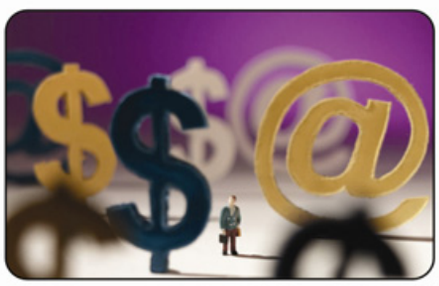
July 2011

Volume 20 • Number 7

Smart Card & Identity News

Smart Cards, SIM, Payment, Biometrics, NFC and RFID

www.smartcard.co.uk



6 • Bringing Merchant Acquirers into the 21st Century

9 • Making M-Commerce A Reality

15 • The Key To Loyalty Scheme Success

18 • Hit Me with Your Rhythm Stick

Facebook Ring-fence Payments

Facebook faced accusations of "monopolistic control" following an announcement by the company that all social game developers on the Facebook canvas platform were required to process payments through Facebook Credits.

The non-partisan group Consumer Watchdog has demanded an investigation into Facebook - the largest social network on the planet with an audience of 750 million – for engagement of "anticompetitive and unfair business practices".

Facebook, who recently surpassed Google as the most-visited site in the USA in 2010, have spawned a mini-economy of users on their site after games played between friends, where virtual goods are purchased with real money, rocketed in popularity.

Part of Facebook's attractiveness to users is the site's willingness to let external developers create applications on the Facebook canvas platform. It does, however, make commercial sense. Think about it, when Facebook offers games that become addictive, users stay on the site longer and thus, more advertising is sold.

Continued on page 4….

Smart Card & Identity News
Is published monthly by
Smart Card News Ltd

Head Office: Smart Card Group, Anchor Springs, Duke Street, Littlehampton, BN17 6BP

Telephone: +44 (0) 1903 734677

Fax: +44 (0) 1903 734318

Website: www.smartcard.co.uk

Email: info@smartcard.co.uk

Editorial

Researcher– Patsy Everett

Technical Researcher – Dr David Everett

Production Team - John Owen, Lesley Dann, Suparna Sen

Contributors to this Issue – Dr. Chris Pascoulis, Tony Saunders, Tom Tainton, Richard Dear, John Cooke, Peter Tomlinson

Photographic Images - Nejron - Dreamstime.com

Printers – Hastings Printing Company Limited, UK

ISSN – 1755-1021

Disclaimer

Our Comments

Patsy Everett

Dear Subscribers,

What's all this talk about electronic wallets? It seems to me that everybody has a different idea of what it means. Call me sexist if you like but back in the 90's weren't they called purses?

But no I've been re-educated now that Google has entered the scene with the Google Wallet which according to their representatives is the most major project currently on their books. Without wishing to sound too flippant it's where you keep your money, you no longer need to carry around all those bulky credit cards, you can store it all in your phone. In the wallet that is.

Of course the story goes on, people keep reminding you that you will notice your phone is missing long before your wallet or in my case purse and I'd have to say I'd miss the purse first. Anyway there is a generally held assumption that we are all going to put our credit and debit cards into our phone into some app called a wallet that presumably lets us select the right card.

Of course we shouldn't stop there because then there is an assumption that the phone will be NFC enabled and hey bingo we can use our phone at the point of sale. That of course is assuming that the point of sale terminal is suitably contactless card enabled. Now the talk of the town at the NFC Europe conference in London last month was all about the Google wallet and the reaction from the network operators who thought that they might like to provide a wallet. It's clearly a battle so here we have it,

1. The mobile network operators want to control all the security bits in the phone through the SIM card which is the only bit they control but the standards are on their side with the ETSI supported Single Wire Protocol (SWP) for connecting the UICC (contains the SIM app) and NFC chip. The only trouble is that they can't reach agreement with the financial institutions on exactly how to share the SIM and the control of its security.
2. Google wants to have their wallet in the mobile phone using a secure element embedded in the phone with an NFC chip attached. There is only one phone in the market the Google Nexus S developed for Google by Samsung that can do this but Google controls the Wallet security not Samsung because it's effectively a Google phone.
3. Other parties not involved with the phone or the network such as Visa are pursuing the MicroSD card which acts as the Secure Element but where in this case Visa in conjunction with its partners controls the security. However you now have the problem of the NFC chip and there is no phone generally working that has both a MicroSD card slot and NFC (the Samsung Galaxy S2 is supposed to have NFC but for some strange unexplained reason it seems to be switched off by Samsung, now isn't that a surprise).

You may be thinking well that's all right then but if you're like me you're probably wondering if this is ever really going to happen. So here is what we all agree,

1. Payment applications must reside in a secure element, the phone platform is too vulnerable to attack
2. The mobile network operators want the secure element to be the UICC card, the phone manufacturer want it to be an embedded secure element and everybody else wants a removable secure element such as a MicroSD card.
3. Every Tom, Dick and Harry wants to be the security manager of the Secure Element where ever it may be. This Trusted Security Manager (TSM) battle reminds me of PKI back in the 90's where many of the players, do you remember Baltimore, crashed without trace. But note PKI is now back in ascendancy we just don't call it that anymore.

So here's my prediction, something other than payments will make NFC take off, probably to do with social networking and only then will mobile payments get any traction. This situation will also be impacted by the security of smart phones that are going to be hit on the current generation, which will further impact the payments problem.

Patsy.

Contents

Regular Features

Industry Articles

Events Diary

September 2011

8-13	IBC 2011, Amsterdam, The Netherlands - http://www.ibc.org/
19-21	NFC World Congress, Nice-Sophia Antipolis, France - http://www.nfcworldcongress.com/
21-23	Smart Event 2011, Sophia Antipolis, French Riviera - http://www.smart-event.eu/
27-29	Biometric Consortium Conference, Tampa, Florida, USA - http://www.biometrics.org/
28-30	Cards and Payments Conference, Paris, France - http://www.equens.com/aboutus/events/efma.jsp
28-30	InfoSecurity Russia, Moscow, Russia - http://eng.infosecurityrussia.ru/
28-30	Smartcard Expo 2011, New Delhi, India – http://events.hellotrade.com/tradeshows/smart-cards-expo/

Source: www.smartcard.co.uk/calendar/

Facebook Ring-fence Payments …. Continued from page 1

One such game, entitled FarmVille, encourages users to buy agricultural supplies to build farms and grow crops. Although most of the games are free, users can pay for items in a number of ways, either directly via the game's developers or through a third party such as PayPal.

This may sound bizarre but business, like the virtual crops, is growing healthily. The entire market for virtual goods in the USA alone is expected to top $2 billion this year – a 40% increase from 2010.

But, from this month, all games on Facebook will have to use Facebook Credits, the site's virtual currency. Every purchase will include a 30% fee that critics have dubbed a tax on developers who rely on Facebook for the livelihood of their business.

Ten Facebook credits are equal to approximately $1 and founding Facebook President Sean Parker announced that the company anticipated the sale of credits would account for one third of the annual revenue, estimated at over $2 billion. It's rumoured that Facebook have granted an exemption to Zynga Inc, the online game developer who created FarmVille. However, Consumer Watchdog have dismissed the deal as 'improper' because Zynga, recently valued at more than $10 billion, is large enough to compete against Facebook independently.

"The agreement between Facebook and Zynga, if published reports are correct, would therefore constitute a conspiracy between competitors and further extend Facebook's already overwhelming monopoly power," the group said.

