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Account-to-account payments and instant payments set to spark new wave of innovation

- *Only 5% of banks are ready to lead the instant payment acceleration*
- *Account-to-Account (A2A) instant payments could impact card transaction growth by 15-25%*

Paris, September 10, 2024 – The Capgemini Research Institute's World Payments Report 2025, published today, reveals an industry set to be reimagined with account-to-account and instant payments. Now celebrating its 20th anniversary edition, the report predicts instant payments will account for 22% of all non-cash transaction volumes by 2028 globally.

Since the inaugural World Payments Report in 2004, the payments industry has undergone a dramatic transformation over the past two decades. Digital technologies, such as wallets, peer-to-peer (P2P) payments and contactless payments, have become increasingly prevalent. Regulations have also played a crucial role in driving innovation and ensuring consumer protection. As a result, the payments ecosystem is now more connected, harmonized, efficient, and secure than ever before.

Non-cash transactions boom; APAC leading adoption

Non-cash transaction volumes rose to 1,411 billion in 2023 and are on track to reach 1,650 billion in 2024. With today's customers preferring to embrace a frictionless payment experience, this trend is expected to continue as non-cash transactions are forecast to reach 2,838 billion by 2028.

Today, Asia-Pacific (APAC) stands out as one of the fastest growing regions for non-cash transactions with a 20% YoY increase in 2024 compared to Europe (16%) and North America (6%). Globally, most industry executives (77%) identify e-commerce growth as the critical driver accelerating the shift to non-cash transactions.

A2A payments are a challenger for traditional card schemes

Account-to-Account (A2A) instant payment solutions present a faster and cost-effective way to pay, bypassing expensive card networks. According to the report, the rise in their popularity threatens to challenge the dominance of traditional payment cards, with estimates suggesting they could offset 15-25% of future card transaction volume growth. With interchange fees and interest charges being a key profit source, financial institutions could view this as a significant risk with the potential to cost incumbents in the industry billions in lost revenue.

The European Payments Initiative's *Wero* wallet is likely to accelerate adoption of A2A payments with a 37% reduction in card transactions predicted by 2027 across Europe.

"*The continued surge in non-cash transactions is a watershed moment for banks and payment service providers. The data indicates an inevitable shift to a future of payments that is instant and open,*" said Jeroen Hölscher, Global Head of Payment Services at Capgemini. "*The progress seen with Pix in Brazil and UPI in India has laid out a clear marker that success hinges on private-public sector collaboration. While some financial institutions may upgrade their existing payment hub or tap into shared bank infrastructure, the fact remains that consumers are demanding instantaneity, and corporates are hungry and willing to pay a premium for innovative solutions that solve real business problems. The time is now to put those foundations in place.*"

Financial institutions unprepared for instant payments movement

Two-in-three payment executives view the expansion of instant payments as vital to drive non-cash transactions. Consequently, banks need to jump on the instant payment adoption wave; however, concerns about fraud – echoed by the majority of payment executives in the report – deter much progress. With banks lacking robust defenses, and the potential for liquidity concerns, many opt to receive but not send instant payments. Today, based on the survey, only 25% of banks can receive instant payments and 53% are fully capable of sending and receiving them.

For this report, Capgemini evaluated survey results across diverse business and technology parameters[1] to understand banks' preparedness for the adoption of instant payments. The report finds only 5% of banks showcase high business and technology readiness to solidify their position as instant payment adoption leaders. Notably, only 13% of European banks can claim a strong technology foundation for instant payments. This is particularly pertinent for EU banks and payment service providers (PSPs) with the October 2025 Instant Payment Regulation (IPR) deadline on the horizon, mandating all to offer full instant payment send and receive functionality.

For corporate treasury executives across insurance, retail and automotive sectors, inefficiencies across accounts payable and receivable processes create a significant cash flow headache. Over 80% still use manual, paper-based processes for accounts reconciliation resulting in nearly 7% of corporate revenue being tied up within the value chain. This potentially translates to billions of dollars being stuck that could be used to fund business activities. Instant payments and open finance[2] can present a new path forward for these enterprises by offering real-time cash visibility.

Open finance in early stages of adoption globally

A major catalyst for transformation, since the launch of the World Payments Report in 2004, has been Europe's 2018 Payment Services Directive (PSD2) regulation. By pioneering open banking, it has paved the way for today's growing open finance movement. The report emphasizes how open finance empowers consumers and businesses, catalyzing the adoption of instant payments. Despite its immense potential to reshape the financial landscape, progress is currently limited due to differences in regulatory frameworks and market initiatives. Australia, Brazil, India and Singapore are some of the few countries leading initiatives to make data sharing more accessible and convenient for individuals and companies participating in an open financial system.

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1 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, and confirmation of payee checks. The matrix is based on responses from payment executives from 15 surveyed markets: US, Canada, Brazil, UK, Netherlands, Germany, Sweden, France, Spain, Italy, Saudi Arabia, UAE, Singapore, Australia, and Hong Kong.

2 Open finance expands on the concept of open banking to encompass all aspects of a customer's financial life, including insurance, mortgages, investments, pensions, wealth management, and lending data. It offers a holistic view that empowers consumers and businesses with personalized financial products, enhanced credit assessments, and streamlined financial management.

According to the report, financial institutions are finding it challenging to fully embrace open finance due to issues with non-standardized APIs, limited control over data use, and a lack of incentives to share data with third parties. Only 17% of banks are at an advanced stage, piloting or launching open finance products, while 39% are in the planning phase, conducting impact assessments. Another 23% of banks remain hesitant as they await regulatory clarity.

Report Methodology
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 conducted in 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. The global corporate 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. The report also 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.

About Capgemini
Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

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The Capgemini Research Institute is Capgemini's in-house think-tank on all things digital and their impact across industries. It is the publisher of Capgemini's flagship World Report Series, which has been running for over 28 years, with dedicated thought leadership on Financial Services focussing on digitalization, innovation, technology and business trends that affect banks, wealth management firms, and insurers across the globe.

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