World Report Series 2025

Payments

Velocity, meet value

Lead in the open and instant future of payments

Capgemini RESEARCH INSTITUTE

Contents

Foreword

Twenty years ago, payments were a very different business. Capgemini's World Payments Report, now in its 20th year, has had a front-row seat to this incredible transformation. From the humble beginnings of mobile payments to today's complex interconnected financial system, it's been a journey defined by innovation and disruption.

The first 10 years (2004–2013) of Capgemini's World Payments Report witnessed the launch of Google and Apple Pay wallets, P2P payments platform Venmo (US), AliPay and WeChat Pay super apps in China, the emergence of Bitcoin, and the introduction of near field communication (NFC) for contactless payments – all contributed to a surge in digital transactions. Initiatives, including Europe's Single Euro Payments Area (SEPA) for standardized payments in euro, helped lay the groundwork for a more connected financial ecosystem in Europe. In the US, The Dodd-Frank Act, enacted in 2010, marked a pivotal moment for financial stability and consumer protection with the Consumer Financial Protection Bureau (CFPB).

In the next 10 years (2014–2024) of the report, regulatory developments – including Europe's Payment Services Directive (PSD2) and General Data Protection Regulation (GDPR) – fueled innovation by fostering open banking and strong customer authentication. Significant developments were made from post-2016. India introduced its instant payment system, Unified Payments Interface (UPI), and the Clearing House launched the RTP network for real-time payments in the United States. Brazil's PIX, launched in 2020, accelerated the shift further towards instant payments. In 2023, the US Federal Reserve's instant payment system, FedNow went live. Additionally, Central Banks across the world launched several Central Bank Digital Currency (CBDC) pilots, with the potential to reshape domestic and cross-border transactions.

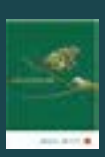
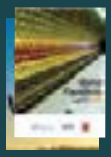
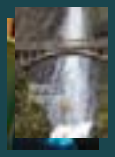
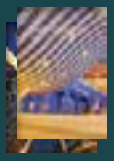
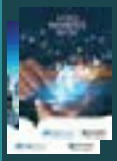
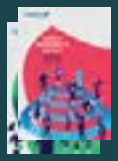
Our World Payments Report 2025 explores the immense potential of adjacent and mutually reinforcing themes of open finance and instant payments to unlock new revenue streams and customer experiences. Banks can unlock their full potential by embracing open finance and instant payments. This report is a navigational guide with tools to bridge capability gaps and elevate your transformation journey. It offers a roadmap to select the transformation approach that aligns with your firm's long-term vision for payments.

I invite you to examine our 20th-anniversary World Payments Report and discover innovative use cases, actions for real-time cash visibility and operational efficiency, and insights from industry participants to help your organization gear up for the exciting, opportunity-filled future of payments.

Anirban Bose
Financial Services Strategic Business Unit CEO
& Group Executive Board Member, Capgemini

World Payments Report Series

Capturing payments evolution since the beginning of the 21st century

	2004/05	2006/07	2008/09	2010/11	2012/13	2014/15	2016/17	2018/19	2020/21	2022/23
Non-cash transaction volume (billions)		157	176	311	361	439	548	705	1,016	1,411
KEY EVENTS GLOBAL PAYMENTS LANDSCAPE	• Launch of the iPhone in 2007 lays the groundwork for mobile payments • EU: PSD1 in 2007 establishes the foundation for a single EU market for payments, for safer and more innovative payment services across the EU, aiming to make cross-border payments as easy, efficient, and secure as national payments within a member state • China: Alipay launched in 2004, revolutionizing mobile payments		• Bitcoin in 2009 emerges as a new payment method • Google Wallet launched in 2009 as the first global mobile payment system • US: P2P payment services like Venmo (founded in 2009) gain popularity • US: Dodd-Frank Act in 2010 aims for financial stability by improving accountability and transparency in the financial system • EU: Launch of SEPA in 2008 (Single Euro Payments Area) makes sending money easy • UK: launch of Faster Payments System in 2008, enabling near-instantaneous bank transfers		• Launch of blockchain-based payment systems in 2012, enabling real-time cross-border payments through initiatives like Ripple • Launch of Apple Pay in 2014, kick starting the digital wallet era		• US: Launch in 2017 of Real-Time Payments by The Clearing House • EU: GDPR launched in 2016 to strengthen data protection and privacy • EU: PSD2 launched in 2018 enhances competition and innovation, mandating strong customer authentication • India: Launch of unified payment interface in 2016, shaping digital payment landscape		• BNPL launched in 2020 with large adoption of Klarna and Afterpay • CBDC in 2020: Pilots in China and Sweden • US: Launch of FedNow in 2023 offering faster, more efficient, and secure payment options • EU: PSD3 proposal in 2023 to further streamline payment services and enhance consumer protection • Brazil: PIX launched in 2020, an instant payment system
										
KEY MESSAGES WORLD PAYMENTS REPORT	• Rapid growth of electronic payments with the introduction of SEPA (Single Euro Payments Area), increasing transaction volumes and decreasing costs • Competitive and regulatory pressures reshape the European payments market, urging banks to strategically reposition to capture new opportunities (SEPA & PSD1 adoption)		• Harmonization of payments standards can deliver significant cash management benefits • Emergence of new payments hub concepts, enabling banks to execute both revenue-focused and cost-focused initiatives effectively • Rapid growth of non-bank mobile payment providers		• Forecast for m-payments indicates continued robust growth, with non-bank providers playing a crucial role • Growing shift towards more non-cash and diverse payment methods due to the global financial crisis and the eurozone debt crisis • Immediate payment systems are being adopted globally: faster transaction times, reducing fraud, and lowering transaction costs		• FinTechs increase competitive pressure on banks, necessitating improvements in digital offerings and customer experience • Adoption of multi-layered security measures by banks • Digital payment methods like cards and electronic transfers are becoming dominant • Non-cash transaction growth is driven by emerging markets (APAC)		• Acceleration of the adoption of next-generation payment methods • Payment firms must leverage APIs and cloud to build customer-centric platforms and ecosystems within the Payments 4.X framework • Banks must adapt to SMB needs for their growth • Upgrading commercial payments and cash management for corporate clients

Executive steering committee

The Executive Steering Committee participants for our World Payments Report 2025 included top executives from leading banks and industry partners. We are grateful for their time, experience, and vision as they helped guide our report's content.

Banks

Pierre-Antoine Vacheron
CEO of BPCE Payments
France

Emanuela Saccarola
TTS Head of Cross Border Payments,
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Tino Kam
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Payment & Settlement Services,
ING Bank, Netherlands

Lionel Chaine
Chief Information Officer
Bpifrance, France

Anand Sampath
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Head - Global Payments & Collections, GTB,
First Abu Dhabi Bank, UAE

Payment system (infrastructure) providers & operators

Ben Isaacson
SVP. Product Strategy,
The Clearing House, US

Édouard Mandon
Co-founder & CEO
Numeral, France

Technology leaders

Rupak Das
Managing Director –
Payments Sales
Thought Machine, UK

Nilesh Dusane
Global Head of Institutional
Payments
Amazon Web Services (AWS), US

Matt Wegner
Vice President,
Global Payments & Risk
Adobe, US

Executive summary

Gear up for the payments transition

The global payments industry is undergoing a seismic shift as consumers increasingly adopt digital transactions over cash. As trust in digital payments continues to grow, non-cash transactions are surging, with the Asia-Pacific region setting the pace. What's fueling this rapid transformation? Supportive regulations and innovative industry initiatives have both played key roles, especially open finance and instant payments.

Open finance is evolving from open banking using technology and data sharing to create a more transparent and interconnected financial ecosystem. It empowers consumers and businesses with individualized financial products, enhanced credit assessments, and streamlined financial management. While its potential is immense, widespread adoption is uneven across the globe. However, it is poised to revolutionize the financial industry, catalyzing the adoption of instant payments and reshaping the competitive landscape.

Now operational in over 80 markets, instant payment volumes are picking up speed. We expect growth to accelerate as use cases expand and more non-bank payment service providers participate, thanks to more 'open' participation norms in local schemes. Integrating instant payments with open finance use cases can unlock substantial value for banks and other financial institutions. One in two payment executives we surveyed said they prioritize retail instant payment use cases, while another 31% said they prioritize B2B instant use cases.

From just banks to connected marketplaces, all prepare to tap the instant opportunity

Retail payments are transforming as consumers demand flexible options. Digital wallets, increasingly popular online and in-store, are reshaping the payment landscape. While bank-owned wallets face stiff competition from established tech giants and FinTechs, disruptive account-to-account (A2A) payments are emerging. Instant A2A's potential to cannibalize traditional card payments – a significant revenue source for banks – demands a strategic response. To mitigate risks and capture new opportunities, banks must adopt a multi-rail payment approach that protects existing revenue streams while exploring innovative instant payment services enabled by open finance.

Unraveling corporate payment complexities for real-time treasury capability

B2B payments are rapidly digitizing. We expect global B2B non-cash transaction volumes will likely grow by 10.8% year-over-year in 2024, with an 11.4% CAGR through 2028. Despite this progression, transaction banking often falls short of corporate expectations.

Our survey of 600 treasury executives revealed that inefficient cash management, including poor forecasting and lack of visibility, costs businesses nearly 7% of revenue annually, translating to billions of dollars in trapped liquidity. Instant payments and open finance can revolutionize accounts payable and receivable processes, providing real-time cash visibility and driving operational efficiencies.

Strategic vision helps banks switch from stop-gap tactical adjustments to long-term transaction flexibility

Challenges and opportunities mark the complex transition to instant payments. Incumbent banking systems, built for batch processing and limited operating hours, are often ill-equipped for the demands of real-time payments. The shift to continuous 24/7 and 365 days processing will require significant operational changes. Concurrently, banks must strengthen fraud prevention and anti-money laundering (AML) measures to mitigate new risks.

Many banks are adopting Payment-as-a-Service (PaaS) to accelerate their transformation while leveraging cloud-based, composable functionalities to gain agility and flexibility. The approach enables faster adaptation to changing market conditions and the introduction of new products and services.

To thrive in the evolving landscape, pacesetters will embrace open finance and instant payments. By combining these powerful forces and leveraging advanced technologies, they can create innovative value propositions that meet the changing needs of consumers and businesses. This strategic shift is essential to maintain competitiveness and drive profitable long-term growth.

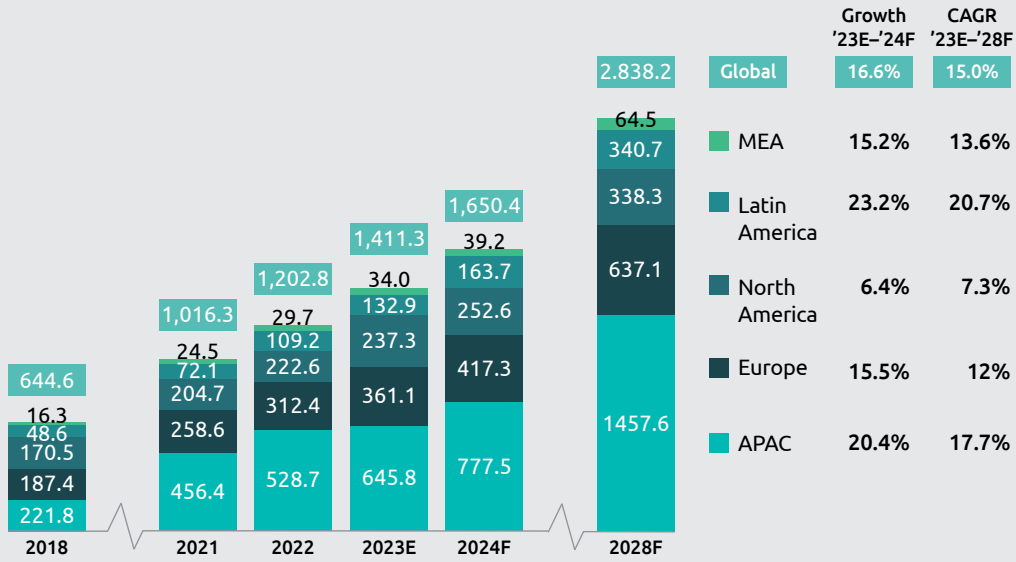
Gear up for the payments transition

The non-cash transaction boom creates massive opportunity

As consumers increasingly favor digital payments over paper and coins, non-cash transactions are surging. In 2023, non-cash transaction volumes worldwide reached nearly 1,411 billion. Forecasts indicate transaction growth to around 2,838 billion by 2028 – for 15% compound annual growth (2023 - 2028) (Figure 1).

- The Asia-Pacific (APAC) region is leading the charge with a staggering 17.7% projected annual growth, solidifying its position as the fast growing geography for non-cash transactions. In 2024, APAC exhibited one of the high year-on-year (YoY) growth at 20.4%, illustrating the ongoing digital shift in the payment landscape.
- Even established regions like Europe and North America are experiencing significant growth. Europe's non-cash transactions reached 361 billion in 2023, with a 15.5% YoY increase in 2024 and a projected 12% compound annual growth (CAGR) from 2023 to 2028. North America saw around 237 billion in non-cash transactions, a 6.4% YoY increase, in 2024 with a projected CAGR of 7.3% from 2023 to 2028.
- Historically-cash-reliant Latin America, the Middle East, and Africa are shifting to non-cash. Latin America reached nearly 133 billion in non-cash transactions, a 23.2% YoY growth spike in 2024, with a projected 20.7% CAGR (2023 to 2028). The Middle East and Africa (MEA) reached 34 billion non-cash transactions, a more than 15.2% YoY increase, and we expect similar compound growth by 2028.

Figure 1. Worldwide non-cash transactions (enterprise and retail, volume in billions, 2018 - 2028F)



Sources: Capgemini Research Institute for Financial Services, 2025; ECB Statistical Data Warehouse; BIS Statistics Explorer; Countries' central bank annual report
Note: 2023E represents estimated and 2028F represents forecasted

We surveyed 200 payment executives for the World Payments Report 2025 across major global markets, and 77% said e-commerce growth is the critical driver accelerating the shift to non-cash transactions. The pandemic-induced surge in online shopping reduced cash use at physical stores, with consumers increasingly favoring digital payments such as wallets, cards, and account-to-account (A2A) transfers.

Commercial priorities also reflect the shift. We polled 600 corporate treasury executives across the insurance, retail, and automotive sectors, and most said they plan to expand their e-commerce presence and enhance online channels. With the rise of direct-to-consumer (D2C) strategies, the demand for seamless omnichannel experiences and diverse digital payment options promises to remain robust, further propelling non-cash transaction growth.

Beyond e-commerce, more than 65% of payment executives recognize the significance of expanding instant payment infrastructure to drive non-cash transactions. FinTechs and PayTechs pioneered various overlay services and use cases by harnessing open banking APIs, thereby boosting digital payment instrument adoption.

Regulatory and industry initiatives drive the future of payments

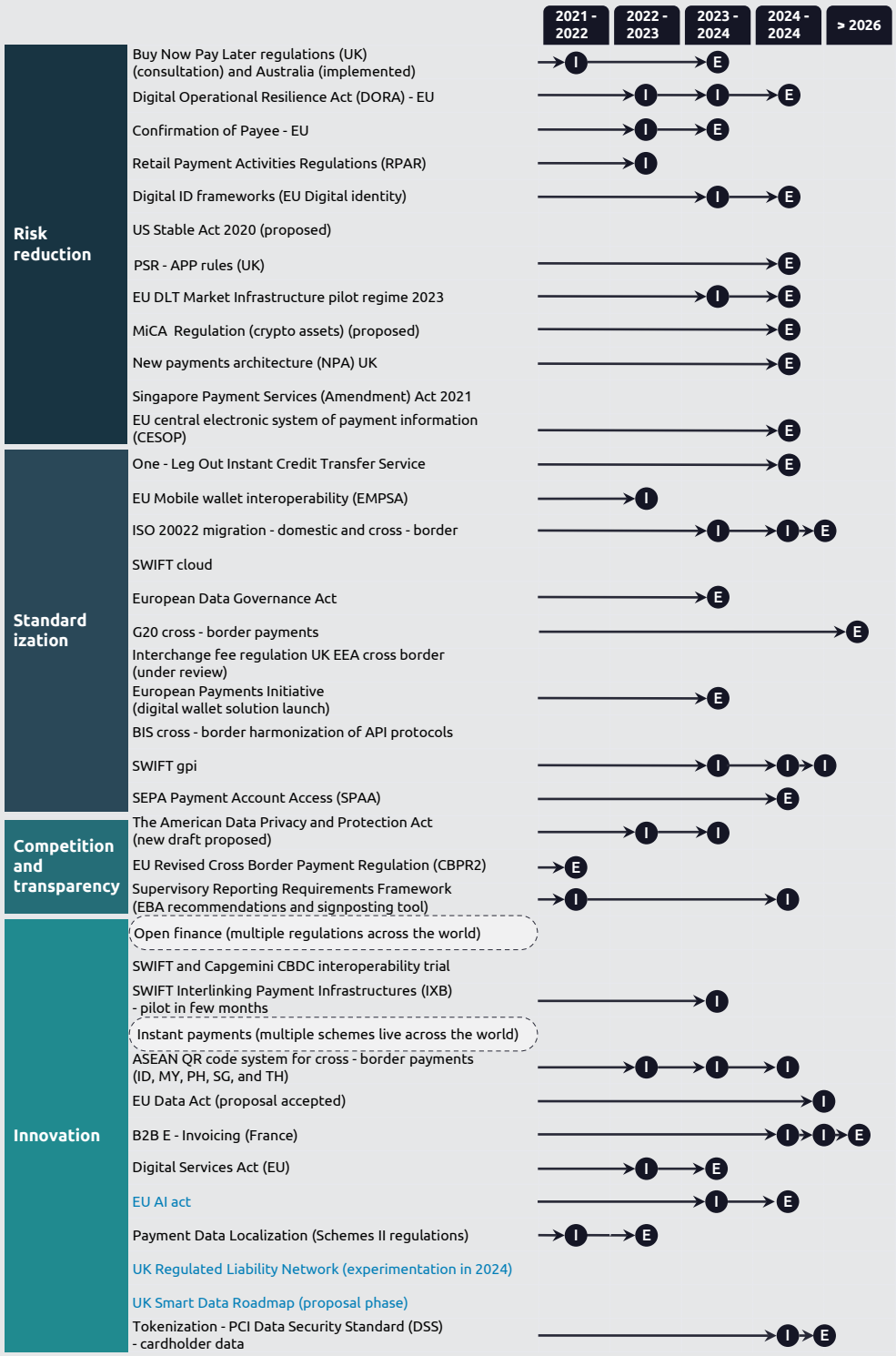
Governments and regulatory bodies are implementing policies to promote digital payments that support financial inclusion, transparency, and security while reducing paper currency and checks (Figure 2).

