



# **Strategic trends: Retail payments in a future world**

February 2021



# Contents

<b>Section 1:</b>	<b>Foreword</b>	<b>4</b>
	Nine drivers of payment trends	6
<b>Section 2:</b>	<b>About the study</b>	<b>7</b>
<b>Section 3:</b>	<b>Payment strategic drivers indentified</b>	<b>8</b>
	3.1 Significant strategic drivers	8
	3.2 Other strategic drivers	11
<b>Section 4:</b>	<b>End user worlds in 2030</b>	<b>13</b>
	4.1 Home – macrotrends	13
	4.2 Play – macrotrends	16
	4.3 Work – macrotrends	18
<b>Section 5:</b>	<b>The Pay.UK Advisory Councils’ perspectives</b>	<b>20</b>
<b>Section 6:</b>	<b>Conclusions for the future of payments</b>	<b>21</b>
<b>Section 7:</b>	<b>About Pay.UK</b>	<b>22</b>

**With thanks to payments ecosytem experts spoken to for this study including:**

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Research Manager, Payments – Bank  
Head of UK Product, Payments and Cash Management – Bank  
Product Manager, Global Payments – Global Technology Company  
Executive Director – Innovation and Partnerships - Global Payments Player  
Head of Industry Insight – UK Retail Association  
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Head of Strategy – Global Payments Provider  
Pay.UK EUAC and PAC – Council Members



# 1 Foreword

## The trends shaping a changing world

People and businesses everywhere want payment services that are safe and secure, easy to use and flexible enough to meet the challenges of a changing world.

Pay.UK is a key enabler of collaboration and innovation to achieve this goal, so an essential part of our work is to explore the trends, opportunities and drivers in retail payments that will shape the consumer behaviours of the future.

The following paper – *Strategic trends: Retail payments in a future world* – explores the key drivers of change in payments, underlying marketplace trends and what this could mean for how payments manifest themselves in 2030.

Our 2019 study identified nine key strategic payment drivers, three of which we see as significant due to their imminent impact on volume displacement and growth opportunity. Exploring these drivers through the themes of “work”, “home” and “play” helps inform future use cases for payments over the next ten years, and reveals how end users might use payments in their everyday lives.

There are currently a number of forward looking industry projects, such as the Payments Futures work that UK Finance are leading. Considerations from this study have been fed into that work.

## Industry challenge – the impact of Covid-19

However, our world is now a different place from the one we lived in twelve months ago. The Covid-19 pandemic has changed the way people are paying for goods and services and, as a result, there is likely to be a significant impact on many of the trends we identified.

With this in mind, we are inviting stakeholders to participate in our first industry challenge. This is a four-week collaborative opportunity for the industry to consider the likely longer-term impacts of the Covid-19 pandemic on user behaviour and payment market trends. This will feed into the strategic priorities for Pay.UK.

We would like to hear your views on how the world of payments in 2030 is likely to differ from the views outlined in this paper as a result of the Covid-19 pandemic. In particular:

- Which trends may have been accelerated by Covid-19, and which may be delayed or replaced?
- What new 2030 futures do you expect that were not part of the paper’s forecast?



## A community of innovation for payments

The challenge also represents our first step towards the creation of a community of innovation for payments, alive to users’ and the wider industry’s needs, and working together to address these.

To take part in the challenge you’re invited to join that growing community by registering for the Pay.UK Portal, where you will find our new Knowledge Hub.

The launch of the Knowledge Hub is just the first phase, the Portal is planned to become a collaborative, online platform that allows us to share knowledge and intelligence, network, build partnerships, solve complex challenges and create a shared vision of the industry developments that are set to shape the payments ecosystem of the future.

In time, this *Innovation Vision* will be a shared communal view of the trends directing payments services today, coupled with anticipated, longer-term market developments.

For innovators it will become a key resource to consider and influence the direction the payments industry is taking.

For payments system users – the people, businesses, charities and other organisations that drive the UK economy – it is a chance to shape the future of financial services for the better.

We hope you find this report of interest and invite you to join our community in considering the questions we pose. Together we can help shape a payments world that benefits everyone in the UK: not just in the short-term, but up to 2030 and beyond.

