

and merchants. In this respect, the flexibility afforded by the account structure and the ability to associate specific account operating rules with individual accounts enables a range of merchant/user transactions to be implemented with relative ease and efficiency.

[0145] For example, in embodiments where the account operating system has an interface to the established EFTPOS network, users may have a device, such as a swipe card, associated with an account and may use the swipe card to access the funds in the account to make purchases from merchants equipped with an EFTPOS terminal. Of course, for merchants that do not provide credit, the user would need to maintain sufficient funds in the account associated with the swipe card to cover the cost of any purchases from these merchants.

[0146] In one exemplary embodiment, users are provided with a facility to load value into an account associated with a swipe card, or any other user device, by presenting the swipe card and cash to a merchant. Upon receiving the cash, the merchant processes the transaction to add the value provided to the merchant, less a transaction charge, to the users account associated with the swipe card. The user may then use the value in the account to make purchases or effect transfers from that account.

[0147] Whilst such an arrangement provides protection for merchants from a bad credit risk, a risk is incurred by the account system operator, or another third party, in the event that the merchant does not subsequently transfer the funds received from the user that was loaded into their account. To avoid the incurrence of this risk, in one exemplary embodiment, any transactions involving the loading of value into a user's account by a merchant requires the merchant to maintain a separate account with a positive balance for the purpose of transferring value to other user's account. In this embodiment, a merchant account operating rule is established to identify transactions that would incur a liability on a third party and for these transactions, the requisite amount is transferred from the merchant's pre-paid account to remove the liability that would otherwise be incurred. The operation of the account operating rule can occur without active participation in the part of the merchant and thus does not interrupt the usual transaction process that is effected by the merchant whilst simultaneously removing any liability on the part of the account system operator or any other third party.

[0148] Of course, for merchants to continue to provide a value load service to users they will need to maintain a positive balance in their pre-paid account that is established for this purpose. Another account operating rule could also be established for the merchant account to provide notifications in the event that the pre-paid account balance falls below a certain threshold thus advising the merchant of the potential inability to provide such a service to users. In the event of receiving such a notification, merchants can access their account and increase the value of the positive balance thus enabling them to continue to provide the relevant service to users.

[0149] This particular embodiment is useful in enabling newly established merchants without any previous credit history to commence provision of an entire range of services to users (including services that would usually incur a credit risk) by removing the credit risk and ensuring that the

account system operator always has available funds to cover any transaction. In the event that the merchant fails to maintain a sufficient balance in their pre-paid account to cover the risk incurring services to users, the account system operator simply denies the processing of those types of transactions until the merchant's account balance is increased.

Purchasing Goods and/or Services from a Merchant with a Prepaid Account

[0150] In an exemplary embodiment, users could effect purchases by transmission of an SMS message of the type "Buy <short code>" where the <short code> identifies the product that the user wishes to purchase. The <short code> identifying the product is established by the account system operator or a user. The on-line payment account from which value would be transferred to effect payment could be nominated as a default account for the user. This payment account could be identified from the mobile phone No from which the user transmits the SMS message.

[0151] Further, in order to increase patronage at certain merchant's premises or on-line purchasing facilities for the purchase of goods and/or services, the merchant (or group of merchants as part of a merchant loyalty scheme) may offer loyalty reward points to customers for each purchase that is made at one of the member merchant premises or on-line facilities. With the account operating system of the present invention, the process of awarding loyalty points to a customer of the merchant (and user of the account operating system) is significantly simplified as compared with the maintenance of a separate loyalty account system. In the instance of the present invention, a linked user account for loyalty reward points for the merchant loyalty scheme allows the transaction relating to the purchase of an item to also effect the calculation and transfer of loyalty value into the loyalty account of the user.

Merchant Promotional Campaigns

[0152] Another example of the ability to more efficiently manage promotional campaigns occurs in the instance where manufacturers of specific items may offer prizes or rewards effectively as a game of chance when customers purchase their products. At the present time, these promotional offers generally require a user to retain the product packaging and to post same to the manufacturer for entry into a prize draw.

[0153] In the instance of the present invention, as product barcodes are scanned for purchase by a customer/user, the product codes may be analysed to determine those for which purchase acts to enter the customer into a prize draw. When the customer completes the purchase transaction by effecting payment by means of a pre-paid (or positive balance) account, the user's details may be captured as being a purchaser of a product for which a prize draw is pending. The purchaser's details may be included for the purpose of the prize draw and upon completing the prize draw at the appropriate time the winner of the prize draw may have their winnings automatically transferred into the account from which the product purchase was originally made.

[0154] This concept may also be extended to include manufacturer's rebates that may be made available from time to time to increase customer patronage of a particular manufacturer's products.