

NewsFilter

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Payments Experts. Powerful Data.
THE STRAWHECKER GROUP



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This Day

in History: 1919

Two National Parks Preserved, 10 Years Apart

On this day in history, two national parks were established in the United States 10 years apart—the

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Highlights This Week...

- [How This \\$2.3B Swedish Company Plans to Dominate the US Payments Sector](#)
- [Merchants Ignore Durbin's Toll on Their Customers](#)
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NEW eReport - EMV: The Aftermath Survey Results

These insights come straight from key companies in the payments ecosystem, and are completed by individuals that have a strong level of EMV knowledge. In addition to quantitative data on various aspects of EMV readiness, the report is packed with direct comments and concerns on the issues surrounding EMV implementation in the U.S.

[Click here for a sample.](#)

This report includes: current estimates on EMV market readiness, current and historic expectations for future EMV market readiness, use of EMV-related fees, chargeback issues, impact of the media on EMV efforts, EMV implementation pain points, and aggregated respondent demographics.

Grand Canyon in 1919 and the Grand Tetons in 1929.

Located in northwestern Arizona, the Grand Canyon is the product of millions of years of excavation by the mighty Colorado River. The chasm is exceptionally deep, dropping more than a mile into the earth, and is 15 miles across at its widest point. The canyon is home to more than 1,500 plant species and over 500 animal species, many of them endangered or unique to the area, and its steep, multi-colored walls tell the story of 2 billion years of Earth's history.

In 1540, members of an expedition sent by the Spanish explorer Coronado became the first Europeans to discover the canyon, though because of its remoteness the area was not further explored until 300 years later. American geologist John Wesley Powell, who popularized the term "Grand Canyon" in the 1870s, became the first person to journey the entire length of the gorge in 1869. The harrowing voyage was made in four rowboats. [Click here to read more.](#)

[Purchase now for \\$795.](#)

In case you missed it: [TSG's EMV Aftermath Infographic](#)



Featured

How This \$2.3 Billion Swedish Company Plans to Dominate the U.S. Payments Sector

2/24/16 Inc.

A careful measure of speed is the key for international startups looking to successfully expand into U.S. markets. "Go slow to go fast," says Brian Billingsley, the North American CEO of Swedish payments processor Klarna. Prior to launching the concept stateside, he spent six months in Stockholm, where he reveled in the beauty of the startup's generous 400-day parental leave policy. He also spent quite a bit of time pouring over the reams of transaction data and trends.

Merchants Ignore Durbin's Toll on Their Customers

2/24/16 American Banker

Retailers who claim that restrictions on debit card fees benefit credit unions and community banks miss the point: These price controls are bad for consumers. After Congress passed the Durbin amendment - which was authored by Sen. Dick Durbin as part of the 2010 Dodd-Frank Act - merchants promised to pass the savings on to consumers in the form of lower prices. The price controls lawmakers were able to impose on those providing electronic payment options have resulted in an \$8 billion annual handout to retailers that they have not passed on to consumers. Five years after the Federal Reserve issued a rule to implement the amendment, retailers have kept most of this revenue - an estimated \$32 billion - for themselves.

MasterCard And Visa Jockey To Cash in on Expected Jump in Payments on Wearables

2/22/16 Digital Transactions

Payments made via so-called wearables are forecast to soar in the years to come, so Visa Inc. and MasterCard Inc. are positioning themselves to cash in with announcements made Monday at the huge Mobile World Congress in Barcelona, Spain. MasterCard unveiled a partnership with WiseKey, a Swiss company whose security software is already used by luxury watchmakers Hublot and Bulgari. The idea, MasterCard says, is to bring contactless payments to any watch, not just high-tech devices like Apple Inc.'s Watch, which works with the company's Apple Pay mobile-payments service.

Unicorn, Powa Technologies, Once Worth \$2.7B Collapses into Bankruptcy

2/24/16 CNN Money

The e-commerce startup, valued at \$2.7 billion just a few months ago, went bankrupt on Friday. On Tuesday, it laid off 74 people from its 311 person staff. The London-based Powa had been hailed as the crown jewel of British tech scene. Its CEO Dan Wagner boasted that Powa would

become "the biggest tech firm in living memory." It was one of only two "unicorns" – the term for private companies valued at more than \$1 billion – in the UK, according to data from PrivCo.

