PAYMENTS INDUSTRY INTELLIGENCE
Payments
Cards & Mobile

May / June 2023

PCM EXCLUSIVE

Unlocking Open Banking profitability — is VRP the key?

ALSO FEATURED:

FRONTIER PROFITS (P.16-19) + IDENTIFY YOURSELF (P.20-21)

+ IN-DEPTH ANALYSIS OF THE ISSUES THAT MATTER IN PAYMENTS

INTRODUCTION

IT SEEMS THE PAYMENTS YEAR HAS FINALLY TAKEN OFF. AFTER WHAT SEEMED LIKE A VERY QUIET Q1, Q2 HAS KICKED OFF WITH A FRENZY OF ACTIVITY.

It was great to be a part of MPE in Berlin again and even better to bump into so many friendly faces in one of my favourite European cities.

The doom and gloom surrounding the global economy also appears to be lifting, with central banks nervously scratching their heads and having to admit two things. Firstly, that curbing stubbornly high inflation is taking much longer and having unintended consequences they did not foresee; and secondly, that domestic economies have proved far more resilient to the imminent threat of recession than they appeared to be three months ago.

Such macroeconomic reflections to one side, we have another packed edition for you as we head towards the biggest payments show of the year — Money 2020.

To kick off, exclusive Payments Cards & Mobile research for a private client reveals that Open Banking implementations are soaring in some European countries. From the UK to the Nordics and Baltics, we're starting to see solutions in-market and consumer adoption rise. But how can banks turn a profit from Open Banking? Our Managing Editor, James Wood, explores new Open Banking services that could help banks move the needle.

We then turn up the heat on profitability. As cross-border payment volumes grow and technology becomes more sophisticated, we look at high-risk and lower-volume markets to find out what's happening. Is now the time for major international players to get involved in frontier markets?

Finally, corporations and governments are touting the advantages of digital ID to simplify access to digital services — but consumer concerns about privacy are surging. We review Self-sovereign ID (SSI) — in which consumers control access to their identification data — as a possible answer.

For those of you attending Money 2020 I look forward to seeing you at the show, for those of you not attending we will report back to you on our findings in a month or so.

From all at Payments Cards & Mobile we wish you all the best for the New Year.

Alexander Rolfe,

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PAYMENTS INDUSTRY INTELLIGENCE
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MAY/JUNE 2023

Volume 15, Issue 3

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CYBER-SECURITY SPENDING SOLID AS THREATS GROW

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While UK consumers' exposure to cybercrime has reduced over the past year, they experience more at cybercrime losses than any other major market in the world — despite being less susceptible to data compromise. As the EU gears up to introduce one of the most stringent cyber-security regimes anywhere, UK regulators will face the challenge of how to respond — or risk attracting even more crime.

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RISK & COMPLIANCE

AI AND GPT4: BEWARE THE DARK SIDE ...

As we all get increasingly familiar with the pros and cons of cognitive AI it is really important to remember that whilst there are real, applicable use cases, there is also a dark side to the technology.

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ISSUING & ACQUIRING

APPLE SAVINGS NEARS $1 BILLION IN DEPOSITS

According to polling company Gallup's annual "Confidence in Institutions" survey, before then SVB crisis last year only 27 percent of Americans reported to have a "great deal or quite a lot" of confidence in their banks. That number is down from a peak of 60 percent in 1979.

GOOGLE PLAY STORE WIDENS PAYMENT CHOICES AFTER CMA PROBE

The UK Competition and Markets Authority (CMA) says it is consulting on commitments offered by Google which would give app developers the freedom to break away from Google Play's billing system and use alternatives to process in-app payments.

EPI MAKES TWO BIG ACQUISITIONS

The European Payments Initiative (EPI) is in the news for three reasons: first launch of a pilot phase offer, a double acquisition and the addition of four new shareholders.

DOJ WIDENS ANTITRUST PROBE TO INCLUDE MASTERCARD

Mastercard has announced that the US Justice Department (DOJ) is conducting an antitrust investigation of its US debit program and competition with other payment networks.

PAGES 26-27
MOBILE PAYMENTS

DIGITAL & ALTERNATIVE PAYMENT TRENDS WORLDWIDE

Fabrick and its subsidiary Axerve have released a new whitepaper, "Alternative payment solutions: how they are changing the payment scene". The paper explores the ways in which alternative payments are revolutionising traditional banking.

GSMA: THE STATE OF MOBILE MONEY

Mobile money is now considered a main-stream financial service in many countries. During the COVID-19 pandemic, mobile money enabled millions of people in low- and middle income countries (LMICs) to access digital financial services (DFS) for their daily needs.

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CONTACTLESS

US BANKS LAUNCH M-WALLET OFFENSIVE

Wells Fargo, JPMorgan, Bank of America and several other large US banks are set to launch a mobile wallet later this year linked to debit and credit cards.

CARD BASED E-COMMERCE HITS RECORD

E-commerce card purchases continue to gain momentum as pandemic-driven habits remain popular and e-commerce card payments have become increasingly convenient, secure and widely available.

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PRODUCTS & CONTRACTS

CRÉDIT AGRICOLE AND WORLDLINE IN MAJOR MERCHANT PLAY

Worldline and Crédit Agricole have announced the signing of a non-binding exclusive agreement regarding a strategic partnership to create a major player in the French merchant services payment market.

RS2 AND LANDSBANKINN: MERCHANT ACQUIRING IN ICELAND

RS2 says that Iceland's most innovative bank, Landsbankinn, has launched its own merchant acquiring services using RS2's payments processing platform.

JCB AND FISERV TO ACCESS EUROPEAN MERCHANTS

JCB International says that merchants in multiple European markets will be able to accept JCB Cards, both at the physical point of sale and for e-commerce transactions with participating merchant clients of Fiserv.

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EVENTS

MONEY 20/20 EUROPE

7-9 June, Amsterdam
Europe.money2020.com

PAYMENTS INNOVATION SUMMIT

8 June, Mumbai
indiapaymentssummit.com

OPEN BANKING CANADA

15 June, Toronto
www.openbankingexpo.com/canada

FUTURE IDENTITY FINANCE

20 June, New York
www.thefutureidentity.com/events/future-identity-finance-north-america

PAYMENT LEADERS SUMMIT USA

20-21 June, Washington DC
Payments Leaders' Summit (payexpo.com)

MONEYLIVE NORTH AMERICA

26-27 June, Chicago
www.marketforcelive.com/money-live

SEAMLESS ASIA

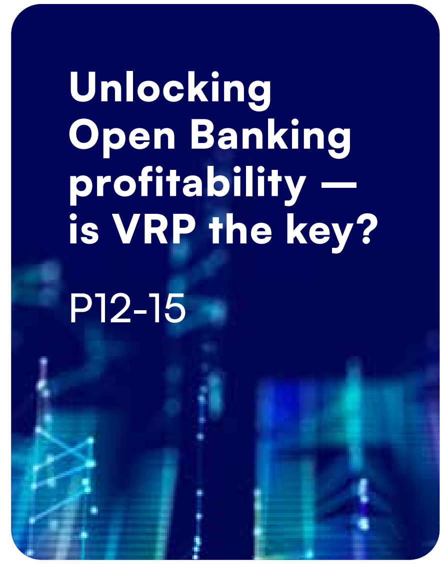
27-28 June, Singapore
THE FUTURE OF PAYMENTS, BANKING & COMMERCE IN ASIA | Seamless Asia | 27 - 28 June 2023 (terrapinn.com)

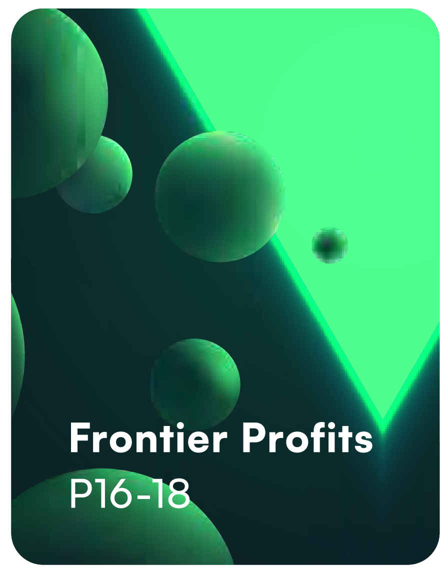
FRAUD LEADERS SUMMIT

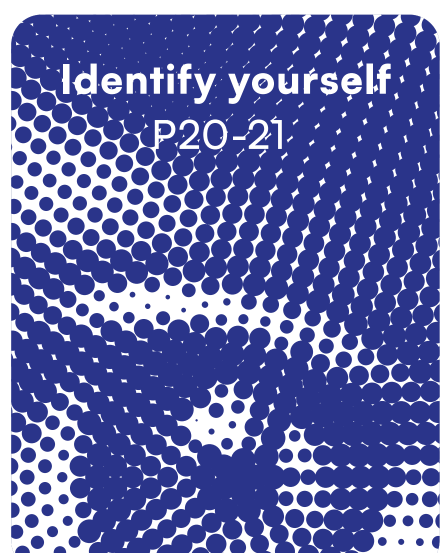
5 July, London
Payments Leaders' Summit (payexpo.com)

DIGITAL TRANSFORMATION IN BANKING SUMMIT(APAC)

11 August, Singapore
Wwww.kinfos.events/dxb/







HOW FRAUDSTERS USE WORDS TO DUPE SHOPPERS

With more than a third of online shoppers (35 percent) having been a target of fraud over the past year and more than 100,000 consumers in the UK alone falling victim to fraud since 2020, educating consumers about how to recognise fraud is an important part of fraud defence. Better-educated consumers keep themselves safe — and act as an effective first line of defence against criminal activity.

Working in partnership with the Aston Institute for Forensic Linguistics, Visa has analysed the language used in 155 “phishing” and “smishing”(phishing via SMS text message) scams to identify the terms criminals most often use — and how they use them. This analysis, supported by consumer research into how shoppers view fraud, has yielded some conclusions of interest to payments players looking to help their customers avoid being scammed:

The young are more prone to being scammed: While just one in six (16 percent) consumers trusted a fraudulent message as legitimate, this rose to one in four (25 percent) of 18- to 35-year-olds. This is a surprising finding given the commonly-held view that the elderly are more likely to be the victims of scamming. E-mail is the most common platform for fraudulent messaging, with almost four in five scams using this method, followed by text messages and phone calls.

Click here to access your account information: words and phrases most commonly used by fraudsters will attempt to harvest consumer personal information and payment details by inviting them to log in to a fraudulent portal. It’s therefore unsurprising that phrases such as “account information”, “billing information”, and “click here” come near the top of the list of phrases most commonly used in scams; inducements will also be offered, and as a result phrases like “gift card”, “winning prize” and more are also used.

Watch out for urgent action: the analysis from Visa and the Aston Institute shows that scams will most frequently attempt to convince consumers that “urgent action is required”, “act now”, and other phrases designed to induce a sense of urgency or take action. Prizes and the resolution of problems are also popular choices for criminals.

Trust us - we can solve your problem: Fraudulent messages most commonly seek to present consumers with a solution (87 percent) to a problem (72 percent) consumers face, stating that consumers have to click on a link and surrender their personal information to solve the problem. Linguists from the Aston Institute say the most common approach is to establish credibility and trust, seen in two-thirds (65 percent) of the fraudulent messages analysed, and tell consumers that the situation is urgent (25 percent of all messages analysed.

Spotting fraud: their use of language is criminal

The Visa “fraudulese” study says that poor grammar, spelling and typography are major signs of attempted fraud, as are any mis-matches between the alleged sender of an email (such as a government institution or bank) and the URL address to which a consumer is redirected. Messages that do not use specific information pertinent to the consumer are also far more likely.

"As payment systems become ever more secure, fraudsters will adapt their activities to find new ways to defraud unsuspecting consumers. While there are some obvious and not-so-obvious warning signs, it can be increasingly difficult for people to spot the fraudulent scams from legitimate communications,” notes David Capezza, Visa Europe’s head of ecosystem risk. "The Fraudulese reports shows that nearly 3 in 4 consumers are potentially susceptible to scams. So while Visa is constantly innovating, partnering, investing and harnessing our global network and scale to ensure that each and every transaction is protected by the most advanced security products and services, it is also crucially important that consumers are informed and know what to look out for so that they can help protect themselves too.”

CYBER-SECURITY SPENDING SOLID AS THREATS GROW

As the number of threats to corporate security grow, company treasurers intend to devote the same or more resources to defending their digital systems and estate — their websites, apps and other assets. Working from home, the use of crypto-currencies and even the advent of Central Bank Digital Currencies (CBDCs) in the next few years are all seen as having added to the threat burden faced by corporates.

A survey of the world’s leading companies from Bottomline Technologies and Strategic Treasurer says 73 percent of banks and corporates were hit by fraud last year — and that more than half (53 percent) are bolstering their defences as a result. The top fraud attempts on businesses come from business email compromise (BEC) and social engineering. This year, respondents indicated that payment diversions also contributed to fraud attempts.

A significant portion of respondents indicated that the reliance on remote work increased their risk of fraud, and partly as a result, one in three firms (30 percent) intend to spend more on fraud prevention, detection and controls than in previous years. In terms of new threats, a separate study from anti-money laundering start-up First AML reveals that seven in ten are concerned that crypto-currency payments could be fraudulent — while less than half of companies feel prepared to face this threat. Similar concerns were also expressed about the use of CBDCs, especially in a consumer context. Taken together, these studies suggest that the right approach to the introduction of CBDCs is to use them as a wholesale banking instrument first, then focus on their consumer use in a second phase — as the UK plans to do, in contrast to Europe’s plan to pilot consumer use in limited geographies in a first phase.

