



## Headlines

### BNPL – The regulatory threat is growing

- **EUROPE** - BNPL boosts Cyber Week sales
- **UNITED STATES** - Klarna and GoCardless sign US partnership
- **UNITED STATES** - CFPB takes on the "Big Five" of BNPL

Klarna continues to shake up the BNPL sector with acquisitions and partnerships. This month Klarna announced a new partnership with account-to-account transfer specialist FinTech GoCardless to roll out its pay in 4 solution to all of the FinTech's US customers. Last month, it partnered with Stripe, the largest US FinTech, to open its offerings to all e-merchants who use Stripe. The other American FinTechs are not to be outdone, as Affirm continues to make inroads with US merchants after signing up Amazon and Shopify, while Afterpay has partnered with marketplace Rakuten to develop its offerings. A study conducted by European PSP Mollie showed a 51% increase in the use of offline payment methods compared to the 2020 edition during the cyberweek (Black Friday + Cyber Monday. But this growth is under scrutiny, both in Europe and in the US, where the regulator will soon set limits. The CFPB, the Consumer Financial Protection Bureau, announced a few days ago that it was launching an investigation into several companies distributing BNPL services. PayPal, Affirm and Afterpay and Klarna are among those concerned. The CFPB's investigation could mark a turning point for the sector. As soon as the investigations were announced, the shares of the main market players fell on the stock market: Affirm lost 11%, its Australian competitor Afterpay fell by 8%. The report points to an underestimated risk of over indebtedness on a national scale.

### ACQUISITION – Towards more simplicity and fluidity

- **FRANCE** - Edenred and Sunday combine meal vouchers and QR code payment
- **UNITED STATES** - Facebook is testing a new addition sharing service
- **FRANCE** - BPCE institutionalizes giving through a FinTech

While the pandemic has accelerated its late adoption in Europe, global innovations in mobile payment and new shopping experiences are putting the QR code firmly on the landscape. Last month FinTech Payconiq announced a partnership with Worldline to make its terminals compatible with Payconiq's QR code payment solution. This month Edenred announced a partnership with Sunday, the FinTech launched by the founders of the restaurant chain Big Mama, which is ranked 9th among the most funded fintechs in France in 2021. Thanks to the QR code, Sunday promises a smoother payment experience without having to go to the cashier or even touch a waiter, and the possibility of sharing the bill afterwards, all on the go. It is precisely this fluid experience of sharing the bill that Meta is trying to relaunch its p2p payment services within its Messenger messaging service. Finally, in terms of enriched payment experiences, Heoh has entered into a new partnership with the BPCE group, a few months after the one with BNPP for the payment of tips; this one will aim at the payment of donations at the time of payment at merchants and will allow the BPCE group to renew its mutualist ties and to continue to be involved in favour of its merchant customers by innovating in the field of payment.

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## A word on...

### Player's Strategy

Particularly dynamic in recent months, **Square**, the American payment acceptance giant, has just announced a name change to better define the group's many new activities. While the payment activity will keep its name Square, the group has been renamed Block, which reflects its ambitions in the field of blockchain and cryptocurrencies. Square Inc. will therefore become Block Inc. and will bring together the many brands now held by the group, such as Square (cash in), Tidal (music streaming), Square Banking and Cash App (money transfer). The group is also interested in credit and crypto-currencies. Its Square Crypto business will also be renamed Spiral. The name Block refers not only to the group's move into crypto-currencies and blockchain, but also to its commitment to offering a global ecosystem made up of several businesses. Jack Dorsey, co-founder of Twitter and Square, had recently stepped down as CEO of the social network to focus on the Square/Block business, which investors hailed as a strong move given the size of the new group and its multiple businesses.

## Mobile Services

### Feedback: Revolut gets a head start on the competition

Revolut has taken advantage of the year 2021 to establish itself against its main competitors such as N26, Monzo or Starling Bank in the UK. How did it do this? Thanks to the number of downloads recorded by its mobile banking application; a strong indicator of the service's adoption.

#### FACTS

- The latest data from App Radar has revealed that London-based Revolut has seen a 37.6% increase in the number of downloads for its Android app, standing at 5.23 million downloads over the period January to November 2021.
- Its total downloads amount to 15.8 million, more than any other European player.
- These figures do not represent the actual number of monthly active users of the app but remain a major indicator of momentum for Revolut as an innovative 100% digital player.
- In addition to the download boom, Revolut raised \$800 million in July from Tiger Global and SoftBank, among others, bringing its valuation to \$33 billion.

#### KEY FIGURES

- More than 16 million customers worldwide, the majority in the UK and Europe
- 200,000 customers in the US
- 500,000 business customers in Europe
- More than 35 countries covered by the services
- Around 30 currencies managed via the application

## CHALLENGES

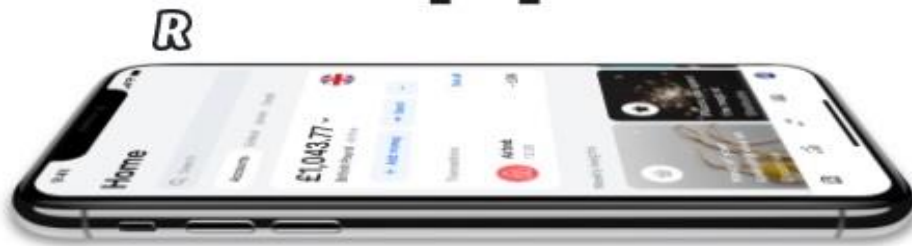
- **Growth against the tide:** The evolution of Revolut's app downloads is all the more interesting as the specialist App Radar has recorded a slowdown in download growth for the apps of Revolut's main competitors: Monzo and Starling in the lead.
  - N26 recorded 1.33 million downloads for its Android app this year, up almost 15%. N26 is therefore ahead of the other neo-banks, with an increase in downloads that is still much lower than that of Revolut.
  - Starling Bank recorded a drop of 3.4%, compared to 12.7% for Monzo. Monese even saw its number of Android downloads halved in one year.
- **Relative scores:** These figures for the evolution of m-banking app downloads should be seen in the context of the exceptional year of 2020, in which the pandemic and the confinements contributed to an unprecedented craze. But this development nevertheless confirms another fundamental trend in the making. While the excitement of the FinTech and neo-banking market is still with us, the madness of the early days seems to be giving way to a more temperate approach.

## MARKET PERSPECTIVE

- Some observers also point out the problems inherent in this sector, posing the paradox of success in the face of profitability that is difficult to achieve.
- Revolut represents a stereotype of this trend, posting records of growth, but also of losses.

Source : [Business Insider](#)

# All your money needs in one app



## TikTok pays its creators with Stripe

The social network TikTok has just presented its new remuneration system for content creators on its platform. It takes the form of a loyalty system and presents a new monetisation initiative in the era of the times. A major payment specialist, Stripe, is taking part in the project and confirms its ambition to become a reference in this area.

### FACTS

- TikTok has introduced Creator Next, its new strategy to reward some of its content creators. To be eligible, creators must be over 18 years old, have at least 1,000 views on their videos in the last 30 days and have at least three posts in the last 30 days. Eligible accounts must be at least one month old and must not have repeatedly violated TikTok's rules.
- The new TikTok rewards then take several forms:
  - Tips", which allow the community to congratulate content creators by paying them a small amount (a small fee will be applied without TikTok paying itself),
  - The "Gift", or reward points in the form of "virtual diamonds", given to creators for publishing videos or Live,
- The TikTok Creator Marketplace, a marketplace launched in 2019 to facilitate collaboration between content creators and sponsors. It now opens up to more creators, with over 10,000 subscribers.
- These monetisation features are now available to content creators in the US, UK, Germany, France, Italy and Spain. Canada and Australia will have access in the coming months.

### CHALLENGES

- **Opening up its monetisation model:** TikTok already allowed content creators on its platform to accept virtual gifts from their fans. Now, with its new Creator Next strategic plan, TikTok is taking the next step by industrialising the monetisation of its platform.
- **Catching up with other social platforms:** The race is on between the various social networks, which can no longer afford to simply organise the sharing of content between their members but must attract and retain the most promising creators. TikTok is playing the pay and retention card today and thus completing its approach.

### MARKET PERSPECTIVE

- The monetisation of content on social networks is only getting stronger, with 2021 clearly representing a pivotal year for this trend. It was the fledgling social network Clubhouse that launched the hostilities on this theme with the presentation, last April, of a new member-to-member payment feature allowing content creators to be remunerated.
- Twitter monetised its audience the following September by presenting its Super Follows, allowing its most prominent members to earn money online.
- The main point in common between these two initiatives is the partner chosen to settle these payments: Stripe. And the fact that it is now partnering with TikTok only reinforces the idea that the online payment giant is counting on its domination of social networks to secure its future.

Source : [Presse release](#)



## Facebook is testing a new addition sharing service

Facebook has just rebranded itself as Meta but has not forgotten its core business: that of a social network. The group has therefore just announced that it is going to boost the functionalities of its instant messaging service Messenger at the end of the year. Payment is a key part of this approach to strengthening cooperative services.

### FACTS

- Facebook has just launched a new payment feature for its Messenger messaging service. The feature, called Split, will be available primarily as a test for a few US users.
- Split is presented as a new, practical and fast way to share bills, invoices and other common expenses between friends or family members.
- Group dinners, daily household expenses or even monthly rent are identified as examples of shared expenses that can be covered by the new Split feature.
- A first test phase will therefore be launched, involving a selection of Messenger users. These users will be able to start using Split, Facebook's new split payment service, for free from the instant messaging service.
- They will be presented with a simple button within their chat groups to make it easier to split bills and other additions among their participants.
- It will be possible to split a common expense equally or set a personalised amount.

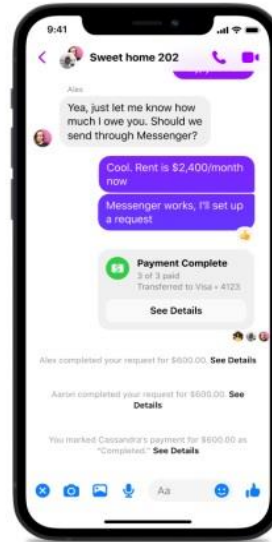
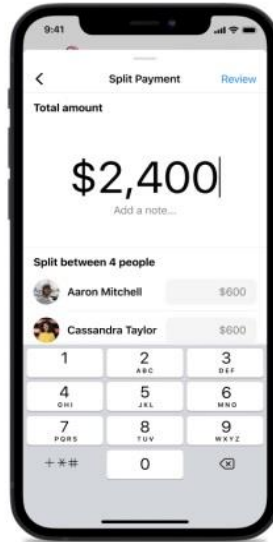
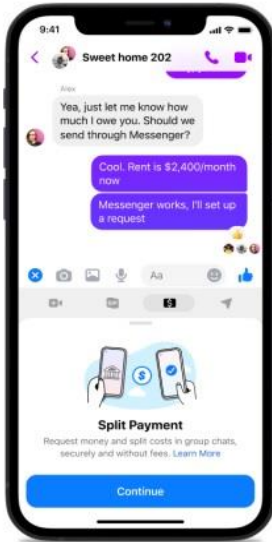
### CHALLENGES

- **Valuing one's own payment ecosystem:** Using the new Split service will require using Facebook Pay. The social network is thus multiplying its payment functionalities as part of an overall strategy to capture customers within a single ecosystem.

