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Payments Experts. Powerful Data.  
THE STRAWHECKER GROUP



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## This Day

in History: 1911

[Triangle Shirtwaist Fire in New York City](#)

In one of the darkest moments of America's industrial history, the Triangle Shirtwaist Company factory in New

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## Trending This Week...

- [The Real Reason Why Some Stores Still Don't Take Chip Credit Cards](#)
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## Sweet 16...Percent Off New eReports

As the tourney continues and upsets abound, The Strawhecker Group (TSG) would like to provide a [Sweet 16 percent off new research](#) to help ease the heartbreak of millions of busted brackets. The offer is valid through the championship game on Monday, April 4th.

**Did you know?** MCC 7941 (Sports Clubs/Fields) has the following performance metrics:

- Average Size: \$360,000 Annual Dollar Volume
- Average Ticket: \$160
- Change in Retained Acct. Vol (Same Store Sales): -2.64%
- Sample: ~1,000 merchants

York City burns down, killing 145 workers, on this day in 1911. The tragedy led to the development of a series of laws and regulations that better protected the safety of factory workers.

The Triangle factory, owned by Max Blanck and Isaac Harris, was located in the top three floors of the 10-story Asch Building in downtown Manhattan. It was a sweatshop in every sense of the word: a cramped space lined with work stations and packed with poor immigrant workers, mostly teenaged women who did not speak English. At the time of the fire, there were four elevators with access to the factory floors, but only one was fully operational and it could hold only 12 people at a time. There were two stairways down to the street, but one was locked from the outside to prevent theft by the workers and the other opened inward only. The fire escape, as all would come to see, was shoddily constructed, and could not support the weight of more than a few women at a time.

Blanck and Harris already had a suspicious history of factory fires. The Triangle factory was twice scorched in 1902, while their Diamond Waist Company factory burned twice, in 1907 and in 1910. It seems that Blanck and Harris deliberately torched their workplaces before business hours in order to collect on the large fire-insurance policies they purchased, a not uncommon practice in the early 20th century. While this was not the cause of the 1911 fire, it contributed to the tragedy, as Blanck and Harris refused to install sprinkler systems and take other safety measures in case they needed to burn down their shops again. [Click here to](#)



## Featured

### The Real Reason Why Some Stores Still Don't Take Chip Credit Cards

*3/24/16 Yahoo! Finance*

Chip cards use EMV technology (which stands for Europay, Mastercard, Visa), and are more secure than traditional swipe cards because they create a unique transaction code that cannot be used again. Cards with only a magnetic stripe use the same transaction code over and over, which makes it easier to skim information. Despite the now passed deadline, [The Strawhecker Group \(TSG\)](#) released a survey in February estimating that only 37% of merchant locations were EMV ready. "It appeared that some merchants delayed EMV migration completely until the holiday season ended to prevent friction and confusion at the checkout line," said Jared Drieling of TSG.

### Apple Pay to Expand to Mobile Web by Christmas

*3/24/16 Silicon Valley Business Journal*

Apple Pay will expand to mobile websites just in time for the holidays. The Cupertino-based company will allow users to pay for purchases on mobile websites with fingerprint ID instead of having to type in credit card information, according to Re/code, citing sources close to the situation. Apple is telling major partners that the feature will be ready by the end of the year, just in time for the holiday shopping rush. An official announcement could come at Apple's Worldwide Developers Conference in June.

Related: [Jim Cramer: Can Apple Pay and PayPal Coexist?](#)

### Square Just Became an Online Lender

*3/25/16 Fortune*

The recent bright star in the portfolio of Square, the San Francisco payments company led by Twitter co-founder Jack Dorsey, isn't actually payments. It's the company's cash advance service, Square Capital, which provides cash advances to merchants using Square's point of sale service. On Thursday, Square revealed that it is deepening its footprint in the financial stack by becoming a traditional online lender. The move also puts it in competition with other small business lenders such as OnDeck Capital.

### 7 Iranians Indicted for DDoS Attacks Against U.S. Banks

*3/24/16 Bank Info Security*

The Justice Department has unsealed indictments against seven Iranians - allegedly working on behalf of the Iranian government, including the Iranian Revolutionary Guard Corps, a branch of Iran's armed forces - who are suspected of conducting distributed denial-of-service attacks against dozens of American banks as well as attempting to seize control of Bowman Dam outside New York City. In unsealing this indictment, the Department of Justice is sending a powerful message: that we will not allow any individual, group or nation to sabotage American financial institutions or undermine the integrity of fair competition in the operation of the free market," Attorney General Loretta Lynch said in announcing the indictments on March 24.

