

TOWARDS AN INTERNET OF PAYMENTS — GLOBAL PLATFORMS REDEFINING THE PAYMENTS LANDSCAPE

DECEMBER 2018



Foreword

Australian Payments Network (AusPayNet) and A.T. Kearney have been watching with interest the growing influence of global digital platforms such as Google, Facebook, Amazon and Alibaba on the world economy. In particular, we have been asking ourselves about the current and future impacts of their rise on the payments industry.

To understand these impacts we recently undertook research with leaders from across the global payments industry. We drew on insights and input from representatives of industry associations, banks and infrastructure providers, as well as other global experts. The opinions and conclusions in this report remain our own however.

Our findings are presented in three sections. First, we provide a brief overview of the rise of global platforms, and how these are driving innovations in payments propositions. We then analyse how global platforms are influencing the payments industry, and examine the impact these trends are likely to have on all industry players. Finally, we have made some initial reflections for how our industry might respond.

In the broader community, the Internet of Things (IoT) has enabled the widespread interconnection of devices, effectively taking the internet everywhere. In today's era of context-based payments, we believe that we might now see the "Internet of Payments" given that payments are now everywhere and integrated into everyday activities. They are increasingly invisible to the end consumer.

In our view, these developments are changing the basis of competitive advantage across the payments landscape. They are giving rise to modular payment architectures that offer a new level of openness and interconnection. The question remains: who will be first to capitalise on these new open architectures?

We hope this research might start an important conversation that our industry should be having.

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Research approach

The findings and insights in this paper were primarily driven by interviews with more than 20 executive leaders across the global payments landscape. They represent industry associations, banks and infrastructure providers, and included global experts. A.T. Kearney and AusPayNet are grateful to participants for their time, insights and candid conversations.

1. RISE OF GLOBAL PLATFORMS

Global platforms are a significant new force

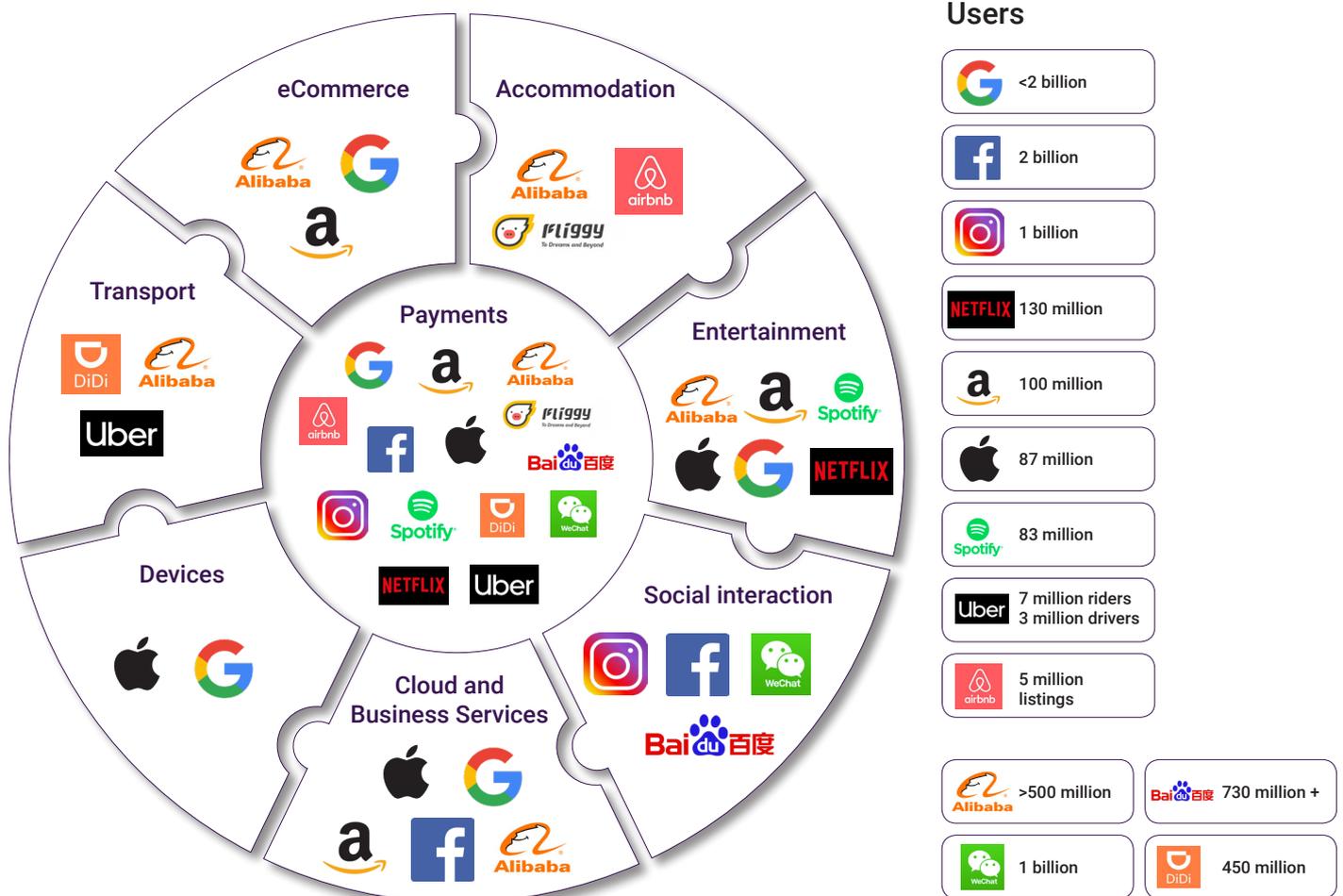
Since the mid-1900s, the rise of businesses built around communities of users interacting and transacting over global communications networks has been an important worldwide phenomenon. These businesses have brought together billions of people across the globe, providing services as diverse as social interaction, online shopping, accommodation and point-to-point transport. In this paper we refer to them as “global platforms”, reflecting their defining characteristics of international reach, underlying technology architecture and social model for user interaction and membership.