What Distinguishes Poynt's Bold Payments Proposition

2/24/16 *Fortune*

Payments are to the mobile web of 2016 what e-tailers were to the first Internet bubble. If you don't have a friend, a cousin, or a roommate who is doing a payments startup then you're not very well connected in Silicon Valley. By that measure, Osama Bedier is practically the granddaddy of today's payments world. He explored point-of-sale ideas at AT&T Wireless a lifetime ago, guided a thriving e-commerce business for a PC maker called Gateway that you have to be over a certain age to remember, and became a senior product executive at PayPal in its formative years. He also helped launch Google Wallet, the search, advertising, and mobile software behemoth's first foray into moving money around in support of commerce on its properties.

Processing Market Research

The Strawhecker Group is surveying acquirers/ISOs on their third-party processing relationship. We would greatly appreciate your input.

In return, you will receive the aggregated results of the survey which can be very valuable for evaluating your third-party processing relationship.

The survey is [available at this link](#). Please complete by March 1st, 2016. Individual responses will be kept confidential



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Mobile Payments & Bitcoin

Chinese Banks Charged Half the Fees Levied by Apple Pay on US Banks

2/23/16 *Finextra*

Chinese banks are to pay half the fees levied by Apple on US banks for the privilege of leveraging Apple Pay, as the consumer electronic giant bids to build market share in the country's competitive mobile payments market. The deal with Chinese banks will see Apple get around 0.07% per trans., according to a report on Chinese site Caixin, compared to the approximately 0.15 percent it's charging banks for credit card purchases in the US.

Payments Players Move on Blockchain Tech in Industry Shake-Up

2/25/16 *CoinDesk*

Amid a steady stream of positive news, incumbent payment companies are quickly launching products and services incorporating blockchain technology. To date, payments firms openly offering blockchain services include financial technology provider D+H, online payments startup Dwolla and cross-border payments specialist Earthport, though the

latest to launch an offering is PayCommerce, a decade-old software-as-a-service payments and remittance platform that connects network members across the globe.

Bitcoin Companies Funding Hit Almost Half a Billion in 2015

2/26/16 LTP

Bitcoin, as any cryptocurrency, is quite a debatable topic. The opinions are diverse when it comes to the question of security and other risks related to cryptocurrency. There are even some compelling reasons why bitcoin may be dead soon. Despite warning signs, global banks are actively getting into the race of developing their own digital cash. Regardless of the opinions on bitcoin and other digital money, there are still successful and growing FinTech companies working with the cryptocurrency are attracting significant funds. In fact, the funding for bitcoin companies hit almost half a billion (\$490.48 million) in 2015 across 66 deals.

Chase Pay Deal with Starbucks Strengthens the Bank's Mobile Muscle

2/23/16 PaymentsSource

Chase Pay, JPMorgan Chase's mobile wallet, has just landed an unlikely early partner with a history of going it alone: Starbucks. The deal will incorporate Chase Pay into the Starbucks mobile app for payments at more than 7,500 Starbucks locations, starting in the fall. Starbucks' mobile app, which is largely developed and maintained in-house, is used for over 10% of its U.S. in-store sales.

Samsung Pay Nears 5M Users in Six Months, Processed \$500M+

2/25/16 Crowdfund Insider

Just days after Kickstarter Alum & Mobile Wallet Provider LoopPay, Samsung Electronics Co. Ltd., announced that Samsung Pay, the mobile payment service, had reached a global milestone - nearly five million registered users processed over \$500 million in its first six months, showing a strong adoption rate in South Korea and the U.S. Samsung Pay launched in August 2015 in South Korea and in September 2015 in the U.S. market. Such statistics demonstrate that Samsung users increasingly use Samsung Pay in their everyday lives for its convenience, flexibility and security, according to the press release.

Southwest Airlines Adopts 'Pay with Amazon' for In-Flight Entertainment Purchases

2/24/16 GeekWire

After slogging through security, waiting to board the plane, finding a spot for your slightly oversized carry-on and squeezing into your seat, the last thing you want to do is dig out your credit card before watching the latest blockbusters on your cross-country flight. Now, if you've got an Amazon account, you may not have to. Southwest Airlines announced today that passengers are now able to make in-flight entertainment purchases through Pay with Amazon.

Beyond Loyalty:

Driving Enduring Customer Retention With Card-linking

CardLinx Forum 2016
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The Lowdown on the Apple-FBI Showdown

2/22/16 Krebs on Security

A federal magistrate in California approved an order granting the FBI permission to access to the data on the iPhone 5c belonging to the late terror suspect Syed Rizwan Farook, one of two individuals responsible for a mass shooting in San Bernadino on Dec. 2, 2015 in which 14 people were killed and many others were injured. Apple CEO Tim Cook released a letter to customers last week saying the company will appeal the order, citing customer privacy and security concerns.

