



Highlights of the month

Payment infrastructure & support - **EPI and Bizum face off**

- **EUROPE** - **EPI** reaches a turning point in its history with the first instant payment transactions in Europe
- **EUROPE** - **Bizum** prepares a riposte to EPI by joining forces with Bancomat and SIBS

The European Payments Initiative (EPI) has achieved another breakthrough with the successful completion of the first instant payment transaction between two customers in Germany and France. This first transaction demonstrated the effectiveness of the technology used. EPI's ambition is to redefine the European payments landscape with the commercial launch of Wero scheduled for 2024.

It is against this backdrop that Bizum, the Spanish mobile payment service, has responded to EPI by announcing a partnership with Bancomat and SIBS to create a synergy between Italy, Spain and Portugal. The aim is to simplify cross-border transactions and strengthen the unified payment offering in Southern Europe. The three partners boast a strong presence, providing payment services to 42.7 million people in their respective countries, and 1.47 billion payments made by 2023.

Digital Currency & Web 3 - **Major projects in the pipeline for 2024**

- **SOUTH KOREA** - **South** Korea to launch CBDC pilot project for 100,000 citizens in 2024
- **EUROPE** - **Deutsche Bank, Galaxy Digital** and **Flow Traders** join forces to launch euro stablecoin
- **ARGENTINA** - **Argentina** pioneers the adoption of **Bitcoin**

The Bank of South Korea plans to launch a CBDC pilot project in collaboration with the Financial Services Commission and the Financial Supervisory Service. Participants will be able to use this currency to purchase goods. CBDC is seen as a potential solution to the challenges of the government subsidy system, and this project could inspire other countries in the global thinking on digital currencies.

In Germany, Deutsche Bank, Galaxy Digital and Flow Traders are collaborating to launch AllUnity, a stablecoin in euros. The partnership illustrates the growing interest of financial institutions in digital assets. It is also a reminder of the key role played by the Universal Digital Payments Network (UDPN), launched in 2023 to ensure interoperability between stablecoins and digital currencies worldwide. This initiative comes at a time when banks are actively exploring the possibilities of stablecoins, with issues of interoperability and sovereignty at stake in Europe.

Argentina, meanwhile, is officially adopting Bitcoin amid the economic crisis, joining the global trend of cryptocurrency recognition.

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Payment infrastructure & support

Tinkoff uses image recognition to trigger financial transactions

Russia - Payment Infrastructure & Support - 08/12/2023

The bank [Tinkoff](#) is now offering a novel use of the camera on the smartphones running its application. It can recognize objects and financial transactions, and even trigger transactions itself. This launch represents a first on the Russian banking market, but also an innovation that could inspire players in other geographical areas to make financial transactions more intuitive.

FACTS

- Users of the Tinkoff app can now use their smartphone's camera to help manage some of their financial transactions.
- This involves pointing the camera at a document (such as a utility bill), scanning the document, analyzing the image, and triggering the requested payment. This automatic reading mode is also used for money transfers, instant payments, and charitable donations.
- Technically, the smart camera combines computer vision and natural language processing technologies developed by the Tinkoff Center for Artificial Intelligence Technologies.
- The camera recognizes bank details without using a QR code. Users therefore have no need to enter payment information manually.
- This feature also recognizes phone numbers for money transfers. The smart camera scans the phone number transmitted via the Tinkoff app.
- Customers can also point their phone at their pet to trigger a donation to an animal protection association.

CHALLENGES

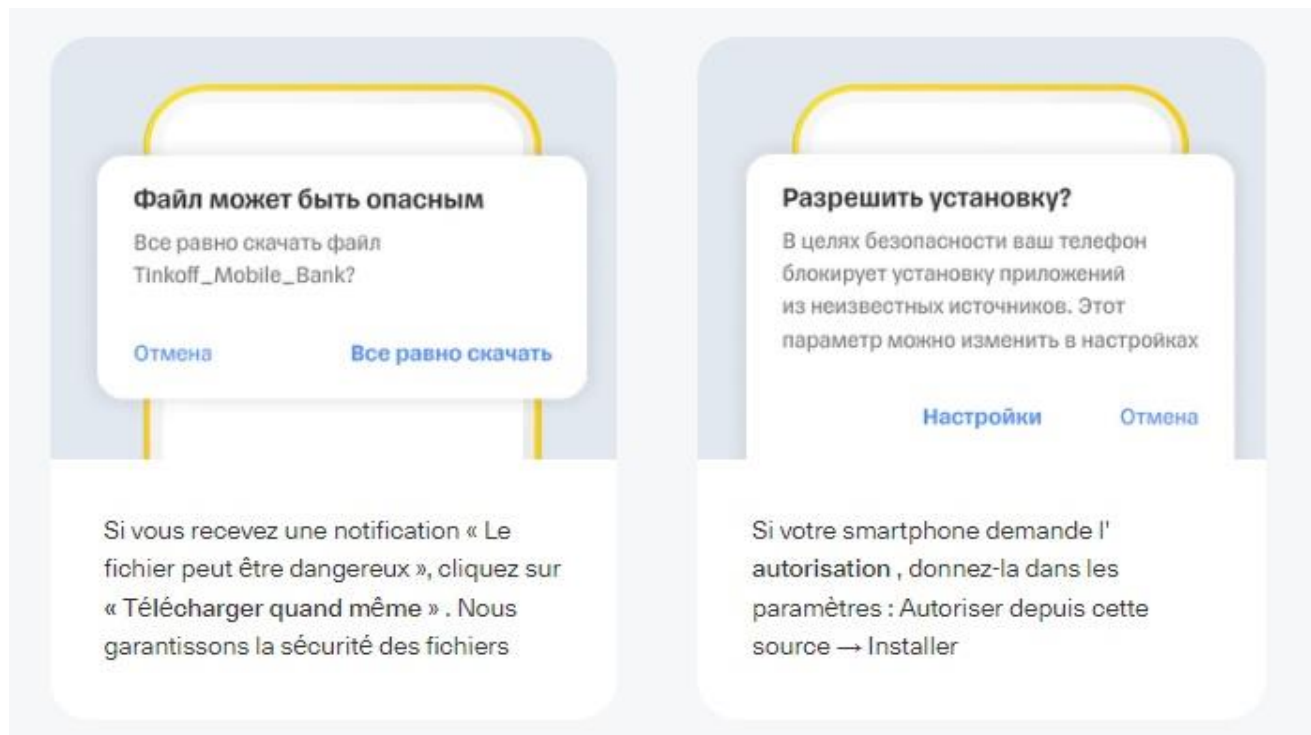
- **Image recognition and automation for a one-click customer experience:** users can perform a variety of financial tasks with a single click. Computer vision technology identifies different objects and recognizes handwritten numbers and text on any surface. This is achieved by using AI based on neural networks trained on large amounts of data. This combination of technologies simplifies the customer experience, as customers only must point at what they see to trigger actions, and the bank becomes part of their daily routine.
- **A sales operation to double customer donations made using this feature:** until December 31, Tinkoff will double every customer donation made to charities that help abandoned animals.

