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



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THE STRAWHECKER GROUP



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This Day in History: 1967

## eProcessingNetwork Introduces iEMVPay

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## Trending This Week...

This week, [TSG released a survey](#) to explore the current state of EMV implementation in the US since it has been more than three months since the liability shift. Your participation is appreciated, please complete the survey by 1/29.

Highlights this week include:

- [Adyen is the \\$2B Payments Startup You've Never Heard of \(Unless You're a Payments Nerd\)](#)
- [Hyatt Breach: 250 Hotels, 50 Countries](#)
- [Cash Remains a Lading Payment Form](#)
- [NY Subway and Buses to Go Contactless in 2018](#)
- [Fed Employee Hired by Pot Investment Firm to Crack Banking Sector](#)
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## Featured

[Adyen Is the \\$2 Billion Payments Startup You've Never Heard Of \(Unless You're a Payments Nerd\)](#)

## Packers Face Chiefs in First Super Bowl

On this day in 1967, at the Los Angeles Coliseum, the Green Bay Packers beat the Kansas City Chiefs in the first-ever world championship game of American football.

In the mid-1960s, the intense competition for players and fans between the National Football League (NFL) and the upstart American Football League (AFL) led to talks of a possible merger. It was decided that the winners of each league's championship would meet each year in a single game to determine the "world champion of football."

In that historic first game-played before a non-sell-out crowd of 61,946 people-Green Bay scored three touchdowns in the second half to defeat Kansas City 35-10. Led by MVP quarterback Bart Starr, the Packers benefited from Max McGee's stellar receiving and a key interception by safety Willie Wood. For their win, each member of the Packers collected \$15,000: the largest single-game share in the history of team sports. [Click here to read more.](#)

*1/14/16 Recode*

Adyen is not a household name in U.S. business circles, even with a \$2 billion-plus valuation. It hopes that opening up about its financial performance will help change that. The privately held payments company, which has its headquarters in Amsterdam, Netherlands, announced Thursday that its revenue doubled to \$350 million last year, as the company crossed \$50 billion in the amount of payments it processed. The company says it has been profitable on an Ebitda basis - a measure of a company's operating profit - since 2011.

## Payment IPOs in the Public Eye

*1/11/16 The Green Sheet*

If it remains consistent with the past 25 years, the payments industry will continue to consolidate. "Even though it's consolidating, there are enough startup companies that find niches and provide a broad base of business supporting the industry," **Ray Sobczyk, Senior Associate of The Strawhecker Group**, said. "If you look at the whole ecosystem, all the gateways and specialty companies that have arisen over the last five years, those will continue to get consolidated."

**Jared Drieling, TSG's Business Intelligence Manager**, noted changing market dynamics as a critical component. "A lot of traditional payment players are looking for guidance around understanding where the opportunities exist five or 10 years from now, and many envision an omnichannel environment where there is a blurring of lines between online and offline, and all of the payment systems and methods are interconnected through various merchants and platforms," he said.

## Hyatt Breach: 250 Hotels, 50 Countries

*1/15/16 Bank Info Security*

Hyatt Hotels says it's concluded its investigation into the payment card data breach that it first discovered in November 2015, and reports that malware infected 250 of its locations across 50 countries. The Chicago-based hotel chain says that anyone who used a payment card at one of the affected properties last year from July 30 to Dec. 8 was potentially affected. The affected properties are located everywhere from Argentina and Armenia to the United Kingdom and Vietnam. In the United States, 100 hotels in 26 different states were affected.

## Fed Hires IBM to Modernize ACH Amid Push for Faster Payments

*1/13/16 American Banker*

The Federal Reserve Bank of Atlanta has signed an eight-figure contract with IBM to modernize the central bank's automated clearing house services as the industry gradually moves to speed up payments for the digital age. It's a project that's likely to be mirrored at banks around the country in the next year or two, as the ACH system evolves from settling payments in the current one to five days to same-day settlement starting in September (per changes in NACHA rules), and on to faster payments beyond that.

