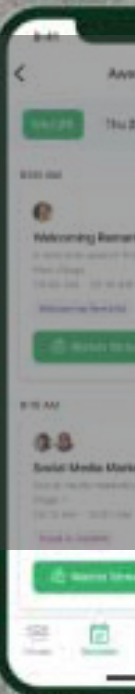
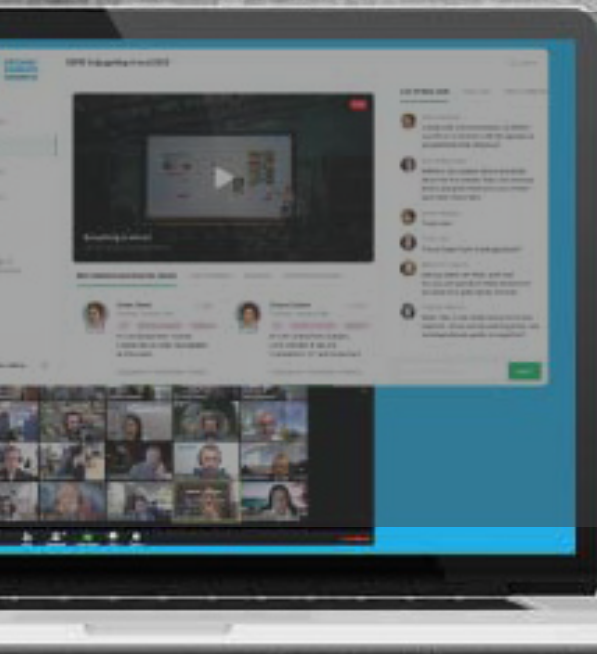




# POSITIVITY magazine

THE OFFICIAL MAGAZINE OF MERCHANT PAYMENTS ECOSYSTEM • ISSUE 87 / NOVEMBER 2020



## MPE 2021 GOES VIRTUAL



A new reality  
is here  
to stay



on page 12

PayPal  
announced its  
entry into ...



on page 14

MPE  
Podcasts



on page 24



# The Key Topic of POSitivity Magazine is Navigating Covid-19

Dear POSitivity magazine readers,

MPE team organized this September its first virtual conference MPE SUMMER WEEK with over 1900 registered Merchant payments professionals. It was the FIRST SMALL STEP in creating the events of FUTURE for Merchant Payments Professionals connecting us virtually in pandemic times.

MPE 2020 (in-person conference in Berlin Feb 17-21) and MPE Summer WEEK (online conference, September 7-11) were our biggest and best conferences yet, and we couldn't have done it without you! The events may be over, but life & work don't stop here. As you know, the MPE conference is normally being organized in Berlin in February, drawing many of the biggest merchants, FIs, payments, and POS technology firms.

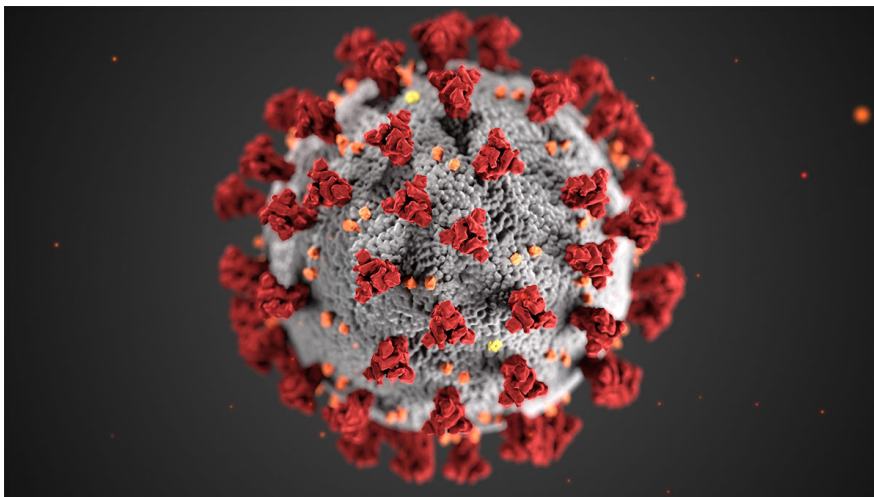
But with growing concerns about how long the coronavirus pandemic will last, MPE team has decided to organize **MPE 2021** as "an all-digital experience", as it is not possible to safely convene over thousands of people.

Pandemia has changed the Merchant Payments Ecosystem and the future looks uncertain. We don't know when, or if, our societies might return to normal.

In order to keep you abreast of this evolving situation, this Issue of MPE POSitivity magazine is bringing you :

- RECAP from MPE Summer Week discussing new Normal in Merchant Payments,
- OPPORTUNITIES at the up-coming MPE 2021 conference,
- Industry news and perspectives on how COVID-19 has affected payment companies, customer spending, and commerce in 2020.

If you have not had a chance to join one of the (COVID-19 impact on merchant payments) webinars MPE organized during previous months, you can find the list of previous webinars or register for the upcoming webinars.



We hope you and your families stay safe and look forward to engaging with you online over the coming weeks. If there is anything we can do to help you through this trying time, please let us know.

Enjoy the reading

Your MPE team (the publisher of the POSitivity magazine)



MERCHANT  
PAYMENTS  
ECOSYSTEM

VIRTUAL | 22-25 Feb 2021

Save BIG: **30% OFF**  
**REGISTER NOW!**

Europe's Largest Merchant Payments Conference

MPE 2021 goes **VIRTUAL**

February 22-25

We have adapted to changing circumstances  
and are moving forward in 2021



**SPEAK**

**SPONSOR**

**ATTEND**

**MPE 2021 WILL BE:**

- fully VIRTUAL CONFERENCE
- ready to give you the BEST virtual EXPERIENCE
- enabling you to CONNECT & NETWORK with **1000+** industry peers

# MPE 2021 a NOT-TO-MISS EVENT

in your calendars again!

## EXPECT:

- PERSONAL TOUCH & COMMUNITY NETWORKING
- INSIGHTS from merchant payments Leaders
- LIVE presentations, LIVE panel debates, and LIVE digital roundtables led by Expert Panels

## MERCHANT HOSTED PROGRAM IN 2021

Limited number of free merchant tickets are available. If you are a merchant, claim your free pass by reaching out to us:

[mpe@merchantpaymentsecosystem.com](mailto:mpe@merchantpaymentsecosystem.com)

Please note that, free tickets will be given out on a first come, first served basis !

