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 Payments Experts. Powerful Data.  
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## Highlights This Week...

- [Visa Moves at the Speed of Money](#)
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  - [Time is Running Out - Are You Educated?](#)
- [Sally Beauty Card Breach, Part Deux?](#)
- [FirstData Reports First Quarter 2015 Financial Results](#)

## Key Insights Into the Visa/MasterCard Bank Sponsorship Market

This week TSG released a new eReport titled **U.S. Sponsor Bank Market Overview**. This report helps current sponsor banks understand the market and optimize their acquiring sponsorship program. Banks that are considering creating their own sponsorship program will also find this report to be an excellent starting point. Merchant acquirers will find value in this report as they evaluate their current sponsor relationships.

See the content preview [here](#) and order [here](#).

## Featured

### [Visa Moves At The Speed Of Money](#)

5/06/15 Forbes

Sitting inconspicuously among the Pentagon contractors and trade

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[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: 1945** **V-E Day is Celebrated in American and Britain**

On this day in 1945, both Great Britain and the United States celebrate Victory in Europe Day. Cities in both nations, as well as formerly occupied cities in Western Europe, put out flags and banners, rejoicing in the defeat of the Nazi war machine.

The eighth of May spelled the day when German

associations in a western suburb of Washington, D.C. is a low-slung building protected by landscaped berms and a fence topped by razor wire. The exterior walls are a patchwork of whites, grays and greens to confuse passersby trying to judge its size from a distance. A 24-foot-deep moat provides a last line of defense against anybody trying to crash a vehicle through its walls. But while this fortress could easily pass as an outpost of some shadowy three-letter spy agency, it's actually home to something far more mundane-and far more powerful. This is the nerve center of Visa, the global credit card company.

## **Winklevoss Twins Eat, Sleep, Breathe Bitcoin**

*5/06/15 TechCrunch*

The twin Harvard graduates of Facebook fame Cameron and Tyler Winklevoss just took the stage at Disrupt NY to update everyone on their recent bitcoin projects. As a reminder, the twins have recently launched an exchange traded fund (ETF) under the symbol 'COIN' so that old-school traders can trade bitcoins on the NASDAQ OMX. The two brothers also recently announced a new bitcoin exchange called Gemini. They want to build a fully regulated and fully compliant U.S.-based exchange.

## **PayPal Co-Founder Raises \$275M to Reinvent Credit**

*5/06/15 Fortune*

Banks and financial institutions have not created products that serve younger generations in the most efficient way, according to Max Levchin, the co-founder of eBay-owned payments giant PayPal. It's a major opportunity for startups that seek to rethink financial technology-one Levchin hopes to leverage with his own, Affirm. The young company has tasked itself with rethinking the way people-particularly millennials-borrow money, allowing them to obtain a micro-loan at a point of sale instead of using a credit card. The difference? Affirm charges an upfront fee for the service.

## **EMVCo Reports 3.4Billion EMV Chip Payment Cards in Global Circulation**

*5/06/15 CU Insight*

Official figures for Q4 2014 released by the global technical body EMVCo show that significant advances are being made globally in the adoption of EMV® chip technology. By the end of last year, the number of EMV payment cards in circulation rose by 1 billion, up 43%, to 3.4 billion, from 2.37 billion in Q4 2013. According to the latest statistics from EMVCo's members - American Express, Discover, JCB, MasterCard, UnionPay and Visa - as reported by their members globally, EMV chip card adoption rates had increased in every region worldwide by the end of 2014.

## **Why Bitcoin Could Be Much More Than a Currency**

*5/08/15 MIT Technology Review*

Boosters of Bitcoin commonly call the digital currency the future of money. But even if it doesn't turn out to be, a growing group of investors and entrepreneurs is convinced that the idea at the center of Bitcoin could revolutionize industries that rely on digital record keeping. It might replace conventional methods of keeping track of valuable information like contracts, intellectual-property rights, and even online voting results. Bitcoin's real promise, they say, is not the currency.

