

Mobile card reader aims to end skimming

Joyce Moulakits

An Australian-based company is attempting to convince banks that its mobile phone-enabled card reader would reduce their skimming-related fraud costs and boost transaction volumes.

Backed by MasterCard, Australian company SmarQ is to introduce a pocket-sized card reader targeted at smaller businesses and merchants.

The company faces an uphill battle in winning over the nation's biggest banks, as the device enters the highly competitive card-transaction processing sector.

Commonwealth Bank of Australia and National Australia Bank have in

smaller businesses and works via wireless GPRS or Bluetooth mobile phone technology. The card reader avoids the threat of "skimming" fraud because it does not store data on either the phone or the device's memory.

Transactions are automatically settled through MasterCard's international gateway system.

"This is a new way to capture more and more merchants where they [banks] couldn't before," the head of SmarQ, Zeev Goldstein, said.

"There are other mobile cellular terminals, but they will keep all the sensitive data in the memory of the device and it is a bulky terminal."

Mr Goldstein said the reader charged a flat fee of 50¢ per transaction and cost about \$400.

CBA is the largest player in card processing, with 32.5 per cent of the market.

The bank is, however, still considering whether there is enough demand for a wireless card reader such as that offered by SmarQ.

"It's fair to say that we have not seen specific demand for this type of product," said Steve Baric, the sales and distribution manager for CBA's working capital services division.

"However, we are evaluating whether there is a longer-term market for this type of internet-enabled mobile credit card device.

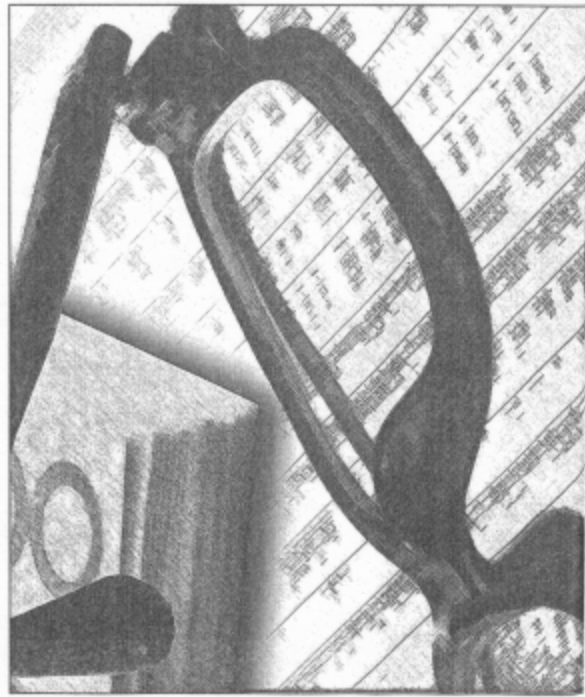
"There is a cost benefit trade-off in mobile solutions, with the key measures being the degree of sophistication and the number of parties involved in the service provision."

A regional bank is believed to have expressed interest in the new SmarQ card reader.

The use of wireless technology is growing in payment devices generally.

Last year, ATM processor EFTEX and Vodafone introduced the first wireless ATM to the Australian market, despite concerns that the technology would not be embraced by the major banks in the near term.

Those machines operate on the Vodafone GPRS network.



Suncorp Interest Rates

Fixed Rate Home Loans[#]

1 Year Fixed	6.85% p.a.
2 Year Fixed	6.84% p.a.
3 Year Fixed	6.70% p.a.
5 Year Fixed	6.99% p.a.

Variable Rate Home Loans

Back to Basics	6.74% p.a.
Standard Variable	7.32% p.a.
Asset Line	7.47% p.a.

Personal Loans[#]

Secured Car Loans \$3,000+	8.99% p.a.
Unsecured Personal Loans \$3,000+	12.49% p.a.

Variable Rate Margin Loans[#]

Minimum Lending \$75,000 - \$400,000

9 APR 2005



National Australia Bank Indicator Rates - Personal

• TAILORED HOME LOANS

Owner Occupied/Residential Investment	7.32% ^{NRA}
Variable Rate	1 yr 6.85% ^{NRA}
Fixed Rate	2 yrs 6.85% ^{NRA}
	3 yrs 6.85% ^{NRA}
	4 yrs 6.99% ^{NRA}
	5 yrs 6.99% ^{NRA}
	10 yrs 7.69% ^{NRA}

National Base Variable Rate Home Loan

(Owner occupied/residential investment)

Fixed Rate 6.82%^{NRA}

National Introductory Rate Home Loan

Introductory Period

Variable Rate

6mths 5.74%^{NRA}

1 yr 5.99%^{NRA}

Fixed Rate

6mths 6.19%^{NRA}

1 yr 6.29%^{NRA}

Variable Rate

6.86%^{NRA}

Homeowner's Package Home Loan

(No Longer For Sale)

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