

GLOBAL PAYMENT INSIGHTS

Payment insights that drive growth

DIGITAL WALLET GROWTH CONTINUES TO ACCELERATE

Digital wallets are the leading payment method globally both in e-com and at POS

Already the market leader in payments globally, digital wallets are poised to continue to increase that leadership position through our forecast period. While APAC remains an outlier with the overwhelming majority of wallet share, digital wallets are now the leading e-com payment method in Europe (having taken the lead in 2021) and North America (where wallets passed credit cards for leading status in 2022).

A diverse and competitive global landscape

The competitive landscape for wallets is varied and dynamic. Local and regional providers lead in most markets. Providers range from fintechs, neobanks and banks to super apps, Big Tech and device manufacturers.

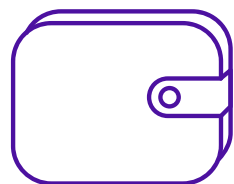
China has long been the global leader in digital wallet adoption, with [Alipay](#) and [WeChat Pay](#) as the main players. The prominent role of e-commerce marketplaces like [Alibaba](#) and [JD.com](#), the success of super app ecosystems and the rapid adoption of QR codes at POS have all contributed to the dominance of wallets in China.

North America's credit and debit card markets are increasingly intermediated by a handful of major digital wallet brands. These initially consisted of [PayPal](#), [Google Pay](#) and [Apple Pay](#), but challengers such as [Shop Pay](#) (Shopify's checkout solution) and [Cash App Pay](#) (recently becoming an open loop wallet) have joined the playing field.

Based on our survey, [PayPal](#) is the leading wallet in Belgium, France, Germany, Italy, Spain and the U.K., with significant share in most other European markets. Other international brands – such as [Apple Pay](#), [Google Wallet](#) and [Amazon Pay](#) – are also popular in Europe, as are many local payment apps, including [MobilePay](#) in Denmark, [Vipps](#) in Norway, [BANCOMAT Pay](#) in Italy and [Lydia](#) in France.

LATAM has seen [Mercado Pago](#) (the payment arm of LATAM's largest e-commerce marketplace, [Mercado Libre](#)) revolutionize digital payments across most of the region. However, local digital wallets are emerging among the leaders in their respective markets. These include [MACH Pay](#) in Chile, [PicPay](#) in Brazil, and [Nequi](#) and [RappiPay](#) in Colombia.

[MTN MoMo](#) – from [MTN](#), a leading mobile network operator across MEA – is poised for significant future growth in South Africa as banks remove ticket size limits on mobile payments and provide consumer incentives at partner merchants.



**Digital wallets are
projected to grow at
15% CAGR
at POS from 2022-26**



KEY TAKEAWAY:

As the leading payment method globally both in e-com and at POS, digital wallet acceptance is mandatory for merchants in all consumer-facing verticals.

CASH'S GLOBAL DECLINE CONTINUES

However, “cashless societies” aren’t imminent

Three trends are driving cash’s slide downwards. First, governments in emerging economies continue to promote financial inclusion via access to digital payments. Second, the shift in consumer habits towards digital payments, which accelerated during the first year of the COVID-19 pandemic, has solidified. Third, it’s becoming cheaper and easier for merchants to accept mobile payments via QR codes.



