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THE STRAWHECKER GROUP

The Trusted Advisor To The Payments Industry



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Trending This Week...

40 million affected by the Target breach? [Try 70 million.](#) This morning Target announced that apart from those that had credit card and security code information stolen, 70 million names, phone numbers, mailing addresses or emails were also taken.

Bitcoin is everywhere in the news this week again as [Overstock's CEO explains why they are accepting Bitcoins](#) and [Zynga begins to test the acceptance of this virtual currency](#) for in-app purchases. Furthermore, the [Federal Reserve Bank of Richmond published a paper on Bitcoin](#) this week.

Other highlights include:

- [Colorado Pot Sales Spawn Credit Card Conundrum](#)
- [Blood Money: Pulse Wallet Lets you Pay with Your Veins](#)
- [How Target Card Fraud is Impacting Shoppers](#)
- [U.S. Economy Added Only 74,000 Jobs in December](#)
- [JPMorgan to Exit Pre-Paid Card Business](#)



Featured

[Target Data Breach Spilled Info On As Many As 70 Million Customers](#)

1/10/14 Forbes

Now, in an update on the hacking investigation, Target said that an additional 70 million people were affected, and the stolen customer information includes names, mailing addresses, phone numbers and email addresses. Target said that much of this data is "partial in nature,"

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[Acquirer Strategic Assessment](#)

[TSG MPPS Benefits](#)

[MPPS Example Report](#)

[ETA/TSG Economic Indicators Report](#)

[Case Study: Driving Value Through Competitive Bidding](#)

[Should Traditional Merchant Acquirers "Beware of Square"](#)

[What Benefits Me By Paying a Credit Card Swipe Fee?](#)

[Use a Smart Phone to Buy Things!](#)

This Day in History: 1901

Gusher Signals Start of U.S. Oil Industry

On this day in 1901, a drilling derrick at Spindletop Hill near Beaumont, Texas, produces an enormous gusher of crude oil, coating the landscape for hundreds of feet and signaling the advent of the American oil industry. The geyser was discovered at a depth of over 1,000 feet, flowed at an initial rate of approximately 100,000 barrels a day and took nine days to cap. Following the discovery, petroleum, which until that time had been used in the U.S. primarily as a lubricant and in kerosene for lamps, would become the

but it will nonetheless provide one year of free credit monitoring and identity theft protection to all guests who shopped at its U.S. stores. "I know that it is frustrating for our guests to learn that this information was taken and we are truly sorry they are having to endure this," Gregg Steinhafel, Target's chairman, president and CEO said in a statement Friday morning.

Colorado Pot Sales Spawn Credit Card Conundrum

1/08/14 MSN

Buying marijuana for recreational use now is legal in Colorado-and paying for it with plastic is getting easier. The official rules of Visa and MasterCard prohibit the use of their debit and credit cards for marijuana purchases, but some Colorado merchants are allowing customers to use them anyway. That is because the card giants, owners of the processing networks that handle electronic payments, have quietly decided not to enforce their rules, according to people familiar with their strategies.

American Express to Appeal \$5.7 Billion Swipe Fee Settlement

1/08/14 Businessweek

American Express Co. said it's appealing a federal judge's order approving Visa Inc. and MasterCard Inc. \$5.7 billion settlement that ended years of litigation with U.S. merchants over allegations that credit-card swipe fees are improperly fixed. American Express, in a filing today in federal court in Brooklyn, New York, joined retailers and trade associations including Wal-Mart Stores Inc., Amazon.com Inc., 7-Eleven Inc. and Barnes & Noble Inc. that already have filed notices that they will appeal the decision.

'Bundled' Payment Services Attract And Retain Clients, ISOs Say

1/03/14 ISO & Agent

Acquirers say they're signing up new merchants and retaining established customers with the help of software that "bundles" payment services. One such product-called linked2pay and offered by Oxnard, Calif.-based transmodus-combines mobile payments, online payment forms, email billing and virtual terminals, the vendor says. All of those services come into play when salespeople from Clearent LLC, a St. Louis-based transaction processor and ISO, approach clients and potential clients, according to Bob Pigozzi, a Clearent district manager.

