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THE STRAWHECKER GROUP

The Trusted Advisor To The Payments Industry



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Trending This Week...

This week [bitcoin was welcomed by Jason Oxman](#), CEO of ETA, stating that while bitcoin has yet to fully mature, it could one day offer advantages for the payments industry. At the same time, [the CFPB will be giving more attention to bitcoin](#), due congressional prodding to be more active in developing digital-currency policies.

[According to the 2014 Debit Issuer Study](#), commissioned by PULSE, debit cards continue to show resilience after a turbulent 2013 as debit program performance continues to improve and active cardholders are increasing their usage of debit.

Other highlights include:

- [TSYS CEO Phil Tomlinson Announces Retirement](#)
- [MICROS and Elavon Deliver Secure Payment Technology](#)
- [ETA Advocating Against Operation Choke Point](#)
- [Retailers Believe Amex and Diners Club Should be Included in EU Regulation](#)

NEW REPORT: Next Day Funding Survey

Did you Know: 9 out of 10 respondents offer next day funding?

What is this report?

TSG has noted increasing interest in the topic of so called "next day merchant funding" among industry participants. However, there seems to be confusion over a standard definition of what this service means, along with differing requirements that may impact the actual availability of this service to merchants. This report offers a detailed look at leading U.S. third-party processors and merchant acquirers and how each supports next day settlement funding.

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

How was it completed?

[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: 1950 Truman Orders U.S. Forces to Korea

On June 27, 1950, President Harry S. Truman announces that he is ordering U.S. air and naval forces to South Korea to aid the democratic nation in repulsing an invasion by communist North Korea. The United States was undertaking the major military operation, he explained, to enforce a United Nations resolution

Via a survey, TSG obtained data from 10 processors/acquirers. The survey was completed in early 2013.

Why is this useful?

This report provides valuable insight for all companies that provide or would like to provide a next day funding program. This was done to better understand how acquirers/processors and sponsor banks offer this service while also understanding their requirements, boundaries, and constraints around the service.

The price is \$2,850. Please email Info@TheStrawGroup.com with questions. Following payment, TSG will email a PDF copy of the report.

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Featured

[Payments Industry Association: Bitcoin Has a Right to Exist](#)

6/25/14 *CoinDesk*

The CEO of the Electronic Transactions Association (ETA), which can boast giants such as MasterCard, Paypal and Amazon among its members, believes that, while the technology has yet to fully mature, bitcoin could one day offer advantages for the payments industry. Jason Oxman told the Wall Street Journal that the industry is undergoing profound change, with the arrival of new mobile payment systems and services that are backed by numerous technological advances in the field.

[Click here to read the WSJ article.](#)

[Debit Cards Continue to Show Resilience after Turbulent Year](#)

6/24/14 *BusinessWire*

The 2014 Debit Issuer Study, commissioned by PULSE, found sustained growth in both consumer and business debit in 2013. Financial institutions weathered the Target data breach and are looking for solutions to enhance security, with many issuers now planning to implement EMV debit, the study shows. Debit program performance continues to improve, as active cardholders increase their usage of debit.

[ETA Advocating Against Operation Choke Point](#)

6/26/14 *ETA*

ETA Lobbying team is working with policymakers in DC to express our opposition to Operation Choke Point - a law enforcement initiative to hold banks and payment processors liable for fraud committed by merchants- and offer the ETA Guidelines as a better solution to fight fraud. ETA has met with 100 members of Congress, the leadership and staff of the DOJ, FTC, and CFPB, as well as think tanks, other trade associations, and the media.

calling for an end to hostilities, and to stem the spread of communism in Asia. In addition to ordering U.S. forces to Korea, Truman also deployed the U.S. 7th Fleet to Formosa (Taiwan) to guard against invasion by communist China and ordered an acceleration of military aid to French forces fighting communist guerrillas in Vietnam.

At the Yalta Conference towards the end of World War II, the United States, the USSR, and Great Britain agreed to divide Korea into two separate occupation zones. The country was split along the 38th parallel, with Soviet forces occupying the northern zone and Americans stationed in the south. In 1947, the United States and Great Britain called for free elections throughout Korea, but the Soviets refused to comply. In May 1948 the Korean Democratic People's Republic—a communist state—was proclaimed in North Korea. In August, the democratic Republic of Korea was established in South Korea. By 1949, both the United States and the USSR had withdrawn the majority of their troops from the Korean Peninsula.

[Click here to read more.](#)

As a key component of this effort, ETA is conducting a confidential survey of its members on the number of merchants terminated for fraud last year. To take the confidential survey, [please click here](#). The deadline for completing the survey is Friday, July 11.

