

# Payment Methods Report 2022

Latest Trends in Payment Preferences



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# Payment Methods Report 2022

## Latest Trends in Payment Preferences

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# Foreword



**Anda Kania**

*Lead Editor for Payments and  
Commerce, The Paypers*



Dear reader,

First of all, thank you for downloading our Payment Methods Report 2022. Getting to this point means you're just starting out on a wonderful learning journey about how people pay and what trends are shaping the future of payments.

The increasing number of digital shoppers prompts industry players – especially merchants, PSPs, payment methods providers, and fintechs – to push innovation forward in a bid to offer superior customer experiences. The key trends that have been defining ecommerce in the last two years are convenience, security, and speed. Only by meeting these elements, ecommerce businesses could stay on a competitive edge.

For this reason, the 7th edition of this report brings out to our readership the most updated picture of the latest developments in the payment methods space and the innovative technologies that these methods work upon, emerging consumers habits, and strategies on how to win at conversion, retention, and security.

## What you'll find in this report

### Payment methods of the moment

The report starts with an overview of **adoption and acceptance**, new **driving trends and challenges**, and **use cases**, all comprising insights into account-to-account payments, Buy Now, Pay Later, e-wallets, debit and credit cards, and cryptocurrencies. These are the most popular payment methods among the customers. Cash is the original, but these are cutting-edge.

The benefits of **Open Banking and A2A payments** for ecommerce are visible, but less well-known by the consumers. If almost a year ago the BNPL topic was surrounded by facts and figures related to the growing market size, this year, the main theme has been switched. The discussions are now towards the **reinvention of credit cards**, the endorsement of **white-label solutions** and their relationship with banks, and **responsible lending**. As mobile wallets constantly add new features for scalability, they could soon become the same thing as super apps. The successful future of debit and credit cards relies a lot on biometric technologies. As regards cryptocurrencies, a merchant that has crypto at the checkout is a proactive one. For those who are still chewing on it, we are revealing a comprehensive set of tools for a smooth integration.

### Emerging innovation and payments habits

A new breed of consumers has been born: the digital(-first). Gen Z and Millennials dictate what channels and payment means have the greatest potential in the market. This section reveals unique insights into **Q-commerce**, **live-commerce**, and **real-time payments** – and their value proposition for the entire payments ecosystem. The goal is to help out merchants, solution providers, and banks to decide what to focus on and **how to build new experiences before, during, and after the checkout**. →

# Foreword

## Checkout optimisation – best practices

The checkout must be one of the most optimised steps when it comes to the customer experience. This section was created to compile the essential aspects that ecommerce businesses need to consider in order to reduce cart abandonment. You will learn what are the drivers of APMs adoption, data-driven approaches to better understand and serve customers, and the role of payment orchestration in optimising the checkout process.

What's more, seasoned payments managers from INGKA Group, Mango, Rappi, Wargaming.net, and Wix share their expertise on how to best implement payment methods on the UX and UI side.

## Global Buy Now, Pay Later infographic and mapping

Encouraged by the huge success and the overwhelming market response, this year, we updated the BNPL mapping with new players, business models, and categories such as direct providers, via credit cards, software and platform solutions, international gateways, consumer lending, B2B commerce, aggregators.

## Account-to-account payments infographic

Since the adoption of this payment method is on the rise across the world, we display the representatives of this type of payment and the regions where they are available.

We invite you to explore our Payment Methods Report 2022 and learn all about the modern payment landscape. Every merchant, PSP, fintech, and enterprise leader should benefit from this report, and they are guaranteed to gain the knowledge they need to succeed.

*Enjoy your reading and feel free to spread the word!*



# Table of Contents

3	<b>Foreword</b>
7	<b>Payment Methods in Focus</b>
8	<b>Payment Methods: Latest Trends and Developments in 2022</b>   Anda Kania, The Paypers
11	<b>Account-to-Account Payments and Rails</b>
13	<b>Open Banking Payment Methods – Driving Value for Ecommerce Merchants but Consumers Need to Benefit Too</b>   Volker Schloenvoigt, Edgar, Dunn & Company
15	<b>The Benefits of Open Banking-Powered Payment Methods</b>   Interview with Siamac Rezaiezhadeh, GoCardless
17	<b>The Main Differences Between Open Banking and A2A Payments</b>   Interview with Tim Munto, Nuvei
19	<b>A2A Is the Future: Why Businesses Should Diversify Payment Touchpoints to Stay Ahead of the Game</b>   Arjun Shah, Zimpler
21	<b>Request-to-Pay: A Game-Changer for the European Payments Market?</b>   Andréa Toucinho, Partelya Consulting
23	<b>A2A Payment Methods Global Mapping</b>
24	<b>Buy Now, Pay Later</b>
26	<b>Buy Now, Pay Later – The Accelerated Adoption and Innovation</b>   Frida Polyak, Euromonitor International
28	<b>Buy Now, Pay Later: A New Generation of Credit Cards</b>   Sheridan Trent, The Strawhecker Group (TSG)
30	<b>BNPL Aggregation Is Set to Disrupt the Pay Later and Lending Market</b>   Interview with Basant Singh, ACI Worldwide
32	<b>How Consumers’ Changing Needs Lead AfterPay’s Transformation into Riverty</b>   Teresa Schlichting, Arvato Financial Solutions and Nikki Constantine, AfterPay
34	<b>BNPL: Maximising the Rewards, Minimising the Risks</b>   Amir Noorjala, Callsign
36	<b>How Banks Are Responding to the BNPL Trends</b>   Interview with Jens Audenaert, Diebold Nixdorf
38	<b>Key Benefits Banks and Merchants Need to Know about POS Financing and BNPL</b>   Interview with Yaacov Martin, Jifiti
40	<b>What Responsible BNPL Means Nowadays and How New Regulations May Impact the Ecosystem</b>   Interview with Roberto Valerio, PAYLA
42	<b>Disrupting the Status Quo in BNPL with Responsible Deferred Payments Solutions</b>   Karlheinz ‘Charly’ Toni, Tinka
44	<b>BNPL Global Mapping</b>
45	<b>Buy Now, Pay Later – Examples of Business Models</b>
47	<b>E-wallets and On-demand Apps</b>
49	<b>Is the Future of the Super App and the Super Wallet the Same Proposition?</b>   Mark Beresford, Edgar, Dunn & Company
51	<b>Why Mobile Payments Will Improve Consumer Conversion and Consumer Retention</b>   François Cortés, Oaklen Consulting
53	<b>The Flourishing of Super Apps and On-demand Payment Apps in Southeast Asia</b>   Kell Jay Lim, Grab

# Table of Contents

55	<b>Debit and Credit Cards</b>
57	<b>New Card Payment Technologies and the Race to Keep Up with Mobile Payments</b>   Nick Maynard, Juniper Research
59	<b>Biometric Payment Cards: The Next Evolution in Secure Contactless Transactions</b>   Andreas Strobel, Smart Payment Association
61	<b>Cryptocurrencies</b>
63	<b>Extend Your Payment Rails with Cryptocurrency Checkouts Now</b>   Stefan Schneider, COINQVEST
65	<b>Emerging Payments Innovation and Habits</b>
66	<b>Latest Trends in Ecommerce and BLIK's Role in the Future of Payments</b>   Interview with Dariusz Mazurkiewicz, BLIK – Polish Payments Standard
68	<b>The Present and Future of Ecommerce – Live Commerce</b>   Li-Xiong Chu, Dr2 Consultants
70	<b>The Role of Real-Time Payments in Strengthening Customer Experience</b>   Interview with Gareth Lodge, Celent
72	<b>Optimising the Checkout Process: How to Win at Conversion and Retention</b>
73	<b>The Unexpected Results of Changing APM Acceptance Rates</b>   Julie Fergerson, Leo Parrill, Merchant Risk Council
75	<b>Meeting Consumer Payment Expectations in the 21st Century</b>   Manuel Huez, Checkout.com
77	<b>Spoilt for Choice: Why Merchants Need to Act Now on Checkout Processes</b>   Katharine Evans, CMSPI
79	<b>Forget Payments Acceptance: Think Merchant Services</b>   Diana Carrasco, Lloyds Banking Group
81	<b>The Role of Payment Orchestration in Optimising Checkout</b>   Jordan McKee, 451 Research (S&P Global Market Intelligence)
83	<b>Payment Strategies for a Growing Gaming Industry</b>   Interview with Elena Popova, Xsolla
85	<b>Localisation</b>
86	<b>Why Local Payment Methods Are the Key to Cross-Border Success</b>   James Booth, PPRO
88	<b>How Digital Payments Are Shaking Up Southeast Asia's Ecommerce Landscape</b>   Jade Lim, 2C2P
90	<b>India's Digital Explosion and the Opportunities It Presents to Ambitious Online Businesses</b>   Ramesh Narasimhan, Worldline
92	<b>The Merchants' Perspective on Optimising the Payments Checkout</b>
93	<b>Payments and the Paradox of Choice</b>   Ognjen Vlačina, Group Procurement, INGKA Group
95	<b>Merchants' Briefs</b>
96	<b>Mango</b>   Carlos Madrona, Internal Control & Compliance, Payment Methods and Fraud Director
97	<b>Rappi</b>   Juan Pablo Ortega, Co-Founder and CEO
98	<b>Vestiaire Collective</b>   Pedro Bennasar, Head of Payments
99	<b>Wargaming.net</b>   Elena Emelyanova, Senior Payments and Fraud Manager
100	<b>Wix</b>   Omer Shatzky, Head of Fintech and Risk
101	<b>Company Profiles</b>

# Payment Methods in Focus



- Latest trends and developments in 2022
- Account-to-account payments and rails
- BNPL adoption and innovation
- E-wallets and super apps
- Biometric cards
- Cryptocurrencies

# The Paypers

## Payment Methods: Latest Trends and Developments in 2022



**Anda Kania** is doctor in Political Sciences, currently exploring her research skills to discover the latest trends in the payment and commerce industry. Anda has used her position of senior editor at The Paypers to analyse the hottest topics, and to discuss them with thought leaders in order to get the pulse of the payments environment.

Anda Kania ■ *Lead Editor for Payments and Commerce* ■ The Paypers

The emergence of more convenient payment methods and boosted digital commerce is attributed to new disruptive technologies. Yet all the massive payments technology upgrades are based on a customer-centric approach.

The need for speed and convenience has driven the rise of e-wallets, the need for affordable shopping has driven the rise of BNPL. Overall, the high adoption of alternative payment methods has been happening for a couple of years now, but what we are seeing currently is indeed more like a revolution rather than an evolution. E-wallets turn into super wallets, and the 'Pays' are covering a broader spectrum of services, making the industry speculate that they plan to become financial institutions. BNPL companies are under a regulatory radar, but the show does go on, and consumers still display a high interest in paying in instalments. Metaverse is an emerging trend, mainly fuelled by young generations, but when it comes to crypto adoption, the state of affairs in the industry seems rather biased. There may be great interest among consumers in cryptocurrencies – however, there is no real aspect showing that crypto is a popular payment method, but rather an asset.

The landscape is highly fragmented, with consumers using different payment methods and instruments, being loyal to various payment brands, and embracing new shopping habits. To align with the payment trends, industry players need to know what's hot and what's rather still heating up among the latest developments on the market. This analysis shows what to keep an eye on and what to already consider in terms of payment methods and technologies.

### Mobile payments and super apps

Global proximity mobile payment users are expected to reach 1,345 billion in 2022, an increase of up to 5.3% year over year (YoY) based on **Insider Intelligence forecast**. Consumers are using less cash and opting instead for digital payment methods such as mobile wallets.

The e-wallet is no longer what it used to be: a card-based omnichannel payment method. By updating their core services to meet consumer demands, e-wallets have gained an upper position in the value chain. They provide loyalty programmes, ecommerce transactions, P2P payments, bill payments, crypto storage, and even financial services to keep their relevance in the context of embedded finance. In addition to payment services, they also focus increasingly on personal finance.

### What bigtechs and 'Pays' have been up to

Providing digital-savvy customers with new capabilities continues to be a priority for bigtechs.

Samsung wants to capitalise on the growing adoption of mobile payments. As such, Samsung Pay will be replaced by Samsung Wallet for Galaxy users in the US, the UK, France, Germany, Italy, and Spain. The app allows users to store credit cards, loyalty cards, transit tickets, COVID-19 vaccination cards, and several ID documents. Users can also monitor the value of their cryptocurrencies across select exchanges with Samsung Blockchain Wallet.

Google has launched two payment initiatives: a digital wallet and a virtual card. Similar to Samsung Wallet, Google Wallet lets Android users store everything – from payment services to tickets, IDs, loyalty cards, and vaccine records. In comparison to Apple, both Google and Samsung are somewhat late to the party, as Apple has been offering these features since 2012.

After Mobeewave's acquisition by Apple, we expected to see a Tap to Pay solution emerging from this event. It finally happened – with the significant increase of **contactless payments** in the US, Apple has seized the opportunity to launch Tap to Pay on iPhone. The solution accepts Apple Pay, contactless credit and debit cards, and e-wallets, and it works via NFC.

Solution providers have been developing device-agnostic tap-on-phone technology for a couple of years now, if we look at Cellfie or Viva Wallet for example. Though most of these services are prevalent in Europe rather than in the US, the solution will most likely spread across the globe, and SMEs and solopreneurs (especially those in hospitality) are likely to be the driving forces behind its adoption.

Facebook Pay has become **Meta Pay**, and according to Meta's CEO Mark Zuckerberg, this rebranding is the first step towards payments in Metaverse. With social media identity and payment options being combined in one place, it will be interesting to see how this new environment develops.

Leaving the US aside, in India, Tata Group has launched the Tata Neu super app, which meets all the prerequisites of a one-stop-shop payment service. Tata Neu is rather a latecomer, considering the rapid development of payment apps in Asia, but maybe they have been waiting for **smartphone penetration** to rise to more than 50%.

### What's going on with BNPL

According to **ConsumerAffairs**, of 1,000 surveyed Americans, 60% had a positive experience with BNPL. On average, those who used BNPL the most frequently had better financial health. The most problematic situations were reported by people who used BNPL sporadically – just a few times a year. Worldwide, BNPL accounts for 3% of global ecommerce payment methods, and it is expected to grow to 5% by 2025, as per **The Global Payments Report** by FIS. Having the most accurate perspective on the coverage of BNPL is challenging, since sometimes the data doesn't reveal the type of model involved (credit card, direct provider, etc.) or the payment instrument, which can be a card or an e-wallet.

A **McKinsey article** states that big players in this space are looking to increase their visibility and engagement through apps, looking to offer the 360° experience: shopping, loans, and banking. The stakes are high for traditional competitors, in this case.

As regards consumers' behaviour, we notice two red flags. First, people have started to buy **essential items in instalments**. As well, Gen Z and Millennials are more likely to use BNPL services **to cope with inflation**. As long as people buy fashion items or electronics, BNPL is in a normal state. It should be a concern, however, when people start buying groceries with pay later methods or perceive BNPL as an aid to managing expenses.

### Bigtechs involvement in consumer finance

Apple has announced the launch of Apple Pay Later in the US, a service that allows customers to split the cost of a purchase over four interest-free equal instalments only after a soft credit check. Several experts already stated that Apple users might be reluctant to this service, since any late payment might put their entire account at risk. PayPal has also launched in the US a new BNPL offering dubbed PayPal Pay Monthly, issued by WebBank. Merchants can add Pay Monthly as a payment option automatically, at no additional cost. The pay later option can be delivered to customers early in their shopping journey in a similar fashion to Pay in 4.

Considering the long history of BNPL, the question is why most of the bigtechs have rolled out pay later services just now. We can't talk about innovation, so maybe they are just encouraged by their significant market share. Moreover, they're eyeing the US market first, which makes sense, since it's not as saturated as Europe and Australia, and emerging markets require more effort to penetrate.

### A2A payments and Open Banking payments

First of all, the industry is making a lot of confusion between A2A payments and Open Banking payments, by lumping them together. These terms are not synonyms; A2A payment methods are the typical bank-to-bank payments without the involvement of a card. Open Banking payments are indeed the same thing, but they also require consumer consent to share their data with TPPs. Open Banking is very hard to integrate, and it shouldn't be seen as an 'off-the-shelf' payment method. The strongest and most successful A2A payments are those developed by banks in multi-bank schemes such as iDEAL in the Netherlands, BLIK in Poland, Pix in Brazil, and UPI in India, to name a few. →

The first A2A payments were actually P2P transactions, and currently, most of the use cases regard P2P money transfers rather than B2C. Open Banking companies and A2A payment providers will likely acquire P2P payment apps in the coming years to enforce their ecommerce use cases. Perhaps banks will be more interested in these apps too, if we look at the case of **Wells Fargo and BofA considering enabling Zelle** for online retail payments.

## The cool side of the business: crypto and the Metaverse

Many reports and stats are indicating that cryptocurrencies are on the rise, but there are very few insights from consumers. Most of the surveys are focused on business opinions, either coming from enterprises or crypto-native companies. A Deloitte survey shows that most merchants (87%) agree that **acceptance of digital currency payments** puts them at a competitive advantage. This would regard a diversified checkout, which has become a must-have for consumer conversion.

The question is how many consumers are actually making purchases with crypto. There is a high interest, but what about usage? According to a **Mastercard study**, 36% of users are very likely to try paying with crypto in the next year. Consumers would prefer more stability in the industry, with 59% saying that knowing crypto is backed by a reputable organisation would give them more confidence. Furthermore, 63% of respondents agree that stablecoins and cryptocurrencies should be regulated by the government. All these statistics show interest, but they don't reflect the usage in ecommerce.

## The Metaverse

Mastercard has shown a greater interest in NFTs, recently. Consumers can now use their cards to buy digital assets on marketplaces without the need for a crypto wallet. Encouraged by a great response – **45% of users had purchased an NFT** or would consider doing so – Mastercard is tapping the Web3 in a bid to be an early participant in this emerging ecosystem.

When it comes to ecommerce and its integration with the Metaverse, any developments are undoubtedly driven by young generations, and at least at the moment, high-end commerce dominates the space. And any discussion around Metaverse and payments is not about how people pay, but how they experience online shopping.

## Closing remarks

It's fascinating to watch, on the one side, the discussions around BNPL risk for overspenders, while on the other side, the Metaverse nurtures a culture of luxury as we observe the famous brands entering this space. The discussions take place in the same payment area, even though there are different domains and circumstances.

Online and offline shopping experiences are becoming increasingly similar in terms of convenience. It is the same fast and secure payment journey that is expected (and delivered) in both places, so whether we are talking about in-store contactless payments or alternative payment methods like BNPL, A2A, or e-wallets, seamlessness should be the first consideration.

We will be talking more about super apps and super wallets than e-wallets, in the near future. E-wallets are likely to take advantage of the growing adoption of mobile payments to offer new mobile use cases, but the ultimate destination for e-wallets is the super app power. To align with the trends, solution providers will double down on optimising the mobile payments experience. The next chapter in payments will be about mobile payments and Metaverse, but not in the next 12 months, at least. Right now, we are still exploring two subchapters: Open Banking versus cards – and BNPL.



# Account-to-Account Payments and Rails

## Size of the market

If a few years ago there was global speculation about the magnitude and impact of Open Banking and PSD2 on the speed and accessibility of financial transactions, at present, Open Banking has reached an age where we can see and live the practical application of what it used to be an idea. Real-time payments are the ground 0 of these practicalities, while A2A payments are the level-up. At the same time, we are living in a world where innovation paired with regulation has cleared the path for merchants and banks to decrease the influence of card schemes on the payments ecosystem. Stressing 'decrease' as conveying a radically different nuance as 'overwriting'. But progress is being made each day.

The reality in the field is that real-time payments have become the end-goal of technology providers, banks, governments, and users alike. According to **Worldpay's Global Payments Report 2022**, 20 European countries are part of the centralised instant SEPA credit transfer (SCT Inst) scheme, while of the non-SCT Inst countries, the UK makes the most payments (close to 8 million per day).

The latest Status Update on SCT Inst Scheme from the **European Payments Council** states that, as of June 2022, there are 2,360 registered SCT Inst scheme participants (PSPs employing the scheme) representing a share of 61% of all SCT adherents (i.e. 3,872) in all SEPA countries (and 68% for the EU and 71% for the euro area only). Therefore, even though A2A payments as a practical concept is still far away from sweeping the world in terms of monopoly, instant payments and direct bank transfers are invariably at the moment the status quo of A2A.

In **the UK**, the Payments Strategy Forum, observed by the Bank of England, the Prudential Regulatory Authority, the Financial Conduct Authority, and the Payments System Regulator, have been making visible progress in creating a new payments architecture – the **NPA** – to replace the architecture used for today's UK retail interbank payment systems (Bacs and Faster Payments). As the PSR explains, it is envisaged that clearing and settlement of payments will take place over a single purpose-built central infrastructure rather than the separate infrastructure that is currently used.

**On a global level**, 60 markets operate a live, real-time payments infrastructure, with **Canada, Peru, New Zealand, and Indonesia** launching in 2022. **Southeast Asian** countries are at the forefront in terms of adoption of instant payment platforms, **India** registers the largest volume of instant payment transactions in the world, reaching **39.8 billion in 2021**, while in May 2022, **Brazil's** instant payment platform **Pix** has been used by more than 115 million users since its launch in November 2020, according to a recent ReportLinker study.

In June 2022, news coming from the Nordics region saw **P27 Nordic Payments** announcing its plans to become the new national Clearinghouse in **Denmark** for traditional and smart payments for businesses and private consumers. The Clearinghouse would also enable bill settlement and real-time payments to other Nordic countries, including **Sweden** and **Finland**, with **Norway** expected to join later.

In **the Netherlands**, according to research conducted by **GfK**, compared to 2020, the number of iDEAL payments increased by 28% in 2021. Online identification and logins with iDIN rose by 33% and Incassomachtigen (e-mandates) by 13%.

## Latest developments

In late 2021, **NPP Australia** merged with eftpos and BPAY Group to form **Australian Payments Plus**. This ACCC-approved fusion will enable better coordination of investment across the three payment schemes, creating a more innovative and sustainable Australian payments landscape. →

# Account-to-Account Payments and Rails

A major topic of discussion in Europe in the last year when it comes to both A2A and instant payments has definitely been **the EPI (or European Payments Initiative)**. It is a coalition of 31 banks and 2 payment service providers across 7 European countries (Belgium, Finland, France, Germany, the Netherlands, Poland, and Spain) currently covering 65% of all European payment transactions. The aim of EPI, as per its own explanation, is to create a unique payment solution that will become the new normal for European consumers and merchants for all payments in a shop, online, and between friends and family.

The proposition gained traction at its inception by attempting to create a European card scheme, which did not pan out and resulted in the initiative **redefining its scope** and goals closely surrounding A2A payments. With a framework designed to aggregate everything from recurrent payments, deferred payments, and split payments, to donations, the initiative has added a couple of functionalities to its scope in 2022. Martina Weimert, CEO of the EPI Interim Company, has detailed for **The Paypers** that in the third quarter of 2023, EPI plans to go live with P2P and P2Pro, with goals to dive into ecommerce a couple of months later.

In **the US**, the Federal Reserve began onboarding pilot participants onto the **FedNow Service**, signalling the initial testing phase in **May 2022**. According to the announcement, a few organisations have already connected and delivered test messages over a pilot version of the FedNow Service, marking a milestone for the service, which remains on course to launch in 2023.

When it comes to technology providers in the A2A payments ecosystem, in July 2022, Open Banking platform **Tink** rolled out an upgrade to its payment stack with the launch of settlement accounts, a new feature that aggregates PIS settlement.

Another notable development came from A2A payments provider **GoCardless**, launching Instant Bank Pay and an anti-fraud feature, Verified Mandates, in Germany.

One trend that was pervasive in the last year refers to a number of banks and technology providers building and making available real-time Euro payments services, based on the real-time pan-European SEPA Instant scheme. **Modulr**, **TrustPay**, banking group **Citi**, and British PSP **Answer Pay** are just a few players who have introduced SEPA facilities to their portfolio in 2022.

## Investments

One of the most relevant names when it comes to investments in developing A2A payments services is payments provider **GoCardless**. The company announced a series F funding of USD 95 million in December 2021, and it continued with series G in February 2022 amounting to a striking USD 312 million.

In May 2022, up-and-coming fintech **kevin.** raised USD 65 million to bypass card payments with account-to-account payments. Its plan is to be available as a payment option across some 35% of European electronic point-of-sale terminals by the end of 2022 and then 85% the year after that.

Examples like these two rounds of investments are not alone in the ecosystem. **Token** raised USD 40 million to expand A2A payments and Open Banking connectivity across Europe – and the investments in this field will keep pouring in. It remains to be seen how the practicality of it will impact the slice of pie that A2A will take from the global market share.

# Edgar, Dunn & Company

## Open Banking Payment Methods – Driving Value for Ecommerce Merchants but Consumers Need to Benefit Too



**Volker** is a Director at Edgar, Dunn & Company (EDC), based in the London office, and he heads the European Acquiring Practice. Volker has provided consulting advice in payments for over 20 years and has developed significant experience in digital financial services from working with banks, merchants, card payment schemes, technology vendors, and regulatory bodies in different geographies. He has a track record in strategy development and deep expertise in profitability improvement, strategic planning, financial modelling, and M&A advice.

Volker Schloenvoigt ■ Director ■ Edgar, Dunn & Company

### A consumer's view on Open Banking

Let us get one thing immediately out of the way: whilst the term 'Open Banking' might be self-explanatory for those working in the financial services sector, for the typical consumer it does not mean anything, or it is understood to be something completely different. As the host of a webinar I recently attended pointed out, the most common perception of 'Open Banking' among consumers is that bank branches are open 24/7 – thus, allowing payments to be initiated on a Sunday over the counter. It is an interesting observation that the consumer, i.e., the one person who decides how the payment will be undertaken, does not know what 'Open Banking' means.

This raises another question: is it actually important that the consumer knows what it is? Does the label on the tin really matter? Would it not be much more important to know what the content of the tin is? The consumer does not need to know that Open Banking is the process of enabling third-party payment or financial service providers to access their banking information for account information purposes or payment initiation. What the consumer should know is that these are account-to-account payments, most commonly from their own bank account, and that the service provides real value, whether that is incremental convenience, streamlined user experience, or economic benefits.

Why is consumer perception important? Without delving into detailed descriptions of economic theories, it is critical to understand that the merchant payments market is two-sided, where payers (i.e., consumers) and payees (i.e., merchants) have different needs or reasons for choosing one payment method over another.

For successful sales, merchants need to offer the payment methods that customers are likely to prefer or look for. This is a constant challenge in the wider world of Alternative Payment Methods (APMs), where merchants will need to assess which APMs are meaningful and which ones their customers actually want to use. This challenge is equally relevant for Open Banking payments. Are the needs and benefits related to Open Banking payments truly aligned between merchants and their consumers?

### The merchants' perspective

It has been well documented that there are four key benefits for merchants to accepting Open Banking payments:

**Lower costs** – especially when you consider card payments, there is a range of different fees that merchants would need to pay. Starting with the Merchant Service Charge as the biggest item, it can extend towards gateway fees, 3DS or PCI compliance fees, or (network) tokenization fees. Fees for Open Banking payments are lower than the aggregated fee level for card payments.

**Greater security/lower fraud** – like payment cards, Open Banking payments need to comply with Strong Customer Authentication (SCA). In most cases, this is already being facilitated via the redirection to the online banking environment of the customer. →

**Faster settlements** – Open Banking payments are being confirmed almost instantly, and thereby, they provide an immediate cash-flow benefit to the merchant. Also, because receipt of payment is confirmed very quickly, goods can be shipped right away, which improves the consumer's experience considerably.

**No chargebacks on Open Banking payments** – because Open Banking providers instruct instant bank transfers on behalf of the customer, there is no built-in chargeback mechanism.

So the benefits for one stakeholder, the merchant, in this two-sided payment acceptance market are clear. But what about the consumer?

### Benefits – the way forward

Features such as added security and transparency around payment flows are equally beneficial to consumers as they are for merchants. But one big challenge remains. We are all creatures of habit, and we have all established our preferences in how we want to pay. For consumers to change payment habits, it will require something better, something more convenient, or something that has a real additional benefit to it. For example, having no chargeback mechanism might be beneficial to merchants – but for consumers who are accustomed to a safety net from familiar card payments, this means additional risk, and it translates into hesitation for mass adoption. Fortunately, there is nothing to stop Open Banking payment providers from developing voluntary protections to cover certain types of purchases, if that is what is required by merchants and sought after by consumers. For some transaction types such protection will be needed (e.g. larger furniture items), whereas it might not be overly relevant for weekly food purchases.

Whilst it is early days for Open Banking payments, there is some evidence that adoption is growing. There are already well-established use cases in the iGaming or wealth management sectors where Open Banking payments are used to fund the customer account. The next step will be to establish a meaningful roll-out for Open Banking solutions as a viable retail payment method. As illustrative examples, Truelayer provides Open Banking payment functionality to Cazoo, an online car retailer, Trustly serves Norwegian Airlines, and most recently lastminute.com and token.io partnered with BNP Paribas to launch Instanea, targeted at BNP's merchants.

There is a strong argument that merchants will need to take the lead to convince consumers that there are alternative options to card payments and other established payment methods. If there is a cost advantage to merchants, is there an opportunity to pass on some of those cost savings to consumers? Could they be convinced to change their well-established preferences by receiving additional loyalty points if they were to use Open Banking payments, for example?

As iDEAL in the Netherlands has demonstrated, there is a space for account-to-account retail payments – but to push the adoption of Open Banking payments, merchants need to share some of the associated benefits in order to overcome any scepticism that consumers still show today.



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**Edgar, Dunn & Company (EDC)** is an independent global payments consultancy. The company is widely regarded as a trusted adviser, providing a full range of strategy consulting services, expertise, and market insights. EDC expertise includes M&A due diligence, legal and regulatory support across the payment ecosystem, fintech, mobile payments, digitalisation of retail and corporate payments, and financial services.

# GoCardless

**Siamac Rezaiezadeh, Director of Product Marketing at GoCardless, reveals the benefits that Open Banking-powered payment methods, including VRPs, bring to both businesses and consumers.**



**Siamac** is Director of Product Marketing at GoCardless, leading go-to-market activities, value proposition development, market research and frontline sales enablement. Prior to GoCardless, Siamac launched and ran a travel marketplace, wrote a book on sales strategy and spent seven years at a SaaS startup through successful acquisition and subsequent growth as part of an NYSE-listed enterprise.

Siamac Rezaiezadeh ■ *Director of Product Marketing* ■ GoCardless

## What are the most popular types of A2A payments currently available on the market?

Direct debit continues to dominate consumer preferences in many countries across Europe, with GoCardless research finding that it's the payment method of choice for a range of recurring payment use cases. By way of example, in the UK, it's the preferred way of paying household bills and subscription payments. There is also a growing appetite for real-time payment capabilities, with The FinTech Times stating that global real-time payment transactions hit an estimated 118 billion in 2021. The simplest way to combine the trust and reliability of direct debit with real-time, faster payments is to offer Open Banking-powered payment methods.

“The simplest way to combine the trust and reliability of direct debit with real-time, faster payments is to offer Open Banking-powered payment methods.”

Open Banking in the UK has been progressively building momentum. In part, this is down to HMRC rolling out Open Banking-enabled 'Pay by bank account' to a dozen different tax regimes, leading them to receive just under GBP 2.5 billion via Open Banking in less than 12 months. As similar frameworks go live across Europe, we will start to see this spread ongoing.

The next step is to enable the real-time collection of recurring payments. Two examples that spring to mind are the PayTo initiative in Australia and Variable Recurring Payments (VRPs) in the UK. Both are a work in progress but offer exciting ways to combine the flexibility of direct debit with the speed of card authorisation.

## In the context of Open Banking, what benefits do Variable Recurring Payments bring to both payments players and consumers?

The introduction of what is essentially instant direct debit will be a big boost to PSPs that play in the A2A space. With immediate payment authorisation paired alongside the lower-cost, lower-churn of A2A payments, PSPs can offer a true alternative to cards.

Thinking of consumers, the arrival of VRPs has come at a time when it feels most needed. GoCardless research found that 57% of consumers are struggling to save due to the increased cost of living. A further half said they would use new technology that automatically moves their money from one account to another with a higher interest rate. VRP 'sweeping' will give consumers greater control over their money management, allowing them to make payments faster and to move money easily between their accounts, helping people clear debts and build savings. →

### Are there any possible future use cases where VRPs can be most effective at the B2C ecommerce level?

Absolutely. Because of the speed of payment authorisation, people can pay directly from their bank in several ways, with one of the most interesting being the possibility to replace '1-click' card payments with '1-click' bank payments, e.g., 'card on file' replaced by 'bank account on file'.

You can go even further by implementing QR codes to direct people to online payment flows where they can pay via 'account on file'. QR codes' ability to link the offline and online worlds here is significant, bringing Open Banking-powered payments to shops, hospitality and more.

### For merchants dealing with recurring payments, what kind of challenges are they facing? How can the emerging A2A payments rails help them out in this matter?

The subscription economy is booming, and businesses now have to focus on retaining the customers they have gained over the past two years. The payment methods offered to consumers have a direct impact on churn; for example, the rate of customer churn for subscribers who pay with a credit card is over three times more

compared to those who pay with direct debit. A starting place is looking at payment methods with lower failure rates, as 11-15% of failed payments result in churn.

Bank account payments fail less frequently, with energy and telecoms businesses, as examples, having benefited from it for years. But newer recurring revenue businesses often require the speed of authorisation that card payments bring in order to meet consumer expectations. Emerging A2A payment rails can help here, simply by making the bank account a viable payment option for these types of businesses too.

### What is GoCardless' unique way to improve the recurrent payment experience for merchants and consumers?

There's no such thing as a 'one-size-fits-all' payment solution, but our thesis is that payments that move directly from one bank account to another offer businesses substantially more benefits. Our value-add comes from incorporating multiple bank payment methods into one network, enabling merchants to optimise their payment strategy in unprecedented ways. For example, if speed is of the essence, Open Banking payments are the way to go. If cost is a focus, direct debit may offer better value. And, as Open Banking innovation rolls out in phases, offering both tried-and-tested bank payment methods like direct debit alongside the newest technology will ensure merchants can cater for all payers.

Finally, GoCardless layers data and analytics on top of bank payment methods as part of 'payment intelligence' features to help merchants optimise payments. Two years ago, we launched Success+, which applies machine learning to predict the best days for payment retries. Since launch, we've recovered over GBP 49 million in failed payments. Later this year, we'll launch an anti-fraud feature which uses the same technology to help merchants protect their revenue.

[Click here for the company profile](#)

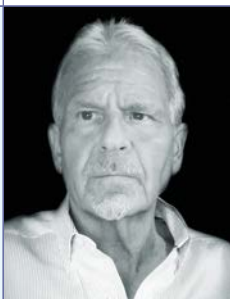
**GOCARDLESS**

[gocardless.com](https://gocardless.com)

**GoCardless** is the global leader in direct bank payment solutions, making it easy to collect recurring and one-off payments directly from customers' bank accounts through direct debit and open banking. Each year GoCardless processes more than USD 30 billion of payments across more than 30 countries.



**Tim Munto, Senior Vice President ACH & Online Banking at Nuvei, discusses the main differences between Open Banking and A2A Payments, as well as what makes Open Banking a more appealing solution for online payments.**



As SVP, ACH & Online Banking, **Tim** leads Nuvei's efforts to deploy pay-in and pay-out capabilities which leverage the company's Open Banking platform. He is a seasoned payments professional with 30+ years' experience leading large sales and operations organizations, in various executive positions. Tim spent a large part of his career working for Bank of America and TSYS in the United States, during which he had responsibilities managing international operations in Europe and Asia.

Tim Munto ■ Senior Vice President ACH & Online Banking ■ Nuvei

## Why is Open Banking the right solution for online shopping?

Open Banking payment solutions are built for the digital, mobile-enabled world, making them an excellent solution for modern shopping. There are significant benefits for both merchants and their consumers when using Open Banking enabled payment solutions.

### 1. Secure

Open Banking solutions have contributed to a shift from a closed data model to an open one, where sharing data between various players in the financial ecosystem is possible through customer authorisation.

Open Banking payments are more secure because authorisations are done with bank-level security technology, through biometric authentication, without credential sharing. There is no need for card or account details to be manually entered when making payments and all parties are securely authenticated, significantly reducing the risk of fraud and even 'fat finger errors'.

### 2. Cost effective

Because there are no card networks involved in processing transactions, interchange fees are eliminated, which reduces the cost of acceptance for the merchant (or payee). Automated reconciliation is also possible, meaning businesses can further save money by freeing up resources.

### 3. Fast

With Open Banking payments, funds settle instantly or in the same day, compared to 1-3 working days when transactions are processed by card. Non-sensitive data (such as customer reference

numbers) can also travel with an Open Banking payment and these fields are often automated, which can eliminate human error and, eventually, speed up reconciliation.

### 4. Seamless

Seamless payments are possible through Open Banking because no data entry is required from the payer. The payment can be actioned in seconds, depending on the bank's authentication process. Biometrics also come in handy here, meaning the payment can effectively be authenticated, reviewed, and authorised in just a few taps.

By bypassing card network limitations, Open Banking payments also have higher transaction limits (once KYC checks have been set up) and benefit from higher conversion. Because they're digitally optimised, on average, Open Banking payments convert up to 40% better than cards.

## How did Open Banking contribute to the shift in customers' expectations around the payments industry? What are customers mainly focused on now when it comes to online payments?

Aggregating an individual's financial data under one application gives the consumer full visibility and control of their financial data. This has made it easier for the consumer to make informed, beneficial decisions regarding financial products and services.

With more control over data comes a heightened awareness and understanding of it, meaning that the security and privacy of said data are now at the forefront of customers' minds. Today, consumers expect their payments to be frictionless, fast, secure, and mobile-enabled – and Open Banking has contributed to this perception shift. →

“Open Banking payment solutions are built for the digital, mobile-enabled world, making them an excellent solution for modern shopping.

Given that the topic continues to create confusion within the industry, can you tell us what is the main difference between account-to-account (A2A) and Open Banking payments?

A2A payments have been around for decades; think push payments where users can transfer money from their own accounts by using the account details of a recipient (be that another individual or a business). Direct debits or subscription payments are also a type of account-to-account payment, sometimes also referred to as a pull payment because the merchant or service provider typically pulls or withdraws funds from a consumer's account.

A2A payments traditionally run on legacy bank rails, built before the digital age. And, while they were cheaper, they involved significant manual work, the UX was often lacking, and they were difficult to scale across borders.

A2A payments powered by Open Banking are no longer restricted to the banks' own technology but can be seamlessly embedded in the apps that consumers already use, with a greater focus on conversion and user experience. Moreover, they can be used by anyone with a bank account and that they're lower in cost.

Both Account Information Services – accessing online information from payment accounts – and Payment Initiation Services – initiating transfers from payment accounts – must be provided to regulated third-party providers at the same level of service offered to customers directly. This positively impacts the cost and speed of execution of Open Banking payments, further differentiating them from traditional A2A.

Can you name a few countries where Open Banking has gained momentum in terms of adoption and acceptance?

Prominent regions where Open Banking has gained momentum include Western European countries and the UK, aided by regulatory changes, namely PSD2 and GDPR coming into force in the past few years. The Asia Pacific payment landscape is largely influenced by mobile, so we have seen adoption start to take shape there as well. The US has been slower to adopt Open Banking enabled payments but the number of use cases is at an all-time high.

What is Nuvei's role in the ever-changing Open Banking system and how can its core solutions help merchants and customers alike?

Making sure that the integration of modern payment methods into a business' payment strategy is seamless, fast, and secure, much like the transactions themselves, is how we are bringing payments into the future. We believe payments should accelerate a merchant's business and drive growth.

