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Editor: Mike Strawhecker, VP & Director of TSG Metrics
Co-Editor: Andrew Nuss, Marketing Associate



THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

Last week Mt. Gox fell and filed for bankruptcy, this week the man who invented Bitcoin revealed himself...or did he?

[Newsweek published a cover story this week](#)

revealing that Satoshi Nakamoto was the creator of Bitcoin, however on Thursday [Nakamoto said that he is](#)

[not the creator](#), denying to The Associated Press that he had anything to do with it and said he had never heard of Bitcoin until recently.



Is Nakamoto the man behind the most talked-about cryptocurrency, or is he giving everyone an early April Fools?

Other highlights this week include:

- [ETA Asks Congress for National Breach Reporting Law](#)
- [Target CIO Resigns](#)
- [With Square capital, Square Begins Offering Controversial Merchant Cash Advances](#)
- [Target Hearings: EMV Not Enough](#)
- [U.S. Job Growth Offers Upbeat Sign for Weather-Beaten Economy](#)

The Essential Guide to Merchant Attrition & Growth

The Strawhecker Group announces the availability of a new industry study: ***TSG Attrition & Growth Report.***

This report contains attrition and growth metrics from [TSG's](#)

[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 SmartPhone to Buy Things!](#)

This Day in History: 1876

Alexander Graham Bell patents the telephone

On this day in 1876, 29-year-old Alexander Graham Bell receives a patent for his revolutionary new invention—the telephone.

The Scottish-born Bell worked in London with his father, Melville Bell, who developed Visible Speech, a written system used to teach speaking to the deaf. In the 1870s, the Bells moved to Boston, Massachusetts, where the younger Bell found work as a teacher at the Pemberton Avenue School for the Deaf. He later married one of his students, Mabel Hubbard.

[Merchant Portfolio Performance Study \(MPPS\)](#) database of 1.8 million merchants, which is prepared using merchant level data from multiple merchant portfolios representing both Bank and ISO participants, a variety of business models and sales and marketing strategies.

[Click here to see a preview of every page of this 118 page report.](#)

Please [click here](#) if you are interested in ordering the report. The price is \$3,750. Please email Info@TheStrawGroup.com with questions.

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Featured

[The Face Behind Bitcoin](#)

3/06/14 Newsweek

Satoshi Nakamoto stands at the end of his sunbaked driveway looking timorous. And annoyed. He's wearing a rumpled T-shirt, old blue jeans and white gym socks, without shoes, like he has left the house in a hurry. His hair is unkempt, and he has the thousand-mile stare of someone who has gone weeks without sleep. He stands not with defiance, but with the slackness of a person who has waged battle for a long time and now faces a grave loss.

[Just Kidding- Man Said to Create Bitcoin Denies It](#)

3/07/14 TIME

Dorian Prentice Satoshi Nakamoto said Thursday that he is not the creator of bitcoin, adding further mystery to the story of how the world's most popular digital currency came to be. The denial came after Newsweek published a 4,500-word cover story claiming Nakamoto is the person who wrote the computer code underpinnings of bitcoin. In an exclusive two-hour interview with The Associated Press, Nakamoto, 64, denied he had anything to do with it and said he had never heard of bitcoin until his son told him he had been contacted by a Newsweek reporter three weeks ago.

[The Inside Story of Mt. Gox, Bitcoin's \\$460 Million Disaster](#)

3/03/14 Wired

From a distance, the world's largest bitcoin exchange looked like a towering example of renegade entrepreneurship. But on the inside, according to some who were there, Mt. Gox was a messy combination of poor management, neglect, and raw inexperience. Its collapse into bankruptcy last week - and the disappearance of \$460 million, apparently stolen by hackers, and another \$27.4 million missing from its bank accounts - came as little surprise to people who had knowledge of the Tokyo-based company's inner workings.

