



Positivity magazine

THE OFFICIAL MAGAZINE OF MERCHANT PAYMENTS ECOSYSTEM • ISSUE 91 / AUGUST 2021



MERCHANT PAYMENTS ECOSYSTEM TRENDS & PRIORITIES IN 2021/2022?



Trends & Priorities in 2021/2022



on page 3

Mastercard invests in card tech startup ...



page 28

The Global Payments Report 2021



on page 49



At The MERCHANT PAYMENTS ECOSYSTEM, we live and breathe payment acceptance.....

Maintaining a sense of community is very important for merchant payments professionals in these "physically distant" times when it's challenging to meet in person.

In this Issue of POSitivity Magazine, we are bringing you the voice of the industry.

We asked Merchant Payments Ecosystem's industry Influencers to provide their insights to help you navigate the challenging times. In the section "Merchant Payments Ecosystem Trends & Priorities in 2021/2022", you will find the interviews with 16 different industry stakeholders sharing their perspectives on:

- how the MPE community coped with and responded to challenges of Covid-19,
- what are your current priorities & trends to watch,
- and what is the ecosystem vision for the post-pandemic world in 2022?

This Issue of MPE POSitivity magazine is bringing you fresh Industry news and trends, covering emerging BNPL opportunities, update on Cryptocurrency and payment acceptance and selection of industry news announced

during the previous 2nd Quarter of 2021, impacting the Merchant payments ecosystem.

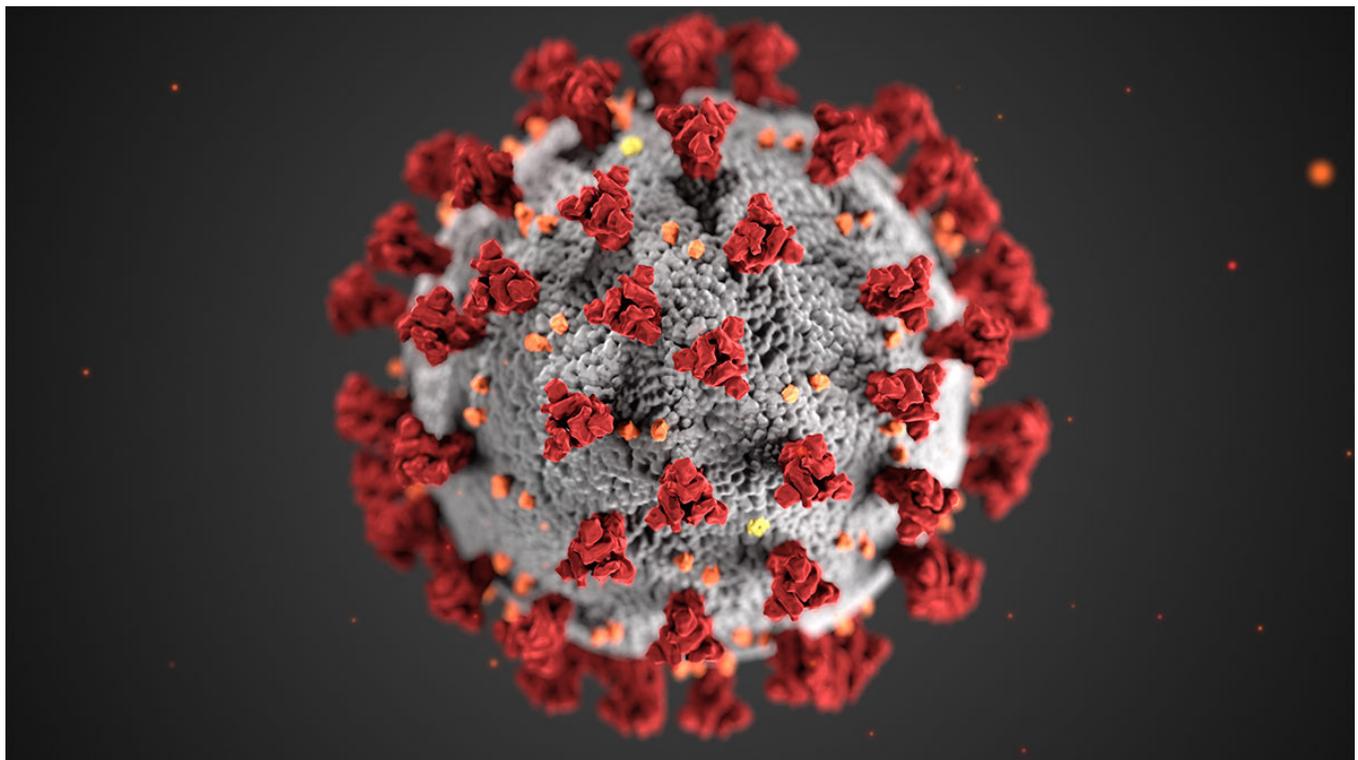
Should you not have a chance to join one of the webinars (How the PANDEMIC is changing merchant payments) MPE organised during previous months, [you can find the list of previous webinars here](#) or register for the upcoming webinars.

We hope you and your families stay safe and look forward to engaging with you online and in person 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)

PS: If you would like to become an active contributor to POSitivity magazine let us know at mpe@merchantpaymentsystem.com



Merchant Payments Ecosystem Trends & Priorities in 2021/2022?

Maintaining a sense of community is very important for merchant payments professionals in these "physically distant" times, when it's difficult to meet in person.

We have interviewed Merchant Payments Ecosystem's Partners & Influencers to understand:

- how the MPE community coped with and responded to challenges of Covid-19,
- what are your current priorities & trends to watch,
- and what is the ecosystem vision for the post-pandemic world in 2022?



Alain Delcourt
Managing Director
BoaCompra

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

Definitely — digital payments were already rising fast even before the pandemic, which accelerated this cultural and market shift even more. After becoming more accustomed to the agility, security, and easiness of contactless and mobile payments, consumers are not going back. While face-to-face activities start resuming, the tendency is for digital payments to become more present in physical establishments, besides on-line shopping.

This highly digital payment scenario also leads to more innovative, disruptive payment solutions being released, which only increases user adherence for mobile payments. In Brazil, for example, the Central Bank's instant payment method Pix, which was released a few months before the pandemic hit. In just around six months, more than R\$ 1 trillion have been

transactioned through Pix, which is available 24/7 with no charge for clients. The instant payment method has around 102 million users, representing almost 50% of the Brazilian population, according to the Central Bank.

What do you see are the key eCommerce & mobile payments trends in the upcoming 12 months?

The fintech revolution is currently fostering major innovative changes, all of which strengthen even more the need to offer agility and service variety for consumers.

Digital wallets have directly impacted the livelihoods of the almost 70 million low-income Brazilian citizens that opened e-wallets in order to receive economic relief during the pandemic, according to data from the Brazilian Government and Caixa Econômica Federal. When it comes to e-commerce, e-wallets already represent around 12% of total purchases.

Since some wallets like PagBank have already evolved to fully become neo banks, the next frontier in Brazil is the implementation of Open Banking. It is a real game-

changer, guaranteeing more freedom, transparency, and flexibility for end-customers. In the meantime, the implementation of data protection is being enforced to guarantee users' security. This opens up several new pathways for every type of company operating in the financial market, from fintech companies to traditional banks. And considering how eager Brazilians are to adopt solid innovative solutions, Open Banking could fast-track financial services in the country even more.

Meanwhile, cross-border commerce is also stronger than ever, for both physical and digital goods. To be successful in emerging countries, merchants must make sure they are offering local payment methods in local currency. The digital payment revolution is a worldwide trend, but each country has its own way of going through it.

YOUR Response to COVID-19 Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times. What are the things you have learned during the pandemic?

Consuming habits have changed, and we see no sign of a rollback to pre-pandemic patterns. Gaming and social media, two market segments where we already had a strong presence, grew exponentially – and guaranteeing fast and secure payment processes for such companies, consequently, also became even more important.

Besides improving our processes to ensure proper service provision to these growing sectors, we also expanded our reach in other market segments, such as e-commerce and e-learning. Since the digital revolution

was already well in place, clients have many demands for which company they will choose – and every step of the way counts, including payment. So this context accelerated online payment processes and led more companies to fully understand they cannot stay away from digital businesses.

How does your company help merchants tackle the impacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

We have dedicated a lot of our time to improve our customer care and anti-fraud features, guaranteeing the best possible results for all our clients in every purchase.

We had no major glitches in our payment services, although the beginning of the pandemic was indeed challenging, considering the increase of volume in operations in a moment of organizational turmoil.

On the way to finding the Next New normal, what are your future plans?

We are currently building new pipes and rails which will allow merchants to process payin and payout processes with both domestic and international remittance, embedding all the traditional and new real-time payment methods available in the Latin American region. Stay tuned!



Daniel Kornitzer
Chief Business
Development Officer
Paysafe Group

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

There is certainly no reason to think that the accelerated shifts we have seen to both digital commerce and contactless will be reversed when COVID-19 is no longer an issue in most circumstances. For example, in April this year we surveyed 8,000 people globally for our annual Lost in Transaction consumer payment trends report and approaching half (44%) of all consumers told us that they already had plans to permanently increase their volume of online shopping.

And the way people are paying online has changed, as well as how often they are doing it. 86% of consumers told us that their payments habits had changed during COVID-19 and 59% had used a new payment method for the first time, with digital wallets (23%) being the most common new payment method.

Popular reasons for this shift included using alternative payment methods to track online spending more accurately, being concerned about being a victim of fraud when shopping with unfamiliar vendors, and exploring the potential of new technology generally. But better knowledge of alternative payment methods was also a key factor, with 38% of consumers saying that they are more familiar with alternative payment methods now than they were before the pandemic and 31% saying they are more likely to use them.

And with 56% of consumers saying that they only shop with merchants that accept their preferred payment method, understanding the impact of this permanent change is going to be critical for businesses.

One temporary trend that does appear to be following a different narrative though is that there is a significant percentage of consumers that want to continue to pay with cash. 44% of consumers told us they were using cash less than 25% of the time to make payments before COVID-19, and this has grown to 58% during the pandemic. But when we asked about future plans, this figure falls back to 50%. So while there have been good reasons for consumers to reduce their reliance on cash during the pandemic, we don't see this as a tipping point sparking the rapid reduction in cash usage. In fact, 28% of consumers told us that they wouldn't shop in stores that didn't accept cash, compared to 24% that said they wouldn't shop in stores that didn't accept contactless payments. So for merchants, getting the balance right and offering the maximum number of payment methods both online and in-store is still

going to be critical.

What do you see as key fraud and security trends in the upcoming 12 months?

One of the more interesting takeaways from our annual consumer research was that trust in online payments appears to be growing. That may be due to several factors; increased familiarity with online payments after needing to shop remotely during the pandemic, more choice when it comes to payments methods at the checkout, new security protocols such as 3DS2 and multi-factor authentication playing a greater role, a growing trust in biometric authentication for mCommerce, or a combination of all of these.

That isn't to say that security is no longer a high priority for consumers. For example, when considering preferences for online payments, consumers still prioritise the security of their transaction over its ease. When we asked how they would assess these competing priorities, 63% of consumers said they would advocate tightening security processes to make payments safer, and 40% are willing to accept whatever security measures are required if it eradicates fraud. However, these percentages have fallen in the past 12 months. When we asked in 2020 more than three quarters of consumers (76%) demanded more secure payments even at the expense of convenience and 51% said they were willing to accept whatever security measures are needed if it eradicates fraud.

So consumers continuing to grow in confidence when it comes to the security of online payments is a trend we will certainly be keeping an eye on in the next 12 months, particularly as it relates to the growth of alternative payment methods and the steps merchants and businesses then take to make their checkouts more frictionless.



Shmuli Goldberg

CMO

Identiq

What do you see as key fraud and security trends in the upcoming 12 months?

Account-based attacks have already increased over the past 12 months -ATO, fake signups, fake or malicious content and reviews, loyalty point theft, etc. This trend is likely to continue, fueled by the data theft gained through numerous phishing attacks and circumventing to some extent what was supposed to be the protection of regulations such as PSD2.

If you could share your three tips on trends changing the payment landscape in the next 12 months, what would they be?

- Real time payments
- Increasing important of data privacy
- Merchants adapting to PSD2 - from authentication, to fraud prevention, to customer experience

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times. What are the things you have learned during the pandemic?

The importance of collaboration. It's natural to want to be together face-to-face - and when it's possible, we still try to make that happen - but what's really important is creating opportunities to get people together, whether virtually or physically. It's more effective for work, it's key for sharing insights, and it deepens relationships so much. We're privileged to work in an industry of fraud fighters who love to collaborate and spend time together. We've hosted a series of roundtable discussions over the last year, facilitating industry debates on a range of topics. They've been fascinating, and we've been humbled by the value and appreciation participants have shown. Collaboration is how things happen.

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance across Europe? Adapted operating models, adjusted your portfolio, etc.?

The biggest shift, of course, was moving from many face-to-face encounters and interactions to remote relationships. But in many ways it has turned out to be a strength - we have been able to bring people together from across timezones and countries, which would have been extremely challenging if we'd been trying to do it physically. With the increased importance of e-commerce and fintech as a result of the pandemic, remote connections have allowed many in the industry to adapt to the scale they now need in order to meet the changed needs of their customers.

How does your company help merchants tackle the impacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

Our anonymous network enables companies to collaborate directly with one another, so that they share knowledge of and trust in good customers - without ever sharing any personal user data. This helps both prevent fraud, since fake, synthetic and fraudulent identities stand out right away, and also helps companies to provide the excellent customer experience they aim for, because they can trust new users even the very first time they're on the site - once they know that their peer companies already know and trust those users.

On the way to finding the Next New normal, what are your future plans?

2021 has been a very significant year for us, with the network demonstrating tremendous growth. Our aim is to help all our network members to adapt to both the growth of fraud attacks, and the increasingly high expectations of good customers, by enabling anonymous

collaboration.

The success and failure of a business depend entirely on leadership. How did you motivate and inspire your people in difficult times? How do you see the most important qualities and attributes of merchant payment leaders?

Leadership/People - What are the type of people needed for the future of this ecosystem?

What's needed is people with vision, who see the value of working together to improve things for everyone. That's true for payments, for fraud prevention, for privacy - you name it. Fortunately there are many such exceptional individuals in our industries.

What are the challenges of bringing talent across sectors and geographies?

People tend to think within their bubble. But as the possibilities of remote work open up new opportunities everywhere, we've observed that people are increasingly thinking in new directions, including shifting across sectors and geographies.

What are the new positions needed in the merchant payments ecosystem?



Anda Kania Lead Editor for Payments and Commerce The Paypers

Payments companies must anticipate what's next—now. What are current trends in merchant payments? What can we expect in 12 months?

I believe there are five trends to watch in the next 12 months, and they all revolve around reach, cost, and conversion.

Trend #1 Buy Now, Pay Later

There's a need for more positions which aim to make privacy a key part of an organization - not from the perspective of saying no, or adding restrictions, but rather looking for opportunities to use privacy as an enabler. Privacy Enhancing Technologies have opened up new possibilities in practically every department - organizations need someone who can assess those and bring those advantages to the business.

Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

It sounds counterintuitive, but company values are more important than ever. You need to be constantly sensitive to your customers' needs and shifting priorities, and you need to be able to adapt to serve those and to whatever changing circumstances are ahead. Company values, based on these needs, can't just be something you write down. They have to be part of every department and the decisions they make, day-to-day.

BNPL is not a new concept, yet it is a practice that has been gaining momentum for a couple of years. The Gen Z is driving the popularity of BNPL, as young consumers look to avoid high-cost and long-term debts. Beyond the overall discussion regarding the need for more regulation in this space, and even though indeed, there are risks taken by all parties - providers, merchants and consumers - BNPL is a payment option that should be present at checkout. In my opinion, it is a good budgeting tool for consumers and

an opportunity for customer conversion when it comes to merchants' KPIs.

In addition to Europe, Australia, and the US, this market is expected to expand especially in the Middle East, South-East Asia, and Africa, where new players are arising, and this is another reason why the market is predicted to swell substantially. Perhaps some of the existing providers would consider going direct to consumers (like Klarna did) and create their own platforms for selling.

Moreover, it has been a busy year for [investments in BNPL companies](#) worldwide, suggesting they can continue to be successful on the market since they show a lot of promise for their investors.

Trend #2 Invisible payments

Consumers have less patience with cumbersome check-outs, so they're looking for an 'anytime, anywhere, on any device' experience and for purchases at the click of a button. There are many examples of invisible payments today, such as food delivery and taxi services. Consumers can get from A to B by simply storing their personal and financial information on an app, knowing they will be billed for the service provided.

I believe in the ecommerce space two practices will be further embraced to boost invisible payments:

- card-on-file, which is a convenient way to pay for customers that don't want to insert their payment details every time they shop online, either via mobile or desktop
- click-to-pay that facilitates one-click payments for the guest checkout – consumers can enrol and register by entering their email address and phone number, with no need to set up an account.

Trend #3 Account-to-Account (A2A) payments

PSD2 and Instant Payments are accelerating innovation around A2A payments in Europe. With digital wallets in Europe increasingly tied to bank accounts, the popularity of bank transfers goes beyond the strong direct share of payments. In several countries, A2A payment methods have already overtaken card services, like iDeal in the Netherlands, Swish in Sweden, Mobile Pay in Denmark, and Trustly that allows payment acceptance through online banking in multiple countries with just one integration. Worldwide, the mass adoption of real-time payment systems has accelerated the development of this payment method.

Trend #4 Open banking

If we look in the ecommerce space, open banking brings advantages for at least three actors in the ecosystem: it al-

lows banks to be available in every shopping app, it provides minimal friction on the consumers' side, and quick settlements of funds, which is on merchants' benefit. There are also less costs involved in the transactions made via open banking, a factor that should bring more merchants to the table. As well, open banking could also be leveraged in the BNPL context, especially tackling the risk scores, as data of the consumers' financial information may allow a fast, frictionless and accurate credit check. Therefore, it's fair to say that this trend somehow covers all the other trends mentioned above bringing something good into each of them.

Trend #5 Contextual commerce

Contextual commerce involves VR, AR, social commerce, live-streaming commerce and voice commerce. And we can no longer say that this is the future of ecommerce because it seems the future happens in this very present. In some regions, such as Asia, social commerce has a powerful dominance among Gen Z while in Europe and the US, social platforms such as Facebook, Instagram or Pinterest use referrals to ecommerce sites, and are working on building their own checkout experience for the users.

