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Two Firms to Use Services From iPay

By Steve Bills

The electronic bill payment specialist iPay Technologies LLC struck two deals in a week to offer its services through online banking software providers.

The Elizabethtown, Ky., processor announced a partnership Tuesday with Beacon Software Inc., an Atlanta Internet banking unit of Southern Financial Systems Inc. of Lakeland, Ga. A week earlier iPay announced a similar arrangement with an Oklahoma City start-up, iThryv LLC.

Jack Fullen, Beacon's president and chief executive officer, said it has worked with iPay for 18 months, offering both its bill payment service and one from Fidelity National Information Services Inc. to the 100-plus community banks that use Beacon's Compass Internet banking system.

"iPay has more features and functionality that our customers are asking for. We have moved toward iPay as our single source of bill payment," Fullen said in an interview Tuesday. He particularly cited its small-business service, which lets users reference multiple biller invoices with a single payment.

There also are competitive issues, he said, noting that Beacon worked originally with the St. Petersburg, Fla., payment processor Certegy Inc. before Fidelity bought it in January 2006. "iPay is about the only bill-pay provider that is not our direct competitor in Internet banking."

James Hyde, iPay's senior vice president of business development, said it works with more than 2,800 financial institutions, including 1,000 as part of a deal announced in November 2007 with Jack Henry & Associates Inc., which agreed to move its bill payment work to the iPay service.

"We spend a lot of time on our look and feel," Hyde said.

Stephen Bohanon, a consultant at Catalyst Consulting Group of Goodyear, Ariz., said that factor was significant to iThryv, which is developing an online banking service with a customizable interface to target specific demographic groups.

"It makes it look like their online banking, rather than the bank's online banking platform that they're just part of," said Bohanon, who has worked with the iThryv on the development of its service.

iThryv expects its first three institutions to begin using its service in the next two months as a supplement to their online offerings, he said.