

# INTRA **PAY**

In perspective: A manifesto for better payments

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# Foreword

The payments industry continues to evolve in response to demand from consumers for an experience that is personalised and seamless but also secure. Research group Forrester concluded in its Future of Payments report that “commerce experiences will revolutionise payments, making payments the invisible, invaluable part of an elegant, customer-first purchase experience.”

Consumers want secure solutions, but they also want authentication to move away from complicated processes that require them to remember lengthy passwords. In this environment, there is obvious potential for biometrics and other solutions that deliver just the right level of authentication.

Consumers also want personalised services that determine the best option for making payments, allowing them to pay for goods and services in the knowledge that each payment is being processed in the most efficient manner for them.

Risk assessment is also evolving. The vast quantities of data generated by ecommerce activity can be used to determine a consumer’s credit risk to a far higher degree of accuracy, ensuring consumers are offered products and services appropriate to their needs.

More demanding consumers will be less tolerant of unwieldy payment processes. We already know that a large percentage of online transactions are abandoned before checkout and this often translates into negative feedback for the merchant.

This is just one of the reasons why merchants need solutions that don’t leave them exposed to a single partner. Many are already benefitting from a trend towards greater collaboration across the payments industry.

Over the following pages our five payment experts explore these issues and discuss the implications for consumers, merchants and payment service providers.

Stanley  
**Skogland**

# Colm Whelan

## One-size-fits-no-one

*Although the continual evolution of the payments industry can be a challenge to merchants and processors, our Director of Client Solutions, **Colm Whelan** sees it as a source of motivation in his role.*

The payments industry moves fast, with new technologies, new payment methods, new integrations and new collaborations every month. If your technology isn't as agile as your thinking, implementing your strategy will only lead to frustration.

Today, the trend for seamless payment methods is exerting an ever-growing influence on consumers. Where people were once content to stand in line at a shop or event, they now appreciate that the payment experience can be different (and better).

A seamless experience helps generate business for the service provider, avoiding friction that leads to abandonment.

## Merchants demand options

There are still many merchants who rely on a one-stop-shop payment solution. However, mid to large tier merchants, as well as more internationally-orientated merchants who require local payment methods in multiple geographies, do not want to rely on one partner. They need local knowledge and cannot rely on one partner's approval rates; nor are they eager to have a single point of failure.

More connections are desirable, although one or two processors will mostly be the preferred route based on aspects of the merchant's business. Open source solutions that can provide connections on demand will be implemented by a large number of merchants.

## Working together

If you were to ask me for examples of successful collaboration, I would start by observing that we're seeing greater openness in co-operation and partnering across the industry compared to what we had even five years ago.

The industry is sharing knowledge to a greater extent, due in part to expert conferences, events, and professional associations. Other factors influencing this collaboration are more immediate - open and quicker integration possibilities and APIs.

The industry is becoming more demanding (driven by desire to have more and better features, products and services) and processors cannot deliver all best-in-class solutions themselves – thus, the need to collaborate increases. Merchants are increasingly sharing knowledge and best practices, while payment companies and merchants are more willing (and sometimes pushed) to cooperate.

## Perfect partner

Looking ahead, I would like to see more collaboration, sharing and openness (of data, accessibility, transparency and understanding) between schemes, issuers, acquirers, processors and merchants. Restricted access to data is an important gap that many merchants are facing, which is not benefiting anyone. This is causing more friction, unnecessary decline rates and fraud patterns which in the main can already be resolved by better and more open communication and data insights.



# Koen Vanpraet

## Creating a new payment experience

*Despite the volume of development that has already taken place, **Koen Vanpraet**, our CEO, is convinced that there is considerable scope for improving the user experience.*

What might surprise industry observers about my role is my passion for ‘client intimacy’, as I believe it is a key part of our vision and a big differentiator.

Many experts believe the payment and eCommerce landscape is already saturated, but when we sit down with clients and truly analyse their needs and requirements, there is still opportunity for improvement on many levels.