Simultaneously, industry stakeholders are spearheading innovative payment technologies, improving infrastructure, and fostering collaborations to make it easier to adopt cashless transactions.

Among industry initiatives to look out for in 2024 and beyond is the One-Leg-Out (OLO) instant credit transfer service. The European Payments Council (EPC) announced the scheme in November 2023. Instant OLO transactions can initiate from the eurozone to anywhere in the world, in any currency, and can be incoming or outgoing account-to-account-based credit transfers. The instant credit transfer scheme promises faster international payments, more cost transparency, and better payment status traceability.The Euro leg of an OLO transaction is processed 24/7, 365 days a year.

65%
of payment executives recognize the need to expand instant payment infrastructure

Figure 2. Key Regulatory & Industry Initiatives (KRIIs) are driving payments transformation



Sources: Capgemini Research Institute for Financial Services, 2025; GlobalData

Santander and Iberpay partner to drive instant international payments

Banco Santander demonstrated its commitment to supporting international business in 2023 by channeling nearly EUR 26 billion in financing to over 168,000 Spanish companies. They further strengthened their international offerings with the launch of "One Trade Multinationals," a solution designed to provide companies with a unified view of their global subsidiaries.

In a significant step forward for international payments, Santander partnered with Iberpay in May 202transfers under the European Payment Council's One-Leg Out (OLO) instant credit transfer scheme.

The new system streamlines international payments with the eurozone, offering a range of benefits. Payments including cross-currency are completed in seconds, with 24/7 availability for initiation and completion. Increased transparency throughout the process allows for better tracking and traceability of each transaction.

Open banking laid the groundwork for tomorrow's open finance movement

In addition to the many industry and regulatory initiatives underway, open finance has become a transformative force for the payments industry. In the early 2000s, data aggregators like Yodlee and Intuit pioneered data sharing between FinTechs and financial institutions by employing screen scraping. This method fostered a data sharing ecosystem but also introduced significant security risks. As a result, APIs gained prominence as a more secure alternative. Europe's Payment Service Directive 2 (PSD2), introduced in 2018, marked a pivotal regulatory step by mandating consent-driven access to payment and account data for third-party providers, laying the groundwork for modern open banking. The concept is rapidly gaining global traction, with regulators and market forces encouraging acceptance.

Open banking's impact is undeniable. Payment executives surveyed identified top three key impacts of open banking:

- Empowers the creation and sale of new data-driven financial services.
- Leads to a better customer experience.
- Simplifies and modernizes traditional banking processes.

However, it's not all smooth sailing. Payment executives ranked their three top open banking challenges as follows:

- Non-standardized APIs
- Little control over data use and sharing and
- The lack of incentives to share bank data with third parties (e.g., FinTechs and PayTechs)

Nigel Dobson, Banking Services Portfolio Lead at ANZ Bank, Australia agrees when he says, "While data security remains paramount, the past five years have seen open banking evolve towards its potential. Consumers are rightfully cautious, and regulators are prioritizing customer protection due to increased fraud and scam concerns. This focus has created a tension between empowering users with control over their financial data ("my data and its governance") and unlocking its value through innovative services ("my data and its utility"). Open finance must bridge this gap, striking a balance between both aspects."

Open finance has the potential to expand open banking concept to encompass all aspects of a customer's financial life, including insurance, mortgages, investments, pensions, wealth management, and lending data. The result? A comprehensive 360-degree view of the consumer's financial footprint.

"Open finance is fundamentally reshaping the financial landscape. By creating a new data layer, it's fueling innovation and empowering consumers to take control of their financial lives. The traditional banking model is evolving as we shift towards a hyper-personalized approach. By leveraging open finance data, we can deliver tailored solutions that truly meet the unique needs of our customers, strengthening our relationships and driving business growth."

Matt Wegner
Vice President, Global Payments & Risk, Adobe, USA

Open finance: Around the world and all over the map

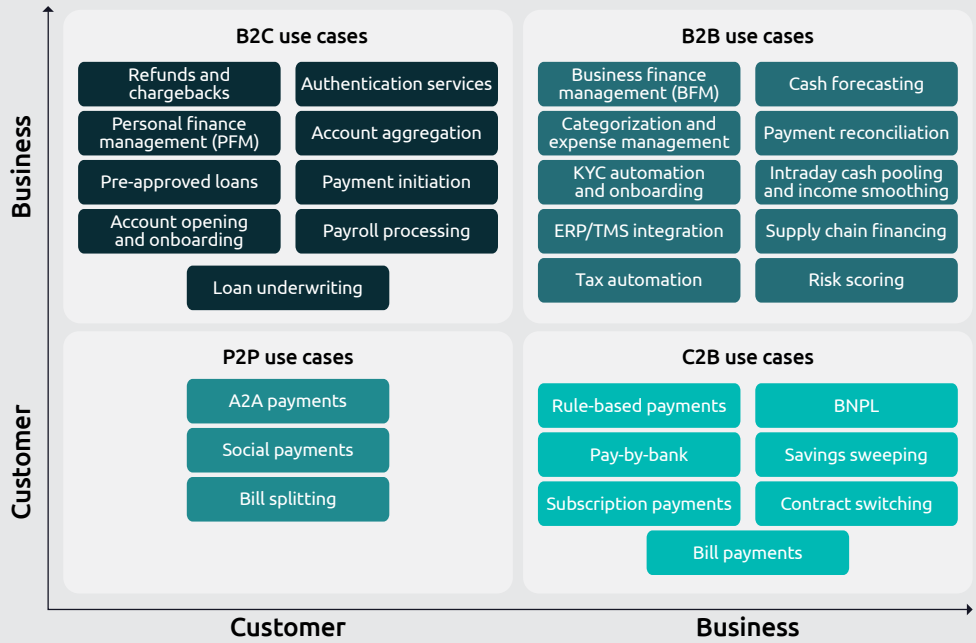
Open finance progress and maturity varies across markets due to differences in regulatory frameworks and market initiatives. Factors such as open finance policies, time, governance frameworks, defined use cases, regulatory sandboxes, and data-sharing compliance measures play a crucial role in determining the pace of adoption.

APAC: South Korea, Singapore, Australia, and India are leading open finance initiatives in the region. South Korea announced MyData in 2022 to standardize data-sharing mechanisms, including regulator-defined use cases in accounts, payments, and lending. In 2025, full implementation will include rollouts in the healthcare, employment, labor, and real estate sectors.[2]

Singapore's open finance strategy prioritizes market-driven growth, with the Monetary Authority of Singapore has played an essential role in the open banking process.

India's Account Aggregator (AA) system, introduced by Reserve Bank of India in 2016 and launched in 2021, is making waves. With user consent at its core, this system allows banks, pension funds, insurance provider, and investment firms to pool customer data. This vast trove of diverse information empowers third-party developers to create

Figure 3. Early open finance adopters are poised to drive innovation with real-world applications



Sources: Capgemini Research Institute for Financial Services, 2025; FDX(US), switchcraft

innovative new financial products and services. In Australia, the Consumer Data Right (CDR) regulation was introduced in 2017 to give consumers greater access and control over their data. The CDR legislation's scope was beyond just payments data and covered other sectors like utilities to encourage competition. The Australian government has identified open finance as the next priority area to expand the scope and scale of CDR.[3]

Europe: The European Union is undergoing a significant overhaul of its financial landscape. In June 2023, the European Commission unveiled plans for the Payment Services Directive 3 (PSD3), aiming to foster competition and innovation within the financial industry. This directive, slated for publication in late 2024 or early 2025, will introduce more stringent Strong Customer Authentication regulations and tighten control over access to payment systems and account information. Complementing PSD3, the commission also proposed a regulation on a framework for financial data access (FiDA) in June 2023. This initiative seeks to promote open finance and data-driven financial services by granting consumers greater control over their financial data.

In the UK, Smart Data initiative's phase one launched in April 2022 and set to complete in 2024, includes comprehensive open finance policies and frameworks and regulatory sandbox testing mechanisms that secure customer data sharing upon the individual or business customer's request to authorized third-party providers (TPPs).[4]

North America: The United States is taking steps toward a more standardized open finance system. In late 2018, the US Financial Data Exchange (FDX) developed a free API technical standard on user-permission data-sharing principles to guide the financial services industry to a secure, transparent, and consumer-first approach. After years of market-driven initiatives, the Consumer Financial Protection Bureau (CFPB) founded as part of Dodd-Frank Act 2010, is targeting the establishment of rules around the legal data transfer and compliance framework under section 1033 by October 2024.

Canada is lagging in embracing open banking and open finance initiatives. Canada's federal government in 2024 has mandated the Financial Consumer Agency of Canada (FCAC) to oversee and enforce an open banking framework.

South America: Brazil leads the open finance initiative in the region, primarily driven by the central bank with an open finance initiative launched in 2020. By 2023, open finance recorded 17.3 million consents from customers to share their personal and banking data between participating financial institutions. In the same period, 10.8 billion successful communications were also recorded within the financial ecosystem.[6] In December 2023, the Central Bank of Brazil further simplified the consent renewal process that aims to make data sharing more accessible and convenient for individuals and companies participating in an open financial system.

Open finance boosts value creation across business models

Open finance creates a 360-degree holistic view of client with a financial data pool and embedded APIs that enables personalized financial products and services, fairer credit assessments, and better financial well-being through streamlined management and tailored advice. It also fosters innovation, creating new business use cases (Figure 3) and revenue streams across industries. By automating processes and eliminating intermediaries, open finance improves efficiency, reduces costs, and promotes greater financial inclusion for underserved populations. Use cases are proliferating across the payments landscape.

B2C use cases gain traction in personal finance management

Several B2C use cases can benefit from open finance by simplifying refunds and chargebacks, pre-approved loans, multi-bank account aggregation, payment initiation, and request-to-pay that play on payment rails.

Personal finance management (PFM) is a widely used service leveraging open banking, particularly in response to higher inflation and ongoing market uncertainties. Basic PFM leverages account aggregation, spending insights, and budgeting tools. However, customer satisfaction remains a challenge. According to the World Retail Banking Report 2024, only 25% of surveyed customers said they were delighted with their bank's PFM app, while 31% were merely satisfied.

Only **25%** of customers are delighted with their bank's personal financial management app

So, how can open finance revolutionize PFM? It expands personal finance management capabilities by integrating data from multiple connected accounts (multi-banking integration).
Imagine a complete view of income sources and expenses – subscriptions, recurring payments, and more – all in one place.
Investment data becomes a powerful ally. Open finance enables personalized advice on wealth management, pensions, and insurance. Customers can make informed decisions based on their financial goals. PFM extends beyond the basics. Think tax automation, carbon footprint monitoring, and tailored product recommendations that enrich user experiences.

P2P and C2B use cases

A2A payments are now widely used open finance applications. PayTechs, including Venmo, Stripe, Adyen, and PayPal, were at the forefront of A2A payments, allowing them to bypass expensive card networks. Businesses pay up to 3% of a card transaction versus a few cents for A2A payments. In response, FinTechs leveraged traditional payment rails Automated Clearing House (ACH) in the United States and SEPA in Europe) alongside open finance APIs from account aggregators (i.e., Plaid) for verification and strong customer authentication.

A2A payment popularity has prompted banks and card schemes, including JP Morgan and MasterCard, to launch pay-by-bank services that let customers pay bills directly from their accounts. A2A payments offer a cost-effective solution for wallet top-ups, subscription services, high-value transactions, bill payments, utilities, and Variable Recurring Payments (VRP).

Open finance and strategic partnerships can revolutionize financial management for SMBs[7]

Many small-to-mid-sized businesses (SMBs) manage finances manually using spreadsheets and relying on external help to understand their financial health. In the UK, HSBC recognized the opportunity to bolster its financial advisory role by leveraging clients' transaction data. However, the bank needed to consolidate this data into a centralized platform to provide comprehensive financial insights and deliver customer value.

The bank partnered with Strands – a FinTech with expertise in open finance, machine learning, and AI – to integrate external accounting data into Kinetic, its app-only digital bank for small businesses. The powerful Strands' BFM platform enables Kinetic to provide automated onboarding, in-app overdrafts, controllable debit cards, and financial management tools. A key feature is a powerful transaction categorization engine aligned with the UK's tax office, simplifying client financial tracking. Kinetic now offers international payment capabilities for small business owners, allowing them to send and receive payments from over 200 countries within a daily limit.

Interestingly, A2A payments have gained significant traction even in high-risk payment sectors such as iGaming, e-betting, and online sports. These industries face challenges related to high chargeback rates and fraud. Traditional card networks often avoid these sectors because of the high-risk nature of payments and chargeback operational burdens. The convergence of open finance and instant payments has empowered these high risk sectors to deliver enhanced payment services while maintaining effective risk management.

Open finance also presents an opportunity for savings sweeping, where customers automatically transfer excess funds from checking accounts to high-yield savings or money market accounts using sweeping variable recurring payments. In today's economy, sweep accounts steer cash into bank or brokerage money market accounts that can earn interest at the close of each business day. As a result, savers and investors earn yields on funds that would otherwise lose value to inflation. As money finds its optimal risk-return balance, the volume of flows is expected to rise driving demand for real-time payments.

B2B use cases

The financial landscape is shifting, and open finance is leading the charge by empowering corporate and small-to-mid-sized business clients with improved treasury and payment capabilities:

- **Wider access to capital:** Businesses can secure financing faster and at potentially better rates through a broader rangeof lenders.
- **Unprecedented financial clarity:** As commercial clients gain real-time insights into cash flow, they can identify spending patterns and confidently make data-driven decisions through business finance management (BFM).
- **Streamlined operations:** Businesses can automate more tasks, improve efficiency, and gain a competitive edge with a multibank view.

Open finance unlocks significant value and growth opportunities by providing easier access to capital, enhanced control and transparency over cash flow through BFM, and the ability to streamline operations through data-driven insights. BFM facilitated by open finance can streamline invoice management and tracking, identify discrepancies, simplify payment processes, and automate reminders. In addition, APIs enable a seamless exchange of information with accounting systems to unify reconciliation. A key advantage is categorizing income and expenses to align with annual reporting standards.

BFM can improve the experiences of corporate and SME clients by automating tax processes, facilitating in-depth cash-flow analyses, and even uncovering potential investment opportunities. Functionalities are accessible through a personalized dashboard that provides a comprehensive 360° birds-eye view of business finances and key performance indicators (KPIs). This holistic approach empowers businesses to make informed financial decisions while optimizing treasury operations.

Another open finance use case for business is bulk payments (also known as file payments). Small and large companies must pay suppliers, contractors, and payroll. Traditional bulk payments, primarily offered by banks, can be cumbersome. They require adherence to specific file formats with numerous fields and strict guidelines, making integration with existing systems difficult. This complexity increases the likelihood of errors and delays. A failed payment can cancel the entire batch, further complicating the process. Bulk payment reconciliation remains manual and prone to human error and potential financial inaccuracies.

Open finance empowers businesses to execute bulk payments more efficiently, securely, and cost-effectively. Businesses can initiate bulk payments directly from their accounting or enterprise resource planning (ERP) systems to multiple bank accounts, eliminating manual data entry, reducing errors, and streamlining the end-to-end process.

Only **17%** of banks ar piloting or launching open finance products

"Cash management is undergoing a transformation with open finance APIs. Corporates can now connect their ERP, treasury, and core payment systems directly to banks, enabling them to optimize payment operations. FinTechs are at the forefront, offering APIs that bridge the gap between traditional, non-instant payments and the new world of instant payments."

Édouard Mandon
Co-founder and Chief Executive Officer, Numeral, France

Banks need to prepare for open finance or risk opportunity losses

Open finance is poised to revolutionize the financial landscape, yet many institutions are not yet ready for its adoption. Among payment executives interviewed as part of the World Payments Report 2025, 39% said their bank is in the planning phase, conducting impact assessments; another 23% of banks were deemed to be hesitant as they await further regulatory clarity. Meanwhile, only 21% of providers have begun installing the necessary technology, and only 17% are at an advanced stage, piloting or launching open finance products. This data paints a clear picture: while the potential of open finance is undeniable, some banks may fall behind if they do not adapt to this transformative shift.

Open finance will catalyze instant payments and reshape the financial ecosystem, leaving unprepared players significantly disadvantaged.

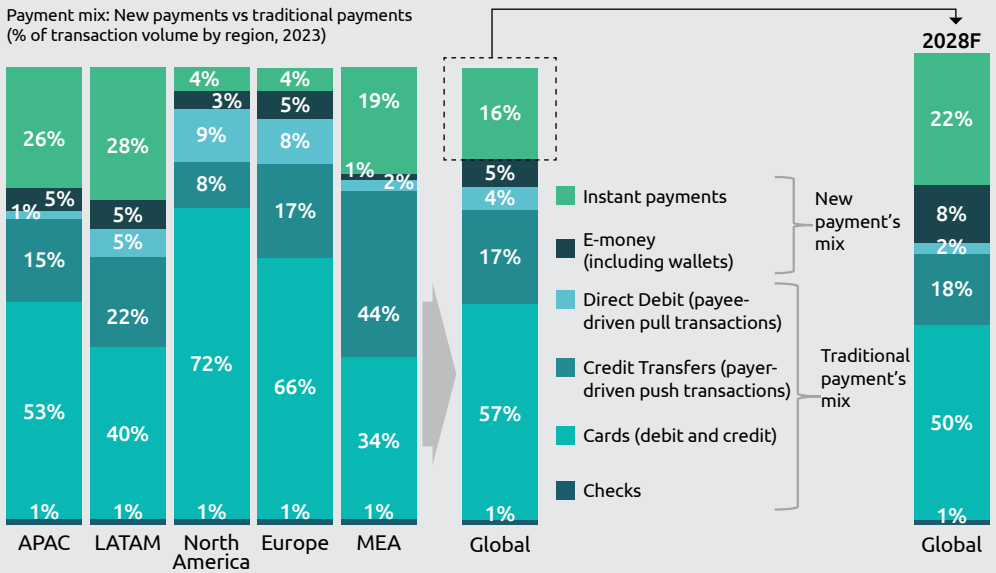
Instant payments are on the rise, but will they catch on everywhere?