The rise of global platforms has been so extensive, rapid and pervasive that it would now be difficult to imagine a world without brands such as Facebook, Apple, Google, Instagram, WeChat, Amazon, Alibaba, Uber, DiDi and Airbnb.

These communities are built on compelling and customer-focused value propositions and user experiences. This allowed them to gain rapid and unprecedented scale, capturing users in the billions. The platforms demonstrate “network effects”, in that the value to existing members grows as new members join the community.

Many have introduced their own payments propositions to their large and increasingly global user bases in an effort to keep customers within their platforms. The last 12 years have seen launches by Alipay (2004), Amazon Pay (2007), Google Wallet (2011), WeChat Pay (2011), Apple Pay (2014), Uber (2011), Baidu Wallet (2014), Facebook peer-to-peer payments (2017) and WhatsApp Payments (2018).

Figure 01 Examples of global platforms

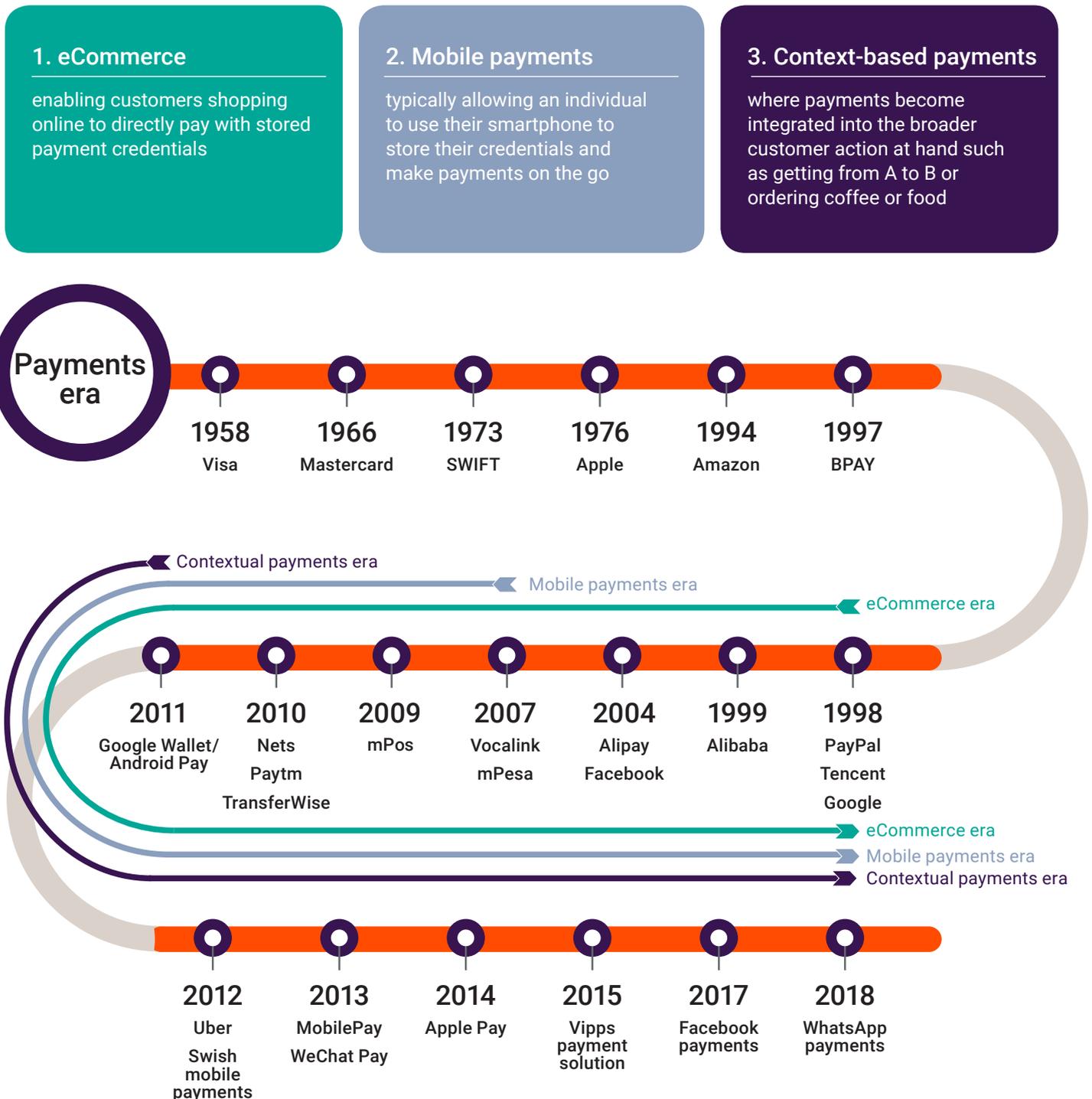


1. RISE OF GLOBAL PLATFORMS (cont)

Global platforms are driving the latest wave of innovation in payments technology

Over the last 60 years, as payments systems have evolved with technology and society, we have seen significant developments in their capability and improvements in the customer experiences they allow. The evolution of the payments landscape can be largely categorised into three eras, as shown in Figure 02.

Figure 02 | The history of payment innovation – Payments eras



1. RISE OF GLOBAL PLATFORMS (cont)

Payments are increasingly becoming invisible to the primary customer

The most recent payments era has been a shift towards context-based payments, where the payment becomes incidental or invisible to the broader customer experience and the service being provided. Global platforms' increasing influence arises from their ability to control the context of the transaction and access to the end customer.

