

## CREDIT CARDS AND TOTAL U.S. DEBT

Household debt has grown by 152%, business debt by 110%, and total government debt by 73% over the last 10 years. During that time, credit card debt, which is a subset of household debt, has

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## MASTERCARD DEBIT PROCESSING PLATFORM

MasterCard began taking steps to improve its capabilities as a processor in 2003. The move was designed to strengthen the position of its MasterCard and Maestro debit card businesses

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## PAYMENT GATEWAY FOR DIGITAL CONTENT

Javien Digital Payment Solutions, a provider since 2001 of an ecommerce platform that manages sales of digital content, now offers clients a proprietary gateway and payment processing in

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## CREDIT CARD DEBT SALES 2007 — PART 1

Credit card issuers in the United States received \$3.66 billion last year by selling \$68.23 billion in charged-off debt to third-party buyers. Debt sales increased 29.7% over the \$52.59 billion issuers

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## EUROPE-ONLY CARD NETWORKS

French and German banks including BNP Paribas, Societe Generale, Deutsche Bank, Commerzbank, DZ Bank, and Deutsche Postbank are said to be evaluating the establishment of a new

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## AMEX/DELTA PREMIUM CARDS

Delta Air Lines, which has a cobranded credit card contract with American Express, announced plans to merge with Northwest Airlines this month. Northwest has a cobranded card contract with

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## TWELVE HORSES MOBILE MARKETING

Technology available from Twelve Horses lets financial institutions communicate with their customers by email, fax, voice, and mobile phone. Any information in a database can be integrated

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### LATIN AMERICA



Global General Purpose Cards Worldwide 2007

#### LATIN AMERICA CARD ISSUERS

The table on page 11 shows the 36 largest card issuers in the Latin America/Caribbean region in 2007. They represented \$184.24 billion in purchase volume from 358.7 million general purpose cards (Visa/MasterCard cards plus Maestro, American Express, and Diners Club cards). Of that amount, \$153.66 billion came from 284.5 million Visa, Visa Electron, and MasterCard credit, debit, and prepaid consumer and commercial cards.

The largest general purpose credit card issuers in the region are shown in the table on page 10. Issuers represented 12 countries and had combined purchase volume of \$129.44 billion from 118.7 million general purpose credit cards. Issuers from Brazil had \$74.28 billion from 78.5 million cards, followed by Mexico with \$26.92 billion from 21.5 million cards, Venezuela with

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# FAST FACTS

**CHASE PAYMENTTECH'S** figure for Active Merchant Outlets at year-end 2007 was incorrectly stated in issue #899. The figure should have been 944,043, not 844,043.

**AIRPLUS INTERNATIONAL** is marketing a new corporate MasterCard product in the U.S. with issuer Wright Express Financial Services. Air and rail travel will be billed to The AirPlus Company Account. All other purchases will be billed to the MasterCard account. Richard Crum is President at AirPlus Int'l, (703) 373-0940, rcrum@airplus.com. David Maxsimic is EVP, Sales and Marketing at Wright Express, (207) 773-8171, david\_maxsimic@wrightexpress.com.

**NO. AMERICAN MERCHANT ADVANCE ASSOC.** has been formed to represent merchant cash advance providers and to share industry education and professional development, ethical standards, and best practices guidelines. It also aims to develop products and services and engage in regulatory and legislative advocacy. Jeremy Brown, COO at RapidAdvance, is NAMAA's first President, (240) 514-2000 x102, jbrown@rapidadvance.com.

**TASQ TECHNOLOGIES**, a wholly owned subsidiary of First Data Corp., will be the exclusive U.S. reseller of Ingenico's new low-cost Aqua terminal. Lisa Shipley is SVP, Sales and Marketing at Ingenico North America, (678) 456-1200, lisa.shipley@ingenico.com. Shan Ethridge is General Manager at Tasq Technology, (916) 435-3767, shan.ethridge@tasq.com.

**BANK OF AMERICA'S** new Visa Supply Shelf prepaid card lets teachers make purchases of classroom supplies ranging in value from \$25 to \$750 at designated school supply merchants in stores or from their Web sites. Cindy Duncan is VP/Senior Product Manager at Bank of America, (314) 466-7002, cindy.duncan@bankofamerica.com.

## FEATURED CONFERENCE 15%

### EUROPEAN FORUM ON MERCHANT BUSINESS IN PAYMENTS 08

*Subscribers to The Nilson Report receive a 15% discount on registration.*

**Two-Day Conference**  
**June 5-6, 2008**  
**The Royal Garden Hotel, London, U.K.**

Topics include: industry trends from leading organizations, cross-border opportunities, macro elements shaping the market, solutions around the interchange fee, retailers' needs and solutions, innovative solutions for a cashless society and related challenges, the crucial role of IT development and integration. Speakers represent: European Association of Payment Service Providers for Merchants, HSBC Global, Eurocommerce, Royal Bank of Scotland, European Central Bank, MasterCard, European Payment Council, DnB NOR, Barclaycard, Visa Europe, and more. Cost is \$3,790 (€2,396 + VAT). **Subscribers to The Nilson Report will receive a 15% discount.** Contact Kriszta Nagy at Jacob Fleming, 421 (257) 272-1311, kriszta.nagy@jacobfleming.com. Register at [www.jacobfleming.com/conferences/financial/merchant](http://www.jacobfleming.com/conferences/financial/merchant).

Conference links at [www.nilsonreport.com](http://www.nilsonreport.com)

## FEATURED CONFERENCE 10%

### CARDIST CARD TECHNOLOGIES 2008

*Subscribers to The Nilson Report receive a 10% discount on registration.*

**Three-Day Conference**  
**June 10-12, 2008**  
**The Istanbul Convention & Exhibition Center, Istanbul, Turkey**

Topics include: card payments in Turkey, card payment systems and the fight against the informal economy, new technologies in public transportation, NFC technologies, AKIS project, smart card operating systems, Turkish Banking Industry from past to present, outsourcing trends in card operations, payment technology and innovation, SEPA processing environment and opportunities for Turkey, card processing in-house vs. outsourcing, and importance of advertisement in payments industry. Speakers represent: BKM, Visa, New York Metro Transport Authority, NXP, MasterCard Worldwide, Oyteck, First Data, DHL Boer, TSYS, and more. Cost is \$451 (€285) for the first hall and \$316 (€200) for the second hall. Contact Okan Tenha at NTSR, 90 (541) 425-6300, okan.tenha@ntsr.com.tr. Register at [www.cardist.com.tr](http://www.cardist.com.tr).

Conference links at [www.nilsonreport.com](http://www.nilsonreport.com)

**ALLIANCE DATA** has terminated the agreement signed May 17, 2007 calling for its takeover by affiliates of private equity firm The Blackstone Group. The decision was made after Blackstone's affiliates decided not to close the transaction. Alliance Data has begun litigation seeking payment of a \$170 million business interruption fee called for in the original agreement.

**EVO MERCHANT SERVICES** has renewed and expanded its merchant processing service agreement with TSYS Acquiring Solutions. EVO supports 165,000 merchants that generate 250 million transactions annually with more than \$16 billion in processing volume. Jeff Rosenblatt is COO at EVO Merchant Services, (516) 962-7938, jrosenblatt@goevo.com. Robert Philbin is President at TSYS Acquiring Solutions, (480) 333-7621, bob.philbin@tsysacquiring.com.

