

# NewsFilter

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## DIGITAL CURRENCIES + the BLOCKCHAIN

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## Trending this week....

Google took over the news this week as [Android Pay was officially unveiled](#).

Android Pay will power in-app and tap-to-pay purchases on mobile devices. But, what about Google Wallet? It will stick around and be used to

power Play Store purchases outside Android (a.k.a on the web) and for P2P payments through Gmail.



With 53% market share in the U.S. (compared to 41% for iOS devices) 7 out of 10 Android devices are ready for Android Pay. The app will be available for download soon, and 700,000 merchants are included in the launch.

In response, it has been rumored that [Apple will debut an Apple Pay rewards program](#) to enhance their offering at the upcoming WWDC. Things are heating up again!

Other highlights include:

- [Sally Beauty Details POS Malware Attack](#)
- [The Cost of a Data Breach Jumped 23% in Two Years](#)
- [U.S. Economy Contracted 0.7% in Q1](#)
- [Banga on How MasterCard will Scale MasterPass](#)
- [Visa CEO Talks Apple Pay, Union Pay, Visa Europe Potential](#)

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**This Day  
in History: 1953**  
[Hillary and Tenzing  
Reach Everest  
Summit](#)

At 11:30 a.m. on May 29,  
1953, Edmund Hillary of  
New Zealand and Tenzing

**NEW eReport**

## Bitcoin & Virtual Currency: Hype or Necessity?

Despite an explosion in media coverage, virtual currencies such as Bitcoin are misunderstood. So what is it? This **43-page report** reviews the mechanics of the currency and offers some thoughts on its characteristics and future applications. The report also provides detailed information around the current state of Bitcoin including merchant acceptance figures.

The second half of the report provides a deeper analysis on how Bitcoin compares to the current payments infrastructure, niche payment opportunities where Bitcoin can be leveraged and recommendations for payment players concerning the evolving virtual currency ecosystem and how they can prepare for the rapidly changing virtual currency market.



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



## **Featured**

### **Google Introduces Android Pay, a Replacement for its Wallet App on Mobile**

5/28/15 *The Verge*

Another year, another attempt by Google to get mobile payments right. Today, at its I/O developer conference, the company unveiled a new app, called Android Pay, that will take the place of Google Wallet on your phone. Android Pay will power in-app and tap-to-pay purchases on mobile devices. Google Wallet will stick around, but it will power Play Store purchases outside Android, say on the web, and facilitate peer-to-peer payments you can make through the app and on services like Gmail. Confused? Let the new branding wash over you, and stop worrying so much.

Related:

[What is Android Pay and a Comprehensive Analysis of all its Facets](#)  
[Google and Apple Adjust Strategies on Mobile Payments](#)

### **Sally Beauty Details POS Malware Attack**

5/29/15 *Bank Info Security*

Sally Beauty has not disclosed whether it believes the POS malware was installed physically or by hackers remotely (see [Why POS Malware Still](#)

Norgay, a Sherpa of Nepal, become the first explorers to reach the summit of Mount Everest, which at 29,035 feet above sea level is the highest point on earth. The two, part of a British expedition, made their final assault on the summit after spending a fitful night at 27,900 feet. News of their achievement broke around the world on June 2, the day of Queen Elizabeth II's coronation, and Britons hailed it as a good omen for their country's future.

Mount Everest sits on the crest of the Great Himalayas in Asia, lying on the border between Nepal and Tibet. Called Chomo-Lungma, or "Mother Goddess of the Land," by the Tibetans, the English named the mountain after Sir George Everest, a 19th-century British surveyor of South Asia. The summit of Everest reaches two-thirds of the way through the air of the earth's atmosphere—at about the cruising altitude of jet airliners—and oxygen levels there are very low, temperatures are extremely cold, and weather is unpredictable and dangerous.

