

Verizon Is Set to Announce Deal With Mobile-Payment Firm Obopay

By JESSICA E. VASCELLARO

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Verizon Wireless plans to Wednesday announce a deal with mobile-payment company Obopay Inc. to allow subscribers to transfer money and make purchases via their mobile phones.

The partnership will give Verizon Wireless's more than 60 million subscribers access to Obopay's mobile-payment application through the carrier's mobile store or their mobile web service. The application enables users to transfer money from a personal Obopay account to other users and eventually merchants. Users can send money to anyone with a cellphone number on any wireless network, but users must be registered with Obopay to retrieve it. Pricing for the service has yet to be set.

The alliance between a top-tier wireless operator and a mobile payment startup marks a step forward for the mobile-payment industry, which includes a broad group of companies trying to get consumers to think of their phones as credit cards. Leading online payment companies like **eBay** Inc.'s PayPal, have been rolling out mobile versions of their services, and other companies are launching products that let users swap money via text message.

But adoption of these services has been slow in part because not all are compatible with all phones and carriers. Some consumers and merchants have also expressed concerns about storing payment information on a cellphone, which can be easily lost or stolen.

Integration with a wireless carrier could boost adoption by making the services easier to use. For instance, while Verizon customers will at first have to load their Obopay accounts separately through a credit card or bank account, Obopay hopes to ultimately integrate with the carrier's billing, according to Irv Henderson, vice president of Product Management for Obopay.

The Verizon deal is one of many strategies Obopay, of Redwood City, Calif., has been pursuing as it tries to make paying from a phone more mainstream. Anyone can register for the Obopay service, launched last year, through the company's Web site and start sending money to other users from their mobile phones via text message, mobile Web or a downloadable application. Obopay charges the sender a flat ten-cent fee per transaction.

The company also recently announced it struck a deal with **Time Warner** Inc.'s AOL to allow users to send money through its instant-messaging service and is about to launch a pilot with **Citigroup** Inc.'s Citibank unit that allows users to link their Obopay account to their banking account.