As detailed at the onset of this report, non-cash transactions are booming everywhere, but there are measurable regional differences – and the same can be said for instant payments (Figure 4).

North America

Instant payments are just getting started. More than 9,000 US banks are at varying implementation stages – from community banks and credit unions to large wholesale financial institutions. US customers appear

Figure 4. How will the payments mix evolve by 2027?



Source: Capgemini Research Institute for Financial Services, 2025; GlobalData Payments Analytics 2024

comfortable with existing digital methods, including ACH (one-day ACH), cards, and wire transfers. In Q1 2024, The Clearing House (TCH) recorded 76 million US transactions valued at USD 42 billion (just 0.04% of US non-cash transactions).[8] The US instant payment rail, FedNow launched in 2023, had more than 800 financial institutions and other firms connected in July 2024 – a year after launch.[9] However, some banks primarily receive, not send, payments due to liquidity risk concerns.[10] Canada delayed the launch of its instant payment scheme, Real-Time Rail (RTR), which will begin industry testing in 2026 before going live shortly after.

Europe

The pan-European instant payment scheme, SEPA Instant Credit Transfer (SCT Instant), was launched in 2017. As of Q1 2024, 17.3% of all SEPA credit transfers were instant.[11] However, despite SEPA harmonization efforts, the European payments landscape remains fragmented. As of H1 2023, nearly 30 retail payment systems were active in the eurozone.[12] Each system adopted different designs and implementation approaches that retained local specificity.

Europe's fragmented payment landscape extends beyond infrastructure: Customer preferences vary greatly. In Germany and the Netherlands, users tend to favor bank transfers (such as iDeal in the Netherlands), while in France, customers prefer local card schemes. Mobile wallets, such as the unicorn Satispay in Italy or Bizum in Spain, are gaining popularity and adoption. Similar diverse trends exist across Europe, posing a significant challenge to widespread adoption.

This diversity highlights the need for a nuanced approach when navigating the continent's payments landscape, considering infrastructure and ingrained consumer habits. The European Union launched the Instant Payment Regulation (IPR) in Q2 2024 to drive European instant

How Pix became a verb: Instant payments take off in Brazil[14 15 16 17 18]

The name Pix was derived from the Portuguese word for pixel to emphasize the granularity and swiftness of its transactions. The Central Bank of Brazil created and launched Pix in November 2020, requiring banks to integrate their accounts with the system. Pix is available 24 hours daily, including non-business days, and free for individual use. In Q2 2024, 75% of the population (over 153 million people) and 15 million companies use it. Pix is a global success story, with 42 billion transactions valued at USD 3.5 trillion in 2023 (a 75% YoY increase). Here's why:

- **Instantaneous:** Pix settles payments in just three seconds. This is significantly faster than the delayed settlement times for debit cards (2 days) and credit cards (28 days) in Brazil.
- **Universal:** No transaction size limit makes Pix ideal for everyone, from individuals to large corporations.
- **Cost-effective:** Free for individuals and boasting a low 0.33% interchange fee for merchants (compared to debit/credit card fees of 1.13%/2.34%).
- **Mandatory participation:** Large banks (with over 500,000 accounts) had to join Pix, fostering a robust network and overcoming interoperability challenges.
- **Centralized control:** Brazil's central bank is the sole regulator and infrastructure provider, preventing tech giants from dominating the market and keeping fees competitive.
- **Predefined rules:** Public consultation established key regulations, ensuring a transparent and fair playing field for all participants.
- **Security first:** Robust user identification (KYC compliance) and suspicious transaction flagging safeguard against fraud. Transactional limits based on user risk profiles and a centralized fraud database provide extra security.
- **Standardized experience:** A uniform user interface across providers makes switching easy for individuals. Businesses benefit from a standardized API for integrating Pix into their systems.
- **Open finance integration:** Brazil leads the world in open finance, with over 42 million consents and 1.5 billion API calls weekly, which paves the way for Pix integration with open finance to unlock features like automatic recurring payments.
- **E-commerce boost:** Incentives like discounts and free shipping from e-commerce firms encourage Pix usage over cash and cards. This benefits retailers with a higher conversion rate of 90% with Pix vs 70% for credit cards and 30% for debit cards, along with lower costs and faster cash flow.

payment availability, standardization and interoperability, fair pricing, and enhanced security features. Phase I requires all eurozone payment service providers (PSPs) to be able to receive instant payments by January 9, 2025. By October 9, 2025, Phase II will require all eurozone PSPs to offer the facility to send instant payments. Non-eurozone markets have a later compliance timeline, with January 9, 2027, for receiving and July 9, 2027, for sending instant payments.[13]

> *PIX, combined with Open Finance, is a powerful infrastructure that will drive innovation through market-led development. Just as credit cards evolved beyond their initial purpose, PIX has the potential to spawn countless new use cases. While the Central Bank will lay the groundwork, it's the market that will truly unlock PIX's full potential, from domestic to international applications."*

Otavio Damaso
Director of Regulation at the Central Bank of Brazil

Latin America

The region is experiencing a surge in instant payments, revolutionizing how people and businesses transact. Mexico (SPEI), Argentina (Transferencia 3.0), Chile (Redcompra), Peru (Sistema de Pagos Interbancarios), Brazil (Pix), and Colombia (ACH) have implemented local instant payment schemes.

Middle East

This region is undergoing a digital renaissance, focusing on transforming payments from cash-centric to digital. Spearheaded by the Gulf Cooperation Council (GCC) – encompassing Saudi Arabia, UAE, Bahrain, Kuwait, Oman, and Qatar – this shift is gaining momentum. The GCC launched the Automated Quick Payment Transfer (AFAQ) payments system in August 2021 to address the region's fragmented payment landscape. AFAQ unifies the real-time gross settlement (RTGS) systems of member states, enabling instant cross-border transfers with same-day settlement finality.[19] AFAQ efforts continued with the April 2023 launch of Buna, the Arab Monetary Fund's cross-border payment system supported by Arab central banks.[20] Beyond regional efforts, national initiatives are fueling the digital payments revolution. Saudi Arabia's SARIE Instant (2021) and the UAE's Aani platform (October 2023) illustrate this commitment.[21] Regional banks are further extending these capabilities to end users. For instance, the UAE's Mashreq Bank launched an API-enabled instant payment solution in July 2024 for corporate and institutional clients, facilitating real-time low-value payments.[22] These national advancements can position the Middle East as a fast adopter in the instant payments race in the short term.

APAC

The region leads the instant payments charge in terms of volume growth. Japan launched the first instant payment system, Zengin in 1973. Since then, instant payment systems have evolved significantly with governments backing instant payments to actively drive digital financial inclusion and integrate millions of unbanked and underbanked citizens. Several local instant payment schemes, such as Fast Payment System (FPS) in Hong Kong, PayNow in Singapore, DuitNow in Malaysia, PromptPay in Thailand, and Unified Payments Interface (UPI) in India, exist in APAC.

Launched in 2016, India's mobile-based UPI is a global standout with 350 million active users and over 340 million QR codes (as of June 2024). UPI boasts a massive network effect and integrates with over 77 mobile apps and wallets, including GooglePay, PhonePe (Walmart-backed), and WhatsApp Pay – alongside over 550 banks. Its reach and utility fueled 117 billion transactions valued at USD 2.2 trillion in 2023, handling nearly 75% of India's retail payments. In May 2024 alone, UPI processed 14 billion transactions valued at USD 245 billion.[23]

UPI is an instant payments leader and financial inclusion model thanks to a three pronged approach:

- **Financial inclusion:** Aadhaar, India's digital identity program, empowers millions to participate in the formal financial system.

- **Frictionless payments:** UPI offers a convenient, secure, and affordable way for consumers and businesses to transact digitally.
- **Open finance:** The Account Aggregation framework allows secure data sharing, enabling innovative use cases, including Request-to-Pay, UPI on Delivery, and recurring payments.

Beyond local success stories, APAC is a leader in instant cross-border QR-code payment linkages. India's UPI users can make instant cross-border, QR-code payments in Malaysia, Indonesia, the UAE, and France. Malaysia's DuitNow users can make instant payments from Indonesia, Singapore, Thailand, and China.[24] Regional collaboration removes friction for consumers and businesses, further solidifying APAC's impact on instant payment acceleration.

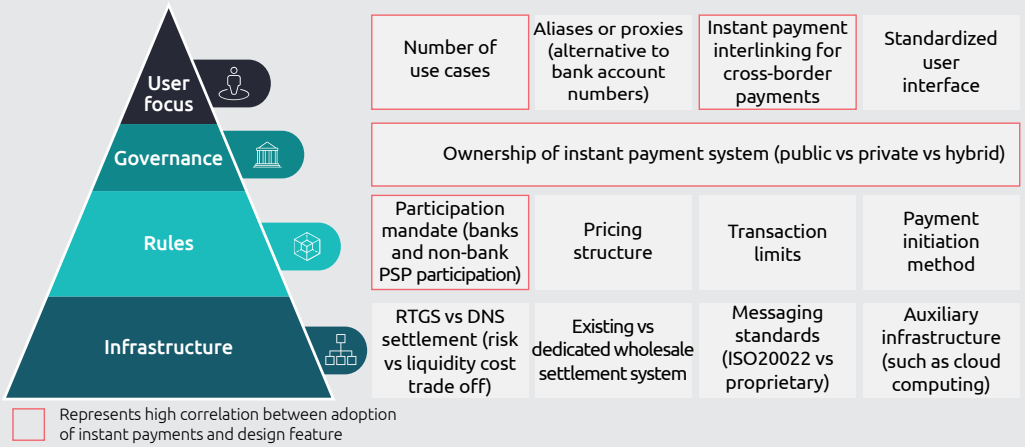
Beyond technology: Building a customer-centric approach for instant payment success

Instant payment success hinges on generating two-sided network effects by combining multiple parameters (Figure 5). These include:

- Wide-ranging use cases including merchant payments, bill payments, P2P, government-to-person, and cross-border transactions. Aliases, offering alternatives to complex account numbers, further enhance user convenience and experience. Standardized mobile apps and open APIs ensure a smooth user journey across different providers.
- The underlying infrastructure of an instant payment is crucial. RTGS offers low credit risk but requires higher liquidity, while deferred net settlement minimizes liquidity needs but introduces credit risk. Proxy databases for aliases and communication standards like ISO 20022 are additional infrastructure components. Scalable cloud solutions can further bolster service delivery.
- Clearly defined rules determine participant eligibility (banks only or including non-bank PSPs), pricing structures (system operator and PSP fees), transaction limits, and initiation methods (smartphone, web, QR code).
- Governance models define rule- and decision-making processes. Public ownership and operation (central banks) or a public-private partnership are common. Sweden's Swish system exemplifies private ownership by banks.

Studies by the Bank of International Settlements confirm that design choices significantly impact adoption. More comprehensive use cases, cross-border functionality, non-bank PSP participation, and public ownership spur adoption. User-centric design and collaboration between the public and private sectors are essential.

Figure 5. Take a user-centric, collaborative approach to adopt instant A2A payments



Source: Capgemini Research Institute for Financial Services, 2025; BIS

Publicly owned systems, often overseen by central banks, may prioritize broader participation, lower fees, and open, inclusive markets. Non-bank PSPs introducing innovative payment methods or catering to unbanked populations can accelerate adoption.[25]

Combine open finance use cases with instant payments to unlock value

The future of payments lies in adapting to customer segment needs and emerging trends. A combined instant payment and open finance API strategy can empower financial institutions to unlock the full potential of instant payments. The flexibility to handle all transaction types – payments and API calls – is essential to deliver the value-added services that drive ROI by moving beyond basic transfer functions (Figure 6).

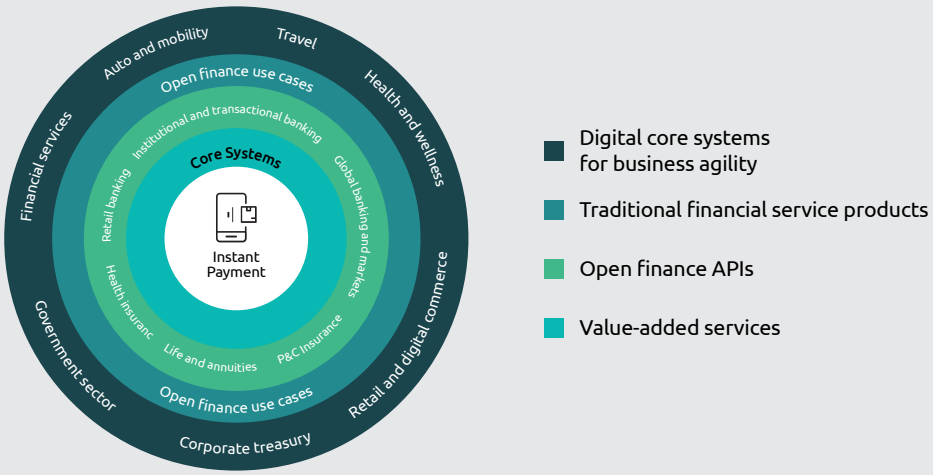
52%
of executives say customer-facing instant payment use cases are a top priority

By integrating instant payments with industry-specific open finance use cases, banks can create fertile ground for revenue generation in retail, insurance, automotive, and beyond. According to our payment executive survey, customer-facing instant payment use cases are a top priority (mentioned by 52% of executives), followed by corporate instant payment use cases (31%), and embedded B2B2x instant payment use cases (18%). A comprehensive strategy that addresses all of these areas is essential to unlocking the full potential of this transformative technology.

> *Looking ahead, the convergence of instant payments and open finance-based overlay services unlock intriguing possibilities for marketplace dynamics. Transactions seamlessly integrate with everyday experiences today without the immediate need for separate payment actions - be it riding an Uber or Waymo; visiting an Amazon Go store; or tapping a mobile device on public transport. With biometric security and augmented reality devices, this vision continues to become ubiquitous, and underscores the potential of streamlined, frictionless instant transactions enabled by universal payments solutions."*

Rupak Das
Managing Director - Payments, Thought Machine, UK

Figure 6. From necessity to strategy: the future of payments is instant and open



Source: Capgemini Research Institute for Financial Services, 2025

From just banks to connected marketplaces, all prepare to tap the instant opportunity

Growing payment flexibility across online and in-store checkouts expands consumer choice

Digital wallets are experiencing explosive growth (Figure 7). However, the global digital "walletscape" isn't one-size-fits-all. While wallets are gaining significant traction, they aren't necessarily replacing traditional cards entirely. Instead, pass-through wallets (Apple Pay, Chase Pay, etc.) or staged wallets (PayPal, Google Wallet, etc.) are trending, particularly in established card markets such as the United States, the UK, Canada, and Australia. Consumers leverage card benefits (reward points, loyalty programs, and purchase protection) but conveniently and securely use wallets at checkout.

Prepaid cards remain significant as they serve multiple functions, including gift cards, reloadable stored-value cards, payroll disbursement, business-to-consumer payments, and government benefits. They play a crucial role in promoting financial inclusion among underbanked populations.

How can instant A2A payment wallets challenge card dominance?

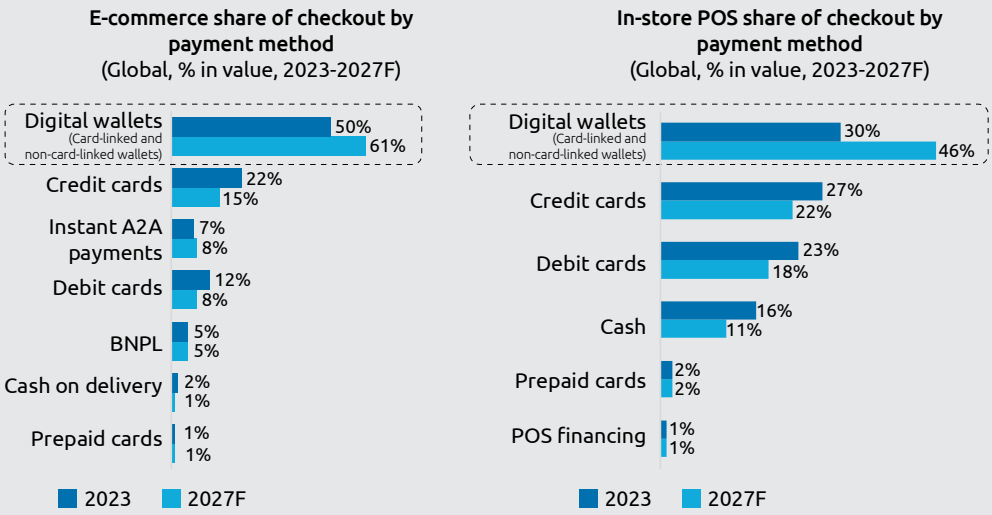
A2A schemes must resolve security and reward challenges to disrupt card franchises. Traditionally, issuing banks design loyalty programs to incentivize card use and generate interchange fees. Customers are happy with their travel points, cash back, or other rewards, and banks maintain a profitable business model.

The top six US credit card issuers (making up more than 70% of consumer credit card purchase volume) paid out nearly USD 68 billion in card reward redemptions or partner payments in 2022. Despite these hefty payouts, banks are still coming out ahead. Even after factoring in reward costs, the top six banks netted nearly USD 32 billion in interchange fees in 2022, showcasing a healthy increase over previous years.[26]

A robust and structured dispute resolution system bolsters card popularity. Unlike with other payment methods, cardholders facing purchase issues can ask their bank to initiate an investigation. Once the bank validates the claim, it retrieves the disputed funds through a chargeback process with the merchant's bank. This chargeback process is a cornerstone of the global card network's dispute management framework, providing security and making cards a more reassuring choice for customers.

