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## Banking by Phone, Minus The Carrier

Though many mobile banking observers, inspired by recent deals, have focused on partnerships between software vendors and phone carriers, in the background several financial companies are exploring applications that can be used without securing carrier deals.

These alternatives, designed to work with phones from any carrier, typically use one of two features widely available on phones: a basic Web browser or text messaging.

Cardinal Financial Corp. introduced a mobile banking service May 1 that uses generic browsers to communicate with the McLean, Va., company. Kim C. Liddell, Cardinal's chief operating officer, said the service lets customers access its Web site from any Internet-enabled phone.

"We wanted access from all carriers," he said. "I'm not going to switch my carrier just because my bank wants me to."

A software interface from MShift Inc. of San Jose directs mobile banking signals to Cardinal's online banking software, which is provided by Intuit Inc.'s Digital Insight Corp., of Calabasas, Calif. The two vendors have been collaborating for some time, and Mr. Liddell said the collaboration made it easy for Cardinal to implement the MShift software.

Bernard H. Clineburg, Cardinal's chairman and chief executive, said its service, which lets people check balances, pay bills, or initiate transfers, could give his company an edge over larger competitors.

"In this north Virginia area, which is heavy technology — I mean, heavy technology — I'm surprised that some of the larger banks haven't started offering it," he said in an interview this week. "We're still small. We can run between the legs of the giants."

Taylor Driggs, the director of consumer product strategy at Digital Insight, said that it has been working with MShift for more

mobile banking service in-house, he said.

Angela Brusa, a vice president and the director of marketing at the bank, said it plans to introduce mobile banking to its customer base early this fall.

"One of the challenges of this product is that there isn't a clearly defined user set, so tactical target marketing approaches may be a

little challenging at first," Ms. Brusa said. "In banking you don't get to offer a lot of new things. Everything under the sun has already been offered. It's exciting to be able to broach this new product."

Elan Financial Services is using another text-based system. The U.S. Bancorp unit announced in February that it was working with Sapphire Mobile Systems Inc. of West Conshohocken, Pa., to conduct a mobile banking and payments pilot test, focusing initially on its prepaid Elan PayCard.

Richard A. Rasansky, Sapphire's chairman, founder, and chief executive, said Elan is his first customer; Sapphire is positioning itself as a debit network, under the Phire brand, rather than a mobile banking service provider.

Unlike other debit networks, which provide access through automated teller machines and at the point of sale using cards, the Phire network uses text messaging.

"Mobile access to accounts will be necessary for financial institutions to provide," he said. "It will have to be a standard feature. Eventually, it will be a commodity," since online banking and bill payment, services that banks originally envisioned as fee generators, now are given away for free.

By offering them a payment network with account-access features, Sapphire can let banks earn interchange fees on their customers' transactions, Mr. Rasansky said. "Let's tie mobile access into something that's going to be a revenue center, not a cost center."



**Clineburg:** Cardinal can "run between the legs of the giants."

Others are positioning their mobile services for young or affluent customers, but he sees more potential in the underbanked.

“We believe the early adopters of this type of technology will come from the underserved segment of the market,” Mr. Rasansky said. “At the high end, we have many points of access” for financial services. “Those folks utilize their phone as their lifeline. That’s why we’re spending a lot of time focusing on the prepaid space.”

Commerce Bancorp Inc. is taking the opposite tack. It announced Wednesday a mobile version of its private banking platform, Virtual Private Bank, aimed at wealth-management customers.

The service lets clients get daily updates of their net worth, track their stocks, and receive news, through any personal digital assistant with an Internet browser.

John D. DeVincent, the executive vice president of marketing at Commerce’s eMoney Advisor technology unit, said the service is not transactional but is designed to give clients an up-to-date view of their financial portfolio.

“Online, they’re able to aggregate all their investment accounts. They have sophisticated calculators. They have analysis they can do,” Mr. DeVincent said. “Now we’ve delivered that at the PDA level, the mobile level.” ■

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