



Paper, Plastic... or Mobile?

# A Snapshot of Select Mobile Payment Providers' Disclosures - FTC Staff's Preliminary Observations\*

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\* These slides were developed only for discussion purposes at the FTC Workshop "Paper, Plastic . . . Or Mobile," held on April 26, 2012 in Washington, DC



## Paper, Plastic... or Mobile?

- **What?**
  - A look at select mobile payment companies that currently allow **consumers** to make purchases or transfer money to other consumers through a mobile device
  - Staff **did not** examine companies that provide tools that solely allow merchants to process payments through mobile technologies
- **Why?**
  - Purpose is to observe what disclosures are made to consumers regarding these companies' **dispute resolution policies** and **privacy policies**
  - **These observations are not intended to serve as the basis for general conclusions about the mobile payments industry**



## Paper, Plastic... or Mobile?

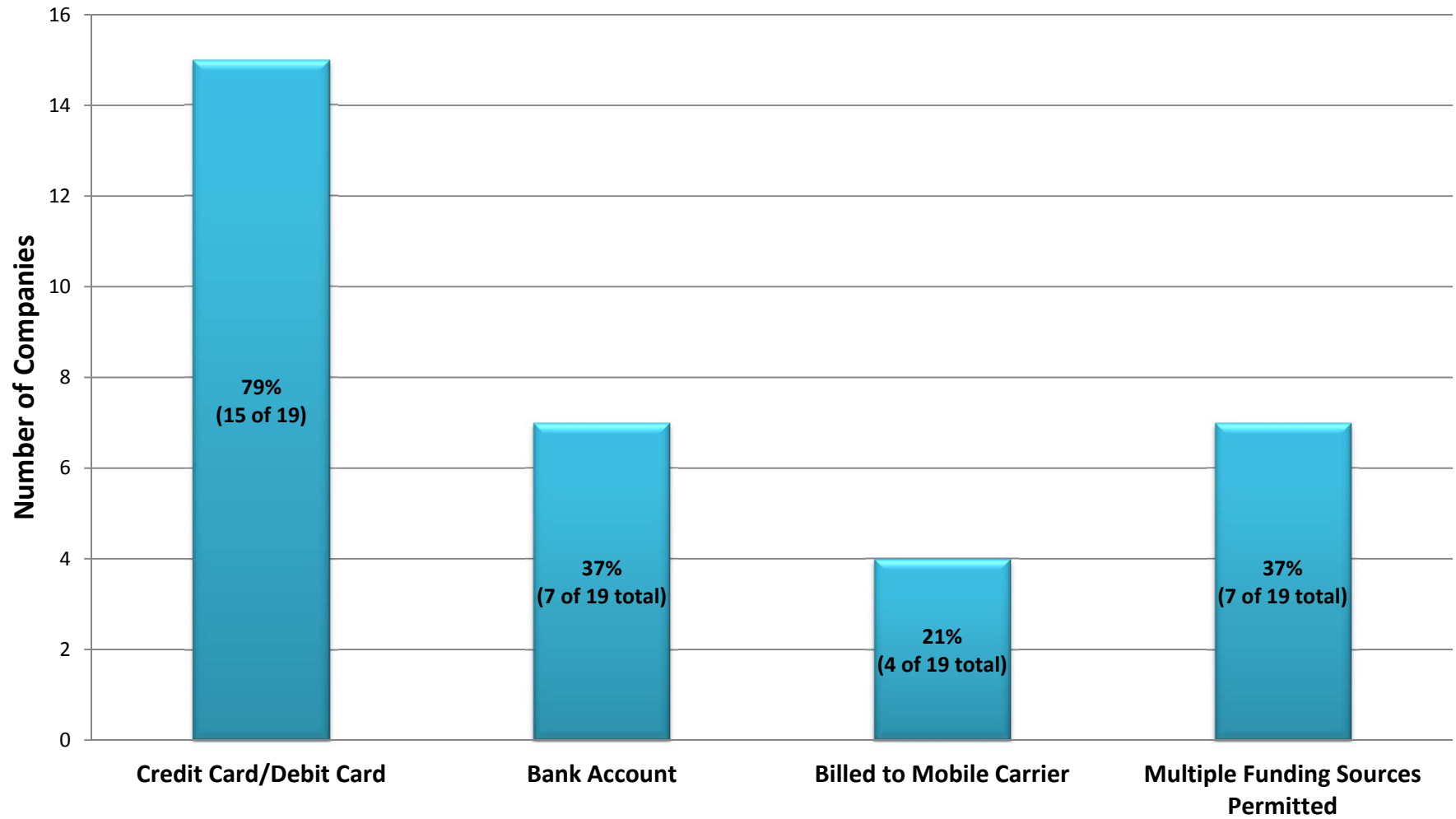
- **Who?**
  - 19 mobile payment providers currently offering products and services in the United States
  - Companies reviewed were chosen by analyzing a selection of the top search results for “mobile payments” with Google, Bing and Yahoo, and additionally through references in various media and research reports
- **What the Companies Reviewed Allow Consumers to Buy:**
  - 11 allow consumers to purchase physical goods in person
  - 6 allow consumers to purchase physical goods over the internet
  - 9 allow consumers to purchase virtual goods
  - 7 allow consumers to transfer funds to other consumers
  - 7 allow consumers the ability to do more than one of the activities above



