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TOP 10 PAYMENT TRENDS IN 2022

NEW CHALLENGES, NEW FRONTIERS

An Infosys Consulting Perspective

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Introduction

The year gone by was a year of unprecedented disruption for the global payments industry. Countries and people grappled with transformational changes in digital payments that promised not only superior experiences for customers, but also greater efficiencies, reduced costs, and higher revenues for financial institutions.

As banks redefine their traditional business models, evolving technology, customer demand for instant gratification, and an emerging connected ecosystem are not just the drivers but also the levers that banks are using to reinvent the payment space. This, coupled with the growth of real-time payments and the movement towards open banking (supported by open APIs) has demonstrated the real potential that the payments business can leverage.

Collectively, as we accelerate transition to a cashless society, banks must find new ways to hold on to customer relationships, develop new services, and successfully navigate the digital payment landscape. Clearly, the need of the hour is a focused strategy - one that delivers integrated, seamless services and enhanced customer experiences.

The good news: the payments innovation and technology landscape has never looked so promising before with the potential to unleash disruption for good. From blockchain, to real time payments, to the internet of things (IoT), these technologies are becoming the vehicles to deliver global, complex, and voluminous transactions.

The next question is readiness to exploit this transformation. Is your organization equipped to stay ahead of the transformation curve?

In this paper, we make bold predictions about key trends that will shape the state of play in global payments this year and share our thoughts on the impact of these trends on the broader ecosystem.

Top 10 trends that will impact payments in 2022

1. Payments-as-a-service (PaaS) models expected to gain traction among small and mid-tier financial institutions (FIs).

2. Real-time payments (RTP) will be the impetus for commercial banking transformation.

3. Incumbent payment players will rethink their strategies and capabilities to strengthen their play in the context of IoT ecosystem driven transaction flows.

4. Buy now pay later (BNPL) fintechs will further consolidate their lead in providing point of sale (POS) financing solutions.

5. APIs will drive deeper and seamless integration with corporate clients.

6. Jurisdictions with matured real-time payment (RTP) offerings stepping up efforts to establish linkages with peers from other countries for real-time cross-border payments.

7. Banks will scale-up adoption of cryptocurrency and blockchain-based solutions to reshape customer experience in cross border payments.

8. Tokenized money (CBDCs, stable coins) is poised to upend the existing market structures.

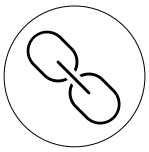
9. Digital identity is becoming critical frontier for banks and PSPs to retain control of the financial layer of the digital economy.

10. The fraud economy is set to grow with payment volume growth.

Trend #1

Payments-as-a-Service (PaaS) models expected to gain traction among small and mid-tier financial institutions (FIs).

Background



BANKS LOOKING TO UNSHACKLE FROM LEGACY TECHNOLOGY

Small and mid-size banks' abilities to transform to a future-ready digital operating model are constrained by legacy payments and banking infrastructure, as well cost and business continuity concerns.

EMERGENCE OF A NEW BREED OF PROVIDERS

These technology (PaaS) providers operate cutting-edge cloud-based platforms (e.g., "modern card issuance" platforms like Marqueta, Stripe, etc.) to provide specialized services such as card issuing, payments processing, remittances allowing banks to modernize their portfolio and expand quickly with low upfront costs.

PAAS AS A NEW NORMAL

A clear majority of 85% banking executives feels that PaaS and banking as a service (BaaS) together will have a significant impact over next 12 months.[1] Small and mid-size banks view it as a model of choice to catalyze their modernization journeys and to meet strategic goals.

Why this is important

1. **Democratizes and simplifies access:** PaaS integration enables access to different payment rails and services through a "single-pipe", thereby eliminating a significant entry barrier for smaller banks.
2. **Fuels innovation with lower costs:** Allows banks to scale IT quickly and modernize their payments product portfolio with low upfront cost. E.g., JPM issuance of instant virtual cards using Marqueta's platform.
3. **Accelerates ecosystem play:** Opens door for banks to partner with fintechs and build segment focused propositions through alliances.