Responding to the announcement about Facebook's rule changes, Consumer Watchdog director John Simpson stated that the company were taking advantage of their monopoly position with 'predatory policies' that force developers to fall in line and accept Facebook Credits as a global currency.

Consumer Watchdog may be claiming victory in its campaign to have the Federal Trade Commission investigate Facebook's virtual money programs, but the real loser here is the consumer who will surely face increased prices when using Facebook applications in the future.

By Tom Tainton, Smartcard & Identity News

World News In Brief

Intel Reports Fifth Consecutive Quarter of Record Revenue

Intel Corporation reported its fifth consecutive quarter of record revenue, with revenue of $13.1 billion, up $2.3 billion, 22 percent year-over-year

The company generated approximately $4.0 billion in cash from operations, paid cash dividends of $961 million, and used $2.0 billion to repurchase 93 million shares of common stock.

"We achieved a significant new milestone in the second quarter, surpassing $13.0 billion in revenue for the first time," said Paul Otellini, Intel president and CEO. "Strong corporate demand for our most advanced technology, the surge of mobile devices and Internet traffic fuelling data centre growth, and the rapid rise of computing in emerging markets drove record results. Intel's 23 percent revenue growth in the first half and our increasing confidence in the second half of 2011 position us to grow annual revenue in the mid-20 percent range."

Austria's First Contactless Credit Cards to Be Launched

Raiffeisen Banking Group Austria (RBG), which is Austria's largest retail banking network, has announced that it will introduce contactless credit cards in Austria.

Starting in August this year, RBG will begin issuing MasterCard PayPass-enabled contactless cards for customers to tap and pay at contactless terminals throughout the country. No PIN or signature is required for contactless payments.

RGB said the technology is already successfully piloted at selected SV Group locations using hobex payment systems terminals. The bank will expand its contactless credit cards network in the coming months.

Smartphone Sales to Hit 1 Billion By 2016

According to Juniper's smartphone report 2010 penned by author Daniel Ashdown, "Sales of handsets will surge by 230 percent, from the 302 million sold in 2010. Many consumers will want to upgrade from a feature phone to a smartphone, but still pay a feature phone price".

Juniper also predicts the increase in handsets based on Google's open source (OS) Android platform and the prices of smartphone components becoming cheap, more of consumers will be driven towards buying smartphones in near future.

The smartphone market will also "remain robust" because of the Near Field Communication technology that allows customers to pay by simply waving their mobile phones in front of a contactless reader. Biometrics and 3D, with the addition of other functions such as game-pads being integrated into handsets will also boost sales.

6,000 Users Signs for Monitise Mobile Payments Trial in Nigeria

The UK-based mobile money services provider Monitise has signed up over 6,000 Nigerian users for a trial to set up mobile banking and payments services in Nigeria.

Monitise has built a network of around 160 agents in 4 Nigerian cities - Lagos, Abuja, Port Harcourt and Ibadan, delivering services to 6,700 people since launching the pilot programme in March 2011.

Through its mobile banking and payments, Monitise wants plans to help the unbanked population in rural areas of Nigeria, to bring in economic development.

Monitise Africa Managing Director Prateek Shrivastava said: "Our pilot has exceeded expectations since we launched, with a network of staff in corner shops, news-stands and market place kiosks helping Nigerians deposit cash and cheques, send money to each other and withdraw funds without the need for a bank account, but simply by using a mobile phone".

Albis Technologies Signals Advanced Gate Access Control

A new active RFID-based, stand-alone solution for ensuring sensitive and controlled areas, where access is strictly limited, are secured against unauthorised entry, has been launched by Albis Technologies. Albis Technologies' Zone Monitoring & Find (ZOMOFI) Division has developed the innovative Gate Access Management solution, embracing active RFID technology, for particular ease of deployment in the retail and wholesale sector where doors and gates to warehouses, storage areas and stock rooms need to be rigidly controlled in terms of where, when and to whom access is granted. The solution allows this to be achieved without the need to present an access card directly to a reader. As the controller operates on variable distances of several meters, there are no waiting periods, and restrictions can be prevented, optimizing the workflow of staff in terms of reliability and time.

Utilizing active RFID through a system of stand-alone RFID-enabled badges and readers also means there is no need to link up with PCs, servers or existing access control software. The ZOMOFI Z-Tag transponders are available in different versions - both for standard or ruggedized applications. As they are hands-free, portable devices, the badges can be worn in any form - as a bracelet or on a lanyard, or be carried as a card, either displayed or concealed in a pocket or bag. Whatever the chosen form factor, once in range of the reader, signals are instantly sent to the specially designed S3135-H110 Z-Controller reader for granting access. The system operates under a stand-alone 'control and signal' transmission process where authorised personnel or vehicles are permitted passage. Anyone else is automatically flagged up as 'access denied'. The reading devices have a switching interface for controlling automatic doors and settings can be configured to suit the necessary access requirements. In addition, authorised personnel can be registered at multiple stations, with several 100 people or vehicles per station.

Gemalto Released 2011 eBanking Security Guide for U.S. Banks

Gemalto has launched its 2011 eBanking Security Guide, which is a ten-step guidebook for securing online banking in USA. The guidebook will enable US banks to meet Federal Financial Institutions Examination Council's (FFIEC) guidance.

Gemalto's eBanking Security Guide is free of charge and illustrates step-by-step, how banks best address the new landscape of layered security, risk-based authentication and dynamic transaction verification. The eBanking Security Guidebook, with information on upcoming eBanking Security Seminars and industry commentary can be viewed at www.ebankingsecurity.net.

Bringing Merchant Acquirers into the 21st Century

By Dr. Chris Pascoulis, Solutions Lead, ACI Worldwide

Dr. Chris Pascoulis

As the dust settles from the financial crisis, one thing is clear: high-risk banking activities are out, while payments as a source of income for financial institutions are back on the agenda. As the bedrock of banking, payments have proven their worth in recent years.

According to the Capgemini World Payments Report 2010, the payments business has withstood the financial crisis well. The latest data shows that the global use of non-cash payments continued to grow in 2008, despite the financial crisis. The overall growth in volumes accelerated to nine percent in 2008 from seven percent in 2007. Globally, cards remain the preferred non-cash payment instrument, accounting for more than 40 percent of payments in most markets and above 58 percent globally[1].

With card payments such an important part of what has become a vital banking operation – and with new technologies such as contactless payments being deployed at the point-of-sale – it is key that every element of the cards system remains as resilient, operationally efficient and as effective as it can be. More than ever, merchant acquirers are a critical part of the payments industry, providing an essential service to retailers. Without high-quality services provided by the acquirers, the smooth processing of payments from the vast array of card issuers on the market could begin to show cracks.

But despite this risk, many merchant management systems currently in use across the globe were designed and constructed in the 1980s and 1990s. For decades these systems have been working effectively, but their age is starting to show. They are becoming increasingly costly to maintain, difficult to update with compliance mandates, hard to scale as electronic payments grow, and often do not support new card products and channels such as contactless and mobile payments.

In fact, operational staff often finds themselves fighting to stand still. Neither budget nor resources are available to do much more than maintain the status quo. Overall, the pressure of maintaining and supporting legacy systems consumes resources and risks seriously reducing a merchant acquirer's ability to remain profitable.

To compound this technological challenge, merchant acquirers are required to compete in an increasingly competitive market – and one where merchants are increasingly powerful. They need to offer competitive terms to merchants in order to attract them, and to provide good service to retain them. Acquirers therefore have to maximise their customer service while continuing to optimise their revenue and keep costs under control if they are to survive in the 21st century.

