



NEWS RELEASE

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PayOffline Launches with the backing of Major UK Companies – Opportunity for New Revenue Streams for Retailers

PayOffline has today launched to the retail trade a new, secure way to pay for goods and services purchased online. Consumers will now be able to order goods on the Internet but pay offline by cash or debit card, therefore completely eradicating the risk of fraud.

PayOffline has teamed up with the following organisations

- Alliance & Leicester Commercial Bank who are supplying the transaction processing
- major ecommerce application providers Actinic and Cubecart
- alphyra (payzone) who are providing the physical payment outlets for PayOffline.

Five million Britons steer clear of shopping on the internet for fear of fraud and identity theft. PayOffline will mean they can shop safely. The new service enables the four million people with no bank account and the third of UK adults with no credit card to now shop online too.

Retailers of any size can increase their revenue streams by introducing PayOffline to their websites and online stores. Simple integration into existing shopping carts is all that is required to benefit from a huge and untapped market.

The website went live to the retail trade today and PayOffline is now set to launch to the consumer in Autumn 2007. For more information or to integrate PayOffline to your payment processing visit www.payoffline.com.

Alistair Brookbanks, Director of Devellion Ltd (CubeCart) commented, "CubeCart is an ecommerce application used by over one million stores globally. We are pleased to be able to offer our customers the ability to widen their customer base by integrating PayOffline into their payment processing. This is part of our commitment to offer the best service possible to our customers."

Nick Kington, Business Development Manager, Actinic, commented: "By working with PayOffline, Actinic users are now able to provide an additional payment option which in turn enables them to trade with a previously untapped proportion of UK consumers. We look forward to our customers increasing their revenues as a result of this new service."

PayOffline has also joined forces with alphyra, the operator of payzone, the UK's largest branded network for the collection of consumer payments. UK consumers will now be able to visit any one of the 17,000 payzone outlets across the UK to pay for their goods bought online. Nick Adams, Associate Director, alphyra commented: "we are delighted to be involved with PayOffline. We pride ourselves in being able to provide the consumer with secure and technology driven solutions and PayOffline fits very well with our core strategy. We encourage retailers to integrate PayOffline to give the UK consumer what we believe will be a very popular payment option."

Graham Long, Head of Payment Services, Alliance & Leicester Commercial Bank said: "We are pleased to be supporting PayOffline by providing the transaction processing for this new and exciting payment method. We believe the service will attract strong interest from a range of consumers who either do not wish to use credit or debit cards online or who do not have access to them. It complements the extensive range of payment options that Alliance & Leicester already offers to many consumers who fall into these groups."

Steve Berry, Managing Director, PayOffline commented, "PayOffline has mass market appeal; all our extensive research indicates there is a huge pent up demand from all sections of the UK population. PayOffline will also make Internet prices available to everyone and provide a safe and secure payment option without the risk of fraud or identity theft.

We are delighted to be supported by Alliance & Leicester Commercial Bank, alphyra (payzone), Actinic and Cubecart and are fully committed to working with retailers of all sizes to bring PayOffline to the UK mass market."

- ENDS -

Notes to editors:

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PayOffline

PayOffline is a new and innovative payment solution developed to enable consumers to buy goods and services online without credit cards and pay with cash or debit card offline.

It uses a barcode system that allows consumers to make over the counter payments at any one of the 17,000 payzone outlets throughout the UK. PayOffline is an easy, convenient and safe method of paying for your online purchases.

PayOffline works with the support of Alliance & Leicester Commercial Bank who provide all transactional and banking services and payzone who provide the physical payment outlets for PayOffline.

Retailers of any size can increase their revenue streams by introducing PayOffline to their websites and online stores. Simple integration into existing shopping carts is all that is required to benefit from a huge and untapped market.

How does it work?

Consumers

Consumers choose their purchase on the Internet then click the PayOffline payment option, print or write down a 19 digit barcode then visit a local payzone outlet to pay for the purchase. Goods and services are paid for with cash before they are dispatched.

Retailers

PayOffline can be securely integrated with existing commerce systems, shopping carts and bespoke ecommerce solutions by following three easy steps. For more information go to www.payoffline.com.

Key Facts

- Over four million people in the UK do not have bank accounts (APACS)
- A third of UK adults do not have credit cards (APACS)
- 25% of internet users don't currently buy online (APACS)
- 40% of the adult population do not currently use the Internet to shop (APACS)

- PayOffline estimate that the potential market for converting people who do not currently shop online could be in the billions
- A survey conducted for PayOffline by Shape-the-Future.com with 3,000 UK respondents uncovered the following,
- 59% of all respondents indicated an interest in using PayOffline
- 58% of people have at some time decided not to shop online because of the fear of fraud
- 65% think it can be risky to use credit cards online
- 66% think it should be easier to shop online without credit cards
- 65% would shop more with a secure, easy to use payment solution

The most common type of fraud in the UK is card-not-present fraud, the cost of which was £183.2m in 2005 (APACS). A card-not-present transaction refers to purchases made on cards used over the telephone, internet or for mail order.

The Home Office has recently instructed that all incidences of card fraud be reported to the issuing bank, rather than to the police. This is likely to compound the current fears held by the 25% of internet users who do not currently shop online.