**Kate Frankish**  
Director of Strategy  
Pay.UK

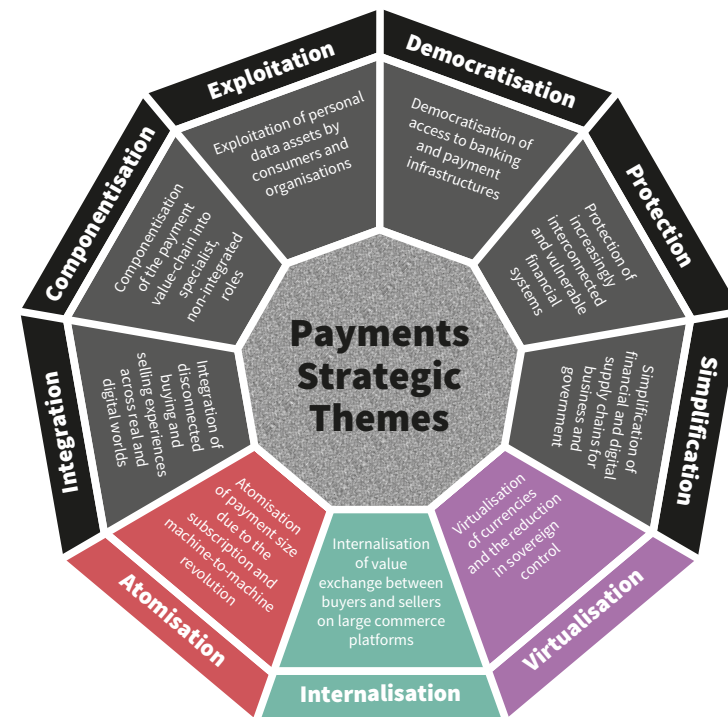
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## Nine drivers of payment trends

Through a combination of desk research and interviews with payments ecosystem experts, nine key strategic payment drivers were identified.

Three of these drivers – virtualisation, atomisation, and internalisation – are immediately significant because of their potential impact on volume displacement and growth opportunity within retail payments.



### Virtualisation

- Advances in tokenisation and ledger technology have enabled banks, governments and consumers to create and use virtual currencies as a new way of transferring monetary value.
- Virtual currencies can enhance or displace existing payment solutions when they offer faster processing, easier reconciliation and greater fee transparency.

### Atomisation

- Payments are fragmenting into ever smaller values due to changes in consumer demand and machine to machine communication, enabled by low cost and automated payment infrastructure.
- New business models are emerging from this atomisation of payments which will contribute to exponential payments volume growth.

### Internalisation

- Increasingly powerful commerce platforms are offering consumers and retailers new ways to exchange value.
- These technology firms seek to accelerate commerce on their platforms by influencing how and when payments are made.
- Their power and scale could see them bypass existing open payments infrastructure.

Are these the key trends set to shape the payments market?

How is the Covid-19 pandemic impacting them?

Join the conversation at <https://www.wearepay.uk/innovationportal>

## 2 About the study

In Q3 2019, and in partnership with Hunch ([www.brilliant-hunch.com](http://www.brilliant-hunch.com)), Pay.UK set out to identify the payment strategic drivers which will shape the payments landscape in 2030.

Combining horizon scanning, industry data and in-depth interviews with payments ecosystem experts, a further level of interrogation was then added via a workshop involving key advisory groups to Pay.UK:

### The End User Advisory Council (EUAC)

members represent the needs of our diverse community of end users. EUAC's task is to advise and challenge the work that Pay.UK does from an end user perspective and to make proactive recommendations on issues that are likely to be of current and future significance.

### The Participant Advisory Council (PAC)

is made up of a cross-section of the companies that participate in the payment schemes managed by Pay.UK. PAC advises, comments and makes recommendations on issues that are likely to be of future significance to participants.

“

Bringing all these inputs together enables Pay.UK to derive future worlds and a future vision, defining what home, work and play might look like in 2030 and the role of payments within these worlds.



# 3 Payment strategic drivers identified

Through a combination of desk research and interviews with payments ecosystem experts, we identified nine key strategic payment drivers. These strategic drivers can be understood as sets of **aggregated industry developments** that will contribute significantly to defining the world of payments out to 2030 and will continue to evolve over that period. Therefore, we will continue to monitor them on an ongoing basis and track how they are affected by market trends and consumer behaviours. The drivers are defined in detail throughout this paper.

## 3.1 Significant strategic drivers

We see three of the strategic drivers – virtualisation, atomisation and internalisation – as immediately significant, because of their potential impact on volume displacement and the opportunities they offer for growth within retail payments.

