

NewsFilter

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



THE STRAWHECKER GROUP

The Trusted Advisor To The Payments Industry



Dec. 12, 2014
Edition #433

New to NewsFilter?



Want to Advertise
in NF?

[Click here to learn
more.](#)

Categories

[Featured](#)

[Mobile Payments &
Bitcoin](#)

[Regulation & Security](#)

[Economy](#)

[Payments Press](#)

TSG Resources

[TheStrawGroup.com](#)

[TSG Resource Center](#)

[PaymentsPulse.com](#)

[TSG Overview](#)



Trending This Week...

Though it has been a year since Target's data breach, [the lessons learned continue to grow](#) as Sally Beauty, Michaels, Home Depot, Kmart, and Staples have all been breached since that time. To add more fuel to the fire, Charge Anywhere, a mobile payments provider, disclosed this week that malware planted on its network [may have jeopardized credit card data](#) from transactions since 2009.

Square reached a new milestone as they announced the processing of \$100M in sales during a single shopping day. [Jack Dorsey sat down this week with The New York Times](#) and discussed the hectic year and future opportunities.

Other highlights include:

- [Report: FDIC Senior Officials Acted on Personal Animus Against Legal Businesses](#)
- [Microsoft Begins Accepting Bitcoin](#)
- [NACHA Releases Request for Comment on Same Day ACH](#)
- [First Data SpendTrend Holiday Shopping Season Analysis](#)
- [Discover to Spend More Than \\$35M on New Credit Cards with Chips](#)

Apple Pay has now been in the wild for over a month, have you tried it out yet? [Please complete our poll and let us know!](#)

[NEW TSG REPORT: Merchant Acquiring Industry Overview](#)

What is this report?

This 48-page report is a guide to understanding the U.S. Payment market

[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: 1980

Da Vinci Notebook Sells for Over 5 Million

On this day in 1980, American oil tycoon Armand Hammer pays nearly \$5.2 million at auction for a notebook containing writings by the legendary artist Leonardo da Vinci.

The manuscript, written around 1508, was one of some 30 similar books da

and related metrics. The first section is a briefing on the Payments industry, including history and milestones, the transaction value flow and the components, the changing ecosystem, and a look at risk, distribution channels, regulation, and aggregation.

The latter half of the report relates to vital payments metrics illustrating the industry is an attractive market for investors and business owners. Highlights include a look at electronic payments as the driver of commerce in the U.S., the merchant acquiring opportunity, the average life of a merchant, attrition, and what merchant verticals are most attractive.

[Click here for a preview.](#)

Why is this useful?

This guide will provide newcomers, and industry veterans, with useful information into the various facets of the Payments Industry. This report is an excellent tool for competitive awareness, potential partner identification, and general reference purposes.

[Add to Cart](#)

Click here to purchase, report price is \$1,950

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

Featured

[7 Lessons from Target's Breach](#)

12/10/14 Bank Info Security

It's been a year since the breach at Target Corp., which exposed 40 million debit and credit cards along with personal information about an additional 70 million customers. Although the attack drew attention to the need for bolstered cybersecurity measures, retail breaches show no signs of abating. Other major payments breaches at retailers since Target have included Sally Beauty, Michaels, Home Depot, Kmart and Staples, to name a few.

[Are All Payments Becoming Invisible? A Conversation With Square's Jack Dorsey](#)

12/10/14 The New York Times

Square, the company famous for its tiny mobile credit-card reader, says that during the last week, the firm crossed a major benchmark: Businesses using Square's various payment technologies processed \$100 million in sales during a single shopping day. Square's record day caps a stormy year for the company founded by Jack Dorsey, the entrepreneur who also was an inventor of Twitter. Once considered among the most promising start-ups in the tech industry, Square, in 2014, was dogged by reports that it was bleeding cash and looking for a lifeline in the form of an acquirer.

[Unencrypted Data Lets Thieves 'Charge Anywhere'](#)

12/09/14 KrebsOnSecurity

Charge Anywhere LLC, a mobile payments provider, today disclosed that malicious software planted on its networks may have jeopardized credit card data from transactions the company handled between November 2009 and September 2014. In a statement released, the South Plainfield,

Vinci produced during his lifetime on a variety of subjects. It contained 72 loose pages featuring some 300 notes and detailed drawings, all relating to the common theme of water and how it moved. Experts have said that da Vinci drew on it to paint the background of his masterpiece, the Mona Lisa. The text, written in brown ink and chalk, read from right to left, an example of da Vinci's favored mirror-writing technique. The painter Giuseppe Ghezzi discovered the notebook in 1690 in a chest of papers belonging to Guglielmo della Porto, a 16th-century Milanese sculptor who had studied Leonardo's work. In 1717, Thomas Coke, the first earl of Leicester, bought the manuscript and installed it among his impressive collection of art at his family estate in England.

