



Welcome to the **March** edition of ACT News – Driving Insights. This complimentary service is provided by ACT Canada. Please feel free to forward this to your colleagues.

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## **ACT Canada Partners**

### **INGENICO - Point of Sale Equipment Partner**

Ingenico Group is the global leader in seamless payment, providing smart, trusted and secure payment solutions to empower commerce across all channels, in-store, online and mobile. With the world's largest payment acceptance network, we deliver secure solutions with a local, national and international scope in 125 countries. For over 30 years, we have been the trusted world-class partner for financial institutions and for retailers, ranging in size from small merchants to several of the world's best known global brands. Our smart terminal and mobile solutions enable merchants to simplify payment and deliver their brand promise.

### **INTERAC - Payment Network Partner**

Interac Association is a recognized world leader in debit card services. Interac Association is responsible for the development and operations of the Interac network, a national payment network that allows Canadians to access their money through Interac Cash at 60,000 Automated Banking Machines and Interac Debit at 766,000 point-of-sale terminals across Canada. Interac Flash, a secure contactless enhancement of Interac Debit allows Canadians to pay for items instantly with their Interac chip debit card at a reader that supports Interac Flash.

## **New and Renewing Members**

### **Principal Member**

Canadian Credit Union Association ~ member since 1990

### **General Member**

B2 Payment Solutions ~ member since 2014

Enstream LP ~ member since 2013

### **Associate Member**

John Flett~ member since 2017



## Career Opportunities

Visit our career opportunities section for the latest opportunities - <http://www.actcda.com/information/careers/>

### Looking for good people?

There is a lot of movement in the market, so if you are looking for new employees, we are always aware of some great people. Please contact ACT Canada for more details - [postings@actcda.com](mailto:postings@actcda.com)

## Calendar Of Events

### ACTive Networking

April 4, 2017  
Toronto, ON, Canada  
[www.actcda.com/calendar](http://www.actcda.com/calendar)

### Cardware 2017

May 1-3, 2017  
Niagara Falls, ON, Canada  
[www.cardware.ca](http://www.cardware.ca)  
*ACT Canada members receive discounts*

### Card Forum

May 8-10, 2017  
Austin, TX, USA  
[www.cardforum.com](http://www.cardforum.com)  
*ACT Canada members receive discounts*

### ICMC

May 16-19, 2017  
Washington D.C., USA  
[www.icmconference.org](http://www.icmconference.org)  
*ACT Canada members receive discounts*

### Money2020 Europe

Jun 26-28, 2017  
Copenhagen, Denmark  
[www.money2020europe.com](http://www.money2020europe.com)  
*ACT Canada members receive discounts*

### Money2020

Oct 22-25, 2017  
Las Vegas, NV, USA  
[www.money2020.com](http://www.money2020.com)

### IVIE Awards Gala

Nov 8, 2017  
Toronto, ON, Canada  
Help us celebrate the best in innovation in payments and digital identity! Nominations now open at [www.actcda.com/ivies.html](http://www.actcda.com/ivies.html)

## Articles

### 1. EDITORIAL – WHEN YOU KNOW THERE’S A WALL, YOU CAN BRING A LADDER!

Source: Catherine Johnston, CEO, ACT Canada (03/28)

When you know there’s a wall, you can bring a ladder!

Many of my editorials over the past 25 years have been about innovation and I know that I sometimes sound skeptical. Let me set the record straight. I can think of 3 technologies that have changed my life and another dozen or so that I employ and enjoy. Right now I am eagerly awaiting Amazon’s Alexa and will be an early Canadian adopter.

On the other hand there have been hundreds (dare I say thousands) of innovations that haven’t appealed to me. The good news for innovators is that “one person a market does not make”. Nonetheless, history provides insights into the time gap between technological evolution and market adoption. Studying these lessons is not just sensible, but can also be profitable.

I highly recommend an article called Slow-Motion Automation by Vinnie Mirchandani, published in the Winter 2016 edition of strategy + business. Vinnie looks at technology hype cycles, slow customer adoption curves, incumbents who fight back, tacit knowledge and unintended consequences. Although he is writing about automation, these points are pertinent to all innovation.

It is a must read for everyone in payments, because technology will continue to evolve. We will continue to be asked what to invest in and when to make that investment. Careers will continue to profit or suffer from our answers.

It is important to know what a technology can do and to be enthusiastic about its potential. It is equally important to know how and when the market will react / adopt. After all, when you know there’s a wall, you can bring a ladder!

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### 2. D+H ACCELERATES ADOPTION OF EUROPEAN INSTANT PAYMENTS BY PROVIDING A CLOUD TEST ENVIRONMENT FOR EUROPEAN BANKS

Source: CNW (03/27)

DH Corporation announced that it is offering a cloud-based instant payments testing environment for the European market. The testing environment will provide simulated connectivity to EBA CLEARING's pan-European instant payment infrastructure solution, which is aimed at supporting European payment service providers in fully complying with the European Payments Council's SEPA Instant Credit Transfer (SCT Inst) Scheme. This environment will enable banks adhering to the SCT Inst Scheme to utilize D+H's web and mobile instant payments



initiation channels and payment hub solution to experiment with and test instant payments quickly, easily and with low risk.

D+H's SCT Inst testing environment follows the launch of its U.S. testing environment, which offers simulated connectivity to The Clearing House's Real-time Payments System. The SCT Inst test environment will provide banks with simulated connectivity to the EBA CLEARING instant payment infrastructure, and accelerate their adoption of this new payment mechanism with minimal investment. Banks will be able to easily assess the benefits that instant payments provide, including enhanced operational efficiencies, access to new customers and increased competitive advantage.

Users of the test environment can also directly connect their own payment channels and apps utilizing D+H's open API layer. This enables banks to test compliance with PSD2 requirements and explore a wide range of PSD2 related use cases and business opportunities, including Payment Initiation Service (PIS) workflows for Account Servicing Payment Service Providers (AS-PSPs).

"D+H is applying its depth and breadth of experience working with instant payment schemes around the world to help European banks realize the benefits of instant payments, and quickly adopt solutions to enable real-time payments when SCT Inst is live in November," says Moti Porath, Head, Product Management, Global Payments Solutions, D+H. "Our cloud-based testing environment offers banks a low-cost, low-risk way to explore the possibilities of 24x7 instant payments, and a natural migration path to full participation in the evolving instant-payments ecosystem."

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### **3. DESJARDINS GROUP ANNUAL GENERAL MEETINGS- GUY CORMIER REAFFIRMS THE NEED FOR COOPERATION AND MAKES A PUSH FOR INNOVATION**

*Source: Desjardins Group (03/27)*

The Desjardins Group Annual General Meetings (AGMs) are being held in Quebec City today. Desjardins Group President and CEO Guy Cormier, who was elected in March 2016, summed up his first year at the head of the organization.

He reminded the caisse delegates why it's important for Desjardins to refocus on its purpose, which is to enrich the lives of people and communities. "Working to continually develop and deploy the means Desjardins Group has at hand, working to improve our capacity to act and taking socio-economic leadership, in my opinion is playing a positive role in a world that needs positivity," he said.

That is why earlier this year a \$100-million development fund was earmarked for the socio-economic development of communities. Mr. Cormier also

acted on his promise to give a stronger voice to young people by creating the Youth Advisory Board, which is made up of members, officers and employees ages 18 to 35. He reiterated that he wants Desjardins to become a single large organization that works in the interests of its members and clients—an organization that is people-focused, modern, high-performance and easy to do business with.

### A second mobile branch and a new innovation lab

Mr. Cormier highlighted some of Desjardins's most recent innovations and achievements, including the mobile branch. Considering that the pilot project has been a huge success so far, he announced the rollout of a second mobile branch to serve eastern Quebec.