**FIDELITY NATIONAL INFORMATION SERVICES' FIS** Expedited Payments lets financial institutions and merchants deploy an online payment option for statements and invoices. Consumers can search, view, and pay their bills through an online user interface. They can make payments with debit cards, credit cards, and electronic checks via their Web site or IVR, or by using call-center assistance. All payments are processed in real time. Anthony Jabbour is EVP, FIS Core Processing and E-banking, (407) 551-8396, anthony.jabbour@fnis.com.

**IPCAPITAL GROUP** has been retained by CardinalCommerce to improve the market and business opportunities for patents CC owns related to payment acceptance at merchants, particularly those that use passwords, dynamic numbers, biometrics, and other forms of authentication. John Cronin is Managing Director at ipCapital Group, (802) 872-3200 x210, jcronin@ipcg.com. Mike Keresman is CEO at CardinalCommerce, (440) 352-8444, mikek@cardinalcommerce.com.

**PLANET PAYMENT**, the international multicurrency payment and data processor, purchased the assets of the iPay unit of bankrupt Pay by Touch Payment Solutions for \$1 million. The assets include payment gateway technology as well as two merchant portfolios. Planet Payment gains processing contracts with 4,000 merchants referred through agent banks and another 850 merchants signed by ISOs. The processing volume from the 4,850 merchants is projected to exceed \$1 billion over the next 12 months. Philip Beck is CEO at Planet Payment, (516) 670-3200, pbeck@planetpayment.com.

**LOYALTY LAB** will offer its loyalty and customer retention marketing capabilities to the more than 70 retailers that offer private label and cobranded credit cards through HSBC. Merchants will be able to internally collect and analyze information to improve customer retention. Brian Hughes is EVP, Mktg., Card Services at HSBC, (224) 544-2000, brian.d.hughes@us.hsbc.com. Mark Goldstein is CEO at Loyalty Lab, (415) 659-8270 x801, mark@loyaltylab.com.

**RSA**, a provider of security technology products and services to more than 90% of the Fortune 500, has signed a two-year supply and license agreement with Innovative Card Technologies to market that company's one-time-passcode ICT DisplayCard. Christopher Young is VP, Identity and Access Assurance Group at RSA, (781) 515-6268, cyoung@rsasecurity.com. Steven Delcarson is CEO at Innovative Card Technologies, (310) 312-0700, sdelcarson@incardtech.com.

**DISCOVER FINANCIAL SERVICES** has signed agreements with another 7 community banks. This brings to 11 the number of financial institutions that have publicly disclosed plans to issue Discover brand signature-based debit cards. The banks are already customers of Pulse, DFS's PIN-based network. Judith McGuire is SVP, Product Management at Pulse, (832) 214-0165, jmcguire@pulse-ef.com.

**HBNET**, a subsidiary of Hypercom, will provide high-speed transaction transport services to Pacific Network Access, a company that is building a host-based customer loyalty program for retail stores in partnership with Infinity Network, a marketing firm. Connie Festa is VP, Global Network Services at Hypercom, (602) 564-5000, cfesta@hypercom.com. Eli Feder is CEO at Infinity Network, (516) 295-6092 x203, elif@infinitynetworkrewards.com. Linda Bryant is CEO at Pacific Network Access, (707) 433-4260, linda.bryant@pacificnetworkaccess.com.

**APRIVA**, a top provider of the hardware, software, and infrastructure merchants need to accept payment card transactions using wireless networks, now offers Apriva Online Terminal, an Internet browser-based payment "terminal for PCs" that supports credit, signature, and PIN debit transactions. Bill Clark is SVP, Sales and Marketing, (480) 421-1300, bclark@apriva.com.

**CAPITAL CARD SERVICES**, a back-office service provider of credit card accounts and a processing client of First Data since 2003, has renewed its First Data contract. CCS manages 500,000 MasterCard and Visa card accounts for multiple financial institution customers. Jeffrey Aegerter is CEO at Capital, (605) 782-3330, jeff.aegerter@capitalcardservices.com. Matt Lewis is President, Financial Services division at First Data, (770) 857-7113, matthew.lewis@firstdata.com.

**BANK ZACHODNI WBK** in Poland will license Metavante Technologies' Cortex card processing software platform to issue and support contactless prepaid Maestro and Visa cards. John Yeomans is President at Metavante Technologies, 44 (20) 7292-2421, john.yeomans@metavante.eu. Pawel Wlodarczak is Director, Electronic Banking Systems at Bank Zachodni WBK, 48 (61) 850-3332, pawel.wlodarczak@bzwbk.pl.

**BANGKOK BANK** has launched Thailand's first contactless credit card. The Visa Blue Wave card is in partnership with Bangkok Mass Transit System. The chip lets cardholders make contactless payments for Bangkok's SkyTrain elevated train service as well as for purchases at supermarkets, cinemas, and retailers including McDonald's, Burger King, and Starbucks for transactions up to approximately \$50. Bangkok Bank is the largest commercial bank in Thailand. Shoke Na Ranong is SVP, Credit Card Division at Bangkok Bank, 66 (2) 230-2800, shoke.nar@bbl.co.th.

## MANAGEMENT CHANGES

**Thomas Boyer**, formerly at Nova Info. Services, has been appointed EVP, Business Development at **Veracity Payment Solutions**, (404) 492-6600, tom.boyer@veracitypayments.com. **Joleen O'Malley** has been appointed Business Development Executive at **Monex Financial Services**, 353 (64) 30613, jomalley@monexfs.com. **Antonio de Castro Bueno** has been appointed Business Expansion Director, Brazil at **TSYS**, 55 (11) 5501-2081, ajbueno@tsys.com.br. **Pam Patsley**, formerly at First Data, has been appointed an Operating Partner at **Advent International**, (617) 951-9410, ppatsley@adventinternational.com. **James Cichy**, formerly at Fifth Third Bank, has been appointed VP, Fraud Management at **Pulse**, (832) 214-0289, jcichy@pulse-ef.com. **Judith McGuire** has been appointed SVP, Product Management at **Pulse**, (832) 214-0165, jmcguire@pulse-ef.com. **Haddon Libby** has been appointed CFO at **El Paseo Bank**, (760) 834-3121, haddon@elpaseobank.com. **Jason Putnam**, formerly at Chase Paymentech, has been appointed Director, Client Relations at **First American Payment Systems**, (817) 317-9100, jason.putnam@first-american.net. **Bryan Wine**, formerly at First Nat'l Merchant Solutions, has been appointed Sales Manager at **Planet Merchant Processing**, (402) 964-1951, bwine@planetmpi.com. **Bruce Bell**, formerly at First Data, has been appointed Regional Sales Manager, Commercial Cards and Services at **CPI Card Group**, (303) 858-0036, bbell@cpicardgroup.com. **Derek Fry** has retired as President, Visa Canada. **Tim Wilson** has been appointed Head, Visa Canada effective May 30 at **Visa**, (416) 367-8472, twilson@visa.com. **Melissa Bernardino**, formerly at A&T, has been appointed Director, Product Development at **Transactis**, (301) 469-3800, mbernardino@transactis.com.

**CREDIBANCO** in Colombia has acquired another 18,700 POS terminals from VeriFone. It bought 7,000 VeriFone terminals last year. Fernando Lopez is VP and GM at VeriFone Latin America and the Caribbean, (305) 670-1820, fernando\_l1@verifone.com. Carlos Andres Lindo is Director, Operations at Credibanco, 57 (1) 376-6440, clindo@visa.com.co.

