



## Headlines

### CASH PAYMENT – A political issue

- **FRANCE** - Crédit Mutuel, BNP Paribas and Société Générale unveil their new joint brand of ATMs
- **SWITZERLAND** – Citizen's initiative wants to constitutionalize cash access
- **ITALY** - Italy: Giorgia Meloni wants to put a stop to the era of digital payments

Despite the post-Covid indicators, which point to a growth in mobile payments and a decline in the use of ATMs, the announced end of cash will not be a reality. It remains a highly political issue. The project to pool the ATMs of BNP Paribas, Société Générale and Crédit Mutuel-CIC mainly concerns urban areas where these brands coexist. There should therefore be no closed ATMs in rural and isolated areas. Although cash withdrawals are decreasing, access to cash remains a significant need in France. According to a study by the European Central Bank (ECB), cash payments will still account for 50% of in-store transactions in 2022. In view of these figures, the authorities are making sure that ATMs continue to exist throughout the country, especially in the countryside. In Switzerland, a popular initiative has been launched with the aim of guaranteeing access to cash, which can be considered a common good, and because it decisively guarantees fundamental rights and freedoms, must be protected by law. And in Italy, Prime Minister Giorgia Meloni wants to raise the ceiling on cash transactions to ensure the survival of cash payments in the face of digital payments, which she sees as an "illegitimate gift to banks and a hidden tax on small businesses and households.

### DIGITAL IDENTITY - Tech players on the prowl

- **CHINA** - Huawei tests a virtual medical insurance card with its digital wallet
- **UNITED STATES** - Meta adds authentication with Meta Verified
- **FRANCE** - Digital ID application likely to be delayed due to Apple bug

The European Digital Identity Portfolio is expected to be rolled out soon. It will allow businesses to have better control over the data they share. For the public, the European digital identity wallet will allow the storage of identity documents such as the digital identity card (e-CNI) via the France Identity application, which should see its launch delayed by a bug linked to Apple devices. For their part, tech companies are also moving forward with new use cases, such as the Chinese company Huawei, which is testing a virtual medical insurance card with its digital wallet. Or Meta, the American company that follows Twitter in its account certification process. Meta Verified promises to better protect users of the Meta group's platforms from the risk of identity theft through proactive monitoring. Meta's long-term strategy, particularly in relation to its initiatives related to immersive "metaverse" technologies, is intrinsically linked to identity management. Beyond this technological gamble, the various governmental projects to regulate online identity (in France and elsewhere) are perhaps also seen as opportunities by the company.

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## A word on...

- **UNITED STATES** – Apple has announced that its Buy Now, Pay Later (BNPL) solution is in beta testing among Apple employees and should soon be available to the public in the US. The initial expectation was that the feature would be introduced by the end of 2022, but this has been delayed, not least because of regulatory constraints related to differing state requirements in the US. Apple CEO Tim Cook has now confirmed that **Apple Pay Later** is expected to launch "soon". As detailed in the announcement, Apple's CEO did not provide a specific date for the launch, however, the company is expected to release iOS 16.4 and other software updates in the spring, and the belief is that the first beta versions of the new software could potentially be released in the coming weeks. The strength of this new BNPL offering will be that it will be natively integrated within Apple Pay, which has positioned itself as one of the preferred payment methods for users worldwide. On the other hand, in the United States, the CFPB, the consumer protection bureau, is pushing for tighter regulation and is closely monitoring the development of Apple's new offering. It has even launched an investigation into the antitrust and privacy issues of Apple Pay Later.
- **BRAZIL – BrasDex** has been operating for about a year and has reportedly recorded at least 1,000 infections in the country, with losses of hundreds of thousands of reais after attacks involving the hijacking of money transfers and the theft of bank identifiers. The malware initially poses as Android settings applications and targets Brazilian banking applications such as **Pix**. In some cases, the virus installation is done through text messages. The cybercriminals carry out the scams on the system in such a way that the security of the devices is disabled by the virus. In this way, the SMS messages are accessed, and the customers' bank details are stolen. With this, the criminals carry out transactions in the name of the user. The Italian cybersecurity company Cleafy points out that the virus acts on authentication applications and is able to disable Google Play Protect.
- **INTERNATIONAL** – Less than four years after buying it for a record 43 billion dollars, the American **FIS** wants to separate itself from the payment service provider **Worldpay**. It failed to integrate the two entities. Fidelity National Information Services acquired Worldpay in 2019 to create one of the largest providers of underlying financial infrastructure to the banking payments industry. FIS shares, which have lost more than half their market value since the company bought Worldpay, are down 12.5% to \$66, giving it a market capitalisation of about \$39 billion. FIS, which has been under pressure to explore strategic options from activist investors D.E. Shaw Group and Jana Partners, pointing to a significant discount in its share price to peers such as Fiserv and Global Payments. The FIS chairman added that "the pace of disruption in payments is accelerating rapidly, requiring increased investment in growth and a different capital allocation strategy for our Merchant Solutions business. Payments company PayPal has decided to halt work on its stablecoin as US regulators step up their scrutiny of crypto-currencies and a key partner in the project, Paxos Trust Co, is under investigation by the New York State Department of Financial Services. Paxos was forced to stop issuing BUSD as of 21 February.
- **UNITED STATES** – The stablecoin project was announced last year. The token was to be backed by the US dollar. The stablecoin was to be launched in the coming weeks. Furthermore, a **PayPal** spokesperson explained: "We are looking into the possibility of a stablecoin; if and when we look to move forward, we will of course work closely with the relevant regulators. So, if the PayPal token project were to resume, the US giant would take care to work with the regulators. Payments company PayPal has decided to halt work on its stablecoin as US regulators step up their scrutiny of crypto-currencies and a key partner in the project, Paxos Trust Co, is under investigation by the New York State Department of Financial Services. Paxos was forced to stop issuing BUSD as of 21 February. The

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- **UNITED KINGDOM** – The eight-week consultation, which began on Tuesday 14 February and was announced by the UK Treasury, comes two years after the government announced its intention to tighten the rules on the use of Interest-Free Buy Now, Pay Later (BNPL) products and bring them within the scope of Financial Conduct Authority (**FCA**) regulation. Interested parties and stakeholders have until 11 April to provide comments on the draft legislation published alongside the consultation, which will require BNPL lenders to be approved by the FCA and carry out affordability checks to assess consumers' ability to take out loans. The department said consumers will also have the new right to complain to the Financial Ombudsman Service, which Jonathan Herbst, a solicitor at Norton Rose Fulbright, described as a fundamental change in approach for the industry. The proposed rules follow years of exponential growth in BNPLs in the UK, with official FCA data showing that use of the product almost quadrupled to £2.7bn (about \$3.6bn) of transactions in 2020. The FCA issued a warning to BNPL firms against misleading advertising last August, calling on industry players to ensure that "consumers, particularly those in vulnerable circumstances, have the right information at the right time, so that they can make effective, timely and properly informed decisions". In February 2022, the financial regulator asked four of the country's largest BNPL lenders - Clearpay, Klarna, Laybuy and Openpay - to amend potentially unfair and unclear contractual terms that could harm consumers.

# Mobile services

## PhonePe raises \$100 million for a \$12 billion valuation

Indian digital payments company PhonePe has raised an additional \$100 million in an ongoing round. A new round of funding gives it another \$450m to raise despite the market slowdown. The Indian fintech giant is swelling its war chest after the recent split from parent company Flipkart.

### FACTS

- Founded less than 7 years ago, Phone Pe has reached a valuation of \$12 billion.
- It competes with Google Pay and Paytm which is currently valued at less than \$5 billion.
- Its latest round of funding brings together Ribbit Capital, Tiger Global and TVS Capital, which injected the new \$100m into the startup.
- PhonePe, backed by Walmart, has previously said it plans to raise up to \$1 billion in the current funding round.
- It is the undisputed market leader in mobile payments on UPI with around 50% of all such transactions. UPI has become the most popular way for Indians to transact online and processes over 8 billion transactions per month.
- The company expects revenues of \$325 million in calendar year 2022 and \$504 million in 2023.

### CHALLENGES

- **Expanding its model into the distribution of banking products...:** PhonePe is also slowly becoming a distribution engine, leveraging its vast 300 million user base to sell products such as insurance. Industry experts believe that PhonePe's end game could be to become a bank, which they believe justifies the high valuation.
- **... as well as international transfers:** The fintech announced on Tuesday that it was expanding support for international UPI payments to the United Arab Emirates, Singapore, Mauritius, Nepal and Bhutan. "Users will be able to make foreign currency payments directly from their Indian bank - just as they do with international debit cards," PhonePe said in a statement. The move appears to be PhonePe's attempt to expand into the foreign exchange market, a particularly attractive area for the fintech.