HOW COST-OF-LIVING CRISIS HAS HIT UK CARD SPENDING

The cost-of-living crisis in the UK has hit consumers hard, with a majority saying they expect their financial situation to worsen over the next twelve months, and the number of those saying they are in financial difficulty rising. Meanwhile, consumer use of Buy-Now-Pay-Later (BNPL) products continues to rise, despite use of these instruments now being included in consumer credit reports.

1 in 7 UK cardholders in trouble

Around 16 percent of cardholders surveyed by Auremmia Research believe their financial health is poor —up from 11 percent a year ago. More worryingly, nearly half (45 percent) of cardholders describe their financial health as poor or fair. This is driven largely by those who hold long-term debt on their credit cards, known as "revolvers", and those under 45.

"Four in five UK cardholders say they will cut spending for the rest of 2023."

UK cardholders are also becoming increasingly polarised about how their financial health will change over the next 6 months. 42 percent believe their financial health will worsen (vs. 37 percent this time last year, while 33 percent believe it will improve. Older cardholders are more likely to expect their financial situation to worsen, while younger cardholders are more likely to expect it will improve. Auremmia say that such pessimistic outlooks are likely a direct consequence of lower consumer confidence, driven by the rising cost of living, economic and political instability and fears of a recession.

In response to the rising cost of living, no less than four in five (78 percent) of UK cardholders say they will cut back their spending — a figure that's risen 11 percent in a year. Across the UK, this has already begun to effect shopping, holidays and going out. While 57 percent of cardholders expect to reduce outstanding balances, 43 pecent expect to remain in debt and 29 percent expect to borrow more, up from 20 pecent a year ago. Among those borrowing more to afford necessities, fewer are turning to their existing credit cards in wallet than last year, opting instead to overextend their debit lines or overdrafts given the lower rates of interest on those products compared to credit cards.

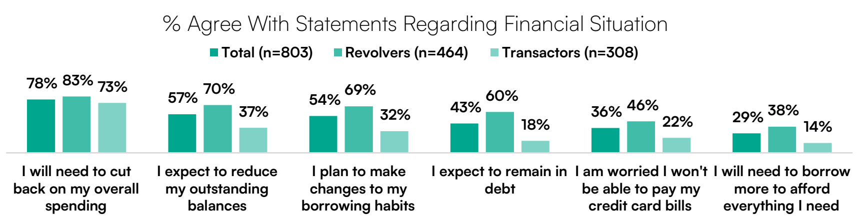
BNPL gains ground

In the midst of these credit difficulties, many consumers are turning to BNPL products to help them finance their lifestyles. Following explosive growth in the popularity of BNPL, the UK Financial Conduct Authority (FCA) introduced guidelines in 2022 which effectively brought BNPL into line with other credit products in terms of their inclusion in assessments of a consumer's overall financial health and creditworthiness.

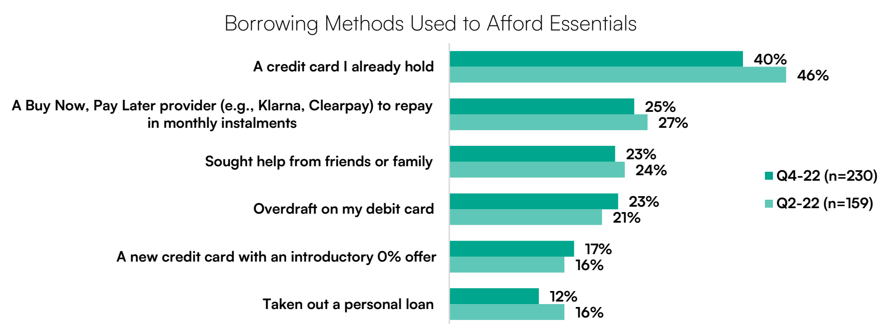
Despite now being included in consumer credit reports, the average Brit's enthusiasm for BNPL remains undimmed. New data from TransUnion reveals that almost four in ten Brits (38%) used a BNPL product to finance purchases of up to £500 in total last year, with much of this purchasing in the retail and clothing sectors.

PCM Says: *As these figures show, consumer appetite for BNPL has not decreased despite the inclusion of BNPL debts on credit reports - though how many consumers are really aware of this change is an open question. Of greater concern is that, despite more than a year of rising interest rates and stagnant wages, some consumers are choosing to add to their debt load rather than cutting spending. The FCA should be communicating better on their (correct) decision that BNPL is just another form of credit, and that purchases on BNPL may be different to credit cards, but they are still borrowing - whatever form of credit they choose.*

UK consumers cut spending and borrow more...



...and pay for borrowing with debt lines and credit cards.



CREDITS = AUREMMIA RESEARCH

US CONSUMERS LOVE DIGITAL BANKS … EU STALLS?

Consumers in the US are following their counterparts in Europe and turning away from branch banking after a slow start. Meanwhile Europeans, who have been more advanced in their digital journey, now appear to be hitting a plateau with almost one in three EU consumers saying they still prefer to pay with cash.

While two-thirds of Americans, or some 220 million people, are projected to hold digital bank accounts by 2030, there has been much discussion about how far those accounts are used compared to traditional, in-person branch banking. The phenomenon of "digital ghost" accounts is familiar in Europe, with Revolut's chief executive claiming that "UK consumers don't like us for some reason" in an interview with The Times of London in early May 2023. In brief, the impression has been that consumers will sign up for digital services — but end up using their traditional bricks and mortar bank.

US digital appetite confirmed

New work from NetBaseQuid confirms that US consumers are now showing real appetite for digital banking and payment services. While almost one in three Americans now use digital banking exclusively, the popularity of app-based services for those using both digital and physical banking is growing fast. NetBase's research says that the most popular apps are budgeting and tracking tools (used by 91 percent of digital banking customers), followed by peer-to-peer payments (90 percent), ATM locators (76 percent) and transferring funds between accounts (74 percent).

Europe: the end of the affair?

If the US, which was slower to digital, is finally waking up to its potential, then further signs of saturation are appearing in the more advanced European market. In the UK, research from Accenture suggests just one in ten consumers currently use their digital bank account as their main account- barely a quarter of all account holders. What's more, one in three UK account holders still prefer to do their banking in person, rising to almost half (44 percent) of those over 55.

PCM SAYS: Don't bank on a fully digital future. *Amidst the hype of recent years, the reality of consumer intransigence is making itself felt. While the US may be waking up to the power of digital, the more advanced markets of Europe are now seeing its downside, not least in terms of privacy concerns and what happens in the event of a technical system failure. Most recently, the UK has joined Norway and Sweden in guaranteeing the right to access cash, while Swiss citizens look set to reject a move to all-digital payments in an upcoming referendum. As our own research and other sources have confirmed, consumers are far from ready to take the leap from mixed payment methods to all-digital — and PSPs and banks should be planning for an "omnichannel" future, rather than pure digital.*

US consumers love digital services

	Mobile Check Deposit	Statements & Account..	Transfer Funds Between...	Mobile Bill Pay	Peer to Peer Payment	ATM Locator	Cardless ATM Withdrawal	Budgeting & Tracking Tools
Digital Banking	21	50	74	5	90	76	20	91

-100 0 100

CREDIT = NETBASE QUID

COVID CLOBBERED EUROPE'S SMES: PAYMENTS KEY TO RECOVERY

When so many surveys land in an Editor's inbox, it can be hard to make sense of them all.

Yet a slew of recent data about SMEs — some of it apparently contradictory — in fact tells a clear story of the pain Europe's SMEs suffered during COVID — and how they are looking to faster, lower-cost and safer payments technologies to relieve this pain.

First, the bad news. A new survey from Bibby Financial Services claims UK SMEs are facing bad debts of around £16,600 on average, a figure that's jumped by more than 60 percent over the last year. Fully six in ten of the UK's SMEs say their customers are behind on payments, while almost one in three say late payments and bad debt are causing them to struggle.

To help fight late payments — and speed up settlement — more SMEs are turning to digital channels for sales and distribution. To some extent, this development is part of the global shift to digital — but it's also clear that there's a strategic shift by SMEs into digital for the lower costs and potential for wider distribution it offers. According to a recent study by Mollie, SMEs grew their e-commerce revenues by more than a quarter in the year after the pandemic, with all the SMEs they surveyed saying they expected their growth to stay at this level — or climb higher — in digital channels looking out to 2025.

PCM SAYS: Help SMEs deliver
Now that Open Banking and the shift to digital are making it possible for PSPs and banks to combine forces and deliver truly compelling propositions for smaller businesses, it would be foolish to ignore the segment's needs. New research by Ernst & Young and Mambu suggests small firms want help with developing a great user experience, and a wider range of services available from their bank or payments platform. The divide between what's on offer to major companies and the scraps given to SMEs has been going on for too long — it's time for banks to act, or face the consequences.

UK CYBERSECURITY IMPROVES: BUT STILL HIGH RISK

While UK consumers' exposure to cybercrime has reduced over the past year, they experience more at cybercrime losses than any other major market in the world — despite being less susceptible to data compromise. As the EU gears up to introduce one of the most stringent cyber-security regimes anywhere, UK regulators will face the challenge of how to respond — or risk attracting even more crime.

Fight them on the breaches

A new survey from secure VPM provider Surfshark shows that — outside Russia, in which 8 out of 10 consumers suffer cybersecurity compromises — French consumers are the most likely to have their details stolen or compromised, with 3 in 10 consumers suffering compromises. When it comes to loss events, however, UK consumers have the highest density of cybercrime events, with 841 loss events per 1 million internet users. Surfshark report that UK loss events were cut by 9 percent over the last year, one of the fastest reductions in the world — yet remain higher than those seen in any other major market.

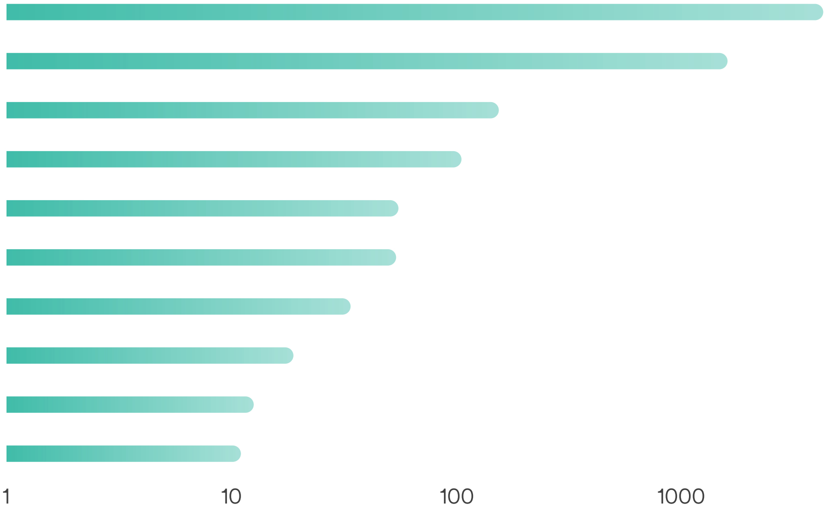
It will be argued that 841 losses per million, expressed as a percentage, amounts to a loss ratio below 0.084 percent - and yet this is still higher than in other leading markets such as the US, which saw an 8 percent increase in cyber losses, Canada and Australia. One could further argue that the markets most frequently affected by losses in the Surfshark study are among the richest in the world, and that criminals don't bother trying to defraud those who live in poorer countries. Acknowledging these important details, the fact remains that losses from cyber-crime in the UK remain far ahead those experienced in peer markets such as France and Germany.

"Losses from cyber-crime in the UK remain ahead of peers like France and Germany."

