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THE STRAWHECKER GROUP
The Trusted Advisor To The Payments Industry



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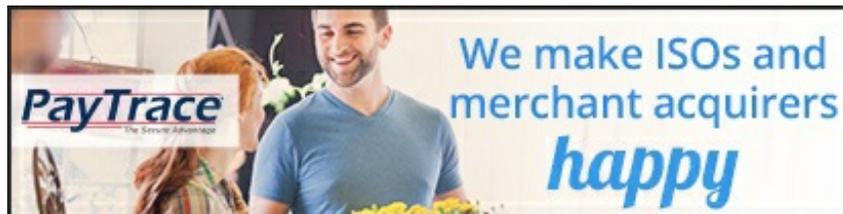
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Trending This Week...

The New Year is already starting to take shape for the Payments Industry.

This week, Merchant Warehouse announced a [rebranding as Cayan](#), in a move to represent a shift in the company's development.

ETA released another video called '[Payments Evolved](#)' illustrating the big changes coming from EMV and NFC.

Stripe continues to make strides as [Kickstarter has dropped Amazon Payments in favor of Stripe](#), in an effort to make the process easier for both creators and backers.

Other highlights include:

- [2014 Hack Retrospective, or Why Security Ecosystems Matter](#)
- [This Tiny Metal Coil has the Power to Change Mobile Payments and Become Bigger than Apple Pay](#)
- [TSYS Merchant Solutions Names Tom Boyer as President](#)
- [Bitcoin Exchange Reports Data Breach](#)

Featured

[2014 U.S. Payments Search Trends](#)

TSG Metrics

As a wrap-up to the year, The Strawhecker Group has put together a list of keywords, related to the Payments Industry, to illustrate how they

[Transaction Advisory](#)

[Acquisition Multiples & Attrition Summary](#)

[Merchant Aggregation](#)

[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[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: 1493

Columbus Mistakes Manatees for Mermaids

On this day in 1493, Italian explorer Christopher Columbus, sailing near the Dominican Republic, sees three "mermaids"—in reality manatees—and describes them as "not half as beautiful as they are painted." Six months earlier, Columbus (1451-1506) set off from Spain across the Atlantic Ocean with the Nina, Pinta and Santa Maria, hoping to

have traveled using Google since the beginning of 2014. Specific 'related search words' have been removed from keywords to ensure a better estimate of trends related to the Payments Industry.

Bitcoin saw the highest mark, as it spiked to the highest point at the end of February when Mt. ox went offline, however it has since dropped significantly through the rest of the year. As expected, Apple Pay jumped up after the initial announcement in September, and again in October when it went live for consumer usage.

[Click here to see more.](#)

Merchant Warehouse Rebrands as Cayan in a Move to Represent a Shift in the Company's Development

1/07/15 *BetaBoston*

Merchant Warehouse, a Boston-based company specializing in payment technology and services, is rebranding as Cayan. It's a move tied to the expansion of its online payment and point-of-sale, or POS, software systems and devices. It's a move that's tied to the expansion of its cloud payment technologies which work with point-of-sale (POS) systems and devices. "Over time, the industry evolved and the company evolved," Helgeson said. "Over the past eight years, we began to look more like a technology company, and in the last 24 months, we've become a product and technology company more than anything else."

Why Americans' Relationship with Credit Cards Has Changed Forever

1/07/15 *BankThink*

Five years ago, a major U.S. credit card issuer invited me to participate in a panel discussion on the state of the U.S. cards business. My contribution was to tell the assembled executives that the U.S. consumer had done a 180, and that this change would last forever. The average consumer had either lost her job or house during the worst of the great recession, or else knew somebody who did—and this had scared the living daylights out of her. Borrowing patterns would be altered permanently.

ETA Releases Payments Evolved Video

1/05/15 *ETA*

For most Americans, the 1.2 billion cards we carry in our wallets haven't changed much over the years. But big changes are coming—EMV and NFC will soon bring increased security and ease of use to consumers.



Why New Credit Cards May Fall Short on Fraud Control

1/05/15 *The Wall Street Journal*

find a western trade route to Asia. Instead, his voyage, the first of four he would make, led him to the Americas, or "New World."