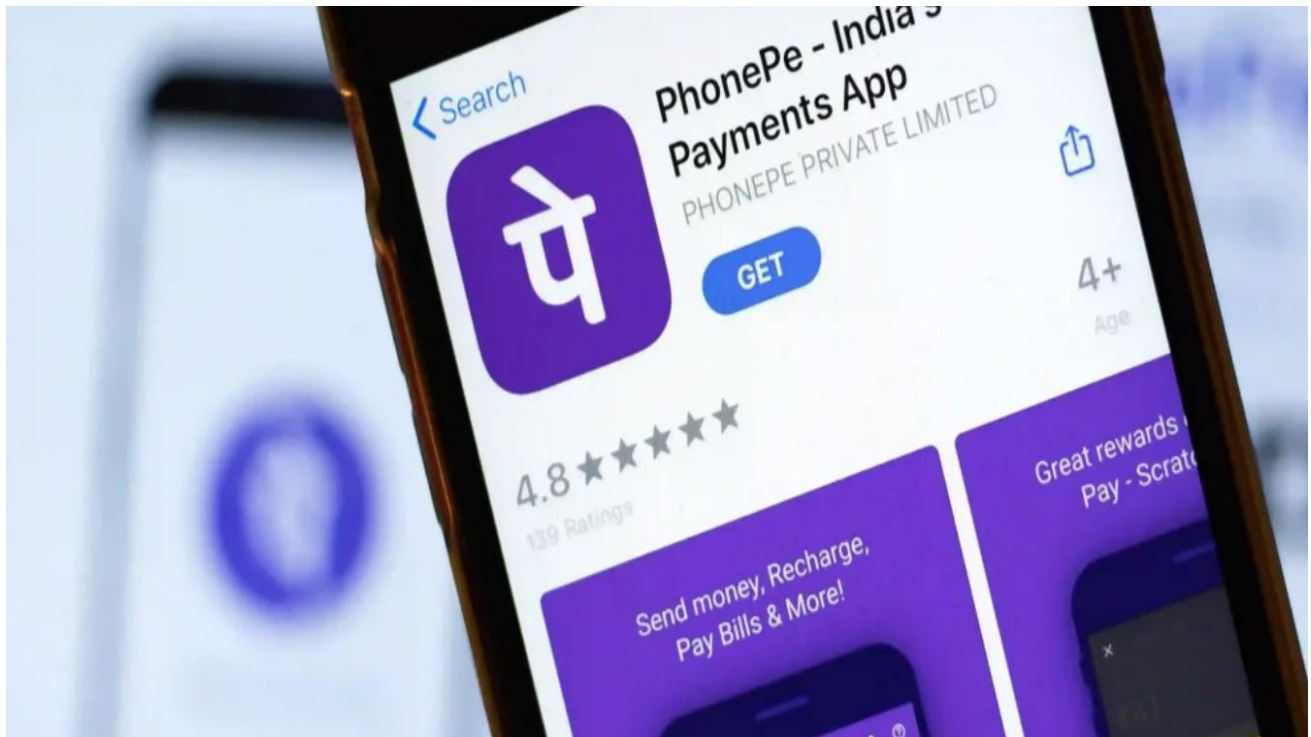
### MARKET PERSPECTIVE

- Launched in 2016, UPI is India's real-time payment system that allows users to transfer money directly from one bank account to another: from a customer to a business, or between individuals. UPI now has 260 million users in the country of 1.4 billion people.
- Designed as a "digital public infrastructure" under the authority of the National Payments Corporation of India (NPCI), UPI integrates more than 300 banks, which have been joined by more than sixty mobile applications such as Google Pay, Amazon Pay, but also the very popular Indian Paytm and PhonePe.
- In recent months, India has increased the number of agreements with foreign partners. Some thirty countries have already expressed their interest in UPI.
- The latest partnership was signed on 11 October 2022 with Worldline. The aim is to facilitate the acceptance of UPI and RuPay in Europe. Target markets include Belgium, the Netherlands and Switzerland. Similar collaborations have been set up in the United Kingdom, the United Arab Emirates,

and also in France with the Lyra payment network. However, UPI payments are not expected to be available in France until the first quarter of 2023.

- India also aims to export its entire digital architecture, known as the "India Stack". This includes the UPI mobile payment system and a digital identification of residents, known as "Aadhaar" ("foundation" in Hindi).
- With more international partnerships, UPI could become an alternative to the Swift interbank network, which has a monopoly on banking communications.

Source : [Techcrunch](#)



# B2B Payments

## Qonto adds financing to its bank-as-a-platform model

The aim of this new offer is to provide Qonto customers in financial difficulty with financing through Qonto's partners, directly integrated within its application. Qonto wants to position itself as a true service platform, with financing as the cornerstone.

### FACTS

- Qonto announces the launch of a comprehensive finance offering within its app. It provides customers with direct access to a range of financial offers tailored to the needs of SMEs, through various partners: October, Defacto, Silvr and Karmen.
- Qonto provides the selected partners with a secure authorisation to access the customer's account information so that they can process the financing request directly and quickly: if the request is approved, the funds appear directly on the Qonto account.
- Different financing offers are available, with flexible amounts and repayment terms:
  - Types of financing: loans; short-term financing and revenue-based financing;
  - Amount: from €500 to €20 million;
  - Repayment terms: maximum 2 months;

### CHALLENGES

- **To position itself as a "Bank-as-a-platorm":** the launch of this new offer shows Qonto's will to federate all the technological bricks (APIs) to be a central place for managing all the subjects related to the finances of European SMEs. Financing was missing from this system that Qonto has been helping to build since its birth, through a number of partnerships. The enrichment with these four partners fills this gap.
- **Helping businesses in a difficult economic context.** The beginning of 2023 has been particularly difficult for SMEs: inflation, wage pressure, rising energy costs. With this launch, the company is responding to the growing demand for financing from its customers to help them manage their cash flow.
- **Simplify procedures and save time for businesses** by transferring account information to Qonto's partners. Customers save time in the digitalized financing underwriting process.

### MARKET PERSPECTIVE

- To position itself as a bank-as-a-platform, Qonto uses open banking to integrate its partners' technologies into its own interface, in order to build a modular offering around the issues and challenges of corporate finance. Qonto is forging partnerships or resorting to external growth, for example with the acquisition of Penta.
- On-board credit for SMEs has developed significantly, particularly in the e-commerce sector. The e-commerce platform Prestashop announced its financing offer in January in partnership with Riverbank, and PayPal launched in France in May 2022 with a revenue-based financing offer. This allows SMEs to complete their processes without leaving their operating environment, promising a faster process and less administrative work.

- A thriving BtoB market after the arrival of a real innovation cluster in the B2C market, technologies and seamless customer experience to the B2B market is therefore, a logical next step.

Source : [Site officiel](#)





## EasyBill and SmartPay simplify bill payments

The startup Smart Fintech announces the integration of the SmartPay solution with EasyBill, the online invoicing, automatic stock management and document management platform. SmartPay is the first local online account-to-account payment service authorized by the National Bank of Romania.

### FACTS

- The partnership will offer the more than 45,000 EasyBill users the ability to issue bills that can be paid digitally.
- Customers can initiate payment in one click, without having to enter their card details, from the online invoice, and SmartPay will direct them to the bank, where they can authorise the payment.
- At the same time, suppliers, the users of EasyBill, will provide secure payments as they will not have access or the ability to store confidential payment data.
- Another advantage is that EasyBill customers will receive their money directly into their bank accounts instantly or within 24 hours.
- EasyBill users can view bank receipt and payment information, access bank transactions and balances directly in the platform, with automation also achieved through Open Banking technology.

### CHALLENGES

- **Simple and reliable technology:** easy reconciliation and low collection costs compared to card payment fees. This payment method also avoids errors that can occur during payment initiation.
- **Integrated end-to-end service:** SmartPay's integration with EasyBill will provide users with comprehensive, digitised services, eliminating manual operations, while benefiting from maximum security from their bank and faster transactions.

### MARKET PERSPECTIVE

- The digitisation of account-to-account online payments, both for payment acceptance and initiation, is growing as web and mobile application providers look to simplify payments for their users. The formalisation of e-commerce also plays an important role in this phenomenon. Marketplaces alone now account for 62% of global e-commerce sales, up from 10% in 2008. The trend is similar for France, where the weight of marketplaces has increased from 8% of sales in 2012 to 32% in 2020.
- In Europe, the rollout of the e-invoicing obligation will be gradual, taking into account the size of the companies. It should be noted that the electronic invoice, in the sense of this reform, is not a simple dematerialised invoice. It has a very specific format, which must be standardised and pass through a government-certified portal, hence the need to use a solution that is already compatible, such as that of Libeo, which has recently entered into a partnership with BNP Paribas to manage the dematerialisation of its customers' invoices.

Source : [The Paypers](#)



## Embedded payments - PaaS

### Mastercard and Xsolla aim to smooth the payment experience for gamers

Mastercard and gaming commerce company Xsolla have teamed up to collaborate on payments for gamers. The two companies said they want to create smooth, secure and rewarding payments for players to provide enhanced payment experiences using loyalty points linked to card payments, gifts, in-game bonuses, as well as improved payment processes for creators.

#### FACTS

- Mastercard and Xsolla will work together to enable innovative card and account-based solutions and services to enhance digital experiences in payments and beyond for gamers.
- To kick off this groundbreaking partnership, for the first time, Mastercard cardholders will be able to use Pay with Points to seamlessly redeem their loyalty points for in-game purchases - this solution will be integrated with Xsolla's Pay Station product.
- Players will be able to redeem loyalty points from participating Mastercard partners for in-game purchases later this year.
- Xsolla and Mastercard will showcase the Pay with Points solution at the Game Developers Conference 2023 in San Francisco on March 21-24, 2023.

#### CHALLENGES

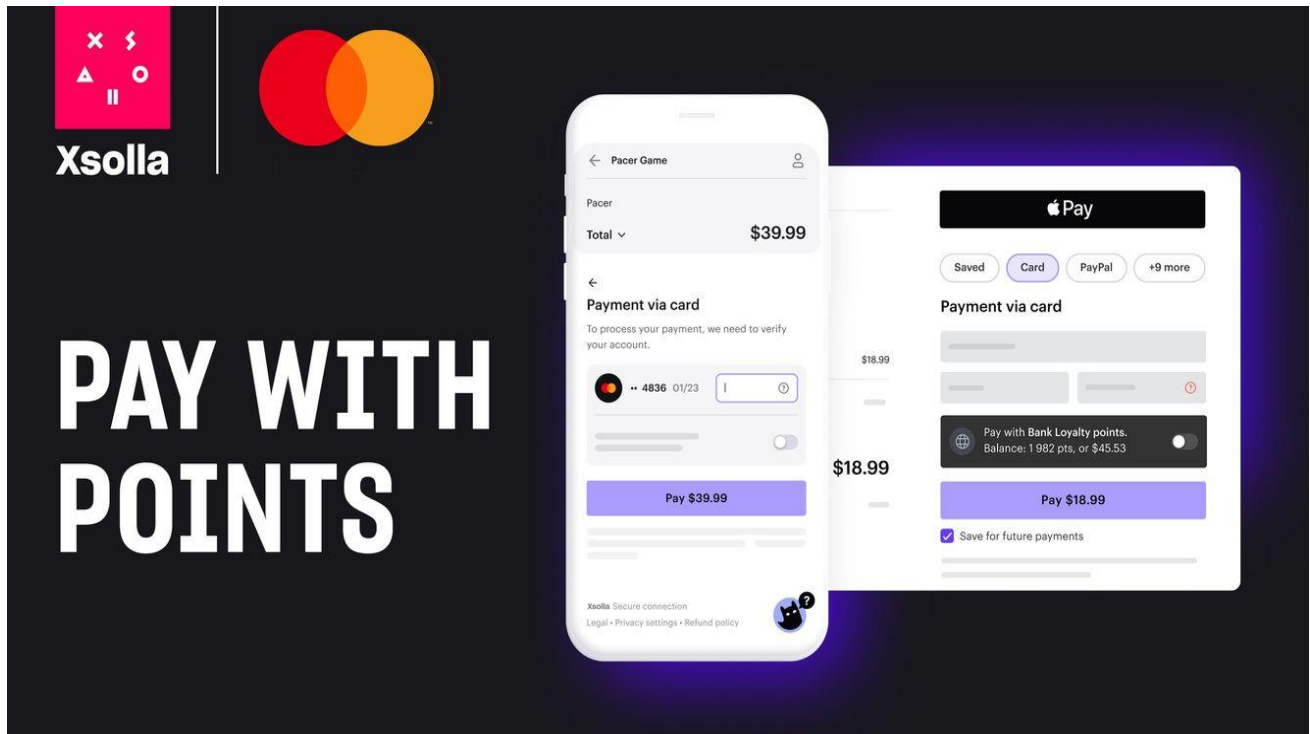
- **Games as an ecosystem of innovation:** with nearly 3.2 billion players, the video game industry attracts many economic players and offers many opportunities for payment players. There are several monetisation models that developers and publishers use to increase their profits: Pay-per-download (premium), DRM licensing, Free2Play (freemium) and in-app game monetisation that allows access to the game or users to purchase additional digital goods. By combining Xsolla's payment solution with Mastercard's loyalty capabilities, cyber solutions and card and account payment technology, the two players aim to establish themselves as a major player in a market that is still rather fragmented.
- **Making payments smooth and secure:** The two imperatives that crystallise payments in the video game industry are to make them more fluid to allow, in particular, micro-payments that are inserted as part of the game itself. The other is to make them secure. On the one hand, because video games are mostly played by young people, who are more sensitive to fraud attempts. In particular by using Mastercard's authentication and fraud detection capabilities to give parents control before their child makes in-game purchases. And secondly, because these payments are mainly made online and in this context, video game publishers are a very attractive target for fraudsters and the theft of sensitive data.

