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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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Holidays!*

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Trending This Week...

As 2014 comes to a close, [TSG has put together a wrap-up for the payments market](#). As mobile solutions garnered attention, EMV awareness heightened, security breaches hit headlines and consumer engagement models evolved, traditional and non-traditional payment players across the spectrum implemented and piloted new technologies and collaborated with each other in order to move forward and provide solutions for the industry's most pressing needs.

With that said, the payments industry continued to witness a rapidly changing landscape in 2014, one which shaped the strategies and roadmaps of the players.

In other news, [it has been rumored that Starbucks will not be adopting Square Order](#), following the retirement of Square Wallet, and have instead opted to build their own solution.

Other highlights this week include:

- [Apple Pay Claims to Cover 90% of U.S. Credit Card Market](#)
- [12 Partnerships in the Payments Industry not to be Forgotten](#)
- [New York Regulator Outlines Changes to Bitcoin Rules](#)
- [EU Agrees on Deal to Cap Bank Card Payment Fees](#)

Please note: Due to the holiday, we will not be sending out NewsFilter next Friday.

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[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: 1998 President Clinton Impeached

After nearly 14 hours of debate, the House of Representatives approves two articles of impeachment against President Bill Clinton, charging him with lying

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Featured

The 2014 Payments Market: The Wrap Up

TSG Commentary

Growth prospects for the payments industry in 2014 were clearly brighter compared to the past several years as the economy continued to heal, consumer confidence rebounded and the regulatory and political environment settled down. The brightened growth prospects appeared to drive a shift in the mindset of payment players. No longer were payment players taking a traditional wait and see approach in 2014, their mindset evolved into a take action and make change approach.



As mobile solutions garnered attention, EMV awareness heightened, security breaches hit headlines and consumer engagement models evolved, traditional and non-traditional payment players across the spectrum implemented and piloted new technologies and collaborated with each other in order to move forward and provide solutions for the industry's most pressing needs. With that said, the payments industry continued to witness a rapidly changing landscape in 2014, one which shaped the strategies and roadmaps of the players.

[Click here to read more.](#)

Rumored: Starbucks To Square...It's Over

12/19/14 Readwrite

Starbucks will soon no longer take Square's mobile payments in its stores, unwinding a key aspect of the partnership the companies announced in 2012. On Wednesday, Square sent an email to some users of its Wallet app announcing that it was "retiring" Wallet. It's now rolling a key feature of Wallet—one that let users check into a store and pay by announcing their name to a cashier—into its newer Square Order app. The new feature is called Tabs, but it works similarly to Wallet. Just don't expect to run up a tab on Square in Starbucks.

Apple Pay Claims to Cover 90% of US Credit Card Market

12/17/14 Finextra

Apple claims that banks representing up to 90% of credit purchase volume in the US are now signed up to its Apple Pay product. Apple says that momentum for mobile payments continues to build, with dozens

under oath to a federal grand jury and obstructing justice. Clinton, the second president in American history to be impeached, vowed to finish his term.

In November 1995, Clinton began an affair with Monica Lewinsky, a 21-year-old unpaid intern. Over the course of a year and a half, the president and Lewinsky had nearly a dozen sexual encounters in the White House. In April 1996, Lewinsky was transferred to the Pentagon. That summer, she first confided in Pentagon co-worker Linda Tripp about her sexual relationship with the president. In 1997, with the relationship over, Tripp began secretly to record conversations with Lewinsky, in which Lewinsky gave Tripp details about the affair.

In December, lawyers for Paula Jones, who was suing the president on sexual harassment charges, subpoenaed Lewinsky. In January 1998, allegedly under the recommendation of the president, Lewinsky filed an affidavit in which she denied ever having had a sexual relationship with him. Five days later, Tripp contacted the office of Kenneth Starr, the Whitewater independent counsel, to talk about Lewinsky and the tapes she made of their conversations. Tripp, wired by FBI agents working with Starr, met with Lewinsky again, and on January 16, Lewinsky was taken by FBI agents and U.S. attorneys to a hotel room where she was questioned and offered immunity if she cooperated with the prosecution. A few days later, the story broke, and Clinton publicly denied the allegations, saying, "I did not have sexual relations with that woman, Ms. Lewinsky." [Click here to read more.](#)

more retailers, and startups registering with Apple Pay over the past few weeks. New banks onboard include SunTrust, Barclaycard and USAA, with a further ten financial services firms set to unveil their offerings this week.