Mermaids, mythical half-female, half-fish creatures, have existed in seafaring cultures at least since the time of the ancient Greeks. Typically depicted as having a woman's head and torso, a fishtail instead of legs and holding a mirror and comb, mermaids live in the ocean and, according to some legends, can take on a human shape and marry mortal men. Mermaids are closely linked to sirens, another folkloric figure, part-woman, part-bird, who live on islands and sing seductive songs to lure sailors to their deaths. [Click here to read more.](#)

May require subscription: Big U.S. banks are steering clear of an advanced security measure used in credit cards around the world, opting for a system that is more convenient for shoppers but may leave them vulnerable to fraud. This year, firms ranging from J.P. Morgan Chase & Co. to Discover Financial Services Inc. are expected to roll out more than a half-billion new credit cards embedded with computer chips that create a unique code for each transaction, making counterfeiting much more difficult.

2014 Hack Retrospective, Or Why Security Ecosystems Matter + Infographic

1/08/15 TechCrunch

The "Year of the Hack" will probably be one way that 2014 will be remembered. But it actually began in 2013 with a phishing email sent to independent, mid-sized air conditioning vendor Fazio Mechanical. 2014 hacks kicked into high gear with the resignation of the CEO at one of the nation's largest and most recognizable retailers - Target. It then steadily progressed to see similar attacks on other major retailers like Neiman Marcus and Home Depot, and even financial institutions like Chase and J.P. Morgan. It finally exploded in November with a monstrous cyber assault against a major entertainment brand, Sony, drawing concern by the private-sector and the ire of our own government.

Banks Must Up Digital Game to Win Over Millennials

1/08/15 Finextra

Banks need to offer more than basic transactional online and mobile services if they want to win over millennials being tempted by more nuanced, personalised services from new fintech disruptors, warns a report from BBVA Compass.

IBM Study: Number of Cyber Attacks on Retailers Drops by Half; Criminals Still Stole Over 61 Million Customer Records in 2014

1/05/15 IBM

According to findings released by IBM, despite an 50 percent decline in the number of cyber attacks against U.S. retailers, the number of records stolen from them remains at near record highs. IBM researchers report that in 2014, cyber attackers still managed to steal more than 61 million records from retailers despite the decline in attacks, demonstrating cyber criminal's increasing sophistication and efficiency. Contrary to what most would expect, the majority of cyber attackers scaled back their hacking efforts around Black Friday and Cyber Monday in 2014 rather than capitalize from the massive spike in retail spending.



Mobile Payments & Bitcoin

Kickstarter Ditches Amazon Payments for Stripe

1/06/15 Wired

Kickstarter says it wants to make things a lot easier for artists and inventors to use its crowdfunding site-and it's doing so by dropping Amazon Payments in favor of a payments service from Silicon Valley startup Stripe. On Tuesday, with a blog post, Kickstarter announced that

Stripe would handle all credit card transactions on the site, saying the move should make things simpler for both creators, who no longer have to create an Amazon Payments business account and wait for approval, and backers, who can pledge money to a project they're interested in with fewer steps.

This Tiny Metal Coil Has The Power To Change Mobile Payments And Become Bigger Than Apple Pay

1/06/15 Business Insider

The metal coil shown here doesn't look like much. Just some looped copper. But if you run an alternating current through it, the coil will produce a magnetic field. And if you create the right kind of magnetic field, the coil can communicate with a standard credit card reader. That's how LoopPay works. LoopPay is a mobile payments startup that lets you load your credit cards into an accessory, like a smartphone case or dongle, and make payments just by tapping it against a standard magnetic credit card reader.

PayPal Now on All Major Mobile Platforms with Launch of PayPal App for BlackBerry®

1/07/15 PayPal

For many of us, choosing the mobile device that works best is not black or white. There are specific things we need our smartphones to do for us - it could be based on our location, our daily job responsibilities or certain functionality that will make our lives easier. And, IDC even predicted that there would be 1.4 billion shipments of smartphones worldwide in 2015, so it's safe to say we're not all using the same smartphones.

Square Cash Puts Touch ID To Use (Finally)

1/07/15 PYMNTS

Square Cash is taking advantage of Apple's new Touch ID feature to catch up with the competition. The mobile payment app, owned by Square, now allows users to authenticate their money transfers with their fingerprint in its latest app update, a feature reports say is long overdue. Top Square Cash rival Venmo, owned by PayPal, introduced its own Touch ID security feature last November after Apple introduced the security option, which can be used to unlock an iPhone or authorize payments in the app store.

