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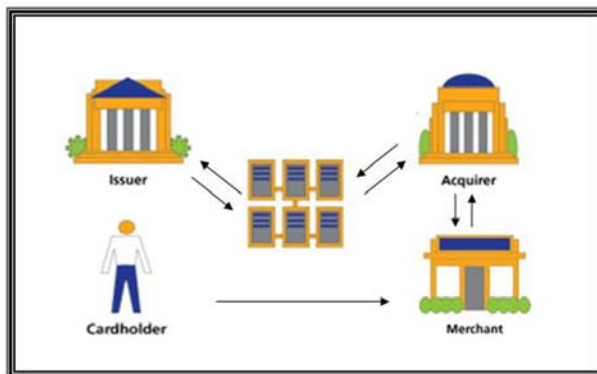
Latest news from Card Academy

Your internal Card Academy

Through Card Academy we aim to bring a number of key partners together. This in order to bring a more cost-effective educational offer to employees within this sector and to extend the reach and effectiveness of resources spent on education in general.

Card Academy is a service available next to your office, and the defined mission for our business is:

Your internal Card Academy



Yours sincerely,

Kurt Andersen, Card Academy



The Nordic and Baltic States news

Baltic Sea Card Conference 2010

Please note that our Baltic Sea Card Conference 2010 has been scheduled for 13/14 April 2010 in Riga, Latvia. Delegates fee remains at €699,- not including VAT.

The conference venue will be Reval Hotel Latvija – situated in the centre of Riga, Latvia.

Please visit www.balticsea-cardconference.com for further details.

Samlink signs EUR55 million IT services deal with IBM

IBM has signed a seven-year, EUR55 million strategic outsourcing agreement with Finnish IT banking service provider Samlink. Under the agreement, IBM will manage Samlink's infrastructure services across its data centre environment, including mainframe, middleware software, server and storage management services.

Heikki Sirve, Samlink CEO comments: "We provide IT and product development services for our clients in the Finnish financial industry. To be successful, our clients need high-quality and cost-efficient services. The partnership with IBM will enable us to raise our services to the next level."

Samlink's client portfolio includes banks, credit institutions and investment service companies who use the firm's ASP-based core banking platform to provide services in 460 branches across the country.

(Source. Finextra, November 2009)

Europe & World Wide news

New V PAY/girocard card prevents fraud at ATMs

Good news for consumers, banks and saving banks in the fight against card misuse at ATMs: Visa Europe's new debit card V PAY is positioned as "convenient and secure". V PAY is based entirely on chip and PIN and puts an end to fraud at ATMs.

V PAY exclusively uses the secure EMV chip and co-operates with national payment systems in Europe without any problems – for Germany, this is girocard. With this so-called co-badging, a transaction taking place in Germany is processed via girocard and a transaction abroad via V PAY with chip and PIN.

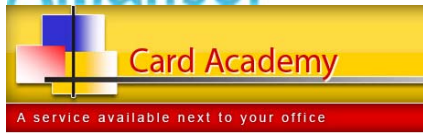
V PAY cards are currently being increasingly issued in Germany by Visa member banks. In the first step, a round about ten million bank customers in total will receive a V PAY/girocard. Pioneers are the co-operative banking association headed by DZ BANK and WGZ BANK as well as Landesbank Berlin, Postbank and Baden-Württembergische Bank (BW-Bank). In October 2009, DZ BANK and WGZ BANK started the issuance of two million VR-BankCards as V PAY/girocard. Postbank will issue the new cards from November, BW-Bank from December on.

"Consumers will benefit from more security, merchants receive fewer complaints and banks can advise their clients instead of working on damage caused by fraud. And, best for the consumer, they can use V PAY in exactly the same way all over Europe: insert the card, enter the PIN and done", underlines Ottmar Bloching, General Manager of Visa Europe in Germany.

"Payments by card need to be convenient and secure in order to be used extensively. With V PAY, we provide a secure alternative in the European debit market, which is of use for all parties involved", says Jutta Müller-Liefeld, Vice President V PAY Marketing of Visa Europe.

(Source: Visa Europe, October 2009)





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VocaLink restructures business for European push

UK payments processor VocaLink has outlined plans to split the business into three units - clearings, cards and Euro services - as it bids to take advantage of Sepa and expand its presence on the continent.