[Poll Shows Broad Impact of Cyberattacks](#)

12/17/14 WSJ

Just fewer than half of Americans say that a retailer, bank or credit-card company has told them or a household member that their payment card details were stolen in a data breach, according to the latest Wall Street Journal/NBC News poll. That figure has contributed to what many retail analysts are calling "breach fatigue," in which consumers stop worrying about cyberattacks because they appear in the news so frequently.

[12 Partnerships in the Payments Industry not to be Forgotten](#)

12/16/14 Let's Talk Payments

We have witnessed some prominent partnerships, recently established among players in the payments industry. These partnerships have resulted in product launches, market expansions and innovations to existing payments systems. Following are the highlights of some noteworthy partnerships.

[New Products Help Fuel Verifone Recovery](#)

12/17/14 ISO & Agent

After spending 2014 digging out of a fiscal slump, Verifone is setting up for an aggressive product rollout in the year ahead as its recovery shifts into high gear. During Verifone's 2015 fiscal year, the company will introduce a terminal platform that will add more interactive features and shopping information, CEO Paul Galant said during a conference call to discuss earnings for its fiscal fourth quarter and full fiscal 2014.

[ThreatMetrix Predicts Mobile Will Represent More Than Half of Transactions in 2015 and Cybercrime Threats Will Continue to Evolve](#)

12/18/14 PRWeb

ThreatMetrix®, the fastest-growing provider of context-based security and advanced fraud prevention solutions, today announced its cybercrime predictions for the New Year. From the good, such as increased information sharing, to the bad including the difficulties protecting the Internet of Things (IoT), and the ugly - data breaches in 2015 will be larger and more sophisticated than ever before - ThreatMetrix predicts the coming year will see cybercrime evolving in new ways.



[Mobile Payments & Bitcoin](#)

[Mobile's Rise Poses a Riddle for Banks](#)

12/18/14 The Wall Street Journal

A waitress from Queens, N.Y., Ethel Bueno represents the promise-and the pitfalls-of a recent surge in the popularity of mobile banking. The 23-

year-old keeps her phone close at all times, and frequently logs on to her Capital One bank account to check her balance and make sure charges go through correctly. "It's made my life easier," she says.

Overstock's 2014 Bitcoin Sales Miss Projections at \$3 Million

12/15/14 CoinDesk

International retail giant Overstock.com is reporting that it expects to complete \$3m in total bitcoin sales for 2014. The figures are notable given that the e-commerce company had issued a wide range of potential estimates for its first-year bitcoin sales over the course of the year. In March, CEO Patrick Byrne suggested Overstock was on pace to achieve \$10m-\$15m, or even \$20m, in bitcoin sales.

Mobile Bill Pay Surges Ahead With 'Hockey-Stick' Growth, According to Survey

12/17/14 Digital Transactions

While the payments industry waits for Apple Pay and other promising applications to help mobile catch on in in-store payments, it's already blazing ahead in online bill pay. Some 27 million U.S. households are paying at least one bill each month on a mobile phone, according to research from banking-technology provider Fiserv Inc. that was released earlier this week. That's 27% of U.S. households with an online connection, up a hefty 69% from 2013.

BTXDeals Is An Online Marketplace For Blowing Bitcoin

12/18/14 TechCrunch

Got some Bitcoin burning a hole in your virtual wallet? There's an online marketplace for that... U.K.-based BTXDeals.com has just launched an e-tail website where sellers are offering goods and services to buy with Bitcoin. The Bitcoin marketplace is the work of U.K. entrepreneur Nick Boardman, who was an early mover in electronics ecommerce in the U.K., founding the Rock brand laptop and e-tail business back in the 1990s. He's now jumping on the early adopter Bitcoin bandwagon.

ShopKeep Beats Square to the Punch With Free Apple Pay Hardware

12/15/14 Digital Trends

Big-name stores like Wal-Mart and Best Buy may be resisting Apple Pay, but companies that make alternative cash registers are all scrambling to support NFC payments. The latest company to push out new cash register hardware and update its app is ShopKeep, reports Recode. Merchants who already own point-of-sale system (POS) get new equipment and an app update to support Apple Pay and other forms of NFC payments, as well as secure Chip and PIN (aka EMV) cards, for just \$250.

With BTM - Nebraska's First - Bitcoin is a Piece of Cake

12/16/14 OWH

If you've recently visited Jones Bros. Cupcakes in Aksarben Village, you might have noticed a new fixture tucked into a corner. He's not an employee, a resident pet or an ATM, but he does have his own Facebook page. His name is Jonas, and he is Nebraska's first Bitcoin Teller Machine, or BTM. Named by Alpha Bitcoin, the local company that helped bring him to Omaha, Jonas allows users to buy and sell bitcoins right inside the walls of Jones Bros.