Regulation & Security

Bitcoin Exchange Reports Data Breach

1/06/15 Bank Info Security

European Bitcoin exchange Bitstamp has temporarily suspended its services after some of its operational wallets were compromised on Jan. 4, resulting in the theft of 19,000 Bitcoins, worth more than \$5 million. The news comes after last year's shuttering of Mt.Gox - then one of the world's biggest Bitcoin exchanges - which was taken abruptly offline in February 2014, raising concerns about the viability of the online virtual currency.

Unsettling Truths, Unanswered Questions in Morgan Stanley Breach

1/07/15 American Banker

The leak of client records at Morgan Stanley illustrates the danger posed when just one employee has unauthorized or unsecured access to sensitive information, as well as the ongoing threat to financial

institutions from insider theft. The investment bank said this week that a rogue employee stole account records for 350,000 of its wealth management clients and posted 900 of those records online. The bank has answered some questions about the case, but others remain open.

Credit Cards Among Data Possibly Accessed in AMResorts Breach

1/07/15 SC Magazine

An undisclosed number of individuals who used their credit cards to book reservations through the website of hotel management company AMResorts may have had their personal information compromised. An investigation is ongoing. Processes were changed so that access to credit card information is no longer possible. All potentially impacted individuals are being notified, and offered a free year of identity protection services.

Return Fraud Rises This Holiday Season

1/07/15 FierceRetailIT

Retailers estimate that they will lose \$3.8 billion to return fraud for the 2014 holiday season, up from last year's \$3.4 billion estimate, according to a recent National Retail Federation (NRF) survey. Retailers also estimated that 5.5 percent of all holiday returns are fraudulent, similar to last year's 5.8 percent. "Today's sophisticated technology does well keeping criminals at arm's length but often isn't enough to completely stop the unethical practices of organized and individual retail fraud occurrences."

Xoom Says \$30.8M Transferred Fraudulently to Overseas Accounts

1/06/15 CNBC

Money transfer company Xoom said \$30.8 million was fraudulently transferred to overseas accounts, sending its shares down as much as 17 percent in extended trading. The company also said Matt Hibbard resigned as chief financial officer effective immediately. Hibbard took over from Ryno Blignaut just last month. Blignaut will be the acting CFO and chief risk officer, Xoom said in a filing on Monday.



Economy

U.S. Economy Added 252,000 Jobs in December; Jobless Rate at 5.6%

1/09/15 The New York Times

Capping the best year for the job market since the recession began eight years ago, employers added 252,000 jobs in December, the Labor Department reported Friday, and unemployment fell to 5.6 percent. The unemployment rate was last that low in June 2008. The number of new people put on payrolls last month was above what economists had forecast, consistent with the view that recovery is finally gaining traction after years of only modest growth. In addition, the number of jobs created in November was revised upward to 353,000, from 321,000. That month, the unemployment rate was 5.8 percent.

Five Surprising Economic Trends in 2014, and What They Mean for 2015

1/05/15 The Upshot

It was a confounding year in global financial markets. Not because it was a disaster for most investors; American stocks and bonds both rose in value. It was confounding because of some major moves that defied expert consensus this time a year ago - not only what was predicted, but what was even thought plausible. But by understanding what the biggest market moves were, you can also understand the forces that will shape the global economy in 2015.

Holiday Web Sales Beat Forecast

1/07/15 Internet Retailer

The firm, which measures the online activity of consumers, says web sales increased nearly 15% in November and December over the same two months in 2013. E-retail sales for the two months, just counting purchases made on computers, totaled \$53.305 billion, up from \$46.546 billion a year earlier. ComScore had predicted in November a 14% increase in sales on desktops.

Newtek CEO on the State of Small Business [Video]

1/02/15 Newtek

Barry Sloane, President and CEO, Newtek Business Services joins BNN's the Street for a look at if small businesses are poised to rebound in 2015 in the United States.

Payments Press

TSYS Merchant Solutions Names Tom Boyer as President

1/05/15 TSYS

TSYS® announced that Thomas Boyer, a senior executive with more than 15 years of business development experience in the acquiring industry, has been named president of TSYS Merchant Solutions, its direct acquiring business unit. Boyer will report to Mark Pyke, president of TSYS's Merchant Services segment, and will manage all aspects of direct-to-merchant sales, operations and customer support for TSYS Merchant Solutions' small business and national accounts portfolio.