What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

In-store shopping has bounced back to some extent, so after the pandemic, even the smallest kiosk might need to have a POS or a smartphone POS.

My understanding is that the industry is now considering the removal of hardware and leaving the room just for software terminals, APIs, a mobile device and the software application, along with data insights and broad integrations.

Also, the PIN on Glass technology has caught the attention of many merchants that are looking to simplify payments for their clients. This payment technology seems to be an option for those looking to bring a software-only model for in-store payment processing.

As regards the adoption of NextGenPOS, new use cases will surely emerge post-pandemic, especially at festivals and concerts, but also in transportation.

Nevertheless, the whole discussion about POS is very much directed to merchants and solution providers, but the message should be clearly sent out to acquirers and ISOs as well, as they also have to get ready for what's next in this domain.

During the previous 18 months, we have seen a huge rise in contactless and shift to ecommerce payments. Do you think that the digital payment revolution will

continue post covid and change consumer payments?

The impact and the results of the digital payment revolution that has started in 2020 will surely be felt in the near future and post-pandemic. The consumers that are now using contactless payments and shop online more than ever before have no reason to go back to a traditional way of payment and shopping. The areas where I see development and great usage are e-wallets, QR code payments, contactless cards, and tap-and-pay terminals.

I can also foresee more innovation in the subscription businesses space driven by consumer behaviour. As ownership shifts to access, consumers want the latest technology available at their fingertips. They also demand a variety of payment options, flexible pricing, the ability to customise the package, and the freedom to pause and resume services at any time, something that subscriptions services may offer.

What do you think are the types of payment rails that will be growing?

I think there is one type of payment rail that has great

potential: real-time/instant payment. Around 50 real-time payment rails are now live across the globe, yet it's difficult to estimate which one and how many will have a successful roadmap.

Request-to-Pay – which is more like a concept rail used for payment schemes developed in different countries and regions around the world – will be further growing. For an ecommerce purchase, R2P works as a payment method, and the absence of an intermediary creates the biggest advantage since it means no additional costs and no additional processes for the merchant. I'd watch closely the evolution of [SEPA Request-to-Pay \(SRTP\)](#) in Europe and the level of [SEPA Instant Credit Transfer \(SCT Inst\)](#) adoption across European countries (so far, nine countries have implemented it).

Aside from Europe, I think PIX in Brazil and UPI in India will continue to grow, not just because they serve the purpose of affordable infrastructure, but they also contribute to the financial inclusion in the countries they operate.

Overall, there is a global trend of instant payment rails developing payment products for now, and they will likely focus on digital identities in the future.



Irfan Rasmally
Chief Operations Officer
& Executive Director
myPOS Group

What do you see as key POS trends in the upcoming 12 months?

“POS systems have come a long way – with increased security, mobility and data analysis, they are more than just a way to take payments, and have become an invaluable business tool. The constantly evolving technology and COVID-19 are undoubtedly shaping the way merchants accept payments, so we foresee developments in several directions” shared Irfan Rasmally, Chief Operations Officer & Executive Director of

myPOS Group.

Mobile POS systems

POS terminals are no longer fixed at the counter. Mobile and cloud-based POS systems enable businesses to make sales anywhere. Take the myPOS Glass app, for instance – it turns any Android smartphone which supports an NFC reader, into a POS terminal. This gives business owners the flexibility to meet their customers at various locations – from markets to gyms.

The pandemic accelerated the need for digital payments and now different age groups are familiar with the convenience offered by versatile POS devices and payment acceptance apps. As a result, we will evidence new developments in this direction.

Alternative payment methods

It's clear that contactless payments are becoming more & more popular, but we are also seeing a need for more personalised options. Alternatives like QR code payments and personalized payment links are a must for the future.

We, at myPOS, keep in mind not only consumer preferences but also the needs of the business owners. And with all the challenges that merchants are facing and possible store closures dictated by the pandemic, it's a must to offer POS devices that allow merchants to accept payments in many ways in addition to contactless payments, without the burden of high costs and long-term commitment.

Seamless omnichannel experience

Consumers no longer use a linear path to make purchases. They might notice your brand on social media, check out your website and finally order at your physical store's location. The buying journey is getting more complex and businesses have to offer a seamless omnichannel experience. Consequently, the right payment processing solution will look for more ways to help merchants cross-sell and integrate all sales into one single platform, so they can cope with the challenges of omnichannel retailing.

Unattended payment solutions

Self-service kiosks are a rising POS trend. As quick-service restaurants embraced them to transform customer experiences, other retailers are also finding ways to use the technology to their advantage. It will be interesting to see how they evolve to become even more secure and appealing to consumers of all ages, while at the same time offering merchants convenience and security when accepting payments.

Rise of POS data analytics

The modern POS terminal is a command center for your entire business. The metrics collected from it, can reveal information about the products, sales, foot traffic and returns rate – to name a few. Smart POS terminals such as our Android-based myPOS Carbon and myPOS Slim will continue to make it easier for businesses to

optimise retail data analytics and drive sales.

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

Consumers have experienced the advantages of digital payments: simplicity, safety and ease. Even though people are expected to return to physical stores, the convenience of shopping online will definitely make it a standard for more people in the future. The same could be said for contactless payments: we are likely to see sustainable adoption even after coronavirus-related safety concerns subside.

What do you see are the key eCommerce & mobile payments trends in the upcoming 12 months?

As with POS trends, consumers are more interested in alternative payment methods as Apple Pay and Google Pay. They also demand payments that make buying easier for them. This includes a checkout process that is faster and feels like a natural part of the customer experience.

We also witness both merchants and consumers becoming more open to innovative payment options such as the Soft POS using tap-to-phone and pin-on-glass technology.

And while we're not likely to have a completely cashless economy, the pandemic has impacted how people pay for goods. With consumers demanding the ability to pay without cash, countries like Sweden are closer to becoming cashless and this trend will continue.

COMPANIES & TRENDS to watch & trends to follow: If you could share your tips on trends changing the payment landscape in the next 12 months, what would they be?

The pandemic accelerated a lot of changes that were already happening in the payments world. Developments from both sides – the client and the business – picked up pace to respond to the new conditions. For example, customers across the age spectrum fairly quickly adopted digital payment options; at the same time, retailers ramped up their e-commerce presence, including those who had never sold online before.

The need for faster and cheaper transactions is becoming a necessity, too. Traditional correspondent payment channels are clumsy and can take days to process a transaction with comparatively high costs. This is where

players like myPOS will continue to change the landscape – we offer merchants instant settlement of funds at no additional cost. This means that businesses that accept payments via myPOS terminals, online payment solutions, unattended devices or the myPOS Glass app can use the received money instantly.

All of the above-mentioned changes will continue to shape the payment landscape in the next months, and hopefully merchants will take advantage of more products and services that will address their challenges and help them grow.

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times. On the way to finding the Next New normal, what are your future plans?

myPOS understands that during the pandemic, merchants had to adapt to many challenges, including keeping their businesses afloat. For us, it's important to help them keep their activity going, so we introduced our innovative software POS app, myPOS Glass.

The award-winning app not only responds to the contactless needs of consumers, who have recently become reluctant to manage cash, but it also gives merchants a chance to accept payments anywhere.

myPOS Glass can turn each Android smartphone supporting an NFC reader into a POS terminal. It's built on the tap-to-phone technology and is perfect for anyone who works on the go as it removes the need to install additional software and to bring unnecessary hardware. It also enables merchants to initiate refunds, void certain transactions, send digital receipts, send QR codes, get detailed reports and more – all from their phones.

It's important to note that, unlike other solutions on the market, myPOS Glass does not limit the amount a merchant can accept. If the transaction is above the set limit for a contactless payment, the customer simply enters his/her PIN code.

We understand that micro-, small-, and medium-sized businesses need flexibility to survive, so, with all our solutions, we provide instant settlement and immediate access to the received payments. We offer our solutions to many small and medium sized businesses on a pay-as-you-use model, free of monthly fees.

STRATEGY & LEADERSHIP IN TOUGH TIMES:

Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in

2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

For other organisations, purpose could decline as people are working from home because employees have a decreased visibility into their impact on clients. However, for us these difficult times were another chance to live our mission, which is to empower merchants' business growth by delivering affordable payment solutions, based on cutting-edge technology.

We found purpose in helping small businesses who had a really hard time due to the pandemic. Because our goal is to help merchants adapt, it wasn't hard to stay motivated.

myPOS operates across the EEA, Switzerland and the UK, and have Stores and Sales offices across key markets. Our local teams have been at the forefront enabling nano and micro businesses with a card acceptance solution when it mattered most.

Changing Acquiring in EUROPE:

Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

The new needs of the market are complex and compel a reevaluation of the value proposition. Above all, we need to provide customer value and help small businesses find flexible solutions without making a big or costly investment. And this goes beyond acquiring service. Clients are looking for additional solutions which can boost their sales, and retain their customers. myPOS understood this very early, even pre-Covid and introduced multiple value-added services that help its clients in their daily activities.



Alan Moss

Managing Director for Western Europe Newland Payment Technology

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

I think it's very true that there has been a massive acceleration in eCommerce payments over the past 18 months, with overall growth rates of 20% and beyond. Looking to advanced economies, like UK and US, eCommerce now accounts for more than 20% of total retail sales, so it's inevitable that more and more online will become a critical factor for all consumer engagement. However, I do feel that what we're seeing is the omnichannel commerce that was initially forecast almost a decade ago becoming a reality, with retail and hospitality organizations of all sizes having to adjust their operational models to reflect this important change in consumer habits. As a result, and even as COVID-19 hopefully becomes an event of the past, both consumers and merchants will continue to build on the omnichannel engagement model which allows a seamless journey from online to instore and beyond.

What do you think are the types of payment rails that will be growing?

I think another of the key trends that we've seen over the past 18 months is the huge increase in contactless payments, and it's clear that with either card or mobile, tap-and-go has provided a touch-free means of payment that is convenient as well as hygienic. Even if mobile wallets like Apple Pay and Google Pay use traditional card rails, it's also clear that other mobile wallets have benefitted from the move to touch-free, and many surveys have pointed to growing consumer interest in QR code-based payment schemes during the pandemic. Perhaps with a new sense of confidence as well

as curiosity, consumers are increasingly trying alternative payment methods instore as well as online, and I think this will increasingly drive the implementation of account-driven payments that bypass the traditional card schemes. So, if PSD2 provided a rather dry vision of how third parties could influence the uptake of instant payments, the new post-pandemic paradigm has given rise to conditions where consumers will be more open to making payments directly from their bank accounts, peer-to-peer as well as B2C. However, given the local nature of these account-based payment schemes, like GiroPay in Germany or Ideal in Netherlands, it's hard to see them getting the same level of universal acceptance as the more traditional card schemes, at least in the short term.

What do you see as key POS trends in the upcoming 12 months?

One of the biggest trends we're seeing right now in POS technology is the adoption of SmartPOS, or powerful android payment devices which are able to run a wide variety of applications, alongside core payment. These applications extend from loyalty and couponing all the way through to business management services like accounting, CRM and cash register functionality. In this area, Newland is seeing strongly growing demand for its Android SmartPOS terminal series, which combines full security with fast processing and extensive connectivity options. A key part of the SmartPOS package is the device management and marketplace infrastructure which enables merchants to choose and download applications which meet their specific business needs. To facilitate this, Newland integrates with partners like Poynt or provides its own solutions that allow acquirers to offer an extensive and curated app store experience to their merchant customers.

COMPANIES & TRENDS to watch & trends to follow
If you could share your three tips on the most promising:

- merchant payments companies (rising stars) with high potential to change/shape the market and

I would select the following companies – Adyen (global retail POS impact), Nexi (major European expansion following Nets and SIA acquisitions) and entry of new players like Revolut (disruptor coming from the neo banking space)

- trends changing the payment landscape in the next 12 months, what would they be?

For me the following will be the key trends over the next 12 months:

- Implementing a real omnichannel customer journey that encourages customers to return to face-to-face environments post-COVID
- Mobile wallets and alternative payment schemes that start to become as universally accepted as the major card schemes
- Emergence of account-driven payments at a pan-European level

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times.

What are the things you have learned during the pandemic?

COVID-19 introduced many challenges for hospitality and retail organizations. From a payment perspective, it opened up many new opportunities, giving a real acceleration in the adoption of omnichannel and universal commerce strategies, with consumers becoming much more interested in experimenting with new ways to buy and new ways to pay, favoring hybrid ecommerce/instore models like click-and-collect. In short, the pandemic brought an unexpected degree of disruption in our daily lives, which will also have an impact on how we make choices going forward. The result is a consumer who will only give custom to companies that offer multiple alternatives and is confident trying new technologies that facilitate their own personal preferences. Businesses now have to adapt to meet these new expectations, and payment service and technology providers will play a key role in making this possible.

STRATEGY & LEADERSHIP IN TOUGH TIMES

- Leadership/People - What are the type of people needed for the future of this ecosystem? What are

the new positions needed in the merchant payments ecosystem?

The payment ecosystem is complex and quite specific. Yet at the same time, it needs to be open to changing consumer behavior patterns and expectations. Professionals in this space need to understand the complexity and multiple rules-based systems and also have a clear understanding of where changes can be made that ensure the preservation of security and confidence, whilst freeing the merchant and consumer from unnecessary friction that hinders their engagement. In short, people in payments need to learn from practices that have become established online, in social media and other consumer-facing industries and look to implement best practice whilst maintaining the high degree of value and trust which has traditionally been a key part of the payments business.

- Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

When it comes to forecasting, you certainly can't plan for every possible outcome. However, by sharing information openly and frequently with customers, partners and other stakeholders, you can ensure that your business operations are able to respond quickly and effectively to changes that have not been previously factored into the equation.

Changing Acquiring in EUROPE:

Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

Acquirers need to adapt to new expectations coming from merchants, adjusting their operational models to make it easier to implement new payment methods, connected commerce and a real omnichannel consumer journey. At the same time, acquirers have to support the increasing demand for a harmonized payment system across European markets, that allows merchants to accept alternative and local payment methods in the markets that they operate as well as other value-added services that drive footfall or increase sales. In short, more flexibility and a consistent pan-European offering – not an easy ask given the continued fragmentation in European payments.



David Parker

Director

Polymath Consulting

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

As an ex Advertising person we were always being asked to change customer behaviour. Covid has caused a major shift to a new 'norm', unless end users have a reason to shift again the new norm becomes the normal. Thus no it will not change back as consumers have no reason to shift back.

What do you think are the types of payment rails that will be growing?

We are already seeing month on month double digital growth in Account to Account payments in most countries and this will only consider. Even Airlines like Emirates have announced they are now accepting PISP payments. Over the next year or two A2A/PISP payments will continue to rapidly grow.

What do you see as a key card acquiring trend in the upcoming 12 months?

One of the key things is that the global economy is in a fragile state and travel companies in particular. This means that acquirers are going to consider the whole travel sector as even more high risk pushing up collateral requirements. Last year's winner at the start up pitch of MPE presented a great way to solve this: <https://trstpays.com/> I see companies like this that solve collateral issues for merchants growing fast the global travel economy opens up.

COMPANIES & TRENDS to watch & follow

If you could share your three tips on the most promising:

- merchant payments companies (rising stars) with high potential to change/shape the market and

I am not going to talk about the obvious Truelayer and Plaid as to me they are well established and will continue to grow delivering PISP services as will many of the others in this space.

A big company though that is relatively small in Europe today for emerging payments is Diners, and I confidently predict we will see significant activity from them over the next 12 months. Another area that is experiencing significant growth is in the B2B international movement of funds, and with the purchase by Visa of Currency Cloud other companies in this space such as 3S Money will I am sure continue to see rapid growth.

My final tip would be Swiipr, again B2B player specialising in working with airlines and travel companies reducing their disbursement costs, winning business and again I am sure the next 12 months will see further business gains.

- trends changing the payment landscape in the next 12 months, what would they be?

Simple, Account 2 Account / PISP payments will go from side line to fully mainstream on merchant check out pages.

Changing Acquiring in EUROPE:

Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

Truly under both their customers needs and end users. This often means increased types of payment acceptance, BNPL solutions, Account 2 Account solution etc. Only by creating an end to end solution that offers the payment solutions the end users want with the interfaces and management their clients need will acquirers win.



Kurt Schmid

Marketing and Innovation Director Secure Digital Payments

Netcetera

Merchant Payments Ecosystem 2021/2022 - after the Pandemic

Payments companies must anticipate what's next—now. What are current trends in merchant payments? What can we expect in 12 months? What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

After PSD2 SCA has been effective in almost all European countries the simplification for the end-user for eCommerce payments will be the next focus topic. Behind this trend are technologies like Delegated Authentication (DA), Click-to-Pay (CtP based in EMVCo® Secure Remote Commerce), e-Com tokenization incl. provisioning and lifecycle management of payment credentials for merchant apps and websites and increased use of exemptions for frictionless flows.

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

Yes, absolutely, all indicators show that these trends are here to stay and to even to grow as younger generations clearly prefer digital. On the other hand, the loyalty to traditional players will decrease and so it will not be enough just offering these modern payments but also look into added values around payments.

What do you see are the key eCommerce & mobile payments trends in the upcoming 12 months?

Next to the payment topics already mentions (DA, CtP, tokenization) Netcetera sees an increase importance on value added services around payments. This includes topics like pay-later features, installments, digital receipt and loyalty functions.

COMPANIES & TRENDS to watch & trends to follow
If you could share your three tips on the most promising:
- merchant payments companies (rising stars) with high potential to change/shape the market and

To name a few start-ups with interesting concepts:

- Anybill: A company around digital receipts with a scheme like approach, so connecting merchants to consumer wallets replacing old-fashioned and non-ecologic paper bills
- Card-Dynamics: Provisioning of payment credentials for recurring payments by connecting issuers to merchants

- trends changing the payment landscape in the next 12 months, what would they be?

Again, as mentioned next to the payment topics already mentions (DA, CtP, tokenization) Netcetera envisions an increase importance on value added services around payments. This includes topics like pay-later features, installments, digital receipt and loyalty functions.

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times.

What are the things you have learned during the pandemic?

As we had the PSD2 SCA go live parallel to the pandemic it was key to align even stronger between the payment ecosystem participants. Increased end-to-end testing and tuning was essential to keep the conversion up during these challenging times

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance across Europe? Adapted operating models, adjusted your portfolio, etc.?