**MPE 2021 is here to help YOU ADAPT and GROW in challenging times!**

Like What You're Reading? Stay on top & subscribe to MPE newsletter



MERCHANT  
PAYMENTS  
ECOSYSTEM



SUMMER  
WEEK  
2020

[mpe@merchantpaymentsecosystem.com](mailto:mpe@merchantpaymentsecosystem.com)

# MPE Summer Week - RECAP

The **MPE SUMMER WEEK** that took place from September 7-11th 2020, was the **FIRST SMALL STEP** in creating the events of **FUTURE** for Merchant Payments Professionals connecting us virtually in pandemic times.

#mpesummerweek as a pioneer project enabled **1900 REGISTERED PARTICIPANTS** from merchants and payment providers, united for a whole week, to learn from over 40 industry influencers and experts in over 30 LIVE and On-Demand sessions, to discuss and network between each other and meet 11 solution providers in the trade-show.

To watch (**Key Outcomes, Presentations and Panel Discussions**) the MPE Summer Week recordings visit:



# Chair Summaries of MPE Summer Week



**Martin Koderisch**  
Principal  
**Edgar, Dunn & Company**  
(Remarks on Conference Day 2)

## **SCA**

SCA deadline is looming with regulatory enforcement starting on 1st Jan 2021. The speakers and panel discussed the impact of SCA and agreed that disruption is likely for a period until both the payment ecosystem and consumers have adjusted. Panel agreed that merchants need to take action to mitigate the risk of payments being declined for non SCA compliance. Several solutions were discussed including 3D Secure but also device-based authentication enabled by mobile payment wallets.

## **Covid**

The speakers and panel discussed the impact of COVID on retailers and merchants, and debated how payment providers can offer support. The panel agreed that COVID is accelerating a shift from physical in-store payments to digital online payments. Panel have observed retailers launch transformation initiatives to support this shift. Whilst some retailers need to adapt to the increased complexity of digital payments, others are to scaling up existing digital capabilities.



**Melisande Mual**  
Managing Director  
**The Paypers**  
(Remarks on Conference Day 3)

**The pandemic accelerates a monumental change in consumer behaviour.**

74% of UK consumers think they will continue to prefer online shopping even after the lockdown restrictions are lifted. 40% of Americans say they will shop online more than in-store going forward. At the same time, travel and ticketing have seen massive declines in revenue. According to PPRO's cross-border transaction engine (Jan - Jun 2020) the following categories generated > 75 % growth: women's clothes, food & beverages, healthcare and cosmetics, furniture, electronics, gaming/gambling, and jewellery and accessories. As assumed pre-crisis, e-wallets and other digital payment methods continue to gain market share as credit card transactions shrink. Accelerated by the pandemic, there has been a global shift

away from traditional cash and card payments toward digital payment methods in both digital and physical spaces.

According to Worldpay omnichannel is one of the most important payment-related initiatives for the next 18 months. Holly Worst revealed some of the outcomes of a survey among 1200 consumers about shopping behaviour across channels: 73% of consumers use more than one channel during their shopping journey. Convenience is key, yet payments is one of the top 3 factors driving preference over channels. In retail, returns are the new normal. Not getting this right can badly hurt a retail business. 37% of respondents didn't shop at a retailer again if they faced payment challenges during a return.



**Tim Richards**  
Principal Consultant  
**Consult Hyperion**  
(Remarks on Conference Day 3)

The panel (on the proposal for a new European payment scheme) explained what and why the scheme has been envisaged and covered a wide range of issues ranging from the geopolitical and competitive requirements around the scheme, through to the challenges faced in rolling it out.

With panelists from all parts of the payments ecosystem the discussion was wide ranging, inventive and covered both the positive and the negative aspects of the proposals and how they may impact European payments in future.



# Alex Rolfe

## Managing Director Payments, Cards and Mobile

(Remarks on Conference Day 5)

Our session was all about then New Normal for Merchants. In a wide ranging set of presentations we were able to explore what the future of payments for merchants will look like as well as what is happening today. The general view from that initial conversation was that although we were already on the path to digitisation the COVID -19 pandemic has accelerated this change – the last six months has done what would normally have tak-

en five years in terms of consumer changes.

Major other topics while discussing this change was of course Data – how it is gathered, stored and who has the rights to use this. Secondary to this was the topic of Identity, with differing views on what type of ID should be used and again, how ID can be used with and for authorisation of payments.

## Key Outcomes by MPE Summer Week's Participants

### The Main Implication of Changing Commerce & Payments on Merchant Payments Ecosystem

As a retailer try to stay as flexible as possible investing in smart and smooth payments structures / keep in mind that competitors in payment are everywhere / try to be not too expensive because we do not know how will be the future...

**Michel Yvon, Decathlon**

It is important to offer a seamless and connected omnichannel customer experience for your consumers, and be present in all channels that your consumers may be shopping in. Convenience is consumers #1 preference when it comes to shopping in a specific channel, but

payments is the #2 reason.

**Holly Worst, Worldpay**

- Inconsistency between all parties (non readiness of issuers, lack of information among merchants), although it's much better this year in comparison with 2019
- Conversion decrease
- The unknown future of card payments - we do not know whether/how fast customers accept the new flow and adapt, thus conversion will get back to normal/ or there will be a hard shuffle of payment preferences

**Elena Emelyanova, Wargaming**



Include holistic merchant servicing and a strong focus on the convenience of payment processes while at the same time ensuring security and peace of mind for the consumers.

**Frederik Hesse, Mastercard**

- the shift to online and diversification of the checkout with alternate payments methods, such as wallets, eCash and bank transfers, playing a larger role
- the blurring of the physical and digital worlds into a true omnichannel, integrated consumer experience
- the growth of contactless or even contact free
- the surge in subscription payments

**Daniel Kornitzer, Paysafe**

- It's amazing how customer payment behavior during COVID in such different regions as Russia and LATAM are

similar in many ways

- In both regions pandemic was a trigger for a huge number of "late adopters" to first try on-line shopping. Those people are likely to stay and make the impact on increase of e-commerce penetration in the total spend

**Ivan Glazachev, Yandex.Money**

- Since mid-March, convenience has become the most important reason to make purchases online; and as consumers experience more uncertainty in their daily environment, aspects of trust and security are getting even more important. So, being able to use Pay After Delivery services – get the products, try them and pay for them later – gives consumers even more confidence.

