

Contactless payments forecast to exceed \$1tn by 2019

According to new data from fintech analysts Juniper Research, the global value of contactless transactions made via payment cards, mobile and wearables, will reach \$1.3 trillion by 2019, more than doubling from an estimated \$590 billion in 2017.



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According to the research, *Contactless Payments: NFC Handsets, Wearables & Payment Cards 2017-2021*, contactless card levels will continue to dominate transaction values, accounting for 80% of total contactless transactions in 2019. The research forecasts that contactless transactions via debit/credit cards will exceed \$2 trillion globally by 2021.

Mobile contactless - competing with cards

The research found that many markets with a relatively well-established contactless infrastructure have been seeded by the card providers, albeit with varying degrees of success. Juniper found that in 2016, while cards accounted for well over 90% of transactions by value in many European markets (for example, rising to 99% in Spain), in the US the position was reversed. Mobile wallets accounted for 90% of the total contactless transactions in the US.

“Purely from a payments and convenience perspective, it will be difficult for mobile wallet providers to gain existing market share from contactless cards. It is, therefore, incumbent upon them to deliver innovative services through which the mobile wallet will become the default payment mechanism,” added research author Nitin Bhas.

Beyond retail payments: new services emerge

The research found that, given the digital adoption in markets such as the UK, there is a significant opportunity for the charity sector to utilise contactless payments and digitise transactions. For example, In the UK and Ireland, Visa is working with organisations to trial charity donation boxes fitted with contactless readers, with contactless donors observed to pay three times more than the average cash donor. Juniper predicts that charity boxes, along with other similar initiatives, will continue to grow at an incredible pace alongside the mobile contactless payment segment.

For more on contactless payments, download Juniper's free whitepaper [Is OEM-Pay the Future of Contactless?](#)

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