

TOP MAESTRO ISSUERS WORLDWIDE

The 100 largest issuers of Maestro brand debit cards based on purchases at merchants for calendar year 2013 are listed on page 10. The issuers represented 37 countries.

> see p. 10

LEASE TO OWN FOR E-COMMERCE

Zibby is a lease-to-own payment option online retailers of electronics, furniture, appliances, musical instruments, and other durable goods can offer nonprime credit score and underbanked

> see p. 6

PULSE SUES VISA OVER DEBIT CARDS

Discover Financial Services' Pulse PIN-based debit network has sued Visa Inc. in United States District Court for the Southern District of Texas. Pulse wants the court to stop PIN-Authenticated

> see p. 6

SKRILL PROGRESS IN THE U.S.

Skrill is a payment service provider (PSP) handling over 100 international and local payment options for over 156,000 businesses. The majority of those businesses are online gambling

> see p. 8

RIPPLESHOT FRAUD DETECTION ANALYTICS

Most software that fights payment card fraud focuses on providing risk scores for individual transactions in real time. Rippleshot adds a different layer of fraud protection by examining authorized

> see p. 12

CARDLYTICS RAISES \$70 MILLION IN EQUITY FUNDING

Advertising and technology company Cardlytics has received \$70 million in Series F funding in a round led by Discovery Capital, a hedge fund. Cardlytics offers a platform that links payment card

> see p. 5

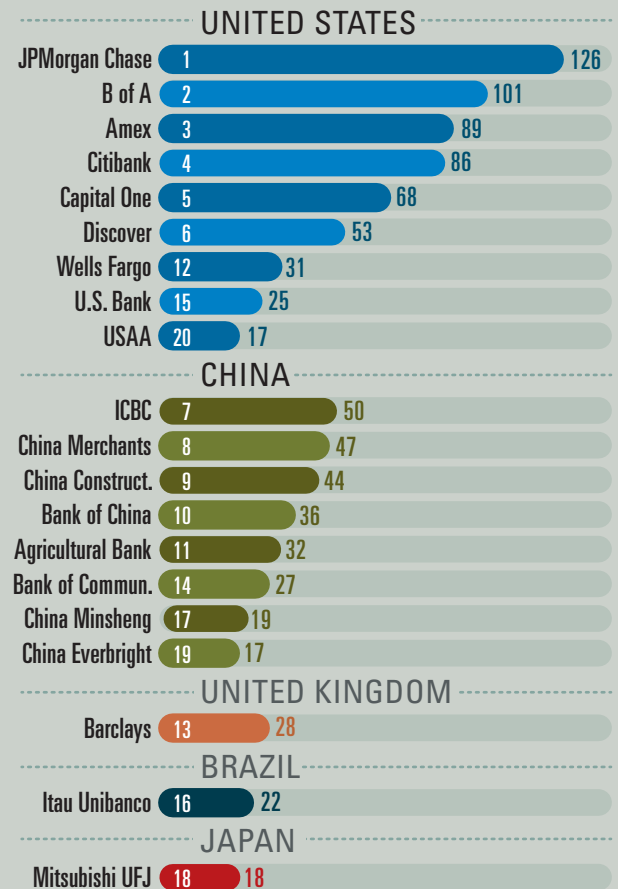
INVESTMENTS & ACQUISITIONS — OCTOBER 2014

Turn to page 9 for a list of 64 mergers, acquisitions, and corporate financing deals that occurred in October of 2014.

Prior issues: 1,051, 1,049, 1,047, 1,045, 1,042, 1,041, 1,039, 1,037

> see p. 9

Top 20 Issuers of Credit Cards Worldwide 2013 Ranked by Outstandings (\$Bil.)



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TOP CREDIT CARD ISSUERS WORLDWIDE

The 150 largest issuers of credit cards based on outstanding receivables at year-end 2013 are listed on page 11. Outstandings were tied to American Express, Diners Club, Discover, JCB, MasterCard, UnionPay, Visa, and domestic general purpose credit cards.

> see p. 11

INSIDE	2 – 4	Fast Facts
	5	Spire Payments' Mobile POS Device
	7	In-Store Merchandise Pickups
	8	In-Location Engagement with NFC/Beacon

CHARTS	6	Market Shares of Debit Card Transactions in the U.S.
	9	Investments & Acquisitions — October 2014
	10	Largest Maestro Issuers Worldwide 2013
	11	Largest Credit Card Portfolios Worldwide 2013

INTUIT and **REVEL SYSTEMS** have formed a partnership. Merchants will receive access to Intuit's QuickBooks via the cloud to automatically sync sales, payments, inventory, CRM, and payroll data using their iPad point-of-sale device. The service will be available in 2015 to merchants using Revel Systems' platform. *Eric Dunn is SVP, Payments and Commerce Solutions at Intuit, (650) 944-2214, eric_dunn@intuit.com, www.intuit.com. Lisa Falzone is CEO at Revel Systems, (415) 413-0305, lisa@revelsystems.com, www.revelsystems.com.*

PAYMENTWALL now offers PW Smart TV, which lets developers offer consumers worldwide more than 120 different payment options including credit and debit cards, eWallets, bank transfers, mobile, and more for applications, games, and other content on smart TV platforms. *Honor Gunday is CEO, (415) 671-5900, honor@paymentwall.com, www.paymentwall.com.*

THE SECURE GATEWAY, a majority-owned subsidiary of Newtek Business Services, now offers its merchant customers Seamless's SEQR QR code-based mobile payment service. *Barry Sloane is CEO at Newtek Business Services, (212) 356-9500, bsloane@thesba.com, www.thesba.com. Kenneth Douglas is SVP at SEQR USA, (727) 742-7333, kenneth.douglas@seqr.com, www.seqr.com.*

PAYSTAND, a start-up payment processor and gateway, now offers merchants an electronic check (e-Check) payment option that only requires consumers to enter their bank login and password. Transaction fees are fixed and start at 25 cents. *Jeremy Almond is CEO, (831) 316-7493, jalmond@paystand.com, www.paystand.com.*

VOICEVAULT'S voice biometric technology will be integrated into Enacomm's Voice Authentication application, which enables authentication of customers from any phone and, with a 99.99% success rate, is said to be more reliable than fingerprinting. *Julia Webb is VP of Sales & Marketing at VoiceVault, (310) 372-2757, julia.webb@voicevault.com, www.voicevault.com. Michael Boukadakis is CEO at Enacomm, (918) 858-9777, mikeb@enacomm.net, www.enacomm.net.*

MERCHANT LINK, a provider of payment gateway and data security services including tokenization and P2PE, will offer its customers mobile marketing and payments services from Mocapay. *Laura Meck is EVP at Merchant Link, (301) 562-5000, laura.meck@merchantlink.com, www.merchantlink.com. Doug Dwyre is CEO at Mocapay, (303) 444-1771, doug.dwyre@mocapay.com, www.mocapay.com.*

ALLIANCE DATA RETAIL SERVICES now issues the My BJ's Perks MasterCard credit card in partnership with BJ's Wholesale Club. Rewards include saving 10¢ off per gallon when buying gas at BJ's, earning up to 5% back on purchases at BJ's and BJs.com, 2% back when eating out and for non-BJ's gas purchases, and 1% back on all other purchases. *Melisa Miller is President at Alliance Data Retail Services, (614) 729-4900, melisa.miller@alliancedata.com, www.alliancedata.com. Michael Cyr is Group Executive, Market Development at MasterCard, (914) 249-2000, michael_cyr@mastercard.com, www.mastercard.com.*

FEATURED CONFERENCE

Subscribers to The Nilson Report will receive a \$300 discount.