MARKET PERSPECTIVE

- In 2019, [Russian bank Tinkov launched a new Beyond Banking mobile app that combines classic financial services with leisure and lifestyle services](#). At the time, Tinkoff's app was presented as a "super app".
- To further diversify its non-financial services, [Russian bank Tinkoff also announced a partnership with Spotify](#). This partnership offers cashback benefits and the security of recurring payments.
- In addition, [Tinkoff's chatbot had also specialized in fighting fraud](#). The Oleg chatbot was available in a new beta version called Defender Oleg for all Tinkoff customers. A chatbot designed to help users avoid

spam, deal with unwanted phone calls, intrusive marketing approaches and, in general, any unwanted approach or other commercial request from third parties.

Source: [Retail Banking International](#)



Helix by Q2 offers extreme card personalization

International - Payment Infrastructure & Support - 13/12/2023

Helix by Q2 announces the launch of a new API that enables greater personalization to be introduced, not when the card is issued, but when transaction authorizations are managed. This flexibility enables the company to make its customer journey more individualized and fluid.

FACTS

- Helix by Q2 offers a dynamic personalization option during transaction execution.
- Via its In Auth API, Helix puts the customer back in charge of determining the criteria to be taken into account for authorization, for each transaction.
- Depending on the customer, the context of the transaction is analyzed to enable certain budget limits to be lifted dynamically, or to authorize a transaction based on the context.
- A major use case concerns fraud detection, where Helix gives companies the freedom to define their own rules, reinforcing wearer protection while ensuring a frictionless experience.
- The system can also be used to set budget limits, for example for children's cards, with controls specific to spending categories and merchants.

CHALLENGES

- **Delegation of a crucial step via a simple API:** Helix delegates a crucial step to its customers, at least in part, by proposing whether to revalidate a transaction after taking into account the analysis of the transaction context. This solution inevitably entails a risk for the merchant in the context of a strong authentication pathway but could appeal to those merchants who are the most effective in managing risk analysis, to limit any friction in the pathway.

MARKET PERSPECTIVE

- This dynamic personalization approach at the time of transactions complements the upstream personalization phases, notably when the card is issued and set up. This type of personalization can be found, for example, in prepaid card issuance, or in the case of directed payments (for vulnerable persons, for example).

Source : [Official website](#)



EPI achieves a major milestone with Europe's first Instant Payment transactions

Europe - Payment Infrastructure & Support - 15/12/2023

The European Payments Initiative ([EPI](#)) celebrates the successful completion of the first instant payment transaction between Sparkasse Elbe-Elster customers in Germany and Banque Populaire and Caisse d'Epargne in France, marking a significant step forward in the launch of [Wero](#). The transparent demonstration of the first transaction of 10 euros underlined the efficiency of the technology used. With this achievement, EPI is committed to the introduction of account-to-account payment methods with the ambitious prospect of redefining the European payments landscape, notably through the integration of Wero into banking applications and the commercial launch of this solution scheduled for 2024.

FACTS

- On December 14, 2023, the European Payments Initiative (EPI) celebrates the success of the first account-to-account instant payment transaction with its Wero solution.
- This breakthrough has been made possible by significant real-life tests between Sparkasse Elbe-Elster in Germany and Banque Populaire and Caisse d'Epargne (Groupe BPCE) in France.
- The first transaction, for 10 euros, was carried out seamlessly, demonstrating the efficiency of the advanced payment technology used by the two banks' teams.
- Martina Weimert, CEO of EPI, underlined the importance of the day, saying, "Today marks an important milestone for EPI and for the European payments landscape as a whole. The success of our first account-to-account instant payment transactions with Wero demonstrates our ability to bring value to consumers and merchants in Europe."

CHALLENGES

- **This success marks a crucial milestone for EPI:** in the implementation of inter-account payment methods based on SCT Inst and its digital wallet. EPI has demonstrated the feasibility of its solution in Europe, making transactions seamless throughout the day.
- **Towards the Europe of Instant Payments:** this breakthrough is part of EPI's global project to transform payment use cases and related services, with the aim of redefining the way financial transactions are carried out in Europe. This evolution aims to redefine the payments landscape in Europe, paving the way for an era of fast, secure and fully integrated financial transactions.

MARKET PERSPECTIVE

- According to the defined roadmap, Wero will be integrated into the applications of EPI member banks, and will also be available as a standalone mobile application on the Android and iOS platforms.
- EPI is actively preparing for the commercial launch of Wero in France, Belgium and Germany in 2024, with ambitious plans for further expansion in the Netherlands and other countries.

Source : [Press release](#)



Bizum prepares a riposte to EPI

Europe - Payment Infrastructure & Support - 19/12/2023

While the European Payments Initiative ([EPI](#)) has just [celebrated](#) the success of its first instant payment transaction, Spanish mobile payment service [Bizum](#) has just announced the signing of its partnership with Bancomat, the Italian ATM operator behind online payment service Bancomat Pay, and SIBS, the Portuguese payment network that owns mobile payment provider MB WAY. This collaboration aims to create synergy between the three entities to offer more efficient, interconnected payment solutions.

FACTS

- The merger of three of Europe's leading payment providers should enable Italians, Spaniards and Portuguese to make instant mobile payments, even between their own countries.
- The new solution will simplify cross-border transactions, enhancing the user experience and promoting the adoption of these digital payment systems.
- The three founding partners also intend to mobilize other players to promote the unifying power of their solution, specifying that their agreement is open to the subsequent participation of other European payment providers.
- The first retail payment transactions via the three new partners' systems are scheduled to begin in 2024.

CHALLENGES

- **Strengthening competitiveness:** Bizum is now organizing resistance to payment systems run by international giants. By joining forces, Bizum, Bancomat and SIBS aim to offer a robust, integrated European alternative to existing payment services.
- **Contribute to the development of a unified payment offering:** The new partnership between Bizum, Bancomat and SBIS shares the same objectives as EPI, with the emphasis on offering a unified payment solution on a European scale.

MARKET PERSPECTIVE

- The ambitions of the new alliance of Bizum, SIBS and Bancomat are in direct competition with EPI, which holds the same promise.
- Bizum, Bancomat Pay and MB WAY provide payment services to 42.7 million people in their three countries. They made a total of 1.47 billion payments by value in 2023.