- Further accelerated adoption of mobile payments (as well as cashless payments for in-store).

- Merchants will likely experience less cross-border payments, especially in-store.

**Wilco Slabbekoorn, Afterpay**

## Risk & Security Trends Shaping Payments During the Pandemic

Risk & Security trends shaping payments during the pandemic directed us clearly to online business agenda in regards with coming SCA regulations and higher challenges on fraud field. However, key question still remaining to keep adequately balanced payment security/risk vs good customer experience.

**Ognjen Vlacina, Ikea**

The main challenges of post-PSDII SCA ERA for Merchant Payments Ecosystem are: the increased friction that will result in lower conversion rates for merchants and the immediate reduction in Authorization Rates from issu-

ers. Over time, however, these two metrics should improve as more entities in the ecosystem leverage the most recent versions of 3D-Secure and issuers invest in a data strategy.

**Spencer McLain, Ekata**

.... SCA is a journey, not just a one time deployment, if done right one can easily strike the perfect balance between risk reduction and well designed customer journeys.

**Petra Silsbee, Pluscard**

## What Should a Pan-European Payment Scheme Look Like

Some fundamentals in payments don't change. Most importantly: the chicken & egg problem of two-sided markets. For a new European payment scheme the biggest challenge is to reach enough critical mass on both the payer and the payee side: consumers and merchants.

That will create the necessary network effect that is required to reach the scale it takes to competitive with non-European giants.

**Gijs Boudewijn, Dutch Payments Association**

# New Normal in Merchant Payments Will Be ...

... technology-enabled, software-led distribution that allows integrated payments with more flexibility and less friction.

**Jared Drieling, The Strawhecker Group**

Merchants need to offer consumers super easy, fast and

frictionless ways of paying – wherever consumers are.

- This may mean merchants need to invest in creating and optimizing their digital (payment) experience

- This may in turn impact the need for changes in infrastructure and KYC processes

**Wilco Slabbekoorn, Afterpay**

## COVID 19 - Payment Industry perspectives

# Payments report: Regional payments revenue growth estimates Europe + North

In an earlier review of the Global Payments 2020 PCM looked at the impact of COVID-19, modelling three scenarios for payments revenue growth estimates. In the next two posts PCM takes a look at what is likely to happen in the major regions around the world.

Despite near-term disruption, the five-year forecast for most regions remains largely positive. This post outlines the major developments.

### Europe

Payments revenue growth across Europe are on track to grow modestly, although at a lower rate than over the past five years. From 2019 to 2024, growth could range from 2.3% under a quick-rebound scenario to -0.9% in a deeper-impact scenario.

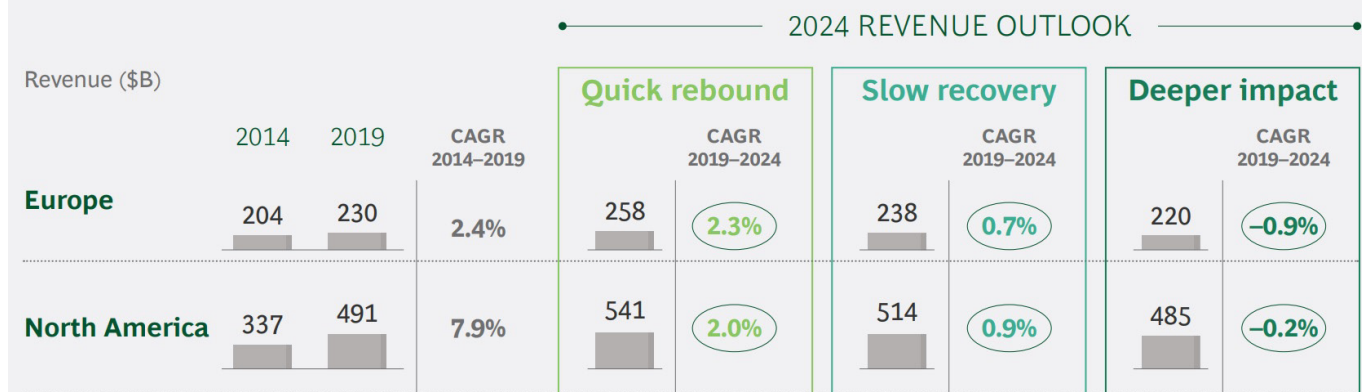
Eastern Europe, which captures 30% of the region's revenue pool, will continue to notch the highest growth rates, with Russia remaining a strong driver of growth in

the region. From 2019 to 2024, payments revenues could increase by a high of 4.7% annually in a quick rebound. Western Europe, which accounts for 64% of regional payments revenues, will see a CAGR of 1.1% in a quick rebound down to a low of -1.6% in the deeper-impact scenario, while the Nordics, which make up 6% of the revenue pool, should see revenue growth hover at 0.1% to 2.9%.

Although banks across Europe have implemented the Payments Services Directive 2 (PSD2), Open Banking innovations have not yet had a meaningful market impact. Recent M&A activity (such as PayPal's investments in the open-banking platform Tink, Mastercard's acquisition of Finicity, and Visa's acquisition of API leader, Plaid) could change this, however, and usher in new use cases and greater standardization of APIs.

Bank-FinTech collaboration is also on the rise. For example, TransferWise has created APIs that enable the company to push its products through traditional banking

## European and North American Payments Growth Rates



channels and allow banks, in turn, to provide customers with richer features.

Open Banking aside, European banks and regulators are increasingly concerned that without better regional coordination, foreign card schemes, wallets, and tech giants could challenge Europe’s monetary autonomy and displace the region’s fragmented payments infrastructure.

To address this risk, 16 European banks have banded together as founding members of the [European Payments Initiative \(EPI\)](#) with hopes of creating a card scheme, digital wallet, and person-to-person (P2P) instant payments system that will become the default payments method in Europe.

Both the European Central Bank and the European Commission have welcomed this undertaking, which comes on top of other infrastructure-related initiatives such as the TARGET Instant Payments Settlement System (TIPS). The European Digital Payments Industry Alliance (EDPIA), an advocacy group formed by four independent European payments processors, is another effort to improve coordination. The alliance seeks to accelerate a digital single market and monetize A2A payments capabilities.

