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# The future's mobile

*The price of mobile payments*

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London, September 2011

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# What is mobile banking?

**MOBILE BANKING**
Mobile Banking refers to the provision of banking- and financial services through mobile telecommunication devices. The scope services may include facilities to conduct bank and stock market transactions, account administration and management and access to customised information and advice.

**Informational services** provide basic facts such as the balances of bank accounts and other financial products such as savings, loans and credit cards.

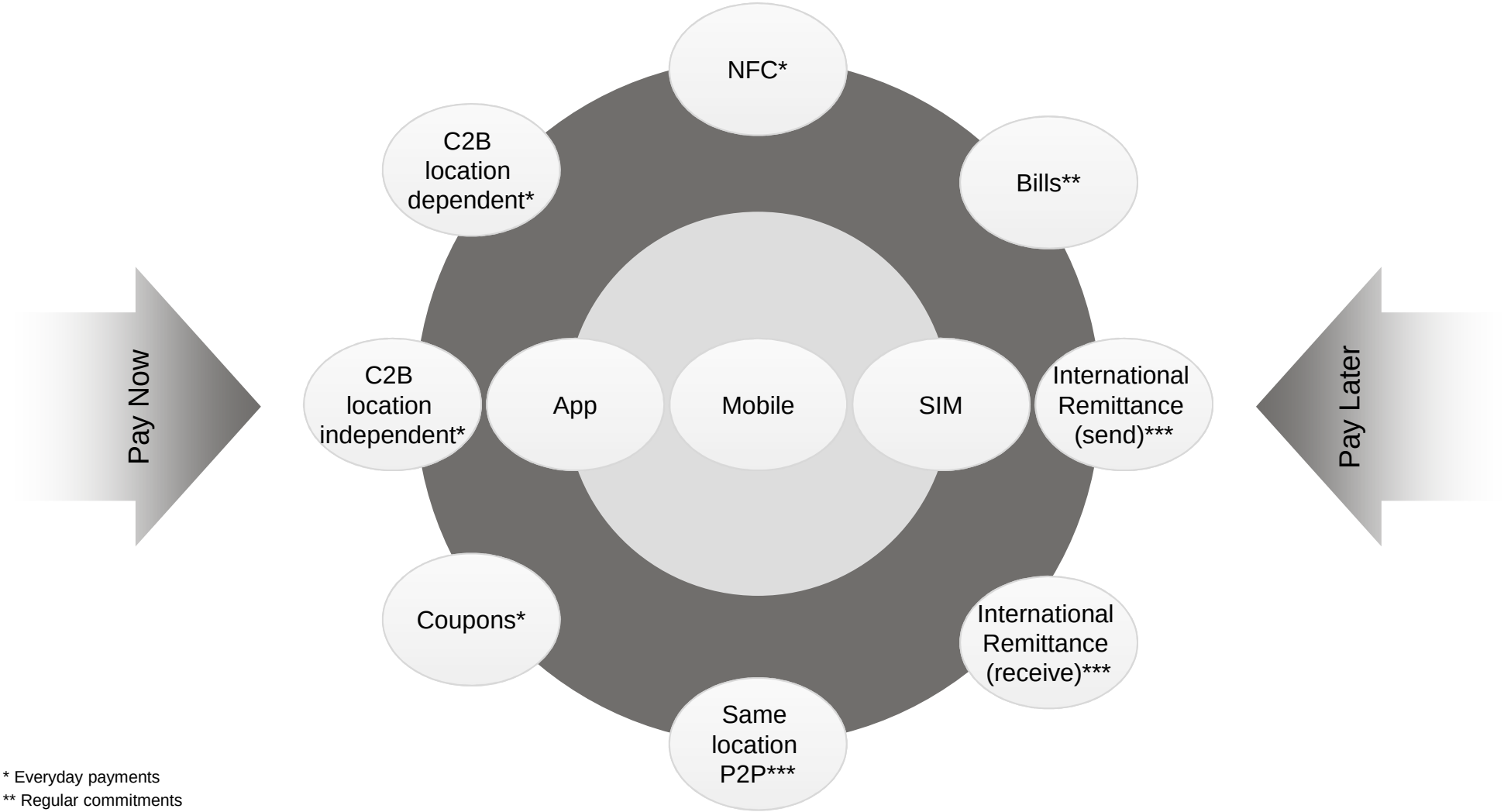
**Transactional services** allow customers to use their mobile phone to make purchases in shops and online, transfer funds between different savings accounts and give money directly to other people.

