



## Headlines

### BNPL - **Fragmented payments still in vogue**

- **JAPAN** – Smartpay launches open banking credit in Japan
- **UNITED STATES** – Klarna partners with Ingenico for in-store BNPL
- **UNITED STATES** – Worldline and Splitit reconcile BNPL and credit cards
- **INTERNATIONAL** – Allianz, Santander and Two to launch a BNPL offer dedicated to large accounts
- **FRANCE** – Lemonway and Hokodo partner to offer payment solutions to marketplaces

Although initiatives aimed at private individuals are less noticeable, in the current context, new offers insist on the digital and intelligent aspect of their offers, like SmartPay in Japan. The other axis that allows BNPL to pursue growth relays is in the physical world, in shops based on a card scheme or on dematerialised payment, on which more and more players are betting, and which has led Klarna to form a partnership with Ingenico for the distribution of its offer. There is also an emerging trend in the form of white label BNPL, whereby certain players targeting private individuals offer BNPL that can be directly integrated into their client's marketplaces. It is therefore in a B2B2C version that players such as Splitit, which is making a real breakthrough and has signed two major partnerships with Worldline and AliExpress. Finally, companies are still of great interest to players in this market, such as Two and Hokodo, who are also forging partnerships with banking players such as Santander or open banking with Lemonway to disseminate their offer on new markets.

### DIGITAL CURRENCIES - **Europe on the move?**

- **SPAIN** – The Bank of Spain approves the issuance of the first ever digital euros by MONEI
- **EUROPE** – Digital Euro aims to be a simple currency

Last September, the ECB announced that it had taken a major step forward in its digital euro project with the selection of five partners. Among them, a Spanish bank, Caixa Bank, which will have the task of testing P2P online payment uses using a digital euro prototype. In November, a group of 30 private Spanish banks including BBVA, Sabadell, Santander, ING and Deutsche Bank (but not Caixa), and payment services Iberpay and Bizum, set up a working group to assess the impact of the European Central Bank's implementation of a digital euro. This month, the Spanish Central Bank gives the green light to MONEI, a Spanish fintech, in partnership with BBVA and Caixa, to issue a "EURM" token, indexed to the Euro using Polygon and Ethereum blockchain technologies. The pilot project is expected to last up to 12 months, with reports produced to enable the central bank to decide whether to allow an official launch. And finally, the ECB, which invokes the importance of European sovereignty in monetary matters, is unveiling these days the broad outlines of its digital euro project, recalling the importance of banking intermediation and the inclusion of this currency, which would be different from other projects with programmable functions. The Eurogroup mentioned the possibility of developing an application that would allow the digital euro to be used in the same way as cash. This last option envisaged by the European Central Bank to implement the digital euro could compete directly with the pan-European EPI payment project.

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## A word on...

- **ITALY** – The Italian Parliament, composed of the Chamber of Deputies and the Senate of the Republic, has voted in favour of a bill whose aim is to **tax** any gain obtained on **crypto transactions** from the moment the profit exceeds 2,000 euros. The state will deduct 26% of the total amount earned. This rule is similar to the one adopted by Portugal in May 2022, which taxes at 28%. In France, investors are subject to a 30% flat-rate tax. As part of this new measure, Italy has also taken the time to define the term crypto. They will be seen as "a digital representation of value or rights, which can be transferred and stored electronically, using distributed ledger or similar technology". Under the law, cryptocurrency owners are entitled to an amnesty for undeclared gains made in previous years by paying a "substitute tax" of 3.5%, plus a fine of 0.5% for each additional year.
- **FRANCE** – **Parcus** and **Lyf** have joined forces to develop a post-payment service in Parcus car parks and to facilitate hourly parking with a completely dematerialised route. This innovative service allows hourly customers to pay for their parking without contact. Parcus is the first operator to implement this service. This new service is available in the following car parks in Strasbourg: Gutenberg - Austerlitz - Opéra Broglie - Coubertin - Centre historique Petite France - Europe Wacken - St Nicolas and Ste Odile in Obernai. All you have to do is register the number plate of your vehicle in the Lyf Pay application. The number plate is then recognised when entering the car park and payment is made automatically when leaving.
- **INTERNATIONAL** – **Flutterwave** (an African payment fintech) and a consortium of **Railsr** shareholders are in the running to buy the UK fintech, despite a difficult financial environment in the fintech world. Railsr specialises in integrated financial solutions such as bank, credit card and digital wallets. Railsr, formerly known as Railsbank, is analysing offers from potential buyers, including Flutterwave. The multi-billion-dollar fintech had also recently acquired German company Wirecard. According to SkyNews, the acquisition of the fintech would also involve a consortium of existing Railsr investors. Railsr had raised an interim funding round late last year to provide enough capital to complete the sale. Last fall, the company announced a \$46 million Series C financing round. As a reminder, Railsr has also raised over \$100 million in equity capital with the support of investors such as Visa. We can see that the fintech environment is becoming increasingly difficult where new players are struggling to get enough funding to stay independent and survive.

## Cards

### Welcome.Place launches a payment card for refugees in France with Visa

Financial inclusion– France – 06/01/2022

Enfuce, a Finnish fintech, has announced the launch of a pilot project with the charity neo-bank Welcome.Place. The aim is to distribute prepaid payment cards to refugees arriving in France, particularly from Ukraine, as part of the Welcome pack offered by the startup. A first in France for "first aid" cards.

#### FACTS

- Welcome.Place was created in 2022 as a community neo-bank to provide simple, comprehensive and easily accessible financial solutions to all newcomers to help them survive from their first days on French soil.
- NGOs can offer their community banking and financial solutions to newcomers thanks to the infrastructure of Welcome.Place and its partners.
- As part of a welcome kit for newcomers to France, refugees receive a preloaded prepaid Visa card to facilitate the purchase of various products and services during their first weeks in the country.
- Enfuce and its partner Epassi facilitate the issuance and physical distribution of the cards. Enfuce's technology solution also allows for remote and instantaneous definition of spending controls for each card (amount, types of purchases, types of shops, etc.).

#### CHALLENGES

- **Offering a solution to refugees from the Ukrainian war:** the pilot project is initially aimed at Ukrainian refugees who have arrived in France since the start of the war in Ukraine in February 2022. According to the UN, approximately 8 million people have fled Ukraine and 120,000 are currently in France registered in official national aid programmes.
- **Full-scale implementation beyond this pilot:** once the pilot is launched, a larger contract is expected to be awarded in 2023 to expand the card programme to serve more refugees and to integrate more NGOs and commercial partners into the card programme.
- **Facilitating and promoting the social and economic inclusion of newcomers to Europe:** the economic and social inclusion of newcomers and refugees usually takes 5 years. With the help of these partners, Welcome. Place believes it can reduce this integration time to only one year by simplifying access to services and first aid.

#### MARKET PERSPECTIVE

- Enfuce is one of the largest Finnish FinTechs, founded in 2016. Highly invested in CSR topics, it has been offering My Carbon Action since 2019, a solution that allows bank customers and merchants to find out the carbon footprint associated with their purchases and receive advice on how to improve their ecological footprint.

- Memo Bank has also chosen Enfuze as its card issuing service provider. Through this partnership, Memo Bank can offer its customers Visa Corporate deferred debit cards. At the launch of this partnership, JD Guyot, CEO of Memo, also emphasised the compatibility of the visions and values of the two companies.
- In the emigration segment, WayaPay, a Kenyan FinTech based in the United States, has just launched a neo-bank for African emigrants to the United States. In addition to offering money transfers to Africa, the start-up stands out for its wide range of financial services based entirely on its mobile wallet, which is accessible in Africa and the United States.

Source : [Presse release](#)



## Soldo provides prepaid cards for UK social services

Cards– United kingdom – 17/01/2022

Expense and expense management platform Soldo has won the tender to provide payment solutions for Crown Commercial Service (CCS) prepaid cards, enabling public sector entities such as local authorities in the UK to help people in need pay for goods and services using prepaid cards.

### FACTS

- The bank is one of the first in the UK to offer plastic recycling machines in its branches.
- Fintech Soldo has been added to the UK government's list of approved payment solutions.
- Soldo joins four other providers on the Crown Commercial Service (CCS) 'Batch 2 Prepaid Cards' list, including Allpay, Prepaid Financial Services, Sodexo Motivation Solutions and Blackhawk Network.
- Soldo's infrastructure is agile enough to be quickly adapted to the needs of local authorities.
- Prepaid cards can be used in a wide range of shops, both large and small.
- In addition, customers can top up the cards with funds as needed at no cost.
- Card features :
  - Acceptance network: Mastercard
  - Functionality restrictions: no contactless, no withdrawals, no online purchases, to minimise fraud
  - Possibility to set up the card for specific uses (daily limits, types of purchases or shops, etc.)
  - Possibility of reloading the card remotely if necessary

### CHALLENGES

- **Improving the monitoring of benefits:** With inflation and the rising cost of living, more and more people are relying on government agencies for financial support. However, the multitude of supports means that funds are spread thin, and tracking these expenditures can be a costly and manual process - consisting of bank transfers, cheques and other vouchers.
- **Responding to emergencies:** For citizens, this means that they can receive quick, easy-to-use and secure funds to buy food, services and transport for example, without having to wait for bank transfers or vouchers to arrive.

### MARKET PERSPECTIVE

- The British FinTech had already made a name for itself when it launched Soldo Care across Europe. This prepaid card is designed to pay out emergency aid to people affected by the Covid-19.
- MasterCard has already made a name for itself on the subject of financial inclusion by partnering with the fintech MoCafi in the context of the Crescent City Card programme of the city of New Orleans. This programme, which aims to simplify access to financial aid and to the city's urban and social services, also illustrates the capabilities of prepaid cards in terms of financial inclusion and the distribution of public aid.

Source : [Finextra](#)



## Revolut teases a new "Ultra" card

Daily banking – United kingdom – 26/01/2022

The neo-bank, which had largely focused its strategy on expanding its range of services in recent years, is now refocusing on the fundamentals of its banking offer with the launch of a new "top of the range" offer called Ultra.

### FACTS

- The bank is one of the first in the UK to offer plastic recycling machines in its branches.
- The new card has been announced for spring 2023 in the UK.
- Members wishing to join will have to register on a waiting list which has not yet been opened.
- The new offer will contain a range of benefits, including those focused on travel and investment, but also a cashback offer.
- Ultra was announced on Twitter by the group without providing further information.
- Revolut's paid-for offers are:
  - Plus (GBP 2.99 / month);
  - Premium (GBP 6.99 / month);
  - Metal (GBP 12.99/month).
- It is expected that "Ultra" will cost much more, probably around GBP 18 or 20.

