



Headlines

DIGITAL IDENTITY - A strategic skill in the age of open banking

- **UNITED KINGDOM** – Yes and Verimi join forces to improve identity verification
- **EUROPE** – NOBID consortium chosen for the European digital identity wallet
- **UNITED STATES** – PayPal and MetaMask join forces to make it easier to buy crypto

Since the advent of open banking, banking solutions have been considerably enriched. They now include extra-banking services. The services are broken down by functionality and are accessible by simple API calls. However, this simplicity does not exempt the startups that offer them from their regulatory obligations. In fact, certain services such as KYC have become increasingly crucial for both new and old players who wish to innovate in the integration of their services. These identification services are also at the forefront of innovation as they will enable the federating of physical as well as virtual identities in the future. Startups offering these services are therefore highly coveted. Like Verimi, which has announced its merger with the British open-banking service Yes, in order to have a greater influence on this rapidly growing market. We remember Ubbly, which joined the payment platform Ccheckout earlier this year, and IDNOW, which merged with Ariadnext last year. The wallet has in fact become a central part of the act of payment and potentially of much more. This is the conclusion towards which the EPI consortium is also converging by redefining its ambitions for the European Digital Wallet by choosing the Nordic player NOBID, a multinational consortium of digital identity experts of Nordic origin. This initiative will have to compete with the most advanced American tech players such as Google, Apple or Paypal, which has just announced a partnership with the crypto wallet Metamask, or even JP Morgan, which is also planning to develop a crypto wallet, the key to conquering the still little explored lands of the web3.

INTEGRATED PAYMENT - Payment increasingly invisible in mobility

- **FRANCE** – AXEPTA launches the first barrier-free toll solution in France
- **FRANCE** – Apple Pay Express déployé sur le réseau TCL
- **FRANCE** – Lille launches the Positive Toll to earn money

Mobility is also a strong subject of innovation for payment companies. Recently, the A79 motorway was the first in France to inaugurate a barrier-free toll, also known as "free flow". The company Autoroute de Liaison Atlantique Europe (ALIAE) called on AXEPTA BNP Paribas to set up this innovative payment system. Open Payment is also a subject that is causing quite a stir among payment and mobility players. Since Thursday 8 December, iPhone owners can use Apple Pay Express to pay for their tickets on Lyon's public transport system (TCL). Apple Pay was already available, but this is another step towards simplifying this contactless payment operation in a mobile situation. Finally, the third initiative which is a little different from payment, but which is nevertheless interesting to follow, is the one set up by the European Metropolis of Lille. Called "positive toll" or "eco-bonus", the measure allows residents of certain areas to earn money by not using their car. The solution is based on an automatic number plate reading system, the same technology that works for motorway tolls.

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A word on...

- **BRAZIL** – A bill - which can be described as "pro-crypto" - is about to enter into force in Brazil. At least it has successfully passed the two parliamentary stages in the South American country. This law proposes the inclusion of digital currencies as "payment methods" under the supervision of the Brazilian Central Bank. It will therefore give legal status to cryptocurrency payments for goods and services in Brazil. Unlike El Salvador: this law does not grant national currency status to Bitcoin and digital assets. The question will be to define which crypto-currencies can actually benefit from this new status. All of this will be monitored by the Brazilian Securities and Exchange Commission (CVM), as it does not affect their recognition as financial securities. It should also be noted that Brazil is also working on its central bank digital currency project (MNBC). Last April, the first tests were even announced for the "Real Digital".

Cards

Santander recycles bank cards in branches

Santander is now piloting a recycling programme in selected UK branches, which will run for six months. It will allow the public to dispose of outdated or unused bank cards in a safe and environmentally friendly way.

FACTS

- The bank is one of the first in the UK to offer plastic recycling machines in its branches.
- Dedicated self-service machines allow users to shred their unwanted cards into chips for safe disposal. The cards are turned into plastic granules ready for recycling.
- These advances are part of the group's commitment to go zero carbon by 2050 to support the goals of the Paris Agreement on climate change.

CHALLENGES

- **Enabling the recycling of a complex product and involving its customers:** payment cards are typically composed of several layers of laminated plastic, metal oxide particles, solvents, ink and magnetic strips, making them particularly difficult to recycle. Furthermore, when a card expires, the problem remains with the cardholder, who is responsible for disposing of it in what are generally perceived as unsafe conditions. With the installation of this device, Santander wants to support its customers and gain more control over the card recycling chain.
- **Having an environmental impact on the market:** with 92 million debit cards and 60 million credit cards in circulation in the UK, the issue of recycling is a major challenge that Santander wants to tackle. At the same time, Santander is accelerating the provision of 'greener' cards. The bank expects that by 2025 all its cards issued in the UK, Spain, Portugal and Poland will be made of more sustainable materials.

MARKET PERSPECTIVE

- In 2021, the Caisse d'Epargne was one of the first banks to introduce recycling of its bank cards. Several branches offer their customers the opportunity to recycle an expired bank card. The card is collected by the branch and goes through a 100% French recycling circuit.
- In 2020, Mastercard, in collaboration with industry players, has developed a programme that encourages all card issuers to produce "sustainable" cards worldwide. Mastercard's sustainable payment cards have been offered to consumers in a dozen countries. More than 60 financial institutions have begun issuing cards made from materials that are recyclable, biobased, chlorine-free, biodegradable and recycled by the oceans.

Source : [Presse release](#)



Mobile services

The fintech Ezio wants to become the universal wallet for home carers

The Vendée-based fintech wants to establish itself as the dematerialised wallet for carers in the booming directed payment market. It has just completed a €400,000 fundraising round. This should enable it to accelerate the deployment of its solution on the French and European personal services market.

FACTS

- Launched at the end of 2020 after a year of development, Ezio is a fintech based in Vendée. It currently has 7 employees in its team.
- To make everyday purchases easier and more secure, the fintech has developed a dematerialised payment solution, which works like a bank account associated with a multi-user payment card.
- The service has already been adopted by 200 agencies and associations providing personal assistance, including Âge d'or services, the O2 group, Apef and Générale des services.
- To accelerate commercial adoption, Ezio has raised €400,000 to consolidate its position as a universal wallet for carers.
- Ezio is a partner of Orange Bank. The start-up is remunerated in the form of a subscription; it achieved a turnover of €150,000 in its second year of operation. It is now aiming to double this figure and become profitable by 2023.

CHALLENGES

- **Helping carers:** paying for shopping when you are a carer at home can create problems of organisation, control and security. Each establishment, which brings together professionals responsible for supporting vulnerable people, sets up its own solution with the beneficiary: blank cheque, loaned bank card, cash or deposit, etc. All these solutions are neither secure nor supervised. Ezio therefore provides a solution by regulating these uses.
- **A wider deployment in France:** Ezio's objective is to deploy its solution more widely in France in the field of personal services, but also in all related markets where a legal representative makes payments on behalf of an underprivileged person, whether it is an establishment for the disabled, a rest home, or a temporary accommodation facility.
- **International launch planned for 2023:** Ezio also plans to launch its first tests in Europe at the end of 2023, starting with Germany, Spain and Belgium. Through partnerships with Banking-as-a-Service platforms, Ezio will be able to have its own payment accounts and associated cards in each of these countries.

MARKET PERSPECTIVE

- The Ehpad is not the only solution to the problem of dependency. Older people who are still independent and in good health can remain at home in good company. This second option is promoted by Ouihelp, a startup that connects caregivers and families. Founded in 2016, Ouihelp has developed an algorithm to find the most suitable assistant (household help, shopping) and find a quick alternative to cancel household help at the last minute.

- Several companies offer solutions that facilitate or improve the life of elderly people who remain at home. Mamie-Boom is a solution set up by students to break isolation, for example. This startup was born in December 2020, in the middle of a health crisis.
- Accompanying the elderly in loss of autonomy in care and daily life. This is what GoodCare aims to do with an online platform that allows them to connect with service providers that meet their needs. The startup offers several packages depending on the assistance the partner needs.

Source : [Site officiel](#)

**LA SOLUTION N°1
DE PAIEMENT
POUR LES AIDANTS
PROFESSIONNELS**



eziø

Startup Kroo opens a 2% current account in the UK

Kroo, a UK mobile-only bank, has launched its main user account. It offers customers 2% interest on up to £85,000.

FACTS

- UK challenger Kroo is launching its current account offer this week, which includes a 2% ISA (up to £85,000).
- Targeting Generation Y and Generation Z, Kroo claims to plant two trees for every new customer who opens a current account through its charity partner One Tree Planted.
- Kroo received a full banking licence in the UK earlier this year, becoming the third bank to do so since 2016, allowing it to expand its initial offering of prepaid debit cards and apps.
- Kroo uses predictive technology to track spending in real time, helping customers make better financial decisions and stay on top of their transactions and upcoming payments.

