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Future-Ready Payments Platforms Enabling the Next Phase of Growth for Banks

Payments modernization using new platforms to drive up to 42% new revenue.

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Executive Summary: Future-Ready Payments Technology Needed to Seize New Growth

Across the payment space, transformative change continues to accelerate the direction of the industry, and banks and FIs are looking for a future-ready payments technology to enable the next phase of growth and innovation. In 2023, we see three major forces impacting all payment industry participants: consumer demand, infrastructure, and business model innovation.

Legacy technology will continue to be a significant roadblock for payment players in their quest to capitalize on these new opportunities. Not only is the cost to maintain their legacy technology continuing to grow at 7.8% every year, but the cost of delaying migration is also increasing. Banks that fail to migrate to a future-ready platform can potentially miss out on a 42% increase in additional payments revenue and savings on legacy costs of up to 21% annually. These revenue boosts and savings on legacy are derived from the additional capabilities, including product creation, data monetization, BaaS/PaaS opportunities, and the reduction in maintenance costs on aging technology.

For banks and financial institutions (FIs) that wish to be competitive in the next phase of payments, a future-ready payments platform will provide the core capabilities required, including quickly integrating a modern payments technosphere. As this Infobrief also reveals, migration methodologies have become optimized and provide easier and less risky options to move away from legacy and truly embrace digital transformation by leveraging cloud infrastructure's specific properties.

Revolutionary Shifts: Payments Industry Surges Forward with Innovation in 2023

In 2023, three key areas will continue to reshape the payments and financial services industry.

Consumer demand

IDC Futurescape Prediction 2023

Fueled by mobile buy now, pay later (BNPL) applications and mobile wallets, BNPL and similar installment payment methods will capture **7%** of online purchase transactions by 2026.

IDC Futurescape Prediction 2023

As payment choice increases in importance for consumers, by 2024, **70%** of retailers will add at least two new payment options, such as QR code, contactless, or alternative payment methods.

Payment choices are rapidly expanding and retailers can expect up to **30% more revenue** from adding new payment types being demanded by customers such as BNPL. Customers demand experience, choice and security in their transactions and this places them in the driver's seat from where they choose to purchase from.

Infrastructure

IDC Futurescape Prediction 2023

By 2026, **40%** of global banks will have a strategy of standing up a digital core banking system alongside its current application, without the urgency of replacing the legacy system entirely.

IDC Futurescape Prediction 2023

Driven by increasing technical complexity and growing numbers of payment rails, **50%** of global banks will adopt payments as a service (PaaS) for some or all payment processing workloads by 2028 (with a focus on cloud-based payment processing).

Evolving needs within payments and financial services are not being met by current infrastructure – Major upgrades are needed for efforts such as real-time payments, but finding ways to work alongside with the legacy mass are still needed – **40% of respondents in IDC's banking survey 2023 citied legacy technology** as a major pain point in digital transformation efforts.

Business model innovation

IDC Futurescape Prediction 2023

By 2026, worldwide B2B BNPL will reach **$500 billion**, with fintechs and BNPL platforms competing with legacy financial institutions to provide SMBs with working capital loans.

IDC Futurescape Prediction 2023

Leveraging advanced credit issuer processing platforms, nonbank-branded card and card-like accounts will capture **3%** market share by 2025.

Payments innovation is being driven largely outside of the bank's walls. Rapid product configurability, hybrid products and new product classes are being created at a heightened pace – Banks need new platforms and tools which will enable them to offer the same customer experience. **62% of respondents in IDC's banking survey 2023 citing CX** as their main goal for technology upgrades.

Source: IDC Worldwide Banking and Payments Predictions 2023

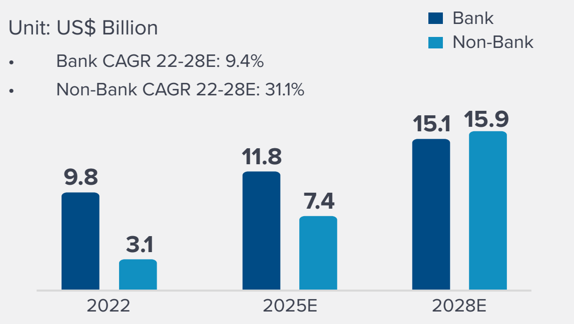
Regional Focus on Payments Transformation: North America

Home to some of the world's most important financial institutions, the North American region is seeing significant payment change.

Shift to non-bank channels

Bank payments remain dominant in the US and other parts of America, where credit cards have been the primary method of digital payments for decades. Still, new options emerge as merchants seek alternative ways to improve customer experience, leverage data, and reduce fees. Examples of these new options include deferred payments, card-like schemes, and embedded payments. Banks also use tools like Zelle to compete with cards in consumer payments. IDC predicts that by 2028, non-bank digital payments, such as deferred payments, card-like schemes, and mobile wallets will overtake digital bank payments in growth.

