

Taking Prepaid Push to Colleges

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By [Andrew Johnson](#)

American Express Co. is expanding its prepaid payments business through a partnership with CardSmith LLC, which develops and manages campus ID card programs for colleges.

Amex will provide a reloadable prepaid account option on students' ID cards, which can be used for buying on-campus meals, checking library books and other functions. With the prepaid account, students will be able to use the cards to pay for purchases at any merchant that accepts Amex.

"The cards will have multiple loading options, including financial aid disbursement," an Amex spokeswoman wrote in an email on Thursday.

Like the general purpose prepaid card Amex announced in June, the payment accounts on the ID cards will not have fees for monthly maintenance, activation, balance inquiries, alerts and foreign currency. However, it will charge a fee for automated teller machine withdrawals after the first withdrawal of each month, which will be free.

Amex has been pushing prepaid products in an effort to grow its business beyond the traditional credit and charge cards it issues to higher-end customers. It is testing the sale of co-branded reloadable prepaid cards with Target Corp. through some of the retailer's stores and recently unveiled its own Amex-branded prepaid card, which is currently only available online. It also has a partnership with AAA Southern New England in which the automobile club's members can activate a prepaid account on their membership cards.

"We especially see opportunity where we can enhance functionality in the cards consumers already have in their wallets by adding the ability to make payments," the spokeswoman wrote.

CardSmith, of Doylestown, Pa., has campus ID programs with Southwestern Oregon Community College, Florida State College at Jacksonville, Jacksonville University and others.

The Amex spokeswoman said the company will be announcing partner institutions for the prepaid account feature in the coming months.
