



# POSITIVITY magazine

THE OFFICIAL MAGAZINE OF MERCHANT PAYMENTS ECOSYSTEM • ISSUE 83 / JANUARY 2020



## MPE 2020 2 WEEKS LEFT TO REGISTER

MPE 2020  
speakers  
forecasts  
*on page 9*



Future of  
merchant  
payments  
*on page 30*



An Agile  
Approach to  
Payments  
*on page 19*





MERCHANT  
PAYMENTS  
ECOSYSTEM

18-20 Feb 2020

BERLIN

## ■ Europe's Largest Merchant Payments Conference



**1250+**  
ATTENDEES



**350+**  
C-LEVEL EXECS



**40+**  
COUNTRIES



**75+**  
SPONSORS  
& EXHIBITORS



**140+**  
SPEAKERS

MPE connects Leaders, Influencers & Innovators from the **ENTIRE PAYMENT ECOSYSTEM**.

MPE is the only inclusive European discussion platform for merchants, acquirers, PSPs, and Point of Sale vendors, established companies as well as start-ups, fintech, regtech and paytech and everyone in between.

**MPE 2020 is the European event with the**

**BIGGEST MERCHANT PRESENCE**

Expect **300+ merchants** representing big brands & various merchant categories

visit MPE website:

[www.merchantpaymentsecosystem.com](http://www.merchantpaymentsecosystem.com)



# MPE 2020 KEY TOPICS

## The NEW powers of payment acceptance

The status quo of PSD2, SCA & GDPR

All-in-one payment platforms\*

Transformation, or the end of global acquiring? Strategies & business models

Open banking & API's

RETAIL 2030: The What, Why, and How of retail's future

AI, Machine learning & IoT

Blockchain, cryptocurrencies & payments

Going cashless in the new era of commerce

Merger & Acquisition Frenzy

Fin-tech startups re-building payments

Challengers vs Incumbents - Innovation POV

People for payments - Leadership & Talent\*

New entities on the horizon of PSD2

Changing face of customer shopping journey

Marketplaces & social media commerce

B2B payments

Payment innovation in different merchant verticals\*

Spotlight on Asia

TRUST, Security & fraud prevention

Retail POS innovations and trends

Digital Identity 2.0

Tech giants: The growth of Superplatforms

Payments compliance 2020

Industry-specific ways to pay: Cards vs. APMs





# ADVISORY BOARD



**David Birch**

Director of Innovation  
Consult Hyperion



**Silvia Mensdorff-Pouilly**

General Manager  
European Payments  
Intermediaries  
ACI Worldwide



**Paul Adams**

International  
Payments Director  
Barclaycard



**Christine Bailey**

CMO  
Valitor



**Ron Kalifa**

Vice Chairman  
Worldpay



**Martha Mghendi-Fisher**

Founder  
EWPN



**Michael O'Loughlin**

Vice President, Global  
Solutions  
Token



**Nathan Jackson**

Managing Director  
Presentify



**Ghela Boskovich**

Head of Fintech &  
Regtech Partnerships  
Rainmaking  
Innovation



**Gijsbert Van der Poel**

Head of Card  
Acquiring  
Raiffeisen Bank  
International AG



**Oksana Korobkina**

CCO  
Yandex.Money



**Boris Griesinger**

Head of Payment &  
Finance Projects  
HUGO BOSS



**Debbie Crawford**

Vice President,  
Acquirer Management  
Europe  
Mastercard



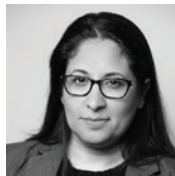
**Steve Cook**

Specialist Biometrics  
& Fintech Consultant  
Biometrics for  
eCommerce



**Amit Kurseja**

Head - External  
Payments  
Amazon Pay India



**Dikla Sharabi**

Director of Shipping &  
Payments  
Tenengroup Ltd.



**Carl Churchill**

Owner & Managing  
Director  
NetPay Solutions  
Group



**Peter Kovacs**

Sr. Product Manager  
The New York Times



**David Parker**

CEO  
Polymath Consulting



**Melisande Mual**

Managing Director  
The Paypers



**Zachary Powers**

Director of Payments  
Strategy  
FareHarbor &  
Booking.com



**Carlos Gutierrez  
Arguello**

Open Innovation and  
Partnership Director  
Demtech International



**Faheem Bakshi**

Head of Payments  
Kinguin



**Christian Bucheli**

Strategy and M&A  
BS PAYONE



**Ron van Wezel**

Senior analyst  
Aite Group



**Paul Rodgers**

Chairman  
Vendorcom





MERCHANT  
PAYMENTS  
ECOSYSTEM

18-20 February 2020 | Berlin

[CLICK HERE TO  
GET YOUR TICKET](#)

JOIN EUROPEAN MERCHANT PAYMENTS LEADERS & INFLUENCERS IN BERLIN

**2 WEEKS TO MPE**

WHAT WILL **2020**  
BRING TO THE  
**EUROPEAN**  
**MERCHANT**  
**PAYMENTS?**



There are just 4 weeks to the European Merchant Payments Event of the Year and the countdown is on for MPE 2020 in Berlin.

MPE 2020 conference is revealing an impressive agenda with 140 speakers from every part of the Merchant Payments Ecosystem to discuss what's next in 2020.

Let us explore the **key conference topics, sessions & panel discussions:**

## Day 1: Session 1 & 2

### "LEADERS" discussions:

- What's next European merchant payments?
- PSD2 Open banking payments & SCA implementation in 2020

#### Session 1/ "LEADERS discussion" - What's NEXT?

- Discussion with industry leaders on trends that are arising and setting the tone for

Panelists: Ron Kalifa, Chairman @ Network International  
Alexia Hagen, Vice President, Partnerships and Programmes @ Mastercard  
Paul Adams, International Payments Director @ Barclaycard  
Niklaus Santschi, CEO @ PAYONE

#### MPE 2020 keynotes by:

Frederic Loos, Chief Merchant Officer @ Worldline  
Elad Cohen, VP Data Science & Research @ Riskified  
Paul Stoddart, President, New Payment Platforms @ Mastercard

#### Session 2/ MPE 2020 keynotes by:

Benny Tadele, Vice President Merchant Solutions @ ACI Worldwide  
Rory O'Neill, Chief Marketing Officer @ Planet  
Martin Sweeney, CEO @ Ravelin

#### "LEADERS discussion" - The status quo of PSD2 & SCA implementation

- Key industry stakeholders discussing the impact of PSD2/SCA implementation on merchant payments
- PSD2 & SCA: transition periods & migration plans in Europe
- SCA rules threatening existing PSP-merchant relationships
- Why merchant and consumer awareness is critical to SCA
- The role of central banks & regulators

Charles Damen, SVP Payment Strategy @ WorldPay  
Axel Schaefer, Advisor - Payments @ IKEA Group  
Nilixa Devlukia, Founder @ Payments Solved  
Nicolas Adolph, Chairman @ EPSM (European Payment Service Providers for Merchants)  
Ralf Gladis, Founder & CEO @ Computop

## Day 2: Track 1

### 2020- the Year of API & Open Banking?

#### TRACK ONE

Room: Potsdam 1

#### Session 3: The year of API - Yes, again!

- Adapting legacy payments infrastructures to new market standards via API

- Open Banking APIs: Interfaces, RTS-SCA and liability models
- BaaS and PaaS - creating value for merchants
- SaaS - alliances between ECR providers with PSPs

#### MODERATOR:

David Parker @ Polymath Consulting

#### SPEAKERS & PANELISTS:

Ruca Sousa Marques @ Switch  
Emilian Stoilkov @ QaiWare  
Jaspers Goeman @ Rabobank  
Jake Hershman @ JP Morgan Merchant Services

#### Session 4: OPEN BANKING: connecting innovations & compliance

- Developments in Open banking between banks and TPPs
- Payment innovations by new entities (AISPs & PISPs): Where are now?
- Opportunities and implications for PSPs/Acquirers

#### MODERATOR:

David Parker @ Polymath Consulting

#### SPEAKERS & PANELISTS:

Oscar Berglund @ Trustly  
Edy Bruinooge @ BankXS  
Nilixa Devlukia @ Payments Solved  
Maurice Jongmans @ VBIN

## Day 2: Track 2 & 3

#### NEW @ MPE

#### TRACK THREE

Room: Bellevue

#### Session 2: Payment innovations in RETAIL

- Industry-specific ways to pay: Cards vs. Alternative payments

#### TRACK TWO

Room: Potsdam 3

#### Session 2: Changing face of customer shopping journey



# Day 2: Track 2 &3

## Changing commerce & shopping: mobile & seamless CX

### NEW @ MPE

#### TRACK THREE

Room: Bellevue

#### Session 2: Payment innovations in RETAIL

- Industry-specific ways to pay: Cards vs. Alternative payments
- Mobile payments, Wallets, QR codes, installment lending, and others
- Self check-out at POS
- Loyalty & AI
- POS upgrade options merchants should consider

**MODERATOR:**  
Gary Munro @ Consult Hyperion

**SPEAKERS & PANELISTS:**  
Boris Griesinger @ HUGO BOSS  
Victor Bergmann/ GooglePay  
Petr Baron @ TBI Bank  
Neil Smith @ Forter

#### TRACK TWO

Room: Potsdam 3

#### Session 2: Changing face of customer shopping journey

- Preparing for the new customer journey in today's rapidly evolving retail and e-commerce landscape
- Aligning marketing with the consumer decision journey
- Frictionless payments and personalized services to meet mass customer expectations
- Mobile technology completely changing the customer journey

