

pay

360

IN ASSOCIATION
WITH



STRATEGIC
PARTNER



SUPPORTED BY



the payments association

STATE OF THE INDUSTRY SURVEY 2025

POWERED BY:

payments
intelligence

Commentary

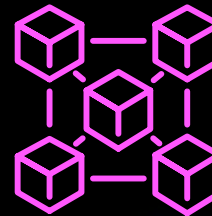
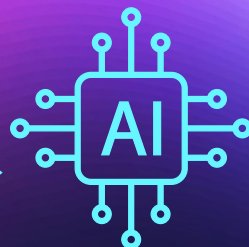


“ The low interest in open banking as an opportunity for the payments industry likely reflects limited consumer awareness, low merchant adoption, and a lack of education around its benefits. Current use cases, such as variable recurring payments, are also restricted. Moreover, open banking often substitutes existing payment methods that, while imperfect, are familiar and function adequately, making the perceived benefits of switching seem marginal. ”

Mark McMurtrie, Ambassador

“ AI may be the industry’s current headline act, but for businesses with global growth ambitions, cross-border payments are the real performers to watch. The opportunity isn’t universal though: businesses focused solely on domestic markets will miss it entirely. But for those operating internationally, frictionless, transparent, and instant settlement can be transformative. That said, this isn’t binary – the winners will be the ones who marry AI-driven optimisation with seamless cross-border capabilities. ”

Robin Anderson, Head of Product Management, Tribe



“ Innovation in payments continues to accelerate, driven by technologies like Generative AI, practical applications of Blockchain such as Stablecoins, and the broad adoption of ISO 20022. Together, these advancements create a foundation for seamless customer experiences while supporting compliance and combating financial crime. ”

Phil Knight, Chief Technology Officer, Bank of London

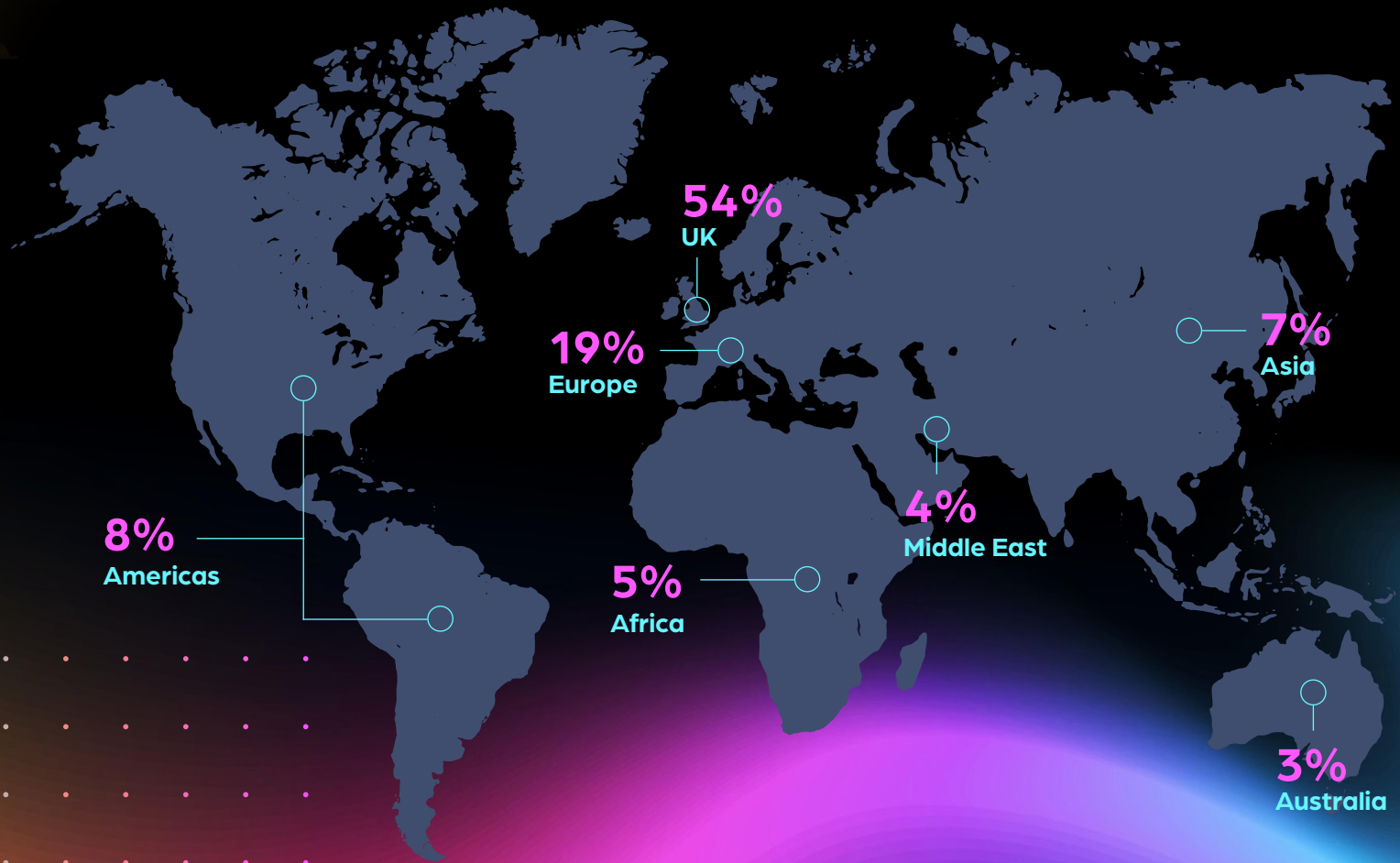


“ For us, an increased focus on financial crime reflects a wider shift in how the industry views risk, trust, and operational resilience. We’re seeing a growing volume of fraud-related disputes and chargebacks; not just as customer pain points, but as a significant operational burden for financial institutions. The push toward automation in this space is not just about efficiency; it’s about enabling better, faster responses at moments when trust is most at stake. ”