## **Home Depot Aiming to Put Apple Pay in Its 2,000 Stores**

*5/06/15 Bloomberg*

Home Depot Inc. has the goal of offering Apple Inc.'s mobile-payment platform at its more than 2,000 stores, which would make it the largest

troops throughout Europe finally laid down their arms: In Prague, Germans surrendered to their Soviet antagonists, after the latter had lost more than 8,000 soldiers, and the Germans considerably more; in Copenhagen and Oslo; at Karlshorst, near Berlin; in northern Latvia; on the Channel Island of Sark-the German surrender was realized in a final cease-fire. More surrender documents were signed in Berlin and in eastern Germany.

The main concern of many German soldiers was to elude the grasp of Soviet forces, to keep from being taken prisoner. About 1 million Germans attempted a mass exodus to the West when the fighting in Czechoslovakia ended, but were stopped by the Russians and taken captive. The Russians took approximately 2 million prisoners in the period just before and after the German surrender.

[Click here to read more.](#)

retailer yet to accept Apple Pay. "It's something we'd like to do," Steve Holmes, a spokesman for Atlanta-based Home Depot, said on Tuesday. However, a deal with Apple isn't in place, so the plan isn't final, he said. The chain, which currently accepts PayPal, also may add other kinds of mobile payment, he said.

## [Danish Shops to be Given Right to Refuse Cash](#)

*5/06/15 Finextra*

Denmark's government is planning to help usher in the long-awaited cashless society by giving restaurants and some shops the option to refuse notes and coins. As part of a pre-election package of economic measures put forward by the government, from the beginning of next year selected retailers, including restaurants, clothing stores and gas stations, would no longer have to abide by a rule forcing them to accept cash.



## [Mobile Payments & Bitcoin](#)

### [Square Hires Amazon Executive Who Helped Launch Amazon's Square Competitor](#)

*5/06/15 Recode*

Just a few months ago, Mary Kay Bowman was leading a new Amazon product that hoped to challenge Square's core payments business. Now, Bowman is on the other side - she has recently taken a top role at Square, according to an update to her LinkedIn bio. At Square, Bowman will serve as the company's head of payments partnerships and operations, a Square spokeswoman confirmed. She'll create partnerships to help Square expand globally and help to create new payments products for merchants.

### [Over 27% of Global Payments are Made on Mobile Devices](#)

*5/07/15 MultiChannel Merchant*

Online payments made using mobile devices continues to rise globally now accounting for 27.2% of the total online payments made in the first quarter of 2015, according to Adyen's most-recent quarterly Mobile Payments Index. That's up from 25.8% on the traditionally high online spending period of the fourth quarter and up a massive 39% on the corresponding period last year.

### [With Ripple's Settlement, the Feds Send a Message to Cryptocurrency Providers](#)

*5/06/15 Digital Transactions*

The federal government sent a message Tuesday that the new virtual-currency providers are subject to the same regulations as long-established money-transfer firms when it announced that Ripple Labs Inc. would pay a \$700,000 civil penalty and take remedial actions in lieu of criminal prosecution. The announcements came from the U.S. Attorney's office in San Francisco and the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCen).

### [MCX's Four Fatal Flaws And What Payments Innovators Can Learn From Them](#)

5/04/15 PYMNTS

MCX's founding members were asked to sign exclusive contracts in 2012 barring them from accepting any other mobile payments scheme in their stores. I'd be willing to bet my beloved Border Collie, Annie, that when they agreed to that pact, none of them thought that, nearly 3 years later, they'd still be waiting for MCX to launch. Multiple mobile payments scheme launches and merchant breaches later over that same time period, MCX has created the ultimate no-win situation for its member merchants.

### NFC Based Mobile Payments Tipped for 2015 Take-Off

5/04/15 *WhaTech*

Deloitte is tipping more than a tenfold increase in the number of smartphones being used to make contactless payments: from just 0.5 percent of NFC-equipped mobile phones in 2014 to five percent of global population of some 650 million NFC capable smartphones by the end of 2015.

