

# NewsFilter

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

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THE STRAWHECKER GROUP



May 22nd, 2015  
Edition #455

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## Categories

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### Highlights this week...

- [PayPal CEO, "We Have A Lot Of Work Ahead Of Us"](#)
- [NACHA Membership Approves Same-Day ACH](#)
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- [MasterCard Makes Sending and Receiving Money Faster/Easier](#)
- [The "Why" Behind Google Buy](#)
- [Verifone Talks About Credit Card Chip and PIN Issues](#)

### TSG Quick Analysis

	\$100k - \$250k	\$1M - \$2M
<b>Total Net Processing Revenue</b>	101 bps	54 bps

#### NOTES:

Volume ranges shown are annual dollar total merchant volume BPS as a percent of total volume (American Express/Discover/MasterCard/Visa)  
Total Net Processing Revenue = Total gross processing revenue less total processing cost of sales (excludes account fees)  
All metrics Dec. 2014 TTM  
Source: TSG Merchant Database computes all metrics from a consistent dataset to ensure a true comparison

What does revenue look like for merchant acquiring companies? It depends. The data in the table is from TSG's merchant level database of 2.7+ million merchants. In regards to net processing revenue, size does matter. Not the size of the merchant acquirer, but the size of the merchant. Other important merchant characteristics that impact the revenue include the type of the merchant, geographic location, average ticket, and when it was sold (vintage). Contact [Josh Istas](#) for more information.

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

TSG has released a new eReport titled **U.S. Sponsor Bank Market**

[Economy](#)

[Payments Press](#)

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This Day  
in History: 1843

Great Emigration  
Departs for Oregon

A massive wagon train,  
made up of 1,000 settlers  
and 1,000 head of cattle,

**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

### [PayPal CEO Dan Schulman, "We Have A Lot Of Work Ahead Of Us"](#)

5/21/15 *TechCrunch*

Digital commerce company PayPal is moving to establish itself as "more than just a button" to a global payments platform as it readies a split from parent company eBay later this year. "We're coming into the market at a time when the financial services industry is going through some fundamental shifts," new PayPal CEO Dan Schulman said at PayPal's Commerce: Rewind event today. "We're really thinking how do we re-imagine PayPal almost as a service. PayPal as a SaaS platform."

Related: [Bigcommerce and PayPal Collaborate to Introduce Seamless Payment Processing for Small and Mid-sized Retailers](#)

### [Here's the Next Key Challenge for Stripe, the Hot Payment Startup Whose Valuation Keeps Soaring](#)

5/21/15 *Business Insider*

Payments company Stripe is Silicon Valley's latest startup success story. The company is in discussions to raise a new round of venture funding that would value it at \$5 billion, according to a Re/code report. While Stripe appears to be having no trouble attracting financing, a key effort for the company going forward is likely to focus on boosting the amount of transactions on its platform.

### [NACHA Membership Approves Same Day ACH](#)

5/19/15 *BusinessWire*

The Electronic Payments Association® announced that its voting membership approved Same Day ACH, an amendment to the NACHA Operating Rules to move payments faster. The rule enables a ubiquitous same-day capability for virtually any ACH transaction, creating options for the businesses, governments and consumers who want to move their money faster.

Related: [NACHA CEO on Why Same Day ACH and Why Now?](#)

### [What Bitcoin's History Means For Its Future: Q&A With Nathaniel Popper, Author Of 'Digital Gold'](#)

5/19/15 *Forbes*

Many are describing Bitcoin as the Internet of money. But digital currency's development is in such an early stage, it's currently similar

sets off down the Oregon Trail from Independence, Missouri. Known as the "Great Emigration," the expedition came two years after the first modest party of settlers made the long, overland journey to Oregon.

After leaving Independence, the giant wagon train followed the Sante Fe Trail for some 40 miles and then turned northwest to the Platte River, which it followed along its northern route to Fort Laramie, Wyoming. From there, it traveled on to the Rocky Mountains, which it passed through by way of the broad, level South Pass that led to the basin of the Colorado River. The travelers then went southwest to Fort Bridger, northwest across a divide to Fort Hall on the Snake River, and on to Fort Boise, where they gained supplies for the difficult journey over the Blue Mountains and into Oregon. The Great Emigration finally arrived in October, completing the 2,000-mile journey from Independence in five months.

In the next year, four more wagon trains made the journey, and in 1845 the number of emigrants who used the Oregon Trail exceeded 3,000. Travel along the trail gradually declined with the advent of the railroads, and the route was finally abandoned in the 1870s.

