

Implants, AI and the No-cash Generation – Will Payments in 2030 Be a Dystopia or a Utopia?

October 21, 2021

New industry study explores the future of payments – from embedding ethics into transactions, to whether machine learning will make financial education redundant

LONDON--(BUSINESS WIRE)--Oct. 21, 2021-- Today, [Marqeta](#), the global modern card issuing platform, announced the launch of its new industry study, conducted in partnership with Consult Hyperion – [The European Payments Landscape in 2030: Implants, embedded ethics and a 'post-payments' world](#) – examining the potential issues and innovations that may emerge in the next decade of payments.

Marqeta partnered with Consult Hyperion, independent experts in payments and identity, to conduct a series of workshops with 12 industry luminaries, including: Theodora Lau, Founder of Unconventional Ventures, and Brett King, Founder of Moven, and Jonathan Williams, Technical Payments Specialist and Payment Systems Regulator. Led by acclaimed author, advisor and commentator on digital financial services, [Dave Birch](#), the workshops delved into a range of issues to gain expert opinion on where the market is heading – from the possibility of new and emerging payment methods through to ethics and regulation. It suggests that innovations in AI and biometrics could change the way we live, but the social and ethical implications may need to be carefully managed to ensure equality of opportunity for all.

The insights from the workshops were further enriched with the findings of a 2,037 consumer survey done by Propeller Insights on behalf of Marqeta, gauging public sentiment around advancing payment technologies. Some of the key findings include:

- **Tribes and implants:** By 2030, 'tribes' and influencers may play a key role in driving payment adoption – we are already seeing the start of this, with companies using social influencers to get its brand out. Many consumers already seem willing to embrace futuristic payment methods, with 51% of consumers surveyed saying they would consider using a microchip implant to pay. Could adoption of such 'extreme' technologies be further encouraged by the sway of influencers and tribes?
- **AI and embedded ethics:** Consumers' love of convenience may see spending controls handed over to AI-powered smart wallets making automated decisions on everything from selecting the cheapest way to pay, to the most ethical. By embedding ethical behaviour into transactions, the payments space can take on a unique role in incentivising both consumers and companies to be more conscious. There is already some appetite for this, with 31% of 18–24-year-old respondents saying they would be comfortable with AI making automated decisions on their behalf to choose the most ethical way to pay.
- **Ambient commerce reigns:** Payments may become increasingly invisible as we move to more "ambient" models of commerce – such as the recent emergence of till-less grocery stores. By 2030, this will evolve even further so there will be no cards or payments devices. Instead, a person's biometric data would be captured by cameras, along with the item they are purchasing and sent directly to their bank. While (32%) of surveyed consumers find the idea of ambient commerce 'creepy,' experts believe given how quickly Uber and the like have been accepted as a norm, the convenience would soon win people over.
- **The no-cash generation:** As cash disappears, there could be a generation that has never held physical money. This surfaces serious questions over how societies educate children about the value of money. This is already a concern for many consumers today, with 35% of respondents admitting they worry that the young people they know who don't use cash will struggle with learning to budget or to save without physical cash.
- **Digital responsibility:** As we continue to move away from physical payment methods, and as the number of digital products and services on offer continue to multiply, digital responsibility may be a key focus for regulators. Digital responsibility means ensuring that new digital products and services are developed with consumer wellbeing in mind and don't misuse data or encourage harmful habits, such as overspending.

"If the past two years have taught us anything, it's that no one can predict the future," said Ian Johnson, SVP, Managing Director, Europe, Marqeta. "In less than a decade's time, the payments landscape could look very different. It could be the norm to pay by waving a hand. What's clear is that in 2030 and beyond, digital payments will have an increasingly foundational role in our lives – tying into our ethics, our future education, and the smooth functioning of our economies."

Taking the thinking out of payments with AI – is there any need for financial education?

The emergence of smart, AI-driven wallets as a mainstream form of payment raised an engaging debate among experts around the future role of financial education. Could technology that removes the need to 'think', making decisions on your behalf, be preferable to having an active role in understanding and managing finances and payments?

"We need to create behavioural mechanics, behavioural economics that change people's behaviour to become financially healthy," said Brett King, Founder of Moven. "And you're better off doing that through creating tools that help them do that, rather than educating them."

