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The next generation  
of UK digital payments

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# Bank-transfer apps help beat Brexit blues

**Some of the most unwelcome changes in the wake of Brexit have been extra complications when shoppers buy from online stores based in the EU.**

From 1 January 2021, UK buyers were unhappy to find themselves paying UK VAT [1] for the first time on items bought from the EU. Brexit also means that the EU's cap on credit-card interchange fees, the fees a card-provider charges merchants, no longer covers the UK. Card providers are free to put up these fees, which EU-based merchants often are forced to pass on to consumers as higher prices. [2]

Shoppers and merchants both need a way to keep the cost of UK-EU shopping down and to bring some much-needed simplicity back to cross-border online shopping.

**That's where bank-transfer apps come in.**

Easy to use, trusted — because they're approved and integrated by the consumer's own bank — and widely accepted, bank-transfer apps are ideal for cross-border payments. Transferring funds directly from account-to-account cuts complexity. This is good for merchants.

And with reduced complexity comes lower costs, helping to off-set any increase in overheads that Brexit has brought with it.

And the good news is, that bank-transfer apps are already popular and widely used. This makes it easy for merchants and consumers to make the switch to these apps for cross-border shopping

## How EU business can reduce costs with bank transfer apps when selling into the UK

**Fees for bank transfer apps like Pay by Bank app are now less than half (or lower!) than credit card fees.**



# The use of bank transfer payments has more than doubled in recent years

Between 2017 and 2019, the proportion of UK online shoppers paying via bank transfers increased from 4% to just over 8%. [3]

To anyone familiar with the factors driving the growth and development of the digital payments market, this is not surprising. Bank transfers provide many of the things which increasingly demanding and security-conscious consumers are looking for.

## Consumers enjoy a mix of simplicity and security

**75%**

of UK consumers are worried about the security of their personal data. [4]

**68%**

aren't ready to switch to new digital payments because of concerns about security. [5]

**83%**

said that confusion and lack of trust had prevented them from using a fintech or digital payments app. [6]

These figures tell us a clear story: for all the pace of its growth over the last few years — and it has been rapid — e-commerce merchants have the potential to grow much faster if they can offer consumers a payment experience which is secure, confidential and easy to use.

**Bank-transfer apps are that payment experience.**



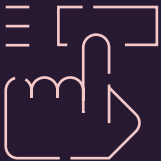
# The benefits of bank transfer payment methods

A bank transfer payment sends a transaction from the merchant's checkout to the consumer's banking app. In the most advanced bank-transfer applications, the user simply chooses the bank transfer at the checkout.

This opens the consumer's banking app, with the details of the transaction pre-populated: the amount, the merchant the payment is to be made to and so on.

**All the consumer needs to do is check the details and confirm the payment.**

Bank transfer payments address a number of consumer needs which have inhibited the uptake of newer digital payments:



## Simplicity

A well-designed app allows the consumer to pay in just a few clicks.



## Confidentiality

The user doesn't have to enter any card details at checkout.



## Security

Bank transfer apps are both encrypted and bank-approved.