This perfect storm of legacy technology combined with new challenges means it is high time that merchant acquirers invest in new systems that will allow them to survive and thrive in this increasingly buoyant market.

The tipping point

The case for technology investment is clear, but it is the bottom line that dictates business decisions. In the case of merchant acquirers, it is the opportunity for growth, merchant attrition rates and ultimately their cost per transaction that will spur them into action. When their operations are no longer able to support strong growth and their cost gets so high that their margins come under increasing pressure, then it is time to put a plan in place. This will not only allow them to lower costs, and provide a better service to existing customers, but will also give them the opportunity to create new revenue streams through new products and services, or through expansion into new markets.

But before taking the plunge, there are some things to keep in mind. From the outset any new system should be based on core principles of openness, flexibility and efficiency. It is important to choose a solution with a core of technology that is common to others being used within the business. This will ease integration, set-up and management in the short and long term. It is also worth considering whether a solution has a strong, flexible, modern, message-based design. A highly modular approach means that a system can be upgraded, modified and supported in discrete areas without impacting other parts of a system.

Costs can be significantly lowered through the use of modern technologies to streamline operations. Just one example is the real-time boarding of new merchants remotely, through leveraging new technologies. This

typifies the benefits an acquirer should be looking for since it ensures customer satisfaction, facilitates growth and provides for improved efficiencies in customer service. Other ways of lowering costs through technology are through scalability. It pays for the acquirer's return on their investment to ensure that their platform can support future growth through linear scalability. It means they can grow their merchant base without further significant investment.

Other issues to consider include ensuring that a system can acquire payments from multiple international card schemes, and provide global processing through support for multiple currencies, and support central and cross border acquiring. With globalisation continuing its march forward, being able to deal with a range of countries and their domestic regulatory requirements is a must.

In a competitive market flexible pricing options are essential. The ability to offer merchants incentives such as volume based rebates, revenue sharing or dynamic currency conversion (where they can enjoy the benefits of exchange rate gains along with the acquirer) are all ways of gaining market share. The spread of different standard pricing offerings such as interchange-plus, tiered and blended rate pricing are increasingly in demand by larger retailers due to the industry trend towards unbundling of merchant fees. In order to be able to support these demands acquirers must ensure that they are qualifying transactions for the best possible interchange rate. In addition, providing the larger retailers with the MIS information necessary for them to submit transactions that qualify for the cheapest possible fee programs is a real value-add service.

Meanwhile, to further boost customer service levels to merchants, a successful acquiring system should allow the creation of customised merchant contracts and management – a one-size-fits-all approach is no longer acceptable. It is also important to add flexible fee structures, frequency and transaction segmentation options for settlement, and the ability to provide settlement advice and merchant statement channel delivery options. Ideally acquirers should be able to quickly and easily offer new targeted packages of terms and conditions, perhaps based on volume and market sector, but where necessary target specific merchants with promotional, introductory or periodic offerings.

"Big bang" or phased approach

Once the tipping point has been reached and all the considerations have been taken into account, the next step is to decide on how to migrate to a new system. In the first instance, it is vital that the acquirer teams up with a trusted partner with a strong track record in migrations. It sounds obvious, but it can't be over-emphasized – any migration must go smoothly with no downtime, merchant impact or lost payments.

There are basically two ways to go about this process: a phased approach or a big bang approach. The former allows an acquirer to move a set number of merchants (or type of processing) over a period of time to allow for new features to be introduced to the new system as it is implemented. This has the advantage of allowing an acquirer to bring a basic system up and define each subsequent phase to meet specific business requirements in a controlled manner. An example might be for an international acquirer to convert merchants across to their new platform by country (or possibly to migrate authorisations processing by card scheme network e.g. Visa, MC, Amex, JCB, CUP, etc.)

The big bang approach – where conversion takes place as one event (typically over a weekend) – can also work just as well. The key to success in this case is to ensure that acceptance tests, and dress rehearsals have been run several times during a testing phase, and there is a clear, step-by-step process with a confirmation checklist, for turning one platform off and turning on a new one. It is also vital that the system can be rolled back if there are any problems throughout the process – with a detailed plan developed to guide the process.

Whatever the approach – and both can be effective – having a technology partner that can illustrate that their work is tried and tested is vital. A partner with expertise in working with acquirers' business and IT organisations to develop the conversion strategy is key. The use of standard tools and a proven capability enables the process to be consistent, reliable, and repeatable – and mitigates the risk significantly.

Taking on such as process can be daunting, but it is key that merchant acquirers take a look at their profitability and cost per transaction - and make some important decisions about how to redesign or accelerate their technology strategies. This will allow them to effectively handle the next generation of electronic payments, while facilitating growth through new products and services, and through geographic expansion. By doing so, they will also be able to remain competitive, reduce their merchant attrition rates and increase efficiency, whilst meeting increasing compliance and regulatory requirements. And ultimately, it will cement the profitable future of the forward-looking merchant acquirers in the 21st century.

[1] World Payments Report 2010, Capgemini, October 2010

World News In Brief

NFC Establishes Partnerships with APSCA, ARTS and the Open Mobile Alliance

The NFC Forum, a non-profit industry association that advances the use of Near Field Communication (NFC) technology, announces that it has signed agreements to work collaboratively with organisations representing three different industries: the Asia Pacific Smart Card Association (APSCA), the Association for Retail Technology Standards (ARTS), a division of the National Retail Federation (NRF), and the Open Mobile Alliance.

APSCA a non-profit, independent association provides information, consultancy, guidance and networking to organisations in the smart card industry in the Asia Pacific region.

ARTS a retailer-driven international membership organisation dedicated to developing best practices, technology standards and educational programs through collaboration and partnerships exclusively for retail.

The Open Mobile Alliance is the leading industry forum for developing market driven, interoperable standards for mobile service enablers.

Oyster-style Travel a Step Closer to Reality in Scotland

The first operational elements of a new Oyster-style multi modal transport system have been commissioned ahead of schedule for Glasgow and the West of Scotland's smart travel scheme.

The new system will enable passengers to top-up cards or buy and download travel tickets online or at multiple locations throughout the area such as bus stations, rail and Subway stations and shops. In addition, customers will be able to access data about their travel habits, ensuring they can target best value products which suit their needs.

The highly secure system will be fully operational in advance of the 2014 Commonwealth Games and allows for future inclusion of additional services onto the cards including delivering travel and events tickets to mobile phones, providing credit card-style payment services and a number of Council services such as travel passes for schools.

The system represents the first step in enabling technology for passengers to use smartcards instead of paper tickets on all modes of public transport in the Strathclyde Partnership for Transport ('SPT') area.

The Paragon Transport system will essentially provide a back office system to validate and record smart journeys on buses, ferries, trains and the Subway using the same smartcard or smartphone.

The system's operator Ecebs said, the technology could be applied to any transport system in Scotland immediately because it is accredited by the U.K. Government's technical standard, ITSO.

Bank of Ireland to Issue Contactless Cards by 2011-end

Bank of Ireland will be launching the country's first Visa enabled contactless (NFC) debit cards. The Bank of Ireland will issue a million Visa contactless debit cards starting from 2011-end.

The Bank of Ireland (BOI) NFC-based debit cards will also allow customers pay for items costing £15 or less. Customers simply need to hold their card in front of a NFC reader to purchase anything from a cup of hot or cold coffee to a glass mug. Before people decide to pay using Visa debit cards, they just need to locate the contactless symbol in a shop that proves the retailer accepts contactless payments.

