

NEWS

CurrentC mobile pay to kick off in a single market mid-year

Its creator, MCX, is considered a threat to Apple Pay, Google Wallet and other mobile payment systems

By Matt Hamblen

[FOLLOW](#)

Computerworld | Apr 27, 2015 2:32 PM PT

Merchant Customer Exchange (MCX), a group of large U.S. merchants, said Monday it expects to launch an early version of its CurrentC mobile payment app mid-year in an unnamed, mid-sized market.

The group unveiled CurrentC in September, saying it had already launched the payment service by that time in private pilot mode in select, unnamed locations, with plans for regional and national rollouts in 2015. [MCX](#) wasn't more specific, other than saying that would take place "mid-year" in an email to *Computerworld*.

"The market will be determined based on a number of factors, including retail support, infrastructure and consumer population," Scott Rankin, chief operating officer at MCX said in the email.

The group's 62 members include Walmart, Best Buy, and CVS; together they control more than \$1 trillion in payments annually. (Although Best Buy was an original member of MCX, the retailer announced Monday it will support Apple Pay in stores later this year.)

MCX has long been considered a threat to Apple Pay, Google Wallet and other mobile payment systems, partly because of the size and buying power of its customers. Analysts have predicted that MCX will offer alternatives to loading credit or debit cards such as Visa, MasterCard and American Express on the CurrentC app so that merchants can avoid the 2% or greater swipe fees they pay to banks for every purchase.

Critics of the MCX approach have noted that without the largest credit and debit cards, retail customers might be borrowing credit from the retailers themselves or simply using CurrentC to transfer funds from their personal bank accounts or Pay Pal. Visa, MasterCard and American Express together control more than 80% of all U.S. credit card transactions.

At one point last year, MCX members CVS and Rite Aid stopped taking payments from Apple Pay and other recently-installed NFC-enabled systems. Apple Pay, Samsung Pay and Google Pay all use NFC payments, relying on a chip inside newer phones and devices such as the iPhone 6 and iPhone 6S as well as the new Apple Watch.

Most analysts had predicted MCX would rely on QR codes to activate in-store payments or some technology other than NFC.

In its email on Monday, Rankin said it is "protocol-agnostic" and works in test mode across QR code, Bluetooth and others. "We are in market today with multiple technologies and not opposed to using NFC in the future," he said.

Even so, Gartner analyst Avivah Litan doesn't believe CurrentC will use NFC at the start. "My guess is that they will wait until they see notable consumer adoption," she said. "If they turn on NFC, they will also have to accept Apple Pay and some of the merchants behind CurrentC are opposed to accepting ApplePay since it just perpetuates the costly credit card payment schemes they have come to loathe."

She explained that NFC is payment neutral and NFC terminals can't distinguish Apple Pay payments from others because Apple and the credit card companies won't release the numbering schemes for the terminals.

"If and once CurrentC gains adoption amongst consumers, merchants will want to make their lives easier by using NFC instead of mobile apps that don't," Litan predicted.

Apple Pay has been steadily advancing its reach in the U.S. since it launched last fall, and Apple recently said it has reached more than 700,000 merchant locations. Apple boasts that it has 67 retailers with 14 more on the way, although analysts have noted that not every store in a named retail chain is NFC-ready as required. Apple Pay also plans to move into Canada, where more than 80% of in-store terminals now accept NFC.

In the U.S., the number of NFC-ready terminals hovers at less than 10% of all terminals because the U.S. has been the slowest nation to adopt newer payment technologies. The U.S. still heavily relies on less-secure magnetic stripe credit cards.

The U.S. has about 12 million payment terminals in all, according to the EMV Connection website. It has been monitoring the U.S. transition to more secure payment systems, which include EMV Chip cards and NFC payments.

In a separate announcement on Monday, Discover said it will allow its cardholders in the U.S. to make payments with Apple Pay beginning sometime this fall. A company spokesman would not disclose how many cardholders it has, but said Nilson Report rates it the sixth largest.



Matt Hamblen — *Senior Editor*

Matt Hamblen covers mobile and wireless, smartphones and other handhelds, and wireless networking for Computerworld.



➤ **From CIO: 8 Free Online Courses to Grow Your Tech Skills**

 **View 4 Comments**

YOU MIGHT LIKE

Promoted Links by Taboola

Here's why Rite Aid and CVS turned off Apple Pay

The \$1.58 Billion Secret Apple Hid in Your iPhone

The Motley Fool

Will the U.S. be ready with secure chip cards and payment terminals?

Top 15 Artists Who Are Older Than You Thought

POPHitz

Apple Watch and its wireless tech

Learn How One Man Used 5 Stocks To Retire At 42

Newsmax

CIO though leaders' highlights from the future at CIO Perspectives Dallas

Drivers Feel Stupid For Not Knowing This New Rule

CarQuotes Instant

The Next Big Thing in Wearable Tech

VentureCapital News

Top 3 Reasons To Buy Glasses Online

Glasses USA

Copyright © 1994 - 2015 Computerworld, Inc. All rights reserved.

+