



TOP 10 FINTECH & PAYMENTS TRENDS 2025

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Introduction

This year's fintech and payments trends have been identified, so as to provide industry stakeholders, including banks, intermediaries, and providers, with foresight into emerging technological shifts and market opportunities. Juniper Research prides itself on identifying and evaluating the latest disruptive trends in fintech, payments, and banking.

Additionally, as the tricky economic climate continues, a focus on reducing costs and maximising return on existing investment is a key priority for success. We anticipate that these economic pressures will be a major priority for stakeholders and will drive a number of key trends discussed here, including minimising industry monopolies, financially inclusive initiatives, and ensuring protections are ahead of the game.

It is clear that fintech and payments markets are undergoing significant changes. From the methods consumers and merchants use to secure their finances, the way regulations are impacting the wider market, and the directions companies are taking to maintain consumer loyalty, payment preferences and financial technologies are changing quickly in different markets, all across the world, for market stakeholders and consumers alike.

About the Trends

The following trends are presented in order, with number one being the most influential and number 10 being the least influential. Referenced in the graphic on the right, Juniper Research has identified four key themes that will shape the ten most influential trends throughout 2025. These themes will shape key disruptions in the market, and will require stakeholders to respond swiftly to secure a competitive edge.

If you would like more information about the markets being discussed, where relevant we have provided direct links to our supplementary research reports.

Additionally, you can find links to appropriate sources, including complimentary whitepapers, at the end of the document. You can also contact us via email at info@juniperresearch.com, and ask us any questions you may have.

TOP 10 FINTECH TRENDS

2025





1. Apple NFC to Boost Competition in Digital Wallets

The contactless payments market within digital wallets has been defined by the openness of the ecosystems involved. With Android devices, access to NFC by non-OEM (Original Equipment Manufacturer) wallets is unrestricted, meaning that any developer can use NFC capability for payments. However, Apple has always represented a closed ecosystem for NFC payments.

This has long been challenging for regulators, particularly in Europe. In December 2023, Apple was rumoured to be offering to open up NFC access within the EU to address regulatory concerns, with it being confirmed in July 2024 that the EU had accepted Apple's offer, reaching an agreement to open up NFC access within the EU, free of charge to developers/third parties.

In August 2024, Apple announced that it was widening this access significantly by enabling third parties to offer NFC payments on iPhone outside the EU market. This rollout initially covers Australia, Brazil, Canada, Japan, New Zealand, the UK, and the US, with further locations to follow.

So with these developments, the status quo within digital wallets is being heavily disrupted. The important questions are what effects will this have, and how transformative will it be?

We predict that this move will create a race for innovation within the digital wallets market, with 2025 witnessing a level of competition that has not been seen in recent times. There are multiple reasons for this:

- Expansion of Existing Wallet Capabilities:** For existing digital wallet services, this can facilitate new expansions. For example, PayPal has already stated that it intends to take advantage of this development to offer in-store NFC on iPhones. This enables wallet services that were previously not in-store players to move in this direction. Additionally, it could enable the disassociation of wallets with devices. At present, the Samsung and Google wallets are used within their ecosystems, but they could both be adopted for iPhones, breaking the link

between the wallet and the ecosystem surrounding it. Another example is Curve, a wallet connecting consumers' different cards into one physical or virtual card, which intends to launch NFC payments within its new capabilities. By enabling wallets to break out of the niches they have created over time, the move is significantly changing the nature of the wallets market.

Figure 1: Previous Payments Scenario for Consumers vs. New Open Approach



Source: Juniper Research

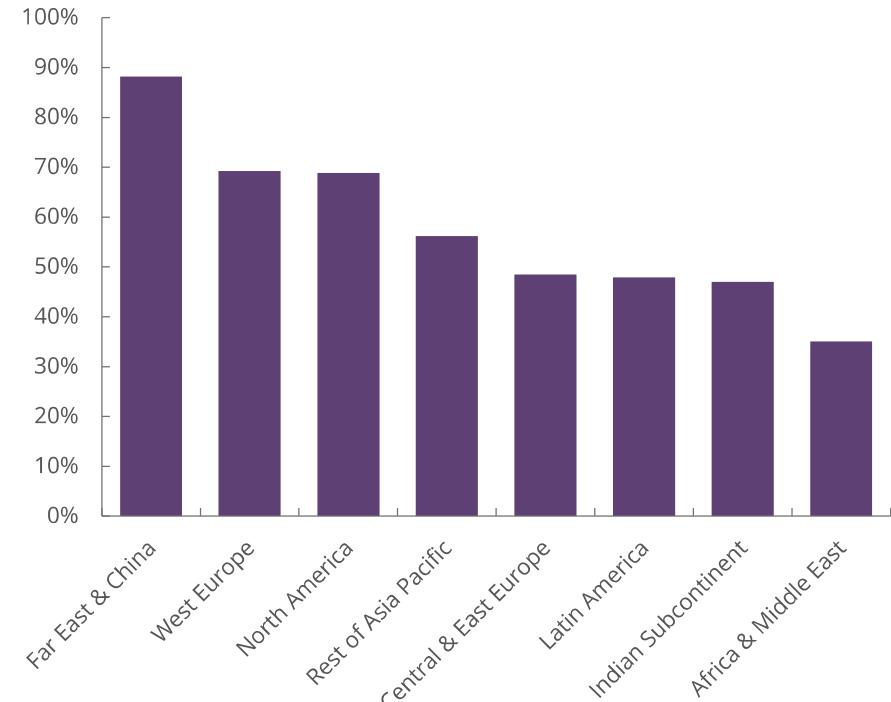
- Existing Apps Becoming Wallets:** Outside of existing wallet apps, there are many apps with different purposes which can then potentially move into the wallets space. One example is existing credit card providers, who will be able to create a branded wallet for use with their credit card in person. Another example is a cryptocurrency exchange or service, potentially creating a wallet to allow cryptocurrency payments at point of sale. Beyond this, there are options within the retail market. Many large retailers, such as Walmart, Tesco, and Starbucks have their own payment systems, which are typically QR code-based. Retailers could port these systems to use the NFC capability, shifting payments from closed to open loop. Consequently, this would significantly increase the competition in the market.
- Bank-backed Wallets:** Banks have often had different approaches to the wallets market, with some historically trying to launch their own issuer-specific wallet services. The dominant role of OEM wallets has seriously restricted the growth of this category, but the opening up of NFC gives this market another opportunity. For banks and other card issuers, they would be able to keep the customer deeper within their own ecosystem, and potentially generate additional revenue, or at least retain revenue that they already lose to third-party wallet services.

While not all of these changes will happen in 2025, what we will see is an acceleration in terms of competition, with wallets and other providers attempting to grow their roles within the digital payments ecosystem.

The shift will have different impacts in separate regional markets. As the graph to the right shows, the highest rate of penetration of wallets is within Far East & China, where NFC payments are not as popular. We anticipate the biggest impacts to be within West Europe and North America, where there is significant wallet penetration, but still room for new users to be brought within the ecosystem.

