

THE PAYMENTS LANDSCAPE IN AUSTRALIA

THE DISRUPTION OF INNOVATIVE TECHNOLOGIES

Since 1960, Australia's payments technology infrastructure was predominantly operated by the country's major retail banks that delivered consumer finance services to incumbent merchants and customers. However, less regulated, Payment Card Industry Data Security Standard-validated new market entrants are catalysing the disruption of the Australian payments landscape by increasing the variety and accessibility of highly sophisticated point-of-sale technologies. These disruptive players are fintech start-ups and independent POS technology vendors.

1960-2012: KEY PROGRESSION PILLARS

1960 – The Reserve Bank of Australia is founded and assumes central bank functions by issuing currency, controlling monetary policy and overseeing Australia's financial system infrastructure.

1974 – The Bankcard Scheme is launched, Australia's first financial institution issued credit card that begins to displace cash and cheques.

1983 – The EFTPOS becomes operational amid Australian banking industry deregulation and enables the transfer of funds initiated from credit and debit cards transactions using compatible POS terminals.

1996 – The Australian government issues the Wallis Report proposing regulatory reconfiguration to foster payments technology innovation for a more competitive financial system.

2013: IMPACT OF DISRUPTIVE TECHNOLOGIES

The Payments System Board endorses an industry proposal for new real-time payments infrastructure that raises customer expectations for Australian payments service capabilities.

2017: THE FUTURE LANDSCAPE

PSD2 – The EU's revised payments services directive will increase competition and improve innovation by mandating banks to open their APIs to foster ITP sharing of services and data.

Open Banking – A diversification of new banking services and a transformation of banking culture will be driven by the opening of incumbent API platforms and the opportunity to monetise these new services by leveraging consumer data-streams.

Co-Innovation – Banks and fintech collaboration will increase as customer account and consumer data is spread more thinly across the global payments industry.

GreySpark Partners' positioning between high-level technology expertise and the utilisation of business-centric service offerings allows for effective assistance to identify, define, adapt and offset payments industry disruption for banks, by forming solutions that complement the emerging formation of future technology and regulative structures of the global payments landscape.



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