

MEMBER ACCESS PROCESSING

# Payments Report

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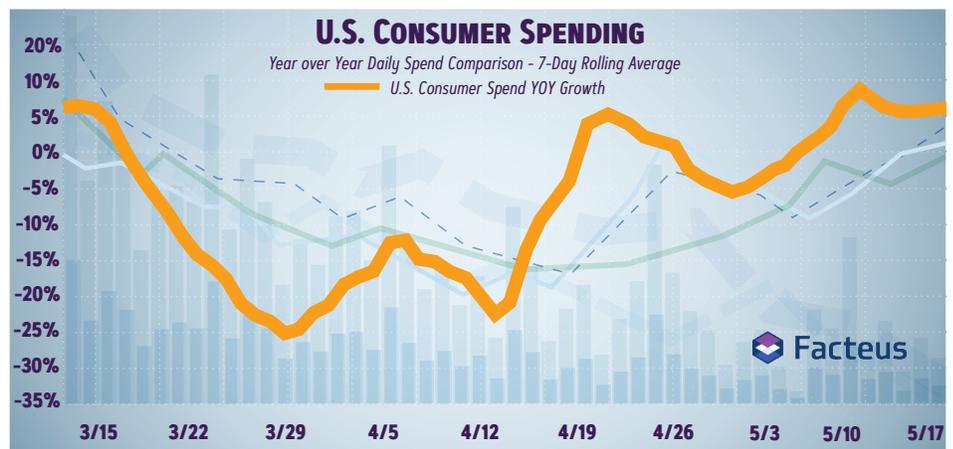


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## Consumer spending takes a COVID-19 Roller coaster ride



With their hearts in their throats, card managers have been watching as consumer spending dropped as much as 30 percent from its normal levels in mid-March. As the country and much of the world took unprecedented steps to confront the COVID-19 pandemic, consumers drastically altered their behavior and redirected dollars towards goods and services associated with a “shelter in place” environment. In the lead up to the lock down, spending at wholesale clubs, discount stores, and variety/dollar stores all began rising the week of February 24 and spiked as much as 54 percent year over year (YOY) the week of March 9.

However, growth decelerated sharply during the last two weeks of March, according to the Fracteus Insight Report on Consumer Spending and Transactions (FIRST) information. Fracteus uses a synthetic data process to transform raw financial transaction data into actionable information reports. The FIRST report shows how the COVID-19 epidemic is impacting the consumer economy in the US, examines how consumers are being impacted and how they are reacting in this unprecedented time.

During the first week of April, consumer spending began to rise back up, only to drop

See “FIRST Spending Report” on page 2

## MAP's Annual Conference: August 20-21 - Seattle, WA

Protecting the health and safety of our clients and guests is our most important priority at Member Access Processing. We are advancing our current best practices and making sure our team and the service providers of MAP's Annual Conference take extra precautions in order to deliver a fulfilling and enjoyable experience. Please look for updates at [uConference20.com](http://uConference20.com) about the enhanced processes and procedures we're upholding to create a happy and healthy environment. Your peace of mind is important to us – if you have additional questions or concerns please reach out to Karl Kaluza, [karl.kaluza@maprocessing.com](mailto:karl.kaluza@maprocessing.com), 206-787-1618.



We are excited to welcome client and guest credit unions to our 20th Annual Payments and User's Conference, a two-day event for credit union professionals to learn about the rapidly evolving payments and financial services industry. This year's conference will kickoff on August 20 with a workshop on how to use shared visioning and a common set of values to engage and create invincible teams. As Michael Jordan memorably said, "Talent wins games. Teamwork wins Championships." The "Invincible Teams" Workshop with Sam Senn will explain how to bring together the right people with the right focus. So, how do you transform a team from invisible to Invincible? An Invincible Team starts with Seriously Good People. Team players who are visionary, innovative, diverse, disciplined, have the ability to flex and align to the best of each others strengths, and most importantly, share an insatiable desire to get things done.



Sam Senn

On Friday, August 21, the second day of the conference will feature business leaders and payments experts. Friday will kick off with Edgar Papke. Edgar is an author, speaker and globally recognized expert in business alignment, leadership and organizational culture. He is the author of True Alignment: Linking Company Culture to Customer Needs for Extraordinary Results, The Elephant in the Boardroom, and numerous essays and articles on business and culture.



Edgar Papke

Joining Edgar for the morning program is Bill Hampel, Economist and Credit Union Expert. Following a long and productive career as Chief Economist

and Chief Policy Officer for the Credit Union National Association (CUNA) in Washington DC, Bill Hampel is now an economic consultant specializing in explaining trends in the economy and financial institutions to business leaders.



Bill Hampel

The afternoon program will focus on Peer-to-Peer Perspectives, Products and Strategies. Based on the Peer-to-Peer Sessions introduced by DPS in 2019, MAP will facilitate a fast-paced, attendee driven and interactive speed networking session where clients share directly their stories around key aspects of their payments business. In these sessions, clients will progress through a series of four peer-to-peer roundtables on topics including fraud strategies, API utilization, portfolio growth and optimization campaigns and the efforts and results tied to bringing credit in-house or to the core.

