

19th - 20th
March 2024
ExCeL, London

360

pay

IN ASSOCIATION WITH



the payments association

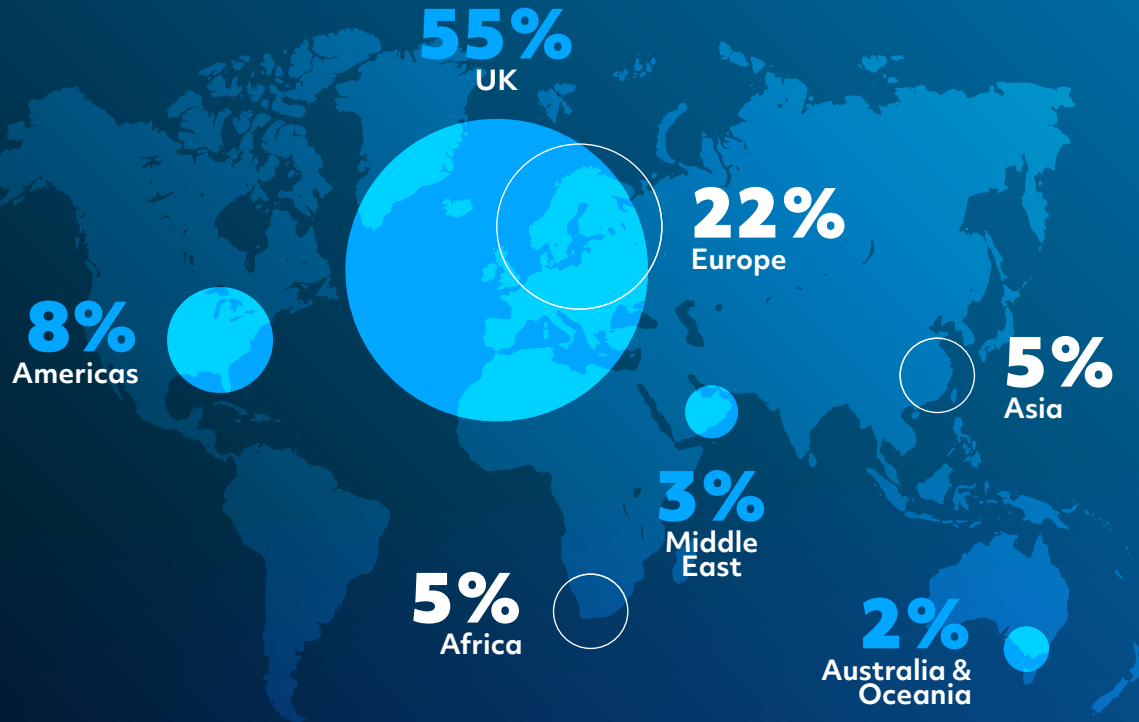
STATE OF THE INDUSTRY SURVEY



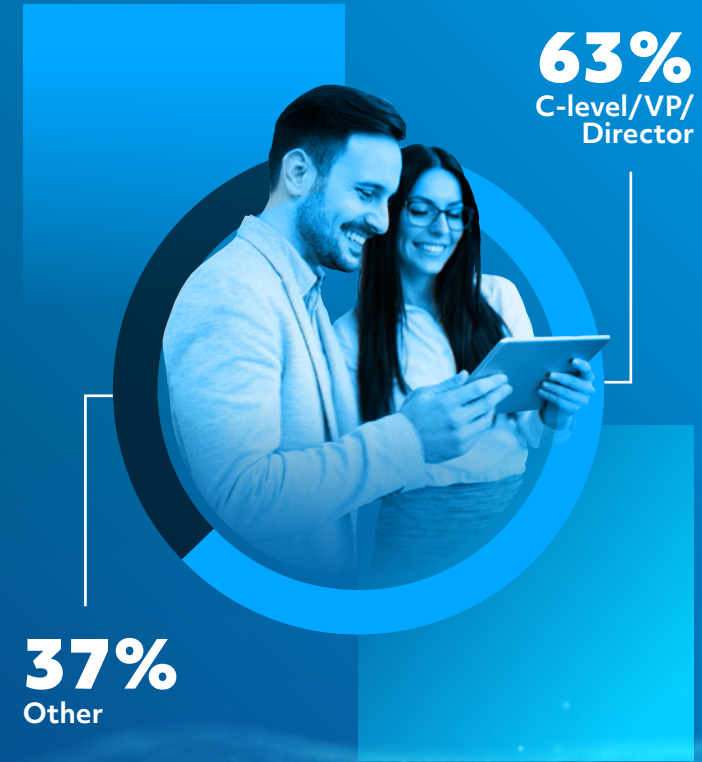
The Payments Association conducted a survey with both our members and the wider industry.