**MODERATOR:**  
Rik Coeckelbergs @ The Banking Scene

**SPEAKERS & PANELISTS:**  
Thijs Moser @ PaymentGenes  
Rory O'Neill @ Planet  
Jeremy Nicholds @ Judopay  
Silke Hubert @ Netcetera  
Bruce Parker @ Modo

# Day 2: Track 4

## Trust, Security, Chargebacks & Digital Identity: SCA, 3D Secure, Biometrics, ML & AI

#### Session 4: Securing digital payments with technology

- Machine Learning & AI - what are the data to look for? what are the use cases and how quick are they coming to market?
- European anti-fraud requirements for PSD2 & SCA
- False Declines - Fact or Friction
- Effective chargebacks management strategies

**MODERATOR:**  
Steve Cook @ Biometrics for eCommerce

**SPEAKERS & PANELISTS:**  
Kyle Smith/Ethoca  
Alex Roy @ Financial Conduct Authority (FCA)  
James Pinborough @ Accertify  
Monica Eaton-Cardone @ Chargebacks911  
Rahav Shalom-Revivo @ Israeli Ministry of Finance

#### TRACK FOUR

Room: Pavilion

#### Session 2: TRUST & Security

- Tackling Fraud, Reducing Friction, building TRUST
- Security Roadmap for Next Generation of Payments
- A true state of fraud today - why fraud scoring and machine learning work well some scenarios, but not others
- Understanding the Fraudster's customer journey

**MODERATOR:**  
Melisande Mual @ The Paypers

**SPEAKERS & PANELISTS:**  
David Jeffrey @ Barclaycard  
Kevin Gosschalk @ Arkose Labs  
Jeremy King @ PCI DSS  
Gilit Saporta & Hen Pekar @ Simplex  
Lev Yakimov @ Gett

#### TRACK FOUR

Room: Pavilion

#### Session 3: New Paradigms of Digital Authentication & Authorization

- SCA & 3-D Secure 2.0 as milestones digital payments
- Innovation in Digital identity: Authentication & Authorization
- Biometrics - Widespread adoption v Legal considerations

**MODERATOR:**  
Steve Cook @ Biometrics for eCommerce

**SPEAKERS & PANELISTS:**  
Spencer McLain @ Ekata  
Ralf Gladis @ Computop  
Ana Vuksanovikj-Vanevska @ Netcetera  
Shmuli Goldberg @ Identiq  
Martin Sweeney @ Ravelin

# Day 2, Session 1, Day 3: Session 1

9:00 **Opening address by Paul Rodgers, Chairman @ Vendorcom**

9:10 **Session 1/ Rise of the tech giants**

- The growth of Superplatforms in financial services
- Spotlight on Tech giants from Asia: Entering Europe through partnerships, the current state of payment ecosystems in Asia and lessons learned for Europe
- Emerging payment platforms enabling initiatives to boost flows of



Day 2, Session 1,  
Day 3: Session 1

Rise of Tech  
GIANTS & impact  
of Chinese Players

Leaders  
discussion: Private  
Equity, M&A

9:00 **Opening address by** Paul Rodgers, Chairman @ Vendorcom

9:10 **Session 1/ Rise of the tech giants**

- The growth of Superplatforms in financial services
- Spotlight on Tech giants from Asia: Entering Europe through partnerships, the current state of payment ecosystems in Asia and lessons learned for Europe
- Emerging payment platforms enabling initiatives to boost flows of private capital for climate and sustainability

**Keynotes in the session by:**

Chris Skinner, Author, commentator and troublemaker

David Birch, Director @ Consult Hyperion

Peter Theunis, SVP, Managing Director and Board Member @ BPC

**Session 1/ "LEADERS discussion" - Private equity coming of age NEW @ MPE**

- Real-life examples of private equity flows and the impact on payments businesses
- PE funds increasingly turning to large-scale M&A
- Strategic drivers behind investments
- Challenges of tackling deals successfully

**Moderator:** Kai-Christian Claus, Partner, Global Payments Leader @ EY

**Panelists:** Tim van Delden, Partner @ HPE Growth

Simon Black, CEO @ PPRO

Arnaud de Cartier d'Yves, Investment Director @ BlackFin Capital

Paul Scholten, Chief Executive Officer @ Buckaroo B.V.

Daniel Knottenbelt, Member, Private Equity @ KKR

**MPE 2020 keynotes by:**

Arik Shtilman, CEO @ Rapyd

Rahav Shalom-Revivo, Fintech and Cyber Innovations Manager @ Israeli Ministry of Finance



Click here to see the Full Program & Speaker Panel

## MPE 2020 podcasts



MPE in cooperation with Consult hyperion is bringing you MPE 2020 Podcasts aiming to introduce key conference topics and speakers.

Podcasts are moderated by Gary Munro, Principal Consultant and Dave Birch, Director of Innovation, Consult hyperion. Gary and David are moderators at the MPE 2020 conference, Berlin, Feb 18-20.

# PODCAST 1: MPE 2020

Gary Munro and Dave Birch discuss topics relating to Merchant Payments Ecosystem 2020. Face to face payment acceptance is changing, moving from specialised secure hardware to specialised secure software. Standards are be-

ing developed around this, and a whole new ecosystem is developing. We're expecting this to be one to many discussion points at MPE in Berlin next year.

Source: [CHYP](#)

## PODCAST 2: Dave Birch talks to Keith Douglas about MPE

In this podcast Dave Birch talks to Keith Douglas, EVP Mastercard Payment Gateway Services, about one of the major events in the industry, MPE and the hot topics that will be discussed at the event this year. In the next podcast they will deep-dive into the market trends shaping the industry in Europe.

Keith Douglas joined Mastercard Payment Gateway Services as Executive Vice President in June 2018. As the leader of the Gateway team, Keith is responsible for design and execution of international Gateway Services strategy in strong partnership with key regional stakeholders.

Prior to joining the Mastercard team, Keith spent the previous four years in North America as the Segment Leader and Executive Vice President, Regional Banks. Keith brings over 25 years of financial industry experience, including marketing sales and product management experience.

Tomorrow's Transactions podcast number 320, edited 2nd January 2020.

This podcast is provided under a Creative Commons Attribution-ShareAlike 3.0 licence [CC-BY-SA]. You are free to share,


to remix and to make commercial use of this work provided you attribute it to the Tomorrow's Transactions podcast series and include a link to <http://www.chyp.com/media/podcasts> and that you distribute the work only under the same licence.

The podcast includes "stingers" from Apple Garageband that are copyright Apple and licensed as follows: You may use the Apple and third party audio loop content (Audio Content), contained in or otherwise included with the Apple Software, on a royalty-free basis, to create your own original music compositions or audio projects. You may broadcast and/or distribute your own music compositions or audio projects that were created using the Audio Content, however, individual audio loops may not be commercially or otherwise distributed on a standalone basis, nor may they be repackaged in whole or in part as audio samples, sound effects or music beds.

Source: [CHYP](#)

### MPE 2020 speakers and moderators forecasts

## What will 2020 bring to the European Merchant Payments





# Future-proof your business with Mastercard Payment Gateway Services

Keep your business on the forefront of payments acceptance with a single, simple integration. The Mastercard Payment Gateway delivers the ultimate checkout experience for merchants and consumers, along with the reliability and security you expect from Mastercard.

**A WORLD OF CONNECTIONS. ONE GATEWAY.**

[mastercard.com/gateway](https://www.mastercard.com/gateway)

 Mastercard Payment Gateway Services  @Mastercard\_PGS







**GARY MUNRO**

Principal Consultant

**consult hyperion**  
securing tomorrow's transactions

**2020  
THE YEAR OF...**

**mpe** MERCHANT  
PAYMENTS  
ECOSYSTEM

***"Personalised payments, where the consumer will determine how they will pay, whether from a traditional or alternative payment method.***

*The merchant will seek to support multiple payment types, with the consumer choosing what is appropriate for that particular transaction. In e-Commerce one could argue that W3C is better positioned to provide this service than SRC."*

Gary's predictions for:

## NEXTGEN POS trends

With PCI finally releasing its CPoC standard and the 1st approvals of SPoC appearing, the building blocks are appearing for a more software based approach to POS. Whilst this does not necessarily mean the PED is dead, as some of my colleagues would say, it does provide for a more uncertain future, particularly for mPOS. The end game here will be a full amalgamation of CPoC + SPoC, which whilst not currently allowed, is certainly the direction of travel. A full software POS solution allows the merchants to fully own the customer experience, whether it be in provision of endless aisle, or further eroding the barriers to entry for card acceptance, allowing card acceptance virtually anywhere on any (Android) device.

## Regulation, PSD 2 & SCA

We've all grown to love contactless payments, long gone are the growing pains of the late 00's as the payments industry wondered why it had spent so much money for so little reward as cash remained king. However under PSD2 contactless has a problem, and the industry has collectively failed to prepare for it. That is the need to perform SCA every 5 transactions, or when the total value of transactions reaches €150. In online PIN countries, such as Australia, this isn't an issue, the POS just prompts for the PIN. However in offline PIN countries, such as the UK & France, the consumer is going to be treated to a range of strange messages and confusion. In the end this may be just the nudge that pushes people away from the physical card to the mobile, further disintermediating the issuer from the payment process, and moving payments further into the grasp of Apple & Google.