Common disputes include orders that don't appear because of cancellations, missed delivery deadlines, or unavailable pickups (merchandise/services not received).

Figure 7. Wallets take the lead as customers look beyond plastics



Sources: Capgemini Research Institute for Financial Services, 2025; Worldpay

Another frequent grievance involves recurring transactions after cancellation or account closure (canceled recurring). Disputes also occur when received products or services don't match their descriptions or are faulty (not as described or defective merchandise/services). Unfortunately, the rise in e-commerce has been accompanied by an increase in counterfeit goods, prompting counterfeit merchandise claims. By providing a clear dispute resolution path, card networks empower customers to feel secure in online and offline transactions.[27]

However, card dominance faces headwinds from regulations restricting interchange fees, which are the source of funding for many card reward programs. For instance, in December 2015, the European Union (EU) capped interchange fees for consumer credit cards at 0.3% of the transaction value and capped debit card interchange fees at 0.2%.[28] Lower interchange fees can lead to less attractive rewards, potentially diminishing card appeal and creating an opening for merchant funded rewards (MFRs).

Unlike traditional card rewards, MFRs involve business/bank partnerships that can reward instant A2A payment use. Here, merchants benefit from lower transaction fees with instant A2A payments versus cards and can pass savings to customers as cashback, points, or A2A incentive discounts. Customers link their bank accounts to the MFR program, and when they use instant A2A payments at participating retailers, the program automatically identifies the transaction and applies the reward. MFRs allow merchants to invoice for rewards later, creating a scenario where merchants attract customers with rewards while saving on fees, and customers benefit from incentives and potential advantages of faster and more secure instant A2A payments.

Beyond their core function, instant A2A payments can evolve to offer features similar to credit cards. For instance, India's UPI launched a pre-approved credit line directly linked to a user's UPI ID that allows customers to leverage a pre-sanctioned credit limit when making online or in-store payments via QR codes. Repayment terms are flexible, ranging from a few months to years, catering to individual needs. UPI credit lines typically charge lower interchange fees and interest rates than traditional credit cards. This convergence of instant A2A payments and credit functionalities can be a game-changer on par with credit card convenience and flexibility while potentially offering better terms.[29]

Micropayments are another instant A2A payment driver, presenting a potential alternative to traditional subscription models. With rising cancellation rates from inflexible subscriptions, businesses can leverage micropayments as a pay-only-when-you-use option. This on-demand consumption model offers a way to recoup lost revenue and extends the utility of micropayments beyond their current applications in areas like influencer platforms, niche media, and the gig economy. However, traditional payment methods, particularly cards with associated fees, have become less economical for processing small transactions. The speed, efficiency, and lower costs of instant A2A payments enable the broader adoption of micropayments across sectors.

Instant A2A payments can also provide operational benefits. For instance, card transactions require authorization, which can cut conversion rates for many merchants. On the other hand, instant A2A payments leverage bank account details to confirm the payee (VOP in the EU), reducing fraud and chargebacks.

Considering these advantages, instant A2A payments may strongly complement, if not supplant, card dominance. Carmela Gómez Castelao, Head of Open Banking at BBVA Spain, also observes a growing synergy between cards and instant A2A payments. "They are becoming complementary, not competitive," she states. However, Carmela Gómez Castelao emphasizes the critical need to address "interoperability challenges" within instant A2A systems. She envisions that wider adoption could make instant A2A payments rival credit cards. This might prompt established players like Mastercard and Visa, with their expertise in managing interoperable networks, to take a similar role overseeing instant A2A systems. The timeline for this potential shift, however, remains uncertain.

23%
of executives anticipate significant credit card disruption by A2A payments

Our survey of payment executives underscores this possibility, with estimates suggesting that instant A2A payments could offset 15-25% of future card transaction volume growth. Notably, 77% of survey respondents said debit cards and pre-paid cards would be most impacted by instant A2A payments, while 23% anticipated significant credit card disruption. However, in markets with high adoption of cards like the US and the UK, the shift towards instant A2A payments, away from cards is expected to remain slow.

Europe gets a wallet makeover: EPI launches Wero

In Q3 2024, the European Payments Initiative (EPI) launched Wero, a mobile wallet and instant money transfer solution (Figure 8).[30] It allows users to send and receive money instantly using phone numbers, QR codes, or email addresses. After Wero's Germany debut, EPI plans to launch in Belgium and France in 2024 followed by the Netherlands in 2025 – with eventual cross-European expansion. Currently, wero focuses on person-to-person payments within and across borders. Plans include:

- **2025:** Payments for small businesses, online merchants, e-commerce, and recurring bills,
- **2026:** In-store payments, buy-now-pay-later options, loyalty programs, and expense sharing.

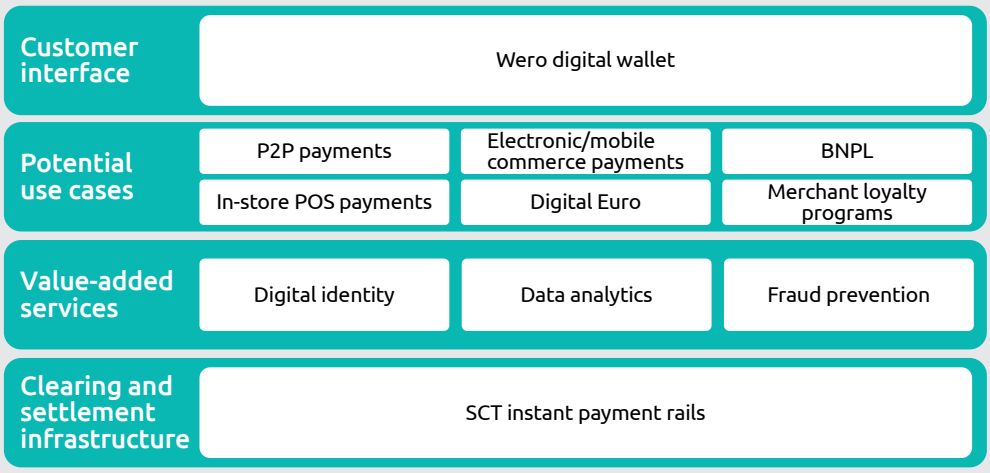
Wero's potential extends beyond immediate convenience. It could create a level playing field for European banks against BigTech wallets such as Apple Pay and Google Pay. Currently, these tech giants dominate the mobile wallet space. As a pan-European solution, Wero offers a European alternative that may empower European banks to compete more effectively.

In addition, Wero can potentially consolidate the fragmented European payment landscape under a single brand, whereas today, European countries and regions have various payment methods and systems. EPI intends to make Wero a single wallet for all payment needs, which could unify Europe's fragmented landscape with a more streamlined user experience.

Our survey of payment executives suggests that Wero will significantly impact traditional European payment methods.

- 37% anticipate Wero to offset card transaction growth across Europe significantly
- 22% expect significant impact on credit transfers
- 31% believe direct debits will be noticeably affected.

Figure 8. Wero: A unified solution and an alternative to traditional payment methods



Source: Capgemini Research Institute for Financial Services, 2025

DZ BANK implements SCT Inst with an eye on innovative business models

DZ BANK is the central bank for approximately 700 cooperative banks in Germany, and as a commercial bank, it serves companies and institutions at home and internationally. The bank was an early adopter of SEPA Instant Credit Transfers (SCT Inst) to enhance customer experience and foster innovative business models.

Incorporating SCT Inst into DZ BANK IT infrastructure required robust API integration while complying with the SEPA Instant Rulebook. The bank sought to leverage instant payments to improve its customer interface.

DZ BANK focused strategically on critical components to drive business model innovation. It developed robust APIs to enable seamless system communication, ensuring instant payment processing. A dedicated system efficiently handled instant payments, reducing transaction time to seconds. Finally, leveraging SCT Inst capabilities, the bank introduced business models, including Wero, request to pay (RtP) for instant billing and payment requests, pay-per-use to support Industry 4.0 applications, and value-added services for enhanced customer benefits.

The implementation process occurred in phases, minimizing disruption to existing services. A cross-functional team of experts from business analysis, technology, and compliance oversaw the integration to ensure regulatory adherence.

SCT Inst results were significant:

- **Enhanced customer experience:** Faster, more efficient payment processing improved overall banking experience.
- **Business model innovation:** The new models opened new revenue streams and enhanced service offerings.
- **Digitization:** Instant payments were crucial in the bank's digitization efforts, ensuring that accounts remained the central hub for customer transactions.

By leveraging instant payments, DZ BANK improved its service offerings and paved the way for future digital advancements.

USD105 billion
in interest charges earned by major US card companies in 2022

Taking a page from Europe's EPI initiative, a consortium of seven US banks joined forces with Zelle operator Early Warning Services (EWS) to launch Paze, a card-based digital wallet aimed at countering BigTech and FinTech wallet dominance in the United States.[31] Paze executives say they plan a nationwide rollout by the end of 2024 with nearly 150 million tokenized cards pre-loaded from leading US banks and acceptance by about 80,000 "primarily small" merchants. Its gateway-agnostic nature means it can be used across various platforms, expanding its reach and functionality beyond that of traditional digital wallets.[32]

Will instant A2A payments take a piece of bank profits?

Debit and credit cards are plastic powerhouses that fuel bank income in a big way. Every swipe/ tap translates into bank revenue through interchange fees paid by merchants. In the United States alone, these fees accounted for nearly 2.7% of operating revenue for large banks in Q2 2023, highlighting the billions of dollars generated for the banking industry.[33]

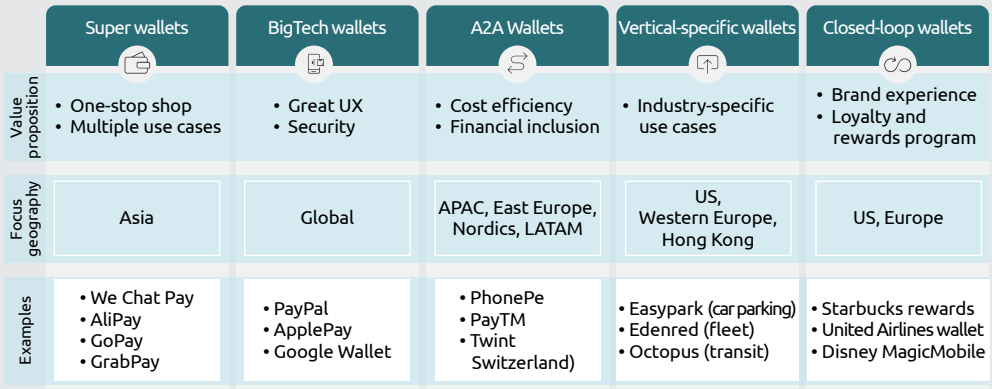
Interest from credit cards is another income avenue. With rising interest rates, the difference between the average APR charged to cardholders and the prime rate has reached an all-time high, translating into significant bank profits. In the United States, major credit card companies raked in over USD105 billion in interest charges in 2022, with an estimated additional USD 25 billion in 2023 due to increased margins.[34] So, while cards may seem like a simple payment method, they are a crucial driver of bank revenue, especially in a high-interest-rate environment. US wire transfers have traditionally been another reliable income source. Banks create a profit stream by charging fees to send and receive wire transfers.

The rise of instant A2A payments poses a significant threat to banks' revenue streams. How can banks monetize instant retail A2A payments to offset the decline in revenue from traditional payment methods?

For banks, standalone wallets won't suffice

Established players like Apple Pay and Google Pay dominate the space, and innovative FinTech solutions offer large user bases and comprehensive functionalities (Figure 9). Bank-owned digital wallets often struggle without plentiful features or seamless integration with existing payment networks and merchant ecosystems. High customer acquisition costs in this competitive space can be a burden, leading to quiet shutdowns, as with several bank-owned wallets in the past.

Figure 9. Competition for market share in global wallet payments spans multiple industries



Source: Capgemini Research Institute for Financial Services, 2025

A billion-dollar bite: Apple Pay gains payments landscape influence

Launched in 2014, Apple Pay has revolutionized mobile payments. This secure and convenient solution allows users to store their credit and debit cards on their iPhones for contactless payments at millions of retailers globally. Supported by over 6,600 banks and financial institutions, Apple Pay's global user base reached approximately 535.8 million in 2024 and is on track to surpass 700 million users by 2027.[35]

Beyond in-store purchases, Apple Pay offers a comprehensive suite of services, including online payments, in-app purchases, and ATM cash withdrawals. In 2017, P2P payments were introduced through Apple Cash, enabling seamless transfers between friends and family. Further innovation came in 2022 with the iPhone's Tap to Pay, allowing merchants to accept contactless payments using iPhones, eliminating the need for additional hardware. As a result of its widespread adoption, Apple Pay processed a staggering USD 6 trillion globally in 2022 (compared to Visa's USD 11.6 trillion in 2022).[36] Apple Pay's revenue model relies on transaction fees at POS terminals, generating an estimated USD 1.9 billion in 2022, with projections of doubling to USD 4 billion in 2023. Apple Pay has cemented its position as a dominant force in the mobile payment landscape by acting as a secure and user-friendly intermediary between consumers and card issuers.

The future will say how strong the proposition is to retain customers, after European Commission forced Appel to open its contactless capability to other payment gateways.

Instant payments poised to coexist in a multi-rail and connected ecosystem

Bank of America reimagined how its 57 million digital customers manage their finances with a unified mobile app launched in Q1 2024. This single streamlined platform replaces five separate apps and offers a 360-degree view of users' banking, investment, and retirement accounts. Catering to individual financial needs with a suite of digital solutions, it acts as a central hub for everything from bill payments and money transfers (including splitting bills with friends) to domestic and international wire transfers in 140+ currencies in 200 countries as of July 2024.

The bank reported that the app sparked 147,000 internal referrals within four months, leading to USD 13.5 billion in new assets under management.[37]

Imagine a single platform financial hub seamlessly integrating various payment rails, allowing users to easily switch between credit cards, debit cards, instant A2A payments, and other payment methods. Following the Bank of America model, this platform would manage accounts while orchestrating a connected financial and non-financial services ecosystem. Think bill payments, money transfers, investment tools, loyalty programs, and more accessible from a single hub. This comprehensive one-stop shop for customers unlocks new revenue streams for banks by leveraging the power of a multi-rail payment strategy within a thriving financial ecosystem.

A multi-rail payment hub (Figure 10) serves as a central command center, seamlessly integrated with a unified payment platform acts behind the scenes to intelligently analyze transactions using dynamic routing. Simply put, it determines the most efficient payment method foreach situation.

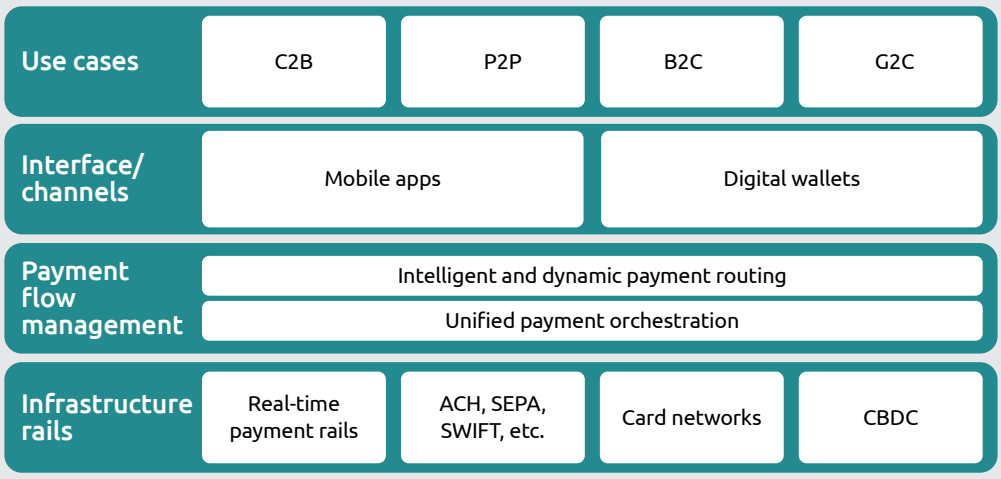
For consumers wanting to pay a bill quickly, the platform might route it through an instant A2A transfer. A credit card suggestion could maximize rewards for a large purchase, automatically letting the customer choose the most efficient payment method. Data captured through this multi-rail system is another valuable asset. By analyzing transactions across various channels, banks gain cross-channel insights. Rich data enables personalized product recommendations and contextually cross-sells relevant financial products or services to boost customer engagement.

A multi-rail approach offers banks a strategic hedge to protect existing revenue streams from traditional payment methods while exploring new instant payment value streams by developing innovative open finance use cases.

Card operators like Mastercard and Visa are at the forefront of the multi-rail payment strategy, aiming to create a payment ecosystem that leverages instant payments, central bank digital currency (CBDC), established networks like SWIFT, ACH, and SEPA, alongside correspondent banking networks, traditional card networks, and even proprietary solutions. By offering payment options for different business models (P2P, B2C, C2B, B2B, G2C), the multi-rail payment strategy targets a total addressable market estimated at nearly USD 235 trillion.

Banks can collaborate with card operators and leverage their multi-rail expertise to launch new payment solutions. For instance, in the UK, HSBC partnered with Visa to launch the international payments app Zing in January 2024. Zing users can manage their finances across borders, hold funds in over ten currencies, send money in over 30, and transact in more than 200 countries – all through a single app.[38]

Figure 10. The multi-rail advantage: Scaling up and unlocking innovation in retail payments



Source: Capgemini Research Institute for Financial Services, 2025

From gatekeepers to value creators: Monetize customer journeys

The long-time business model in which banks generate revenue through product fees is becoming passé. Instead, today, marketplace banking is a financial model where the bank acts as a platform, connecting customers with financial products and services and those from third-party providers – offering a compelling alternative by functioning as a one-stop shop for customers. These platforms go beyond what a single bank can offer, providing a curated selection of financial products and services designed to address specific customer needs (Figure 11).

