



# The Future of Payments

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Pay.UK



# Pay.UK – Who we are and What we Do

- Formed out of the PSF Blueprint and PSR directions, combining C&CCC, Bacs , Faster Payments and UK Payments
- Rationale for combining – efficiency, stand alone commercial company, driving competition into the payments ecosystem
- Completed the full Tupe of staff and responsibilities in March 2019
- Responsible for delivering the New Payments Architecture

Our Vision:

**Pay.UK is the UK's leading retail payments authority. Our aim is to enable a vibrant economy by delivering best in class payment infrastructure and standards for the benefit of consumers and businesses everywhere.**

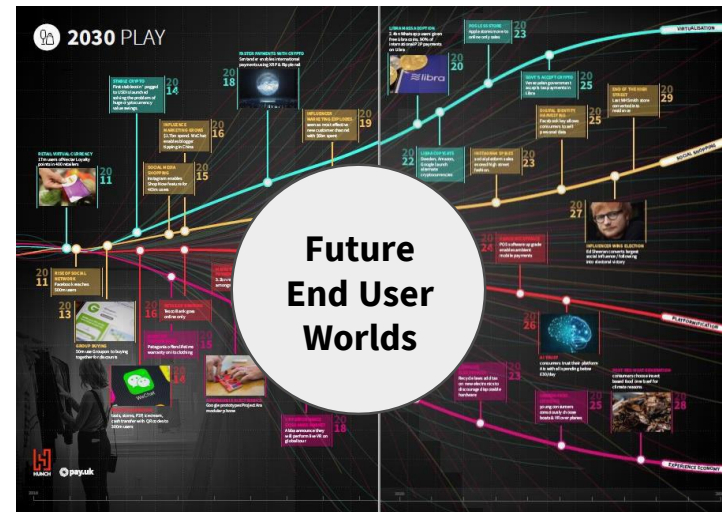
# Ambition: Looking to the future of payments for consumers

- Bring together the End User and Participant advisory councils
- Share the key trends shaping the world of payments today, and into the future
- Bring to life possible future end user worlds in 2030
- Identify the key changes to the ecosystem, the potential benefits and issues for end users that Pay.UK should be facing into today



# Methodology: Future end user voices, extrapolated from the past

The drivers of change in payments were combined with plausible end user futures to create a set of stories to generate discussion



- Hunch KnowledgeHub
- Depth interviews and workshops with market experts and commentators
- Horizon scan of commercial activity and weak signals



- Macrotrends shaping the worlds of Home, Work & Play
- Expert predictions, depth interviews and secondary research – technology, consumer behaviours, demographic change



- The intersection of payment and wider trends
- Possible future worlds brought to life through short stories
- Inspire future centric thinking and discussion amongst our members

# Stimulus Format

## END USER STORY

### Home: Transcript 1 - Autoreplenishment

I'm David Hawkes, and I consent to this recording for market research, on the condition that I am physically anonymised in accordance with GDPR 5.

So question 1 - how do you manage your home life today?

I think we're just like everyone else, we use Alexa for everything really - manage the appliances and services, do the shopping - food, cleaning, anything you don't care about. She's got all your preferences and history. She orders for all the appliances if they need something.

Question two, how is it better than before?

We've got so much more time now. I mean back in the times you spent so much time shopping for the boring stuff.

And then Alexa got good enough that we didn't have to search for things online or in the shops. You just set your rules and asked for stuff and she chooses it.

No more typing, screens, trying to compare products and prices.

No more faffing with plastic cards, typing addresses, codes.

Same for utilities.

Now we're totally hands off. It's all down to Alexa to know when to order something, find the best prices and auto switch.

And the second thing was it made our finances much easier.

No more cards, no more high street banks. It was a no brainer to switch to Amazon Bank for the 5% off everything.

Just the one Amazon credit line now and Alexa makes the decisions on what you can afford before she orders something.

All the suppliers are on AmazonPay. They just debit our account when something is delivered.

I mean we wouldn't pay for something any other way because it wouldn't work with Alexa. The more you buy the better the rewards.

