

# United Bank Card

*From humble beginnings to one of the nation's fastest-growing companies*

by Deborah Fisher

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**I**n 1996, when he was just 16 years old, Jared Isaacman started United Bank Card Inc. (UBC) in his parents' basement. "I had older siblings in real estate and business, and I was always envious of their lifestyle," explains Isaacman, the company's CEO.

Soon, Isaacman's father joined the company. Around 2001, the company moved into its first office. "We had 12 employees and had pretty much maxed out the space in the basement," Isaacman explains.

The company never drafted a formal business plan, but it must have done something right. In business for over a decade, Hampton, N.J.-based UBC is a payment and transaction processor handling merchant accounts for more than 60,000 merchant locations and processes in excess of \$5 billion annually. UBC was ranked as the sixth-fastest-growing private company in the nation in 2006 by Inc. magazine. UBC also is currently ranked by the Nilson report as the 32nd-largest payment processor in the country.

## A Variety of Customers

UBC provides payment processing services for Visa, MasterCard, Discover, American Express, Diners Club, JCB, ATM, debit cards, EBT state and government cards, electronic gift and loyalty cards, and a variety of private label and smart card technologies. UBC and its agents work with retail stores and restaurants as well as mail order/telephone order, e-commerce, Internet, home-based, petroleum, supermarket and lodging merchants. Its products and services are marketed to merchants through a network of independent sales organizations (ISOs), financial institutions and direct sales agents.

"ISOs are our first customers," notes Isaacman. "We call them ISO partners. We are not the 'managers,' and they are not the 'sales staff.'"

The company is connected to virtually every ATM, EBT and debit network, including NYCE, STAR, Explorer, Pulse, Maestro, Shazam, Cash Station, Jeanie, MPACT, AFFN, Quest and the Visa Interlink network. Debit card processing easily complements any existing or new credit card terminal by adding a PIN pad. Some of the more advanced credit card terminals include built-in PIN pads. Merchants who accept PIN-based debit transactions can reduce the cost of accepting credit cards significantly by paying only a flat transaction fee.

UBC offers two core Check Services programs: electronic check conversion (ECC) and traditional check guarantee. UBC is connected to several negative check files and verification systems to ensure the best possible service for its merchants. With check conversion technology, merchants can accept checks in the same manner as they would accept a credit card. Merchants can see immediate protection—and consequently savings—from bounced checks and bank fees by using check guarantee or conversion services. Additional features include stop-payment protection, electronic deposits and 90-day same-as-cash.

## Card Machines that Card

UBC has developed software systems to combat the risks of false identification for liquor- and tobacco-selling merchants. The age-verification software integrates in several of its credit card processing terminals. This gives merchants the option of accepting credit, debit, EBT, gift cards, check guarantee and age verification all in one terminal.

Electronic gift, loyalty and stored-value cards have become increasingly popular over the last four years. Initially, gift cards made economic sense only for large retailers and chain stores. This is no longer the case. UBC has reduced the cost of this serv-

ice to make it cost-effective for small retail and even start-up merchants. It offers both standardized and customized gift card packages.

One thing that keeps UBC as a leader in the industry is its ability to reinvent itself. In 2000, it offered a revenue sharing model. In 2004, it started a free equipment program. Its free terminal program began with the Nurit 8320. Since then, the program has been expanded numerous times to include free wireless terminals and optional hardware such as check readers and contactless payments.

## Looking Ahead

Despite the hype, Isaacman doesn't believe that biometrics is the way of the future. "We will not be paying with our thumbs," he says. Instead, he sees contactless payments as an area where there will be dramatic change.

"[Contactless payments] will attack the small-ticket market that normally would be conducted in cash," he adds. "And we have embraced this area since day one."

In addition, Isaacman thinks point-of-sale (POS) systems will also become de facto. He likens them to e-mail back in 1995. "E-mail wasn't necessarily adopted," he explains. "Now, you'd be hard pressed to find someone who doesn't have it. POS systems are the same today.

"They may be more complicated, but they are more efficient," he adds, "even for the mom-and-pop stores."

UBC carries a vast inventory of credit card processing equipment, software and terminals. It deploys everything from refurbished economical terminals to state-of-the-art touch screen, signature capture, smart-card-enabled, integrated thermal high-speed credit card processing systems. Some systems are designed for specific industry types, but the bulk of the terminals work well in any atmosphere. **TT**

