

weekly news round-up

6 July 2018

SUMMARY OF TOPICS:

- Mobile/Contactless and omni-Commerce
- ATMs
- UK Payments Infrastructure
- Open Banking/PSD2
- Acquiring/Processing
- Issuing
- Digital/Retail banking
- Biometrics
- Remittances
- Fintech
- Corporate Activity
- Regulation

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MOBILE/CONTACTLESS and omni-COMMERCE

Yoyo Wallet is partnering with digital ordering platform Preoday to deliver pre-ordering services in the UK.

<http://tinyurl.com/yd6fmuhc>

Integration with Preoday's order ahead solution will enable retailers and caterers to provide customers with a fully branded app that delivers mobile payment, digital loyalty, personalised rewards, digital receipts and pre-ordering experiences.

SIA is supporting contactless payments in the Milan subway.

<http://tinyurl.com/y8iskchb>

MobilePay in Finland has been granted a payment service license by the Finnish Financial Supervisory Authority.

<http://tinyurl.com/ybwpop3r>

The licence has allowed MobilePay Denmark to establish an independent Finnish subsidiary. MobilePay can integrate with all Finnish banks and other partners. In Denmark and Finland, MobilePay has 4.4mn users and almost 100,000 merchants as customers.

Sberbank is integrating with Google Pay.

<http://tinyurl.com/ybeqy7ny>

Sberbank claims it is the first Russian bank to offer the payment method.

ATMs (LINK)

The **Association of Convenience Stores (ACS)** has condemned LINK's decision to press ahead with reductions in interchange fees for ATM operators.

<http://tinyurl.com/ybjhabe>

The 2017 Local Shop Report indicated that 58% of stores in the convenience sector have a cash machine. 45% of stores provide a free to use cash machine, while 13% have charged cash machines.

UK PAYMENTS INFRASTRUCTURE

The **NPSO** has taken on regulatory responsibility for the cheque and credit clearings and has acquired UK Payments Administration.

<http://tinyurl.com/ycyu43e3>

With C&CCC becoming a subsidiary and UKPA under its belt, the NPSO has now completed the consolidation of the UK's retail payment systems.

OPEN BANKING/PSD2

Fire, set up by Realex founder Colm Lyon, is the first Irish payments firm to be licenced as a PISP.

<http://tinyurl.com/y7ndwqht>

ACQUIRING/PROCESSING

Revolut has suffered from a further outage by its TPP processor GPS.

<http://tinyurl.com/ycv7vsfn>

As with Monzo previously, Revolut has now decided to take its processing in-house and is building its own platform. Revolut is expecting to have it ready for launch "by the end of the year" and will roll it out across Europe.

CashFlows has announced it is offering BIN sponsorship services through [Open Payments Cloud \(OPC\)](#).

<http://tinyurl.com/ybcrcsceb>

CashFlows says the new partnership will significantly reduce the barriers to market entry including implementation cost, development time and minimum commitments.

Wirecard has gained the processing contract for Telenor Bulgaria.

<http://tinyurl.com/yarrh5o5>

ISSUING

The **SPA** has released the Smart Payment Card Shipment Figures for 2017.

<http://tinyurl.com/y9kyhiyg>

2.3bn smart cards were shipped globally in 2017 with contactless cards accounting for over 70% of shipments in a growing number of regional markets.

DIGITAL/RETAIL BANKING

Monzo in its Annual report claims it now has 750,000 account customers but suffered a loss for the year before tax of £33.1m (2017 £7.9m) primarily as a result of an increase its operating costs.

Post its Ticketmaster revelation, however, Monzo has suffered its own security breach.

<http://tinyurl.com/y6ue2nua>

Revolut meanwhile says that it has signed up 1m customers in the UK and has 2.25m global customers.

<http://tinyurl.com/y7y227ez>

Plans are being laid to go live in the US, Canada, Singapore, Hong Kong, Australia and New Zealand within a few months.