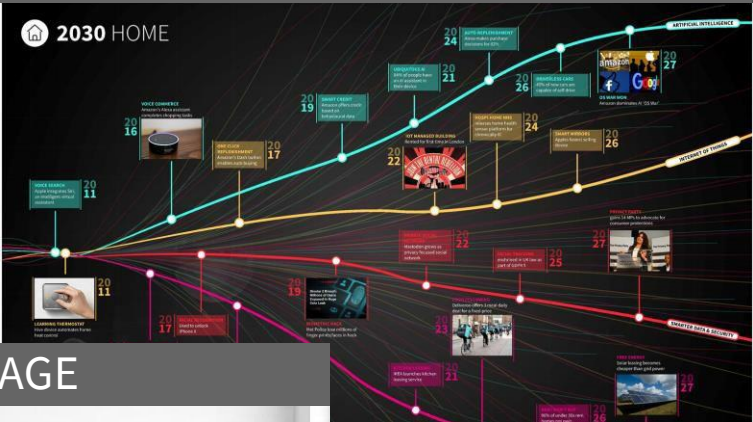
I mean I don't want Amazon to have all of our money so we use their finance marketplace. Alexa finds the best place for your money with specialist savings funds.

Is there anything that you'd change?

It was really annoying having to dump a load of devices because of the OS wars.

The big tech firms wouldn't work together. They all wanted to own you and your data so you had to pick one firm and use their operating system and hardware.

## TIMELINE OF KEY EVENTS



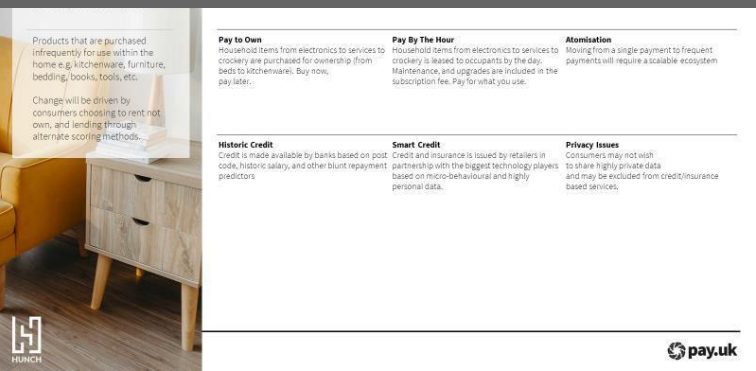
## SUMMARY OF CHANGES



## COVER PAGE



## IMPACTED PAYMENTS USE CASES



# 2030HOME



## End user HOME life in 2030

Is brought to life by identifying 4 key trends that are shaping it, expressed in a timeline of key events from 2009 to 2029

