

Europe Lags Behind Emerging Nations in Real-Time Payments Modernization - Missing Out on Economic Growth - ACI Worldwide Report

April 26, 2022

- 118.3 billion real-time payment transactions were made globally in 2021 – a YoY growth of 64.5 percent – set to rise to 427.7 billion in 2026, according to GlobalData
- Real-time payments are forecast to help generate additional GDP of US\$173 billion by 2026, up from US\$78.4 billion in 2021 – according to a Cebr economic impact study of 30 of the world's largest economies, including both industrialized and developing nations
- Cebr study outlines wide-ranging policy recommendations to maximize the economic impact of real-time payments

LONDON--(BUSINESS WIRE)--Apr. 26, 2022-- Leading European economies, including the UK and France, lag behind emerging economies, such as India and Brazil, when it comes to real-time payments modernization and are losing out on economic growth, according to the 3rd edition of [Prime Time for Real Time 2022](#), published by [ACI Worldwide](#), (NASDAQ: ACIW), in partnership with [GlobalData](#), a leading data and analytics company, and [the Centre for Economics and Business Research](#) (Cebr).

The report – tracking real-time payments volumes and growth across 53 countries – includes an economic impact study for the first time, providing a comprehensive view of the economic benefits of real-time payments for consumers, businesses and the broader economy across 30 countries. The report covers all G20 nations, excluding Russia. *

The research reveals that the combined real-time payments volume across the top 5 global markets – India, China, Thailand, Brazil and South Korea – helped to facilitate US\$54.5 billion of additional economic output in 2021 – forecast to grow to US\$131.1 billion in 2026.

In contrast – across the leading developed markets US, Canada, UK, France and Germany – the additional economic output supported by real-time stood at US\$7.3 billion in 2021 – expected to rise to US\$14 billion in 2026.

The research shows that governments that advance the real-time modernization of their national payments infrastructure create a win-win situation for all stakeholders in the payments ecosystem: consumers and businesses benefit from fast, frictionless and hyper-connected payments services, financial institutions future-proof their business in a highly competitive environment by speeding up cloud-first and data-centric modernization, and national governments boost economic growth, reduce the size of their shadow economy and create a fairer financial system for all.

Real-time payments have been possible in the UK since 2008 under the Faster Payments scheme. France, Germany, and the Netherlands all adopted the pan-European real-time payments scheme, SCT Inst – in 2018, 2017 and 2019, respectively. However, the markets' development has been markedly slower than those in the developing world. Payments in many European countries are still tied to traditional tools — especially cards — despite it being easy and cheap for consumers to access real-time payments. The potential economic benefits of real-time payments remain untapped across all four countries.

[European Regional Highlights](#)

United Kingdom

- The UK recorded 3.4 billion real-time transactions in 2021, which resulted in estimated cost savings of \$US950 million for businesses and consumers. This helped to unlock \$US3.2 billion of additional economic output, representing 0.10% of the country's GDP.
- With real-time transactions set to rise to 5.8 billion in 2026 – net savings for consumers and businesses are forecast to climb to \$US1.8 billion in 2026, helping to generate an additional \$US3.8 billion of economic output, equivalent to 0.11% of the country's forecasted GDP.
- That means the potential economic benefits of real-time payments remain still untapped. According to the Cebr, the theoretical impact of all payments being real-time could add 2.7% to formal GDP by 2026. However, these are theoretically modelled benefits, this does not suggest that there is no longer place for non-instant electronic payments or paper-based payments in the future.

Germany

- Real-time payments have failed to gain significant traction despite being available for 5 years and accounted for only 2.7% of the country's total payments in 2021.
- In 2021 real-time transaction volumes were 1.2 billion, predicted to rise to 3.4 billion by 2026 – a CAGR of 24.1%. Estimated cost savings for businesses and consumers in 2021 reached \$US296 million which helped to unlock \$US1.4 billion of additional economic output, representing 0.3% of formal GDP.
- In 2026, net savings for consumers and businesses are forecast to climb to \$US1.1 billion, helping to generate an additional \$US3.3 billion of economic output, equivalent to 0.7% of the country's forecasted GDP.

France

- Real-time payments remain a small payments tool in France, accounting for 0.3% of total payments transaction volume in 2021.
- Like Germany, real-time payments have had minimal effect on total payment volumes accounting for only 0.3% in 2021, far behind electronic payments at 67.8% and paper-based transactions at 31.9%.
- Real-time payments transaction volumes in 2021 were 108 million, predicted to rise to 1.2 billion by 2026 – a CAGR of 61.3%.
- In 2021 real-time payments stimulated \$US27 million in net savings for consumers and businesses, and helped facilitate \$US105 million of economic output, equivalent to 0.01 % of formal GDP. In 2026, net savings stimulated are projected to rise to \$US315 million, facilitating additional economic output of \$US872 million or 0.03 % of forecasted GDP.

Netherlands

- Real-time payments had a rapid adoption in the Netherlands. By 2021, the real-time payments market share of total payments volume reached 10%, rapidly gaining on paper-based transactions, at a 13.9% share of total payments volume.
- In 2021, the country recorded 1.2 billion real-time transactions, which resulted in estimated cost savings of \$US338 million for businesses and consumers – which helped facilitate \$US1.1 billion of additional economic output, or 0.12% of formal GDP
- With real-time transactions forecast to rise to 4.4 billion in 2026 – net savings for consumers and businesses are predicted to climb to \$US1.6 billion, helping to unlock an additional \$US2.4 billion of economic output, equivalent to 0.23% of the country's forecasted GDP.