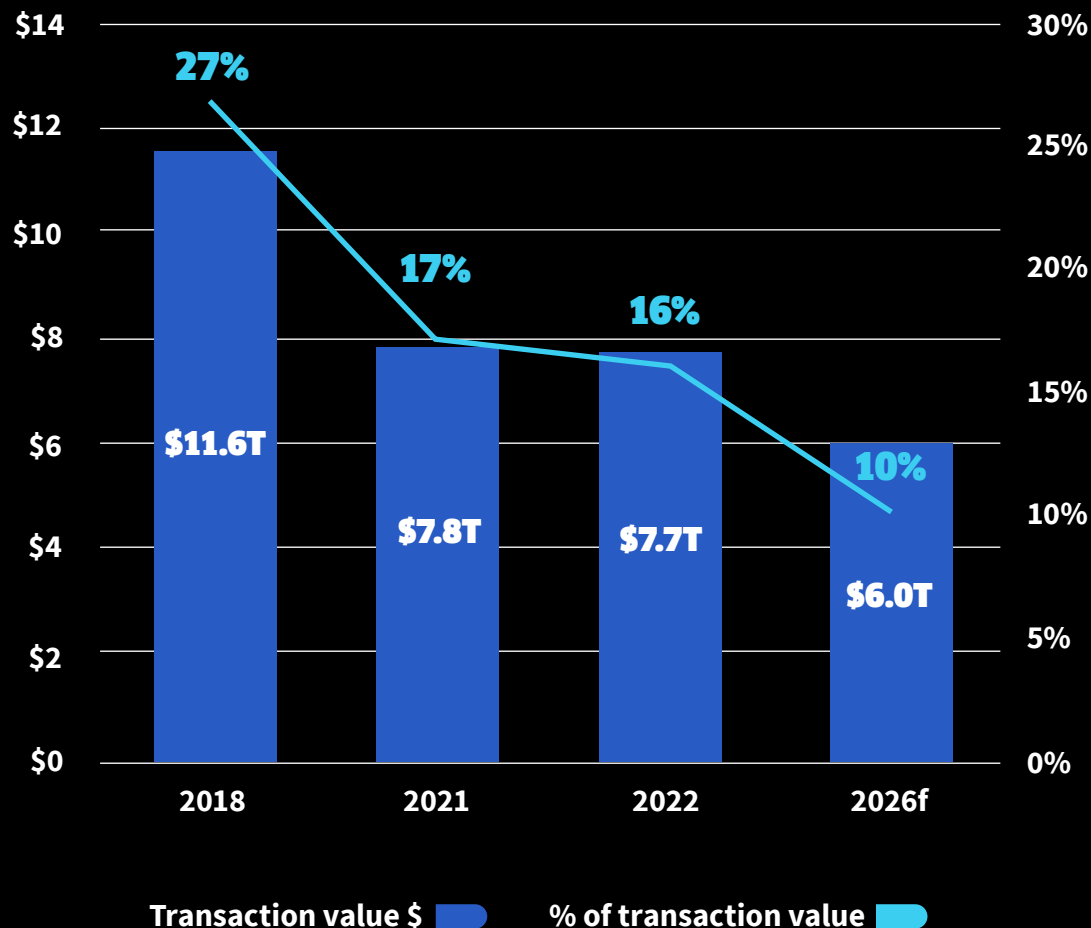
However, cash is still relevant – if not mandatory – for POS merchants in most markets. The rate of decline that accelerated during the peak of the pandemic has leveled off. While its share of total transaction value is projected to decline in all markets we cover through 2026, cash continues to play an essential role in most economies.



By 2026, cash's share of global POS transaction value is expected to fall to less than 10%

CASH'S GLOBAL DECLINE CONTINUES

Global cash transaction value 2018-2026f, US\$ trillions (share %)



The rate and reasons for cash's decline vary by country, and the paths are not always linear. For example, in India and Thailand, the growth of A2A real-time payments is the primary driver for cash's decline. However, the rapid growth of digital wallets is the main factor for declining rates of cash use in Saudi Arabia ([Apple Pay](#) and [STC Pay](#)) and Vietnam ([MoMo](#), [ZaloPay](#) and [VNPAY](#)).

Some governments are actively promoting a move away from cash (Thailand, India, Brazil), while others are introducing new legislation to slow down the rapid decline in cash use, worried about the impact it will have on certain socio-demographics like the elderly and the unbanked. The French government recently [restricted ATM usage](#) during peak hours to curb illegal market activities and tax evasion. In contrast, the proposed [U.S. Payment Choice Act](#) aims to ensure the inclusion of low-income and unbanked consumers by mandating that retailers accept cash. Italy's government, led by Giorgia Meloni, is [pushing for legislation](#) that would raise the legal limit for cash transactions from €1000 to €5000.



KEY TAKEAWAY:

Rather than look to a future “cashless society,” it’s more likely that physical cash will gradually give way to central bank digital currencies (CBDCs).

CASH'S DECLINE TAKES DIFFERENT ROADS

Real-time payments, digital wallet adoption and government policies influence cash's path

Cash share of POS transaction value, 2021-2026f

