

# NewsFilter

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THE STRAWHECKER GROUP



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**2015 MWAA CONFERENCE**  
**JULY 14-16, 2015**  
PALMER HOUSE HILTON  
DOWNTOWN CHICAGO

This week, Private Equity firms, Blackstone Group and The Carlyle Group, [were said to be jointly bidding for NCR in a \\$10B deal](#). Other PE firms are in the hunt as possible suitors, as there is no certainty yet that Blackstone and Carlyle will prevail (or that NCR will agree to a sale with any party).

After years of prohibiting merchants who accept American Express from steering customers to other brands, [Amex is lifting those restrictions](#). The process was ruled anti-competitive by a judge in February, and though it is being appealed, a court ruled this week that the policy cannot stay in place while the appeal is decided.

What does this mean? Starting next month merchants can offer discounts or rebates to customers pay with a card from Visa/MasterCard or display signs showing which card brand they prefer.

Other highlights include:

- [Why Credit-Card Hackers Love America](#)
- [Bank Consortium clearXchange Debuts Real-Time Payments](#)
- [Magic Johnson is Joining Square's Board of Directors](#)
- [Vantiv Lands Postal Service Contract](#)
- [FirstData Launches Clover Mini](#)

**Quick Poll:** [Which U.S. city do you think has the highest average ticket at restaurants?](#) Answer the poll and get the results next week as calculated by TSG's data warehouse that holds data on over 100,000 U.S. restaurants.

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**This Day  
in History: 1953**

**Rosenbergs  
Executed**

On this day in 1953, Julius and Ethel Rosenberg, who were convicted of



## **Featured**

### **Blackstone and Carlyle Reportedly Considering \$10 Billion Offer for NCR**

*6/16/15 Atlanta Business Chronicle*

NCR Corp. stock was briefly halted Tuesday afternoon amid a report that two of the world's largest private equity firms had combined to acquire the metro Atlanta technology company. Private equity firms Blackstone Group and The Carlyle Group are said to be jointly bidding for NCR, Reuters reported, citing unnamed sources. The \$10 billion leveraged buyout deal, which includes debt, would make it the year's largest. Duluth, Ga.-based NCR, which invented the cash register, is pivoting from hardware to software and services.

### **AmEx to Stop Merchant Curbs**

*6/19/15 The Wall Street Journal*

*May require a subscription.* The country's credit-card giants are gearing up to slug it out at the checkout counter once again. After years of prohibiting merchants who accept its cards from steering customers to other brands, American Express Co. is lifting those restrictions. The change comes after a federal judge in February found that AmEx's rules on the matter were anticompetitive; a separate court this week denied the company's request to keep the rules in place pending its appeal.

Related: [Amex Faces Legally Levelled Playing Field at the POS](#)

### **Why Credit-Card Hackers Love America**

*6/16/15 CBS*

In October 2015, credit-card standards go into effect that will change how liability falls between credit-card issuers and retailers. EMV compliance won't be mandatory, but liability for fraud will become the problem of the party that hasn't upgraded their systems. That's prompting credit-card issuers to send out cards with EMV technology, while retailers are scrambling to get their systems ready. Still, recent studies have found that retailers are behind in upgrading their systems, with **consulting firm The Strawhecker Group** predicting that only one-third of U.S. merchants will be ready for the new cards by the October deadline.

### **Bank Consortium clearXchange Debuts Real-Time Payments**

*6/16/15 FierceRetail IT*

ClearXchange, the person-to-person payment network jointly owned by five of the largest U.S. banks, has launched real-time P2P payments. The technology is available immediately to existing members of the network and will be offered to all new members moving forward. Member banks are expected to begin implementing the technology for roll out to their customers over the next year.

