

# NewsFilter

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## Highlights this Week...

- [Survey Shows Americans Trust Technology Firms More Than Banks and Retailers](#)
- [Creative Creations Accused of Theft by Payment Processing Company; Square on Hook for \\$2.8M](#)
- [Are Card Networks Tomorrow's Ad Platforms?](#)
- [Apple Pay Confirmed to Have £20 Limit Per Transaction in UK](#)
- [Money Taps are Turned on Full for Payments Startups as a Record Year Looms](#)

**Quick Poll:** Last week we asked our subscribers, [Which U.S. city do you think has the highest average ticket at restaurants?](#)

Unsurprisingly, Las Vegas received **60% of the votes**. Today, we would like to share the results calculated by TSG's data warehouse that holds data on over 120,000 U.S. restaurants.



Las Vegas, NV did indeed come in at number one among the most expensive cities for eating out, with 'foodies' seeing an average bill of \$46. This is 33 percent higher than the 2014 U.S. average of \$33 when using data from the country's 100 largest cities. New York City and Honolulu, HI fall in at number two and three with bills averaging \$45 and \$44, respectively.

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This Day  
in History: 1948

[U.S. Begins Berlin  
Airlift](#)

On this day in 1948, U.S. and British pilots begin delivering food and supplies by airplane to

Looking for a more economical meal? Augusta, GA holds the lowest average tab of \$23, which is 36 percent lower than the U.S. average. Other lower cost cities include Provo, UT and Chattanooga, TN with average bills of \$23 and \$24, respectively.

[See the Top 10 Most/Least Expensive Cities based on average restaurant tabs.](#)



## Featured

### [Creative Creations Accused of Theft by Payment-Processing Company; Square Inc. on Hook for \\$2.8M](#)

6/24/15 Omaha World Herald

A payment-processing company is on the hook for \$2.8 million connected to Creative Creations, the Omaha event-planning company that allegedly bilked at least 1,500 customers who thought they were buying plane tickets. A report filed with the Omaha Police Department says that between October 2014 and March of this year, Square Inc., a mobile payment-processing company, accepted more than \$7 million in credit- and debit-card payments from Creative Creations customers. The report alleges theft by deception.

### [Survey Shows Americans Trust Technology Firms More Than Banks and Retailers](#)

6/25/15 LTP

The level of trust Americans have on financial institutions is alarming. The recent Gallup Poll indicates that this level of trust has taken a nose dive. The poll says that only 28% of Americans have confidence in the financial services offered by the nation's banks. Instantly Brand Monitor, in cooperation with Statista, found that leading banks like Wells Fargo (44%), JPMorgan Chase (40%), Citi (37%) and Bank of America (36%) have better levels of trust compared to other banks in the US. On the contrary, the financial services of PayPal, Amazon, Google and Apple enjoy a high level of trust compared to America's largest banks. The financial services of all these firms have secured confidence from more than 50% of Americans.

### [Apple Pay Confirmed to Have £20 Limit Per Transaction in UK](#)

6/24/15 MacRumors

Following the confirmation by multiple banks on the matter earlier this month, Apple has confirmed that some retailers and specific out-of-date terminals will hinder customers to a £20 limit on their Apple Pay purchases (which will increase to £30 in September). However, the company does state that merchants with terminals "capable and configured properly" – and a payment provider that supports the most up to date specifications on contactless payments – will be able to support larger transaction sums.

Berlin after the city is isolated by a Soviet Union blockade.

When World War II ended in 1945, defeated Germany was divided into Soviet, American, British and French zones of occupation. The city of Berlin, though located within the Soviet zone of occupation, was also split into four sectors, with the Allies taking the western part of the city and the Soviets the eastern. In June 1948, Josef Stalin's government attempted to consolidate control of the city by cutting off all land and sea routes to West Berlin in order to pressure the Allies to evacuate. As a result, beginning on June 24 the western section of Berlin and its 2 million people were deprived of food, heating fuel and other crucial supplies.