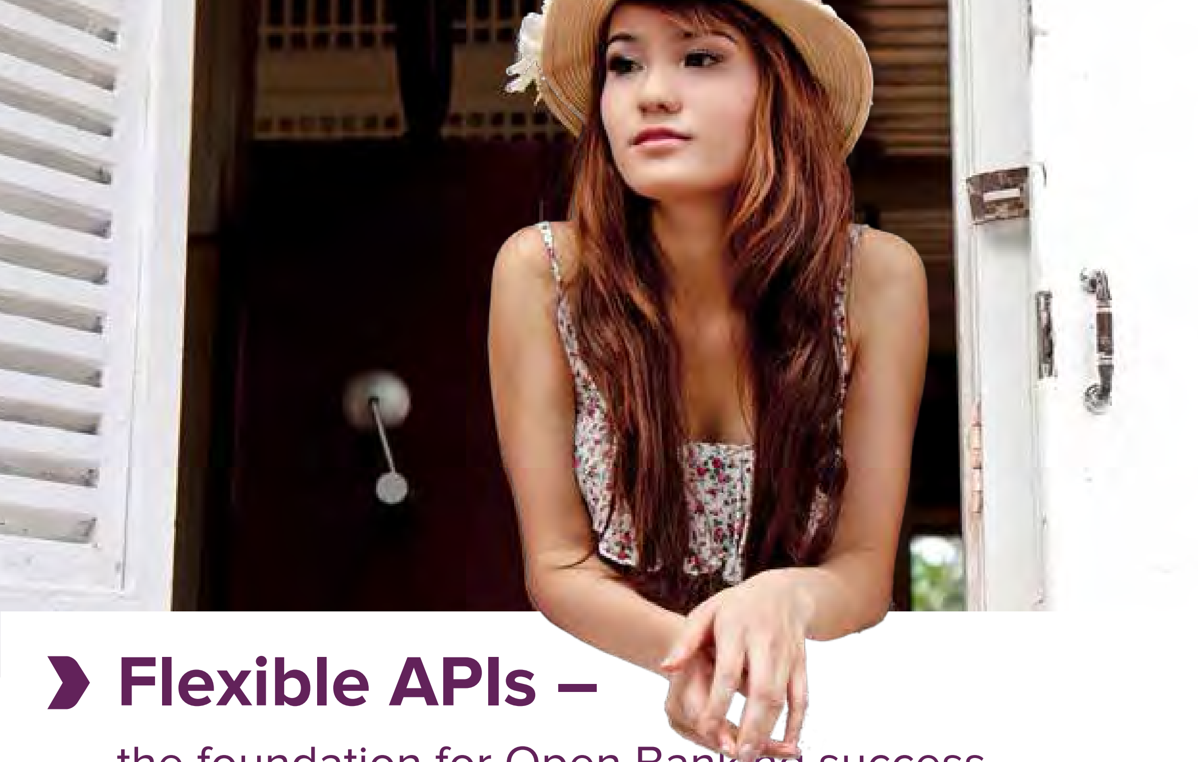
PCM SAYS: *While there are good reasons to query the methodology behind Surfshark's study, the general thrust of their findings — that more UK consumers suffer cybercrime than in other European markets — should cause concern in Whitehall. That's even more the case when one considers that in 18 months time the EU will begin to roll out its Digital Operational Resilience Act (DORA), designed to strengthen the resilience of the bloc's financial institutions at a systemic level. Given that the EU's roll-outs are notoriously uneven and long-winded, there's still time for the UK to get its act together. But failure to do so will see even more cybercrime come the way of the UK — just as fraud migrated to the US 20 years ago when it tarried on the implementation of chip and PIN technologies...*

The UK: less compromised, more defrauded than its peers

Rank by cybercrime in 2022		▲▼ Cyber victim density 2022 vs. 2021	Victims/1M internet users 2022
01	U.K.	▼ 9%	4,371
02	U.S.	▲ 8%	1,612
03	Canada	▼ 11%	156
04	Australia	▲ 5%	106
05	South Africa	▲ 8%	56
06	Greece	▼ 25%	54
07	France	▲ 5%	34
08	Germany	▲ 5%	19
09	Mexico	▼ 18%	13
10	Spain	▼ 15%	11



CREDIT = Surfshark



Flexible APIs –

the foundation for Open Banking success

The Open Banking revolution is forging a new era in choice, convenience and security for consumers around the world.

From instant payments to credit scoring, Open Banking products are multiplying and the opportunities for banks and fintechs are soaring. Polaris Market Research estimate that the Open Banking services market was worth $16.14 billion at the end of 2022, and project year-on-year growth of 26.8% out to 2030 to reach $1.34 trillion by the end of the decade.

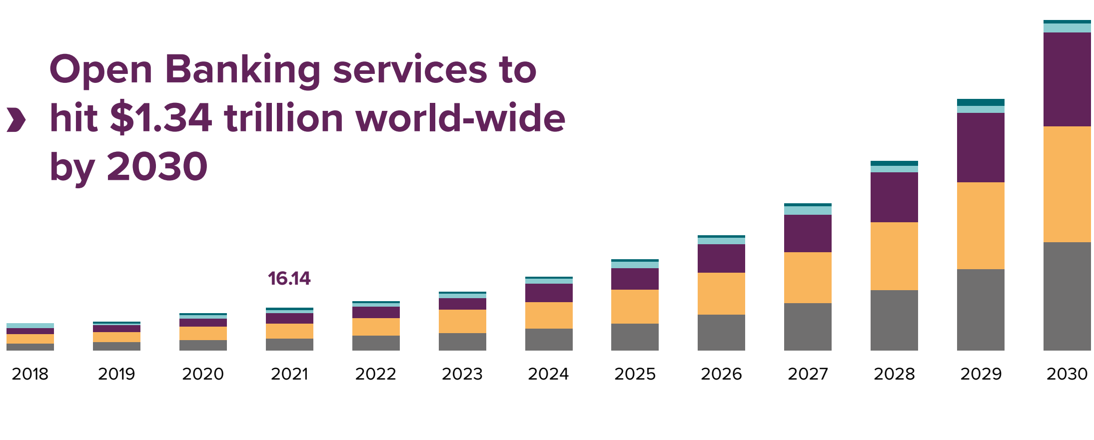
In a new report, global banking and payments services provider BPC explains why open, flexible approaches to API management are fundamental for success as more national governments, banks and service providers shift to Open Banking.

Why Open APIs matter

Open application programming interfaces, or Open APIs, are fundamental to Open Banking success. Open APIs are sets of software code made available to third-party providers (TPPs) to facilitate interaction between a bank, its customers and third parties. They enable banks to provide third-party services to their customers, from insurance and payments through to personal financial management (PFM) tools.

For instance, such Open API infrastructures enable acquirers to make faster payments at lower cost to banks and consumers. They also allow merchants to receive funds within seconds via IBAN payments, improving day-to-day cashflow compared to traditional card payments which can take days to clear and settle. Specific use cases for Open API range from payouts made by gaming companies through to the collection of variable direct debits by clubs, societies and charitable organisations.

Open Banking services to hit $1.34 trillion world-wide by 2030



Flexible API management **is everything**

BPC's new report, Why Open Banking needs flexible API connectivity outlines the different Open API strategies adopted by a range of countries and regions.

Some markets, including Poland, the UK and Ireland and Germany (via The Berlin Group) have created national or regional API standards, while other markets have no single standard, meaning that banks need to create single integrations between their systems and third parties. This situation creates significant variations in API templates, with variations between both national standards like PolishAPI and NextGen PSD2 and individual bank integrations.

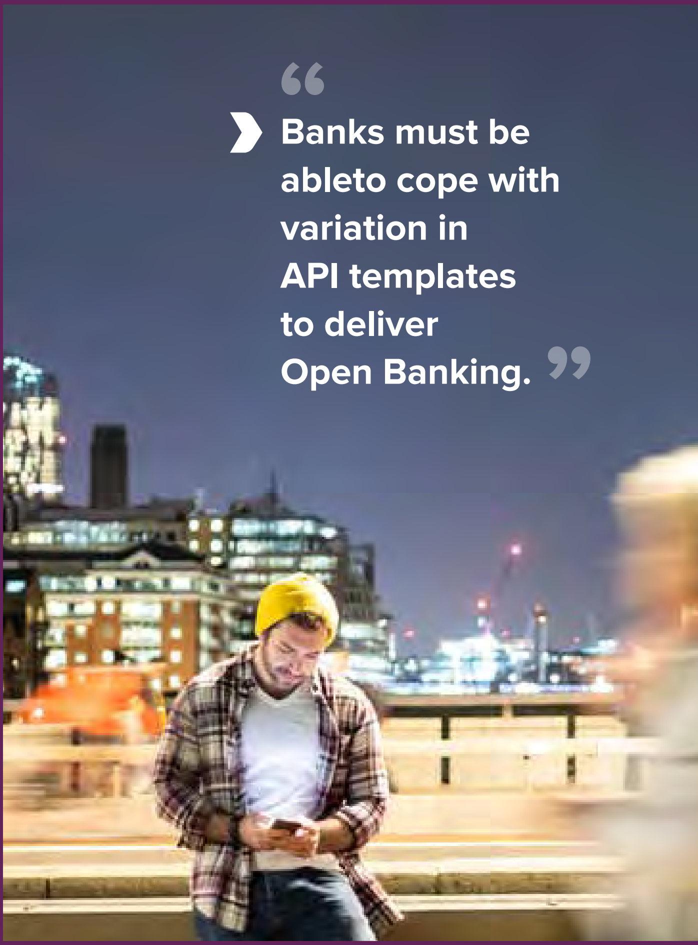
To be successful, Central Banks, fintechs and financial institutions need to be able to cope with these variations. The new report from BPC outlines two strategies that can be used to ensure successful API management:

"Many to many" networks

The first option is to build a "many to many" network of modern and safe APIs between banks and TPPs, including other financial institutions, telecommunications and utilities companies and retailers. These open APIs are used to create a range of digital services such as balance inquiries, money transfers and bill payments from within the applications they use.

"Many to one", or National Switching:

Markets such as Denmark, the UK and others use this approach, in which Central Banks create a single platform and set of centralised open APIs for adaptation to specific use cases. Such centralised networks enable all bank customers and third parties in that market to send funds to each other in real time, 24/7 and with very low risk, permitting services such as account to account payments (A2A) for consumers and businesses, as well as Variable Recurring Payments, Request to Pay and more.



Building Open Banking with BPC

BPC's SmartVista system and other solutions are tailored to manage complexity and deliver Open Banking services in both the "many to many" and "many to one" scenarios outlined above. With a footprint spanning over 100 countries BPC enables real life transactions with its banking - payments - commerce platform. Headquartered in Switzerland, BPC serves customers across Europe, the Americas, the Middle East and Africa as well as Asia. Central banks, commercial (neo)banks, issuers, acquirers, PSPs, transport operators and governments rely on our SmartVista Platform to connect the dots and turn payments and data assets into full end to end transactions. BPC enables people to transact through life by bridging real life to digital.

To unlock the future of digital finance with flexible API management and Open Banking download the report ›

Unlocking Open Banking profitability — is VRP the key?

by JAMES WOOD

Open Banking services are taking off world-wide. But questions remain about how some players — especially banks — can make money out of this new era. As Variable Recurring Payments (VRP) come on stream this year, we can expect Open Banking to accelerate.

VARIABLE RECURRING PAYMENTS

Exclusive PCM research for a private client reveals that Open Banking implementations are soaring in some European countries. From the UK to the Nordics and Baltics, we're starting to see solutions in-market and consumer adoption rise. As we'll see, though, this take-up is far from uniform across the continent.

On the other side of the world, China is perhaps the world's leading Open Banking market, with government-backed digital ID enabling the secure and rapid development of everything from credit-scoring and micro-lending as Open Banking services. Elsewhere, the United States has begun to see some regulatory movement, with the Consumer Financial Protection Bureau (CFPB) set to bring forward guidance on Open Banking later this year.

Show me the money

For all this promise, questions about how fast Open Banking is being implemented — and how to make money out of Open Banking — remain. That's especially the case for banks: after all, the first Open Banking mandate in Western Europe was created by the UK's Competition and Markets Authority (CMA) to force banks to share their data and customer channels with other players. In brief, what's in Open Banking for banks themselves? And how can banks take advantage of Open Banking to enhance their profitability?

"Banks may have fended off new entrants with instant payments, but as yet they've not developed new revenue streams through Open Banking."

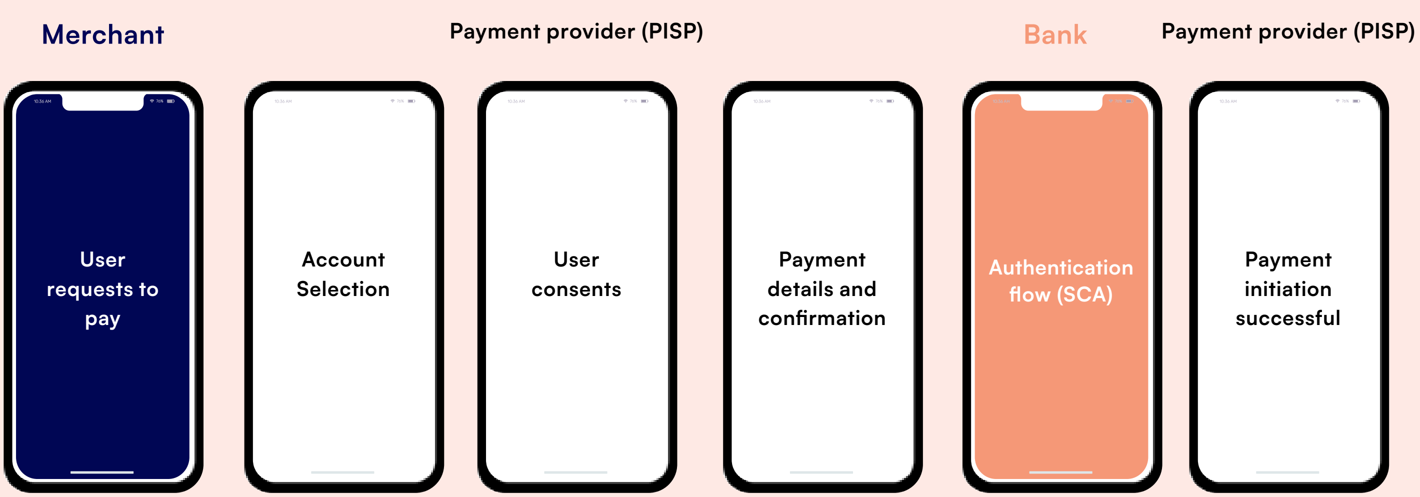
The business case for fintechs providing innovative services is clear enough: ink a deal with an established retail bank to integrate your service to their retail banking app or portal, and as long as the service is good enough, you should see the revenues roll in. For banks, the case is less clear. Take Instant Payments — while banks in the UK, Nordics, Baltics and Netherlands all now offer instant payments, they've been able to do this thanks to system-wide initiatives or collaborations such as iDEAL in the Netherlands or Faster Payments in the UK. Furthermore, systems like Vipps in Norway, Swish in Sweden and others have been effective in fending off competition from Non-Bank Financial Services players like Zimpler and Trustly that offer account-to-account payments. If banks have so far protected their positions, then they have not — as yet — actually developed too many meaningful or ground-breaking propositions related to Open Banking.