More than two centuries later, the notebook—by now known as the Leicester Codex—showed up on the auction block at Christie's in London when the current Lord Coke was forced to sell it to cover inheritance taxes on the estate and art collection. In the days before the sale, art experts and the press speculated that the notebook would go for \$7 to \$20 million. [Click here to read more.](#)

N.J. electronic payment provider said it launched investigation after receiving complaints about fraudulent charges on cards that had been legitimately used at certain merchants.

Report: FDIC Senior Officials Acted on Personal Animus Against Legal Businesses

12/08/14 Committee on Oversight & Government Reform

The House Oversight and Government Reform Committee today released a new report, "Federal Deposit Insurance Corporation's (FDIC) Involvement in 'Operation Choke Point'," detailing the agency's close relationship with the Department of Justice (DOJ) to effectively target legal businesses the administration deemed morally objectionable. Documents produced to the Committee reveal that the DOJ actively partnered with the FDIC in the prosecution of Operation Choke Point.

Rossi Embraces Change As New ETA Chief

12/10/14 ISO & Agent

Debra Rossi, an executive vice president at Wells Fargo and Co., is assuming the Electronic Transactions Association presidency during an era when technology and new entrants are reshaping the acquiring business.

It's also a period of rapid expansion for the ETA as tech companies join the ranks of ISOs and other acquirers that formed the association. Meanwhile, the Washington-based trade group is intensifying its lobbying efforts and contemplating expansion overseas.

Instead of Fighting Bitcoin, the US Could Make Its Own Digital Currency

12/12/14 Wired

The US government has been seriously studying bitcoin for about two years now. The FBI knows how to seize the digital currency. The Marshall's Service knows how to sell it. The IRS knows how to tax it. And now, the Federal Reserve should copy it. So says James Angel, a professor of economics at Georgetown University. He thinks the government should create what he calls "bitdollar," a bitcoin-like digital currency that's backed by the US dollar.



Mobile Payments & Bitcoin

Square Shuffles Executive Roles as Product Portfolio Grows

12/11/14 Recode

Local commerce company Square shuffled some chairs in its executive suite recently, creating a clean split in responsibilities between its two top engineering execs, according to multiple sources. Gokul Rajaram has moved into a role running engineering and product teams for Square's consumer products: The restaurant-delivery service Caviar, which recently released its first app, as well as the new food-ordering app, Square Order. Rajaram previously oversaw Square's software for merchants, with a focus on its core checkout software, Square Register.

Microsoft Begins Accepting Bitcoin For Windows.

Windows Phone And Xbox Purchases

12/11/14 TechCrunch

If you want further proof that Microsoft is going through a transformative phase, you may be interested to hear that the company has jumped on the bitcoin wagon. The tech giant is now accepting bitcoins for buying games and other digital content on its Windows, Windows Phone and Xbox platforms, as the folks at Coindesk noticed today. Members of Reddit's bitcoin subred noted that Microsoft appears to be working with payments firm Bitpay to make this happen.

Chick-fil-A Launches Mobile Payment Nationwide, Pilots Mobile Ordering

12/09/14 Chick-fil-A

Chick-fil-A® is launching two new features – mobile payment and mobile ordering - within the Chick-fil-A Mobile App to help guests save time and ensure a convenient and personalized experience. Chick-fil-A restaurants nationwide are now accepting mobile payments through the Chick-fil-A app so that customers can use their smartphones to pay for meals without relying solely on cash or credit cards.

Bitcoin Startup Recruits JPMorgan Veteran as CFO

12/11/14 BTN

Paul Camp, a veteran of JPMorgan Chase and Deutsche Bank, has joined the digital-currency consumer finance company Circle Internet Financial as the startup's new chief financial officer. Camp, whose titles also include corporate treasurer and executive vice president of financial operations, will oversee the Boston firm's core financial transaction operations. Circle stores its customers' bitcoin private keys and allows them to purchase the decentralized digital currency for U.S. dollars.

Apple Users Seem 'More Engaged' Than Android Users As Banks Find Not All Mobile Is Equal

12/11/14 Digital Transactions

While payments executives are abuzz about how mobile devices are transforming the business, they are slowly coming to realize that not all mobile users-and certainly not all mobile devices-are equal when it comes to such metrics as the average value of payments and rate of usage. The latest evidence of this comes from Malauzai Software, an Austin, Texas-based vendor of mobile-banking solutions.