"Europe has a world-leading Open Banking framework, but the current thinking lacks the speed and ambition shown by many other countries regions worldwide," said **Nick Craig, Head of Europe, ACI Worldwide**. "Europe has a great opportunity to build a thriving real-time ecosystem that rivals the integrated, real-time-based, mobile-first ecosystems of Asia but payments leaders and politicians must act now or risk falling further behind."

"Real-time transactions and growth forecasts continue to rise globally, with emerging countries like India leading the way and outpacing developed nations. As governments around the globe, especially step up their interventions in real-time payments, they are viewed as the primary enabler of economic growth and prosperity, providing consumers and businesses with cheaper, faster, and more efficient payment methods." **Jeremy Wilmot, Chief Product Officer, ACI Worldwide**. "In India, payments are increasingly becoming embedded into non-financial digital apps and services, with customers looking for a hyper-connected, frictionless user experience," continued Jeremy Wilmot.

By allowing for the transfer of money between parties within seconds rather than days, real-time payments improve overall market efficiencies in the economy," commented **Owen Good, Head of Advisory, Centre for Economic and Business Research**. "Real-time payments improve liquidity in the financial system and therefore function as a catalyst for economic growth. This is especially important for our fast-paced and digital-led gig economies. Workers are paid quickly, allowing them to better plan their finances. Businesses have more flexible and reduce the need for burdensome cashflow management."

"Developing nations continue to drive the majority of real-time volume gains, confirming the industry trend of the strongest growth coming from economies with minimal existing electronic payments infrastructure, and therefore heavier reliance on cash," said **Sam Murrant, Lead Analyst, GlobalData**. "Amid all this activity, mobile in its multiple forms will shape the trajectory of real-time payments for developing markets. India provides the template for mobile wallet integration with underlying real-time payment systems. Mobile will still be the leading form factor in developed markets. However, we may see banks' involvement sitting more behind wallets."

Prime Time Real Time Report 2022 - All Global Figures-at-a-Glance

GlobalData - Real-Time Payments Growth:

	2021	2026	YoY growth			
Real-time transactions made globally	118.3 billion	427.7 billion	64.5%			
Five countries with the highest volume of real-time payment transactions						
	India	China	Thailand	Brazil	South Korea	
	48.6 billion	18.5 billion	9.7 billion	8.7 billion	7.4 billion	
CAGR 2021 – 2026						
Top 5 fastest growing real-time markets (where instant payments share of all electronic payments was 10% in 2021)						
	Brazil	Oman	India	Philippines	Malaysia	
	56.8%	41.0%	33.5%	31.7%	26.9%	

Top fastest growth of real-time transactions by regions	South & Central America 51.3%	Middle East, Africa & South Asia 32.6%	North America 30.2%	Europe 23.0%	Asia-Pacific 15.0%
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Cebr Real-Time Economic Impact:

	2021	2026
Aggregated net savings for consumers and businesses facilitated by real-time payments across the 30 countries observed	US\$46.6 billion	US\$184.0 billion
Formal GDP facilitated by real-time payments	US\$78.4 billion <i>(equivalent to 0.10% of the combined GDP of the 30 countries)</i>	US\$173.0 billion <i>(equivalent to 0.19% of the combined forecasted GDP of the 30 countries)</i>
Global number of jobs required to produce an equivalent level of output	4.9 million jobs	10.3 million jobs
India, Brazil, China, Thailand, South Korea – business and consumer level benefits	US\$37.0 billion combined	US\$164.6 billion combined
India, Brazil, China, Thailand, South Korea – formal GDP supported by real-time:	US\$54.6 billion <i>(Equivalent to 0.23% of the combined GDP of the five countries, or the equivalent output of 4.2 million workers)</i>	US\$131.7 billion <i>(Equivalent to 0.43% of the combined forecasted GDP of the five countries, or the equivalent output of 9.0 million workers)</i>
U.S., Canada, U.K., France, Germany – business and consumer level benefits	US\$2.1 billion combined	US\$5.5 billion combined
U.S., Canada, U.K., France, Germany – formal GDP supported by real-time:	7.3 billion <i>(Equivalent to 0.02% of the combined GDP of the five countries, or the equivalent output of 70.4 million workers)</i>	13.9 billion <i>(Equivalent to 0.04% of the combined forecasted GDP of the five countries, or the equivalent output of 118.9 million workers)</i>

GlobalData - Consumer Payments Modernization:

	2021
Over half of consumers worldwide now own and use a mobile wallet:	52.7 1% up 12.1% in the two years since 2019 (Covid-19 impact), and up 33.8% since 2018

GlobalData - Fraud Trends

	2020	2021
Cases of card details being stolen online are falling – 2021 saw a slight decrease in cases	17.5%	16.9%
Cases of card details being stolen or skimmed in person are also falling – 2021 saw a decrease in cases	15.5%	0.5%
Digital wallet account hacks, identity theft and social engineering cases are rising. Percentage of total fraud cases:	2020	2021
Digital wallet account hacks	6.2%	7.3%

Identity theft	11.6% 12.0%
Social engineering	13.7% 14.4%

*Note to editors: Russia is not included in the Cebr Economic Impact Study in the absence of a robust data set.

About ACI Worldwide

[ACI Worldwide](#) is a global leader in mission-critical, [real-time payments software](#). Our proven, secure, and scalable software solutions enable leading corporations, fintechs, financial disruptors and merchants to process and manage [digital payments](#), power [omni-commerce payments](#), present and process [bill payments](#), and manage [fraud and risk](#). We combine our global footprint with a local presence to drive the [real-time digital transformation](#) of payments and commerce.

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