[Click here to read more.](#)

to the Internet in 1994. The new technology's short, turbulent history makes for a riveting book, "Digital Gold: Bitcoin and the Inside Story of the Misfits and Millionaires Trying to Reinvent Money," by Nathaniel Popper, a New York Times reporter covering the intersection of Silicon Valley and Wall Street.

Related: [When Goldman Sachs Began Flirting with Bitcoin](#)

## The "Why" Behind Google Buy

5/18/15 PYMNTS

Google announced on Friday evening that it is turning the World Wide Web into a searchable and buyable marketplace - on mobile devices. It will be adding a buy button to those ads those ads that appear at the top of the search page. Clicking on a buy button will take searchers to a Google-hosted page where said products are displayed and can be purchased via Google's buy button and using a card that can also be stored for future purchases. This buy capability is limited to selected searches to start. So what does this all mean? The debut of Android Pay? The demise of PayPal? A "Hail Mary" pass to save its search business?

Related: [Google's eCommerce Plans are in Question as Executive Departures Mount](#)

## Where Are We With Host Card Emulation?

5/20/15 LTP

Ever since Google announced support for Host Card Emulation (HCE) on Android - banks, tech providers and NFC based mobile payment companies have left no stone un-turned. After the early enthusiasm, there are several questions that need to be answered. It's been a while since its launch, but HCE hasn't gained the expected number of deployments across geographies. This article highlights the the two school of thoughts about HCE. One that is overly optimistic (based on Pros) and the others who are not so optimistic (the Cons).

## Verifone Talks About Credit Card Chip and PIN Issues

5/21/15 The POS News

It's apparent that many SMBs believe that, because of their size, they don't need to worry about EMV readiness-or that EMV migration doesn't apply to them. This reflects a major gap in awareness and understanding out there in the marketplace. As an industry we need to look at the effectiveness and robustness of efforts to educate this market segment on the impact of the liability shift and, just as importantly, how consumer expectations will shift when they get used to using EMV at major retailers.



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## Mobile Payments & Bitcoin

## Jack Dorsey's Square Opens Up Australian Headquarters

5/21/15 Financial Review

Square, the mobile payments company started by Twitter co-founder Jack Dorsey, will open an Australian headquarters in Melbourne, its fourth global base after the United States, Japan and Canada. The long-

awaited local arrival of the firm, which has been a major disruptor of the US payments industry, was flagged by The Australian Financial Review at the start of 2014, and will be led by former National Australia Bank and Visa executive Ben Pfisterer.

## **Visa Expands Its Checkout Service To More Online Merchants**

*5/19/15 BuzzFeed*

Visa's effort to make using your card online easier is expanding to more merchants after nearly a year in operation. Rolled out last July, Visa Checkout is a way of sharing shipping, credit card, and password data across merchant sites with the goal of making the checkout process simpler, especially on mobile devices. Visa had already signed up some big retailers like Gap, Pizza Hut, and Neiman Marcus, and is adding on Dunkin Donuts, Fandango, and Williams Sonoma.

## **Restaurants Most Likely To Adopt Mobile Payments, Consumers Say in a Survey**

*5/18/15 Digital Transactions*

Consumers expect restaurants to be the top merchant type to adopt mobile payments, especially as they envision it simplifying the payment process. That's the finding of a survey from independent sales organization Harbortouch Payments LLC, which also produces point-of-sale products for restaurants and other merchants. In the survey of 1,000 U.S. consumers fielded in April, 24.5% say restaurants will adopt mobile payments, followed by retail stores, 19.3%; entertainment venues, 17%; grocery stores, 16.5%; and transportation services, 9.2%.

## **NYSE Launches A Bitcoin Index**

*5/19/15 CoinDesk*

The New York Stock Exchange has announced the launch of a bitcoin price index (NYXBT). NYXBT will represent the daily US dollar value of one bitcoin at 4pm (BST) and will be published on the NYSE Global Index Feed (GIF). For a limited period it will also be viewable on the NYSE's website. "Bitcoin values are quickly becoming a data point that our customers want to follow as they consider transacting, trading or investing with this emerging asset class."

## **Electronic Payments Overtake Cash in the UK Ahead of Apple Pay Arrival**

*5/21/15 The Inquirer*

Non-cash payments have overtaken cash payments in the UK for the first time, ahead of the expected arrival of Apple Pay. The Payments Council has revealed that cash payments made in the UK in 2014 represented 48 percent of all payments, down from 52 percent the previous year. This means that non-cash payments have become more popular for the first time, as more people pay using alternative methods including debit and credit cards, standing orders, and online and phone transactions.

