



## B£e - Business Fact Sheet

### What is the B£ e-currency?

The Brixton £ e-currency (B£e) is a pilot scheme, launching on 29<sup>th</sup> September 2011, that will enable customers to 'pay by text' supported by the latest mobile phone technology or 'pay on-line' using Brixton £e. So it's a bit like having a Brixton Pound debit card or Oyster Card. Customers buy B£e via online bank transfer and can set up standing orders so they always have money in their B£e accounts. Customers will be given a 10% bonus to encourage them to use B£e and visit participating independent businesses. That means an extra incentive for them to come to your business!

### Does it replace the B£ notes?

No. The e-currency would be a completely separate from the paper currency and the two will not be exchangeable. The paper-currency will continue to run in exactly its current format, backed one-to-one with sterling, and as a business you can accept both. The paper notes will be reissued on 29<sup>th</sup> September 2011, with a new design celebrating Brixton all over again!

### Why should I use B£e?

The Brixton Pound is a loyalty scheme for independent Brixton businesses. It helps support local traders in a difficult economic period by encouraging Brixton residents, visitors and businesses themselves to spend their money in independent businesses rather than chains and supermarkets. Currently there are 200 businesses signed up and B£35,000 in circulation. The advantages of the e-currency are as follows:

- Promote yourself as a business offering a convenient means of payment and a 10% bonus to hundreds of Brixton and Lambeth residents (you will feature on the B£ website and our leaflet and be part of a major media push)
- If you do not have a credit/debit card payment facility, the B£e- offers a secure, low cost means of accepting electronic payment (there is no hardware required or need for phone line rental)
- Have a secure, online B£-bank account, where you can track your turnover of B£e.
- Be part of a growing network of independent businesses in Brixton trading with each other and making the local economy stronger and more resilient. Businesses will be looking for ways to re-spend their B£e's with other Brixton businesses.
- Be able to accept higher transactions in Brixton pounds

### How does it work?

You will need to sign-up for an online B£ account. Once you have signed up, you will be able to receive payment for goods and services from anyone else who has an online B£ account via text message and online [see diagrams on page 4 - 5].

Customers will know you accept the B£e as we will provide you with a window sticker and we will promote businesses accepting the B£e on our website, through social networks and on our leaflet. We

will also provide a means of displaying your username to customers as they will need this to pay you.

### How do I sign up?

Get in contact with a member of our team who will create your account for you. You'll need your phone number, email address and bank account details to hand.

### When is it available from:

The Brixton £ e-currency will be launched at the B£'s 2<sup>nd</sup> birthday event on 29 September 2011. We will be able to set up your account for you from the 5<sup>th</sup> of September 2011.

### How will I be able to view my takings?

You will be able to view your B£e transactions online or via text message:

- **Online:** If you have a computer in the shop or at home, you will be able to track your B£e transactions via your B£e-account.
- **Text message:** In addition, at the end of the business day, you will be able to request either a "Z" balance (total takings since the last "Z" balance request, and resets takings to zero, for the next time you do this) or an "X" balance (total takings since last "Z" balance request, but does not reset).

### How do I spend on the B£e that I have received?

You will be able to re-spend your B£e with the other local business that accepts B£e. We will aim to have a wide range of businesses that can provide goods and services not only to customers but also to suit the needs of other businesses— for example, light bulbs, stationery, merchandise, milk, tea, fresh produce, cleaning equipment and also services such as plumbing and cleaning as well as local makers and producers. We are also working very closely with Lambeth Council to enable the use of B£e as payment for business rates in the near future.

For payment procedure please see Pg. 4

### Can I pay myself and staff wages with B£e?

Yes, your staff will need to have a personal B£ e-accounts and payment can then be made via text messages or online via the B£e Bank. We recommend that you seek advice from an accountant regarding the tax implications of paying staff in B£e.

### Can I change my money back into £ sterling?

Yes, you will be able to do this online from your B£e account. You will have to pay a 10% exchange fee for changing back to sterling but the good news is **you can avoid this fee completely by re-spending your B£e** with another Brixton business. Without charging this fee we would not be able to offer customers the 10% bonus upon purchasing electronic B£s. The exchange fee covers this bonus exactly and does not provide B£ CIC with any revenue.

