



Future of payments

# Evolving beyond transactions

How payments institutions can pair value and volume to drive growth.


In a world where change is the only constant, the realm of payments is no exception.

It's time for payments institutions to evolve beyond transactions: To scale fast or exit, double down on efficiency, and be bold.

Our new eBook provides **three horizons** that form a compass for banks, issuers, acquirers, and payment networks to navigate the payment journey—and position their organizations to thrive.

For each horizon, we provide steps for how companies can set a course for success.





# Horizon One: Simplify and build a modern payment core

The digital age is about instant everything. To make it happen takes a modern payment platform that offers the streamlined processes and hassle-free real-time experiences that customers expect.

Because speed and standardization go hand in hand, ISO 20022 is the de facto standard for any company working on instant payments, providing the much-needed common language for the payment community to interact seamlessly.

We detail how attitudes towards the new standard vary, as do implementations.





## Horizon Two: Embrace open ecosystems and value creation

The coming quarters are shaping up as the time in which open ecosystems come into play. The ecosystems will form the foundation for the payment industry's evolution from processing transactions to creating value.

We highlight the big changes the industry can expect as it harnesses the new insights from payment data and joins forces to create rich ecosystems. Areas of focus across the participant value chain include generative AI as well as cross-border transactions and invisible, frictionless customer journeys.

While open banking initiatives have so far focused on everyday bills and purchases, open finance is set to take that access a step further. It aims at pensions, mortgages, and investments and provides consumers with a 360-degree view of their finances. Broadening the aperture even wider is the concept of open data, which expands data sharing to include telcos, utilities, and other service providers.

We examine the steep hurdles toward acceptance faced by both open banking and open finance.



# Horizon Three: Prepare for “everywhere, anything” of value

Horizon Three is about looking to the future and experimenting with new stores of value. Digital assets such as NFTs, or non-fungible tokens, already provide the ability to tokenize anything of value. Many countries are exploring central bank digital currencies (CBDCs), and smart contracts are set to possibly revolutionize financial transactions.

Banks need to be ready to move beyond experimentation and make bold moves for early market advantage. But “everywhere, anything” of value isn’t evolving without industry concerns, from questions about the viability of the business cases to worries about privacy and interoperability.

Still, there’s no end date to the exploration of new stores of value, and it’s the nature of technology and innovation to bring new ideas to market. The upshot? New stores of value offer a clean-slate advantage to financial institutions as they learn from Horizon One and Horizon Two initiatives.

We explore the shift of value and its impact on payments in the future.



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