MAP's 2020 Annual Conference will be held August 20 and 21 at the Edgewater Hotel located on Seattle's waterfront at Pier 67. The Edgewater hotel features guest rooms with views of Elliott Bay and the Olympic Mountains. Guest rooms and suites are fitted with gas fireplaces, knotty pine furniture, and leather chairs. Pike Place Market is within 15 minutes' walk from The Edgewater Hotel, while the Space Needle is within 20 minutes' walk.

MAP hosts this small conference each year for credit unions where we bring together industry experts to meet in a relaxed setting for learning and exploring what is happening in the payments industry and how it will impact our members. As an intimate event for select participants, space is limited. Registration is available online at [www.uConference20.com](http://www.uConference20.com). For more information, please contact your Client Services Manager or Karl Kaluza at 866-598-0698 x1618 or [karl.kaluza@maprocessing.com](mailto:karl.kaluza@maprocessing.com).

## FIRST Spending Report

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off again in the second week. Yet, by mid-April, the one-time stimulus payments of \$1,200 began to arrive. With more than 80 million Americans receiving checks, consumer spending jumped precipitously. And, by the end of April, many consumers had adapted to life in a social-distanced world and were returning to pre-crisis spending behaviors. With news that some restrictions would be lifted in May, the next few weeks will be determinant regarding continued signs of improvement.

One prodigious sign of improvement came May 1, when PayPal marked the company's largest single day of transactions in its history, beating out last year's Black Friday and Cyber Monday. For the second quarter, PayPal expects 15% revenue growth on a currency-neutral basis and 15% growth in adjusted earnings per share. It also projects 15 million to 20 million net new active accounts for the quarter.



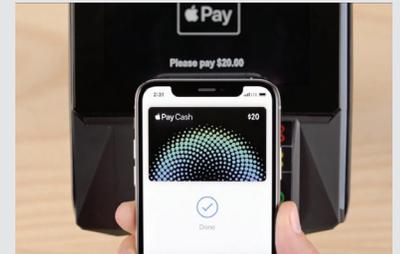
While PayPal is experiencing historic growth, some issuers are taking steps to encourage spending and boost their volumes during the pandemic — but the crisis is also increasing the risk of late and missed payments. Issuers are tailoring their rewards to consumers' current needs and interests in an effort to draw more spending. Amex is offering double rewards for orders through Grubhub and Seamless, while Chase has added benefits for purchases from streaming services and grocery stores. Tactics like these may push consumers to make issuers' cards top-of-wallet when they do make purchases during the pandemic, and could even entice them to spend more than they would've otherwise, helping issuers secure as much volume as possible despite the crisis.

The pandemic is making it hard for some cardholders to make card payments, raising questions about how much issuers should encourage spending. Millions of cardholders are skipping their credit card bills due to the effects of the pandemic, per The Wall Street Journal. And they may not regain the ability to make payments as long as they're unable to go back to work, posing a serious problem for issuers. Issuers facing the possibility of increased delinquencies and charge-offs need to work with cardholders and adjust their offerings to limit the risks. Firms that offer deferral programs and other tools that help cardholders manage their finances may enable more consumers to pay their bills in the future, benefiting issuers' long-term performances. For example, Discover has enrolled 454,000 Discover accounts in its "Skip-a-Payment" programs, which could help it secure payments over time that would've become charge-offs otherwise.

## Industry News

**Apple Pay set to account for 10% of all global card transactions by 2025.** Apple's mobile wallet is growing very fast and taking a chunk of card payments around the world with it.

Apple Pay accounts for about 5% of global card transactions and is on pace to handle 1-in-10 such payments by 2025, according to recent trend data compiled



by Bernstein, a research firm. As iPhone sales plateau, Apple is maneuvering into its services division, which includes Apple Pay. The unit generated \$12.7 billion in revenue in the last three months of 2019, a 17% increase from a year earlier. The company's payments ambitions have the benefit of a massive cash hoard, years of experience in card transactions, and a vast customer base consisting of hundreds of millions of iPhone users. The digital payments race is an immense opportunity, representing about \$1 trillion in revenue around world. Visa and Mastercard process more than \$14 trillion of payments each year and are still growing as more transactions go online, flow through apps, and as consumers in many parts of the world use cash less often.

**U.S. personal savings rate reaches high amid social distancing.** The US personal sav-

ings rate (personal saving as a percentage of disposable personal income) increased to 13.1% in March, up from 8% in February, according to a study from the Bureau of Economic Analysis (BEA).



Consumers put \$2.17 trillion into savings, marking the highest rate since 1981. Spending fell 7.5% in March, as consumers "canceled, restricted, or redirected their spending," per BEA, due to social distancing measures related to the coronavirus pandemic. The personal savings rate has been rising the past couple of years as people likely anticipated a recession — and this rate will likely increase further as consumers continue to social distance and receive their stimulus checks.

