The future of e-commerce: online banking and payments with Pay41. By John Bell, Systems41

Convenience

- *One* application will be able to very securely handle almost all Consumer online transactions.

- *All* of your bills will be sent to, cataloged, and processed as e-bills by <u>one </u>application.

- Most online financial payments can be made from this one application – under direct Consumer control.

- Consumers can set up personalized installment savings/payment plans for larger purchases without fees or obligations or hassles.

- Consumers will no longer have to disclose account or payment card information to merchants or third parties (or us) for online transactions and payments.

- Secure, streamlined ACH "push/credit" payments will replace less secure "debit" online payments, with much better security and at lower cost and risk for merchants.

- Single and multiple financial transactions can be completed in just a few clicks and just a few seconds.

- Secure dedicated transaction engines will authenticate Consumers with new easy to use (and remember) pass-codes for a new "Simple & Secure" login process that thwarts bank fraud and ID theft schemes, even on infected computers.

- Secure access to multiple financial institutions will not require separate logins (single sign-on).

- Financial data will be automatically updated and synchronized between financial institution accounts and local records on PCs and mobile devices.

- Consumers will no longer have to manually enter standard personal information (name, address, etc.; typically over 100 keystrokes) for online purchases and registrations.

- Easy to use built-in financial management software will automatically track payments, categorize expenses, measure your financial status, and alert you in advance to potential shortfalls.

- Consumers will have direct control of how and when payments are made.

- Consumers will control the display of cross-selling and unwanted advertising when performing online transactions – no adverts will be the default, with easily filtered/managed "deal displays" when desired.

Security

- Secure dedicated transaction engines will facilitate secure online transactions for Consumers. This is the key to effective 'proactive', or preventative, security, as opposed to "reactive' post-breach responses.

- The security offered by dedicated transaction engines be several times better (and much more user friendly) than current security measures for logging into online banking systems.

- Secure transaction engines will provide

     o   end to end encryption of all transaction data
     o   positive two way identification of all transaction parties will prevent phishing and other cyber fraud schemes.
     o   secure local storage of User sensitive personal and financial data
     o   safe secure online transactions, even on devices infected by conventional banking Trojans.
     o   user selectable multifactor authentication options.
     o   tokenization of sensitive data (such as credit card data) sent during transactions.

- Cloud storage of sensitive Consumer personal and account data will be replaced by local secure storage to preclude jeopardizing millions of consumers with potential "warehouse" data security breaches.

- A "Simple & Secure" login process will thwart known banking Trojans using a new class of simple security (proprietary) pass-codes that a can be changed frequently and are easily remembered.

- Consumer can initiate proprietary "anti-hijack" features to protect against data compromise on devices that are lost, stolen, or fraudulently used.

<u>Utility</u>

- Online financial payment transactions can be safely conducted on compromised computers, and in insecure locations like Internet cafes and public libraries.

- Consumers are no longer required to enter hundreds of keystrokes, with potential for errors or typos, to identify or authenticate themselves when conducting online transactions.

- Financial institutions will have lower processing burdens while providing better services to customers.

- Merchants will not be required to store sensitive Consumer account data on their systems.

- Payments can be completed, confirmed and cleared faster than with conventional payments systems.

- Built–in financial applications will have up to date financial status information and can conveniently manage Consumer finances to avoid unnecessary debt, expense, and hassles.

- Consumers will use direct ACH bill-pay to avoid the hassle, expense, and risk of making deferred payments with credit cards and then having to pay multiple credit card bills at a later date.

- Consumer do not have to deal with redundant and confusing payment receipts from both the seller and third party payment services for their online transactions.

<u>Cost Effectiveness</u>

- Merchant fees for online payment transactions will be less than current credit card fees.

- Electronic billing and payment costs will be considerably less than traditional paper methods.

- Merchants will benefit from reduced risk and liability due to enhanced security features.

- Merchants will not be subject to the cost and effort of PCI compliance with these new generation payments systems.

- Financial institutions can reduce processing costs while providing more relevant and useful services to their customers – that will also improve Customer acquisition, retention, satisfaction, and loyalty.

- Financial institutions can create new revenue streams using new generation payment systems to replace revenue lost to conventional alternative payments systems.

All of the features listed above differentiate Pay41, by Systems41, from other Consumer financial transaction systems currently available. Look for Pay41 to become available in the Summer of 2012.

Pay41 provides a dedicated secure transaction system specifically designed to provide extremely secure and convenient online financial services for Consumers - for free. It also provides important, and significant, financial and security benefits for Merchants and Financial Institutions offering Pay41 services.

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