## No Business Too Small to Be Hacked

*1/13/16 The New York Times*

Just as the holiday shopping season neared, a toy company, Rokenbok Education, was navigating a nightmare situation: Its database files had been infected by malware. Online criminals had encrypted company files, making them unusable, and were demanding a hefty ransom to unlock the data. Rokenbok, a California-based company that uses building blocks and even robotics to teach children how to think like engineers, lost thousands of dollars in sales in two days.

## Cash Remains a Leading Payment Form

1/14/16 *Nasdaq*

Cash is selected by nearly four out of five consumers when they need to pay someone back. This and additional findings taken from the latest Cardtronics, Inc. survey reveal that in spite of people having access to and using a greater variety of payment methods, cash remains widely used and frequently selected for making all sorts of payments. From paying people back to convenience store purchases to tipping, cash retains a prominent place in the consumer payments landscape.

## Integrated Bank Payment Platform Creates Opportunities for ISOs

1/13/16 *ISO & Agent*

Avidia Bank has been operating a new integrated platform for a few weeks that brings together third-party processor compliance, risk management, ACH and card payment acceptance, and remote deposit capture on one platform. That's good news for acquirers and independent sales organizations who normally deal with separate systems to accomplish all of that when bringing merchant clients to the bank for payment and financial services. The bank, of course, benefits as well.

## Sweden's Klarna Racks up Some Big Gains in the Early Going of Its U.S. Debut

1/13/16 *Digital Transactions*

Sweden's online-payments firm Klarna started operations in the United States only four months ago, but already it is making itself felt in the highly competitive business of serving U.S. e-commerce merchants. Nearly 20 retailers have signed up for the company's streamlined checkout service, including big sellers Overstock.com and Shoes.com. That's shy of the 50 or so the company expected by year's end, but not a bad start after a Sept. 1 launch. And close to 1 million consumers have used the service so far, ringing up sales at a current annual run rate of \$1 billion.

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## Mobile Payments & Bitcoin

### You Can Now Use Visa Checkout for Online Purchases at Walmart and Starbucks

1/12/16 *Digital Trends*

Visa just announced it's adding several big name merchants and retailers to Visa Checkout. Starbucks, Walgreens, the NFL Shop, the Home Shopping Network, and Match now use Visa Checkout, which allows consumers to store their card information and to make payments without having to leave the merchant's website or mobile site. You just have to log in and click a button to make and complete a purchase. The company has said that Walmart will support Visa Checkout this year as well.

### New York Subway and Buses to Go Contactless in 2018

1/14/16 *Finextra*

The MTA first began testing contactless payments for subway users back

in 2006, teaming with MasterCard and Citi on a pilot. Ten years on, Governor Cuomo is promising to "accelerate" the technology's roll out as part of a wide ranging overhaul of the Big Apple's Metropolitan Transportation Authority (MTA) designed to finally bring it into the 21st century, catching up with other major cities such as London.

### **PayPal Just Appointed This Bitcoin Startup Entrepreneur to Its Board**

*1/13/16 Fortune*

Payments giant PayPal announced a new board member this morning, potentially signaling the company's openness to cryptocurrencies. Wences Casares, CEO of bitcoin wallet provider Xapo, joined PayPal's board and is part of the company's compensation committee. Dan Schulman, president and CEO of PayPal, said of the entrepreneur: "Wences's unique line of sight into the future of commerce is ideally aligned with PayPal's vision of transforming the management and movement of money for people around the globe."

### **Snapchat Wants to Manage Your Money**

*1/11/16 Quartz*

The social media service known for disappearing photos wants to manage your finances. Snapchat is developing a service that would let users invest their money through the messaging app and have it managed by algorithms, according to a report from Reuters. The news service didn't have any details on how it would work, but sources said such a service would provide access to exchange-traded funds.

### **nanoPay Acquires MintChip from the Royal Canadian Mint**

*1/13/16 Bitcoin Magazine*

As of December 18, 2015, all assets related to MintChip - a digital currency developed by The Royal Canadian Mint - were transferred to nanoPay Inc., a Fintech company based in Toronto that provides loyalty and payments solutions for retail and ecommerce merchants. According to the Royal Canadian Mint, the MintChip enables consumers and merchants to exchange value almost instantly at a fraction of the cost of other alternatives.