Fundamentally, we do not expect Apple to lose a large amount of market share by opening up its ecosystem – it has established a loyal customer base and has iterated its solutions regularly. However, in 2025, competition will intensify, creating a much more dynamic and innovative digital wallets market.

Figure 2: Percentage of Population Using Digital Wallets (%), Split by 8 Key Regions, 2025



Source: Juniper Research

Global Digital Wallets Market 2024-2029



2. Virtual Cards to Revolutionise B2B Expenses and Procurement

Physical cards have long been a staple of employee expenses and expense management, whether that is an employee using their personal card and claiming expenses back or an employee being issued a company card to make payments. However, there are limitations to this practice:

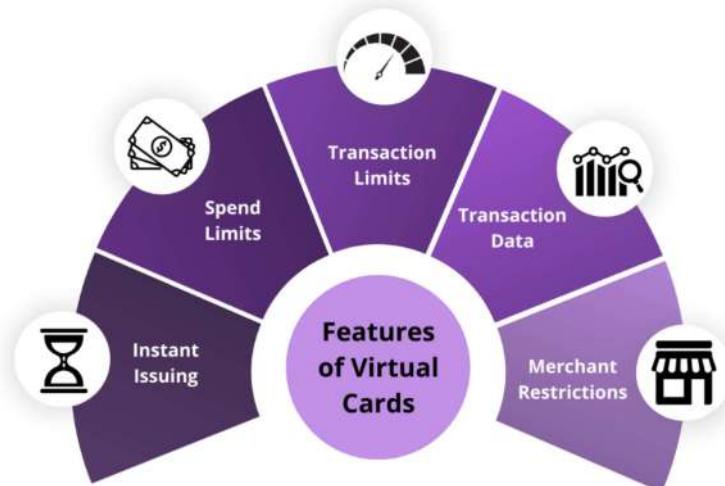
- **Deliberate Misuse:** Some employees may use a company card on purchases that should not be expensed, or choose to spend more than they need to on an item because it is on the company card.
- **Accidental Misuse:** It is also entirely possible that an employee could accidentally make a payment on the company card or overspend due to a lack of clarity on the rules.
- **Loss of the Card:** There is also a risk of a card being lost or stolen, which requires the company to cancel it. This would be a particularly big issue if the company uses multiple cards that all use the same details, since losing one compromises all the others.
- **Card Credential Theft:** There is also the risk of card credentials being stolen without the physical card itself being stolen. Credential theft brings about the same issues as the physical card being stolen.

Many of these challenges can be mitigated by the adoption of virtual cards. These possess a variety of features that can address specific challenges in expense management.

This will lead to increased use of virtual cards for corporate expenses in 2025. This will primarily come from markets which already have high card penetration, such as the UK or the US. Key in 2025 will be the ease of integration of corporate virtual-card solutions into existing systems. As virtual cards will only play a part in corporations' overall payment strategy, it is important that they do not disrupt the established

payment process, but provide the benefits of visibility and control that their digital nature allows. Some of the key features of virtual cards are listed below:

Figure 3: Features of Virtual Cards



Source: Juniper Research

- **Instant Issuing:** Virtual cards can be issued to an employee's smartphone instantly, allowing a company to respond quickly to changing circumstances. This also removes the possibility of ordering a new card for a specific event and the card not arriving in time.
- **Spend limits:** Virtual cards can have limits placed on their total spend over a given time or in total. This allows a company to control its outgoings and prevent accidental or deliberate overspending by employees. Virtual cards can also have limits on the value of individual transactions, allowing businesses to make it impossible for employees to go over spending limits on individual items.

- Transaction Limits:** Virtual cards can also be limited in terms of the number of transactions they can make, including single-use virtual cards. Single-use virtual cards are ideal for circumstances in which the employee only needs to make one transaction, such as paying for transport for a nearby event. Single-use virtual cards also provide an additional layer of security, since once the transaction has been made, their credentials are useless. Transaction limits are also good when there is a clear idea of what the employee will need to pay for, meaning the limit can be set to allow the employee to make the necessary transactions only.
- Transaction Data:** Many virtual cards provide good data on their uses, including visualisations of spending and breakdowns of where they are spent, or itemised receipts. This provides superior visibility of employees' expenses, allowing for monitoring for misuse and inefficiencies.
- Merchant Restrictions:** Some virtual cards can be restricted to certain merchants or prevented from being used at specific merchants. This allows a business to control where a virtual card is used, preventing the employee from making purchases at the wrong kind of merchant, for example preventing its use at a bar. It can also be used to ensure an employee is making purchases from a partnered merchant, such as a specific forecourt brand when refuelling or charging a company car.

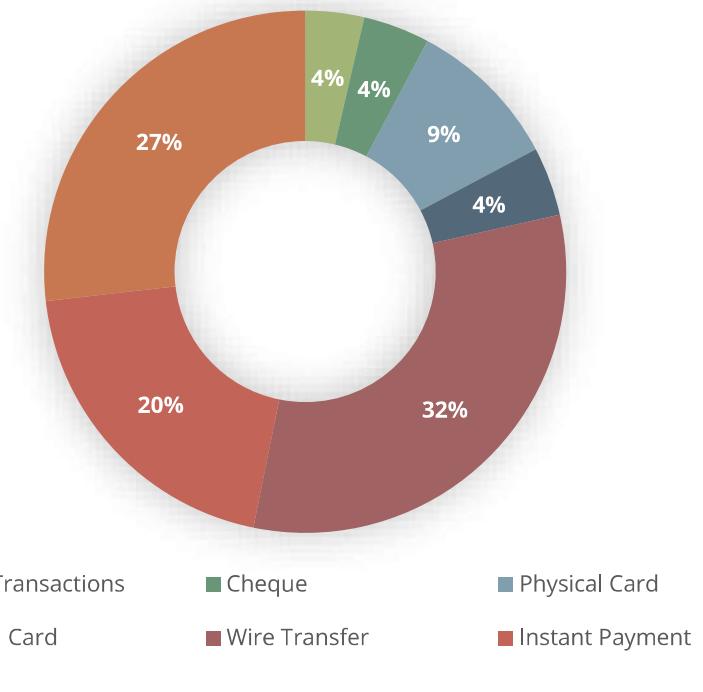
These features will revolutionise employee expenses, giving companies far greater control and visibility over employees spending. This will be spearheaded by larger corporations, who have dedicated expense management staff who need to manage a large volume of expense claims. As a result, workload will significantly reduce and time will no longer be spent gathering and checking over physical receipts, replaced by the virtual cards' spend data.

Through this increased control, greater security, and reduction of manual processes, virtual cards will save large corporates which adopt them a significant amount of money. These savings will come directly from reduced fraud, and indirectly from freeing up accounting staff to do work other than manually processing expenses claims.

Adoption of virtual cards for business expenses will drive a strong growth in virtual cards over the coming years, with Juniper Research forecasting that 4% of all B2B

payment value will be from virtual card transactions globally in 2025. This sees virtual cards' transaction value overtaking cash or cheques for the first time. Ultimately, 2025 will be the springboard for virtual cards to become a common method of handling employee expenses.

