

The state of instant payments in Europe and the UK: **Top 5 findings**

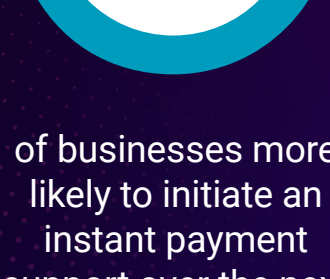
The European financial landscape is witnessing a significant shift towards instant payments, driven partly by regulatory mandate and the growing demand from businesses for faster settlement processes. As consumers increasingly demand instantaneous and personalized services, financial institutions must effectively communicate the benefits of instant payments to their customers. This necessitates investing in instant payment solutions including developing the infrastructure and services required to support future instant payment service demands.

There is additional complexity in the European payments market as many countries have domestic instant payment schemes as well as utilizing the pan-European schemes. As a result, financial institutions must look for solutions that can readily support multiple instant payment schemes running in parallel, independently, and operable in a scalable 24/7/365 environment.

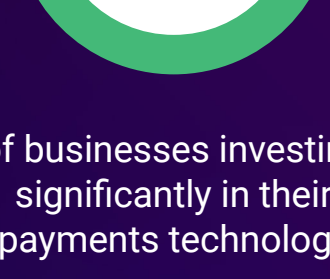
#1

Financial institutions are prioritizing investment in upgrading their aging payments infrastructure to support instant payments and keep pace with businesses and fintech disruptors.

A new survey by Datos Insights (formerly Aite Novarica Group) highlights the growing impact of instant payments services in Europe with:



of businesses more likely to initiate an instant payment support over the next 12 months



of businesses investing significantly in their payments technology

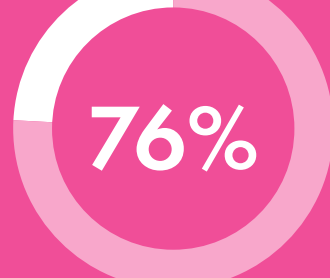


of businesses recognizing the importance of instant payments

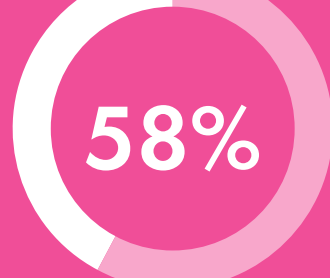
#2

Instant payments ensure **24/7/365** service availability, allowing customers to manage time-sensitive transactions with ease. From shopping online to paying gig workers, instant payments are becoming an attractive method of payment for customers and institutions globally.

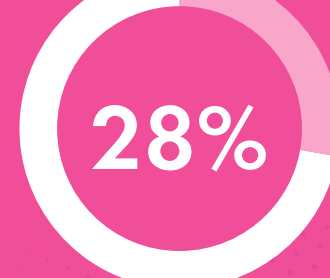
Businesses have indicated the following important reasons for using instant payments:



To provide a better customer experience



For emergency/urgent past-due payments



To improve payment cash flow

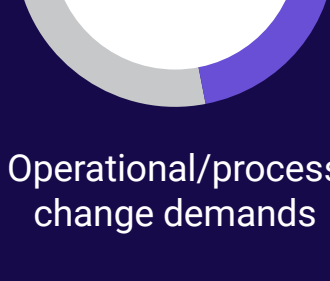
#3

Challenges in payments modernization

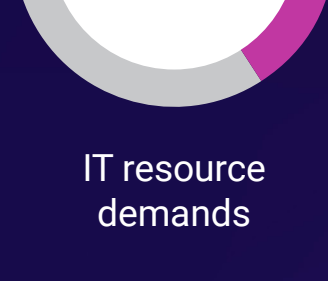
Implementing instant payments is a considerable undertaking for both businesses and financial institutions, often posing operational and technical challenges. The global implementation of instant payment rails increases the sophistication of risks around fraud and money laundering. As a result, financial institutions are under increased regulatory scrutiny and need to enhance their legacy solutions, which may not be equipped to apply the necessary controls for large volumes of instant payments.