In one of the most striking early examples of an invisible payment, Amazon removed friction for buyers by providing physical Dash Buttons. A user attaches a button to, for example, their washing machine and simply presses it when they have run out of detergent. This triggers a purchase from Amazon and an invisible payment using stored credentials.

“New players are taking a lifestyle approach to payments whereby payment experiences augment and integrate into consumer lifestyles.”

In a more recent example, a major fuel retailer in the Netherlands is collaborating with a payments service provider to make transactions invisible by scanning drivers' number plates. Thanks to automated licence-plate recognition technology, new payments application programming interfaces (APIs) and a digital customer interface, motorists can refuel and simply drive off if their credentials have been shared with the retailer.

Global platforms have become particularly influential with the rise of digital, given their importance in the daily lives of customers. These platforms are increasingly controlling the (digital) context in which a payment is required and shifting the focus away from the transaction to ensure a seamless end-to-end experience.

Some of the most compelling context-based payments propositions serve both sides of the market – buyer and seller. “Order ahead” payment propositions for cafes and restaurants are good examples. They provide convenience for the buyer, and offer the merchant the ability to reward loyalty.

Platforms that provide communication and messaging services have been very successful at building large customer bases and cultivating frequent user interaction, as they head towards becoming “lifestyle” applications. For example, Facebook launched Facebook Messenger payments in the United States, the United Kingdom and France to allow customers to seamlessly make payments in the Messenger application using debit cards.

Providing this service allows the platform's users to stay within the Facebook environment. The reach and global nature of such platforms make them significant from the perspective of payments innovation.

‘CONTEXTUAL PAYMENTS’

WHEREBY THE PAYMENT BECOMES INCIDENTAL OR INVISIBLE TO THE BROADER CUSTOMER EXPERIENCE AND THE SERVICE BEING PROVIDED.

