



## Going Mobile — Authorise Payments by Mobile Phone

Mobile payments have emerged from the laboratory and into reality.

The obvious use for phone-based payment authorisation is for road warrior chief financial officers and their counterparts who are always out of the office but still beholden to their daily payment approval duties. The solution also has found appeal among treasurers who spend most of their time in the office but just not at their desks.

Jack Lo, financial manager for Metalor Group's precious metal trading business and refining plant in Hong Kong, decided to implement Deutsche Bank's mobile payment authorisation solution as a contingency measure.

"When our customers send us scrap [metal], they are eager to get paid," Lo says. "Every day our payment approval is very frequent and the timing very important. We need mobile authorisation to ensure that the payment authorisers can authorise payments whenever, wherever."

Deutsche Bank's solution allows corporate treasurers to approve payments on their phones or personal digital assistants (PDAs) through a special db-direct internet web page on a phone's browser. Payments come in batches to the authoriser's portable device and, after inputting a password and randomly generated single-use passcode from the subscriber's token, can be approved for payment anywhere there is a signal.

### Addressing Security Concerns

Security is a concern for any treasurer sending critical payment data through a mobile phone. To address this concern, Deutsche Bank uses a password and single-use token-generated passcode system, and Metalor requires every payment to receive two approvals — one from the accounting department and the other from sales.

Additionally, authorisers are only allowed to do just that — authorise payments — on their phones, not initiate them.

### A Wide Market

In this age of globalisation, phone-based payment authorisation appeals to a wide audience, from treasurers like Lo who want it for contingencies to on-the-go CFOs and generation-Y accountants.

"It's not normal to have everyone sitting in the office signing cheques or doing authorisations on their laptop every day," Lo says. "Companies' business will continue to

become more globalised and employees will have to travel. This [solution] is part of a trend to make everything available on our phones."

According to Lo, small and medium-size businesses with moderate-size staffs and bosses who are often on the road could especially benefit from the solution. But the potential goes far beyond that.

### **Part of a Larger Trend**

Mobile banking is part of a greater trend to make most payments possible by phone. In Japan and Korea, consumers are already using their phones to pay for most bus, taxi and train rides, as well as to make small purchases and to pay bills. Other countries have implemented similar technologies, although they have typically been limited to smart card solutions such as the Octopus card system in Hong Kong.

Deutsche Bank sees a significant and growing market for mobile payment solutions in developing markets where people do not have access to Internet banking or a physical bank. In fact, with Luup, the Norway-based mobile payment services provider that partnered with Deutsche Bank on its mobile payment authorisation solution, the Bank plans to develop a "mobile wallet" as part of a person's cell phone.