China Bites Into Bitcoin

1/07/14 Forbes

Bitcoins were worth nothing in 2009, when the digital cryptocurrency was first minted on the computer of its mysterious creator, Satoshi Nakamoto, who claimed to live in Japan. Four years later the value of one Bitcoin surpassed \$1,100, thanks in large part to a surge in speculative interest from China. A little-known Shanghai company called BTC China met the demand and quickly became the world's largest Bitcoin exchange, with more than 100,000 of the virtual coins, or \$100 million, traded on a single day, nearly double the market share of its closest competitor, Japan's Mt. Gox.

Blood Money: Pulse Wallet Lets You Pay with Your Veins

1/07/14 The Verge

PulseWallet, or palm scanners like it, might soon call your local Starbucks home and provide one more way to pay for your Pumpkin Spice Latte. PulseWallet is a credit card terminal and register with a built-in biometric palm reader. Inside the reader is an infrared Fujitsu camera that photographs your vein pattern and then pairs it with the credit card

main fuel source for new inventions such as cars and airplanes; coal-powered forms of transportation including ships and trains would also convert to the liquid fuel.

Crude oil, which became the world's first trillion-dollar industry, is a natural mix of hundreds of different hydro carbon compounds trapped in underground rock. The hydrocarbons were formed millions of years ago when tiny aquatic plants and animals died and settled on the bottoms of ancient waterways, creating a thick layer of organic material. Sediment later covered this material, putting heat and pressure on it and transforming it into the petroleum that comes out of the ground today.

[Click here to read more.](#)

you've swiped. Once you've paired you can hold your hand over any PulseWallet terminal to pay with your credit card. If you're a business owner, you can hook it up to your POS cash register, or to PulseWallet's bundled register, which includes a Windows tablet.

2013: The Year of All...Or Nothing at All

1/06/14 Pymnts

Someone once said that even number years are always better than odd number years. If that's true then 2014 has a lot to live up to! But as we all turn our focus to 2014 after a two week holiday respite, and wave bye-bye to 2013 officially, here are a few reasons why 2013 in payments in commerce was the year of everything - or nothing at all. 2013 was a year in which several strategic chess moves happened in payments, some taking place in the last six months of the year, and even a few in its last six days.

Mobile Payments

Grocery Stores Push Coupons to iPhones with iBeacons

1/07/14 The Verge

Late last year, Apple outfitted 254 of its US stores with small, low-power Bluetooth transmitters. Called iBeacons, the transmitters work in tandem with iPhones running iOS 7 and the Apple Store's dedicated app to provide users with very precise location information and guides to getting the most of their shopping trip. Now a company called inMarket is the bringing the technology to provide a group of US grocery store customers with deals, reminders, and rewards. From today, selected Safeway and Giant Eagle stores in Cleveland, San Francisco, and Seattle will be outfitted with iBeacons that use inMarket's Mobile to Mortar platform to push notifications to customers who have downloaded the company's apps.

Federal Reserve Bank of Richmond Publishes Paper on Bitcoin

1/10/14 NewsBTC

The Federal Reserve Bank of Richmond has published an interesting paper surround bitcoin and digital currencies (which they refer to as 'private currencies') as a whole."At first glance, bitcoins lack the inherent value of government authority to get them off the ground as an accepted currency," the paper states. "But in surprising ways, they resemble the gold and silver coins of ancient times." [Click here to read the Fed's paper.](#)

Overstock CEO: Why We're Accepting Bitcoins

1/07/14 CNBC

Overstock.com has become the first major online shopping retailer to commit to accepting the digital currency bitcoin as payment in exchange for any of our million products. We are doing this for both business and philosophical reasons. First, the business reasons: There are large numbers of holders of bitcoin who are eager to patronize firms that will accept this form of payment, but so far, their options have been limited. I believe that by being the first major online retailer to accept bitcoin, we will tap into a significant group of loyal consumers, and as a result our share of the overall market will grow.