Your speed may vary

All that might be about to change, however, with the introduction of Variable Recurring Payments (VRP) over the next eighteen months. VRPs permit consumers to authorise third parties to initiate payments from their bank account on an ongoing basis. Under the provisions of PSD2, Payment Initiation Service Providers (PISPs) can initiate payments from a customer's bank account on their behalf. This effectively opens up an entirely new payment distinct from traditional card schemes and acquirers, with money flowing from a customer's account to a recipient in a process known as a Single Immediate Payment, or SIP.

The particular significance of SIPs — and all VRP payments — is that there's no need to seek repeated consumer authentication or permission to enable the payment. That's also the case with

Single Immediate Payment

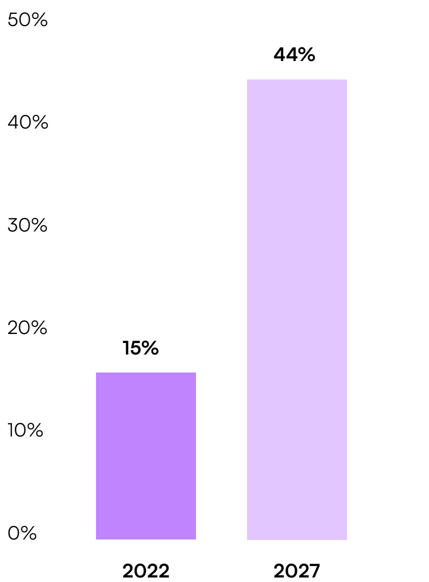


CREDIT = Tink

Will the UK's Open Banking explosion be powered by VRPs?

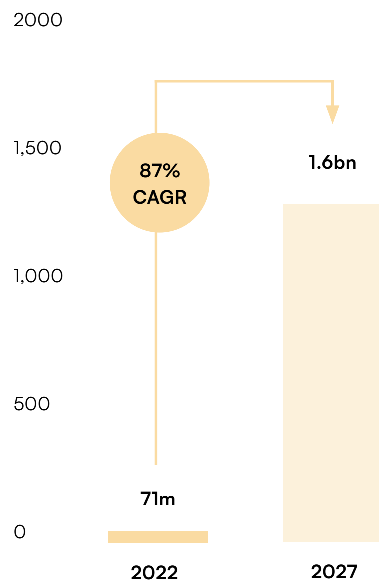
UK open banking adoption

Percent of online adults, AIS and PIS combined



UK open banking payment volumes

Millions



CREDIT = TOKEN/FORRESTER RESEARCH

other forms of VRP such as "sweeping" payments, in which (for instance) any money left in a current account at the end of a period could be "swept" automatically into a savings or investment product with a third-party provider. VRPs also enable any organisation using subscription or repeat payments of any kind, from charities to sports clubs and more, to take payment directly from a consumer's account. By using a VRP, payees avoid interchange fees, benefit from vastly improved settlement times and faster flow of funds. Zion Market Research put this market at £6 billion in the UK alone this year, and estimate that three-quarters of consumers currently pay for subscription services that could become VRPs.

"Zion Market Research estimate that three-quarters of consumers are paying subscriptions that could become VRPs."

The UK blazes a VRP trail

As the first market in Western Europe to kick off Open Banking back in 2016, the UK has been one of its most enthusiastic adopters. Despite this enthusiasm, just 15 percent of UK consumers had used an Open Banking service by the end of 2022, according to Forrester Research — and there were a mere 71 million Open Banking payments out of a total of 20 billion payments overall last year. However, Forrester expect the number of consumers using Open Banking services to almost treble over the next five years — and see the volume of Open Banking payments as rising by 87 percent year-on-year to hit 1.6 billion payments or almost one in ten of all electronic payments by 2027.

"Use of Open Banking in the UK will treble by 2027 — powered by VRPs"

As things stand, consumers are using Open Banking payments to pay down debts (for instance, with Buy-Now-Pay-Later providers, credit cards and more), to initiate e-commerce payments, pay their tax bills or fund digital wallets. These services have fostered growth to date in Open Banking. In mid-2022, however, the CMA mandated banks to enable the first form of VRPs — the "sweeping" payments described above which permit consumers to move money between their accounts with different providers instantaneously and without permissioning the transaction. As a result, all major UK banks now offer APIs that allow third parties to integrate "sweeping" services for their customers.

Looking ahead, it's likely that further commercial use cases will fuel growth in VRPs in the UK and elsewhere. Specifically, consumers will be able to use VRPs to fulfil a range of cases which are currently dealt with by card payments — and they'll be able to do so without using passwords, usernames and repeated permissions or authentications. From the merchant's point of view, the attractions are immediate settlement — and the ability to bypass acquirer fees and/or interchange. Take e-commerce, for instance: rather than hold a card on file, consumers will be able to permit one-click payments to a marketplace or online retailer direct from their bank accounts. Likewise, utility bills, charitable donations and mobile phone top-ups can all be executed with a single click directly from the consumer's bank account.

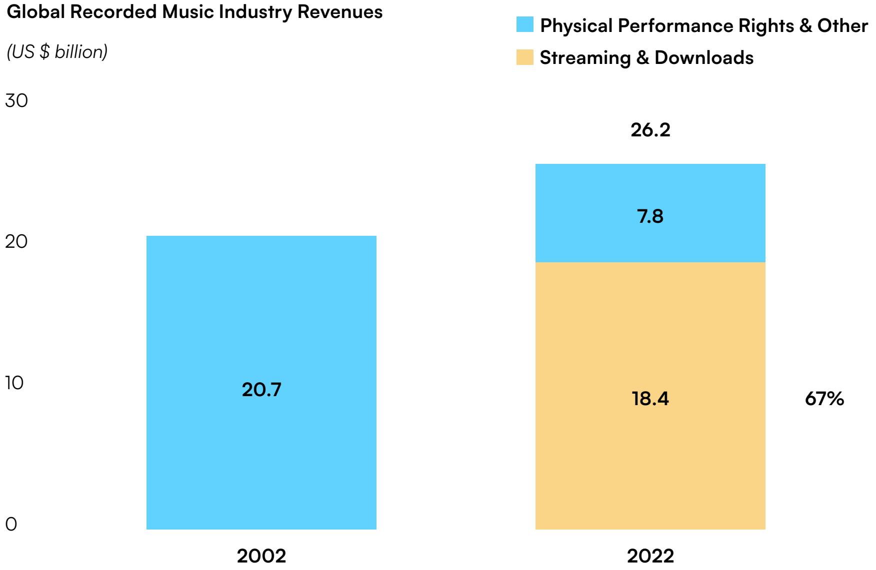
What happens next

VRPs may be about to set UK Open Banking alight — but there are hurdles to overcome. For instance, VRPs will enable the potential for much higher e-commerce payments direct from account compared to existing PSD2/SCA guidelines. Keeping these payments safe means having better transaction risk indicators and warnings in place — as well as more consistent payment status and error messaging, so that any failed or at-risk payments are identified and managed quickly and effectively. Finally, banks are going to have to work on their user experience to make sure consumers know how to set up a VRP — and what setting a variable amount to be paid monthly or quarterly means for their finances.

"APIs are going to have to handle richer transaction and account information, including digital ID."

For banks and regulators in the UK and across Europe, one implication is that APIs are going to have to be able to provide richer transction and account information, include digital ID information

How tech changes made music sweeter



CREDIT = TOKEN/IFPI GLOBAL MUSIC REPORT 2023

for all parties to a transaction, and be capable of managing a broader range of data sets for things like investment or life insurance as Open Banking transitions to Open Finance. In essence, this means shifting Open APIs from something mandated by regulators to powerful, competitive instruments that enable the transfer of relevant information between organisations with limited or zero friction. The introduction of VRPs in the UK also poses two wider challenges for the payments business. The first challenge applies more to some of the UK's peers in Europe than to Great Britain itself: namely, the fact that some laggard markets are beginning to fall further behind their more advanced peers, and must do more to modernise their banking systems. The second challenge, more relevant to VRPs, is the question of why a bank would want to cannibalise its own revenue streams by offering VRPs — outside any regulatory compulsion to do so.

Charles Damen, Chief Product Officer at Open Banking payments platform Token, believes the answer to this question lies in an analogy with the music industry. "If you look at the music business, 20 years ago it derived 100 percent of its revenue from physical performance and physical music formats", he says. "Last year, 67 percent of its revenues come from digital streaming — and revenues across the music business are at record levels."

In other words, change doesn't have to mean threat — it can also mean opportunity. The music industry has effectively transformed its revenue model to reflect changes in the way people enjoy music. In the same way, banks must now look to shift their revenue model away from interchange and payment fees to a model — perhaps based on the commissions employed by the investment and insurance industries — that recognises the huge changes in consumer behaviour we're going to see in the near future.

Open Banking across Europe

As this article makes clear, a divide is opening up in Europe between technologically sophisticated markets in the Nordics, Baltics, the Netherlands and the UK, and other markets on the continent which are lagging behind. With some sources estimating Open Banking could add as much as three percent to a country's GDP, some markets should be treating the provisions of PSD2 as an opportunity to be grasped, yet are not doing so.

Round-up of progress in selected European markets

In **Germany**, the Berlin Group — a consortium of more than 35 banks from across the continent — has agreed the implementation of an Open API standard, NextGenPSD2. The Berlin Group is now moving on to

In **Sweden**, merchant payments platform Avarda has worked with Aiia, a Mastercard company, on the development of a payment solution that includes account-to-account payments for consumers plus a real-time balance indicator. This means payments can be made without login to the user's bank or passwords following successful login to their site. This solution has now been rolled out across the Nordics.

In **Finland**, Paytrail has been delivering Open Banking powered payments at e-commerce checkout since 2019. Powered by Aiia's Open Banking platform, Paytrail enables e-commerce for more than 20,000 merchants and online shoppers, providing greater choice with new payment options and providing a more hassle-free online checkout experience.

Latvia's Nordigen was acquired by GoCardless in mid-2022. By incorporating Nordigen's next-generation Open Banking connectivity, which covers more than 2,400 banks in 31 countries, GoCardless expects to significantly increase the speed of rollout for its open banking-powered offerings, including Variable Recurring Payments in the UK and PayTo in Australia.

"In Europe, sophisticated markets like the UK, Nordics, Baltics and Netherlands are pushing ahead, while others lag behind."

Despite these successes, other markets such as Portugal and Italy have yet to agree national open API standards and, in the case of Portugal, currently have no domestic open banking services operational. Looking at moves in the Nordics, Netherlands and UK towards Open Banking 2.0 and VRP services, such markets would be wise to get things moving quickly.

Frontier Profits

by JAMES WOOD

As cross-border payment volumes grow and technology becomes more sophisticated, we look at high-risk and lower-volume markets to find out what's happening. Is now the time for major international players to get involved?

Wild frontiers. Brave new worlds. While it all sounds very inspiring, it's important — and revealing — to define what we mean by a "frontier", or, "high-risk", market. When it comes to payments, fast growth and high risk don't always go together. For instance, the Law Society of England and Wales includes markets such as the UAE, Turkey and the Cayman Islands on its list of countries that are at high risk of money laundering payments — despite all three of these having solid rule of law and developed financial infrastructures.

At the other end of the scale, there are markets that might be considered as "emerging", or, "fast growth" — only to reveal some aspects of growth, and therefore profit — that might seem disappointing to international players looking to invest. Take Pakistan: on the face of it, it presents as a classic high-growth market, with cash-based transactions down 6.4 percent last year and a new instant payments architecture, Raast, introduced by the State Bank of Pakistan in 2022. Scratch the surface, though, and other, more underwhelming facts appear, such as the fact that Pakistani e-commerce declined in volume last year. Furthermore, while e-banking is rising fast, it's still very much in its infancy, with only around 11 percent of the country's population banking online.