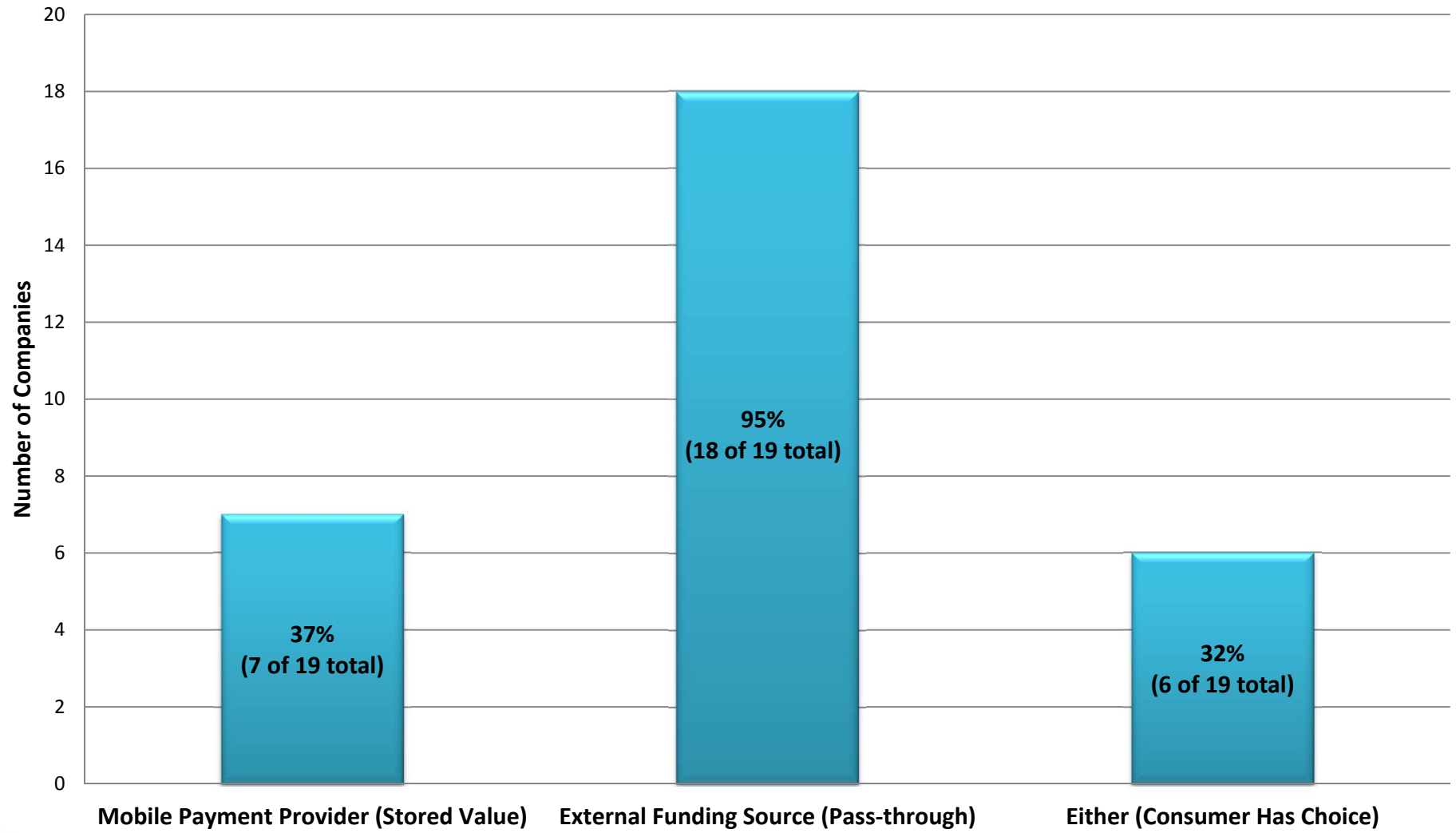
## Paper, Plastic... or Mobile?