#### MARKET PERSPECTIVE

- In its latest barometer, BPCE shows a 43% increase in spending on video games, with a ratio of 99% made via online payments. And in a recent study, Visa points out the importance of an integrated payment experience so as not to disrupt the player's gaming experience.
- Games are not the only ones to investigate the subject of micro-payments. Social networking platforms are also using them to enable the payment of content and content creators.

- Discord is an online communication platform used by millions of users around the world. Discord has recently added a new payment method called micropayment. This payment method is designed to allow you to pay small amounts of money for additional features on Discord.
- The most emblematic change is to the social network Twitter. As part of his transformation of Twitter, Elon Musk wants the platform to have a payment feature. The microblogging network has started the process of obtaining the necessary regulatory licenses in the US.

Source : [Presse release](#)



## GoCardless integrates access to its international payment network

After verified mandates, fintech GoCardless, a leader in account-to-account payment solutions, is moving further into banking-as-a-service with the launch of GoCardless Embed, a new integration that allows third-party payment service providers (PSPs) to access its global banking payments network and enjoy the benefits of bank-to-bank payments.

### FACTS

- GoCardless Embed is white-labeled and allows PSPs to integrate GoCardless' global credit transfer network directly into their platform via a simple API that provides access to:
  - UK, Eurozone and US bank payment systems, with more to come;
  - end-to-end processing capabilities for bank-to-bank payments, including reconciliation, mandate management, reporting and refunds
  - open banking capabilities, such as instant payments - one-off or recurring - in the UK, instant bank account verification and fraud prevention in all three markets.
- The fintech GoCardless, a forerunner of the open banking movement in the UK, is pushing young players to use account-to-account payments to cut costs, overcome dollar limits and secure transactions.
- Its clients include many fintechs and insurtechs such as Luko, Plum, Klarna, Pennylane and many others.

### CHALLENGES

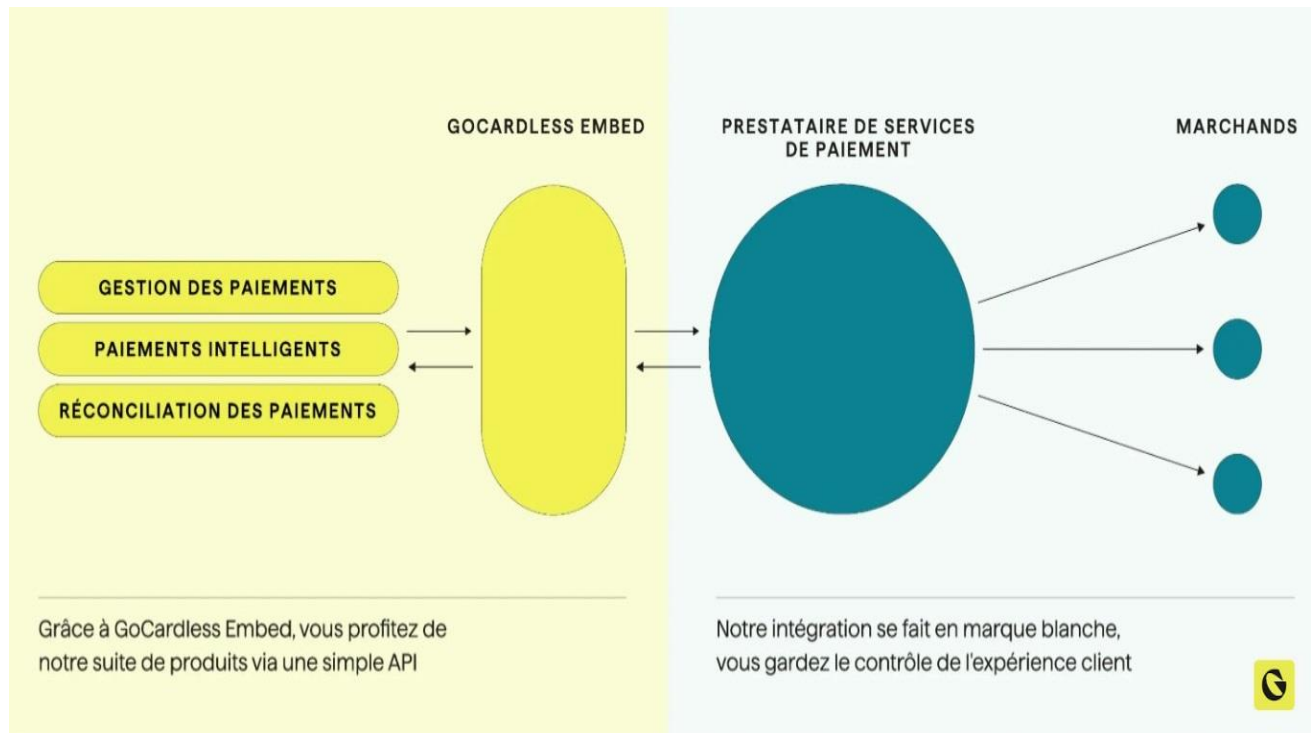
- **PSPs can use GoCardless Embed to align with customers' payment preferences and expectations:**
  - According to a survey conducted by YouGov for GoCardless, in France, ease of use and security, enabled by bank transfer payments, top the list of consumer expectations. 77% of French people would stop shopping online if the process was too complex. 40% feel frustrated when they have to manually enter information when paying online. Finally, 84% say that the protection of their privacy and data is a determining factor in their choice of payment method.
  - As for French companies, bank payments are preferred: still according to this study, six out of ten companies surveyed (62%) choose this method of payment to settle their one-off invoices.
- **Becoming a true payment scheme:** "Our greatest achievement is to have created a global bank payment network, linking disparate payment systems into one interoperable network - a challenge that until recently was considered unattainable. Now, for the first time, we have created a product that provides access to our unique network and we are excited about the opportunities this solution offers for the entire chain: PSPs, their merchant customers and end consumers," said Alexandra Chiaramonti, VP & General Manager EMEA at GoCardless.

### MARKET PERSPECTIVE

- The usage economy, towards which many companies in France and Europe are increasingly orienting their business models, such as Decathlon, Pizza Del Arte or BMW. This underlying trend is reflected in the study recently published by Wavestone, which indicates that 27% of consumers in France have already subscribed to a premium or loyalty service from a brand such as Amazon Prime, Fnac+, La Redoute & Moi. This rate reaches 34% among consumers in the CSP+ category.

- Sofacto, a French provider of subscription management and recurring billing applications based on Salesforce technology, is converging with two of Europe's leading providers in the usage economy, Billwerk and Reepay, to form Billwerk+. This trio, backed by the growth capital investment fund PSG Equity, is becoming a key player in Europe.

Source : [Site officiel](#)



## BNPL, fragmented payments

### Raylo raises funds to enhance its on-demand rental model and make it more circular

In a context where consumption tends to slow down, Raylo offers financing solutions based on the subscription economy. The company rents all types of electronic goods but is looking to extend its model to other goods (such as electric bikes, for example) and to make it more responsible. It has just raised funds to become a certified B-corp and develop the circular aspect of its model.

#### FACTS

- The company, based in London, currently operates in the UK. It allows you to rent a phone, a tablet or a laptop, for a subscription of varying lengths. The monthly payments vary according to the length of the rental period. At the end of the period, the customer has the choice of buying back the rented product, exchanging it for a more recent model or returning it at the end of the contract.
- Raylo is currently focused on technology devices, but it plans to expand its range to other products such as electric bikes.
- The start-up has just announced a new £110 million fundraising round in which Natwest participated. The funds will be used to work on enhancing its technology offering and also to review its model to emphasise its positioning within the circular economy.
- Its technology includes a platform based on AI algorithms to assess the risk of each buyer/renter profile. Raylo has also developed a BtoBtoC solution, called "Raylo Pay". It allows its rental platform to be integrated into the offer of any third-party merchant, which can then offer its customers to buy a property in the form of a monthly subscription.
- Raylo has seen its subscriber base grow by more than 100% in 2022 and the number of merchants equipped with Raylo Pay has increased 10-fold in the last 6 months.

#### CHALLENGES

- **A relevant model in the current economic climate:** Raylo expects growth to be indexed to rising inflation, causing more consumers to reconsider their spending. Leasing is increasingly preferred to buying, and refurbished to new. In this context, this method of financing appears as an alternative to BNPL.
- **A shift towards a more responsible model:** Since December, Raylo has been a certified B-corp, meaning that it operates with a view to having "a material positive impact on society and the environment through its operations". This certification has led Raylo to evolve its model to become more integrated into a circular economy model. For example, the company has implemented a recycling channel, enabling it to recondition all products returned to it at the end of a subscription. Customers can thus choose between a new or reconditioned device. This commitment also applies to its Raylo Pay solution, as it encourages its merchants to offer a refurbished option in addition to the new one and, in the same way, all returned items are refurbished and recycled by Raylo.

#### MARKET PERSPECTIVE

- There are a number of other players in the circular economy landscape. This is the case, for example, of the German company Grover, which has become a rental giant. In France, a player like Lizee has

positioned itself to help brands make the transition to the circular economy. Finally, the distributors themselves are working on this, by organising the recycling chain themselves, like Fnac Darty or Decathlon.

- The subscription economy is doing well; according to Telecom, there were nearly 50 million active subscriptions on the French market in 2021. This number is expected to grow by 15% in one year, reaching 84 million in 2025. Specialised players are therefore emerging in this niche, such as Papernest, Origame and Ideel, to concentrate all subscriptions in one place.

Source : [Presse release](#)





## Westpac offers more flexibility to its customers with PartPay

Westpac will soon offer credit card customers the option to pay for their purchases in four instalments, providing greater control and flexibility.

### FACTS

- Westpac credit card customers will be able to link their existing credit card to a new digital PartPay
- This card will allow them to split their purchases into an initial payment, with three further fortnightly payments to follow.
- As a credit card feature, PartPay will only be available to customers who have already been approved for a credit card and will use the customer's existing approved card limit.
- Card features:
  - Purchases on the PartPay digital card must cost \$100 or more.
  - PartPay is linked to a customer's chosen Australian bank account, where fortnightly payments will be automatically deducted.
  - Customers will receive a reminder three days before the automatic payment due date.
  - No late payment fees will be charged for non-payment of an instalment.
  - No interest or fees are charged for using PartPay, except for foreign transaction fees.