[ETA Asks Congress For National Breach Reporting Law](#)

3/04/14 ISO & Agent

The Electronic Transactions Association is lobbying Congress to enact a uniform national data breach reporting standard that would replace a welter of contradictory state and local rules. The Washington-based trade group is seeking legislation that would codify breach reports to

While in Boston, Bell became very interested in the possibility of transmitting speech over wires. Samuel F.B. Morse's invention of the telegraph in 1843 had made nearly instantaneous communication possible between two distant points. The drawback of the telegraph, however, was that it still required hand-delivery of messages between telegraph stations and recipients, and only one message could be transmitted at a time. Bell wanted to improve on this by creating a "harmonic telegraph," a device that combined aspects of the telegraph and record player to allow individuals to speak to each other from a distance.

[Click here to read more.](#)

consumers but would not address notification of state and local agencies, says Scott Talbott, the ETA's new senior vice president of government affairs. "Right now, there are 46 different state laws that govern what has to happen—who has to be notified and when," Talbott says. "Those laws can be in conflict with each other."

[Target Tech Chief Resigns as It Overhauls Security](#)

3/05/14 ABC News

Target Corp. Chief Information Officer Beth Jacob is resigning effective Wednesday as the retailer overhauls its information security and compliance division in the wake of a massive pre-Christmas data breach. Target Chairman, President and CEO Gregg Steinhafel said in a statement released to The Associated Press that the company will search for an interim chief information officer who can help guide the company through the transformation.

[HCE: We're Not in Kansas Anymore](#)

3/04/14 Mobile Payments Today

First, what do the V/MA announcements mean? It means that it's time for banks and other issuers to stop looking for directions. The network announcements around HCE specifications provide the clarity required by issuers to meaningfully invest in mobile contactless provisioning and payment. Further, it removes some of the unfavorable economics inherited from a secure element-centric model, who were forced to default to credit cards with higher interchange in the wallet.

[Two More Data Breaches, but Little Concern by Small Businesses for Card Security](#)

3/06/14 Digital Transactions

Given the massive news coverage about payment card security since December in the wake of Target Corp.'s huge data breach and other ones at Neiman Marcus Group and Michaels, you might think that data protection is top of mind among small-business owners. Not so, according to results of a new poll by Newtek Business Services Inc. Nor are small businesses very aware of Europay-MasterCard-Visa (EMV) chip cards, discussion of which exploded in the media as a more secure alternative to magnetic-stripe cards.

[Now At PayPal, Braintree Again Courts Startups By Waiving The First \\$50K In Processing Fees](#)

3/06/14 TechCrunch

The deal is the same as before: companies can begin using Braintree in order to accept and process payments on their website or mobile application, without having to pay fees up until the \$50,000 mark. This makes sense for small, early stage startups, explains Braintree's Chief Executive Bill Ready. "I think it's pretty meaningful that we can do this on an ongoing basis," he says. "It means everyone in the industry can innovate and iterate on their ideas for free."



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[Mobile Payments](#)

[With Square Capital, Square Begins Offering Controversial Merchant Cash Advances](#)

3/04/14 Recode

Square's search for new revenue streams is pushing it toward a controversial industry: Merchant cash advances. The financial product, which operates outside of the regulation of loans, is often a last resort for financing for business owners who either have poor credit, can't get a bank loan, or can't get a bank loan fast enough. So the business owner agrees to pay a "lender" a cut of future sales, plus a fixed cost on top, to get a lump sum of money up front.

Isis Progress: 2/3 of Users Have Inputted Card Info, Make 6-7 Transactions Per Month

3/04/14 FierceWireless

Two-thirds of Isis' users have installed at least one payment card into their Isis wallet, the mobile payments company said, and that group of users makes an average of six to seven NFC-based financial transactions per month. The figures are some of the first released by Isis, the mobile payments joint venture from AT&T Mobility, Verizon Wireless and T-Mobile US, since the offering launched nationwide in mid-November.

Winklevoss Twins Plan Space Trip, Funded by Bitcoin

3/05/14 CNN Money

The twins bought tickets, valued at \$250,000 each, for a ride to space with Virgin Galactic. That's about 375 Bitcoins, at Wednesday's price. They think of their purchase "as seed capital" supporting new technologies they have high hopes for. Tyler Winklevoss suggested Wednesday in a blog post that Virgin Galactic "may forever change the way we travel" and that Bitcoin "may forever change the way we transact."