High risk — and high reward

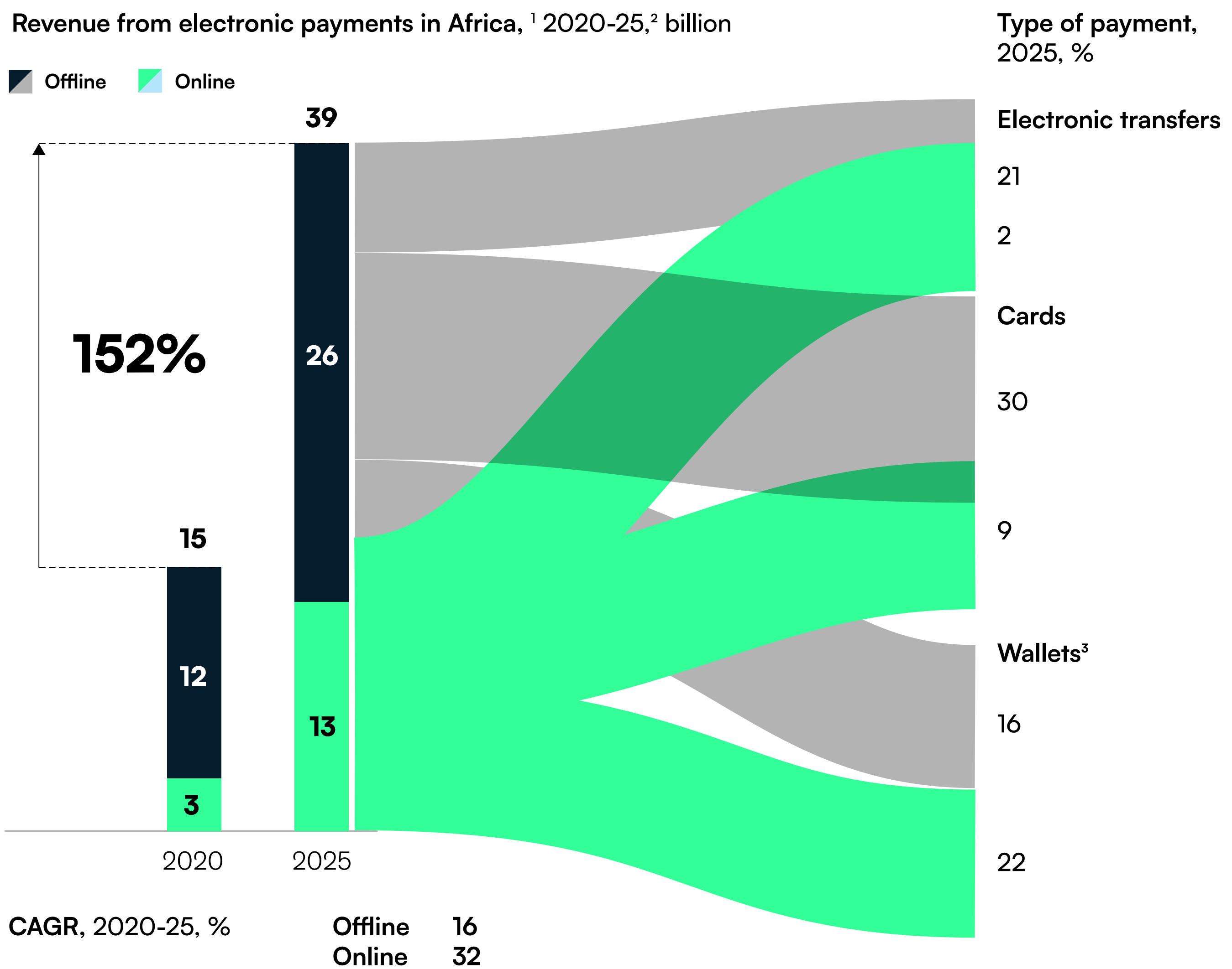
> **"Being able to pay — and get paid — is fundamental to investor confidence and economic growth."**

For the purposes of this article, we're going to consider those markets that combine high risk with high reward. On a regional basis, that means sub-Saharan Africa, much of Latin America, and Asian markets outside Japan, Singapore, Malaysia and China. All of these geographies are characterised by rapid growth and high risks of various kinds, from significant fraud rates in Brazilian e-commerce through to low liquidity in markets like Malawi. Companies doing business in Malawi cannot be sure of sufficient liquidity to enable the transfer of funds out of the country at any significant level. On the other hand, demands for goods and services is such that any player able to invest with confidence will find rich rewards. And being able to pay — and get paid — is fundamental to investor confidence, and vital for the economic development of these regions.

Sub-saharan Africa: plugging digital gaps

Part of the challenge in Southern Africa is, practically speaking, the capacity for governments to support new payments technologies at a systemic level. While markets such as Kenya, Ghana and Nigeria have all invested in instant payment systems across their banking sectors, others — notably regional giant South Africa — still do not have a functioning instant payment system. Outside the markets named above, banks and infrastructure providers are expected to invest in their own solutions, making the returns on a presence in some of these markets less attractive from an investor perspective. Nonetheless, some markets are taking the plunge: Ethiopia has invested in a real-time payments infrastructure with Swiss banking services provider BPC, while Malawi's Central Bank partnered with the Tony Blair Global Institute on the provision of electronic payment for government services across the country.

Africa: no end of opportunity



[1] Includes mobile, cards, credit transfers, and direct debits
[2] At fixed US dollar exchange rates for the entire time series
[3] Online wallet transactions include all non-CICO (cash-in, cash-out) transactions.

CREDIT = McKinsey and Co

If effort is required on the part of international players, then the rewards are there: McKinsey & Co expect growth in African e-payments of 152 percent over the next three years, chiefly driven by smaller-value transactions made via mobile device. Indeed, the work-arounds currently employed both for low liquidity and the absence of payments infrastructure could themselves pose a challenge for external investors. After all, if it works for a company to bring US dollars in and out of a market, then switch to local currencies via paper-based transactions through local banking partners, why change? Likewise, if telecom operators can provide peer-to-peer transfers as quickly as account-to-account payments, why switch?

"Growth in African e-payments is set to rise at 152% over the next 3 years." — McKinsey

The short answers are: time and money. While so-called "mobile money" operators can transact funds rapidly, they still have to hold huge sums of money on account to cover settlement — hardly the most efficient use of capital. Likewise, companies may be able to do business in dollars — but they won't escape the headache of lots of paperwork and slow remittance of the money they owe to local suppliers. Nkosi Moyo, Head of Global Payments at Crown Agents Bank, sees both banks and governments now shifting to invest in more automation and modern techniques such as the use of AI in controlling fraud risk. He says that initiatives such as Pan-African Payment and Settlement System, or PAPSS, will make a huge difference. Supported by the African Union and Afreximbank, PAPSS aims to deliver real-time transactions across borders throughout the continent. "Once instant payments rails are operational, the rest will fall into place", Moyo says. "We'll see more investment by both financial institutions and central banks into broader payments infrastructure."

Similar infrastructure problems beset Central Asian economies when it comes to payments. The problems referenced above for Pakistan apply elsewhere across former Soviet countries such as Azerbaijan and Kyrgyzstan: while there's a rapid and pronounced switch from cash to electronic payments, there is, quite simply put, not enough money to develop a coherent faster payments network in-country and, as many of these republics become more decoupled from Russia as a provider, arguably less incentive to develop a domestic system of their own. It may be that the "Stans" either develop an independent payment network of their own outside Russia's MIR system — or, more likely, turn to international giants such as UnionPay, Mastercard or Visa to help them develop this kind of system.

"Public-private partnerships would be a neat solution to the challenges facing some of these markets."

Latin America presents an altogether different challenge for investors — while growth has been robust, especially in digital transactions, persistently high rates of fraud has increased the risk of losses and the cost of doing business, as international players seek to protect themselves against financial crime. While e-commerce volumes are currently rising at around 30 percent a year in Latin America and stood at 16 percent of total retail last year according to EBANX, such rapid growth opportunities need to be balanced against higher risks and costs. Across the board, it feels like public-private partnerships would make sense as a cost-effective means of building infrastructure and controlling risk, while making these frontier markets more attractive for investors. How quickly such partnerships will happen depends entirely on the extent to which governments and banks in these markets recognise the centrality of safer, faster payments to the more rapid development of their economies. Whether online or in the real world, it appears the penny is dropping at different speeds from market to market and region to region.

Why payments matter for economic growth

Governments in frontier markets should be as excited about payments innovation as the payments industry. Although hampered by political risks, regulation and sometimes the most basic of problems — such as sufficient liquidity to support payments in and out of countries — there's no doubt that modern payment systems make a huge difference to economic development.

Non-cash digital payments grew at twice the rate (25 percent) in emerging markets compared to developed markets (13 percent) last year, according to the World Bank. While this is great news for the speed at which money moves around these economies, it creates regulatory headaches for governments who are struggling to keep up with the pace of change.

Crypto is blooming. 10 of the top 20 countries on the 2022 Global Crypto Adoption Index from Chainanalysis were classified as lower-middle-income countries, while eight were upper middle income. Vietnam, the Philippines, Ukraine and India were the top five users of crypto in the world. Despite sharp declines in value, Bitcoin was adopted as legal tender by the Central African Republic in April 2022. Egypt, Kenya, Nigeria and South Africa, Africa's four-largest economies, also boast the largest number of cryptocurrency holders on the continent.

Funding for small businesses. Alternative payment solutions play a key role in building financial resilience in frontier markets, where conflict, inflation and natural disasters can have an outsized economic impact. For many lower-income countries, limited access to credit remains a major obstacle to growth and formalisation. According to the International Finance Corporation, some 65m firms — approximately 40 percent of all MSMEs — face an annual funding gap of $5.2bn, indicating a sizeable opportunity for fintech operators. One recent fintech innovation, BNPL, is already unlocking e-commerce potential in emerging markets and has the potential to narrow the credit gap for MSMEs.

From "banked" to "walleted" — as the figures for Non-Cash Digital Payments and crypto usage make clear, the old statistic, often touted, that there are huge unbanked populations in frontier markets is true — but misleading. While there may still be 1.4 billion adults without bank accounts worldwide, many of these people hold digital wallets or use P2P transfer services of some description — and these services are blossoming into microlending, credit and money transfer operations — many of the key features of traditional branch banking.

The UAE: Real-time Payments (RTP) and Buy Now, Pay Later (BNPL) take centre stage as e-comm rises

worldpay from FIS

New data from The Global Payments Report 2023 by Worldpay from FIS reveals rapid changes in how consumers in the United Arab Emirates (UAE) are paying for goods and services. For some time, the UAE has been one of the most dynamic markets in the Middle East, with a strong preference for mobile e-commerce and buoyant growth in sales both in-store and online. While these trends continue, new developments in payments methods such as Real-time Payments (RTP) and Buy Now Pay Later (BNPL) services are further boosting growth in the emirates.

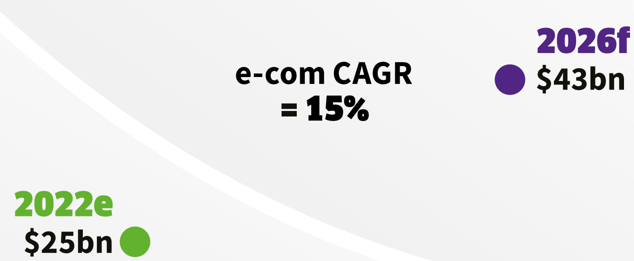
E-commerce on the move

"E-commerce grew three times faster than in-store sales in 2022."

As the UAE market continues to grow over the next three years, Worldpay from FIS project that e-commerce will play an increasingly important role compared to in-store purchases. While in-store purchases are predicted to grow at a compound annual growth rate (CAGR) of 5% to 2026, e-commerce looks set to grow at three times that rate (15%) to reach $43 billion in sales in three years' time.

E-commerce gains ground in the UAE

US$ billion



e = estimate f = forecast CAGR = Compound Annual Growth Rate

Worldpay from FIS

Taken as a percentage of all purchases, Worldpay from FIS see e-commerce rising from just over a fifth of total volume (23%) to almost one in three of all dollars spent (30%). Within online purchasing, mobile commerce will continue to extend its dominance, rising from 61% of total e-commerce to 67%. When it comes to online payment methods, digital wallets crept up on cards' traditional dominance, rising from 23% to 24% of all purchases made online last year in the UAE.

BNPL: The early stages of rapid growth

"BNPL doubled its share of online transaction value in the UAE last year."

The UAE is a regional centre for the development of Buy Now Pay Later (BNPL) services. Domestic BNPL providers such as Cashew, PostPay, Spotii and Tabby are now competing with regional leaders such as Saudia Arabia's Tamara. For e-commerce purchases, BNPL doubled its share of total transaction value between 2021 and 2022 from 1% to 2%: Worldpay from FIS project that BNPL will continue to grow as a payment method for online transactions, rising by 37% CAGR through 2026.

Real-time Payments: Volumes up by half

"Volumes on one of the two RTP schemes in the UAE grew by almost half between 2021 and 2022."

Two different real-time payment (RTP) schemes exist in the UAE: the Immediate Payment Instruction (IPI) scheme, launched in 2019, and the Instant Payments Platform (IPP) launched in Q1 2023. In 2021, IPI processed 21.1 million transactions worth AED 51.7 billion (approx. $14 billion), up almost half (47%) over 2020. While IPI is for person-to-business (P2B) payments only, the IPP will include both person-to-person (P2P) and business-to-business (B2B) transactions, as well as Direct Debits from account and payment via QR-code. Planned for phased implementation throughout 2023, participation in this scheme by the UAE banks will be mandatory.

Looking across both online and in-person transactions, cards remain the majority payment method in the UAE, with credit cards accounting for 41% of online spending and 40% of point of sale (POS) spending. Digital wallets took second spot for online sales, while cash (18%) was the second most popular option in-person, followed by debit cards (17%) and digital wallets (16%).

To read more about how payments are changing in 40 leading markets worldwide, download The Global Payments Report now.