### CHALLENGES

- **Reintegrating BNPL into traditional credit practices:** the use of the payment facility is directly in line with the conditions of use of the credit card to which it is linked: the ceiling in force on the latter takes into account all transactions in an equivalent manner. On the other hand, any defaulted repayments are free of penalties but are immediately transferred to the classic balance, bearing interest.
- **The customer will also benefit from this integration:** all the advantages associated with his or her credit card - reward programmes, insurance, etc. - remain fully operational with PartPay. On the other hand, contrary to the usual operation of the historic instrument, and for greater peace of mind and security, users will be asked to provide the details of a current account (held in any establishment) from which the sums due will be deducted.

### MARKET PERSPECTIVE

- According to a survey by the French Banking Federation (FBF) and the French Association of Financial Companies (ASF), the rate of consumer credit use is at its lowest level in nearly 35 years
- The success of BNPL has eroded the margins of traditional players, but the decline in financing, combined with the rise in interest rates and the probable regulation of the sector, has weighed on their growth. Today, players are offering new formulas such as white-label BNPL, which allows banks to retain intermediation.
- Regulation could also reshuffle the deck in favour of the more traditional credit players, which have access to the payment incident file and are already regulated.

Source : [Site officiel](#)

# **WESTPAC PARTPAY IS ON ITS WAY.**

Soon you'll be able to split your purchases through your Westpac credit card account - with PartPay.

## Zopa acquires BNPL company DivideBuy

The fintech specialising in business lending signs its first ever acquisition following a £75m fundraising round, with this UK fintech specialising in point-of-sale (POS) BNPL for individuals.

### FACTS

- DivideBuy allows merchants to offer their customers interest-free payment options for larger purchases between £250 and £30,000.
- Shoppers can spread the cost of their purchases over a period of 2 to 12 months and has over 400 partnerships with UK merchants.
- Zopa ushers in the era of BNPL 2.0, an evolution marked by the imminence of regulation:
  - Providing affordable credit by conducting credit checks and affordability assessments for all customers
  - Sharing data with credit rating agencies (CRAs) to give other lenders a full picture of customers' debt situation
  - Helping customers to better consolidate, structure and repay their debt through its inclusive tools
  - Enable users to create their credit profiles and improve their financial situation.
- Zopa also said it expects to achieve annual profitability this year and is considering a possible listing in London.

### CHALLENGES

- **Taking advantage of a buoyant market:** The integration of DivideBuy is expected to increase Zopa's revenue by at least 20% over the next few years. The BNPL payments industry in the UK has experienced strong growth over the last four quarters, supported by increased e-commerce penetration. BNPL payments are expected to grow by 20.1% on an annual basis to \$32.8 billion in 2023.
- **Seizing the regulatory opportunity:** DivideBuy and other BNPL services operating in the UK are expected to face increased regulation from the Financial Conduct Authority, with a BNPL Industry Bill published by the government this week. Our BNPL 2.0 offering will combine fintech technology and innovation to enable instant decisions and fully integrated consumer journeys with the consumer protection, credit checks and guarantees of a regulated bank.

### MARKET PERSPECTIVE

- Zopa began life as a peer-to-peer lender before becoming a digital bank. Zopa Bank announced that it broke even 21 months after obtaining its banking licence (in the summer of 2020) and actually launching its operations. The FinTech has managed to lend over £6 billion via its peer-to-peer lending since 2005. Its diversification into savings and day-to-day banking has seen it capitalise £1 billion in deposits.
- In the UK, BNPLs are being offered by a growing number of fintechs - with Klarna being one of the largest - The eight-week consultation, which began on Tuesday 14 February, aimed at ring-fencing players in this market, comes two years after the government announced its intention to tighten the rules on the use of BNPL products and bring them within the scope of Financial Conduct Authority (FCA) regulation. Some players such as Klarna have started to cooperate with the regulator. Others, such as DivideBuy, will take advantage of partnerships or takeovers to overcome this new challenge.

Source : [Website](#)

**Z O P A** x **DivideBuy**

## Fintecture relies on Allianz Trade for its B2B deferred payment solution

Allianz Trade has signed its third strategic partnership with Fintecture in the field of B2B BNPL. Thanks to this partnership, Fintecture will offer French B2B sellers a digital and automated guaranteed payment terms solution that can be used in all purchasing contexts, both online and offline. This solution allows B2B sellers to increase their sales by granting deferred payments to their customers, without exposing their cash flow to the risk of non-payment.

### FACTS

- Sellers can add a "pay later" option to the online payment, or offer flexible payment terms to their B2B customers by sending them a payment link by e-mail, or by providing them with a QR code to scan in-store.
- The buyer accesses a digital payment terminal via this link and can benefit from instant payment terms.
- Allianz Trade is involved in credit insurance and brings to Fintecture its dynamic and forward-looking vision of the financial health of more than 80 million companies worldwide.
- Fintecture deploys its solutions to 400,000 payers, mainly large companies and e-commerce players.

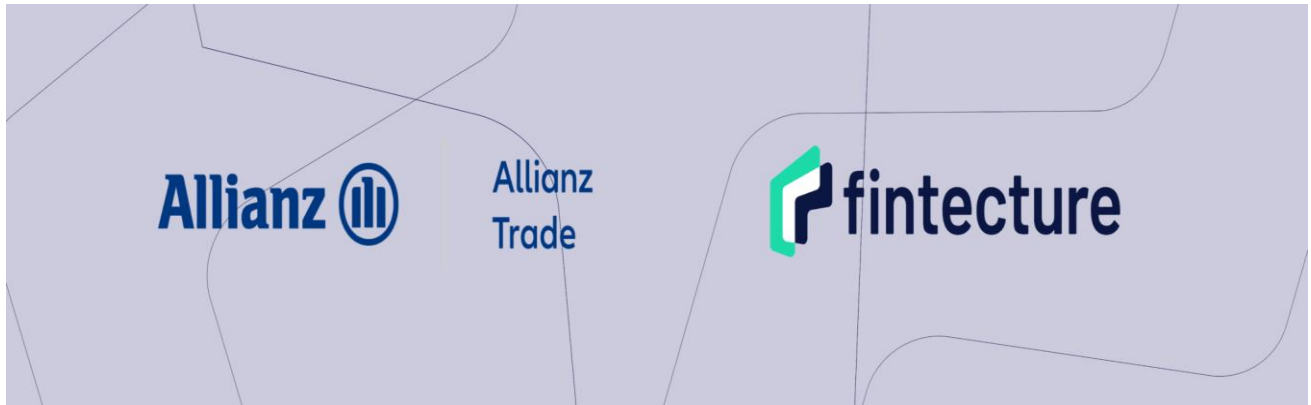
### CHALLENGES

- **Improving the financial health of businesses:** According to Allianz Trade, business failures should increase by 40% in 2023 in France. They should thus exceed their pre-Covid level of +3%, and approach the threshold of 60,000 cases. The challenge for B2B sellers is therefore to offer payment terms to their buyers, without exposing their cash flow to the risk of non-payment.
- **Making immediacy a standard:** B2B buyers can benefit from instant payment terms, as the solution is based on real-time credit decisions by Allianz Trade. Allianz Trade's credit insurance is integrated into an automated, seamless payment path, providing instant confirmation of buyer eligibility for payment terms and simple scheduling of payment on the due date. In the event of non-payment, Fintecture orchestrates the dunning process, before handing over to Allianz Trade, which manages recovery and compensation.
- **Expanding its distribution perimeter:** For Allianz, the objective of this partnership with payment and BNPL players is to open up new distribution channels, in particular to reach SMEs and VSEs for whom credit insurance remains difficult to access, for reasons of profitability and complexity

### MARKET PERSPECTIVE

- Deferred payment for businesses is a market segment that is experiencing strong growth due to the tightening economic situation. One player in this segment, Allianz Trade, is increasingly making a name for itself, having formed a series of partnerships with Pledg last September, and then with Spanish bank Santander and Norwegian fintech Two earlier this year.
- This tie-up between Allianz Trade and Fintecture is not completely new as last May, Sophie Marot-Rémy, then Chief Digital Officer at Allianz Trade joined the French fintech.
- Fintecture, which announced a €26 million fundraising round last November with the aim of developing its multi-faceted payment platform dedicated to businesses, continues to enrich its offer with new partnerships.

Source : [Presse release](#)



# E-commerce, E-Payment

## Paypal joins Bold Commerce

PayPal is offering a new integration with e-commerce technology company Bold Commerce.

### FACTS

- Bold Commerce's suite of tools is an infrastructure dedicated to small merchants who want to offer their customers a unified e-commerce experience across multiple sales channels.
- The e-commerce technology company, based in Austin and Winnipeg, currently works with more than 90,000 brands in over 170 countries.
- Its solution includes:
  - payment options;
  - a subscription management solution;
  - pricing rules for retailers targeting multiple online sales platforms;
  - and direct-to-consumer sales, allowing merchants to transact with customers wherever they interact with the brand.
- The collaboration between PayPal and Bold Commerce allows merchants to :
  - Access a single, pre-integrated solution.
  - Offer payment solutions wherever shoppers interact, such as blogs, social networks and QR codes on packaging.
  - Manage and accept a full range of payment methods, including PayPal, Venmo, PayPal Pay Later, credit and debit cards and multiple local payment methods, through a single payment service.

### CHALLENGES

- **An end-to-end omnichannel experience must include payment:** To drive conversion and grow their business, merchants need to offer personalised payment experiences based on shoppers' profiles and how they shop. "The payment experience must extend to wherever shoppers are today, which also means that a full range of payment options must be available to shoppers wherever they are," said Yvan Boisjoli, co-founder of Bold Commerce.
- **Increase conversion:** Paypal's new payment methods are expected to increase payment conversion on merchant websites and what Bold Commerce calls "purchase touch points," which will generate more revenue by reducing friction.
- **Create a network effect:** By bringing Bold Checkout to PayPal's offering and its more than 430 million active accounts, the collaboration paves the way for the largest global inter-merchant network effect for e-commerce.

### MARKET PERSPECTIVE

- PayPal is adapting to the e-commerce downturn and preparing for a potential recession, in part by aligning itself with partnerships to deliver these payment solutions. PayPal announced last November

that it had reached an agreement with Apple to begin accepting each other's payment products within their respective ecosystems.

- While PayPal and Apple Pay dominate the dematerialised payment solutions sector, the largest banks in the US are organising to develop their own digital wallets. Bank of America, JPMorgan Chase and Wells Fargo are seeking to maintain their influence over their customers to prevent them from being directed to the other side.

Source : [Website](#)





## Ticketchainer offers an innovative sports ticketing solution

Ticketchainer is a startup with the FrenchTech label and has joined the Parisian incubator Le Tremplin. Recently, it has managed to attract several professional clubs by offering an innovative ticketing solution that takes into account all the e-commerce issues facing sports organisations.