The first recorded attempt to climb Everest was made in 1921 by a British expedition that trekked 400 difficult miles across the Tibetan plateau to the foot of the great mountain. A raging storm forced them to abort their ascent, but the mountaineers, among them George Leigh Mallory, had seen what appeared to be a feasible route up the peak. It was Mallory who quipped when later asked by a journalist why he wanted to climb Everest, "Because it's there." [Click here to read more.](#)

Works). But the company reports that it has now eliminated the malware "from all Sally Beauty point-of-sale systems" adding that while payment card data was stolen, it does not collect or store PIN data, and thus "has no reason to believe, and has received no information to suggest, that debit card PINs may have been impacted." Sally Beauty is a Denton, Texas-based retailer that reported 2014 revenue of \$3.8 billion, and which operates more than 4,900 stores worldwide.

## [Apple Pay Rewards Program to Debut at WWDC](#)

*5/27/15 Mac Rumors*

Apple plans to introduce a new rewards program for Apple Pay at WWDC next month, reports The New York Times. In a piece covering upcoming mobile payment upgrades from Apple and Google, the site suggests that Apple will announce details about enhancements to Apple Pay at its Worldwide Developers Conference in June. Few details are known about the rewards program that Apple plans to implement, but it is said to offer "perks" to customers who make purchases using Apple Pay.

## [Visa Checkout Gives Visa Toehold in Crowded Digital Payments Space](#)

*5/26/15 Advertising Age*

Visa is retooling its efforts to prepare for the second wave of its Visa Checkout push following the initiative's early success. The online-payment system has carved out a niche for Visa in the crowded digital payments space, despite growing competition from companies like MasterCard, PayPal and Google. "When we looked at the world ... we just felt like we weren't in the mobile ecommerce space the way we wanted to be," said Chris Curtin, chief brand and innovation officer at Visa. "Now, we are literally everywhere," he said, referencing the brand's tagline: "Everywhere you want to be."

Related: [Ahead of FIFA Election, Sponsor Visa Threatens to Pull Out](#)

## [The Cost of a Data Breach Jumped 23 Percent in Two Years](#)

*5/28/15 InfoWorld*

Data breaches like the one just disclosed by the IRS aren't something any organization wishes for, but there's now even bigger financial incentive to avoid them than in the past. The average cost of a data breach has increased by 23 percent over the past two years to \$3.79 million, according to a report Wednesday from IBM and the Ponemon Institute. And the average cost for each lost or stolen record containing sensitive information increased 6 percent over just the past year, from \$145 to \$154.

## [Target CEO Loves Apple Pay, but Wants Chip-and-PIN Cards First](#)

*5/27/15 Recode*

The CEO of retail giant Target says he would like to get his store using Apple Pay but first wants to complete the transition to using secure chip-and-PIN credit cards. Brian Cornell was named CEO of Target in August 2014, just as the retailer suffered the reverberations of a December 2013 credit card hack that was considered one of the largest in U.S. history. About 40 million customers had their payment card information stolen, and the hackers got their hands on personal information from another 70 million. Chip-and-PIN card payment systems are considered more secure.

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## **Mobile Payments & Bitcoin**

### **The Bank Of Facebook**

*5/28/15 TechCrunch*

For its part, Facebook isn't charging fees on transfers. While the company does incur charges from banks on the back end, Facebook says it will not pass these on to the consumer. At the moment Facebook transfers are limited to users within the United States, but sources inside the company have confirmed it will expand beyond U.S. borders in the near future. It remains to be seen if Facebook will charge users a nominal fee on cross-border transfers and currency conversions, but it will likely be next to nothing. According to Steve Davis, product manager at Facebook: "We're not trying to make a profit out of payments."

### **Facebook Messenger Lets You Send Money In Chat Threads Now**

*5/27/15 Gizmodo*

Facebook's payments feature for the Messenger app has been rolling out slowly across the U.S. and landed in New York City today armed with a couple new features. But how does it stack up against Venmo? I repaid a \$5 happy hour debt to fellow Gotham-dwelling Gizmodian Darren Orf to find out. First introduced back in March, the payments feature allows you to instantly pay or receive money from your friends. But two new features make it even better.

