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Editor: Mike Strawhecker, VP & Director of TSG Metrics
Co-Editor: Andrew Nuss, Marketing Associate



THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



Sept. 26, 2014
Edition #423

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AprivaPay is used by over 15 US banks, including 3 of the top 5

Trending This Week...

This week, [fraudulent transactions have been mounting](#) following the Home Depot breach and appear to be much greater than what was seen from Target, Michaels, and Neiman Marcus. In other breach news, [Jimmy John's reported a breach](#) of credit/debit card information at over 200 stores.

Bitcoin continues to spread as [PayPal announced they are adding support](#) via BitPay, Coinbase, and GoCoin. On the other side, [Square announced they are making a register that will accept bitcoin.](#)

Other highlights this week include:

- [Apple Pay, Now that We've Sobered Up](#)
- [Softcard Freshens Up NFC Payments with Laundromat Collaboration](#)
- [Durbin Says Fed Set Debit Swipe Cap Too High](#)
- [Economy in U.S. Grew 4.6% in Second Quarter](#)

NEW TSG REPORT: Alternative Payments Players

Learn all about [Apple Pay, Amazon Local Register, and Softcard!](#)

What is this report?

This 39 page report provides a detailed look at 28 companies (priced at \$77 per company) that provide a variety of products and services that enable electronic payments. These companies fall within several categories including: card brands, mobile

[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: 1960 **First Kennedy - Nixon Debate**

For the first time in U.S. history, a debate between major party presidential candidates is shown on television. The presidential hopefuls, John F. Kennedy, a Democratic senator of Massachusetts, and Richard M. Nixon, the vice president of the United States, met in a Chicago studio to discuss U.S. domestic matters.

wallets, card readers and apps, P2P & eCommerce, and prepaid.

A Senior Finance Leader at a Leading Payment Processor said:
"Immediate feedback has been wildly positive (and I've shared with our Strategy, Product and Finance teams). Timing on this one was especially good!"

[Click for a preview and free overview of Apple Pay.](#)

[Add to Cart](#)

[Click here to purchase, report price is \\$2,150](#)

If you have any questions, or would like to purchase over the phone, please call 402.964.2617.



Featured

Fraud Tied to Home Depot Breach Mounting

9/24/14 Bank Info Security

Fraudulent transactions stemming from the massive Home Depot payment card breach have been occurring since early September, security experts say, forcing many financial institutions to reissue cards for affected customers. One executive with a large card issuer on the West Coast, who asked not to be named, tells Information Security Media Group that fraud losses have been "significant" following the breach. "The ramp up of fraud in the first three weeks has been much greater than what we saw from Target Corp., Michaels and Neiman Marcus," the executive says.

PayPal Adds Bitcoin Support via BitPay, Coinbase and GoCoin

9/23/14 PayPal

Bitcoin has been big news this year, and for good reason. Although crypto-currencies have been around for some time, only Bitcoin has achieved significant scale. This new entrant in the world of payments has people asking lots of questions - including how and if PayPal will decide to work with Bitcoin. While we're focused on giving people everywhere safer and more seamless buying experiences, we're also fierce advocates of giving businesses - and in turn their customers - flexibility and the freedom of choice.

Apple Pay, Now That We've Sobered Up

9/25/14 PYMNTS

Just about everyone seemed absolutely giddy over Tim Cook's breathless announcement of how Apple is revolutionizing payments. I'm hoping now that maybe, with a couple of weeks' of distance and with at least some of you experiencing the buggy iOS8 operating system, I can

Kennedy emerged the apparent winner from this first of four televised debates, partly owing to his greater ease before the camera than Nixon, who, unlike Kennedy, seemed nervous and declined to wear makeup. Nixon fared better in the second and third debates, and on October 21 the candidates met to discuss foreign affairs in their fourth and final debate. Less than three weeks later, on November 8, Kennedy won 49.7 percent of the popular vote in one of the closest presidential elections in U.S. history, surpassing by a fraction the 49.6 percent received by his Republican opponent. [Click here to read more.](#)

make some sobering comments without being treated like the skunk at the picnic.