Source : [Reuters](#)



CaixaBank revolutionizes the shopping experience for the blind with its accessible payment terminals

International - Payment Infrastructure & Support - 22/12/2023

CaixaBank, in collaboration with ONCE and through its service provider Comercia Global Payments, has introduced functionality to improve the shopping experience for blind people. The initiative focuses on upgrading the latest generation of Android-powered touch POS terminals, making them more accessible to the visually impaired.

FACTS

- The new functionality, implemented by CaixaBank and Comercia Global Payments, enables blind people to make purchases independently and securely in establishments equipped with these adapted tactile point-of-sale terminals.
- Launched in partnership with ONCE, the functionality updates automatically on all the latest Android POS devices supplied by CaixaBank to the various establishments, reinforcing the security of payments made by visually impaired people who currently rely on the help of others for transactions and PIN entry.
- To activate "Accessible Mode" on the POS terminal, simply double-click the button in the bottom left-hand corner of the payment screen.
- Once activated, a voice guides the user to the amount to be paid and provides instructions for finalizing the transaction using a card.
- If a PIN code is required, a special screen appears with voice instructions for entering the code.
- Following successful implementation in pilot companies, the new functionality is already available on newly activated POS terminals, with updates scheduled from December to Q1 2024 for existing terminals.

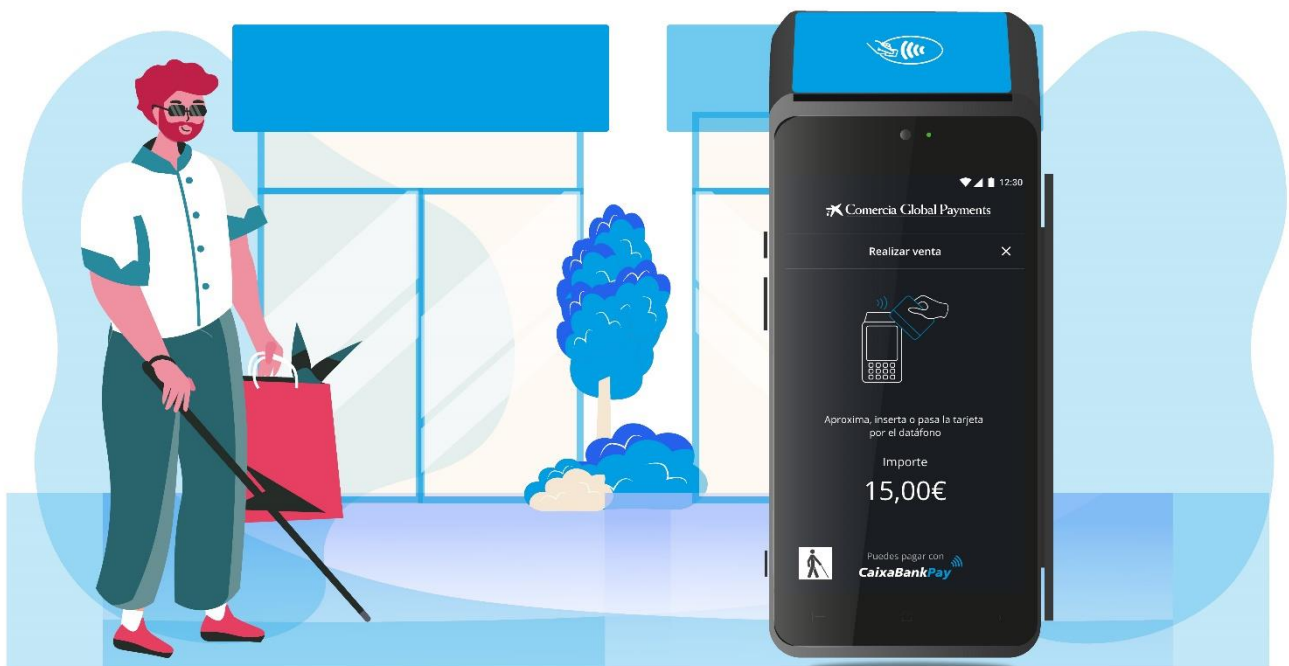
CHALLENGES

- **The introduction of this functionality represents a significant step towards greater financial independence for the visually impaired:** by reducing dependence on external assistance, CaixaBank is addressing a critical problem faced by this population for everyday transactions.
- **Promoting inclusiveness and equal access to financial services for all:** this initiative is part of the company's wider objective of promoting inclusiveness and equal access to financial services for all. CaixaBank's commitment to accessibility extends beyond the physical branches, with the majority (86%) adopting a "barrier-free" concept to eliminate obstacles in and around its facilities. In addition, 99% of the bank's branch network has been adapted to accommodate people with disabilities, including the ability for visually impaired people to use voice-guided navigation and a Braille keyboard.
- **This enhancement not only benefits people with visual impairments, but also reinforces CaixaBank's leadership in the retail services sector:** with a market share of 31.1% and over 310,000 Android POS terminals, CaixaBank is positioned as a key player committed to meeting the diverse needs of its customers.

MARKET PERSPECTIVE

- The integration of "Accessible Mode" is part of CaixaBank's wider commitment to accessibility, as demonstrated by initiatives such as the "Braille Pack" introduced in collaboration with ONCE. This previous service, launched last year, enables visually impaired people to use any type of card with Braille coding.
- Digital channels are not neglected in CaixaBank's accessibility efforts. For example, the CaixaBankNow mobile application incorporates features such as color contrasts and font sizes adapted for the visually impaired.
- The focus on inclusive banking is underpinned by technological innovation, with CaixaBank actively developing new models to meet the evolving needs of its customers. This aligns not only with the bank's vision, but also reflects a broader industry trend to harness technology for social good.

Source : [Press release](#)



POS, Cash & Payment Retail

BPCE takes on the challenge of managing ticketing for the Paris 2024 Olympic Games

International - POS, Cash & Payment Retail - 01/12/2023

BPCE is the sole operator in charge of ticket sales for the Paris 2024 Olympic and Paralympic Games. The company began selling 400,000 new tickets this week as part of a pilot project using its dedicated payment infrastructure.

FACTS

- Since ticketing opened last February, 7.2 million tickets for the Paris 2024 Olympic Games have already been sold, out of a total of 10 million planned for the Olympic Games (13 million including the Paralympic Games).
- On Thursday, the Organizing Committee for the Olympic and Paralympic Games (COJOP) launched 400,000 new tickets for the Paris 2024 Games, covering all Olympic sports, not just the Opening Ceremony.
- BPCE, which has been working on the project for nearly two years, is the sole ticketing agent for Paris 2024 and a premium partner of the event, alongside Orange, EDF and LVMH.
- There have already been various sales phases in February, May, July and from October onwards for the Paralympic Games (2.8 million tickets expected).
- To carry out its mission, BPCE mobilized a team of around 50 employees for 18 months, combining technical and operational skills with expertise in the fight against fraud.
- In all, some 800,000 transactions have been processed via the BPCE system, without any particular incident to date. The Group boasts a "96% success rate, higher than the market average of 90%".
- Following this Thursday's sale, a further resale and exchange of tickets already purchased is scheduled for April 2024.

