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Highlights this week include....

- [TSG Commentary - Google and Apple Roll Out Updated Mobile Payments Strategies](#)
- [There are No Transaction Fees for Android Pay, Which is Good for Us, Bad for Google](#)
- [Apple Pay Adds Support for Rewards Cards, Passbook is Renamed to Wallet](#)
- [Jack Dorsey, New Twitter Interim CEO, Will Remain Square's CEO](#)
- [PayPal' Dan Schulman Aims at Millennials' Wallets](#)
- [Breach at Winery Card Processor Missing Link](#)
- [Vantiv Celebrates First Year Anniversary of Mercury Acquisition](#)

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, future applications, and more!

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**This Day
in History: 1987**

[Reagan Challenges
Gorbachev](#)

On this day in 1987, in one of his most famous Cold War speeches, President



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Featured

[Google and Apple Roll Out Updated Mobile Payments Strategies](#)

Commentary from TSG

We're simply seeing mobile payment players jockeying for position. After mobile payments failed to gain consumer interest for years, competition in the space has now heated up since Apple announced Apple Pay last September. Apple Pay is now forcing other players to up their game to stay competitive. Samsung in March announced its own service, called Samsung Pay, for its Galaxy S6 and S6 Edge smartphones. Also, Google in February acquired some of the technology behind Softcard, a payments system backed by several US telecommunications firms. PayPal, too, is working to improve its mobile services.



[Click here for the full commentary.](#)

[There are No Transaction Fees for Android Pay, Which is Good for Us, Bad for Google](#)

6/08/15 Digital Trends

Apple Pay launched last year with a considerable amount of fanfare, but Google's upcoming Android Pay is likely to be favored by major banks. Google won't charge transaction fees for any Android Pay mobile payments according to the Wall Street Journal, which makes it more attractive. What's interesting about this story is that this was not Google's intention. Apple's deal with major banks yields them 0.15 percent of the value for each credit card transaction and a half-cent per debit card purchase. Google wanted a similar deal, but Visa and Mastercard just adopted a new "tokenization" card-security system that is transaction free, meaning that payments services cannot charge fees to issuers.

[Apple Pay Adds Support for Rewards Cards, Passbook is Renamed to Wallet](#)

6/08/15 The Verge

Apple Pay isn't just for credit cards. At WWDC, the company announced it will integrate rewards programs and store-issued credit cards into Apple Pay, and that Passbook will be renamed Wallet. Goodbye, Passbook, we hardly knew ye. Let's talk about rewards cards first. Starting this fall with iOS 9, Apple Pay will support Walgreens Balance Rewards, Kohl's, Coca-Cola, Dunkin' Donuts, Panera Bread, and Wegmans. You can store and add them as you would credit cards. (Apple Pay will reportedly select the right rewards card automatically when you hold it up to the store's reader.) Soon-to-be-supported store-issue cards include BJ's Wholesale Club, Kohl's Department Stores and JCPenney.

Related: [Apple's Most Important Service is About to Get so Much Better](#)

Ronald Reagan challenges Soviet Leader Mikhail Gorbachev to "tear down" the Berlin Wall, a symbol of the repressive Communist era in a divided Germany.

In 1945, following Germany's defeat in World War II, the nation's capital, Berlin, was divided into four sections, with the Americans, British and French controlling the western region and the Soviets gaining power in the eastern region. In May 1949, the three western sections came together as the Federal Republic of Germany (West Germany), with the German Democratic Republic (East Germany) being established in October of that same year. In 1952, the border between the two countries was closed and by the following year East Germans were prosecuted if they left their country without permission. In August 1961, the Berlin Wall was erected by the East German government to prevent its citizens from escaping to the West. Between 1949 and the wall's inception, it's estimated that over 2.5 million East Germans fled to the West in search of a less repressive life.

With the wall as a backdrop, President Reagan declared to a West Berlin crowd in 1987, "There is one sign the Soviets can make that would be unmistakable, that would advance dramatically the cause of freedom and peace." He then called upon his Soviet counterpart: "Secretary General Gorbachev, if you seek peace-if you seek prosperity for the Soviet Union and Eastern Europe-if you seek liberalization: come here, to this gate. Mr. Gorbachev, open this gate. Mr. Gorbachev, tear down this wall." Reagan then went on to ask Gorbachev to undertake

Apple Pay Coming to the UK

6/08/15 BusinessWire

Apple® announced that starting next month, Apple Pay™ will be available to customers in the UK, bringing them the easy, secure and private way to pay. Whether buying groceries, grabbing coffee, picking up lunch or taking the Tube, UK shoppers will soon be able to make many of their daily purchases with Apple Pay. At launch, over 250,000 locations will accept Apple Pay, with support from eight of the UK's most established banks, across all of the major credit and debit card networks.