We enable merchants to offer Open Banking payment solutions to their customers easily via one integration into the Nuvei platform. We offer connectivity to multiple Open Banking providers to ensure the best possible banking and country coverage.

[Click here for the company profile](#)

**nuvei**

nuvei.com

**Nuvei** (Nasdaq: NVEI) (TSX: NVEI) is tomorrow's payment platform. Designed to accelerate customers' business, Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services. Connecting businesses to their customers in more than 200 markets, with local acquiring in 45+ markets, 150 currencies and more than 570 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.

# Zimpler

## A2A Is the Future: Why Businesses Should Diversify Payment Touchpoints to Stay Ahead of the Game



**Arjun** is the Chief Marketing Officer at Zimpler, leading its brand strategy and ensuring a B2B/B2C implementation across platforms, fuelling the company's future growth and expansion. Arjun is an innovative and strategic leader with 15+ years in entertainment development. With a great passion for technological innovation, he strives to make a positive impact in the world of finance.

Arjun Shah ■ Chief Marketing Officer ■ Zimpler

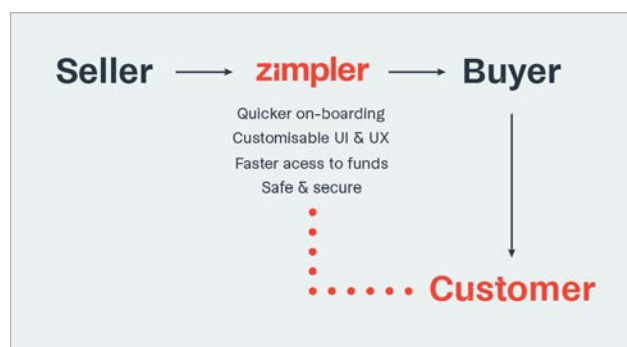
### Down memory lane

When thinking back on simpler times we can reflect on the few available payment options, as we traded livestock and land with gold and copper coins. In today's digital age, consumers expect businesses to meet all their payment needs – in the shortest time possible, and with the least amount of data input. By offering a range of payment options, we will position ourselves as innovators in the fintech landscape, while catering to our customers' needs. So, what do we gain from this?

Diversifying and staying competitive, while expanding our fleet of payment options, is crucial for customer acquisition. To continue offering customers, partners and end users the best possible service we need to offer products including as many market demographics as possible. By diversifying our payment options – for example with Paylinks – we are likely to see an increase in conversion rates, thus raising our brand profile and increasing sales. A timeless win-win.

### How to leverage B2B2B2C as an A2A payments provider

It is a common misconception that companies with a B2B product don't need to have a dialogue with end users. Zimpler is an account-to-account payment provider that aims to reshape that perception. We believe B2B2B2C is a potential gateway that can bring in more revenue for companies working together in an integrated ecosystem, with each partner offering the services they know best. It allows businesses to accelerate customer acquisition and deposits, grow fee revenue, and through partnership agreements reduce costs related to customer acquisition and unit processing.



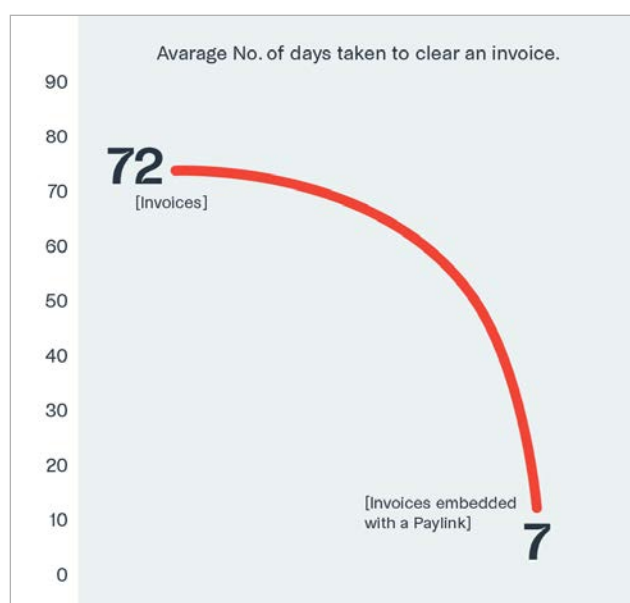
The goal of a B2B2B2C approach is closely associated with building loyalty with the end user. We trust the next generation of fintech users will offer their long-term loyalty to brands they believe in and relate to. In the payment industry, we have a deeply ingrained belief that brand trust alone is what makes our products successful. And, while trust will always play a critical role, newer generations are maturing, and demographic data no longer reflect their true affiliations. So, it's time to rethink and start planning for a new generation of users – while still being inclusive of the previous ones.

The reality is that we live in a time where utility and product are no longer enough. More than ever, consumers have access to an unprecedented amount of information about the brands they buy from and interact with – who they are and what they stand for. Therefore, companies must go the extra mile in communicating their mission and purpose to the consumer, to create products that drive affinity, awareness, and relatability. →

Adapting a B2B2B2C approach as payment providers allows for a stronger position with our end users, through which we can provide a holistic value proposition for merchants. Turning that coin, this also means we cannot rely on merchants to build brands for the end user. We have to own that narrative ourselves.

### Paylinks: a 'Request-to-Pay' option to save the day

Overdue invoices have bigger consequences than meets the eye. SMEs often experience cash flow issues and limits in operational growth due to late payments by customers. This, by effect, limits that same business in pursuing innovative solutions. Branching out to employees, they could be left standing without instant salary payments. This space is where we need to step-up as leaders in financial tech.



So, how do we achieve that in the most effective way? Data and figures from France show that the average time for an invoice to be paid often reaches 72 days. This is a major gap that needs to be closed, and we can do that by simply adding a 'Request-to-Pay' or paylink option to invoices. Trials of this implementation from Zimpler shows that adding a 'Request-to-Pay' or paylink option saw a 30% increase in invoices being paid within the first week. Taking things a

step further, and applying this on a global scale, we can – together as an industry - greatly improve the well-being of companies. And those who might find the process too intimidating should know that it is as streamlined as possible, so that it can even be done through smartphones.

We live in a digital age and we must think outside the box and dare to colour outside the lines. Only through this shift of implementing innovative technology and cutting associated costs, can we help improve cash flow for SMEs and stay ahead of the curve.

[Click here for the company profile](#)



[zimpler.com](https://zimpler.com)

**Zimpler** is a Swedish next-generation fintech company, offering simpler and more secure transactions - without the need for cards. Specialising in account-to-account payments, we are trusted by consumers and merchants across Europe to pay and get paid. With a newly launched rebranding, we are rapidly expanding in new key markets, with a mission to 'zimplify' payment transactions everywhere.

# Partelya Consulting

## Request-to-Pay: A Game-Changer for the European Payments Market?



Expert in payments and innovative finance, **Andréa Toucinho** is Director of Studies, Prospective and Training of Partelya Consulting and Country Ambassador for France of European Women Payments Network (EWPN). France Representative of two national fintech associations – Aefi Spain and Afip Portugal – she published several editorials about payments.

Andréa Toucinho ■ *Director of Studies, Prospective and Training* ■ Partelya Consulting

**The new messaging solution Request-to-Pay is one of the key topics that are discussed today by some European professionals in payments. This innovation, linked with e-invoicing and B2B digitalisation, is not yet a reality in all European countries, but many experts have already identified some key applications linked with the evolution of the market.**

The SEPA RTP scheme, to be built by the European Payments Council (EPC), will certainly bring a new step in the European payments market, first of all, in the B2B context, where there is a strong potential in terms of the development of electronic payments. Thus, for example, some French corporate treasurers operating in the energy field, already see the Request-to-Pay as a key asset to reduce the payment delays. As well, in Germany, corporates and financial entities aim at digitalising invoicing and payments in the B2B context.

The major use cases explored in B2C and B2B contexts are: the possibility of creating an alternative to SEPA Direct Direct (SDD), the modernisation of payments for public administration, and the creation of a digital payment experience that consumers can appreciate for recurring payments or Buy Now, Pay Later (BNPL). Last but not least: the Request-to-Pay as a step towards totally digital payment, in combination with a credit transfer, for young generations enjoying digital, instant and mobility contexts.

### A catalyst for instant payment

The first use case linked with the creation of an alternative to SDD is mainly developed in countries where end-users don't appreciate SDD payment because they want to be proactive in their transactions. In Portugal, where approximately 40% of consumers pay for electricity with SDD, the Request-to-Pay may be an interesting

solution to offer a digital payment linked for instance with a SEPA Credit Transfer Inst (SCT Inst). The combination between Request-to-Pay and an instant payment is seen as a key marriage to foster electronic transactions in countries where traditional payments are often privileged. Above all, instant payments will become the 'new normal' in Europe, according to the purpose of the European Commission. Thus, it is important to keep in mind that the acceleration of the development of instant payment is one of the key goals of the European Commission for 2022.

In addition to this alternative to SDD payments, the other use case to be mentioned is the modernisation of payments towards public administration. Many European countries will be soon confronted with some regulations about digitalisation of payments tickets and/or invoices. For instance, in France, a legislation about digitalisation of invoices is planned for 2023. As a result, digital transactions will be a new deal in relations between end-users and companies and the Government has a strong role to play in this context. Request-to-Pay, combined with an instant payment or even a simple SEPA Credit Transfer, can be an interesting solution to transform traditional payments to public administration into modern transactions. It is the case not only for the payment of taxes, but also for the payment of penalties or other services linked with health or administration. In Italy, for instance, e-invoicing and more generally digitalisation of financial exchanges are a strong issue to foster security and commodity for the benefit of the national economy. →

Another use case to be mentioned is the creation of an end-to-end digital payment experience to be appreciated by consumers for recurrent payments or BNPL. Thus, the combination between Request-to-Pay and an electronic payment will bring the opportunity to simplify these transactions. It is also important to mention that, according to some professionals, Request-to-Pay may be, in relation to an electronic payment, an interesting solution for young generations interested in new means of payment that are based on digital tools and mobility.

One of the questions may be 'will Request-to-Pay replace some means of payment, like checks, for instance?'

### Digital alternative

Even if Request-to-Pay has all the qualities to foster the decline of checks in several European countries, in the B2B context, it's clearly difficult to replace a tool with another in our ecosystem. The history of payments and the specificities of some European countries show us that it is the combination of various tools that bring opportunities to the market. The case of checks is a strong example: even if the European market has launched some interesting initiatives like SCT Inst for instant payment, checks are used in both B2B and B2C contexts in some countries like France.

Thus, the opportunity for Request-to-Pay is based on the capacity to give a digital alternative and to develop the quality of payments in our ecosystem. Some European countries already identified this innovation as a strong opportunity like Switzerland, where payments actor SIX Group already launched its Request-to-Pay solution eBill, or France, where the payments community already knows Sepamail Rubis that works as a national Request-to-Pay solution, or even Portugal, where payments actor SIBS launched a wallet called MBWay that allows a form of Request-to-Pay in a national context. That's why many European actors wait for the normalisation of SEPA RTP scheme and the evolution of EPC rulebook as a major step to concretise their projects and ambitions in this field.

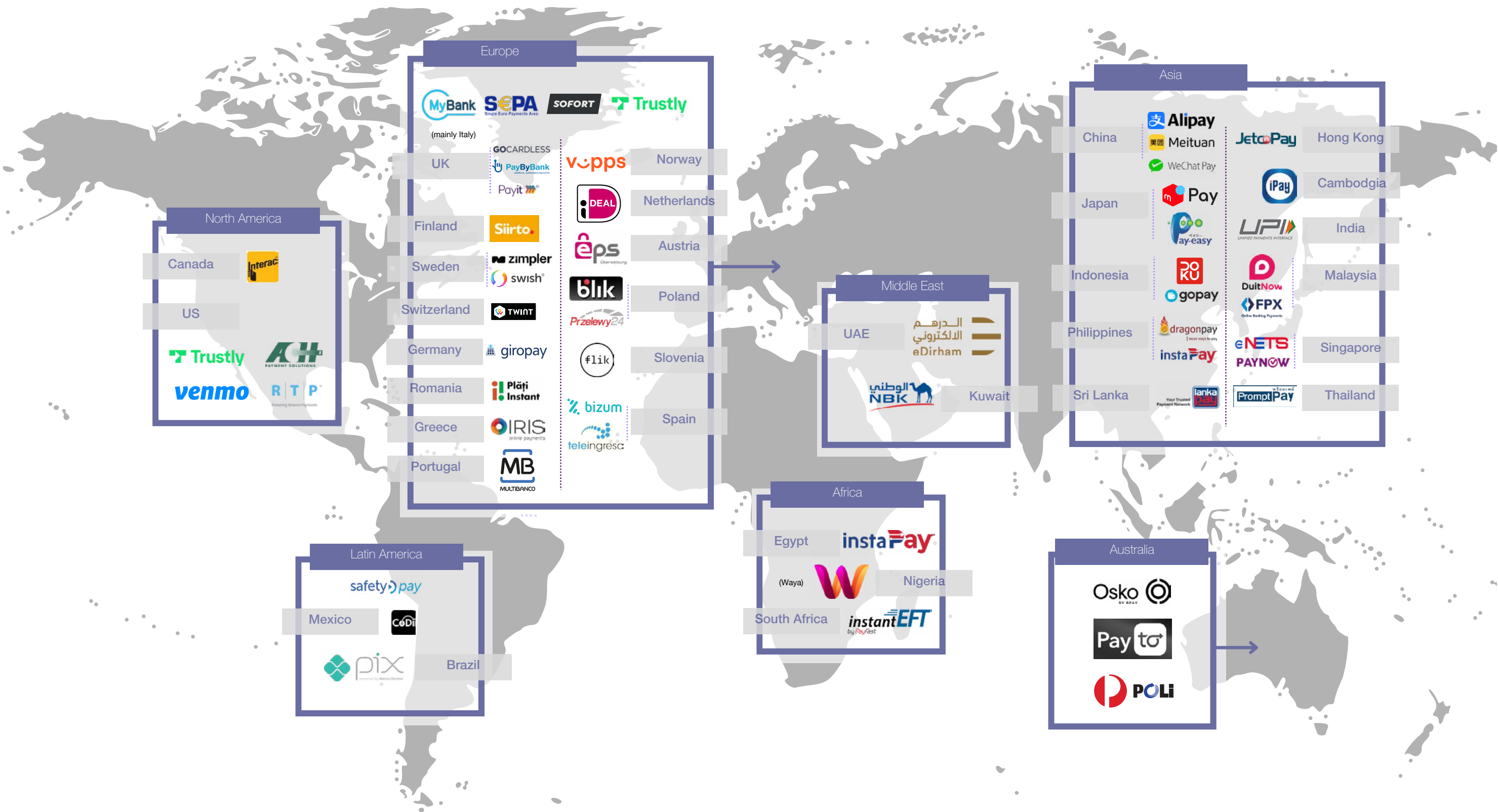


partelya.com

**Partelya Consulting** is a French consulting company specialising in payments. Created in 2008, it works with all actors of the market, from banks to schemes and retailers, on technological, strategic and regulatory issues. The company is a member of the French Association du Paiement and contributes to several projects linked with payments and innovation.



# A2A Payment Methods Global Mapping



# Buy Now, Pay Later

## Size of the market

One of the most recent prognoses in the Buy Now, Pay Later (BNPL) global market forecasts that the payment method would reach **USD 39.41 billion by 2030**, registering a CAGR of 26.0% from 2022 to 2030. As the experts at Grand View Research explain, the market growth can be attributed to the high purchasing power offered by the BNPL platforms, coupled with consumer benefits, such as interest-free and convenient payments.

In July 2022, Adriana Ellice-Flint, product leader for payments platform Recharge, **explained for The Paypers** that the exponential growth in ecommerce and the impact of the pandemic have fuelled the rise of BNPL, making it one of the biggest retail trends in the fintech space. This indeed has been the ongoing narrative for the last two years.

While the BNPL term is used to encompass lending and instalment propositions for B2C and B2B ecommerce, the use cases and product portfolios vary widely from region to region. In **Southeast Asia**, only **27% of the total population** of 670 million inhabitants has a bank account. In this general context, BNPL providers, multiservice providers, and banks alike compete for the same piece of the pie, while according to a **ReportLinker** study dating back to February 2022, market consolidation is ongoing and expected to continue as bigger participants acquire smaller ones. Worldpay estimates that (BNPL) will only account for up to 2% of ecommerce payment methods by value in APAC by 2025 (especially compared to Europe, which is estimated to register a 12% market penetration by the same year).

## Latest developments

### The world vs BNPL regulation

Back in **Europe**, in January 2022, the **UK Treasury** closed a consultation calling on industry experts to share 'views on the creation of a proportionate approach' to the regulation of BNPL. The British government introduced amendments to existing regulations in June 2022, including requirements for lenders to carry out affordability checks and amended financial promotion rules to ensure BNPL advertisements are **'fair, clear, and not misleading'**. In the EU, while strongly articulated regulation directly aimed at what BNPL means for the consumer market is yet to be passed in Brussels, the **European Council** did revise its Consumer Credit Directive in June 2022, aimed primarily at digitalisation and financial education for the public.

Several Asian countries are looking to regulate the framework for the issuance of consumer credit (**Malaysia** and **Singapore** being just two recent examples). In **the US**, the Consumer Financial Protection Bureau (CFPB) is keeping a close eye on consumer credit products. A probe announced in December 2021 asked major players Affirm, Afterpay, Klarna, PayPal, and Zip to provide insights into the risks and benefits of their products, **promising to take the data and translate it into a bill** that would level the playing field between alternative lenders and banks, while flattening the overall ecommerce debt ushered in by BNPL in the country.

### Big players keeping up with the trends

A number of banks have tried over these past years to get in the BNPL game, promising increased security and dependability. **Deutsche Bank** is the most recent example, announcing its cooperation with Austrian fintech **Credi2** to develop a white-label BNPL product for online retailers and ecommerce marketplaces.

Big card schemes are not far behind. In May 2022, **Visa** shed light on a fresh product, Visa Ready for BNPL, a new instalments partner programme. Visa Ready for BNPL is meant to fast-track implementation and scalability of Visa's BNPL offering by enabling fintechs and select issuers to integrate Visa's solutions. →

# Buy Now, Pay Later

## The big BNPL scale-down of 2022

While it's not all that grim, and big names are expanding (**Revolut** setting up BNPL operations in Ireland or **Affirm** partnering with **Stripe** to take on a bigger part of the US BNPL market), others are scaling down visibly.

American BNPL provider **Sezzle** informed Indian merchants of its decision to exit the Indian market in April 2022 and requested them to deactivate the service from their respective websites. A few months after, what seemed like one of the most relevant partnerships in the BNPL niche fell through with **Zip and Sezzle terminating their previously announced merger agreement**. The timing of the move, as per both companies' statements, comes amid a drop in investment strategies towards speculative technology firms 'as the Ukraine war and supply chain problems push up inflation and interest rates, eroding consumer purchasing power'.

In July 2022, Australian BNPL operator **Openpay** decided to close operations in the US. According to Reuters, the American expansion caused Openpay's losses to increase by 65% in H1 2022 – and current economic and market conditions, along with 'the likely ongoing capital investment required' forced Openpay to stop extending loans and cut most of its US unit's staff.

## The Klarna situation

**Klarna** climbed a steep and dizzying rollercoaster this year, and it appears to still be riding it. After the capital injection that led the BNPL giant to achieve a valuation of USD 45.6 billion in 2021, **Klarna's valuation dropped** dramatically this year by 85%, a process that came with massive downsizing and changes in the market strategy.

In July 2022, they managed to secure a **USD 800 million** investment meant to be infused back into its US expansion, where they had previously made a slew of product launches, including **digital wallets** for loyalty cards and **alternative credit cards**, not to mention a **Virtual Shopping tool** launched in May 2022.

# Euromonitor International

## Buy Now, Pay Later – The Accelerated Adoption and Innovation



**Frida** is a Senior Research Analyst at Euromonitor International with a focus on consumer finance. Based in London, she conducts and commissions research for consumer payments and lending in Western Europe, producing analysis on payment and financial service trends and advising clients across a range of industries. Frida holds a bachelor's degree in Commerce and Marketing from Corvinus University of Budapest and a master's degree in Sociology from the London School of Economics.

Frida Polyak ■ Senior Research Analyst ■ Euromonitor International

Buy Now, Pay Later (BNPL) has been one of the most discussed trends in the payments industry in recent years. Despite not being a completely new phenomenon, fintech players have made the process and offer – interest-free instalment payments over a set period, available for large and small-ticket items – highly appealing to customers. However, in Europe, the ever-evolving BNPL space is yet to see an expansion beyond the retail segment and consumer use.

### BNPL explodes in popularity amid pandemic-induced online shopping boom

The surge in online shopping during the COVID-19 pandemic served as a catalyst for the acceleration and expansion of BNPL payments in Europe. According to **Euromonitor data**, the value of ecommerce (goods) registered 60% growth between 2019 and 2021 in Europe, as consumers facing financial difficulties and those on limited income have favoured BNPL as a no-cost financing alternative. The success of the payment solution, however, is rooted in being equally beneficial for customers and merchants. Retailers offering BNPL at checkout attract more tech-savvy millennials and Gen Z customers, who are the key target group of the lending alternative. Thus, BNPL can lead to improved customer acquisition and loyalty, as well as conversion rates.

Despite BNPL's growing in-store availability, the online channel still holds important growth potential, particularly as ecommerce hegemony builds. According to **Euromonitor data**, European ecommerce penetration within retailing value is projected to increase from 16% in 2022 to 20% in 2026 – reflecting the ongoing transformation of the retail landscape.

### New business models unfold amid intensifying competition

The BNPL landscape has evolved rapidly of late – fuelled by the skyrocketing BNPL demand and increasing supply from both new entrants as well as existing players. The European market is dominated by fintech firms specialising in BNPL; however, challenger banks and the key card operators, Visa and Mastercard, have joined the competition recently by merging their banking solutions with BNPL. Neobanks, such as Revolut, Monzo, and N26, were among the first to launch their own instalment payment solutions, which are no longer limited to retail purchases, but rather applicable to any payment transaction. This continuous evolution of offerings has contributed to intensifying competition within the BNPL landscape. While global players have a strong presence across Europe, local competitors are quickly emerging. The role of local players is crucial, especially in Eastern Europe, where it is mainly the smaller, regional players who serve tech-savvy customers with BNPL solutions.

The market has also witnessed the development of new BNPL business models. Leading players, including Swedish firm Klarna and Australian firm Afterpay, have moved from being pure payment solutions toward fully integrated marketplaces. Consumers can not only select the BNPL option at checkout, but also browse from a list of retailer partners to purchase their products via the BNPL providers' app. BNPL players are among the latest fintechs attempting to combine the functionalities of payment methods with other services such as banking – and we expect these companies to play a substantial role in the potential blossoming of super apps in Europe. →

## Innovative BNPL uses promote growth despite imminent legislation in Europe

The European BNPL market has predominantly focused on the retail segment. Consequently, expanding offerings beyond goods holds growth opportunities for the BNPL space. In markets where the use of BNPL is already at a more advanced stage, consumers can apply for instalment payments when procuring hospitality services or travel deals. For example, the 'Eat Now, Pay Later' model in Australia is enabled by multiple BNPL providers, including Afterpay or Payo. Travel booking platforms also promote BNPL as a payment option to attract customers, which can facilitate the recovery of tourism after the industry was hit hard by the global pandemic's impact in the past two years. For instance, India-based Byond Travel offers travellers instalment payments with a 0% interest fee on holidays. Examples of services qualifying for BNPL are emerging in Europe too. In Ireland, ŠKODA has recently started offering new car owners a BNPL payment solution on servicing, repairs, and accessories through the third-party platform Bumper. Partnerships between service providers and BNPL platforms are expected to gain increasing importance in Europe moving forward.

Expanding into and specialising in financing a particular service category could differentiate BNPL providers. An example is the utility bills segment. Some financial institutions already allow instalment payments on any transactions, including bill payments. However, direct partnerships between utility companies and pure BNPL players are yet to be established. Such new partnerships could increase BNPL providers' customer base and margin, and they have the potential to contribute to the financial sustainability of the model.

The dynamic expansion of BNPL, combined with the lack of thorough credit checking of consumers, is raising concerns over the risk of unsustainable consumer debt levels. In Europe, there is currently no regulation in place around offering and using BNPL financing. This is due to change. The European Commission and UK Financial Conduct Authority have already submitted proposals for new legislation covering the provision of short-term credit, with Europe-wide regulation expected to come into effect in the next year or so. While the industry expects regulation to be proportional to the amount of credit offered, legislation is likely to somewhat slow down the strong growth of BNPL in Europe.

## What is next for BNPL in Europe?

Intensifying competition, emerging and developing business models, and expansion across industries have all contributed to the dynamic evolution in the consumer uses of BNPL so far. One might rightly ask what else the future holds for the payment option. Looking forward, we expect BNPL to continue its transformation in the rapidly evolving space that is B2B payments, one which has also been undergoing significant digital transformation both prior to and since the global pandemic.



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# The Strawhecker Group (TSG)

## Buy Now, Pay Later: A New Generation of Credit Cards



**Sheridan Trent** has a Master of Arts Degree in Industrial-Organizational Psychology – as a Senior Research Analyst at The Strawhecker Group, she uses her skills to conduct industry surveys, market research, and explore emerging trends in the payment industry.

Sheridan Trent ■ Senior Research Analyst ■ The Strawhecker Group (TSG)

### Introduction

Over the past few years, the Buy Now, Pay Later (BNPL) market has grown significantly – **a report released earlier in 2022** projected BNPL to account for 9% of all North American ecommerce transactions and 12% of all European ecommerce transactions by 2025. Further, parts of the global BNPL landscape have started to show signs of maturation with the development of vertical-specific BNPL offerings, the acquisition of smaller BNPL players by those with greater market share, and the increasing popularity of white-labelled BNPL solutions by some retailers. With these trends in mind, considerable media focus has been directed toward the evaluation of BNPL as a usurper of credit cards, or as the new ‘credit card’ of younger generations of consumers. But the true threat BNPL represents to credit cards as a payment method has only been minimally explored beyond vague assumptions and alarmist claims. Thus, the goal of this article is to examine the attractiveness of BNPL as an alternative to credit cards, as well as the extent to which BNPL has been truly embraced as a substitute by consumers.

### Is BNPL really new?

BNPL shares characteristics with many popular payment methods. The most salient example is the credit card, another way of buying goods at checkout while delaying payment. A common comparison is also often made to layaway, and to general plans allowing consumers to pay larger balances in a smaller number of instalments.

Despite these commonalities in structure, the rise and popularity of BNPL – exacerbated by the financial crisis in the mid-2000s as well as the more recent COVID-19 pandemic – seems to be attributable to its unique traits, rather than those it shares with other payment methods. For example, one thing many BNPL companies highlight is the lack

of interest attached to their payment plans, as a key justification for using BNPL over credit cards to consumers. This has been a largely successful strategy. Even if BNPL loans represent a risk to consumers who may be more likely to shop impulsively, **an analysis by the Kansas City Federal Reserve in 2021**, which compared the cost of a USD 500 purchase across three different payment methods (i.e., BNPL, a credit card with an APR of 17%, and layaway with a service fee of USD 5) found that BNPL is often the least expensive of the three methods of payment (assuming on-time repayment of the loan by the consumer). For those who have done the math, this may be one reason they are drawn to BNPL loans. The lure of an interest-free deferred payment option in and of itself may still be attractive for those hoping to avoid longer-term debt. **In a recent TSG survey of over 500 US consumers**, from a lengthy list of potential product features, 82% of consumers selected ‘no interest’ as the most important consideration to them when choosing a BNPL offering.

Beyond the draw of a no-interest deferred payment option, emerging evidence suggests that some psychological factors prime consumers to respond favourably to BNPL loans. A study conducted in Australia in 2021 comparing the amount of money spent by consumers utilising credit cards vs. cash vs. BNPL reported that **consumers spent more on BNPL**, since the amount of money spent felt smaller to them when split across several payments compared to paying for a purchase up-front. Higher checkout tickets have also been highlighted by some companies as a selling point to merchants. →



One article from **Klarna noted average order values were approximately 45% higher** for retailers offering a BNPL checkout option, and Afterpay (purchased by Square in early 2022) **currently reports a 40% increase in average order value for customers using BNPL.**

The user-friendliness of some BNPL offerings and how they combine seamlessly with consumers' phones as shopping apps (e.g., Klarna, Afterpay) or add-ons to digital wallets they may already be using (e.g., PayPal's Pay in 4, Grab PayLater) is another factor that differentiates BNPL from credit cards. Namely, credit cards – while simple to use once an individual has obtained one – require underwriting, a credit check, and often a waiting period. BNPL apps can approve a consumer for use in seconds, typically require only basic personal details, and are often already well-integrated into consumers' online shopping ecosystems. This can make them faster and easier to use than credit cards in many cases.

## Conclusion

The attention BNPL has received as the new 'credit card' is not unfounded, as some BNPL offerings can be highly appealing (one consumer survey conducted in 2021 found that **62% of respondents who were using BNPL felt it could replace their credit cards**) and evidence shows that **many consumers use BNPL repeatedly**, rather than as a one-off payment method. Data from a recent **TSG survey also found that 80% of BNPL users agreed** that BNPL was a better option over credit cards when making a large purchase, and a **study by Affirm** found that 68% of Millennials will not make an online purchase without a 'pay later' option. Despite consumer demand, the rise in fraud complaints received by the **Consumer Financial Protection Bureau over the past three years** about leading BNPL companies, as well as concerns over the **BNPL business model, bad debts, and heavy operating losses reported in 2021 from Klarna, Affirm, Afterpay, and Zip** are causes for concern when it comes to the long-term viability of BNPL as a payment method. But at least for now, BNPL can and is being used by consumers both to augment and as a replacement for credit cards.



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**The Strawhecker Group (TSG)** is a globally recognised analytics and consulting firm that supports the entire payments ecosystem, serving over 1,000 clients from Fortune 500 leaders to more than a dozen of the world's most valuable brands. Trusted by industry leaders, TSG's strategic services, market intelligence, and analytics merge to empower clients with actionable and accessible information.

# ACI Worldwide

**Basant Singh, Senior VP and Head of the ACI Merchant Business Unit, shares insights into BNPL aggregation, a concept and solution aimed at disrupting the pay later and lending market.**



**Basant Singh** is a highly experienced payments industry executive with more than 20 years of experience, spanning payments, fintech, and consulting services. He leads ACI Worldwide's Merchant and Payments Intelligence solutions portfolio, which encompasses a Payment Orchestration Platform to offer ecommerce, omnichannel payments, merchant fraud, and Alternative Payments. He has global business experience with merchant acquiring spanning direct and indirect channels, financial institution alliances, customer segments and verticals.

Basant Singh ■ Senior Vice President, Head of ACI Merchant Business Unit ■ ACI Worldwide

Why should a merchant partner with a white-label provider rather than a direct provider, for instance? What are the benefits for merchants and consumers?

BNPL is booming, there is no doubt about it. Merchants are leaving sales on the table if they don't offer some form of short lending solution to their customers. The problem is that most of the famous solutions are surprisingly restrictive when it comes to credit approval criteria. For the merchant, it means that there are a lot of shoppers that want to avail of the service but are getting denied credit when it comes to paying. At best, that's a bad experience for consumers but, in reality, it translates to lost sales. The logical solution to this is to offer a wider variety of BNPL options at the checkout. However, if each solution comes with its own button, the checkout gets pretty crowded and confusing quite quickly. Not to mention the cost and time it takes to integrate all the solutions one by one.

“Multiple lenders of different types, such as prime, near-prime, and sub-prime, can be configured under ACI PayAfter which greatly increases consumer approvals and conversion.”

What can you tell us about the new ACI PayAfter solution launched this year? How does it stand out from other BNPL products on the market?

ACI PayAfter gives the merchant access to 70+ BNPL providers via a single API and only one contract with ACI. As for consumers, they only need to fill out one credit application regardless of how many lenders are configured. There is no other global solution on the market that has a BNPL offering like this. Multiple lenders of different types, such as prime, near-prime, and sub-prime, can be configured under ACI PayAfter which greatly increases consumer approvals and conversion. The shopper only applies for credit once, and has access to the broad selection of lenders, ensuring they match with the lender that is a fit for their circumstances. It is a win-win for the shopper and the merchant.

For the shopper, it translates into a better experience all around. At the checkout, there is only one BNPL button to choose from, which means a cleaner and less confusing experience. With one application, they have access to all the lenders participating in PayAfter and they get a very quick response and a very high probability of credit approval.

For the merchant, the benefits are clear. They gain uplifts in conversion, with more happy customers who experience credit acceptance rates of up to 85%. And they only need to integrate once to access the full array of lenders. In fact, if they are an ACI customer already, there is no integration necessary. It's a case of simply activating a new payment method in the Payment Orchestration Platform. →

What types of BNPL providers are you partnering with? Direct providers only or do you also include services from banks and financial institutions?

A mix of prime, near-prime and sub-prime banks and financial institutional lenders plus card instalment providers and payin4 providers. The broad mix means consumers will be matched with the lender that is right for them. Credit approval rates are considerably higher than with the traditional model of individual lenders offered at checkout.

While aggregating multiple BNPL options is more convenient for merchants as well as for consumers, how is the risk score checked and who takes responsibility for late payments?

A single credit app is filled out by the consumer and presented to the first lender configured. The first lender has the right to approve the credit line. Then, depending on configuration, the first lender can share the credit info with the other lenders configured to find as many approved offers as possible for the consumer. This increases the chance for a consumer to obtain financing which, in turn, increases sales for the merchant. The financial agreement is between the consumer and the lender, with the lender being responsible for collecting late payments from the consumer.

This service is more of a BNPL marketplace in nature. How will it affect or influence customer loyalty towards certain payment methods?

Shoppers have brand preferences. Sometimes, they have a selection of go-to brands, and it's important to cater to this. The merchant can choose which lenders to configure and there are multiple places throughout the checkout and credit app experience where lenders' logos can be featured. As ACI PayAfter offers shoppers much higher credit approval rates, consumers will learn that it is a better shopping experience, where they get credit, every time, with just one application. This frictionless experience will certainly generate loyalty, which is a win-win for both the merchant and the shopper.

What is your outlook for the BNPL market in the coming years? More FIs developing pay later services, direct providers opening up their own marketplace, or is there anything else that you can envision?

BNPL has proven popular and is growing in usage. The reason for its popularity is the flexibility and control it offers shoppers. Spreading payments without incurring fees is clearly comfortable for shoppers and they are becoming accustomed to it. This means it has cemented itself as an option at checkout for the foreseeable future. With Apple and Amazon now fully embracing BNPL, merchants are left with little choice if they want to keep up with consumer demand. We will continue to see BNPL grow as a concept, and we will certainly see continued innovations in this space, such as BNPL with crypto for example.

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**ACI Worldwide** delivers the software and solutions that power the global economy. Our mission-critical real-time payment solutions enable corporations to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk.

# AfterPay

## How Consumers' Changing Needs Lead AfterPay's Transformation into Riverty



**Teresa Schlichting**  
*Chief Strategy Officer*  
Arvato Financial Solutions



**Nikki Constantine**  
*Director Global Marketing and Brand*  
AfterPay

**Teresa Schlichting** is Chief Strategy Officer at Arvato Financial Solutions. **Nikki Constantine** is Director Global Marketing and Brand at AfterPay. Together with their colleagues, they work on successfully bringing innovative BNPL products and financial solutions to market.

Consumers, ecommerce, and businesses are changing, and so is AfterPay. Based on consumers' increasing demands for flexibility, transparency, and mindful spending, AfterPay transforms into Riverty this fall. A completely new human-centric fintech brand with a renewed focus: to help consumers and partners live their best financial lives.

### Consumers' need for flexibility is still growing

Digitisation increasingly leads consumers to experience a brand or product in one place and buy it in another. As a result, consumers' needs change. They place more and more value on flexibility and freedom of choice when it comes to what and how they buy.

This is most evident in payments. In this area, consumers report having two different types of needs. First, there are the stable, top-tier 'hygiene' needs: consumers want to use a trustworthy, easy-to-use, secure and well-known payment method. Around half of consumers indicate these 'hygiene needs', meaning that payment methods must meet these needs to even be taken into consideration by consumers.

Second, consumers' payment needs revolve around flexibility. Research by AfterPay Insights shows that half of all Dutch and German consumers indicate the need for flexible payments. Today, 36% of consumers actively seek out web shops that offer Buy Now, Pay Later (BNPL) services, with 18 – 39-year-old consumers doing this the most. The growing need for flexibility is also clear when looking at the needs for a 'monthly invoice' product or a payment option that lets consumers postpone or split up their payments:

11-13% of consumers say they need each of those payment options, respectively.

Looking at the need for BNPL and flexibility from a broader perspective, AfterPay Insights sees that consumers place more and more value on having the freedom of choice: 22% of shoppers say that they want to use a payment method that gives them the freedom to choose how and when they want to pay. →

## Transparency is the key to flexibility and responsible spending

Despite consumers' high demands for flexible payments, meeting these needs is not self-evident today. Some find flexibility in payments risky, saying it lets consumers lose the overview of their finances. 'But I would like to turn this around', says Teresa Schlichting, Chief Strategy Officer at Arvato Financial Solutions. 'People lose an overview of their finances due to increased opportunities to spend money, through accounts on different channels. With the right digital financial tools, people have even more opportunities to live the life they strive for, without compromising on their financial literacy and freedom.'

### Transparency is the key for all customer segments

60%

of people whose financial situation has improved over the past year use an app that gives them a transparent overview of their finances and payment needs.

AfterPay®

AfterPay Insights confirms that giving consumers transparency when it comes to payments contributes to a better financial situation. For example, almost 60% of people whose financial situation has improved over the last year (18% of consumers) use an app that gives them an overview of their finances by aggregating all their payments. And as consumers use the app longer, their financial situation improves even further.

## Changing consumer needs lead AfterPay's transformation into Riverty

The increasing needs for flexibility and transparency show that consumers are becoming more demanding. And shopping behaviour has drastically shifted to an online first approach: running an ecommerce business is more complex than ever. Giving consumers a value-adding, solid brand experience involves constant optimisation of the value chain.

These developments lead AfterPay and Arvato Financial Solutions to take their next step and become Riverty, the human-centric fintech that helps consumers and partners live their best financial lives. As Riverty, AfterPay and Arvato Financial Solutions want to create a more mindful approach to paying and finances.

For consumers, Riverty means more freedom during online shopping, with transparency, fairness and communication, and a mindful perspective on their financial wellbeing. As for partners and merchants, Riverty turns Arvato's Financial Solutions into one sustainable force for growth. Under the new brand and its payment products, merchants will be able to showcase their identity even more, while also remaining close to their consumers. This results in a synergy that helps build on current strengths and create the best opportunities for ecommerce clients in the future.

Nikki Constantine, Director Global Marketing & Brand at AfterPay: 'Our new payment products let consumers rely on a transparent overview and flexible payment options to suit their evolving payment needs. Plan your payments to your convenience. We remind you about upcoming payment due dates and we let you pause payments. We believe in the freedom that a digital tool can deliver.'

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AfterPay®

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**AfterPay** – from Arvato Financial Solutions, soon to be Riverty – lets consumers and partners live their best financial lives. Their BNPL products are available in nine markets in Europe and consist of five payment services: the 14-day Invoice, Campaign Invoice, Consolidated Invoice, Fixed Instalments, AfterPay Flex, and soon-to-be-launched Split in 3.