[read more.](#)

## **Durbin's Debit Law Is Eyed As Part of a Sweeping Financial Regulatory Review**

*3/24/16 Digital Transactions*

Not yet five years after its implementation, a controversial federal regulation governing interchange and transaction routing for debit cards has come under review as part of a process set out by a 20-year-old law called the Economic Growth and Regulatory Paperwork Reduction Act. The debit card regulation, the Federal Reserve Board's Regulation II, is better known as the Durbin Amendment to the 2010 Dodd Frank Act, a massive reform of the U.S. banking and financial-services industries following the 2007-2008 financial crisis. Named for its chief sponsor, Sen. Richard Durbin, D-Ill., the amendment directed the Fed to implement its provisions, resulting in Reg II.

## **US Financial Firms are Eager to Capitalize on Cuba**

*3/24/16 Quartz*

The reinstatement of diplomatic ties between the US and Cuba is expected give a big boost to the Cuban economy. US companies in the hospitality industry like Airbnb and Starwood clearly stand to benefit, but so do financial companies that can help businesses expand to the US and move money in and out of Cuba. Firms including PayPal, Western Union, and online-payment processor Stripe have already announced pushes into Cuba.

## **Debit Cards Gaining on Cash for Smallest Purchases**

*3/23/16 MarketWatch*

When is the last time you used plastic to make a purchase less than \$5? For many Americans, it's becoming more common. The percentage of cardholders who use debit cards for small purchases hit 27% in 2016, an increase of five percentage points since 2014, according to a new survey of about 600 people with major credit cards from CreditCards.com. Just 11% of cardholders say they use credit cards for those small purchases of less than \$5, about the same number who said they did in 2014.

## **Powa: The Start-Up That Fell to Earth**

*3/21/16 BBC News*

It was one of Britain's brightest tech start-ups, praised by David Cameron, and a rare British "unicorn" - a company valued at over \$1bn (£694m) before floating on a stock market. Its dynamic founder Dan Wagner claimed last year that his business was worth \$2.7bn (£1.9bn) and had signed a deal in China with "limitless" potential. But last month Powa Technologies collapsed into administration - and it rapidly became clear that it was more akin to a lame old donkey than a unicorn. Its demise has raised questions about the health of London's much vaunted fintech (financial technology) sector, and about the wisdom of sky-high valuations for unproven businesses.

## **World's Banks Targeted by Expanding U.K. Startup GoCardless**

*3/23/16 Bloomberg*

U.K. fintech startup GoCardless wants to take its 'bank-to-bank' payment network to North America and the world, and has raised new venture capital to help it do so. The firm, which helps companies collect pre-authorized payments from customer bank accounts, said it now processes about 1 billion pounds (\$1.4 billion) of payments annually from more than 16,000 merchants across the six countries it operates in: the U.K., France, Germany, Spain, the Netherlands and Sweden. Hiroki Takeuchi, GoCardless's co-founder and chief executive officer, said in an interview that the company has raised \$13 million in funding to go after bigger business clients.

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## **Mobile Payments & Bitcoin**

### **Starbucks Launches Chase Visa Prepaid Rewards Card**

*3/23/16 USA Today*

Starbucks gave customers a jolt Wednesday with plans to expand the availability of its coffee, and its loyalty program, outside its cafes. Following a year of record sales - which hit \$19.2 billion in 2015 - Starbucks executives outlined the company's strategy at its annual shareholders meeting in Seattle. Expect to see the coffee giant expand its presence outside of its cafes while giving customers more incentives to buy Starbucks products. That includes the introduction of a Chase Visa prepaid rewards card at the end of the year. Customers will be able to use the card anywhere Visa is accepted and earn "stars" on every purchase, regardless of whether it's for Starbucks items.

Related: [Why Starbucks Just Announced a Big Deal with Chase](#)

### **UK's Lessons For US Mobile Payments Adoption**

*3/21/16 PYMNTS*

Consumers and retailers in the U.S. apparently just aren't getting it. The latest stats coming out of the U.K. show that one in 10 card transactions are now contactless. And that has jumped like a jackrabbit in just the last year. Enabling all of the London Transport System to accept contactless last September contributed a lot to that increase - 1 million transit rides a day are now done via a contactless tap at the turnstile. Roughly 320,000 of the U.K.'s 1.7 million merchant terminals are now contactless too - and a mandate to make every single POS terminal in the U.K. contactless by 2020 will rapidly close that gap.

