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weekly news round-up
8 March 2019

SUMMARY OF TOPICS:

- Mobile/Contactless and omni-Commerce

- Cash(less)

- Acquiring/Processing

- PSD2/Open Banking

- Blockchain/DLT/Cryptocurrencies

- UK Payment Infrastructure

- Corporate Activity

- EPC/SEPA

- Brexit

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MOBILE/CONTACTLESS and omni-COMMERCE

BRC-KPMG Retail sales index for February shows online sales of Non-Food products grew 5.4%, against 6.4% in February 2018.
http://tinyurl.com/yyb85d29
Online penetration rate increased from 27.5% in February 2018 to 29.6% last month.

Flux has signed up KFC for its paperless receipts.
http://tinyurl.com/y42cp5yx
Flux receipts at KFC will work with Flux's bank partners: Monzo and Starling Bank. Barclays Launchpad customers will be able to use the solution in the near future.

IMRG Capgemini e-Retail Sales Index Quarterly data indicates mobile as taking the largest share of online sales.
http://tinyurl.com/y5sukgvf
In December 2018 smartphones accounted for over 70% of mobile device sales meaning that in Q4 2018/19 - Nov, Dec, and Jan - the share of sales revenue spent through smartphone devices was 40.4%, with desktop at 39.7% and tablet 19.9%.

The Polish Central Bank increase in the contactless payment maximum goes live in April.
Announced last May, it doubles the maximum limit for contactless transactions without a PIN from PLN50 to PLN100. This is seen as likely to drive contactless payments in the country that has seen increasing use of contactless payments with almost every Polish adult now holding a contactless card.

Wirecard has announced enhanced SDKs for mobile in-app payments.
http://tinyurl.com/y4z86evx
The new mobile payment SDK libraries for iOS and Android were created to enable merchants to integrate in-app payment options more easily as well as facilitate PCI compliance.

It is being reported that **BRICS countries** are developing their own payment system to cut dependence on the West.
http://tinyurl.com/y2t8fszt and
http://tinyurl.com/yxbq727s
BRICS countries want to create an **online wallet** - BRICS Pay - to integrate the payment systems of its five member states using a cloud platform. The pilot version of the payment system is to be tested in April in South Africa. Te Russian Direct Investment Fund, representing Moscow, is acting as the coordinator of the working group.

W3C and FIDO Alliance have finalised a Web Standard for secure, passwordless logins.
http://tinyurl.com/y36jot8o
W3C's WebAuthn, a core component of the FIDO Alliance's FIDO2 set of specifications, is a browser/platform standard for simpler and stronger authentication. WebAuthn allows users to log into their internet accounts using their preferred device.

The NFC Forum has released the NFC Money Transfer Candidate Specification.
http://tinyurl.com/y37ez5q8
NMT gives PSPs and consumers the opportunity to take advantage of the NFC-based payment solutions already in use as an alternative to QR code-based solutions. The NMT solution improves the speed and efficiency of the payment process by eliminating the need for a camera or scanner used in QR code-based solutions.

CASH(less)

The Access to Cash Review, following its interim Report in December, has now published its Final version.
http://tinyurl.com/y37zyh5u
Report http://tinyurl.com/y57r2o4c
The Review's action plan to protect cash access calls for:

- Government and regulators to step in urgently to ensure cash remains viable
- A "Guarantee to Cash Access" for all, including those in remote and rural areas
- Those providing essential services to be required to allow consumers to pay by cash
- A more efficient, effective and resilient wholesale cash infrastructure to ensure that cash remains viable as its use declines.
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BoE Statement
http://tinyurl.com/y4t93jb6
'The Bank is today announcing that it will convene relevant stakeholders to develop a new system for wholesale cash distribution that will support the UK in an environment of declining cash volumes.'

ACQUIRING/PROCESSING

Barclaycard is to start accepting Discover Global Network cards across its UK merchant network.
http://tinyurl.com/yyjdpn4s
Barclaycard's 110,000 merchants are now able to accept Discover, Diners Club International and affiliate network cards both in-store and online.

Barclaycard has also signed a card acceptance partnership with UnionPay International.
http://tinyurl.com/yys9ywdt

Barclays is reported to be preparing to merge its BPay and Pingit apps.
http://tinyurl.com/y59mg84h
Barclays has struggled to achieve momentum with its wearable offer since its launch in 2014. The merger of the two apps is seen as a way of encouraging more people to take up BPay.

ClearBank and Moorwand have announced a strategic partnership.
http://tinyurl.com/y5havhcl
Moorwand will leverage ClearBank's 'Banking as a Service' offering to access a wide range of API-based services, including BACS, CHAPS and FPS.

equensWorldline has launched the SEPA Proxy Lookup (SPL) service.
http://tinyurl.com/y4dwnvax
The service creates secure interoperability between existing mobile P2P payment services and is based on the SPL scheme managed by the EPC. It replaces the need for manual exchange of payment information and connects the lookup services available in different markets to facilitate the use of the beneficiary's mobile phone number in order to retrieve the correct IBAN.