### MARKET PERSPECTIVE

- With the launch of a long-awaited pilot phase for Facebook's Novi in the US, the end of the year should have been quiet for the social giant's other payment services. However, Meta/Facebook's strategy is definitely to multiply experiments in favour of accelerating value-added solutions at the heart of its core offerings.
- Especially since the flagship Novi project has just suffered another blow with the departure of its director, David Marcus. This is a bad sign, given that the Facebook/Meta crypto project has already encountered numerous obstacles during its development.

Source : [Blog](#)





## Feedback: N26 takes stock of digital bank customers

N26 has partnered with Accenture to conduct a comprehensive study on consumer expectations of digital banking. The study takes stock of the factors that have enabled the significant growth in digital banking since the start of the health crisis, but also of the opportunities and the potential for further growth.

### FACTS

- N26 and Accenture conducted a joint study to better understand consumers' habits and expectations of digital banks.
- The study surveyed over 47,000 digital and traditional bank customers across 28 markets.
- The number of consumers with an online bank account now represents 23% of the population, or around 450 million customers.
- But the potential for growth is still strong. Overall, 69% of respondents are open to the benefits of 100% online banking according to the survey. The main drivers of digital banking adoption are
  - an optimised experience that is simple, convenient and fully accessible from a mobile device ;
  - clear communication ;
  - competitive pricing.
- However, traditional bank customers point to two main reasons for not having an account with an online bank:
  - 47% are satisfied with the services of their traditional bank,
  - 42% are not familiar with the offerings of online banks.
- In terms of geographical disparities, Saudi Arabia, the United Arab Emirates, Brazil and China have the largest share of the population already converted to 100% digital banking. But the take-up in Western Europe is accelerating, particularly in Spain, Germany, Belgium, Italy and the Netherlands.

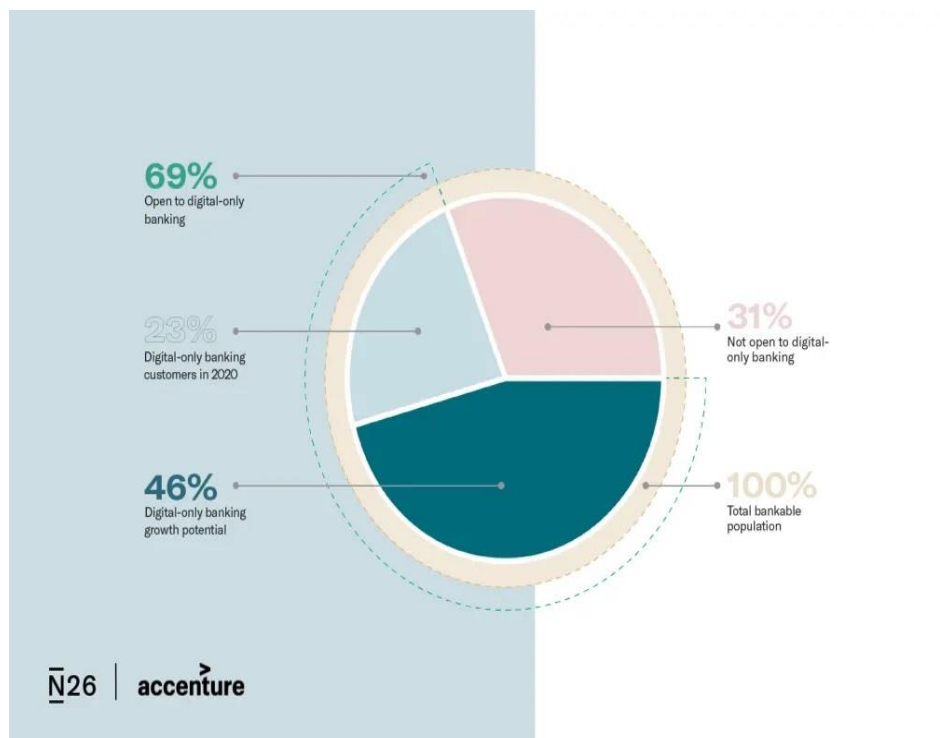
### CHALLENGES

- **A trend exacerbated by the COVID-19 pandemic:** This new study underlines, if it were necessary, the fact that the pandemic has acted as a driver of the digital transition, including in terms of banking habits. N26 estimates, via its market research, that the number of online banking customers could reach 70% of **the population of the 28 countries analysed, i.e. 1.4 billion potential customers.**
- **Acquisition levers:** In digital banking, trust in the financial institution is essential. Although 35% of the banked population in Europe say that the typical features of digital banks would not motivate them to open a digital-only bank account, 65% could still be converted to digital banks because of their clear value proposition.
- **Geographically dispersed opportunities:** Between 2018 and 2020, the adoption rate of online banking services has doubled in Switzerland, Brazil, Ireland, the UK and France. Accenture and N26 expect the market to be particularly strong in China and the US over the next few years, with 771 million and 148 million customers respectively.
- **Women could be the next wave for digital banks:** While in the early years of digital banking, customers tended to be men and high earners, this is changing. Another notable trend is the change in the age of digital banking users. Often seen as a service for the younger generation, digital banking in Europe is also taking off among middle-aged customers.

## MARKET PERSPECTIVE

- N26's news has been marked by contrasting developments in recent months. The neo-bank is facing the mistrust of the German financial supervisory body BaFin, which reproaches it for the weakness of its anti-money laundering controls. A decision that led to the decision for the neo-bank to leave the US territory in November to officially refocus on its European activities.
- A hard blow that did not prevent N26 from keeping the confidence of investors and raising a historic Series E round of funding last October.
- N26 nevertheless remains the second largest neo-bank in Europe after Revolut. And while it respects FinTech practices by remaining discreet about its results, it nevertheless specifies that its break-even point should be reached in 2023. It also plans to carry out an IPO, which will require it to publish its results and be more transparent.

Source : [Presse release](#)



## B2B Payments

### Zopa abandons its core business

Zopa, a specialist in peer-to-peer lending, has gradually established itself as a leading UK FinTech company. It reached an advanced stage of development earlier this year, thanks to a new round of funding and a successful diversification of its activities. A positioning that now allows it to abandon one activity, and not the least, since it is its initial peer-to-peer lending offer.

#### FACTS

- Zopa ceased to be a private lending platform and a key player in the collaborative economy. The reason given was a drop in investor confidence, following losses generated by a few projects.
- These losses ultimately created a snowball effect with tighter regulation and increased operating costs and costs of attracting new investors, contributing to the stifling of the business.
- Zopa Bank will buy back the P2P loan portfolio; the 60,000 investors on its platform will get their investment balance back by the end of January 2022.

#### ISSUES

- **An admission of semi-failure:** Zopa has nevertheless lent over £6 billion via peer-to-peer lending since 2005. The platform thus emphasises its cautious positioning in the market, assuring that it has generated a positive return (5% on average and 3.9% during the pandemic) for its investors over the 16 years of its peer-to-peer lending offering.
- **Focusing on a more sustainable model:** A pioneer in the collaborative economy, Zopa emphasises that its core business has nevertheless given it the fuel to build a broader, but also more traditional, financial offering. Zopa says it has seen strong demand for its recent credit cards and savings account. It is said to have attracted £675 million in deposits and issued 150,000 credit cards.

#### MARKET PERSPECTIVE

- The year 2020 has been particularly dynamic for Zopa. The FinTech made the transition to a neo-bank in June, before launching its first savings account in August. It ended the year by also transforming its core business, launching a credit card in November to help its holders better manage their personal finances.
- Zopa has thus made its gradual exit from the collaborative economy, gradually detailing the contours of a complete neo-banking offer. It is now putting this strategy into practice by closing its peer-to-peer lending business, on the strength of the funds it has recently raised and its forthcoming profitability, which is expected to be achieved by the end of December.
- Zopa also plans to go public at the end of 2022.

Source : [Blog](#)



## Topi combines financing with BtoB payments

Berlin-based FinTech Topi has just raised its first round of funding to bring to fruition a payment solution specifically designed to manage transactions between professionals. It combines instant payment functionalities with financing offers and promises improved cash management.

### FACTS

- Topi has just raised \$4.5 million in a pre-seed financing round from investors including Index Ventures and Creandum.
- The FinTech is behind a new B2B payment solution that aims to be innovative in its ability to organise commercial exchanges more smoothly and conveniently.
- It has developed a payment model capable of managing the entire B2B sales process in a 100% digital manner. Users of its service will be able to make payments quickly, without receipts, by combining it with financing offers.
- Topi will offer financing for up to five years via an instant approval system.
- The aim is to help companies pay for costly but urgent purchases, such as when a production machine breaks down.

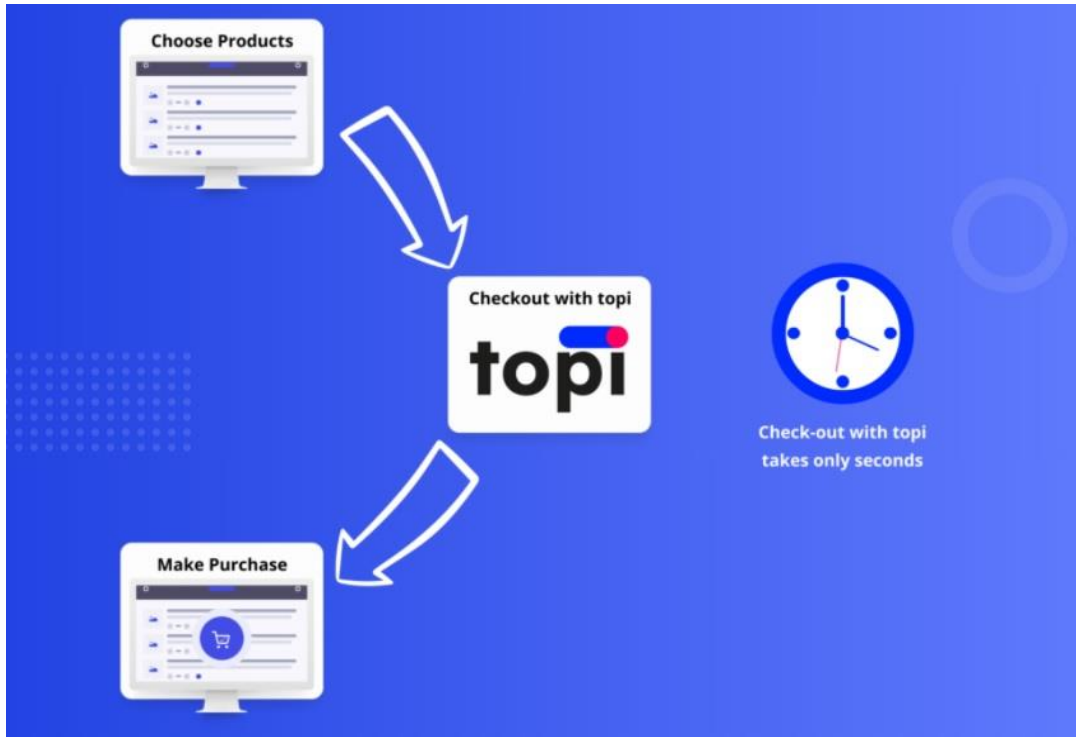
### CHALLENGES

- **Underserved needs:** While in the B2C consumer space, payment options, debit or credit, digital wallets, insurance and BNPL options are becoming more common, the B2B sector remains largely untapped. The B2B payment solutions market is worth \$120 trillion and will be five times the size of the FMCG payments market by 2028.
- **Tailoring offerings to individuals:** When businesses make a purchase, especially an expensive item, they either have to cover the cost of that investment in full or go to the bank and ask for a loan. Outstanding amounts are much higher for a B2B purchase, which increases the risk. However, Topi's aim is to offer a solution that is as user-friendly as those offered in the B2B world, with almost instantaneous decision-making.