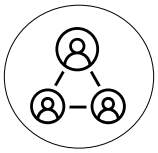
Stakeholder implications

- **PaaS partner selection:** Given the often challenging history of IT and digital initiatives at banks, what should be the key considerations to select a PaaS partner besides cost savings and regulatory compliance?
- **Limited or expanded vision:** Should banks just aim to use PaaS in a limited manner to strengthen their infrastructure backbone, or leverage it to realize their larger payments ambitions through an ecosystem play?
- **Capability building:** What are the capabilities and resources needed to leverage the benefits of PaaS integration, execute an aggressive payments growth agenda, and launch market winning differentiated products at an accelerated pace?

Trend #2

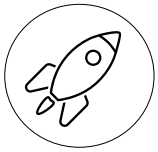
Real-time payments (RTP) will be the impetus for commercial banking transformation.

Background



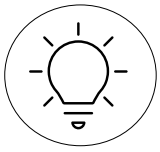
STAKEHOLDER EXPECTATIONS FOR EFFICIENCY FUELLING RTP

Sustained pressure on traditional payments revenue streams, evolving expectations from clients for 'here and now' payments experience, regulatory push and the ingress of fintechs in corporate and treasury payments has spurred banks to embrace real-time payment (RTP) innovations as a pivot to drive business growth.



REAL-TIME PAYMENTS ARE EVOLVING BEYOND SPEED

With 79 countries already live and 10 more being planned,[2] global RTP adoption is at an inflection point. Further coalescing of events such as migration to ISO20022 standards, open banking, the impending launch of European Payments Initiative (EPI) and an exponential surge in RTP volumes[3] has triggered an innovation wave in real-time payment (RTP) value-added services (i.e., overlays) and API ecosystem integrations.



INNOVATIVE RTP USE CASES SET TO TRANSFORM COMMERCIAL BANKING

Commercial bankers recognize the positive impact[4] that a combination of real-time payments, SWIFT gpi , APIs and open banking could have on payments and treasury operations. For instance, with maturing of real-time liquidity management capabilities and 24/7 FX operations, the real-time treasury vision is closer than many realize.

Why this is important

A rich portfolio of RTP based value-added services to corporates will be critical for banks to stay relevant. A few illustrative use cases are:

1. **Real-time cash information:** Traditional multi-bank connectivity solutions for corporates often result in fragmented, delayed information on bank balances and transactions across accounts held in multiple banks. Real-time balance overlay services, based on open banking APIs, will enable corporates to get a fully aggregated, real-time view of account balances integrated within their systems.

2. **Real-time liquidity consolidation:** Banks can develop an RTP overlay service integrated with payment initiation service providers (PISP) and account information service providers (e.g., under PSD2) to streamline liquidity consolidation between multiple source accounts and the 'target' treasury account.

3. **Real-time 'track and trace':** Notwithstanding the efficacy of SWIFT gpi in real-time payments tracking, corporates and other FIs (asset managers, insurance firms and payment processers) face limits in their ability to track and trace transactions. 'Track and trace' overlay services by banks can enable their corporate clients to track and trace payment status within their own payments and treasury portals.

Trend #2 cont.