### North America

Projections show that payments revenue growth in North America will grow by a moderate CAGR of 2.0% from 2019 to 2024 under a quick-rebound scenario and would turn slightly negative if the region experiences a more protracted recovery.

Debit cards still account for the largest proportion of transactions (44%) in North America, followed by credit cards (28%) and checks (8%). If past patterns hold, debit use could spike in the near term.

Following the 2008–2009 financial crisis, for example, US consumers shifted significantly more of their spending to debit cards in order to keep household debt in check. By 2011, however, credit expenditures had returned to pre-crisis levels, and they grew quickly in the years that followed.

From a product perspective, buy now, pay later (BNPL) providers are gaining traction as a result of the challenging economic environment and the shift in spending toward e-commerce channels.

Afterpay, for example, saw a 40% rise in its active user base in 2020. Partnerships are also growing in this area. Examples include QuadPay and Stripe, Klarna and H&M, and Shopify and Affirm.

In A2A payments, peer-to-peer schemes have seen growing adoption and more diverse uses, from paying rent to splitting the cost of meals. App downloads for Square, Zelle, Venmo, and PayPal all rose by more than 50% in April and May 2020, compared with the year before.

Many players benefited from crisis-related interventions that allowed government stimulus funds to be deposited directly into these apps, a move that helped position these schemes as the primary transacting account for many consumers.

Across the payments space, FinTechs continue to erode incumbent market share. In addition to an active domestic scene, several foreign FinTechs have entered the region over the past few years, including Afterpay, Klarna, Monzo, and N26.

Author: Alex Rolfe, Managing Director, Payments Cards and Mobile Magazine  
Source: [Payments, Cards & Mobile](#)

# The COVID-19 pandemic has been a catalyst of change in the payments industry – A new reality is here to stay



The payments industry has been incredibly dynamic for some years now: dizzying valuations, double-digit growth rates and an ever-quickening pace of technology advancement on a scale barely experienced in any other industry. A temporary volume decline due to Covid-19 should not be misinterpreted: we have seen the coronavirus completely change consumers' shopping behavior, push merchants to the brink of bankruptcy and shine a light on the importance of digital capabilities, all of which has acted as an additional catalyst in an already fast-moving payments industry. We have no doubt that this new reality is here to stay and will only advance still further – with far-reaching implications on business strategy for players along the entire payments value chain.

One of the most obvious ways the payments industry has been affected by the coronavirus crisis is in its economic impact: reduced consumer spending, declining international trade and a global economy on the verge of recession will inevitably lower the volume of transactions taking place.

Despite wide-ranging fiscal stimuli, it remains unclear how far it will be possible to reverse the consequences of weeks of lockdown in countries around the world. Additionally,

some industries such as tourism and airlines will find it difficult to return to pre-crisis levels within the next months or years – if ever.

As a consequence of these effects, we estimate that the payments revenue pool in Europe will be 15-20% down in 2020.

**Not only the quantities, but also 'what' and 'how' people are buying have been altered by COVID-19**

Besides the actual level of spending and what

people are spending on, the way consumers shop has also changed significantly. There has been unprecedented growth in online transaction volumes. Items such as groceries or health supplies that were traditionally mostly bought offline are now being ordered frequently and conveniently from the comfort of people's homes.

In-store payment behavior has also evolved at a pace that would have taken years without such an unprecedented crisis. Even cash-heavy economies such as Germany and Italy have seen a surge in (contactless) card-based and mobile payments. This was helped by the contactless payment limit being increased across most European countries from EUR 25 to EUR 50, a change that was decided and implemented in record time. Amplifying this development, merchants were actively encouraging customers to pay by card, ideally contactless, instead of using cash – something that would have been unimaginable in many European nations not so long ago. Merchants that only accepted cash found themselves at a significant disadvantage and quickly bought POS terminals.

**E-commerce capability has become a must, not a nice to have – even for SMEs**

Just as many SMEs installed a payment terminal for the first time during the crisis, e-commerce capability became similarly crucial within days of lockdown beginning. Facing the collapse of in-store sales, selling their products and services online was the only way for many SMEs to stay in business. But the smaller the merchant, the less likely they would have had a functioning online store at the start of lockdown.

And this is where proactive payments players seized their opportunity. By providing SMEs with an easy, quick and affordable way to set up e-commerce solutions, including relevant payment methods, they were able to position themselves as exactly the helping hand many SMEs were crying out for. And they complemented these offerings with additional support and services, such as financing options or temporarily reduced fees as part of special campaigns targeting small businesses. In the US, for example, merchant acquirers have greatly facilitated the payout of the US government's relief program. By providing software and process assistance, these players helped many merchants survive, especially smaller ones. Payments companies were thus one of the key enablers for SMEs to stay in business and facilitate their checkout processes – both at the physical POS as well as online.

**The payments landscape will see a shift in the roles of current players**

This pragmatic support has repercussions for players along the entire payments value chain. While it was traditionally the role of a merchant's principal bank to offer support with payment solutions, loans and other financial services, this role is increasingly being filled by merchant acquirers or payment service providers (PSPs) during the COVID-19 crisis. Having proven digital channels through which they could reach out and support SMEs was a cornerstone of their ability to provide timely assistance – and one of the key reasons why many principal banks were often found to be lacking in terms of the assistance they could provide. With traditional value chain boundaries becoming less and less distinct for some time now, providers that gave SMEs ef-

fective support have the opportunity to become genuine merchant banks for them in the future. And in that sense, it really doesn't matter whether these providers are traditional local banks or international PSPs.

However, there is an interesting twist: The fact that international players are grabbing more and more market share may well provoke political countermeasures. COVID-19 has added fuel to the fire of growing concerns over global value chains and international dependencies. Big payment providers from China or the US becoming even more dominant in the European payments landscape is a very unappealing prospect for most European banking leaders, regulatory authorities and politicians alike. As we argued in an earlier article, when it comes to establishing a successful European Payments Initiative, it's now or never. Against this backdrop, and potentially with the help of targeted government stimuli, COVID-19 might have improved the prospects of success for the ongoing EPI project to implement a harmonized European payment scheme.