### **E-Commerce Is All Grown Up And Moving On**

*6/19/15 TechCrunch*

E-commerce obstacles are falling just as the second wave of digital

conspiring to pass U.S. atomic secrets to the Soviets, are executed at Sing Sing Prison in Ossining, New York. Both refused to admit any wrongdoing and proclaimed their innocence right up to the time of their deaths, by the electric chair. The Rosenbergs were the first U.S. citizens to be convicted and executed for espionage during peacetime and their case remains controversial to this day.

Julius Rosenberg was an engineer for the U.S. Army Signal Corps who was born in New York on May 12, 1918. His wife, born Ethel Greenglass, also in New York, on September 28, 1915, worked as a secretary. The couple met as members of the Young Communist League, married in 1939 and had two sons. Julius Rosenberg was arrested on suspicion of espionage on June 17, 1950, and accused of heading a spy ring that passed top-secret information concerning the atomic bomb to the Soviet Union. Ethel was arrested two months later. The Rosenbergs were implicated by David Greenglass, Ethel's younger brother and a former army sergeant and machinist at Los Alamos, the secret atomic bomb lab in New Mexico. Greenglass, who himself had confessed to providing nuclear secrets to the Soviets through an intermediary, testified against his sister and brother-in-law in court. He later served 10 years in prison. [Click here to read more.](#)

natives is getting their hands on credit cards and debit cards and exercising their newfound online purchasing power. The rise of everything being offered as a service, or available by delivery, helps. As does the fact that e-commerce has gone mobile, moving into social, picture, video and streaming platforms. From Twitter and Snapchat to Pinterest, Periscope and Meerkat, we are seeing a broad array of communication systems embrace mobile commerce opportunities.

## [Tokenization Efforts May Not be as 'Disjointed' as They Appear, Says New Fed Report](#)

6/15/15 *Digital Transactions*

There may be a number of competing definitions and products already in the market and under development, but the current state of payments tokenization may not be as out of whack as some may think. That's the assessment of the latest report from the Mobile Payments Industry Workgroup, whose members come from the Federal Reserve Banks of Boston and Atlanta and private-sector payments and technology firms.



## [Mobile Payments & Bitcoin](#)

### [First Data launches Clover Mini for accepting Apple Pay, Android Pay, and Other NFC-enabled Wallets](#)

6/16/15 *VentureBeat*

The recent wave of digital payment options available to consumers has helped foster a spate of innovative technologies for receiving payments. To stay in the game, longtime point-of-sale purveyor First Data is launching its latest tablet-based system: the Clover Mini. The Clover Mini is a small point-of-sale system that's aimed at competing with Poynt, former Google Wallet lead Osama Bedier's recently launched point-of-sale. The Mini will accept NFC-based payments from mobile wallets like Apple Pay, Android Pay, and even the soon-to-launch Samsung Pay. It also has a card slot for chip and PIN credit cards.

Related: [First Data Launches Clover Mini, The Future of Payment Terminals](#)

### [Magic Johnson Is Joining Square's Board Of Directors](#)

6/17/15 *TechCrunch*

Square is bringing in Earvin "Magic" Johnson to its board of directors this summer. The former basketball player is one of the most successful business leaders in America and a great get for Square's board. He is not only an NBA Hall of Fame legend but also a formidable business leader, running the multi-billion-dollar Magic Johnson Enterprises, as well as the Magic Johnson Foundation - a well-recognized philanthropic organization for its work with urban communities.

Related: [Jack Dorsey Reaffirms He Will Not Leave His Role as Square CEO](#)

### [Why 'Buy' Buttons Will Pose Big Challenges for Google, Facebook, Pinterest and Twitter](#)

6/15/15 *Recode*

One year ago, the idea of shopping directly from Google, Pinterest,

Twitter or Facebook was mostly unheard of. Today, these companies are hoping it becomes one of the hottest Internet trends over the next year. Within the last 11 months, all four of these massive digital platforms have announced plans to either test or introduce some version of a "Buy" button, salivating over the chance to turn their social networks and discovery platforms into shopping malls as well. A new battleground for the consumer Web has come into sight and these players are coming for your wallet.

