
What's shaping the Payments Landscape?

Teresa Connors, Head of Market Engagement, Payments, RBS

Mobey Forum

31 March 2016

Agenda



Payment Trends



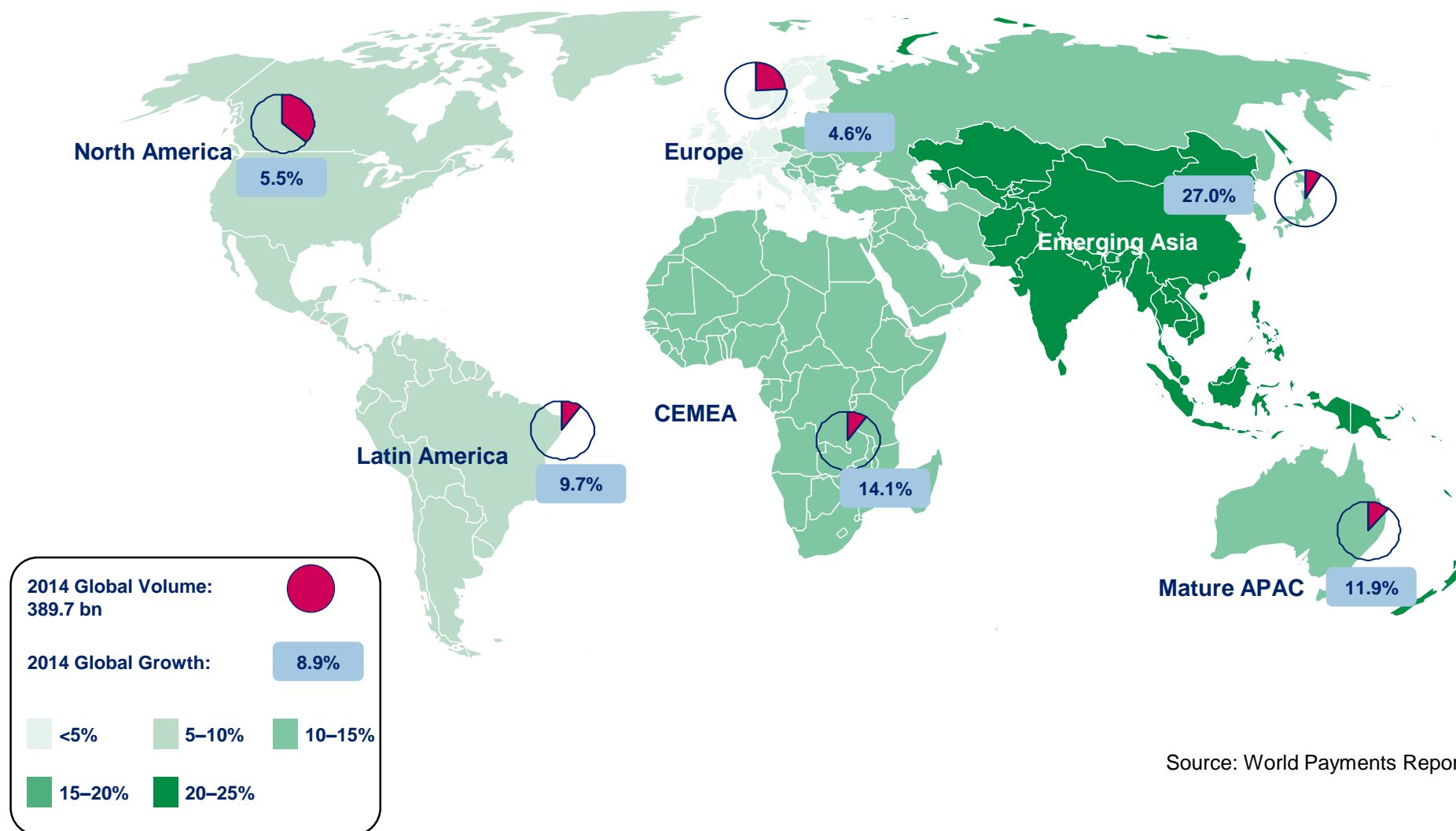
Regulation and its impact on payments



How we make and receive payments is changing

Payment Trends

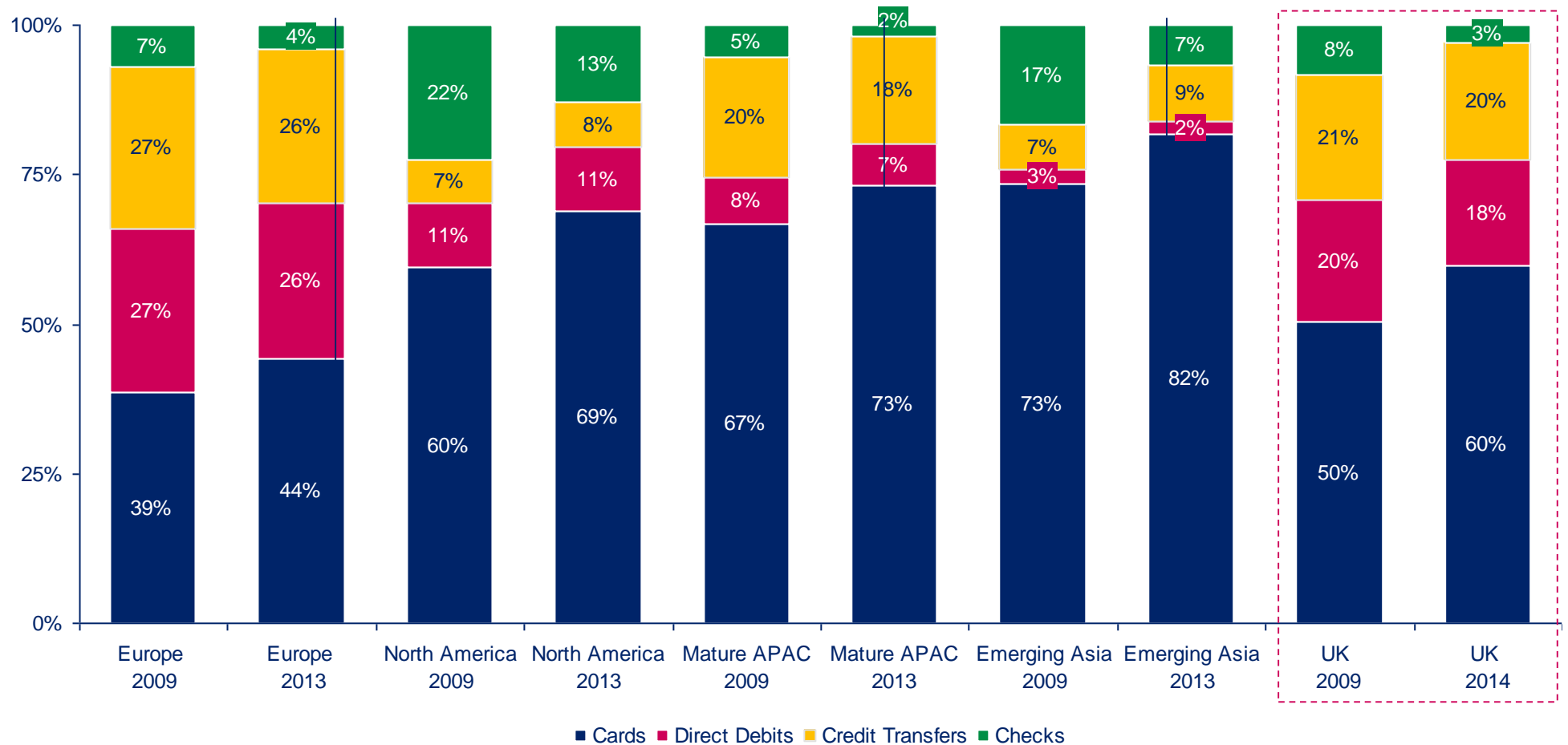
Global non-cash transactions volume growth remains strong and is expected to accelerate further



Source: World Payments Report 2015

This material is produced by The Royal Bank of Scotland Group plc. It is intended to provide general information. It does not constitute legal or financial services advice and should not be relied upon as such.

Globally, cards transactions increased their share of total non-cash transactions to 62.8%



Source: World Payments Report 2015

This material is produced by The Royal Bank of Scotland Group plc. It is intended to provide general information. It does not constitute legal or financial services advice and should not be relied upon as such.



UK Payments Landscape



The shift from physical to digital payments is accelerating



Tipping point reached in 2014 when, for the first time in the UK, non cash payments outnumbered payments made with cash



Cash remains steadfast and is turning plastic...



UK is quick to adopt new technology but slow to let go of traditional payments...

Faster Payments volumes increased by 14% to 1.1bn payments

Volume of one off Faster Payments has surpassed cheque volumes

93% of the population has a debit card. Debit card payments expected to overtake cash by 2021

Surge in the use of Contactless up by 333% in 2015

Use of cheque decreased by 13%

Avg consumer cheque value is £248, avg business cheque value is £2,183

Impact of Regulation on Payments

Impact of regulation on payments industry is significant – Cascading across regions

Global

- Immediate Payments
- Basel and Intraday Liquidity Norms and Reporting
- Basel III Capital Norms
- Emerging Payments Security and Technology
- Cross-Border Low-Value Payments Processing
- Mobile Wallet
- E-government
- Payments Governance
- Access to Clearing
- AML/ATF
- Virtual Currency/Distributed Ledger Regulations
- ISO 20022 Standards in Payments
- Internet Payments Security
- Data Privacy and Protection Including Cyber Security
- Bank Payment Obligation
- CPSS-IOSCO

