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# THE FUTURE OF PAYMENTS 2025

A Worldpay x Stylus White Paper

**PAYMENTS**  
2025



# Introduction

The world of payments is changing rapidly.

Consumer expectations, breakneck innovations due to the enduring COVID-19 pandemic and evolving industries are all driving a new era for payments. In collaboration with global trends intelligence agency Stylus, Worldpay has uncovered the key macro drivers, demographic nuances and new consumer priorities impacting payments behaviour; alongside their implications for the future of payments.





# Macro Drivers



## Digital Acceleration

We witnessed radical Digital Acceleration as consumers flocked online to work, play and transact during pandemic-led lockdowns. In response, the global e-commerce market is set to expand by \$1.4tn between 2021 and 2025, driving non-cash payment volumes higher<sup>1</sup>. Rising adoption of digital and cryptocurrencies, arrival of 5G technology and IoT, and appetite for Virtual Reality (VR) are also revolutionising the payments industry.



## Mass Mistrust

With rampant misinformation and leaks of private information, Mass Mistrust of governments, businesses and media is rife. It's no surprise that 71% of global consumers worry about hackers and cyber-attacks<sup>2</sup>. In this landscape, brands must demonstrate transparency and commit to data security.



## Stagnant Economies

Even before the pandemic, Stagnant Economies were impacting consumers' quality of life. COVID-19 has exacerbated the struggle, pushing around 124 million people into extreme poverty worldwide<sup>3</sup>. Frugal attitudes and savvy spending tricks are increasingly necessary to remain financially afloat.



## Collective Consciousness

Consumers' Collective Consciousness is growing, as they confront issues including systemic inequality and climate-change risks. Worldwide, 60% of people say wealth inequality is one of the most serious forms of inequality in their country<sup>4</sup>. There is a major opportunity here for sustainable, equity-focused businesses to win consumer loyalty and spend in years to come.



## New Health Paradigm

As consumers develop a more holistic understanding of healthcare, a New Health Paradigm is emerging. Globally, 79% of people say their mental and physical health are equally important<sup>5</sup>. A rising expectation that brands should step in to help fortify all aspects of personal wellbeing signposts a key opportunity space for the decades ahead.



## Shifting Demographics

Shifting Demographics is another important driver. The global population is ageing rapidly, with the proportion aged 65 years plus expected to increase from 9.3% in 2020 to 16% in 2050<sup>6</sup>. The number of consumers from diverse and multi-racial backgrounds is growing too. Businesses need to be aware of these shifts if they are to remain relevant in the future.

# Generational Perspective

Accompanying these drivers impacting payment priorities are subtle generational nuances that dictate the experiences and needs of different demographics.



## Gen Z

Born and bred alongside major tech developments, **Gen Z** (born 1995–2009) experience a big part of their lives online. Rather than being online-first, many are online-only, spending up to 9 hours a day online<sup>7</sup>. As such, always-on access to anything, at any time, from anywhere is the norm for this cohort.



## Millennials

**Millennials** (born 1981–1994) grew into adulthood amid the Great Recession and COVID-19 pandemic and have been hard hit throughout their working lives. For many this means dealing with student loans, stagnant wages and rising costs of living. Consequently, American Millennials rank financial concerns/debt and low paying jobs/job insecurity as two of the top five problems of their generation<sup>8</sup>. They still indulge in small luxuries despite these financial challenges, with an average monthly spend of \$478 on nonessentials such as entertainment, food delivery and self-care<sup>9</sup>. This generation also grew up with Web 2.0 – that is, mobile – and now Web 3.0 crypto-technologies, making them financially savvy and keen to embrace alternative payment methods and currencies to optimise often-stretched finances.



## Gen X

Born in an analogue world, **Gen X** (born 1965–1980) remain somewhat attached to traditional payment methods with more choosing physical over digital, opting for credit cards as their preferred choice<sup>10</sup>. As work and domestic responsibilities grow, they're seeking digital routes to more streamlined living. To appeal to this generation's need for fast-paced and frictionless solutions, brands and payment merchants alike must offer speed and benefits such as active reward systems and seamless opt-out models.



