

# Electronic Payments Forum News

## FORUMS

ATM & POS NEWS

CARD TALK

FINANCIAL NEWS

INTEGRATED PAYMENTS

EPF UPDATE

ATMIA Global Sponsors



March, 30<sup>th</sup> 2009

Prepaid Expo USA 2009

Prepaid Expo USA 2009 continues its winning streak that started in 2006 in Orlando, Florida. This year's event at the Marriott World Resort and Convention Center Orlando, drew more than 1,500 attendees and an all-star cast of speakers including inspirational keynote addresses by Baseball Hall of Famer Ozzie Smith on 'Putting Service Above Self to Create Magic in the Lives of Millions' and Elizabeth Buse, Global Head of Product for Visa, Inc. on 'Expanding Prepaid's Reach by Merging Global Best Practices with Local Market Sensibilities.' Other notable speakers included Mark W. Yusko, President & Chief Investment Officer, Morgan Creek Capital Management, LLC, Alpesh Chokshi, President, Global Prepaid, American Express Company and Don Kingsborough, CEO, BLACKHAWK NETWORK among many more.

Conclusion: we are seeing an industry that is maturing and yet companies are introducing innovative products that incorporate lines of credit into their prepaid programs such as iAdvance from Meta Payment Systems and more recently Simply Credit from First Bank of Delaware. Hybrid debit and credit instruments like the Entrada card from New Millennium Bank are blurring the line between prepaid and credit cards. Mobile banking applications hold promise for mass adoption among the young and the unbanked. EBT and insurance benefits program are rolling out all over the country. The prepaid reloadable debit card has gone Main Street with Wal-Mart and Green Dot leading the charge. Internationally prepaid gift cards are finding their way into Asian markets and the new EU e-Payments rules are lowering the barriers to entry for non bank payments systems. Where we are going in 2009 is anyone's guess but don't forget to fasten your seatbelt because it is going to be a smoker!

A. Lyle Elias  
ATMIA Funding Director

---

## ATM & POS NEWS

---

### ATM

- [Cardtronics Announces Departure of Its Chief Executive Officer](#)
- [NCR announces proposed restructuring in Dundee](#)
- [Wincor Nixdorf announces direct presence in Australia](#)
- [Diebold CFO, Former Employees Receive Wells Notices](#)

### POS

- [Cubic Announces Exclusive Licensing Agreement with VIVOtech](#)
- [VeriFone eHealth Initiative Extends German Market Presence](#)

[Go back](#)

---

## CARD TALK

---

### Credit & Debit

- [Mexico rebels at credit card rates, mulls limits](#)
- [MasterCard Canada Responds to Retailer Concerns](#)
- [MasterCard Canada Looks Forward to Presenting the Facts on the Payments Industry](#)
- [Canadian Merchants Lobby Against Visa/MasterCard Debit Cards](#)
- [Visa Begins New Advertising Campaign - More People Go with Visa](#)

### Prepaid

- [First Bank of Delaware Announces Lending Product for Prepaid Cards](#)
- [A Look at Lower Fee Network-Branded Prepaid Cards](#)
- [Prepaid Perspectives: Underbanked Consumers to Industry Executives](#)
- [FSV Payment Systems Closes \\$6 MM Venture Financing](#)
- [MoneyGram, Visa Expand Access to Prepaid Services Nationwide](#)
- [Prepaid Execs See Underbanked Consumers as Opportunity](#)
- [Application of State Abandoned Property Laws to Prepaid Cards](#)

[Go back](#)

---

## FINANCIAL NEWS

---

- [AFP Finds Payments Fraud Rampant in Majority of US Organizations](#)
- [Survey Finds Consumers Want Opt-In Choice on Overdraft Coverage](#)
- [USA Today Looks at Bank Overdraft Fees and Practices](#)

- [Bank of America's Add It Up Offers Cash Back for Online Shopping](#)
- [INSURCARD PROVIDES AN INSTANT ISSUE CATASTROPHIC RELIEF SOLUTION FOR FIRST INSURANCE COMPANY OF HAWAII, LTD.](#)

[Go back](#)

---

## INTEGRATED PAYMENTS

---

### Online Payments

- [E-money reforms pave the way for new competitors in European payments market](#)
- [PULSE to Pilot Internet PIN Debit Technology from Acculynk](#)
- [Acculynk Announces Issuer Participation in PIN Debit Pilot Program](#)
- [ChronoPay Partners with Payvision for Expanded Acceptance](#)

### Mobile Payments

- [Nokia, Obopay and Mobile Payments](#)
- [Carphone Warehouse, Monitise Partner for Mobile Financial Services](#)
- [Yodlee Launches New Solution for Developers & Entrepreneurs](#)
- [Huntington Introduces Text Banking](#)
- [ClairMail Says Banks Seeing Significant Adoption of Mobile Banking](#)
- [CTIA Announces Industry Guidelines for Mobile Financial Services](#)
- [Fiserv Finds Banks Interested in Offering Mobile Deposit Capture](#)

[Go back](#)

---

## EPF UPDATE

---

- [Electronic Payments Forum Update March 2009](#)

[Go back](#)

## Cardtronics Announces Departure of Its Chief Executive Officer

HOUSTON, Mar 18, 2009 (GlobeNewswire via COMTEX News Network) -- Cardtronics, Inc. (Nasdaq:CATM), the world's largest non-bank operator of ATMs, today announced that Jack M. Antonini, the Company's Chief Executive Officer, would be leaving the Company and its Board of Directors effective March 17, 2009. Fred R. Lummis, Chairman of the Company's Board, has agreed to serve as interim CEO while the Board conducts a formal search for Mr. Antonini's permanent successor.

Mr. Lummis said, "Jack has made a significant contribution over the past six years as Cardtronics' CEO, taking the Company from a small private company to the largest non-bank operator of ATMs in the world. Jack and the Board have mutually decided that it would be in the best interests of the Company to bring in a new CEO with a fresh perspective on how to capitalize on our many strengths and further develop our strategic direction. The Board wishes him well in his future endeavors and will immediately begin searching for a new CEO who can come in and continue building upon the successful growth that Cardtronics has achieved during Mr. Antonini's tenure."

### ABOUT CARDTRONICS

Headquartered in Houston, Texas, Cardtronics is the world's largest non-bank operator of ATMs. Cardtronics operates approximately 33,000 ATMs across its portfolio, with ATMs in every major U.S. market, over 2,500 ATMs throughout the United Kingdom, and approximately 2,100 ATMs throughout Mexico. Major merchant clients include 7-Eleven(r), Chevron(r), Costco(r), CVS(r)/pharmacy, Duane Reade(r), ExxonMobil(r), Rite Aid(r), Safeway(r), Sunoco(r), Target(r), and Walgreens(r). Complementing its ATM operations, Cardtronics works with financial institutions of all sizes to provide their customers with convenient cash access and deposit capabilities through ATM branding, surcharge-free programs, and image deposit. Approximately 10,100 Cardtronics owned and operated ATMs currently feature bank brands. For more information, please visit the Company's website at <http://www.cardtronics.com/>.

SOURCE: Cardtronics, Inc

[Go back](#)

---

## NCR announces proposed restructuring in Dundee

NCR proposes to cease manufacturing in Dundee and reduce its engineering, marketing and support staffing levels resulting in 252 job reductions

**DUNDEE** – [NCR Corporation](#) (NYSE: NCR) today announced proposals to make 252 job reductions in Dundee in the face of the unprecedented contraction in the global economy.

NCR has informed staff of its intention to cease manufacturing of low volume and high complexity products at its Gourdie site. At the same time it proposes to reduce staff levels in engineering, solutions marketing and support functions.

Rick Marquardt, NCR's vice president of global manufacturing said, "Like many companies, we have taken a number of prudent steps to better manage our cost structure in recent months. However, based on the current business outlook, we now need to make the difficult but necessary decision of proposing further workforce reductions in Dundee in order to protect our position. We realise that these changes will bring challenging times for those employees affected and we are committed to helping any individuals affected with comprehensive outplacement support."

NCR is beginning a 90-day consultation process on the proposed restructuring with union and employee representative groups in Dundee

Under the proposals, NCR's remaining business activities in Dundee will focus on engineering, research and development, services

---

support operations, solutions management, marketing and new product introduction. Approximately 450 positions would remain across all functions in Dundee

[Go back](#)

---

## **Wincor Nixdorf announces direct presence in Australia**

Given the importance of the Australian market, Wincor Nixdorf has expanded into Australia, today announcing the opening of its new local subsidiary and office in Sydney. Wincor Nixdorf is a global provider of IT solutions and services to retail banks and retailers, which it believes Australian financial institutions, in particular, are eager to adopt immediately.

“The Australian market is very attractive for us because banks are considered global trend setters and are ready for our sophisticated solutions,” said Lim Khoon Hong, President, Wincor Nixdorf Asia-Pacific.

“Our new legal entity here is a significant development as it shows strong commitment to the market and will act as a platform to build our solutions business in Australia.”

The company has already secured wins with independent ATM deployers as well as major financial institutions. More banks are also approaching the company to gain a better understanding of its extensive portfolio of products and how they can enhance security and optimise processes, explained Mr Lim.

Wincor Nixdorf has adopted a country by country strategy in Asia Pacific to ensure it is sensitive to local market needs and trends. The creation of Wincor Nixdorf’s new Australian subsidiary also comes at a time when regulatory changes in Australia have forced a significant refresh of automated teller machine (ATM) networks.

According to a report by independent global financial services and payments consultancy Edgar, Dunn & Company\* this refresh will see Microsoft Windows replace OS/2 as the dominant operating system used on ATMs in Australia in 2009 as well as ATM deployers no longer necessarily buying their software from the same vendor as their hardware.

“We are making a significant contribution by transforming the market infrastructure for ATM operating systems. And our multi-vendor software offering gives bank unprecedented choice,” said Mr Lim.

