startup corner

A chat with...

FStech catches up with Tom Schouteden, the co-founder of Sign2Pay, a startup in the mobile payments authentication field

The Sign2Pay team at London's TechCrunch Disrupt.

FStech: Give us a brief outline of the history of Sign2Pay – the people behind the company and your reasons for starting it.
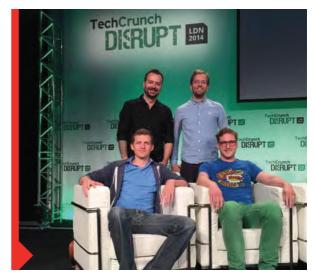
Tom Schouteden: We started Sign2Pay just over a year ago, because we noticed there was a real problem with sales conversion on mobile. The payment process is the number one reason why customers drop out of the sales funnel. There just isn't a convenient way to pay on mobile when shopping online. Our solution allows customers to simply use their finger to sign on the screen of their mobile phone to authorise a payment. The payment is then taken from their bank account and transferred to the merchant's account. Currently we're a team of eight, with Nicolas Mertens, Nick Lloyd and myself being the co-founders.

FStech: What are the highlights and successes of Sign2Pay to date?

TS: We only launched in October 2014, when we were selected for the TechCrunch Disrupt Startup Battlefield in London. I guess we're most proud of the technology that we've built over the past year. We're the only ones that can do a real-time signature verification, and our ground-breaking pre-emptive risk analysis allows us to drive down fraud percentages. No one in the payments space is currently working with these metrics.

FStech: How is signing your smartphone screen to make a payment more secure than using traditional PINs or passcodes?

TS: That's a very interesting question. It turns out that a signature holds much more data than a traditional PIN or passcode. By comparing data points such as stroke length, direction, velocity and touch points we have been able to build an authentication method that qualifies as a biometric and holds even more information than your fingerprint. In terms of security, the major problem with biometric authentication – identified by Google's own research – is that once your account gets compromised you can't change your fingerprints, or your face for that matter.

FStech: Why do you believe your solution will help drive up m-commerce conversion rates?

TS: Current credit card authentication methods such as card readers, challenge response codes, or SMS verifications drive up card abandonment because people postpone their purchase until they're at the desktop. This will change next year when mobile makes up 50 per cent of all traffic and merchants start feeling this on their bottom line. By replacing these obstacles with something people have used for centuries we are convinced we can bring conversion rates up to par with desktop payments.

FStech: Sign2Pay can process payments from over 3,700 European banks – which retailers are onboard?

TS: As we've only just launched it's a bit early days to talk numbers. But we're in talks with some major commerce companies and have already started onboarding our first merchants.

FStech: Do you have any plans to launch outside of Europe in the future?

TS: While our technology is not limited by geographical boundaries, right now our focus is on the current launch into the mobile payments space. Once we've established our presence, we will definitely look at opportunities overseas. The potential of this technology also allows us to consider other markets. For example, it could also be used to authenticate credit card payments, sign off for package deliveries, or replace document signatures.