Related: [Millions of Barclays Customers will Not be Able to Use Apple Pay](#)

Most UK Apple Pay Payments Will Have A £20 Limit, Banks Say

6/09/15 BBC

Most payments using the new Apple Pay system will be limited to £20 when it launches in the UK in July, the BBC understands. Major UK banks, apart from Barclays, have announced they will offer the new system. So, too, will many retailers. Apple Pay allows owners of an iPhone 6 or an Apple watch to pay by touching their devices on contactless pads. But banks have told the BBC payments will be capped at £20, similar to existing contactless payments.

Related: [Retailers Can Bypass £20 Limit for Apple Pay Transactions in the UK](#)

Jack Dorsey, New Twitter Interim CEO, Will Remain Square's CEO

6/11/15 Recode

Jack Dorsey is back as Twitter CEO on an interim basis, but he'll continue to keep his chief executive role at his payments company Square, too. "I am grateful for the talented team at Square, which I will continue to lead," Dorsey said in a press release announcing Dick Costolo's resignation as Twitter CEO and Dorsey's appointment. "We have built a very strong company from top to bottom, and I am as committed as ever to its continued success."

Is Payments Tokenization Ready for Prime time? Perspectives from Industry Stakeholders on the Tokenization Landscape

6/11/15 Federal Reserve Bank of Boston

The mobile payments environment continues to change rapidly with new technology platforms, solutions, and participants. Yet one long-standing barrier to achieving a successful mobile payments environment has been the lack of a framework to secure the payment credentials and associated end-to-end transactions. Tokenization of the payment is one way to address this security gap, enabling the faster adoption of mobile payments by replacing a card's primary account number with a random numerical sequence unique to a specific mobile device, merchant, transaction type, or channel.

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Mobile Payments & Bitcoin

Purewrist Wants to Bring Mobile Payments to Your Wrist, Sans Smartwatch

6/12/15 *SlashGear*

Mobile payments are taking off. A diverse group of companies are trying to get in on the ground floor of smartphone and wearable payments. Competition is heating up as Apple Pay partners with Square and Google introduces Android Pay. A new underdog, PureWrist, is entering the fray with a low-budget wearable payment band that forgoes other functionality for simplicity.

PayPal's Dan Schulman Aims at Millennials' Wallets

6/09/15 *Fortune*

When PayPal spins off from eBay this summer, its new CEO will be in the thick of the battle to dominate online payments. In an era when hoodie-clad coders are the boy kings of Silicon Valley, Dan Schulman, 57, favors cowboy boots. He made his name in distinctly un-Valley industries like telecom and credit cards. He plays chess with Richard Branson. And he once spent 24 hours begging on New York streets as research for a homeless-youth charity, sleeping in a skate park.

Square Will Launch An Apple Pay-Ready NFC And Card Chip Reader This Fall

6/09/15 *TechCrunch*

Apple announced a new partnership for Apple Pay with Square, which will release a new card reader designed to allow small businesses to take Apple Pay payments as well as credit card chip payments, but not card swipes. However, Square says it will ship its standard magnetic card stripe reader with the new NFC/EMV card chip reader so merchants can accept all forms of payment. Square will earn its standard 2.75 percent fee on all of these transactions, allowing it to earn money by pushing the adoption of Apple Pay.

The Shy College Student Who Helped Build Bitcoin Into a Global Phenomenon

6/10/15 *The Verge*

When Martti Malmi found Bitcoin in the spring of 2009, he was in his second year at the Helsinki University of Technology. Lanky, with birdlike features, Martti shied away from social contact. He was happiest in his room with his computer, writing code, which he had learned to do at age 12, or hammering away at enemies in online games, while listening to heavy metal music on headphones. Martti's reclusive, computer-centric life led him to the ideas behind Bitcoin, and ultimately to Bitcoin itself. The internet had allowed a teenage Martti to discover and explore political ideas that were far from the Finnish social democratic consensus.