Consequently, Wincor Nixdorf’s local office will focus on building the software solutions and professional services business with customers’ hardware requirements handled by the company’s regional headquarters and through its business partner Armaguard ITS.

Wincor Nixdorf also supports retail banks to transform their current ad-hoc IT architectures through its ProClassic/Enterprise Retail Banking Solution Suite (PC/E). The software suite focuses on security, sales and marketing, service and support processes via the self-service zone and bank’s front office. It builds on an open, net-centric, multi-channel architecture that has a modular and service-orientated design.

“Banks today need to pursue innovative services and sales strategies to remain competitive. But they also need process models and IT architectures that will enable them to support and implement these strategies across all delivery channels.

“PC/E supports the transformation of today’s service and sales processes – and the associated IT architecture – into an expandable, future-proof retail banking business. It helps banks achieve two strategic objectives – higher revenues by differentiating a bank from the competition and lower costs as processes are standardised,” explained Mr Lim.

[Go back](#)

---

## **Diebold CFO, Former Employees Receive Wells Notices**

Krakora stepping down as CFO to serve in non-financial reporting role; Pierce interim CFO

NORTH CANTON, Ohio, March 25 /PRNewswire-FirstCall/ -- Diebold, Incorporated (NYSE: DBD) today announced that the company has learned Kevin J. Krakora, executive vice president and chief financial officer (CFO), has received a "Wells notice" from the staff of the Division of Enforcement of the U.S. Securities and Exchange Commission (SEC) in connection with the previously disclosed investigation of the company. Diebold is also aware that its prior chief financial officer and other former employees in the company's finance organization have also received Wells notices. To the company's knowledge, the Wells notices relate to items addressed in the company's previously filed restated financial statements.

The Wells notices indicate that the SEC staff is considering recommending that the SEC bring civil enforcement actions against these individuals alleging that they violated various provisions of the federal securities laws. Under the SEC's procedures, recipients of a Wells notice have the opportunity to respond to the SEC staff before the staff makes its formal recommendation to the Commission on whether any civil enforcement action should be brought by the SEC.

Krakora has stepped down from the CFO position and will continue to serve the company in a non-financial reporting capacity pending resolution of this matter. Leslie A. Pierce, vice president and corporate controller, is fulfilling the role of interim CFO. Prior to being named corporate controller, Pierce served as vice president of accounting, compliance and external reporting. She joined Diebold in 1990 as a senior accountant. Before joining Diebold, Pierce had four years of public accounting experience at KPMG in Cleveland, Ohio. She holds a bachelor's degree in accounting from Kent State University in Kent, Ohio. Pierce is a certified public accountant (CPA), and has held membership in the Ohio Society of CPAs.

Diebold continues to cooperate with the SEC in connection with its previously disclosed investigation. As part of this process, the company has had preliminary discussions with the SEC concerning resolution of this matter, including the possibility of entering into a settlement agreement. It is possible that the SEC will issue a Wells notice to the company in connection with the investigation. There can be no assurance that Diebold will be able to successfully resolve this matter with the SEC, or that any such resolution will not have a material adverse impact on the company's financial condition, liquidity or results of operations.

[Go back](#)

---

## **Cubic Announces Exclusive Licensing Agreement with ViVOtech**

Cubic Transportation Systems has announced it is providing new capabilities for the Cubic designed Tri-Reader® to enable an all-in-one reader that will process bank cards, prepaid cards and smart card-enabled mobile phones through an exclusive software development and licensing agreement with ViVOtech, a provider of point-of-sale (POS) readers for contactless and Near Field Communication (NFC) mobile phone payments.

With more than 50 million contactless bank cards issued in the U.S. and growing interest among transit operators to add bank card acceptance as a way to pay fares for train and bus rides, this enhanced feature set will add a new level of convenience for those passengers carrying such products. Transit patrons will have the ability to tap a variety of products from various issuing groups as they board trains and busses.

Under the agreement, Cubic will integrate ViVOtech's contactless payment software into the latest generation Tri-Reader® platforms and will obtain type certification for MasterCard Paypass, Visa PayWave, American Express, and Discover cards, which will enable contactless bank card acceptance at Cubic fare collection devices for public transit.

With the new software, the Tri-Reader, a very secure, ISO 14443 Type A- and Type B-compliant smart card processor, will provide a single reader that will seamlessly accept contactless bank cards, innovative new prepaid products like the First Data® GO-Tag™ solution, and emerging Near Field Communications (NFC) mobile phone technology, as well as currently issued transit cards and those conforming to national transit standards.

---

Cubic is the world's largest supplier of integrated fare systems for public transportation and has installed more than 60,000 Tri-Readers across 17 major markets around the world. Major fare programs such as London's Oyster® card system, Washington's SmarTrip® system, and New York/New Jersey's SmartLink® system are all supported by Tri-Reader technology.

ViVOtech's readers and software are used by more than 70 percent of merchants that accept contactless bank cards. As part of overseeing the Tri-Reader certification for bank card processing, ViVOtech will also maintain the certifications as network regulations and operating rules evolve.

"Cubic's commitment to providing open standards and interoperability for the transit market is furthered by this agreement," said Steve Shewmaker, president, Cubic Transportation Systems. "It also represents the cross-industry collaboration that is needed between the core suppliers to the transit market and those serving the electronic payments industry."

"This agreement brings two industry leaders together to the benefit of transit providers and patrons -- by leveraging ViVOtech's market leading contactless bank card and NFC mobile phone payment acceptance solutions into its fare collection platform, Cubic is demonstrating its responsiveness to the transit industry's requirements for greater patron convenience and choice in fare payment options," said Michael Mullagh, CEO of ViVOtech.

[Go back](#)

---

## **VeriFone eHealth Initiative Extends German Market Presence**

### **Leader in US Health Payments Market Since 1995 Targets Burgeoning German Demand for Healthcard Systems and Expertise**

SAN JOSE, Calif., March 23, 2009 /PRNewswire-FirstCall via COMTEX/ -- VeriFone Holdings, Inc. ([PAY](#)):

Verifone Holdings Inc., today announced a new initiative designed to meet growing demand in Germany for electronic health card systems. As the leader of payment and value-added applications in the US market since 1995, VeriFone brings a broad product portfolio and years of experience to meet the needs of healthcare organizations striving to meet Germany's eHealth goals.

Germany has begun a major eHealth initiative that ties together health providers, pharmacies and insurers with a consumer electronic health card (eCH), aimed at migrating consumer health care information and payment needs to a national communications network based on electronic chip card. Led by Gematik, a management organization comprised by leading German health organizations, the system combines insurance eligibility, electronic prescriptions and electronic medical records on a consumer smart card.

"Germany is in the forefront of the movement to a eHealth system and VeriFone has years of expertise in providing medical card applications in the U.S.," said VeriFone Chief Executive Officer Douglas G. Bergeron. "We have worked with health providers, insurance companies and applications developers to provide electronic solutions to the resolve health records and reimbursement issues. This expertise is uniquely suited to the emerging needs of Germany's healthcare industry."

VeriFone currently offers a range of payment certified electronic card acceptance solutions in Germany, including the V x 570, V x 670 and Secura PIN device, as well as many communications options, including Ethernet, ISDN, GPRS and WiFi. In the coming quarter, the company will be introducing new product sets into the German market and specific eHealth applications.

In the US, VeriFone systems are used in a wide variety of applications, including New York and California Medicaid programs, Kaiser Permanente's co-payments acceptance, and Secure EDI's health claims management systems.

VeriFone's multi-application system and software solutions are HIPAA compliant and are specifically designed to meet the needs of medical providers, health plans, hospitals, schools, public health agencies and other organizations in the healthcare industry.

Additional resources:

<http://www.verifone.com/about-us/europe-middle-east-africa/germany.aspx>

---

Verifone Holdings Inc. is the global leader in secure electronic payment solutions. VeriFone provides expertise, solutions and services that add value to the point of sale with merchant-operated, consumer-facing and self-service payment systems for the financial, retail, hospitality, petroleum, government and healthcare vertical markets. VeriFone solutions are designed to meet the needs of merchants, processors and acquirers in developed and emerging economies worldwide.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 for VeriFone Holdings, Inc.:

This press release includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the forward-looking statements herein due to changes in economic, business, competitive, technological and/or regulatory factors, and other risks and uncertainties affecting the operation of the business of VeriFone Holdings, Inc. These risks and uncertainties include: our ability to successfully introduce new eHealth product and application solutions into the German market, our customers' acceptance and adoption of our newly released products and applications, our ability to protect against fraud, the status of our relationship with and condition of third parties upon whom we rely in the conduct of our business, our dependence on a limited number of customers, uncertainties related to the conduct of our business internationally, our dependence on a limited number of key employees, short product cycles, rapidly changing technologies and maintaining competitive leadership position with respect to our payment solution offerings. For a further list and description of such risks and uncertainties, see our filings with the Securities and Exchange Commission, including our annual report on Form 10-K and our quarterly reports on Form 10-Q. VeriFone is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise.

[Go Back](#)

---

## **Mexico rebels at credit card rates, mulls limits**

MEXICO CITY (AP) — Millions of first-time credit card holders remade Mexico in recent years, buying everything from diapers to DVD players on credit and spurring a boom in consumer spending and bank profits.

Many now regret it: With interest rates, commissions and fees topping 100 percent a year, delinquencies have soared as the global economic crisis boosts unemployment and leads banks to raise rates even more.

"There's no way out," said Manuel Correa, a Mexico City messenger who saw his minimum monthly payments quadruple to 1,500 pesos, or \$105, when he missed a few after losing his previous job. That amount is a third of his income.

"I'd have to choose between eating, paying the rent or paying the bank," he said. He chose to eat.

Congressmen, grass roots activists, one of the world's richest men and even the Roman Catholic Church are now rebelling against the rates, some of the world's highest and equal to 10 times the top rate banks pay out on deposits.

