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Facebook wins Australian patent for Messenger payments

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Facebook has been granted a patent in Australia that would allow the social networking giant to roll out peer-to-peer payments within its Messenger service, a move that would antagonise the local banks which have invested more than \$1 billion in their own P2P payments network to be launched later this year.

The Facebook patent comes hot on the heels of the world's largest technology company, Apple, entering the payments scene in Australia via Apple Pay, which some of the major banks objected to due to fears they will lose control of relationships with customers engaging in digital commerce through their mobile phones.

Facebook's payments patent, originally logged in the US, was filed in several markets across the world. Sources said this was routine for many patents, and it is understood to have been processed in Australia in May, according to documents filed with the Australian Patent Office.



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they have linked up a bank issued debit card. Users are not charged for the service,



The social network is also preparing to roll out Messenger payments in Europe after receiving a license from Ireland's central bank last year, according to reports.

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Facebook declined to comment about whether it intended to launch Messenger payments in Australia now that the patent has been granted. It is understood the social media giant is not close to launching the product in Australia and still needs to jump through a number of hoops if it is to do so.

It is unlikely payments would become a revenue stream for Facebook but rather would be used as a way to keep users on its platform for longer. Payments could also provide an additional source of data for Facebook, which could be used to enhance knowledge of customers and increase the value of advertising on the network.

Other social networks, including Instagram and Pinterest, are also exploring payments as part of a global move towards 'contextual commerce', where payments are embedded inside everyday online services.

"The problem with the provision of domestic P2P payments is there is no money to be made, because no one wants to pay in order to pay someone else. So what is the economics of this? For Facebook, it improves engagement with users and keeps them linked with them," said Lance Blockley, managing director at payments consultancy The Initiatives Group.

"This is the sort of feature that is about driving people onto Facebook. Payments

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conduct.

If Messenger payments was turned on in Australia, it would compete with a new, real time payments network, known as the New Payments Platform, which is expected to be turned on in October.

The big Australian banks have [spent more than \\$1 billion building this system under guidance from the RBA](#) and are planning to launch a new Osko brand, via the bank-owned BPay, to allow customers to make and receive instant payments using a 'PayID' rather than an account or BSB number.

The arrival of Messenger payments in Australia could make it harder for the banks to recover their investment in the NPP if Facebook Messenger, which has 1 billion global users, was able to attract significant volumes.

If customers chose Facebook over alternative ways to pay each other it would also push the banks further away from customers and render them more utility-like in function, something banks are highly agitated about.

"Banks have invested in the NPP and they are going to be promoting BPAY's Osko. They would probably rather you use that than Facebook, because it may help deliver the ROI on the investment," Mr Blockley said.

"The banks won't be overly because the funds are still moving between bank accounts, but their concerns will be around losing touch with their customers, and being pushed down the value chain from the primary interface. It is an engagement issue."

Banks' desire to remain in the centre of their customers' online and mobile experiences explains their recent battle against Apple over access to the 'near field communications' (NFC) chip in the iPhone.

In April, the competition regulator knocked back an application by Commonwealth Bank of Australia, Westpac Banking Corporation, National Australia Bank and Bendigo and Adelaide Bank, who were seeking permission to form a block to provide them with more negotiating power in discussions that



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