In the same vein, Mr. Cormier announced the opening of a second innovation lab in Lévis—the first one opened in Montreal last year. Still on the topic of innovation, he mentioned that earlier this week Desjardins launched Alert, a home insurance program to prevent water damage, available nationwide. "These cutting-edge solutions aren't coming out in 10 years, they're here now!" While technology plays an increasingly central role in our lives, Mr. Cormier is convinced that people will continue to make a difference. "In 5 years, 10 years, 15 years, our members will still want to talk to flesh and blood men and women who work in our caisses, our Desjardins Business centres, at Desjardins Securities, or at one of our insurers. Talk to competent people who want to provide high-quality service."

### The cooperative model is more relevant than ever

In a world filled with uncertainty and growing distrust, and where the majority of the population is so fed up with society, work and the economy that they're taking to the polls to express their frustration, Guy Cormier believes that somewhere down the road, there must be a shift. He firmly believes that cooperatives, and Desjardins Group in particular, have a role to play in leading the way for a societal shift—a shift towards responsible and sustainable development that puts people first.

"The cooperative model is open to others and to the world. It's based on strong and generous values: mutual aid, solidarity, money at the service of human development. And it's more relevant than ever," Mr. Cormier said. He concluded by inviting the caisse delegates to show leadership in their caisses in order to help members and clients build a better future, and to work on developing their communities. "Desjardins Group is in its prime. We're looking to the future. Let's stick to our ambitions. Let's take the organization even further. Let's play an even bigger role in a world that needs cooperation, today more than ever."

*Desjardins is a member of ACT Canada; please visit [www.desjardins.ca](http://www.desjardins.ca)*

#### 4. ANOTHER DAY, ANOTHER PAY — LG PAY TAKES THE FIELD

Source: PYMNTS (03/27)

The world has no shortage of Pay services at the moment: Apple Pay, Android Pay, Samsung Pay, Walmart Pay, Kohl's Pay, Chase Pay, Target Pay, CVS Pay, Amazon Pay and the ever-iconoclastic PayPal that 19 years ago made Pay its first name.

And it looks like the list will soon be getting just a bit longer. After months of speculation, it looks like South Korean electronics maker LG has decided that the mobile payments water is fine, so why not jump in. The newest payments kid on the block will, according to LG, roll out in June alongside the U.S. launch of the brand's newest flagship product — the LG G6 phone. The G6 has been for sale in South Korea since March 10th.

At this point, details about the service remain limited, and it seems that its initial availability will be quite limited. Not exactly an ignition strategy made in heaven — and hardware-centric schemes are tough — but what could LG do with a mobile payments platform all its own?

##### The Early Stats On LG Pay

LG Pay comes to the market certainly a bit behind the payments plays made by other handset rivals Apple and Samsung, both of whose platforms are available in more than 10 countries and on more than one model of phone. And Google has the benefit of already being there, since Android Pay is already available on LG phones — ditto PayPal.

LG Pay, at launch, on the other hand, will only live on one type of phone — the flagship G6 model. And it is a costly flagship with a \$796 sticker price. Granted, that is still considerably less than the \$900 the iPhone 8 is expected to cost when it debuts later this year — but certainly not an inexpensive phone. But the accessibility, at least for LG users, may be an issue that is short lived — the firm has already noted that it will open up LG Pay on other phone models via a software update sometime after launch, according to reporting in Engadget.

What is less clear is when, where or even if LG's payments platform will be available outside of South Korea, since — as of yet — the company has made no announcement on the subject one way or the other. What is known is that LG Pay will enable people to make payments using a technology that is surprisingly similar to Samsung Pay's which enables a payment when a phone is held against any credit card reader capable of processing a magnetic stripe payment. That technology comes care of Dynamics Inc, and it is unknown if it will be built into models other than the G6 going forward.

"We are pleased to partner with Dynamics, which has the most advanced technology and intellectual property in the field of mobile payments," said Kim



Hong-joo, Vice President of product planning at LG Electronics' Mobile Communications Company. "In our effort to offer more benefits to consumers, we have designed LG Pay to meet the needs of our customers who want to be able to make purchases with their smartphones."

### What's Next?

Details remain light a few months out from the official roll out of LG Pay. But it is interesting to note that while LG is a player in the mobile phone market — and their new phone is well reviewed so far — LG is much better known for being one of the world's largest electronics companies. And they are an electronics company that has invested hard in designing and bringing to market a very wide range of smart devices: washing machines, dryers, dishwashers, refrigerators, vacuums, air conditioners — you name it, LG probably makes a smart version of it.

And with all those smart connected devices in the marketplace already, a payments platform custom-built to work within your devices' ecosystem could come in handy. Certainly it is something rivals over at Samsung have considered when they think about the future of Samsung Pay. With 11 mobile payment services already on the market (including Kakao Pay, Naver Pay and Samsung Pay), South Korea is a market that also happens to be mobile and mobile payments friendly — and adoption and usage is growing but remains small. The Bank of Korea reported that in the second quarter of 2016, mobile payments rose by over 53 percent compared to the first quarter, and the daily average of mobile payments increased by 7.2 billion won from the previous quarter.

So, it's no wonder that LG felt compelled to play along. But as we know and have seen in the 2.5 years that we've been tracking mobile payments adoption via hardware-based solutions used in physical stores, the adoption is slow and low. Making the app do more than pay is key, as is making it available to as many people as possible. The former is tough enough — without the latter, it can become a real challenge. We'll see how it all turns out.

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## **5. CANADIANS BELIEVE BUSINESSES WORKING TO PROTECT PERSONAL INFORMATION YET CYBERSECURITY CONCERNS LINGER: CPA CANADA FRAUD SURVEY**

*Source: Chartered Professional Accounts of Canada (03/27)*

There is a sharp drop in the number of Canadians expressing concern about identity theft, according to a new survey conducted for Chartered Professional Accountants of Canada (CPA Canada).

Two-thirds (66 per cent) of the respondents agree that they are concerned about identity theft but the number is significantly down from 74 per cent in 2016. At the same time, 72 per cent of the survey participants agree that Canadian





businesses, in general, are doing the best they can to safeguard the personal information of their customers, up from 66 per cent last year. However, for the second straight year, 73 per cent of the respondents agree that they are concerned that Canadian businesses are vulnerable to cyberattacks regarding personal information.

"In this era of ever-evolving technology and data management challenges, it is good to see an increasing number of Canadians recognizing the efforts that the business community puts into protecting personal information," says Cairine Wilson, vice-president, corporate citizenship, CPA Canada. "It's also encouraging that the respondents understand that, while the business community is doing what it can in terms of information protection, risks do remain." Almost four-in-ten (39 per cent) of the respondents agree they fear that someone has personal information about them that they should not be in possession of, up from 35 per cent in last year's survey.

"Fraudsters target many avenues to gain your personal information including social media and emails," explains Wilson. Of note, the survey found that 81 per cent of the respondents use a mobile device, such as a cellular phone or tablet as one of their sources for accessing the internet, up from 76 per cent just a year ago. A majority of respondents (71 per cent) agree that they are concerned that electronic payment methods, such as tapping debit and credit cards or using smartphone apps to make payments, actually makes fraud easier.

In addition, 43 per cent of those surveyed in 2017 either strongly or somewhat agree that they are uncomfortable when making online purchases. In terms of experiencing financial fraud, 32 per cent of the respondents reported they had been a victim at some point in their lives, basically unchanged from 2016 (33 per cent). Among those who reported being a victim of financial fraud, credit card fraud had the highest incidence rate (74 per cent) followed by debit card fraud (28 per cent). Those were the top two forms of fraud cited in 2016 as well.

