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THE FUTURE OF PAYMENTS IN MAJOR GLOBAL MARKETS: A MID-DECADE REVIEW

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An expert view from Form3

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As we reach the midpoint of this transformative decade, it is an opportune moment to reflect and, more crucially, to look ahead. The global payments ecosystem stands at a remarkable inflection point. The pace of innovation, driven by regulatory reform, technological advancement, and shifting customer expectations, is reshaping the landscape across every major market—from the UK and Europe to the United States.

This report is both a barometer of progress and a compass for the journey ahead. It captures the challenges and opportunities that lie at the intersection of policy, infrastructure, and market demand. In the UK, the National Payments Vision and the Data (Use and Access) Bill are paving the way for more streamlined, secure, and inclusive payment systems—redefining the role of data portability and fraud prevention. Across Europe, the rollout of the Instant Payments Regulation, enhancements to SEPA and TIPS, and the push for unification through schemes like OCT Inst and Verification of Payee reflect a coordinated effort to move beyond fragmentation. Meanwhile, the US is experiencing a groundswell of real-time payment adoption through FedNow and RTP, while CFPB's Section 1033 signals a growing commitment to open banking—despite an uncertain regulatory climate.

What binds these developments is a shared recognition: that payments must be instant, intelligent, and interoperable. The road to 2030 will be shaped by how well Payment Service Providers can adapt to a landscape that demands not only technical excellence, but also regulatory fluency and collaborative resilience.

This whitepaper offers critical insights and expert perspectives on what lies ahead. It calls upon all stakeholders—financial institutions, fintech innovators, regulatory bodies, and infrastructure providers—to collaboratively contribute to the evolution of a payment ecosystem that is both inclusive and innovation-driven.

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INTRODUCTION: WE'RE AT THE HALFWAY POINT OF THE DECADE, WHAT NOW?

2025 is a significant year for the global payments industry. Marking the midpoint of the decade, and witnessing pivotal trends like the rise of real-time payments, advanced fraud detection and prevention, data portability, and open finance - these interlinked developments will set the stage for innovation through to 2030 and beyond.

The payments industry is now at the tipping point of global innovation, especially with global e-commerce market revenue projected to reach over $4.3 billion in 2025 and grow by 8% (CAGR 2025-2029). Further, by 2026, 5.2 billion people, or more than 60% of the global population, are expected to use digital wallets. The value of global transactions through account-to-account (A2A) payments is also predicted to rise from $1.7 trillion in 2024 to $5.7 trillion by 2029 – an increase of 230%. This will also pave the way for real-time payments to boom, with an expected CAGR of over 35% from 2024 to 2032.

Looking at major global markets, the UK has continued to be at the forefront of the global payments revolution, quickly emerging as a hub for open banking as a result of the PSD2 directive and the UK's pioneering standard. In October 2024, the Data Use and Access Bill was introduced to the House of Lords, signalling the UK's commitment to bolstering open banking's data sharing principles. Similarly, a month later, the National Payments Vision was unveiled, charting a clear path for the entire ecosystem to leverage technologies such as AI and DLT.

The payments revolution is also taking over Europe. The Instant Payments Regulation (IPR) is rolling out instant payments by amending SEPA and adding specific provisions on instant credit transfers in euro to existing cross-border regulation: the Settlement Finality Directive (SFD) and the Payment Services Directive (PSD2). IPR also demands for Verification of Payee (VoP), confirming a recipient's account details before a payment is made and bringing down increasing numbers of fraud, particularly in the instant payments space.

Similar to other regions, the US has made significant steps toward the innovation and interoperability of real-time payments – most recently through the launch of FedNow in 2023, the Federal Reserve's real-time payment rail. Predictions show a total value of $95 billion in-app social commerce payments by 2030 in the US alone, meaning the integration of open banking is pivotal to maximising the value to be gained from e-commerce. However, the impact of the Trump administration's strains on the CFPB and how that will effect Section 1033 and open banking in the US will be seen.