### **Payments Executives See Mobile Wallets as Disruptive, but Also as Opportunities**

*5/26/15 Digital Transactions*

Carrying out business as usual is becoming harder to do as the payments business tries to adapt to new technologies. Asked at a recent San Francisco conference about what are the most disruptive trends in payments, 40% of industry professionals and alternative-finance executives polled cited the proliferation of mobile-wallet use and 30% cited the adoption of EMV chip card payments. The survey by New York City-based merchant-financing company CAN Capital Inc. garnered 210 responses at the Electronic Transactions Association's Transact 15 conference March 31-April 2.

### **Xapo Adds Visa Founder and Former Citibank CEO to Advisory Board**

*5/26/15 Bitcoin Magazine*

Universal Bitcoin services startup Xapo has announced that former executives from Visa and Citibank, alongside a former secretary of the treasury, has joined the company's board of directors. In a Xapo statement, Visa founder Dee Hock, former Treasury Secretary and President Emeritus of Harvard University Lawrence H. Summers and former Citibank CEO and Chairman John Reed, said they joined the company because of the potential of Bitcoin's technology and currency to advance financial services.



## Regulation & Security

### PCI: 5 New Security Requirements

*5/27/15 Bank Info Security*

Five best practices noted in version 3.0 of the PCI Data Security Standard will become requirements after June 30, and smaller merchants are likely to be the most affected, says one security expert. That's because the new requirements relate to point-of-sale vulnerabilities that have commonly been linked to exploits at small and mid-sized businesses, says Don Brooks, senior security engineer at security and forensics firm Trustwave.

### IRS: Crooks Stole Data on 100K Taxpayers Via 'Get Transcript' Feature

*5/26/15 KrebsOnSecurity*

In March 2015, KrebsOnSecurity broke the news that identity thieves engaged in filing fraudulent tax refund requests with the Internal Revenue Service (IRS) were using the IRS's own Web site to obtain taxpayer data needed to complete the phony requests. IRS Commissioner John Koskinen acknowledged that crooks used this feature to pull sensitive data on more than 100,000 taxpayers this year.

### Federal Court Orders Defendants in Newtek Case To Pay \$1.7 Million Fine to FTC

*5/28/15 Digital Transactions*

Already found liable for its role in a telemarketing scheme that defrauded consumers, Universal Processing Services of Wisconsin LLC, doing business as Newtek Merchant Solutions, now will have to pay its share of a \$1.7 million fine, a U.S. District Court judge ruled last week. The Federal Trade Commission in 2013 sued Newtek, its former president Derek Depuydt, and a telemarketing firm.

### Behind the Ingenious Security Feature that Powers the Blockchain

*5/27/15 FierceRetailIT*

Two new credit card technologies will soon be presented at retailers' point-of-sale systems. One offers more secure biometric activation, and the other combines all of a consumer's cards into one. SmartMetric is about to release its new biometric-activated and user-validated EMV payments card in the United States and the European Union. The company expects Asia to follow.



## Economy

## [U.S. Economy Contracted 0.7% in First Quarter](#)

*5/29/15 The New York Times*

The economy got off to an even weaker start this year than first thought, the government reported Friday, as economic activity contracted amid a disappointing trade picture and continued caution on spending by businesses and consumers alike. The 0.7 percent decline in economic output in the first quarter of 2015 was a reversal of the initial 0.2 percent advance for the period reported last month by the Commerce Department.

## [U.S. Housing Data, Sturdy Jobs Market Buoy Growth Outlook](#)

*5/28/15 Reuters*

Contracts to buy previously owned U.S. homes rose for a fourth straight month in April to a nine-year high, buoying the outlook for the housing market and the overall economy. While other data on Thursday showed an unexpected increase in new applications for unemployment benefits, filings remained at levels consistent with a tightening labor market.