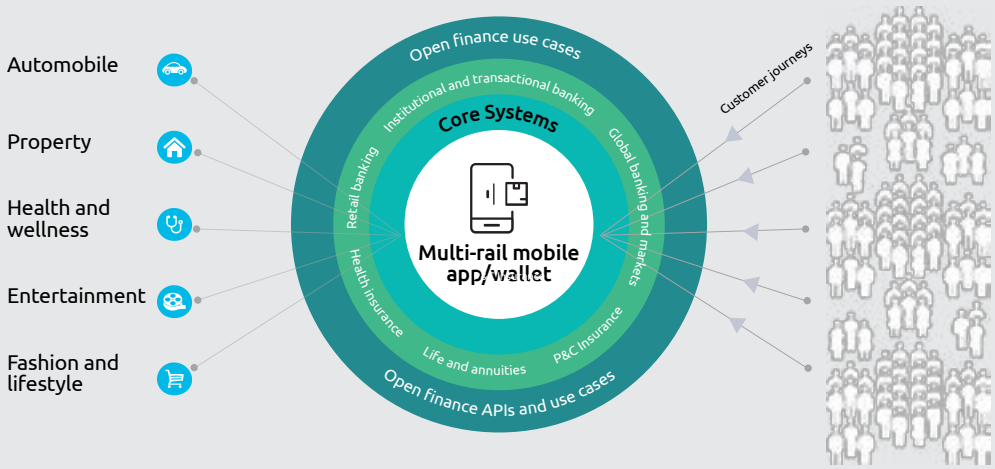
Imagine seamless payment integration throughout the banking journey:

- In the UK, Starling Marketplace partners with FinTech and lifestyle service providers to offer a diverse range of options within its app. Similarly, Revolut takes a global approach, offering features like in-app insurance and wealth management.
- In Brazil, NuBank's marketplace, launched in 2021, reached 255 million customer visits in 2023.[39]
- Singapore is a marketplace banking standout. OCBC Bank's OCBC OneAdvisor Home streamlines property purchases with affordability calculators and search tools. DBS Bank launched dedicated marketplaces for vehicles, electricity, property, education, health, and travel – all catering to specific consumer needs.[40]

These examples highlight the potential of a marketplace model for payments. Strong network effects offer much-needed high scalability and large transaction volumes while creating competitive entry barriers. It's not just about selling products but about creating a holistic financial ecosystem that empowers customers and fosters long-term engagement. By offering a multi-rail payments ecosystem encompassing both instant A2A and traditional payment methods, financial institutions can serve diverse customer needs within a marketplace banking model, driving increased transaction volumes and fostering a profitable retail payment strategy.

We expect a future with multi-rail payment at the core of banking and open finance leveraged to curate convenience and experiential customer journeys.

Figure 11. Banks can be experience aggregators with a multi-rail strategy



Source: Capgemini Research Institute for Financial Services, 2025

Unraveling corporate payment complexities for real-time treasury capability

The shift to paperless and digital B2B transactions appears inevitable

Business-to-business (B2B) payments are in the midst of a digital revolution. The payment executives we surveyed for this report say corporations of all sizes embrace digitalization across their operations, making them receptive to electronic payments. FinTech and PayTech companies also fuel the shift by offering solutions to small businesses and attracting corporations seeking modernization.

The explosive growth of B2B online marketplaces amplifies the demand for seamless digital payment options. In 2023, there were nearly 750 online marketplaces globally, and projections for 2025 exceed 1,000.[41] By 2030, the gross merchandise value of global B2B marketplaces could reach USD 26 trillion. B2B buyers on these platforms prioritize payment methods that offer simplicity, automation, and cost-effectiveness.

Importantly, industry initiatives like ISO 20022 and Swift GPI are streamlining digital domestic and cross-border transactions, making them faster, cheaper, and more transparent.

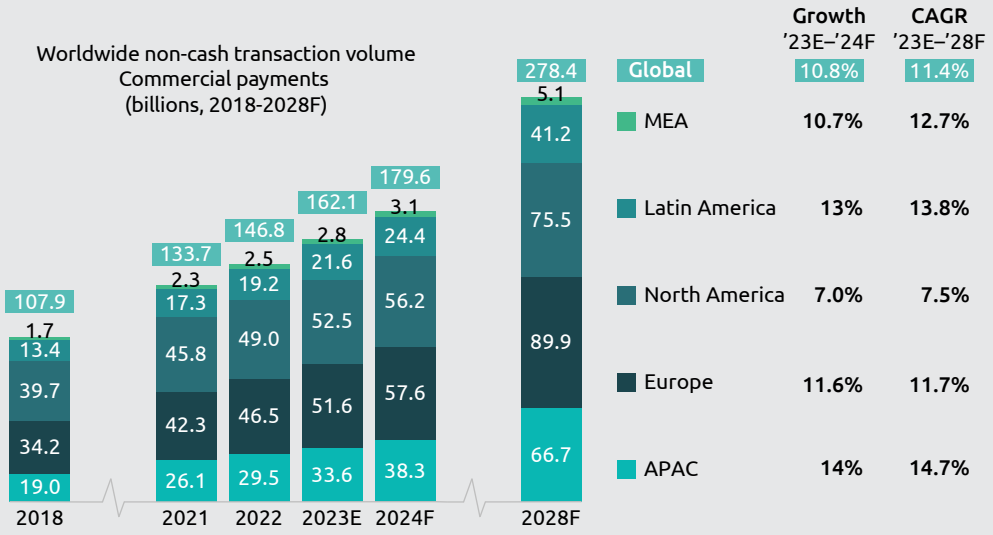
This confluence of factors is propelling the growth of non-cash B2B transactions, paving the way for a more efficient financial ecosystem for businesses of all sizes.

The global B2B non-cash transaction volume is undergoing significant growth (Figure 12), with projections of a 10.8% YoY increase in 2024 and an 11.4% CAGR (for 2023–2028). The Asia-Pacific region (APAC) leads the charge with 14% YoY growth projected for 2024. However, Europe is the overall transaction volume leader, followed by North America (Figure 12).

Interestingly, paper checks and invoices are still prevalent in the United States, while Europe relies on bank-to-bank electronic transfers. APAC presents a nuanced two-speed regional picture. Mature markets Australia and Singapore are global business hubs and embrace electronic payments. However, emerging APAC markets, including Vietnam and India, rely heavily on cash and manual processes.

Despite the growth of B2B digital payments, transaction banking falls short of corporate treasury executive expectations.

Figure 12. B2B non-cash payment transactions are fast catching up with the digital trend



Source: Capgemini Research Institute for Financial Services, 2025
Note: Commercial non-cash transactions: Transactions between businesses (not individuals) using a mode of payment other than cash. 2023E represents estimated and 2028F represents forecasted

Unfulfilled potential: Why do transaction banking services underwhelm corporate treasurers?

We surveyed 600 treasury executives across the automotive, insurance, and retail sectors to understand how corporations navigate the rapidly evolving financial landscape.

While all sectors share common concerns about inefficient cash forecasting and high operational costs associated with cash management, their specific challenges diverge significantly (Figure 13).

For insurance executives, poor cash management leads to:

- A sluggish cash conversion cycle (taking longer to collect premiums, pay out claims, and reinvest remaining capital)
- Increased borrowing costs due to reliance on external financing
- The necessity to maintain excessively high claim reserves.

The automotive industry revealed a different set of worries. Anxieties around bad debt write-offs resulting from non-performing assets or customer defaults – and heightened fraud risk due to a lack of transparency and control over financial operations – compounded auto executives' concerns over long cash-conversion cycles.

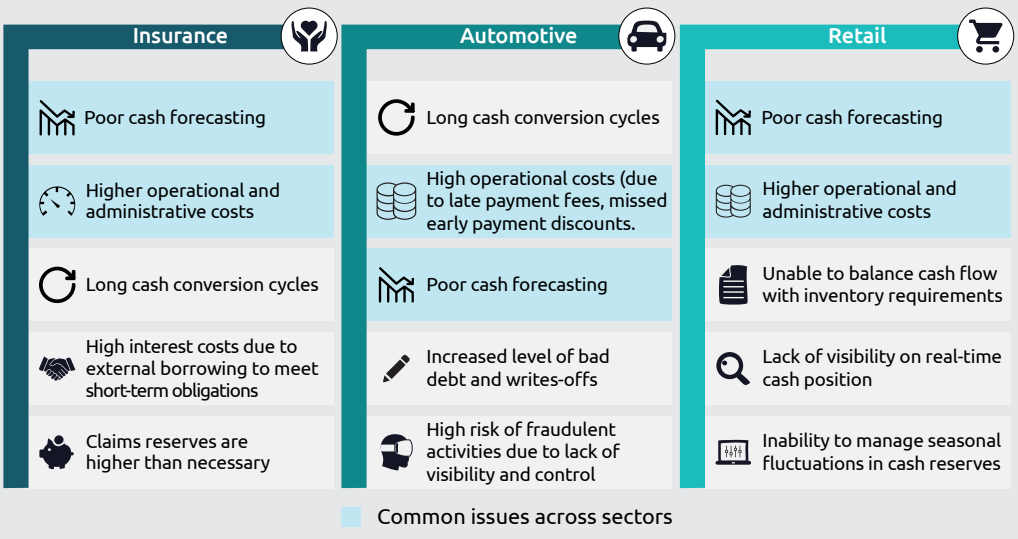
Finally, consumer retail executives are primarily concerned with maintaining the delicate balance between cash flow and inventory needs, a persistent struggle with limited real-time visibility into their cash position, and the inability to effectively manage seasonal cash-reserve fluctuations.

To gain a deeper understanding of these challenges, let's delve into the specific accounts payable (AP) and accounts receivable (AR) issues each industry faces and call out pain points hindering efficient cash management (Figure 14).

Modern cars, antiquated payments

The automotive industry stands out, with 77% of their treasurers emphasizing the shift to Autonomous, Connected, Electric, and Shared (ACES) mobility as a top priority. This focus on ACES mobility is driving a critical realization – 69% of automotive executives acknowledge the need to align their procurement processes with the rising software content in vehicles.

Figure 13. Cash management challenges faced by corporate treasurers across different sectors



Sources: Capgemini Research Institute for Financial Services, 2025; World payments report 2025 corporate survey (N=600)

Building software-defined vehicles (whose features, functions, and performance are primarily determined by software, and not hardware) necessitates significant supply chain changes, with 60% of automotive executives prioritizing supplier base diversification in the next two to three years.

Industry transformation necessitates rethinking traditional AP approaches. Designed for hardware procurement with longer payment cycles, they are ill-suited for the fast-paced software world. Software development cycles demand faster payments while simultaneously managing software licenses, subscription fees, frequent over-the-air (OTA) updates, and pay-per-use models that require flexible handling of dynamic pricing structures.

Paying hardware suppliers with paper checks is less than ideal in this new landscape because slow processing times and lack of data integration make them unsuitable for managing software procurement. While wire transfers and ACH payments process faster than checks, they cannot easily handle diverse formats and dynamic pricing structures associated with software licenses, subscriptions, and pay-per-use models.

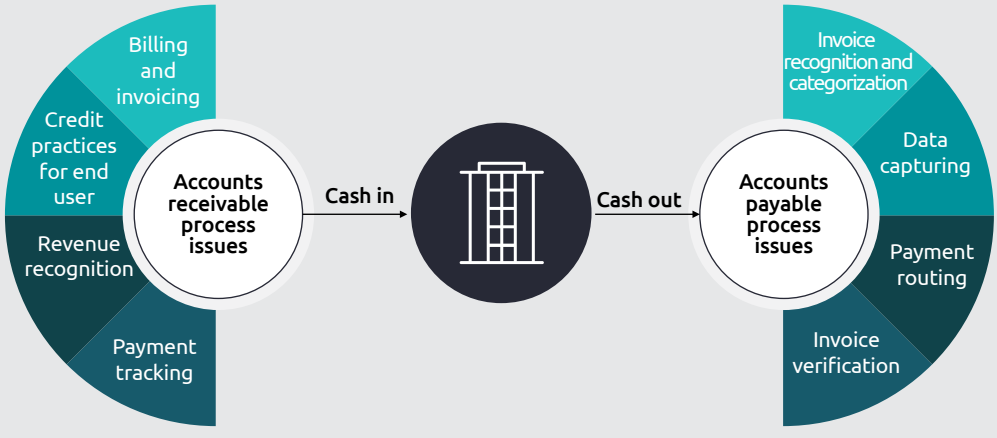
Accounts payable (AP) inefficiencies have put the automotive industry in a cash-flow chokehold. Our survey paints a concerning picture.

- 74% of treasury executives grapple with manual, paper-based workflows, creating delays and bottlenecks,
- 70% struggle with a constant influx of non-standardized invoices from suppliers, challenging data entry and verification,
- 62% report data inaccuracies and little visibility into AP processes.

Without consistent, reliable data tracking spending, optimizing cash flow or identifying improvement areas is impossible. These data roadblocks spark poor payment reconciliation, as reported by over half (55%) of executives. Manual reconciliation is time-consuming and error-prone, potentially causing payment delays and supplier record discrepancies. With only 20% of automotive treasurers claiming a high degree of automation, most must manually process 106 invoices daily at a hefty cost of USD 21 per invoice. To make matters worse, a significant portion (34%) of invoices encounter processing exceptions that further hinder efficiency and inflate operational costs.

The challenges are not limited to AP. The rise of software-defined vehicles also necessitates significant changes to AR processes. Modern cars increasingly sell and deliver digital services and products directly to customers, such as autonomous driving functionalities, in-car

Figure 14. Accounts payable and receivable inefficiencies hurt enterprise cash management



Source: Capgemini Research Institute for Financial Services, 2025

entertainment options, ventilated seating subscriptions, and other value-added services. These offerings require robust systems to handle subscription payments and pay-per-use models.

Vehicles are becoming digital wallets on wheels. In-vehicle payments for mobility services, parking, fuel, tolls, drive-throughs, and repairs are commonplace. To effectively capture revenue from these diverse sources, automotive original equipment manufacturers (OEMs) require substantial AR process changes, including solutions for secure in-vehicle transactions, real-time data integration with back-end systems, and flexible billing capabilities to accommodate a variety of payment methods and service models.

The AR function faces unique problems, such as data inconsistencies reported by 76% of executives. To further complicate matters, 78% identified complex billing cycles with multiple invoices, and 67% mentioned diverse payment instruments that make reconciliation cumbersome. Only 13% of automotive executives said their AR processes are highly automated.

Insurance policyholders experience a digital disconnect

The insurance industry is at a crossroads. Of the insurance executives we surveyed regarding business transformation goals, 88% cited enhanced digital channels, and 75% named consistent omnichannel experience.

Yet, a glaring disconnect exists between these aspirations and customers' real world experiences, according to 46% of respondents to Capgemini's World Property & Casualty Report 2023 survey who purchased a policy through digital channels. Reliance on paper checks for premium collection and claims disbursement frustrates insurers and policyholders. Depositing checks is becoming increasingly tricky as branches in mature markets close, while some online and mobile deposit apps restrict check size or value. And even when mobile deposits are available, customers often seek in-person support for non-standard checks.

Complex home insurance claims can lead to a cumbersome process where insurers issue separate checks for damage categories, such as structural versus personal belongings.[43] Policyholders must then wait for multiple checks to arrive, further delaying resolution. The unpredictable nature of check cashing hinders insurers' financial planning and reconciliation efforts. They have no control over when a customer cashes a check, making cash flow forecasting challenging. Uncashed checks create an additional burden, forcing insurers to allocate resources and time to track customers.

The challenge of delayed claims and customer experience

Imagine a world where delayed flights are met with instant financial support. Xpollens (a subsidiary of the "Groupe BPCE" specializing in embedded payments) is making this a reality for insurance companies with their "embedded payment" solution, which leverages instant payments to revolutionize customer experience. Let's say there is a flight delay. Notified by flight data APIs upon landing, the insurer utilizes Xpollens' platform to instantly reimburse the customer a portion of their ticket price. This eliminates the need for customers to wait for claims processing or to use their own funds upfront.

This focus on instant payments goes beyond convenience; it improves operational efficiency for insurers. 85% of chief financial officers say that automation solutions could free up valuable time for staff, and 48% believe that these digital tools will improve their forecasting ability. By automating claim payouts for situations like flight delays, insurance companies can streamline operations, free up resources for other tasks, and gain better insights for financial planning. This creates a win-win scenario for both businesses and their customers, with insurers enjoying greater efficiency and customers receiving faster compensation and superior CX.

Ultimately, paper checks create friction in the customer journey, complicating efforts to integrate new products, streamline claims, and optimize cross-currency payments. So, it is unsurprising that in an era when customer experience (CX) is critical, strategic insurers are bridging the digital divide and embracing modern solutions.

Usage-based insurance (UBI) is a growing sector trend, particularly in auto insurance. Of the insurance executives we polled, 68% say UBI adoption is a priority. Often involving real-time data collection through telematics or mobile apps, UBI allows carriers to invoice policyholders more frequently based on usage patterns, such as miles driven and behind-the-wheel behavior. However, the shift to UPI necessitates recalibrating billing systems to handle more frequent and accurate invoicing.

Insurers receive fluctuating UBI payments based on usage patterns, requiring AR process adjustments to accommodate these variations and ensure sufficient liquidity to cover claims. Additionally, UBI relies on data from various sources like GPS and sensors. Integrating this data into existing systems for accurate billing becomes crucial. Therefore, recalibrating accounts receivable processes requires efficient and secure handling of large volumes of data.

More than 80% of corporate treasury executives said their firms rely on manual and paper-driven AP and AR processes. Complex billing cycles and managing a high volume of invoices (identified by over 70% of executives) lead to bottlenecks and delays. These issues are further amplified by poor data visibility and discrepancies throughout the AP process, as reported by 63% of executives. On the AR side, the lack of automation makes managing aging receivables a significant challenge for 69% of executives.

