The evolving payments landscape
Why mobile?

The consumer take-up of mobile web-enabled devices is growing at a faster pace than any previous type of web access channel, such as PCs and laptops. Smartphones are rapidly becoming part of everyday life, not just within the UK but all around the world.

At the same time consumers are getting busier; we all want innovations that make our lives easier, particularly those that allow us to send and receive payments quickly.

The popularity and usage of different payment channels continues to be a dynamic environment. The UK Payments Council have highlighted a steady reduction in cheque usage over the last few years (12% lower, year-on-year since 2009) alongside a change in card payments to PIN usage and ‘tap & go’ functionality. This is supported by a 22% increase in volume of Faster Payments during 2011. Despite these changes, cash continues to remain key for personal spontaneous payments.

‘Consumerisation is hitting the payment landscape at an incredibly fast pace and payment tools are radically changing the way our customers spend, save and interact.’

Derek White, Chief Customer Experience Officer, Barclays
How will it impact the payment landscape?

Consumers tend to see mobile payments as a way of making smaller and medium-sized payments, with 80% of users recently surveyed by YouGov\(^2\) agreeing that they would pay for smaller purchases such as sandwiches via mobile technology. This has been reflected in the types of retailers that have implemented the technology, with 59% of large supermarkets and 56% of train and bus stations adopting mobile payment services, bringing with it a reduction in queuing times, and a significant improvement in the retail experience.

Results show that early adopters of this payment technology are very satisfied with it, suggesting that once used, consumers are likely to want to use it again.

Despite this growing high street presence, general consumer awareness of contactless mobile payments is still relatively low, and access to the technology is also a major issue – a recent mobile payment survey\(^2\) identified that only 4% of those with a smartphone have NFC (Near Field Communication) technology available; however, almost half (44%) of those with contactless technology enabled on their smartphone devices have already made purchases. It is clear that retailers, banks and technology companies all have a role to play in encouraging those that do have the technology to build the public’s knowledge, reassure potential users of its security and promote its use.

‘As individuals move to adopt mobile technology at a faster pace, businesses need to keep in step and understand that changes in technology mean changes in customer behaviour and the ways in which our customers interact with us.’

Derek White, Chief Customer Experience Officer, Barclays

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What is Barclays Pingit?

Barclays has recognised the importance of using funds directly from a bank account and has developed a smartphone app-based payments service. The award-winning app, which has been downloaded over 1 million times, facilitates quick, simple and secure payments without requiring traditional account details during the payment process – it’s the simplest way to make payments from your smartphone.

The Barclays Pingit app has revolutionised how friends, family and businesses send and receive money. It’s safe and secure – backed by a fraud guarantee.

Research conducted in May 2012 highlighted some of the reasons why consumers would use a mobile wallet – 76% cited convenience, 68% highlighted the speed of transactions and 66% said that it was easier than cash or cards. Barclays Pingit provides consumers with all of these, offering a simple payment method that allows them to stay in control of any funds leaving their account.

‘Barclays Pingit is a true example of how we are committed to continuously improving our customers’ engagement with Barclays and giving them a great digital experience.’

Derek White, Chief Customer Experience Officer, Barclays
29% of all users are in the 18-25 age bracket and a similar percentage in the 36-50 group, showing the wide appeal of the product. Current corporate clients, using our Barclays Pingit for corporates QR code and Corporate ID services to receive funds from their customers, are also from a wide range of sectors, including utility companies, charities and education institutions.

For corporates the product:
• provides your customers with a secure, highly accessible, easy and convenient way to make payments to you via their mobile, as an alternative to paying by cash or cheque
• enables new and innovative customer interaction models
• can improve reconciliation, as all required reference details accompany the payment
• provides speedy settlement of value, with immediate and irrevocable payments sent via the Faster Payments service
• can reduce costs associated with manual and paper-based processes

‘Our goal was to make something that was intuitive and engaging, but fast and for customers.’
Derek White, Chief Customer Experience Officer, Barclays
A recent Barclays Pingit for corporates success was the introduction of the service to the AA. The AA is the UK’s largest motoring organisation, founded in 1905. Since inception they have gone from offering just roadside assistance to a range of services, including insurance and driving schools.

Their customers pay them in a variety of ways, including via card, cheque or cash. Working closely with the AA, Barclays Pingit for corporates was identified as a service that would enable roadside fitters to take remote customer payments quickly and easily. With the inclusion of Barclays Pingit QR codes on their invoices, street kiosks and on the side of service vehicles, their customers can instantly pay subscriptions and fees.

Barclays Pingit has enabled the AA to give their customers a quick and easy payment option, whenever and wherever they want. The organisation is now keen to roll out the service further, with Lewis Jones, Manager, Operational Banking, commenting, ‘The great thing about Barclays Pingit is that we don’t need any personal details from the customer. The customer therefore has all the anonymity of cash, but all the security of knowing that the transaction will be recorded on their bank statement, telling them which organisation they’ve paid.’
For more information and to see how Barclays Pingit could benefit your business, please contact your Relationship Team or visit barclays.com/corporatebanking/barclayspingit