



Funds Disbursement In Europe:

Speed Alone Is Not Enough

An industry report by Edgar, Dunn & Company,
commissioned by Visa

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VISA



Edgar, Dunn
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Strategic Payments Consulting

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Foreword

The global pandemic has accelerated the pace of changes in the global payments market. Customers expect faster, more convenient solutions that optimise security and the user experience. Payment networks, banks, technology companies and governments are more focused than ever on enhancing their payments offering in order to meet this increasing demand. They understand the value of moving money quickly, getting it into the hands of small business, workers, families and those that need it most to enhance their financial independence. The payments industry as a whole has recognised the opportunity which faster payments provide and Visa has taken an active role in determining the most viable solutions which will have a profound impact on economies and societies globally.

In September 2021, Visa carried out research with Edgar Dunn and Company in seven European markets. The research sought to understand the preferences of consumers and small businesses to receive payments, along with merchant priorities for disbursing funds. Specifically, this analysis explored what features customers value when choosing a payment method and whether the solutions currently available were meeting their expectations. We are now clear that despite the proliferation of real time payment networks in Europe, customers' expectation for instant payments are yet to be completely satisfied. Visa Direct is well positioned to help address this gap in the customer experience and indeed, has already started to do that, allowing customers to receive funds quickly, all over Europe and the world.

Visa Direct provides a fast, secure and convenient solution for Visa's ecosystem of clients and partners. It enables their customers through their financial institutions to send and receive person-to-person payments, funds disbursements and business-to-business settlements directly in a fast, secure way. Visa Direct is just one of the thousands of ways that Visa is continuing to innovate in the technology and payments space. As the concept of faster payments continues to evolve, we will keep investing in technologies that make Visa the best way to pay and be paid.



Nicky Alexander
VP, Head of Visa Direct Europe

Executive Summary

Background

In little over 18 months, COVID has changed online commerce with a structural shift to making digital payments. In the same vein, the European landscape for funds disbursements has seen a material shift. The behaviour, preferences and expectations of consumers and small businesses with regards to how they receive funds from another party has been altered.

In this report, commissioned by Visa, we take a deep dive into funds disbursements in Europe to explore the current state of the market.

The research was carried out by Edgar, Dunn & Company among 'receivers' (payees, including consumers and small businesses) and 'senders' (payers) in 7 markets.

We explore current behaviour, as well as preferences and expectations for funds disbursements, while also examining the appetite for a potential real-time disbursement solution based on push-to-card technology. The research focuses on 7 specific disbursement use cases, many of which have grown in significance as a result of COVID, including pay-outs for online marketplace sellers, online content creators, gig economy workers, other online platforms, and governments.

The research placed particular emphasis on assessing awareness of and appetite for funds disbursements made instantly via real-time payment solutions based on bank transfer and card rails.

Deployment of RTP initiatives across Europe is not fast enough to keep up with rapidly evolving end-user expectations

Multiple RTP system initiatives are under way across the European landscape, yet, currently, there appears to be limited adoption, as well as gaps in their capabilities. Overall deployment and speed to market appears slow relative to rapidly evolving end-user expectations.

This research provides evidence that suggests demand from consumer and small business (as payment receivers), specifically for disbursement payments, is not meeting expectations.

Slow bank transfer is still the norm and is causing problems when receiving disbursements

Whereas bank transfer is currently the dominant method to receive disbursements from a company, with 79% of consumers surveyed, 36% of consumers and 63% of small businesses stated that they have experienced some sort of problem with bank transfer as a method for receiving disbursements. Consumers point to the overall time required to receive disbursements as taking too long. 90% of consumers, that encountered this limitation with their current bank transfer state that receiving funds in two or more days is too long.

Only 8% of small businesses stated they receive disbursed funds instantly. The vast majority (71%) stated that they wait at least one full business day for payments.

When introduced as an alternative, Push To Card (P2C) received a positive overall market reaction.

61% of both consumers and small businesses stated that they would sign up to the P2C service as presented to them.

64% of consumers and 60% of small businesses stated that they would continue using the P2C payment method in the future as their preferred method to receive funds disbursed to them.

Interest was strong and consistent across all markets analysed, with over 50% of consumers and small businesses in each of the seven markets likely to sign up to the P2C solution.

Consumer preference for traditional bank transfer dropped by over 20% when the P2C concept was introduced to them as a new available payment method.

The research also highlighted that P2C addresses product features that both consumers and small businesses view as important when considering a new payment service including:

- 71% of consumer and 57% of small business respondents regarded safeguarding features, to prevent the risk of fraud or error, as a highly important feature
- 52% of small businesses stated that a trusted brand, with assurance of security, is highly important
- 62% of consumer and 48% of small business respondents valued service availability as highly important, including allowing funds to be credited 365 days a year, on holidays and outside business hours
- 60% of consumers and 46% of small businesses regarded immediacy of the payment as highly important
- 56% of consumers and 46% of small businesses attribute a high importance to convenience

Key conclusion: research suggests that P2C is a potential new solution to address the gap for instant funds disbursements

In the end, users are less concerned about the payment method and more concerned about the experience, scale and reliability. The payment landscape is rich with choice, and all stakeholders in the disbursement payment value chain should be aware of alternative new solutions that can address these gaps.

Push to Card (P2C) is a strong contender as a potential solution. Designed specifically for funds disbursements as an out-of-the-box instant payment solution on card rails, it allows a payer to securely push a payment directly to a payee's card account.

As a solution for funds disbursements, P2C appears to be suited to address the growing volumes in key use cases including: merchant settlement; cash deposit; online marketplace; online content; gig economy; government; and investments.



Introduction



Funds Disbursement And Instant Payments

Funds disbursements

Funds disbursements typically involve money being sent from a business, government agency, or other entity to a consumer or small business.

Disbursements come in various shapes and forms, including: payroll, commission or sales proceeds, royalties, product refunds and rebates, travel reimbursements, brand incentives, insurance pay-out, invoice payments, government aid and support, to name but a few.

Depending upon the situation and geographic market, funds disbursement payment methods can include bank transfers, mobile wallets, cash or cheques.

Consumers and small businesses appear to have become more acutely aware of options and choices on offer and vote with their feet when their expectations are not met.

Disbursements of government aid during COVID has highlighted how crucial these types of payments are and, depending on the situation, the importance of immediate availability and accessibility of these funds.

Instant payments versus RTP systems

The terms “instant payments”, “real-time payments”, “immediate payments”, and even “fast payments” are often used interchangeably to mean similar things.

For this report, we have settled on the use of two of the terms:

- Instant payments when referring to any payment system – be it on bank rails or card rails that meets the following criteria (see below).