### 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

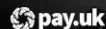
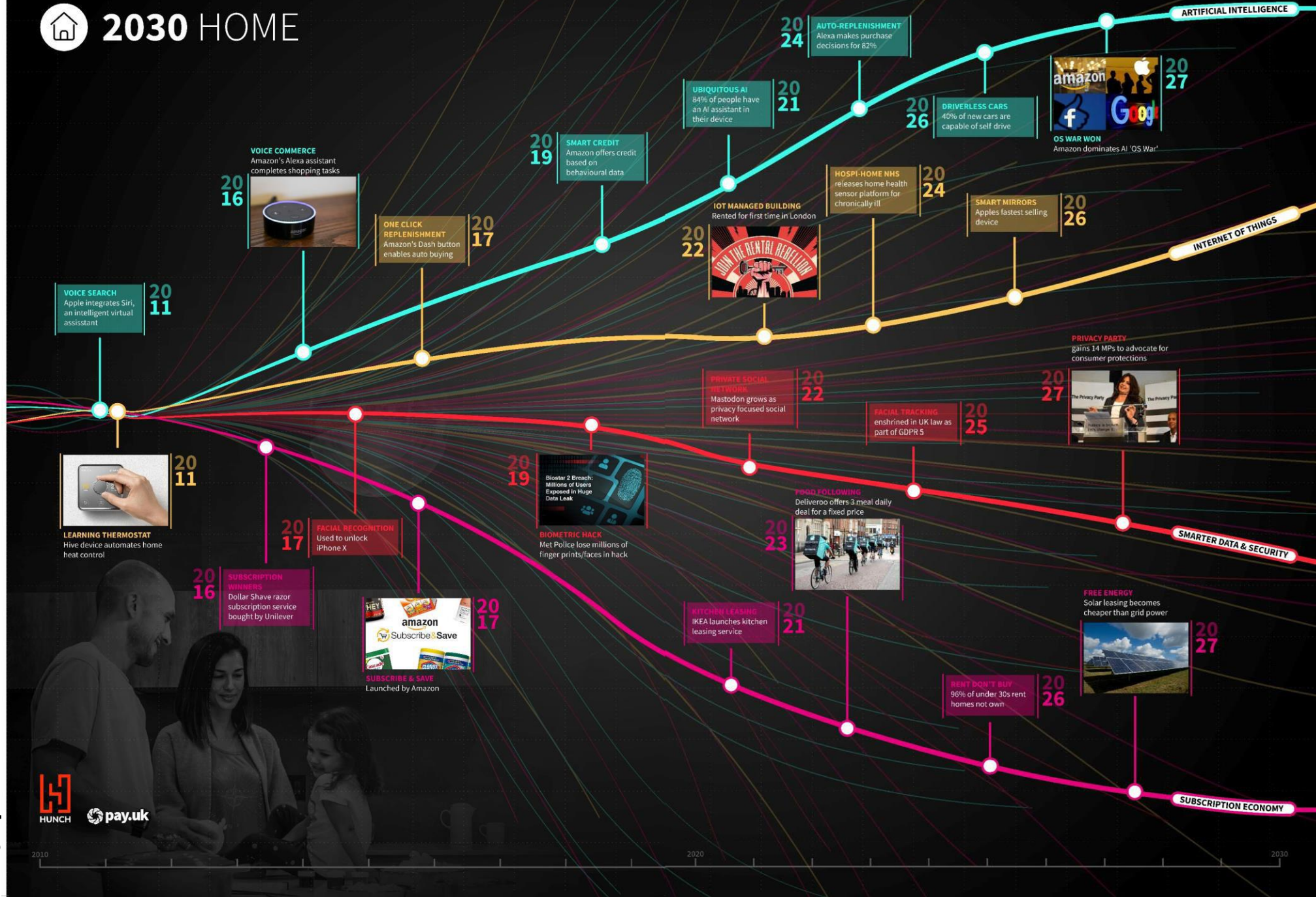
Coordinates smart appliances and software to automate home chores freeing up time for occupants.

### SMARTER DATA & SECURITY

Secures home through enhanced authentication (biometric, behavioural) and connected monitoring systems managed by AI.



## 2030 HOME



Payments Use Cases  
that will be impacted

+ Macrotrends  
shaping the future

Summary  
of changes

1

**BILL PAYMENTS &  
REPEAT PURCHASES**

2

**ONE OFF  
PURCHASES**

3

**RECEIVING  
PAYMENTS**

1

**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.

2

**INTERNET OF THINGS**

Extends connectivity into home devices to improve climate control, increase efficiency and security, and enable automated replenishment of consumables.

3

**ARTIFICIAL INTELLIGENCE**

Coordinates smart appliances and software to automate home chores freeing up time for occupants.

4

**SMARTER DATA & SECURITY**

Secures home through enhanced authentication (biometric, behavioural) and connected monitoring systems managed by AI.

1

Connected devices, controlled by home AI, have automated chores, shopping, and monitoring of security and health.

2

Most items are now rented and regularly upgraded, with consumers paying for what they use.

3

Home lives have become easier and more convenient for most but not for those without access to credit or insurance.

2030**PLAY**



## End users PLAY life in

**2030** was brought to life by identifying 4 key trends that are shaping it, expressed in a timeline of key events from 2009 to 2029

### VIRTUALISATION

Proliferation of virtual currency and experiences.