### MARKET PERSPECTIVE

- The creators of Topi come from Apple and Goldman Sachs. This association illustrates the potential of the alliance of forces between technology specialists and more traditional financial institutions in the renewal of financial services offers.
- Topi also illustrates the potential of Open Banking. In order to grant instant financing and validate payments via its service without a receipt, Topi will rely on the automated analysis of a mass of data from other payment services or e-commerce sites (on Shopify, for example) generated by the companies using its service.
- The FinTech is defending its European and even global ambitions for the deployment of its service.

Source : [Presse release](#)



# Open Banking

## Tide bets on Open Banking to simplify business finances

Since its creation, the neobank dedicated to professionals, Tide, has defended an innovative approach to financial services for small and medium-sized businesses. It is now pursuing this approach by relying on Open Banking to attract new customers by opening its cash flow analysis offers to customers who do not hold a Tide account. This move, which goes against the trend of fintech partnerships, opens up a new avenue to stimulate competition in the sector.

### FACTS

- Tide, the financial app for businesses, is about to attempt a market shake-up by opening its services to non-account holders via open banking.
- Business customers of other financial organisations and traditional banks will now be able to use Tide's cash management services and predictive features (called Cashflow Insights) to manage their cash flow.
- Through Open Banking, Tide will now be able to use the business bank account data of companies wishing to take advantage of its offerings.
- Tide is already planning to extend its offer by offering, in the long term, other complementary functionalities such as invoicing, payments, expense management, payroll management and credit.

### CHALLENGES

- **Opening up a larger market share:** Tide currently covers the needs of nearly 350,000 SMEs but plans to reach 100,000 new customers by the end of 2022 thanks to its Open Banking model.
- **Towards more and more integrated finance:** Tide's main objective is to position itself as a full service provider to facilitate the financial management of small businesses. The FinTech is positioned as an administrative and accounting partner capable of offering successful services to improve the overall productivity of companies. And its model, now based on Open Banking, promises to achieve this without forcing them to change banks. This means that customers of Starling Bank, Natwest and Barclays can try Tide without switching banks and access Tide's financial tools such as accounting systems.
- **Getting around a problem:** Switching banks is, in itself, a time-consuming and complex process. In fact, while almost 13% of UK businesses say they plan to switch banks within 12 months, in practice only 4% do so.

### MARKET PERSPECTIVE

- The UK saw the creation of an organisation in 2016, the Open Banking Implementation Entity (OBIE), designed to implement open banking in the country. This creation reflects the government's strong desire to open up the financial services market and to combat the inertia of the major groups on this issue.
- With success, since the British market is now ahead of the rest of Europe, as shown by the results of a study carried out at the end of last year by the OBIE.
- And this trend is set to continue as it is, even today, driven by examples of initiatives such as Tide's in the business market.

- Tide's Open Banking initiative is also supported by £25 million from the UK government and the European Commission to encourage competition in the business banking market.

## KEY FIGURES

*2016: Established*

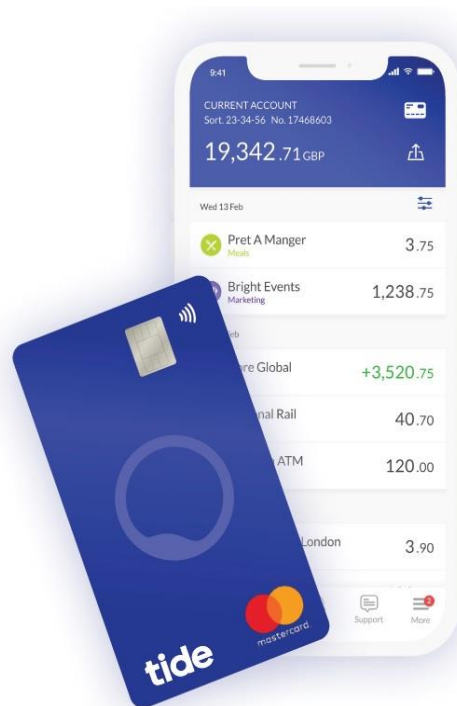
*350,000 customers*

*Over 500 employees*

*Over £150 million in fundraising*

*3 offices in London, Bulgaria and India*

Source : [Linkedin](#)





# Split Payment

## Feedback: BNPL boosts Cyber Week sales

Dutch PSP Mollie, now a FinTech Unicorn, has presented a new report on deferred payment. The end of year period and the big sales have boosted usage and the trend, validating the evolution of this type of offer. However, the BNPL is still under debate. And even if this new report pushes for a minimal regulation of these payment facilities that support the growth of online commerce, the expected regulation could just as well have a strong impact on the development of this trend.

### FACTS

- The new report published by Mollie concerns the evolution of payment methods used by small and medium-sized merchants during Black Friday, Cyber Week and Cyber Monday. It covers several tens of thousands of merchants in Europe.
- One main finding is the use of deferred or split payment methods during the Black Friday and Cyber Monday sales period. The use of this type of service combining payment and credit jumped by 51% in one year (in terms of payment volume).
- Black Friday also represents a new financial windfall for small and medium-sized European retailers, who recorded a 102% increase in their overall transaction volume during Black Friday compared to the previous Friday.
- Clothing, footwear and accessories, consumer electronics and sporting goods were the most popular shopping categories during the period.

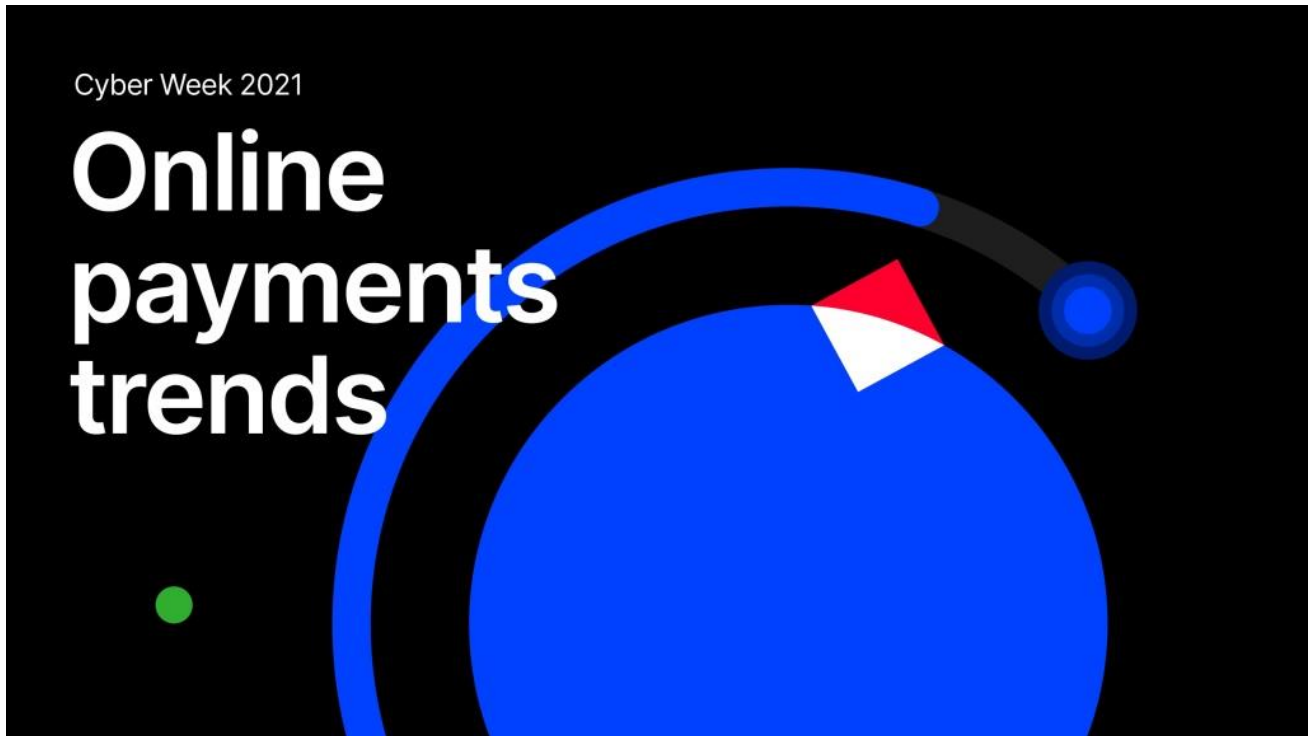
### CHALLENGES

- **Attesting to a rise in power:** All observers agree that despite the attacks on this market, the BNPL trend (which concerns fractional or deferred payment methods) is only strengthening worldwide:
- In the US, PayPal's CEO revealed that it recorded 400% higher Buy Now, Pay Later payment volumes at the time of Black Friday 2021 compared to last year.
- In France, more than one in 10 merchants accept a split payment method today (less than the European average of 23%). The Banque de France states that the market remains marginal and only represents 5% of consumer credit (i.e. around €4.5 billion per year), but that it should continue to grow strongly in the future.

### MARKET PERSPECTIVE

- However, this growth should not obscure the fact that the criticisms of these new payment facilities are well founded. In the United Kingdom, Barclays Bank has just revealed the results of a study on consumer information about BNPL. It turns out that among 2,000 Britons who confirmed that they had already used a BNPL solution, 40% said they did not fully understand how the service worked. More than a third of respondents nevertheless said they would consider using these payment facilities to cope with the rising cost of living (particularly following Brexit). An intention that Barclays clearly identifies as a major risk for the rise in debt in the country.
- Especially as the European authorities have yet to rule on the fate of this new market and the expected regulation at both UK and European level could put a serious brake on these new forms of financing by better supervising the players who distribute them.

Source : [Presse release](#)



## Klarna and GoCardless sign US partnership

Swedish BNPL giant Klarna is now showing a global appetite. In addition to Europe, it aims to establish itself in the United States as a reference in payment and purchasing services. Already positioned locally, it is now counting on a major partnership with a world leader in dematerialised payments: GoCardless.

### FACTS

- Klarna has signed a partnership with GoCardless. The aim of this partnership is to develop the services offered by Klarna to its 21 million American customers, more specifically, direct debit and account to account payments.
- In particular, Klarna will rely on GoCardless to support its four-installment payment solution, eliminating the need to rely on cards.
- Customers of the service will only have to give their consent for Klarna to initiate account-to-account payments automatically via GoCardless.

