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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

[This week proponents and critics of the Durbin](#)

[Amendment clashed](#) as the NRF/MPC released a study stating that retailers were indeed passing on debit swipe fee savings to consumers. However, the EPC later announced that two years later, consumers were not in fact still benefits from Durbin.

Editor's note: Using MPC's math, the average consumer received roughly \$2.28 a month in savings from Durbin. Hardly enough to impact economic growth.

In mobile news, [MasterCard moves to dispense hyper-local shopping coupons](#) via car parking terminals, while [Subway selects Paydiant](#) to power a variety of mobile wallet capabilities instantly pushing Paydiant up in the ranks of mobile payment players.

Other highlights include:

- [Adobe Discloses Security Breach](#) Affecting Nearly Three Million Customers
- [CFPB Releases Report on the Card Act of 2009](#)
- [MasterCard, Visa, Amex Want E-tail Security Standard](#)
- [Global Payments Names Jeffrey S. Sloan CEO](#)

NEW REPORT: Tablet POS - Merchant Insights & Company Research

TSG's Tablet POS: Merchant Insights and Company Research report ([click here for preview](#)) is a robust offering of quantitative and qualitative insights from the U.S. SMB

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Report](#)

[ETA/TSG Economic Indicators Report](#)

[Case Study: Driving Value Through Competitive Bidding](#)

[Should Traditional Merchant Acquirers "Beware of Square"](#)

[What Benefits Me By Paying a Credit Card Swipe Fee?](#)

[Use a Smart Phone to Buy Things!](#)

This Day in History: 1957

Sputnik Launched

The Soviet Union inaugurates the "Space Age" with its launch of Sputnik, the world's first artificial satellite. The spacecraft, named Sputnik after the Russian word for "satellite," was launched at 10:29 p.m. Moscow time from the Tyuratam launch base in the Kazakh Republic. Sputnik had a diameter of 22 inches and weighed 184 pounds and circled Earth once every hour and 36 minutes. Traveling at 18,000 miles an hour, its elliptical orbit had an apogee (farthest point from Earth) of 584 miles and a perigee (nearest point) of 143

marketplace. Merchants with under \$2 million in sales were presented a Tablet-POS concept in an effort to gauge the level of interest and values associated with the potential use of a tablet point-of-sale system. In addition to these valuable merchant-level findings, this report also includes market research on tablet POS providers and their offerings. This report offers an incredible value to those who are interested in the growing tablet-POS market. [Click here to order](#) or call 402.964.2617 and order over the phone. This report costs **\$1,195**.

Interested in other reports too? Check out [TSG Metrics Subscription](#).

Featured

Get to Know The Strawhecker Group at Money 2020

Jamie Savant, Co-Founder & Partner of TSG will be attending **Money 2020** next week and will be moderating a panel, Sources & Uses of Social & Other Consumer & Small Business Data. TSG is also a media sponsor at this event.



[Get in touch with TSG](#) to meet and schedule a time to talk onsite with Jamie about opportunities for TSG to assist your company in reaching its Fall and Winter goals.

Dueling Studies Reach Opposite Conclusions About Consumers' Durbin Savings

10/01/13 Digital Transactions

Durbin Amendment critics have long accused merchants of pocketing the billions they've saved since the amendment's highly controversial debit card interchange price controls took effect two years ago Tuesday. Now, however, retailers are rolling out a study estimating that merchants passed on \$5.86 billion in Durbin-related savings to consumers last year in the form of lower prices.

For Reference:

- [EPC: Two Years Later, Consumers Still Not Benefiting from Durbin Amendment \(Plus Infographic\)](#)
- [NRF: Retailers are Sharing Swipe Fee Savings, But Fight is 'Far from Over'](#)
- [MPC: Study Shows Retailers Shared Debit Swipe Fee Savings](#)

Swipe Fee Ruling an Opportunity to Properly Test Durbin

10/04/13 American Banker

A U.S. District Court judge's decision in July to strike down the Federal Reserve Board's approach to implementing the Durbin Amendment, which caps interchange fees on debit card transactions, seemed to upset nearly all parties involved. The Fed must redraft the contentious rule or appeal it. Retailers said the decision was "giving in to the banks" and financial institutions face the possibility of a lower cap on fees. But the ruling gives policymakers an opportunity to revisit the cap itself, and

miles. Visible with binoculars before sunrise or after sunset, Sputnik transmitted radio signals back to Earth strong enough to be picked up by amateur radio operators. Those in the United States with access to such equipment tuned in and listened in awe as the beeping Soviet spacecraft passed over America several times a day. In January 1958, Sputnik's orbit deteriorated, as expected, and the spacecraft burned up in the atmosphere.

