

value. The apps give sports-betting customers all the latest statistics, enabling them to place their bet and execute their payment using 1-Tap all from their mobile. While the US is not mature enough yet for this kind of solution, there are payment platforms - such as CAMS - that are working in terms of aggregation to provide all the bells and whistles - and we're talking to all the local partners to bring Skrill 1-Tap for mobile to the US."

Right now all the attention is justly focused on taking actual payments, but operators need to think further down the line. Mobile payment functions are changing in such a way that it's not merely sufficient to just take a payment for a bet, but fully integrate a range of promotional and loyalty offers across a range of retail and gambling options. "The future of mobile payments will enable you to pay for everything with your mobile," said Mr. Hall. You'll be able to walk into any shop, interact with your phone and pay for any product. Beyond that, what's really interesting is if you can enable people through loyalty mechanisms to redeem vouchers sent to their phone, scan and credit them with money - that's the way it's going."

Whereas the UK market is going through a refinement phase in its development cycle, adding new functionality on top of a robust desktop, tablet and mobile solution, the US is focused upon putting its best first effort live into the market. "Software is going to prove problematic," says Mr. Hall of the initial roll-out in the US. "When mobile went live in the UK the first set of apps were terrible. The transfer of knowledge from the desktop to mobile wasn't ready and there have been multiple iterations of apps along the way

THROUGH LOYALTY MECHANISMS YOU CAN REDEEM VOUCHERS SENT TO PHONES, SCAN AND CREDIT THEM WITH MONEY.

before the offer was right for players. What the US can certainly benefit from is the experience of the UK and the ability to rationalise a tight payment solution from the outset. Operators in 18 months - two years' time, who purely wanted to get their solution out of the door, could have saved themselves a lot of money had they thought to integrate the best payment

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solutions right from the start. If I was pitching to them today, I would say operators need to put their payments engine in place from the outset, allowing white label suppliers to manage all online deposits and tie-in with offline technology into a single platform that can create bespoke offers, create a hundred different variants of player promotions. If you look at William Hill, they've saved themselves a fortune in costs and increased conversion rates by doing just that."

Offline operators starting up online need to have teams of people working on CRM. Offline CRM in the US is state-of-the-art and probably the best in terms of loyalty anywhere in the world. It's something that they have nailed consistently over the years and it's something operators need to transfer wholesale into the online environment right from the outset. Physical gifts, tickets, special offers, VIP benefits; the same experience offline

needs to be recreated online. Operators need to bear these aspects in mind when choosing a partner that can support them in the future with all these different aspects. Right now, however, they probably have bigger problems.

"We are working closely with a number of offline brands in the US, much more along the payment processing path than we are dealing with questions regarding customer loyalty," said Mr. Hall. "There are currently so many barriers to making a gambling payment in the US that it's the biggest issue facing online gaming at present. Operators are thinking about payment methods and not thinking about loyalty integration. They are looking at how they accept VISA codes when at present it's illegal. VISA hasn't updated its schemes in line with the changes taking place in the individual states. If you try to use a Master Card to make a gambling payment it just won't work right now."

While there are massive teething problems, the US is still a level playing field for an alternate payment provider such as Skrill. The company has already obtained licences across all the states as an alternate payment provider with little US competition aside from paypal. "We know who all the European companies providing technology in the States, whether they are affiliates or operators and licensed already," said Mr. Hall. "We are working with 99.9 per cent of the existing online industry. We are really starting to drive our product in the US and as a result we are seeing new customers spring up the whole time, offline players and new ones too. We installed Neil Steinhart as our new CEO in US and he has restructured the team in New York and put the right people on the ground on the east and west coast. The platform in the US is different, it is simpler and easier, requiring one integration for the Skrill wallet, payment

processing system for Visa and Mastercard and ACH, all through one pipe. In the past this was more complicated, but with our Paysafe acquisition we have been able to simplify the process even further."

Regulation continues to impact upon the online sector in Europe, which remains a fragmented and disparate market according to Mr. Hall. "It appears to be getting worse rather than better," he adds. "The plans for the UK will make for a very interesting roll-out next year, but our duty as a payment provider is as always to comply with rules and regulations that have been set out. We have taken the stance that we always comply with the rules, which is a position that has actually helped us in terms of revenue opportunities. Ultimately players tend to stay with regulated sites as they can recognise which are the most stable businesses."

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As regulation unfolds in the US on a state-by-state basis, the next tier of adopters will be looking to states such as New Jersey to set out the blueprint for online gaming adoption. As the likelihood of multiple states requiring the pooling of liquidity across their borders creates even greater headaches for payment providers, Skrill is ideally placed to move with the market as it adapts - with some predicting that in terms of liquidity, it could be a situation in which it's every other state versus California. "The sharing of money in the US is available now - people just move balances between accounts as our core technology allows that option," says Mr. Hall. "In Europe we have 100 different ways to load money into our system. In the US there aren't as many options, though pre-paid card usage via

THE TYPICAL US CUSTOMER GOES INTO THEIR LOCAL STORE, BUYS CREDITS ON A CARD AND RETURNS HOME WITH THE ABILITY TO PLAY ONLINE.

Paysafe is an ideal solution. The typical US customer wishing to partake in online gaming simply goes into their local Target store, buys credits on a card and returns home with the shopping and the ability to play online."

If the solutions offered by Skrill seem a little too simple, too easy to set-up to be sufficiently secure, there are a number of factors to point out. Skrill was the first company to gain the UK's Financial Standards Authority's 'Money Licence' and gain the stringent 'Money Transmitter Licence' in the US. "The authorities in the US certainly put you through your paces," underplays Mr. Hall. "There has been a lot of regulation to pass through to gain access to the market, with the States extremely stringent on the gaming regulation side. They only work with trusted payment providers and Skrill is known for its trusted, anti-fraud tools. We have been processing gambling transactions for 10 years, managing debt levels and charge-backs. We have passed all the processes for licensing in the US and have undergone massive compliance procedures too, clearing every hurdle. We are looking forward to moving ahead with our solutions in the US as soon as the green light is given."