

Prepaid Card Program- checklist

Before you launch into the world of building your own prepaid card solution, we've prepared this handy guide of questions to ask of yourself and your business.

1 What problem is the prepaid product you're looking to build going to solve?

We have a very well-banked population in Australia with access to good quality, inexpensive payments and banking infrastructure. Incentive structures are commonly bolted on to these payment facilities already.

2 What is it about your product and service that is going to make customers reach for your card instead of the one that they currently use?

Will it solve a problem that the target customer is willing to pay for? Or, will the program provide cost savings through efficiencies that can be used to subsidise the cost of the program?

What type of prepaid product best satisfies your requirements?

Is your card going to be single load or reloadable?

Do you want card holders to be able to use the card online or overseas?

Can it be used only at specific merchants, or anywhere?

How will funds be loaded onto the card?

What is the card's maximum balance? Is cash out enabled?

Unlike a debit card, a prepaid card is not linked to a bank account. Generally, when you use a prepaid card, you are spending money that you have already loaded onto the card.

3 What is the path to profitability?

Traditional card revenue streams such as interchange and interest are insufficient in the Australian environment to fully fund reloadable prepaid card programs. You need to ask yourself the question, "Will you be charging cardholder fees for your program, or will your program be subsidised through savings and efficiencies that the program solves for you?"

The background of the slide is a photograph of a rugged coastline. In the foreground, there are dark, jagged rock formations. The water is a vibrant turquoise color, with white foam from breaking waves visible. The sky is not clearly visible, but the overall scene is bright and scenic.

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Do you have a plan to develop scale? How do you propose to get there?

What if the uptake of your product is slower than you expect?

Additionally, a critical element of a prepaid program is compliance with regulations and ASIC class orders, if relevant. These need to be considered and Indue can help you in that journey.

4

Of vital importance is the impact of financial crimes on your program. This needs to be considered very early in the process - how susceptible is your program to attack?

It's very important to discuss initial program requirements, but equally so, where is your product going to go? What expectations will you have on your partner in two years, three years or ten years time?

We can help you with these conversations, but it is very important that you consider them upfront.

The Indue Difference

There are many elements to launching a prepaid card product - from the issuers to processors, to program managers (which you may or may not want to do yourselves) to card manufacturers - but often the right partner can perform multiple roles for you.

This is just one way Indue provides value to our prepaid card customers. Not just a card issuer, we offer a range of supporting services to help our customers successfully bring their prepaid card program to market.

For example, Indue performs the role of issuer through our partnership with VISA. We have a team of technologists that design, develop, support and enhance our Nucleus card processing platform, we operate a financial crimes monitoring bureau, and we provide a customer service and support capability.