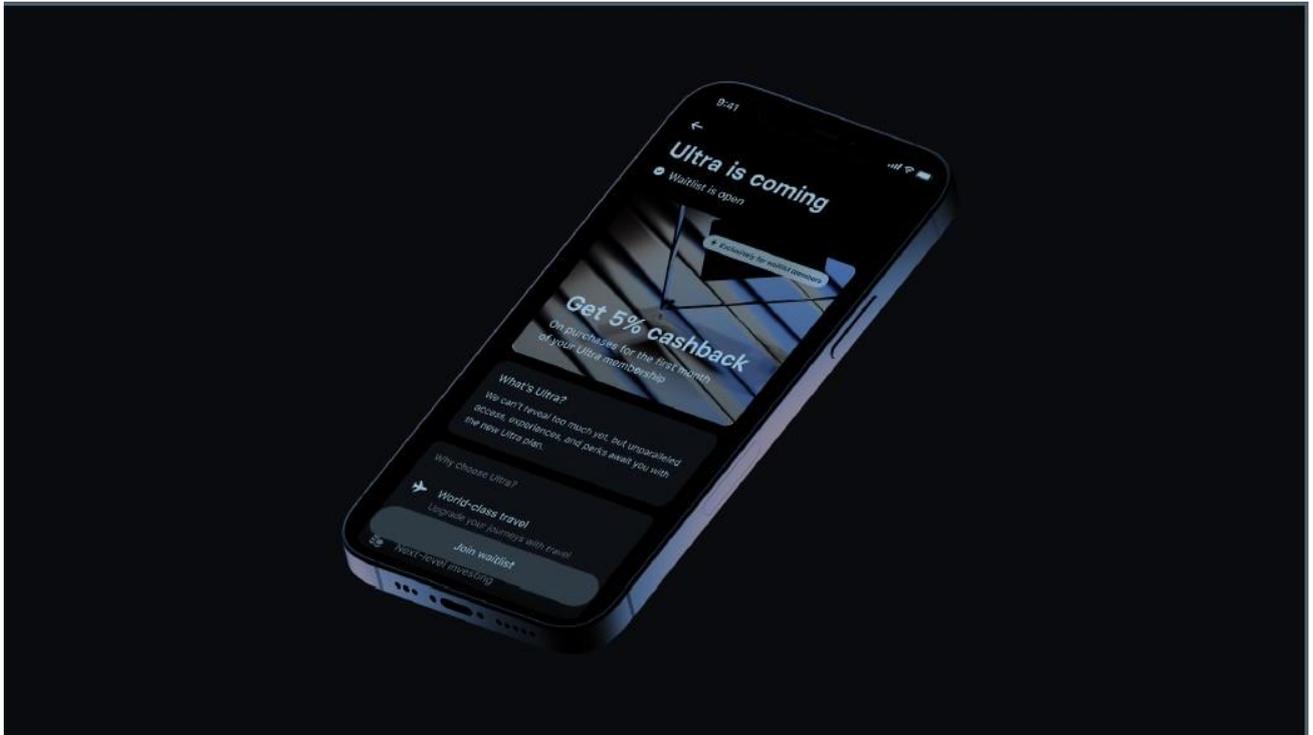
### CHALLENGES

- **Creating scarcity to create desire:** Revolut has promised a cashback offer of around 5% in the first month, for the first people on its waiting list.
- **Revolut's goal is to boost its card usage figures,** but also the average balances deposited in customers' accounts, who have largely shied away from investing in the stock market or cryptocurrencies since the market collapsed. While the period looks tense for the neobank, whose financial accounts are still awaiting publication of an audit in progress and which would condition the obtaining of a British license that would open the doors to new markets such as India, an important growth relay.

### MARKET PERSPECTIVE

- RevCoin has long been talked about since May 2022 without any details on its development. The neo-bank is postponing its launch, which is already a few weeks late. The company's spokesperson cites "difficult market conditions with contagion from the FTX collapse".
- In Spain, Revolut has launched a new personal loan service, and many users in the Spanish market can already access loans for transactions between €1,000 and €30,000 from the Revolut app. Although the interest rate will depend on each user profile, we know that it will be between 3.49% and 14.49% per annum fixed.
- In Ireland, the neo-bank launched its first split payment product in June. A new service will allow its users to spread their payments over three instalments, within a global credit limit of EUR 499.

Source : [Website](#)



## Mobile services

### Google launches new way to pay for families on Google Play

Security of payment means – International – 02/01/2023

Google now offers families an additional payment option that allows them to easily manage their children's purchases.

#### FACTS

- Google has added a new and easier way for families to securely purchase paid apps and in-app purchases.
- A family payment method can already be set up in Google Play, allowing parents to share a payment method with different family members.
- Google recently introduced another tool for families: purchase requests.
  - Now, when the family payment method is not active, children can still send a purchase request directly to the family manager.
  - Parents will then be able to evaluate the request and the relevant information on the app or the integrated purchase directly on his or her device and decide whether to make the purchase.
  - When they decide to purchase, they use their registered payment methods, including Google Play gift cards.
  - Parents receive real-time notification of purchase requests
  - It is also possible to queue up a request for approval to be decided later.

#### CHALLENGES

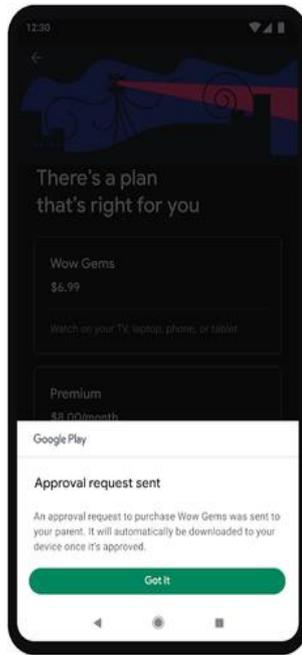
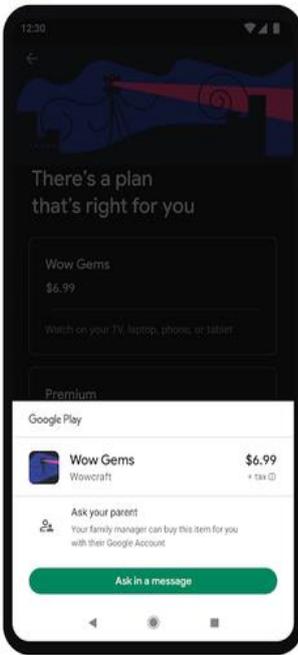
- **Facilitating intra-family payments:** especially for parents who are reluctant to share their banking information and payment methods. The alternative tries to reassure them with a kind of delegation: members of their group do not have direct access to payment instruments.
- **Creating a common payment ecosystem:** this new feature shows a new possibility to pay in a smooth and transparent way. This idea extends to the family ecosystem, but could be extended to a wider target, companies, groups of people, ....

#### MARKET PERSPECTIVE

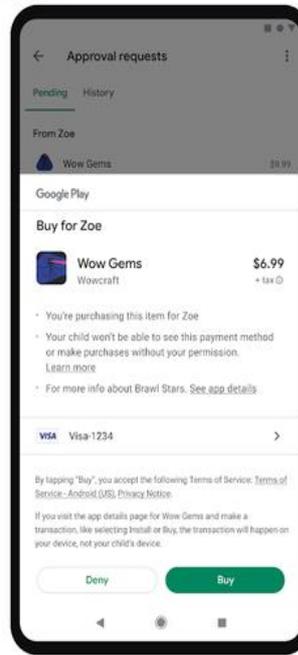
- The concept of sharing in a paperless way is evolving in several ecosystems. Apple recently introduced an NFC digital key sharing feature (car key, house key in its wallet). This feature could also give Apple ideas to share cards stored in Apple Pay. The sharing of dematerialised objects is becoming an increasingly popular trend, and BMW has also enabled the sharing of digital keys.
- As for Google, the company recently expanded its partnership with Renault. The French car manufacturer and the Mountain View company have joined forces to develop a software-defined vehicle platform to optimise the user experience with data (the Software Defined Vehicle: SDV). This partnership between Google and Renault based on SDV logic opens the door to tailor-made car insurance thanks to the analysis of vehicle data in real time.

Source : [Website](#)

 Child request purchase



 Parent approve & buy



## PIX change its capping rules

Instant Payment– Brazil – 04/01/2022

New rules for Pix transaction limits start to apply from the beginning of 2023. With these changes, transactions in the instant payment system CB (Central Bank) will no longer have a limit value for each transaction.

### FACTS

- It will now be possible for a customer to transfer the entire daily limit available on their account in one transfer.
- There will also be no limit on transfers to accounts of legal entities, such as companies, which will now be determined according to the rules of each financial institution.
- Another change concerns the limit on overnight transfers. Users will be able to choose whether they want the period that defines the value of night-time transactions to start only after 10pm, rather than after 8pm, as is currently the case.
- Other new rules refer to the tool's withdrawal and exchange functionality. Currently, it is only possible to withdraw R\$500 via Pix during the day and R\$100 at night. From 2023, the limits will increase to R\$3,000 and R\$1,000 (=176.70 euros) respectively.

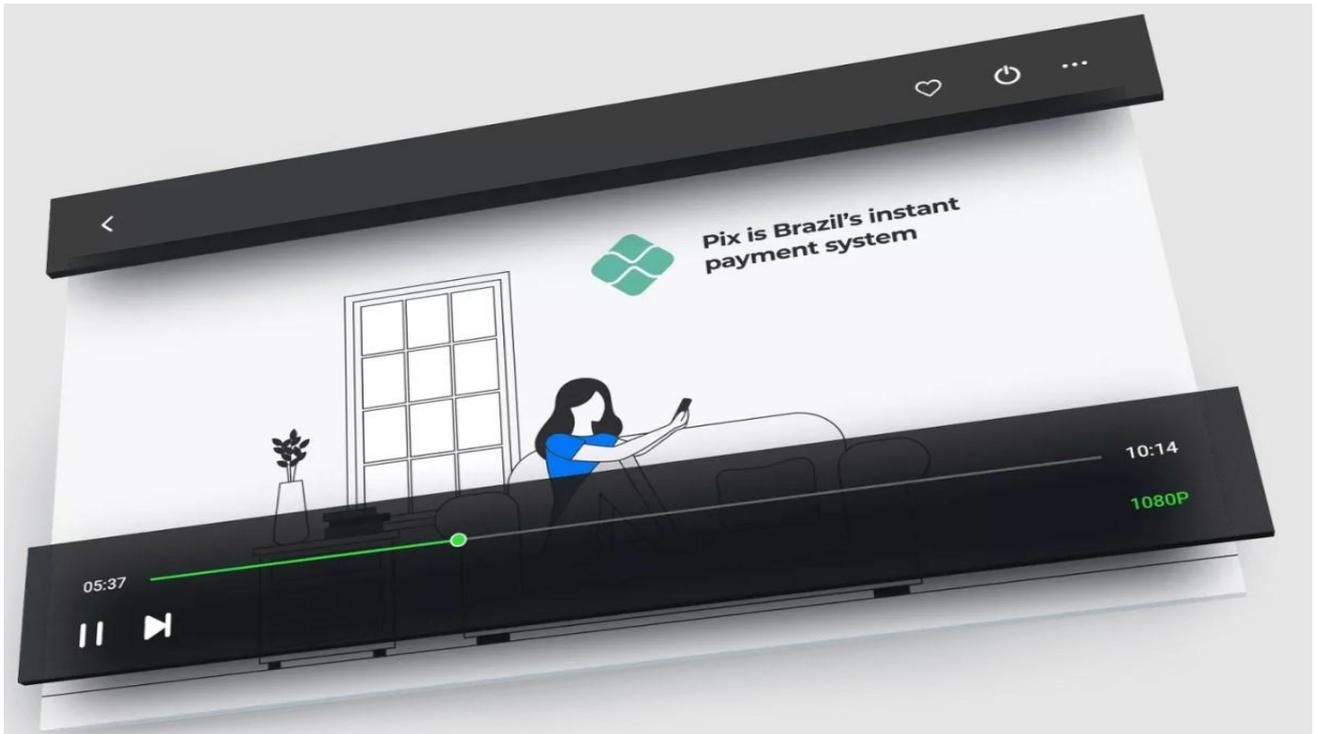
### CHALLENGES

- **Simplifying the customer experience:** This change aims to simplify the rules of the instant payment system and optimise the Pix user experience, while maintaining the level of security. It should also be noted that transaction limits for legal entities will be at the discretion of each bank.
- **Expanding the possibilities of the payment system:** The Brazilian Central Bank has also promoted regulatory changes to facilitate the transfer of money between banks, as is already the case; the payment of lottery winnings or the payment of salaries, pensions and annuities by the Treasury Department

### MARKET PERSPECTIVE

- On 20 December, Pix broke a record for the number of transactions in a single day, crossing the 100 million mark for the first time. In total, users of the system completed 104.1 million transactions on the day of the final 13th payout.
- Pix finished two years last November, with a guaranteed participation in the routine of 60% of Brazilians (127.8 million). Since its launch, BC Tool has already carried out more than 26 billion transactions, for a total of about R\$13 billion.
- Pix is already accepted by 81.4% of Brazilian e-commerce, while Boletto is in the routine of 75.8% of sellers. Payment by credit card is possible with all providers.