**Amir Nooriana** is the Chief Strategy Officer (CSO) at Callsign, responsible for the customer and partner strategy alongside sales. Previously, Amir has held roles including CSO and COO at OakNorth, Ops and Tech MD at BGC, and has also worked at Barclays Investment Bank, Accenture, and Cisco Systems.

Amir Nooriana ■ Chief Strategy Officer ■ Callsign

Buy Now, Pay Later has taken the payments world by storm. Customers have been quick to adopt this new payment method, fuelled by the ability to spread the cost of payments, with one in five consumers admitting to making an unplanned purchase based on BNPL as an option at checkout.

For businesses, BNPL is awash with opportunities. Ecommerce organisations are enjoying a marked increase in sales and ticket prices. Banks and financial organisations are also in a strong position to reap the rewards, with increased revenue and customer retention resulting from such offerings.

However, as with any other type of monetary transfer, the bad actors – the fraudsters and scammers – have not been slow to see their own opportunities around BNPL. And, if businesses aren't aware of the threats and the ways to mitigate them, the pendulum could swiftly swing from opportunity to crisis, as consumers begin to lose trust in providers and merchants.

### BNPL and fraud

Fake account creation and account takeover are just a few of the vectors we've seen used to attack BNPL services. Fake accounts using stolen credentials, often harvested from more than one victim, are hard to detect and look authentic, building up credibility before a large payout is made.

According to our research, account takeover fraud (ATO) makes for 22% of malicious BNPL activities. Along with scam sites, looking to harvest consumer details to conduct fraud elsewhere, it's not surprising, then, that across the world, one in eight BNPL users have been a victim of fraud.

### Navigating the BNPL challenges

That figure is a cause for concern for all stakeholders – not just customers, but ecommerce businesses, banks and BNPL providers. In a packed marketplace with fierce competition, even a single instance of fraud can be disastrous for a business, with almost one in five victims stating they will no longer use any BNPL service.

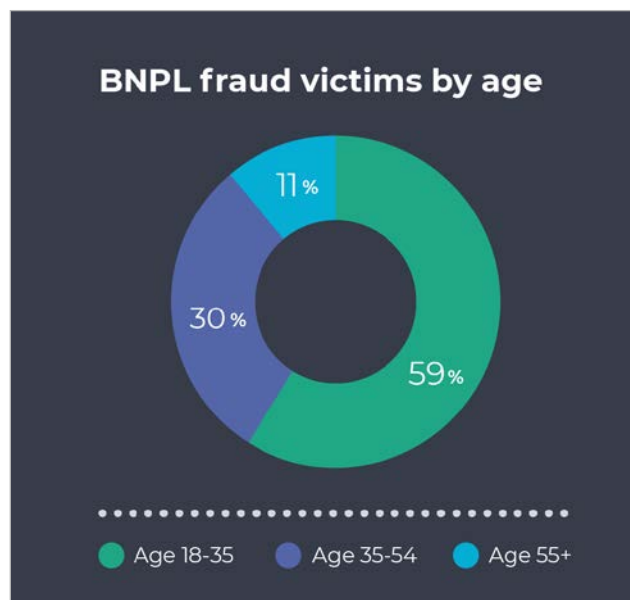
But fraud is not only impacting the trust that a victim may have in the BNPL provider. According to our research, nearly a quarter of victims will no longer return to the website where they purchased the good after experiencing a fraud attempt or a fraud attack, undermining the entire ecosystem.

Given the demographics surrounding BNPL customers, that's hardly surprising. BNPL offerings have resonated particularly stronger with Gen Z and Millennials, the younger 'digitally native' users who account for 57% of BNPL's user base. And accordingly, that's the same demographic that's most likely to fall foul of BNPL fraud – disproportionately so. →



**59% of fraud victims are in the 18-34 group – that's nearly three times the number of those aged 55 and over.**

If those figures are alarming, it's worth remembering that there are other forms of damage that BNPL fraud incurs. Aside from the straightforward impact on revenue, there is also the reputational harm that can result from dissatisfied customers sharing their experiences on social media platforms, a factor that can potentially hit an organisation's bottom line harder than all the above combined.



### Cracking the BNPL conundrum

At the heart of that mindset is trust – or rather, a loss of it. Trust takes a long time to build and can be lost in seconds. Or, in the case of BNPL frauds and scams, in a single click.

Building and maintaining that trust is pivotal to the success of BNPL. But despite its huge popularity, there is still a long way to go. Currently, only 42% of consumers trust providers to protect them from fraud, with 51% more likely to trust a BNPL service provided by a bank. That's still a number on the low side.

And that has far-reaching implications for not just any single group of stakeholders, but for the entire BNPL ecosystem. The loss of trust has the potential for a domino effect where everyone stands to lose out: merchants, banks, providers, and customers.

### Let your customers get on with digital life

Customers want that trust to exist, with 45% expecting any business offering BNPL to protect them from fraud. But in such a rapidly growing digital industry, this shouldn't be at the expense of the customer experience. It's a difficult balance to strike, and likely why it's often prioritised over fraud prevention.

For those businesses, the key to doing that is to put the right solutions in place – solutions that consider security and user experience equally.

Organisations such as Callsign offer a full suite of technologies that layer device, threat, and behavioural intelligence, allowing all BNPL stakeholders – banks, merchants, and providers – to offer their customers and partners watertight fraud protection that doesn't compromise the customer experience.

BNPL is here to stay, and it's imperative that organisations protect themselves from fraud and scams. Failing to do so runs the risk of 'paying later' becoming the main issue.

If you're interested in learning more, you can [download this complimentary BNPL report from the 451 Group \(S&P Global Market Intelligence\)](#).

All statistics are taken from Callsign-commissioned research in BNPL and consumer trust.

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**Callsign** makes digital life smoother and safer by helping organisations establish and preserve digital trust so people can get on with their digital lives. The first true representation of identity online, Callsign positively identifies users by their unique characteristics, replicating real-life recognition signals with AI models. The only solution to identify people across every journey, channel, and brand, Callsign makes digital identification seamless and secure, helping drive business growth.

# Diebold Nixdorf

Jens Audenaert of Diebold Nixdorf details how banks are responding to the BNPL trends and how they can overpower fintechs in the innovation race.



**Jens Audenaert** is a Senior Vice President at Diebold Nixdorf, and General Manager of the company's global Payments business. Prior to joining Diebold Nixdorf, Jens ran an enterprise Software-as-a-Service business and founded and scaled the new business incubator at a Fortune 250 company. Prior to that, he spent a decade as a strategy consultant in Europe, Asia and North America. Jens is a sought-after thought leader with deep knowledge of the software industry, cloud-native solutions, and retail banking.

Jens Audenaert ■ Senior Vice President ■ Diebold Nixdorf

The rise of Buy Now Pay Later (BNPL) has proven a boon for many fintechs, with traditional banks lagging and missing out on some of the profits. Why has this been the case?

BNPL has been one of the winners coming out of the digital payments acceleration during the pandemic, with massive consumer adoption. BNPL transaction dollar volumes are increasing 12 times faster than any other unsecured lending product and **are projected to account for more than a quarter** of the unsecured lending market by 2026. The opportunity has almost in its entirety been driven by fintechs – a very crowded space with some standout large players such as Affirm, Klarna, and Afterpay.

“Not knowing which payments trends are here to stay, a modern payments platform first and foremost needs to be future proof: flexible, adaptable, and extensible.”

Surprisingly, almost no banks have brought their own BNPL offering to market, despite the appeal not only to consumers, but also to the merchants that many banks serve through their merchant acquiring businesses. Fintech innovations like BNPL should come as no surprise, but the fact that traditional banks haven't been able to jump on the wagon quickly enough should serve as a cautionary

tale for them. In this era of rapidly accelerating innovation in the payments space, banks need to reevaluate their strategy on how to stay relevant to consumers and merchants while growing their business through new payment transaction methods (many banks derive north of a third of their revenues from payments).

To a large extent, banks were not necessarily caught off-guard by the rise of BNPL but they did lack the ability to quickly adapt to the emerging trend, given their complicated and outdated legacy technology infrastructure (or that of the processors they work with).

**Is there a way for banks to still participate in BNPL? What should their stance be vis-à-vis BNPL fintechs?**

Fintechs certainly pose a real and present competitive threat to traditional banks, with companies like Revolut and N26 obtaining full bank licenses. However, fintechs also provide brick-and-mortar banks with partnership opportunities. This, for many banks, is the best path forward to enter the BNPL space – unless they have the technology setup and know-how to orchestrate such a transaction with their own payments platform. As long as banks rely on legacy systems, this co-opetition model will continue to be the go-to strategy of providing emerging payment methods to their customers – enabling the financial institution to remain relevant to their customer base albeit while only extracting a small share of the profit pool for those transactions. →

## What can traditional banks and financial institutions do to not repeat the example of BNPL where the value from financial innovation is being reaped almost exclusively by fintechs?

Banks must untangle themselves from payments technology that has reached its effective end of life. More than 40% of banks are still relying on monolithic legacy payments platforms coded in COBOL. This exposes them to systemic risks related to performance and resilience, inflated costs, inability to keep up with regulatory changes, and a rapidly dwindling talent pool capable of maintaining and changing the codebase. It also prevents them from properly integrating with new systems, and from designing and deploying their own new services quickly. In today's fast-changing payments landscape, the benefits for banks to replace their payments stack far outweigh the perceived risks of migrating to a new payments engine – especially with more banks adopting a cloud-first strategy. Banks should be mindful though, that when selecting a new payments system, it is one that relies on a cloud-native, modern architecture and that truly provides a future proof solution that can be easily extended and adapted (ideally, by financial institutions' own engineering resources).

## Do you believe traditional banks stand a chance to win this innovation race?

Traditional financial institutions have significant advantages over fintechs in their own right, notably their customer populations and relationships, including historical data and additional services (e.g., mortgage lending). In addition, as opposed to their new fintech competitors, banks are well placed to satisfy the need for a seamless omnichannel payment experience between different payment methods (card, ACH, cheque, and digital payment methods). In other words, with the right strategy and the right infrastructure, banks can give fintechs aspiring to become fully licensed banks a run for their money.

## How can your solution, Vynamic® Payments, help financial institutions stay abreast of changing payment trends and consumer expectations?

Payments is in the DNA of Diebold Nixdorf, and with our Vynamic Payments platform, we now have an outstanding digital payments solution for financial institutions, leveraging a truly cloud-native architecture with all the benefits the cloud has to offer (and many of the benefits discussed even before when deployed on-premises). This is exactly the kind of payments platform that allows financial institutions to integrate with any system, and to process any type of payments with any type of authentication. And 'any' is the key – in a world where no one can predict what the next major trends will be and which trends will actually win in the long run, a future-proof, modern payments solution must prove itself flexible, adaptable, and extensible.

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**Diebold Nixdorf** is a leader in enabling connected commerce. We automate, digitise, and transform the way people bank and shop. A partner to most of the world's top 100 financial institutions and top 25 global retailers, our integrated solutions connect digital and physical channels conveniently, securely, and efficiently for millions daily.

**Yaacov Martin, the CEO and Co-Founder of Jifiti, discusses the key aspects and benefits banks and merchants need to know about POS financing and BNPL.**



**Yaacov Martin** is the CEO and Co-Founder of Jifiti, a global fintech company that he co-founded in 2011. Yaacov is a subject matter expert on BNPL and a contributor to leading financial, fintech and retail publications including The Paypers, American Banker, Business Insider, TechCrunch, Forbes, and numerous others.

Yaacov Martin ■ CEO & Co-Founder ■ Jifiti

Before we dive in, let's first confront the elephant in the room. With all the latest market and regulatory upheavals, is BNPL even sustainable?

Buy Now, Pay Later is here to stay as a mainstream payment method - the industry isn't dying, it's simply shifting towards bank-driven BNPL solutions. One powerful piece of evidence of this is the fact that Apple recently **launched its own BNPL offering**, Apple Pay Later. This move is a significant vote of confidence in the staying power of Buy Now, Pay Later.

“In today's turbulent economy, consumers and merchants can bank on banks for stable, responsible, and affordable financing at the point-of-sale.

Another key indicator is that consumer demand is going strong, with **53% of consumers** planning on using BNPL services over the next 12 months. The industry is predicted to reach **USD 1 trillion in annual transaction value** by 2025.

So, while the macro-economic and regulatory climate is certainly affecting the fintechs themselves and their ability to provide competitive BNPL solutions, it does not equate to a drop in consumer demand for BNPL. On the contrary, interest rate and inflation hikes drive consumer demand for pay-over-time options.

Market sustainability doesn't have much to do with the service itself - it has to do with the one providing that service and whether or not they can support a healthy business model for it.

For the past three years, Jifiti has banked on banks leading the BNPL way and now this is the direction in which the industry is headed. What advantages do banks have over the fintech incumbents?

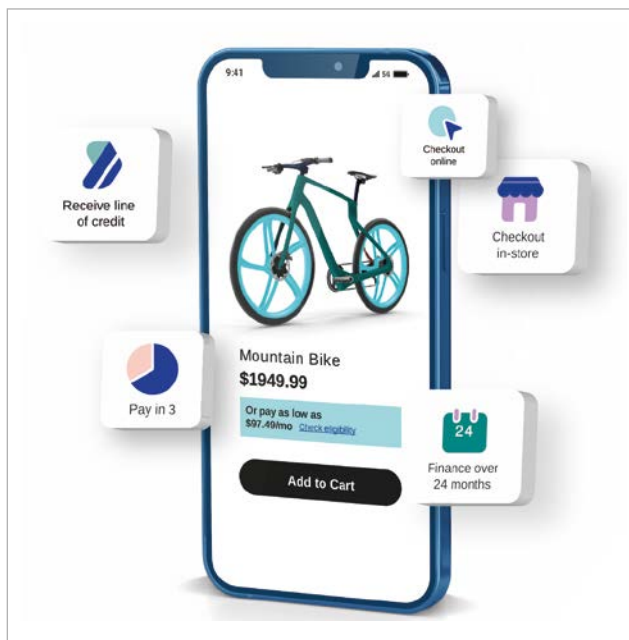
Unlike fintechs, banks are not dependent on external investment for their lending funds, so they're more likely to weather the economic storm. While fintechs are likely to curtail their approval rates and increase their BNPL merchant fees, banks and their offerings will remain largely unaffected. This is because banks have well-established balance sheets and can leverage their low cost of capital to offer competitive point-of-sale financing. Banks are also not solely dependent on BNPL for their existence.

Another factor in favour of banks is the fact that they already operate within a regulated framework, so they won't be constrained by upcoming BNPL regulations. Regulatory pressure is good news for banks as it means a shift in demand towards responsible financial options from regulated financial entities.

With a white-labelled BNPL solution in hand, banks can play to their inherent strengths and brand equity and leverage the trust that consumers have for their services to become BNPL market leaders. →

## With so many players in the BNPL landscape, what makes Jifiti different from other market players?

One of Jifiti's key differentiators is that we enable banks to compete in the BNPL space using our white-labelled platform. Merchants can easily embed the consumer loan programs offered by these regulated financial entities directly into their point-of-sale or online checkout. This allows them to offer the best service and user experience to their customers.



## In your experience, what are the two most essential features merchants need, but aren't necessarily aware of, in a BNPL solution?

Many merchants aren't aware that, with the following two features, they can build their brand equity and customer loyalty, in addition to maximising their customer conversion rates.

When the BNPL solution is white-labelled, branded for the merchant, and embedded right into their customer journey, it works as a booster for the merchant's brand. Direct-to-consumer fintechs tend to distract and divert the consumer from the merchant's own user experience, but a white-labelled solution enables the merchant to retain customer loyalty.

Another essential feature is multi-lender with waterfall. With a multi-lender solution, if a customer's BNPL application is not accepted by the prime lender (bank or tier-1 lender), it 'cascades' to a waterfall of secondary lenders. Merchants can increase their BNPL acceptance rates by up to 85% this way.

Higher acceptance rates can not only translate to more sales, but also to stronger brand equity. When customers are approved for point-of-sale financing, they have a positive retail experience. If the solution is both multi-lender and white-labelled, they'll associate this positive experience with the merchant's brand.

## What do you predict that the future holds for the BNPL industry and for Jifiti?

I predict the pendulum will swing back to banks and traditional lenders (it's already starting to happen). I think that tech companies will stick to the technology aspect of BNPL, while banks will focus on lending, the space where they really shine.

For merchants and consumers, this means easier and more convenient access to consumer financing programmes from banks. Banks will need to transform their consumer lending and make it available at the moment and place where consumers need it - at the point-of-sale. BNPL has become a must-have instead of a nice-to-have, as consumers expect it as a payment method at checkout.

Banks and lenders that want to be relevant and competitive in the BNPL space can do so quickly and effortlessly by partnering with the right technology company. As a facilitator of white-labelled point-of-sale financing solutions, Jifiti is positioned to be front and centre of the evolving BNPL space.

BNPL presents an opportunity for banks to become part of the 'checkout page experience'. This can open doors to a more direct relationship with shoppers, even if they aren't bank clients, something which has never been possible before.

[Click here for the company profile](#)

**Jifiti.**

jifiti.com

Jifiti is a leading global fintech company that powers white-labelled Buy Now, Pay Later solutions for banks, lenders, and merchants. Jifiti provides cutting-edge technology and innovative solutions for regulated financial entities and merchants to compete in the growing BNPL market.

**Roberto Valerio, Co-Founder and CEO of PAYLA, discusses what responsible BNPL means nowadays and how new regulations may impact the ecosystem.**



**Roberto** is the Co-founder and CEO of PAYLA. Prior to this, he founded Risk42, a software startup specialising in credit scoring automation. The business was sold in 2020 to Unser Group. From 2012 to 2018, he was the founder and CEO of RISK IDENT, a software company building sophisticated fraud prevention products within ecommerce, telecommunications and financial services. Customers included Otto Group, Deutsche Telekom, Vodafone, BillPay, RatePay, Schufa among others. For the last years, he has played an active role within the online payment and risk management industry.

Roberto Valerio ■ Co-Founder and CEO ■ PAYLA

**What are your comments on the recent controversial discussions about BNPL? How do you see the need for BNPL market regulation in relation to the revised Consumer Credit Directive (CDD)?**

There has been a lot of misconception about BNPL recently. It is a very convenient payment method and has grown in popularity in the past few years, especially in the US and UK. In Germany, however, these payments have existed since the early 70s, and they are the most popular type of payment. And that's because they took a lot of risk out of distance selling business. As a consumer, you would be able to make an educated buying decision without having to pay beforehand. You would be able to assess the quality first and return the goods before paying. And a merchant not delivering in time or at all would not receive any money. It has always been a consumer centric product.

“We should talk about responsible lending, but it does not make any sense to circle out one particular form of consumer credit.”

Moreover, traditional BNPL products like the ones that are so popular in Germany since decades are primarily focussed on consumer protection. They are not even predominantly used for instalments; more than 90% of all BNPL transactions in Germany are paid back in one single payment, less than 21 days after delivery.

If people overspend, they usually use multiple credit opportunities altogether. We should talk about responsible lending, but it does not make any sense to circle out one particular form of consumer credit. BNPL companies that are in the space for a long time have also proven to be responsible in how they look at consumers defaulting on claims. They are not incentivised at all to hand out credit to people that are not able to repay, since they have to compensate these losses. This is not the case for credit card companies, where the issuing bank will ultimately be responsible for the payment.

So what happens if the CCD now puts a lot of regulatory burden on BNPL products? What if any BNPL transaction gets treated like a consumer credit? Would it change the way BNPL products are integrated into the checkout? Could it lower conversion rates for BNPL products? It might. But it is really beneficial to the consumer? Evidently not. Does it reduce young people's indebtedness? It is highly unlikely. BNPL volume will simply be shifted back to credit cards and e-wallets. In my opinion, that is more in the interest of the card schemes than of the consumers. →



## So how do responsible BNPL products look? Why does more regulation hurt the financial weak consumers instead of protecting them?

Many young people do not use traditional bank products anymore. They simply buy things and decide on a short to medium time frame financing option like BNPL payments. A lot of these transactions are untransparent to retail banks and credit agencies, which makes their consumer data pools less significant for credit scoring.

Being in the BNPL space for so long, we see a lot of people with low credit scores who are unable to obtain a bank loan, but who continue to pay their BNPL instalments very reliably. Financially weak consumers can use these products to regain some financial stability. Many consumers with tight budgets are happy to have these options, and it helps them greatly in their financial household planning.

Traditional BNPL products are always tied to a purchase, so there is a clear equivalent value of goods. Credit cards and bank accounts, on the other hand, are sources of free cash. A lot of cash can be wasted on the wrong things. Cash has the highest risk of being spent unwisely for someone in financial trouble. Therefore, free cash financing instruments such as bank loans should remain regulated.

## What is the impact of the recently announced launch of Apple Pay Later on the BNPL space?

In order to broaden their market share, Apple is trying to make their products more affordable for consumers with less budget. Offering financing options makes perfect sense. Especially since Apple has a lot of additional ties to every Apple user. Just imagine, you miss a few payments and your Apple-ID gets disabled.

But I doubt Apple will become the dominant BNPL payment provider. Market share will increase their exposure to regulatory and antitrust scrutiny. Perhaps Apple should partner with some more financial institutions and open up Apple Pay as a platform to the BNPL industry. As a payment method, Apple Pay is highly convenient. But Apple as a credit bank that coincidentally also sells hardware and software? Not very likely.

## What is the future outlook for BNPL? Where is the industry heading to?

By now, BNPL products have become mainstream payment methods in so many countries that I am looking forward to seeing how they grow further within the next few years. Our company, PAYLA, is the back-end for several large payment providers and retail banks offering BNPL products. It is also good to see BNPL providers investing so much money and effort in grabbing market share - even if it was backed by heavy venture spending. While this will end soon, it won't have a negative impact on BNPL's share of the overall payment mix - BNPL has already been very successful in its traditional markets and will continue to grow substantially in new markets as well. And as we know from our own business, all large payment providers are further developing their BNPL products.

[Click here for the company profile](#)



payla.de

**PAYLA** is a true white-label 'Buy Now, Pay Later' service provider for European Payment Service Companies and Financial Institutions. The software platform is a complete turnkey solution covering all aspects of BNPL, including automated risk assessment, debtor management, any level of high-quality customer support and also the full refinancing of the invoice and instalment volume. PAYLA's clients are able to provide fully integrated and white-labelled BNPL products to their merchant customer portfolio with little effort and no risk, generating steady revenues solely based on the merchants transaction volume.

# Tinka

## Disrupting the Status Quo in BNPL with Responsible Deferred Payments Solutions



Throughout his career, **Charly** has founded, built, worked for, failed at or sold several businesses around the world. But above all, he is a strategist, people leader, geek, proper technology & data nerd, and networker at heart. Not necessarily in this order. He joined the Netherlands' largest department store, an Apax Partners private equity portfolio company, as Group CTO in April 2016. Four years later Charly took on the position of CEO of Tinka, the consumer finance business within the group and carved it out successfully with the Tinka team.

Karlheinz 'Charly' Toni ■ CEO ■ Tinka

The lack of regulation with Buy Now, Pay Later payment options has exposed vulnerable consumers to over-indebtedness as a result of abusive fees and charges by financial services providers.

BNPL products are commonly falsely marketed as the 'cost-free' alternative to consumer credit. This is misleading, to say the least: late payment fees make up between 8% and 35% of BNPL companies' revenues.

Clearly, this does not leave happy or repeat customers and causes grave problems for unsuspecting customers. Consumers and retailers alike are having to deal with the onslaught.

### Our vision

Tinka's goal is to become the most recommended and responsible deferred payments partner in the Netherlands and across other European countries.

### Our history

We are born out of retail. From 1960 onwards, we helped to create one of the largest retailers in the Netherlands with more than 70% of revenues generated via our responsible products. In 2019, we started our journey to independence and offered our experience to other retailers, which ultimately led Tinka to spin out of its retail parent in 2021. As a result of our innovative solutions, Tinka is now offering its omnichannel products to retailers across the Netherlands generating over EUR 1.5 billion annually and serving millions of customers. Responsibly, with peace of mind to our retail partners and our valued consumers.

### Redefining the deferred payments industry for everyone's benefit

When consumers are having trouble paying, everyone is losing out: merchants, consumers and ultimately, the deferred payments market. Merchants, as they lose repeated customers. Consumers, as they suddenly find themselves being treated as mere numbers. The market, as they have let both merchants and consumers down. In contrast, we give consumers and merchants peace of mind when dealing with deferred payments. We provide the right solutions to the customers of our partners. Everybody wins.

We aim to establish our reputation as the trusted partner of choice for merchants and consumers and thus, raising standards across the industry. No one will be left behind. →



## Is it all just talk and no do?

Changing a billion EUR market means we must always be at least one step ahead to lead the way: we have made every effort to support existing debtors through the COVID-19 crisis by extending a helping hand to those who needed it. When we saw inflation rising towards the end of last year, we were standing by the side of our consumers as the first in the market. With great results - consumers appreciate us with an NPS of 52, steadily increasing.

**TINKA PRODUCTS**

**TINKA CARD**

**TINKA IN 14 DAYS**

**TINKA PAY IN 3**

**TINKA IN 12 MONTHS (+)**

**IN 14 DAYS to PAY IN 3**  
If a consumer can't or does not want to pay within 14 days, they can opt for Tinka's pay in 3 product by making a downpayment of 30%.

**PAY IN 3 to IN 12 MONTHS+**  
Should consumers not be able to pay within 3 months, they will have the option to refinance under an interest bearing 12 months+ credit.

**Let op! Geld lenen kost geld**

## The new Consumer Credit Directive

As Tinka, all of us are extremely strong proponents of implementing the new Consumer Credit Directive (CCD) as initially drafted without being watered down by the extreme lobbying of the market. We see this as the one chance of the next decade to avert human misery that is bound to be unleashed should regulations not catch up with and counteract market practices. We observe too many loopholes in the BNPL market mercilessly exploited to the detriment of millions of consumers and thousands of merchants.

No matter what the result of the new regulations might be in the end, we will not stand for practices that go against the interests of our partners, retailers and consumers.

## Innovating for consumers and our partners

We kept innovating with passion and are proud to be the only player to cover the whole deferred payments landscape - from invoice to BNPL to consumer credit. Fully regulated. Omnichannel.

For our retail partners with a brick and mortar presence, we innovated our deferred payments solution 'Tinka Tab', which is fully independent of the Visa and Mastercard payment rails to reduce integration pain. Omnichannel.

For our consumers we innovated a simple and straightforward experience: within 90 seconds any consumer can undergo KYC, fully CCD compliant creditworthiness checks and even card (Tinka Tab) issuance. Within 90 seconds Tinka enables consumers to be in full control of their cash flow. With full peace of mind.

Everybody wins.

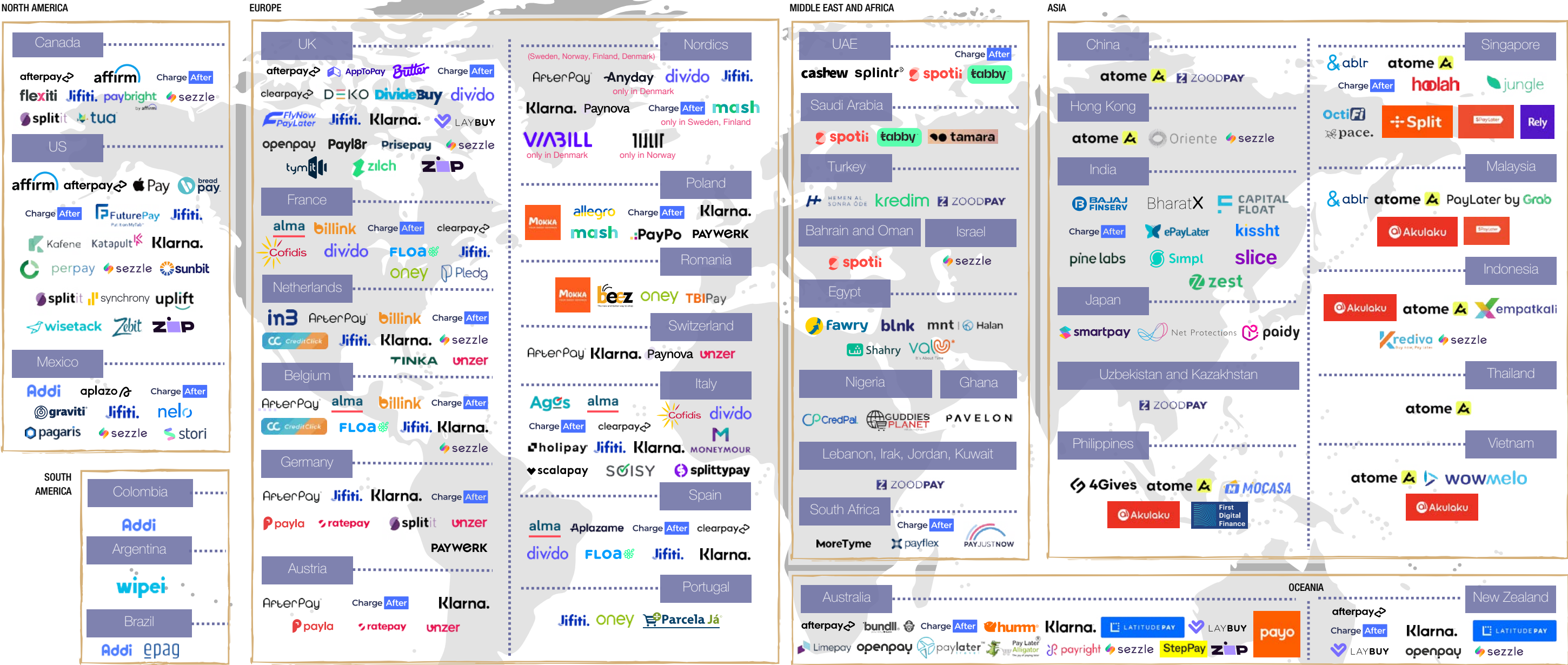
[Click here for the company profile](#)

**TINKA**

tinka.com

**Tinka** is a deferred payments service provider based in the Netherlands, registered and authorised by the Netherlands Authority for Financial Markets (AFM). With more than half a century of experience in the deferred payments sector, we offer all deferred payment solutions to our merchant partners and their customers. Responsibly. These solutions include invoiced Buy Now, Pay Later, and different consumer credit options.

# BNPL Global Mapping



# Buy Now, Pay Later

## Examples of Business Models

### Direct providers

 4Gives

 ablr

 Addi

AfterPay®

 Anyday

 Aplazame

 aplazo 

 AppToPay

 beez  
The new and better way to shop

 bundll®  
powered by humm

 cashew

 CredPal.

 DivideBuy

 hoolah

 humm®

 in3

 Klarna.

 LAZYPAY

 paidy

 payflex

 payla

 ratepay

 tamara

 TINKA

### Via credit and debit cards

 affirm

 afterpay 

 alma

 atome 

 Butter

 DEKO

 ePayLater

 oney

 Oriente

 pace.

 PayU

 scalapay

 sezzle

 Simpl

 slice

 splitit

 spotii

 stori

 uni

 Xpollens  
PAYMENT INSIDE

 zilch

 ZOODPAY

\*Non-exhaustive



# Buy Now, Pay Later

## Examples of Business Models

### Software and platform solutions



BharatX



divido

Jifiti.



PAYWERK

pine labs

railsr

### International gateways

Charge After

epag

ZIP

### Consumer lending

Agos

allegro

BAJAJ  
FINSERV

CAPITAL  
FLOAT



FLOA

TBIPay

### B2B commerce



HOKODO

kredX

mondu

openpay

two.

### Aggregators

ACI Worldwide  
Real-Time Payments



Charge After

player

\*Non-exhaustive



# E-wallets and On-demand Apps

## Size of the market

With the promise of ease of use, speed, and transparency in commercial transactions, e-wallets have become ubiquitous and are generally associated with bigtechs and their complex portfolio of features that embody everything from ecommerce, P2P, POS, and social payments.

According to Technavio market research, the online **on-demand home service market by mobile** application was expected to grow at a **CAGR of 16.6%** during the forecast period 2019–2026, and as per Statista, by 2023, the total number of mobile app downloads may go up to 258 billion. It is a fertile market which boomed starting in 2020 and maintained a steady growth. Apart from supply and demand, one of the motors of this growth was also convenience ushered in by tech advancement in fintech and the proliferation and democratisation of payment methods, especially via mobile.

**FIS** found that digital wallets accounted for 48.6% of ecommerce transaction value in 2021 — representing a bit over USD 2.5 trillion. The company projects that this will continue to increase to 52.5% in transaction value in 2025. Currently, there is a visible focus on **Asia** when it comes to the boom in mobile payments, with research indicating that China and Japan are major markets for the APAC sector. Chinese apps **Alipay** and **WeChat** are still ahead of any competition, with an estimated user base of over **a billion users each**. And with good reason, considering that any seller can build a digital presence within the platform of these super apps and automatically access its database.

While the widespread dependency of common payment and technological infrastructures on bigtech and the risks associated with this have been the subject of debate for a while, the speed at which e-wallets such as **Apple Pay** or **Google Pay** didn't cease in popularity has been continuously supported by wider smartphone and mobile device penetration.

According to Juniper Research, when it comes to ecommerce payments, there is one primary player that still holds a big part of the global market apart from the above-mentioned. **PayPal** (and its subsidiary brand **Zelle**) has been growing at a steady pace especially thanks to its **PayPal.me functionality**, which enables users to create personalised PayPal links that can be sent via text, email, and/or across social media platforms.

## Latest developments

### Mobile wallets

While **Tap to Pay** is becoming a pillar of mobile payments and is proliferating through the US (**Square** and **Adyen** being the main recent enablers for ecommerce when it comes to Apple's Tap to Pay), Google is keeping up on Android through integrations of its own (playing the same game, but with an increased focus on **India's UPI**).

A recent update coming from Google saw the bigtech roll out an internal rival, **Google Wallet**, to function in tandem with the Pay functionality in some counties. The new app is said to have been already adopted at a large scale in the US and is making its way through the rest of the world. The new wallet is meant to contain all the functionalities of the Google Pay e-wallet, from storing credit and debit cards to loyalty programmes and boarding passes. **In addition, though**, users will be able to digitise vaccine cards, student IDs, and even use Google Wallet as a digital car key. →

# E-wallets and On-demand Apps

## On-demand apps

Estonia-based hire vehicle company **Bolt** has announced it raised approximately USD 709 million at a valuation of USD 8.4 billion to continue expanding its super app. The company operating in Europe and beyond will use the money to improve its ride-sharing market, expand the 15-minute grocery delivery option Bolt Market, and build new 'dark stores' in other cities.

**Uber**, on the other hand, partnered with prominent mobility services to expand both its reach and functionality (it now **accepts crypto payments** on its Food Delivery app alongside DoorDash, while also announcing it will integrate **Rakuten's** services into its Uber Eats and Uber mobility app in Japan).

# Edgar, Dunn & Company

## Is the Future of the Super App and the Super Wallet the Same Proposition?



**Mark Beresford** is a Director at Edgar, Dunn & Company (EDC) and has over 25 years of strategic consulting experience in the payments sector. He is responsible for the company's Retailer/Merchant payments practice, working with omnichannel merchants and payment service providers across the globe.

Mark Beresford ▪ Director ▪ Edgar, Dunn & Company

### The Asian landscape

The Chinese leapfrogged from telephones to smartphones, which has allowed the local dominant internet companies to develop super apps that have not been seen in the West. A super app is a single app that does almost everything – from buying an evening takeaway meal to hailing a taxi, chatting with friends, arranging a loan, and even booking a restaurant or cinema tickets. This is a 'winner takes all' app. Super apps come in all shapes and sizes. Some are financial services-led, some are winner-take-all lifestyle apps, and there are aggregator apps. Today, the two leading Chinese super apps are Alipay and WeChat, which are lifestyle ecosystem apps, that are used by over a billion users. It is estimated that these winner-takes-all apps have more than one million different services, which are created by third-party companies and accessible within the Alipay and WeChat super apps.

Chinese internet companies think differently by building entire ecosystems, whereas in the West companies such as Nike are product-centric apps. Under Chinese law, all companies are compelled to hand over that data to the Communist government. These lifestyle super apps generate a lot of personal data that can be collected and analysed. Grab – which was originally a transportation company that now offers food delivery and digital payments services – is another super app, headquartered in Singapore and used throughout Southeast Asia, especially in Indonesia.

### The journey to the West

In the West, there are rules and regulations around the privacy of personal data that have created a lot of complexities for super app aspiring companies. Hence, there are limited examples of these Chinese lifestyle super apps gaining any traction in the West, even though there are examples of Western companies catching up with their Asian counterparts to offer super apps with a new twist. This is building upon a key trend already known in the payments industry: consumers enjoy having a single place where their tokenized credit cards, debit cards, and bank account information are all stored.

The Buy Now, Pay Later (BNPL) company Klarna has unveiled its super app that consolidates shopping, payment management, product delivery, and product returns. This is a financial services-led app – not as ambitious as Chinese super apps, however, based on Klarna's recent acquisitions, there appears to be a strategy for reaching that point. The conversational commerce tech startup HERO was acquired by Klarna in 2021, which connects online shoppers with in-store retail associates. In 2021, it also bought the Germany-based discount shopping platform Stocard, which stores customers' loyalty and rewards cards in one place, automatically applying any discounts at checkout. →

More recently, Klarna completed in April 2022 the acquisition of the price comparison platform PriceRunner, which it plans to integrate into its super app. This is an interesting development of the Western super app which brings together Klarna's growing community of 250,000 merchants, including H&M, IKEA, Expedia, Samsung, ASOS, Peloton, Abercrombie & Fitch, and Nike. This is not a product or brand-centric strategy, and it is not a BNPL-only solution – but an end-to-end shopping solution which empowers consumers from product discovery to how they pay, delivered through embedded financial services.

The race to build the future's super app is underway with the French startup Lydia having onboarded more than 5.5 million customers to bank, invest, and send money to each other. Tencent and Accel joined Lydia's Series B and C investment rounds. Since 2013, Lydia has raised over USD 100 million, and its target is to become a financial assistant super app for millennials and Gen Z. Revolut, Robinhood, and N26 have similar ambitions.

The future of the super app is much more than banking and payments. Looking beyond what Klarna, PayPal, Shopify, Square (or Block) are building today, the future will be to create an ecosystem for shoppers and merchants by leveraging data to bring them together through innovative shopping experiences and new customer journeys. By smartly using data and analysing spending patterns of customers, companies could eventually aim to become a comprehensive one-stop-shop for consumers in a specific category, such as car or home ownership, travel, insurance, or healthcare – operating in a wide range of verticals and providing diversified products and services.

Walmart has recently shown early signs that it has the intent to launch a super app through a series of announcements. At the start of 2021, for example, they announced the creation of a fintech startup in partnership with investment firm Ribbit Capital, which will aim to deliver financial services targeted at Walmart's customers and

associates by combining Walmart's retail knowledge and Ribbit's fintech expertise. More recently, in January 2022, the company announced its acquisition of online banking and overdraft protection provider ONE Finance and earned wage access provider Even.

## Looking ahead

Artificial Intelligence-powered financial assistants that can offer personalisation and budget automation for consumers will be one of the services available in the future. For the merchant, there will be a greater ability to target consumers through AI-driven data analytics, allowing them to improve conversion rates because products will be pre-matched to consumers that want to buy them.