## [Consumer Comfort in U.S. Slumps on Views of Buying Climate](#)

*5/28/15 Bloomberg*

Consumer confidence in the U.S. fell for a seventh consecutive week and attitudes about whether it was a good time to spend slumped by the most since 2011. The Bloomberg Consumer Comfort Index decreased to 40.9 in the period ended May 24, the lowest level since late November, from 42.4 the prior week. The decline in Americans' assessments of the buying climate was accompanied by the biggest drop in sentiment among women in more than seven years.

## [Payments Press](#)

### [Western Acquirers Take More Notice of Asia's Micro Merchants](#)

*5/27/15 ISO & Agent*

U.S. acquirers are looking to expand their business in emerging markets, where small merchants are starting to enter the commercial framework. "Traditional acquirers have focused on the top end of the [merchant] pyramid, the large retailers and following global merchants as they expand," said Nagesh Devata, senior vice president of acceptance and merchant development for Asia Pacific at MasterCard. "That's been where the more affluent or middle market consumers have gravitated towards."

### [Banga On How MasterCard Will Scale MasterPass](#)

*5/29/15 PYMNTS*

Presenting at the Sanford Bernstein Conference on May 27, MasterCard CEO Ajay Banga compared the mobile payments options on the market to MasterPass as an example to express, once again, why MasterPass picks up where he believes other mobile wallets leave off. During his remarks, he also took time to speak about the other big payment options across the mobile payments market, which includes Union Pay, Apple Pay, soon-to-be Samsung Pay and Android Pay.

Related: [MasterCard Powers Android Pay, Bringing Mobile Payments to Android Device Owners](#)

### [Visa CEO Talks Apple Pay, Union Pay, Visa Europe](#)

## Potential

*5/28/15 PYMNTS*

Addressing the crowd at the Sanford Bernstein Conference on May 27, Visa CEO Charlie Scharf shared some insight into the two regions of the world that the payments industry has been focused on when it comes to regulatory matters: China and Europe. Specifically in his comments, Scharf started out sharing the progress Visa has made in China in light of the recent announcement that Chinese authorities will open China's market for clearing domestic bank card transactions that will allow players like Visa and MasterCard direct access to a \$6.84 trillion market (as of last year) that they have been nearly entirely locked out of.

Related: [Visa Announces New Commercial Standard for Mobile Payments](#)

## TSYS and PAX Technology, Inc. Launch Semi-Integrated EMV Solution

*5/26/15 TSYS*

TSYS, a leading global payments provider, and PAX Technology, Inc., a global provider of electronic payment solutions, announced a new semi-integrated solution that can help simplify the EMV certification process. Using a single integration approach, this TSYS-certified solution has the ability to process with both TSYS Guardian Encryption<sup>SM</sup> and TSYS Guardian Tokenization<sup>SM</sup>, offering Value-Added Resellers (VARs), Integrated Software Vendors (ISVs) and their respective customers a secure method for accepting payments, including magnetic stripe, EMV, and NFC contactless payments.

## Touch ID Now Available on the PayPal App

*5/26/15 PayPal*

As one of the founding members of the Fast Identity Online (FIDO) Alliance, we strongly believe that industry collaboration is required to create a future that moves beyond the password. From our collaboration with Samsung introducing fingerprint authentication technology to pay to our recent launch of One Touch<sup>™</sup> for the web, we're helping you authenticate in more secure and convenient ways. And, we want to make sure you have the best experience possible. So, as of today, you can now log in to the PayPal app and access virtually any part of your PayPal wallet using Apple's Touch ID in all markets where the PayPal app is available.

## Verifi and Heartland Collaborate to Combat \$40 Billion Chargeback Problem

*5/26/15 CNN Money*

Verifi, Inc., the leading provider of payment and risk management solutions for card-not-present merchants, announced a new relationship with Heartland Payment Systems, one of the largest payment processors in the U.S. Under a new referral agreement, Heartland customers will have immediate access to Verifi's full suite of payments solutions, including its award-winning Cardholder Dispute Resolution Network (CDRN<sup>™</sup>) to lower their chargeback risks. "Our e-commerce portfolio is constantly growing and we recognize the need to help our card-not-present merchants lower their payment acceptance costs and manage growing risks," said Joe Wysocki, senior director of e-Commerce, Heartland.