### 3.1.2 Virtualisation

We define virtualisation as the set of advances in tokenisation and distributed ledger technology which have enabled banks, governments and consumers to develop and use virtual currencies as a new way of transferring monetary value.

Tokenisation (in a payments environment) is the capability to allow card numbers and/or account numbers and sort codes and other key information to flow through a digital environment safely. It does this by encrypting or “tokenising” the sensitive data when it moves between the entities at the start and end points of the transaction chain, which have the capability to decipher the tokenised data. This technology approach is designed to make it harder for fraudsters to intercept and use key payment data.

Distributed ledger technology is a network of synchronised digital data that can span global geographies and does not have a central administrator or centralised data storage. One example of this has already been used successfully in payments: to support cross border payments from one country to another, speeding up the transaction from the current correspondent banking model and reducing the cost considerably, as less manual intervention is required.

Virtual currencies could enhance or displace existing payment solutions in the future. Currently, the number of transactions per second that can be processed is not large enough to be capable of driving this displacement, but there are other benefits we need to consider, such as easier reconciliation and greater fee transparency.

### 3.1.3 Potential impact of virtualisation

Crypto and virtual currencies are increasing in significance. Facebook’s Diem (was Libra) is the most talked-about example, drawing significant market and regulator attention from around the globe. We are seeing a real pushback against the power of global technology platforms and what may be considered adverse attitudes towards the potentially risky nature of virtual currencies, balanced with a growing interest and uptake. There are a number of central banks experimenting with

their own virtual currencies, with China’s central bank pushing ahead with multiple pilots. In the UK, the Bank of England published a discussion paper on the possibility of a central bank digital currency. Although no decision has yet been taken, a recent speech<sup>1</sup> by Andy Haldane of the Bank discusses how, in the long-term, having a digital pound might better support a policy of negative interest rates.

We believe that monitoring the global uptake of virtual currencies is key, particularly through the lenses of changing regulator opinion and action. Part of our ongoing horizon-scanning activity is to understand what the impacts may be for the payments ecosystem and for Pay.UK if virtual currencies were to become regulated and accepted.

### 3.1.3 Atomisation

We are starting to see an emerging trend of payments fragmenting into smaller values due to changes in consumer behaviour and machine-to-machine communication, enabled by low-cost and automated payment infrastructure. In the cards market, this has been driven by contactless capability, where today many consumers will happily ‘tap’ for a cup of coffee rather than use cash.

New business models are emerging from this atomisation of payments, which is likely to contribute to exponential payments volume growth.



<sup>1</sup> <https://www.bankofengland.co.uk/-/media/boe/files/speech/2020/seizing-the-opportunities-from-digital-finance-speech-by-andy-haldane.pdf>

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Cloud-based scalability  
is now being used more  
widely by our participants

3.1.4 Potential impact  
of atomisation

Atomisation presents a material opportunity, but under conditions of significant uncertainty. Machine-to-machine payments activity, driven by AI solutions such as virtual assistants, has started to take off with new use cases emerging regularly. Pay-as-you-go and subscription-based payments add volume and, if there is significant traction achieved by Internet of things (IoT)<sup>2</sup> solutions, this could have a material impact on the scalability required within the New Payments Architecture (NPA).

To help put this into context, a scenario where atomisation has a lower level impact could mean an increase in immediate payment volumes of approximately 2bn<sup>3</sup> and, in a high adoption scenario, this could increase annual volumes by as much as 24bn<sup>4</sup>. These volumes are significant increases from the 2.85bn Faster Payments that were processed by Pay.UK in 2020. They are also types of payment that do not have a clear pattern of usage,

which makes it harder to understand usage peaks and troughs. Our study considered that the likelihood of this scenario for atomisation is moderate, with a slow pace of growth unless there is significant take-up of a number of consumer propositions. An excellent example of this would be widespread adoption of Amex’s ‘Pay by Bank’ Transfer service.

Cloud-based scalability is now being used more widely by our participants, while security and hosting fears are being addressed by new constructs being made available by cloud hosting providers. In 2019 we engaged with a cross-section of our participants through our Chief Information Officer Forum, to understand their experience with cloud services. This work is invaluable to us and is helping to further shape our thoughts on hosting options for the NPA. As with all of our decisions for the NPA, we have to balance risk and resilience against capacity constraints and being able to scale at pace in a cost-effective manner.