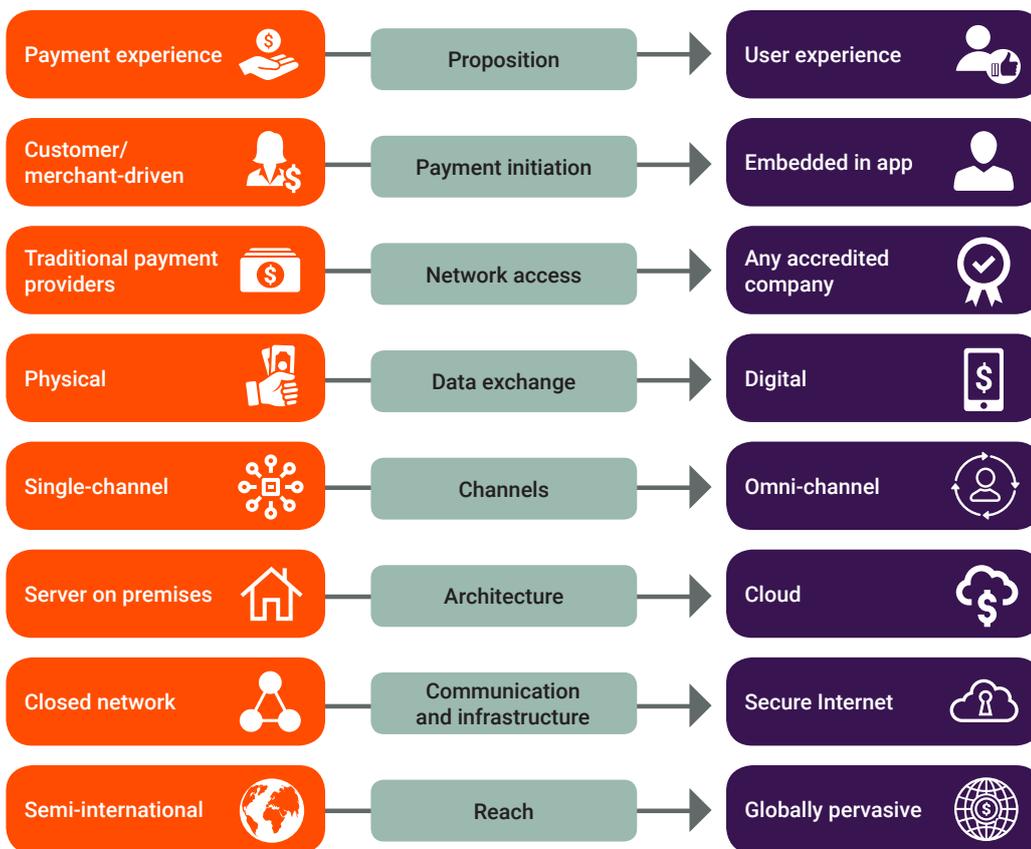
1. RISE OF GLOBAL PLATFORMS (cont)

Increasing openness across the payments landscape is supporting new solutions

The adoption of digital technologies throughout society is driving an unprecedented period of upheaval for businesses, characterised by changes to consumer behaviour, the competitor environment and the regulatory landscape.

As in other sectors, the payments industry is also experiencing dramatic change. Figure 03 illustrates the shifts that have taken place, the major trend being a move towards a more open, omni-channel and customer-focused digital landscape.

Figure 03 | Shifts in payment dimensions



In summary, the payments landscape is shifting across many dimensions from being transaction-centric, closed and proprietary towards accessible, open architecture that easily enables context-based transactions. This shift has enhanced payments system capabilities and enabled a digital, omni-channel customer experience.

1. RISE OF GLOBAL PLATFORMS (cont)

Emerging technologies offer increasing openness

Discussions with interviewees highlighted Digital Identity services and Distributed Ledger Technology (DLT) as two areas where technology is rapidly developing in a way that supports the new openness required in the payments industry.

Digital identity services enable security and convenience, and can underpin even more seamless payment experiences. They can be used to effectively merge the authentication and payment steps of a transaction, making the payment truly invisible within the broader customer experience.

Chinese platforms such as Alibaba and Tencent have extended their payment propositions into the digital identity space by collaborating with China's Ministry of Public Security on an electronic ID card with a two-dimensional code. The cardholder can use the card to verify their identity when accessing certain government services, and also for boarding domestic flights and buying tickets.

Some interviewees also speculated that DLT could form the basis of the next payments era. This technology increases the transparency, immutability and robustness of payments systems. DLT is particularly useful when untrusted parties need to connect and exchange value. Trust between participants is promoted by the ability for all to see a secure and up to date record of prior transactions in real-time. Of significant interest to customer-focused global platforms, DLT has the potential to improve the customer experience.

“DLT will become pervasive if the value proposition is compelling, particularly if it removes friction relating to transparency, speed and cost.”

2. HOW GLOBAL PLATFORMS ARE EVOLVING PAYMENTS

In an era of contextual payments, global platforms are increasingly controlling the context of transactions. Their influence is changing the basis of competitive advantage by increasing openness and driving the creation of specialised roles and more modular architectures. The question for our industry is: who will be first to capitalise on this?

The source of competitive advantage is shifting towards customer value

Global platforms such as Facebook (with 2 billion users over four platforms), Google (with 2 billion users over seven platforms) and Apple (covering more than 1 billion devices) have based their business growth on providing great customer experience. Their capabilities and reach are affecting competitive advantage in the payments industry.