We are seeing increased number of eCommerce transactions and have strengthened our operations and support team. Parallel there are more cybercrime attacks and we have together with our customers prepared ourselves to better fight against for such incidents.

How does your company help merchants tackle the im-

pacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

As we are more engaged in eCommerce our customers were less commercially affected by the crisis, in contrast - we have seen increased volumes.

On the way to finding the Next New normal, what are your future plans?

Netcetera is continuing its way to help the ecosystem to increase the conversion, drive to better security and scalability and improve the end-user UX. As going forwards we are continuing taking away the increasing complexity and technology from tier one merchants, PSPs, gateways, acquirers and issuers by providing top quality digital payment products and services.

STRATEGY & LEADERSHIP IN TOUGH TIMES

The success and failure of a business depend entirely on leadership. How did you motivate and inspire your people in difficult times? How do you see the most important qualities and attributes of merchant payment leaders?

It helped during the lock down and home office times that the people were not just colleagues but a big family knowing each other. We had many virtual meetings outside business only topics to keep the team spirit up. Most challenging was interviewing and on-boarding new colleagues, which we did a lot as our business was growing despite the pandemic. With good leadership and support from all parts of the organization we succeeded also on this challenging task.

Leadership/People - What are the type of people needed for the future of this ecosystem?

People that can network and think beyond a single topic. The



world of payments is becoming more complex and requires more cooperation and partnering.

What are the challenges of bringing talent across sectors and geographies?

I think one challenge is combing local doing with global thinking.

What are the new positions needed in the merchant payments ecosystem?

We will need more people driving the user experience and more talent in business intelligence seeing and analyzing the increase data sets to get the right decisions.

Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

If you are agile company like we in Netcetera are, forecasting is a less important task. Much more important is to react and steer into the right direction when you see a changed environment.

Changing Acquiring in EUROPE:

Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

Be agile, think global, act local, innovate and look to other markets like APAC where it can be seen, how quickly the payments landscape is changing towards digital and unicorns in payments.

Christian Bucheli
Head Corporate
Development and
Communications -
Executive Director
PAYONE

Payments companies must anticipate what's next—now. What are current trends in merchant payments? What can we expect in 12 months? What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

We will see more instant payments based on SEPA inst Credit Transfer, this will reduce acquiring margins and is a key driver to tap into the BuyNowPayLater revenue streams.

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

The shift from brick and mortar to e-com and further ways of digital commerce was already observable before covid. It is an irreversible trend accelerated by the pandemic as much

as also the use of cash will further decline.

What do you see as key POS trends in the upcoming 12 months?

Android devices will become the new standard and pin on glass the convenient way to enter credentials on various types of POS hardware.

If you could share your three tips on the most promising:

- merchant payments companies (rising stars) with high potential to change/shape the market and

Advyen, PAYONE, Worldline

- trends changing the payment landscape in the next 12 months, what would they be?

BNPL, Android, IOT, AI



Mahaveer Shah
Chief Marketing Officer
FEITIAN Technologies

Merchant Payments Ecosystem 2021/2022 - after the Pandemic
Payments companies must anticipate what's next-now.

Change in payments has gone into overdrive, and will only get faster. From digital disruption and the race to innovate to regulatory requirements and customer demands, traditional payments players are being squeezed from all sides. The pressure will not let up. Android is known to deliver a seamless software experience to its users and it's no wonder, with 86.6% market share as of 2019, Android is the dominant smartphone operating system worldwide, way ahead of its rival iOS at 13.4% as per International Data Corporation (IDC). Today Banks/Acquirer are in need of Smart Android POS which are cost effective and also offer an ecosystem with White label merchant Payment application with in built

mini cash register and inventory management along with ready adopters to integrate to multiple switches on different ISO8583/Nexo protocols along with a Multi POS Terminal Management system with DUKPT Remote Key Injection as SaaS which is PCI PIN Certified.

What are current trends in merchant payments?

Trend in Payments is WLA Standard <https://wla-payment.org> and LCR Least Cost Routing kernel support apart from SOFT-POS and Dynamic QR Sound Box.

What can we expect in 12 months? What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

One trend that will impact merchant payments in 2021 is the rising data-awareness required in every business activity. More specifically, data linked to merchants' activity needs to be transformed into useful and actionable analytics and this is where FEITIAN is working on Future AI /ML based Technology to be incorporated into their Terminal Management system for real time analytics.

A second trend to emphasise is the expansion of the portfolio of available payment solutions, driving users away from plastic cards and other traditional means of payments. Among all the innovative ideas available, one that will probably be very impactful is digital wallets with QR and NFC payment Terminals and Android based Unattended Terminals for Vending and Kiosk.

What do you think are the types of payment rails that will be growing?

QR, NFC and Face ID Payments are the real future which are upcoming trends.



During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

The use of contactless technology and the increasing share that eCommerce takes of total retail spend have been trends that started well before the pandemic. The pandemic only accelerated this trend. But the pandemic has also done is to open up these payment forms to parts of the population or generations that were naturally reluctant to adopt those. People were forced to use these and as a consequence changed their purchasing and payment behaviours. Post-pandemic some of that

Do we see a divergence or convergence of Payment Technologies across Europe?

Convergence of Payment Technologies with the adoption of new technologies will be in place in future also merchants are now wanting to use POS for different VAS services rather than focusing on multiple traditional POS and different solutions for their day to day operational & payment needs.

Are Digital and physical POS converging at a higher rate?

Sure! Digital Payments Like QR, NFC, SoftPOS are all converging as with new innovations and adaption of new technologies . Now we at FEITIAN are working hard on brining innovative solutions for merchant retail POS with Cloud POS and Payment as a service for market acceptance building on the roads of AI/ML based Analytics on TMS and Dynamic GUI based Merchant Cashier applications.

Volker Schloenvoigt
Principal
**Edgar, Dunn
& Company**

change might be lost again as some of us crave to go back to the old days but this won't change the overall trend.

What do you think are the types of payment rails that will be growing?

In previous years I have been very positive about the potential of Open Banking but there is a growing sense that whilst Open Banking will play a major role in future years, Open Banking based payments may be less so. Unless there is a real value add for end users i.e. consumers – merchants should benefit from lower costs and faster settlement anyway – it will struggle to gain momentum. That then raises the question about the role of Account-to-Account payments. EPI, the European Payment Initia-

tive, is also meant to be A2A based. I think the industry will follow with interest whether any of these initiatives will drive growth in A2A volumes.

What do you see as a key card acquiring trend in the upcoming 12 months?

A very important consequence of the pandemic has been the accelerated adoption of digital payment acceptance technology in the SME and microbusiness segment. It is the segment that is very well served by the likes of Stripe, Square and Adyen, and may be less so by the traditional acquiring banks. Growth in this segment and the need to combine payments with other value added services will stay with us. In this context I will look with interest at how Square is continuing the creation of a super-app. At last year's virtual event Mastercard presented research on the growing use of mobile wallets. Will Square make a big play for it in the next 12-18 months?

COMPANIES & TRENDS to watch & trends to follow



Payments companies must anticipate what's next—now. What are current trends in merchant payments? What can we expect in 12 months? What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

The pandemic – while undoubtedly awful – has been rocket fuel for digital transformation, providing an opportunity for the payments industry to innovate. We have already seen an acceleration towards contactless, digital payment methods like mobile e-wallets, bank transfers, and QR codes, and payment types that offer consumers more flexibility like Buy Now Pay Later.

Ultimately, payment choice will play a major role in driving sales in the future, meaning merchants will need a diverse payment portfolio to ensure transactions are completed and customer loyalty retained.

If you could share your three tips on the most promising:

- merchant payments companies (rising stars) with high potential to change/shape the market and

As stated earlier, I will be following closely what Square does in developing its super-app.

- trends changing the payment landscape in the next 12 months, what would they be?

Not sure to what extent it will change the competitive landscape, but the rise of the corporate acquirer will be interesting to watch. Citibank, Deutsche Bank, JPM-organ are just three examples that are re-entering the merchant acquiring space with a proposition that is closely integrated with its corporate banking / treasury services offering. Initially this is targeted at corporate banking customers but how will this impact other acquirers serving the large international tier 1 clients?

James Booth
VP - Head of
Partnerships, EMEA
PPRO

As a result of the increased quality in the market, consumers (who were already insisting on intuitive user journeys pre-pandemic) now have zero tolerance for sites that are not at least easy to use. When it comes to that all-important payment experience – the make or break moment of conversion – it's critical to have checkout flows that feel invisible for digital natives, yet inspire trust for those late-adopters.

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

COVID-19 was a major accelerator in the shift to digital for most of us; how we take classes, do our jobs, connect with friends, and definitely how we shop. Online shopping had already been the norm with Gen Z and Millennials, but CO-

COVID-19 served as the inflection point for older demographics and slow adopters. Throughout 2020, discretionary spending dropped due to a surge in unemployment rates, but e-commerce is now enjoying an all-time high thanks to its inherent convenience.

Millions of people who had previously resisted e-commerce – particularly for fast-moving consumer goods such as groceries – signed up with e-commerce sites. Post-pandemic, few of us will go back to old shopping habits.

What do you see are the key eCommerce & mobile payments trends in the upcoming 12 months?

The payment needs and preferences of global consumers vary from country to country. A global trend has been the accelerated shift from traditional cash and card payments toward digital payment methods at the point of sale. Out of social distancing necessity, the pandemic led to increased use of contactless, digital payment methods like mobile e-wallets, bank transfers, and QR codes. Many retailers who have long resisted installing contactless technology due to processing fees have now been compelled to offer it.

When it comes to shopping online, installment payment methods like Klarna and Afterpay have surged in use, as they enabled shoppers suffering from the economic impacts of COVID-19 to defer payments and still buy what they wanted. Before the pandemic, apps like these were primarily used by

younger demographics to break up payments on big-ticket items, luxury goods, and travel. Many consumers now prefer a ‘buy now, pay later’ option.

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times.

How does your company help merchants tackle the impacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

The ongoing pandemic has shown just how crucial it is to move quickly. Consumer behaviours have dramatically changed. People who have previously resisted shopping online are now signing up to e-commerce sites by the millions. As many economies head into a recession, the opportunity for e-commerce has never been bigger.

Considering new markets and finding out what local payment methods customers in each target market prefer are key strategies for PSPs and merchants now more than ever. But integrating new cross-border payment methods is complex and expensive. That’s where PPRO comes in.

We are a strategic partner supporting our customers when they need it most to help them face the challenges that COVID has brought to the table and help them even grow their business.



Sarah Koch
Head of Communications
AEVI

During the previous 18 months, we have seen a massive rise of contactless and shift to commerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

Most payments will continue to happen in-store, but

these in-store payments will be forever changed. The push towards contactless payment will affect merchants who need to cater for their customers’ wishes to pay without having to touch a physical pin-pad. Thus, COVID19 will finally establish smartPOS as the mainstream go-to-terminal. With smartPOS terminals becoming more affordable, many mPOS propositions may transfer

to an integrated POS (or mPOS2.0).

In Western markets this integrated POS will likely be a dedicated payment device for at least the next couple of years, while developing countries see more use of “Tap on phone” solutions. Additionally, with more consumers embracing online shopping and merchants being present at all channels, the payments market will see a tipping point where digital payment methods (PayPal, Klarna) and payment schemes (open invoice paid via pay-link) will enter Face-2-Face territory. This stage truly sees the world of physical and digital Payments converging. The push towards digitization and contactless payments will also benefit real-time payments and crypto initiatives, who will find more support and attraction.

China has already started a crypto-currency pilot in 4 cities and other countries start looking at crypto-currencies to upgrade from cash. With customers being confronted with a never seen choice of payment methods, they will want to store them in their own eWallet which in return will turn into a payment hub towards the POS, reducing payment to wallet funding methods. With the eWallet of the future also holding the customers identity, security will finally move from dedicated payment devices to the customers smartphone. Probably in 10 years from now omnichannel commerce is conducted between a consumer and merchant wallet, both functioning as payment hubs (a mix of bank account with integrated payment mechanisms).

Do we see a divergence or convergence of Payment Technologies across Europe? Are Digital and physical POS converging at a higher rate?

Digital and physical payment technologies must now continue to converge at the higher rate initially driven by COVID19. The consumer has now seen the breadth of payment possibilities available and will not want to go back to having to carry multiple payment types with them when they shop. As consumers we used to be faced with different scenarios where a shop may accept only certain card types or may only accept cash. This is no longer the case.

Now it is up to the consumer to decide which is their preferred payment method, be that using their phone or a card from an online bank. If the merchant cannot facilitate this payment, the consumer will likely just go elsewhere. The convergence of digital and physical payments worlds, or holistic omnichannel commerce, is necessary for merchants to be able to keep up with the ever-changing payments landscape and keep their consumers happy.

What do you see as key POS trends in the upcoming 12 months?

COVID19 hit many merchants totally unprepared. Merchants most affected by the virus were hospitality, services, and small shops. Many of them still ran their business on legacy POS systems, with no digital connection. They were completely caught off guard and suddenly confronted with a digital reality. Therefore 3rd party digital marketplaces, such as UBER Eats, Etsy, Amazon or Shopify saw a sudden uptake of face-to-face merchants looking to save their business through digital channels. However, these channels are a temporary fix that function in absence of a proper integration. A trend that we will see in the next 12 months is merchants upgrading their POS systems in favor of a truly omnichannel enabled ePOS system, as they search for digital access and flexibility.

As they embrace new digital features such as curb side pickup or local deliveries, an increasing number of merchants will further explore the benefits of their new systems. Analyzing their on- and offline sales performance and appreciating forecasts they will further engage with value added services, such as loyalty and staff management to drive customer engagement and efficiency.

As even small merchants become digital savvy, engaging with their customers across all channels, they will assess omnichannel performance rather than adopting the outdated individual channel view. With digital flexibility comes curiosity to try new features and better engage with their customers. The face-to-face merchant of the future will employ the complete digital experience to recreate the personal in-store relationship that everyone misses.

Trends changing the payment landscape in the next 12 months, what would they be?

We will continue to see the hyper acceleration of digital payments. The mobile generations Y & Z had already kickstarted a digital shift, but this has been fast-forwarded by Covid. The process has been dramatically sped up and had even more of an impact as older generations were forced to adopt a more “digital first”-mindset. Once being pushed outside their comfort zone, even the more traditional minded shoppers have realized the benefits of digital commerce, so the likelihood of the world taking a swing back to pre-Covid shopping habits is highly unlikely.

Physical merchants will see a complete overhaul of their legacy POS infrastructure. While many merchants have turned to 3rd party marketplaces like Deliveroo, UBER Eats, etsy or amazon to save their business through digi-

tal exposure, post-covid will see them upgrading their POS systems in favour of a truly omnichannel enabled ePOS system that provides them with digital access and flexibility.

In an increasingly complex world, merchants of all sizes are looking for agile partners that can help them to start, grow, modernize, or innovate! For a long time, merchants sourced their commerce infrastructure channel independently and separately from their payment infrastructure. In times of holistic approaches.

We will see SMB merchants increasingly turn to business solution providers (e.g., ISVs) to source their complete business and payments infrastructure. Larger merchants/global businesses will engage the services of payment as a service (PaaS) providers to help them consolidate and orchestrate their diverse, international payments operations across channels.

Both types of FinTechs (or digital challengers) will adopt a digital mindset to create relevant, flexible solutions, supporting their merchant base with streamlined processing across channels and employing data and AI to add additional value to their relationship.



How the MPE community coped with and responded to challenges of Covid-19?

The explosion of online transactions due to Covid-19 had created unprecedented challenges in the payment industry. While digital payments were already skyrocketing, it wasn't prepared to cater to the sudden surge of cashless transactions. The payment ecosystem respond-

Leadership/People - What are the type of people needed for the future of this ecosystem?

LEADERS, not managers, are critical now more than ever to ensure a business succeeds. Managers focus on delivery, whereas the role of a true leader is so much broader. A true leader inspires a shared vision in the team and connects this to clear individual objectives, holding people to account. They ensure people in their team are growing, challenged, and developed – they empower people.

They bring people together, remove roadblocks, and act as a coach, mentor, and role model. They're strong decision makers who provide the 'why'. They are culturally aware with an international mindset. They encourage people to challenge the 'way things are done around here'. They listen, give feedback and are master collaborators. They ensure their people are playing in the right position in their field. They celebrate success and genuinely care about and recognise their people.

For more information, please visit:

<https://www.aevi.com/>

<https://www.linkedin.com/company/aevi-int/>

<https://www.youtube.com/channel/UCWO049n8GI7VoZ-1-vBerPA>

<https://www.instagram.com/aevidomore>

Etienne JOSSE

Key Account Manager
Limonetik, a Thunes
Company

ed by deploying new solutions and technologies that deliver faster and more secure transactions with higher throughput.

The high volume of transactions placed a heavy burden on existing payment processing systems. Some merchants faced problems with their Point-of-sale (POS) terminals while others experienced difficulties with online

payments or found it hard to manage multiple payment gateways. While these issues were resolved later, some businesses almost went bankrupt due to high charge-back rates.

Tech giants took advantage of Covid-19 by offering various incentives such as cash backs, discounts and rewards. Many retailers joined hands with banks or independent digital wallets in order to facilitate faster check-out processes and build stronger customer relationships through loyalty programs. Furthermore, as a result of the pandemic B2B payments saw a significant rise in usage. Due solely to their inability to meet face-to-face with clients during this time period, companies opted for more efficient payment methods like bank transfers that could be completed instantly instead of waiting days or even weeks on SWIFT transactions which are often used between banks overseas or SEPA exchanges from Europe into other countries' currencies.

What are your current priorities & trends to watch?

In terms of new solutions deployed, the challenges of Covid-19 have been allayed by the following technologies which re-architect or modernize payment ecosystems:

- Blockchain and DLT based solutions.
- Biometrics based solutions for payments. Global tech giants like Amazon, Google and Apple have been working actively on biometric payments solutions such as payments via fingerprint scanner or face recognition.
- Mobile Payments solutions which are not restricted to be bookings only but can be done with multiple apps of any kind.
- 'Click and collect' solutions which have become a reality due to the pandemic as consumers practiced social distancing.

When the pandemic accelerated changes in payment methods, Limonetik – a Thunes Company stepped up to help merchants keep pace. Today we cover 70 countries, we offer 285 alternative payments and merchants and PSP can integrate them via one API, which helps alleviate that great challenge of offering "click and collect" as well as the new preferred payment methods for consumers in the new digital world.