Though some in U.S. President Harry S. Truman's administration called for a direct military response to this aggressive Soviet move, Truman worried such a response would trigger another world war. Instead, he authorized a massive airlift operation under the control of General Lucius D. Clay, the American-appointed military governor of Germany. The first planes took off from England and western Germany on June 26, loaded with food, clothing, water, medicine and fuel. [Click here to read more.](#)

## Amex Makes Changes Following Its President's Death

6/24/15 *American Banker*

To address the impact of American Express President Ed Gilligan's death in May, the card network has changed some executive roles and revised its internal corporate structure. "Honoring Ed's memory isn't just about looking back; it is also about moving forward," said Ken Chenault, Amex's chairman and CEO, in an internal memo that was released to the media on Wednesday afternoon. "As we do so, we are fortunate because we have a strong and experienced senior team across business disciplines and geographies who can provide the leadership we need to meet our challenges and achieve our growth objectives."

Related: [Organization Announcement: American Express](#)

## New .Bank Domain Attracts 3000 Applications

6/25/15 *Finextra*

More than 3000 financial institutions have applied for .bank domain names within 24 hours of the more secure Web address going on general release. 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.

## Are Card Networks Tomorrow's Ad Platforms?

6/22/15 *PYMNTS*

The card networks, and Visa and MasterCard in particular, are making (and have made) a series of investments to create offers and promotions ecosystems. These ecosystems make it possible for merchants with offers and consumers with network-branded cards to be connected, via issuers, through their relationships with card-linked offers platforms. Other innovators with data assets and mobile payments assets and technology enablers can all play along too, by connecting to the card networks, the merchant or issuers. And mobile is now bringing it all to life.

## Building a Safer Payment System

6/25/15 *Federal Reserve*

The payment system touches our daily lives, whether it's a consumer paying a bill, a company deciding to upgrade its point-of-sale terminals, a technology startup developing a new peer-to-peer payment app, or the government issuing tax refunds. Americans make more than 120 billion noncash payments each year. But it's only when something goes wrong, like a data breach at a major retailer or bank, that the typical end user takes notice of the payments process.

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## Mobile Payments & Bitcoin

## TSG Quick Poll

With Apple pushing further into Payments, do you think they will become the next major card network?



[Complete the poll here.](#)

## **The Many Challenges of Fitting a Bank on a Customer's Wrist**

*6/24/15 BTN*

Nothing better illustrates the daunting pace of technological change than asking several financial services executives this question: are you going to create wearable apps for your customers? "Wearables? We have to work on our smartphone app!" one said at the InVest conference last week. "Wearables? We have to work on our website!" another attendee said. They all acknowledged that they would have to do a watch app at some point, but it seemed far down the priority list for many. And yet, wearables are here.

## **More U.S. Consumers Bank On The Go, Even on Dates**

*6/23/15 MarketWatch*

Digital banking technology keeps making it much easier for U.S. consumers to manage their finances on the go. So easy, in fact, that a third of them bank on their phone and online more than a year ago – and many are doing it at work, at the store or even while on a date. "This survey tells us what our customers have shown us over the last two years," said Barry Sommers, CEO of Chase Consumer Banking. "They love the ease of handling their routine banking online, on their phone and at an ATM."

## **Canadian Senate Panel Calls for 'Light Touch' Bitcoin Regulation**

*6/21/15 CoinDesk*

A long-anticipated report published by the Canadian Standing Senate Committee on Banking, Trade and Commerce has called for a "regulatory light touch" on bitcoin and digital currencies. The report, entitled "Digital Currency: You Can't Flip This Coin!", comes after a months-long review that included a number of hearings before the Senate committee, and will undoubtedly play a role in how the Canadian government shapes future regulation.

## **Vending Machine Payments by Smartphone: PayRange Raises \$12M**

*6/25/15 Oregon Live*

Put away that role of quarters. You may soon be able to pay for your load of laundry with a smartphone. Portland startup PayRange said Thursday it has raised an additional \$12 million investment, a very large venture capital round by Oregon's modest standards. Its technology connects vending machines, coin-operated laundries and other equipment to smartphones so people can pay online with PayRange's online wallet.