High

Low



Europe

- SEPA for Cards
- UK PSR
- Large-Value Payment Systems Upgrades
- SEPA/e-SEPA
- PSD II (Access to Accounts)
- Electronic Identification and trusted Services
- Financial Transaction Tax
- Interchange Fee Regulation
- Mobile Payments Security in Europe
- European Current Account Switching

High

Low



Asia

- Financial Inclusion
- China International Payment System
- Licenses for Payment Banks in India

High

Low



North America

- EMV Adoption in the US

High

Low



Impact on Payments

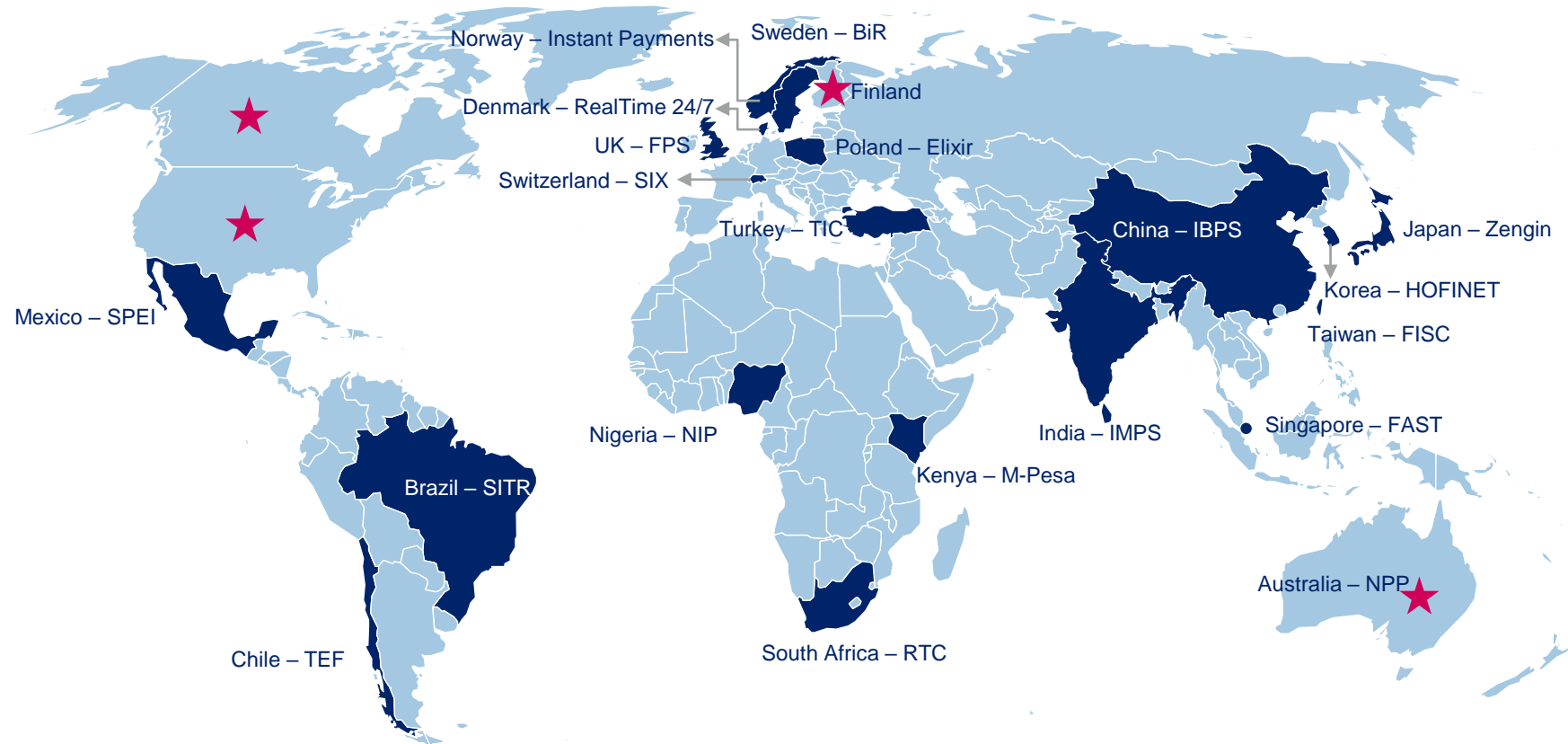
High

Low



Source: World Payments Report 2015

Immediate payments initiatives across the Globe



Source: World Payments Report 2015

How we make and receive payments in the UK is changing

How we make and receive payments is changing....

Biometrics

- We're all unique – This helps automate identification and authorisation



Wearables

- Frictionless payments and more...



Cheques

- Back to the future ...



Key take aways



Payments are shifting from physical to digital



A cascade of regulation and initiatives



How we make and receive payments is changing



Biometric technology



Wearables



Cheque imaging