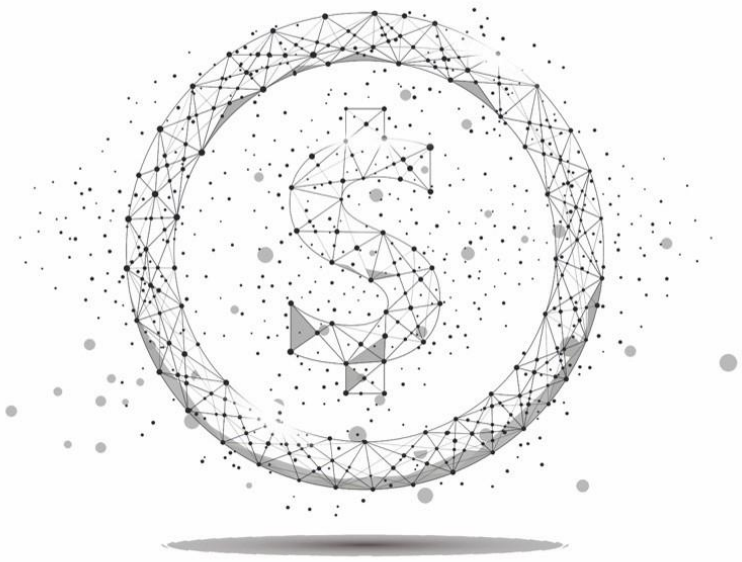
Stakeholder implications

- **Commercialization strategy for real-time payments (RTP):** Banks must develop a strategy for commercializing RTP through monetization of innovative use cases / overlays based on converging technologies such as APIs, open banking, big data, artificial intelligence and robotic process automation (RPA), and leverage their intersection with real-time payments.

- **Use cases for building digital overlays:** Banks must identify, evaluate and prioritize specific 'where to play' areas / opportunities within their client user journeys that involve the highest amount of end-user friction and potential to uplift consumer experience.

- **Aggressive API'fication:** Banks must pursue an aggressive API strategy with three parts: a) external APIs for both retail and wholesale banking, b) internal APIs to create agility and c) the consumption of external APIs to enrich bank services. All of the above should be underpinned by a well-defined API governance model and lifecycle management capabilities, and fintech partnerships.

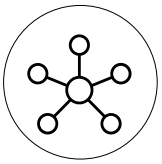
- **Tactical and strategic actions**: At a tactical level, banks should augment their existing payments stack with hybrid deployments that leverage the cloud and "in-a-box" solutions to rapidly respond to client demands. Concurrently, they must invest strategically in upgrading existing solutions by leveraging modern technologies and messaging standards for creating market winning differentiated propositions.



Trend #3

Incumbent payment players will rethink their strategies and capabilities to strengthen their play in the context of IoT ecosystem driven transaction flows.

Background

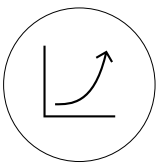


WIDER TECH MEGATRENDS DRIVING CONTEXTUAL COMMERCE

The contextual commerce ecosystem is rapidly transforming with improved connectivity, growing device penetration, ubiquitous instant payments, subscription based collect models and enhanced data sharing between devices. Internet connected devices are fast becoming the new frontier of payments.

CLEAR SHIFT SEEN TOWARDS EMBEDDED PAYMENTS

As our everyday devices become more smarter, commercial entities (mainly D2C) are focusing on embedding payments systems in an increasing number of platforms, workflows, devices and customer-facing offerings.



EXPONENTIAL GROWTH EXPECTED IN THIS SEGMENT

Data and commerce transactions originating from connected cars, wearables, IoT devices, digital voice assistants and autonomous machines will all exponentially grow embedded payment transactions. A reputed study estimates that IoT segment currently amounts to $5.76 bn and is estimated to grow to $7.56 billion by 2024.[5]

Why this is important

1. **Rapidly changing customer expectations:** Consumers and corporates increasingly expect payments to be invisible, frictionless, instant, affordable and integrated with their personal preferences and commerce journeys.

2. **Under-tapped opportunity:** Embedded/ IoT payments represent an under-tapped opportunity for payments players to expand their ecosystem footprint and consequently add new revenue streams, ecosystem partners and users.

3. **Data monetization:** Ability to leverage payment data to derive insights and capability to create meaningful experiences and use-cases for users, as well as other value chain participants will be key to long-term success of banks and PSPs.

Stakeholder implications

- **Ecosystem capabilities:** Capabilities to reimagine, build, grow and continually orchestrate integrated but vertically industry focused ecosystems will be critical for winning in the market.
- **Traditional business models at risk:** As old business and revenue models fade away, banks / PSPs will have to reassess their GTM propositions and distribution models (e.g., pay per use, B2B2C and B2B2B distribution models).
- **Transaction security will take center stage:** Payments security and identity management will be a must for retaining consumer trust .