## **Express Clothing Store Starts Officially Accepting Apple Pay**

*5/19/15 9to5 Mac*

Add Express to the list of retailers now taking Apple Pay at checkout. Checks with multiple Express stores across the United States and tips from readers indicate that the fashion and clothing retailer starting accepting the iPhone and Apple Watch payment feature this week. Express joins a short list of clothing stores that formally accept Apple Pay, which already includes Bloomingdales and American Eagle. According to Apple's website, more clothing stores such as Urban Outfitters and



## Regulation & Security

### Theft of Debit-Card Data From ATMs Soars

5/19/15 *The Wall Street Journal*

May require subscription. Criminals are stealing card data from U.S. automated teller machines at the highest rate in two decades, preying on ATMs while merchants crack down on fraud at the checkout counter. The incidents, in which thieves steal information from debit cards to make counterfeit plastic, are taking place at ATMs that are owned by banks as well as independently owned cash kiosks in shopping centers, convenience stores and restaurants, according to industry executives.

### Carefirst Blue Cross Breach Hits 1.1M

5/21/15 *KrebsOnSecurity*

According to a statement CareFirst issued Wednesday, attackers gained access to names, birth dates, email addresses and insurance identification numbers. The company said the database did not include Social Security or credit card numbers, passwords or medical information. Nevertheless, CareFirst is offering credit monitoring and identity theft protection for two years.

### New Ponemon Institute Survey Reveals Time to Identify Advanced Threats is 98 Days for Financial Services Firms, 197 Days for Retail

5/19/15 *BusinessWire*

Financial Services and Retail organizations agree, advanced threats are the most serious security challenge facing their organizations. Despite the concern, both industries struggle to identify these attacks once they are inside their network, according to a new Ponemon Institute Survey, sponsored by Arbor Networks, a leading provider of DDoS and advanced threat protection solutions for enterprise and service provider networks.

### CFPB Brands PayPal's Credit Product as 'Abusive'

5/19/15 *American Banker*

PayPal has agreed to a \$25 million settlement with the Consumer Financial Protection Bureau dealing with allegations the payments company essentially forced consumers to use its online credit product. The CFPB's complaint and proposed order - the bureau's first public action against an online payments company - claims the San Jose, Calif.-based company engaged in deceptive marketing and illegally registered consumers in PayPal Credit, formerly known as Bill Me Later, which allows users to take out a line of credit when making a payment online.

### Online Scammers Target Lonely Hearts and Bitcoin Fans

5/21/15 *Finextra*

Cybercrooks are increasingly targeting lonely hearts and cryptocurrency enthusiasts, scamming them out of their savings, according to the FBI. In

its annual report, the bureau's Internet Crime Complaint Center (IC3) says that it received more than 269,000 complaints in 2014 with an adjusted dollar loss of more than \$800 million.

### **Tokenization no POS Panacea; Retailers Need Balanced Security Strategy**

*5/20/15 FierceRetailIT*

Payment security technology is top-of-mind for most retail IT executives who are seriously considering, if not aggressively adopting, EMV chip card systems, tokenization, Apple Pay and point-to-point encryption. All are important, but none are complete solutions in and of themselves. For example, new tokenization security standards were recently released, but CBI Labs pointed out that retailers need a more comprehensive approach to point-of-sale security.

### **5 Big Banks Pay \$5.4B for Rigging Currencies**

*5/20/15 CNN Money*

U.S. regulators hit five global banks with \$5.4 billion in penalties Wednesday for trying to rig foreign currency markets in their favor. Citigroup, Barclays, JP Morgan Chase, and Royal Bank of Scotland were fined more than \$2.5 billion by the U.S. after pleading guilty to conspiring to manipulate the price of dollars and euros. The four banks, plus UBS, have also been fined \$1.6 billion by the Federal Reserve, and Barclays will pay regulators another \$1.3 billion to settle related claims.



## **Economy**

### **U.S. Economy Tepid in Early Second Quarter, But Jobs Market Resilient**

*5/21/15 Reuters*

The U.S. economy was on a modest growth path early in the second quarter with home resales falling in April and manufacturing activity on the backfoot in May, although the labor market continued to tighten. Growth is struggling to rebound strongly after slumping at the start of the year, weighed down by bad weather, a strong dollar, port disruptions and deep energy spending cuts.

