

weekly news round-up

25 January 2019

SUMMARY OF TOPICS:

- Mobile/Contactless and omni-Commerce
- Acquiring/Processing
- Digital/Retail Banking
- Cash
- ATMs (LINK)
- ACH (Bacs)
- Fraud/Security
- PSD2/Open Banking
- Instant Payments
- Blockchain
- Corporate Activity
- Regulation

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MOBILE/CONTACTLESS and omni-COMMERCE

ONS Retail sales, Great Britain: December 2018
<http://tinyurl.com/yafqg34d>

Online retailing accounted for 20% of total retailing, with an overall growth of 13.9% when compared with the same month a year earlier

Bancontact Payconiq has launched its Payconiq by Bancontact payment app in Belgium.

<http://tinyurl.com/yb9nd37v>

The new app is supported by 20 banks and can already be used at over 290,000 payment points across Belgium.

Deutsche Bank Research - Cash, electronic or online: How do Germans pay?

<http://tinyurl.com/y9wbpsyn>

Germans in 2017 paid cash for most of their purchase transactions – 74% by number and 48% by value. If German consumers do not use cash they prefer direct debits and card payments. Mobile payments were rarely used but this is likely change given a number of new mobile payment services arriving in 2018. (Largely based on DBB/EU work)

The Microsoft Wallet app will be officially retired from Feb. 28, 2019.

<http://tinyurl.com/y7pte5gv>

UnionPay International has issued another PR on its ever enlarging footprint.

<http://tinyurl.com/y7z5ueov>

Now up to 174 countries/26m+ merchants and counting.

ACQUIRING/PROCESSING

Concardis is working with A1Telekom Austria to offer commercial customers IT and payment services from a single source.

<http://tinyurl.com/ybhvmrqr>

The new service, “A1 Payment”, includes payment terminals, service packages, a mobile wallet, debit and credit card acceptance as well as transaction processing for companies. The partnership will also cover the development of other sector-specific offerings, e-commerce solutions and the support of international expansion.

UKCloud has announced a new payment card process allowing both public and private sector customers to access cloud services.

<http://tinyurl.com/y8ro5tu6>

UKCloud supports digital transformation across UK public sector via Crown Commercial Service frameworks and is now accepting AMEX, VISA or MasterCard to enable sign up for its services.

Mastercard has reiterated its desire to obtain a bankcard clearing license in China.

<http://tinyurl.com/yd8zwu4o>

It has confirmed that it is in active discussions to explore different solutions and hopes to be able to present another application for a licence in the very near future.

DIGITAL/RETAIL BANKING

Wirecard is working with Swedish FinTech P.F.C. to offer a new digital banking proposition.

<http://tinyurl.com/yb6d3g3d>

PFC (Personal Finance Co., formerly Betalo) is launching Sweden's first neobank that includes a Mastercard debit program combined with an app to help people manage their personal finances. P.F.C. is a licensed Payment Institution in Sweden.

CASH

The ECB says Euro banknote counterfeiting decreased in H1/1818.

<http://tinyurl.com/y77o5zv5>

Over 80% of counterfeits were €20 and €50 banknotes. There are now over 22bn euro banknotes in circulation.

ATMs (LINK)

Link is upping the amount Companies operating free-to-use cash machines in remote areas will receive. <http://tinyurl.com/ybli6ma8>

The new payments, known as “super premiums”, will take effect from 1 April and will be in addition to the interchange rate.

Nothing yet on LINK site.

ACH (Bacs)

Pay.UK (Bacs) has announced that automated payments hit an all-time high in 2018 with new annual, monthly, and daily records set.

<http://tinyurl.com/y9bld95t>

Direct Debits reached nearly 4.4 billion transactions – more than eight Direct Debits for every UK adult.

FRAUD/SECURITY

The APP Scams Steering Group has published the responses to its consultation on a draft voluntary code.

<http://tinyurl.com/yctvc7nf>

Responses <http://tinyurl.com/ybhfmj49>

The Steering Group is now considering the diverse range of 53 responses as it looks to publish the revised code as quickly as possible.

UK Finance response <http://tinyurl.com/ycegarsm>

PSD2/OPEN BANKING

Mastercard has selected Konsentus as Strategic Partner for PSD2 TPP Identity and Regulatory Checking.

<http://tinyurl.com/yb2tmr6w>

Mastercard announced last June that it was developing a suite of services to underpin the transformation taking place in the industry under PSD2 legislation.

KBC in Ireland is enabling customers to view current account balances held with other banks.

<http://tinyurl.com/yb6pmcyk>

KBC customers who hold an AIB or Bank of Ireland current account can now view their balance in the KBC app.

