
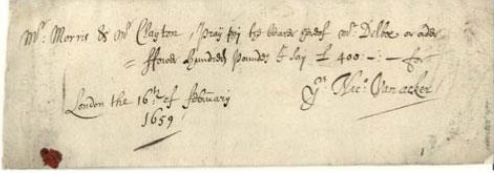

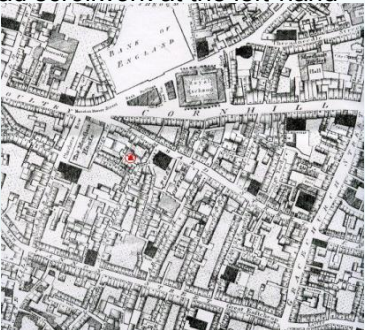


# A Brief History of Payments




October 2015

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# A Brief History of Payment

Year	Up to 1799
13 <sup>th</sup> Century	In Venice bills of exchange were developed as a legal device to allow international trade without the need to carry gold 
14 <sup>th</sup> Century	First known reference to bills of exchange in English law as a means to carry funds abroad
17 <sup>th</sup> Century	Bills of exchange were being used for domestic as well as international payments. One of the earliest handwritten cheques known still to be in existence was drawn on Messrs Morris and Clayton, scriveners and bankers based in the City of London, and dated 16 February 1659. It was for £400 (about £43,000 today) made payable to a Mr Delboe and signed by Nicholas Vanacker . 
1694	At the very first meeting of the Court of the Bank of England on 27 June 1694, it was decided that money would have the choice of three types of account. One of these allowed customers to draw notes on the Bank up to the extent of their deposits. <small>One of the oldest surviving cheques in the UK. Reproduced by kind permission of The Royal Bank of Scotland Group © 2009.</small>
1727	The Royal Bank of Scotland invented the overdraft, one of the most important banking innovations. The bank allowed William Hog, a merchant, to take £1,000 - the equivalent of £63,664 today - more out of his account than he had in it.
1717	The Bank of England pioneered the use of printed forms, the first of which were produced in 1717 at Grocers' Hall, London. The printed slips had scrollwork at the left-hand edge which could be cut through, leaving part on the cheque and part on the counterfoil – the real “check” – which is how the cheque got its name. 
1770	Daily cheque clearing started. Clerks from each bank met at the Five Bells tavern in Lombard Street to exchange their cheques 
1782	Tax imposed on all cheques made out to order – with some exceptions e.g. The Navy and the Army, and cheques made out to bearer

# A Brief History of Payment

Year	1800 to 1900
1871	<p>Western Union introduce money transfer</p> 
1880	<p>The first credit voucher was product in the UK by the Provident Clothing Group</p>  
1887	<p>In his utopian novel "Looking Backward", Edward Bellamy described the concept of using a card for purchases. Bellamy used the term "credit card" 11 times in this novel although this referred to a card for spending a citizen's dividend rather than borrowing</p>
1890s	<p>Western Union provided services to Europe, North Africa, North and South America and Asia</p>

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**1 PROTECT YOURSELF FROM FRAUD** | **1 PROTEJASE DE LOS FRAUDES**

Only spend money to someone you have met in person. **NO** send money to an individual if you are sending:

