

Developing New Payments Models

May 20, 2011

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**The Federal Reserve Bank of Chicago
11th Annual Payments Conference**



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The Secure Remote Payment Council

- Cross-industry trade association dedicated to the growth, development and market adoption of debit based internet eCommerce and mobile channel payment methods that meet or exceed the security standards for pinned based card-present payments. It will accomplish this by encouraging and supporting those activities that accelerate the implementation, adoption and promotion of these payments.



New Models Can Be Developed

- Technical Solutions Are Important But Sustainable Business Models are Necessary.
 - Informed, patient investors
 - Time to change consumer preferences or inertia
 - Critical mass (within segment targeted)
 - Flexibility

Segmentation Approach

- It is no longer necessary to create huge scale model to be successful
 - Internet and Mobile technology
 - Willingness of networks to “rent” capacity
 - Megabanks provide large markets
 - Social Media provides cheap messaging

Reduced Cross-Border Friction

- Domestic Markets Are No Longer A Limiting Force
 - Globalization has reduced cross-border payments friction but local markets and consumer preferences still matter
 - eCommerce “localizes” sellers so payments must be localized as well



How Will Regulators React?

- Proliferation of Access Devices Raise Security Concerns
 - Mobile Apps
 - Tablet add-ons
- Non-bank Payments Models Raise Safety and Soundness Issues
- Security and Fraud Mitigation is Complicated by Cross-Border Matters

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