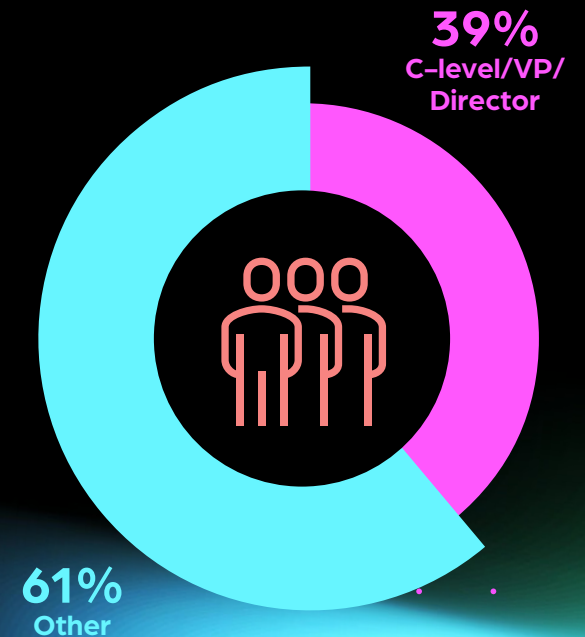
Fatemeh Nikayin, Co-Founder, Rivero

The results from The Payments Association's annual State of the Industry survey are in. The results not only provide granular insight into the most significant trends influencing the industry, but also how the perspective of senior decision makers has shifted in recent years.

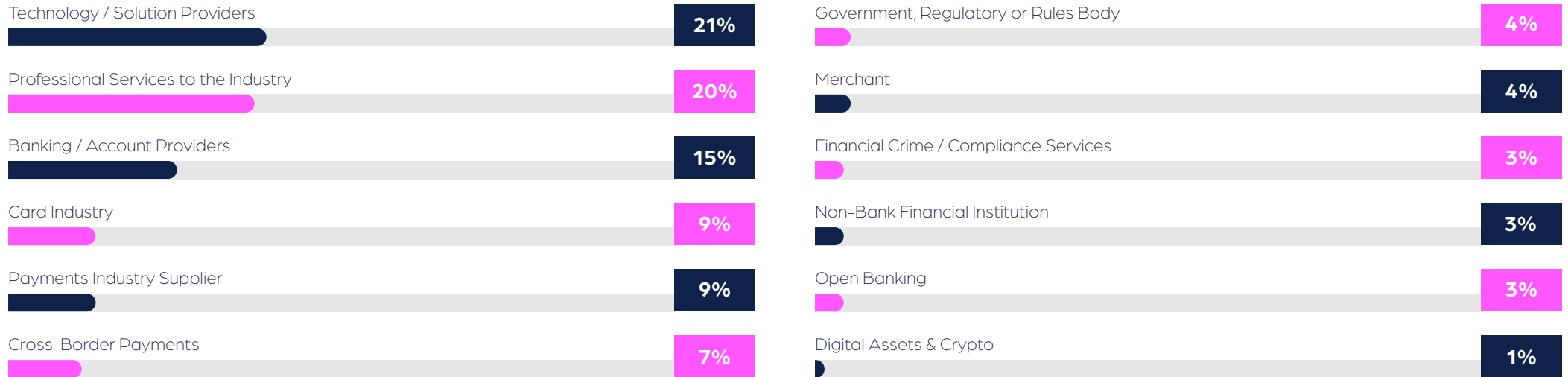
Q1 Participant breakdown



Q2 Seniority of respondents



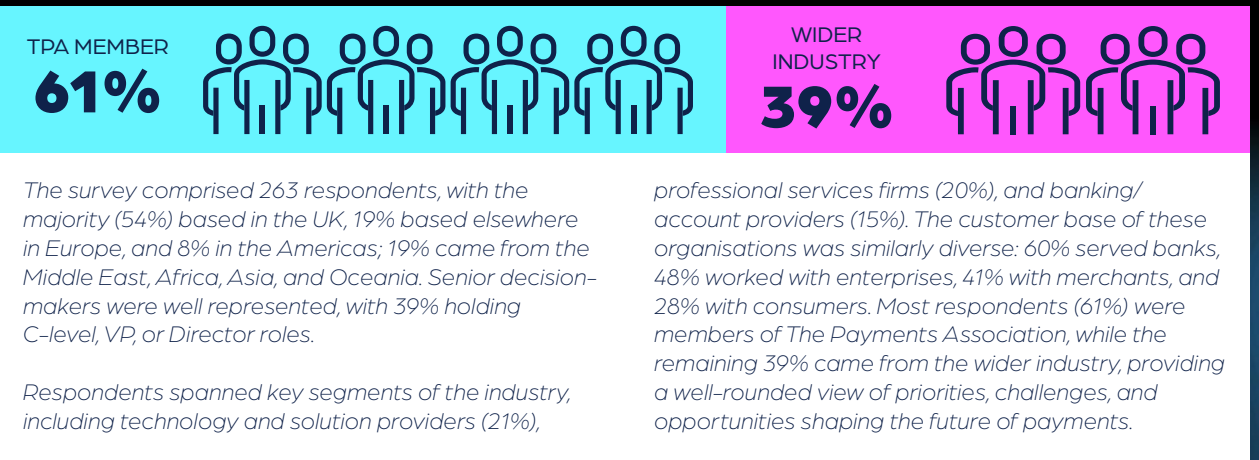
Q3 Which industry segments do our respondents represent?



Q4 Who are the respondents' customers?



Q5 Who took the survey?



Q6 What do you see as the biggest challenge ahead for the payments sector?



30%

Financial crime and cyber-security threats



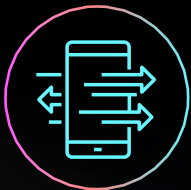
16%

Compliance with new regulation and policy



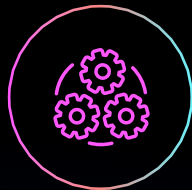
13%

Keeping up with digital transformation



11%

Interoperability between different payment systems



9%

Streamlining backend infrastructure and processes



8%

Implementing new payment methods



6%

Other



5%

Wider/macro economic downturns and shifts



4%

Understanding what the customer wants

Q7 Please share why you chose the answer

Payments Intelligence used a large language model to synthesise all responses. The most consistently cited challenge for the payments sector is financial crime and cybersecurity, particularly in the context of AI-enabled fraud and the evolving threat landscape. This is closely followed by the burden of regulatory change, with many highlighting its pace, complexity, and inconsistency across jurisdictions. Another recurring issue is the limitations of legacy infrastructure, which inhibits innovation, interoperability (especially with ISO 20022), and real-time adoption of new payment methods.