Trend #4

Buy now pay later (BNPL) fintechs will further consolidate their lead in providing point of sale (PoS) financing solutions.

Background

EXPONENTIAL GROWTH IN POS FINANCING

PoS financing or BNPL has made unsecured lending the only asset class to have a double-digit growth (13-15% CAGR) through the pandemic in the US. So far, BNPL providers and fintechs have diverted $8-$10 billion of revenues away from US banks.[6]

CONSUMERS USING CREDIT CARDS CONSERVATIVELY

Most consumers are using credit cards more conservatively than in previous years, with a just a slight bump of +0.5% (YoY) growth in bankcard balances. The overall market seems to indicate to a thirst for small dollar credit.[7]

BNPL AS AN ALTERNATIVE

BNPL is emerging as a choice of payments for both millennials and Gen-Z (ages 18-40) with 59% of applicants belonging to this segment.[8] Being able to service credit-active as well as thin-file new to credit (NTC) customers, BNPL opens a new market opportunity and catalyzes the transition to "lending as a feature."

Why this is important

1. **Redefined customer experience**: While like instalment products and cards in many aspects, the seamless and real-time user experience of BNPL makes it stand out. It has redefined customer journeys by embedding financing services at the checkout.
2. **Has emerged as a promising business model for providers:** Low receivables, higher engagement and return on assets (RoA) make it a very attractive opportunity for potential entrants like banks.[9]
3. **Missed opportunities in case of inaction:** Failure to act could be costly, due to missed revenue opportunity from new payment volume and missed acquisition of new-to-credit (NTC) millennials to other fintech competitors

Stakeholder implications

- **Deciding the go-to-market model:** New entrants need to finalize their go-to-market model based on their expected return on assets, technology requirements, investment size and speed to market.
- **Partnerships:** Create partnership capabilities to foster ecosystem growth and increase speed to market.
- **Defining effective value capture strategy:** Integration at the PoS checkout will not be enough; BNPL providers need to integrate across the e2e commerce journeys in all personal consumption categories.

Trend #5

APIs will drive deeper and seamless integration with corporate clients.

Background

CORPORATES FOCUSING ON MULTIPLE OBJECTIVES

With the pandemic driven "new normal" in play, corporates need to manage diverse pools of liquidity, fund cross-border trade, optimize working capital, and keep a close eye on risk. Banks play a critical role in supporting these priorities through a range of global payments and transaction banking services.

THE THREATS FROM FINTECHS IS ON RISE

Niche fintech firms and digital challengers are competing with banks more fiercely, putting market share of incumbents under threat. For example, the shipping company Maersk leverages the shipping data of its customers to offer trade finance solutions to its customers without even asking for a collateral.[10]

BANKS USING B2B API TO INTEGRATE DEEPLY WITH CLIENTS

To respond, banks are using B2B application programming interfaces (APIs) to move closer in the value chain of their corporate clients. Banks are using them to embed payments and other trade value added services seamlessly into clients' workflows.

Why this is important

1. **Deeper payments integration is becoming table stakes:** Corporate clients are no longer tolerant of file-based integration with bank systems, broken procure to pay processes, siloed systems, manual reconciliations, and fragmented data and reporting management.[11]

2. **The push towards modernization has become urgent:** Payments has for years been a reliable, stable source of bank revenues.[12] But regulatory expectations, disruptive technologies, changing customer expectations, and the rise of new competitors are pushing banks to modernize with a greater sense of urgency.

3. **APIs a better alternative to file-based integration:** B2B APIs help banks make payments and transaction banking services available to clients and partners as discrete functionalities seamlessly and securely embedded into client workflows.