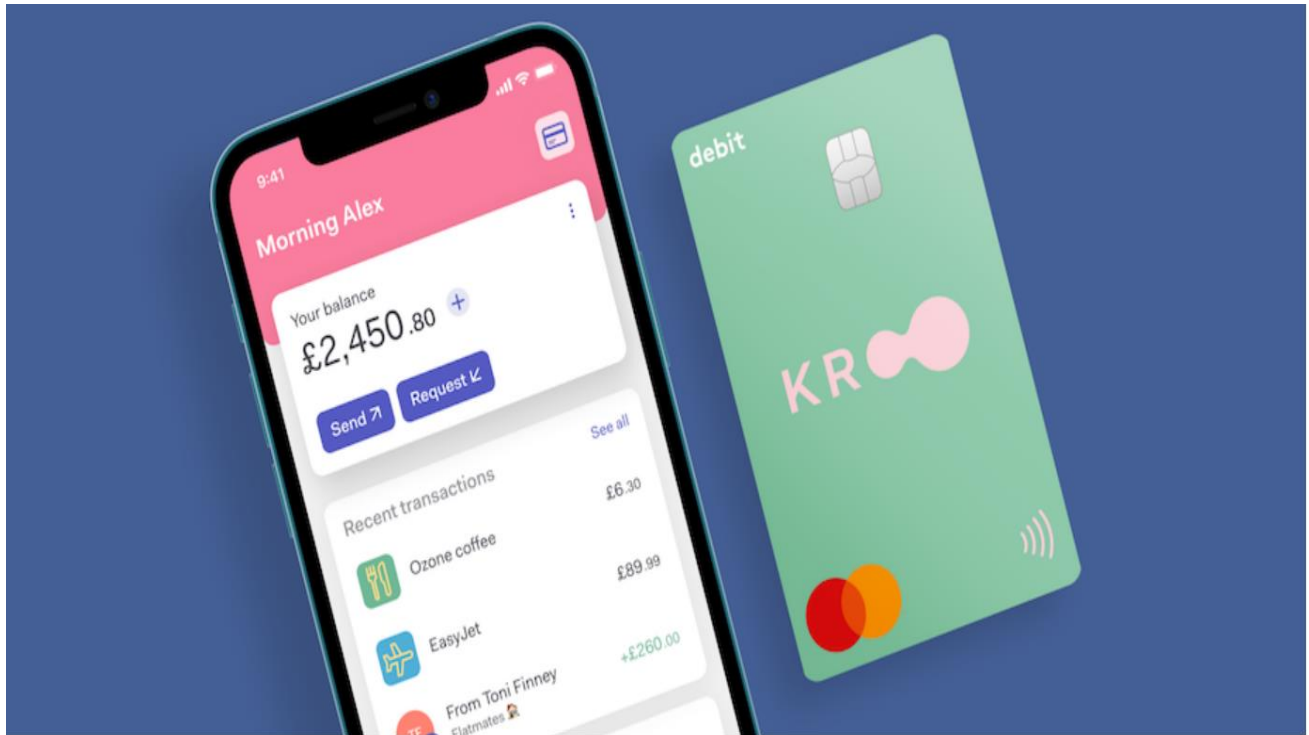
CHALLENGES

- **Being competitive:** the aim of the bank's competitively priced current account is to put money back into customers' pockets through its overdraft and deposit protection services. In the same spirit, international card fees are not charged.
- **Making UK customers' money work for them:** analysis of Bank of England data shows that UK households have £271 billion of interest-free debt (30/09/2022). This equates to £5.4 billion lost in interest per year by UK households, which is almost £200 per household.
- **Making an impact in social responsibility:** Kroo, with its partner One Tree Planted, is announcing that it will plant two trees for every new customer.

MARKET PERSPECTIVE

- In 2021, Kroo won the British Bank Awards "Best Newcomer 2021" and the Finder Awards "Banking Innovation Newcomer".
- In the UK market, we can point to Nationwide offering 5% loan interest, but only on a £1,500 balance. Santander's 123 account is the closest competitor to Kroo, paying 1.75% interest on balances up to £20,000. But it also comes with a £4 monthly fee.
- In terms of 'social conscience', planting two trees for every account opened certainly means something. However, other banks may have more stringent requirements in this area. Triodos Bank considers itself to be the most socially responsible bank in the UK and promotes the concept of sustainable banking, which it defines as the use of money in a way that takes into account environmental, cultural and social impacts. Triodos customers' money goes to a variety of projects, including charities, community programmes, retirement homes, social housing providers, organic farmers, homelessness programmes and renewable energy.

Source : [Site officiel](#)



ABN Amro declines Tikkie payment requests to Business

Dutch bank ABN Amro is building on the success of its Tikkie mobile application, which makes it easier for businesses to make money transfer requests with Tikkie Business.

FACTS

- Businesses can quickly share payment requests with customers via Whatsapp, SMS, email or a QR code.
- While the average Tikkie payment is about 30 euros for consumers, the average Tikkie payment is 80 euros for businesses. The limit for entrepreneurs is 50,000 euros.
- The new application offers entrepreneurs a real-time overview of the status of all their payments.
- The arrival of 'Tikkie Zakelijk' is the result of the rapid growth in the number of business users of Tikkie, which already has more than 25,000 companies.
- The new application is suitable for a wide range of businesses, especially in the form of sole traders and SMEs.
- The Tikkie application has already accumulated eight million users in the consumer sector.

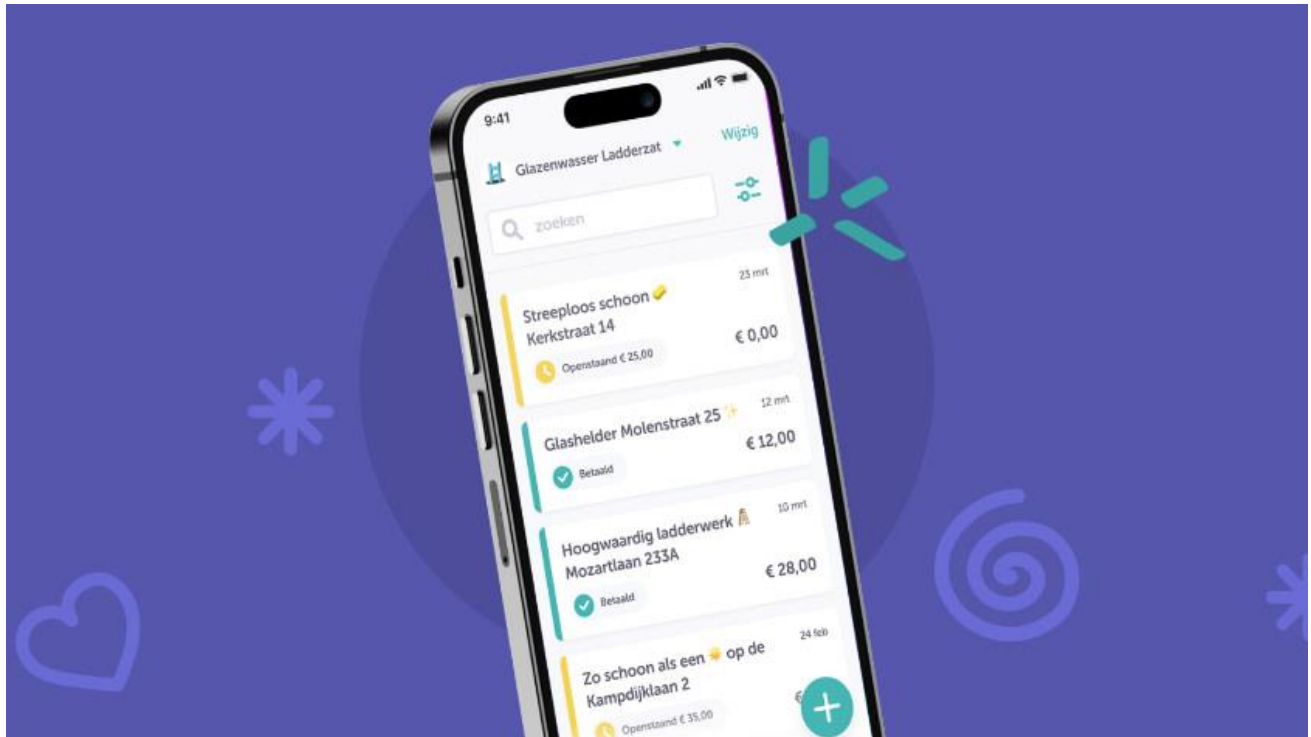
CHALLENGES

- **Addressing a new target group that is already captive:** ABN Amro claims that the professional version of the application has emerged thanks to the rapid growth in the number of professional users of Tikkie, which has already exceeded 25,000.
- **Adapting consumer uses to the professional target:** A large part of the adoption of Tikkie Zakelijk, is based on the convenience of use: customers do not have to enter the invoice details and can pay using a direct link. In addition to this, many users have become accustomed to the speed of Tikkie payments after using Tikkie in their private lives.

MARKET PERSPECTIVE

- With the crisis many fintechs are now turning to businesses, which are a more quickly profitable target, as they can charge for services with a less complicated business model than for the private segment which often relies on a facially free model, fuelled by the use of consumer data for commercial purposes.
- Buy Now Pay Later is one of the most obvious examples. After seeing fintechs explode in the B2C segment, today the trend is clearly B2B with players such as Pledg or Alma, which in France are opening up to this new clientele. Payment applications are also moving into instant transfer payments, such as the UK fintech Atoa, which has just raised funds for its payment solution dedicated to merchants.

Source : [Presse release](#)



Walmart launches 'Text to Shop', making shopping as easy as texting

After testing the feature last year in Silicon Valley's "Store No. 8" (a startup incubator created by Walmart in 2017 to provide personalized shopping experiences). Walmart launched its free Text to Store feature to the general public for iOS and Android users.

FACTS

- Specifically, the feature is linked to the user's Walmart account, the "Text to Store" feature knows the user's shopping habits.
- The customer simply texts the products they need and they are automatically added to the basket.
- Walmart then adds the product to the cart based on the user's shopping habits and previous purchases.
- After this step, the customer can check their basket via SMS or via the Walmart app to reorganise their basket: change products, change the quantity or remove products from the basket.
- As soon as the basket is validated, the customer pays for the order directly by SMS or via the Walmart app.
- Afterwards, the customer can schedule a time to pick up their order in shop (click and collect) or use home delivery.

CHALLENGES

- Providing a customer experience linked to the development of new technologies: Walmart has created the "Store n°8" project to test new innovations linked to the retail sector. It aims to stimulate and accelerate discussions on the implementation of technological solutions that are important for the customer experience, such as virtual reality, drone delivery and personal shopping.
- Simplifying customers' daily lives through data: Walmart wants to make everyday life easier by optimising the time spent shopping. Walmart tracks past purchases to predict shopping lists and customer habits. The "Text to Shop" feature offers a new experience to save time when shopping by simply sending text messages.
- Bringing conversational commerce to all customers: in 2018, Walmart tested JetBlack, a high-end concierge and text shopping experience (via SMS). The service combines artificial intelligence and human knowledge to provide a true 'personal shopper'. Walmart closed the service in 2020. This new "Text to Shop" feature builds on the experience gained with the JetBlack service to open it up to all its customers.