### SOCIAL SHOPPING

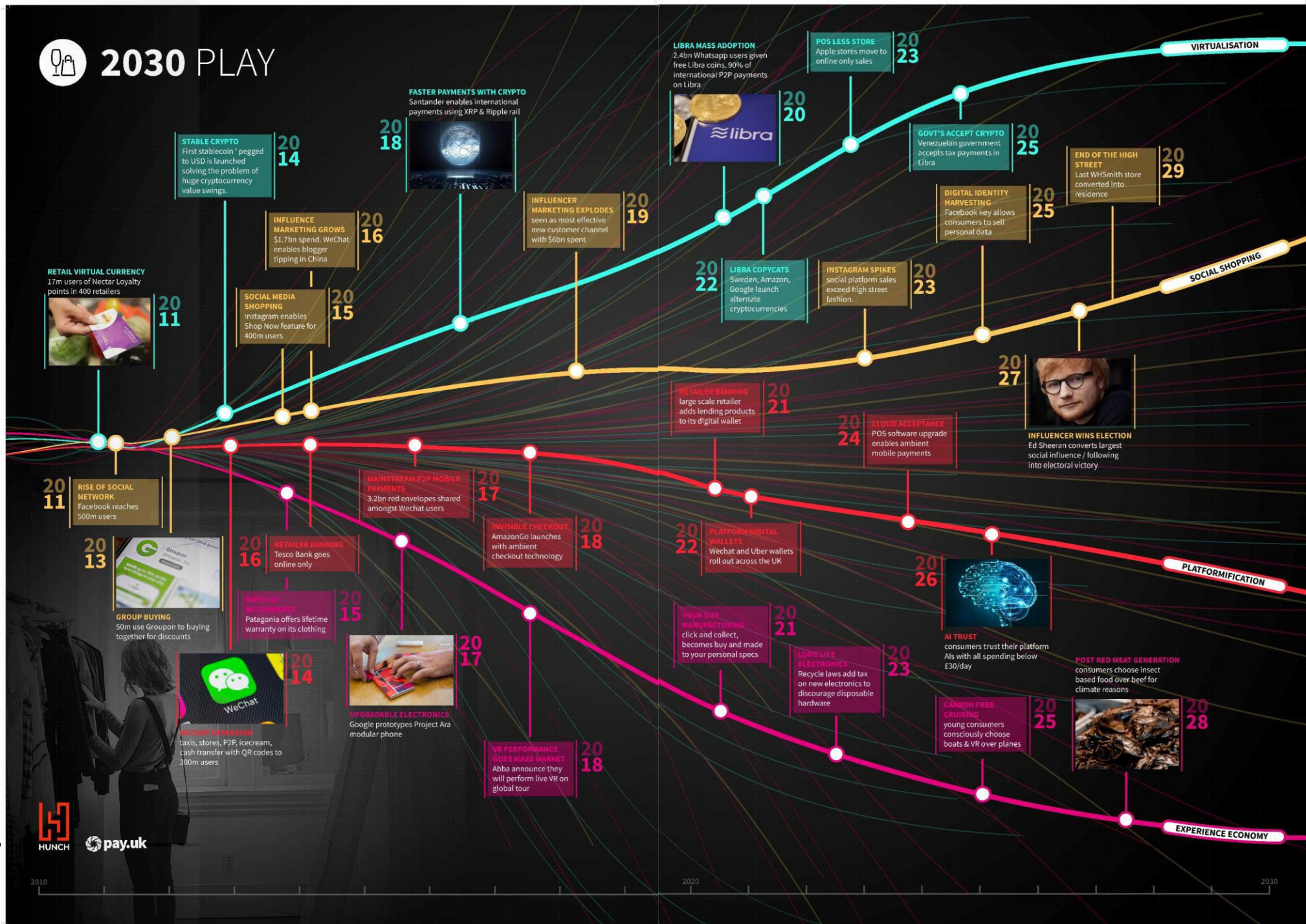
Physical stores exist for discovery, social becomes sales.

### PLATFORMIFICATION

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

### EXPERIENCE ECONOMY

Conscious consumerism, recommerce and personalisation.



## Payments Use Cases that will be impacted + Macrotrends shaping the future

1

### MICROPAYMENTS

2

### IN-STORE PURCHASES

3

### SOCIAL PURCHASES

1

#### **VIRTUALISATION**

Proliferation of virtual currency and experiences.

2

#### **SOCIAL SHOPPING**

Physical stores exist for discovery, social becomes sales.

3

#### **PLATFORMIFICATION**

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

4

#### **EXPERIENCE ECONOMY**

Conscious consumerism, recommerce and personalisation.