## Boomers

While historically “tech shy”, **Boomers** (born 1946–1964) are an increasingly online generation, open to financial services and payment options that offer ease and security. However, access to tech devices – as well as literacy on how to use them – can be major roadblocks for the oldest members of this consumer cohort. Their use of digital financial tools is often held back by concerns over transaction safety, with only 63% of US Boomers believing that their primary service provider will protect them from fraud and theft<sup>11</sup>. To close this gap, stakeholders must empower Boomers via tech guidance, simplified user experiences and adaptive features.



## Seniors

For **Seniors** (born up to 1945), longer life expectancies are leaving some feeling anxious about their economic outlook. A lack of tech awareness, access and ability is deepening concerns, and leading to financial exclusion. Payment processes should be accessible, simple and secure to empower this generation and allay their worries.



## Macro Trends: New Payment Priorities

The aforementioned drivers and generational nuances are steering new payment priorities, grouped into six powerful emerging trends that can be harnessed across industries for future success.

# Trend 1: Seamless & Smooth

In an ever more digitalised world, consumers demand increasingly slick and quick experiences that emphasise convenience.

The growing demand for omnichannel payment methods means businesses must ensure they can accept payments in multiple formats, including cryptocurrencies and other digital currencies. Already we're seeing this shift.

Digital-wallet-based transactions **grew by 7%**

in 2020 and are expected to account for more than half of all e-commerce payments worldwide by 2024<sup>12</sup>.

Consumers demand increasingly slick and quick experiences that emphasise convenience





# Trend 1: Seamless & Smooth

## Key Trend Themes

Looking for seamless experiences, consumers will gravitate towards Frictionless Purchasing offerings that enable ease at every turn. They're prioritising contactless payments – 69% of US retailers reported an increase in contactless payments during the pandemic<sup>13</sup> – experimenting with autonomous shopping tech and simplifying payments with open banking architecture.

The increasing uptake of digital currencies means businesses must ensure they operate an **All Currencies Welcome** model, accepting payments in multiple ways. Brands should note that around 300 million consumers globally are now crypto-currency users<sup>14</sup>.

Desire for instant, low-cost payments between countries is catalysing innovative **Payments Without Borders**, with global cross-border payments expected to reach \$250tn by 2027<sup>15</sup>.

Meanwhile, payments are also spanning the borders between physical and virtual reality, with pioneering providers enabling transacting in emerging metaverse marketplaces.

## Trend in Action

Already we're seeing innovation driving frictionless money exchange. Launched in September 2021, UK social payments app VibePay uses open banking technology to let users pay or request payment from others with their voice (via Siri) or the in-built chat function, with no fees<sup>16</sup>.

And traversing physical and virtual gaming borders is Vietnamese blockchain-backed play-to-earn NFT game Axie Infinity. Axie has created a virtual economy around tradable non-fungible token 'pets'; merchants in the Philippines now accept its in-game currency to pay for real-world goods such as food and clothing<sup>17</sup>.

## Implications and Opportunities

Brands should acknowledge post-pandemic desire for swift, contactless payments by designing more automation into the future purchasing experience.

To satiate desire for seamless financial interactions, it's also worth integrating innovations such as open banking-enabled voice payments and acceptance of cross-reality currencies.





## Trend 2: Safe & Secure

Never has it been more important to fortify security and protect consumers' personal data.

“The higher the use of online transactions, the more likely we are to see cyber-attacks and cyber-attack attempts,”

says Dr Francesc Rodriguez Tous, lecturer at Cass Business School, London. It's an issue keenly felt by global consumers, with 25% experiencing some kind of fraud in 2021<sup>18</sup>.

Next-gen security solutions see biometric markers fast replacing traditional methods of identification for more secure and convenient payments. The use of innovative Artificial Intelligence (AI) tools and decentralised blockchain tech is allowing consumers to retain anonymity, regain control over their data, and protect themselves and their loved ones against fraud.

# Trend 2: Safe & Secure

## Key Trend Themes

**Biometric Access**, or authentication provided by our bodies – fingerprints, iris scanning or facial recognition – is becoming a preferable payment solution versus less secure pins and passwords. Consumers are on board; 86% in the US are interested in using biometrics to verify their identity or to make payments<sup>19</sup>.