During the time of crisis when no one could predict how long it would last or what its true cost might be, we designed a QR code-based solution so retailers could accept mobile phone app based payments from customers on site. In July 2021, Thunes announced the acquisition of Limonetik, to complement the existing Thunes Cross-Border Payments solutions. The new solution will be known as Thunes Collections.

And what is the ecosystem vision for the post-pandemic world in 2022?

Technology has changed the game for merchants - it opened up new markets, fundamentally altered consumer behaviour and created opportunities for new industries to emerge.

It is only the beginning for mobile payments, but we'll see more on-demand services with mobile apps and much lower friction to complete a transaction. There are still many issues to sort out before they become mainstream - security, privacy and ease of use are key. The networks need also to get their act together over NFC-enable phones so customers don't have to enter payment details every time they use one. It's also clear that many people still want something physical - not virtual - when it comes to a transaction - and this will create demand for NFC based POS terminals.

The new reality of a digital-first world requires that merchants reach out to customers in an effective way - whether it be through mobile wallets or simply reaching more customers through existing channels such as physical stores or online portals.

Supporting this level of customer engagement at scale require a highly scalable global technology infrastructure with open APIs allowing for easy integration with third party partners. Consumers continue to expect seamless experiences across devices and contexts regardless where they shop or pay, so we must provide a frictionless experience both inside our own ecosystem as well as across partners' ecosystems.

The combination of all these factors — market secular trends to new technologies – require merchants to re-engineer their payment strategies with agility in order to be relevant for their customers and create a differentiated value proposition that drives significant incremental growth.



Shengliang Yang

Deputy Head of Europe (acting Head of Europe)

UnionPay International

To respect the social distancing guidance during the pandemic, cashless payment became the preferred choice of payment method. As a result, countries are reducing the use of cash or banknotes and promoting online, mobile and contactless payments.

As society moves away from traditional payment methods such as cash, the use of electronic payments has expanded rapidly amongst new groups of consumers such as the elderly, who have had to rapidly switch to transacting online during national lockdowns.

As countries start to relax Covid restrictions, more consumers and merchants will embrace contactless and online payments. Payment companies will need to work with consumers and merchants to innovate and provide new digital and technological solutions to ensure that we can continue to meet the changing needs brought about by the global pandemic.

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance? Adapted operating models, adjusted your portfolio, etc.?

In order to adapt to changes in consumer payment habits, in recent years, UnionPay International has accelerated the development of "contactless" and mobile payment scenarios. Until now, 94 countries and regions have accepted UnionPay mobile payment products, including UnionPay QR code and UnionPay Mobile QuickPass and other forms. The UnionPay App is a multi-function platform that offers rich benefits, convenience, speed, and security combined with ease of use. UnionPay APP users have now reached 400 million, and more than 90 UnionPay standard e-wallet products have been launched in 20 overseas markets.

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times.

What are the things you have learned during the pandemic?

The pandemic has accelerated the global popularity of innovative payment products and services. More and more consumers prefer to use contactless and mobile payments. UnionPay is continuing to optimise the mobile payment acceptance environment in Europe and once cross-border travel recovers, consumers will be able to use their card or mobile phone to pay on the POS terminals by contactless and complete the payment swiftly and securely.

To support cardholders and enable them to enjoy more 'contactless' services, UnionPay has cooperated with several European partner institutions to expand the scope of acceptance by local online merchants, focusing on daily groceries, pharmacies, and takeaway platforms.

In addition, UnionPay launched the PaybyLink payment product in 2020 to help merchants meet the growing demand among cardholders for online payments. Those merchants without an online shop can send the payment link to the cardholder via email to complete the purchase.

The fast-growing global acceptance network and the ever-expanding scale of card issuance have resulted in UnionPay becoming the preferred cross-border payment method for an increasing number of consumers shopping at home and abroad, providing convenient payment services for people travelling between different countries and regions.

For more information, please visit: <http://www.unionpay-intl.com/en/>



Ruca Sousa Marques

CEO

Switch

Merchant Payments Ecosystem 2021/2022 - after the Pandemic

Do we see a divergence or convergence of Payment Technologies across Europe? Are Digital and physical POS converging at a higher rate?

As remote commerce grows in popularity, so does regulators' and schemes' incentive to push new legislation/standards to address the excess risk involved in this transactional environment. Two main variables from the transaction flow are being affected by these initiatives: Transaction messaging and Authentication.

Initiatives in transaction messages involve adopting secure communication standards, such as the ones adopted for CP environments i.e. Cryptograms. Authentication is both being enforced and also evolving into easier and non-intrusive methods to validate account holders. This means interoperable standards that involve the digitization of payment instruments for use across multiple channels, adopting a convenient authentication method e.g. biometrics. In this scenario, Authentication in CNP transactions becomes at least as secure as traditional Chip&PIN solutions in CP environments, and there will be no reason for the former to be more expensive than the latter.

With Authentication solved, we'll move from a Card Present scenario to a Cardholder Present one, where location is no longer important: payments will transcend the physical world altogether. This trend will ultimately unlock new use cases, such as internet-connected devices and checkout-free stores, making the act of payment so frictionless that it becomes almost invisible.

What do you see as a key card acquiring trend in the upcoming 12 months?

The ongoing competition within the C2B payments in-

dustry is fierce and card acquiring has become increasingly commoditized—a race to the bottom that will ultimately reduce the Merchant Service Charge to little more than the sum of Interchange and Card Scheme Fees.

This competitive landscape and pressure over margins demand more differentiation and incremental footprint in the value chain. We can expect to see more acquirers adding services around the commerce experience, especially helping SMBs to run their day-to-day operations through an integrated digital offer e.g. inventory; loyalty; issuing; booking; CMS; etc.

What do you see as key POS trends in the upcoming 12 months?

CP transactions are finally moving onto a new OS standard: Android. This means not only new hardware capabilities and platform model use cases, but also the transition to a reality where a complete bypass on hardware occurs, and any merchant will be able to accept card payments in their smartphones, using their NFC capabilities and secure protocols for PIN on Glass. The push from card schemes, along with Apple's acquisition of Mobeewave, are strong signs that a new distribution model for CP transactions will take place, reducing the adoption friction and consequently accelerating the cashless trend.

COMPANIES & TRENDS to watch & trends to follow **If you could share your three tips on the most promising:**

- merchant payments companies (rising stars) with high potential to change/shape the market and
- trends changing the payment landscape in the next 12 months, what would they be?

I have my eyes on SaltPay, mostly because they're executing on a key trend in the industry: integration. This means capitalizing on merchant data to efficiently unlock addi-

tional value around the entire commerce experience.

YOUR Response to COVID-19:

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times.

What are the things you have learned during the pandemic?

Resistance to change is an intrinsically human attitude. We tend to overvalue the opportunity cost in the face of uncertainty, and this evolutionary condition generates inertia. But then there are highly impacting external factors—as is the case with the latest pandemic—that leave us with no option but to look for alternatives, and technology was clearly one of them. Within six months, we were forced to adopt different formats of communication, production, distribution, research, legislation, and this reality obviously extended to the public and business sectors. The ironic thing about all of this is that most of the technology recently adopted at scale already existed, it was simply an imposition of context. As with any forced experience, there is plasticity in the adoption, that is, we will keep the habits that worked, and we will abandon the ones that produced results inferior to the previous ones.

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance across Europe? Adapted operating models, adjusted your portfolio, etc.?

Luckily, Switch was already operating heavily in the e-commerce space, so no major adjustments were needed. Apart from that, our CP projects' deployments were mostly delayed due to shortages in hardware components and lockdown restrictions.

How does your company help merchants tackle the impacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

We've been supporting merchants on their transition into an omnichannel offer, mostly by creating the means for an integrated customer database, one that allows for seamless and secure checkout experiences across multiple use cases.

On the way to finding the Next New Normal, what are your future plans?

The pandemic has been around for 1.5 years—and despite all the buzz around e-commerce—it has barely reached 20% of the global retail GMV. We strongly believe that in-store transactions are here to stay, and we're preparing innovative products that capitalize on internet-connected devices to create new commerce experiences.

STRATEGY & LEADERSHIP IN TOUGH TIMES

The success and failure of a business depend entirely on leadership. How did you motivate and inspire your people in difficult times? How do you see the most important qualities and attributes of merchant payment leaders?

Crisis moments foster doubt and insecurity—give your team a sense of purpose and they will endure through the most difficult times.

Leadership/People - What are the types of people needed for the future of this ecosystem?

The payments industry has been historically led by conservative people, and understandably so. There's a difference between supporting the transfer of text, video, or sound, and supporting transaction messages—the latter translate into financial exchanges, with all the inherent liability. Nonetheless, security can't be an excuse not to innovate—we need to continue pushing technology forward to evolve value exchange—and that will only occur if leaders are willing to take risks.

What are the challenges of bringing talent across sectors and geographies?

In one word: culture. With the globalization of the workforce, there's an increasing need to align incentives and orchestrate behaviors around a mission.

What are the new positions needed in the merchant payments ecosystem?

Definitely ones that really understand technology and its central role in shaping the future of the industry.

Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

I always try to plan for really short windows e.g. quarters, while staying true to Switch's mission: to evolve value exchange.

Changing Acquiring in EUROPE:

Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

As explained above, I think acquirers should look beyond the transaction itself, and focus on how they can support merchants throughout the entire commerce experience.



Gaëlle René-Corail

Chief Marketing Officer
dejamobile



Pavel Vasilyev

Business Development
Manager, Europe
dejamobile



Housseem Assadi

Chief Executive Officer
dejamobile

During the previous 18 months, we have seen a massive rise of contactless and shift to eCommerce payments. Do you think that the digital payment revolution will continue post covid and change consumer payments?

The upward trend of contactless payments and eCommerce was evident long before the pandemic. For example, in 2014, Visa Europe mandated that by December 2019 all Visa terminals deployed must support contactless payments. The global pandemic had only escalated this upward trend by adding another benefit of using contactless payment methods and/or eCommerce transaction over anything else. It's safe to predict this payment revolution will only continue post covid as consumer behavior has shifted towards the new payment methods and there is a myriad of innovative payment acceptance solutions available, even for the smallest merchant out there.

What do you think are the types of payment rails that will be growing?

We can assume that card payments are here to stay and will continue to grow. This is due to the infrastructure that we (as an industry) have built over the years and are continuing to develop. In addition, we can't ignore the efforts of the international payment schemes that are supporting the industry by fully embracing new and innovative technologies. For instance, we've seen that Visa and Mastercard have launched their Pilot program for Tap to Phone / Tap on Phone solutions allowing the industry to launch these types of solutions ahead of standardization from PCI SSC. In addition, we can predict that Peer to Peer payments will continue to grow thanks to the convenience factor brought by Open Banking regulations.

What do you see as key POS trends in the upcoming 12

months?

The key is in convenience and affordability. As we've observed over the past 18 months, consumers are demanding a seamless and safe payment experience and being able to offer a convenient and safe way to pay is becoming paramount for merchants of all sizes. As this is the case, merchants need to ensure their payment acceptance solutions are up to the task. On the other hand, the technology has got to be affordable, especially considering the challenging times that many brick-and-mortar merchants have gone through with all the lockdowns and restrictions. These two factors suggest the shift from expensive POS hardware to software-based solutions that do not rely on dedicated hardware and offer more functionality for the merchant, and convenience to the consumer.

Companies Trends

If you could share your tips on trends changing the payment landscape in the next 12 months, what would they be?

The merchant payments companies with the highest potential are those players that have embraced the shift to digital payments and are among the first to bring most relevant and cost-effective solutions to market. The key will be to identify and select a combination of technologies that will offer merchants accessibility, convenience, and speed of payments over both, face-to-face and online channels while leveraging most-used payment rails.

Your response to Covid 19

Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times. What are the things you have learned during the pandemic?

Despite the economic uncertainty caused by the pandemic, we observe that the trend in favor of the development of digital payments is still present; indeed, it has been reinforced in the current context. The lesson we've learned from this is to continue our relentless efforts to bring the most innovative digital payment solutions to consumers and merchants, because they need them more than ever.

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance across Europe? Adapted operating models, adjusted your portfolio, etc.?

We have adapted our working methods to be able to conduct our activities and projects remotely, with partners and customers located over four continents. Communication about our products and projects is now mainly done through digital channels, in particular LinkedIn. We have also strengthened our network of partners in Latin America, to be able to provide local support to our customers, in a context where our experts can hardly make intercontinental trips.

How does your company help merchants tackle the impacts of the Covid-19 crisis (late payments, insolvency, increase of fraud)?

In May 2020, we launched our new solution ReadyToTap™ Payment for Merchants, allowing all merchants, from the small independent business to the large Retailer, to accept contactless payments on a commercial Android Smartphone or tablet. This software-based solution makes contactless payment acceptance more affordable and flexible to deploy and maintain. During the pandemic, contactless payments have been massively promoted and their usage significantly increased. Our solution helps the payment ecosystem to accelerate the equipment of all Merchants with contactless payment acceptance capabilities.

Strategy & Leadership in tough Times
Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

We need to focus on the underlying trends, those that are linked to lasting changes in consumer habits, lifestyles, the organization of businesses, the new combination of sales channels, etc. A mistake one can make would be to simply observe technological trends independently from their context. A "trendy" technology will be sustainable, and therefore worth investing in, if it is part of a well-identified underlying sociological or economic trend.

Changing Acquiring in Europe
Today's acquiring market is far from easy, and the changing commerce landscape demands a new approach for acquirers. In your view, what do acquirers need to do to secure success?

Merchants need to propose seamless omnichannel and cross-channel experiences. Consumers are able today to manage a "channel mix" when shopping. They can easily shop in their preferred brick & mortar supermarket one day and go for a Click&Collect experience with the same merchant the following day.

In this context, Merchants need to adapt the user journeys they are proposing, with a specific focus on the checkout experience, to make it seamless and safe.

To meet the Merchants' needs in this context, Acquirers need to integrate the relevant combination of technologies in their offering. Multi-channel Payment Acceptance solutions will be at the heart of the Acquirers' offerings and technology will be a key differentiating factor in the Acquiring competitive landscape.

Partnership, Mergers & Acquisitions



Visa to acquire Currencycloud

Visa (NYSE: V) announced it has signed a definitive agreement to acquire Currencycloud, a global platform that enables banks and fintechs to provide innovative foreign exchange solutions for cross-border payments. The acquisition builds on an ex-

isting strategic partnership between the two companies and values Currencycloud at £700 million, inclusive of cash and retention incentives. The financial consideration will be reduced by the outstanding equity of Currencycloud that Visa already owns.

Currencycloud's cloud-based platform offers a broad set of APIs enabling banks and financial services providers

to offer currency exchange services, including real-time notifications on foreign exchange transactions, multi-currency wallets, and virtual account management. The Currencycloud platform supports nearly 500 banking and technology clients with reach in over 180 countries.

Currencycloud will strengthen Visa's existing foreign exchange capabilities by extending them to better serve financial institutions, fintechs and partners while enabling

new use cases and payment flows. Currencycloud will accelerate the time-to-market and improve payment transparency for clients looking to offer flexible, digital-first, international payment services that provide better visibility and control to consumers and businesses around the world.

Source: [Business Wire](#)

Worldline Worldline to acquire Handelsbanken card acquiring activities

Handelsbanken Worldline announced the signing of a bidding agreement for the acquisition of 100% of Handelsbanken Card acquiring activities in the Nordic countries (Sweden, Norway, Finland and Denmark).

Source: [Worldline](#)

Worldline Worldline acquires 92,5% of the leading network services provider in Greece for € 130 million

Strategic opportunity to expand Worldline's Merchant Services business in the promising Greek market with a unique access to the leading local payment acceptance network. Up to 243,000 merchants served and 500 million transactions managed per year. € 155 million enterprise value representing a c.11x EV/2020 OMDA multiple.

Source: [Nocash](#)

Thunes. **Limonetik**

Thunes acquires Limonetik

Cross-border payments leader Thunes today announced the acquisition of Limonetik, a European Payment Methods Platform. This move will complement existing Thunes Cross-Border Payments solutions by enabling businesses to get paid in 70 countries, using over 285 local payment methods such as mobile wallets, payment by instalments (BNPL), QR code payments and more. The solution will be known as Thunes Collections.

Limonetik is one of the earliest developers of an alternative payment methods platform suitable for international merchants and marketplaces. And like Thunes, the firm closely partners with payment service providers and financial institutions. Processing more than EUR 2 billion a year, Limonetik is trusted by over 14,000 merchants, marketplaces and fintech players, including Deliveroo, Uber Eats, Veepee, CMA - CGM, Worldline - Ingenico, ACI, Amadeus and Natixis. Founded in Paris in 2008, Limonetik is led by CEO & co-founder Christophe Bourbier, a multiple-time entrepreneur and payment space expert. Today, Limonetik counts 50 employees who will become Thunesters.

Source: [PR News Wire](#)

Deutsche Bank **fiserv.** **Deutsche Bank and Fiserv**

Announce Joint Venture for Payment Acceptance in Germany

Deutsche Bank, Germany's largest bank, together with Fiserv, a leading global provider of payments and financial services technology, today announced a joint venture to create a comprehensive provider of payment acceptance and banking solutions. The joint venture will serve small and medium-sized enterprises (SMEs) in the German market and will be based in Frankfurt am Main, pending regulatory approval.

This Deutsche Bank and Fiserv joint venture will help SME clients adapt to the changing post-Covid marketplace by equipping them to sell their products and services across a full range of digital and in-person channels using modern payment acceptance solutions, including the popular Clover® point-of-sale platform from Fiserv. The companies plan to bring multiple payment solutions together, complementing Deutsche Bank's banking offering, and deliver a combination unique to the market. This saves merchants from having to enter into multiple contracts with a variety of payment providers.

Source: [Business Wire](#)

VISA tink Visa to buy Swedish fintech Tink for \$2.2 billion

Visa Inc had agreed a 1.8 billion euro (\$2.2 billion) takeover of European open banking platform Tink, months after it ditched a planned acquisition of the startup's U.S. rival Plaid.

Founded in 2012, Sweden-based Tink enables banks and other financial firms to share and access consumer financial data more easily. It is used by more than 3,400 banks and other institutions, as well as over 250 million customers in Europe.

Visa terminated a planned \$5.3 billion deal with U.S.

data-sharing platform Plaid in January, following a U.S. government lawsuit aimed at blocking the deal on antitrust grounds.

European Union rules on open banking require banks to allow access to customer data by registered third party providers to boost competition.