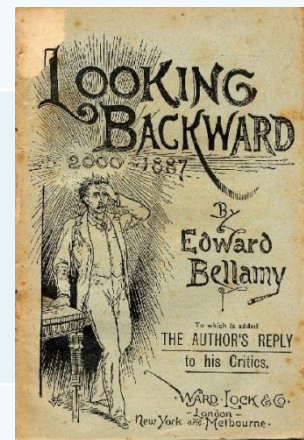
- To a politician, friend of a family member, or acquaintance.
- To an employer, relative you have not personally contacted.
- To someone you met online.
- To an unusual purchase.
- To an individual requesting money for a charitable organization.
- To someone who asks for money to help with a medical emergency.
- To someone who asks for money to help with a legal case.
- To someone who asks for money to help with a business deal.
- To someone who asks for money to help with a travel arrangement.
- To someone who asks for money to help with a vacation.
- To someone who asks for money to help with a wedding.
- To someone who asks for money to help with a funeral.
- To someone who asks for money to help with a divorce.
- To someone who asks for money to help with a lawsuit.
- To someone who asks for money to help with a court case.
- To someone who asks for money to help with a criminal record.
- To someone who asks for money to help with a passport.
- To someone who asks for money to help with a visa.
- To someone who asks for money to help with a travel agency.
- To someone who asks for money to help with a travel insurance.
- To someone who asks for money to help with a travel agent.
- To someone who asks for money to help with a travel company.
- To someone who asks for money to help with a travel package.
- To someone who asks for money to help with a travel arrangement.
- To someone who asks for money to help with a travel booking.
- To someone who asks for money to help with a travel reservation.
- To someone who asks for money to help with a travel confirmation.
- To someone who asks for money to help with a travel ticket.
- To someone who asks for money to help with a travel voucher.
- To someone who asks for money to help with a travel certificate.
- To someone who asks for money to help with a travel receipt.
- To someone who asks for money to help with a travel document.
- To someone who asks for money to help with a travel record.
- To someone who asks for money to help with a travel log.
- To someone who asks for money to help with a travel journal.
- To someone who asks for money to help with a travel diary.
- To someone who asks for money to help with a travel notebook.
- To someone who asks for money to help with a travel sketchbook.
- To someone who asks for money to help with a travel portfolio.
- To someone who asks for money to help with a travel album.
- To someone who asks for money to help with a travel scrapbook.
- To someone who asks for money to help with a travel photo book.
- To someone who asks for money to help with a travel video book.
- To someone who asks for money to help with a travel audio book.
- To someone who asks for money to help with a travel e-book.
- To someone who asks for money to help with a travel app.
- To someone who asks for money to help with a travel website.
- To someone who asks for money to help with a travel blog.
- To someone who asks for money to help with a travel podcast.
- To someone who asks for money to help with a travel YouTube channel.
- To someone who asks for money to help with a travel Instagram account.
- To someone who asks for money to help with a travel Facebook page.
- To someone who asks for money to help with a travel Twitter account.
- To someone who asks for money to help with a travel LinkedIn profile.
- To someone who asks for money to help with a travel Medium profile.
- To someone who asks for money to help with a travel Quora profile.
- To someone who asks for money to help with a travel Reddit profile.
- To someone who asks for money to help with a travel DeviantArt profile.
- To someone who asks for money to help with a travel SoundCloud profile.
- To someone who asks for money to help with a travel Bandcamp profile.
- To someone who asks for money to help with a travel Last.fm profile.
- To someone who asks for money to help with a travel MySpace profile.
- To someone who asks for money to help with a travel Bebo profile.
- To someone who asks for money to help with a travel MyAOL profile.
- To someone who asks for money to help with a travel Friendster profile.
- To someone who asks for money to help with a travel Orkut profile.
- To someone who asks for money to help with a travel Socialize profile.
- To someone who asks for money to help with a travel MyYearn profile.
- To someone who asks for money to help with a travel MyLife profile.
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- To someone who asks for money to help with a travel MyYearn profile.
- To someone who asks for money to help with a travel MyLife profile.

Remember a money transfer can be paid out to the receiver within a short time and after the receiver is dead, this payment cannot be claimed by anyone. **NO** send money to an individual if you are sending:









If you believe you may be a victim of fraud, call the nearest law enforcement agency or contact the Western Union Fraud Department at 1-800-486-1562. Learn more at [westernunion.com/stopfraud](http://westernunion.com/stopfraud).

Recuerda que el dinero que puedes recibir no puede ser reclamado por nadie después de que el receptor de la transferencia de dinero falle. **NO** envíes dinero a un individuo si estás enviando dinero a un individuo.




