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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



July 18th, 2014
Edition #413

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Trending This Week...

This week, [following TSG's Choke Point Round-Up](#), ETA announced the results of a survey of its members finding that respondents discharged [over 10,000 merchants for fraud in 2013](#).

Yesterday [ETA also called on Congress to curtail the heavy handed law enforcement of Choke Point](#), as it unfairly targets the payments industry despite proactive voluntary industry self-regulation.

Social media pushes a bit further into the Payments Industry as [Facebook is testing a "Buy" button](#) in its ad space, and [Twitter acquires payment startup CardSpring](#) for real-time commerce.

Lastly, probably the beginning of a much larger scheme, [Apple has Rolled out iTunes Pass in the U.S.](#), which allows users to refill iTunes account balances at brick-and mortar Apple Stores.

Other highlights include:

- [Visa Revamps its Online Wallet, and Gives it a New Name: Visa Checkout](#)
- [Snapchat Files Trademarks to Handle Payments](#)
- [Data Breach Explosion Proves Costly](#)
- [First Data Releases June 2014 SpendTrend Analysis](#)
- [Investors Cash Out of Payment Technology Startups](#)

Money
20/20

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

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

This Day in History: 1940 FDR Nominated to Unprecedented Third Term

On this day in 1940, Franklin Delano Roosevelt, who first took office in 1933 as America's 32nd president, is nominated for an unprecedented third term. Roosevelt, a Democrat, would eventually be elected to a record four terms in office, the only

New ETA Survey Finds Payments Companies Terminated More Than 10,000 Merchants for Fraud in 2013

7/14/14 ETA

The Electronic Transactions Association (ETA), the global trade association representing the payments technology world, announced the results of a survey of its membership which found that respondents discharged more than 10,000 merchants for fraud in 2013. The survey, along with ETA's Guidelines on Merchant and ISO Underwriting and Risk Monitoring, are part of ETA's larger efforts to demonstrate the payments industry's long-standing commitment to combating consumer fraud.

Related: [ETA Advances Initiatives Over Government Overreach in Congressional Testimony](#)

Facebook Buy Button Could Be Amazon Reviews On Steroids

7/18/14 Forbes

News that Facebook is testing a "Buy" button in its ad space is interesting but nonetheless predictable. Even though Facebook announced this as a test, it has to happen. As retail continues its long decline, the future of much of our online shopping lies inside communities, even though Amazon might not yet have woken up to that. At the same time ad rates for content, are being squeezed by excess inventory and diminishing effectiveness. Commerce is the answer and it is going to open up a wide variety of debates, not least on privacy and data usage.

Visa Revamps Its Online Wallet, and Gives It a New Name: Visa Checkout

7/17/14 Digital Transactions

Visa Inc. says its new online payment service, Visa Checkout, should help improve conversion rates for e-commerce retailers by making it easier for consumers to pay. The service, available in the United States, Canada and Australia, enables consumers to pay online on any device, Visa says. Visa Checkout replaces the V.me online wallet Visa introduced in 2012. Consumers enroll in Visa Checkout by supplying their names, addresses, payment card information and creating usernames and passwords.

Issuers - Why You Need to Plan for EMV Now

7/17/14 FIS

EMV chip card technology is a growing force in the payments industry. According to EMVco, as of Q4 2013, worldwide EMV deployment and adoption estimates are approximately 2.3 billion EMV chip cards and 37 million terminals/devices. With card adoption rates averaging 42.8% and terminal adoption rates at 86.2%, indications are that this technology shouldn't be ignored. EMV is already making traction in the United States, and if you haven't prepared, now is the time to do it as the October 2015 Liability Shift date is fast approaching.

Q&A: Dan Geraty On Clearent's Startling Growth

7/15/14 ISO & Agent

We couldn't help but notice at ISO&Agent that a certain processor has been growing at an incredible rate. Clearent, which is based in the St. Louis area and employs 125 people, processed \$4.4 billion in transaction volume last year, an increase of 61% over the previous 12 months. How did it grow that much? We persuaded CEO Dan Geraty to explain his company's explosive increase in volume.

U.S. president to serve more than two terms.

