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THE STRAWHECKER GROUP



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Trending this week...

Sally Beauty confirmed this week that an [illegal intrusion into their payment card system had occurred](#). The scope of the breach is unknown at this time, however Sally Beauty was also breached back in March of last year, which affected 25,000 records.

In other security news, Starbucks acknowledged this week that criminals have been breaking into customer reward accounts and [draining bank accounts](#) by adding a new gift card, transferring funds over, and repeating the processing every time the original card reloads.

In other news, as PayPal and eBay inch closer to their third quarter split, [PayPal announced](#) this week that they will again be publicly traded on NASDAQ with their original stock ticker symbol - PYPL.

Other Highlights Include:

- [Jason Oxman Testifies Before Congress on Data Security](#)
- [Square Raises More Money to Make Small Business Loans](#)
- [Judge Denies Banks' Motion to Block MasterCard, Target Breach Settlement](#)
- [Security vs Convenience in Payments: Can We Really Have it Both Ways?](#)

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This Day

in History: 1937

Madeleine Albright is Born

On this day in 1937, Madeleine Albright, America's first female

Key Insights Into the Visa/MasterCard Bank Sponsorship Market

TSG has 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

TSG Senior Associate, Chuck Fillinger, Keynotes at Retail IT - VAR of The Future

5/14/15 TSG

This week, TSG's **Chuck Fillinger** was the Keynote speaker at Retail IT - VAR of the Future conference hosted in Las Vegas by Business Solutions magazine - a premier source for IT VAR news, information, and education. Chuck spoke on Payments and EMV to a large group of professionals Wednesday afternoon - looking good Chuck!



Sally Beauty Confirms Second Breach

5/14/15 Bank Info Security

Sally Beauty Supply now says that it has "sufficient evidence to confirm that an illegal intrusion into our payment card system has indeed occurred." The news comes 10 days after Sally Beauty announced that it was investigating reports of "unusual" card activity that had been brought to its attention. In a May 14 statement about the intrusion, the retailer offers few details. "We will not speculate on the scope of the intrusion as our forensics investigation is still under way," says Chris Brickman, Sally Beauty's president and CEO, in the statement.

Related: [Deconstructing the 2014 Sally Beauty Breach](#)

Square Raises More Money to Make Small Business Loans

5/12/15 Fortune

Square, the Silicon Valley payments company, is expanding its lending efforts to small businesses. The company announced on Tuesday that Square Capital, its loan-making division, has raised an additional investment from previous backer, Chicago-based Victory Park Capital (which tripled its original investments) and new investor Colchis Capital. Square, co-founded by Twitter's Jack Dorsey, says that its Capital arm has

secretary of state, is born Maria Jana Korbelova in Prague, Czechoslovakia (now the Czech Republic).

The daughter of Czech diplomat Josef Korbel, Albright fled to England with her family after the Nazis occupied Czechoslovakia in 1939. Though Albright long believed they had fled for political reasons, she learned as an adult that her family was Jewish and that three of her grandparents had died in Nazi concentration camps. The family returned home after World War II ended but immigrated to the United States in 1948 after a Soviet-sponsored Communist coup seized power in Prague. Josef Korbel became dean of the school of international relations at the University of Denver (where he would later train another female secretary of state, Condoleezza Rice).

After graduating from Wellesley College in 1959, Albright married Joseph Medill Patterson Albright of the prominent Medill newspaper-publishing family. With an MA and PhD from Columbia University under her belt, Albright headed to Washington, D.C., where she worked for Maine's Senator Edmund S. Muskie and served on the National Security Council in the administration of President Jimmy Carter. She and Joseph Albright divorced in 1982. During the Republican presidencies of Ronald Reagan and George H.W. Bush, Albright worked for several nonprofit organizations and taught at Georgetown University's School of Foreign Service.

[Click here to read more.](#)

been growing at a fast clip. It has advanced more than \$100 million to more than 20,000 businesses over the past year.

Powering the Potential of PYPL

5/14/15 PayPal

I'm honored and thrilled that PayPal is returning to its roots as an independent company. In the second half of 2015 we'll once again be publicly traded on NASDAQ with our original stock ticker symbol PYPL. This is a meaningful symbol for the company because it represents our unbroken commitment to the spirit of the original vision that sparked the launch of PayPal 17 years ago. It's been a remarkable journey since then. And today, the potential to make money work better for people has never been greater.