USA consumer digital payments processed by banks and non-banks



Source: IDC 2023

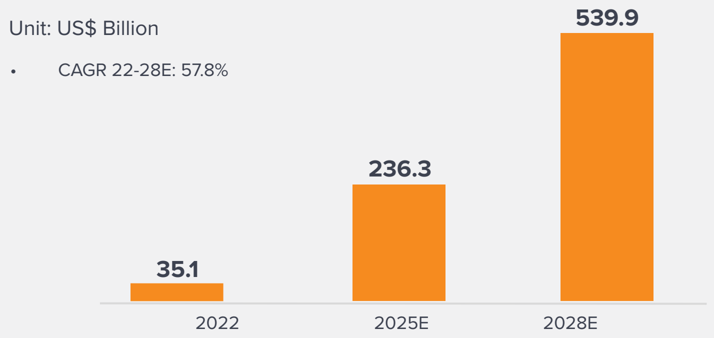
Card-like payments growing

Closed-loop systems and card-like payments built on digital wallet platforms are significant areas of non-bank growth in America. Amazon Layaway is one of the latest entrants to this space as part of its payment diversification strategy.

IDC's recent research in 2023, involving retailers across the globe, revealed the importance that many are placing on developing their own closed-loop systems to improve customer experience, gain better payment visibility, and reduce merchant fees.

While closed-loop systems in the form of own branded cards have been a feature of global retail for decades, this new generation of payment tools allows for much more customization and data insights, turning them into powerful customer engagement tools. IDC sees this trend growing rapidly in the future.

USA card-like payments processed



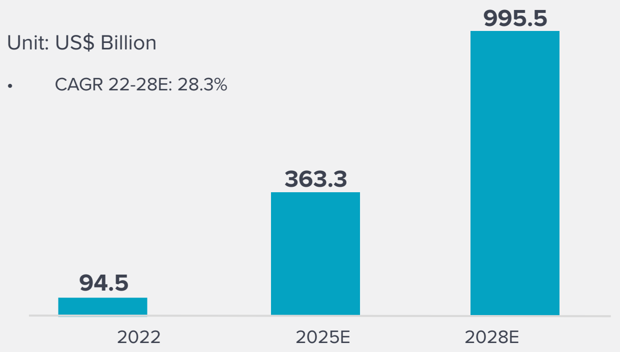
Source: IDC 2023

Issuer-led deferred payments

While the first waves of new digital payment installments have been led by fintechs and internet giants, issuer-led installment programs are gaining traction, with major players like Visa, Mastercard, and Amex using their networks to enable banks and other financial institutions to offer these programs to their customers. Issuer-led installments differ from pure-play deferred payments firms like Klarna and Afterpay. Issuer-led installments are designed to service all payment ecosystem players, including banks and BNPL firms.

These new offerings provide additional capabilities and options for financial institutions to enter the BNPL space quickly and effectively if they have the necessary technical agility.

USA BNPL transaction value



Source: IDC 2023

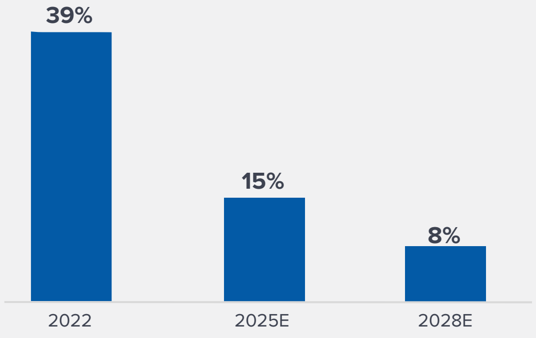
Regional Focus on Payments Transformation: Europe

The Europe region has been home to the origins of the open banking movement and is now seeing the fruits of these developments.

Cashless economies close to a reality

The Nordic countries have outpaced other Western European nations in transitioning to digital payments and a cashless society. Sweden has seen cash transactions in retail shops decline to just 8%, with mostly the older population holding onto it. Norway reports that only 3-4% of its population uses cash. Alongside the extensive usage of cards for payments, there has also been a huge explosion in mobile payment apps which have seen rapid growth in usage in the Nordic countries. Plans are underway to merge domestic payment systems in Norway, Denmark and Finland, creating a seamless cross-border network. These trends serve as a model for other regions, with fintech developments linked to cashless payments continuing to emerge from the Nordic countries.

Sweden: Percentage of people who paid cash for their last purchase in physical shops



Source: IDC 2023

Payments-as-a-service growing

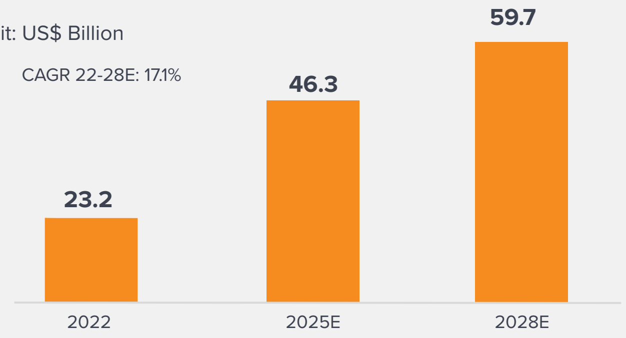
The EU-led payment services directive PSD2 implementation phase across the EU (and UK at the time) has led to the explosion of open banking through API connectivity with partners. It has set the model for the rest of the world to follow.