Roosevelt was born January 30, 1882, in Hyde Park, New York, and went on to serve as a New York state senator from 1911 to 1913, assistant secretary of the Navy from 1913 to 1920 and governor of New York from 1929 to 1932. In 1932, he defeated incumbent Herbert Hoover to be elected president for the first time. During his first term, Roosevelt enacted his New Deal social programs, which were aimed at lifting America out of the Great Depression. In 1936, he won his second term in office by defeating Kansas governor Alf Landon in a landslide.

On July 18, 1940, Roosevelt was nominated for a third presidential term at the Democratic Party convention in Chicago. The president received some criticism for running again because there was an unwritten rule in American politics that no U.S. president should serve more than two terms.

[Click here to read more.](#)

Does The US Really Trail The Rest Of The World In Payments Innovation?

7/14/14 PYMNTS

Maybe it was the celebration of our independence on the 4th of July that got British columnist, John Gapper, annoyed enough with the US to write a piece in the FT last week that took our banking and payments systems to task. In that piece, Gapper claims that the US "lags behind badly in the basic infrastructure of retail banking." It surely wasn't a critical look at what's been accomplished in the US with respect to innovation in banking and payments.



Mobile Payments & Bitcoin

Apple Rolls Out iTunes Pass Payment System

7/17/14 PC Mag

Apple iOS users in the U.S. and a handful of other countries now have access to Apple's new iTunes Pass feature, which first debuted in Japan. Customers in the U.S., Australia, Canada, Germany, and the U.K. can now use the Passbook-based service to refill iTunes account balances at brick-and-mortar Apple Stores. To get started, visit the iTunes Store on your iDevice, then scroll down to the "Redeem" button and follow the on-screen instructions.

Twitter Acquires Payment Startup CardSpring For Real-Time Commerce

7/17/14 BusinessInsider

Twitter has acquired a payment startup called CardSpring. CardSpring helps developers write applications that accept credit card payments. Startups like Foursquare already use CardSpring. CardSpring raised \$10 million from investors like SV Angel, Greylock Partners, Accel Partners, Felicis Ventures, and Data Collective. It was founded by Amit Kumar, Jeff Winner, Eckart Walther and Geraud Boyer.

Starbucks Has Bigger Plans in Mobile Payments Than Most People Realize

7/17/14 Recode

A decade after the idea was first sketched on the proverbial drawing board, Starbucks is poised to finally let its customers order their coffees from their phones. And the company's plans for building on its wildly successful mobile app don't stop there. The Seattle-based coffee giant, which said in March that more than 14 percent of purchases in its U.S. stores are paid for through its app, will allow customers in one undisclosed geographic test market to start placing pickup orders from the Starbucks app later this year.

PayPal Fuels Higher eBay Revenue Even as Cyber Attack, Rivals Weigh

7/16/14 Reuters

eBay Inc posted a 13 percent rise in quarterly revenue on Wednesday, as better-than-expected results from its fast-growing PayPal division helped

the online retailer overcome increasing competition from Amazon.com Inc and a well-publicized cyber attack. Investors had been braced for a tough quarter.

Snapchat Files Trademarks To Handle Payments

7/16/14 Tech Crunch

Snappy? Snapchat may try to monetize by processing peer-to-peer payments, money transfers, or online payments, according to two trademarks it filed earlier this week. Owned by Snapchat and filed on July 11th by an attorney at Cooley, which is known to be Snapchat's law firm, the trademarks could keep anyone else from entering the same space under the Snapchat name.

BitPay Releases Copay Beta - A New Multi-signature Wallet

7/16/14 Bitcoin Magazine

The Atlanta-based company, BitPay, has been hard at work developing solutions for businesses and individuals in the bitcoin space, and from this, recently released a beta of their new multi-signature wallet, Copay. The wallet is completely open-source and aims to provide a multi-signature transaction that occurs on the blockchain and allows complete control of user funds. Released early last week, Copay can change the way bitcoin users think about transaction processes.

Regulation & Security

Rise in Electronic Payments Sharpens Security Focus

7/14/14 The Hill

Companies aren't waiting on Congress to ensure that the billions of dollars in electronic payments flowing through data networks each year are defended from hackers. Data breaches were thrust in the spotlight after hackers broke into the networks of retailers during last year's holiday season. Lawmakers held a slew of hearings in the aftermath and many proposed legislation intended to ensure that consumers are warned promptly when their information is put at risk.