**U.S. household debt hit record, despite pandemic.** Americans increased their borrowing for the 23rd straight quarter to a total of \$14.3 trillion, according to the Federal Reserve Bank of New York, the latest snapshot of household balance sheets entering what many experts believe to be a

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# Fraud is on the rise as more commerce moves online with COVID-19

As more consumers turn online for purchases, nearly a quarter of Americans say they have been targeted by digital fraud related to COVID-19 according to a recent survey from TransUnion. The research quantifies a spike in digital commerce since social distancing became widespread globally. The company found a 23% increase in e-commerce transactions in the week following the World Health Organization declaring the COVID-19 outbreak a pandemic on March 11th compared to the average weekly volume in 2020.

"It is clear that social distancing has changed consumer shopping behaviors globally and will continue to do so for the foreseeable future," said Greg Pierson, senior vice president of business planning and development at TransUnion. "No doubt fraudsters will continue to follow the trends of good consumers and adjust their schemes accordingly."

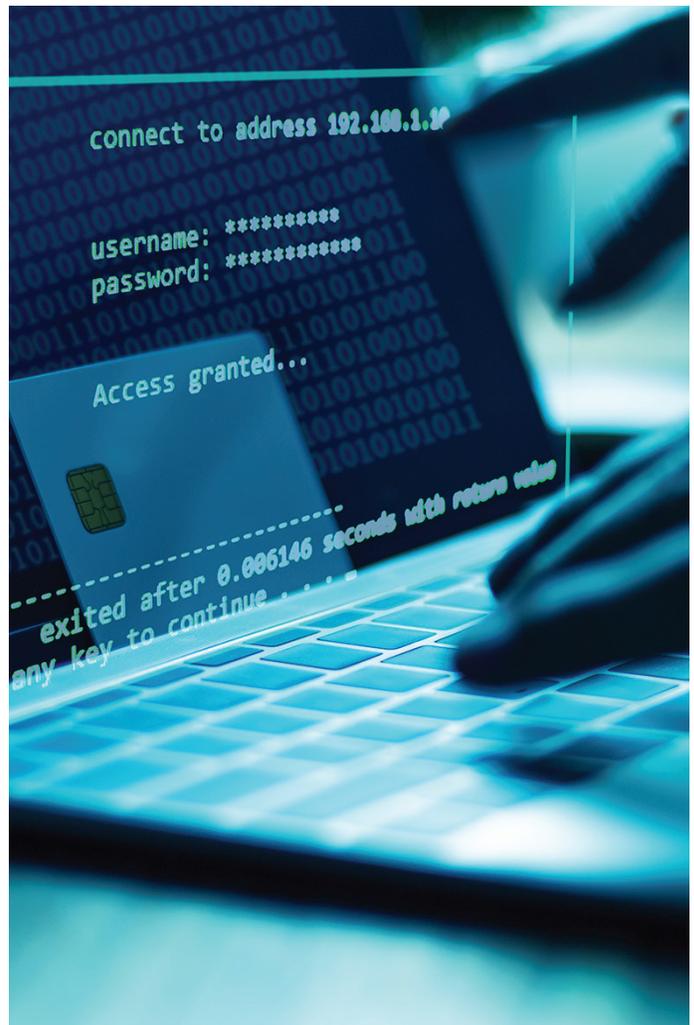
The survey polled 1068 Americans 18 and older, showing that 22% have been targeted by digital fraud related to COVID-19. TransUnion's findings come as it releases its Global E-commerce in 2020 report. In the report, TransUnion reported a 347% increase in account takeover and 391% rise in shipping fraud attempts globally against its online retail customers from 2018 to 2019.

"With so many reported data breaches, it's not just about if your account will be hijacked, it's about when," said Melissa Gaddis, senior director of customer success for TransUnion Fraud & Identity Solutions. "Once a fraudster breaks into an account, they have access to everything imaginable resulting in stolen credit card numbers and reward points, fraudulent purchases, and redirecting shipments to other addresses."

Typical methods used to take over an account include buying login details on the dark web, credential stuffing, hacking, phishing, romance scams and social engineering. Shipping fraud is when criminals take over a customer account but don't change the shipping address in order to avoid detection. Once the package has shipped, they intercept it at the carrier site and change the shipping address.

Besides account takeover and shipping fraud, TransUnion revealed other significant e-commerce fraud and transaction trends:

- 42% decrease in promotion abuse from 2018 to 2019. Cybercriminals access accounts to drain loyalty points or create multiple new accounts to use the same promotion over and over, often against



website and app terms. TransUnion believes this decrease can be attributed to fraudsters turning to more lucrative schemes such as account takeover.

- 78% of all e-commerce transactions came from mobile devices in 2019. That's a 33% increase from 2018. E-commerce companies are scrambling to ensure a mobile-first experience for consumers not just to browse but to buy.
- 118% increase in risky transactions from mobile devices in 2019. Fraudsters have taken notice that more e-commerce transactions are coming from mobile devices and are trying to replicate that consumer behavior in order to avoid detection.