Figure 4: Total Value of B2B Payments Split by Payment Channel (%), 2025



Source: Juniper Research

Global Virtual Cards Market 2023-2028

Global B2B Payments Market 2024-2028

3. Behavioural Biometrics Driving Shift to Passive ID Verification

One of the most common forms of biometric authentication that is used presently is facial biometrics, a form of static biometrics that requires the user to undergo a single method of authentication. Once this is successfully completed, that user has complete access to the account and information linked to that website or application. Although this type of authentication is tricky to spoof, fraudsters are nothing if not creative and innovative.

Static biometrics can make trying to spot fraudulent actors before they have gained access and committed their crimes particularly difficult. We believe that 2025 will see the wider deployment of behavioural biometrics, a form of passive ID verification, to enable businesses to better track the continual behaviour of a user and allow for ongoing authentication. This will contribute to addressing a business's KYC (Know Your Customer) tasks and allow for the redirecting of manpower with greater efficiency.

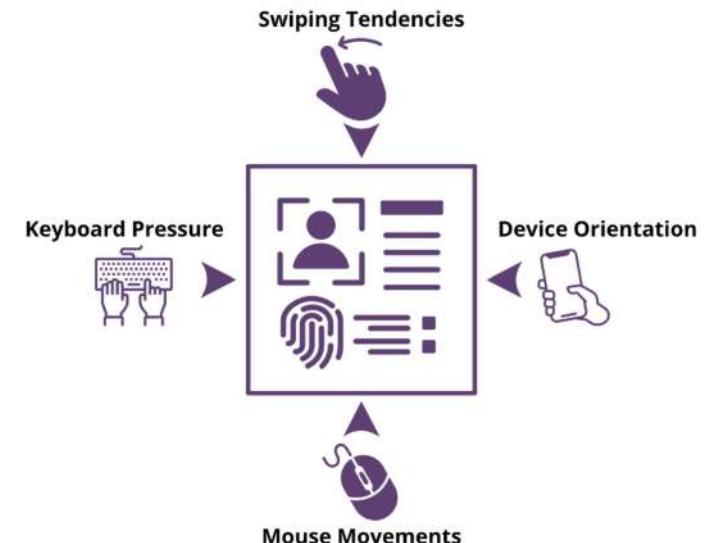
It is important to note that this type of ID verification is not an effective form of ID verification when used on its own; it is best used in tandem with static biometrics to offer an additional layer of security to a business's ecosystem. This can provide a multi-modal biometric authentication system that combines physical and behavioural biometric traits, resulting in an unparalleled view of security.

Both active and passive behavioural biometrics employ AI (Artificial Intelligence) to automate the user-monitoring process and flag suspicious activity for review. As AI has been seeing wider applications in the fintech industry year on year, we predict that 2025 will see the extensive integration of behavioural biometric methods for ID verification and fraud prevention. This is largely due to businesses needing to apply more robust ID checks without impeding the end-user experience and increasing friction.

Users primarily want to have a frictionless experience when they are online, and this is something that businesses must take into account when implementing and updating security measures. The ideal solution here would be to use non-intrusive

behavioural biometric measures, applying the appropriate levels of friction to each user and stopping fraud before it enters the business's ecosystem. Integrating a continuous, passive user-authentication solution meets customer demand for a seamless experience, while simultaneously allowing vigilance against fraud.

Figure 5: Types of Behavioural Biometrics



Source: Juniper Research

An example of advanced biometric authentication is the logging and analysing of a user's typing and swiping patterns on their device, such as typing speed, pressure applied on keystrokes, and mouse-movement habits. Every user has patterns of use that are unique to them, displaying the ways in which they browse a website or use an app, enabling a business to identify any suspicious activity at its earliest point. This also establishes a foundation for trust between the business and genuine users. Both of these are achieved by building a behavioural profile for each user while they are active on the website or app.



Digital banking has proven to be an effective channel for financial institutions to drive growth and attract new customers, but they must implement an effective solution that drives innovation and improves the customer experience. Behavioural biometrics enable a financial institution to discern quickly whether a new customer is genuine or not via trusted behaviours, and to apply the necessary level of friction depending on whether these behaviours are met.

We expect financial institutions to invest heavily in this form of passive ID verification to combat frauds such as ATO (Account Takeover) and social engineering, specifically across the banking space, where A2A (Account to Account) payments represent a risk. Therefore, we expect to see digital financial institutions integrating behavioural biometrics in 2025 to create multilayered defence systems providing both a superior fraud detection performance and a better user experience.

Global Biometric In-store Payments Market 2024-2028



4. eCommerce Merchants to Adopt 'Glocal' Payments

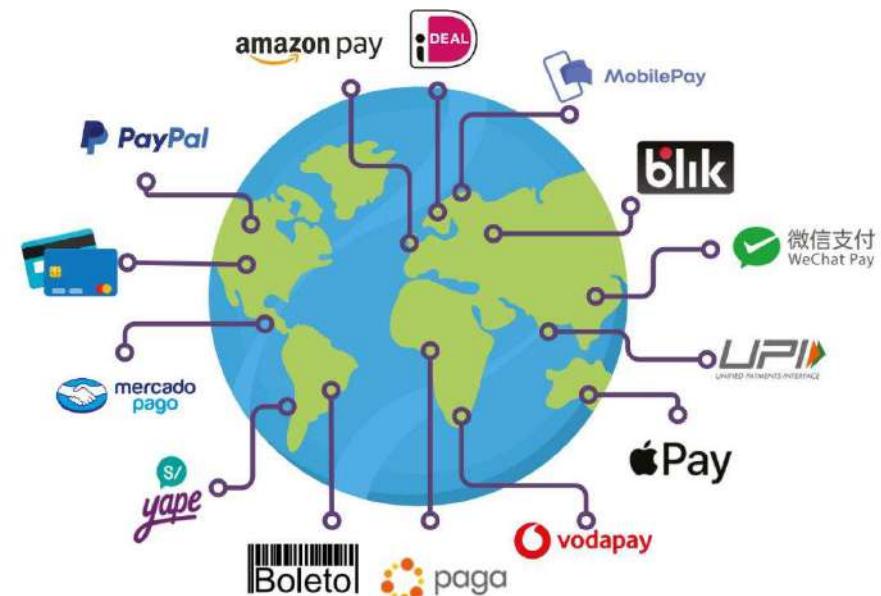
To meet the rising demand for eCommerce in emerging economies and cater to the growing expectation of localised payments, merchants are increasingly expected to adopt 'glocal' payment solutions. These are both global and local in nature, allowing international businesses to accept payments in different geographic markets while adapting to the local payment preferences and regulations of each one.

Juniper Research forecasts that the eCommerce market will grow from \$7 trillion in 2024 to \$11.4 trillion in 2029, a rate of 9.9%. A key factor behind this growth is the expansion of digital infrastructure and the improvement in logistics and delivery services in emerging economies, making eCommerce more accessible to businesses and consumers. This is compounded by new payment methods expanding access to the digital economy for the unbanked, such as mobile money solutions. This confluence of factors within the next year will provide an opportunity for international merchants to expand into new markets, which necessitates new payment solutions to satisfy this growing demand. If they do not adapt now, they risk losing ground to local merchants in the crucial early stages of adoption.