Source : [Website](#)



## Major US banks join forces to counter Apple Pay

Payment – United states – 27/01/2022

Wells Fargo, Bank of America, JPMorgan Chase and four other US banks are working on a new product that will allow shoppers to pay at merchants' online checkouts with a wallet that will be linked to their debit and credit cards.

### FACTS

- The digital wallet will be managed by Early Warning Services LLC, the bank-owned company that operates the Zelle money transfer service. The wallet, which does not yet have a name, will operate separately from Zelle, EWS said.
- The app will support Visa and Mastercard at launch, with Discover and other card networks approached to determine their interest.
- Details of the customer experience have not yet been finalised, but there are said to be a few hassles such as the requirement to enter one's email address to log into the service.
- Upon payment, the merchant would ping EWS, which would connect to the consumer's bank to verify the card loaded on the wallet. Consumers would then choose which card to use or opt out.
- The new application is expected to be launched in the second half of the year.

### CHALLENGES

- **Countering the competition:** Since the launch of its new financial products such as savings and fractional payments, Apple is increasingly seen as a threat by other banks. This seems to be a long time coming, given the growth of services such as Paypal and Apple Pay, which are now ranked as the most popular payment tools for consumers.
- **Moving away from Zelle:** The option of using Zelle has reportedly been dropped following accusations of scams and fraud on the peer-to-peer payment network. Senator Elizabeth Warren, a Democrat, called the peer-to-peer payment network "dangerous", claiming that Zelle users were defrauded of \$500 million last year.
- **Hypothetical success:** It simply takes a long time for a new service to catch on. In particular, it takes a great customer experience (which has to be better than the competition, not just similar) and a compelling value proposition for merchants to create the two-way network effects in payments to achieve scale.

### MARKET PERSPECTIVE

- The payment system is used by over 507 million users worldwide (Statista 2020 figures) and over 48% of iPhone users have access to it. In the US, Apple Pay accounts for no less than 90% of contactless payments.
- According to Bloomberg, between the beginning of 2020 and the end of 2022, the Platform Solutions division of Platform Solutions, which caters to the public and includes the Apple Card business, will have accumulated losses that could amount to 4 billion dollars. The Apple Card could be responsible for \$3 billion in losses for the bank. Goldman Sachs had the ambition to reach profitability with this division as early as 2022, but the objective has been pushed back to 2025.

Source : [The Verge](#)



## B2B Payments

### Worldline and Splitit reconcile BNPL and credit cards

Fragmented Payments– International – 03/01/2022

Worldline and fractional payment service provider Splitit have partnered to develop a card-based staggered payment solution for Worldline's network in North America.

#### FACTS

- Worldline plans to integrate Splitit into its North American processing platform and enable Splitit APIs through its front-end to provide its merchants with a seamless way to adopt card payments.
- Splitit's white-label platform offers one-click payments integrated into the merchant's existing payment flow.
- Instead of issuing new consumer loans, Splitit unlocks existing consumer credit on payment cards for 0% interest, installment payments.
- No interest is payable to Splitit. The cardholder may be required to pay interest to the payment card issuer if instalments are not paid in full by the due date.

#### CHALLENGES

- **Simplify the onboarding process:** Any consumer with available credit on their credit card is automatically pre-qualified to use Splitit for the value of that available credit. There is no registration, redirection or credit checks.
- **Offering a white label service:** The "experience" reduces the clutter and confusion of multiple payment logos at checkout, ensuring brand consistency while promoting loyalty to the installment plan.

#### MARKET PERSPECTIVE

- White label BNPL solutions offer retailers alternative third party BNPL buttons by allowing them to create their own branded services. They have proven popular with retailers looking to integrate BNPL in-house, as evidenced by Tymit's recent Series A funding round.
- Last year, Deutsch Bank announced a partnership with FinTech Credi2 to develop a white label BNPL offering for German e-commerce merchants and marketplaces.
- Meanwhile, Barclays U.S. Consumer Bank has partnered with Amount to tap into the growing market for point-of-sale installment financing options with a white-label solution for in-store purchases.

Source : [Presse release](#)



## Feedback: Pennylane grows strongly with its all-in-one platform

Actor's strategy– France – 10/01/2022

It was a record year for Pennylane, as the number of active clients on the all-in-one management and accounting platform shared with VSEs and their accountancy firms increased by 1200%. A brilliant growth, which is mainly due to the cooperation with partner accounting firms.

### FACTS

- Pennylane is a global SaaS financial management platform available on all web browsers and has a mobile application (Android and iOS).
- Pennylane allows you to manage all your accounting by centralising all your cash flows thanks to an integration with banks, payroll software, expense reports, cash register software or e-commerce platforms such as Shopify. It allows you to centralise quotes, invoices, invoice tracking, cash receipts, purchase receipts and cash flow
- Pennylane is aimed at entrepreneurs, startups, VSEs, SMEs and their accountants. It has just passed the mark of 40,000 companies equipped and active on its platforms. It began 2022 with 3411 companies. It has multiplied the number of clients by 12 (an increase of 1200%).
- 5205 accountants from about 1000 firms have an active user account with Pennylane:
  - That's just under 10% of all accountancy firms.
  - And six times more than at the beginning of the year.
- Pennylane is a platform used in all regions, not only in Paris or in some big cities:
  - 20% of companies using Pennylane connect every day
  - and 50% at least once a week.

### CHALLENGES

- **Continuing to win over accountants as a real growth driver:** accountants are increasingly adopting Pennylane in their practices, seeing an increase in productivity gains, client and employee satisfaction. Accountants are like family doctors to entrepreneurs and no one is better placed to help small and medium-sized French businesses digitise their management and accounting.
- **A real market potential:** Pennylane provides its solution to only 1.5% of French companies. With the market moving more and more towards the digitalisation of business tools. Pennylane still has a real growth potential that the company intends to pursue in 2023.
- **Cross-selling to its "pro account" to offer a 360° vision in real time:** Pennylane plans to rely on its network of accountants to highlight the productivity gains of its all-in-one solution. The integration of its "pro account" allowing a 360° view of a company's cash flow. Pennylane manages both the issuing and receiving of payments, which allows it to provide a real-time overview of the company's cash flow and adjust cost policies in real time as well.

### 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.

- Pennylane, which started operations in 2020, has received €84 million from Partech, Global Founders Capital and Sequoia funds (of which €50 million in March 2022). Since its creation, it has raised funds every six months. In addition, one of the most influential American tech funds in Silicon Valley, Sequoia Capital (Google, Apple, Cisco, Square, Zoom, Airbnb, etc.), has already invested around 15 million in the capital of the young company in 2021.
- In September 2022, Pennylane launched its "Pro Account", positioning itself against fintechs such as Qonto, Shine, etc. The solution has already conquered more than 1,000 customers, it allows to:
  - Connect to a single platform to manage both expenses and accounting.
  - Order physical or virtual Mastercard payment cards that are "100% customisable" (budget, periodicity, types of expenses): The startup has partnered with Swan, an ACPR-approved electronic payment institution.
  - Scanning expense receipts directly into Pennylane, the system will automatically create the accounting reconciliation.
- In October 2022, PayFit and Pennylane joined forces to enable businesses to streamline exchanges with accountants through process automation. The cloud-based payroll and HR management software (SaaS) leverages Pennylane's expertise to increase productivity by automating the posting of payroll entries to accounting entries.

Source: [LinkedIn](#)



## BNP Paribas chooses Libeo for invoice digitization

Billing – France – 18/01/2022

After two years of preparatory work in collaboration with the bank, Libeo has won a major partnership with BNP Paribas. The fintech specialising in the management and payment of corporate invoices has just been selected as a partner by BNP Paribas for its electronic invoice solution.

### FACTS

- BNP Paribas and the start-up Libeo announced on Tuesday a partnership to allow the bank's corporate clients to benefit from Libeo's services for the management of their electronic invoices.
- This partnership will concern all the clients of BNP Paribas' cash management entity. SMEs and ETIs are primarily concerned. BNP Paribas should recommend Libeo's solution to its customers with a turnover of more than 5 million euros.
- The aim is to be able to receive, manage and pay electronic invoices within a centralised platform. BNP Paribas' instant payment API is also added to Libeo to facilitate payments.
- The two partners are also communicating on the practical and legal aspects of compliance for businesses, notably through webinars.
- Watch the video

### CHALLENGES

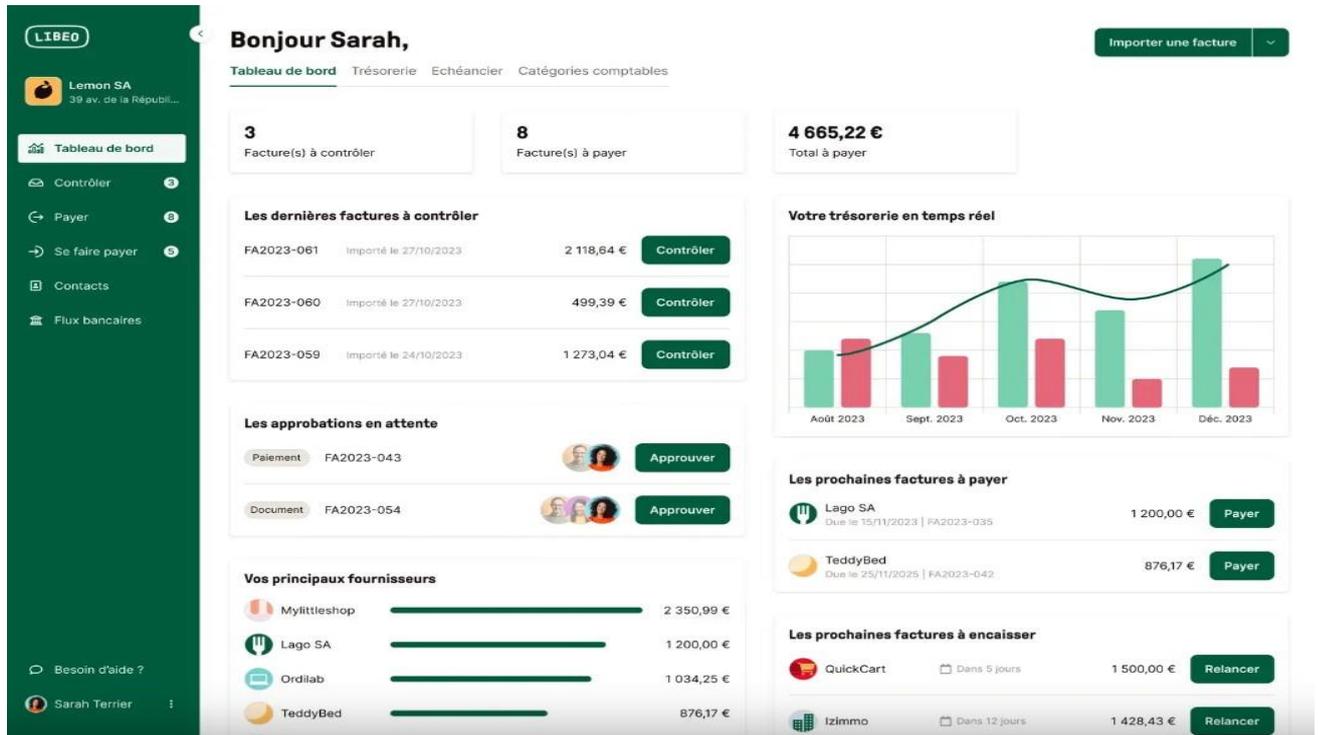
- **Meeting the compliance deadlines:** The roll-out of the e-invoicing obligation will be gradual, taking into account the size of companies. Electronic invoicing will apply :
  - as of 1 July 2024, for incoming payments to all taxable persons and, for outgoing payments, to large companies,
  - from 1 January 2025, for medium-sized companies,
  - from 1 January 2026, to small and medium-sized enterprises and microenterprises.
  - The roll-out of the obligation to transmit data to the administration will follow the same schedule.
- **Distinguish between electronic invoices and dematerialised invoices:** It should be noted that electronic invoices, in the sense of this reform, are not simply dematerialised invoices. It follows a very specific format, which is standardised and requires transit through a portal certified by the State.
- **A reform aimed at interoperability:** There will no longer be any direct transmission between customers and suppliers. Instead of a single portal, the tax authorities will subcontract the management of the platforms to operators who will have to obtain registration, known as PDPs (Platforms for Dematerialisation Partners), or to management software (ERP, accounting, etc.) offering unregistered dematerialisation services, known as ODs (Dematerialisation Operators), in accordance with a scheme for the transmission of invoices and data known as the "Y scheme".

