

# TD-Backed UGO Mobile Wallet Nabs 50,000 Users as Apple Pay Looms

Gerrit De Vynck

August 4, 2015 — 12:01 AM EDT

UGO Mobile Solutions LP, a mobile-wallet smartphone app backed by two Canadian banks, has signed up 50,000 users since December as Apple Pay becomes available in countries outside of the U.S.

With UGO, consumers with credit cards from both Toronto-Dominion Bank and President's Choice Financial can pay for things by tapping their smartphone on a wireless terminal at retail stores. The app also stores loyalty cards.

UGO and [Suretap](#), a mobile-wallet service with backing from the country's largest wireless carriers, including Rogers Communications Inc., are working to sign up customers as the prospect of Apple Pay coming to Canada looms over the market. Apple Inc. has already expanded the mobile-payments service to the U.K., and is [expected](#) to introduce it in Canada this year, Meny Grauman, an analyst with Cormark Securities Inc., said in a July 9 note to clients.

UGO Chief Executive Officer Alec Morley said the company is on track to serve 100,000 unique users with 250,000 cards by the end of the year.

"We in fact just passed the halfway mark on both accounts," Morley said in an interview.

The UGO app is available on any smartphone, but only users with the Android operating system or BlackBerry Ltd. devices can use it for payments. Canadian consumers with Apple's iPhones can only use the UGO app for storing loyalty cards. UGO plans to add more credit cards and loyalty programs to the app in the coming months, Morley said.

UGO doesn't charge users, card issuers or merchants for processing payments through the app. The focus right now is to increase the number of users, Morley said.

"You earn the right over time to be able to charge for services, and I think there are so many different possibilities there," Morley said.

Those could include anything from on-screen advertisements to taking a cut of the revenue that merchants get from offers and promotions they send to users on the app.

Toronto-Dominion, Canada's largest credit-card issuer according to industry newsletter [Nilson Report](#), started UGO to keep up with and learn about the move to using mobile phones for banking and payments, Morley said.

"You need to get your hands a bit dirty and figure out how that's playing out," he said. "There's a whole lot of opportunity in this space." Morley declined to say how much Toronto-Dominion and President's Choice invested in UGO.

Apple Pay debuted in the U.S. last September and in the [U.K.](#) last month. The Wall Street Journal reported in April that Apple is planning to bring the service to Canada in November.

"We see a world, in Canada at least, where there will be a number of wallets," Morley said. Canadians already trust banks to keep their money safe, so the connection to Toronto-Dominion and President's Choice is an advantage for UGO, he said. "We welcome the competition."