### CHALLENGES

- **Adapting to new uses:** According to Motley Fool, a private financial and investment advisory firm, US Generation Z consumers have an average of two credit cards, compared to the national average of three. Credit card adoption rates are declining as new consumers enter the US market, illustrating a major shift in usage in a country that has traditionally had a strong attachment to the credit card.
- **Expanding a partnership:** Klarna knows what to expect as the Swedish BNPL giant has already been working with GoCardless in the UK since 2018. GoCardless has also been present in the US market since 2019, doubling its workforce there in 2021 and expecting 125% growth in its teams by 2022.
- **Continued exploration:** Klarna says the US market represents a new Eldorado and its roll-out ambitions are becoming a reality. With more than 21 million American customers, Klarna has seen its portfolio double locally in one year.

### MARKET PERSPECTIVE

- The announcement of the extension of this partnership is the opportunity chosen by Klarna to underline its vision of the future of payment. And this vision is clear: it concerns the replacement of the card, as the dominant payment method, by account-to-account payment services.
- Klarna had already entered into a partnership with payment heavyweight Stripe last October. This partnership was intended to benefit both parties and to allow Klarna to rely on Stripe to manage its payment flows in the US.
- Klarna is also working on extending its offer and recently moved away from its 100% mobile model by presenting a browser extension dedicated to BNPL.

Source : [Presse release](#)

**GOCARDLESS | Klarna.**

## E-commerce & E-payment

### Klarna launches its browser extension dedicated to the BNPL

Klarna is the leading BNPL provider in Europe, offering its services from an application. This 100% mobile approach is now changing with the launch of a browser extension dedicated to using Klarna's BNPL services from a computer. This new feature will not only allow the BNPL giant to open up a new customer base that is more adept at shopping via their computer, but also to guard against the arrival of new competitors.

#### FACTS

- Klarna is launching a browser extension that allows you to pay for purchases in instalments from any online shop (Klarna partner or not), from a computer.
- Thanks to a virtual card generation module. As with the mobile application, Klarna now allows its customers to generate one-time cards from their computer browser. They can then copy and paste the details of their virtual card into the field to validate a payment in instalments.
- The service has so far been in a beta testing phase. More than 100,000 consumers have been involved, validating a model even before its official launch.
- The new Klarna browser extension will allow consumers to enjoy the same experience from a smartphone or a computer.
- However, it adds couponing, auto-refund and gift card functionality to the split-payment service on products purchased.
- The Klarna browser extension is compatible with Google Chrome and Microsoft Edge. Support for Firefox and Safari will be rolled out later.
- The US, UK, Germany and France are primarily concerned, but all Klarna markets will have the extension available soon.

#### CHALLENGES

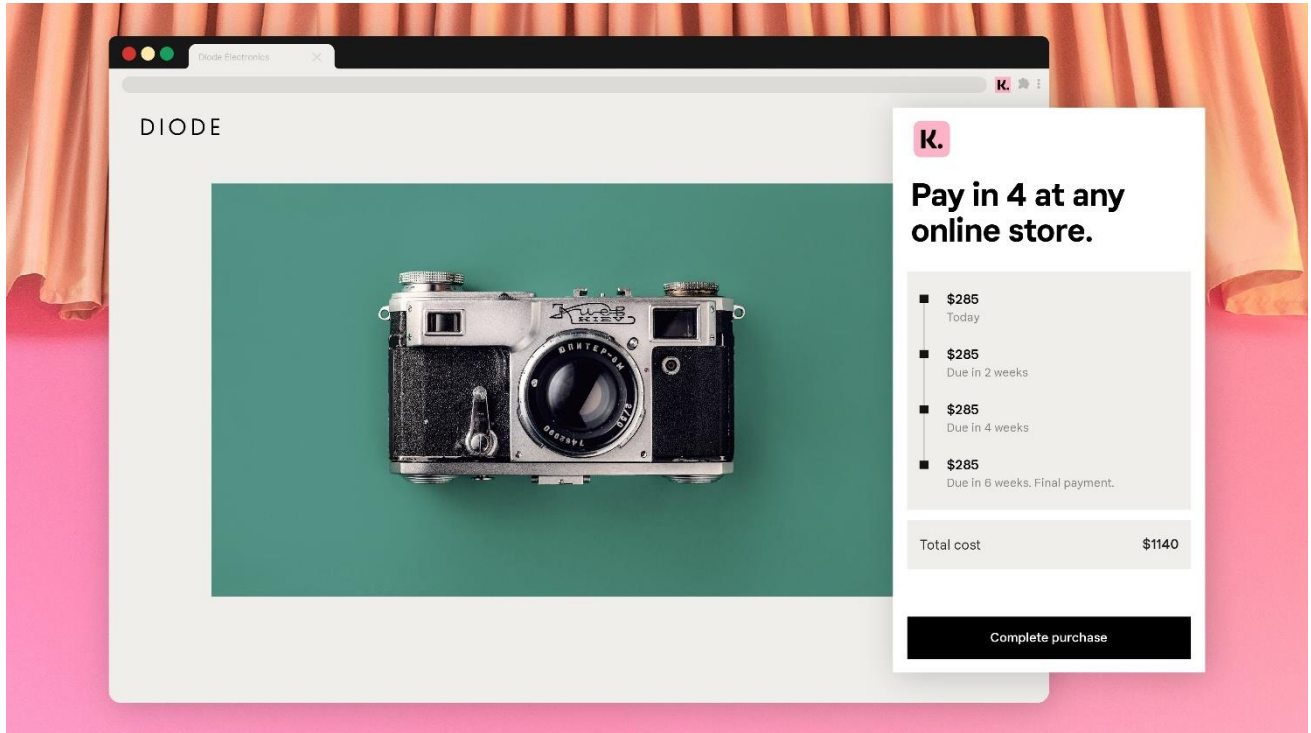
- **Building an ecosystem:** Klarna's browser extension is being launched following the Swedish BNPL giant's acquisition of an online couponing specialist earlier this year. Klarna acquired Piggy; the start-up had 1.2 million users of its services before the takeover.
- **Taking advantage of new opportunities:** Already very well positioned in Europe, Klarna is opening up a new market with great potential with its browser extension. Desktop shopping still accounts for 32% of all e-commerce traffic, while 44% of online orders are placed from a computer.
- **Promoting a seamless experience:** With the deployment of its extension, Klarna promises its customers a new shopping experience thanks to the synchronisation of their mobile application and their browser. A transaction started from a computer can be completed from the mobile phone, for example.

#### MARKET PERSPECTIVE

- PayPal acquired Honey for \$4 billion in late 2019. Honey has also created a browser extension that allows coupons to be applied when making an online purchase.
- With the launch of its new service, Klarna is therefore competing with PayPal on the theme of a browser extension dedicated to an optimised shopping experience.

- But Klarna will also have to impose its new offer against other less expected players on this alternative payment market. Microsoft is promising a new multi-payment function (in partnership with the company Zip) embedded in the next version of its Edge browser.
- [Video](#)

Source : [Presse release](#)



## Pos, Checkout & mPos

### Stripe expands its physical presence in Europe

The American payment specialist Stripe has just announced its ambition to expand into Europe, this time in the field of payment. Stripe will indeed offer its payment terminal in several countries on the old continent in order to establish itself alongside the local references in an increasingly competitive market.

#### FACTS

- Ireland, France, Germany, the UK and the Netherlands will now also be covered by Stripe Terminal's service in Europe.
- Stripe Terminal is specifically designed for consumers who sell and buy online on marketplaces. The solution enables them to collect funds from their online and offline sales (e.g. in ephemeral shops).
- Stripe Terminal is based on three modules:
  - A flexible set of SDKs and APIs to create a fully customised payment experience using web or mobile applications;
  - Card readers that work seamlessly with Stripe Terminal's APIs and SDKs to accept payments via cards (contact or contactless) or via Apple and Google Pay;
  - A dashboard to manage fleets of POS modules.

#### CHALLENGES

- **Fostering omnichannel:** Stripe Terminal has been available in the US since 2019. The service represents an extension, in the physical world, of the services already offered by Stripe via Stripe Connect in particular.
- **Adapting to new habits:** Stripe emphasises its ability to cover all payment needs, across all channels. Thanks to the combination of Stripe Terminal and Stripe Connect, Taxi.de taxis in 64 German cities, for example, can accept card payments in their vehicles or offer passengers the option of paying online or from a mobile application.

#### MARKET PERSPECTIVE

- Mobile payment specialist Sumup is now continuing its diversification in Europe with the launch of its first accounts for professionals. The payment acceptance giant Square has made its bank account ambitions a reality by introducing Square Banking in the US.
- Stripe is now diversifying from financial services (and payments in particular) into the cashiering market. The deployment of its Terminal in Europe represents a new step in its strategy in this direction.
- Square will remain one of Stripe's main potential competitors in this new market, alongside traditional and specialist players.

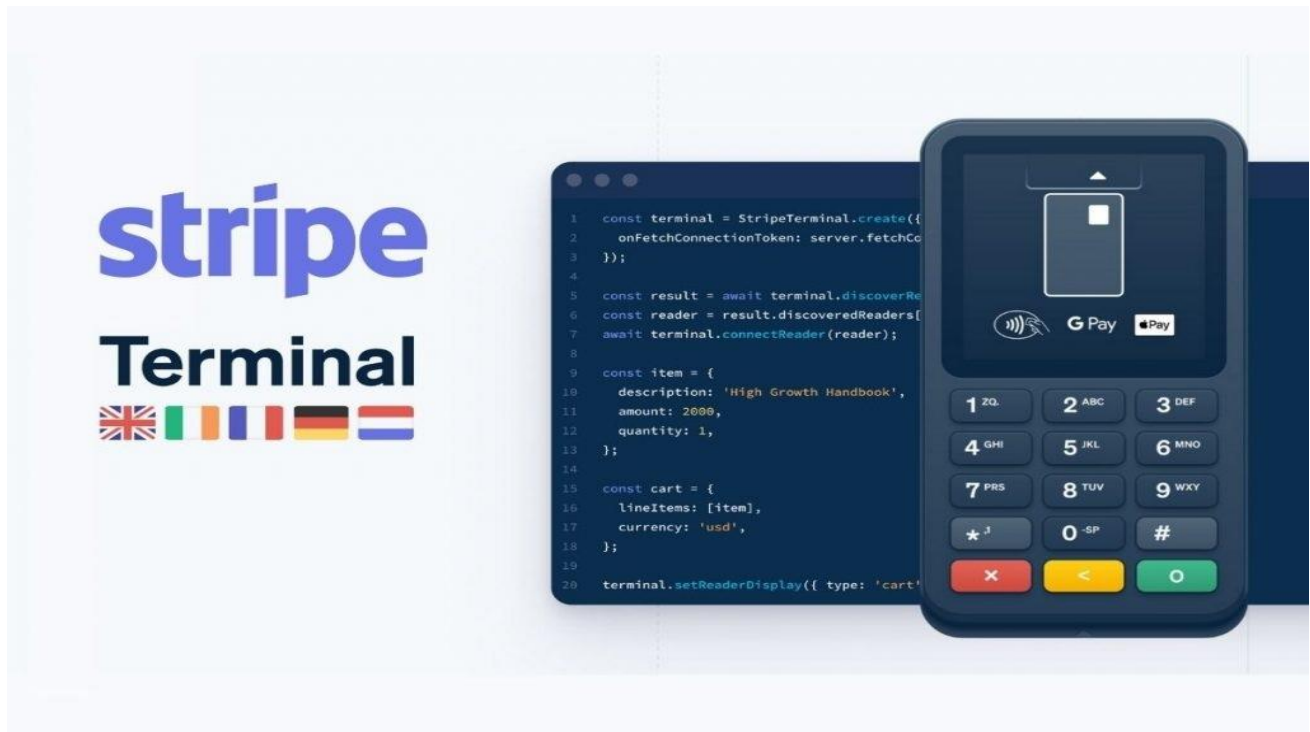
## KEY FIGURES

*Stripe now operates in 44 countries.*

*Its services are used to process hundreds of billions of dollars in payments each year.*

*The company is valued at €80 billion following its latest €500 million funding round in March.*

Source : [Presse release](#)





## Revolut acquires a cashier

Revolut has announced the acquisition of Nobly, an electronic point of sale (ePOS) software company specialising in the restaurant and hospitality industries. This acquisition is intended to facilitate Revolut's expansion in these markets. It is also a big step towards physical points of sale for Revolut, which despite strong competition, expects this business to grow in the future.

