

MasterCard launches new digital payment system

February 25 2013



Illustration. Credit card giant MasterCard announced Monday the launch of a new digital payment system that lets people use a wide variety of devices including smartphones to spend their money.

Credit card giant MasterCard announced Monday the launch of a new digital payment system that lets people use a wide variety of devices including smartphones to spend their money.

The system, known as MasterPass, stores customers' banking and personal information in a "secure cloud" online where it is available for the moment of payment whether in a store or when browsing the Internet, the group said.

Banks and stores will be able to issue MasterPass-connected "digital wallets" to their customers, the group said on the opening day of the four-day [Mobile World](#) Congress, the world's biggest [mobile](#) fair, in Barcelona, Spain.

The system will also accept credit and debit card information, including cards other than MasterCard's.

Shoppers would be able to use the system on the web without having to key in their bank information and delivery address for each purchase.

But they also could make payments with the new system in other ways, including by waving a smartphone equipped with Near Field Communications, or NFC, technology near a special reader.

"Every device is becoming a shopping device," said Ed McLaughlin, head of emerging payments at MasterCard.

"MasterPass brings together all of the ways we pay for things, from traditional plastic cards to [digital wallets](#), and gives consumers the ability to make a payment from wherever they are and with one simple experience," he said in a statement.

The system will be launched by [financial institutions](#) in Australia and Canada by the end of March, in the United States in spring and Britain in the summer before expanding to other markets including Belgium, Brazil, China, France, Italy, Netherlands, Singapore, Spain and Sweden, MasterCard said.

MasterCard said it the new system was supported by banks including Banco Santander, BBVA, BNP, and Citi.

"For [mobile money](#) often the most innovative markets have been [emerging markets](#) rather than developed markets," said Ian Fogg, senior mobile analyst at research house IHS.

"What is interesting is the shift where you see people like Visa and Mastercard getting interested and involved," he said.

"They have a role that is cross country, cross bank and one of the challenges of the mobile service is getting that economy of scale, getting all the different parts of the ecosystem together and those guys are able to look across the ecosystem in a way that I think an individual bank finds it harder to do."

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Citation: MasterCard launches new digital payment system (2013, February 25) retrieved 23 June 2024 from <https://phys.org/news/2013-02-mastercard-digital-payment.html>

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