

NewsFilter

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THE STRAWHECKER GROUP

The Trusted Advisor To The Payments Industry



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Trending This Week...

TSG is pleased to announce the release of the firm's **400th edition of NewsFilter!**

In anticipation, our delivery system even shutdown on Friday to prepare for this monumental moment!

Over the years TSG's subscriber base has grown from a few dozen subscribers to over 12,000 individuals globally. We would like to thank our subscriber base for their continued support of NewsFilter - your continued feedback, accolades, and readership has helped NewsFilter evolve into what it is today.



We thought it would be interesting to take a trip back in time to present the trending topics in NewsFilter from the last five years:

2010

- Potential effects of proposed interchange regulation
- Industry M&A (Vantiv acquired NPC, TSYS joint venture with FNBO, and RBS sold WorldPay)

2011

- IRS delay on credit card processors
- Federal Reserve debit card interchange ruling

2012

- Global Payments data breach
- Visa and MasterCard new acquirer fees

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

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

[Use a SmartPhone to Buy Things!](#)

[The Top Ten Ways Acquirers Can Block the Breach](#)

This Day in History: 753 B.C. Rome Founded

According to tradition, on April 21, 753 B.C., Romulus and his twin brother, Remus, found Rome on the site where they were suckled by a she-wolf as orphaned infants. Actually, the Romulus and Remus myth originated sometime in the fourth century B.C., and the exact date of Rome's founding was set by the Roman scholar Marcus Terentius Varro in the first century B.C.

According to the legend, Romulus and Remus were the sons of Rhea Silvia,

2013

- Retail blasts EMV switch
- Mobile payments (Square, NFC, and Wallets Oh My)

2014 (So far)

- Bitcoin boom or bust
- Target data breach
- Chip & PIN shift

NEW REPORT: NFC Survey Results: The Payment Industry's Perception of NFC in the U.S. Card Accepting Market

TSG's latest report offers a simple to read compilation of results from a survey of payments industry professionals on their perceptions and attitudes regarding NFC technology.

Reasons to Purchase:

- The response pool is comprised of payments professionals and not the general consumer market
- Reveals which attributes of NFC are viewed as beneficial promoters and which are viewed as barriers
- Offers a snapshot of NFC market statistics to provide context to the report

[See a preview of every page of this report.](#)

The price is \$349. Please email Info@TheStrawGroup.com with questions. Following payment, TSG will email a PDF copy of the report.

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Featured

[Mobile-Payments Square Discusses Possible Sale](#)

4/21/14 CNET

Square, the mobile-payment startup started by Twitter co-founder Jack Dorsey, might sell off its business to a much larger company, a new report claims. Over the last several months, Square has been secretly holding meetings with major technology companies, including Google, Apple, and eBay's PayPal, to explore the possibility of a sale that could extend well into the billions of dollars, the Wall Street Journal is reporting, citing people who claim to have knowledge of the talks. For now, Square has had the deepest discussions with Google; its talks with Apple and PayPal were exploratory in nature, the report claims.

[Big Acquirers See Opportunity Ahead](#)

4/14/14 ISO & Agent

Ten years from now, members of the acquiring industry may have fond recollections of the nation's transition to mobile payments, says Brian Mooney, CEO of Bank of America Merchant Services. "We will look back and say, 'I was there when we changed people's lives,' " Mooney told an

the daughter of King Numitor of Alba Longa. Alba Longa was a mythical city located in the Alban Hills southeast of what would become Rome. Before the birth of the twins, Numitor was deposed by his younger brother Amulius, who forced Rhea to become a vestal virgin so that she would not give birth to rival claimants to his title. However, Rhea was impregnated by the war god Mars and gave birth to Romulus and Remus. Amulius ordered the infants drowned in the Tiber, but they survived and washed ashore at the foot of the Palatine hill, where they were suckled by a she-wolf until they were found by the shepherd Faustulus.

[Click here to read more.](#)

audience here last week on Transact 14, the new name for the Electronic Transactions Association trade show. That moment will arrive when consumers, merchants and banks all realize the benefits of mobile payments, Mooney says.