80%+
of treasury executives said their firms rely on manual and paper-driven AP/AR processes

It's not easy to identify and address overdue payments without a clear data trail. Only 10% of surveyed executives said their organization's AR processes are highly automated, and 25% said AP processes are highly automated. The result? Insurance firms process around 145 invoices daily at USD 22.00 per invoice. Additionally, 27% of invoices encounter processing exceptions, adding to operational costs and delays. Nevertheless, insurance executives report 76% collection efficiency. While this rate may seem encouraging, room for improvement exists.

Retailers struggle with balancing omnichannel growth and back-office efficiency

Retail corporate treasurers are turning to diversification in the face of a dynamic landscape. Of the retail sector treasury executives we polled, 91% say supplier diversification and building an omnichannel customer experience rank at the top of their priorities – 82% of retail executives for e-commerce and mobile, 75% for omnichannel integration. This omnichannel push, reflected in the significant increase in checkout options (from three to four in 2017 to seven to eight today), is coupled with co-branded wallets to drive customer engagement and the strategic use of loyalty programs, which 58% of retail executives see it as a top priority.

However, complexity creates challenges, and 69% of retail executives say they struggle with multichannel reconciliation due to the sheer number of payment options. Moreover, high volume/low-value transactions and intricate billing cycles plague the AR process, as reported by more than 60% of retail executives. The lack of automation (only 10% in AR) amplifies inefficiencies and results in significant manual and paper-driven work. The AP function faces similar issues: 69% of retail executives say they struggle to manage a high influx of non-standardized invoices, often relying on manual, paper-based processes (60%). With only 13% of AP departments boasting a high degree of automation, retail firms process 170 invoices daily costing USD 14.00 each, with a troublesome 38% exception rate, according to the corporate treasury executives we surveyed.

Corporations want instant capabilities to address value chain complexities

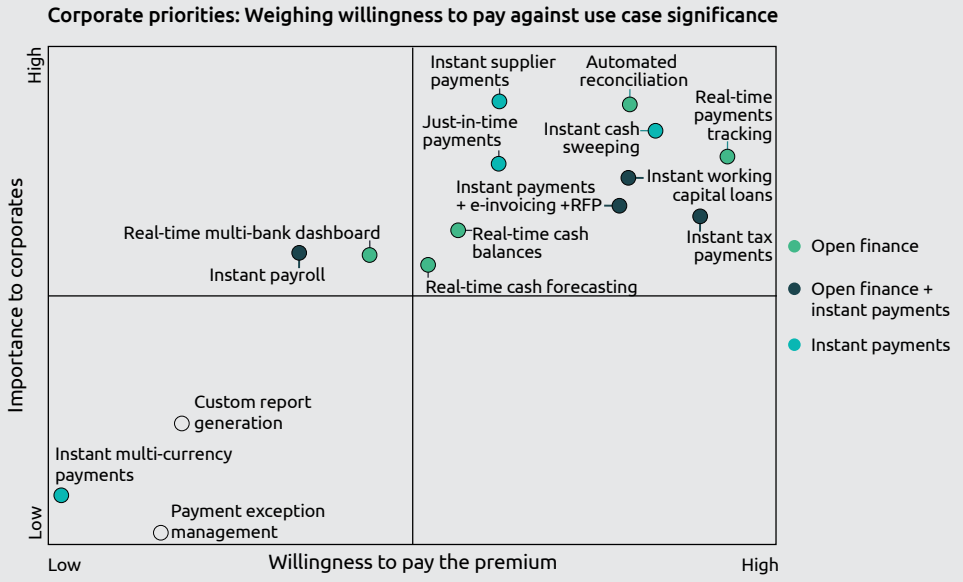
Inefficiencies in AP and AR across insurance, retail, and automotive sectors create a significant cash flow hurdle for corporations. Our survey revealed that nearly 7% of corporate revenue is tied up within the value chain. This percentage may seem small, but scaled across entire industries, it translates to billions of dollars that corporations could use to fund business activities and fuel growth. Instead, survey respondents say they rely on short-term loans to finance working capital, which can add costs in today's high-interest rate environment. "SMBC recognizes the complexities of supply chains in automotive, consumer goods, and insurance," said Akio Isowa, Senior Managing Executive Officer and Head of Digital Solution Division, Sumitomo Mitsui Banking Corporation (SMBC). "Many downstream companies face cash flow challenges due to slow payment cycles. We believe that combining instant payments with open finance-powered digital value-added services can unlock significant improvements in overall supply chain efficiency. This approach enables high-frequency payments that are readily available, affordable, and accessible 24/7."

To understand how companies will address these challenges, we asked corporate treasury executives about the capabilities they value most and their willingness to pay a premium for such solutions. Figure 15 details value-added treasury services sought by corporate executives to enable real-time responses to the complexities within their value chains.

Instant payment implications for value chains:

Request-to-Pay (RtP) and e-invoicing for instant collections: Electronic invoicing (e-invoicing) and RtP combined with instant payments offer a powerful suite of tools for streamlining financial processes across industries. E-invoicing facilitates the secure exchange of invoices in a structured electronic format, enabling automatic processing. RtP empowers payees to send a digital request for payment to payers, often using a proxy ID like an email address.

Figure 15. Corporates are demanding instant capabilities to address value chain complexities



Sources: Capgemini Research Institute for Financial Services, 2025; World Payments Report 2025 Corporate Survey (N=600)

This combination unlocks significant value. Juan Luis Encinas Sánchez, CEO of Iberpay (Spain), hails SEPA Request to Pay (SRtP) as a game-changer for treasury management. "It empowers companies to request instant payments directly through APIs," he explains. “This seamless integration with instant payment systems allows businesses to send and receive invoices with enriched data and documents, facilitate instant or scheduled payments, and achieve instant bank reconciliation. The benefits of RtP extend across various sectors, ultimately improving cash flow and operational efficiency.” Imagine a car workshop raising an e-invoice with an RtP to an insurance firm for a claim payout. The insurance company can instantly process the invoice and send immediate payment, eliminating delays for the workshop. Similarly, utility companies can use e-invoicing with RtP to request payments from large corporates to improve collection efficiency and allow corporates to leverage e-invoices to set up standing orders for variable recurring payments.

The benefits extend to the automotive sector as well. Parts suppliers can send e-invoices with RtP directly into the ERP systems of automotive OEMs. The Request to Pay can specify a set payment date, with the ERP system nudging the treasury department for scheduled payments and executing them on the agreed-upon date. Early payment opportunities are also facilitated. Suppliers can include an indicator in the RtP to allow OEMs to complete payments before the due date, potentially in exchange for a discount. Additionally, suppliers can include an amount modification indicator, allowing OEMs to pay extra for critical parts and reserve capacity in advance.

Banks can further enhance this ecosystem by offering value-added services. This could include enabling both requestors and recipients to track the status of their

UK SMEs embrace app that enables quick, secure, cost-effective transactions – and instant access to funds

Business challenge
A leading UK bank sought innovative solutions to serve commercial clients better and resolve small- to mid-sized businesses’ late payment challenges. They wanted a fast, secure, cost-effective request-to-pay (RtP) service built on open banking. Moreover, the solution had to be up and ready for SMBs within three months.

Strategy/Implementation
The bank partnered with UK PayTech BankiFi, a provider of embedded banking solutions, to deliver an instant payment solution accessible to any UK-based SMB, regardless of its primary bank. BankiFi developed a mobile Go Get Paid application to enable quick, secure, cost-effective transactions – and instant access to funds. The solution was a convenience standout because only the payee (the SME) needs to be registered, not the payer. This valuable feature eliminated the typical friction associated with account receivables and uptake. The solution leveraged open banking APIs to facilitate payments from any bank account in addition to card payments and wallets. The bank says the stand-alone app was integrated and launched within three months. Users can choose from multiple delivery channels (email, SMS, WhatsApp, and QR code). The automated, payment-scheme-agnostic solution can reconcile payments linked to SMB accounting packages.

Results
Four other British banks launched similar branded versions of the app since the Go Get Paid introduction. The solution delivered significant benefits for the originating UK bank and its SMB clients, surmounting previous challenges. In fact, 79% of the bank’s SME clients report that Rtp fulfillment now takes only two days. The bank claims the solution helped it achieve 62% year-on-year growth in new commercial accounts. Thousands of users moved to the app within 18 months, and millions of GBP (£) were processed. The bank gained real-time data access to its SMB clients, yielding valuable insights. Of total Go Get Paid app users, 43% are from other British banks, demonstrating its broad appeal.

RtPs. Status codes can indicate when a request has been received by the financial institutions, presented to the recipient, and accepted or rejected. For requestors, this transparency helps investigate delays and confirm if recipients have scheduled payments for upcoming invoices. "Open banking APIs and instant payments unlock a world of innovative cash management applications, like Request-to-Pay (RtP). However, success goes beyond technical integration," explains Gregor Roth, Managing Director, DZ bank. "For RtP to truly flourish, widespread adoption is key – both from businesses initiating requests and from customers receiving them. Building acceptance and a clear understanding of the value proposition for all parties involved is crucial."

Instant tax payments: Open finance streamlines tax management for businesses by offering secure data sharing and automated payment solutions. Businesses can grant access to income, expense, and tax withholding information directly from their bank accounts, eliminating the need for manual data entry and reducing errors. This streamlined data collection process can then be integrated with a company's ERP system, allowing for the scheduling of tax payments to authorities (like HMRC in the UK). There is no more scrambling to remember deadlines or manually initiating transactions – payments are automatically deducted, saving businesses significant time and administrative effort. Open finance and instant payments go a step further with instant variable recurring payments, enabling complete automation of tax payments.

Instant working capital: Small and medium-sized businesses (SMBs) often face unexpected cash flow challenges requiring quick solutions. Traditional banks offer working capital lines and loans to larger businesses to cover these short-term needs. However, securing such financing can be a slow process for SMBs – but open finance offers a game-changer. By enabling banks to securely access a holistic view of an SMB's business performance through aggregated data from their business accounts, open finance streamlines the underwriting process.

> *"Bpifrance is at the forefront of innovation, piloting several exciting use cases that leverage instant payments and open finance APIs. One key area of focus is automating risk management with analysis and categorization of open banking information. We're also exploring automation for state subsidies, particularly for projects receiving funding based on their nature. Imagine an end-to-end program where subsidies for building new factories involve real-time invoice verification throughout the project. This ensures seamless alignment between invoiced amounts and project goals."*
>
> **Lionel Chaine**
> Chief Information Officer, Bpifrance, France

This allows banks to make faster credit decisions and disburse loans instantly, providing SMBs with the critical funds they need when unforeseen obligations arise.

Bulk payments: Businesses continue to grapple with cumbersome traditional bulk payment processes. Banks often require specific file formats with numerous (10–15) strictly defined fields. This complexity makes integration with existing systems challenging and creates a breeding ground for errors and delays due to manual data entry. Furthermore, a single formatting mistake or missing piece of information within a large batch can result in the entire list being rejected, further extending the processing time. The processing windows for batches are constrained by settlement cycles and cut-off times. These factors determine when a batch must be submitted to ensure that the payment reaches the recipient on the same day or the next day. In addition, reconciliation remains a manual process, vulnerable to human error which can lead to financial discrepancies and disputes.

Open finance platforms revolutionize bulk payments by eliminating the need for tedious manual data entry. Businesses can simply upload a bulk list of payments for execution, facilitating the simultaneous processing of numerous transactions – ideal for payroll, vendor payments, or any recurring expense. This batch file can be initiated for instant payment, meaning funds reach beneficiaries in real time.

The true novelty lies in the initiation method. While most instant payments are currently initiated one-by-one via online banking or APIs, BNP Paribas is pioneering bulk-file transmission for instant payments in Spain. This file-based approach offers flexibility as it can be initiated through various channels – the local Spanish Editran network, BNP Paribas' Connexis Cash platform, or via other Host-to-Host channels like SWIFTNET. Clients receive real-time confirmation of payment status ensuring immediate visibility into successful transactions.[44]

Instant multi-bank cash sweeping:
Instant payments go beyond streamlining external transactions. They can be a powerful tool for internal cash flow management as well. Imagine "just-in-time" funding across internal accounts. By combining instant batch processing

A global debit network reduces reconciliation time by 90% with automation

Business challenge
A global bank debit network served 60,000 businesses worldwide to process USD 20+ billion annually in payments covering invoices, subscriptions, memberships, and installment expenses. The network wanted to replace manual spreadsheet reconciliation with a cloud-based solution to automate its end-to-end reconciliation process. With an eye on efficiency and customer satisfaction, the debit network envisioned comprehensive dashboards and reporting for data-driven insights and functionalities such as item splitting and customizable auto-match rules. Network executives also sought automated contra records to document the loss in value of clients' general ledger asset accounts. An ideal solution would flexibly store data separately for different geographical regulations and integrate a seamless, automated workflow.

Strategy/Implementation
The debit network turned to Glasgow-based AutoRek – a financial controls and regulatory reporting software solution supplier – to streamline its high-volume, multi-currency payment transaction reconciliation across multiple accounts. Initially, the focus was on validating data completeness before reconciling daily transactions at the currency and account level. Given the high volume of data, automated matching was crucial, achieving a 99.5% match rate on larger accounts. Later, AutoRek continued to optimize match rates while expanding support to additional reconciliation processes and generating daily, weekly, and monthly reports.

Business Impact
AutoRek's implementation yielded a 90%+ reduction in reconciliation time by automating manual processes and exception management. The debit network's freed-up resources switched focus to investigations, data analysis, and broader business support. The platform's extensive audit and control capabilities enhance transparency, enabling transaction tracking and user monitoring to facilitate successful audits and bolster operational resilience. Prioritizing client self-sufficiency, AutoRek fostered knowledge sharing through in-person collaboration sessions. After training, the client independently built most of the solution, gaining a deeper understanding, prioritizing internal training, and ensuring future adaptability.

and instant payments, companies can achieve real-time liquidity management, automatically deploying funds to the right place, at the right time, and in the right amount. While current transaction amount thresholds might pose a temporary limitation, this could be addressed through bank-specific solutions or future increases in these thresholds. "Instant payments coupled with open finance APIs unlock a new level of cash and liquidity management for banks and businesses", says Johnny Grimes, Global Product Head for Corporate Cash Management at Deutsche Bank. "Real-time cash pooling and sweeping is possible through instant payments. This, combined with open finance APIs, paves the way for a multibank cash pooling solution that operates in real-time across business entities and currencies. This ability, along with embedded risk management solutions, can free up trapped liquidity, giving businesses greater control."

Instant upward cash sweeping can help corporates pool cash into an interest-bearing account, money-market account, or investment product. Similarly, instant downward cash sweeping can help corporates to ensure other accounts do not go into overdraft. For instance, large insurance companies traditionally struggle with idle cash scattered across regional and subsidiary accounts from collected policy premiums. Reconciling and manually pooling this cash is a tedious process. However, instant cash sweeping powered by open finance APIs offers a solution. By accessing and analyzing data from multiple bank accounts in real time, idle cash can be automatically identified. This allows for the instant automatic transfer of funds into a single, centralized account, maximizing available liquidity for strategic purposes like investments or faster claim settlements. "Achieving real-time, round-the-clock liquidity management necessitates a fully synchronized global and borderless instant payment ecosystem encompassing corporations, their IT infrastructure (ERP/TMS), banks, regulators, and central bank. The seamless collaboration across these five pillars can unlock the true potential of real-time liquidity management at scale," explains Philippe Penichou, Global Head of Sales, Wholesale Payments and Cash Management at Société Générale.

> *"There is significant opportunity in cross-border, real-time payments for liquidity management. Domestic Instant Payments schemes have thresholds, while blockchain-based solutions, like Citi Token Services, are emerging as powerful tools to move funds across borders in real time 24/7. By combining blockchain technology and smart contracts, these platforms offer corporates innovative ways to manage global liquidity in real-time, on a programmable basis."*
>
> **Emanuela Saccarola**
> TTS Head of Cross Border Payments, Citi Services, Ireland

The key to unlocking strategic partnerships between banks and corporates lies in a powerful combination: Instant payments, rich payment data, and open finance APIs. Real-time treasury solutions are the outcome.

- Instant payments provide the speed businesses crave
- Rich payment data that flows along with instant payments offers valuable insights into cash flow and spending patterns
- Open finance APIs bridge the gap, allowing secure data sharing and creating innovative use cases that solve real business problems.

This trifecta empowers banks to evolve from transaction processors to trusted financial advisors, guiding corporations towards optimized cash flow management and a competitive edge. Ali Imran, Chief Operating Officer of the Commercial Bank of Dubai, agrees when he says, "An optimal roadmap to building real-time treasury involves leveraging instant payment capabilities in combination with actionable client insights from enriched data, integrated with open finance use cases."

Strategic vision helps banks switch from stop-gap tactical adjustments to long-term transaction flexibility

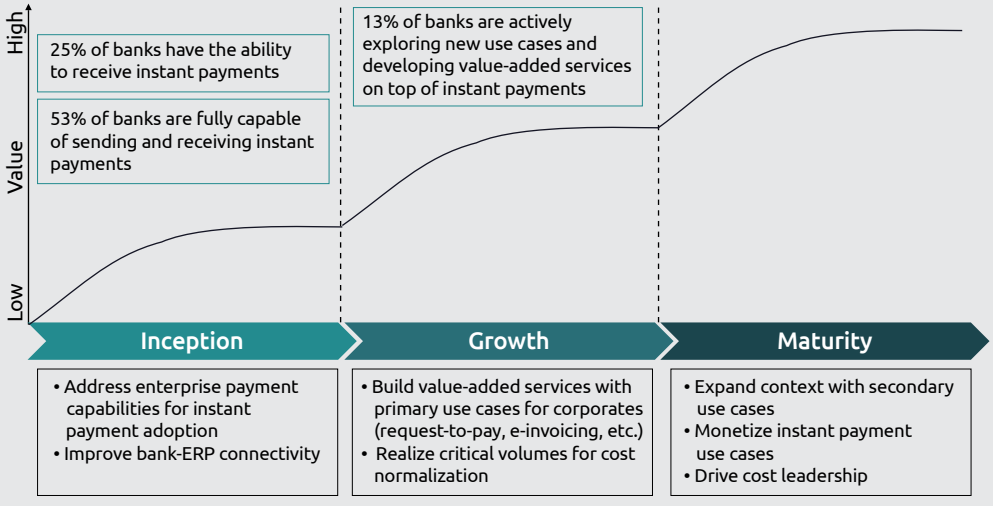
Instant payment capability is a multi-stage journey with distinct challenges and opportunities at each step (Figure 16). "Building instant payments requires planning," says Security Bank's Stephen Bell (Senior Vice President and Transformation Head). "Key factors include aligning processes with vision and strategy, ensuring efficient payment rails with features like auto FX, and leveraging a modern cloud tech stack. Internal execution capabilities and board support are equally crucial." Here's a breakdown of the three key phases to building success with instant payments:

Inception: This initial stage focuses on evaluating existing infrastructure. Banks assess their payment systems' health to ensure they can handle 24/7, 365-day transaction processing with high uptime and straight-through processing (STP) rates. Strengthening enterprise capabilities and improving bank enterprise resource planning (ERP) connectivity are also crucial. Interestingly, our survey found that 78% of payment executives say their firm is in the inception stage, yet only 25% can currently receive instant payments, with 53% able to send and receive.

