

By the Numbers

CONSUMER PAYMENTS

P2P Payments Grow, Primarily Online

Mobile person-to-person payments are limited, though there's signs they'll pick up as access improves

BY REBECCA SAUSNER

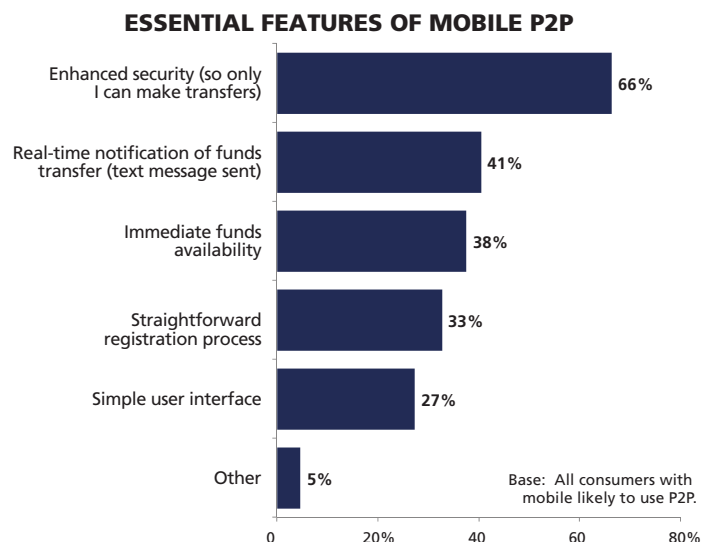
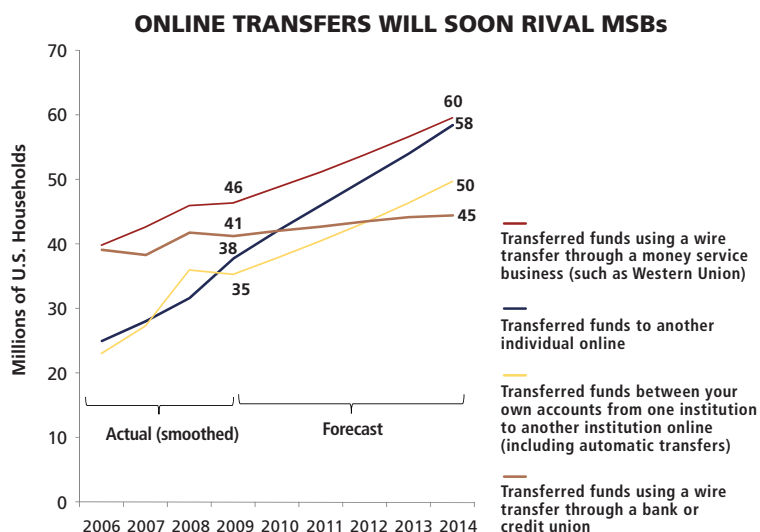
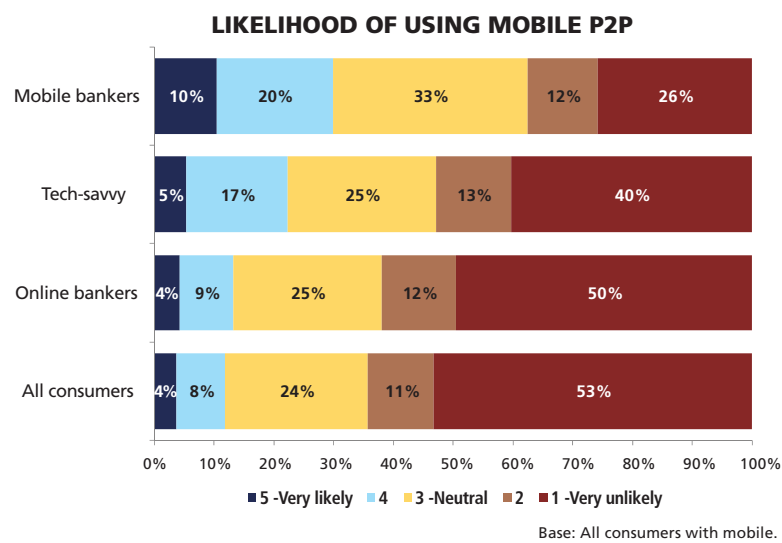
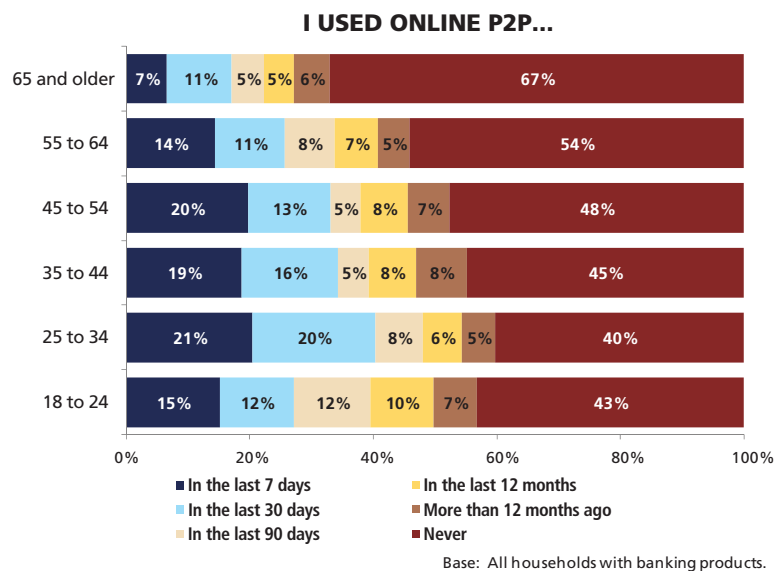
PERSON-TO-PERSON TRANSFERS ARE quickly moving from press release material to deployed applications, with New York-based CashEdge making much of the recent news with its rollouts of the service at PNC Bank, FNBO Direct, and First Hawaiian Bank.

But CashEdge faces ingrained competition from the embedded core systems and mobile banking vendors. Fidelity Information Services has an alliance with PayPal, which integrates P2P payments into Fidelity's bill pay application. Fiserv is taking the same route, integrating P2P into its legacy CheckFree bill pay platform, but built the technology in house. Online banking vendors have also made their alliances: Mobile Money Ventures is reselling P2P services from Toronto-based CPNI, MasterCard announced its Mobile MoneySend service last May, provided using technology from Obopay. Visa had a P2P pilot at US

Bank last year, and American Express got in with its \$300 million purchase of Revolution Money late last year.

In a recent survey, Javelin Strategy & Research found that monthly usage almost doubled from 2008 to 2009, with 44 percent of consumers saying they've initiated an online P2P transfer in the past 12 months.

But Javelin also reports about 18 percent of U.S. consumers are mobile bankers, and only 30 percent of them have used their mobile to transfer funds among their own accounts, and just five percent to transfer to another person. But early evidence from actually deployments suggests the gap is due to access. Behram Panthaki, senior director of strategy and marketing for POPmoney/CashEdge, counters that when both are available, early usage show parity among transactions initiated on mobile devices and those initiated through a traditional computer. ■



Source: Javelin Strategy & Research