[For Gun Shop Owners, It's No Longer Hip to Be 'Square'](#)

9/25/14 *The Daily Signa*

Today, the Square's terms prohibit gun-shop owners from using the credit-card processor not only when they are conducting gun sales at their brick-and-mortar stores but even more so when they are offsite, representing their stores at gun shows where they often need the wireless Square Reader to ring up sales on smartphones or tablets.

[Square Is Making a Register That Takes Bitcoin and Apple Pay](#)

9/22/14 *Wired*

Over the past year, it's become a lot easier to buy bitcoin, thanks to services such as Coinbase. And thanks to retailers such as Overstock.com and TigerDirect, it's now a lot easier to spend them online. But there's still one big pothole in bitcoin's bumpy road to mainstream adoption: Your local coffee shop. That's because most cash register software still doesn't support the world's most popular digital currency. But the situation is about to change, according to Square CEO Jack Dorsey.



[Mobile Payments & Bitcoin](#)

[Apple Pay Requires Savvy Selling](#)

9/24/14 *ISO & Agent*

Apple Pay is poised to foment a technology revolution that could force acquirers to rewrite the job descriptions of their salespeople, says a prominent ISO chief executive. The new payment system from Apple Inc. makes it imperative that ISOs and sales agents become technology advisors-not just salespeople, according to Jared Isaacman, CEO of Allentown, Pa.-based Harbortouch. "The ISOs and sales personnel of our industry can't just talk to merchants about credit card processing rates," Isaacman said. "They have to talk about point of sale technology...and mobile loyalty and mobile rewards."

[9 Industry Reactions to Apple Pay \[Gallery\]](#)

9/24/14 *PaymentsSource*

Apple Pay isn't yet on phones, but many companies in the financial services industry have already changed their strategies to respond to it. Some are on board with Apple's new mobile wallet, but others are firmly against it.

[Softcard Freshens Up NFC Payments with Laundromat Collaboration](#)

9/26/14 *Mobile Commerce Daily*

Payment solutions provider USA Technologies' collaboration with mobile wallet solution Softcard recasts the mundane task of doing the laundry while driving momentum for NFC adoption. There has been few payments options when it comes to visiting a laundromat so by

introducing these customers to tap-and-go payments could drive trust in NFC. Since doing laundry is a regular task that consumers regularly perform, mobilizing the payment aspect of the chore lends ease.

Six Months Later, Clinkle Is What We Thought It Was

9/24/14 Recode

Back in March, Re/code took the wraps off of Clinkle, the secretive payments startup that raised more than \$30 million and hired and lost almost its entire executive team - all before launching publicly. The company hasn't talked to us (or anyone) since our story, but in the past week or so, Clinkle redesigned its website, providing more information to potential users on what the service provides as it gears up for a rollout on some college campuses. It's the first public sign of what they're up to, and a lot of it confirms what we had previously reported.

Samsung is Teaming with PayPal for Mobile Payments on a Watch

9/22/14 GigaOM

In the wake of Apple Pay coming to the Apple Watch early next year, Samsung is working on its own mobile payment strategy. And instead of going it alone, it has a highly motivated partner: The company is working with PayPal to bring secure mobile payments to the wrist. Business Korea pointed out the effort and added Synaptics to the mix, whose technology may be used for fingerprint authentication, according to a Samsung executive.

Federal Reserve's Mobile Payments Industry Workgroup Discusses Tokenization Landscape in the U.S.; Finds Opportunities and Challenges

9/23/14 Federal Reserve Bank of Boston

In a summary of a June meeting released this week by the Federal Reserve Bank of Boston, the Mobile Payments Industry Workgroup (MPIW) found that developments in tokenization should instill confidence in a payments environment challenged by frequent data breaches and other payments fraud activity, but some hurdles to broad industry adoption of tokenization remain, particularly around standards and coordination of the different solutions.



Regulation & Security

Jimmy John's Confirms Breach at 216 Stores

9/24/14 KrebsOnSecurity

More than seven weeks after this publication broke the news of a possible credit card breach at nationwide sandwich chain Jimmy John's, the company now confirms that a break-in at one of its payment vendors jeopardized customer credit and debit card information at 216 stores. On July 31, KrebsOnSecurity reported that multiple banks were seeing a pattern of fraud on cards that were all recently used at Jimmy John's locations around the country.