And,

- Real-time payments (RTP) systems when specifically referring to bank rail-based account-to-account systems.

Hence, by our definition, RTP systems are a subset of instant payment systems.

Instant payments criteria

- Support initiating, clearing, and settling funds in a matter of seconds
- Payments are connected directly to a personal account, and so exclude closed loop systems where balances are held in a wallet of some kind
- Both payer and payee receive immediate confirmation
- Payments can be processed 24 hours x 7 days
- In addition, these systems are designed for high volume and low value transactions. Note: specialised real-time gross settlement systems (RTGS) designed for higher value transactions are different and have been in existence for much longer.

In addition, we refer to Push to Card (P2C), which is an instant payment solution that runs on card rails and designed specifically for disbursements. It effectively allows an organisation such as a merchant to securely push a payment to the card account of a consumer or of a small business.





European RTP Landscape



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Regional Fragmentation Exposes Limitations And Gaps

Rising Payment Volumes Expected From Instant payment systems

Over the past decade, bank rail based real-time payments systems (RTPs) have gained a lot of attention, with considerable enthusiasm exhibited by industry observers over their game-changing potential.

Indeed, over the past 6 years, 41 RTP initiatives have been launched globally, making a total of 56 countries with RTP system initiatives.¹

Across the seven European countries in our analysis (France, Germany, Italy, Poland, Spain, Romania, and UK), real-time payments volumes are growing fast. Our current estimation suggests that payment transaction volume will grow 20% per year from €3.5 trillion in 2020 to reach €8.7 trillion in 2025.

The UK is currently by far the largest market, with €2.4 trillion in transaction value reported in 2020. This compares with the next three largest markets of Germany with €500 billion, France with €250 billion and Spain with €100 billion. Italy, Poland and Romania all currently report value of around €60 billion.²

Fragmented European Landscape With Multiple RTP Initiatives

Looking broadly across the European landscape, RTP systems have long been evolving. The trend has yielded multiple initiatives, the majority of which are domestic systems typically driven by a central bank and integrated within the domestic banking network for domestic disbursements and money transfers only.

Two more ambitious cross-border initiatives are currently in the process of being deployed. Without exception, all these systems rely on banks actively participating in the RTP network in order to support incoming and outgoing account-to account RTP bank payments.

There are currently ten domestic RTP systems across the European region. Three of these are well-established and arguably 'first generation' RTP systems. Express Elixir, Poland's domestic RTP system, has been in operation since 2011 but payment volumes have been low. Annual volume is now growing, reaching 59 million transactions in 2020. Elixir has supported Euro payments since 2017. UK, Faster Payments Service (FPS), established in 2008, has become the standard for low value bank transfers.

Reportedly, £667 billion of payments were processed during Q3 2021, which is a 23% increase on Q3 2020. Finally, iDeal, in the Netherlands, was possibly the first RTP system to be deployed as a cooperation between Dutch banks to support ecommerce payments. Today, iDeal has evolved to support other use cases but it is still mostly used for ecommerce payments. Over 57% of Dutch ecommerce payments are made via iDeal. Additional domestic systems, such as in Switzerland, Turkey and Romania, are currently being deployed.

All of these examples are domestic RTP systems and do not support any form of interoperability required for cross-border payments between users.

- However, two new RTP systems which are in the process of being deployed are addressing interoperability: Four long established domestic RTP systems across the Nordic region, including Denmark, Sweden, Norway and Finland, have agreed to combine to form an ambitious new single interoperable cross-border RTP system known as P27. P27 is heralded to be the world's first real-time, cross-border, multi-currency RTP system, including SEPA Euro transactions. P27 is a joint venture between Danske Bank, Handelsbanken, Nordea, OP Financial Group, SEB, and Swedbank. It went live in 2019, but is still in process of being fully deployed with more services and features planned to be released during 2022. Norway has yet to officially join P27.
- Perhaps the most ambitious initiative is the Single Euro Payment Area Instant credit transfer system – often abbreviated to SCT Inst. Launched in 2017, it enables real-time money transfer across the SEPA region and is the flagship EU payments initiative.

SEPA Instant Faces Additional Fragmentation Problems

Full deployment of SCT Inst is complex and faces two key issues that are slowing down comprehensive coverage being achieved.

Firstly, EU rules stipulate 'Separation of the Scheme from Infrastructure'. SCT Inst rules are managed by the European Payment Council and first published in November 2016. Clearing and settlement mechanisms (CSM) are intentionally not covered by the SCT Inst rule book as EU regulation is required to be technology agnostic and, as a matter of principle, requires the 'market' to define a solution. Alternative clearing and settlement mechanisms have subsequently been developed for SCT Inst.

The most popular has been the EBA Clearing's RT1 platform, but it has not been adopted by all banks leading to non-interoperability, particularly on SEPA wide cross-border payments. A more recently developed TARGET Instant Payment Settlement (TIPS) by the European Central Bank represents a centralised alternative platform that seeks to address the fragmentation.

Secondly, there is a lack of full bank participation. The latest SEPA Instant rules require all EU banks to participate or 'adhere' with SEPA Instant. More precisely, this means banks commit to participate in the scheme in the role of at least Beneficiary Bank, or in the role of both Originator Bank and Beneficiary Bank. As of June 2021, although over 60% of EU banks are now 'adhering' to SCT Inst scheme rules, the vast majority are only adhering on the basis of Beneficiary Bank. Participation as Originator and Beneficiary Bank is as a result currently more or less limited to large banks.

Consumer protection and other functional limitations of current RTP systems

Besides fragmentation issues slowing down speed to market, as it currently stands, RTP systems fall short on several other important issues.

RTP systems do not offer comprehensive consumer protection, nor a centralised dispute resolution mechanism. Payers rely on the goodwill of the beneficiary bank to reverse any error and mistaken payment, even when fraudulently made. In addition, the beneficiary bank may also itself be dependent on the goodwill of the beneficiary account holder. Often, payments cannot be reversed without their permission.

Lack of a centrally recognisable brand that to many end-users provides essential trust and confidence in the payment system.

Limited set of use cases. iDeal aside, few RTP systems have succeeded in developing services beyond one-off or regular payment use cases to pay bills, invoices, rent etc.