Related: [eBay, PayPal Name Directors for Boards After Split](#)

Jason Oxman Testifies Before Congress on Data Security

5/14/15 ETA

ETA CEO Jason Oxman testified Thursday before the U.S. House of Representatives Committee on Financial Services hearing entitled, "Protecting Consumers: Financial Data Security in the Age of Computer Hackers."

"ETA member companies take seriously the obligation to protect the security of their customers' information." Jason Oxman, ETA CEO, said in his testimony. "Consumers in the United States choose electronic payments because they enjoy zero liability for fraud, making electronic payments the safest and most reliable way to pay.

Payments companies and their merchant customers are working tirelessly to deploy new security technology to ensure that consumer data is protected."



Hackers are Draining Bank Accounts Via the Starbucks App

5/13/15 CNN Money

Starbucks on Wednesday acknowledged that criminals have been breaking into individual customer rewards accounts. The Starbucks app lets you pay at checkout with your phone. It can also reload Starbucks gift cards by automatically drawing funds from your bank account, credit card or PayPal. That's how criminals are siphoning money away from victims. They break into a victim's Starbucks account online, add a new gift card, transfer funds over – and repeat the process every time the original card reloads.

Merchants Must Prep as PCI Rules Soon Get 'New Teeth'

5/14/15 ISO & Agent

The Payment Card Industry security standards council's PCI 3.0 revision, revealed in January, adds requirements that take effect at the end of June, putting unprepared merchants at risk of fines if they suffer a breach. The new rules require that merchants consistently monitor their network and communicate clearly with third-party security service providers about password management and system testing. With five new requirements taking hold soon, merchants may feel as if they need a scorecard to keep track of the PCI standards changes and upgrades.

A Day In The Life Of A Chief Innovation Officer

5/14/15 PYMNTS

Meet Michel Léger, EVP Innovation at Ingenico Group. Having 25 years of international experience in electronic payments under his belt, Léger is responsible for leading overall innovation, including long-term emerging payments initiatives, for Ingenico. What's it like to be in his C-suite shoes? To kickoff PYMNTS.com's new Commander In Chief Series, we spoke with Léger to get a quick glimpse into his mind and find out what advice he'd give other leaders looking to take on such a complex, dynamic industry.

Processors Contest CFPB Charges That They Improperly Aided Debt Collectors

5/12/15 *Digital Transactions*

Processors accused by the Consumer Financial Protection Bureau last month of aiding allegedly fraudulent debt collectors by providing them with payments services are beginning to file their answers to the federal charges. At least one of them is accusing the CFPB of "regulatory overreach" in the style of Operation Choke Point, a much-criticized federal initiative aimed at cutting off payment services to suspect merchants.



Mobile Payments & Bitcoin

Measuring Opportunities for Digital Payments in the Developing World

5/12/15 *Quartz*

On a recent visit to Dhaka, Bangladesh, I toured garment factories and spoke with factory workers about the financial challenges they face. In my conversations with female employees, I learned that although they own bank accounts, many don't use them for an important transaction: paying their children's school fees. Instead, these women pay in cash, costing them time and money. They take two long, expensive bus rides across town to the school. They take the day off from work, meaning a day without pay.

Distinction Between Online, Offline Blurs for Shoppers, But Not Retailers

5/14/15 *Mobile Commerce Daily*

Mobile's influence on bricks-and-mortar sales rose to 28 percent in 2014, up from 19 percent the prior year, but the divide is growing between the digital functionality retailers provide and the experience consumers want, with mobile particularly affected, according to a new report from Deloitte. A key takeaway from the report is that mobile use by shoppers continues to become more sophisticated, as evidenced by a drop in the use of mobile for price checking, suggesting shoppers are using mobile more for inspiration.

Apple in Talks With Alibaba to Partner on Mobile Payments in China

5/12/15 *TheStreet*

Apple is in talks to partner with Alibaba on mobile payments, according to Chinese news agency Xinhua. Apple CEO Tim Cook told Xinhua that the Cupertino, Calif.-based company is speaking to both Alibaba and Chinese banks to bring its mobile payment system to China. "We very much want to get Apple Pay in China," Cook told Xinhua.