"Although the death of brick and mortar has been well documented, there is still plenty of room for e-commerce growth with one report claiming online retail only makes up 14% of all global retail sales," said Gaddis. "With so much room left for growth, it's important that issuers stay ahead of the emerging transaction and retail trends to provide a friction-right experience for consumers and a fraudster-proof barrier."

# Consumers are satisfied with Contactless Payments



Even though contactless credit and debit card transactions made by tapping a card against a point-of-sale device rely on the same standard as EMV dipped transactions, consumers have different impressions of the security benefits, a newly released study says.

Indeed, 81% of the 1,350 consumers surveyed for the “Emerging Trends at the Point of Sale” report released Monday by FreedomPay Inc. and Ingenico Group state they have an overall positive impression of contact EMV payments, compared to only 59% for contactless EMV payments. Arlington, Va.-based Hanover Research conducted the survey for the report. It also canvassed more than 350 merchants.

The differing perspectives may be partly because of awareness. Only 37% of consumers said they were aware of credit and debit contactless payments. Merchant awareness, at 84% for debit contactless and 82% for credit contactless, was much higher. As more merchants adopt contactless-enabled POS terminals and issuers get more contactless cards into consumer wallets, the opportunity for more contactless payments increases, the report says.

The distinguishing factor is age as only 51% of Baby Boomers said they were satisfied with contactless payments. In comparison, 70% of Generation Z consumers, the youngest adults, like contactless payments. Millennials, at 75%, were the most pleased. Sixty-six percent of Generation X consumers like contactless.

Younger consumers might propel contactless use and adoption the most, however. When asked if contactless acceptance was a must have, 65% of Gen Z respondents agreed. That's in comparison to 47% of Millennials, 43% of Gen X, and 22% of Boomers.

## Visa News

### Visa and other networks delay Interchange Fee Schedule.

American Express, Discover, Mastercard, and Visa are postponing almost all planned US interchange and fee changes to April 2021. The move further extends the planned delay, which had been from April 2020 to July 2020. This is likely because the changes would have raised rates for some

merchants, and businesses may not be able to afford increased expenses as the pandemic cuts into sales. There is one exception: Visa intends to move forward with plans to lower fees for supermarkets now, possibly because supermarkets provide essential goods and stand to benefit from lower fees during the pandemic.



### Visa has postponed the Fuel-Pump EMV Liability Shift.

Visa announced it is delaying the deadline for gas stations to upgrade their payment systems to accept EMV chip and contactless payments to April 2021. This is a vestige of the EMV liability shift that occurred in the US in 2015, which made merchants that haven't migrated to EMV chip technology liable for fraud that occurs in their transactions. Fuel payments were set to make the same transition in October 2020, but Visa is now giving merchants additional time to adjust because the pandemic's potential impact on staffing and supply chains may be making it harder for retailers to upgrade their technology.

### Visa updates contactless communication for Point of Sale

Visa has unveiled a new suite of signage offerings, including point-of-sale (POS) terminal stickers, toppers, table tents, and mats, that merchants can use to encourage contactless payments. The network will offer both branded and network-agnostic options, with messaging ranging from informing customers that a business is now cashless to noting that tap-to-pay is “encouraged” or “preferred.” The move accompanies a broader initiative to provide resources for contactless payments to merchants. Visa's new signage could encourage contactless usage further as it is on the rise amid the coronavirus pandemic, which is pushing both shoppers and sellers to find ways to limit physical contact in-store. Earlier this year, we highlighted widespread signage and merchant



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# How COVID-19 is impacting consumer payment preferences

The rapid spread of COVID-19 has affected nearly every individual on the planet in some way. In the United States, where one-quarter of the population is currently under orders to “shelter in place,” payments and banking have certainly been altered. While the full impact will not be known for several months, the projections and insights provided here will certainly be adjusted at a future date. In the words Johnson and Johnson CFO, Joseph Wolk, used to describing his company's forecast: “One thing I know for certain is we're going to be 100% precisely wrong.”

Yet, we can look back on market crises of other types, take into account consumer trends, and make some informed estimates. Listed below are five key takeaways from Paysafe's consumer payment trends research series “Lost in Transaction: The impact of COVID-19.” The research surveyed 8,000 consumers from the US, UK, Canada, Germany, Austria, Italy and Bulgaria on their current and predicted future attitudes to payment methods.