"Keep your guard up at all times," stresses Wilson. "Being skeptical is a good thing when it comes to protecting yourself." An interesting finding to emerge from the survey is that three quarters (75 per cent) of the participants have learned information about how to protect themselves from fraudulent activities through the news media. To help consumers recognize, avoid and report fraud, CPA Canada published *Protecting You and Your Money: A Guide to Avoiding Identity Theft and Fraud*. The book is available for ordering at [cpacanada.ca/financialliteracypublications](http://cpacanada.ca/financialliteracypublications)

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## 6. DESPITE THE PERILS OF PASSWORDS, ADULTS IN ALL AGE GROUPS REMAIN WEDDED TO THEM

Source: *Digital Transactions* (03/24)

Pundits have predicted the demise of the password for years, yet the simple user-name-and-password combination lives on, frustrating security pros and helping to fuel a spiraling epidemic of data breaches. The reason for the password's longevity lies in its familiarity compared to newer, more effective authentication methods, says a report released this week that looks at how the payments industry could finally get consumers to adopt at least some of these alternative technologies.

It's not that consumers are wildly in love with passwords, says the report, "Moving Beyond the Password: Consumers Views on Authentication," issued by Boston-based consulting firm Aite Group and sponsored by iovation Inc., a Portland, Ore.-based vendor of device-authentication technology. Indeed, they typically use only a few passwords across multiple sites to avoid the frustration of not recalling the password they need for vital functions such as banking or payments, says the report.

Instead, consumers simply find passwords easier to use than alternatives. Compared to seven other authentication methods, the 1,095 consumers surveyed for the report rated the user-name-and-password combination the easiest to use, edging out fingerprint scans. For the report, Aite surveyed consumers in four age groups—seniors, baby boomers, Gen Xers, and millennials—who use online banking, mobile banking, or both.

But what this result may really reflect is how familiar consumers are with passwords, which have been in wide use since the 1990s, and how unfamiliar many of them are with the alternatives. For example, consumers ranked device location and recognition fourth and sixth, respectively, on the ease-of-use scale, even though neither technology requires any action by the user. Ranked last is voice recognition, another technology that places few demands on users.

"People just don't get this stuff," Julie Conroy, research director at Aite and author of the report, tells *Digital Transactions News*. "It points to the need for much better education by age group." For the survey, Aite provided what Conroy calls a "brief description" of each authentication method.

Consumers also have little if any incentive to abandon passwords for an alternative, Conroy points out. "Consumers have no skin in the game" in the case of a breach, as financial institutions typically reimburse them in full for any loss, she says. For consumers, she adds, the loss is a "momentary inconvenience." Yet, consumers' attachment to passwords has led to a crisis in data security. More than 6 billion data records have been compromised by hackers since 2013, according to the report, providing plenty of grist for criminal mills turning out a rising tide of account-takeover and application frauds that are "hitting [financial institutions] and



merchants alike,” says the report. User names and passwords, sometimes in clear text, are commonly harvested in these breaches.

Aite recommends a number of steps to help wean consumers off passwords. One move is to encourage more mobile use, where password and user-name entry on a tiny screen is inconvenient, and where technologies like fingerprint recognition are a natural fit. Another tack is to start with authentication that runs in the background and then add further methods depending on risk. Having such an arsenal of alternative methods on hand leaves alternatives available if thieves compromise any particular method and also creates an opportunity for consumers to choose a method they’re comfortable with.

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## 7. WALMART CANADA BRINGS GROCERY HOME DELIVERY TO THE GREATER TORONTO AREA

*Source: Walmart Canada (03/23)*

Walmart Canada announced the launch of grocery home delivery for customers in the Greater Toronto Area (GTA). Customers living within select regions in Toronto, Etobicoke and Mississauga can now have their grocery orders delivered right to their door.

"We continue to invest in services to make every day easier for busy Canadians," said Daryl Porter, Vice President of Omni-Channel and Online Grocery at Walmart Canada. "With grocery delivery, we're providing GTA residents with even greater flexibility and convenience to shop groceries."

### Easy shopping

With Walmart.ca grocery, grocery shopping has never been easier. Customers can complete their weekly grocery shop at walmart.ca or via the Walmart mobile app. Customers can fill their cart with fresh groceries, including top quality produce, 100% Canadian beef, chicken and pork, dairy, baked goods, frozen food and pantry items. They can also add health and beauty products, household supplies, pet food, baby food, diapers and lots more. Customers can select a delivery window and have their groceries delivered right to their door by one of two local delivery partners JoeyCo and Daily Delivery.

### The best of fresh

Selecting great produce and meat is essential. Walmart's grocery experts undergo specialized training to pick the best and freshest products. In addition, all fresh groceries come with a 100% satisfaction, money back guarantee.



## Greater access

Grocery delivery complements Walmart.ca Grocery Pickup, which is currently offered at 34 Walmart stores in the GTA, as well as four Toronto Penguin Pick-Up locations and Toronto delivery to three condo complexes.

"Whether our customers choose to shop in-store, online, pick up or have their groceries delivered, we want to make Walmart the easiest and most convenient place to shop for everything they need," added Porter. Walmart Canada announced today the launch of grocery home delivery for customers in the Greater Toronto Area (GTA). Customers living within select regions in Toronto, Etobicoke and Mississauga can now have their grocery orders delivered right to their door.

"We continue to invest in services to make every day easier for busy Canadians," said Daryl Porter, Vice President of Omni-Channel and Online Grocery at Walmart Canada. "With grocery delivery, we're providing GTA residents with even greater flexibility and convenience to shop groceries."

*Walmart Canada is a member of ACT Canada; please visit [www.walmart.ca](http://www.walmart.ca).*

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## **8. THE AMAZON EFFECT ON PAYMENTS**

*Source: PYMNTS (03/20)*

We spend a lot of time talking about the impact of the "Amazon Effect" on traditional retail's current misfortunes. But there's another "Amazon Effect" which goes largely ignored, and which could be even more disruptive. As we heard Amazon's VP of Payments, Patrick Gauthier, tell me last week at The Innovation Project, Amazon is thinking well beyond the "buy button" to a new commerce interface that has the potential to put the company in the middle of commerce every place a consumer wants to buy, using the most natural buying interface there is — the voice. Just not paying for those purchases using the digital payments methods you're all hawking right now. The other "Amazon Effect?" — the Amazon Effect on Payments.

### The Amazon Effect On Retail

You know the typical tale of woe told by many of retail's walking dead all too well by now. But let me add my two cents. It's a story that portrays Amazon as a powerful online force. But it's a narrative that its storytellers still say offers hope from the Census Data — which, at last count, reported that about 92 percent of retail sales still happen in physical stores. This story is told despite reports of massive store closings in the face of falling foot traffic — down 50 percent since 2010, by some estimates — and the sea of red ink that has come to define traditional retail's bottom lines.

As PYMNTS.com readers know, the Census Data on retail sales underestimates online sales. And for some categories, the in-store/digital split is jaw-dropping. Books, office supplies, apparel and sporting goods show online sales that approach 30, 40 and even 60 percent for those same categories in retail sales. Even grocery sales are starting to shift online — admittedly a very tiny increase at about one percent in 2016 — but which are projected to grow by double digits as it becomes more convenient for consumers to trade buying bulky commodities like paper towels and laundry detergent in a store for a more convenient online experience that ships those items to them instead.

Some of that shift is truly the Amazon Effect on retail. Since every story needs a protagonist, it's easy to cast Amazon in that role. But the subplot to this story is that many retailers aren't really giving people a reason to go to their stores anymore. The stores that used to be showrooms for the latest and greatest merchandise have become graveyards for stuff that hasn't sold (aka stuff consumers don't want until it is marked down to next-to-nothing prices). Consumers have lost their incentive to make the trip to the store since there's nothing new to see and, therefore, nothing new to buy — so why bother?

Quite naturally, the good brands say “Why bother?” too and shift their focus to the places that consumers now go to shop. In some cases, that's their own branded physical stores or websites, where they can control the experience and the merchandising. The rise of the direct-to-consumer retail model is exploding, with 40 percent of all manufacturers now using this model to reach consumers.

It also occurs via the many new digital marketplaces that have become the modern shopper's department stores: sites like Net-A-Porter, FarFetch or Moda Operandi that aggregate brands and curate outfits in a virtual storefront where merchandise is refreshed daily. And Amazon.