MARKET PERSPECTIVE

- After acquiring Jet in an attempt to change its positioning and brand image. Walmart has recently bought Modcloth (women's clothing) for an undisclosed amount, the shoe site Shoebuy for \$70 million, Moosejaw (outdoor goods) for \$51 million, Shoes.com (shoe e-tailer) for \$9 million and is in the running to buy Bonobos (men's clothing). The strategy is clearly to diversify its customer base (CPS-) by acquiring attractive brands with a customer base distinct from that of Walmart (CSP+).
- Walmart has been experimenting with voice ordering for several years. In 2017, Walmart launched voice control via Google Home and Google Home Mini. In 2019, the retailer partnered directly with Google to extend the conversational commerce functionality to all Google-enabled devices (iPhone, Google Home, or an Android device)

Source : [Presse release](#)



B2B Payments

American Express launches new B2B digital payments ecosystem

American Express announced the launch of Amex Business Link, a business-to-business payment system that enables Amex customers to offer their business customers integrated and efficient domestic and cross-border payments.

FACTS

- For network participants, Amex Business Link offers:
 - Automatic integration of buyers and suppliers.
 - Lending solutions that provide buyers and suppliers with access to working capital.
 - Access to all customers in the American Express network.
 - Support including a hands-on training module, integration and services for third-party issuers and acquirers providing Amex Business Link to their business customers.
- For buyers and suppliers, the solution enables:
 - Connect to customer relationship management (CRM) and enterprise resource planning (ERP) systems that use application programming interfaces (APIs).
 - Multiple payment methods are accepted, including card, ACH, wire transfer, check, etc...
 - Purchase and sales information that allows companies to monitor business growth.
 - Access to dynamic reports that allow for automatic reconciliation.
- The new ecosystem is currently operating with 500 business customers in five countries.

CHALLENGES

- **Participating in the digitisation of business:** Amex Business Link modernises the way businesses buy and sell from each other with the flexibility to choose in real time how they want to pay or be paid.
- **Offering a wide range of payment methods:** While fintechs addressing the B2B payment market tend to focus on a single payment solution, Amex Business Link accepts the full range of payment methods that businesses use, including card, ACH, wire transfer and check. In addition, the platform also supports international payments.

MARKET PERSPECTIVE

- Many fintechs are now focusing on the corporate segment. And if the digitalisation of this sector is one of the motivations, the current crisis that is hitting them hard is another. In response to the American Express and Kabbage small business survey published in September, 37% of respondents said they were raising prices to combat rising inflation, 22% were renegotiating with suppliers and 22% were cutting back on less profitable products and services.

Source : [Press Release](#)



Business Link™

Pono a solution to simplify trust management and the assumption of guarantees

Paris-based fintech Pono Technologies has announced the completion of its seed financing, raising €3 million in funding from Newfund, 115K (La Banque Postale) and Kima Ventures. The volume of financing secured by the Pono platform has grown exponentially from €150 million to €1 billion in one year.

FACTS

- Pono is a Paris-based fintech founded by Ladislav Manset in 2019, which currently employs 13 people.
- Pono, is a software that:
 - Simplifies trust management for credit institutions, alternative lenders and their advisors.
 - Facilitates the acceptance and control of collateral by lending institutions, alternative lenders, borrowers and their advisors.
- The Paris-based fintech announced that it has closed a €3 million seed round with the support of three new investors who will invest 75%.
 - The 115k fund (La Banque Postale) and Newfund backed by Kima Ventures, founded by Xavier Niel.
 - The remaining 25% was invested by historical business angels such as Didier Valet (Xanthe Conseil) who offered €500,000 for pre-seed.
 - Two thirds of the capital is still in the hands of the founders.
- Pono's portfolio includes four banks and nearly fifteen alternative lenders, whose identities are confidential.
- To support them in their development, a Strategic Committee composed of former banking and financial executives has just been formed: Didier Valet (ex-Société Générale), Gérard Bayol (ex-Arkea) and Donald Bryden (ex-RBS and ex-Oaktree).
- The amount of financing secured by Pono has increased explosively, from €150 million to €1 billion in one year, with a target of €2 billion by the second half of 2023.

CHALLENGES

- **Disintermediate the trust market:** For the record, the trust is a contract introduced into French law in 2007 which allows a natural or legal person to transfer ownership of an asset (or the title to a right) for a limited period of time into the hands of a trusted third party (the trustee). Initially reserved for the world of restructuring and complex financing, the trust has recently become a "plug and play" tool which allows the development of a trust profession directly driven by the actors who are at the origin of the security trust (banks or management companies) and the management trust (lawyers in particular).
- **Making trusts an opportunity for business financing:** Beyond the financial analysis of the borrower, trusts make it possible to secure the debt raised (obtain a better cost of capital or a higher ticket) for start-ups. Trusts can be used to back up bank or alternative financing with atypical elements of a start-up's balance sheet: technological developments, source codes, patents or even SaaS revenue receivables. Proof of the flexibility of this tool is the fact that the trust is on the rise, particularly in the fields of proptech and financing - notably BNPL and RBF.

- **Expanding their business:** By 2023, Pono will be able to double its R&D budget to €600,000 and its workforce to 26 people, mainly by recruiting programmers.

MARKET PERSPECTIVE

- The investment bank GP Bullhound has just published its "European SaaS Report 2022" on the "Software as a Service" sector in Europe. SaaS has fundamentally changed the software publishing market and has contributed to the birth of many European unicorns. SaaS solutions are easier to market, easier to implement and available internationally from the start. The European SaaS market was worth more than 15 billion euros in 2020. According to Statista, it should exceed 37 billion euros by 2025.
- Last March, Boursorama launched a new version of its Lombard loan, backed by a savings product. The launch of this offer takes advantage of new favourable legislation which extends the possibilities on the subject and enables Boursorama to better meet the needs of wealthy customers.

Source: [Website](#)



Payment & Mobility

AXEPTA launches the first barrier-free toll solution in France

After various experiments, the A79 motorway is the first in France to inaugurate a barrier-free toll, also known as "free flow". The company Autoroute de Liaison Atlantique Europe (ALIAE) called on AXEPTA BNP Paribas to set up this innovative payment system.

FACTS

- Inaugurated on 14 November 2022 and operated by APRR (Concessions Autoroutières Eiffage), this new motorway, which constitutes a major East-West transverse link from the Atlantic coast to the heart of Europe, will not be equipped with traditional toll stations but with six gantries spread over 88 kilometres.
- These gantries will identify each vehicle and collect the information needed to collect the toll.
- The AXEPTA Unified system offers four types of payment:
 - Electronic toll collection: Vehicles equipped with an electronic toll collection badge, regardless of the supplier, are automatically detected each time they pass under the gantries.
 - Plate registration: Creation of an online account with registration of bank details. Trips are charged on a weekly basis and information on the passage is reported on the customer area.
 - Via payment terminals: Sixteen payment terminals, accessible on foot, are also available on the A79 at all rest and service areas, interchanges, or toll plazas to pay for your journey before, during or after the journey in cash or by bank card.
 - Via website: The possibility of paying for your journey on the website at any time: before, during or after the journey by entering your details (number plate, destination) and paying for the journey online by bank card.

CHALLENGES

- Improving traffic flow and reducing CO2 emissions:
 - greater traffic fluidity, a significant advantage for motorway customers.
 - less CO2 emissions, by eliminating the need for thermal vehicles to stop and restart at toll gates. As an example, a 40-tonne lorry consumes about two extra litres of fuel when passing through a toll barrier.
- A system that has never been used before in France: It is a system that is already in use in other countries, such as Portugal and Sweden. It has been the subject of several experiments, notably on the A4 motorway. Free-flow motorway sections are likely to increase in number in the years to come.

MARKET PERSPECTIVE

- The initiatives of banking players in the mobility sector are becoming more and more numerous and varied.
- After financing vehicle purchases via holdings in captives, French banks are now getting involved in vehicle purchases, such as the Crédit Agricole group, which has just made a massive purchase of electric vehicles from the Hopium brand.

- Société Générale has launched a vehicle purchase and rental platform between individuals in partnership with Reezocar.
- The Macif insurance group is investing in autonomous mobility, particularly in rural areas, to support its customers in situations of isolation and dependence, but also to explore less energy-consuming and therefore more responsible mobility.

Source : [Presse release](#)



Apple Pay Express deployed on the TCL network

Since Thursday 8 December, iPhone owners have been able to use Apple Pay Express to pay for their tickets on Lyon's public transport system (TCL). Apple Pay was already available, but this is another step towards simplifying this contactless payment operation in a mobile situation.

FACTS

- Since the beginning of the year, with TCL Carte Bancaire, it has been possible to pay for journeys by validating a contactless payment with your smartphone against the new terminals installed in the city's metros, buses and trams.
- Transport Express, installed at TCL by Worldline, makes the operation more transparent. All you have to do is present your iPhone at the terminal for the transaction to be validated.
- There is no need to take the phone out of standby or to identify yourself with Touch ID or Face ID beforehand.
- A bank card registered in the iPhone's Wallet should normally have the Express Transport mode activated by default. It is also possible to designate the card to be used in the iOS settings at "Cards and Apple Pay". Conversely, it is possible to disable this option to prevent payments being made using this method.

CHALLENGES

- **Transforming the phone into a real payment ticket:** users of Lyon's public transport system (TCL), managed by SYTRAL Mobilités, will only have to put their iPhone or their Apple Watch on the validators to travel with a single tap, assures Worldline. This also works when you run out of battery. iPhones from XS/XR and SE 2 upwards have a reserve mode that allows them to carry out such transactions via NFC for up to 5 hours after their screen has gone blank and requires power.
- **The need for seamlessness:** faster boarding for passengers, less hassle with money, cards or tickets and increased security, as passengers no longer need to open their purse or wallet to travel on public transport.
- **Security flaws identified:** In 2021, a team of British academics had nevertheless identified a security flaw in Apple Pay's Express mode for Visa payment cards and managed to communicate with phones by posing as a payment terminal.

