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Mar. 18th, 2016  
Edition #498



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## This Day

in History: 1852

Wells and Fargo start shipping and banking company

On this day in 1852, in New York City, Henry Wells and William G. Fargo join with several other investors to launch their namesake

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## Trending This Week...

Senator Durbin is at it again. [This week he questioned the Chairman of EMVCo](#) seeking information on whether the deployment of EMV in the U.S. is adequately preserving competition and protecting consumers.

Also this week, in an anti-trust complaint, [two small merchants in Florida say they, and many other retailers, are unfairly being forced to pay fraud-related expenses](#) as a result of the EMV liability shift even though they converted to EMV technology by the card brands' deadline.

## Other highlights this week include:

- [What are Real-Time Payments Worth?](#)
- [Amex Investigates Possible Data Breach](#)
- [Square Faces Oz Bank Concerns Over mPOS Security](#)
- [Apple's Brief Hits the FBI with a Withering Fact Check](#)
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[Essential Details on the Top Merchant Acquirers](#)

business.

The discovery of gold in California in 1849 prompted a huge spike in the demand for cross-country shipping. Wells and Fargo decided to take advantage of these great opportunities. In July 1852, their company shipped its first loads of freight from the East Coast to mining camps scattered around northern California. The company contracted with independent stagecoach companies to provide the fastest possible transportation and delivery of gold dust, important documents and other valuable freight. It also served as a bank-buying gold dust, selling paper bank drafts and providing loans to help fuel California's growing economy.

In 1857, Wells, Fargo and Co. formed the Overland Mail Company, known as the "Butterfield Line," which provided regular mail and passenger service along an ever-growing number of routes. In the boom-and-bust economy of the 1850s, the company earned a reputation as a trustworthy and reliable business, and its logo-the classic stagecoach-became famous. For a premium price, Wells, Fargo and Co. would send an employee on horseback to deliver or pick up a message or package. [Click here to read more.](#)

TSG's directory provides profiles on 250 ISO/Acquirers that include the country's top tier acquirers, along with supplemental ISOs and technology-centered acquirer's. Company profiles provide factual insights that include (as available) processor relationships, merchant vertical specializations, dollar volume statistics, transaction counts, active merchant outlet counts, key management names and titles, corporate structures, sponsor banks, partnerships and more. [Download a sample.](#)

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## Featured

### Banks' Credit Card Fees Threatened as Durbin Supports Retailers

*3/17/16 Bloomberg*

As one of the most antagonistic lobbying battles in Washington escalates – where financial institutions like JPMorgan Chase & Co. and Visa Inc. are sparring with companies such as Wal-Mart Stores Inc. over credit card swipe fees – a powerful ally is again sticking up for the retailers. U.S. Senator Dick Durbin wants to know whether a group owned by the world's biggest payment networks is using credit card technology and security standards to hinder competition, according to a copy of a letter obtained by Bloomberg News. The questioning rekindles scrutiny of Visa, American Express Co. and MasterCard Inc. by the Illinois Democrat, who inserted a controversial amendment in the 2010 Dodd-Frank Act that significantly cut the fees the companies charge on debit card purchases.

Related: [Senator Durbin Questions Whether Credit / Debit Card Chip Technology Rollout is Adequately Protecting Competition & Consumers](#)

### What Are Real-Time Payments Worth?

*3/15/16 American Banker*

As the U.S. gradually shifts to faster payments, banks will soon learn what kind of price the market will bear for consumers to send money in real time. Support for real-time payments means major technology upgrades for most banks. BBVA Compass, for instance, spent \$362 million on a new core banking system that can process transactions immediately. Some might argue that such tech overhauls are overdue and necessary. But it is a large outlay of money and bank management and investors will want to see a return on that investment. Consumers, however, are not used to paying to send money - at least not in the contemporary context of everyday, person-to-person transfers on mobile apps.

### Amex Investigates Possible Data Breach

*3/15/16 Info Security Magazine*

American Express is investigating a potential data breach in California. Apparently, one of the third-party service providers used by the payment giant's merchant partners was compromised, leading to the possible exposure of account numbers, names, expiration dates and other information. In a notice to customers filed with the Office of the Attorney General in California, Amex chief privacy officer Stefanie Ash said that the company was "vigilantly monitoring" accounts for fraudulent activity.