Due to the complex regulatory requirements of PSD2, there has been a rise in specialist service providers in payments-as-a-service. These providers connect to the bank's core systems and execute payments on their behalf, offering value-added service layers such as fraud detection, ledger and AML services. A number of European banks have already established partnerships with providers such as Worldline to handle their payment processing. This trend is expected to grow as more service providers emerge and expand their PaaS capabilities.

Europe PaaS market value

Unit: US$ Billion

- CAGR 22-28E: 17.1%



Source: IDC 2023

New payments need orchestration

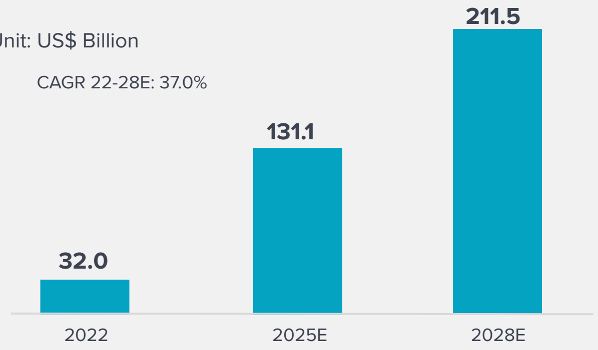
The rise of new payment types, such as mobile wallets, BNPL, and card-like payments, has surged due to the pandemic. BNPL has been a rising star and is predicted by IDC to grow at 37% annually from 2022 until 2028E, topping US$200 billion by 2028.

As new payment channels emerge, IDC's research shows that retail merchants prioritize the need for orchestration and cost visibility of payments, which highlights the importance of maximizing revenue and improving customer offerings. This is a huge potential area where banks and fintechs can offer solutions in a BaaS model if they have the capabilities to do so.

Europe BNPL transaction value

Unit: US$ Billion

- CAGR 22-28E: 37.0%



Source: IDC 2023

Regional Focus on Payments Transformation: Asia/Pacific

A region where transformation is occurring at breakneck speed due to less legacy technology burden, Asia/Pacific leads globally in many areas.

Real-time payments surge

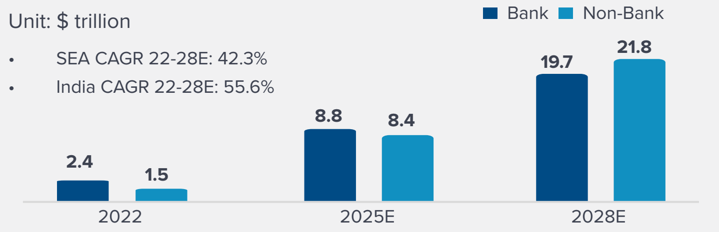
Across Asia/Pacific, there has been a wave of real-time payment schemes and the connected push towards ISO20022 standards.

Southeast Asia's (SEA) various real-time payment schemes, including Thailand's PromptPay, Malaysia's DuitNow, Indonesia's BI-Fast, and India's Unified Payments Interface (UPI) have been noted as some of the most successful real-time payments projects globally.

Real-time payments have gained significant traction in the region for both retail and business transactions. This has been aided by the absence of historical card usage in underbanked markets and government initiatives to reduce cash usage by promoting convenient mobile-driven payment tools.

The next wave of development will focus on further payment data capabilities, which can be activated with ISO20022 standardization and cross-border integration of the various real-time payment schemes. Australia and the Southeast Asia nations are already deep into the planning stage to make these integrations a reality.

Real-time payments transaction values for Southeast Asia and India



Source: IDC 2023

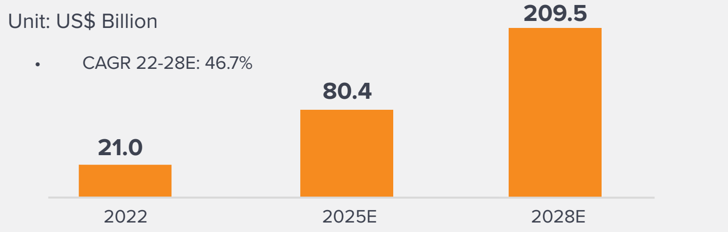
BNPL making significant moves in the region

Many retailers have considered deferred payments such as BNPL to be a key part of the solution for allowing customers to purchase on credit in markets where credit records and other data may be spotty.

BNPL has grown in Asia/Pacific and is predicted by IDC to reach over $200 billion by 2028E from $21 billion in 2022, representing a 46.7% annual growth on average. In markets such as Indonesia, which are prime targets for the BNPL model due to low card penetration and lack of formal data on credit history, IDC predicts that 10% of eCommerce purchases will be made on BNPL as early as 2025.