The new structure, to come into effect in January, will see Fred Bär - who joined earlier this year having held senior positions at EBA Clearing and Equens - made managing director of the Euro services business.

The firm says the Euro services unit is of "particular strategic importance" as demand from the continent increases. The firm has signed a number of major banks - including ABN Amro, Bank of America, Citi, Dexia Bank, Fortis, Lloyds TSB, RBS and Santander - to its €CSM partnership, which provides banks and clients with Sepa-related services.

In May it signalled its intention to continue the aggressive push by tapping shareholders - banks and building societies - for a £60 million equity capital.

This was followed by the opening of a European centre in Amsterdam to serve customers wanting real-time payments and Sepa valued added services.

The clearings business will be led by Nick Masterson-Jones who has been with VocaLink since 2003 and who spearheaded the launch of the Faster Payments Service. Former EDS man David Conkleton takes charge of the cards unit.

All three report to CEO Marion King in a structure the firm says will enable it to operate more effectively internationally, with simplified internal processes.

(Source: Finextra, November 2009)

HSBC to pilot combined debit and credit card together with Visa Europe

HSBC is collaborating with Visa on a six-month internal pilot of a combined multi-application credit and debit card. The combined card offers both debit and credit functionality and enables the consumer to choose their preferred payment method at the point of sale using a single PIN.

HSBC has worked with smart card manufacturer Oberthur to develop the cards which use Visa's SimplyOne platform to mash up the debit and credit functionality.

The primary default payment (credit or debit) application is determined by the card issuer and is represented in the traditional way with the card number on the front and the card security code next to the signature strip on the reverse of the card. This is also the primary payment application encoded on the magnetic stripe for use in non-EMV countries.

The card number of the secondary payment application is printed non-embossed on the reverse of the card beneath the magnetic stripe, with the card security code alongside. The cardholder name, start and expiry date are the same for both payment applications so that both the debit and credit functions are available for use online and over the telephone.

Mariano Dima, EVP and head of marketing Visa Europe describes the six-month trial with 100 Visa and HSBC staff as "the first step towards the commercial issuance of multi-application cards in the UK".

David Robson, head of proposition development, HSBC, says: "We will be assessing the cardholder experience throughout the pilot and we believe our customers will welcome the flexibility offered with this card."

(Source: Finextra, November 2009)

Mass credit card recall over suspected Spanish fraud

More than 100,000 German credit cards have been recalled by banks following a suspected security breach at an unidentified Spanish payment processor.



Financial Times Deutschland reported that Volksbank and Raiffeisenbank are taking more than 60,000 cards out of circulation on the advice of Visa and MasterCard, bring the total number of recalls in recent weeks to around 100,000.

The recall affects people who have used Visa and MasterCard credit cards in Spain and comes after police began an investigation into a payment processing company in the country.

Visa and MasterCard reportedly warned banks about a potential problem four weeks ago when inconsistencies appeared on monthly statements.

According to the BBC, British cardholders will be contacted directly if they are thought to be at risk.

In a statement, Visa Europe says it "is aware of a possible card data security issue in Spain. No details are yet confirmed, but we do not believe that the issue is specific to Visa."

The firm continues: "As is normal in these circumstances, we have contacted a number of our member banks to make them aware of the situation and some may decide to take action as a precautionary measure."

Sarah Blaney, card fraud expert at life assistance company CPP, says: "Our own research shows that Spain is the place where Brits are most likely to have their cards lost or stolen, so we urge all cardholders using their cards in Spain to be particularly vigilant."

(Source: Finextra, November 2009)

Tesco Bank selects Fiserv to provide core technology platform

Aspiring supermarket bank Tesco has selected Fiserv to provide the core technology platform for its push into the UK's retail financial services arena.

Tesco Bank is the UK's largest supermarket bank, with over six million customers and 28 financial products and services.

The supermarket rebranded its personal finance unit to Tesco Bank in October and has laid out plans to extend the business from a collection of disparate products to that of a full-service retail bank.

The retail chain has been aggressively hiring new staff and implementing new technology as it bids to take on the UK's traditional high street banks.

In a presentation to analysts, the group said its retail banking operations would initially target the 15 million members of its Clubcard loyalty scheme. Just 10% of Clubcard holders have a Tesco credit card, while only 4.2% have Tesco car insurance and 2.2% a Tesco savings product.

