

Elevator Pitch: MoBank launches mobile banking and payment service

By Kevin Anderson

Published Date: 6th July 2009

Steve Townend and Dominic Keen founded MoBank in 2007 and launched the mobile banking and payment service today. The company is privately funded with a staff of 16 and offices in Odiham, Hampshire. Townend says that his biggest challenge was balancing the demands of customers and the constraints of mobile technology.

• **Explain your business to my Mum.**

MoBank is a brand new mobile banking service that works with your existing bank account and lets you buy and pay for stuff using your mobile phone – wherever, and whenever you want.

Right now, you can buy all sorts of things using MoBank, like cinema tickets, clothes, books, tickets, flowers, gifts and takeaways.

So, for example, if you're on the bus home, and you decide you want to go to the cinema after work, you can use MoBank to book tickets straight from your mobile. Or, if you're on your way out, and you realise you've forgotten your Mum's birthday, you can send her flowers – ordering, buying and paying for them via MoBank on your mobile phone. Plus, we offer balance look up.

• **How does that work?**

You simply download the MoBank application from the Apple iTunes Apps Store either on you iPhone or on your computer, or visit our website. You then register your debit or credit card, get a secure MoBank PIN, and start to MoBank.

• **How do you make money?**

We charge a 50p per transaction fee or a one-off lifetime usage charge of £15 (for a limited period only). Plus, we share revenues with retailers selling through MoBank.

• **Any weird business experiences so far?**

What has been really spooky is that every time we have needed anything or anyone to solve a particular problem they have turned up. It feels like there is some sort of destiny attached to this project.

• **What's your background?**

I've worked as a senior executive and director at **First Direct**, **Egg** and **Barclays International**.

I was innovation and customer service director at **Egg**, and was part of the team that built **Egg** into a leading online bank and developed the first online credit card.

Before **Egg** I was head of lending at the UK's first telephone bank, **First Direct**. After **Egg** I moved to the Isle of Man and spent two years as operations director for **Barclays Private Clients International**. • **How are personalisation and recommendation part of your business?**

The MoBank software platform will allow us to track consumers' shopping habits and serve advertisements and offers that match their personal choices. We expect recommendation to play a big part in the growth of MoBank as happy users are your best advocates.

• **How will you survive the second dot com crash?**

If the second dotcom crash does come, and I'm not convinced it will, MoBank will ride it out because we offer a service that consumers really want and value. We will be part of their daily lives. Plus, with revenues from membership, advertising and retailers we have a robust income stream.

• **How many users do you have now, and what's your target within 12 months?**

We launched at the end of May so it is early days but we are planning to have signed-up 75,000 users within the next 12 months.

• **Which tech businesses or web thinkers are the ones to watch?**

David Cortier-Dutton CEO, www.slicethepie.com.

• **Who's your mentor?**

I look to Mark Nancarrow and Paul Gratton both past CEOs of **Egg** as mentors and Kevin Newman past CEO of **First Direct** as a personal benchmark.

• **And how do you plan to survive the financial crisis?**

Because we are launching in the middle of a global economic downturn we have structured the business accordingly. We are a pretty lean organisation and well funded. Our growth targets are achievable and we are offering a service that will make the lives of our users easier.

There is also a demand for what we are offering. Our big thing is making our service relevant and at the moment part of relevance is understanding customer needs in the current economic climate. Our proposition is not heavy on consequence or the pocket, it just makes doing stuff easier.

I'm sure this is a recipe for success.

• **What's your biggest challenge?**

Balancing the constraints of what technology can do with the demands of consumers, for super simple banking services – all on mobile phone sized screen.

• **How's your work/life balance?**

Getting a new business off the ground is tough going, so I'm working hard. The good news is that I really enjoy it and don't live far from the office, so my work life balance is pretty good. Having said that, we could all do with a little more life and little less work.

• **What's the most important piece of software or web tool that you use each day?**

Tweetdeck as it allows us to communicate what we want to say daily, as and when it happens.

• **Name your closest competitors.**

As our proposition offers both banking services and a convenient mobile way to pay for stuff so we don't have any direct competitors at the moment. Banks such as **First Direct** provide a balance look up service but this is SMS based as opposed to web linked, and it incurs a charge while members of MoBank can check their balances for free. The second part of our business offers a convenient and simple way to pay for stuff, using the internet from your mobile phone, so in some ways PayPal could be considered a competitor but we are first to offer this as a mobile service.

• **Where do you want the company to be in five years?**

Juniper Research reckons that more than 150 million consumers will be using their mobile phones for banking transactions by 2011, so I'm confident that there is a great opportunity for a sustainable business.

We expect to be providing a real alternative to traditional banks across the major international markets and have a reputation for deploying, designing and making technology highly relevant in this space. Plus, I hope we will have set a standard on balancing value for customers, workers and investors that others will want to follow.