Officially, Sputnik was launched to correspond with the International Geophysical Year, a solar period that the International Council of Scientific Unions declared would be ideal for the launching of artificial satellites to study Earth and the solar system. However, many Americans feared more sinister uses of the Soviets' new rocket and satellite technology, which was apparently striding ahead of the U.S. space effort.

[Click here to read more.](#)

to find the best way to preserve access to financial products, lower costs and foster competition.

MasterCard, Visa, Amex Want E-tail Security Standard

10/01/13 *Investors*

Visa, MasterCard and American Express proposed a new global standard to make online and mobile shopping transactions simpler and more secure by using digital payment "tokens." The three financial transaction giants are inviting the collaboration of the retail, payments and other industries to adopt the standard worldwide and nix the need for consumers to disclose account numbers at online and mobile checkouts. It would also ensure a consistent buying experience regardless of the device or technology used.

CFPB Releases Report on the CARD Act of 2009

10/02/13 *CFPB*

Implementation of the CARD Act was vested originally with the Board of Governors of the Federal Reserve System ("Board"), and passed to the Consumer Financial Protection Bureau ("CFPB" or "Bureau") on July 21, 2011, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"). The CARD Act directs the Bureau to conduct a biennial review of the consumer credit card market, including the effect of the Act on the cost and availability of credit and the adequacy of protections for consumers relating to credit card plans. This is the first such report the Bureau has prepared.



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Mobile Payments

How Dwolla Disrupted the Digital Payment Industry

10/02/13 *Entrepreneur*

Ben Milne didn't set out to disrupt the U.S. online and mobile payment infrastructure. But when he founded Dwolla—a payment network that charges just 25 cents for transactions of \$10 or more—that's exactly what happened. Today about 250,000 people, businesses and financial institutions use Dwolla, with transactions on pace to total \$1 billion in 2013. Earlier this year the Des Moines, Iowa-based company raised \$16.5 million in Series C funding and opened its fifth office, in San Francisco.

MasterCard Moves in to Hyper-local Merchant Discounting with Parkeon

10/03/13 *Finextra*

MasterCard is to dispense hyper-local shopping coupons to motorists through the Parkeon network of car parking payment terminals. The aim of the scheme is to present offers from locally relevant retailers to motorists as they are paying for their parking spaces, providing "relevant rewards to shoppers at the right moment and in the right place", says



MasterCard.

Mercury Research Reveals Mobile Payment Adoption Interest High with America's Local Merchants

10/03/13 StreetInsider

As consumer use of mobile devices for financial transactions continues to rise, the results of research from small businesses released today by Mercury reveal mobile payment technology adoption is growing among small businesses and is expected to achieve 50 percent penetration within five years. Key findings from the research demonstrate that merchants want to adopt mobile payments but prefer minimal or no point-of-sale (POS) system upgrades and they want the process to be easy. A majority of merchants are on board to adopt mobile payments within the next two to three years, and most respondents indicated they would rely on their technology or payment provider to implement a mobile solution.

Subway Restaurant Chain Selects Paydiant to Power Mobile Wallet

10/02/13 Paydiant

Paydiant, provider of a mobile payments, offer redemption and loyalty platform for retailers and banks, today announced that it has been selected by the SUBWAY® restaurant chain, the world's largest restaurant brand, to power a variety of mobile wallet capabilities, including mobile payment, in the upcoming release of the chain's new mobile application. The solution will begin rolling out to stores later this year.

Leaf Closes \$20 Million in Funding to Advance Open Commerce Platform and Mobile POS

10/01/13 The Wall Street Journal

Leaf, creator of the LeafPresenter(TM), a tablet specifically designed for commerce, today announced it has closed \$20 million in its first round of institutional funding from Heartland Payment Systems (NYSE: HPY), one of the nation's largest payments processors and a leading provider of merchant business solutions. The funding will accelerate Leaf's mission to provide a unified, open commerce platform that redefines the way brick and mortar merchants operate. The Leaf platform enables integrated commerce solutions and gives merchants the ability to choose the business tools that best fit their needs.