### **Square Teams Up With Facebook to Offer Ads That Can Be Gauged**

*3/23/16 The New York Times*

Square has long pitched itself to small businesses as a one-stop shop for processing customers' credit cards. Now the company wants to help get more of those customers in the door. On Wednesday, Square announced a new integration with Facebook. Under the integration, small businesses that use Square to process payments can buy and target Facebook advertising using Square's software. Square will make subscription fees off the new product.

Related: [The Design Challenge Behind Square's New Reader](#)

### **New CardLinx Data Shows Rapid Growth in Card-Linked Offers and Loyalty**

*3/24/16 BusinessWire*

The CardLinx Association released new data from the 2016 Annual Card-Linking Industry Survey. The February 2016 data is sourced from the largest merchants, payment companies, publishers and card-linked technology companies. Over 50% of respondents noted that card-linking transactions have grown by at least 50% in the last 12 months. This compares to last year's February survey when the majority of respondents reported growth of at least 10%.

## [BMO Introduces MasterCard Selfie Payments for Corporate Cardholders](#)

3/23/16 *Finextra*

Bank of Montreal (BMO) has teamed up with MasterCard to let Canadian and US corporate cardholders authenticate online payments with their fingerprints and selfies. The phased introduction will initially see BMO employees scan their fingerprints or snap selfies to validate their identities to the MasterCard Identity Check app before being returned to merchant sites to complete purchases. With the test phase being used to gauge biometrics' potential to increase security and convenience, the bank says that it plans to make the technology available more broadly during the summer.

## [Google Confirms Android Pay is coming to the UK](#)

3/23/16 *The Inquirer*

Google has announced that Android Pay will launch in the UK in the coming months following the promise of a March launch. Pali Bhat, Google's senior director of product management, confirmed in an announcement that deals have already been inked with Bank of Scotland, First Direct, Halifax, HSBC, Lloyds, Marks & Spencer, MBNA and Nationwide Building Society. Notable absences from the list are Barclays, which took a while to jump onboard with Apple Pay, Royal Bank of Scotland, NatWest and TSB, although it's likely that these will fall into line very quickly.



## [Regulation & Security](#)

### [Apple's Tim Cook on iPhone Unlocking Case: "We Will Not Shrink from This Responsibility"](#)

3/21/16 *TechCrunch*

Tim Cook started Apple's press conference with a surprising statement. After announcing that there are now 1 billion active Apple devices, Apple's CEO then talked about the ongoing conflict with the FBI. "We built the iPhone for you, our customers. And we know that it is a deeply personal device," Cook said. "For many of us, the iPhone is an extension of ourselves." Apple has made it clear that the company doesn't want to unlock the iPhone 5c involved in the San Bernardino case because it would compromise the privacy of millions of users. A backdoor for the FBI is a security hole, and hackers could take advantage of it.

Related: [The Behind-the-Scenes Fight Between Apple and the FBI](#)

### [Visa, Fed Execs Shine a Light into Data Security's Weakest 'Seams'](#)

3/21/16 *BTN*

Financial services companies and others are building up their defenses against mounting cyberattacks, but they need to sharpen their focus on where systems connect. It's critical that businesses and organizations that move or store personal data invest in the proper hardware and software, and assure they work together securely, Lyn McDermid, chief information security officer for the Federal Reserve, said Thursday during the Women in Finance and Technology Symposium in Washington.

## **Carders Park Piles of Cash at Joker's Stash**

*3/21/16 KrebsonSecurity*

A steady stream of card breaches at retailers, restaurants and hotels has flooded underground markets with a historic glut of stolen debit and credit card data. Today there are at least hundreds of sites online selling stolen account data, yet only a handful of them actively court bulk buyers and organized crime rings. Faced with a buyer's market, these elite shops set themselves apart by focusing on loyalty programs, frequent-buyer discounts, money-back guarantees and just plain old good customer service.

## **PCI Council Adds European Partner to Fight Fraud**

*3/22/16 Gov Info Security*

The PCI Council on March 22 formally announced its partnership with the ECPA, describing the pairing as "joining forces to protect against payment data theft around the world." What this means in practical terms is that the ECPA will now collaborate with the council's working groups and committees to help shape future versions of PCI-DSS, as well as to promote adoption of the standard to its members, in conformance with evolving European Union regulations.