### Kohl's Rolls Out Buy Online, Pick Up In-Store Service to All Stores

5/07/15 *CSA*

Kohl's Corp. has rolled out a buy online, pick-up in store service to all Kohl's stores nationwide, allowing customers to pick up their orders within hours at their local Kohl's store. The retailer piloted the service at more than 100 Kohl's stores in 2014. Based on its success, Kohl's is now offering it across all 1,164 locations.

### NY Grants First Banking License to Bitcoin Exchange itBit

5/07/15 *CNBC*

A New York City-based bitcoin exchange itBit has become the first to receive a charter under New York laws. ItBit is a commercial exchange that trades the virtual currency. Thursday's announcement makes it the first company to receive a charter from the New York State Department of Financial Services (NYDFS).

### Apple Pay Lands 22 Credit Unions

5/06/15 *Credit Union Times*

Apple announced 24 new participating Apple Pay issuers, including 22 credit unions. More than 155 credit unions out of less than 250 issuers offer the service. For the next version, Apple Pay 2.0, reports indicate that the Apple Pay software will fine-tune the platform, to include new features such as browser based payment methods and will enable users to pay through international merchants.



## Regulation & Security

### Sally Beauty Card Breach, Part Deux?

5/04/15 *KrebsOnSecurity*

For the second time in a year, nationwide beauty products chain Sally Beauty Holdings Inc. says it is investigating reports of unusual credit and

debit card activity at some of its U.S. stores. Last week, KrebsOnSecurity began hearing from multiple financial institutions about a pattern of fraudulent charges on cards that were all recently used at Sally Beauty locations in various states.

### **New Payments Security Task Force Survey Notes Accelerated Move Toward More Secure Technology**

*5/04/15 BusinessWire*

The Payments Security Task Force (PST) today provided an update on financial institutions' plans to issue chip-enabled credit and debit cards in the U.S., strengthening forecasts originally issued in August 2014. Eight financial institutions, representing approximately 50 percent of the total U.S. payment card volume, estimate that 63 percent of their credit and debit cards will contain EMV chips by the end of this year, expanding to 98 percent by the end of 2017.

### **Payments Industry Moves to Speed Chip Card Acceptance**

*5/04/15 Vantiv*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, played an integral role in creating the U.S. EMV VAR Qualification Program. The program combines a chip education component with an accreditation program to streamline and simplify the testing and certification process for Value Added Resellers (VARs) and Independent Software Vendors (ISVs).

### **Don't Buy the Spin: Operation Choke Point Targets Legal Businesses**

*5/04/15 BankThink*

All Americans, entrepreneurs and small businesses across our great country come from very different walks of life. They have taken great risks and share a common dream to start a company that can one day become profitable and provide for their families. While businesses face incredible hurdles before they succeed, the ones that do survive provide the foundation for our local communities. Unfortunately, the most alarming hurdle facing businesses today is a Department of Justice initiative known as Operation Choke Point.



## **Economy**

### **Visa Analysis Shows Retail Spending Up in April Across Most Major Categories**

*5/07/15 Visa*

Visa announced today that Americans modestly increased their spending in April, with growth across most major purchase categories, according to Visa's Retail Spending Monitor (RSM), a quarterly report that tracks retail spending patterns based on real-time purchase data. Retail spending in April was up 4.5 percent from the prior year, excluding automobile and gasoline purchases. Amid a strengthening housing market and renewed confidence in the economy, Americans continue to open their wallets for restaurant meals, hotel stays, household goods like appliances and furniture, and other more day-to-day needs.

## It Now Looks as if the Economy Shrank in the First Quarter

5/05/15 *TheUpshot*

Last fall when the dollar was soaring on global currency markets, it seemed only a matter of time before it started to increase the United States trade deficit and dampen growth. The time has come. In March, the trade deficit widened by \$15.5 billion to \$51.4 billion. That was influenced by the end of a West Coast ports disruption that fueled a surge in imports (which subtracts from economic growth), but even for the full first three months of the year, the nation's trade deficit is more than 5 percent higher than a year before.

## U.S. Consumer Borrowing Expanded by \$20.5B in March

5/07/15 *U.S. News*

Consumers increased their borrowing in March by the largest amount in nearly a year as borrowing on credit cards rebounded following two months of declines. Consumer borrowing expanded by \$20.5 billion in March to a fresh record of \$3.36 trillion, the Federal Reserve reported Thursday. It was the largest increase since April 2014.

