

# Challenges to the Contactless Payment Space

**Peter Ho**

Vice President, Wells Fargo Card Services

May 14, 2008



# **Wells Fargo Card Services is the consumer card payments division of Wells Fargo.**

## **Credit Card**

7.6 million Credit Card accounts.

## **Check Card**

19.6 million Check Card accounts.

## **Gift Card**

2.5 million Gift Card accounts.

## **Global Remittances**

Offering international remittance services to the top seven immigrant segments in the US.

# Wells Fargo currently offers the Visa payWave feature on all Consumer Credit and Debit Card products.



# Merchant acceptance continues to grow nationally with over 52,000 locations.



## National

- ◆ AMC
- ◆ 7-11
- ◆ Best Buy
- ◆ BP
- ◆ Circle K (locations coming soon)
- ◆ CVS
- ◆ International Dairy Queen
- ◆ McDonald's
- ◆ Jack-in-the-Box
- ◆ Regal Cinemas
- ◆ Rite Aid



Link to the merchant directory at [www.visa.com/visapaywavemerchantlist](http://www.visa.com/visapaywavemerchantlist)

Source: Visa payWave Merchant database 3/31/2008

# As the popularity of Contactless Payments increase, a new set of challenges emerge.

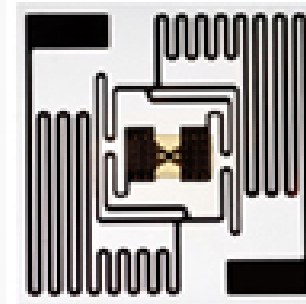
Non-Acceptors	Acceptors
POS Integration	Employee knowledge
Don't know/unfamiliar	Equipment malfunction
Equipment lifecycle	Implementation strategy
Cost	

# Lastly, issuers must be vigilant of the regulatory environment.

- Lawmakers are associating the technology behind Contactless Payment Cards with RFID devices.
- Contactless payment cards are being included in State Bills designed to protect an individual's privacy.
- Many Bills are very limiting to issuing contactless cards.
- Larger challenge is perception and understanding of contactless cards in the public.



**VS.**



# Despite these challenges, adoption of Contactless Payments are continuing to grow.

- The number of issuers issuing contactless cards (Credit and/or Debit) are increasing.
- Target Merchant Category Penetration is increasing.
  - ◆ Some categories view contactless payments as a requirement for competitive parity.
- Consumer awareness is increasing. Customers know to look for the contactless payment bug on their cards.

**Thank you.**