

# Alliance heralds era of smartphone wallets

December 7 2010, by Glenn Chapman

---



Google worked with Taiwanese electronics titan HTC to make the Nexus One handsets. An alliance unveiled by Inside Secure and other European technology firms is aimed at making that vision real with chips that can turn smartphones into wallets.

The mobile phone may soon be someone's ticket to board any transit system in the world.

An alliance unveiled Tuesday by Inside Secure and other European technology firms is aimed at making that vision real with chips that can turn smartphones into wallets.

"It is the next big thing," said Charles Walton, chief operating officer of the French-based firm.

Walton said these chips that can send [financial transaction](#) data short distances to readers at fare gates, check-out stands and elsewhere.

"The power of those sorts of transactions is very fundamental to our next wave of mobile device use. The business potential to an Apple, Google, Yahoo or AT&T is pretty significant."

A second-generation Nexus S smartphone being released in the United States this month by Google has a chip that makes it a virtual wallet so people can "tap and pay."

"You will be able to take these [mobile devices](#) that will be able to do commerce," Google chief executive Eric Schmidt said while providing a peek at the Nexus S last month at a Web 2.0 Summit in San Francisco.

"Essentially, bump for everything and eventually replace credit cards."

The near-field communications (NFC) chips store personal data that can be transmitted to readers by tapping a handset on a pad.

The chief of BlackBerry maker Research In Motion said at the summit, "We'd be fools not to have NFC in a product in the near term, and we are not fools."

Chip industry insiders expect 40 to 50 million payment-equipped mobile phones the flow into the market next year, according to Walton.

"I think it will be a very transformational year for the payments market as devices that support this kind of functionality start coming to bear," he said.

Inside Secure chips have been used in 250 million bank and credit cards as well as passports and identification badges.

The company is based in Aix-en-Provence, France, and its roster of investors includes Visa, Qualcomm, Nokia and Motorola.

The Open Standard for Public Transportation Alliance unveiled on Monday was formed to create an open security standard for NFC chips used for public transit fare collection, one of the fastest growing segments of the "smart card" market.

Founding members were Giesecke & Devrient, Infineon Technologies, Oberthur Technologies, and Inside Secure but the group is open to "all members of the global transport ecosystem."

Beijing-based Watchdata Technologies Ltd. and the Open Ticketing Institute of the Netherlands joined the alliance on the day of its global debut.

Watchdata boasted having shipped more than 1.4 billion smart cards since being founded in Beijing in 1994.

"Now that the industry is moving to NFC phones and guys like [Google](#) and [Apple](#) and others are getting on board with NFC, they are looking for some global standards," Walton said.

The group is intended to become a broad coalition bringing in perspectives from across the transit fare market. Separate groups have established standards for NFC chip security in credit cards and passports.

(c) 2010 AFP

Citation: Alliance heralds era of smartphone wallets (2010, December 7) retrieved 24 April 2024 from <https://phys.org/news/2010-12-alliance-heralds-era-smartphone-wallets.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.