BNPL has seen significant growth in the Asia/Pacific region, similar to other parts of the world. Various models have emerged in the region, including pure-play BNPL players, merchant-led models, and issuer-led models. Additionally, the white-labeling of solutions from pure-play BNPL players on other eEommerce platforms has become a trend. This trend highlights the need for quick creation, customization, and market launching, which is crucial to compete in the rapidly evolving payments landscape.

Asia/Pacific BNPL transaction value



Source: IDC 2023

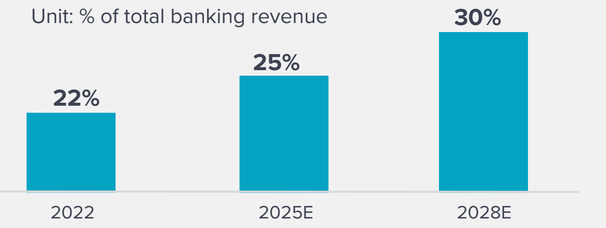
Key opportunity for banking-as-a-service

Asia/Pacific banks have smaller IT budgets than North America and Europe, creating opportunities for banking-as-a-Service.

Digital challenger banks have also emerged in the region, providing another avenue for global banks to offer their services. Hong Kong, Singapore, Malaysia, South Korea and Indonesia have all seen digital-only banks launched in the past few years. This represents another opportunity for larger global and more technically adept banks to offer regional services.

Key examples in the region include Standard Chartered Bank's Nexus BaaS solution, which Indonesia eCommerce provider Bukalapak used to create a new digital banking service named BukaTabungan. For banks to be able to leverage such opportunities, they will need best-in-class scalability and open platforms which can support these innovations.

Asia/Pacific Banking Estimated Revenue from BaaS partners



Source: IDC 2023, based on interviews with leading banks in Asia/Pacific

These Innovations Are Driving Transformation Within the Industry

The trends emerging are driving multiple transformation needs within payments but are being held back by existing payments technologies which are unable to keep pace with the transformative forces of the industry.

	Consumer Demand	Infrastructure	Business Model Innovation
Key Industry Implication	The options for payment are expanding rapidly, placing consumers in control over their payment choices	Evolving needs within payments and financial services not being met by current infrastructure	Payments innovation being driven outside of banks
How the implication translates to industry needs	Increased need for companies to be able to rapidly configure multiple payments options for their customers to meet current and future needs	The financial services industry increasingly requires infrastructure that can support increased workloads and facilitate seamless connectivity, allowing for rapid scaling	A heightened need for organizations to have the ability to create new payment products beyond traditional “card” products, including “card-like” products and closed-loop payment solutions
	The need for flexible and expansive payment platforms that can interface with legacy systems, adapt to changing payment trends, and be easily configured and expanded	The industry demands solutions that can seamlessly interface with legacy technology, avoiding the need for rip and replace methodologies.	There is a growing demand for the ability to rapidly reconfigure existing products to meet changing customer demands.
	Consolidating data across payment types and visualizing payment workloads are essential for optimizing orchestration, both in terms of costs and customer experience	There is a growing demand for payments-as-a-service to augment and enhance features and software-as-a-service in payments, aiming to eliminate non-essential functions from banks and reduce costs	Banks with excellent technical capabilities are shifting their focus from consumers to vendors, deriving new revenue streams by offering banking-as-a-service to neo-banks and fintech companies
Industry barriers to transformation	Legacy technology platforms are not able to react rapidly to the transformations, scale and integration required to meet consumer trends	Existing upgrade methodologies require complete replacement of payment technologies, posing risk and time needed to enact transformation	Legacy payments technologies are unable to deliver the innovative capabilities required to generate new revenue from new opportunities

Legacy Continues to be a Burden on the Modernization Efforts of Banks

Three common issues that often hinder the modernization of payments products and offerings in the payments industry.

Too many legacy expenses and constraints

Legacy systems remain challenging for traditional banks, leading to growing spending on legacy payments technology. Global FI spending on legacy payments technology is expected to increase to $57.1 billion in 2028, up from $36.7 billion in 2022, with an average growth rate of 7.8%. This increased spending on outdated systems contributes to technology budget constraints, mounting technical debt, and hinders innovation in the financial services industry.