[In Wake of Payday-Lender Suit, Holder Makes the Case for Operation Choke Point](#)

6/24/14 Digital Transactions

Operation Choke Point, a U.S. Department of Justice effort to shut down fraudulent merchants by going after payment companies that provide network access, shows no signs of going away any time soon, despite growing merchant and processor frustration with the initiative. Earlier this month, that frustration gave rise to a little-noted lawsuit from a group of payday lenders seeking to stop Choke Point.

[Bitcoin to Get More Attention From U.S. Consumer Bureau](#)

6/26/14 Bloomberg

Bitcoin and other digital currencies will get more attention from the U.S. Consumer Financial Protection Bureau after prodding from a congressional watchdog. The Government Accountability Office, the investigative arm of Congress, wrote in a confidential report last month that the bureau, created by the 2010 Dodd-Frank financial regulatory overhaul, needed to become more active in developing U.S. digital-currency policies. In a written response, the agency agreed.

[Despite Data Breaches, Data Security Remains a Low Priority for Many Companies](#)

6/24/14 Internet Retailer

Although 72% of information technology executives say their companies suffered a data breach in the past 12 months, only 51% say securing confidential data is a high priority. While high-profile thefts of customer data from large retailers like Target Corp. and The Neiman Marcus Group Inc. have garnered headlines, they largely have failed to lead e-retailers and other companies to bolster their security procedures, according to a new report by Ponemon Institute LLC.



Alternative ODFI for processing
Take control of your payment processing.
Sage serves as your alternative ODFI for ACH and Check 21 payments.

[Learn More](#)

Sage Payment Solutions EFT

[Mobile Payments & Bitcoin](#)

[How mPOS Hardware Rules SMBs](#)

6/26/14 PYMNTS

Small business merchants are now turning to tablets not only to accept various forms of payment, but also to help them manage their operations. mPOS hardware and software solutions have therefore become a top priority for these merchants as they seek to expand and succeed. Buzz Stryker, CEO of POS Portal, recently talked to MPD CEO Karen Webster to discuss what his company does to make the implementation of mPOS technology possible for SMBs across the U.S.

[How Google's Smartwatches will Boost Retail Sales](#)

6/25/14 FierceRetailIT

Google's new Android phone features and Android Wear smartwatches

are expected to boost consumer shopping and restaurant visits. The tech giant unveiled the new features for software developers at its Google I/O 2014 Developer Conference on Wednesday. The LG G Watch and Samsung Gear Live smartwatches running Google's software are available in the Google Play Store on Wednesday, while Motorola's Moto 360 watch will launch later in the summer.

[U.S. Government Prepares to Auction \\$17M of Seized Silk Road Bitcoins](#)

6/24/14 *The Guardian*

The US government is preparing to auction off more than 29,000 bitcoins seized from the Silk Road website when its alleged chief Ross Ulbricht was arrested, in a move that could net it over \$17m. Ulbricht, 30, was arrested in October 2013, charged with running the Silk Road, then the world's biggest online black market. The FBI seized the site's assets, as well as Ulbricht's. The anonymous nature of the Silk Road meant the bulk of those assets were in bitcoin, the cryptocurrency which exists only in digital form.

[Virtual Currency: Bitcoin and Beyond, Part 1](#)

6/24/14 *The Wall Street Journal*

May require a subscription to access. Despite an explosion in media coverage, bitcoin, litecoin, and other virtual currencies are still widely misunderstood. Every day, news articles describe exchange meltdowns, price volatility, and government crackdowns related to bitcoin. This focus on bitcoin as a volatile and even renegade currency may be distracting governments and businesses from addressing its potential long-term significance as a disruptive new money technology. [Part 2](#)

[PayPal Two-Factor Authentication Broken](#)

6/25/14 *Dark Reading*

PayPal has temporarily disabled two-factor authentication for its mobile apps while it works on a patch for a newly discovered flaw that bypasses the security feature. Independent researcher Dan Saltman in March reported to PayPal that he had discovered a way to bypass two-factor authentication in Apple iOS, but after getting no response from PayPal, Saltman in April went to friends at mobile security firm Duo Security to help him reproduce the security issue and assist him in reaching PayPal.



[Regulation & Security](#)

[Survey: 25 Percent of Breaches Go Undetected for More Than 24 Hours](#)

6/24/14 *BusinessWire*

Tripwire, Inc., a leading global provider of risk-based security and compliance management solutions, today announced the results of a survey conducted by Atomic Research and sponsored by Tripwire of 102 financial organizations and 151 retail organizations in the U.K., all of which process card payments. The survey results indicate that recent data breaches have had little impact on the security controls of retail and financial organizations.

