



Australia's Payment Revolution

Why Australian banks need to rethink their role in the payments ecosystem

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Executive summary

Adoption of new payments technologies is growing fast in Australia and New Zealand. But have financial institutions made the right moves to embrace this digital future? In this paper we explore key trends across banking, financial services and Fintech caused by new payment standards and technologies, and where we see untapped opportunities for the ecosystem.

Australia trails only China as a leading market in new payments technology and adoption. While NPP is driving the new payment rails for open banking, companies like Afterpay have emerged outside these rails, showing customers are eager to adopt innovative financial products that deliver utility and convenience.

We see five mega trends in the future of payments. Digital commerce, digital wallets, increased involvement of big tech, increased regulation around the resilience of payment platforms, and increased specialisation in the payments value chain are all critical discussions for understanding where the opportunities lie in the years ahead. With almost half of all transactions at point of sale already moving through digital wallets in the APAC region, it's a critical time for institutions to have a clear strategy for how to leverage this transition and make their product offerings an attractive choice for customers.

There are many opportunities to value-add on NPP technology that are yet to be exploited. Financial institutions have great advantages that can be leveraged to provide value to customers through new digital payment products. With PayTo, PayID, real-time settlement and contactless payments options, new alternatives to credit and debit cards are ready to emerge on the NPP rails. But institutions need to motivate customers to adopt features like PayID through compelling new services.

Cognizant has helped financial institutions assess, align and enable new customer value propositions. Through a matrix of tech, regulatory, cost and experience considerations, we have the tools to help clients develop robust payments strategies for the future.

New payment choices are the new normal in commerce, and Payments as a Service will continue to grow at an expected CAGR of 16.9%. It's an important time for every bank and financial institution to explore their roadmap for the total embrace of new payments opportunities. Cognizant has the expertise and experience across global and local industry leaders to engage quickly with NPP and beyond.



Think about your very first Uber ride. You reached your destination and simply said 'thanks' as you opened the door and went on your way. Or that first time you went for a run with no wallet and no phone, yet realised you could tap your watch for that bottle of sports drink at the local corner store.

In the past several years, there has been significant investment in payments infrastructure, from real-time payment networks to contactless terminals, to NFC chips in our smart phones. The investment in these new payment capabilities has been significant, especially in Australia. Innovation in payments products and next generation go-to-market services, however, has been slow to develop, with not nearly as many definitive new payment experiences beyond what the first

two examples would lead us to believe. But a convergence of new factors, from the build out of new payment rails and the rollout of Open Banking, to accelerators like the COVID induced shift to digital and consumers movement away from cash, mean Australia is poised to see explosive growth in new GTM payment products.

Payments are rapidly becoming frictionless and ubiquitous. While BFSI still accounts for the largest share (\$369 billion or 23.1%) of the overall \$1.6 trillion payment processing revenue generated in 2021, it is expected to grow by over 30% (\$485 billion) in 2025. Interestingly, the presence of payments revenue across other industry verticals as recorded in 2021 in table below shows how pervasive payments are becoming.

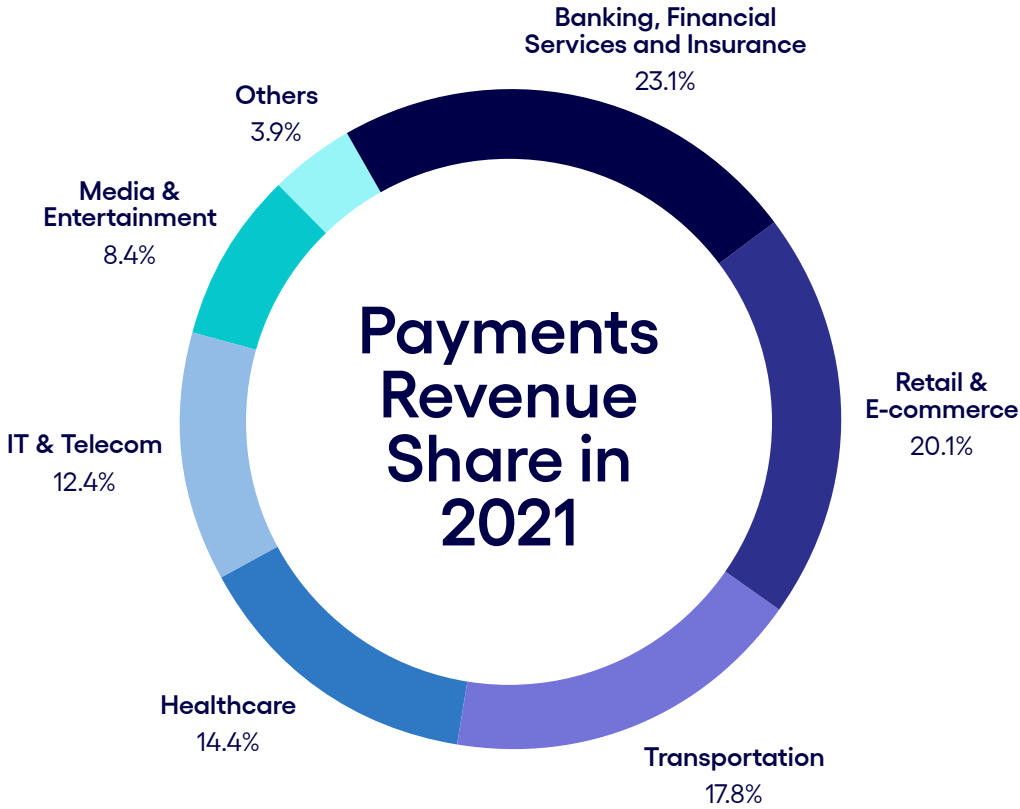


Figure 1. Payment Revenue Share in 2021



The landscape of payments offerings has evolved rapidly over the past several years. While the pandemic has been a major driver of digital adoption at large, there are systemic changes accelerating the transformation of both the operating model and customer service propositions across the payments value chain. Customer-led innovation takes centre stage when we look at the world of payments across Australia's BFS canvas.