The rollout of the rules has provided fertile ground for fintechs, such as Tink, which provide technology to help third parties and banks to access customer data. Some financial technology experts said the Tink acquisition could face antitrust concerns, similar to the failed Plaid deal.

Source: [Reuters](#)

Industry News

Mastercard invests in card tech startup Deserve



Deserve, a provider of bespoke white label mobile-centric API and SDK-based credit card technology, has raised \$50 million in a Series D funding round joint-led by Mastercard.

Mission Holdings and Ally Ventures joint led the round, with participation from existing backers including Goldman Sachs Asset Management and Sallie Mae.

Deserve says the funding will help it in its mission to mod-

ernise the credit card stack, and enable the industry to launch and scale programmes quickly via modern APIs.

The firm's user experience includes instant issuance and wallet provisioning leveraging Mastercard technology to drive higher activation, usage and engagement. Meanwhile, deep machine learning and AI promise to reduce churn while maximizing profitability for issuing partners.

Sallie Mae, BlockFi, OppFi, Seneca Women, Notre Dame cards are among the company's clients.

Kalpesh Kapadia, CEO, Deserve, says: "We have rebuilt the consumer's entire credit card experience from the ground up, transforming the plastic credit card into software that delivers a superior digital experience and forever changes how we use credit cards to make payments, earn rewards and borrow money."

Source: [Finextra](#)

Amazon strikes back at Visa fees with surcharge

Retail giant Amazon is taking on card behemoth Visa with plans to impose a half percent surcharge on all Visa credit card transactions in Singapore starting next month in its first ever such surcharge.

"Due to Visa's high cost of payments, beginning 15 September 2021, Amazon will apply 0.5% surcharge to purchases made using Visa credit cards on Amazon.sg," the company said in a notice today to its Singapore site customers. "To avoid this surcharge, we encourage you to use a debit or non-Visa credit card as the default payment method in your account," said the notice, which was provided by Amazon.

Asked if the surcharge could be extended to other parts of the world, a spokesperson for Amazon declined to comment but suggested the Seattle-based company might consider adding the surcharge elsewhere. "Singapore is the first country we've decided to make changes in, but this is a global issue and is not isolated to Singapore," the spokesperson said by email.

An emailed statement from the company underscored the point. "The cost of accepting card payments continues to be an obstacle to providing the best prices for customers," Amazon said in a statement. "These costs should be going down over time with innovation and technological advancements, which allows merchants to reinvest savings into low prices and shopping enhancements for customers. Yet, despite these advancements, some cards' cost of payments continue to stay high or even rise."

A spokesperson for Visa didn't immediately respond to a request for comment.

The Amazon move is the latest blow to the card industry, which has faced increased pressures this year from lawmakers and regulators to keep a lid on their fees. Visa and Mastercard postponed a scheduled fee increase on transactions for the second year in a row this year after push-back.

Merchants have complained for years that the fees they shoulder to process credit and debit cards are overburdensome. With Democrats in control of Congress and the White

House this year, their concerns may be gaining ground.

Sen. Dick Durbin, D-IL, earlier this year continued his crusade against card fees, excoriating the industry over the now-abandoned plans (at least temporarily) to increase fees. He helped win a cap on debit fees in an amendment to the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act, but credit card fees have remained unrestrained. More recently, the Federal Reserve Board is getting an earful this month as a deadline approaches on a clarification of some aspects of the debit fee rules.

The jolt now from Amazon will buttress the broader mer-



chant campaign to reduce card fees. While the card companies, especially the two biggest, Visa and Mastercard, have sometimes been seen as acting in lock-step on pricing, the move by Amazon today targeting Visa suggested card companies' activities in the marketplace may be diverging. A spokesperson confirmed that Amazon's surcharge applied only to Visa credit cards, but declined to provide an explanation for singling out the card company.

Other merchant organizations have also railed about card fees not declining on technological advances that have reduced the costs of processing transactions. On debit fees, the Fed this year decided to leave the debit cap amount unchanged despite those arguments. Banks mainly issue the cards, and card networks, along with other intermediaries, process the transactions.

In a press release today on the Fed debit rule, a major food retail trade group echoed complaints about card fees not reflecting tech progress. "Since the law went into effect in 2010, banks' costs, as reported to the Federal Reserve, have

gone down by approximately half to process debit payments, while the regulated prices charged to merchants for the same debit payments remained unchanged," the Food Industry Association (FMI) said in the press release. "Combined credit and debit processing fees have escalated, resulting in most merchants' second-highest cost after labor, totaling \$110.3 billion a year for all types and brands of cards in 2020," the group said, citing industry research firm the Nilson Report for the data.

The issue was amplified for Amazon last year because of its significant e-commerce, which surged generally in 2020 as the COVID-19 pandemic confined many consumers to online shopping from home.

In its statement today, Amazon also glanced at another threat to card companies, namely a swarm of well-financed payment fintech startups finding new ways to process payments.

"With the rapidly changing payments landscape around the world, we anticipate a future that is less card-centric in the coming years, and we will continue innovating on behalf of customers to add and promote faster, cheaper, and more inclusive payment options to our stores across the globe," the Amazon statement also said.

Source: [Retail Dive](#)

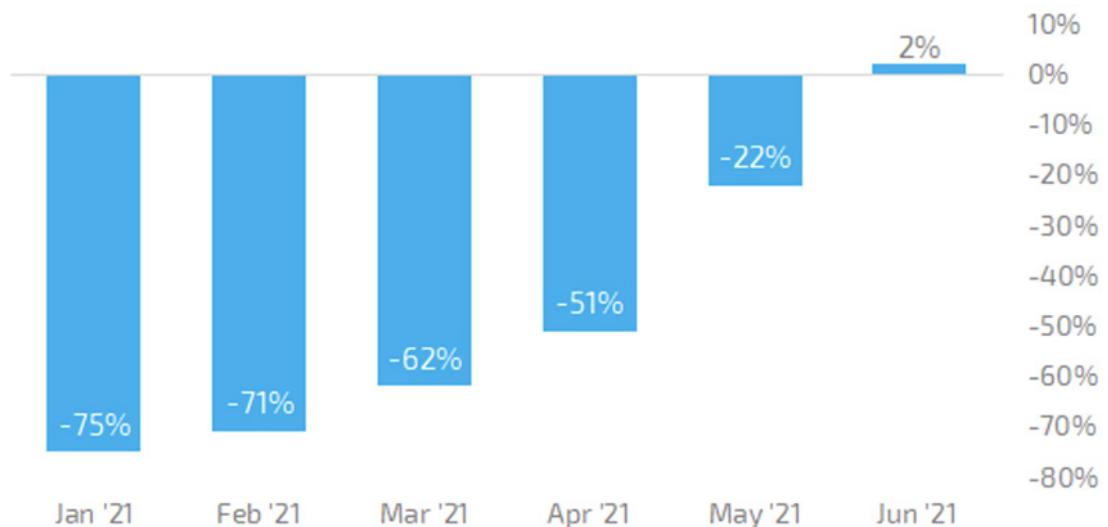
COVID-19 - Impact on Commerce & Payments

eDreams ODIGEO surpasses pre-COVID-19 Bookings level and adds further 200,000 Prime subscribers

eDreams ODIGEO ('the Company'), Europe's largest online travel company and one of the largest European e-commerce businesses, today announced that it has achieved an important threshold during the month of June 2021, with bookings having now surpassed pre-COVID-19 levels.

tion, combined with an increasing demand for leisure travel as more people are vaccinated and restrictions are eased, is enabling the business to attract more customers and capture market share from its competitors. While Bookings in April were -51% compared to the same period of 2019, the month of May already showed

The Company's booking levels over the past quarter have shown continuous improvements. The positive evolution in trading is driven by a growing travel market together with the business' enhanced strategic positioning and increased competitive advantage. The company's unique customer proposi-



REGION	Q1	Q2	Q3	Q4	March 2021	April 2021
eDO Total	(87) %	(62) %	(65) %	(70) %	(62) %	(-51) %
IATA Europe	(97) %	(77) %	(79) %	(81) %	(83) %	(-82) %
eDO vs IATA	9ppt	15ppt	14ppt	11ppt	21ppt	31pp

strong improvements, with trading levels reaching a level of activity of -22% compared to pre-pandemic. In June, Bookings improved further to even surpass pre-COVID-19 levels with positive single-digit average growth rate.

Trading continues to improve

The average basket value is still 29% below 2019 levels even though trading has rebounded rapidly and is now above pre-COVID-19 levels. Due to restrictions and uncertainties there is a disproportionate amount of consumers booking short haul, with less passengers per booking and thus lower booking value. While the long term outlook for leisure travel is very strong, over the next few months there may still be volatility. It is clear that the pandemic has not affected the desire for leisure travel. However government restrictions continue to change, and normal seasonality patterns are being thrown off. We expect a continuing transition period as vaccination rates increase, potential appearance of virus variants, and governmental restrictions evolve.

eDreams ODIGEO continues to outperform the industry

Throughout the pandemic, eDreams ODIGEO has consistently outperformed against the airline industry, which highlights the strength and adaptability of its business model. The Company now continues to achieve strong growth in market share vs supplier direct bookings due to its better content quality, more comprehensive offer, flexibility and focus on leisure travel.

During fiscal year 2021, eDreams ODIGEO's overall performance was on average 13 percentage points above that of IATA in Europe. Based on the latest figures available, corresponding to the months of March and April, the Company's outperformance ahead of supplier direct increased further to 21 and 31 percentage points, respectively.

An unrivalled customer proposition in a growing market

The Company has used the COVID-19 period to improve its strategic positioning and enhance the innovative products and services that it offers to consumers in the 45 markets where it operates globally. This is demonstrated by 'Prime', the very first subscription programme ever created in the world of travel, which performed outstandingly despite the challenging market conditions. An unrivalled customer proposition in a growing market

After the major milestone announced in late May, when the programme reached one million subscribers, the number of Prime members has continued to grow strongly. In the last month alone, the programme has gained a further 150,000 new Prime subscribers, taking the total to 1.2 million members in June.

The Company is strengthening its strategic positioning amid a context of a recovering and growing travel market. Following the success and acceleration of vaccination programmes across the Company's core markets, consumer confidence is rebounding at a strong pace. As a result, the pent-up demand that accumulated during the pandemic is now translating into bookings for travel, which is leading the business to see meaningful improvements in its year-on-year trading, now even above pre-pandemic levels from June 2019.

Source: [eDreams ODIGEO](#)

Wallets & Mobile Payments

Switzerland – a leader in mobile payments. Almost half of the population are regularly using TWINT, a local payment app that has massively outpaced Apple Pay.

3.5 Mio
active users

45%
of the Swiss
population
use TWINT

4500
new
registrations
every day

Making payments using a smartphone is more popular in Switzerland than in almost any other country. The main driver of this is the Swiss payment app, TWINT. Half of the Swiss population uses the app regularly. Major international payment providers are trying to conquer the Swiss market, but only one app is managing to do this. The Swiss payment app, TWINT, is used regularly by half of the Swiss population[1] and according to the latest survey has massively outpaced Apple Pay and other popular services[2].

The Swiss are mobile payment-savvy

The latest figures show that mobile payment is used much more in Switzerland than it is in the neighbouring countries of Germany and Austria. A recent study carried out by BearingPoint revealed that a large number of people in Switzerland use TWINT frequently (45%), which is a considerably higher figure than in neighbouring countries, where no single provider has up to now been able to surpass a user share of 7 percent. This

also underlines the latest TWINT usage figures. In the last twelve months, the Swiss payment app has recorded 3.5 million active users. Every day sees around 4,500 new accounts registered, which represents an enormous level of growth.

The recipe for success: a national payment app

The app is not just popular with users, but also with the large number of merchants and TWINT partners in Switzerland. A survey that TWINT carried out among its users shows that the innovative features of the app and its local roots as a Swiss brand in particular have helped to ensure that users are happy to use the app frequently. [3] National mobile payment methods have for a long time been given little chance of success by experts. TWINT has proven that a local system can work excellently – even in Switzerland. There have also been similar success stories in other European countries, such as Denmark, Sweden and Norway.

Can be used outside of Switzerland, too

The locality and the focus on Swiss customers are important factors that have contributed to TWINT's success. Nevertheless, the Swiss payment app intends to make the move into foreign markets. The aim of this move is to allow users to be able to make payments

with TWINT in other countries in the future, too. One factor relevant for this is the formation of a coalition of a number of mobile payment solutions in Europe under the name of the European Mobile Payment Systems Association (EMPSA).

Source: [Nocash](#)

The EU is set to unveil plans for a bloc-wide digital wallet for IDs, payments and passwords

The European Union is set to unveil plans for a bloc-wide digital wallet on Wednesday, following requests from member states to find a safe way for citizens to access public and private services online.

The app will allow citizens across the EU to securely access a range of private and public services with a single online ID, according to a report by the Financial Times newspaper on Tuesday.

The digital wallet will securely store payment details and passwords and allow citizens from all 27 countries to log onto local government websites or pay utility bills using a single recognised identity, the newspaper said, citing people with direct knowledge of the plans.

The EU-wide app can be accessed via fingerprint or retina scanning among other methods, and will also serve as a vault where users can store official documents like the driver's licence, the newspaper reported.

Use of the digital wallet will not be mandatory but those who did sign up would benefit from an extra-secure digital presence and flexibility, those involved with the project told the FT.

EU officials will enforce a structural separation to prevent companies that access user data from using the wallet for any other commercial activity such as marketing new products.

Brussels is engaged in talks with member states to provide guidelines on technical standards for rollout of the digital wallet, which is expected to be fully operational

in about a year, according to the newspaper.

'Simple, secure and will protect'

An existing system has had a low uptake across the Union, with only 19 member states introducing digital IDs for their citizens which were not all compatible with one another.

It's hoped the new system, which will present a more unified strategy across the bloc, will have a boost in uptake thanks to increased digital literacy and digitalisation during the COVID-19 pandemic.

Given the planned compatibility across the EU, the uses of such an application are broad. One could use their digital wallet, for instance, to rent a car, paying for the hire tariffs and confirming their identity remotely via the app. An electronic key for the rented car could be issued immediately, meaning no waiting in queues at the airport car hire desk.



The EU's planned digital wallet will be "simple, secure and it will protect people online," sources close to the project told the FT.

"People will also have the power to decide how much in-

formation they give out while Google and others don't let you decide what you're giving away," they added.

Source: [Euronews](#)

VTB & Visa Launch a Service for 'Paying with a Glance'



VTB and Visa have launched a service to pay for orders in the network of culinary shops based in St Petersburg (KiO Kitchen) without using a smartphone or card. The service is implemented on the basis of the 'O.Pay' solution, with facial recognition technologies from O.Vision, a member of VTB's corporate accelerator.

To connect the service, the client must install the application O.Vision to their smartphone (iOS and Android versions are available) and go through the procedure of registering a phone number and saving facial biometrics, linking the payment card to the service. All outlets of the KiO Kitchen network are equipped with special terminals for paying, where customers need to look into the camera. The service is available to cardholders of any payment system and issuing banks.

The O.Vision identification algorithm is tested on a biometric registration database of more than 1 million people, which ensures the correct operation of the service. In less than a second, the request goes through several stages of processing in the system, from identifying the client's face to verifying its authenticity and making a payment decision.

Customers can pay without using a smartphone or a card. For the retail outlets, the service expands the range of contactless payment methods available to customers and speeds up the service process. When paying

with a glance on a Visa card in the first four months after the launch of the service, customers are given a 20% discount on the order.

Yulia Kopytova, Head of the Department of Analysis, Coordination and Product Development, Senior Vice President of VTB Bank, said "Cashless payments are steadily replacing cash payments. As part of its digital transformation, VTB is working on contactless payment services using the latest developments. New solutions allow trade and service enterprises not only to improve the user experience, but also to provide additional opportunities for the development of their own ecosystem in future. For example, you can use the 'pay with a glance' service as part of loyalty programs. The customer will not need to download special applications or receive a discount card from the store; it will be enough to just look at the camera at the terminal when paying."

Sergey Bezbogov, Head of the Department of Management and Coordination of Technological Changes at VTB Bank, said "VTB is carrying out large-scale digital transformation and implementing innovative solutions that allow the bank to develop faster than the market, build an open ecosystem, simplify and accelerate interaction with partners, the state, and businesses. VTB uses a corporate accelerator to search for and test innovative solutions for technology startups. The pilot with O.Vision will allow us to test the facial recognition technology for payment, and evaluate the maturity, accuracy, and speed of recognition algorithms that ensure the security of payments. The solution has a built-in anti-spoofing system, which avoids the possibility of identity substitution when paying by facial biometrics. The identification algorithm analyzes many parameters and minimizes the probability of false admission."

Yuri Topunov, Head of Visa's Products Department in Russia, said "Payment using biometrics is becom-

ing more common and popular among consumers. According to Visa data, two-thirds of customers (70%) consider biometric payments to be an easier way to make payments. At the same time, 46% of consumers call them not only convenient, but also a more reliable way to protect personal payment data when making purchases. We are confident that the new service will help consumers make payments faster, safer, and more

convenient.”

More than 50,000 people use O. Vision technology every day. By implementing the O.Pay system, there are plans to double the number of users by the end of 2021.

Source: [FFnews](#)

Buy Now Pay Later

Square, Inc. Announces Plans to Acquire Afterpay, Strengthening and Enabling Further Integration Between its Seller and Cash App Ecosystems

Brings together two of the fastest growing global fintech companies to advance shared mission of economic empowerment and financial inclusion

Square, Inc. (NYSE: SQ) and Afterpay Limited (ASX: APT) today announced that they have entered into a Scheme Implementation Deed under which Square has agreed to acquire all of the issued shares in Afterpay by way of a recommended court-approved Scheme of Arrangement. The transaction has an implied value of approximately US\$29 billion (A\$39 billion) based on the closing price of Square common stock on July 30, 2021, and is expected to be paid in all stock. The acquisition aims to enable the companies to better deliver compelling financial products and services that expand access to more consumers and drive incremental revenue for merchants of all sizes. The closing of the transaction is expected in the first quarter of calendar year 2022, subject to the satisfaction of certain closing conditions outlined below.

“Square and Afterpay have a shared purpose. We built our business to make the financial system more fair, accessible, and inclusive, and Afterpay has built a trusted brand aligned with those principles,” said Jack Dorsey, Co-Founder and CEO of Square. “Together, we can bet-

ter connect our Cash App and Seller ecosystems to deliver even more compelling products and services for merchants and consumers, putting the power back in their hands.”

