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THE STRAWHECKER GROUP

The Trusted Advisor To The Payments Industry



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Trending This Week...

Leading up to another infamous Friday the 13th, the Payments Industry has certainly had an interesting week of news!

On Monday, [PayPal's president David Marcus announced he will be stepping down to join Facebook](#), where he will work on the company's mobile-messaging products.

After much speculation throughout the week, [P.F. Chang's confirmed yesterday that customer credit and debit card data has been stolen](#) in a cybercrime attack on its stores. Details are sparse, [but some experts believe the attack may be similar to the attack on Target, Neiman Marcus, and Sally Beauty.](#)

Other highlights include:

- [Amazon to Launch Subscription-Based Billing and Recurring Payments Service](#)
- [Expedia Embraces - and Legitimizes - Bitcoin](#)
- [U.S. Consumer Watchdog Launches Mobile Banking Inquiry](#)
- [First Data Releases May 2014 SpendTrend Analysis](#)
- [Operation Choke Point: FTC/IRN Settle](#)

NEW REPORT: TSG's Gateway Analysis

TSG's latest report offers a side-by-side look at leading gateway providers. [See a preview of every page of this report.](#)

What is this report?

This report offers a detailed look at leading U.S. gateway providers, their feature/functionality, and other useful details.

How was it completed?

For this analysis, TSG utilized various industry contacts as well as its proprietary Merchant Processing Pricing Benchmark Study.

Why is this useful?

[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!](#)

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

[Analysis: Vantiv's Acquisition of Mercury](#)

This Day in History: 1966

The Miranda Rights are Established

On this day in 1966, the Supreme Court hands down its decision in *Miranda v. Arizona*, establishing the principle that all criminal suspects must be advised of their rights before interrogation. Now considered standard police procedure, "You have the right to remain silent. Anything you say can, and will, be used against you in court of law. You have the right to an

This report provides valuable insight for gateway providers, gateway users, and gateway partners.

The price is \$3,850. Please email Info@TheStrawGroup.com with questions. Following payment, TSG will email a PDF copy of the report.

[Add to Cart](#)

Featured

PayPal President David Marcus Is Stepping Down To Join Facebook

6/09/14 BusinessInsider

PayPal President David Marcus is stepping down from his position to join Facebook, where he'll work on the company's mobile-messaging products.

In a public Facebook post, Marcus writes that he has decided to leave PayPal now so that he could once again focus on building products, and "because I feel that PayPal has never been in a better position to capitalize on its unique place in the market."

P.F. Chang's Confirms Credit Card Breach

6/12/14 KrebsOnSecurity

Nationwide restaurant chain P.F. Chang's Chinese Bistro on Thursday confirmed news first reported on this blog: That customer credit and debit card data had been stolen in a cybercrime attack on its stores. The company had few additional details to share about the breach, other than to say that it would temporarily be switching to a manual credit card imprinting system for all P.F. Chang's restaurants in the United States.

P.F. Chang's Breach: Link to Target?

6/12/14 Bank Info Security

Restaurant chain P.F. Chang's China Bistro continues to investigate an apparent payments breach and subsequent payment card fraud. But several security experts and cyber-intelligence researchers say they believe the chain suffered a malware attack similar to those that compromised the point-of-sale networks of U.S. retailers Target Corp., Neiman Marcus and Sally Beauty Holdings Corp.. Other experts, however, say it's too soon to tell what the cause of the latest breach was, and whether it was linked to any previous breaches.

U.S. NFC Mobile Technology Adoption to be Spurred by the 'Big Three': HCE, BLE and EMV

6/10/14 Nasdaq

Mobile NFC technology is in the running for widespread U.S. adoption for both non-payment and payment applications, with technologies and architectures like HCE, BLE and EMV complementing and propelling the technology forward, attendees learned at the 2014 NFC Solutions Summit. The 2014 NFC Solutions Summit, presented by the Smart Card Alliance in partnership with the NFC Forum and the NFC World Congress, was held last week at the Renaissance Arboretum Hotel in Austin.

EMV In The U.S.: It Will Be A Long Ride

6/13/14 PYMNTS

Until a few months ago, much of the talk about emerging payments involved conversations around which mobile technology would surface as the leader - Near Field Communication (NFC), QR codes, or some other

attorney. If you cannot afford one, one will be appointed to you," has been heard so many times in television and film dramas that it has become almost cliché.

