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VODAFONE UK AND PAYPAL PARTNER FOR MOBILE WALLET BOOST

Vodafone and PayPal have joined forces to allow UK customers to make contactless payments in shops, restaurants and on transport services with their Android smartphones, funded from their PayPal accounts.

From today, customers can link their PayPal account to Vodafone Pay to purchase goods and services simply by tapping their smartphone in more than 400,000 places across the UK that accept contactless payments. Vodafone Pay customers will also be able to use the service to pay to travel across the Transport for London (TfL) network as well as on National Rail services in and around London that accept Contactless and Oyster.

Purchases of up to £30 can be made at any contactless terminal and users wishing to spend more can do so using Vodafone Pay at participating retailers through the use of a PIN. In addition to using their PayPal account, Vodafone customers can now add their Visa and MasterCard bank credit and debit cards to Vodafone Pay so they don't have to carry plastic cards.

Vodafone Pay can even be used to make a payment when the phone is switched off or out of battery life because the contactless SIM can contact automatically to the contactless terminal to make the transaction.

Vodafone Pay is simple to use with customers needing only to download the Vodafone Wallet app and use a contactless (Near Field Communications or NFC) SIM in their device. If they don't have a contactless SIM they can get one for free by ordering within the app, online, or at any Vodafone UK store. Customers retain their existing phone number and the contactless service works with more than 100 Android mobile handsets in the UK.

In order to keep track of payments, a notification is sent immediately to the cardholder, confirming that the transaction has been successful, whilst the application has a specific section showing transaction history, with details of the purchase, the place and the date including pending transactions. This information is available within the dedicated section of the app, and PayPal transactions are also logged in the customer's PayPal account.

Vodafone UK

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Vodafone UK's Head of Consumer Services Kate Wright said: "Our customers told us that being able to use PayPal when making mobile payments was important to them so we're delighted to now offer this on Vodafone Pay. The service also works with any Visa and MasterCard credit or debit card offering customers greater choice than any other mobile payment service."

Rob Harper, Director of Mobile Commerce, PayPal UK, said: "Money is going digital, and the smartphone is at the centre of this transformation. Mobile payments have long been at the heart of what we do. In fact, this year marks 10 years since we first launched a mobile payment service in the UK. As mobile technology continues to evolve, we will continue to look at new ways to make it easier and faster for our customers to pay."

Under the agreement with PayPal, anyone who doesn't have a PayPal account will be able to sign up for one directly from within Vodafone Pay. Vodafone Pay is part of the Vodafone Wallet app, where users can add and keep electronic copies of their store loyalty cards, coupons and vouchers, which can be redeemed at point of sale.

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Technical Note to Editors

Vodafone Wallet uses Near Field Communications (NFC) technology to send encrypted data over very short distances to enable secure transactions, with customer protection assured by the use of the latest secure SIM card and payments industry technology.

Vodafone Wallet and Vodafone Pay are available to both contract and pre-pay customers. Those with a compatible NFC mobile device will be offered a new NFC-compatible SIM card in order to make mobile payments from their device. They can then install Vodafone Pay by downloading the Vodafone Wallet app from Google Play.

Security

Vodafone Pay does not expose the actual debit or credit card number to the merchant point of sale but uses an alternative number.

If the NFC-enabled smartphone is stolen or lost, a user can block the SIM card and then the Vodafone Pay service by calling the customer service number. When using PayPal, the customer's financial details are never stored on the mobile handset or SIM card.

news release

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About PayPal

At PayPal (Nasdaq:PYPL), we put people at the centre of everything we do. Founded in 1998, we continue to be at the forefront of the digital payments revolution. PayPal gives people better ways to manage and move their money, offering them choice and flexibility in how they are able to send money, pay or get paid.

We operate an open, secure and technology agnostic payments platform that businesses use to securely transact with their customers online, in stores and increasingly on mobile devices. In 2015, 28% of the 4.9 billion payments we processed were made on a mobile device. With our 188 million active customer accounts, PayPal is a truly global payments platform that is available to people in more than 200 markets, allowing customers to get paid in more than 100 currencies, withdraw funds to their bank accounts in 56 currencies and hold balances in their PayPal accounts in 25 currencies.