## Summary of changes

1

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

2

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

3

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



2030**WORK**



## End users **PLAY** life in 2030

was brought to life by identifying 4 key trends that are shaping it, expressed in a timeline of key events from 2009 to 2029

### 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.

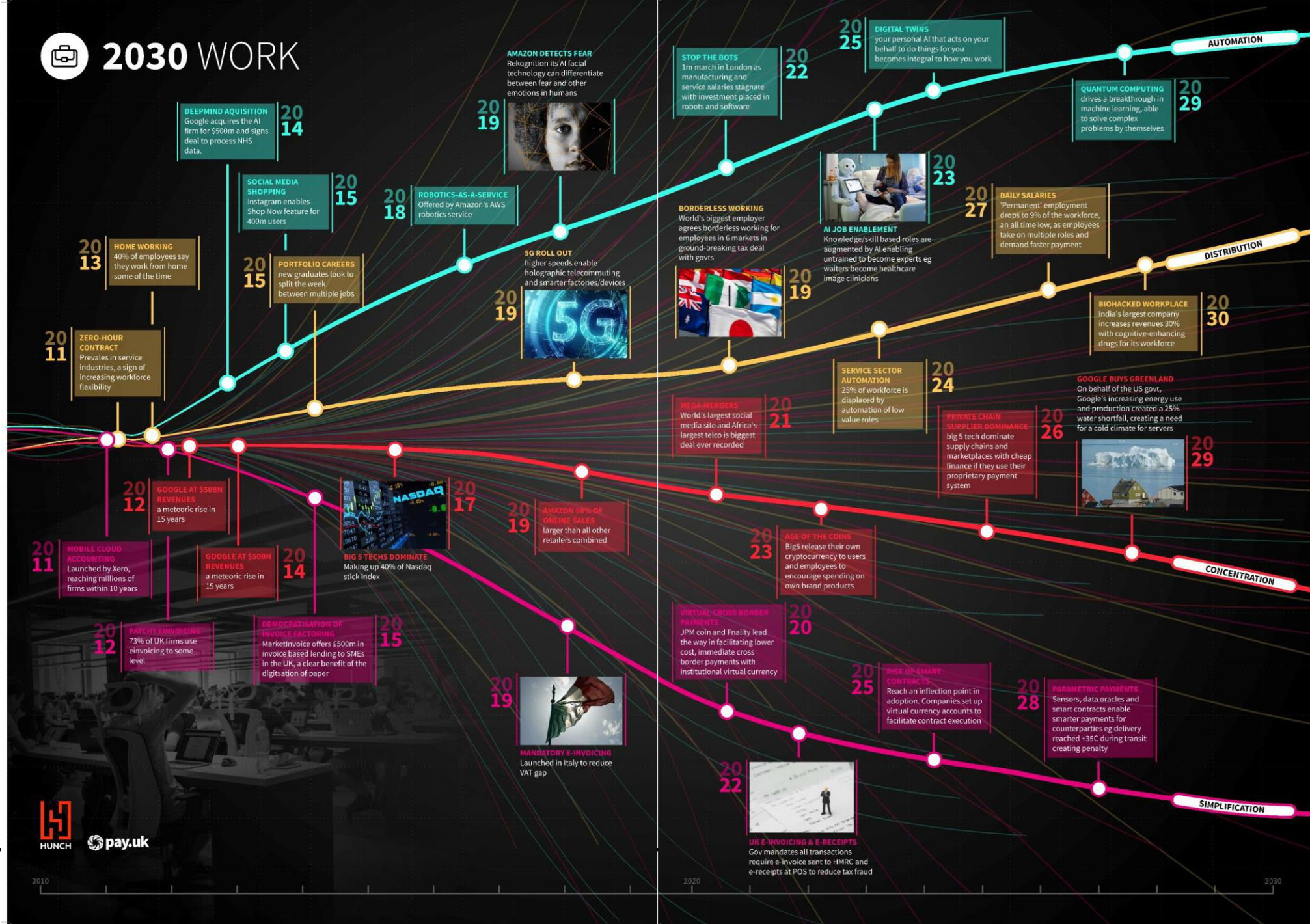
### CONCENTRATION

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.

