

<amount (\$)>” is generated and transmitted by the user to the on-line account operating system. At step 440, the on-line account system receives the SMS message identifying the transfer request and determines the relevant source and destination accounts from the SMS message. In the example of FIG. 4, the <short-code> identifies the user to whom funds will be transferred and the <amount (\$)> identifies the value to be transferred. The user seeking to transfer funds is identified by the mobile phone number from which the SMS message is transmitted to the system and in the event that a particular source account is not identified in the SMS message a default account is assumed as the source account from which funds will be transferred. Alternatively a source account may be identified in the SMS message.

[0134] At step 450, the on-line account system determines the balance of the source account and assesses whether the requested transfer of funds breaches any account operating rules with respect to both the source and destination accounts. Step 460 determines the course of action to follow depending upon whether or not any account operating rules have been breached. In the event that an account operating rule is breached by the requested transfer of funds, the method proceeds to step 470 where the user is notified of the failure to effect the requested transfer. However, in the event that none of the account operating rules are breached, the method proceeds to step 480 where the user transfer request is effected and subsequent to the transfer, the owners of the source and destination accounts may check their balance to verify the transfer of value (step 490). Alternatively, the account operating system may automatically generate an SMS to the owner of source and/or destination account to confirm the transfer.

[0135] With reference to FIG. 5, another intra-account transfer arrangement is detailed wherein a user establishes an account operating rule for their accounts such that excess balances beyond threshold amounts (for example, amounts required to attend to immediate needs) are cleared from the accounts and transferred into a specific account for the purpose of achieving a rate of return on the excess funds for the time that they are not required. This decision on the part of a user occurs at step 510 and the establishment of account operating rules for all linked accounts that the user decides to establish a threshold balance occurs at step 520.

[0136] At step 530, the on-line account system regularly (or in real time) analyses the on-line accounts of all users and the operating rules therefor to determine for which accounts the balance threshold applies and the amount of funds in the account above the predefined balance. All amounts above a predefined threshold balance are transferred to a linked system account. At step 540, transaction details for any affected account are recorded in the account from which funds are debited. At step 550, the total value of funds pooled in the system linked account are transferred to a bank or licensed deposit taking entity operated high interest account for the purpose of obtaining a high rate of return for the period of time during which those funds remain in the high interest account. In one embodiment, account operating rules are also established to identify a low threshold balance below which a transfer of funds from the high interest account back to the user on-line account occurs. Of course, it is preferable that the high threshold balance is not the same as the low threshold balance in order to reduce the transaction activity between the high interest account

and the user accounts. Further, the longer period of time that funds remain in the high interest account, the greater the return for users and hence there is an advantage for users to establish account operating rules that attempt to leave available funds in the high interest account for as long as possible. Of course, the transfer of interest payments to user accounts may be effected according to various arrangements such as regular direct debits or upon withdrawal of funds from the high interest account.

[0137] With reference to FIG. 6, another example of an inter-account transfer arrangement is described. In this example, a linked loyalty account is established by a user or a loyalty scheme operator at step 610. Once the loyalty account has been established, purchases that a user effects from member merchants of the loyalty scheme cause transactions transferring points into the user loyalty account (620).

[0138] Over a period of time where purchases are occurring, the on-line account system regularly reports the balance of user loyalty accounts to the relevant loyalty scheme operator (step 630). At step 640, the loyalty scheme operator rewards users with account balances above predefined threshold and at step 650, the loyalty scheme operator issues a reward offer to qualifying users by transmission of an SMS message to the qualifying users' mobile phone numbers.

[0139] Any of the qualifying users may accept the reward offer by generating and transmitting an SMS message to the loyalty scheme operator thus causing a deduction of value from their loyalty account balance in return for the reward (step 660). The user may be required to go to a particular merchant group to effect their reward purchase. Of course, the reward offered will depend upon the loyalty scheme operator but would typically include offers to receive merchandise in return for loyalty points.

[0140] FIGS. 2 to 6 are intended to convey some examples of inter and intra account transfers and the account operating rules that may be established to manage and control such transfers. As the account operating rules are inherently flexible, there is virtually no limitation upon the type or detail of rules as they are applied to users on-line accounts. Further examples of account operating rules for the purpose of controlling inter and intra account transfers that users could consider to be particularly convenient would include the following:

[0141] preventing value in an account being used for the purchase of particular types of goods or services such as those that may be identified by specific scheme merchant category codes;

[0142] preventing value in an account being used for the purpose of any goods from a particular merchant (as may be identified by a merchant ID (MID)); or

[0143] the establishment of a loyalty account where a purchase from a preferred list of participating member merchants (identified by a set of MID's) causes the transfer of a percentage of the purchase value or fixed reward to be credited to the loyalty account.

Merchant/User Transactions Using Linked Accounts

[0144] The account structure and operation thereof afforded by the present invention further enables a range of advantages with respect to the transactions involving users