## CONFERENCES & SEMINARS

**CARDS MIDDLE EAST 2008:** May 18-21, 2008. The Al Bustan Rotana Hotel, Dubai, UAE. Estimated attendance: 200+. Cost range for the four-day conference is \$3,500 – \$6,000. Contact Paul Gilbertson at Terrapinn, 44 (20) 7092-1245, paul.gilbertson@terrapinn.com. Register at [www.terrapinn.com/2008/cme](http://www.terrapinn.com/2008/cme).

**CARDEX 2008:** May 26-27, 2008. The Cairo International Convention Center, Cairo, Egypt. Estimated attendance: 160. Cost for the two-day conference is \$1,550. **Subscribers to The Nilson Report will receive a 20% discount.** Contact Magda Ghazal at Egytec Engineering, 20 (2) 2735-3877, magdaghazal@egytec.com. Register at [www.cardex-middleeast.com](http://www.cardex-middleeast.com).

**EUROPEAN CARD ACQUIRING FORUM:** June 4-6, 2008. The Sheraton Brussels Airport Hotel, Brussels, Belgium. Estimated attendance: 120. Cost for the three-day conference is \$4,197 (€2690 + VAT). **Subscribers to The Nilson Report will receive a 10% discount.** Contact Gabriel Meixner at Empiria Group, 421 (376) 969-211, gabriel.meixner@empiriagroup.eu. Register at [www.europeancardacquiring.com](http://www.europeancardacquiring.com).

**FIMA MARKET DATA 2008:** June 16-18, 2008. Le Meridien Piccadilly, London, U.K. Estimated attendance: 200. Cost for the two-day conference and Focus Day starts from \$3,592. Earlybird discounts available. Contact Amir Sebahat at WBR, 44 (20) 7368-9465, amir.sebahat@wbr.co.uk. Register at [www.fimamarketdata.com](http://www.fimamarketdata.com)

**PREPAID CARD COMPLIANCE 2008:** June 17-18, 2008. The Madison, a Loews Hotel, Washington, D.C. Estimated attendance: 100. Cost for the two-day conference is \$1,995. **Subscribers to The Nilson Report will receive a 15% discount.** Contact Joseph Zerbo at American Conference Institute, (212) 352-3220 x228, j.zerbo@americanconference.com. Register at [www.americanconference.com/prepaidcard.htm](http://www.americanconference.com/prepaidcard.htm).

**CARDS & PAYMENTS EUROPE:** June 19-20, 2008. The Conrad Brussels, Belgium. Estimated attendance: 200+. Cost for the two-day conference is \$3,060. **Subscribers to The Nilson Report will receive a 20% discount.** Contact Customer Services at VRL Knowledge Bank, 44 (20) 7563-5627, events@vrlknowledgebank.com. Register at [www.cpeurope.com](http://www.cpeurope.com).

**GLOBAL COLLECT**, a provider of payment processing support to card-not-present merchants, has opened an office in Singapore to market its service in the Asia/Pacific region. Simon Dewsom is VP, Business Development Singapore, (65) 6408-8220, simon@globalcollectapac.com.

**LA CAJA INSULAR DE AHORROS DE CANARIAS** and **EURO 6000** in Spain are the first companies in Europe to test the MasterCard contactless PayPass product in a mini card that fits on a keychain. José Sirvent is Country Manager at MasterCard, 34 (91) 515-9401, jose\_sirvent@mastercard.com. Patricio Almendros is Business Development and New Technologies Engineer at Euro 6000, 34 (91) 596-2682, palmendr@euro6000.es. Santiago Gonzalez is Payment Systems Manager at La Caja de Canarias, 34 (928) 002-530, santiago.gonzalez@lacadajadecanarias.es.

**PAYMATE** will offer Indian expatriates living in the U.S. its GiftMate mobile phone-based gift voucher. Users can send vouchers worth up to \$50 to consumers in India for use at more than 3,000 online merchants. The voucher cannot be redeemed for cash. GiftMate targets consumers that want to send spontaneous gifts. PayMate has partnerships with Standard Chartered, ABN Amro, and Bank of Ceylon. Ajay Adiseshann is CEO at PayMate, 91 (98) 2006-4993, ajay@paymate.co.in.

**PAYLIFE BANK** in Austria has signed an acquiring processing contract with Switzerland-based Telekurs Card Solutions. Telekurs expects to process more than 500 million transactions annually under the deal which begins in 2010. Currently, PayLife uses First Data Int'l to process the acquired transactions from its 97,000 merchants. Felix Aeschlimann is CEO at Telekurs Card Solutions, 41 (848) 661-111, felix.aeschlimann@telekurs.com. Ewald Judt is Managing Director at PayLife, 43 (1) 71701-1700, ewald.judt@paylife.at.

**WPG AMERICAS** will market Innova Card's USIP 32-bit secure financial transactions microcontroller to the POS terminal, kiosk, PIN pad, vending, gaming, access control, and other industries that use magnetic stripe, smart cards, and contactless transactions. Allan Hamilton is SVP, Marketing at WPG Americas, (408) 392-8100, allan.hamilton@wpgamericas.com. Samuel de Saint Laurent is Director, EMEA and Americas Sales at Innova Card, 33 (4) 4298-1480, samuel.desaintlaurent@innova-card.com.

**ADVANCED PAYMENT SOLUTIONS**, a U.K.-based prepaid card program manager and marketer of the Cashplus prepaid gold MasterCard since 2005, has signed an agreement to receive card account processing support from Metavante Technologies. TSYS had been handling processing for APS. Rich Wagner is Chief Executive at APS, 44 (20) 7100-5888, rich.wagner@apsgroup.com. John Yeomans is President at Metavante Technologies, 44 (20) 7292-2421, john.yeomans@metavante.eu.

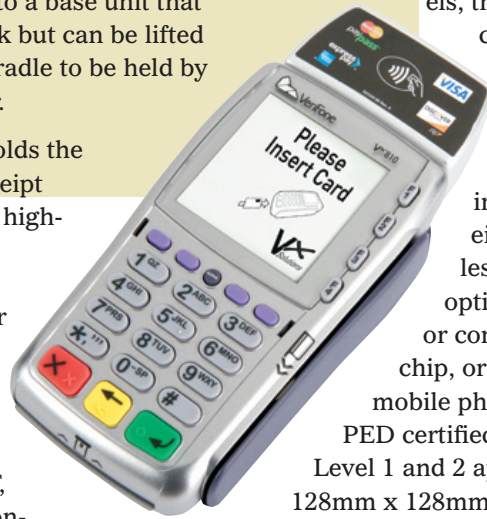
**QUATRO RISK MANAGEMENT SERVICES** has launched Early Warning Fraud Risk Management Operations Services for retail banks and credit card companies at its operations center in Gurgaon, India. The center acts as an extended arm of a client's in-house fraud operations unit, providing 24x7 extended coverage including weekends and holidays. Vaman Sriraman is CEO, (65) 9632-7310, vaman.s@quattro.com.

## VERIFONE V<sup>x</sup>810 DUET POS TERMINAL

VeriFone's newest POS terminal is tethered to a base unit that faces a clerk but can be lifted from that cradle to be held by a consumer.

The base holds the thermal receipt printer and high-speed communication software for a standard 14.4K modem that supports Bell, CCITT, and Fast Connect for 1,200 bps.