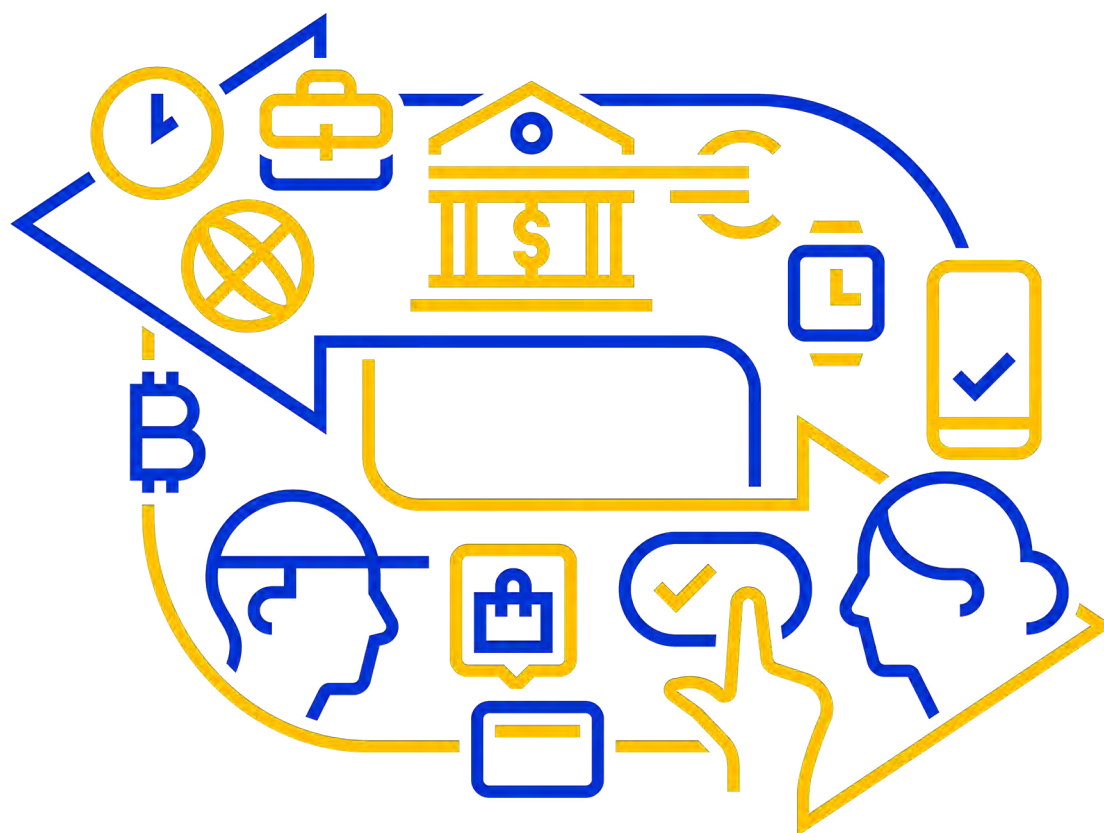
As with any newly launched payment system, the criminal community are increasingly attacking RTP systems to exploit weaknesses. There has been an explosion of exploitative social engineering scams with vast fraud rises recently reported, by both the UK and France.

RTP systems are being positioned as a national payment Infrastructure layer upon which other entities can innovate and build value-added services. This long-term policy objective again takes time to manifest itself in the market.

Lack of interoperability between domestic RTP systems, meaning neither cross-border payments nor acceptance outside of the country are supported.

Finally, a clear commercial model is not defined. Bank customers are proving sensitive to incremental charges and fees for RTP payments which is also creating a block to mass adoption. For example, the cost of transferring funds via SEPA Inst versus a SEPA Credit transfers.

Whereas expectations for RTP systems are racing ahead, the European RTP landscape faces numerous obstacles and barriers not only to get to market, but also to establish trust and build necessary momentum to reach mass adoption and ubiquity.





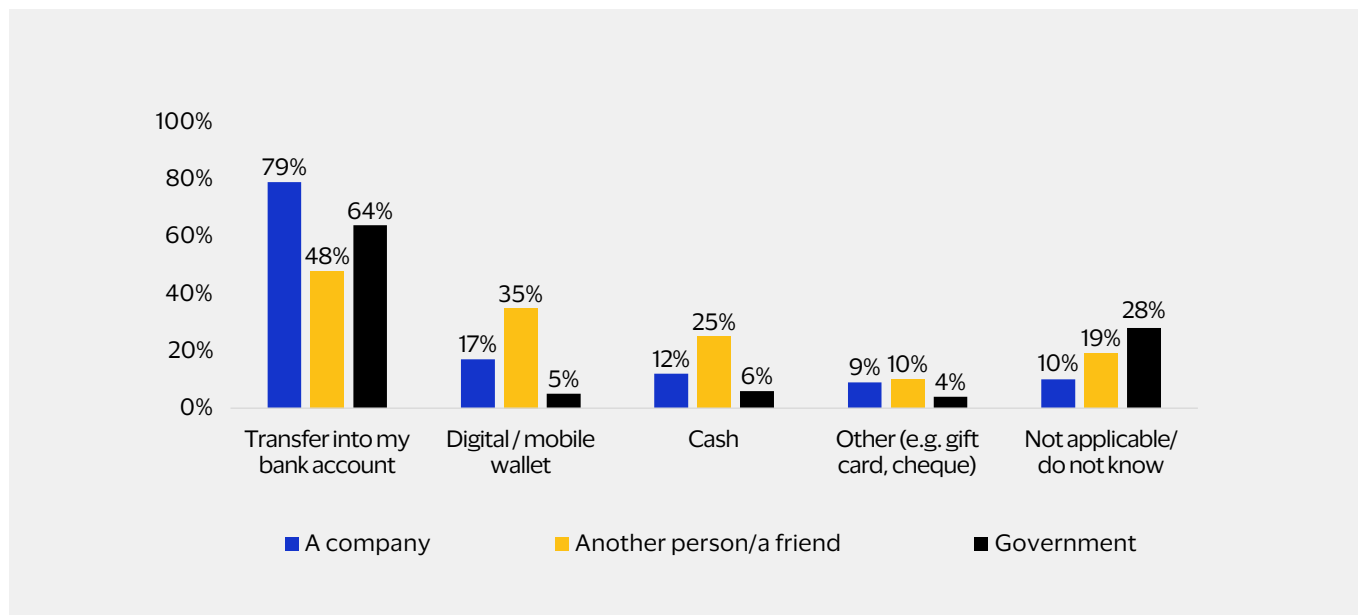
New Customer Expectations

Changing Behaviour, Heightened Expectations And Emerging Unmet Needs

How Consumers currently receive disbursements

Our research highlighted that consumers typically choose to receive disbursements in different ways, depending on the sender. Bank transfer is currently the dominant method to receive disbursements from a company, with 79% of consumers surveyed. Digital / mobile wallet is the next most popular method.