Starbucks Brews iBeacon Strategy to Support Premium Coffee Play

12/08/14 Mobile Commerce Daily

Starbucks' plan to begin using Apple's iBeacons in its premium coffee stores next year blends the coffee retailer's leveraging of mobile with its emphasis on upscale lines of java, although it must tread carefully in the technology space to avoid alienating customers. Starbucks said it would bring out iBeacon technology in the coming year to allow customers at its premium-coffee Roastery and Tasting Rooms to access information about freshly brewed coffee via smartphones.

Regulation & Security

NACHA Releases Request for Comment on Same Day ACH

12/09/14 NACHA

The Electronic Payments Association® released a Request for Comment

(RFC) on Same Day ACH. The RFC outlines a proposal for new, ubiquitous clearing and settlement options to move virtually any ACH payment faster, expanding upon traditional ACH functionality. "In today's environment, everyone wants things faster, including payments," said Janet O. Estep, president and CEO of NACHA. "Moving forward now signals an immediate, tangible commitment to provide choices for the consumers, businesses and government agencies who want to move money more quickly and efficiently, directly between bank accounts."

Will Banks Be Required to Have Cyber-Insurance?

12/12/14 Bank Info Security

In addition to a focus on C-level cybersecurity awareness and mitigation strategies aimed at third-party risks, it now seems likely that the new cybersecurity guidance expected from federal banking regulators in 2015 also will include recommendations for investments in cyber-insurance. On Dec. 10, the New York State Department of Financial Services notified New York banking institutions of expanded IT examination procedures that immediately take effect.

Target Ruled Negligent in Massive Holiday Data Breach

12/08/14 Info Security

Industry watchers have long expected Target and other retailers to eventually find themselves liable for stolen identities and bank fraud stemming from the high-profile point-of-sale (POS) breaches that have become a sad norm on the cyber-incident front. Now, a Minnesota court has paved the way for a series of lawsuits by banks looking to recover their losses, which they say range into the billions for the last year alone.

FIDO 1.0 Specifications Are Published and Final - Preparing for Broad Industry Adoption of Strong Authentication in 2015

12/09/14 Visa

The FIDO (Fast IDentity Online) Alliance (<https://www.fidoalliance.org/>), an open industry consortium delivering standards for simpler, stronger authentication, today published final 1.0 drafts of its two specifications – Universal Authentication Framework (UAF) and Universal 2nd Factor (U2F). Members of the FIDO Alliance comprise device manufacturers, online service providers and enterprises, who can now implement and broadly commercialize FIDO 1.0 specifications to make authentication simpler and stronger for all.



Economy

First Data SpendTrend® Holiday Shopping Season Analysis Reveals Modest Increase in Retail Dollar Volume, Strong Consumer Confidence

12/08/14 First Data

Earlier store openings and frothy headlines lent a hyped-up atmosphere to the debut of the 2014 holiday shopping season. The amplified energy level worked, up to a point, benefiting large and small retailers, who saw an uptick in sales, but not as much as last year, according to data

released today from First Data, the global leader in payments technology and solutions.

U.S. Retail Sales Signal an Economy Starting to Rev Up

12/11/14 The Upshot

The United States economy is firing on all cylinders as the year comes to a close. That's the only conclusion that can be drawn from a blockbuster report on November retail sales released on Thursday, particularly when coupled with other recent readings on jobs, industrial activity and more. Total retail sales rose 0.7 percent in November, as holiday shopping began, and that came despite a sharp tumble in gasoline prices that reduced the dollar value of sales at gas stations by 0.8 percent. Analysts had expected a rise of only 0.4 percent.

Payments Press

Discover to Spend More Than \$35 Million on New Credit Cards With Chips

12/10/14 Fox Business

Discover Financial Services Chief Executive David Nelms said the company will spend more than \$35 million in 2015 on new credit cards that contain a computer chip to combat fraud. The amount includes the cost of issuing new cards to customers as well as efforts needed to prepare Discover's card-processing network for the cards, he said at a financial-services industry conference.

MasterCard and Dynamics Inc. Partner to Drive Innovation within Interactive Payment Card Market

12/08/14 MasterCard

In conjunction with the Series C funding announcement issued earlier today, MasterCard and Dynamics Inc. also announced today a joint commercial initiative to drive innovation in the interactive payment card market. The collaboration enables MasterCard to offer exclusive Dynamics products to its issuers globally, providing consumers with added choice, flexibility and security at the point of sale.

American Express Creates New Technology Hub in Silicon Valley

12/11/14 American Express

American Express today announced the opening of a new technology hub in Palo Alto, expanding its presence in Silicon Valley. The new team being assembled will focus on innovations in big data, cloud computing and mobile infrastructure. "Technology innovation is driving the company's ongoing digital transformation, and our team in Silicon Valley is focusing on core capabilities that we expect to be key to our ability to continue to innovate and move our business forward," said Marc Gordon, Executive Vice President and Chief Information Officer.

eBay CEO Likely to Leave Board and Join PayPal's When Companies Split

12/10/14 Recode

eBay CEO John Donahoe will likely depart eBay's board of directors when the company spins off payment subsidiary PayPal next year, according to two people who have discussed the topic with him. Donahoe has told these people he plans to join the board of PayPal instead, these people said. Donahoe had previously said he would serve on one or both company boards.