The printer has graphic capabilities and delivers 18 lines per second in 24, 32, or 42 columns. Like the VeriFone V<sup>x</sup>510 and



V<sup>x</sup>570 countertop models, the V<sup>x</sup>810 Duet can accept payments secured with a PIN, and those initiated with either a contactless (through an optional module) or contact-type chip, or with an NFC mobile phone. It is PCI PED certified and EMV Level 1 and 2 approved. The 128mm x 128mm pixel graphical LCD supports 16 lines x 21 characters with a standard font set. The high-coercivity magstripe reader is triple track and bidirectional. Prior issues: 897,

### CONTACTS

- **Nigel Bidmead** is EMEA Managing Director in Middlesex, U.K., 44 (1895) 275-161, [nigel\\_b2@verifone.com](mailto:nigel_b2@verifone.com).
- **Jeff Dumbrell** is General Manager, North America in Alpharetta, Georgia, (770) 754-3600, [jeff\\_d3@verifone.com](mailto:jeff_d3@verifone.com).
- **Fernando Lopez** is VP, Latin America and the Caribbean in Miami, Florida, (305) 671-6561, [fernando\\_l1@verifone.com](mailto:fernando_l1@verifone.com).
- **Bill Nichols** is SVP & GM, Asia/Pacific in Miami, Fla., (305) 671-6564, [bill\\_n3@verifone.com](mailto:bill_n3@verifone.com).
- **Lazy Yanay** is Managing Director, Turkey & Israel in Park Afek Rosh-Ha'ayin, Israel, 972 (3) 902-9730 x8214, [lazy\\_y1@verifone.com](mailto:lazy_y1@verifone.com).

895, 894, 892

## AMEX/DELTA PREMIUM CARDS

(from page 1)...



U.S. Bank. American Express has just started marketing new consumer and small business credit card products to Delta's affluent frequent flyer customers in the U.S. The new Delta Reserve credit cards, available for a \$450 annual fee, come with travel-related benefits that are better than those on any of the classic, gold, or platinum

cobranded Amex/Delta cards on the market since 1996.

In addition to earning SkyMiles, which are redeemable for travel awards, reserve cardholders earn Medallion Qualification Miles (MQMs), which count toward elite status with Delta. Cardholders earn 15,000 MQMs for \$30,000 in annual spending, and another 15,000 MQMs if they reach \$60,000. Currently, Delta's SkyMiles frequent flyer customers earn MQMs based on a multiple of the distance flown and fare class purchased on Delta flights, or if they use the

Delta/Amex Platinum card, which caps MQMs at 20,000 annually. Other Reserve card benefits include priority boarding privileges, Pay with Miles opportunities, frequent traveler security line privileges (see Clear Card, issue 896), and access to Delta's airport lounges.

Reserve cardholders will be able to share their MQMs with family and friends, a perk not available to other SkyMiles or credit card customers. They'll also receive round-the-clock concierge services that include gift buying and restaurant reservations. Jeff Robertson is Managing Director of SkyMiles at Delta Air Lines in Atlanta, Georgia, (404) 715-9417, [jeff.robertson@delta.com](mailto:jeff.robertson@delta.com).

**RESERVE CARD-HOLDERS EARN WHAT DELTA CALLS MEDALLION QUALIFICATION MILES.**

American Express's long-standing connection to Delta goes beyond cobranding cards. Amex also has a merchant-acceptance agreement with the airline, as well as a Membership Rewards earning and redemption relationship. Delta is also a top travel supplier in Amex's consumer and corporate travel business, which is the world's largest. The

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## AMEX/DELTA AIR PREMIUM CARDS

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contracts supporting all of these partnerships have multiple years remaining.

In addition to the existence of ongoing contracts, Amex's past support of the airline could be a potential influence in any future battle between Amex and U.S. Bank to provide cobranded cards to the post-merger Delta. In 2004, American Express participated in Delta's financial restructuring by prepaying \$500 million for Delta SkyMiles

and Membership Rewards. Amex also provided a \$100 million loan as part of a new credit facility that Delta had with other lenders. In 2005, as part of its bankruptcy announcement, Delta said it would repay those debts. American Express and Delta agreed to replace the previous financing with a new \$350 million prepayment of secured financing. David Rabkin is VP, Delta Cobrands at American Express in New York, (212) 640-6952, david.i.rabkin@aexp.com.

## EUROPE-ONLY CARD NETWORKS

(from page 1)...

Europe-only payment card network that would compete with Visa and MasterCard. The banks might be particularly interested in offering an alternative to MasterCard and Visa debit

products. Both card companies should see strong transaction growth over the coming years in the 31 European countries that are part of the Single Euro Payments Area (SEPA).

One of SEPA's several aims is to increase competition among debit cards for both in-country and cross-border systems.

The consortium of French and German banks would be the third new network to be proposed in Europe. Payfair, said to be under development by an

entity called European Payment Solutions, aims to be a debit card issued by both merchants and banks. Merchants would pay a flat per-transaction fee when accepting Payfair cards.

Transactions would be authorized online. Pilot tests could take place this summer.

The Euro Alliance of Payment Schemes is a cross-border sharing arrangement among PIN-based debit

systems operated by Pago Bancomat and Bancomat in Italy, Electronic Cash and Deutsches Geldautomaten System in Germany, Euro 6000 in Spain, Link in the U.K., Multibanco in Portugal, and Eufiserv, which has bank members throughout Europe. Not all members of

these systems plan to participate in EAPS. Some Italian banks have already opted out.

None of the new programs has been given any official backing from the European Union's Competition Commission, but it is believed that all would be encouraged. The Commission has fought MasterCard (issue 898) and Visa (issue 899) over interchange fees merchants pay acquirers, and seems to be signaling for the establishment of cross-border systems that disintermediate MasterCard and Visa, even if they don't reach into all 31 countries covered by SEPA. However, many European banks don't want to invest in upgrading existing national systems when both Visa and MasterCard offer pan-European debit programs at less cost.

... AN ALTERNATIVE TO MASTERCARD AND VISA DEBIT PRODUCTS.

## ZOOT CREDIT DECISIONING FOR RED FLAG COMPLIANCE

To help combat identity theft, the federal regulatory agencies and the Federal Trade Commission have mandated new rules for the Fair and Accurate Credit Transactions Act of 2003 (FACTA). All U.S. companies that extend credit or maintain deposit accounts, including third-party agencies and legal firms that collect debt, must comply by November 1. Commonly known as Red Flag rules, they require creditors to formulate an

Identity Theft Prevention Program that identifies what types of suspect patterns or activities could indicate that a customer's identity is at risk, put practices into place that would detect those events, and then either thwart or mitigate them.

For card issuers, the most obvious Red Flag is a request for an additional or replacement credit card that closely follows a change of address, since



bogus address changes are believed responsible for about two-thirds of identity fraud. Having an address verification program is specifically covered in Facta's Section 315. Lenders also need Red Flags for credit applications received via the Internet, which generate attempted fraud rates that are 10 times greater than applications received by mail or phone.

Facta's Section 114 says that organizations must be able to identify when account activity deviates from its typical pattern, such as when there is an increase in credit inquiries or a surge in new credit relationships. Detecting these types of patterns requires evaluating data from credit reporting agencies.

Zoot Enterprises has a Red Flag solution that it sells either as a standalone product or as part of its credit decisioning (Spoc) and loan origination (Kairos) software. It can also integrate capabilities from software available from ID Insight (address verification) and ID Analytics (fraudulent application identification). Additional interfaces can be written for LexisNexis, Acxiom, and others depending on an institution's specific requirements. Eric Lindeen is Director of Marketing at Zoot Enterprises in Bozeman, Montana, (406) 556-7449, eric@zootweb.com.

