

BRIM FINANCIAL: OPEN REWARDS SHAKE UP CANADA'S CREDIT CARD MARKET

Canadian fintech Brim Financial launched three Mastercard-branded credit cards in July 2018, offering flexible, customer-centric rewards and instalment loans. It is also the only non-bank and non-credit union to have a Mastercard licence in Canada. *Robin Arnfield* reports

Brim Open Rewards is the first Canadian card reward programme to let holders redeem points against any purchase from any retailer that accepts Mastercard.

In addition to open rewards, Brim provides special earn offers from partners such as Amazon Canada, Netflix, Spotify and food-delivery services Uber Eats and Foodora, based on repeat visits and amounts spent. These offers cover a wide range of merchants outside traditional merchant reward categories. For example, if Brim cardholders shop on Amazon Canada with their Brim card, they automatically earn double points per C\$1 (\$0.74) spent on their purchases.

BRIM MARKETPLACE

Cardholders can also use points as cashback against their monthly credit card bills, or against purchases from merchants participating in Brim's Marketplace.

Brim offers a no-fee Mastercard, the Brim World card (C\$99 annually) and the Brim World Elite card (C\$199 annually). Its cards have no foreign exchange fees, free global Wi-Fi at Boingo hot spots, a card-management app with transaction controls, integration

with mobile wallets including Google Pay, Apple Pay and Samsung Pay, and 0% interest instalment loans for purchases over C\$500.

The instalment loans have a fixed up-front fee of 7% of the purchase price, plus a monthly processing fee of 0.475% of the purchase price.



Cardholders with the no-fee Brim card earn one point for every C\$1 spent, while the Brim World card offers 1.5 points and the Brim World Elite card two points for every C\$1 spent. The reward limit for the two World cards is an annual spend of C\$25,000.

OPEN ECOSYSTEM

“What we offer is an open ecosystem that has strong partnerships with a lot of merchants,” says Brim CEO and founder Rasha Katabi, who spent 20 years at TD and Bank of America Merrill Lynch.

Katabi says the days of “one size fits all” loyalty schemes are over, and that issuers and merchants need to have a client-centric approach to rewards. “Merchants want to be able to offer a higher level of rewards to their most loyal customers, which they can do with Brim,” she adds.

Brim has rolled out a number of promotions with its merchant partners. It developed a personalised loyalty programme for meal-kit supplier HelloFresh, where Brim cardholders receive an up-front 2,000 point bonus when they make their first purchase. Thereafter, points are amplified at set stages, such as the fifth, 10th or 20th order in a year.

In March 2019, Brim launched a redemption offer with Uber Eats, through which points are worth more when redeemed on specific purchases.

“The value of our platform is that it is digitally native instead of being based on a legacy system, and fits our customers’ lifestyles,” Katabi tells *CI*. “Although other issuers offer card controls for turning cards off and on, we provide greater flexibility in how you manage your card.

“If you turn off online transactions, you can turn on online for a specific purchase. You can institute controls for the family members who are on your Brim card account, such as blocking certain types of transaction on your children’s cards.”

CONSUMER RESPONSE

“We’ve seen very strong adoption by customers,” notes Katabi. “The Brim platform is resonating with cardmembers across the age spectrum and Canada-wide, although originally we thought it would appeal just to millennials.

“The average age of our users is higher than we expected; this is good, as this is the segment that uses credit cards. So, clearly, Brim is relevant to people who already have credit cards in their wallets.”

Katabi says Brim is building relationships with merchants across multiple retail sectors. “Merchants are taking to Brim much more quickly than we had thought,” she says.

“We expected it would require a long education process, but we’re finding that merchants are resonating with our rewards solutions, for example the Brim Marketplace, where there are opportunities for unlimited and uncapped rewards, as cardholders get extra rewards for shopping with Marketplace retailers. The advantage is that no integration is required for merchants to join our rewards platform.”

Similarly, no merchant integration is required for instalment loans. “Unlike other instalment loan providers, our loans are customer-driven and merchant-agnostic,” Katabi explains. “Merchants can decide to cover the up-front fees for instalment loans for purchases from their site on the Brim Marketplace, so there are no fees. Customers can apply for instalment loans for purchases anywhere in the world.”

For potential merchant partners, Brim sets up a real-life environment so they can see how Brim card transactions work. The environment involves actual card transactions

RASHA KATABI: CEO AND FOUNDER, BRIM

With over 20 years’ experience in structured finance and capital markets, Rasha Katabi began her career at TD Bank as a corporate financial analyst working with the CFO’s office.

Katabi pioneered the use of earnings volatility as a base for capital allocations to the bank’s business segments. From 1999 to 2002, she co-led a firm-wide structuring effort, focusing on cash and synthetic structured finance and securitisation in North America and Europe.



Katabi joined Bank of America Merrill Lynch in 2002. As group head for the strategic solutions group in fixed income, she built the largest non-bank residential mortgage funding business, established Merrill at the top of securitisation league tables and instituted strategic partnerships for Merrill in the Canadian market.

As MD, her mandate was expanded to include debt and equity between 2006 and 2013. ■

by Brim cardholders participating in Brim’s beta projects.

Brim has ambitious plans for the future. “We have a global strategy for Brim outside Canada, and are looking at scalability,” Katabi reveals. “We have a lot of very interesting options on the table.”

Without disclosing details, Katabi says Brim plans to expand beyond credit cards and develop a full suite of financial products.

CANADIAN PROGRAMMES

Brim is not the only innovator in credit card rewards in Canada. In April 2019, RBC launched Pay Bills with Points, allowing clients to use RBC Rewards points to cover everyday expenses such as telephone, internet, and utility bills.

According to RBC, customers can seamlessly use points to pay bills through RBC’s mobile banking app and online banking.

This innovation follows another Canadian first launched by RBC last year: Pay with Points at Point of Sale. This enables clients to use RBC Rewards points to pay for everyday

purchases virtually anywhere in stores across Canada.

Speaking to *CI* sister publication *Retail Banker International*, Jacqueline Calisto, vice-president of loyalty and rewards at RBC, says: “RBC Rewards is unique because it’s designed with our members at the centre of everything we do. This gives them the power to use their rewards for what’s most important to them.

“It covers everyday ‘to dos’ like picking up groceries and paying bills, to achieving bucket-list travel dreams with our market-leading travel rewards – and everything in between. It’s what a rewards programme should be.”

In November 2018, CIBC partnered with retail marketing firm Paymi to provide cashback on CIBC credit, debit and prepaid cards – on top of rewards cardholders already receive on their CIBC cards.

Once cardholders are signed up with Paymi, they are eligible for cashback at any affiliated retailer. CIBC says there is no need to load offers or use coupon codes with Paymi, and cashback rewards can be deposited anytime with Interac e-Transfer, Canada’s real-time P2P transfer service. ■

RBC’S PAY BILLS WITH POINTS: HOW IT WORKS

After logging in to online or mobile banking, RBC clients can:

- Go to the bill payments page, and select the RBC Rewards tab;
- Choose the bill they want to pay;
- Enter the amount to be paid to convert into points, and
- Click submit to complete the payment.

RBC collected the award for best bank loyalty programme at the 34th annual *Retail Banker International* global awards on 24 April.