

Industry News – January/February 2009

Industry News

[SmartVista successfully passes PCI DSS compliance validation in Alfa-Bank](#)

[Postilion's High Availability Payments Platform Goes Live at The Foschini Group](#)

[MasterCard Paper Dispels Myths and Highlights Benefits of Electronic Payment Networks](#)

[Barclays doubles job cuts to 4,200](#)

[Payment network operators team on global interoperability](#)

[CFT implemented SmartVista to support its processing business](#)

[Equens Strengthens the SEPA Proposition with WAY4
Ingenico Group announces Q4 and full year 2008 revenue](#)

[UK Government moves to enact EU Payment Services Directive](#)

[SmartVista's gateway to e-port will provide financial organisations with enhanced payment services](#)

[Bank Avangard moved card processing in-house with SmartVista](#)

[Morse reports heavy losses; sells off CSTIM](#)

[EMVCO launches Subscription Programme](#)

[Sentenial & CSC sign Strategic Alliance to offer Banks SEPA Direct Debit Payment Solution](#)

[Citi to Sell a Portion of Stake in Redecard
Citi may add Japan investment bank to sale: reports](#)

Welcome to the latest addition of our PayX Industry Newsletter

The year has begun surprisingly well with many projects ramping up and the demand for quality consulting is high. Our latest Industry report 'Card Acquiring Products: An Independent Assessment of Products and Suppliers' is selling extremely well and generating global interest due to current industry shakeups. The Card Payments Industry has seen levels of change like never before over the last 18 months. Through economic effects the majority of card payments businesses are moving from growth to cost containment. At the same time there are a new set of serious challenges appearing that have not quite risen to the surface yet. They are new small dots on the horizon which expert individuals in organisations are aware of but as analysis is complex and actions hesitant, they quickly fade into the background as every organisation goes about adjusting their approach during these difficult times. The danger being that these faded challenges are not going away... and without adequate preparation they have the potential to reappear in the next couple of years severely disrupting card businesses customer market share. As ever the strongest swimmers win – some through experience, some through agility and flexibility and some through gutsy determination to ensure that they are amidst the leaders at whatever cost. To date these issues have largely not been addressed in the boardroom but instead incorrectly classified as 'IT problems that can be addressed later'. They can't.

Over coming newsletters we will be addressing these challenges, or if you wish to contact us then we will be happy to discuss it further with you.

Please visit our newly updated website at www.payxintl.com for more information

IT Spending in Banking: A North American Perspective - Report Published by Celent

9 January 2009 - North American bank IT spending will grow from US\$49.4 billion in 2008 to US\$50.3 billion in 2009. Bank IT spending growth will slow down for the second consecutive year and will climb by a mere 1.7% in 2009. While there is a decline in IT spending growth, absolute spending figures continue to rise. In a new report, IT Spending in Banking: A North American Perspective, Celent examines, analyzes, and contrasts the IT spending patterns of US and Canadian banks. While there is a decline in North American IT spending growth (from 3.1% in 2008 to 1.7% in 2009), absolute spending figures continue to rise. Even with unfavorable market conditions, 2009 spending is expected to reach US\$50.3 billion in 2009. Absolute spending figures are still in the black for several reasons—maintenance spending makes up the lion's share of the budget; spending on post-merger integration work is on the rise; and small and midsize banks will invest in IT in an attempt to gain market share.

<http://www.celent.com/PressReleases/200812314/ITSpending.asp>

[Apacs releases 2008 payments statistics](#)

[Swedbank coordinates its IT-services](#)

[Euronet Worldwide Reports Full Year and Fourth Quarter 2008 Financial Results](#)

[Upcoming Payments Events](#)