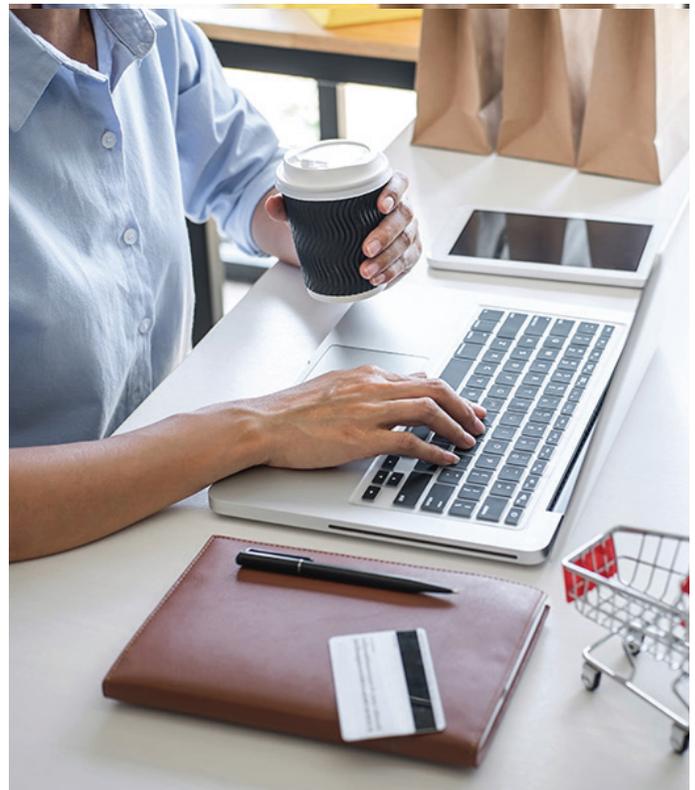
## The surge in eCommerce and its long term growth potential.

Overall, 42% of consumers are shopping online much more because they either cannot, or will not, shop in physical stores. A third of consumers (33%) say that they are shopping online for specific products that they wouldn't need if not for COVID-19. Consumers in the US are being most affected in both regards; over half (54%) of US shoppers are turning to online sellers because they can't access stores and almost as many (46%) say they are making specific COVID-19 related purchases online.

Conversely, while social distancing is having some impact in Germany and Austria, the impact has not been as pronounced. Only a third of consumers in Germany (31%) and Austria (32%) are shopping online more due to lack of access to stores, and even fewer are shopping for COVID-19 specific items online (26% in Germany; 20% in Austria).

More surprising, perhaps, is the percentage of consumers that are now shopping online for the first time during COVID-19. Globally, 18% of consumers said that they are now shopping online for the first time due to COVID-19, and this increases to 25% in the US and 21% in the UK. This is a significant volume of potential long-term customers for online retailers.

**COVID-19 is changing the way people shop online.** Overall, the strong regional payment preferences that existed before the start of the COVID-19 pandemic still remain. Credit cards are the most popular



method of online payment. Globally, digital wallets are almost as popular (39%) with consumers as credit cards (44%) or debit cards (42%), and significantly more popular in Italy (50%) and Germany (43%) than debit or credit card payments.

**COVID-19 is changing consumer's payment methods.** The most significant influence on consumer payment priorities is concern about fraud. A third of consumers (34%) say that being protected against financial loss has become an even greater concern for them since the outbreak of COVID-19, and almost the same percentage (32%) say that guaranteeing that their financial data remains secure is more important to them now than before the COVID-19 outbreak. Reasons for this change in attitude may include consumers' concerns that there are more fraudsters operating during COVID-19, trepidation caused by shopping on more unfamiliar sites, or greater concerns about their financial health generally.

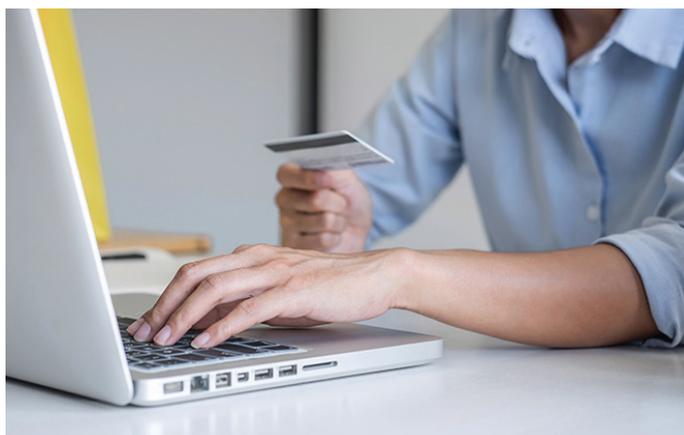
Another factor that has become more important to consumers since the COVID-19 outbreak is the ability to receive a refund on their purchases. Whether real or perceived, consumers believe that getting refunds from merchants is a struggle. This, coupled with the concern that orders will not be facilitated or events will be cancelled, means that almost a quarter (24%) of consumers are considering changing their payment habits to alleviate this concern. This factor is especially relevant to Italian consumers; 38% say that the ease of getting a refund has become more important to them since the outbreak of COVID-19, more than any other factor.

**Consumers are conflicted about using cash.** Consumers appear to be in two minds when it comes to cash usage during COVID-19. On the one hand, consumers are uncomfortable with the idea of not being able to access cash; nearly three quarters (72%) of consumers would be worried if this was the case. So cash remains central to the payments ecosystem even during COVID-19, with half (50%) of consumers going one step further by stating that cash is the most reliable form of payment during a crisis. This sentiment is especially true for consumers in the US (60%), Bulgaria (53%), and Germany (52%); over half of all consumers in these markets say cash is the most reliable method of payment in a crisis.

Overall cash usage may extend beyond COVID-19. The same percentage of consumers (48%) are planning to reduce their cash usage in the long term following COVID-19 due to ongoing concerns about health and safety issues.