Those still living under the delusion that designers would rather cut off their limbs than sell on Amazon might want to take a quick spin over to Amazon Fashion. There, you'll find contemporary designer brands like Michael Kors, Stuart Weitzman, Ray Ban, Vince, Theory, Rebecca Minkoff, J Brands, True Religion — to name but a few — selling the very same products sold in their stores and/or on their very own websites, right there on Amazon Fashion. Making sales has a funny way of getting brands to buy in — pun intended.

All of this, of course, is happening at the same time that online sales are growing at triple the rate of in-store sales — according to latest Census stats, 14.3 percent last year against in-store sales growth of roughly four percent. Sure, that's rapid growth on a small base, but a base that, as I mentioned earlier, is delivering a world of hurt to some sectors already. And it's growth in a channel that's coming at the expense of traditional retail's operating margins — by some estimates — slicing those already fragile margins by as much as 25 percent.

Concurrently, Amazon appears to be cornering the share of those online sales. Last year, the company captured 53 percent of the overall online sales growth in 2016 and accounted for 43 percent of all online sales. Amazon is also reshaping consumer's expectations for retail service. For instance, Amazon Prime customers get their orders in two days, and they get it shipped to them for free. Free shipping in traditional retail isn't really free at all — it comes with a price tag measured by twice as many days as it takes Amazon to ship products to a consumer. So it's not too surprising that more and more consumers start their buying journeys on Amazon. Our research of more than 2,000 consumers in 2015 reported that 55 percent of all consumers started their search on Amazon. A year later, it wouldn't surprise me to find that number well north of 60 percent.

Additionally, Amazon Payments is moving off Amazon to other retail sites to offer those consumers the benefit of their one-click checkout experience. Sites that accept Amazon — 10 percent of the top 1,000 retail sites by our last count — eliminate checkout friction by prompting check-in, using the familiar Amazon log-in. Bypassing the retailer's own log-in entirely, once consumers are ready to checkout, they're one click away, using their registered Amazon card and shipping preferences pre-populated.

And, finally, all of this is happening at the same time that Amazon's building an entirely new voice-activated ecosystem — Alexa — that's intended to recast the consumer's commerce experience. Alexa and her ecosystem is not only intent on taking commerce anywhere that a consumer is able to access her, it's using Alexa to make commerce contextual and conversational, ushering in an important, yet subtle, shift in the commerce experience for both consumers and brands. Alexa abstracts the buying environment by transforming it into a relationship between the consumer and the brand a consumer wants to buy via a friendly interface named Alexa. Not a consumer and a website. Not a consumer and even Amazon's website. But a conversation that consumer is having with Alexa about buying something.

"Hi, Alexa, I want to buy a pair of black suede Louboutin's — the ones with the 3.5 inch heel in a size 35 — who has them in stock?"

"Hi, Karen, (she knows me via voice printing) I see they're in stock at Saks in Boston for pick up today; Neiman's only has the higher heel in stock, but they can be shipped out tomorrow. ChristianLouboutin.com has them in stock, and if you buy from them today, they'll ship them overnight to you at no charge. Which do you prefer?" With Alexa in that scenario, Neimans and Saks and Mr. Louboutin don't have to co-mingle their merchandise on Amazon, or even have the Amazon button on their site to enable that purchase. All they need is a skill inside of the Alexa ecosystem. And if consumers want to buy that way from Alexa, why would those brands and those retailers say no?

Which brings me to the "Amazon Effect" on Payments.

## The Amazon Effect On Payments

Today Alexa is a voice on the other end of a growing list of devices: at home via Echo and the Dot, on the road with Amazon Tap — even in the car and in the browser. And as of last week, Alexa's on the iPhone via the Amazon app — one of the most downloaded and used apps in Apple's app store.

RBC Capital Markets issued a report two weeks ago that estimated the size of the Amazon Alexa market. They project that by the year 2020 — just three years from now — there will be 128 million Alexa Echo, Dot and Tap devices globally and 500 million active Alexa users via those devices. This is exclusive of users who access Alexa via apps in the car, the browser, the Amazon app itself or the many other hardware/software environments that will likely emerge over that period of time. Alexa, as we've observed, is a fast-moving train. Two years ago, there were less than one thousand skills on Alexa; last year this time there were five thousand; this year there are more than eleven thousand. Those users, RBC says, are also using Alexa to buy stuff.

As part of their analysis, they surveyed Amazon customers to ask about their interest in using Alexa to shop. They found that 17 percent use it already — my guess is that's mostly food delivery or the purchase of simple things from Amazon itself. RBC believes that the percent of commerce attributed to Alexa will only increase and will drive incremental sales of existing Amazon customers by 15 percent, simply because it's easier to shop using her. They estimate that incremental lift to be \$5 billion a year. That's \$150 million more than the entire annual revenue of Under Armour in 2016.

That's also not including what might happen if everywhere Amazon was accepted off Amazon Alexa went along for the ride. What does all of this have to do with payments, you ask? Well, it all depends on who's answering. If you're an issuer or a card brand, you're probably not sweating all that much yet — but hold that thought. Amazon users register those cards on file today, and where Amazon and Alexa go, those card credentials follow and are used to make those purchases.

If you're one of the "Pay" players, you might be sweating — and sweating a bit more now that it's quite apparent that Amazon and Alexa want to meet consumers and commerce anywhere they might want to do business. Remember when everyone was worried about Apple as the big, bad payments and commerce gatekeeper? Today, that powerful new intermediary is Amazon.

Think about it. How does one get to use Amazon on a site off Amazon? By checking in with an Amazon account. How does one get to order Dominos from Alexa? By first registering an Amazon account with them. Those same Amazon accounts that don't today include any of the mobile wallet "Pays" that Apple, Android, Samsung and PayPal would like consumers to use when ordering pizza from Dominos online.



Amazon, like any other merchant or merchant services platform, will make decisions about payment methods on the basis of what adds value to their consumer experience and eliminates friction. Retailers too. If consumers aren't using the "Pays" to shop online today — which with the exception of PayPal they really aren't — not being able to use those Pays with their Amazon accounts or Alexa is something consumers won't even notice they're missing. Retailers won't care either. There is one exception — and another player whose name starts with an "A."

If I were Alipay, I'd be investigating short-term rentals in Seattle and not leave until a deal to allow Alipay to become a payment option inside of Amazon was done. For Alipay, it's a key merchant win for the Chinese consumer who seeks alternatives to Alibaba's online marketplaces to spend their growing piles of disposable income. For Amazon, it's the fastest way to close in on a billion consumers — Amazon's existing 300 million, plus Alipay's 450 million, plus the hundreds of millions of others that Alipay is enabling (like India's Paytm) who like to shop and spend a lot online. It's also Amazon's back door into China via a powerful Chinese company that's struggled to succeed outside of China. And who, in the face of the MoneyGram uncertainty, might like to put a big score like this in the win column.

Access to those consumers, of course, is also a new incentive for merchants to play with Amazon — on Amazon, off Amazon and with Alexa. New consumers with money to spend is just what the retail doctor ordered too. Making, at least for now, a bit of a gloomy picture for the Pay Players who, for Amazon, just represent a layer in between the cards on file that their consumers already have registered with them and a friction-free checkout.

### The Amazon Effect On Payments

Some have said that the real risk to payments is Amazon flipping all of its many cards on file to DDA-accounts on file. I doubt it. Why create friction for consumers, when they can, instead, create friction for the card networks and issuers to negotiate better deals? Look no further perhaps than the new Visa-branded, Chase-issued Amazon Prime Card that runs over ChaseNet, as one example.

I got one when it was first introduced. It's a great-looking card, has amazing cash back benefits, and, given the economics of the Chase/Visa deal, I'm sure with very competitively priced terms that favor Amazon. Terms that are part and parcel of the ten-year deal that Chase and Visa signed — now 4 years ago. Terms that will likely serve as critical thresholds as negotiations between the networks, the Pay players and Amazon happen over the next three to five years. Deals that will likely include the same sort of "tariff" that Apple set when it launched Apple Pay. And perhaps a new business model that provides an incentive for me, in my





example earlier, to pick Saks over Neiman's — funded by the issuer or the network. All setting the course for commerce for the decade to follow.