### FACTS

- Ticketchainer is a 100% cloud-based ticketing solution that integrates white-label with the online platform (or website) of clubs and organisers.
- The Ticketchainer offer includes :
  - A redesigned purchase path with a customised UX UI integrating ecommerce best practices and with a responsive design adapted to computers, tablets and smartphones.
  - A back office to manage ticketing and modules that generate additional revenue, with real-time tracking of ticket sales and combined offers.
  - Fixed and mobile access control management (via a dedicated mobile application, PDAs interfaced with the Ticketchainer API or interfacing with access control already in place).
- Since its launch in 2021, the start-up has attracted around thirty sports clubs and events.
- At the same time, the start-up is rolling out a new product for brands and sponsors. Ticketchainer now wants to continue its development in the sports sector and open up to other event markets such as trade shows and other competitions.
- To further strengthen its solution and its deployment, the start-up plans to raise funds in mid-2023.

### CHALLENGES

- **Optimising customer journeys:** "We simplify the user's purchase journey to maximise the conversion rate for ticket sales," explains Sami Bouden, CEO of Ticketchainer. On the other hand, when data is a priority, the Ticketchainer team assists its customers in designing a richer registration path.
- **Bringing more flexibility to its customers:** Ticketchainer's offer is differentiated by its ability to optimise the e-commerce challenges (data collection, sales maximisation, etc.) of each organiser (club, competition, festival, trade fair, museum, etc.). The platform is based on an API, which offers several developed and interconnected modules that facilitate customisation. We can easily interconnect Ticketchainer to third-party solutions, in particular CRMs such as Arenamatrix or Delight, which are very common in the world of sport and culture." In the same vein, Ticketchainer connects with tools such as bFan Sports.

### MARKET PERSPECTIVE

- Bayern Munich has partnered with financial technology platform Adyen, which has become the club's exclusive payment solutions partner. Adyen will manage the club's payment processing across all sales channels and enable the club to accept payments on any device anywhere in the world. Adyen's technology will be used in the fan shop, club subscriptions and tickets at the Allianz Arena.
- The TIXnGO platform helps to track and therefore combat fraud and fake tickets, and to enhance the security of venues hosting events. Large retailers are holding back the development of this technology. The TIXnGO platform can be connected to any ticketing system. It is already used by the Wimbledon tennis tournament, by UEFA, the Stade de France, but also the show producer Corrida, the festival La Magnifique Society in Reims.

Source : [Usine Digitale](#)



# Ticketchainer

Réinventer l'expérience Billetterie

## Cash & ATM

### Crédit Mutuel, BNP Paribas and Société Générale unveil their new joint ATM brand

BNP Paribas, Crédit Mutuel (excluding Arkéa) and Société Générale unveiled on Wednesday the new terms and conditions for the pooling of their ATMs. The first shared ATMs are expected to be launched at the end of the year under a single brand name: "Cash Services".

#### FACTS

- The banks, united under a common entity called 2SF (Société des Services Fiduciaires) which will lead the implementation of this transformation.
- The three networks operate nearly a third of the French ATM network, i.e. approximately 15,000 ATMs out of a total of 48,000.
- CASH SERVICES will be progressively deployed on all ATMs from Q4 2023 until the end of 2025, whether they are located in bank branches or in other public spaces (shopping centres, stations, etc.).
- Cash Services will guarantee all customers of the partner banks free access to an "expanded range of services", the three banks announced in a press release.
- This operation is also an opportunity to modernise the fleet of ATMs, while reducing their environmental footprint, with "latest generation equipment that uses less energy".

#### CHALLENGES

- **The study phase of the project was launched in October 2021.** A major mapping exercise has been underway since November 2022 to determine, municipality by municipality, which ATMs should be removed or replaced. The final result of this new territorial network could be known at the end of the first quarter of 2023.
- **Rationalising the network:** Several thousand ATMs are expected to disappear over the next few years, mainly in the most densely populated and best equipped areas. The objective for these three banks is to make savings, while maintaining a sufficient presence on the French territory.
- **Respecting their accessibility obligation:** In 2021, 2% of ATMs in France were removed, i.e. 1,000 machines. The three banking groups assure that 99% of the population will have access to a cash withdrawal service within a 15-minute drive.

#### MARKET PERSPECTIVE

- Access to cash remains a major concern in France. Cash payments accounted for 50% of in-store transactions in 2022, according to a study by the European Central Bank.
- In Switzerland, a citizens' committee has launched a popular initiative to enshrine the obligation to carry cash in the constitution. The initiative is called "Yes to a free and independent Swiss currency in the form of coins and notes". It demands that cash should always be available in sufficient quantities.
- In its draft budget for 2023, the Italian government led by Giorgia Meloni recently proposed raising the ceiling on transactions that can be settled in cash from €1,000 (as in France) to €5,000, as well as allowing merchants to refuse digital payments of less than €60. It sees digital payments as an "illegitimate gift to banks and a hidden tax on small businesses and households".

- Since the end of November 2022, "ING Cash" gives customers the possibility to make deposits and withdrawals from their current accounts at over 12,000 business partners in Germany.

Source : [Presse release](#)



**BNP PARIBAS**



**Crédit Mutuel**  
Alliance Fédérale



# Open Payment & mobility

## Lloyds invests in a car super-app

Lloyds Banking Group has invested £4 million in Caura, an all-in-one automotive app designed to simplify payments for motorists.

### FACTS

- Founded in 2019 by Apple's former head of business development, the car administration platform is based in London,
- Caura for iOS and Android provides a single, highly intuitive interface for all driving-related payments that simplifies the user journey for motorists by sending them 'right time' notifications.
- Caura's platform already handles:
  - car insurance,
  - roadworthiness testing,
  - vehicle taxes,
  - tolls...
  - and should soon accept parking tickets
- Caura has raised over £8.4 million. Previous backers of Caura include TwinFocus, InMotion Ventures (the venture capital arm of Jaguar Land Rover)...
- The funds raised in this new round will be used to further develop existing products, including administration, payments and insurance, as well as to progress an ambitious roadmap for new products.

### CHALLENGES

- **Making yourself indispensable...:** By seamlessly managing car insurance, roadworthiness testing, vehicle tax, tolls and council fees, Caura saves drivers valuable time and money. Caura's experienced management team is focused on the customer experience. This significant investment represents another important step in its plans to work closely with fintechs and technology partners to bring together data-driven insights and technologies to help customers.
- **... to become a must-have:** "Our future plans for Caura include developing integrated financial services such as auto loans and insurance, white-label payment solutions for auto partners and self-service SaaS solutions for SME customers. The aim is to create a super-app for the motorist who will be able to earn money by marketing the products of its partners.

### MARKET PERSPECTIVE

- In a recent interview, the CTO of Lloyds Banking Group offered an interesting exploration of what digital transformation really means. In particular, he advocates collaboration and openness to external ecosystems, breaking with the tradition of 'home-grown'.
- Mooncard, a fintech specialising in business expense management, is also developing around mobility services by enabling automatic payment ticket feedback from over 1,300 service stations in France. This integration enables all the details of expenses (fuel, recoverable VAT, etc.) to be entered into the

Mooncard software, saving time and money on the dematerialisation of expenses and avoiding the loss of receipts.

Source : [Presse release](#)



## The SNCF Connect application opens up to public transport

The group's application can now be used to buy and validate tickets directly with a smartphone in 22 medium-sized French cities. This opening foreshadows the group's ambitions towards more multimodality.

### THE FACTS

- The offer is currently deployed in Angoulême, Annecy, Arras, Avignon, Beaune, Belfort, Bourgoin-Jallieu, Caen, Cholet, Cognac, Draguignan, Evreux, Guérande, Les Sables d'Olonne, Maubeuge, Menton, Montbéliard, Nevers, Saint-Brieuc, Saint-Lô, Saint-Nazaire and Saintes. SNCF Voyageurs, promising to "integrate new towns and cities" in the coming weeks.
- SNCF Connect also offers, for the majority of Android smartphone owners, to take charge of some of the tickets of the Île-de-France Mobilités network, including weekly or monthly Navigo subscriptions, bus tickets to airports or the simple t+ ticket.
- The service, which is being rolled out in conjunction with the start-up company airweb, allows users to buy their local transport ticket (single ticket, booklet, package or periodical pass), validate it by scanning a QR code when boarding and then present it to the driver or ticket inspector, the company said.
- SNCF Connect, which was launched in January 2022 but was plagued by numerous bugs, claims to have had 1 billion visits in one year, with 520,000 tickets sold each day on average.
- Since September 2022, SNCF Connect has been offering two new payment solutions - the Betterway and Swile cards - which have now been joined by the ALD Move and Worklife cards. Holders of these cards can now buy their eligible transport tickets or season tickets directly on SNCF Connect.

### CHALLENGES

- **Developing multimodality:** "This new service on the SNCF Connect application is an illustration of our desire to support the French from end to end for all their travel needs," commented Anne Pruvot, Director General of SNCF Connect & Tech. A person from Caen can book a trip to Paris by TER and buy a t+ ticket from the Île-de-France Mobilités network via SNCF Connect to travel by metro in Paris, or even an Orlybus or Roissybus ticket if they want to go to the airport.
- **Encouraging ever more sustainable home-work journeys:** SNCF Connect also offers new payment solutions, allowing employees to use the Crédit Mobilité and Forfait Mobilités Durables, which are increasingly popular with companies.

### PUTTING IT INTO PERSPECTIVE

- For several years, mobility has become the catalyst for numerous initiatives, whether they come from groups already invested in mobility or from others such as banks, which have an interest in it through financing and leasing.
- At the end of last year, the four major French banks (BNP Paribas, Crédit Agricole, Société Générale and BPCE) announced strong measures to develop in this vertical.
- In the UK too, becoming a mobility super-app is attracting banking players, such as Lloyds, which has just entered into a partnership with Caura, a startup that develops payment services to facilitate the journey of motorists.
- American tech players are also on the lookout. Apple, in particular, is banking heavily on its Apple Pay Express payment system, which allows users to pay using Open Payment without even having to unlock their phone.

Source : [Presse release](#)





## FREENOW launches a prepaid card dedicated to mobility

FREENOW, the European mobility super-app, is launching a new payment method for its customers using the Mobility Budget, a monthly allowance that employers can offer their employees as a salary benefit.

### FACTS

- The mobility card is a virtual prepaid card that allows users to use the budget allocated by their employer on the mode of transport of their choice.
- They can therefore have access to the most suitable means of mobility for their personal and commuting needs, even when the means of transport is not yet available in the FREENOW application.
- Companies can freely decide the amount of the budget allocated on the mobility card and adapt it to the different needs of the employees.
- In addition, the Mobility Budget can now be spent in France as well as abroad, a feature requested by many users: The new payment card is now available to all FREENOW for Business customers in France, Germany, Italy, Spain and the UK and is to be extended in 2023 to other countries.

