

5 Payment Trends to Watch in 2024



Over the past decade, a wave of innovation has swept through all corners of the payments landscape. As a result, the needs of market participants have evolved and they continue to do so at a substantial pace.

Here are our predictions for the key trends to keep your eye on as 2024 unfolds.

1 Account-to-Account Payments Soar

Account-to-account (A2A) payments bypass intermediaries such as credit card and payment processors, enabling money to be transferred directly from one party's account to another account instantly. That makes them faster, more convenient and less costly than traditional bank transfers.

Although A2A payments are not new, API technology and the move to open banking have provided the payment rails for A2A payments to take off. We expect rapid growth to continue in step with further adoption worldwide of instant digital payment solutions for retail and corporate use.

- Less expensive for businesses
- Enhanced security through multi-factor authentication
- Greater convenience for customers

Global payments revenues reached **\$2.2 trillion** in 2022¹

More than **\$525 billion** global A2A transaction value in 2022²

82% projected increase on cashless payment volumes globally from 2020-2025³

2 Payment Fraud Explodes

With payments moving online and real-time payment systems becoming the norm, authorized push payment (APP) fraud is more prevalent than ever. In fact, it is the number one fraud threat globally, surpassing card fraud and identity theft.⁴

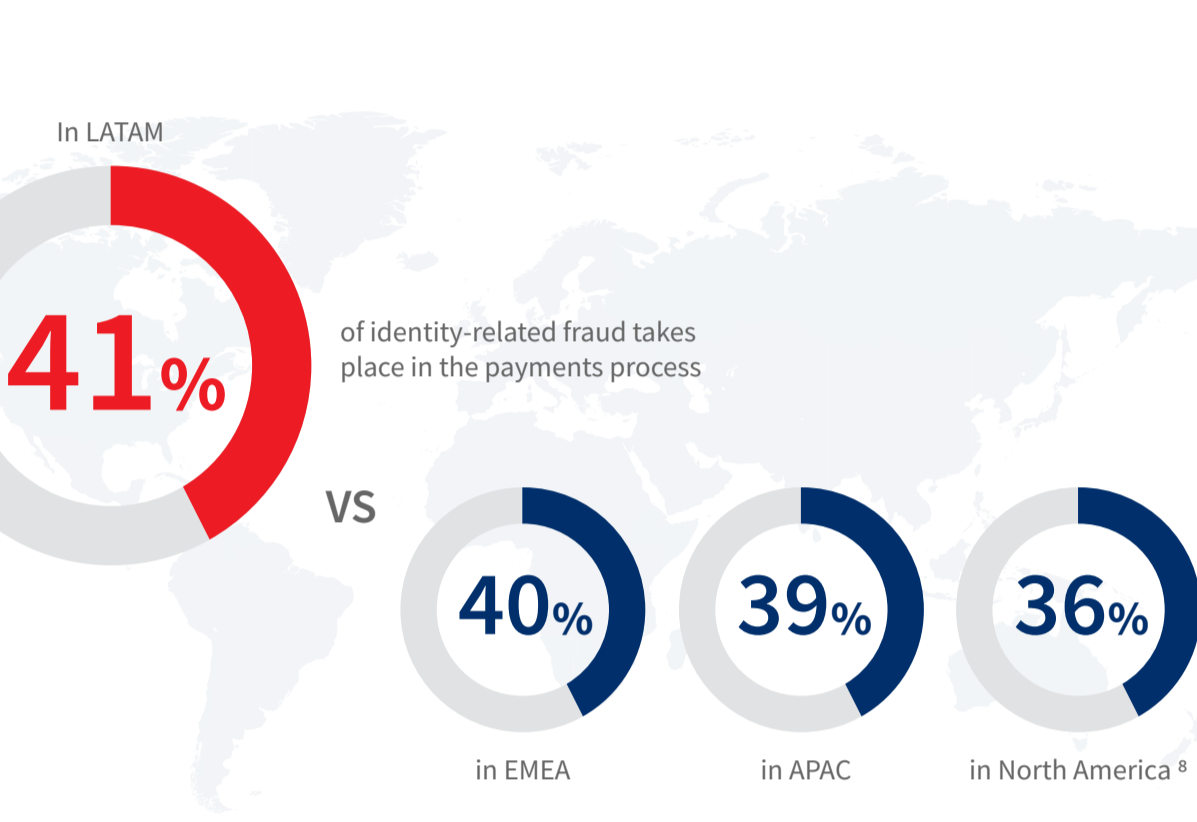
APP fraud is perpetrated when fraudsters use social engineering techniques such as impersonation scams to trick unwary consumers into sending a payment to them. Combatting APP fraud remains a challenge because it happens in real time and cannot be reversed. We expect wider adoption of confirmation of payee (CoP) and similar controls to temper APP fraud going forward.

20% of consumers worldwide have been victims of payment fraud⁵

Nearly **27%** of that was APP fraud

78% of APP fraud originated online in 2022⁶

\$40.62 billion expected cost of fraud to financial institutions worldwide by 2027⁷



APP losses in the UK, India and the U.S. are expected to double by 2026, reaching **\$5.25 billion**⁹

3 Reducing the Cost of Payments Becomes Imperative

A confluence of factors from high interest rates to volatile credit markets are driving up the cost of payments and making liquidity management ever more challenging. Compliance controls, which are especially high for international payments, further increase costs. Automating payments processes to speed processing, reduce failed payments and prevent fraud will remain a top focus for businesses looking to reduce costs in 2024.

\$2.7 trillion amount businesses spend each year processing invoices manually¹⁰

\$12 average global fee for each rejected or repaired payment¹¹

Every \$1 of fraud costs U.S. retail and ecommerce merchants **\$3.75** (up from \$3.60 in 2021)¹³

4x Each fraudulent transaction in APAC costs businesses nearly 4x the amount of the fraudulent transaction¹⁴

#1 Regulatory compliance is the #1 factor driving the increase in financial crime compliance costs¹²

4 Corporates Drive for Efficiency

Corporates are increasingly bringing payments operations in-house to gain greater control and deliver a better customer experience. This has fueled the growth of corporate treasury management systems that are able to manage liquidity and deliver efficiency gains by offering a centralized hub for all payments activity, including payment routing. With the faster processing and real-time visibility these systems offer, we expect the number of companies who manage their own payment operations to increase significantly.

90% of decision makers say payments operations cause headaches for their business¹⁵

More than **75%** of CEOs are planning to invest in automating processes and systems¹⁶

62% of payments professionals cite increased efficiency as the top priority in payment automation and electronic payments¹⁷

5 Banking as a Service (BaaS) Gains Momentum

Banks are transforming their payment service operations and diversifying revenue by offering real-time payments capabilities to corporate and other customers through APIs.

This BaaS approach enables banks to become a channel partner and resell payment routing solutions to end customers, providing companies with a holistic solution to manage the growing complexity of payments routing. With a CAGR of more than 15%¹⁸ BaaS is expected to gain even wider adoption over the next few years.

3.6b digital banking users by 2024²⁰

Nearly **\$66b** expected value of BaaS market by 2030 **\$18b** in 2021

“The payments landscape is rapidly changing. Companies that consider payments ahead of the relation to the overall customer experience will find themselves ahead in the competition and ahead of the curve.”

LexisNexis® Risk Solutions can help. Our payments validation, tools and data intelligence enable organizations to reduce failed payments, mitigate fraud, improve straight-through processing rates and deliver a better overall customer experience. [Learn more.](#)



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