"Banks are acting with irresponsible voracity, demanding extremely high interest rates which in the end, people won't be able to pay," the Catholic Archdiocese of Mexico said in December. Banks' "insatiable greed" is speeding an economic crisis that may spark social unrest, the Church warned.

So great is the anger that Mexico's conservative governing party has argued in favor of following in the footsteps of leftist Venezuela, which caps credit card interest rates at 33 percent.

A bill now before the Senate would allow the central bank to limit bank fees and slash interest rates that regulators consider excessive, and to boost transparency by requiring banks to report more detailed information on the rates they charge. A Senate committee on Wednesday removed language that would have capped rates.

Among the unlikely suspects supporting rate reductions is Mexican billionaire Carlos Slim, who in December called credit card interest rates "unsustainable, and in the majority of cases, unpayable."

---

Slim's own bank, Inbursa, offers a card for preferred customers that charges 47.7 percent, one of the lower rates around. But the bank is not a big player in the domestic credit card market and critics dismissed Slim's statements as carping against bigger competitors. Critics of the bill's measures warn they will hit the poor hardest, shaving bank margins and making them less likely to lend to anyone with a less than excellent credit history.

"If we set rate ceilings, we are going to leave out a good number of Mexicans, especially poorer people, without access to credit," said Enrique Castillo, head of the Association of Mexican Banks.

Banks admit that part of the problem was explosive growth in bank and store credit card accounts. Credit had collapsed in the wake of Mexico's 1994 peso crisis, making it hard to get a card through the end of the decade.

Foreign institutions such as Citigroup Inc. and HSBC Holdings PLC saw an opening, buying local banks and boosting credit card business 14-fold to a peak 280 billion pesos, or \$26 billion, in outstanding loans in February 2008. The number of credit cards doubled to more than 42 million between 2004 and 2007.

Warning signs soon appeared, with 9.5 percent of card holders falling behind on their payments this February — higher than the 8 percent delinquency rate predicted for the U.S. this year.

Many Mexican card holders had little experience with credit. They overspent, maxing out as many cards as they were offered, rather than managing their debt in order to seek the lowest rate, said Castillo.

"Banking promoters gave credit to people who simply didn't have the capacity to repay," said debtor activist Alfonso Ramirez Cuellar.

What's more, Mexico's largely inexperienced consumers seldom shop between banks, accepting high rates rather than driving competition that would force interest down, said Marco Antonio Carrera, head of market studies for the Bank Customers Defense Commission, a regulatory agency that fields financial services complaints.

As a result, Mexico's two largest banks, Bancomer, owned by Spain's BBVA, and Banamex, a subsidiary of Citigroup, together control 57 percent of the credit card market. In the U.S., four banks compete for a similar share.

While rates range from about 28 percent to 113 percent a year, the Association of Mexican Banks insists the average is about 37 percent. But even that is three times the median U.S. credit card rate of 12.1 percent last year.

Banks argue that antiquated Mexican regulations make it hard to seize a debtor's assets to recover past-due loans, driving up risk. The process usually requires a trial, which can take years — in effect encouraging banks to charge higher interest because they have few other ways to cover losses.

The current economic crisis has meanwhile pushed banks to renegotiate balances and offer lower rates to reliable customers. Bancomer charges as little as 28 percent for clients who pay their debts on time for a year, and Banamex says it has helped 130,000 people restructure their credit card debts.

Banks have also scaled back promotions, removing credit card sign-up stands from shopping malls and supermarket check-out counters.

But looming in the back of Mexicans' minds is the \$70 billion that taxpayers paid to bail out banks in the 1995 crisis, and the possibility that high interest rates and debtor defaults could make that happen again.

"There are a lot of people who have to use their credit cards to buy food" because of the current economic crisis, said Congressman Antonio Soto, who wants rates capped. "They are not going to be able to pay ... and the cost will once again be borne by the taxpayers."

---

## MasterCard Canada Responds to Retailer Concerns

In a press release(see below), MasterCard Canada said it "has accepted an opportunity to appear before the Senate Standing Committee on Banking, Trade and Commerce in order to discuss the payments industry, as well as to address the significant misinformation being propagated by retail sector lobbyists." MasterCard Canada also has a web site on the subject of interchange fees called [InterchangeTruth.com](http://InterchangeTruth.com).

"The many benefits Canadian merchants receive from card acceptance continue to be downplayed," said Kevin Stanton, President, MasterCard Canada. "I look forward to the opportunity to discuss the important role card payments play in helping maintain a well-functioning financial system in Canada."

The Canadian credit card payment system works well and is an important source of credit for Canadian consumers, and provides secure, reliable, guaranteed payment processing for merchants. There is vigorous competition, continual product improvements, and global usage. Canada has fostered a healthy financial industry that is responsive to marketplace and consumer needs and continually improves its offers and services while managing exposure to risk.

[Go back](#)

---

## MasterCard Canada Looks Forward to Presenting the Facts on the Payments Industry

TORONTO, March 24 /CNW/ - MasterCard Canada has accepted an opportunity to appear before the Senate Standing Committee on Banking, Trade and Commerce in order to discuss the payments industry, as well as to address the significant misinformation being propagated by retail sector lobbyists.

"The many benefits Canadian merchants receive from card acceptance continue to be downplayed," said Kevin Stanton, President, MasterCard Canada. "I look forward to the opportunity to discuss the important role card payments play in helping maintain a well-functioning financial system in Canada." The Canadian credit card payment system works well and is an important source of credit for Canadian consumers, and provides secure, reliable, guaranteed payment processing for merchants. There is vigorous competition, continual product improvements, and global usage. Canada has fostered a healthy financial industry that is responsive to marketplace and consumer needs and continually improves its offers and services while managing exposure to risk.

In the meantime, MasterCard reiterates the following key points regarding interchange and debit:

### Interchange:

(for more information: [www.interchangetruth.com](http://www.interchangetruth.com))

- Canada has a well-functioning payments system that provides significant convenience and security to consumers and merchants. It has continued to operate effectively and drive commerce despite a global credit crisis. More than \$240 billion in Canadian commerce is flawlessly expedited on credit card systems annually.
  - When interchange was regulated in Australia, it led to reduced card benefits to consumers and there is no evidence that retailers passed on savings in reduced prices - such a cash grab should not be repeated in Canada. As the Australian Financial Review noted: "...While some substantial costs have been removed from the system, consumers are now subject to opportunistic fees levied by merchants, whether it be ad hoc overcharging at the point of sale or the unavoidable imposts charged by the airlines for online payment where no alternative is available..."
-

- A merchant that processes a credit card transaction enjoys guaranteed payment even at a time of increasing consumer default rates.
- Merchants benefit from increased sales, improved payment efficiency, reduced cash handling, customer convenience and satisfaction, ecommerce facilitation, international purchase handling, automatic currency conversion and settlement, among other benefits.
- Interchange is a fee that passes between acquirers (who handle card processing for merchants) and card issuers. Issuers receive interchange to compensate them for significant costs and risks borne in offering credit cards including interest-free periods, account management, credit losses, fraud protection and processing.
- MasterCard receives no revenue from interchange.
- Consumers do not pay interchange fees nor merchant fees.
- Merchants who choose to accept credit cards pay to participate in exchange for the benefits received. The fee accounts for the multiple benefits received.
- Merchants pay a merchant fee established by their acquirer, not MasterCard. Interchange forms a portion, but not all, of that merchant fee.
- MasterCard's 2008 adjustment to interchange rates was the first in seven years. Some rates were reduced.
- A merchant can obtain his MasterCard interchange rates via [www.mastercard.ca](http://www.mastercard.ca). This information has been available for more than two years.

## Debit

- MasterCard Worldwide has PIN-based debit payment solution
    - Maestro(R) -- used by more than 652 million cardholders in over 100 countries.
  - MasterCard Canada is preparing to expand its global debit processing system in Canada where it would deliver compelling benefits to Canadian consumers and merchants.
  - Using Maestro, Canadian consumers could use debit all over the world.
  - Accepting Maestro means Canadian merchants could accept international travelers' debit cards.
  - MasterCard will provide technological advancements including greater security and fraud protections, innovations like PayPass(TM) contactless payment, e-commerce payment capacity, and mobile payments.
-

- MasterCard operates a global debit infrastructure with centralized operations that run 24/7. The system delivers significantly greater scale than Canada's incumbent debit network. It has had zero downtime in more than seven years.
- MasterCard will create competition in the Canadian debit market where it has never existed.

[Go back](#)

---

## Canadian Merchants Lobby Against Visa/MasterCard Debit Cards

The "Stop Sticking It To Us" Coalition, representing over 200,000 Canadian businesses, small, mid and large, says it is gathering in Ottawa this week to combat overcharging by VISA and MasterCard. Speaking on behalf of the Coalition, Retail Council of Canada President, Diane J. Brisebois said, "The credit card companies are pushing to take over debit transactions and hike credit card service charges. That's bad for merchants, and bad for consumers. At a time when governments are asking Canadians to stimulate the economy by spending on goods and services, credit card companies skimming more off the top is not helping our economic recovery."

The U.S.-based credit card companies have been pushing worldwide to take over the debit card business and increase service charges on credit card transactions. In the United States, for example, Visa and MasterCard now control over 75% of the debit card market. U.S. merchants and customers pay heavily for the card company's dominance of that market. A large retailer with stores in the U.S. reports it pays 70 cents on an average U.S. transaction. In contrast, the smallest retailer in RCC's Canadian program pays 7 cents - a differential of 900%.

In the past year, skyrocketing credit card fees and VISA/MasterCard domination of the debit card business have emerged as major issues in the United States, Australia and the U.K.

"Now the struggle is coming to Canada," said Brisebois. Parliamentary hearings on the issue are being conducted by both the House Committee on Industry and the Senate Banking Committee. "We're encouraged that both government and opposition committee members are willing to look into this," added Brisebois. "We are optimistic that the parliamentary examinations will turn into government action to protect consumers and merchants from ballooning credit card company fees and charges. Protecting our Made-in-Canada, not-for-profit debit card system is a key objective for our over 200,000 members and for consumers who don't want to pay more simply to access their own money."

