

Mobile Payments Hearing: Samsung Responses to Questions for the Record

The Honorable Tony Cárdenas

1) A recent study done by the Pew research center shows that 13% of Latino Americans rely on their smartphone for online access compared to 4% of White Americans. Yet, Hispanics display a lower financial literacy level than their White counterparts. What is Samsung doing to educate consumers?

Samsung Pay offers consumers, including our significant number of Hispanic customers, the ability to make secure transactions almost anywhere you can swipe or tap your card. Samsung accomplishes this through our combination of Near Field Communication (NFC) and Magnetic Secure Transmission (MST) technology. With Samsung Pay, Hispanic consumers can now have confidence that their payments are secure regardless of whether they are shopping at the big retailer downtown or the mom-and-pop shop around the corner. Samsung is doing substantial outreach – through marketing and social media – to educate Latino Americans and all consumers about this unprecedented security.

2) How is Samsung Mobile keeping consumer's information secure? What consumer information is being stored in the mobile payment app?

Samsung has partnered with key financial institutions to safeguard consumers' personal, transactional, and payment information. Samsung Pay uses tokenization and authentication methods to secure consumer information. Additionally, Samsung's KNOX service constantly monitors suspicious activity within the device to protect from any malicious attacks. If a device is lost or stolen, Samsung offers a free service to remotely lock or erase Samsung Pay. The service also has the ability to locate the device and erase all stored personal information.

Samsung does not store or have access to the payment information added to Samsung Pay. The last four digits of the card number are displayed on the card image in Samsung Pay to help consumers manage their cards. Additionally, Samsung does not – and cannot – monitor user purchases. After a payment is accepted by the issuing bank, the card network may optionally send a notification back to the device that contains details of the accepted transaction. But these details are encrypted in transit.

3) Can mobile pay be used to wire money internationally?

Samsung Pay does not allow consumers to wire money internationally.

4) What if the system crashes? Let's say in the case of an emergency?

Samsung Pay is a feature that rides on top of the larger financial and payments infrastructure, so it is not a "system" that can "crash." That said, consumers may encounter instances where Samsung Pay does not work at a specific merchant. If this happens, the consumer can still pay with cash or their physical payment cards.