### MARKET PERSPECTIVE

- Libeo plans to be registered by the tax authorities (DGFIP) as a PDP, i.e. a trusted third party meeting the regulatory requirements.

- For the moment, no player has yet obtained certification, with the first registrations expected at the end of 2023. Its alliance with Docaposte last September, a subsidiary of La Poste specialising in "digital trust" services (electronic signature, digital identity, secure data storage, etc.), should give Libeo a competitive advantage.

Source: [Presse release](#)



## Splitit to power AliExpress' fractional payment offering in Europe

Fragmented Payments – Europe – 23/01/2022

White label fragmented payment solution Splitit has announced a partnership with Alipay to offer a 'pay after delivery' option to shoppers on AliExpress, the e-commerce marketplace of the Alibaba Group.

### FACTS

- The agreement leverages Splitit's Installment-as-a-Service platform to create a personalized experience integrated with the AliExpress payment flow.
- Splitit's flexible technology platform, combined with Checkout.com's payment acquiring capabilities, allows AliExpress shoppers to pay after delivery with their existing credit card.
- The service will initially launch in Germany, France and Spain, with plans to expand into other international markets.
- The company is a certified partner of VISA and MasterCard, as well as Stripe, Magento and Shopify.

### CHALLENGES

- **A credit card-based BNPL offer:** In a B2B2C approach, Splitit allows customers to pay in instalments using their existing credit on their payment card. Instead of issuing new consumer loans, Splitit releases existing consumer credit on payment cards for 0% interest. Any consumer with available credit on their credit card is automatically pre-qualified to use Splitit for the value of that available credit.
- **Provide customers with a merchant brand experience:** Splitit's white label platform offers one-click payments integrated into the merchant's existing payment flow. The merchant brand experience, provided jointly by Splitit and Worldline, reduces the clutter and confusion of multiple payment logos at checkout, ensuring brand consistency while promoting loyalty and repeat purchases.

### MARKET PERSPECTIVE

- Last November, Splitit announced a partnership with Checkout.com. Under the terms of the partnership, Splitit, leverages Checkout.com's payment acquisition capabilities to offer its new Payments-as-a-Service service. This service will also be offered to merchants using the UK marketplace.
- Splitit has also announced a partnership with leading international payment processor Worldline, which will distribute the white-label instalment solution within its US payment processing platform.

Source: [Presse release](#)



# Directed payment

## Moneytrack raises a further €2 million

Health / Directed payments – International – 16/01/2022

Moneytrack has developed a platform for organising transactions based on expenditure rules, using smart contracts. Operating on a blockchain, its system makes it possible to organise the advance payment of healthcare costs when third-party payment does not exist. It has just raised funds from a social protection group to continue its international development.

### FACTS

- The start-up's network covers a thousand osteopaths in France and 500 health professionals in Europe.
- In addition to the French "alternative medicine" market, Moneytrack is also targeting the market of workers living abroad, which represents 3 million French people spending an average of 1,500 euros per year on city medicine.
- Moneytrack's application works as follows: it is deployed through a network of partner health professionals. At the end of a consultation, the patient scans the practitioner's QR code on the application of his or her mutual insurance company (which must be a partner of the start-up) to generate the payment. Moneytrack pays the health professional directly from an escrow account supplied by the insurer.
- Its tool has been integrated into some fifteen complementary organisations, such as MGEN and SwissLife (via its subsidiary Owello), as well as various managers such as Assia (ex-Cimut) and Viamedis.
- Moneytrack had already raised €5.4 million: it has now obtained an additional €2 million in pre-series A financing from its two historical shareholders: the Truffle Capital fund (recently spun off from Particeep) and the social protection group AG2R La Mondiale, via its ALM Innovation fund. The investment fund Accurafy4 has also become a shareholder.

### CHALLENGES

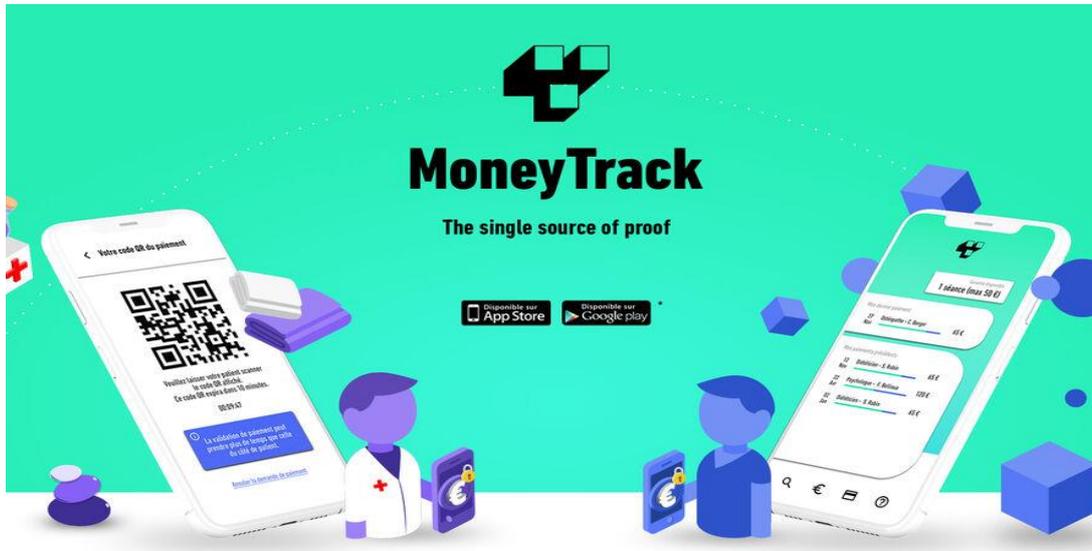
- **A profitable business model:** The rights and authors of the transaction are verified during the process. According to the company, this system reduces the cost of settling an invoice from 5 to 6 euros for the insurer to 2 euros. The start-up is paid by the invoice and records 1.5 million euros in annual recurring revenue. The start-up's network covers around 1,000 osteopaths in France and 500 health professionals in Europe.
- **Accelerate its deployment:** The new funds should enable Moneytrack to accelerate the rollout of its offer internationally as well. An initial trial was recently launched in Spain and Portugal for SwissLife policyholders, but the fintech also plans to launch in Germany, Belgium, Italy, the Netherlands and the United Kingdom.

### MARKET PERSPECTIVE

- In the longer term, Moneytrack is thinking of exploiting the "directed payments" seam to diversify. For example, by opening a vertical for local authority subsidies for soft mobility, which would allow a sort of third-party payment to be applied to the purchase of an electric bike instead of presenting the bill and then taking advantage of the bonus.

- Prepaid cards are another example of a tool that is increasingly being used to address issues of care, food or accommodation expenditure in social welfare contexts. They have the advantage of being more agile and simple to set up than directed payment systems. The fintech Soldo has just won a tender to equip the British public sector.

Source : [Website](#)



(\*) MoneyTrack disponible sur App Store et Google Play

## BNPL, fragmented payments

### Save Now Buy Later (SNBL) wants to reinvent destination savings

Fragmented Payments – International – 6/01/2022

This year, a new concept, born in India, is beginning to emerge: Save Now Buy Later (SNBL). In contrast to the immediate and impulsive buying behaviour encouraged by the BNPL, the SNBL solution offers benefits to consumers, but also to financial institutions, through its loyalty-building power. Starting out as a marketing concept designed to capitalise on the opposition to the BNPL, the SNBL also responds to a fundamental trend around the need to reinvest in savings and is now being emulated.

#### FACTS

- The basic principle is to offer consumers the opportunity to save for a purchase goal. While waiting for the purchase, the money is invested and placed, so that this model pays off for the user if they agree to defer their purchase over time.
- The pioneer of this system is Multipl, a startup founded in Bangalore in 2020. In India, where the average salary is still less than \$200, the fintech has found an alternative to credit for the expenses of people who do not have immediate purchasing power.
- Multipl's model is to create partnerships with brands, allowing consumers to receive discounts (around 10%) when they save. Multipl invests this money over time in financial instruments using a robo-advisor.
- The startup raised \$3 million in May 2022. The platform has around 60 partner brands, including Decathlon, for which it acts as a marketplace, just as Klarna does in the BNPL world.
- Multipl is paid on an affiliate model, the service being free for the consumer.

#### CHALLENGES

- **A well-defined core target, financial inclusion and young people:** the fintech ecosystem in India is highly developed; the dynamic is mainly based on the financial inclusion needs of the population. These startups also offer solutions to young people who are unable or unwilling to take credit.
- **A new acquisition channel for retailers:** for brands, it is a new purchasing channel and a way to build consumer loyalty before they even decide to buy a product. A sort of reverse loyalty programme. The final price of the product is guaranteed and the money can be returned at any time if no purchase is made.
- **A real alternative to turn the regulatory threat of BNPL into a real opportunity:** in the context of rising interest rates and inflation, weighing on household budgets and solvency, alternatives are developing as BNPL regulation is tightening. At least in Europe, where the revised Consumer Credit Directive is expected to be approved in early 2023. In this context, SNBL represents an attractive alternative for profiles weakened by the crisis.

#### MARKET PERSPECTIVE

- Since the launch of Multipl, several players have entered this market. Such as Accrue Savings, founded in 2021 in the United States, the Indian startups Hubble Money and Tortoise, or the Austrian neo-bank Monkee (notably a partner of Booking.com and eBay).

- Finfi has also added a "Save now, buy later" feature to its platform for financial well-being. With this new purchase-linked savings scheme, users can save money in an account maintained by the Reserve Bank of India (RBI) and get a discount on the product once they have accumulated enough money to purchase it. The solution is connected to Finfi's payroll platform. With this employer-sponsored product, employees have access to short-term financing solutions that use their earned but not yet collected salary.
- In a related development, the UK neo-bank Starling Bank also recently announced the launch of a new destination savings feature. It allows its customers to save for specific purchases and then allocate them the ability to issue virtual cards for each type of purchase.