Identify yourself

— why Self-sovereign ID (SSI) is the future of verification tech

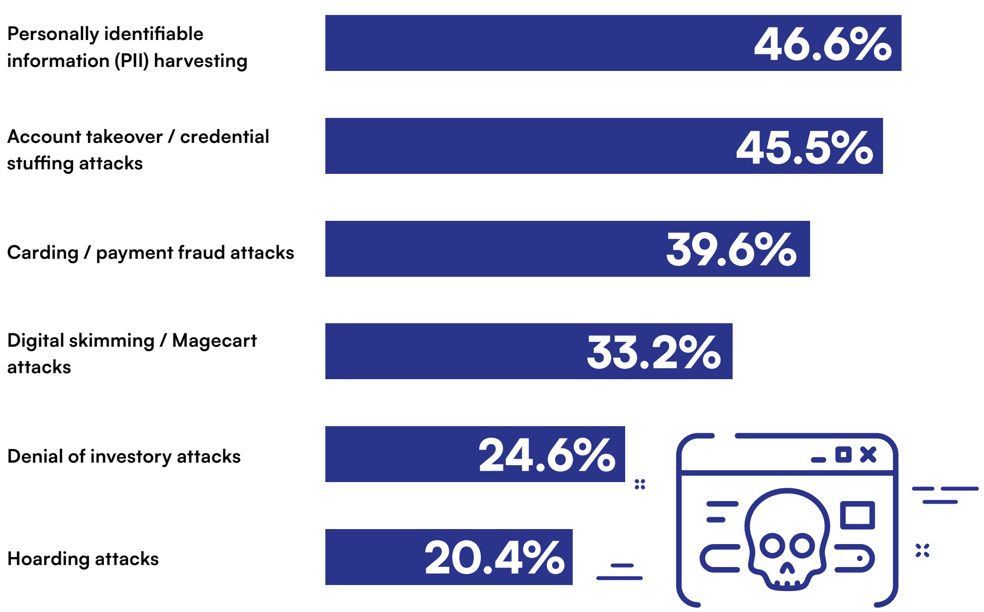
by JAMES WOOD

While corporations and governments tout the advantages of digital ID to simplify access to digital services, consumer concerns about privacy and control of data are surging. Self-sovereign ID (SSI) — in which consumers control access to their identification data — could help solve the puzzle.

According to fraud specialists PerimeterX, attacks against user identity — whether through harvested credentials or cloned/fake user IDs — almost doubled worldwide last year, and are the fastest-growing form of fraud out there. Growth in user ID fraud is one factor that's driving governments towards digital identities the kind China requires by law for all of its citizens.

But protecting citizens against fraud is just one of the attractions of digital ID. Others include the promise of no longer having to remember passwords and user IDs, faster onboarding and logins, and even being able to use a single ID to access government social services, healthcare and banking information — as Norwegians do through that country's BankID system.

Identity fraud — fastest growing fraud on the planet



CREDIT = PerimeterX

Don't touch my data

At the same time, consumer concerns about data privacy, government snooping and, in general, the invasiveness of tech giants show no signs of shrinking. In practical terms, this has meant Chinese video-sharing company TikTok being obliged by the EU to build two European data centres to prevent data being harvested and stored in China; Google being prevented from viewing which apps are held on a user's phone by another EU diktat; and UK GPs being barred from sharing any patient data over unsecured channels by the General Medical Council.

"86% of US consumers think data privacy problems are getting worse."

Overall, it's clear that despite worthy efforts such as General Data Protection Regulations (GDPR) in the UK, Canada, Europe and some US states, big tech companies are still misappropriating heroic levels of consumer data — and consumers are becoming disillusioned. A KPMG USA survey in 2022 revealed 86 percent of consumers thought data privacy problems were getting worse — and 62 percent of business leaders said they should do more to protect consumer data. To understate the case, these numbers are not great. Nine in ten Americans don't trust the internet to keep their data private. Wow.

Enter Self-Sovereign ID

In response, the concept of self-sovereign ID (SSI) — a form of digital ID that consumers control and hold independent of any provider, website or government — is gaining serious traction. SSI gives individuals control over the information they use to prove who they are to websites, services, and applications across the web without recourse to third parties. By speeding up access to services and obviating the need for third-party forms of proof such as drivers' license checks, the McKinsey Global Institute says SSI could add three percent to the UK's economy by 2030.

Perhaps the best-known form of SSI is the FIDO Alliance, which since 2015 has promulgated a form of web-based digital ID via a user's internet browser. This system offers users significantly more autonomy than current password or biometric systems that store user information with third parties like companies or governments.

"SSI could add 3% growth to the UK's economy by 2030"
— McKinsey

FIDO2 works by using public-key cryptography to guarantee a secure and convenient authentication system based on data stored in a secure wallet on the consumer's PC or mobile device that can only be accessed by the consumer. Some of the world's biggest tech companies, including Apple, Google and Microsoft are believed to be developing solutions related to FIDO2 — and Mastercard is working on a digital payment wallet secured by FIDO2. Although 88 percent of web browsers are now capable of using FIDO authentication, adoption to date has been somewhat muted, with FIDO services available to just 150 million users so far via services such as Yahoo! Japan, eBay and Intuit, the owner of Quickbooks and other accounting services.

"We'll see a shift to more consumer privacy-centric models of verification in the next 5-10 years, driven by growth in digital finance and DeFi"
— Michael Ramsbacker, Truiloo

Michael Ramsbacker, Chief Product Officer at online ID verification specialists Truiloo, is confident that the concept of SSI as a whole will only grow in the next 5-10 years: "We'll see a shift to more consumer privacy-centric models that offer users more control over their personal information", he says in an interview with PCM. "The questions are firstly, who is going to provide those systems, and secondly, what trade-offs are consumers willing to accept — such as holding encryption keys on their phones."

For Ramsbacker, the growth in digital finance and in particular digital currencies — as part of decentralised finance — may prove to be the biggest driver towards SSI as a form of verification. That's because when assets are held virtually, rather than in a physical institution or bank account, protecting them with fully-secure forms of ID that users control becomes more important than ever.

Everything is connected

As digital finance proliferates, the interconnected nature of different portfolios and accounts will make user control more important than before. Think about what we're told Open Banking will look like in five years' time: a single portal that offers the opportunity to review investments, mortgage, retail bank accounts and insurance all in one place. Now imagine that account somehow gets compromised. The risks are clear.

Add to those risks a future enabled by the internet of things, in which car alarms, house locking and heating systems and many other features of everyday life can also be controlled remotely by users via password-protected apps, and it rapidly becomes obvious why users need completely secure and controlable identity.

The UK's Financial Conduct Authority (FCA) has launched a pilot to explore onboarding users via an SSI, while new fintechs are springing up — such as cheqd, Pool Data and nuggets — that purport to offer SSI via encrypted digital wallets held on PCs or mobile devices. There are, inevitably, speedbumps — if not roadblocks — to overcome, not least of which will be how many data points are sufficient to prove identity. For example, will a biometric factor, such as a thumbprint, which unlocks access to a link leading to a Telegram channel's user information be sufficient to confirm identity? And if so, what happens if the reference file is corrupted or tampered with? One answer being mooted to this question is the concept of a super-secure "Data Union", in which consumers subscribe to a secure, independent data storage service that commits not to exploit or sell their data in exchange for a fee. The Data Union is then referred to by third parties (think retailers or banks) to confirm the user's SSI on request.

However this particular thread of the verification narrative plays out in the end, it's clear that something must be done, since users are growing increasingly — and rightly — wary of being told they are receiving services for free only to find out they, or more specifically their personal details, are the product.

AI AND GPT4: BEWARE THE DARK SIDE …

As we all get increasingly familiar with the pros and cons of cognitive AI it is really important to remember that whilst there are real, applicable use cases, there is also a dark side to the technology.

So dark, in fact, that the man widely seen as the godfather of Artificial Intelligence (AI) has quit his job, warning about the growing dangers from developments in the field saying some of the dangers of AI chatbots were “quite scary”.

Geoffrey Hinton has left Google after more than a decade at the US search giant, citing fears about the rapid development of generative AI.

Hinton, a part-time professor at the University of Toronto who is widely viewed as the godfather of modern artificial intelligence, said he quit to speak freely about the dangers of AI.

The 75-year-old British scientist told the New York Times that he partly regretted his life’s work, as he warned about misinformation flooding the public sphere and AI usurping more human jobs than predicted.

“I console myself with the normal excuse: if I hadn’t done it, somebody else would have,” said Hinton. He added that it was “hard to see how you can prevent the bad actors from using it for bad things”.

His comments follow a rush of ground breaking AI launches over the past six months, such as Microsoft-backed OpenAI’s ChatGPT in November last year, and Google’s own chatbot Bard in March.

The accelerating pace of development and public deployment has raised growing concern among some AI researchers and tech ethicists.

In March, Elon Musk and more than 1,000 tech researchers and executives called for a six-month “pause” on the development of advanced AI systems to halt what they call a “dangerous” arms race.

Hinton said he was concerned the race between Google and Microsoft to launch AI-driven products would push forward the development of AI without appropriate guardrails and regulations in place. He added: “I don’t think they should scale this up more until they have understood whether they can control it.”

Hinton also voiced concerns that AI could surpass human intelligence, which he now believed was coming faster than he had expected.

In artificial intelligence, neural networks are systems that are similar to the human brain in the way they learn and process information. They enable AIs to learn from experience, as a person would. This is called deep learning.

“Right now, what we’re seeing is things like GPT-4 eclipses a person in the amount of general knowledge it has and it eclipses them by a long way. In terms of reasoning, it’s not as good, but it does already do simple reasoning. And given the rate of progress, we expect things to get better quite fast. So we need to worry about that.

I’ve come to the conclusion that the kind of intelligence we’re developing is very different from the intelligence we have. We’re biological systems and these are digital systems. And the big difference is that with digital systems, you have many copies of the same set of weights, the same model of the world.

And all these copies can learn separately but share their knowledge instantly. So it’s as if you had 10,000 people and whenever one person learnt something, everybody automatically knew it. And that’s how these chatbots can know so much more than any one person.”

Dr Hinton joins a growing number of experts who have expressed concerns about AI — both the speed at which it is developing and the direction in which it is going.

APPLE SAVINGS NEARS $1 BILLION IN DEPOSITS

According to polling company Gallup's annual "Confidence in Institutions" survey, before then SVB crisis last year only 27 percent of Americans reported to have a "great deal or quite a lot" of confidence in their banks. That number is down from a peak of 60 percent in 1979.

By contrast, Apple landed in the top spot for the tenth consecutive year in 2022 according to Interbrand's annual Global Best Brands ranking. The only bank to make the top 25 was JPMorgan, ranked at 24, just ahead of YouTube.

It should therefore be no surprise to read that the high-yield Apple savings account attracted as much as $990 million in deposits in the first four days of its launch.

The successful launch helped underscore Apple's ability to further monetize its iPhone user base of more than 1 billion people. On the first day alone, Apple's new savings account attracted nearly $400 million in deposits, according to a Forbes report, which cited two sources familiar with the matter.

With more than 240,000 high-yield savings accounts having been opened in the first four days of launch, that represents just 0.2 percent of Apple's US iPhone users, based on estimates that there are about 120 million of them.

Apple launched a high-yield savings account last month as more and more consumers seek to take advantage of the high interest rate environment.

The savings account is available to Apple Card customers through its partner, Goldman Sachs, and offers a yield of 4.15 percent with no minimum deposits, no minimum balance requirements, and no fees.

While Apple's starting yield of 4.15 percent isn't the highest for a high-yield savings account, there is something Apple offers that few others do: convenience.

At least, convenience for iPhone users who already have an Apple Card, as the savings account integrates into the iPhone's Wallet app.

The massive scale Apple enjoys, combined with the convenience it is able to offer its customers, is something many regional banks are likely envious of right now as the recent collapse of First Republic Bank rocks the sector and questions the overall stability of banking institutions that were once thought of as relatively safe and stable.

The new savings account is only the latest in a series of high-profile financial offerings from Apple.

Last month, the company began offering its own BNPL product which offers consumers the option to split payments into four instalments with zero interest or fees.

In July, Apple launched tap-to-pay allowing merchants to accept card payments directly from their iPhones. By offering financial products like these to consumers and merchants, Apple is integrating itself into every aspect of its customers' lives while collecting swipe fees and cross-selling its own products.

In all of its financial products, Goldman Sachs operates in the background, despite its own formidable reputation, suggesting that they are betting that customers no longer value the marble columns and venerable histories that thousands of redundant FDIC-insured financial institutions continue to bank on.

154-year-old Goldman Sachs is essentially an infrastructure player not unlike Evolve and Cross River, brandless banking-as-a-service providers serving other fintechs.

"It's partnerships like these that could basically make banking become invisible," Chris Nichols, director of capital markets at SouthState Bank, says. "Apple goes at warp speed and a lot of banks are driving 45 mph in the right lane," added Dan Ives, analyst at Wedbush Securities.

GOOGLE PLAY STORE WIDENS PAYMENT CHOICES AFTER CMA PROBE

The UK Competition and Markets Authority (CMA) says it is consulting on commitments offered by Google which would give app developers the freedom to break away from Google Play's billing system and use alternatives to process in-app payments.

Google Play accounts for over 90 percent of native app downloads on Android devices and restrictions placed on app developers currently require them to use Google Play's own billing system for in-app transactions involving digital content.

Google Play accounted for 30-40 percent of all net revenue generated by UK consumers using in-app payment systems. Average customer billings on apps per active Android mobile device were less than £25 per customer in 2021. In 2021, Google Play's average commission was between 25 percent and 30 percent.

Following the CMA's market study into 'mobile ecosystems' and concerns raised that Google's control over payment processing in Google Play is potentially leading to higher prices and reduced choice for Android users, a new investigation was launched into these in-app payment rules.

