

About Visa payWave for mobile



Visa payWave is Visa’s contactless payment technology that enables consumers to make “wave and go” payments at the shop counter using their payment cards, without a PIN for purchases under \$100 or with a PIN for purchases over \$100.

Consumers in Australia are now able to make the same contactless payments using NFC-enabled mobile devices – by waving their phone in front of a contactless terminal.

What are the benefits?

Visa payWave transactions have proven to be around three times faster¹ and more convenient than paying with cash. A contactless transaction meets all the same security standards as a traditional chip card. Visa payWave for mobile takes contactless payment capabilities one step further and enables payment via the mobile, making it more convenient as people move towards a mobile way of life.

Benefits for consumers:

- The smartphone is already a life companion. It’s our social media manager, personal assistant, DJ and GPS. And now consumers can use the same mobile device to make payments and leave their wallet behind.
- Visa payWave transactions on mobile are just as secure as card-based transactions. Your phone remains in your hand, giving you control throughout the transaction.

Benefits for merchants:

- Electronic payments offer greater efficiencies with reduced cash handling costs.
- Contactless payments improve the customer experience with faster transactions, shorter queues and no PIN required for transactions below \$100. Transactions over \$100 can be completed by wave and PIN.



Why is it needed?

Visa payWave for mobile is delivering on Visa’s commitment to bring new payments innovation to Australia. It follows the success of Visa payWave in Australia where:

¹ Visa Smart Card Deployment Study, Taiwan and Malaysia, Deloitte 2006.

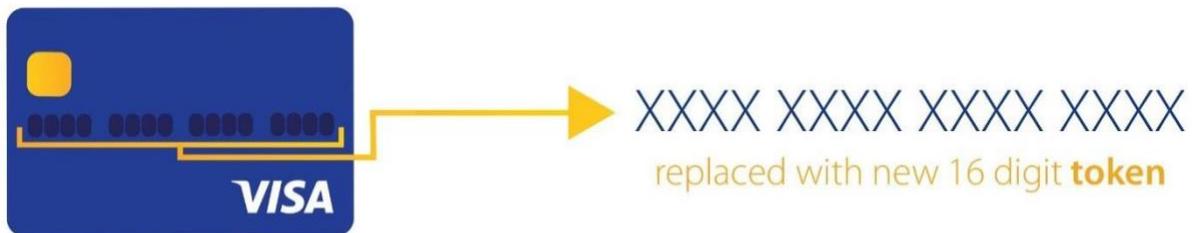
- Australia is leading the world in its adoption of contactless payments
- There are over 95 million Visa payWave transactions made each month²
- 65 per cent of face to face Visa transactions are contactless³
- There are hundreds of thousands of contactless terminals in place across the country⁴ – providing the acceptance footprint for Visa payWave on the mobile.

Visa’s mobile payments strategy

Visa is working with a number of financial institution and technology partners to deliver Visa payWave to the mobile. Visa believes in an open approach, allowing consumers to make mobile payments with whatever device, mobile network or payment account they choose.

Visa’s role in payments is to set the conditions for our bank and merchant partners to deliver innovative solutions to their customers. We develop the infrastructure and technology for secure, convenient new ways to pay.

This includes leading the industry discussion on [tokenisation](#), a new layer of security for digital payments. A consumer’s 16 digit card number is replaced during the transaction with a different 16 number called a token. Using a token instead of the account number hides consumers’ sensitive account information during digital transactions, making digital payments more secure. While tokenisation happens in the background and is a largely invisible part of the payment process to consumers, it will provide the foundation for future innovation. It will open up opportunities for new ways to pay and be paid – on the mobile, PC, tablet, and across future devices, whatever they may be.



How do mobile payments work?

Mobile payments using your Visa account work in a variety of ways. The first requirement is a mobile device with Near Field Communication (NFC) capability, which enables the device to securely and wirelessly interact with other devices, including

² VisaNet data, July 2015

³ VisaNet data, July 2015

⁴ VisaNet data, July 2015

payment terminals. Check with your mobile phone provider and financial institution about your handset's capability and availability of mobile payment services.