**Is this the catalyst for contactless adoption.** If consumers' changing relationship with cash does develop into a long-term trend, then we can expect to see adoption of contactless payments continue to increase. Despite the adoption of contactless being limited in some markets, 65% of consumers already agree that contactless payments are more convenient than cash, and 56% say they are more comfortable using contactless cards now than a year ago. Despite much lower rates of overall adoption, attitudes to contactless payments are also shifting in the US. 69% of US consumers say that contactless payments are more convenient than cash, and 59% say they are happier to use a contactless card than they were this time last year.

And there is evidence that this changing attitude to contactless payments, brought on at least in part by COVID-19, will have a long-term impact. More than half of all consumers (54%) say that using contactless payments more often during COVID-19 means that they are more comfortable with using this payment method in the future. Almost the same percentage (53%) of consumers say that using contactless payments during COVID-19 has meant that they are more comfortable with the concept of a contactless society.



## Industry News

*Continued from page 3*

recession. Total U.S. household debt rose by \$155 billion in the first quarter from the previous three-month period, or 1.1%, the New York Fed's quarterly report showed. Overall household debt is now 28.2% above the second-quarter 2013 trough. The steady increase in consumer borrowing has set records with every passing quarter, but still remains shy of the inflation-adjusted \$15 trillion that Americans owed in 2007, New York Fed data show.

### Credit applications dropped as coronavirus spread, CFPB says.

Consumer credit inquiries for auto loans, revolving credit cards and mortgages dropped sharply in March as unemployment surged, the Consumer Financial Protection Bureau said Friday. The CFPB report illustrated how the coronavirus pandemic is hampering consumer lending. Inquiries to the credit bureaus for auto loans fell 52% between the first and last weeks of March, revolving credit card inquiries dropped 40% and home loan inquiries dropped 27%. The CFPB measured applications for credit based on the number of credit pulls, or "hard inquiries" that lenders perform when a consumer applies for credit. Credit card delinquencies rose to 9.09% in the first quarter, the highest level in more than two years, according to the New York Fed.



### Contactless transit payments expanding in New York City.

One Metro New York (OMNY), New York City's contactless transit system, has exceeded 10 million taps, per a press release. OMNY achieved this milestone less than a year after launching in select subway stations and for certain buses on May 31, 2019. Further, usage appears to be accelerating, considering it just reached 4 million taps in December 2019. Its rapid growth is likely related to OMNY's expansion to more subway stations and buses, and it may continue apace because the system will be available in subway stations in four boroughs as well as all Manhattan local buses by the end of March.



**Mobile wallets to become \$1 trillion industry in 2020.** According to data gathered by news site LearnBonds.com, the mobile wallets market is set to become a \$1 trillion industry in 2020. The strong rising trend is forecast to continue in the following years with the entire market

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# Visa launches an Issuer Dispute Monitoring Program in response to COVID-19 pandemic

In response to the global pandemic situation, Visa implemented a COVID-19 Issuer Dispute Monitoring Program effective April 1. Visa is taking measures to help maintain the integrity of the dispute process by reducing invalid disputes initiated into the system.

Based on the current crisis, Visa is modifying its programs to reduce the burden on its clients and merchants directly impacted by the pandemic.

The COVID-19 Issuer Dispute Monitoring Program primarily arises from challenges faced by the travel and entertainment industry. This sector is experiencing a surge in chargebacks from government closures, as well as cancellations of events, plane tickets, hotel reservations, etc.

Note that Visa has not changed its dispute rules in response to this event. Rather, they are working to reduce dispute volumes and eliminating or preventing invalid disputes in the system with this new program.

Visa operates a series of compliance programs that are focused on minimizing the impact excessive dispute rates may have on the payments ecosystem. Given the current crisis environment, Visa is modifying the programs to ensure that there is less burden on Visa clients and merchants impacted by the pandemic.

Visa continues to maintain that cardholders should work directly with merchants to resolve an issue before a dispute is initiated. Further, they maintain that issuers and acquirers remain flexible in resolving disputes to minimize impacts to cardholders and merchants.

The following key points summarize the measures Visa is taking to support its clients with dispute processing:

- The program will monitor dispute volumes for Airlines, Entertainment, Lodging, Transportation, and Travel Services.
- Any issuer that submits more than 50 invalid disputes daily will be flagged by the program. A dispute for goods or services not received is considered invalid if (a) it lacks detailed explanation of the dispute reason, (b) the merchant is able to provide the service, or (c) the cardholder has not attempted to resolve the dispute with the merchant directly.



- Issuers flagged by the program will be required to reverse all invalid disputes within three business days.
- Failure to reverse invalid disputes and/or repeated flagging by this program will be viewed as non-compliance and could result in non-compliance assessments, and ultimately loss of access to filing Visa consumer disputes.