### CHALLENGES

- **Responding to the new norm of hybrid work and standardising the user and employee experience:** Until now, the Mobility Budget, offered to companies as an "employee benefit", was linked to transport expenses related to business trips or home-to-work journeys. With the prepaid card, the platform is extending its multimodality offer to include services such as public transport, train tickets and car or bicycle hire.
- **Developing multimodality which makes FREENOW a mobility super-app:** the individual mobility budget can now be spent for daily, weekly or monthly trips, for private travel or for commuting.

### MARKET PERSPECTIVE

- The Tripactions app, which has just announced its name change to Navan, offers companies the opportunity to rid them of expense reports through the automatic sending of credit card payment authorisation forms (CPFs) and a pre-authorisation system for expenses that works in conjunction with a virtual card issuing system.
- Mooncard, a fintech specialising in business expense management, is also developing around mobility services by enabling automatic payment receipt feedback from over 1,300 service stations in France. This integration enables all the details of expenses (fuel, recoverable VAT, etc.) to be entered into the Mooncard software, saving time and money on the dematerialisation of expenses and avoiding the loss of receipts.

Source : [Website](#)



# Player's strategy

## Feedback: Adyen at the crossroads

In the waltz of announcements of the 2022 financial results of the major banking and financial players, Adyen surprised the markets, which sanctioned the share with a sharp fall, despite its strong growth in results. This singularity is also illustrated in the strategy of the player, which is at odds with its competitors. This risk-taking is enough to make investors doubtful, but it could also prove to be the cornerstone of its differentiation and success.

### FACTS

- While many of its competitors have been hit by the economic uncertainty of 2022, Adyen has posted rather flattering financial results:
  - revenues up +30% (to €722 million)
  - net annual profit up 33% (to '1.3 billion)
  - Transaction volumes up nearly 50% (to '767 billion)
  - an operating margin of 52% (compared to 59% last year)
- It is on this last point that investors punished the share, whose price fell by 16% on the publication of these results. Indeed, with an ebitda of 372 million euros (+4% in one year), Adyen is well below the profitability expected by analysts (445 million euros).

### CHALLENGES

- **A long-term strategy, against the grain of its competitors:** among others, PayPal and Stripe have announced massive layoffs at the end of 2022 and the beginning of 2023, with the undisguised ambition of preserving this profitability which is a decisive indicator for investors. Adyen, for its part, has chosen to recruit 757 people in the second half of 2022, bringing the workforce to a total of 3,300, and plans to hire another 1,200 in 2023; an investment strategy that can only weigh further on its profitability. This choice can be explained in part by the difficulty that the group has encountered in recruiting new employees in 2020 and 2021; it would therefore be a matter of catching up now, while the tension on the job market is gradually diminishing.
- **Internalising the creation of a unified commerce platform to attract the largest merchants.** Here again, Adyen distinguishes itself from its competitors by not acquiring technologies, but by developing all its solutions itself. As a result, the company is now at the head of an extremely integrated platform, which enables it to offer a very wide range of financial solutions to its customers: online payment, in-store payment (via its own SoftPOS), and financing to merchants (via its Revenue Based Financing offer). This strategy has paid off, as it has enabled Adyen to attract leading merchants, some of whom were initially equipped by banks: General Motors, Monoprix, Toys'R'Us, Spotify, Uber, Booking.com, Microsoft, H&M, etc.

### MARKET PERSPECTIVE

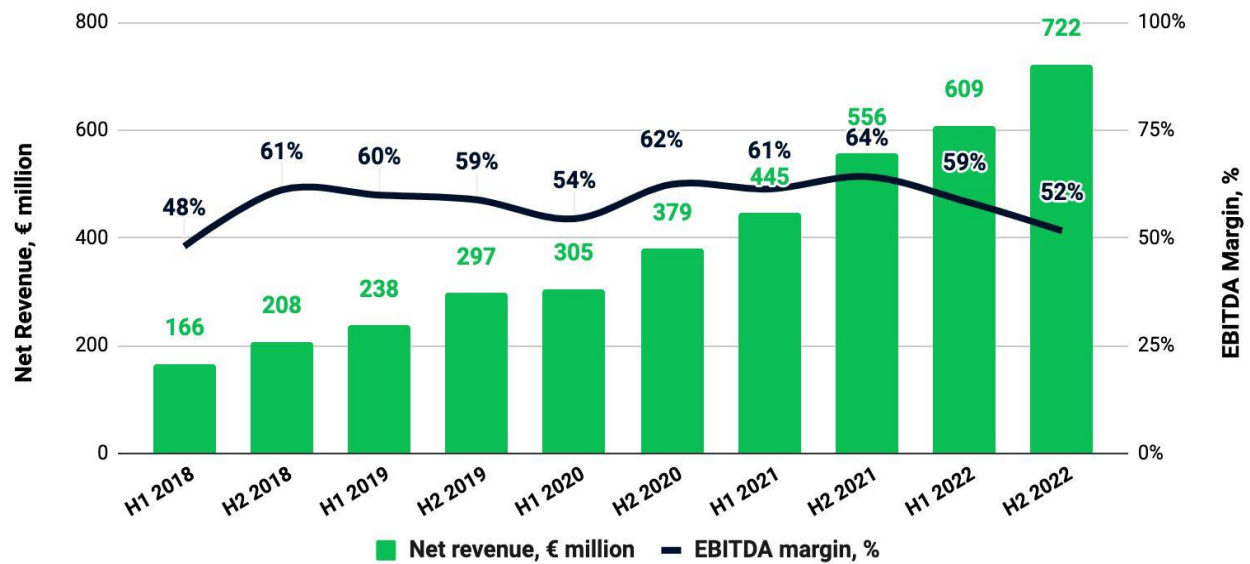
- In terms of transaction volumes processed, Adyen is now one of the top 10 European acquirers, alongside players such as nexi, Worldline and Barclay's, reshuffling the deck between the major banking acquirers and new entrants.

- In the unified commerce segment, which is currently the hobbyhorse of major merchants, BNP Paribas is seeking to push its Azepto Unified offering.
- Compared to Adyen, PayPal reported better-than-expected results, but these show a steady slowdown in the number of transactions.

Source : [Bloomberg](#)

## Adyen | Net Revenue

H1 2018 - H2 2022



## Feedback: Fidor closes its doors, review of BPCE's adventure with an online banking pioneer

Fidor has just announced that it is officially closing its doors after going into receivership. This event closes an eventful 14-year adventure for a pioneer of community online banking. This very innovative player, bought in 2016 by BPCE, could never find its place within the group. The group has since radically changed its strategy to focus on its internal resources, capitalising on the acquisition of European champion Oney.

### FACTS

- After its receivership, Fidor has just announced to its German customers that it was closing its doors for good.
- This decision is the culmination of a process that has lasted a few years since the fintech was acquired by the BPCE group.
- Founded in Germany in 2019, Fidor Bank was a fintech specialising in friend-to-friend banking, one of whose flagship products was a savings account whose rate was indexed to the number of "likes" registered on Facebook. This was a way of highlighting the beginnings of a community bank.
- Fidor then expanded to the United States and the United Kingdom, with some 350 000 members in Germany (125 000 customers).
- Fidor's offer then diversified to focus on two activities: one as a BtoB open-banking service provider (Fidor Solutions and its FidorOS platform) and the other directly with end customers. In particular, it became interested in crypto-assets very early on, notably by signing a partnership with Kraken.
- When BPCE bought it in 2016 for €150m, the plan was to use Fidor's white label infrastructure to power Banque Populaire and Caisse d'Epargne digital solutions, but also to launch the Fidor brand directly in France.
- Neither of these two options finally materialised, given the many obstacles to this collaboration. In 2018, after studying a massive investment plan (of 300 million euros) to distribute Fidor in Europe, the BPCE group finally chose the option of selling Fidor.
- Sopra Banking Software acquired the BtoB activity, when the purchase of the BtoC activity by the Ripplewood fund failed.


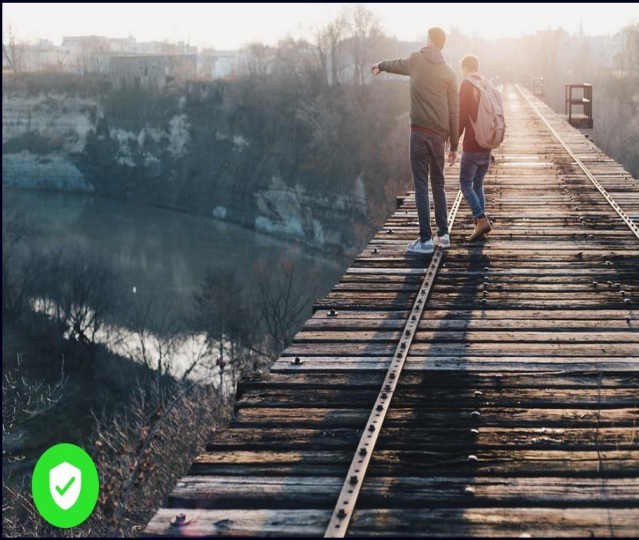

### CHALLENGES

- **A difficult tie-up for cultural reasons:** at the time of its takeover, Fidor Bank embodied the new generation of fintechs that were challenging the banks on their territory and was among the most innovative players in terms of its vision and positioning. An avant-garde positioning (particularly on crypto-currencies) which proved to be a hindrance to the collaboration with the bank's teams. The lack of support from the leaders of the regional banks also weighed on relations with the Fintech, which was never able to find its place within the group.
- **A change of strategy within the BPCE group, embodied by the handover from François Pérol to Laurent Mignon.** Following its change of boss, the group has acted on the sale of Fidor in a context of internal change. In 2019, BPCE acquired Oney to make it its digital banking arm in Europe. This ambition is supported by Oney's presence in 12 European countries. After a frenzy of acquisitions in 2015 and 2016 (takeovers of payplug, Dalenys, Depopass, Lepotcommun, e-cotiz, etc.), the group has now embarked on a race to rationalise and refocus on its internal assets. After announcing the merger of PayPlug and Dalenys (under the former's brand), the group is seeking to push forward an offer structured around its new BPCE Digital & Payments division.

## MARKET PERSPECTIVE

- The cost of this partnership failure is estimated at €230 million for BPCE, which had to recapitalise Fidor to the tune of nearly €90 million in 2018. This explains the decision taken quickly in 2018 to sell the fintech. A situation not unlike that of Orange Bank, in which Orange had to invest massively year after year, before considering its sale.
- In addition to its problems in the collaboration with BPCE, Fidor also encountered compliance problems, which resulted in a fine of 3.7 million euros imposed by the Bafin in 2022.

Source : [Website](#)



Fidor Bank AG will discontinue its banking business this year.

What does that mean exactly?

At this point in time, you do not need to do anything. You can continue to use your account to the full extent.

Until the banking business is fully discontinued, we will maintain our business operations as usual. Our parent company, Groupe BPCE, the largest unlisted banking group in Europe, is fully supporting us in this process and will ensure that we meet all our obligations in your best interests at all times.