- **How They Operate**
  - 17 provide consumers with a mobile app to download that allows them to make a mobile payment
    - 15 apps available on Google Play and Apple's App Store; 6 available in Blackberry's App World; 4 in the Windows Phone Marketplace
  - 7 provide a mobile payments solution that involved SMS messaging
  - 9 have web sites formatted for mobile devices that consumers can use to make payments
- **Popularity of Solutions Provided by Companies Reviewed:**
  - For those companies reviewed that have a mobile app:
    - the number of downloads of the 15 apps that are available through Google Play range from as low as 500 to more than 1 million
    - the number of ratings for the 15 apps available in Apple's App Store ranged from a low of 7 to a high of 60,000

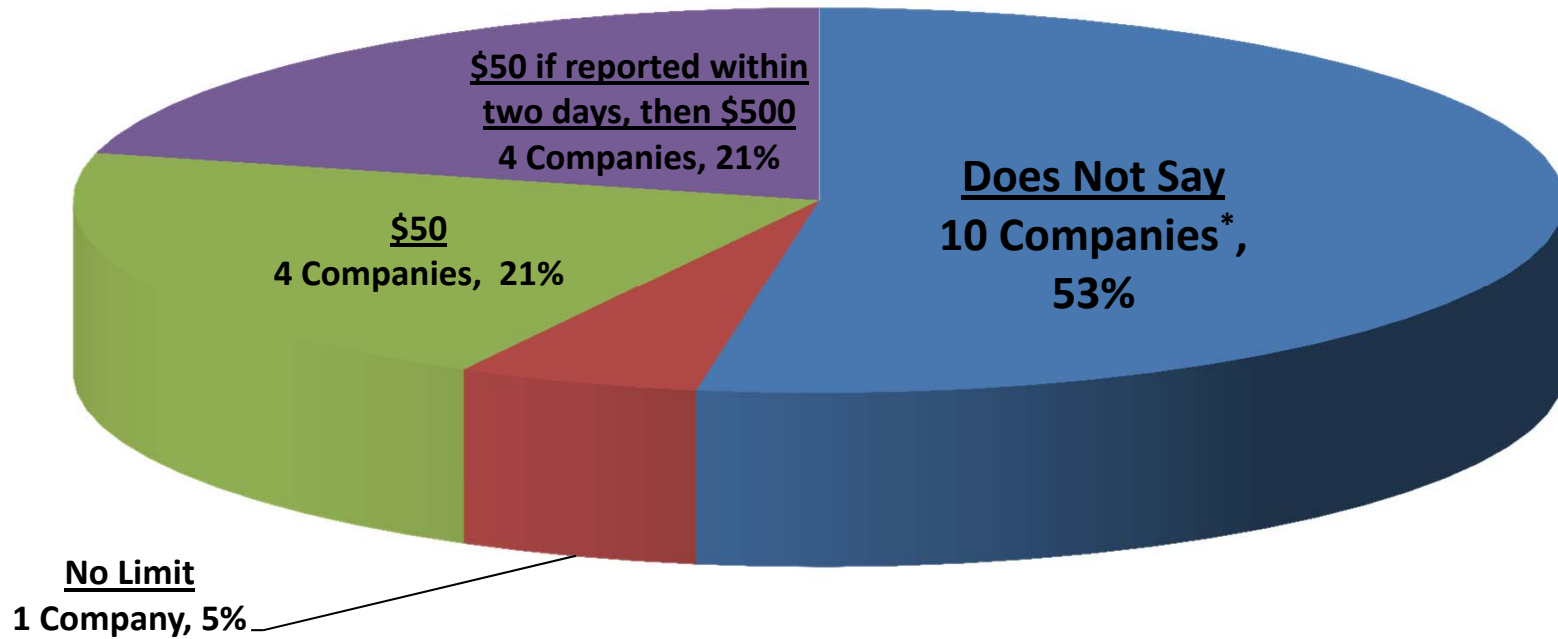
## Funding Sources Available to Consumers for Mobile Payment Providers Reviewed



