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## News Bulletins

### ActivCard Strengthens Its Online Banking Authentication Portfolio With Acquisition

U.S.-based ActivCard Corp. announced Tuesday that it would acquire the remaining 51% in equity that it did not already own in Aspace Solutions Ltd., of the United Kingdom, positioning the company to offer banks a more complete system for securing Internet and other remote delivery channels. ActivCard brings expertise in authenticating the customer with such devices as smart cards and one-time password tokens, while Aspace has developed technology that authenticates consumers across channels and keeps track of their transactions. With this combination of technology, ActivCard can address the problems faced by banks that offer consumers a variety of products—checking and savings accounts, credit cards, mortgages, auto loans and more—that they can access through branches, ATMs, the telephone and the Internet, says Ben Barnes, ActivCard CEO. “Because systems have grown up independently of each other, it’s very typical to have yourself authorized in different ways depending on the account and channel,” Barnes tells Card Technology. “This product will reduce the cost for banks of verification and authentication and make it easier for the customer to use these low-cost channels that the bank really wants them to take advantage of.”



AMERICAN BANKER ONLINE

ActivCard made an initial payment of \$9.7 million for the Aspace stock, and will make additional payments of up to \$9.7 million if Aspace meets two goals. One is to complete the integration of its 4Tress product with hardware and software from IBM and complete a marketing agreement for IBM to sell the technology. That must be completed by Jan. 31. The second is to complete by March 31 a licensing deal with a major financial institution in the United Kingdom, which Barnes would not name.

Barnes says ActivCard and Aspace have been marketing their products jointly since announcing the integration of their technologies at the Cartes exhibition in Paris in November. He says this has generated interest from a half a dozen or so major European banks and some others in Asia, mostly for securing Internet banking. He says North American banks are lagging behind their counterparts overseas in adopting stronger authentication for online banking. Barnes says

ActivCard will create a new financial services unit to pursue these opportunities, headed by Steve Keohane, who has been CEO of Aspace. Barnes says 4Tress has been developed over the past three years in collaboration with some major European banks, which he did not name. He says 4Tress is not yet in production use, but is being tested by one financial institution. ActivCard purchased a 49% stake in Aspace about 18 months ago.

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