More 'Buy' Buttons Headed to Facebook

6/11/15 *PC Mag*

Facebook is ready to add more "Buy" buttons to the social network. Launched less than a year ago, the Buy button lets consumers purchase products through the News Feed or Pages without leaving Facebook. Shopify, a platform that helps businesses create an online presence, has helped several of its clients incorporate the Buy button over the last few months, but is now opening the program to more retailers.

Related: [Facebook Expands Free Bluetooth Beacon Program](#)

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Regulation & Security

FANF's Offspring: Debit-Network Participation Fees

6/11/15 Digital Transactions

With little fanfare, some of the nation's major PIN-debit networks over the past couple of years have instituted so-called participation fees that are assessed for each merchant location in the network. The fees' progenitor, says a veteran market observer, is Visa Inc.'s Fixed Acquirer Network Fee (FANF), which Visa instituted in 2012 as part of a recovery strategy after its market-leading Interlink PIN-debit network lost more than half of its volume when the Durbin Amendment's transaction-routing requirements diverted traffic to other networks.

Breach at Winery Card Processor Missing Link

6/10/15 KrebsOnSecurity

Missing Link Networks Inc., a credit card processor and point-of-sale vendor that serves a number of wineries in Northern California and elsewhere, disclosed today that a breach of its networks exposed card data for transactions it processed in the month of April 2015. Earlier this week, I heard from a source at one of Sonoma, Calif.'s fancier wineries that their card processor had been breached. On Tuesday, I reached out to Calistoga, Calif. based Missing Link. Today, the company responded that it had begun notifying its customers about the incident, and that it was working with law enforcement and the card associations on an investigation.

Retail Industry Top Cyber Target, Trustwave Report Shows

6/09/15 Computer Weekly

The retail industry has come under the heaviest cyber attack in the past year, according to the 2015 Trustwave Global Security Report. The report also revealed cyber criminals can get a return on investment of almost 1,500% from exploit kits and ransomware. The retail industry accounted for 43% of more than 500 data compromises investigated in 15 countries in the past year, compared with 13% in the food and beverage industry and 12% in the hospitality industry. E-commerce breaches accounted for 42% of investigations, while point of sale (POS) breaches accounted for 40% of investigations.

New Alerts About POS Malware Risks

6/09/15 Bank Info Security

Recent point-of-sale malware attacks, and reports about emerging malware strains, highlight why more attention needs to be paid to POS system security. Last week, restaurant/grocery store chain Eataly reported a malware-related POS breach at its New York location, one of 27 worldwide. The breach, which the company says may have exposed card transactions conducted from Jan. 16 through April 2, is drawing attention because some experts believe it might have involved the compromise of card data in transit.

Apple Pay's Security Issues Can't Trump Convenience - at Least for Now

6/10/15 *BankThink*

There have been various media reports about some of the security shortcomings within Apple Pay. The shortcomings are not security holes per se, in the sense that a hole is generally unintended. No, the security issues were deliberate, done with the goal of making signups and initial usage as easy as possible for shoppers. As ZDNet noted: "Card issuers went so far as to green path Apple Pay accounts, meaning that no additional authentication was needed for an Apple Pay user to get their wallet up and running, other than measures built into the iPhone."



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Economy

U.S. Retail Sales Jump in May, Adding to Optimism About Growth

6/11/15 *The New York Times*

U.S. retail sales surged in May as households boosted purchases of automobiles and a range of other goods even as they paid a bit more for gasoline, the latest sign economic growth is finally gathering steam. While other data on Thursday showed a slight increase in new applications for unemployment benefits, the number remained in territory associated with a tightening labor market. The firming economy could likely prompt the Federal Reserve to raise interest rates in September.

U.S. Job Openings Hit Record High, Small Businesses Upbeat

6/09/15 *Reuters*

U.S. job openings surged to a record high in April and small business confidence perked up in May, suggesting the economy was regaining speed after stumbling at the start of the year. The economy's stronger tone was reinforced by other data on Tuesday showing a solid rise in wholesale inventories in April, in part as oil prices stabilized. "This is more confirmation that the economy is indeed emerging from that soft patch in the first quarter and can still pick up even faster in the next few months."

American Express: Embracing Warm Weather, Summer Travelers Stretch Budgets, Extend Vacations

6/11/15 *American Express*

After a long winter, Americans are itching to get away this summer. The latest American Express Spending & Saving Tracker reveals that 85% of Americans, or 198 million people, are planning time away in the coming months, up 13% from 2014. Although the majority (68%) of these Americans are planning at least one week-long trip, (on par with 2015), more are opting for extended vacations and setting out for at least two weeks this year (36% vs. 32% in 2014). The historically busiest travel days will likely remain the most popular, as more than half (53%, on par with 2014) continue to plan to travel over major summer holiday weekends, such as the Fourth of July and Labor Day.