The retailer says the Fiserv Signature Bank platform will provide the foundation for account information and banking transactions for customers.

Fiserv was selected following a long search due to its ability to deliver an end-to-end product with a track record of successful implementation in markets around the world, says Tesco.

John Bower, managing director, Europe, bank solutions, Fiserv comments: "Tesco has a history of bringing innovation to the markets it serves. Fiserv will focus its expertise to help Tesco transform several business processes, creating a best-in-class customer experience in financial services."

(Source: Finextra, November 2009)

Consumers unlikely to benefit from interchange restrictions - GAO

The US Government Accountability Office says the imposition of new regulations on credit card interchange fees would be difficult to implement and unlikely to benefit consumers.

The GAO report has been seized on by business stakeholders in the payments arena who have been campaigning against the introduction of new rules limiting increases in interchange fees.

The GAO acknowledged that merchants would benefit from restrictions on credit card pricing, but questioned the value to consumers.

"Consumers would also benefit if merchants reduced prices for goods and services, but identifying such savings would be difficult," the report states. "Consumers also might face higher card use costs if issuers raised other fees or interest rates to compensate for lost interchange fee income."



Financial services lobby group, the Electronic Payments Coalition welcomed the findings. "The GAO's report leads to a clear conclusion: current interchange legislation places the needs of giant retailers over the needs of consumers. We urge Members of Congress to protect the interests of their constituents, and to oppose harmful interchange legislation."

In the opposition camp, the Merchants Payments Coalition called on Congressional leaders to continue with their reforms: "Unless Congress acts to bring competition and transparency into the interchange system, the big banks and credit card companies will keep lining their pockets at the expense of small businesses and consumers nationwide."

The full report is available on www.finextra.com .

(Source: *Finextra*, November 2009)

Scheme news

American Express creates new unit to provide Consulting

American Express has announced the launch of American Express Business Insights, a new analytics and consulting organization that Amex says "draws on the power and reach of the Company's global network to help business customers develop better-informed strategies to grow their business."

Unlike conventional research that relies on static, self-reported information or surveys, Business Insights combines fresh, real world aggregate trend analysis to provide unique business planning and marketing expertise. Business Insights will identify strategic opportunities drawn from the aggregate spending patterns on approximately 90 million cards in force across 127 markets. It will work with business clients to provide data-driven insights focused on specific customer segments that will help them to develop customized marketing and growth strategies.

Business Insights will be housed within the American Express Global Merchant Services unit. In keeping with American Express' privacy principles, all data analysis is done only on an aggregate level and does not disclose any personally identifiable information to merchants or partners for marketing purposes. At American Express, aggregate data involves pooling transactional data to create customer segments such as "ultra-affluent" or "large corporate" to better evaluate the purchasing patterns within a business.

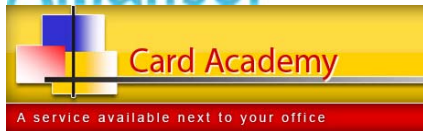
"Our ability to interpret trend patterns across the American Express global network represents an unprecedented reserve of competitive insights for businesses that are fighting hard every day to improve their offerings and reach their customers more effectively," said Bill Glenn, president, Global Merchant Services, American Express. "Using the power of the American Express network, we can help companies make smarter, more rigorous, and more customer-focused decisions – delivering a real competitive advantage in a continually challenging market environment."

Business Insights will deliver a range of potential consulting applications that includes:

- Identifying consumer spending trends
- New product innovation
- Geographic expansion
- Customer acquisition and retention
- Improved marketing and advertising strategies
- Customer relationship management
- Improved procurement processes

(Source: *PaymentsNews*, November 2009)





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Visa invests in authentication outfit Emue

Visa Europe has taken a stake in authentication specialist Emue Technologies, with which it has been developing a card that contains a display for generating one-time numeric codes. The size of the investment was not disclosed.

The two companies have been working on the Visa CodeSure card - which contains an embedded display, microprocessor and 12 button numeric keypad - for around 18 months.

MBNA, a Bank of America company in the UK, Cornèr Bank in Switzerland, Cal in Israel and IW Bank in Italy are all piloting the technology for online and telephone transactions. Another pilot has been carried out by Deloitte employees, using the password generator to remotely access IT systems via a virtual private network (VPN).