Source : [Website](#)



## Allianz, Santander and Two join forces to launch a BNPL offer dedicated to large accounts

Fragmented Payments – International – 10/01/2022

After merchants and small businesses, large companies are this time the target of the new fractional payment offer created by the credit insurance subsidiary of the German insurer Allianz, the Spanish bank Santander and the Norwegian fintech Two.

### FACTS

- The three companies have signed a global partnership to create a fractional payment solution that helps expand online business to business for large companies operating in multiple countries.
- Businesses will be able to spread out their payments, while the multinational will be able to collect immediately without having to worry about non-payment. Sellers will also benefit from multi-currency support on a global scale.
- Distribution of roles:
  - Allianz Trade instantly evaluates loan requests via its API, using a vast and detailed database containing commercial, financial and strategic information on over 80 million companies worldwide.
  - This allows Santander CIB to make an instant decision on whether to grant funding.
  - The entire payment process is optimised and configured with BNPL technology from startup Two.

### CHALLENGES

- **A shift from BNPL players to BtoB:** While BNPL players such as Klarna initially rushed to the consumer market, more and more of them are interested in the BtoB segment, estimated at \$700 billion according to Bloomberg. The amounts are much higher and BtoB e-commerce is estimated to be 6 times larger than e-commerce aimed at individuals.
- **Expanding payment options:** In the BtoB world today, to pay on the Internet, professionals have only one means of payment, the credit card. The solution devised by Santander and Allianz offers companies an alternative to these manual operations and also allows companies to maintain their payment habits (within 30 to 60 days of issuing invoices) in an environment where e-commerce is an essential differentiating factor for sellers.

### MARKET PERSPECTIVE

- Allianz Trade had developed national partnerships in France, with Pledg, Italy, Germany and the UK and with Two already last year to offer a dedicated BNPL solution for SMEs in the UK.
- The new BtoB deferred payment solution allows Santander to cover the full range of BNPL products in addition to Zinia, Santander's BtoC (Digital Consumer Bank) deferred payment solution which has been successfully deployed in Germany and the Netherlands over the past year.

Source :



## Smartpay launches open banking credit in Japan

Fragmented Payments – Japan – 11/01/2022

Japanese fintech Smartpay has launched a new service that will allow customers to pay for goods online in instalments, directly from their bank account. The company is at the confluence of buy-now-pay-later (BNPL) and account-to-account (A2A) transactions - two of the biggest areas of interest in the payments industry.

### FACTS

- Smartpay was founded in June 2021 by seasoned industry professionals who had previously held leadership positions at Instagram, Standard Chartered Bank, Facebook, Stripe, Adyen and Mastercard in the Asia Pacific and MENA regions.
- The fintech uses open banking to connect consumers through a network of over 67 partner banks across Japan.
- Smartpay targets middle and high income customers. These are low-risk, high-value customers with an average transaction value of USD 200, non-performing loan (NPL) rates of less than 1% and who want to avoid a poor credit rating and non-payment of debt instruments.
- The fintech is currently focusing on Japan, where over 60% of transactions are currently paid in cash, Saudi Arabia and the United Arab Emirates. In the medium term, Smartpay intends to expand to Singapore, South Korea and Taiwan, as well as other markets in South East Asia and the MENA region.

### CHALLENGES

- **The company's strategy was 'built in two phases':**
  - The first phase focused on financial inclusion and helping those without access to credit to join the BNPL digital economy.
  - Smartpay is entering the next phase of its digital consumer credit journey, which aims to target middle- and high-income users and offer them smart financial solutions that are safe, convenient, fast and create real value for its customers. To achieve this, the two strengths of the application are:
    - The adaptive UX, which defies market standards.
    - The eKYC solution will secure higher value customers.

### MARKET PERSPECTIVE

- Smartpay is backed by Global Founders Capital (Europe), Matrix Partners (Silicon Valley) and SMBC VC (Japan) as it prepares for global expansion with its open banking powered solution.
- The fintech is currently focused on Japan, where over 60% of transactions are currently paid in cash, Saudi Arabia and the United Arab Emirates.
- These markets all share the five common factors that are at the heart of Smartpay's business model:
  - Specific consumer profile with an appetite for technology, access to smartphones and the internet and high disposable income,
  - A digitally transformed economy,
  - Merchants who need help to accelerate a successful digital transformation,

- Traditional banks that have been disrupted by digital solutions that have made them irrelevant and limited access to key consumer data,
  - Governments and regulators who want to work with established digital financial solutions that have existing global partnerships (evidence of quality and security) and credible local partners (evidence of local interests).
- In the medium term, Smartpay intends to expand into Singapore, South Korea and Taiwan, as well as other markets in South East Asia and the MENA region.

Source : [Presse release](#)



## Klarna partners with Ingenico for in-store BNPL

Fragmented Payments – United states – 20/01/2022

Klarna has partnered with payment terminal company Ingenico to extend its buy now, pay later service to the in-store checkout. The partnership will facilitate the deployment of Klarna's flexible payment options at the point of sale using PPaaS, Ingenico's innovative cloud payment platform.

### FACTS

- Klarna will use Ingenico's Payments Platform as a Service (PPaaS) cloud payment platform to enable its alternative payment solutions to be used on a variety of point-of-sale (POS) terminals.
- PPaaS allows customers such as banks and merchant acquirers to choose from a catalogue of payments and value-added services without the need to develop or deploy software on a variety of terminal brands.

### CHALLENGES

- **Expand its acquiring capabilities:** As a specialist in in-store payment acceptance solutions, Ingenico is a technology partner to over 1,000 banks, acquirers, ISVs, payment aggregators and FinTechs and has some 40 million POS terminals in service worldwide. Klarna will leverage this deployment to expand consumers' ability to use Klarna's interest-free alternative payment solutions at a variety of physical points of sale.
- **Simplify integration:** PPaaS allows its customers, such as banks and merchant acquirers, to choose directly from a catalogue of payment solutions and value-added services, without the need for costly and time-consuming software development, thus avoiding the complexity associated with implementation on a variety of multi-brand terminals.
- **Boost the development of alternative payment:** Klarna wants to capitalise on the mobile payment trend to insert its solutions into payment flows, including in-store.

### MARKET PERSPECTIVE

- This partnership is an extension of an existing partnership between the two players dating back to February 2021, which involved the deployment of Klarna's online payment solutions to Ingenico's merchant customers in Belgium, the Netherlands and the UK.
- In January last year, Klarna already launched its payment card, Klarna Card, in the UK. Backed by Visa, the free card allows users to access Klarna's BNPL offerings via a physical medium dedicated to paying for purchases in physical shops and shops.
- The launch of Klarna in the US last July helped the Swedish player to boost its sales, to the point of making the US its first market. With 32 million customers in the US, which represents more than a fifth of its global user base and represents a 44% year-on-year increase.

Source : [Finextra](#)



## Lemonway and Hokodo partner to offer payment solutions to marketplaces

Credit – Europe – 24/01/2022

Lemonway, the leading pan-European payment processor for marketplaces, and Hokodo, the UK's Buy Now Pay Later (BNPL) fintech, have announced a partnership that will enable B2B marketplaces to offer an optimal, secure and compliant payment experience to buyers and sellers on their platforms.

### FACTS

- \*
- Hokodo is a fintech specialised in B2B commerce that offers BNPL-type solutions.
- Last June, it announced a €37 million Series B funding round led by its historical investor Notion Capital.
- The start-up partners with e-commerce platforms such as Shopify and Magento, MangoPay, and Mirakl.
- Lemonway is a pan-European payment processor dedicated to B2B, B2C, C2C and alternative finance platforms. It reconciles flows and assists with platform compliance.
- Since obtaining its license in December 2012, the FinTech has opened 8 million e-wallets for users of its partner platforms and has raised €50m from Breega, SpeedInvest and Toscafund.

### CHALLENGES

- **Supporting the transformation of B2B payments:** Over the last five years, B2B purchases made online have grown by 94%. According to the B2B Digital Payments Tracker, 80% of transactions between B2B buyers and suppliers could be made online by 2025.
- **Relying on specialised expertise:** The fintech Hokodo has invested heavily in developing its own scoring tools that allow it to minimise the rate of non-payment and to assess the purchasing power of users in real time.

### MARKET PERSPECTIVE

- As with B2C BNPL, BNPL for businesses has been growing rapidly recently, whether in Germany with players such as Billy or Mondu, in the UK with Two or Hokodo, and in France with Pledg, which recently partnered with Budget insight.
- Marketplaces, which concentrate a large part of the online players, are also attracting a lot of attention from fintech players. Today, a new category of players is even specialising in granting these BNPL-type payment facilities to end customers via the intermediary of sellers on marketplaces, such as Splitit, which has unveiled partnerships with Checkout or AliExpress.

Source : [Presse release](#)



## E-commerce, E-Payment

### Amazon expands its Buy with Prime "-as-a-Service" program

E-commerce – United states – 12/01/2022

Launched in April 2022, "Buy with Prime" was previously reserved for certain merchants selected by the American giant. As of 31 January, all US-based businesses that wish to do so will be able to join the programme. As with many other features, Amazon is extending its grip on the e-commerce market through Payment-as-a-Service.

#### FACTS

- The programme allows participating merchants to use Amazon Prime for products offered for sale on their site. The promise is that they will be able to take advantage of the US giant's vast logistics network, but also to attract the 200 million or so Prime subscribers.
- Websites will be able to display the Prime badge next to items eligible for free same-day or next-day delivery.
- Prime members will also be able to use the payment and delivery information stored in their Amazon account to place an order.
- The e-tailer also announced a new add-on to the programme that allows merchants to display reviews and ratings from their Amazon listings on their own site.

#### CHALLENGES

- **Finding new growth drivers:** Logistics and warehousing have become Amazon's distribution system assets, which the e-commerce giant now wants to commercialise in the same way that the cloud had provided it with growth drivers. The company makes money by charging sellers for shipping and storing their goods in its warehouses. Revenues from third-party vendor services jumped 18% from the previous year to \$28.7 billion.
- **Expanding its grip on e-commerce:** US media outlet The Verge reports that the company will collect data from all users clicking on the Buy with Prime button, as well as from merchants, including their product descriptions, inventory and prices. This last point raises questions, as the company has been accused on several occasions of illegally exploiting the data of its third-party sellers to profit from it. In any case, it is a way to widely distribute its one-click payment solution and to capture transactions on its network.

#### MARKET PERSPECTIVE

- The wider rollout of Buy with Prime comes as its larger rival, Walmart, has launched an annual subscription to compete directly with Amazon Prime.
- With its retail business shrinking, Amazon is looking for new opportunities to expand.
- Amazon is also rolling out its voice command service as standard in 200 US car manufacturers' vehicles and has just partnered with the EVgo service to help electric vehicle drivers find EVgo charging stations and pay for their charge via Amazon's Alexa virtual assistant.

Source : [Website](#)



## Klarna puts a foot in personal finance management with "Money Story"

E-commerce – International – 27/01/2022

Inspired by Spotify's playbook, Klarna has launched Money Story, a personal spending summary for 2022 that provides consumers with useful information about their spending habits. The BNPL giant is thus taking a step towards personal finance management by enabling its customers to convert these movements into smart habits for financial well-being.

### FACTS

- Consumers in the US, UK, Sweden and Germany can now view their financial history for free in the Klarna app. Klarna Money Story, provides a summary of personal spending for 2022, providing information on spending habits.
- Money Story, is an animated format popularised by social media, including Spotify, that highlights consumption habits in a gamified and fun way.
- The aim of Money Story is to provide consumers with clear and comprehensive information about spending habits that they can then convert into financial goals for 2023, including using Klarna's financial management tools.
- In addition to the 2022 spending level, consumers receive segmented information monthly on the merchants and categories of spending done with Klarna (app, card or in partner shops).
- To help consumers turn their Money Story information into smart spending habits, Money Story encourages each user to discover and test Klarna's free PFM tools, such as budget tracking and monthly spending breakdowns.