Why Zynga Won't Be the Last Big Business to Accept Bitcoin

1/05/14 Re/code

Up until recently, the list of businesses accepting bitcoin was mostly devoid of any publicly traded companies, with the exception of dating site OkCupid, which is owned by Barry Diller's IAC. But two weeks ago,

Overstock.com CEO Patrick Byrne confirmed that the online retailer, which is publicly traded on Nasdaq, would start accepting bitcoin as a payment option sometime in 2014. Then, yesterday, Zynga announced on Reddit that it had started a test to accept the virtual currency for in-app purchases in some of its games.

I'm Up on Bitcoins, Even if They're Down

1/05/14 The Wall Street Journal

About a year ago, I started using bitcoins at the salad bar in my local deli. I always like to be ahead of the technological curve, and using virtual electronic currency was easier than carrying cash and more secure than using a debit or credit card. There is only one problem with this exotic currency, which is derived from complex algorithms and "mined" by computers in places such as Iceland and Hong Kong—a concept I do not fully understand. It's that the value of a bitcoin fluctuates by the hour, sometimes wildly.



Regulation & Security

How Target Card Fraud is Impacting Shoppers

1/08/14 Storefront Backtalk

Some of the millions of unlucky shoppers who happened to use their credit and debit cards during Target's (NYSE: TGT) now infamous card heist are still feeling the repercussions of the massive problem. From before Thanksgiving through December 15, shoppers in Target's U.S. stores were subject to card hacking that compromised 40 million credit and debit card accounts. Target and investigators are still not saying how the massive, nationwide theft occurred.

Personal Data Privacy Bill Revived in Congress Following Target Breach

1/08/14 CFO Journal

The fallout from the theft of personal and credit card information of up to 40 million customers of Target Corp. led one U.S. senator on Wednesday to re-introduce legislation to improve protections of personal data. Citing the Target breach as a reminder of the seriousness and dangers facing consumers from identity theft and cybercrime, Sen. Patrick Leahy (D-Vt.) says developing a comprehensive national strategy to protect personal information is one of the most important issues facing the country.

Warner Proposes Prepaid Fee Disclosure Bill

1/09/14 American Banker

Sen. Mark Warner, D-Va., introduced legislation Thursday that would require banks to provide greater transparency around prepaid card fees. The Prepaid Card Disclosure Act of 2014 would mandate that issuers provide consumers with a basic fee table listing possible charges before they purchase the card and that they clearly display a toll-free number and website on the card itself where consumers can access additional fee information.

Economy

U.S. Economy Added Only 74,000 Jobs in December

1/10/14 The New York Times

The United States economy created just 74,000 jobs in December, the slowest pace in three years, disappointing both economists and policy makers who had concluded that the labor market was finally gaining some sustained momentum. Experts had expected the economy would add just under 200,000 positions in December, and the huge shortfall also stood in sharp contrast with the overall pace of job creation in 2012 and 2013. In those years, employers added an average of 182,500 positions a month.

Deep Freeze Puts \$5 Billion Chill on Economy

1/07/14 NBCNews

The record cold spell that has half the country in the deep freeze could cost the U.S. economy up to \$5 billion. That's because millions of Americans haven't been able to drive to work, fly or take a train to business meetings or vacations, go to the shopping mall or take the kids out for a movie and a meal. And they may also have to pay more just to keep warm. The huddled masses are huddling at home until an easing of the extreme temperatures that have been colder in some parts of the country than at the South Pole.

Holiday Retail Spending on PCs Grows 10%

1/07/14 Internet Retailer

U.S. consumers purchasing via computers spent at least \$46.545 billion with online retailers this holiday season, up nearly 10.1% from \$42.286 billion last year, comScore Inc. says today. The spending figures do not include purchases consumers made using tablet computers or smartphones. "We are pretty confident that mobile will add about two percentage points to the total growth rate, so if you account for that component then total digital commerce should see an increase of about 12%," says a comScore spokesman this afternoon.

