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MasterCard's NFC 'Interim Solution'

By Steve Bills | American Banker

MasterCard Inc. is trying to prime the market for mobile financial services by offering contactless payments stickers that consumers can attach to their wireless handsets.

The Purchase, N.Y., company announced Monday that it is offering the sticker with **Blaze Mobile Inc.**, an Alameda, Calif., payments technology company that also makes a "mobile wallet" application.

Simon Pugh, the head of MasterCard's worldwide global center of mobile excellence, said the strategy would pave the way for handsets that offer built-in payments features using near-field communication chips.

The sticker "is the interim solution until NFC becomes real," he said.

Though users are free to put the sticker on any object they like, MasterCard expects many users to attach them to their mobile phones, which many people carry with them most of the time.

Michelle Fisher, the chief executive and founder of Blaze Mobile, said MasterCard's endorsement would be a boost for the idea of using phones to make purchases. "Having MasterCard behind this initiative," she said, "is going to help jump-start mobile payments."

The Blaze Mobile MasterCard PayPass is effectively a prepaid card issued by **MetaBank**, a unit of **Meta Financial Group Inc.** of Storm Lake, Iowa, and comes with a conventional magnetic-stripe card as well. Fisher said her company is in discussions with other banks about issuing the sticker.

The sticker integrates with the Blaze Mobile Wallet, announced in April 2008, to provide transaction alerts and marketing offers to the user's handset. Fisher said the wallet can access accounts at more than 8,000 financial institutions, including **Citigroup Inc.**, **Bank of America Corp.** and many small credit unions that offer online access.

The wallet also can make online transactions, such as purchasing movie tickets up to a week in advance, she said. It also offers location services such as maps and points of interest, including automated teller machines, restaurants and

stores. In February Blaze Mobile announced a version of the application that works on **Apple Inc.**'s iPhone.

Nick Holland, a senior analyst at the research and advisory firm **Aite Group LLC** of Boston, said that while the sticker technology itself is fairly unsophisticated, it introduces people to using their mobile handset as a payment device.

"To its credit, it is a first step in building that pattern of behavior by the end user," he said.

NFC phones will become common in the next four or five years, Holland predicted. The question for now is how the partners will entice users to put the sticker on their handsets.

"There might be some pushback from that," he said. "Someone who has just bought some high-end smart phone might not want to be putting a sticker on it."