## Merchants Ask Court for Relief from EMV Liability Shift

*3/15/16 Bank Info Security*

In an anti-trust complaint, two small merchants in Florida say they, and many other retailers, are unfairly being forced to pay fraud-related expenses as a result of the EMV liability shift even though they converted to EMV technology by the card brands' deadline. Some fraud-prevention experts say the lawsuit, which seeks class action status on behalf of all affected merchants, highlights just how difficult it has been for smaller merchants to get their EMV point-of-sale terminals certified by the card brands.

## Square Faces Oz Bank Concerns Over mPOS Security

*3/17/16 Finextra*

Square's move into Australia has gotten off to a rocky start, with Commonwealth Bank only agreeing to lift a security-related block on the mPOS service after an intervention from Visa and MasterCard. When Square brought its mPOS service to Australia earlier this month, the security of its card reader was brought into question. Although the device, designed for the US market, accepts chip cards it does not have an inbuilt PIN pad.

## Uber, Green Dot, to Give Drivers Option to Be Paid Instantly

*3/17/16 ABC News*

Uber is launching a pilot program intended to help the ride-hailing service's drivers draw their pay faster, an effort that may also fend off emerging payday lenders who are targeting drivers. Uber will allow drivers to deposit their earnings from each ride into an account with GoBank, a subsidiary of the pre-paid debit card company Green Dot. Uber won't charge any fees for the service, and GoBank will not charge a monthly fee so long as drivers access their accounts at least once every six months. Should it go untouched for longer, drivers would face a monthly fee of \$8.95.

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## Mobile Payments & Bitcoin

### Amazon Wants the Patent for Pay-By-Selfie

*3/14/16 Recode*

First, Amazon patented one-click purchasing buying. Now it wants a patent for pay-by-selfie. The Seattle-based e-commerce company recently filed a patent application for a process that would allow shoppers to make a purchase by taking a photo and/or video of themselves rather than keying in their account password. The application is related to a separate patent Amazon holds for a technology that allows a device to authenticate a user via a photo or video, but not necessarily to complete a transaction.

### First Click: A Month with Apple Watch as My Wallet

*3/15/16 The Verge*

It all started when I left my house without my wallet. I had ventured out to grab some lunch with no cash or cards to pay for it, only my iPhone or

Apple Watch. I've used Apple Pay on my iPhone and Watch before, but this was the first time it was actually useful. I paid for a sandwich at my local store with my Watch, and thought nothing more of it. Unlike the US, Britain has widely adopted contactless payments, and most bank cards have the technology enabled by default. Big retailers accept payments up to £30 (\$42) by simply placing your card on a reader. There's no need for a signature or PIN code, you just touch and you're done.

### Square Brings on the Team Behind Framed Data, a Predictive Analytics Startup

3/14/16 TechCrunch

Square is acquiring the team behind Framed Data, a predictive analytics service, and will be deploying the team of data scientists to its Square Capital team. Square tracks merchants' transaction history through its services in order to better determine their eligibility for loans through Square Capital. There are certainly a lot of requirements around the analytics part of the service - Square has to do a detailed risk analysis for each customer and determine at what rate they are going to be paying back their loans.

### Fintech Startup Momo Raises \$28M from Standard Chartered's VC Arm, Goldman Sachs

3/17/16 Tech in Asia

Vietnam-based fintech startup Momo today announced it obtained US\$28 million in series B funding from Standard Chartered Private Equity and global investment bank Goldman Sachs, which is an existing backer. Launched in 2014, Momo is an ewallet and payments app that allows users to pay online and transfer money to each other digitally. At selected stores, the app can be used for cashless payments.

### Can Banks Leverage the Bluetooth Beacons that Retailers Are Testing?

3/14/16 BTN

Bluetooth beacons - small night-light-sized devices that can communicate with a mobile app as shoppers move throughout a store - may have the same potential for bank branches as they do for megaretailers like Target.

Shoppers who download Target's app can receive product suggestions and coupons as they walk from aisle to aisle, much like shoppers at Amazon.com get suggestions based on their browsing. Financial institutions are just as eager to benefit from this type of shopping data to connect with customers who are making fewer trips to their branches.



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## Regulation & Security

### Could FTC Play Bigger Role in Card Security?

3/15/16 Bank Info Security

The Federal Trade Commission's review of how nine qualified security assessors scrutinize merchants' compliance with Payment Card Industry security standards could be a sign that more federal oversight of payments security is on the way. On March 7, the FTC issued orders to nine companies that serve as QSAs, asking them to provide information about how they audit merchants' compliance with the PCI Data Security

Standard. The nine companies are: Foresite MSP LLC, Freed Maxick CPAs P.C., GuidePoint Security LLC, Mandiant, NDB LLP, PricewaterhouseCoopers LLP, SecurityMetrics, Sword and Shield Enterprise Security Inc. and Verizon Enterprise Solutions, also known as CyberTrust.