Please note, we do not expect the volume of B£e to be more than 5% of your total turnover in this pilot stage. So even if you feel you must change back some of your B£e to sterling, this should not pose a serious risk to your profit margins. BE CIC will be reviewing the size of the bonus/malus after the six month trial period based upon the reaction of businesses and the quantity of B£e that is being changed back to sterling/re-spent.

### What if I want to have a trader account and customer account on the same phone?

At this stage we are not able to offer traders both trader and customer account using the same mobile phone number. So, if you decide to use your personal mobile to receive B£e-payments, you will not also

be able to use this phone as a customer member to buy B£es (with the 10% bonus). Instead, you will need to use a different phone. Alternatively, you can purchase a cheap pay-as-you-go phone for your trader account to keep by the till for receiving B£e payments and uses your personal mobile as a customer.

### **Is there a transaction fee?**

Transaction fees apply to traders only and will be taken at the point of sale. For traders receiving payment via text message, we will charge a **1.5% transaction fee**. This enables us to cover our running costs, including the cost of sending text messages from the B£e Bank. This is close to the average cost of a credit/debit card transactions so overall the system will be considerably cheaper than using credit/debit cards as there are no hardware cost, hire charges or phone line costs. There is also a **0.5% transaction fee** to businesses receiving payment online. There are no fees if you as a business pay an individual with a customer account (which could include a member of your staff).

Again, we will review the transaction costs following the six-month pilot.

### **Are there any other hidden costs?**

No. The B£ CIC will provide you, without cost, a B£e-membership pack and text message instruction sheet and free training sessions should they be required.

### **Is it secure?**

Yes, each user has 4 digit pin which they must use to make a transaction, much like the pin number needed to make a debit card payment. Your Online account is password protected and Texts and online payments are encrypted using SSL (Secure Sockets Layer), the industry standard security technology for ensuring that all data passed between web servers and browsers remains private. The IT system we are using, called 'Monea', is based on the Cyclos ICT platform – see <http://project.cyclos.org>. Cyclos is a tried and tested system for local currencies connected to legal tender. The ICT platform has been developed over a ten-year period by the Dutch NGO the Social Trade Organisation – [www.stro.org](http://www.stro.org) – and the current version is 3.5.6. It is currently being used by the Uruguayan government for a country-wide complementary currency scheme and is also used by banks and municipalities in Austria for local currencies. In addition, there is a B£1000 per transaction limit and a B£1000 per day maximum fee for changing back in to sterling.

### **I need more help!**

We will be providing training days in September that may be of use to you and your staff, Please register your interest in receiving extra training by getting in touch with us on [business@brixtonpound.org](mailto:business@brixtonpound.org) or contacting Rahima on 0780 470 1841. If you would like more general support, please contact the Brixton £ project manager Annalisa Dorigo on 07525 806470.

### **About the Brixton £ Community Interest Company**

The Brixton Pound (B£) is a Community Interest Company (CIC) limited by guarantee, registered number 7635113. It has a board of seven directors made up of local businesses, residents and a councillor, a couple of part-time paid staff members including a B£ project manager and a group of 10-12 volunteers. The aim of the B£ is to support independent businesses and the local economy.

The scheme was launched in September 2009 and currently almost 200 businesses accept the B£ as payment. The B£ is currently a paper-currency only with denominations of B£1, 5, 10 and 20. It trades 1:1 with sterling and can be exchanged back in to sterling at London Mutual Credit Union on Acre Lane and Cash 4 Cheques on Atlantic Road.

The Brixton (B£) has received funding to build an electronic version of the currency. This will enable local traders to receive and make payments by sending text messages with mobile phones and/or make payments using the internet. The e-currency will also enable traders to have an online B£ bank account. The e-currency will launch on September 30<sup>th</sup> 2011 when the old notes will expire and will be replaced with new notes.

# 1. Customer-led payment

1. Customer requests to pay for dinner at the White Horse pub with B£e – business approves.
2. Customer sends a text to the B£ e-bank, to make a payment. The format is "pay" + customer pin + the business username (which will be displayed prominently on a card in front of the till) + the amount to pay
3. Both the customer and the business receive txts confirming the payment, and their new account balances.

*N.B. The business can also check the payment has gone through by logging on to their online B£e account at [www.brixtonpound.monea.cc](http://www.brixtonpound.monea.cc)*



