Nearly 70% of consumer payments to be instant by 2027

A new study from Juniper Research predicts that the number of consumer instant payments will exceed 235 billion in 2027, up from 74 billion in 2023.

Source: Pexels

According to the report, this growth of 218% will be driven by lower merchant acceptance costs when compared to traditional card schemes. This is of particular importance now, as many merchants will be seeking to reduce costs and protect margins through the global economic downturn.

An instant payment is any payment outside of a card network that is capable of receiving funds in 10 seconds or under.

The research found that the transition to instant payments for consumers will rapidly expand; reaching 70% of all global transactions by 2027, up from just over 30% in 2023.

'Buy now pay later' to aid the growth of e-commerce

28 Feb 2023

By 2027, the three largest markets for consumer instant payments globally, by transaction volume, will be China, led by the popularity of WeChat Pay and AliPay; India, driven by UPI; and the US, brought by the introduction of FedNow. They rank as follows:

1. China
2. India
3. US

The research recommends that instant payment vendors focus on building value-added services within their offering, including real-time fraud prevention or automation of payments for B2B use cases, in order to benefit from this shift in a highly competitive market.

Merchants to gain from instant payments adoption

The research identified that the lower costs of instant payments allow merchants to pass on savings to consumers, as well as benefitting from increased speed of transfers. With instant settlement, merchants will receive payments within seconds, reducing payment settlement delays.

Report author Michael Greenwood explained: “Payment processors, who provide payments acceptance for merchants, should look to offer instant payments integration via a single API. This will allow merchants to accept instant payments at checkout alongside existing payment methods, such as cards and wallets, without needing to undertake a separate, costly and time-consuming integration process.”