Adyen's Global Mobile Payments Index Indicates 27 Percent Growth in Mobile Transactions in Past Four Months

10/01/13 CNBC

Adyen, the global payments solutions company, today announced the most recent findings from its Adyen Global Mobile Payments Index, which showed that mobile payments transactions on its platform from May to August 2013 have increased by 27% worldwide, jumping from 13.8% of all transactions at the end of April 2013 to 17.5% in August 2013. The Index analyzed all mobile transactions completed over its platform for thousands of merchants globally, including Vodafone, Mango, SoundCloud, KLM and PopCap Games.

Bitcoin Values Plummet \$500M, Then Recover, After Silk Road Bust

10/02/13 Wired

Bitcoin, world's most popular digital currency, had a roller coaster ride today after the federal government shut down the Silk Road, an online marketplace where millions of bitcoins were swapped for drugs and

black market products over the past two years. As news of the Silk Road shutdown spread, bitcoin values took a tumble, initially dropping by about 20 percent, or close to \$500 million by mid-morning Pacific time.

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Regulation & Security

Adobe Discloses Security Breach Affecting Nearly Three Million Customers

10/03/13 All Things D

Software company Adobe just disclosed a significant security breach of its systems in which it said customer user names, passwords and credit card numbers may be affected. "We also believe the attackers removed from our systems certain information relating to 2.9 million Adobe customers, including customer names, encrypted credit or debit card numbers, expiration dates, and other information relating to customer orders," Adobe chief security officer Brad Arkin said in a corporate blog post.

Employers Can't Force Debit Cards on Workers

10/02/13 Yahoo! Finance

Paychecks are so yesterday. Many employers prefer to use a prepaid debit card, what's commonly called a payroll card, to pay their employees. This may be convenient for them, but they cannot force you to receive your wages this way. The Consumer Financial Protection Bureau recently issued a letter to employers reminding them of the law and warning them that the agency intends to use its enforcement power to stop violations.

"Employees have a choice," said Marla Blow, an assistant director at the CFPB. "It's the law."

FDIC Offers Breach Prevention Advice

10/01/13 Bank Info Security

In the wake of an ongoing stream of merchant and payment processor breaches, the Federal Deposit Insurance Corp. is reminding smaller banking institutions that they are ultimately responsible for ensuring the security of cardholder data. An FDIC advisory issued Sept. 27 clarified the ongoing role community banks are expected to play in overseeing and managing the security practices of all third parties, including merchant customers and processors, with which they work.

Forget Fingerprints: Your Iris is Your New Identity

09/30/13 ComputerWorld

Employees who make it this far have already swiped an access card and entered a PIN at the building's main door and then submitted a finger to a biometric reader to move beyond the lobby. But the high accuracy rate of iris recognition technology, which uses near-infrared cameras to take a picture of the subject's iris and then applies specialized algorithms to encode the image and match it to an existing record on file, makes it an ideal access control choice. After all, this is the high-security area that holds the cryptographic keys to Symantec's certificate authority business, which provides e-commerce security services to many organizations.

Economy

Jobs Report Becomes a Casualty of Shutdown

10/03/13 *The New York Times*

On the first Friday morning of almost any other month, from the trading floors of Wall Street to the hushed hallways of the Federal Reserve, all the attention would be focused on two numbers: the latest government estimates for unemployment and job creation. This Friday, much of the government will be closed. As a result, the economists and statisticians at the Bureau of Labor Statistics will be at home, and everyone from Ben S. Bernanke, the Fed's chairman, to thousands of traders glued to their Bloomberg screens, will be left without one of the most important clues to the state of the economy.

Mobile Check Deposits, Bill Payments Spike in August

10/02/13 *BTN*

Consumers stayed glued to their smartphones and tablets in August, taking care of financial chores on their devices at a steadily increasing rate. The overall value reading of American Banker's Mobile Banking Intensity Index for the month was high: 69.8. The MBII is a diffusion index. For context, readings above 50 in a diffusion index indicate expansion and readings below 50 point to contraction.