" We need more inclusive digital payments "

" Regulation is killing all business in the UK and the EU. "

" Financial crime and Cyber threats have become more nefarious with the growing use and maturity of AI by bad actors. The industry is constantly playing catch-up and needs to leapfrog to get ahead of these threats. Also, Quantum Computing poses significant opportunities, but equal risks if it is not harnessed and leveraged for good extremely early. "

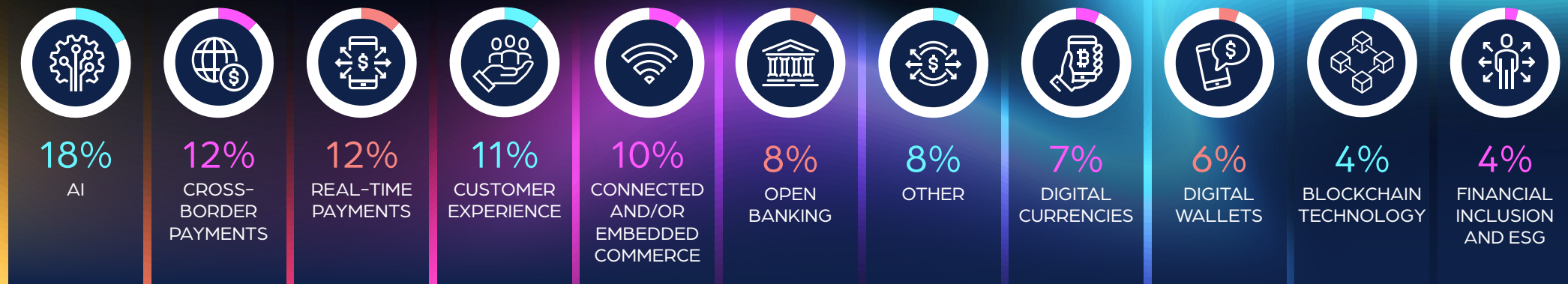
" Until ISO20002 is harmonised, interoperability will be a big issue. "

" The escalating use of AI in fraud "

" The advent of AI and greater migration from card present to card not present has spurred the evolution of fraudsters. As a result, losses continue to mount, and without constant innovation by major players in the payments space, it's difficult to keep pace and secure cardholder transactions without becoming overly intrusive and prohibitive. "

Financial crime and cybersecurity threats are the greatest challenge facing the payments industry, according to respondents, with 30% selecting this option. This is almost double the next most selected challenge: Compliance with new regulation and policy (16%). There is some discrepancy when we segment the data by job title. Respondents in the C-suite are more likely to see compliance as the biggest challenge (21% vs 14% for non-C-suite) and less likely to select financial crime (21% vs 32%). Contrast this with the technology and solution providers industry where 27% of respondents see financial crime and cyber-security threats as the biggest challenge.

Q8 What do you see as the biggest opportunity for the sector?



Q9 Please share why you chose the above answer

The biggest opportunity in the payments sector is widely seen as AI, offering transformative potential across fraud detection, automation, customer experience, and operational efficiency. Closely following are real-time payments and cross-border payments, both viewed as essential for a seamless, global, and instant economy. Respondents also highlighted open banking and connected/embedded commerce as enablers of personalisation, interoperability, and lower costs.

Digital currencies (including stablecoins and CBDCs) and blockchain technology are considered promising, particularly for settlement transparency and efficiency. Financial inclusion remains a strategic priority, with potential to expand services to underbanked populations. While each opportunity offers unique value, many respondents emphasised that customer-centricity and interconnected innovation across these areas will ultimately determine success.

" Just as Amazon has changed the world and now delivers goods as early as the next day – something customers have come to expect – the payments industry must follow suit and operate instantly as well. "

" AI will help automate the payment lifecycle "

" Embedded payments can be an enabler for rapid commercial growth by being virtually invisible to the consumer and seamless in the back office of the provider/issuer. "

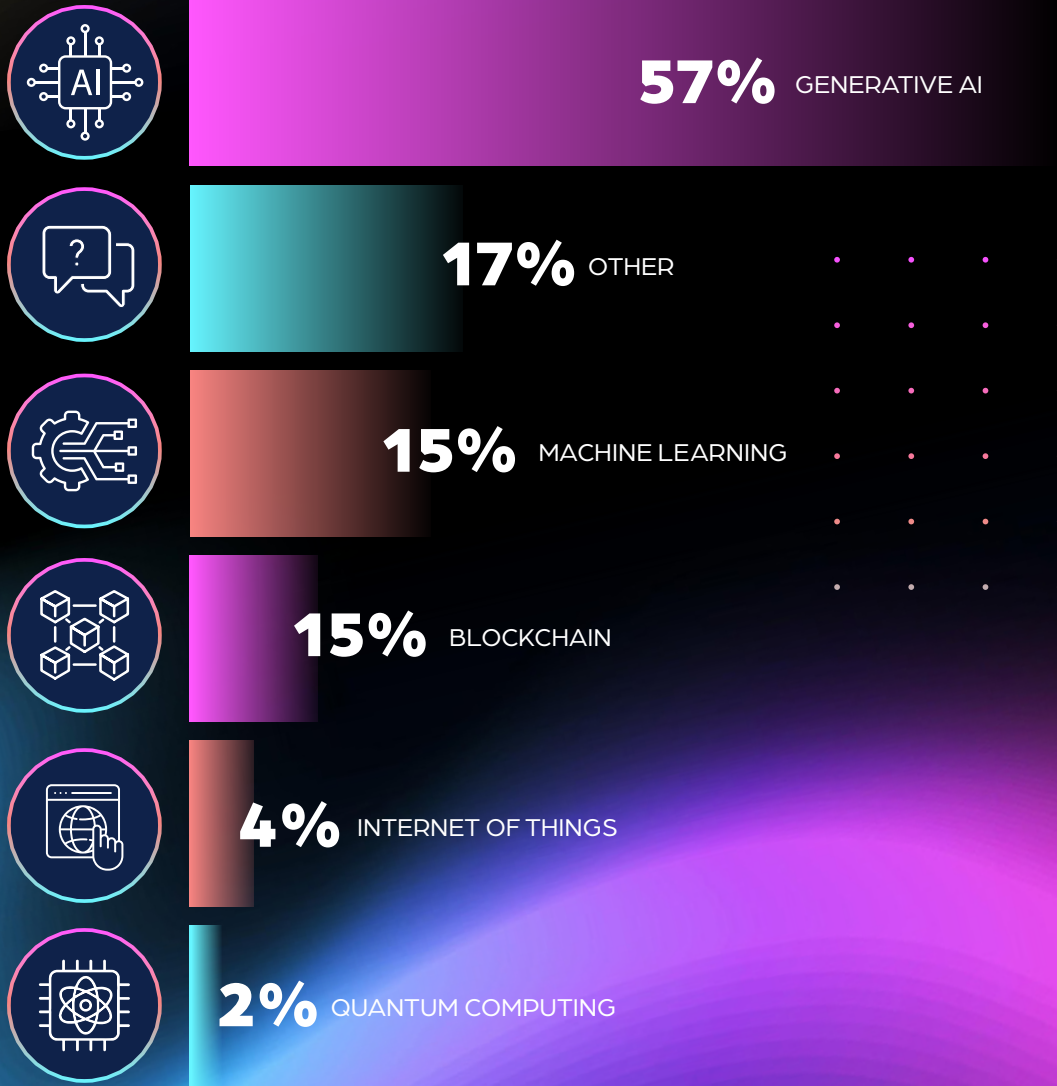
" A combination of Open Banking and developments in Agentic AI can pave the way for really putting the user at the centre of things with opportunities to ensure the best user experience and outcomes "