This paper explores an outside-in perspective on some of the mega trends we see in the world of payments, with a focus on NPP which is a clear innovation outcome and an attractive hot bed of innovation in the Australian financial marketplace.

Given our view on some of the key payments-led initiatives in the Australian BFS canvas, we also analyse the implication of these initiatives in terms of:

- a. Payment infrastructure rails
- b. Business model
- c. Customer value proposition

At Cognizant, we believe it is vital for all financial institutions to embrace the new payments ecosystem to ensure they are delivering on the value adds customers increasingly expect from their financial service providers.



Mega trends driving the Australian payments landscape

The Australian and Asia Pacific payment landscape (excluding China) is expected to grow at 7% in revenue, close to the 8% growth forecast in India and Indonesia. The one key territory Australia is trailing is China, where new products are rapidly introduced and widely adopted across its digital-savvy urban population. That said, Australia has an aggressive payment innovation charter and is tightly governed against a timeline for enablement.

Australia is in a hot bed of transaction innovation and modernisation, primarily intended for overall customer, financial and societal wellbeing, as well as advocating greater choice and speed with absolute transparency. These “innovation candidates” are envisioned to be backed by a strong legal and regulatory framework with Government & Industry oversight.

These change catalysts are therefore targeted to lead to a series of focused transformations in terms of:

- a. Ability of banks and financial institutions to modernise transaction processing platforms
- b. Need to uplift the surrounding payment infrastructure
- c. Need for cutting edge technology

Australia’s New Payments Platform, for example, is designed to support innovation focused on five important payment mega trends:

1. Digitalisation of financial services
2. Consumer preferences for fast, safe, and easy to use payment methods supported by richer financial data
3. Regulatory changes to support a digital economy
4. Improved risk management and compliance reporting
5. Open Banking and the rise of Fintechs

Beyond NPP, there is a lot of activity in the world of payments in Australia which we would like to qualify as five mega trends. All five align with the strategic direction that RBA called out in their recent narrative for “Future of Payments” in Dec '21. While many have global resonance

in terms of adoption and service offerings, they are expected to grow and lead to innovative customer value propositions in Australia’s transaction processing canvas over the next two to five years. Listed below are our take and qualification of these five mega trends:

1. Declining use of banknotes and increasing use of digital commerce

While COVID has been a strong catalyst to accelerate this trend, other key contributors are the sector’s increased focus on customer experience and financial wellbeing, fuelling the need for higher transparency, increased security, and better reachability of services.

2. Greater use of digital wallets

In the last 8-12 months we have seen a strong promotion and adoption of wallet-based offerings, confirming the significance of the Payment as a Service business model and the need to look at payments beyond financial services as a customer offering.

3. Growing involvement of the ‘big techs’ in payments

Apple’s Pay Later in the BNPL segment and Google’s Google Pay offerings are strong examples of big techs leveraging Open Banking to give customers innovative variants supported by useful data-driven insights. As the number of choices goes up, we should be mindful of customer’s interest as the core of all offerings. Ethical and secured use of customer data across these players is an area to be mindful of.

4. Growing community and political interest in the infrastructural and commercial

The growing interest in digital transactions is driving demand for increased resilience of payments services. While the Australian Government together with other regulatory bodies like ASIC and AUSTRAC stand committed to overhaul the Australian payments infrastructure, we also see continued innovation in digital identity services to address this need. This could manifest as PayID validations, tokenisation of accounts in the transaction workflow and other approaches to remediate online security concerns for monetary transactions.

5. Increasing specialisation within the payments value chain and the emergence of new business models

We see an abundance of ecosystem plays, integration partners and data players in the current market who are coming together to shape the ‘end to end customer journey’ across industry verticals, with payment services coming in as ‘embedded payments’ as part of an overall customer value proposition. These include Woolworths QR code payment options through its Everyday Rewards wallet merging loyalty points and payments, and Fintechs like Zepto and Paypa Plane offering PayTo services leveraging NPP rails.

While we recognise and get excited at the prospects of these mega trends, we also need to take appropriate measures to ensure that these trends have the desired favourable end outcome both for the customer and for financial institutions.

This includes banks and service providers aligning to operate in PaaS or BaaS models and undertaking a service-driven approach in an ecosystem setup. Partnerships such as Westpac working with Afterpay to provide

BNPL to Australian customers through a BaaS model is a good example. Ultimately, financial institutions need the ability to monetise data quickly, efficiently, and securely.

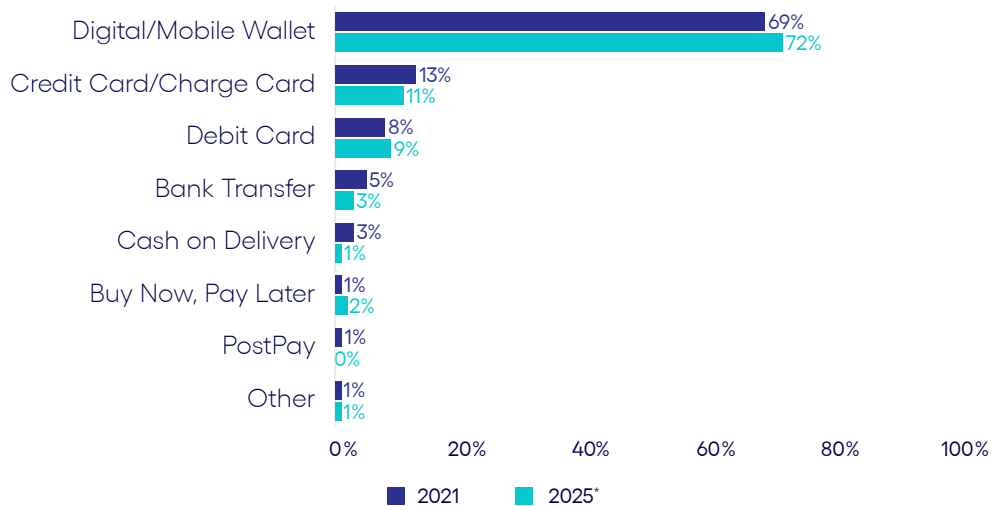
Increasingly, there is a demand from customers for institutions to move away from being standalone platform providers. Becoming nimble ecosystem partners, readily adapting to a service driven approach through collaboration and co-creation, points to the greatest opportunities to grow into the future.