Retailer Michaels Stores Confirms Payment Card Data Breach

4/17/14 Reuters

Michaels Stores Inc, the biggest U.S. arts and crafts retailer, on Thursday confirmed that there was a security breach at certain systems that process payment cards at its U.S. stores and that of its unit, Aaron Brothers. The company said in January that it was working with federal law enforcement officials to investigate a possible data breach. Michaels Stores said the breach, which took place between May 8, 2013 and January 27, 2014, may have affected about 2.6 million cards, or about 7 percent of payment cards used at its stores during the period.

Seeking Growth, The Payments Industry Embraces New Technologies

4/16/14 TechCrunch

Now a victim of its own omnipresent success, the global electronic payments industry is increasingly turning to new technologies as it looks to expand its footprint and find new ways to make money by getting consumers to spend theirs. The pace of technological advancement in the payments market has even caused regulators to take notice, with innovations like cryptocurrencies continuing to grab headlines and attract government scrutiny at the federal and state level.

In a Move Aimed at Aggregators And Small Sellers, Visa Tweaks FANF Fees Effective April 2015

4/15/14 Digital Transactions

Visa Inc. has tweaked its controversial fixed acquirer network fee (FANF), with the changes scheduled to take effect 12 months from now, according to sources who have seen the changes. A bulletin Visa released last week and circulated to acquirers indicates the modifications to the 2-year-old FANF are aimed chiefly at very small merchants and at aggregators, acquirers that sign up micro-merchants for card acceptance and allow them to use the acquirer's merchant account, the sources say.

Three Trends That Might Transform the Retail Payments Experience

4/16/14 PayPal

At PayPal I have the opportunity to see a lot of new technologies before they're ready for prime time. Some we create, others are created by other companies in various industries. I do my best to save enough time away from the corporate side of the job to spend as much time as I can geeking out on these new technologies and charting the future with our amazing teams. Lately, I've been looking at three technologies that might truly change the retail experience as we know it.

Wells Fargo's Debra Rossi Sees Positive Side of Target Security Breach

4/17/14 San Francisco Business Times

Maybe the Target security breach, where tens of millions of credit card numbers and other customer data was compromised, had a positive aspect.

Debra Rossi, head of Wells Fargo Merchant Services, said she was pleased the much-publicized Target breach last year propelled banks, retailers and consumers to push security higher on their agendas. "I hate

to say it, but I was sort of happy for Target. I feel bad for them, but it got the industry moving on the consumer side and the merchant side," Rossi said, speaking candidly on a panel at a payments conference in Las Vegas Thursday.



Mobile Payments

Apple has all the Ingredients to Cook Up a Massive Mobile Payment System

4/17/14 VentureBeat

Apple may be gearing up to build its own proprietary mobile payment system. That's according to a study titled "Mobile Payments - Blue Paper Revisit, EMV in Focus" from Morgan Stanley's Research group in Europe. The study was obtained by VentureBeat exclusively. Morgan Stanley's PR team did not respond to requests for comment, nor did several of the researchers whose names, phone numbers, and email addresses accompanied the blue paper.

Or Maybe this is the Person Who Invented Bitcoin

4/18/14 CBS News

A lecturer in forensic linguistics at Britain's Aston University claims to have uncovered the identity of the inventor of virtual currency system Bitcoin. Jack Grieve, with a group of 40 students, determined that Nick Szabo, a blogger and former George Washington law professor, is the likely author of the seminal paper written under the pen name Satoshi Nakamoto, which launched the concept. Finding the person who invented Bitcoin quickly seems to have become a cottage industry.

Near Field Communication Transforming Everyday Tasks

4/17/14 The POS News

NFC is rapidly transforming the way in which everyday tasks such as payments, gaining security access to buildings and even the purchasing and collection of concert tickets are performed. NFC has its roots in radio frequency identification (RFID), which dates as far back as 2004, and was first used in a smartphone in 2006. The technology enables devices to establish peer-to-peer radio communication, passing data from one piece of equipment to another by touching them or placing them in close range.

Amazon Says No to Accepting Bitcoin, Maybe to Building an Amex or Visa Competitor

4/14/14 Recode

Like bitcoin? Like Amazon? Want to use bitcoin to buy stuff from Amazon? I have some bad news for you. Not going to happen anytime soon. "Obviously it gets a lot of press and we have considered it," Amazon payments head Tom Taylor told Re/code in a recent interview, "but we're not hearing from customers that it's right for them and don't have any plans within Amazon to engage bitcoin." Amazon isn't alone in this stance among big e-commerce sites. EBay, Walmart.com, Target.com and other big names have shown no signs of moving toward acceptance.