## **Economy**

### **How Robots Will Reshape the U.S. Economy**

*3/21/16 TechCrunch*

Few doubt that our future - both immediate and long term - will be heavily impacted by robots. With flashy AI technology like IBM's Watson and Google's driverless cars stealing headlines and outperforming their human competitors, it's clear that our economy is bracing for a fundamental shift in how we perform work. What's less obvious, however, is exactly what the workplace of the future will look like. A pair of Oxford researchers recently estimated that 47 percent of the total U.S. employment is at risk of being eliminated. On the other end of the spectrum, Mercedes announced it is trading out some of its production robots for human labor - the machines could not keep up with the increasing options for customization.

### **Amex: Movin On Up! 42 Million Americans Plan to Move in 2016, with Renting at a Five-Year High**

*3/23/16 Amex*

For many Americans, the end of the frigid weather marks the beginning of house-hunting season. According to the American Express Spending & Saving Tracker, approximately 42 million (17%) of Americans plan to move in 2016, a significant increase over last year (12%). For those relocating in 2016, 53% say they will rent rather than buy - the largest percentage of consumers since American Express began polling the topic in 2012. Conversely, only 40% of Americans plan to purchase a home in 2016, a significant decrease from last year (46%).

## Payments Press

### CardConnect and FinTech Acquisition Corp. Announce Merger Agreement Combining Businesses

*3/07/16 CardConnect*

FTS Holding Corporation, the parent company of CardConnect®, LLC, a payment processing and technology solutions provider, and FinTech Acquisition Corp., announced that they have entered into a definitive merger agreement, whereby FNTC will acquire CardConnect and will be renamed CardConnect Corp. The merged company will apply to continue the listing of its common stock on the Nasdaq Stock Market under the ticker symbol "CCN." Post transaction, the CardConnect management team will continue to lead the company. CardConnect is currently majority owned by FTV Capital.

### Shopify Doubles Down on 'Buy' Buttons Despite Sluggish Start

*3/22/16 Recode*

Last year certainly wasn't the year of the "Buy" button that some envisioned, but Shopify is betting that 2016 could be. The e-commerce company, which makes software that small businesses use to sell products online, is expanding the number of online sales channels its customers can sell through as shopping on mobile devices booms. The new channels include product discovery app Wanelo, home design site Houzz and coupon app Ebates; Shopify said that more are on the way.

### First Data and First Tennessee Bank Form Strategic Relationship to Support Small Businesses

*3/24/16 First Data*

First Data, a global leader in commerce-enabling technology and solutions, has entered into a strategic agreement with First Tennessee Bank, the largest bank in Tennessee with nearly 200 retail and commercial banking locations. Under the new enterprise agreement, First Tennessee will provide its small business clients with First Data's innovative products, including the Clover® family of business management solutions. First Tennessee will also join First Data's STAR® Network and have access to an array of cutting-edge fraud protection tools.

### PayPal Hopes to Launch Xoom in Cuba Before the End of the Year

*3/23/16 Digital Trends*

President Barack Obama brought along a number of tech companies on his historic trip to Cuba this week, and PayPal was among them. In a recent blog post, PayPal president Dan Schulman wrote that PayPal's global money transferring service Xoom will hopefully launch in Cuba by the end of the year.

### Wells Fargo Introduces Go Far™ Rewards

*3/21/16 BusinessWire*

Wells Fargo & Company announced Go Far™ Rewards, its enhanced credit card rewards program available to all customers with a rewards-

based credit card from Wells Fargo. Through the program, customers can redeem their rewards at any Wells Fargo ATM, use rewards toward their qualifying Wells Fargo checking or savings account or apply toward the principal balance of a qualifying Wells Fargo line or loan. Customers can also take advantage of options to pool rewards with other customers, gift rewards to other customers or to charity, create wish lists and more - all while on-the-go.

### **BMO Financial Group and MasterCard Begin Roll-Out of First in Canada and U.S. Biometric Corporate Card Program**

*3/23/16 MasterCard*

BMO Financial Group (BMO) and MasterCard marked the beginning of a phased launch of the first biometric corporate credit card program in Canada and the U.S. that will enable cardholders to verify transactions using facial recognition and fingerprint biometrics when making online purchases. The introduction of this technology will increase security when making payments that don't include a face-to-face interaction, and will be integrated seamlessly for easy use in reducing the likelihood of a card being used by anyone who is not the cardholder.

### **Cayan Announces Third Annual Hackathon in March**

*3/21/16 MarketWired*

Cayan announced their third annual three-day Hackathon will kick off on March 22, 2016. During the event, Cayan's engineers will have free rein to code, build and "hack" at something they find interesting and integral to pushing the needle forward in the payments industry. At the end of the Hackathon, the company will vote on the projects they find the most innovative during a showcase put on by the engineers.