Regulation & Security

[New York Regulator Outlines Changes to Bitcoin Rules](#)

12/18/14 *The New York Times*

New York State's proposed Bitcoin regulations are coming into sharper focus. Benjamin M. Lawskey, the state's top financial regulator, outlined revisions to the state's highly anticipated "BitLicense" proposal on Thursday, providing the most detail yet on rules that, when finalized, could reshape the virtual currency industry. Although far from sweeping, the revised rules will address or eliminate many of the aspects that opponents had criticized for being vague or strict.

[CFPB Sues Sprint Over Unauthorized Billing and Charges Toward Mobile](#)

12/18/14 *International Business Times*

For a decade, Sprint opened the gates to customers' mobile phone accounts, allowed third parties to ring up millions of dollars per year in unauthorized charges, and took a hefty cut of the revenue, charges a lawsuit filed in federal court by the Consumer Financial Protection Bureau. The financial regulator's announcement Wednesday came on the heels of media reports that the Federal Communications Commission will fine Sprint for unauthorized billing practices, commonly known as "cramming."

[Community Banks Reissue Nearly 7.5 Million Payment Cards Following Home Depot Data Breach](#)

12/18/14 *ICBA*

The Independent Community Bankers of America® (ICBA) said that the nation's community banks reissued nearly 7.5 million credit and debit cards at a total reissuance cost of more than \$90 million as a result of the Home Depot data breach. ICBA's survey of a sample of community banks also found that more than 4 percent of community banks reported fraud on accounts that were compromised by the April-September breach. This number would have been higher had community banks not reissued cards as quickly as they did.

[EU Agrees Deal to Cap Bank Card Payment Fees](#)

12/18/14 *Reuters*

European Union governments have agreed to cap the fees retailers pay to process debit and credit card transactions in a move the EU parliament said should bring down costs for customers. Negotiators from European governments and the economic committee of the EU parliament agreed late on Wednesday to cap charges across the 28 countries in the union following a long battle over charges with payments groups, including Visa and MasterCard.

[Banks : Park-n-Fly Online Card Breach](#)

12/16/14 *KrebsonSecurity*

Multiple financial institutions say they are seeing a pattern of fraud that indicates an online credit card breach has hit Park-n-Fly, an Atlanta-based offsite airport parking service that allows customers to reserve spots in advance of travel via an Internet-based reservation system. The security incident, if confirmed, would be the latest in a string of card breaches involving compromised payment systems at parking services nationwide.

[Quantum Physics May Be Key to More Secure Credit Cards](#)

12/17/14 *TechTimes*

The onslaught of hacking cases just this year has highlighted the frail security that credit card companies are providing consumers. However,

researchers from the University of Twente and the Eindhoven University of Technology may have found the solution, improving credit card security with the help of quantum physics.



Economy

Jobless Claims Still Signal Strong U.S. Hiring

12/18/14 MarketWatch

The number of people who applied for new unemployment benefits in mid-December remained below 300,000, a level typically associated with strong hiring. Initial jobless claims fell by 6,000 to a seasonally adjusted 289,000 in the seven days ended Dec. 13, the Labor Department said Thursday. New applications for jobless benefits have tallied less than 300,000 in 13 of the past 14 weeks.

Fed Vows Patience on Rates While Dropping Considerable Time

12/17/14 Bloomberg

The Federal Reserve said it will be patient on the timing of the first interest-rate increase since 2006, replacing a pledge to keep borrowing costs near zero for a "considerable time," and raised its assessment of the labor market. "The committee judges that it can be patient in beginning to normalize the stance of monetary policy," the Federal Open Market Committee said today in a statement in Washington, replacing a calendar-based phrase with language that gives it more flexibility to respond to economic data.

Payments Press

ETA Partners with Regional Acquirer Associations and W.net to Expand Access to TRANSACT 15

12/18/14 ETA

ETA announced today new partnerships with all four regional acquirer associations and W.net to expand opportunities for their members to attend TRANSACT 15. ETA will offer discounted TRANSACT 15 registration rates to the Northeast Acquirers Association, Midwest Acquirer Association, Southeast Acquirers' Association and Western States Acquirers Association event attendees that have never attended TRANSACT, as well as all W.net members.

Mozido Buys Majority Ownership in CorFire

12/18/14 Atlanta Business Chronicle

The Austin-based cloud platform mobile payments and retail engagement services provider, Mozido Inc., bought majority stake in CorFire, a mobile payments and commerce company. Alpharetta, Ga.-based CorFire is a wholly-owned subsidiary of the South Korean IT services provider SK C&C, which is an affiliate company of the \$101 billion conglomerate SK Group.