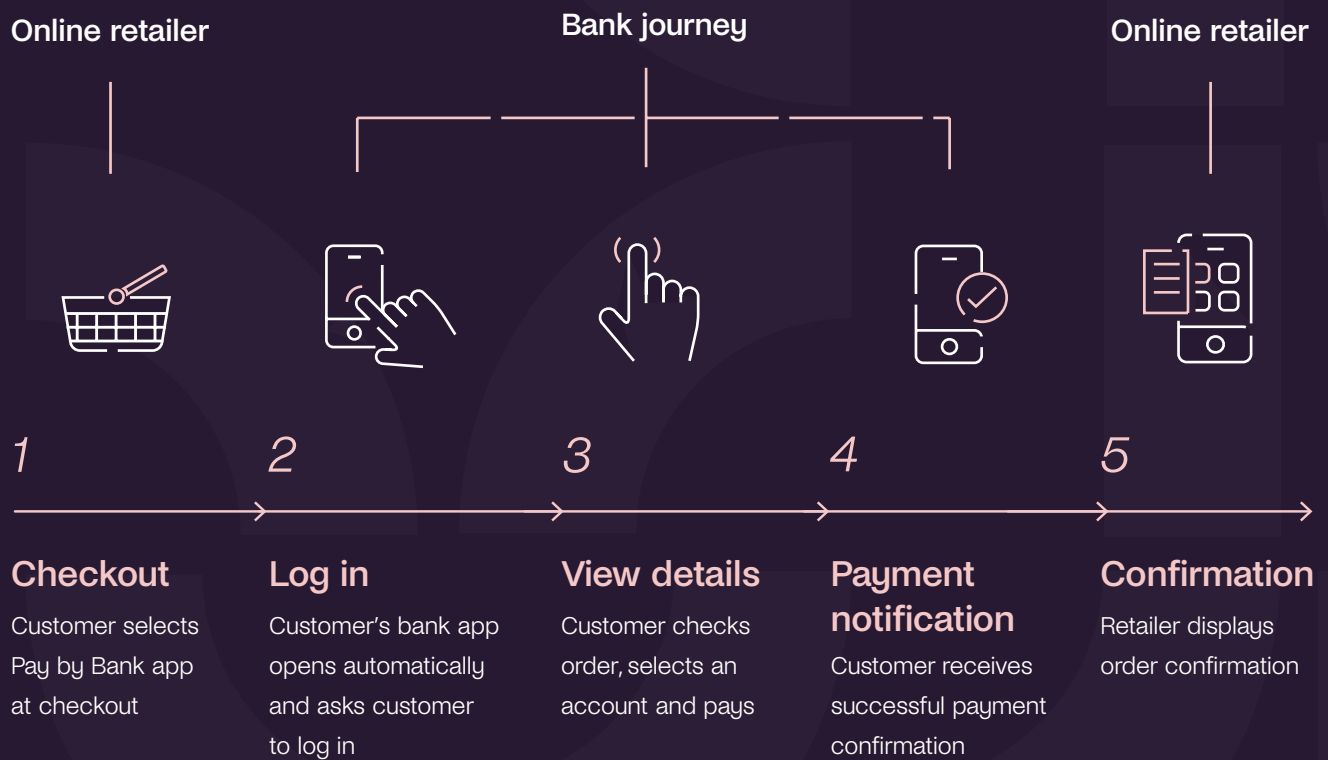




# Pay by Bank app offers a smooth and trusted checkout

Pay by Bank app is an easy-to-use bank transfer payment method from Mastercard that lets consumers pay online quickly and securely from their trusted mobile bank app.

## How it works







# Benefits for merchants



## Increased sales

Maximise conversions from a smooth and trusted checkout experience



## Protection

Simple disputes process, clear bank liability and fewer chargebacks and chargeback codes



## Reduced costs

Near-elimination of online fraud and chargebacks, plus easier cash management



## Reassurance

With bank-grade security, payment is authorised in the customer's banking app



## Near real-time payments

Transfer immediately to a settlement account via the Faster Payments network



## Ready to use

Regulation-ready, with strong authentication





## Footnotes

[1]. <https://www.ft.com/content/bae02f57-a648-45fd-a774-6b341aa59caf>

[2]. <https://www.paymentscardsandmobile.com/brexit-is-done-what-are-the-impacts-on-the-payments-industry>

[3]. Original PPRO research

[4]. <https://www.computerweekly.com/news/252466155/UK-consumers-still-concerned-about-personal-data-security>