**RORY O'NEILL**  
Chief Marketing Officer

**planet**

**„Delivering unified, customer-focused payment experiences to engage and unlock international spend by embracing both evolving technologies and the demands of international shoppers.“**

**2020**  
**THE YEAR OF...**



Rory's predictions for:

## Changing commerce, shopping & payment trends

The way people pay is changing rapidly, thanks to technological innovation and digitalisation. How do you expect merchants' payments will evolve in 2020? In 2020, mobile payments for the international shopper will continue to rise in prevalence and popularity when spending abroad, and the importance of the international shopper cannot be underestimated, with an estimated spend of 3.7 times that of the domestic shopper according to Planet data. In China alone, mobile payments spending has reached over \$41 trillion annually<sup>1</sup>, with more than 92% of payments made via two of the most dominant platforms: Alipay (53%) and WeChat Pay (39%).<sup>2</sup> When compared with 2017, 77%<sup>3</sup> more Chinese tourists paid via such mobile payment 'mega' apps when abroad, and this is only set to increase in 2020. Of the Chinese tourists who did not use mobile payments abroad, it was due to lack of acceptance by merchants, and the perception that only a small fraction of local retailers in Europe support mobile payment methods. In addition, there is a further spend opportunity associated with offering mobile payments, as a survey showed that 91% of Chinese travellers would be more willing to shop<sup>4</sup> if foreign merchants offered Chinese mobile pay-

ment methods. Additionally, Wirecard data found that the breadth of payment methods and discounts/special offers are most likely to affect their purchase decision. This makes it all the more important that spending preferences are taken into consideration as part of the consumer experience, whether shopping for luxury goods, or at hotels and restaurants, and that these additional payment methods are widely promoted, as they may not be actively sought out. These mobile payment 'mega' apps will be the defining feature of the international visitor experience in 2020, as they offer the opportunity to engage with shoppers at multiple touchpoints along the consumer journey – not just at point of sale. They offer a one-stop-shop for brands to deliver engaging content to consumers pre-journey and upon arrival, ultimately driving footfall in-store, for example through the use of targeted offers, promotions and advertisements such as red envelope offers during Chinese New Year and Golden Week celebrations.

<sup>1</sup> [People's Bank of China](#)

<sup>2</sup> [Analysys](#)

<sup>3</sup> [Nielson](#)

<sup>4</sup> [Nielson](#)

## RIK COECKELBERGS

Independent Advisor,  
Opinion Maker and Speaker



## 2020 THE YEAR OF...

*„Open Banking,  
more testing of  
Open Banking and  
making consumers  
used to Open  
Banking. **Learning**  
will be the keyword  
in this domain“*



Rik's predictions for:

### Changing commerce, shopping and payment trends

Merchants will start grasping the opportunities of Open Banking. Because of this we can expect an even bigger **fragmentation to payment services, with lots of 'niche product'**, i.e. payment products that are explicitly developed to support one merchant brand. Merchants will increasingly more understand that the opportunity outweighs the risks of payment initiation services, and they will gently start adopting it themselves, for lower cost of payments, more ownership and more loyalty. Consumers are stuck in the middle of (a) asking for more seamlessness and (b) making sure they get more control over their consumption. Financial education in payments will become increasingly more important for consumers to make sure they keep trusting the payment solutions they use, as things get increasingly more intertwined and untransparent.

### Technologies & innovation

**Interoperability and collaboration between different big local players started in 2019 with P27, EMPISA** and many others. This will continue in 2020, and very likely we can expect a big influence in this domain by **PEPSI** as well, making sure Europe can provide an answer to similar pushes by the big card schemes and for example **Alipay**.



**VOLKER SCHLOENVOIGT**

Principal



**2020  
THE YEAR OF...**

***“Payment initiatives of GAF A, and traditional players wake up and compete Open Banking solutions and the growing relevance for Chinese-based payment methods will continue to drive the Alternative Payment space.”***



Volker's predictions for:

## Acquiring & Alternative Payments

**Open Banking solutions and the growing relevance for Chinese-based payment methods** will continue to drive the Alternative Payment space. New players and/or business models that will leverage the growing adoption of Open Banking will provide more relevant competition especially in markets that are not as card affine as others. For many European merchants, having the ability to serve the growing number of Chinese tourists at the POS has been a strategic issue in the last 12-18 months, putting QR code capabilities top of mind in many instances. UnionPay will continue to struggle competing with AliPay and WeChatPay in the acceptance space and will look for on-us traffic opportunities by expanding their issuing business outside China.

## NEXTGEN POS

mPOS devices were seen as the solution to open up payment acceptance in the micro and SME segment but things have moved on. The evolution towards invisible payments has convinced merchants that payments should not be seen as a stand-alone function but needs to be integrated into a wider proposition to help merchants running business operations more effectively. **Integrated terminal or checkout solutions that support – especially SMEs – with a wider range of functionalities will get more and more traction.** Most likely those checkout solutions will be based in the cloud.

planet

We are exhibiting  
on stand W09



MERCHANT  
PAYMENTS  
ECOSYSTEM

# How do luxury retailers deliver an exceptional customer payment experience and increase international spend?

Want to know how you can leverage the digital landscape to drive footfall?

Join CMO Rory O'Neill

Day 1 11:25-13:05 on 18 Feb

Day 2 11:30-13:05 on 19 Feb



60+  
markets



100+  
partner banks



400,000  
merchants



€23bn  
transaction value

[planetpayment.com](https://planetpayment.com)

**IVAN GLAZACHEV**

CEO



Yandex Money



**2020  
THE YEAR OF...**

**„Further AI embracement in payments. AI will be used not only to combat fraud but also to increase payment conversion rate, to make merchants' onboarding procedures easier and more transparent, to identify areas for deeper automatization of payment experience.“**



MERCHANT  
PAYMENTS  
ECOSYSTEM

Ivan's predictions for:

## Changing commerce, shopping and payment trends

Payments will evolve to include **more value-added services** around them and the industry focus will **shift to O2O (online to offline) intersection**. O2O intersection in loyalty programs can be another vivid example - offline loyalty card can be automatically applied online and vice versa, so the customer can receive points or bonuses by all means. **Usability will be more important than understanding** under the hood **operations**, as of an example of Apple Pay - one click and the payment is conducted, there is no need to know where did the money come from, what has happened in the backend. PSPs will try to get closer to the customer and acquire more space across his value chain, not just fulfilling his/her payment needs, but contributing to lifestyle, interests, loyalty programs and everything in between.

## Alternative payments

Payment sector becomes more segmented, either new methods will emerge or evolving methods will gain more popularity. Consequently, it will be very important for merchants to accept all the methods and for payment providers it will be critical to provide all kinds of payment methods - regular and alternative - via **single interface, via single contract, via single user experience**, etc. As e-commerce will dive deeper into daily spending, casual purchasing, that will be pivotal to provide seamless payment experience within convenient platforms, just the way it has happened with social media commerce and payments via messengers. Moreover, alternative methods will meet the demand for tailored and customized solutions for specific needs, industries or scenarios.



**NICOLAS ADOLPH**

Chairman



**2020**  
**THE YEAR OF...**

*„further **SEPA Instant Payments** Growth in Europe - but mainly not by substituting card payments, but more by substituting traditional credit transfers and by new applications.“*



Nicolas' predictions for:

## Regulation, PSD 2 & SCA

In the EU, the details of SCA transition for ecom card transactions will pose a major challenge for merchants in Q3 and Q4 2020. TRA and whitelisting might not get the widespread importance as some merchants might wish. Also issuer system might not be perfect in the details of PSD2-SCA transaction handling. So all merchants, that currently accept remote card transactions, should prepare and update their systems for a seamless handling of other payment options, in case of increased card decline rates in January 2021.

## Acquiring & Alternative payments

For many acquirers, it will become more important for retention of existing merchants also to offer alternative payments as a choice, but in many cases there will be no explicit "business case" for the relevant necessary IT investments. Therefore in some cases, new commercial partnerships might evolve between providers to keep incremental IT costs low.

**DIMITRI GUGUNAVA**

VP Banking & Acquiring,



**2020  
THE YEAR OF...**

*„shaped by  
**regulatory-driven  
innovation**, be it  
around open banking,  
or new standards  
enabling ‘Tap on  
Phone’ with PIN-  
based payments.“*



Dimitri's predictions for:

## Changing commerce, shopping and payment trends

There is a great buzz around **'tap-on-phone' payments** (paying for a transaction by tapping your smartphone on the merchant's smartphone) as a potential disruptor in the space, although the **existing solutions still have lots of limitations**. It is possible that this technology starts to make progress in markets with high rates of contactless payments in 2020 - although it will take some time before the noise clears so we can see whether technology reaches wider adoption.

The PCI standards around this technology are currently lagging behind, but enabling PIN on Glass and Tap on Phone on off-the-shelf phone/tablet could push this into being the biggest development of the next year.

## Regulation, PSD 2 & SCA

PSD2 is changing various factors of the payments industry, from the growing strength of customer authentication to the rise of open banking and it will continue to shape the sector in 2020.

As we saw, the ecommerce market was largely unprepared for strong customer authentication, which resulted in industry advocating for an extension, due to huge estimates of lost volumes. Eventually, most of the states granted 12 month+ extension periods, but the new deadline will approach, and companies need to be prepared.

**Open Banking is also set to be a game-changer in the payments industry**, as it is aimed at levelling the field for all players and as a catalyst for new business models. The banks seemed to have achieved compliance, but the value of this initiative will be fully seen in 2020, as new business models around AISP (account information service provider) and PISP (payment initiation service provider) are developed and challenge the status quo.