In the era of **AI-Powered Privacy**, artificial intelligence solutions step in for anonymous data collection and fraud mitigation. Allowing consumers to retain control over their data is of paramount importance though, and 67% of global consumers wish to decide how and what data is shared online<sup>20</sup>.

As the movement towards decentralised finance and transacting grows, tech-enabled **Blockchain-Built Trust** will boost transparency and efficiency, and cut out intermediaries. Despite significant volatility in 2021, the DeFi market soared 335% to reach a value of \$85bn, proving its growing market significance<sup>21</sup>.

## Trend in Action

Meeting the desire for biometric security services is Norwegian technology company Zwiipe. Instead of a pin or a password, users must authenticate payments with their fingerprint<sup>22</sup>.

Meanwhile, app Papaya lets users photograph any bill and then uses AI-powered “bill-understanding technology” to pay it automatically and securely<sup>23</sup>.

And decentralised app ShareRing gives consumers control over their personal information, creating a blockchain-secured ID that safely holds documents including driving license and passport. The app connects a user’s ShareRing ID to cross-industry services, allowing express booking, check-in, rental and payments without risking personal data<sup>24</sup>.

## Implications and Opportunities

Consider utilising biometric authentication, AI payment solutions and decentralised applications to make payments easier and more secure. Online retailers could partner with blockchain-built payments networks that accept digital currencies instantly and guarantee zero fraud to promote peace of mind.





## Trend 3: Just For Me

Customisation is key to winning customer approval, and personalised payment journeys are becoming non-negotiable.

**Companies excelling at personalisation**

**generate 40%  
more revenue**

**than businesses that don't invest  
in personalised features<sup>25</sup>.**

Loyalty and rewards programmes are also being revamped to recognise individuals' nuanced needs, while emotional engagement is poised to deepen levels of personalisation.



## Trend 3: Just For Me

### Key Trend Themes

Consumers expect purchasing routes to offer **Personalised Interactions** tailored to their needs at every step, whether in-store or online. Some 90% of US consumers believe that a brand's ability to personalise their shopping experience impacts the amount they spend/shop with that brand<sup>26</sup>.

Businesses are forging consumer loyalty via new-era transactional business models that reward consumption with **Bespoke Rewards**. In the US alone, 65% of consumers expect brands to personalise their approach and offer them targeted promotions<sup>27</sup>.

Mood detection software has the potential to help businesses understand consumers' feelings to improve **Emotional Engagement** and boost loyalty. It's a significant brand strategy; Harvard University professor Gerald Zaltman asserts that 95% of purchase decisions are made by the subconscious mind, driven by emotions<sup>28</sup>.

### Trend in Action

E-commerce brands are personalising loyalty rewards via gamified models incentivising website activity. Shoe e-tailer Zappos' customers can earn points through online spending, but also through logging in, browsing, leaving reviews and spending during specific times. Points can be redeemed against products, shipping and exclusive product access<sup>29</sup>.

eBay and art retailer Saatchi tapped into consumer emotions with their conceptual Art of Shopping event<sup>30</sup>. Attendees browsed a gallery while wearing mind-tracking headsets. These noted when wearers were inspired, adding corresponding products to their shopping carts.

### Implications and Opportunities

**Bespoke payments journeys that are reactive to consumers' emotions and individual contexts can help them feel supported and validated. Offer targeted benefits based on unique purchasing behaviours, and use gaming mechanisms to supercharge stickability.**

<sup>26</sup>Inmar Intelligence, 2021, in Global Newswire, 'Inmar Intelligence Survey Shows 65 Percent Shoppers Are Willing to Share Their Data with Retailers, but They Expect a Better Experience'.

<sup>27</sup>McKinsey, 2021, 'The value of getting personalization right—or wrong—is multiplying'.<sup>28</sup>Inc, 2018, 'Harvard Professor Says 95% of Purchasing Decisions Are Subconscious'.

<sup>29</sup>Zappos, 2021, in The Real Deal, 'Zappos VIP: Literally Everything You Need to Know'.<sup>30</sup>Ebay x Saatchi, 2017, in Dezeen, 'eBay launches "the world's first subconscious shopping experience".'

## Trend 4: Financial Wellness

Money matters are coming under the purview of wellbeing, with a growing appreciation that economic insecurity is detrimental to overall health.

