

# TOP-10 PAYMENTS TRENDS 2018

Increasing collaboration between stakeholders, infrastructure rationalization, vendor operations consolidation, next-generation technologies, and cybersecurity are the key emerging trends in the payments space

## EFFICIENCY



01

### Banks Becoming Platform Players

Banks are adopting a collaborative platform model to remain central to the new eco-system by connecting producers (FinTechs and other third-party payment providers) with consumers (merchants, corporates, and end users)



02

### Payment Infrastructure Rationalization

Expected mergers and acquisitions will consolidate payments infrastructures and expand the reach of firms, improve value propositions to customers, and create more customized solutions



03

### Vendor Consolidation

Payments services vendors are looking to consolidate to capitalize on economies of scale



## INNOVATION



05

### Alternate Payment Channels Witnessing Increased Adoption

Customer demand for convenience and speed is driving contactless payments growth

06

### Exploring Distributed Ledger Technology (DLT) for Cross-Border Payments

DLT is being explored for cross-border payments infrastructure to solve the inefficiencies in traditional cross-border payments model

04

### Open APIs as Enablers for Collaboration

Regulations such as PSD2 have driven collaboration between banks and third-parties through adoption of open APIs

07

### Instant Payments (IP) Emerging as the New Normal

IP is no longer an infrastructure play and with wider adoption it can emerge as alternative to cash and checks



## SECURITY



### Regulators are Focusing on Data Privacy Laws

Regulators are bringing new cybersecurity regulations as 918 publicly reported cybersecurity breaches exposed over 1.9 billion data records globally in H1 2017<sup>1</sup>

08

### Payments Firms Continue to Invest in Advanced Technologies Related to Authentication to Fight Fraud and Data Breaches

Advanced authentication techniques such as biometrics, geo-location, and interoperable cryptographic keys are being used to mitigate cyber threats

09

\$31.26 bn  
Expected annual global card fraud losses in 2018<sup>2</sup>

10

81%  
Hacking-related breaches globally leveraged weak or stolen passwords in 2016<sup>3</sup>

### Robotic Process Automation and Machine Learning are Helping in Fraud Detection

RPA and machine learning are helping Payment Service Providers (PSPs) in reducing payments fraud, while continuously monitoring systems for possible threats

1. Breach Level Index Report, H1 2017, Gemalto  
2. The Nilson Report, October 2016, Issue 1096  
3. Data Breach Investigations Report, Verizon, 2017