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MOBILE PAYMENTS LEADERSHIP SUMMIT 2015

Two-Day Conference
January 26-27, 2015
Phoenix Marriott Tempe at The Buttes
Tempe, Arizona

Topics include: How leading mobile wallet platforms provide value to retailers, brands, and consumers, pros and cons of security and authentication strategies, which POS technologies drive the most traffic and will be adopted by merchants and consumers, the role of mobile prepaid and gift cards, EMV integration and the outlook for the months and years ahead, utilizing and properly executing NFC technology as part of your mobile payments strategy, strategies to identify and target new customers, implementing and integrating beacon technologies into payments, driving loyalty and frequency through case studies, and understanding the impact of HCE. Speakers represent: Visa, MasterCard, IBM, Intel, Softcard, Verifone, CFSI, Merchant Warehouse, Ingo, Direct Connect, LoopPay, National Payment Card, Shopify, PCI Security Standards Council, Wedbush Securities, NXP, LevelUp, Javelin Strategy & Research, and more. Cost for the two-day conference for standard registration is \$1,295 before December 12 (\$1,595 after that). (Use code NILSON300.) *Contact Kathleen Daffner at SSN, (203) 209-0520, kathleen@strategicsolutionsnet.com. Register at <http://paymentinnovations.net>.*

Conference links at www.nilsonreport.com

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MERCHANT PAYMENTS ECOSYSTEM 2015

Three-Day Conference
February 17-19, 2015
The InterContinental Berlin
Berlin, Germany

Topics include: acquiring and alternative payment acceptance, wallets and loyalty, merchant payment challenges, new technologies changing merchant payments and POS, mobile and proximity payments, e-commerce payments, merchant payment regulation in Europe and beyond, and payment processing in Europe. Speakers represent: Raiffeisen Bank, Badoo, Credorax, Lloyds Banking Group, Zapp, Carrefour, Bitnet Technologies, orderbird, IATA, EVO Payments International, Orlen Deutschland, and more. Cost for the three-day conference is \$2,620. (Use code NRMPE2015.) *Contact David Vesely at Empiria Group, 421 (245) 248-931, david.vesely@empiriagroup.eu. Register at www.merchantpaymentsecosystem.com.*

Links at www.nilsonreport.com

90 pages

Figures include cards in circulation and spending for more than

920 credit & debit card issuers

from 116 countries in all world regions

Asia/Pacific, United States, Europe, Latin America, Middle East/Africa, and Canada

Largest Payment Card Issuer and Merchant Acquirer

New for 2014

Also lists

265 Merchant Acquirers

from 65 countries in all world regions

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RETAIL PAYMENT SYSTEMS: RELATIVE MERITS OF CASH AND PAYMENT CARDS

is a study conducted by Economists Incorporated, an economic consulting firm. The study weighs the costs and benefits for merchants of different payment systems. *Philip Nelson is Principal, (202) 833-5252, nelson.p@ei.com, www.ei.com.*

AMERICAN EXPRESS will launch a \$10 million program in February 2015 to help small merchants offset the cost of upgrading to EMV-enabled payment terminals. *Tyler Vaughney is Vice President of U.S. Small Merchants, (212) 640-1422, tyler.c.vaughney@aexp.com, www.americanexpress.com.*

TSYS and **FICO** have signed a licensing agreement to support a new marketing product for card issuers called TSYS Targeted Messaging. The product combines FICO's predictive analytics and campaign management software with TSYS's analytics and security capabilities. *Don Peterson is VP and General Manager of Marketing Solutions at FICO, (612) 758-5348, donpeterson@fico.com, www.fico.com. Paul Bridgewater is Group Executive of Global Product at TSYS, (706) 649-4480, pbridgewater@tsys.com, www.tsys.com.*

LINKED2PAY, which allows customers to pay online or by mobile phone using a credit card or ACH, is now being offered to merchant customers of TSYS. Merchants using linked2pay use a single-point login and receive consolidated, customizable reporting. *Chris McNulty is Group Executive of Sales, Business Development and Client Relations at TSYS Merchant Solutions, (402) 574-7355, cmcnulty@tsys.com, www.tsys.com. Jay McShirley is CEO at linked2pay, (805) 604-4472, jay.mcshirley@linked2pay.com, www.linked2pay.com.*

OINK, provider of online payment technology for parents and teens, now offers the Oink Discover prepaid card. Funds can be added to the Oink Card via a mobile app or online account. Parents can track a teen's Oink account online. *Jo Webber is CEO at Oink, (310) 853-1950, jo@oink.com, www.oink.com.*

T-MOBILE USA, HEWLETT-PACKARD, ORBITZ, DUKE ENERGY, and COX COMMUNICATIONS have fully settled all claims against Visa, MasterCard, and top U.S. card issuers related to antitrust litigation over interchange fees. These companies had opted out of a \$7.3 billion federal court approved settlement.

FISERV has expanded its Popmoney money transfer personal payment product suite to include disbursements by businesses to consumers, a process currently handled mostly by paper check. Popmoney for Disbursements can send money to a recipient using their email address or mobile phone number as an identifier, making it possible to send money electronically without knowing the recipient's bank account number. *Tom Allanson is Division President, Electronic Payments, (678) 375-3000, tom.allanson@fiserv.com, www.fiserv.com.*

ARROWEYE SOLUTIONS has upgraded its encryption/decryption library with cryptographic software from Prime Factors. *Brian Huse is CIO at Arroweye, (312) 253-9400, brian.huse@arroweye.com, www.arroweye.com. Jeff Cherrington is VP, Product Management/Marketing at Prime Factors, (414) 307-7533, jeff.cherrington@primefactors.com, www.primefactors.com.*

MANAGEMENT > CHANGES

Kevin Schultz, formerly at First Data and Visa, has been appointed Group President, Electronic Payments and Digital Platform Channels Solutions at **Fiserv**, (262) 879-5000, kevin.schultz@fiserv.com. **Clemens Joos** has resigned his position as CEO at **SMARTRAC**. **Pete DuPré** has been appointed Chief Information Officer at **JetPay Corporation**, (610) 797-9500, pete.dupre@jetpaypayroll.com. **Ingo Lippert**, formerly at mopay, has been appointed Chief Business Officer at **Boku**, 49 (89) 322-9860, ingo.lippert@boku.com. **Kevin Weeks** has been appointed President at **AICCCA**, (434) 939-6006, kweeks@aiccca.org. **Christian Hinrichs** has been appointed Chief Financial Officer at **Boku**, 49 (89) 322-9860, christian.hinrichs@boku.com. **Yvonne Stelpflug**, formerly at TSYS Acquiring Solutions, has been appointed Client Business Executive at **The Members Group**, (515) 343-8149, yvonne@themembersgroup.com.