Consumers can simply download a mobile payment app from their financial institution and activate their existing credit, debit or prepaid accounts. They are then ready to wave and go with their NFC-enabled mobile phone as a payment device at thousands of participating stores across Australia.

The mobile payment information is stored either:

- on the Embedded Secure Element (eSE) on the mobile device, or
- in the cloud via Host Card Emulation (HCE) technology, or
- on a secure element within the SIM card.

As an alternative, consumers can use a sticker on the back of their mobile device with an embedded secure chip provided by their bank, enabling wave and go payments.

Where can you use Visa payWave on the mobile?

Visa payWave on the mobile can be used at thousands of stores across Australia, and anywhere Visa payWave is accepted. Participating stores include McDonalds, JB Hi-Fi, Bunnings, Coles, Woolworths, 7 Eleven, Foodworks, IGA and Caltex. Simply look out for the contactless symbol at the payment terminal. Visa payWave has also been introduced in countries/regions including Canada, the United Kingdom, Singapore, Hong Kong and New Zealand.



How is Visa payWave for mobile secure?

Every transaction using Visa payWave – whether on the card or mobile – is protected by multiple layers of security, just like a normal chip card. These include:

- **Restricted read range**
 - The mobile device must be held within 4 centimetres of a contactless terminal in order for the payment information to be transmitted to the terminal.
- **EMV chip technology**
 - Visa payWave is based on EMV chip technology. Each contactless transaction includes a unique code that changes with each purchase. Visa payWave works the same way on a phone – it is simply the mobile

equivalent of the application that runs on the chip of a contactless Visa card.

- **Low transaction limits**
 - As Visa payWave is designed to offer consumers speed and convenience at the checkout, they do not need to sign or enter a PIN for transactions under \$100. For transactions above \$100, consumers can use Visa payWave with a PIN.
- **Real-time fraud monitoring**
 - Visa payWave transactions on mobile are processed through Visa's global processing network, VisaNet, in exactly the same way as traditional Visa cards. Transactions are analysed in real-time and scored for their fraud potential. Visa is able to use a comprehensive view of the global payments system to identify fraud patterns and detect suspicious transactions right at the point of sale.
- **Zero Liability Policy**
 - In the unlikely event of fraud, Visa's [Zero Liability Policy](#)⁵ means you won't be held responsible for fraudulent charges or unauthorised purchases made using Visa.
- **Consumers are in control**
 - Your mobile does not need to leave your hand, which puts the consumer in control of the transaction. Consumers can also add an extra layer of security by activating their mobile passcode. If the mobile device is lost or stolen, account holders can have their payment account immediately deactivated by contacting their financial institution.
 - Only one payment can be processed at a time, so there's no need to worry about your Visa account being accidentally debited more than once.

What is the size of the mobile payments opportunity in Australia?

The rapid rise of contactless payments has set the scene for a shift to mobile payments in-store. The infrastructure is already in place, as mobile payments use the same technology as contactless-enabled cards.

⁵ Visa's Zero Liability policy covers Australian and New Zealand-issued cards and does not apply to ATM transactions, transactions not processed by Visa or certain commercial card transactions. Cardholders should notify their issuer promptly of any unauthorised Visa use. Please consult your issuer for additional details.

Currently 70% of Australians own a smartphone, providing a large potential user base for mobile payments.⁶ Over half of Australians are interested in using their mobile to pay in-store⁷ and there are several mobile payment solutions already available in Australia. Ultimately, consumers will decide how they want to pay and on what device, but the growth in contactless and Australians' history of early adoption of new technology suggests there is significant opportunity for mobile payments.

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About Visa

Visa Inc. (NYSE: V) is a global payments technology company that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. We operate one of the world's most advanced processing networks — VisaNet — that is capable of handling more than 56,000 transaction messages a second, with fraud protection for consumers and assured payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for consumers. Visa's innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, ahead of time with prepaid or later with credit products. For more information, visit www.visa.com.au, visacorporateau.tumblr.com and [@VisaNewsAU](https://twitter.com/VisaNewsAU).

⁶ Visa/UMR Strategic research, February 2015

⁷ Visa/UMR Strategic research, February 2015