Data Breach Explosion Proves Costly

7/16/14 Bank Info Security

If New York State is illustrative of a national trend, hacking poses a greater threat to businesses and other organizations than other types of data breaches. External cyberattacks represent 40 percent of the nearly 5,000 breaches recorded in the state from 2006 through 2013, according to a new report issued by the state attorney general.

A Misguided Campaign Against Payday Lenders

7/15/14 The Wall Street Journal

May require subscription to read. A lawsuit filed last month by the payday lending industry's trade group, the Community Financial Services Association of America, against several federal agencies offers a study in government paternalism. The lawsuit is a long shot, attempting to stop regulators from harassing payday lenders through coercive advice to banks and intrusive investigations. But the association's complaint has drawn sufficient interest in Washington to have prompted a House Financial Services Committee hearing on Tuesday.

Krebs on Security, Target and Why Retailers Need a Better Response to Data Breaches

7/16/14 FierceRetailIT

Blogger Brian Krebs is responsible for breaking many a story about

cybercrime, including Target's massive data breach in fall 2014 that compromised the credit and personal information of more than 70 million shoppers. But more than anything, he believes that retailers need to fundamentally change the way they respond to breaches.

Amended Cybersecurity Bill Still Drawing Criticism

7/16/14 Fredericksburg

Though Sen. Mark Warner amended a controversial cybersecurity bill to increase congressional oversight, proponents of privacy and computer security say it still isn't enough to overcome broader concerns.

The Senate Select Committee on Intelligence voted 12-3 last week to forward the Cybersecurity Information Sharing Act to the full Senate for consideration.

Economy

First Data Releases June 2014 SpendTrend® Analysis

7/14/14 First Data

Like a toddler balancing on newly-discovered, yet slightly rubbery legs, consumer spending tottered a bit in June, but remained on its feet, poised to tackle its next steps forward. While slower than last month, solid June spending growth in a number of sectors was reported today by First Data Corporation, the global leader in payment technology and services solutions, in its First Data SpendTrend® analysis for May 31, 2014 through June 30, 2014, compared to June 1, 2013 through July 1, 2013.

Jobless Claims at Nine-Week Low

7/17/14 MarketWatch

In the week that ended July 12, the number of initial filings for regular state unemployment-insurance benefits fell by 3,000 to 302,000, the fewest new weekly filings since May, the U.S. Labor Department reported. Economists polled by MarketWatch had expected initial filings to reach 310,000. The average of new claims over the past month declined by 3,000 to 309,000 - the lowest level since June 2007.

Yellen Says Weak Job Market Shows U.S. Still Needs Stimulus

7/15/14 Bloomberg

Federal Reserve Chair Janet Yellen told lawmakers the central bank must press on with record monetary stimulus to combat persistent job-market weakness. "There are mixed signals concerning the economy," Yellen said in response to questions during testimony to the Senate Banking Committee today. "We need to be careful to make sure that the economy is on a solid trajectory before we consider raising interest rates."



Payments Press

Investors Cash Out Of Payment Technology Startups

7/16/14 TechCrunch

Even as a clutch of new payment technology companies including Zoco Mobile and PlastiQ announce new financing rounds today, it seems like investors are no longer paying out for payment companies. Over the past three quarters, the number of venture-backed payments companies has declined, tumbling from 59 startups in the third quarter of 2013 to just 41 companies in the second quarter of 2014, according to CrunchBase data.

First Data Introduces Mobile Loyalty Program for SMBs

7/16/14 Mobile Payments Today

First Data Corporation Tuesday announced the commercial integration of its Perka mobile loyalty product. Its apps are now available through First Data distribution systems, according to a press release. Perka is a cloud-based customer loyalty product that connects businesses to their customers using location-based apps and mobile phones, according to the announcement.

Visa Opens San Francisco Technology Center to Advance Innovation in Payments

7/16/14 MarketWatch

Visa Inc. , the global leader in payments, today announced the opening of One Market, a 112,000 square foot innovation center and office space at One Market Street in San Francisco. The move provides Visa technologists, clients, partners and the Bay Area tech community an innovative space to jointly develop the next generation of commerce applications.