The Bank of Ireland Visa cards will use a secure NFC radio signal. The card will automatically get powered when it comes near to the reader. Each transaction will be recorded on your bank account, making it much easier for you to track how much you have spending on a daily basis.

In terms of security, if a particular contactless card is used over a number of times within a short span of time, automatically the customer will be asked to enter the PIN to continue transaction. In case of card fraudulent suspicion, users can immediately contact Bank of Ireland, requesting the bank to initiate the chargeback process.

Visa Europe is undergoing discussions with the Irish acquirers and merchants to bring them on board to enable customers to have contactless terminals installed throughout Ireland.

Making M-Commerce A Reality

By Tony Saunders, Marketing and Sales Director, VeriFone

Tony Saunders

With one-in-five smartphones expected to be NFC-enabled by 2014 (Juniper Research), the race is on from operators, financial institutions and phone manufacturers to be the 'M-Payments King'. But having NFC in the hands of the consumer is only one part of m-commerce enablement – it takes two devices to make an NFC payment – the consumer's phone and the retailer's terminal.

To me, it's time to start aligning retail NFC strategy now in order to exploit the full potential of m-commerce; and to make the mobile wallet a reality for customers. Many retailers are currently upgrading their POS estates as part of PCI compliance and are already looking to include contactless capability. It makes sound commercial sense to also consider NFC as part of this process to ensure that any investment made now is able to accommodate the rapid market evolution as NFC-enabled mobile phones roll-out.

How is NFC different from contactless?

NFC uses the same radio transmission frequency (13.56 MHz) as contactless smartcards; allowing consumers to make payments at the checkout by simply waving their phone in front of an NFC-enabled terminal.
But whereas smartcards are passive objects that only respond to a contactless reader, NFC can be interactive. NFC chips embedded in mobile phones allow the phone to operate as either a card or a reader. So, NFC–enabled phones can not only make payments but can also read tags embedded in other devices, such as an NFC poster or kiosk, and engage in two-way communications with another NFC chip-enabled device.

"NFC is not just another technology for payment," reinforces Saunders. "It is a two-way, real-time communication between the merchant and the consumer that can enhance the payment process. With NFC, merchants and retailers of all kinds can turn their point-of-sale into a much more valuable, point of interaction that provides customers with intelligent and ultra-secure checkout capabilities."

What's in it for retailers?

Many believe that contactless payments have been slow to take off in the retail space because the promise of speedier checkout was not a sufficient incentive for the merchant or consumer. NFC, however, not only offers speed and convenience factor but also substantial new incentives for both.

"For the merchant, there's the prospect of combining 'brick & mortar' checkout with online promotions and electronic coupons. For the consumer, there is the allure of electronic wallets stored conveniently on a mobile phone, and the opportunity to take advantage of easily cashing in rewards and discounts electronically and to leverage social media-oriented applications."

Factors for NFC Success

For NFC to fulfil this potential, many payment devices in the field need to either be upgraded or replaced with NFC capabilities. VeriFone believes this is the real challenge for NFC.

Saunders explains, "This isn't just an issue of adding an NFC reader, it requires deep software richness at the point-of-sale to interact with the smartphone and manage a services-based model encompassing new applications and deployments without disrupting operation of existing card systems."

With VeriFone devices on a majority of merchant countertops and in checkout lanes of multilane retailers, the company is at the epicentre of the NFC ecosystem and is investing heavily to provide the infrastructure required to make NFC a reality at the point of sale.

Making it work is a complex task according to Saunders, "Enabling NFC payments and non-payment applications requires acceptance devices for a wide variety of environments and a secure gateway service that provides integration of payment with value-added online services. More than this though it also requires a vision of how to ensure merchants, from the largest to the smallest, can easily migrate to this new era with the confidence that their investments today will be viable as new capabilities and payment services come on-stream."

And no one is better placed than VeriFone to provide this vision or capability. By bringing together end-to-end, PCI-compliant payment security with media and applications delivered digitally at the POS, VeriFone enables merchants and acquirers to engage consumers while generating new streams of revenue from digital content, eye-catching coupons and loyalty offers.

Saunders concludes, "Without the collective force of the retail industry providing the infrastructure necessary to make and take m-payments, the number of NFC-enabled mobiles will be irrelevant and m-commerce forecasts worthless. At the end of the day, NFC adoption can only go as fast as NFC payment device roll-out and consumers will be reluctant to embrace mobile commerce without the confidence that it is being widely accepted.

"At VeriFone we are able to offer a one-stop solution with the services and expertise to guide retailers into this new mobile landscape. By making sure the options are available for retailers to implement secure NFC platforms now, we can help them integrate the technology easily with their existing payments systems."

World News In Brief

Neurotechnology Introduces VeriSpeak Voice Identification Technology

Neurotechnology, a provider of high-precision biometric identification technologies, has introduced VeriSpeak, the company's new voice identification technology.

VeriSpeak combines voiceprint identification and phrase recognition technologies, enabling the development of two-factor voice verification and authentication systems that can identify a person by biometric voice pattern and use of a passphrase.

A person's voiceprint can be enrolled in the system along with that person's unique speech pattern in pronunciation of a passphrase. When the person later requests access to a physical area or protected information, he or she simply speaks the password into the microphone and the system checks for both voice and phrase authenticity prior to allowing access. A set of passphrases can be enrolled as answers to different security questions.

In the authentication mode, the system offers the option to answer any one of the security questions from the set. In this way, the use of a passphrase also enables the system to ensure that a live person (as opposed to a voice recording) is being detected, which provides an extra measure of security and fraud prevention.

VeriSpeak can be used with a regular microphone for standalone or web-based systems such as online banking and payment transactions. VeriSpeak voice identification technology also can be used in combination with any of the other biometric modalities in MegaMatcher 4.1, including face, fingerprint, palm-print and iris, for added flexibility and security.

Gemalto to Issue Slovakia's First Contactless Stickers for Mobile Payment

Gemalto announced its selection by UniCredit Slovakia to provide Optelio contactless stickers for its first commercial mobile payment deployment. The bank, part of the major financial institution UniCredit Group, is the first to market with a contactless debit payment service in Slovakia.

The Optelio sticker is a microprocessor-based secure personal device that provides a compatibility solution to enable contactless functionality for handsets that do not have contactless features built-in. By simply attaching the Optelio contactless sticker to their mobile phones, UniCredit customers will be able to use the contactless feature on payments under 20-Euros, while larger amount transactions will require a PIN code. Payments can be made in fast food restaurants, cinemas, supermarkets and other retail outlets across the Slovakia, with its established contactless payment market of over 3,000 acceptance points in place.

PayPal to Buy Mobile Payments Company Zong

PayPal (EBay's subsidiary) will be buying Zong Inc. for $240 million. The acquisition is hoped to strengthen EBay Inc.'s position in the fast-growing mobile payments and digital goods market. Zong is a US-based company that allows users make online purchases for virtual goods using their mobile phone, from mobile carriers including AT&T Inc and Verizon Wireless.

With the deal, PayPal can allow its 100 million users to pay for purchases for the first time using their mobile phone.

APT Skidata Lands New Contract with Edinburgh Airport

APT Skidata, a UK parking technology specialist, has won a significant new contract with Edinburgh Airport to replace the existing car parking technology infrastructure to manage and control the parking of more than 4,500 vehicles.

The new system will make maximum use of the latest Automatic Number Plate Recognition (ANPR) and Radio Frequency ID (RFID) technologies for speed and ease of access for visitors without sacrificing control.