### FACTS

- Nobly was founded in 2013 and is the originator of a complete ePOS system, especially for professionals in the hotel and restaurant industry.
- Nobly's services are about more than just checkout. They allow their customers to track their transactions and orders, take inventory, manage their room service, develop a loyalty programme or even manage their orders remotely.
- Nobly is also working with partners to expand its offer (SumUp, QuickBooks or Xero).
- All these services will now be offered by Revolut Business and linked to a bank account to allow Revolut's professional hotel and restaurant customers to manage their finances centrally.
- In addition to the UK, the US and Australia, Revolut plans to expand its new offering to all locations where Revolut Business operates

### CHALLENGES

- **Facing fierce competition:** Revolut is facing competition from American players in the segment of its offer dedicated to professionals. This competition is based on a software suite that is much more extensive than what Revolut currently offers. This weakness in the vertical dimension could be fatal and therefore motivates the neobank to move on this side of the value chain, even if it means doing so through partnerships or buyouts.
- **Consolidate an offer dedicated to professionals:** In addition to cash, Nobly offers a complete transaction management solution for merchants, thus enabling Revolut to move beyond its role as an alternative banker. This strategic decision adds a new dimension to the Revolut Business offer and allows it to make the transition to a model that is perfectly in line with the current trend.
- **Betting on cross-channel:** Revolut is, in essence, a digital neo-bank. Here again, with the acquisition of Nobly, a player in physical commerce, it is making a major strategic transition that will enable it to consolidate its positioning in hotels and restaurants

### MARKET PERSPECTIVE

- Revolut's acquisition of Nobly illustrates the neo-bank's very positive predictions for the physical point-of-sale payment market. However, the market is hyper-competitive and sees classic terminals pitted against m-Pos and other SoftPos.
- This competition is even creating tensions on a global scale. A scandal has thus arisen in the United States, where the American authorities suspect that payment information from the Android terminals of the Chinese manufacturer PAX has been leaked. These suspicions have not yet been confirmed, but they nevertheless highlight the particularly sensitive nature of this market.

Source : [Presse release](#)



## Edenred and Sunday combine meal vouchers and QR code payment

Employee benefits and prepaid solutions specialist Edenred has announced its partnership with Sunday, a shared QR code payment solution for restaurants. Their common goal is to democratise a tabletop payment solution in French restaurants and, above all, to offer an all-in-one, mobile-based service to optimise the payment experience in the restaurant sector.

### FACTS

- Sunday is a payment solution that allows you to pay your bill by scanning a QR code on the table with your mobile phone. Originally developed by the Italian restaurant chain Big Mamma, it is taking advantage of its valuation of over 110 million euros to ensure its expansion in Europe and the United States.
- It will now be able to count on its new partner, Edenred. The customers of the world leader of the arrowed payment solutions (such as Ticket Restaurant, Ticket Mobilité, Kadéos and Télétravail Edenred) will now be able to pay their bill thanks to the solution of Sunday.
- The two new partners will now offer various digital functionalities to users of Edenred services. They will be able to
  - get their bill without having to call a waiter,
  - Settle the bill in just 10 seconds and in complete autonomy,
  - share the bill between several consumers who have the Edenred application,
  - leave a tip and pay in 100% digital mode.

### KEY FIGURES

*Edenred has more than 1.5 million active Ticket Restaurant cards in France, accessible via the super app MyEdenred*

*In total, more than 7 million French employees now have access to Edenred digital solutions in France (including Ticket Mobilité or Kadéos)*

*Edenred has more than 50 million users in 46 countries and 2 million partner merchants*

### CHALLENGES

- **Saving time during the lunch break:** There is no specific regulatory requirement for the lunch break. Nevertheless, the Ministry of the Interior has reassessed the practices and rules that apply in this period of health crisis. It considers that the employee must have a break of at least 20 consecutive minutes for lunch, but that this break is generally around 45 minutes in practice. This is still a short time and requires optimised tools, particularly in terms of payment.
- **Innovating to keep pace with user habits:** As a long-standing player in meal vouchers, Edenred is no less a player in digital services. In 2016, the group launched mobile payment with Apple Pay and, in 2018, allowed its users to have their meals delivered thanks to digital payment on more than 70 partner platforms. Since 2020, the service has also allowed its customers to order directly from the Edenred interface.
- **A benefit for restaurant owners:** Edenred and Sunday also point out the benefit of their service for restaurant owners. According to their estimates, tips are more generous via the application (+40% on average) and the average basket of their service users is 12% higher than that of regular consumers.

## MARKET PERSPECTIVE

- Edenred published its business results at the beginning of November. The group took the opportunity to underline its good health, while its activity is marked by the exacerbation of competition from innovative players with ultra-fast growth such as Swile.
- By signing with a partner such as Sunday, Edenred is demonstrating its ability to innovate and position itself in the leading pool of innovative players in its market.

Source : [Presse release](#)



## BPCE institutionalizes giving through a FinTech

The Banques Populaires, the Caisses d'Epargne and the Crédit Coopératif are today concretising their partnership with the FinTech Heoh, specialised in collecting donations. The aim? To offer a donation solution to all the retail and professional customers of the BPCE group. A national approach capable of massifying solidarity on a local scale.

### FACTS

- Professional and retail customers of Banques Populaire, Caisses d'Epargne and Crédit Coopératif will now be able to opt for a new donation collection solution integrated into their customers' payment path.
- This solution has been developed in partnership with the specialist FinTech Heoh. It is based on an application to be installed on payment acceptance terminals.
- Free of charge for merchants who opt for this option, the solution then allows end customers to make rounding or fixed-amount donations when making payments.
- Merchants and businesses affiliated with this solidarity effort can personalise their action by choosing, for example, to define time slots dedicated to collecting donations or thresholds at which to offer the option to their end customers. They can also choose to which association they will give the donations collected.
- Donations made can be transferred to a number of national associations that carry out projects of general interest. These include Médecins Sans Frontières, Apprentis d'Auteuil, APF France Handicap, Adie, Entreprendre pour Apprendre and the SNSM, for example. Local associations are also involved.

### CHALLENGES

- **Improving relations with its retail customers:** BPCE, which has made a commitment with Oney to allow its retail customers to offer fractional payments, is continuing this approach by offering them a new initiative that targets payment and commitment.
- **A value proposition:** BPCE emphasises that this new solution should enable affiliated professionals to differentiate themselves from other merchants by enhancing their commitment. The proposal of donations allows them to promote the image of their business to their customers, and ultimately, to build customer loyalty.
- **A player committed to local solidarity:** In addition to the major national causes, this initiative also involves local associations. This is an opportunity for the BPCE group to reaffirm its values as a mutualist group, which enables its retailers to better integrate into their local context.

### MARKET PERSPECTIVE

- This initiative represents an extension of the partnership between BPCE and Heoh, which had already worked together in the past. In 2016, a tripartite partnership that also included Visa enabled the banking group to collect contactless donations to contribute to heritage preservation.
- Heoh has established itself as a leading partner for optimising banks' collection services. It recently signed an association with BNP Paribas, last November, to facilitate the collection of tips by card.

Source : [Presse release](#)



## ATMs & Cash

### Access to cash sparks broad association in UK

What can bring the UK's major legacy banks, consumer groups and the local Post Office together? The issue of access to cash for part of the population. With the digitisation of services and the closure of branches, access to this essential service is now uneven across the country and a combination of forces is needed to restore equity.

#### FACTS

- In the UK, cash is still used to pay by millions of people every day. But at the same time, the number of branch networks is shrinking and the closure of ATMs is continuing.
- To maintain equity in access to cash, a new collaboration involves a majority of the major retail banks (Barclays, HSBC UK, Lloyds Banking Group, Nationwide building society, NatWest, Santander UK, TSB and Danske Bank), the older people's charity Age UK, Toynbee Hall social centre and the Federation of Small Businesses (FSB). It is organised by the Access to Cash Action Group (CAG).
- CAG aims to create shared banking hubs deployed through the installation of free ATMs within the UK Post Office network.
- The UK ATM network Link is also involved. It is responsible for assessing the local impact of a branch closure on the cash supply to the population and approaching the local Post Office if necessary, to create a new banking hub.
- 11 such branches have already been deployed in Betchworth (Surrey), Bo'ness (West Lothian), Brentwood (Essex), Hugh Town (Isles of Scilly), Low Fell (Tyne and Wear), Merthyr Vale (Mid Glamorgan), Mosborough (South Yorkshire), Norwich (Norfolk), Putney (London), Woolhampton (Berkshire) and Woodbury (Devon).

#### ISSUES

- **A working pilot:** The decision to create shared banking services follows successful regional pilots in eight UK communities.
- **A cyclical issue:** 736 branches have been closed in the UK in 2021 and 221 are expected to close in 2022. Cash use has declined in recent years and the trend has accelerated with the health crisis; cash is used 35% less in the UK than before the pandemic.
- **Need to adapt to regulations:** The Bank of England has set a deadline by the end of the first quarter of 2022 for banks to submit plans to stabilise cash flows.

#### MARKET PERSPECTIVE

- The UK has long been working to address the problem of access to banking and cash in rural areas where people are underserved.
- Start-up OneBanks and the UK retail cooperative Co-op introduced a multi-banking service kiosk last December.
- The problem of making networks profitable and preserving access to banking services is not only British. In France, the issue has led to a project to pool the ATM networks of BNP Paribas, Société Générale and Crédit Mutuel.

Source : [Presse release](#)





# Digital Voucher Market

## Swapi wants to democratise loyalty

Swapi is a British start-up that aims to renew loyalty programmes through a mobile application and a new "Swapi Points" payment system. This in-app currency aims to make loyalty points from all brands interoperable.

### FACTS

- Swapi is a platform that created an electronic wallet dedicated to loyalty. It offers its service in the form of a mobile application available on iOS and Android.
- Users of the service can store their loyalty points within the Swapi wallet, including expired points.
- Swapi then allows them to use these points with a wide range of partner brands and retailers; the start-up has some 300 brands affiliated to its network.
- The novelty presented by Swapi is its "Points", presented as an in-app currency. Expired loyalty points, issued by partner brands, are converted into "Swapi Points" to be spent at accepting merchants.
- Swapi Points" earned from purchases can be redeemed for products, services and experiences or gift cards. A referral system also generates points.