The Future of the Mobile Wallet [Infographic]

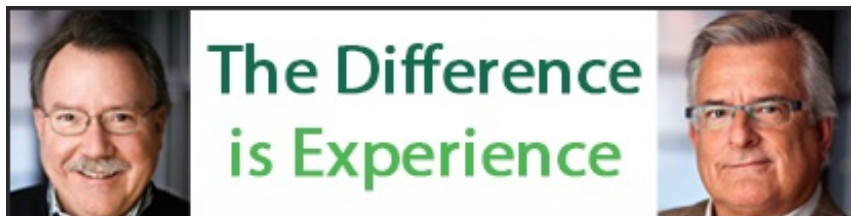
3/03/14 Total Payments

At the start of the month I wrote about mobile wallets, mobile payments, and how the payments industry really needed to sit down and rebuild the mobile wallet from the ground up. While a lot of you certainly gave that a good read, it'll be interesting to really see if anything ever manages to achieve the success needed for mobile wallets to take off. There are certainly some examples of apps that have the right idea, but nothing has quite made it thus far.

MasterCard Tests Payment Cards that Require User's Smartphone to be Nearby

3/05/14 FierceRetailIT

MasterCard announced on Tuesday that it has partnered with Syniverse, a mobile technology company, to develop an opt-in pilot which allows users to make a credit card transaction only when they have their mobile device in the same geographic location. In essence, if the phone is near the place where the card is used, then the transaction is approved. "We can actually make sure that when we see a transaction we can confirm you are actually where you say you are."



Regulation & Security

Target Hearings: EMV Not Enough

3/07/14 Bank Info Security

At Congressional hearings held March 5 and 6, cybersecurity experts stressed that adoption of chip cards is just one of many steps that need to be taken to secure the U.S. payments infrastructure. They also called for more education of retailers about card data security and stronger enforcement of Payment Card Industry data security standards. The two hearings were called in the wake of the Target Corp. and Neiman Marcus breach investigations. The House Committee on Financial Services held its session March 5, while the House Committee on Science, Space and Technology hearing was held March 6.

PNC Gets DOJ Subpoena on Payment Processing

3/03/14 Bloomberg

PNC Financial Services Group Inc. (PNC) received a subpoena regarding the return rate for its payment-processor clients from the U.S. Department of Justice. The department's consumer protection unit is seeking information "for certain merchant and payment processor customers with whom PNC has a depository relationship," the Pittsburgh-based bank said today in a regulatory filing. "We believe that the subpoena is intended to determine whether, and to what extent, PNC may have facilitated fraud committed by third-parties against consumers."

PCI Security Standards Council To Launch New eLearning Courses To Help Companies Safeguard Payment Data, Educate on Security Breach Prevention

3/04/14 EON

The PCI Security Standards Council (PCI SSC), an open global forum for the development of payment card security standards, today announced new online training courses aimed at educating companies about how to keep their customers' payment data secure, and how to become and remain compliant with PCI Security Standards. These courses, developed in response to increased commercial interest in security awareness training, are the latest additions to the Council's pro-active program of training and education.

The Future Of POS (tm?) Is In Dispute

3/04/14 The POS News

While some companies are duking it out over free POS systems, mobile wallets and the cloud, two companies are in a lawsuit over "The Future Of POS". FuturePOS, the company seeking to protect its name from ambiguity, is a 15 year old POS software vendor focused on the hospitality market, and is suing Revel Systems, who has been using the slogan "The Future of POS(tm)" on its website.

Payments Industry Taking the Lead on Security - Let's Keep It That Way

3/03/14 Peach Pundit

As Congress considers legislation following the recent large-scale data breaches, it's important to consider the technological innovations that will best protect consumers and sort out any well-intended, yet unintended consequences of new regulations or legislation that may lead to the suppression of marketplace innovations best positioned to address the ever changing threat of cybercrime. Headline-grabbing events inevitably lead to calls for additional government regulations.

Economy

U.S. Job Growth Offers Upbeat Sign for Weather-Beaten Economy

3/07/14 Reuters

U.S. job growth accelerated sharply in February despite the icy weather that gripped much of the nation, easing fears of an abrupt economic slowdown and keeping the Federal Reserve on track to continue reducing its monetary stimulus. Employers added 175,000 jobs to their payrolls last month after creating 129,000 new positions in January, the Labor Department said on Friday. The unemployment rate, however, rose to 6.7 percent from a five-year low of 6.6 percent, as Americans flooded into the labor market to search for work.