**Interactive services** allow customers to create and monitor budgets, receive customised financial advice, customised responses to questions such as breaks from loan repayments, and location based special offers.

Source: SKP

# Transaction Services: the next wave of development

Our view of the 'mobile payment' universe…



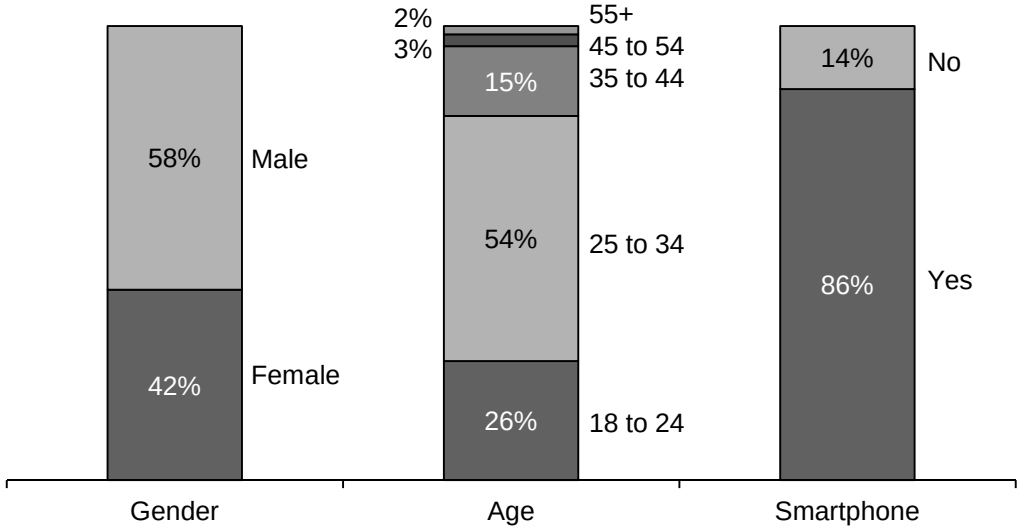

* Everyday payments
** Regular commitments
*** Repeatable one-off event

# Mobile payments: what do people want?

A consumer discovery panel.

- 316 respondents
- Completed in July 2011
- Viral approach
- UK domiciled participants