## More than speed

Instant gratification with user experiences such as social media, messaging apps or online marketplaces implies that consumers and users want everything right here and right now, regardless of what type of payment product is the underlying collateral or funding mechanism.

I believe it is far more at the interface layer - and how user friendly and instant it is – where major development will come. In addition to this, protection of data is a major issue in the market and last but not least, cost is an important factor as both consumers and merchants have an increasingly deep knowledge of cost and how/where to optimise.

## Safe and sound

I am often asked what common payment technology today will be extinct in a few years' time. My view is that we need to peel a lot of layers away and make the whole interface instant, secure and friendly, avoiding 16-digit-number input, passwords and other painful experiences.

Single click payments, biometrics and other new processes will allow faster and instant payments, providing the data is secure. According to MasterCard, new EU regulations coming into effect in 2019 will lead to a significant increase in the use of biometric technology to authenticate who is paying. As consumers, we tend to feel comfortable storing our payment details in wallets, browsers or other technologies, provided that we have confidence in their security.

As for where the biggest change in payments will come, linking payments into an ecosystem application or toolbox that will give the user secure and instant access to multiple services is the way forward. WeChat Pay, Uber, Di Di Chuxing, Go-Jek and Revolut are all good examples of landscape-changing 'multi-service' apps centred on messaging and/or payments.

## Cutting cards

This does not mean that cards will disappear - they will just be pushed towards the 'back office' of such apps, as will any other payments that fall into the background of the customer journey. In addition, P2P payment services and more closed-loop solutions will make big steps forward due to cost optimisation.



# Stephen Buechner

## Risk and compliance enables growth

*Rather than acting as a brake on innovation, risk management makes it possible to identify and successfully develop new payment solutions, explains Stephen Buechner, our Chief Risk Officer.*

Given the sheer pace of change in the payments industry, we have to think about the preferences of the next generation of users and how to use data to make better decisions - not just in terms of risk management but also regulatory compliance and how services are marketed.

## Smart development

Payment methodology has to offer everything and anything users are comfortable with. If a new product or channel is created, technology companies need to take a smart approach to making it secure and available.

Risk and Compliance has traditionally been viewed as the part of a company where the answer is always 'no'. Its new role as an enabler is to consider the future needs of customers and ensure that the company offers new functionality, channels and/or services in a way that secures both the provider and the user.

For example, we're seeing behavioural data being used to make specific products available to individuals based on how they use their mobile device. This will allow the industry to move away from risk card-based decisions.

Artificial intelligence is already being used to evaluate risk and it will become even more widely used in the future. In the wider financial services space, for example, Oliver Wyman research refers to the use of behavioural data-based models to help better judge which customers intend to repay their loans, thereby identifying potential fraud risk. It's reasonable to expect these types of AI-based judgements being increasingly applied across the board.



## Intelligent risk management

The reason payment service providers exist is because banks became too big and their IT environments too complicated to quickly offer goods and services to merchants in different currencies and markets.

Banks are happy for payment service providers to have this relationship because of the high level of risk attributed to fraud and merchant failure, and we have become very effective at managing risk for merchants.

However, it would not be a surprise if, later down the line, some fast-moving, technologically advanced banks eventually suggest that multinational companies come straight to them, cutting out the transaction commission.

## Enlightened regulation

Regulators have adopted a relatively light touch approach to eCommerce, which I would suggest has been a positive development. They have not closed the door on merchants being cross-border, instead facilitating these businesses in reaching beyond their domestic market.

It might be controversial to suggest that GDPR has been a positive regulatory change. However, a regulation that limits what firms can use consumers' private data for, is a sensible safety net.

As Gartner research director Lydia Clougherty Jones puts it, "implementing GDPR consent requirements is an opportunity for an organisation to acquire flexible rights to use and share data while maximising business value."



# Jay Payne

## Convergence requires convenience

*Jay Payne, our Head of Professional Services, is on a mission to reverse the commoditisation of payments and move the focus back towards the user experience.*

Over more than two decades in the payments industry, I have seen a growing emphasis on creating the cheapest possible service, which has led to payments being commoditised in all the major markets.