# How much does 3D Secure really impact online payments?

Acceptance rate variation by country (Europe only)



To access the full report visit

[www.ravelin.com/ceros/global-payment-regulation-map](http://www.ravelin.com/ceros/global-payment-regulation-map)



**THIJS MOSER**  
Head of DACH and Global



**2020**  
**THE YEAR OF...**

*“2020 will be  
the year of  
**consumer  
payments  
data**”*



Thijs's predictions for:

## Changing commerce, shopping and payment trends

Omnichannel has been a buzzword for a long time, but the data behind customer payment behavior will become vital in the payments industry. Payments data plays a vital role in offering security during the journey that transactions make to reach the intended destination. Nowadays, however, payments data can create economic value in the sector. The H&M investment in Klarna is evidence of this, as consumer profiles are built upon the analysis of this data and will result in personalised products and services, as well as the ability to recognise cross-selling possibilities, security and fraud related issues, and finally, to process payments and meet regulatory requirements.

## Acquiring & Alternative payments

Some of the most promising opportunities in merchant payments lie in the way an actual payment is carried out. Voice Commerce, invisible payments and IOT are on the rise within the sector. Alexa's ability to automate purchasing by using your voice, or Mercedes Pay's in-car payment possibilities are examples of this. It's all about integrating payments into digitalised use-cases and integrating these into the full digital experience. On top of APMs, Value Added Services and Loyalty will become more and more integrated into the payment experience, and ultimately be consolidated into one seamless, frictionless and invisible experience.

## ANDREW MITCHELL

Vice President,  
Development and  
Infrastructure Support



2020  
THE YEAR OF...

*“2020 will be the  
Year of  
**Device-driven  
Authentication**”*



Andrew's predictions for:

### Technologies & innovation

Thanks to PSD2, we are seeing an open-invitation arms race in code affecting the payments market. There has been an unprecedented opening for new market-entrants to supplement or even wipe out existing payments players. The recent legislation is aimed driving at causing frictionless and safer business and will inevitably cause a more market-driven approach, possibly opening up opportunities for the more traditionally internet-based companies.

At least for the time being, we can expect “the device” to be king. Necessitating the device-lead market will be an evolution in the sophistication of biometric and behavioural-based techniques for authentication. There has already been significant progress made in this area and with the SCA deadlines rapidly approaching necessity may prove expeditious.

### NEXTGEN POS trends

How do you see the shift to mobile and integrated point of sale devices in Europe and beyond in 2020?

Mobile mobile mobile! We are, after all, obsessed with our smartphones, therefore appification will continue to reign supreme.

Considering recent advances in the dynamic integrity verification of devices and developments in data security management – for example PCI standards for COTS and SPoC -- it's likely that an unprecedented period of disruption will begin. We can expect non-traditional POI players to step into the market offering integrated solutions whilst more traditional POI players traverse into the merchant acquiring space. It could be a great time to be a retailer!

**Rahav Shalom-Revivo**  
Fintech and Cyber Innovations  
Manager

Israeli Ministry of Finance



## 2020 THE YEAR OF...

**“2020 will be the Year of AI, it will become smarter, stronger and will allow deeper understanding that will impact & influence the magnitude of almost every vertical and everything that we do ”**



Rahav' predictions for:

### Technologies & innovation

5G and AI will influence the entire market. These technologies will become a huge enabler and will create many opportunities.

5G will allow much faster communication - transactions exchange time will reduce dramatically and more devices will be connected to the internet.

At the same time AI provides smarter solutions, while it becomes a more reliable tool, that makes decisions for us by its own. It is quite empowering to the market, to technologies and to innovation.

Besides quicker and faster transactions, we'll see many other usages of IOT that will approve and commit transactions by themselves. That will create massive number of transactions to be executed in a faster manner.

### Fraud detection & cybersecurity

While AI and 5G are tremendous enablers leading us all forward, they can also be very harmful cybersecurity wise.

5G will bring a completely new arena of vulnerabilities – since it will bring the ability to manage much more devices on the internet, we'll see a huge grow in the amount of the devices will be connected to the network. each one of them becoming a new entry point to a hacker. The hackers can upgrade their attack mechanisms as well, utilizing 5G networks for wider attacks, with bigger attack surfaces.

AI brings new vulnerabilities as well. As we utilize AI to build better self-learning products, the attackers will utilize it to build better and more sophisticated attacks. On top of that, AI relies on learning, on its database. Just imagine a situation in which we'll continue to rely on the decision that AI leads us to, but the database itself will be poisoned by an attack. This is why the Israeli National Financial CERT is focusing also on sharing threat intelligence, recommendation and support with incidents and events management that arise from the new technologies that will enter our lives as well as the Fintech-Cyber Innovation Lab that will look for innovation both in the Fintech and Payments arenas as well as in the Cyber Security one.



**DAVID PARKER**

CEO



## 2020 THE YEAR OF...

**„PSD2 Open banking.  
It will start to see some  
banks lose control of  
their customers as new  
fintechs front the data.  
It will through PISP  
payments see in effect a  
new debit card network  
in Europe.“**



David's predictions for:

## Changing commerce, shopping and payment trends

Merchant payments will undergo radical changes in 2020, but not in all markets. **The key change will be driven by the introduction of PISP payments, that in card based online payment markets has been forecast to replace up to 30% of these transactions over the next five years.** For instance in the Netherlands where IDEAL already has a 75% market share the impact will be far less than say the UK where 80% of online transactions are card based.

For higher value transactions retailers can see a reduction in cost of 80% or even 90% or more compared to traditional scheme card based payments.

It is only reasonable to be expected therefore that many retailers will be keen to push transactions in this direction. Areas such as Gambling and the loading of wallets will certainly lead the way, but mainstream retailers are likely to follow suit. Of course this does not come without **challenges**.

Issues around **consumer liabilities** are still somewhat grey and in many countries where regulations have been built around card payments consumers are not nearly as well protected. There is also the issue of **banks reputation** and real risk in that they cannot contract with these new types of companies but must check on their credentials each time they approach the bank. This **real time checking of TPPs** with no latency involved, but no central government run, online, real-time database is also a challenge. But what it will create is a new debit network, it will as such also present new commercial challenges to banks as they cannot charge for these transactions and receive no interchange fees.

# Acquiring & alternative payments

**China Union Pay**, or Union Pay as they call themselves these days has spent the last few years patiently building out their acceptance network. **In 2019 we have already seen the first UP EU issued cards go live with Moorwand (issuer) and Tribe (processor).** UP are known to be looking to aggressively ramp up both issuers and processors with a five year aim of being the number three scheme behind Visa and Mastercard. Whilst initially limited to a 'certain' type of retailer where Chinese customers are likely to be more prevalent the increasing penetration of UP over the next few years will start to become apparent. With scheme regulations that are in places distinctly different from Visa and Mastercard

we may see an increasing number of interesting products launched. Likewise it must be expected that other schemes may look to launch or grow their footprint in Europe over the next 12 months.

In many respects this offers exciting opportunities for issuers to create new solutions to market needs that potentially may have been restricted in the past. How Visa and Mastercard react to this will be interesting for merchants and the relationships between merchants and the schemes.

**JEREMY NICHOLDS**

CEO



**2020**  
**THE YEAR OF...**

*„2020 will inevitably  
bring us another  
step closer to being  
cashless“*



Jeremy's predictions for:

## Changing commerce, shopping and payment trends

There are a few trends changing the way people pay - the main one being the consumer's desire to do stuff on the go. Whether that's buying Christmas gifts online on the train or bus home from work, picking up everyday 'life essentials' or daily food and beverage, we're looking to make shopping faster and easier. That's why contactless payments have taken off, why we're more and more comfortable putting our cards on file with trusted merchants, why mobile wallets have become more widespread as they rise in popularity, and why voice commerce has a real future.

We're in a growing subscription economy - the obsession with owning things outright, whether it be a car, music or software is dwindling. Our relationship with products has changed as we've become more environmentally conscious

and content with accessing items on an as need basis; for businesses this can be lucrative as they develop a better experience and stronger relationship with consumers. As part of this 'experience', PSPs will have seen a noticeable increase in the demand for seamless recurring payments.

2020 will inevitably bring us another step closer to being cashless. Having been on a cashless journey this year, I've seen how easy it is in cities right across the world to pay for everything from transport to food shops without using physical cash. I foresee the use of cards/mobiles becoming more widespread as even rural merchants phase out cash and share in the benefits of accepting digital payments.

## Regulation, PSD 2 & SCA

As the uncertainty of Brexit lingers, this will undoubtedly pose challenges for businesses both selling into and out of the UK. While a lot of regulations will likely remain in place (at least initially), any changes will incur costs to businesses; whether that's man-hours spent updating processes or ensuring documentation is up-to-date.

Focusing on SCA specifically in 2020 - with the extended deadline this will hopefully allow merchants time to implement the additional security measures. While it may not be a completely seamless journey, PSP's can really aid this transition by providing practical guidelines and steps on what merchants need to do next.





**RUCA SOUSA MARQUES**

CEO

**switch.**

**2020  
THE YEAR OF...**

*„2020 will be the  
Year of  
**frictionless  
payments**“*



Ruca's predictions for:

## Technologies & innovation

As remote commerce grows in popularity, so does regulators' and schemes' incentive to push new legislation/standards to address the excess risk involved in this transactional environment. Two main variables from the transaction flow are being affected by these initiatives: Transaction messaging and Authentication.

Initiatives in transaction messages involve adopting secure communication standards, such as the ones adopted for CP environments i.e. Cryptograms. Authentication is both being enforced but also evolving into easier and non-intrusive methods to validate account holders. This means interoperable standards that involve the digitisation of payment instruments for use across multiple channels, adopting a convenient authentication method e.g. biometrics. In this scenario, Authentication in CNP transactions becomes at least as secure as traditional Chip&PIN solutions in CP environments, and there will be no reason for the former to be more expensive than the latter.

In the end—with authentication solved—we'll move from a Card Present scenario to a Cardholder Present one, where location is no longer important: payments will transcend the physical world altogether. This trend will ultimately unlock new use cases, such as internet-connected devices and checkout-free stores, making the act of payment so frictionless that it becomes almost invisible.