GLOBALCOLLECT, the payment service provider subsidiary of Ingenico Group, has become a worldwide acquirer for the UnionPay network, which connects to 4.7 billion UnionPay cards. *Mark Patrick is General Manager Asia-Pacific at Global Collect, (65) 9438-8825, mark.patrick@globalcollectapac.com, www.globalcollect.com. Hong Tao is GM, Sales and Support Dept. at UnionPay Int'l, 86 (21) 2026-5702, hongtao@unionpayintl.com, www.unionpayintl.com.*

GEMALTO will provide its Allynis Trusted Service Hub to support over-the-air provisioning of payment card credentials to mobile devices participating in Valyou, Norway's first mobile NFC payment service. Valyou is a service of Telenor, Norway's top mobile network operator, and card issuing banks DNB and SpareBank. *Tor Jacobsen is CEO at Valyou, 47 (97) 766-087, tor@valyou.no, www.valyou.no. Philippe Cambriel is President for Europe, Mediterranean and CIS at Gemalto, 33 (1) 5501-6280, philippe.cambriel@gemalto.com, www.gemalto.com.*

UNITED BANK FOR AFRICA will issue credit, debit, and prepaid MasterCard cards in Cameroon, Chad, Congo DRC, Congo Brazzaville, Gabon, Ghana, Guinea, Kenya, Liberia, Mozambique, Sierra Leone, Tanzania, Uganda, and Zambia. *Obinna Uma is Head of Cards at UBA, 234 (1) 280-7190, obinna.uma@ubagroup.com, www.ubagroup.com. Omokehinde Ojomuyide is VP and Area Business Head, West Africa at MasterCard, 234 (1) 448-3802, omokehinde_ojomuyide@mastercard.com, www.mastercard.com.*

SCOTIABANK MEXICO will use the multicurrency payment processing services of Planet Payment to offer real-time currency conversions at more than 1,500 ATMs. *Salvador Espinosa is VP Payments Channels and Deposits at Scotiabank Mexico, 52 (55) 5123-1996, sespinos@scotiabank.com.mx, www.scotiabank.com.mx. Drew Soinski is Managing Director of the Americas at Planet Payment, (619) 787-5129, dsoinski@planetpayment.com, www.planetpayment.com.*

CONTIS GROUP, a U.K.-based e-money institution and prepaid card program manager, will be the technology provider for MoneyMona's eCurrent account Visa prepaid debit card and rewards program. MoneyMona provides basic financial services to the unbanked. *Roy Welch is Managing Director at MoneyMona, 44 (203) 468-1165, roy@moneymona.com, www.moneymona.com. Mike Fromant is Managing Director at Contis Group, 44 (1756) 693-245, mike.fromant@contisgroup.com, www.contisgroup.com.*

ACLEDA BANK in Cambodia has opened its ATMs and POS terminals to Discover and Diners Club cards. *Gerry Wagner is VP, Discover Network, (224) 405-0900, gerrywagner@discover.com, www.dinersclub.com. So Phonnary is EVP & Group Chief of Operations Officer at Acleda Bank, 855 (23) 998-777, phonnary@acledabank.com.kh, www.acledabank.com.kh.*

CORRECTION: in issue #1052 we said "BKM's mobile wallet is included in Total's mobile app." We should have said that Total's app triggers the BKM Express app to enable customers to pay via BKM Express.

AUSTRIA CARD is the supplier to the government of Nigeria of a chip-based national ID card. Other applications on the chip include EMV-compliant payment, biometrics, e-health, voter ID, and pension ID. *Jochen Hense is CEO at Austria Card, 43 (1) 6106-5147, jochen.hense@austriacard.at, www.austriacard.at.*

BANCO DEL BAJO in Mexico will license Prime 4 card management software from TSYS to handle its general purpose and private label credit card portfolios as well as loyalty and installment loan programs. *Dietter Enriquez is Head of Credit Cards at BDB, 52 (477) 710-4692, denriquez@bb.com.mx, www.bb.com.mx. Jaffar Agha-Jaffar is Managing Director, Prime Licensing at TSYS, 971 (43) 912-823, jagha-jaffar@tsys.com, www.tsys.com.*

CONFERENCES & SEMINARS

MOBILE MONEY & DIGITAL PAYMENTS ASIA 2015: January 20-22, 2015. The Ritz-Carlton Jakarta, Mega Kuningan Jakarta, Indonesia. Estimated attendance: 400. Cost for the two-day conference is \$1,999 for vendors and \$799 for banks and MNOs for bookings made before December 16. **Subscribers to The Nilson Report will receive a 20% discount. (Use code NRASIA20.)** Contact Hazel Miller at Clarion, 44 (20) 7384-7919, hazel.miller@clarionevents.com. Register at www.mobile-money-asia.com.

5TH ANNUAL HEALTHCARE PAYMENTS INNOVATIONS 2015: January 21-22, 2015. The Point Hilton Tapatio Cliffs Resort, Phoenix, Arizona. Estimated attendance: 100. Cost for the two-day conference for health plans is \$1,295, hospitals \$995, and the standard rate is \$1,695. **Subscribers to The Nilson Report will receive a \$300 discount. (Use code NILSON300.)** Contact Kathleen Daffner at SSN, (203) 209-0520, kathleen@strategicsolutionsnet.com. Register at www.hcpaymentsinnovations.com.

PREPAID CARD COMPLIANCE 2015: January 29-30, 2015. The Mandarin Oriental, Washington, D.C. Estimated attendance: 130. Cost for the two-day conference is \$2,195 until Jan. 9, and \$2,395 after that. **Subscribers to The Nilson Report will receive a \$300 discount. (Use code TNR300.)** Contact Gregory Shuryin at ACI, (212) 352-3220, g.shuryin@americanconference.com. Register at www.americanconference.com/2015/697/prepaid-card-compliance.

CARD AND EPAYMENT AFRICA AWARDS 2015: March 10, 2015. The Michelangelo Hotel Nelson Mandela Square Sandton, Johannesburg, South Africa. Estimated attendance: 150. Cost for a table for 7 is \$1,300 plus VAT for corporate booking and \$200 plus VAT for individual booking. Includes cocktail reception, 3 course dinner, wine, and coffee. Early booking is recommended on or before December 31, 2014. Contact Lilian, 234 (80) 371-4865, lilian@intermarc-ng.com, or Uwana, 234 (80) 3246-4395, uwana@intermarc-ng.com. Registration is via email only. For more information visit www.cardandepaymentafricaawards.com.

SPIRE PAYMENTS' MOBILE POS DEVICE

The newest POS device from Spire Payments, the third largest manufacturer in Europe, is



SPM20, a handheld chip & PIN mobile device, now available from offices in Spain, the U.K., France, Hong Kong, Russia, and the U.A.E.