Growth: Banks in the growth stage shift focus to core use cases based on an instant payment foundation, including functionalities like requests to pay, variable recurring payments, and e-invoicing. Achieving cost normalization through processing critical payment volumes is essential. Additional revenue streams include white-labeled instant payment solutions to third-party providers, FinTechs, and corporates (such as insurers). Notably, our survey found that only 13% of banks are in this stage, with a higher representation (14%) among Tier I banks than Tier II banks (6%).

Maturity: This final stage is characterized by expanding primary use cases and developing numerous secondary use cases. Banks at this level have a well-defined monetization strategy for instant payments and prioritize cost and value-added services (VAS) leadership. While no banks in our survey have reached this stage – considering the nascency of instant payments –we expect 2% to 3% of Tier I banks to graduate from growth to maturity stage within the next three years. This timeframe reflects the evolving landscape of instant payments, with most banks still navigating the earlier stages of adoption.

Figure 16. Instant payment adoption is a multistage journey for banks



Source: Capgemini Research Institute for Financial Services, 2025; World payments report 2025 payment executive survey (N=200)

Unlocking SEPA instant payments for FinTechs: The Numeral-BPCE Collaboration

Numeral, a France-based payment technology provider, partnered with BPCE Payment Services, the payments arm of France's second-largest banking group, Groupe BPCE, to simplify instant payment access for FinTechs. Traditionally, FinTechs faced hurdles in offering instant payments due to reliance on complex connections with Tier I banks or limited services from challenger banks.

Additionally, non-banks require sponsor banks to connect with SEPA clearing mechanisms. This partnership changes the game. By leveraging Numeral's platform and BPCE Payment Services' infrastructure, regulated FinTechs can become SEPA participants. This enables them to send, receive, and reconcile payments across all SEPA credit transfers, instant credit transfers, and direct debits through a single API and user-friendly dashboard. This collaboration empowers FinTechs to streamline their operations, gain greater control over payments, and offer instant payment functionalities to their customers.[45]

It's inevitable, instant payments will disrupt end-to-end enterprise capabilities

Bank legacy systems and internal operations designed for batch processing and limited uptime don't see eye to eye with instant payments. Traditional payment systems like wire transfers, SEPA, or ACH operate during specific hours, and receiving banks can delay posting funds to customer accounts until later. Many banks manage these systems in-house, connecting directly to operators like the Federal Reserve's Fedwire or the Clearing House's Clearing House Interbank Payments System (CHIPS). Larger banks can leverage straight-through automation and seamless messaging between their core systems and payment operators. However, lower-volume Tier II banks often rely on attended browser-based connections that require manual intervention. This manual approach, suitable for low-volume ACH and wire transfers with delayed posting options, becomes impractical for instant payments.

Instant payment systems operate 24/7 and require receiving banks to accept and post funds within seconds. This process necessitates fully automated integration with banks' core systems. Yet, it can be challenging to establish real-time, always-on connectivity – especially without support from core systems and payment hub IT service providers.

> *"The shift from batch processing to real time presents a major challenge, particularly for core bank systems. While banks are making progress with instant payment functionality, the real obstacle to offer the full benefit of real time to customers lies in adapting these systems and customer accounts to operate accordingly. Same applies to the need for open platform to offer payments in contextualized environments This necessitates a fundamental shift in infrastructure, requiring substantial investment."*
>
> **Pierre-Antoine Vacheron**
> Chief Executive Officer of BPCE Payments, France

What will the switch to instant payments entail (Figure 17) ?

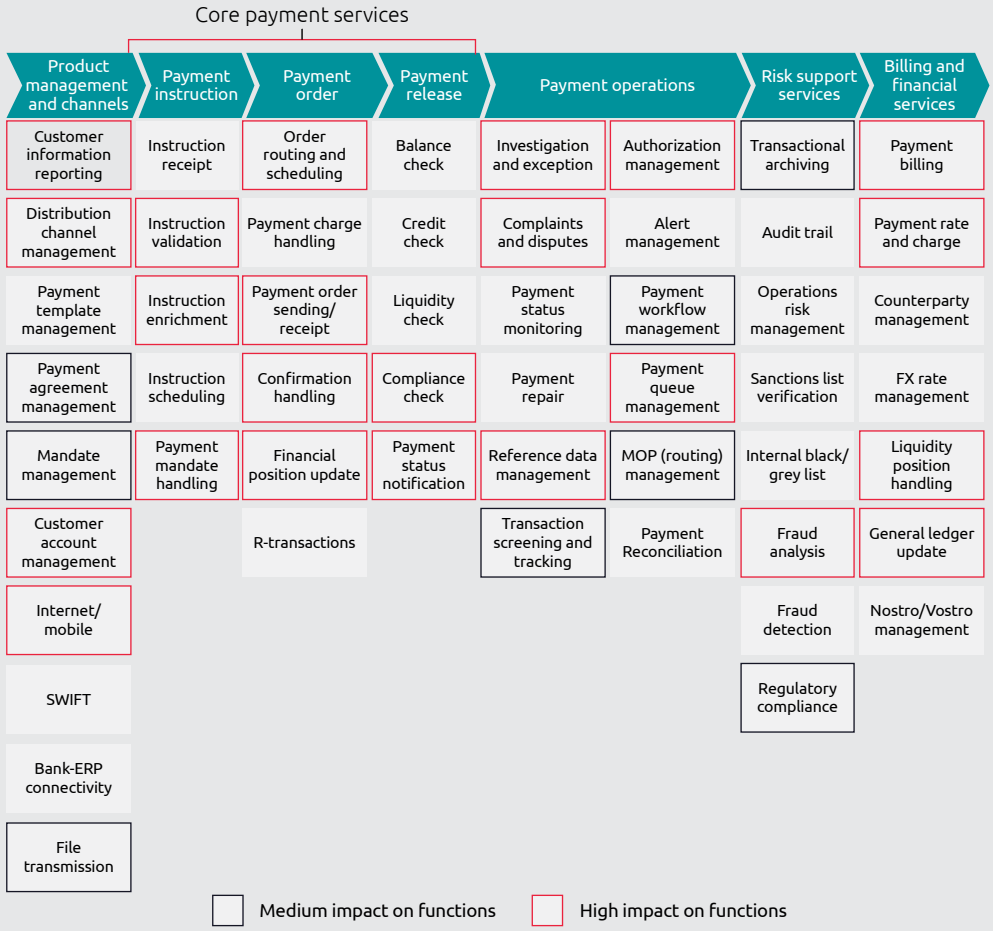
- **Channels and product management:** Instant payments will significantly affect channel services and product management. Notably, the support for direct debits and collection products will have a major impact, along with their associated sub-services like mandate management. Transaction notifications will also be affected, with potential changes in the type, timing within the flow, and medium as mandated by the specific instant payment scheme.

Security is a consideration because some instant payments require pre-authorization of payment initiation channels like mobile SMS. In addition, certain instant payments maintain a centralized database of mobile numbers, necessitating a number-validating mechanism. Instant payments will impact mobile and internet channels the most because they often use mobile numbers for customer identification, which will require adjustments to authentication, authorization, and aggregation sub-services.

- **Payment instruction services:** Banks that adopt instant payments will require adjustments to Payment Instruction Services that assemble and verify payment instructions from bank customers and third-party providers.

Message parsing services must be updated to handle the unique messaging format used by these schemes. Additionally, acknowledging or rejecting payments (ACK/NACK) needs to be configured based on the tighter service level agreements (SLAs) associated with instant payments. Some instant payment schemes require pre-authorization checks for payment initiation channels. And because Bank Identifier Codes (BIC) and International Bank Account Numbers (IBAN) may not be universally valid, a mechanism to correlate these existing identifiers with the new identifiers used in instant payments will be necessary. In EU, the Instant Payments Regulation mandates verification of payee (VoP) for fraud prevention.

Figure 17. The shift from batch to continuous processing will impact the payments landscape



Source: Capgemini Research Institute for Financial Services, 2025

- **Payment release services:** Traditional payment systems often experience a delay between initiation and settlement, allowing time for funds verification and balance updates. However, because instant payments clear and settle in real-time, online balances must reflect these near-instantaneous transactions. Similarly, liquidity position services that rely on traditional settlement cycles must be updated to account for faster moving instant payment funds, which may involve integrating real-time settlement information from the instant payments network into existing liquidity management tools.
- **Payment order services:** Connecting to the new market infrastructure and clearing and settlement mechanism specific to instant payments will be crucial for sending and receiving real-time transactions. Ensuring compliance with the unique message identification formats mandated by each instant payment scheme is essential for smooth processing. The potential for new charges associated with instant payments necessitates adjusting fee structures within payment order services. Strict instant payment SLAs require reevaluating how payment order services handle order status updates and rejection workflows to ensure timely communication and efficient exception management.

> *"Taking full advantage of instant payments requires an end-to-end review of not just client facing services, but also back-office infrastructure at both financial institutions and corporates. Efficient real-time processing necessitates changes to many critical functions that encompass operations, returns, and fraud / risk management, as well as migration to a 24/7 operating environment. This will incorporate real-time memo posting and other time-sensitive processes."*

Ben Isaacson
Senior Vice President, Product Strategy,
The Clearing House, US

Building scalable instant payments with mandate management

Business challenge
A global bank sought real-time payment software for deployment in emerging markets. Requirements included support for service level agreement (SLA) compliance, high-volume transaction resilience, and the ability to initiate payments based on overlay services like mandate management.

Business solution
Capgemini and the bank collaborated to build a product that leverages microservices architecture with a payment orchestration layer. This layer centralizes orchestration and routing services, utilizing an event-based design to guarantee SLA adherence. The microservices architecture ensures the resilience to process high-volume real-time payments. The team designed the solution to be easily deployable across markets (e.g., Australia, Malaysia) with built-in extensibility for integration with market-specific payment schemes.

Business Benefits
The team designed the solution as a product that aligns with the bank's architecture strategy to support future real-time payment needs across emerging markets. It also enables integration with new payment schemes as they arise. This bank expects the real-time payment initiative to save approximately 60% of deployment effort in new markets while ensuring alignment with future payment strategies.

- **Payment operations:** The adoption of instant payments will significantly impact payment operation services which include customer support services and monitor and control services. Sawai Daiyu, Managing Director, Head of Product Strategy and Development Department, Transaction Banking at MUFG says, "The shift from batch payments to instant payments presents significant challenges for banks and payment providers. Upgrading infrastructure, managing investment costs, and supporting non-STP/repair payments (e.g., 24/7 human resources) will be critical factors for success."

  The ability to automatically repair basic payment instruction errors may become less reliable for customer support because instant payment formats and validation rules differ from traditional systems. And because some instant payment schemes don't use IBAN, customer identification and account validation processes may need adjustment. New instant payment-specific reference data sets – sort codes, bank directories, and message formats – will also be crucial. Customer support must prepare for inquiries about instant payment cut-offs, holidays, product features, and other operational aspects that affect real-time status monitoring. New workflows will be required to track and manage various types of instant payments. Configuring new alerts based on stricter instant payment SLAs will be essential to isolate potential issues quickly. Moreover, the mode of payment routing may need adjustments to accommodate instant payments. Also, regulatory and management reporting will need overhauling to capture and analyze instant payment-specific data.
- **Risk support services:** Instant payments will impact risk support services as exponential transaction volume growth strains existing transactional archiving systems. Systems that store traditional payment process data may struggle with instant payments' volume and potentially different data structures. Database optimization to accommodate increased storage needs will involve recalibration, indexing refinement, and new archiving methods. The rapid settlement times and distinctive characteristics of instant payment systems necessitate adjustments to anti-money laundering (AML) applications and compliance reporting processes.
- **Billing and financial services:** Billing and financial support services will feel the impact of instant payments. Billing services will handle new instant payment products, including supporting features like direct debits and collection products, which may have different billing structures from traditional payments. Some instant payment schemes also restrict the maximum fees processing banks charge, necessitating adjustments to existing billing models. Financial support services will also require changes to accommodate instant payments. Establishing new settlement accounts specifically for the instant payments network will be crucial. For institutions acting as indirect participants, setting up nostro-vostro accounts with other network banks may be necessary. Finally, managing liquidity positions will require close collaboration with instant payment settlement agencies to ensure funds are available to meet real-time settlement obligations.

Instant payments have a business case for corporates in areas like accounts payable/receivable and trade finance, but wider adoption depends on adjustments to corporate workflows (ERP, treasury) and customer readiness. It will likely be a gradual shift, with a mix of instant and traditional payments for the foreseeable future."

Tino Kam
Product Area Lead, Payment & Settlement Services, ING Bank, Netherlands

As instant payments surge, banks struggle to keep up

Results from our survey of payment executives across 15 markets cause concern about banks' instant payment readiness (Figure 18). Technology is improving, yet 67% of banks are in a medium preparedness band for business and technology. Although widespread progress is underway, there is a concerning technological maturity gap between markets.

This uneven landscape is particularly challenging for European banks facing the January 2025 Instant Payment Regulation (IPR) deadline, which mandates all EU banks and PSPs to offer instant payment-receiving capability. Full send and receive functionality is required by October 2025.

According to survey results rolled into a business and technology assessment matrix created by Capgemini Financial Services analysts, only 13% of European banks can claim a strong technology foundation for instant payments, lagging behind leaders in APAC (30%) and the Americas (26%).

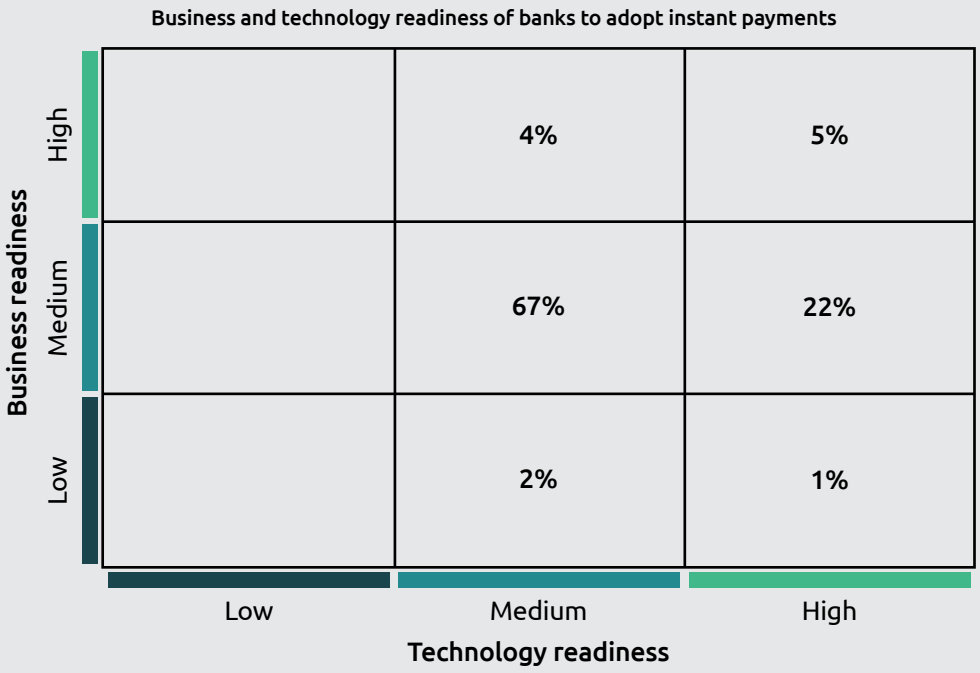
Notably, only 5% of banks achieved high business and technology scores to solidify their position as instant payment adoption leaders. Future-focused banks will accelerate their preparation efforts to comply with evolving regulations and to seize competitive instant payment advantages and efficiency gains.

Regulators race to stay ahead of instant payment fraud

Nearly all payment executives in our survey raised concerns about instant payment fraud. This apprehension colored their activity, with banks lacking robust defenses, opting to receive but not send instant payments. This hesitance creates a system bottleneck, hindering the full potential of instant payments.

67%
of banks are in the "medium preparedness" band for instant payments' business and technology readiness

Figure 18. Banks remain underprepared for instant payment acceleration



Sources: Capgemini Research Institute for Financial Services, 2025; World payments report 2025 payment executive survey (N=200)
Note: Business readiness is measured by scoring instant payment pricing strategy, partnership strategy to expand instant payments, dispute resolution mechanism, risk management framework, etc. Technology readiness is measured by scoring real-time processing capability, API integration, ISO20022 messaging standard, AI powered fraud detection, confirmation of payee checks, etc.

However, the instant payments surge has created a lucrative environment for scammers, with a June 2024 Statista report projecting e-commerce fraud losses to have surpassed USD 48 billion at the close of 2023. In parallel with the global shift to online shopping, Authorized Push Payment (APP) scams often use impersonation tactics and fake invoices.

UK regulators report that APP scams in 2022 totaled nearly USD 505 million in losses, with less than 60% of customers reimbursed. Instant payments were used in 98% of these cases. In response, the UK announced a mandatory 50/50 liability split between sending and receiving banks effective October 2024, pressuring banks to strengthen their defenses.