Small Business Economy Grows Modestly in Early 2014

3/04/14 Newtek

Newtek Business Services, The Small Business Authority®, announced the release of the SB Authority Index of small business indicators for January 2014 reaching 125.08 points. The Russell Microcap Index, new business formations and the ADP employment report led the increase. The SB Authority Index is up 0.49% from December 2013. On a year-over-year comparison, the SB Authority Index is up 7.1%.

Checking Out - Many Americans No Longer Write Personal Checks

3/04/14 GOBankingRates

With the increasing availability of mobile and online banking options, it's no surprise that traditional checking account products like paper personal checks are falling out of usage. In the latest GOBankingRates survey, which asked how often banking customers wrote personal checks, the most common response was "never" (37.8%), followed by "several times a month" (25.6%), "a few times a year" (20.5%) and "once a month" (16.1%).

Fiserv Survey Shows Billers Challenged to Keep Pace with Consumer Demand as Billing and Payment Preference Shifts to Mobile

3/04/14 Fiserv

According to research commissioned by Fiserv, Inc., a leading global provider of financial services technology solutions, only 12 percent of billers have a mobile bill presentation and payment (MBPP) strategy, even though mobile interactions are surging among consumers. The Second Annual Biller Mobile Bill Pay Benchmark Study examines how billers are keeping pace with the growing demand from consumers for mobile billing and payment as well as the opportunities and challenges billers face in developing and deploying a solution.



Payments Press

10 Things Payments Innovators Are Teaching Us About Innovation

3/03/14 PYMNTS

Rule number one for any innovation in payments (or anywhere else for that matter) is that it has to solve a real problem and/or create real value for someone. In payments, the tricky part is that every payment transaction has at least two parties, and you can't solve one person's problem while inflicting pain on the counterparty. As a networked ecosystem, the value-add and/or problem-solving has to include multiple

parties. We've seen lots of road kill where payments innovation has been good for one party but wrought with complexity for the other.

Global Payments Completes Acquisition of PayPros

3/05/14 The Wall Street Journal

Global Payments Inc., one of the largest worldwide providers of payment solutions, announced that it has completed the acquisition of Payment Processing Inc., an innovative provider of fully-integrated payment solutions for 58,000 small-to-medium sized merchants in the United States. PayPros delivers its products and services through a network of over 1,000 technology-based enterprise software partners to vertical markets that are complementary to the markets served by Accelerated Payment Technologies, Inc., a Global Payments company since October 2012.

MasterCard Plays Safety Card

3/05/14 Financial Review

MasterCard's global chief financial officer, Martina Hund-Mejean, says its PayPal clone MasterPass will beat any nascent threat from the online payment company because it is more secure. "PayPal is nowhere close to what we are, we're working directly with the people who issue all of these cards - and it doesn't matter if it is a bank, or a retailer, or Google, or, quite frankly, PayPal, which also issues a MasterCard," she said.

WorldPay and Anachron Integrate to offer Real Time Payments for Merchants

3/05/14 Let's Talk Payments

The total value of payments processed through alternative means (i.e. bank transfer, debit cards, wallets, mobile, cash on delivery and others) went up by 21% in 2013, while the turnover value went up by 44%, as compared to year 2012 according to WorldPay. On 4th March 2014, the global leader in payment processing & alternative payments, partnered with Anachron to enable merchants to pay e-Invoices in real time. "The Anachron/WorldPay integration offers a powerful solution to merchants looking to grow and expand globally."

Stealthy Startup Clinkle Nabs Another Big Name: Twitter's Ex Chief Designer

3/05/14 CNET

Clinkle, the mobile-payments startup that doesn't want to talk about what its product actually does, has snagged yet another noteworthy figure in tech: the guy who used to lead Twitter's design efforts. Clinkle has hired Josh Brewer to be its vice president of design. This will be the fifth senior-level hire for Clinkle in the last six months. The company, which is backed by many influential investors, has nabbed former Netflix and Paypal executives in the past.