Afterpay, the pioneering global ‘buy now, pay later’ (BNPL) platform, will accelerate Square’s strategic priorities for its Seller and Cash App ecosystems. Square plans to integrate Afterpay into its existing Seller and Cash App business units, enable even the smallest of merchants to offer BNPL at checkout, give Afterpay consumers the ability to manage their installment payments directly in Cash App, and give Cash App customers the ability to discover merchants and BNPL offers directly within the app.

“Buy now, pay later has been a powerful growth tool for sellers globally,” said Alyssa Henry, Lead of Square’s Seller business. “We are thrilled to not only add this product to our Seller ecosystem, but to do it with a trusted and innovative team.”

“The addition of Afterpay to Cash App will strengthen our growing networks of consumers around the world, while supporting consumers with flexible, responsible payment options,” said Brian Grassadonia, Lead of

Square's Cash App business. "Afterpay will help deepen and reinforce the connections between our Cash App and Seller ecosystems, and accelerate our ability to offer a rich suite of commerce capabilities to Cash App customers."

Afterpay is an industry leader with a best-in-class product and strong cultural alignment with Square. As of June 30, 2021, Afterpay serves more than 16 million consumers and nearly 100,000 merchants globally, including major retailers across key verticals such as fashion, homewares, beauty, sporting goods and more. Afterpay empowers consumers to access the things they want and need, while allowing them to maintain financial wellness and control. Afterpay also assists merchants in growing their businesses by helping to drive repeat purchases, increase average transaction sizes, and provide their buyers with the ability to pay over time. Afterpay is deeply committed to helping people spend responsibly without incurring service fees for those who pay on time, interest, or revolving debt, and supports consumers in a number of countries across APAC, North America and Europe (including under its Clearpay brand).

"By combining with Square, we will further accelerate our growth in the U.S. and globally, offer access to a new category of in-person merchants, and provide a broader platform of new and valuable capabilities and services to our merchants and consumers. We are fully aligned with Square's purpose and, together, we hope to continue redefining financial wellness and responsible spending for our customers," said Anthony Eisen and Nick Molnar, Afterpay Co-Founders and Co-CEOs. "The transaction marks an important recognition of the Australian technology sector as homegrown innovation continues to be shared more broadly throughout the world. It also provides our shareholders with the opportunity to be a part of future growth of an innovative company aligned with our vision."

For Square, BNPL presents an attractive opportunity supported by shifting consumer preferences away from traditional credit, especially among younger consum-

ers, consistent demand from merchants for new ways to grow their sales, and the global growth in omnichannel commerce. Combined, Square and Afterpay's complementary businesses present an opportunity to drive growth across multiple strategic levers, including:

- **Enhance both the Seller and Cash App ecosystems.** Afterpay's global merchant base will accelerate Square's growth with larger sellers and expansion into new geographies, while helping to drive further acquisition of new Square sellers. Afterpay will expand Cash App's growing product offering, enable customers to manage their repayments, and help customers discover new merchants when the Afterpay App is integrated into Cash App.

- **Bring added value, differentiation, and scale to Afterpay.** Afterpay will benefit from Square's large and growing customer base of more than 70 million annual transacting active Cash App customers and mil-

lions of sellers, which will expand Afterpay's reach and growth both online and in-person. Afterpay consumers will receive the benefits of Cash App's financial tools, including money transfer, stock and Bitcoin purchases, Cash Boost, and more.

- **Drive long-term growth with meaningful revenue synergy opportunities.** Square believes Afterpay will be accretive to gross profit growth with a modest decrease in Adjusted EBITDA margins expected in the first year after completion of the transaction. Square sees an opportunity to invest behind Afterpay's strong unit economics as well as attractive growth synergies, including the opportunity to introduce offerings and drive incremental growth for sellers and increased engagement for Cash App customers.

Source: [Square](#)



Former Mollie and Klarna execs build BNPL platform for B2B purchasing

Former Mollie and Klarna senior managers have developed Biller, an AI powered buy now, pay later service for B2B purchasing.

The Biller invoicing platform provides suppliers with automated credit and fraud underwriting and the ability to offer buyers flexible payments terms running up to 90 days after the invoice date. Biller is also taking on the post-transaction heavy-lifting, promising personalised debtor management and guaranteed payouts.

The Biller founding team of Derek Vreeburg, Uwe van Rensburg and Mick Gromotka is co-building the com-

pany with Slimmer AI, a European AI B2B venture studio that recently spun-out regtech startup Sentinels.

Biller CEO Vreeburg, says: "Current B2B invoice solutions have lacked innovation for years. With our experience at Klarna and Mollie we know how to transform complex processes into easy-to-use services. Combined with the AI expertise of Slimmer AI, we are confident that we can challenge the status quo and contribute to the next chapter in online B2B commerce"

Source: [Finextra](#)

Klarna raises \$639M, eyes international expansion



Dive Brief:

- Klarna, the Swedish buy now-pay later (BNPL) payment provider raised \$639 million in its latest funding round, taking the fintech's valuation to \$45.6 billion, according to the company's June 10 press release. The company has raised \$3.7 billion since its inception in 2005, according to Crunchbase.

- The funding round was led by Japan's Softbank Vision Fund 2, with Adit Ventures, Honeycomb Asset Management and WestCap Group joining in. The company didn't disclose the specific amount raised from individual investors and how much equity they hold.

- Klarna aims to use the funds to fuel its international expansion efforts, seeking to further capture global retail opportunities and provide more in-store payment options, a company spokesperson told Payments Dive in an email. Currently, the BNPL payment provider is available in 17 countries, including the U.S., the U.K. and Canada. The company plans to expand in other markets this year.

Dive Insight:

The buy now-pay later payment option has gained significant traction among users this past year and Klarna is looking to capitalize on the growing adoption of BNPL payment options.

According to a Forrester webinar held in December 2020, nearly "36% of U.S. online adults are interested in, currently use, or have used a (BNPL) service for a large purchase."

Klarna, one of the biggest BNPL companies, has collected over 90 million customers worldwide since its inception in 2005. The Swedish company entered the U.S. market in 2015 and accumulated 17 million users in the country as of April 2021, a doubling of year-over-year performance, according to the company's Q1 2021 financial statement.

In Q1 2021, the company reported a gross merchant volume (GMV) of \$18.9 billion, compared to \$9.9 billion in Q1 2020. The change was "driven by growth in all markets and exceptional momentum in the U.S.," the Q1 2021 report stated.

Since its debut in the U.S., Klarna has accumulated 9,000 merchants in the U.S. and 250,000 retailers across the globe. The company also aims to expand its in-store BNPL payment option.

"We're currently live in-store with 60,000 physical stores nationwide - including brands like Bluemercury, Macy's, Sephora, H&M, Footlocker, GameStop, The North Face, and more, as part of our goal to provide a more unified shopping experience for consumers," the spokesperson said, noting the company is preparing for more in-person shopping as the COVID-19 pandemic eases. "Expanding the in-store experience is a major priority as we support brands focusing on their in-store strategies as states and businesses continue to reopen throughout the year."

Merchant adoption for such services has also increased as they try to satisfy customer demands for BNPL payment options. In a sample of 100 U.S. retailers, 26% offered a deferred payment method in January, 2020, but that percentage had climbed to 46% by December, the Forrester webinar stated.

This is the Klarna's second round of fund-raising this year. In March 2021, Klarna raised \$1 billion, giving it a valuation of \$31 billion at the time.

Klarna launched its services in France this week and introduced a new "Pay in 3" installment option. It aims

to expand to other countries by the end of 2021, the company spokesperson said. The BNPL giant also plans on donating 1% of the equity raised to initiatives supporting planet health, as a part of its GiveOne initiative announced in April 2021.

"Consumers continue to reject interest-and fee-laden revolving credit and are moving toward debit while simultaneously seeking retail experiences that better meet their needs," Klarna CEO Sebastian Siemiatkowski said in the press release.

Klarna plans not only to expand its offering to new customers but also aims to increase loyalty among its existing users, Rightpoint Chief Commerce Officer Philip Jackson told Payments Dive. Rightpoint uses market data and analysis to help create websites, mobile apps and digital journeys for its customers, Jackson said.

The market has two types of customers – "stockers," who stick to their brands and shop in a consistent way, and "seekers," who tend to experiment with other brands to have a variety of products and services, he said.

"Klarna has a huge wealth of customer data and they can leverage that to own the first-party relationship with their customers, which makes it appealing to stocker shoppers," Jackson said. "The companies Klarna has partnered with, gives seekers the opportunity to experiment with different brands as well."

Although the company has more than tripled its valuation in 2021, building the BNPL payment option in the U.S. remains a significant hurdle for Klarna.

In a crowded BNPL marketplace, Klarna's rivals like PayPal, Splitit and Affirm are adding features like the purchase return option and providing BNPL payment options for professional services to its customers.

"Although it may seem like everyone is using BNPL – our data (for the U.S.) show it's still a small percentage of online shoppers," Forrester analyst Lily Varon told Payments Dive in an email. "BNPL companies are simultaneously looking for new revenue streams and trying to find ways to make their service more attractive and stickier for both merchants and consumers."

Source: [Paymentsdive](#)

UK Based BNPL Zilch Raises Additional \$110 Million

Zilch, a buy now, pay later (BNPL) platform has raised an additional \$110 million in both debt and equity capital as part of an extended Series B funding round. In total, the London-based Fintech has raised \$200 million making it one of the largest European funding rounds this year. A note from Zilch said the company was fast approaching unicorn status.

In April, Zilch announced the Series B round indicating its goal of expanding into Europe as well as the USA. At that time, Zilch said it was valued at \$500 million.

The additional capital has been delivered by **Goldman Sachs** and **DMG Ventures** (the venture capital arm of the Daily Mail and General Trust plc).

Philip Belamant, founder and CEO at Zilch, said as their customer numbers continue to grow, they have taken the decision to raise additional capital to service the demand.

"As Zilch continues to scale at pace, we're delighted that well-respected institutions such as Goldman Sachs and DMG Ventures share our vision of what credit should be in today's world and how that can be delivered directly to customers in the most responsible way. By putting our customers first and building direct relationships with each of them, we are doing something no one else in the industry has done before."

Pankaj Soni, Executive Director at Goldman Sachs Asset Management, shared that they have been tracking Zilch's progress over the last 12 months and are impressed the approach that the company has taken to build its offering.

"We are delighted to be supporting their growth and look forward to build on our relationship in the coming years."



Zilch's BNPL product allows its customers to shop wherever MasterCard is accepted and spread their payment over six weeks for zero interest and zero fees. The direct-to-consumer model is said to allow Zilch to build direct relationships with its customers. Zilch said that it has been able to scale significantly faster than its competitors.

Zilch touts the convenience of its Tap and Pay-over-time feature. Zilch aims to become the largest BNPL player in-store in the UK without the need for either bar codes or QR codes.

Manuel Lopo de Carvalho, CEO of DMG Ventures, said the pace of what Zilch has achieved is phenomenal: "the level of adoption Zilch has seen this year alone is remarkable."

Source: [Crowdfunder](#)

Discover invests \$30 million in BNPL company Sezzle

Dive Brief:

- Discover Financial Services is investing \$30 million in buy now-pay later (BNPL) payments provider Sezzle, to integrate a BNPL solution system on Discover's card network, according to a July 15 press release from Sezzle.
- Discover signed an agreement with Sezzle in February to enable merchants to use BNPL payment options on the Discover Global Network. Discover Global Network includes Discover Network, PULSE, Diners Club International, and "more than 20 alliance partner networks across the globe," the release stated.

- The move comes after Discover's competitors, Mastercard and Visa, are expanding their services to offer BNPL payments options on their respective networks. Globally, \$995 billion is expected to be spent through BNPL payment options by 2026, up from an estimated \$226 billion in 2021, according to a recent report by Juniper Research.

Dive Insight:

Discover is buying approximately 4.6 million shares of Sezzle at a \$6.58 per-share, according to the press release. The Riverwoods, Illinois-based card company will enter into an expanded partnership with Sezzle to develop a dedicated referral program that will introduce "Discover credit and debit products to Sezzle's customer base," the press release noted.

The company signed an agreement with Sezzle earlier this year to enable U.S. merchants to process BNPL payments on the Discover Global Network, with little to no upgrades to their existing payments systems.

Discover is working with Sezzle to enable merchants to provide payment options as it "can be beneficial, especially in the current economic environment," Discover's senior vice president of global business development and acceptance, Jason Hanson said in February.

Discover said it has more than 48 million merchant acceptance locations and it is accepted by 99% of places that take credit cards in the United States.

"Discover's capabilities via their network and financial products will enhance" Sezzle's offerings for its 2.6 million active consumers, Sezzle Executive Chairman and CEO Charlie Youakim said in a statement. Total payment volume on Sezzle rose to \$856 million in 2020 compared to \$244 million in 2019, a Sezzle spokesperson said.

Recently, Discover rival Visa launched its BNPL payment option — for the first time anywhere in the world — for Canadian merchants, where deferred payment adoption increased by 30% in 2020. "Currently, three Canadian issuers, Scotiabank, CIBC and Desjardins, have announced their participation in the Visa Installments Solution," Visa Canada VP and Head of Product and Digital Brian Weiner said in an email. The company will roll out more BNPL services, which are currently in their pilot phase in September/October, as the demand for deferred payments increases, Weiner said.

Sezzle, the Minneapolis based-company, has been listed as a public company in the Australian Stock Exchange and recently filed an intent to go public in the U.S. as well.

"It wasn't until recently that investors in the US began to gain an appreciation of the potential for BNPL," a Sezzle spokesperson said in an email.

Source: [Paymentsdive](#)

Visa moves into BNPL with new service for card issuing clients



Visa has announced creating Buy Now, Pay Later instalment payment services for its credit card-issuing customers.

Visa is reportedly rolling out pilot BNPL services in the US, Canada, Russia, and Malaysia. The credit card platform has set up a BNPL website for credit card issuers — mainly banks and credit unions as well as financial technology companies — that use its payment network. Merchants offer BNPL financing to consumers primarily during checkout when they shop online.

According to Investors.com, Visa hopes to counter the threat of PayPal, Affirm Holdings, and possibly Apple, which are encroaching into the consumer financing space. Visa aims to make it easier for banks such as Wells Fargo and Chase to provide instalment loans to consumers. While BNPL services have focused on online shopping checkout, Visa has developed pre- and post-purchase options for credit card issuers.

Source: [ThePaypers](#)

PayPal launches Australia's only no-fee buy now, pay later offering for consumers, PayPal Pay in 4

- New BNPL service now available to eligible PayPal Australian customers across its base of 9+ million active accounts
- Free of any PayPal fees[i] for Australian consumers – no interest, no late payment fees and no sign-up fees
- Available for use at millions of online stores – almost everywhere you see the PayPal 'button'
- Providing more choice and flexibility with the PayPal security and protections Australians know and trust

PayPal today is announcing that PayPal Pay in 4 is now available to eligible customers in Australia. The new no-fee buy now, pay later (BNPL) solution is designed to give consumers greater choice and flexibility in how they pay.

Announced in March, PayPal made some key updates to PayPal Pay in 4 ahead of the consumer launch:

- Always planned to be interest-free for consumers, there are now also no late payment fees in Australia, making PayPal Pay in 4 free of any PayPal fees for Australian consumers.
- The minimum value for PayPal Pay in 4 purchases has been dropped to \$30 from \$50. Consumers can split the cost of eligible purchases[ii] between \$30 and \$1,500 into four interest-free payments, consisting of an initial payment and three automatic fortnightly instalments.

PayPal, which has over 9 million active accounts in Australia, made the changes to deliver a more customer-centric solution. Recent research commissioned by PayPal* found that while almost all Australian online shoppers (96%) are aware of BNPL, more than half (55%) have not used BNPL. Late fees were a key factor, with 50% saying they would not use a buy now, pay later service with "high late fees".

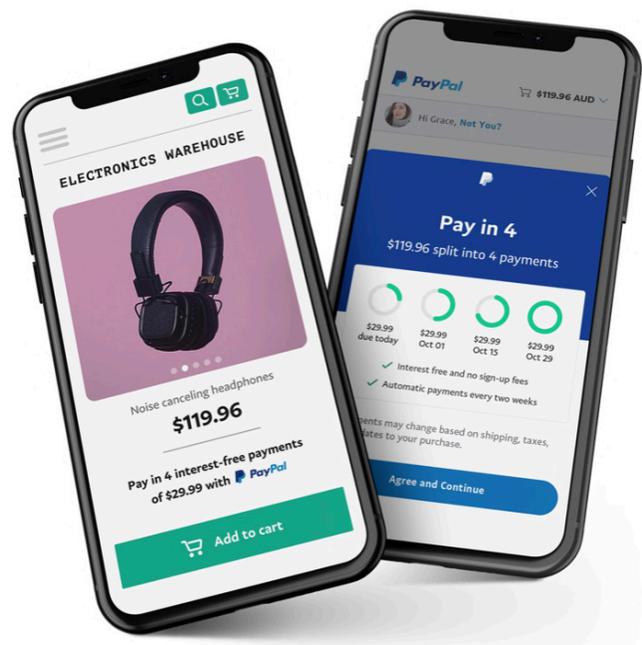
"We are launching with no late fees in Australia because we believe it's the right thing to do for our customers and will deliver a better consumer experience. We are backing the strength of our systems to determine consumer suitability for PayPal Pay in 4 and we believe we have the right measures in place to support our no late fees approach," said Andrew Toon, General Manager, Payments, PayPal Australia.

"Our business model does not rely on late fee revenues and we believe that many people who miss a payment do so by mistake, not design. By removing late fees, we are providing our Australian customers with a secure buy now, pay later service without the risk of being penalised for late payments."

To evaluate suitability, PayPal will predominantly use its own data and analytics engines and, when required, will run credit checks with an external credit bureau to assess whether PayPal Pay in 4 is a suitable option for the customer. PayPal Pay in 4 will only appear as an option at checkout for consumers who have a PayPal account in good standing and for eligible purchases valued between \$30 and \$1,500.

Available almost everywhere you see the PayPal 'button'

PayPal Pay in 4 is accessible to consumers in two ways. When an eligible consumer pays using the standard PayPal 'button', it will appear at checkout in the PayPal wallet as a payment option. Businesses can also present PayPal Pay in 4 as a distinct payment option that's directly 'clickable' on their website.