Australian payment trends

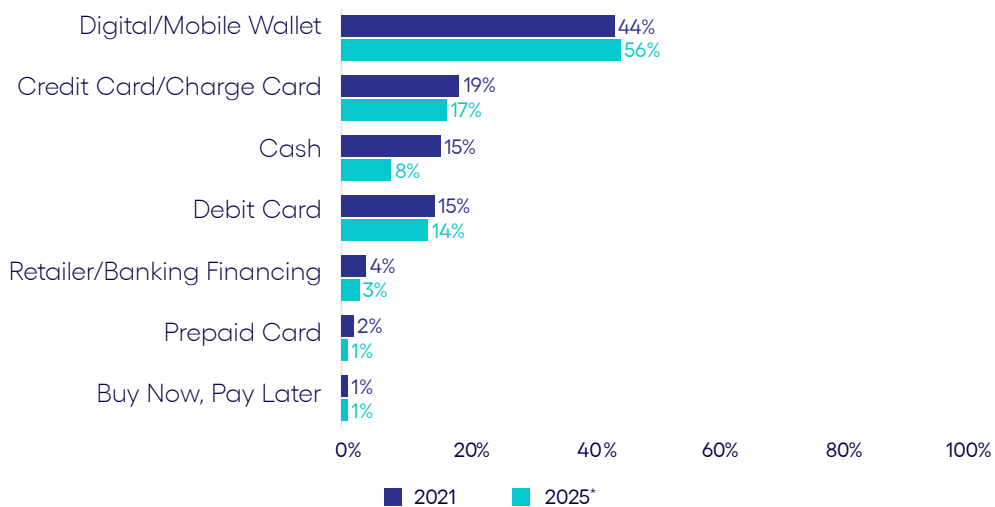
Consumer payments data for Australia shows the large swing towards digital was already accelerating before the pandemic. Important trends include:

- **Cash transactions and ATM withdrawals** are dropping year on year for small transactions.
- **E-payments** have been widely adopted across most consumer demographics.
- **Debit cards** are a major preferred card payment choice (55% adoption).
- **Alternate payment methods** mostly facilitated by mobile technology are emerging across many demographics, particularly younger generations.
- **Buy Now Pay Later** has reached mainstream awareness, with 85% of Australian consumers aware and almost one-fifth of consumers having used it.
- **Mobile and app-based transfers** accounted for 40% of transfers in 2019, compared to 10% in 2013

APAC e-com payment methods



APAC POS payment methods



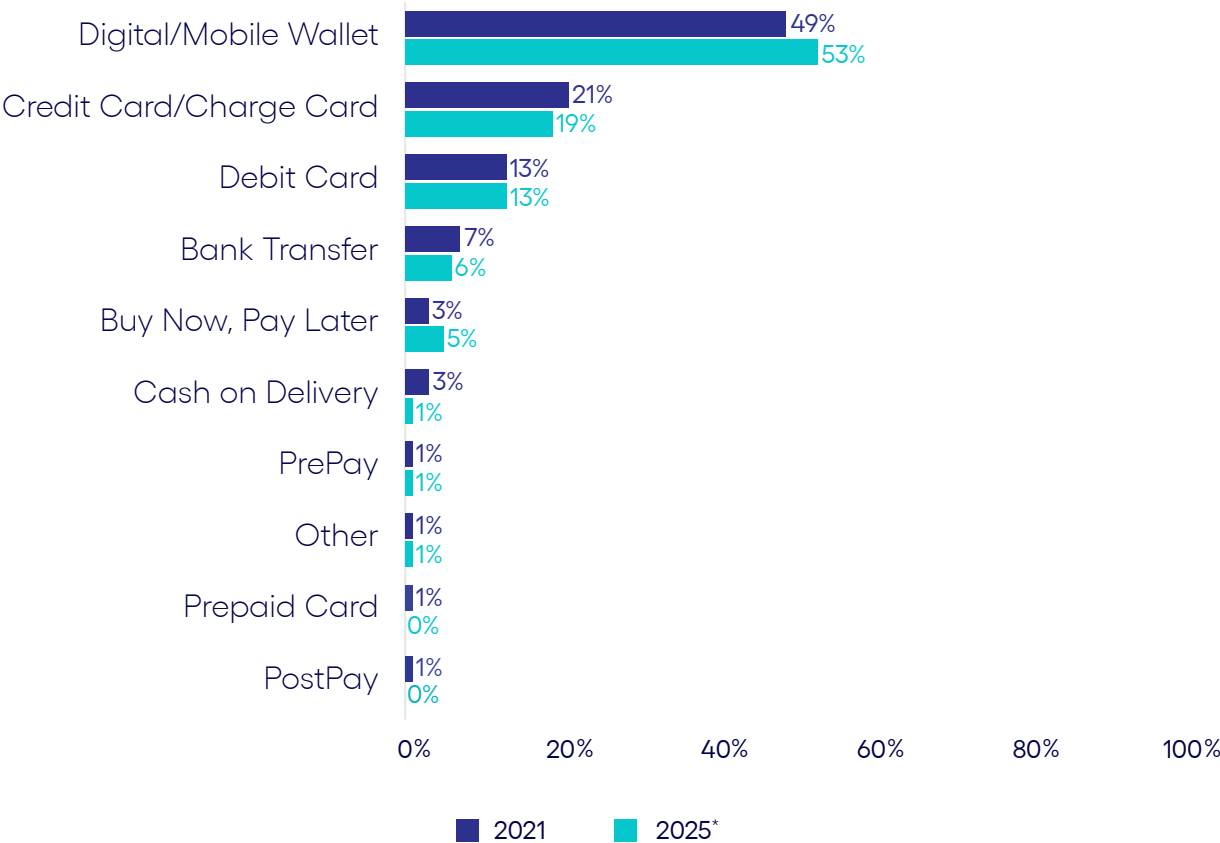
*Source : The Global Payments Report 2022, FIS Global:
<https://offers.worldpayglobal.com/rs/850-JOA-856/images/ENGPR2022.pdf>

Global payment trends

Digital / mobile wallets are the dominant ecommerce payment choice today, accounting for nearly half of all payments globally. More than two-thirds of ecommerce payments in APAC are currently made through this method, projected to rise to 72% by 2025.