The following is a summary of the changes in Visa's Excessive Disputes Programs during COVID-19:

To support merchants in the Travel & Entertainment (T&E) industry, Visa will suspend the Visa Dispute Monitoring Program (VDMP) and Visa Fraud Monitoring Program (VFMP) through the July compliance cycle. Risk will not be sending program identifications to acquirers for T&E merchants during this time period. In addition:

- The Visa Acquirer Monitoring Program will be suspended for disputes arising from T&E merchants through the July compliance cycle.
- Regional Risk teams are empowered to suspend and / or waive VDMP or VFMP fees for non-T&E merchants that can demonstrate they have

# Credit limits lowered during the pandemic



Millions of cardholders are missing credit card payments because of the crisis — but lowering credit limits and closing cards can help issuers lessen the risk this poses to issuers. Issuers are walking a tightrope between managing the risk of missed payments and alienating cardholders who need their credit cards more than ever during the pandemic.

According to a survey from CompareCards conducted from April 22-24, a quarter of respondents who have credit cards reported that their credit limit was slashed or that their card was closed in the previous 30 days. Respondents across generations said their limits were lowered or their cards were closed without their permission, with 37% of Gen Zers, 36% of millennials, and 35% of Gen Xers reporting such experiences. Baby boomers do appear to be relatively unaffected, however: Just 8% said their limits were dropped or cards were closed without permission.

Issues like skyrocketing unemployment, which may not improve in the near future as many businesses remain closed, are increasing the risk that consumers will miss credit card payments, building on the already significant risk that existed prior to the pandemic. By lowering credit limits and closing cards, issuers can potentially prevent cardholders from making purchases they won't be able to cover later on, improving issuers' performances during the pandemic.

It's possible that consumers who find their limits slashed and cards closed will turn to alternative payment options, especially younger consumers who are still forming payment habits, potentially harming issuers' future volume. These consumers may continue to use such options after the crisis subsides, which could have a notable negative effect on issuers' performance in the future since younger consumers, who are just gaining spending power, may not be as interested in using credit cards regularly after their limits were adjusted during the pandemic.

## Visa News

*Continued from page 5*

education as key elements for encouraging contactless payments in-store, since they can boost volume and ticket size by eliminating barriers to use. These effects may have intensified in light of the pandemic, which has pushed many merchants to restrict or eliminate cash usage and encouraged customers to move toward contactless payments for safer in-store options.

### Visa adds new requirements for free trials and introductory offers.

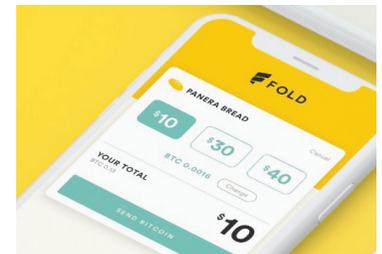
Visa implemented a policy meant to help consumers manage free trials and introductory offers for subscriptions, starting April 18; sellers that offer customers subscriptions with free trials and introductory deals

must send consumers clear information about their subscriptions to limit disputes, which can pop up if consumers are confused or forget about a subscription. Subscription providers will need to send cardholders emails or texts to confirm their terms of agreement; offer notifications about future payments after a trial ends, before they occur; and provide information on how to cancel the subscription.



### Visa and Fold roll out a Bitcoin rewards card.

Visa has teamed up with Fold to offer a new co-branded card with spent rewards in Bitcoin. This became possible as Fold joined Visa's Fintech Fast Track program. Citing Fold, Finance Magnates said that the fintech is the first crypto-related company to gain admission into the program. Under this program, Visa allows fintech companies to accelerate their integration with the payments card scheme.



### Visa heading to be the next trillion dollar company.

Soaring stock prices are propelling Visa and Mastercard up the market value charts, where it is currently rank 7th among companies in the benchmark S&P 500 index. Visa's stock price has gained roughly 50% in the past year. While the stocks may not keep up that pace, Visa could be worth over \$1 trillion by 2023 if its average annual gains of the past three years were to continue, surging past the likes of Facebook and Berkshire Hathaway, if they also maintain their recent pace.

## Industry News

Continued from page 7

reaching USD 2.1 trillion value. The number of people choosing mobile wallets to manage their payment also witnessed a massive jump in recent years.

In 2017, 824 million people globally had been using this method of making payments. According to Statista survey, the number of users jumped to 1.3 billion in the last three years, grow-



ing by 13.5% year-on-year. Millennials and Gen Z members represent the major user groups, with 37% and 25% share, respectively. By 2023, the total number of people using mobile wallets is expected to jump to 1.6 billion worldwide.

**Sofi to acquire Galileo.** The US fintech Sofi is set to purchase the payments technology company Galileo for \$1.2 billion in cash and stock, according to CNBC. The merger, which comes amid the coronavirus pandemic, was reportedly already in talks before the pandemic worsened and follows a wave of payments and fintech mergers and acquisitions, per TechCrunch. Galileo will continue to operate as an independent division within SoFi, which plans to leverage the acquisition to diversify its revenue and open the doors to more business-to-business (B2B) efforts.