### **CoinDesk Gets Acquired By Digital Currency Group**

*1/13/16 TechCrunch*

CoinDesk, one of the leading bitcoin news sites, has been acquired by Digital Currency Group according to a post on the company's site. A source close to CoinDesk tells TechCrunch the price of the deal was around \$500-600k. The bitcoin news site, which launched in 2013, had raised around \$2 million in undisclosed funding from investors and according to our source had been trying to sell for months, aiming to find a buyer for a price more in the \$800k-\$1M range.

### **A Bitcoin Believer's Crisis of Faith**

*1/14/16 Dealbook*

Mike Hearn, a British computer programmer, holed up in his two-bedroom apartment in Zurich over several days and nights last week, writing a cri de coeur. Two years ago, Mr. Hearn quit a cushy programming job at Google's Swiss headquarters to devote himself full time to what was his great passion: the virtual currency Bitcoin. He was one of a handful of developers around the world dedicated to maintaining the basic software that governs both the creation of new Bitcoins and the network on which the financial transactions take place.



## Regulation & Security

### Fed Employee Hired By Pot Investment Firm to Crack Banking Sector

*1/12/16 The Wall Street Journal*

A former Fed bank examiner is going to pot. Literally. Dante Tosetti has gone from a post with the Federal Reserve Bank of San Francisco to a new position with Privateer Holdings Inc., a holding company that invests in cannabis businesses. With recreational marijuana use legal in four states and the District of Columbia, cannabis is a quickly growing industry in the U.S. But banks have been hesitant to do business with companies involved in the sector, despite guidelines from the Justice Department in February 2014 that described how banks might provide services to marijuana businesses in states that have legalized the substance.

### Lessons from ATM Fraud Ring Arrests

*1/11/16 Bank Info Security*

The takedown of an Eastern European gang believed to have been responsible for a string of ATM jackpotting attacks across Europe serves as a reminder of why ATMs with outdated operating systems and universal access keys pose significant worldwide security risks. The Romanian National Police and the Directorate for Investigating Organised Crimes and Terrorism, along with Europol and other European law enforcement authorities, arrested eight individuals after house searches in Romania and the Republic of Moldova, Europol announced on Jan. 7.

### A Look Inside Cybercriminal Call Centers

*1/11/16 Krebs on Security*

Crooks who make a living via identity theft schemes, dating scams and other con games often run into trouble when presented with a phone-based challenge that requires them to demonstrate mastery of a language they don't speak fluently. Enter the criminal call center, which allows scammers to outsource those calls to multi-lingual men and women who can be hired to close the deal.

### U.S. Adds Six Russian Banks to OFAC Banned List

*1/11/16 The GreenSheet*

Add six banks based in Russia to the growing list of bad actors the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) designated as off limits for U.S. companies and individuals. The government's action forced Visa Inc. and MasterCard Worldwide to disconnect the designated banks from the international card networks, according to published reports. The six banks in question are Genbank, Krayinvestbank, Upper Volga Bank, Sevastopol Marine Bank, Inresbank, and Mosoblbank. The Treasury Department described the OFAC designation as stemming from economic sanctions imposed in 2015 on Russia following its annexation of Crimea from the Ukraine.

## Economy

### US Retail Sales, Industrial Output Data Point to Softer Growth

1/15/16 Reuters

U.S. retail sales fell in December as unseasonably warm weather undercut purchases of winter apparel and cheaper gasoline weighed on receipts at service stations, the latest indication that economic growth braked sharply in the fourth quarter. The growth picture was further darkened by other data on Friday showing industrial production weakened in December, dragged down by cutbacks in utilities and mining output.

### **U.S. Jobless Claims Rise Unexpectedly**

1/14/16 *The New York Times*

The number of Americans filing for unemployment benefits rose unexpectedly last week but remained below levels associated with a healthy labor market, the Labor Department reported on Thursday. Other data on Thursday showed that import prices tumbled in December for a sixth consecutive month as the cost of petroleum and a range of other goods fell further, suggesting that tame inflation could persist in the near term.