Similarly, at point of sale in APAC, digital / mobile wallets also account for almost half of all transactions and are projected to rise to 56% by 2025.

Global e-com payment methods



*Source : The Global Payments Report 2022, FIS Global:
<https://offers.worldpayglobal.com/frs/850-JOA-856/images/ENGPR2022.pdf>



Adoption of the New Payments Platform in Australia 2022

Creating more value through enhanced real-time screening with NPP

Australia's [New Payments Platform](#) (NPP) has seen healthy uptake among financial institutions, especially in the retail segment, since it was launched in February 2018.

Its open access infrastructure was designed with four key foundational principles:

1. Establish rails for A2A real-time payments
2. 24/7 end-to-end payment processing outside normal banking hours with always-on payment infrastructure
3. Enriched and complete remittance information sent with payments
4. Simpler ways of addressing payments through various forms of PayID

Demand for improved digital payment systems was rising even before the global COVID-19 pandemic drove massive uptake of contactless and remote payments.

NPP as a payment method was extensively used by government agencies in 2020-2021 to help manage prompt COVID-19 stimulus payments to affected individuals and businesses as well as flood-relief payments in Queensland and NSW in early 2022.

Opportunities to create value-added services on NPP

When NPP was proposed by the Reserve Bank of Australia a decade ago, the financial institutions invited to collaborate on designing its strategic objectives were very interested in opportunities for value-added services on top of the new payments infrastructure.

However, since NPP launched, banks have struggled to capitalise on value-added services – particularly those that hold the potential to lower operational costs and improve revenue. While banks have large collections of financial data, we believe they are not leveraging data to the full extent they could with NPP. NPP infrastructure provides a good foundational set of rails on which to build the next wave of innovative products a significant opportunity exists to create more value. No institution seems to have figured out how to do so yet, and instead we are seeing new products such as Afterpay emerge from outside NPP.

We see opportunities for Australian financial institutions to benefit from six important factors powered through NPP:

1 Contactless payments

Australia has the highest uptake of contactless payments in the world with 95% adoption.

2 Real-time settlement

Australia's adoption of real-time settlement compares favourably with other countries that have launched fast payment systems, including Hong Kong, Sweden and Singapore. Our transactions per capita are also ahead of the UK.

3 Alternatives to credit cards online and instore

NPP's account-based real-time payments provide a viable and competitive alternative to debit and credit card payments within Australia. We see new opportunities on the horizon in light of the ACCC's approval of the merger of three leading domestic payment organisations – EFTPOS, BPay and NPP Australia – to form one integrated entity, Australian Payments Plus (AP+).

4 PayTo

Previously known as Mandated Payment Service, PayTo modernises direct debit by supporting pre-authorised NPP real-time payments, while giving customers more control. The rollout of PayTo begins in late 2022 and wide adoption is expected quickly thereafter.

5 International payments support service

A faster and safer method for managing incoming cross-border payments is anticipated for launch in 2023. The international payments support service will see the Australian dollar leg of inbound cross-border payments processed through the NPP rails. Richer data about the sender will also help payment providers meet compliance obligations related to financial crime.

6 PayID

The Reserve Bank of Australia believes the industry can do more to encourage customers to register for and use PayID, providing a safe and convenient way to address payments by confirming the name of the person being paid before payment is initiated. A PayID links a verified email address and/or mobile number to a person's account, removing the need to exchange BSB and account numbers. Approximately 10 million PayIDs were registered in Australia by mid-2022, accounting for approximately 16 per cent of total NPP payment traffic.

We've seen a majority of the industry excited about PayTo services as an improvement over existing direct debit. By giving consumers more control in their connections with merchants it will open new opportunities in multiple sectors, from travel and hospitality to streaming services and day-to-day merchant transactions. The key is identifying these connections.

In the PayID space, the RBA is correct in saying more needs to be done to drive uptake. However, it's not just about advertising PayID. Financial institutions need to motivate customers to sign up for services by building products on the NPP rails that people really want.

There is a lot more work to be done on the resilience of services. When customers experience NPP outages during peak daytime

demand, they're discouraged from using PayID (or other NPP-based services) more regularly.

While the market opportunities are many and potential user base is sizeable through NPP, there is an urgent need to innovate an actionable blueprint in terms of:

- a. Customer use cases
- b. Possible operating model
- c. A clear technology implementation roadmap