Payments Press

ETA Announces Visa and Google Keynotes for "TRANSACT 14: Powered by ETA"

1/08/14 PRNewswire

The Electronic Transactions Association (ETA), the global trade association representing the payments technology world, announced today the keynote speakers for "TRANSACT 14: Powered By ETA," the industry's largest payments and technology event. Elizabeth Buse, Executive Vice President, Global Solutions at Visa and Ariel Bardin, VP of Product Management, Payments, Google Inc., will deliver industry insights and expertise to 4,000 payments technology and retail professionals. TRANSACT 14 will take place April 8 - 10, 2014 at the Mandalay Bay in Las Vegas, and registration is open now at www.electran.org/transact14.

JPMorgan to Exit Pre-Paid Card Business

1/10/14 Finextra

JPMorgan Chase says it plans to pull out of the pre-paid card business just a month after the bank confirmed that hackers had broken into its servers and put the personal information of around 465,000 cardholders at risk.

In a brief statement issued late Thursday, JPMorgan said it will "explore a full range of options for its pre-paid card business, including a sale". The business includes all corporate, US public sector and electronic benefit transfer (EBT) programmes, as well as Health Savings Accounts (HSA).

Payments Underdog Balanced Challenges PayPal and Stripe with New Pricing Model (And Momentum)

1/09/14 Venture Beat

Balanced founder Jareau Wade wants people to know that Braintree and Stripe aren't "the only payment games in town." This underdog of the online payments world grew by 757 percent in transaction volume and 784 percent in number of customers over the past year, according to Wade, and is now processing over \$370 million a year. Balanced is a provider of backend payments solutions that's specifically geared toward online marketplaces and networks.

Merchant Warehouse Announces Payments Platform Expansion

1/09/14 Merchant Warehouse

Merchant Warehouse, a leading provider of payment technologies and merchant account services, announced the expansion of its technology platform to include Payment Gateway Services. This offering provides increased flexibility for both point-of-sale (POS) developers and retailers, making it easier for them to take advantage of many of the payment solutions offered by Merchant Warehouse, including its flagship solution, the Genius™ Customer Engagement Platform.

Bill Ranta joins Pivotal Payments as Senior Vice President, Global Acquiring

1/07/14 Pivotal

Pivotal Payments, a leading provider of merchant services and global payment processing solutions, announced today that Bill Ranta has joined the company as senior vice president, global acquiring. As a payment technology leader with more than 16 years of enterprise software service and sales experience, Ranta will be responsible for the development of Pivotal Payments' Global Acquiring business unit, with a focus on growing globally its base of e-commerce, m-commerce and other card not present (CNP) clients.

Mercury Unveils Mobile- and Social-Powered Gift Card and Rewards Service to Help Small Business Merchants Grow

1/07/14 Mercury

Mercury Payment Systems, LLC, an award-winning provider of payment technology and services for small to mid-sized businesses, today announced the launch of Mercury StoreCard™, a gift, rewards, mobile payments and promotions card all in one. Consumers can use the Mercury StoreCard as a gift card or a reloadable stored-value card to earn cash back loyalty rewards on every StoreCard purchase. The Mercury StoreCard can also be converted into a digital gift card via Apple® Passbook® or an Android marketplace app, allowing consumers to pay for purchases with either their physical card or smartphones, creating mobile payment convenience.