TransFirst[®] Announces Participation in Time Warner Cable Business Class PerkZone[™] Customer Perks Program

7/15/14 TransFirst

TransFirst, a leading provider of transaction processing services and payment enabling technologies, announces participation in a new program that makes a special offer for payment processing services available to Time Warner Cable Business Class customers. Under the arrangement, TransFirst will offer its state-of-the-art payment and credit card processing services - including point of sale (POS) systems, desktop processing, online credit card processing, Web-based virtual terminals and mobile solutions - to Time Warner Cable Business Class subscribers through the cable company's new PerkZone customer perks program.

TSYS Announces NetSpend Leadership Transition

7/14/14 TSYS

TSYS announced that Chuck Harris has been named senior executive vice president of TSYS and will continue to serve as president of NetSpend, a TSYS company. Harris succeeds Dan Henry as the top executive of NetSpend, who is leaving the company after serving in the role of chief executive officer since 2008. The leadership transition will be effective July 31, 2014.

MasterCard Names Ram Chari CEO of Newly-Acquired ElectraCard Services

7/15/14 Finextra

Following the successful acquisition of ElectraCard Services Private Limited, MasterCard announced that it has appointed Ram Chari as Chief Executive Officer of ECS. Based in Pune, India, Mr. Chari will lead the electronic payments solution provider in delivering the full spectrum of processing solutions and services to enhance MasterCard's offerings across Asia/Pacific, Middle East and Africa (APMEA).

Visa, MasterCard Say New Sanctions Not Affecting Russian Operations

7/17/14 Reuters

International payment systems Visa and MasterCard said on Thursday new U.S. sanctions, which targeted Russia's Gazprombank and VEB among other firms, did not affect their operations in Russia. "This sanctions package does not affect Visa operations in Russia, cards are being serviced in a normal way," a spokesman for Visa said.

ProPay® Launches TSYS Guardian CyberShieldSM in Partnership with ThreatMetrix® to Provide Advanced Fraud Prevention Solutions

7/15/14 BusinessWire

ProPay®, a TSYS® company, announced a partnership with ThreatMetrix® to provide advanced fraud prevention solutions to its customers. Through this partnership, ProPay customers can have access to state-of-the-art tools to help protect them against cybercriminals. The solution - a cloud-based, real-time identity verification tool - helps validate returning customers and prospects, while protecting a wide range of transactions, including account creation, login authentication, and payment authorization.

Christopher Augustin Joins First Data As Chief Information Officer

7/17/14 First Data

Christopher Augustin, a financial services technology innovator whose experience spans nearly three decades at some of the world's top firms, has joined First Data, the global leader in payment technology and services solutions, as chief information officer (CIO). In his new role, Augustin will lead the company's software development work, engineering processes and software and application development strategy across the company.

Mercury StoreCard™ Now Available

7/15/14 Mercury

Mercury StoreCard now enables local merchants to offer their customers a gift, reward, mobile payments and promotions card all in one product.

Mercury Payment Systems®, an award-winning provider of payment technology and services, is making Mercury StoreCard™ widely available to all Mercury merchants. Mercury StoreCard enables small businesses to compete with larger retailers by providing a stored value card utilizing affordable technology.

Heartland Payment Systems® Signs New Deal with Parking Industry Leader SP+

7/16/14 Heartland

Heartland Payment Systems®, one of the nation's largest payment processors and a leading provider of merchant business solutions, continues its growth in the parking payment industry by signing a new seven-year deal with SP+, an industry leader in the parking management, ground transportation, and ancillary services space.

Alpha Card Launches SelectPay

7/15/14 The Green Sheet

Alpha Card Services, a leading payments processor and business solutions company has launched a revolutionary new POS program for merchants called SELECTpay. According to Alpha Card Services,

SELECTpay is designed to equip merchants with an affordable, feature-rich POS solution, without sacrificing quality or service. This program is available with all Alpha Restaurant, Retail and Salon POS systems; and there are no upfront costs, no hidden fees, and affordable payments to the merchant.

CashStar Launches Digital Gift Card Solution for Google Wallet

7/17/14 *Yahoo! Finance*

CashStar, the digital gifting company preferred by the world's leading brands, today announced that its real-time digital gifting platform is now fully integrated with Google Wallet. The integration enables brands on the CashStar platform to offer digital gift card recipients the ability to easily save their eGift Cards to Google Wallet, where they can store and manage gift cards alongside loyalty program cards and offers.



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