

weekly news round-up

9 February 2018

SUMMARY OF TOPICS:

- Mobile/Contactless and omni-Commerce
- ACH/Instant Payments
- Digital/Retail Banking
- Fraud/Security
- Travel/Tourism
- GDPR
- Acquiring/Processing
- Issuing
- GDPR
- Blockchain/DLT/ Cryptocurrencies
- Corporate activity
- PSD2/Open Banking

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MOBILE/CONTACTLESS and omni-COMMERCE

RC – KPMG Retail Sales Monitor for January has seen a yoy increase of 6% for e-commerce.
<http://tinyurl.com/ya6awhmm>

Wirecard is launching an 'ePOS' App.
<http://tinyurl.com/y9qybqa4>

The illustrated plug in card dongle looks rather familiar technology, although NFC enabled. The USP, if it is one, seems to be the VAS element of the app.

Wirecard is also introducing a Chatbot on its boon payment app that handles consumer enquiries.
<http://tinyurl.com/y9rzga3q>

Boon users will soon be able to get answers to their most frequent questions and support enquiries and in the future be able to initiate basic transactions or commands. The technology is being provided by Astute Solutions.

Chronopay reports that gambling winners in Russia will soon be able to receive their betting wins online through MasterCard.
<http://tinyurl.com/ycach9rw>

Belfius in Belgium is now supporting P2P payments through Facebook Messenger and WhatsApp.
<http://tinyurl.com/ycrqevqf>

Branded Pengo, the service can be accessed through Belfius' mobile app. The solution can be used by anyone holding a Belgian current account, whether or not they are a Belfius customer.

Instagram has started testing ads that blend videos and product catalogues where consumers can complete purchases without leaving the platform.
<http://tinyurl.com/y92epz4f>

ACH/INSTANT PAYMENTS

A group of major Swedish, Danish, Norwegian and Finnish banks is currently exploring the possibility of establishing a pan-Nordic payment infrastructure supplemented by common products.
<http://tinyurl.com/yc4akv55>

The Group (Danske Bank, DNB, Handelsbanken, Nordea, OP Financial Group, SEB and Swedbank) aims to harmonise the domestic infrastructures and the products offered across the Nordics.

Vocalink White paper – One Platform, Limitless choice.
<http://tinyurl.com/yd9cecm5>

Looks at what is next for immediate payments, and how the experiences and behaviours of other parts of digital life might be brought to the world of payments.

DIGITAL/RETAIL BANKING

PrePay Solutions has partnered with new business bank account provider, Coconut.
<http://tinyurl.com/y7kem7kt>

Coconut offers an app-based account that manages tax and expenses for freelancers and self-employed people. PPS is providing full banking infrastructure and card technology support including a contactless Mastercard.

UniCredit has launched an iOS only version of its Buddybank offer first flagged for release in February 2016.

<http://tinyurl.com/ydxr3urj>

The PR at the time said with an initial investment of €50 million, the start-up is targeting 1 million customers in Italy in its first five years and is forecast to break even in year three with 300,000 customers.

Backgrounder <http://tinyurl.com/yb463lag>

FRAUD/SECURITY

The FCA has published a 'Dear CEO' letter on authorised push payment (APP) fraud.
<http://tinyurl.com/yb87qv8s>

The letter follows the report by the PSR last November 2017 covering the work done on APP scams and strongly suggests that the Senior Management function should be involved in tackling the problem viz: "We expect the introduction of the SM&CR, and adherence to the Code of Conduct Sourcebook (COCON) by SMF Managers and others, to prevent the need for us to take a more interventionist approach to tackling APP fraud".

TRAVEL and TOURISM

Visa has issued its Global Travel Intentions Study Highlights 2018.

<http://tinyurl.com/yctppbc5>

Report <http://tinyurl.com/yby9almt>

The study says a key motivator for travel is stress relief but that stress while travelling is often caused by the need to carry cash. The PR also contains a warning re DCC.

GDPR

The FCA and ICO have published a joint update on GDPR.

<http://tinyurl.com/y9tktm82>

In response to firms querying whether compliance with the GDPR also allows compliance with rules made by the FCA, the FCA states that it believes the GDPR does not impose requirements which are incompatible with the rules in the FCA Handbook.

ACQUIRING/PROCESSING

KashFlow is integrating with Global Payments.

<http://tinyurl.com/y8227eou>

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

KashFlow says its 57,000 UK customers will enjoy preferential card processing rates and no set-up fees.

Intrapay, a UK start-up PSP has launched.

<http://tinyurl.com/ycqmvtw>

Intra pay will provide card processing, alternative payments, credit risk and compliance, chargeback prevention and currency optimisation across international geographies.

Allied Wallet has announced it is now certified by MasterCard.

<http://tinyurl.com/y9efdc4k>

With both Visa and Mastercard certification, Allied Wallet is expanding as an Acquiring Processing service provider with services covering authorization processing, transaction processing, fraud management, clearing and settlement, merchant management and dispute management.

ProcessOut, a French start-up based in New York, has raised \$1m in a funding round.