### **Diebold Successfully Meets Tender Condition For Wincor Nixdorf Shares**

*3/24/16 PR Newswire*

Diebold, Incorporated, a global leader in providing self-service delivery, services and software primarily to the financial industry, announced that, based on the preliminary information received from Clearstream, an international settlement and custody organization, Diebold has reached 68.9 percent of Wincor Nixdorf shares for purposes of satisfying the minimum tender condition of the proposed offer as of 1:00 pm CET.

### **Ingenico on Acquisition Trail**

*3/23/16 Finextra*

Ingenico is projecting a \$500 million revenue boost from 'targeted acquisitions' in the payment space as it sets out a 2020 turnover objective of EUR4 billion. The electronic payment market is in the midst of a boom driven by the rise of e-commerce and new payment methods, changing consumer consumption patterns and creating new opportunities in both physical and virtual markets.

### **Curb with Advance Booking for Taxis Coming to NYC**

*3/23/16 Verifone*

Hailing and reserving a cab will bring more convenience to New Yorkers with Curb, the national taxi-hailing app that will be the first to introduce advance booking for traditional, licensed taxi rides in New York. Using Curb to book a cab will be as simple as: opening the app, setting the pick-up location, and selecting to hail a cab for now or reserve one for later that day, tomorrow or beyond - all with no surge pricing.

### **F.A.B., Inc. and FTNI Partner to Bring Proven Integrated Receivables Solutions to F.A.B.'s Independent Food Distributor Members**

*3/24/16 FTNI*

Financial Transmission Network Inc. (FTNI), a provider of industry-leading integrated receivables solutions, announced it has formed a strategic partnership with F.A.B., Inc. (Frosty Acres Brands) to become a preferred receivables processing provider to the national marketing and food purchasing cooperative's growing membership base. Recognized as a leading software and technology provider to the food and beverage distribution industries in 2015 by Food Logistics, FTNI's integrated receivables hub, ETran, is already in use by numerous distribution companies across the U.S. and Canada, including a top ten U.S. foodservice distributor.

### **Alibaba Annual Transaction Volumes Cross 3 Trillion Yuan, But Growth Slows**

*3/21/16 Reuters*

Chinese e-commerce company Alibaba Group Holding Ltd said on Monday its total transaction volume had surpassed 3 trillion yuan (\$463 billion) in the fiscal year through end-March, highlighting a milestone even as growth has slowed. With less than two weeks left in the fiscal year, the figure represents growth of about 23 percent from the 2.44 trillion yuan in gross merchandise volume (GMV) Alibaba reported for the previous year - a significant downshift from the 46 percent GMV growth it had in the year to March 31, 2015.

### **BlueSnap's Latest Release Gives Merchants Greater Control**

*3/22/16 The GreenSheet*

BlueSnap released new functionality to give merchants even more control to solve checkout abandonment. Checkout abandonment is quickly becoming the most talked about eCommerce challenge for merchants as they prepare for the explosive growth of mobile commerce. The Powered Buy Platform™ is a next-generation global payment gateway that solves checkout abandonment by providing frictionless mobile checkout for consumers and simple integration to the platform for online merchants.

### **Boku Expands Google Play Direct Carrier Billing Across Europe**

*3/24/16 Mobile Payments Today*

Boku, a direct carrier biller provider, has announced a series of new partnerships to bring direct carrier billing to Google Play for more than 75 million mobile subscribers across three major European markets. As a result of the new deals, subscribers can use one-tap mobile payments to purchase games and apps in the Google Play store. The charges can be completed using only the subscriber's phone number and will appear on the subscriber's mobile phone bill or be deducted from the subscriber's prepaid balance with no additional personal information or credit card required, according to a press release.

### **Model for Open Payments Architecture in Transit Outlined in Smart Card Alliance White Paper**

*3/22/16 Smart Card Alliance*

To support developers, integrators, procurers, and users of open payment systems for transit and transportation services, the Smart Card Alliance released a framework for a reference enterprise architecture that provides a model for implementing a seamless fare payment system that traverses transportation modes, jurisdictions, markets and technologies.

### **Flywire Announces USCIPP Sponsorship with over 60**

## Hospitals across the US

3/23/16 EON

Flywire, a leading provider of cross-border payment solutions, announced a new sponsorship agreement with USCIPP, the U.S. Cooperative for International Patient Programs. USCIPP is the premier non-profit organization dedicated to expanding global access to U.S. expertise in high-quality healthcare. The agreement comes on the heels of Flywire's entry into the \$40B international patient care industry, announced in October 2015 and is expected to help expand the company's visibility.



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