As PayPal Pay in 4 is a payment option within the PayPal wallet, it will be available for consumers to use at hundreds of thousands of Australian and millions of global online stores,ii almost everywhere PayPal is accepted.

“Our primary driver is to make the PayPal wallet the most versatile and useful digital wallet available by giving more payment choice and flexibility to our customers while maintaining the highly secure processes they know and trust,” said Andrew Toon.

Highly secure with Buyer Protection

Security is a key concern for many Australians, with three in five (60%) online shoppers saying they would abandon a BNPL purchase if they had security concerns.

The trusted security and protections offered by PayPal apply for transactions made using PayPal Pay in 4. Eligible purchases are covered by PayPal’s Buyer Protection, meaning that if a product does not arrive PayPal can refund the full purchase price, including delivery.

PayPal is currently Australia’s most trusted online payments brand with 71% of Australian online shoppers saying they trust PayPal to protect them should something go wrong with their online purchases.

For PayPal business customers

PayPal Pay in 4 is available at no additional cost[iii] to Pay-

Pal business customers, beyond their existing account arrangements. The buy now, pay later solution is automatically included with PayPal Checkout integrationii and Braintree integrations that use PayPal’s latest JavaScript Software Development Kit.

With a single integration, PayPal business customers can also add PayPal Pay in 4 messaging to their site, so consumers are aware of their flexible payment options. PayPal Pay in 4 messaging will dynamically show the individual instalment amounts based on what the customer is browsing or purchasing so consumers will know what each repayment will be. This dynamic messaging can be presented early in the shopping journey, delivering relevant, in-context pay later options from the homepage to product pages, to checkout.

Businesses also benefit from PayPal’s advanced decisioning process to prevent fraud while underwriting shoppers and they will be covered by PayPal’s Seller Protection for eligible transactions.

PayPal business customers and partners can learn more about PayPal Pay in 4 and register their interest on the PayPal Australia [website](#).

Source: [Newsroom](#)

CryptoCurrency

NCR to Buy LibertyX to Add Digital-Currency Software to Digital Wallet, Mobile Apps

NCR Corporation (NYSE: NCR), one of the world’s largest makers of automated teller machines (ATMs), agreed to acquire cryptocurrency software provider and ATM-network firm LibertyX in an all-stock deal worth \$73 million at market close Tuesday.

- NCR will pay 1.66 million shares for LibertyX, said CFO Tim Oliver on his Tuesday earnings call. The parties had not initially disclosed the terms.

- Atlanta-headquartered NCR said it plans to integrate LibertyX capabilities and make them available to banks, retailers and restaurants through its digital wallet and mobile applications.
- LibertyX’s digital-currency software runs on ATMs, kiosks and point-of-sale partners such as Cardtronics, which owns and manages ATMs in the U.S. at

locations such as convenience stores, pharmacies and supermarkets.

- “Due to growing consumer demand, our customers require a complete digital currency solution, including the ability to buy and sell cryptocurrency, conduct cross-border remittance and accept digital currency payments across digital and

physical channels,” NCR CTO Tim Vanderham said.

- As reported by CoinDesk last month, the number of crypto ATMs installed globally has increased by more than 70% this year to 24,030.

Source: [Coindesk](#)

Mastercard creates simplified payments card offering for cryptocurrency companies



- Reduces friction in experience and provides greater choice for consumers by helping crypto companies offer card programs
- Suite of partners include Circle, Paxos, Evolve Bank & Trust, Metropolitan Commercial Bank, Uphold, BitPay, Apto Payments, i2c Inc. and Galileo Financial Technologies

Mastercard announced today it will enhance its card program for cryptocurrency wallets and exchanges, making it simpler for partners to convert cryptocurrency to traditional fiat currency. Working with Evolve Bank & Trust and Paxos Trust Company, the leading blockchain infrastructure and regulated stablecoin issuance platform, and Circle, a global financial technology firm and the principal operator of the USD Coin (USDC), a dollar digital currency or stablecoin, Mastercard and its partners will test this new capability to enable more banks and crypto companies to offer a card option to people wanting to spend their digital assets anywhere Mastercard is accepted.

Raj Dhamodharan, executive vice president of digital asset and blockchain products & partnerships at Mastercard, commented: “Today not all crypto companies have the foundational infrastructure to convert cryptocur-

rency to traditional fiat currency, and we’re making it easier. Through our engagement with Evolve, Paxos, Circle and the larger digital assets community, Mastercard expects to deliver on our promise of consumer choice to provide options to people around the world on how and when to pay.”

The enhancement to Mastercard’s existing Crypto Card Program includes a suite of partners. Mastercard is in discussions with Evolve Bank & Trust and Metropolitan Commercial Bank to issue cards, Uphold and BitPay to provide real-time crypto wallet technology, and i2c Inc., Apto Payments and Galileo Financial Technologies® to support processing and program management.

With this enhancement to Mastercard’s Crypto Card Program, Paxos and Circle will use their platforms to facilitate the conversion of crypto to fiat through fiat-backed stablecoins, a class of cryptocurrency that offers price stability and is backed by reserve assets. Making the process simpler will allow more banks and crypto partners the opportunity to offer their consumers the choice of paying with cryptocurrency.

Hear from Our Partners

“As pioneers in crypto-backed debit card issuance, we are absolutely thrilled to see the level of investment that Mastercard and all the associated partners are demonstrating for innovative products,” said **Apto Payments CEO Meg Nakamura.**

“BitPay believes the future of payments is on the blockchain because it transforms how consumers send, receive, and store money around the world,” said **Stephen Pair, co-founder and CEO of BitPay.** *“Working with Mastercard’s pilot to turn digital assets into dollars for everyday spending will accelerate consumers’ use of crypto as a means of commerce.”*

Dante Disparte, Chief Strategy Officer and Head of Global Policy at Circle, commented: "The collaboration between Circle and Mastercard demonstrates that dollar digital currencies like USDC play a foundational role in making payments more efficient and can facilitate new economic activity for businesses worldwide."

"We are thrilled to be partnering with Mastercard and other leaders to evolve the payments landscape," said **Scot Lenoir, chairman of Evolve**. "Evolve is a known leader that supports all forms of stored value and money movement for our diverse array of fintech customers. To support the tremendous consumer and business adoption of digital currencies over the last few years, we see settlement via USDC and other stablecoins as our next step in our journey to continue to modernize banking for all."

"Galileo is excited to partner with Mastercard to simplify payments and provide the modern API technology that enables a seamless cryptocurrency conversion process of new currencies and coins to fiat currency and U.S. stablecoins," said **Derek White, CEO Galileo Financial Technologies**.

"As one of the world's leading issuer-processors powering millions of active crypto-backed cards globally, i2c couldn't be more enthusiastic or honored to be counted as a key Mastercard partner for crypto," said **Jim McCarthy, president, i2c Inc.** "We look forward to helping visionary crypto companies bring their card programs to market quickly through a

single global platform, offering product diversity, robust applications, services, scale and unprecedented reliability."

"Metropolitan Commercial Bank is proud to be named a key partner with Mastercard and its plan to enhance its existing Crypto Card Program," said **Nick Rosenberg, executive vice president and head of Global Payments at Metropolitan Commercial Bank**. "We are excited to join Mastercard in making it simpler to convert cryptocurrency to traditional fiat currency."

Charles Cascarilla, CEO and co-founder of Paxos, added, "Paxos builds the underlying technology that will usher in an open digital economy. Our stablecoins are trusted, regulated and always fully backed one-to-one by U.S. dollars. We can facilitate instant settlement for transactions on a 24/7 basis, 365 days a year. By partnering with Mastercard, we'll bring the benefits of crypto and blockchain to the everyday lives of consumers globally."

JP Thieriot, CEO of Uphold, said: "We're thrilled to be working with Mastercard to advance the payments landscape and enable next generation transactionality for consumers and merchants alike. Removing friction and barriers to entry is critical to ensure the wide adoption of digital payments, and Mastercard is in position to lead the way."

Source: [Mastercard](#)

Mastercard launches new Start Path cryptocurrency and blockchain program for startups

From creating a marketplace for non-fungible tokens (NFTs) to building an air-gapped cold vault to enabling new sustainable digital assets, seven global crypto and digital assets startups join Mastercard's award-winning Start Path program to access partnership opportunities, insights and tools to grow.

Mastercard announced today a new Start Path global startup engagement program dedicated to supporting fast-growing digital assets, blockchain and cryptocurrency companies. As a continuation of Mastercard's digital assets work, seven startups have joined the program, including - GK8, Domain Money, Mintable, SupraOracles, STACS, Taurus, and Uphold, - and together with Mastercard seek

to expand and accelerate innovation around digital asset technology and make it safer and easier for people and institutions to buy, spend and hold cryptocurrencies and digital assets.

Among the new program participants is Mintable (Singapore), a non-fungible token (NFT) marketplace where users can create, buy and sell digital and physical assets backed by the blockchain such as digital collectibles, avant-garde artwork and even music. The Mintable platform is packed with novel features such as gasless minting and credit card purchasing that are designed to empower the everyday person to get involved with NFTs without any prior knowledge in crypto or coding. GK8 (Israel) is a self-managed

end-to-end institutional crypto custody platform that offers a true air-gapped cold vault. This means that the platform is capable of creating, signing and sending secure blockchain transactions without receiving input from the internet, eliminating any potential cyberattack vectors. Taurus (Switzerland) delivers enterprise-grade infrastructure to manage any digital asset with one single platform, including crypto assets, digital currencies and tokenized assets covering issuance, custody, asset servicing and trading.

Other participating startups and fast-growing digital asset and blockchain companies have been selected to join the inaugural track of the Start Path program:

- Domain Money (USA) looks to build a next generation investment platform, bridging the gap between digital assets and traditional finance for retail investors.
- SupraOracles (Switzerland) is a powerful blockchain oracle that helps businesses bridge real-world data to both public and private chains, enabling interoperable smart contracts to automate, simplify and secure the future of financial markets.
- STACS (Singapore) provides a blockchain infrastruc-

ture for the financial industry to unlock massive value and enable effective sustainable financing. Its clients and partners include global banks, national stock exchanges, and asset managers.

- Uphold (USA) is a crypto-native, multi-asset digital money platform offering investment and payment services to consumers and businesses worldwide. Uphold's unique 'Anything-to-Anything' trading experience enables customers to trade directly between asset classes with embedded payments facilitating a future where everyone has access to financial services.

Founders of the digital asset and blockchain companies participating in the new Start Path program aim to address a host of pain points including asset tokenization, data accuracy, digital security and seamless access between the traditional and digital economy. Each startup is focused on solving a unique industry challenge and, throughout the program, will leverage Mastercard's expertise to support the continued growth and development of their solutions.

Source: [Mastercard](#)

Nigeria to pilot central bank digital currency in October

For much of 2021, the Central Bank of Nigeria (CBN) has been in the headlines for its anti-cryptocurrency measures. Yet, the institution has this week redoubled its investment and research into crypto's underlying technology, blockchain, and has set a clear date for the pilot scheme of its blockchain-powered central bank digital currency (CBDC).

On Oct. 1, CBN will reportedly launch a pilot scheme for "GIANT," a CBDC project in development since 2017 that runs on the open-source blockchain Hyperledger Fabric.

Rakiya Mohammed, CBN's information technology director, said the bank might conduct a proof-of-concept before the end of 2021. In a webinar this week with stakeholders, CBN representatives reportedly emphasized that the institution could not afford to be left behind while the vast majority of central banks worldwide make headway with their own CBDC research and development.

Among the motivations cited for the project, CBN has noted that a CBDC would be beneficial for macro and growth management, cross-border trade support and financial inclusion.

Potential benefits could still extend further, in CBN's view,



ranging from higher efficiency for payments and remittances, better monetary policy transmission, improved tax revenue collection, and the facilitation of targeted social policies.

Alongside CBN, the Bank of Ghana has this summer been moving rapidly toward the pilot stage for its own central bank digital currency. The country has positioned itself as a pioneer in CBDC development on the continent and considers central bank-issued digital currencies to be superior to and less risky than decentralized cryptocurrencies.

However, Ghana's wariness of crypto is overshadowed by Nigeria's more aggressive measures, which include a ban on commercial banks and other financial institutions from servicing crypto exchanges. Despite this, Bitcoin (BTC) adoption and peer-to-peer trades have remained high in the country.

Source: [Coin Telegraph](#)

India and Nigeria ramp up plans to launch central bank digital currencies

The Reserve Bank of India is considering a phased plan to implement a digital rupee, and the Central Bank of Nigeria aims to launch a digital naira pilot in October.

India's and Nigeria's central banks have drawn up plans towards launching their own sovereign-backed digital currencies.

Central bank digital currencies (CBDCs) are the digital form of fiat money, giving holders a direct claim on the central bank and allowing them to make instant electronic payments.

CBDCs differ from digital money like cryptocurrencies, which are private and decentralised tokens.

On Thursday, Rakiya Mohammed, the Central Bank of Nigeria's (CBN) director of information technology, said that a CBDC pilot will begin as early as October 1.

At a press briefing in June, Mohammed said the bank had been researching a possible CBDC for years and would be trialing a digital naira before the end of this year.

Nigerian financial officials have been grappling with how to best deal with the rise of cryptocurrencies in the country, and had prohibited crypto transactions in the banking sector in February.

The CBN's deputy governor Adamu Lamtek clarified that crypto trading was not banned, and its popularity has continued to grow despite the banking restrictions.

A digital rupee on the cards?

Also in a speech on Thursday, Deputy Governor T. Rabi

Sankar said the Reserve Bank of India (RBI) is considering running a series of pilot programs for a proposed CBDC.

Sankar said "perhaps the time for CBDCs is nigh" and the RBI was weighing a "phased introduction" of a digital rupee to allow time for required legal changes to the country's foreign-exchange rules.

He added that it would reduce currency costs for the government and protect citizens from the volatility of cryptocurrencies.

The RBI published a report back in March that highlighted the benefits of a CBDC for financial inclusion and drawbacks related to raising the cost of lending through commercial banks.

While the Indian government has previously indicated its intent to ban cryptocurrencies, the mood has shifted in recent months with signs of the country taking a more lenient approach by regulating the crypto market.

So far, at least 80 percent of central banks around the world are exploring use cases for CBDCs, with 40 percent already testing pilot programs.

China's digital yuan trials are currently at the most advanced stage of any CBDC project to date.

The US announced a series of private sector-led pilot programmes in May to generate data to help policymakers develop a digital dollar.

Source: [TRT World](#)

Open Banking: which structuration for the payments market?

Open Banking: which structuration for the payments market?

Linked, in Europe, with PSD2, Open Banking is already a reality in different parts of the world. From a compliance topic to a real opportunist approach, there are diverse strategies in this field at an international level. The white paper "Open Banking: quelle structuration du marché des paiements ? »* realized by Andréa Toucinho and published in July of 2021, aims at analysing the technological and regulatory definition of Open Banking and the consequence of this evolution for European payments market.

In Europe, Open Banking is seen above all as a regulatory evolution linked with PSD2. As a consequence, many European countries began to work on this topic as a compliance evolution. PSD2, and above all its RTS, is the regulation that defines Open Banking in Europe but it is necessary to be aware that the implementation of Open Banking cannot be analysed just through this text in Europe. GDPR, for instance, or even AML, also have a strong impact in the implementation of Open Banking in Europe in a context where data protection and security of payments are strong issues for the evolution of finance.

Technical definition of Open Banking

One of the main technological assets linked with Open Banking is the adoption of API as a new secure way to share financial data. API is a concept linked with IT sector, that is already used in diverse sectors like entertain-

ment, information, etc. Today, the main issues of API are their quality and their standardization at a EU level. But Open Banking does not represent just a technical evolution. After a real compliance vision in Europe, we observe today a more 'opportunist' approach, since many countries aim, nowadays, at working on the benefits of Open Banking for the evolution of services, models, and the relation between banks and other stakeholders of the market, and above all the consumer. It is important to remind that some European professionals see Open Banking as an asset that fosters the place for European actors in the context of competition coming from international companies, above all Internet giants. Nevertheless, despite the goal of harmonization, reflected by PSD2, for instance, Open Banking has been seen in different ways in Europe and today we observe a real diversity in the field of strategies.

The diverse strategies about Open Banking in Europe

Thus, some countries have been very proactive about Open Banking. It is for instance the case of the UK, which has, according to some professionals from this country, an advance of 5 years in the field of Open Banking, in comparison with continental Europe. This situation is linked with the works of the UK in the field of fintech and the opening of the market. Other proactive countries are in the Nordic area, like Sweden, that are very linked with digital, or even Spain, with major banks (Santander, La Caixa, BBVA...) that have embraced Open Banking very early, by launching their APIs, and also Luxembourg, with the initiative Luxhub. Concerning the countries that have

adopted Open Banking with a little more reluctance, we can mention Eastern European countries that have not the same maturity on these topics despite a real ambition to embrace the new framework of payments: the case of Poland, that has recently joined the EPI project, testifies to this reality.

In France, Open Banking issues are linked above all to security. It is important to remind that this country has a strong culture of security in the field of payments with an efficient



OPEN BANKING?

framework based above all on cards, and an image of confidence and trust for banking actors. Hence a certain reluctance to modify this model, that has shown its force. French banks aimed at working about Open Banking first of all to ensure the security of the process (definition of API...). Another strong question linked with Open Banking was the systemic angle of security: as a new way to reinforce the opening of the market, Open Banking was seen as a way to modify existing models and to bring new risks in the market. Despite this situation, the French banking sector has evolved and is now working on the opportunities of Open Banking, both for B2C and B2B sectors. Thus, it is important to remind that if Open Banking has been treated above all as an evolution for end-users, it has nowadays also been seen as a strong opportunity for corporates, for instance, to boost the digitalisation of transactions and the equipment of companies with electronic tools. And this situation is very clear in France where corporates and retailers show a huge interest in this new paradigm.

Open Banking in the world

If in Europe, Open Banking is seen as an evolution linked with regulation, in the other parts of the world, this transformation is already a reality linked with the new ways to do finance. It is the case in the US, where Open Banking evolutions are linked with operational strategies stimulated by the market. Brazil is also an interesting country in this field: Open Banking, which has been launched very recently (in 2020), is seen as a way to modernise the sector of finance and to facilitate the entrance of new actors. It is important to mention that, in Brazil, the launch of Open Banking will be finalised thanks to several steps and is managed by the national regulator Banco Central do Brasil, testifying to a real goal to foster new finance in the country. Overall, even if it will be difficult to see a harmonization in the field of Open Banking at an international level and to observe a real global approach on this topic, all these initiatives participate in the evolution of finance, towards a more decentralised and opened model, in the world.