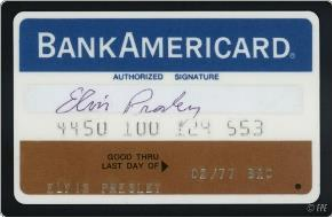

Si crees que puedes ser víctima de fraude, contacta al agente de ventas que atiende tu transferencia de dinero o llama al departamento de fraude de Western Union al número 1-800-486-1562. Puedes obtener más información en [westernunion.com/stopfraud](http://westernunion.com/stopfraud).




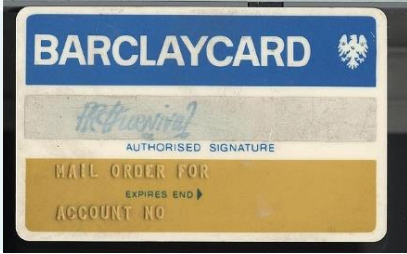


# A Brief History of Payment

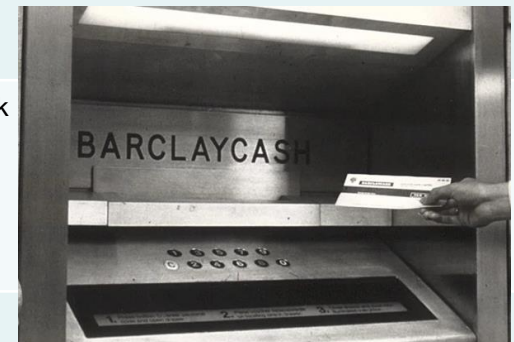
Year	1900 to 1949
1914	<p>The US Western Union provided metal cards nicknamed “metal money” giving free deferred payment privileges</p> 
1920	<p>Credit Cards introduced in the US by oil companies and hotel chains</p>   
1928	<p>Charga-Plates trademarked by the Farrington Manufacturing Company were made of sheet metal. These were embossed with the customer's city state and name</p>   
1946	<p>In Spain, remittances resulting from funds returned to their home country by migrants amounted to the 21% of all of its current account income</p>
1946	<p>Charge-It, the first bank card, was introduced by the Brooklyn banker Mr John Biggins. When a customer used it for a purchase, the bill was forwarded to Biggins' bank. The bank reimbursed the merchant and obtained payment from the customer. Purchases could only be made locally, and Charga-It cardholders had to have an account at Biggins' bank.</p> 

# A Brief History of Payment



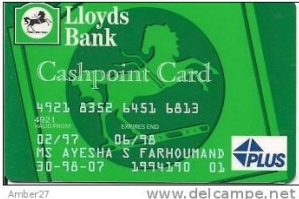
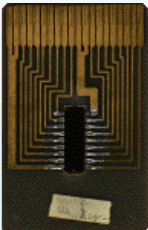
Year	The 1950s
1950	<p>Frank McNamara founded Diners Club, which was the first company to offer a payment card that could be used in 27 restaurants in New York</p> 
1951	<p>Donald McCullough (after a trip to the US) launched Finders Services; the first UK charge card</p>
1951	<div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>When customers of New York's Franklin National Bank submitted an application for a loan they were screened for credit. Approved customers were given a card they could use to make retail purchases.</p> </div> </div>
1958	<p>American Express introduced a paper charge card</p> 
1958	<div style="display: flex; align-items: center;">  <div style="margin-left: 20px;"> <p>Bank of America launched its BankAmericard by an unsolicited mailing of 60,000 active cards in Fresno California</p> </div> </div>
1959	<p>American Express cards switched to a plastic version</p> 