Domino's To Roll Out Tweet-a-Pizza

5/14/15 USA Today

Ordering a pizza is about to get as simple as a tweet. Beginning May 20, Domino's, the pizza delivery behemoth, will roll out a "tweet-to-order" system for U.S. customers. Domino's will be the first major player in the restaurant industry to use Twitter on an ongoing basis to place and complete an order.

Walmart Taps Alipay to Bring Mobile Payments to 25 China Stores

5/13/15 CNET

The world of mobile payments in China keeps heating up. Walmart said Wednesday that it's teaming with Alipay, Alibaba's financial partner, to bring mobile payments to 25 Walmart-owned stores in Shenzhen. Customers at those stores can now make purchases using the Alipay Wallet app, a leading mobile-payment tool in China that's similar to Apple Pay or Google Wallet. A Walmart representative said the company expects to expand the service to more of its roughly 400 Walmart and Sam's Club stores in the country.

Samsung Paid Around \$250 Million for LoopPay, Its Apple Pay Competitor

5/13/15 Recode

What's the price of competing with Apple, Google and PayPal in mobile payments? For Samsung, about \$250 million. That's about how much the Korean phone maker spent earlier this year to acquire LoopPay, a Massachusetts-based startup whose technology will be used in the Samsung Pay mobile payments system when it launches later this year, according to multiple sources. With earnouts, that number could rise based on executive or company performance. The terms of the earnouts are not known.

Australians Remain Nervous of Mobile Wallets

5/13/15 News AU

But telecommunication experts warn Australian consumers "have more concerns about mobile payments than anticipated" and providers will have to quell their fears as well as selling them on the convenience of tap-and-pay gadgets. Despite Google, Samsung and Apple mobile payment services announced for the United States, Australia's mobile payment market remains in its infancy.



Regulation & Security

Security vs Convenience in Payments: Can We Really Have It Both Ways?

5/15/15 LTP

Most cash replacement products have been introduced and became popular because of their convenience benefits - checks, magstripe cards, mobile wallets, etc. While security is touted as a feature, that has never been the primary motivation for the consumer to adopt a new form factor or to form a new habit. Think about some of the best payment experiences you have had in mobile payments so far. I am sure Starbucks is one of them.

Judge Denies Banks' Motion to Block MasterCard, Target Breach Settlement

5/11/15 SC Magazine

A federal judge has ruled that a proposed breach settlement between Target and MasterCard can proceed, though he expressed concerns about the fairness of the settlement terms for banks' and credit unions seeking further claims. Last month, MasterCard announced that it had reached a multimillion dollar settlement with the retail giant, which suffered a major payment card breach in 2013 affecting around 110 million people.

Biometrics Find Support from an Unlikely Demographic: Seniors

5/14/15 American Banker

As it's rolled out biometric authentication for its mobile banking apps, USAA has learned some surprising things about who uses the feature. More than 400,000 USAA customers, five of whom are over 90 years old, have opted in to use biometrics (face, voice or touch) to authenticate themselves to the company's mobile banking application.

5 Big Banks Expected to Plead Guilty to Felony Charges, but Punishments May Be Tempered

5/13/15 DealBook

For most people, pleading guilty to a felony means they will very likely land in prison, lose their job and forfeit their right to vote. But when five of the world's biggest banks plead guilty to an array of antitrust and fraud charges as soon as next week, life will go on, probably without much of a hiccup. The Justice Department is preparing to announce that Barclays, JPMorgan Chase, Citigroup and the Royal Bank of Scotland will collectively pay several billion dollars and plead guilty to criminal antitrust violations for rigging the price of foreign currencies, according to people briefed on the matter who spoke on the condition of anonymity.

Authentication Advances May Finally Kill Passwords and PINs

5/12/15 BTN

More than two decades since a New Yorker cartoon joked that "on the Internet, nobody knows you're a dog," banks are finally replacing old and not-so-reliable methods of authenticating customers - passwords and security questions - with sophisticated alternatives. Voice biometrics, fingerprint detection, facial recognition and device ID are graduating from the pilot phase to wider deployment at a handful of financial institutions. And more innovative methods, including authentication based on smartphone activity, are being tested in university research labs.



Economy

Jobless Claims Cling Near 15-Year Low

5/14/15 MarketWatch

The number of Americans who applied for unemployment benefits in the first full week of May fell slightly and remained near a 15-year low, showing that companies are unwilling to part with current workers even though the economy has cooled off a bit. Initial jobless claims in the period stretching from May 3 to May 9 dipped by 1,000 to 264,000, the Labor Department reported Thursday. The numbers are seasonally adjusted.