The installation, which is due for completion in July, includes considerable hardware to control the access to some 1500 short and business stay and 3000 long stay car parking spaces; two staff car parks; a special coach park; a taxi car park and a taxi rank feed car park. Within these car parks are no fewer than 10 entry and 11 exit barriers and nine entry/exit points (using RFID only).

Erste & Visa Launched Contactless Payment for CEE Transport

Erste Bank and Visa have started their first contactless card - 'Smile' with transport application and loyalty rewards in Central and Eastern Europe (CEE). The Smile card allows contactless payments of up to 25-Euros ($36).

Banca Comerciala Romana's (BCR) contactless card deploys the same smartcard technology as that of Transport for London's Oyster cards and allows the card holders to pay for travel fares by simply swiping their card past a contactless reader.

The Smile contactless card will be introduced by BCR the largest Romanian bank by assets and a member of Erste Group Bank, and has already been implemented 4 weeks ago in the Romanian capital of Bucharest. To date, 5,000 cards have been issued by BCR.

Alibaba to Unveil Mobile OS in Third Quarter of 2011

China's top e-commerce group Alibaba is set to start a mobile operating system (OS) in the third quarter of this year, reports the Wall Street Journal. The mobile operating system will be developed by Alibaba's cloud computing unit. The unit will also provide various mobile applications features as per the news. However, Alibaba Group spokesman declined to comment on the news.

Oppikoppi Rock Festival to Host South Africa's First NFC Payments Trial

The Oppikoppi Rock Festival will see South Africa's first ever NFC-based mobile payments trial. In August every year, the Oppikoppi rock festival takes place in Limpopo Province of South Africa to celebrate local rock music by the music lovers.

In the NFC mobile phone payments trial, 15,000 music fans will be issued free tap 'n' go cards by the Standard Bank. Loading stations will be set up throughout the entertainment area, where people can pre-load money onto their Oppikoppi cards, using cash, credit, debit cards or mimoney, Standard Bank's e-currency. To make a payment, card holders simply need to tap their card against a participating vendor's cash register and the correct amount will be deducted from their balance.

Once the festival is over, any value remaining on the Oppikoppi cards will be converted into mimoney. The mimoney can then be spent at over 25 of South Africa's top online and physical retailers.

If the cards prove successful, Oppikoppi music organiser Hilltop Live said, "it will roll the innovation out across all of its major festivals and events, which include more than 60 a year".

MasterCard and China UnionPay Signed New Payment Gateway Service Pact

China UnionPay, leading Chinese bank and MasterCard Worldwide have signed a Payment Gateway Service Agreement pact that will help to process transactions made using UnionPay Cards for e-commerce merchants outside mainland China. Payment Gateway is a business-to-business payment processing platform that will be configured to accept China UnionPay Cards.

UnionPay and MasterCard also announced that both parties have signed an Addendum to extend the term of their existing Memorandum of Understanding (MOU).

The areas of cooperation included within the scope of the Addendum and Payment Gateway Service Agreement are related to cross-border transactions and not domestic transactions.

MOU is signed to establish a mutually beneficial relationship to explore future business development.

How can banks balance cuts and investment in the ATM channel?

By Richard Dear, Customer Relations Director - VocaLink

Richard Dear

The fallout from the financial crisis has meant a number of things for financial services. There is very little margin and banks are under increasing pressure to cut costs whilst delivering the best possible customer service. In the case of the ATM channel, balancing the demands to make a profit with the need for investment and spending has always been a challenge, but in the light of the crisis it has become even more acute.

In some geographies ATM transaction volumes are falling. Revenue from services such as mobile phone top-up is hit by changes to the prepaid market. Hardware and software infrastructures need refreshing and there is pressure not only to meet regulation but also to increase innovation and integrate more closely with the bank or retailer's CRM systems, when budgets are at their tightest.

This is of course challenging, but opportunities do exist to grow the revenue generated by the channel. The ATM can be integrated with other channels such as online and mobile and more functions can be offered at the machine. However, for the most part, an ATM estate still presents a cost challenge. Anything that might help grow revenue requires further investment and unless the business case is watertight, it is something that is difficult to justify.

It shouldn't be forgotten, however, that the ATM is still one of the most commonly used touch points between a bank and a customer. While banks might not be willing to innovate on a large scale, they do need to ensure that the ATM service is of the highest possible standard. Because of this, the pressure is on for banks to improve their offering and level of service, but at the same time to minimise costs.

In the past, outsourcing has been a popular way of doing this. This is because the numerous contract relationships, duplication of standards and necessary investment in IT can make the job of managing an ATM estate in house time consuming, costly and laborious.

Outsourcing provides a single point of accountability under a single contract and banks can take advantage of the economies of scale provided by a specialist organisation. What's more, internal resource can be freed up to deliver services more closely in line with the bank's business objectives. Banks also benefit from the expertise of a specialist ATM provider, which is sometimes more extensive than that available in house.

Outsourcing is particularly relevant to banks that have end-of-life hardware and software issues or that do not have the budget for a new infrastructure. It is also particularly cost efficient for banks newly launching into the market.

An alternative to the traditional outsourcing model is emerging, however, which is called 'ATM pooling' and it can offer savings of up to 20 per cent. With a pooling solution, all necessary channel assets are controlled by a single company, owned collectively by the banking community. Investment costs are borne collectively by the community and the company charges each bank member for individual services provided. The increased scope and scale of this solution brings many benefits.

Pooling is particularly suitable for ATM communities that have not yet achieved an economy of scale, such as some smaller geographies or a small community grouping within in a larger country. In such communities, the various bi-lateral arrangements that exist between parties are replaced with one central hub. This makes for a much more efficient switching infrastructure and hence the commercial success of the ATM channel becomes far easier to achieve.

Operating the service in this way also increases the scope. Banks find themselves able to improve service levels and develop more individual ATM experiences that can add customer value. Some of these extra services may carry commission and bring in revenue. Others, such as tailored marketing and advertising, help cross-sell conversion rates. More innovative functionalities, such as contactless touch pads and interfaces that match those of online banking also help improve overall customer experience.

Thus, it is clear that a successful ATM estate is one in which a balance is continually struck between investment and cost control. As customers become ever-more discerning, regulation increases and budgets get tighter, so achieving this balance is no mean feat. To overcome the challenges, banks need to invest regularly to maintain the scope and relevance of their ATM estates and to be agile enough to deploy the new services needed to meet customer demand. With the right partner, pooling resources can deliver all the benefits outlined above. By simultaneously reducing cost and improving customer service the future of the ATM channel remains secure.

World News In Brief

Jumio Turns Any Webcam into a Credit Card Reader

Payment company Jumio unveils a new technology solution for businesses to increase security and ease of use for online and mobile credit card payments. Jumio's patented Netswipe solution turns any webcam into a secure credit card reader that allows merchants to more easily and efficiently accept payments online.

"Jumio bridges the gap between the security and trust of credit card payments at the point of sale and the availability and convenience of modern day online transactions," says Jumio founder and CEO Daniel Mattes. "Consumers love the ease-of-use and the smooth experience associated with completing a transaction. At a time when both consumers and businesses are looking for more efficient and safe ways to make credit card purchases, , Netswipe promises to usher in a new era of disruption that makes online payments easier than ever before."

Netswipe is the first and only solution that enables online card-present-transactions: Checking out just like at the point of sale (POS). To complete a transaction, consumers briefly hold their credit card in front of their webcam. Through secure video streaming, the credit card details are recognised and verified. No snapshot image is taken; no data is stored on the computer that is used for the payment.