Current payment methods through which consumers receive funds across different use cases



Some of the use cases that are included in the definition of receiving money from a company include: sales made on an online marketplace (e.g. eBay, Amazon); cashing out proceeds from an online investment platform; receipt of gig economy and freelance salaries (e.g. Uber, Freelancer); and commission and funds received in return for online content creation (e.g. YouTube, TikTok).

Similarly, the bank transfer method also dominates disbursements received from governments. This includes a variety of payments, such as tax rebates, welfare and benefit payments as well as emergency payments.

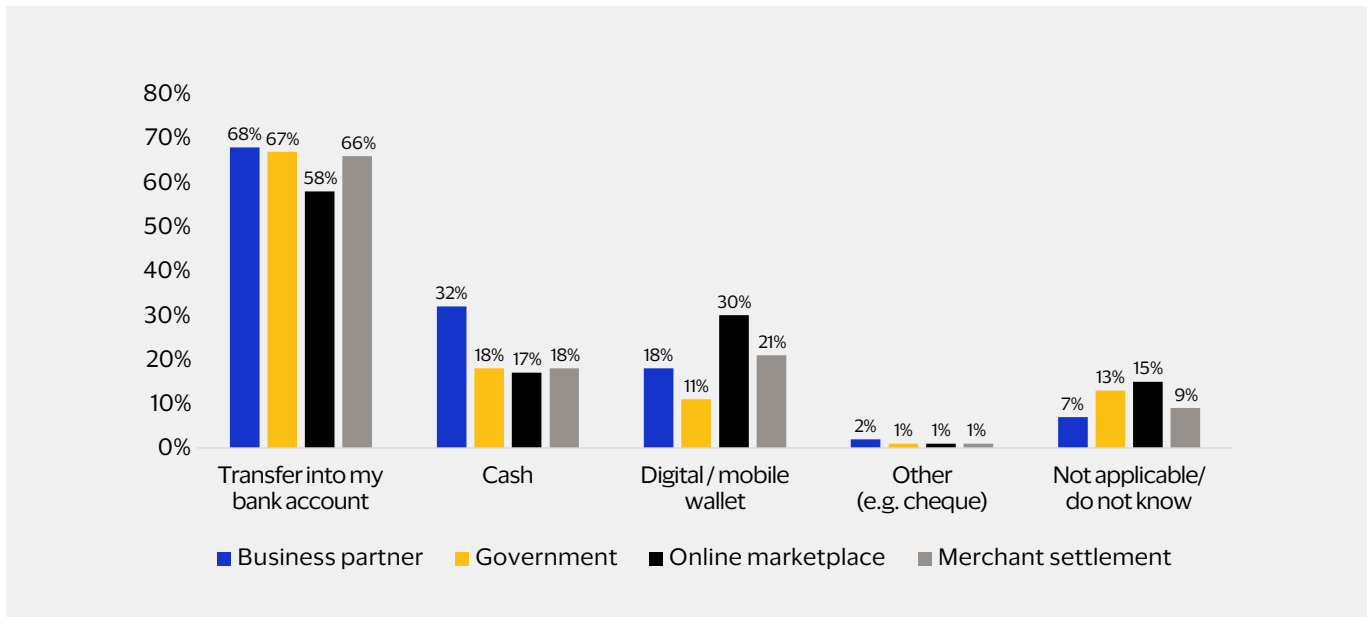
However, methods used to receive payments from another person differed significantly. Although bank transfer remains dominant, it is closely followed by digital / mobile wallet as the method used. Across all markets surveyed, 35% of consumers stated they currently receive payments from another person via digital / mobile wallet.

How Small Businesses currently receive disbursements

Bank transfer remains dominant in three of the four use case categories: 68% for disbursements from other types of business partners, such as for sales commissions and invoice payments; 67% for government disbursements, and 66% for settled funds received from their card acquirer for online sales (merchant settlement).

However, bank transfer is slightly less dominant in the marketplace uses case (58%), where digital / mobile wallet is growing in importance (30%). These results suggest that bank transfer becomes less dominant where a convenient alternative payment method is offered.

Current Payment Methods Through Which Small Businesses Receive Funds Across Different Use Cases



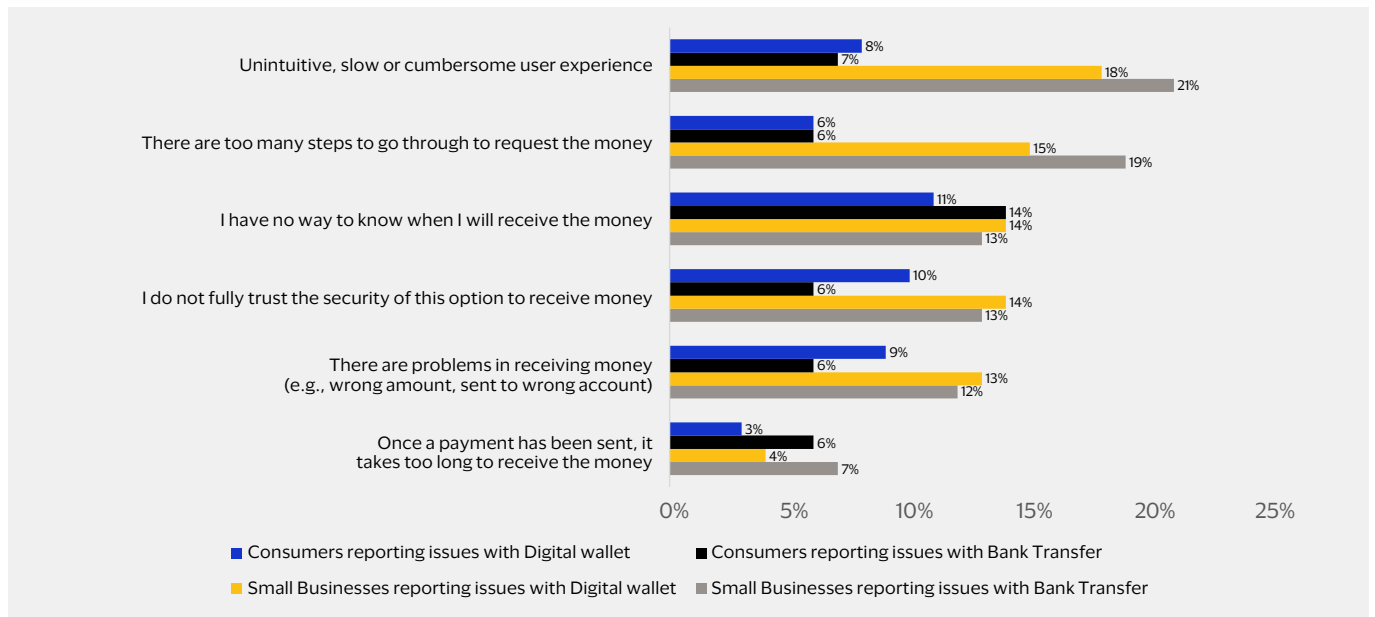
Limited Access To Fast Payments

When asked to indicate how quickly they receive disbursed funds, only 8% of small businesses stated they receive disbursed funds instantly. Whilst 20% stated receiving funds not instantly but on the same day, the vast majority (71%) stated receiving funds at least one day later.