These platforms aim to be omni-present, embedding their services deeply into customers' daily lives. They achieve this by relentlessly focusing on solving their customers' challenges and addressing their pain points. Their new offerings aim to enrich the customer experience and avoid the need for customers to go outside the platform to seek services. Despite some missteps, new global platforms have built up their trustworthiness over the last decade. They have worked to accelerate the network effect and make users more confident to engage with their new services on top of their core portfolio.

A.T. Kearney's observation is that there are two distinct schools of thought when it comes to platform businesses managing the customer experience – open vs. closed. The open school of thought, championed by Google, goes that the platform's role is to enable 3rd parties to create compelling experiences for the customer. Whilst

the 'closed' school of thought, championed by Apple, goes that customer experience needs to be controlled to prevent the consumer having a poor experience. While competitors may make different choices about which approach to take, the ambition is the same, keeping the customer on the platform.

“These players are creating networks which sit at the core of day-to-day life, which is demonstrating the ability to shift value in the market... the power sits with the customer.”

Global platforms are using their increasingly trusted brands, customer engagement pedigree, wide reach and access to the customer to both collaborate and compete with traditional payments solutions.

As a result, a consistent theme from our research interviews was that customer-centricity in the payments industry has shifted from being “nice to have” to being part of the “licence to compete”.

Payments network architectures are becoming more modular

Cloud-based data storage, new APIs and microservice architectures have made it easier and cheaper to securely and efficiently access infrastructure and data. These technologies have accelerated the creation of more open, modular and accessible payments architectures and systems. There has been a shift away from relying

“We are making a considered shift towards overlay service architecture to enable new players to sit on top of existing infrastructure.”

on tightly coupled payment systems to deliver both the infrastructure and the customer experience. It is becoming increasingly easy for approved partners and third-party providers to plug in to the infrastructure to create new applications and deliver new payment services.

Australia's New Payments Platform (NPP) is an exciting infrastructure development that provides a platform for players to integrate data-rich payment experiences into the lives of customers. NPP provides the API framework and underlying infrastructure, and defines an overlay layer for customer-facing propositions. The first overlay service, Osko by BPAY, offers the Australian market a basic, fast payment service with enhanced data. Further overlay services are expected to come.

2. HOW GLOBAL PLATFORMS ARE EVOLVING PAYMENTS (cont)

“Networks of networks” are emerging

Enabled by more modular architectures, an alternative to all-encompassing, integrated, single payments networks is emerging in the form of “networks of networks”. These structures offer greater reach by interconnecting discrete payments networks into a seamless whole. It’s similar to the way the internet was created in the early 1990s through the “inter-networking” of existing communications networks.

Examples of infrastructure developing in this way include EBA Clearing’s pan-European network and the development of the South African Development Community regional solution between countries in southern Africa. Where commercial need and regulatory conditions allow, there may also be potential to interconnect instances of proprietary infrastructure that have been deployed in multiple geographies. An example is Vocalink’s real-time capabilities, which are used in the United Kingdom, United States, Singapore and Thailand.

The intent of most players is to give customers an integrated global experience. Given their global reach and footprint, global platforms have the capability to play in this space. PayPal leverages domestic clearing and settlement in multiple geographies to provide a seamless experience within its closed loop. TransferWise is a more focused example of a cross border transfer proposition that benefits from modular underlying architectures by accessing local rails to fund and deliver transfers which are made from the pools of local liquidity available within their network.

Indeed, in future, “networks of networks” may be most significant in the area of cross-border payments. Interviewees noted that opportunities to leverage more modular domestic architectures through inter-networking could address customer experience pain points and avoid the high costs of existing solutions in cross-border payments.

Modular architectures enable a new choice for industry participants

Interviewees observed that modular architectures present industry participants with an important new choice. They can continue to provide both integrated customer experiences and infrastructure, or work with partners who can help provide excellent customer experiences while they focus on creating secure, reliable, ubiquitous, efficient and easy-to-access infrastructure.

Each possibility requires different capabilities to ensure success.

Customer experience providers use their deep understanding of customer needs to create distinctive propositions. Many interviewees noted that global platforms excel at this. As orchestrators and controllers of the context of an interaction, global platforms can control access to the customer and exert influence over other parts of the value chain.

Those providing the underlying payments infrastructure focus on ensuring systems are efficient, easy to access and universal. In this essential role they must also evolve to meet the changing needs of infrastructure users. Choosing to focus on providing infrastructure brings the risk of being “just the rails”. However, modular design also allows the costs of creating ubiquitous payments

infrastructure to be shared across a greater number of participants, enabling greater scale. As described below, we are also seeing opportunities for infrastructure providers to adopt new business models that allow them to offer specialized value-added services with greater reach. Examples include sophisticated fraud detection and management capabilities that can now be leveraged across multiple national payments infrastructures.