Accenture to Deliver Automated Border Control Systems at Schiphol Airport

Accenture has been selected by the Ministry of Internal Affairs to design and deliver Automated Border Control Systems (ABCS) at Schiphol airport in Amsterdam. The new systems will reduce the waiting time of travellers passing through one of the world's busiest airports during peak immigration periods by more efficiently validating passenger identities and documentation.

Accenture will initially deliver 36 electronic border-crossing gates to be used at Schiphol airport during 2011. The Automated Border Control System will use the latest in biometric technologies, including facial recognition, to validate passenger identities and passports.

Accenture is supported on this project by subcontractors Vision-Box and Capgemini. Accenture and Vision-Box have successfully implemented similar programs across Europe to facilitate border crossings of large numbers of travellers in an easy and customer-oriented way. Accenture will work alongside Vision-Box and Capgemini to develop and implement the ABCS solution and is responsible for the on-going training, support and maintenance of the electronic border-crossing gates.

Orange to Hire Groupwide TSM for NFC in Europe

France Telecommunication Orange Group will be hiring Groupwide TSM as a trusted service manager, to focus first on the mobile markets in Poland, Spain and Romania, NFC Times reports. "Orange sees the 3 countries as the "first potential" markets for NFC rollouts", according to a document obtained by NFC Times. Orange is looking for the completion of new groupwide TSM platform by the first quarter of 2012.

France Telecom is one of Europe's largest mobile operator groups, with presence in 13 European countries. Overall, the group operates in more than 30 countries, with a total of more than 200 million mobile subscribers worldwide. The TSM contract is said to cover the African, Middle Eastern and Asian markets as well, though there are apparently no plans to launch NFC outside of Europe in the near future.

Orange issued a request for proposal for the TSM Tuesday, seeking a vendor to manage applications on Orange NFC phones. The vendor would work with other TSMs from service providers such as banks, SIM suppliers and other vendors.

Calling the TSM role as the "NSM" or NFC service manager, Orange wants the vendor to build an interoperable platform with those of other TSMs working in the same markets, along with suppliers of SIM cards.

Oberthur Smart Card Sell Off Takes a Step Nearer

Oberthur is in the final stages of an auction to sell large chunks of its business to private equity bidders.

In December last year Oberthur made an 896 million-pound cash offer ($1.4 billion) for De La Rue, which was rejected.

This week Advent International and One Equity Partners, the two major competitors submitted their final offer to Rothschild.

Blaze Mobile Gets NFC Sticker Patent

Blaze Mobile announced it had been awarded a patent for its mobile wallet and a sticker. The NFC sticker will allow consumers to wave their mobile phones in front of a checkout NFC reader to pay for various goods and services. Blaze was one of the early proponents of mobile payments, and is also one of the first to embrace Near-Field Communication technology, which enables tap-and-pay facility.

The company's chief executive, Michelle Fisher said: "the patent validates the company's NFC sticker technology, which she said has been replicated by others without proper credit".

Fisher commented, "Blaze is not in competition with Google's Nexus NFC phone, or any other NFC phone. We offer consumers an alternative so they do not have to buy a new phone, or wait until more NFC phones are released".

Blaze is said to be working on a text-message-based mobile wallet system that would work with basic mobile phones. The company expects to introduce the feature by the fourth quarter of 2011.

AIB to Replace Laser Cards with Visa Debit Cards

AIB (Allied Irish Banks) plans to replace the familiar Laser / Maestro card for the Visa debit card. The bank said, "It would replace the debit cards in the second half of 2012".

The bank's move will pave the way for the lender to introduce contactless payments for small transactions, which will allow Visa Debit holders to pay for purchases of 15-Euros or less by simply holding their card over a contactless reader at certain retail outlets.

There are additional security features in the new card that help prevent card fraud. The card can only be used a certain number of times or for a certain value before a PIN is required. AIB has not yet decided on the Visa cards fees.

AIB is the largest issuer of debit cards in Ireland with an estimated 1.4 million debit cards in circulation. The bank has announced that from the second half of 2012 cards will be changed over from Laser / Maestro to Visa debit cards.

ITC Judges Releases Initial Determination in Apple vs. HTC Case

HTC received notice of the ITC judge's initial determination in the Apple vs. HTC case, ITC No. 337-TA-710. Apple originally asserted 10 of its patents against HTC in March 2010, and the judge ruled Friday that HTC infringed on 2 patents. HTC does not yet have access to the judge's full opinion and analysis to determine the details of his findings.

The ITC has already ruled that Apple is infringing the patents of HTC's subsidiary S3 Graphics as part of ITC Investigation No. 337-TA-724. HTC announced its acquisition of S3Graphics on July 6, 2011.

"We are highly confident we have a strong case for the ITC appeals process and are fully prepared to defend ourselves using all means possible," said Grace Lei, General Counsel of HTC. "We strongly believe we have alternate solutions in place for the issues raised by Apple. We look forward to resolving this case, so we can continue creating the most innovative mobile experiences for consumers".

Payments Council to keep Cheques and Cancels 2018 Target

The Payments Council announced that cheques will continue for as long as customers need them and the target for possible closure of the cheque clearing in 2018 has been cancelled. The Payments Council Board will continue to focus on security, efficiency and encouraging innovation in all types of payments to ensure customers have options best suited to the 21st century.

Richard North, the Chairman of the Payments Council said:

"It's in the DNA of the Payments Council to consult and listen to all those people who actually make payments and use cheques. Listening to over 600 stakeholder groups, working with the banks and following our appearance before the Treasury Select Committee, we have concluded we should reassure customers that the cheque is staying.

"Over the last two years we have learnt a great deal about what is important to our many stakeholders and we are really grateful to all of those groups and individuals who took the time to talk to us and help us reach this decision. We will use what we've learnt to keep improving existing systems, as well as introducing innovation, so that customers benefit from 21st century ways to pay. Innovation must be at the heart of what we do."

The Key To Loyalty Scheme Success

By John Cooke, Business Development Director, ID Data Cards

John Cooke

With advances in key fobs keeping pace with the latest developments in plastic card technology they are becoming useful tools as part of retail loyalty schemes. Furthermore, as the adoption of contactless innovations gathers pace this will also influence how key fobs are used in the future.

LATEST TECHNOLOGY

Advances in card technology can now be transferred to key fobs to include more applications than ever before. Therefore, a fob solution can be tailored to the precise needs of a retailer and their customers using barcodes, magnetic strips and even near field communication technology.

For example, using the latest card technology it is possible to create a dual use key fob that not only collects loyalty points but also can be used to make purchases. One of our retail customers in Ireland is doing exactly that and using its loyalty card to handle low value transactions. In addition to loyalty points, change can also be loaded back onto the card that can be used for future purchases. This type of fob can also be easily tailored for local and individual offers.

A key fob can now contain the same contactless computer chip and radio frequency antennae as a regular contactless payment card. As a result, the key fob offers an alternative to the card and mobile phone solutions currently available.

This kind of "smart" fob could also be used to store personal information, which could then be used to communicate with a NFC-enabled mobile phone or an in-store reader. This would allow data to be retrieved or transferred about a loyalty account or enable electronic forms to be automatically populated.

