

Safeway testing combined loyalty-debit card

By Mark Calvey, San Francisco Business Journal

Safeway introduced a combined debit card and store loyalty card so that it can pull money directly out of a customer's checking account without paying the hefty fees it incurs when customers pay with a bank's debit card.

Those signing up for the program get a new Safeway Club Card that includes the Fast Forward debit feature.

Customers choosing not to carry their Club Card can still pay with Fast Forward debit by using the phone number linked to their loyalty card account and a PIN.



"This is a unique program. It benefits our customers by offering a secure, convenient way to shop and allow them one card for payment, Club Card discounts and 'Just for U' discounts," said Safeway spokeswoman Teena Massingill. "All personal information is kept completely confidential."

Fast Forward is a separate program from Safeway's SmartCheck debit program, which doesn't have the option of punching in the phone number and PIN to pay for groceries.

Safeway's Fast Forward debit card is only available in Sacramento so far. The program's debut was recently covered by my colleague Kelly Johnson at the Sacramento Business Journal. Safeway also offers an extensive FAQ on the program at its

website.

Safeway isn't discussing when the program might expand to the Bay Area and other markets.

From the customer's perspective, the money is simply deducted from their checking account. But the Pleasanton grocer can send it through as an electronic funds transfer, saving substantially on the fees incurred with a bank debit card.

Like a bank debit card, Safeway's program also has purchase limits.

Those using Fast Forward debit to pay for purchases get two points in the grocer's Gas Rewards program for every dollar spent instead of of just one point.

Safeway, led by Chairman and CEO Steve Burd, is not the only retailer creating programs to avoid hefty fees on transactions using bank debit cards. Customers loading cash onto their Starbucks' gold loyalty card get a free drink or food after 12 purchases.