## **What Mobile Wallets And Smartphone Cameras Now Have In Common**

*6/15/15 PYMNTS*

Guess what? Apple and Google Android have just recast mobile wallets as smartphone utilities - putting them in the same category as cameras, maps, weather, the app store and any other app that comes preloaded on their smartphones. Not every mobile wallet, of course, just theirs. But what has gone unnoticed in the dozens of articles written about their respective announcements is the subtle shift that they engineered from asking users to take an action and download an app to giving them a wallet app outright when they power up their phones.

## **New Payment Technologies are DOA? Not so Fast**

*6/17/15 FierceRetailIT*

Apple Pay is dead on arrival. Samsung Pay is delayed. CurrentC won't even get that far. EMV has negative ROI. Those are just a few of the story lines of the past few weeks. All seem to ignore one important point: this is very new stuff. When I saw a headline in Forbes-"Why is almost no one using Apple Pay?"-I actually yelled at the computer screen: "Because it's new!" The writer went on to make some very good points about how small businesses hate any and all fees related to payments, especially credit card interchange costs, and are none too pleased about having to invest in additional devices at the point-of-sale for the mobile apps.

## **Starbucks Mobile Order & Pay Expands to 3,400 Additional U.S. Stores**

*6/16/15 Starbucks*

Starbucks Mobile Order & Pay, which began as a pilot in Portland in December 2014 and launched in the Pacific Northwest in March 2015, is expanding to stores in 21 more states in the southern and central United States today. Store managers say it helps partners provide customers one more way to connect with Starbucks, and the easy-to-use feature has proven convenient for customers eager to save time throughout their day.

## **Banks are 'Very Excited' About What One of the World's Best Funded Bitcoin Startups is Doing**

*6/16/15 Business Insider*

Bitpay became the world's best funded Bitcoin startup in 2014 when it raised \$30 million (£19.2 million) - but a year down the line, it's having to rethink its business. The four-year-old US company lets businesses accept Bitcoin as payment and has signed up 60,000 retailers including Microsoft and Virgin Galactic (Sir Richard Branson is an investor). But Bitpay has a big problem - ordinary people aren't paying with Bitcoin.

## **Regulation & Security**

## **New Generation of Malware Hiding Deep Within the POS**

*6/18/15 The Green Sheet*

Upscale food emporium Eataly disclosed a security data breach on in May 2015 that involved its retail marketplace POS system in New York City. Subsequent forensic analysis uncovered a sophisticated form of malware that had been operating undetected from Jan. 16 to April 2. Eataly notified consumers potentially affected and offered complimentary fraud and identity protection services. A notice on the company's website stated, "The malware has been rendered inoperable and additional security measures have been put in place to further secure the impacted point-of-sale and network systems.

### **CFPB's Prepaid Card Rules Would Squelch Financial Inclusion**

*6/15/15 BankThink*

Network-branded prepaid cards are a financial tool of choice for millions of American consumers, cutting across all demographics in the U.S. - from young to old and from low-income to high. They make consumers' lives easier and help them manage their money. They also enable government agencies and businesses to distribute money more efficiently, safely and at lower costs. Unfortunately, cumbersome regulations for prepaid products proposed by the CFPB could reduce consumer-friendly market competition, discourage innovation and effectively cut off many Americans' participation in the digital economy.

### **New Report: 62% of Cybersecurity Professionals See Insider Threats Growing**

*6/18/15 Business Wire*

Crowd Research Partners announced the results of a comprehensive insider threat survey conducted in cooperation with the 260,000+ member Information Security Community on LinkedIn and leading security vendors: Bitglass, Dell Software, Fasoo, Heat Software, LightCyber, ObserveIT, Palerra, RES Software, Sergeant Laboratories, SpectorSoft, Vectra Networks and Watchful Software.