Visa has now joined Deloitte Touche Tohmatsu as an investor in Australia-based Emue.

Sandra Alzetta, head, innovation, Visa Europe says: "We are working with Emue to develop the Visa CodeSure product to bring innovative card technology designed to combat online fraud both now and in the future. The investment is just a further extension of our existing partnership."

(Source. Finextra, November 2009)

American Express to acquire Revolution Money

American Express has announced it has agreed to acquire Revolution Money. According to Amex, "the transaction, which is subject to regulatory review, is expected to close in the first quarter of 2010. The purchase price is expected to be approximately \$300 million. Upon closing, Revolution Money would operate as a subsidiary of American Express and be the first component of its recently formed Enterprise Growth organization. Enterprise Growth was formed to leverage American Express' existing assets and capabilities to generate incremental fee revenue and to drive the company's entry into new payment areas and related businesses."

"New payments products and platforms are evolving rapidly and it's important for us to keep identifying cutting edge technologies that can extend our leadership beyond the traditional payments arena," said Kenneth I. Chenault, chairman and chief executive officer of American Express. "While Revolution Money is a young and relatively small company, we believe it has big potential. This is a smart, nimble business. It's run by an accomplished management team who has quickly developed some cutting edge e-payment offerings. Joining with American Express will help unlock their potential, while allowing us to deliver competitive online payment products more rapidly and efficiently."

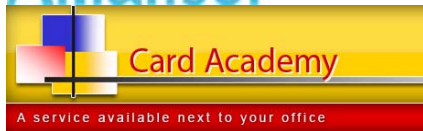
"We want to preserve the talent and culture that has made Revolution Money successful and we will be working with them to make the most of our respective strengths," said Mr. Chenault. He said that the initial areas of focus will include:

- Developing re-loadable, prepaid products for new segments of the market
- Introducing new products for card-members who currently use other alternative payment systems
- Creating payment alternatives designed for social media sites and allowing open APIs that can help developers distribute new product innovations
- Developing mobile payments solutions in the United States

Other opportunities will include expanding Revolution Money payment solutions internationally, extending product offerings to banks that issue cards on the American Express network and creating new forms of PIN-based debit products.

(Source: PaymentsNews, November 2009)





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Citi to sell Diners Club North American business to Bank of Montreal

Citi has signed a definitive agreement to sell its Diners Club North America card business to Bank of Montreal (BMO). Financial terms were not disclosed.

Citi says the sale will reduce its assets by approximately \$1 billion and will not have a material impact on income or capital ratios.

The Diners Club unit is part of Citi Holdings, the entity created to hold businesses the bank, part owned by the US government, is looking to sell or wind down.

Says the bank in a statement: "The sale of this business is consistent with Citi's strategy to optimise the assets and businesses within Citi Holdings while working to generate long-term profitability and growth from Citicorp, which comprises its core franchise."

The deal gives BMO exclusive rights to issue Diners Club cards to corporate and professional clients in the US and Canada. It more than double BMO's overall corporate card business and represents net receivables of almost \$1 billion and approximately \$7.8 billion in card transactions.

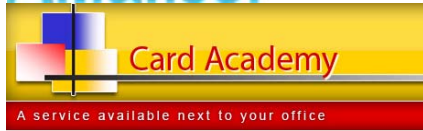
Frank Techar, president and CEO, personal and commercial banking, BMO Bank of Montreal, says: "The Diners Club North American franchise brings new card members to our company, provides attractive additional options for our existing customers, and makes us an even more compelling choice in the market for prospective commercial customers in Canada and the United States."

The acquisition, subject to certain closing conditions including regulatory approval, is anticipated to close in March.

Last year Citi signed a deal to sell the Diners Club International card payments network to Discover Financial Services in a deal worth \$165 million. This September it agreed to sell its Portuguese credit card business to Barclays. The US bank has also offloaded its 17% stake in Brazilian card payment processor Redecard.

(Source: Finextra, November 2009)





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Contact information

Kurt Andersen
Head of Card Academy
Phone: +46 (0) 766 329444
Mail: kurt.andersen@alliansor.se

Kenneth Bergström
Ass. CEO & Head of Sales, Alliansor Caps AB
Phone: +46 (0) 739 887766
Mail: kenneth.bergstrom@alliansor.se

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