However, a fob does not necessarily need smart technology to achieve a dual payment and loyalty functionality. For example, a "dumb" fob using a barcode or magnetic strip tag could offer an alternative means, but would require an IT infrastructure to store the necessary data. Such a fob would store static data in the form of a barcode that could not be written to or altered, and would not be able to relay any significant information to the reader. This would provide a cheaper; less sophisticated option to a smart solution as long the appropriate back office system was in place.

ENHANCED LOYALTY

Instead of consumers having to fumble around trying to find the right loyalty or reward card, a key fob is always to hand. Fobs are not just another below-the-line marketing tool; they also drive bottom line returns.

A key fob is not only easy to use, but there is also the obvious yet important increase in brand recall given that consumers will receive a subliminal reminder every time they pick up their keys. In most cases a brand located on a key fob will be exposed and viewed multiple times each day as someone goes about their normal routine.

By comparison, a loyalty card can sit at the back of someone's wallet or purse without being noticed for months, which not only reduces brand visibility, but also discourages regular use. This can result in missed opportunities for the consumer in terms of rewards and offers and for the retailer in terms of lost insight into customer behaviour and buying preferences.

Another benefit of the key fob that should be appealing to any retailer is the increased efficiency over a traditional loyalty card. Purses and wallets are now at bursting point with so many payments, business, loyalty and membership cards. With more and more retailers launching some form of discount or loyalty scheme it can be difficult and time consuming to find the one you are looking for, causing unnecessary delays at the till.

Key fobs can speed up the loyalty transaction processing time by a considerable amount. The added efficiency spread across the significant number of transactions that occur each week for retailers that operate loyalty schemes means that the saving over the course of a year could be substantial.

The increased visibility and convenience of key fobs can have a marked effect on uptake and use. Increased use ultimately translates into increased spend and more accurate promotional profiling.

ADVANCED MANUFACTURING

Although, not a new concept, the key fob itself has come a long way in recent years, with the original, brittle and easily broken PVC plastic replaced by a synthetic paper technology that is extremely durable and versatile. As a result, it is possible to provide scratch resistant and tamper proof fobs that can be flexibly designed and securely personalised.

The synthetic paper is ideal to support subsurface personalisation, making it virtually impossible to remove person specific data and giving it a lifespan that far outweighs its PVC predecessor. For example, barcodes are now printed prior to lamination providing a durable product, which is easily read by the barcode reader for its entire life.

This material is also environmentally friendly, so is ideal for companies with strict corporate social responsibility targets. It does not contain any cellulose-based materials or contribute to forest harvesting. Furthermore, a biodegradable version of the synthetic paper is now available making it even easier for loyalty schemes to meet the growing demand for green performance.

When placed in an anaerobic (oxygen-free) environment containing microbes that "eat" polymers (conditions that are similar to those found in most landfills) it breaks down into components such as carbon dioxide and water. This ensures that the material only biodegrades when its needed to and not before, so that durability, printability and security are not affected in any way.

Advances in manufacturing techniques also means there are fewer constraints over the dimensions of a key fob. No longer are they restricted to the traditional rectangle measuring approximately 3 x 2 centimetres, but can be produced in a whole range of shapes and sizes to meet the theme requirements of a loyalty programme. This tailoring of key fobs can not only boost brand visibility, but also make it easier for the consumer to find if they have multiple fobs on their keyring.

Meanwhile, advances in magnetic stripe technology mean that the normal length of a stripe used on the back of a credit card can now be reduced by almost 50 per cent to easily fit on a much smaller key fob. By using compressed data encoding, a fob magnetic stripe can contain the same amount of information and be read at the till or point of sale with the same swipe as a regular card.

The use of key fobs is becoming increasingly widespread, with Tesco, Nectar, Topps Tiles and Bon Marche just a few names already using them within existing loyalty schemes. Key fobs can provide a range of benefits as part of a retail loyalty scheme in terms of convenience and flexibility, and now possess the functionality to offer alternative applications such as contactless payment or data transfer. As a result, they can become an integral part of the shopping experience and contribute to increased spend, reduced transaction processing and added brand loyalty.

World News In Brief

M2SYS Boss Wins InfoWorld's 2011 Technology Innovators of the Year Award

M2SYS Technology has announced that its CEO/CTO Mizan Rahman has won the prestigious "Technology Innovator of the Year" award as given by InfoWorld. Mr. Rahman was among 10 recipients recognised by InfoWorld for, "thinking beyond the obvious hot areas or the tried-and-true to find a new territory to steer their company's technological vision...."

Mizan Rahman was honoured for leading the development of Hybrid Biometric Platform- the first scalable, multi-modal biometrics system that supports fingerprint, finger vein, palm vein, and iris recognition all from a single server.

Software developers can integrate into Hybrid Biometric Platform once and immediately utilise any of the biometric modalities, minimising risk and lowering their total cost of ownership.

L-1 Identity Solutions Bagged $40 Million Contract from US Digital Fingerprinting Services

L-1 Identity Solutions, Inc. has signed a $40 million deal with the digital fingerprinting services for the State of Tennessee. The three-year contract with the Tennessee Applicant Processing Services (TAPS) program will include two additional one-year renewals for potential combined contract with duration of up to five years.

The fingerprinting services are needed for the citizens employed as child care workers, school employees and real estate and insurance agents. The prints also required for those seeking a State and/or Federal license permit, such as commercial drivers seeking to transport Hazardous Materials (HAZMAT) and citizens seeking to carry a handgun. The State may add more groups to the L-1 fingerprinting network over time.

Ed Jones, Deputy Director of the Tennessee Bureau of Investigation said: "We are excited to partner with L-1 to offer our citizens a secure method to provide fingerprints and background checks required for employment and license permits. L-1 is a leader in electronic fingerprinting and their cutting edge technology will help us process and better protect the citizens of Tennessee from crime, theft and fraud".

L-1 expects to process more than 175,000 applicants per year in Tennessee and will provide residents with 57 convenient locations state-wide for fingerprinting, background checks and gathering other biographical data required for applications and state licence.

Multiple locations will be available in each metropolitan city, as well as in other suburban and rural areas, with citizens able to reach a location less than 60 miles away from their home or office. The services will be available to citizens beginning August 1, 2011.

Biometric Signature ID Awarded Second Patent for Multi-Factor Identity Proofing Technology

Biometric Signature ID, Inc. announced the receiving of their second patent from the US Patent and Trademark Office (USPTO) for Multi-Factor Identity Proofing Technology.

The patented technology captures the movements made with various input devices such as the computer mouse, touchscreen, finger or other body movements to enrol and create a biometric multi-factor password that is used to identify the person trying to gain access to any devices or systems.

BSI's BioSig-ID was tested by The Tolly Group to be 99.97% accurate in keeping fraudsters from gaining access to secured systems. The technology received a 98% user acceptance rating from first time users who completed customer surveys. The 2 issued patents support a strong suite of Intellectual Property (IP) of over 44 claims dating back to 2004 for their dynamic, gesture biometrics and picture password technology.

Biometric Signature is the only software company with patented dynamic, biometric technology that exceeds government recommendations in the $12.6B Identity and Access Management (IAM) authentication market.

Bell ID Appoints New VP of US Operations

Bell ID has announced the appointment of Todd Freyman as the company's new Vice President of Operations for its U.S. business. Based in Boston, Todd will be responsible for building Bell ID's U.S. division to offer service and support to customers across the Americas, helping to drive the company's strategic growth in the region.

Todd Freyman has 15 years of experience in the security and identity industries. He has worked for Lockheed Martin, Northrop Grumman, CoreStreet and most recently ActivIdentity. Todd brings with him a wealth of knowledge in cyber and physical security, identity solutions, software and embedded systems, mobile solutions, transportation, payment, aircraft collision avoidance and urban global positioning system (GPS) products and services.