Some **70%** of American adults say the economy is a significant source of stress, up from 46% in 2019<sup>31</sup>.

Gen Z and Millennial consumers particularly acknowledge this link between their financial wellbeing and mental health and want brands to support them in bolstering this aspect of their lives.

Key areas of opportunity include Buy Now, Pay Later (BNPL) and saving-supporting payments models, coaching services to improve habits and boost financial literacy, and money mindfulness mentors.

# Trend 4: Financial Wellness

## Key Trend Themes

Pandemic losses mean more people are adopting **Austerity Armour**, seeking greater control over their spending patterns and finances to protect themselves from an economically uncertain future. Consumers aren't just thinking short-term. Some 59% of Europeans expect another pandemic in their lifetime and want to financially prepare for the next one<sup>32</sup>.

Consumers are craving **Finance Coaching**, guidance and support to improve their financial habits and literacy. They're looking outside of traditional banking services too; views of #personalfinance videos on TikTok – which range from budgeting to saving tips – exceed 5.3bn views<sup>33</sup>.

The connection between money and mental health is tightening, causing consumers to look for **Fiscal Healing** counselling services and brand empathy. In the UK, 39% of consumers say their financial situation impacts their mental health<sup>34</sup>.

## Trend in Action

We're seeing brands aiding money-minded shoppers in-store. US investing app Griffin allows users to automatically invest small amounts in their favoured retail companies during everyday purchases, for example acquiring \$1 worth of Starbucks stock as they buy a coffee.

Financial brands are helping individuals, couples and families talk about their economic worries. US investment company Morningstar's AI chatbot MoneyTalk invites family members to communicate with chatbot 'Mo', who advises on how to start constructive money conversations and spend more wisely<sup>36</sup>.

## Implications and Opportunities

Cater to consumer desire for enhanced financial wellness with add-on benefits like credit-boosting BNPL services or budgeting tools. Offering financial guidance and advice is sure to encourage longer-term loyalty.





# Trend 5: Kind Finance

Ethical transacting is being baked into payment journeys as more conscious consumerism swells.

Radical shifts in work and home life during the pandemic have sparked reassessment of life priorities for consumers. Many are stepping up their existing pre-pandemic commitments to spending more sustainably or supporting causes they care about.

**Almost half of European consumers (46%) are using their influence as a consumer to drive positive social change<sup>37</sup>.**

There's also a shift to community commerce underway, with people leaning towards neighbourliness and support of local business.



<sup>37</sup>Intrum, 2021, 'With Black Friday approaching – European survey shows that consumers are buying less than before the pandemic to promote a more sustainable lifestyle'

# Trend 5: Kind Finance

## Key Trend Themes

Consumers are increasingly taking **Eco Action**, keen to link purchasing to protecting the planet and reducing their carbon footprint. In 2021, 56% of Americans said they'd use a credit card that could calculate and offset the environmental footprint of the products they purchased<sup>38</sup>.

Opportunity also exists in the **Inclusion Imperative**; the growing understanding of a need to create inclusive payment solutions for unbanked populations and to focus on minority-group representation in the financial market. A staggering 1.7 billion adults (31% of the adult population) worldwide don't have a bank account or mobile wallet<sup>39</sup>.

Many consumers will champion brands that display interest in **Community Care**, and who are committed to making a difference in their local area and society at large. Globally, 73% of consumers say brands must act now for the good of society<sup>40</sup>. It's not enough for brands to pay lip service to positive intention – they must take beneficial action directly and transparently.

## Trend in Action

Brands are devising smart ways to support sustainable shopping practices. Swedish food retailer Felix's pop-up shop The Climate Store sees customers paying for products with carbon dioxide equivalents instead of standard currency – the greater the product's climate impact, the higher the price<sup>41</sup>.

And shrewd businesses are using their platforms to target the racial wealth gap for BIPOC customers. Take US banking start-up First Boulevard, which provides financial education tools, early paycheque access, no overdraft fees, and a round-up payments feature that supports Black and Latinx charities<sup>42</sup>.