The SPM20, which measures 118mm (length) x 70mm (width) x 18mm (height), connects via Bluetooth 2.1 with Android, Apple, BlackBerry, and Windows smartphones, PDAs, and tablets. Other connectivity includes micro USB and USB docking interfaces for charging the lithium polymer battery, which typically handles 400-500 transactions per full charge.

SPM20 can read contact and contactless chip cards as well as NFC payments initiated from other smart devices. The smart card reader has a lifetime guaranty of 500,000 transactions. The bi-directional magnetic-stripe reader is guaranteed for 300,000 transactions.

The SPM20 uses the Linux operating system and a 32-bit ARM 9 processor. Software development kits (SDKs) are available for third-party application developers.

The display is monochrome and has 128x64 pixels in the backlight FSTN transfective LCD. Its keypad has 10 alphanumeric keys and 3 function keys. SPM20 is PCI PTS 4x SRED and EMV Level 1 & 2 accredited.

Uses the Linux operating system and a 32-bit ARM 9 processor.

Kazem Aminae is CEO at Spire Payments in Madrid, Spain, 34 (91) 722-7700, kazem.aminiae@spirepayments.com, www.spirepayments.com.

Prior issues: 1,038, 1,032, 1,028

CARDLYTICS RAISES \$70 MILLION IN EQUITY FUNDING

from page 1...



cardlytics
reach every one

issuers in the U.S. and U.K. to merchant advertisers. Currently 45 of the top 100 U.S. advertisers participate in the Cardlytics network. And among

the nearly 400 participating U.S. banks are Bank of America, PNC, and Regions. Lloyd's Banking Group is Cardlytics' first customer in the U.K. Santander will be connected in the first quarter of 2015.

Cardlytics installs software at card issuers to capture all credit and debit card purchases. When a cardholder logs into the issuer's online or mobile app, Cardlytics presents them with offers from its merchant customers based on the cardholder's recent purchase behavior. Merchants can also target prospects within a zip code/postal code area.

In 2008 when Cardlytics opened for business it expected card-linked offers would give merchants

an opportunity to gain new customers by targeting a competitor's customer. Now, after nearly five years of practice, Cardlytics says that merchants have more success targeting cardholders based on their categories of spending. By doing so, merchants build new sales among those consumers who have not been loyal to any one brand but who can be made into loyal customers.

Because Cardlytics sees all purchases in an issuer's portfolio, it claims broad knowledge of consumer spending at 70% of U.S. households. This knowledge can be used by a bank to help its merchant customers see increases in their business through card-linked marketing partnerships.

The company's patented technology targets cardholders but it does so without ever seeing any personally identifiable information. And no personal information ever leaves the card-issuing bank for use by a merchant.

Discounts provided by merchants are immediately credited to a cardholder's account after payment

> see p. 6

CARDLYTICS RAISES \$70 MILLION IN EQUITY FUNDING

from page 5...

transactions have been authorized. Cardlytics shares fees paid by merchants with card issuers.

Issuers participating in the Cardlytics network gain a boost in overall cardholder spending. Debit card customers increase transactions by 4% monthly and credit card customers show a rise of 1%. Credit card customers also spend more than they typically do when they respond to a card-linked offer. Cardlytics says that there is 26% less attrition from credit and 19% less from debit card customers who participate in card-linked offers.

Discounts are immediately credited to a cardholder's account.

Cardlytics will use some of the money from its latest funding round to expand its business beyond online and mobile websites to include presenting

card-linked offers in digital advertising channels, giving issuers and merchants additional touch points with cardholders. Total

venture funding for Cardlytics tops \$170 million.

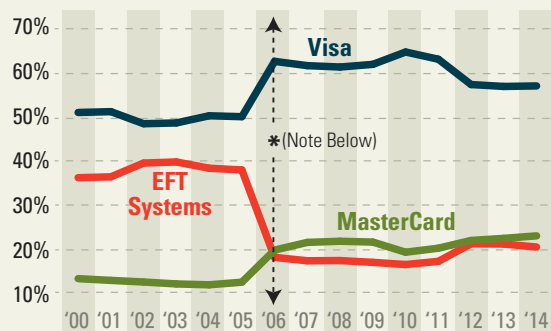
John Brown is President, U.S. Operations at Cardlytics in Atlanta, Georgia, (404) 425-5942, jbrown@cardlytics.com, www.cardlytics.com.

Prior issues: 1,030, 1,024, 1,012, 1,011, 979, 978, 969

PULSE SUES VISA OVER DEBIT CARDS

from page 1...

Market Shares of Debit Card Transactions in the U.S.



* In 2006, PIN transactions for Interlink & Maestro that had been included with figures for EFT Systems began to be included with Visa and MasterCard figures instead. ©2014 The Nilson Report

Visa Debit (PAVD), a policy that requires Visa signature-secured debit card issuers to include Visa's PIN function on those cards, and Fixed

Acquirer Network Fee (FANF), a fee paid by all merchants who accept any Visa credit or debit card products.

In addition, Pulse seeks compensation for what it believes are profits lost since the introduction of PAVD and FANF. Visa implemented both after the U.S. Congress enacted the Durbin Amendment to the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010.

Pulse claims that PAVD contributes to a Visa "monopoly" on the debit card business in the U.S. According to Pulse's complaint, requiring the addition of the PIN facility to signature-based debit cards, and supporting that mandate with

finances and other penalties, is a violation of federal laws aimed at fostering competition.

With FANF, Pulse states that Visa has increased revenues it earns from fees paid by merchants and their card acquirers for access to the network for overall credit and debit card activity, which enables it to lower per-transaction fees for its Visa debit card business. The combination is said to be a practice that no other network can match. And no merchant can afford to drop access to the Visa network for credit card payments.

The U.S. Department of Justice announced in 2012 it was investigating PAVD and FANF. However, it has not taken any action.

LEASE TO OWN FOR E-COMMERCE

from page 1...

consumers. These groups have thin files or no files at all credit bureaus. Consequently, they have below average credit scores — 47% are below 700 — and about half do not have a credit card they could use for expensive purchases.

Payment options for online purchases are geared toward the prime credit score consumer. Zibby joins installment loan provider Affirm (issue #1,052) as new payment options in the U.S. for nonprime and underbanked consumers. Included in these groups are a majority of the more than 72 million



millennials, people between the ages of 18 and 32. Millennials are more than twice as likely to buy online as other adults, although overwhelmingly they use debit cards not credit cards. Nonprime and underbanked consumers do as much product research online as prime consumers but most can't complete expensive purchases due to lack of credit.

Customers click the Zibby button at checkout to fill out an application and are approved or declined in approximately two minutes. Approved customers get the option of paying within 90 days without incurring any leasing charges, or making up to 12 monthly payments based on a multiple of the purchase price, usually 10% to 13% per month. They can return their purchase at any time if they can't make the payments.

The Zibby service mark is owned by Cognical, which just raised \$3.2 million in equity financing in a Series A round led by Tribeca Venture Partners and Blumberg Capital. At the same time it received \$7.0 million in debt financing led by Metropolitan Equity Partners.

Cognical believes that the risk for collateralized lending to nonprime and underbanked consumers is significantly lower than installment and revolving credit loans to these groups.