" Cross-border payments are ripe for a competitive overhaul; speed, transparency, and competitive pricing are all important. "

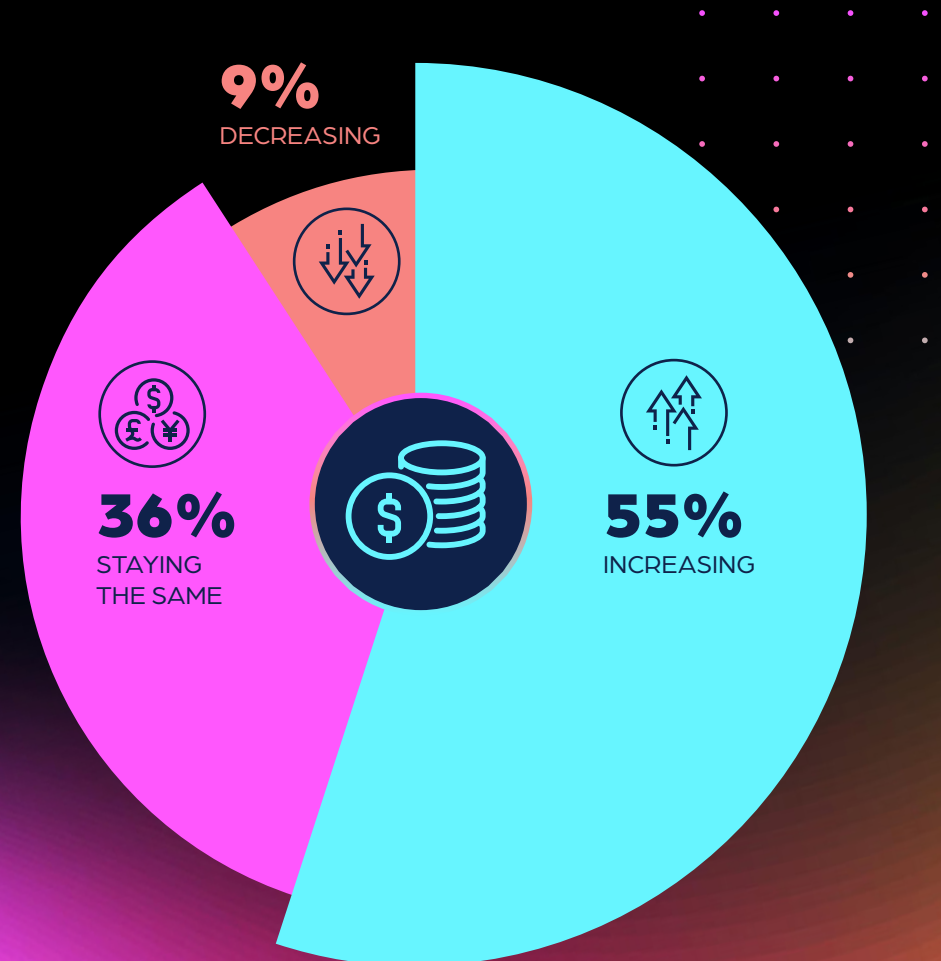
Unsurprisingly, AI is regarded as the biggest opportunity in the industry. What is more surprising is the lack of consensus; 18% selected AI but connected and embedded finance, cross-border payments, personalisation and customer experience, and real-time payments each received between 10% and 12%.

Again, there are differences between C-Suite executives and other respondents. Among the C-suite, personalisation and customer experience and cross-border payments are seen as similarly promising opportunities to AI. Non-C-Suite are more likely to view AI as the biggest opportunity, with 19% of this group selecting AI compared to 13% of the C-Suite. Disaggregating the data by industry provides further nuance. Among Technology and Solution Providers, only 11% see AI as the greatest opportunity, with connected and embedded finance (19%), real-time payments (17%), and personalisation and customer experience (15%) all considered more promising.