We will contact you in a timely manner to initiate the process to close your account. Rest assured that you will have ample time to transfer your banking relationship to a new financial institution.

# Cryptos and CBDC

## In India, e-rupee soon accepted in department stores

Reliance Retail, one of India's largest retail chains, will allow its customers to pay in e-rupee, the central bank digital currency first introduced by the Reserve Bank of India (RBI) in December last year for retail markets in select Indian cities in pilot mode... The retailer has become the largest Indian company to adopt e-rupee at its outlets.

### FACTS

- Reliance Retail has become the first corporate retailer to adopt digital currency acceptance in India, continuing its efforts to create a convenient and seamless payment experience for customers.
- The company has already pioneered QR-based dynamic in-store UPI payments.
- Acceptance of eRupee has been facilitated by Kotak and ICICI banks on a platform provided by Innoviti Technologies, which has a 76% market share of corporate retail digital payment processing.
- The purchase journey is intended to be instant and simplified:
- When checking out, customers will have to scan a QR, via the "Digital Rupee" application, developed by the partner banks.
- They will instantly receive a notification to confirm that their payment has been made.
- If the pilot phase is successful, the e-rupee will be rolled out to all 17,000 shops in 7,000 cities across India.

### CHALLENGES

- **Central bank digital currency is being touted as a solution for the future:** Reliance Retail director V Subramaniam said eRupee offers the advantage of a digital transaction without the cost, as other digital payments have an interchange cost and credit cards have a merchant discount rate. At the same time, eRupee transactions do not have the disadvantage of handling cash and they can be reconciled with invoices using the same solutions used for digital payments.
- **A sovereignty issue:** In February 2022, a pilot project was announced by the Indian Finance Minister. While the political authorities are traditionally sceptical about crypto-currencies and decentralised finance, the latter wants to prevent to cure, by creating an MNBC controlled by its central bank. The initiative was first rolled out in four major cities, including Mumbai and New Delhi, before being expanded to nine other cities. A senior official told Coindesk newspaper that the project has been extended to 15 more cities

### MARKET PERSPECTIVE

- The European Central Bank, which is also interested in the subject of CBDMs, has given its vision of its future central bank digital currency. The institution mentions a consumer application capable of "offering contactless payments or QR codes" and a payment application. But the road to the digital euro will not be without its pitfalls. The commercial banks that are championing the EPI digital identity wallet project take a dim view of institutional competition.



- Finnish fintech Membrane Finance launched EUROe, the first EU-regulated stablecoin and payment network, on 2 February. EUROe functions as a full reserve stablecoin, turning a fiat euro into a 1:1 indexed digital currency and a guarantee from Membrane Finance that these funds will not be spent.

Source : [Website](#)





## Cryptoassets: the framework is tightening up

The joint committee has reached a compromise on the legal framework that will apply to crypto players from 1 July 2023. They will now be required to undergo enhanced registration, but not a stricter licence.

### FACTS

- Members of parliament and senators working on the issue have agreed in principle to strengthen the registration that digital asset service providers (DASPs) in France already have to apply to the Autorité des marchés financiers (AMF).
- The enhanced registration requirement will apply from 1 July 2023 for new entrants to the market, who will no longer be able to launch their activity on the basis of a simple declaration as their predecessors did.
- Simplified registration, as it currently exists, has been granted to over 60 players in France to date, including Coinhouse and the giant Binance.
- However, none of the players are licensed, which is much more difficult to obtain. It requires meeting capital requirements (50,000 to 150,000 euros) or having a civil liability insurance policy, which guarantees the customer in case of problems.
- In addition to the tightening of conditions to become a PSAN in France, multiple chains of control have been imposed on the crypto-asset sector. In addition to MiCA regulation, the EU also wants to make it harder for banks to hold crypto-currencies by imposing a disproportionate risk weighting (1,250%) on banks.
- The joint committee's text will be examined one last time in the Senate on Thursday 16 February, before the National Assembly on Tuesday 28 February.

### CHALLENGES

- **Not nipping innovation in the bud:** The idea of a binding authorisation, which would require platforms to provide greater guarantees of the capital they have at their disposal, has been ruled out at this stage. However, such a system will be adopted by October 2024 at the latest, as required by the draft European Markets in Crypto-Assets (Mica) Regulation. If this measure had been put in place as early as 2023, as the Senate wanted, it would have made France one of the strictest jurisdictions in the world vis-à-vis cryptoassets. This would have led some players to flee the country.
- **A balance between positions:** At the end of their working session on 9 February, parliamentarians argued that the agreement reached between representatives of the two chambers "makes it possible to propose a more favourable framework for savers, without hampering financial innovation".

### MARKET PERSPECTIVE

- The European Union is postponing the European Parliament's vote on the MiCa regulation on crypto-currencies until April. The adoption of the regulation had already been postponed for the first time to February 2022. For several months, the European Council and the Parliament have been agreeing on the latest version of the MiCa regulation that will serve as the legal basis for crypto-currencies in Europe. It has finally been postponed to April 2023. The delay is justified by technical problems, notably the translation of the regulation within the European Union.
- In a speech defining the position of the Italian Central Bank, Ignazio Visco explains:

*"The Bank of Italy is focused on the need to identify the areas in which the new distributed ledger technology can contribute to the overall stability of the financial system. (...) We are also working on the development of technological solutions, and on the definition of a comprehensive framework of standards at European and global level, to facilitate the safe use of DLTs and their applications. (...) We have also started the processes related to the authorisation and supervision activities foreseen by the MiCA Regulation."*

Source : [Website](#)



## Ingenico and Binance partner to test in-store crypto payments

Payment terminal leader Ingenico and crypto giant Binance have just signed a strategic partnership to roll out a payment solution that allows consumers to pay in cryptos in shop. While this is a test at this stage, the move shows the transition that players are making towards the use of digital currencies.

### FACTS

- This acceptance solution will first be deployed in France, as a pilot, with two merchants in the restaurant sector (Le Carlie, a cocktail bar) and the retail sector (Miss Opéra, a fashion boutique).
- Users will pay via the Binance wallet (Binance Pay) previously installed on their smartphone. Binance released a video this Wednesday morning showing a payment at Miss Opera.
- Customer journey:
  - Both the consumer and the merchant will need to have the Binance wallet.
  - The merchant will then need to determine whether they want to be paid in Tether (USDT) or Binance USD (BUSD), which are stablecoins (stable cryptos) backed by the dollar.
  - The merchant will then be able to generate a QR code with their AXIUM payment terminal (a range of Android terminals), which the consumer can read to make the transfer between wallets.
- At this stage, Axium can accept more than 50 crypto-currencies at the payer's end. Within a few months, the two partners should also test the possibility for the merchant to be paid in dollars or euros.
- This crypto-currency payment solution will also be deployed more widely in Europe, in countries where the use of crypto-currencies has been regulated, thanks to the integration of Binance Pay into Ingenico's payment terminals.

### CHALLENGES

- **A strategic partnership that Ingenico hopes will boost the use of cryptos in retail, given its footprint in the terminal market.** For now, it's about cryptocurrency payments - this solution will automatically offer an exchange rate, which will be locked in for a few minutes, allowing for a fast and smooth user experience. But, Ingenico and Binance are working on a second solution, to automatically turn crypto assets into fiat currencies. This can enable a wider swathe of merchants to start using crypto-currencies.
- **It also addresses a need for crypto-currency users to be able to spend them more easily at local businesses.** According to the release, 93% of crypto-currency holders said they would use cryptos to make purchases if given the option. But this development is hampered by the fact that cryptos were never thought of as universal payment instruments, but primarily as speculative instruments. However, the situation is gradually changing, particularly with the emergence of European digital currency projects. This type of initiative should therefore gradually accustom consumers to the use of a digital currency wallet.

### MARKET PERSPECTIVE

- Launched in 2017, Binance is the world's leading cryptocurrency exchange platform with over 120 million users.

- Binance, which has obtained PSAN (digital asset service provider) status, to roll out its solution in France, launched its cryptocurrency "tour de France" a few weeks ago, with the aim of democratising knowledge of cryptocurrencies in the regions. The cryptocurrency giant also announced the release of a tax calculator aimed at simplifying the declaration of their capital gains or losses for individuals.
- Finally, it should be noted that if the two partners have chosen France, it is because it has very early on asserted itself as a favourable environment for crypto-assets, given the early willingness of the authorities to offer a regulatory framework favourable to innovation because likely to avoid abuses.

Source : [Presse release](#)



# Digital Identity & wallets

## Huawei tests a virtual medical insurance card with its digital wallet

Huawei has launched a beta version of the Wallet app, allowing users to test a first version of its virtual medical insurance card.

### FACTS

- This virtual medical insurance card feature is jointly developed by Huawei Wallet, the National Government Service platform and the National Medical Security Administration of China.
- The current public beta version is only supported by NFC-enabled smartphones, while other models will open up in later versions.
- Similar to a physical social security card, the virtual health insurance card is usable nationwide and opens up access to transactions such as: identity certificates, access to information records, self-service enquiries, medical insurance settlements, medical benefit payments and other payments in shops.
- The Huawei Wallet enables digital transactions on smartphones and terminals. In addition to transactions, the application allows people to add their loyalty cards, gift cards and coupons. One can instantly add their bank card to pay in-store with a simple tap or barcode scan.