Techcrunch <http://tinyurl.com/yaubul89>

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

ProcessOut automatically routes transactions to the best payment provider, facilitating the use of multiple payment providers by larger players. Via a single API the platform activates any online payment gateway and processor globally allowing dynamic routing for each transaction, potentially increasing transaction approval rates and reducing fees.

SafeCharge has announced the launch of SafeCharge Reconciliation Manager.

<http://tinyurl.com/y7677u6o>

The solution enables businesses to automate the matching of transactions across all their PSPs, merchant platforms and banks. Safecharge says using the new service eliminates the need for extensive in-house finance resources, minimises financial loss exposure, and provides a single focal point that covers all financial aspects.

Xero has integrated with Stripe to support ACH payments (US only ftb).

<http://tinyurl.com/ybzb5dq3>

Xero customers can now login to their Stripe account to connect Stripe ACH bank transfers as a payment gateway. They can then connect this to an invoice theme, which will enable the “Pay Now” button on the invoices they send to their customers.

ISSUING

Revolut is working with Visa to provide contactless Revolut Visa prepaid cards to all 59 Team GB athletes participating in the Winter Olympics.

<http://tinyurl.com/ycssea8j>

Revolut is now issuing Visa cards to all new customers signing up to its standard prepaid offering rather than the MasterCard ones it has tended to issue previously. The website indicates that it is using Mastercard or Visa Debit but the card on its Home page is now Visa branded.

It is also being reported that **Revolut** has brought its issuing function in-house and will no longer be relying on Wirecard. Posts on the Revolut Community site say the move was planned for 01.01.2018.

BLOCKCHAIN/DLT/CRYPTOCURRENCIES

BIS says Authorities should be prepared to act on cryptocurrencies.

<http://tinyurl.com/y9gyf2ek>

Agustín Carstens, the BIS General Manager, has made it clear that Authorities must be prepared to act against the invasive spread of cryptocurrencies to protect consumers and investors.

Lecture - Money in the digital age: what role for central banks?

<http://tinyurl.com/yaa22mjm>

BIS Working Paper - Money and trust: lessons from the 1620s for money in the digital age.

Overview <http://tinyurl.com/yd93p6t2>

Paper <http://tinyurl.com/yaj8bqb2>

The paper looks to history for lessons on the nature of money and the role of central banks in building trust in the use of money in society.

ECB's Yves Mersch in a Bloomberg interview has said the ECB are fully in line with the BIS view regarding concerns about virtual currencies and the need to take action.

<http://tinyurl.com/yd6kmh36>

With the implementation of TIPS on the horizon Mersch points out that TIPS transactions will take 10 seconds and cost 0.2 cents while DLT transactions at best cost €30 and take at least an hour.

Meanwhile Techcrunch is reporting that VISA and Mastercard are making it harder to buy Bitcoin and other cryptocurrencies. <http://tinyurl.com/y7f5w3cd>
The two ICS have reclassified Coinbase transactions as a “cash advance” rather than a “purchase.”

CORPORATE ACTIVITY

SEQR has been sold by Invuo (ex Seamless Distribution) to Glase FinTech.

<http://tinyurl.com/y9wq7cxy>

The sale was flagged last October when the SEQR B2C business was described as being 'highly cash consuming'. Invuo will now move to a pure B2B focus with its MeaWallet and eProducts businesses. The price was SEK8m (€810k). Glase FinTech is described as designing and developing enterprise software and is a Private company that was only formed last October. It is not clear how it intends to develop SEQR.

Visa is to acquire Fraedom, a Software-as-a-Service technology company.

<http://tinyurl.com/y8o4rynw>

Fraedom provides payments and transaction management solutions for financial institutions and their corporate customers and its technology underlies Visa IntelliLink Spend Management platform. The acquisition will strengthen and expand Visa's business suite of solutions to meet the rapidly evolving needs of the B2B payments industry.

Fiserv is selling 55% of its Lending Solutions business to Warburg Pincus for c\$395m.

<http://tinyurl.com/y8t96yao>

Fiserv will retain a 45% equity interest in the business. The Lending Solutions business is a market leader in automotive lending origination technology, automotive lending servicing technology and process solutions, as well as comprehensive mortgage and consumer loan servicing solutions.

PSD2/OPEN BANKING

The Berlin Group has published Version 1.0 of the NextGenPSD2 Framework.

<http://tinyurl.com/yctffzs2>

The Framework reduces XS2A complexity, addresses the problem of multiple competing standards in Europe and enables European banking customers to benefit from 'Banking as a Service'.

More details and Framework documents are available for download at www.berlin-group.org/psd2-access-to-bank-accounts.

FCA CEO Andrew Bailey has warned banks that it will intervene if they use A2A security concerns to block competition.

<http://tinyurl.com/ycqlynjh>

The FCA has now authorised 40 firms under the new regime, with more applications in the pipeline.

CMA Blog on progress made with Retail Banking remedies.

<http://tinyurl.com/yca26ajs>

It iterates the point that is getting Bacs to make changes to and improve awareness of CASS. It also says that Open Banking will continue to evolve as it seeks to revolutionise banking in the UK.