Europe is also taking action. PSD3, announced in June 2023, aims to make banks liable for specific impersonation scams and mandates compliance with the Confirmation of Payee (CoP) verification system that checks account names during payments. However, the CoP landscape remains fragmented, with various providers offering national or regional solutions. The need for a harmonized and interoperable pan-European CoP scheme is crucial.

A snapshot of Europe's CoP verification landscape[48 49]

- **United Kingdom:** CoP service is an interbank scheme managed by Pay. UK (the operator of the UK's national retail payment systems
- **The Netherlands:** SurePay CoP service was piloted with Rabobank and now includes several major banks
- **Nordic countries:** Confirmation of Payee scheme directed by the Nordic Payment Council (NPC)
- **Spain:** Payment service company IberPay offers CoP verification
- **Italy:** Payment company CBI offers CoP services and aims for pan-European reach
- **France:** SEPAMail, a secure, open architecture messaging service, offers CoP verification

European payment infrastructure provider EBA Clearing plans a December 2024 launch of a cross-European Verification of Payee (VoP) service to PSPs that will offer IBAN and name-matching services to customers for SEPA transactions. Moreover, FinTechs like iPiD (Singapore-based VoP solution provider) are also offering confirmation of payee services.

10-second challenge: Reconciling instant payments with strict AML

The European Union aims to make instant payments the norm, but this clashes with anti-money laundering (AML) regulations. Each EU member state enforces its own AML policies, requiring sanctions screening on all cross-border transfers against four different lists (EU, International, domestic, and banks' private lists). This creates numerous "false positives" – rejected transactions due to mistaken identity – especially with intra-EU payment corridors. Verifying these within the 10-second instant payment window is impossible, resulting in declined transactions potentially ranging from 1% to 15% of total instant payment volumes.
While a regulatory shift would be ideal, new technologies may help reduce false positives and declined payments:

- **ISO 20022:** This improves data accuracy over legacy formats. As the bank-to-bank migration will be complete by 2025, the customer-to-bank space should be the next focus area.
- **Data analysis and machine learning:** AI could further enhance efficiency by recording patterns and exceptions of false positives to help create bypasses for future similar transactions.
- **Next-generation screening engines:** These systems might enable pre-validation of payments, potentially detecting false positives before the 10-second window.

The current fragmented landscape highlights the need for a unified approach. The decision by the EU to separate CoP rails from payment rails will likely lead to multiple CoP schemes in the near future, further emphasizing the importance of interoperability.[50]

Meanwhile, the U.S. Federal Reserve launched the anti-fraud tool ScamClassifier to combat the growing problem. However, unlike in Europe, existing regulations in the United States – specifically the Electronic Funds Transfer Act – only protect consumers from errors and fraud when they electronically transfer funds using debit cards, ATMs, and automatic bank account withdrawals. Therefore, APP scam victims have no recourse.[52]

Beyond CoP: Embrace the power of AI in fraud prevention

While Confirmation of Payee verification is crucial, banks can fortify their defenses by implementing intelligent AI-powered fraud detection tools. These tools leverage machine learning to analyze vast amounts of data, identifying suspicious activity through pattern recognition and anomaly detection. As these algorithms continuously learn from new information, they become more adept at predicting and preventing fraudulent behavior in real time. This proactive approach equips banks with a powerful shield, safeguarding transaction integrity and customer security.

Temenos Business Line Director for Payments, Mick Fennell, said, "Banks can leverage AI across multiple facets of payment processing. However, firstly, for business critical AI driven payment decision-making, employing an 'explainable AI' technology to ensure transparency, is essential for auditors and regulatory compliance. Then, within payments processing, banks can deploy this explainable AI based decision making in a number of areas. These include fraud detection, where AI is minimizing false positives and optimizing human oversight.

Banks can also implement AI-driven automated repair processes to streamline payment operations, addressing errors promptly and efficiently. These initiatives to leverage AI enhances automation, reduces exceptions, and upholds stringent customer protection standards throughout the payment lifecycle."

By combining CoP with AI-powered fraud detection, banks can create a robust instant payments defense to protect them from financial losses while ensuring a smooth and secure customer experience, which is necessary to foster trust and the broader adoption of instant payments.

> *"Building a best-in-class payment stack empowers banks to excel in today's competitive landscape. By strategically selecting leading providers for KYC, fraud prevention, and last-mile connectivity, banks can leverage an orchestration layer to seamlessly integrate these solutions. This approach not only accelerates time-to-market but also ensures high-performance across the entire payment value chain."*
>
> **Nilesh Dusane**
> Global Head of Institutional Payment, Amazon Web Services (AWS), US

Act now and shift gears

A new era of payments services outsourcing has dawned, with core functions like transaction management, payment processing, risk management, and IT security handed to specialized providers. This payments-as-a-service (PaaS) trend fundamentally changes how financial institutions operate (Figure 19).

Jeff Byrne, Managing Director, Global Transaction Services at WestPac Institutional Bank, Australia says, "Legacy technology bottlenecks real-time payments for many banks. Banks need to future-proof their business with a real-time and cloud-based core banking system and payment processor. This transformation will unlock exceptional speed, streamline innovation, and deliver seamless, 24/7 service for customers. With this agility, banks are poised to capitalize on the revenue potential of instant payments, particularly for corporate clients."

PaaS leverages the power of cloud-based platforms, offering banks and PSPs a compelling value proposition. Cost optimization is a significant driver. By outsourcing infrastructure and personnel to PaaS providers, institutions shed the burden of maintaining their systems and specialist teams, translating to considerable technology management cost savings and freeing up internal resources for more strategic activity.

PaaS empowers institutions with agility. Pre-built solutions within the PaaS framework enable faster deployment of new features and functionalities. Gone are the days of lengthy in-house development cycles. Banks and PSPs can now adapt to evolving customer needs and market trends with increased speed.

Scalability is another key benefit. Cloud-based PaaS platforms are inherently scalable and designed to handle activity surges seamlessly to ensure that institutions can effortlessly accommodate growth without infrastructure limitations. Banks and PSPs can also operate more confidently and reduce risk by outsourcing complex compliance management to a specialist.

Payments-as-a-Service can be a game changer, helping banks and PSPs reduce costs and simplify compliance, bolstering operational agility and scalability. This shift allows providers to focus on core competencies and deliver exceptional financial services to customers.

Figure 19. Select the transformation roadmap that aligns with the bank's long-term vision

Approach to instant payments	Adopt service bureau/shared infrastructure	Collaborate with FinTechs	Leverage Payment-as-a-Service	Refresh/ upgrade existing payment hubs	Build new instant payment platform
Approach preferred by payment executives	21%	21%	50%	9%	<1%
Description	Multiple banks share external provider' platform	Banks partner with existing FinTechs, leveraging their expertise and technology	Banks partner with a PaaS provider, gaining access to technology and infrastructure	Banks upgrade their current payment hubs	Banks build a custom instant payments platform from scratch
Investment required	$	$$	$$	$$$	$$$$
Degree of ownership					
Time to market	Fastest	Varies (basis collaboration maturity)	Fast	Slow	Slowest
Level of innovative use cases	Limited	Varies	Moderate	Moderate to high	High
Target market segment	Primarily C2B and P2P	B2C, C2B, P2P and B2B (SMBs)	B2C, C2B, P2P and B2B (SMBs), treasury use cases	All segments with real-time treasury use cases	All segments with real-time treasury use cases

Sources: Capgemini Research Institute for Financial Services, 2025; World payments report 2025 payment executive survey (N=200)

Digital transformation accelerated: Security Bank and Capgemini deliver multi-phased centralized domestic and international payment solution

Security Bank Corporation (Security Bank) is a leading universal bank in the Philippines with a strong presence in Wholesale, Retail, Business, and Financial Markets. The Bank has a network of 328 branches and 662 ATMs across the country. With a clear vision to become the most customer-centric bank in the Philippines, Security Bank has aggressively invested in technology. "We embarked on this technological transformation in 2022, with a 2025 horizon," says Lucose Eralil, the Executive Vice President and COO at Security Bank. "Our strategy is clear: to outpace the competition and set a new benchmark for the industry."

Business challenge
Security Bank recognized the critical need for a robust payments infrastructure to support its digital transformation goals and deliver exceptional customer experiences. To achieve this, the bank embarked on a multi-year journey to establish a centralized payment hub platform capable of handling diverse payment schemes seamlessly.

The Capgemini Solution
Selected as a strategic partner following a competitive RFP process, Capgemini collaborated with Security Bank to design, develop, and implement a cutting-edge payment hub platform. The engagement commenced with a comprehensive wedge design phase to outline the end-state solution architecture. Subsequently, a robust product selection process and a three-year implementation roadmap were developed leading to the Bank's implementation ofACI Worldwide's RTPS solution.

This solution would cover the convergence of all domestic and international payment rails into a single payment hub and gateway solution covering high and low value payments. In addition, the end-to-end solution catered to the Bank key design principles covering business, risk, compliance, operations and technology with a focus on efficiency, consolidation and a future-proof tech stack.

The payment hub platform, built on a microservices architecture and hosted on AWS cloud infrastructure, ensures scalability, flexibility, reliability and agility. It provides a consistent experience across different payment channels and makes transactions more efficient and reliable for customers.

This is the first payment hub and gateway implementation in the country and the first transaction banking payment platform to be hosted on offshore cloud (AWS-SG). Security Bank leverages

Capgemini's SI partnership, payments center of excellence, strong PMO for delivery excellence and payments testing capabilities, for the program implementation.
Capgemini's expertise was instrumental in the successful launch of InstaPay 2.0 on ISO 20022 for Security Bank's retail customers in November 2023. The Bank is now progressing with the implementation of additional payment schemes as planned.

Business impact
With the successful implementation of Release 1, the InstaPay 2.0 transactions' monthly volumes are clocking 3 million transactions, and the annual volume is up by 20~25%. In conjunction with the Bank's wider channel transformation strategy, the program will facilitate new features and functions not seen in the market, including real time FX capabilities and new use cases being introduced by the BSP and BancNet. The improved service offering driven by a resilient and high available (99.9%) platform enables the next wave of digital advancement.

Conclusion

The landscape of payments is undergoing an evolution. As non-cash transactions surge, innovation, collaboration, and healthy competition are reshaping the industry. New and established payment methods will coexist, fostering a diverse ecosystem catering to retail and corporate needs. This dynamic environment presents a unique opportunity for banks and payment service providers (PSPs) to explore new revenue streams while prioritizing customer experience.

In the open and instant future of payments, banks have three critical imperatives for success:

- **Gear up for the payments transition:** Open finance, a key driver of innovation, unlocks a world of possibilities. Instant payments, on the other hand, redefine customer expectations for speed and convenience. Embrace both while driving synergies, build the business case to fund the investment and turn it in ongoing positive revenue.
- **Elevate the transformation journey:** Change is inevitable, and agility is paramount. Cloud-based, composable platforms offer the flexibility and scalability needed to bridge capability gaps and ensure institutions can adapt to the evolving landscape and retain the right to win.
- **Unleash new value streams:** Fragmentation hinders progress. By breaking down silos and combining the power of open finance and instant payments, financial institutions can craft innovative and adaptive cross-product, multi-rail value propositions that deliver a superior experience for their customers.

By embracing these imperatives, banks and PSPs can position themselves at the forefront of the open and instant payments revolution. This proactive approach will ensure that they are well-equipped to navigate the changing landscape and deliver future secure, efficient, and customer-centric payments.

Methodology

Scope and research sources

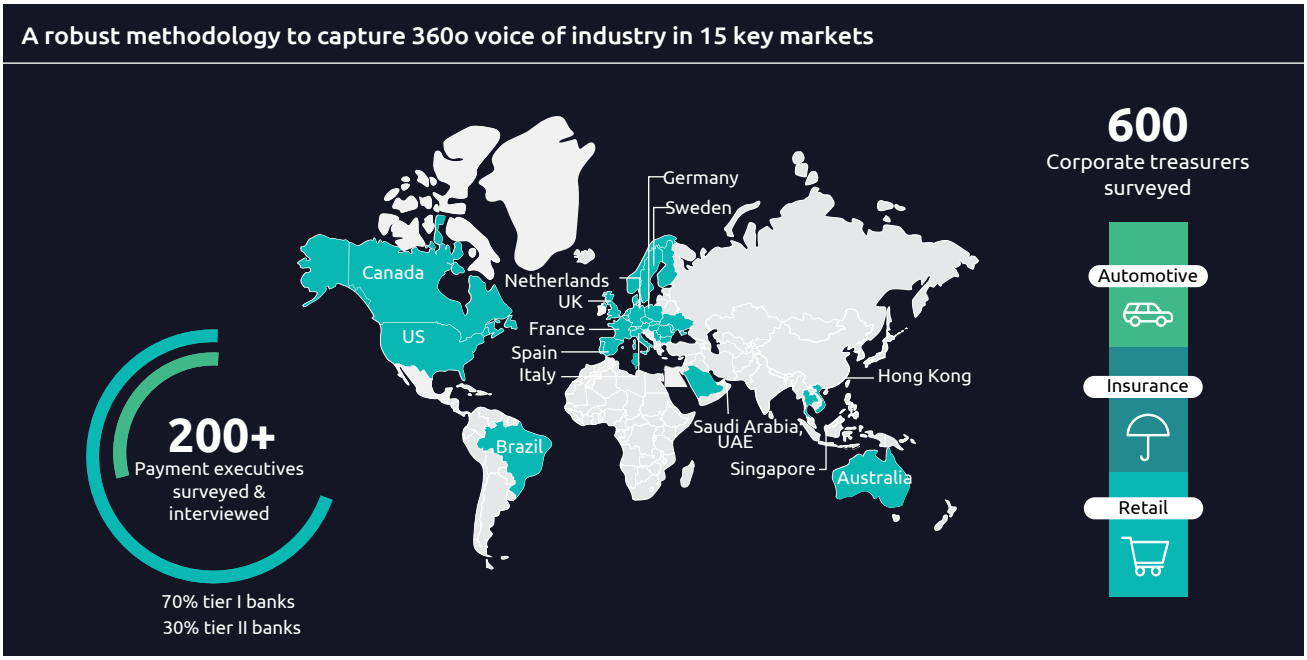
The World Payments Report 2025 draws on insights from two primary sources – the global corporate survey 2024 and the global banking and payments executive surveys and interviews 2024. These primary research sources cover insights from 15 markets: Australia, Brazil, Canada, France, Germany, Hong Kong, Italy, the Netherlands, Saudi Arabia, Singapore, Spain, Sweden, the UAE, the UK, and the United States.

2024 Global corporate survey

The survey questioned 600 corporate treasurers from three industries: insurance, retail, and automotive. It explored factors influencing payment disruptions, expectations from corporate banks, satisfaction levels, drivers of bank relationships, challenges in cash management, and emerging payment services such as instant payment-based use cases and real-time treasury systems. Participants also provided insights on instant payments maturity and automating accounts receivables/payables.

2024 Global banking and payments executive surveys and interviews

The report includes insights from focused interviews and surveys with over 200 senior payment executives of leading banks (tier I and tier II), financial service organizations, payment service providers, industry associations, and central banks representing all three regions: the Americas, Europe, and Asia-Pacific and the Middle East.



Partner with Capgemini

Connected Payments

Our integrated Connected Payments offering helps banks take a transformational view of their payments' capabilities. As instant payments become a rail of preference, we offer a path to payments leadership through implementing the efficiencies and flexibility necessary to thrive in the constantly evolving ultra-competitive landscape. Addressing the end-to-end application landscape of a typical payments estate can maximize results as you reinvest and refocus on instant payment and aligned value-added services. We work with you to create a plan that provides benefits along the transformational journey while tailoring the roadmap to your specific contexts and needs. Solution components include:

- Co-creation of current state assessment and roadmap development
- Curation and deployment of a range of transformational levers such as ecosystem integration, data and analytics implementation, cloud adoption, platform enhancement/replacement, bespoke builds, test and migration factories, business operations, and managed services
- Continuous tracking and reporting of top- and bottom-line value
- Achieved benefits include (but are not limited to) technology future-proofing, additional value-added services, and lower optimization and productivity improvement costs.

Open Banking Platform

The Open X framework unlocks a world of new business models for financial services firms via effective collaboration with an extensive ecosystem of businesses (from financial services to non-financial services firms) enabled by open and evolutive platforms. It allows partners to exchange compliance-mandated and revenue-generating services by accessing each other's data, unique knowledge, existing customer base, and specific distribution channels.

The open economy is a competitive advantage for financial institutions, allowing them to provide customers with compelling experiences, relying on transaction-based business models through third-party solutions rather than via substantial – and usually lengthy – in-house investments. Open banking strategies are transforming once tightly closed banking systems into connected institutions, empowering firms to offer capabilities beyond banking by leveraging FinTech partner solutions.

Capgemini can help banks to balance the offering of traditional banking products through both existing channels and alternate digital channels. Our assessment frameworks and API-based value creation models provide an end-to-end solution that combines all necessary elements to leverage an open ecosystem through standardized APIs. Our Open Banking Platform value creation models help financial institutions to:

- Unlock new revenue streams by identifying and prioritizing the correct API monetization opportunities
- Manage APIs by leveraging prebuilt APIs for open banking (AISP, PISP, PIISP), API lifecycle management, API monitoring, API traffic management, and API analytics
- Ensure compliance by keeping customer data secure and protecting banks from legal and liability issues
- Accelerate time to market of co-created products/offerings through a modern, scalable, and resilient API platform
- Tap into future innovation by engaging with a diverse ecosystem of partners
- Experiment before launch by providing an API sandbox.

Ask the experts

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Nilesh has been with Capgemini for 20+ years and is an expert in managing digital journeys for clients in areas of core banking transformation, payments, and wealth management. He works with clients to help them launch new banking products and their underlying technology.

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FinTech firms: Adyen, AutoRek, BankiFi, Worldline, Numeral, Netcetera, Iliad Solutions, WorldPay.

Technology firms: Adobe, Amazon Web Services, Temenos, Thought Machine.

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