### CHALLENGES

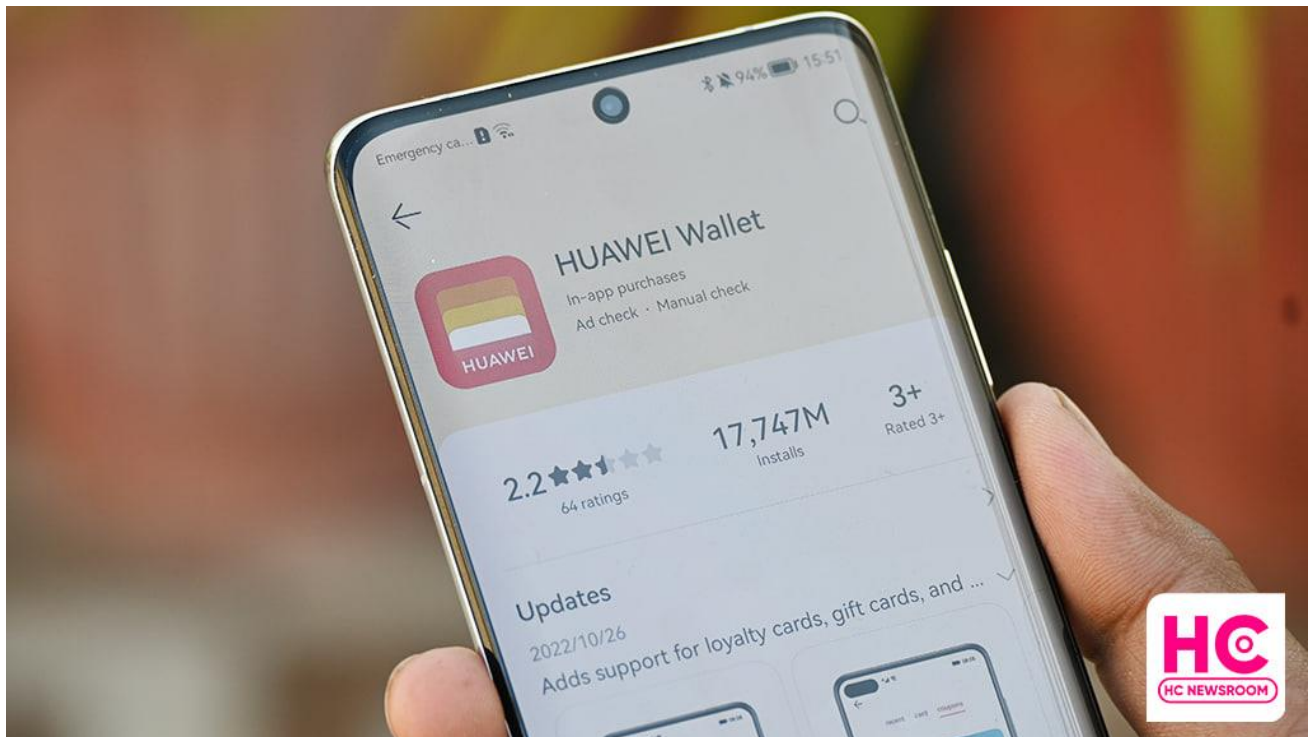
- **A personal health data issue:** This new feature allows the Chinese tech giant to position itself in the health sector. For several years now, major tech companies have been promising to revolutionise the health sector. A study by three French researchers has estimated the potential value of e-health data to be 7100 billion dollars, and they are protesting against the lack of transparency in this market.
- **Developing uses around the wallet:** After transport, Huawei is now offering its customers the possibility of virtualising their means of payment and their medical receipts in order to remove an often painful point when faced with an administration that does not centralise data and does not provide simple digital access to it.

### MARKET PERSPECTIVE

- In France, the dematerialised Vitale card has been tested in 12 departments since 2021. It will gradually be deployed throughout France, following a decree published in the Official Journal on 30 December 2022.
- The Gafa are also lurking in the health sector. Amazon has just officially launched Amazon Clinic, its new e-health service available in thirty-two American states. With this product, the e-commerce giant is not hiding its ambitions in the connected health sector.
- Apple is now offering new features that incorporate more and more health. With iOS 16 and watchOS 9, the Apple Watch and iPhone will now support features in 17 areas of health and wellness, ranging from heart health to sleep tracking, women's health, mobility and body temperature monitoring.

Source : [Presse release](#)





## Meta offers authentication with Meta Verified

After Twitter Blue, Mark Zuckerberg unveils Meta Verified: a monthly subscription to authenticate your account and get a verified badge.

### FACTS

- What is Meta Verified? It's Meta's new paying offer that allows users to have their account verified, to obtain protection against identity theft, but also to gain visibility.
- Meta Verified is primarily aimed at creators, businesses are not eligible for this offer for the moment, but the firm says it wants to extend this subscription to a wider audience in the future.
- To be eligible, accounts must meet minimum activity requirements, such as previous publication history, and be at least 18 years old, Meta says in its blog post
- In concrete terms, Meta Verified allows you to obtain :
  - A verified badge: your account is authenticated with a government ID (an ID matching the profile name and photo of the Facebook or Instagram account is required).
  - More protections against impersonation: proactive monitoring of accounts that may impersonate other accounts with growing online audiences.
  - Problem support: you can talk to a real person if you have a problem with your account.
  - More visibility and reach: your account is more likely to appear in searches, comments and recommendations.
  - Exclusive features: options for you to express yourself in a unique way.
- Meta is rolling out its new subscription in Australia and New Zealand initially.
- Meta Verified is available from \$11.99 per month (for purchase on the web version) and \$14.99 per month for purchase on iOS and Android.
- After this test phase, Meta aims to roll out this offer worldwide.

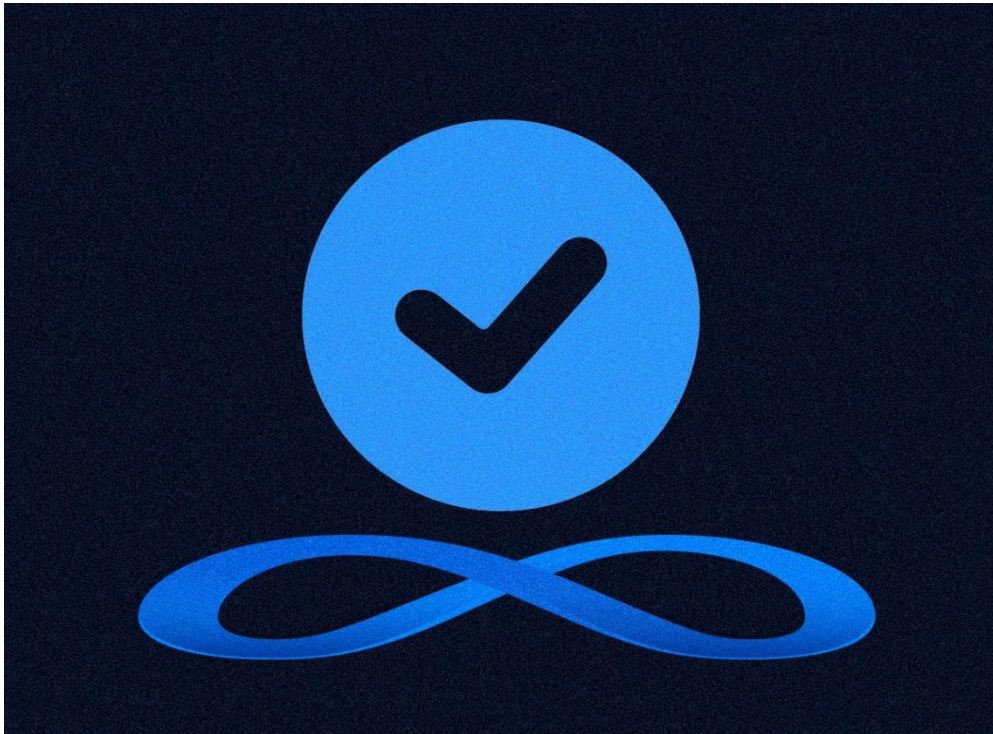
### CHALLENGES

- **Tackling fake accounts and moderating fake news:** Meta Verified promises to better protect users of Meta Group platforms from the risk of identity theft through proactive monitoring. The Meta Group requires the user to provide his or her identity card. This means that subscribers are obliged to display their real name on their profile. With this system, it hopes to address a large part of the problem of online hate. At the same time, it will reduce the high costs of moderation.
- **A new source of revenue:** Like Twitter, which has been offering the same type of formula since Elon Musk arrived, social networks are gradually turning to the freemium model. The subscription model is becoming an increasingly important source of revenue for social platforms. In June 2022, Snapchat unveiled its paid subscription Snapchat+. Last November, Elon Musk rolled out Twitter Blue, his paid subscription to get the coveted blue check mark. It is therefore not insignificant that Meta is also launching on this model at the beginning of the year. Mark Zuckerberg has taken up Elon Musk's strategy of charging more for smartphone subscriptions in order to pass on the taxes applied by the Apple and Google application shops.

### MARKET PERSPECTIVE

- Meta's long-term strategy, particularly in relation to its immersive technology initiatives. The concept of "metavers", which is dear to Meta, is intrinsically linked to identity management. Beyond this technological gamble, the various governmental projects to regulate online identity (in France and elsewhere) are perhaps also perceived as opportunities by the company.
- Commercially, this new offer does not seem to have triggered an immediate craze. In mid-January, Twitter's paid offer had only attracted some 180,000 members in the United States and 290,000 worldwide, according to the American media outlet The Information.

Source : [Usine Digitale](#)





## Green banking

### Memo Bank allows its customers to measure their carbon footprint

Memo Bank is offering a range of new services that allow its customers to measure the carbon footprint of their card spending. Not only does the bank show the emissions associated with purchases, but it also measures the CO<sub>2</sub>e emissions generated by the use of its services.

#### FACTS

- Every time they make a card payment, Memo Bank customers now see the estimated kgCO<sub>2</sub>e emissions associated with that purchase on their account.
- They can identify the expenses that generate the most emissions, and integrate the estimated emissions from their card spending with their own carbon footprint measurement - without needing to calculate those emissions themselves.
- Secondly, Memo Bank displays the CO<sub>2</sub>e emissions generated by using its services on its bills. The bank's customers can directly include this emission estimate in the calculation of their carbon footprint.
- This indicator is based on open data, enhanced by Memo Bank's teams, and on a methodology validated by the climate strategy consultancy Magelan.

#### CHALLENGES

- **Calculating indirect emissions:** Companies that measure their carbon footprint often have difficulty calculating their indirect emissions, as they lack data on their suppliers' emissions. Calculating a company's indirect emissions involves assigning a share of each supplier's carbon footprint to the company, with the share being proportional to the amount spent with the supplier. In the absence of a measurement of the supplier's carbon footprint, calculating a share becomes a complex process, requiring the reprocessing of theoretical data.
- **An internally developed model:** Memo Bank's indicator is based on two sources of data, reprocessed and freely available on GitHub. On the one hand, the Memo Bank teams reprocessed open data from Exiobase, which associates a quantity of CO<sub>2</sub>e emissions with each euro spent in a merchant category. On the other hand, they established correspondence tables between this data, and the merchant categories defined by Visa and Mastercard.
- **Adopting an open data approach to promote the adoption of its indicators:** In order to have an influence beyond its circle of clients, Memo Bank decided to open the data that its CO<sub>2</sub>e emissions indicator uses. Any financial institution (bank or fintech) that has a payment card service with Visa or Mastercard can use Memo Bank's methodology and data to develop its own indicator.

*"With this initiative, Memo Bank is playing a pioneering role. It will help to raise awareness among its customers, but also among its competitors, to follow a similar approach. The future where all companies display the carbon footprint of their products and services is approaching."*

#### MARKET PERSPECTIVE

- If the first wave of greentech players were more dedicated to B2C with names like Greenly, Doconomy, Onlyone and many others, the shift has taken place to the B2C niche. We are hearing more and more about players such as Namr, Carbo and Metron.

- Metron is one of the first French green technology companies. The startup has developed a technology platform that reduces energy costs and the carbon footprint of companies. Recently, in partnership with BNP Paribas, the "Decarb Fast Track" programme was launched to reduce the carbon impact of French companies by providing them with energy management tools. The banking group is once again affirming its ambition to move towards more sustainable growth.
- Alongside Banque des Territoires, Société Générale is participating in the capital increase of namR, an energy transition start-up specialising in BtoB data. This activity highlights the retail bank's interest in new green services and coincides perfectly with its data-driven positioning, which has been asserted for several years.

Source : [Presse release](#)