Underwriting loans to nonprime and underbanked consumers must be handled using public records data and other alternative services because credit bureau data doesn't exist or is insufficient. Cognical hopes to obtain intellectual property protection for what it

Applications are approved or declined in about two minutes.

calls a deep learning underwriting platform, capable of creating a risk score in real time for nonprime and underbanked consumers.

Cognical's long-term strategy is to move its customers from lease-to-own credit to lower cost installment loans and other financial products. Lease-to-own payment data is not factored into a FICO score but installment loans are. Cognical expects to help its customers attain higher credit scores while expanding its loan portfolio.

Brandon Wright is CEO at Cognical in New York, (425) 922-5556, brandon@cognical.com, www.cognical.com.

IN-STORE MERCHANDISE PICKUPS

Consumers like buying online but often need to pick up their goods inside the seller's physical store.



Identifying the buyer and matching them to the online purchase is a challenge some sellers handle with purchase order receipts that consumers print out at home, in-store presentation of the payment card used for the online purchase, or verification with a photo.

POPcodes has a different solution. Its technology is being tested at a variety of retailers in Canada. At the online checkout,

POPcodes' dialog box informs buyers they can use the service to secure pickup of their goods. The buyer inputs their phone number and self-selects a 3-digit PIN for use at pickup. A two-factor authentication process ties the phone number to the online buyer.

Details of the online purchase are stored at POPcodes and are presented to the buyer for review

Chase Paymentech has certified POPcodes in Canada and the U.S.

at checkout. POPcodes says this allows for cross-selling of related products, information about other products, and upselling to a more

expensive item when the buyer enters the store for pickup.

Merchants use an application programming interface to link to POPcodes and deploy a widget to use the service.

Chase Paymentech has certified POPcodes in Canada and the U.S. POPcodes can work with Ingenico and VeriFone POS terminals or any Web-enabled device.

POPcodes expects to conclude a Series A venture funding round next year.

Gregg Aamoith is CEO at POPcodes in Calgary, Canada, (587) 897-8077, gregg@popcodes.com, www.popcodes.com.

SKRILL PROGRESS IN THE U.S.

from page 1...

and gaming sites. In addition to being a PSP, Skrill offers an



online wallet and/or prepaid card used by people in 200 countries to send and receive money in 40 currencies. Wirecard issues Skrill's Paysafecard prepaid card. FIS is its account processor.

Most of Skrill's customers are in Europe, and most use their wallets to fund their wagers and receive any winnings.

Over the last 18 months Skrill has been building its operations in the U.S. Most of its efforts have concerned compliance and other regulatory issues related to online gambling and money transfer transactions.

The U.S. offers long-term possibilities for Skrill as a PSP to online gambling sites. However, at this time only the states of New

Jersey, Nevada, and Delaware have approved online gambling for their residents. And no other states are expected to do the same before 2016, although servers located on Indian reservations are expected to be operating by then. California is anticipated to begin online gambling in 2017.

Servers that support online gambling in New Jersey, Nevada, and Delaware will use geolocation technology to deny wagers placed from computers located in any other state.

Consumers pay for in-game purchases with one tap on their device.

Skrill already has 11 customers among the 13 regulated gambling operators in New Jersey. Some consultants have estimated the global online gambling market would double if it became legal throughout the U.S.

Skrill has a bigger opportunity in the near term as a PSP and wallet provider to electronic game

publishers including those offering fantasy sports. Skrill estimates that at any one time more than 25 million people in the U.S. are playing a game on their laptop, mobile device, or Xbox console.

Skrill can offer publishers its OneTap product, which lets consumers pay for in-game purchases with one tap on their device without requiring any other payment information. OneTap can also be used by game publishers who bill on the annual or monthly subscription model.

Skrill, which is 75% owned by private equity firm CVC Capital, is

negotiating contracts for the U.S. market with a prepaid card issuer and account processor.

Christopher Russell is CEO at Skrill USA in New York, (646) 738-6921, christopher.russell@skrill.com, www.skrill.com.

Prior issues: 1,024, 998, 988, 984, 980, 963

IN-LOCATION ENGAGEMENT WITH NFC/BEACON

Tapcentive, a start-up headed by former Visa executives, has received \$1.5 million in angel funding to build a platform retailers can use to boost in-store sales before the consumer reaches the checkout lane. The platform incorporates a Bluetooth beacon, a small hardware device retailers use to send greetings and offers to consumers' smartphones when they enter a store. However, Tapcentive adds another level of customer interaction. While Beacon devices are usually not seen by the consumer, Tapcentive has created a large proprietary hardware device measuring 4.5" wide and 1.6" high with a touch point for smartphones that is 2.75" wide. It is designed to be seen by consumers who interact with it to access special deals. The aim is to attract attention, and let consumer opt-in to offers rather than receive them passively. Having consumers opt-in is believed to start



an ongoing relationship with the merchant versus passive reception of offers that had not been solicited.

Offers are delivered to a consumer's smartphone. In addition to Bluetooth connections to smartphones, Tapcentive's hardware, which can be customized with a company's logo, colors, and more, can also present offers to devices equipped with NFC chips.

Tapcentive's software development kit (SDK) is now available to developers on a white-label basis. They can add their brands, set up business rules, and choose from a selection of brandable games, which help make the presentation of offers more engaging.

Distribution of the Tapcentive platform including hardware, firmware, SDK, and cloud-based backup, will be handled by systems integrators, digital advertising and brand agencies, merchant acquirers, and directly over the Internet.

Tapcentive's technology will be of interest to any business

Expects partnerships in Asia, Latin America, and Europe in 2015.

with a lot of foot traffic — casinos, restaurants, sports, and other events.

The company expects to have partnerships in Asia, Latin America, and Europe within the first half of 2015.

David Wentker is CEO at Tapcentive in San Francisco, California, (415) 623-4376,

dave@tapcentive.com,
www.tapcentive.com.