## NEXTGEN POS trends

With Software-as-a-Service (SaaS) becoming popular, there is an increasing shift towards cloud based PoS systems. Cloud PoS systems provide merchants with a low cost, feature rich, flexible, and secure payment transaction system. This trend has been leveraged by the increasing adoption of Android as the de-facto operative system for payment terminals, which has extended the PoS value beyond payment acceptance and ECR, bringing business solutions to merchants such as stock management, checkout, loyalty, and accounting services.

On the other hand, cloud based PoS systems allow transaction data from multiple devices and locations to be communicated in real-time and centrally stored and processed in remote servers. This simplifies data management and provides secure access to that data from any device, any place, leveraging omnichannel transaction flows such as pay in-store, refund online.

**ALAN MOSS**

Head of Fintech & Payments



**2020  
THE YEAR OF...**

*"2020 will be the Year in which the payments industry finally manages to offer consumers a **seamless omnichannel journey**, with many more ways to pay, a vastly improved user experience, and zero fraud risk – in my dreams at least!"*



## Alan's predictions for: Technologies & innovation

What are Biggest Merchant Payment Technology Trends In 2020 everyone must get ready for now? Could you please share your prediction and identify the areas of payment industry investment in technology innovation in 2020? What areas of merchant payments & acceptance will be most impacted by emerging technologies, and why? What is the next round of merchant payments innovation in 2020 and where will it come from?

Looking at what's ahead of us in 2020, I would say it's more about consolidation of the tendencies we've seen emerge over the past 2-3 years, with the key issue being increased deployment and acceptance, rather than the development of new technologies.

In online card payments, the deadline for SCA implementation created a great deal of nervousness in 2019, and frankly when the September deadline came and went, there was close to universal relief, as well as perhaps a recognition that the original timeline was too aggressive and even somewhat unrealistic, with card schemes still finalizing specifications for 3D Secure 2.0, which is key for full compliance. 2020 will see a more gradual deployment of compliant solutions, with local regulators setting their own timelines for full com-

pliance. The court is still out on how this extra level of security can be introduced, without generating a significant new layer of friction in the user experience.

For instore card payments, NFC-based schemes like Apple Pay and Google Pay, will start to see significant traction at the physical point of sale, building on the significant efforts of the main card schemes to build Contactless card acceptance during the last decade. In specific geographies like the Nordic countries mobile wallets like MobilePay, Swish and Vipps will start to eat into the high share of low value purchases currently processed by debit cards. Using Bluetooth rather than NFC, these national schemes have demonstrated the ability of local rather than global standards to drive adoption. Similarly, Chinese players Alipay and WeChat pay have started to drive the deployment of QR code authentication across broader international markets.

Additionally, the ability to provide pay-later options at the online or instore POS is becoming a stronger consumer expectation, with younger generations of consumers turning their backs on the traditional revolving credit model widely espoused by their forebears.

# Acquiring & alternative payments

What's next for Card Acquiring and alternative payments acceptance in Europe in 2020? Do you expect traditional payment providers modernizing their organizations and infrastructure to support new service offerings? What are the most promising growth segments and opportunities related to merchant payment in 2020? What's next in terms of value added services provided by payment providers? How do you see the evolution and trends in M&A activities in card acquiring and merchant payments ecosystem in Europe in 2020? What do you expect as a new source of revenue stream in a highly commoditized era of transaction processing?

Traditional card acquiring went through a significant round of consolidation during the past decade, with the wave of acquisitions that initially affected small and localized players terminating in the industry's biggest global giants being merged or changing ownership. In case it was not previously evident, scale economics have dictated that this echelon of the card payments value chain should be concentrated in an increasingly small number of hands. According to the Nilson Report, the top ten global acquirers accounted for over half the transactions recorded by some 300 players in total. This not only confirms concentration among the big players, but

also points to a long tail of surviving smaller local players.

With many big acquirers having acquired online or instore PSPs, its clear that we're also seeing continued value chain compression in retail payments, and the lines continue to blur between the roles of acquirer, PSP and transaction processor. I believe that this trend will accelerate in the early years of this decade, with the emergence of global "merchant payment providers" which aim to manage the whole process from point of sale back to the issuing network. This has already started to happen online, with players like Adyen and Stripe offering a one-stop acceptance solution for retailers across multiple geographies.

Alternative payments, be they local or international, mobile or bank transfer, will become an increasingly important part of the offer, with the role of an acquirer being transformed into one of universal payment service provision. Outside of this trend, and the continued global concentration, there will only be room for small speciality providers, who focus on a specific merchant niche or dedicated market geography.

**AMIT KURSEJA**

Head - External Payments  
Amazon Pay India



**2020**  
**THE YEAR OF...**

***"2020 will be the Year of commercial scale up for Soft POS applications."***

*So far we have seen a lot of pilots and early stage products being launched in different markets. I expect to see significant scale up in adoption at least in few markets through this year."*

## Amit's predictions for:

### Changing commerce, shopping and payment trends

Consumers while shopping online or in physical settings will continue to move towards payment experiences which offer less friction. Mobile will remain the driving force for changing customer habits. We will see more customers moving from dipping cards to tapping them, from tapping cards to tapping mobile and so on. Recent advances achieved in authentication and data transmission technologies have created significant opportunities for payments providers to innovate and provide seamless checkout. We will see wallets, fintechs and merchants use these to innovate and launch better experiences. Amongst shopping experiences, we will see growth of self-serve checkouts and voice shopping in 2020. Both these experiences require payments to be completely invisible. Large number of customers are expected to experience the convenience of voice shopping and payments in 2020, and many of them will make it their default way to shop in future. Smaller merchants who have been accepting on cash so far would continue to adopt digital payments thanks to lower MDR and demand from customers.

### Regulation, PSD 2 & SCA

How do you see the shift to mobile and integrated point of sale devices in Europe and beyond in 2020?

Consumers have shown clear intent to pay using their mobile phones wherever possible and we will see a growth in this trend through 2020. While NFC mobile payments will grow at merchants who have NFC enabled devices, QR codes will grow in adoption amongst smaller price conscious merchants as a low cost alternative to POS devices. Regulatory interventions like QR code interoperability, controlled pricing will further accelerate adoption of digital payments amongst merchants.

SoftPos is a powerful technology which can democratize acceptance of cards across all types of merchants. Growing penetration of contactless cards, and innovations from banks, fintechs and networks have created the right foundation for merchants to just use their mobile phones and accept card payments through SoftPos apps. While it's a very positive development for the ecosystem, traditional players in acquiring space need to step up their game as fintechs will try to disrupt and gain market share with innovative merchant onboarding and distribution strategies.

## Selection of Merchant Payments' Industry Mergers & Acquisitions Q4 / 2019



#### December 2019 - Payoneer Enters the World of Merchant Services with Acquisition of Open Payment Orchestration Platform, optile

Payoneer has acquired Optile, a German payment platform that gives businesses access to any payment method and provider. With the acquisition, Payoneer wants to further build a platform that drives global growth for enterprises, marketplaces and small and medium-sized business worldwide.

Source: [Payoneer](#)



#### January 2020 - Visa's \$5.3 billion surprise acquisition of Plaid

Visa is buying fintech Plaid for \$5.3 billion in a deal announced yesterday. Plaid offers technology that allows consumers to link their bank accounts to its 2,600 fintech clients, including peer-to-peer (P2P) payments app Venmo, stock-trading startup Robinhood, and investing platform Acorns — making it one of several players developing back-end infrastructure to enable fintechs to operate.

Source: [Business Insider](#)





# FUTURING PAYMENTS

**HAVE A GLOBAL REACH WITH TRUE DOMESTIC EXPERTISE**

**C. 13Bn**

payment transactions per year

**320+**

financial institutions

**400K+**

merchant clients in Europe

- Connect all customer interaction points, regardless of channel and country
- Offer wide range of payment methods
- Expand to new markets
- Improve the customer experience

**COME TO THE MPE OPENING KEYNOTE**

What Pan-European Retailers have on their table stakes?

19TH FEBRUARY AT 9:30AM



### December 2019 - F5 Networks Acquires Shape Security, for \$1 Billion

F5 Networks, Inc. (NASDAQ: FFIV) and

Shape Security today announced a definitive agreement under which F5 will acquire all issued and outstanding shares of the privately held Shape for a total enterprise value of approximately \$1 billion in cash, subject to certain adjustments. Shape protects the largest banks, airlines, retailers, and government agencies with sophisticated bot, fraud, and abuse defense. In particular, Shape defends against credential stuffing attacks, where cybercriminals use stolen passwords from third-party data breaches to take over other online accounts. Shape has built an advanced platform, utilizing artificial intelligence and machine learning, supported by powerful cloud-based analytics to protect against attacks that bypass other security and fraud controls.

Source: [F5](#)



### December 2019 - PayPal Completes Acquisition of GoPay

PayPal Holdings, Inc. (NASDAQ: PYPL) announced today that it has completed its acquisition of a 70% equity interest in Guofubao Information Technology Co., Ltd. (GoPay), following approval of the transaction by the People's Bank of China on September 30. With the close of the deal, PayPal is the first foreign payments platform licensed to provide online payment services in China. "We're pleased to complete this historic transaction, which enables us to broaden our participation in such a dynamic market," said Dan Schulman, president and CEO, PayPal. "This important step will allow us to be a stronger partner to Chinese financial institutions and technology platforms. We look forward to contributing to the growth of China's e-commerce and payments ecosystem."