Under these new proposals app developers would be able to offer a different payment system of their choosing, known as 'Developer-only Billing' (DOB), or offer users a choice between an alternative payment system and Google Play's billing system, known as 'User Choice Billing' (UCB).

Third party payment providers would have the ability to market their services to app developers for processing transactions involving digital content — enabling greater innovation and competition for Play in-app payment services and allowing app developers to have a more direct relationship with their customers.

By breaking the link between app developers' access to Play and Google's payment system, the commitments could allow Play users to access new special offers and in-app deals that are not permitted under current Google Play rules, allowing them to potentially save money and receive a different user experience while accessing paid-for digital content (such as streaming films and TV shows).

EPI MAKES TWO BIG ACQUISITIONS

The European Payments Initiative (EPI) is in the news for three reasons: first launch of a pilot phase offer, a double acquisition and the addition of four new shareholders.

At the time of its creation in July 2020, EPI had a clear ambition: offer a digital account-to-account payment solution that can be used anywhere in Europe, based on instant transfer technology.

Set up by 31 major players from across the Eurozone in 2020, the EPI was set up to create a pan-European payments initiative that could handle both corporate and consumer payments via card and instant payment rails.

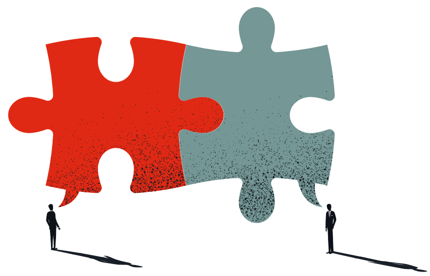
Its aims — to reduce the cost and time taken of payments to consumers, merchants and participating banks — were of course laudable.

Yet its insistence on a set of "European needs" — whatever they are — sounded somewhat dirigiste and vague. And so the subsequent history of the initiative has proven.

Of the initial 31 partners, just 13 are pressing ahead with the commitment to a shared instant payment scheme as of 11 March 2022.

That figure itself is down from a mere 18 out of 31 (33 including two partners joining after inception) who initially committed to the instant payment scheme. Meanwhile, the plan for a distinct European card network has been scrapped.

Today, however, it seems that the phoenix may be rising.



Two acquisitions to strengthen EPI

With the acquisition of Currence iDEAL, a leading payment scheme in the Netherlands, and Payconiq International, the Luxembourg-based payment solutions provider, EPI will be able to leverage the expertise of major players in their markets to build and deploy a unified pan-European payment solution.It should be noted that the agreement with the respective shareholders of Currence iDEAL and Payconiq remains subject to the approval of the relevant competition authorities.

The EPI did not disclose financial terms of the acquisitions of Currence Ideal and Payconiq. But a person with knowledge of the transactions said the businesses would cost up to €70 million in total. The person added that EPI had provisioned for up to €20 million to cover Payconiq's annual losses.

Four new partners

In addition to the current shareholders that make up the EPI, four new shareholders have joined the initiative: Belfius and DZ Bank since the end of 2022 and ABN Amro and Rabobank, which together with ING have boosted the presence of the major Dutch banks.

For the historical shareholders, BFCM, BNP PARIBAS, BPCE, Crédit Agricole, Deutsche Bank, DSGV, ING, KBC, La Banque Postale, Nexi, Société Générale and Worldline, this is a further step towards ensuring European sovereignty in payments.

The European Payments Initiative was originally launched "build a European payment champion that can take on PayPal, Mastercard, Visa, Google and Apple", but it has instead settled for a more modest start.

It will focus on launching a digital wallet and instant payments system in Germany and France by the end of the year.It intends to roll out the offering to other European countries and add on new features such as BNPL financing, as well as digital identity features and integrate merchant loyalty programmes.

"EPI is delighted to welcome Currence iDEAL and PQI. Together, we will join forces to realise EPI's vision as we build an innovative solution based on a new, unified instant payment scheme and platform for Europe," comments Martina Weimert, CEO of EPI Company.

"EPI will leverage the strong operational experience, know-how and local market knowledge of these companies. We are developing a new, scalable platform to address the modern and evolving payment needs of European consumers and merchants in the best way."

DOJ WIDENS ANTITRUST PROBE TO INCLUDE MASTERCARD

Mastercard has announced that the US Justice Department (DOJ) is conducting an antitrust investigation of its US debit program and competition with other payment networks.

The company says it had received a civil investigative demand, the civil equivalent of a subpoena, from the Justice Department's Antitrust Division. The filing did not specify the government's concern beyond saying it had to do with its US debit program and competition with rivals.

It's a sign that the DOJ probe, previously centred on Visa, has widened. In late January 2023, the DOJ requested documents and information from the credit-card company. The European Commission also told Visa it had opened a preliminary investigation into its incentive agreements with clients. In 2019, Visa settled with the European Union over an antitrust probe into card fees.

In 2010, the Justice Department held an investigation on the credit-card payments industry and eventually settled with Visa and Mastercard when both companies agreed to allow merchants to offer consumers incentives to use a low-cost credit card.

"Mastercard is cooperating with the DOJ in connection with the CID," the company said in the filing. It's not surprising that the DOJ would request information from other players in the debit space," Mastercard chief financial officer Sachin Mehra also said.

"It's hard to speculate about the potential outcome, but these types of investigations do take a number of years."

DIGITAL & ALTERNATIVE PAYMENT TRENDS WORLDWIDE

Fabrick and its subsidiary Axerve have released a new whitepaper, "Alternative payment solutions: how they are changing the payment scene". The paper explores the ways in which alternative payments are revolutionising traditional banking.

Alternative payment solutions respond to the specific needs of today's market, both in terms of user experience and the checkout process.

By providing local populations with the opportunity to pay with their preferred and most commonly used methods of payment, merchants can take advantage of transparent fee conditions, often without hidden costs - as can be the case with digital wallets.

Moreover, alternative payments offer many benefits for consumers, such as convenience, ease of use, and better accessibility compared to traditional methods. In many cases, alternative payments provide an easier and more efficient way to make payments.

The world of alternative payments, according to the paper, refers to everything that falls outside of the traditional payment methods that have been used both for online and in-store purchases, specifically all the payment solutions alternative to the main credit/debit card networks, cash, and checks.

Alternative payments are on the rise both in the e-commerce and physical stores landscape and projected to reach more than $15 trillion by 2027, with a CAGR of 16.3 percent over the period 2017- 2027[1].

This growth has been triggered by the increasing needs of merchants to follow the expansion of e-commerce across the world, the inability of traditional payments to meet the buyer's needs, and the complexity around the checkout process vis-à-vis the fast and frictionless types of technological experience that were arising in the digital payments' world.

The new whitepaper dives into the evolution of alternative payment methods and analyses the market penetration of different types of methods, such as digital wallets, account-to-account transfers, Buy Now Pay Later options, and cryptocurrencies.

According to Axerve's customer analysis, that was performed in 2023, digital wallets remain the most widely used payment methods across the world, however, Buy Now Pay Later platforms and A2A (Account-to-Account) tools, such as iDEAL and MyBank, are gaining traction.

PayPal still holds the highest market share, accounting for 59 percent of the overall alternative payments. MyBank follows with 25 percent, and Sofort by Klarna accounts for 3 percent of the total collections with methods other than credit cards.

Axerve's pool of clients demonstrates that the adoption of alternative payments is widespread across all market sectors, from Fashion to Food & Beverage.

In particular, the Fashion sector has seen the most integrations of alternative payment methods, with Klarna achieving transaction volumes of over 54 percent.

Despite the fact that two-thirds of the UK population believe cashless methods are riskier and more prone to fraud than cash, the current statistics and tendencies suggest otherwise.

In 2021, one third of the population barely used cash, and total transaction value in the UK digital payments sector is forecast to reach almost $440 billion in 2023.

Furthermore, the UK is one of the most cashless countries in the world, with 95 percent of people having internet access, 97 percent having a bank account, and 65 percent being credit card owners.

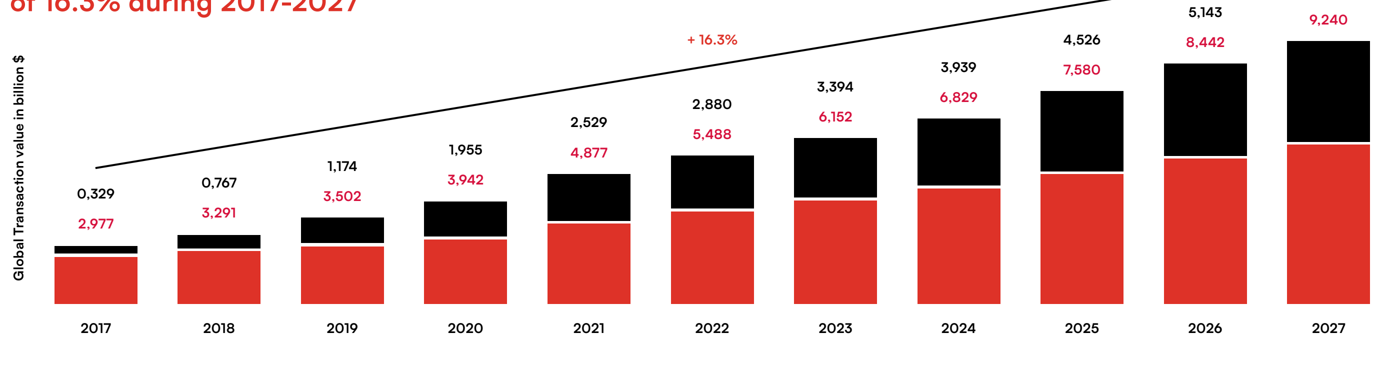
Moreover, card payments make up more than half of all payments (51 percent) and alternative payment methods make up 41 percent. Bank transfers make up 7 percent, while cash is only responsible for 1 percent.

These figures make it clear that the UK is swiftly progressing towards a cashless economy

By comparing the transaction value of the individual methods to the total amount collected by e-commerce merchants that have integrated those specific alternatives, it is Klarna, in its instalment payment formula, that registers the highest penetration in comparison to total collections (22 percent), followed by PayPal, which is confirmed as the most widely used digital wallet across all sectors.

Among A2A forms of payment, MyBank and iDEAL account for most, at 10 percent and 7 percent respectively, while Satispay and Sofort by Klarna record only 2 percent and 1 percent of the total volumes collected by the e-commerce shops which have integrated them.

Digital payments transactions to grow at CAGR of 16.3% during 2017-2027



CREDIT = Fabrick

GSMA: THE STATE OF MOBILE MONEY

Mobile money is now considered a mainstream financial service in many countries. During the COVID-19 pandemic, mobile money enabled millions of people in low- and middle income countries (LMICs) to access digital financial services (DFS) for their daily needs.

As the impact of the pandemic eased, mobile money services grew faster in 2022 than during pre-COVID times. The habit of using digital payments, enforced by the pandemic, has stuck for many.

In many countries, growth in mobile money (MM) activity is now outpacing new registrations — a sign that the industry is maturing beyond a handful of markets — this is according to the latest annual State of the Industry Report on Mobile Money by the GSMA.

The pandemic itself led to a significant global expansion of mobile money services and accounts. Data from the annual GSMA Global Adoption Survey suggests that registered accounts and 30-day active accounts grew faster than forecast in 2019.

The pandemic was partly responsible for an additional 400 million registered accounts between 2019 and 2022.

This is at least 30 percent higher than forecast in 2019. Pandemic lockdowns and restrictions on movement drove up the use of digital payments, including mobile money, globally.

The *State of the Industry Report 2023* looks at the growth of mobile money in a post-pandemic world. The report highlights what this has meant for mobile money providers (MMPs), agent networks and the millions of new and existing customers that embraced mobile money in 2022.

Adoption and active usage continue to rise

Registered accounts grew by 13 percent year on year, from 1.4 billion in 2021 to 1.6 billion in 2022. This can be attributed, in part, to regulatory changes in Sub-Saharan Africa, particularly in Nigeria and Ethiopia where mobile money adoption rose rapidly.

Accounts active on a 30-day basis also grew at the same rate year on year, with Sub-Saharan Africa driving the bulk of this increase. More customers are using MM accounts more frequently across all use cases.

Digital transactions are increasing as the use of cash slows down

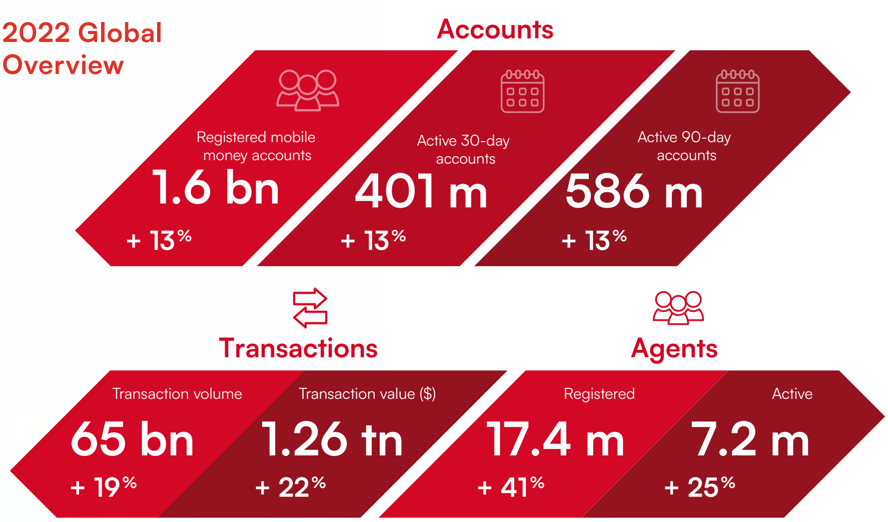
Transaction values grew by 22 percent between 2021 and 2022, from $1 trillion to around $1.26 trillion. However, the share of cash-based transactions in the overall transaction mix declined, with cash-in and cash-out transactions dropping nearly two percentage points. This is due to a significant rise in digital transactions, particularly interoperable bank transfers and bill payments.

