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Lloyds TSB introduces mobile funds transfer

Lloyds TSB is adding new functionality to its mobile banking service that will enable customers to transfer funds between accounts using their handsets.

The bank is already one of several in the UK that provide SMS-based mobile services to customers, such as text alerts and balance information. But it is thought that Lloyds TSB is the first to introduce mobile funds transfer services to customers.

Users of the new service can transfer money between Lloyds TSB current and instant-access savings accounts. Customers can also set up SMS alerts to warn them when their current account balances reach, exceed or fall below certain levels.

Lloyds TSB says it is introducing the funds transfer service in response to customer demand. The bank cites research conducted by ICM which shows that 60% of UK adults want to be able to keep tabs on their accounts using their mobile phone, while 53% would like to move money between accounts. Over a third say being able to manage their money in this way would help them to keep a closer eye on their finances.

"Many customers are already used to the idea of keeping tabs on their bank account using a mobile phone, but we're launching the next generation of mobile banking that allows people to stay in real control of their money wherever they are," says Catherine McGrath, director of current accounts, Lloyds TSB. "Just as Internet banking has taken the country by storm over the past decade, mobile banking is now set to change the way we manage our money."

The new service also includes an overseas transaction alert system. Subscribers will receive an alert if their debit card is used to withdraw cash from a cashpoint or to make a purchase abroad. The application also lets users top up pay as you go mobile phones directly from their current accounts.

Lloyds TSB says its mobile services meet international security standards, with customers required to enter a six digit pass code before they can view or move money between their accounts.

The service costs £2.50 a month, although student account holders will be able to get it free until October 2009. The bank says its premier and private banking premier account customers will also receive the package free of charge.