Payments Press

Why Bundling Additional Solutions With Payment Processing Makes Sense



in-chief Mike Monocello.

At the Retail IT VAR Of The Future Conference, May 12-13, Bally's, Las Vegas, Chuck Fillinger, senior associate with The Strawhecker Group, discusses payment security with Business Solutions editor-

Vantiv Celebrates First Year Anniversary of Mercury Acquisition

6/10/15 Vantiv



Vantiv, Inc. (NYSE: VNTV), a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced that today its executives rang The Closing Bell at the New York Stock Exchange. The event celebrates the one year anniversary of the company's largest acquisition to date, the acquisition of Mercury Payment Systems, which closed on June 13, 2014, for an aggregate price of \$1.65 billion.

TSYS Enhances Card Production in the Migration to Chip Cards

6/08/15 TSYS

TSYS announced the enhancement of its card production capabilities to provide issuers more flexibility, simplicity and speed to market in the transition through the October 2015 chip liability shift. TSYS Chip Card on DemandSM is a new card manufacturing service that allows chips to be added to EMV®-capable magnetic stripe cards or customized cards from TSYS Card ShopSM - as needed by issuers - during the production process.

Ingenico to Provide EMV Equipment to Batteries Retailer

6/10/15 ISO & Agent

Ingenico Group has provided its EMV-enabled terminals and software to the retailer Batteries Plus Bulbs, in preparation for the October deadline for EMV-chip card adoption. Batteries Plus Bulbs in Hartland, Wis., will add Ingenico's equipment at its 650 locations in the U.S. The Ingenico terminals and software will allow the retailer to accept EMV chip-and-signature cards, EMV chip-and-PIN cards, contactless Near Field Communication payments and other types of mobile wallets.

Bank of America Merchant Services Provides American Express® OptBlue® Program to Small Businesses

6/11/15 MarketWatch

Bank of America Merchant Services, a leading electronic payments processor in the United States, announced today its participation in American Express' OptBlue program. OptBlue provides simplified sign-up and management of American Express card-related processing for small businesses. Bank of America Merchant Services clients using OptBlue will receive a single statement, use one settlement process and have a single point of contact for all their card processing needs.

MasterPass Now Available to More than 40 Million Across Asia/Pacific

6/11/15 MasterCard

MasterCard has revealed that its digital payments platform, MasterPass, has been gaining momentum, driven by the increasing trend among consumers in using it for smaller ticket, everyday payments. MasterCard has also seen a surge in transaction volumes, with a monthly compound average growth (CAG) rate of 38% for MasterPass transactions in Asia/Pacific for 2014. This growth is expected to continue given the number of new sign-ups during this time; MasterPass is now available to more than 40 million consumers across Asia/Pacific.

PayPal brings One Touch for the Web to UK and Canada

6/09/15 Finextra

PayPal is to bring its One Touch for Web application to the UK and Canada, enabling consumers to pay for purchases online with a single click after their first login. The firm released its Web version of One Touch in the US last month, a year after first piloting the widget on user smartphones. Consumers that choose to pay via One Touch are able to securely checkout across millions of PayPal-enabled websites in a single touch, with zero effort required on the part of merchants.

Ericsson and VeriFone Mobile Money Announce Global Partnership

6/11/15 Ericsson

Ericsson announced a partnership with VeriFone Mobile Money, the leading provider of mobile payment solutions for merchant point of sale (POS). VeriFone Mobile Money Retail Enablement software suite will be integrated with Ericsson Wallet Platform to expand payment options,

including in emerging markets. The global partnership agreement will make it possible for Ericsson's customers to offer a range of contactless near field communication (NFC) and tap-and-pay services at POS.

How PNC's Gridiron Gamble Could Pay Off in Chicago

6/08/15 American Banker

An out-of-town bank has put the Chicago market into a multimillion-dollar Bear hug. PNC Financial Services Group, a big regional bank based in Pittsburgh, this spring became the official bank sponsor of the Chicago Bears professional football team. An also-ran in deposit share after entering the market less than a decade ago, PNC hopes that teaming up with "Da Bears" will win over more retail and business customers.

