

weekly news round-up

1 December 2017

SUMMARY OF TOPICS:

- Mobile/Contactless and omni-Commerce
- Cash
- ATMs
- ACH
- APIs/Open Banking
- Acquiring/Processing
- Issuing
- Fintechs/Innovation
- Cybersecurity
- Instant Payments
- Data/GDPR
- Corporate Activity
- EPC/SEPA
- Regulation

www.pseconsulting.com

[@PSEConsulting](#)

+44 (0) 20 3771 8520

MOBILE/CONTACTLESS and omni-COMMERCE

IMRG estimates the amount spent on UK online retail sites on Black Friday 2017 was up +11.7% to £1.39bn.

<http://tinyurl.com/yaz6u4w3>

39% was completed on a smartphone, with the device taking the highest share of sales against desktop and tablet.

Nordea has launched the first Nordic bank service via Facebook Messenger.

<http://tinyurl.com/yabxe2gz>

Supported by Nets, users can pay bills through an e-invoice in Facebook Messenger via an online dialogue with a chatbot.

Wirecard's boon mobile app now supports online purchases for Apple Pay users via the boon digital credit card.

<http://tinyurl.com/y8rlksgf>

The app is currently available via Android in Germany, Austria, Belgium, the Netherlands, Ireland and Spain and on Apple Pay in the UK, France, Switzerland, Italy, Spain and Ireland.

Fortumo is launching a global Messaging Platform.

<http://tinyurl.com/ybysmylj>

Fortumo's Messaging Platform gives merchants a global communication channel to their customers for authentication (2FA), payment notifications and reminders as well as promotional messaging.

Visa is getting ready for next year's World Cup.

<http://tinyurl.com/y763k5n7>

Airbnb has announced that a split payment feature is now available and being rolled out globally.

<http://tinyurl.com/y7mnm2m5>

The new feature is powered by the company's acquisition of Tilt that it purchased earlier this year for a reported \$50m. Tilt technology enables users to fundraise and pool money online.

Amazon announced at its Amazon Web Services re:Invent conference that it is working to link the Alexa voice-command system with the Amazon Pay service.

<http://tinyurl.com/y9zqrqtw>

Currently in private beta testing for selected developers and merchants, when launched Alexa users will be able to use payment information already in their Amazon account to purchase physical goods or services.

Other related PRs <http://tinyurl.com/95cww9n>

CASH

ECB Occasional Paper 'The use of cash by households in the euro area'.

<http://tinyurl.com/yatckpki>

This paper presents an estimation of the number and value of cash transactions in all 19 euro area countries in 2016, based on survey results. It presents an extensive description of how euro area consumers pay at POS. The results show that in 2016 around 79% of all payments at POS were made with cash, 19% with cards and 2% with other payment instruments.

ATMs

The possible results of **LINK** proposals to reduce the levels of interchange are worrying the Treasury Commons Select Committee.

<http://tinyurl.com/ycuhpyyh>

The Chair has said "I have asked LINK for assurances that the proposals will preserve the existing geographic spread of ATMs, and will have no negative impact on financial inclusion."

ACH

Vocalink has set out a number of ideas on how payments innovation can reduce financial exclusion, empower small businesses and reduce the impact and incidence of online fraud.

Enabling a Match Fit Economy

<http://tinyurl.com/y75ojay5>

Vocalink believes its ideas should be factored into HM Government's post-Brexit economic strategy. Pushes Request to Pay (RTP) technology.

APIs/OPEN BANKING

FIS have announced the launch of FIS Code Connect, an online gateway that allows FIS clients to access FIS APIs.

<http://tinyurl.com/y9mbxc98>

The initial launch of FIS Code Connect includes more than 300 APIs in the categories of banking, payments and consumer finance.

ACQUIRING/PROCESSING

CYBG - Clydesdale Bank, Yorkshire Bank and B digital banking service - has signed a 7 year exclusivity agreement with MasterCard.

<http://tinyurl.com/yck6jafj>

The deal will see all CYBG cards using the MasterCard network with remaining Visa Credit cards switching brand.

ISSUING

Millennium bcp is to issue UnionPay contactless credit cards in Portugal next year.

<http://tinyurl.com/yct3z4t8>

This is the first time that UnionPay cards will be issued by a non-Chinese issuer in Europe. The bank will be issuing about 30,000 UnionPay Travel Mate Asia cards to both Personal and Commercial customers.

FINTECH/INNOVATION

A **Payment Innovation Hub** has been launched in a joint development by CaixaBank, Global Payments Inc., Samsung, Visa and Arval.

<http://tinyurl.com/ydcnx5hy>

This is Spain's first innovation hub specialising in merchant commerce and payment methods. It will carry out research in a number of areas including biometric applications, solutions for the Internet of Things, blockchain and machine learning technology.

The European Parliament has published the adopted text of a resolution (passed on 17 May 2017) entitled "FinTech: the influence of technology on the future of the financial sector".

<http://tinyurl.com/l9742qq>

Recommendations include the need for a comprehensive FinTech action plan, clear rules on data ownership and cyber security to be the number one priority.

MasterCard has announced the latest participants in its Start Path Program.

<http://tinyurl.com/y9rgnhbv>

Mastercard is also expanding its Technology Hub in New York City. <http://tinyurl.com/y8tvuzvk>

Nordea has invested SEK45m (€4.5m) in fintech company Betalo.