CHALLENGES

- **Set up a payment system capable of operating in all countries and with five operators:** thus, for Paris 2024, the first challenge is to create a system that works in 178 countries using five different payment providers: Visa, Mastercard, CB, Union Pay (China) and JCB (Japan). In addition, BPCE had to be able to handle a ticket sales rate of 300 tickets per second.
- **Managing the world's largest ticket office:** this is a unique project for BPCE. The challenge is to manage the world's largest ticket office in just a few months.
- **The Olympic Games, a potential future growth lever to attract new customers:** BPCE wants to leverage this experience and the visibility that the Olympic Games will give it to continue perfecting its payments business and attracting new customers.

MARKET PERSPECTIVE

- In March 2022, [the COJO appointed BPCE to manage all ticket sales operations, after ensuring that BPCE was capable of doing so](#). Whereas the last Olympics had mobilized different service providers to handle ticket sales in the various countries.
- BPCE has [also leveraged the infrastructure of its payment subsidiary Payplug to migrate its infrastructure to the cloud](#) in order to gain flexibility and better respond to peak workloads, mobilizing IT capacity as and when required.
- Before taking on this challenge, [BPCE turned specifically to Voyages-sncf.com](#) to gain experience, particularly with peak loads, such as massive ticket sales during vacation periods.

Source : [Press release](#)



PARTENAIRE
PREMIUM



Mastercard launches a shopping assistant with generative AI

International - POS, Cash & Payment Retail - 04/12/2023

Mastercard has launched a generative artificial intelligence (AI) tool that acts as a personal assistant for shoppers. Shopping Muse is designed for retailers and other businesses wishing to support their customers' shopping experience, based on the linguistic analysis enabled by generative AI. The rapid technological progress of AI opens up a vast field of opportunities for retailers, and for Mastercard as a partner in this revolution.

FACTS

- The generative AI solution used for Shopping Muse was deployed by Dynamic Yield, a company owned by Mastercard since 2001.
- Dynamic Yield offers retailers solutions based on data analysis, enabling them to personalize their purchasing paths, regardless of the channels involved. It is in this context that the company has been working on the development of a generative AI engine for retailers' online journeys.
- Shopping Muse aims to recreate the in-store shopping experience on remote channels by equipping customers with a shopping assistant capable of "translating" users' natural language to recommend or suggest personalized products.
- Recommendations are based on the consumer's profile and purchasing preferences, knowledge of which is gradually acquired by AI.

CHALLENGES

- **Providing an enhanced, omnichannel customer experience:** generative AI enables customers to make more immersive, personalized online purchases, removing some of the disincentives to e-commerce. This technology makes it easier for customers to browse the retailer's catalog and gradually benefit from "intelligent" suggestions. This hyper-personalization offers customers a unique shopping experience.
- **The rise of AI-powered voice assistants is also boosting mobile commerce:** personalization is a central aspect of the customer experience, and voice shopping assistants can harness data to create experiences tailored to each user's preferences. A challenge that should also facilitate mobile commerce and open up new perspectives for retailers.

MARKET PERSPECTIVE

- A [recent study by PYMNTS](#) showed that the majority of consumers express at least some interest in using AI to make purchases: a total of 44% said they were interested in testing this technology as part of a purchase.
- Among the companies capitalizing on this interest is Instacart, [which announced in May that it was combining its AI and data with OpenAI's ChatGPT technology to introduce Ask Instacart](#), a search function that can give suggestions and answers to questions.
- Mastercard has long been working on technologies that will make the customer experience more fluid, in all purchasing contexts. Recent examples include a [partnership with MoonPay](#) to address the case of commerce in the metaverse, and [an agreement with Mercedes](#) for in-car payment.

Source : [Press release](#)



dynamic yield

THE EXPERIENCE OS

Payment in instalments

Walmart and Affirm extend BNPL in US stores

United States - Fractional Payment - 12/28/2023

Walmart extends its partnership with Affirm, integrating "Buy Now, Pay Later" options in over 4,500 US stores, responding to a growing consumer demand (54%) for flexible payments. This strategy, in line with the global trend towards flexible payment options, strengthens Walmart and Affirm's competitive position in the fast-changing BNPL sector, underlining the importance of companies constantly adapting to changing consumer preferences.

FACTS

- Walmart recently expanded its partnership with Affirm, the "Buy Now, Pay Later" (BNPL) service provider, to integrate buy now and pay later options into self-service payment kiosks at over 4,500 stores in the US.
- This collaboration aims to offer customers flexible payment choices, including installment payments, in Walmart's "Supercenters", on its website, in its app, as well as in Walmart Vision and Auto centers.
- The extension of this alliance between Walmart and Affirm meets a growing demand from American consumers, where more than half (54%) are looking for "Buy Now, Pay Later" options at the checkout.

CHALLENGES

- **Offering consumers greater flexibility:** the payment flexibility offered by Affirm not only helps customers manage their budgets better but has also become a determining factor in closing transactions, as Affirm's recent study shows.
- **Strengthen Walmart and Affirm's position:** with increasing competition in the BNPL sector, this strategy strengthens Walmart and Affirm's position in the US market.

MARKET PERSPECTIVE

- By expanding its BNPL offering with Affirm, Walmart is joining the growing global trend towards flexible payment options, underlined by similar agreements between Affirm and other retail giants such as Amazon and Target.
- As BNPL gains in popularity, this expansion reflects retailers' desire to meet consumers' payment preferences.
- In a broader context, the evolution of the financial landscape, where traditional payment methods are giving way to more flexible solutions, demonstrates the importance of companies continually adapting to remain competitive.

Source : [Press release](#)



Google teams up with Affirm and Zip to integrate BNPL options into Google Pay

United States - Fractional payment - 20/12/2023

Google Pay expands its services in partnership with Affirm and Zip to integrate fractional payment options (BNPL) in the US. Google's diversification of partnerships indicates a strategy to target different customer segments, fueling the intense competition between tech giants to capture the BNPL market.

FACTS

- Google Pay, looking to expand its services beyond simple payments, has announced a partnership with Affirm and Zip to introduce fractional payment options (BNPL) via its app.
- This initiative follows Google Pay's collaboration with Indian financial player DMI Finance in 2022, offering personal loans.
- The integration of Zip and Affirm's BNPL solutions into Google Pay will begin as a pilot in the first quarter of 2024, enabling US users to select their preferred option when making online payments.
- Google Pay joins the list of payment services offering BNPL options, following the recent launches of Apple Pay Later and Amazon with Affirm.
- The Zip and Affirm solutions will be deployed in a pilot phase, with promotional banners on Google Pay to inform users of the options available.