“New players are partnering on the rails and competing at the customer end.”

Choosing to focus and excel at one activity or the other requires partnering to access the customer, or the infrastructure. In particular, the new customer experience players will usually partner to gain access to payments infrastructure, unless access to the required capability is not available or uneconomic.

2. HOW GLOBAL PLATFORMS ARE EVOLVING PAYMENTS (cont)

Opportunity or challenge for the banks?

Today, banks largely control the context in which customers manage their financial affairs.

We observe that banks are already competing to fulfil expectations for great customer experiences, but global platforms and other businesses with greater focus on the customer may create more compelling propositions. Some interviewees noted that platforms put their customers first, and now banks will need to do the same if they are to compete with lifestyle apps and other innovative offerings.

Open banking is a regulatory and technological force that is accelerating the shift towards open, modular architectures across all systems, including payments. The move towards an open banking environment allows systems and customer data to be easily accessed by a broader set of participants, including global platforms.

The move toward open banking is progressing strongly around the world, including in Europe and Australia. The revised Payment Services Directive, driven by European regulators, allows non-traditional players to pull payments from customers' bank accounts with customers' authorisation. In Australia, open banking is under way as part of the wider Consumer Data Right. Major banks are required to make credit and debit card, and deposit and transaction account data available to third parties, following explicit customer consent, by 1 July 2019, and mortgage account information by 1 February 2020. Personal loans and all other banking data will be included from July 2020.

Banks now face an opportunity and a challenge. On the one hand, they have the opportunity to create distinctive experiences – perhaps with the help of partners – that ensure they retain influence over the context in which customers conduct their financial affairs. For example, the UK's Starling Bank has created a market-leading current account offering by partnering with a range of payments providers and other capabilities.

On the other hand, global platforms present banks with a challenge, because now they too can partner to offer customers access to seamless settlement and clearing capabilities. Open banking APIs and open data mean that banks can be more readily disintermediated, and regulatory change may be helping to levelling the playing field.



2. HOW GLOBAL PLATFORMS ARE EVOLVING PAYMENTS (cont)

New business models enable global scale in value-added services

Modular payments architectures improve access to infrastructure by client and partner organisations. They also enable business model innovation by the infrastructure providers themselves.

Historically, most payments infrastructures focused on the domestic market, with propositions tightly coupled to country-specific underlying rails and capabilities. As access to these underlying rails is opened, today's infrastructure providers are strongly placed to make the most of core competencies relating to customer identification, and payment clearing and settlement to deliver value-added services with global scale.

Key examples of new revenue sources include fraud management, chargeback services, digital identity and data management – all of which are well suited to a global-scale business model based on capability investments across multiple markets. Mastercard's recently announced Open Banking solution is an example of an infrastructure provider using its core competencies as a scheme operator and partnerships curator to deliver a globally scalable solution to support banks in many countries.

Global platforms will only build their own payments infrastructure if there are significant barriers to third-party infrastructure

In general, global platforms see the customer experience as their core capability and have typically partnered to access external payments infrastructure. The likes of Apple Pay, Alipay and Uber have partnered with hundreds of banks, as well as with card schemes.

Most interviewees noted that the development of far-reaching, cost-effective payments infrastructure continues to be a significant challenge. As a result, global platforms are unlikely to build their own infrastructure if they have access to acceptable alternative infrastructure.

There appear to be only a few examples of global platforms that have built their own infrastructure. These communities only took this path when the existing infrastructure was inadequate to meet their customer-centric value propositions, and viable partner propositions were not available.

"Payments is an expensive business to be in. Payments activity at industrial scale has significant technology and regulatory hurdles."



2. HOW GLOBAL PLATFORMS ARE EVOLVING PAYMENTS (cont)

Case study: Comparing the Nordic and Chinese payments landscapes

In China, Baidu, Alibaba and Tencent built their own interbank networks. This was because existing infrastructure was predominantly analogue and geared towards government-owned banking players rather than new players. As a result, these three companies now dominate electronic payment volumes in China (in 2017 Alipay and WeChat already had 56% market share of online payments – this has grown and they now have more than 1bn users each).

In contrast, infrastructure development in the Nordic region has involved strong collaboration between new and traditional players within the payments ecosystem to deliver new digital payment experiences. The focus has

been on development of both infrastructure and customer experiences to meet the evolving needs of end-consumers as payment eras have evolved. The focus on collaboration has enabled these propositions to take advantage of network effects and become extremely valuable in the lives of end-users. As a result, incumbent players in the Nordic region have retained an ongoing position of influence as they have continued to meet to the needs of end-users.

As shown in Figure 04, differences in the Chinese and Nordic business landscapes illustrate the very different approaches to creating payments infrastructure, and demonstrate the potential consequences.