### CHALLENGES

- Budgeting is an increasingly important topic for BNPL players: Spending management is one of the most popular New Year's resolutions for consumers in the US each year. In its Klarna Holiday Survey 2022, saving more or spending less was the second most popular resolution in 2023, ahead of resolutions such as exercising more and losing weight. For the fractional payment industry, this topic of financial wellbeing has become essential for several months. For Klarna it is a way to reassure legislators about its ability to support customers in healthier financial habits.
- Gamification to help consumers keep their resolutions: with animated questions and quizzes that encourage users to think about where they think they will have spent their money in 2022, Money Story aims to make money management more fun and engaging. This is an approach that can be found in other players, such as Lydia.
- Making financial wellness accessible to all via new features: the Klarna app offers financial wellness features with price drop alerts, automatic coupons and a new price comparison service that makes it an interesting app for budget management and smart shopping. This is a real evolution of strategy for Klarna as it has evolved into a personal finance management app over the months, with social features like spotlight or even Clarity AI's green tips.

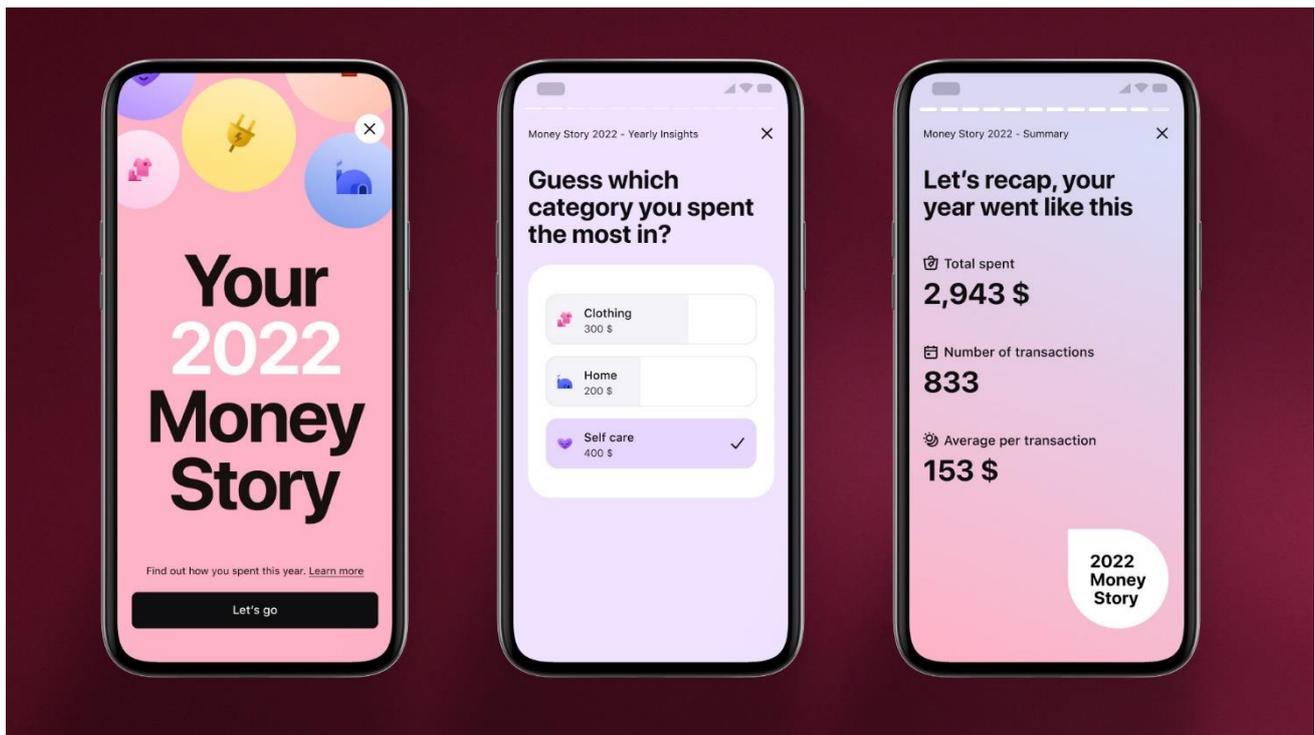
### MARKET PERSPECTIVE

- Klarna, founded in 2005, has over 150 million active users worldwide and records 2 million transactions per day. More than 450,000 global retail partners (including H&M, Saks 5th Avenue, Sephora, Macys,

IKEA, Expedia Group and Nike) have integrated Klarna technology into their online and in-store payment solutions.

- In March 2022, Klarna launched "Pay in 3", a payment plan that spreads the cost of purchases over three interest-free installments. In the "Pay later" category, consumers now have 30 days instead of 14 days after receiving the goods to pay the bill. More recently, Klarna signed a partnership with Ingenico to deploy BNPL in shops.
- Smart and responsible consumption is growing, particularly among retailers and the financial sector. Recent examples include the Banque de France's gamification initiative with its budget management game that helps young working people better optimise their spending, and the automatic savings app, Plum, which recently launched a new feature, the "Naughty Rule", to help customers save automatically based on the recurrence of purchases they consider objectionable.

Source : [Presse release](#)



## MPos, SoftPos

### FDJ now offers to pay rent in tobacco shops

Payment – France – 03/01/2022

La Française des Jeux (FDJ) is continuing its push into the payments sector and has announced the launch of a solution that will allow people to pay "everyday bills" such as their rent with their smartphone in approved tobacconists. The service should then be extended to electricity, water and telephone bills.

#### FACTS

- This scheme, proposed by the Française des Jeux (FDJ), initially concerns the tenants of 4 social landlords: Seqens-groupe Action Logement in Île-de-France, Dynacité Logement in Auvergne Rhône Alpes, Côte d'Azur Habitat in the South of France and Limoges Habitat in Nouvelle Aquitaine.
- In all, 650 municipalities in France are involved in this initiative. 150,000 households have access to this payment method.
- Customer process:
  - The tenant must download the Nirio application (published by FDJ) onto his phone.
  - He then scans his bill and shows the QR code obtained to his tobacconist.
  - They must also show their ID to the shopkeeper to carry out this operation. He can then proceed with the transaction in cash or by credit card.
- In return, the tobacconist provides a proof of payment that is valid with the tax authorities.

#### CHALLENGES

- **Facilitating payment for the most vulnerable members of the public:** It will also be possible to pay rent in instalments, provided, of course, that the rent is paid before the due date. This can help citizens who have different dates of arrival of income on their bank accounts to better manage their payments. To this end, 10 000 partner merchants have already given their agreement, and more than 5 000 have been approved by the Autorité de contrôle prudentiel et de résolution (ACPR).
- **Pursuing a long-standing diversification strategy:** Since July 2020, it has been possible to pay certain public bills (taxes, fines or utility bills) at a tobacconist's. The project is under the aegis of the General Directorate of Public Finances and aims to help French people who do not have Internet access and/or do not have bank accounts. The idea has been well received and more than 5 million transactions have already been recorded in this way. With Nirio, the FDJ is also looking into the possibility of paying its water, gas, electricity and telephone bills directly at its tobacconist's.

#### MARKET PERSPECTIVE

- With the payment of rents, the FDJ is continuing to develop its FDJ Services activity, in order to cope with the opening up of the gambling activity to competition.
- The Nickel account was the first banking player to integrate money solutions within tobacco shops. Today, the neobank is going international and is looking for new distribution channels in other countries. In Belgium, discussions are underway to find a network of distribution partners, which could be

bookshops, supermarkets or even post offices. In Germany, Elle has just signed a partnership with Ilo Profit, a German gambling distribution specialist, to set up in the country.

- And in Germany, ING is developing the "cash-back" concept, which is already common in the United Kingdom in particular. Since the end of November 2022, "ING Cash" has given customers the possibility of making deposits and withdrawals from their current accounts at more than 12,000 commercial partners in Germany.

Source : [Website](#)



## Connected Card

### EVgo and Alexa simplify electric vehicle charging

Mobility– United states – 11/01/2022

Electric vehicle charging company EVgo is partnering with Amazon to help electric vehicle drivers find EVgo charging stations and pay for their charge via Amazon's Alexa virtual assistant.

#### FACTS

- The partnership will allow users of Alexa-enabled vehicles or using Alexa car accessories to access data from 150,000 public charging stations via the Plugshare application programming interface (API) starting in 2023.
- EVgo has more than 850 fast-charging locations in more than 30 states at a number of convenience store chains across the country, including some 7-Eleven, Wawa, Sheetz, Chevron and Pilot shops.
- EVgo said customers will eventually be able to see real-time charger availability and view session and billing information.
- The EVgo Inside API will be integrated with the Alexa app and will allow users to access the EVgo PlugShare community, which allows electric vehicle owners to connect, share photos and leave comments.

#### CHALLENGES

- **Making the charging and payment process as simple as possible:** This integration could make it easier and faster for drivers to find and use chargers in their home area or on the road. Voice-activated charging and payment are the latest elements that EVgo has implemented to make charging as seamless as possible. EVgo has also recently launched Autocharge +, which allows a driver's car to be recognised by the EVgo network and start charging as soon as it is plugged in, rather than having to trigger the transaction on the charger or in a mobile device as usual.
- **Developing a new service offering:** Amazon has hinted that this partnership will not be exclusive and that its Alexa voice-controlled technology may well complement the offerings of other mobile payment service providers.

#### MARKET PERSPECTIVE

- The Plugshare API data is proprietary to EVgo. It is largely provided by electric vehicle users, who register when they visit a charger and submit certain information, such as problems with the charger or the state of the location.
- Alexa and the Amazon app come standard in nearly 200 vehicles today and are used to play music, listen to audiobooks, and perform hands-free tasks such as phone calls, ask for directions, and more with voice commands alone.
- In Europe, one of the most advanced initiatives in integrated payment is that implemented by the BMW Group. In September, the group presented its Plug&Charge solution, which allows drivers of these vehicles to charge them in the simplest and most convenient way possible. It is the vehicle itself that is recognised by the recharging system, via an electrical exchange with the terminal.

Source : [Reuters](#)



# Player's strategy

## Feedback: Lemonway aims to be profitable by 2023

Actor's strategy – Europe – 13/01/2022

Pan-European payment institution Lemonway continues to grow in Europe with revenues of €7.7 billion, up 39% in 2022. According to the fintech, this will take it past the break-even point and it will also launch a 'Buy Now, Pay Later' (BNPL) product in 2023. The strategic focus has been on acquiring key account customers.

### FACTS

- Lemonway is a payment institution that offers a solution dedicated to B2B, B2C, C2C markets and alternative financial platforms that are looking for a system to process and collect their payments on behalf of third parties in a secure and regulated framework (KYC, anti-fraud framework).
- Lemonway has 400 client marketplaces, 200 of which are alternative financial platforms.
- Since its approval in December 2012, the FinTech has opened 8 million e-wallets for users of its partner platforms.
- Lemonway is regulated by the ACPR and holds a European passport in 30 countries. It is based in Paris, Madrid, Milan and Hamburg.
- In 2022, the fintech reached :
  - A turnover of over €16 million (i.e. + 39% compared to A-1)
  - 7.7 billion in trade flow volumes (up 39% to 5.5 billion vs. A-1): Mainly explained by the natural growth of its partner platforms such as Decathlon, SNCF Connect and Tech and October.
  - Lemonway estimates that it will reach €10 billion in flows by 2023.
- Since its creation at the end of 2013, it has processed €23.5 billion of flows.
- The year was also marked by the signing of new references, with :
  - Banks (BNP Paribas, Groupe BPCE, Barclays)
  - Marketplaces (Izberg, Mirakl, Octopia, Cocolabs).

