

## **Visa exec hails phone payment revolution** *From Juliet Mann , CNN*

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(CNN) -- Contactless payments are poised to radically change the landscape for businesses and consumers across Europe, according to the CEO of Visa Europe. Known as "wave and pay" or "tap and go," cashless and contactless payments are a way of paying for everyday items like a newspaper or a cup of coffee simply by swiping your card, or increasingly [your cell phone](#), across a reader. The concept is built around saving time for the user, so they don't need to rummage around in pockets or bags for wallets and purses.

Peter Ayliffe, CEO of Visa Europe, predicts the fast-paced movement of the technology around cashless payments will overtake more conventional methods in the next decade. "I've made this prediction that by 2020, more than 50% of our transactions are going to be on mobile phones," he said. "For 50 years we've had the piece of plastic. OK, it's developed, it's been more secure, we've added features to it and everything else, but for 50 years I've carried a piece of plastic around. "Now, suddenly, I've realized that in the future, I don't have to have that piece of plastic, it's on this wonderful smartphone. So radically that changes your thinking."

Ayliffe says that in future other ways of paying may give way to the phone as the payment method of choice. "We'll never go cashless, because people will always choose how they want to pay. If they want to pay by cash, if they want to pay by card in the future, that's absolutely fine with me. "But what we're trying to do, is say: 'There's a much more convenient way to pay.'"

The revolution requires putting in place a whole new set of financial infrastructure at banks and retailers to facilitate the new way to pay.

"We're the enabler," said Ayliffe. "You've got to get every retailer to kind of change their front-end systems so they can accept contactless payment," he said. "You've then got to get every bank to start issuing contactless cards. You've got to work with the mobile-phone operators, and the hand-set providers to really put all that infrastructure in place. "Nothing in payments happens quickly." Ayliffe said the changes don't come cheap either. "It is costly; it is time consuming to get it all in place. But every now and again you see an opportunity that you think: this is such a fantastic opportunity, and we really really must leverage it."

Tough economic times in Europe mean consumers are even more aware of what they are spending, but they are also creating a focus on how money is spent, according to Ayliffe. "The consumer is being very careful about what they're spending nowadays," he said. "But what's happening, is the consumer is moving away from inefficient forms of payment, like using the check, like using cash, to the much more convenient and efficient ways of paying."

Look out -- the contactless revolution could be coming to a retailer near you.

[http://edition.cnn.com/2012/09/06/business/contactless-phone-payment-visa/index.html?iid=article\\_sidebar](http://edition.cnn.com/2012/09/06/business/contactless-phone-payment-visa/index.html?iid=article_sidebar)

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