# Regulation & Security

## OPM Breach Victims: Tens of Millions?

*6/23/15 Bank Info Security*

The number of data breach victims stemming from the hack attack against the Office of Personnel Management may number in the tens of millions. FBI Director James Comey has told U.S. senators in recent weeks, in closed-door briefings, that the tally of data breach victims might number 18 million people, CNN reports. That estimate is reportedly based on the results of the FBI's investigation into the OPM breach, which has found that information pertaining to not just current and former federal employees - but also prospective ones - was exposed.

## Feds Extradite 'Most Wanted' ATM Hacker?

*6/24/15 Bank Info Security*

A Turkish man who has been accused of masterminding a string of ATM cash-out attacks dating back to 2008 - and stealing almost \$55 million - has been extradited from Germany to face trial in the United States. Ercan Findikoglu (a.k.a. predator, segate), 33, was extradited from Germany to New York on June 23, where he will now face trial, according to the Department of Justice. Findikoglu was arrested by German police on an international arrest warrant, when visiting Frankfurt in December 2013, after being wanted by the U.S. Secret Service for five years.

## Two-Thirds of Retailers in the US and Europe Feel They Lack Tools to Tackle Omni-channel Fraud

*6/24/15 ACI*

More than 50 percent (54%) of retailers in the US and Europe still have to consolidate their fraud management solutions across all channels, according to new commissioned research conducted by Forrester Consulting for ACI Worldwide and published in a report titled, Managing Fraud in an Omni-Channel World. The research reveals that omni-channel data aggregation, the increasing number of payment options, the demand for faster fulfilment and the rapidly changing nature of fraud all present significant challenges to retailers' fraud management programs.

## FICO Sees 25 Percent Jump in Cross-Border Fraud on UK Debit Cards in 2014

*6/25/15 PR Newswire*

The percentage of fraudulent transactions occurring outside the UK in 2014 on UK debit cards rose 25 percent in a massive sample of cards studied by analytic software firm FICO. Fraudulent cross-border transactions accounted for nearly a third (31 percent) of all fraudulent transactions on 52 million active UK debit cards studied by FICO, up from 23 percent in 2013. Cross-border transactions overall nearly doubled between FICO's 2013 sample and 2014 sample.

## India Government Proposes Incoming Tax Benefits for Debit/Credit Card Payments

*6/23/15 The Economic Times India*

India is looking to incentivise the use of credit and debit cards by offering tax rebates to merchant establishments and consumers, making high-value transactions mandatory through electronic means and imposing an additional levy on cash payments above a certain level to curb black money. The finance ministry has prepared a draft discussion paper proposing benefits such as an appropriate tax rebate or a 1-2% reduction in value added tax for establishments that accept electronic payments.

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## Economy

### Jobless Claims in U.S. Hold Below 300,000 for a 16th Week

6/25/15 Bloomberg

Filings for U.S. unemployment benefits held below 300,000 for the 16th straight week, signaling a tighter labor market that will help propel growth in the second half of 2015. Jobless claims rose by 3,000 to 271,000 in the week ended June 20, a Labor Department report showed Thursday in Washington. The median forecast of economists surveyed by Bloomberg called for 273,000 new applications.

### U.S. Economic Output Is Revised to Show Smaller Contraction

6/24/15 The New York Times

While nothing to brag about, the economy's performance in early 2015 was not quite as bad as the number-crunchers in Washington had thought. The Commerce Department said Wednesday that the economy shrank at an annual rate of 0.2 percent in the first quarter of 2015, an upward revision from the 0.7 percent contraction reported last month.

### Why the U.S. Economy Won't Fall Into Recession Anytime Soon

6/25/15 The Street

The U.S. expansion is entering its seventh year but is aging well and has plenty of room to run. Still, there have been plenty of ups and downs, and the economy's poor performance early this year rekindled concerns that the expansion was in serious jeopardy. Based on the economic data, we believe the expansion is midcycle. This is typically the longest phase of the business cycle before moving into the late-cycle phase, characteristic of an overheated economy poised to slip into recession.



