

# Inside the pay-by-tweet service that's poised to shake up France's payments market

**Summary:** *A subsidiary of France's second biggest banking group has introduced a novel money transfer service tied to Twitter.*

By Frances Marcellin for [Vive la tech](#) | November 18, 2014 -- 08:39 GMT

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France's second-largest banking group, BPCE Group, has introduced a way for France's 3.5 million Twitter users to send payments via a simple tweet.

The service was introduced last month by S-money, BPCE's mobile payments subsidiary. The world-first feature, a BPCE-led initiative using Twitter's API, came as an extension to the group's existing person-to-person money transfer service.

## How to tweet payment with S-Money

In order to make a payment through S-money's Twitter service, users must have a French bank account (with any bank in France) and a French mobile phone number. Android and iOS are currently the only mobile operating systems supported, but Windows Phone could come soon. "[Android and iOS] make up 95 percent of France's smartphone market," said S-money CEO Nicolas Chatillon. "But we are taking a multi-channel approach, so if our clients ask for [Windows Phone], we will do it."

A user's Twitter account is accessed as part of S-money's sign-up process, and the app must be downloaded for a transfer to be made. To make a payment a tweet must be sent as follows: "@SmoneyFR #envoyer amount€ @recipient", and the payment limits are €250 for individuals and €500 for a charity or company.

## A growing online payment market

The launch comes at a time when the online payment market is exploding. [Twitter has announced its Buy button.](#) (<http://www.zdnet.com/twitter-begins-testing-buy-button-to-increase-e-commerce-efforts-7000033422/>) Facebook has introduced a [money transfer service with Japan's Rakuten Bank](#) ([http://global.rakuten.com/corp/news/press/2014/0805\\_01.html](http://global.rakuten.com/corp/news/press/2014/0805_01.html)) and reports say the social network is developing a [payments system for its Messenger App.](#) (<http://www.theguardian.com/technology/2014/oct/06/facebook-mobile-payments-messenger-app>) And Apple has [launched Apple Pay](#) (<http://www.zdnet.com/apple-unveils-apple-pay-its-long-awaited-entrance-into-mobile-payments-7000033491/>).

"In my view S-money has similarities to PayPal, but more specifically to [the UK's Paym system](#) (<http://www.paym.co.uk/>) that started earlier this year," said Andrew Copeman, a payments analyst at Aite Group. "The messaging element informs the recipient that a payment is on its way; it is not the actual transfer itself."

S-money is one of a number of schemes that Ross Macmillan, a market intelligence consultant at allpay, calls a "disruptive technology [that is] competing with the traditional credit card companies and banks who have run the business for decades".

But one of the major challenges he sees with initiatives such as Paym and S-money is whether users will trust the platforms to make larger payments. "I think the average payment on Paym is around £50," he said. "We launched an app a few years ago and now we're starting to see higher average payments at £140 – so there is an appetite for this, but it comes down to trusting the brand."

S-money's Chatillon is aware the service's future success rides on whether clients trust it to be secure.

"We've had 4,000 app downloads in the last two weeks and we already have 100,000 people using the S-money service in France," he said. "After two weeks of running the platform customers are saying they feel confident because they register their cards within the bank's wallet."

## Going public and private

One area that could potentially affect adoption is the public nature of customers' payments. However, many experts believe there is a generational difference in the acceptance of public online payments, seen through the uptake of apps such as Venmo by generation Y to split a dinner cheque and pay rent.

"There is definitely a generational divide in the way people think about money online, and, in general, this seems to be driven by differing views on privacy and security online," says Hiroki Takeuchi, founder of [GoCardless](https://gocardless.com/) (<https://gocardless.com/>). "These differences are driving a change in the way payments are made online."

But there is room for growth. Consider that [80 percent of Twitter users are active on mobile](https://about.twitter.com/company) (<https://about.twitter.com/company>) globally and in France, says Twitter, and that 25- to 34-year-olds and 55-and-over each have the largest share of the smartphone market at 21 percent each, according to Comscore.