### Samsung and Google announce individual plans to launch debit cards.

Samsung plans to launch a Samsung Pay debit card this summer, the company announced. Samsung will launch the card, which will be backed by a cash management account, in partnership with personal finance company SoFi. Google is reportedly working on its own Visa branded payment card as well. Google's card will apparently be a debit card, like Samsung's. Google will also supposedly offer spending-tracking tools for the card. The Google Pay card will include partners like Citi and Stanford Federal Credit Union.



### Businesses, Consumer Groups Push To Keep Cash Alive.

The Consumer Choice in Payment Coalition (CCPC), made up of numerous businesses and consumer representatives, aims to protect the use of cash against the encroaching tide of digital pay. The Coalition will first be pushing HR 2650, or the Payment Choice Act of 2019. That would maintain cash as a valid method of payment nationwide. The CCPC said cash as a method of payment was a reliable fail-safe in times of power blackouts or natural disasters or other such emergencies.



## Augeo acquires Empyr to create Card-Linking Powerhouse



Augeo is acquiring Empyr, a San Diego based card-linking platform for national brands and digital publishers. Together, they will launch a new company called Figg, combining the financial institution card-linking business of Augeo with the extensive publisher experience of Empyr. Augeo will continue to serve its extensive clientele independently, while the new company will represent one of the largest user bases in the card-linking industry, with more than 60 million users and \$300 billion in transaction volume. Figg will bring new card-linked opportunities for advertisers, publishers and consumers.

Empyr launched in 2011 and has since raised \$48.2 million in funding. The company's API relies on data partnerships with VISA, Mastercard, and American Express to power card-linked loyalty rewards for offline businesses.

"While the timing might seem counter-intuitive, we believe there is an urgent need to bring advanced technology and more encompassing advertiser offer content to consumers seeking greater value," said Augeo CEO David Kristal. "Some retail sectors like grocery, household essentials and health-related products are near capacity, while the travel industry, hospitality, restaurants and many local service businesses are battling to stay afloat. As things begin to improve, Figg will be uniquely positioned to connect consumers with advertisers to help accelerate commerce in the U.S. market."

Kristal, who is also Executive Chairman of Figg, said the company chose the name Figg because it reflects its mission. "Figs define persistence and reflect the enduring quality that we felt spoke to our adaptability, sustenance and resolve," he said.

The name also demonstrates the company's adaptability, which is especially relevant in a time of pandemic. "Augeo was first launched during challenging times, and that experience has fortified our ability to press through adversity and grow. Today, we are looking through this current challenging time toward the "next normal." We have a unique strategic focus around cash preservation coupled with ingenuity, adaptability and where possible, growth," added Kristal.

## Letter from the CEO

I genuinely hope you and your family are staying safe and feeling well. We all know the world continues to react to an unprecedented pandemic, and I wanted to update you on the ways in which Member Access Processing (MAP) is evolving to meet our clients' card and payment portfolio needs.

It was with safety in mind that we closed our Kent office and began a full Telework Operation for all of our team the first week in March. Prior to the shelter in place orders, MAP had developed an extensive Telework program as part of our Crisis Management Plan, our company's comprehensive response to manage an incident and/or disaster and its impact on our business and customers. The transition to Telework was seamless, allowing our team to quickly answer client issues that have occurred during the height of the pandemic.

Part of our Crisis Management Plan is to work with our third-party providers to ensure they are prepared and that contingencies are in place to guarantee uninterrupted service to our clients. While some interruptions occurred, we responded quickly to reduce the impacts to members and client institutions. Further, we were here to support clients impacted by disruptions caused by unaffiliated providers, as part of our commitment to ensuring our clients have the resources they need to best service their members.

We have reached out to each of our clients to explain how the economic impacts of the pandemic are influencing their portfolios and how we can help them overcome the downturn in revenue. During the weeks and months ahead, we will develop Impact Plans for each client that details ways to increase card revenue for their institution. Additionally, we are reaching out to client and non-client credit unions with resources about the growing demand for contactless payments.

We are volunteering and supporting frontline workers in cooperation with local restaurants and nonprofits to provide meals and encouragement. In fact, many MAP team members are writing personal notes of thanks to nurses and other frontline healthcare workers. Each week, we share with each other the names of people who deserve our thanks, and then we all send them personal cards.

Finally, we have continued our work as a resource to the larger community by sharing our experience and understanding of payments industry. We've been featured in national and regional publications, including the Wall Street Journal and CNBC, discussing the safety of handling cash that may carry the coronavirus and how Americans could finally be ready to embrace digital wallets and contactless payments.

Now, two months later, the world has learned much more about the virus, and we've taken the time to build what we believe are the right processes and perspective to respond to the crisis. In short, we can help our clients succeed during this unprecedented time. We are committed to a proactive response to the Covid-19 situation and helping our clients understand the impacts and issues as they may arise.

Looking ahead, we welcome your comments and your interest in an enduring relationship akin to those we have forged with our clients. For more information about how MAP can best serve you and your institution, feel free to call me, 1-866-598-0698, ext 1610 or email me at [cyndie.martini@maprocessing.com](mailto:cyndie.martini@maprocessing.com).



**Cyndie Martini**  
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A blue ink handwritten signature of Cyndie Martini.

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