

**BANKING**

# Dialing for dollars

Major banks start letting clients manage accounts by cell phone

**BY ANDY GIEGERICH**  
BUSINESS JOURNAL STAFF WRITER

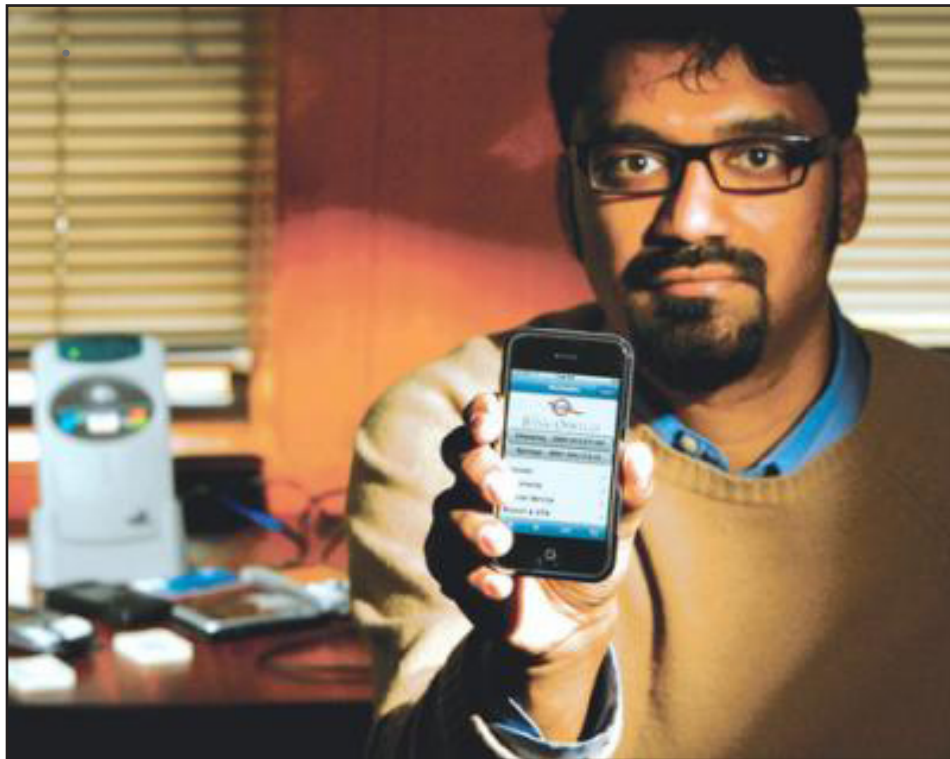
**W**hen it comes to technology, few banks volunteer to serve as early adopters.

Many lenders, for example, preferred to let others test out online banking, which is gaining steam some 10 years after the Internet changed the face of some related industries, like retailing and investing. Bank leaders say their caution is merited because bad technology investments not only affect shareholders, but could threaten their customers' valuable data.

It's therefore little surprise that mobile banking products, which allow users to track their money through cell phone or personal digital assistant browsers, are only now trickling into the mainstream. The early results are nonetheless promising: Representatives from Bank of America and Wells Fargo Bank, two larger banks that began offering wireless-oriented services last spring, say their customers love the ability to handle an array of tasks from remote locations.

Bank of America recently reported that 500,000 customers have signed up to use its mobile banking service. And an estimate provided by Wells Fargo projects that the mobile banking customer base will grow from 1.68 million this year to 35 million in four years.

While the services are largely aimed at consumers, many business operators could see benefits as the banks add more services. Wells Fargo and Bank of America declined to disclose their exact 2008 plans but say they expect to add more business-oriented mobile banking products.



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**Tyfone co-founder Siva Narendra says that as a new revenue stream, mobile banking will become a standard offering of financial institutions.**

Meanwhile, smaller banks such as Spokane-based Washington Trust, which boasts a strong commercial deposit base, are studying ways to add mobile banking wares as early as 2009.