PSD2/OPEN BANKING
Yolt has announced it has gone live on Yolt Pay Beta.
http://tinyurl.com/y4u84wcn
The move sees Yolt testing its PIS with its existing customers enabling them to initiate payments to friends and family and move money between their own accounts via the Yolt app. A full roll-out is planned for later this year.

HSBC has launched a PSD2 Developer Portal.
http://tinyurl.com/y2qq3vyo
Portal http://tinyurl.com/y3gcnecy
Designed to allow third party payment providers to develop products and services for European consumers and businesses, the Portal is a secure sandbox environment where developers can test APIs for three services: Account Information, Payment Initiation and Funds Confirmation.

BLOCKCHAIN/DLT/ CRYPTOCURRENCIES
The FCA has published two pieces of research looking at UK consumer attitudes to cryptoassets.
http://tinyurl.com/yyy5z6uk
Both the survey and qualitative research found that some cryptoasset owners made their purchases without completing any research beforehand. However, despite the general poor understanding of cryptoassets amongst UK consumers, findings from the survey suggest that currently the overall scale of harm may not be as high as previously thought.

UK PAYMENT INFRASTRUCTURE
Pay.UK has produced a new factsheet explaining what it does and how it engages with stakeholders.
http://tinyurl.com/y5p7tltt
This follows the announcement
http://tinyurl.com/y2yb66sr that Pay.UK is now home to Bacs, Faster Payments, and Cheque and Credit Clearing and is also the formal home of those employed by them.

The PSR has confirmed that it will extend the LINK procurement process deadline by six months.
http://tinyurl.com/y3kohlbh
Specific Direction http://tinyurl.com/y6b9umpa
Some of the respondents to the Consultation questioned the advisability of switching CIS provider and flagged the costs and risk associated with any change.

CORPORATE ACTIVITY
PFS has announced the acquisition of the Barclays Physical Prepaid Card Portfolio.
http://tinyurl.com/y6xtofy6
The deal will enable PFS to offer an enhanced service to existing and future Payroll and Corporate clients and strengthen its position in the market as a payment provider for Corporates.

SumUp Payments has acquired Shoplo a Poland-based multi-channel e-commerce platform.
http://tinyurl.com/y497tgfy
The acquisition will allow SumUp to enlarge its product suite and give merchants access to various online marketplaces and storefronts with multiple templates within one central dashboard. Terms of the deal were not disclosed.

Western Union and ACI Worldwide have entered into a definitive agreement for ACI to acquire Speedpay.
http://tinyurl.com/yyyq7m3l
Speedpay is Western Union's United States bill pay business with ACI paying $750m in an all-cash transaction. "Divesting the Speedpay business allows us to concentrate our resources on our cross-border money movement strategies and monetize a non-core asset for our shareholders."

EPC/SEPA
Article - A German SEPA Instant Credit Transfer scheme experience.
http://tinyurl.com/y44l79gk
Written by DZ Bank regarding its experience.. Germany has more participants than any of the 16 European countries already in the SCT (Inst) Scheme.

BREXIT

The EPC has published a decision paper on Brexit and UK PSPs' participation in SEPA schemes.
http://tinyurl.com/y48x6fgx
Position paper http://tinyurl.com/yxb4njdb
UK Finance http://tinyurl.com/y3l2cq4d
The EPC Board has taken the decision to approve the application from UK Finance for the continued participation of UK PSPs in the SEPA schemes after 29 March 2019 in the event of a no-deal Brexit subject to ongoing compliance with SEPA scheme participation criteria.

The PSR has now adopted the EU Exit instrument on shoring the regulatory technical standards Regulation (RTS Regulation) supplementing Article 7(1)(a) of the EU Interchange Fee Regulation (IFR).
http://tinyurl.com/y3afl7pw
Policy Statement http://tinyurl.com/y6eh7g4h
If the UK leaves the EU in a no-deal scenario, the EUWA will convert the RTS Regulation into UK law on exit day.
Poland is to give UK payment and electronic money institutions 12 months grace if there is a no-deal Brexit.
https://preview.tinyurl.com/y2jpd33g
Passporting firms will be permitted to continue to conduct their activity within the scope of their pre-Brexit license for 12 months after 29March.

Soldo, meanwhile, has received an e-money licence from the Irish Central Bank, in preparation for Brexit.
http://tinyurl.com/y44ac7pj
The company will migrate over half of its business, regardless of the resolution of Brexit talk, to Ireland.

REGULATION (Cross-border payments)

The EU Council has adopted the Regulation covering cross-border euro payments and DCC.
http://tinyurl.com/y4dv228l
Most of the provisions will become applicable as of 15 December 2019.

REGULATION (Credit Card fees)

The FCA has written to all credit card firms to highlight the findings of its multi-firm review of fees and charges in prime and sub-prime credit card products and firms.
http://tinyurl.com/y3mgbrfj   Letter to firms
The FCA is encouraging firms to consider the impact their policies and procedures in relation to fees and charges have on fair customer outcomes.

REGULATION (Russia)

Russia's trade associations are reported by RT as having filed an action alleging Visa and Mastercard are abusing their market power.
http://tinyurl.com/y5mqf92z
The complaint, which has been made to the country's antitrust authority, reportedly focuses on interchange fees set by the payment systems.