Source: [PR News Wire](#)

## Selection of Merchant Payments' Industry News Q4/2019

# Sabre, Ixaris Team Up To Expand Into New Euro Markets

Payments company Ixaris has teamed up with travel industry company Sabre to expand into new European markets, with plans to eventually reach the Americas and Asia Pacific markets, according to a press release.

Ixaris' payments system will now be available through Sabre Virtual Payments, and it will let travelers who use the Sabre Virtual Payments offering streamline payment processes, as well as protect their own margins when paying for travel or accommodations.

Sabre Virtual Payments' customers will be able to complete bookings and process payments on the same platform, and without having to deal with integration or a disruption of workflows.

"We're delighted to announce our partnership with Sabre, and this is a strong endorsement of our innovative payments offering," said Ixaris CEO Aran Brown in the release. "We're pleased that Sabre has now partnered with Ixaris, as Sabre Virtual Payments with Ixaris delivers an invaluable solution to more travel buyers and OTAs (online travel agents) in the EMEA (Europe, the Middle East and Africa) region than ever before."

The addition of the Ixaris payment system to Sabre will also allow the travel company to optimize payments for its agencies, which should aid in margin growth.

"Ixaris' offering provides Sabre Virtual Payments' agencies with the opportunity to secure the most profitable

outcome when executing supplier transactions by managing financial incentives, while avoiding merchant fees when booking with low-cost carriers," the release stated.

Robin Boudsocq, commercial director of Sabre Virtual Payments, said the partnership will aid greatly in the streamlining of the process.

"To truly meet the needs of our customers, we must

streamline and optimize payments for travel agents, and with Ixaris, we are able to do exactly that," Boudsocq said. "For our customers, we can now further reduce back-office overhead while ensuring a seamless booking and payment process, which is critical to reduce costs and boost profitability in this volatile travel market."

Source: [Pymnts](#)

## Nets pilots facial recognition payments method in Denmark

Digital payment services provider across Europe Nets has launched a pilot programme, which tests facial recognition as a payment method.

People working at Vibenshuset – an office community of 25 companies in Copenhagen comprising around 1,000 people – can sign up to participate in the pilot. They can pay for their lunch at Kokkenes Køkken's cafeteria, sim-

ply by linking their face with their employee ID card. The solution being trialed is easy for merchants to install, requiring just a tablet with a pre-installed webcam and app. Representatives of the company believe that merchants who offer self-service solutions 'would be the most obvious adopters of facial recognition technology'.

Source: [The Paypers](#)

## RBS partners with global technology players to establish an international payments business

RBS announced that it has joined forces with Mastercard, Motive Partners and EFM Asset Management to invest in a business – named Pollinate – that will look to transform the global merchant services market.

Pollinate will work with banks around the world to deploy a world-class acquiring platform, offering a merchant-friendly experience which includes payments, business management, marketing connectivity with consumers and charitable giving.

This partnership brings together a unique combination of technology know-how, reach and distribution capability. Supported by a team of industry experts across payments, Financial Services and consumer industries, Pollinate will represent a significant player in the international payments space.

Pollinate has been working in partnership with RBS to develop Tyl by NatWest, an innovative merchant acquiring proposition for SMEs, launched in May and now available to our SME customers in England and Wales.



Alongside straightforward customer on-boarding, simple pricing and next day settlement, Tyl will provide smart data-led insights to help customers make informed business decisions. Pollinate is developing an innovative cloud-based technology platform, that powers merchant and consumer digital experiences, and is now in advanced discussions with other leading retail banks

around the world.

Commenting on the announcement Alison Rose, Deputy CEO of NatWest Holdings and CEO of Commercial & Private Banking at RBS said:

"I am hugely excited to announce the creation of a global merchant services company with Mastercard, Motive Partners and EFM Asset Management. Partnering with such high-quality companies, each of us bringing unique expertise and skills, allows for a truly international offering, benefitting not only our customers but the wider merchant acquiring space. We are committed to continually improving the products and experiences that we deliver to our customers, and the creation of Pollinate represents an innovative and successful approach of working with partners to do this."

Source: [RBS](#)

## Garanti BBVA Launches QR Codes For Business Banking Transactions

Garanti BBVA has rolled out a QR code service to facilitate transfers and cashless, cardless deposits and withdrawals for businesses, the company announced in a press release Thursday (Dec. 19).

The new feature is on the Garanti BBVA corporate mobile app. Customers can click on the QR transactions option and use their smartphone's camera to scan the code. No cards or account numbers are needed.

The QR code can be used by business customers to quickly send and receive money. QR code recipients can send a payment by scanning the QR code in the app and finalizing the money transfer. There is no need to enter an IBAN number.

"At Garanti BBVA, we continue to implement innovations to make our customers' lives easier," said Didem Dinçer Başer, executive vice president of Garanti BBVA. "Consumer customers have been able to use QR codes to make cash withdrawals, deposits and transfers. We have now rolled this functionality out to corporate clients. We are always adding new features to the Garanti BBVA Corporate Mobile app in order to help our busi-

ness customers manage their businesses."

A financial services company based in Istanbul, Turkey, Garanti BBVA was established in 1946 and is Turkey's second-largest private bank with consolidated assets of nearly \$84.3 billion as of June 30, 2018, its website indicates.

In other QR code news, the Alibaba Group said last month that it is planning to invest about \$21 million in a milk delivery startup that uses an SMS or QR code to allow people to pick up orders from nearby refrigerators.

Shanghai-based startup Tianxianpei is an online-to-offline (O2O) milk delivery service owned by Mengniu Dairy. Alibaba said it will invest about 150 million yuan (\$21 million) into the company before the end of next year for about a 50 percent stake. Once the transaction is complete, Mengniu Dairy will also hold 50 percent of shares.

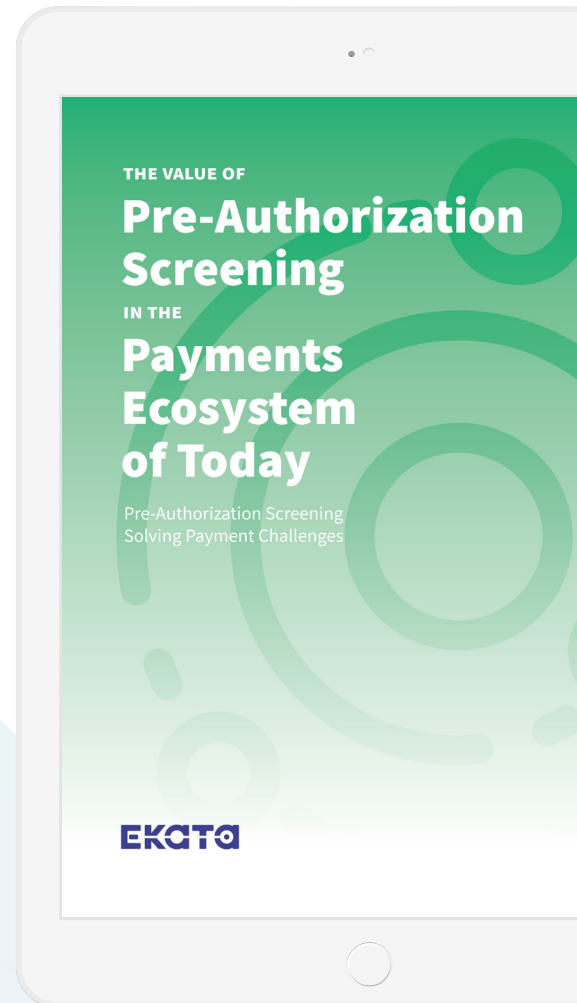
Source: [PYMNTS](#)





# THE VALUE OF PRE-AUTHORIZATION SCREENING IN THE PAYMENTS ECOSYSTEM OF TODAY

DOWNLOAD YOUR COPY



# Ripple secures \$200 million in new funding

Payments disruptor Ripple has scored \$200 million in Series C financing, in a round led by Tetragon with participation from SBI Holdings and Route 66 Ventures.

The company says the new funding follows a record year, which saw its global payments network RippleNet grow to more than 300 customers worldwide and included a new strategic partnership with MoneyGram.

CEO Brad Garlinghouse, says: "We are in a strong finan-

cial position to execute against our vision. As others in the blockchain space have slowed their growth or even shut down, we have accelerated our momentum and industry leadership throughout 2019."

He says the new cash will be used to expand Ripple's developer platform Xpring and to hire new talent to help meet market demand.

Source: [Finextra](#)

## Industry blogs / perspectives

### Future of merchant payments

**A cashless society:** I predict that the popularity and usage of physical money will steadily decline in the coming years. The inevitable innovations seeking to make payments frictionless such as financial biometrics will cause cash to become obsolete.

**Silo Payments:** Today, payment platforms generate a lot of data based on the merchant's customers' shopping habits, but this valuable data is generally stored in 'silos' kept out of reach from the merchant. With today's basic data reporting tools a merchant can observe that 4% of their webpage visitors ended up making a purchase, but what exactly happened to the remaining 96%? Where did the customers drop off and why? Merchants don't have the time to manually go through their analytics and extract vague information to where sales are being restricted. This traditional way of working in silos or lack of synchronization has disabled merchants to maximize their sale conversion rates. If merchants value-maximizing conversion rates, then payment companies should support them to break the silos. Newgen provides merchants with full visibility of their customer behaviors and journeys for a more holistic experience. Merchants can utilize this information to understand their customers' journey and to remove friction in the areas that were previously restricting conversion rates.

**A world of convenience:** In the future, we won't need to worry about running out of milk or eggs at home, our refrigerators will take care of it. The recent years' advancement in IoT has demonstrated just how cohesive the future could look like. We are now able to control our 'smart' homes with a smartphone or display visuals on the windows of public buses. We can expect the world of payments to soon become a part of this interconnected world of convenience, a place where your 'smart' home will automatically order toilet paper as soon as it runs low.