## CREDIT CARD DEBT SALES 2007

(from page 1)...

sold in 2006. Nearly 27% of the charged-off debt sold last year was linked to consumers who had filed for Chapter 13 bankruptcy protection. Companies who buy that kind of debt paid issuers an average of 11¢ on the dollar. Prices for nonbankruptcy debt varied. The four publicly traded debt buyers paid an average of 2.9¢ on the dollar. The other firms paid an average of 3.7¢.

The 28 buyers listed here are ranked by the face value of credit card debt they bought directly from card issuers. The top 10 buyers accounted for 81.3% of sales. The face value of all types of consumer debt purchased by these companies — including medical, utility, auto, and government debt — amounted to \$91.12 billion, which represented an all-time high.

Sherman Financial, which collects bankruptcy debts along with B-Line, Portfolio Recovery Associates, and eCast, has ranked number one among card debt buyers for the past six years. The company is 46% owned by Morgan Guaranty and Radian Guaranty. Publicly traded Portfolio Recovery Associates kept its second place ranking. Publicly traded Asta Funding moved up to third place from fourth, overtaking Unifund.

The top brokers, who both sell debt on behalf of card issuers and resell debt acquired by third-party buyers, were led by National Loan Exchange, which managed \$8.00 billion in card debt sales. Garnet Capital Advisors with \$5.00 billion and LoanTrade with \$4.00 billion came next. Other brokers collectively sold \$2.50 billion in card debt. Prior issues: 881, 880, 792, 766, 752, 750

### Buyers of Card Debt

Rank	Buyer	Direct <sup>(1)</sup> (Mil.)	Total <sup>(2)</sup> (Mil.)
1.	<b>Sherman Financial</b>	\$11,500.0	\$13,500.0
2.	<b>Portfolio Recovery Assoc.</b>	\$9,800.0	\$11,130.0
3.	<b>Asta Funding<sup>(3)</sup></b>	\$7,857.0	\$8,730.0
4.	<b>Unifund</b>	\$6,800.0	\$7,500.0
5.	<b>Encore Capital</b>	\$5,229.0	\$6,900.0
6.	<b>Arrow Financial</b>	\$3,200.0	\$4,700.0
7.	<b>Asset Acceptance Capital</b>	\$3,100.0	\$5,300.0
8.	<b>B-Line</b>	\$2,917.0	\$3,030.0
9.	<b>eCast</b>	\$2,696.0	\$5,658.0
10.	<b>Collect America</b>	\$2,340.0	\$3,000.0
11.	<b>NCO Portfolio Management</b>	\$2,050.0	\$5,800.0
12.	<b>West Asset Management</b>	\$1,900.0	\$2,330.0
13.	<b>Fourscore</b>	\$1,785.0	\$2,100.0
14.	<b>Ophrys</b>	\$1,100.0	\$1,100.0
15.	<b>Atlantic Credit &amp; Finance</b>	\$980.0	\$1,200.0
16.	<b>Midwest (was RB Cons.)</b>	\$472.0	\$472.0
17.	<b>Absolute Resolutions</b>	\$398.0	\$768.0
18.	<b>New Century</b>	\$372.0	\$372.0
19.	<b>Collins Financial Services</b>	\$300.0	\$1,500.0
20.	<b>Crown Asset</b>	\$261.0	\$402.0
21.	<b>Houston Funding</b>	\$163.0	\$163.0
22.	<b>Credit Bureau of No. Amer.</b>	\$150.0	\$160.0
23.	<b>Oliphant</b>	\$142.0	\$142.0
24.	<b>RJM Acquisitions</b>	\$132.0	\$1,361.0
25.	<b>Global Acceptance</b>	\$120.0	\$230.0
26.	<b>Accounts Retrievable</b>	\$83.0	\$89.0
27.	<b>First Resolution</b>	\$58.0	\$385.0
28.	<b>The Sagres Company</b>	\$27.0	\$127.0
	<b>Other<sup>(4)</sup></b>	\$2,300.0	\$2,968.0
	<b>TOTAL</b>	<b>\$68,232.0</b>	<b>\$91,117.0</b>

(1) Debt bought directly from card issuers. (2) Total purchases of all types of debt. (3) Figures for fiscal year ended Sept. 30, 2007. (4) Other includes 20 smaller purchasers.

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## TWELVE HORSES MOBILE MARKETING

(from page 1)...



into the Twelve Horses platform to generate a message. Clients have used Twelve Horses to give their customers the ability to make balance inquiries, receive fraud alerts, and more via mobile phone.

Twelve Horses started out in 2001 by specializing in email direct marketing. In 2005 it built a full multimedia marketing platform. That technology can be hosted by Twelve Horses or operated by clients in-house. The company is

working with SwiftPass in the U.K. to deliver 2D bar codes to mobile phones. When codes appear on a phone's screen, they can be read at a kiosk that generates a paper mag-stripe ticket for the Las Vegas Monorail. Phase two of the project will do away with the paper ticket. SwiftPass generates the bar code and manages the redemption database that links to the Twelve Horses platform. Josh Kenzer is VP, Business Development at Twelve Horses in Reno, Nevada, (775) 332-3000 x3229, [jkenzer@twelvehorses.com](mailto:jkenzer@twelvehorses.com).

Prior issues: 900, 899, 898, 897, 896

**...STARTED AS A SPECIALIST IN EMAIL DIRECT MARKETING.**

## MASTERCARD DEBIT PROCESSING PLATFORM

(from page 1)...

against competitors that would ultimately include Visa (which owns Interlink), Metavante (which owns Nyce), First Data



**MasterCard Worldwide**

(which owns Star), and Discover (which owns Pulse).

Originally, MasterCard used eFunds to handle card account processing, drive ATMs, and authorize PIN and signature debit transactions. That partnership was terminated in December 2006 as MasterCard moved forward with an internal project to provide financial institutions with those same services through a single connection to its Integrated Processing Solutions (IPS) platform. MasterCard is now implementing its

first customer, and will be active in June.

The IPS platform can handle multiple currencies and languages, although its focus is on U.S. customers and on large banks in particular. IPS has a Web-based customer interface, called MasterCard Portfolio Viewer, which is the first of its kind and was designed to simplify the packaging of cardholder data into customizable geographic and demographic reports. When used with the IPS data warehouse capabilities, Portfolio Viewer can deliver aggregated information across accounts and product lines. IPS has been built from the ground up and gives financial institutions an alternative to their internal legacy systems that often involve disparate processing platforms, unnecessarily long product development cycles, and hard-coded workflows.

MasterCard claims that IPS will help banks realize greater value from the newest model automated teller machines because it integrates them with other channels to better leverage products, marketing, promotions, cardholder preferences, etc.

MasterCard chose to build IPS using software from ACI, whose Base24 product is the most widely used EFT software in the world. It also uses the Cams II Card & Merchant System from Computer Sciences Corporation to handle card processing, rewards, and loyalty programs. By using these vendors instead of writing its own code, MasterCard's intention was

to make it easier for clients to integrate IPS. Gerald Sargent is Product Manager, MasterCard Integrated Processing Solutions at MasterCard in Purchase, New York, (914) 249-6122, [jerry\\_sargent@mastercard.com](mailto:jerry_sargent@mastercard.com).