### CHALLENGES

- **Making loyalty programmes interoperable:** Swapi introduces an intelligent conversion system to offer an interoperable loyalty model within its network of merchant partners.
- **A national model:** With 300 merchant partners, Swapi has a wide coverage of the UK market, including retailers, major brands as well as more upmarket brands, hotels and airlines.

### MARKET PERSPECTIVE

- Swapi carried out a first round of financing in the pre-seed phase to support the launch of its model last September. The start-up managed to raise nearly £860,000 and had a hundred or so retail partners at the time.
- It has multiplied this figure by 3 in just 3 months and thus validates a relevant model, especially as the whole promise and interest of its offer is based on its interoperability and therefore on the importance of its partner network.
- Swapi is planning an international rollout in early 2022.

Source : [Linkedin](#)



**SWAPI**

# INTRODUCING SWAPI POINTS.

Good Afternoon Sam

## Swapi Points

Search something...

All Fashion Health & Beauty Enter

Featured

Up to 3 points per £1

Trending

Boots

Fortnum &... Look... Misguided Neals Yard...

## DOWNLOAD NOW AND START SPENDING.

## Actors

### EPI: a soft take-off

The end of November was supposed to mark a turning point in the implementation of the European Payment Initiative (EPI) project, presented as a new European payment scheme and a lever for the harmonisation and digitalisation of payments in Europe. Although officially the decision to transform the interim company into the TARGET company has been taken, disagreement over the financial commitment has led to the agreement of an extension until 22 December this year.

#### FACTS

- The pan-European payment project is certainly moving forward, according to its stakeholders, but slowly. It remains difficult to obtain information on the progress of the discussions and their concretisation.
- Nevertheless, an expected vote took place at the beginning of the week. It was to be on the amounts to be invested by the different members to support the project; a second attempt to get the 22 committed banks to agree.
- 1.3 billion would currently be on the table.
- However, two EPI members have already stated that they have no funds to invest in the project; three other members have asked for additional time to consider the question of their financial participation in the project.
- The decision of this meeting was therefore taken, taking the form of a new postponement for a conclusion scheduled for 22 December. On this date, the final distribution of the investments and therefore of the shareholders in the project should be known.
- However, the project has been ratified and the official launch of EPI should take place at the beginning of 2022.

#### ISSUES

- **Not to waste time:** This further postponement is bad news because it highlights the difficulty that banking players have in investing in this colossal project. However, the speed of technological progress argues for an acceleration. Moreover, the competing players are also gaining time to develop their defence and put in place alternative scenarios.
- **A project reduced in terms of membership?** The fact that some members of this Europe-wide initiative do not wish to participate financially raises the question of a project launched with 18 members. This decision partly calls into question the interest of EPI as a tool for global harmonisation of the European payment market.
- **Public support:** Unlike the Monet project, which failed in 2012 due to a lack of public support, the EPI project benefits from repeated support from the European authorities. This development shows the importance that sovereignty issues have acquired in recent years in the public and economic debate.

#### MARKET PERSPECTIVE

- Last July, BPCE announced that it was strengthening its partnership with Visa to launch a non-co-badged CB card in preparation for the Paris 2024 Olympic Games. For its part, MasterCard is also playing the dissenting card to put the brakes on this competing project.
- Against the banks, too, PSPs have created a European Digital Payments Industry Alliance (EDPIA).
- At the same time, the web giants also pose a threat as they gain ground by imposing their own rules on payment specialists.
- Beyond the internal risks of disagreements between EPI members, there are therefore external threats to European sovereignty in the area of payments.

Source : [Les Echos](#)



## Lydia becomes a new French Unicorn

Lydia is back in the news, shortly after launching its trading business to further diversify. The FinTech, which had previously raised 112million from Accel and Tencent, has announced a new round of funding that allows it to reach Unicorn status. This will give a new dimension to its ambitions.

### FACTS

- Lydia has just raised over \$103 million. This investment allows the company to reach a valuation of more than one billion dollars and to enter the closed circle of French unicorns.
- Lydia's investors are participating in this new round of financing (Accel, Founders Future and Tencent). They are joined by two American investors: Dragoneer and Echo Street, although their investment amounts remain marginal.
- With 5.5 million users (including 2.2 million French customers), Lydia has established itself as a major FinTech player in France and Europe.
- With this new round of financing, Lydia plans to :
  - reach 10 million customers in Europe by 2025, and attempt to become their main bank account
  - hire more than 150 new employees in 2022, and 800 in total over the next three years
  - continue to develop its credit and investment services.

### ISSUES

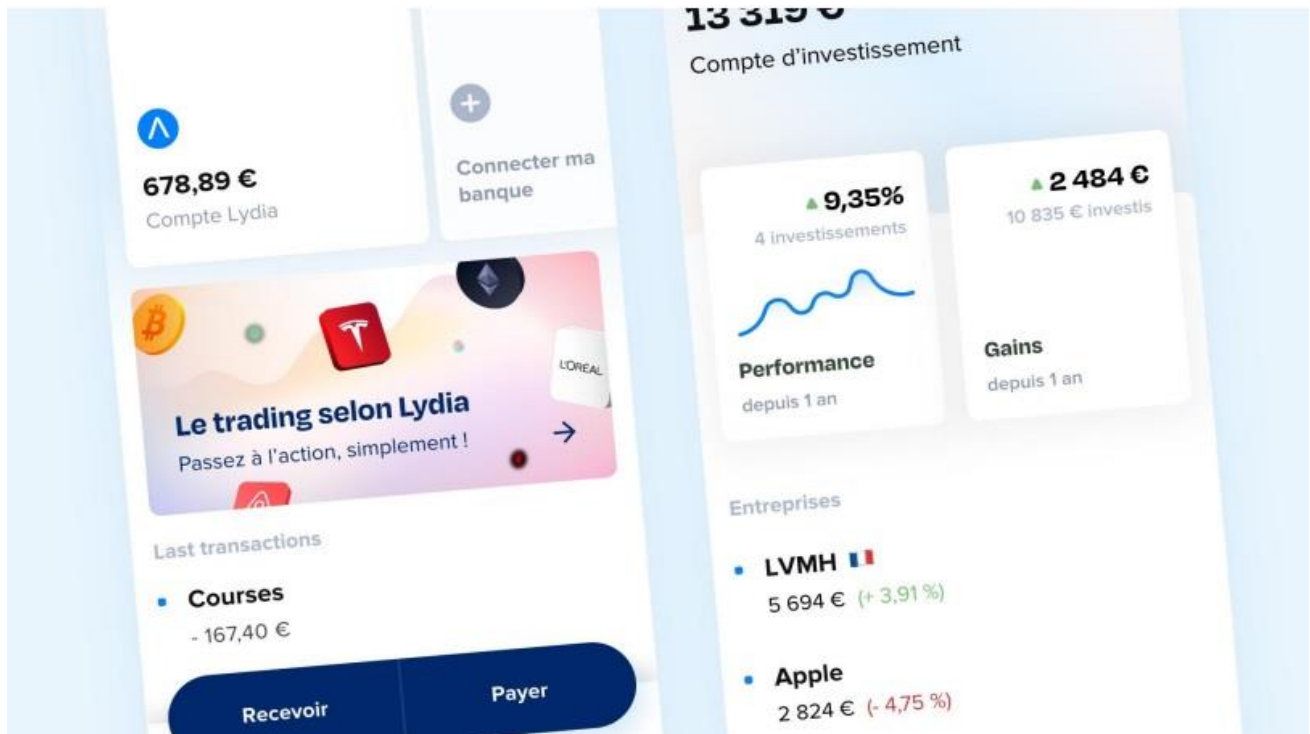
- **I'll make you a Lydia:** This famous little phrase posted by the President of the Republic on his LinkedIn account, testifies to the recognition that the fintech has been able to build, by surfing on the strong development of payment between individuals. This functionality, which it offers free of charge to its customers, costs it for each transaction. The fintech quickly diversified its offer: microcredit, savings, bank card with current account and more recently trading (shares, ETFs, crypto-currencies and precious metals) to make its business model viable.
- **Efforts to monetise its offer:** The FinTech has notably carried out advertising campaigns in the metro to communicate on its offers (current, joint and savings accounts). For several months, it has also been communicating with its users about its various offers via notifications within the application.
- **Competing with neobanks and diversifying towards a super-app model:** With this range of services that the fintech has set up in partnership with other fintechs such as Bitpanda for trading or Floa for microcredit, Lydia is now competing with neobanks like N26 and Revolut. It wants to further develop its offer in financial services and in particular home loans. But its ambitions do not stop there and neither do its diversification prospects.

### MARKET PERSPECTIVE

- Lydia's services attract 150,000 new users per month and cover the financial needs of a third of 18-35 year olds in France. The FinTech has also opened 2 million current accounts since the service was launched in 2018.
- It handles €5 billion worth of transactions per year in France, Spain and Portugal, where it operates. Germany, the UK and Italy remain target territories.

- Although Lydia does not present its turnover, it draws its income from subscriptions to its current account offer and is counting on trading to become a profitable activity in the future.
- Lydia now intends to establish itself as a full-fledged competitor to well-known neo-banks such as Revolut (and its nearly 16 million customers) or N26 (which had 7 million customers at the beginning of the year).

Source : [Presse release](#)



## Publicis moves from advertising to FinTech

Publicis Groupe, a reference in the French communication market, has just announced the signature of an unexpected partnership with Siam Commercial Bank, a Thai bank committed to adapting new technologies to banking offers. This partnership is all the more unusual in that it leads to the creation of a new FinTech.

### FACTS

- The new FinTech created by the merger between Publicis and Siam Commercial Bank has been named SBC Tech X. It is 60% owned by SCB and 40% by Publicis Groupe.
- This joint venture aims to become one of the largest FinTech operators in the South East Asian region.
- Taking the form of a platform-as-a-service hosted exclusively in the Cloud, SBC Tech X intends to distinguish itself in both form and substance.
- It will offer credit, current and savings accounts, but also non-financial services such as travel booking, meal delivery and health and wellness content.
- Its target audience: private individuals and commercial players.
- The SBC Tech X joint venture will start operations with a team of around 1,200 employees.

### CHALLENGES

- **A highly technological approach:** In its very description, SBC Tech X emphasises its commitment to rethinking the latest technologies and making innovation its development driver.
- **Extending its international positioning:** More than the particularity of the initiative itself, the launch of an atypical FinTech by Publicis represents a way for the group to concretise its geographical extension in areas considered as having high growth potential. The total transaction value of the digital payments market is expected to reach more than \$1 trillion by 2025 in the region.

### MARKET PERSPECTIVE

- The Publicis Group has a long-standing interest in the start-up and FinTech market. It is, for example, behind the Viva Technology trade show in partnership with Les Echos since 2016, which has become a key event for innovation in France.
- Siam Commercial Bank is considered an innovative player in its market and in 2018 it distinguished itself by using biometrics for its KYC.

Source : [Presse release](#)





# Crypto et MNBC

## Visa sets itself up as an expert on crypto-currencies

Payment giant Visa has introduced a brand new crypto advisory service. Aimed at its partners, it should enable Visa to establish itself as a reference in a booming market and guarantee the Visa brand's status as a payment giant, well beyond the card.