### **NFC Forum Publishes New and Updated Technical Specifications**

*6/16/15 Business Wire*

The NFC Forum announced the public availability of technical specifications following approval by the Board of Directors. Available from the NFC Forum website, the specifications deliver new capabilities that support improved RF communication, device identification, greater security in peer-to-peer (P2P) messaging, and new RF Interface extensions for optimized and scalable P2P and memory tag communications.

### **Pindrop Security Reveals Financial and Retail Institution Call Centers See 30 Percent Rise in Phone Fraud**

*6/17/15 DarkReading*

Pindrop Security, the leading provider of call center anti-fraud and authentication solutions for enterprise call centers, today announced the findings of its annual Phone Fraud Report. For the report, Pindrop analyzed several million calls for threats using the company's patented Phoneprinting™ technology and Phoneybot™ monitoring technology. The research found a 30 percent rise in enterprise attacks and more than 86.2 million attacks per month on U.S. consumers.

### **Catching Up on the OPM Breach**

*6/15/15 KrebsonSecurity*

Turns out, the easiest way for a reporter to make sure everything hits the fan from a cybersecurity perspective is to take a two week vacation to the other end of the world. What follows is a timeline that helped me get

my head on straight about the events that preceded this breach, followed by some analysis and links to other perspectives on the matter.



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## Economy

### Fed Leaves Interest Rates Unchanged

6/17/15 *CNBC*

Keeping a tight lid on its future intentions, the Federal Reserve on Wednesday held interest rates steady at zero and provided only faint clues about when the first hike in nine years might occur. Adhering to market expectations, the Fed's Open Market Committee voted essentially to maintain the status quo that has prevailed since the U.S. central bank first went to zero rates in late-2008. FOMC members deemed economic activity "expanding moderately" with various sectors seeing some activity.

### Economic Recovery Reaches a Milestone

6/16/15 *MarketWatch*

Six years ago this month, the Great Recession came to an end and the current economic recovery was born. June marks the 72nd month since the economic expansion began. By historical standards, this makes the ongoing upswing rather long in the tooth. Since 1854, when business cycle data were first tracked, the average expansion lasted just under 39 months - so says the National Bureau of Economic Research, the widely agreed arbiter of the business cycle.



## Payments Press

### MasterCard Hopes to Spark Customer Engagement with Private Label Tokenization

6/17/15 *Loyalty360*

MasterCard officials believe tokenization services for private label (store-branded) credit card issuers will spark customer engagement and allow merchants to take advantage of the latest digital payment innovations. MasterCard announced this week that BJ's Wholesale Club, Kohl's, and J.C. Penney will be among the first retailers to bring mobile payments to their private label cardholders later this year. All three retailers now are involved with forthcoming Apple Pay updates this fall.

### Vantiv Lands Postal Service Contract

6/16/15 *Cincinnati Business Courier*

Vantiv Inc. has been selected to serve a major public institution with its

latest contract. The Cincinnati-based provider of payment processing services and related technology solutions for merchants and financial institutions has been selected to provide a full suite of payment solutions for the United States Postal Service.

### **TSYS Announces Promotion of Keith Pierce to Executive Vice President**

*6/17/15 TSYS*

TSYS announced the promotion of Keith Pierce to Executive Vice President for Relationship Management. Pierce will be responsible for TSYS' North America consumer, commercial and healthcare lines of business. In addition, he will oversee all production support, client services, risk management solutions and the segment revenue planning office for the North America Services segment.

### **Stripe Unveils Scandinavian Mobile Payments Push**

*6/15/15 International Business Times*

John Collison, co-founder of digital payments company Stripe, which is backed by Elon Musk, kicked off MoneyConf in Belfast on 15 June with the announcement that his company will launch in Denmark, Norway, Sweden and Finland next week. Stripe recently partnered with Apple Pay and Pinterest, and the expansion will stretch its international reach to 20 countries around the world.

