BBVA
Open Innovation

No need to handle money: **the rise of contactless payment technologies**

WHAT IS CONTACTLESS PAYMENT?

Alternatives to cash for making payments, both online and in-store, thanks to technologies that do not require physical contact.

WHY DO WE USE IT?

1 **Security**

High standards of cybersecurity keep the risk of fraud to a minimum.

2 **Transparency**

Ability to track payments digitally at any time.

3 **Simplicity**

It takes very little effort to make a payment.

4 **Speed**

Payment is made in seconds, saving the user time and increasing productivity for the business.

5 **Hygiene**

No contact prevents the transmission of bacteria or any type of virus.

TRENDS

Contactless at a glance

Growth of contactless over one year

28% usage — Second quarter **2019**

37% usage — Second quarter **2020**

Confidence in the technology

82% of people believe that contactless is the **cleanest way to pay** and **10 times faster**

Forecasts for how payment methods will be used in **North America** and **Europe by 2022**

58% — Payments with **contactless cards**

38% — Payments using **wearables** and **mobiles**

The growing wave of online consumption

23,3% buying more online

Estimates for a post-COVID era

58% of people

80% of businesses

expect to do more shopping online

WHAT ARE THE MAIN FORMS OF CONTACTLESS PAYMENT THAT CAN BE USED?

Smartphone

The most widely used medium, with several payment options (apps, wallets) in various formats and with different technologies.

Contactless card

Cards that incorporate wireless payment technology without the need to be inserted into a POS or passed through a magnetic strip reader.

Wearables

Tech gadgets that make contactless payments, such as sports wristbands, smart watches, rings and sunglasses.

Computer

The hardware of choice for making electronic payments without any contact.

Digital gateways

A service that authorises payments to all types of businesses (electronic and physical) by encrypting sensitive payment information (such as card number and personal details).

WHAT DISRUPTIVE TECHNOLOGIES ARE IN THE BACKGROUND?

NFC

Short-range wireless technology that allows instant data transmission between devices a few centimetres away.

RFID tags

Wireless communication system via radio signals that adheres to the objects to be identified.

QR codes

A module for storing information in a dot matrix or two-dimensional bar code that can be one of 2 types:

- QR code scanning generated by the business.
- Apps that generate a unique QR code to be read by a business.

Biometric technology

Analysis and identification of an individual's physical characteristics thanks to patterns and artificial intelligence.

- Facial recognition.
- Iris recognition.
- Voice recognition.
- Fingerprint.

Card on File system

Systems that save user data on the internet for one-click purchases, so you don't have to fill in details for every purchase.

WHICH PLATFORMS ALLOW THESE PAYMENTS TO BE MADE?

P2P payment apps

Applications for making payments and transfers between users instantly, such as Bizum and PayPal.

Mobile banking

The digital wallets of the various banks, including the outstanding BBVA app, which is a pioneer in the Spanish market.

Superapps

Applications that offer a lot of services that solve a major user problem, such as WeChat and Rappi.

Payment apps belonging to big tech firms

Apple Pay, Google Pay, and AliPay are some examples of companies that allow payment through mobile devices.

One-click electronic payment websites

Amazon, Google Play, iTunes and other companies incorporate Card on File systems. PayPal and Iupay permit one-click payment without having to register with the website where you're making your purchase.

Sources: Mastercard; CIS; Salesforce; We Are Social; CGI.