FIS

PaymentsOne

The Forces Driving Payments Convergence

Five powerful market factors are driving payments convergence, and placing pressure on payment providers to quickly determine how they'll adapt their payments infrastructure to respond to the current and future demands of the new payments ecosystem.

1 Decreasing Payments Revenue but Rising Volumes

Many providers have seen shrinking payments revenue as payments have become more commoditized, but volumes continually increase. Innovations like faster payments, contactless, APIs and value-added overlay services that run on real-time payment rails will continue this trajectory, particularly as new use cases emerge.

Payment providers must now determine how to meet the demands of the new and rapidly evolving payments ecosystem, deliver the customer value required to establish a competitive advantage among banks, fintechs and other new entrants – and lower the total cost of ownership of the payments infrastructure.

2 Regulatory and Compliance Demands

The payments ecosystem has become faster and more open, creating increased regulatory and compliance pressures for payment providers. It is increasingly difficult and costly for payment providers to keep up with the pace of change across multiple systems.

3 Cost of Upholding Legacy Infrastructures

Industrywide standardization like ISO20022, APIs and payment innovations that need card and non-card payments systems to easily intersect require that payment providers are powered by a platform designed to handle these demands, and those that will emerge in the future.

Every penny spent trying to maintain a legacy payment platform to accommodate these pressures is not invested in the future. Given that many payment providers are investing significantly in brand new infrastructures, those who continue to look for solutions in a legacy platform will soon find themselves out of time, and money.

4 Changing Customer Expectations and an Evolving Payments Landscape

Industry shifts toward open access, PSD2, real-time payments and emerging global payments mandates are happening in rapid succession. Financial institutions must have a flexible and agile infrastructure that responds to the current demands of the payments ecosystem, and can adapt seamlessly through its steady evolution.

Those who do not begin accommodating their infrastructures to deliver customer value and strategic fintech partnerships risk a loss of market relevance from which they cannot recover.

5 Time Required to Transition Payments Infrastructure

Many payment providers are overwhelmed by short-term priorities and uncertain of how to migrate and re-architect payment platforms. Yet, a substantial modernization program can take years to fully implement. In this time of payments convergence, it is mission-critical that payment providers arrive at an actionable and strategic decision for how to begin the modernization process in some capacity.

Is Your Organization Prepared for Payments Convergence?

VISIT FISGLOBAL.COM/PAYMENTSONE
to learn about our PaymentsOne platform, the industry's most comprehensive suite of solutions and services designed to empower financial institutions to respond to the payments convergence opportunities and pressures they face today, and ensure they're powered by an infrastructure that's built to navigate the rapidly evolving payments ecosystem.