The answers we gathered as part of the survey are now available in this state of the market infographic below. We hope that the results below provide you with peer-to-peer industry feedback and the latest trends relating to payments.

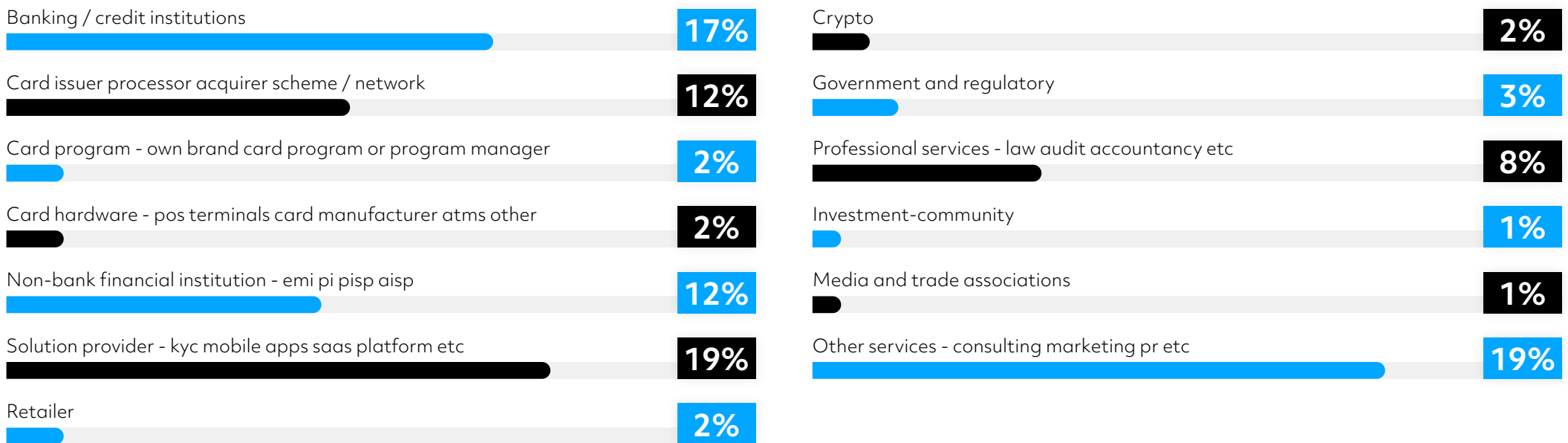
Q1 Where did our respondents come from?



Q2 Seniority of respondents



Q3 Which industry segments do our respondents represent?



Q4 Who took the survey?

