

The Future of Payments

...or, no big change required...everything is fine, right?

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Disclaimer Statement

I am not an advocate for any cause, trend or technology, but am an avid observer and analyst.

What do customers expect from payments?

Availability

- Value transfer is available to all the parties wishing to participate

Trust

- Value transfer handled with with appropriate security of value and information

Efficiency

- Value transfer is completed quickly and easily

Economy

- Value transfer is inexpensive

Reasonable expectations, no?

What's actually happening?

Availability

- Millions of potential users are unbanked and/or can't access traditional payments methods

Trust

- Security breaches/info theft, layers of capital controls, money laundering regulations/restrictions

Efficiency

- Final clearance of transfer takes hours at a minimum, but often an unpredictable number of days

Economy

- Regulation creates near monopolies, high commissions and fees unchecked by competition

The payments space is a ripe target for disruption.

Are there alternatives?

Cash or barter-based

- Underground economies like Greece & Spain, war zones, highly authoritarian regimes

Centralized technology-based

- M-Pesa in Africa. Utilizes mobile phone airtime minutes as the medium of exchange

Decentralized, often crypto-based

- Crypto-currencies, decentralized barter systems/parallel business

All these are here now, going mainstream and practically speaking unstoppable.

Is the payments world going to change?

Yes, dramatically not incrementally.

The only question is how quickly.

Discussion

Questions? Thoughts?

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