Unless, of course, a serious rival to Amazon emerges. At the moment, it's crickets in that department, despite a few players out there with the scale and assets and potential to change the field of play. If you're reading this and you're one of them, now might not be a bad time to let the world in on your plans. Otherwise, the only commerce playing field that might be left are the ones in the space that Bezos has decided not to pursue. Mars and the moon are already taken.

*RBC and Visa are members of ACT Canada and Visa will be speaking at Cardware 2017; please visit [www.rbc.com](http://www.rbc.com) and [www.visa.ca](http://www.visa.ca).*

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## **9. HOW PSD2 WILL CHANGE EUROPE'S BANKS FOR THE BETTER**

*Source: Let's Talk Payments (03/17)*

Banking has always been a very conservative industry. If liquidity drops too low, entire markets can grind to a halt. Open yourself up too much and you become susceptible to fraud and theft. Striking the perfect balance is difficult. In every economy, one of the government's primary concerns is securing a steady flow of money in the door, while trying to ensure that it doesn't fly out the window.

This is why it is rare to see dramatic changes to the banking industry. But that promises to change as a result of Europe's recent guidelines on banking standards received a massive overhaul in 2016 in the form of PSD2 or the Revised Payment Service Directive. Once implemented, the new directive promises to remove the current monopoly that banks have on their customer's account information and payment services. Banks will be required to provide services to facilitate these functions to any company that is interested in competing with them.

Customers and businesses will soon be able to use third-party providers to do everything from checking their account balances, to making money transfers and payments. This means that it is only a matter of time before you will be able to pay your bills directly through Facebook or Google, or download third-party software to do your online banking without having to set up a separate account outside of your bank. To accomplish this, banks are required to provide access to their customers' accounts through open APIs (application program interfaces.)

APIs have been in use in other industries for decades and are a staple of any major application. At their core, they are a way for one program to talk to another without having to share their source code, or give access to all of the data that they are holding. This allows programs to communicate with each other simply and securely.



Banks have also been using APIs, but usually, they are for internal use only. For example, when you want to check your bank account balance online, you first log in to your bank's website. Then you authenticate yourself using a password and click on the account that you want to check. This is all done using private APIs that the bank has created to link their internal account data to their public website. But if another company wanted to access that account data directly, they could not do it. They would have to go through the bank's website or make a request to your account through more formal means. This is why when you want to log in to your bank's website, you can only see the data from that bank. The banks fully control who can access it, and how.

Open APIs will change this by forcing banks to give the same access to your banking information that their website has. Banks will still be required to authenticate users and provide the same level of security that they do now, but they will not be allowed to restrict account owners to accessing it only through their services.

This will allow third-party financial service providers to build services directly on top of banks' data and infrastructure. This means that banks will no longer be competing just against other banks, but against everyone who wants to offer financial services. The European commission hopes that PSD2 will change the payment value chain by driving innovation, protecting customers' privacy and opening up account access directly to each account holder. The two roles that third-party service providers will try to fill are the Account Information Service Provider (AISP) and Payment Initiation Service Provider (PISP). AISPs will provide read access to bank account data, while the latter will be able to initiate payments on behalf of users. At this point, P2P transfers and bill payments will mostly likely to be the first PISP services that developers focus on.

This will obviously affect banks bottom line. Increased IT costs and lower revenue from retail payments are going to be a reality. Banks know this and have already started experimenting with their own APIs, working with FinTech companies and trying to predict the desired customer experience. One of the key problems facing European banks today is that despite being a heterogeneous continent, people are very loyal to products and services from their home countries. This is especially true of financial services. In 2015, as few as 3% of European consumers had used banking products from another EU country.

Maybe you think it is because all financial services are the same, so it doesn't matter where you purchase them? This doesn't appear to be the case as mortgage rates and interest on car loans varies widely throughout the region. While there are reasons for these differences, there are also opportunities that are being missed by both consumers and banks.

The primary barrier for banks is obvious: The costs related to following the regulatory requirements and compliance for each new jurisdiction are often higher

than other opportunities that can be pursued at home. PSD2 hopes to open up European markets to banks by only requiring third-party financial service providers to follow the regulations of their home state while allowing them to operate anywhere within the EU. This would allow far broader access to a unified set of financial services than even the largest multinational banks currently have.

This would also effectively allow banks to operate in several countries through third-party service providers, all while reducing compliance costs. Consumers will enjoy the increase in transparency, making individuals more likely to trust cross-border service providers and make purchases in foreign currencies. Conservative banks have long dominated the financial services market, but in today's mobile world of instant rewards and limited options, they will need to innovate quickly to hold their sway in the customer service department. Once the APIs are made public, any startup can focus on improving the customer experience while letting the banks do all the heavy lifting in terms of compliance and infrastructure.

Banks traditionally focus more on security, and that means controlling every aspect of the money flow. Giving up that control can be scary and risky. But considering that 37% of European consumers would be willing to change their bank if they felt that it was not using up-to-date technology, taking the risk seems to be the safe way to go.

What will the services of the future look like? No one knows yet. The first steps will be to digitize and streamline existing services such as amalgamated online banking applications, the expansion of contactless payment solutions, and the centralization/decentralization of all banking services. The adoption of APIs also will lead to several niches that will be filled by developers who focus on a single service to connect two parties, making banking and future development easier. Consumers today are looking for services that faster, less formal, and more personalized. This is a difficult enough challenge in any market, but one as diverse as the European banking market poses a particularly daunting task – one that has a growing line of developers who are ready to take the challenge.

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## **10. ROGERS LAUNCHES CYBERSECURITY SOLUTION TO PROTECT CANADIAN BUSINESSES ON SOCIAL MEDIA**

*Source: Rogers Communications Canada Inc (03/15)*

Canadian businesses can better safeguard themselves online with Social Media Security by Rogers, a cloud-based solution that protects their social media accounts. Millions of businesses today use social media to promote their brands and communicate with customers. At the same time, social media scams have become the number one method to breach a company network<sup>4</sup>. Cybercriminals can hack into company accounts, impersonate brands and obtain or leak confidential information on a company's customer base. Social Media Security by



Rogers monitors, identifies and takes fast action against potential threats or hacks to profiles on a business' social media channels.

"A cyber attack on a social media profile has the potential to cost a business millions of dollars, or worse, lasting reputational damage," said Nitin Kawale, President, Enterprise Business Unit, Rogers Communications. "We're focused on providing customers with cyber security solutions that protect their business and customer data, and Social Media Security by Rogers is the latest in a portfolio that we'll continue to expand this year. We are committed to providing these solutions as a service, which means our team of experts manages the day-to-day so customers can focus on growing their business."

Social Media Security by Rogers includes a set of tools that safeguard a business' social media profiles. These tools are provided and backed by a strategic relationship with ZeroFOX, a North American leader in monitoring social media and digital channels for security threats and business risks, and include:- Always-on insights: Businesses have access to data and insights around the clock that will identify malicious posts, profiles, content and false accounts. A team of dedicated security risk analysts monitors businesses profiles to provide this data.- Real-time alerts: Customers will receive real-time alerts from a dedicated monitoring team so they can take fast action against security threats including customer scams, piracy, account take-overs and impersonations. Expedited takedowns: Having established direct relationships with major social networks, content can be taken down in as quickly as a matter of hours, whereas it could take days or weeks for a customer to resolve a cyber attack on their own.

"Social media is without a doubt, a core business application – and securing the business, customer and employee engagement across social media platforms is now a priority for security teams and business owners everywhere," said James C. Foster, CEO, ZeroFOX. "Through our relationship with Rogers Communications, Canadian businesses can now get the leading social media security solution from ZeroFOX delivered by their trusted communications services provider. The problem ZeroFOX and Rogers is solving is part of an evolving security challenge that modern businesses face and one that is costing companies over \$1.2 billion globally."