NCR Silver POS integrates with LevelUp to Provide Merchants with New Payment Option

12/16/14 NCR

The NCR Silver™ cloud-based point-of-sale (POS) system for small businesses has been integrated with LevelUP, the nation's leading mobile loyalty and payment platform, to provide small businesses - primarily fast casual restaurants - with an additional method for accepting mobile payments and marketing to customers.

Elavon and Union Bank Extend Alliance Relationship

12/16/14 MarketWatch

Elavon, a leading global payments provider, and Union Bank have agreed to extend their multi-year alliance, which will expand the geographic coverage and availability of payment consultants across Union Bank's retail branch network, private bank and business banking relationships and provide enhanced products that help today's tech-savvy small business customers.

Global Payments and Bank of the Philippine Islands Form Strategic Joint Venture

12/17/14 Global Payments

Global Payments Inc., one of the largest worldwide providers of payment solutions, and Bank of the Philippine Islands (BPI), a leading commercial bank in the Philippines, announced today an agreement to form a joint venture to provide merchant acquiring and payment services in the Philippines. BPI is the largest bank in the Philippines based on market capitalization with more than 800 branches. The bank has operated a merchant acquiring business for over 27 years.

Capital One Teams With Network for Good online

12/17/14 The Green Sheet

The end-of-the-year hustle and bustle doesn't distract Americans from giving back to their communities. According to the leading charity platform Network for Good, online donations surge in December with about one-third of the annual online giving happening this month and the most (10 percent of annual volume) in the last three days of the year (Dec. 29-31). It is the "giving season" and, according to a recent survey from Capital One, whether it's volunteering their time or giving money or other donations, most Americans (80 percent) plan to help those in need this holiday season.

A New Way to Pay with Commerce Bank Credit and Debit Cards Using Apple Pay

12/16/14 BusinessWire

Commerce Bank now offers its customers Apple Pay, a new category of service that is transforming mobile payments with an easy, secure and private way to pay. "Apple Pay is a significant step forward in mobile payments and we are happy to be able to offer this feature to our customers," said Carl Bradbury, Commerce Bank director of consumer card products.

Bluefin Payment Systems Announces Growth Financing Led by Goldman Sachs Specialty Lending Group

12/15/14 Virtual-Strategy Magazine

Bluefin Payment Systems announced that Goldman Sachs Specialty Lending Group led a debt and equity growth financing in the company, joining existing investors Financial Partners, which is the private equity group for Napier Park Global Capital, and Camden Partners. "Bluefin Payment Systems is emerging as a leader in payment security solutions," said Manu Rana, Partner at Financial Partners, the company's largest

shareholder.

Time Inc. Partners with Coinbase to Accept Bitcoin

12/16/14 Coinbase

Time Inc., one of the world's leading media companies, announced today that it is now accepting bitcoin through an integration with Coinbase. Consumers can now pay for digital and print subscriptions of Fortune, Health, This Old House and print subscriptions of Travel + Leisure using bitcoin.

CyberSource and Chargeback.com Form Strategic Partnership

12/17/14 The Green Sheet

CyberSource has partnered with Chargeback.com, an expert in chargeback representation, to bring its clients a solution to the multi-billion dollar problem of chargebacks. "We were impressed with the quality and performance of Chargeback.com and believed they would be the best company to partner with to deliver outstanding value to our clients", said Jeff Burke, SVP Business Development for Visa. Most merchants don't have the time or expertise to deal with the growing problem that chargebacks represent.

Royal Bank of Canada Adds HCE to Mobile App

12/18/14 Finextra

Royal Bank of Canada has implemented Host Card Emulation for its mobile banking app, enabling customers to pay with most Android mobile phones without worrying about being on the right mobile network or having the right SIM card. HCE is a cloud-based mechanism for hosting NFC applications outside the Secure Element that effectively removes the need for bank reliance on telcos in implementing mobile payments.

eBay Marketplaces' Chris Payne to Depart

12/18/14 eCommerce Bytes

Chris Payne, head of eBay Marketplaces North America, is leaving eBay, the company confirmed. "Christopher Payne, SVP for eBay North America, has decided to leave eBay to pursue a new business venture," Ryan Moore told EcommerceBytes. "A search for Christopher's successor is underway. We are grateful to Christopher for all of his many contributions over the years and look forward to following his ongoing success." Tech blog Re/Code broke the news of his pending departure on Wednesday.



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