36% The Payments Association members

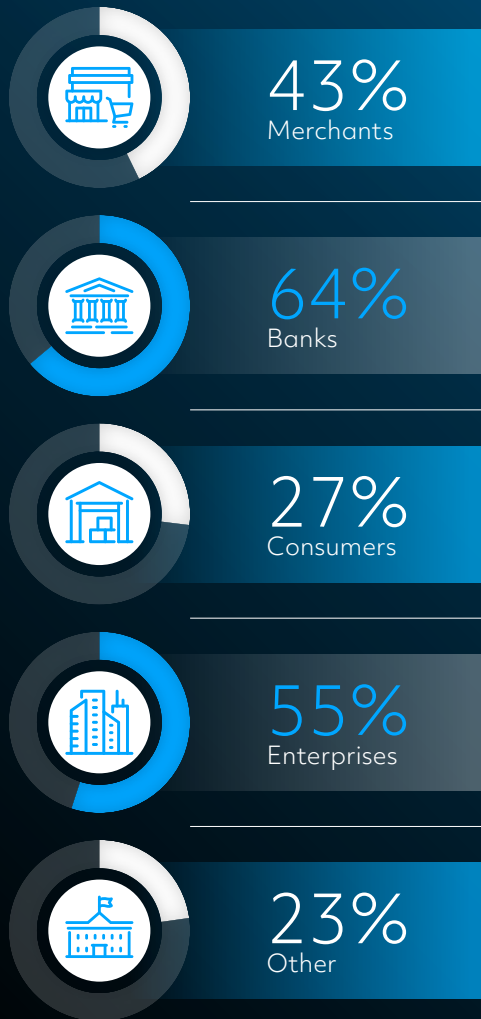


Wider industry **64%**

Q5

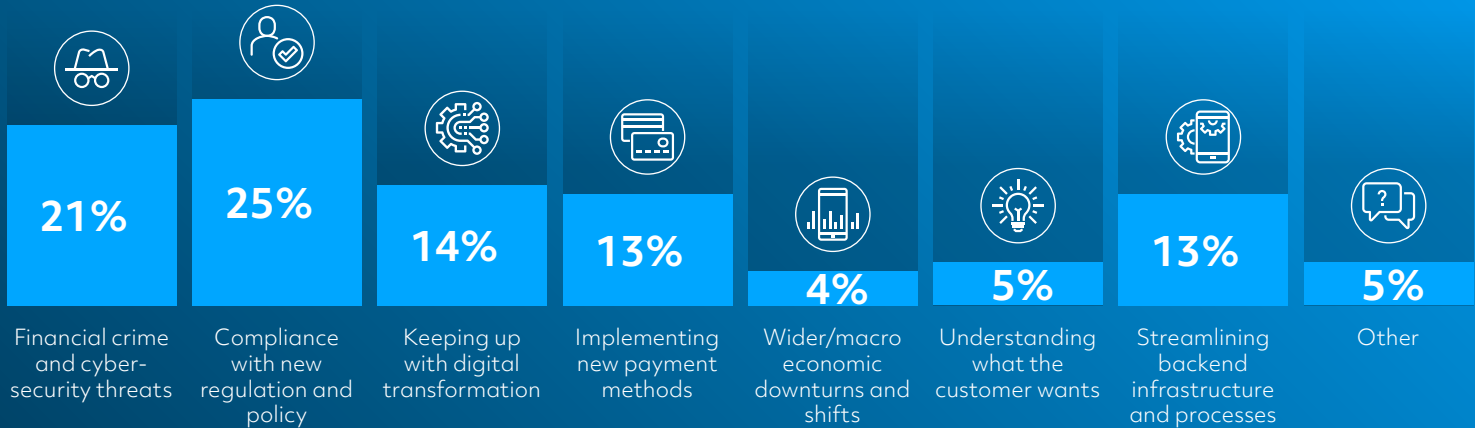
Who are the respondents customers?

(In this question respondents were given the option to choose more than one answer. The percentage represents each answer chosen by the respondents)



Q6

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



Other Answers included:
 Delivering sustainable long-term value • Education and adoption of Cryptocurrency as a payment type • Recruitment, skills and talent* • The potential impact of AI • Reinventing business models

Please share why you chose the above answer

- ▣ Moving into the future you will see more and more in the crypto payments space, with it being NEW, there will be a great amount of education that will go along with the process to help further the adoption of Crypto as a payment type. ▣
- ▣ Payment landscape still fragmented especially for businesses and merchants who need scalable collection, settlement and payout infrastructure. ▣
- ▣ The compliance burden is getting ever greater, effectively changing the economics of financial services to the point where it starts to hurt consumer choice. ▣
- ▣ FS institutions and other businesses have invested poorly on modernisation of infrastructure and given the fast-paced change of customer demands and digitisation, it will be a serious effort to properly modernise infrastructure - particularly where cross-border payments are concerned. ▣
- ▣ Technology is changing and developing at a rapid pace with consumer adoption not far behind. There is a danger of technology outpacing regulation that could lead to increased fraud and criminality. Financial institutions must ensure that they keep up, if not be one step ahead of innovation. ▣
- ▣ New-age customers are more demanding and want a personalized experience. Banks and enterprises need to design human-centric experiences to accommodate different user personas. Understanding users' expectations is a challenging and time-consuming task. Additionally, it is very difficult to incorporate the expectations of different users in omnichannel experiences. ▣
- ▣ Financial services firms and the vendor ecosystem are relatively strong on strategy and rhetoric but very poor on executing a strategy that solves legacy tech/industry compatibility AND compliance/risk BUT ALSO modern delightful customer experience. Something is always sacrificed. ▣
- ▣ There seems to be an increase in (advanced) threats from phishing and cyber attacks towards FIs and their clients. Now, with the advancement of AI technology speeding ahead, there is concern there that criminals will start incorporating that into their tactics, making it even harder for FIs to thwart off attacks from them and harder to protect their clients or at an even greater financial cost to do it, which would then be passed down to their customers, as well. ▣

Q7 Where is the biggest opportunity for the payments sector?