Another driver of glocal payments adoption is that consumer preferences are moving away from traditional cash and card payments towards local payment methods, such as Pix in Brazil and UPI in India. To maximise customer conversion, it is essential that consumers are offered their preferred payment method at checkout, as those who cannot pay with a familiar method are very likely to abandon the purchase. On the other hand, offering too many payment options can overwhelm the consumer. Offering the right payments that are localised to both consumer and merchant preferences will be critical.

For global companies to localise payments, eCommerce merchants are expected to use POPs (Payment Orchestration Platforms). These play a critical role in enabling and optimising glocal payments by acting as intermediaries that manage payments processes across multiple providers, payment methods, currencies, and countries.

Figure 6: Examples of Preferred Payment Methods across Regions



Source: Juniper Research



A key technology that payment orchestrators are using to transform the process of conducting merchant payments, particularly when coordinating payments in multiple regions, is 'smart routing'. This refers to the automation of transactions to the payment providers or networks with the lowest cost and highest authorisation rate. Emerging technologies such as machine learning decision-making systems can increase the accuracy of smart routing. By collecting and analysing a high number of historical and real-time data points, routing systems can adapt dynamically to changes; for example by routing a transaction to another provider if one experiences downtime, thus reinforcing operational continuity. Smart routing can also use back-up routing mechanisms to avoid transaction failures. Additionally, POPs enable merchants to:

- Access multiple payment providers through a single API or point of integration. This centralises the management of multiple payment providers and allows merchants to scale without needing new integration points.
- Offer a wide range of local and global payment methods, helping merchants cater to diverse customer preferences.
- Provide real-time currency conversion and settlement options in the local currency.
- Centralise payment tracking across different regions and currencies, making it easy to optimise payment flows.
- Optimise cross-border transactions by routing transactions through the most effective and paths with the highest authorisation rate.
- Ensure compliance with local regulations.
- Some POPs offer integrated fraud-protection solutions, which can adapt to regional fraud risks and provide consistent fraud protection across multiple payment methods.

To successfully tap into emerging markets and meet evolving customer expectations, international merchants must embrace these solutions in the coming year or risk losing ground to local eCommerce competitors.

Global eCommerce Payments Market 2024-2029



5. Regtech to Accelerate Amid BaaS Compliance Challenges

Regulatory compliance challenges have caused issues for BaaS (Banking-as-a-Service) companies, with them often being in troubled water with regulators and shrouded in negative press, predicting the demise of BaaS.

One prominent example from 2024 includes when the Federal Reserve Board issued a "cease and desist" order against Evolve Bancorp and its subsidiary, Evolve Bank & Trust. The Memphis-headquartered bank operates an Open Banking division alongside a suite of traditional banking services, and provides fintechs with solutions such as deposit accounts and payment-processing solutions.

In August 2023, following a safety-and-soundness examination of Evolve, the Federal Reserve issued a report identifying deficiencies in Evolve Bank's management of its Open Banking Division's consumer-compliance risk. The supervisors issued a report after conducting a further examination, identifying additional deficiencies in risk management and compliance with anti-money laundering laws, the Bank Secrecy Act, and Office of Foreign Assets Control regulations. In June 2024, the cease and desist was announced, with the penalty demonstrating the scale of deficiencies which BaaS providers need to address.

This conundrum, as well as other similar instances such as the bankruptcy of the BaaS platform Synapse left the BaaS market in a state of disarray, and resulted in news articles debating whether this was the reckoning of BaaS as a business model. This was due to consumers being misled, as their 'protected funds' were not directly protected.

Despite these regulatory concerns, the BaaS market is not necessarily in crisis, and these controversies are arguably indications of a turning point in the market.

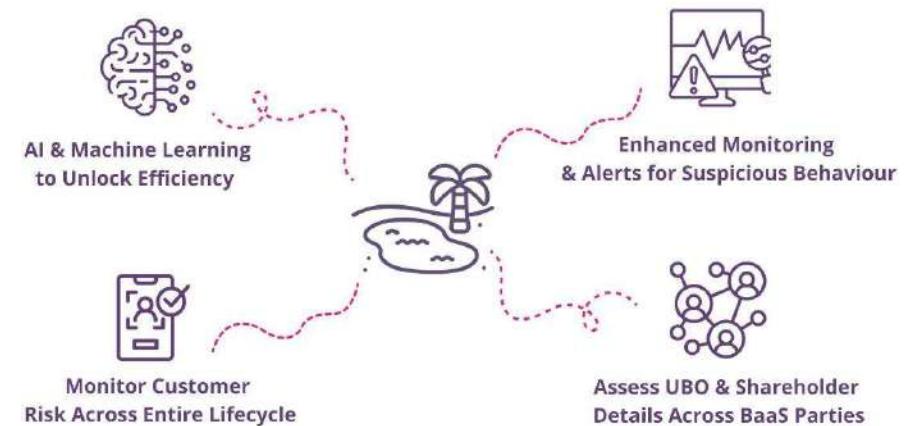
One of the major issues with the BaaS business model is regulatory compliance, with concerns mainly regarding the insufficient use of AML (Anti-money Laundering) tools and lack of robust compliance frameworks. However, Juniper Research anticipates

that a number of BaaS's compliance challenges will be addressed by regtech innovation in 2025 to reset the market for further growth.

- **Fortify Joint Agency for Partnerships:** Third-party risk management tools can be leveraged to ensure security across BaaS ecosystems. As seen by the downfall of Synapse, it only takes one collapse in the BaaS chain to create havoc. Ultimately, the expansion of the BaaS model only creates more elaborate ecosystems of partners, but if compromised could lead to a chain reaction of shortfalls.

As the regulatory framework catches up with rapid innovation in the BaaS market, this highlights the urgent need for enhanced transparency and risk-management accountability across all parties in the ecosystem. Investment in third-party risk management tools can help BaaS parties better gather and assess impacts on their third-party risk, such as mergers and acquisitions, regulatory shifts, and exposure beyond immediate suppliers. These tools can help enhance security posture and resilience against any data breaches or business continuity interruptions.

Figure 7: How BaaS Can Use Regtech to Navigate Compliance Challenges



Source: Juniper Research



- **Unlocking Automation for Compliance:** To comply with the increasingly evolving BaaS model, manual oversight of AML processes and third-party risk management can be costly. Attributing factors include the raising of the floor of compliance costs and processes, time-consumption, and brunt on workforce, alongside the risk of human error.

By using next-generation regtech solutions, BaaS providers can use configurable compliance tools and real-time monitoring to streamline works, reduce the burden on compliance teams, and ensure greater accuracy in identifying and managing risks. BaaS parties must improve lending by using enhanced KYC systems to ensure compliance and better assess customer risk, not just at customer onboarding, but across the entire customer lifecycle. These elaborate tools can readily monitor customer transactions for suspicious activity, and screen against sanctions lists, access UBO (Ultimate Beneficial Owner) details, and shareholder information.