Investments & Acquisitions October 2014

Company	Buyer/Investor	Amount (mil.)	Country	Company	Buyer/Investor	Amount (mil.)	Country
Accounts Rec. Mgmt.	Northland Group ¹	*	U.S.	Orderbird	Series B ³⁰	\$10.0	Germany
Adaptive Path	Capital One ¹	*	U.S.	Pagos Intermex	Genera ¹	*	Mexico
AlphaPoint	undisclosed round ²	\$1.4	U.S.	Payfont	undisclosed round ³¹	\$1.9	U.K.
Bitnet Technologies	Series A ³	\$14.5	U.S.	Payoff	undisclosed round ³²	\$12.0	U.S.
Blockchain	undisclosed round ⁴	\$30.5	U.K.	POSIOS	Lightspeed ¹	*	Belgium
Cardlytics	undisclosed round ⁵	\$70.0	U.S.	Pounce	Slyce ¹	\$5.0	U.S.
Cashlink	AB Bank ⁶	*	Bangladesh	Recurly	Series B ³³	\$12.0	U.S.
Chip Card Salud	Redsys ⁷	*	Spain	Ripula	seed funding ²³	*	U.K.
Coinpayments	Newnote Financia ⁸	\$0.9	Canada	Sign2Pay	angel funding ²³	\$0.7	U.K.
Credorax	undisclosed round ⁹	\$40.0	Israel	SinglePoint	GreenStar ¹	*	U.S.
D3 Banking	undisclosed round ¹⁰	\$7.0	U.S.	Socure	Series A ³⁴	\$2.5	U.S.
Davo Technologies	seed funding ¹¹	\$0.1	U.S.	Spredly	undisclosed round ²³	\$0.8	U.S.
Digital River	Siris Capital ¹	\$840.0	U.S.	Square	undisclosed round ³⁵	\$150.0	U.S.
Eashmart	PayUMoney ¹	*	India	Strategic Payment Serv.	Cuscal ¹	*	Australia
Electronic Pay. Exchng.	North American Bancard ¹	*	U.S.	Stratos	seed funding ³⁶	\$5.8	U.S.
eSignSystems	DocMagic ¹	\$1.2	U.S.	Technisys	Series B ³⁷	\$13.0	U.S.
Fasspay	Soft Space ¹	*	Malaysia	Tipalti	Series B ³⁸	\$13.0	Israel
Fin. Software & Systems	undisclosed round ¹²	\$57.0	India	TransFirst	Vista Equity Partners ¹	*	U.S.
Flint Mobile	Series C ¹³	\$9.4	U.S.	Traxpay	Series B ³⁹	\$15.0	Germany
Footmarks	seed funding ¹⁴	\$1.9	U.S.	TrueAccord	post-Series A ⁴⁰	\$0.3	U.S.
GoCoin	BitFury Capital ¹⁵	*	U.S.	Union Tank Eckstein	Edenred ⁴¹	\$190.5	Germany
Growish	angel funding ¹⁶	\$0.6	Italy	Wausau Financial	Deluxe ¹	*	U.S.
H3 Financial Services	Series A ¹⁷	*	U.S.	WeSwap	Series A ⁴²	\$7.5	U.K.
Handpoint	Snorrason ¹⁸	*	Iceland	Worldwide Payment Sys.	Oynx Payments ¹	*	Spain
Inventorum	Series A ¹⁹	\$5.1	Germany	Xpient Solutions	Heartland Payment Sys. ¹	*	U.S.
Justworks	Series A ²⁰	\$6.0	U.S.	Yinker	Series A ⁴³	*	China
Klikka Promo	undisclosed round ²¹	\$0.8	Italy	*Terms not disclosed. (1) Acquisition. (2) Led by Ben Franklin Tech. Partners. (3) Led by Highland Capital. (4) Led by Lightspeed Ventures. (5) Led by Discovery Capital.			
Kuapay	undisclosed round ²²	\$8.0	Spain	(6) Purchased the remaining equity. (7) Purchased 43.6% equity position. (8) Purchased 20%. (9) Led by Columbus Nova Technology. (10) From Route 66 Ventures. (11) From SixThirty Ventures. (12) From Premji Invest. (13) Led by Verizon Wireless. (14) Led by Shawn Englund. (15) Undisclosed equity investment. (16) Led by Digital Magics.			
Leadtec	SPS Commerce ¹	*	Australia	(17) Led by Connexus Equity Management. (18) Purchased only the merchant processing contracts in Iceland. (19) Led by Vogel Ventures. (20) Led by Thrive Capital. (21) Led by Andena Holding. (22) Led by InverSur Capital (Telefonica). (23) Undisclosed investors.			
Linkable Networks	undisclosed round ²³	\$8.0	U.S.	(24) Led by Ceyuan Ventures. (25) Led by Avalon Ventures. (26) Led by MasterCard. (27) Led by SBT Venture Capital. (28) Acquired 40% of the equity. (29) Led by Canaan Partners. (30) Led by ConCardis. (31) Led by Aberdeen. (32) Led by Mohamed El-Erian.			
Melotic	seed funding ²⁴	\$1.2	Hong Kong	(33) Led by Devonshire Partners. (34) Led by ffVenture Capital. (35) Led by government of Singapore. (36) Led by Toba Capital. (37) Led by Intel Capital. (38) Led by Wicklow Capital.			
Mogl	undisclosed round ²⁵	\$11.0	U.S.	(39) Led by Commerzbank. (40) From Nyca Partners. (41) Purchased 34% equity position. (42) Led by IW Capital. (43) Led by Source Code Capital.			
Mopay	Buku ¹	*	Germany	© 2014 The Nilson Report			
Mozido	Series B ²⁶	\$185.0	U.S.				
NetGuardians	undisclosed round ²⁷	\$5.3	Switzerland				
Oh My Card	America Voice ²⁸	*	Guatemala				
Omnisure	Fortress Investment Mgmt. ¹	*	U.S.				
Orchard Platform	Series A ²⁹	\$12.0	U.S.				

