

Thought transfer

with
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Mobile money – a vital call for commercial finance

The world's love affair with the mobile phone shows no sign of abating, with eGov Monitor reporting that, for the first time, global mobile phone user numbers are set to reach beyond four billion. This equates to two in every three people having access to a mobile phone.

A report by research group, the Future Foundation, predicts that half the population will be managing their finances through their mobile handset within the next five years, rising to 75% by 2020.

The fact that only 4% of people currently bank through their mobile phone, shows what an incredible opportunity this represents for the commercial finance industry. The mercurial rise in adoption of third-generation smartphone devices (Universal Mobile Telecommunications System/UMTS) by business users means that the scope for mobile business banking is becoming wider by the minute.

The ascent of mobile technology ownership, personally and corporately has led to an explosion of new banking services in the UK. The last year, in particular, has witnessed great strides taken by UK banks to power up the mobile money market. HSBC and First Direct, Lloyds TSB, The Royal Bank of Scotland and NatWest are offering their customers mobile banking services, with Barclays announcing its new .mobi service last month.

Users can already access their bank accounts on the move, check their balances, access mini statements or make transfers between accounts. Transactional or push mobile banking is being offered increasingly by banks via downloadable applications or the mobile web, complementing existing SMS services for balance and simple information enquiries.

Mary Carol Harris, head of mobile at Visa Europe, goes one step further and adds that the mobile phone could ultimately kill off plastic cards and even traditional cash. Mary says: "The technology is already there to allow contactless mobile phone payments. That would allow you to make small payments at a point of sale by simply swiping your mobile across a reader."

Sandra Quinn, at UK Payments, which oversees everyday banking transactions, says: "Contactless technology will enable mobile phones to act as payment cards and sending payments may be as simple as sending text messages."

The opportunities afforded by mobile payments – in terms of device adoption, the big vision of using smartphones as the hub for mobile business banking and the more granular approach of actually using a device as a payment mechanism – is upon us.

That ABL and invoice finance clients will demand key information on the move using smartphone technology is an inevitable consequence of the success of the consumer model. The big question is, how quickly will the commercial finance industry adopt mobile platform strategies? It's important to make the right call. The time, however, to start making that call is now.

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