

MoBank Gives UK iPhone Users a New Mobile Payments Experience

New m-payments company founded by Egg, First Direct alums seeks to streamline the user experience while doubling up on security.

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Smart phones are proving to be a boon for the growing mobile payments business as yet another contender, MoBank, made its debut last week in the UK.

MoBank was founded by former First Direct and Egg bankers Steve Townend and Dominic Keen. Its proposition is to allow consumers to make payments using their existing card accounts. There was a soft launch in late April where it was introduced for download as an application for Apple's iPhone. Now that the launch is official, people will be able to buy a variety of things using the MoBank iPhone app, including movie tickets, clothes, books, flowers and gifts. Users will also be able to check the balance on their cards using the service. Other banking-like features, such as money transfers, bill payments and budget trackers, will be introduced in the coming months.

According to Steve Townend, CEO of London-based MoBank, what makes MoBank unique in the mobile payments space is that it is a combination of mobile banking, retail and security. "The proprietary software has been specifically designed to present information in an ergonomic and friendly way on a mobile phone, that makes it a super easy-to-use application," Townend tells BS&T.

MoBank offers a security system that relies on a PIN that is entered using a dynamic keyboard on the phone. "Our PIN system also makes us unique and adds an extra level of security to our product," he explains. "When users enter their four digit PIN to confirm a purchase or check their balance, the numbers appear on their phone screen in a random order. When each digit is pressed the buttons move around the screen. This means that on the off chance that someone is looking over their shoulder when a user enters their PIN number it will be virtually impossible to see which buttons have been pressed."

Installation is as easy as downloading an app from the Apple App Store. Once this is done, customers register their card numbers. They are each issued their own PIN with which to access the MoBank services without having to repeatedly enter their card details with each transaction.

"It is completely secure: account number, card details and PIN are not stored on the phone itself, and nor is any banking data--so users don't have to worry if they lose their mobile," Townend emphasizes. He adds, "The payment function works in the same way as when you transact on an Internet site. We use SSL technology to securely send data from our server to the retailers

system."

Users are charged either on a pay-as-you-go basis or they can register for the "lifetime option" for the one-time charge of about US\$15. For retailers, MoBank takes a small charge to its partners for each purchase made by consumers via the MoBank service.

Since adoption is key, Townend says to expect similar service released within the next 12 months for the RIM Blackberry and phones using Google's Android platform. MoBank hopes to have 75,000 users by the end of the year. NTT Europe Online is providing the hosting platform for MoBank. NTT's systems are compliant with the Payment Card Industry Data Security Standards for protecting consumers' personal data and also meet the ISO27001 Information Security Standard, allowing MoBank to guarantee the reliability and availability of the service, according to the company. Unfortunately for banks, this is not the kind of business model that would allow for their active participation. The only role they'll have in the MoBank m-payments value chain is as the conduits for performing the card transactions, notes Townend.