



# THE NILSON REPORT

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Posted with permission from **The Nilson Report**, Carpinteria, California  
Number 839, August, 2005, [www.nilsonreport.com](http://www.nilsonreport.com)

**DEBIT WEB PAYMENTS IN CANADA** In the U.S., a majority of payments made at both brick-and-mortar sites and at Web merchants come from debit cards, and the vast majority are settled through the Visa and MasterCard systems. In Canada there are no Visa or MasterCard brand debit cards. Instead, all debit card payments require a PIN and are processed through the Interac network, which links all financial institutions in the country. Interac has a comprehensive network of brick-and-mortar merchants, but has recently begun testing payments with Web merchants. Those tests involve Royal Bank and Bank of Nova Scotia, as well as acquirer Moneris Solutions.

**UseMyBank**

Instant online debit payments...made easy!

Since December of 2002, about 1,000 Web-based retailers have been using a different method to accept payments from deposit accounts. By integrating software from UseMyBank into their payment pages, they can accept payments from any of the 12 million Canadians who bank online. Consumers make payments for goods and services in the same way they make a payment to a utility company — by visiting their bank's Web site. They get to their bank's site through a link from the merchant's payment page. The advantage to the Web seller is that payments made through UseMyBank are final. Consumers can't dispute them, because they've already authorized them at their bank's Web site with a username and password.

Consumers don't pay merchants directly. Instead, their payments are sent overnight from the bank to Gpay, an electronic bill payment company owned by UseMyBank, which aggregates them before sending them on to merchants once a week through the automated clearing house system. Merchants pay UseMyBank a fee of 2.0% to 3.5%.

UseMyBank is currently processing 30,000 transactions monthly valued at \$2.3 million. There are more than 20,000 consumers using the system every month — many for online gambling. The company will expand into the U.S. next month and expects to be in Europe later this year. Brian Cozier is VP Business Development at UseMyBank Services in Ontario, Canada, (416) 727-3806, [brian@usemybank.com](mailto:brian@usemybank.com). ■