This report examines the impact of these crucial advancements on the future of global payment schemes in the UK, Europe and the US, highlighting insights from experts at **Bank of America, Credit Agricole, ING, J.P. Morgan Payments, Lloyds, Santander, and Truist**.

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UNITED KINGDOM

The UK has long been a hub for payments innovation and is expected to continue leading in this space. While the UK is actively focused on regulatory frameworks that ensure a supportive environment for fintech firms, a greater emphasis will be placed on expanding on the progress open banking has made, enhancing infrastructure, and leveraging new technologies.

National Payments Vision and eradicating regulatory congestion

Providing consumers and businesses with more choice, security and efficiency has been mission critical in recent years, and the National Payments Vision (NPV) – set out by the UK Government – will create an even more competitive and innovative payment ecosystem. Offering extended settlement hours is at the crux of these developments, and with the Bank of England's buy-in to modernise its real-time gross settlement (RTGS) service, stability can be expected.

In November 2024, the UK Government published the NPV to guide future activity, streamline regulations, and address inefficiencies. Creating an environment conducive to simplifying and clarifying the regulatory landscape is the top priority. Eradicating unnecessary rules and procedures in this way will offer numerous benefits such as increased economic efficiency, reduced costs for businesses and consumers, and improved innovation. In turn, it can lead to more competitive markets, faster growth, and a better overall quality of life for those in the UK.

The newly established Payments Vision Delivery Committee (PVDC) can be expected to share updates on progress made when overseeing these efforts. Made up of HM Treasury, BoE, FCA, and PSR stakeholders, the PVDC will deliver a new approach to infrastructure upgrades that will supersede the previous New Payments Architecture (NPA) in the first half of 2025. This will be followed by the PVDC providing a Payments Forward Plan, which is a roadmap of payment system initiatives by the end of 2025.

When predicting what could be included in these proposed frameworks, it is clear that open banking will be called out as a top priority. Removing the regulatory burden will help to foster further innovation and increase consumer confidence – and with open banking, data portability will allow the industry to focus on delivering tailored products and services. With the FCA and Open Banking Limited now at the helm of progress, the industry can expect a coherent approach to both payment initiation and data-sharing services.

In conversation with Finextra, Christian Kramer, head of group payments strategy and business development, Lloyds Banking Group, describes the NPV as the "North Star for UK payments, outlining a clear ambition for our country to remain at the technological frontier." He advises that it is "crucial to adopt a unified regulatory approach, and the hard work begins now to turn it into reality."

Kramer agrees with this sentiment and highlights that the impact of the NPA is "anticipated to be wide-ranging, including clearer and more predictable regulatory frameworks, modernisation of retail payments infrastructure, and advancing open banking and A2A payments. Ensuring a level playing field, infrastructure renewal and interoperability are also key aspects of the Vision. These initiatives aim to create a more efficient, competitive, and innovative payments environment."

Data portability under open banking and the Data (Use and Access) Bill

The UK is one of the global leaders when it comes to open banking, but to fully realise the potential of open finance, industry leaders need to lock in to smart data schemes and leverage data portability. The Data (Use and Access) Bill – established in October 2024 and now in progress – also evidences the UK Government's intent on bolstering open banking's data sharing principles and delivering a smart data economy.

Strengthened data portability will empower individuals and businesses to transfer their data in a more efficient manner, between service providers. By streamlining data management processes, improving interoperability, and creating a more coherent understanding of data usage, easier data transfers are the catalyst for future efficiency. Now that entities can switch providers seamlessly, organisations will be forced to offer the most innovative, cost-effective, and tailored products – boosting competition.

Kramer says that open banking "represents a shift in how financial services are delivered, subject to strong customer protections to build trust in these alternative methods. A2A payments will further enhance consumer choice." Regulatory frameworks will continue to be updated to support such innovation, competition and transparency. This will allow new players to pave the way into the sector, and legacy organisations to explore new technologies.

Chris Jameson, head of product management for global payments solutions EMEA, Bank of America, agreed that the UK is "the cradle of open banking, where it really began, and definitely took the lead with open banking infrastructure."

