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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Trending This Week...

Everything this week has revolved around Apple's announcement of Apple Pay along with the reveal of the iPhone 6 and Apple Watch, which both sport NFC chips. See below for a round-up of articles about all things Apple. [Also, check out TSG's Commentary on the Apple Pay reveal.](#)



Article Round-Up:

- [Apple Announces Apple Pay](#) - BusinessWire
- [Apple Security Upgrade: Hits & Misses](#) - Bank Info Security
- [Why Banks Are Buying In to Apple Pay](#) - American Banker
- [Will Stores Warm Up to Apple Pay](#) - WSJ
- [Apple Pay's Success Could Hinge on Who Pays Transaction Fees](#) - The Mac Observer
- [ETA CEO: Apple Pay is a Great Development for the Payments Industry](#) - ETA
- [Payment Processors Hold Key Tokenization Role in Apple Pay](#) - Digital Transactions
- [Did We Just See the Future of Mobile Payments](#) - PYMNTS
- [Apple Pay's Inner Workings Bear Fingerprints of Some of FirstData's Omaha Workers](#) - Omaha World Herald
- [Here's Apple Pay in Action](#) - TechCrunch
- [Apple Pay Tries to Solve a Problem that Really isn't a Problem](#) - NYT
- [Apple Pay vs. MCX: Which Has More Potential?](#) - Mobile Commerce Daily
- [Square CEO Not Worried About Apple Pay](#) - CBC News

Also, check out the [Apple Pay website](#).

[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](#)

Reader

Commentary:

[Biff Matthews,](#)

[CardWare](#)

[International](#)

EMV, contactless or contact, adoption - chicken and egg, merchant or consumer, which comes first?

As issuers expand issuance of EMV cards and merchant acceptance also expands a hurdle to universal acceptance still exists.

Consumers don't know how to use EMV cards. How do they



Featured

TSG Commentary on the Apple Pay Announcement

9/09/14 TSG

See below for some thoughts the TSG team put together following Apple's announcement of Apple Pay earlier this week.

- **Technology Heavyweights** - This action by Apple, just behind the major announcement of Amazon entering the payments space in August, brings two of the largest technology heavyweights squarely into the merchant payments arena. Apple's entry is consumer-centric while Amazon's is merchant accepting focused
- **Partners, Users, and Merchants Oh My!** - Apple's step into the payments space was well planned and structured to bring the right relationships together; e.g., 800 million potential users from iTunes, major merchants (online and offline) to introduce the initiative, and card network/bank partnerships
- **Timing** - more consumers are aware of the idea of mobile payments and more merchants have means of accepting those payments now than before. This is especially true from the merchant perspective given the upcoming EMV liability shift (Oct. '15) - it will be less of a hurdle to only have to upgrade terminals once for both EMV and NFC acceptance

[Click here to more of TSG's commentary](#)

TransFirst Said to Draw Interest From TSYS After IPO Filing

9/09/14 Bloomberg

TransFirst Inc., the payments firm that filed for an initial public offering in July, has drawn interest from potential buyers including CVC Capital Partners Ltd. and TSYS, people familiar with the matter said. CVC approached Hauppauge, New York-based TransFirst after it filed to go public, prompting the company to gauge interest from TSYS and other possible suitors, said the people, who asked not to be identified because the matter isn't public.

In Wake of Confirmed Breach at Home Depot, Banks See Spike in PIN Debit Card Fraud

9/08/14 KrebsOnSecurity

Nearly a week after this blog first reported signs that Home Depot was battling a major security incident, the company has acknowledged that it suffered a credit and debit card breach involving its U.S. and Canadian stores dating back to April 2014. Home Depot was quick to assure customers and banks that no debit card PIN data was compromised in the break-in. Nevertheless, multiple financial institutions contacted by this publication are reporting a steep increase over the past few days in fraudulent ATM withdrawals on customer accounts.

Related: [Four Reasons Shoppers Will Shrug off Home Depot Hack](#)

swipe it? Should dip or wave the card or insert it into the reader? Then if they insert the card do they take it out like in an ATM or leave it in as in other ATMs.