## Respondent demographics

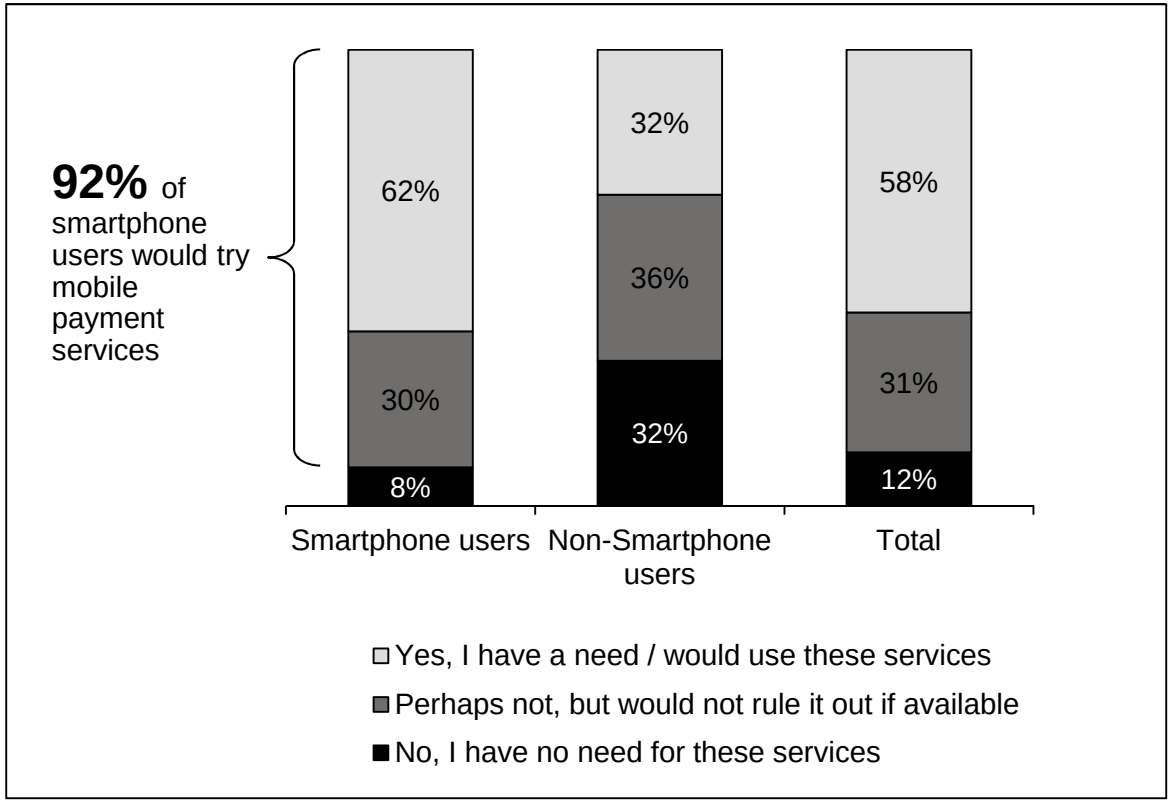



Source: SKP

# Smartphones are the gateway to mobile payments

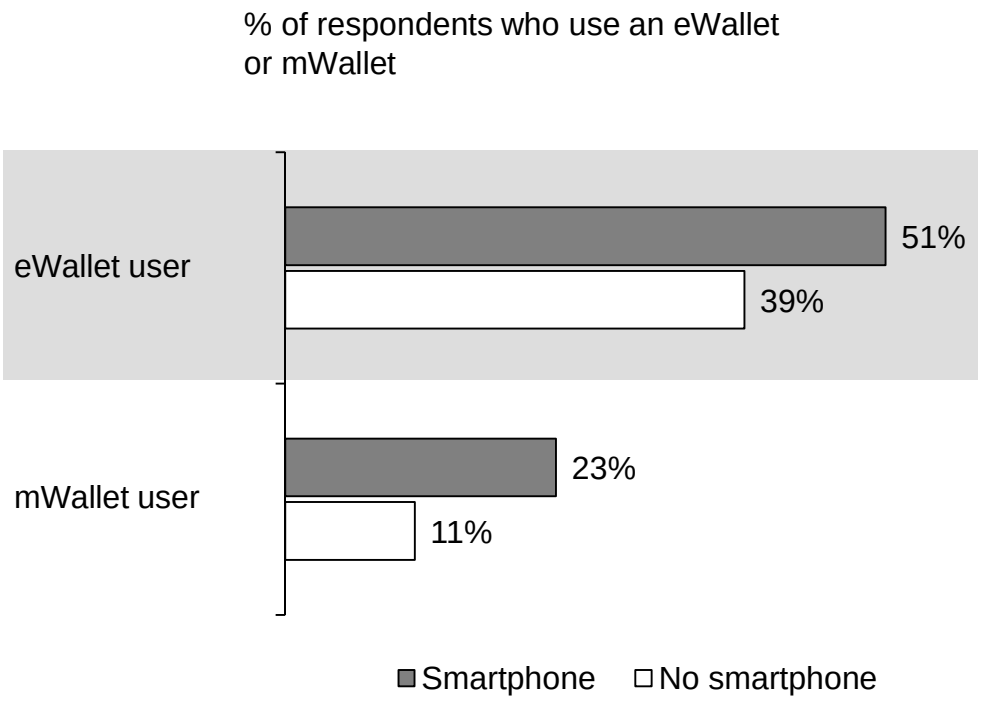
**Would you be willing to make payments using your mobile phone?**