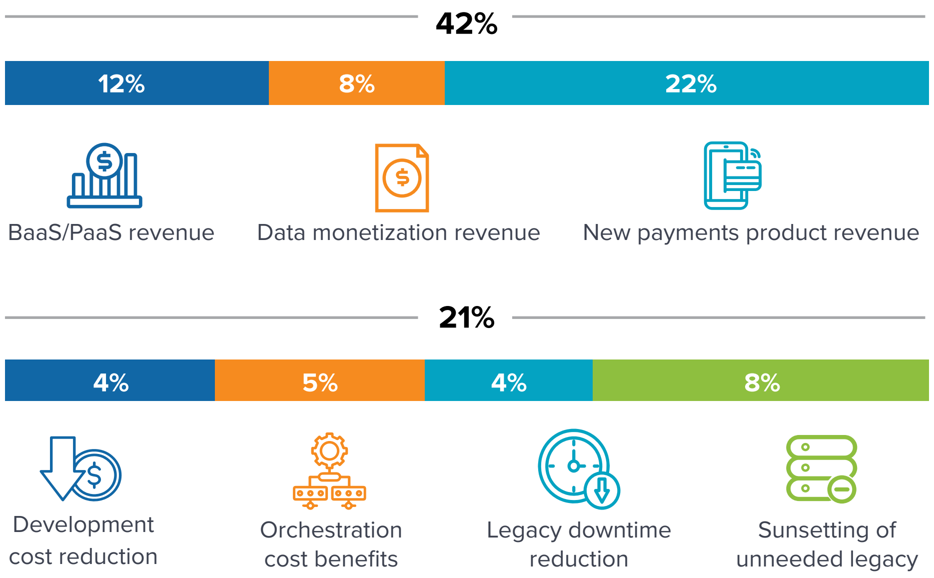
Inability to pivot direction and create new innovative products

Existing payment infrastructure's silos and hard-coded setups hinder innovation and the creation of new payment products like card-like products and BNPL models. Non-bank payments are experiencing a faster rate of growth than bank-driven payments, growing at 13.3% on average from 2022 to 2028E compared to bank payments at 6.7% for the same time period. This growth is primarily driven by the large payments market in Asia/Pacific, particularly in China, where mobile wallets dominate the non-bank payments sector.

Difficulty in shifting away from legacy and risks involved in migration continue to impede transformation to new payments platforms which can deliver innovation

Moving away from legacy platforms is often seen as too risky to organizations. Short-term workarounds that offer no future scalability or development potential are often used as fixes. IDC's recent 2022 survey on Digital Transformation in Banking in Asia/Pacific revealed that minimizing downtime and ensuring stability while addressing the persistent challenges of migration and legacy infrastructure were major concerns for banks seeking to undergo transformation.

Too many legacy expenses and constraints



Looking at the potential opportunities that arise from the adoption of new payment platforms, which facilitates advanced capabilities, IDC projects that institutions could derive an additional **42%** in revenue related to payments.

The implementation of such platforms can drive cost savings on the legacy of up to 21% post-implementation in ideal scenarios.

Where Banks Are in 2022 on Their Transformation Journeys

The trends emerging are driving multiple transformation needs within payments but are being held back by existing payments technologies which are unable to keep pace with the transformative forces of the industry.

Legacy

Legacy payment solutions are used by only 14% of global FSIs today and designed for the mainframe era of the 1970s until 2000's.

Highly siloed and nearly no integrative or innovation creation capability

Solution Characteristics

- Server and mainframe run
- Implementation taking up years
- High Opex and Capex
- Designed for T+1/2/3/ settlements
- Low scalability
- Very long time to market for new products
- Almost no native data and messaging capability
- Unable to respond to market changes
- Highly siloed systems
- Very low level of native integrative capability and interoperability
- Hard coded and low configurability
- COBOL language used mainly
- Designed for cards and transfers such as SWIFT
- Designed for solo asset classes

Modern

Legacy payment solutions are used by only 14% of global FSIs today and designed for the mainframe era of the 1970s until 2000's.

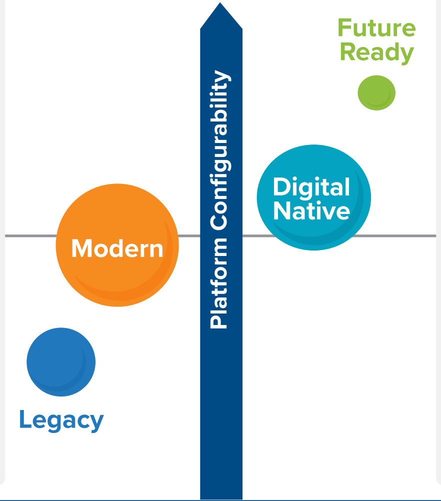
Highly siloed and nearly no integrative or innovation creation capability

Solution Characteristics

- Siloed systems integrated through middleware
- Moderate levels of native integrative capability and interoperability
- Code-defined infrastructure which allows for configurability
- Variety of languages used including Java, C and COBOL
- Designed for online banking and payments
- Designed for solo asset classes but can be configured for multiple asset classes
- Server and cloud options
- Implementation up to one year
- High Opex and Capex
- Designed for same day or near real-time settlements
- Moderate scalability
- Long time to market for new products due to use of middleware
- Some native data and messaging capability
- Lack of flexibility to respond to market changes

IDC suggests that payments solutions in the future-ready category offer the most transformative ability, which can propel payments organizations to success.