Stakeholder implications

- **API build and lifecycle management capabilities:** Banks need to set up a modern API lifecycle management platform and build up organization capabilities to identify business processes suited for API externalization.
- **Build API taxonomy:** Having a well-defined API taxonomy is critical to define ownership and governance structures for managing API portfolio and to prioritize for business value.
- **Have a modernization roadmap:** Banks must modernize core systems, as without it API externalization will have limited impact.

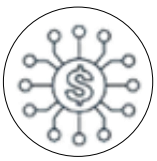
Trend #6

Jurisdictions with matured RTP offerings stepping up efforts to establish linkages with peers from other countries for cross-border payments.

Background

CROSS BORDER LAGS DOMESTIC RTP SOLUTIONS

Cross-border payments continue to largely remain slow, expensive, and opaque in terms of delivery time, cost and speed vis-à-vis domestic RTP solutions, which has seen exponential global adoption in ~ 70+ countries.[13]



FINTECHS USING TECH TO DISRUPT MARKET

Technological innovations like blockchain, open APIs etc. coupled with innovative RTP solutions in domestic payments are driving many fintechs to disrupt the existing cross-border business and technology model.

LINKING DOMESTIC RTP PLATFORMS THE ANSWER?

A model for connecting multiple national payment systems into a cross-border platform to enable real-time international payments could be a potential game-changer.[14]

Why this is important

1. **Does not reinvent the wheel in entirety:** Builds on top of existing RTP capabilities and uses existing regulated mechanisms in contrast to non-traditional methods such as blockchain, which at times may contend with the regulatory implications of their business model.
2. **Unshackles banks from the correspondent banking model:** Interlinking RTP systems between countries on a bilateral basis aligned to trade flows can help banks to eliminate the high costs and effort of maintaining correspondent banking relationships.
3. **Improves speed of money flow and grow trade:** Linking RTP systems across countries will accelerate money flow and consequently grow trade.

Stakeholder implications

- **Harmonization challenges:** Multilateral (with 3 or more) arrangements creates higher complexity in harmonizing legal, operational and technical aspects for enabling bi-directional flows.
- **Requires feasible technical proof-of-concept (POC):** Like-minded RTP schemes need to collaborate in a proof-of-concept (PoC) linking their scheme platforms together to process cross-border payments on the lines of the Bank of International Settlement (BIS) developed Nexus approach.[15]
- **Quest for alternative approaches:** Multiple RTP schemes can develop the payment flows, APIs and capabilities as prescribed by BIS into an open standard for RTP interoperability. This could support RTP scheme connections even in the absence of Nexus-like scheme.

Trend #7

Banks will scale-up adoption of cryptocurrency and blockchain-based solutions to reshape customer experience in cross border payments.

Background

CROSS-BORDER PAYMENTS STUCK IN A TIME WARP

Cross-border payments are mired in various challenges—long and uncertain fund transfer timings, opaque pricing and high transfer and conversion costs. However, large banks have dominated this space due to their deep service portfolio even as the cross-border business (B2B) payments market is projected to reach USD 156 trillion by 2022.[16]

MARKET INEFFICIENCIES ARE DRIVING FINTECHS TO CHALLENGE THE TRADITIONAL MODEL

Fintechs are challenging in two ways: through alternative cross-border payments rails or through tech solutions that allow clients to connect to legacy banks more easily.[17]

CO-OPERATE NOT COMPETE

Fintech pressures, lack of interoperability, limitations on reach are pushing incumbent banks and fintechs towards greater co-operation by shifting them towards an integrated cross-border payments ecosystem based on connecting participants focused on targeting a specific client segment / use case.

Why this is important

1. **Will help banks retain their client base:** Incumbent banks facilitating fintech-led cross border payment propositions will expand universe of customer choice, coupled with lower costs and higher transaction speed.
2. **Transform customer experience:** By using alternative methods, payments can be facilitated in a simplified, faster, cheaper and transparent manner by circumventing traditional correspondent banking methods.
3. **Catalyze co-creation and innovation:** Banks can leverage fintech's new-age tech stack capabilities and the latter can leverage banks' reach and trust.

