



First Data And PayPal Team Up To Offer New Online Payment Services For Star® Network Cardholders

ATLANTA and SAN JOSE, Calif. - Oct. 08, 2009 - Global electronic commerce and payments processing leader [First Data](#) today announced an agreement with [PayPal](#) that allows debit cardholders in First Data's [STAR® Network](#) to quickly link their STAR debit card to a PayPal account online. First Data's STAR Network is the first electronic funds transfer network to offer this innovative service to its member financial institutions.

With the STAR Online Partner service, consumers can enroll for a PayPal account through their financial institution's Internet banking site, and, once registered, immediately use their debit card to fund their PayPal account to make online purchases without having to enter debit card account information or expose their debit card number to merchants for each purchase. Member financial institutions provide authentication for the cardholder, adding an extra layer of security to the account.

According to the 2008 Study of Consumer Payment Preferences conducted by Hitachi Consulting and the Bank Administration Institute (BAI), consumers are not as comfortable using a debit card for online shopping versus other payment methods such as credit cards and prepaid cards. The study, of which First Data was a sponsor, also showed that while credit cards have the highest penetration of all payment methods on the Internet, both debit cards and Internet payment services such as PayPal, have the second highest penetration levels among online shoppers.

JM Associates Federal Credit Union, a member of the STAR Network, participated in a pilot program earlier this year. President and CEO Jim Ryan said, "We want to be able to offer our members security and peace of mind when making online purchases. The STAR Online Partner program allows us to provide that service, while at the same time building member relationships through promotion of our brand with every transaction."

"This innovative new service helps address consumers' fears of using a debit card online because it allows STAR members' customers to securely use their STAR-branded debit card to fund their PayPal accounts," said Julie Saville, vice president, STAR Network. "As more and more consumers move to online shopping and banking and we continue to see an increase in e-commerce, this new service gives our issuing financial institutions one more way to grow relationships with their customers, reduce their costs and increase revenues."

"First Data's STAR Network is the first company to use the PayPal Debit Access service which we are introducing to financial institution networks globally," said Jack Stephenson, senior vice president, PayPal. "This new relationship is a great example of how financial services leaders such as First Data and PayPal can come together to offer new, innovative services to consumers who want to shop online."

About First Data

First Data powers the global economy by making it easy, fast and secure for people and businesses to buy goods and services using virtually any form of electronic payment. Whether the choice of payment is a gift card, a credit or debit card or a check, First Data securely processes the transaction and harnesses the power of the data to deliver intelligence and insight for millions of merchant locations and thousands of card issuers in 36 countries. For more information, visit www.firstdata.com.

About PayPal

PayPal is the faster, safer way to pay and get paid online. The service allows members to send money without sharing financial information, with the flexibility to pay using their account balances, bank accounts, credit cards or personal financing. With more than 75 million active accounts in 190 markets and 19 currencies around the world, PayPal enables global ecommerce. PayPal is an eBay company and is made up of three leading online payment services: the PayPal global payments platform, the Payflow Gateway, and Bill Me Later. More information about the company can be found at <https://www.paypal.com>

Media Contacts:

First Data
Nancy Etheredge
402-222-6214
nancy.etheredge@firstdata.com

PayPal
Jamie Patricio
408-967-6367
jamiiep@paypal.com