### About the Stop Sticking It To Us Coalition

The StopStickingItToUs Coalition is a group of Canadian associations, led by Retail Council of Canada and backed by over 200,000 businesses from coast-to-coast, that is standing up to the Big Credit Card Companies to put a stop to skyrocketing fees.

Coalition members include: Retail Council of Canada, Alberta Liquor Store Association, Canadian Booksellers Association, Canadian Convenience Stores Association, Canadian Council of Grocery Distributors, Canadian Federation of Independent Grocers, Canadian Jewellers Association, Canadian Restaurant and Foodservices Association, Hotel Association of Canada, Ontario Accommodation Association, Ontario Restaurant Hotel and Motel Association, Retail B.C, The Canadian Independent Petroleum Marketers Association, The British Columbia Restaurant and Food Services Association, The Retail Merchant's Association of Canada (Ontario). Wine Council of Ontario, Mega Group Inc. Bicycle Trade Association of Canada, Canadian Oil Heat Association, Conseil québécois du commerce de détail, Camping in Ontario, Tourism Industry Association of Canada Canadian Association of Chain Drugstores.

[Go back](#)

---

## Visa Begins New Advertising Campaign - More People Go with Visa

In an article titled "Visa Seeks to Usurp Cash as King", Suzanne Vranica writes for the Wall St. Journal about a new \$140 million ad campaign that Visa will be starting later this week. She says that Visa is "dumping its three-year-old "Life Takes Visa" slogan in favor of "More People Go with Visa" - and that the campaign will focus largely on Visa's debit card products

---

---

## **First Bank of Delaware Announces Lending Product for Prepaid Cards**

First Bank of Delaware, a provider of prepaid card programs, has announced a new loan product – Simply Credit that will provide a credit line to those individuals who traditionally have had limited or no access to credit.

Consumers need to only fill out a quick two minute application online and notification of approval can be provided in a matter of minutes. Consumers can access their Simply Credit line of credit through their existing prepaid card, providing quick and convenient access from any location 24 hours a day, 7 days a week.

Once approved, consumers can access their Simply Credit account at <http://www.simplycredit.net> or by calling a toll free number. Simply Credit allows consumers who normally don't have access to credit the ability to borrow money to meet short term obligations. In lieu of a periodic rate (0% periodic rate, 0% corresponding APR), consumers are simply charged a transaction fee of \$1.20 for every \$10 (12%) borrowed, with no late or over-limit fees. Additionally, in order to assist consumers, First Bank of Delaware reports this product to the three major credit bureaus.

“We are very excited to add this product to our current offerings. Holders of prepaid card products, many of whom are underbanked and unbanked, need access to credit to cover short term obligations or cash related emergencies. Our goal is to provide these consumers the credit they need, while putting them on the path to more traditional financial products and services. Through a unique bank-to-bank business environment and innovative technology provided by our strategic services provider Protective Draft Credit, this program is available to other banks who wish to offer a lending feature to their prepaid customers. Our desire is to work in partnership with other issuing banks and their partners to quickly deliver this valuable service to the prepaid market. Through superior technology and support, Simply Credit provides an excellent consumer experience and an immediate opportunity for banks to serve an underserved market” says Alonzo Primus, CEO of First Bank of Delaware.

[Go back](#)

---

## **A Look at Lower Fee Network-Branded Prepaid Cards**

In today's Deal of the Day column on SmartMoney.com, Lisa Scherzer writes about "[The Pitfalls of Prepaid Cards](#)" - noting that "Prepaid cards may not come with the sky high late-payment fees or APRs of traditional credit cards, but they do carry a slew of other charges." She goes on to recommend four network-branded prepaid cards "whose fees are a little more palatable than others" - including two from MetaBank, the Wal-Mart Money Card issued by GE Money, and the new Current Debit Card by Discover.

[Go back](#)

---

## **Prepaid Perspectives: Underbanked Consumers to Industry Executives**

The Center for Financial Services Innovation is holding a webinar hosted by Jennifer Tescher next Tuesday, March 17, 2009 from 1-2 PM CST on the subject of "[Prepaid Perspectives: Underbanked Consumers to Industry Executives](#)".

Hear Jennifer share results from CFSI research in interviewing industry leaders across the spectrum of participants in the prepaid value chain, along with interviews from underbanked consumers. She will also discuss results from a research project completed by CFSI and Paybefore.com to conduct an Internet poll of industry executives. Join us for this webinar, so you can better understand the current trends in general purpose reloadable (GPR) prepaid cards and chart a path forward in this growing industry.

[Go back](#)

---

## **FSV Payment Systems Closes \$6 MM Venture Financing**

FSV Payment Systems has announced that Ballast Point Ventures and North Hill Ventures have invested a total of \$6 million in the Company. FSV, a privately-held company, is a provider of open loop prepaid card processing and program management services. The Company provides payroll cards, general purpose reloadable, rebate, incentive, gift and healthcare card solutions to corporations, financial institutions and government agencies.

“We are pleased that these two investment firms who know the financial services and transaction processing markets well, like what they see in FSV and its future so much that they invested in the Company,” said Jonathan J. Palmer, FSV’s CEO. “This investment will help

---

FSV accelerate our growth in the prepaid market, a market which has proven resilient during these tough economic times.”

“The prepaid market has continued to grow in this difficult economic environment, and we see that growth continuing,” said Paul Johan, Partner, Ballast Point Ventures, “We’re happy that we are able invest in FSV, a company that is well-positioned to capitalize on the market growth with its reliable scalable technology and strong management team.”

Ben Malka, Partner, North Hill Ventures, added, “In FSV we see a strong company with an outstanding market position, and a company whose vertically integrated business model allows it to deliver high quality products and service to clients and cardholders.”

[Go back](#)

---

## **MoneyGram, Visa Expand Access to Prepaid Services Nationwide**

MoneyGram International and Visa have announced plans to introduce Visa ReadyLink – Visa’s prepaid load network – in MoneyGram’s 40,000 agent locations across the United States, providing financially underserved consumers with more convenient options to add funds to their Visa reloadable prepaid cards.

By becoming a Visa ReadyLink participant, MoneyGram enables consumers with any Visa ReadyLink-enabled prepaid card to add funds – in real-time – anywhere MoneyGram Money Transfer and ExpressPayment are offered. MoneyGram joins more than 8,000 participating Visa ReadyLink locations, further extending the convenience and security of reload services to Visa prepaid cardholders in more convenient, everyday shopping locations.

According to Visa estimates, more than 80 million consumers in the United States are “financially underserved,” without access to a banking relationship or access to a payment card. These consumers receive approximately \$1 trillion in annual income, pay more than \$1 billion in check cashing fees a year, and rely heavily on cash for everyday transactions.

“By making Visa ReadyLink available in MoneyGram’s locations, we’re able to offer greater access and convenience to Visa prepaid cardholders seeking a better alternative to a cash-and-carry lifestyle,” said Elizabeth Buse, global head of products, Visa Inc. “Prepaid is a key priority for Visa and a vital part of our long-term growth strategy. That’s why we continue to invest in building upon what we believe is the industry’s most flexible and robust prepaid product suite and infrastructure.”

“Our relationship with Visa strengthens our ability to provide consumers with even more convenient options to manage their finances, which is especially critical in the current economic environment,” said Greg Waltz, vice president and general manager of payment products at MoneyGram. “MoneyGram is proud to participate in Visa ReadyLink, and we look forward to providing Visa ReadyLink cardholders with more convenient locations to add funds to their cards.”

[Go back](#)

---

## **Prepaid Execs See Underbanked Consumers as Opportunity**

The Center for Financial Services Innovation (CFSI) has announced research results finding that “80 percent of polled prepaid industry executives see underbanked consumers as important or very important to the future growth of the prepaid industry, according to its latest survey of prepaid industry executives. Survey results are detailed in a new white paper, “[The Industry Forecast for Prepaid Cards, 2009](#),” released today at the Prepaid Card Expo.”

CFSI’s paper is a current snapshot of the prepaid industry, bringing context to trends in general purpose reloadable (GPR) cards, identifying possible roadblocks to greater consumer adoption and usage of prepaid cards, and exploring ways to overcome those roadblocks. CFSI partnered with Paybefore.com to conduct an Internet poll of industry executives. CFSI then interviewed 18 industry leaders across the spectrum of participants in the prepaid value chain. The study also revealed that nearly 70 percent of industry executives believe that 2009 growth in the general purpose reloadable (GPR) card market will equal or exceed growth levels in 2008. The responses showed a high level of optimism about the future of the industry, in part because of the opportunities presented by the current economic climate.

“In the midst of a rocky period in the financial services industry, many providers are looking to prepaid cards to serve the underbanked consumer,” said Jennifer Tescher, Director of CFSI. “Knowing the perspective underbanked consumers have about prepaid cards gives

---

CFSI a unique viewpoint to help the industry understand the potential gap between what customers want and what is being offered.”

The paper is the first in a series of CFSI research efforts to further understand how underbanked consumers use the product to meet their financial services needs. In early April, CFSI will release its next prepaid paper, which features in-depth one-on-one interviews with underbanked consumers to better understand the impact that these new products and services are having on consumers’ money management practices and long-term financial well-being.

The initial results of these in-depth consumer interviews will be featured in Jennifer Tescher’s Prepaid Expo session, “Understanding the Underbanked Consumer Experience with Prepaid Cards” at 1:15– 2:10pm today. She also will give a first look at the results of the industry survey.

The complete paper can be found on CFSI’s website at <http://www.cfsinnovation.com/research-paper.php>. For additional information about CFSI’s prepaid research and industry analysis, please contact CFSI at [info@cfsinnovation.com](mailto:info@cfsinnovation.com).