The super app of the future will combine a wide range of payments, banking, credit, investment, and insurance products in a single platform, allowing users to store important documents and access credit cards, bank details, biometric information, and even medical records on their smartphones – not a super app but a super wallet. Super apps and super wallets aiming to reduce online payment friction and increase sales by storing and confirming the customer's payment credentials and shipping information will come and go, based on the consumer adoption. We have already seen the one-click checkout startup FAST launch and fail within just a few years. Others will likely fail to create the future that consumers want. There is a clear battleground emerging to provide one seamless app with key financial services needed by mainstream consumers. Bolt, Shopify, Klarna, PayPal, and Stripe are making this space look extremely crowded and could be making it more confusing for consumers to manage their lives online. A smart wallet is not smart if it is not simple to use.



edgardunn.com

**Edgar, Dunn & Company (EDC)** is an independent global payments consultancy. The company is widely regarded as a trusted adviser, providing a full range of strategy consulting services, expertise, and market insights. EDC expertise includes M&A due diligence, legal and regulatory support across the payment ecosystem, fintech, mobile payments, digitalisation of retail and corporate payments, and financial services.

# Oaklen Consulting

## Why Mobile Payments Will Improve Consumer Conversion and Consumer Retention



Senior Manager at Oaklen Consulting, **François Cortés** has developed an expertise on digital wallets with projects such as **Apple Pay for Carrefour** in Spain and France, or **Samsung Pay** for Samsung Electronics France. He also actively worked on Mobile Ticketing technologies such as Calypso used in Paris transit network.

François Cortés ■ Senior Manager ■ Oaklen Consulting

Digital wallets had a relatively slow start in Europe, but, their continuous growth, as well as the added-value services tested, are now showing a true opportunity for several players who are looking to improve their consumer conversion and retention. Additionally, there have been developments on the merchants' side.

### Digital wallets in 2022 – a limited adoption, but fast-growing

Apple Pay, Google Pay, and Samsung Pay, the 'X-Pays', were launched back in 2014 and their adoption has varied depending on several factors.

First, the initial countries' usage of NFC: in countries such as the UK, the massive use of 'Open Payment' in most transit networks has been a great promoter of mobile wallets. Similarly, countries like Spain where NFC transactions can be done for any amount, with the user entering a PIN for payments above EUR 50, already had customers confident to pay by NFC anywhere. On the other side, countries like Germany with a low rate of card payments, or France with card NFC transactions limited to EUR 50 have struggled at first.

A second factor is the population targeted by the wallet, and this is the 'early adopter' effect. The more expensive your smartphone is, the more likely you are to have your card enrolled in a wallet. That is one of the reasons why **Apple Pay is the most used wallet today**, while also benefitting from a good customer journey and integration within the iOS ecosystem.

The biggest remaining obstacles to the general adoption of wallets are:

- educating consumers to overcome fears related to security and privacy: X-Pays are 'by design' created to keep payment information on the device while being handled by traditional payment processing systems;
- a low perceived value compared to the plastic card, and for instance, implementing 'game-changer' use cases such as Open Payment in the Transit System is key: you always have your phone in your hand, while your plastic card is in your physical wallet, which makes a very convenient adoption use case.

### Different stakes for involved players

According to their roles, actors are either expecting more retention or conversion thanks to the expanded use of digital wallets. For schemes and issuers, the goal is mostly to boost the transactions ratio over cash, while still remaining accessible to consumers. Digital wallets are seen as daily used apps, which provide a high perceived value for users, and are integrated within an ecosystem. User retention remains the main focus, with a great UX to ensure the customer will remain loyal to the brand for future purchases. This can even go further with the 'X Pay Card' initiatives, such as Apple Pay Card in the US or **Samsung Pay Card in the UK** and Germany, where users enjoy premium offers. →

Merchants are not yet fully embracing digital wallets on their ecommerce platforms (or apps), despite evidence that they represent a great way to improve users' conversions. X-Pays are among the few payment methods offering an easy, frictionless customer journey, while being SCA-compliant thanks to the delegated authentication from issuers.

### What's next for X-Pays?

Digital wallets, while being initially focused on payments, will expand beyond the added services to propose a full wallet digitalisation:

- loyalty card programmes are fully embedded in the wallet's proposition. Today, a retailer can prompt a customer to join its loyalty programme directly at the POS thanks to the NFC technology, which will automatically trigger a message in Apple Pay, asking the user if they would like to subscribe to wallet's programme?' and add a payment card;
- digital IDs (driving licenses, university cards, etc.) are a reality in countries such as the US or South Korea. The EU is currently working with member states to agree on a technical framework to design an EU scheme for those use cases;
- Samsung Wallet was just launched and already announced it will support crypto assets, leading the path to new Gen Z habits.

### Mobile payments are also on the merchants' side

Despite the great potential for digital wallets, the most impactful innovations might surge in the merchants' area.

### New mobile payment methods under merchants' control

Many different initiatives are underway to provide a more seamless mobile experience led by merchants.

*Tap to Mobile*<sup>1</sup> allows merchants to directly accept card payments via their NFC handsets (or 'COTS'). The 'ultimate version' of mobile payments on COTS will be ready in a few months after the PCI published its first standards on Software-based PIN Entry on COTS,

and Contactless Payments on COTS. This version will accept any NFC card payment on a standard NFC device, with the PIN entered by the consumer on the merchant's device. Large-scale pilots are in progress and Mastercard and Visa expect this technology to increase even more the number of card payments including at small and individual merchants.

Retailers will also be able to improve their *personal shopper's* customer journeys and even simply rationalise the equipment of their sellers. They will use one 'super' device instead of carrying two or more dedicated function devices. For instance, you could imagine a transit use case where the controller can both check the traveller's ticket validity, and enable ticket purchase through the same device.

Another initiative regards a mix of QR / online payment propositions, especially seen in hospitality. With solutions such as **Sunday**, the restaurant can place QR codes on each table, allowing consumers to both make their orders, and pay/split the bill before leaving the restaurant, without waiting to be cashed in. This improves both consumer UX and waiters' precious time, without affecting the overall dining experience.

Mobile payments are now present in the hands of consumers and merchants alike, and it will most likely highly promote consumers' conversion and retention for the actors involved in the value chain.

<sup>1</sup> EMVCo terminology (Mastercard: "Tap on Phone", Visa: "Tap to Phone").  
**Tap to Pay by Apple** is one example.



[oaklen.eu](https://oaklen.eu)

**Oaklen Consulting** (formerly PW Consultants) is an independent **consulting firm** specialising in payments that helps today's and tomorrow's players to achieve all their ambitions. Just like that. With 55 consultants, we have been working for more than 20 years with all the players in the ecosystem (banks, merchants, schemes, fintechs, manufacturers, etc.) in Europe and around the world to ensure that payment matches the worlds at the crossroads of societal, technical, and regulatory issues.



**Kell Jay Lim, Head of GrabFin, the fintech arm of Grab Financial Group, elaborates on the flourishing of super apps and on-demand payment apps in Southeast Asia.**



**Kell Jay** is the Regional Head of GrabFin, the fintech arm of Grab Financial Group. In this role, he is accountable for the development and execution of the company's fintech vision of bringing financial inclusion to the six in ten Southeast Asians who are underserved.

Kell Jay Lim ■ Regional Head of GrabFin ■ Grab

Southeast Asia is a major and strategic market for on-demand payment apps. Can you provide our readers with an overview of the size of the market and what drives the success of these services?

Southeast Asia is where we operated since our founding, in 2012. The region has immense potential, with a 660 million strong population – twice that of the US. Citizens are young and mobile-first, with over 50% under 30 years old, and the percentage of households with at least one smartphone is expected to **grow to 84% by 2025 from 68% in 2020.**

Firstly, the COVID-19 pandemic hastened the region's digitalisation wave, and millions of users benefited from digital economy access. In 2020 alone, 237,000 Grab driver-partners transitioned to do deliveries. In 2021, **680,000 small businesses joined the platform,** and the number of merchant-partners onboarded to GrabPay grew by **72% year-on-year.**

Secondly, the pandemic also quickened consumer cashless adoption. A **2021 Boku and Juniper Research report** stated this is the fastest-growing region for digital wallets globally, with new payment methods emerging to meet this demand, like Buy Now, Pay Later (BNPL).

Thirdly, cashless adoption is robustly supported by governments. We work closely with them to use their real-time payment rails to move money from bank accounts to the GrabPay wallet account, such as PayNow in Singapore and InstaPay in the Philippines. In addition, interoperable QR is crucial to drive nationwide digital payment adoption, with many countries already implementing

*“Interoperable QR is crucial to drive nationwide digital payment adoption, with many countries in Southeast Asia already implementing this.”*

this – QRIS in Indonesia, SGQR in Singapore, and DuitNow QR in Malaysia.

**What are the consumer payment needs that GrabPay addresses?**

Short checkout routes mean users get convenience, while merchants receive boosted conversions. There is no need to download a new app to use GrabPay either. Users have the flexibility to pay now, next month or in interest-free instalments.

BNPL is increasingly popular, as nine in ten Southeast Asians do not have credit cards and the payment flexibility is an attractive proposition.

Robust risk management is vital for BNPL to succeed in this financially underserved region. This is where Grab's proprietary transactional data, generated by over 30 million MTUs (Monthly Transacting Users, as of Q2 2022), sets us apart. Artificial intelligence and machine learning help assess who should be offered BNPL, and we set a customised spending limit. This is different from other players who rely on existing credit card approvals from issuing banks. →

At the same time, user security must also be a priority. Customers choosing alternative payment methods should be protected via stringent security measures, like two-factor authentication and real-time risk assessment. Successful AI-driven fraud protection should be led by high-quality data.

### What is the added value of GrabPay for merchants?

GrabPay and PayLater started as payment options for Grab services, and now they also provide payment solutions to merchants. To accelerate acceptance, **GrabFin has signed partnerships** with leading global (Adyen, Stripe, Shopify) and regional payment platforms (2C2P, AsiaPay, Razer Merchant Services).

Generally, merchants want to know how payment providers can deliver more value, such as increasing sales or generating demand at a low cost. With Grab, our partners get more value from our super app platform. We recently announced integrated partnerships with Coca-Cola and Starbucks regionally – and with McDonald’s in Singapore, where consumers can pay for their orders via GrabPay in-store and in-app, earn GrabRewards, order food or beverages, and have them delivered through GrabExpress.

For smaller merchant-partners, we provide GrabPay and tailored BNPL options, including working capital loans, rewards, ads, and analytics – aiming to help them ride the ecommerce wave and boost their presence online.

### What are, in your opinion, the main features that make a payments app a super app?

A super app should focus on solving hyperlocal problems. We started Grab to solve transportation safety in Malaysia – and then we looked into other local challenges we would be able to solve. Today, our super app helps drivers access income opportunities, merchants get tools and insights to build their businesses, while customers have access to safe rides to their destination.

Economic empowerment is what drives most super apps, and customers should be able to have a say in the economy to keep moving things forward.

Our platform enables millions of people each day to access driver and merchant-partners to order food or groceries, send packages, hail a ride or taxi, pay for online purchases or access services such as lending, insurance, wealth management and telemedicine.

### Could you elaborate a bit on the future developments for Grab?

Moving forward, we will sharpen our focus on helping our driver and merchant partners – many of whom are underserved by the traditional financial institutions today – with their financing and insurance needs.



grab.com

**Grab** was founded in 2012 with the mission to drive Southeast Asia forward by creating economic empowerment for everyone. We operate across the deliveries, mobility, and digital financial services sectors in 480 cities in eight countries in the Southeast Asia region, enabling millions to access driver/ merchant-partners to order food or groceries, send packages, hail a ride or taxi or pay for online purchases – all through a single ‘everyday everything’ app.

# Debit and Credit Cards

## Size of the market

Debit and credit cards are the de facto backbone of the global payment methods ecosystem. They may vary in popularity or market share compared to other methods, but as cash loses ground, the first ones to have something to gain are cards – with **FT estimating** in 2021 a 35% reduction in global cash payments during the pandemic.

The **global debit card market size** is expected to grow from USD 90.49 billion in 2021 to USD 93.23 billion in 2022 at a compound annual growth rate (CAGR) of 3%. The global debit cards market size is expected to grow to USD 96.84 billion in 2026 at a CAGR of 1%.

According to **ResearchandMarkets.com**, the credit and debit card market size varies from West to East. While the **APAC** region has been the largest market for credit cards in 2021, **Western Europe** held the top spot in debit card usage in the past year.

Credit cards are still the bread and butter of **the US** payments ecosystem, and even with a dip at the beginning of last year, the situation turned by late 2021. Cited by **Insider Intelligence**, according to JPMorgan Chase, the US credit card market registered a 19.8% growth across the two years ending in Q3 2021, while Wells Fargo's credit card POS volume rose 29.9% over the same period. **The Financial Brand** issued a detailed study on the American market revealing that American Express has the highest customer credit card satisfaction score, followed by Discover and Capital One.

In **Latin America**, domestic and international credit cards together account for more than one-half of online retail payments in the region, driven by their high shares in the three largest B2C ecommerce markets – Brazil, Mexico, and Argentina.

## Latest developments

### Regulation and levelling card fees

Credit cards have had a hard time keeping up with the lower fees of instant payment rails and the promise of A2A payments as a whole. The three biggest complaints customers had with credit cards were collection issues (32.95%), billing problems (19.38%), and the payoff process (6.04%), according to WalletHub, cited by the Financial Brand. In **the US**, the Consumer Financial Protection Bureau signalled a crackdown on late fees charged by credit card companies, as inflation threatens to increase those so-called 'junk' fees levied on consumers, as per **CNBC**.

Across the ocean, **UK-based Payment Systems Regulator** has set to launch two separate market reviews of the fees charged by Visa and Mastercard. The watchdog alleged that the fees paid by acquirers increased significantly over the period 2014 to 2018, but that 'a substantial proportion of these increases are not explained by changes in the volume, value or mix of transactions'.

In May 2022, **the Australian Competition and Consumer Commission (ACCC)** announced it started legal proceedings **against Mastercard** Asia Pacific and Mastercard Australia for alleged anti-competitive conduct. According to the allegations, the global card issuer substantially lessened competition in the supply of debit card acceptance services between November 2017 and November 2020. →

# Debit and Credit Cards

## Visa, Mastercard, and the stint in crypto payments

Cryptocurrency debit cards are a new trend in the cards industry. **Visa** launched its first crypto cards in Latin America – and will debut its new products in Brazil and Argentina via several new partner firms, as per an announcement from June 2022.

In turn, **Mastercard** has announced it will be expanding its payments network to Web3 and NFTs. The payments system will allow people to use their Mastercard cards for NFT purchases, whether that's on the marketplaces of Immutable X, Candy Digital, The Sandbox, Mintable, Spring, Nifty Gateway, or using their crypto services.

## Innovations and product launches

In July 2022, three of the **'Big Four' Australian banks – NAB, ANZ, and Westpac** – have turned to the dynamic card verification value (CVV) functionality to combat online payment fraud and boost digital consumer protections. CBA is the only remaining 'Big Four' bank that is yet to introduce a version of a dynamic CVV.

In the same month, **Visa** partnered with Spain-based fintech Pecunpay to launch a new solution, Visa Direct. With Visa's global network and Pecunpay's licence, customers will be able to use the new Visa Direct both in Spain and throughout the European Economic Area (EEA).

Bigtechs are also diving into the card world, with **Google** announcing in May 2022 that its Chrome browser offers users the ability to use a virtual credit card in online payment forms. These virtual card numbers allow people to keep their 'real' credit card number safe when buying something online since they can be easily revoked if a merchant's systems get hacked.

# Juniper Research

## New Card Payment Technologies and the Race to Keep Up with Mobile Payments



**Nick Maynard** is Head of Research at Juniper Research. His key area of focus is the fintech & payments area, including embedded finance, open banking, and digital wallets, among others.

Nick Maynard ■ *Head of Research* ■ Juniper Research

Over the years, payment cards have been a part of the financial lives of individuals and businesses as an end product of complex payment systems. They also have been instrumental in advancing the underlying payments technology and answering customer preferences and needs. Despite many parties predicting the death of cards with the advancement of digital and mobile payment methods, including BNPL (Buy Now, Pay Later), payment cards are still prevalent and are undergoing a significant technical transformation, especially in terms of infrastructure and authentication systems. Technologies such as contactless, biometric cards, and even digital issuance via virtual cards are changing the customer proposition.

### Biometric payment cards advancing new use cases

Emulating biometric authentication largely utilised in smartphones and other mobile devices, biometric payment cards eliminate the need to enter PINs for payment transactions as a unique identifier. Biometric cards feature a fingerprint sensor which stores a user's reference data in the card's secure chip. This sensor is powered by the chip, while the card itself is powered by the POS terminal by charging the chip. No further upgrades to terminals by merchants are needed to accept biometric payments. This critical element here is that this enables cards to have unlimited contactless transaction values, allowing them to finally match the level of convenience that mobile payments offer.

Biometric payment cards were first deployed in the UK by Natwest in 2019, in partnership with Mastercard and Gemalto (now Thales), as part of a trial with a limited number of customers. More recently, in June 2021, BNP Paribas launched its biometric cards offer to its customers with Thales, after deploying successful trials since 2020. These deployments show that, while progress has undoubtedly been

made in the early phases, the concept is gaining further traction in the market, and we anticipate strong growth, as issuers look to differentiate themselves and their offers to users.

### Dynamic CSC/CVV cards offer an alternative

Embedded in payment cards as a counter-fraud solution, dynamic CSC (Card Security Code)/CVV (Card Verification Value) involves the replacement of the static CVV or CSC at the back of the payment card with a randomly generated number at time intervals. This eliminates the risk of any static CVV information being stored or compromised and can greatly reduce the risk of CNP (Card Not Present) fraud, by also offering the ability to include such dynamic data in the authorisation message sent to issuers. The code appears at the back of the card on a small ePaper screen by using eInk. Issuers such as Visa and Mastercard have created algorithms for dynamic CVV generation, with which leading manufacturers comply.

These developments are important because they allow issuers to take concrete steps to tackle CNP fraud, which has been difficult to identify, as payments have gone increasingly digital. However, the increased cost per card means that this will indeed remain niche and will require further trials to demonstrate the value proposition to users.

### Metal cards and the importance of the premium experience

Metal cards are tougher and more stylish alternatives to plastic payment cards, which are often presented as 'premium' to customers. These cards are specifically designed to offer a superior look and feel compared to their plastic counterparts and can be produced in various grades and styles, as required by issuers. →

To accelerate their uptake, these cards need to be better marketed to wider customer segments, outside of top tier accounts. Issuers need to work out how to effectively sell these cards at higher price points to a wider audience within their client bases, or they will fail to achieve significant revenue from this area.

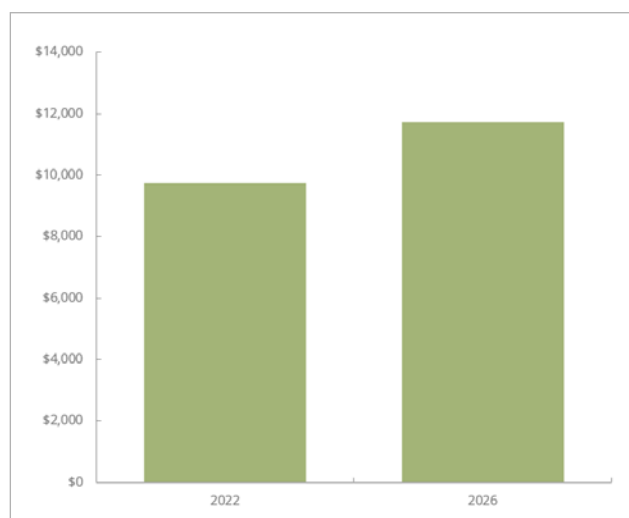
Metal cards also face a significant challenge from other card types, which can also offer a premium feel, such as eco cards featuring recycled content, or wooden cards. Metal cards must therefore be paired with attractive user account features, rather than just relying on their premium nature alone.

### The future of payment cards

Ultimately, there is no right answer when it comes to the future of payment cards – no one-size-fits-all approach will work. However, what we are seeing is a multitude of right answers, for different demographics and customer types. Biometric cards, metal cards, and dynamic CVV cards all have a role to play, but targeting these solutions to the right users will be a challenge that will involve partnerships with card issuers.

Ultimately, it is the responsibility of card technology providers to guide issuers through the process of updating their cards, identifying where value can be added, and how to drive their brands forward best. Card manufacturers need to keep their portfolios broad enough to offer the capabilities issuers may need but detailed enough to match the very specific requirements issuers may have. If card manufacturers can get this balance right, they can unlock significant revenue.

**Figure 1: Global card technology revenue for card manufacturers (USDm), 2022 & 2026**



Source: Juniper Research



[juniperresearch.com](https://www.juniperresearch.com)

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# Smart Payment Association

## Biometric Payment Cards: The Next Evolution in Secure Contactless Transactions



With over 20 years' experience working in the payments industry, **Andreas Strobel** has been an active participant of SPA since 2006. In addition to his current role as SPA President, he acts on behalf of SPA as a member representative at the European Cards Stakeholders Group (ECSG) in Brussels where he was also previously part of the Audit Committee

Andreas Strobel ■ *President* ■ Smart Payment Association

*Andreas Strobel, President of the **Smart Payment Association**, explores how the biometric payment card is transforming how cardholders authenticate when paying.*

While biometric authentication technology has been around for over two decades, it has taken some recent developments to make fingerprint verification for card-based payments a workable reality. It was only with emergence of ultra-thin sensors that could be embedded into smart payment cards, together with the required microprocessors, that it finally became possible to design biometric cards that would enable on-card fingerprint enrolment and verification.

This breakthrough led to Absa piloting the world's first biometric card in South Africa, in 2017. In the following year, the Bank of Cyprus piloted the world's first biometric dual interface card for both contact and contactless payments. Throughout the pilot programmes, card payments could be made using fingerprint verification to authenticate a transaction.

Since then, improvements in the speed and accuracy of biometric technologies, together with manufacturing refinements, have helped reduce the per-unit production cost of biometric cards. These changes, combined with the standardisation of EMV and ISO certifications, have prepared the way for the mass commercial deployment of biometric cards.

Today, the 20 biometric card pilots currently underway around the globe, as well as the first commercial deployment by BNP Paribas, followed by product launches of Crédit Agricole and Bank Pocztowy, indicate that the momentum created by these projects

mean the market demand is set to experience a significant and rapid growth.

### Consumer demand is high

The COVID-19 pandemic has accelerated the adoption of contactless payments by consumers who now want low or no-touch interactions at the point-of-sale. Meanwhile, familiarity with fingerprint authentication technologies that make it quick and easy to unlock smartphones has fuelled the growth of consumer demand for biometric payment cards that offer the same frictionless user experience.

Indeed, according to a recent **Visa study** conducted on US consumers, 86% of respondents were interested in using biometrics to verify identity or make payments. The same research also found that more than two-thirds of consumers prefer to pay with contactless cards rather than using a digital wallet on their mobile device.

With so many consumers ready and willing to embrace biometric contactless payment cards, banks are responding to this pent-up demand. 2021 saw first major banks undertaking large-scale commercial deployments with their rollouts of biometric cards to customers.

### Delivering reassurance and convenience for consumers

For many consumers, the top benefit offered by biometric payment cards is the convenience of being able to make fast and secure contactless payments, with no limit on the maximum amounts currently imposed by regulation. →



In other words, using biometric payment cards enables consumers to authenticate higher payment amounts by means of fingerprint verification, eliminating any requirement to insert their card or enter a PIN when paying for larger transactions at the POS.

Alongside this improved user experience, biometric payment cards provide a deep reassurance that contactless cards cannot be debited without their consent and that lost or stolen cards cannot be used fraudulently. The fallback of being able to use a PIN, should a sensor be unable to read a fingerprint, also gives consumers the confidence of knowing they will get to use their card, regardless of the circumstances.

Finally, for many consumers, a biometric smart card containing a fingerprint that is stored and verified in the chip delivers an improved perception of security, compared to using their mobile phones, which are often viewed as being prone to malware attacks.

### How it works

When users receive a biometric payment card, they will first need to register their fingerprint into the card. This enrolment process can be carried out at home, using a sleeve device that is shipped with the card, or cardholders can visit a bank branch. At the time of enrolment, no biometric details are ever transmitted online or to any other device other than the card itself. This implementation approach delivers full compliance with GDPR mandates on the processing of biometric data.

Once the enrolment is completed and the fingerprint in the biometric card has been activated, the fingerprint data remains securely stored in the card's chip. When cardholders want to make a payment, they simply pass their card near the contactless payment terminal and place their finger on the sensor of their card to perform the biometrics verification.

### Looking to the future

Fully operable with today's payment POS terminals that accept EMV-based contact or contactless cards, biometric payment cards offer a convenient and easy-to-implement solution to verify contactless payments for today's consumers. Delivering against consumer demands for reduced physical interactions and faster payments at the POS, biometrically enabled payment cards are now transforming how users can seamlessly undertake the authentication of their everyday payments.

As central banks gear up to issue digital currencies, biometric card authentication may also enable cardholders to securely pay using digital and cryptocurrencies.



[smartpaymentassociation.com](https://smartpaymentassociation.com)

The **Smart Payment Association (SPA)** is the trade body of the cards and mobile payments industry. SPA addresses the challenges of a fast-evolving payment ecosystem, promoting innovation, security and interoperability of payment instruments. SPA works closely with regulators and standardisation bodies, offering leadership and expert guidance to help its members and their customers adopt new payment technologies of today and tomorrow.

# Cryptocurrencies

## Size of the market

**Chainalysis'** latest analysis of geographic trends in cryptocurrency adoption and usage offered data explaining that **global adoption of cryptocurrency payments** has grown by over 2,300% since Q3 2019 and over 881% in 2021.

The **blockchain market size** for retail alone is set to reach **USD 4.6 billion by 2028**, as more industry players make an effort to align their offers with market demands. More in-depth, Coindesk estimates that big corporations will be joined in this race in a significant amount by SMEs diving into the crypto pool, considering there has been a global 75% increase in customers and suppliers asking for cryptocurrency as a payment option.

When it comes to the array of payment methods at the checkout, crypto has seen a radical change in optics and trust from the greater public and retailers. With increased focus on security, authentication protocols, and a recently fuelled mobile payments popularity, **experts** estimate crypto to become a payment method as common as credit cards.

**Central, Northern, and Western Europe** stand at the top of the charts when it comes to global crypto adoption, receiving over USD 1 trillion worth of cryptocurrency over 2021 (25% of the world's total). Europe is followed by **North America**, having received over USD 750 billion in cryptocurrency between July 2020 and June 2021, as per **Chainalysis rankings**.

In spite of the spurt in adoption and technology keeping up with demand, the rest of the world is divided between legalisation, country-wide bans (in some **Asian** countries), or some governments' logistic or regulatory incapacity to keep up with the organic growth of their markets. Several countries in emerging markets, including **Kenya, Nigeria, Vietnam, and Venezuela** register significant transaction volumes on peer-to-peer (P2P) platforms when adjusted for PPP per capita and internet-using population.

## Latest developments

### Local and global regulation concerns

Starting from the top down, the world has been trying to cut a path for crypto to find its way among legitimate and safe payment methods in the last year – which was affluent in crypto regulation news. **The World Economic Forum's** Digital Currency Governance Consortium (DCGC) came out **in July 2022** with research and analysis of the macroeconomic impacts of cryptocurrency and fiat-backed stablecoins, signalling a 'timely and precautionary evaluation of the possible macroeconomic effects of cryptocurrencies and stablecoins and corresponding policy responses'.

While **the EU** launched the **Markets in Crypto-Assets (MiCA)** provisional agreement in June 2022, **the US** saw the release of the **Framework for International Engagement on Digital Assets**. Among the main purposes of both these large-scale regulatory frameworks is to protect consumers, investors, and businesses working with crypto, while mitigating risk and supporting the responsible development of digital assets. →

# Cryptocurrencies

## Between bans and legalisation

While some countries trouble themselves with finding ways to make crypto safe, others do not take any risks. In July 2022, two major markets started discussing complete bans. **The Reserve Bank of India** is proposing strong regulation or a total ban of cryptocurrencies in the world's second-largest Internet market. Furthermore, India already proposed a 30% tax on crypto and NFTs incomes in February 2022, giving bankers, traders, and financial institutions mixed feelings regarding its onboarding with crypto assets. In the same month, **Russia** supported the adoption of a bill banning payments for goods and services using digital financial assets (DFAs) within the country.

On the opposite side of the coin, following the ongoing war in **Ukraine** and the aid received by the Ukrainian government in cryptocurrencies, the country's President, Volodymyr Zelenskyy, has **legalised the use of crypto**.

## Shopping with crypto in 2022

While Meta announced in July 2022 that it will discontinue its digital wallet for cryptocurrencies, **Novi**, announcements regarding big brands and ecommerce platforms and marketplaces accepting crypto payments in their stores or networks have been more abundant than ever before.

From **Shopify** announcing in May 2022 that it will enable Crypto.com Pay within their network to **eBay** and **Farfetch** accepting crypto in their merchant ecosystems, the news did not stop there. Luxury brands such as **Balenciaga** or **Gucci** also joined ranks with either Bitcoin or a wider range of digital coins as valid payment methods in their stores.

Upping the ante in terms of the latest trends, Japanese retailer **Rakuten** has announced the launch of an NFT marketplace, which will allow users to not only purchase NFTs, but also sell them in a range of areas, including music, sports, entertainment, and anime.

## Investments

Crypto-payments company **MoonPay** (backed by a slew of famous investors) has raised approximately USD 87 million in its latest funding round in April 2022. Late in 2021, the startup raised USD 555 million in a Series A round that valued the company at USD 3.4 billion.

At the same time, crypto platform **Binance.US** raised more than USD 200 million in its first funding round, valuing the company at USD 4.5 billion. Binance.US will reportedly use the new funds to develop new products and services, as well as kickstarting 'educational initiatives to bridge the knowledge gap'.

# COINQVEST

## Extend Your Payment Rails with Cryptocurrency Checkouts Now



**Stefan** is co-founder of COINQVEST and has more than 20 years of experience in building and managing digital business models in the financial services and B2B sector. He strongly believes in the future and benefits of DeFi, financial inclusion, and programmable money.

Stefan Schneider ■ Co-Founder ■ COINQVEST

### The current status of cryptocurrency payments

There is a famous story told by Aesop about the industrious ant. It worked to build its store of rations, for when the bitter winter months came, there was little forage left to gather. The jolly grasshopper, content to live in the now, lacked the foresight to prepare for what the future might bring.

Whether in life or business, we are taught to be inspired by the ant, to plan and prepare for the future. The analogy isn't perfect, but it does highlight the value of looking ahead. In creating the roadmap for your business, it is wise to make decisions based on what you expect to happen. For online enterprises and payments, we can clearly see the growing trend of cryptocurrency on the horizon.

At COINQVEST, we think that merchants can no longer ignore cryptocurrencies as a payment option. More and more businesses and payment service providers (PSPs) have integrated our solution directly into their checkout processes or started strategic projects to evaluate the benefits. We have already begun to see an increase in inquiries from household brand names, as they rush to jump on the train and gain an early advantage.

This shift is also supported by **research** showing that more than 300 million people worldwide hold crypto. Regarding crypto payments, 40% of Gen Z globally plan to make purchases using crypto in 2022. Therefore, now is a great time to evaluate what it takes to implement crypto checkout options into a company's payment infrastructure and learn how blockchain-based payments can help businesses thrive in the Web3 economy. Run a trial project, work on implementation, and be at the forefront of crypto adoption.

Here are more reasons:

1. Strong interest among Millennials and Gen Z (1995-2009) who have grown up with digital money, wallets, NFTs on their smartphones, and are Internet natives and gamers. For them, exploring crypto is a natural extension of their realities, an opportunity, and no digital knowledge barrier hinders them to do so.
2. The adoption of crypto and stablecoins is becoming mainstream. Mainly as an investment opportunity, however, there are more and more use cases where crypto gets on-ramped through crypto exchanges, salaries paid in crypto or stablecoins, collections of NFTs, staking or reward programmes, values which are ultimately available to spend on products and services.
3. Geographies that experience high inflation rates drive use cases and adoption, which results in more funds being on-ramped, converted, and available for making purchases. →

## Why should my business accept cryptocurrency?

Each day, it becomes more evident how cryptocurrency is beneficial to businesses. If you're a company outside of the crypto space, you can demonstrate your willingness to understand the needs and norms of the demographics encompassed within. Develop trust and brand loyalty by showing you 'get' these young and tech-savvy consumers. Research also shows consumers who pay with crypto tend to have higher shopping cart volumes and lower abandonment rates.

Apart from attracting new clientele, cryptocurrency payments have the benefit of being faster in settlement with no chargebacks, more secure and transparent with blockchain technology, and easy on fees and exchange rates, when compared with credit card payments and other existing payment methods.

COINQVEST helps merchants to get paid and stays updated on the most recent regulatory requirements. And despite what you may hear in the news, crypto volatility with regards to payment isn't an issue when properly handled. We work hard to ensure our crypto payment service is reliable and compliant.

## How do I get started with cryptocurrency payments?

COINQVEST provides various levels of integration for merchants and PSPs to add cryptocurrency payments to their checkout processes, in addition to existing payment methods like credit cards or direct debit:

### COINQVEST Hosted Checkouts

COINQVEST's hosted checkouts are the easiest and quickest form of implementation, providing the full functionality of our platform out-of-the-box and can be added by SDKs, shopping cart plugins, or API.

### COINQVEST Brand Connect – white-label solution for hosted checkouts

Brand Connect customises COINQVEST's hosted checkouts to your own brand, web domain, custom logo, images, and fully skinned UI. It can run on [coinqvest.com](https://coinqvest.com) or on your own web domain with a simple docker container deployment.

### COINQVEST Self-Hosted Checkouts – white-label API

The white-label API allows for deep-level integration and customisation of your payment processes. Highly useful for payment service providers to extend their existing payment infrastructure with self-hosted and self-branded cryptocurrency checkouts.

COINQVEST sees the change that is coming. Like Aesop's pragmatic ant, you can prepare your company for what is upon us. We are here to help your business be ready now with the tools you'll need to navigate the tricky, but inevitable world of cryptocurrency payments.

[Click here for the company profile](#)



[coinqvest.com](https://coinqvest.com)

**COINQVEST's** mission is to enable merchants to thrive in the Web3 economy and help them grow their business with cryptocurrency payment processing. COINQVEST is a reliable partner for enterprises and enables them to embrace DeFi payment solutions through various levels of integrations, from all-inclusive hosted checkouts to customisable white-label API.

# Emerging Payments Innovation and Habits



- Latest trends in ecommerce and the future of payments
- Live commerce
- Real-time payments and customer experience

We talked with Dariusz Mazurkiewicz, CEO of Polish Payment Standard at BLIK about the company's developments, plans and trends in ecommerce.



**Dariusz** has been the CEO of Polish Payments Standard (Polski Standard Płatności – PSP, which runs the popular, account-based mobile payment system BLIK) since 2017. Between 2015–2017, he acted as the Vice President of the BLIK Management Board, responsible for product and partner development of the system. His previous experience includes the ecommerce and media industries.

Dariusz Mazurkiewicz ■ CEO ■ BLIK – Polish Payments Standard

What are the new trends in ecommerce and how do you think BLIK can shift to meet the latest requirements of consumers?

In recent years, we have witnessed a radical change in the consumers' attitude. They have become enthusiasts of convenience and speed – both factors being a necessity in today's ecommerce market. This is mainly a consequence of the COVID-19 pandemic, which has shifted a large part of the in-store transactions to the Internet, and the development of fast deliveries.

“BLIK is the most popular way to pay in Poland. We believe that BLIK can become one of the most significant payment platforms with a pan-European reach.”

Deferred payments are also booming and represent one of the fastest-growing trends in global ecommerce. The high consumer expectations in this area means that an increasing number of online sellers are now offering this type of solutions to their customers. These changes also have implications for BLIK and its development. We are consistently developing our portfolio and we are currently in the process of implementing BLIK deferred payments. Although the BNPL market in Poland is in an incipient phase, we already acknowledge the great potential this payment method has and that is why we have made deferred payments available to our users.

Can you develop on the concept of 'Q-commerce' and how do you think it can further change the consumers' behaviour when it comes to online shopping?

The logistics area is currently undergoing a dynamic transformation. In parallel, customer expectations of fast delivery are increasing. Q-commerce allows for placing an order online and having it delivered to your home in the shortest possible time. In some areas of the market and for some companies, this could be as fast as 10 minutes.

Retail chains throughout Europe are already operating in this mode. Both established players and startups have noticed a niche in the market and are now investing in q-commerce. The following months will bring the development of services in the 'express same-day delivery' mode. Customers of large retail chains can expect purchases made in their mobile applications to be delivered within a few hours – as it is already the case with small 'corner stores'. When it comes to payments, immediacy will become the standard.

To put it briefly, online retailers need to consider the entire shopping experience - from generating interest in the product, to making the customers' favourite payment methods available in-store, to delivery. BLIK payments fits into this trend by allowing customers to pay quickly, easily, and securely. →



## What opportunities can the post-pandemic world bring to the overall digitalisation process of Poland especially when it comes to online and contactless payments? How can BLIK benefit from them?

The COVID-19 pandemic has significantly accelerated the trends we have seen over the past few years when it comes to the development of mobile payments. One is the dynamic development of the ecommerce market, another one is the digitisation of the customer-bank processes, which can be seen in the increasing popularity of mobile banking. What initially seemed to involve long-term strategies for organisations suddenly turned out to be the only development path to follow. Increasingly, consumers have also started paying with their mobiles. Currently, the immediacy of transactions is also a standard. All these directions are radically affecting all participants in the e-commerce market. This determines the development of BLIK and will allow us to create solutions that may turn out to be a market hit in two or three years.

## The market for deferred payments is diverse and growing rapidly. How do you see mobile payments and BNPL combining?

BNPL's integrations with smartphones provide customers with the best experience, guaranteeing convenience and a fast payment journey. BLIK currently has over 70% share of the online payments market in Poland and offers a boast of a friendly process of service activation, while serving a large group of users who complete an average of 2.7 million BLIK transactions each day. This means that we can confidently compete with other solutions available on the market. Deferred payments using a mobile phone application represent a service that interests our customers, and BLIK has the potential to meet their expectations.

## What does the future of payments look like for BLIK? What can customers expect from the company in the next 12 months?

We still see immense potential for further growth. We now focus most of our attention on expanding the range of services and consistently increasing the number of active users to further strengthen our market position in the coming quarters. The increase in the volume of transactions, which we observed in 2021, but also at the beginning of this year, allows us to believe that we are on the right track to achieving our goal.

In the upcoming months, we plan to concentrate on the previously mentioned deferred payments and consider our company's development in foreign markets. Due to our infrastructure, BLIK payments can be easily accepted and integrated into numerous markets all over the world.

We have also tailored an offer for banks which will allow us to significantly increase transnationality in the mobile banking sector. We reckon BLIK has a high potential to transform into a pan-European payment system, as it features an inclusive business model where we welcome banks, card companies, P2P and BNPL providers altogether.

We have the know-how in building various business alliances, thanks to the formula in which the Polish Payment Standard operates. BLIK can offer ready-made payment solutions, act as a platform, or develop a strong cooperation with local institutions. All of this means that BLIK can become a European payments solution. Polish Payment Standard will focus on this direction in the coming months.

[Click here for the company profile](#)



[blik.com/en](https://blik.com/en)

**BLIK** is a mobile payment system. It enables ecommerce payments, POS payments (including contactless payments), ATM cash withdrawals, and mobile P2P. BLIK has a dominant share of the mobile payments in Poland. It has won many prestigious awards, including the title of 'FinTech of the Year' in 2022 by **Cashless.pl**.

# Dr2 Consultants

## The Present and Future of Ecommerce – Live Commerce



**Li-Xiong Chu** is a Dutch-born Chinese who can communicate in English, Dutch, and Chinese. Focusing on the global sustainability dialogue to create more understanding, he advises companies on how to navigate the China market in this regard. Specific interest in digital marketing and ecommerce related projects.

