

Think the Market is Headed Over a Cliff?

If your portfolio is \$1,000,000, download *Forbes* columnist Ken Fisher's firm latest report now. In it we tell you where we think the stock market is headed, and why. It has our current stock market prediction, plus research and analysis you can use on your portfolio immediately. Do NOT miss it!

Click Here - Download Your Report NOW!

FISHER INVESTMENTS*

Citibank Is Watching Your Credit Card Swipes

By Carleton English

| 08/13/15 - 08:01 AM EDT

[Get TheStreet Quant Ratings' exclusive 5-page report for \(AXP\) - FREE.](#)

NEW YORK ([TheStreet](#)) -- If you ever get the feeling that someone's watching when you grab a Hershey bar at the drugstore checkout, or succumb to the allure of that Hermes handbag, you're not wrong.

Credit card issuers such as **American Express** ([AXP - Get Report](#)) , **Citigroup** ([C - Get Report](#)) , and **Synchrony Financial** ([SYF](#)) , are increasingly relying on big data to analyze and predict client shopping patterns. For cardholders, that means specially tailored perks to entice more swiping; for the card issuers, it means higher profits from increased sales at retail partners and larger interest charges on your monthly statement.

It's not a business any bank can afford to take lightly: U.S. residents made \$2.53 trillion in purchases through **Visa** ([V - Get Report](#)) , **Mastercard** ([MA - Get Report](#)) , American Express, and **Discover** ([DFS](#)) last year, according to *The Nilson Report*, which tracks the card and mobile payment industries.



STOCKS TO BUY: TheStreet Quant Ratings has identified a handful of stocks with serious upside potential in the next 12-months. [Learn more.](#)

"The goal of a credit card company is to get you to spend as much as possible on your credit card," said Nick Clements, a former managing director for Barclay's who now runs **MagnifyMoney**, a company that helps consumers decipher the fine print of financial products. That's become trickier since the financial crisis, as some customers have grown more cautious about discretionary spending.

Must Read: [Your Paycheck May Help You Read Fed's Mind on Rate Hike](#)

Which is where so-called Big Data comes in. While swiping a credit card seems familiar to the point of banality, it actually reveals a massive amount of information: time of day, location, store visited, transaction size. When that's compounded with other swipes from the same client, patterns emerge. Credit card companies can learn when clients pick up Starbucks on their way to work, get groceries, and go clothes-shopping.

The data is becoming so precise that when speaking of the bank's Chasenet payment processing platform during a conference in May, **JPMorgan Chase** ([JPM](#)) CEO Jamie Dimon said: "We know where you eat on Friday night."

While credit card issuers may not use the same cautionary terminology as MagnifyMoney -- or Jamie Dimon for that matter -- they don't hide how they're using client data.

For instance, Citi Retail Services, the Citigroup unit that provides more than 90 million private label and co-branded cards to merchants such as **Macy's** ([M](#)), **Sears** ([SHLD](#)), **Shell** ([RDSA](#)), and **The Home Depot** ([HD](#)), "uses its proprietary analysis tools and customer behavior database to drive sales and market share for our retail partners and more relevant offers to our customers," a spokeswoman wrote in an emailed statement.

The use of big data has led to a 13% retail sales lift for Citi's partners, the spokeswoman said.

Though card issuers are reluctant to reveal the secret sauce behind their algorithms for proprietary reasons, it's clear that they employ similar tactics: using past behavior to predict and even influence future behavior.

Exclusive Look Inside: You see Jim Cramer on TV. Now, see where he invests his money. Check out his multi-million dollar portfolio and discover which stocks he is trading. [Click here to see the holdings for 14-days FREE.](#)

1 of 2

MORE TOOLS. LESS FEES.



You May Also Like

Top 10 Credit Cards	Sears Credit Card
Credit Card with Annual Fee	Marriott Rewards Credit Card
Credit Card Processing	Check Credit Card Balance
Online Credit Card Payments	Best Fixed Rate Credit Card

Promoted Stories

- 1.  [11 Sexy Yoga Poses That Will Make You Feel So Spiritual](#) 3 weeks ago [viralsmash.org](#) [Viral Smash](#) [ViralSmash.org](#) (sponsored) Yoga is a popular exercise discipline that involves stretching,... beautiful
- 2.  [19 Beautiful Celebrities Destroyed Themselves With Plastic Surgery](#) 3 weeks ago [wildceleb.com](#) [WildCeleb](#) [WildCeleb.com](#) (sponsored)



[Hilarious Photos Taken With The Best Timing Ever](#) a week ago [popfotos.com](#) [PopFotos](#) [Popfotos.com](#) (sponsored) A picture is worth a thousand words, and these photos are just...

- 4.  [News Casters Oopsies. You Have To See #9!](#) 2 weeks ago [lolboom.net](#) [LolBoom](#) (sponsored) Not everything goes according to plan. Not even during a live TV...
- 5.  [Scientist Reveals A Major Lie About Your Heart Health - WATCH.](#) a day ago [livecellresearch.com](#) [Heart Health Research](#) [Live Cell Research](#) (sponsored) Koh AS, Simmons-Willis TA, Pritchard JB, Grassl SM, Ballatori N...
- 6.  [9 Reasons You Should Be Drinking Tea](#) 2 days ago [healthoverharm.com](#) [Health Over Harm](#) [HealthOverHarm.com](#) (sponsored) Milk thistle tea is known to help support a healthy liver. This...
- 7.  [New United States Currency Law Will Bankrupt Millions of American Families](#) a day ago [superchan.com](#) [The](#)

Check Out Our Best Services for Investors

[Action Alerts PLUS](#)

Portfolio Manager Jim Cramer and Director of Research Jack Mohr reveal their investment tactics while giving advanced notice before every trade.