In 2025, we anticipate that the regulatory scope of BaaS will shift, with enhanced scrutiny of middleware providers and the demand for BaaS parties to better address their own compliance shortfalls, driving the development of BaaS. This includes strong regulatory oversight, accompanied by robust third-party risk management for security, and automation-utilising regtech solutions to unlock efficiency. This better positions BaaS providers through future business growth and fosters a more expansive ecosystem of industry partners without comprising third-party risk or compliance shortfalls.

Global Banking-as-a-Service Market 2024-2028

Regtech: Market Forecasts, Trends & Strategies 2023-2028

6. Banks to Invest in PSD3 & PSR1 Readiness

Open Banking has been gaining traction across Europe, with 2024 seeing an incredible volume of partnerships formed between banks, fintechs, and businesses. This is a consequence of the regulatory environment in the EU (European Union), with the PSD2 (Revised Payment Services Directive) regulating access to consumer payment data by parties other than banks, and is intended to foster innovation and competition in the EU payments market. The PSD2 has been fundamental in the development of Open Banking in the region, boosting its popularity and in turn producing plentiful and high-quality offerings made available through Open Banking.

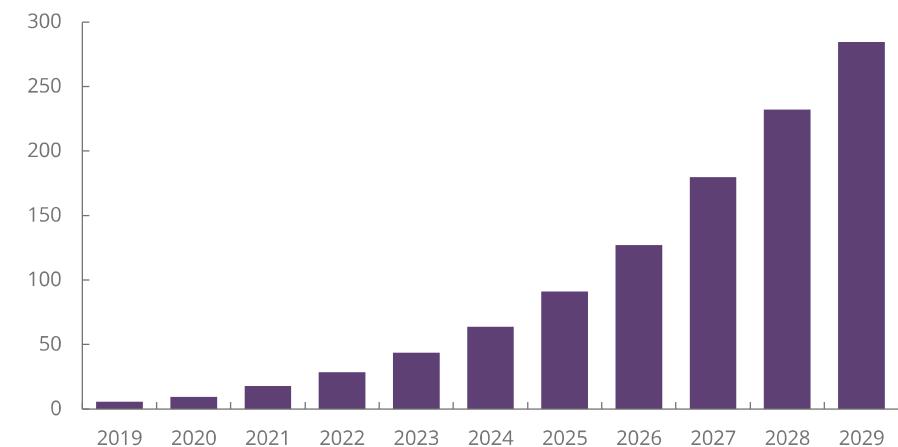
The PSD3, the revision of the PSD2, is an evolution of the existing principles of data sharing and security, such as setting out more extensive SCA (Strong Customer Authentication) regulations and stricter rules on access to payment systems and account information. However, the pivotal area of improvement that the PSD3 aims to acknowledge is API quality. The PSD3 proposals include new requirements, minimum functionality, and measures against high latency. The PSD3, combined with the PSR (Payment Services Regulation), consisting of articles from the PSD2 alongside clarifications and new articles, aims to harmonise the payment market and decrease national variation across the EU.

For banks, the PSD3 and PSR1 will strengthen Open Banking, which will facilitate the embedding of financial services in third-party solutions, which in turn will make banking more open but banks less viable. Consequently, the PSD3 and PSR1 will require banks to improve their technical performance, meet compliances or face tougher sanctions, and cease national variation on offerings, easing the implementation of the new requirements. These requirements will present significant challenges for banks, but given that the goal of these is to deliver a high-quality service to customers, it is ultimately a positive. Additionally, banks and other financial institutions will be able to access an extended payments ecosystem by improving their technical capabilities.

Not only will banks be investing in technical capabilities to ensure they are compliant with regulations, but they will be investing in solutions and partnerships due to the

increased competition from non-bank payment service providers as a result of the PSD3. Levelling the metaphorical playing field between banks, challenger banks, and non-bank payment service providers will require traditional banks to develop products and solutions akin to what non-banks offer. For example, some banks, such as HSBC or Monzo in the UK, offer BNPL solutions to consumers. With Open Banking facilitating use due to aspects such as soft-credit checks, offering BNPL in-house allows traditional banks to compete against fintechs as a deferred payment option.

Figure 8: Total Number of Open Banking Users in West Europe (m), 2024-2029



Source: Juniper Research

Another way banks are investing in their readiness for new regulations is via bank-sourced payments without intermediaries. These payments are A2A, which have gained significant traction across Europe in 2024. Banks will likely be readying for PSD3 and PSR1 implementation by partnering with A2A vendors to capitalise on the key components of the new regulations, such as SCA making A2A a safe alternative to traditional payments.

Global A2A Payments Market 2024-2029



7. Capital One's Acquisition of Discover to Challenge Visa & Mastercard

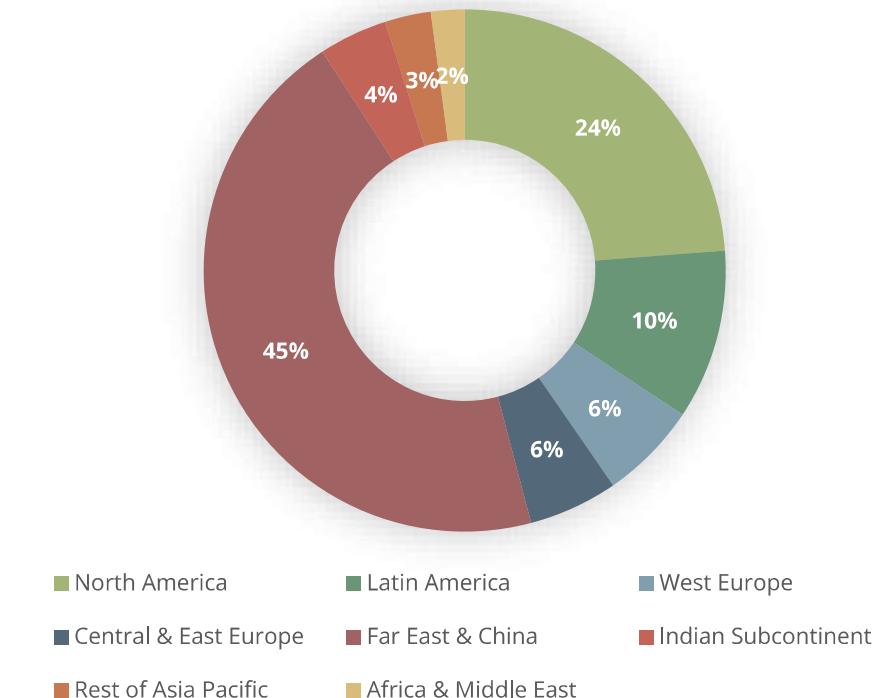
The biggest new acquisition in the fintech and payments space of 2024 was Capital One's February 2024 announcement that it intended to acquire Discover Financial Services for \$35.3 billion. This news was significant as it saw two of the US's largest credit card issuers merging, and most interestingly of all is the potential impact this could have on Discover's card network.