### Apple's Brief Hits the FBI With a Withering Fact Check

*3/16/16 Wired*

Apple's latest brief in its battle with the FBI over the San Bernardino iPhone offered the tech company an opportunity to school the Fed's over their misinterpretation and misquotations of a number of statutes and legal cases they cited as precedent in their own brief last week. Many viewed Apple's arguments as a withering commentary on the government's poor legal acumen. According to Apple, many of the cases the government uses to support its argument that the All Writs Act can be used to compel Apple to help crack the phone don't actually have anything to do with the All Writs Act, or encryption, or anything of relevance to the current case.

Related: [Apple's Tim Cook on FBI Feud: 'No One's Going Dark'](#)

### Thieves Phish Moneytree Employee Tax Data

*3/16/16 Krebs on Security*

Payday lending firm Moneytree is the latest company to alert current and former employees that their tax data - including Social Security numbers, salary and address information - was accidentally handed over directly to scam artists. Seattle-based Moneytree sent an email to employees on March 4 stating that "one of our team members fell victim to a phishing scam and revealed payroll information to an external source."

### US Judge Rules Mt Gox Class Action Can Continue Against Mizuho Bank

*3/15/16 CoinDesk*

A US district judge has rejected a claim by Mizuho Bank that a class action lawsuit related to its relationship with failed bitcoin exchange Mt Gox should be moved to Japan. Once the largest global bitcoin exchange, Tokyo-based Mt Gox collapsed in 2014, eventually filing for bankruptcy. Since then, the exchange, and its founder and CEO Mark Karpeles, have been embroiled in lawsuits from customers seeking to recover millions in customer funds that remain unaccounted for.



## Economy

### Retail Sales Slip on Falling Gas Prices; January's Total Revised Down

*3/16/16 USA Today*

Retail sales dipped last month on tumbling gasoline prices while January's total was revised down sharply in a sign that consumption has been less robust than believed so far this year. Consumer purchases dipped 0.1% in February, the Commerce Department said Tuesday. Economists expected a 0.2% drop. Excluding volatile autos and gasoline, retail sales increased 0.3%, more than the 0.2% rise economists expected.

## [It's Not All About the Benjamins: IEEE Global Cybersecurity Survey Reveals Death of Cash by 2030](#)

*3/16/16 PR Newswire*

IEEE, the world's largest professional organization dedicated to advancing technology for humanity, today announced the findings of an online survey that detail more than 1,900 technology enthusiasts' views on digital safety and the future of cybersecurity. According to the results, when asked what year mobile payments would be secure enough to the point where traditional methods (such as cash and credit cards) would no longer be required, 70 percent of respondents indicated a major shift by 2030.

## [Fed Slows Down on Plans to Pursue Interest Rate Increases](#)

*3/16/16 The New York Times*

The Federal Reserve has once again pared its plans for raising interest rates, citing the weakness of the global economy as a reason for greater caution about the prospects for domestic growth. The Fed's policy-making committee voted not to raise its benchmark rate at a meeting that ended on Wednesday, although general expectations at the beginning of the year were for an increase this month. And it pulled back sharply from a December prediction that the rate would rise by one percentage point this year. Fed officials now expect to raise rates by just half a percentage point this year.

Related: [Fed Slashes Rate Hike Forecast on Darker Economic View](#)



## [Payments Press](#)

## [First Data Continues Streamlining Operations With Facilities Changes](#)

*3/16/16 Digital Transactions*

First Data Corp. recently closed one office in Florida and plans to close a bigger one in New York next year, but the company still added 1,000 employees to its worldwide head count last year. Newsday, the newspaper of Long Island, N.Y., reported Tuesday that First Data filed a report with the state of New York that it plans to close its Melville office by the end of 2017. That office employs 641 people, according to the notice.

## [Discover Card Ranks in the Top Spot in Customer Loyalty for 20th Consecutive Year](#)

*3/17/16 Discover*

Discover Card leads the credit card industry in customer brand loyalty for the 20th consecutive year, according to an annual study by the independent research firm Brand Keys, a New York-based brand engagement and customer loyalty research consultancy. The Brand Keys Customer Loyalty Engagement Index® (CLEI) measures the degrees of loyalty that consumers exhibit toward their favorite brands.