MARKET PERSPECTIVE

- This system can be used for transport tickets, but also for electronic keys, tickets, vouchers or ID cards such as student IDs. If their suppliers have adopted this function, of course.
- For the TCL, managed by Sytral Mobilités, the next step would be to allow the dematerialisation of one's monthly ticket to pass through the turnstiles by presenting one's iPhone. This has already been the case for quite some time with Android models.
- In a recent interview, the head of Île-de-France Mobilités confirmed the launch of the Navigo pass and metro tickets on iPhone "between June and September 2023". Available tickets, integration with Apple Wallet...

Source : [Presse release](#)



BNPL, fragmented payments

The Curve super card wants to impose its fractional payment offer in the US and Europe

Launched in 2018, Curve has raised more than \$180 million in equity investments, including crowdfunding campaigns, and has about 4 million customers worldwide. It recently received \$1 billion in funding from Credit Suisse to enter the US and European markets with its Curve Flex offering.

FACTS

- Curve is a digital wallet that connects all accounts to a single application and a single card. Specifically, it offers a configurable card that aggregates all existing bank cards.
- Curve also offers Curve Flex, which allows customers to split all their transactions regardless of the card they use.
- Curve has secured a USD 1 billion credit line from Credit Suisse Group to expand its lending operations in the UK, US and European markets.
- In the UK, Curve Flex has launched a product called SNPL, 'Swipe Now to Pay Later'. This allows customers to split all Curve card transactions into three, six, nine or 12 monthly payments.

CHALLENGES

- **Product development and international expansion:** this round will allow the start-up to expand into the EU and US markets and promote new offerings, including a loan offering.
- **More flexible cash flow budgeting:** This feature, called Flex, allows customers to better manage their different payment methods and is often used to pay off credit card balances, for example. These are all options that give its holders more flexibility.
- **A new BNPL solution:** In 2023, the company plans to launch a new Buy Now Pay Later (BNPL) product for its customers.

MARKET PERSPECTIVE

- Curve offers many new features in addition to the Flex product, such as the ability to 'turn back time' to transfer past purchases between accounts and/or cards. A loyalty offer also allows customers to "double up" on rewards (offering an additional 10% cashback on Curve purchases in addition to payment card rewards programmes).
- Curve stands out among the newcomers to everyday banking with a "meta-banking card" or "supercard" model. In France, Crédit Mutuel Arkéa's neo-bank Aumax pour moi was operating in the same market niche, but will close on 22 January 2023.

Source : [Site officiel](#)



Europe agrees to better regulate fragmented payments

Under discussion since last July, the representatives of the European Parliament, the Council and the Commission of the European Union have reached an agreement on the new European framework for consumer credit.

FACTS

- The bill aims both to strengthen rules deemed obsolete and to significantly broaden their scope of application, notably by incorporating "Buy now pay later" (BNPL) practices.
- Among the rules retained:
 - Obliging lenders to provide full information on the real total cost of credit.
 - Checking that the borrower is able to repay the loan and refusing it if the credit assessment is negative.
 - Grant a right of withdrawal within 14 days without justification.
 - The costs of these loans will be limited, in particular by capping interest rates.
- The committee also added the right to be forgotten when selling consumer credit insurance. Parliament's negotiators have indeed obtained "a measure that protects people in remission from cancer applying for credit for which insurance is required, by granting them the 'right to forget' after a given period of time, so that their former illness does not affect insurance rates.
- A plenary vote is planned in the European Parliament in spring 2023.
- Member States will then have 24 months from publication in the Official Journal to transpose this text into national law, with varying degrees of requirements.

CHALLENGES

- Better take into account new forms of credit: The proliferation of new products on the web, in particular fractional payments, has prompted the European Commission to revise its 2008 directive on consumer credit, which has become obsolete, in order to avoid a surge in household over-indebtedness in the current period of budgetary restriction.
- Harmonising European credit law: The agreement provides for some flexibility for Member States in implementing the agreement.
 - These exclusions concern deferred debit cards, which are almost systematically used by customers for deferred payments, or the form that advertising on these credits can take.
 - Member States will also have some leeway regarding the prior assessment of consumer creditworthiness by lenders, especially for BNPLs. The negotiators agreed that the rigor of this assessment should be "proportionate" according to the risk of the credit, its duration and the amounts involved.
- Accommodating both sides: The provision to oblige lenders to provide an information sheet (duration, charges for non-payment, Annual Percentage Rate of Charge, etc.) "one day before" the credit is granted. As proposed by the Commission, the article in question would have "de facto eliminated the immediacy of BNPLs, which is a determining factor in the attractiveness of these products, both for traders and for consumers.

MARKET PERSPECTIVE

- This regulatory breakthrough is not a one-off; it also affects other countries. Some European countries are ahead of the game, such as Ireland and Sweden.
- In the UK, the FCA has also just published the long-awaited interim conclusions of its study on improving credit information. The objective is to rebalance the conditions of competition on the market with the arrival of digital players who benefited from specific exemptions. While the FCA does not deny the importance of open banking to improve customer scoring, it is putting the rating agencies back at the centre of the game, which will allow the sharing of centralised and controlled information.
- In the United States, the subject is also evolving, with the US CFPB calling for more regulation of BNPL and at the same time announcing a new regulation around open banking, which should stimulate competition in the financial sector by obliging financial institutions to provide consumers with their own data.

Source : [Presse release](#)



E-commerce, E-Payment

Amazon goes social shopping

Amazon has announced plans to roll out a TikTok-like feed to its e-commerce app, with the aim of attracting new shoppers through influencer photos and videos. Called Inspire, it allows customers to purchase products from a personalized feed of videos and photos via the app.

FACTS

- Amazon's new "Inspire" feature will be available to select users this week in the form of a continuous stream of photos and videos of products that customers can purchase via its app.
- Customer journey:
 - To use the new feature, customers must first open the Amazon Shopping app and tap the "Inspire" icon.
 - They are then prompted to choose different categories such as make-up, pets, running etc. to best personalize their profile and be directed to individualized content.
 - From there, the products are linked to Amazon and users can purchase the items directly from the videos and photos that appear in the feed.
- To make this feature more attractive, the online retail giant has enlisted the help of influencers who will be able to earn money from customer purchases as part of the Amazon Influencer program.

CHALLENGES

- **Adapting to changing usage and competition:** The launch of this new feature seems to be part of Amazon's strategy to compete with TikTok. As such, the Seattle-based company is potentially one of the only companies that can play in the same league as the short-form video app as it brings product discovery as well as shopping under one roof. Currently, many Tiktokers offer items that are already available on Amazon, so it hopes to capture some of the user engagement.
- **Compensating for a drop in consumption:** This new feature will give Amazon the opportunity to increase its profits, as the company has forecast sales of between \$140 billion and \$148 billion in the fourth quarter of 2022, up from \$155 billion.

MARKET PERSPECTIVE

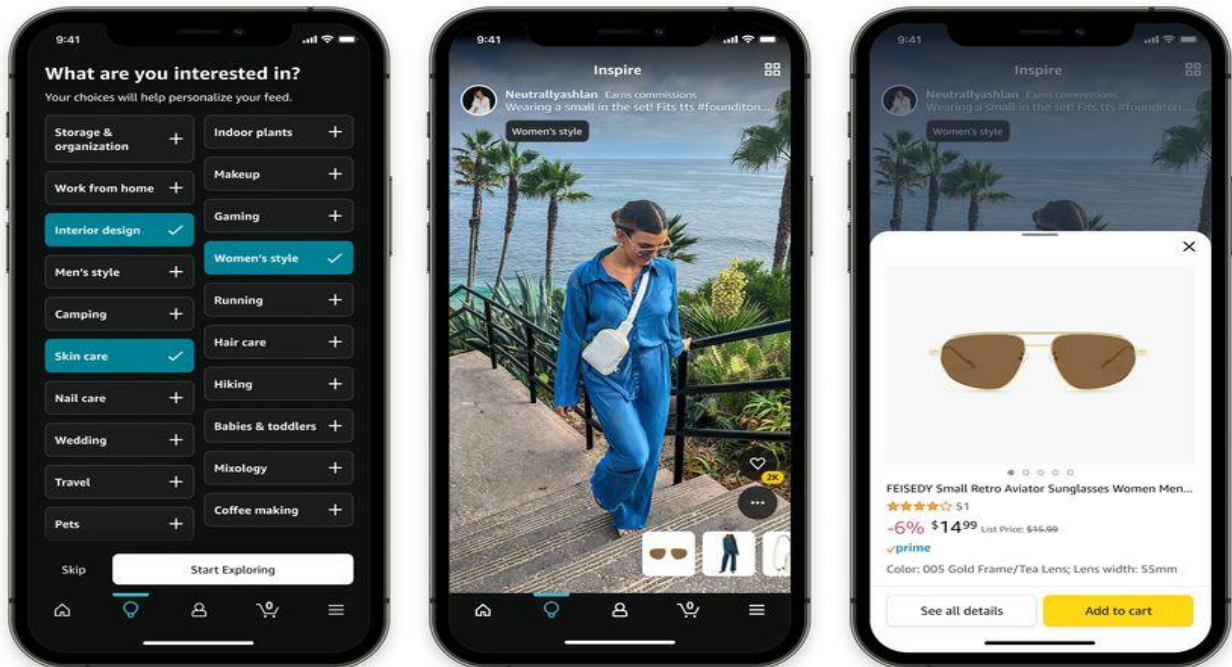
- Other companies, including Meta, Google's Alphabet Inc. and Instagram, have launched similar social features in recent years to promote products available through their respective apps, while more than \$226 billion was spent on social media advertising last year.
- TikTok, meanwhile, is thinking bigger and looking to expand its business to be more like Amazon. According to online media outlet The Verge, the short-form video app published job postings this fall that suggest the company is working to create its own distribution centres in the US.

