

# AmEx Adds RFID to Blue Credit Cards

The financial services company has started issuing contactless payment cards nationwide for its ExpressPay program.

By Claire Swedberg

June 7, 2005—Starting this month, all Blue cards issued by [American Express](#) will come embedded with an RFID transponder that allows customers to pay for goods with the tap of the card against an RFID reader. The cards will retain the traditional magnetic stripe, so they can still be used as regular credit cards when RFID readers are not available. The Blue card's RFID-enabled feature will be accepted by all merchants participating in American Express' ExpressPay program.

Convenience store chain [7-Eleven](#) is the most recent merchant to begin accepting ExpressPay payments. Other stores include some [Carls Jr.](#) restaurants, [CVS](#) pharmacies (see [All CVS Stores to Offer ExpressPay](#)) and [Sheetz](#) convenience stores, as well as smaller independent retailers. American Express has completed pilots of the ExpressPay system in New York City and Phoenix, says American Express spokesperson Rosa M. Alphonso, and 7-Eleven ran its own pilot of the system with ExpressPay-enabled point-of-sale terminals in 170 of its stores. With that pilot also complete, the convenience store chain is now rolling out RFID point-of-sale terminals to all of its more than 5,300 U.S. outlets by early 2006.

By the same time frame, the other participating chains and retailers are also expected to have all their ExpressPay-enabled point-of-sale terminals installed.

The incentive for both vendors and customers is the ease of transaction that will result from using the card. The translucent Blue card comes with an ISO 14443-compliant RFID tag that can be read by an ExpressPay-enabled point-of-sale terminal containing an RFID reader. When a customer's purchases are totaled up, he or she can tap the card against—or wave the card within a few inches of—the reader. The transaction is authorized when the reader lights up; the merchant then confirms the sale, and data about the purchase appears on the customer's credit card statement at the end of the month.

Purchases paid for using the ExpressPay-enabled Blue card should take only a matter of seconds, says Alphonso. In fact, statistics resulting from the pilot found that using ExpressPay was 63 percent faster than paying with cash and 53 percent faster than transactions that required no signature but involved swiping a credit card's traditional magnetic stripe through a card reader.

"We want to get this into the hands of consumers because of the benefits in terms of speed and convenience," Alphonso says. Ultimately, she explains, American Express would like to see the system available in all convenience stores, quick-serve restaurants, supermarkets, drugstores and gas stations.

The ExpressPay system will be available in five American Express products: the Blue card, Blue Cash, Blue for Students, Blue for Business credit cards and Blue Cash for Business.

American Express is not the only credit card company delving into RFID contactless cards. Later this month,

Chase is issuing Visa and MasterCard credit cards that use RFID transponders and readers for contactless payments (see Chase Offers Contactless Cards in a Blink). Like American Express, Chase intends to replace existing customers' expiring credit cards with RFID-enabled cards that can be used both as contactless payment devices and as traditional credit cards.

Contactless point-of-sale terminals for the Chase and American Express systems will be interchangeable, Alphonso adds, so that an ExpressPay card, for example, could be read by a Chase MasterCard contactless terminal.

"We are very pleased with ExpressPay's momentum in the marketplace," says David Bonalle, vice president and general manager of advanced payments for American Express. "Blue with ExpressPay will allow us to get more cards with contactless payment functionality into the hands of our customers nationwide."

At present, there are 40.3 million American Express accounts in this country. Alphonso is unwilling to specify how many of those are Blue card members, or how many ExpressPay cards will be issued, but she points out that all new Blue cards will have the ExpressPay feature. According to Alphonso, customers who would like to have the ExpressPay feature before their current card expires should contact American Express.

Copyright ©2005 RFID Journal, Inc. All Rights Reserved