# Who Is Charged When a Consumer Makes a Transaction?



## Stated Dispute Policies on Consumers' Total Liability for Fraudulent or Unauthorized Purchases

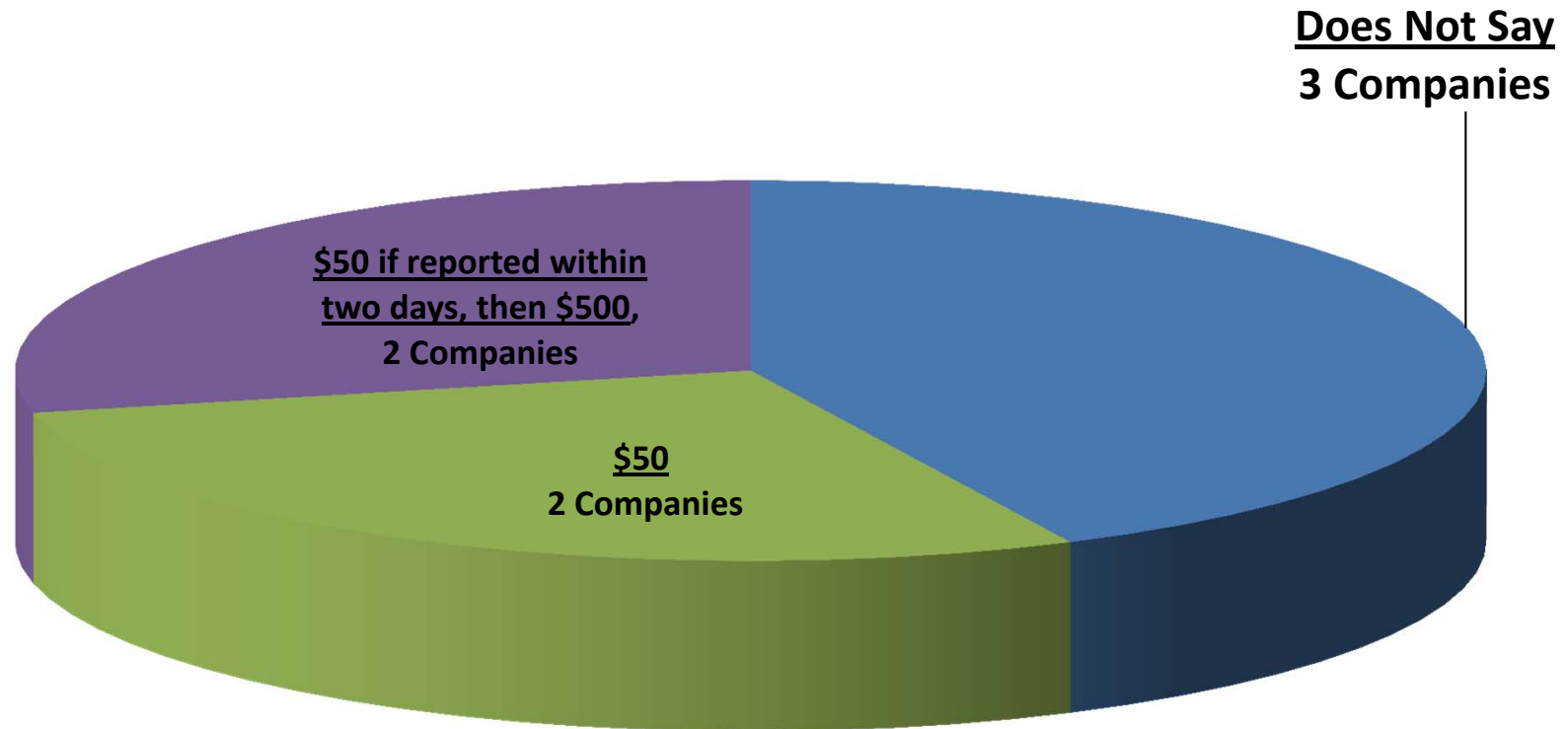


### All Mobile Payment Providers Reviewed (19 Total)

\* Of these 10 companies, 8 allowed consumers to fund their accounts through credit or debit cards