2 IoT is the growing use of connected devices like fridges and cars, which use artificial intelligence and rules set by the owner to allow self-replenishment or payment. There is also a significantly growing trend for consumers to be able to control their heating and lighting remotely or, for example, to use their TVs to order and pay for on-demand entertainment, food and other services.

3 Includes assumption that future volumes could be impacted in markets such as the UK, where no widely adopted account-to-account (A2A) propositions currently exist and a percentage of e-commerce transactions move to A2A.

4 Pay.UK analysis of payment data – 1 Jan to 31 Dec 2019.

3.1.5 Internalisation

Increasingly powerful commerce platforms are offering consumers and retailers better ways to exchange value. Technology-led firms will seek to accelerate commerce on their platforms, by influencing how and when payments are made. Their power and scale could see them create new types of closed loops and bypass existing payments infrastructure. We refer to this trend as internalisation.

3.1.6 Potential impact  
of internalisation

Internalisation focuses on large technology platforms like Amazon, Facebook, Google, Alibaba and Tencent cutting out the need for a traditional payment scheme of any kind, by providing an “on-us” type payment capability between those platforms and the merchants in their marketplaces. This could lead to a future where a dominant player in the retail market could link the different aspects of their company together to drive this efficiency.

If this model were to gain significant amounts of volume, this could have a marked downward displacement effect on card and bank to bank (NPA) volumes, impacting on many players in the UK retail payments ecosystem. In order for us to understand more of the potential for internalisation, it is important that Pay.UK identifies and speaks to the key players who could drive this shift and highlight the opportunity the NPA brings.

3.2 Other strategic drivers

In addition to those seen as significant, six other strategic drivers have been identified. These will be monitored on an ongoing basis, with tipping point measures identified to trigger further action where necessary:

3.2.1 Democratisation

The democratisation of access to payment infrastructures refers to an increase in competition and innovation in financial services. This has opened the door to new entrants who offer lower cost, faster or smarter payments. At the same time, Open Banking regulation in the UK has mandated banks to share personal financial data, such as spending habits and regular payments, creating opportunities to develop new value and services.

3.2.2 Exploitation

For many years, until people fully understood the value of their personal data, consumers generally accepted that they did not own or control their data when using the internet. This trend of data exploitation is now being challenged by both consumers and regulators, resulting in the creation of a better ecosystem of personal data ownership and privacy. In many cases, consumers now know the value of their data and expect some value exchange for it. For example, when a consumer has to log-in to on-demand TV, in return for providing an email address, they are served more relevant advertisements.







3.2.3 Componentisation

Open Banking, alongside changing customer needs and expectations in the digital age, is contributing to what we refer to as the componentisation of the payments value chain. This is allowing new entrants to target specific horizontal niches that were traditionally the mainstay of large banks and payments service providers. Concentrating on one area of the market allows new players to do one thing very well and stay focused on the customer needs and preferences of their chosen niche. An example of this focus on one component of the value chain is the emergence of the model used by Apple Pay, where the delivery of a payments journey based on the use of a phone as a payment device has allowed Apple to take a cut of the income that banks or card schemes earn on their card payments.

3.2.4 Integration

The integration of disconnected buying and selling experiences across digital and real-world channels is helping merchants build closer relationships with customers and better understand their purchasing behaviours. Developments in payment technologies as well as cloud services, mobile connectivity, social AI and chatbots are being leveraged to offer greater personalisation and seamless experiences across every touchpoint. The ability to start a purchase journey in a digital environment and then complete it in a physical one is already happening with retail models such as “click and collect” and the increasing use of freight delivery lockboxes.

3.2.5 Protection

Increasingly interconnected financial systems are being attacked by even more sophisticated criminal and state entities. The proliferation of machine learning techniques could tip the balance in favour of attackers over defenders, which means that strong customer authentication is needed to protect financial systems. From a consumer protection perspective, this is something Pay.UK is actively exploring in the context of “Authorised Push Payment” (APP) scams and fraud, alongside the potential need for consumer protections for account to account (A2A) payments. We group these under the heading of protection.

3.2.6 Simplification

New digital payments services such as e-invoicing and smart contracts are helping to simplify financial management in corporate, SME and government environments. Straight-through processing and richer, structured payments data are paving the way for smarter payments for colleagues and suppliers across the supply chain. We refer to this trend as simplification.