**PORTFOLIO VIEWER HELPS PACKAGE CARDHOLDER DATA INTO CUSTOMIZABLE REPORTS.**

## FEDCHEX ALTERNATIVE PAYMENTS

The PIN-based private label debit card program for merchants available from FedChex deducts payments from a consumer's deposit account



through the automated clearing house (ACH). FedChex signed its first customers in 2003, and currently has more than 200,000 cards in circulation. Private label debit cards cost less for merchants to accept than debit cards from Visa, MasterCard, and Discover. They can also be linked to a merchant's loyalty program to motivate customers to participate.

FedChex handles applications, card account processing, ISO-compliant PIN management, card fulfillment, and customized

loyalty programs. Its customers, most of which are supermarkets, control the look of the cards, which are embossed and have holograms with the word Xcelone inside. FedChex hopes to create an open network for Xcelone cards within 18 to 24 months so that merchants can share customers and add value to loyalty programs.

FedChex's system tracks all transactions. Merchants are given profiles of their cardholders that include how often they shop and how much they spend. Typical FedChex transactions settle against a cardholder's deposit account within 24 hours, but merchants can choose to offer their customers DelayPay, a service that extends the period a merchant will hold a payment before sending it through the ACH.

This gives cardholders time to be certain they have sufficient funds in their deposit account. The average delay is three days, and cardholders pay from 25¢ to

75¢ for each additional day their payment is held back. FedChex claims merchants experience an 11% increase in card sales when offering the DelayPay feature.

FedChex is privately held. It also earns

revenue from Check 21 processing and from a virtual vault that merchants can use to manage their cash and checks. Other companies offering merchants ACH-based debit payment programs in the U.S. are Fastlane Payments, National Payment Card, and Tempo Network. Rod Davis is CEO at FedChex in Irvine, California, (949) 440-4690, rdavis@fedchex.com. Prior issue: 897

**DELAYPAY EXTENDS THE PERIOD A MERCHANT WILL HOLD A PAYMENT.**

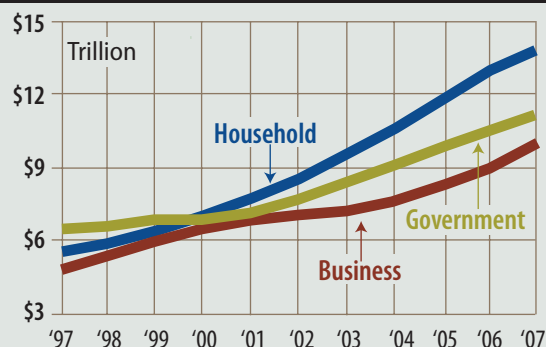
## CREDIT CARDS AND TOTAL U.S. DEBT

(from page 1)...

grown by 75%. As a percentage of \$35.083 trillion in total debt at year-end 2007 — including household, business, and government debt — credit cards accounted for 2.74%. That represented a decrease from 3.28% 10 years before, but an increase from 2.73% in 2006.

Household debt includes consumer credit outstanding, residential mortgages, and a comparatively small amount of loans not counted by bank regulators as consumer credit such as small bank loans, student loans, and tax-exempt loans to non-profit organizations. Business debt includes bank loans, commercial paper, commercial mortgages, and loans. The \$11.183 trillion in government debt shown here for 2007 includes budgeted debt for federal, state, and local governments. It also includes off-budget intragovernmental holdings. Prior issue: 880

## U.S. Debt Outstanding



Sector	1997		2007	
	(bil.)	Share	(bil.)	Share
Household	\$5,492.8	32.8%	\$13,825.4	39.4%
Business	\$4,803.6	28.6%	\$10,075.0	28.7%
Government	\$6,475.9	38.6%	\$11,182.8	31.9%
<b>TOTAL</b>	<b>\$16,772.3</b>	<b>100%</b>	<b>\$35,083.2</b>	<b>100%</b>

Government figures come from data generated by the U.S. Government Accountability Office (GAO) and from the Federal Reserve. The Federal Reserve was also the source of figures for Business and Household. © 2008 The Nilson Report

## LATIN AMERICA CARD ISSUERS

(from page 1)...

\$8.18 billion from 4.2 million cards, Argentina with \$6.52 billion from 7.5 million cards, and Colombia with \$3.84 billion from 2.5 million cards.

The largest general purpose debit card issuers in the region are shown in the chart at right below. They represented 11 countries and had combined purchase volume of \$72.97 billion from 257.6

million general purpose debit cards. Issuers from Brazil had \$39.70 billion from 170.1 million cards, followed by Mexico with \$16.43 billion from 52.2 million cards, Venezuela with \$6.72 billion from 6.8 million cards, Colombia with \$3.11 billion from 9.7 million cards, Argentina with \$2.95 billion from 7.4 million cards, and Puerto Rico with \$1.19 billion from 0.9 million cards.

### Credit Card Issuers in Latin America

Rank	Issuer, Country	Purchase Volume (mil. \$U.S.)	Cards (000)	Purch. Vol. per Card
1	Banco Itau Brazil	\$21,694.9	14,778	\$1,468
2	Banco Bradesco Brazil	\$16,746.6	17,056	\$982
3	Banco do Brasil Brazil	\$12,927.2	20,159	\$641
4	Banamex (Citigroup) Mexico <sup>(1)</sup>	\$10,040.0	5,700	\$1,761
5	Unibanco Brazil	\$9,117.6	16,690	\$546
6	BBVA Bancomer Mexico	\$6,821.8	5,978	\$1,141
7	Banco ABN Amro Real Brazil	\$5,993.7	3,165	\$1,894
8	Banco Santander (Serfin) Mex.	\$4,239.2	5,066	\$837
9	Banco Santander Brazil	\$4,127.6	3,675	\$1,123
10	Caixa Economica Federal Brazil	\$3,668.7	3,020	\$1,215
11	Banesco Banco Universal Ven.	\$3,613.3	1,651	\$2,188
12	HSBC Mexico	\$3,128.6	2,390	\$1,309
13	Mercantil Banco Universal Ven.	\$2,280.0	1,123	\$2,030
14	Santander Rio Argentina	\$1,962.7	1,638	\$1,198
15	Banco Santander Venezuela	\$1,867.2	1,211	\$1,542
16	Banco Santander Chile	\$1,673.9	1,387	\$1,207
17	Diners Club Ecuador	\$1,668.3	344	\$4,847
18	Bancolombia Colombia	\$1,634.5	874	\$1,871
19	Banco Mercantil del Norte Mex.	\$1,617.1	1,665	\$971
20	Banco Davivienda Colombia	\$1,573.2	1,121	\$1,403
21	Banco Galicia Argentina	\$1,542.5	2,040	\$756
22	Banco Popular Puerto Rico	\$1,526.6	554	\$2,758
23	Banco de Chile Chile	\$1,292.0	772	\$1,674
24	Scotiabank Mexico	\$1,071.5	692	\$1,549
25	BBVA Banco Frances Argentina	\$928.0	1,301	\$714
26	BAC Credomatic Costa Rica	\$926.1	356	\$2,605
27	Banco de la Provincia Argentina	\$781.8	794	\$985
28	Banco Macro Argentina	\$675.2	1,231	\$548
29	Standard Bank Argentina	\$630.7	462	\$1,366
30	Banco de Bogota Colombia	\$629.1	529	\$1,190
31	Banco de Credito BCP Peru	\$586.1	387	\$1,513
32	Pacificard Ecuador	\$578.8	288	\$2,009
33	Republic Bank Trinidad & Tobago <sup>(2)</sup>	\$554.4	77	\$7,230
34	RBTT Bank Trinidad & Tobago	\$457.1	84	\$5,443
35	BAC Credomatic Guatemala	\$443.4	242	\$1,832
36	Bancaribe Venezuela	\$421.6	236	\$1,786

Includes Visa, MasterCard, American Express, and Diners Club consumer and commercial credit cards. (1) Estimate. (2) Includes Grenada & Guyana.