Largest Maestro Issuers Worldwide 2013

Rank	Issuer, Country	Purchase Volume (mil.)	Cards (000)	Rank	Issuer, Country	Purchase Volume (mil.)	Cards (000)
1	ING Netherlands ⁽¹⁾	\$43,042.0	12,110	51	Zagrebacka Banka Croatia	\$934.7	1,175
2	Commonwealth Bank Australia	\$31,572.5	4,440	52	DZ Bank Germany	\$884.5	7,470
3	ABN Amro Netherlands	\$25,369.0	6,189	53	Banco de la Nacion Argentina	\$883.3	923
4	Itau Unibanco Brazil	\$20,957.4	30,396	54	Rabobank Netherlands	\$874.9	7,087
5	Banesco Banco Universal Venezuela	\$18,213.8	3,563	55	Ahli United Bank Kuwait	\$807.9	125
6	BancoPosta Italy	\$17,442.1	6,800	56	Ziraat Bankasi Turkey	\$723.0	6,302
7	KB Kookmin Card South Korea	\$17,315.0	18,992	57	PBZ Croatia	\$709.5	583
8	Caixa Economica Federal Brazil	\$15,829.1	59,595	58	BW-Bank Germany	\$689.2	386
9	Sberbank Russia	\$12,047.9	39,951	59	Borgun Iceland	\$681.8	133
10	BBVA Provincial Venezuela	\$8,637.7	2,657	60	RBC Financial Trinidad & Tobago	\$661.9	492
11	Clydesdale Bank United Kingdom	\$7,904.5	1,676	61	Cartao BRB Brazil	\$637.2	1,005
12	UBS Switzerland	\$7,855.7	1,282	62	Intesa Sanpaolo Group Italy	\$596.2	825
13	Banco Santander Brazil	\$7,347.9	10,812	63	Raiffeisen Bank Romania	\$580.6	747
14	Deutsche Bank Germany	\$6,842.0	4,067	64	Dexia Bank Belgium	\$579.3	3,043
15	Credit Agricole France	\$6,319.1	2,031	65	Banco Itau Chile	\$536.3	166
16	Raiffeisen Schweiz Switzerland	\$6,317.1	1,333	66	Slovenska Sporitelna Slovakia	\$529.6	287
17	National Commercial Bank Saudi Arabia	\$5,709.1	3,127	67	BFC Banco Fondo Comun Venezuela	\$516.6	1,066
18	Mercantile Banco Universal Venezuela	\$4,695.8	3,146	68	Maduro & Curiel's Bank Neth. Antilles	\$512.1	412
19	ANZ Bank New Zealand	\$4,605.1	605	69	BNL Gruppo BNP Paribas Italy	\$446.1	1,637
20	Bancolombia Colombia	\$4,489.9	5,849	70	Vakifbank Turkey	\$437.1	5,267
21	Credit Suisse Switzerland	\$3,971.7	676	71	BRD Romania	\$434.5	1,364
22	Banco de Venezuela Venezuela	\$3,351.7	4,160	72	Ceska Sporitelna Czech Republic	\$427.9	182
23	NongHyup Bank South Korea	\$3,230.2	7,695	73	Nuevo Banco de Santa Fe Argentina	\$420.5	702
24	Commerzbank Germany	\$3,172.2	2,004	74	Santander Totta Portugal	\$419.2	182
25	Shinhan Card South Korea	\$3,143.3	4,680	75	BPH Poland	\$411.7	274
26	Euro 6000 Spain	\$3,065.0	1,514	76	Erste & Steiermarkische Bank Croatia	\$356.3	471
27	Banco Santander Chile	\$2,993.3	3,096	77	Nedbank South Africa	\$348.6	814
28	Allied Irish Bank Ireland ⁽²⁾	\$2,690.5	<1	78	Mauritius Commercial Bank Mauritius	\$348.3	611
29	Bank Pekao Poland	\$2,680.1	1,894	79	Danske Bank Ireland	\$341.1	59
30	Riyad Bank Saudi Arabia	\$2,283.5	1,628	80	PKO Bank Poland	\$326.3	204
31	Absa Bank South Africa	\$2,139.5	4,418	81	Bank Zachodni Poland	\$317.2	225
32	Volksbank Austria	\$2,096.1	811	82	National Bank of Greece Greece	\$313.3	2,961
33	Swedbank Sweden	\$1,959.3	450	83	VUB Slovakia	\$299.9	232
34	Caixa Geral de Depositos Portugal	\$1,946.5	1,343	84	KBC Bank Belgium	\$287.2	2,055
35	SABB Saudi Arabia	\$1,898.8	813	85	T. Is Bank Turkey	\$283.2	2,195
36	Bank Austria Austria	\$1,827.5	1,235	86	BCR Romania	\$271.2	821
37	Erste Bank Austria	\$1,804.4	536	87	Abanka Vipa Slovenia	\$259.3	154
38	BNP Paribas Fortis Belgium	\$1,730.4	3,572	88	Finansbank Turkey	\$257.5	646
39	Santander Bank Germany	\$1,696.1	557	89	GE Money Czech Republic	\$257.3	285
40	Banco Davivienda Colombia	\$1,524.9	2,544	90	BIB Serbia	\$256.6	670
41	Standard Bank South Africa	\$1,481.8	4,463	91	CIB Hungary	\$256.1	178
42	BancoEstado Chile	\$1,315.8	1,387	92	Swedbank Lithuania	\$251.3	588
43	Bancaribe Venezuela	\$1,302.8	577	93	CaixaCard Spain	\$240.4	149
44	Frankfurter Sparkasse Germany	\$1,249.8	675	94	Banco Comercial AV Villas Colombia	\$235.2	1,002
45	OTP Bank Hungary	\$1,236.4	2,085	95	Banka Koper Slovenia	\$219.0	196
46	Credit Mutuel France	\$1,223.6	286	96	Gruppo Banco Mare Nostrum Spain	\$202.9	156
47	Hana SK Card South Korea	\$1,190.5	1,999	97	Erste Bank Hungary	\$191.4	192
48	Swedbank Estonia	\$1,067.3	529	98	Alior Bank Poland	\$177.6	120
49	Akbank Turkey	\$963.6	6,199	99	TD Canada Trust Canada	\$173.3	1,940
50	Banco Nacional de Credito Venezuela	\$934.9	753	100	UniCredit Bank Germany	\$172.0	1,399

(1) Also Belgium, France, Germany, Italy, Luxembourg, Poland, Romania, Spain, Turkey. (2) Converted to Visa debit.