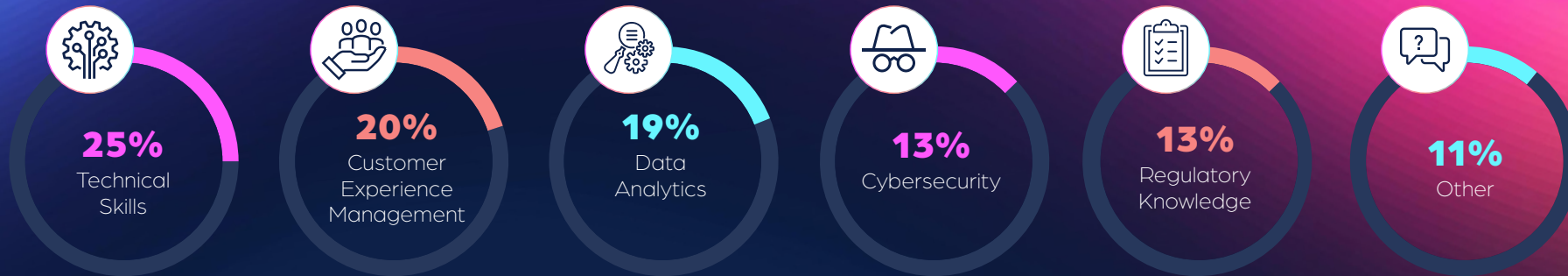
Q10 What emerging technologies is your company planning to adopt in the next 12–24 months?



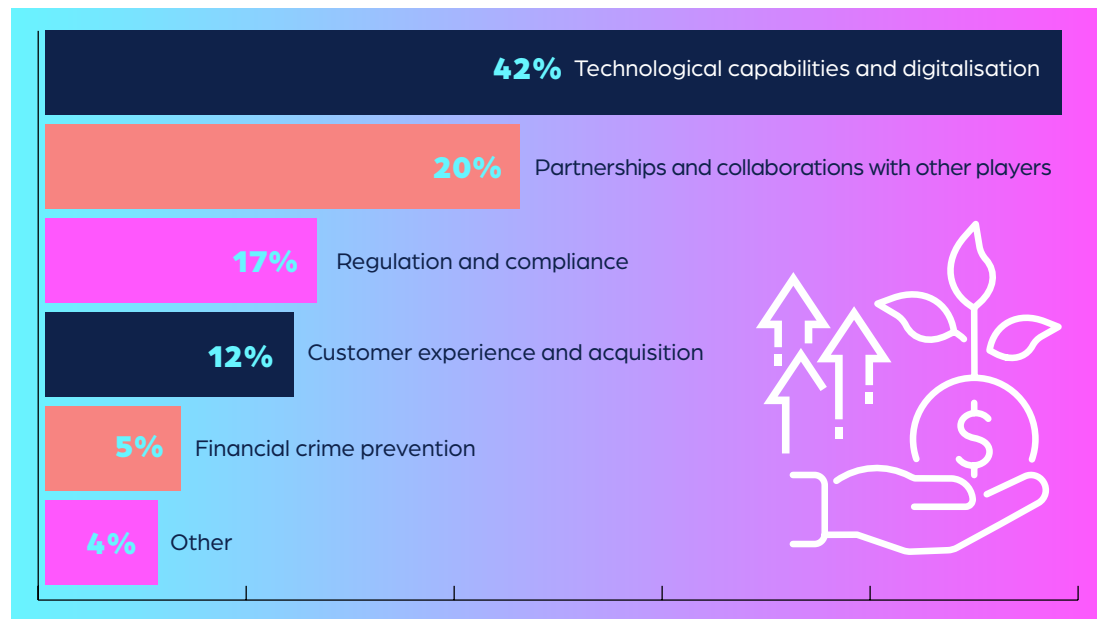
Q11 How do you see your budget changing over the next 12 months?



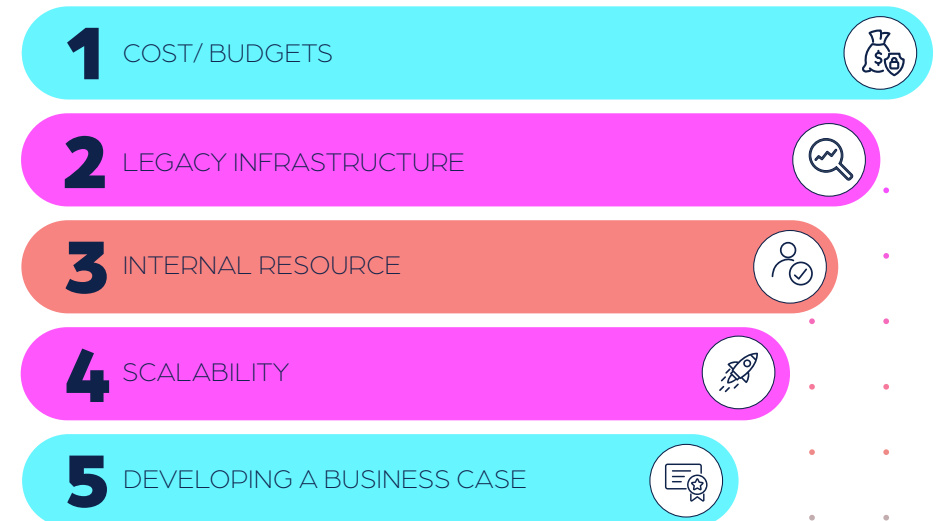
Q12 What skills will be most important for the payments industry workforce in the next five years?



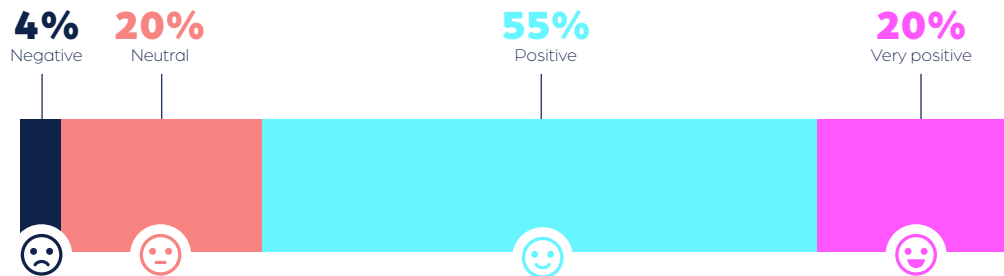
Q13 Where will see the most investment from your business in the next 12-24 months?



Please rank the following barriers to new implementations/ improvements in your business by impact



Q14 What is your outlook on the state of the industry for the next 12 months?



AI continues to dominate emerging technology priorities, with 54% of respondents planning to adopt generative AI in the next 12–24 months, slightly down from 57% last year. Machine learning, however, has dropped in priority, selected by only 15% compared to 23% in 2024. Blockchain (8%) and IoT (4%) remain low on the agenda, and interest in quantum computing is minimal at just 2%.