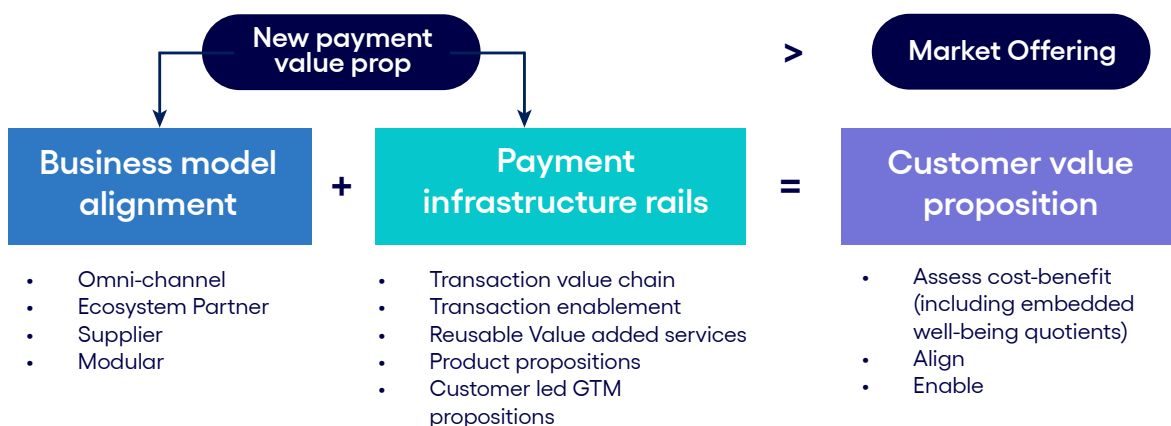
Banks, Fintechs, and payment service providers need alignment on all the three points above to uplift attractive value propositions into a profitable reality for the Australian consumer base.

Implications of emerging payment initiatives

APAC as a region had the highest share in terms of global payments revenue in 2021 at 44%, with revenue CAGR growth estimated to be around 8%. Payments revenue stood at \$704 billion in 2021 and is expected to grow to \$924 billion in 2025. Within the APAC region, payment IT spend is estimated to be \$55 billion growing to \$65 billion by 2025.

While these data points add due credence to our narrative of payments being a hotbed of innovation, we must also be mindful of the implication these changes stand to bring across:

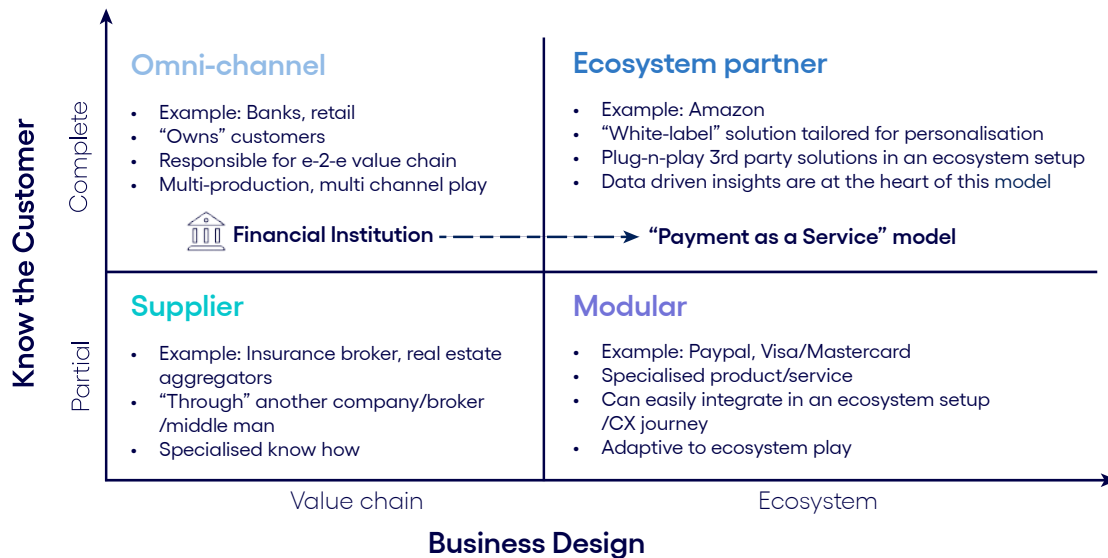
- a. Business model alignment
- b. Payment infrastructure rails
- c. Customer value propositions



Let's explore these three dimensions in more detail:

a. **Business model alignment**

While assessing the new payments propositions at an infrastructure level brings a desired CX and domain led differentiation, an effective enablement also calls for alignment across the ecosystem and leverage the partnership potential to the fullest. We explain this below, taking inspiration from the MIT-CISR matrix:

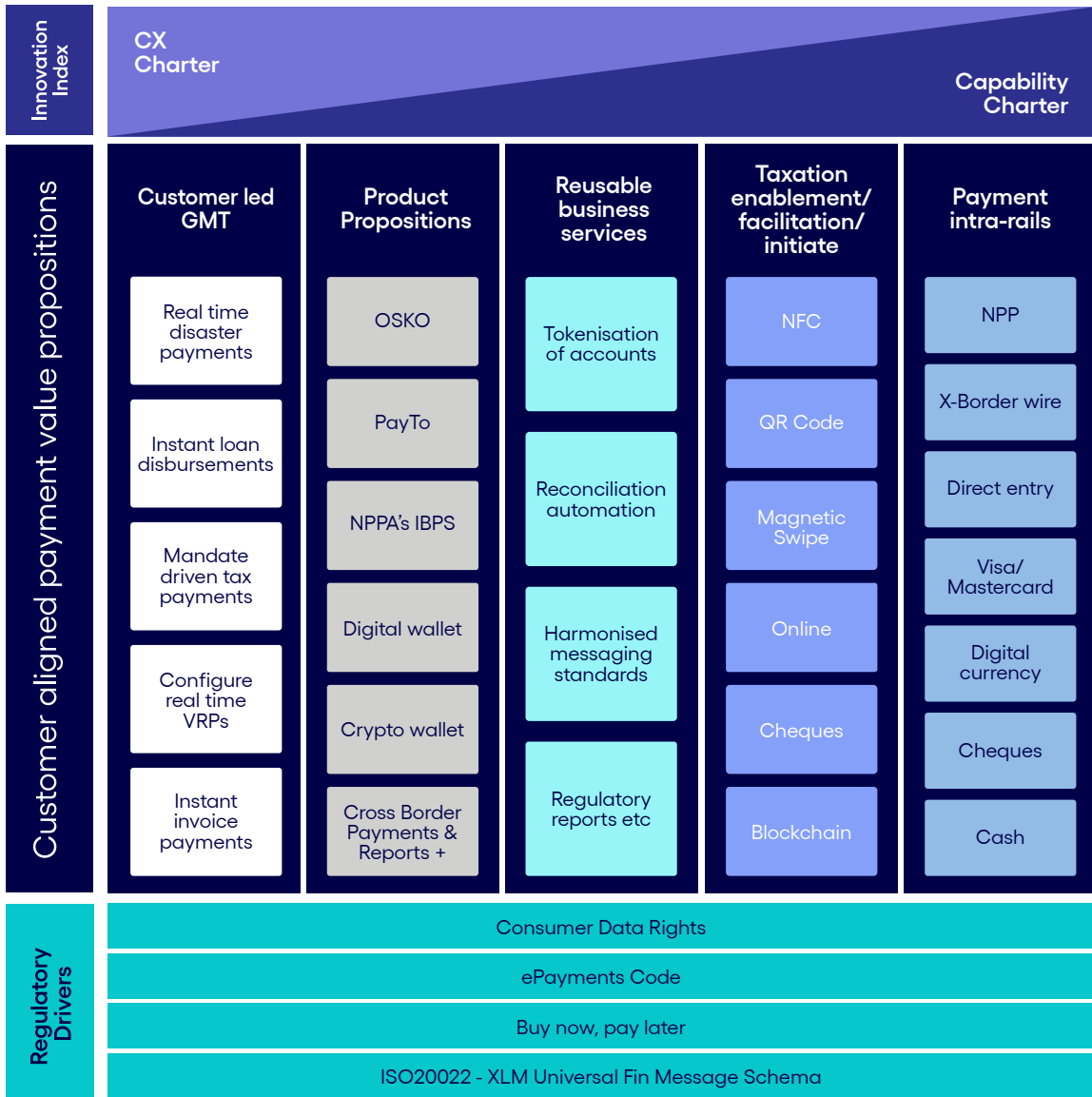


Given the level of competition in the payments and transaction processing space, it is imperative that banks move away from an omnichannel strategy towards being an ecosystem partner and focus in on specific models (aggregator, BaaS, etc.).

b. **Payment infrastructure rails**

While conventionally we have been looking at payment processing capabilities like Domestic DE, NPP, cross-border payments, etc, and a set of processing rails behind each of these to enable the service, we need to elevate this view to go beyond the traditional payments capability and modularise various avenues of:

- i. Transaction enablement, through online, card infrastructure, cheque or blockchains.
- ii. Capturing the series of reusable business services which aids in transaction process customer propositions like automated reconciliation, tokenisation of accounts, etc.
- iii. Plumbing together these service modules and looking at a set of product propositions specific to real-time payments, cross-border payments services, wallet-based propositions, and so on.
- iv. Finally, we must bring in the last overlay of this plumbing exercise and that is the customer value led proposition.



Below we offer an illustration to visualise this narrative:

c. Customer value propositions

Once the payment proposition has been impact assessed and implications verified, we can take up the final activity of drawing up the customer value proposition using our three-staged enablement approach as shown below:



Partnerships with Fintechs and other providers

Opportunities to expand payment ecosystems

We see partnering with Fintechs as a clear ecosystem play that can deliver richer value for customers.

For example, while Open Banking allows more control and choice when designing financial offerings, we see opportunities to elevate that play by partnering with a niche data insights or data integration player – or both. Traditional PSPs and banks can combine their knowledge on payment workflows and empower them through the microservices and data-driven insights offered by the thriving Fintech community for a seamless and innovative customer journey.

Accelerated innovation

Banks will find it harder to innovate if they maintain an omnichannel strategy that puts themselves at the centre of the universe. Instead, banks need to reimagine their place as the rails for guiding growth to allow a payments ecosystem to grow up around them.

A major bank, for example, can accelerate innovation through partnerships and investments in Fintech initiatives outside its main operations.

This point is very important. Given their far more difficult risk profiles, banks can become bogged down compared with the agility of emerging Fintechs. Internally, risk management can kill innovation before it gets to be adopted by consumers. Finding smart partnership and investment opportunities can enable faster paths to new platforms and services that excite customers and create new avenues for accelerated growth.



How Cognizant helps banks and financial institutions reimagine payments ecosystems

For every client, we apply our payments expertise to drive the development of a customer-centric unified payments roadmap. This process ensures a clear connection between your business value propositions and the technology strategy.

Cognizant's payments advisory services, including our **Payments Value Framework (PVF)**, analyses the client's payments domain through three distinct phases:

- i. **Assess:** Cost-benefit and opportunities analysis of innovative payment propositions, aligned to an economic and overall sustainability view.
- ii. **Align:** Aligning the opportunities in context of payment infrastructure rails, product suites and GTM propositions.
- iii. **Enable:** Realising a compelling implementation roadmap through our focused set of services catering to two primary pivots – Payments IT modernisation and Payments ecosystem digitisation.

We have pivoted ourselves to cater to a wide spectrum of market-facing transaction processing offerings in the payments

landscape here in Australia, and we have contributed to the enablement journey of NPP in its formative years for two of the big four banks.

For some clients, we also helped with the adoption and implementation of NPP, while also playing a key part in uplifting some pivotal technology assets into a microservices model, as well as laying out the product proposition for extending NPP to institutional and corporate customers.

As a leading advisory and transformation partner, Cognizant provides its clients with strategic advice and support to build foundational modern payments systems, including:

- Modernising payments infrastructure to ensure stability at volume, lower cost, faster time to market and extension into payments as a service models.
- Ensuring a seamless next-generation customer experience with flexible options for initiating real-time payments with lower acceptance cost (such as checkout-free experiences).