### **2016: The Year for Travel to Soar and for Saving Much More**

1/12/16 *American Express*

The New Year brings goals to save money and plans to splurge, according to the latest American Express Spending and Saving Tracker. Americans say saving more money remains the number one resolution for 2016 (51% vs. 58% in 2015), beating out exercising more and eating healthier. Americans plan to set aside an average of \$15,317 in savings, up significantly from \$11,292 last year. Many consumers may be setting more aggressive savings goals as Americans say they attained an average of 92% of their savings goal for 2015 (vs. 75% in 2014).

## **Payments Press**

### **First Data Announces Clover® Go**

1/15/16 *First Data*

First Data, a global leader in commerce-enabling technology and solutions, has announced the availability of Clover® Go, the latest addition to the Clover family of business management solutions. The EMV-enabled card reader plugs into an iOS or Android tablet or smartphone and works with a Wi-Fi or cellular connection, allowing business owners of all sizes to seamlessly and securely accept payments outside of a traditional brick-and-mortar setting. Clover Go provides multi-merchant and multi-user functionality, enabling business owners to toggle between different store locations and provide access to an unlimited number of employees.

### **More Leading Merchants Choose Visa Checkout to Increase Online and Mobile Sales**

1/12/16 *Visa*

According to new research from comScore, Visa Checkout is more effective than other checkout options at driving conversion, which means that shoppers who start a checkout process are more likely to complete it, when using Visa Checkout. Checkout abandonment rates have been an ongoing challenge for merchants trying to increase sales in digital channels, particularly on smaller screens of mobile phones.

### **Creditcall Secures EMV Certification From First Data For Mobile Point Of Sale Solution**

1/12/16 *BusinessSolutions*

Creditcall announced it gained EMV certification by First Data for its EMV SDK, ChipDNA for iOS and Android with the Miura M010 PINpad. Creditcall is now integrated with NCR Silver, making NCR Silver one of the first EMV-certified mPOS systems. Small businesses processing payment cards with First Data can leverage this integration immediately with NCR Silver while developers and integrators can effortlessly incorporate EMV-chip card payments into their own solutions using one of the largest U.S. processors.

### **Cayan Unlocks Omni-Channel for Retailers with Demandware LINK Certification**

*1/13/16 Cayan*

Cayan announced that it has become a Demandware Technology Partner, joining a best-of-breed community committed to increasing the pace of innovation and growth of the Demandware® Commerce Cloud. Through the LINK Partner Ecosystem, Cayan's Genius Platform has integrated with the Demandware Commerce Cloud to power ecommerce and in-store payments on the Demandware Digital and Demandware Store solutions.

### **TransFirst® and Bank Mutual Announce New Relationship**

*1/14/16 TransFirst*

Under the agreement, TransFirst will offer its payment processing products and services to business customers of Bank Mutual, enabling them to access the full suite of TransFirst's payment processing products and services, as well as TransFirst's competitive pricing structure, dedicated and collaborative sales support teams and 24/7, U.S.-based customer support.

### **Apriva Launches ASU Deals Application**

*1/11/16 Apriva*

Apriva, the leading provider of secure end-to-end wireless transaction and information solutions, and Arizona State University (ASU) announced the launch of the ASU® Deals application, now available for students and the broader community. The application offers a diverse range of benefits to students, staff and merchants that span coupons, loyalty programs and mapping capabilities, helping drive engagement between the university population and the local community.

### **Shift4 Achieves U.S. EMV Certification With First Data**

*1/13/16 PRNewswire*

Shift4 Corporation, provider of the world's largest independent payment gateway, announced it has completed certification for U.S. EMV with First Data's Rapid Connect® solution. Merchants can now process chip-embedded credit and debit card payments through Rapid Connect while receiving the security and flexibility benefits of Shift4's DOLLARS ON THE NET® payment gateway.