*n=316*




Source: SKP

# Smartphones are the gateway to eWallets and mWallets



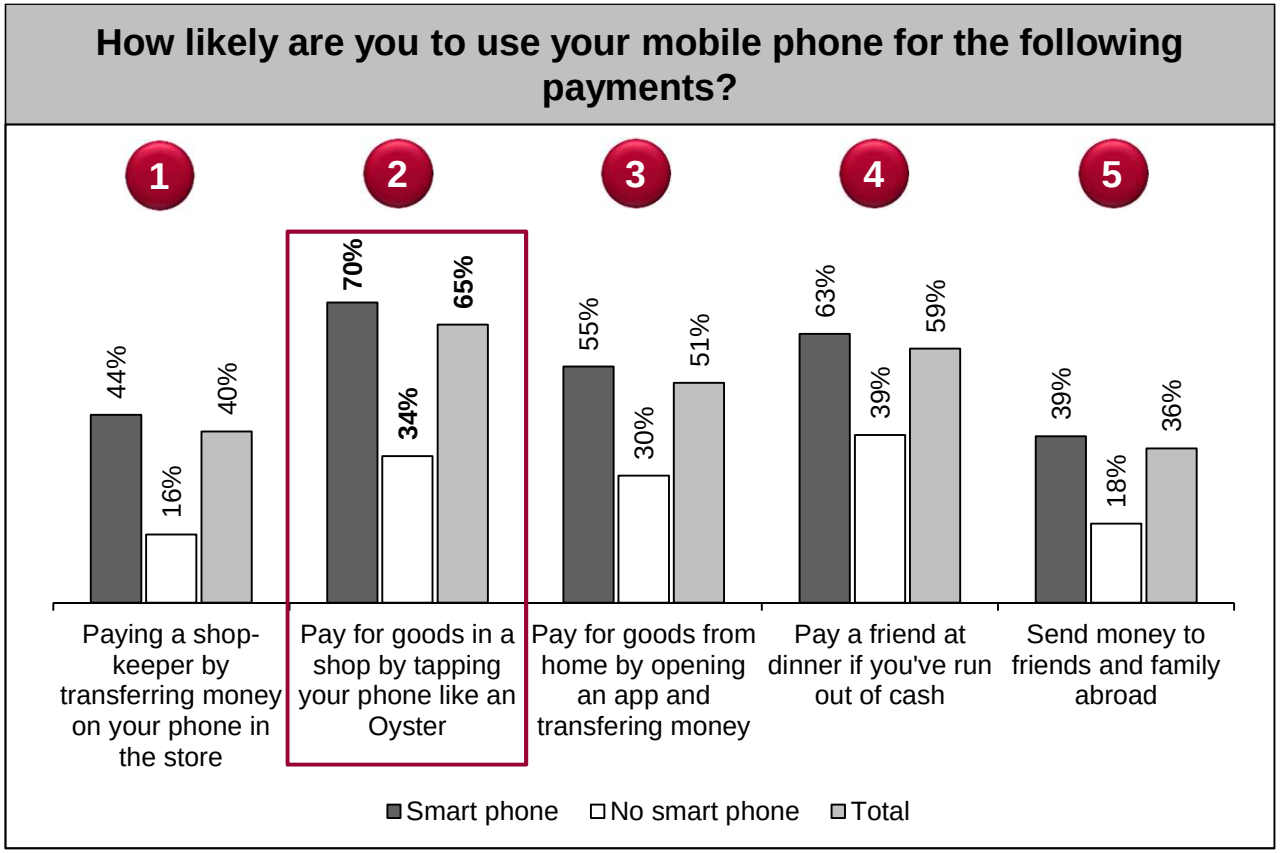

**mWallets** are likely to follow in the footsteps of eWallets as service offerings mature

**Think**

*the future is mobile*

Source: SKP