Satisfaction and problems with payment methods

36% of consumers and 63% of small businesses stated that they have experienced some sort of problem with bank transfer as a method for receiving disbursements.

Problems With Current Payment Methods – Consumers And Small Businesses



Slow Receipt of Payments

The single biggest concern for consumers and small businesses equally is knowing exactly when disbursed funds will arrive in their bank account.

In addition, consumers point to the overall time required to receive disbursements as taking too long.

90% of consumers that encountered this limitation with their current bank transfer state that receiving funds in two or more days is too long. 10% of consumers considered a delay of 24-hours as too long to receive funds.

Interviews conducted on the payer side supported this outcome stating the growing importance and customer expectations around instant payments.



As soon as there is a customer involved, instant payments become important.

Online Travel Agent Platform

Poor User Experience

A significant share of consumers expressed concerns over the poor user experience, reporting too many steps to go through to request a payment, or an unintuitive, slow or cumbersome experience. 21% of small businesses complained about their bank transfer user experience, with 19% finding that the number of steps to go through to request funds is a problem.

User experience is of course paramount in any payment scenario. For disbursements, a positive user experience minimises the time required to request a payment. The user experience should be easy, intuitive and convenient, reducing the number of steps that the payee must go through to request the funds and limiting the number of manual inputs.



... The problem with bank transfer is more than cost, it's a complex flow ... sending and uploading files to the banking provider. It's archaic and manual ... prone to human error.

Online Trading Platform



Speed of disbursement for guests is often crucial, as well as for customers who want to be paid interest, such as an insurance pay-out with a car rental agency.

Online Travel Agent Platform

Concerns Regarding Safeguarding, Security and Fraud

Both consumers and small businesses surveyed across Europe expressed a concern regarding safety and security of bank transfer methods. For example, 6% of consumers and 13% of small businesses claimed they do not fully trust this payment option. Other previous experiences with fraud and error were also intertwined in the overall feedback, with some consumers and small businesses having received an incorrect amount, having received funds in a wrong account through bank transfer.

These sentiments are reflective of growing fraud problems across European RTP systems, with criminals exploiting the immediacy of RTP payments systems. Both SCT Inst and UK Faster Payments have recently published statistics that highlight the issue.

In the UK, Authorised Push Payment (APP) fraud rose by 71% in the first half of 2021 to £355m, and for the first time exceeding card fraud, which stood at £261 million.

In France, fraud on SCT (including SCT Inst) grew 66% and another 65% in 2019 and 2020 respectively, to reach a total of €267 million. To bring this into sharper focus, the overall fraud rate for SCT Inst in France is now 50 times higher than for standard SCT (0.04% of overall payment volume).



Push to Card



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A Potential New Solution To Address The Gap

What Is Push To Card?

Push to Card (P2C) is a potential out-of-the-box instant payment solution designed specifically for disbursements. It runs over a Global Payments Network like Visa and allows payers to securely push a payment to the payee's card account.

In the P2C model, a payer, for example an online marketplace, can work with their payments provider to disburse funds, leveraging card credentials often already saved on the platform. Once the payment is originated, the funds are deposited in the account linked to the chosen card in a matter of seconds.

Both payer and payee receive immediate confirmation. Funds are immediately available to the payee. P2C, therefore, fulfils and passes the instant payment criteria test. It is important to note that a P2C disbursement is not linked to a purchase and can be set up as one-off payment.

P2C offers payers a value proposition featuring relevant capabilities including:

Comprehensive consumer protection including a multi-layered system of risk and compliance controls.

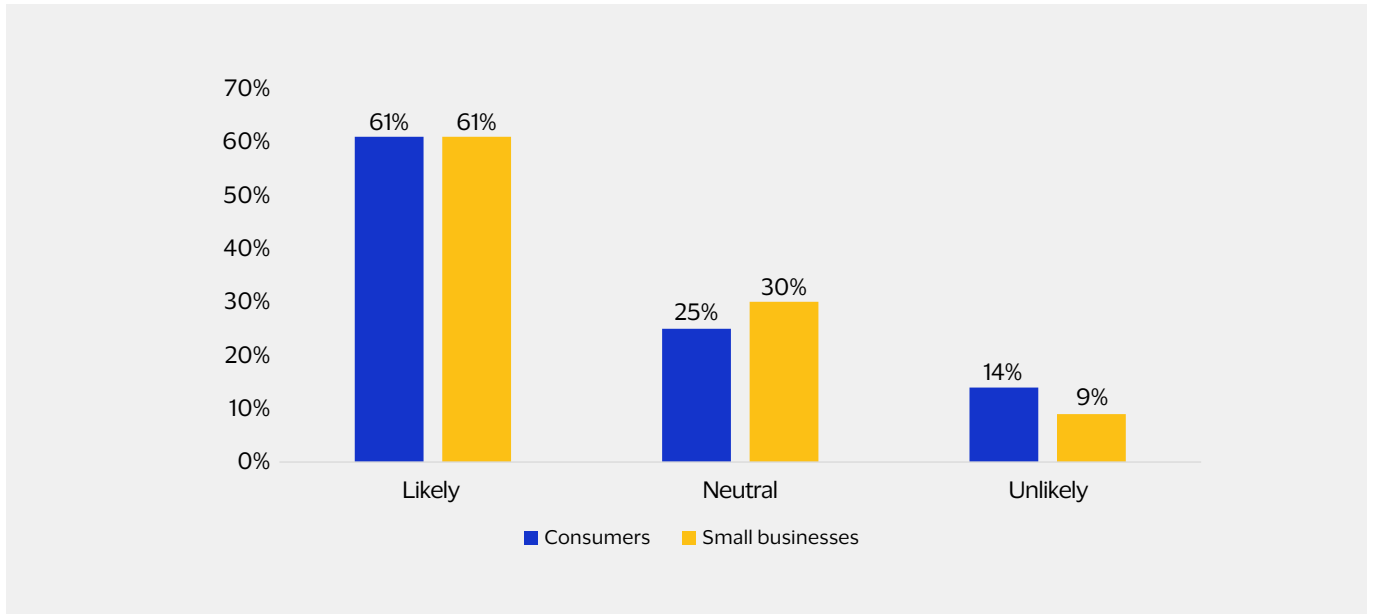
- Familiarity with a trusted global brand .
- Support for multiple use cases.
- Fully interoperable global network for cross-border payments.
- Global network with scale and reach.
- Ability to deliver 24/7/365 days a year.
- Reduces the complexity and cost of payments by providing a single point of access to multiple global payment networks and services.
- Simplified transaction reporting and reconciliation.
- Rules-based exception management and operations.