Please share why you chose the above answer

“ For banks real time payments (domestic and cross border) is one of the biggest opportunity to compete with Fintechs and boutique solution providers. Banks should look beyond plain vanilla payments & find strategic opportunities to create overlay services over RTP . This will give FIs a product moat against the competition. ”

“ Covid has changed how many view cash. With technology advancements, the ability to pay/transfer monies digitally will fast become the preferred choice. ”

“ Consolidation of payment services via a single channel eg acquiring cards, faster payments, A2A payments, Instalment loans - for Big Ticket Embedded payments or smaller BNPL pay in 3-4 with consolidated settlement and reporting seems to be a good way to go. ”

“ Digital currencies offer a vast range of opportunities in the payments sector, including increased efficiency, global accessibility, lower transaction costs, enhanced security and privacy, financial innovation, and the potential for central bank digital currencies. Embracing digital currencies and leveraging their transformative potential can lead to improved financial systems, increased economic inclusion, and expanded possibilities for businesses and consumers alike. ”

“ Connected and / or embedded commerce has come to its own in the past couple of years and we are now seeing a number of successful use cases. This trend will accelerate. ”

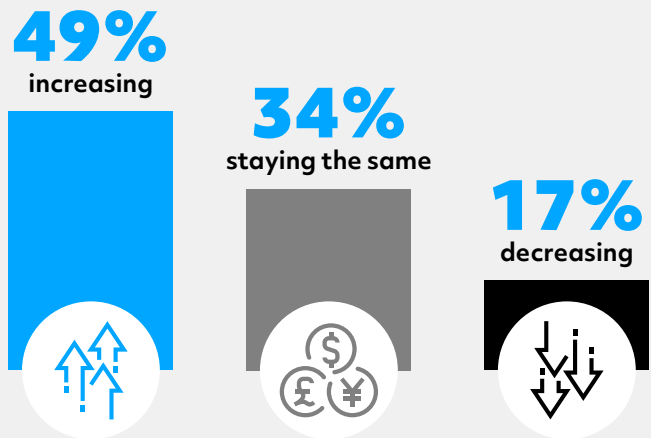
“ Recent legislation (EMI, Open Banking etc) allows more players with more flexible technology to offer businesses opportunities to embed financial services within their customer journey - this creates stickiness and new revenue opportunities. ”

“ AI will have the ability to transform the fight against financial crime. ”

“ The industry keeps regurgitating propositions as “New”, and it needs to step up and understand what the customer needs as opposed to what it wants to deliver re branded “Old” stuff. ”

Q8

Do you see your budgets changing over the next 12 months?



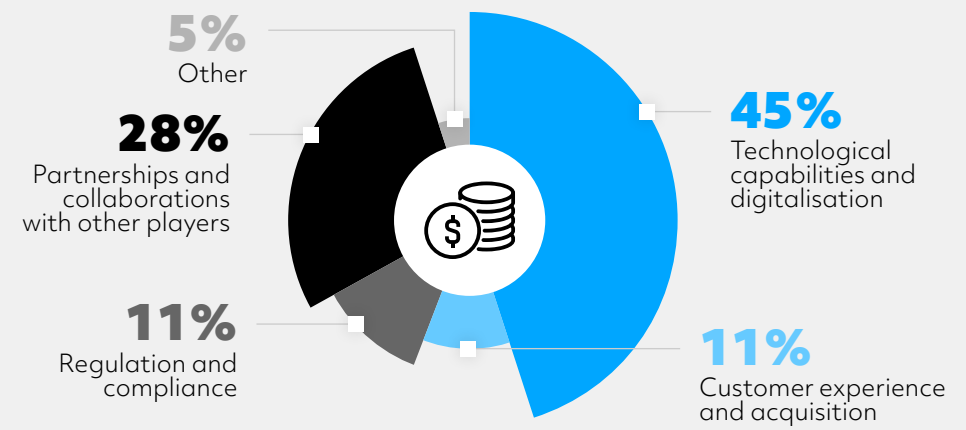
Q10

Please rank the following barriers to new implementations/ improvements in your business by impact (5 being the biggest barrier, 1 the smallest)



