

The Washington Post

T-Mobile will help you cash your checks: how it works

By Hayley Tsukayama: January 22



T-Mobile is fond of saying that it's redefining the mobile carrier world with its "uncarrier" initiatives. And its latest announcement, on Wednesday, adds a new angle to the definition of "mobile banking": The company is now getting into the check-cashing business.

The service, called Mobile Money, is timed for a February launch and will be available at T-Mobile retail locations and participating Safeway stores around the country, the company says. The big promise from T-Mobile is that the service will allow users to cash their checks without "excessive fees" that traditional check-cashing companies require.

Customers don't have to be T-Mobile wireless subscribers to be Mobile Money subscribers — or vice versa — but being both has its perks. The company will automatically waive monthly fees for its wireless customers.

"Millions of Americans pay outrageous fees to check cashers, payday lenders and other predatory businesses — just for the right to use their own money," said T-Mobile chief executive John Legere in a press release. "Mobile Money shifts the balance of power for T-Mobile customers and keeps more money in their pockets."

So, how will it work? T-Mobile customers will get a T-Mobile prepaid Visa Card that can be loaded and reloaded through the Mobile Money app. The company did not give specifics but said it will offer the services at a "reduced fee or \$0 cost" for its registered wireless customers. The service will require no minimum balance and also promises no overdraft fees. On an information page, T-Mobile said there will be fees for "non-typical use," such as overnight card shipments, using an out-of-network ATM and putting rush demands on checks to be cashed.

From their Mobile Money accounts, users will be able to direct-deposit paychecks, deposit checks via smartphone camera, make purchases, pay bills and withdraw cash from 42,000 ATMs across the country, T-Mobile said.

The service sounds similar to a program Walmart and American Express began offering in 2012 called Bluebird, which gives users a prepaid card aimed at the “non-banked” or “underbanked” sections of the population who do not have traditional bank accounts. As The Washington Post’s Danielle Douglas reported, banks are bracing for the possibility that the federal government may begin imposing new rules on such consumer products, including prepaid cards.

But T-Mobile appears eager to step into the space. “Mobile Money builds on T-Mobile’s financing experience to provide a sensible and affordable alternative to checking fees for the roughly 68 million U.S. adults who do not have traditional accounts and have to rely on alternative financial services,” the company said in a statement.

The move makes a certain amount of sense, given that T-Mobile has aggressively gone after the lower end of the smartphone market and the prepaid market — moves that make them particularly popular with young customers and those in urban areas. Those demographics match pretty well with the FDIC’s profile of American’s unbanked from a 2012 report.

Those interested can sign up for the service starting Wednesday, T-Mobile said.