"Twitter is where people turn to find out what's happening in the world and businesses are now leveraging our platform to connect with their customers in unique, real-time ways," said Rory Capern, Managing Director, Twitter Canada. "To make sure that Twitter keeps its live, dynamic and connected experience, we have prioritized safety. Introducing the Trust and Safety Council was a big step, but part of making sure that users and businesses feel safe comes down to protecting against cyber threats. It's good to see Rogers introduce a solution that will allow Canadian businesses to engage securely on their social platforms."

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## 11. 41 MILLION MERCHANTS WORLDWIDE CHOOSE UNIONPAY

Source: UnionPay International (03/14)

Latest data show that more than 41 million merchants and over 2 million ATMs across 160 countries and regions accept UnionPay cards. Over 10 million online merchants based outside mainland China support UnionPay Online Payment.

UnionPay International offers payment services to both Chinese tourists and global travellers. When improving its acceptance environment, UnionPay International is taking the preferences and payment habits of overseas customers into consideration, providing secure and convenient payment services for various groups of cardholders.

### Drawing a "Global Consumption Map" for cardholders

Now, UnionPay has realized 100% acceptance in Hong Kong, Macau, Mongolia, Cuba and UAE. In Northeast and Southeast Asia, over 70% of the merchants accept UnionPay. In the US, over 80% of merchants accept UnionPay credit cards, while half of the merchants accepting bank cards in Europe accept UnionPay.

With over 70 million UnionPay cards issued in 40 countries and regions, more types of merchants are accepting UnionPay cards. These merchants not only include duty-free stores, shopping centers and hotels, but also include featured restaurants, entertainment establishments and public transports. For instance, in Singapore, cardholders can pay with UnionPay cards at supermarkets, cinemas, gas stations and in taxis. UnionPay is also accepted by over 10 million online merchants based outside mainland China. These merchants not only meet cardholders' cross-border shopping demands, but also provide featured services in airline ticket booking and tuition payment.

### Building a refined acceptance network

Now, UnionPay International is further improving its acceptance network. Firstly, it continues to expand its acceptance footprint and enrich its card-using scenarios. Secondly, it is building core business districts outside mainland China, and is optimizing card-using experiences. Thirdly, it is accelerating the chip migration of its acceptance network, and is promoting issuers to issue UnionPay chip cards. Fourthly, it is rolling out UnionPay mobile QuickPass to satisfy purchasers' demands for flexible and secure payment service.

So far, UnionPay International has built 90 core business districts in the US, Canada, Southeast Asia, Australia and New Zealand. In these districts, UnionPay's merchant coverage is over 70%, the UnionPay logo is easily found, and exclusive privileges are offered for UnionPay cardholders. Moreover, over 400,000 POS terminals in markets like Hong Kong, Macau, Taiwan, Singapore,



Australia, UAE and Canada accept mobile QuickPass. Customers can pay with UnionPay chip cards with "QuickPass" signage and QuickPass-enabled smartphones at these terminals.

*UnionPay is a member of ACT Canada and is a sponsor at Cardware 2017; please visit [www.unionpayintl.com](http://www.unionpayintl.com)*

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## **12. ATB FINANCIAL JOINS R3 DISTRIBUTED LEDGER CONSORTIUM**

*Source: ATB Financial (03/09)*

ATB Financial has joined financial innovation firm R3's consortium to design and apply distributed and shared ledger-inspired technologies to global financial markets. ATB Financial, the Alberta-based financial services provider, will be collaborating with over 75 of the world's largest financial institutions to develop ground-breaking commercial applications for the financial services industry that leverage the appropriate elements of distributed and shared ledger technology.

The R3 team of financial industry veterans, technologists and blockchain and cryptocurrency experts collaborate with consortium members on research, experimentation, design and engineering to help advance this technology to meet banking requirements for identity, privacy, security, scalability, interoperability and integration with legacy systems. Consortium members work closely with R3 to continue the development of Corda™, an open source distributed ledger platform for recording, managing and synchronising financial agreements. Corda is heavily inspired by and captures the benefits of blockchain systems, but with design choices that make it able to meet the needs of regulated financial institutions.

David Rutter, CEO of R3, commented: "We are delighted to welcome ATB Financial to our ever-growing network of members in Canada. Distributed and shared ledger-inspired technology holds the potential to revolutionise the infrastructure used by participants in all financial markets, and we continue to diversify and grow our member base to reflect the interests of sell- and buy-side firms across the globe."

"What excites ATB Financial the most about joining the R3 consortium is having the ability to collaborate with 75 of the world's largest financial institutions to lead the creation of meaningful solutions that will transform the banking industry of tomorrow," said Wellington Holbrook, ATB's Chief Transformation Officer. "We know through listening to our customers how important it is to get the most out of the technology available to us. Developing distributed and shared ledger technology will benefit the entire banking industry and we're ready to see what's possible."

*ATB Financial will be speaking at Cardware 2017; please visit [www.cardware.ca](http://www.cardware.ca)*

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### **13. BANK OF MONTREAL LAUNCHES INTERAC E-TRANSFER SERVICE FOR BUSINESS CUSTOMERS**

*Source: Interac (03/07)*

Interac Association/Acxsys Corporation announced that BMO (Bank of Montreal) is now offering Interac e-Transfer Bulk Disbursement, an extension of Interac e-Transfer, to its commercial customers. The BMO Bulk Interac e-Transfer service enables its business customers to migrate to electronic payments with ease and simplifies the management of payments.

Interac e-Transfer Bulk Disbursement answers the needs of businesses and organizations seeking a secure, cost-efficient alternative to cheques, prepaid cards or cash disbursements. Through an automated file transfer process, businesses can securely and reliably send multiple payments in a single file upload – without the need for the recipients' personal financial information.

"We are excited to offer this new capability and support our commercial customers as they accelerate their move to digital payments. This extension augments our comprehensive online service offering and reflects our commitment to adapt to customers' changing needs," said Sharon Haward-Laird, Head of North American Treasury & Payment Solutions, BMO Financial Group. "Fully integrated into our Online Banking for Business platform, the new service will allow customers to add meaningful messages to their payments for easier and faster reconciliation."

"We are thrilled that BMO has made the business decision to expand the Interac e-Transfer service to its commercial customers," said Mark O'Connell, President and CEO, Interac Association and Acxsys Corporation. "As the demand for innovative payment solutions grows, we're continuing to meet our clients' needs with a secure, cost-effective solution that offers faster reconciliation and greater convenience."

*Interac Association is a member and a partner of ACT Canada. They are a sponsor and a speaker at Cardware 2017; please visit [www.interac.ca](http://www.interac.ca).*

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### **14. AMEX SWEETENS PLATINUM REWARDS POT**

*Source: PYMNTS (03/02)*

American Express is putting on a full-court press to court and keep its affluent — and high card fee paying — Platinum members happy. Happy — and away from their emerging competitors at Chase and Citibank.

To that end, Amex will (as of this month) be giving its Platinum members a series of new perks. Among them are \$200 a year in Uber rides, richer credits for spending, access to more airport lounges, special dining and entertainment



options and free use by family members of an American Express Gold card. But as membership has its advantages, it also has its costs. As of March 30th, the annual fee for card holders will increase to \$550 a year from \$450 a year. JPMorgan stirred up the high-end card market when it introduced its \$450-per-year Chase Sapphire Reserve card, and Citi has been pushing its Prestige card for a while. Both firms are looking to eat into American Expresses' superior profit margins and more affluent and card-spending customer base. The Sapphire Reserve has turned out to be particularly popular for its huge points bonus for signing on — and for being made of metal. American Express will now start using metal for its Platinum cards.

Amex notes it has been working on changes to the Platinum card long before JPMC rolled out the Sapphire Reserve card.