### CHALLENGES

- **Maintain its market position by developing new solutions:** in 2023, the fintech will launch new products such as B2B marketplaces and BNPL in collaboration with the British player Hokodo.
- **Pursue its development with "major accounts":** Lemonway aims to strengthen its presence with "major accounts". This is a strategic move, especially with the signature of large B2B marketplaces and alternative financing platforms. Lemonway is confident of achieving profitability in 2023. The player said that targeting smaller players was not profitable, as there was a lot of investment in terms of compliance.

### MARKET PERSPECTIVE

- As a reminder, Lemonway was a member of the French Tech 120 and the CB Insights FinTech 250 and has also raised €50m from three investment funds: Breega, Speedinvest and Toscafund.

- In 2021, Lemonway has already seen its transaction volume increase by 76% and its revenues by 65%. It had announced the signing of 100 new clients (Decathlon, Bricks.co and Financing Circle), and was already expressing that compliance was at the heart of its strategy. Lemonway had invested €5 million in a brand new KYC experience, making it easier to identify fraudsters, learn and maximise conversion rates while maintaining a secure and transparent process.
- Lemonway has defined its strategy directly to optimise the user's payment experience, including the launch of new features such as "Pay by Bank" (bank transfers based on the open banking model).

Source:



**LEMONWAY**

## MangoPay to conquer the world

Actor's strategy –International – 24/12/2022

MangoPay via a post on LinkedIn, looks back on its year 2022. A year signed under the sign of growth, a takeover, an acquisition and a roadmap based on an internationalisation strategy.

### FACTS

- Founded in 2013 and based in Luxembourg, MangoPay is a provider of payment solutions for marketplaces and participatory finance platforms.
- The player has unveiled its 2022 business figures, which show a solid performance with over 35% growth:
  - Total transaction value in 2022 exceeded €11.3 billion
  - 243 new customers were added this year, or almost 1 customer per working day.
  - The company's 2,500 customers include several large European and international marketplaces and scale-ups such as Vinted, Chrono2, Leboncoin, Rakuten, Wallapop, Malt, etc.
  - The company is adding 100 new employees, including four management positions, and plans to hire 250 people by 2023.
  - The player also reported participating in 43 key events in 8 different countries
- In April, MangoPay announced its acquisition by Advent International, a US technology investment fund specialising in private equity, with €75 million injected into MangoPay's capital. The French banking group Crédit Mutuel Arkéa will become a minority shareholder.
- Thanks to Advent International's capital injection, MangoPay was able to maintain its 2022 roadmap by opening new offices in the UK, Poland and Sweden.
- In November, MangoPay announced the acquisition of AI fraud detection and prevention company Nethone to develop and deliver fraud prevention solutions designed specifically for marketplaces.
- Mangopay launched a new "Work From Anywhere" programme at the end of 2022, allowing anyone who has worked for more than six months to benefit from the opportunity to work remotely for up to three weeks per year from "(almost) anywhere in the world".

### CHALLENGES

- **To become a leader in marketplace payment solutions and expand internationally:** as part of this investment, Advent is investing €75 million in equity to accelerate MangoPay's growth. Advent aims to boost its hypergrowth and internationalisation strategy. MangoPay is already present in 10 countries (3 new ones this year) and the aim is to open new offices in Portugal, and internationally, in the US and Latin America, within the year.
- **Strengthen cybersecurity against fraud:** the partnership with Nethone allows marketplaces to stay ahead of current and future fraud and abuse risks by protecting every step of the user journey.
- **Attracting and retaining new talent:** MangoPay has improved its HR policy by launching the "Work from Anywhere" programme, which allows employees to better balance their work and family plans in order to improve employee well-being. but also to attract new talent.

### MARKET PERSPECTIVE

- In April 2022, Crédit Mutuel sold Arkéa Budget Insight to PSG Equity and Leetchi and Mangopay to Advent. After intensive equity investments in fintechs (Pumpkin, Budget Insight, Leetchi, Yomoni, Younited, etc.) between 2015 and 2020, Crédit Mutuel Arkéa is changing course. The banking group recently sold control of two of its "nuggets" to two American investors. It first dealt with PSG Equity to hand over the reins of Budget Insight, then approached Advent International to take over Leetchi and its subsidiary Mangopay.
- After the departure of Budget Insight, Leetchi and Mangopay, the question of the future of fintech became a serious one in the Crédit Mutuel Arkea ecosystem. The fintech Pumpkin, which was acquired in 2017, ceased operations at the end of the year due to the lack of a profitable business model. The neo-bank had 1.6 million customers and allowed for friend-to-friend repayments and also the issuing of a bank card.
- Despite the difficult situation of fintech in 2022 and the closure of several players. Crédit Mutuel, on the other hand, has no fears for Fortuneo, which is second in the market after Boursorama. Fortuneo is the only profitable online bank with a wealthy clientele that it attracts with its savings products. It has 950,000 customers, and the number of customers in the last two years has increased by 60%. Crédit Mutuel Arkea is not giving up its investments in French Tech either. At the beginning of June 2022, the bank, through its subsidiary Izimmo, became a majority shareholder in the fixed-price real estate agency Liberkeys.

Source: [Linkedin](#)



# Cryptos and CBDC

## e-CNY payment becomes available offline

CBDC – China – 19/01/2022

The People's Bank of China (PBOC) has added a feature to its yuan digital payment app that allows users to continue making offline payments using the central bank's digital currency (CBDC) from their NFC-enabled Android smartphone even if their device is not powered.

### FACTS

- Once they activate the tap to pay feature in the app, users can set a limit on the number and value of digital yuan payments that can be made from their smartphone when its battery is low or there is no internet connection.
- The function uses the NFC technology of a smartphone. The PBOC had conducted tests on NFC "hard wallets" and NFC wearable devices in January 2021.
- The system is available with Android-based mobile phones and will be available on other handsets in the future
- Users can find the internet or powerless payment function in the payment settings of the e-yuan app.
- However, this option has raised security concerns, especially about whether others could spend money using a lost or stolen mobile phone. But a code must be entered to verify the payment and the option can be disabled remotely from the e-yuan application.
- The app, however, limits these types of payments to a payment amount of 500 RMB and a volume of up to 10 transactions while remaining within the app's settings for better security. For now, this feature is only available for certain payment scenarios and limited geographical areas.

### CHALLENGES

- **Promoting financial inclusion:** Transforming the e-yuan application into a "hard wallet" should meet PBoC's goal of greater financial inclusion while further pushing the use of its CBDC. In addition, it will also help the unbanked and the elderly to access cashless payments in a much simpler way.
- **Boosting the use of its digital currency:** By the end of 2022, Chinese citizens had spent about \$14 billion in digital yuan, the People's Bank of China reported. The 13.61 billion e-CNY in circulation represent only 0.13% of the 10,470 billion yuan in circulation at the end of 2022. Analysts say these figures reveal a "low and very inefficient" usage.

### MARKET PERSPECTIVE

- While China was one of the first major economies to promote the use of CBDC, it is being followed by other countries such as Turkey, which has just announced the launch of a blockchain-based digital identity application project, shortly after its central bank completed its first CBDC tests.
- Not to be left out of the digital asset loop, the UK government is beginning to position itself on the issue of central bank digital currencies. The UK Treasury is planning to hold a public consultation in the coming weeks to see whether or not the roll-out of such technology is desirable.

- Offline payment is a feature that also exists on Apple devices. The Apple Pay Express function allows travellers to pay for their ticket using Open Payment on Lyon's public transport system (TCL).

Source : [Finextra](#)



## The Bank of Spain approves the issuance of the first ever digital euros by MONEI

CBDC – Spain – 25/01/2022

Spanish fintech MONEI has announced that the Bank of Spain has authorised the licensed payment fintech to issue a euro stablecoin, EURM, in its sandbox.

### FACTS

- These stablecoins will guarantee users the issuance of digital currencies through fiat deposits. The reserve assets are held in accounts at institutions such as BBVA and Caixabank.
- The "EURM" token is indexed to the Euro using Polygon and Ethereum blockchain technologies.
- The pilot project is expected to last up to 12 months, with reports produced to enable the central bank to decide whether to allow an official launch.
- MONEI's platform only allows ten EURM for each registered user account. This standard is in line with the Bank of Spain's regulations for Sandbox regulations.
- Users enter their phone number, verify their identity with a smartphone, and then reload their wallet using Bizum. Bizum will enable fiat integration for stablecoin, which will have a one-to-one parity.
- Potential uses of the digital euro once approved by the Bank of Spain include:
  - Sending money between peers with the ability to schedule payments,
  - Payment anywhere the Bizum application is accepted,
  - As well as the possibility for companies to digitise and schedule daily payments to their suppliers.

### CHALLENGES

- **Setting a precedent:** EURM is not the first digital stablecoin in euros. But it may be the first to be linked to a central bank and regulated to that extent. French company LUGH issued a stablecoin in 2021 with reserves held at Société Générale and audited by Deloitte but has only just over €4 million in circulation.
- **Demonstrating its avant-gardism:** By multiplying the projects, the Bank of Spain wishes to demonstrate to the rest of Europe its country's advance on the subject. 30 Spanish banks including BBVA, Sabadell, Santander, ING and Deutsche Bank, joined by payment services organisations Iberpay, Bizum and Redsys, have set up a working group to assess the impact of the European Central Bank's implementation of a digital euro.

### MARKET PERSPECTIVE

- In 2022, the Bank of Spain had already embarked on a project to create a central bank digital currency by actively seeking partners.
- In November 2022, MONEI partnered with Mastercard to make Click to Pay technology available to electronic businesses in Spain. With the introduction of this digital currency, MONEI is aiming to demonstrate its upgrades to payments made in the eurozone. Indeed, the fintech company has recently modernised its payments in terms of speed of execution and reduction of inherent costs.

- At the World Economic Forum (WEF) in Davos, a Chinese company Red Date Technology announced the launch of a private digital payment platform initiative to compete with Swift. The initiative includes banks such as Deutsche Bank, HSBC, Standard Chartered, The Bank of East Asia and Akbank.

Source: [Website](#)



## Digital Euro aims to be a simple currency

CBDC – Europe – 31/01/2022

The European Central Bank has unveiled its vision for its future central bank digital currency. The institution talks about a consumer application capable of "offering contactless payments or QR codes".

### FACTS

- The ECB seems to have finally made up its mind: the future digital euro will never be a "programmable currency", says ECB Executive Board member Fabio Panetta.
- The ECB wants the digital euro to be inclusive, so it is working on a simple-to-use "new digital application" for payments made through bank intermediaries.
- The ECB Governing Council will decide in the autumn whether or not to move to the pilot phase of implementing the digital euro. The ECB's decision on whether to issue a digital euro will be taken later, once the EU Parliament and Council have adopted its legislative framework.