Durbin Says Fed Set Debit Swipe Cap Too High and

'Consumers Have Suffered'

9/23/14 NRF

In the nearly three years since the Federal Reserve's cap on debit card swipe fees took effect, retailers and banks have continually argued whether the cap was set higher than Congress intended. "The amendment was carefully crafted and its purpose was clearly expressed," Senate Majority Whip Richard Durbin, D-Ill., said. "Unfortunately, the Board's final rulemaking failed to sufficiently follow the text and purpose of the law."

Research Finds That As Payments Get More Complex, So Do Security, Regulatory Issues

9/25/14 Digital Transactions

At the Federal Reserve Bank of Chicago's annual Payments Symposium on Thursday, a Fed researcher noted that a complex regulatory environment, particularly for non-banks and emerging payments providers, poses problems for public officials in coordinating their supervision and enforcement approaches to payments security. Regulators are beginning to understand that the myriad issues posed by fast-evolving payment technologies and services mean that they must work together more often, according to Barbara Pacheco, senior vice president at the Federal Reserve Bank of Kansas City.

Apple's Touch ID Still Vulnerable to Hack, Security Researcher Finds

9/23/14 CNET

There's a lot that's new in Apple's just-released iPhone 6, but one feature hasn't changed: Faked fingerprints can still fool the Touch ID fingerprint sensor. Security on the Touch ID fingerprint reader has been tightened, but only marginally, said Marc Rogers, chief security researcher at Lookout Mobile Security. "I don't think people need to worry just yet, but there are distinct flaws that could lead to problems down the line," he told CNET.

Economy

Economy in U.S. Grew 4.6% in Second Quarter, Most Since 2011

9/26/14 Bloomberg

The U.S. economy expanded in the second quarter at the fastest rate since the last three months of 2011 as companies stepped up investment and households boosted spending. GDP grew at a revised 4.6 percent annualized rate, up from a previous estimate of 4.2 percent, Commerce Department data showed today in Washington. The increase matched the median forecast of 81 economists surveyed by Bloomberg and followed a 2.1 percent decline in the first three months of the year.

U.S. Durable Goods Tumble, But Business Spending Plans Rebound

9/25/14 Reuters

Orders for long-lasting U.S. manufactured goods in August posted their biggest drop on record as the prior boost from aircraft unwound, but a rebound in business spending plans pointed to underlying strength in the manufacturing sector. The Commerce Department said on Thursday durable goods orders, items ranging from toasters to aircraft that are meant to last three years or more, dropped 18.2 percent, the largest decline since the series started in 1992.

Buoyant Dollar Underlines Resurgence in U.S. Economy

9/25/14 DealBook

The United States dollar, after one of its most prolonged weak spells ever, has re-emerged as the preferred currency for global investors. Across trading desks in New York, London and elsewhere, analysts are rushing to raise their dollar forecasts based on the resurgence in the American economy. In part, this bullish mood is tied to signals from the Federal Reserve that it will soon stop its bond-buying program - a change that would lift interest rates and buoy the dollar.

No Coal Here: Holiday Forecast Calls for 4% Growth

9/24/14 CNBC

After a year of sluggish demand and never-ending promotions, things may finally be turning a corner in the retail industry. In the first of many holiday retail sales forecasts to be released over the next few weeks, Deloitte on Wednesday predicted the improving overall economy will translate into a retail sales increase between 4 percent and 4.5 percent from November through January.



Payments Press

Facebook Is Partnering With Stripe to Power "Buy" Button

9/25/14 Recode

Facebook first began testing a "Buy" button within the News Feed in July, and payments startup Stripe has been tasked with powering the technology, Re/code has learned. The "Buy" button, which allows Facebook users to purchase goods that are featured in ads or posts on the social network, is still in its test phase, but multiple sources said Stripe's technology was supporting the button. A Facebook spokesperson confirmed Thursday that Stripe is the sole Facebook payments partner behind the test.

Walmart Now Offering Low-Cost Mobile Checking Accounts Through Exclusive Deal With Green Dot's GoBank

9/24/14 TechCrunch

Apple Pay what again? Walmart is getting into the mobile banking space, the company announced this morning, through a partnership with financial services provider Green Dot Corporation. The company's low-cost checking account product called GoBank is now being made available exclusively at Walmart, offering customers an overdraft-free bank account with no minimum balance requirements.