Market response to P2C: Strong overall interest

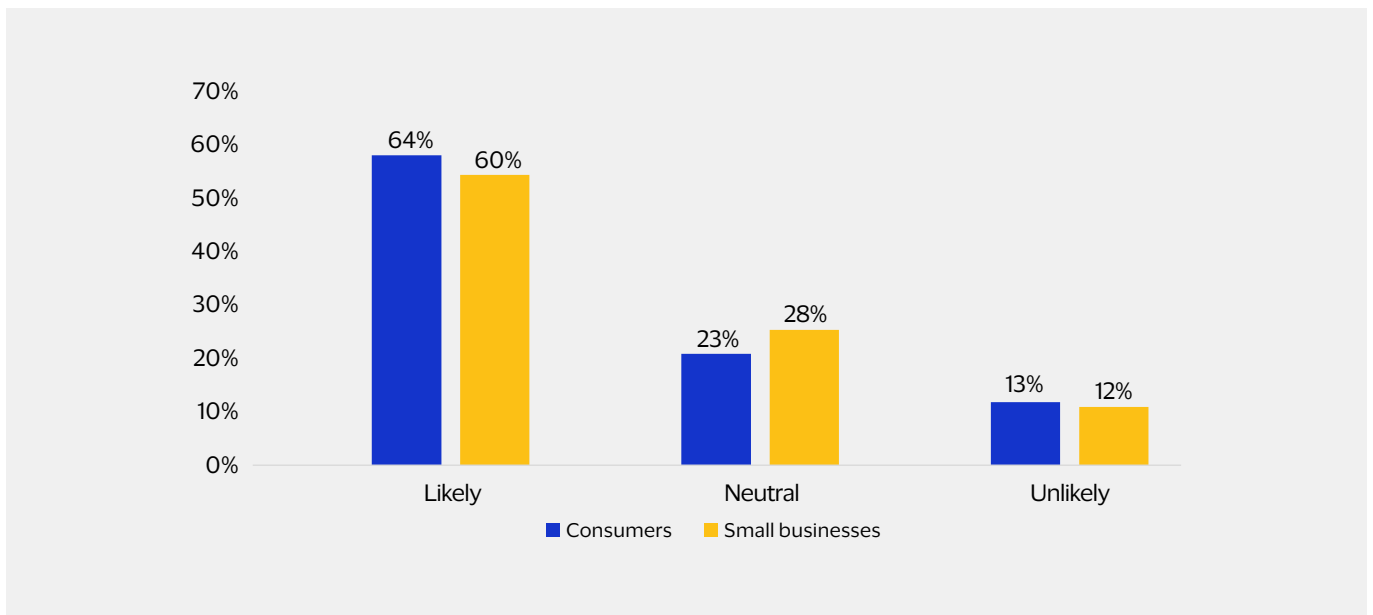
Research among receivers (consumers and small businesses) revealed a positive overall market reaction to the P2C concept, confirmed by two key data points:

- 61% of both consumers and small businesses stated that they would sign up to the P2C service as presented to them.
- 64% of consumers and 60% small businesses stated that they would continue using the P2C payment method in the future as their preferred method to receive funds disbursed to them.

Likelihood Of Consumers And Small Businesses To Sign Up For The P2C Payout Solution As Presented To Them



Likelihood Of Consumers And Small Businesses To Continue Using The P2C Payout Solution In The Future



Interest was strong and consistent across all markets analysed, with over 50% of consumers and small businesses, in each of the seven markets, likely to sign up to the P2C solution.

Interest resonated best in 3 use cases, Merchant settlement, Cash deposit and Online Marketplace, followed by Online content and Gig economy.

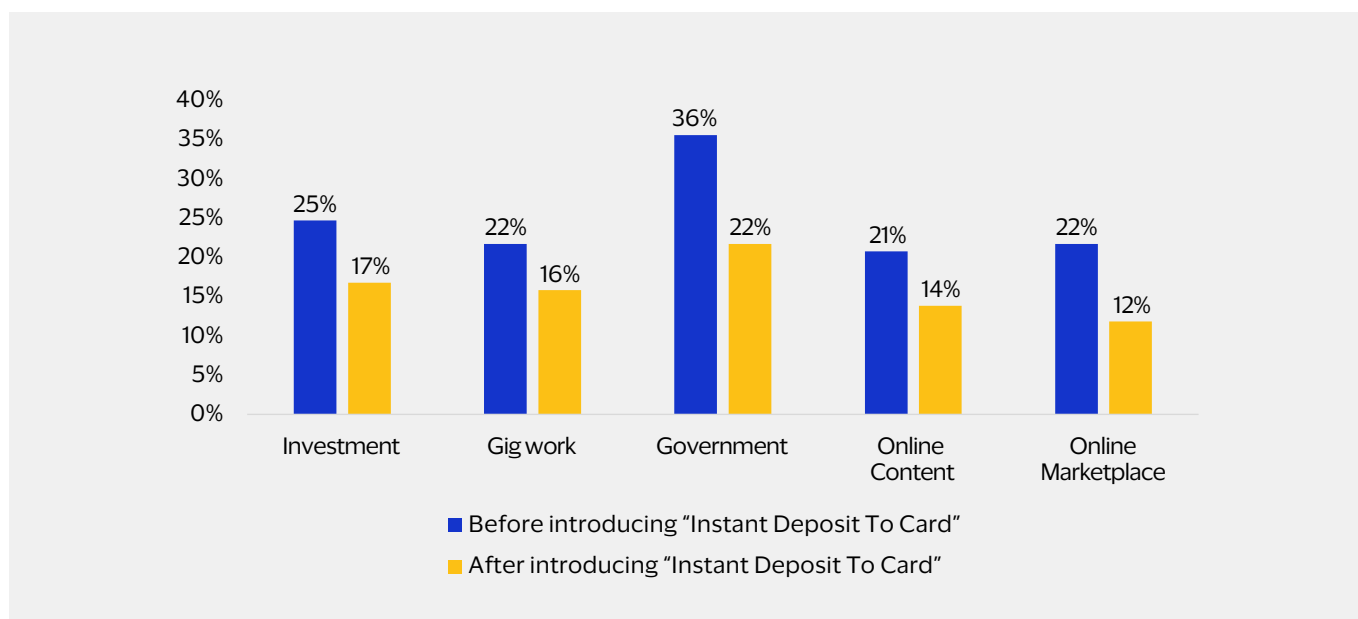
Market Response to P2C: Shift in Preference To P2C

The introduction of P2C decreased previously expressed preference towards other payment types.