Related:

- [Apple Asks Judge to Toss FBI Request](#)
- [Tim Cook: A Backdoor into the iPhone Would be the 'Software Equivalent of Cancer'](#)

Banks Should Worry About the Apple Security Case

2/25/16 BTN

The FBI's fight with Apple over access to a dead terrorist's locked iPhone could undermine software security for banks and their vendors and complicate business in other ways. As most readers know by now, the government has demanded that Apple create software that the FBI could use to try to crack open the iPhone of Syed Rizwan Farook, one of the San Bernardino shooters. Apple is resisting the order, arguing that it's tantamount to giving the FBI a master key that it could use to open other iPhones.



Economy

U.S. Consumer Spending Rose in January by Most in Eight Months

2/26/16 Bloomberg

Consumer purchases climbed in January by the most in eight months, fueled by faster earnings growth and indicating the biggest part of the U.S. economy gained momentum at the start of 2016. The 0.5 percent advance followed a 0.1 percent gain the prior month, a Commerce Department report showed Friday. The January figure exceeded the 0.3 percent median forecast in a Bloomberg survey. Incomes also climbed 0.5 percent, more than projected. The Federal Reserve's preferred measure of inflation rose by the most since October 2014.

Global Finance Leaders Meet as Economic Skies Darken

2/25/16 The New York Times

The global economy looks shaky. Markets for things as diverse as oil and European bank shares have plumbed new lows. The tried-and-true cures no longer seem to work. The task for global leaders this week: Come up with Plan B. Finance ministers and central bank governors from the world's biggest industrialized and developing economies now arriving in Shanghai face their toughest task since the worst days of the global financial crisis. Europe is mired in low growth and Japan is teetering on the brink of recession, even though the Bank of Japan and a lengthening

list of European central banks are pushing interest rates ever deeper into negative territory.

[Here's Why the Federal Reserve Won't Raise Interest Rates Until 2018](#)

2/25/16 The Street

The Federal Reserve won't be pulling the trigger for quite some time, according to BNP Paribas. "We've seen a lot of Fed commentators come out recently and [they] have been more dovish," said Stewart Warther, a U.S. equity and derivatives strategist at BNP Paribas, based in New York. "We've actually lowered our Fed hike forecast to zero hikes for 2016 and 2017. Recent market volatility has taken away the window for the Fed to hike."



[Payments Press](#)

[JetPay Corporation Announces CollectorSolutions Merger](#)

2/24/16 Benzinga

JetPay Corporation announced the signing of a merger agreement with CollectorSolutions, Inc. ("CSI"), a Pensacola, Florida based debit and credit card processing company. CSI is expected to bring approximately \$700 million of annual credit and debit card processing volume and approximately \$4.50 billion of annual e-check processing volume to JetPay. On a combined basis, the Company will serve over 15,300 merchants throughout the United States.

[Visa Checkout Launching Across Europe and India](#)

2/22/16 Visa

Visa Inc. announced that its leading online payment service, Visa Checkout, will be available to merchants and consumers across France, India, Ireland, Poland, Spain and the United Kingdom this year. Visa Checkout brings the security and convenience of the Visa card to the digital world, creating a better way to pay with mobile and connected devices.

[MasterCard Partners with CU Wallet to Deliver Customized Digital Wallet Service for Credit Unions](#)

2/22/16 MasterCard

With shoppers adopting digital wallets at a rapid pace, MasterCard and CU Wallet are partnering to deliver a customized digital service to credit unions. CU Wallet will speed the development and deployment of mobile wallets and payment solutions for community financial institutions by offering the MasterPass™ digital service. It will also provide a seamless and secure shopping experience to credit union members wherever they shop - in-store, in-app and online - on the device of their choice.

[TSYS and Ethoca Empower Card Issuers and Merchants to Combat Fraud](#)

2/25/16 TSYS

TSYS announced an agreement with Ethoca, a global provider of collaboration-based technology that enables card issuers and

ecommerce merchants to stop card-not-present fraud, recover lost revenue and eliminate chargebacks. Launched through this agreement, the TSYS Transaction Recovery NetworkSM, powered by Ethoca, provides near real-time notification of confirmed fraud that empowers issuers and online merchants to quickly recover lost revenue and eliminate the need for expensive and time-consuming chargeback processes.