### **Verifone to Deliver End-to-End, EMV-Ready Payment Solution to Microsoft Dynamics Customers**

*1/14/16 Verifone*

Verifone announced its partnership with Microsoft to provide comprehensive EMV-ready Payment as a Service solutions certified for Microsoft Dynamics AX for Retail and Commerce solutions. In addition to Payment Card Industry (PCI) compliance, merchants are challenged by the expensive and time consuming process of certifying their point of sale (POS) software with processors in order to support EMV.

### **Early Warning Completes Acquisition of clearXchange**

*1/12/16 EON*

Early Warning, the leader in fraud prevention and risk management,

today announced the completion of its acquisition of clearXchange, the largest financial institution-led digital payments network in the United States. "Integrating Early Warning's industry-leading fraud prevention services, authentication capabilities, and bank network with the scope of clearXchange's digital payments solution will create the largest, most secure real-time payments ecosystem in the U.S.."

### **USAePay Announces EMV Certification by Global Payments**

*1/11/16 PR Web*

USAePay, an industry leading payment gateway, is proud to announce EMV certification by Global Payments, a leading worldwide provider of payment technology services. USAePay is among the first payment gateway companies to become certified and offer EMV solutions to its merchants. This certification includes the Ingenico iCMP device, a mobile hardware solution that enables merchants to accept both EMV and contactless technology services. The iCMP is currently certified on the USAePay gateway with talech software and meets security standards Level 1 and Level 2.

### **BBVA Compass Teams with FutureAdvisor to Offer Clients Access to Comprehensive, Affordable Investment Advice Anytime, Anywhere**

*1/12/16 PR Newswire*

BBVA Compass and FutureAdvisor are forging an alliance to bring investment management services to a greater slice of the bank's clients through digital means, making the Sunbelt-based financial institution the first major bank to sign on with FutureAdvisor after the San Francisco firm's milestone year in which it combined forces with leading asset-management firm BlackRock.

### **Ingenico Group to Introduce Contactless Payment Onto a Panasonic Tablet**

*1/14/16 Ingenico*

Ingenico Group, the global leader in seamless payment, announces having introduced contactless payment onto a Panasonic tablet. This represents a major step in the partnership between Intel and Ingenico Group, initiated in March 2015 and aimed at integrating Intel's technology and Ingenico Group's secure payment solutions into connected objects.

### **Pitney Bowes Expands Shipping Logistics Portfolio with Acquisition of Enroute Systems Corporation**

*1/12/16 BusinessWire*

Pitney Bowes Inc., a global technology company that provides innovative products and solutions to power commerce, announced the acquisition of Enroute Systems Corporation, a cloud-based, software-as-a-service enterprise retail and fulfillment solutions company. Enroute's capabilities complement and expand Pitney Bowes's global ecommerce offerings for companies throughout the retail supply chain.

### **Allied Wallet Releases Next Gen Payment Gateway with Flexible, New API Platform**

*1/12/16 BusinessWire*

Pitney Bowes Inc., a global technology company that provides innovative products and solutions to power commerce, announced the acquisition of Enroute Systems Corporation, a cloud-based, software-as-a-service enterprise retail and fulfillment solutions company. Enroute's capabilities complement and expand Pitney Bowes's global ecommerce offerings for companies throughout the retail supply chain.



## Desjardins and MasterCard Bring New Payment Options to Canadians

*1/14/16 MasterCard*

On January 18, 2016, Desjardins will begin issuing MasterCard credit cards, giving MasterCard distinction as the only payment network in Canada to be offered by all major financial institutions. Desjardins's association with MasterCard will give consumers in Quebec and Ontario more choice and unsurpassed acceptance around the world.

## Mobile Payment Platform Minkasu Raises \$1M Seed Round

*1/15/16 TechCrunch*

Minkasu, which means electronic money in Tamil (the native language of its founders) has raised \$1 million in seed funding from a group of individual investors, including entrepreneur Dan Palanisamy, who was previously vice president of mobile development and delivery at Bank of America; physician Kannappan Mohan; and Kuppanna G. Krishnan, a former professor at Southern Illinois University Edwardsville. The company will use the funds to attract more merchants onto its network and improve its technology.



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