Largest Credit Card Portfolios Worldwide 2013

Rank	Issuer, Country	Outstandings (bil.)	Rank	Issuer, Country	Outstandings (bil.)	Rank	Issuer, Country	Outstandings (bil.)
1	JPMorgan Chase U.S.	\$126.24	51	Banco Santander Brazil	\$7.46	101	Banco Santander Rio Argentina	\$1.94
2	Bank of America U.S.	\$101.39	52	BBVA Bancomer Mexico	\$7.39	102	DenizBank Turkey	\$1.91
3	American Express U.S.	\$88.55	53	Fed. Caisses Desjardins Canada	\$7.38	103	Citibank Malaysia	\$1.91
4	Citibank U.S.	\$86.28	54	Samsung Card South Korea	\$7.36	104	Nat'l Bank of Canada Canada	\$1.86
5	Capital One U.S.	\$68.46	55	Banco Nac'l (Banamex) Mexico	\$7.08	105	VTB24 Bank Russia	\$1.86
6	Discover U.S.	\$53.15	56	Garanti Bank Turkey	\$7.05	106	Industrial Bank South Korea	\$1.85
7	ICBC China	\$48.63	57	Akbank Turkey	\$6.83	107	Absa Bank South Africa	\$1.84
8	China Merchants Bank China	\$46.94	58	Aeon Financial Serv. Japan	\$5.57	108	RBS Citizens U.S.	\$1.75
9	China Construction Bank China	\$43.71	59	Nat'l Australia Bank Australia	\$5.54	109	Kasikornbank Thailand	\$1.71
10	Bank of China China	\$36.33	60	PNC U.S.	\$5.14	110	Banco Falabella Chile	\$1.70
11	Agricultural Bank China	\$31.78	61	Finansbank Turkey	\$5.10	111	EFG Eurobank-Ergasias Greece	\$1.69
12	Wells Fargo U.S.	\$31.04	62	TD Bank U.S.	\$5.09	112	NewDay Cards U.K. ⁽²⁾	\$1.68
13	Barclays U.K.	\$27.91	63	T. Is Bank Turkey	\$5.04	113	Maybank Malaysia	\$1.68
14	Bank of Communications China	\$26.82	64	First Nat'l of Nebraska U.S.	\$4.89	114	Nat'l Bank of Greece Greece	\$1.68
15	U.S. Bank U.S.	\$24.74	65	Russian Standard Bank Russia	\$4.89	115	Standard Bank South Africa	\$1.66
16	Itau Unibanco Brazil	\$22.49	66	UC Card Japan	\$4.82	116	Banorte Mexico	\$1.66
17	China Minsheng Bank China	\$18.53	67	Lotte Card South Korea	\$4.77	117	Virgin Money U.K.	\$1.65
18	Mitsubishi UFJ Nicos Japan	\$17.96	68	Canadian Tire Canada	\$4.33	118	Nationwide Building Soc. U.K.	\$1.64
19	China Everbright Bank China	\$17.13	69	Orient Corp. Japan	\$4.32	119	Unicredit Family Finan. Italy	\$1.64
20	USAA U.S.	\$16.92	70	Capital One Canada	\$4.19	120	BOC Credit Card Hong Kong	\$1.63
21	Barclays U.S.	\$16.22	71	Cabela's WFB U.S.	\$4.00	121	Citi Cards Japan	\$1.60
22	Banco Bradesco Brazil	\$15.76	72	Citibank Australia	\$3.96	122	E. Sun Commercial Taiwan	\$1.59
23	China Guangfa Bank China	\$15.63	73	Woori Financial South Korea	\$3.86	123	HSBC Turkey	\$1.59
24	Lloyds Banking Group U.K.	\$15.45	74	Cedyna Financial Japan	\$3.71	124	Pentagon FCU U.S.	\$1.58
25	TD Canada Trust Canada	\$14.68	75	Toyota Japan	\$3.62	125	Banco Santander Spain	\$1.58
26	Shinhan Card South Korea	\$14.34	76	Capital One U.K.	\$3.55	126	State Farm Bank U.S.	\$1.56
27	MBNA U.K.	\$13.77	77	Caixa Economica Fed. Brazil	\$3.53	127	Merrick Bank U.S.	\$1.55
28	RBC Royal Bank Canada	\$13.41	78	HSBC Hong Kong	\$3.39	128	Bancolumbia Colombia	\$1.52
29	Synchrony Financial U.S. ⁽¹⁾	\$13.37	79	Emirates NBD U.A.E.	\$3.35	129	EnterCard Norway	\$1.51
30	Sumitomo Mutsui Card Japan	\$12.84	80	Hana SK Card Co. South Korea	\$3.05	130	Nordstrom U.S.	\$1.48
31	HSBC U.K.	\$12.62	81	Banco Santander Mexico	\$3.02	131	Banco de Chile Chile	\$1.46
32	Credit Saison Japan	\$11.03	82	HuaXia Bank China	\$3.01	132	Landesbank Berlin Germany	\$1.44
33	CIBC Canada	\$10.90	83	Fifth Third U.S.	\$2.87	133	Bankia Spain	\$1.43
34	Scotiabank Canada	\$10.47	84	Mercantil Venezuela	\$2.78	134	Banco CSF Brazil	\$1.40
35	Commonwealth Bank Australia	\$10.41	85	Santander Cards U.K.	\$2.77	135	Banco Davivienda Colombia	\$1.40
36	KB Kookmin Card So. Korea	\$10.35	86	Hang Seng Hong Kong	\$2.76	136	HSBC Mexico	\$1.39
37	Ping An Bank China	\$10.07	87	Banescos Venezuela	\$2.62	137	Bank of Ireland Ireland	\$1.37
38	RBS/NatWest U.K.	\$10.04	88	BBVA Provincial Venezuela	\$2.58	138	Citibank Hong Kong	\$1.36
39	Tesco U.K.	\$9.73	89	NongHyup Bank South Korea	\$2.47	139	First Nat'l Bank South Africa	\$1.27
40	China CITIC Bank China	\$9.69	90	President's Choice Canada	\$2.40	140	CaixaCard Spain	\$1.27
41	Industrial Bank China	\$9.56	91	Tinkoff Credit Systems Russia	\$2.37	141	Hong Leong Bank Malaysia	\$1.24
42	Hyundai Card South Korea	\$9.15	92	Citibank South Korea	\$2.36	142	SunTrust Bank U.S.	\$1.24
43	Yapi Kredi Bankasi Turkey	\$8.75	93	KEB South Korea	\$2.35	143	ANZ Bank New Zealand	\$1.23
44	Westpac Banking Australia	\$8.56	94	Banco Santander Chile	\$2.26	144	Regions Bank U.S.	\$1.22
45	Banco do Brasil Brazil	\$8.39	95	BB&T U.S.	\$2.21	145	TEB Turkey	\$1.22
46	ANZ Banking Group Australia	\$8.29	96	VakifBank Turkey	\$2.04	146	Alpha Bank Greece	\$1.20
47	Sberbank Russia	\$8.27	97	Credit One Bank U.S.	\$2.00	147	Banco Occidental Venezuela	\$1.20
48	Navy FCU U.S.	\$8.13	98	Banco de Venezuela Venezuela	\$1.99	148	Banco Popular Puerto Rico	\$1.20
49	Shanghai Pudong Dev. China	\$7.92	99	BBVA Spain	\$1.96	149	Citibank Singapore	\$1.17
50	BMO Bank of Montreal Canada	\$7.85	100	Barclays Germany	\$1.95	150	Credit Suisse Switzerland	\$1.16

As of December 31, 2013, on general purpose cards. American Express and Discover do not include third-party business. (1) Was GE Capital Retail Bank.

(2) Was SAV Credit.

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RIPPLESHOT FRAUD DETECTION ANALYTICS

from page 1...

transactions subsequently disputed by cardholders with the aim of detecting fraud tied to data



breaches before networks, issuers, and other entities discover the problem. It claims more than half of fraud losses tied to primary account numbers compromised in data breaches occurred before the breach was discovered. Rippleshot customers were notified about the Home Depot breach before any announcement was made.

Rippleshot uses patent-pending data analytics to sift through disputed credit card transactions on the day they are reported to spot common shopping history. This approach identifies fraud at the chain, store, day, or even individual POS terminal level.

Rippleshot statistical analytics and machine learning can distinguish between the actual data breach and any nearby stores that get payments from the same cardholders. This lets them provide assessments with significantly fewer false positives.

Once Rippleshot has identified a breach, issuers can choose to proactively reissue any of their compromised cards, usually before those cards come up for sale on websites operated by hackers.

Fraud fighting software that works only at the time of an attempted purchase cannot predict which other cards compromised in the same data breach might be used fraudulently.

Currently, Rippleshot receives cardholder dispute data on about 10% of all Visa and MasterCard payment card accounts in the U.S. That figure could triple by the end of 2015 following a recently announced partnership with

MasterCard, which will work with the company to offer the service to

some of its largest U.S. issuers next year. Adding more dispute data to Rippleshot's analysis will allow the company to more quickly determine that a data breach has occurred.

In addition, MasterCard holds an option to participate in a Series A funding round Rippleshot expects to complete in the first half of 2015.

Merchants with greater volumes of card payments are likely to be the source of data breaches. However, Rippleshot says it identifies more than 100 breaches monthly that occur at small to midsized retailers.

The company's technology is particularly helpful to smaller card issuers who lack the layers of security deployed by top banks. Primary account numbers from small card issuers typically sell for more on hacker websites because the odds are better that fraudulent transactions will get authorized.

Rippleshot technology will be deployed in South Africa in 2015. It also expects to see its first

Identifies fraud at the chain, store, day, or even individual terminal level.

sales in Europe next year through partnerships with processors and multi-national issuers.

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David Robertson, Publisher
Dec 3, 2014