**More channels of commerce:** Today we have brick and mortar stores, the web and our mobiles as channels of commerce. In the future, I anticipate there to be many more channels of commerce to be available in the everyday lives of consumers. Social media is a rapidly emerging commerce channel that will continue to expand and gain market dominance. I picture a future where consumers can purchase goods and services directly from billboards, TV commercials. Whether it be through QR codes or other technologies that we're yet to see. More channels that'll simplify and enhance the consumers' purchasing experience are bound to emerge.

**Payment biometrics:** Soon we could very well see payment transactions being authenticated through bio-

metrics to become the norm. With all the technological advancements, the idea of being able to walk into a supermarket and paying for your groceries through facial recognition rather than a credit card doesn't seem so farfetched anymore. This movement is already somewhat underway; Amazon has opened multiple cashier-less convenience stores in America and is in the process of integrating this concept into Europe and Asia. It is as easy as walking in, picking up your stuff, and walking out while the biometric technology takes care of the rest.

**Consignment:** Selling goods on consignment is a concept I believe will quickly catch up and modernize. For example, suppliers providing merchants with goods on credit so that when they sell it, they can repay their debt instantly, creating a win-win situation for both parties. Where I come from this has been going on for decades. Back then access to banks was limited especially for societies living rurally. Local businesses operated on trust and their own credit systems without having to depend on banks. Today, people put their money in banks as savings and the banks lend it out to others to spend or invest. It truly goes to show how much of a middleman of trust banks have grown to become.

**Microcredits:** Microcredits aren't a new concept; credit card companies have been offering consumers this convenience for decades. The infrastructure behind micro-

credits is lagging behind the digital era and therefore is a segment in the payment industry subject to massive changes in the near future. I believe microcredits will quickly advance and before we know it, even merchants will be able to offer their customers microcredits. We could even go as far as to say that a biometric credit system will be able to determine an individual's credit score based on their biometrically analyzed profile. Merchants will be eager to get involved with offering their customers microcredits to increase their sales. Klarna is an example of a service that is already providing such service, enabling consumers to buy now and pay later. I believe we will see this concept drastically evolve, with similar services to become available for B2B transactions on an international scale.

**Real-time credit assessment:** Credit card companies have been handing out credit to consumers based on a credit risk analysis for years. The traditional processes for determining risk credit card companies currently use have become significantly outdated considering the modern-day technology that has become available in recent years. For example, if a credit card user loses their job, the credit card company wouldn't know until the creditor defaults on their payments, which by that time the damage is already done. Today, if a consumer falls behind on their credit card payments they can often-times still use it to make purchases. I believe that in the



coming years the financial sector will have developed technology that can accurately analyze people's credit risks in real-time, whether it be positive or negative. For instance, if someone gets a pay rise at their job the credit card company will instantly provide them with a better credit score based on their last salary slip.

**Evolution of banks:** One thing is for sure, banks aren't going anywhere in the foreseeable future. There's no doubt that innovative technologies and competing financial entities will step up and put pressure on banks' traditional ways of doing business. These external forces will compel banks to adapt and modernize their business models. They'll be challenged but will remain an essential entity of trust in societies, and that's not necessarily a bad thing.

**Innovation-driven compliance:** I would like to see authorities stepping up their game in fighting financial crimes. They need to be vigilant, fraud detection technologies are getting better but so are the criminals. Authorities must educate themselves and continuously innovate to stay on top of threats. Regulatory bodies need to understand exactly how the industry develops and enforce regulations accordingly to preserve the financial trust that currently exists in the financial system.

**Inefficient KYC Processes:** Current KYC processes can certainly be made more efficient, a process that can almost be entirely eliminated if done properly. Customers receive a blank page for each monetary transaction they seek to conduct, once they've provided their informa-

tion, it shouldn't have to be repeated. Everyone is conducting their own KYC, but why not establish a central automated KYC database. This could eliminate massive payment friction for everyone; at the consumer, business, and financial institution level.

**Data & privacy:** Whether data was obtained lawfully or not, people's privacy should always be respected. Data shouldn't be used to manipulate or aid in achieving an unethical competitive advantage. Even though corporations have developed systems or use loopholes to gain access to user data legally, using it to aggressively target the consumer with advertisements shouldn't be allowed. Once you show interest in a product or service, google starts aggressively bombarding you with advertisements linked to your interest, on every digital device you're using. Because ethics don't directly translate into regulations, corporations are abusing the system by pushing the boundaries of the law to breach people's privacy.

The choice to be prompted with such advertisements should be that of the consumer - nowadays, browsing the internet can feel like a violation of privacy. The business community needs to respect the consumers' choices regarding privacy, and customers should be the one directing the business community on how their data is to be used on a conscious and subconscious level, not the other way around.

Source: Newgen Payments

## Connective Payments

Some time ago I asked a CFO of a large online travel agent about the percentage of outages they have with manual transfers. He answered without a glance or blush: "We have a dropout rate of only 10% in our reconciliation."

Although this concerned manual bank transfers of an online travel agency, an outage of more than 1% in the reconciliation process is certainly no exception. However, by fully digitising the payments process and optimising available functionalities of your payment partners, a dropout of less than 0.5% can easily be achieved.

Many companies see their payments processes and plat-

forms as a domain of "techies". Due to a lack of knowledge, they assume their PSP will take care of the difficult issues. But because of this, huge opportunities are missed to save costs and increase conversion.

Everything that takes place online is becoming simpler for the end-user, while behind the scenes everything is becoming more complex. This is also true for online payments and PSPs. In addition to iDEAL, credit card and PayPal, dozens of domestic and international payment options are offered. Behind these are several schemes, processors and clearing houses, each with their own reconciliation rules, timelines and conditions. PSPs such as Adyen, Stripe, Checkout.com,



Worldpay, Ingenico and many others offer plug & play solutions to get rid of all that complexity at once. In addition, they offer more and more platform capabilities to increase conversion and improve efficiency, such as client-side encryption, split pay-out solutions (marketplace pay-out), Business Intelligence tools, intelligent routing, account updaters, retry logic, customer profiling, advanced fraud management and so on. Working with a PSP makes sense, but is not a magic bullet.

Here is why:

The first mistake many companies make during PSP selection is underestimating the complexity. Often, emphasis is put on price, rather than a well-founded assessment of the business, operational and technical requirements the company needs versus what the PSP has to offer. Furthermore, the payments platform's capabilities are often presented as the ultimate solution for the merchant's challenges. It is therefore assumed that the PSP will take care of everything after the integration phase.

This leads to the second challenge: the optimal deployment of the PSP's functionalities remains the responsibility of the merchant. In other words: every merchant working with a PSP should organise itself accordingly.

It is my experience that overall knowledge and ownership of the payments process is crucial for continuous optimisation of conversion, cost reduction and automation.

During the PSP selection and later in the implementation phase, disciplines such as Finance, IT, Marketing and e-Commerce are involved in the project. To get the platform live as quickly as possible, the "must-haves" list is kept as limited as possible. After the launch and the elimination of aftercare issues, everyone retreats and is relieved that the project is over. The consequence is a lack of ownership and subsequently internal knowledge gets fragmented with the following issues as a result:

1. Little insight in how to steer towards cost reduction (processing costs, transaction costs, interchange fees, cross border, fx and costs related to internal processes);
2. Limited understanding of how to increase payments conversion based on rejected or unsuccessful transactions considering that little to no use is made of available PSP functionalities and Business Intelligence tools;
3. An unhealthy dependency on the PSP or other third parties.

It is therefore imperative that someone within the organisation takes ownership of the payment partner(s) and associated processes. Someone who has overall knowledge of the payments process and is the link between Finance, IT, e-commerce and Business Intelligence. Someone who understands how a payment is processed from A to Z and how processes can be streamlined, costs can be reduced at transaction and process level and conversion is increased based on specific data and functionalities that the PSP has to offer.

Sounds easy, doesn't it? Unfortunately, there is no skeleton key that fits all locks. It takes thorough analysis and hard work to engineer the optimal solution and take advantage of all the benefits of working with a specialised PSP.

At Connective Payments, we have broad experience in dealing with these challenges. We can help by analysing your payments process and design it in such a way that you reduce costs while increasing conversion rates; we can train your staff in payments knowledge and ownership or support you in the selection and/or implementation of one or multiple PSP's. Finally, we help to turn your vendors into true business partners.

Author: Chantal de Meere, Associate Partner - Business Consultant, Connective Payments

## About Chantal de Meere:

*In her 14 years of experience in the e-commerce and payments industry, Chantal de Meere gained a true passion and expertise of the technical and commercial requirements of the payments process for both Merchants and Payments Service Providers. She provides a holistic approach in her analysis and advice to optimise and automate payment infrastructures, increase conversion and reduce costs.*

*Chantal manages digital transformations of Online, Subscription and Omni-Channel businesses to implement changes in their payment environment including analysis, requirements definition, architectural design, vendor selections and implementation.*

*Using her knowledge of Online, Subscription and Omni-Channel businesses, she provides services to PSP's and banks to optimise and innovate their products and service offerings towards their specific merchant target groups.*

Contact Chantal at [chantal.demeere@connectivepayments.com](mailto:chantal.demeere@connectivepayments.com)

# technologi

-  *Looking to digitalise your merchant on-boarding journey*
-  *Need to automate your AML and credit risk underwriting processes*
-  *Want to improve your in-life merchant maintenance*
-  *Have to manage multi-currency settlement and funding, fee calculation and billing*

You need the technology,  
**you need technologi...**

COME AND SEE US AT MPE 2020 ON **STAND P02**

# MerchantSuite: An Agile Approach to Payments



## Abhish Saha General Manager - Transactions MerchantSuite

MPE 2020 Speaker, Day 1 (Feb 18, track 1 Session 4: Pursuing strategies to stay in the game)



Last year MPE's sponsor list expanded to the far ends of the globe

with its first Australian payments company. MerchantSuite is an all-in-one payments platform that provides omnichannel solutions for businesses of all sizes, specialising in enterprises with high-volume transactions as well as international operations. They currently service merchants in Middle East, Africa, Asia and Australia, and have Europe in their sights.

