

## **OBR 115**

## **Epayments v4.0**

FedFx it

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**Abstract:** In Electronic Payments v.3.0 (March 2002, OBR 80-82) we speculated on what the payments business would look like if **FedEx** entered the market. Although an interesting exercise, it remained just that.

Fundamentally, little has changed in three years. Major U.S. banks have grown even more averse to charge for anything online, now including even bill payment. Despite concerns about phishing and fraud, users continue to transact online in ever greater numbers (see Forecast, Table 4, p. 5).

What's ahead? New entrants, such as toolbar-bill-pay powered by **Billeo** will spur innovation and improve usability. Fraud and security concerns will peak in 2005 (we hope), but will remain a factor throughout the decade. The business case will improve. U.S. financial institutions will stop giving away all online payment services and adopt segmented offerings with fees for value-added services, such as expedited payment, guarantees, archives, tracking, and customer service (see Business Case, pp. 14-18).

## Other Subjects:

- Bypassing the inbox: *Ding* from **Southwest Airlines**
- Fraud stats
- Phishing vaccine for emails
- Making chat pay through cross sales
- My Spending Report from Wells Fargo

**Companies Mentioned**: America Online, Bank of America, Billeo, CheckFree, Citibank Cyota, Digital Insight, Harris Bank, ITsafe.com, Metavante, Online Resources, PayPal, Princeton eCom, Southwest Airlines, WeatherBug, Wells Fargo, and Zions.

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