"Mobile banking is great: It gives customers a critical snapshot of how their accounts are doing," said Megan Minich, the Wells Fargo's senior vice president who oversees the bank's Internet programs. "They can now see time-sensitive information more quickly if they're traveling or away from the office."

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**Not carrying your laptop?  
No worries — conduct  
your financial affairs by  
cell phone or PDA.**

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Portland's tech community has an interest in the mobile banking world. Tyfone Inc. provides infrastructure within what it calls the "mobile financial services industry." The company's platform helps banks provide independently branded mobile ser-

## MOBILE: Service may appeal to executives more than consumers

vices, including a program designed specifically for merchants.

“Over time, we think it’ll become just as important as ATMs or Internet banking, or perhaps even branches,” said Tom Spitzer, Tyfone’s president.

Company reps are meeting with tech gurus such as Washington Trust’s Jim Brockett, the bank’s information technology director.

“They’ve developed a nice mobile banking product,” Brockett said. “They have a good understanding of the mobile banking industry, and they’re working on how to eventually utilize the cell phone for point-of-sale payments.”

Siva Narendra, Tyfone’s co-founder and chief technology officer, believes mobile banking will become entrenched within lenders’ stable of services.

“It’s a revenue stream,” he said. “It’s clearly an important channel because you can charge a fee for it.”

Both Narendra and Wells Fargo execs believe the mode is tailor-made for commercial banking accounts. Wells’ CEO Mobile service, available on cell phones and PDAs, offers several types of business-aimed services:

- It tells executives when wire transfers have either been sent or arrived.
- It immediately tells global cash managers when foreign exchange rates are changed.
- It can send text messages informing customers when a payment has been posted within their account.

The Wells product further provides several functions included with the bank’s Positive Pay program, which allows companies to electronically process and other-

wise verify checks and payments.

Minich said the business services tend to focus on upper-level executives and workers who delve into treasury issues.

“The reality is that many people spend most of their time at their desk, so they wouldn’t be the first ones we’d target” for CEO Mobile, she said. “But the top-level team and the treasury people are often more mobile. They’re the ones to be more likely in meetings or conferences when they might need to, say, quickly approve a wire transfer.”

CEO Mobile further offers the basics, such as account balances and credits and debits, that small business leaders must continually track in real time.

“It’s about giving them the flexibility they need,” Minich said. “They need to be able to do things on their own schedules.”

Wells Fargo plans to add between 10 and 15 services next year. It will also work to convince customers that the system is secure. Minich conceded that security serves as one of few impediments to marketing the systems: Customers tend to believe that because the devices aren’t as sophisticated as, say, desktop computers, their information might be compromised.

That’s not necessarily true. Andy Foote, a Wells Fargo online strategist, said mobile devices are more secure than desktops because, once users log in, the data is more solidly encrypted. Cell phone signals are also difficult to intercept and decrypt, he said.

CEO Mobile also authenticates users with the same credentials they use through Wells Fargo’s other online business banking systems, and also “times-out” long-lasting sessions.

Along with assuring customers that their systems are secure, banks are also making the services available on more devices.

For instance, Bank of America’s mobile banking system works with virtually any device that provides Internet access.

“We’re not dependent on loading software or tied to other carriers,” said Betty Riess, a San Francisco-based Bank of America spokeswoman. “We have more than 23 million online banking customers, and we want a solution that’s accessible to as many of them as possible.”

Bank of America’s mobile banking services primarily target the lender’s massive consumer base, but Riess said many components, such as money transfers between accounts, can aid small business owners as well.

That customer base will also likely provide an attractive target for Washington Trust, Brockett said. The bank is researching potential customer acceptance of mobile banking, as well as how well customers are receiving it from other lenders.

“We’re figuring out who’s interested in it and what platform and technologies we can take,” said Brockett. “If we answer either of those too quickly, we might get pigeonholed into a solution and backtrack a lot. We’re not interested in being a leader in this, but we are interested in being a close follower.”

Either way, Brockett said Washington Trust’s early research shows that younger customers are more interested in mobile banking than older customers. Which logically hints that those who start their own businesses in 10 years will not only want mobile banking products, they’ll expect them.