## Stated Dispute Policies on Consumers' Total Liability for Fraudulent or Unauthorized Purchases

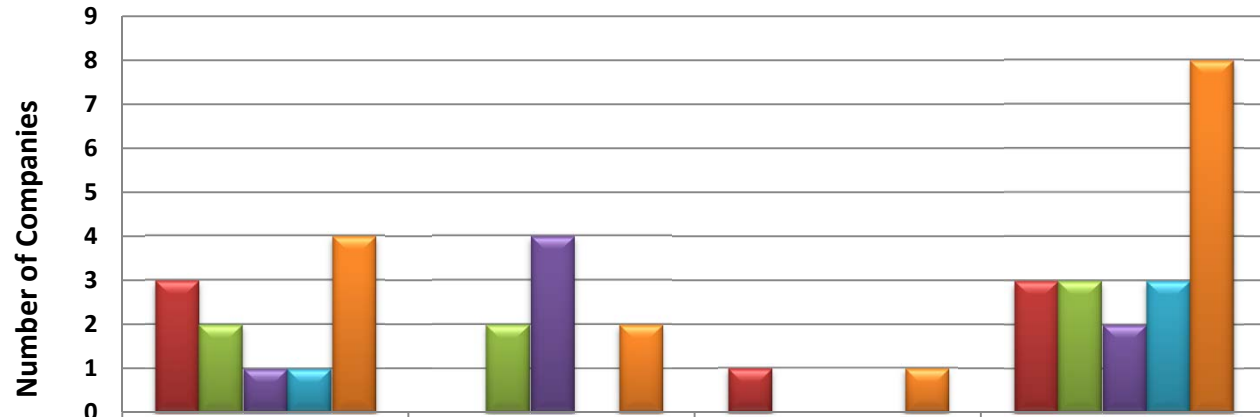


## Companies Reviewed that Allow Multiple Funding Mechanisms (7 Total)





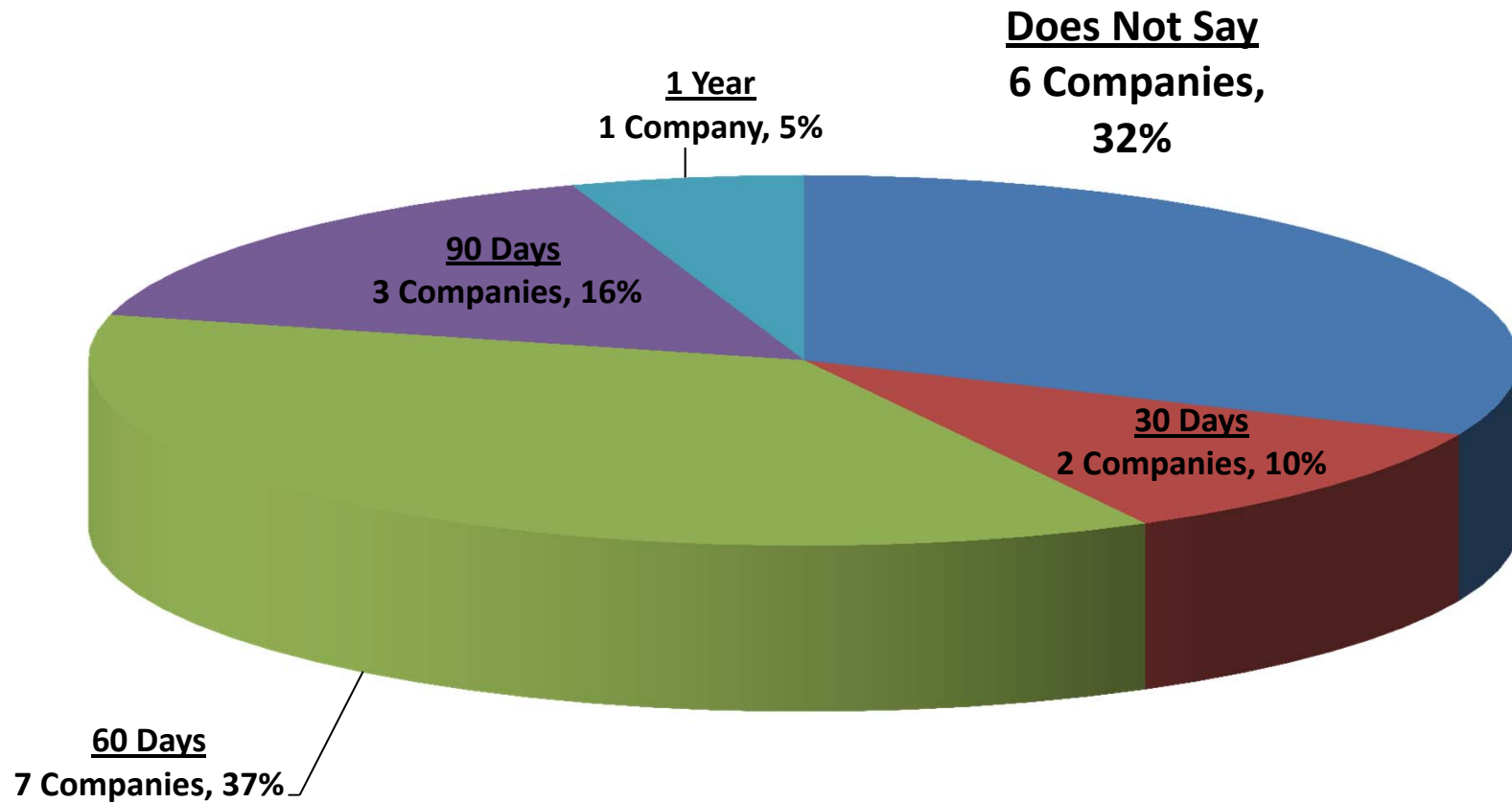
## Stated Dispute Policies on Consumers' Total Liability for Fraudulent or Unauthorized Purchases



	\$50	\$50 if reported within two days, then \$500	No Limit	Does Not Say
■ Companies Surveyed that Allow Stored Value (7 Total)	3	0	1	3
■ Companies Surveyed that Allow Multiple Funding Mechanisms (7 Total)	2	2	0	3
■ Companies Surveyed that Allow Funding Through Bank Account (7 Total)	1	4	0	2
■ Companies Surveyed that Allow Funding Through Bill-to-Carrier (4 Total)	1	0	0	3
■ Companies Surveyed that Allow Funding Through Credit Card/Debit Card (15 Total)	4	2	1	8