Payments Press

Global Payments Names Jeffrey S. Sloan Chief Executive Officer; Paul R. Garcia to Remain as Chairman

10/01/13 *Global Payments*

Global Payments Inc announced that Jeffrey S. Sloan, currently Global Payments' President, has been named by the Board of Directors to also serve as the company's CEO, effective immediately. Sloan succeeds Paul R. Garcia, who has been Global Payments' Chief Executive Officer since June 1999 and Chairman since October 2002. Under Garcia's leadership, Global Payments became a publicly traded company in early 2001. At that time, Global Payments generated annual revenues of less than \$350 million, nearly all of which was sourced in the United States.

CFO Move: Heartland Payment Systems

10/02/13 *WSJ*

Second paragraph: Heartland Payment Systems Inc., a transaction-processing company based in Princeton, N.J., said in a terse regulatory filing late Tuesday that Maria Rueda resigned as CFO on Sept. 25 after 2 1/2 years on the job. A spokeswoman for the company wasn't immediately available. Thomas McCrohan, an analyst who follows the company's stock for Janney Capital Markets, wrote in a research note Wednesday that he believes Heartland Payment Systems "is seeking a CFO with more hands-on public company experience," noting Mr. Rueda's prior experience as a private-company CFO.

First Data and Provident Bank Renew Merchant Services Agreement

09/30/13 *First Data*

First Data Corporation, a global leader in electronic commerce and

payment processing, and Provident Bank, a wholly owned subsidiary of Provident Financial Services, Inc. (NYSE:PFS), today announced they have signed a long term extension of their merchant services partnership. The Provident Bank has been a Revenue Sharing Alliance partner of First Data since 2009.

Ingenico Supports EMV Implementation in North America

10/02/13 Ingenico

Ingenico, a leading worldwide provider of payment solutions, confirms its role in supporting U.S. EMV adoption by assisting U.S. processors in meeting their certification to the major payment card brands. As part of the overall EMV migration plan, payment card brands have required U.S. processors and sub-processors to be able to support merchant acceptance of EMV chip transactions. Ingenico has utilized its global EMV expertise to provide support with the card brand certification process among some of the top U.S. processors.

Intrix Technology Acquires uProfit Payments

10/01/13 MarketWired

Intrix Technology, Inc. (Intrix), a technology enabled ISO and leading payment processor, announced the acquisition of payment services provider uProfit Payments in Plano, Texas. This will mark the second acquisition made by Intrix in the past two months. With the acquisition, uProfit Payments' merchants and agents will be able to take advantage of the wide range of secure processing solutions offered by Intrix and its dedicated support teams. Customer management will be handled out of the Intrix offices located in Denver, Colorado.

AmeriMerchant Partners with Merchant Warehouse to Offer Working Capital to Merchants

10/03/13 4-traders

Merchant Warehouse, a leading provider of payment technologies and merchant account services, and AmeriMerchant, a leading provider of alternative financing solutions for businesses since 2002, today announced a strategic partnership to offer working capital to Merchant Warehouse customers. The partnership between the two companies will provide small to mid-sized businesses nationwide with access to working capital through AmeriMerchant's merchant cash advance program and its small business loan program through its sister company, Main Street Business Loans.

Pivotal Payments Speeds Up Business with Silanis Cloud E-Signatures

10/02/13 The POS News

Leading electronic signature provider Silanis Technology announced Pivotal Payments, a leading North American merchant services provider, has rolled out Silanis' cloud e-signature platform e-SignLive™ to speed up transactions and decrease the risks of fraud and liability. In the highly competitive payment processing industry, speed and security are top priorities. Silanis' ability to process transactions efficiently and securely is what compelled Pivotal Payments to add electronic signatures to its new merchant application process.

Next Gen Dine Certified by ValueTec to Process Gift Cards, Loyalty Programs

10/03/13 The Green Sheet

Next Gen Dine cloud restaurant point of sale by Prelag Partners LLC is now certified by ValueTec to offer gift cards and loyalty programs. This certification will allow Next Gen Dine restaurants to offer and process gift and loyalty cards for their customers. Restaurants can reward their

returning customers with their own loyalty program on Next Gen Dine. Restaurants can reward the customers who frequent the establishment with discounts, menu items, or anything the restaurant decides. Loyalty rewards help restaurants with customer retention.

eProcessing Network Launches Mobile Developer SDKs

10/03/13 eProcessing Network

For over 17 years, eProcessing Network, LLC, has carefully developed a reputation for developing payment industry software and tools for both online and brick & mortar merchants and developers in a variety of industries. Today, ePN Resellers and the Developer community are using ePN's software technology to assist merchants with all types of payment acceptance and ePN is pleased to announce the launch of its new Mobile Software Development Kit (SDK), helping developers easily integrate encrypted payment into their iOS and Android applications.