Cognizant achieves success for global banking clients

Platform Modernisation



Enterprise payments engine transformation

One of the top 10 US banks by assets

Assisted bank on a multi-year transformation to modernise legacy payment platform for processing US Domestic, International and ACH transactions. Involved in end-to-end process decomposition and detailed specifications across payment lifecycle for US FedWire, US ACH, International ACH and SWIFT offerings.



Operational resilience and digital transformation for Wire payment services organisation

Tier 1 Canadian Bank

Cognizant was engaged by the bank to assess and enable operational resilience and digital readiness assessment through a 3 staged approach which ran into a multi-year strategy and execution to address the gaps and risks identified in the assessment.

Open Banking



Build versus buy assessment for an open banking product design

Leading Irish bank

Cognizant conducted an assessment and did a comparative study and recommended an open banking capability third party product in alignment with the client product roadmap vision to offer the services as a data aggregator in PFM space.



Open banking regulation implementation

Large UK bank

Setup up "API Business HUB", helped the bank to be one of the first UK banks to be compliant with CMA open-banking standards, categorisation of external and internal APIs helped the bank in multiple areas.

Product implementation



Open payment framework (C2P) implementation and testing

Large east coast bank in US

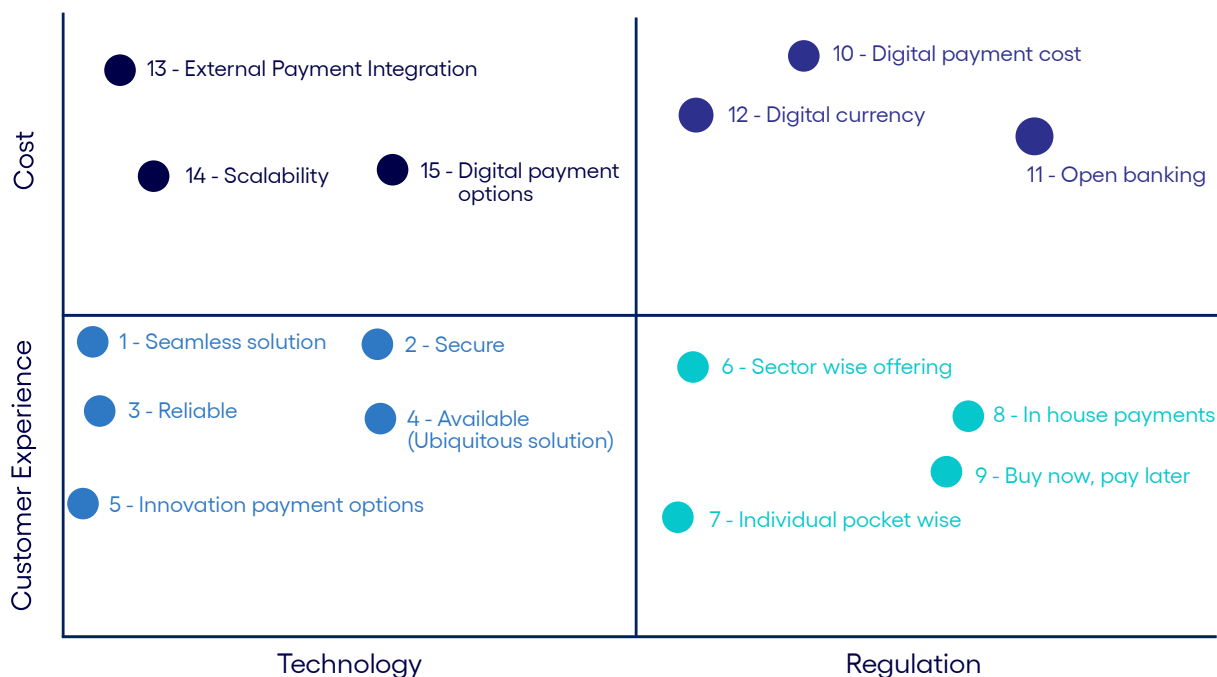
Bank intended to realise an enterprise wide payment hub as part of their global strategy. Cognizant was the strategic partner to select the COTS product and own the entire implementation of the payment hub. Usage of various in-house tools resulted in cost saving of ~3000 person hours.



GPP architecture assessment and functional design

Large US bank

Cognizant helped the bank review the architecture, high level design and other shared documents from a technical quality perspective. Detained gap analysis for more than 37+ functionalities of the GPP product.



Key considerations when developing a payments strategy

Solutions driven by CX experience and technology

1. Seamless and fast payments across multiple channels.
2. Providing payment with enhanced security features such as 2FA and OTP-based authentication.
3. 99% availability.
4. Agree target devices, browsers, and platforms.
5. Support for alternate payment-based options like IoT based payments and faster cross-border payments.

Solutions driven by CX experience and regulation

6. Targeting customer segments to provide offers and discounts on payments.
7. Specialised experiences across individual pockets of the value chain.
8. Support for in-house payments to cut FX cost (for example, booking.com).
9. Instant lending products such as Buy Now Pay Later integrated with retail buyer journeys.

Solutions driven by cost and regulation

10. Affordability of the digital payment transaction.
11. Exposing APIs to make payments simpler and universal.
12. Making digital currency legal tender via Central Bank Digital Currency.

Solutions driven by cost and technology

13. Integration of the payment channel with third-party merchants to provide end-to-end payment options to customers.
14. Improving scalability of the platform to accommodate future enhancements.
15. Increased focus on non-cash products and new digital payment options to customers.

Advisory spotlight:

NPP enablement for a Big Four bank in Australia

Cognizant recently provided multiple service capabilities on payments rails for one of the Big Four banks in Australia to support its NPP enablement. This work included laying the foundations of a payments services platform and upgrading the workflow engine to handle all payments and PayID disputes related to NPP.

We see more opportunities to accelerate value through partnerships that successfully leverage the NPP rails of other banks and financial service providers.

We know banks have massive cost pressures they are trying to resolve with automation plays such as Straight Through Processing (STP). They are also looking for innovative products these underlying technologies can enable, and part of the payment strategy is trying to link the two.