I see our role as a partner who can add the value back into payment processing through understanding the merchants data, their vertical markets and making recommendations based on these insights.

## Retain, gain

Mary Meeker's latest internet trends report notes that rising customer acquisition costs have seen brands place greater importance on customer lifetime value.

Obtaining customers costs money and failed transactions take money out of the pockets of merchants. Our focus is to ensure that the marketing spend is focused on obtaining customers and not on retention or recovery campaigns aimed at bringing back customers lost through payment failure.

Technology will drive convergence: in the middle of the last decade, mobile was the game changer and we are finding that it is rapidly becoming an enabler, linked through good applications and making a real difference to the way consumers pay.

We will see more and more convergence with technologies that will act as enablers for both merchants and consumers. Mobile phones and digital wallets have replaced the traditional purse or wallet. I expect to see identity systems and online accounts be challenged by digital IDs, which negates the need for merchants to capture personally identifiable information in their fight against fraud.

Convenience, too, is a major driver of adoption and we don't need to look too hard for examples of how this works (think of Monzo, which linked a prepaid card to a mobile device and is now growing its full bank offering). Their approach of taking a prepaid card and enabling the account management through an intuitive mobile app appealed to hundreds of thousands of consumers who enjoyed the control and transparency that the solution provides.

Convenience has always driven payment trends, from the introduction of ATMs, contactless and now cashless systems. The channels of commerce will continue to adapt and adopt new methods that add value to the main parties involved: the customer, the consumer and the merchant.

## Adding value

Previously, the valuation of any payment company was based on how many merchants – and therefore how many transactions it processed on an annual basis. Now, driving the valuation of any payment company focuses on value added services and the importance of data: who has it and what they can do with it. Organisations that can address these challenges and add real value to the consumer and the merchant will be the ones to succeed in removing the commoditisation from the industry.

Ecommerce is a set of interactions between two parties. If the merchant or seller wishes to maximise their sales, they need to understand where and why these interactions fail. For example, brands don't want to be on the wrong end of a social media interaction because they failed to understand why a consumer was unable to make a payment for goods or services. Once customers have expressed their discontent, the battle is already lost.

Greater insight into why the payment failed through the use of better data allows merchants to tackle customer discontent as PSPs can inform them with facts and guidance on how to re-engage in the interaction with a successful outcome.



# Richard Beaton

## Improving the customer experience

*The focus in the payments industry is moving towards making better use of existing systems in order to improve the user experience, says **Richard Beaton**, our Chief Product and Innovation Officer.*

Technology platforms are about more than just payment processing. They're about value added services that solve merchants' problems and enhance their understanding, enabling the delivery of a better customer experience.

This means standing out from the crowd: striving to be the best; have the best technology, and offer the best customer service. It's our ethos at Intrapay, and we're dedicated to helping our merchants and partners do the same.

## Fast, innovative, enabling

Faster boarding and implementation enables our clients to increase their speed to market. Our vision is a single API that opens up a universe of payments, freeing technology teams and helping our clients focus on improving their business in the most productive way.

We spend a lot of time designing out of the box systems to ensure they work within the appropriate regulatory framework, so that when our customers want different solutions – be it faster, extreme high-volume throughput, or multiple, richer data collection points – we can move quickly with a solution that fits. Our target is personal, intimate payments.

## Personalised payments

In my view, the future will bring increasingly individualised services as technology becomes even more pervasive. Already, the services provided to the four billion or so internet users around the planet are no longer delivered in a uniform fashion.

According to Gartner Research, by the end of this year businesses that have fully invested in all types of online personalisation will outsell companies that have not engaged in personalisation by more than 30%. As our Chief Risk Officer, Stephen Buechner argues: “Payment methodology has to offer everything and anything users are comfortable with”.

We can also foresee individuals asking for or receiving a bill that will be settled without a conscious choice of payment rail. The middleware layers will automagically agree the best form of approval, acceptance and payment.