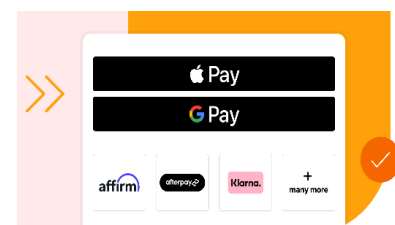
CHALLENGES

- **BNPL still has the wind in its sails:** BNPL is increasingly popular despite rising interest rates, with major players such as Affirm and Klarna reporting solid financial results.
- **Google's entry into the BNPL:** the growing adoption of the BNPL is a major trend for 2024, and Google's entry into this space could accentuate this dynamic.
- **A dual partnership to offer a better BNPL experience:** the choice of Zip and Affirm as partners suggests that Google is looking to offer consumers a variety of options, thus extending its reach to different customer segments.

MARKET PERSPECTIVE

- This initiative, following on from the collaboration with DMI Finance in 2022, sees a pilot launch in the first quarter of 2024, underlining the growing importance of BNPL in the year ahead.
- This movement reflects the growing competition between tech giants to capture a share of the BNPL market, boosting the adoption of this payment method in 2024.

Source : [Press release](#)



Fraud & Cybersecurity

Santander steps up measures against fraud on Facebook Marketplace

International - Fraud & Cybersecurity - 12/27/2023

Santander has recently taken important steps to protect its customers from scams linked to Facebook Marketplace. This initiative is specifically aimed at securing money transactions carried out via mobile or online banking, specifically for the purchase of items on this online sales platform.

FACTS

- From now on, Santander customers will receive personalized warnings of potential risks associated with purchasing goods on Facebook Marketplace.
- What's more, when a customer tries to make a bank transfer, they'll be asked if they've had a chance to see the item in person.
- In the event of a negative response, the bank transfer will not be authorized, prompting the customer to carry out further checks on the item and consider more secure payment methods.
- This decision to reinforce security measures comes in the wake of worrying revelations from the bank.
- Indeed, Santander has informed that its customers suffered losses amounting to almost £6.5 million from Facebook Marketplace scams in 2023, representing a significant increase of almost 50% on the previous year.

CHALLENGES

- **The bank's Authorise Push Payments (APP) report also highlighted the fact that over 70% of purchase-related scams on Facebook Marketplace originate from social media:** this alarming situation underlines the need for financial institutions to put in place more robust protection mechanisms in the face of evolving schemes used by fraudsters.
- **Santander, aware of the current challenges, is also anticipating the forthcoming implementation of a new mandatory reimbursement system for APP fraud, announced by the payment systems regulator:** these new rules, effective from October 7, 2024, will require banks and payment companies to reimburse customers who are victims of this type of fraud, with the costs split 50/50 between the senders and recipients of the payments.

MARKET PERSPECTIVE

- Chris Ainsley, Head of Fraud Risk Management at Santander, underlines the urgent need for action against a backdrop of increasing consumer vulnerability to Facebook Marketplace scams. As the festive season approaches, the bank hopes to deter customers from handing over money to potential fraudsters by strengthening existing protection measures.
- Ainsley encourages vigilance among consumers when shopping online and stresses the importance of not buying items without seeing them in person. It also recommends the use of reliable payment methods such as debit or credit cards. Ultimately, Santander's initiative is part of a proactive approach to raising customer awareness and encouraging them to adopt safer behaviors in the complex environment of online transactions, particularly on platforms such as Facebook Marketplace.

Source : [Press release](#)



Player strategy

Adyen steps up a gear in the retail market

International - Player strategy - 06/12/2023

Adyen has entered into a long-term payment cooperation with the retail giant, group S, in Finland and Estonia. Adyen has also just announced that it has become the sole acquirer of Klarna in all its geographies. These two landmark announcements demonstrate Adyen's acceleration in the retail segment and its ability to manage global contracts, as is the case with Klarna.

FACTS

- The aim of the first partnership is to help S Group offer an omnichannel experience by connecting all online and offline channels, and to create loyalty programs for all the Group's brands: S-Market, Alepa, Sale, Prisma, ABC service stations, Sokos Hotels, Rosso and Amarillo.
- S Group plans to use Adyen across all sales channels, including stores, online stores and mobile applications. More than 1,900 websites and online channels are involved, enabling S Group to gain insights into consumer payment behavior across all touchpoints.
- On the Klarna side, Adyen has just expanded its existing partnership:
 - In particular, the company has extended its global partnership with Klarna, enabling it to benefit from its acquiring capabilities and simplify card payments for its customers.
 - Adyen aims to simplify payments for Klarna's 150 million users worldwide.
 - Adyen had previously made Klarna payment methods available to its customers, including free instant payments and deferred payment options.

CHALLENGES

- **In search of an enhanced customer experience at the point of payment:** thanks to this partnership, S Group aims to improve the customer experience when providing everyday services in grocery stores, hotels, restaurants, department stores, service stations, etc. This will involve integrating new payment terminal models and additional payment methods into sales channels. This will involve integrating new payment terminal models and additional payment methods into sales channels.
- **Adyen assumes role of acquiring bank for Klarna:** the partnership between the two companies has entered a new phase, with Adyen assuming the role of acquirer on behalf of Klarna. Operations are scheduled to begin in Europe, North America and Asia in 2024.

MARKET PERSPECTIVE

- January 2022, [Klarna introduced its Visa credit card in the UK](#) offering users the option of deferring payment for up to 30 days, aligning this offer with the existing online product known as "Pay in 30".
- When it launched in the US this summer, the company had one million consumers on its waiting list for the pay-in card, [introducing the "Pay in 4" service in a physical version of the Visa card](#).
- November 2023, [Adyen unveiled Capital, a solution aimed at providing financing to SME users of its platform in Australia](#). This initiative was designed to simplify access to funding for businesses using the platform, while offering SMEs a funding opportunity based on their historical payment data.

Source : [Press release](#)



SumUp raises a further 285 million euros for further growth

International - Player strategy - 11/12/2023

SumUp, the fintech that provides payments and related services to around 4 million small and medium-sized businesses in Europe, the US and Australia, has secured €285 million in funding to continue to grow and survive in a complex environment for fintechs.