### **Online Retail Sales Grow 14.5% in Q1**

*5/16/15 Internet Retailer*

That year-over-year increase in web sales compares with 1.6% growth in total retail sales. E-commerce represented only 7% of total retail sales for the quarter but half of the growth. Online retail sales in the United States increased 14.5% in the first quarter of the year to \$80.3 billion from \$70.1 billion, the U.S. Department of Commerce reported today, when taking into account seasonal variations but not price changes. Excluding seasonality, web sales increased 14.3% to \$74.9 billion from \$65.5 billion.

## **Payments Press**

### **MasterCard Makes Sending and Receiving Money Faster, Easier and More Secure with MasterCard Send**

*5/19/15 MasterCard*

MasterCard launched MasterCard Send™ - a first-of-its-kind personal payments service that enables funds to be sent quickly and securely to consumers domestically and internationally. Through a single connection to the MasterCard Send platform, businesses, merchants, governments, non-profits, issuers and other senders can send money to consumers whether they are banked or unbanked, and located domestically or abroad.

### **WePay Raises \$40M**

*5/20/15 Finextra*

E-commerce payment processor WePay has raised \$40 million in a Series D funding round led by FTV Capital and joined by Japan's Rakuten. Like PayPal, Stripe and others, WePay provides an API that firms can embed within their sites to accept payments. The company targets "platform businesses" like crowdfunding sites and marketplaces, with customers including Care.com, GoFundMe and Meetup.

### **Verifone Looks to Disrupt the ISO-Packed Chinese Market**

*5/19/15 ISO & Agent*

If Verifone wants to benefit from the major card brands' efforts to operate in China, it must confront a virtual army of independent sales organizations already selling low-cost payment terminals. China represents the largest terminal market in the world and is moving "extremely aggressively," said Paul Galant, CEO of Verifone Systems Inc., said during a presentation May 18 at the 43rd annual JPMorgan global technology, media and telecom conference in Boston.

### **Ripple Labs Raises \$28 Million in Series A Round**

*5/19/15 CoinDesk*

Digital currency startup Ripple Labs announced today that it has closed a new \$28m Series A funding round. The company drew support from a mixture of new and existing investors, including the venture arms of US futures and options exchange CME Group and data storage firm Seagate Technology. The company said that it planned to use the funds to fuel international expansion efforts, most notably in Asia.

### **Coalfire Affirms PCI 3.0 Assessment of Verifone Payment Encryption Solution**

*5/20/15 Verifone*

In its report, Coalfire describes how VeriShield Total Protect, secured by RSA, "can nearly eliminate the current risk of payment card data compromise within a merchant's retail environment and can dramatically reduce how many PCI DSS requirements need to be validated when properly deployed." VeriShield Total Protect protects merchants, payment providers and consumers alike by encrypting cardholder information from the moment it is captured at the terminal until it is securely accessed behind a processor's firewall.

### **Ingenico Group Adds Vantiv's EMV-certified Application to Smart Terminals for Small- and Medium-sized Businesses**

*5/21/15 Vantiv*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, and Ingenico Group, the global leader in seamless payments, announced the addition of Vantiv's EMV-certified processing application on Ingenico Group's smart terminal solution set for small- and medium-

sized merchants.

### **TSYS Recognized for Outstanding Service Quality**

*5/18/15 TSYS*

TSYS announced that it was honored by Visa® for superior service quality in the area of issuer processing authorizations. TSYS received 2014 Visa Service Quality Performance Awards for both assured transaction rate and transaction response time. In 2014, TSYS processed 12.2 billion issuer authorizations globally, an average of more than 33.6 million authorizations each day, and up to 1,079 authorizations per second.

### **Moneris services Corporation Announces Name Change to Moneris Field Services**

*5/16/15 CNW*

Moneris Services Corporation, a leading field service and hardware provider for point-of-sale (POS) solutions, and a wholly owned subsidiary of Moneris Solutions Corporation, announced today that it will now be branded Moneris Field Services. The change is part of Moneris' mission to deliver full, end-to-end service for payment processing - including sourcing, delivering and repairing all aspects of the POS system.

### **Pivotal Payments' FlexPoint division Partners with Datacap Systems Inc. to Simplify Payments Integration**

*5/19/15 Pivotal Payments*

Pivotal Payments, a leading provider of technology-driven global payment processing solutions, announced a partnership between its FlexPoint division and Datacap Systems Inc., a top North American provider of payment integration software. The partnership signifies the launch of Pivotal Payments' exclusive FlexPoint ePay™ and FlexPoint Tran™ services based on Datacap's popular integrated payments middleware.