<http://tinyurl.com/y9w4pe3g>

Betaloo provides mobile money solutions including International money transfers, Domestic bank transfers using bank cards and payment of Bankgiro and Plusgiro bills.

CYBERSECURITY

SWIFT has published a report that examines the evolving cyber threat to the global banking community.

<http://tinyurl.com/y98gnk5m>

The report describes how there has been a significant evolution in the cyber threat facing the global financial industry over the last 18 months as cybercriminals have significantly advanced their knowledge.

INSTANT PAYMENTS

A Speech by Yves Mersch of the ECB focussed on Instant Payments - Digital transformation of the retail payments ecosystem.

<http://tinyurl.com/ybt2h3sd>

Covers ERPB, EFIP, TIPS, PSD2 and concludes "It is my view that future innovations in retail payments will be based on instants payments in combination with account access provided by PSD2".

On cryptocurrencies he sees multiple shortcomings that make them "unfit for recognition from the point of view of our (the ECB) mandate of efficient payments systems" but says banks need to provide an alternate narrative to stay in the game.

DATA/GDPR

The Information Commissioner's Office has replaced its Overview of the General Data Protection Regulation (GDPR) with a [Guide](#) containing similar content, but with greater detail on consent and contracts and liabilities.

<http://tinyurl.com/y9jpbxmh>

In a **Survey of 500 UK businesses**, almost 30% admitted they had done nothing towards being GDPR ready and 11% said they didn't know which of their team members would ensure their organisation complied with GDPR.

<http://tinyurl.com/ybfff6ae>

See also <http://tinyurl.com/y9llylge>

ICO has also published the results of a **Survey** that suggests most UK citizens don't trust organisations with their data.

<http://tinyurl.com/y89j5tu3>

Only 20% of those surveyed have trust and confidence in companies and organisations storing their personal information.

NCR research also indicates that UK consumers remain cautious about sharing data.

<http://tinyurl.com/y8zawycm>

47% of those surveyed with personal bank accounts would only feel comfortable with banks collecting the bare minimum of data required to run their accounts. However, they also want Banks to be innovative and modern.

Worldpay follows with similar findings.

<http://tinyurl.com/yayx9zyw>

61% have concerns about using one-click short cuts believing they will put them at greater risk of having their identity compromised.

CORPORATE ACTIVITY

APEXX has raised US\$4m in an initial seed funding round.

<http://tinyurl.com/yd45v8dt>

<https://www.apexxfintech.com/>

APEXX will use the investment to further extend their global network of acquirers, payment providers and merchants, and fund product development.

EPC/SEPA

The Minutes of the seventh and eight meeting of the ad-hoc multi-stakeholder group on mobile contactless SEPA card payments (September 2017) have been published

<http://tinyurl.com/y8o8pk5d>

The meetings focused on the finalisation of the Mobile Contactless SEPA Card (MCP) Payments Interoperability Implementation Guidelines.

The EC has published a report to the European Parliament and the Council of the EU on the application of SEPA Migration Regulation. The report concludes that overall, the SEPA Migration Regulation is applied correctly across the EU, and argues that there is currently no need for a follow-up legislative proposal.

Report <http://tinyurl.com/y7qpw15j>

REGULATION

The EC has published details of the long awaited **PSD2 RTS** - Payment services: Consumers to benefit from safer and more innovative electronic payments.

<http://tinyurl.com/yd5u2wqr>

Memo <http://tinyurl.com/ybcm5ypr>

RTS links <http://tinyurl.com/y9hacy8e>

The RTS still needs to be approved by the European Council and European Parliament before they are published in the Official Journal. The Commission have indicated that the RTS will apply from September 2019.

BEUC Response says it 'regrets that the standards proposed are weak and include too many derogations'.

<http://tinyurl.com/y9rn92g>

EMOTA Response says the new set of security requirements 'will make it more difficult for consumers to buy online and for sellers to take payments'.

<http://tinyurl.com/y7hna329>

Ecommerce Europe says, while it fully endorses the European Commission's underlying objectives, it 'regrets that the European Commission has not made the substantial changes to the proposed exemptions to when a customer has to undergo Strong Customer Authentication as repeatedly advocated for by the industry'.

<http://tinyurl.com/yak9bkje>

PwC Research paper: Waiting until the Eleventh Hour European banks' reaction to PSD2.

<http://tinyurl.com/y9npesw4>

The survey presents the situation in the first half of 2017. Recently banks are boosting activity to reach the minimum level of compliance in time for the due date of January 2018. A catch up with the main players shows that they are now moving from the assessment phase to the design and implementation phases.

In a Speech <http://tinyurl.com/yc44swvo>

EC Vice President Valdis Dombrovskis has said the Commission will propose new rules early next year on cross-border payment fees covering, in particular, the non-euro countries. This will help ensure that Europeans pay reduced fees when transferring money abroad, or taking money out of cash machines during their holidays.

The Bank of England has released the results of its 2017 Stress test.

<http://tinyurl.com/yahs2et3>

For the first time since the Bank of England launched its stress tests in 2014, no bank needs to strengthen its capital position as a result of the stress test. Of interest may be Box1 Page 18 - Advances in the use of FinTech and their implications in the exploratory scenario.

Visa has won a High Court Judgement on an Interchange claim by Sainsbury's.

<http://tinyurl.com/y7fj6nfz>

Sainsbury's says it is disappointed by the finding that Visa had not infringed competition law and is now considering its position.

Visa meanwhile is now urging merchants to work with it to "create the future of digital commerce".