What does all this mean for individual players in the payments sector? Obviously, there is no one answer to this question. To know the score, you need to have a thorough understanding of the different dynamics that will shape the coming months and years in the payments space. We at Roland Berger operate at the heart of these changes – through our projects, our experienced Partners and an expert network that all come together in our Payments Practice. We are here for you to discuss the future of payments after COVID-19 – and to shape it together with you.

Author: Sebastian Maus, Partner, Roland Berger  
Source: [Roland Berger](#)



# Creation of the European Paytech Leader. A Powerful Strategic Combination Between Nexi and Nets

Following the announcement made on 2 November 2020, Nexi, the PayTech leader in Italy, and Nets, a leading integrated Pan-European PayTech player, active in 20 countries and controlled by a consortium of private equity firms led by Hellman & Friedman (“H&F”), announce today that they have signed a framework agreement (“FA”) regarding the combination of the two groups through an all-share merger (the “Merger”).

- Transformational combination with Nets, resulting in the creation of the European PayTech leader follow-

ing the recently announced SIA merger

- Substantial platform at scale. Extensive reach across >25 countries, with presence in most attractive, fast-growing and under-penetrated European markets
- Full portfolio of solutions with key strengths in acquiring and e-commerce, underpinned by superior technology stack and capabilities across payment rails

Source: [Nets](#)

# Jumio Acquires Beam Solutions' AML Platform



Jumio, the leading provider of AI-powered end-to-end identity verification and eKYC solutions, announced that the company acquired the AML platform from Beam Solutions, a San Francisco-based startup focused on transaction monitoring and KYC.

Jumio will integrate Beam’s suite of AML solutions into its current KYX Platform to further strengthen the company’s position in the anti-financial crime marketplace. Financial terms of the agreement were not disclosed.

“Financial institutions of all sizes currently rely on a number of point solutions to combat financial crime and mitigate money laundering threats. At the same time, they must satisfy countless government regulations in order to avoid expensive fines and reputational damage,” said Robert Prigge, Jumio’s CEO. “Together, Jumio and Beam’s solutions deliver the first end-to-end compliance solution designed to minimize reputational and regulatory risk, increase operational efficiency and genuinely address harmful activity.”

Source: [Jumio](#)

# Nets Group acquires leading Swiss payment terminal provider **CCV Schweiz SA**

- The acquisition continues Nets Group's pan-European growth and expansion strategy, strengthening the presence of Nets Group in Switzerland
- Nets Group's existing Swiss service portfolio in card acceptance expands to include payment terminals and cash register systems integrations at point of sale
- Nets Group company Concardis Schweiz AG will be combined with CCV Schweiz SA. The two companies will jointly continue under the Nets brand

Nets Group, a leading European payment provider, announced the acquisition of CCV Schweiz SA, a subsidiary of CCV Group based in the Netherlands. The acquisition is a further step in Nets Group's European growth and expansion

strategy, focused on bringing advanced payments solutions to regions with high growth potential driven by the ongoing shift to digital payments.

The renowned Swiss payment infrastructure provider CCV Schweiz SA brings 30 years of experience in card terminals and associated services, as well as cash register integration, loyalty, and shopping card systems to Nets Group. CCV Schweiz SA will be integrated with Concardis Schweiz AG, which is part of Nets Group. As soon as the integration is organisationally completed in the coming months, the two companies will operate under the Nets brand.

Source: [Nets](#)

## Global Processing Services **Continues** International Growth with Visa Investment

Leading payments issuer processor, Global Processing Services (GPS) has secured a strategic investment from strategic partner, Visa Inc., the world's leader in digital payments. Backed by UK growth private equity firm, Dunedin, this strategic investment will accelerate GPS' global expansion, following its success in launching new and innovative fintechs and digital banks in Europe and South East Asia, including Revolut and Starling Bank.

Joanne Dewar, Chief Executive Officer at GPS, commented: "This strategic partnership with Visa is a fantastic step in the GPS growth journey, providing both recognition as a trusted and proven processing provider and further extends our reach. We have great relationships with Visa

around the world and we look forward to taking these from strength to strength as we work together to showcase both of our capabilities. GPS is uniquely focused on customer success and we welcome the opportunity to spotlight the role we play at the epicentre of the fintech story." GPS has proven to be the Paytech Pioneer™ that has powered the fintech revolution by enabling brands to provide hyper-personalised user experiences, placing flexibility and control in the hands of the cardholder. GPS is a leading issuer processor positioned to support fintechs, digital banks and e-wallet providers on their growth journey, from the agility of a proof-of-concept to a fully scaled global offering.

Source: [Business Wire](#)

# COVID 19 - Merchant Payments Industry News

## PayPal launches “buy now, pay later” scheme in the UK for items up to £2000

PayPal is launching a new “buy now, pay later” (BNPL) option for purchases of up to £2000 for any stores which offer PayPal as a payment method in the UK.

“PayPal Pay in 3” is the company’s latest major push into the BNPL space and will be available to customers ahead of this year’s peak shopping season.

Shoppers can now access the payment plan, which allows them to pay for any purchase between £45 and £2000 in three interest-free installments, potentially from any retailer which uses PayPal.

Source: [Charged Retail](#)

## UK retailers attack Visa and Mastercard over card fees



Retailer lobby group are calling on the UK Government to crack down on the fees charged by Visa and Mastercard as more consumers switch from cash to cards.

The latest payments survey from the British Retail Consortium (BRC) shows card use continuing to rise steadily from 54% of transactions in 2016 to 61% in 2019.

At the same time, the cost to retailers of accepting payments reached £1.1 billion in 2019, of which £950m was

from card payments.

While card payments account for four in every five pounds spent in retail, they also incur the largest charges with shops charged an average of 18.4p per credit card transaction (up 15% from 2016), and 5.9p for every debit card transaction (up 6% from 2016). Furthermore, businesses have received notices in the past year of new fees that will now be charged to accept payments online.