Bubble size denotes relative proportion of global FSIs primarily using denoted technology level in 2022



Platform Extensibility

Digital Native

Solutions created for the open banking and API era used by 27% of FSIs globally

Allows for connectivity both internally and externally and accelerated development of products using platform bases

Future flexibility and configurability derived though API connections and cloud platforms

Solution Characteristics

- Modularized platform systems
- High levels of native integrative capability and interoperability
- Designed for API calls and embedded finance functions
- Low-code allowing for easy configurability
- Designed for real-time payments and new asset classes
- Designed for currently used asset classes and currencies
- Server and cloud options including public clouds
- Implementation taking up to six months
- Moderate Opex and Capex
- Designed for real-time settlements
- High levels of scalability
- Faster time to market for new products using new tools to accelerate development
- High levels of native data and messaging capability
- Better flexibility to respond to market needs

Future Ready

Next-gen payments solutions designed for the Payments-as-a-Service era used by only 5% of global FSIs currently.

Enables payments anywhere and everywhere for the internet of payments age through any possible payment channel

Future configurability and interoperability derived through architecture of payments processes

Solution Characteristics

- Platforms with unlimited degrees of modularization
- Fluid and flexible native integrative capability and interoperability with any system
- Designed to connect with ecosystems and deliver payments to any end-user
- Low-code or no-code and GUI allowing for visualization of payments flows
- Designed for all present payments and future payment methods
- Designed to work seamlessly integrate with legacy
- Implementation requiring three months
- Low Opex and Capex
- Designed for intelligent enhanced real-time settlements
- Highly flexible scalability
- Rapid time to market for new products using enhanced configurability and development tools
- Data-rich transactions linked to ecosystem partners
- Fluid flexibility to respond to market changes and configure new or existing products quickly

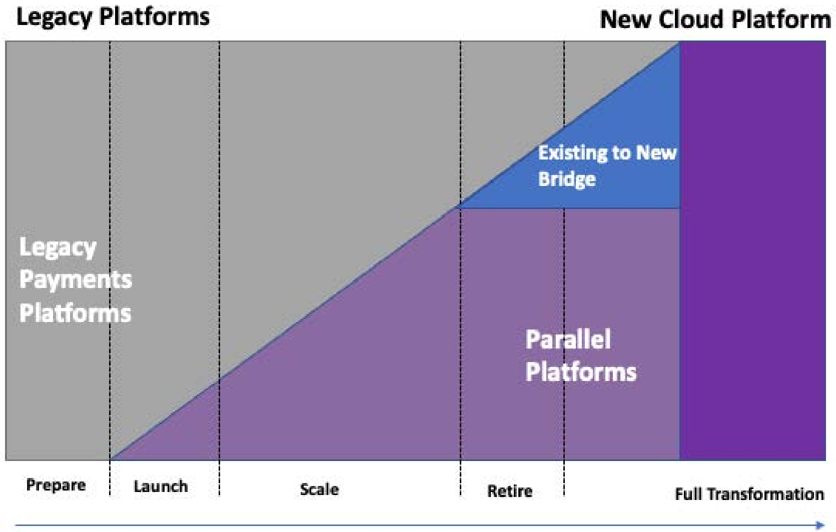
How Banks Can Best Transform Themselves to Meet Today and Tomorrow's Payment Environment?

Updating technology can be risky for institutions, especially when using full rip-and-replace methods. IDC suggests a progressive modernization approach that involves integrating new platforms alongside legacy systems, and this method can be safer while still achieving transformation goals.

IDC proposes a progressive modernization approach to upgrading payments technology which uses a multi-platform framework, allows the introduction of digital payment capabilities faster, alongside the operation of legacy systems operating in parallel. This defines a faster path to transform mature banks into truly digital banks, allowing them to benefit from the new capabilities of modern future-ready platforms while at the same time minimizing disruption from full switchovers to new platforms. The speed of this progressive modernization is more cautious and, over an extended period, determined by a bank's priorities and capabilities.

Essential guidance for the progressive modernization methodology:

- Banks need a strategy to overcome the fear of rip and replace to reduce service disruption
- Banks need the ability to switch online transactions from legacy to the new platform and vice versa
- Banks need to follow the principles of progressive migration, migrating workloads to the new platform progressively or iteratively in stages
- Migration of workflows to the new platform must be determined by business needs. Speed of migration will be best determined by the bank's aims.



Key point of decision: How to migrate over to future platforms?

Banks must make critical decisions on how quickly to move to new digital platforms and away from legacy.

Benefits of retaining legacy

- An asset that continues to deliver value, albeit reduced over time
- High risk in replacement which gets higher the longer replacement is postponed
- Many benefits of digital systems are in periphery systems to the central systems rather than the core platform itself

Benefits of switchover to new platform

- Highly improved CX
- Lower operating costs in future
- Increased agility and ability to create new products
- Reduction of technical debt
- Prevention of future technical debt

The Universe of New Possibilities in Payments: What New Payments Platforms Can Enable

Based on IDC's analysis of the current innovations in payments, moving to new future-ready platforms can enable and accelerate significant numbers of new products, services and improvements to banks and other financial institutions.