## [Virtual Reality and Payment Wearables Tee Off at the Arnold Palmer Invitational Presented by MasterCard](#)

*3/16/16 MasterCard*

MasterCard is bringing the future of commerce to life with virtual and augmented reality commerce experiences and payment enabled wearables at the Arnold Palmer Invitational Presented by MasterCard (API) in Orlando, FL. Soon, golf fans may be able to shop for Graeme McDowell's equipment and G-Mac apparel, while teeing off with him on a virtual fairway. Or, while out on the course, golfers might simply tap their golf glove at the point-of-sale to buy refreshments from the beverage cart-no wallet required.

### **Heartland, Computop Collaborate to Offer Heartland Customers Secure International Payment Processing**

*3/14/16 Heartland Payment Systems*

Heartland Payment Systems, Inc., one of the largest payment processors in the United States, and Computop, a leading global payment service provider (PSP), announced they have signed a strategic cooperation agreement. Through a non-exclusive collaboration, the Heartland Portico Gateway will be integrated with Computop Paygate, a robust platform with international payment solutions and fraud prevention, to enable Heartland's U.S. customers to expand into new markets with secure international payment processing.

### **TFCU Selects ProPay to Integrate Pay-by-Text Loan Payments**

*3/17/16 TSYS*

ProPay®, a TSYS® company, announced that El Paso Area Teachers Federal Credit Union (TFCU) has selected ProPay's LenderPay™ solution to help provide members with new loan payment options above and beyond mobile apps and online bill pay. Members can now use their preferred debit card, credit card or bank account to pay TFCU loans by responding to a text message, clicking an email hyperlink or simply tapping their smartphone. There is no mobile app to download and no online payment portal needed.

### **Vantiv, Credorax Partner to Expand CNP Payment Acceptance Globally**

*3/15/16 The Green Sheet*

Vantiv, Inc., a leading provider of payment processing services and technology for merchants and financial institutions of all sizes, and Credorax, a global merchant acquiring bank, today announced a partnership that bolsters the capabilities of Vantiv's merchants to serve global consumers via card-not-present channels. As a result of this relationship, Vantiv's merchants will now be able to process and settle card payments in the local currencies of 34 countries, which often results in lower international banking fees and higher transaction approval rates.

### **ACI Worldwide and Verifone Partner to Deliver the First Pan-European Payments Platform for Auchan Group**

*3/16/16 ACI Worldwide*

ACI Worldwide, a global provider of real-time electronic payment and banking solutions, announced it will partner with Verifone, a global provider of payments and commerce solutions, to deliver a comprehensive pan-European card payments platform for Auchan Group, one of Europe's largest food retailers. Auchan relies on ACI's market-leading omni-channel UP Retailer Payments solution as the foundation for its cross-border payments strategy.

### **Citi's Glow From 'Best Year' Since Crisis Dims With Dour Quarter**

*3/17/16 TheStreet*

The New York bank's most recent assessment of how some of its largest businesses are performing in the first quarter is admittedly somewhat dour. But it builds on a year that CEO Michael Corbat describes in his annual letter to investors as the best since the financial crisis in terms of profit. Net income of \$17.2 billion was more than double the previous year's and 26% higher than in 2013. It "was a year when we saw indisputable evidence that our aspiration of returning Citi to its historic roots as the world's most admired global consumer, commercial and institutional bank is in reach," Corbat wrote.

### **D+H and The Clearing House Partner to Provide Real-Time Payments**

*3/17/16 Yahoo! Finance*

DH Corporation, a leading provider of technology solutions to financial institutions globally, announced that it is partnering with The Clearing House (TCH) to provide real-time payments to U.S. financial institutions. Financial institutions will now be able to use D+H's payments, core and channel applications to access TCH's ubiquitous real-time payment system in the United States, making payments seamless, certain, and frictionless.

### **Oberthur Technologies Consumer Research Shows 80% Want Dynamic Security Code Protection to Fight Online Fraud**

*3/17/16 BusinessWire*

Oberthur Technologies, a leading global provider of embedded security software products and services, and an award-winning innovator in the payment sector, announced the results of a survey which shows eighty percent of respondents would be more likely to use a MOTION CODE™-enabled card vs. one with a printed, static CVV for online shopping. The static printed code (CVV) is replaced by a mini-screen that displays an automatically refreshed code generated by an algorithm (dynamic CVV) every hour and does not add any steps to an online purchase. If the card data is stolen, it becomes useless within the next hour.

