

Modernizing Data, Applications, and Infrastructure for the Next Phase of the Payments Revolution

April 2021: Complementary Abstract / Table of Contents



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- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
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Background and context

- The global COVID-19 pandemic has not only changed the way we interact, but also the way money moves. The pandemic has accelerated the digitalization of payments and prompted consumers and businesses to rely on digital and contactless payment options when buying and selling goods and services. Besides, with the rise of open banking, a one-stop, integrated payments solution for lifestyles services is becoming increasingly important
- Banks and Payments Service Providers (PSPs) have been investing in payment modernization initiatives to shift to an open API-based architecture and adhering to the ISO 20022 payments messaging standard, which allows them to capture rich and structured data. These initiatives will help improve the payment experience
- With the rise of Alternative Payment Methods (APMs), such as crypto currencies, digital wallets, and Central Bank Digital Currencies (CBDC), regulators are amplifying their scrutiny of new players and offerings. It has become mandatory for banks to upgrade their risk and compliance management systems to for better fitment to regulatory requirements and emerging security risks as a result of adoption of new forms of payments processing
- To cater for this demand, payments technology service providers are investing in next-generation digital technologies such as the cloud, API, and AI/ML to provide an integrated payment ecosystem with value-added services, while managing risk and reducing frauds
- Overall, payments as an industry, is going through radical changes around multiple different themes with consequent rise in demand for third-party payments technology. In this report, we take a closer look at payments technology market trends across products, experiences, infrastructure, regulations, data, and technology themes. We also study how technology vendors and service providers are increasing their investments to cater to these demand trends

Scope of this report:



Geography
Global



Industry
Payments



Report coverage
Technology and
IT services

Executive summary

Evolving regulations and customer demands for seamless experience across multiple channels are pushing banks and PSPs to invest heavily in modernizing their payments technology stack



Drive innovation on the back of accelerated adoption of real-time payments

As governments and private organizations collaborate to launch new real-time payment schemes across geographies, BFS firms need to modernize their IT systems to tap into the new opportunities

Scale pragmatic digital-for-efficiency initiatives to reduce the cost of operations

Adoption of AI/ML, cloud, and APIs in payments transformation journey will enable banks to achieve scalability, reduce per transaction cost of IT operations, as well as minimize regulatory penalties

Build products/experiences to adapt to changed payments behaviors and evolving expectations

A partnership-led approach with wider financial services and technology vendor ecosystem will help banks and PSPs offer value-added services on top of traditional payments processing

Invest early to capture share of high-growth APMs and the emerging CBDC landscape

Banks must modernize their legacy payments architecture to compete with APMs offered by FinTechs and support technologies such as DLT to enable CBDC- and cryptocurrency-based payments

Navigate the tightening of regulatory and security norms

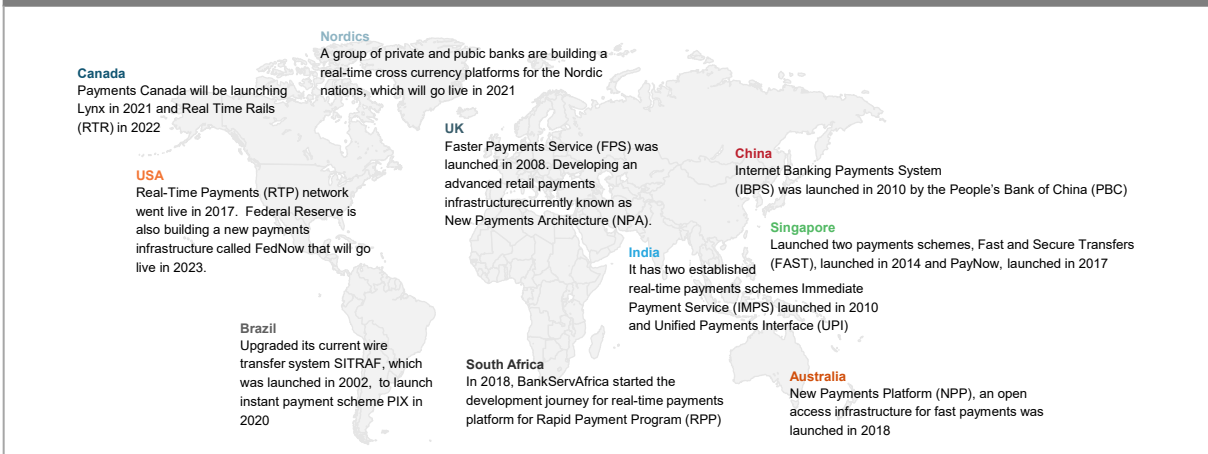
In addition to ongoing risk and fraud management mandates, payment firms are in their journey of ISO 20022 compliance. The industry is witnessing tightening of data and consumer protection norms