Li-Xiong Chu ▪ *Director & Senior Advisor* ▪ Dr2 Consultants

Live shopping is far from being a new phenomenon. Home live shopping through television broadcasting was a multibillion-dollar industry. You may remember those as tell sell channels, amongst others. And, although they do still exist, with the rise of ecommerce, live shopping has developed into something called live commerce.

So, what is live commerce? Essentially, it refers to the use of live streaming within ecommerce or social commerce channels. Products are presented and sold online through live broadcasting and customers can interact or engage in real time. It is a more integrated version of live shopping into the current digital landscape. The popularity of live commerce can be highlighted by the rapid developments it has made in the China market in recent years. Currently, it is already unthinkable not to incorporate live commerce in any marketing and sales strategy in China. Recent **statistics** indicate that 10% of total ecommerce GMV is generated by live commerce, 90% of the biggest brands hosted live commerce events during Singles' Day (the biggest ecommerce festival), and 300 million of the platform users (Tmall / Taobao) **watched these live streams during the festival**. Commonly, these live commerce events are done using so-called Key Opinion Leaders (KOLs).

Live commerce is also becoming bigger in the rest of the world. Amazon, Shopify, Facebook/Instagram, and YouTube provide an experience that combines social networks with ecommerce through live streaming. However, the pace of development may not be as fast in China. Nevertheless, the live commerce market in the US is expected to surpass USD 25 billion in sales by 2023, whereas a couple of years ago, in 2020, it constituted USD 5.6 billion. McKinsey **even estimates** that, based on China's developments, live commerce sales could even account for 20% of all ecommerce sales by 2026.

### Future trends

**Key Opinion Customers (KOCs).** Although the use of Key Opinion Leaders (KOCs) is commonly implemented, it is also very costly. The use of celebrities does get a lot of traffic and engagement, but it does not always outweigh the investment needed. In addition, as live commerce will become increasingly important, it will probably not be limited by certain campaigns only. KOCs are customers that can share their experiences with the brand and products, which can also provide a more grounded approach and more sustainable in terms of costs.

**Product demonstrations and interactive Q&A.** Fashion and cosmetics are markets in which live commerce has seen great integration. The brand and products can be presented and demonstrated live and customers can engage directly by asking questions during the live shopping session, for example. Other industries that will increasingly implement live commerce are the automobile and real estate markets.

**Omnichannel integration.** At the moment, live commerce is usually platform-specific. In order to maximise results, implementation across different platforms and channels will become increasingly interesting. In addition, providing an integrated offline-to-online or online-to-offline experience will be an important factor in which we could see developments. →

**One-on-one interactions** – a personal online shopping assistant. Especially the luxury segment will be looking into implementing creative iterations of this. It will provide the online exclusivity that this audience is frequently used to in brick-and-mortar boutiques. But in the long term, even for a broader audience, it can become interesting. Effective time management and scheduling of these roles could increase engagement and subsequently sales conversion.

**Metaverse, VR & AR integrations** – especially interesting in the beforementioned automobile and real estate markets for example. The Metaverse, Virtual Reality and Augmented Reality will enable the presentation of more products in an interactive way. In addition, the pandemic has imposed ongoing travel restrictions, so creative integrations for the travel industry could also be an interesting trend going forward.

**Group/bulk buying.** Most of the world has more or less accepted living with the new Omicron variant of COVID-19 and has returned to 'normal'. However, in China, the policy around 'dynamic 0 covid' has put strict lockdowns around the country, with the one in Shanghai being the most dramatic of all. As this has put constraints on the domestic ecommerce and logistics infrastructure, a new phenomenon has arisen: the 'group buy' initiatives. Although currently developed out of necessity, it has the potential of becoming a remaining trend. It can provide businesses with bigger orders, and, simultaneously, time convenience and a better deal for the customers.

There is, of course, a lot to take into account for an effective ecommerce strategy. Different platforms, different channels, different audiences, different technology and functionality, and different regulatory frameworks are all important factors to navigate around for different markets. But, as live commerce is becoming increasingly popular, there will be developments that see these elements moving towards each other, no matter the location. And, if there is one thing that the recent pandemic has thought us, a life without ecommerce is unthinkable, where live commerce developments and trends will be an exciting area to keep our eyes on.

Some additional sources:

<https://time.com/6115848/singles-day-2021/>

<https://jingdaily.com/viya-austin-li-singles-day-alibaba/>

<https://www.weforum.org/agenda/2021/05/china-future-social-commerce-content/>

<https://www.digitalcommerce360.com/article/us-ecommerce-sales/>



[dr2consultants.eu](https://dr2consultants.eu)

**Dr2 Consultants** is a strategic consultancy network that operates at the intersection of corporate communication and public affairs, with offices in The Hague, Brussels, Copenhagen, New York, and Shanghai. All offices within the network facilitate public-private cooperation in sustainability-related areas such as the energy transition and green commerce & logistics.

Gareth Lodge, Principal Analyst, Global Payments, at Celent, talks on the role of real-time payments in strengthening customer experience.



**Gareth Lodge** is Principal Analyst, Global Payments, at Celent. He's a leading expert on bank payment processing; payment networks and infrastructures; and real-time payments, a topic he has been active in since 2006. Prior to Celent, Gareth worked for Secura Monde International, TowerGroup, and VocaLink Ltd.

Gareth Lodge ■ Principal Analyst, Global Payments ■ Celent

## How did the COVID-19 pandemic change the outlook for payments?

When the pandemic hit, the industry had to pivot to a new normal overnight, as customer needs and preferences changed. Now, as we emerge from the pandemic and look forward, banks must be prepared to rapidly meet changing needs – a new unknown, as it were. As found in Celent's **'The State of the Nations for Payments Modernization'** report, 83% of banks believe the pace of change from regulation will increase, all while banks face growing competition from non-banks at the expense of banks. In payments, banks must recognise customers' interest in real-time payments and make them part of their digital toolkits.

“Banks must recognise customers' interest in real-time payments.”

Today, real-time payments are clearly a global success, present in more than 50 countries and the fastest growing payment type with volumes globally growing by 39% in 2020.

## Customers want real-time payments functionality. How can banks embrace the opportunity?

First, banks need to believe there is an opportunity. In some countries, notably the United States, banks often don't see the benefit of offering real-time payments, despite their clients demanding it. Yet, offering real-time payments can help deliver the experience that will attract and retain customers.

Secondly, banks must recognise customers' interest in real-time payments. If a customer's bank or credit union doesn't offer real-time payments, the customer will go where they can access them. A clear example is Zelle, where volumes grew by 49% in 2021, processing approximately 2 billion transactions, with 850 active participating financial institutions, yet had users from more than 7,000 FIs. That roughly translates into more than 6,000 banks not serving their clients.

Thirdly, the key to success in making money from real-time payments is explicitly positioning them to customers. Banks need to make clear the benefits of real-time payments, and therefore why businesses will want to adopt them – and, of course, pay for them. Globally, the most successful banks in real-time payments are those that have left nothing to chance.

## How can real-time payments deliver value to customers?

Much of the value of real-time payments comes from their efficiencies. These are provided by a few key features.

Many real-time payments are irrefutable once they leave the sending bank. With irrevocable, good funds, the recipient can use the payment when they see it. This offers a more streamlined experience than other payment types that may be cancelled, recalled, or reversed. This can also accelerate working capital by days – particularly valuable for small businesses. →

Real-time payments also allow payments to be made, and importantly, received, at any time, 24/7. This improves on card payments, where most merchants don't get the full benefit of the transaction until it is paid into their account, often days later.

Also, real-time payments are a single message that can facilitate greater levels of automation and speed throughout an entire transaction, using APIs that can be embedded in a business value chain to drive everything from order placement to payment, release of goods, and shipping, for example.

### What are some noteworthy use cases for real-time payments?

Leading banks have hundreds of use cases, so these really are noteworthy ones! Many use cases are based around the facets of the real-time payment as they aren't 'just' a faster ACH. They can offer greater certainty than other payments. This is clear when selling high-value goods, where it's risky to release products until funds are guaranteed. In the case of a used car sale, for example, most forms of payment are expensive, risky, and slow. Real-time payments, on the other hand, deliver funds into a dealer's account, no matter the day or time, helping to close the sale when convenient for buyer and seller, and enabling the seller to buy more stock instantly.

Real-time payments also offer process improvements through greater efficiencies. At a quick-serve restaurant, with staff on varying shifts, the owner typically pays staff biweekly (not preferred by the workers who need funds faster) or with cash (not preferred by owners, who'd need to calculate shifts and keep cash on-hand for the pay envelopes). Instead, banks can support a timekeeping solution that triggers real-time payments to employees as soon as they end their shift.

Another important use case is instant banking. More and more banks make instant loan decisions, but paying the loan doesn't happen as quickly, leaving customers waiting for funds. Real-time payments enable the entire loan process in minutes. Not only is this more efficient for the bank, but it also creates an easier and more valuable process for customers, improving the overall experience.

### How can banks improve their presentation of real-time payments?

Banks need to have the mindset that real-time payments are a product worth managing: engage customers by making the features and benefits clear; highlight how real-time payments differ from other payment types; **illustrate the use cases for real-time payments**; emphasise why those differences benefit customers and deliver value.

Banks also need to ensure that the experience of using real-time payments is seamless and easy. Communicating this requires thorough evaluation of the customer experience – and how that experience may be unique for different customers and occasions.

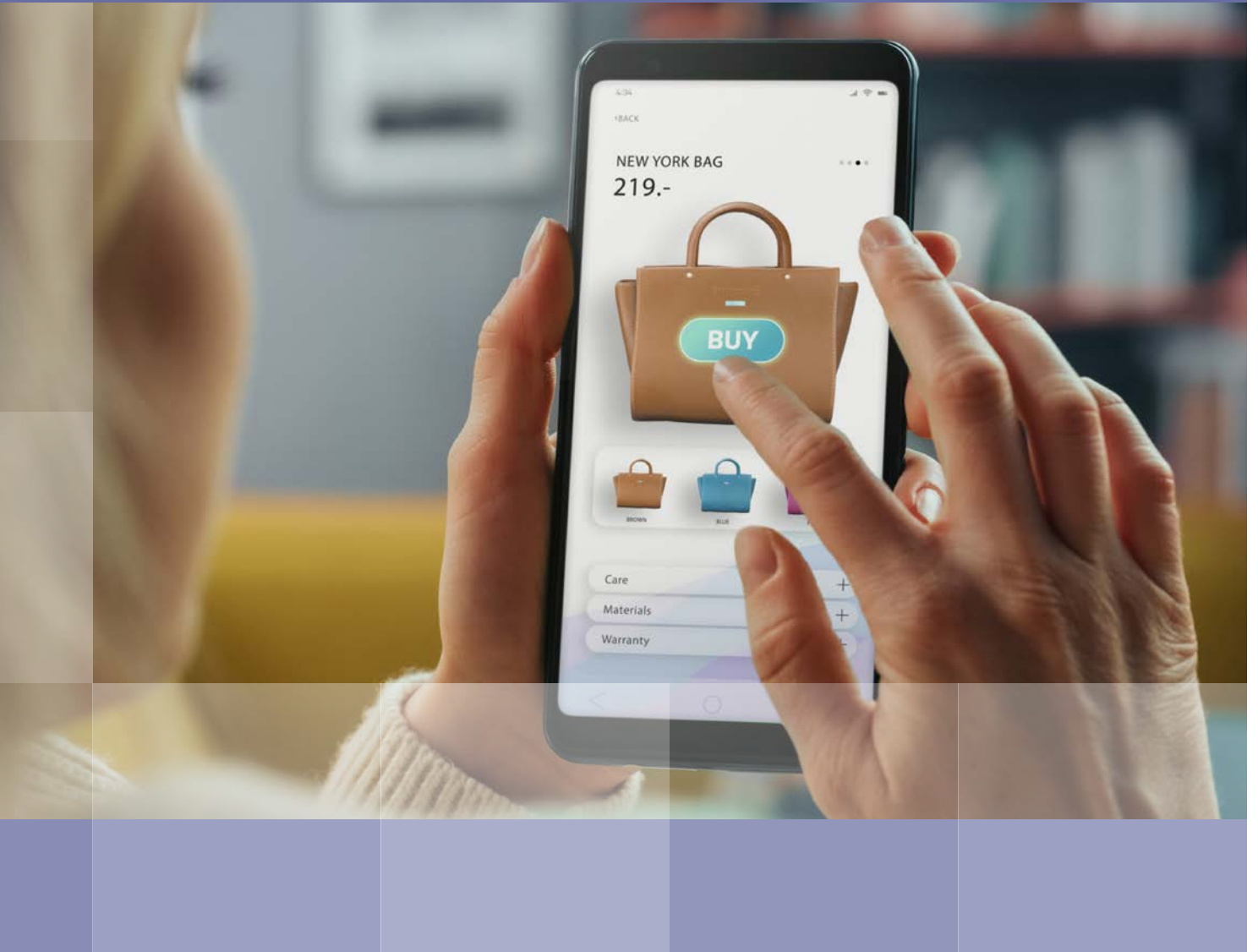
By considering and communicating the overall value of real-time payments, banks can tap into opportunities presented by them. Importantly, these include reducing customer churn and the ability to win over customers from other financial institutions.

**CELENT**

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**Celent** is a research and advisory firm dedicated to helping financial institutions formulate comprehensive business and technology strategies. For over 20 years, Celent (part of the Oliver Wyman Group, a wholly-owned operating unit of Marsh McLennan) has helped senior executives make confident decisions around technology strategies to execute at scale.

# Optimising the Checkout Process: How to Win at Conversion and Retention



- APM acceptance
- Consumer payment expectations
- Merchant services
- Payment orchestration
- Local payment methods
- The merchants' perspective on optimising the payments checkout

# Merchant Risk Council

## The Unexpected Results of Changing APM Acceptance Rates



**Julie Fergerson**  
*CEO*  
Merchant Risk Council



**Leo Parrill**  
*Content Manager*  
Merchant Risk Council

**Julie Fergerson**, CEO of the Merchant Risk Council, has 25+ years of experience developing, delivering, and promoting Internet-based technologies. **Leo Parrill** has extensive experience with content marketing and copywriting in the payments, technology, and gaming industries.

As ecommerce continues to expand in almost every market, it's no surprise that alternatives to traditional payment methods continue to proliferate. Innovation is a critical component of staying competitive and offering new ways to pay continues to be a strong draw for new customers, and an effective tactic for merchants to increase revenue. While experimentation with payment methods has always been an integral component of ecommerce, the last decade has seen explosive expansion in the Alternative Payment Method (APM) space. The COVID-19 pandemic and associated lockdowns also caused a substantial increase in the volume of new consumers, which further accelerated the adoption of APMs. As APM offerings become more ubiquitous, it's interesting to examine which payment methods merchants are choosing to adopt, and why. This data provides clarity into the present and potential future of payment acceptance in global ecommerce markets.

### The drivers of APM adoption

To begin, it's useful to understand why merchants might move toward accepting new payment methods in the first place. Data from the **2022 Payments and Fraud Report** released by the MRC, Cyber-source, and Verifi, provides important insights supplied by 1,060 surveyed ecommerce merchants across a variety of locations and verticals, at the end of 2021. These metrics offer a robust and compelling portrait of merchant behaviour over the last year. The survey results contained in the report point to considerations such as improving the customer experience, researching new customer segments, facilitating access to new markets, and a continued move toward mobile payments, as important drivers behind the increase in new payment method acceptance.

The data also highlights which alternative payment methods merchants are adopting, and why.

### Most popular APMs among merchants

According to the report, the fastest-growing payment methods among merchants globally were third-party payments (e.g., cryptocurrency), Buy Now, Pay Later (BNPL), digital wallets, and mcommerce solutions. Most merchants currently accepting these methods added them in the twelve months prior to responding to the survey.

Third-party payments like cryptocurrency had significant growth, with 30% of merchants now accepting cryptocurrencies, and 22% of those merchants implementing acceptance in the last twelve months.

Several market segments, such as gaming, are seeing significant transaction volume move toward cryptocurrency, bolstered by the proliferation of NFT marketplaces, and blockchain-powered experiences. →



While the future of cryptocurrency is still somewhat opaque due to the difficulty of identity verification and an unclear regulatory future, the number of merchants now accepting cryptocurrency continues to rise. That trend is likely to continue.

BNPL also saw significant growth in adoption, to 29% acceptance, with 21% of those merchants adding BNPL options in the past twelve months. The continued expansion of these short-term financing contracts is due to a variety of factors, one being popularity among Millennials and Generation Z who tend to be more debt-averse than their older counterparts. Another is that BNPL contracts provide short-term credit to those that are underbanked or don't have access to more traditional credit offerings like credit cards.

BNPL does present unique risks to merchants, including concerns about future regulatory requirements, default liability, currency exchange rate fluctuations, and other potential issues. However, there are significant advantages as well. Average order value tends to increase when customers use BNPL, as consumers can spend more on an individual purchase than they might otherwise. BNPL increases revenue for merchants, and it's well-loved by an important segment of the market.

Understanding the **fundamentals of BNPL** is highly recommended for anyone looking to capitalise on the unique advantages these short-term financing agreements provide.

### Addition not replacement

Though APMs clearly offer value to customers and merchants, there are still significant benefits to merchants utilising traditional payment methods, especially those that are advantageous for their specific product or vertical.

According to the **2022 Payments and Fraud Report**, nearly 9 in 10 merchants still encourage customers to use the merchant's preferred payment method. They do this by actively promoting the preferred methods during checkout, offering or pre-selecting preferred methods prior to the payment selection page, and by providing incentives for customers to steer them toward a specific payment type.

There are several reasons merchants might prefer accepting traditional payment types over new APMs. One is lower fraud risk due to the merchant having the experience, infrastructure, and fraud mitigation strategy built out to support acceptance. This familiarity might also result in higher conversion rates due to optimisation that has likely already been implemented, as well as expedited availability of funds and lower processing costs achieved by relying on trusted and familiar processing partners.

APMs are here to stay, but it's also clear that traditional payment methods aren't going anywhere anytime soon.

### APMs moving forward

Paying close attention to merchant adoption of Alternative Payment Methods provides compelling insights into how the payments industry might change over the next few years.

It's clear from the **2022 Payments and Fraud Report** that APMs aren't necessarily a replacement for traditional payment methods. As more merchants accept options like BNPL and cryptocurrency, however, the coming years could very well bring continued shifts in payment acceptance rates, customer behaviours, and payment technologies that lead to the traditional payment paradigm evolving in unexpected directions.

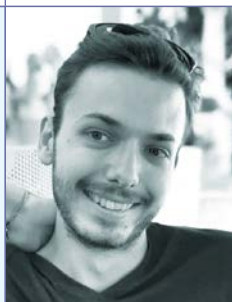


[merchantriskcouncil.org](https://merchantriskcouncil.org)

The **MRC** is a global community connecting ecommerce fraud prevention and payments professionals through educational programs, online community groups, conferences, and networking events. As a non-profit organisation, the MRC is headquartered in Seattle, Washington, but embraces members from across the globe.

# Checkout.com

## Meeting Consumer Payment Expectations in the 21st Century



**Manuel Huez** is VP of Product at Checkout.com, leading the team designing Checkout.com's core network capabilities. Manuel was previously the Co-Founder and Chief Product Officer at ProcessOut, which was acquired by Checkout.com in 2021.

Manuel Huez ■ VP Product ■ Checkout.com

*Consumer payment expectations are changing, but meeting those expectations is not straightforward for businesses. Manuel Huez, VP of Product at Checkout.com, outlines why businesses need to embrace data to better understand their customers and maximise payments success.*

There have never been more ways for consumers to pay than there are now. Cards are still the most popular payment method globally, but there's a range of alternative payment methods increasing in popularity. These include digital wallets, such as Apple Pay and Google Pay, Buy Now, Pay Later (BNPL) solutions like those offered by Klarna and Afterpay and, increasingly, crypto.

It's not only payment methods that are evolving. The consumers who use them are as well. The preferred payment method of a consumer depends on numerous factors, including where the payer is from, how old they are, and what they're buying.

How do merchants navigate this complex payments environment? And how do they ensure they're not spending too much time thinking about which payment types to offer and chasing the next hottest method rather than optimising acceptance rates and customer experiences?

### Understanding consumer payment preferences with data

There's no such thing as a one-size-fits-all approach that businesses can take with their customers today. Consumers increasingly demand curated experiences from brands they interact with. And those experiences can vary greatly depending on who that customer is.

The payment methods offered at the checkout significantly impact that experience. So much so that 60% of consumers told us that they would abandon their cart if unable to use their preferred payment method. This number may lead merchants down the path of hedging their bets and offering every payment method out there, but this is probably not the best course of action. Some 52% of consumers will abandon their cart if the payment process is overly complex. It can feel like being stuck between a rock and a hard place for many merchants.

### To crypto or not to crypto?

*Demand for cryptocurrencies as a form of payment is growing. In a Checkout.com survey, 40% of the 18-35 years-olds said they planned to pay using crypto in 2022. Despite this, crypto still has some way to go before becoming a widely used payment method. The lack of trust and comprehension remains a significant barrier for many consumers, while businesses admit they remain concerned about how regulation will impact the crypto space.*

However, there is a path forward, and it's illuminated by data. Businesses need to be continuously scanning the payment space to understand their customers' preferences and take a segmented approach to that analysis. Our local payment experts spend time with our customers to study their customer profiles and map them to the broader consumer payment trends we see in the market. This allows us to deliver tailored recommendations to these businesses on what payment methods they should offer based on predetermined consumer profiles. →

Of course, this is not a one-time exercise. Consumer payment preferences are evolving — incredibly fast in some parts of the world like APAC and the MENA regions. Therefore, businesses must continue analysing their data and working with their payments partners to understand what's happening in the market and adjust what they're offering at the checkout accordingly.

### Maximising payment success at the checkout

Offering the right payment methods to the right consumer at the right time is, and will continue to be, an essential equation for businesses to get right. However, it's only half of the equation. Focus on optimising the performance of their payments is just as important, if not more so.

Payment failure is a risk, no matter what payment method a consumer uses. Our report showed that 33% of UK consumers will abandon their purchase if payment is falsely declined. One in ten will complete their purchase with another merchant.

Part of the solution to mitigate the risk is, again, data. If businesses can get a granular view into their payments data, they can see where payments fail and why. This empowers them to take affirmative action to prevent payments from failing in the future, including making alterations to what payment methods are offered and where.

Let's take the example of a large percentage of consumers that are predominantly using cards on mobile devices but are failing to authenticate correctly through 3DS, causing payments to fail. In this case, a business may want to enable or make their ability to accept Apple Pay and Google Pay more prominent at the checkout, given these have native advanced authentication features. Likewise, if payments are frequently declined due to a lack of funds, a business may consider offering BNPL to recover the sale.

But it's important to note that this data isn't always readily available. Not all payments providers can serve merchants the data they need due to the technical limitations that occur from not owning the end-

to-end technology stack. This puts them at a disadvantage against merchants using a full-stack provider whose technology powers the full payments journey.

### Thrive in the digital economy

Businesses should not feel lost in all the talk of payment trends and the complexities that will inevitably arise. Instead, they should consider understanding their customer's payment preferences and try to maximise payments performance.

At Checkout.com, we make it our mission to enable businesses and their communities to thrive in the digital economy. This inspires us to deliver innovative solutions that flex to your needs, valuable insights that help you get smart about your payments' performance, and expertise you can count on as you navigate the complexities of an ever-shifting world.

#### BNPL: hype or here to stay?

*BNPL is booming. Consumers love the convenience, 0% interest rates and transparent payment plans. Merchants love the conversion, sales and customer acquisition boosts, plus the customer experience and cash flow improvements.*

*BNPL is here rather than hype. Yet leveraging it smartly involves tailoring the payment method to your business' needs and those of your customers. It's essential to be clear on BNPL fees, break-even points, and sales impact. There are different flavours of BNPL, so ensure that BNPL payment plans match your price points and average basket size. Last but not least, consider how BNPL will affect operational processes such as returns.*

[Click here for the company profile](#)



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**Checkout.com** is a global payments solution provider that helps businesses and their communities thrive in the digital economy. It offers innovative solutions that flex to your needs, valuable insights that help you get smart about your payments' performance, and expertise you can count on as you navigate the complexities of an ever-shifting world.



An Economist as part of CMSPI's Insights and Advocacy Team, **Katharine's** role is to analyse the payments industry from the macroeconomic perspective, providing strategic insights to merchants across Europe.

Katharine Evans ■ Economist ■ CMSPI

*Over two years since the onset of the pandemic, it is clear that the future of retail is digital. But whilst growing ecommerce volumes can unlock whole new markets, they also make it easier than ever for customers to move between competitors.*

*The new-found pressure means that a negative experience can be the difference between a sale and the loss of a lifelong customer. With an estimated **74% of European internet users now shopping online** and skyrocketing inflation driving profit margins down, merchants are becoming more aware than ever that they need to invest in their online payments processes now.*

But what does this really mean? In Part 1 of this series, we'll walk you through the steps leading merchants are taking to optimise their checkout process – and why it's so critical for your business.

### Why is the checkout process so important?

Our estimates suggest that the average merchant is losing 96% of customers before they even have the chance to make a transaction. That means that, of the 14.5% of sessions where an item is added to the customer's cart, fewer than 1 in 3 will end in a transaction being approved.<sup>1</sup> Optimising the checkout process increases the likelihood that consumers will get to that all-important transaction stage – and to do so requires strong inter-departmental collaboration from merchants.

<sup>1</sup> CMSPI estimates and analysis

### Figure 1: The online checkout process

Source: CMSPI estimates and analysis

The checkout process is also a powerful marketing tool. Convenience is now king, and customers will expect their payment process to be as simple and frictionless as possible. With an ever-increasing number of consumers utilising not only card payments but also multiple alternative payment methods (APMs), a positive checkout experience is vital to retaining good customers. And with a 5% customer retention rate increase **estimated to uplift profits by up to 95%**, this could be game-changing for your bottom line, at a time when rising inflation means that every cent counts.

### Crowded checkouts: balancing choice with friction

With the growth of ecommerce has come the rise of multiple APMs. A consumer might now expect to be able to pay with a number of different options, including Buy Now, Pay Later (BNPL), digital wallets, and Open Banking. →

Many merchants have attempted to keep up with this increasing variety by continuously adding payment methods to their checkout page, hoping to maximise their consumer base and not lose out to competitors. But are those payment methods always appropriate for the transaction and customer? Local payment methods such as iDEAL in the Netherlands may boost spend in their intended regions, but crowd the checkout if offered internationally, for example. In fact, **fewer than one in five BNPL users** say they would abandon their purchase if their preferred BNPL option wasn't offered. Too many APMs could also reduce volumes through each party, limiting your negotiating power while necessitating more complex contracting and monitoring processes.

So, how to take advantage of a payment method's consumer base without turning off customers – or implementing options that are sub-optimal for the merchant? One answer may lie with dynamic payments pages, which allow the merchant to target specific payment types towards certain consumers or transaction profiles. This can also be useful if you want to restrict fraud or chargeback rates – by not promoting high-risk payment types on high-value transactions, for example.

Checkout steering, a similar solution in which the merchant's preferred payment method is placed at the top of the page, or incentivised via other means, likewise allows you to tailor consumers' online payment experience and encourage the use of APMs which achieve the optimal balance between customer experience and cost, approval success, and fraud rates.

## Optimising the customer payment process

Having successfully enticed your customer to the payment page, there are a few short steps you can take to ensure the maximum possible success before the transaction is sent to fraud and authentication checks.

With **72% of consumers unwilling to spend more than 2-3 minutes at checkout**, elements of the checkout process you previously may not have considered are now vital to your customer retention and revenue. Factors such as CVV field length and address verification input methods may seem small, but will, nonetheless, have a significant impact, particularly as customer friction increases due to SCA requirements. These small but crucial fixes can also help prevent multiple transaction retries – and with **90% of consumers unwilling to retry three times**, this could be a deciding factor between you and a competitor.

## What's next?

Your online checkout process is a vital part of your business and a major determinant of the revenue you receive. Implementing dynamic checkout pages, checkout steering, and optimising the input of vital payment information are comparatively simple options that best-in-class merchants are using to streamline the checkout. As shoppers adapt to online retail, a strong checkout strategy is crucial to retain loyal customers for whom shopping with a competitor is as simple as the tap of a button.

Checkout optimisation gets you to the payment – but what happens when you've invested all this time and money into maximising conversions, only to have the transaction rejected? Look out for Part 2, to be published on The Paypers' website, where we'll take you through how blindly handing that sale over to the payments supply chain can leave billions on the table.



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At **CMSPI**, our payments experts provide advisory services and powerful analytics. Our ultimate goal? Supporting a more innovative and productive payments ecosystem. For hundreds of clients across the globe, our insights help improve performance and create positive change.

# Lloyds Banking Group

## Forget Payments Acceptance: Think Merchant Services



A proud Madrid-born Londoner, **Diana** has an extensive international career focused on building payments solutions via innovation. After Visa, Santander, HSBC or ServiRed, she currently serves as MD, Merchant Services for Lloyds and as NED for Wirex. She has been called as an SME Advisor to several regulatory initiatives and invited as a guest lecturer at the University of Cambridge.

**Diana Carrasco** ■ *MD, Merchant Services* ■ Lloyds Banking Group ■ NED at Wirex

Payments acceptance, as a business, is slowly disappearing. Over the last few years, it has become commoditised, squeezing the margins of acquirers, with profits alarmingly vanishing. Merchants no longer demand from their acquirers just the capability to accept payments – this is no longer sufficient.

So, what do merchants really want from their acquirers? What type of services do they feel bring real value to them? Whilst merchants are increasingly questioning the costs of payments processing, they are more and more willing to pay for business-enablement services, such as loyalty programmes, gift cards, or accountancy packages, as well as for payments performance enhancements such as transaction monitoring and chargeback management. This change is even more evident in those areas where digitisation has accelerated more recently, such as hospitality or groceries.

So, as acquirers begin to offer services focused on commerce enablement via software integration, they are no longer considered purely ‘financial providers’ and, therefore, are tapping into broader areas of merchants’ budgets, where there is a higher perception of the value of services. Merchants negotiate aggressively over merchant discounts but are prepared to pay generously for business-enablement solutions that help drive more revenue. And it is the acquirers’ responsibility to listen to their merchants, understand their needs, and deliver solutions to meet them.

### The increasing relevance of value-added services

Payments acceptance represents just a small proportion of the merchants’ budget. A typical mid-sized merchant spends circa 9% of its total services wallet on the capability to take payments.

The remaining amount goes to all the other services that help them manage their business end-to-end.

Although in the payments industry we usually refer to these services as ‘value-added’, the truth is that, in many cases, they are as core to the merchants’ business as payments acceptance is, and often their whole model is based on these ancillary services. These can range from invoicing software to loyalty programmes, accountancy services, logistics, or insurance.

This range of merchant services can only be delivered via the integration of software and payments acceptance solutions. Acquirers rely on third parties and partners (often referred as Independent Software Vendors, ISVs) to provide the services that sit outside the core payments acceptance proposition and integrate their software services into the payment gateways.

### Not a one-size-fits-all

But which of the infinite value-added services should acquirers focus on? Restaurants require services such as integration with delivery platforms, QR-enabled order at table, order modification, click and collect, and bill splitting, for example. Meanwhile, health clubs and gyms require services such as loyalty programmes, family accounts and integrations with health management apps. →

More and more, payment providers organise their products and go-to-market strategy approach by industry or segment. The convergence of payments and business-management software into merchant services, together with merchants' appetite to procure their business solutions from a single provider, has paved the way for acquirers and partners to deliver integrated solutions tailored to specific merchant segments.

## Connected commerce

However, it is not enough to solely focus on what the merchants are selling; acquirers need to also consider how is the merchant selling their products or services: face to face, online, over the phone, or a combination of some, if not all of them. To remain relevant, merchant acquirers need to offer omnichannel merchant solutions. It is critical to offer a unified commerce proposition that makes the consumers experience seamless, regardless of how they chose to shop.

By nature, paying is not an appealing consumer experience; they demand nimble payments made easy, almost invisible to them. There is no coming back from the improved shopping experience of buying something online and returning it in-store, ordering food and drinks at the table using a smartphone's QR reader, or using the 'in-store' mode of a merchant's app to obtain or spend loyalty points whilst shopping for groceries.

Connected commerce solutions also allow merchants to see all transactions in the same place, following their consumers across all the merchants' sales channels. Only this way merchants can fully understand and serve their customers, unlocking the full potential of data. Data is no longer the new gold: it no longer is a luxury, it has become a necessity, indispensable for business survival. Data is the new water.

In summary, there is no new formula here. It ultimately goes down to listening to our customers, which are the merchants, to understand their needs and also those of their customers, which are the consumers. Merchant acquirers need to expand beyond core payments acceptance to offer, via partnerships, integrated merchant services solutions. Merchants require these solutions to enable connected commerce and seamless payment experiences, and they want them tailored to their business needs.

We hear that payments acceptance, as we knew it, is no longer sufficient and that this is the new Minimum Viable Product that merchants are prepared to accept.



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**Lloyds Bank** is the largest UK Bank, with a presence in nearly every household. It is our role to help businesses and individuals, while making a positive contribution to the communities in which we operate. Cardnet is a joint venture between Lloyds Bank and Fiserv, through which we provide an innovative, simple and safe end-to-end acquiring solution to merchants of every size. You can learn more of what we do in the following film:

**Cardnet Merchant Services.**



# 451 Research (S&P Global Market Intelligence)

## The Role of Payment Orchestration in Optimising Checkout



**Jordan McKee** is a Principal Analyst at 451 Research, the technology research arm of S&P Global Market Intelligence. Jordan leads the firm's coverage of digital payments, overseeing all qualitative research, market forecasts, customer surveys and strategic consulting, and go-to-market engagements.

Jordan McKee ■ Principal Analyst ■ 451 Research (S&P Global Market Intelligence)

Merchants' preference for utilising multiple payment service providers is increasing. This is in part fueled by payment challenges encountered during the pandemic, such as processor and gateway outages, but more broadly driven by a growing appetite to optimise payment processes.

While many payment service providers tout the advantages of using a single, unified processing platform, the reality is that most merchants (60%) prefer a multi-provider approach to payment processing. This is increasingly the case, with the percentage of merchants preferring to work with multiple payment providers growing by 11 percentage points between 451 Research's 2020 and 2021 Voice of the Enterprise: Customer Experience & Commerce, Merchant Studies.

### Figure 1: The rise of the multi-provider approach to payments

Source: 451 Research, part of S&P Global Market Intelligence, 2021  
Base: n=252 merchants

The drivers fueling a multi-provider payments strategy are many and vary depending on the business needs and size of the merchant. Common rationale includes:

**Flexibility.** Many merchants want to avoid the consequences of vendor lock-in. Having the ability to route transaction volume across multiple partners ensures that merchants don't become overly reliant on one processor, especially in the event of a development that may be seen as unfavourable (e.g., outage, acquisition, platform migration).

**Cost optimisation.** Connecting to multiple payment processors enables merchants to pursue a least-cost routing strategy. This involves directing transaction volume to specific processors based on various criteria (e.g., card brand, card type, card issuer) to receive the most favourable processing rates. It is also typical for large merchants to hold back a percentage of their volume from their primary payment processor to use it as bargaining power during pricing negotiations.

**Accessing multiple best-of-breed capabilities.** Not all payment processors offer the same level of functionality and variety as value-added services. Some merchants may elect to route a percentage of their transaction volume to one processor to make use of a specific capability they offer (e.g., a PIN debit routing engine, a gateway).

**Authorisation rate optimisation.** The authorisation rate of each individual payment method varies from processor to processor. This is due to a variety of factors, and can include local acquiring connections, direct payment method integrations, and geographic location. Routing transactions to the payment processor proven to have the highest authorisation rate based on a specific set of transaction criteria is a sound strategy for increasing topline revenue. →

**Accessing multiple geographic markets.** Payment processor expertise, capabilities and presence varies across geographies. As merchants expand into new markets, some choose to integrate into a new payment processor with proven experience in a given geography, to optimise their strategy for the local market.

**Champion/challenger testing.** It's common for larger and more experienced merchants to continuously put payment processors head-to-head to optimise their acceptance strategies. This involves the merchant holding back a subset of its volume from the champion (the incumbent processor) and routing it to the challenger (the new processor) to see who produces the most favourable authorisation rates.

**Redundancy.** Processor outages have become a common issue, especially among several of the legacy processors. Consider that 'improved payment processor scalability and resiliency' is the top payments need that merchants say COVID-19 has sparked. Connecting to multiple processors ensures that merchants have failover support in the event of an outage, allowing for business continuity.

### The role of payment orchestration

The tradeoff for utilising a multi-provider payment-processing approach is that it creates added operational complexity. Simply put, more partners translates into more integrations to maintain, and ultimately, more fragmentation in merchants' payment environments. It's no surprise that the top reasons cited by merchants that prefer to work with a single payments provider include simplified integration, increased operational efficiencies, simplified vendor management, and unified reporting.

To realise value from a multi-provider payment-processing strategy, some level of payment orchestration is required. Payment orchestration involves a series of strategies, techniques and tools designed

to optimise and streamline payments across multiple partners. It often includes elements such as payments data tokenization and vaulting, transaction routing logic, transaction retry logic, and unified reporting/ KPI tracking.

Enterprise-scale merchants often have large payment teams that handle many elements of payment orchestration in-house. Many large multinationals have built their own sophisticated payment routing and rules engines, token vaults, and even internal payment gateways to simplify processor integrations. While impressive, this necessitates a large resource investment, and often requires the ongoing involvement of in-demand skill sets such as data scientists and engineers.

For merchants unable or unwilling to build payment orchestration capabilities in-house, an alternative exists. There are various platforms now available in the marketplace that enable the outsourcing of several elements of the payment orchestration.

Regardless of the preference for an in-house or third-party approach, our 2021 Voice of the Enterprise: Customer Experience & Commerce, Merchant Study made clear that payment orchestration is becoming a growing business priority. More than one-quarter (28%) of the commerce and payments technology decision-makers that responded to the survey said enhancing payment orchestration capabilities is a top payments initiative at their organisation this year. Similarly, 29% reported that COVID-19 has increased their need for payment orchestration, rising to 44% of those we classify as digitally-driven (executing on a digital transformation strategy and early adopters of new technology).

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In this interview, Elena Popova, Director of Payments at Xsolla, discusses how the company's payment strategies impact the growth of the gaming industry.



**Elena Popova** is an expert in global payments with 9+ years of work experience with AAA gaming titles. Elena helps video game companies of all sizes distribute their games and grow their revenues via multiple payment channels from global names like PayPal and Visa to local schemes like Pix in Brazil and Paytm in India.

Elena Popova ■ Director of Payments ■ Xsolla

## Are there any specific trends in the gaming industry in terms of how people pay? What are the most preferred payment methods?

Payment trends in the video games industry are closely related to the overall ecommerce trends. When making an in-game purchase, players often choose the same payment method that they use while shopping for other products and services online.

Over the last few years, the payment industry has seen a significant evolution in technology and changes in consumer payment habits. COVID-19 has accelerated this change. Customers are now much more demanding and selective when it comes to the way they spend their money online.

“Nowadays, buyers are much more demanding and selective when it comes to the way they spend their money online.”

Players tend to choose faster and more convenient payment methods, like mobile wallets or methods that allow customers to use a saved payment account. In the meantime, customers are only willing to save their payment credentials if they trust the website and the payment provider they use to make purchases.

Another thing we need to consider is the local payment habits. While many players use credit cards to make payments in games, other customers prefer local digital wallets, like WeChat and Alipay in China, Paytm in India, or TOSS in South Korea, prepaid cards, or even cash.