We also believe banks need to consider opportunities beyond payments into other kinds of transactions, such as loyalty points. In our payment strategy work we are having more conversations with banks on thinking holistically about anything moving across the ledger and how they can build products around those activities.

Advisory spotlight:

Partnering with a leading US bank on its payment modernisation journey

Cognizant participated in a strategic initiative at a leading US bank to modernise its payment capabilities, including processing real-time payments. The bank needed to address inherent risks in its legacy payment engine, which required extensive engineering to meet the demands of recent regulatory mandates.

The first stage saw Cognizant replace the bank's legacy payments engine with a modular, scalable and cloud native platform environment for USD clearing and international payments. Next, we provided enhanced machine learning capabilities by integrating peripheral applications for STP processing in core payments and aligned the newly built payments ecosystem to ISO 20022 so it supports modern payments methods such as SWIFT, T2S and CHAPS. We also implemented SWIFT GPI to deliver an enhanced payment tracking service, and embedded real-time payments processing in the holistic payments ecosystem.



The new normal: new payment choices

In our view, major banks and in some cases large e-commerce retailers are in a powerful position to extend their customer relationships across most demographic segments, including in areas where Fintechs had first-mover advantage.

Key insights from our experience:

- **Financial ecosystems:** New offerings built on the NPP and Open Banking infrastructure can leverage the rich data transmitted during transactions to add utility and value. We see big opportunities for the development of connected digital ecosystems that connect customers' financial data with their goals and personal preferences to improve their financial wellbeing. Major banks are also well placed to create and benefit from super app ecosystems.
- **Adding value to the relationship:** Generations Y and Z (age 20-40) still prefer traditional banks over neo banks for developing ecosystems. They want seamless integration of financial services across multiple providers and they value personalisation features linked to products that give them real benefits, such as loyalty programs.
- **New payment methods:** Most major banks and the RBA are exploring the potential of CBDCs. We see big opportunities in cross-border payments including corporate payments, which traditionally involve high costs and complexity. Adoption of Global Messaging Standard ISO 20022 is accelerating cross-border, cross-currency instant and B2B payments.
- **Payments as a Service (PaaS):** new players are in the market with PaaS offers across a variety of uses – card issuing, payments clearing, cross-border payments, disbursements, and e-commerce gateways. We see opportunities for banks to integrate these new platforms with their core banking platforms via application programming interfaces (APIs). The PaaS partners will handle platform maintenance and upgrades, and the banks can build cloud-based payments services stacks of their own. This will allow them to rapidly introduce new products in a matter of months, rather than years.

Growth of the Payments as a Service market

The global Payments as a Service (PaaS) market is set for massive growth. In 2020 it was valued at US\$8.6 billion by Grandview Research. Revenues are forecast to almost triple to \$US25.7 billion by 2027 at a CAGR of 16.9%.

Global leaders in the PaaS market include JP Morgan, which partnered with PaaS digital-only card issuer Marqeta in July 2020 so it could offer virtual company cards for its business customers.

As Omri Dahan, Marqeta Chief Revenue Officer, told CNBC at the time, large financial institutions like JP Morgan “are tied to the legacy systems they’ve built on top of for years. It’s hard for them to access modern technology.”

Similarly, a new bank in the UK called Oxbury, which specialises in farming, food, and SME-focused Fintech, partnered with PaaS clearing and agency-banking provider ClearBank to gain full access to the UK payment schemes.

Closer to home, PaaS plays by the big four banks are aimed at addressing the trend away from credit to alternative payment systems. A2A payment offerings like PayTo are a strong case in point. They cater to multiple use cases in the C2B and B2B segments, as well as touching government payments.

We also see more big techs entering the BNPL space, as Apple leads the way with its Pay Later proposition to a potential user base of billions. BNPL is particularly popular with younger generations (Gen Y and Gen Z) as it simplifies the customer shopping experience with a convenient four-installment payment option, often interest-free as long as repayments are made on time.

Greater transaction transparency and compliance

Understandably, any proposed new transaction system will be comprehensively examined by governing bodies such as APRA and the RBA to ensure it addresses risk compliance. And in our experience within the new payments space, most players are deeply committed to ensuring transparency and security at every stage of the transaction process.

Secure cloud-based technologies such as those underpinning the NPP not only make transactions dramatically faster, but they also give clear visibility of each stage. Legacy systems did not give this constant operational view of payments.

By comparison, when the package delivery sector tapped digital technologies early to improve visibility and accountability of fulfilment end-to-end, it drove huge growth in e-commerce. The ability to track a package along its journey from merchant to customer is reassuring for both parties, while ultra-fast delivery is a fantastic value-added service.

Now payments can be made in less than seven seconds through the NPP, financial institutions can add value by harnessing richer transactional data. We see incredible opportunities for new services that capitalise on data insights to deepen customer relationships.

Engaging with NPP and beyond with Cognizant

We’re excited to work with financial institutions in Australia & New Zealand to enable great new experiences for customers that also unlock new ways of thinking about what banking and finance can become in the future of digital transactions.

To take action today, contact **Robert Marchiori** via email Robert.Marchiori@cognizant.com.

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Robert Marchiori is ANZ Head of Markets at Cognizant, with deep knowledge and experience in the banking sector. Robert has 25 years of experience in business transformation and two decades of experience in the banking sector across Europe, the US and Australia, including a decade in technology leadership at ANZ Bank. His leadership assisted the successful demerger of ABN AMRO. Balancing product, business and technology insights, Robert delivers customer solutions with impact and drives excellent growth in stakeholder value. He brings deep competency in operating model and cultural transformation across large scale financial services and retail industries. Robert can be reached at

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Cognizant (Nasdaq-100: CTSI) engineers modern businesses. We help our clients modernise technology, reimagine process and transform experiences so they can stay ahead in our fast-changing world. Together, we're improving everyday life. See how at www.cognizant.com or [@Cognizant](https://twitter.com/Cognizant)

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