

Review: Pay-by-phone works, mostly

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This week I've been paying for things with my phone, and while I do appreciate the technology, I'm wondering if mobile wallets will take off or fizzle out.

Since I got my Apple Watch, I've been trying to use Apple Pay as much as possible to pay for stuff when I'm out shopping, but stores need pretty recent credit card terminals for it to work.

Apple Pay and Android Pay use near field communication, or NFC, to transmit transaction data. It is a technology standard for two devices to transfer data over very short distances using electromagnetic radio fields.

Earlier this month, Samsung released its Samsung Pay system, which uses either NFC terminals or older card machines that use magnetic swipes.

I got a demo, and Samsung sent me home with a Galaxy S6 Edge to try it out.

I loaded my Bank of America [debit card](#) into all three systems and set out to see how much of my regular purchases could be done through a phone.

So how did they work? Either surprisingly well or not at all.

Teased by videos showing vending machines in Asia accepting phone payments, I've been aware of pay-by-phone systems for years now.

All I could think then was, "Someday we'll be able to do that here."

That day is now - in some places.

This isn't a comprehensive review - only my experience using phones to pay around town.

WHAT YOU NEED TO USE IT

Apple Pay and Android Pay require NFC to work.

Samsung Pay can use NFC terminals, but it's the only service that also uses a technology called MST (magnetic secure transmission) to securely complete your transaction by beaming data from the phone wirelessly to the magnetic swipe readers in almost all older credit card terminals or cash registers.

To me, this is a killer feature for Samsung. It opens up almost all credit card terminals to pay-by-phone.

Samsung Pay is limited to the newest Samsung phones. The only compatible handsets are the Galaxy S6, S6 Edge, S6 Edge+ and the Note 5. Also, I noticed Samsung Pay is not available from Verizon, according to the Samsung website.

Apple Pay is limited to iPhones with a fingerprint reader (5S and newer) or the Apple Watch (which needs an iPhone as well).

Android Pay works with most phones with an NFC chip.

Of course, check with your phone manufacturer and wireless company to see whether your handset is compatible.

SETUP

To use each system, you'll need to add a credit or debit card to your phone's secure wallet.

Apple Pay, Android Pay and Samsung Pay all use the phone's camera to add credit or debit cards.

You snap a picture of the card and enter the three-digit code from the back. Then you get a verification code from your bank by text to verify your identity.

You have to have an unlock pass code enabled to use the phones to pay.

If you don't already have your phone "pass code locked," you'll be prompted to turn it on when you set up your cards.

If your phone has a fingerprint reader, you can use that to unlock the phone for payment as well.

If you don't want to use your phone's camera to set up a card, you can enter the information manually.

I obviously couldn't test every credit or debit card for compatibility with all three systems.

I was able to add my Bank of America Visa debit card to all three systems with no difficulty.

Each time I got an immediate text and an email from my bank letting me know the card was added to a new payment system.

Check the website of each payment system for a list of compatible cards

and banks.

FINDING A MERCHANT

Of the three systems, I notice the most advertising for Apple Pay, but perhaps that's because I'm an iPhone user.

Since I began using Apple Pay, I'm certainly aware of where it's accepted in my neighborhood. I constantly find myself examining the credit card terminals to see if they are compatible.

I see more and more of the tap-to-pay terminals popping up around town.

Of course, you are limited to where you can physically use your phone to pay.

Grocery stores and even most retail stores now have credit card terminals in place for you to swipe your own card. These are perfect for pay-by-phone.

But you can't just give a waiter your phone so he can go run through a charge at a restaurant.

Also, there are still many places where you hand a card over so the clerk can swipe it on the register. You can use Samsung Pay in those situations if you can persuade the clerk to let you reach your phone over to the card reader, but when I did that, I felt a little silly (but it did work each time).

CONFUSING TIME

You've probably heard about U.S. banks and credit card companies

moving to credit and debit cards with EMV chips instead of magnetic stripes.

The chips are much more secure than magnetic stripes. I know I'll hear from people who'll say there is no such thing as a totally secure credit card, but the switch to chip cards will certainly tighten up things.

Merchants who don't switch to chip-enabled card terminals will face increased liability for fraudulent charges. Instead of swiping cards through readers, the new machines will read microchips in the cards.

The deadline for the liability shift was Thursday for some businesses, which means there are lots of new credit card terminals being installed around the country.

All these new chip terminals plus the introduction and increased use of pay-by-phone means there's a lot of confusion.

Once I found a business with an NFC reader, I usually had to ask the clerk whether the NFC reader was active.

Terminals with stickers touting Apple Pay or Android Pay are a great indicator that you can pay with your phone.

I didn't necessarily find that every NFC terminal worked with every payment system. It was hit or miss.

These systems are simply too new to be accepted everywhere.

I did find Samsung Pay worked with almost every older magnetic swipe reader I tried. The notable exception was at gasoline pumps.

I spent last weekend trying to pay for as much as I could with Samsung

Pay. I astounded a few clerks who knew their older systems didn't accept phone payments.

When I asked if I could try Samsung Pay, holding the phone up to their register, they couldn't believe it when the charge went through.

Most clerks were excited to know their stores could take phone payments. But I explained about Samsung Pay's MST and that there are hardware restrictions on which phones will work.

Even vending machines at our offices have begun taking phone payments. Our Pepsi machine can handle NFC transactions, while the Coke machine has an older, "swipe-only" credit card reader and only worked with Samsung Pay.

Overall, for the weekend, except for the gas station and restaurants where the waiter handled the [credit card](#), I was able to use one system or another to pay for everything. Grocery stores, fast food, discount stores, vending machines and even concession stands at concert venues worked with [pay-by-phone](#).

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