Key figures

- 1.2 trillion. That's the projected total amount of global social commerce sales in 2025, according to a study by Accenture. In 2021, global social commerce sales totalled \$492 billion.

- According to Forbes, social commerce sales represent 10% of e-commerce sales, but are expected to grow to 17% in the next three years.
- 4.5 billion people are active on social media, while each user spends an average of two and a half hours on preferred platforms, according to Statista.
- TikTok has reached the same number of active users as Instagram in less than 3 years.

Source : [Reuters](#)



Rakuten launches its Club R Pay payment service

The Japanese group is launching Club R Pay, an integrated payment and cashback service. It facilitates and accelerates the online purchase of products from around 2,000 Rakuten partner brands and shops. Rakuten is serious about competing with PSPs.

FACTS

- Developed by Rakuten's Paris-based teams, the Club R Pay service has just been launched in France, the first market where it will be tested. It will also soon be extended to the European market.
- The new Club R Pay payment system launched by Rakuten is universal and does not require any adjustments from partner brands and retailers.
- The consumer places an order online on a Rakuten partner site and pays by selecting "Club R Pay":
 - A virtual card is then created for each transaction and the user only has to enter the amount of the order.
 - As the customer's bank and personal details are already stored in Rakuten's data, the customer is invited to confirm the purchase to finalize the order.
 - The user will then receive a cashback of 5 to 35% of the amount of the Rakuten purchases
 - Each customer can define the maximum number of transactions possible
 - For added security, they can also set the lifetime of their virtual card.
 - Rakuten in turn receives a commission for each transaction.
- Club R Pay is now available at Asos, H&M, Apple, Puma, Marionnaud, Bose, Conforama, Electro Dépôt, About You, Lenovo, Smartbox, Lego, Na-kd, Maison du monde, Ouigo, Hotel. com, Huawei, among others. Club R Pay also appears when purchasing second-hand goods.

CHALLENGES

- **Simplifying payment:** the payment stage is a crucial step for online purchases. Fabien Versavau estimates that "three out of four consumers have already abandoned their shopping cart because of payment methods deemed complicated". Club R Pay aims to simplify, secure and increase the flexibility of online payment.
- **Digitalizing money:** Rakuten is also working to encourage the digitalization of money by developing its own kitty banks, which will be made available to customers on all partner sites and is working on the use of cryptocurrency as a real means of payment.

MARKET PERSPECTIVE

- The circular economy is on the rise, with consumers increasingly turning to second-hand products. Second hand is also particularly boosted with the current inflationary environment. Of the sales made during Black Friday, 56% were second-hand goods and the volume of sales doubled between 2020 and 2022.
- After Club R Pay, Rakuten France hopes to launch new offline experiences "that will highlight the customer experience of 2023/2024", says the French CEO. The group wants to reward its customers who have bought in-store and online soon.

Source : [Website](#)

Club**R**

**5 à 35%
remboursés**

toute l'année, sur tous
vos achats

Récupérez enfin
l'argent du beurre



Fintech (marketplace) Twig acquires French fintech Vybe

Twig, a company based on the principles of the circular economy, continues to expand with the acquisition of Vybe Technology, a leading provider of teen banking services.

FACTS

- Vybe, a French youth banking app that went into receivership, has been acquired by UK fintech Twig, which offers wearables alongside payment services.
- Twig is a London-based fintech, operating on circular economy principles, founded by Geri Cup in 2020.
- It operates on a free model, offering a bank account and payment card with account management and control features for parents.
- It has grown to over 40,000 customers and is positioned between a fintech and a marketplace.
- The startup buys clothes from its users, performs a quality control and resells them. Unsold items are donated to charity. The operation feeds the accounts of its customers, who can then buy other clothes and accessories offered by the application.
- Twig has raised more than \$40 million and has more than one million downloads in less than 15 months on the market.
- It is present, notably in Italy, the United States and its country of origin, Great Britain.

CHALLENGES

- **Become a key platform for Generation Z:** this new development follows the recent acquisition of the British companies Loopster and Mobi.market and is an important step for Twig, which aims to become the leading platform for the Gen Z market.
- **Strengthening its offering for Gen Z:** With the technology developed by the Vybe team, Twig is able to offer users an even wider range of services, such as banking and financial education for young people.
- **Focus on the circular economy:** Twig is not a fintech like others, as its proposition is based on buying clothes to top up customers' accounts through the circular economy.

MARKET PERSPECTIVE

- With this acquisition, the London-based startup aims to gain more insights into Generation Z. This acquisition follows that of two British startups, Loopster and Mobi market, which offer second-hand clothing and smartphone rentals respectively.
- The year 2022 has not been an easy one for fintechs, with a number of fintechs having to close their doors. Following the example of Vybe, one can also think of the closure of Crédit Mutuel Arkéa's neo-bank, Aumax or the savings app Yeeld.
- This move is similar to the acquisition of French fintech PixPay by GoHenry. This strategic decision was intended to allow the British player to broaden and strengthen its offer in Europe.

Source : [Presse release](#)



Cash

ING revives cash with Viafintech

ING Germany is expanding its offer with a new service for current accounts. From 29 November 2022, "ING Cash" will give customers the opportunity to make deposits and withdrawals from their cheque accounts at over 12,000 participating business partners in Germany.

FACTS

- This new service allows current account deposits and withdrawals at over 12,000 participating merchant partners without the need for a card.
- The service was set up through a partnership with the German startup viafintech, part of the specialist payment platform Paysafe.
- Amounts Evolved :
 - The sum of cash deposits and withdrawals is a maximum of EUR 999.99 within 24 hours.
 - For payments, amounts from €10 to €300 are possible per transaction.
 - Withdrawals are free of charge for the bank's customers.
 - For deposits, ING Bank users are allowed to deposit amounts ranging from EUR 50 to EUR 999.99. A fee of 1.5% of the deposit amount will be charged.
- All users need to use the service is a current account and the Banking to Go app.
- Customer Journey :
 - Users must select the "ING Cash" function and the deposit or withdrawal function directly in the application.
 - After entering the desired amount for the withdrawal or deposit, the transaction is authorized in the Banking to Go application.
 - A barcode is then displayed on the smartphone screen, which is scanned at the cash desk.
 - When withdrawing money, the customer receives the amount directly at the cash desk.
 - When depositing, the amount is given to the cashier.
 - The amount paid or deposited is then immediately recorded in the account and a push message is sent to users via the Banking to Go application.

CHALLENGES

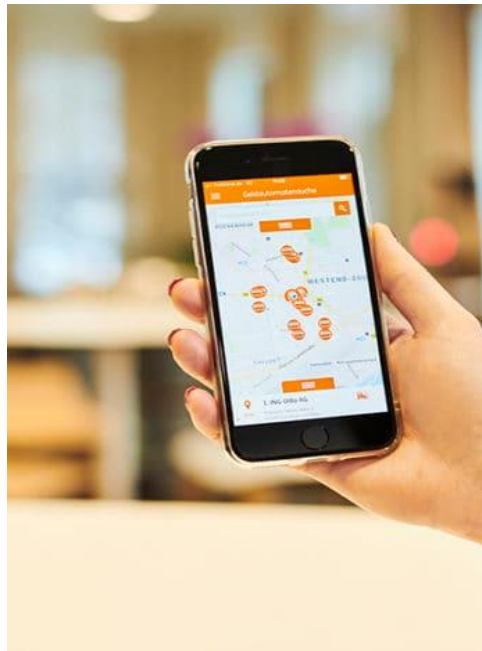
- **Maintaining a broad range of options:** According to an ING Germany representative, the average number of cash withdrawals has decreased compared to the year before the coronavirus pandemic. In 2022, ING Germany customers used an ATM on average 2.4 times per month, while two years ago, in 2019, they still used it 3.7 times. Nevertheless, the ING Germany representative notes that bank customers appreciate the possibility of easily withdrawing and depositing cash when making purchases. With the "ING Cash" service, the bank offers a free solution that is largely adapted to customer needs.

- **Online identification with the identity card:** This new service is included in a new ING offer called "ING Bargeld", which also includes an online identification service. The identification process is based on the new eID identity card. The data is retrieved by means of two-factor authentication via a smartphone or a card reader. To use the eID function, the ID card with activated eID function, a common NFC-enabled smartphone and the installed Postident application of Deutsche Post are required.

MARKET PERSPECTIVE

- Against the current trend of digitalization of services, these cash-back offers (not to be confused with the rewards programs of the same name) are gaining momentum.
- Several players from different backgrounds, threatened by the announced disappearance of cash, are implementing similar initiatives. Like Brink's, which has launched a new cash payment solution for e-commerce companies in partnership with French tobacconists to offer payment services within this network of everyday merchants.
- To cope with the decline in the use of their ATMs, banks are also looking for solutions. In the United Kingdom, for example, a vast association between commercial banks and the British Post Office has given rise to a project for shared banking hubs in the UK.

Source : [Press Release](#)



Player's strategy

Younited, a new French unicorn

A unicorn is a startup that is valued at over €1 billion. This makes the consumer credit specialist the 28th French unicorn, joining other fintech companies such as banking start-up Qonto (4.4 billion) and cryptocurrency star Ledger (1.5 billion). Younited is valued at €1.1 billion.

FACTS

- The French fintech has just closed a €60m round of funding from several historic investors (Bpifrance, Crédit Mutuel Arkéa, Eurazeo and Goldman Sachs).
- The value of most financial startups has melted away in recent months, but Younited's value has risen 45% from the previous round, to €1.1bn.
- Younited offers fast credit solutions for individuals up to €50,000. Younited is present in five European countries (France, Italy, Spain, Portugal and Germany).
- The fintech has signed contracts with several well-known clients such as Bpifrance, N26, Lydia, Free and Apple France.
- The startup is doing well, as it expects to achieve a 70% increase in new loan production (GMV) to €1.6 billion by 2022. With its total turnover expected to increase by 54% to €190 million.
- The startup confirms that its historical instant credit business for individuals is profitable in France (since 2019) and Italy (since 2021) and will be profitable in all five countries this year in 2022 (Spain, Portugal and Germany).