[Home-based POS Terminal Sales Outfit Settles FTC Charges](#)

6/24/14 *The Green Sheet*

The FTC cases against The TaxClub and American Business Builders are part of a federal-state crackdown on scams that falsely promise jobs and opportunities to "be your own boss." In the TaxClub case, brought by the FTC and the New York and Florida Attorneys General, operators sold services they allegedly falsely claimed would help consumers' home-based businesses succeed. The operators of American Business Builders allegedly sold a home-based business opportunity where consumers could earn income offering payment processing services, credit card terminals, and merchant cash advances to small businesses.

Retailers Believe Amex And Diners Club Should Be Included In EU Regulation

6/23/14 MasterCard

As we enter one of the busiest periods of the year for card use, a new survey shows that the majority of high value retailers in Europe believe that draft EU rules to cap fees for electronic payments should only go ahead if they apply to all market players. The survey was conducted by Ipsos MORI on behalf of MasterCard, interviewing high value retailers across six European countries to investigate their views on proposed EU payments legislation.

AT&T Joins MasterCard Battling Fraud with Phone Location

6/26/14 American Banker

Banks and card networks like Visa Inc. and MasterCard Inc. are working with wireless carriers to cut down on fraudulent transactions by tying purchases to the location of a shopper's smartphone. In the next few months, AT&T Inc. will test a service that verifies transactions by using a phone's whereabouts - as long as it has customers' permission. The provider is one of several companies, including smaller firms such as Syniverse Technologies LLC and Ondot Systems, developing fraud-detection services based on a simple premise: people who are out shopping normally carry their phones with them.

Economy

Economy in First Quarter Was Worse Than Everybody Thought

6/25/14 The New York Times

The Commerce Department revised its estimates of first-quarter gross domestic product to show that overall economic activity contracted at a 2.9 percent annual rate, much bleaker than the previous estimate of a 1 percent decline. A combination of shrinking business inventories, terrible winter weather in much of the country and a surprise contraction in health care spending drove the first-quarter fall, which was the worst since the first quarter of 2009, when the economy shrank at a 5.4 percent rate.

Digital Payments to Double, Reaching \$4.7T by 2019

6/24/14 FierceMobileIT

Digital payments--mobile, online and contactless--are forecast to almost double in transaction value by 2019, according to the latest data from Juniper Research. Digital payments will reach \$4.7 trillion by 2019, up from \$2.5 trillion in 2014. Much of that growth will be fueled by emerging markets, such as China, with digital retailer Alibaba accounting for 20 percent of global e-retail value worldwide last year.

China's Alibaba Picks NYSE for US IPO, Under Ticker Symbol 'BABA'

6/26/14 CNBC

The Chinese e-commerce giant filed a nominal \$1 billion initial public

offering in early May, though the ultimate offering is expected to be much higher. "We participated in a comprehensive and deliberate exchange selection process and we are pleased to welcome Alibaba Group to the New York Stock Exchange where they will join our network of the world's best companies and leading brands," the exchange said in a statement.



Payments Press

MICROS and Elavon Deliver Secure Payment Technology

6/25/14 Elavon

MICROS Systems, Inc., a leading provider of information technology solutions for the hospitality and retail industries, and Elavon, a leading global payments provider, have integrated their respective gateway and security products to deliver encryption and tokenization for the hotel and food and beverage industries, facilitating a secure environment throughout the entire payment transaction cycle. "MICROS' innovations in payment processing are allowing us to add value to our clients, and expanding our capabilities with Elavon typifies our approach," said Kevin King, Vice President of eCommerce and Payments.

TSYS CEO Phil Tomlinson Announces Retirement

6/23/14 TSYS

TSYS announced that Philip W. Tomlinson has decided to retire as chief executive officer, and that M. Troy Woods has been elected by the TSYS board of directors as president and chief executive officer, effective July 31, 2014. Tomlinson will continue to serve as executive chairman of the board of TSYS until the 2015 Annual Shareholders' Meeting.

ISO Praises First Data's Focus On Acquiring

6/25/14 ISO & Agent

A veteran acquiring executive describes recent changes at First Data Corp. as "the awakening of a sleeping giant." One of those changes is a renewed emphasis on ISOs and agents, says Jerell Olive, general partner at Cary, N.C.-based Applied Merchant Group LLC, which does business as Bankcard Source. "I'm very enthused about the change in outlook," Olive maintains. "They're very ISO-centered. They want to help us grow."

