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Allied Wallet

Allied Wallet offer customized payment solutions to businesses of any size. They have services in 164 currencies, 196 countries, and incorporate nearly every payment method globally. We spoke to Founder and CEO, Andy Khawaja, about their development into a global company, and continued desire to innovate and improve their services.





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With the phenomenon of online payments becoming more and more widespread across the globe, Khawaja started Allied Wallet when the internet was only just beginning. "I started the infrastructure for Allied Wallet based on a security and fraud prevention platform," says Khawaja. "This was to make sure when people use money online, that they get the best security services. On this platform, they got encrypted card numbers which back in the day didn't even exist."

It was this unique technology that Allied Wallet started from, and since then have continued to expand and evolve their products and services. "When anyone goes on any unique website to purchase an item, they enter their card number and that number can be replicated and used by someone else. What Allied Wallet has done, is built a gateway that identified the card number and encrypted it into 50 or 60 different letters and digits, which means it can never be replicated by hackers and a third party. We started the company based on identity protection, securing credit cards, and making sure that people are safe in their transactions. Down the road, I saw the potential of expanding the business. We then came up with the processing engine, which is very similar to PayPal, but a little bit more unique. On this platform, we pay merchants straight into the bank account instead of depositing the money into a wallet."

As the company continues to expand, security still remains the top priority for Allied Wallet. From Khawaja's experience, many banks tend to focus more on short-term gains of earning profit rather than Allied Wallets' long-term objective keeping their customers safe and ensuring that their service is secure. "Security is always a big issue because it also about protecting the identity of the person transacting, and the biggest issue is securing the card number," explains Khawaja. "A lot of people who are in the credit card processing business don't really have the security up to speed. They don't have it 100% functional to the point that you can definitely protect the consumer. And the reason why, is because it simply costs too much. If you have very expensive high-end security with no loopholes, the transaction fee is going to go higher. It's a big issue that the majority of banks don't have any advanced security in place because they don't want to invest in the product and make higher transaction fees. They'd rather make more money, but the customer has to deal with the issues and get the headaches."

"For this reason, the majority of our company's money is invested into security. When you transact with us, we're going to make sure your card number will never-ever be stolen or used by a third party until the end of time. Other banks don't really do that, and that's because for them it's about how much they make on each transaction and are not looking at how much they spend to secure the transaction. That's what it solely comes down to: profit, profit, profit. It's pretty sad, but it's just the name of the game."

Launching in first week of July 2015 is Allied Wallet's brand new app 'New Generation', which is a further testament to their desire to continue to improve upon their services. "We had a similar app built years ago, but we had to get rid of it because of security. With this new app, it can accommodate all new products and all new merchants. If you can imagine, it took us three years to upgrade our previous app and we deleted it because security is too important to us."

In the same vein as security, developing their technology is also a primary objective for Allied Wallet. "The philosophy behind the business is to understand what our consumers need, what merchants need, and to build something around them to make things easy for them to transact. Technology in the end, is the future of all business. Therefore, Allied Wallet spends 60% of its time and effort on technology, and that also makes us very unique and is the secret behind our success."

"We are part of the tsunami of changing technology. We are the ones changing it, and we're way ahead of the game. When you find out a product that happens today, we probably talked about it and started building it about three or four years ago. When Apple announced the launch of the Apple fingerprint, I talked about this two years beforehand. The reason why we know about it is, because we implement these products. We create things, we implement them, and people pick up the ideas. For three years now in Japan, you can withdraw money from ATMs with a fingerprint and it's now on every corner. My approach is to travel the world, to poke my nose in everybody's business and understand what it is they do best. Then I find a weakness, make it better, make it shine and reproduce it."

"At Allied Wallet we are constantly trying to improving our service 24/7. There are always people on the other side, we call it the 'dark side', where they try to find a loop to get into the system and steal data. We see ourselves as the light at the end of the tunnel or the saviour of consumers being victimised by fraud and data theft. What we try to do is protect them, and that is our job. In fact, it's a duty and not a job. It simple has to be done."

As a truly global company, Allied Wallet treats customers and merchants equally, regardless of the region or jurisdiction they are located in. "We always look more globally. We have expanded from 20 currencies to 190 currencies, and now literally serve about 80 countries worldwide. In terms of expansion, I've seen growth in online payments in India, in Mexico and Brazil. These are the 3 regions we are focusing on at the moment, because we have seen a very large increase."

