

## ATFS Bulletin May 2022

### E-Wallets

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The traditional days of making sure you leave the house with your wallet; bank card and keys has been replaced for many of the new generation and after the Covid outbreak has led many more to change payment behaviours. E-Wallets are not new and have been in app stores for many years, but now the generation that have grown up with using phones for virtually everything, we now see adoption of the existing and new E-Wallets rapidly. The benefits the user receives from these apps can benefit from discount offers all the way to spending analytics that can help budget with spending. E-Wallets can often keep loyalty/discount cards all in one place securely and without a physical card can often improve fraud rates for the user.

As the world continues to open up and international students look to select UK Universities it is important to try and give them a familiar payment experience that they receive in their home countries. We have seen Asia and India become fast adopters of E-Wallets and mobile payment solutions, with payment rails outside of the traditional card payments available to both consumer and businesses. Over the Covid period it is estimated 1.5b users were added to the different payment wallets. At the time it may have been to move away from cash payments and then with the increase in the contactless limit many spending habits would have changed with users benefitting from the additional benefits these wallets bring.

Asia has grown E-Wallets faster than any other region based on ease of set-up for businesses and improving the payment journey for the customer. QR codes were easy to deploy for any business to accept payments, with almost instant verification of payments for the customer. This can then lead to better payment analytics for the customer, with options of improved payment data and costs for the businesses. Although still mainly using card payments for the payment vehicle in the UK we saw a lot more adoption of QR codes during Covid to assist with hygiene. In some areas especially hospitality this continues to be used and if shifts in E-Wallets continue to offer more than just the card as a payment this could assist with costs for the University.

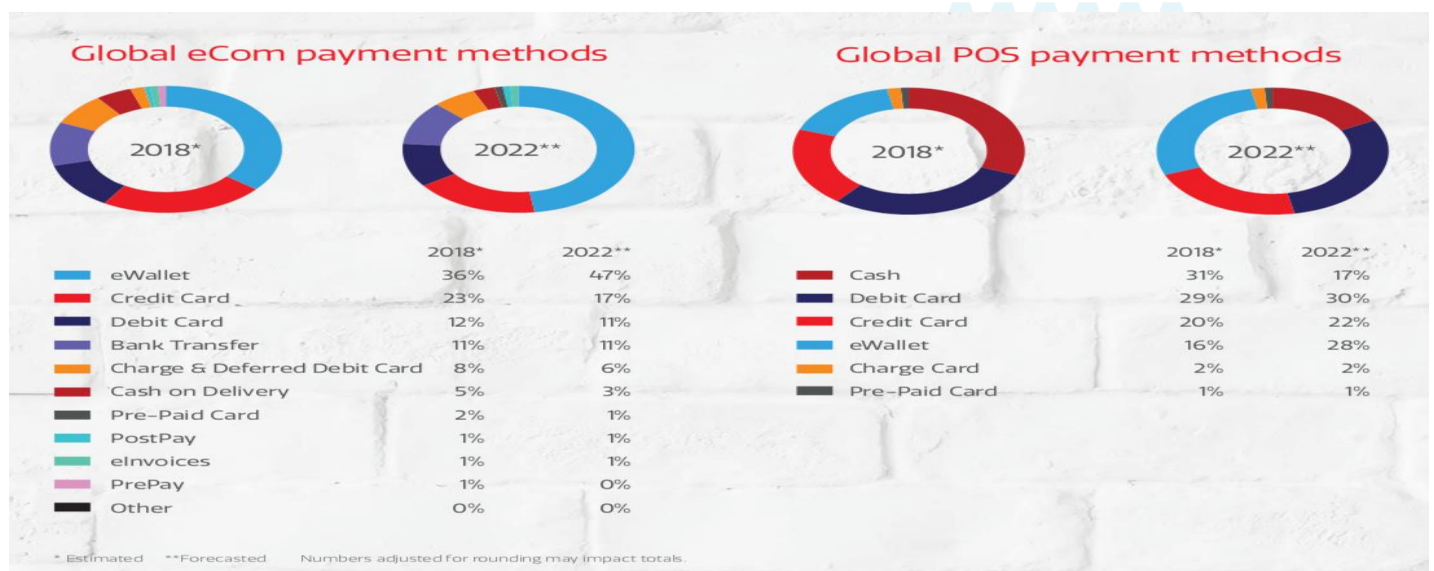
Mobile payment adoption is expected to reach 4.8 billion users by 2025, this could continue to see new payment methods coming to the market as each region seems to be currently using different E-Wallets depending on payment infrastructure. In 2020, 900 million new E-Wallet users were added, this could have been due to the Covid situation, but this has led many to continue to use this as the preferred payment option over a card or cash payments. Ali Pay and WeChat Pay continue to grow the most users with Apple Pay, Google Pay and PayPal now all over 400 million users worldwide. Google Pay is now available in over 143 countries which is a far wider reach than currently any of the other E-Wallets.

Online payment portals often have various E-Wallets available to them and we are seeing some of these being introduced to payment terminals. It is worth checking with your payment or till providers what options you have available. In other sectors this can often lead to increased sales and help with costs especially as more E-Wallets are connected to bank accounts rather than the traditional card payments. QR codes for food and beverage sales has advantages of not only payment methods but also the payment journey, the user often being able to pull up a menu, make selection in their own time and then make the payment. All with little if no interaction needed, giving more ability to control queues in busier times while also feeding greater information back to till systems for stock control or payment analytics.

What are the Top mobile payment applications?

UK Worldwide	
Apple Pay:	Outside of China, Apple Pay has the largest transaction volume of any mobile payment service
Google Pay	Android's default mobile payments solution, with an annual run rate of \$110 billion transaction
PayPal:	Online payments stalwart which recently launched a payments super-app, combining savings, crypto and deals
Samsung Pay	A distant third in comparison to Apple and Google Pay, but popular with Samsung mobile owners, especially in South Korea
US	
Cash App	Square's own payments super-app, which began life as an effortless way to send friends money on mobile
Venmo	At a time when mobile payments were non-existent in the US, Venmo paved a way with its mobile app
Asia	
Alipay:	The largest mobile payments platform in the world, processing \$17 trillion transaction volume
WeChat Pay:	Second largest payments platform in China, which is the default payment method on WeChat
India	
Paytm	India's most popular payments platform, responsible for 75% of mobile transactions in the country
PhonePe	Flipkart-backed mobile payments service, which has over 300 million users in India

The graphs below show the changes in internet and face to face payment methods between 2018-2022:



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