The card network space in the US, and in many other markets, has been dominated by Visa and Mastercard, with American Express and Discover carving out more specialist roles. This dominance of the two main players has led to concerns from some about competition in the card network space, as can be seen from the Justice Department suing Visa in September 2024, accusing them of monopolising the debit market. While Visa described the accusations as 'meritless', this lawsuit demonstrates the perception of a lack of competition in the card space.

The acquisition of Capital One and Discover will give the combined entity an advantage Visa and Mastercard do not – a significant issuing arm. This should allow Capital One to gain efficiencies from providing both the network and the issuing. This advantage will not be immediate, as Capital One is still partnered with both Visa and Mastercard, which it said would 'continue in the long term'. This is not necessarily a significant hurdle, as it gives Capital One time to strengthen Discover's card network.

In 2025, Juniper Research expects that the acquisition will be completed, but Capital One card customers will not be quickly transitioned to the Discover network. Capital One will use advertising to promote the cards that operate on the Discover network, but will not stop offering the cards that are on the Visa and Mastercard networks. In terms of consumers' response to this, there will be a small increase in adoption of cards on the Discover network. Capital One customers will be drawn to the innovative credit card offers that Discover provides. This will not, however, see a decrease in the number of owners of Visa and Mastercard cards in the short term.

Figure 9: Number of Credit Cards Issued per Annum Split by 8 Key Regions (%), 2025



Source: Juniper Research

Discover's card network has always been perceived as suffering from lower acceptance compared to the two leading card networks, and that has been the case throughout the majority of its history. This acceptance rate has been improved upon significantly in recent years, with 99% of US merchants that accept credit card accepting Discover, as of October 2024. While this is still lower than Visa and Mastercard, it means that cards on the Discover network will not be consistently struggling with lower acceptance.



With the strengthening of the Discover network, this leaves Capital One with the decision of whether it will migrate its current customers onto the Discover card network, or if it will have different offering spread across different card networks. The advantage of moving its customers to the Discover network is that it would no longer have to pay Visa and Mastercard, savings which it could use to improve its reward offers or lower transaction fees. The advantage of continuing to offer some credit card services on Visa and Mastercard's networks is that these have stronger international acceptance and are better established in the debit cards market. It also remains to be seen whether Visa and Mastercard will want to work with an issuer that also own a directly competing card network. Another consideration is the cost of the acquisition. For the relatively high cost, it will need to significantly increase Capital One's revenue to offer a return on investment.

It is worth remembering that the acquisition has not yet been completed, and requires regulatory approval. Concerns have been raised regarding its negative impact on competition in the card issuing market and reduced competition from vertical integration. If approved, this merger would create a new major player in the credit card space.

Capital One must use the efficiencies gained through vertical integration to offer innovative credit card reward schemes. This can then be used to transition its existing credit card customers to the Discover network, allowing it to capture a greater proportion of the revenue from credit card transactions. If done correctly, this can give the new entity the platform to build on to go on to compete with Visa and Mastercard.

Global Contactless Payments Market Data 2024-2029



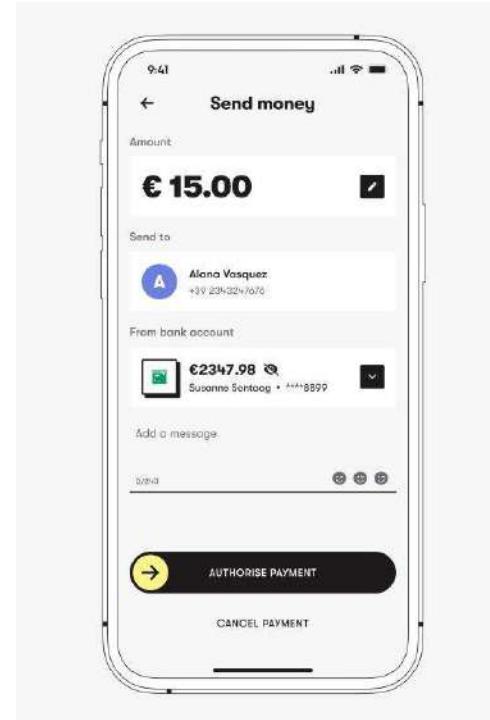
8. Wero and Instant Payments Harmonisation to Transform European Payments

Instant payments, especially A2A (Account-to-Account) payments, have been gaining significant traction globally, with Europe being a hub of activity. Not only this, but payment harmonisation through seamless cross-border payments has become a greater focus for consumers, businesses, and payment industry stakeholders. In Europe, this has been seen through the likes of Vipps and MobilePay merging to cover the entire Nordic region, and several national schemes such as Poland's Blik partnering with the EPI (European Payments Initiative), a digital payment service designed to offer a sovereign payment alternative to consumers across the region.

In comes Wero; launched in summer 2024, this is a pan-European digital wallet developed by the EPI which is live in Belgium, France, and Germany. What sets Wero apart from similar services and digital wallets such as PayPal is that it is designed around instant payments with easy set-up, requiring only a consumer's phone number. Since accounts are set up by phone numbers, payments can be made to other users with just phone numbers, meaning that inputting bank information is a thing of the past. With over 30 banks partnered with Wero, more than 75% of citizens in the three countries of operations are eligible to use it.

Although Wero currently supports P2P (Peer-to-Peer) payments exclusively, it will expand to P2Pro (Peer-to-Professional) payments and online and POS (Point-of-Sale) purchases, competing against the likes of PayPal and similar services. Because of this, Wero aims to be a native alternative to popular American wallets, including OEM digital models such as Apple Pay. This potential will become closer to realisation as more countries become interoperable with Wero, such as the Netherlands. Other ways it aims to compete is through value-added services, such as potentially offering Buy Now, Pay Later options backed by banks, as well as digital identity verification.