Spending intentions are notably more confident this year. Over half of respondents (55%) expect to increase their budgets – up from 49% last year – while only 9% expect a reduction. This indicates a strong appetite for investment, particularly in technological capabilities and digitalisation, which remains the top investment priority (45%). Partnerships and collaborations follow at 21%, while customer experience and acquisition investment have fallen to 11% from 20% in 2024.

When it comes to workforce skills, technical expertise has overtaken customer experience as the most critical area for the next five years (25% vs. 20%). Data analytics (19%), cybersecurity (13%), and regulatory knowledge (13%) also feature prominently, reflecting the complex demands of the modern payments landscape.

Despite the generally positive sentiment – 75% have a positive or very positive outlook for the year ahead – the industry still faces familiar challenges. Cost and budget constraints remain the biggest barrier to innovation, followed by legacy infrastructure and internal resource limitations. These findings highlight the ongoing tension between ambition and execution as the sector looks to scale and modernise.

Q15 What can the vendor community do to help the payments industry over the next 12–24 months?

The most consistent theme is collaboration—both within the vendor community and with banks, regulators, and end-users—to drive secure, interoperable, and standards-aligned solutions. Vendors are urged to focus on simplifying integration, modernising legacy systems, and offering modular, cost-effective platforms. A strong emphasis is placed on security-by-design, particularly in response to AI-driven threats and fraud, and on listening to customer needs rather than pushing generic or “buzzword” solutions. Other recurring themes include improving user experience, education, and aligning with frameworks like ISO 20022. Disagreements centre on the pace of innovation—some want faster disruption; others warn against hype, poor delivery, or creating complexity. Overall, vendors must prioritise value, clarity, and trust over flash and fragmentation.

“ **Make the world look less confusing by dealing with business cases and outcomes not shining tech headlines in end user rabbits eyes.** ”

“ **Provide solutions and partnerships to accelerate the need for change rather than try and build expertise yourself. Enabling better faster outcomes and keeping your business focused on core competencies** ”

“ **Expose use cases, organise hackathons, calls for collaboration and joint POCs, MVPs.** ”

“ **Migrate to ISO 20022 to foster interoperability and richer data usage (hence fewer errors, frictions, costs, delays, ...)** ”

“ **Vendors will look for a problem for their solution. Not really reviewing the true nature of the problem, nor understanding the overall impact to the organisation. Something to be aware of. Older acquirers need to accept their stacks are ageing, and that includes some of the full-stack crews more recently, their flexibility for enterprise merchants can be a different concern. Rather than pushing buzzwords (e.g. agentic commerce), give actual internal examples/cases which are applicable to the tech. Be more forthcoming on real world (and ideally applicable to the merchant) examples of their tool in action.** ”

Q16 Who are the organisations or individuals changing the industry right now?

The organisations most frequently credited with changing the payments industry are fintechs, big tech companies (e.g. Stripe, Apple, Google), and regulators (FCA, PSR, central banks). A strong theme is the combined impact of AI innovators, open banking platforms, and digital currency initiatives (including stablecoins and CBDCs). Respondents also point to card schemes (Visa, Mastercard) as dominant forces, though not without criticism of their market power. Startups pushing modularisation, fraud prevention, and cross-border innovation also feature prominently.



" Fintechs and non-bank FIs who are democratizing Payments and delivering innovative products and services. "

" PSR, FCA, UKF "

" Neobanks / FinTechs "



" Open Banking Ltd is definitely provoking debate and challenging the status quo. Visa & Mastercard are influencing heavily. "



" It pains me to write – but AI enabled services. "



" Governments "



" Stripe are interesting with their modularisation drive and stablecoin bets. Adyen and their B2B financing is interesting. Always watching what happens with the various acquirer acquisitions and how they behave – although not expecting modernisation of innovation in most instances. "



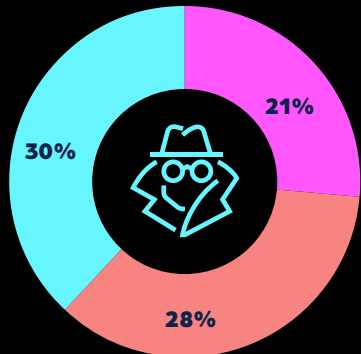
" Apple, Revolut, WeChat, PayPal, MasterCard, Visa "

2023 vs 2024 vs 2025 findings

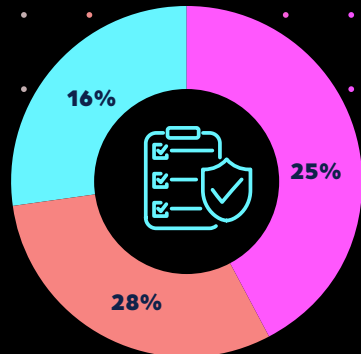
The Payments Association has run its State of the Industry survey for three years now. Analysis of the year-on-year changes provides additional insight into the direction of travel for the payments industry.

Q17 What do you see as the biggest challenge ahead for the payments sector?