FACTS

- The London-based startup has raised 285 million euros (just under 307 million dollars).
- The company plans to use this funding to further develop its business by introducing additional financial services, such as :
 - Provide billing services, loyalty programs, business accounts, etc,
 - Focus on card readers and other point-of-sale tools
 - And extend its geographical coverage beyond the 36 currently active.
- SumUp also plans to grow inorganically, through mergers and acquisitions.
- Sixth Street Growth led this latest cycle, with the participation of previous investors Bain Capital Tech Opportunities, Fin Capital and Liquidity Group.
- SumUp has now raised around \$1.5 billion, according to PitchBook data.
- According to SumUp, the company is valued at over €8.5 billion, has been EBITDA positive since the fourth quarter of 2022, and is forecasting sales growth of over 30%.
- SumUp claims to have around 4 million customers worldwide, exactly the same number as two years ago.

CHALLENGES

- **A difficult market environment for fintechs:** according to S&P, the current market environment is difficult for startups and fintechs. They are facing a much tighter funding environment, posting a 36% decline worldwide last quarter.
- **A plummeting valuation for SumUp: at the same time,** the \$8.5 billion valuation by 2022 represents a significant reduction on the 20 billion euros (\$21.5 billion) SumUp was aiming for.
- **Fundraising to return to growth:** SumUp has raised capital to continue innovating and launch new services in order to regain market share. The aim of this financing is also to return to growth, inorganically, through an acquisition strategy, like FiveStars in 2021.

MARKET PERSPECTIVE

- [SumUp acquired loyalty startup Fivestars in 2021](#), giving it a head start in the US and also introducing new services to its platform.
- As a reminder, [SumUp's last financing in August concerned a \\$100 million line of credit](#).
- Payment technology companies in Europe and the USA are also facing increased scrutiny and business slowdowns. PayPal and Square, two US-listed companies that compete directly with SumUp, have seen

their share prices and market capitalization decline since 2022. [Stripe, for example, has lost almost half its value, to \\$50 billion this year..](#)

Source : [Le Monde](#)



Apple allows competitors to use its NFC technology in response to the European Commission

United States - Player strategy - 07/12/2023

Apple responds to the European Commission's accusations of abuse of a dominant position by opening up access to NFC on its iPhones to third-party developers. The Commission criticizes Apple for limiting access to its NFC technology, thereby favoring its Apple Pay service and creating a monopoly. To avoid fines, Apple is proposing this opening, but it still needs to be approved by Brussels after consultation with developers and customers. At the same time, Apple is facing a legal challenge in the United States, where it is accused of hindering the use of "tap to pay" technology by third-party developers.

FACTS

- As part of the ongoing antitrust trial in Europe, Apple is preparing to give third-party developers access to NFC (Near-Field Communication) on its iPhones.
- This decision is in response to accusations of abuse of a dominant position made by the European Commission since May 2022.
- Currently, Apple restricted the use of its NFC-based Tap-and-Go technology to Apple Pay users only, creating a monopoly on the iOS ecosystem wallet market.
- Apple's proposal to open up its Tap-and-Go payment system to competition is a direct response to pressure from the European Union.
- This partial concession is intended to demonstrate Apple's willingness to comply with current regulations and compromise on details, rather than open up its entire ecosystem, as the EU would like.

CHALLENGES

- **The European Commission accuses Apple of hindering competition by limiting access to its NFC technology, which favors its own service, Apple Pay:** by opening up this technology to third-party developers, Apple is seeking to avoid a possible fine and address the concerns of the European authorities.
 - Brussels plans to consult developers and customers next month to gather their opinions before taking a decision that could include a fine and an injunction putting an end to the current practice.
- **Apple is also facing a class action in the USA, where it is accused of hindering the use of "tap to pay" technology by third-party developers:** a US judge recently recognized the validity of allegations that Apple Pay imposes excessive fees on developers, reinforcing the plaintiffs' arguments about Apple's attempted monopolization.

MARKET PERSPECTIVE

- While this decision may be seen as a step towards fairer competition, it remains to be seen whether it will be enough to satisfy the European authorities. The Commission will have to assess the impact of this proposal on the wallet market, and determine whether it will really stimulate innovation and foster healthy competition.
- The case illustrates the growing regulatory challenges facing Apple in both Europe and the US, where legal issues could shape the future of the Apple ecosystem and the mobile payments industry.

Source : [Usine Digitale](#)



Pluxee, Sodexo's new entity, prepares to conquer markets: a strategy of spin-off to strengthen the future

Europe - Player strategy - 26/12/2023

Sodexo plans to float its new Pluxee entity on February 1, 2024, after spinning off its employee benefits activities, including meal vouchers. The demerger is intended to strengthen each entity, with Pluxee posting sales of 1.09 billion euros, present in 31 countries.

FACTS

- Foodservices group Sodexo has announced its intention to float its new Pluxee entity on the stock market on February 1, 2024, following a demerger of its employee benefits activities, including meal vouchers.
- The strategic separation had already been envisaged in April of the previous year, with the aim of strengthening each entity and enabling Pluxee to realize its full potential.
- Pluxee, which focuses on restaurant vouchers, plans to strengthen its core business in all the countries where it operates, with France accounting for less than 12% of total volume.
- For fiscal years 2024 and 2025, Sodexo anticipates organic sales growth of between 6% and 8% per year, excluding Pluxee, as well as an increase in operating margin.
- Pluxee's listing on February 1 will mark a major milestone in the Group's restructuring strategy.

CHALLENGES

- **This strategic demerger aims to strengthen the position of each entity, supported by dedicated governance and an appropriate capital structure:** Pluxee, present in 31 countries with over 500,000 customers and 36 million consumers, is forecasting sales of 1.09 billion euros for the 2022-2023 financial year, recording a significant increase. Now registered in the Netherlands, this new entity will enable the Bellon family to retain a long-term controlling shareholder role.
- Pluxee CEO Aurélien Sonet stresses that **the demerger will have only a limited impact on the company's day-to-day operations**, with continuity in shareholding and strategy.

MARKET PERSPECTIVE

- At the same time, Sodexo signed an agreement to sell its Home Help division in September, focusing more on Foodservices and building maintenance services.
- The aim of the demerger is to enable this fast-growing business to develop independently, while taking on a more technological positioning and supporting a buoyant environment. The move is in line with similar moves by its rival, Edenred.

Source : [Press release](#)



Digital Currency & Web 3

South Korea to launch CBDC pilot project on 100,000 citizens in 2024

South Korea - Digital Currency & Web 3 - 05/12/2023

South Korea is facing an important turning point in the development of its monetary system. In fact, the country is preparing to start testing its own central bank digital currency (CBDC). This ambitious initiative is scheduled for the fourth quarter of 2024 and is expected to involve 100,000 citizens (around 0.2% of the South Korean population).

