



CAMPUS CARDS: A successful business case for contactless cards

The client

Moscow Industrial Bank (MInB) provides comprehensive financial services for enterprises acting in all economic industries as well as to local government authorities and to the general public. The bank is among the 30 largest Russian banks and has an extensive network of 257 branches located across 29 regions of the Russian Federation - from the North Caucasus to Arkhangelsk. The bank is a principal member of the major international payment systems MasterCard International and Visa International and has issued over 850,000 cards, installed a network of 2,000 ATMs and provide services to several thousand trade and service enterprises. MinB is at the forefront of innovative card products and develops new products with enhanced security and cutting-edge technology as a business priority.

Partnership history

MInB began their relationship with Compass Plus in 2005. Since then, a number of significant and innovative projects have been completed, including their migration to EMV and the integration of comprehensive remote banking technologies with innovative authentication technologies, such as 3D Secure. In fact, MInB's mobile banking portal, based on Compass Plus' solution, was ranked as the third best in Russia by Markswebb Rank & Report agency in 2012.

MInB develops brand-new innovative products using state-of-the-art technology which substantially increases the bank's competitiveness in the market place. For example, in 2010, in conjunction with The Financial University under the Government of Russian Federation, MInB launched a project called campus cards. Over 9,000 campus cards were issued as a tool for students, teachers and other university personnel to access information services and other resources available on campus. It was decided that the project would combine the functionality of these systems on a single carrier in the form of a prepaid debit card with a contactless interface. Although, contactless cards are often criticised for their high price with a lack of opportunity for their everyday use, the project for MinB proved that, with the right business approach, contactless cards can not only benefit customers, but can also prove profitable for banks as well.

The solution

In order to implement the campus cards project, all the data required for contract creation and card issuance was downloaded to the bank's system from the university database and was used to issue cards with different designs to the university students and employees respectively. Four offices were set up at various university sites, located across Moscow, to process applications and issue cards. Bank employees were on-hand to formalise all of the documents required to open accounts at these offices.

Similar to the Russian Universal Electronic Card in appearance, campus cards have the university and bank logos on the front, whilst the back contains the user's photo, campus number, name, signature and barcode; which is a duplicate of the campus number and is designed for university systems that still use optic readers (such as the library). Card personalisation, including the use of graphical images, has been implemented using Compass Plus' card personalisation system.

Case study at a glance



**MOSCOW
INDUSTRIAL
BANK**

www.minbank.ru

Client:

Moscow Industrial Bank (MInB)

Goals:

- to maintain the reputation of the bank as innovative and high-tech
- to strengthen the partnership with The Financial University under the Government of the Russian Federation and attract new customers
- to provide a high return on the project

Implementation:

- all the data required for contracts and card issuance was downloaded to the bank's system from the University's database
- Mastercard cards that support PayPass technology were issued, combining the M/Chip payment application and PayPass with MIFARE (for the University's access control system)
- the appearance of the cards were designed to fully meet the requirements of the university – each card containing the cardholder's photo, campus number and barcode

Results:

- Campus cards can be used as a multi-functional financial tool using PayPass technology. Cardholders have access to the multitude of services offered by the bank including concessional lending, insurance, internet and mobile banking
- The menu available at self-service terminals and ATMs provides access to the cardholder's electronic grade book, class schedule, and library card, as well as personal messages from the administration of the university, information on finances, etc.
- The range of services offered by the bank provide a high return on the project and a wide range of advantages for higher education institutions
- The success of this project attracted attention from many other universities and, as a result, five similar projects are in progress at the moment

Issued under the Mastercard brand and supporting PayPass technology, the cards also use Gemalto's Optelio chip which combines the M/Chip payment application with the PayPass function and MIFARE – used in the university access control systems (ACS) on different premises. In addition to serving as an entrance pass for the cardholder, registering their entrance and exit times, it also provides visual information about the cardholder (name, photo, category type) to the gate controller.

As bank cards, campus cards can be used to pay for goods and services, make cash withdrawals, make payments over the internet, as well as manage accounts and deposits (and interest accrued on deposits), concessional loans, insurance and set to up SMS notifications for mobile and internet banking. In addition, students and university staff are able to receive scholarship funds and salaries on the cards. Students can also pay their tuition fees remotely or by using the network of self-service terminals, make instant payments for meals at the canteen, pay for goods from vending machines and pay for parking using the PayPass technology. All of the services made available on these cards are based on Compass Plus' card management solution and switch, whilst the remote banking services are provided by Compass' Plus' mobile banking and internet banking systems.

Several dozen self-service terminals and ATMs have been installed on campus, which not only enable Campus Card holders to access MInB's standard services, but also provide access to the 'Financial University' menu. The menu allows students to access their personal information, such as their electronic grade book, class schedule and library card; information about outstanding tuition fees or student accommodation fees; and personal messages from the university administration. When using a campus card at a terminal, an authorisation request is sent to the bank (where the PIN is checked) and after successful authentication, the bank transfers control to the university's portal by sending the campus number. The information available to the cardholder is then provided by the university.

By June 2013, campus cards were actively in use by over 9,000 students, lecturers and other University staff. It is now standard procedure for each new student or member of staff to receive a card.

The future

During the project implementation, MInB also signed an agreement with the International Student Identity Card (ISIC) association to use the card as international student identification and to enable discounts within the ISIC program. In addition, an agreement to co-brand the cards with TransAero was signed giving cardholders the ability to earn bonus points for purchases made with campus cards. As the transport payment system becomes more flexible, the MIFARE application is also planned to be used as a transport application. The bank plans to start issuing cards with a built-in PIN pad and a display for signing internet operations using the CAP technology.

The result

The range of services supplied by Moscow Industrial Bank has provided a high return on the campus card project for the bank whilst offering a wide range of advantages to higher education institutions which include:

- scholarship and salary payments to students and staff
- simplicity of card payments (tap and go) and access to banking services (via the remote banking service)
- convenience: with all user identifiers both for making payments and accessing internal services are available on one card
- security, in case of loss or theft, the card cannot be used by another person due to the security measures in place. Cards can be re-issued the following day

The success of this project has attracted the attention of numerous universities and as a result, MInB is implementing similar projects with the Moscow State University of Technologies and Management, where cardholders can gain access to an extended range of services including card-to-card transfers, mobile communications, internet, TV and utility payments as well as student accommodation and tuition fees. Cardholders can also use the contactless functionality to pay for goods and services for up to 1,000 rubles without the need to enter their PIN or sign a receipt.

MInB has implemented similar projects with Grozny State Oil & Technological University Institute and Voronezh State University of Architecture & Civil Engineering, and projects are currently underway with Vladimir State University, Belgorod State Technological University and Bryansk State Technical University.