“This is a response to listening to our customers,” an Amex official noted. “We are always looking at ways to bring value to our card members.”

*American Express is a member of ACT Canada as well as a sponsor and a speaker at Cardware 2017; please visit [www.americanexpress.ca](http://www.americanexpress.ca)*

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## **15. CANADA POST JOINS DIGITAL MAIN STREET TO SUPPORT SMALL BUSINESSES IN TORONTO**

*Source: Canada Post (03/14)*

Canada Post is joining with Digital Main Street (DMS), an organization that helps local businesses and start-ups in Toronto find and implement the technology solutions that can help their companies compete and grow. Through this collaboration, more than 35,000 businesses in Toronto's 82 Business Improvement Areas will be able to directly tap into Canada Post's expertise. In particular, retailers will be able to better understand and access the shipping, logistics and e-commerce strategies and solutions that create a more competitive end-to-end online shopping experience. As well, by accessing Canada Post's direct mail and targeting solutions, services, and research findings, local businesses can learn how to more effectively get their brands into their customers' hands.

DMS members will also benefit from an exclusive offer for Canada Post's Snap Admail service – an easy online tool that allows businesses to create direct mail campaigns on any budget – as well as access its Solutions for Small Business program, which includes significant shipping and marketing discounts.

“We are thrilled to be partnering with Digital Main Street to support local Toronto businesses. By enabling small businesses to innovate and grow, we are helping them prepare for success in the challenging and evolving landscape of e-commerce. This partnership is an exciting opportunity for us to focus on small





businesses in the Toronto retail space,” says Rod Hart, General Manager of Parcels and E-commerce Market Development. “This partnership with Canada Post and Digital Main Street provides another example of how the City is working to help its main street retailers grow their businesses,” said Mayor John Tory. “Embracing technology and new ways of doing business will ensure our main streets remain the vibrant backbones of Toronto’s neighbourhoods.”

*Canada Post is a member of ACT Canada; please visit [www.canadapost.ca](http://www.canadapost.ca)*

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## **16. IBM AND SECUREKEY TECHNOLOGIES TO DELIVER BLOCKCHAIN-BASED DIGITAL IDENTITY NETWORK FOR CONSUMERS**

*Source: Payments Business (03/20)*

IBM and SecureKey Technologies announced they are working together to enable a new digital identity and attribute sharing network based on IBM Blockchain. The network will be designed to make it easier for consumers to verify they are who they say they are, in a privacy-enhanced, security-rich and efficient way. When launched later this year, consumers can use the network to instantly verify their identity for services such as new bank accounts, driver's licenses or utilities.

To create a highly secure, global and enterprise-ready ecosystem for sharing identity requires both advanced federated identity technology and blockchain technology specifically designed for regulated industries. Together SecureKey and IBM are developing a digital identity and attribute sharing network using IBM's Blockchain service which is built on top of the Linux Foundation's open source Hyperledger Fabric v1.0. As a permissioned blockchain, the Hyperledger Fabric is an essential component in delivering services that comply with regulations where data protection and confidentiality matter.

The network is currently in the testing phase in Canada, and once it goes live later in 2017 Canadian consumers will be able to opt-in to the new blockchain-based service using a mobile app. Consumers – or network members – will be able to control what identifying information they share from trusted credentials to the organizations of their choice, for those organizations to quickly and efficiently validate the consumer's identity and arrange new services. For example, if a consumer has proven their identity with their bank and a credit agency, they can grant permission to share their data with a utility to create a new account. Since the bank and the credit agency have already gone through extensive verification of the consumer's identity, the utility can choose to rely on the fact that the information is verified, and the consumer can be approved for new services.

"What IBM is building with SecureKey and members of the digital identity ecosystem in Canada, including major banks, telecom companies and government agencies, will help tackle the toughest challenges surrounding identity," said Marie



Wieck, general manager, IBM Blockchain. "This method is an entirely different approach to identity verification, and together with SecureKey, we have a head start on putting it on the blockchain. This is a prime example of the type of innovation permissioned blockchain networks can accelerate."

"Hyperledger Fabric is by far the most advanced permissioned-blockchain technology available today, in my opinion, both in protecting user data and allowing us to work within the context of industry and country privacy laws," said Greg Wolfond, founder and CEO, SecureKey Technologies. "Among the many contributors to Hyperledger Fabric including SecureKey, IBM is a standout innovator that has proven that they can rapidly bring blockchain solutions to production. We are very excited to enter into this formal agreement that will benefit consumers around the world."

*SecureKey Technologies will be speaking at Cardware 2017; please visit [www.cardware.ca](http://www.cardware.ca).*

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## **17. CENTRAL 1, FISERV MAKE IT EASY FOR CREDIT UNIONS RUNNING DNA TO LAUNCH OPEN ANYWHERE**

*Source: Central 1 news (03/01)*

Central 1 Credit Union (Central 1) and Fiserv, Inc. have signed an agreement that makes it easy for credit unions running the DNA account processing platform from Fiserv to launch new online banking products. Under the agreement, Fiserv will provide Central 1 a licence to build and maintain an interface to DNA from the Open Anywhere account opening product and Borrow Anywhere loans origination product. Innovation Credit Union in Saskatchewan will be the first credit union running DNA to use the new API when it launches Central 1's Open Anywhere new member origination solution.

Open Anywhere enables prospective credit union members to open and fund new accounts online in minutes, using their mobile, tablet or desktop devices. It includes full core banking system integration for a streamlined back-end workflow, digital signature capture, real-time account funding via Interac e-Transfer, compliance with the latest regulatory changes, and more. Borrow Anywhere enables credit unions to provide innovative credit offerings, including payday loan alternatives. "Open Anywhere will be a significant part of Innovation's digital strategy," said Dean Gagné, chief omni and digital officer, Innovation Credit Union. "This automated application allows non-members to open, fund and self-manage – in conjunction with other MemberDirect applications – their accounts through either our online or mobile banking platforms. The next logical extension of Open Anywhere will be into our branch network so that non-members can truly have an omni experience. This will be a game changer for Innovation."



"We are delighted to be working with Fiserv on making Open Anywhere an integrated end-to-end experience for all credit unions running the DNA account processing platform," said Margarita Lurye, senior product manager at Central 1. "We would also like to thank Innovation Credit Union for being a fantastic partner and credit union system advocate as we continue to expand our new member origination and lending strategies." "With today's faster, mobile lifestyles, people are looking to manage every aspect of their finances through digital channels, including opening an account or applying for a loan," said Roy Peck, product manager, open solutions, Fiserv. "The interface between the DNA platform from Fiserv and Open Anywhere and Borrow Anywhere from Central 1 will help meet the growing demand for these types of tools among retail members." Fiserv serves more than 100 credit unions across Canada in British Columbia, Ontario and the Prairie provinces.

*Central 1 Credit Union is a member of ACT Canada and a sponsor at Cardware 2017; please visit [www.central1.com](http://www.central1.com).*

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## **18. DREAM PAYMENTS CLOSSES \$10 MILLION SERIES A ROUND TO EXPAND PAYMENTS CLOUD IN THE U.S.**

*Source: Dream Payments (03/08)*

Dream Payments announced the closing of a \$10 million Series A financing round. The round was led by FairVentures Inc, the innovation investing arm of Fairfax Financial Holdings Limited. Connecticut Innovations (CI), Real Ventures and a prominent group of angel investors were also key participants in the financing. The capital infusion will fund the expansion of Dream's payments cloud into the U.S., the acceleration of Dream's third party app ecosystem and the company's continued growth in Canada.

The Dream Payments Cloud (Dream Cloud) is used by businesses of all sizes across Canada to access Dream-powered, cloud-based mobile point of sale (MPOS) and payment services, enabling them to sell everywhere and accept all payments using mobile devices. Dream's approach is unique for a fintech, as it partners with leading financial institutions to enable them to use the Dream "Payments-as-a-Service" Platform to deliver mobile payment solutions to their business customers. This approach has driven Dream's exponential growth in 2016, with gross payment processing volume (GPV) growing more than 30 per cent monthly -- reaching millions of dollars in transactions processed by thousands of merchants nationwide.