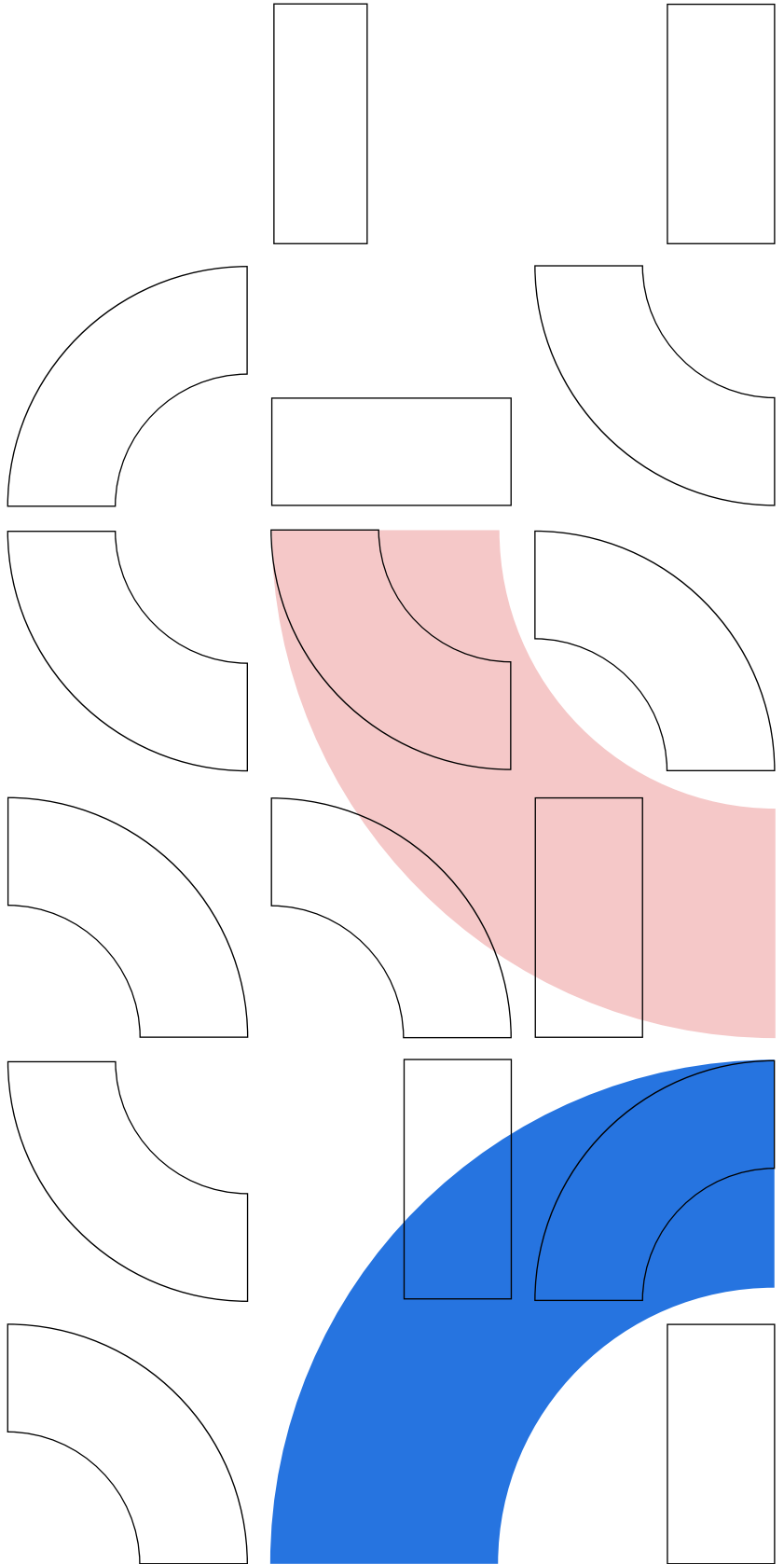
[5]. [https://www.fstech.co.uk/fst/Majority\\_Of\\_UK\\_Consumers\\_Fear\\_Contactless\\_Fraud.php](https://www.fstech.co.uk/fst/Majority_Of_UK_Consumers_Fear_Contactless_Fraud.php)

[6]. [https://www.fstech.co.uk/fst/Digital\\_Finance\\_Apps\\_Struggle\\_To\\_Win\\_Public\\_Trust.php](https://www.fstech.co.uk/fst/Digital_Finance_Apps_Struggle_To_Win_Public_Trust.php)






PPRO builds local payments infrastructure designed to help businesses gain access to new markets and new customers – because payment choice drives sales.

**For us, it's local payments.  
All day. Every day.**



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