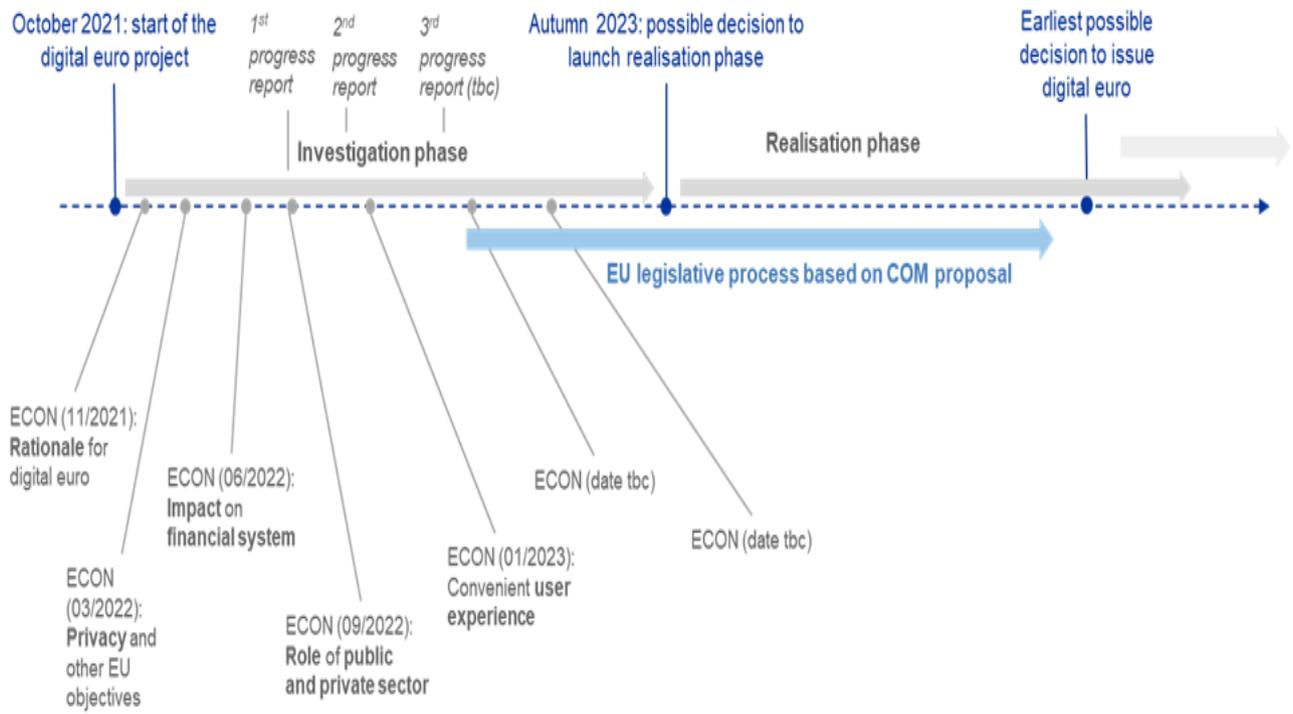
### CHALLENGES

- **Addressing the decline in the use of fiat currencies:** The payment behaviour of individuals is changing at an unprecedented rate: over the last three years, the share of cash payments has fallen in the euro area from 72% to 59%, while digital payments have become increasingly popular. In the Netherlands and Finland, for example, cash is used in only one in five transactions.
- **A digital euro for all: The ECB wants to focus on ease of use to encourage take-up of the new euro:** "It would complement cash and offer Europeans the possibility to make payments throughout the euro area, free of charge. Ease of access and use would be an element in favour of its adoption and financial inclusion.
- **Do not make the euro a financial instrument:** "Let's be clear: the digital euro will never be a programmable currency," ECB Executive Board member Fabio Panetta told the European Parliament's Economic and Monetary Affairs Committee. This means that the ECB will not be able to impose restrictions on how this digital euro can be used, for any purchase, where and when.
- **Avoiding the issue of personal data:** This fear remains very strong, because with the blockchain it is indeed possible to track all transactions made with a single currency unit. Even if the ECB wants to keep its eyes closed, it wants to be able to keep track of transactions in case of money laundering, terrorist financing or tax evasion.

### MARKET PERSPECTIVE

- The advent of central bank e-money would also give the European level "a strong lever to assert our sovereignty against private initiatives like Libra". The United States also wants to work with the Federal Reserve to maintain its global monetary leadership through the e-dollar project.
- Moreover, this project will have to be linked to the EUDIW (European Union Digital Identity Wallet) project on which the European Commission is counting to relaunch the EPI project.
- The ECB project seems to be competing with the Spanish Central Bank, which has just authorised a pilot project for a digital euro in partnership with the fintech Monei. It is also being challenged by the Spanish private banks, which last November launched an experiment to analyse the technical, operational and commercial implications of the digital euro and its coexistence with existing payment instruments.

Source : [Presse release](#)



# Cybersecurity & Fraud

## Google introduces innovations in fraud detection for UPI

Cybersecurity – India – 05/01/2022

At its annual Google for India event, the US company announced several new initiatives to keep users safe online. As more and more people in India embrace digital tools and ecosystems, it is imperative to raise awareness about online safety.

### FACTS

- Google has introduced fraud detection on Google Pay, which will notify users of possible fraudulent behaviour.
- Google Pay will also show transaction history and ask questions about spending. For example, users can ask Google how much money they have spent on a category of items.
- It has also integrated DigiLocker into the Files app on Android as part of its collaboration with the National e-Governance Division (NeGD) :
  - This will allow users to directly access their important documents such as driving licenses, Aadhaar cards (biometric identity cards), etc.
  - Google's custom AI model will identify important documents and organise them even in a simple view.
  - Users will also be able to organise their family's documents and protect the document folder with a password.
  - Use will be offline and all documents will be secure.

### CHALLENGES

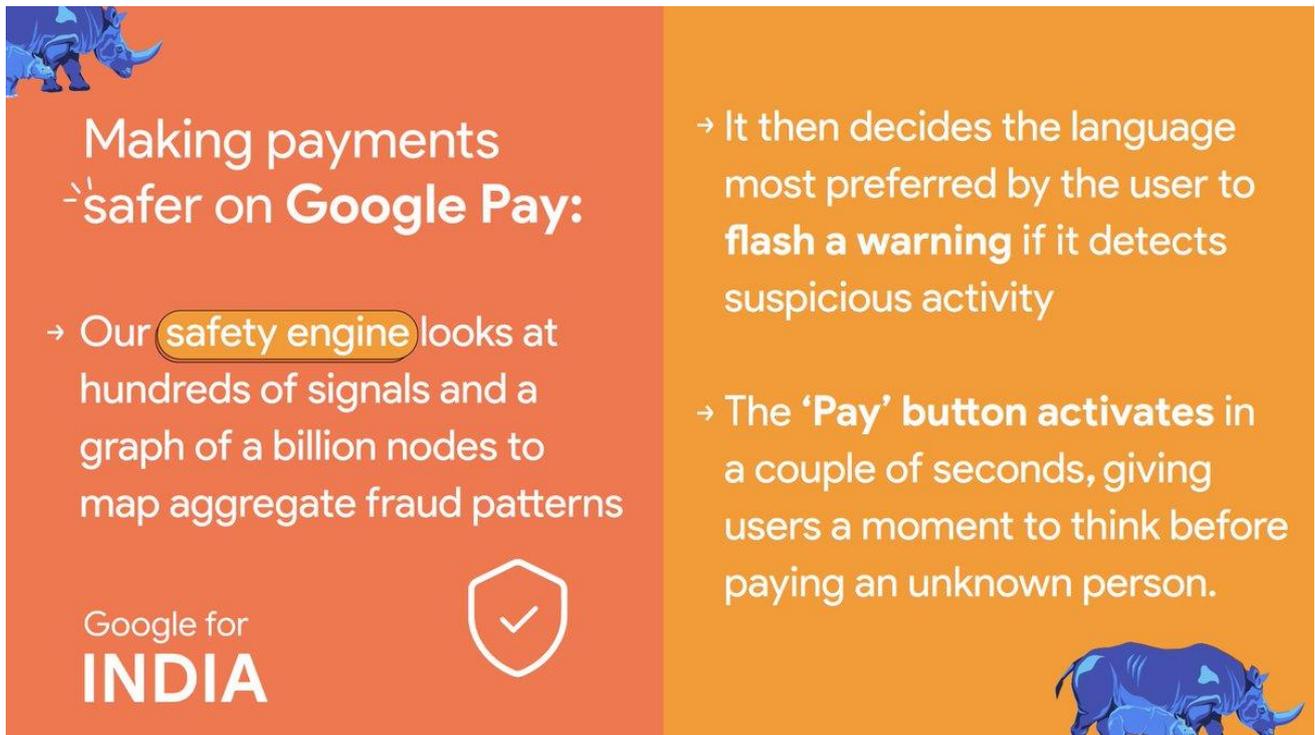
- **Securing payment:** Digital payments are on the rise in the country, and this applies particularly to financial fraud. According to a survey conducted by a private company LocalCircles, 42% of Indians have been victims of financial fraud in the last 3 years and 74% of them have not been able to recover the money.
- **Improving fraud detection:** Google mentioned that it uses advanced deep learning methods in its security engine that analyse the aggregate transaction patterns of millions of users, linking them to a graph of a billion nodes.
- **Simplifying transaction checking:** the company has introduced a useful new feature in Google Pay that allows users to access transaction history more easily. Users can now use their voice to ask simple questions such as "Show me how much I spent on coffee last week". This will allow users to monitor their spending on a regular basis.

### MARKET PERSPECTIVE

- In November 2022, Google introduced UPI Autopay as a payment option on Play Store to enable its India-based users to purchase subscriptions using UPI.
- The search engine is collaborating with Meity and Digital India to create a pan-India awareness campaign for multilingual users. In addition, the campaign would get support from HDFC Bank, Axis

Bank, Kotak Mahindra Bank, Axis Bank, Airtel, SBI and ICICI. Google's multilingual campaign against digital fraud would encourage people to adopt basic precautions to avoid the most common computer and phishing attacks.

Source : [The Paypers](#)



**Making payments safer on Google Pay:**

- Our **safety engine** looks at hundreds of signals and a graph of a billion nodes to map aggregate fraud patterns
- It then decides the language most preferred by the user to **flash a warning** if it detects suspicious activity
- The **'Pay' button activates** in a couple of seconds, giving users a moment to think before paying an unknown person.

Google for **INDIA**



# Digital Identity & Biometric

## Turkey uses blockchain to launch digital identity project

Digital identity– Turkey – 18/01/2022

Turkey announces the launch of a blockchain-based digital identity application project, shortly after its central bank completed its first CBDC tests.

### FACTS

- As part of Digital Turkey 2023, Turkish Vice President Fuat Oktay announced that citizens will be able to use a blockchain-based digital identity to enter the "e-Devlet".
- The latter is the country's digital government portal. It allows citizens to access many public services. The digital identity will allow Turkish citizens' identity to be verified when they log in.

### CHALLENGES

- **Reducing the risk of identity theft:** blockchain can revolutionise security because it is difficult to hack. Web3 services are more secure and accessible thanks to the number of nodes included in a blockchain. This technology offers high standards of transparency and security because it operates without a central control body and facilitates the storage and transmission of data.
- **Accelerating administrative procedures thanks to dematerialisation:** blockchain also accelerates the dematerialisation of administrative procedures, making it possible to adapt media to the new uses of citizens. It also saves time and money.
- **Turkey is investing heavily in blockchain:** after several announcements of blockchain-powered projects, this announcement suggests that Turkey will soon launch a global initiative to promote the adoption of blockchain in the country.

### MARKET PERSPECTIVE

- Turkey has announced several blockchain projects over the years, but to date very few have materialised. The country's plans to build a national blockchain infrastructure date back to 2019. But apart from a few conceptual projects and tests of the central bank's digital currency, which have been completed after several delayed deadlines, the blockchain goals have not yet borne fruit.
- In January 2020, the Turkish Cultural Centre in Konya developed a "City Coin" project that allowed citizens to pay for public services, but no new updates have been shared with the public in the last two years.
- South Korea is one of the pioneers in this field. South Korea announced in 2022 that they will adopt blockchain-based digital ID cards in 2024. Local authorities will no longer require a plastic card for identification. A smartphone will suffice to prove identity and access various public services.

Source : [Website](#)