Take advantage of the rich payment technology supplier ecosystem

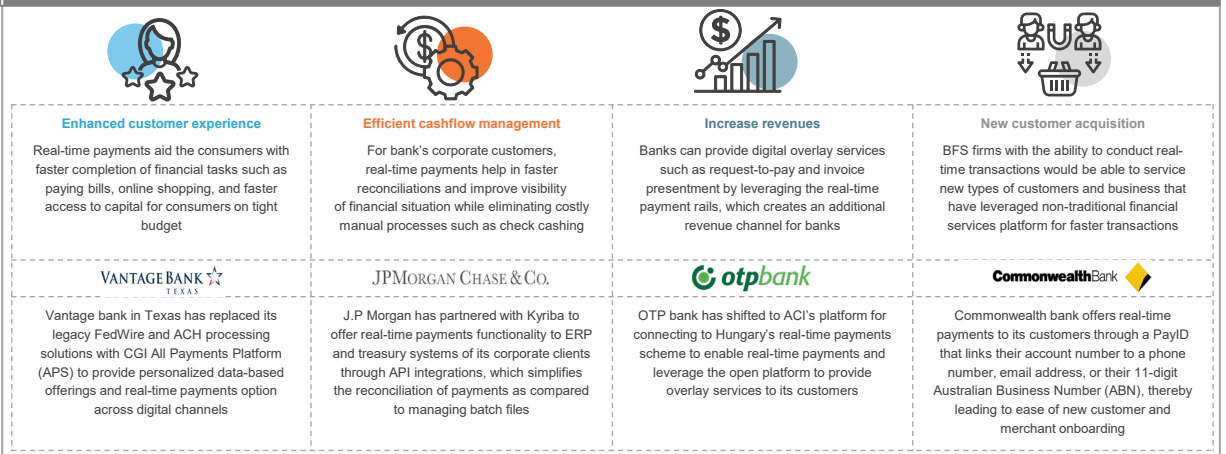
Payment technology vendors are investing in innovative point solutions to enable BFS firms in integrating digital technologies to achieve faster time-to-market for modern payments offerings

This study offers six distinct chapters providing a deep dive into key aspects of payments technology market; below are four charts to illustrate the depth of the report

Increasing maturity of real-time payments



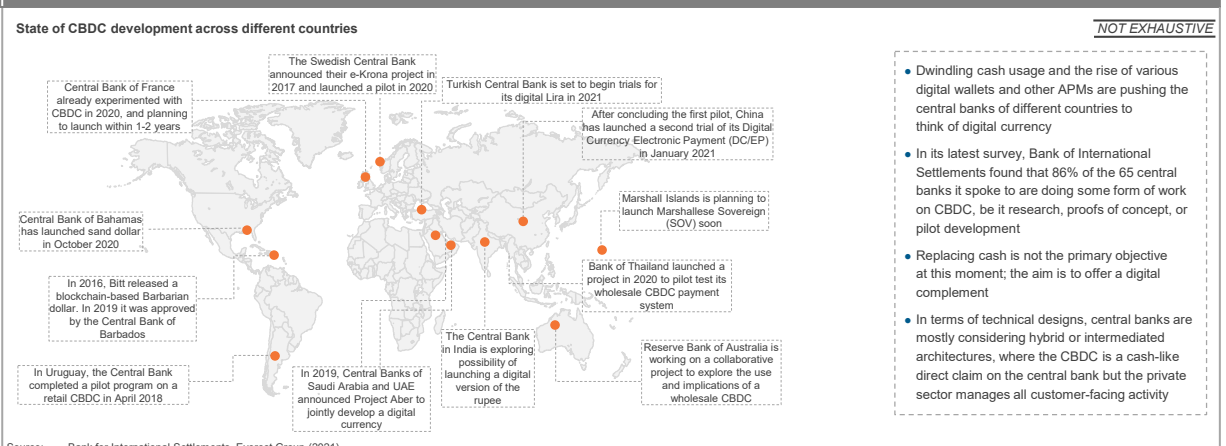
Real-time payments use-cases explored by banks



Technology vendor landscape for payments



Trends for



Research calendar

Banking & Financial Services IT Services

Published Planned Current release

Flagship ITS | Banking & Financial Services reports

Release date

BFS Risk and Compliance IT Services PEAK Matrix® Assessment 2020: Building Cloud-based Data Infrastructure for Intelligent Real-time Controls	June 2020
Open Banking IT Services Service Provider Compendium 2020	June 2020
Risk and Compliance IT Services in BFS Service Provider Compendium 2020	June 2020
Capital Markets State of the Market Report 2020: Automation, Data, and Cloud Trends for Buy-side Firms	July 2020
Banking IT Services State of the Market Report 2020: Hyper-segmentation Strategy Enabled by Digital Capability Platforms and Data Exchanges	July 2020
Application and Digital Services in Capital Markets – PEAK Matrix® Assessment 2021	December 2020
Healthy Rebound in BFS IT Services Spend – Growth Themes and Cautions	March 2021
Modernizing Data, Applications, and Infrastructure for the Next Phase of the Payments Revolution	April 2021
Application and Digital Services in Banking – PEAK Matrix® Assessment 2021	Q2 2021

Thematic ITS | Banking & Financial Services reports

Release date

Financial Risk Management Platforms Assessment and Vendor Profiles	March 2020
Assessing the Trade Life Cycle Management Technology Platform Landscape	March 2020
State of the Market for Third-party Enterprise Platforms in Banking and Financial Services: Ecosystem Collaboration for Modernization at Speed and Scale	April 2020
BigTechs in BFSI Industry: The Theory of Co-existence for Market Expansion	August 2020
Lending Technology: Assessing Loan Origination System Vendors – The “One Lending” Model for Journey to the Cloud	September 2020

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