24



## Payments Use Cases that will be impacted + Macrotrends shaping the future

1

**SALARY  
DISBURSEMENTS**

2

**SUPPLY  
CHAIN FINANCE**

3

**SMART  
CONTRACTS**

1

### **AUTOMATION**

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

2

### **DISTRIBUTION**

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### **CONCENTRATION**

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

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### **SIMPLIFICATION**

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

## Summary of changes

1

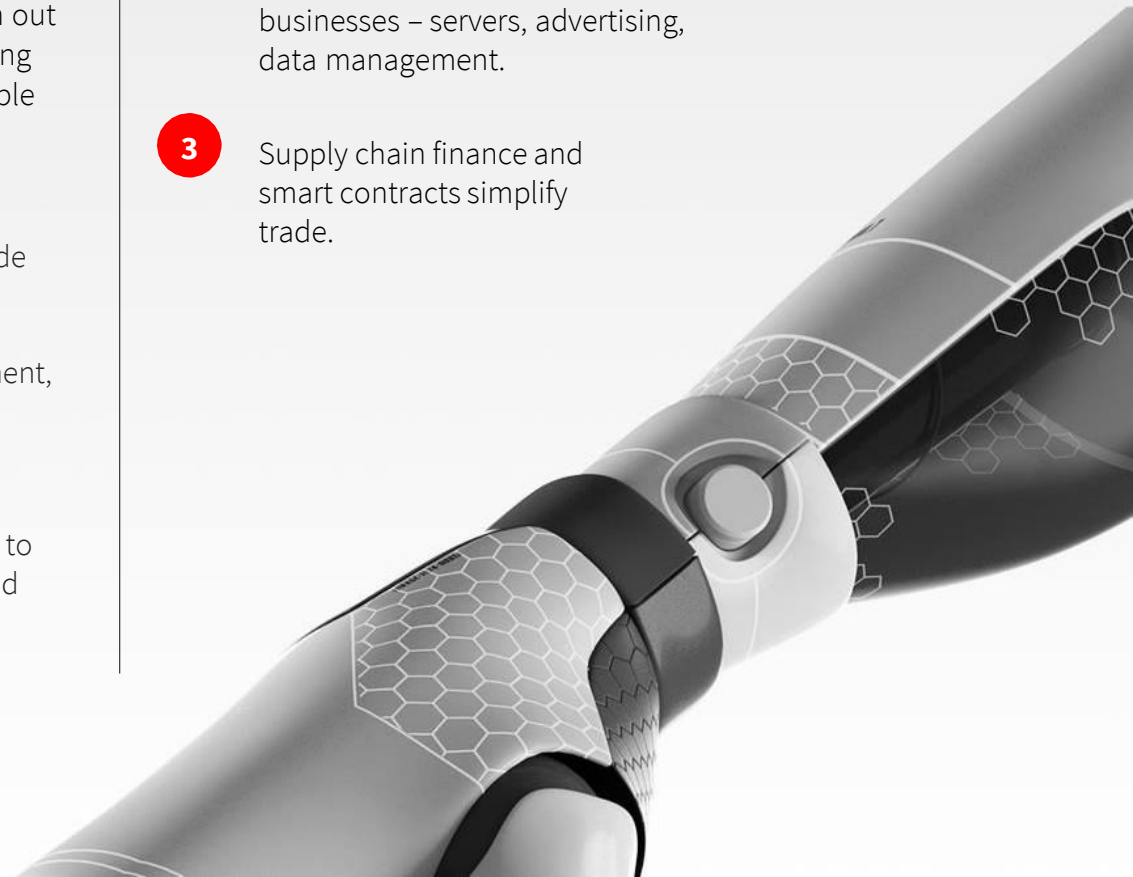
Automation has removed the need for many service and manufacturing roles but enhanced others.

2

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

3

Supply chain finance and smart contracts simplify trade.



# So how are we using these findings

- Feeding data into the NPA programme to ensure we have scalability, flexibility and are designing for the future consumer needs
- Monitoring and evaluating impacts of a number of these themes e.g. Virtualisation (e.g. Libra), Platformication (e.g. Open Banking and PISP activity), Subscription economy (again influenced by Open Banking starting to move subscription payments from cards to faster payments)
- Feeding into our internal innovation plans
- If you want to find out more or get involved, visit our website: [wearepay.uk](https://wearepay.uk)

## Video

**END**