Sonic QSR Orders Up CardFree Mobile Commerce App

10/01/13 Mobile Payments Today

CARDFREE today announced it has been selected by Sonic Drive-In as its mobile commerce platform. Sonic has more than 3,500 drive-ins serving about 3 million customers daily, according to a company press release. CARDFREE will partner with Sonic to create a brand-specific mobile experience for the chain's customers, the company said, which will provide stand-alone features as well as an integrated experience at each location.

Braintree Takes Venmo Touch International with UK Launch

10/03/13 PR Newswire

Braintree, the global payment platform powering the best next generation online and mobile purchasing experiences-including HotelTonight, Fab, Airbnb, LivingSocial and Uber - today announced it is bringing one touch mobile commerce to UK merchants and consumers for the first time. American Express will support the UK launch of Venmo Touch as Braintree's exclusive marketing partner with targeted Cardmember communications including newsletters, social media and digital banner ads.

Visa Announces Improved Payment Card Fraud Detection

10/02/13 Visa

Visa Global Security Summit – Visa Inc. announced a series of enhancements to Visa's Advanced Authorization (VAA) technology that significantly improve the ability of its global processing network to detect potential electronic payments fraud. Financial institutions can use the information to more reliably know which transactions to decline in real time, potentially reducing fraud by billions per year, while more confidently approving legitimate transactions to remove friction from payments for merchants and consumers alike.

Blackbaud Chooses ROAM to Enable Nonprofit Clients to Accept Card Payments Via Mobile Device

09/30/13 ROAM

ROAM, an Ingenico company and the leading mobile commerce platform provider, announced that Blackbaud, the leading global provider of software and services for nonprofits, is using ROAM's platform as the basis for a new mPOS offering for nonprofit clients. Blackbaud MobilePay™ enables Blackbaud's nonprofit clients to accept credit and debit card payments via smartphone or tablets at an event or in the field. By making it more convenient to pay on the fly, Blackbaud expects this solution to help its clients reach more people and operate more

efficiently.

FIS Global Partners with ARM Insight to Provide Premium Analytics and Business Intelligence to Prepaid Card Issuers

10/03/13 FortMill Times

ARM Insight, Inc., the leading provider of transactional analytics and business intelligence for the prepaid debit card industry, announced that it has signed a reseller agreement with FIS Global. The reseller agreement allows FIS Global to market ARM's Prepaid Management Platform (PMP), to bring advanced analytics capabilities to banks and other financial institutions on its FIS "North" processing platform.

ACI Worldwide Partners with Experian Decision Analytics to Bring Market Leading Decisioning Solutions to Credit Card Issuers

10/02/13 ACI

ACI Worldwide, a leading international provider of electronic payment systems, announced a partnership with Experian Decision Analytics to market Experian's leading decisioning solutions to ACI customers and prospects. Experian's analytics-driven decisioning enables effective and targeted customer application processes, robust portfolio management and streamlined collections and recoveries. Credit issuers using ACI Issuer, the company's platform for issuing and supporting credit cards, paired with Experian's solutions, benefit from an end-to-end offering that maximizes profitability throughout the life cycle of a consumer's account.

CardFlight Announces \$1.6 Million Seed Round Led by ff Venture Capital

10/02/13 PRWeb

CardFlight, the New York-based company that enables developers to integrate in-person card payments into their own app, announced today that it has raised \$1.6 million in seed-round funding, led by ff Venture Capital, a New York-based venture capital firm that focuses on early-stage technology startups. John Frankel, Founding Partner at ffVC, has joined CardFlight's board of directors.

Pinsight Touch from Sprint to Enable Dynamic NFC Capabilities to Businesses and Their Customers

10/03/13 Sprint

Sprint announced the availability of Pinsight Touch, a nationwide, open platform for securely storing and accessing credentials on a mobile device, opening up new possibilities for the transit, access and payment verticals. Pinsight Touch offers a direct path for credential issuers to enable their own branded applications with Near Field Communication (NFC) and to share secured access to those credentials with other trusted applications, creating opportunities for increased distribution and wallet share.





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