<http://www.smi-online.co.uk/events/overview.aspx?s=8&ref=3040>

*Central & Eastern European Card markets
Budapest, 16-17 March 2009*

<http://www.terrapinn.com/2009/cardsza/>

*Cards Africa
Johannesburg, 17-20 March 2009*

http://www.terrapinn.com/2009/cards_au/

*Cards & Payments Australasia
Sydney, 23-27 March 2009*

<http://www.terrapinn.com/2009/cardsasia/>

*Cards Asia
Singapore, 21-24 April 2009*

<http://www.terrapinn.com/2009/cardsme/>

*Cards Middle East
Dubai, 17-20 May 2009*

<http://www.terrapinn.com/2009/cardspla/>

*Cards & Payments Latin America
Florida, 4-6 October 2009*

First Data and WestLB Launch New Business to Provide Card Acceptance for Retailers in Germany and Across Europe

13 January 2009 - First Data, a global leader in electronic commerce and payment processing services, has signed a partnership agreement with WestLB and will launch a new business, called First Merchant Solutions, to provide card acceptance services for retail customers in Germany and across Europe. As part of this new venture, WestLB, a German regional state bank with a strong European presence, will provide the licenses and payment services infrastructure while First Data will provide a comprehensive range of merchant acquiring services. The creation of the Single Euro Payments Area (SEPA) is a central factor in simplifying the regulatory, commercial and technological environment to benefit international merchants, service providers and acquirers. Against this background, the retail sector has needed a valid, cross-border card acceptance agreement that enables retailers to benefit from greater efficiency, more competitive pricing and the assurance of settlement and payment flow to any desired account within the SEPA region.

<http://ir.firstdatacorp.com/news/ReleaseDetail.cfm?ReleaseID=359014>

Finacle From Infosys To Power Transformation At Raiffeisen International

14 January 2009 - Infosys Technologies Ltd and Raiffeisen International Bank-Holding AG today announced that Raiffeisen International, the second-largest international banking group in Central and Eastern Europe (CEE), has selected Finacle from Infosys to standardize their technology platform and enable consolidation of operations across CEE. Raiffeisen International is a fully-consolidated subsidiary of Raiffeisen Zentralbank Österreich AG. As part of the agreement, Infosys shall implement version 10 of Finacle Universal Banking Solution across multiple countries in parallel. This will include deployment of Finacle core banking, CRM, e-banking, mobile, and alerts solutions. In a fast changing business landscape, Raiffeisen International envisioned an opportunity to build upon its leading position in the CEE region. This region still continues to grow at a better pace despite the prevailing economic conditions across the world, and the bank sees retail banking as an important business segment now and in the future. To meet its development requirements, Raiffeisen required a highly scalable technology platform which could support faster product innovation and deliver a differentiated customer experience.

<http://www.infosys.com/finacle/mediaroom/2009/Power-Transformation-Raiffeisen-International14jan09.asp>

Heartland Payment Systems Uncovers Malicious Software In Its Processing System

20 January 2009 - Payments processor Heartland Payment Systems has learned it was the victim of a security breach within its processing system in 2008. Heartland believes the intrusion is contained. "We found evidence of an intrusion last week and immediately notified federal law enforcement officials as well as the card brands," said Robert H.B. Baldwin, Jr., Heartland's president and chief financial officer. "We understand that this incident may be the result of a widespread global cyber fraud operation, and we are cooperating closely with the United States Secret Service and Department of Justice." No merchant data or cardholder Social Security numbers, unencrypted personal identification numbers (PIN), addresses or telephone numbers were involved in the breach.

<http://www.snl.com/irweblinkx/file.aspx?IID=4094417&FID=7231254#>

Contact Us

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[IBM Mainframe Payment Systems Experts](#)

[Test Managers Card Payments](#)

[Cards Business Payments Experts](#)

[Testers - Card Payments](#)