## What is the strategy you have in place when it comes to expanding in new markets?

Before we decide to enter a new market, we first need to do our homework. We look into how many game developers are in this market, if they sell their games locally or globally, and dive deeper into the cultural payment habits of the particular country or region. For instance, in Africa, each country is unique in terms of payment habits, while in Latin America we see a lot of similarities when it comes to how people pay for games.

As for localisations, the key factor is whether customers expect to see the checkout interface in English or in their local language. Localised interfaces can lead to a higher conversion rate. Our conversion rate in Brazil almost doubled when we localised all the interfaces in Portuguese, launched local payment methods, and enabled payments in local currency. For some countries, like Japan, for example, localisation can be a regulatory requirement.

Moreover, localised interfaces can still be confusing to users, so it's recommended to have a local advisor or a trusted partner in every new market. →

## Is there a particular region or country that poses more challenges?

Almost every region has challenges of its own. The most common ones are connected with region-specific rules and regulations: localisation in Japan, age gating in South Korea, cross-border payouts in India, high exchange rate volatility in Latin America, regulations imposed on online game sales in Vietnam, and more. Our job is to work through all these things so that game developers can sell their games in every country across the globe.

## With gaming being a user-centric industry, how do you ensure the UI and UX are not affected when adding new payment methods or features?

Before adding a new payment method, we do our research. We determine if this particular payment method is relevant to this particular country, and if its payment flow is similar to how people tend to pay. If most payment methods in the country require only one click to make a purchase, then a newly launched payment method with a longer payment flow will most likely ruin the game's conversion rate in this territory. Also, we regularly monitor changes in user behaviour and payment habits.

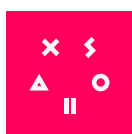
Brazil, for instance, had a cash-based economy for a long time. In 2020, the Central Bank of Brazil launched Pix – an instant payment system available to the general public 24 hours a day, 365 days a year. At least 100 million people have already transacted with Pix within one year from the launch. Shortly after the launch, we added Pix to Xsolla's portfolio of payment methods. Since then, we noticed that the share of cash payments in Brazil decreased by 23% because local users quickly adapted to the more convenient payment flow.

## How do your products tie in with the key market trends?

Our mission is to make in-game payments a part of a game session. Customers nowadays migrate between different platforms and demand a seamless payment experience on any device, whether it is a PC, a tablet, or a smartphone. We made **our latest Pay Station product version** smart, customisable, and compatible with multiple platforms and devices to let developers extend their branded checkout experience across platforms for their users, no matter their preferred payment device or method.

Making a payment no longer pulls you out of your game session, which is important for the business outcomes. We have tested the new Pay Station at scale, and the metrics are: increased conversion rate due to fewer transaction interruption factors, and increased average revenue per user from in-game item sales leading to increased customers' lifetime value. A bigger revenue stream, a more successful game.

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**Xsolla**

[xsolla.com](https://xsolla.com)

**Xsolla** is a global video game commerce company with a powerful set of tools and services designed for the video games industry. As a leader in video game commerce, Xsolla solves the complexities of global distribution, marketing, funding and monetisation for games across mobile, PC and the web.

# Localisation



## Why Local Payment Methods Are the Key to Cross-Border Success



**James Booth** has over ten years of experience in the financial sector, eight of those in fintech. In his current role as VP, Head of Partnerships for EMEA, he leads the new business and partner development teams in managing PPRO's new and existing strategic partnerships. In addition to helping PPRO partners grow their business, he acts as PPRO's internal advocate for aligning the company's product roadmap with the needs of its customers. James has been actively involved in various projects during his tenure at PPRO, including establishing PPRO's presence in North America and managing the development of the PPRO Partner Portal.

James Booth ■ VP and Head of Partnerships, EMEA ■ PPRO

James Booth is VP and Head of Partnerships, EMEA, at PPRO. He's responsible for building all-important relationships with PPRO's PSP partners and helping build their digital payment method roadmaps. We caught up with James to find out why local payments have never been more important than they are now.

### Why should merchants integrate local payment methods at the checkout?

Credit and debit cards are only the most popular payment methods in a few Western markets. In the rest of the world, consumers use e-wallets, bank transfer apps, cash payments, Buy Now, Pay Later (BNPL) services, and many other types of payment methods instead. Worldwide, consumers use these local payment methods (LPMs) in 77% of all online purchases<sup>1</sup>. If merchants don't accept LPMs, they miss out on this massive volume of commerce.

*“Integrating with local payment methods is crucial for serious market entry into every region of the world. But it is a long, hard, and complicated process.”*

### If local payment methods are so important, why some merchants are hesitant to accept them?

Adding these payment methods to online checkout options can be as costly and complex as setting up new corporate operations, each in a different country.

Europe, Latin America, and APAC each have hundreds of major local payment methods that are unique to their region. These are competing systems, each with their own transactional infrastructure and each with their own user base. If a merchant wants to increase sales by offering a local payment method, they need to identify which ones are most used by their prospective consumers.

If the merchant is committed to performing the integration on their own, they need to ensure that the LPMs they're considering can be supported by their financial platform. This requires a technical discovery project. If they don't have suitable in-house resources, they need to retain a consultancy.

Assuming the merchant has a platform that works, they may need to set up a local presence for legal and operational purposes. This involves all the registrations and licenses one would expect for any business. But, because the merchant is integrating with a payments system, there will likely be additional financial regulations they will need to navigate.

### Once the preparation work is complete, what approach should merchants take to integrate LPMs?

Merchants should start by engaging a consultant who operates in the country to help them set up the entity, as well as a local attorney to execute the necessary paperwork and avoid legal missteps. Once the merchant has the right to integrate with the local payment methods, they can begin the actual integration itself.

<sup>1</sup> According to data from Edgar, Dunn & Company



This will get very technical, very quickly. As this is a portion that is almost always outsourced, it will require a liaison from the merchant to assure the project is being executed completely, while also remaining in-scope and on-budget. If they're doing this on their own, they should allow a year or more to be completely connected.

### How expensive is the integration process likely to be?

The cost varies from one payment method to another. But the bottom line is, it's going to be expensive. Establishing a local presence will include licensing fees and may require cash reserves, as well as whatever reserves are required for transacting in the LPM.

A custom integration project is always going to be costly. And, like any software platform, it will require ongoing updates and administration. Also, the merchant should budget for the initial discovery that may or may not result in an actual integration project, which will significantly raise the overall costs of integrating LPMs into their online payment systems.

The merchant is also expected to retain consultants and lawyers throughout the process, in addition to budgeting whatever staff time is required for the project. This includes in-house counterparts for the many external resources required. They will also need to budget for ongoing support and maintenance.

A great deal of the budgeting is required for each LPM. Each local payment method is different, with its own entities to contract, its own technical requirements, and often its own financial requirements.

### Are external experts really necessary? Can't merchants manage just fine without them?

Unless you already employ world-class payment experts — and given how scarce and in-demand they are, that's unlikely — you absolutely should not try to make it a solo ride. LPMs, like any payment system, come with ongoing administrative requirements like settlements, compliance, risk and fraud mitigation, chargebacks, and unallocated funds processes.

To manage their own implementation, a merchant will need to have administrators who monitor changes in the regulations and tend to these requirements. Because some LPMs involve an offline element such as exchanging vouchers at a physical retail location, there can be regulatory compliance issues beyond ordinary financial regulations that must be monitored and managed.

Of course, a merchant will also want to be able to capture and analyse their own financial performance data to inform ongoing business operations and strategy. This can either be a part of the original integration or done afterwards, but it is the only way to assure a business receives the full value of its investment.

### What message do you want readers to take away from this piece?

Integrating with local payment methods is crucial for serious market entry into every region of the world. But it is a long, hard, and complicated process. It involves financial risks, and the process is never really done. The payments industry is changing constantly and requires ongoing maintenance, with LPMs being launched or modified regularly.

This is why there are speciality companies that strictly focus on platforms to simplify the integration with LPMs and enable rapid, cost-effective market access. This is also the main reason why even the best-known global payments processors choose to partner or outsource the set-up and management of local payment methods, so they can focus on their core business.

Yes, you can do it all by yourself. But you better be feeling adventurous... and rich.

### Find out how local payment methods drive e-commerce growth

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**ppro**

[ppro.com](https://ppro.com)

**PPRO** is a fintech company that globalises payment platforms for businesses, allowing them to offer more choice at the checkout and boost cross-border sales. Payment service providers, enterprises, and banks that run on PPRO's infrastructure are able to launch payment methods faster, optimise checkout conversions, and reduce the complexities of managing multiple fund flows.





Based in Singapore, **Jade Lim** is a Director at 2C2P overseeing alternative payments and product development. Previously, Jade was an Assistant Vice President at NETS, responsible for the product management of EFTPOS and terminal services. She began her career as a Senior Product Analyst at leading travel facilitator, Abacus International.

Jade Lim ■ Director of Products ■ 2C2P

Payment options have never been so diverse. Today, people can pay for their taxis to the office using a bank debit card linked to a super app, buy coffee using their phone's NFC technology, settle the work lunch bill with a credit card, and grab an iced tea from a hawker stall by using the local real-time QR payment scheme. Later, they might get the dress they've been looking at the blog shop using a new Buy Now, Pay Later (BNPL) app that would give them a five-dollar cashback.

Customers love having the payment flexibility to suit their different needs. But this situation is challenging for merchants. If they fail to offer the customer's preferred payment method, they risk adding friction to the customer experience and decreasing sales conversions.

At the same time, consumer behaviour is evolving fast. People's preferred payment method today might be different in three months as a new champion might arrive on the block, promising fantastic incentives, or smoother usability.

Missing out is costly. So that it became imperative for merchants to keep track of trends and adapt quickly to new and emerging payment methods, to gain a competitive edge in this market.

The tide of cashless transactions won't go into reverse. Smooth, effortless digital payments are essential for future ecommerce success.

This article will closely explore Southeast Asia's three largest ecommerce markets and propose some ways merchants can leverage the payment shifts taking place.

### Ecommerce is booming

Despite uncertainty elsewhere, ecommerce's continued growth is assured. Ecommerce spending will rise by 162% to reach USD 179.8 billion by 2025 across Southeast Asia, with digital payments accounting for 91% of transactions, according to an **IDC InfoBrief commissioned by 2C2P**. The largest markets for ecommerce payments are forecast to be Indonesia (USD 83 billion), Vietnam (USD 29 billion), and Thailand (USD 24 billion).

### Fast-evolving mobile payments trend

The accelerator behind ecommerce's growth in Southeast Asia is high internet penetration and fast-growing smartphone usage. Internet usage saw an unprecedented leap during the pandemic. Penetration will reach 61.3% of the region's population this year, **according to eMarketer**, with the highest annual growth in Indonesia (3.9%) and Thailand (3.2%).

Meanwhile, 88% of internet users in the region are smartphone users, with smartphone penetration at **79% in Thailand** and **75.4% in Indonesia**. In Vietnam, **the government aims to speed up adoption rapidly**, increasing the proportion of adults using smartphones from 73.5% to 85%, by the end of 2022.

Easy access to smartphones will make this the primary tool enabling online payments for cardless and unbanked consumers in Southeast Asia. Mobile wallet payments for ecommerce transactions are forecast by **IDC** to rise from 19% in 2020 to 27% by 2025, with mobile wallet spending growing by USD 35.3 billion, representing a 2.8x increase from 2020. →

Mobile wallets – preferred for ease and convenience – constitute a significant force shaping the future payment landscape in Indonesia, Thailand, and Vietnam, and are likely to capture some market share from other alternative payment methods, such as cash on delivery, counter payments, and ATM payments.



## Developing a strategic response

Using payments strategically can help merchants cast a wider net to retain and attract new customers. This isn't simply a matter of adding many payment options; merchants should prioritise those with the most relevance and acceptance in individual markets, while keeping in mind their target audience and the average ticket size of the product or service that they are selling.

The expansion of ecommerce increases the *types of payment interfaces*. Merchant stores and marketplaces can be both online and mobile, requiring solutions and Android software development kits (SDKs) for payments.

A single *omnichannel payment partner* supporting these different payment models will be critical in increasing potential revenue for

online and offline payments. It gives merchants a unified master view and reference for all payments to enhance their records and serves as an aid in decision making.

Interestingly, an IDC 2021 Asia/Pacific survey found merchants could expect an average 10% increase in sales when adding a single new popular payment method.

## Solving operational complexities

Merchants must equip themselves with payment solutions which can cater to the increased variety, frequency, volume, and diverse locations in which transactions now take place, particularly as their business ambitions, geographies, and locations expand. Vital enhancements include improving uptime/reliability, reducing false positives, and increasing authorisation rates and enhancing security. IDC's data suggests that an extra 12% of transaction revenue online can be gained through the optimisation of these issues.

## Optimising payments cost

As their business expands, merchants' operating costs will also increase. Payments cost optimisation will become a key focus as transaction volumes increase, new payment methods are added, or when merchants start accepting foreign payments.

## How to win in this landscape

The payments landscape never stays still for long. The speed at which new payment types are being introduced makes it challenging for merchants to adapt independently.

A payment partner like 2C2P can provide the most relevant payment options and quick support for new payment types that may emerge in Southeast Asia, giving merchants the flexibility and confidence to capture new opportunities.

[Click here for the company profile](#)

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**2C2P** is a full-suite payments platform, helping global enterprises operating in emerging markets to securely accept payments across online, mobile, and offline channels, as well as providing issuing, payout, remittance, and digital goods services. It is the preferred payments platform of tech giants, online marketplaces, retailers, and other global enterprises.

# Worldline

## India's Digital Explosion and the Opportunities It Presents to Ambitious Online Businesses



As a Chief Executive Officer of Worldline India, **Ramesh** is responsible for leading the business strategy and driving the revenue growth of the company. He has over three decades of experience in various roles in the Information Technology industry, having worked with various companies like HCL and IBM, where he performed diverse leadership roles.

Ramesh Narasimhan ■ Chief Executive Officer – India ■ Worldline

Since well before the turn of the century, India has been undergoing immense changes in almost every aspect of life. GDP per capita has soared, literacy rates are up, life expectancy is higher than ever, and the country's digital economy is booming, with 75% of the population being under the age of 45.

According to **S&P Global Market Intelligence research**, India also attracted fintech funding of USD 5.94 billion raised across 236 deals in 2021, up from USD 1.5 billion across 118 deals in 2020. It is also predicted that consumer spending will double within the next three years, and ecommerce penetration will increase by a factor of five. This is expected to create an ideal environment for exponential growth, while placing the country as the world's third largest fintech economy, behind the US and the UK.

However, in order to capitalise on such enviable growth opportunities, online businesses need a deep understanding of this diverse, dynamic economy, with its interwoven ancient yet cutting-edge cultures, and of course, the latest regulatory and payments infrastructure.

Digital payments and fintech make now for an important part of the life of India's over 1.35 billion people, with 52% of the country adopting some form of fintech. With an estimated 750 million smartphone users, it is clear how far India has travelled in its rapid digital transformation, providing a strong environment for many digital businesses.

### Overcoming barriers when entering the market

India's digital transformation was jumpstarted by 'Digital India', a campaign launched by the Indian government in 2015, aimed at ensuring the country's citizens are connected through high-speed

networks and can access a robust digital ecosystem. The economic rationale behind this campaign was clear: **research from McKinsey** states that digitisation can create 65 million new jobs by 2025 and add USD 1 trillion to the economy. This is a positive indicator for global digital businesses looking to succeed in the region.

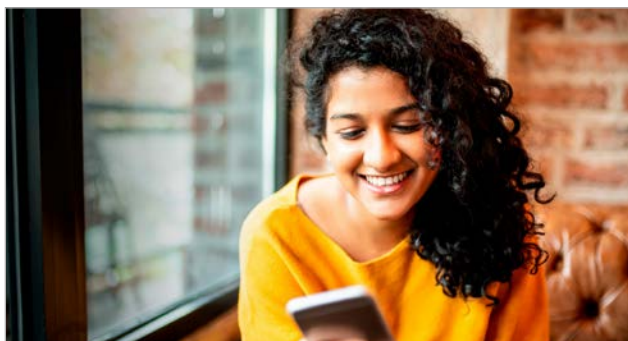
The opportunities on offer are, therefore, very clear, but the ever-changing regulation and the ongoing developments in the digital and payments landscape can prove challenging. From a payments perspective, it is crucial to understand that local payment methods are the norm, not the exception. Therefore, offering a full range of payment methods that consumers are accustomed to – alongside traditional payment methods from other parts of the world – is essential.

Every merchant and their payment service provider (PSP) need to be able to process complex and confidential personal data, while remaining compliant with India's regulatory framework. The PSP that can deliver this most efficiently, rapidly, and robustly will inevitably provide the merchant community with the greatest comfort, to their mutually competitive advantage.

### A unique payments ecosystem

Traditionally, India has been a high-cash economy. However, the National Payments Corporation of India (NPCI) was established by the Reserve Bank and Indian Banks' Association to encourage migration towards a 'less-cash' economy. The obvious replacement for cash was represented by debit cards – and, given mobile phones' coverage, phone-based payments and e-wallets. →

Amongst NPCI's many payment innovations is the widely used Unified Payment Interface (UPI), which allows instant payments through a variety of third-party payment methods. UPI is, by far, one of the most popular payment methods. It has reached a phenomenal milestone again, this time crossing the INR 10-trillion mark in transactional values and 6 billion transactions in terms of volume, in May 2022.



Recently, to boost digital payments, the Reserve Bank of India (RBI) launched 'UPI123Pay', which would enable payments of UPI to take place via feature phones. These are basic mobile phones that only provide access to calling and texting services. Currently, UPI payment transfers need an Internet connection – but, by using UPI123Pay, individuals can employ all the services that UPI has to offer, such as recharges, bill payments, balance inquiries, and money transfers using calls and texts, except for the scan and pay service. Currently, UPI processes more than half of all digital transactions in the country, with the Indian government successfully launching the UPI app internationally, in countries like Bhutan, Nepal, the Middle East, and Singapore.

RuPay, another NPCI initiative, essentially functions as an alternative to Visa and Mastercard, providing credit and debit cards, contactless payments, QR code payments – and is used in nine other countries. Similarly, Net Banking represents a local Indian real-time bank transfer product. With this solution, consumers with an account at one of several banks can pay for their online purchases via online bank transfer.

Another 'must have' for merchants is the ability to seamlessly repatriate cross-border revenues in the merchant's preferred currency. Conversely, a merchant should also be able to list services in Indian rupees through its payment processes to maximise customer satisfaction throughout their payment journey.

### Partnerships are the way to go

The opportunities India has to offer are demonstrably huge – but changing regulation and developments in the digital and payments landscape can be overwhelming. Therefore, finding the right PSP is crucial for long-term success.

A PSP should not only be able to guarantee its ability to manage data within the boundaries of Indian compliance regulations, including privacy, but also collect funds locally and provide international funds remittance and access to local payment methods. Worldline is best placed to do this, with our long-standing experience in the region and a solution covering all of these requirements. Backed by over 2,000 employees across India, we have a deep understanding of the local financial ecosystem and consumer behaviour.

Considering all the above, India is a huge, fast-growing market, particularly regarding its use of digital technologies, making it highly attractive and – potentially – extremely lucrative for those international brands that know how to maximise the opportunity presented.

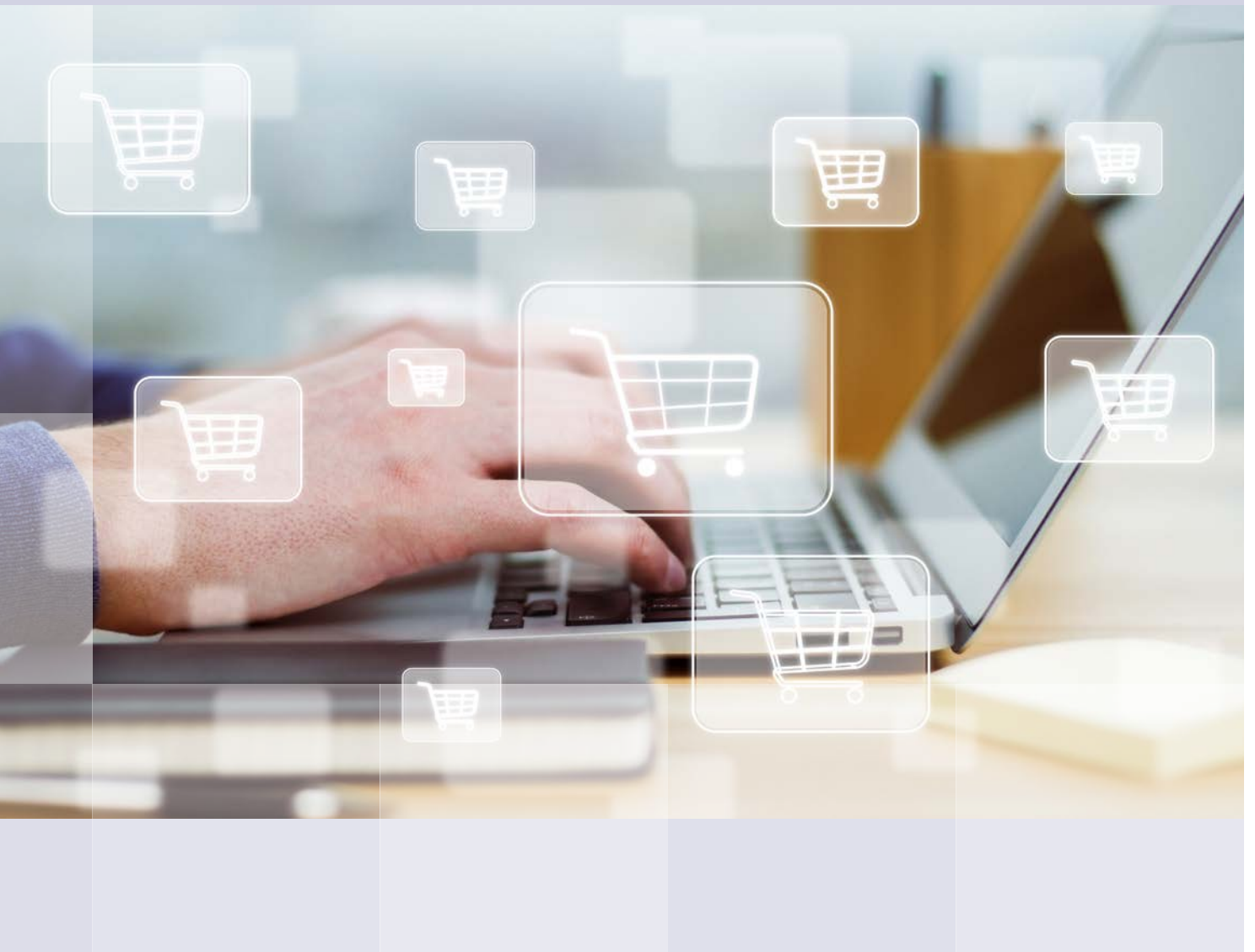
[Click here for the company profile](#)

**WORLDLINE** 

[worldline.com](https://worldline.com)

**Worldline** [Euronext: WLN] is a global leader in the payments industry and the technology partner of choice for merchants, banks, and acquirers. Powered by 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted, and innovative solutions fostering their growth. Services offered by Worldline include in-store and online commercial acquiring, highly secure payment transaction processing, and numerous digital services. In 2021, Worldline generated a proforma revenue close to EUR 4 billion.

# The Merchants' Perspective on Optimising the Payments Checkout







With over 15 years of experience in retail, banking, and the financial industry, **Ognjen** is a passionate payment enthusiast at INGKA Group. Together with colleagues, he is breaking the payment dogmas, listening to customers' needs, participating in setting global payment trends, and creating a positive payment experience. His expertise lies mostly in multichannel payments, new projects implementation/ sourcing, collaboration with PSPs, commercial banks, and payment networks.

**Ognjen Vlačina** ■ *Category Purchaser, Financial & Insurance Services* ■ Group Procurement, INGKA Group

Psychology is all around us – just in different forms and shapes. Daily, there are different situations in which we need to make decisions and show preferences. This can be demanding sometimes, especially in a post-COVID-19 time, when many of us faced anxiety or similar challenges. In the book **The Paradox of Choice – Why More Is Less** written by the American psychologist Barry Schwartz, he states that eliminating consumers' choices can considerably reduce anxiety for them. The book analyses the behaviour of different types of people, divided into two main groups: maximisers and satisfiers. We are scaling from the ordinary to the philosophical challenges of balancing career, family, and individual needs, which has paradoxically become a problem, rather than a solution. So, instead of becoming comfortable with having more choices, we rather experience distress when we're offered too many options.

### Is the situation similar for payment methods?

Anyone who is familiar with the ongoing global payment trends knows that the payment industry went through a phase of fast development throughout the last five years. Most likely, the trend will continue for the following three to five years. Payment methods such as account-to-account payments, instant/direct debit payments, crypto payments, digital wallets, embedded finance, BNPL, Open Banking, and others are creating a powerful, dynamic environment. Stronger fintech presence and change of regulation for API connection, together with lateral increase of 'green finance' are also keeping the tempo of changes. In this context, one of the next challenges related to the payments process is mastering the payment experience. Can we provide personalised payment options based on customer relevance? Could this depend on generation, society, market, retailer, and the goods customers are buying, as well as the quantity?

Customer experience is a hot topic right now, and payments experience in particular can make the difference between a positive and a negative interaction – and every touchpoint is now a potential opportunity for sales, both in the physical and digital world.

### What do merchants want to achieve?

The main goal should be enabling companies to serve customers in any possible way, at any given point. Therefore, merchants should be ready to offer proper payment methods and platforms for any relevant scenario to meet customers' needs. **So, the main question is how to avoid an unnecessarily hefty payment process and come up with a relevant mix of payment methods, based on localisation.**

There are numerous ways to bring localisation to your business, and here are some key considerations to be taken into account before choosing the right combination of payment methods.

#### 1. Type of business

It's relevant to identify your type of business: retail (brick-and-mortar stores and/or online stores), banking, travel, gaming, entertainment, and so on. Once you know this, it will be easier to narrow down the way forward. Aim to create a good benchmark on the market, if possible.

#### 2. Market size

Based on the size of the market you operate in, you might want to consider the required investment in the payment mix or in new payment methods, as well as the potential return on investment from it. →

### 3. Market maturity

What is the technology level of the targeted market? Clear differences can be seen all over Europe, but also across Asia, Africa, and the Americas. When searching for a market's level of maturity, consider the local characteristics, including cash on delivery and local payment methods, while also taking into account its openness or its conservative views, whether cards or digital wallets are dominant, and how accustomed people are with using QR code payments, for instance.

### 4. Market insights

Which source are you using for market insights – and what do they say? To get the proper insights on a market, it is best to look for domestic reports conducted by regulated financial institutions, and the Central Bank is a good starting point. Additional statistics may give you a further opinion on the business climate and show relevant international companies in the area, as well as the strongest local competitors.

### 5. Available payment options

What are the common payment options that most competitors offer? Do you have any customer feedback regarding these? Take this opportunity to apply hygiene factors and consider the minimum expectations that people have regarding payment options.

### 6. Cost and duration of new payment methods implementation

What are the costs of implementing payment methods such as cards, instant payments or direct debit, digital wallets, crypto, BNPL, customer finance, and so on? What would be a realistic calendar required for their implementation? Take into account that not all available payment methods have the same price for merchants, so a smart decision would be to research market preferences and avoid adding extra payment methods that are not relevant to the demographic. Additionally, apart from the implementation, also consider UX, refunds, reconciliation, and the chargeback process within every payment method.

### 7. Expected benefits

While also taking costs into account, what are the expected benefits of the initial payment set up/ payment mix? How are you measuring and monitoring this? Is there a 'red flag' for some of payment methods?

### 8. Metrics

Which metrics can you use to measure payment penetration, user experience, efficiency, and expenses? Do you have any integrated payment analytics with order management analytics and the necessary tools to measure this interconnection?

### 9. In-house or outsourced solutions

After you decide on what you will offer to your future customers, you also need to understand how to implement it. Will you do this in-house or outsource it? Do you have the necessary resources, time, and knowledge to do it in-house – or will you rely on external experts, which would translate into higher costs?

### 10. Taking the pulse of the customers

Sneaking around the market and talking to people, especially young consumers and merchants, will give you a thorough understanding of potential pain points, trends, and expected benefits. Stepping into your customers' shoes will provide you with a ground check of the raw market and its challenges, opportunities, and trends. This is irreplaceable in the overall process of preparing, assessing, and implementing a new payment strategy in a particular market.

Finally, **implementation is the key**. Measuring effects, assessing success or failure, noting key learnings, and making a plan for needed corrections all represent crucial steps for further improvement. Consider the first six months as the required checking point – and reassess your business plan, implementation, and potential challenges after this period.

#### Sources:

1. *The Paradox of Choice* ([smartinsights.com](https://smartinsights.com))
2. *Key Benefits of Multiple Payment Gateways* ([rightpoint.com](https://rightpoint.com))
3. *The Paradox of Choice* ([wikipedia.org](https://wikipedia.org))



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Driven by the **IKEA** vision to create a better everyday life for the many people, **INGKA Group** brings the IKEA brand to millions of homes. Since being founded by Ingvar Kamrad, we've been united by our culture, values, and entrepreneurial spirit. And as we grow, we make it easier than ever before for the many people to afford a better life at home.



# Merchants' Briefs



# Mango

## Optimising the Payments Checkout – Best Practices from Mango



**Carlos Madrona**

*Internal Control & Compliance,  
Payment Methods and Fraud  
Director*

**Mango**

**MANGO**

First of all, allow me to thank 'The Paypers' in my first lines for once again trusting me to participate in this Payment Methods Report edition.

Before defining the best practices to implement new payment methods, we should ask ourselves a few things:

**1. What is our mission as payment method leaders?** From my humble point of view, I believe that this department should have an entity that provides internal (in a transversal way) and external services. The clients are in charge, and as such, we must listen to them, understand them, and take care of them.

**2. What do we want to achieve?** Assuming that every client can make payments in a correct and simple way, we must be clear about what objective we intend with each of the payment methods. It is clear that all the payment methods ultimately transform a process into a sale, but not everyone participates in the same way – some bring customers, others are classic and globally accepted, and others increase the AOV. So, implementing payment methods just for having them is definitely not the way.

**3. What benefits does it bring to the company, but above all, do we know what benefits it will bring to the customer?** This is something critical, as a payment method must be in line with the commercial objectives of the company, and every payment method that is in the checkout, to a greater or lesser extent, must be used, otherwise, it is occupying a rich space without meaning.

**4. Are we clear about the cons of each of the payment methods that we want to implement?** We live in an imperfect world and, sometimes, generating more business has its counterparts: increased returns, costs, susceptibility to fraud. Therefore, it is very important to know what is going to happen when we start it up and to be very clear about the business case and be prepared for it. If the business case doesn't come out, let's not proceed.

**5. Is everything clear?** Putting yourself in the client's shoes and stopping thinking as a 'business' is a highly recommended attitude. Let's think that, in the end, the client is going to use this, therefore, let's ask ourselves, does it work? Do we include elements of trust? Are the logos shown the ones that the client easily identifies? Does the customer feel that they control the purchase process?

**6. Let's make it easy.** The more steps we give the client, the worse. If we are able to be 'intelligent' and know in advance which payment method that client will choose, let us be dynamic and put it first on the list. If for the next few times we are able to remember their favourite payment method, our client will thank us.

In my opinion, the best practices in implementing payment methods while doing business with common sense, beyond being successful, are the sums of all these questions. Although each company is a different world, if you do not turn this famous pin point that is the payment, into something without friction and as smooth as possible, the customer will have to make more effort in the purchase and the satisfaction will never be complete. So, if you want to implement payment methods, think globally, and look after the customer.

# Rappi

## Optimising the Payments Checkout – Best Practices from Rappi



**Juan Pablo Ortega**  
*Co-Founder and CEO*  
Rappi, Yuno



### Solutions for the digital payment problem in Latin America

In recent years, there has been a positive increase in digital payments in Latin America. According to the 'Global Payments 2021', a **report made by Boston Consulting Group (BCG)**, revenues generated by these electronic payments are expected to grow by 8.3% annually for the next five years, becoming the second most developed market.

However, it is no secret that problems persist in the payment ecosystem in Latin America, which, in one way or another, affect an assertive and complete progress.

One of the main difficulties is that there are too many payment methods in the region, which makes it hard for a single solution to solve the needs of the companies. It is for this reason that more and more businesses decided to integrate different providers to help them deliver a good experience to their customers, replacing the issue of having to manage more than four diverse platforms at once.

Likewise, consumers and the financial sector demand confidence in the process of buying online, which means they need to consider some basic guarantees. In this sense, the region faces three additional challenges:

#### High level of fraud

Today, the leading payment processing companies throughout Latin America have teams of hundreds of people in charge of developing technology and managing payment processors to prevent any

possible fraud. The main fraud of which users are victims is unrecognised charges, which can generate millions in losses.

#### Poor customer service

Paying is still very complex on the continent. The payment methods available to online shoppers aren't as extensive as they would like. Moreover, shoppers have to enter their credit card details every time they want to pay and could still face transactions being declined without explanation.

#### High provider fees

It is very costly for companies to count and manage different payment providers and, thus, achieve greater acceptance rates in the market.

### That's why Yuno was born

**Yuno** is the result of a definitive search for a solution. Yuno allows companies to manage different processors, payment methods, and online anti-fraud providers through a single platform, reducing the complexity and the effort companies have to put into building and maintaining their payments technology.

Additionally, Yuno also provides the possibility for users to make payments through cryptocurrencies, which translates to a total diversification in the ecosystem.

We, as founders, know everything that is behind a simple click or an online purchase. We know that this represents a huge challenge for businesses that want to compete in the digital world. We understand the very high costs and how difficult it is for them to navigate this ecosystem alone.

Yuno allows them to improve their sales and costs without having to develop a complex technology that gets out of the focus of their business.

# Vestiaire Collective

## Optimising the Payments Checkout – Best Practices from Vestiaire Collective



**Pedro Bennasar**  
*Head of Payments*  
Vestiaire Collective

**Vestiaire Collective**

### Implementing new payment methods

As consumers expect smoother online shopping experiences, it is vital for merchants to optimise the payments checkout part of the shopping journey. But before implementing a new payment method, as a payment expert, there are a few things you need to take into account:

1. Understand your business.
2. Understand the market you operate in.
3. Understand your audience.

After identifying the above, it's relevant to establish how you want to position your company in terms of payment methods. Once you do this, it's good practice to carry out an in-depth analysis together with your PSPs, discuss with other merchants, and browse through industry reports that would provide you additional insight on achieving your goal.

Another important step is aligning internally with your tech and product teams to ensure the project can be delivered in time.

Finally, it might be worth asking the vendor for marketing funds to promote the payment method either at the launch (depending on its popularity) or once ensured it performs well at the checkout.

### Main challenges

The main challenge in implementing new payment methods is finding reliable information to help you choose the ones that would actually be the best fit for your business.

In addition, sizing the implementation by the tech team sometimes is complex and difficult to fit within the roadmap. Hence, it is extremely important that the project gets properly sized in terms of the revenue it will generate once implemented. This will give you the key to setting the project as prio 1.

In terms of commercials and contracts, make sure that within the analysis, pricing has been also benchmarked and your company gets a competitive rate. In terms of the agreement, allow yourself some time too to ensure that your Legal also has sufficient time to review and provide the right assessment to it.

### Benefits for both the company and the customer

Providing the right payment methods for your company is a game changer, and it will translate into satisfied customers, who will perceive it as a good gesture to confirm that you comprehend their needs, which is what all companies aim to do.

### Post-implementation results

For example, by implementing some of the most popular Asian e-wallets to our checkout page, we have experienced an increase in Asian customer presence. This has led to this payment method representing more than 1% of our global revenue.

# Wargaming.net

## Optimising the Payments Checkout – Best Practices from Wargaming.net



**Elena Emelyanova**

*Senior Payments and Fraud  
Manager*

**Wargaming.net**



**WARGAMING.NET**

Here are four ground rules that any ecommerce business needs to follow, regardless of the industry, to make their customers happy with UX and keep their conversion on a good level:

**Make it simple.** There is nothing more complex than simplicity. Therefore, building your checkout page with the minimum mandatory fields for your customer to fill in is not an easy job. On one hand, a company needs to collect enough data from customers for further usage in fraud protection and authorisation processes. On the other hand, the fewer fields – the higher the conversion rate. Merchants need to find a good balance between data appetite and conversion rate, depending on their industry specifics.

Another simplification to consider is the layout of the checkout page. Regardless of whether it is your page, or you are hosting it from your payment provider, make sure the positioning and subsequence are intuitive, with a focus on mandatory fields to complete the purchase.

**Make it invisible.** There should be no difference in design and language between the shop page where your customers choose the item and the checkout page where they pay for it. Thus, make sure the localisation and customisation are done properly, especially if there is a redirect onto HPP. Customers should not feel any change when redirected onto a checkout page, as if they are still within your e-shop. Exception may be when your brand is not that known yet, and the targeted audience has a good trust in your B2C payment provider, thus keeping the partner's source colours and design on the checkout page will bring you much benefit in the initial stage.

**Make it smart.** Be a Sherpa to your customers in their payments journey:

- on the checkout page, give your card payer some pointers about possible settings they need to do with the card before paying online (applicable for cross-border transactions), or about the impossibility to pay with a specific BIN, scheme, or currency prior they press the Pay button. By doing so, they will be able to avoid predictable payment failures;
- implement symbols limitation for the fields as required by the method, use auto switch from one field to another, and provide a prefilled template in the grey fields, to reduce the possibility of user error;
- tokenize your payers, giving them the possibility to pay quickly without the need to enter the details every time they want to buy.

**Make it responsive.** Last but not the least, make sure your CS service is on a high level. If, in the end, your customers cannot complete the payment, they need to know the reason to avoid it further. Thus, making it clear how to contact CS who can explain possible issues or setting up a readable and logical FAQ is a must.

## Optimising the Payments Checkout – Best Practices from Wix



**Omer Shatzky**

*Head of Fintech and Risk*

Wix



Checkout optimisation is the most critical part of the purchase funnel. At the end of the day, if a buyer doesn't purchase a product they have in their cart, the sale and everything that has been done to get the customer to the checkout has been in vain. The good news is that there are ways to help reduce cart abandonment and see a completed sale.

Creating a checkout that looks clean, secure, and functions appropriately can create a seamless user experience and ultimately optimise checkout. Aside from making it easy and holding the buyer's hand throughout the entire purchase flow, here are some best practices to achieve checkout success.

**The more autofill, the better.** The checkout form needs to be crystal clear, and the buyer should be familiar with what you're asking. If there's something new or different, it creates confusion. It also makes it easier for the buyer if you have automatic settings to help complete the form, and, when applicable, make the form shorter. For example, it helps if the form has address lookup services and allows autocomplete or has a check box to select if the billing and shipping address are the same. It's also key to show the buyer a clear and friendly error message if something goes wrong or is missing during checkout.

**Have an adaptable checkout form.** Having a clean, short, and simple checkout can make all the difference. This means the page needs to be adaptable and professional on different devices. Some buyers prefer to make purchases on their phones, while others

prefer to go to a website or a tablet, and it's important to accommodate all preferences.

**Be aware of buyer payment preferences.** Let your buyer pick their payment type by having the top three relevant payment options available. If you only accept credit cards and they want to pay with a different payment method such as Apple Pay, Google Pay, Buy Now, Pay Later, or account-to-account payments, you're likely to see the buyer abandon the purchase.

**Localise the checkout form.** It's important to localise the checkout form with the local language, currency, and formats of the currency. The position left or right, of the currency symbols and having the correct decimal or comma used locally is important. Some geographies might have more than one as well. For example, checkout pages in Canada should have the option for both English and French languages and Canadian dollars as well as the American dollar if it's accepted. Also, if your buyer is using a different currency and there's a conversion, make it clear if there are extra fees.