Future-Ready Payments Platforms

Consumer Trends

- Create new physical, virtual or tokenized retail cards
- Create new physical, virtual or tokenized business cards
- Create new BNPL products
- Create new card-like products
- Create new embedded payments
- Create new mobile wallets
- Create new integrated loyalty schemes
- Launch new real-time payments offerings such as request to pay
- Ability to quickly reconfigure or add to any of these payments options

Infrastructure

- Create unified data streaming infrastructure that can create data monetization opportunities
- Compliance and exceedance of ISO20022 standards and ability to launch new real-time payments capabilities
- Open API platform that allows for seamless connectivity
- Rapid and lower risk implementation using modern parallel platform and progressive modernization approaches
- Gain rich visualization and orchestration capabilities that can optimize payment costs
- Gain rapid scalable cloud-native architecture that can grow with the business
- Lower legacy costs and reduce technical debt

Business Model Innovation

- Create and launch BaaS/PaaS offerings to ecosystem customers
- Integrate external BaaS/PaaS offerings from vendors to optimize payment infrastructure
- Work with external partners such as card networks or fintechs and launch joint products
- Rapidly create and launch new hybrid products from different payment classes (card-wallet payment products)
- Create new working models for embedded payments and other financial services
- Build new data-derived revenue streams and products

The Playbook for 2023: New Payments Solutions Can Turn Threats into Opportunities

	Regional trend	Threat to Banks	Opportunity to Banks
North America	Shift to non-bank channels	Cut out of payments loops and loss of revenue streams from payments	Partner or offer BaaS and PaaS solutions to non-banks
	Card-like payments growing	Loss of revenue from traditional payments, such as cards	Develop equivalent solutions to offer merchants or offer BaaS/PaaS solutions to merchants/fintechs
	Modernizing issuing and processing platforms	Legacy burden prevents modernization efforts from reaching full potential	Use modern technology solutions to integrate and optimize platforms and compete with new products and services
	Issuer-led BNPL	Inability to find new working models and integrate external partners for new payments revenue leads to banks being cut out of payments loops	Explore multiple optionsincluding issuer-led BNPL, upgrade technical capability to be able to integrate
Europe	Cashless economies close to reality	Non-bank digital payments out-compete bank led offerings	Innovate through direct competition, data or partnerships to increase market share
	Payments architecture overhaul	Loss of revenue through mandated lower fees on new payment types, inability to optimize new payments in payments infrastructure	Leverage new payments architecture to layer new data monetization innovations and products to derive new revenue
	Payments-as-a-service growing	Inability to modernize current infrastructure to integrate PaaS services leads to increasing costs and lack of competitiveness	Modernized and optimized payments infrastructures which can integrate PaaS with existing technology can drive cost savings and free up resources for innovation
	New payments need orchestration	Fintech providers move into orchestration space and benefit from the insight and data into payments operations	Develop own orchestration solutions or partner with fintechs to offer BaaS/PaaS solutions
Asia/ Pacific	Real-time payments surge	Loss of revenue from more profitable payment methods, such as cards	Use real-time payments and build data driven products, services and partnerships layers on top to create new revenue streams
	Payments diversification and hybridization	Bank is squeezed out of new consumer facing payments innovation and loses revenue	Directly compete with flexible, scalable, cloud based products or partner with fintechs to offer Baas/SaaS services
	BNPL making significant moves in the region	Loss of revenue to the bank from bypassing payment methods, such as cards	Develop own equivalent products, use issuer-led solutions or partner with fintechs
	Key opportunities for banking-as-a-Service	Technically excellent banks outperform others in the industry through their new revenue models and technology excellence	Reduce costs and optimize operations by using BaaS solutions from competitors or compete directly by launching own BaaS solutions

HSBC PayMe Reaches 2.9 Million Users in Hong Kong with Robust Digital Platform

Overview

HSBC is a Tier 1 bank in Hong Kong that offers financial services to over 40 million customers throughout 64 different countries. Their global services include wealth and personal, commercial, and global banking. HSBC needed a technologically advanced partner to serve as the foundation for their digital bank.

Challenge

HSBC's legacy platform at the time was experiencing performance issues that could not support its growing customer base. HSBC needed a modern platform that could provide a closed-loop payment ecosystem. Additionally, they needed a ledger that could support P2P and P2M payments. This ledger is needed to handle their scalability requirements and provide the foundation for their innovative product growth.

Solution

HSBC chose Episode Six (E6) because the flexible, cloud-native Tritium® platform gave them a competitive market opportunity and supported rapid innovation. HSBC launched the first digital bank in Hong Kong with E6Wallet, which offers a bank-grade ledger and processor. HSBC PayMe allows customers to pay with a digital wallet and QR codes for real-time P2P or P2M transactions. Because of the flexibility of the Tritium platform, their ledgers and processors are highly configurable, scalable, robust, and performant.