[WorldPay to Double US Workforce on Atlanta Relocation](#)

12/10/14 Finextra

London-based payments processor WorldPay is to spend \$10 million to relocate its US headquarters and 617 employees to Atlanta, amid plans to double its American workforce over the next four years. Worldpay will occupy 130,000 square feet over six floors of the 201 17th Street office building located in Atlanta's Midtown business district, the company has confirmed, following a competitive national search.

[TSYS Recognized by Smart Card Alliance](#)

12/09/14 TSYS

TSYS announced its inclusion in the Smart Card Alliance Center of Excellence recognition program. The program was established in 2013 to acknowledge member companies with the highest levels of participation and achievement in the Smart Card Alliance and the EMV industry in general. Honorees were announced at a gala during the Smart Card Alliance member meeting in Orlando, FL.

[Priority to Deliver Bluefin's P2PE Solution to Merchants](#)

12/11/14 The Green Sheet

Bluefin Payment Systems has announced a partnership with Priority Payment Systems to provide Bluefin's PCI-validated Point-to-Point Encryption (P2PE) Solution to Priority Payment clients. Bluefin became the first North American company to be validated by the PCI Security Standards Council (SSC) for a P2PE Solution, PayConex P2PE, in March 2014. On November 3rd, Bluefin introduced Decryptx, the company's Decryption as a Service (DaaS) product.

[ShopKeep Launches New eCommerce Store for Point of Sale Hardware and Accessories](#)

12/10/14 Yahoo! Finance

ShopKeep, the cloud-based small business technology provider trusted by more than 10,000 independent business owners to manage retail shops and restaurants with iPads, today unveiled its new ecommerce site, shop.shopkeep.com. To celebrate this new site, ShopKeep is giving new customers a free credit card reader that supports Apple Pay and chip cards.

[Merchants' Choice Payment Solutions Partners With CardFlight for Customized Mobile Payments Solution](#)

12/09/14 PR Newswire

CardFlight, a leader in mobile point of sale (POS) technology, is excited to announce it has partnered with Merchants' Choice Payment Solutions (MCPS), a merchant services provider, to provide a custom mobile POS solution to merchants through its sponsor bank's network of retail branches. "MCPS is a leader in payment processing and has a differentiated distribution channel through its relationship with its sponsor bank," said Derek Webster, Founder and CEO of CardFlight.

[Bankrate Acquires Card Reward App Company Wallaby](#)

12/03/14 American Banker

Bankrate Inc., an aggregator and publisher of rate data and news related to personal finance, has acquired Wallaby Financial Inc., a firm that provides credit card reward apps to consumers. Wallaby's Web, iPhone, Android and wearable apps use proprietary algorithms and information about location and consumer preferences to help consumers maximize the rewards they earn with each credit card purchase.

Blackhawk Network and United States Postal Service (USPS) Work Together to Make Holiday Gifting Even Easier

12/09/14 PR Newswire

Blackhawk Network, a leading prepaid and payments company, today announced a new distribution deal with the United States Postal Service (USPS). Blackhawk's closed loop gift cards are available at select USPS locations, just in time for the holidays. "The USPS is excited to work with Blackhawk Network to offer gift cards in our post offices - it is a completely natural fit," said Nagisa Manabe.

American Express Qualifies Acquirer Systems to Provide EMV Test Cards

12/08/14 Acquirer Systems

Acquirer Systems, the market leader in enterprise test and validation solutions for the payments industry, today announced that it has been qualified by American Express to provide test cards for the American Express EMV contact card specification AEIPS. American Express ICC Payment Specification (AEIPS) is the firm's EMV-compliant smart-card payment specification.

Etsy's Head of Payments Departs

12/09/14 Recode

Camilla Velasquez, Etsy's director of payments and multichannel sales, has left the online crafts marketplace to reunite with a former colleague at employee benefits startup Justworks, where she will be head of product. Velasquez's move comes just a little over a month after she oversaw the launch of Etsy's own credit card reader for its sellers, in a bid to extend its payments platform to the physical world.



THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



Copyright © 2014 The Strawhecker Group. All Rights Reserved. Unless noted, TSG does not take responsibility for content or opinions. Articles are sourced as appropriate throughout.

'SafeUnsubscribe' below will remove you from all TSG communications, this includes email blasts as well as NewsFilter. Please be aware of this before you choose to unsubscribe. Thank you, we appreciate your continued readership.