U.S. Retail Sales Disappoint Again

5/13/15 Bloomberg

Retail sales barely budged in April, confounding projections for a small increase, figures from the Commerce Department showed Wednesday. That followed a 0.2 percent drop from January through March that marked the first quarterly decline in almost three years. Even with all the stars aligned, consumers have socked away the extra cash from lower gasoline prices and rising employment instead of spending the windfall.

Macy's Offers an Ominous Insight About American Consumers

5/13/15 Business Insider

Macy's reported that sales and profit are down. The company blamed weather and increased competition for the slump. But the most disturbing reason business is declining could be the state of the average Macy's consumer. "The consumer has not bounced back with the confidence that we were all looking for," CEO Terry Lundgren said at the Goldman Sachs Annual Retail Conference in September.

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Payments Press

EMV The Liability Shift is Approaching...

Time is Running Out - Are You Educated?

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](#).

Jelecos Leverages NetApp Secure Multi-Tenancy for Compliant-Ready Storage

5/14/15 Jelecos

If there was ever a time to realize the broad economies of scale in a secured Cloud Computing environment, that time is now, and Jelecos can help: With Secure Multi-Tenancy technology from NetApp, Jelecos provides high-performance shared data storage in a PCI Compliant environment.

Chase's Chip Tech Expands to Protect More Payments

5/13/15 PYMNTS

"The world keeps getting smarter. Shouldn't our transactions be smarter, too?" That's the motto Chase has used to promote EMV chip technology, which Chase is expanding to its debit cards, credit cards and ATMs to help its consumers become better protected as part of the push toward EMV chip-enabled technology that major issuers and banks have focused on getting into the hands of consumers. To continue its mission, Chase said it will convert more than 70 percent of all its credit and debit cards by the end of 2015 - allowing more than 80 percent of its cardholder spending to be done using chip-enabled cards.

Fintech Firms Sign Up for New Faster Payments Access Model

5/11/15 Finextra

The UK's Faster Payments scheme has secured commitments from six fintech firms - including VocaLink, ACI Worldwide and FIS - to develop aggregation services for payment service providers (PSPs) looking to plug into its platform. Faster Payments currently has 11 members who connect directly to the service, while a further 400 Payment Service Providers access the platform indirectly through a sponsor bank.

Pivotal Payments Joins AmEx OptBlue

5/12/15 The Green Sheet

Pivotal Payments, a leading provider of technology-driven global payment processing solutions, announced that it is now participating in the American Express OptBlue program. Small merchants can accept American Express Cards and enjoy the simplicity of a consolidated relationship with Pivotal Payments, no longer needing to open a separate account or be billed separately, providing a streamlined workflow and reduced back-office management.

Check Please! American Express and Chili's Pair Up; Allow Card Members to Use Membership Rewards Points for Meals

5/14/15 BusinessWire

American Express announced that Card Members enrolled in the Membership Rewards® program will soon be able to use Membership Rewards points for dine-in purchases at participating Chili's® Grill & Bar restaurants nationwide. The rollout will begin with company-owned restaurants on May 18, with the remaining participating restaurants joining through the rest of the year.

Heartland Introduces Heartland Secure™ for Restaurants

5/11/15 Heartland Payment Systems

At NRA Show 2015, Heartland Payment Systems, one of the nation's largest payment processors and providers of integrated products and services to more than 18 percent of the restaurant industry, will demonstrate its entire menu of secure solutions for restaurateurs, including a card data security solution and a comprehensive breach warranty.

YapStone Payment Platform Recertified PCI Level 1 For 5th Consecutive Year

5/11/15 Yahoo! Finance

YapStone™, a global provider of web and mobile payment technology solutions for large vertical markets and online marketplaces, announced that it has completed its recertification as a Payment Card Industry-Data Security Standard (PCI DSS) Level 1 Payment Gateway and Payment processing company, following a detailed audit by BrightLine. On an annual basis, YapStone contracts the licensed CPA firm to conduct a comprehensive audit to ensure credit card data is stored, processed and transmitted in a secure and protected manner.