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### Debit Card Issuers in Latin America

Rank	Issuer, Country	Purchase Volume (mil. \$U.S.)	Cards (000)	Purch. Vol. per Card
1	Banco do Brasil Brazil	\$11,122.9	49,136	\$226
2	Banco Bradesco Brazil	\$9,176.2	43,686	\$210
3	Banco Itau Brazil	\$6,819.0	11,512	\$592
4	BBVA Bancomer Mexico	\$5,295.9	17,341	\$305
5	Caixa Economica Federal Brazil	\$4,709.1	42,128	\$112
6	Banamex (Citigroup) Mexico <sup>(1)</sup>	\$3,991.7	16,513	\$242
7	Banco ABN Amro Real Brazil	\$3,567.8	7,610	\$469
8	HSBC Mexico	\$3,073.3	6,000	\$512
9	Banesco Banco Universal Ven.	\$2,711.8	2,317	\$1,170
10	Unibanco Brazil	\$2,605.0	8,762	\$297
11	Mercantil Banco Universal Ven.	\$2,291.1	1,992	\$1,150
12	Bancolombia Colombia	\$1,819.2	4,775	\$381
13	Banco Mercantil del Norte Mex.	\$1,771.0	6,424	\$276
14	Banco Santander Brazil	\$1,702.6	7,279	\$234
15	Banco Santander (Serfin) Mexico	\$1,672.1	4,708	\$355
16	Banco Santander Venezuela	\$1,415.1	2,071	\$683
17	Santander Rio Argentina	\$884.5	1,740	\$508
18	Banco Santander Chile	\$708.4	1,905	\$372
19	Scotiabank Mexico	\$624.0	1,278	\$488
20	Banco Davivienda Colombia	\$593.4	1,890	\$314
21	BBVA Banco Frances Argentina	\$584.9	1,438	\$407
22	Banco Nacional de Costa Rica	\$569.4	1,047	\$544
23	BISA Puerto Rico <sup>(2)</sup>	\$541.6	565	\$959
24	Banco de la Provincia Argentina	\$508.7	1,707	\$298
25	Banco de Costa Rica Costa Rica	\$502.0	1,402	\$358
26	Banco de Credito BCP Peru	\$412.9	5,617	\$73
27	Banco Galicia Argentina	\$399.2	1,125	\$355
28	Banco Santander Puerto Rico	\$364.9	201	\$1,818
29	HSBC Bank of Bermuda	\$361.4	43	\$8,326
30	BBVA Colombia	\$351.8	1,593	\$221
31	Banco de Bogota Colombia	\$343.9	1,451	\$237
32	Banco Patagonia Argentina	\$322.2	935	\$345
33	RBTT Bank Trinidad & Tobago	\$316.7	357	\$887
34	Bancaribe Venezuela	\$305.4	414	\$737
35	Banco Popular Puerto Rico	\$283.7	179	\$1,585
36	Standard Bank Argentina	\$250.9	487	\$515

Includes Visa, Visa Electron, MasterCard, and Maestro consumer and commercial debit and prepaid cards. (1) Estimate. (2) Includes RG Premier Bank, Doral Bank, Eurobank, and Bank of St. Croix. Does not include Scotiabank or BBVA.

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# Top Visa/MasterCard/General Purpose Card Issuers in Latin America

Issuer, Country	VISA AND MASTERCARD RESULTS				GENERAL PURPOSE CARD RESULTS							
	'07 Rank	Total Vol. (mil. \$U.S.)	'07 Rank	Purchases (mil. \$U.S.)	'07 Rank	Cards (000)	'07 Rank	Total Vol. (mil. \$U.S.)	'07 Rank	Purchases (mil. \$U.S.)	'07 Rank	Cards (000)
Banco Bradesco Brazil	1	\$67,606.3	2	\$20,559.6	1	59,459	1	\$73,023.7	2	\$25,922.8	1	60,743
BBVA Bancomer Mexico	2	\$64,448.5	4	\$12,117.7	3	23,319	2	\$64,448.5	4	\$12,117.7	6	23,319
Banco Nacional (Banamex) Mexico	3	\$63,024.5	3	\$14,031.7	5	22,213	3	\$63,024.5	3	\$14,031.7	7	22,213
Banco Mercantil del Norte Mexico	4	\$28,104.5	13	\$3,388.1	11	8,090	6	\$28,104.5	15	\$3,388.1	12	8,090
HSBC Mexico	5	\$27,406.3	8	\$6,201.9	10	8,390	7	\$27,406.3	10	\$6,201.9	11	8,390
Santander Serfin Mexico	6	\$25,117.1	9	\$5,911.3	9	9,773	8	\$25,117.1	11	\$5,911.3	10	9,773
Banco Itau Brazil	7	\$21,971.2	1	\$21,637.6	6	14,763	4	\$60,910.8	1	\$28,513.9	4	26,291
Unibanco Brazil	8	\$19,633.5	6	\$10,253.6	4	22,226	5	\$28,682.8	5	\$11,722.6	5	25,451
Banco do Brasil Brazil	9	\$11,491.2	5	\$11,122.9	2	49,136	11	\$11,491.2	6	\$11,122.9	2	49,136
Banco ABN Amro Real Brazil	10	\$11,349.3	7	\$9,561.5	7	10,775	12	\$11,349.3	7	\$9,561.5	9	10,775
Banco de la Provincia Argentina	11	\$8,270.2	23	\$1,279.4	17	2,472	17	\$8,281.4	24	\$1,290.5	24	2,501
Santander Rio Argentina	12	\$7,004.2	14	\$2,461.2	14	2,912	18	\$7,393.4	17	\$2,847.2	16	3,378
Banco Santander Brazil	13	\$5,987.7	10	\$4,568.4	13	5,149	10	\$12,969.6	12	\$5,830.2	8	10,954
BBVA Banco Frances Argentina	14	\$5,439.8	22	\$1,512.9	15	2,739	21	\$5,439.8	23	\$1,512.9	15	2,739
Scotiabank Mexico	15	\$5,434.7	18	\$1,695.5	20	1,970	22	\$5,434.7	22	\$1,695.5	26	1,970
Banco de Bogota Colombia	16	\$4,893.7	25	\$973.0	19	1,980	24	\$4,893.7	27	\$973.0	25	1,980
Caixa Economica Federal Brazil	17	\$4,491.4	11	\$4,453.6	8	9,996	16	\$8,415.6	8	\$8,377.8	3	45,147
BBVA Colombia	18	\$4,374.8	33	\$529.1	22	1,722	23	\$5,410.5	33	\$593.3	27	1,936
Banco Galicia Argentina	19	\$4,288.7	17	\$1,747.2	16	2,723	26	\$4,484.6	20	\$1,941.7	19	3,164
Banco de Credito BCP Peru	20	\$4,220.5	24	\$999.0	12	5,939	27	\$4,367.9	26	\$999.0	13	6,005
Banesco Banco Universal Venezuela	21	\$3,758.6	12	\$3,522.4	23	1,500	13	\$10,018.3	9	\$6,232.9	15	3,812
Banco Patagonia Argentina	22	\$3,225.0	31	\$690.5	26	1,355	28	\$3,237.2	31	\$702.7	31	1,376
Banco Macro Argentina	23	\$3,113.2	28	\$858.3	18	2,085	25	\$4,583.9	28	\$918.6	23	2,605
Bancolombia Colombia	24	\$3,108.9	21	\$1,543.3	32	919	9	\$18,555.7	14	\$3,453.7	14	5,649
Banco Nacional Costa Rica	25	\$3,100.4	30	\$736.6	29	1,128	29	\$3,100.4	30	\$736.6	32	1,128
Davivienda Colombia	26	\$2,968.7	29	\$830.1	33	891	15	\$8,901.1	19	\$2,166.5	21	3,011
BBVA Banco Continental Peru	27	\$2,722.8	34	\$447.8	24	1,484	30	\$2,722.8	34	\$447.8	29	1,484
Banco de Costa Rica Costa Rica	28	\$2,417.3	32	\$630.0	25	1,468	31	\$2,417.3	32	\$630.0	30	1,468
Mercantil Banco Univ. Venezuela	29	\$2,404.9	15	\$2,280.0	30	1,123	14	\$9,321.5	13	\$4,571.1	20	3,115
Standard Bank Argentina	30	\$2,364.7	26	\$881.6	31	948	32	\$2,364.7	29	\$881.6	33	948
Banco de la Nacion Peru	31	\$2,133.3	36	\$43.7	21	1,728	33	\$2,133.3	36	\$43.7	28	1,728
Banco de Venezuela (Santander)	32	\$2,118.5	16	\$1,858.1	28	1,202	20	\$6,023.3	16	\$3,273.2	18	3,273
Banco Santander Chile	33	\$1,946.6	19	\$1,611.6	27	1,322	19	\$7,070.4	18	\$2,382.3	17	3,292
Granbanco Bancafe Colombia <sup>(1)</sup>	34	\$1,831.4	35	\$294.3	35	553	36	\$1,843.6	35	\$294.9	36	561
Banco Popular Puerto Rico	35	\$1,748.9	20	\$1,547.3	34	615	34	\$2,078.8	21	\$1,810.3	34	733
BAC Credomatic Network Costa Rica	36	\$1,603.3	27	\$877.4	36	438	35	\$1,891.9	25	\$1,139.3	35	611