Jameson advises the industry that if open banking is to evolve to open finance "to include insurance, mortgages, investments, credit, pensions, [then] it's still a work in progress." He goes on to say that "thankfully, we're seeing quite a lot of progress from the Government through the announcement of the NPV. That aims to drive the required progress to develop more seamless A2A payments, as well as more choice for consumers and merchants to help push towards the open finance end of the spectrum, away from the pure open banking side of things."

He supports the initiative included in the NPV where Open Banking Limited will have a sole focus in driving this forward, as well as unlocking Variable Recurring Payments (VRPs). As secure, authenticated payment methods, VRPs as part of open banking, will facilitate more transparent data portability for recurring payment setups and management.

Jameson explores a future use case: "thinking about how we do direct debits today, we should use open banking rails to facilitate VRPs to give consumers and any other player, whether it's an SME or a corporate, better control over the outbound payments where a direct debit was the prior technique to do so. The UK has historically done a great job in this space, but could quickly get overtaken in the absence of progress. The NPV will be the foundation for that progress in the coming years."

APP fraud reimbursement and digital identity

As services become more consumer-friendly, the number of digital payments are likely to increase, simply because this is the more efficient method of payment. As a result, robust identity verification mechanisms will need to be implemented to manage the expected exponential growth. In fact, the Data (Use and Access) Bill will create a legal framework for digital verification services that can be followed, so that organisations can innovate while remaining secure.

In addition to this, with strong industry advocates for Strong Customer Authentication (SCA) in the UK, this initiative will support the reduction of fraud and secure online and contactless offline payments. This will be achieved by removing prescriptive requirements for SCA and incorporating them into FCA rules. While the UK is committed to working with technology organisations to reduce fraud, looking to the future, while fraud is often initiated on nonbank platforms, by law, the sector must acknowledge that banks are the entities that are ultimately responsible for losses.

Kramer highlights that regulation in the UK does influence payments innovation, competition and consumer protection. He shares that there is a "need for cohesive oversight, encouraging modernisation of infrastructure, and fostering sustainable competition and reinvestment in payments. Financial institutions are navigating several crucial regulatory developments including the FCA's on higher standards of consumer protection through Consumer Duty, ISO 20022 adoption, and expanding open banking.

"Tackling fraud and enhancing security measures are top priorities, with new obligations for firms to enhance security measures. By advocating for greater industry involvement in decision making, aligning with regulatory priorities and investing in infrastructure, the UK payments sector can continue to innovate and thrive."

Mandatory APP fraud reimbursement will improve consumer protection and reduce the financial impact of scams, but financial institutions will need to prioritise strengthening measures for long-term impact. One of these methods, as Jameson explores, could be the UK Confirmation of Payee (CoP) service that all payment service providers were mandated to offer by October 2024.

By checking the name of the account holder against the name entered when making a payment, misdirected payments through human error can be avoided.

Jameson adds that "using that richness of data that's available in the schemes to develop tools prevents fraud. In the UK, 99% of all faster payments and CHAPS transactions are now safeguarded by CoP and 2.5 billion CoP checks have been completed. It's material use of data in a real world environment. We've also got the EU's Verification of Payee (VoP) going live later this year, which will work to achieve the same benefits for the market participants across the EU," Jameson says.

It is likely that this shift of responsibility for APP scams – as of October 2024 – will drive banks to improve their fraud detection and prevention systems to minimise reimbursement costs. From 2025 to 2030, the industry can expect financial institutions to invest in technology to improve transaction monitoring, enhance staff training and adjust internal processes to accommodate these changes.

However, banks may be tempted to implement stricter security measures, such as delays in payment processing, to reduce fraud risk. This could have a substantial impact – especially as more technologically-savvy banks are working towards instant payments. Therefore, greater collaboration between financial institutions to share information and best practices will be required. While this will ensure more effective fraud detection and prevention strategies, fraudsters are also savvy enough to adapt to new regulations and security measures. Banks will need to stay ahead of the curve and evolve continuously.