Stripe Inks Deal With Alipay to Connect Chinese Shoppers With Western Brands

6/24/14 Recode

Patrick and John Collison have long said the online world shouldn't be as segregated as the real one. They have taken another step toward closing the gap. Stripe, the payments company the Collison brothers cofounded, is partnering with China's popular online payments service Alipay to open up more online buying opportunities in the West for Chinese consumers and give U.S. and European businesses a new way to reach these buyers. The deal lets any business that runs its payments system on Stripe accept purchases made with Alipay on their websites and mobile apps.

Intuit PayByCoin

6/25/14 Intuit

QuickBooks Online has become the first cloud accounting solution to

enable small businesses to accept Bitcoin payments. Intuits new PayByCoin service is made possible by a new integration between QuickBooks Online and Coinbase, the largest and fastest-growing Bitcoin wallet service in the United States.

LoopPay Launches World's First ChargeCase That Allows Users to Pay with Their Phones Virtually Everywhere

6/24/14 Yahoo! Finance

LoopPay, Inc., the leading mobile wallet platform provider, announces today the availability of the LoopPay ChargeCase, the world's first iPhone charge case that enables secure mobile credit card transactions while extending battery life. The ChargeCase allows consumers to leave their wallets and charging cables behind for the day while gaining the ability to pay with their phones just about everywhere they shop or dine.

USA Technologies Expands ePort Connect to Meet Customer Demand for Online Payment Processing

6/23/14 USA Technologies

USA Technologies, Inc., a leader of wireless, cashless payment and M2M telemetry solutions for small-ticket, self-serve retailing industries, today announced commercial availability of ePort Online, another new capability added to USAT's comprehensive ePort Connect® service. ePort Online gives customers a convenient way to accept credit/debit payments for goods and services online, from any computer or mobile device, and to retain secure, encrypted customer account information for scheduled and subscription payment.

Fiserv Drives Results with Account Processing Conversions at Four Leading Credit Unions

6/25/14 Fiserv

Fiserv Inc., a leading global provider of financial services technology solutions, announced today details of four recent core account processing conversions, underscoring its commitment to serve credit unions with solutions that are right for them, coupled with technical knowledge and expertise that enable best-in-class results.

SimplyTapp Announces Self-Serve HCE Platform

6/23/14 Market Wired

SimplyTapp, the leading provider of Host Card Emulation (HCE) solutions for mobile payments, today welcomes card issuers and mobile application developers to its developer platform. SimplyTapp is allowing a quick way to get HCE pilots off the ground with no cost. In addition, as of now through September 29th, anyone signing up will receive a \$5K credit on platform usage fees.

Clearent Expands Reporting Suite with Chain Reporting

6/24/14 Clearent

Clearent, one of the nation's fastest growing credit card processing companies, recently launched a new enhancement to Compass, which is the company's innovative suite of portfolio management tools. The Chain Reporting feature makes it easier for restaurants, retailers, holding companies, and other organizations with multiple locations or business entities to track their performance across all locations and lines of business.

Diebold Acquires Cryptera To Further Enhance Leadership In ATM Security

6/25/14 Diebold

Diebold, Incorporated announced it has reached an agreement to

acquire Cryptera A/S, one of the world's leading companies in the research and development of secure payment technologies -- particularly in the field of encrypting PIN pad (EPP) technology. Cryptera will help expand Diebold's leadership position in automated teller machine (ATM) security solutions and drive future innovation and excellence in the EPP space.

PowaPOS Partners with iConnect to Meet Growing Demand for Next-Generation Tablet-Based POS Solutions

6/24/14 BusinessWire

Powa Technologies today announced a partnership between its PowaPOS retail payments platform and iConnect POS software to provide a robust, fully-integrated and advanced tablet-based POS solution designed to meet growing demand in mobile payments. "Outdated, cumbersome legacy and proprietary POS systems simply aren't meeting the needs of today's merchants, especially those looking to prepare for the coming EMV transition," said Jeffrey Dumbrell, CEO, PowaPOS.

Mocapay Taps New Business Development Director

6/26/14 RetailingToday

Mobile marketing and customer relationship management company Mocapay has hired Chris Munz as its director of business development. "Chris is a welcome and strategic addition to the Mocapay team," Mocapay CEO Doug Dwyre said. "As Mocapay continues to grow we welcome Chris' expertise and proven track record of successful marketing strategy planning and implementation as well as an extensive technical understanding of needs of clients."



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