Open Banking as an asset for Europe of payments

As a regulatory evolution, in Europe, Open Banking is seen as a specific topic, different from EPI or even CBDC that are more operational projects. Nevertheless, European professionals converge in the fact that the combination between all these works will participate in the reinforcement of Europe of payments. Still, one condition remains: the creation of a real European vision and strategy in the field of Open Banking, which is also a condition for the success of the next step identified by the European Commission: open finance.

This white paper aims to share some key points and recommendations that ensure the efficiency of the next steps of Open Banking. It is for instance necessary to work about the quality and the standardisation of API, at a European level, and to address the end-user, consumer or company, with specific communications and information tools. This is a strong condition to enable the adoption of Open Banking by end-users, above all in certain countries where consumers are more linked with traditional networks.

Open Banking as a step towards Open Finance

The goal of this book is also to analyse the next step: Open Finance that, even if it is already identified by European institutions as a great evolution (Open Finance 2024 Plan by EC), is not a clear topic for all the actors. Hence the necessity to foster information and communication in the field of payments, to raise awareness that the evolution towards Open Finance will imply many works in the field of technology and regulation to ensure that the evolution towards this new paradigm will be efficient and equitable for all the stakeholders of the market.

Author: Andréa Toucinho, Director of Studies, Prospective and Trainin, Partelya Consulting

**The white paper "Open Banking: quelle structuration du marché des paiements ?" is available through this link : [Open Banking : quelle structuration du marché des paiements ? - Partelya Consulting](#)*

About Andréa Toucinho

Payments and financial services expert, Andréa Toucinho worked for ten years as Journalist – Editor-in-Chief of Point Banque magazine and Head of 'PayForum' and 'Banque et Innovation' events. Since 2018, she is working in the consulting area, with activities in Paris as Director of Studies, Prospective and Training of Partelya Consulting, and France's Ambassador of European Women Payments Network (EWPEN). She also developed activities in Portugal and Spain as France Representative of Aefi and Afip Fintech Associations. She is author of three books about payments and is one of the co-authors of The PAYTech Book published in 2020 by Wiley.

About Partelya Consulting

Created in 2008, Partelya Consulting is a French consulting company specialised in means of payment. It works with all actors of the market, from banks to schemes and retailers, on technological and strategic issues. The company works at an international level (France, Europe, Morocco etc) and it is a member of the French Association du Paiement.



Thomas Pernot

Online Business – Fraud and Billing Manager Square Enix Europe

Payments companies must anticipate what's next now.

What are current trends in merchant payments? What can we expect in 12 months? What will Merchant Payments Ecosystem and Point of Sale look like after the pandemic?

- Many companies are moving toward Streaming solutions and subscription offers.
- Improving online payment (UX and Fraud prevention) is also on their roadmap.
- Some merchants are still adjusting with PS2D regulations in Europe.
- Following the implementation of 3DSv2 for the EU markets, many merchants are now looking at improving the card transactions security in a similar way for the other markets (US, Asia etc).
- More and more merchants are also discussing how they could build a network to improve fraud prevention.

What do you see are the key eCommerce & mobile payments trends in the upcoming 12 months?

- Subscriptions economic models are on the rise, many merchants from all type of industries are using them with great success.
- Open banking is on the rise, but consumers are still unaware or uninformed about it.

What do you see as key fraud and security trends in the upcoming 12 months?

- Phishing methods and campaigns have and will increased.
- Fraudsters are now targeting more and more online games. It is a lucrative way to make money especially if the game is successful. Merchants need to be aware of the latest fraud trends and relentlessly

fight the fraud. The objective is to always add friction to fraudsters to increase their operational cost and decrease their ROI to discourage them.

- Some new trends in fraud prevention lean toward smart Machine Learning able to learn by them self without the need of historical data. I have also heard about more sophisticated fraud prevention methods able to accurately find the device fingerprints “hiding” behind high level VPN or Proxy setups.
- I have also noticed that it is some time easier to focus on legitimate profile or patterns instead of fraudulent ones. This was often overlooked by merchants and is now becoming an effective strategy. It does require to build an accurate users history database and may present some challenges on how to effectively store and use these data.

COMPANIES & TRENDS to watch & trends to follow If you could share your three tips on the most promising: merchant payments companies (rising stars) with high potential to change/shape the market and

- Building an effective network between merchants in order to strengthen their fraud prevention is a trend to look out for. Especially for companies selling products globally. We potentially have access to huge database to validate data at registration or purchases but it is increasingly challenging to use them: GDPR requirements, different regulations per countries, all the different type of data and companies storing them etc. Most of the fraud prevention solutions will only cover some countries, for example US or part of EU only. Finding a way to securely share the merchants’ users data such as account details or device fingerprints between them on a global scale is an effective way to improve the fraud prevention.
- I am also seeing that more and more PsP are now creating and offering their own fraud prevention so-

lution. I think that this is a nice incentive from a merchant perspective. It makes the PsP proposals more attractive in term of cost and efficiency.

- trends changing the payment landscape in the next 12 months, what would they be?

- Open banking.
- PSD2.
- Cryptocurrency / blockchain technology.
- Subscription models.

YOUR Response to COVID-19: Payment providers need to go the extra mile for their customers during the pandemic to help them handle the challenging times. What are the things you have learned during the pandemic?

Video game companies made higher profit due to the pandemic and people “WFH”.

How did your company respond to the pandemic situation, adapt to the changing commerce and payment acceptance across Europe? Adapted operating models, adjusted your portfolio, etc.?

- WFH was enforced then hybrid model.
- Acceptance rates were the same despite the increase in activity / subscribers.
- We experienced an increase in payment inquiries, so we had to increase support team’s headcount.
- In general, and since online shopping increased, many merchant improved their e-shop and UX.
- Due to the PSD2 regulation, most of the EU merchants are now using 3DSv2 and the transition was a bit chaotic for some.

On the way to finding the Next New normal, what future plan would you recommend?

With more customer using online shopping, more and more merchants are introducing subscriptions offers and it is working quite well in term of quality service and revenues for some merchants (not only in the gaming industry).

STRATEGY & LEADERSHIP IN TOUGH TIMES
The success and failure of a business depend entirely on leadership. How did you motivate and inspire your people in difficult times? How do you see the most important qualities and attributes of merchant payment leaders?

- Open to WFH policies.
- Organise regular meetings to increase moral and listen to the agents individually and as a team.

- Reward good work.
- Train properly / offer training to the agents.

Leadership/People - What are the type of people needed for the future of this ecosystem?

- People with proper training. Many people haven’t received proper training in e-payment and fraud prevention (methods, regulations, trends, compliance etc).
- Honest and hardworking
- Payment and fraud prevention are always evolving. People needs to keep themselves up to date with the newest trends or methods (especially with fraud prevention).
- Due to WFH setup, agents have been working more or sometime less hours than usual. In both cases this is not good for the agent health or the company rentability. More accurate time management methods may be necessary to keep the working hours balanced.

What are the new positions needed in the merchant payments ecosystem?

- Engineers specialized in machine learning and new trend / technologies.
- Payment managers with deep technical background.
- Talented data analysts is a rare resource.

Forecasting. Understand the real - power of forecasting. If there is one thing most companies learned in 2020/21 is that you can't plan for everything. What are the things to focus on when forecasting? What are the key inputs for forecasting?

- Forecasting is a vital part of a company success. To produce accurate forecast companies must hire very talented data analysts and be open to new reporting methods. While most of business intelligence teams rely on data base analysis via Python or SQL for instance, I would also recommend the use of machine learning and model research.
- Like in fraud prevention, ML can have very effective / accurate results. The main challenge here, is to have a long history of data to “feed” the ML and the proper technical setup and team to operate it. These two criteria are often underestimated and quickly become a problem when a ML project reach the IT & engineers teams.

The Global Payments Report 2021



Cash will account for just seven percent of in-store purchases in the UK by 2024, according to calculations from Worldpay.

The study found that cash usage for in-store purchases in the country declined from 27 percent in 2019 to just 13 percent last year, with the Covid-19 pandemic fueling a shift in consumer payment preferences.

Across all countries studied, cash usage dropped by 10 percent in 2020 to 20 percent of transactions. Many European countries, including Denmark, Norway and Sweden, will be almost cashless by 2024, and the growth of non-cash payment methods will be primarily split between cards and mobile payments, with mobile payments expected to comprise a third of the POS market in 2024

The Global Payments Report: 5 enterprise takeaways for 2021

[The 2021 Global Payments Report](#) covers how payments have changed over the last year and how the pandemic has catapulted payments technology further than previous projections.

No. 1 – The accelerating decline of cash
Cash retreated in 2020 as COVID-19 restrictions fell most

heavily on physical point-of-sale merchants. In 2020, cash accounted for 20.5% of global POS volume, a dramatic 32% reduction from 2019. The pandemic accelerated cash's decline by over three years, exceeding in 2020 our previous projection for 2023.

We project this decline will continue well after the pandemic, falling an additional 38% between 2020 and 2024, when it's forecast to represent just 12.7% of POS transactions. However, cash isn't dead and should be accepted wherever consumers demand it and where mandated by legislation. Merchants should assess their cash acceptance infrastructure knowing that the decline of cash is a trend continuing into our foreseeable future.

No. 2 – The emerging dominance of mobile and digital wallets

Mobile wallets gained much more acceptance in pockets around the world as consumers looked to reduce physical interactions and increased their online shopping. Mobile wallets absorbed a large part of cash's share loss at the point of sale, rising 19.5% from 2019 to represent 25.7% of 2020 POS transactions. The pandemic accelerated interest in contactless payment methods, propelling what was already a growing surge in mobile wallet use globally. We project mobile wallets will account for more than a third (33.4%) of global POS transactions by 2024, rising to become the dominant payment method worldwide.

Bringing mobile and digital wallets into the core of enterprise payment acceptance strategies is now an established best practice. Led by its majority market share in APAC, digital wallets were used for 44.5% of global e-commerce transactions in 2020. Digital wallets will eclipse all other payment methods combined in global e-commerce by 2024, rising to account for 51.7% of transaction volume.

Determining which mobile and digital wallets to accept should largely be based on region and geography. Payment preferences remain localized so planning which integrations to put on the roadmap should be discussed based on where your primary customers reside.

No. 3 – Loyalty is the new modern currency



Creating infinitely flexible, fault-tolerant digital and physical infrastructure is hard work, even for the best-resourced enterprise merchants. The complexity of digital transformation makes going it alone impractical – if not impossible. Partnerships with technology and logistics providers help make digital transformation a reality.

The pandemic forced even the largest global merchants to engage with e-commerce and delivery platforms to engage customers where they were. Logistics managers are leveraging partnerships to manage a new era of unprecedented risks. Payment partners are helping merchants manage a paradigm shift where safety, speed and convenience are essential to customer experience.

We've entered a new era where the velocity of commerce is accelerating faster than ever. Rebuilding our economies and businesses starts with a clear-eyed understanding of what's changed and where commerce is heading.

Source: [WORLDPAY FROM FIS](#)

Customer loyalty has long been the goal of brands. Yet the key to instilling loyalty has remained elusive. The pandemic is hastening the evolution of the loyalty ecosystem, as merchants embrace reward programs more in sync with a new generation of consumers.

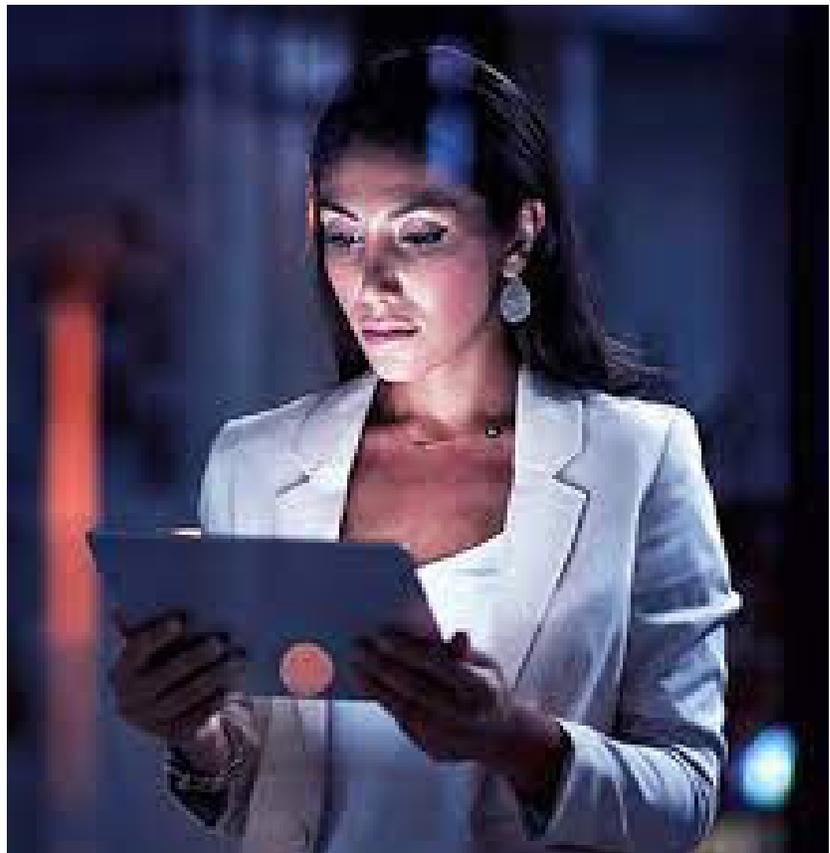
Central to effective loyalty rewards platforms is product design informed by the customer UX at all stages of their customer journey – awareness ignition, evaluation of alternatives, motivation to sign up, user experience and repeat-purchase behavior. Brands that understand their customers and embrace a digital-first mindset have the capability to tap into the right experience to benefit their business.

No. 4 – The existential importance of omnichannel

Prior to the pandemic, digital engagement strategies, channel-agnostic payments and flexible delivery methods all sounded great. But for many businesses, development efforts could wait. The pandemic changed that equation overnight.

COVID-19 is accelerating this momentum toward omnichannel experiences with the pandemic being the ultimate stress test of business resiliency. Omnichannel approaches were around and well underway prior to 2020 but the pandemic propelled them into the forefront of development. Nice-to-haves instantly became must-haves. Adaptability is now core competency and embracing digital transformation is increasingly a matter of survival for enterprise merchants.

No. 5 – Partnerships are essential to rebuild after COVID-19



MPE 2021: Resilience Through Innovation

MPE and AITE Group is bringing you the summary of the key themes that from the largest European Merchant Payments conference, held this year virtually in February 2021.

MAY 2021

Ron van Wezel

IMPACT POINTS

- This Aite Group report summarizes the key themes from the Merchant Payment Ecosystem (MPE) conference held virtually in February 2021. The report provides an overview of the top trends and issues in merchant acquiring and payments.
- The pandemic has strongly accelerated the shift to digital and contact-free payments, driving innovation in physical and online commerce. The crisis has shown the resilience of payments as a value-generating activity as well as the innovative power of the industry to support merchants in their digital journeys.
- The growth of cross-border commerce puts challenging requirements on merchants to globalize their offerings and support local consumer preferences at the same time.
- Alternative payment methods (APMs) and real-time payment alternatives are growing at a faster rate than traditional payment networks and will surpass them in transaction volume in the near future.
- As of May 2021, the enforcement deadline for strong customer authentication (SCA) has passed for most European Union (EU) countries, and issuers are expected to ramp up soft declines. Implementation issues with EMVCo 3-D Secure 2.0 (3DS2) must be resolved to avoid huge amounts of transaction failure in the coming months. Payment service providers (PSPs) and technology vendors have an important role to play to support merchants in their quest to mitigate the risk of friction and cart abandonment.
- New players have appeared in the acquiring value chain to provide payment services to small and midsize enterprises (SMEs), operating as payment facilitators (payfacs). Payfacs are becoming a formidable force, competing with traditional acquirers. The payfac model allows software companies to manage payments in-house. This gives them more control over the payments process and a significantly larger share of the payments revenue.

[DOWNLOAD THE AITE GROUP REPORT](#)

FREE WEBINAR:

How Fraudsters misuse and abuse marketplaces



How fraudsters misuse and abuse marketplaces

Sponsored by:



Digital marketplaces are lucrative targets for fraudsters allowing ample opportunity to manipulate both buyer and seller accounts to maximize profits. In many cases, cybercriminals deploy scammy content as the first step of a larger payment fraud operation - sometimes spinning off from just one fake listing to create a chain of phony posts, or using stolen data across the marketplace.

Join our webinar with Sift, the leader in Digital Trust and Safety to discover:

- The metrics of marketplace fraud and how to measure the true impact of bad listings
- How fraudsters manipulate good buyers and sellers across a range of physical and digital goods
- Why static and reactive approaches to fraud prevention are unfit to support growing businesses
- How a robust Digital Trust and Safety solution can surface incidents and stop attacks in real time, without negatively impacting growth

Speakers & Panelists



Alan Moss
(Moderator)
MD Europe for Western
Europe,
Newland Payment
Technology



Brittany Allen
Trust & Safety Architect
Sift

[Download the webinar here](#)



Navigating SCA: How open banking can help

Sponsored by:



As Strong Customer Authentication (SCA) comes into force, any person making a purchase online will need to take extra steps to confirm their identity when paying with a card.

One of the most significant concerns for businesses is that this will impact conversion rates - studies suggest it could reduce conversion on card payments by 30%, and businesses stand to lose billions in online sales.

Open banking payments offer an SCA compliant payment option that doesn't sacrifice conversion or customer experience - customers can pay in a few simple steps. Not only that, open banking payments convert up to 40% higher than other methods such as cards.

In this webinar, you'll learn from experts across the payments industry about how you can sidestep the SCA headache using new technology like open banking.

Speakers & Panelists



Tim Richards
(Moderator)
Principal Consultant
Consult Hyperion



Bobby Chadha
Head of Product
TrueLayer



Jack Wilson
Head of Policy and
Regulatory Affairs
TrueLayer



Kristian T. Sørensen
Founding Partner
Norfico

[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,
Payments, Cards &
Mobile



Simon Stokes
Senior Partner, Pay-
ments & FinTech
Greenings Interna-
tional



Thijs Moser
Head of Global and
DACH
PaymentGenes



Camile Laupman
Co-Founder
PaymentGenes

[Listen to podcast here](#)

