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## Case Study # 13:

# UK contactless payments - the big push!

2012 is fast approaching and earlier predictions that 29 million British citizens will soon carry some form of RFID enabled device move ever closer. Major companies and financial institutions are introducing 'contactless' technology with such regularity, that barely a day goes by now without news of fresh deployments in the UK.

It was recently reported by *retailgazette.co.uk*, that *Clinton Cards*, (one of the UKs largest retailer of greeting cards) will introduce contactless payments across fifty of its UK stores commencing November 2010. West Midlands Public Transport recently launched an e-card system (similar to the London *Oyster* travel pass). Now 2,500 buses in this region carry 'contactless' card readers. Cardiff, Oxford, and Edinburgh have also followed suit and

London's black cabs are reportedly introducing a new payment scheme that allows passengers to pay for fares up to a maximum of £15 - using 'contactless' Visa debit, or credit cards.

But it's not only credit and debit cards that are used for 'contactless' payments; *Near Field Communication* (NFC) capable mobile phones allow for contactless payments too.

There are even RFID enabled adhesive stickers that allow electronic payments to be made!

Working with the *Yates* pub chain to promote its new service, *Waspit* recently announced the launch of its open-loop *BuzzPay*'contactless' mobile payments system.

*Waspit* users can use their *BuzzPay* account in over 23,00 UK locations that accept contactless payments, including *Mc Donalds*, *Ikea* and *EAT*. With *Barclays* being amongst the first major UK banks to introduce contactless payment cards, *MBNA* and *Virgin Money* are now joining in, and undertaking a massive rollout of their contactless payment cards across the UK.

Author: various sources | Circa 29 November 2010

1. [contactlessnews.com/2010/11/18/clinton-cards-announces-contactless-payment-roll-out?issue=contactlessnews\\_20101123](http://contactlessnews.com/2010/11/18/clinton-cards-announces-contactless-payment-roll-out?issue=contactlessnews_20101123)
2. [www.bbc.co.uk/news/ukengland-11686346](http://www.bbc.co.uk/news/ukengland-11686346)
3. [www.contactlessnews.com/2010/12/14/london-black-cabs-test-contactless-payment](http://www.contactlessnews.com/2010/12/14/london-black-cabs-test-contactless-payment)
4. [www.nfcnews.com/2010/11/03/waspit-yates-pubs-to-launch-new-nfc-payment-service-in-uk](http://www.nfcnews.com/2010/11/03/waspit-yates-pubs-to-launch-new-nfc-payment-service-in-uk)
5. [www.contactlessnews.com/2010/11/01/uks-mbna-announces-massive-contactless-bank-card-roll-out?issue=contactlessnews\\_20101102](http://www.contactlessnews.com/2010/11/01/uks-mbna-announces-massive-contactless-bank-card-roll-out?issue=contactlessnews_20101102)
6. [www.contactlessnews.com/2010/10/27/virgin-money-to-offer-contactless-payment-cards](http://www.contactlessnews.com/2010/10/27/virgin-money-to-offer-contactless-payment-cards)

## Case Study # 14: A payment revolution...

November 2010 saw *PayPal* and *Barclaycard* announce statistics confirming the rapid expansion in mobile contactless payment methods, within the UK.

*PayPal* stated that over one million British users had made a payment, or sent money, using a mobile phone. During July and August 2010 mobile transactions grew by 20%, with *PayPal* customers making on average 5 mobile payments each month.

Since January 2010, *Barclays* reported a staggering 217% increase in monthly payments; with over 150,000 payments processed in the month of September alone, and over one million transactions carried out during 2010.

According to a *Barclaycard* spokesman the number of contactless payment terminals has risen from 25,000 at the beginning of 2010, to 42,500 as of November 2010.

Major retailers are keen to switch over to 'contactless' payment terminals in an attempt, (amongst others), to reduce queueing times.

What we are witnessing is the swift and widespread implementation of a powerful new technology.

End consumers are yet to fully understand how this could change their daily routines. Will there be drawbacks with this payment revolution? It's a difficult question to answer at this early stage in the game. What seems likely, is that benefits and

drawbacks will come in equal measures as is so often the case.

Whether these systems are, or will remain, 100% secure is not easy to prove. Perhaps we would do well to keep in mind that the Titanic was an unsinkable ship according to its designers.

Original sources: [Finextra.com](http://Finextra.com) | 03 November, 2010  
[www.finextra.com/news/fullstory.aspx?newsitemid=21970](http://www.finextra.com/news/fullstory.aspx?newsitemid=21970)

## Case Study # 15: Transport for London 2012

By the end of 2012 London will become the first capital city in the world to have a comprehensive 'contactless' transport system. According to *Transport For London (TFL)*, 8,000 buses will have upgraded to contactless payments in time for the Olympic games. By the end of 2012 the entire transport network including underground, overground, trams, and Docklands Light Railway will accept 'contactless' payments.

TFL expect costs to reduce with added value for travellers, as more people use their contactless bank cards to make payments for travel. According to a TFL spokesman (with 12 million 'contactless' credit and debit cards in UK circulation) the country is now ready for the step towards 'contactless' fare payment.

*Oysters'* software will soon be upgraded to ensure the system is cross-compatible with *Visa*, *Mastercard*, and *American Express* cards.

*Visa* predicts a demand of around 20 million 'contactless' credit and debit cards by early 2012. It is expected that foreign bank issued cards will follow suit in due course.

Earlier predictions suggest that by 2012 over 29 million British citizens will carry some form of RFID enabled device, are likely to be exceeded.

Original source: [Wired.co.uk](http://www.wired.co.uk)  
By Liat Clark | 02 March 2011  
<http://www.wired.co.uk/news/archive/2011-02/24/tfl-contactless-card-payment-2012>



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