Now Even Facebook wants to Become a Payments Company

4/14/14 Pando Daily

Facebook is getting into the money business. The Financial Times reports that the company is in talks with Irish regulators and three European startups to create a service that would "allow its users to store money on Facebook and use it to pay and exchange money with others." The news comes as other companies, such as Amazon and Google, increase their own interest in payments platforms. Amazon CEO Jeff Bezos has "identified payments as one of the top areas of focus and investment for Amazon" and reportedly told the company's payment team to work faster.

LevelUp's March to Free Payments

4/16/14 PYMNTS

LevelUp stirred the pot in 2012 when it launched with its "Interchange Zero" campaign. Moving money, said LevelUp's Chief Ninja, Seth Priebatsch at the time, was pretty much a commodity and of little value. (Well, he actually said no value, but I sort of disagree with that. Moving money is really valuable, it's just that a lot of people are in the business of doing it and so it has become a commodity.) Seth felt strongly that the real value of any mobile payments provider was in their ability to track customers and capture data about their transactions; data that could be mashed up with other data,.

Cue the iPhone 6 Near-Field Communication Rumors

4/14/14 The Motley Fool

Ah, yes, NFC: The wireless connection that was supposed to usher in mobile payments everywhere. Every time a new iPhone is on the horizon rumors of how Apple will most definitely, or most certainly not, adopt the technology surface again. To be fair, there are some good cases for both sides. So in the spirit of fairness and pure speculation, let's entertain both for a minute.

Pay-by-Sleeve: Heritage Bank Unveils Contactless Payments Suit

4/16/14 Finextra

Forget watches and glasses, Aussie bank Heritage thinks it has found the cutting edge of wearable tech - a suit that lets customers make contactless payments through the flick of a sleeve. The bank has teamed up with local tailor MJ Bale and ad agency Whybin\TBWA to develop a 'payweave' suit made from the finest Australian merino wool.

Tokyo Court: Bitcoin Exchange Mt. Gox Will Liquidate

4/16/14 USA Today

Mt. Gox, the Tokyo-based Bitcoin exchange that collapsed earlier this year after \$425 million worth of its customers' digital currency disappeared, lost its bid to reorganize and will likely be liquidated, a Japanese bankruptcy court administrator said in a notice Wednesday. The court will also investigate Mt. Gox CEO Mark Karpeles' liability in the collapse of the business, attorney Nobuaki Kobayashi, the court-appointed administrator, said Wednesday in a notice posted on the Bitcoin exchange's website.



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is Experience**



Regulation & Security

States Advance Breach Notification Laws

4/18/14 Gov Info Security

As Congress dawdles over enactment of a national data breach notification law, several states are taking steps to strengthen consumers' rights when breaches occur. Kentucky earlier this month became the 47th state to enact a data breach notification law. Meanwhile, Iowa's governor signed a bill to strengthen that state's notification law. And in California, the first state to enact a data breach notification law, two lawmakers introduced legislation to toughen the rules, including requiring breached businesses to reimburse card issuers for costs to replace cards unless the businesses demonstrate they complied with the data breach law.

PCI's Russo: Using EMV to Prevent Fraud

4/15/14 Bank Info Security

In the wake of recent high-profile retail breaches at Target Corp. and Neiman Marcus, moving toward chip card technology that conforms to the Europay, MasterCard, Visa standard has been a hot topic of discussion. The PCI Security Standards Council is supporting that move toward advanced card technology because the EMV chip is an extremely effective method of reducing counterfeit fraud in face-to-face payment environments, says Bob Russo, the council's general manager. "It provides protection against lost or stolen cards when deployed with a PIN."

Hardware Giant LaCie Acknowledges Year-Long Credit Card Breach

4/15/14 Krebs on Security

Computer hard drive maker LaCie has acknowledged that a hacker break-in at its online store exposed credit card numbers and contact information on customers for the better part of the past year. The disclosure comes almost a month after the breach was first disclosed by KrebsOnSecurity. It is unclear how many customer records and credit cards may have been accessed during the time that the site was compromised; Over said in his email that the company did not have any additional information to share at this time.