**Be clear with taxes.** Taxes are often added to the end of the purchase and can surprise buyers if they aren't aware they're coming. The more you make this clear on what the taxes are, the fewer surprises and the greater opportunity for checkout success. For example, bookings might not charge tax online but if you go to a hotel, they might. If the buyer is unaware, this could lead to major dissatisfaction.


**Understand security and privacy requirements.** It's imperative to be super aware of a user's security and privacy and the current requirements and regulations. Make sure you have the relevant icons in place, such as the Payment Card Industry Data Security Standard (PCI DSS). Offer buyers to store their card details for future purchases after receiving their explicit consent. Returning buyers should be able to have a 'one click' checkout experience but they also need to be able to update their card and billing details to make this process effective and seamless.




# Company Profiles





Company	2C2P
	<p>2C2P is a full-suite payments platform, helping global enterprises operating in emerging markets to securely accept payments across online, mobile, and offline channels, as well as providing issuing, payout, remittance, and digital goods services. It is the preferred payments platform of tech giants, online marketplaces, retailers, and other global enterprises.</p>
<p>Website</p> <p>Head office</p> <p>Core solution</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Member of industry association and/or initiatives</p> <p>Company's motto</p>	<p><a href="https://2c2p.com">https://2c2p.com</a></p> <p>Singapore</p> <p>Omnichannel payment gateway with one point of integration helping global enterprises securely accept over 250 payment methods and through an extensive alternative payment network of over 400,000 physical touchpoints across Asia.</p> <p>Merchants: retail, aviation, tourism &amp; hospitality, ecommerce, entertainment, tech, food &amp; beverage, social commerce</p> <p>Fintech</p> <p>Insurance</p> <p>NGOs</p> <p><a href="https://2c2p.com/contact">https://2c2p.com/contact</a></p> <p>Asia</p> <p>2003</p> <p>Advanced New Technologies (Singapore) Holding Pte Ltd</p> <p>Relevant payment licences in each market, PCIDSS Level One, and other accreditations here: <a href="https://2c2p.com/accreditations">https://2c2p.com/accreditations</a></p> <p>MRC, IATA, EMVCo, various fintech associations</p> <p>Payments that amplify your ambition</p>
<b>Service provider type</b>	
<p>Payment Gateway</p> <p>Payment Service Provider – Acquirer</p> <p>Payments and financial infrastructure</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<b>Channels – context</b>	
<p>Online</p> <p>POS/In store</p> <p>Omnichannel</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<b>Payments capabilities</b>	
<p>Hosted pages</p> <p>White-label solution</p> <p>Recurring billing</p> <p>Payment methods supported (#)</p> <p>Settlement currencies (#)</p> <p>Instant settlement</p> <p>Tokenization</p> <p>Pay-out/Disbursements</p> <p>Payments orchestration</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes – over 250 payment methods (online payments, local payments, alternative payments, e-wallets, QR payments, mobile payments, point-of-sale, recurring payments, instalment payments, Buy Now, Pay Later, payment link, consolidated reporting, risk management, 3-D Secure authentication, plugins, mobile SDK, card and wallet issuing, payouts, multi-currency converter, tokenization, loyalty and reward programme capabilities)</p> <p>48</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Reconciliation and reporting	Yes
B2B payments	Yes
ERP integration	Yes
E-invoicing (automated)	Yes
Factoring	Yes
<b>Reporting/dashboards</b>	
Consolidated data and reporting dashboard	Yes
<b>Fraud and risk management capabilities</b>	
Chargeback management	Yes
Fraud ratio PSD2/SCA	Less than 0.06%
Fraud and risk management partners	Jewel Paymentech, Refinitiv World-Check One and our inhouse fraud monitoring tool
<b>Financial and compliance capabilities</b>	
FX – number of currencies available	Yes – We’re processing all major currencies
Virtual IBAN	Yes
Multi currencies virtual IBAN (#)	Yes
Current account/settlement account	Yes
Lending	Yes
Instant settlement	Yes
Client onboarding (KYC/KYB)	Yes
<b>Clients</b>	
Main clients/references	Lazada, Changi Airport, Thai Airways, Aviva, Air Asia, Lenovo, IATA, Capella
Case studies	<a href="https://2c2p.com/case-studies">https://2c2p.com/case-studies</a>
Awards	Forrester’s ‘Now Tech: Merchant Payment Providers In Asia Pacific – Large Established Players category (2021); The Financial Times’ Asia Pacific High Growth Companies (2021); Straits Times’ Fastest Growing Companies (2021); Thailand’s Prime Minister National Startup Award: Global Tech Startup of the Year (2018); CB Insights Top 25 Global Payments Startup (2015)
<b>Transactions</b>	
Transaction volume	Information available upon request
Transaction value	Information available upon request
	View company profile in online database

Company	
	<b>ACI Worldwide</b> ACI Worldwide delivers the software and solutions that power the global economy. Our mission-critical real-time payment solutions enable corporations to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk.
Website Head office Core solution   Target market    Contact details Geographical presence Year founded Investors License type Member of industry association and/or initiatives  Company's motto	<a href="https://www.aciworldwide.com/">https://www.aciworldwide.com/</a> 6060 Coventry Drive, Elkhorn, NE 68022-6482 - US ACI Worldwide serves the full payment ecosystem, processing and managing digital payments, managing fraud and risk for merchants, banks, and intermediaries. The company enables omni-commerce payments through secure ecommerce and omni-commerce solutions, while also offering real-time multi-layered fraud management, including machine learning. Merchants: retail, gaming and digital goods, travel, telecommunications, grocery, restaurants, fuel and convenience, hospitality. Merchant intermediaries/payment intermediaries, banking, consumer finance, insurance, government, higher education, healthcare. Marketplaces PSP Fintech Banks Brokers, crypto exchange, FX brokers Annett Van de Bunt, Head of Marketing, Merchants Payments Solutions Global 1975 Public listed company APM agnostic and acquirer independent MRC; NRF; MAG; Vendorcom; EBA; US Faster Payments Council; Open Banking; ATMIA; CEPS/ECRI; InfraGard; IFX; NACHA; NSPO; PSR; SWIFT; US Payments Forum; Women in Payments, IMRG Driving the digital transformation of banks, merchants, and billers to help them meet the real-time payment needs of their consumers and business customers
<b>Service provider type</b>	
Payment Gateway   Payments and financial infrastructure   Cryptocurrency payments solution	Yes - Payments and fraud software solutions provider, powering electronic payments and currently serves more than 80,000 merchants; processing more than a billion transactions annually via our platform. ACI Worldwide provides an acquirer agnostic solution. ACI Worldwide provides end-to-end payments and risk management services. ACI solution is white-label for merchant Intermediaries, such as PSPs, ISOs, payment facilitators, ISVs, and acquirers, or can be used directly by merchants. It is a multi-language, multi-currency solution, which is connected to hundreds of local and cross-border acquirers and alternative payment methods across the globe. Yes - 60+ cryptocurrencies
<b>Channels - context</b>	
Online POS/In store Omnichannel	Yes Yes Yes
<b>Payments capabilities</b>	
Hosted pages White-label solution Recurring billing	Yes Yes Yes - ACI Worldwide provides scheduled flexible instalments for merchants to setup subscriptions and recurring payments from a vast variety of options including monthly, weekly, and daily.

Payment methods supported	Yes - ACI Worldwide supports hundreds of acquirers and payment methods globally. For more details please visit: <a href="https://globalcoverage.aciworldwide.com">https://globalcoverage.aciworldwide.com</a>
Settlement currencies	ACI Worldwide supports acquirers' settlement currencies
Instant settlement	Collecting and settlement of all major APMs via best-in-class partners
Tokenization	Yes. For more information please visit: <a href="https://www.aciworldwide.com/capabilities/tokenization">https://www.aciworldwide.com/capabilities/tokenization</a>
Pay-out/Disbursements	Yes. With ACI Billpay services for USA only
Payments orchestration	Yes. ACI Secure eCommerce is a Payment Orchestration Platform enabling management and optimisation of the entire payment process, including payment acceptance, authorisation, transaction routing, and settlement.
Reconciliation and reporting	Yes. ACI has unified settlement reporting. A consolidated settlement report format across all acquirers and alternative payment service providers. We don't transfer money.
B2B payments	ACI Worldwide offers ERP integration, onboarding, factoring, e-invoicing, and AP automation to lending and KYC.
ERP integration	Yes
E-invoicing (automated)	Yes - with ACI Billpay solution for the US only
Factoring	Supported by our connected partners
<b>Reporting/dashboards</b>	
Consolidated data and reporting dashboard	Yes. The business intelligence functionality is available via a secure internet portal, accessible anywhere in the world with no local setup or software requirements, with full control in real time.
<b>Fraud and risk management capabilities</b>	
Chargeback management	Yes - integration to both VCR & MCOM and automated dispute management.
Fraud and risk management partners	ACI Worldwide augments its Fraud Management solution with third party partners like Arvato, Neustar, TransUnion, Ekata, LexisNexis, Threatmetrix, BigDataCorp, Perseuss.
<b>Financial and compliance capabilities</b>	
FX - number of currencies available	ACI Worldwide is not an Acquirer/PayFac, but supports multi-currency with Secure ecommerce and omni-commerce solutions.
Virtual IBAN	Yes - ACI Worldwide supports Virtual IBAN
Multi currencies virtual IBAN	Yes - ACI Worldwide supports Virtual IBAN
Client onboarding (KYC/KYB)	ACI Worldwide helps to facilitate KYC
<b>Clients</b>	
Main clients/references	Customer information upon request
Case studies	For all ACI Worldwide case studies please visit: <a href="https://www.aciworldwide.com/insights/case-studies">https://www.aciworldwide.com/insights/case-studies</a>
Awards	Innovation Excellence Award from Frost & Sullivan for eCommerce Fraud Prevention 2020 - IDC MarketScape: Worldwide Integrated Payment Platforms 2019-2020 - Frost & Sullivan 2019 Global Product Leadership Award; Payments Awards 2021 - Best Online Payments Solution - Merchant; 2021 Juniper Research - Platinum Winner Payment Innovation of the Year; Retail Systems 2021 Award Artificial Project of the Year, AI Awards 2021 Best Application of AI in a Large Enterprise
Future developments	More information available upon request
<b>Transactions</b>	
Transaction volume	225+ billion consumer transactions each year
Transaction value	USD 14+ trillion in payments and securities transactions daily
	<a href="#">View company profile in online database</a>



## See Why 80,000 Merchants Rely on ACI Worldwide

ACI Worldwide's merchant solutions — ACI® Secure eCommerce™ and ACI Omni-Commerce™ — help more than 80,000 merchants, directly and through PSPs, meet new customer expectations, successfully navigate cross-border expansion, defeat rising fraud threats and turn strong customer authentication into a competitive differentiator.



Visit [aciworldwide.com/solutions/aci-secure-ecommerce](https://aciworldwide.com/solutions/aci-secure-ecommerce) to learn more about our flexible payments gateway — designed to maximize profitability and security.



Company	
<div> <div>AfterPay®</div> <div> <p>AfterPay – from Arvato Financial Solutions, soon-to-be Riverty – lets consumers and partners live their best financial lives. Their BNPL products are available in nine markets in Europe and consist of five payment services: the 14-day Invoice, Campaign Invoice, Consolidated Invoice, Fixed Instalments, AfterPay Flex, and soon-to-be-launched Split in 3.</p> </div> </div>	
Website	www.afterpay.nl
Head office	The Netherlands
How the payment method works	Consumers select AfterPay to pay when shopping online. The payment is then due after receipt of the order. Quick, easy, and safe. The payment term depends on the service that the customer has selected. For connected merchants, AfterPay is a marketing, loyalty, and payments tool in one. It means more orders and more revenue. Orders are always paid out.
Target market	Merchants: fashion, sports, home decor, home improvement (DIY), beauty pharmaceuticals, pet accessories and food, electronics, parking, public transportation, travel, other retail
Contact details	support@afterpay.nl
Operational area	Central and Northern Europe - Germany, the Netherlands, Sweden, Belgium, Austria, Switzerland, Norway, Finland, and Denmark
Year founded	2010
Reach	More than 100 million consumers
Acceptance	More than 5,000 merchants in Europe
Market share	NL: 34% of shoppers have used a PAD solution in the past 6 months (and 18% of all online purchases are made using PAD). 48% of shoppers express an explicit PAD related need. DE: 31% of shoppers have used a PAD solution in the past 6 months (and 10% of all online purchases are made using PAD). 53% of shoppers express an explicit PAD related need.
Implementation requirements (non technical)	Direct integration or integration via PSP/ ecommerce platform
Company's motto	Shop now, pay later
Payments Type	
Buy Now, Pay Later/Instalments/ Pay by invoice	Yes
- Business model	Consumers complete their purchase, while not yet paying for the goods – this can be done later when the consumer is certain to retain the products. AfterPay then sends the payment instructions to the consumer, who can pay via the consumer portal/APP or via classical bank transfer. Consumers also have the flexibility to pause a payment, convert it to an instalment plan, or split payments.
- Payment instruments used	No card needed to start the instalment plan. Independent risk scoring.
- Credit check	Yes
- Credit application	Yes, using local standards
- Late fees	Depending on the country, order value, and step of dunning. Starting at EUR 2.50.
- Interest rates	Starting at 0%
Channels	
Online	Yes
POS/In-store	Yes
Omnichannel	Yes
Services	
Settlement currencies	Like for like (EUR, NOK, SEK, DKK, CHF)
Processing currencies	Local currency (EUR, NOK, SEK, DKK, CHF)
Currency available for customers	Local currency
Implementation requirements	Direct integration or integration via PSP/ ecommerce platform

Chargeback/Buyer protection	AfterPay does not enforce a strict buyer protection policy. Instead, we act as a moderator and ensure a good experience for all parties involved.
Reconciliation	With each settlement, a reconciliation file is created that includes all references needed for an automated reconciliation process. The reconciliation can also be done via selected partners.
Fraud prevention (measures)/Risk management	AfterPay takes over the full risk of a transaction – both from a credit risk and from fraud risk. Deeply integrated risk services can be applied.
Pricing/Fees structure	Per-transaction processing fee (fixed amount) plus processing fee (variable amount on the basket amount before or after returns). No setup fee.
<b>Technology</b>	
Integration technology	Direct integration via a server to server API (JSON REST) or via partners (PSPs/ ecommerce platforms)
Integration support	Dedicated integration manager as SPOC <a href="https://documents.afterpay.io/guidelines/Technical_White_Paper.pdf">https://documents.afterpay.io/guidelines/Technical_White_Paper.pdf</a>
	View company profile in online database



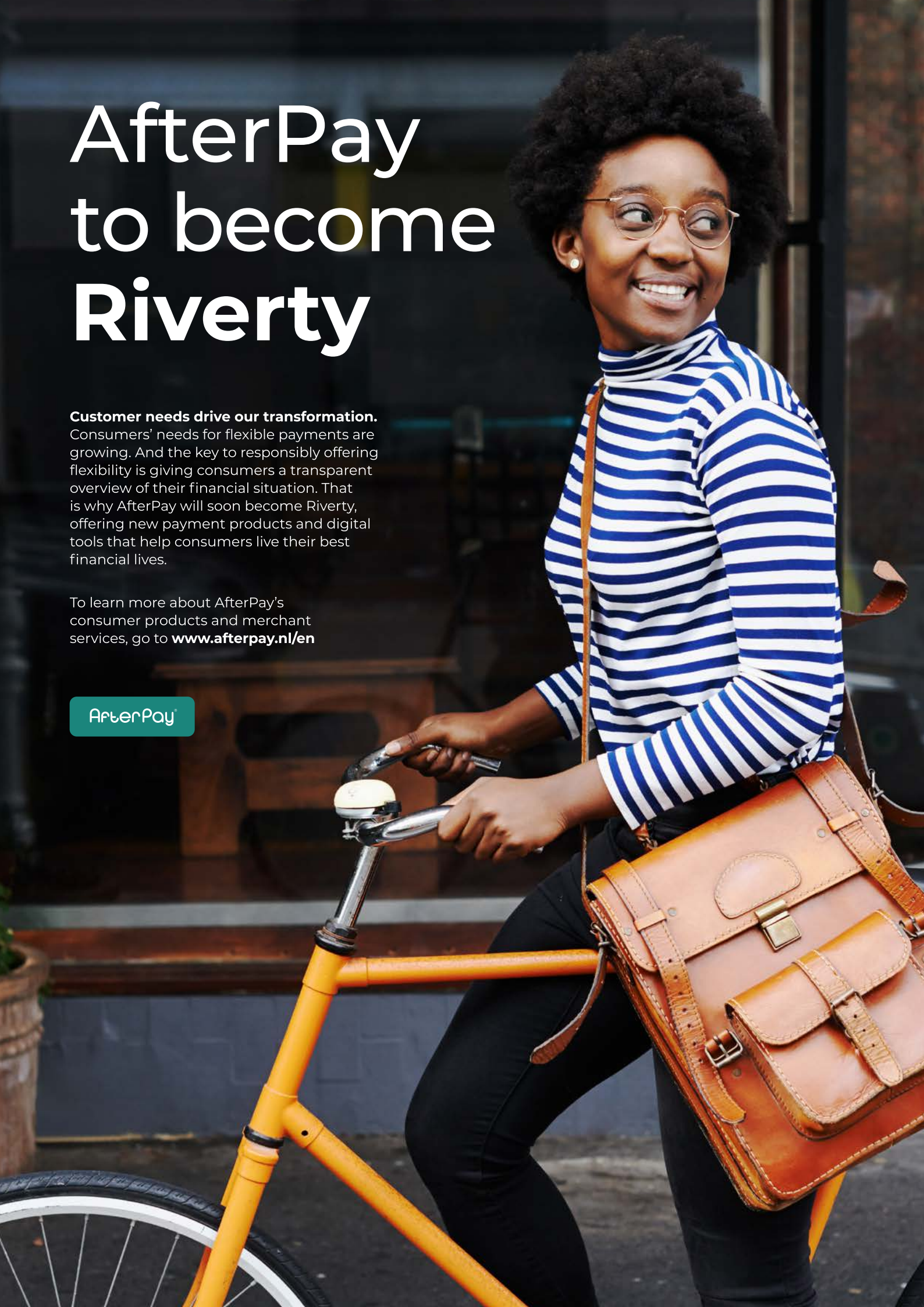
# AfterPay to become Riverty


**Customer needs drive our transformation.**

Consumers' needs for flexible payments are growing. And the key to responsibly offering flexibility is giving consumers a transparent overview of their financial situation. That is why AfterPay will soon become Riverty, offering new payment products and digital tools that help consumers live their best financial lives.

To learn more about AfterPay's consumer products and merchant services, go to [www.afterpay.nl/en](https://www.afterpay.nl/en)

AfterPay



Company	Aplauz
	<p>Aplauz empowers people to make conscious spending online. The voucher is prepaid at convenience stores and holds a digital credit value chosen by the customer. While paying with Aplauz, only this value can be spent, and the user is protected from misuse or fraud because it holds no personal data.</p>
<p>Website</p> <p>Head office</p> <p>How the payment method works</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Reach</p> <p>Acceptance</p> <p>Market share</p> <p>Member of industry association and/or initiatives</p> <p>Implementation requirements (non technical)</p> <p>Company's motto</p>	<p><a href="https://aplauz.com/">https://aplauz.com/</a></p> <p>Aplauz CH GmbH, Sihlbruggstrasse 107, 6340 Baar, Switzerland.</p> <p>Customers buy vouchers with a 16 digit code in stores. When they select Aplauz as a payment method at an ecommerce website, they will enter their 16 digit code and the amount will be transferred from their voucher balance to the online merchant.</p> <p>Merchants: digital goods and services, gaming, entertainment, content, social media, VIOP, telephony</p> <p>Email: <a href="mailto:contact@aplauz.ch">contact@aplauz.ch</a> Phone number: +41 43 588 14 08</p> <p>Switzerland, expanding to Europe</p> <p>2020</p> <p>ICM/Alectus</p> <p>EMI</p> <p>Switzerland, expanding to Europe</p> <p>More information available upon request</p> <p>More information available upon request</p> <p>Electronic Money Association - <a href="https://e-ma.org">https://e-ma.org</a></p> <p>Directly through our API</p> <p>Conscious Spending Made Easy</p>
<b>Payments Type</b>	
Credit card	Yes
Debit card	Yes
Prepaid	Yes
Online banking e-payments/ account-to-account payments	Yes
Cash	Yes
<b>Channels</b>	
Online	Yes
POS/In-store	No
Omnichannel	Yes
<b>Services</b>	
Settlement currencies	CHF/EUR
Processing currencies	CHF (Euro expected in 2022)
Currency available for customers	CHF (Euro expected in 2022)
Implementation requirements	Direct API
Chargeback/Buyer protection	No
Automated and instant refund	Yes, not instant
Reconciliation	Digital files
Fraud prevention (measures)/Risk management	No
Pricing/Fees structure	Per transaction fee
Future developments	App, e-wallet

Technology	
Integration technology	API integration
Integration support	Yes
Transactions volume	
Number of transactions (per previous year)	More information available upon request
Transactions value (amount in USD/EUR representing the total number of transactions per previous year)	More information available upon request
	<a href="#">View company profile in online database</a>






**APLAUZ**

PAY IN-STORE, BUY ONLINE

**Conscious  
Spending  
Made Easy**

Company		BLIK (Polish Payment Standard)
		<p>BLIK is a mobile payment system. It enables ecommerce payments, POS payments (including contactless payments), ATM cash withdrawals, and mobile P2P. BLIK has a dominant share of the mobile payments in Poland. It has won many prestigious awards, including the title of 'FinTech of the Year' in 2022 by Cashless.pl.</p>
Website		www.blik.com
Head office		Warsaw, Poland
How the payment method works		<p>BLIK is a convenient, fast, and secure mobile payment method that does not require logging into online banking. It allows users to pay in stationary stores and online, deposit and withdraw money at an ATM, and make instant payments to phone numbers. Thanks to Mastercard's tokenization technology, consumers are able to use contactless BLIK payments via their phone in a secure and convenient way, wherever Mastercard payments are accepted.</p>
Target market		<p>Merchants (ecommerce) Marketplaces (ecommerce) Paying agents (acquirers) Banks</p>
Contact details		kontakt@blik.com
Operational area		Poland
Year founded		2015
Investors		Alior Bank, ING Bank, Millennium Bank, mBank, PKO Bank Polski, Santander Bank Poland, and Mastercard
License type		Polish National Bank payment scheme
Reach		21.6 million mobile banking app users in Poland
Acceptance		100% ecommerce in Poland, 75% POS with BLIK code, 100% POS contactless, 95% ATM
Market share		More information available upon request
Implementation requirements (non technical)		Polish bank account required. EU license for acquiring with notification from the Polish Financial Authority.
Company's motto		We are experts in creating modern payment solutions
Payments Type		
Payments Type		Account-based mobile payments
Channels		
Online		Yes
POS/In-store		Yes
Omnichannel		Yes – P2P, ATM, ecommerce, POS, contactless payments
Services		
Settlement currencies		PLN
Processing currencies		PLN
Currency available for customers		PLN
Implementation requirements		Polish bank account required. EU license for acquiring with notification from the Polish Financial Authority.
Chargeback/Buyer protection		<p>Chargeback – No Buyer protection – Yes, transaction confirmation by SCA</p>
Automated and instant refund		<p>Automated refund – Yes Instant refund – No</p>
Reconciliation		Reconciliation file in XML format
Fraud prevention (measures)/Risk management		Based on the issuer side
Pricing/Fees structure		More information available upon request
Future developments		BNPL

Technology	
Integration technology	API – web services
Integration support	UAT – testing environmental
Transactions volume	
Number of transactions	763 million in 2021
Transactions value	EUR 22.2 billion in 2021
	<a href="#">View company profile in online database</a>







# POLISH MOBILE PAYMENT SCHEME

## ABOUT BLIK

Secure, fast and convenient mobile payment scheme

**BLIK** is a popular Polish mobile payment scheme, one of the first on the European market with a unique model of cooperation between banks.





Every customer of domestic payment institutions offering mobile banking applications has a possibility to use **BLIK** in their mobile banking applications.

The Polish Payments Standard (PPS) is responsible for the system development. PPS is constantly developing **BLIK** capabilities in order to make the system as functional as possible for its users.

The shareholders of the PSP company are: Alior Bank, Bank Millennium, Santander Bank Polska, ING Bank Śląski, mBank, PKO Bank Polski and Mastercard.

## HOW TO USE IT?

One BLIK, many possibilities

-  **ONLINE PAYMENTS** . . . . . convenient, simple and fast payments in e-commerce (100% of Polish e-commerce)
-  **CASH DEPOSIT AND WITHDRAWALS ATM.** . . . . . withdrawal with phone (90% of the market)
-  **IN-STORE PAYMENTS** . . . . . payment in two ways with BLIK code or contactless (877k terminals)
-  **MOBILE TRANSFERS** . . . . . P2P instant payments in real time (12.2M apps P2P ready)

## BLIK IN NUMBERS

**10,5 MILLION** active users

**18 BANKS** over 95% of all clients of financial institutions in Poland

**OVER 1,5 BILLION** transactions in 7 years

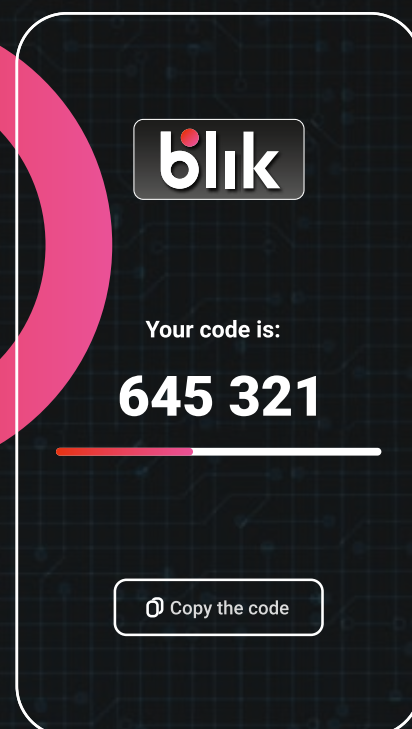
**44 BILLION EURO** transaction value in 7 years

## BLIK GOES GLOBAL

PPS is a member of European Mobile Payment System Association and Society for Worldwide Interbank Financial Telecommunication system.

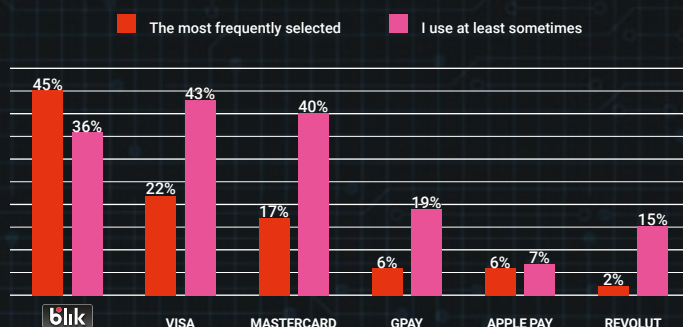
**BLIK** became contactless and accepted globally – thanks to the partnership with Mastercard.

Cooperation with partners such as PPRO and Adyen contributes to growing the global e-commerce acceptance network.




BLIK CODE - INDIVIDUALLY GENERATED ONE-TIME 6-DIGIT STRING AVAILABLE IN BANK'S MOBILE APP

## BLIK THE FIRST CHOICE FOR PAYMENTS AT THE END OF 2021



Source: KANTAR POLAND, X-XII 2021, CAWI N=640, smartphone owners, mobile applications users on smartphone (including banking applications)



Company		Callsign		
		<p>Callsign makes digital life smoother and safer by helping organisations establish and preserve digital trust so people can get on with their digital lives.</p> <p>The first true representation of identity online, Callsign positively identifies users by their unique characteristics, replicating real-life recognition signals with AI models.</p> <p>The only solution to identify people across every journey, channel, and brand, Callsign makes digital identification seamless and secure, helping drive business growth.</p>		
Website	www.callsign.com			
Target group	Banks/FS Fintech Merchants/ecommerce PSP/acquirers Telecom Other (marketplaces – regulated entities)			
Contact details	sales@callsign.com			
Geographical presence	Global			
Year founded	2012			
Member of industry association and/or initiatives	MRC, BRC, UK Finance			
Company's motto	Helping you build digital trust so people get on with their digital lives			
Core solution				
Categories	Fraud/risk management and decisioning platform Customer authentication Identity verification Behavioural biometrics Data provider and intelligence Bot risk management KYB/Merchant onboarding KYC			
Problems the company solves	<p>Callsign's Intelligence-Driven Authentication (IDA) positively identifies users based on their inherent characteristics.</p> <p>We use deep learning techniques combining event, threat, and behavioural analytics with multi-factor authentication to provide risk intelligence in real time – enabling organisations to intelligently adjust authentication journeys and catch fraudulent activity more effectively.</p> <p>With Callsign, you can deliver seamless experiences and greater security at a lower cost.</p>			
Technology				
Technology	Cloud enabled Native cloud On-premise Hybrid			
Data input				
Identity verification	proprietary capability	third party	both	
Identity document scanning		x		
Video scanning		x		
Personally Identifiable Information (PII) validation		x		
Small transaction verification		x		
Email verification		x		
Phone verification	x			
Social verification		x		
Credit check		x		
Compliance check		x		

Online authentication	proprietary capability	third party	both
Behavioural biometrics	x	x	
Physical biometrics			
Device fingerprinting	x		
Geo-location	x		
Remote access detection	x		
Mobile app push	x		
3-D Secure 2.0	x		
Hardware token	x		
One-time passwords	x		
Knowledge-based authentication	x		
Intelligence	proprietary capability	third party	both
Abuse list	x	x	
Monitoring			
Address verification			
Credit bureau			
Information sharing			
Data ingestion/third-party data			
Stateless data ingestion and augmentation	x		
Methodology			
Machine learning	Rule-based Supervised ML		
Decisioning			
	Manual review Decision orchestration		
Business model			
Pricing model	Bespoke/For more details, please contact our sales team.		
Fraud prevention partners	For more details, please contact our sales team.		
Year over year growth rate	For more details, please contact our sales team.		
Number of employees	For more details, please contact our sales team.		
Future developments	A pioneer in digital identity, Callsign is developing unique, marketing leading capabilities, including gamified authenticators and real time social engineering prevention technology.		
Customers			
Customers reference	For more details, please contact our sales team.		
	View company profile in online database		




# **Callsign helps you build digital trust**

So your customers can get  
on with digital life

[www.callsign.com](http://www.callsign.com)

**callsign<sup>®</sup>**

Company	
Checkout.com	
	Checkout.com is a global payments solution provider that helps businesses and their communities thrive in the digital economy. It offers innovative solutions that flex to your needs, valuable insights that help you get smart about your payments' performance, and expertise you can count on as you navigate the complexities of an ever-shifting world.
Website	www.checkout.com
Head office	Wenlock Works, Shepherdess Walk London, N1 7LH United Kingdom
Core solution	With Checkout.com's modular technology, clients can seamlessly add the features they need, manage risk and fraud, and add new payment methods to support their growth in multiple markets. Our local expert teams around the world are on standby to help you improve your payments performance, navigate the regulatory landscape, and switch on new business models with ease.
Target market	Digital enterprise businesses Ecommerce Fintech Crypto
Contact details	sales@checkout.com
Geographical presence	Europe, North America, Middle East and North Africa, Asia Pacific, Latin America
Year founded	2012
Investors	Coatue, Insight Partners, DST Global, Blossom Capital, Endeavour Catalyst, Singapore Sovereign Wealth Fund (GIC), Tiger Global Management, Greenoaks Capital, Altimeter, Dragoneer, Franklin Templeton, the Qatar Investment Authority, the Oxford Endowment Fund
License type	Checkout.com has acquiring capabilities in 55 countries.
Member of industry association and/or initiatives	UK Finance, Innovate Finance, European Fintech Association, European Payment Institutions Federation, Merchant Risk Council, Merchant Advisory Group, MENA Fintech Association
Company's motto	Payments for the digital economy
Service provider type	
Payment Service Provider – Gateway	Yes
Payment Service Provider – Merchant Acquirer /Processor	Yes
Payments and financial Infrastructure	Yes
Cryptocurrency payments solution	Yes. Checkout.com processes payments for the world's leading crypto exchanges and provides merchant settlement in stablecoins.
Channels – Context	
Online	Yes
POS/In store	No
Omni channel	No
Payments capabilities	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported (#)	Checkout.com allows merchants to accept all major credit and debit cards, including Visa, Mastercard, American Express, and Discover. Merchants can also accept a wide variety of global and local alternative payment methods, including Apple Pay, Google Pay, PayPal, SEPA, Klarna, iDeal, Fawry, Knet, Qpay, mada and Alipay. Learn more: <a href="https://www.checkout.com/payment-methods">https://www.checkout.com/payment-methods</a>

Settlement currencies (#)	25+
Instant settlement	Yes
Tokenization	Yes
Pay-out/Disbursements	Yes
Dynamic routing	Yes
Intelligent routing/routing optimisation	Yes
ERP integration	Yes. Visit <a href="https://www.checkout.com/partners">https://www.checkout.com/partners</a> for more information
Reconciliation and reporting	Yes
Onboarding	Yes
<b>Reporting/dashboards</b>	
Consolidated data and reporting dashboard	Yes
<b>Fraud &amp; Risk Management Capabilities</b>	
Chargeback management	Yes
Fraud ratio PSD2/SCA	Yes
Fraud and Risk Management Partners	Yes
<b>Financial and Compliance Capabilities</b>	
FX – number of currencies available	150+
Current account/settlement account	Yes
Instant settlement	Yes
Client onboarding (KYC/KYB)	Yes
<b>Clients</b>	
Main clients/references	SHEIN, Grab, Veepee, SONY Electronics, Patreon, Wise, Henkel, Getty Images
Case studies	<a href="https://www.checkout.com/case-studies">https://www.checkout.com/case-studies</a>
Future developments	Checkout.com will be scaling its operations to meet demand in the US, evolving its platform with solutions for marketplaces and payfacs, and strengthening its position in Web3.
<b>Transactions</b>	
Transaction volume	Checkout.com does not share this information
Transaction volume (USD/EUR)	Checkout.com does not share this information
	<a href="#">View company profile in online database</a>



# Global payments for the digital world

Managing global payments is complex.  
From keeping up with technical and  
regulatory requirements to deciding  
which payment methods to offer.

We've built the technology and expertise  
to help you succeed, one transaction at a time.



Open,  
flexible platform



Transparent  
fee structure



Dedicated  
local expertise




Strategic  
partnership




Global  
optimization

Ready to make payments perform for your business?  
**Find out more at [Checkout.com](https://Checkout.com)**




Company	
COINQVEST	
	<p>COINQVEST is a leading enterprise cryptocurrency payment gateway and API. Our mission is to enable companies to thrive in the Web3 economy and help them grow their business with blockchain-based payment processing. With COINQVEST, merchants and financial service providers can easily extend their existing payment infrastructure with secure, reliable, and compliant cryptocurrency payment methods.</p>
<p>Website</p> <p>Head office</p> <p>Core solution</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Member of industry association and/or initiatives</p> <p>Company's motto</p>	<p><a href="https://www.coinqvest.com">https://www.coinqvest.com</a></p> <p>Tallinn, Estonia</p> <p>COINQVEST is a comprehensive cryptocurrency payment processing solution providing merchants and PSPs:</p> <ul style="list-style-type: none"> <li>- crypto and fiat merchant accounts;</li> <li>- a real-time white-label API allowing customers to offer branded blockchain crypto payments, deposits, swaps, transfers, refunds, KYC/AML, and exception handling;</li> <li>- elimination of fiat/crypto exchange volatility;</li> <li>- product/service price guarantees: product lists for EUR 100, customer pays in Bitcoin, merchant receives EUR 100;</li> <li>- straightforward integration with SDKs and shopping cart plugin;</li> <li>- crypto payments with verified sender/receiver data, financial reports and exports, and order information for tax/regulatory compliance.</li> </ul> <p>Merchants in digital commerce: ecommerce, SaaS companies, subscription-based businesses, NFT vendors, content producers, online gaming, etc.</p> <p>Marketplaces</p> <p>PSP (e.g. mobile payment apps, traditional payment gateways and processors, money remittance services, wallets, digital banks)</p> <p>Fintech</p> <p>Banks</p> <p>Crypto, FX</p> <p><a href="mailto:service@coinqvest.com">service@coinqvest.com</a></p> <p>Globally available with a focus on Europe</p> <p>2018</p> <p>Fully owned by the founders</p> <p>European Virtual Currency Service Provider License issued by the Estonian FIU</p> <p>Stellar Network Tier 1 Validators Quorum, <a href="https://developers.stellar.org/docs/run-core-node/tier-1-orgs/">https://developers.stellar.org/docs/run-core-node/tier-1-orgs/</a></p> <p>Easily extend your payment infrastructure with cryptocurrency payments</p>
Service provider type	
<p>Payment Gateway</p> <p>Payment Service Provider – Acquirer</p> <p>Payments and financial infrastructure</p> <p>Cryptocurrency payments solution</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
Channels – context	
<p>Online</p> <p>POS/In store</p> <p>Omnichannel</p>	<p>Yes</p> <p>Yes – Integration into POS systems via white-label API</p> <p>Yes – Integration into omnichannel solutions via white-label API</p>

Payments capabilities	
Hosted pages	Yes
White-label solution	Yes – The complete payment infrastructure is available via the COINQVEST white-label API incl. checkouts, deposits, refunds, withdrawal, swaps.
Payment methods supported (#)	Yes – BTC, ETH, LTC, XLM
Settlement currencies (#)	Yes – Fiat: EUR, USD, ARS, BRL, NGN. Crypto: BTC, ETH, LTC, XLM
Instant settlement	Yes – COINQVEST settles all payments instantly. Instant settlement is a platform feature with no extra fees charged.
Tokenization	Yes – COINQVEST uses tokenised assets issued on the Stellar Network.
Pay-out/Disbursements	Yes – Payout to crypto wallet or bank account.
Payments orchestration	Yes – For crypto and fiat currencies listed here: <a href="https://www.coinqvest.com/en/connectivity">https://www.coinqvest.com/en/connectivity</a>
B2B payments	Yes
ERP integration	Yes
E-invoicing (automated)	Yes
Reporting/dashboards	
Consolidated data and reporting dashboard	Yes – Consolidated financial reporting across multiple cryptocurrencies and fiat currencies.
Financial and compliance capabilities	
FX – number of currencies available	Yes – 50 currencies
Multi currencies virtual IBAN (# of currencies)	Yes – Multi currencies merchant account (cryptocurrencies and fiat currencies)
Current account/settlement account	Yes
Instant settlement	Yes – COINQVEST settles all payments instantly. Instant settlement is a platform feature with no extra fees charged.
Client onboarding (KYC/KYB)	Yes – KYB
Clients	
Main clients/references	More information available upon request
Case studies	<a href="https://stellar.org/case-studies/coinqvest">https://stellar.org/case-studies/coinqvest</a>
Awards	Winner of the Stellar Seed Fund in 2021 Winner of the Stellar Community Fund in 2020
Future developments	Add bank deposits and stablecoin payment options
Transactions	
Transaction volume	> 100,000 transactions
Transaction value	> EUR 10 million
	View company profile in online database

Company	Currence iDEAL B.V.
	<p>Currence is the brand owner of iDEAL (payments), iDIN (identification) and Incassomachtigen (e-mandates). It draws up rules for the use of these products, certifies market parties (PSPs and suppliers), after which these parties conclude a licence and/or certificate agreement with Currence.</p>
<p>Website</p> <p>Head office</p> <p>How the payment method works</p> <p>Target market</p> <p>Contact details</p> <p>Operational area</p> <p>Year founded</p> <p>Investors</p> <p>Reach</p> <p>Acceptance</p> <p>Market share</p> <p>Implementation requirements (non technical)</p> <p>Company's motto</p>	<p><a href="https://www.ideal.nl/en/">https://www.ideal.nl/en/</a></p> <p>Gustav Mahlerplein 33-35, Amsterdam, the Netherlands</p> <p>iDEAL is the number one online payment brand in the Netherlands. It enables Dutch consumers to pay online through their own bank. Originally, iDEAL was designed for webshop payments, but nowadays, it is increasingly used to pay energy bills, make donations to charities, buy mobile credits, pay local taxes, traffic fines, etc. iDEAL provides an immediate online payment guarantee to the payee. This allows them to deliver the goods and services right away. The money is transferred via a SEPA Credit Transfer to the beneficiary. See <a href="https://www.ideal.nl/en/">https://www.ideal.nl/en/</a> for more information. We are in the process of expanding iDEAL with new payment flows and Value Added Services.</p> <p>iDEAL is an online payment method, not specifically bound to target markets. Examples of branches which use iDEAL are ecommerce, marketplaces, ticketing, e-invoices, charity donations &amp; top-ups.</p> <p>Email: <a href="mailto:ideal@currence.nl">ideal@currence.nl</a></p> <p>Worldwide for merchants; consumers with a EU bank account with one of the certified issuers</p> <p>2005</p> <p>Currence is a private company which shares are held by the founding banks.</p> <p>100% of the Dutch online shoppers and a few EU online shoppers uses iDEAL to pay</p> <p>213,111 active merchants in 2021</p> <p>70% In Dutch ecommerce</p> <p>Corporate bank account, Chamber of Commerce registration (at a minimum).</p> <p>Provide payers the right balance in confidence and convenience, and provide payees with reach and conversion</p>
<b>Payments Type</b>	
Online banking e-payments/ account-to-account payments	Yes
<b>Channels</b>	
Online	Yes
POS/In-store	Yes, via iDEAL QR
Omnichannel	Yes
<b>Services</b>	
Settlement currencies	EUR
Processing currencies	EUR
Currency available for customers	EUR
Implementation requirements	Depending on the iDEAL contracting partner of the merchant
Chargeback/Buyer protection	No
Automated and instant refund	No
Reconciliation	Based on datafields provided by merchants
Pricing/Fees structure	Depending on the iDEAL contracting partner of the merchant
Future developments	Major improvement of the iDEAL infrastructure to API technology. New services in scope: iDEAL Scheduled, iDEAL Checkout

Technology	
Integration technology	XML, HTTPS
Integration support	Provided by acquirers, PSPs, various IT providers and open source community
Transactions volume	
Number of transactions	1.14 billion (2021)
Transactions value	EUR 99 billion (2021)
	<a href="#">View company profile in online database</a>



Company	
	<b>Diebold Nixdorf, Incorporated</b>  Diebold Nixdorf is a leader in enabling connected commerce. We automate, digitise, and transform the way people bank and shop. A partner to most of the world's top 100 financial institutions and top 25 global retailers, our integrated solutions connect digital and physical channels conveniently, securely, and efficiently for millions daily.
Website	www.dieboldnixdorf.com
Head office	50 Executive Pkwy Hudson, OH 44236 United States
Core solution	Dynamic Payments is a modern API and micro-services platform that allows the reuse of services across acquiring, processing and issuing domains. Through a simple single-entry point, clients can access a comprehensive suite of proven solutions which supports diverse payments needs and securely executes transactions across all channels, devices, and payment methods, globally.
Target market	Banks Processors
Contact details	maryjo.harroff@dieboldnixdorf.com
Geographical presence	Global
Year founded	1859
Investors	Publicly held company (NYSE: DBD)
License type	Payments Software License
Member of industry association and/or initiatives	Member Mobey Forum, The Payments Association, European Banking Association
Company's motto	We automate, digitise, and transform the way people bank and shop
<b>Service provider type</b>	
Payment Service Provider - Acquirer	Yes - White-label Software Solutions
Payments and financial infrastructure	Yes
<b>Channels - context</b>	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
<b>Payments capabilities</b>	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported	Yes - credit, debit, mobile, alternative payments
Settlement currencies	Yes - configurable
Instant settlement	Yes
Tokenization	Yes
Payments orchestration	Yes
Reconciliation and reporting	Yes

Reporting/dashboards	
Consolidated data and reporting dashboard	Yes
Fraud and risk management capabilities	
Fraud and risk management partners	Confidential
Financial and compliance capabilities	
FX - number of currencies available	Configurable
Clients	
Main clients/references	Confidential
Future developments	Real-Time Payments, Open Banking, etc.
Transactions	
Transaction volume	More information upon request
Transaction value	More information upon request
	View company profile in online database



# Is Your Payments Platform Ready for the Future?

Your customers are using new payment types, new authentication methods, new transaction types, and even new currencies—and they expect you to keep up.



