

10 July 2008

# Prepaid accreditation scheme launched to counter negative publicity

**The Prepaid International Forum has launched an accreditation scheme in a bid to combat concerns over alleged money laundering, aggressive marketing and poor customer service in the nascent industry.**

PIF - which has around 40 members, including MasterCard, JPMorgan Chase and American Express - hopes the scheme will ensure industry best practise, improving consumer confidence in pre-paid.

The forum says the establishment of the scheme was pushed by its members, who are "sensitive to the concerns expressed in adverse media coverage" about the pre-paid industry.

The new accreditation scheme will initially apply to members' issuer programmes and be correlated with the PIF issuer code of conduct. The scheme will be widened out to cover other industry participants "in due course".

Compliant firms will get an accreditation certificate and be able to use a PIF symbol on marketing materials.

Chris Reddish, chairman, PIF, says: "As the demand for pre-paid services gathers pace, it is essential that the industry takes the lead in establishing and policing the levels of service necessary to underpin consumer confidence and the continued growth of pre-paid."

Formed in June 2007 in anticipation of a global boom in pre-paid commerce, PIF covers the entire pre-paid commerce industry - from retailers and providers of voucher services to financial institutions and telecoms companies.

The association aims to serve as a principal point of contact between companies in the pre-paid sector and government agencies, regulators, consumer bodies and the media. Research house TowerGroup estimates that around 375 million stored-value cards will be in circulation in Europe by 2010 - a 1000% increase over 2005 - while pre-paid card usage will rise 600% to EUR75bn, as banks seek new ways of driving profits following the introduction of the single euro payments area.