# 4 End user worlds in 2030

Our study used expert predictions, in-depth interviews and secondary research looking at technology, consumer behaviours and demographic change to identify a set of macrotrends shaping the worlds of “Home”, “Play” and “Work”. We overlaid the payment strategic drivers on these macrotrends to create a series of end user stories. We are able to use these end user stories to generate industry discussions around the potential benefits and issues for end users from the world of payments in 2030.

4.1 Home – Macrotrends

Subscription economy

There is a move from ownership of a product to renting it as a service, something that is already widely accepted with music and entertainment services. We are starting to see more extreme versions of this model, for example, kitchen rental options. By 2030, we envisage many more household items following this path.

Internet of things

A desire for increased convenience is a key trend. There are much-used examples of the fridge that orders milk when it runs out, or the car that pays for a refuel automatically, which are already in production. These devices are proliferating across what is increasingly referred to as the “smart home”, giving rise to use cases such as a house which “knows” that it has a leak, – automatically shuts off the water and calls a plumber to fix it, all while the home owner is away.



Artificial intelligence

Driven by convenience, AI-enabled virtual assistant devices already do a number of useful things for us, but their functionality is very much in its infancy. In the future, AI-finance managers will be able to ensure active management of customer funds, manage cashflow to avoid going overdrawn or alerting users when they overspend. There are already elements of this capability available today, for example Kepe, an auto-switching savings account from peer-to-peer platform Crowdfunder.

Smarter data and security

Biometric data can be used to control access to locations or devices. In the home, rather than having a key to the front door, biometrics could be used to open it, while AI-enabled scanners in the “connected home”, will enable the owner to know who is in, or if anyone is there who should not be.

4.1.1 Home – what these macrotrends means for payments in 2030

Bill payments and repeat purchases

Connected devices may increase in popularity and could be controlled by home AI. AI can be used to automate chores, shop or monitor security and health. Repeat purchases could be conducted through AI and would therefore be more frequent and for smaller amounts.

One-off purchases

With many items potentially rented and regularly upgraded, one-off purchases are likely to diminish – consumers will only pay for what they use and therefore will make smaller payments much more frequently.




Inclusion and access to services

Home life will become easier and more convenient for the privileged and tech-savvy. However, the less advantaged or well-off, or those without access to credit or technology will find it far harder to access some services. We consider it of critical importance for inclusivity within the payments ecosystem to be maintained.



Home

Payments use cases that will be impacted

-  **Bill payments & repeat purchases**
-  **One off purchases**
-  **Receiving payments**



Macrotrends shaping the future

- Subscription economy**  
Enables consumers to pay for what they use, when they use it. The purchase model is moving from ownership to the renting of everything, from white goods, to cutlery.
- Internet of things**  
Extends connectivity into home devices to improve climate control, increase efficiency and security, and enable automated replenishment of consumables.
- Artificial intelligence**  
Coordinates smart appliances and software to automate home chores freeing up time for occupants.
- Smarter data & security**  
Secures home through enhanced authentication (biometric, behavioural) and connected monitoring systems managed by AI.



Summary of changes

- Connected devices, controlled by home AI, have automated chores, shopping, and monitoring of security and health.
- Most items are now rented and regularly upgraded, with consumers paying for what they use.
- Home lives have become easier and more convenient for most but not for those without access to credit or insurance.



4.2 Play – Macrotrends

Virtualisation

We expect to see a proliferation of virtual currency and virtual experiences. At present, Facebook’s Diem is the most visible move into virtual currency, but if it were to become a successful and widespread global currency, that might have significant implications for traditional currencies and payment options.

Social shopping

Physical stores could exist mainly for discovery, whereas actual purchasing may instead be conducted through social and digital channels or using mobile devices. Consumers may start a journey in a physical environment and complete it in a digital one. An example of this type of customer journey could be trying on clothing for size in a discovery store and then completing the purchase in the preferred colour or style on a device before purchasing.

Platformification  
(convergence on platforms)

This refers to the move for operating systems, social networks, shopping and banking to consolidate on powerful platforms which enable the delivery of multiple functions. This convergence is already being driven within financial services by Open Banking and it is likely to grow as new propositions emerge that drive consumer adoption.