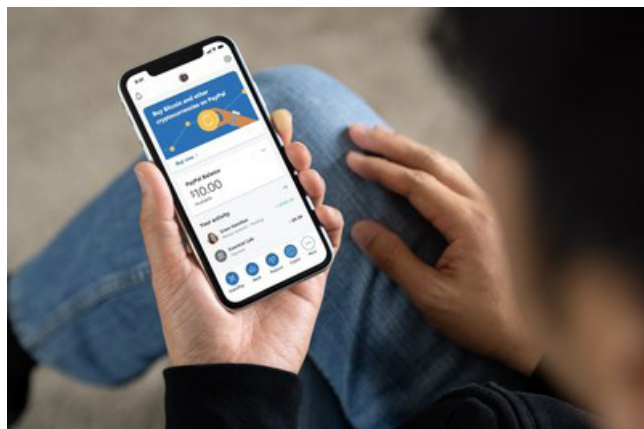
The BRC says the overall increases in scheme fees - 39% in 2017 and 56% in 2018, measured as a percentage of turnover - were "clear demonstrations of an abuse of market dominance".

The BRC, together with the British Independent Retailers Association, Association of Convenience Stores, Federation of Small Business and UK Hospitality have come together to call for decisive action from the Competition and Markets Authority to tackle increasing scheme fees.

Source: [Finextra](#)



# PayPal announced its entry into the cryptocurrency market



PayPal announced its entry into the cryptocurrency market, according to multiple reports. PayPal customers will be able to use cryptocurrencies to shop at any merchant in its large network starting from early 2021, the company said. The payments will be settled through fiat currencies, similar to many existing crypto merchant solutions like BitPay. This means that the merchants will be receiving fiat, as PayPal will take care of the conversion.

The coins initially supported will include Bitcoin (BTC), Ethereum (ETH), Bitcoin Cash (BCH) and Litecoin (LTC), the company said. The payments giant partnered with Paxos to deliver the service, and it obtained a conditional cryptocurrency license from the New York State Department of Financial Services, commonly known as the BitLicense.

In addition to cryptocurrency payments, PayPal users will also be able to purchase crypto directly through the app. PayPal will thus feature a cryptocurrency wallet, letting users buy, sell and hold crypto via the PayPal apps.

PayPal is one of the largest global payment providers, with 346 million active accounts and \$222 billion in volume processed in Q2 2020. It was one of the initial founding members of the Libra association, though it subsequently dropped out after regulatory pressure mounted for the project.

Source: [PayPal](#)

## Mastercard, IDEMIA and MatchMove pilot fingerprint biometric card in Asia to enhance security and safety of contactless payments

Mastercard has teamed up with IDEMIA, a global leader in Augmented Identity, and MatchMove, a Singapore-based fintech, on their first pilot in Asia of a biometric card that uses a fingerprint to authorize transactions at in-store payment terminals.

The card, with the product name F.CODE Easy, takes the seamless and intuitive experience of biometric authentication from a smartphone to a smart card. It makes transactions more convenient, safe and secure by eliminating the need for a cardholder to provide a PIN number or signature, thereby reducing touch points in public places.

Developed by IDEMIA in accordance with Mastercard's technical and design specifications, F.CODE Easy ensures

privacy and security by storing all biometric credentials on the card chip rather than a central database. The battery-free card, which harvests energy from payment terminals to power its fingerprint sensor, is designed to be user-friendly and is certified to ISO standards by Mastercard for security and compliance.

MatchMove, a Banking as a Service provider in Singapore, will issue the biometric cards for the pilot in the fourth quarter of this year. The pilot will feature employees of Mastercard, IDEMIA and MatchMove using the cards for transactions and live demonstrations for customers.

Source: [Mastercard](#)

# Ant Group Set to Be World's Largest IPO Ever

- Ant Group, a fintech affiliate of Alibaba, expects to raise \$35 billion
- Market value set to rise to \$313 billion before green-shoe option
- Jack Ma will become 11th richest person in the world after IPO

China's Ant Group is poised to raise almost \$35 billion next week in what looks set to be a record-breaking initial public offering (IPO). In order to make history, it needs to eclipse Saudi Aramco's \$29.4 billion IPO earlier this year.

The fintech company affiliated with e-commerce giant Alibaba Group will go public via a dual-listing in Shanghai and Hong Kong on Nov. 5. In each location, the Hong Kong Stock Exchange and Shanghai's Star Market, 1.67 billion new shares will be issued. This translates to 11% of the company. Ant is expected to have a market value of around \$313 billion, as per the share prices chosen.

Reports say investor response has been sensational, and the amount raised could increase by \$5.2 billion if a 15% over-allotment or greenshoe option is exercised. According

to CNN Business, Ant is closing its Hong Kong institutional book building on Wednesday, a day earlier than scheduled, because of strong demand from global institutional investors. The Hong Kong shares were oversubscribed within the first hour of pricing.

Alibaba founder Jack Ma's 8.8% stake in Ant will make him the 11th richest person in the world and solidify his position as the richest man in China with a net worth of \$71.1 billion, according to Bloomberg. As of Oct. 26, he was in the 17th position globally, having added \$14 billion to his fortune so far in 2020.

Ant has reportedly raised some \$20 billion since 2015, which represents more than a third of VC investment in China-based fintechs over the period, according to Pitch-Book data.

Almost 40% of its revenue comes from its consumer credit business and 36% from digital payments.

Source: [Investopedia](#)

## BBVA launches Aqua, the first card without numbers or a CVV

BBVA has launched Aqua, a new line of pioneering credit cards in Spain which feature a dynamic CVV code and do not contain card numbers (PAN) or expiration dates printed on them. This reinforces security both for its digital and physical versions since not having this data prevents possible fraudulent use of them. In addition, BBVA's app has renewed the entire payment experience to make it easier for the customer to manage their expenses and order the services it offers based on their use. The bank is already working to launch this mobile experience in other countries.

New digital experience "This initiative goes beyond the launch of a card. It is a new experience for our clients. When they first access the 'app', they will find the most popular services to facilitate their banking experience, they will

have greater control of their expenses, they will be able to choose the payment method they want and have greater security in their online purchases, since the number and CVV do not appear on the cards", explains Gonzalo Rodríguez, Head of Business Development at BBVA in Spain.

To develop this new project, BBVA carried out a study on the use of cards and digital banking. It was carried out last December and included interviews with 1,000 customers in Spain. The conclusion is that when it comes to the most sought attributes, security, planning and control of expenses and products, as well as the possibility of being able to carry out a large number of operations through mobile phones, are the most valued.

Source: [BBVA](#)

# Experian lets Brits use Netflix subscriptions to boost credit scores



Experian is tapping Open Banking to help Brits instantly improve their credit scores by using their council tax and

Netflix and Spotify subscription payments.