FACTS

- The Bank of Korea (BOK) recently announced its intention to follow the growing trend of central bank digital currencies, announcing the launch of a pilot project planned for Q4 2024.
- The BOK will lead this effort in collaboration with the Financial Services Commission (FSC) and the Financial Supervisory Service (FSS).
- This experiment will involve 0.2% of the South Korean population, or around 100,000 people.
- Participants will have the exclusive right to use tokens issued by commercial banks in the form of CBDCs.
 - However, this will be limited to the purchase of goods and excludes other uses such as remittances.
 - This restriction appears to be a deliberate measure to assess the acceptability of CBDCs in specific circumstances, while minimizing the risks associated with wider implementation.
- Pilot projects will be implemented in regions such as Jeju, Busan and Incheon.
 - These locations were selected for their representativeness and economic diversity, providing an ideal testing ground for observing the interaction between CBDCs and the real economy.

CHALLENGES

- **CBDC a potential solution to current challenges:** CBDC is seen by BOK as the answer to the challenges arising from the existing government subsidy system. These problems are often complicated by high transaction costs, processing delays and fraud risks.
 - CBDCs offer a potential solution to these current challenges, and guarantee the efficiency and security of financial transactions.
- **A pilot project that could inspire the rest of the world:** the CBDC pilot project in South Korea represents an important step in the development of the monetary system. This initiative aims to assess the impact of CBDC on national currency movements and to provide answers to current payment challenges.
 - South Korea's experience should therefore contribute to global reflection on the future of digital currencies.

MARKET PERSPECTIVE

- Many central banks in developed countries are actively considering the introduction of CBDCs in response to changing consumer preferences and the declining use of cash.

- However, as countries adopt the CBDC, Augustin Carstens, Director of the Bank for International Settlements (BIS), stresses the importance of having a regulatory framework in place.
 - The aim is to introduce these digital currencies smoothly and efficiently worldwide.

Source : [Press release](#)



Deutsche Bank, Galaxy Digital and Flow Traders join forces to launch a stablecoin in Euro

Germany - Digital Currency & Web 3 - 12/18/2023

Deutsche Bank is teaming up with Galaxy Digital and Flow Traders to launch the Euro stablecoin, AllUnity, via its DWS arm, with a launch expected within 12 to 18 months under German BaFin approval. Stefan Hoops of DWS points out that AllUnity aims to facilitate secure blockchain settlement for a variety of uses. The partnership is part of a growing trend of stablecoin exploration by financial institutions, illustrating the growing interest in digital assets and underlining the potential role of the Universal Digital Payments Network (UDPN) in the widespread adoption of tokenized assets.

FACTS

- Deutsche Bank, in partnership with Galaxy Digital and Flow Traders, is preparing to launch a Euro stablecoin called AllUnity.
- DWS, the asset management arm of Deutsche Bank, has announced the creation of AllUnity, a joint venture to issue a Euro stablecoin.
- Tokenization and storage of digital assets will be managed by GK8, a Galaxy subsidiary.
- The launch of this stablecoin is scheduled for the next 12 to 18 months, subject to approval by the German regulator BaFin.
- Stefan Hoops, CEO of DWS, emphasizes that AllUnity aims to bridge the gap between traditional and digital financial ecosystems, facilitating secure blockchain settlement for institutional, corporate and private use.
- Galaxy CEO Mike Novogratz sees digital currencies as the natural evolution of the global payment system, and this partnership paves the way for wider adoption of digital assets.

CHALLENGES

- **An introduction by banks to the crypto universe:** Deutsche Bank's announcement to launch a Euro stablecoin reflects the traditional financial sector's growing interest in the burgeoning crypto industry. The partnership between Deutsche Bank, Galaxy Digital and Flow Traders is part of a wider context in which financial institutions are actively exploring the opportunities offered by stablecoins.
- **Interoperability for stablecoins in euros:** AllUnity aims to offer a stable, open, fungible and interoperable solution in euros, promoting global access to digital assets.
- **A sovereignty issue in Europe:** The stablecoin sector is currently dominated by Tether and its USDT token, with a capitalization in excess of \$90 billion.

MARKET PERSPECTIVE

- A recent test between Deutsche Bank and Standard Chartered Bank has demonstrated the feasibility of stablecoin exchanges between major banking institutions on the Ethereum blockchain. The test is part of the Universal Digital Payments Network (UDPN) project, aimed at connecting central bank digital currencies and regulated stablecoins between commercial banks worldwide.
- The UDPN, scheduled for commercialization in late 2023, could play a crucial role in the widespread adoption of tokenized assets and enhance interoperability between different digital currencies.

- All in all, Deutsche Bank's AllUnity initiative marks a significant step forward in exploring the possibilities offered by Euro stablecoins, contributing to the evolution of the financial landscape towards a decentralized global economy.

Source : [Press release](#)



Worldline develops the Metaverse Shopping Hub

International - Digital currency & Web 3 - 21/12/2023

Worldline unveils the Worldline Metaverse Shopping Hub on Spatial, enhancing the merchant experience in the Metaverse with graphical and accessibility advances. The initiative responds to McKinsey's projection, estimating the Metaverse e-commerce market at \$2.6 trillion by 2030. Spatial, integrated after the success on Decentraland, offers innovative features including virtual treasure hunts, while the expansion into Germany and Austria via PAYONE strengthens the geographical reach of the Metaverse Shopping Hub. Worldline is thus positioning itself as a key player in Metaverse commerce, offering cutting-edge solutions for retailers.

FACTS

- Worldline has launched the Worldline Metaverse Shopping Hub within Spatial, presenting a significant enhancement to its white-label solution for merchants entering the Metaverse.
- This platform extension promises major advances in graphic quality and accessibility for online shops, desktops, mobile devices and virtual reality equipment.
- McKinsey forecasts that the Metaverse e-commerce market will reach \$2.6 trillion by 2030, making this platform extension an opportunity to enter the Metaverse.
- Following the successful launch of the Worldline Metaverse Shopping Hub earlier this year on Decentraland, Worldline is now integrating Spatial, establishing a Metaverse Shopping Hub on various Metaverse platforms.
- Recognizing the transformative influence of games on the digital world, the second season of Spatial introduces new methods of customer engagement, such as virtual treasure hunts where users can collect digital eggs in exchange for NFT rewards and community cards.

CHALLENGES

- **This initiative marks the beginning of inventive ways for merchants to create customer experiences in the Metaverse:** by engaging customers through a variety of methods, Worldline aims to help merchants build stronger relationships in the new Metaverse environment. Merchants can establish their initial presence in the Metaverse with the Worldline Metaverse Shopping Hub, drawing on complementary offerings in Metaverse advertising, phygital experiences, augmented reality solutions and more.
- **Spatial significantly enhances accessibility, enabling customers to enter the Metaverse by means other than computers, including virtual reality headsets and smartphones:** accessibility is not limited to hardware, but also encompasses a variety of payment options. Worldline's offering includes up to 150 payment methods, from standard credit and debit cards to digital wallets such as PayPal, mobile payments via Apple Pay and services such as Buy Now, Pay Later.