Returning to MPE this year is **General Manager of MerchantSuite Abhish Saha** who has been at the forefront of the payments innovation and technology industry for over two decades. In this interview he lends some valuable experience-based insight on customer experience, subscription management and international operations.

### How is MerchantSuite different from other payment gateways?

MerchantSuite is more than just a payment gateway. We are an all-in-one payments platform that offers **ready-to-use omnichannel solutions** that help merchants provide their customers with consistent payment experiences across all channels. While other gateways leave

merchants to build everything themselves and use their APIs, we have prefabricated everything for them so they can get started immediately without any programming.

### What are you bringing to merchants at MPE?

We have been reducing payment technology-related overheads for merchants for over 13 years. We're excited to share our rich experience from servicing our large and complex client base, and plan to provide the same unique enterprise-grade offering to our European customers.

Merchants on our platform come from a broad set of industries including Public Transport, Utilities, Multimedia, Retailers, Not-For-Profits and Government Agencies. They have all benefited greatly from **our off-the-shelf, hosted, business-centric solutions**, saving them millions of dollars in PCI DSS and scheme compliance. This business-centric approach has grown our Australian footprint to processing over 1 in 9 card-not-present payments in the country.

### What can you offer acquirers, banks and B2B providers?

Many of our partners and acquirers have used either our white label or co-label models with merchants of all sizes, from SMEs to large corporates, often resulting in the exponential growth of their portfolio. Bundling our

solutions with their products creates the “1+1=3” effect. On top of that, our vast card-not-present support experience provides them with a solid foundation for low-risk entry into this market.

**What are you offering to European retailers?**

In recent years many European and North American

brands such as Disney, Costco, H&M, Amazon and Netflix have expanded to Australia as it provides a mature online user base with a high spending capacity. European retailers looking to rapidly expand into Australia as well as the Middle East, Africa and Asia can do so with a low technology footprint using a **single omnichannel platform**.

## Joining the Subscription Economy

**Why should businesses offer subscriptions?**

Recurring payments is an essential element for any business looking to stabilise revenue. Allowing customers to make regular automatic payments is key to building a brand they can easily be loyal to. Some interesting stats on this are:

- 80 percent of customers are demanding new consumption models, including subscribing, sharing, and leasing – anything except actually buying a product outright. (The Economist Intelligence Unit, 2014)
- 87% of millennials (the largest generation in history that makes up 21 percent of consumer discretionary purchases) already pay for some type of subscription service. (Recurring Payments are the Future of Payments, 2016)

**What are the challenges merchants should expect to face with subscription management?**

- 1. Security.** PCI-DSS Compliance requires businesses to be able to securely store card and account data to be debited.
- 2. Handling declined payments and exceptions.** Failed transactions and lack of flexibility can quickly result in customer frustration and lead to delinquent, costly accounts.
- 3. Updating payment details.** Requiring a customer to re-register when they change their card or payment details can result in losing that customer. Frictionless card updates are a must for customer retention.

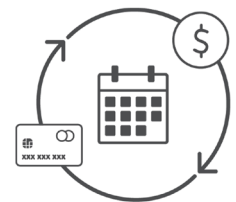
Failure to plan and implement customer centric solutions that address these challenges will hinder your growth while increasing customer churn and security risk.

**What are some best practices that can address these concerns?**

Having the right tools that enable customers to successfully pay on time leads to optimal customer experiences. Hassle-free payments mean happy and loyal customers. But offering subscription payments is more than just about processing a payment at the right time. **The entire subscription lifecycle must be managed.**

A best-in-class implementation would include the following elements:

Phase	Focus
1	Registration A supporter boards your subscription service
2	Management A supporter changes and updates their subscription service
3	Renewal A supporter renews or tops up their subscription for another or new term
4	Cross Sales A supporter is promoted an upgrade or related service and can opt into the offer
5	Retention When phase 1 to 4 have failed, and you need to save that supporter



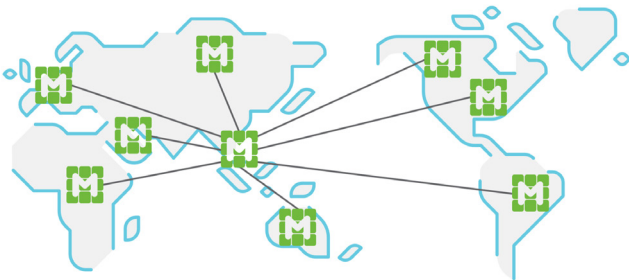
- **Simple Sign Ups.** Card account check without authorisation or deposit in order to avoid customer complaints and chargebacks.
- **Reminders.** SMS and email notifications for upcoming and overdue payments.
- **Post payment notifications** such as digital receipts and thank you notes.
- **Decline notifications** with pay now and update links so customers have a quick way to renew with new card details.
- **Pre-emptive card expiry updates** so declined payments can be avoided.
- **Card expiry bypass**



# Streamlining International Operations

## What are the challenges merchants face when expanding overseas?

- 1. Managing costs.** Many payment options require a local entity to avoid costly cross-border fees and ensure that customers in those markets do not get hit with exorbitant issuer forex fees on their cards.
- 2. Managing technology and vendors.** Choosing payment vendors in each market requires integration, maintenance, support and compliance management. Many payment gateways inherently only support web channels. So, if you need multiple payment vendors to offer payment solutions such as phone and recurring payments, this multiplies the effort and cost required in each market.
- 3. Managing operations.** Each vendor provides their own management portal that allows businesses to manage their payments. The more vendors involved, the higher the operational overheads.



## What are some best practices that can address these concerns?

Pick payment gateway that:

- Provide off-the-shelf omnichannel solutions, allowing businesses to cater to web, mobile, phone, and recurring payment options.
- Has a solution that can be quickly deployed in multiple countries, allowing you to maintain one integration and implementation across all markets. This has the added benefit of providing customers with consistent payment experiences.
- Has a centralised portal to manage payments from all markets in one place.
- Provides centralised reporting for all markets for compliance and finance teams.
- Supports configuration for many common business rules that can be applied to many markets, such as:
  - Surcharging and convenience fees
  - Early payment discounts
  - Set & Forget options
  - Payment plans
  - Digital wallets (both local and international)

If businesses are able to implement these, they can expect to reduce their cost of accepting payments globally and rapidly start accepting payments in new markets.



# Global payments made easy: Three Payment Tips To Increase Reach with Your Platform

Sponsored by:



So, you want to become a global leader with your platform or marketplace but don't have minions to do your bidding? And you are also not sure about the local payment options you should take into consideration to not miss out on opportunities? Fear not, we will provide you three important tips that you can use to "take over the world" or at least expand to another country or two. This webinar will provide you with tips on what you need to consider as you expand your empire:

- How to make transaction easier for global buyers
- How to make seller easier for foreign sellers
- How to establish your business to minimize risk and fees

## Speakers & Panelists



Andrew Whitcombe  
(Moderator)  
Principal Consultant  
Consult Hyperion



Matt Jackson  
Partner Manager  
PPRO Group



Keith Lam  
Sr. Director of Product  
Marketing  
Yapstone

[Download webinar here](#)



# Global Map of mPOS Providers

The most comprehensive industry overview of mPOS providers. The interactive map monitors the increasing complexity of mPOS ecosystem listing players coming in from different sectors around the Globe.

[www.merchantpaymentsecosystem.com](http://www.merchantpaymentsecosystem.com)

2010

Jan

 Square

## Square

**Provider to merchants:** ✓  
(Core Service & Wallet)

**Vendor to providers:** ✗

**Accepted Card Brands:** VISA,  
MC, AMEX, DISCOVER

**Countries Serving:**  
United States, Canada, Australia,  
Japan

**Product Names:** Square Register

**Connection Type:** Audio jack card reader

**Features:** Free secure card reader available after sign up, secure encryption, easy setup, free Square Register app, no setup fees or long-term contracts, funds from swiped payments are deposited directly into bank account within 1-2 business days, includes checkout customization, management tools, data analytics

**Verification Method:** Signature

**Compatibility:** iOS, Android

**Website:** [www.squareup.com](http://www.squareup.com)

2010

Mar

 LightSpeed

## Lightspeed

**Provider to merchants:** ✓  
(Core & Front Office & Back Office  
& Open API)

**Vendor to providers:** ✗

**Accepted Card Brands:** VISA,  
AMEX, DISCOVER, MC, JCB

**Countries Serving:**  
United States, Australia

**Product Name:** LightSpeed Mobile

**Connection Type:** Mobile payments sled, serial port & audio jack card readers

**Features:** Create new invoices, perform inventory lookups, add or create a customer, scan products with line-a-pro hardware, process credit card payments, accept signatures on-screen, email receipts. LightSpeed is the complete retail solution

**Verification Method:** Signature

**Compatibility:** iOS

**Website:** [www.lightspeed.com](http://www.lightspeed.com)

2010

Apr

 ShopKeep POS  
The simplest way to make smarter business

## Shopkeep

**Provider to merchants:** ✓

**Product Name:** Shopkeep