Figure 10: Wero Payment Authorisation



Source: Wero

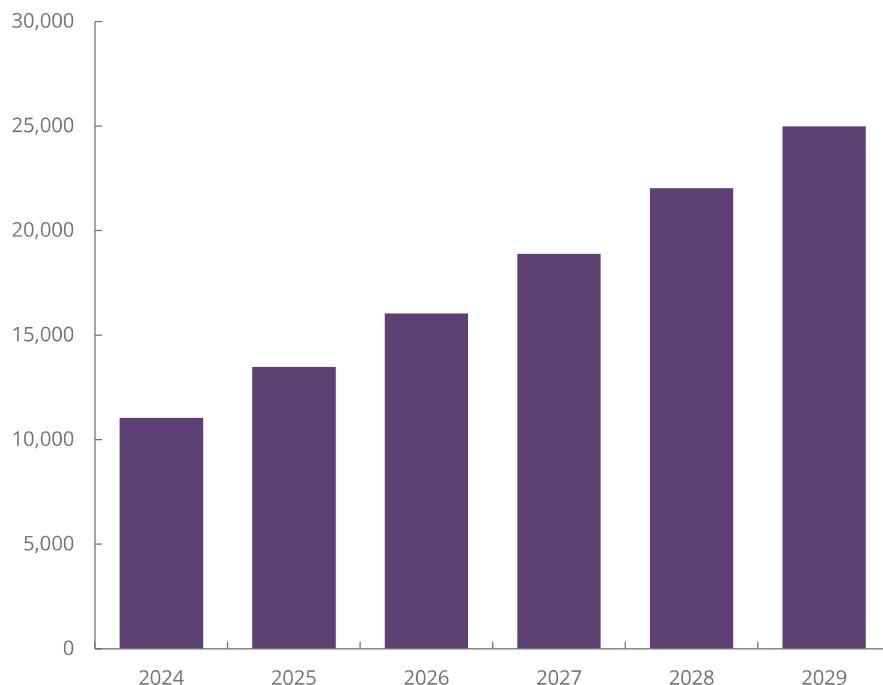
Until P2Pro becomes viable, Wero still has potential for P2P use cases, especially given that it will act as a convenient method for cross-border payments. This is a consequence of the IPR (Instant Payment Regulations) coming into effect in April 2024, ensuring all EU citizens and businesses with a bank account can use instant payments more conveniently and cheaply than previously. However, being able to conduct P2P payments and eventually payments for goods and services directly from a connected bank account will result in Wero becoming a very convenient alternative



to other payment types, even other digital wallets which have higher fees for processing transactions.

A consequence of this is that the number of A2A transactions in the region will significantly increase in 2025 and beyond. Not only will this be evident with P2P payments, but P2Pro as well, especially as merchants will be able to use Wero in exclusive ways, such as integrating loyalty programmes and multi-country merchant integration for cross-border merchants incentivising use of Wero.

Figure 11: Total Volume of Consumer A2A Payments in Europe, 2024-2029



Source: Juniper Research

While it is still too soon to determine how much both Wero and the IPR will harmonise instant payments across the EU, the potential is strong given the effort being put into the solution. An important aspect for its success will be how successfully it is branded and advertised to users. Initial advertisements focus on how payments can be completed within 10 seconds, and with each advert being less than 10 seconds succinctly drives this point across, getting users to realise how quickly a payment can be completed. Effective branding could result in a payment solution that is not only immensely popular, but synonymous with instant payments in general. For example, with Brazil's Pix, users 'Pix' each other when making payments, in the same way people "Google" when searching the web.

Given the efforts invested in gaining traction across the countries in which it operates, 2025 will be a significant year for Wero and instant payments across the EU. Instant payments will see immense growth even outside of Wero due to the IPR and Open Banking developments facilitating A2A payments in Europe. However, a convenient solution aimed at consumers and businesses alike could be an immense catalyst for the harmonisation of instant payments. The main point of contention could be that the relative adoption of A2A payments in France and Germany is low compared to other EU markets like Belgium, but Wero has the potential to normalise the solution in these markets. Additionally, launching Wero in these markets as some of the first countries of operation could fulfil a unique role in these markets' payment ecosystems, and thus give confidence in the success of Wero in harmonising instant payments.

Global Instant Payments Market 2024-2028



9. AI Hype to Diminish as Fraud and Identity Drive Innovation

The most recent developments in AI, specifically AGI (Artificial General Intelligence), surround the development and deployment of common-use AI tools such as virtual assistants and large-language models. However, as time passes, financial institutions are realising that there is major risk in developing AI tools without clear goals. The hype around AI has been such that leaders have prioritised these projects across many different business areas, irrespective of their practical utility.

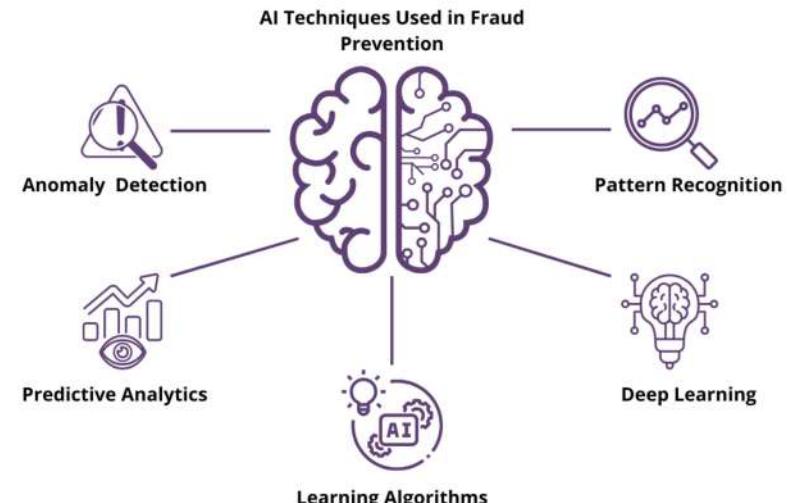
A major issue we have seen with AI projects is that they are developed as short-term projects, rather than benefiting from AI's ability to learn. The more data an AI model can process, the more refined its capabilities for that task becomes. Where AI has been applied to issues regarding fraud and identity within fintech, it has been given extended periods of time, and the necessary data infrastructure has been in place for it to analyse data sources and learn from them.

As banks and other financial institutions become disenchanted with AI hype, efforts for AI within 2025 will focus heavily on automating and improving fraud prevention and identity verification.

Fraud prevention vendors have successfully developed AI solutions which can detect and analyse patterns a human might overlook, making it an ideal tool for identifying fraudulent activity in a complex and ever-changing landscape. We expect innovative AI solutions to see widespread application to fraud and identity crimes in 2025, especially the deployment of generative AI defence measures to combat emerging fraud tactics.

We expect AI to be used at a more network and systemic level than ever before in 2025 within fraud, analysing transactions in a channel agnostic way and detecting patterns before major losses mount.

Figure 12: Different Techniques AI Uses to Combat Fraud and Identity Theft



Source: Juniper Research

Over the longer term, financial institutions will slowly begin to explore additional AI use cases; this will be done in a more precise manner, where AI has the specific capabilities that are needed to solve a task, rather than as a general 'silver bullet'-style approach. We expect financial institutions to focus on internal uses of AI for the foreseeable future, given the strict regulatory scrutiny financial institutions are under. As financial institutions become more comfortable with AI capabilities and develop new AI expertise, this focus will eventually shift to customer-facing activities, but the highly risk-adverse nature of how banks operate will make this a very slow transition. Transforming internal operations first, and keeping a human in the loop, will be the case in 2025 and for years to come.

