

## Vesta Sees Prepaid Opportunity With NetSpend Partnership

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Vesta Corp., a Portland, Ore.-based prepaid technology provider, Monday announced that NetSpend Corp. will use its online reload service for prepaid cards. The service enables NetSpend cardholders to load up to \$250 using a debit card.

Vesta decided against credit card-to-prepaid card reloads because of debit's growing use.

"The convenience for the consumer is the ability to be able to reload their account instantly versus having to go to the store," says Matt Hall, Vesta vice president of business development. Vesta's back-end software enables immediate access to the funds compared with as many as five days for other online reload networks, Hall says.

Vesta's roots are in the prepaid telecommunication industry, but the prepaid card market's growing potential was too good to pass up, Hall says. The company cites a Mercator Advisory Group study that predicts general-purpose prepaid cards would reach \$118.5 billion in loads by 2012 compared with \$8.7 billion in 2008.

"Those numbers are something we couldn't ignore," Hall says.

Vesta plans to offer the service to other prepaid providers but initially partnered with NetSpend because "we see them as one of the more innovative companies, and they are very open to new approaches in the market," Hall says.

"Frankly, this is something of a risk on both sides because it's new. But [NetSpend] embraced it, and we see them as a company that has a vision in the marketplace."

Both companies used a two-month pilot earlier this year to gauge interest from NetSpend cardholders. One question they had was how the financially underserved consumer would view Vesta's online service. What they found was that, while some cardholders could not perform a card-to-card funds transfer, the ability for a friend or relative to use the service to load funds into their card accounts was important to them, Hall says.

"We also found that there are a lot of prepaid users that had a parent-child card structure, and this service works very well for that relationship," Hall says.

NetSpend will charge a reload fee similar to a \$5.95 in-store load, Hall says. NetSpend did not respond to a request for comment.