# A Brief History of Payments


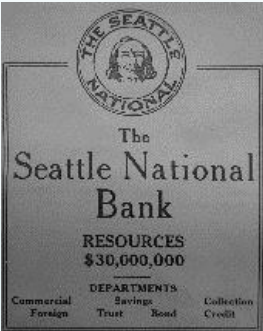

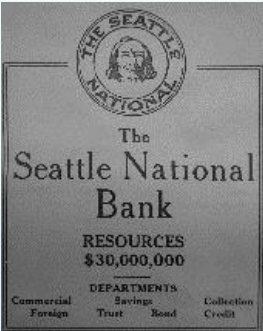


Year	The 1960s	
1962	 <p><i>Diners Club International</i></p>	<p>Diners Club becomes the first major charge card company in Britain following the merger of Finders Services and Credit Card facilities.</p>
1963		<p>American Express is launched in the UK with an annual fee of £3 12s (£49 in 2005) and a required income of £2,000 (£27,250 in 2005). The card is usable in 3,000 UK outlets and 83,000 overseas outlets. The only Bank of England constraint is a £75 limit on a single item for overseas transactions</p>
1966	<p>Barclays introduced the first UK credit card</p>	
1967		<p>First cash machine in the world installed by Barclays Bank in Enfield, Middlesex and launched in a press call on 27 June. Early dispensers were designed to receive hole-punched vouchers of £10.00 each purchased by the customer from the bank and used in the dispenser when needed.</p>
1969	<p>UK domestic cheque guarantee scheme is established.</p>	



# A Brief History of Payment

Year	1970 - 1975
Early 1970s	<p>First prepaid products appeared for use by students for transit and on campus</p> 
1970	<p>Dr. Kunitaka Arimura of Japan filed the first and only patent on the smart card concept</p>
1971	<p>Stamp duty on cheques abolished on 1<sup>st</sup> February 1971 just before currency decimalisation.</p>
1972	<p>NatWest, Midland, Lloyds &amp; RBS join together to issue the Access credit card under the Joint Credit Card Company (JCCC).</p> 
1972	<p>Lloyds Bank 'Cashpoint' is the first on-line verified ATM using plastic cards with a magnetic stripe.</p> 
1974	<p>Consumer Credit Act (Section 75) provides protection to consumers buying goods costing between £30 and £10,000 (£100 and £30,000 in 2005) on their credit card: if the product turns out to be sub-standard, or fails to be delivered, the cardholder can claim compensation from the card-issuing bank. The Act (Section 84) also limits customer liability to no more than £50 if cards are stolen, and used by someone else.</p>
1974	<p>Roland Moreno of France filed the original patent for the IC card, later dubbed the "smart card"</p> 

# A Brief History of Payment

Year	1975 - 1980		
1977		<p>Barclaycard issues the first UK company card – hitherto cards had been issued only to individuals.</p>	
1977		<p>Consumer Credit Act comes into force on July 1st 1977 Under Section 75 of the Consumer Credit Act, the credit card company is jointly and severally liable for any breach of contract or misrepresentation by the company.</p>	 <p>Consumer Credit Act 1974 CHAPTER 39 CONSUMER CREDIT ACT 1974 PART I OFFICE OF FAIR TRADING</p>
1978		<p>Seattle First National Bank issued a debit card to business executives with substantial deposits and long good standing</p>	
1979	<p>Visa improved upon the traditional manual imprint machines the first credit card machine</p>		<p>with the introduction of the “swiper”,</p> 










# A Brief History of Payment





Year	1980 - 1985
1980s	<p>The UK moves to 'duality', i.e. banks begin to issue both Visa and Access cards. Subsequently, the Access consortium begins to break-up, and disappears as a brand as MasterCard gains recognition in the UK. This move brings world-wide acceptance to UK-issued cards.</p>
Early-Mid 1980s	<p>Early/mid 80s saw the introduction of electronic point of sale terminals.</p>
1983	<p>MasterCard were the first to introduce a laser hologram to their cards to combat counterfeiting</p>
1984	<p>Most Visa cards around the world feature a dove hologram, designed by Kurt Roald originally for Visa Travellers cheques</p>
1984	<p>The smart card reached a milestone when the French Postal and Telecommunications services (PTT) successfully tested ATM bank cards with chips. Within two years, the use of smart cards proliferated throughout the world.</p>
1984	<p>First debit cards under a nationwide system were more generally issued initially by Landmark using ATMs for access</p>
1984	<p>First online shop made by Mrs Jane Snowball when she used a television and a controller to purchase groceries</p>