The free service, Experian Boost, lets people add a range of popular, regular payments - at launch council tax, streaming services and savings and investments - not traditionally factored into credit scores. Users can also add general information, such as total incomings and outgoings.

Experian claims that early analysis suggests 51% of people using the service will receive an instant increase to their credit score, benefitting millions of Brits. Among this group, more than one in 10 will move up an entire score band.

Source: [Finextra](#)

## COVID-19 drives further growth in contactless payments

Contactless payments have taken a leap forward during 2020, in part driven by concerns around the potential spread of COVID-19. In the Nordics, the contactless payment ratio has grown from around 57 per cent in early January to 75 per cent of all in-store card payments in late October this year, according to data from Nets, a leading Nordic payment provider.

Contactless payments have been encouraged by health authorities and merchants to limit physical contact among consumers during the pandemic. The result has been that behavioural changes anticipated to take years have happened in mere months.

In Norway and Denmark, the governments imposed strong restrictions on social activities from late March, leading to a surge in contactless payments across shops and restaurants. In Norway in January 2020, only 35 per cent of payments were made contactless; by late October, it had more than doubled to 77 per cent – overtaking Sweden and Finland in the process. During just one week of the Norwegian lockdown, the share of contactless payments jumped six points.

In Sweden, where authorities took a less restrictive path to fight the pandemic, use of contactless payment has shown steadier growth during the year, rising from 44 per cent in

January to 60 per cent of all in-store card payments by late October.

Denmark is leading the pack with around 86 per cent of all card payments in physical shops made contactlessly in the last week of October. Norway is second with a share of 77 per cent, with Finland third at 70 per cent.

Contactless payment are transactions initiated by contactless interaction between the consumer's card and the merchant terminal, even if a PIN-code may also be required when the payment exceeds a certain limit. To further facilitate adoption, Norway increased the transaction limit to pay contactlessly without inputting a PIN code from NOK 400 to 500, while Sweden doubled the amount from SEK 200 to 400 in mid-April. In Denmark, the limit has been DKK 350 for over two years. The contactless limit set by EU law is EUR 50, which is honoured in Finland.

Contactless payments through mobile devices, such as Apple Pay and Samsung Pay, work on all payment terminals with contactless functionality and have no transaction limit, as the purchase is approved through mobile verification.

Source: [Nets](#)



# Payment Methods Report 2020

What's New in the Way People Prefer to Pay

Apart from disrupting everyone's lives, the COVID-10 outbreak has also disrupted the payments industry, bringing a sea change among customers' behaviour, while also making businesses to adapt immediately to something that one calls it 'the new normal'. Yet, even before the pandemic, the dynamic industry brought out new trends in payments that have the greatest potential to shape the way people buy goods and services online and offline, gearing towards an increased adoption of cashless payments.

The Paypers' [Payment Methods Report 2020](#) brings out an extensive overview of what's new in how people pay in the most relevant ecommerce markets, while focusing on innovation and the latest trends.

### **Insights into A2A payments**

Online Banking e-Payments are becoming increasingly important throughout Europe, not just in Sweden or the Netherlands, but all over the continent, due to client demand, the availability of instant payment infrastructure, and regulatory support. Consumers have started to see transactions beyond traditional banking, for this reason, merchants should definitely consider solutions that offer A2A payments.

### **How COVID-19 pushed digital transformation forward**

The COVID-19 impact has shifted customer preferences, especially with regard to the use of cards, consumer lending, social commerce, and digital transformation at large. In store, contactless cards seem to be the way to go from a customer perspective, but with new cashier-less pay points and retailers offering various benefits via mobile apps, mobile payments are clearly here to stay as well.

The pandemic has also made consumers find new ways to accommodate their budgeting and finances, and thus embrace even more the benefits of BNPL options. We observe the spending trend has changed, and now consumers left plane tickets and vacations aside and started to buy retail products, such as electronics or clothing and apparel. What's more, Gen Z is driving the popularity of BNPL further – as a demanding generation, they look to avoid high-cost and long-term debts.

### **Best practices for a high-converting checkout**

With ecommerce growth being accelerated by the pandemic, it is key to get the right payment now more than it has ever been. According to a [Baynard study](#), in 2019, the average cart abandonment rate was 69%, while as per a Trustly [report](#), 6% of shoppers report that they

abandoned an intended purchase because there weren't enough payment methods.

So, what's key in creating an optimised checkout to improve conversion rates? There are several aspects that every merchant or PSP needs to consider for checkout optimisation and customer conversion. Apart from a fast and responsive website, merchants are urged to consider the guest checkout, as well as one-click payments or in-app payments, and ultimately, alternative payment methods. Moreover, the 3DS 2.0 initiative is also key to streamlining the checkout process, through a frictionless consumer authentication, thus driving conversion.

### **The global overview of payment methods and the latest developments**

Local payment methods such as bank transfers, e-wallets, cash-based payments, and domestic cards are the dominant payment methods globally, used in more than 70% of all consumer transactions.

It is, therefore, essential to know which are the preferred and local payment methods in a country you plan to expand to, in order to create a smooth customer experience, increase conversion, and drive loyalty. We have dived deep into specific markets worldwide, from the Americas and Europe to Asia-Pacific and Africa, to reveal the popular payment methods and the latest developments from each country.

This report has gathered the most recent trends, of which any player in the payments industry should be aware. The changes happening in the current ecosystem cannot be missed, so we kindly invite you to augment your knowledge with opinions provided by great experts in the field.

Author: Anda Kania, Senior Editor, The Paypers



# Know Your Risk. Always. How to Trust Your Fraud Prevention Data to Maximise Conversions?

Sponsored by:  
**4STOP**

The surge in digital payments experienced as a result of our global pandemic is a significant opportunity for eCommerce merchants and PSPs. It is essential to rethink strategy, sync with leading technology developments and adapt mantras for future-proofed sustainability and to maximise engagements and profitability potential.