Global Fraud Detection & Prevention in Banking Market 2024-2029

10. Sustainable Fintech Becomes Key Differentiator for Banks

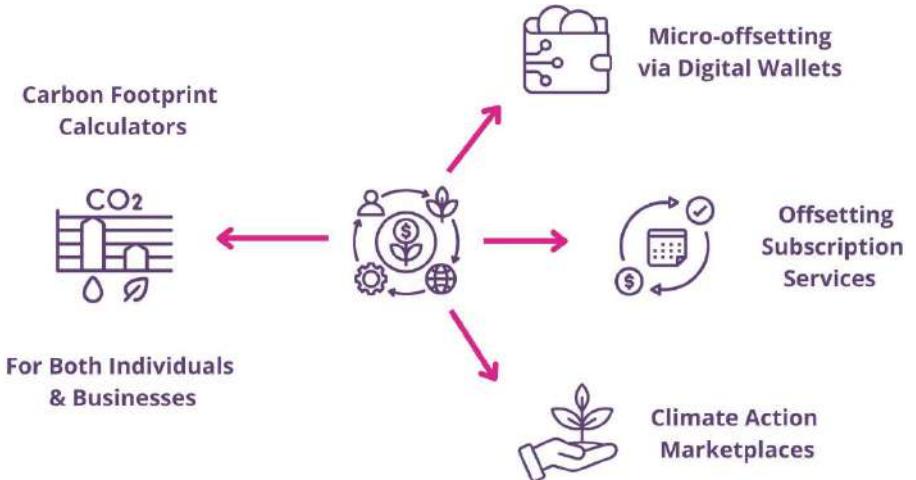
As we move into the second half of the 2020s, Juniper Research has identified that a sustainability-focused financial offering will become a standout feature for challenger banks. When it comes to long-term financial goals, such as investing and savings, climate change and social impacts have become key concerns for consumers when deciding which banking platform to use.

Now more than ever, consumers increasingly understand the wider impact of the financial services industry on the planet, and are keen to adopt best practices to offset this damage. Digital banks looking to capitalise on this trend will build financial tools built into their wallets or banking apps allowing consumers to access sustainable fintech solutions.

Digital banks have multiple avenues to explore when looking to embed ESG (Environmental, Social & Governance) principles across their operations, whether that is by offering sustainable financial products like green loans, reducing the energy intensity of their platforms, and driving financial inclusion across underserved communities. As digital banks continue to compete with traditional banks, we have identified that sustainability-focused solutions and products will be a key driving force and standout feature across this space.

This trend also applies to business and small and medium-sized banking and entrepreneurs wanting to scale their businesses, while understanding the impact of their operations on the wider environment. One example that can help is a carbon foot-printing tool for business, which allows companies to showcase their climate action progress. These solutions integrate with accountancy software, as well as checkouts, for automatic funding of tree planting for every order, or the supporting of verified climate projects with each transaction or activity.

Figure 13: Digital Banking Sustainability Offerings



Source: Juniper Research

With regards to helping consumers invest in sustainable projects and contribute to carbon offsetting, we have identified multiple different models that digital banks can adopt to offer services embedding ESG principles:

Carbon Footprint Calculators: Digital banks can provide tools to help consumers better track their carbon footprint. This includes calculating the impact of consumers' behaviour across spending categories, and the resulting environmental impact.

Micro-offsetting: Digital banks can build carbon-offsetting solutions that integrate with digital wallets, allowing consumers to offset their carbon footprint on a transaction-by-transaction basis.

Subscription Services: Digital banks can offer regular subscriptions to planet-positive projects, including building solar energy projects in developing countries, or ethical farming practices. Customers receive updates of the progress of these initiatives and can track their impact.



Climate Action Marketplaces: As an alternative to the subscription model, digital banks can provide a pay-as-you-go marketplace where customers can have more control over the number of projects they fund. Popular causes include wildflower meadow restoration, biochar production, and ocean conservation.

We identified a large majority of these trends across emerging businesses that are disrupting the fintech market with sustainable solutions. We anticipate that to continue to compete with traditional banks, digital banks will begin to emulate these features, specifically carbon footprint calculators and carbon-offsetting solutions.

We predict that digital banks will sharpen their focus on allowing consumers to invest in environmental projects and companies to offer a competitive edge over traditional banks. The most attractive prospects to consumers will not only have impact on the environment, but a wider social and economic impact including reforestation initiatives and developing solar or wind projects in developing countries. What banks need to decide is which carbon offsetting model would be the most beneficial to their wider customer base, such as micro-offsetting, or either a marketplace or subscription service for funding sustainable projects.

Future Leaders 100: Fintech 2025



Top 10 Fintech & Payments Trends 2025: Summary

Trend	Related Research	Whitepaper
1. Apple NFC to Boost Competition in Digital Wallets	Global Digital Wallets Market 2024-2029	
2. Virtual Cards to Revolutionise B2B Expenses and Procurement	Global B2B Payments Market 2024-2028	
3. Behavioural Biometrics Driving Shift to Passive ID Verification	Global Biometric In-store Payments Market 2024-2028	
4. eCommerce Merchants to Adopt 'Glocal' Payments	Global eCommerce Payments Market 2024-2029	
5. Regtech to Accelerate Amid BaaS Compliance Challenges	Global Banking-as-a-Service Market 2024-2028	
6. Banks to Invest in PSD3 & PSR1 Readiness	Global A2A Payments Market 2024-2029	
7. Capital One's Acquisition of Discover to Challenge Visa & Mastercard	Global Contactless Payments Market Data 2024-2029	
8. Wero and Instant Payments Harmonisation to Transform European Payments	Global Instant Payments Market 2024-2028	
9. AI Hype to Diminish as Fraud and Identity Drive Innovation	Global Fraud Detection & Prevention in Banking 2024-2029	
10. Sustainable Fintech Becomes Key Differentiator for Banks	Future Leaders 100: Fintech 2025	



How Do We Pick Our Trends?

The process begins with Juniper Research's team of in-house analysts and thought leaders conducting extensive research and analysis on emerging technologies, industry developments, and market disruptions in the fintech & payments space. Our team reviews a wide range of sources including our own research portfolio, forecast suites, industry reports, market research, and expert opinions, to develop an initial longlist of potential trends.

Once this list is compiled, the team engages in a structured debate to critically assess the significance, feasibility, and relevance of each trend for the year 2025. Experts evaluate the potential market adoption, technological breakthroughs, and socioeconomic factors influencing these trends. Through multiple rounds of discussion, the list is gradually narrowed down based on criteria such as potential growth, disruptive potential, and alignment with key industry shifts. After extensive deliberation, the team votes to finalise the top 10 trends.

Following the selection, each of the top trends is expanded by answering three key essential questions:

- **What will happen?** A detailed explanation of the trend, including its technological, economic, or social drivers.
- **What is the impact?** This section outlines the specific effects of the trend on businesses, consumers, and industries, highlighting potential opportunities and challenges.
- **Why 2025?** The rationale for why this trend is expected to materialise or gain significant traction in 2025, backed by key data and market indicators.

About Juniper Research



Juniper Research has been providing essential market intelligence to the global financial sector for more than two decades.

Whatever sector they work in, our clients – including many of the world's leading banks, intermediaries, and providers – benefit from actionable knowledge and insight, delivered by experienced industry experts and backed up by robust and dependable forecasting models.

Our fintech and payments portfolio comprises 30+ reports; covering everything from core and emerging payments such as Digital Wallets and A2A Payments, to fintech markets like Regtech and Embedded Finance.

This level of coverage, together with our industry-leading client support programme and quarterly forecast updates, means that no matter how fast the market moves, our clients never have to worry about being left behind.

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