Retailers Rush to Plug Heartbleed Leaks

4/16/14 FierceRetailIT

The revelation last week of the Heartbleed bug has had retailers scrambling to both find vulnerabilities and reassure customers, but the threat is far from over. The bug allows anyone on the internet to read the memory of the systems protected by the vulnerable versions of the OpenSSL software. The vulnerability is present in sites powered by OpenSSL versions 1.0.1 through 1.0.1f, explained Mark McCurley, CISSP CAP Security+, senior information security advisor, IDT 911 Consulting.

RCMP Charge London, Ont. 19-year-old in Heartbleed Theft of 900 SINS from CRA Website

4/16/14 Financial Post

Less than a week after the RCMP was notified of a malicious cyber attack that resulted in the theft of 900 social insurance numbers from the Canada Revenue Agency's Website, a 19-year-old London, Ont. man has become the first person to be arrested in connection with the Heartbleed security bug.

Economy

Economists Expect US to Shake Off Winter Slowdown

4/21/14 CNBC

This winter's brutal weather took a toll on sales growth for U.S. businesses, according to a survey of economists released Monday. But the group expects business to pick up again now that the worst of the harsh weather is over. A majority of companies responding to the latest quarterly survey by the National Association for Business Economics said sales are growing, but that growth was less widespread than a similar survey three months ago. The number of firms reporting higher profit margins also fell slightly.

Jobless Claims, Factory Data Put Some Shine on Economy

4/17/14 Reuters

New claims for jobless benefits hovered near their pre-recession levels last week and manufacturing in the Mid-Atlantic region accelerated in April, suggesting an upswing in economic activity after a brutally cold winter.

Coming on the heels of fairly bullish data on retail sales and industrial production, Thursday's reports also hinted job growth may be picking up slightly.

Bank Earnings Show: Americans Got Better at Paying Off Debts

4/16/14 Marketplace

The big banks have been releasing their first quarter earnings reports over the last week, and they're all over the map: Profits are down at JPMorganChase, up at Wells Fargo. But one trend is clear from nearly all the banks: Consumers are doing a better job paying down their mortgages and credit cards. "This is not an unusual phenomenon," says Nancy Bush, banking analyst and founder of NAB Research, LLC. "It normally goes on after a financial brush with death like the one we had in the years 2005 to 2008."



Payments Press

MasterCard to Acquire Australia-based Pinpoint

4/16/14 MasterCard

MasterCard today announced that it has entered into an agreement to acquire Pinpoint Pty. Ltd. ("Pinpoint"), a leading provider of loyalty and rewards services to financial institutions across the Asia Pacific region. This acquisition is expected to close in the second quarter of 2014.

First Data Renews and Expands Relationship with Bank of the West

4/16/14 First Data

First Data Corporation, the global leader in payments technology and services solutions, today announced it will continue to provide debit processing, ATM driving and network services through its card processing platform and STAR Network to Bank of the West, an FDIC-insured bank serving customers for more than 135 years. This renewed five-year agreement will also expand the relationship.

Merchant Warehouse and TabbedOut Partner to Enhance

[the Reach of Mobile Payments and Digital Marketing in the Hospitality Industry](#)

4/16/14 Merchant Warehouse

Payment technologies innovator Merchant Warehouse® announced its partnership with hospitality mobile payments leader TabbedOut. The partnership will serve to co-market each company's payment solutions, making mobile payments, digital marketing and loyalty programs a reality for thousands of businesses nationwide. "The hospitality industry is built on loyalty, amazing customer experiences and great products, and leveraging new technologies to build these experiences provides Merchant Warehouse a key business advantage," said Henry Helgeson, CEO of Merchant Warehouse.

[EVO names Darren Wilson as President, International](#)

4/15/14 The Green Sheet

EVO Payments international (EVO), a leading card payment acquirer and payment service provider operating in the United States, Canada and Europe, announced today that Darren Wilson has been appointed President - International. In this role, Mr. Wilson will be responsible for overseeing EVO's existing European businesses, supporting expansion into new geographies and introducing EVO's North American capabilities to Europe.