Diebold Nixdorf's Vynamic<sup>®</sup> Payments is the next generation in payments processing software, a cloud-native platform built to power the ongoing transformation of the financial services and payments industry. Choosing a partner that already has the tools needed to rapidly configure new payment offerings can optimize your modernization path without the arduous processes, risk, and expense of a complete system overhaul.

**Leapfrog to the next generation in payments processing in a true cloud-native environment with Diebold Nixdorf.**  
**[DieboldNixdorf.com/Payments](https://DieboldNixdorf.com/Payments)**



Company	GoCardless
<b>GOCARDLESS</b>	GoCardless is the global leader in direct bank payment solutions, making it easy to collect recurring and one-off payments directly from customers' bank accounts through direct debit and open banking. Each year, GoCardless processes more than USD 30 billion in payments, across more than 30 countries.
Website	<a href="https://gocardless.com/">https://gocardless.com/</a>
Head office	Sutton Yard, 65 Goswell Road, London EC1 7EN
How the payment method works	We have built a global network for direct bank pay that allows merchants to pull funds automatically from their customers' bank accounts. Merchants can connect directly to the GoCardless dashboard to manage their payments or via one of the 200+ partner integrations that provide a seamless experience. Our global network allows merchants to collect recurring payments from their customers' bank accounts and settle them back in their home country, with FX dealt with automatically.
Target market	Merchants of all sizes, from small businesses to multinational corporations across: Financial Services, Insurance, Information Technology, Energy & Utilities, Communications & Media, Health & Wellbeing, Consumer Goods, and Services
Contact details	help@gocardless.com
Operational area	30+ countries including: UK, US, France, Germany, ANZ
Year founded	2011
Investors	Permira, Black Rock Private Equity Partners
Reach	20 million
Acceptance	70,000
Implementation requirements (non technical)	Bank account
Company's motto	GoCardless build simple and secure bank payment solutions. For businesses everywhere.
<b>Payments Type</b>	
Online banking e-payments/ account-to-account payments	Yes
Direct debit	Yes
Buy Now, Pay Later/Instalments/ Pay by invoice	Pay by Invoice
- Business model	White-label
- Payment instruments used	Direct Debit
<b>Channels</b>	
Online	Yes
POS/In-store	No
Omnichannel	No
<b>Services</b>	
Settlement currencies	GBP/EUR/SEK/DKK/AUD/NZD/CAD/USD
Processing currencies	GBP/EUR/SEK/DKK/AUD/NZD/CAD/USD
Currency available for customers	GBP/EUR/SEK/DKK/AUD/NZD/CAD/USD
Implementation requirements	Bank account required
Chargeback/Buyer protection	Yes - via the Direct Debit Guarantee
Automated and instant refund	Yes
Reconciliation	Yes - via partner integrations
Fraud prevention (measures)/Risk management	Yes
Pricing/Fees structure	<a href="https://gocardless.com/pricing/">https://gocardless.com/pricing/</a>
Future developments	Open banking, fraud protection, payment intelligence (machine learning)

Transactions volume	
Number of transactions	More information upon request
Transactions value	over USD 30 billion
	<a href="#">View company profile in online database</a>



# Time is money. Literally.


Designed for one-off payments, Instant Bank Pay by GoCardless offers settlement timings up to seven times faster compared to credit cards. This means no more waiting around to find out if you've been paid so you can deliver your customers' goods or services.

Powered by open banking, [Instant Bank Pay](#) is the ideal way to collect one-off payments in a fast, secure and reliable way. It can be added to your existing checkout flow and it provides both you and your customer with an instant confirmation once a payment has been successful. This gives you greater visibility over transactions and added peace of mind if you're collecting a first payment.

[Visit gocardless.com](https://gocardless.com)  
to find out more


Check [gocardless.com](https://gocardless.com) for terms and conditions



Company	
	<p>Jifiti is a leading global fintech company that powers white-labelled Buy Now, Pay Later solutions for banks, lenders, and merchants. Jifiti provides cutting-edge technology and innovative solutions for regulated financial entities and merchants to compete in the growing BNPL market.</p>
<p>Website</p> <p>Head office</p> <p>Core solution</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Company's motto</p>	<p>www.jifiti.com</p> <p>Columbus, Ohio</p> <p>Jifiti's white-labelled BNPL platform enables banks and lenders to easily deploy and scale any consumer financing programme, including instalment loans, lines of credit, and split payments, at any merchant's point-of-sale. With the multi-lender solution, merchants can maximise their customer approvals and conversions - online, in-store, and via call center.</p> <p>Banks Fintech PSP Merchants: retail, department store, furniture, electronics, appliances, lifestyle, sports and outdoor equipment, dental services, medical devices, educational services, automotive, fitness, toys and entertainment, veterinary services, travel, wedding, luxury and accessories</p> <p>Maya Mason (VP Marketing, Jifiti) maya.mason@jifiti.com</p> <p>US, Europe, Africa, Middle East, LATAM</p> <p>2011</p> <p>Available upon request</p> <p>Available upon request</p> <p>Providing access to affordable and responsible financial solutions when and where it matters most.</p>
Service provider type	
Payments and financial infrastructure	Yes
Channels - context	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
Payments capabilities	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported	Network Cards, PayPal, Open Banking Payments
Settlement currencies	USD, Euro, GBP
Instant settlement	Yes
Tokenization	Yes
Pay-out/Disbursements	Yes
Payments orchestration	Yes
Reconciliation and reporting	Yes
B2B payments	Yes
E-invoicing (automated)	Yes
Reporting/dashboards	
Consolidated data and reporting dashboard	Yes

Fraud and risk management capabilities	
Chargeback management	Yes
Fraud ratio PSD2/SCA	Less than 0.01%
Fraud and risk management partners	Forter, Equifax, CRIF, DirectID, TransUnion, Experian, Seon, Open Banking partners
Financial and compliance capabilities	
Lending	Yes - Jifiti facilitates this service
Client onboarding (KYC/KYB)	Yes
Clients	
Main clients/references	Citizens Bank, Credit Agricole, CaixaBank, LendingUSA, Mastercard, IKEA
	<a href="#">View company profile in online database</a>





# Who do you trust at your point of sale?


**Hint:** 70% of BNPL users  
prefer credit from banks

PYMNTS Report - January 2022

Jifiti's White-Labelled BNPL Platform  
**Trusted by Leading Banks & Merchants**

**Jifiti.**

[www.jifiti.com](http://www.jifiti.com)

Company	Nuvei
	<p>Nuvei (Nasdaq: NVEI) (TSX: NVEI) is tomorrow's payment platform. Designed to accelerate customers' business, Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services. Connecting businesses to their customers in more than 200 markets, with local acquiring in 45+ markets, 150 currencies and more than 570 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.</p>
Website	Nuvei.com
Head office	Montreal
Core solution	Nuvei allows businesses to accept cutting-edge payment options, optimise new revenue streams, and get the most out of their existing tech stack – all on one platform.
Target market	Merchants: financial services, consumer retail marketplaces, digital goods & services, social gaming, regulated online gaming, digital assets and cryptocurrencies and travel
Contact details	<a href="https://nuvei.com/contact/">https://nuvei.com/contact/</a>
Geographical presence	Europe, North America, LATAM, Asia Pacific, MENA
Year founded	2003
Investors	More information available upon request
License type	Payment Institution (EEA), Electronic Money Institution (EEA), Principal member of Visa, Mastercard, and Discover
Member of industry association and/or initiatives	ETA (Electronic Transactions Association), AGA (American Gaming Association), AMVO (Mexican Association of Online Sales), CGA (Canadian Gaming Association), RMAI (Receivables Management Association International), Nacha 3 <sup>rd</sup> Party Validation Preferred Partner, Faster Payments Council, Merchant Risk Council, Merchant Advisory Group, Wespai.
Company's motto	Tomorrow's Payment Platform
<b>Service provider type</b>	
Payment Gateway	Yes
Payment Service Provider - Acquirer	Yes
Payments and financial infrastructure	Yes
Cryptocurrency payments solution	Yes
<b>Channels - context</b>	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
<b>Payments capabilities</b>	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported (#)	over 550
Settlement currencies (#)	17+
Tokenization	Yes, universal token
Pay-out/Disbursements	Yes
Payments orchestration	Yes
Reconciliation and reporting	Yes


B2B payments	Yes
ERP integration	Yes
E-invoicing (automated)	Yes
<b>Reporting/dashboards</b>	
Consolidated data and reporting dashboard	Yes
<b>Fraud and risk management capabilities</b>	
Chargeback management	Yes
Fraud ratio PSD2/SCA	<0.06%
Fraud and risk management partners	In-house Risk Engine
<b>Financial and compliance capabilities</b>	
FX - number of currencies available	150
Virtual IBAN	Yes
Multi currencies virtual IBAN (# of currencies)	Yes
Current account/settlement account	Yes
Instant settlement	More information available upon request
Client onboarding (KYC/KYB)	Yes
<b>Clients</b>	
Main clients/references	New Balance, GM, Gucci, FTX, Avon, Draft Kings, Valentino, BetMGM, Crypto.com, D&G, Shein, FanDuel, WestJet, Entain, Bumble, Rappi, Riot Games, Gett, lastminute.com, WIX
Case studies	Kreatorhood - <a href="https://nuvei.wistia.com/medias/c3dgxqiv43">https://nuvei.wistia.com/medias/c3dgxqiv43</a> Gett - <a href="https://nuvei.wistia.com/medias/8ovibgdlli">https://nuvei.wistia.com/medias/8ovibgdlli</a> Fortuna - <a href="https://nuvei.wistia.com/medias/hccaalsak8">https://nuvei.wistia.com/medias/hccaalsak8</a>
Awards	Blockchain Fest, Cryptocurrency Awards, Best Payment Processor 2021; SBC Awards, Payment Innovation of the Year 2021; The EGR (EGR Global) Italy Awards 2020, Winner Payments and Fraud Company; Airlines & Travel Payments Summit 2018, Winners of Best product; Reconciliation ManagerSBC Awards 2018, Winners The Payments Provider of the Year; Retail Systems Awards 2019, Winners Mobile Solutions of the Year.
Future developments	More information available upon request
<b>Transactions</b>	
Transaction volume	Total volume increased 121% to USD 95.6 billion from USD 43.2 billion in the year to end December 31, 2021.
Transaction value	Revenue increased 93% to USD 724.5 million from USD 376.2 million in the year to end December 31, 2021
	View company profile in online database



# Tomorrow's Payment Platform




Discover more at [nuvei.com](https://nuvei.com)

Company	Payla Services GmbH
	<p>PAYLA is a true white-label 'Buy Now, Pay Later' service provider for European payment service companies and Financial Institutions. Our clients are able to provide fully integrated BNPL products to their merchant customer portfolio.</p>
<p>Website</p> <p>Head office</p> <p>Core solution</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>Member of industry association and/or initiatives</p> <p>Company's motto</p>	<p><a href="https://payla.de">https://payla.de</a></p> <p>Munich (Germany), Vienna (Austria)</p> <p>The PAYLA software platform is a complete turnkey solution covering all aspects of BNPL, including automated risk assessment for credit scoring and fraud, invoicing, debtor management, accounting, dunning, and multi-channel customer support. Additionally, PAYLA and its bank partners can provide full refinancing of any invoice and instalment volume, if required.</p> <p>Our customers from the payment and banking industry are able to offer BNPL products to their merchant clients within weeks, simply by configuring product features and connecting to the PAYLA platform via a simple API.</p> <p>PAYLA is one of the few true white-label BNPL providers: we do not sell our services directly to merchants. We do not use our brand name in front of merchants or consumers.</p> <p>Payment Service Providers Fintechs Financial Institutions Marketplaces</p> <p><a href="mailto:roberto.valerio@payla.de">roberto.valerio@payla.de</a></p> <p>Europe</p> <p>2021</p> <p>MRC</p> <p>BNPL-as-a-Service. True white-label 'Buy Now, Pay Later' products for Payment Service Providers and Financial Institutions</p>
<b>Service provider type</b>	
Payments and financial infrastructure	Yes
<b>Channels - context</b>	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
<b>Payments capabilities</b>	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported	BNPL: Invoice, Instalments, SEPA Direct Debit
Settlement currencies	Yes
Instant settlement	Yes
Pay-out/Disbursements	Yes
Reconciliation and reporting	Yes
B2B payments	Yes
E-invoicing (automated)	Yes
Factoring	Yes

Reporting/dashboards	
Consolidated data and reporting dashboard	Yes
Fraud and risk management capabilities	
Fraud and risk management partners	In-house risk engine. Various risk data providers
Financial and compliance capabilities	
Current account/settlement account	Yes
Lending	Yes
Instant settlement	Yes
Client onboarding (KYC/KYB)	Yes
Clients	
Main clients/references	Large Payment Service Providers, Financial Institutions (retail banks)
Future developments	One-click BNPL for POS
	<a href="#">View company profile in online database</a>




Company		PPRO
		<p>We're PPRO (pronounced 'p-pro'). We globalise payment platforms for businesses so they can offer more choices at the checkout and boost cross-border sales.</p> <p>Payment service providers, enterprises, and banks that run on our infrastructure are able to launch payment methods faster, optimise checkout conversions, and reduce the complexities of managing multiple fund flows.</p>
Website		<a href="https://www.ppro.com/">https://www.ppro.com/</a>
Head office		Global offices from São Paulo to Singapore
Core solution		Our digital payments infrastructure provides the services, network, and people that businesses need to globalise their payment platforms and win more customers.
Target market		<p>PSPs</p> <p>Enterprises with payment platforms</p> <p>Banks</p>
Contact details		<a href="https://www.ppro.com/contact/">https://www.ppro.com/contact/</a>
Geographical presence		The US, Europe, the UK, APAC, LATAM
Year founded		2006
License type		Regulated in the UK by the FCA and in Luxembourg by the CSSF
Member of industry association and/or initiatives		MRC
Company's motto		Build better payment experiences faster.
<b>Service provider type</b>		
Payment Service Provider - Acquirer		Yes. An end-to end (proprietary) acquiring infrastructure giving access to an industrial-strength suite of global products and providers, enabling you to manage all of them via one master interface. A turnkey service underpinned by cutting-edge/360-degree orchestration gives you total flexibility to decide what you need to support your acquiring business whilst eliminating single-vendor dependence (via 360-degree orchestration). 'Acquiring-as-a-service' ensures no costly integration builds to schemes, no heavy maintenance overheads, allows you to focus on your core business, eliminates redundant tasks, and prevents financial leakage.
Payments and financial infrastructure		Yes. Global digital payments and all fundamental services, including reporting, reconciliation, settlement, tax services, consultancy as strategic advisors and compliance, legal and regulatory services on a global scale. Plus a full suite of risk and fraud management services for both real-time payments and chargeback management.
Cryptocurrency payments solution		Yes
<b>Channels - context</b>		
Online		Yes
POS/In store		Yes
Omnichannel		Yes
<b>Payments capabilities</b>		
Hosted pages		Yes
White-label solution		Yes
Recurring billing		Yes
Payment methods supported		All relevant local payment methods in 100+ markets
Settlement currencies		Yes
Instant settlement		Yes
Tokenization		Yes
Payments orchestration		Yes
Reconciliation and reporting		Yes
B2B payments		Yes

Reporting/dashboards	
Consolidated data and reporting dashboard	Yes
Fraud and risk management capabilities	
Chargeback management	Yes
Fraud and risk management partners	Yes
Financial and compliance capabilities	
FX - number of currencies available	Yes
Virtual IBAN	Yes
Client onboarding (KYC/KYB)	Yes
Clients	
Main clients/references	Mollie, PayPal, Spring by Citi, Elavon, Global Payments, Alipay, and many more
Case studies	Testimonial from PayPal <a href="https://www.youtube.com/watch?v=6fdWikceWtw">https://www.youtube.com/watch?v=6fdWikceWtw</a> Testimonial from Global Payments <a href="https://www.youtube.com/watch?v=UGANUSJvXA">https://www.youtube.com/watch?v=UGANUSJvXA</a>
Awards	PayTech Awards 2022 (shortlisted for Top PayTech Provider) ; Retail System Awards 2022 (shortlisted); PayTech Awards 2021 'Best Cross-Border Payments Solution' (winner); Payments Awards 2021 (shortlisted) 'Payment Technology Provider of the Year', and more.
Future developments	PPRO has recently acquired Alpha Fintech, a next-gen payments technology company. Read more here: <a href="https://www.ppro.com/news/ppro-acquires-alpha-fintech-in-game-changing-deal/">https://www.ppro.com/news/ppro-acquires-alpha-fintech-in-game-changing-deal/</a>
	<a href="#">View company profile in online database</a>



# Get

the right payment methods set up on your payment platform or page and you'll sell more. Just make sure they are the right payment methods. They will also need to be quality integrations. Otherwise, they won't convert at the checkout. Oh, and you'll need to have a payment rail in place to move money from A to B to C to YOU. And if you're breaking into a new market, you might need a local banking presence. You'll also need to figure out the regulatory landscape, and the compliance stuff, and the fraud prevention stuff. All of this (and more) will take time. In fact, it can take up to a year to launch a single payment method. So if you've got time to spare and don't mind doing all this yourself, good luck. But just so you know, there is a faster and easier way to build out your payments offering and get




# paid.



Build your payment platform on our infrastructure  
and start selling sooner.

Visit [ppro.com](https://ppro.com)

**ppro**

Company	
Tinka B.V.	
	<p>Tinka is a deferred payments service provider based in the Netherlands, registered and authorised by the Netherlands Authority for Financial Markets (AFM). With more than half a century of experience in the deferred payments sector, we offer various solutions to our merchant partners and their customers. These solutions include Buy Now, Pay Later, and different consumer credit options.</p>
Website	www.tinka.com
Head office	Zwolle, the Netherlands
How the payment method works	Tinka offers the whole scope of payment solutions from unregulated BNPL products such as 'Pay in 14 days' and 'Pay in 3' with 0% interest rate for the consumer to a regulated consumer credit option with 9.9% interest, in online and offline stores. Consumers have the flexibility to switch between these payment options easily in order to avoid going into debt.
Target market	<p>Merchants: fashion, electronics, home and garden, furniture, e-mobility</p> <p>PSP</p>
Contact details	Karlheinz Toni, CEO, charly@tinka.com
Operational area	The Netherlands, Benelux region
Year founded	2021
Investors	Tinka is owned by a Private Equity Fund Apax Partners
License type	Registered and authorised by the Netherlands Authority for Financial Markets (AFM)
Reach	3+ million
Acceptance	30+ merchants
Market share	7% of a total market
Implementation requirements (non technical)	More information available upon request
Company's motto	<p>Be the most responsible and recommended deferred payments provider in the Netherlands and beyond. A key goal is minimising the risk for customers to end up with payment difficulties.</p> <p>For customers, Tinka represents simplicity, responsibility, transparency, and convenience.</p>
Payments Type	
Debit card	Yes
Prepaid	Yes
Buy Now, Pay Later/Instalments/ Pay by invoice	Yes, all
- Business model	Direct provider
- Payment instruments used	No card needed to start instalment plan. Independent risk scoring.
- Credit check	Yes
- Credit application	Yes
- Late fees	Tinka applies no late fees
- Marketplace app	Yes
- Interest rates	9.9% for consumer credit; 0% for Pay in 14 days and Pay in 3.
- Consumer protection	More information available upon request
- B2B commerce	We are providing our services to merchants
Channels	
Online	Yes
POS/In-store	Yes
Omnichannel	Yes

Services	
Settlement currencies	EUR
Processing currencies	EUR
Currency available for customers	EUR
Implementation requirements	Direct integration via API, connection through PSP partners or through available plugins such as Woocommerce, Shopware, Magento. Cashier system integrations available, as well as various card terminal integrations.
Chargeback/Buyer protection	Yes, we pay back as soon as possible after a return or complaint is completed by the merchant. Most of the times within two working days.
Automated and instant refund	Yes
Reconciliation	More information available upon request
Fraud prevention (measures)/Risk management	Yes
Pricing/Fees structure	Based on the merchant processed volume, no setup fee is applied.
Future developments	More information available upon request
Technology	
Integration technology	Direct integration via a server-to-server API (JSON REST), via partners (PSPs/ ecommerce platforms) or via plugins (WooCommerce, Magendo, Shopware), various cashier systems and card terminal integration available.
Integration support	<a href="https://portal.tinka.nl/">https://portal.tinka.nl/</a>
Transactions volume	
Number of transactions	More information available upon request
Transactions value	More information available upon request
	View company profile in online database

# TINKA



We want to be the most **responsible** and **recommended** deferred payments partner in the Netherlands and beyond.



Tinka is a deferred payments service provider based in the Netherlands, registered and authorised by The Netherlands Authority for Financial Markets (AFM).

With more than half a century of experience in the deferred payments sector, we offer various solutions to our merchant partners and their customers. These solutions include **invoiced**, **buy-now-pay-later** and different **consumer credit** options.




Our purpose is to change the deferred payments industry to be better for everyone.




[www.tinka.nl](http://www.tinka.nl)

Let op! Geld lenen kost geld



Company	Trustly
	<p>Trustly is a global leader in Online Banking Payments. Our digital account-to-account platform redefines the speed, simplicity and security of payments, linking some of the world's most prominent merchants with consumers directly from their online banking accounts. Trustly can handle the entire payment journey, setting us apart from the competition and enabling us to offer an attractive alternative to the traditional card networks at a lower cost.</p>
<p>Website</p> <p>Head office</p> <p>How the payment method works</p> <p>Target market</p> <p>Contact details</p> <p>Operational area</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Reach</p> <p>Acceptance</p> <p>Implementation requirements (non technical)</p> <p>Company's motto</p>	<p>www.trustly.com</p> <p>Stockholm, Sweden</p> <p>When a consumer selects Trustly as the payment method in the checkout, they are, without leaving the site, presented with a bank selector. After selecting their bank, they are asked to verify themselves with their bank-provided authentication method, before choosing from which account to pay. Finally, they confirm their purchase. With Trustly Express, returning customers can have both their bank and account preselected, meaning that they can complete their purchase with a single biometric authentication check on their phones, cutting time spent in checkout in half.</p> <p>Merchants: ecommerce, travel, digital goods, subscriptions, online gaming Financial Services</p> <p>presales@trustly.com</p> <p>Europe, US, Canada, Australia</p> <p>2008</p> <p>Nordic Capital, BlackRock</p> <p>We are a licensed Payment Institution under the Second Payment Services Directive (PSD2) and operate under the supervision of the Swedish Financial Supervisory Authority in Europe. In the US, we are state regulated as required to serve our target markets.</p> <p>525 million consumers</p> <p>We serve 8,100 merchants, connecting them with 6,300 banks in over 30 countries.</p> <p>API integration directly with Trustly or through one of over 50 PSPs. Settlement made to a European bank account or your PSP. Merchants do not need a local legal entity or bank account (i.e. a German company can accept payments from Sweden).</p> <p>Fast, Simple, and Secure</p>
<b>Payments Type</b>	
Online banking e-payments/ account-to-account payments	Yes
Direct debit	Yes (Sweden, UK)
<b>Channels</b>	
Online	Yes
POS/In-store	Yes
Omnichannel	Yes
<b>Services</b>	
Settlement currencies	EUR, SEK, NOK, DKK, GBP, PLN, CZK, BGN, HUF, HRK, RON
Processing currencies	EUR, SEK, NOK, DKK, GBP, PLN, CZK, BGN, HUF, RON, USD, CAD
Currency available for customers	EUR, SEK, NOK, DKK, GBP, PLN, CZK, BGN, HUF, RON, USD, CAD
Implementation requirements	<p>API integration directly with Trustly or through one of over 50 PSPs. Settlement made to a European bank account or your PSP. Merchants do not need a local legal entity or bank account (i.e. a German company can accept payments from Sweden)</p> <p>Learn more via our developer portal, <a href="https://developers.trustly.com">developers.trustly.com</a></p>
Chargeback/Buyer protection	Instant refunds; zero risk of chargebacks
Automated and instant refund	Instant refunds
Reconciliation	Full reconciliation of funds settled is available through Trustly's API or integrated with your PSP.

Fraud prevention (measures)/Risk management	Full risk management system including: Data Checks, Comparison Checks, Velocity Checks, Financial Background Checks etc.
Pricing/Fees structure	Per transaction percentage and/or fixed fee, which varies depending on volume
Future developments	Expanding to new geographies, new product launches and continued development of existing services.
<b>Technology</b>	
Integration technology	JSON API
Integration support	API manual online, designated integration support, plugins for web shops and platforms, SDK for apps.
<b>Transactions volume</b>	
Number of transactions (per previous year)	More information upon request
Transactions value (USD/EUR)	USD 21 billion in 2020
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Company	Worldline
	Worldline is the European leader in the payments and transactional services industry and the #4 player worldwide. As an agile and fast-growing global leader, Worldline is at the forefront of the digital revolution that is shaping new ways of paying, living, doing business, and building relationships.
Website	www.worldline.com
Head office	Tour Voltaire 1 place des degrés CS 81162 92059 Paris la Défense Cedex
Core solution	<p>Our solutions ensure secure payments and trusted transactional services along the entire payments value chain, enabling sustainable economic growth. We provide an extensive range of merchant acquiring, payment processing, and business solutions to financial institutions, merchants, corporations, and government agencies. Our continuously growing portfolio of solutions is environmentally friendly and supports trust and social transformation.</p> <p>We operate in more than 50 countries and employ over 20,000 talented and dedicated experts. With a strong culture of innovation, Worldline helps clients anticipate the future, seize new opportunities, and navigate their challenges with confidence.</p>
Target market	Merchants: retail, luxury and specialised brands, hospitality, travel, transportation, entertainment Marketplaces PSPs Fintech Banks
Contact details	More information upon request to <a href="mailto:infoWL@worldline.com">infoWL@worldline.com</a>
Geographical presence	<p>Geographical presence in more than 50 countries and commercial activities in more than 170 countries.</p> <p>EUROPE Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, the Netherlands, Ukraine, the UK</p> <p>AMERICAS Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Peru, Mexico, Paraguay, the US, Uruguay, Venezuela</p> <p>AFRICA AND THE MIDDLE EAST Morocco, South Africa</p> <p>ASIA-PACIFIC Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, Vietnam</p>
Year founded	2004
License type	Payment service provider
Member of industry association and/or initiatives	The European Digital Payments Industry Alliance (the EDPIA)
Company's motto	Digital Payments for a Trusted World
Service provider type	
Payment Gateway	Yes
Payment Service Provider – Acquirer	Yes
Payments and financial infrastructure	Yes
Cryptocurrency payments solution	Yes

Channels – context	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
Payments capabilities	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported	Yes, more than 150
Settlement currencies	Yes
Tokenization	Yes
Pay-out/Disbursements	Yes
Payments orchestration	Yes
Reconciliation and reporting	Yes
B2B payments	Yes
ERP integration	Yes
E-invoicing (automated)	Yes
Factoring	Yes
Reporting/dashboards	
Consolidated data and reporting dashboard	Yes
Fraud and risk management capabilities	
Chargeback management	Yes
Fraud and risk management partners	Yes
Financial and compliance capabilities	
FX – number of currencies available	Yes
Current account/settlement account	Yes
Client onboarding (KYC/KYB)	Yes for acquiring and collecting
Clients	
Main clients/references	Circa 1.1 million merchants like Accor Hotels, Spotify, Subway, TOTAL – and more than 320 financial institutions such as BNPP, Commerzbank, ING, UniCredit
Case studies	BNPP and Worldline launched the first banking app on macOS in France: <a href="https://worldline.com/en/home/knowledgehub/blog/2021/april/how-bnpp-and-worldline-launched-the-first-banking-app-on-mac-os-in-france.html">https://worldline.com/en/home/knowledgehub/blog/2021/april/how-bnpp-and-worldline-launched-the-first-banking-app-on-mac-os-in-france.html</a>  Exclusive guest experiences for a best-in-class service: <a href="https://worldline.com/content/dam/worldline-new/assets/documents/case-studies/michelreybier_success_story_case_study.pdf">https://worldline.com/content/dam/worldline-new/assets/documents/case-studies/michelreybier_success_story_case_study.pdf</a>
Future developments	Stablecoins – next generation regulated digital currencies: <a href="https://worldline.com/en/home/knowledgehub/blog/2021/february/stablecoins-next-generation-regulated-digital-currencies.html">https://worldline.com/en/home/knowledgehub/blog/2021/february/stablecoins-next-generation-regulated-digital-currencies.html</a>
Transactions	
Transaction volume	17 billion payment transactions per year, 9.6 billion issuing processing transactions, and 11 billion acquiring processing transactions
Transaction value	More information upon request to <a href="mailto:infoWL@worldline.com">infoWL@worldline.com</a>
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# Your partner in cross-border payments


Combining global reach with local business, technology, and payment expertise. Worldline helps enterprises enhance their global strategy and thrive in high-growth markets with our online cross-border expansion solutions.

A hand holding a black smartphone. The phone's screen is black and displays the text "Explore our solutions:" in white, followed by a white pill-shaped button containing the URL "worldline.com/crossborder". The background is split vertically: the left side shows a realistic image of the Earth from space, and the right side features a series of concentric, curved blue lines on a teal background.

**Explore our  
solutions:**

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Digital Payments  
for a Trusted World

Company		Xsolla
		Xsolla is a global video game commerce company with a powerful set of tools and services designed for the games industry. As a leader in game commerce, Xsolla solves the complexities of global distribution, marketing, funding, and monetisation for games across mobile, PC, and the web.
Website		xsolla.com
Head office		Los Angeles, USA
Core solution		Payments Solution is Xsolla's core solution which allows game developers and publishers of all sizes to reach more players worldwide and securely accept global payments with a streamlined user experience across multiple platforms.
Target market		Merchants: gaming
Contact details		business@xsolla.com
Geographical presence		Worldwide
Year founded		2005
Company's motto		Enjoy the game
Service provider type		
Payments and financial infrastructure		Yes
Cryptocurrency payments solution		Yes
Channels - context		
Online		Yes
POS/In store		No
Omnichannel		No
Payments capabilities		
Hosted pages		Yes: Pay Station Checkout Page
Recurring billing		Yes
Payment methods supported		Yes, 700+ payment methods
Settlement currencies		Yes: 15+
Tokenization		Yes
Pay-out/Disbursements		Yes
Payments orchestration		Yes
Reconciliation and reporting		Yes
B2B payments		Yes
Reporting/dashboards		
Consolidated data and reporting dashboard		Yes
Fraud and risk management capabilities		
Chargeback management		Yes
Fraud ratio PSD2/SCA		0.07%
Fraud and risk management partners		In-house anti-fraud system
Financial and compliance capabilities		
FX - number of currencies available		Yes, 130+ currencies
Client onboarding (KYC/KYB)		Yes



Clients	
Main clients/references	Take Two, Steam, Sega, Roblox Corp., Ubisoft, Krafton, Epic Games, Bigben
Case studies	xsolla.com/portfolio
Awards	The Best Service Provider Award at the Mobile Games Awards
Future developments	Available upon request
Transactions	
Transaction volume	Confidential
Transaction value	Confidential
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**Xsolla**




# LEVEL UP YOUR PAYMENT STRATEGY

Flexible options to embed the industry leading payments platform into your game to provide your player with a streamlined checkout experience.

Contact an expert today  
[\*\*business@xsolla.com\*\*](mailto:business@xsolla.com)

[\*\*xsolla.pro/2022\*\*](https://xsolla.pro/2022)

Company	
Zimpler AB	
	<p>Zimpler offers simpler and more secure transactions without the need for cards. Specialising in account-to-account payments, we are trusted by consumers and merchants across Europe to pay and get paid. With a newly launched rebranding, we are rapidly expanding in key markets, with a mission to simplify payment transactions everywhere.</p>
<p>Website</p> <p>Head office</p> <p>How the payment method works</p> <p>Target market</p> <p>Contact details</p> <p>Operational area</p> <p>Year founded</p> <p>Investors</p> <p>License type</p> <p>Company's motto</p>	<p>www.zimpler.com</p> <p>Döbelnsgatan 12, 113 58 Stockholm, Sweden</p> <p>Merchants and customers can pay and get paid instantly using Zimpler. For customers this is done with 4 simple steps:</p> <ol style="list-style-type: none"> <li>1. Select Zimpler at checkout</li> <li>2. Log in to your bank</li> <li>3. Select the bank account to withdraw money from</li> <li>4. Authorise the payment to complete the transaction.</li> </ol> <p>Merchants: retail, travel, gaming</p> <p>Marketplaces</p> <p>Fintech</p> <p>Reach out to Zimpler through our contact form at <a href="https://www.zimpler.com">www.zimpler.com</a>.</p> <p>Sweden, Finland, Norway, Germany, the Netherlands, Estonia, Latvia, Lithuania</p> <p>2012</p> <p>Nordstjernan Growth, Inbox Capital, CNI</p> <p>Payments Institutions</p> <p>Pay. Get Paid.</p>
Payments Type	
Online banking e-payments/ account-to-account payments	Yes
Channels	
Online	Yes
POS/In-store	No
Omnichannel	No
Services	
Settlement currencies	SEK/NOK/EUR/PEN
Processing currencies	SEK/NOK/EUR/PEN
Currency available for customers	SEK/NOK/EUR/PEN
Implementation requirements	It depends on the merchant and vertical. Zimpler has its own network of corporate banks and entities in the markets it operates.
Automated and instant refund	Yes. Instant refunds are available to the merchants.
Reconciliation	Our merchants have access to Zimpler's back office portal where they can download reconciled transaction data.
Fraud prevention (measures)/Risk management	Yes, we have a dedicated fraud and AML team that performs risk and fraud detection screenings.
Future developments	We will be expanding in new markets this year as well as new market segments. New markets will include full settlement and processing in each respective currency.
Technology	
Integration technology	Cloud-based tech stack utilising PSD2 APIs, and corporate APIs from available banks, to process payins and payouts.
Integration support	A customisable payment flow allows our merchants to stay on-brand throughout the checkout experience.
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# Pay

zimpler

# Get

# Paid

## Don't Miss the Opportunity of Being Part of Large-Scale Payments Industry Overviews

Once a year, The Paypers releases six large-scale industry overviews covering the latest trends, developments, disruptive innovations, and challenges that define the global online/mobile payments, e-invoicing, B2B payments, ecommerce, and web fraud prevention and digital identity space. Industry consultants, policy makers, service providers, merchants from all over the world share their views and expertise on different key topics within the industry. Listings and advertorial options are also part of the guides for the purpose of ensuring effective company exposure at a global level.



Who's Who in Payments  
Report 2022



Financial Crime and Fraud  
Report 2022



Fraud Prevention in  
Ecommerce Report  
2021/2022



Cross-Border Payments  
and Ecommerce Report  
2021-2022

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