## U.S. Economy Added 223,000 Jobs in April; Unemployment Rate at 5.4%

5/08/15 *The New York Times*

The American job market rebounded in April, the government said Friday, as employers added 223,000 positions and the unemployment rate decreased to 5.4 percent. The figures from the Labor Department should alleviate worries that the economy was on the brink of another stall. Other recent reports have revealed a disappointing start to 2015, including new numbers out this week suggesting that the economy might have actually shrunk in the first quarter.

## Payments Press



TSG recently released an eReport to explain what EMV is, who is impacted by the EMV migration, and how the shift to EMV will impact the payments environment. This eReport cites over 200 sources providing 86-pages of in-depth content to help your company prepare for EMV before it's too late.

See the content preview [here](#) and order [here](#).

## Payment Players Strike Gold in Financing Small Businesses

5/07/15 *Silicon Valley Business Journal*

Payment companies, including PayPal and Square, are finding it quite lucrative to leverage the data they collect on client's sales and related information to extend financing to small businesses. PayPal Working Capital - a unit of eBay's PayPal, which is the process of splitting from the online auctioneer - said Thursday that it has provided \$500 million in

business loans to more than 40,000 businesses globally.

### **MasterCard Supports U.S. Small Businesses Making Big Shifts to Chip Cards**

*5/05/15 MasterCard*

MasterCard announced a new campaign to help the approximately nine million U.S. small businesses already engaged in electronic payments prepare for EMV or chip card technology. Called Chip 360, the program aims to communicate actionable information, educate on steps to take and advocate why the change is needed to protect cardholders.

### **Amex Offers New Rewards Program, No Amex Card Required**

*5/05/15 CNN Money*

American Express launched its new loyalty program on Monday with an interesting twist - you don't have to have an American Express to earn points. The rewards program, known as Plenti, allows consumers to accumulate points at a long lineup of businesses, no matter what form of payment they use. Partners include AT&T, Exxon Mobil, Hulu, Nationwide Insurance, Macy's and Rite-Aid. The only requirement to sign up for the program is that the consumer must be at least 13 years old and reside in the United States.

### **First Data Reports First Quarter 2015 Financial Results**

*5/04/15 First Data*

First Data Corporation reported financial results for the first quarter ended March 31, 2015. Consolidated revenue for the first quarter was \$2.7 billion, up 2% versus the prior year period. Adjusted revenue, modified for items such as the exclusion of pass-through debit network fees and postage, was up 2% versus the prior year period to \$1.7 billion or 5% excluding currency impacts, compared to 4% for full year 2014.

### **First Data's Cost-Cutting Plan Expected to Have Minimal Impact in Omaha**

*5/06/15 OWH*

The local impact of layoffs tied to a newly announced cost-cutting plan at First Data Corp. will be minimal and Omaha could benefit as the company begins closing smaller facilities in the U.S. and abroad. The plan, which will include "a few thousand" layoffs, is expected to take shape in the coming months and was announced along with improved quarterly earnings Monday.

### **Visa Expands UK Mobile Payments Service**

*5/05/15 FT*

Visa Europe is expanding its so-called "digital wallet" service to make online shopping easier for thousands of people in the UK as the shift towards mobile payments gathers pace. The card provider has formed partnerships with a number of the largest high street banks while some of the biggest retailers in the country, such as Topshop, Iceland and Costco, have signed up to Visa's digital payments service V.me. Consumers will be able to use the service from June.

### **Western Union Denies It's in Talks to Acquire MoneyGram**

*5/06/15 ISO & Agent*

Western Union Co. said it's not in talks to acquire smaller rival MoneyGram International Inc. "In view of the high level of market activity in our stock today, Western Union states that current news reports

indicating that our company is in discussions to acquire MoneyGram International Inc. are not accurate," the company said in a statement Wednesday.