# A Brief History of Payment

Year	1985 - 1990
1985/86	LINK cash machine network established (33 members including Abbey National, Nationwide, Co-Operative Bank, Girobank etc), essentially enabled by the 1986 Building Societies Act. 
1986	Matrix cash machine network established (A&L, Anglia, Bradford & Bingley, Bristol & West, Leeds, National & Provincial, Woolwich etc)
1987	 Barclays bank becomes the first to issue a debit card in the UK – the Visa Delta Card under the Connect brand in June
1987	Four bank cash machine network established (Barclays, Lloyds, RBS, BoS) 
1988	Switch debit card launched by Midland, NatWest and RBS with the first Switch transaction occurring in October 1988.
1988	Visa test the world's first multi-function chip card, the SuperSmart card, in Japan. 
1989	 £100 and £250 UK cheque guarantee limits introduced.
1989	MINT cash machine network established (Midland, NatWest, TSB, Clydesdale, Northern Bank) 
1989	LINK and Matrix cash machine networks merge 
Late 1980s	First prepaid phone cards appeared




# A Brief History of Payment

Year	1990 - 1995
1990	France introduces chip and PIN based upon France-only B0' standard. (for French domestic use only)
1990	Cashback emerges as a means of acquiring cash (7m transactions in 1990).
1990	Mondex invented by National Westminster
1992	 <p data-bbox="707 558 1383 615">MasterCard launch the Maestro brand for its international debit card.</p>
1993	 <p data-bbox="707 705 919 733">Mondex launched</p>
1993	Dr. David Chaum, the head of cryptography in CWI, the Dutch national research center, developed a software solution – eCash technology for working with digital cash. ECash became the ground of DigiCash, the first world's electronic payment system
Mid 1990s	<p data-bbox="320 929 852 958">First closed-loop prepaid gift cards appeared</p> 
1994	Europay, MasterCard, and Visa (EMV) published joint specifications for global microchip-based bank cards (smart cards).
1994	The first online purchase was carried out in the United States. The same year the first domestic chip card of “Golden Crown” system appeared in Russia
1995	UK debit card volumes exceed credit card volumes for the first time.
1995	<p data-bbox="320 1209 1367 1266">Over 3 million digital mobile phone subscribers worldwide begin initiating and billing calls with smart cards.</p> 

# A Brief History of Payment

Year	1996 - 2000
1996	<p>1996 Visa Electron launched</p> 
1996	<p>1996 Over 1.5 million VISACash stored value cards were issued at the Atlanta Olympics</p> 
1997	<p>1997 UK chip trials in Northampton and Dunfermline ran between October 1997, with over 117,000 cards issued, 535 terminals installed in 463 outlets, and 14 ATMs.</p>
1997	<p>1997 Solo debit card scheme launched by the Switch card scheme</p> 
1997	<p>1997 First internet banking service introduced by Nationwide Building Society</p> 
1997	<p>1997 The first mobile payment when Coca Cola introduced two vending machines in Finland where the customer could make a mobile purchase via a text message</p> 
1998	<p>1998 UK Debit card transactions first outnumbered the use of cheques</p>
1998	<p>1998 The first sale of digital content as a download to mobile phones was made possible when the first downloadable commercial ringtones were released by the Finnish wireless operator Radiolinja.</p>
1998	<p>1998 PayPal began as a mobile payment company with wireless transactions on Palm Pilots, but soon switched focus to online payments when it found a strong customer base on eBay.</p> 
1999	<p>1999 Internet card issuers (eg, Egg, Smile, Marbles) join the market place.</p> 
1999	<p>1999 The Philippines launched the first commercial mobile payments systems on the platforms provided by the country's two large mobile operators: Globe and Smart.</p> 