[Go back](#)

---

### **Application of State Abandoned Property Laws to Prepaid Cards**

The Network Branded Prepaid Card Association (NBPCA) has released a white paper: [Abandoned Property Laws and Network Branded Prepaid Cards: Questions and Concerns Raised When Trying to Fit Cards into the Existing Abandoned Property Legal Framework](#).

Prepaid cards are innovative and beneficial products that have undergone significant growth in recent years. While the legal framework for these products has also undergone change and development, state abandoned property laws have not kept up.

"The majority of prepaid cardholders use all the funds on their cards shortly after obtaining the card," said Judith Rinearson, NBPCA Government Relations Working Group Chair and White Paper lead author. "Nevertheless, there are unused funds remaining on some cards, and many states' abandoned property laws are unclear or inconsistent in how they apply to today's prepaid card products. This White Paper provides an educational roadmap for prepaid card businesses to help them understand their legal responsibilities, but especially the challenges in attempting to apply abandoned property laws - most of which did not anticipate prepaid card products or, at least, the variety of products now available-in today's environment. We hope it will encourage a dialogue about the consequences for consumers and businesses related to the legal uncertainty of today's abandoned property laws."

"This White Paper represents collaboration broadly spanning the prepaid card industry. The NBPCA exists to help improve the overall business environment for network branded prepaid cards and that means a collective effort to help members succeed in their individual pursuits," said Anil D. Aggarwal, NBPCA Founder and Chairman of the Board.

#### **NBPCA Abandoned Property Laws White Paper Summary**

This White Paper recounts the history of state abandoned property laws and discusses how today's laws may impact gift cards and other prepaid card products. It then explains why the current laws do not adequately address the prepaid card market and explores the various difficulties that card issuers face in complying with such laws. Finally, the White Paper describes how the legal uncertainty creates compliance risks as well as potential negative consequences for consumers and businesses.

[Go back](#)

---

### **AFP Finds Payments Fraud Rampant in Majority of US Organizations**

Deteriorating financial conditions in 2008 coupled with the emergence of new payments types and the growth of electronic payments opened up new opportunities for payment fraud, according to the 2009 AFP Payments and Fraud Control Survey. According to AFP, "the assault on payments is widespread: over seventy percent of organizations surveyed experienced attempted or actual payments fraud in 2008." The survey was sponsored by J.P. Morgan Treasury Services.

Large organizations were more likely to have experienced payments fraud than were smaller ones. Eighty percent of organizations with annual revenues over \$1 billion were victims of payments fraud in 2008 compared with 63 percent of organizations with annual revenues under \$1 billion.

Since 2005, the Association for Financial Professionals (AFP) has examined the nature and frequency of fraudulent attacks on business-to-

business payments and the industry fraud-risk tools that organizations use to control payments fraud. Continuing that research, in January 2009 AFP conducted its Payments and Fraud Control Survey to capture the payments experiences of organizations during 2008.

Thirty percent of survey respondents report that incidents of fraud increased in 2008 compared to 2007. Further, nearly forty percent of organizations experienced increased fraud activity during the second half of 2008 as economic conditions worsened in the U.S.

According to Nasreen Quibria, Director of Payments for AFP “The fraud attacks on payment activities have occurred at a greater frequency than we’ve seen in the past. Now, the vulnerability of all payment methods—especially checks—demands a range of fraud-fighting tools and the vigilance of financial and treasury professionals responsible for protecting organizations’ assets.”

Nine out of ten organizations (91 percent) that experienced attempted or actual payments fraud in 2008 were victims of check fraud. The percentages of organizations affected by payments fraud via other payment method were: ACH debit (28 percent); consumer credit/debit cards (18 percent); corporate/commercial cards (14 percent); ACH credits (seven percent); and wire transfers (six percent).

Sixty-three percent of organizations that were victims of actual and/or attempted payments fraud in 2008 experienced no financial loss, and among organizations that did suffer a financial loss resulting from payments fraud in 2008, the typical loss was relatively small at \$15,200.

Many organizations are mitigating financial loss from fraud by turning to a number of defensive measures provided by their banks, including:

- Positive pay/reverse positive pay (82 percent)
- ACH debit blocks (71 percent)
- ACH debit filters (55 percent)
- Payee positive pay (50 percent)
- “Post no checks” restriction on depository accounts (34 percent)

Organizations can also develop and/or modify internal business processes to minimize potential payments fraud risks. The processes considered important include:

- Stopping the provision of payment instructions by phone or fax (86 percent);
- Increasing the use of electronic payments for business-to-consumer and business-to-business transactions (82 percent); and
- Reducing the number of bank accounts (82 percent).


“J.P. Morgan is highly sensitive to the need for vigilance in protecting client assets from fraud,” said Iqbal M. Khan, executive director, J.P. Morgan Treasury Services. “We are pleased to sponsor the 2009 AFP Payments and Fraud Control Survey. We look forward to the data being used to foster important discussion around this issue and to seeing the financial community continue to develop anti-fraud tools that provide the critical safeguards incorporates want and need.”

The survey includes responses from 629 corporate treasury and finance professionals including assistant treasurers, controllers, cash managers, analysts, and directors. To obtain a complete report of the 2009 Payments Fraud and Control Survey go to <http://www.AFPonline.org/research>.

[Go back](#)

---

## Survey Finds Consumers Want Opt-In Choice on Overdraft Coverage

A new [Center for Responsible Lending survey](#)  finds that U.S. consumers overwhelmingly want to be asked their preference before a bank or credit union enrolls them in a program to cover debit card purchases when they do not have the funds.

Financial institutions typically enroll their customers in a system that covers debit card overdrafts and then assesses them an average \$34 fee for each transaction, often on the purchase of an item that costs less than the fee itself. The new survey finds that most people would rather be asked if they want to be in such a program in the first place, not enrolled automatically and expected to opt out later if they don't

want the coverage.

"Consumers should be able to decide whether banks should cover shortfalls in the first place," said Leslie Parrish, senior researcher at the Center for Responsible Lending. "Otherwise, they're making high-priced loans that consumers haven't asked for and in many cases don't even want."

The public has just over a week left to voice its preference to the Federal Reserve Board, which has set a March 30th deadline for comments on two alternative proposals aimed at giving consumers better protection against abuses in unauthorized overdraft fees. ([http://ga3.org/campaign/no\\_gotcha\\_fees](http://ga3.org/campaign/no_gotcha_fees))

The better of the two alternatives would require banks to obtain permission from customers before charging them overdraft fees on ATM and certain debit card transactions. Though broader protections would still be needed, this opt-in alternative would begin to give consumers a true choice about when and how they are assessed charges and fees for short-term credit. The other, opt-out alternative would do little to change current practices, which amount to a system of abusive short-term loans that strip nearly \$17.5 billion from consumers annually.

The survey, conducted by market research firm Macro International, Inc., found that 2 out of 3 consumers prefer being asked if they want to opt in to an overdraft program, rather than being enrolled automatically. .

Specifically, the survey confirms that a majority of consumers -- 83 percent -- want to choose whether their bank account will be given overdraft protection on debit card purchases and ATM transactions. It also finds that a vast majority of those who want a choice -- 80 percent -- prefer the opt-in alternative, namely, that their bank or credit union ask their permission before enrolling them in an overdraft program.

This new survey confirms that financial institutions should be required to get explicit permission before enrolling bank account holders in an overdraft system.. Being given the real choice of whether to opt in is an essential step to providing account holders real protection.

[Go back](#)

---

## USA Today Looks at Bank Overdraft Fees and Practices

In this morning's USA Today, Kathy Chu examines the practices of US banks with respect to how they handle overdrafts on checking accounts, how they clear checks, and more. She lists automatic enrollment, high-to-low clearing, confusing statements, and other practices as reasons consumers need to be careful about managing their checking accounts and debit card usage. Included in the story is a survey of the overdraft practices of the top 10 US banks.

[Go back](#)

---

## Bank of America's Add It Up Offers Cash Back for Online Shopping

Bank of America has announced the launch of a new online shopping site that "allows enrolled customers to earn up to 20% cash back on their purchases at more than 270 online retailers, including top names such as Walmart.com, BestBuy.com and Barnes & Noble.com. Customers with a current Bank of America credit or check card who are enrolled in online banking can register for free through the Add It Up site at <http://www.bankofamerica.com/additup>."

"As people are managing their budgets more closely, they're weighing every financial decision and making every dollar count -- from meeting their savings goals to searching for the best deals on the purchases they need to make," said David Owen, Checking and Debit executive for Bank of America. "With Add It Up, Bank of America is giving customers a new way to stretch their money by getting cash back on purchases from hundreds of retailers they do business with regularly, and letting them do it online at their convenience."

Benefits for customers who shop online through the Add It Up site include:

- Getting up to 20% cash back from more than 270 participating online retailers (such as iTunes, Macys.com, BestBuy.com, Barnes & Noble.com, Walmart.com, Homedepot.com, Sephora.com, Staples.com, Gap.com, PETCO.com,

Overstock.com, REI.com and LandsEnd.com)

- The ability to pay with either a current Bank of America check card or consumer credit card
- Choosing how to redeem cash back earned (e.g., into a checking or credit card account)
- Combining Add It Up cash back with existing deals and discounts from retailers and other Bank of America programs such as Keep The Change(R) and BankAmericard Rewards(R)
- Keeping track of cash back earnings any time on the Add It Up Web site
- No limit on how much can be earned in cash back

The launch of Add It Up reflects Bank of America's commitment to developing innovative products and enhanced offers to help current and new customers make the most of their finances and save money in today's challenging environment.

Additional current offers include:

- A special interest rate offer on new 7-month or 9-month Risk Free CDs or new 12-month CDs through June 2009
- A special interest rate offer on new promotional money market savings accounts through June 2009
- A premium offer for most new personal checking accounts opened by customers who enroll in direct deposit and meet an average balance requirement
- A new Tiered Interest Checking account that allows customers to earn interest on their checking account balance

For more information on Add It Up(1) and additional current Bank of America offers, consumers may visit <http://www.bankofamerica.com>.