Figure 04 | Different approaches to payments infrastructure development

	Chinese landscape 	Nordic landscape 
Condition	<ul style="list-style-type: none"> • Large unbanked population with unmet customer needs • Existence of pervasive digital communities (new entrants) with significant customer reach • Immature payment infrastructure, geared towards state-owned banks 	<ul style="list-style-type: none"> • Collaborative and forward-thinking engagement between regulators, industry associations and payment participants • Government and industry jointly led real-time payment infrastructure innovation • Collaborative approach between traditional players to enable ubiquitous mobile payment adoption
Result	<ul style="list-style-type: none"> • Payment volumes dominated by global communities, Alipay and WeChat Pay • These communities have established their own interbank networks to enable direct clearing and settlement between banks 	<ul style="list-style-type: none"> • Payment landscape dominated by mobile payment propositions jointly developed by major domestic banks • These propositions Vipps (Norway), Swish (Sweden), MobilePay (Denmark) – have captured greater than 50% of respective domestic populations

3. IMPERATIVES FOR THE PAYMENTS INDUSTRY

Major, broad-ranging changes are underway in the payments industry, and global platforms are playing a key role. Given this, all players in the payments industry need to consider new and improved approaches.

Propositions must focus on meeting evolving customer needs in the channels favoured by customers

All participants in the payments value chain need to ensure propositions continue to meet changing customer needs and harness available technology.

Interviewees for this paper suggested that global platforms are currently delivering the “gold standard” of customer experience. As a result, customers increasingly expect seamless, personalised service in all aspects of their lives, including when making payments.

Partnerships with global platforms or even fintechs can be important vehicles for traditional players who are burdened by legacy technology and processes. These partnerships can increase a business’s agility and help it deliver new customer-centric payment solutions quickly and at a global scale.

South Africa’s Absa Bank is among the numerous businesses partnering to bring new payment propositions to market. The bank recently launched a WhatsApp

banking service to bring payment infrastructure to the channels demanded by its customers.

The National Australia Bank (NAB) partnered with prominent accounting platform Xero to enable seamless API-driven invoice payments for business customers.

And British bank, Barclays, joined with PayPal in the United Kingdom and the United States to reduce friction in the eCommerce experiences of customers.

“Traditional incumbents need to adapt much faster and consider how to build customer relationships via new channels.”

Infrastructure must continually evolve to meet the needs of global platform communities

There is huge potential for payments infrastructure providers to partner with global platforms, an increasing number of which are building their own payments capabilities to suit specific needs. The key to tapping this potential market is the ability of infrastructure providers to offer innovative new payments solutions.

Our role is to leverage the core [infrastructure] to drive innovation and competition in the market – driving end consumer outcomes.”

Ongoing investment should be channelled towards creating modular and data-rich infrastructure that can be easily scaled and integrated into new solutions. Bank-led digital wallet propositions (such as Swish, Vipps and MobilePay), which are common in the Nordic regions, are good examples of a healthy focus on infrastructure investment and innovation.



3. IMPERATIVES FOR THE PAYMENTS INDUSTRY (cont)

Infrastructure players need to evolve their business models

Payments infrastructure providers will need to adapt their business models to facilitate the deeper partnerships required to deliver compelling customer propositions. As global platforms influence the payments landscape, we expect that they will continue to form partnerships to access payments infrastructure, and they will also use these partnerships to access a wider range of ancillary value-added services to boost their capabilities in payments. Cheaper access to cloud and API technologies will support the acceleration of this strategy without the need for heavy capital investment.

New business models will need to have a more modular business and technology architecture to facilitate this. Australia's recently developed NPP, mentioned earlier, has defined explicit infrastructure and overlay layers to deliver this.

“New players are changing the economy, and we need to keep up to remain competitive.”

Governance models must keep pace with a complex and changing landscape

The increase in context-based payments is a particular challenge for payments industry regulators more broadly as they need to ensure consumers and businesses retain the right level of control and security across all interfaces that can be used for transactions.

Industry associations worldwide are working to expand frameworks to embrace innovation and make payments systems more stable. In fact, some interviewees said standards definition is a cornerstone supporting global innovation and partnerships between payments industry participants.

For example, Payments Canada used its member and broader network to explore the feasibility of DLT, via its Project Jasper initiative. It delivered a proof-of-concept that explored the benefits for, and impacts on, the Canadian market infrastructure.

Meanwhile, Payments NZ is developing a shared framework for common payment-related API standards.

This is designed to allow banks and third parties to partner in a safe, simple and predictable way in relation to payments data.

Similarly, AusPayNet has produced an Open Loop Transport Payments Framework for use by transport authorities and operators in Australia that are implementing contactless payments. This initiative is designed to allow commuters to pay for travel with a contactless debit or credit card, just as they would for any other purchase.