The roots of the Miranda decision go back to March 2, 1963, when an 18-year-old Phoenix woman told police that she had been abducted, driven to the desert and raped. Detectives questioning her story gave her a polygraph test, but the results were inconclusive. However, tracking the license plate number of a car that resembled that of her attacker's brought police to Ernesto Miranda, who had a prior record as a peeping tom. Although the victim did not identify Miranda in a line-up, he was brought into police custody and interrogated. What happened next is disputed, but officers left the interrogation with a confession that Miranda later recanted, unaware that he didn't have to say anything at all.

[Click here to read more.](#)

technology. If you cannot afford one, one will be appointed to you," has been heard so many times in television and film dramas that it has become almost cliché.

EMV Aiding VeriFone's Recovery

6/11/14 ISO & Agent

VeriFone's second quarter revenue increases signal the company is heading in the direction CEO Paul Galant envisioned when becoming the head of the terminal maker in October 2013. The combination of some early adoption to EMV terminals in the U.S. and strong sales in Africa and Australia boosted the company's revenue to \$466.4 million for the second quarter, a 9% increase over the \$426 million it brought in during the same quarter for 2013.

Payment Processor Agrees to Give Up More Than \$1 Million to Settle FTC Charges it Assisted, Facilitated Telemarketing Scammers

6/11/14 FTC

A payment processing company agreed to pay or relinquish \$1.1 million to settle Federal Trade Commission charges under the Telemarketing Sales Rule (TSR) that it knowingly assisted and facilitated a credit card interest rate reduction scam that bilked tens of thousands of consumers out of a total of nearly \$10 million. Independent Resources Network Corp., doing business as IRN Payment Systems (IRN), agreed to a settlement of \$3.48 million, which is suspended upon payment of \$400,000.



Mobile Payments

Why Is The Starbucks Mobile Payments App So Successful?

6/13/14 Forbes

While most of the world was getting ready for Halloween celebrations in late October 2013, Starbucks announced that now 11% of sales volume comes through its own mobile wallet. This is just a staggering amount of transactions for a single retailer, about four million mobile payments per week, and eight million consumers are using mobile apps to pay. Howard had some of the most strongest words I have heard supporting mobile payments by a retailer.

Amazon To Launch Subscription-Based Billing And Recurring Payments Service

6/09/14 TechCrunch

Amazon is introducing a new payments service, which the company hopes will soon be adopted by startup companies and others offering subscription-based or recurring payments, according to a report from Reuters out this morning, and Amazon now confirms. The service will allow these businesses to tap into Amazon's over 240 million monthly active users who currently store their credit card information on Amazon.com, then pay for things ranging from music subscriptions to monthly phone bills.

Retailers' Mobile Wallet Seen Delayed; Apple Boost?

6/11/14 *Investors.com*

MCX, a mobile payments consortium backed by Wal-Mart and other major retailers, might not be ready to launch its smartphone-based digital wallet until 2015, according to a report. The delay could give Apple a boost if it rolls out a mobile payment system with the iPhone 6, as has been speculated. The Jefferies report followed the Mobile Commerce Payment Innovation Summit, which took place in San Francisco on Monday and Tuesday.

Magic 8 Ball, Will We Ever Be Cashless?

6/09/14 *Portals & Rails*

Predictions of a cashless society have been broadcast sporadically throughout the decades. It became a popular concept in the United States in 1965 when Thomas J. Watson Jr., CEO of IBM, said, "In our lifetime, we may see electronic transactions virtually eliminate the need for cash." Watson believed, or hoped, that the newly released IBM mainframe computers would revolutionize financial transaction processing and make carrying cash unnecessary.

Coinbase Tries to Give You a Reason to Buy Stuff With Bitcoin

6/12/14 *Recode*

There are two common questions I get about bitcoin from friends and family. No. 1: What the heck is it? No. 2: Why would anyone ever use it to buy stuff? Both are good questions. I won't bore you with my attempt at answering No. 1. As for No. 2, I usually respond that purchases made with bitcoin really only make sense for people who bought bitcoin low and are now cashing out high. In essence, it's like they're using free money to make purchases.

Expedia Embraces -- and Legitimizes -- Bitcoin

6/11/14 *CNET*

Bruised by a series of business problems earlier this year, Bitcoin stands to recover some of its cachet: travel site Expedia said Wednesday that it's accepting payments made in the virtual currency. Bitcoin enables electronic purchases, even though the currency isn't linked to any particular country. It's got technophiles excited, but its shift toward the mainstream has been difficult over the last year.



Regulation & Security

70% of U.S. Credit Cards to be EMV by End of 2015

6/10/14 *Finextra*

Aite Group's new research report, EMV: Lessons Learned and the U.S. Outlook, takes a look at the migratory experiences of five countries that preceded the United States in adopting the EMV standard: the United Kingdom, Australia, Brazil, Mexico, and Canada. It also describes the U.S. path to EMV based on interviews with top U.S. issuers and payment networks and makes a series of recommendations for U.S. issuers based on the lessons learned from other countries.