CHALLENGES

- **Reaching profitability:** Younited claims that this fundraising is only a safety net to reach profitability. The founder reports that this goal will be reached in the second half of 2023. Its traditional consumer credit business will be profitable by the end of 2022, with a net margin of 20% in France and Italy. Only Germany, the last country where Younited has established a presence after Spain, Italy and Portugal, remains loss-making. Younited does not currently intend to establish itself in other countries.
- **Higher margins:** on a more cyclical level, the fintech is confident despite a difficult industrial environment. Even if it means higher refinancing costs, rising interest rates are good news in the long term. "When prices go up, we have higher margins," explains Charles Egly.
- **Continued development:** this fundraising will enable the company to continue to deploy instant credit and open banking solutions and to develop partnerships across all its geographies. As a reminder, it had already closed a \$170 million round of financing in July 2021.
- **Continue to strengthen partnerships:** Younited has effectively advanced on the partnership side in recent years: the startup offers merchants and financial institutions to use its technologies and expertise to implement an instant credit solution on its platforms. For example, the startup partnered with Orange Bank, which wanted to leverage its account aggregation technology, which is needed to quickly review and respond to consumer credit requests.

MARKET PERSPECTIVE

- As a reminder, the average total duration of the Younited 100% digitalized process is estimated at 5 minutes, compared to 3.9 days in credit institutions (Younited and Boston Consulting Group study published in May 2022).
- Among the French unicorns, Ledger has also been in the news in recent days. After the Ledger Nano crypto wallet in the form of a USB key, the company is reinventing itself with a new product: Ledger Stax. Ledger Stax, designed by Tony Fadell, the man behind the design of the iPod, this time takes the size of a credit card with an E Ink screen.
- Qonto, another French unicorn, continues to establish itself as a European leader as the most valued unicorn at €4.4 billion. It currently covers 4 markets, including Germany, where it has acquired one of its main competitors, Penta.

Source: [Press Release](#)



Feedback: Memo Bank's European ambitions

Avec la crise qui a rattrapé le secteur des valeurs tech et du monde de la finance, la rentabilisation du modèle est devenue un facteur clé. Lancée il y a 5 ans, alors que les PME n'étaient encore que peu et mal adressées par les banques traditionnelles, Memo Bank s'est fixé pour ambition de réinventer une offre bancaire taillée sur mesure pour les PME de plus d'1 million d'euros.

FACTS

- Memo Bank does not define itself as a neobank or FinTech but as a real bank. It is the only independent French banking group to have obtained a banking licence as a credit institution for 50 years.
- This status enables it to offer its customers a wide range of services, such as a current account, loans, means of payment, grouped transfers, access to IBANs and monitoring of direct debit mandates.
- Its core target: SMEs with a turnover of more than one million euros. This is a target that is neglected by traditional banks because they represent too much investment for too little profitability. On average, Memo Bank's clients have an annual turnover of between €4 and €5 million and around 15 employees.
- The start-up, which does not disclose its turnover, employs 65 people. It is expected to raise further funds by 2024.
- Memo Bank currently claims 300 customers and is aiming for profitability in 2024 with several thousand customers.

CHALLENGES

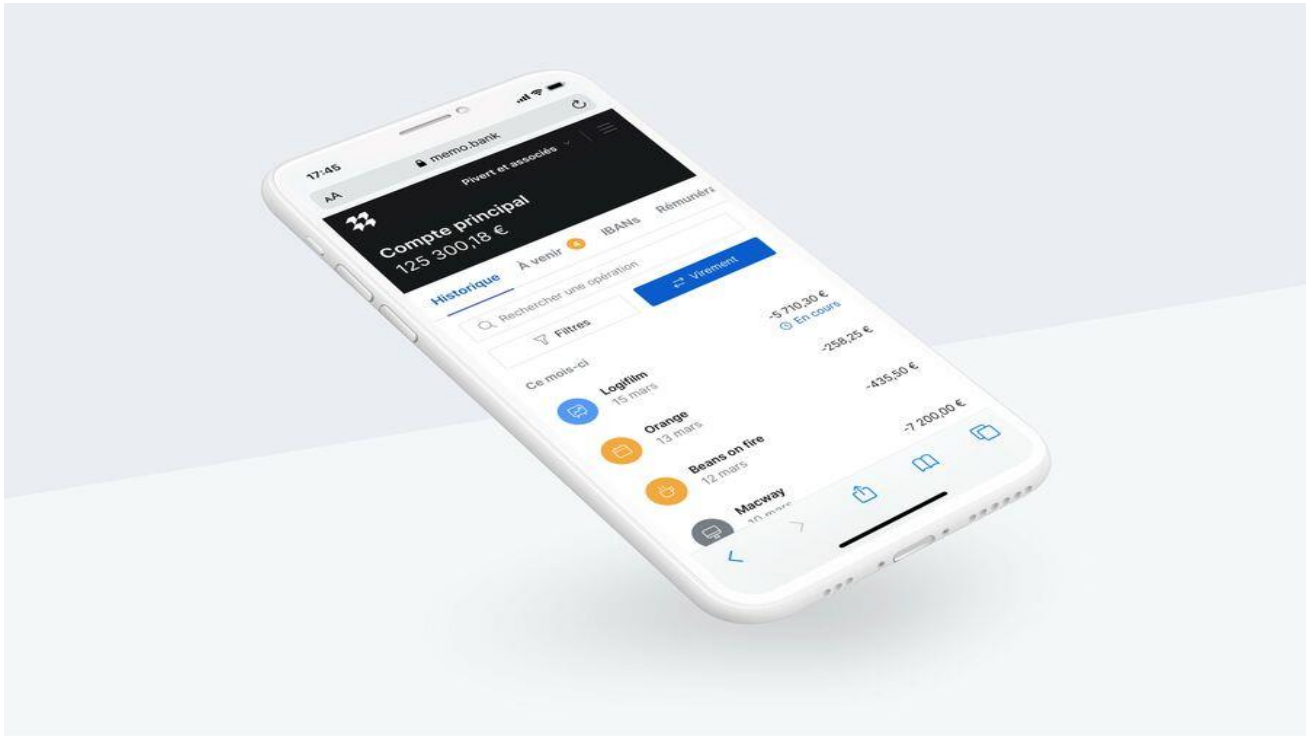
- **More responsiveness to its customers:** Memo Bank has developed an in-house Core Banking System, the IT architecture that forms the heart of the banking reactor, with a single watchword: greater speed and fluidity for its customers. Memo Bank is able to offer instant transfers and standard transfers in 45 minutes at any time, by being connected directly to a European Banking Authority clearing house, which also has the advantage of reducing costs by cutting out intermediaries.
- **Bankers on the ground:** The neo-bank that focuses on customer relations, with account managers available on the ground and remotely. For day-to-day operations, like all neobanks, Memo Bank relies on self-care. To make processes even more efficient, in August the start-up launched an API allowing SMEs to automate certain operations without having to go through the customer area.
- **European ambitions:** Its ambition is to become the leading European bank for SMEs, because today there is none. To achieve this goal, Memo Bank is expanding its range of banking services and bringing them up to the standard of what the technology players, but also the major traditional players, are capable of offering their customers. Recently, Memo Bank has enabled its customers to receive international transfers outside the SEPA zone, thanks to a partnership with JP Morgan.

MARKET PERSPECTIVE

- The corporate segment is increasingly being invested by banks, but also by fintechs.
- Whether it is with Qonto and its European ambitions that the neobank operated with the recent acquisition of the German pro bank Penta or Crédit Agricole is about to launch two new offers addressed to professionals (individual entrepreneurs and self-employed): Propulse by Crédit Agricole and LCL Essentiel Pro.

- In addition to traditional banking services, many operators are trying to attract this clientele by developing an offer relating to management services that can result from the provision of financial services. This is the case with Fintecture, Pennylane and Libeo.

Source : [Usine Digitale](#)



Feedback: Starling against the tide

At a time when fintechs are laying off staff, the neobank Starling has announced a massive hiring plan and the launch of new activities in the UK.

FACTS

- Starling Bank plans to hire up to 1,000 people when it opens its fourth UK office in Manchester.
 - The bank is recruiting for roles across the business, including software engineering, operations, data science, cyber security and customer service, with nine vacancies already online.
- In an email to selected customers, Starling asked for their views on "new products and services the bank is looking to offer", with a survey attached that contained five questions about mortgages.
 - Starling has been rapidly building a £2bn+ portfolio of specialist mortgages via its acquisitions of buy-to-let lender Fleet Mortgages in 2021 and the purchase of a portfolio of mortgages from Masthaven in 2022.
- Amongst new products this year-end, Starling has also announced a new programme to encourage its customers to create dedicated savings accounts for up to five different types of spending (a service launching in November 2021) and then create a virtual card for each which they can use to make payments online and in shops directly from the funds they have specially set aside.
 - The aim of this programme is to give customers greater visibility and control over their budgets by categorising them by type of expenditure.
- Finally, Starling also made two tariff announcements
 - The bank is preparing to remove the £2/month fee it previously charged on additional GBP personal accounts, joint accounts and business accounts.
 - It has also scrapped the £60 one-off fee it used to make to replace an overseas debit card, with this cost reducing to just £10 shortly.

CHALLENGES

- **Taking on the role of a responsible 'real bank':** Passing the profitability mark in December 2020, Starling Bank recently presented its annual results and confirmed that it has become a profitable business. This profitability is particularly important in the current period of declining investment, which is weighing on other market players. Starling's responsibility is also demonstrated through its ethical positioning when the bank announces that it refuses to advertise on Meta, as long as the group does not respect its obligations in the fight against online fraud, or when it decides, against the current trend, to block all card payments to crypto merchants and to restrict other outgoing and incoming bank transfers linked to cryptography
- **A singular positioning that demonstrates a very strong customer focus:** Many of the products Starling has launched always have a customer-focused foundation. Whether it is to facilitate bereavement, improve budget management for its customers, customise card limits or allow the sharing of bank cards to facilitate the management of expenses in dependent situations.