## Payments Press

### Money Taps Are Turned on Full for Payments Startups As a Record Year Looms

6/22/15 Digital Transactions

The gold rush in payments-startup financing that began about a year ago is likely to be even bigger in 2015, according to the latest report from CB Insights, a New York City-based investment-research firm. Last year set a record for startup funding, with \$2.23 billion pouring into new payments companies. But, with \$720 million invested in the first quarter, 2015 is "already on pace to exceed record financing in 2014," says the report.

## **Sharks Circle Entrepreneurs at 13th MWAA Annual Conference**

*6/23/15 The Green Sheet*

The Shark Attack, a competition for innovative payments-industry vendors, is becoming a tradition at the Midwest Acquirers Association Annual Conference. This year's show, which convenes July 14-16 at the Palmer House Hotel, should be no exception. For the fifth consecutive year, four vendors will pitch their products or services on the convention stage. The presentations usually yield a good bit of humor and have become an entertaining highlight of the conference.

## **TSYS Research Reveals Canadian Consumers Prefer Credit Cards as Payment Choice**

*6/25/15 TSYS*

TSYS announced the results of its 2015 Canadian Consumer Payment Choice Study. The second annual research found that when given a choice, 46 percent of Canadian consumers prefer to pay using their credit cards more than any other payment method. That's up from 34 percent in 2014. The recent online survey of more than 1,200 respondents, age 18 years and older, found that consumer preferences for using credit cards to shop online, combined with an overall increase in e-commerce, will likely cause a continued rise in credit use.

## **Uber And PayPal Extend Payment Partnership, Now In 19 Countries**

*6/24/15 TechCrunch*

PayPal teamed up with Uber back in 2013 to offer the U.S. taxi-hailing service's customers additional payment options. The world has changed a lot in those 18 months - Uber is now present in over 300 cities with China set to soon become its largest market - so, with that in mind, PayPal and Uber have extended their partnership to cover an additional 9 countries worldwide.

## **China's UnionPay Surpasses Visa**

*6/24/15 CNTV*

China's Unionpay has surpassed Visa to become the world's largest biggest bank card settlement organization. Fresh data shows that in the first quarter of this year, the total transaction volume of Unionpay cards reached 11.8 trillion yuan or about 1.9 trillion US dollars. That's while the transaction volume of Visa cards during the same period reached 1.75 trillion dollars.

## **Wal-Mart Scours eBay for Tech Talent**

*6/23/15 The WSJ*

Wal-Mart has taken at least 314 collective years of e-commerce technology experience from eBay. In a move Mr. Buzek calls "so smart," Wal-Mart has also hired at least six human resources staffers from eBay. "They know who the stars are," he said. "It's like having inside information of the labor pool."

## **Vantiv Partners with Zuza, CardFlight**

*6/24/15 The Green Sheet*

Vantiv, Inc., a leading provider of payment processing services and related technology solutions for merchants and financial institutions of all sizes, announced that it has partnered with Zuza and CardFlight to expand the payments solutions its independent sales partners offer to their customers. Zuza and CardFlight are both innovative point of sale (POS) providers focused on enabling complete value-added service

solutions to customers that go beyond just processing payments.

### **Walmart Gets Better Terms in Green Dot Contract Renewal**

*6/22/15 ISO & Agent*

Green Dot late Monday announced a five-year renewal of a prepaid card contract with Walmart, though the retail giant will get a larger share of revenue. Financial terms of the contract renewal were not disclosed, but executives of Pasadena, Calif.-based Green Dot acknowledged during a conference call that Walmart will get a larger share of revenue from the MoneyCard suite of products. Analysts had correctly anticipated that any new contract would shift more revenue to Walmart.