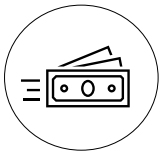
Stakeholder implications

- **'Mainstreaming' blockchain use cases:** Banks must look to scale-up and commercialize key block-chain use-cases e.g., in cross-border payments, but having a blockchain readiness framework in place is key.
- **Expanding regulatory scope:** Given their willingness to adopt blockchain, central banks and governments will focus on expanding regulatory frameworks for the industry.
- **Central bank digital currencies:** Driven by monetary stability, safety and security considerations, central banks will crystallize a firm roadmap to transition to sovereign digital currencies.

Trend #8

Tokenized money (CBDCs, stable coins) is poised to upend the existing market structures.

Background



GLOBAL PAYMENT SYSTEMS ARE INEFFICIENT

Globally, payment systems across countries are inefficient and don't provide 24/7 access, instant cross border remittances etc. A regulated tokenized digital currency that is backed by central banks could enhance payment security and efficiency and do away with the need for network of intermediary banks.[18]

HIGH VOLATILITY IN CRYPTOCURRENCY

Heightened volatility, strong price correlation to Bitcoin and slow transaction confirmation times of traditional cryptocurrencies has hindered their usage as more of a potential store of value than as a means of financial exchange.[19]

TOKENIZED AND COLLATERALIZED MONEY AS ALTERNATIVE

The token acts as a digital bearer instrument so when the token moves to the recipient's wallet the transaction is complete. Tokenized value exchange removes many inefficiencies inherent to the account-based system, including errors, delays, and reconciliation issues. Being fiat collateralized, their value is inherently stable.

Why this is important

1. **Risk to traditional role:** With retail CBDCs, banks could end up competing with central banks and big tech for a role in financial intermediation. Account based, directly issued CBDCs could result in commercial banks compete for deposits with central bank. This could raise cost of funding for banks.[20]

2. **Risk to margins and relationships:** If implemented as token based CBDCs along with entry for big tech into digital finance, commercial banks are likely to see reducing margins and challenges to retain customer relationships.[21]

3. **New market play opportunities:** If CBDCs are distributed through banks, banks will have to prepare for a new role as a custodian and manager of CBDC digital tokens and to that extent, build an appropriate platform from a technology, operations, regulatory and compliance standpoint.[22]

Stakeholder implications

- **Suitability of design features:** Multitude of possible flavors and rising threats from private virtual currencies warrant careful consideration of design choices by central banks. Impact of collateralized currencies will hinge on design, country-specific financial characteristics and interoperability with other virtual currencies.
- **Embedded vision:** Central banks need to design an integrated roadmap that harmonizes existing efforts in payments modernization with tokenized money, reflecting potential synergies and long-term efficiency.

Trend #9

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Digital identity is becoming critical frontier for banks and payment services providers (PSPs) to retain control of the financial layer of the digital economy.

Background

CURRENT IDENTITY SYSTEMS HAVE LIMITATIONS

Payments and other financial services are heavily predicated on identify verification and consent capture. But current systems do not fully support remote authentication, digital consent, electronic KYC, and consent-based digital data sharing between consumers and financial institutions.[23]

NEED FOR DIGITAL IDENTITY IS GROWING

Growth in digitally induced identity dependent transactions, increasing transaction complexity, strong customer demand for frictionless and omnichannel service delivery, stringent regulatory requirements and growing threat of fraud are all driving the need for robust digital identity systems.[24]

BANKS ARE WELL POSITIONED TO CLOSE CURRENT GAPS

Banks already act as repository of customer attributes, authenticate users, regularly innovate on new identity systems and standards, are rigorously regulated and play an already well-established role as intermediaries besides being trusted by customers.