## Driving the Customer Experience: Omnichannel Strategy & the Future of Digital Payments

*5/25/15 FIS*

Customers have more payment options than ever before. As technology advances, merchants need to be ahead of the changes by updating their systems to accept these new forms of payment. Businesses also need to innovate to ensure their customers receive a frictionless, responsive and revolutionary shopping experience. Unification of the customer experience across those payment channels is the goal of omnichannel strategy.

### **Protecting Your Business Beyond EMV, Chip and Pin**

*5/27/15 POS*

The payments industry has been abuzz with news surrounding the EMV liability shift on Oct. 1, 2015. While preparing to transition to EMV-compatible technology should remain a top priority for merchants, the often neglected, broader approach to payments security is something businesses of all sizes should be discussing as well. In addition to EMV, cloud-based security solutions help businesses guarantee that all bases are covered by adding an extra layer of protection for cardholders. Most of these solutions ensure that the cardholder's information never touches the merchant's servers, placing the responsibility of data security on the payments processor rather than the merchant.

### **Nordstrom and TD Bank Group Announce Strategic Credit Card Relationship**

*5/26/15 PR Newswire*

Nordstrom, Inc. and TD Bank Group announced an agreement under which TD will acquire Nordstrom's existing U.S. Visa and private label consumer credit card portfolio, which currently totals approximately \$2.2 billion in receivables. In addition, the two companies have entered into a separate long-term agreement under which TD will become the exclusive U.S. issuer of Nordstrom-branded Visa and private label consumer credit cards to Nordstrom customers.

### **Square Welcomes Shopventory to Square App Marketplace**

*5/27/15 BusinessWire*

Shopventory, a leading provider of inventory management and optimization solutions for medium to small size businesses, announced today its formal integration with the payments and point-of-sale system Square and launch in the Square App Marketplace. "Square's retailers are asking for a simple to use advanced inventory management solution."

### **Payscape Announces Doug Hardman as Chief Technology Officer**

*5/28/15 PRWeb*

Payscape, a leading financial technology solutions provider, announced today the appointment of Doug Hardman as Chief Technology Officer (CTO). In this role, Hardman will serve as the leading R&D innovator and visionary for Payscape merchant service solutions and SaaS-based products. He will also oversee a growing team of developers working to safely process billions in credit card transactions annually.

### **Net Element Executes Definitive Documentation to Acquire Online Payments Innovator PayOnline**

*5/27/15 MarketWatch*

Net Element, Inc., a global technology provider in mobile payments and value-added transactional services announces the execution of definitive documentation to acquire PayOnline, a leader in online transaction processing services and payment technology for up to \$8.4 million in

total consideration.

## Optimal Payments Acquires Fans Platform

*5/28/15 Finextra*

Optimal Payments Plc , a leading global online payment solutions provider, announces the acquisition of Montreal-based mobile platform developer FANS Entertainment Inc. ("FANS") for a consideration of approx. US\$13 million, payable by issuing shares in a subsidiary of Optimal Payments (the "Consideration Shares") which are exchangeable on a one-for-one basis into shares of Optimal Payments over the next three years, a portion of which are subject to the satisfaction of certain financial performance criteria.

## Mitek to Acquire IDchecker, a Global Identity Verification Solutions Provider

*5/26/15 VSM*

Mitek, the leading innovator of mobile capture and identity solutions for customer acquisition, today announced that it has entered into a definitive agreement to acquire IDchecker, a global provider of cloud based identity document verification and facial recognition solutions, for an aggregate purchase price of up to \$10.6 million, of which \$5.85 million will be payable in cash, \$2.75 million in Mitek common shares at the close of the acquisition, and, subject to the achievement of certain revenue and net income targets for IDchecker through September 30, 2016, up to an additional \$2 million in Mitek common shares.



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