I believe the card associations, issuers and processors should approach the visual media, Hollywood, TV, YouTube, etc, to promote "product placement". Imagine watching your favorite TV show where the good guy buys something by inserting his card into the reader, leaving it until the transaction is completed. You'd get it wouldn't you and so would the general public watching that and other shows. Visual orientation and learning is now multi-generational. So watching and EMV transaction it on TV or social media makes it real, puts today's card acceptance methods into today's perspective.

Merchants aren't sure what to do either so they and their staff have difficulty helping consumer. Training merchants, YouTube video on a smart phone or tablet or the corporate web site, in addition to training their staff will contribute to being comfortable with EMV expanding universal EMV acceptance.

EMV is not a chicken or egg situation, rather chicken AND egg.

This Day in History: 1940

Lascaux cave paintings discovered

Near Montignac, France, a collection of prehistoric cave paintings are discovered by four teenagers who stumbled upon the ancient artwork after following their dog down a narrow entrance into a cavern. The 15,000- to 17,000-year-old paintings, consisting mostly of animal representations, are

Twitter Introduces "Buy" Buttons So You Can Shop From Tweets

9/09/14 Recode

Starting this week, some Twitter users will be able to buy products directly from a tweet, as the social media company takes a bigger step toward an e-commerce strategy that could draw in more dollars and attract a larger audience. The initiative launches with a small group of brands, artists and charities that will start posting products for sale in tweets shown to a small percentage of users. Sellers include Burberry, Rihanna and the nonprofit group (RED).



Mobile Payments & Bitcoin

Visa Token Service to Take Apple Pay Innards Beyond Apple and US

9/10/14 ZDNET

Visa is already working on making this happen sooner, announcing the launch of the Visa Token Service, a technology that has been designed to support payments with mobile devices using all major mobile platforms. It has also been launched to replace sensitive payment account information that could be stored on handsets with a digital "token", making both online or mobile payments more secure. Visa said this means that issuers are expected to see a decrease in e- and m-commerce fraud, and merchants will see a reduction in threat of sensitive payment data being compromised.

Bitcoin Platform Coinbase Expands Out of U.S. into Europe

9/11/14 GigaOM

Coinbase, the well-funded bitcoin exchange and wallet service, has opened shop in 13 European countries. It's the first time Coinbase has officially expanded outside the U.S., allowing people to buy and sell bitcoins on the platform using a euro rather than dollar bank account - an important step if you want to cash out locally. The countries are: Italy, Spain, France, Belgium, the Netherlands, Austria, Cyprus, Finland, Greece, Latvia, Malta, Portugal, and Slovakia.

Fujitsu Set to Read Palms for Bitcoin ATM Firm

9/11/14 Planet Biometrics

Fujitsu has announced that Robocoin is to use the Japanese firm's PalmSecure biometrics technology for use in automated kiosks worldwide. Robocoin offers customers access to the online currency through kiosks that require three factors of authentication - phone, PIN and Fujitsu's palm vein scanner - to secure customer accounts against theft and fraud.

among the finest examples of art from the Upper Paleolithic period.

First studied by the French archaeologist Henri-Édouard-Prospér Breuil, the Lascaux grotto consists of a main cavern 66 feet wide and 16 feet high. The walls of the cavern are decorated with some 600 painted and drawn animals and symbols and nearly 1,500 engravings. The pictures depict in excellent detail numerous types of animals, including horses, red deer, stags, bovines, felines, and what appear to be mythical creatures. There is only one human figure depicted in the cave: a bird-headed man with an erect phallus. Archaeologists believe that the cave was used over a long period of time as a center for hunting and religious rites. [Click here to read more.](#)



Regulation & Security

How Much Do Data Breaches Cost? Two Studies Attempt a Tally

9/11/14 American Banker

To obtain approval and funding for security improvements, bank technologists often have to make their case by pointing to losses from recent security breaches. But calculating those losses can be tricky. The effects can be far reaching, from the hit to companies' and individuals' reputations and careers (take, for instance, Target's firing of CEO Gregg Steinhafel), morale and stock value, to the heavy toll on the customer service, operations and technology teams working around the clock to fix the problem.

Home Depot Confirms Data Breach, Investigating Transactions From April Onward

9/08/14 Forbes

Home Depot, the nation's largest home improvement retailer, confirmed Monday afternoon that its payment data systems have been breached. The confirmation comes less than a week after the retailer first disclosed the possibility of a breach. In an attempt to help customers - and avoid some of the fallout that has plagued data-breach victim Target.