# NFC (contactless) mobile payments are the top choice for consumers



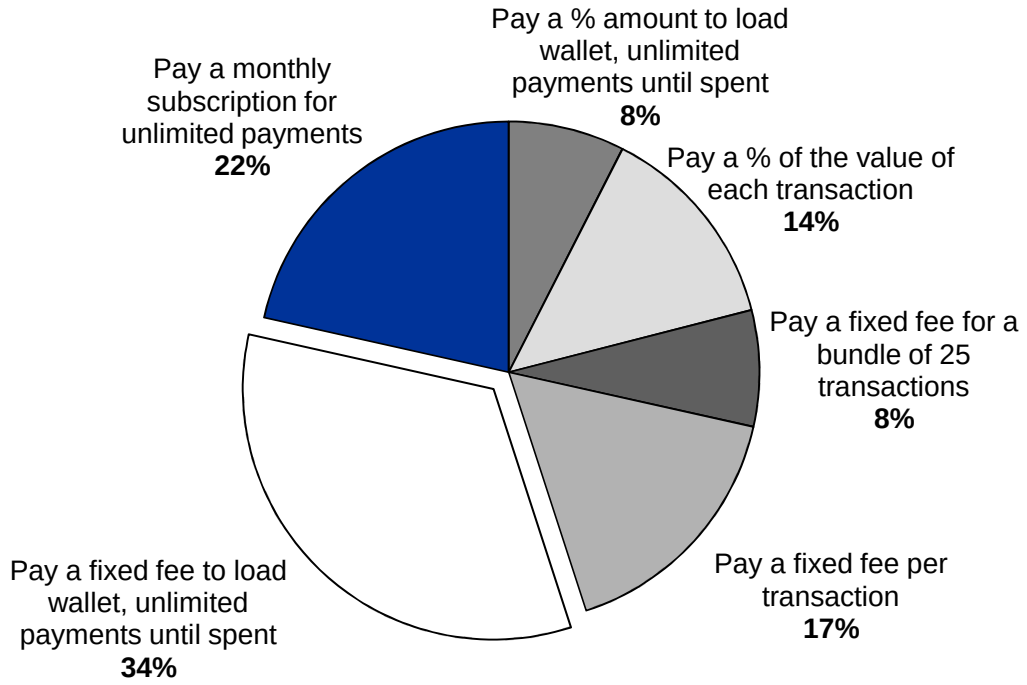

**Think**

*NFC is coming*

Source: SKP

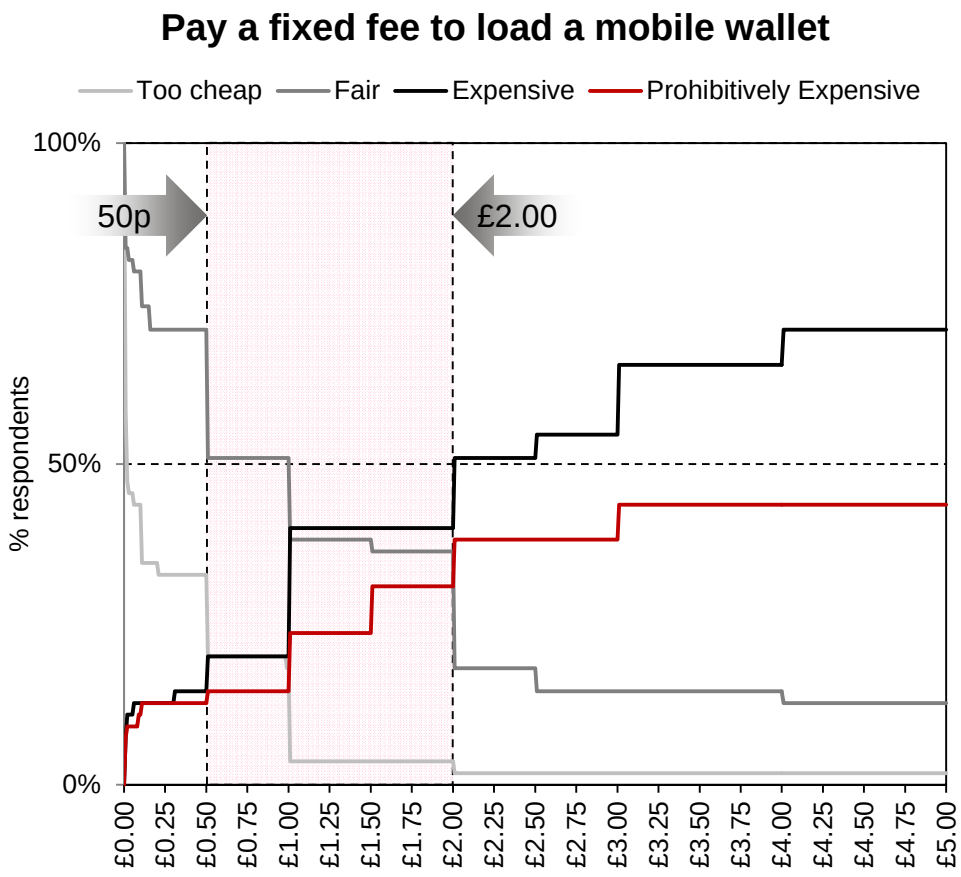
# 2 Consumers prefer to pay a fixed fee to load a mobile wallet to make contactless (NFC) payments in a store