BluePay Acquires CDI Technology Corp., An Integrated E-Commerce Solution Provider for ERP Systems

1/05/15 BluePay

Chicago-based B2B payments provider, BluePay, is pleased to announce the acquisition of CDI Technology Corp., a B2B and B2C e-commerce and payment systems integrator with over 20 years of experience, headquartered in Lombard, Illinois. CDI provides state-of-the-art e-commerce software and payment solutions within ERP systems, such as Oracle JD Edwards and SAP.

Exclusive: Jerry Jones Opens Dallas Cowboys-Affiliated Payment Company

1/05/15 Dallas Business Journal

Dallas Cowboys owner Jerry Jones and the rest of the Jones family is opening up a new affiliated company of the Dallas Cowboys called Blue Star Payment Solutions in partnership with Bank of America Merchant Services. Jones' nephew, Jerry Mooty, will serve as president of the North Texas-based venture, which initially will pursue merchant businesses using payment processing technology - or credit card processing - in Texas. "For

a long period of time, the merchant services space been an unbranded place with blank names," Mooty told the Dallas Business Journal in an exclusive interview.

New Bank Could Save the Pot Industry

1/02/15 CNN Money

Kristi Kelly owns legal marijuana stores in Colorado called Good Meds and has lost 23 bank accounts in five years. Even though medical marijuana is legal in Colorado and 22 other states, it's still illegal on the federal level. And that means banks generally don't want anything to do with pot shops.

Global Payments Boosts 2015 Outlook As Q2 Results Top Estimate

1/08/15 Nasdaq

Payment solutions provider Global Payments, Inc reported a profit for the second quarter that edged up from last year, reflecting revenue growth across most of its operating regions. Both cash earnings per share and quarterly revenues topped analysts' expectations. The company also raised earnings and revenue guidance for the full-year 2015, citing year-to-date performance and the beneficial impact of acquisitions.

Shift4 Delivers EMV Functionality Layered with Tokenization and Encryption to Prevent Breaches

1/08/15 PR Newswire

The credit card brands have set October 2015 as the goal date for U.S. merchants to have EMV technology in place. Retailers who delay past this date may be made financially liable for credit card fraud committed in their stores. As this date draws closer, businesses risk focusing too much on this single security tool that will do little to prevent breaches like those the industry has suffered over the past 18 months.

Bluefin Payment Systems Introduces PCI-Validated Point-to-Point Encryption (P2PE) Solution for Mobile Payments

1/06/15 BusinessWire

Bluefin Payment Systems, the leading provider of secure payment technology for enterprises, financial institutions and small to medium-sized businesses, announced today that its PayConex PCI-validated Point-to-Point Encryption (P2PE) Solution is now certified for Mobile Payments. Bluefin's Mobile P2PE Solution becomes the first North American mobile solution to receive PCI validation.

BMW Enlists MasterCard for Contactless Card to Access Car-Sharing Service

1/07/15 Finextra

BMW has teamed up with MasterCard on a contactless credit card that can be used to pay for, unlock and operate a vehicle from the DriveNow car-sharing fleet. Run by BMW with Sixt, DriveNow has a fleet of more than 2800 BMW and Mini vehicles and 35000 users in cities in the US, UK, Germany and Austria.

Commerce Bank Introduces toggle®: A New Feature that Gives Credit Card Customers More Control & Flexibility

1/08/15 HeraldOnline

Commerce Bank is introducing toggle®, an industry first innovative set of payment features that improves the way customers can manage their spending and borrowing. toggle® allows consumers greater personal control of their finances with free tools that let them manage both their

everyday spending and larger purchases all on one card.

Creditcall Launches ChipDNA Lite to Expedite EMV Migration

1/08/15 CreditCall

Creditcall, the EMV-ready payment gateway provider and EMV Migration specialist, announced the launch of ChipDNA Lite. This new offering provides developers, ISVs and VARs with a free preview version of Creditcall's ChipDNA SDK which allows instant evaluation of the solution for their EMV Migration projects without the requirement of any hardware investment such as PINpads or test cards.

VocaOne Launches vocaPass Biometric-based Account Authentication Service

1/06/15 Finextra

vocaONE, a premier voice biometric service provider, is set to offer vocaPASS, a voice biometric-based, free account authentication service. vocaPASS is designed to appeal to security-sensitive account services, such as online subscription services, social networking services, ecommerce websites, mobile apps, network gateways, and other high-impact data services such as clouds, online backup services and domain name registrars.



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