2030 UK payments innovation wish list

Kramer explains that by 2030 in the UK, customers should be able to "safely and knowledgeably participate in new forms of assets or currencies." He continues to say that an "open banking commercial model is essential to foster innovation, making it a viable and marketable product, encouraging uptake and competition, and providing better options for customers."

Another dimension to this is sustainability, a key area for payments innovation. Kramer reiterates that while "cash and cheques remain important, enabling more people to use digital payments can help to support the UK's net zero commitments by 2030. Research indicates that switching from cash to contactless payments significantly reduces CO2 emissions.

"By optimising digital payment processes, the industry can fully unlock the environmental benefits of digital transactions, leading to lower CO2 emissions and a more sustainable financial ecosystem."

Here is what UK banks are including in their payments innovation wish lists for 2030:

1. A unified, streamlined regulatory framework: Further eliminate redundant regulations to foster innovation, ensure regulatory clarity for fintechs and legacy firms alike and prioritise coherence and simplicity in oversight via the NPV.

2. Expansion and maturity of open banking and open finance: Establish a commercial model for open banking to drive uptake and competition, broaden scope to open finance (mortgages, pensions, investments, etc.), and enable data portability through smart data schemes and the Data (Use and Access) Bill.

3. Advanced, secure payment infrastructure: Roll out the modernised RTGS system, support A2A payments and VRPs, and deliver according to the Payments Forward Plan to guide infrastructure evolution through 2025 and beyond.

4. Comprehensive fraud prevention and consumer protection: Enforce mandatory APP fraud reimbursement and enhance CoP systems, promote SCA with flexibility, and strengthen digital identity verification under the Data Bill.

5. Sustainable and inclusive digital payments: Support the UK’s net-zero goals by incentivising contactless and digital payments, maintain access to cash while encouraging digital adoption, and ensure inclusivity and education for consumers to navigate new financial technologies confidently.

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EUROPEAN UNION

The future of payments in Europe can expect a continued rapid shift towards digital and instant solutions as well as a need for seamless, secure and inclusive experiences for both consumers and businesses. Alongside the rise of digital wallets, instant payments and the potential digital Euro, the One-Leg Out Instant Credit Transfer (OCT Inst) could transform the European payments space by enabling processing of international multi-currency transactions within SEPA and beyond.

Instant Payments Regulation amendments to SEPA, TARGET, including T2 and TIPS

Best described by Piero Cipollone, member of the executive board of the ECB, SEPA has historically fallen short in regards to digital payments. “There is no SEPA at the point of interaction, namely for in-store, mobile, or e-commerce payments. Person-to-person (P2P) solutions also remain fragmented.

“Most European retail payment solutions are focused on national markets, covering only some use cases and lacking pan-European reach. Because of this fragmentation, cross-border transactions within the Eurozone have become dependent on a very small number of non-European market players.”

Looking beyond 2025 to 2030, the European payments sector is likely to evolve substantially because of the Instant Payment Regulation (IPR), that was adopted by the European Parliament and Council in March 2024. The regulation will make sure there is an accelerated roll-out of instant payments across Europe by amending the SEPA framework. This includes its associated systems TARGET (T2) and TIPS (TARGET Instant Payment Settlement.)

IPR has already amended SEPA to ensure that instant payments in euros are available to all PSPs at the same cost as regular SEPA credit transfers. Further, the implementation of the SCT Instant scheme enables real-time payments across the area. One of the key mandates is that instant payments must be credited to the beneficiary’s account within five seconds, and this applies end-to-end — sender PSP to receiver PSP, meeting increasingly demanding customer expectations.

TIPS allows central bank money to be settled in real-time, and operates in parallel with T2, the RTGS system for the euro. These systems integrated with the IPR will allow – now and in the future - quicker fund transfers, an enhanced customer experience, and greater strategic autonomy. The IPR now mandates that instant payments in euro are readily available and affordable, ensuring real-time settlement through TIPS and SCT Inst, through the T2 infrastructure.