**Tap a mobile phone to pay a retailer in a store**




Source: SKP

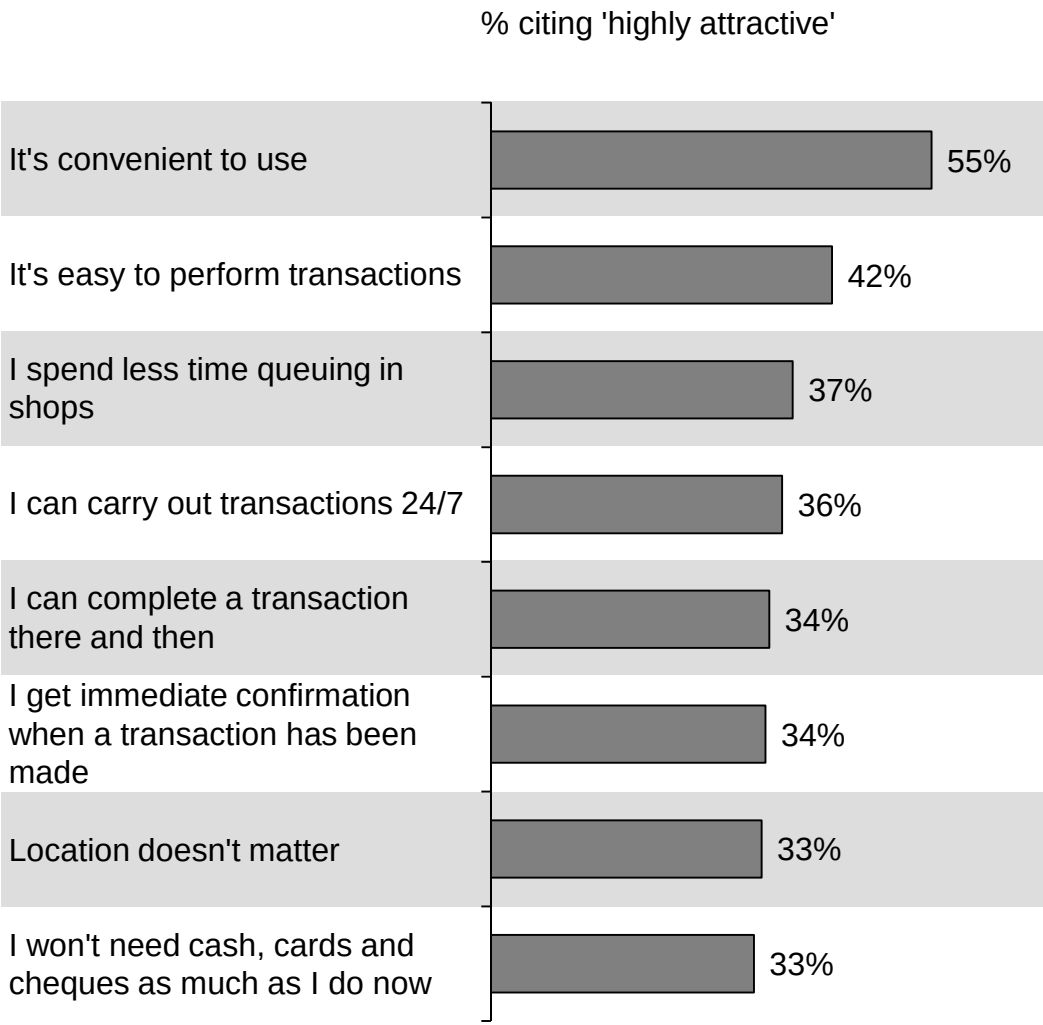
# 2 Consumers will pay between 50p and £2 to load a lump sum on to a mobile wallet to make NFC payments




| Metric | Range |
|---|---|
| Monthly fee for unlimited transactions | £2 to £5 |
| Pay a fixed fee per transaction | 10p to 25p |
| Pay a % variable fee per transaction | 0.1% to 1% |
| Pay a % variable fee to load a mobile wallet | 1% only |
| Fixed fee for a bundle of 25 transactions | £1 to £2 |

Source: SKP

# Consumers like the simplicity and convenience of mobile payments



**Think**

*simplicity and convenience*

Source: SKP

# Consumers are concerned about security and fraud

**Think**
*security and fraud*

Source: SKP

# Banking contacts

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