MARKET PERSPECTIVE

- The expansion into Germany and Austria through PAYONE, a joint venture between Worldline and the German Savings Bank Association (DSV Group), adds a geographical dimension to the Metaverse Shopping Hub. From the first quarter of 2024, PAYONE will distribute the Worldline Metaverse White Label solution in these regions. PAYONE underlines its commitment to bringing innovation to the German and Austrian payment markets, supporting merchants with omnichannel commerce solutions.

- Worldline's launch of the Metaverse Shopping Hub and its expansion through Spatial and PAYONE underscore the company's commitment to offering pioneering solutions in the evolving digital commerce landscape. As Metaverse commerce continues to gain momentum, Worldline is positioning itself as a key player, offering merchants cutting-edge tools to thrive in this new era of consumer engagement.

Source: [Press release](#)



Argentina pioneers the adoption of Bitcoin: an economic revolution in the making

Argentina - Digital Currency & Web 3 - 12/29/2023

Argentina aims to set itself up as a pioneer in the official adoption of cryptocurrencies, opening a new chapter in the country's economic history and joining the global movement towards increased recognition of cryptocurrencies.

FACTS

- Argentina's new government, led by President Javier Milei, recently took the bold step of officially recognizing contracts denominated in Bitcoin and other cryptocurrencies in the country's courts.
- Diana Modino, Argentina's Minister of Foreign Relations and International Trade, declared on social network X that "contracts can be concluded in bitcoin", paving the way for more widespread use of cryptocurrencies in the Argentine economy.
- This decision comes against the backdrop of an economy in the grip of hyperinflation, with inflation exceeding 160% year-on-year.
- President Milei, elected on a platform of reducing state intervention and stabilizing the country's economy, has also expressed his desire to dollarize the Argentine economy to mitigate the effects of inflation.

CHALLENGES

- **The official adoption of cryptocurrencies in Argentina comes at a time when the population is looking for alternatives to political-economic fluctuations, particularly in the face of inflation close to 90% and the devaluation of the peso:** against this backdrop, many Argentines have already embraced cryptocurrencies, placing Argentina 15th in the global ranking of countries adopting cryptos the most in 2023, according to Chainalysis.
- **Argentina's historic decision to officially adopt Bitcoin into its economic system is in line with a global trend of growing recognition of crypto-currencies:** Minister Modino's statement comes in the context of emergency economic measures taken by the Argentine government, such as devaluing the peso by over 50%, cutting subsidies and opening up public enterprises to privatization. At the same time, President Milei, by encouraging the dollarization of the economy, is seeking to bring stability to a country suffering from an acute economic crisis.
- **In the face of these changes, the Argentine population is showing a growing interest in cryptocurrencies as a way of protecting their savings from currency fluctuations:** almost 60% of the population believe that Bitcoin can maintain the value of their savings over a two-year period, according to a survey by consulting firm Morning Consult.

MARKET PERSPECTIVE

- While Argentina embraces crypto-currencies, [Singapore, once considered a haven for crypto players, is taking a stricter approach](#). The Monetary Authority of Singapore warns against excessive speculation around cryptoassets and is considering stricter rules, illustrating the diversity of approaches nations are taking to the rise of cryptocurrencies.
- At the same time, another movement is part of the growing trend, highlighting the growing interest of financial institutions in exploring digital assets, with, in particular, a craze for stablecoins. These

developments reflect a growing global momentum in favor of exploring cryptocurrencies and innovative payment technologies.

- [Deutsche Bank, in partnership with Galaxy Digital and Flow Traders, plans to launch its Euro stablecoin](#), AllUnity, via its DWS arm, with approval expected from Germany's BaFin within 12 to 18 months. [South Korea, meanwhile, is planning a pilot of its own central bank digital currency \(CBDC\)](#) involving 100,000 citizens by Q4 2024. [Visa is also looking to accelerate cross-border payments with stablecoins](#), extending its capabilities with Crypto.com, Worldpay and Nuvei via the Solana blockchain.

Source : [X](#)



Studies & Conjonctures

France stands out as a dynamic laboratory for developments in the European electronic payments landscape

Europe - Studies & Conjonctures - 12/12/2023

France is a dynamic laboratory for the development of electronic payments in Europe, with a steady decline in the use of cash in favor of bankcards, which now account for half the value of payments. The French lead Europe in the use of bankcards, while the Germans and Italians are less inclined to use them. The emergence of contactless payments (20% of transactions) and mobile payments (which will triple by 2020) raises questions of security and regulation. This transformation, which reflects European trends, requires ongoing regulatory adjustments to support the development of innovative payment methods.

FACTS

- The use of cash in France has fallen steadily over the past five years, from settling one in three expenses in 2012 to just one in five today.
- Bankcards have emerged as the main means of payment, now accounting for one in every two payments in terms of value.
- The French stand out as European champions in bankcard use, with a quarter of card payments made on the continent taking place in France.
- In comparison, Germans and Italians use bankcards much less frequently.
- Over time, the bankcard has conquered new territories, becoming a common payment method even in shops traditionally associated with the use of cash, such as bakeries.
- Christophe Baud-Berthier, Director of Cash and Cash Equipments at the Banque de France, underlines the significant change in payment habits: "A few years ago, it was considered that in this type of business, payments were made almost exclusively with coins or banknotes. Today, a very significant proportion of payments are made by card."
- In addition, the French have moved away from cheques, which now account for just 3% of payments, compared with over 25% in 2006, even though they remain the biggest users of this means of payment in Europe.

CHALLENGES

- **The emergence of new payment methods, in particular contactless and mobile payment:** contactless has firmly established itself in the daily habits of the French, accounting for almost 20% of their spending, compared with just 2% in 2017. This rapid growth is attributed to the legacy of the health crisis, which has encouraged contactless transactions, as well as evolving regulations.
- **At the same time, mobile payment has also emerged as a booming alternative:** since 2020, its use has almost tripled, demonstrating the rapid adoption of this technology. These developments raise issues in terms of security, regulation and the transformation of consumer habits.

MARKET PERSPECTIVE

- The transformation of payment habits in France reflects a broader European trend, with the French leading the way. Bankcards, once limited to larger transactions, have now become an integral part of

everyday purchases, gradually replacing cash. The emergence of contactless and telephone payments underlines the constant quest for efficiency and convenience in financial transactions.

- However, these changes also raise questions about the security of electronic transactions and the protection of personal data. Regulations will need to keep pace with this digital revolution to ensure secure and ethical use of these new payment methods.
- In conclusion, France stands out as a dynamic laboratory for developments in the European electronic payments landscape. Current trends underline the need for ongoing adaptation of regulations and infrastructures to support this transition towards more innovative and convenient payment methods.

Source : [Press release](#)