Results

About 2.9 million users in Hong Kong have an HSBC PayMe account today. The E6 platform allowed HSBC to enable more than 50 technology releases within the first 120 days. The E6 Tritium® platform regularly processes thousands of transactions per second. By switching its legacy platform with Tritium, HSBC has expedited its growth by becoming more innovative than its competitors.

Montonio Offers More Affordable Payment Options with Innovative Solution

Overview

Montonio is an eCommerce checkout solution provider that offers payments, financing, and installment solutions to online merchants. Montonio was limited in its current platform and wanted to extend its open banking capabilities to offer customers more options and greater convenience.

Challenge

Montonio services a rapidly expanding niche market by providing open banking payments, which are significantly faster and less costly than traditional payment methods. Montonio wanted to take advantage of this new opportunity and offer a new payment method to their merchant customers. However, their existing platform lacked key features, which impacted their ability to meet the needs of their growing customer base. Montonio needed a solutions provider to provide real-time payments in a cloud-native platform.

Solution

Montonio chose Episode Six (E6) to expand their open banking offering with Tritium®, a cloud-native platform. Using the Tritium platform, Montonio's open payment solution is less expensive than traditional payment schemes. It allows merchants to receive payments instantly, which makes them a more convenient payment option for consumers and a more affordable payment orchestration option for merchants. With E6's vast and scalable RESTful APIs, Montonio can adapt and grow its business to meet consumer preferences and market demands.

Testimonial

"To help us unlock further growth, we needed a payment technology provider that could support our open banking service. We're constantly looking to provide our merchant customers a more positive and innovative payments experience. By partnering with Episode Six and leveraging its flexible solution, we're now able to do just that. This partnership also means we can cater to larger merchants with higher transaction volumes and expand our market footprint." - *Kristofer Turmen at Montonio*

How Ready is Your Organization for the Future of Payments?

The payments technology landscape continues to evolve rapidly, and in 2023, there are several questions that must be asked for your organization to best understand the requirements for transformation and how to equip for the journey ahead.

Self assessment questions to reflect on your requirements

- Is migration to new modern payments platforms considered too much of a risk?
- Is current legacy technology constraining the development of payment products?
- Are payments-related legacy budgets continuously increasing each year?
- Are your payment products losing market share against new digital competition, such as BNPL and card-like products?
- Are you looking for a payment solution for quicker launching and greater customization capability?
- Are you looking to launch BaaS or PaaS solutions or seek better ways to integrate them into your existing tech stack?
- Are you looking for a way to better harness data and build products and services to monetize around it?

If these questions are relevant to your situation, you need to consider this guidance

Essential guidance

IDC proposes the following guidance for organizations looking to advance their payment propositions.

- **New payment platform implementation models make transformation much easier**: Eliminating legacy entirely in one phase is almost impossible. Seek platforms that can integrate with legacy and allow you to move through the transformation at an optimized pace, minimizing risk and disruption.
- **Payments are changing quickly, and platforms need to offer more**: Seek payments platforms with true levels of innovation and create customized solutions across new payment classes such as BNPL and card-like payments.
- **Prepare for the future**: Understand the speed at which new payment types appear and seek flexible platforms to handle current and future channels.
- **Understand the potential of BaaS/PaaS as new revenue multipliers**: BaaS and PaaS can be true game changers in revenue generation for those adept at it and can leverage their internal innovations to be monetized products. Seek payments platforms that can enable these ambitions
- **Understand the changing nature of the payments ecosystem**: Vendors can become customers, customers can become vendors, and competitors can become either. The shifting roles within the new digital payments ecosystem can be hard to grasp at first, but what is needed are payments technologies that can be flexible enough to either integrate these solutions or allow these own developed solutions to be extended to other institutions.
- **Prepare for the age of data monetization**: Equip existing systems with the ability to retrieve and analyze data from initiatives such as ISO20022. Seek partners and platforms that allow useful data to be analyzed to search for opportunities where new revenue streams can be derived.

Create payment products your customers will love

Build exactly the product you want and enable real-time data transfer. TRITIUM® by E6 offers FIs a full suite of payments experiences with an unmatched combination of flexibility and performance, so you can get to market quickly, and make program updates instantly thanks to our API-first open platform architecture.

ABOUT E6

E6 is a global provider of enterprise-grade paytech for banks, fintechs, and companies that want to create payments products their customers love. TRITIUM® by E6 offers a single, flexible payment platform that can power almost any payments use case. Our robust API library gives you the power to go to market with customized products you and your customers want.

Cards

From virtual cards to digital wallets, E6 powers a dynamic range of customizable, user-oriented credit card solutions.

Learn More

Ledger

Offer market-ready deposit, credit, and installments products built on our powerful open-ended ledger.

Learn More

Cloud

Unlock the next generation of product development with scalability, resiliency, and security of our cloud solutions for banks.

Learn More

Trusted by banks. Delivered by experts.™

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