

Payments innovation in the face of adversity

The world finds itself in the midst of a global crisis, dealing with a unique and extreme situation that can be terrifying at times. However, in this time of adversity it should be remembered that the more extreme the situation, the more likely it is to fast-track new developments, says Craig Duggan, commercial head at Transaction Junction.



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A good example here, says Duggan, is how the Second World War saw the aircraft industry evolve from biplanes to jet planes in the course of seven years. “Bearing in mind how adversity usually brings out the best in humanity, I believe the current global crisis will ultimately drive innovation and development,” he says.

Duggan suggests that the rise of Zoom and other online platforms as a facilitator of remote meetings shows how, when there is a high demand for something – in this case remote meetings, to enable work to still take place – beneficial tools are developed and advanced to meet this demand.

Changes afoot in consumer payments

“The same holds true for the payments industry. The fear of infection and the concerns over touching surfaces is quickly driving demand for payment choices to shift from being owned by the store, to instead being driven by the customer. This is because it is the customer running the biggest risk in touching unknown surfaces, which is why we have seen a huge uptick in demand for new options like contactless payments with no PIN.”



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7 Apr 2020



“Obviously fraud is always something we have to consider, which is why we need to find other ways of linking the customer’s identity to their card, beyond the standard PIN. This is where the innovation comes in, and there are new technologies being rapidly developed to achieve this. For one, there is the concept of paying via QR code, while another is to use facial recognition technology to allow customers to pay for their purchases.”

Of course, he continues, many retailers currently do not enable QR code-based payments, simply because they are charged more by the bank for such purchases. So the answer here is for the industry to work with the financial services sector to bring the cost of mobile-based payments in line with those of card-based ones, in order to see such payments take off.

“As for the introduction of something like facial recognition technology, all that is required here is a payments platform that is robust and agile enough to cope with new circumstances and the rapid introduction of additional payment methods. The real litmus test of a platform, ultimately, is the capability it delivers for innovation in the face of adversity,” concludes Duggan.

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