"We never look at any country and think they're not up to do business or shouldn't be involved with them. In fact, we went to every country from the start: we went to India, Brazil, and Latin America. We give everybody





the chance and the opportunity to credit card transactions and we accommodate every single country and every single merchant as long as they are a legitimate type of business. As long as the business is legit, we will give you an open hand, and we will welcome you with open arms. Based on the business type, so long as the business type in that region is legal, then there is no problem.”

Giving start-up companies a chance is something Khawaja is very passionate about. Before Allied Wallet became an international player, he struggled for years to get his company recognised and given the opportunities they needed to expand. “When we started at Allied Wallet, nobody gave us a chance, and it was really difficult. We struggled for five years to get a solution for a bank to recognise and even allow us to event transact. Everybody deserves a chance to transact online and everybody who wants to be an entrepreneur just like myself can come to Allied Wallet and we will give you the chance and the give you the home to become a successful businessperson. You can never start big, you must always start small and I love those who start small because they give me the ability to see them grow. It's like raising your own child and I love it!”

From Khawaja's experience, many banks are not giving start-ups the opportunities due to a combination of only focusing on profits and not understanding the dynamics behind new businesses. “The problem is, banks are not knowledgeable in this business. We understand it more than anyone in the market, and we've been doing since the dot-com days. We built ourselves a reputation in the market, we built ourselves trust with our clients, and we built the functionality of the business. We understand what consumers need, what merchants need, and we understand both of their needs the most. We accommodate them, and we try to help them as much as we can. We give them a chance to process because we know the business is going to work, and we know the business model more than anybody else in this industry. And that's what makes us unique.

“One thing that a lot of people don't understand about the difficulties that normal merchants face, is that a lot of banks won't deal with start-up businesses. They don't want to take the chances on you losing money and they couldn't back it up. That's a big issue with banks that they don't understand the business we get. To be honest, a lot of banks are dropping out of this business because they don't understand it. Banks like Barclays and HSBC are cutting on the e-commerce because they don't understand the e-commerce. They're more into issuing loans, refinancing and etc. because they think that's where the money is. But this is not correct because the future is in electronic transactions. The future is in digital money: we see this happen with the expansion of mobile payments, with the expansion of mobile phones, and with all the new apps that are being generated on a daily basis. From the touch of phone, you can now access any product worldwide.

“Another thing banks don't understand is the BIN issuer transaction. This means they need to cascade from where the pin has been issued with which each country. If you have a customer in Singapore transacting with a UK Bank, that transaction is being settled in the UK and maybe the bank in Singapore could potentially think this is a fraudulent transaction and block the card. With us, we settle this in the bank where the transaction is located, and this way there will be no cross-border transactions. As a result, the approval rate for this is at 93%, and is the highest in the history of this market. It's simply unheard of. It's like somebody saying, I just saw a guy walking on water, and nobody would believe you.”

Despite dealing with a diverse range of customers with different needs and requirements, the company ensures that they get the same level of security and peace of mind with their information and finances. “We deal with all kind of merchants, including some very conservative merchants and as well as ones with some very clever ideas too. Some are merchants selling ideas online, some are selling technology online, and some are also transacting via online apps. We deal with companies as little as a start-up company with a 50 Euro per month budget to a public traded company that does over 20 billion a year. We treat everybody equal because money is money and it's our responsibility to ensure that the transaction goes smooth, and the approval rate is higher than anybody else.”

As Allied Wallet continues to expand its footprint across the globe, Khawaja's long term ambition is to have a dedicated platform that has every single merchant and every single consumer in the world. “I'm working on something very unique that can bring traffic to the merchants, and can attract a lot of consumers to go on the API that I'm building. It's going to be very similar to Stripe, but much more advanced and dedicated to accommodate for profit for merchants. It will only be available exclusively for Allied Wallet, so if you want to use this product, you have to sign up for this product.”

Speaking about the awards, Khawaja is pleased to be recognised but is certainly not resting on his laurels. In fact, he is driven to further innovate and expand the Allied Wallet brand. “I think these awards are not enough, because to be honest with you I should be awarded for the things I'm doing every day. There's nobody else that understands the difficulties in technology, and the complications behind that. Once you build something unique and constantly improve the service on it, it's a home run. It's a home run for multiple tasks: it's a home run for people starting businesses, it's a home run for consumers trying to speed up their transactions and it's a home run for people wanting to secure their transactions. We work on multiple levels here, and it's very important to do that. Other people get awards from building one product and receive awards for the rest of their life. I do products every single month, and not just only one product, I do it on a different level of security and a different level of transactions. It's an innovation, and I'm the master of innovation. I believe so much in what I do and what I do, I do best.”