With the deadline for **ISO 20022 compliance** fast approaching, financial institutions must adopt a balanced strategy. This involves not only adhering to the new standards but also exploring opportunities to offer value-added services to their customers and corporate clients. By doing so, financial institutions can ensure a smooth transition to instant payments while maintaining a potential advantage over agile fintechs.

Businesses reported the following hurdles in implementing payments modernization plans:



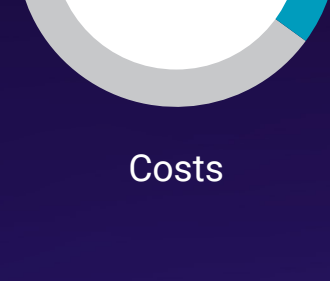
Operational/process change demands



IT resource demands

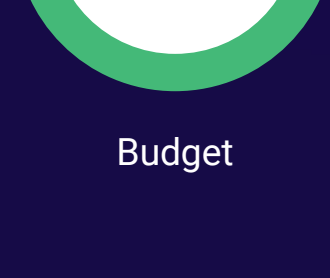


Resistance to change within business



Costs

While for financial institutions the major obstacles are:



Budget



Competing priorities



Technical challenges of integrating with legacy systems



Cost of integration

#4

The growing significance of Payments-as-a-Service solutions

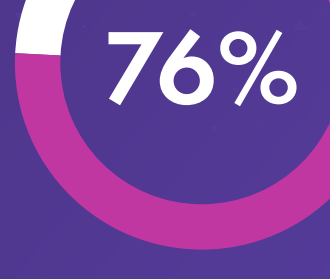
With the continuous expansion of the digital economy, the importance of efficient and secure transaction processing is becoming increasingly evident. Financial institutions are recognizing the need to adapt to this changing landscape by investing in cloud-based solutions. Furthermore, the surge in transaction volumes and the necessity for scalable, reliable services have led financial institutions to embrace Payments-as-a-Service (PaaS) solutions - and understanding of this mode of deployment is growing, with:



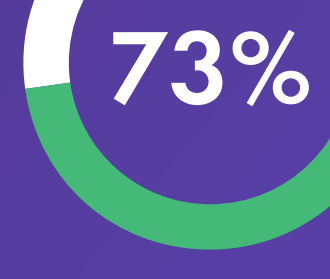
Financial institutions are recognizing the following as key benefits of using Payments-as-a-Service solutions:



Reduce the complexity of operations



Lower total cost of ownership

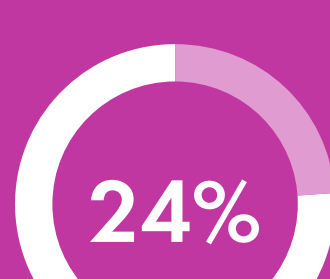


Launch new services faster

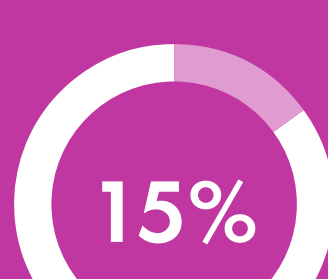
#5

Cloud-enabled payments processing: A look at key numbers

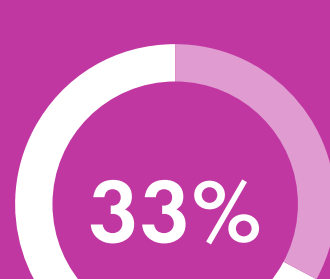
Cloud-enabled payments processing allows financial institutions to scale payment services as per business and market demands, lower total cost of ownership, minimize legacy integration hurdles, accelerate time-to-market for new services, and improve the customer onboarding experience. Recognizing the importance of these benefits in simplifying their payments modernization journey and implementing instant payments schemes, financial institutions in Europe are actively moving payments processing to the cloud with:



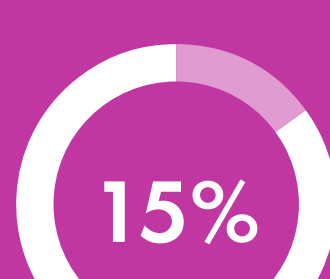
of financial institutions have already moved payments processing to the cloud



of financial institutions currently moving payments processing to the cloud

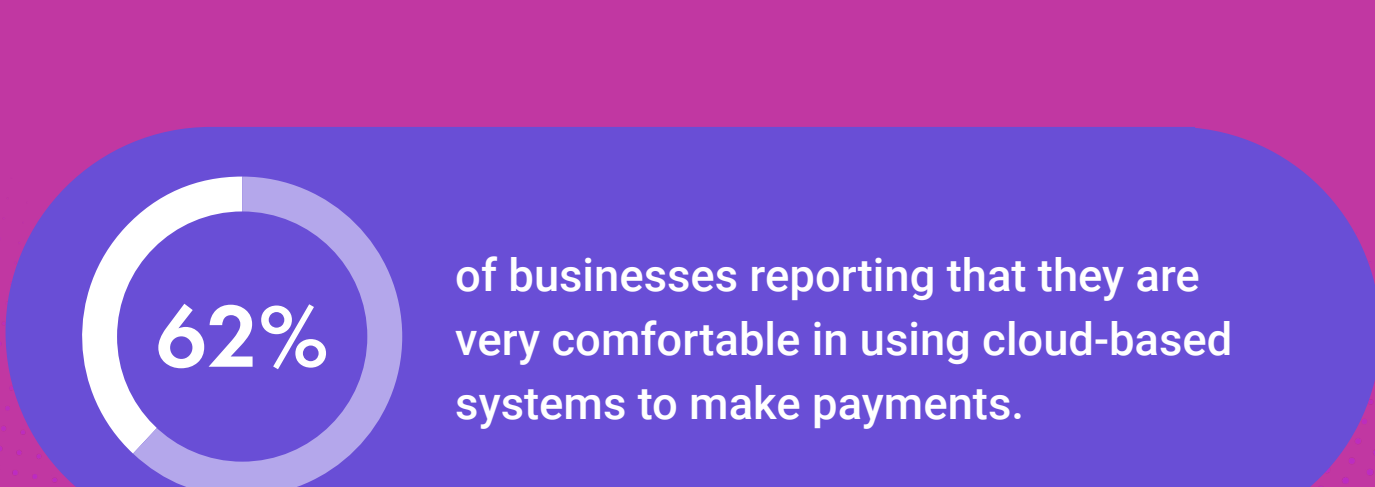


of financial institutions currently reviewing proposals to move payments processing to the cloud



of financial institutions planning to move payments processing to the cloud in the next 24 months

Businesses reported a high degree of comfort in using cloud-enabled payment solutions with:



Simplify your instant payments implementation with Finastra **Payments To Go**

In response to market demands for Payments-as-a-Service (PaaS) solutions, **Payments To Go** offers pre-packaged and pre-certified payment workflows for all payment types, including TARGET Instant Payment Settlement (TIPS). The modular design reduces the implementation time for new instant payment rails and allows financial institutions to introduce innovative, value-added services in alignment with clearing scheme changes and customer demands. As a PaaS solution, Payments To Go ensures continuous compliance with clearing scheme updates and global standards like ISO 20022.

Reducing operational complexity is key to delivering a smooth instant payments experience. **Payments To Go** equips financial institutions with end-to-end visibility, providing a standardized view encompassing all supported clearing schemes under one unified platform. In addition, the use of best practice experience maximizes STP rates and personalization of the service is through user-driven business rules as opposed to customizations.

And to support new instant payment use cases as they emerge, **Payments To Go** integrates with our API-driven open innovation platform, FusionFabric.cloud, providing access to a rich and growing marketplace of fintech solutions, from fraud management to AML and compliance scanning, payment initiation, corporate to ERP integration, and vital alternate cross-border payment methods like Visa Direct, essential for rapid progress in an interconnected economy.

Support instant payment requirements for your business with Finastra Payments To Go!

[Find out more](#)

Instant Payments in Europe and the U.K.: How to Seize the Opportunity

[Download the report](#)