Consumer preference for traditional bank transfer dropped by over 20% when the P2C concept was introduced to them as a new available payment method.

A comparable drop in bank transfer preference occurred across all pay-out use cases. Interestingly, a significantly larger drop occurred in the Government use case, possibly suggesting a particular sensitivity to payment speed when, for example, consumers receive financial support and aid from their government.

Traditional Bank Transfer As Preferred Payment Method Before And After Introducing P2C Concept To Consumers



Market Response to P2C: Addresses Service Features And Capabilities Viewed As Important

The research also highlighted that P2C addresses product features that both consumers and small businesses view as important when considering a new payment service.

Safeguarding - 71% of consumer and 57% of small business respondents regarded safeguarding features, to prevent the risk of fraud or error, as a highly important feature. P2C is based on robust payment technology that provides enhanced levels of security to all stakeholders. Therefore, implicit in the P2C offering is the high level of protection that both consumers and small businesses can expect.

Trusted brand - 52% of small businesses stated that a trusted brand, with assurance of security, is highly important. P2C runs on well-established branded card infrastructure, which maintain high levels of trust and confidence.

Interviews conducted with payers further supported the trusted brand feature.



Having a trusted brand like Visa behind a real-time solution will definitely reduce concerns around safety of the payment method.

Expert Network

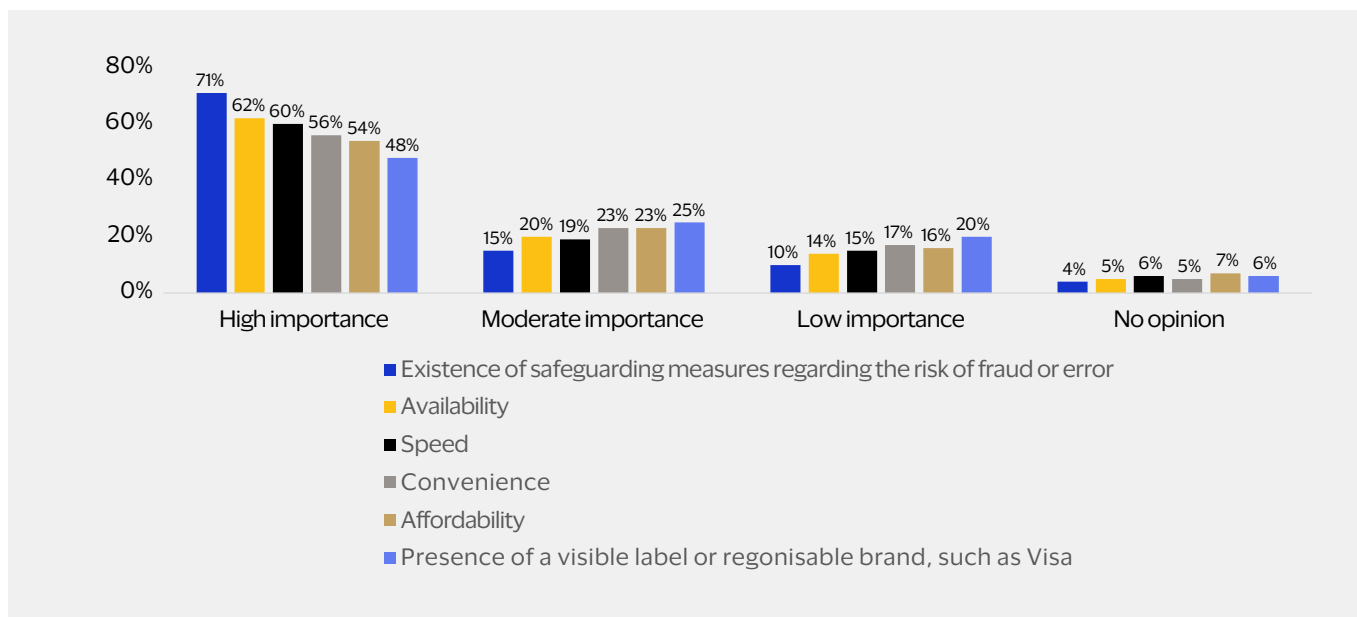
Readiness and Availability – 62% of consumer and 48% of small business respondents valued service availability as highly important, including allowing funds to be credited 365 days a year, on holidays and outside business hours. Within the European context, by leveraging well-established debit card penetration, P2C offers instant scale, reach and ubiquity. Moreover, it can support inter-regional payments.

Speed – 60% of consumers and 46% of small businesses regarded immediacy of the payment as highly important. With P2C, payments are pushed directly to the account associated to the card in real-time, with funds immediately available to the payee.

