LexisNexis® RISK SOLUTIONS

Payments Trends Every Organization Should Have on its Radar

As part of FinextraTV's 2023 PREDICT Series, Dalbir Sahota, Senior Director Product Management, shares his forecast for cross-border payments & APIs. Watch the video now.

What Is the Future of Cross-Border Payments & APIs?

The slow locomotive of change in the payments ecosystem has morphed into a high-speed bullet train as organizations modernize their payments infrastructure to meet rapidly changing customer expectations.

With global payments revenue expected to reach $3.3 trillion by 2031, it's full steam ahead for digital transformation.

That's just one of the top five payments trends that Dalbir Sahota, Senior Product Director Product Management at LexisNexis® Risk Solutions, shared in a recent interview for FinextraTV's PREDICT 2023 Series.

Here are his predictions for the other key trends and how APIs are helping to drive change.

The customer reigns supreme. With more customers than ever transacting online, ensuring a fast, frictionless and world-class customer experience adds 'stickiness to the relationship' and can help organizations rise above the competition. In other words, focusing on the customer makes smart business sense.

Payments data enhances the benefits of FRAML. In the world of acronyms, FRAML may be clumsy. But in practice, this convergence of fraud and anti-money laundering stands to deliver a sleek framework for greater efficiency and more holistic risk assessment.

Bringing greater efficiencies to fraud and AML compliance will become ever more pressing given the rising cost of compliance. In 2022, every dollar of fraud cost U.S. retail and ecommerce merchants $3.75, up from $3.26 in 2020.

End-to-end adoption of payment platforms. Organizations that take steps to integrate their systems and services can achieve faster processing, ongoing productivity gains, lower costs, and superior customer interactions.

More than 70% of organizations surveyed in a recent report by LexisNexis® Risk Solutions are not satisfied with their payment failure rate.

Payments Trends Every Organization Should Have on its Radar

Although digital transformation has led to greater adoption of end-to-end payment platforms, straight-through processing rates globally average a disappointing 26%. That exposes a stark reality – much work still needs to be done to automate payments for a truly seamless end-to-end journey.

As a result, **failed payments remain top of mind**. More than 70% of organizations surveyed in a recent report by LexisNexis® Risk Solutions are not satisfied with their payment failure rate.

Broken or failed payments represent an operational cost to the business. They also have a knock-on effect on customer retention. Nearly 50% of organizations reported losing 2% or more of their customers due to failed payments.

Stay agile and aware with safe payment verification tools

How do you continue to move the dial on digital transformation? Sahota recommends that organizations start by understanding the key trends. Incorporate that knowledge into the design of products and delivery of services. Get closer to customers so you're not just meeting their needs but delighting them along the entire journey.

Pay attention to existing and emerging risks. Authorized push payment (APP) fraud, for example, is on the rise. Leverage safe payment verification tools to prevent APP fraud so you know with confidence who the genuine end-recipient of funds is when generating the payment structure.

The future of digital transformation

APIs and cloud technology go hand-in-hand. They help organizations achieve digital transformation and seamlessly solve customer problems. APIs run in the background, speed transactions and provide a path to overcome legacy infrastructure. In essence, APIs are the great enablers of digital transformation.

As the payments landscape continues to evolve, organizations that move the dial on digital transformation will reap the benefits of lower costs, enhanced customer experience and better straight-through processing rates.

Watch the interview with Finextra TV.