The internet is no longer the ‘wild west’, but there is still incredibly quick technological change happening, and this is in advance of - or faster than - regulation and compliance. For example, the battles and challenges we hear about now are not the technology per se but about who owns the data and how it should be shared, so it is the effect of the technology that continues to impact and determine the customer experience.



# Conclusion

## A sector in flux

The way we pay for goods and services has transformed beyond recognition in recent years. The rise of cashless payments and eCommerce presents opportunities for merchants to grow, while new legislation poses challenges and opportunities in offering consumers a payment process that is frictionless and secure.

Collectively, the industry can overcome any obstacle. Our goal is to create the perfect payment experience for both consumers and merchants. As our experts have noted, to achieve this goal it is vital that the payments sector:

- Supports merchants in taking advantage of the quantities of data from eCommerce activity to better tailor the payment experience to individual consumers' needs.
- Shares knowledge on best practice and innovations with fellow industry members, and collaborates with partners through APIs to develop even better payment solutions.
- Improves accessibility of consumers' payment data within the confines of the law to minimise unnecessary decline rates.
- Peels away unnecessary verification layers through the development of digital IDs, eliminating friction in the payment process while optimising security.
- Works together to listen to the needs of consumers and ensure that merchants continue to offer the functionality and payment methods they want.

By taking these steps, the payments sector can ensure it is doing all it can to support merchants in providing personalised payment experiences capable of delighting consumers well into the future. That is certainly our main focus at Intrapay.

## Get in touch

**[sales@intrapay.com](mailto:sales@intrapay.com)**

**[Intrapay.com](https://intrapay.com)**





## **Stanley Skoglund, Non-Executive Director**

Stanley is an acknowledged leader in the global payments industry with over 25 years' experience and was previously Visa Europe as Senior Vice President of Payment System & Enterprise Risk at Visa Europe. Since leaving Visa in 2013, Stanley has worked as a consultant in payments; strategy and business and organisational processes.



## **Colm Whelan, Director of Client Solutions**

Colm is focused on ensuring Intrapay's product and service offering meets its customers' needs. Before Intrapay, Colm was Co-Founder and Managing Director of Perpetual Gaming Group. Colm has held senior roles within Google, Ralph Lauren, Ding.com and Full Tilt Poker, focused on commercial operations and product development. Colm's experience leading the operations of major international merchants brings further insight to Intrapay and its customers.



## **Koen Vanpraet, Chief Executive Officer**

Koen has over 25 years' experience in technology markets, focusing on delivering value to clients. He has a proven reputation in payments, excelling in senior roles with Global Collect/Ingenico and Credorax. In his role at Intrapay, Koen is responsible for developing and growing Intrapay's global business, product and business lines, and also deepening Intrapay's alliances and third-party relationships.



## **Stephen Buechner, Chief Risk Officer**

Stephen is a Risk and Compliance executive with over two decades of senior management experience.. As former CEO and CRO who has delivered enterprise change for organic growth, business expansion, regulatory obligations and P&L recovery, Stephen brings his vast experience to his role, overseeing Intrapay's risk and compliance strategy, infrastructure and processes.



## **Jay Payne, Head of Professional Services**

Jay has spent the last 22 years delivering payment services and systems covering all aspects of the value chain. After 11 years Jay headed up the delivery of international operations where he enabled the international operation to expand the processing services outside the UK/EU into LATM, Asia and MENA. More recently Jay took the opportunity to join the exciting journey underway at Intrapay.



## **Richard Beaton, Chief Product & Innovation Officer**

Richard is an expert in payment innovation with more than 25 years' experience in digital and financial services. Having founded and sold two Fintech companies, he now works on the opportunities and challenges created by the convergence of technology and data in the payment space.

# INTRAPAY

## About Intrapay

At Intrapay, we believe payments aid business development and enhance the customer experience through lasting relationships. Our legacy-free technology, customisation options and expert consultancy services maximise acquisition, retention and cashflow. We are courageous and caring, not afraid to have fun, and proud to be part of the Sappaya Payments Ecosystem. Check out LinkedIn, Twitter, or [Intrapay.com](https://www.intrapay.com) to learn more.