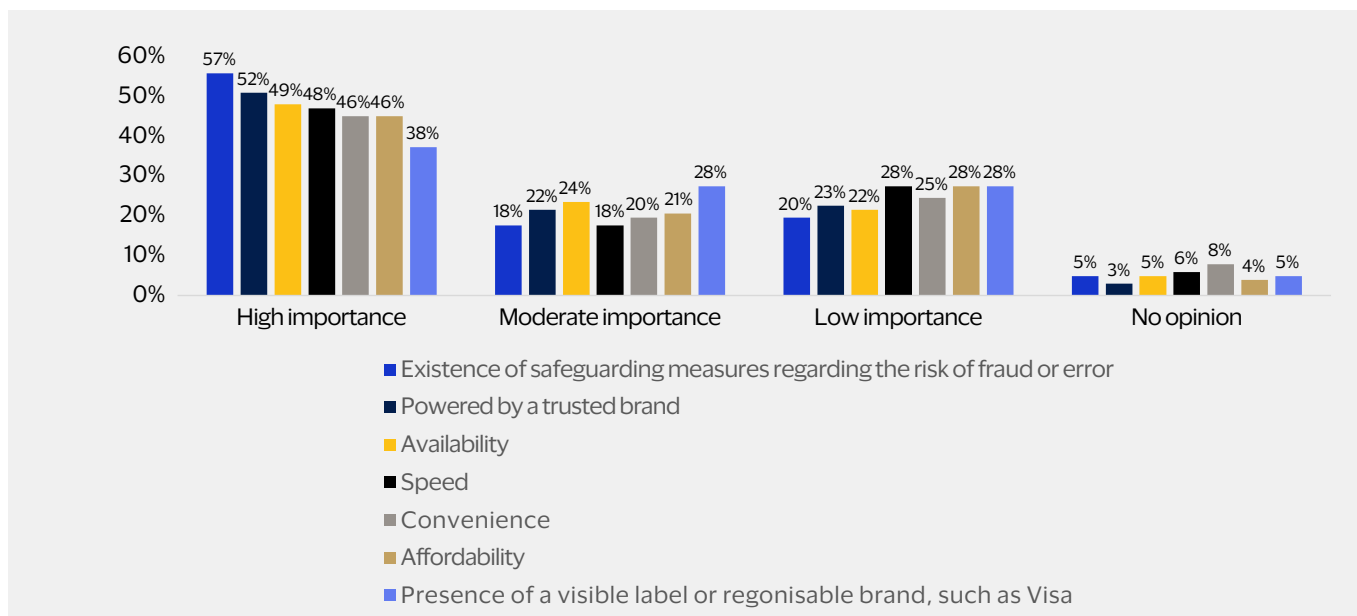
Convenience – 56% of consumers and 46% of small businesses attribute a high importance to convenience. P2C is based on card payment credentials and card payment technology that can support a more streamlined end-user experience relative to legacy banking systems.

Price and Affordability – Roughly half of both groups (49% of small businesses and 54% of consumers) regarded affordability and overall pricing as highly important.

Importance of features to consumers when considering a new payments solution



Importance of features to small businesses when considering a new payments solution





Key Conclusions



P2C Is An Example Of Innovation And Choice In The European Payment Landscape

Multiple RTP system initiatives are under way across the European landscape, yet, currently, there appears to be limited adoption, as well as gaps in their capabilities. Overall deployment and speed to market appears slow relative to rapidly evolving end-user expectations.

This research provides evidence that suggests demand from consumer and small business (as receivers) specifically for disbursement payments is not currently being satisfied.

In the end, users are less concerned about the payment method and more concerned about the experience, scale and reliability. The payment landscape is rich with choice, and all stakeholders in the disbursement payment value chain should be aware of alternative new solutions that can address these gaps.

Push to Card (P2C) is a strong contender as a potential solution. Designed specifically for funds disbursements as an out-of-the-box instant payment solution on card rails, it allows a payer to securely push a payment directly to a payee's card account.

As a solution for funds disbursements, P2C appears to be suited to address the growing volumes in key use cases including: merchant settlement; cash deposit; online marketplace; online content; gig economy; government; and investments.

The solution receives wide market support, both from consumers and from small businesses, with 61% of respondents in both groups being likely to sign up to it. In particular, P2C addresses key areas including security, availability, convenience and speed, considered highly important by both groups.

Expect to be offered the option to get paid onto your card soon.

About VISA and EDC

About Visa

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network - enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device, for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce.

For more information about Visa, visit visa.com/blog and [@VisaNews](https://twitter.com/VisaNews).

About Visa Direct

Visa Direct, a real-time push payments platform, provides multi-rail access to 5 billion cards and accounts combined across more than 200 geographies, supporting 160 currencies, connecting to 16 card-based networks², 65 domestic Automated Clearing House (ACH) schemes, seven Real-Time Payment (RTP) networks and five payment gateways. For Visa Direct transactions, Visa offers value-added services, including security and tokenization, bringing peace of mind for SMBs and consumers as they pay and get paid, and move money internationally.

For more information and to connect with our team, please visit the [Visa Direct overview page](#).

About EDC

Edgar, Dunn & Company (EDC) is an independent global financial services and payments consultancy. Founded in 1978, the firm is widely regarded as a trusted advisor to its clients, providing a full range of strategy consulting services, expertise, market insights, and M&A support. From offices in Frankfurt, Dubai, London, Paris, San Francisco and Sydney, EDC delivers actionable strategies, measurable results and a unique global perspective for clients in more than 45 countries on six continents.

For more information, visit www.edgardunn.com



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Methodology

The research was carried out with the support of a market research agency by Edgar, Dunn & Company between April and July 2021 across consumers and small businesses in 7 European markets including UK, France, Germany, Italy, Spain, Poland and Romania.

It included a combination of qualitative interviews with merchants, as well as quantitative surveys of consumer and small businesses.

Seven individual disbursement use-cases were examined:

Use Case	Definition
Gig Economy	Receipt of gig economy and freelance salaries (e.g. Uber, Freelancer)
Online Content	Commission and funds received in return for online content creation (e.g. YouTube, Tiktok).
Investments	Cashing out proceeds from an online investment platform
Online Marketplace	Sales proceeds received from selling on an online marketplace (e.g. eBay, Amazon)
Merchant Settlement	Settled funds received by a small business merchant from an acquirer for online sales
Government	Disbursements received from governments (e.g. benefit, emergency aid, tax refunds)
Cash Deposit	Depositing cash into a consumer's account at a merchant's store, rather than at a bank

Acronym	Meaning
APP	Authorised Push Payment fraud
B2C	Business To Consumer
B2SB	Business To Small Business
CSM	Clearing And Settlement Mechanisms
G2C / G2SB	Government To Consumer / Government To Small Business
M2M	Me To Me Payment
OCT	Original Credit Transaction
P2C	Push To Card
RTGS	Real-Time Gross Settlement Systems
RTP	Real Time Payment
SCT INST	SEPA Instant Credit Transfer
SEPA	Single Euro Payment Area
TIPS	Target Instant Payment Settlement

End notes

- 1 <https://www.fisglobal.com/-/media/fisglobal/files/pdf/flavors-of-fast/fof-infographic-the-americas-10012020.pdf?la=en>
 - 2 Edgar, Dunn & Company analysis based on GlobalData Database
 - 3 <https://www.statista.com/statistics/1102446/poland-number-of-orders-processed-in-express-elixir-system/>
 - 4 <https://www.ideal.nl/en/ideal-information/>
 - 5 <https://www.europeanpaymentscouncil.eu/what-we-do/sepa-instant-credit-transfer>
 - 6 <https://www.ukfinance.org.uk/system/files/Half-year-fraud-update-2021-FINAL.pdf>
 - 7 <https://www.banque-france.fr/rapport-annuel-de-lobservatoire-de-la-securite-des-moyens-de-paiement-2020>
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