MARKET PERSPECTIVE

- Last July, the new bank, which has more than three million customers in the UK, cancelled its application for a licence in Ireland to provide banking services in the European Union. But the bank has not given up on expanding its activities. It will do so via its Banking-as-a-Service business, which allows

businesses to create their own financial products, such as savings or current accounts, integrated digital wallets, children's cards and debit cards... from Starling's banking platform.

Source : [Website](#)



Cryptos and CBDC

Mastercard begins its transformation into cryptocurrencies

Mastercard has launched a real offensive in the crypto world orchestrated by its vice president who recently published an op-ed entitled: "How to turn crypto currencies into an everyday payment method?". In this article and a series of recent articles and interviews, Mastercard unveils its ambitions in this area.

FACTS

- Digital assets such as crypto-currencies and CBDMs - central bank digital currencies - have the potential to transform the financial system and its infrastructure. In addition, NFTs, blockchain-enabled games, and experiences in the metaverse could change the way consumers shop and communicate.
- The Mastercard Global New Payment Index points out that a third of users worldwide have already made an investment in crypto assets.
- Considering this potential, Mastercard has decided to show strong support for this ecosystem and to launch numerous initiatives and partnerships to bring these possibilities to the fore.
- The card: The card is the first bridge between existing financial services and the crypto-currency ecosystem. Mastercard has already launched many crypto card programs around the world.
 - The Binance card: Instant conversion with assets that are stored in their Binance account into Fiat currency.
 - The Gemini card: pays the cardholder with crypto-currency incentives. In 3 weeks, 250,000 people have shown interest in the Gemini card.
 - The Hi card: customized card with a proprietary NFT.
- Crypto services: Mastercard provides cybersecurity, digital identification, consulting, and open-banking services. Last year, Mastercard acquired CipherTrace, a startup whose solutions track and study fraudulent behavior in crypto-currency transactions
- Payments: We have partnered with several leading crypto-currency companies - including Paxos, Circle, Evolve and Uphold - to develop solutions that allow users to quickly convert their crypto-currencies into fiat currency.
- Integrating crypto-currencies into Mastercard networks: An important way to expand the choices available to users is to integrate certain Mastercard-approved digital assets into our networks.
- Metaverse and NFT: Mastercard wants to democratize access to NFT and metaverse. The card provider has partnered with Coinbase to make an NFT purchase as simple as a traditional card purchase. Mastercard has also filed 15 trademark applications to protect us in these new decentralized environments.
- « 90 millions marchants accept Mastercard. »

CHALLENGES

- **Security, fluidity and protection of consumer data** are the three main principles that guide Mastercard in the development of these new payment methods, just as in the old world of payments.

- **Create a bridge between the virtual and real worlds.** Strengthen the credibility and encourage the use of these currencies. The Metaverse will be a copy of the real world in the sense that it will recreate interactions between merchants and consumers. It is on these interactions that Mastercard bases its legitimacy to engage today in these new worlds.
- **Adapting to a changing regulatory environment:** With the Travel rule, the TFR & Mica laws, the regulation of crypto assets is progressing. Mastercard has a head start on other players, as it is armed to respond to regulatory developments. Regulation is ultimately an opportunity, as it will allow more traditional and risk averse players to enter this type of business.

MARKET PERSPECTIVE

- For its part, the other payments giant, Visa, is also leading a campaign of innovation and partnerships to try to stay in the crypto asset race. In addition to partnerships with big names such as Blockchain.com on the card side. Visa has also particularly invested in the field of international transfers and the compatibility of MDBC digital currencies with fiat currencies.
- In response to international sanctions against Russia, the president has called for the creation of an international and independent payment network that could be based on blockchain technology. Russia's first bank, sber, is developing a blockchain platform and aims to integrate it with the Ethereum blockchain.

Source : [Press Release](#)



Ledger unveils Stax, a new cutting-edge storage key

At the Ledger Op3n event in Paris, French unicorn Ledger unveiled its Stax hardware wallet designed in partnership with American engineer Tony Fadell, one of the former Apple figures often referred to as the "father of the iPod".

FACTS

- It is the size of a credit card (85mm × 54mm × 6mm) unlike previous models, which were more like a USB stick, and weighs 45 grams.
- The digital asset security company has already found more than 6 million takers and is said to protect more than 20% of crypto assets worldwide.
- The launch price will be \$279 for the wallet, which will support more than 5,000 crypto currencies. Pre-sales are already underway, as it is possible to pre-order the product now.
- The estimated delivery date is March 2023.

[Video presentation](#)

CHALLENGES

- **Changing the design to improve functionality....** Ledger Stax: Its design is closer to a smartphone. It will be able to offer more navigation to the product's users, with a much larger screen than before which will considerably optimize navigation and asset management. Ledger Stax will allow for the display of more transaction information as well as the viewing of NFTs.
- **.... to democratize its use:** "We absolutely had to have a tool that truly accompanies users, allowing everyone, not just geeks, to take control of the security of their digital assets," commented Tony Fadell, designer of Ledger Stax, in a press release.
- Confirming Ledger's place within the crypto-currency industry as a leader and trendsetter in security keys.

MARKET PERSPECTIVE

- Sales of the Nano S plus or Nano X security keys have exploded, and the crisis of confidence in online platforms with the collapse of FTX in November has led several investors to turn to cold storage solutions.
- Indeed, the phrase "Not your keys, not your coins" seems to be the current buzzword with investors redirecting their attention to Ledger keys.
- Recently, the French nugget also launched its Crypto Life card in Europe. Offered in partnership with Baanx, it allows you to spend crypto-currencies and generate cashback.

Source: [Website](#)



PayPal and MetaMask join forces to make it easier to buy crypto

ConsenSys, the parent company of MetaMask, has announced the upcoming integration of the PayPal payment service on its crypto-currency wallet.

FACTS

- Mobile users with a digital wallet on MetaMask will be able to purchase Ether (ETH) through their PayPal account.
- MetaMask is one of the most popular online crypto wallets. It allows its users to store crypto assets and buy NFTs and pay online in web worlds³ and can be used as an authentication method.
- Using a PayPal account also reduces the time spent on KYC (Know Your Customer), a procedure used by financial services companies to verify the identity of their customers. From now on, a simple account creation on PayPal will be enough to make a purchase.
- This feature is only available to a limited number of American users but will soon be rolled out nationwide.
- An extension to other countries has not yet been announced by ConsenSys.

CHALLENGES

- **Fulfilling PayPal's crypto ambitions:** PayPal is no longer hiding its desire to enter the cryptocurrency market. After withdrawing from the Libra project, launched by Facebook in 2019, PayPal has continued to invest in projects related to decentralized finance, following the example of the purchase of the Israeli start-up Curv in 2021.
- **Bringing traditional and decentralized finance together:** With 430 million PayPal accounts worldwide, Metamask users will be able to fund their accounts easily through PayPal. Especially if these users already have Ethereum in their PayPal account. And this will generate revenue for PayPal, as the company charges a fee to buy crypto currencies. This is PayPal's first integration as a ramp provider for a web wallet³.

MARKET PERSPECTIVE

- Recently, a developer had found remnants of hidden code in PayPal's iPhone application, casting doubt on the creation of a PayPal coin. The collaboration with MetaMask marks PayPal's first integration as a cryptocurrency wallet provider.
- Payments giant Visa has announced that it will enter the field of programmable payments with a solution that allows its users to rely on smart contracts to pay bills later in a fully automated manner. Visa says it came up with the feature because of its Crypto Hackathon Challenge in 2022.

Source : [Website](#)



Cybersecurity & Fraud

MangoPay signs first purchase with Nethone

Bought in April by the American fund Advent, which is supposed to give it the means to achieve its ambitions, the fintech MangoPay has acquired the Polish solution Nethone, which specializes in the fight against fraud to meet the specific needs of marketplaces.

FACTS

- The Nethone solution operates from onboarding to payment.
- Powered by Machine Learning, Nethone's solution integrates behavioral data collection, hardware, software, network intelligence and behavioral biometrics.
- Nethone will continue to work with its fintech clients and financial institutions to:
 - Reduce account takeover (ATO), eliminating false accounts, fraud rates, chargebacks, and unauthorized transactions.
 - increase conversion rates and payment approval rates.
 - Reduce manual fraud audit work through automation.

CHALLENGES

- **A specific focus on mobile devices:** In a context where mobile transactions are increasing, Nethone's solution integrates the analysis of a wide range of parameters specific to smartphones and therefore allows to accurately identify fraudulent activities on these particularly sensitive devices.
- **Mangopay's acquisition of Nethone creates the first fraud prevention solution designed specifically for the needs of platforms and marketplaces:** marketplaces account for more than two-thirds of global e-commerce transactions, making them a prime target for fraudsters. It contributes to the enhancement of Mangopay's capabilities in pay-in and pay-out authentication and vendor integration through a strengthened "Know Your User" approach. The collaboration between Mangopay and Nethone is already enabling platforms to:
 - increase conversion rates thanks to the optimization of payment transaction scoring,
 - better management of 3DS2 exemptions and validation of identity checks.

MARKET PERSPECTIVE

- Mango Pay's development plans for 2023 include
 - the launch of a new website,
 - obtaining a banking license in the UK (required due to Brexit),
 - opening an office in the US
 - at least one new external growth operation, the process of which is currently well advanced.

KEY FIGURES MANGO PAY

- 12 billion euros of flows executed this year

- over 2,500 platforms and marketplaces
- Turnover > €80 million
- Ambitions to multiply it "by 5 to 10" over a four-year period.

Source : [Finextra](#)



Digital Identity & Biometric

Yes and Verimi join forces to improve identity verification

After the merger of IDNow and Ardiadnext, a new association will allow these two German solutions to concentrate their strengths. Identity verification (KYC) provider Verimi and open banking solution Yes have announced their merger.