Postilion Wins Contract for Arab National Bank Smart Card Issuance Program

9 February 2009 - Postilion, a leading provider of software solutions for self-service banking and payments and a division of S1 Corporation (NASDAQ: SONE), today announced that Arab National Bank has selected the Postilion solution for Card Issuers to manage its card issuance program. In addition to meeting the Bank's EMV compliancy needs, the Postilion solution will provide the Bank with complete lifecycle management for debit cards, including the secure preparation of production files, PIN generation, and account status management. Furthermore, the Postilion solution will help the Bank meet the local SPAN 2 payment processing regulations. The Bank will also introduce instant card issuance at their branches. This functionality, provided by Dynamic Card Solutions (DCS), will improve service for new customers and facilitate the rapid replacement of lost or stolen cards for current customers. DCS' CardWizard® instant issue software will fully personalize the chip, encode the magnetic stripe, and print cardholder details on each EMV debit card, enabling immediate inbranch delivery and eliminating the costs and hassles associated with failed card delivery. The Bank's ability to issue a fully-functional, scheme branded EMV debit card on-demand when an account is opened optimizes its customer loyalty program, while immediate transaction activity increases revenue. DCS' CardWizard software also enables the Bank's customers to select their own PINs, increasing card activation rates and eliminating the expense of PIN mailers.

http://www.postilion.com/payments_software/press/PRO20909.html

10 Million Hit by Identity Fraud in 2008, Javelin Study Finds

17 February 2009 - After a couple years of slight decline, the number of identity fraud cases skyrocketed in 2008, according to a new report by **Javelin Strategy & Research**. The number of victims grew by almost two million to 10 million, a 25-percent increase in just a single year. "We have smarter criminals and more data breaches," says Steve Schwartz, executive vice president of consumer services for Intersections, an identity theft solutions company that co-sponsored the research. "We weren't surprised that the rates went up because in a dropping economy, crime rises." The **Javelin** report distinguishes between identity theft, in which an identity is merely stolen, and identity fraud, in which a stolen identity is actually used to commit a financial crime. "More consumers are becoming victimized," according to the report.

<http://www.javelinstrategy.com/2009/02/17/10-million-hit-by-identity-fraud-in-2008-study-finds/>

M-Cube launches UK and Ireland's first M-Payments Platform

9 February 2009 - M-Cube today announces the launch of the M-Cube M-Payments Platform, the first mobile banking application for consumers using prepaid cards in the UK and Ireland. This application will be immediately available to members of the M-Cube Ryanair Prepaid Programme and will be functional across the range of M-Cube backed prepaid cards. The Ryanair Programme, launched in November 2008, is already the largest mass market multi-brand prepaid programme created by a prepaid card provider in the UK and Ireland. Holders of other M-Cube backed prepaid cards will also be offered access to the mobile application.

<http://www.m-cube.co.uk/page.php?section=18&mid=86>

First three banks complete end-to-end SEPA Direct Debit pilot

11 February 2009 - VocaLink, the payment transaction specialist, announced today that it has successfully completed a first SEPA Direct Debit (SDD) pilot with participation from ABN, BAWAG P.S.K., The Royal Bank of Scotland Group plc and a number of their corporate customers. With less than two hundred working days until the SDD go-live date of 1 November 2009, banks are under pressure to fully comply with both SDD and PSD regulations, often requiring heavy investments of capital and time. At the same time, banks are looking for ways to stir customer interest in an SDD proposition which will be required to compete with strong local direct debit variants, at least in the short term. The VocaLink SDD pilot has allowed the three participant banks to test fully a broad range of SDD business-to-business (B2B) services in a safe, virtual environment without internal IT changes or significant operational or reputational risk. Martin Wilson, chief commercial officer at VocaLink, commented: "We are delighted with the success of the first SDD pilot, which has positioned our clients ahead of the market. Our SDD solution not only ensures compliance but also provides functionally rich services such as payments capture, validation, mandate management and exceptions management, enabling banks to make a real impact with their corporate customers. Our efficient 'pay-as-you-go' approach also helps the banks to achieve SDD compliance at a reduced cost and mitigate the risk of slow take-up, whilst staying competitive in the marketplace by offering customers new services early. We are now offering new banks the opportunity to join the early adopters by participating in the next VocaLink pilot exercise."

<http://www.vocalink.com/en/AboutUs/Press%20room/2008pressreleases/Pages/SEPADDPilotpressrelease.aspx>

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