





APACS
Mercury House, Triton Court
14 Finsbury Square
London
EC2A 1LQ

PRESS RELEASE

Telephone 020 7711 6234
Email press@apacs.org.uk
Online www.apacs.org.uk

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BANKING INDUSTRY CONFIRMS CROSS-INDUSTRY PLANS TO ROLL-OUT CONTACTLESS TECHNOLOGY ON CREDIT AND DEBIT CARDS

- National rollout to start in London from September with UK rollout to start in New Year
- Upgraded credit and debit cards will carry the ripple  and participating card-accepting businesses and vending machines will be recognisable by the acceptance logo 

Today (Tuesday 8 May 2007) the UK banking industry confirms plans for the national introduction of contactless technology on UK credit and debit cards. Contactless is a new option being introduced on many payment cards, from September 2007. Contactless technology will be available for transactions of £10 or under, where customers will simply hold their upgraded card up to a secure reader to make their payment in participating retailers, outlets and vending machines. Contactless cards provide customers with a fast, effective, easy-to-use alternative to cash, building on the same highly secure technology of chip and PIN cards.

The rollout will start with a London launch focused on seven postcodes - from The City to Canary Wharf - (EC2, EC3, EC4, E1, E14, SE1, SE16). The initial launch will involve a mix of retailers and selected cardholders who regularly use their cards in these postcodes either to buy goods or take cash out of cash machines. The card schemes, Visa Europe and MasterCard, who are leading the rollout, will provide more detail over the next few months. After the initial launch the upgrade will expand across London, followed by a gradual national upgrade in 2008. This will involve card issuers replacing debit and credit cards to their own timescales, and those card-

accepting businesses who decide to offer contactless transactions increasingly upgrading.

Depending on your card company, contactless technology could be added to your existing credit or debit card, or you could even be offered a new contactless card. Cardholders do not need to do anything: they will be contacted by their card company and given full details as they join the rollout. More information is available from either MasterCard www.paypass.com or Visa Europe www.visaeurope.com/aboutvisa/products/visacontactless.jsp


The organisations that plan to participate in the first phase of the rollout of contactless technology are as follows. Others are expected to announce their plans over time:

- Bank of Scotland
- Barclaycard
- Citi
- Euroconex Technologies Ltd
- Halifax
- HSBC
- Lloyds TSB
- The Royal Bank of Scotland Group

Industry estimates suggest that over 5 million contactless cards will be issued by the end of 2008, and that they will be accepted in at least 100,000 merchants.

The system is extremely easy to use; all a customer needs to do is hold their card up to the contactless card reader. Although making a contactless payment does not routinely require a PIN to be entered, the chip on your card will track activity and as a security feature will request a PIN from time to time. Each time a PIN is used it re-affirms that the cardholder is in possession of their card. Contactless technology will not affect customers' protection under The Banking Code for fraud liability.

There are currently in excess of 20 billion payments under £10 in the UK with a value of approximately £200 billion per year. Contactless technology will increase the likelihood of a card being used for small value transactions and increase the places where they are accepted: for instance in coffee shops; newsagents; and in taxis.

Cards containing this contactless feature will carry the easily recognisable  symbol and customers will be able to use their cards anywhere they see the symbol at home or abroad.

This new contactless technology being introduced in the UK has been developed by the card schemes to a global standard, which means that UK customers will be able to use their contactless-enabled debit or credit card in any other country that has adopted this technology. Contactless technology has already been successfully introduced in the USA, and many countries across the world.

John Bushby General Manager, UK, Republic of Ireland, Nordic and Baltic Countries, MasterCard Europe said:

“Today we are giving Londoners a completely new way to pay for low-value items with the launch of contactless payments. Our experience testing MasterCard and Maestro PayPass among staff at Royal Bank of Scotland's offices in Edinburgh and London has shown us that consumers love the convenience, simplicity and security of being able to 'tap and go' when paying for everyday things such as newspapers, sandwiches and drinks.

“We are confident that consumers in the United Kingdom will be quick to adopt contactless payments as they are faster and more convenient than cash increasing both the number of cards in issue and, as retailers benefit too, places where they can be used.”

Visa UK Managing Director Jose San Juan said:

“I am pleased that the industry has united on standards for cards and terminals that will provide a highly convenient and quick way to pay for low value items.

“By the autumn the first UK cardholders will be buying a coffee or a sandwich in a split second, and retailers will enjoy quicker transactions, the security of the payment guarantee and an end to the high costs associated with handling cash.”

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For further information please contact:

APACS press office on

Jemma Smith: 020 7711 6340

Sandra Quinn: 020 7711 6324

Mark Bowerman: 020 7711 6251

MasterCard UK on

Oliver Steeley: 07739 953117

Visa UK on

Paul Ravenscroft: 020 7795 5390

Lorraine Pitt: 020 7795 5291

Notes to editors:

The rollout of contactless technology in the UK is being led by the global card schemes MasterCard and Visa. They have developed the technology for cards and card-accepting businesses and are leading the UK rollout. APACS, the UK payments association, is not directly involved in this massive project but fully supports its members introducing this new technology.

APACS is the trade body that gives banks, building societies and card issuers a forum where they can work together on non-competitive issues. In a nutshell we help manage the way that businesses and individuals in the UK move their money around - this covers cash, credit and debit cards, cheques and automated payments such as direct debits, salary payments and online/phone transactions. We also champion the fight against banking fraud and are the people who have been working to give consumers greater card fraud protection by introducing chip and PIN.

Photographs showing contactless in action are available at no charge from press@apacs.org.uk