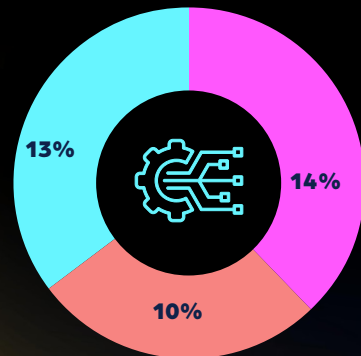
● 2023 ● 2024 ● 2025



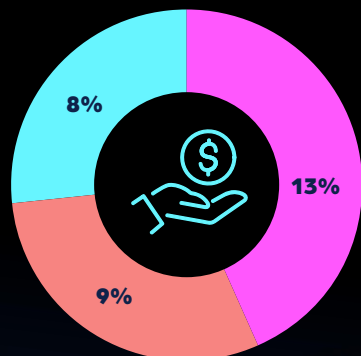
Financial Crime and Cyber-Security



Compliance



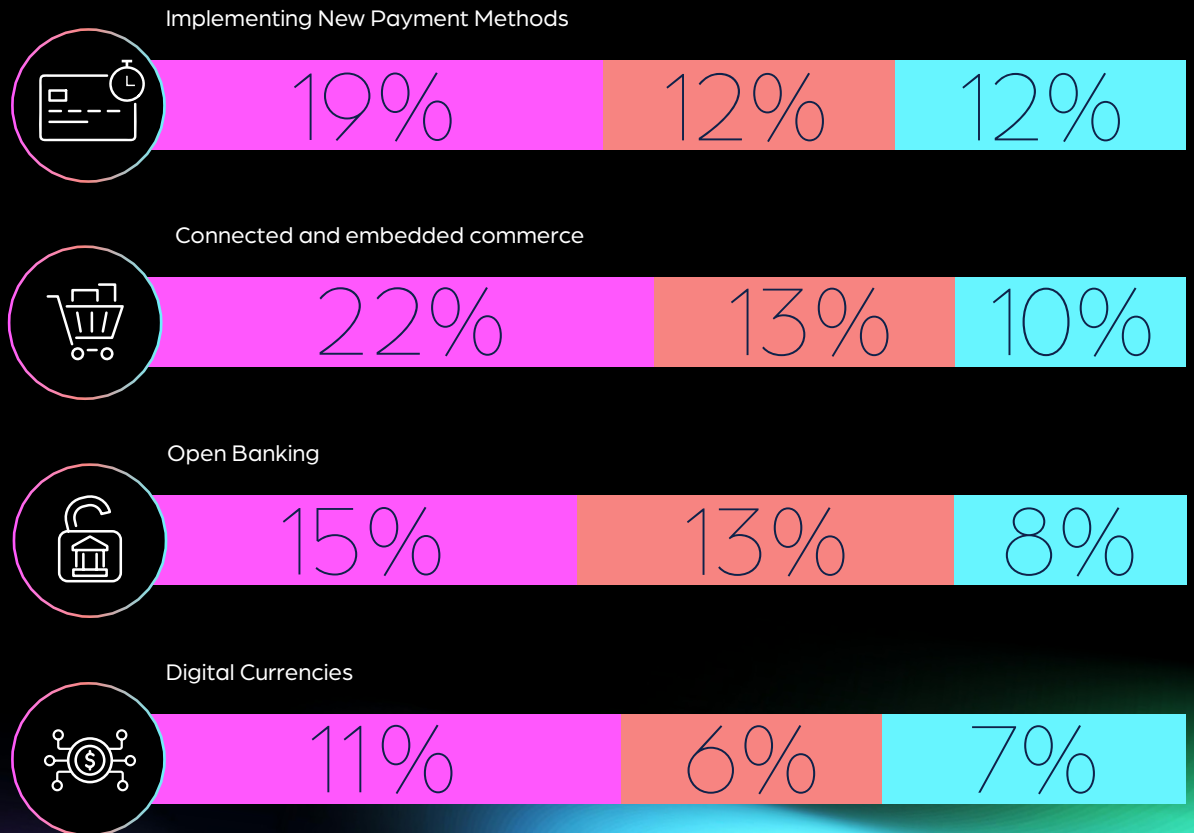
Digital Transformation



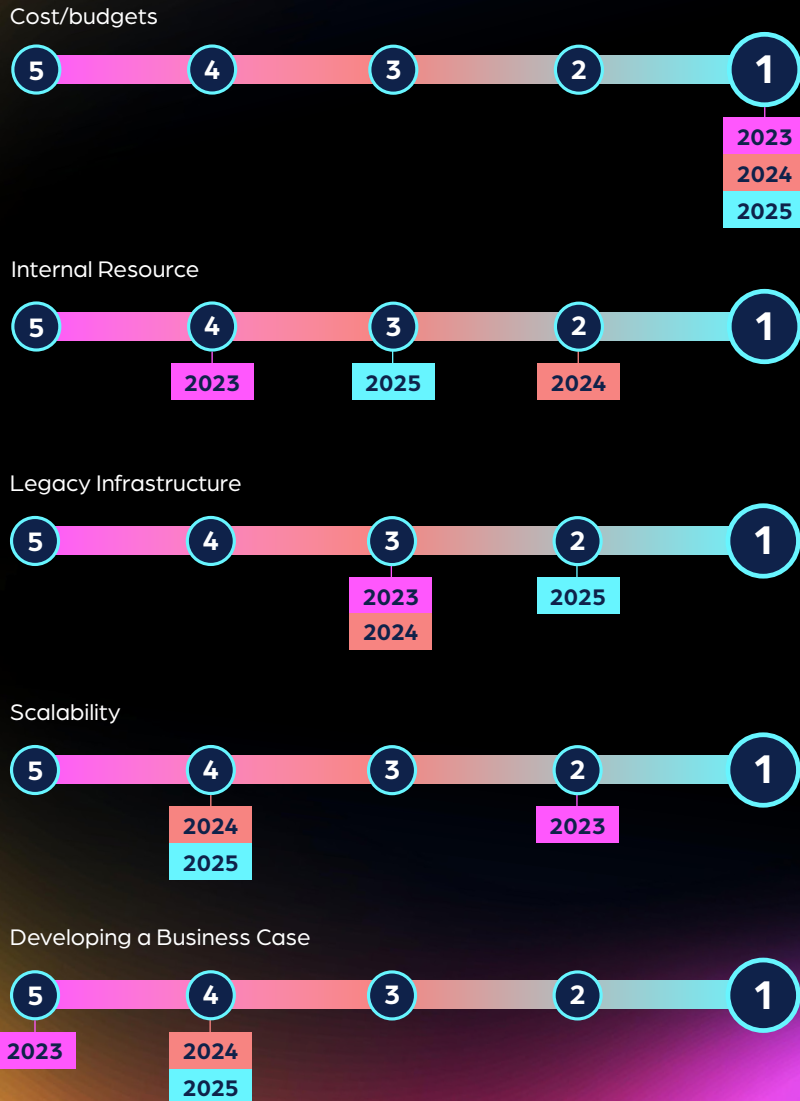
Implementing New Payment Methods

Q18 What do you see as the biggest opportunity ahead for the payments sector?