### **Atlanta Business Leader R.K. Sehgal Joins First Data International Advisory Board**

*6/24/15 First Data*

First Data Corporation, the global leader in payment technology and services solutions, announced that global business executive and influential leader, R.K. Sehgal, has joined the First Data International Advisory Board. Seeking to strengthen its presence in key regions around the world, First Data announced earlier this year the establishment of the International Advisory Board to expand First Data's footprint in new and existing markets.

### **Westpac Offers Next-Gen Portable Payment Devices & Full Terminal Management to Customers Leveraging Verifone Payment as a Service Platform**

*6/22/15 Verifone*

With more than 13 million customers, Westpac Group is one of the largest financial services institutions in Australia and New Zealand. Westpac Group-including St.George, Bank of Melbourne and Bank SA-will provide the VX 690 payment terminal from Verifone along with full terminal management support through Verifone's Payment as a Service platform. The partnership provides a superior level of servicing that will offer Westpac Group's merchant clients a market leading platform for faster onboarding, the ability to see their daily transaction activity in real-time and full support provided by Verifone's technical expertise.

### **North American Bancard Wins Interactive Intelligence's Best Help Desk/Tech Support Team Award**

*6/23/15 PR Web*

North American Bancard (NAB), an industry leader in credit card processing and provider of the PayAnywhere Storefront and mobile point-of-sale solutions, announced its customer service and mobile and tech support teams won the Best Help Desk/Tech Support Team Award. The award is from Interactive Intelligence, a global provider of enterprise-grade collaboration, communications and customer engagement software and cloud services to help customers improve service, increase productivity and reduce costs.

### **NCR Commerce Hub Creates Open Ecosystem of Applications and Momentum for Retailers to Capitalize on Omnichannel and the Internet of Things**

*6/24/15 NCR*

NCR Corporation, the global leader in consumer transaction technologies, today announced NCR Retail ONE, a new commerce hub that unites an open ecosystem of retail applications and data with an omnichannel software platform to provide frictionless shopping experiences for consumers. NCR has also announced that leading retail technology innovators, including Microsoft, Inmar, Freshub, Cisco and

Intel, have voiced support for the NCR Retail ONE commerce hub vision.

### **Credit Karma Raises \$175 Million At \$3.5 Billion Valuation**

*6/23/15 Forbes*

The credit monitoring site announced Tuesday that it has raised a \$175 million Series D funding round from existing investor Tiger Global Management alongside new investors Valinor Management and Viking Global Investors LP. The plan is to use the money to expand Credit Karma's offering, developing new tools to help consumers get the best rates home and student loans, areas the company currently doesn't touch, and bringing in deeper data so application processes can be completed in just a few clicks.

### **RentPayment Announces Plans to Report Rental Payment Information to TransUnion**

*6/25/15 EON*

YapStone™ announced that RentPayment, its online and mobile payment solution for the apartment rental industry, will now report rental payment information using TransUnion's Resident Credit. The integration with ResidentCredit will offer a prompt, seamless reporting process for property managers and residents. "Rent is the largest monthly expenditure for many Americans today," said Michael Denbeau, YapStone Vice President and General Manager of RentPayment.

### **Digital River Names Hoke Horne Chief Financial Officer**

*6/24/15 Digital River*

Digital River, Inc., a leading global provider of Commerce-as-a-Service solutions, announced the appointment of Hoke Horne as the company's chief financial officer, effective June 24, 2015. In this role, Horne, who has more than 20 years of financial experience, will be responsible for the company's accounting, finance, tax, corporate development and enterprise operations activities. "We are pleased to welcome Hoke to our leadership team," said David Dobson, Digital River's chief executive officer.

### **Traxpay Nabs PayPal and MasterCard Exec as Chief Operating Officer**

*6/23/15 Traxpay*

Traxpay, leader in B2B Dynamic Payments, today announced the appointment of Jochen Siegert as Chief Operating Officer. With an impressive pedigree in the payments industry, Siegert has held senior executive management positions at FinTech giants PayPal and MasterCard. Reporting directly to the company's CEO, his deep understanding of the financial technology sector will be a key advantage to accelerating Traxpay's global expansion from an operations standpoint.





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