## Implications and Opportunities

Now more than ever, consumers want to align their purchasing behaviour with their ethics and values. In the future, the most successful financial services merchants are likely to be those that extend their USP beyond financial management to serve people and the planet. Consider embedding an emissions offsetting feature into payments journeys, or tap into rising support for local commerce with campaigns that incentivise buying locally.



## Trend 6: Life Stage Support

Every stage of our lives comes with different trials and challenges that can be positively impacted by the right supportive payment solutions.

Young people becoming adults are tackling hurdles including navigating college, starting their career, embarking on long-term relationships and forging financial security for the first time. Financial worries and debt rank fourth among US Gen Z/Millennials' top concerns<sup>43</sup>.

Meanwhile, mid-lifers are struggling with being “sandwich carers” – caring for children and ageing parents. Some 73% of US Gen Xers say that they'll need to delay retirement due to supporting their parent(s)<sup>44</sup>.

As the life cycle spins towards the senior years, older consumers want advice around retirement preparation and e-commerce solutions tailored to their digital ability.



# Trend 6: Life Stage Support



## Key Trend Themes

Young people **Approaching Adulthood** crave assistance in establishing financial security and literacy. UK consumers aged 18 to 24 were the most likely (51%) generation to say they'd made bad decisions about debt during the pandemic<sup>45</sup>, revealing opportunity for brands to step in and help.

**Managing Midlife** is complex, as consumers struggle with being “sandwich carers” and managing expenses like mortgages and childcare costs. In the UK alone, 55% of 45- to 54-year-olds say the pandemic has made them more worried about their financial situation<sup>46</sup>.

Older consumers want **Later-Year Allies** who can provide advice around retirement preparation and tailor e-commerce solutions to their digital ability. This service is sorely needed; only 15% of America's Boomers have estimated their retirement health costs<sup>47</sup>.

## Trend in Action

We're now seeing brands encouraging people to become smart spenders from a young age. Family financial platform Till allows 8- to 18-year-olds to set up subscriptions to brands like Netflix, giving younger generations experience in making regular payments<sup>48</sup>.

As an added option, the platform offers a goal-based savings account where family members can match user's savings.

For mid-lifers juggling multiple financial commitments, Canadian digital payments company Mogo have launched a first-ever Bitcoin cash back scheme, MogoMortgage, for consumer refinancing or applying for a mortgage<sup>49</sup>.

Meanwhile, digital payments services Zelle launched a commercial campaign targeting mid-life consumers aged 30-50, advertising how their money transfer capabilities can support smoother family financial management<sup>50</sup>.

And retirement forecasting tools are also emerging. US app Silvr calculates a user's “retirement score”, indicating how long their savings will last depending on lifestyle, medical insurance and cost of living, and providing recommendations for reaching retirement goals<sup>51</sup>.

## Implications and Opportunities

Opportunities abound to develop niche life-stage support across the consumer lifecycle. For example, consider loan-repayment tools for indebted students, or functionality allowing payment splitting for divorced mid-lifers. Micro-payments contributions towards retirement savings will appeal to older consumers.

# Conclusion

The world is changing quickly, and the pandemic has accelerated the rate of that change – making it imperative for brands to be thoughtful, agile and unique.

When it comes to payment journeys, speed and convenience are non-negotiable, while security and data protection are also critical to success. Consumers increasingly expect a more personalised experience, with tailor-made transactions key to winning their approval. With the link between money matters and mental health climbing the wellbeing agenda, financial wellness is a niche rich with opportunity. Consumers also want ways to incorporate their eco and social ethics into everyday spending. Remember too, different generations have distinct priorities, so create solutions to meet their bespoke needs – be it helping Gen Z tackle student debt or simplifying mid-lifers' financial responsibilities.

Armed with knowledge, it's time to lean in and get curious about how these payment trends will continue to endure and evolve – both towards and beyond 2025. Most importantly, how might the insights shared in this report be strategically integrated to future-proof your business?

There is no better time than now. Let's get going.

Payments 2025 is a thought leadership campaign launched by Worldpay from FIS to highlight the key trends shaping the future of payments.

Using our many years of experience and leveraging our vast network of specialists from across the payments industry and beyond, we will share expert opinions and recommendations as well as explore the social, economic, technological and environmental factors that will inform the future and help our merchants to prepare for tomorrow.

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