Global daily transaction values are exceeding predictions

In 2020, global daily transaction values exceeded $2 billion. *The State of the Industry Report 2021* (covering data from 2020) suggested this could reach $3 billion a day by the end of 2022. This figure has been surpassed, with $3.45 billion transacted daily via mobile money in 2022.

Growing agent networks continue to drive industry expansion

The number of MM agents grew from 12 million in 2021 to around 17 million in 2022 — a staggering 41 percent year-on-year increase. Much of this growth was in Nigeria where a liberalised regulatory regime has led to an increase in MMPs. Agents are an important part of any mobile network service and were responsible for two-thirds of all cash-in transactions in 2022.



CREDIT = GSMA

CONTACTLESS

US BANKS LAUNCH M-WALLET OFFENSIVE

Wells Fargo, JPMorgan, Bank of America and several other large US banks are set to launch a mobile wallet later this year linked to debit and credit cards.

Early Warning Services (EWS) will operate the wallet, which will be initially compatible with Visa and Mastercard-branded cards. EWS, whose owners also include Capital One, PNC Financial Services , U.S. Bancorp and Truist Financial plan to begin rolling out the new offering in H2 2023.

To use the wallet, customers will most likely have to provide their email addresses on merchants' online checkout pages. EWS will then comb through its bank connections to identify which cards customers can pay with.

The banks expect to enable 150 million debit and credit cards for use within the wallet when it rolls out. US consumers who are up-to-date on payments, have used their card online in recent years and have provided an email address and phone number will be eligible.

Why hit the wallet market now?

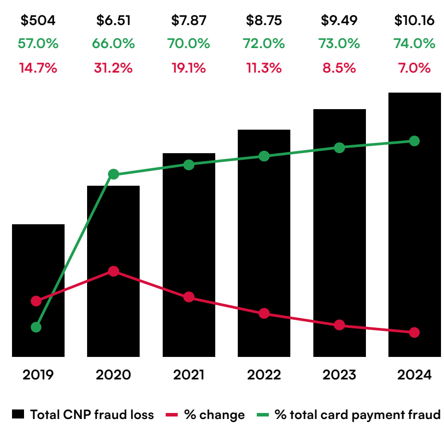
The banks have two primary objectives:

Tighten customer relationships. The mobile wallet will compete with third-party wallets like Apple Pay and PayPal, these wallets are gaining checkout power—and banks fear that this may wear away at their customer relationships by decreasing card visibility.

Almost half of US digital buyers used PayPal to make a digital purchase last month, according to Bizrate Insights. Introducing a bank-branded wallet might help card issuers curb third-party wallet dominance.

US Total Card-Not-Present (CNP) Fraud Loss

billions, % change, and % of total card fraud loss



CREDIT = Insiderintelligence.com

Decrease online fraud. Card-not-present (CNP) fraud has steadily increased, and banks hope that letting customers check out without inputting card details will help minimize fraud.

CNP fraud losses grew 11.3 percent year over year (YoY) in 2022, totalling $8.75 billion. Losses are expected to grow 8.5 percent and reach nearly $9.49 billion this year.

The wallet could help reduce issuers' fraud liability, which could grow alongside e-commerce's rise.

And while it wasn't one of the banks' explicitly stated goals, the digital wallet could also give banks the added benefit of gaining a larger slice of e-commerce spending, which is expected to hit $1.163 trillion in the US this year.

Merchant and customer uptake uncertain

Merchants already have a rich selection of checkout solutions to choose from.

Banks will need to emphasise their wallet's benefits—primarily minimising fraud—to achieve meaningful merchant adoption.

Early Warning Services told the Wall Street Journal that merchant uptake could determine whether it expands the initiative to include other payment options, like bank transfers—which we expect will become more popular this year.

Aside from standard debit and credit card checkout, consumers already have access to offerings like one-click checkout; buy now, pay later (BNPL); and network-branded payment offerings.

It might be hard for the forthcoming wallet to stand out from the noise. And some consumers may resist signing up for another checkout option.

CARD BASED E-COMMERCE HITS RECORD

E-commerce card purchases continue to gain momentum as pandemic-driven habits remain popular and e-commerce card payments have become increasingly convenient, secure and widely available.

The *Global Payment Cards Data and Forecasts to 2027* reveals that $8.1 trillion was spent using payment cards in 2021, an increase of $1.3 trillion. This accounted for 19 percent of total card expenditure — a proportion which is almost unchanged from the year before.

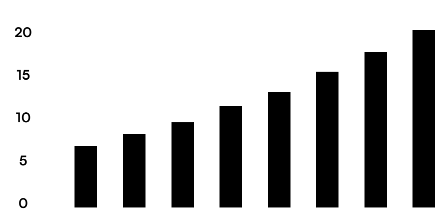
The research identifies a range of factors contributing to the surge in online shopping, including widening internet access, a growing number of cards being equipped with e-commerce functionality, and a shift in consumer habits driven by the pandemic.

Although most outlets re-opened their doors in 2021, many shoppers continued to choose online stores for regular, low-value purchases which they otherwise would have made at physical stores pre pandemic, having become accustomed to the convenience of online shopping during the pandemic.

Consumers also became increasingly comfortable making e-commerce purchases on their smartphones, with many online stores allowing customers to pay via their mobile wallets to speed up the payment process. In fact, 78 percent of online payments in Belgium were made on mobile devices.

Global Volume of e-commerce Card Purchase Transactions

2020-2027 (US$ trillion)



CREDIT = Global Payment Cards Data and Forecasts to 2027

CRÉDIT AGRICOLE AND WORLDLINE IN MAJOR MERCHANT PLAY

Worldline and Crédit Agricole have announced the signing of a non-binding exclusive agreement regarding a strategic partnership to create a major player in the French merchant services payment market.

The opportunity, as the two companies see it, is to build a strategic long-term partnership between the leading French retail bank and Worldline.

The companies believe the alliance will create a major payments player in the largest Continental Europe payment market of ca. €700 billion Merchant Sales Value (MSV).

France is a highly attractive and strategic market for Worldline. France is the second largest economy in continental Europe, enjoying robust economic performance, sustained by consistent policy frameworks and strong institutions, as well as an attractive investment environment.

The French payment industry shows solid dynamics with a sizable and growing addressable market and a high level of readiness and receptiveness towards cashless payment methods. With aggregated merchant services value of around €700 billion, the French payment market is by far the largest in continental Europe.

With cash penetration still high, at around 40 percent of volumes, the French market offers an attractive growth opportunity driven by the secular shift from cash to card and by continued demand for innovation. Combined with French Cartes Bancaires domestic scheme and its strong and resilient market share at around 80 percent of card transactions by volume, these market trends make France a particularly attractive country in the broader European context.

The contemplated alliance between Crédit Agricole and Worldline is a unique opportunity for both companies to significantly expand their merchant services activities in this high-potential market.

RS2 AND LANDSBANKINN: MERCHANT ACQUIRING IN ICELAND

RS2 says that Iceland's most innovative bank, Landsbankinn, has launched its own merchant acquiring services using RS2's payments processing platform.

Landsbankinn business customers can now concentrate all their payment services in one place, resulting in significantly increased efficiency and with full visibility of transactions.

Landsbankinn's acquiring service accepts payments using POS devices and e-commerce platforms, supports both Apple Pay and Google Pay, and offers more secure billing windows and convenient billing periods.

The integration of the POS network and payment gateways with online services on the RS2 Platform creates opportunities for Landsbankinn to connect benefit systems, enhancing customer loyalty, and improving the overall customer experience with streamlined and simplified operations.

"This is the first time in Iceland that merchants have been offered a solution that supports the integration of point-of-sale devices and ecommerce platforms," says Ragnar Einarsson, Head of Acquiring Services at Landsbankinn.

"This is a revolutionary service for our customers who rely on payment card transactions both in the online and offline markets. The system allows merchants to boost customer loyalty while at the same time taking advantage of the Bank's B2B connections to automate merchants' book-keeping systems."

"We are delighted to have worked with such an innovative company and are excited as we join Landsbankinn on the next phase of our partnership. We look forward to supporting Landsbankinn's future merchant acquiring services and broader payment strategy as we continue to focus on delivering next generation payment processing solutions," said Gideon Fourie, Chief Commercial Officer of the RS2 Group.

JCB AND FISERV TO ACCESS EUROPEAN MERCHANTS

JCB International says that merchants in multiple European markets will be able to accept JCB Cards, both at the physical point of sale and for e-commerce transactions with participating merchant clients of Fiserv.

Over 150 Million international Cardmembers will have card acceptance enabled by tens of thousands of merchants in the region.

This multi-regional collaboration will expand payment choice for Cardmembers, allowing them to pay with their JCB Cards at participating merchants in the United Kingdom, Germany and Poland.

"We are delighted to have signed and sealed our partnership agreement with Fiserv," comments Ray Shinzawa, Managing Director, JCB International (Europe).

"This collaboration will allow secure, convenient and speedy payment gateways for our JCB Cardmembers and the valued merchant clients of Fiserv."

Merchants ranging from large enterprises with an omnichannel focus to smaller businesses with their sights set on delighting an international customer set will benefit from the ability to offer an additional payment option through their existing merchant acquiring relationship.

Fiserv, which was named Merchant Acquirer of the Year at the 2022 Merchant Payments Ecosystem Awards, will support JCB Contactless and J/Secure payment gateways for the European merchant communities. The new collaboration is a key part of JCB's plan to increase its card acceptance rates across Europe, enabling a seamless and secure payment experience.

Merchant Payments Ecosystem in Berlin again proved to be well attended and successful with payments representatives from the whole range of the payment ecosystem.

The awards dinner was fully booked and a great evening of awards presentations was enhanced by a James Bond theme, with co-presenter and Awards Chair, Neira Jones, shining as a 'Bond girl' and Alex Rolfe as the suave Bond.

Among strong competition, the MPE 2023 Award Winners were:

Merchant Acquirer of the Year	Elavon
Most Innovative Fraud Prevention Solution	Forter
Best Use of Data Analytics (Outside of Fraud)	allegro
Best Cross-Border Merchant Solution	PPRO
Best In-Store Payments Solution	Trust Payments
Best Merchant Payment Acceptance Provider	Outpayce
Best Platform/Marketplace Provider	mangopay
Best Use of Open Banking for Payments	Nuapay
Best RegTech Solution	Netcetera
Best Payments Orchestration Solution	ACI Worldwide
Chairman Award-Best ESG Initiative in Payments	Trust Payments
People's Choice Award-Influencer of the Year	Oliver Rajic Chief Growth Officer & GM APAC PPRO

For full details of categories, shortlisted companies, winners and judges visit the Merchant Payments Ecosystem website and click on "awards".

The next big event the industry is looking forward to is Money 20/20 Europe at Rai in Amsterdam 5-8 June.

They expect over 7,500 attendees and a packed agenda of top level presentations, panels and discussions. Once you're registered you'll have access to the Connect app where you'll find details of delegates, agenda and networking opportunities.

Other notable events this quarter include the Open Banking Expo Canada in Toronto on 15 June and Seamless Asia 2023 Payments, Banking E-Commerce taking place in Singapore 27-28 June.

For information on global conferences go to: Conferences - Payments Cards & Mobile (paymentscardsandmobile.com)

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Payments Yearbooks	www.paymentsyearsbooks.com	Cover P2

UPCOMING EVENTS

MONEY 20/20 EUROPE
7-9 JUNE, AMSTERDAM
EUROPE.MONEY2020.COM

PAYMENTS INNOVATION SUMMIT
8 JUNE, MUMBAI
INDIAPAYMENTSSUMMIT.COM

OPEN BANKING CANADA
15 JUNE, TORONTO
WWW.OPENBANKINGEXPO.COM/CANADA

FUTURE IDENTITY FINANCE
20 JUNE, NEW YORK
WWW.THEFUTUREIDENTITY.COM/EVENTS/FUTURE-IDENTITY-FINANCE-NORTH-AMERICA

PAYMENT LEADERS SUMMIT USA
20-21 JUNE, WASHINGTON DC
PAYMENTS LEADERS' SUMMIT (PAYEXPO.COM)

MONEYLIVE NORTH AMERICA
26-27 JUNE, CHICAGO
WWW.MARKETFORCELIVE.COM/MONEY-LIVE

SEAMLESS ASIA
27-28 JUNE, SINGAPORE
THE FUTURE OF PAYMENTS, BANKING & COMMERCE IN ASIA | SEAMLESS ASIA | 27 - 28 JUNE 2023 (TERRAPINN.COM)

FRAUD LEADERS SUMMIT
5 JULY, LONDON
PAYMENTS LEADERS' SUMMIT (PAYEXPO.COM)

DIGITAL TRANSFORMATION IN BANKING SUMMIT(APAC)
11 AUGUST, SINGAPORE
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