FACTS

- In the future, the services of Yes and Verimi will be combined on a single platform to offer all services from a single source.
- The merger will bring together the services of Yes and Verimi and make it possible for 25 additional companies to work together, including Sparkassen, VR-Banken and Deutsche Bank.
- The German Federal Ministry of the Interior (BMI) has approved the digital ID wallet for access to public administration user accounts, stating that it would be compliant with the Money Laundering Act.
- The bundle will be based on self-sovereign identity (SSI) principles, with encryption and privacy practices by design.
- The upcoming wallet will store national ID cards, driver's licenses and other documents.
- The joint Verimi ID wallet offering is available on the web and as an application.

CHALLENGES

- **Extended reach in Germany:** Thanks to the combined reach of all shareholders, almost all German citizens will be able to use the joint offering in personal applications in everyday life. The three main partners from the banking sector alone, including Sparkassen, VR banks and Deutsche Bank, cover more than 50% of the German market with a total of over 50 million private customers. The now merged infrastructure of Verimi and Yes has already processed over 10 million transactions in 2022.
- **Enabling a new business model** that unites the interests of banks and companies for the benefit of their customers. With their digital wallet, users will be able to identify themselves more easily with acceptance partners in many sectors. This fluidity responds to an evolution of services that are increasingly digitalized, but also to an evolution of the business models of companies that work more and more in partnership within ecosystems, that share user data and must allow users to access their services in complete security.

MARKET PERSPECTIVE

- A recent survey by UK identity verification company Trulioo found that 57% of respondents said they were more tolerant of friction in the identity verification process. But 85% of respondents said that marketplaces that invest in identity verification show that they care about their customers.
- In addition, the European Commission is making progress on the European Digital Identity (eID). The Council adopted its common position on the European Digital Identity (eID) Regulation. The revised text aims to ensure universal access for individuals and businesses to secure and trusted electronic identification and authentication through a personal digital wallet on a mobile phone.

Source : [Presse release](#)



Deutsche Wirtschaft bündelt
die Kräfte für digitale Identitäten

NOBID consortium chosen for the payment component of the European digital identity wallet

NOBID, a multinational consortium of digital identity experts, initially of Nordic origin, has been selected to implement a cross-border payment pilot project within the European Commission's EU Digital Wallet. The integration of payment into the EUDIW seems to be a priority for the European authorities, in the same quest for sovereignty as the EPI project.

FACTS

- The Nordic and Baltic eID project will be launched under the auspices of the Nordic Council of Ministers. Created last September, it brings together four Nordic and Baltic countries (Iceland, Norway, Denmark and Lithuania), as well as Italy and Germany. NOBID's objective is to develop a pan-European payment interface that can be integrated into the European wallet project.
- The EU Digital Identity Wallet is a secure application that allows citizens across the continent to easily verify their identity, access public and private services and store sensitive digital documents in one place.
- The NOBID Consortium's proposal today focuses on the implementation of an interface that builds on the existing payment infrastructure to enable many use cases around payment within the wallet: instant transfers, account-to-account transfers, acceptance and payment transactions in shops and online.
- Technology partners of the consortium: Thales, iProov, Signicat, RB, Auðkenni, IPZS, Poste Italiane, Intesi Group, InfoCert, FBK and the Latvian National Radio and Television Centre.
- Banking and financial partners: DSGV in Germany, DNB and BankID in Norway, Nets in Denmark, Intesa Sanpaolo, PagoPA and ABILab in Italy and Greiðsluveitan in Iceland.
- Merchants testing the payment solution: Elkjøp in Norway and REWE Group in Germany.

CHALLENGES

- **Combining payment and digital identity functionalities to increase the impact of the European wallet.** Since the launch of this project, the European authorities have been very proactive in pushing forward the implementation of EUDIW, which, according to the initial schedule, should be operational by 2024. Demonstrations are already available and show the multiple use cases of this pan-European mobile application, designed natively to respect the data of its bearers, according to the standards being defined in eIDAS 2. The addition of payment further enhances the promise of the wallet.
- **Uncertainties about the payment infrastructure.** This project is strongly reminiscent of the EPI project, to which the consortium refers in its communication. In order to ensure interoperability and numerous use cases, the instant transfer will be supported by this pilot, in the same way as the card. However, NOBID wishes to rely on existing infrastructures and the absence of a successful pan-European payment solution could slow down implementation.

MARKET PERSPECTIVE

- After abandoning the card component in March 2022, the pan-European payment project EPI is giving itself another chance by focusing on SCTinst. The pan-European initiative competing with Visa and Mastercard is entering a new phase and is now investing in instant transfers.
- The number of instant transfers in France has doubled in one year to 5.6% of transfers. But this is still below the European average of over 12%.

- The European Commission is also highlighting the draft regulation presented at the end of October, which aims to oblige all banks in the European Union to offer an instant payment in euros at no extra cost compared to the traditional bank transfer, to increase its use.
- Nevertheless, the EUDIW project appears to be a parallel initiative, with the advantage of considering the uses linked to digital identity, which meets a crucial need for Europe, particularly in terms of sovereignty.

Source: [Presse release](#)



The Banque de France wants to revolutionize itself through innovation

The Banque de France has just designated three winners on the issue of authentication of credit institutions. This call was published in July 2022 and was led by the Banque de France's innovation laboratory "Le Lab".

FACTS

- Access keys are intended to replace passwords and allow users to log in on all types of devices and platforms.
- In July 2022, the Banque de France published a call for contributions related to the digital identity project. More generally, the subject revolved around the digitalization of "authentication of credit institutions".
- Of the twenty or so proposals received, three were accepted by the Banque de France:
 - A collaboration between IN Groupe (Imprimerie Nationale) and Orange to implement a distributed identity in Blockchain technology.
 - Qaxh.io, the result of work carried out within the BPCE group, which is based on the use of a Blockchain computer program to manage data exchange authorizations.
 - Archipels, a startup offering a decentralized identity platform on Blockchain.
- As a reminder, Archipels has set up a platform of trust services on the blockchain with four French trusted third-party issuers: Caisse des Dépôts, EDF, ENGIE and La Poste. Its purpose is to certify and verify documents, data tables or data.

CHALLENGES

- Exploring the use of digital identity: as part of the digitization of certain processes, the Banque de France hopes to use it as a simplification tool for its internal processes, but also for its partners.
- Valérie Fasquelle, DGA of the IS Directorate General, stated that "for the Banque de France, digital identity and its management are major challenges in terms of innovation and present opportunities for our business lines, including our work on central bank digital money".
- Accentuate the Banque de France's innovation policy: support their businesses in identifying opportunities and implementing innovative solutions.
- Inspire the European digital identity component: the Banque de France also stated that the tests could be used for "work on the central bank digital currency".

MARKET PERSPECTIVE

- As for the European EPI project, NOBID (an international consortium of digital identity experts from the Nordic countries) has been chosen to implement a cross-border payment pilot as part of the European Commission's European Digital Portfolio project. The inclusion of payments in EUDIW seems to be a priority for the European authorities in their quest for the same sovereignty as the EPI project.
- The Banque de France follows the Bank of Spain's initiative of December 2022. The Bank of Spain had launched a call for tender in the framework of the wholesale central bank digital currency (CBDN) project. The Bank of Spain expressed at the time that this initiative was not dependent on the ECB's ongoing work on the digital euro. That it wanted to explore the benefits of wholesale MNBCs, to compare these models with traditional ones to assess their advantages and disadvantages.

- South Korea also launched an initiative in the last quarter of 2022 on the topic of digital identity. The aim of the project is to create digital identity cards based on the blockchain. Local authorities no longer require a plastic card for identification. A simple smartphone is now sufficient to access the information contained in the old physical devices.

Source : [Presse release](#)



Green Banking

Visa partners with Plan A to help businesses calculate their carbon footprint

Visa will offer its clients the Plan A platform for calculating Scope 1, 2 and 3 emissions as part of its Fintech Partnership Connect programme.

FACTS

- Plan A is a Franco-German sustainability and ESG criteria mapping platform created in 2017.
- By automatically mapping all necessary data for Scope 1, 2 and 3 and combining it with emission factors, the software is able to create individual emission profiles and provide granular carbon and ESG information in tables across companies.
- Plan A's sustainability platform enables companies to drive their "Net Zero" trajectory and reduce their carbon emissions by at least 5% per year and up to 50% over 10 years.
- The partnership with Visa will accelerate Plan A's mission to measure and reduce 1 gigatonne of CO₂e per year.
- Under the terms of the partnership, Visa will provide Plan A's sustainability platform with a state-of-the-art SaaS solution as part of its Fintech Partner Connect programme.
- The scientific accuracy of the Corporate Carbon Footprint (CCF) methodology is certified by TÜV Rheinland, one of the world's leading verification bodies.
- Plan A's clients include N26, BNP Paribas, ApaxPartners, Albion Capital, Sorare, BMW, Trivago, Société Générale, Payhawk and the European Union.

CHALLENGES

- **Outsource and automate ESG activity:** With the high degree of automation of the sustainability journey within the Plan A platform, decarbonization and ESG reporting becomes highly scalable, time and cost efficient, and frictionless.
- **Hedging the financialization of environmental risk:** In the coming months, new regulations will turn climate risk into financial risk for companies. In July 2022, the Minister for Energy Transition signed a decree extending the scope of companies subject to BEGES (Assessment of greenhouse gas emissions) reporting. Failure to draw up or transmit the BEGES will be punishable by a fine of 10,000 euros, compared to 1,500 euros previously.

MARKET PERSPECTIVE

- After carbon calculators for individuals, carbon monitoring is attracting more and more players in fintech and elsewhere.
- A French start-up has also entered this niche. It is called Sami and deploys its climate expertise through its technological platform and individual support to more than 400 clients interested in measuring and reducing their CO₂ emissions. It announced a fundraising in an unusual format, bringing together 272 investors and no private equity funds.

- On another topic, Visa announced at the US-Africa Business Forum its commitment to invests \$1 billion in Africa over the next five years to advance resilient, innovative, and inclusive economies on the continent.

Source : [Presse release](#)