Another innovative AusPayNet example is the collaboration between members, merchants, the Reserve Bank of Australia, gateways and payment service providers on a solution to reduce the level of card-not-present fraud in Australia. They are developing a framework to strengthen customer authentication processes.

Self-governance models can increase security and resilience

As global platforms continue to shape the payments landscape, we will continue to face a more dynamic and volatile environment. Self-governance will be important, to ensure balance and resilience in the industry.

With their central role in the payments ecosystem, governance bodies such as industry associations must continue to create dialogue and action among other ecosystem members to drive collective responsibility for policy, system efficiency and innovation. As such, industry associations can actively work with regulators to help create balanced, robust and innovative regulations that best represent the needs of all participants.



3. IMPERATIVES FOR THE PAYMENTS INDUSTRY (cont)

Governance bodies can help bring together global online platforms and the broader payments ecosystem

Governance bodies throughout the world, including industry associations, are leading efforts to curate partnerships and collaboration between payments industry participants. As generally independent and neutral bodies, industry associations are able to align participants around common goals.

We are seeing this play out as industry bodies invite a wider range of stakeholders to become members and at times participate more actively in bringing propositions and solutions to market. AusPayNet, NPSO and many others have extended their membership base to new players.

AusPayNet was instrumental in setting up the APAC/Pacific rim P7 Think Tank to provide a forum for open dialogue about new and common themes affecting the payments sector in the region. The inaugural forum consisted of representatives from Australia, China, India, Malaysia, New Zealand, the Philippines and Singapore.

AusPayNet is also actively involved in the International Council of Payment Association Chief Executives,

“The role of industry associations is to look at the possibilities, to bring together ecosystem partners to run proof of concepts, discuss ideas.”

which brings together the CEOs of payment associations from the United States, the United Kingdom, Ireland, Canada, South Africa and New Zealand. The forum meets regularly to share ideas and experiences on issues concerning payment associations and their members.

The Dutch Payment Association's iDEAL Digital Wallet solution is a credible example of a new solution facilitated by an industry association.

4. CONCLUSION: THE TRANSFORMATION OF PAYMENTS IN A CONNECTED WORLD

This paper shows that the global payments landscape has reached an inflection point. Global platforms such as Apple, Amazon, Google, Facebook and Alibaba have become major players in the most recent era of context-based payments, resulting in disruptive change across the payments sector. Such non-banking players have raised the bar by changing the way consumers “experience” payments, offering innovative end-to-end services that are quick, efficient and personalised – and where the payment may be incidental to the buying experience.

Today, we are moving towards an “Internet of Payments”, where payments are everywhere and invisible.

The source of competitive advantage is shifting towards customer value, and payments architectures are becoming more modular. Payments providers face a new choice: do they continue to “do it all” or focus on infrastructure provision and partner with other businesses such as the global platforms that can provide the expertise in delivering great customer experiences? Modular architectures allow global platforms better access to underlying infrastructure, and they also enable new business models for infrastructure providers based on creating global scale in value-added services.

AusPayNet and A.T. Kearney believe that these developments create opportunities for global platforms and infrastructure providers alike. The industry must continue to ensure that propositions evolve to meet changing customer needs and drive corresponding change in the underlying infrastructure. Easy access to efficient and ubiquitous settlement and clearing remains a critical enabler. More businesses across the industry will form partnerships to access capabilities rather than investing themselves and duplicating infrastructure.

Governance will also need to adapt to facilitate and respond to this trend. In particular, governance bodies can help bring together global online platforms and the broader payments ecosystem. Our research indicates the important role that industry associations will be required to play in enabling and encouraging such collaborative efforts.

AusPayNet and A.T. Kearney acknowledge the participation of these organisations

- Australian Settlements Limited
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- Dutch Payments Association
- Indue Limited
- Macquarie Bank Limited
- National Australia Bank Limited
- National Automated Clearing House Association, USA
- New Payment System Operator UK
- Payments Association of South Africa
- Payments Canada
- Payments NZ



About AusPayNet

Australian Payments Network (AusPayNet) is a representative body for payment providers operating in the Australian market.

With a strong focus on collaboration, AusPayNet is focused on inspiring innovation, facilitating self-regulation, coordinating system-wide standards and policy development. AusPayNet's network includes more than 120 members and participants. It welcomes involvement from all organisations with a significant interest in payments.

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A.T. Kearney is a leading global management consulting firm with offices in more than 40 countries. Since 1926, we have been trusted advisors to the world's foremost organisations. A.T. Kearney is a partner-owned firm, committed to helping clients achieve immediate impact and growing advantage on their most mission-critical issues.

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