Goodwill Names Vendor in Breach

9/09/14 Bank Info Security

Goodwill Industries International has confirmed that C&K Systems was the third-party vendor compromised in a data breach that impacted about 330 of its stores, resulting in the exposure of details on 868,000 U.S. debit and credit cards.

MasterCard Loses Fight at Top EU Court Over Card Levies

9/11/14 BusinessWeek

MasterCard Inc. lost a court challenge to a European Union antitrust curb on card-payment fees in a ruling that bolsters efforts to limit a cash cow for banks. The EU's Court of Justice ruled today that the fees set by MasterCard had unfairly restricted competition and that it failed to show benefits to justify its system.

Economy

First Data Releases August 2014 SpendTrend® Analysis

9/12/14 First Data

The combination of consumers soaking up the last weeks of summer before and during Labor Day weekend and August back-to-school shopping helped power the strongest retail spending growth in 13 months, according to data reported today by First Data Corporation, the global leader in payment technology and services solutions. The First Data SpendTrend report examined the period for Aug. 2 through Sept. 2, 2014 compared to Aug. 1 through Sept. 1, 2013.

American Credit-Card Debit Hits a Post-Recession High

9/11/14 MarketWatch

U.S. consumers may be relying too heavily on their plastic. Americans added \$28.2 billion to their credit cards in the second quarter of 2014, the largest amount in the last six years and nearly 200% more than in the second quarter of 2009, when the economy emerged from the depths of the Great Recession, according to new research from personal finance website CardHub.com.

U.S. Jobless Claims Rise, but Firming Labor Market Trend Intact

9/11/14 The New York Times

The number of Americans filing new claims for unemployment benefits unexpectedly rose last week, but that probably does not signal a material shift in labor market conditions as claims remain near their pre-recession levels. Initial claims for state unemployment benefits increased 11,000 to a seasonally adjusted 315,000 for the week ended Sept. 6, the highest level since late June, the Labor Department said on Thursday.



Payments Press

The Debut of Apple Pay Creates a Dynamic New Platform for Powerful First Data Transaction Technology

9/09/14 First Data

First Data Corporation the global leader in payment technology and services solutions, today announces its participation with Apple Pay, a new category of service that will transform mobile payments with an easy, secure and private way to make purchases from your mobile device. First Data's support of Apple Pay will also allow businesses and their app developers to go to market quickly with powerful new apps allowing payment with a single touch.

TSYS Supports Apple Pay

9/09/14 TSYS

TSYS® announced its role to support secure transactions and facilitate enablement for issuers, merchants and app developers in processing transactions from Apple Pay. TSYS will offer a path for merchant acceptance and certification of third-party devices as well as software solutions used for payments by providing merchants with products and developers with SDK/APIs. Through TSYS Enterprise TokenizationSM, the company's new plug-and-play tokenization solution announced in August, issuers as well as retailers can take full advantage of Apple Pay.

Vantiv Supports Apple Pay

9/09/14 Vantiv

Vantiv, Inc. a leading provider of payment processing services and related technology solutions for financial institutions and merchants of all sizes, announced it is supporting Apple Pay (TM), Apple's new NFC payment solution for the iPhone® 6 and iPhone 6 Plus. "As a trusted payments advisor, Vantiv is ready to help our merchant and financial institution

clients and our thousands of partners to quickly enable Apple's new payment solution," said Daniela Mielke, chief strategy and product officer at Vantiv.

Verifone Sales Seen Stoked by Apple's Mobile Payments

9/10/14 BusinessWeek

VeriFone Systems Inc. rose to the highest price since June after Apple Inc. said its new iPhone will feature mobile payments, helping drive demand for VeriFone's in-store technology. Apple Pay, unveiled yesterday as part of the iPhone 6, will feature a chip enabling a payment technology called near-field communication, or NFC, that allows people to pay with a tap of their smartphones.

Discover Says it's in Talks to Join Apple Pay

9/11/14 The Chicago Tribune

Conspicuously absent Tuesday from a list of companies participating in Apple Pay was Riverwoods-based Discover Financial Services. That day, smartphone-maker Apple rolled out a new version of the iPhone as well as a new payment service called Apple Pay. "When you think about it, paying for stuff is a real pain," Apple said in a blog during its presentation.

