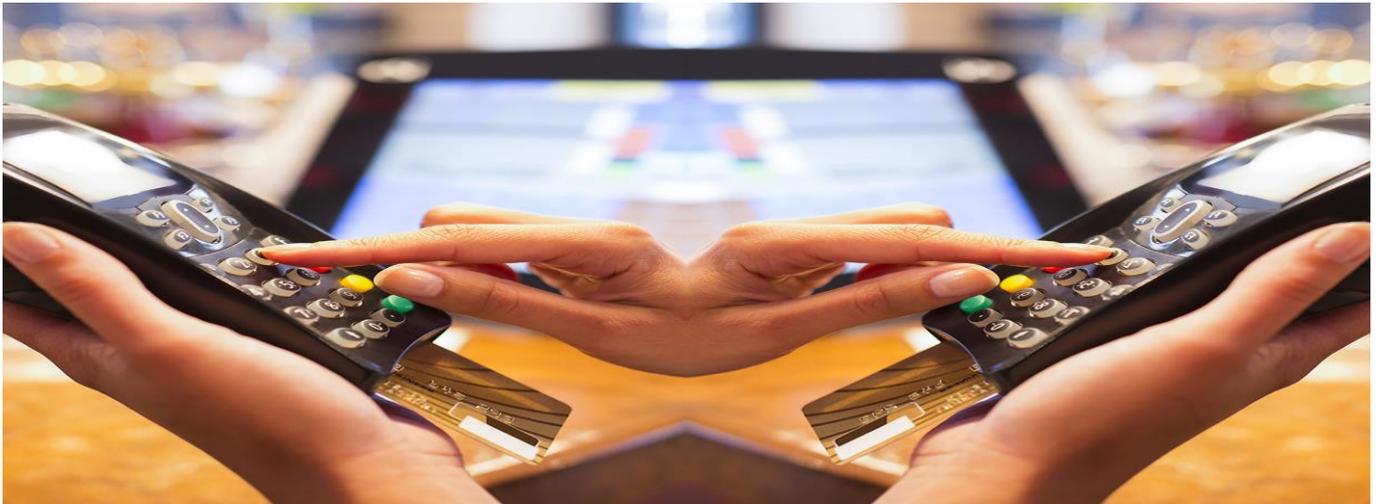




## INNOVATIVE WAYS TO PAY

Driving better customer interaction and reducing risk for retailers



In two years retail payments have moved from cash, cheques and plastic at physical or internet based point of sale, to an omni-channel, omni-payment environment where customers pay with various technologies, from the relatively staid PayPal to contactless to cutting edge ApplePay and Pingit. Payments have moved from the exclusive province of Banks to a multitude of financial and technology companies offering different, and better integrated ways to pay.

- ▶ The **omni-channel** retail experience is the new Nirvana for retailers – allowing customers to interact online, in-store, in-app, on-phone, in the cloud and through social media; and is the strategic focus for many retailers. An ongoing dialogue with customers around purchases, returns, offers and value add has become a fundamental part of the buying experience.
- ▶ Yet this all requires **significant investment** both in new technologies such as replacing POS estates and better integrated payment, stock and loyalty systems; to liaising with technology and payment providers, each with their own customer relationship agenda. Furthermore, customers then change payment method as quickly as they can download the latest app.
- ▶ If successful, the opportunities are great. Retaining and controlling the entirety of your customer's journey is a significant prize; increasing incremental spend and providing greater opportunities for value added. Yet the fundamental challenges remain the same: **data integrity**, **security** and **fraud**.
- ▶ **Data** - customer transaction data, specifically 'basket level data' in retail, is a key element of the new digital environment. Appropriate protection and monetisation of this data is a huge challenge for retailers.
- ▶ **Security** - retailers have traditionally struggled with security requirements of the card industry particularly in relation to PCI compliance – new **tokenisation** technologies offer the potential for retailers to shift liability for this.
- ▶ **Fraud** - new payment methods will bring about new fraud challenges; while tokenisation, biometric security and secure cloud based transactions should ultimately make transactions and card data more secure, the fact remains that new technologies will always bring new challenges from a fraud perspective.
- ▶ **Integrated Experience** combines payment, loyalty and engagement experience. The extent of what is delivered depends on retailers having a holistic understanding of the transactional environment.

*We have also been impressed with the firm's client-focused approach. From the first day of its appointment, everyone on the team made a big effort to get to know us and our business, and to find a way of working that fitted in with how we operate.*

# How we can help

## PAYMENT PROCESSING

- ▶ Merchant Services Agreements
- ▶ POS Estate Renewal
- ▶ Point-to-point encryption
- ▶ Technology Partnerships

## LOYALTY

- ▶ Customer data management
- ▶ Credit and Debit "Card" Affinity
- ▶ In-app loyalty

## TECHNOLOGY

- ▶ App development
- ▶ Alternative lenders and unitranche
- ▶ Competitive processes to obtain best terms

## DATA

- ▶ Use and abuse of data
- ▶ PCI DSS
- ▶ Global data protection issues

## Our experience

We have one of the most experienced cross-disciplinary payment teams in the UK. We advise right across the payments value chain on some of the most significant transactions and payment and loyalty arrangements in the UK. Clients we have advised include **AIG** (worldwide arrangements for Manchester United branded credit cards, including deal with MBNA for the issue and administration of MU branded credit cards in the UK), **British Airways** (BA Executive Club programme), **B&Q** (agreement with GE Capital Bank regarding the provision of B&Q's consumer and trade store cards, exit of these arrangements and new replacement agreement with HFC Bank), **Everything Everywhere** (implementation of UK's first NFC mobile payments solution) **HSBC** (launching online banking and a new banking application), **MBNA** ("Virgin" affinity card deal), **Nationwide** (negotiation and regulatory strategy for the UK implementation of ApplePay) and **Weve** (mobile marketing, loyalty and payment platform).

## Who to contact

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