

# West wakes up to banking via mobile phone

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Developing countries have been quick off the mark when it comes to keeping track of finances using high-tech gadgetry

Waking up to find out how much your bank balance has shrunk could put you off your breakfast - yet the regular "ping" of a text message conveying your latest bank statement has become part of the morning routine for thousands of Britons.

Nearly two million people in the UK use their mobile phones for a growing number of services, from text alerts that confirm when they have been paid, to transferring money between accounts. Mobile banking, promised for years as the next big thing, is finally picking up pace as a direct effect of the recession.

Alastair Lukies, the co-founder and chief executive of Monitise, which has created a cross-network mobile banking platform, says that during a recession people want to have constant access to their accounts.

"If you're a fund manager, do you really need to check your balance? Well, probably not," he said. "But many people out there do. Mobile banking is like an umbilical cord."

Lloyds customers can sign up for an overseas transaction alert, which warns them by text message if their credit cards have been used abroad. NatWest has launched a mobile banking service that allows Polish workers in the UK to send money home.

One of the most popular services offered by banks is a text alert that warns you when you are nearing your overdraft limit.

Monitise, which has struck deals with more than 65 per cent of the UK's banks, including NatWest, Lloyds, HSBC and Alliance & Leicester, and all five UK mobile operators, has also experienced a surge in interest for its "money mover" services, with more than £500,000 transferred by mobile phones in December.

The company's data shows that the most popular service is a daily "money check" between 8am and 9am as people commute to work.

Roy Vella, director of mobile for RBS and NatWest, believes that mobile banking can help to restore public faith in the beleaguered banking system. "Mobile banking is about control, convenience and transparency," he said. "The mobile handset is going to become more important in every aspect of life. There's lots of research to show that people will go back home for their handsets but not for their wallet. People are trying to have better and tighter control of their money. Banks need to be present on the device that is so important to them. In the old world, you got your statement at the end of the month and found you'd been overdrawn the last 22 days. Now we can have a dynamic relationship with customers. All banks are looking to do this," he said.

Other companies offering mobile payment systems are springing up. Txttrans, based in

Buckinghamshire, allows people to send money or make payments by text message, while MoBank, set up by Steve Townsend and Dominic Keen, former First Direct and Egg bankers, which is due to launch this month, will allow people to pay retailers using their mobile phones.

In a report last month, Juniper Research forecast that 150 million people would use their mobiles for banking transactions by 2011, and that 70 per cent of these will be in Europe and the United States. Yet the West lags far behind developing countries, such as Kenya and South Africa. For millions of the poorest people, without bank accounts or access to a bank branch, mobile payments have been life-changing.

Vodafone's M-Pesa service, launched in Kenya by its local Safaricom unit in 2007, allows customers to deposit cash and send it to other mobile phone users on any network.

M-Pesa already has more than five million users and carries one million transactions a day, compared to about one million a month in the UK.

The future of mobile banking in the West, Mr Vella believes, is in such person-to-person transfers. Europe and the US, however, are "crippled by being advanced", according to

Mr Vella. There is less incentive to use mobile payment, he said, because we have a whole world of digitised payment methods already.

"Countries like Kenya, China and India will have more advanced mobile services than we will."