### **Aeriandi and Sage Pay Ink Strategic Referral Agreement**

*3/15/16 Finextra*

Aeriandi, a leading specialist in secure voice services, today expanded its relationship with payment service specialist, Sage Pay through a new strategic referral agreement. The ongoing partnership will see Aeriandi and Sage Pay work closely together to deliver comprehensive PCI-DSS compliant payment solutions to customers of both companies across a variety of vertical industries including telecoms, utilities and retail.

### **Alibaba is Working to Bring Virtual Reality Into its eCommerce Services**

*3/17/16 TechCrunch*

Alibaba has formally thrown its hat into virtual reality ring after the Chinese e-commerce giant announced its own VR research lab, dubbed GnomeMagic Lab. The company invested in red hot augmented reality company Magic Leap earlier this year, in a deal that put Alibaba vice chairman Joe Tsai on the board, and it has tinkered with 360 degree panoramic video for Youku Tudou - the Chinese video site it invested in and is in the process of acquiring for \$3.5 billion - but this is its official entry into the space.

### **Payoneer Acquires Armor Payments To Provide Businesses Worldwide With Secure, Seamless & Cost-Effective Escrow Services For Cross-Border Trade**

*3/15/16 PR Newswire*

Payoneer, a leading online payments company transforming the way businesses send and receive cross-border payments, announced today that it has completed its acquisition of Silicon Valley-based Armor Payments, the only licensed business-to-business payments provider offering Escrow-as-a-Service (EaaS). The acquisition will enable buyers and sellers, whether transacting directly or through B2B marketplaces, to reduce the uncertainty and risk associated with high-value B2B purchases by making secure, online escrow payments anywhere in the world.

### **Capital One Integrates with Amazon Alexa for Voice-Powered Payments**

*3/14/16 Finextra*

Capital One customers can now check their balances and pay their bills by talking to Amazon's Alexa virtual assistant. The Alexa assistant works with Amazon's FireTV and Echo smart speaker systems, enabling users to carry out a host of tasks - from checking the weather to dimming the lights to playing music - through voice commands.

### **Bank of the West names Nandita Bakhshi as President**

*3/16/16 PR Newswire*

Bank of the West, a BNP Paribas subsidiary, today announced the appointment of Nandita Bakhshi as President and CEO-designate effective April 1. Ms. Bakhshi will assume the role of President and CEO on June 1, when current CEO Michael Shepherd, 60, will take on the role of Chairman of BNP Paribas USA, the new holding company for all BNP Paribas subsidiaries in the U.S. Mr. Shepherd will continue to serve as Chairman of BancWest Corporation and of Bank of the West.

### **Merchant Link Launches EMV for Restaurants Using Oracle iPOS**

*3/15/16 Merchant Link*

Merchant Link, a leading provider of payment gateway and data security solutions, is pleased to announce that it has launched EMV for Oracle Hospitality's Restaurant iPOS Suite, including 3700, 9700, Symphony 1, and Symphony 2. Out of the lab and into pilot and production, Merchant Link has released EMV for Oracle merchants. Merchant Link provides a comprehensive security suite of products, including tokenization, point-to-point encryption, and EMV to Oracle point-of-sale merchants. Certified with Oracle Hospitality for point-of-sale, Merchant Link's suite of products closes the loop on security by securing data in flight and data at rest, and by responding to card present fraud.

### **Horizon Beverage Launches Advanced Online Payment Solution Powered by FTNI**

*3/15/16 FTNI*

Financial Transmission Network Inc., a provider of industry-leading, true integrated receivables solutions, announced that Horizon Beverage Group has successfully launched a new online payment portal for its customers leveraging FTNI's ETranIntegrated Receivables platform for the online acceptance, processing and posting of ACH transactions.

### **Mozido and Saavn Partner to Bring Mobile Payments to India's Largest Music Streaming Audience**

*3/16/16 EON*

Saavn, India's leading music streaming service, announced a multi-year agreement with U.S.-based mobile payments company Mozido. The partnership will leverage Mozido's mobile wallet and engagement platform to streamline payments, rewards, financial services, and offers for Saavn's 18 million listeners. The companies plan to introduce the

mobile wallet later this year. Under the agreement, Mozido will integrate its mobile wallet payment platform as the preferred payment option for the Saavn Pro premium offering.



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