"The business world is rapidly transitioning to mobile commerce, which is translating into growing demand for our payments cloud, applications and services," says Brent Ho-Young, Chief Executive Officer of Dream Payments. "This funding, along with ongoing partnerships with established players like TD Merchant Solutions, Intuit Quickbooks and TruShield Insurance, propels Dream



into the American market at a perfect time to serve the critical needs of businesses that are struggling to support emerging payment technologies like mobile wallets, CHIP cards and contactless payments. Dream's explosive growth is proof that emerging fintechs and leading incumbent financial services providers can partner and collaborate to deliver innovative mobile payment solutions that meet the demands of businesses of all sizes."

"The CI team has tremendous confidence in Dream Payments and its ability to transform mobile commerce across a number of industries in the U.S.," said Matt McCooe, CEO of Connecticut Innovations. "Dream has a unique go-to-market strategy and product offering. We spoke with a number of businesses and financial institutions partnering with Dream, all of whom were committed to their cloud-based payments offerings. We are excited to support Dream as it expands its team here in Connecticut, grows its financial institution partnerships and increases its merchant base." Beyond payment processing, Dream recently expanded its payment cloud and application ecosystem to include a deep integration with Intuit QuickBooks, enabling business owners to accept payments, instantly reconcile sales transactions and access business insights at any time or place from any device through the cloud.

"As an early investor, it has been thrilling to see Dream Payments have such a transformational year. They are experiencing exceptional growth as the only payments cloud powering mobile commerce for the leading North American financial institutions," said Janet Bannister, General Partner of Real Ventures.

*Dream Payments is a member of ACT Canada; please visit [www.dreampayments.com](http://www.dreampayments.com).*

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## **19. SUZAN DENONCOURT OF INGENICO RECOGNIZED AMONG THE MOST INFLUENTIAL WOMEN IN PAYMENTS**

*Source: Ingenico Group (03/09)*

Ingenico Group announced that Suzan Denoncourt, managing director of Canada, has been named to PaymentSource's list of the Most Influential Women in Payments in 2017. The prestigious annual list honors the top 25 women who are driving significant change in payments and contributing to the advancement of women across the industry.

"As our industry evolves, women will continue to play a crucial role in developing cutting-edge technologies and spurring new ideas, and as influencers in the space we are committed to fostering growth and solidarity among women in payments," said Denoncourt. "It's an honor to be recognized among the top female leaders who are driving innovation and change across the payments industry."



While this is her first year on the list of PaymentsSource's Most Influential Women in Payments, Denoncourt is a payments industry veteran, with over 25 years of experience spanning business development, operations and finance and oversees all aspects of Ingenico Group's Canadian operation. She also serves as co-chair of the ACT Canada board, an internationally-recognized authority, trusted knowledge resource and catalyst for change in payments and secure identity. Additionally, Denoncourt is a member of the advisory board for Women in Payments, an organization founded in 2012 that offers career development, payment systems education and community building opportunities for women working in the payments industry. The honorees, selected by the editors of PaymentsSource, are responsible for businesses and innovations as diverse as the payments industry itself. They are technologists, entrepreneurs, leaders and influencers throughout the worlds of banking, payment processing, hardware development and merchant acquiring.

*Ingenico Group is a member of ACT Canada as well as an exhibitor and speaker at Cardware 2017; please visit [www.ingenico.com](http://www.ingenico.com)*

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### **20. FIRST FUEL PAYMENT APP TO INCLUDE LOYALTY PROGRAM FOR ADDED CUSTOMER REWARDS AT ESSO-BRANDED SITES ACROSS CANADA.**

*Source: PAYMENTS BUSINESS (03/23)*

Esso has rolled out Speedpass+, a new app which lets customers pay for fuel from their smartphones from Imperial Oil, the first major fuels retailer in Canada to offer a mobile payment option at the pump that combines customer convenience and loyalty rewards.

Available at approximately 1,000 participating Esso-branded sites nationally, the Speedpass+ app allows customers to pay for fuel and car wash transactions at the pump using a smartphone. Customers can securely authorize a pump for payment through the use of cloud-based technology, which does not



require waving or tapping a smartphone at a pump or payment device. The Speedpass+ app also allows customers to link their loyalty card and earn Esso Extra points or Aeroplan Miles on qualifying purchases.

"Imperial is dedicated to making the fueling experience convenient and rewarding for customers across Canada," said Andrew Mackay, retail fuels manager, Imperial. "With the national roll-out of the Speedpass+ app, Imperial is the first major fuels retailer in Canada to offer a fast, easy and secure mobile payment option that enables Esso customers to save time at the pump, while easily accumulating loyalty points. This combination distinguishes the Speedpass+ app as the next generation of customer payment and loyalty programming for the Canadian retail fuel industry." Committed to leveraging technology and delivering innovation, Imperial is rolling out the Speedpass+ app to capitalize on the prevalent use of smartphones among Canadian customers and the increased use and availability of mobile payment systems.

The Speedpass+ mobile payment app is available as a free download for iPhone and Android devices and may be linked to major credit cards as well as Esso Gift Cards, giving customers options in how to pay. In addition, customers can obtain receipts by email, at the pump, or both. With either option, the customer's purchase history is recorded in the app for easy reference, which is particularly helpful for tracking business expenses or calculating fuel economy.

After more than a century, Imperial continues to be an industry leader in applying technology and innovation to responsibly develop Canada's energy resources. As Canada's largest petroleum refiner, a major producer of crude oil and natural gas, a key petrochemical producer and a leading fuels marketer from coast to coast, our company remains committed to high standards across all areas of our business.

*Esso is a member of ACT Canada, please visit; [www.exxonmobil.com](http://www.exxonmobil.com)*

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## **21. SCOTIABANK AND CARDTRONICS RENEW 7-ELEVEN CANADA ATM AGREEMENT**

*Source: CARDTRONICS (03/23)*

Cardtronics and The Bank of Nova Scotia (Scotiabank) announced a long-term renewal of the companies' ATM branding relationship in Canada. The agreement provides Scotiabank customers with No-Fee cash access at more than 640 Scotiabank-branded ATMs located at 7-Eleven Canada stores across the country. This renewed agreement includes an additional 130 locations in British Columbia and Alberta that have been added to 7-Eleven Canada's footprint in recent months.



The renewed agreement extends a relationship established in 2010 across Canada, Mexico and Puerto Rico which expands the bank's ATM footprint, enhances market reach and provides extended No-Fee ATM cash access to its customers at more than 950 ATMs. Cardtronics, the exclusive provider of ATM services to 7-Eleven Canada stores since 2012, entered into a new, long-term ATM services agreement with the convenience store operator earlier this year.

Scotiabank Vice President, Physical Distribution & In-Branch Technology, James Popalis: "At Scotiabank, we know that Canadians want the flexibility to bank anywhere, anytime and we are committed to delivering an excellent customer experience wherever our customers choose to bank with us. We are delighted to continue offering our customers the convenience of No-Fee ATM access to their bank at 7-Eleven stores in Canada."

Cardtronics Executive Vice President and Managing Director, Global Financial Institutions, Brian Bailey: "In this era of digital transformation, consumers today have an expectation of immediacy, and that includes surcharge-free cash access from their financial institution. Cardtronics helps banks simultaneously control operational costs and deliver the cash access account holders want, when they want it – a point proven by our long-standing relationship with Scotiabank."

*Cardtronics and Scotiabank are members of ACT Canada. Cardtronics will be exhibiting at Cardware 2017; please visit [www.cardtronics.com](http://www.cardtronics.com) and [www.scotiabank.com](http://www.scotiabank.com)*

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### **Need to know more about PSD2 & its potential impact on you?**

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