Visa and MasterCard results include all of their consumer and commercial credit, debit, and prepaid cards. They exclude Maestro and cards that carry only the Plus or Cirrus brands or any domestic-only brands. GP (general purpose) results include Visa, MasterCard, Maestro, American Express, and Diners Club.

(1) Figures are up to August 31, 2007. After that, part of Davivienda.

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## Countries Represented in the Table Above Ranked by Purchase Volume

Country/Issuers	Visa & MasterCard		GP Cards		Country/Issuers	Visa & MasterCard		GP Cards	
	Purch. Vol. (mil. \$U.S.)	Cards (000)	Purch. Vol. (mil. \$U.S.)	Cards (000)		Purch. Vol. (mil. \$U.S.)	Cards (000)	Purch. Vol. (mil. \$U.S.)	Cards (000)
<b>Brazil (7)</b>	\$82,157.2	171,504	\$101,051.7	228,497	<b>Costa Rica (3)</b>	\$2,244.0	3,034	\$2,505.9	3,207
<b>Mexico (6)</b>	\$43,346.2	73,755	\$43,346.2	73,755	<b>Chile (1)</b>	\$1,611.6	1,322	\$2,382.3	3,292
<b>Argentina (7)</b>	\$9,431.1	15,234	\$10,095.2	16,711	<b>Puerto Rico (1)</b>	\$1,547.3	615	\$1,810.3	733
<b>Venezuela (3)</b>	\$7,660.5	3,825	\$14,077.2	10,200	<b>Peru (3)</b>	\$1,490.5	9,151	\$1,490.5	9,217
<b>Colombia (5)</b>	\$4,169.8	6,065	\$7,481.4	13,137					

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## PAYMENT GATEWAY FOR DIGITAL CONTENT

(from page 1)...

addition to providing access to 20 different payment networks and acquirers. Javien handles 950,000 transactions monthly for 35 merchants selling MP3



music files, movies, games, and other digital content. It is still integrated with gateways operated by Chase Paymentech, GlobalCollect, Authorize.net, CyberSource, and others. Javien has teamed with Optimal Payments to offer its own payment gateway and payment processing as part of its platform that can handle transactions in U.S. dollars, Canadian dollars, euros, and British pounds. It also lets merchants track loyalty,

royalties, and virtual currencies. Payments range from \$0.99 for single downloads to \$20 for recurring subscriptions. Javien recently received a patent for its process of letting clients aggregate their micropayments according to thresholds that can involve both amounts (e.g., \$5) and time (e.g., 3 days).

Purchases can be paid for with Visa, MasterCard, Discover, American Express, and Diners Club, also with debit cards, and with electronic checks that go through the ACH.

Alternative billing methods include prepaid accounts, post-paid wireless telecom accounts, PayPal, ClickandBuy, Payby-Cash, and PaymentOne. Javien's

platform supports transactions for over 10 million consumers.

Sales of digital content are more complicated to process than those for hard goods because they contain more variables. They can involve a subscription, a coupon, a free trial, pay per view, or pay per download.

Javien is one of the few companies specializing in micropayments that is still in operation following the departure of Yaga, Peppercoin, and BitPass. Current competitors include Aria Systems, Bango, and Macrovision. It is

**JAVIEN HAN-  
DLES 950,000  
TRANSACTIONS  
MONTHLY FOR  
35 MERCHANTS.**

backed by K&K Capital Group in the Czech Republic. Leslie Poole is CEO at Javien Digital Payment Solutions in McLean, Virginia, (703) 286-0875, [leslie@javien.com](mailto:leslie@javien.com).

## SECURING CARD-NOT-PRESENT PAYMENTS

Qpay in Australia provides remote user ID and authentication by placing a computer-generated voice call to a cardholder's mobile phone. The out-of-band communication is being used to thwart card-not-present (CNP) fraud, which occurs at Web sites and call centers where consumers either use keypads to input their account number or verbally provide that data over the phone. It can also be used for online banking, secure ID environments (such as employees working offsite), and money transfers.

Cardholders register their mobile phone number with Qpay and then receive an automated phone call that prompts them to select a PIN. When they later make a Web purchase and the authorization request hits an issuer's processing system, an automated phone call tells the cardholder the purchase amount and the name of the card-issuing bank. Cardholders are then told which keys to press to accept the transaction (requires entering

the PIN), decline it, or indicate suspected fraud. Qpay has no access to cardholder data.

Qpay claims that its patent-pending telephony technology is less costly and more secure than USB token-based systems that provide two-factor authentication using one-time-only passwords. Qpay's main business is mcommerce, and it wants to concentrate on that market. It is interested in partners in all world regions who want to license and distribute its telephony-based authentication system. Greg Walter is CEO at Qpay Pty. Ltd. in Queensland, Australia, 61 (7) 3245-4066, [greg.walter@qpay.com.au](mailto:greg.walter@qpay.com.au).

A handwritten signature in blue ink, appearing to read 'David Robertson'.

David Robertson, Publisher

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