### **MasterCard Brings World-Class Stadium Technology to Chile with Qkr!**

*6/17/15 MasterCard*

For the first time in Latin America, MasterCard rolled out in Chile a digital payment and shopping technology present in world-class stadiums. Called Qkr!, the app is available for Android and iOS devices and was developed by the company internationally under the "quicker" concept to make online shopping faster. This technology provides customers with faster, more convenient and secure transactions at places such as sports stadiums so customers can skip lines altogether.

### **Elavon Signs Wyndham Hotel Group to Multi-Year Agreement**

*6/16/15 MarketWatch*

Elavon, a leading provider of payment solutions and subsidiary of U.S. Bancorp has signed a multi-year agreement with Wyndham Hotel Group to integrate secure payment technology for approximately 4,500 of the company's more than 7,600 hotels over the next 18 months. The integration leverages Elavon's Fusebox gateway and Simplify payment security software application to remove cardholder data from each hotel's Property Management System.

### **Square Brings its 15-Minute, \$15 Fastbite Food Deliver Service to NYC**

*6/17/15 TNW*

A little under a year ago, Square got itself into the food delivery business by purchasing Caviar. Then it bought Fastbite two months ago to help bolster Caviar's high-end restaurant menu with quick, cheap menu items - but that service was limited to San Francisco. Now it's bringing Fastbite to New York - or a portion of Manhattan, at least.

### **Vantiv Releases Complete Payments Reporting, Servicing and Analytics Solution for Merchants and Financial Institutions**

*6/17/15 Vantiv*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for financial institutions and merchants of all sizes, announced the company's latest payments reporting solution, Vantiv iQ, is now available for both merchant and financial institution customers.

"Vantiv iQ allows our clients to access their payments data quickly and easily - anytime and anywhere," said Sarah Bernard, senior vice president of product strategy at Vantiv.

### **Pivotal Payments' FlexPoint Division Launches P2PE Solution**

*6/16/15 Pivotal Payments*

Pivotal Payments, a leading provider of technology-driven global payment processing solutions, announced it has completed certification for point-to-point encryption (P2PE) for its FlexPoint integration platform, further bolstering security at the point of sale by adding the highest level of cardholder data protection available.

### **Fiserv Enhances Chip Card Production Capabilities to Support Migration to EMV Chip Cards**

*6/18/15 Fiserv*

Fiserv, Inc., a leading global provider of financial services technology solutions, has expanded its card production capabilities to include milling and embedding, enabling the company to complete the entire EMV™ chip card production process in house and streamline the migration to EMV chip cards for clients.

### **Discover to Close Home Loans Business**

*6/16/15 BusinessWire*

Discover Financial Services announced that it is closing the mortgage origination business it acquired in 2012 to focus on its profitable direct banking products for which the company sees greater opportunities for growth. "The business is not projected to meet our financial expectations due to ongoing challenges to our home loans operating model, so we made the difficult decision to exit," said Carlos Minetti, president of consumer banking for Discover.

### **New .bank Domain Launches Into General Availability**

*6/18/15 Finextra*

The new .bank generic top-level domain will launch into general availability next week, promising to offer financial institutions and their customers better online security. The domain is managed by fTLD Registry Services, a private company specifically set up for the task, and owned, operated and governed by banks, insurance companies and their respective trade associations.

### **Clearent Named 6th Fastest Growing Company by St. Louis Business Journal**

*6/16/15 StreetInsider*

Today Clearent, one of the fastest growing payment processing companies in the U.S., announced that it was named the 6th fastest growing private company by the St. Louis Business Journal. This marks Clearent's fourth straight year on the prestigious list, which was made possible by the company's 161% jump in revenue between 2012-2014.

### **Emerging Payments Association Sets Up Incubator**

*6/19/15 Finextra*



The UK's Emerging Payments Association has launched an incubator for early stage companies in the payments industry. The Catalyst provides access to investors, workspace, mentors and commercial partners in association with MasterCard and The Bancorp.



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