Moneris to Streamline Payment Process for Merchants with VeriFone VX 520

1/06/14 Financial Post

VeriFone Systems, Inc., announced today that Moneris Solutions Corporation, Canada's largest debit and credit card processor, has selected the VeriFone VX 520, a reliable and easy to use countertop device that accepts all types of electronic payments. Installation of the VX 520 devices will begin in 2014. The VX 520 is PCI PTS 3.X compliant and features one of the industry's fastest processors that can quickly handle payment encryption, decryption and processing-enabling merchants to improve security and reduce transaction times.

eMobilePOS Integrates GETI Check Processing and Gift and Loyalty for Mobile POS

1/10/14 Market Wired

e-Nabler Corporation, a leader in mobile point of sale solutions, and Global eTelecom, Inc (GETI), a premier provider of check and ACH processing and gift and loyalty card solutions, have partnered to integrate GETI check, gift and loyalty card processing capabilities into the eMobilePOS mobile point of sale (POS) solution for restaurants and retailers. The eMobilePOS solution is based on the Apple iPad™, iPhone™ and iPod Touch™ devices and designed to increase sales, while yielding labor and inventory efficiencies.

Pace Payment Systems Selects Encryptics to Secure Inbound and Outbound Communication

1/09/14 San Antonio Business

Encryptics, a provider of patented data privacy and protection services for businesses and government, has been selected by Pace Payment Systems to protect information assets sent via email. Pace will utilize Encryptics for Email™ and Policy Based Protection to secure outbound communication. In addition, Pace will work with Encryptics to create a customized solution that will secure inbound communication as well.

Bluefin Payment Systems Introduces the QuickSwipe Mobile POS System

1/08/14 Bluefin

Bluefin Payment Systems, the leading financial technology provider of cloud-based integrated payment solutions for independent software vendors (ISVs), has introduced their QuickSwipe mobile point of sale (mPOS) system. QuickSwipe is a turn-key payment application for single and multi-user mobile processing on iOS devices. Bluefin also offers the QuickSwipe SDK for integrated payments with an ISV's existing mobile application.

Rapidly Expanding Online Merchant Base Could Give Shopify an Edge in Mobile Battle

1/09/14 Digital Transactions

Shopify Inc.'s recent move to offer its merchants a mobile point-of-sale application marks yet another entry in a market that has filled up fast with competitors ranging from PayPal Inc. to Square Inc. and dozens in between. "You would think we'd reached everybody [with mobile POS products], but we haven't," says James Wester, a senior analyst who follows mobile payments at IDC Financial Insights, Framingham, Mass.

NCR Launches Innovative Ecosystem of Digital Solutions for the Retail Industry

1/08/14 BusinessWire

NCR Corporation, the global leader in consumer transaction technologies, today unveiled NCR Cloud Connect: a powerful, cloud-based ecosystem of digital services for retailers. The innovations offered to retailers as part of the NCR Cloud Connect ecosystem will be provided by both NCR and a growing roster of innovative technology companies.

Paymetric Launches Solution to Automate Reconciliation Reporting

1/07/14 Paymetric

Paymetric, Inc, the leading provider of integrated and secure enterprise payment acceptance solutions, kicks off the New Year strong with the launch of XiRecon, the first product in its newest suite of solutions designed to improve business efficiencies and mitigate risk with reduced exposure to loss. "We have a relentless drive to innovate and stay customer focused; this solution kicks off a very exciting suite of products we'll launch over the next few months," says Asif Ramji, Paymetric's

president and CEO.

Allied Wallet Certified by Visa as Fully-Licensed Acquirer

1/06/14 Yahoo! Finance

Visa Europe has recently recognized Allied Wallet, a globally-leading provider of online payment card processing, multi-currency merchant services, and state-of-the-art payment processing, as a Principal Member. Becoming a fully-licensed Acquirer of Visa Europe allows Allied Wallet to continue providing the finest online credit card processing solution available, as well as getting a voice at the table where decisions on the future of payments are made.

US BankCard Center Launches Alternative Funding Division

1/08/14 The Green Sheet

US Bankcard Center, a premier merchant services provider, announced the launch of its Alternative Funding Division. This newly created division will be led by Marvin Kanofsky, a financial services veteran who has spent the past 30 years in key management positions within the investment banking, insurance and merchant services arena. Jon Levitt, USBC's Chief Executive Officer, states "Alternative funding sources, particularly working capital cash advances, have remained one of the key services that we have offered over the years."



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