[Go back](#)

---

## **INSURCARD PROVIDES AN INSTANT ISSUE CATASTROPHIC RELIEF SOLUTION FOR FIRST INSURANCE COMPANY OF HAWAII, LTD.**

*This prepaid card program allows First Insurance Company of Hawaii to provide immediate relief to its customers in the event of an emergency.*

WILMINGTON, DE. (February 23, 2009) – InsurCard, a wholly owned subsidiary of Service Network Design, LLC (SND), has joined with First Insurance Company of Hawaii, to offer an instant issue prepaid card program for catastrophic relief. Through this partnership, First Insurance Company of Hawaii is now the first insurance company in Hawaii to be able to provide immediate relief to its customers in the event of an emergency.

In the event of a hurricane or other major disaster, First Insurance policyholders will be eligible to receive funds to cover their immediate needs. Traditionally, the practice has involved issuing a check to a policyholder. The problem in many natural disasters is that there may not be anywhere for the policyholder to turn to cash his check. By using the Visa® Prepaid Claims Card from First Insurance Company of Hawaii, issued by The Bancorp Bank, the insurer can provide immediate relief to its valued policyholders.

“We believe providing a branded card to our policyholders when they are in need will greatly simplify a very difficult situation for them. The catastrophic relief card from InsurCard gives our policyholders immediate access to make purchases and simplifies their lives when they are in turmoil,” said Ben Bondroff, Vice President – First Insurance Company of Hawaii.

“InsurCard is thrilled to partner with First Insurance Company of Hawaii to assist in disbursing funds more rapidly in the event of an emergency. The insurance industry is a unique fit for prepaid cards because the card can greatly expedite the claims process,” says J. Robert Mendte, President – InsurCard.

For more information on InsurCard visit [www.insurcard.com](http://www.insurcard.com) or call 1-800-708-9887.

---

For more information regarding The Bancorp Bank's prepaid card payment solutions contact Lindsey Frank at [lfrank@thebancorp.com](mailto:lfrank@thebancorp.com) or 866.954.2667.

This card is issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank; Member FDIC.

#### **About InsurCard**

InsurCard is a wholly owned subsidiary of Service Network Design, LLC (SND), a management consulting firm with corporate financial clients in both the insurance and prepaid card industries.

InsurCard Prepaid Cards evolved from SND's experience in these industries where the need for new claim payment solutions was recognized. The InsurCard Prepaid Card was specifically designed to meet the stringent requirements of both the insurance and prepaid card industries.

For more information about InsurCard, please visit [www.insurcard.com](http://www.insurcard.com).

#### **About The Bancorp Bank Payment Solutions Group**

The Payment Solutions Group is a division of The Bancorp Bank ("Bancorp"), a wholly owned subsidiary of The Bancorp, Inc., is a leading issuer of network branded prepaid cards and has consistently delivered outstanding results for its program partners. Long-standing relationships with card associations and industry leading networks and processors are the key to the organization's success. For more information about The Bancorp Bank Payment Solutions Group visit [www.thebancorp.com](http://www.thebancorp.com)

#### **About First Insurance Company of Hawaii**

First Insurance Company of Hawaii, Ltd. is the oldest and largest property and casualty insurer domiciled in Hawaii, with assets totaling more than \$604 million and liabilities of \$409 million at September 30, 2008. First Insurance offers a broad array of personal, commercial, and specialty insurance lines. Nearly a century old, First Insurance enjoys an "A" (Excellent) rating from A.M. Best Co., whose ratings are widely recognized as a benchmark of an insurer's financial strength. Proud of its broadly experienced, service-oriented staff, First Insurance employs more than 300 insurance professionals and distributes its products through 29 independent general agencies. It has claims personnel on Oahu, Kauai, and Maui, as well as in Hilo and Kona on the Island of Hawaii. First Insurance is jointly owned by CNA Financial Corporation and Tokio Marine & Nichido Fire Insurance Company Ltd.

#### **Contacts:**

The Bancorp Bank

Andres Viroslav

215.861.7990

[andres.viroslav@thebancorp.com](mailto:andres.viroslav@thebancorp.com)

First Insurance Company of Hawaii

Bryan Tanaka

808-527-7494

[bryan.tanaka@ficoh.com](mailto:bryan.tanaka@ficoh.com)

InsurCard

J. Robert Mendte

800-708-9887

[rmendte@sndassociates.com](mailto:rmendte@sndassociates.com)

[Go back](#)

---

### **E-money reforms pave the way for new competitors in European payments market**

The European Commission has approved proposals for a fundamental reform of the rules governing electronic money institutions, paving the way for mobile operators and other 'hybrid' institutions to obtain e-money licenses.

---

The compromise text for a new Directive has been agreed by the Committee of Permanent Representatives (COREPER) under the aegis of the Czech Presidency. It has been drafted "to remove the high regulatory barriers preventing the development of an electronic money market in the European Union and to set reasonable conditions for the business operations of electronic money institutions", says the Commission.

A fundamental change in the draft Directive is a reduction in the regulatory burden placed on electronic money institutions and the convergence of their status with provisions on payment institutions under the Payment Services Directive. The capital requirements for e-money issuers have also been scaled back, from the current EUR1 million to EUR350,000.

A marked departure from the current legislation is the possibility of "hybrid electronic money institutions" that perform other activities in addition to the issuance of electronic money. This should make it easier for mobile operators to develop their services in a clearly defined regulatory environment, says the Commission.

The European Parliament should officially approve the proposal during its plenary session in the second half of April. The EU Council will formally confirm it in May.

[Go back](#)

---

### **PULSE to Pilot Internet PIN Debit Technology from Acculynk**

PULSE has signed an agreement with Acculynk under which PULSE will test Acculynk's PaySecure Internet PIN debit technology in a pilot program. The pilot will involve selected PULSE merchant and financial institution participants and is slated to begin in the second quarter of 2009.

The goal of the pilot test is to assess consumer acceptance of Internet-based PIN debit transactions. Acculynk's technology enables consumers to use their debit cards with a personal identification number (PIN) to pay for online purchases.

"Internet-based PIN debit has tremendous potential value for consumers, who enjoy the convenience of debit cards," said Judith McGuire, PULSE senior vice president, product management. "Of debit users who have a preference, 56 percent prefer PIN authentication over signature," McGuire added, referring to the findings of the Hitachi Consulting/BAI 2008 Consumer Payment Preferences Study. "We also believe this new payment option could provide significant value to both card issuers and merchants, driven in part by reductions in fraud and cardholder disputes."

"In addition to reducing fraud losses and chargebacks associated with online purchases, Internet PIN debit is predicted to increase online debit purchase transactions," said Acculynk President Nandan Sheth. "These incremental transactions will come from three sources: consumers who have PIN-only debit cards, individuals who are currently hesitant to use their signature-enabled debit cards online without the PIN authentication, and consumers who are inclined now, or in the future, to use alternative Internet payment methods."

#### **How it Works**

Acculynk's PIN-pad technology integrates directly into the merchant checkout process, providing a seamless experience for online shoppers. The consumer will be aware of the PIN entry option only if his or her card is enabled for PIN debit. The consumer will have the choice of entering their PIN or completing the purchase as a signature debit transaction.

Acculynk's Internet PIN debit service utilizes many advanced security features, including a graphical, scrambling PIN pad for the secure entry of PIN data. The PIN pad numbers appear on the purchaser's computer monitor in random order, and the numbers re-scramble each time the cardholder clicks on a digit of his or her PIN using the mouse.

The PIN itself is not captured on the consumer's PC nor is it transmitted over the Internet. Instead, Acculynk captures and encrypts data associated with the PIN entry process, then transmits that encrypted data in a separate message from the message used for the card number. This makes it extremely difficult for fraudsters to capture any information that could be used to compromise a consumer's debit card or account. In addition, producing a counterfeit card would be virtually impossible because the magnetic stripe data is not captured during the online transaction.

"PULSE believes that Internet PIN debit could provide significant benefits to cardholders, e-commerce merchants and financial institutions," said McGuire. "Our pilot program will help us determine whether this product delivers a favorable cardholder experience."

---

---

## Acculynk Announces Issuer Participation in PIN Debit Pilot Program

Acculynk has announced that its Internet PIN debit pilot program is scheduled to go live in early March with several issuers that will bring several million cards to the pilot. The first pilot issuers to participate are from the ACCEL/Exchange EFT network, owned by Fiserv. Acculynk says that a second EFT network will be announced in a few weeks.

“We’ve had very strong interest from our issuing community, including some of our council members, because this is a value-add service that provides greater security for a consumer’s online transaction,” said Michael Kelly, general manager of the ACCEL/Exchange Network, from Fiserv. “We are very excited that some of the first transactions for this payment type will be driven through ACCEL/Exchange issuers.”

PaySecure utilizes a consumer’s debit card and the PIN for online payments, requires no redirection or enrollment, and offers consumers a simple and familiar checkout experience.

“With security a top priority for all consumers, we strongly feel that adding a second factor of authentication for online payments will increase the security of our customer’s data. Many of our cardholders prefer to use PIN debit at the point of sale. We are excited to give them this payment choice online with a service that adds an extra layer of fraud protection,” said Jeff Gegen, Vice President of Bank Operations at Baker Boyer Bank, an ACCEL/Exchange issuer. “This is a historic pilot program where the promise of PIN debit on the Internet is finally being realized, and we are thrilled to be one of the initial issuers participating.”

As one of North America’s premier ATM/POS networks, ACCEL/Exchange from Fiserv provides financial institutions with the infrastructure for cardholders to access their funds anytime, anywhere. The network is currently enabled at more than 200,000 ATMS in North America and most major merchant locations throughout the United States.