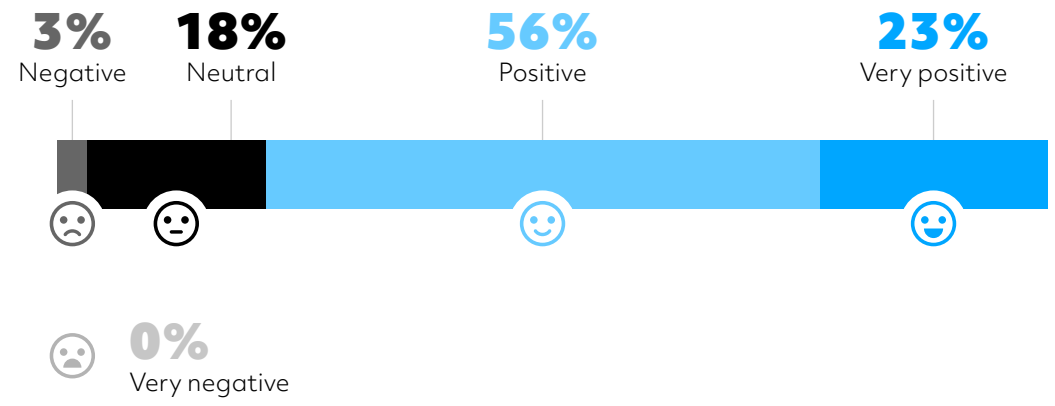
Q9

What area will see the most investment from your business in the next 12-24 months?



Q11

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



Q12

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

“ Keep “security” at the forefront of their innovation. ”

“ Ensure that everything actioned works towards good customer outcomes. ”

“ Understanding better payment industry needs, not just providing solutions to achieve better effectiveness and cost reduction. ”

“ Drive awareness of open banking, new payment capabilities and ways to remove barriers for faster, cheaper development. ”

“ Keep pace with AI use cases. ”

“ Try and identify ways to help merchants get around their barriers. ”

“ Collaboration is critical, and anticipating the opportunities that change will bring. ”

“ Interoperability, upgrade of infrastructures, standardisation. ”

“ Invest in Fintech companies that are able to release new payments and can innovate. ”

Q12

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

“ Driven by end customers’ need, tech companies may create new solutions for customers and gradually solutions are standardized to become industrial norm. ”

“ Blockchain companies and start-ups in the crypto space. ”

“ Potentially Central Bank CBDC’s. ”

“ Regulators. Gen-Z and Millennial customers. ”

“ Fintechs able to react quicker to regulatory requirements and consumer expectations. ”

“ Individuals or Organizations not for huge profit but for humankind service. ”

“ The regulators (FCA, PSR), institutions (ie. BoE, BoI) and infrastructure providers are actively changing the payments landscape. Interplay between the scheme rails, banking rails, and blockchain rails coupled with new regulatory approaches to Identity, Privacy, Digital Currency, and Safety will fundamentally change the industry. It’s beyond just one player or individual. ”

“ I believe the regulators are influencing and shaping the industry, with all the various stakeholders recognising “collaboration” is key towards success and this includes: Retailers, Banks, 3rd parties and Fintechs. ”

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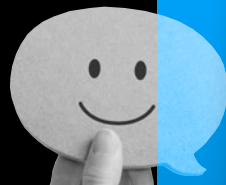
JOIN US AT PAY 360

If this was of interest to you, I urge you to join us on 19-20 March 2024 at ExCeL, London where we host Europe's leading conference on Payments.

Boasting **2 days** of networking, **4000** specialised attendees and **over 100** cutting edge exhibitors.



 DEDICATED VIP SERVICE	 120 SPEAKERS	 40+ HOURS OF NETWORKING	 3500 ATTENDEES	 150 EXHIBITORS
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I am so excited to 2024 plans with you

With the increasingly rapid pace of change as the payments ecosystem continues to expand, you can only truly understand how this change affects you by talking to others. This is what PAY360 is all about.

With over 1800 attendees and an 80% increase in exhibitors in 2023, we have once again outgrown our existing venue. PAY360 continues to be the chosen meeting point to meet new customers, forge partnerships and shape policy and, as a result we are stepping up to the challenge by pushing PAY360 even further to benefit the payments community we serve.

I am delighted to share that we have a new home - ExCeL, London. This will be our PAY360 home moving forwards with 2024's edition taking place on the 19th-20th March - **save the date now!**

Our work has already started and I encourage you all to contact me and the team to get involved.

Best wishes

Emma Banymandhub
Event Director
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"PAY360 has become the biggest payments event of the year - a must in any payment professional's calendar"
Payments consulting Director, APAC

Meet the team:

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