Washington Trust Partners with Vantiv for Merchant Processing Services

3/03/14 The Washington Trust

Washington Trust Bancorp, Inc., announced that its wholly-owned subsidiary, The Washington Trust Company, has expanded its long-term relationship with Vantiv, Inc., to now include Merchant Services. "Vantiv is one of the premier payment processing companies in the nation and we believe our merchant services customers will benefit from this relationship," stated Joseph J. MarcAurele, Washington Trust Chairman and CEO. "Vantiv is committed to providing our merchant customers with a high level of customer service and innovative payment solutions."

Moneris to Enable UnionPay Acceptance for Canadian Merchants

3/03/14 Moneris

Moneris Solutions Corporation, Canada's largest credit and debit card processor, and UnionPay International Co., Ltd., a payment network with card acceptance in more than 140 countries and regions, announced that they have entered into an agreement regarding Moneris' acceptance of UnionPay cards beginning later this year.

VeriFone Wins 2014 MPE Award for Mobile Point of Sale Solutions

3/05/14 VeriFone

VeriFone Systems, Inc. won the 2014 Merchant Payments Ecosystem (MPE) Award in the mPOS category at MPE 2014 in Berlin. VeriFone was selected by the MPE Awards Committee for its portfolio of PAYware Mobile solutions that transform smartphones and tablets into completely secure mPOS devices that can accept payments from traditional mag-stripe cards as well as EMV cards.

A New Way to Manage Mobile Payments and Inventory Across All Channel

3/05/14 SecureNet

We are excited to unveil the industry's first fully-integrated inventory management solution. With new features and capabilities, SecureNet's solution helps merchants of all sizes track and manage inventory across all sales channels, including mobile, online and in-store, through a single, easy-to-use interface. Many of the merchants we've spoken with are frustrated with the challenges of reconciling product inventory across multiple sales channels when their mobile, online and brick-and-mortar systems can't speak to each other.

CARDFREE Teams Up with Mercury to Deliver End-to-End Mobile Commerce Solution to Merchants of All Sizes

3/05/14 CardFree

CARDFREE, the leading mobile commerce provider to large merchants, today announced its collaboration with Mercury Payment Systems, an award-winning payments technology provider. CARDFREE focuses on providing integrated mobile commerce and loyalty solutions for restaurants and retail stores that help large merchants engage consumers based on individual behaviors and preferences. The company's award-winning platform provides end-to-end commerce capabilities, including smart offers, gifting, payments and loyalty.

New EMV Framework to Support NFC, QR, Bluetooth LE and More

3/06/14 NFC World

A new tokenization framework being developed by EMVCo for the world's major payments networks will enable EMV transactions to be made on a mobile phone using the widest possible range of "last inch" technologies and the first draft of the new specification will be available in just a few weeks, Christina Hulka, chair of the board of managers at EMVCo, has told The Mobile Wallet Report.

Mozido Gives Back at SXSW

3/05/14 Mozido

Mozido, a mobile financial services leader based in Austin, is heading to South by Southwest (SXSW) to showcase two of its key services at events that will benefit nonprofits in Austin and beyond. Mozido's corporate culture and business model are grounded on social responsibility, as the

company works to bring financial inclusion to unbanked and under-banked individuals throughout the world with its mobile platform for financial services, commerce, and payments.

CardinalCommerce Awarded US Patent for Expanded eCommerce Technology

3/04/14 PR Newswire

CardinalCommerce, the pioneer and global leader enabling remote commerce, announced it has received new intellectual property protection with regard to technology that expands its Universal Merchant Platform invention, in the form of patent US 8,650,118 B2. The United States Patent and Trademark Office (USPTO) awarded Cardinal the patent on February 11, 2014. Cardinal's Universal Merchant Platform is a method of securely processing Consumer Authentication for eCommerce.

NCR Silver™ Mobile POS Adds Loyalty and Rewards for Small Business

3/05/14 Yahoo! Finance

Small businesses can now easily create, run and manage reward programs with the release of NCR Silver iPad® point of sale (POS), with subscriptions starting at only \$59 per month. NCR Corporation (NCR), the global leader in consumer transaction technologies, today announced the new loyalty component of its powerful mobile POS for small businesses.

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