Successful qualification of the Collis GlobalPlatform UICC Compliance Test Suite

Collis has achieved GlobalPlatform qualified status for a specialised (SIM) test tool, after successful completion of the GlobalPlatform TestFest process.

Collis has now officially been qualified by GlobalPlatform. This means that test labs can use the Collis Test Suite to offer GlobalPlatform certification services to companies that manufacture UICC smart cards. GlobalPlatform will list UICCs that successfully pass through the Collis GlobalPlatform UICC Compliance Test Suite as 'qualified'.

Compliance of UICCs to GlobalPlatform's configuration is essential to achieve a uniform infrastructure allowing third parties to load secure applications on a UICC (SIM card).

Hit Me with Your Rhythm Stick

By Peter Tomlinson, Smartcard & Identity News

P*eter Tomlinson*

Listening to the Information Commissioner, Christopher Graham, on BBC Radio 4's Today programme on 6th July, I could not understand why he was surprised that only 19% of private companies contacted took up his organisation's offer to have a free data protection assessment made, while, of public sector organisations contacted, 71% accepted. Did he not understand that the nature of the private company is that it is private, and therefore it is very reluctant to voluntarily reveal any information to the public sector or even risk that information being revealed? Even if in fact the assessments that the Information Commissioner's Office pays for are conducted by a contractor, a private company will still not wish to take the risk.

Of course I am in favour of businesses being very careful about collecting, safeguarding and using personal data, and therefore fully support the Data Protection Principles. I also support the position that organisations have a duty of care where they delegate responsibility to others. Indeed a few years ago I reported the Dept for Transport to the ICO in respect of a failure to ensure that Local Authorities acting as Travel Concession Authorities were given clear advice about the handling of personal data in relation to issuing concessionary travel passes (bus passes). Having been involved in the development of the bus pass smart card technology, in that case I first spoke to DfT, then to the consultants who wrote unclear advice for the LAs, then to other consultants who signed it off. Getting nowhere, I contacted the ICO. And the problem? The dataset stored in the smart chip in the bus passes is formatted according to the national ITSO Specification's "TYP 16", and the associated security seal is also to the ITSO Spec. The dataset defined by ITSO includes plain text fields for personal details about the pass holder (name, date of birth, gender), but the data in the chip's ITSO application area in the bus passes is freely readable and so personal details must not be stored there. It is necessary for the bus ticket machine to read the entire dataset in order to carry out security and integrity checks, but it is also necessary for bus operators to be protected from being inadvertently made 'Data Processors' as defined in the Act. An LA collects and stores personal data when local residents apply for a bus pass, and the LA has to handle that data with care in compliance with the Act – but many of the LAs were new to chip technology when the chipped bus pass scheme started, so there was a significant risk of LA staff not understanding that the personal data must not be loaded into the bus pass chip even though the pass holder's name is quite legally printed on the surface of the pass. The proper way of making any link necessary between the use of a bus pass and the person to whom it has been issued is by way of submitting the pass serial number (recorded by the bus ticket machine if it is ITSO compliant, as increasing numbers are) to the Local Authority that issued the pass.

What does concern me in respect of data protection and also (until very recently) in respect of the attitude of the competition authorities to collaboration between operators of bus public transport services, is that the approach has been too much black and white. It has been a case of 'get it right or else we will come round and hit you with a big stick' – that makes private companies quite likely to keep the door firmly closed. Even an investigation eats up scarce personnel resources.

In the area of compliance with competition law, it has been said to me that bus companies approaching the competition authorities to ask if route sharing is OK have historically been told that they cannot be given any help, but they will be hit with an investigation if later what they do is decided to be possibly illegal. So, despite reading as long ago as the 1998 Prescott Transport White Paper that it is govt policy for there to be partnerships to improve public transport, it was not until a couple of years ago, when lawyers started to challenge the competition authorities, that the arrogant stance softened, and partnerships started to be formed for the benefit of the travelling public. The ICO's 'free assessment' offer to private companies may of course be with the same purpose of softening the stance of that Office, but I wish that they would use more appropriate routes into the business arena, through, for example, Trade Associations. Perhaps also through legal firms who give advice to business clients, and through auditors.

World News In Brief

U.S. Bank Launches Wristband for Contactless Payments

U.S. Bank, the fifth largest commercial bank in the United States in terms of assets, has announced the launch of its new contactless VITAband, a light-weight wristband that combines contactless payment technology with emergency contact and medical information.

Equipped with MasterCard's PayPass technology, the VITAband lets customers make purchases by simply tapping their wrist against any PoS that accepts contactless payments. The light-weight wristband features a contactless chip that can be preloaded with funds via an online user account, as well as a VITAnumber, a unique, 8-digit numeric identifier that links the wearer to a customisable Emergency Response Profile that houses the individual's identity and critical medical information. The customisable Emergency Response Profile (ERP) offers medical professionals with quick access to critical medical information in the event of an emergency.

The new device, which was piloted by U.S. Bank employees in multiple states in the second quarter of 2011, was made in partnership with MasterCard Worldwide, Vita Products, Oberthur Technologies and FIS. In addition to contactless payments, the VITAband enables customers to check their account balances, reload associated prepaid accounts and customise their Emergency Response Profiles.

Africa to Get Its First NFC Mobile Payments

The Tanzanian telecommunication company Zantel will be launching what it claims to be Africa's first commercial Near-Field Communication (NFC) payments functionality. Zantel is a unit of UAE-based Etisalat.

The company said the "Touch and Pay service will enable customers to make payments at merchants by tapping handsets containing NFC SIMs from Oberthur at MasterCard PayPass-equipped terminals".

Zantel payments service can be used by the country's street merchants because of faster transactions ability and affordability of POS devices. Zantel has developed its NFC-based payments system based on its earlier zPesa mobile money system, used by Tanzanians for Person-To-Person cash transfers, bill payments and banking services.

UAE-based Etisalat commented that the Tanzania roll-out is just the beginning of its plan to start NFC-based payments system in countries such as the Middle East, Africa and Asia.

Isis Forms Relationships with Visa, MasterCard, Discover and American Express

Isis, the national mobile commerce joint venture between AT&T Mobility, T-Mobile USA and Verizon Wireless, announces that Visa, MasterCard, Discover and American Express will join Isis in making mobile commerce a reality for millions of U.S. consumers and merchants. Isis' relationships with all four payment networks mean that with Isis-enabled phones and payment terminals in place, merchants and consumers will have ubiquity and freedom of choice when it comes to payment network acceptance.

"By working with the nation's payment networks - Visa, MasterCard, Discover and American Express - we significantly advance the vision of an open and secure platform that provides banks and merchants with a new and highly relevant way to connect with consumers," said Michael Abbott, chief executive officer for Isis.

Earlier this year, Isis announced Salt Lake City, Utah and Austin, Texas as initial launch markets, slated to roll out in the first half of 2012 with support from all four payment networks.

Isis will bring mobile commerce to consumers and merchants by using mobile phones to make point-of-sale purchases through the use of near-field communication (NFC) technology. Isis will offer customers a secure and convenient way to pay, redeem coupons and store merchant loyalty cards, all with the tap of a phone.

Since its formation, Isis has had a strong vested interest in generating industry involvement and support for a mobile commerce platform that is open and inclusive by design. By working with all four payment networks, Isis will set the standard for what it means to be open, secure and reliable in the mobile commerce industry.