

Tech-Talk

by Andy Gippetti

The Great Apple Bank



What's the difference between:

Apple Pay, Apple Cash, Apple Card & Apple Savings

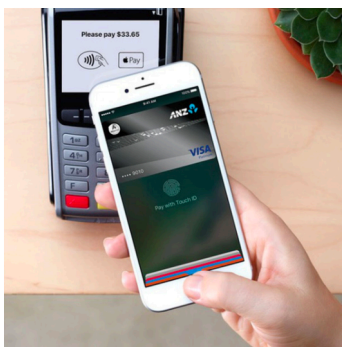
(And how to make extra money with them on your iPhone)

In 2014 Apple started allowing people to use their iPhones and Apple Watches to pay for items using contactless payment (NFC) terminals. Apple called it "**Apple Pay**" and users would link a credit card to their Apple Pay account on their iPhone. This was a more secure way to use your credit card rather than swiping or inserting the card into a terminal that can skim the card number if hacked.

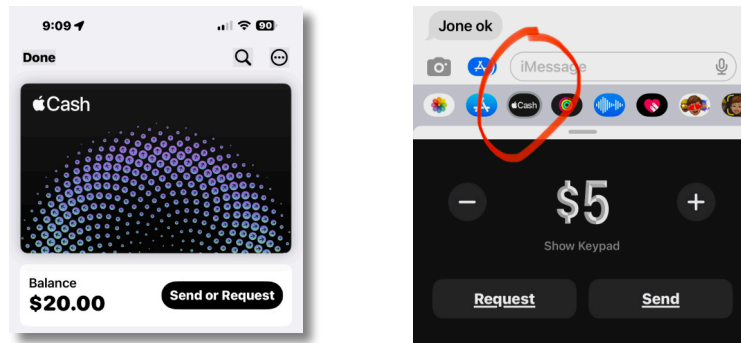
This was not a new technology since Android phones & some ATM cards had been doing this for awhile. But, to make the transaction more secure, Apple used a token technology that instead of giving your credit card number to the merchant, the iPhone gave a one time use token number that could only be used for that charge. This was inherently much more secure and prevented your credit card number from being stolen since the merchant never got your real credit card number.



But, this technology caused a problem with stores that normally used your credit card numbers to keep track of your purchase history so that your information can be used or sold later on. So, Apple Pay was slow to be accepted by many stores at first. Luckily, people started discovering the convenience & speed that using Apple Pay gave them and more & more stores opened their wireless terminals for use with Apple Pay. Today, Apple Pay is the number one wireless mobile payment service with only a few stores still not accepting it (Walmart).



Next in 2017, Apple discovered that people wanted to be able to pay other people cash by using their iPhone's instead of having to write a check. So Apple started "**Apple Cash**" where people can send money to each other by just using "Messages" on their iPhones. Once you set this option up on your phone you will see an Apple Cash icon below your text message in Messages. If both people have Apple Cash enabled on their iPhones you can send cash to each other just as easily as sending a text message.



But to prevent credit cards from being stolen when NOT used with Apple Pay, Apple in 2019 then developed a new virtual credit card called the "**Apple Card**". This credit card can be linked to Apple Pay or used by itself. What makes it secure is that the cards numbers are virtual and not displayed on the card. The numbers can not be reused if stolen. Also the card's security code changes ever time it is used. To compete with other credit cards, the Apple Card has cash back options of up to 3% or more when used with Apple Pay.



Now, since so much of people's money is now being moved around Apple Pay, Apple Cash and Apple Card, Apple this year (2023) year decided to create a savings account to store all this money in. The savings account, called "**Apple Savings**", is connected to your iPhone and money from any of Apple's other accounts can be easily and automatically transferred into it. What makes the Apple Savings account different is that it has a very high APY (annual percentage yield) interest payment of 4.15%. For example, BOA savings account today is offering a APY of 0.02%. There may be other banks that offer a high APY but, the convenience of having your phone instantly deposit money into this high yield savings account every time you get cash back from using your Apple Card or if someone sends you cash with Apple Cash couldn't be easier. And you could transfer money into the Apple Savings account from your other banks low yield savings accounts easily with your iPhone. It's a win win situation!