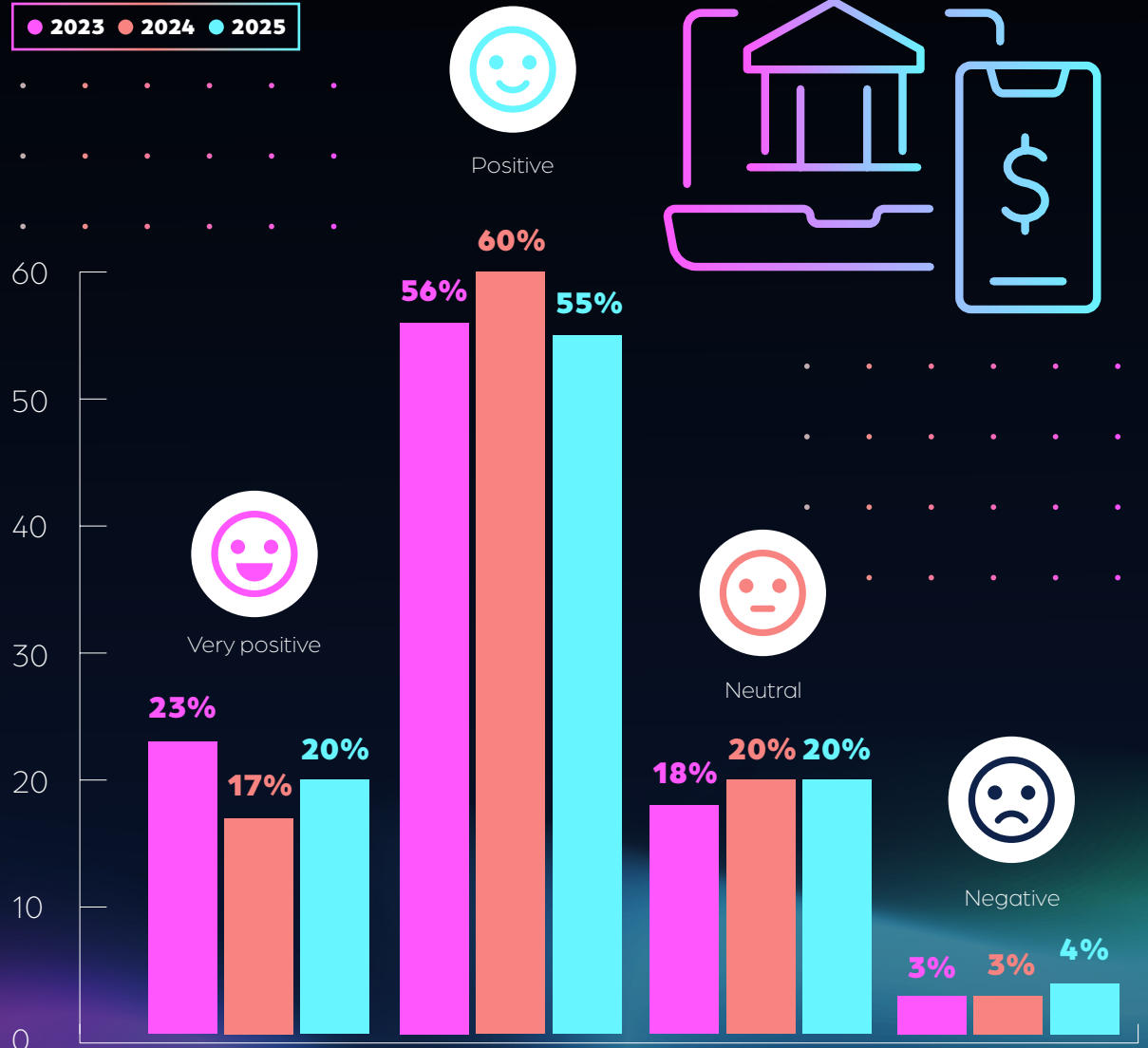
● 2023 ● 2024 ● 2025



Q19 Please rank the following barriers to new implementations/ improvements in your business by impact



Q20 What is your outlook on the state of the industry for the next 12 months?



Conclusion

Financial crime and cybersecurity remain the most pressing concerns for the payments sector, with apprehension rising from 21% in 2023 to 30% in 2025, overtaking compliance as the leading challenge in 2024. This upward trend reflects the intensifying threat landscape and the ongoing need for investment in fraud prevention and cyber resilience.

In contrast, compliance concerns have declined steadily over the same period, dropping from 25% in 2023 to 16% in 2025. Regarding opportunities, connected and embedded commerce has seen a further decline in 2025, from 22% in 2023 to just 10%. A similar pattern is seen with open banking and real-time payments, both of which have seen reduced prominence; whether this indicates these technologies are becoming more established or less differentiated as competitive opportunities is unclear.

Barriers to innovation remain consistent, with cost and budget constraints firmly ranked as the top challenge for three years running. Internal resource issues, which surged in 2024, have fallen slightly to third place in 2025, while legacy infrastructure has re-emerged as the second most cited obstacle, highlighting ongoing struggles with outdated systems and integration complexities.

Despite these challenges, the outlook for the payments industry remains broadly positive. While the proportion of respondents describing their outlook as “positive” has dipped slightly from 60% in 2024 to 55% in 2025, there has been a small rebound in those feeling “very positive” (20%, up from 17% last year). With just 4% holding a negative view, overall sentiment remains upbeat, though tempered by the realities of operational and strategic constraints.

“ This upward trend reflects the intensifying threat landscape and the ongoing need for investment in fraud prevention and cyber resilience ”

If you found this of interest please check out:

payments intelligence

This content was authored by *Benjamin David*, Editor for *The Payments Association* and *Payments Intelligence*. Payments Intelligence is the premier online magazine for payments professionals. To learn more, please visit

thepaymentsassociation.org/payments-intelligence/

IN ASSOCIATION
WITH



pay

360

25–26 March 2026 • ExCeL, London

PAY360 welcomed over 4000 payment professionals this year and it's only getting bigger and better in 2026



6000
PAYMENTS
PROFESSIONALS



150
EXHIBITORS



300
VIPS



200
SPEAKERS



20+
HOURS OF
NETWORKING



70+
SESSIONS



1500+
MEETINGS
ARRANGED VIA
THE APP



50+
INTERNATIONAL
DELEGATIONS