# A Brief History of Payment

Year	2000 - 2005
2000	<p>The association of the 12 largest manufacturers of smart cards, special software and credit associations announced about the creation of the first universal electronic wallet</p> 
2001	<p>Debit card expenditure exceeds credit card expenditure for the first time.</p>
2001	<p>More than half of UK spending is on plastic</p>
2002	<p>Chip and PIN cards announced in the UK</p>
2003	<p>In 2003, Chip and Pin trials were held in Northampton. The new payment method allowed transactions to become a great deal more secure, without compromising on the speed with which customers could make a payment.</p>
2003	<p>Chip-and-pin cards began to be issued throughout the UK. These debit and credit cards contained a microchip which was used to store data on the card. It was hoped the system would reduce card fraud because the embedded chip stores information more securely than the old magnetic strips on cards. Customers enter a four-digit Pin in to a keypad to authorise any payment rather than write their signature on a receipt.</p> 
2004	<p>Card expenditure exceeds cash for the first time</p>
2005	<p>First ever general purpose prepaid card in the UK issued by APS</p> 

# A Brief History of Payment

Year	2006 - 2010
2006	MasterCard Worldwide became a publicly traded company
2007	First contactless payment takes place 
2007	A mobile phone with built-in contactless payment card technology (and Oyster card functionality for travel) piloted in London 
2007	Western Union announced partnership with GSMA to develop mobile money transfer
2007	Kenya's largest mobile carrier Safaricom, owned by Vodafone, formalized a process which allowed Kenya's rural migrants to send their earnings from Nairobi to back home in the countryside. M-Pesa service in Kenya allowed people to send and receive cash through mobile phones, thus replacing banks in ordinary people's lives. 
2008	Faster Payments Service introduced for online, phone and standing orders 
2009	Bitcoin version 0.1 is released and the first transaction takes place 
2010	India and China between them account for around a quarter of world-wide remittances receiving some US\$106 billion 

# A Brief History of Payment

Year	2011 and beyond
2011	 <p>Starbucks started to accept mobile payments as an opportunity to reach those who don't always carry cash. In 2011 they went nationwide with their acceptance of mobile payments</p>
2012	 <p>Contactless payments introduced on London buses.</p>
2012	<p>Mobile payments usage hits US\$163.1 billion</p>
2012	<p>Contactless payment limit in UK increased to £20</p> 
2012	<p>Visa pushed the London Olympics as the coming of age of contactless payments. Visa postulate that the London 2012 Olympic and Paralympic Games offered a unique opportunity to demonstrate the value and potential of contactless payments to our partners and members from around the world</p> 
2013	<p>Total plastic card spending amounted to £532 billion from 10.9 billion transactions</p>
2013	 <p>Alipay (from alibaba.com, the Chinese e-commerce company) had a payment turnover of US\$150 billion on its mobile payment solution dwarfing PayPal's US\$27 billion</p>
2014	<p>In April the total number of card payments amounted to 977 million totalling £46.7 billion</p>
2014	<p>Apple Pay launched in the US (and in the UK in 2014)</p> 
2015	<p>Contactless payment limit in UK raised to £30</p>
2020	<p>The number of debit card payments is expected to reach 12.5 billion</p>
2022	<p>The combined total of payments in the UK is expected to almost double from 9.9 billion in 2012 to 17.3 billion</p>

The logo for Polymath Consulting features the company name in a white, sans-serif font. The word "polymath" is in a larger font size than "consulting". The text is centered within a network of white lines that radiate from a central point to eight small white circles, creating a starburst or hub-and-spoke effect.

**polymath**  
consulting

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