### FACTS

- Visa has announced the launch of the Global Crypto Advisory Practice, a new offering from Visa Consulting & Analytics (VCA). It has been designed entirely as a service to support Visa's clients and partners in their use of crypto-currencies.
- The target audience for this offering is broad:
  - Financial institutions looking to attract or retain customers with a crypto offering,
  - merchants looking to dive into NFTs,
  - central banks positioning themselves on digital currencies.
- "Global Crypto Advisory Practice" shall help Visa partners to:
  - better understand the crypto ecosystem,
  - assess the crypto-currency market opportunity,
  - develop concrete strategies,
  - launch pilot programs related to new user experiences.
- In doing so, Visa is leveraging its expertise based on the collaborative work of its global network of consultants with more than 60 crypto-currency specialist platforms.

### CHALLENGES

- **Supporting awareness:** The crypto-currency market is becoming more concrete every day and is prompting financial institutions to position themselves. To launch its new advisory service, Visa is also relying on its global study revealing that nearly 40% of crypto-currency users would be likely to switch their main bank to an institution offering crypto-currency services.
- **Completing a system under construction:** The launch of its advisory service would allow Visa to enrich its offer of support for financial organisations in the crypto-currency market. In February, Visa presented APIs that allow banks to offer their clients the ability to buy, hold and sell crypto-currencies.

### KEY FIGURES

*Visa's "The Crypto Phenomenon: Consumer Attitudes & Usage" study found that :*

*94% of households are aware of crypto-currencies*

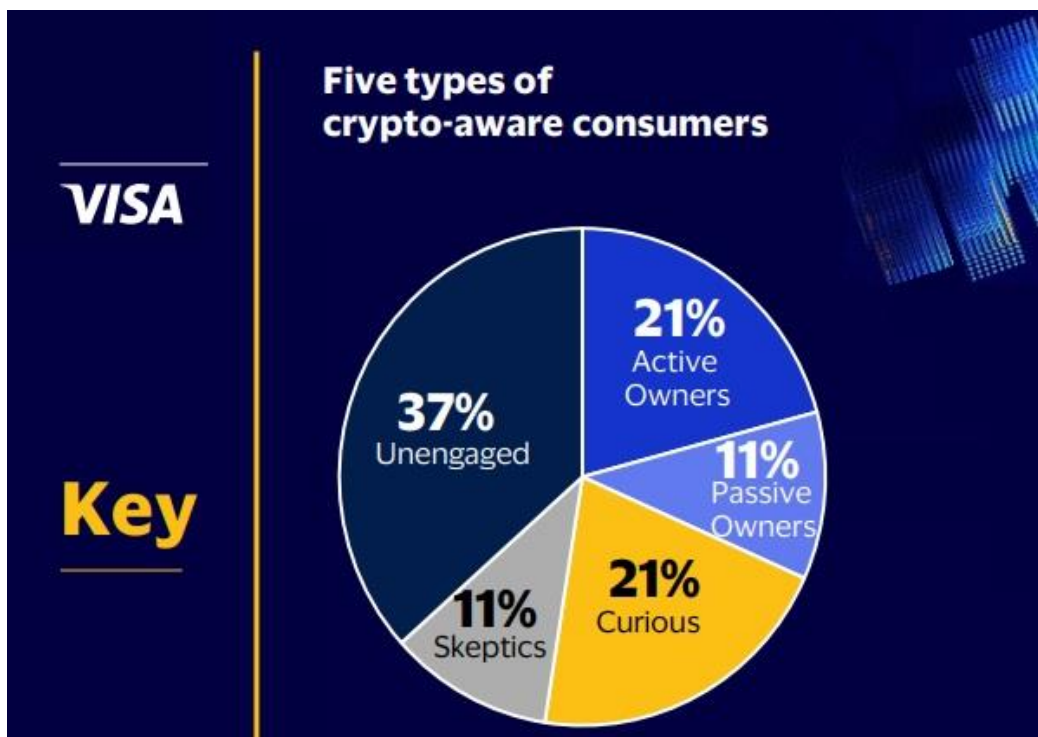
*37% of consumers aware of crypto-currencies in emerging markets use or own crypto-currencies, compared to 29% in developed markets*

*Of current crypto-currency holders, 81% say they are interested in crypto-related payment cards*

### MARKET PERSPECTIVE

- Visa's interest in crypto-currencies is not new. As a payment giant, Visa has been involved in this market for several months now in order to avoid its potential disruption.
- Last October, this strategy prompted Visa to reveal grand ambitions to make MNBCs interoperable. With the multiplication of initiatives to digitise national currencies (Yuan, Crown, Rupee, Euro, Dollar, ...), Visa has sensed that a market of the future is indeed opening up. And the group is seeking to capitalise on its strike force to impose itself.
- Its upstream positioning is all the more crucial as, beyond the new players specialising in the theme, Visa will still have to fight hard to face its eternal rival: MasterCard. The other Scheme with international reach has also entered the crypto-currency battle head-on, with initiatives of varying scope.

Source : [Presse release](#)



## Novi tested within WhatsApp

A few days ago, Meta (formerly Facebook) announced the opening of a new channel for using the Novi digital wallet: WhatsApp. The group is thus seeking to impose Novi and WhatsApp as complementary tools within an ecosystem capable of managing exchanges, including financial ones, from end to end.

### FACTS

- A small group of American testers have been able to send and receive money via Novi from their WhatsApp accounts since 9 December. A simple message on the social network will allow money transfers to be made between family and friends.
- The new payment option will appear directly in chats, allowing users to send or receive funds in Pax Dollar (USPD), a stable crypto-currency, in just a few clicks.
- The service is being tested as free and secure. It is accessible through a simple connection of Novi and personal WhatsApp accounts.
- User journey:
  - Search for a contact to send money to and open a conversation window with them,
  - Click on the attachment icon (a paperclip on Android, a "+" on iOS),
  - Select the "payment" feature,
  - Follow the instructions to attach the Novi and WhatsApp accounts.

### ISSUES

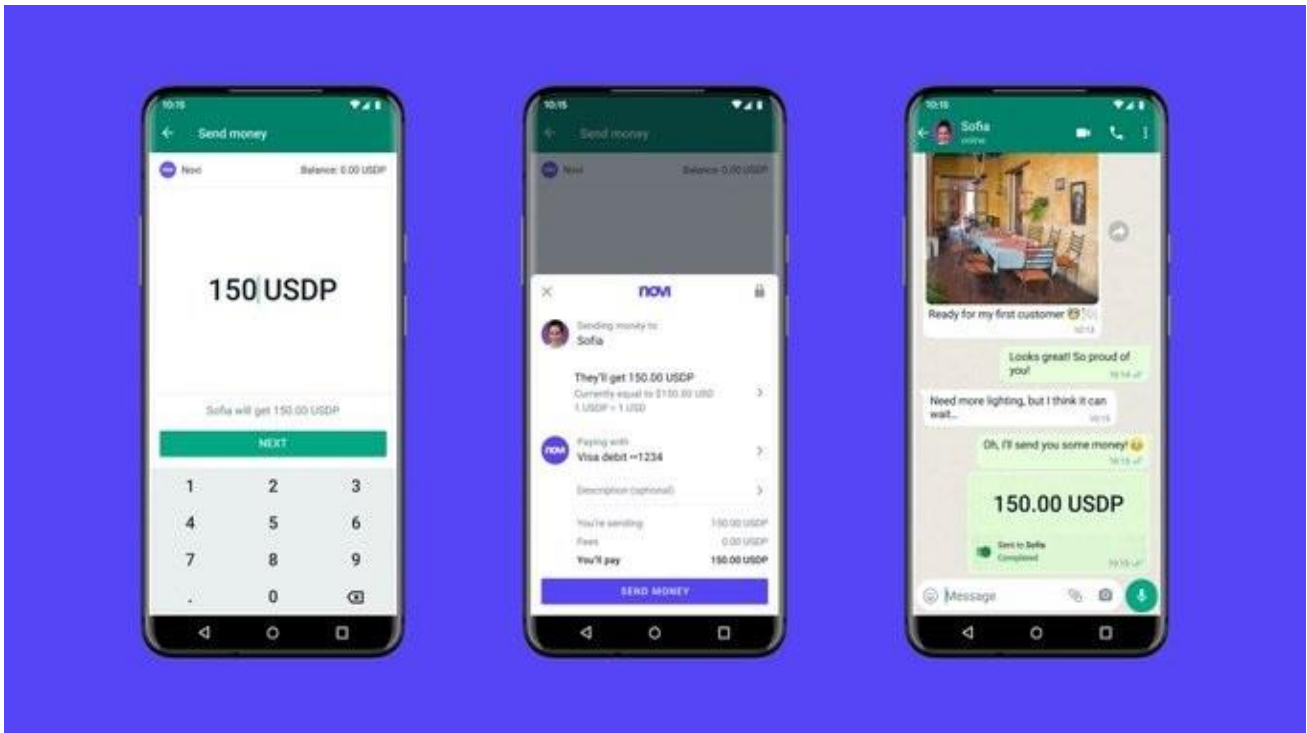
- **A co-creative effort:** Stephane Kasriel, current Novi project manager, insisted in the announcement of the launch of the new pilot phase, that this opening of WhatsApp to Novi was in response to a need expressed by users of Meta services. WhatsApp is indeed a means of communication used by families and relatives to coordinate, especially on financial matters. Novi's installation on this channel is therefore the way to make an unexpected use of the instant messaging service a reality.
- **A test before a possible extension:** Meta intends to decide on the geographical extension of this new functionality after analysing the feedback from its testers on its effectiveness and relevance. The countries considered for this potential extension have not been specified.
- **A perpetual enrichment:** WhatsApp is far from being considered as a simple instant messaging service within the Meta group. Facebook was in charge of boosting WhatsApp with many new features throughout 2020.

### MARKET PERSPECTIVE

- WhatsApp already offered a payment feature, WhatsApp Pay, in Brazil and India. However, the rollout of these initiatives has not been without its challenges; India has a maximum of 40 million users allowed for the service and Brazil has tightened its regulations to limit its ambitions.

- More generally, Meta is now banking on Novi to make its mark on the payment market. While the wallet was launched without the web giant's stable homegrown corner Diem, the group is shifting into higher gear to roll out its offering despite the barriers along the way.

Source : [Presse release](#)



## Ledger dedicates debit card to crypto

The French unicorn, specialist in hardware solutions for securing crypto-currencies, Ledger, has come up with a striking innovation. The company is adapting to the democratisation of crypto uses by unveiling a debit card that links its core business with traditional payment methods. Ledger is thus unveiling the beginnings of an entirely crypto bankless account.

