

Telpay widens Net bill paying

Anyone can be paid, without using cheques

By Martin Cash

WINNIPEG information technology company Telpay Inc. has launched the most comprehensive online bill payment service in the country with an Ottawa credit union.

CS CO-OP, an Ottawa credit union with 145,000 members and \$1.2 billion in assets under administration, started offering unlimited electronic bill payments to its members this week. In the past, the usefulness of most online bill payment services was limited to specific designated billers.

"We have been focused on eliminating paper cheques for some time," Telpay CEO Brian Denysuik said in an interview yesterday. "We have now made the service much more comprehensive."

Telpay has been a leading innovator in electronic bill payment technology since being formed as part of Comcheq, a Winnipeg payroll services company, in 1985.

In the past, Telpay was able to offer the online service in various ways on behalf of about 2,500 billers in Canada. The latest development in its technology allows payments to be made to anyone, including individuals. If the bank account information is not available, the recipient of the payment would receive a Telpay cheque in the mail with a request for bank account information so that in the future electronic transfers of funds could be executed.

Loewen (left) and Denysuik announced yesterday the new online service will be able to send payments to anyone, not just those who are specific designated billers.

A May 2004 technology survey by the Canadian Bankers Association noted Canada's six largest banks have spent about \$25 billion on technology since 1996, but Telpay officials said it is ahead of the banks in being able to provide such comprehensive electronic bill payment coverage.

Bill Loewen, Telpay's founder and chairman, said yesterday his small company's ability to beat the banks has to do with being a niche player.

"I think the main thing is that we are focused on the payment area," Loewen said in an interview. "They have much wider issues to deal with. We have more flexibility and we can deal with today's technology, whereas in some cases they may be held captive by older technology."

Jim Carroll, a southern Ontario writer and speaker who specializes in the Internet age, isn't surprised Telpay has developed to the point where it

has a broader offering than the banks.

"There are a number of things at play. The banks were very aggressive in the '90s, but they have backed off (Internet banking development) and have abdicated some of that innovation," he said in a telephone interview yesterday. "Telpay is a very innovative company and they have really thought through this. They are absolutely passionate about this. They have an innovative spirit and mindset that is unparalleled."

Last year, Telpay helped execute about 14 million electronic payments worth about \$5.3 billion. Company officials, as well as those from CS CO-OP, said they believe the more wide-ranging coverage will mean more electronic payments will be made.

"We expect to increase the electronic traffic by about 20 per cent," said Cassandra Harris, the manager of e-commerce at CS CO-OP, one of Telpay's

original customers in the 1980s.

She said the latest development can be provided to its customers seamlessly on the credit union's online banking system. It is the same one used by many of the other 750 credit unions in Canada.

"We know it works and we have had a very successful partnerships with Telpay, which has delivered a reliable service over the years," Harris said.

Telpay officials say more people and businesses will be inclined to use the service now that there are virtually unlimited numbers of billers who can receive the electronic payments.

Telpay charges a fee per transaction, but it has different arrangement when making wholesale deals like the one with CS CO-OP.

Telpay currently services more than 250 financial services institutions in Canada and thousands of businesses.



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