FDIC Consent Order Restricts The Bancorp Bank's Dealings With ISOs And Merchants

6/11/14 Digital Transactions

The parent company of major prepaid card issuer The Bancorp Bank on Wednesday disclosed that the bank had entered into a consent order with the Federal Deposit Insurance Corp. that places restrictions on its dealings with independent sales organizations. The order also prevents the bank in some instances from issuing prepaid cards and originating automated clearinghouse transactions.

U.S. Consumer Watchdog Launches Mobile Banking Inquiry

6/11/14 Reuters

The U.S. Consumer Financial Protection Bureau on Wednesday launched an inquiry into banking over mobile phones, looking for comments on both the risks and the upsides of the rapidly spreading technology. The CFPB is exploring how mobile technologies can be used to make banking easier for the tens of millions of people with no bank account and those with limited access to financial institutions.

Target Hires GM Exec As First CISO

6/11/14 InformationWeek

Target has hired a General Motors executive to oversee the company's information security and technology risk strategy following the 2013 data breach that exposed personal details of 70 million Target customers. General Motors chief information security and information technology risk officer Brad Maiorino will join Target as the company's first CISO and senior vice president on June 16, the company said. Maiorino has also held the CISO position at General Electric.

14-Year-Olds Use Online Manual to Hack ATM

6/12/14 Finextra

Forgoing a kick around in the playground, a couple of teenage boys spent one school lunch break last week hacking into a Bank of Montreal cash machine. After finding an old ATM service manual online, Matthew Hewlett and Caleb Turon decided to head to their nearest BMO machine at a Safeway store in their hometown of Winnipeg.

Economy

U.S. Economic Recovery Looks Distant as Growth Stalls

6/11/14 The New York Times

Recessions are always painful, but the Great Recession that ran from late 2007 to the middle of 2009 may have inflicted a new kind of pain: an era of slower growth. It has been five years since the official end of that severe economic downturn. The nation's total annual output has moved substantially above the prerecession peak, but economic growth has averaged only about 2 percent a year, well below its historical average.

Producer Prices Unexpectedly Fall in May

6/13/14 Fox Business

U.S. producer prices unexpectedly fell in May as costs declined broadly, indicating inflation pressures remained benign. The Labor Department said on Friday its producer price index for final demand slipped 0.2 percent, braking sharply from April's 0.6 percent increase, which was the largest gain in 1-1/2 years. Economists polled by Reuters had forecast producer prices rising 0.1 percent.

Sluggish Retail Sales Cloud Hopes for Breakout Growth

6/12/14 *The Wall Street Journal*

Soft sales at retailers in May suggest U.S. consumer spending remains on a familiar trajectory of modest growth, further blunting hopes for a strong and sustained economic expansion this year. Retail and food sales rose a seasonally adjusted 0.3% from the prior month, the Commerce Department said Thursday. That largely reflected a 1.4% jump in auto sales. Sales of other goods rose just 0.1% from April.

Jobless Claims Cling Near Postrecession Low

6/12/14 *MarketWatch*

Initial jobless claims rose by 4,000 to a seasonally adjusted 317,000 in the seven days ended June 7, the Labor Department said Thursday. Economists polled by MarketWatch had expected claims to total 310,000. The average of new claims over the past month climbed by 4,750 to 315,250, one week after falling to a seven-year low. The monthly figure smooths out the volatility in the weekly data and offers a better look at underlying labor-market trends.



Payments Press

First Data Releases May 2014 SpendTrend® Analysis

6/11/14 *First Data*

First Data Corporation, the global leader in payment technology and services solutions, today released its First Data SpendTrend® analysis for May 1, 2014 through May 30, 2014, compared to May 2, 2013 through May 31, 2013. SpendTrend tracks same-store point-of-sale data by credit, signature debit, PIN debit, EBT, closed-loop prepaid cards and checks from nearly four million merchant locations serviced by First Data.

American Express and Uber Launch First-of-Its-Kind Mobile Loyalty Program

6/10/14 *American Express*

American Express announces a new partnership with Uber and a first-of-its-kind technology integration into the Uber iOS app that allows U.S. Card Members enrolled in the Membership Rewards program to choose to earn 2x points or use points for Uber rides. This is the first time that consumers can use loyalty reward points seamlessly in-app and in real time for on-demand transportation in this way.