Experience economy

A trend towards experience-based purchases rather than material purchases is emerging. Conscious consumerism is part of this trend, with examples of rental propositions for items such as IKEA kitchens, including the ability to pass on these items subsequently to others with less disposable income, in order to fulfil a social purpose. Consumerism has become more conscious, with people thinking not only about their own use, but increasingly about the end-to-end lifecycle of goods and the impact of their manufacture and disposal.

4.2.1 Play – what these  
macrotrends mean for  
payments in 2030

Micro payments


Payments are likely to be more frequent and for far smaller amounts to reflect on demand purchases, for example, as seen by entertainment streaming.

In-store purchases on  
personal devices

Payments within physical stores are increasingly likely to happen through personal devices rather than e-commerce checkout environments. In-store hardware can be dispensed with as they become less necessary to complete a purchase.


Social purchases


Reflecting the move to a more conscious consumerism, purchasing may be more considered; instant gratification is likely to be less of a primary driver as the idea of a throwaway society is challenged.




# Play

### Payments use cases that will be impacted

**Micropayments**

**In-store purchases**

**Social purchases**

### Macrotrends shaping the future

**Virtualisation**

Proliferation of virtual currency and experiences.

**Social shopping**


Physical stores exist for discovery, social becomes sales.

**Platformification**

Joining up of operating systems, social networks, shopping and banking.

**Experience economy**

Conscious consumerism, recommerce and personalisation.



### Summary of changes

Micro-moments of entertainment are paid for using frictionless virtual currency or ambient check out.

There is no longer a difference between physical and online payments, everything is cloud based.

How, when and what we purchase is more strongly driven by our social connections.



### 4.3 Work – Macrotrends

## Automation

Affordable AI and robotics will remove the need for some physical roles and augment the needs for others. This also means tasks may not necessarily need to be carried out in set geographies.

## Distribution

Today more people are working from home on a regular basis – we expect this to increase in popularity, with workers telecommuting from out of town and country, working flexible hours and in multiple roles.

## Concentration

Today's technology titans raise the potential for a world where a small number of enormous enterprises provide the infrastructure for most businesses i.e. servers, advertising, data management, robotics and payments.

## Simplification

Digitisation makes it easier to reconcile the delivery of goods and services with the relevant cashflows. This has the potential to drive growth within the SME sector and provide new types of employment.

### 5.3.1 Work – what these macro trends mean for payments in 2030

### Salary disbursements

The monthly or weekly salary could be a thing of the past, with workers being paid daily or even hourly as they work several jobs using different work patterns. We are already starting to see this emerging through the “gig economy” and zero-hour contracts. For example, in some markets, Uber drivers are now paid after each ride.

## Supply chain finance

Automated processes can be used to reduce friction, remove and simplify the steps required to fund complex or lengthy supply chains.

## Smart contracts

Smart Contracts – contracts which self-execute under particular conditions – could allow controlled exchanges of goods and services for payment, once certain criteria have been checked and met. For example, a smart contract for perishable goods on their way from Holland to the UK could become null and void if the temperature of the container rose above a certain level, or the agreed price could be recalibrated. This would reduce or eliminate the need for human involvement in payment execution and for any amends to the payment amount made.



# Work

Payments use cases that will be impacted



## Salary disbursements



- Supply chain finance



## Smart contracts



## Macrotrends shaping the future

## Automation

Affordable AI and robotics changes removes the need for some roles, and augments others.

## Distribution

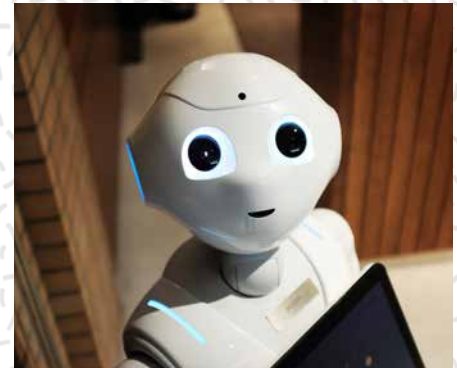
Workers telecommute from out of town and country, working flexible hours, and in multiple roles.

## Concentration

5 Bigtech companies provide the infrastructure for most businesses i.e. servers advertising, data management, robotics, payments.

## Simplification

Digitisation makes it easier to match delivery of goods and services with cashflows.



## Summary of changes

Automation has removed the need for many service and manufacturing roles but enhanced others.