Acculynk is the first company in the U.S. to bring PIN debit to the Internet with a software-only service that has been certified by several major EFT networks. PaySecure provides an extra layer of security for online card transactions and reduces fraud and charge-backs by as much as 75% for issuers, while offering attractive margins and no-cost adoption.

“Our value proposition to issuers is very strong, and we’ve managed to secure an impressive line-up of institutions for this pilot,” said Ashish Bahl, CEO of Acculynk. “But what’s most exciting is the enormous merchant demand for this product. Such demand will benefit all of our issuers with increased volume and brand awareness.”

Acculynk brings the strength of PIN-based authentication to a domestic online market that has recently been impacted by increased fraud associated with data breaches.

---

## ChronoPay Partners with Payvision for Expanded Acceptance

ChronoPay and Payvision have announced they have signed a contract forming strategic partnership. Through the partnership with Payvision, ChronoPay expands its presence in European countries offering eCommerce merchants more flexible, secure and multi-currency payment solutions - enabling ChronoPay merchants to increase their online transaction volumes.

“Shai Meijers, ChronoPay’s Marketing Manager:”As a business it is our goal to continuously provide our merchants with a various choice of online payment methods. The partnership with Payvision will enable us to offer our customers an additional number of local payment options within their online store”

ChronoPay develops a partnering network from acquiring-banks, processing centers and payment systems worldwide. Among the basic partners - First Data, Barclays, Deutsche Bank, Raiffeisen Bank, Caixa Catalunya, WireCard, VTB24( Multikarta), Rosbank (UCS) and others.

“We are delighted to have ChronoPay join our expanding international network,” says Gijs op de Weegh, CFO of Payvision. “Our powerful processing tools will afford ChronoPay’s customers flexible, stream-lined solutions to optimize their multi-currency processing

---

operations.”

[Go back](#)

---

## **Nokia, Obopay and Mobile Payments**

In an article titled "[Nokia Makes a Call for Global Mobile Payments](#)", Steve Bills writes for the American Banker about Nokia's investment in mobile payments provider Obopay. Bills cites a Nokia executive who compares the integration of cameras into mobile phones over the last few years with the potential for mobile banking and payments being similarly integrated - although the Nokia exec "declined to give details about the Obopay investment or to say whether Nokia plans to incorporate the technology in its phones."

[Go back](#)

---

## **Carphone Warehouse, Monitise Partner for Mobile Financial Services**

The Carphone Warehouse, one of Europe's mobile phone retailers, and Monitise have announced a partnership "that will bring mobile financial services to millions of people at a time when they most need it. The alliance covers a wide variety of initiatives ranging from the pre-seeding of Monitise's patented mobile money application on leading handsets, to 'in store' and 'online' promotions and incentives for consumers to get linked up to their money 24/7."

Commenting on the alliance, Charles Dunstone, founder and Chief Executive of the Carphone Warehouse said: "The mobile phone is at the centre of our social and working lives. Whether you are staying in touch with family and friends, accessing your favourite website or taking a photo of that moment you want to share with everyone, your mobile is simply the one thing you won't leave home without!"

"Having real-time mobile access to banking and payments is a great service that will help our customers stay in touch with their finances, giving additional peace of mind when they need it most. Monitise has established itself as a leading expert in Mobile Money by connecting with the widest range of leading banks and mobile network partners. Our partnership means that the majority of consumers can simply 'switch on' their mobile bank!"

"Mobile Money is going to revolutionise the way we interact with our finances. I get an alert via SMS when something happens on my account and can then enter a secure application to move money around instantly. We have customers sending money overseas via mobile phone and others paying their bills while on the train on the way to work," said Alastair Lukies, CEO of Monitise Group.

"By ruthlessly focusing for the past six years on the secure connections and commercial agreements that are required to bring these services to the mass market, we have truly created a platform that makes the mobile phone a 'remote control' to your money. The alliance with the Carphone Warehouse is a milestone agreement for us and our partners and it creates the largest 'Mobile Money' ecosystem in the world."

The initial phases of the partnership will see the two businesses promoting 'Mobile Money' services to consumers through stores, websites, call centre agents and other marketing initiatives.

[Go back](#)

---

## **Yodlee Launches New Solution for Developers & Entrepreneurs**

Yodlee has announced the Yodlee Software Development Kit (SDK) Entrepreneur Edition, making Yodlee's data and payments technologies available to new developers and entrepreneurs worldwide.

"Yodlee's ten-year history of innovation gives us unique insight into the developer and entrepreneur communities," said Joseph Polverari, Yodlee's SVP of Strategy and Development. "The combination of difficult economic conditions facing consumers and rapid expansion of online financial services is driving fantastic opportunities for entrepreneurs to create new services and entirely new businesses focused around online finance, payments and purchases. Yodlee's SDK Entrepreneur Edition meets the overwhelming demand from new businesses and application developers for easy, on-demand access to Yodlee capabilities."

---

Customers of Yodlee's SDK Entrepreneur Edition include MoBank, a UK-based, award-winning mobile banking service that enables customers to purchase items using their mobile phones, and now -- via Yodlee -- to manage their money anywhere, anytime. With MoBank, customers view real-time account balances and important personal financial information easily and securely via their mobile phones, making the devices more useful and actionable in their everyday lives.

"MoBank is committed to making life easier by providing banking services on the move. It works with an existing bank account to let people buy and pay for items using their mobile phones, and access financial information and transact," said Melanie Hunter, head of marketing communications at MoBank. "Yodlee is key to our new service."

Now in its ninth generation, the Yodlee SDK is built around a rich set of application programming interfaces (APIs) and includes detailed technical documentation, sample applications, and a forum so developers and entrepreneurs can quickly and easily create custom applications leveraging Yodlee's data and payments technologies. Fully managed from within Yodlee's secure data centers, the SDK leverages a SOAP web services architecture for access to the data and functionality via secure HTTPS with multi-factor authentication support.

With the Yodlee SDK, customers can start developing in only a few days and have immediate access to more than 11,000 account sources and 100,000 account types, as well as Yodlee's patented data aggregation and categorization technologies. The Yodlee SDK Entrepreneur Edition is available now.

For more information, log on to <http://www.yodlee.com/SDK>.

[Go back](#)

---

### **Huntington Introduces Text Banking**

Huntington Bank has announced that its customers can now stay on top of their finances with [Huntington Text Banking](#). The bank described it as "a secure, convenient and easy way for Huntington customers to access their bank accounts anytime, anywhere, using a cell phone or mobile device."

With Huntington Text Banking, customers can view up-to-the-minute account balances and history for Checking Accounts, Savings Accounts, Lines of Credit and Loans. To enroll, existing customers can simply log into Huntington Online Banking and select the Mobile tab.

"Huntington Text Banking is an extension of our Mobile Banking service that was rolled out to customers last summer," said Mary Navarro, regional banking group president at Huntington. "Huntington recognizes that time and convenience is paramount to our customers. Text Banking gives our customers the freedom to stay on top of their finances no matter where they are. They can text Huntington to get their account balances in between meetings or on the way to lunch and have that information within seconds."

Huntington Text Banking is convenient and secure. Huntington conducts a secure enrollment process that establishes a connection between a client's mobile device and their personal accounts. Huntington never transmits full account numbers through its Huntington Text Banking service and ensures customers are never responsible for any unauthorized transactions with a Mobile Banking Guarantee.

Chief Information Officer Zahid Afzal added, "Huntington continues to invest in progressive technology that improves service. We understand that many of our customers require anytime, anywhere access to their accounts so we built another convenient service using tools that our customers use regularly that does just that."

For more information about Huntington Text Banking, visit <http://www.huntington.com/mobile>.

[Go back](#)

---

### **ClairMail Says Banks Seeing Significant Adoption of Mobile Banking**

ClairMail has announced that the banks using its ClairMail System are experiencing "tremendous adoption and usage, with some banks getting well over 90% of mobile banking consumers signing up for and receiving bank-defined and user-defined 2-way alerts."

From the beginning, ClairMail bank customers have consistently encountered strong adoption for alerts. Early deployments saw over

50% of mobile banking enrollees also signing up for alerts; in some recent cases, this percentage has climbed to more than 90% of consumers enrolling in mobile banking electing to receive alerts. The majority of consumers are signing up for multiple alerts, underscoring the strong value and personalization inherent in the ClairMail solution.

"Banks and credit unions able to provide time-sensitive, informational SMS alerts that affect account status will experience higher adoption of the mobile channel and give consumers the control they desire," said James Van Dyke, Founder and President of Javelin Research. "The 2-way, dynamic, real-time nature of alerts in the mobile channel is the primary factor that separates this from the online channel and proves a value to consumers to encourage adoption."

ClairMail is the first and only solution provider capable of delivering 2-way mobile banking and payments functionality on all mobile phones given the ubiquitous and instantaneous nature of SMS. The ClairMail System incorporates a powerful Event Engine which can efficiently and cost-effectively handle the potential transaction volumes from banks of any size and generate and deliver next generation, 2-way actionable alerts in real-time.

ClairMail's unique solution is capable of enabling consumers to receive 2-way alerts and to take action with a simple SMS reply in order to resolve issues directly on their mobile phone. The Event Engine possesses the intelligence to manage sessions and can correctly match each reply with the corresponding alert. For instance, if a consumer receives multiple actionable alerts but only replies to one, the ClairMail System is able to track and determine which specific alert the customer is responding to. In essence, the ClairMail System mediates the conversation.

"In the current economic environment, it's clear that consumers want more control over their finances," said Pete Daffern, CEO of ClairMail. "As evidenced by our strong adoption and usage results, consumers receive tremendous value when banks deliver important information to them in a timely manner. Furthermore, this valuable self-service capability will be enhanced greatly when consumers are offered the ability to easily take care of the task directly from their mobile phones."