Panasonic Showcases Food Service Technologies at NRA Show

5/14/15 The Green Sheet

Panasonic, an industry leader in food services technology, will showcase its latest integrated technology solutions for restaurants at the National Restaurant Association (NRA) Show in Chicago, IL (booth #7245). Panasonic's easily scalable, end-to-end solutions were designed to enhance business efficiency and improve customer experiences, and incorporate a wide variety of Panasonic hardware including POS workstations, rugged handheld tablets for line busting, mobile POS as well as drive-thru and security solutions.

@Pay, an Email Payment Platform, Integrates with USAePay's Payment Gateway

5/13/15 PR Web

@Pay's integration with USAePay will allow fundraising organizations to use the most frictionless donation process on the market. @Pay's technology allows people to donate in two simple clicks from an email, text message, paper bill, social media site or just about anywhere. @Pay is unique because the payment process occurs from the customers email account—the payments are processed through SMTP (Simple Mail Transfer Protocol)—whereas all other checkout technologies use HTTP (Hyper Text Transfer Protocol) and require a username and password or an app download.

American Express Announces Exporting Program to Help Middle Market Companies Grow Globally

5/14/15 BusinessWire

American Express announced the launch of American Express Grow Global, a new program to help increase exporting among U.S. middle market businesses. Middle market companies are defined as those generating between \$10 million and \$1 billion in revenues.

First Data to Close Melville Office, Move 'Several Hundred' Jobs

5/12/15 Newsday

First Data Corp., a credit-card processing company that employs several hundred people in Melville, plans to close that office within six months to

a year and transfer many of the jobs to "a large new office east of Manhattan," a spokesman said Tuesday.

Apriva SDK Gives POS Software Developers Path to Emerging Payments Acceptance

5/12/15 Mobile Payments Today

Apriva, a provider of secure end-to-end wireless transaction and information products, today announced the release of a new software development kit that enables point-of-sale developers to integrate payment acceptance capabilities into new and existing mobile applications, according to a press release.

Revel Systems and Intuit QuickBooks Online to Showcase Integrated iPad POS Solution

5/12/15 NBC4i

Revel Systems, the world's leading iPad Point of Sale platform, today announced that it is showcasing its intuitive and secure iOS-based point of sale (POS) solution at the National Restaurant Association (NRA) Show in Chicago, May 16 -19. Each year, more than 44,000 restaurateurs and other foodservice professionals from around the world attend the four-day NRA Show to gain new knowledge for running a successful foodservice operation.

Fiserv Recognized as a Mobile Banking and Payments Leader by IDC MarketScape

5/14/15 Fiserv

Fiserv, Inc., a leading global provider of financial services technology solutions, announced that it was named a leader in both the IDC MarketScape: North American Mobile Banking Software Solutions Vendor Assessment (March 2015) and the IDC MarketScape: North American Mobile Banking Payments Software Vendor Assessment (April 2015). Fiserv was recognized due to its broad range of implementations, focus on mobile payments and money movement platforms, and high overall satisfaction levels from references.

Nasdaq Launches Enterprise-Wide Blockchain Technology Initiative

5/11/15 Nasdaq

Nasdaq announced plans to leverage blockchain technology as part of an enterprise-wide initiative. Nasdaq will initially leverage the Open Assets Protocol, a colored coin innovation built upon the blockchain. In its first application expected later this year, Nasdaq will launch blockchain-enabled digital ledger technology that will be used to expand and enhance the equity management capabilities offered by its Nasdaq Private Market platform.

Payscape Opens Office in Louisville Area

5/10/15 PRWeb

Paycape, a dominant player in today's FinTech industry, recently celebrated the grand opening of their newest office in the Louisville area. Friends, family & business partners all gathered together to celebrate the big event with a ribbon cutting, food, games and fireworks provided by one of the city's biggest events, Thunder Over Louisville. The new district office will be led by, Caleb Johnson, who was previously an Account Manager out of Payscape's Nashville office.

New Mobile Payment Survey Sees Growing Opportunity for Restaurants

5/14/15 PRNewswire

At the NRA Show 2015, the annual gathering of the National Restaurant Association, Harbortouch published the results of a recent survey investigating the changing attitudes consumers have toward mobile payments technology. The results of the survey of 1,000 U.S. adults, fielded in April 2015, examined the current state of mobile payment adoption, and demonstrated a shift in consumers' comfort level and acceptance, with a greater focus on interface and experience.



Payments Experts. Powerful Data.
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