



## Receipts Prove the Solution to Bank Data Needs

by David Parker

When talking to bankers about their business, and especially commercial card bankers, the talk is often about how they would like to get "level 3 data." Certainly in Europe this would be almost like achieving nirvana. So it was interesting to see American Express' U.S. launch of an app for Android and iPhone mobiles that uses the mobile's onboard camera to snap and store receipts for later reconciliation with account statements.

In my mind this is a first, very small step in what I would argue is both the wave of the future and a potential land-grab for the customer. Let me explain. We are starting to see the launch of a range of new receipt capture services that store receipts - whether by email, mobile camera or scanner - that in effect create a receipt vault for a customer; a place where all of one's receipts are automatically stored.

These receipts can then be tagged by project or event making it easy for a business to run reports on specific activities. Some of the solutions allow for automatic reorder of previously purchased goods - which in the case of ordering your regular cup of coffee would be much easier and time effective. Aside from these commercial and regulatory thought processes there are the technical aspects of the Issuing Processor, what information they receive, how that information is technically received and assessed and what risk/fraud detection systems may be present at the Issuing Processor.

Data Type	Level 1	Level 2	Level 3	Itemize
Merchant Name	✓	✓	✓	✓
Transaction Date	✓	✓	✓	✓
Transaction Total Amount	✓	✓	✓	✓
Total Tax Amount		✓	✓	✓
Customer Identity		✓	✓	✓
Merchant Postal Code		✓	✓	✓
Merchant Tax Identification		✓	✓	✓
Merchant Region Code			✓	✓
Destination Postal Code			✓	✓
Item Product Code			✓	✓
Item Description			✓	✓
Item Quantity			✓	✓
Item Unit of Measure			✓	✓
Item Extended Amount			✓	✓
Item Net/Gross Indicator			✓	✓
Item Discount Indicator			✓	✓
Freight Amount				✓
Duty Amount				✓
Tender Type				✓
Payment Currency				✓
Destination Address				✓
Item Category				✓
Item Brand				✓
Item Photo				✓
Item Tax VAT				✓
Warranty Data				✓

Some expense solutions also offer data over and above Level 3

Source: Itemsize.com

But, of course, if the bank has your receipt as well, it also has even more than level three data. See above chart.

With this additional data the bank can send you relevant offers, not based on what you say you are interested in, but on what you are actually purchasing. It can manage your warranties for you and perhaps more interestingly, sell you extended warranties as the manufacturers' ones expire.

But why do I claim there is a land-grab coming for consumers? Well, imagine your bank has offered you such a service and after two years, you have all your receipts safely filed away, maybe a nice picture against each one to make them easy to find and then you start to think about switching banks ... hhhmmm ... so what then happens to all those receipts? From a bank's perspective, receipt management and automation have the potential not only to attract customers, but also to make them incredibly sticky.

Is this relevant in today's environment? Think for a minute, how many retailers these days ask for your email address so they can email your receipt to you, how many people ask for that email address to keep in touch and how much more in goods do we now buy online vs in stores – all of which leads to digital receipts. It could be argued that moving to a digital receipt vault is just a logical next step as we become a far more digital world.

Everyone seems to want to send you offers based on what you say you want - how much more effective might it be for a really clever bank (it is actually something like 6 times as effective) to send you offers based on what you actually buy?

The final word of course must be the cautionary tale; after all when the house burns down or gets flooded and the insurance company wants to see receipts to back up your claims – no worries you have them all neatly filed in the desk that is now a pile of ash or waterlogged. Having those receipts digitally stored could come in very useful!

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