However, UK consumers appear wary of handing over such control:

- A third 34% of respondents would be comfortable with making payment decisions on the most affordable method to pay for goods or services
- Only 22% of respondents would be comfortable with AI selecting the most ethical way to pay

- Just 21% of respondents would be comfortable with AI choosing which currency to pay in

Disappearing cash and the exclusion problem

Disappearing cash raises concerns for many around exclusion, with 'cash tribes' of people who find it difficult to move to digital payments, or who simply do not want to – such as the elderly, the unbanked, and digital sceptics. 75% of people surveyed aged 65+ said they have felt pressure to ditch cash due to places only taking card/contactless payments, while 83% of consumers surveyed said the decline of cash will exclude those most at-risk in society.

Product design was noted as an area of potential discrimination for such groups – in particular, the elderly. "There are all sorts of technologies that have biases against people who are older," said Jonathan Williams, Technical Payments Specialist, Payment Systems Regulator. "One example is that biometric fingerprint scanners don't tend to work as well with people who are over the age of 70 because, in some cases, their skin tends to be drier and therefore has less ridge definition. So, they don't get quite as good a read if they're trying to use fingerprints."

But is it possible that, by 2030, digital currencies could be built to be inclusive for all? Some workshop attendees believed that Central Bank Digital Currencies (CBDCs) could be an antidote to the exclusive implications that come with the decline of cash. However, education is needed if this is to become a reality. 30% of respondents said they don't like the idea of the state tracking their digital currency and 27% don't understand how CBDCs would affect them.

Regulation must stop playing catch up

Currently, the pace of innovation in payments is far outstripping that at which regulation can move. With so much scope for error – from prolific fraud to loss of money – regulators must not just catch up, but get ahead. It was noted that progress is being made. For example, the EU recently [proposed AI regulation](#) to pre-emptively tackle issues around bias and ethics – a topic that was front of mind for consumers surveyed, 91% of whom expressed concerns about AI bias creeping into financial services.

However, by 2030 the challenges and areas of concern that regulators face will likely have multiplied. For instance, the possibility of an outage caused by a sophisticated, state-backed attack, is becoming increasingly likely. Regulators must prepare for this eventuality and help build systemic resilience into the payments sector.

"When it comes to regulation, we need to not look from the point of where we are now, but from where we're going," said Helene Panzarino, Vacuumlabs, SME Expert, Community & Fintech Partnerships. "We need a new structure. At the moment, we're trying to put old clothes on the new body. We have to suspend and forget what came before to a large extent and look at where we are now in that space to create these new regulations."

Johnson argues that flexibility in payment infrastructure will be vital to delivering a vibrant future of payments: "While the future is a mystery, one thing is for certain: the most ambitious and innovative payment methods will be those that are underpinned by agility and the ability to make automatic, real-time decisions," says Marqeta's Ian Johnson. "A flexible payment ecosystem will also be key for making all this happen, creating room for more offerings to enter the space and, in turn, supporting greater inclusion and sustainable alternatives. All that remains to be said is, watch this space."

European Payments in 2030 Report

To download Marqeta's European Payments Landscape in 2030 report visit: <https://www.marqeta.com/resources/resource/the-european-payments-landscape-in-2030>

About Marqeta

Marqeta (NASDAQ: MQ) is the global modern card issuing platform empowering builders to bring the most innovative products to the world. Marqeta provides developers advanced infrastructure and tools for building highly configurable payment cards. With its open APIs, the Marqeta platform is used by leading European fintechs like Capital on Tap, Lydia and Twisto, who want to easily build tailored payment solutions to create best-in-class experiences and power new modes of money movement. Marqeta is headquartered in Oakland, California, is enabled in 36 countries globally and has offices in London, United Kingdom and Melbourne, Australia. For more information, visit www.marqeta.com, [Twitter](#) and [LinkedIn](#).

View source version on [businesswire.com](https://www.businesswire.com/news/home/20211021005122/en/): <https://www.businesswire.com/news/home/20211021005122/en/>

Robert Fretwell
Spark Communications
marqeta@sparkcomms.co.uk

Source: Marqeta