Speaking to María Ávila Silván, chief revenue officer, PagoNxt, a Santander company, she agrees that the European payments landscape is "undergoing such a remarkable transformation, with instant payments leading the evolution. The IPR has established a robust framework that mandates PSPs to provide real-time payment capabilities, operating 24/7/365 with no amount limits. This will catalyse innovation across the payments ecosystem."

Silvan refers to the removal of the 100kEUR transaction limit.

Referencing Spanish payment service Bizum - that allows users to send and receive money, make online purchases, and split expenses using their mobile devices - Ávila Silván mentions that these solutions can expand "to point of interaction (POI) capabilities.

"These innovations collectively support Europe's digital sovereignty agenda, which aims to reduce dependence on non-European payment infrastructures whilst simultaneously enhancing the efficiency, security, and accessibility of payments across the region."

On the point of digital sovereignty, Jose Luis Calderón, CEO, PagoNxt Payments, states that financial players must prioritise unifying payments – to minimise dependence and enhance cross-border efficiency. With unification of payments, transactions across the continent would be streamlined, and friction that has impeded seamless financial flows would be minimised. This would also drive economic growth by catalysing trade and ecommerce.

Calderón comments: "Digital sovereignty represents another significant opportunity to reduce reliance on non-European giants. Doing so allows Europe to assert greater control over its financial data and payment networks. Additionally, regulatory harmony across the region enhances transparency and strengthens consumer protection, building trust in the financial system. Through establishing consistent standards and practices, unified payments foster a more inclusive financial environment that benefits all participants in the European economy."

Diving deeper into the subject, Calderón adds: "While each of these benefits are compelling, there are substantial challenges we must overcome. Fragmentation in the customer-to-PSP space remains a persistent obstacle, with diverse interfaces, protocols and user experiences creating complexity across different markets. Perhaps one of the biggest technical challenges is modernising Europe's systems to handle the stringent service level agreements established by instant payment requirements. This transformation demands significant investment in cloud-based processing platforms that can consolidate instant payments, credit transfers, direct debits, and international transactions into a single, high-performance system."

Unification, fragmentation, and Verification of Payee

While Europe is making significant strides towards unification, progress will be catalysed by regulations such as PSD3 and the PSR coming in to force in 2026. Industry leaders can expect reduced fragmentation across the European payments market because of a more consistent regulatory approach across the continent.

Annelinda Koldewe, global head of payments and cash management, ING, similarly showcases Wero, a European alternative to cards in online payments: "Utilising instant settlement rails, Wero has begun with peer-to-peer payments in Belgium, France, and Germany. Later this year, ecommerce payments will also be possible in these markets, with the Dutch market expected to start migrating to Wero in 2026."

She adds: "Merchants and corporates accepting consumer payments are showing keen interest in Wero as an alternative to traditional international card schemes. Its success will hinge on acceptance by merchants."

Koldewe goes on to say that looking ahead, "it will be interesting to see if potential deregulation in Europe will drive further innovation, future proofing the European payments landscape and perhaps even lead to pan-European convergence in the next quarter-century."

However, the ING spokesperson makes clear that "with the rise of instant payments comes an increased risk of fraud." Verification of Payee (VoP) as stated in IPR can mitigate that. The Credit Agricole spokesperson agrees that the IPR "promotes the widespread adoption of instant payments, but also includes VoP which raises several operational and financial issues." These issues include managing bulk payments, ensuring interoperability with other systems, and adhering to tight deadlines for real-time verification. Costs, of course, continue to be a concern particularly where in-house implementations are considered.

One-Leg Out Instant Credit Transfer (OCT Inst)

The OCT Inst scheme is poised to play a significant role in the future of international payments by facilitating faster, more transparent, and cost-effective cross-border transactions across the EU and beyond. The payments industry of the future can expect payments to be executed within seconds, shifting the speed advantage away from traditional cross-border transaction providers.

