

INSPIRATION

Question: Is there a quicker, safer and less complex way for shoppers and businesses to enjoy e-commerce?

Answer: Yes, by using digital wallets that store payment details and provide retailers with fraud protection.

DIGITAL WALLETS OFFER SPEEDY AND SECURE SOLUTION

■ Digital wallets that store debit and credit card details or account information are changing the online and mobile payment landscape.

Andy Khawaja, CEO of software developer and internet payment service provider Allied Wallet said, "when I started Allied Wallet, I knew that the future of payments was in e-commerce and my vision was to protect these payments for merchants and consumers around the world. The payment industry is always evolving, and fast. You have to not only keep up, but try to be a step ahead."

The digital wallets are virtual products that act like real wallets and allow shoppers to make



Andy Khawaja
CEO, Allied Wallet

payments from their desktop PC or mobile device without having to enter their billing and payment details during every purchase. They also store online shopping information and electronic coupons that can be redeemed on retailers' websites.

Advances in technology mean smartphones are effectively digital wallets because they can hold payment information and access wireless technology to enable financial transactions on the move.

Security concerns

Worries about security and fraud have deterred many consumers from setting up digital wallets and these concerns remain in the so-called 'card non-present' payment environments such as online, phone or mail order.

However, digital wallet technology is partly responsible for reducing non-present card fraud, which fell

by 3 per cent between 2010 and 2011 from £226.9m to £220.9m, according to the UK Cards Association.

E-retailers want more consumers to adopt digital wallets because they reduce the number of transactions abandoned at the checkout when consumers find the payment process confusing.

Stores are nervous as spending on credit and debit cards has dipped during the economic downturn with the number of debit card transactions down from 2.0bn to 1.9bn between the first and second quarters of 2012. Credit card transactions fell from 602m to 585m.

To work effectively digital wallet technology must accommodate all the user's payment cards or accounts.

Benefits for many

Khawaja says more merchants and consumers are recognising

the speed and security benefits of digital wallets. The company's e-Wallet has 45m users globally and processes more than \$2.5bn annually in 164 currencies.

He says the future of payments is in e-commerce and m-commerce but payments must be easy and protected.

"Consumers must have confidence in the technology. With us they create an account and immediately the information is encrypted," says Khawaja. "We also collect data for merchants and warn them if a user has tried to defraud other e-retailers."

In November, The Royal Bank of Scotland became the first bank to trial Visa's V.me digital wallet which lets registered users make secure online payments with a username and password.

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Stone age:

Log on to Sage.
Create suggested payment run.
Print off. Login or Call bank.
Book your exchange rate.
Manually input beneficiary details.
One by one.
Log off online banking.
Log on to Sage.
Manually input rates.
Manually input fees. One by one.
Check for errors.
Take a well-earned break.

Space age:

Log on to Sage. Create
suggested payment run,
one-click accept rate.
Log off. Job done.

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