

## Let the NFC POS games begin

Soon, all eyes will be on London for the Summer Olympics—with some also watching Visa's latest experiment with contactless point-of-sale payments.

Visa, committed to being a commercial sponsor for this and every other Olympic games through 2020, is gushing about its participation.

"London 2012 is a unique opportunity to show the future of payments coming to life and leave a lasting legacy post-2012. The new mobile payment application is central to this showcase," says Sandra Alzetta, head of innovation at Visa Europe.

Amid controversy, Visa has taken over the entire Olympic payment-system infrastructure and network. More than 3,000 contactless terminals will be installed across the Olympic and Paralympic venues to display prepaid, contactless payments, mobile technologies, and other innovations.

Partner Samsung will reportedly distribute 1,000 Samsung Galaxy S III NFC phones equipped with Visa's mobile-payments application (app) to selected Olympic VIPs. Predictably, Samsung also is excited about participating.

"We believe this showcase will motivate people to experience and adopt easy and safe payment through mobile devices. As a long-time Olympic partner and a mobile technology leader, Samsung is fully committed to providing our customers with reliable and convenient mobile experiences during the Olympic Games through our partnership with Visa," says D. J. Lee, executive vice-president at Samsung.

Visa's payment app is based on its payWave technology. Customers can hold their phones in front of contactless readers at the point of purchase. Purchases of more than £15 (\$23.43) will require a passcode. The app also allows customers to check their transaction histories and view up-to-date account balances.

To boost awareness and enthusiasm, Visa is launching a comprehensive social-media campaign. Its Facebook/YouTube/etc. effort really has little to do directly with payments. Games fans will be urged to support their favorite Team Visa athletes by clicking sites that register "online cheers." Visa is sponsoring 60 athletes.

"Historic and memorable moments in Olympic Games history are driven by cheers. Our global campaign puts fans at the center of the experience and aims to unite the world in a global-cheer movement to inspire athlete performances and spread the Olympic spirit," says Antonio Lucio, global chief marketing, strategy, and corporate development officer at Visa.

And spread Visa brand awareness along the way, of course. Look for the "Go World" logo that's sure to splash all over Olympic coverage. It's a good bet that Visa C-suite members hope such coverage remains positive.

Security breaches are a concern, however. Already, reports have surfaced about London Olympics-related ID theft attempts. While these are not directly related to POS payments, they're worth describing here (note that the quoted misspellings and poor grammar are intentional):

- Unsolicited emails arrive saying: "Your name and email was randomly picked by Visa/Master Card Card Europe Inc in our London 2012 Olympics promo. Please contact the coordinator for more details." The bogus coordinator then asks for personal information.
- An empty message arrives with an attachment labeled "2012 OLYPIC AWARD WINNIG NOTIFICATION." Click on it, and a trojan virus drops into the victim's computer system that can be used to steal personal information.
- An email arrives informing the recipient: "Your email address has won the 2012 Olympic Award." In return for the "fabulous," nonexistent prizes, the victim has to provide personal information.

"Attackers are still using these, because these scams are still giving them successful margins. Social engineering has worked for years, and there are little signs of that changing," says Robert McArdle, senior threat researcher at Trend Micro. Interestingly, he cites a Microsoft study that found scammers actually rely on poorly written and poorly conceived plots on purpose. The deliberately crude spelling and poor grammar filter out individuals likely to recognize these as scams, and appeal directly to individuals more likely to be fooled.

Visa points out that the NFC POS system in London is backed by the multilayered security and reliability of Visa's processing platform. "Mobile contactless payments are protected by the same standard terms and conditions that apply to Visa cards," the company says.

Security concerns aside, Visa is dealing with grumblings in the press about its payments monopolization at Olympic venues.

The Guardian (U.K.) recently included the headline: "Visa forces ATMs at Olympics venues to close."

According to the newspaper's report, "ATMs at nine London Olympics venues to be turned off as part of Visa's exclusivity arrangement as a sponsor. Ticketholders attending the Olympics should expect long queues to get money out at venues after 27 cash machines at sites such as Wembley are replaced by eight Visa ATMs."

U.K.-based Sky.com chimed in with: "Visa accused of cashing in on London games." Its story quotes Ron Delnevo, a director of the U.K Payments Council, which oversees all payment services in the country, as saying, "The Olympics are going to be cash-starved by design. This is plainly unacceptable in a world where 85%-plus of all transactions continue to be made using cash."

To be fair, a closer reading of the reports reveals that Delnevo was expressing his personal opinion and that the Payments Council had no comment. Also, Delnevo is the managing director of Bank Machine, which operates a large network of ATMs in the United Kingdom.

Visa's response was that 115-million Visa cards are in U.K. circulation already, and that the Visa ATMs would be feeless. Also, its focus is to promote the use of contactless POS terminals, thus easing the need for cash.

A recent blog by Zilvinas Bareisis, an analyst at Celent, summed up the controversy this way: "While no one disputes Visa's right to certain privileges as a major sponsor, it is arguably not the most elegant way to endear your brand to the users."

Hopefully, attention in London will focus on the athletes, not ATM queues. It may be best to subscribe to Visa's marketing exhortation, but recognize its wider meaning:

Go world.

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Sources used for this article include:

Payments and the London Olympics

Visa and Samsung Reveal Mobile Payments Application for the London 2012 Olympic and Paralympic Games

Visa Rallies Fans to Join Worldwide Cheer with Launch of Global Olympic Games-Themed Marketing Campaign - Go World

Visa forces ATMs at Olympics venues to close

London Olympics-Themed Spam: Prize Notifications, Awards and Visa Lotteries

Visa Accused Of Cashing In On London Games

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