### FACTS

- Ledger has just introduced its Crypto Life or "CL" card. Affiliated to the Visa network, it is launched in partnership with Baanx, a London-based FinTech specialising in alternative financial services around crypto-currency.
- The particularity of this card lies in its direct link with Ledger Nano crypto wallets. It thus enables real-world spending, using its crypto-assets and automatically converting the sums in real time, as you spend.
- The CL card is also controllable from the Ledger Live app, which until now has been used to buy, sell and manage its crypto-assets. One feature in particular attracts attention as it concerns a new credit-like offer. It allows users of the card to put cryptos as collateral to spend money without interest for 30 days.
- Ledger ultimately allows users of its new service to deposit their salary into the account attached to the card, before they can choose which crypto-assets they wish to convert their funds into (Bitcoin or Ether in particular).
- The CL card will be available in selected markets from the first quarter of 2022, with the UK, France and Germany the first to be covered. The US is expected to be covered thereafter. However, not all the functionalities of the offer will be open at the same time in all territories, in particular those relating to credit and salary deposits, which will be accessible later in 2022.

### ISSUES

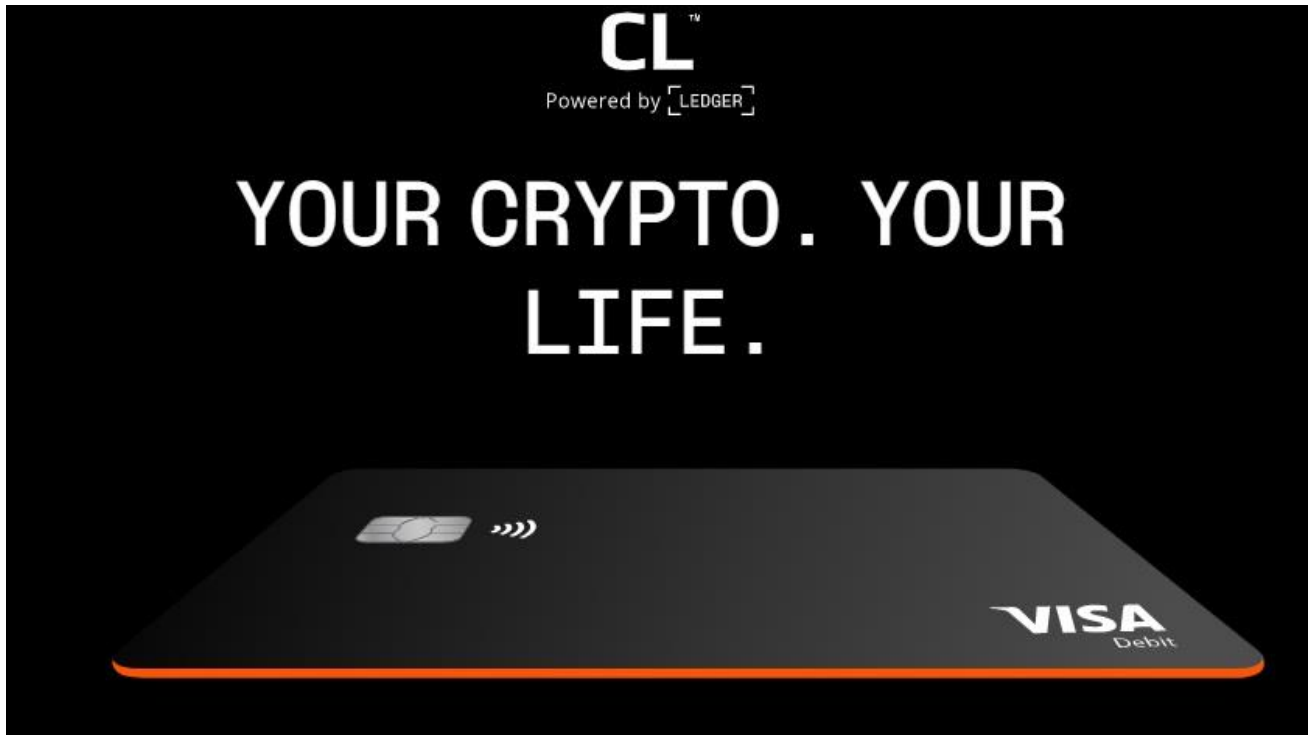
- **Credit to bypass taxes:** The originality of the CL card lies in its "credit" offer. The latter allows card users to avoid paying taxes related to the direct sale of crypto-assets. Ledger and its advances allow crypto assets to be used as collateral, not as a means of direct payment.
- **A 100% crypto unbanked account:** A management application, an asset storage service, an attached payment method and the possibility of direct debit, Ledger's new offering goes beyond the mere means of payment to ultimately resemble an alternative to a bank account.
- **A link between the physical and virtual world:** Ledger breaks down the barriers between the new world of 100% digital consumption and the physical world. The company is paving the way for a new financial management space that will allow users to manage their NFT purchases as well as their everyday purchases.

### MARKET PERSPECTIVE

- Having become an undisputed reference in hardware wallets dedicated to crypto-currencies, Ledger has established itself as a leading Unicorn in the buoyant crypto-currency market. A French FinTech, it is now spreading internationally.
- It announced the launch of a physical card at the end of 2020, when it presented its development projects. It is finally aiming further ahead by offering a complete service for managing one's finances, via crypto.

- The launch of the CL card is also a way for Visa to respond to competition from MasterCard, which in February 2021 presented a card dedicated to the Bahamian virtual currency.

Source : [Blog](#)



## Estonia takes the lead in MNBC

Eesti Pank, the Central Bank of Estonia, has revealed the results of an experiment conducted on the technological possibilities of launching a blockchain-based central bank digital currency (CBDN). And its collaboration with Guardtime, a specialised technology company, has led to successful initial tests.

### FACTS

- Guardtime is the originator of a blockchain called KSI which has been adapted worldwide for various applications. In particular, it has been adapted to support digital currencies under the name KSI Cash since the early 2000s.
- Eesti Pank first entrusted Guardtime with the task of developing a blockchain technology capable of optimising its computer exchanges. A successful operation that demonstrated its ability to support a payment system.
- The promise of KSI Cash is to support a payment system that is more powerful and faster than the current card or instant payment systems. It takes an average of 0.6 seconds to make a peer to peer payment on KSI.
- KSI Cash also offers environmental benefits, allowing payments to be processed using less energy than card payments or Bitcoins.

### ISSUES

- **A further step towards interoperability:** Bitcoin, based on the blockchain, remains to this day a reference and a pioneering model for crypto-currency. The efforts of central banks to present a digital alternative to their currency are mainly focused on building their own ecosystems based on the Blockchain model. This strategy is opening up a new market for payment specialists such as Visa. Estonia, for its part, has made another choice, that of integrating its MNBC directly into an existing blockchain open to other state crypto-currencies.
- **The interest of the partnership:** By partnering with Guardtime, Eesti Pank is now presenting a successful model while many countries are still stuck at the experimental stage for their MNBC.

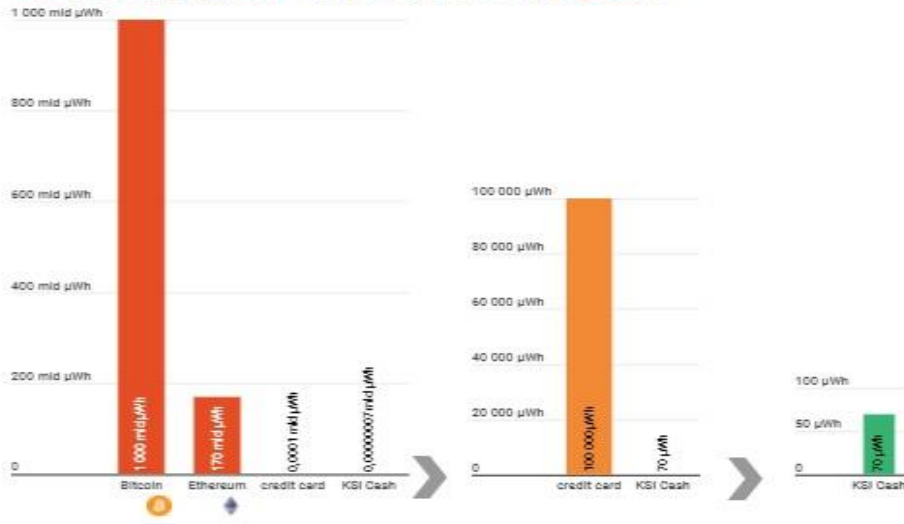
### MARKET PERSPECTIVE

- MNBC research projects started in October 2020 in Estonia. The country now has a successful model, but there are precedents.
- Nigeria is a pioneer in MNBC with its eNaira, as are the Bahamas and China.

Source : [Presse release](#)

## Comparison of energy use per transaction (given in micro-Wh per transaction)

One Bitcoin payment = 14 billion KSI cash payments



This is an estimate arrived at using an indirect methodology

Share





# Fraud

## Nets and Ethoca fight against chargeback

Nets, the Danish financial services specialist acquired by Mastercard, has just made official its partnership with Ethoca, a global provider of technological solutions based on collaboration between payment card issuers and e-retailers. This partnership is headed by MasterCard, which has been very involved in the fight against chargebacks for several years now.

### FACTS

- Ethoca is the world's largest collaboration network, building relationships with leading card issuing banks, merchants, processors, software providers and fraud platform providers worldwide.
- The main objective of the new partnership signed between Nets and Ethoca is to improve the sharing of payment transaction information between merchants and payment issuers.
- The partners believe that this will reduce the resolution of disputes and even, in the longer term, reduce chargeback procedures.
- Nets' customers will have access to Ethoca's global fraud and purchase data network. Issuers will even be able to share information on confirmed fraud and customer disputes directly with merchants and banks via Ethoca Alerts.
- Issuers will also have access to details of purchases made at merchants.
- The collaborative work of Nets and Ethoca should overall make transactions more transparent by clearly displaying the name of the merchants, their logo or even by attaching digital receipts to each transaction.
- This data will eventually be visible to end customers within their banking application to avoid any possible confusion about past transactions, thereby limiting chargeback requests.

### CHALLENGES

- **Fighting a still strong threat:** The new partnership between the two organisations has the same overall objective of fighting chargebacks, a major problem as merchants could lose nearly \$130 billion in fraud by 2024 according to a Juniper Research study.
- **Improve customer experience:** Chargeback procedures are estimated to be worth nearly \$35 billion worldwide in 2021 alone. Over 96% of customers want more information about their transactions presented within their banking application.

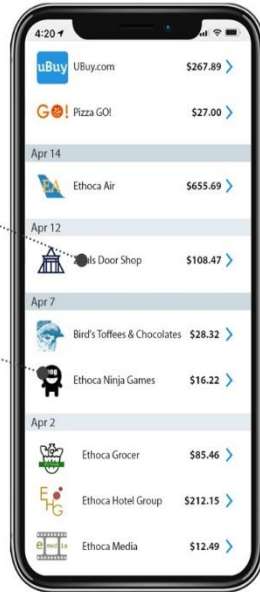
### MARKET PERSPECTIVE

- MasterCard acquired Ethoca in March 2019 to help merchant customers quickly identify and resolve e-commerce fraud.
- The US scheme also acquired Nets' instant payments division for \$2.8 billion in August 2019.
- MasterCard is not the only scheme involved in this battle, as Visa also announced in 2019 that it had acquired Verifi, a US company specialising in technologies for resolving payment disputes.

Source : [Presse release](#)

Eliminate confusion caused by unclear descriptors and provide clear **merchant name**

Provide ease-of-purchase recognition with visual cues, such as **merchant logo**



Provide description of **purchased items** for easy recall

Facilitate direct merchant contact with clear contact information; **merchant address and phone number**