In order to attract a wider audience, S-money will be developed to function through Twitter's private messaging service. "The fact that we can see what our friends are doing on Twitter is a source of acting as a community," said Chatillon. "But for P2P transfer we have been asked to develop a private DM service and so we are going to develop that very soon."

## Community engagement, fast payment

The combination of the community aspect of Twitter and S-money's instantaneous payment service mean S-money could potentially transform France's payment market, especially when it comes to crowdfunding organisations and charities. The latter are particularly hindered by France's continued high usage of the cheque. As an [Idealo study](http://blog.idealo.co.uk/european-payment-methods-how-do-we-pay-3807.html) (<http://blog.idealo.co.uk/european-payment-methods-how-do-we-pay-3807.html>) recently showed, 68 percent of French shops still accept cheques while the rest of Europe considers it to be an old-fashioned payment method.

"We want to understand what value we can add to charities," said S-money's Chatillon. "Cheques are totally insecure and payment can take 20 days. By using our service a charity can communicate a fundraising venture and be sent money instantaneously via a tweet."

S-money has several partners including [Fundovino](https://www.google.com/search?q=Fundovino&oq=Fundovino&aqs=chrome..69i57j0.255j0j9&sourceid=chrome&es_sm=122&ie=UTF-8) ([https://www.google.com/search?q=Fundovino&oq=Fundovino&aqs=chrome..69i57j0.255j0j9&sourceid=chrome&es\\_sm=122&ie=UTF-8](https://www.google.com/search?q=Fundovino&oq=Fundovino&aqs=chrome..69i57j0.255j0j9&sourceid=chrome&es_sm=122&ie=UTF-8)), which finances French wine projects, [Le Pot Commun](http://www.lepotcommun.fr) (<http://www.lepotcommun.fr>), a service that collects group money online, and Paris Taxi. The latter service was launched at the end of 2014 with the town hall in Paris enabling pick-up requests to be sent to taxis. From January 2015 S-money will embark on its biggest operation yet with CROUS, the regional council for university social services, powering payments in its restaurants. "It will have 1.5 million users and by the end of September 2015 we will be in all the restaurants in all universities in France," said Chatillon.

## A fragmented payments future

While S-money could theoretically spread outside of France, as the e-payments firm has a licence agreement for Europe, Chatillon says that for now the company's scope is firmly on its home market. Even if the company did expand geographically, allpay's Macmillan believes there will not be a single supplier dominating the market. "If you have more competition and more channels, and not just a payments market dominated by Visa and MasterCard, it is a positive thing," he said. "It will drive innovation."

Aite Group's Copeman says the real target is to remove cash and cheques from the payment system. "They are expensive to handle and slow. Smartphones offer new channels for the initiation of payment messages, and this is a major leap forward," he said.

## Read more on this story

- [IBM, Twitter form data partnership \(http://www.zdnet.com/ibm-twitter-form-data-partnership-7000035211/\)](http://www.zdnet.com/ibm-twitter-form-data-partnership-7000035211/)
- [Twitter throws devs an authentication bone \(http://www.zdnet.com/twitter-throws-devs-an-authentication-bone-7000035013/\)](http://www.zdnet.com/twitter-throws-devs-an-authentication-bone-7000035013/)
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- [Tutorial: Twitter 2-factor authentication, step-by-step \(http://www.zdnet.com/tutorial-twitter-2-factor-authentication-step-by-step-7000028433/\)](http://www.zdnet.com/tutorial-twitter-2-factor-authentication-step-by-step-7000028433/)

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Frances Marcellin is a British freelance journalist based in south-west France from which she runs content solutions company Piece Boutique. As well as reporting for ZDNet, Frances writes for consumer and business-to-business titles, such as New Statesman, The Connexion (France's English language national newspaper), The Belfast Telegraph and Progressive Digital Media's business titles. She has a particular interest in technology, transport and property, and if it is related to France, then all the better.

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