### **Parks & Sons Achieves 80% Reduction in Payment Processing Time by Moving Receivables to the Cloud**

*5/19/15 FTNI*

Financial Transmission Network Inc. (FTNI), a leading provider of integrated payment processing solutions, and Parks & Sons of Sun City, an established waste management firm celebrating 50 years serving Sun City, AZ, and the greater Phoenix valley, today announced the successful implementation of ETran, FTNI's integrated receivables processing solution.

### **Boku, Optimal Payments Team Up for Carrier Billing on Neteller**

*5/20/15 The Paypers*

Boku, a global provider of carrier billing-based mobile payments, has unveiled that its technology will now be provided by Optimal Payments, a global online payment solutions provider. This will be offered via the NETELLER service: a platform for businesses and individuals to move money online. NETELLER customers are now able to top-up their stored value accounts by charging the purchase amount for goods and services directly to their mobile phone bill.

### **TransFirst Announces Availability of EMV® Application from Ingenico Group**

*5/20/15 PR Newswire*

TransFirst®, a leading provider of transaction processing services, announced that EMV® payment acceptance through Ingenico Group EMV capable terminals is now possible with the availability of TransFirst's EMV

capable applications. "Getting the terminal ready to process chip cards is only a small part of the process," said Steve Cadden, President and COO.

### **ACI Worldwide Brings Omni-Channel Banking to North American Savings Bank**

*5/19/15 PR EON*

ACI Worldwide, a leading global provider of electronic payment and banking solutions, announced that North American Savings Bank, a leading Missouri-based financial institution, has selected the company to power its online banking, mobile banking and bill pay initiatives. With more than \$1 billion in assets, nine full-service branches and additional residential and construction loan offices, NASB consumer and business customers have varied needs and ways in which they want to bank.

### **BlueSnap Double CNP Award Winner**

*5/21/15 The Green Sheet*

Global payment gateway BlueSnap announced that its Subscription Billing Program earned Judges Choice and Customer Choice Awards at the 4th Annual Card Not Present (CNP) Awards. The company's Alternative Payment Solution also earned a Customer Choice Award. The winners were announced yesterday at the CNP Expo in Orlando, Florida. The Annual CNP Awards is the only awards program honoring the companies, programs and solutions that have distinguished themselves in the card-not-present space during the past year.

### **Oberthur Technologies chosen for Samsung Pay in Europe**

*5/18/15 Mobile World Live*

Samsung named French security firm Oberthur Technologies as one of the suppliers for the launch of its mobile payment service in Europe later this year. The Samsung Galaxy S6 and S6 Edge in Europe are equipped with the vendor's NFC-embedded secure element, meaning they are enabled for contactless payments. Samsung Pay is due to launch in the US and Korea this summer, followed by Europe and China thereafter.

### **OpenTable App Integrates with NCR Aloha Point-of-Sale Solution to Bring Mobile Payments to More Diners**

*5/19/15 MarketWatch*

NCR Corporation NCR, the global leader in consumer transaction technologies, and OpenTable, the world's leading provider of online restaurant reservations and part of The Priceline Group announced they have integrated OpenTable's 'Pay with OpenTable' app with the industry-leading NCR Aloha point-of-sale solution via the NCR Hosted Application Protocol Interface (API) platform.

### **Epicor Retail Unveils New Point Of Sale In The Cloud Offering**

*5/19/15 Integrated Solutions for Retailers*

Epicor Software Corporation, a global leader in business software solutions for manufacturing, distribution, retail and services organizations, recently unveiled its new Epicor Retail Store Point of Sale (POS) in the Cloud offering here at Insights, the company's annual user conference.

### **SegPay Unveils New Point of Sale System to Fuel Merchant Revenue**

*5/20/15 PR Newswire*

SegPay, a global leader in online payment processing, announced today the launch of its new Point of Sale (POS) system. The enhancements contain several key features including improved payment pages, enhanced postbacks and conversion rate optimization for online merchants. "Having fully optimized payment pages are key to acquiring and converting consumers through the entire transaction process," said Cathy Beardsley, President and CEO of SegPay.

### TA Associates Invests in Procure Software

*5/20/15 The Green Sheet*

TA Associates, a leading global growth private equity firm, today announced it has completed a majority investment in Procure Software, a global leader in child care management solutions. Financial terms of the transaction were not disclosed. Founded in 1992, Procure provides integrated payment processing, software, hardware and data hosting to child care businesses and organizations, helping them streamline management, administration and recordkeeping.



Payments Experts. Powerful Data.  
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