BIOMETRICS

Mastercard is predicting Biometric authentication will increase as a result of PSD2/ RTS SCA.

<http://tinyurl.com/yakffhcq>

Mastercard flags its Identity Check solution and its biometric payment card trial as evidence of it leading the advancement of biometric payments technology.

REMITTANCES

Paysafe has extended the reach of its money transfer service, Skrill Send Direct, to a further nine countries.

<http://tinyurl.com/yccepxb8>

The Send Direct service extends the money transfer options for Skrill customers enabling them to send funds, in any one of 40 different currencies on offer, direct to someone's bank account or multiple other local payment options.

FINTECH

The **FCA** has published the fourth round of 29 successful firms in its regulatory sandbox.

<http://tinyurl.com/ybdkcgte>

As with the previous cohorts, the FCA continues to see successful applications from a diverse range of sectors, locations and firm sizes. Areas covered include consumer credit, automated advice and travel insurance. Over 40% of companies accepted are using DLT.

The **European Banking Authority** (EBA) has published two, wide ranging, thematic reports

<http://tinyurl.com/y9ofg5gu>

- One on the impact of FinTech on incumbent credit institutions' business models
- A second on the prudential risks and opportunities arising for institutions from FinTech.

Both reports fall under the wider context of the newly established EBA FinTech Knowledge Hub and aim to raise awareness within the supervisory community and the industry on potential prudential risks and opportunities from current and potential FinTech applications and understand the main trends that could impact incumbents' business models and pose potential challenges to their sustainability.

FinTech impact <http://tinyurl.com/ybko7vqs>

Prudential risks <http://tinyurl.com/yazq78ht>

CORPORATE ACTIVITY

Nordea has entered into an agreement with Norwegian Insurance Company Gjensidige Forsikring to acquire all shares in its online banking operation Gjensidige Bank for NOK5,500m (€578m).

<http://tinyurl.com/y76cyrka>

The agreement also includes a long-term strategic mutual distribution cooperation with Gjensidige in Norway that will provide a route for more customer relationships for Nordea.

PayPal and Synchrony have completed their Consumer Credit Receivables transaction.

<http://tinyurl.com/y8jcczcx>

Synchrony acquired \$7.6bn in receivables with PayPal receiving approximately \$6.9bn in total consideration. PayPal and Synchrony have extended their existing co-brand consumer credit card program agreement, and Synchrony is now the exclusive issuer of the PayPal Credit online consumer financing program in the US until 2028.

REGULATION

The **Court of Appeal** has ruled that Visa and MasterCard interchange fees were set at an unlawful level that restricted competition.

<http://tinyurl.com/yaaw936d>

"The Court of Appeal, therefore, decided to allow the merchants' appeals on the article 101(1) issue. The court will make appropriate declarations in each of the three cases to the effect that the agreements are restrictive of competition infringing article 101(1)".

The case has now been referred back to CAT for it to consider whether there is a level of the interchange fee that would be lawful.

The Judgement could see further lawsuits being prepared against the card firms, leading to more Sainsbury type awards.

The **Bank of England, PRA and FCA** have published a joint discussion paper on an approach to improve the operational resilience of firms and financial market infrastructures.

<http://tinyurl.com/yav744ha>

Paper <http://tinyurl.com/yaedh47z>

Operational disruptions to the products and services that firms and FMIs provide have the potential to cause harm to consumers and market participants, threaten the viability of firms and FMIs, and cause instability in the financial system. The paper focuses on how the provision of these products and services can be maintained.

The **PSR** has finished the review of its regulatory fees regime and has published a policy statement.

<http://tinyurl.com/y9ahaq74>

The policy statement sets out the new regime for PSR regulatory fees that will be in place from 2018/19. The PSR says that the new regime puts in place a fees allocation and collection method that will be sustainable and more predictable for fee payers

It has also published a stand-alone document on the [PSR fees figures for 2018/19](#).