### **FIS Reinvents Banking Access in India, One 'e-Lobby' at a Time**

*5/04/15 FIS*

Karnataka Bank Limited, a major, privately owned bank based in southwestern India, will expand 24x7 transaction banking access to its customers with its new "e-lobby" services, supported through a multi-year ATM outsourcing agreement with FIS™, a global leader in banking and payments technology as well as consulting and outsourcing solutions.

### **BBVA Restructures to Achieve 'Digital Transformation'**

*5/05/15 Finextra*

BBVA has named digital banking head Carlos Torres Vila as president & COO and charged him with responsibility for leading a fresh management team for which technology transformation is identified as the bank's "main strategic priority".

### **Newtek Business Services Corp. Forms Partnership with Lending Club**

*5/06/15 Benzinga*

Newtek Business Services Corp., an internally managed business development company ("BDC"), today announced that it has entered into an exclusive partnership with Lending Club. This partnership will allow Newtek to expand its lending product menu and offer business loans to its customer base through the Lending Club platform. Lending Club is the world's largest online marketplace connecting borrowers and investors with a lending platform that has facilitated loans totaling over \$9.3 billion since its inception in 2007.

### **NCR Modernizes Payments Infrastructure with Launch of Latest Version of Authentic**

*5/07/15 NCR*

NCR Corporation, the global leader in consumer transaction technologies, announced today that it has launched the latest version of Authentic, its transaction processing solution from Alaric, an NCR business. Authentic is a high-performance EFT authorization and routing system, which can handle transactions from all channels across the enterprise from ATM and POS to ecommerce and mobile.

### **Evertec Names Goldvarg as President for Latin America**

*5/06/15 The Green Sheet*

EVERTEC, Inc. announced the appointment of Mariana Lischner Goldvarg as EVERTEC's President for Latin America. Mrs. Lischner Goldvarg will report to Mac Schuessler, the Company's President and Chief Executive Officer, and will be responsible for managing EVERTEC's Latin American operations.

### **BlueSnap Granted EU Payment Institution License by the UK Financial Conduct Authority**

*5/06/15 PR Newswire*

Global payment gateway BlueSnap, one of the leading international payment solutions providers for the card-not-present marketplace, announced today that it has been granted a license by the UK Financial Conduct Authority (FCA) as a Payment Institution under the Payment

Services Directive. The PSD provides for licensing of payment institutions and requirements regarding payment services.

### **TouchSuite Continues to Expand its Team with Three New Senior-Level Appointments**

*5/06/15 PR Web*

Leading U.S. financial technology company TouchSuite continues to expand its team to support its growing portfolio of industry innovation and new-to-market tools. The three new senior level team members will oversee various aspects of sales, marketing and business development for the award-winning business and payment technology company.

### **Cornèr Bank Ltd. Announces Plan to Acquire Diners Club Italia and Dinit from Discover Financial Services**

*5/06/15 Discover*

Diners Club International Ltd., a subsidiary of Discover Financial Services, and Cornèr Bank LTD have reached an agreement for Cornèr Bank to acquire Diners Club Italia S.r.l. and Dinit d.o.o. from Discover Financial Services. The transaction is contingent upon approval from the relevant supervisory authorities and is expected to be completed by the end of 2015.

### **WEX Inc. Introduces FlexCard, the New Revolving Fuel Card for Small Businesses**

*5/06/15 EON*

WEX Inc., a leading provider of corporate payment solutions, announced the launch of the WEX FlexCard, its first revolving payment fleet fuel card for small businesses. WEX FlexCard was designed to help small businesses save time and money on fuel and vehicle services, two of their biggest expenses. The card provides small businesses with revolving credit, wide acceptance and smart management tools.

### **How Mobile Is Bringing Drive-Thru Banking Up to Speed**

*5/07/15 American Banker*

Drive-up banking seems out of place in today's high-tech world, conjuring up images of customers tossing driver's licenses, checks and deposit slips into pneumatic tubes that blast off to distant tellers. Yet drive-up banking remains popular with consumers across the U.S. who line up in their cars, perhaps unable to turn off that latest pop tune or unwilling to unstrap young children and lug them into the branch.



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