The ClairMail Event Engine offers a broad set of alert types that consumers can opt-in to receive to prevent fraud, ease account management and enable mobile payments and other transactions. Additionally, consumers can set preferences for the triggers (dollar thresholds or event occurrences that activate alerts), frequency (when and how often alerts are received) and delivery option (SMS and/or email) for their alerts. The ClairMail System is also capable of escalation and can be integrated with other systems such as Interactive Voice Response systems, providing banks with a multitude of ways to serve consumers.


As noted in a press release from November 2008, the ClairMail System is seeing tremendous adoption and continued growth, with over 12 mobile banking transactions conducted every month per consumer. This is more than three times greater than the monthly transactions per consumer found in published reports from other mobile banking solutions. Moreover, financial institutions using the ClairMail System have seen upwards of 25% adoption by online banking consumers, far exceeding competitive offerings.

ClairMail was recently recognized as a leader in the mobile banking and payments industry by TowerGroup. ClairMail was positioned as having the highest strategic extensibility of any vendor and one of the best market execution ratings given its strategic partnerships and strong customer list.

[Go back](#)

---

## CTIA Announces Industry Guidelines for Mobile Financial Services

The CTIA has published "[Best Practices and Guidelines for Mobile Financial Services \(MFS\)](#)"  which were unanimously approved by America's leading wireless carrier companies. According to the CTIA, "this voluntary initiative was developed to provide consumers with a high level of safety and security for mobile banking, commerce and payments products and services."

"The Best Practices and Guidelines will help educate consumers, stakeholders and policymakers about the measures MFS Application Providers will be enabling to protect customer account information," said Steve Largent, President and CEO of CTIA-The Wireless Association®. "We are pleased that the wireless industry has developed these Guidelines to protect consumers today and in the future."

The purpose of the Best Practices and Guidelines for MFS is to promote clear and rewarding consumer experiences, to establish an environment where MFS transactions are authorized, secure, and compliant with applicable laws and industry guidelines, and to protect

---

user privacy and financial data. Areas covered by the guidelines include data security, consent, disclosure and account information access, which are critical areas to assure wireless users of safety, security, and privacy. Overall, the Best Practices promote responsibility by the Application Providers to protect consumer information in all stages of a transaction.

“When it comes to the future of mobile banking in the U.S., the key to ensuring a positive consumer experience is the vigorous protection of customer account information,” continued Largent. “The Guidelines address these important privacy concerns and help to set expectations of what MFS products and services will look like in the U.S.”

Many security issues that are prevalent today, such as online fraud and identity theft, didn’t even exist a decade ago. The Best Practices and Guidelines are flexible enough to anticipate future developments in MFS, technology advances for security measures, and will remain effective even though the types of future threats cannot be defined today.

Copies of the “Best Practices and Guidelines for Mobile Financial Services” are now available.

CTIA is the international association for the wireless telecommunications industry, representing carriers, manufacturers and wireless Internet providers. <http://www.ctia.org>.

[Go back](#)

---

## **Fiserv Finds Banks Interested in Offering Mobile Deposit Capture**

Fiserv has announced the results of recent market research that quantified the interest among banks and credit unions for mobile deposit capture and gauged their views on potential customer acceptance. Mobile deposit capture is an extension of remote deposit capture (RDC) that **enables checks to be deposited anywhere via a mobile phone equipped with a camera** to create and send an image of the check.

Fiserv research indicates that financial institutions believe select market segments would find value in mobile deposit capture and that these segments would be willing to pay for the service. Some of the more telling research results include:

- One-third of respondents see a need to offer mobile deposit capture services to their business customers.
- All respondents from the in-depth focus groups stated they would be looking for a vendor that has significant RDC and mobile banking experience.
- 70% of respondents agree that their business customers would benefit from having check deposits scanned in the field.
- The majority of respondents indicated that small and large businesses that sell products and services at the buyer’s location (such as home appliance repair businesses and food and beverage distributors with trucks in the field) are their primary targets market for mobile deposit capture
- Nearly all respondents indicated that businesses within these segments would be willing to pay for mobile deposit capture services, making the ability to offer them potential revenue opportunities for banks and credit unions.
- The majority of respondents indicated that any mobile banking application would have to include Login and Logout Authorization (FFIEC), 128 bit encryption of data on phone, SSL over the air and Check 21 Compliance.

Respondents further identified that they would first consider offering mobile deposit capture services to their small- and medium-sized business customers currently not using merchant or corporate capture.

“Mobile scan technology is a natural evolution of remote deposit capture and a logical way for financial institutions to expand their remote deposit capture client base,” said Bob Meara, senior analyst, Celent. “Financial institutions will likely look to current RDC technology providers to bring to market targeted solutions like mobile deposit to address high value market segments.”

Teri Carstensen, president Fiserv Item Processing and Payment Solutions Division, noted, “Fiserv is uniquely positioned to address every dimension of a mobile RDC implementation from our award-winning RDC technology to our industry-leading online and mobile banking solutions. With consumers today capturing deposits from multiple sources, our goal is to create a universal platform that enables deposits anywhere, anytime. More than 1,100 banks already rely on Fiserv for our expertise in deposit capture.”

Fiserv’s market research was derived from a Fiserv-sponsored online survey of clients in October 2008. Approximately 318 customers from 294 banks and credit unions participated in the study. Fiserv also held several in-depth focus groups that augmented the online

---

research. Nearly 90 percent of the respondents were experienced executives with titles of vice president or higher.

Fiserv conducted the market research in connection with its Source Capture Optimization™ approach, which offers financial institutions the ability to enhance functionality of all sources of deposit gathering. This includes branch, teller, ATM, merchant, regional and consumer capture solutions. The Fiserv goal is to offer clients the opportunity to leverage an integrated source capture platform that enables consistent functionality for all deployment models including in-house, outsourced and ASP. Fiserv is the only technology provider that offers both remote deposit capture for consumers and businesses on a single SOA-driven technology base.

[Go back](#)

---

## **Electronic Payments Forum**

*Friday March 13 2009*

### **Minutes of 1st Teleconference - 2009**

#### 1. Welcome

Mike and Lyle welcomed attendees to the 1st meeting of the newly formed Electronic Payments Forum. Lana has sent her apologies as she is unwell.

Lyle commented that he had picked up 35 leads from this week's pre-paid conference in Orlando of companies and individuals interested in joining the EPF. In response to a question from Felicia, Mike pointed out that EPF would start off under the umbrella of ATMIA but could become semi-autonomous like GASA (the Global ATM Security Alliance) with its own elected Executive Committee.

#### 2. New Mission Statement for EPF

Lyle proposed a Mission Statement for the new EPF:

To establish a non-commercial online community forum for the financial services industry that addresses non-competitive issues and the common interests of the members.
---

It was decided, given the small number of attendees, to ask other members of this committee to express their views on this *draft* mission statement.

It was pointed out that the financial services industry does not have an online community forum and this could be a niche for the EPF which would be well-housed within a non-profit like ATMIA. Mike congratulated Lyle, as Managing Editor of the EPF portal and its newsletter, on coming up with a vision of an online community forum and resource center.

#### 3. Discussion about New EPF Portal

Mike suggested the current EPF portal is too hidden and needs to be brought from the US site, under Committee portals, to the Global Home page so visitors to [www.atmia.com](http://www.atmia.com) can, *with one click*, get to the portal. It has to become a global portal. Lyle proposed that some documents could be created using a "wiki" type format for postings as part of its interactive character. The portal will provide news\, resources\, white papers\, archive\, wiki postings\, links\, blogs and provide the site visitors with relevant and timely information that is specific to their areas of interest. So the portal would have different sections or "rooms".

Lyle explained that the site will be logically constructed to provide subject specific forums. Each forum would have topic specific areas such as news\, security\, compliance\, trends\, Q&A\, etc.

He said it would be vital to segment areas of the portal with access privileges for published and official information. The information would range from blogs and chat rooms to official documents and so it would be necessary to develop a portal policy and to categorize different types of information and documents. Mike proposed having information alerts to users on new trends, concerns and issues.

---

A discussion about making the EPF self-funding followed. Lyle described different models which could be used, such as donations, pay-to-use and sponsorships. It was decided to begin with providing free membership so that membership, content and momentum could be built up. It was pointed out that managing an online community forum is expensive and requires allocation of resources. Creative and effective ways need to be found to exploit revenue generating opportunities through the portal in order to support the online community.

It was proposed to investigate the viability of investing in SharePoint technology for the portal to enable collaborative document-creation. Lyle will look into this prospect.

For supplying content, it was suggested that it would be essential to appoint contact persons in each member organization to supply content to Lyle or to post the information on the site themselves. It was also considered important to put information and content into a user-friendly format at all times. It was decided that organizations in financial services waste time and money looking for information because there is no “one stop shop” or resource center.

It was decided to set up an editorial committee to assist Lyle in managing the content of the EPF portal.

#### 4. Best Practices Road Map

Mike pledged the support of GASA, along with all its best practice material, and ATMIA for EPF.

Mike said that to create a best practices road map, we need input from the members of EPF who identify any gaps that currently exist. Collaborative formats could be used to create them such as SharePoint or Groove.

#### 5. Next steps

- The committee will provide feedback on draft new mission statement and Lyle
- will collate feedback
- Mike will organize relocation of EPF portal to ATMIA’s Global Home Page
- Lyle will investigate option of investing in SharePoint
- Lyle will follow up on 35 leads from pre-paid conference to expand the EPF
- Lyle, Mike and Lana will work on a draft policy for the portal
- An editorial committee will be formed
- The EPF members will give feedback on needs for new best practice material so
- that a best practices road map may be drawn up
- A re-rescheduled teleconference will be arranged in mid-April after Easter

#### 6. Next scheduled meeting: 4 June, 10.30 am EST

[Go back](#)

---

#### Sent Comments to:

A. Lyle Elias  
ATMIA Founding Director  
Debit Council News Editor  
Email: [mail@lyleelias.com](mailto:mail@lyleelias.com)

Mike Lee  
ATMIA CEO  
Email: [mike@atmia.com](mailto:mike@atmia.com)