Why this is important

1. **Efficiency and cost avoidance:** Banks and payments system participants (PSPs) stand to benefit hugely from opportunities to streamline current processes (e.g., onboarding, compliance processes), automate processes, improve service delivery, and reduce error and human intervention.[25]
2. **New revenue opportunities:** Opens up opportunities for banks to create new revenue streams from identity products and services (e.g., a service portfolio based on increased knowledge of customers, identity-as-a-service to 3rd parties).[26]
3. **Competitive positioning:** Imparts ability to banks to forge a strong relationship with users and position themselves as a critical part of the digital economy, given their unique insight into users and their established position of trust.[27]

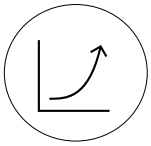
Stakeholder implications

- **Decide on which entities to involve:** To create an industry-led solution, banks/PSPs need to narrow down and select stakeholders that have similar needs and concerns so that incentives are well aligned.
- **Identify business model:** Ecosystem participants need to finalize what business model will be sustainable: who pays, how much is shared and what is the fee model?
- **Minimum identity product design:** Prior to building the solution, key decisions would have to be made on which users should be involved, what services will need to be covered, what technology will be used in addition to what frameworks and standards it shall be built upon.

Trend #10

The fraud economy is set to grow with payment volume growth.

Background



PANDEMIC INDUCED PAYMENTS GROWTH, BUT FRAUD TOO

Thanks to Covid-19, global ecommerce grew 16.8% to nearly $5 trillion in 2021 with no signs of abating. However, card-not-present (CNP) fraud topped $15.3 billion in 2021. Illicit transactions facilitated by account takeovers (ATOs) led to more than $16 billion in annual losses.[28]

THE FRAUD ECONOMY IS MORE ORGANIZED NOW

Fraud vectors have evolved from being siloed to being a sophisticated interconnected network of cybercriminals known as the fraud economy.[29] Ransomware attacks grew by 148% and the financial sector was the top target with 38% increase in cyberattacks against it.[30] Malware and phishing emails and fraudulent domains have proliferated to alarming levels.

THE FINANCIAL ECOSYSTEM IS UNDER PRESSURE

Given that financial institutions have migrated business processes online, including remote working for employees, the fraud economy and cybercriminals are exploiting gaps in the hugely fragmented and siloed cyber defences solutions presently deployed by financial institutions to perpetrate fraud attacks.

Why this is important

1. **Consumer payment habits are rapidly evolving:** Digital transactions have shifted to mobile devices. However, the proliferation of mobile apps with inadequate security protection features have also exposed identity and financially sensitive information of customers to cybercriminals.[31]

2. **Prepare for risk of real time payments:** With higher RTP adoption, banks must recognize its attendant incremental risks. They need to deploy advanced analytics using AI and ML for real-time fraud detection, strengthening authentication processes, enhancing cybersecurity systems and risk scoring models.

3. **Losses not limited to stolen money alone:** Cybersecurity breaches have not only resulted in stolen money or ransoms, but they have also caused operational disruptions, loss of sensitive information, customer dissatisfaction, legal fees and higher insurance premiums. Worldwide losses due to financial crime have been estimated to have crossed 3 trillion USD in 2020 alone.[32]

Stakeholder implications

- **Shift from "detection" to "prevention":** Banks must develop capabilities to create a cohesive financial intelligence network that brings together risk-based data attributes from the customer journeys, active threat data (malware), consumer history etc., to deliver predictive insights.
- **Point solutions vs. end-to-end view:** Banks often "wire" together different point solutions while leaving multiple doors open for bad actors to slip through. Instead, banks need to consider implementing a single integrated fraud prevention platform that protect all channels.

Payments industry leaders speak

"This is an exciting time to be in payments, but we haven't seen anything yet. The benefits of digitizing economies lies before us like the peak of Everest, but we are barely in the foothills."

Naveed Sultan, Chairman, Institutional Clients Group, Citi

"In the future, payments will be substantially interactive transactions that will be easy to originate, provide a confirmation that the receiver got the payment, be fully authenticated for appropriate receivers, and acknowledged in real time."

Greg Malosh, MD, Information and Liquidity Services, BNY Mellon Treasury Services

"There is significant value to be unlocked by banks that take a holistic, coordinated and strategic approach to modernizing their entire payments architecture."

