

Payment services

In connection with the coming into effect of the new Act No. 284/2009 Coll., on the payment system, Telefónica O2 started offering payment services to its customers from 1 November 2009. Payment services from Telefónica O2 allowed customers to make payment orders for electronic money transfer or to pay for goods or services provided by third parties using their mobile telephone or fixed line. A customer could choose among several methods of making a payment: by means of a short text or multimedia message charged at a higher rate (the so-called SMS/MMS), calling a number charged at a higher rate (the so-called Audiotex service) or by means of a dial-up data transmission (the so-called Datarif). Telefónica O2 provided these services to its customers based on an authorisation to do business in the area of electronic communications and certification from the CTO.

Paying using a mobile telephone or a fixed line is fast becoming popular in the Czech Republic. The average number of customers using payment services in the network of Telefónica O2 was approximately 620 thousand per month. In the hands of customers, the mobile telephone became a means of payment for an increasingly broad portfolio of goods and services. Customers of Telefónica O2 use the service to pay, for example, for small goods like DVD/CD and various services; buying public transport tickets, paying for parking or buying travel insurance were among the most frequently used options.

The new law which transposes European directives in this area further specified the conditions of provision of services which had already been offered by Telefónica O2 – including an added emphasis on consumer protection and prevention of money laundering. A special licence issued by the Czech National Bank also gave mobile operators in particular unprecedented leeway to develop new services which had previously been reserved only for the holders of banking licences.