TransFirst® and CheckWorks, Inc. Announce New Processing Agreement

2/25/16 TransFirst

TransFirst, a leading provider of transaction processing services and payment enabling technologies, and CheckWorks, Inc., which manufactures and sells checks to consumers and businesses through their website, banks and credit unions, announce a new sales partnership agreement. Under the terms of the agreement, CheckWorks will offer TransFirst's full suite of products to their customer base, including credit and debit card processing, ACH, mobile and recurring billing capabilities through TransFirst's Web-based electronic payment gateway Transaction Express®.

CUP and Visa Sign MOU to Collaborate on Payments Security, Innovation and Financial Inclusion

2/25/16 Visa

China UnionPay (CUP) and Visa Inc. signed a Memorandum of Understanding (MOU) in Shanghai with both parties agreeing to collaborate on payments security, innovation and financial inclusion. The MOU was signed between Shi Wenchao, President of CUP, and Charlie Scharf, Chief Executive Officer of Visa Inc. The MOU provides an important platform for CUP and Visa Inc., two world-leading payments networks, to work together to strengthen and create new value for the bank card ecosystem benefiting consumers, merchants, financial institutions, and technology partners. Key areas of cooperation under the MOU are payments security, innovation and financial inclusion.

Moneris the First North American Processor to Be Able to Self-Certify EMV Solutions for Five Major Card Brands

2/24/16 BusinessWire

Moneris Solutions Corporation ("Moneris"), one of North America's largest processors of debit and credit card payments, announced today it has been accredited to self-certify EMV-chip and PIN, and chip and signature terminals for five major credit card brands. With this authorization, Moneris is the only processor in North America with the ability to perform self-certification for merchants on behalf of American Express, Discover, MasterCard, Visa and Union Pay.

UnionPay International Works with the Top Four Banks in Thailand to Build the Local Bankcard Switching System

2/25/16 PR Newswire

On February 24, UnionPay International, together with Thailand's top four commercial banks, announced that TPN (Thai Payment Network), Thailand's local switching network based on UnionPay technical standards, officially went live. Previously UnionPay IC card standard became Thailand's banking industry standard. Through the incorporation of a joint venture, UnionPay now offers the technical standard for building the bankcard switching system. China UnionPay Chairman Ge Huayong, UnionPay International CEO Cai Jianbo and TPN Chairman Shoke Na Ranong attended the launching ceremony.

USAePay Adds DemandVoice to Payment Solutions

2/23/16 The Green Sheet

The USAePay integration is in full production powering PayItByPhone™ applications in Healthcare and Loan payment verticals. The feature rich gateway and expert development support has allowed us to meet or exceed all customer feature requirements..." shared Mark Rayburn, CEO of DemandVoice, "... one USAePay medical services merchant grew their income 20% by replacing their old, on-premise IVR with the cloud-based PayItByPhone™ service." Rayburn continued, "Organizations that have added IVR as an additional payment method to their existing web payment systems have achieved even greater returns.

Stripe Atlas Makes it Easy to Launch An Online Business Anywhere

2/24/16 TNW

At Mobile World Congress in Barcelona today Stripe co-founder and CEO, Patrick Collision, announced Stripe Atlas. The new service aims to make it easier to incorporate a business anywhere in the world. Atlas helps incorporate a U.S. Delaware company, open a US bank account with Silicon Valley bank, accept payments from Stripe and get tax/legal guidance.

Gemalto, Fingerprint Cards, Precise Biometrics And STMicroelectronics To Demonstrate World's First End-To-End Security Architecture For Fingerprint Authentication In Wearable And Consumer Electronics

2/22/16 Gemalto

Gemalto, Fingerprint Cards, Precise Biometrics and STMicroelectronics introduce the first end-to-end security architecture for biometric fingerprint authentication at Mobile World Congress 2016, offering OEMs[1] the opportunity to easily deploy this consumer-friendly feature in the latest generation of wearable and consumer electronics devices. This new proof-of-concept replaces conventional username/password authentication for applications such as payment, e-ticketing, digital access and 2-factor strong authentication with swift and secure fingerprint recognition.

TrustCommerce® Launches Trailblazing Payment Application-TC IPA™

2/25/16 PR Web

TrustCommerce®, the leading provider of secure payment solutions, is pleased to announce the launch of our new cloud-based product, TC IPA™ - Integrated Payment Application. TC IPA is an integrated payment application that allows payments to be securely collected and aggregated through a single consolidated, integrated, and resilient application, descope your other software applications.



2016 MAC Annual Conference
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