5 Bigtech companies provide the infrastructure for most businesses – servers, advertising, data management.

Supply chain finance and smart contracts simplify and streamline complex and dynamic trade relationships.



# 5 The Pay.UK Advisory Councils' perspectives

For a deeper level of understanding around the role of payments in 2030, Pay.UK conducted a practical workshop to “future-gaze”, with members of its End User and Participant Advisory Councils. Pay.UK created a number of fictional user scenarios around Home, Play and Work to stimulate discussions and challenge.

We called these “Fast Forward to 2030 Stories” and shared them with EUAC and PAC members as stimulus to explore themes for the future. With inputs of the payment strategic drivers, the macrotrends around “Home”, “Play” and “Work” and the Fast Forward to 2030 fictional stories, four distinct themes emerged:

**A higher volume of payments –** There will be more frequent payments, more instant payments and more cross-border payments. Consumers will need more help with their own personal cash flow management and many more payments will be AI-led, whether at home or at work.

**The growth of platform companies –** Virtual wallets and currencies are likely to be more prevalent and big businesses will have far richer insights into their customers' behaviours. As a result of the data that is generated by more powerful analytics, firms will be able to build closer customer relationships and remove friction from the customer experience. This is likely to assist them in developing their own payment systems, which they could then operate as closed-loop networks to exert a greater degree of control over their business relationships.

**Some will win, some will lose –** A few “ultra-digital” companies will emerge within the payments landscape and, because of the data associated with payments, they will have access to richer customer insights, giving them an advantage. Payments will ultimately become smarter and richer because of the value of the data associated with them. There will be a greater divide between those who have the knowledge and the economic power to benefit from information, and those who do not.

**The majority of end users will benefit –** The majority of end users are likely to be better off as the result of having more choice when it comes to payments. Greater choice is likely to lead to greater automated switching, freeing up time. End users are also likely to be able to unlock greater opportunities through the insights derived from their data. However, these opportunities need to be carefully considered against any potentially negative impact for more vulnerable or less technology-enabled end users. This group could be adversely impacted by a increasing loss of privacy or of control over their data, exacerbating digital exclusion. These concerns must be balanced with the risks arising from potential security risks due to the reduction of friction.

# 6 Conclusions for the future of payments

The nine strategic drivers of payments identified in our study are areas that we will continue to monitor. We are developing a set of ‘tipping point’ measures which will assist us deciding when to look at these themes in more detail and when we might potentially be triggered to act.

This 2030 study was designed to stretch our thinking, allow us to identify how payments could be impacted in the future and bring to life the potential future of payments. Further feedback from our advisory councils (EUAC and PAC) prompted additional work to develop our understanding of future consumer behavioural trends and drivers, to ensure we understand some of the potential consequences that could arise from the anticipated changes in the market.

As we develop the NPA, it is key that we understand future trends and design its capability to support ongoing market needs and developments. We are considering themes such as compatibility with API technology, the use of additional data fields in the ISO standards and developing cross-border compatibility throughout the NPA design. Proper consideration of the future of payments in 2030 is central to

our proposition and our fundamental responsibility to provide both robust and resilient payment and settlement services, as well as an open and competitive ecosystem.

Understanding how payments may be used in the future is important not only for us, but for our participants and all payments ecosystem players to drive appropriate products and services into the market. Above all, consumer trust is vital and therefore we need to be obsessive about resilience as well as our role as guardian of the payments ecosystem, where we monitor and identify end user detriments and facilitate industry solutions.

For these reasons, we are launching an industry challenge to stimulate debate into how these payments trends towards 2030 will have been impacted by COVID-19.

“

Join the conversation at <https://www.wearepay.uk/innovationportal>

# 7 About Pay.UK

**Pay.UK is the not-for-profit company which runs the shared utilities and services necessary for the UK’s interbank retail payments to happen.**



A shared utilities and services model is the most efficient way for the payments industry to operate and works if the clearing and settlement services at the heart of it are robust, resilient and optimised in line with what the market demands. This is why we define the standards and rules and operate central infrastructure that accommodates multiple participants.

It is critically important for us to focus on getting the next generation payments infrastructure renewal programme right on behalf of the overall industry as we develop the New Payments Architecture. Therefore, it is crucial that we understand the future of everything to do with payments.

We know that future-proofed clearing and settlement services which are robust and resilient, plus standards and rules for enhanced functionality, means the market will have the foundation upon which to innovate and create products and services their customers require.

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