"We are thrilled to have Darren join the EVO team," said Jeff Rosenblatt, President of EVO.

[Official Launch of Heartland's OneCard Mobile App Marks First Single-Point Access to Campus Life](#)

4/18/14 Heartland Payment Systems

After successful completion of pilot testing at several colleges and universities, Heartland Payment Systems is officially launching its unique OneCard Mobile app. Designed to operate on Apple iOS and Google Android platforms, OneCard Mobile is a proprietary app based on patent-pending technology that enables campus administrators to offer students a single resource that serves as a virtual ID card, a payment system for all campus services and activities, and for permission-based access to events, buildings, rooms, libraries, and other facilities.

[Payment Alliance International Partners with Ventura County Credit Union to Brand ATMs at Select Rite Aid Stores](#)

4/15/14 MarketWatch

Payment Alliance International (PAI), a leader in retail ATM solutions, and Ventura County Credit Union (VCCU) announced today they have entered into an agreement to brand 23 ATMs at California Rite Aid stores located in Ventura County and Santa Barbara County. PAI will own and operate the ATMs reflecting VCCU's branding, giving Ventura County Credit Union members surcharge-free access to cash at these Rite Aid locations.

[CardFlight Wins Electronic Transactions Association's 2014 Technology Innovation Award](#)

4/15/14 PR Newswire

CardFlight has won the 2014 Technology Innovation Award from the Electronic Transactions Association (ETA), the global trade association representing companies that offer electronic transaction processing products and services. The Technology Innovation Award is presented annually to one company that makes significant advancements for the industry and has demonstrated results with a product that is currently available in the marketplace.

[Harbortouch Releases Upgraded Version of Its Cloud-](#)

based POS Management & Reporting Solution

4/16/14 HarborTouch

Leading national point of sale (POS) system and merchant services provider Harbortouch has released version 3.0 of Lighthouse, the company's cloud-based POS management and reporting portal. Lighthouse communicates information between Harbortouch POS systems and the company's online reporting platform, enabling business owners to manage their POS system and access reports any time, any place. Lighthouse 3.0 adds a number of new features to the service as well as improved stability and reliability.

BlueSnap™ Sets a Course For Worldwide Expansion, With Key Global Hires and New Offices

4/17/14 Yahoo! Finance

Global payment gateway, BlueSnap today announced it is expanding its global operations, opening up new offices in Australia and Malta, and adding top tier talent across the world. James Olver, a former London based Braintree executive, has joined BlueSnap and will focus on European expansion for the company. James has already secured offices at the prestigious Rainmaking Loft, a 10,000 sq. ft., startup hub in London dedicated to ambitious high growth technology startups.

#EMV Agreement Enables Choice at ATM & POS

4/16/14 Shazam

We are excited to announce today that the SHAZAM Network and Visa Inc. have reached an agreement to enable issuers to use Visa's common debit application identifier (AID) for Visa- and SHAZAM-branded cards and transactions. A collaboration that allowed for merchant and issuer routing choice for contact and contactless payments supporting PIN, no CVM, and signature was our goal, and we believe this agreement provides the terms to accomplish that goal.

Wal-Mart Launches Money Transfer Service

4/17/14 American Banker

Wal-Mart's new "Wal-Mart-2-Wal-Mart" transfer service will enable consumers to send money to each other by using the retail chain's store network. The retailer on April 24 will introduce this service in partnership with Euronet Worldwide's subsidiary Ria Money Transfer. Wal-Mart-2-Wal-Mart will support domestic cash and PIN debit transfers at Wal-Mart's 4,000 U.S. locations. Consumers can send up to \$50 for a fee of \$4.50, and up to \$900 for a fee of \$9.50.

PAY.ON, EVO Team for SME Merchant Services

4/17/14 American Banker

Wal-Mart's new "Wal-Mart-2-Wal-Mart" transfer service will enable consumers to send money to each other by using the retail chain's store network. The retailer on April 24 will introduce this service in partnership with Euronet Worldwide's subsidiary Ria Money Transfer. Wal-Mart-2-Wal-Mart will support domestic cash and PIN debit transfers at Wal-Mart's 4,000 U.S. locations. Consumers can send up to \$50 for a fee of \$4.50, and up to \$900 for a fee of \$9.50.



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