Total Merchant Services Launches AMEX Acquiring Program

6/12/14 *The Green Sheet*

Total Merchant Services, a leader in payment processing services and small business solutions, announced today that they have been authorized by American Express (AMEX) to offer AMEX credit card acquiring services directly to its customers. Merchants will benefit by being able to sign up to accept all card types (AMEX, Visa, MasterCard, and Discover) using one simple application. In addition, merchants will receive one batch deposit for all transactions and one monthly statement.

Visa Unveils Innovative Tournament Activation Program

with Interactive Fan Engagements and Seamless In-Stadium Technology to Connect Everyone to the 2014 FIFA World Cup

6/12/14 Visa

Visa Inc., the global leader in payments, and FIFA's exclusive Financial Services partner for the 2014 FIFA World Cup Brazil™, shared its global FIFA World Cup activation program, which will enhance the sporting experience for millions of fans, clients and partners in 104 countries worldwide. Engaging film and print spots featuring Nobel Peace Laureates, alongside dynamic and interactive social engagement programs, and a seamless in-stadium payment technology experience, enables fans at the tournament, or anywhere in the world, to be part of the FIFA World Cup celebration.

TransFirst® and NIADA Announce Exclusive New Payment Processing Agreement

6/12/14 TransFirst

TransFirst, a leading provider of transaction processing services and payment enabling technologies, and the National Independent Automobile Dealers Association (NIADA) announce that they have agreed to a new, exclusive relationship for payment processing solutions.

Merchants Set to Receive More Mobile Choices Through POS Portal, Powa Technologies Partnership

6/10/14 Mobile Payments Today

POS Portal, a U.S.-based provider of hardware and software point-of-sale solutions, has partnered with Powa Technologies to bring the PowaPOS mobile and tablet point-of-sale platform to merchants served by the payments and point-of-sale software industries, according to a press release. Earlier this year, Powa Technologies unveiled PowaPOS, a platform designed to integrate industry leading standards into one simplified POS stand, according to the release.

Let Your Shoppers Speed Through Checkout on iOS Apps with Google Wallet Instant Buy

6/11/14 Google

Typing shipping and billing information on mobile devices can be a difficult experience, which is one of the reasons why 97% of mobile shoppers abandon their shopping carts. We introduced Google Wallet Instant Buy to make checkout on mobile sites and Android apps easier and help shoppers speed through the purchase process - often in as few as two clicks.

ETA Names Amy Zirkle as Director of Industry Affairs

6/09/14 ETA

ETA announced the next step in its expanded focus on data security, technological innovation and growing market opportunities for the payments industry with the hiring of payments technology expert Amy Zirkle as Director of Industry Affairs. "Amy's dual experience with technology and financial services, as well as mobile payments in the developing world, enables her to provide valuable strategic insight to our members' business goals," said Jason Oxman, CEO of ETA.

Retailers to Find Big Growth Online with Extension of Bigcommerce, Heartland Payment Systems Partnership

6/12/14 Yahoo! Finance

Bigcommerce, the fastest-growing commerce platform for growing and emerging brands, announced an extension of the current partnership with Heartland Payment Systems, which processes more than 11 million

payment transactions daily, totaling more than \$80 billion per year. Through the partnership, Heartland now offers its merchants in both the enterprise and SMB sectors access to the fast-growing e-commerce space via Bigcommerce, helping them reach more customers who want to sell more.

Powa Technologies Buys MPayMe for \$75m in Shares

6/12/14 Mobile Money Revolution

UK startup Powa has made far more progress than its many rivals in the mobile payments space. It's raised \$96.7 million from VCs and announced support from 230 brands earlier this year. It has offices in 14 countries. Powa has built an app that gives users a variety of ways to discover and buy products from their phones.

Alibaba's US launch threatens Amazon, eBay

6/11/14 FierceRetailIT

Chinese e-commerce giant Alibaba Group officially launched its 11 Main U.S. retail site this week, threatening eBay, Amazon, Etsy and other online sellers. 11 Main, inspired by America's "Main Street" shopping experience, retails products from smaller suppliers, giving it the feel of a collection of small boutiques rather than an online warehouse such as Amazon. Its selection spans a wide variety of categories, including home, fashion, baby, art, jewelry and crafts.

Green Dot Hires PayPal Exec to Run GoBank

6/12/14 American Banker

Green Dot said Thursday that it has hired a PayPal executive to become general manager of its mobile bank account, known as GoBank. Joshua Goines most recently headed PayPal's efforts to expand its offline retail business, Green Dot said in a news release. Earlier, Goines served as chief financial officer of Tempo Payments Inc., a pioneer in store-branded debit cards.



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