Bruce Kleinsteuber, CSO, ACI Worldwide

"How about a future of digital money in which users can hold accounts with traditional ledger balances and wallets holding tokens that represent commercial bank money or e-money? Tokenized commercial bank money will be redeemable on demand at par value with account-based forms of these instruments."

Tony McLaughlin, Emerging Payments & Business Development, Citi Treasury and Trade Solutions

"Whether a national scheme like Aadhaar, a bank consortium like Bank ID in Sweden or a wider consortium like Itsme in Belgium, the foundation of a modern payments system and digital economy is the ability for consumers, businesses and machines to transact securely and with appropriate privacy through good digital ID schemes."

Tony McLaughlin, Emerging Payments & Business Development, Citi Treasury and Trade Solutions

"Bad actors will look to hijack an account or session at any point in the customer journey, whether opening new accounts, logging in, or executing transactions. This means financial institutions need to prioritize a solution that delivers a continuous authentication process to verify users at every interaction."

Nuno Sebastiao, CEO, Feedzai

"IoT payments will help accelerate the development of sharing economy platforms, because they help to enable pay-per-use business models for physical products."

Minh Le, Head of Connected Vehicle & Emerging IoT Offerings, Worldline, Netherlands

Infosys has a strong global presence in payments

Payment Networks	• 4 of the top 5 networks • Modernized platforms across authorization, loyalty, prepaid • Envisioned and launched loyalty products • Redesigned commercial experiences
Emerging Payments	• Digitizing issuers and merchants • Enabled a large mobile network operator to process mobile payments • Executed consumer and commercial prepaid solutions • Envisioned and executed POS lending solutions with merchants and FIs
Issuers & Processors	• 3 of top 5 card issuers • Process $2 trillion in card payments annually and manage nearly 1.2 billion cards • Product development and engineering of the largest issuer platform
Retail, Merchants & Acquirers	• 4 of top 10 acquirers • 9 out of top 15 global retail • Enable over 23 million merchants to process payments • Strategic partner of a large processor in transforming revenue platform
Money Movement	• 2 of the top global remittance players • Support platforms which transfer over $250 billion • Transforming global settlement for the world's largest money transfer platform

10,000+ career professionals

300+ domain experts

20+ countries

520+ assets in repository

Reach out to our payments leaders

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As Managing Partner for Financial Services and Insurance (FSI), Rajesh leads the largest industry practice for Infosys Consulting globally. Rajesh has played a pivotal role in growing Infosys Consulting's footprint across the capital markets, banking and insurance segments. He has helped drive large transformation programs across with large global clients such as Citibank, Wells Fargo, American Express, Goldman Sachs, UBS, to name a few. Rajesh is based out of Infosys Consulting's New York Office.

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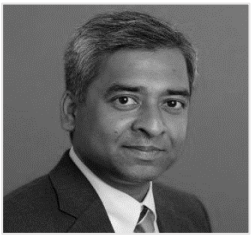
Manishi is the business consulting practice leader for banking and payments. He has helped leading global and regional banks and payment companies define business strategy, improve processes, consolidate operations, reduce costs and implement large business transformation programs. Manishi is based in New York and is an MBA from the Indian Institute of Management.



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Anil is an ex-banker and a consulting leader with a strong background in payments and cards, treasury management and trade services, supporting some of the largest global businesses in the financial services industry. His expertise in corporate strategy, payments product integration and omni-channel experience has helped create game-changing solutions and business models for several banks and PSPs.

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Infosys Consulting is a global management consulting firm helping some of the world's most recognizable brands transform and innovate. Our consultants are industry experts that lead complex change agendas driven by disruptive technology. With offices in 20 countries and backed by the power of the global Infosys brand, our teams help the C-suite navigate today's digital landscape to win market share and create shareholder value for lasting competitive advantage. To see our ideas in action, or to join a new type of consulting firm, visit us at www.InfosysConsultingInsights.com.

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