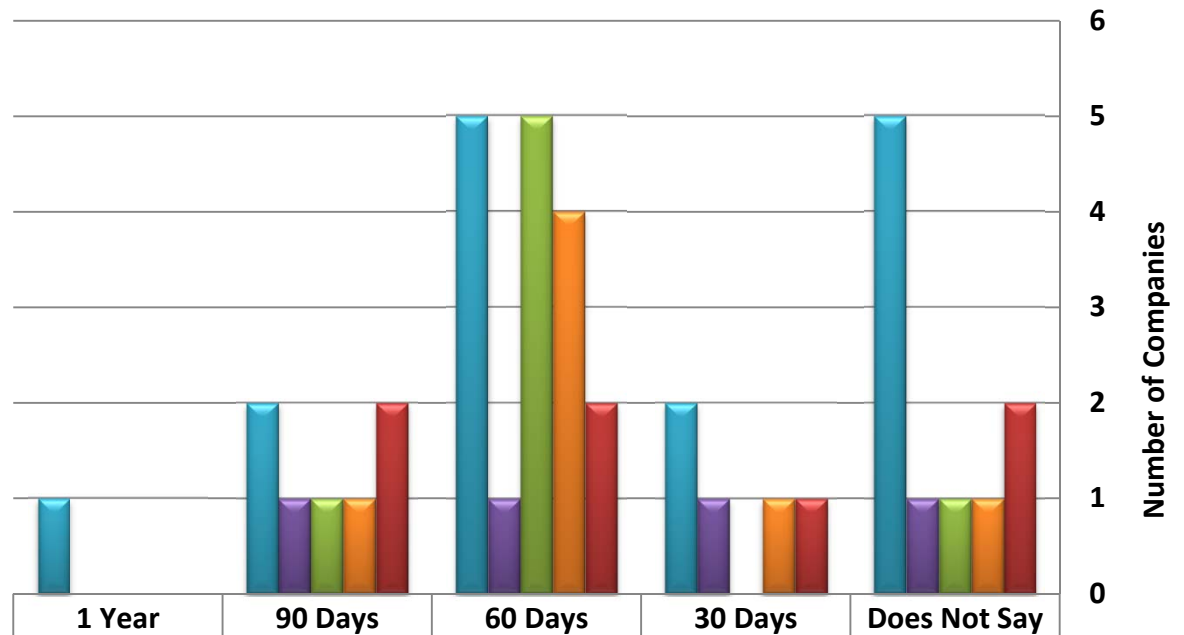
# Stated Time Within Which Consumers Must Notify Company of a Disputed Charge



All Mobile Payment Providers Reviewed (19 Total)