Apriva Upgrades Services For Acquirers

9/10/14 ISO & Agent

Apriva says it has "future-proofed" its services for ISOs and agents by connecting to a digital currency gateway and developing a universal point of sale application that will handle upgrades to EMV-enabled terminals. Over the next year, Apriva will integrate with the GoCoin payment gateway to provide acceptance of digital currency such as Bitcoin, Litecoin and Dogecoin at the POS, said Stacey Finley Tappin, senior vice president of North American sales and marketing communications at Apriva.

Capital One Brings Payment Innovation to Customers with Apple Pay

9/09/14 BusinessWire

Capital One Financial Corporation announced that it is working with Apple's new payment service, Apple Pay, available on the new iPhone 6, iPhone 6 Plus and Apple Watch beginning in October. Apple Pay adds a new dimension to mobile payments. With Apple Pay, Capital One customers will be able to use their credit or debit cards directly from their iPhone 6, iPhone 6 Plus and Apple Watch to pay for purchases at many of their favorite stores.

Braintree Support for Apple Pay

9/10/14 Braintree

It's been a hot week in mobile payments! On Monday, we announced general availability of One Touch™ mobile payments with PayPal, a continuation of our Venmo Touch product that we launched in 2013, and upcoming support for bitcoin via a new partnership with Coinbase. Yesterday, as part of a series of much anticipated announcements, Apple introduced Apple Pay, a new mobile purchasing experience for iOS 8 on iPhone 6 and iPhone 6 Plus in the US.

BlueSnap Updates Payment Encryption Technology for iOS 8

9/10/14 BlueSnap

Global payment gateway BlueSnap announced today that its Client Side Encryption API has been upgraded to support shoppers using iOS 8. This

will ensure that shoppers who update their iPhones and iPads will benefit from the same encryption strategy that allows BlueSnap to protect payment card information on all web devices.

Revel Systems Becomes First iPad POS Ready Solution for Apple Pay Technology

9/11/14 SF Business Times

Revel Systems, announced it is Apple Pay ready by Chase, and will accept Apple Pay payments via Chase Paymentech. After Apple introduced Apple Pay alongside the new iPhone 6 and iPhone 6 Plus on September 9th, Revel received dozens of inbound customer requests for integration with the new technology.

Fiserv Financial Institution Clients Can Keep their Cards at the Top of the Mobile Wallet with New Tokenization Capabilities

9/10/14 Fiserv

Fiserv, Inc. announced that it has expanded its mobile payments solution portfolio to include tokenization capabilities via Visa Token Service (VTS) and MasterCard Digital Enablement Service (MDES). These capabilities will be available to all Fiserv-processed debit and credit issuers. Fiserv will also enable its Accel™ debit payments network to support tokenization for its participants.

miiCard Launches DirectID, Names North America President

9/11/14 The Green Sheet

Online identity platform miiCard today announced two new initiatives in support of the growing U.S. consumer finance technology market and its associated regulatory concerns. With the launch of DirectID, miiCard gives financial services providers an embedded, integrated identity and data verification solution that saves time and money while enabling high value transactions. The company also announced the opening of its St Louis office and the appointment of industry veteran Peter Esparrago as President of North America.

National Payment Card Association Names Stephen Goodrich CEO

9/11/14 PRWeb

National Payment Card Association, a leading provider of mobile and card-based decoupled debit (ACH) payments for merchants, today announced its Board of Directors has named Stephen Goodrich as the company's new CEO. A veteran of the payments industry, Goodrich joined NPCA as President in 2012 after serving on its Board for two years.

Welfare Recipients Can Use Debit Cards for Marijuana

9/10/14 The Washington Times

Welfare recipients can't use their EBT cards at liquor stores but they can at marijuana dispensaries in states such as Colorado that have legalized pot, Sen. Jeff Sessions revealed Tuesday. The Alabama Republican announced that he was drafting legislation to close the welfare-for-weed loophole after the U.S. Department of Health and Human Services confirmed to him that marijuana shops were not off limits to EBT cards, which replaced food stamps, or other federal benefits.



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