Visa Creates 2000 Full-Time Tech Jobs

9/24/14 Finextra

Visa is ramping up its tech investment, creating 2000 full-time technologist positions and opening a development centre in India. The jobs will be a mix of brand new roles and conversions of contractors to full-time employees. The hires will be made over the next couple of years in India, Singapore and Austin and San Francisco in the US, and will span everything from Data scientists, to engineers, platform architects and

mobile developers.

Acquisition of PayChoice Strengthens Sage's Position in the U.S. Market

9/22/14 Sage

The Sage Group announces an agreement to acquire PAI Group, Inc. ("PayChoice"), a provider of payroll and HR services for small and medium-sized businesses in the US. The acquisition accelerates Sage's move to the Cloud in this market by leveraging PayChoice's Software as a Service platform. PayChoice is an attractive fit with Sage, and strengthens Sage's position in the large and growing US payroll market.

Apriva Gets Ready For Apple Pay, Adds Software

9/24/14 ISO & Agent

Apriva has added data analytics and business management tools to its payments software for bank and merchant services clients, along with a Web portal where merchants can review consumer behavior. The portal, called AprivaPay Plus, provides ISOs and branded partners data on activation date, customer location, state, city, end user activity, credit card transactions processed, device types, operating system versions, and other key insights.

Vantiv and VeriFone Security Solution Wins The Banker Technology Project of the Year 2014 Award

9/24/14 VeriFone

VeriFone Systems, Inc. and Vantiv, Inc. a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes-won The Banker Technology Project of the Year 2014 award in the Risk Management category for their industry-leading, multi-layered approach to reducing cardholder data security risk using end-to-end encryption.

Ingenico Group Further Expands Global Partnership with Elavon

9/22/14 Ingenico

Ingenico Group, the global leader in seamless payment, announces that Elavon will rely on its EMV-ready payment solutions to power two key Elavon initiatives in the United States. Elavon has worked with Ingenico Group to build EMV-enabled payment solutions in Europe, as well as in Canada and Latin America. Based on its demonstrated ability to deliver consistently high quality infrastructure and support, Elavon has now selected Ingenico Group to be a key partner in supporting its migration to EMV-based payment processing infrastructures in the U.S.

iPhone 6 Teardown Shows NFC Chips from NXP - and AMS

9/22/14 NFC World

A teardown conducted by iFixit shows that Apple is using NFC chips from both NXP and AMS in the new iPhone 6, which began shipping today. The inclusion of an NXP chip was expected but the AMS chip is a surprise addition. The NFC chip provided by NXP is a 65V10 NFC module and secure element combination which, iFixit says, "likely contains an NXP PN544 NFC controller inside."

Fifth Third Bank Launches New Division Focused on Payments and Commerce Solutions

9/24/14 BusinessWire

Fifth Third Bank has announced the formation of the Payments and Commerce Solutions division. The new division was created to rethink

the payment and commerce experience with innovation that delivers greater value to customers. The organization is led by Randy Koporc, executive vice president and head of Fifth Third Payments and Commerce Solutions.

Ripple Labs Signs First Two US Banks

9/24/14 Ripple

Ripple Labs is thrilled to have signed its first two U.S. banks to use the Ripple protocol for real-time, cross-border payments. Cross River Bank, an independent transaction bank based in New Jersey, and CBW Bank, a century-old institution founded in Kansas, join Fidor Bank on the Ripple network, which continues to grow.

Blackhawk Network Announces Definitive Agreement to Acquire Parago, Inc.

9/25/14 PR Newswire

Blackhawk Network, a leading prepaid and payments network announced today a definitive agreement under which Blackhawk will acquire all outstanding shares of Parago, Inc. for approximately \$290 million. Parago is a leader in providing global incentive and engagement solutions that drive customer acquisition, employee retention and enable and engage channel sales partners.

AnywhereCommerce names William Nichols as President and CEO

9/23/14 The GreenSheet

AnywhereCommerce, Inc., a global payments technology provider, announced that William Nichols has been promoted to president and chief executive officer. In this capacity, he will oversee the company's strategy, product development, sales and marketing, and investor relations activities. Nichols previously served as AnywhereCommerce, Inc.'s executive vice president for international markets, where he was responsible for the company's international business development programs.



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