## Stated Time Within Which Consumers Must Notify Company of a Disputed Charge



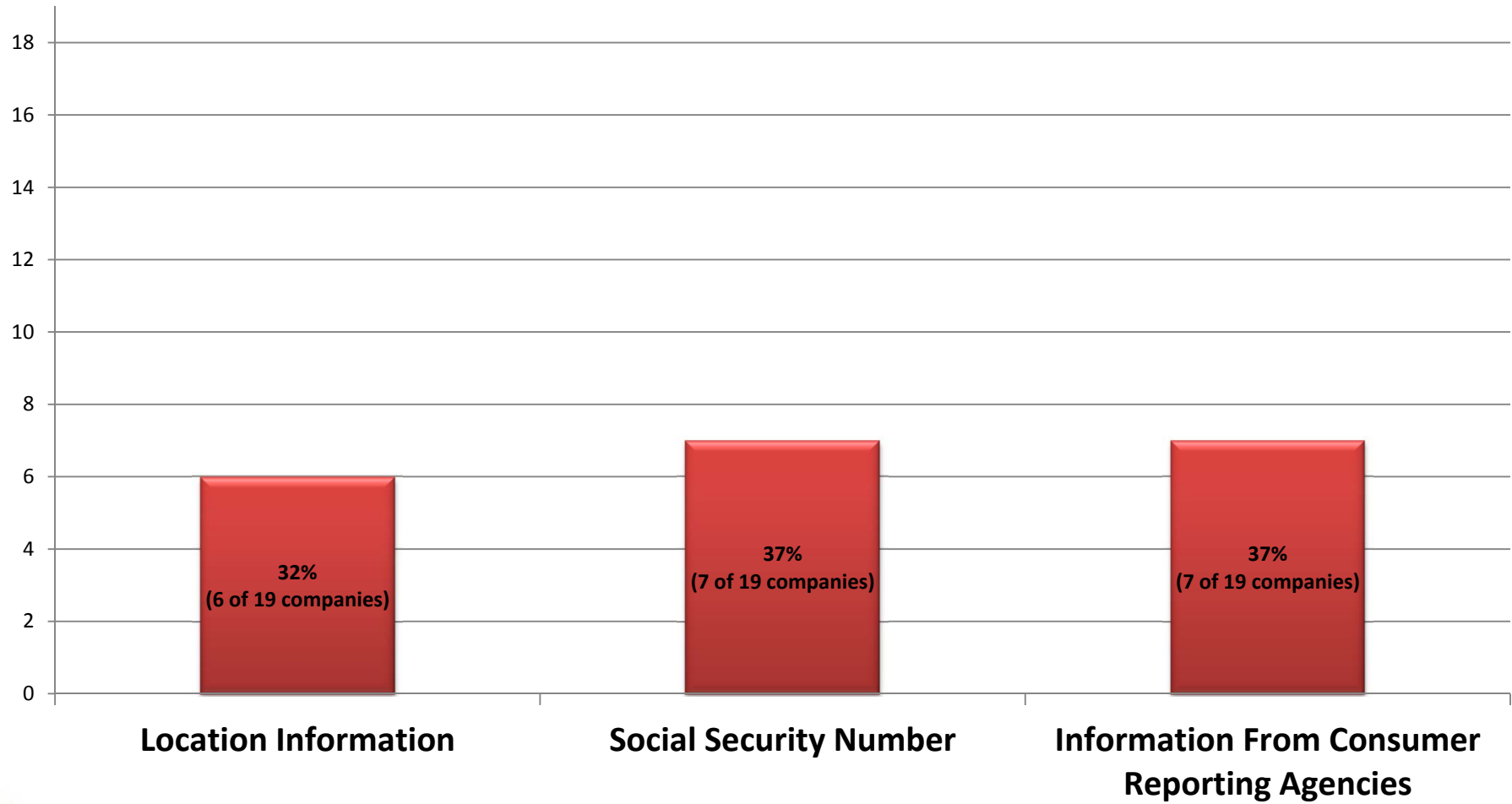
	1 Year	90 Days	60 Days	30 Days	Does Not Say
Companies Surveyed that Allow Stored Value (7 Total)	0	2	2	1	2
Companies Surveyed that Allow Multiple Funding Mechanisms (7 Total)	0	1	4	1	1
Companies Surveyed that Allow Funding Through Bank Account (7 Total)	0	1	5	0	1
Companies Surveyed that Allow Funding Through Bill-to-Carrier (4 Total)	0	1	1	1	1
Companies Surveyed that Allow Funding Through Credit Card/Debit Card (15 Total)	1	2	5	2	5



## Privacy Policies and Disclosed Practices: Does the Company Have a Privacy Policy?



## Privacy Policies and Disclosed Practices: Information Collected by Companies Reviewed



## Privacy Policies and Disclosed Practices: Information Shared With Third-Parties

- 8 of the 19 companies reviewed state that they send **aggregate** information to third-party advertisers
- Many companies had statements about who they would share consumers' personal information with. Examples of statements about when a company may disclose or provide personal information:
  - “to perform business support functions on our behalf”
  - “for the purposes of . . . improving the user experience”
  - “to companies that provide services to help us with our business activities *such as* shipping your order or offering customer service.”
  - “to strategic partners . . . that help . . . market to customers.”
  - “with . . . trusted third parties, to ensure that you have a safe, high-performance experience”





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**Have Questions?**

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