INSTANT PAYMENTS

Nets and Bankart are to go live with an instant payment solution in Slovenia in February.

<http://tinyurl.com/y88kl4gk>

The implementation in Slovenia puts Nets among the top providers in Europe with its RealTime24/7 Instant Payment platform after implementation in Italy and Denmark and imminently in Hungary.

BLOCKCHAIN/DLT/ CRYPTOCURRENCIES

De Nederlandsche Bank and AFM are recommending that a national licensing regime for crypto exchange platforms and crypto wallet providers should be taken forward.

<http://tinyurl.com/y7p3xyja>

The two bodies also say that effective protection of Dutch consumers against the principal risks requires international coordination due to the cross-border nature of cryptos.

The FCA is [consulting on guidance](#), which will set out the cryptoasset activities it regulates.

<http://tinyurl.com/ya2u5m6m>

The consultation is in response to industry request for greater clarity, and to the Cryptoasset Taskforce's recommendation that the FCA provides additional guidance on the existing regulatory perimeter.

Distributed Technologies Research has announced the launch of Unit-e, a globally scalable decentralized payments system.

<http://tinyurl.com/yarqolwl> <https://dtr.org/unit-e/>

Unit-e is targeting a network launch in the second half of 2019.

Computer World is billing this as an attempt to build a blockchain payments network to rival VisaNet with seven major universities joining forces in the initiative. <http://tinyurl.com/yd4gjk4l>

CORPORATE ACTIVITY

Mastercard has made a £233m bid for Earthport.

<http://tinyurl.com/y7zbesd6>

Regulatory docs <http://tinyurl.com/yd89j538>

The move is more than the earlier £198m bid by Visa.

AnaCap owned Heidelberg has bought German invoice lender Universum Group.

<http://tinyurl.com/y9yrvhok>

Operating in the mail order environment, Universum will bring 'pay later' capability to Heidelberg by way of its white label platform.

Universum's "FlexiPay®" suite will be incorporated as part of Heidelberg's existing product range.

Cognizant has announced it is to acquire bank-owned Finnish IT provider Oy Samlink.

<http://tinyurl.com/y7t8kak3>

Under a multi-year agreement with three Finnish banks, Cognizant will develop and operate the banks' common core banking systems based on Temenos T24 and Temenos Payment Hub (TPH). As part of the agreement Cognizant will acquire Oy Samlink Ab, the current technology services provider owned by a consortium of six banks

Nets, following the closing of the Dotpay and Concardis acquisitions, says it is continuing to explore potential opportunities for opportunistic bolt-on M&A growth.

<http://tinyurl.com/y8pt95ot>

As part of the continued optimization of the Group's capital structure and liquidity position, the Group is considering a €100m EUR Term Loan B add-on. This, together with the €2.7bn equity from the time of the LBO and the additional rolled equity from Concardis existing shareholders gives a significant equity cushion.

Natixis Payments and Wynd have agreed a strategic partnership to design a retail omni-channel solution.

<http://tinyurl.com/yadwrm4l>

The partners will combine their respective areas of expertise in payment, POS technology and logistics to develop a joint omni-channel service. Natixis is also to take a stake in Wynd as part of its €72m fund-raising exercise, alongside several other investors.

REGULATION (Brexit)

Alipay has been granted e- money license in Luxembourg.

<http://tinyurl.com/yb7pjj5e>

The new licence is an anti-Brexit play as Alipay already has one in the UK.

REGULATION (Competition)

The EC has fined Mastercard €570m for obstructing merchants' access to cross-border card payment services.

<http://tinyurl.com/y8gkawoj>

This is a 'water under the bridge' fine as Mastercard amended its rules when the Interchange Fee Regulation went live in 2015.

Meanwhile the 'Inter-regional MIFs' investigation continues.

It is being suggested that the EC's action could add to the numbers of private damages claims retailers are already seeking following previous commission moves on card fees.

REGULATION (Acquiring)

The PSR has published its [final terms of reference](#) for a market review into the supply of card-acquiring services.

ToR <http://tinyurl.com/y899arao>

The final terms of reference take into account the feedback the PSR received during the consultation period and include

- the nature and characteristics of card-acquiring services;
- how merchants buy card-acquiring services;
- who provides card-acquiring services and how their market shares have developed historically;
- whether there are credible alternatives to card-acquiring services for some or all merchants;
- what the market is delivering for merchants and consumers, including the fees merchants pay and the quality of service they receive.

Responses to the Consultation on the draft ToRs

<http://tinyurl.com/yclel5db>

36 responses from the names you would expect apart from the main banks other than HSBC and Lloyds.