Apriva, Miura Systems Partner to Deliver Added mPOS Functionality to U.S. Market

6/09/15 BusinessWire

Apriva, the leading provider of secure end-to-end wireless transaction and information solutions, and Miura Systems, the market leading UK-based mPOS platform provider, today announced their partnership and product integration. The integration will certify Miura's Mo10 hardware to Apriva's AprivaPay Plus mPOS application. "As chip card acceptance grows the market will demand more versatile mobile point of sale solutions. There is currently a gap in the market for a comprehensive solution that addresses EMV, Chip and PIN, NFC and other emerging technologies," said David Riddiford, President at Apriva.

Former PayPal Europe CEO joins Bigcommerce

6/09/15 ZDNet

Australian e-commerce tech startup Bigcommerce has announced the appointment of former PayPal Europe and HomeAway CEO Brent Bellm as its new chief executive officer. Bellm joins Bigcommerce after a stint as president and COO at vacation rental giant HomeAway, during which time the company completed its initial public offering (IPO) and tripled its quarterly revenues. Prior to HomeAway, Bellm spent more than seven years in a variety of executive leadership positions at PayPal.

Visa Amends Rules to Help Airline Industry Reduce Card-Not-Present Fraud

6/09/15 MarketWatch

Visa Inc. announced at a recent meeting of the Airlines Reporting Corporation (ARC)-sponsored Credit Card Working Group (CCWG) that effective October 2015 it will accept airline-supplied flight manifests as a remedy for fraud payment card chargebacks. This remedy represents an opportunity for the airline industry to recoup millions of dollars lost each year in "friendly fraud," which occurs when a cardholder claims fraud for a transaction they were involved in.

Global Payments Names Frank T. Young Senior Vice President of Global Product and Innovation

6/10/15 EON

Global Payments Inc., a leading worldwide provider of payment technology services, announced today that former Google executive Frank T. Young has joined Global Payments as Senior Vice President, Global Product and Innovation. In this role, Young is responsible for leading global innovation and product strategy, reporting to David Mangum, President and Chief Operating Officer.

U.S. Bank Renews Multiple Payment Solutions, Will Work with Fiserv to Deliver Integrated, Real-Time Payment

Experience to Consumers

6/11/15 Fiserv

Fiserv, Inc., a leading global provider of financial services technology solutions, today announced that U.S. Bank, the fifth largest bank in the United States, has signed a five-year renewal for the CheckFree RXP® electronic billing and payment, Popmoney® personal payment and TransferNow® account-to-account transfer solutions. "The Fiserv digital payment suite enables convenient and secure money movement for our customers through the online, mobile and tablet channels," said Niti Badarinath, SVP, head of omnichannel experience, U.S. Bank.

Moneris provides payment processing technology for Union Pearson Express

6/08/15 Moneris

Moneris, one of North America's largest processors of debit and credit card payments, announced today it has certified all unattended self-serve payment kiosks for Union Pearson Express (UP Express). Moneris technology and expertise were integral in completing the necessary compliance certification for the payment industry to ensure all self-serve kiosks were fully operational for the UP Express June 6th opening.

TouchSuite Becomes an Official Intuit Premier Reseller of the Global Company's Line of QuickBooks® Products, with the Launch of TouchSuiteSales.com

6/09/15 PRWeb

Leading U.S. financial technology company, TouchSuite, today launched the affiliated website, TouchSuiteSales.com, as the e-commerce site through which it will retail QuickBooks software products at the guaranteed lowest price point on the market, as well as its own QuickBooks-integrated payment processing solution, Lightning Payments. The site launch signifies TouchSuite's newly established relationship with Intuit.

C&H Financial Services acquires Regal Payment Systems

6/11/15 The Green Sheet

With over 5,000 merchants in its network, processing over \$1 Billion in transaction volume each year, C&H is a top 50 payment processing company. In the United States, C&H maintains offices in California, Illinois, Florida, Texas, and with the addition of Regal Payment Systems, Tennessee. C&H also has an international presence with operations in Canada, Australia, and New Zealand.

Javlin Capital Realizes 60% Reduction in Days-to-Deposit with SaaS Remote Deposit Capture Solutions from FTNI

6/10/15 FTNI

Financial Transmission Network Inc. (FTNI), a leading provider of integrated payment processing solutions, and Javlin Capital, an established specialty finance firm, announced today the successful implementation of FTNI's ETran integrated receivables hub. Serving businesses looking for capital partnerships - operating from eight locations across the U.S. - Javlin has deployed approximately \$350 million since 2011.



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