## Speakers & Panelists



**Alan Moss**  
 (Moderator)  
 VP of Marketing,  
 Miura Systems



**Brian Daly**  
 Head of Product  
 Implementation and  
 Innovation  
 4Stop



**Paul McManus**  
 Vice President Merchant  
 and Payments  
 4Stop



**Christian Wheeler**  
 Vice President Merchant  
 Underwriting  
 4Stop

Download the webinar here

# FREE WEBINAR

Fulfill Your Cross-Border  
Destiny in 2021:  
Three In-Market Experts  
discuss the New Normal

October 29  
4PM CET



MERCHANT  
PAYMENTS  
ECOSYSTEM

# Rapyd

## Fulfill Your Cross-Border Destiny in 2021: Three In-Market Experts discuss the New Normal

Sponsored by:

# Rapyd

Going cross-border is quickly becoming a necessary strategy for businesses and ecommerce firms in both Europe and globally. This webinar provides a roadmap and timely insights on how every business can effectively grow cross-border sales in 2021, and covers the steps you need to take to achieve success while minimizing risk. Ecommerce and digital organizations must expand to new markets globally but going about expansion without the right approach and planning means many businesses will fall short of their goals. In many cases placing the right bets to maximize cross-border investment while avoiding common pitfalls to success are overlooked.

### Speakers & Panelists



Volker Schloenvoight  
(Moderator)  
Principal  
Edgar, Dunn &  
Company



Sarel Tal  
VP and General Man-  
ager, Europe, Middle  
East and Africa  
Rapyd



Joel Yarbrough  
VP and General Man-  
ager, Asia-Pacific  
Rapyd



Eric Rosenthal  
VP Americas and Man-  
aging Director  
Rapyd

[Download the webinar here](#)

## MPE podcasts

# A Match Made in... Berlin - MPE SUCCESS STORIES

**VOICE OF**



In this episode, Alan Moss interviewed Jarkko Anttiroiko at the MPE 2020 conference about the successful partnership between start-up and established payment provider that started three years ago at MPE 2017 conference.

Finnish Enterpay and German VR Payment entered into a successful partnership after meeting at the MPE 2017 conference in Berlin. From the stage at the MPE conference, Jarkko Anttiroiko, CEO of the Finnish fintech startup Enterpay shared his story and views on the future of B2B e-commerce with the audience. And what Jarkko Anttiroiko told sparked the curiosity and interest of the German banking group.

In this podcast Jarkko reveals his journey to this partnership. The issues that Jarkko Anttiroiko raised and Enterpay's solution resonated well with VR Payment, who reached out to Enterpay directly after the presentation. The two parties quickly decided to explore the options for collaboration. Now the partnership between VR Payment and Enterpay is in place and the first joint product has been brought to market.

Things you will learn in this episode:

- The story of successful partnership between start-up and established payment provider: key milestones in a product launch in 2019, achievements and the lessons learned
- How to launch the payment innovation on European markets in cooperation with local merchants and financial services providers?
- Future trends in verifying a customer's identity.



**Alan Moss (Host)**  
Head of Fintech &  
Payments  
BlueSpecs



**Jarkko Anttiroiko**  
Co-Founder & CEO  
Enterpay

Listen to podcast here





# Talent Management Challenges in Payments

VOICE OF



Talent management & People power took centre stage at MPE2020 conference, with the launch of its first dedicated panel sessions on 'People for Payments'. The overall feedback from MPE2020 speakers underlined the role of talent management which is becoming much more important for the entire payments ecosystem.

Competition to secure talent is intensifying, as merchants and payments companies increasingly seek to gain advantage and differentiate themselves through their 'people talent'. This creates a challenge for many organizations, as they seek to fill key roles and to source, develop, and retain individuals with desirable skills.

In this episode you will learn from seasoned payment professionals about:

- the biggest talent management challenges payment providers face in 2019/2020
- leadership/people: What is the type of people that are needed for the future of this ecosystem
- the challenges of bringing talent across sectors and geographies
- the new positions needed in the merchant payments ecosystem
- what is missing in the industry at the moment? The most difficult roles to fill-in and skillset necessary now



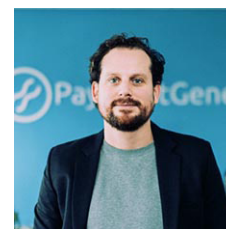
**Alex Rolfe (Host)**  
Managing Director and Editor in Chief at Payments, Cards & Mobile



**Simon Stokes**  
Senior Partner, Payments & FinTech  
Greenings International



**Thijs Moser**  
Head of Global and DACH  
PaymentGenes



**Camile Laupman**  
Co-Founder  
PaymentGenes

[Listen to podcast here](#)



# Global Map of mPOS Providers

The most comprehensive industry overview of mPOS providers. The interactive map monitors the increasing complexity of mPOS ecosystem listing players coming in from different sectors around the Globe.

[www.merchantpaymentecosystem.com](http://www.merchantpaymentecosystem.com)

2010

Jan

 Square

## Square

**Provider to merchants:** ✓  
(Core Service & Wallet)

**Vendor to providers:** ✗

**Accepted Card Brands:** VISA,  
MC, AMEX, DISCOVER

**Countries Serving:**  
United States, Canada, Australia,  
Japan

**Product Names:** Square Register

**Connection Type:** Audio jack card reader

**Features:** Free secure card reader available after sign up, secure encryption, easy setup, free Square Register app, no setup fees or long-term contracts, funds from swiped payments are deposited directly into bank account within 1-2 business days, includes checkout customization, management tools, data analytics

**Verification Method:** Signature

**Compatibility:** iOS, Android

**Website:** [www.squareup.com](http://www.squareup.com)

2010

Mar

 LightSpeed

## Lightspeed

**Provider to merchants:** ✓  
(Core & Front Office & Back Office  
& Open API)

**Vendor to providers:** ✗

**Accepted Card Brands:** VISA,  
AMEX, DISCOVER, MC, JCB

**Countries Serving:**  
United States, Australia

**Product Name:** LightSpeed Mobile

**Connection Type:** Mobile payments sled, serial port & audio jack card readers

**Features:** Create new invoices, perform inventory lookups, add or create a customer, scan products with line-a-pro hardware, process credit card payments, accept signatures on-screen, email receipts. LightSpeed is the complete retail solution

**Verification Method:** Signature

**Compatibility:** iOS

**Website:** [www.lightspeed.com](http://www.lightspeed.com)

2010

Apr

 ShopKeep POS  
The simplest way to make smarter business

## Shopkeep

**Provider to merchants:** ✓  
(Core Service, Back Office, Front Office)

**Product Name:** Shopkeep