In Koldewe's view, SEPA Instant will become the new normal in Europe and instant 24/7 processing of international payments is "inevitable." She adds that OCT Inst will open up European instant payments to the rest of the world, but only when there is substantial adoption from corporates, will the scheme's contribution be truly appreciated.

"OCT Inst can be the way forward to offer corporates an international payments experience from or to Europe that is faster, cost-efficient, and supports forecasting of the arrival financial transactions and therefore cash flows. There are use cases in the logistic sector, and of course, for remittances. There is a clear benefit for all industry participants to know that one-leg-out SEPA payments are exclusively processed via the OCT Instant Scheme as the only standard enabling PSPs to improve their service offering in international payments fully compliant with international compliance rules."

With clearer visibility to the costs and the parties involved in the transaction, this scheme will allow for better payment status tracking. In addition to this, as this scheme is also built on the existing SEPA infrastructure; less development and investment is required by PSPs to implement it. Looking to the future, the industry can benefit from regular updates to the OCT Inst rulebook, as it is adapted to meet evolving market needs and regulatory requirements.

The Credit Agricole spokesperson agrees with this sentiment and states that OCT Inst "integrates seamlessly with existing payment infrastructures without requiring significant investment, leveraging established fraud detection and liquidity management systems. However banks will need to adapt to 24/7 currency exchange services, transparent liquidity management, and regulatory compliance. At the end we believe that OCT Inst will foster a faster, more efficient, and globally integrated payment ecosystem, enhancing Europe's financial competitiveness."

OCT Inst is also, at its core, interoperable with other instant payment schemes. Therefore, OCT Inst is able to significantly improve the speed, cost, and transparency of international remittances. The future of OCT Inst lies in its ability to revolutionise international payments by providing solutions for both businesses and individuals. Alejandro Torío, regional product manager for Euro payments, PagoNxt, summarises what the future benefits of OCT Inst will be:

1. "dramatically enhances cross-border payment efficiency by reducing processing times to seconds through continuous 24/7/365 operation. This represents a step-change in international payment capabilities, aligning international transactions with domestic instant payment experiences.
2. OCT Inst introduces greater transparency and traceability to international payments. It gives the possibility to offer more up-front transparency on costs and on the parties involved and a better payment status traceability (e.g., via Unique End-to-End Transaction Reference (UETR). This aligns perfectly with the Financial Stability Board and G20's objectives for improving cross-border payments, addressing longstanding pain points in international transactions.
3. As OCT Inst utilises the established SEPA Instant Payment Rail, payment service providers can process international instant credit transfers through familiar procedures and standards. In turn, this significantly reduces implementation complexity and accelerates adoption. While more PSPs must embrace the OCT rulebook, the framework has proven that it creates a solid foundation for expanding instant international payments between the SEPA area and other geographies," Torío says.

2030 Europe payments innovation wish list

Koldewe looks ahead to 2030 and mentions that "several major technological advancements have the potential to transform the payments landscape. While these developments are not unique to Europe, they may carry a distinct European flavour. Key questions we will be able to answer include: will programmable payments, whether on-chain or in fiat currency, become a reality?

"Programmable payments may evolve from niche use cases to wider adoption. Digital identity, regulated through eIDAS in Europe, will play a crucial role as an enabler. By 2030, we may see seamless interoperability between stablecoins and fiat money, enhancing transaction efficiency in paying for digital assets. Will we see adoption of AI in core treasury processes? As managing liquidity remains at the forefront of treasurers' daily activities, the question is if we will see AI becoming reliable enough to decide on liquidity allocation and cash concentration."

She adds that reflecting "on the first 25 years of this century, it is clear that the benefits for end users and businesses will drive adoption first, with technological capabilities being the enabler of new possibilities."

Here is what European banks are including in their payments innovation wish lists for 2030:

1. Full rollout and adoption of instant payments: Ensure SEPA Instant becomes the new normal, with universal 24/7/365 real-time Euro payments mandated by the IPR, and implement seamless integration with TIPS and T2 to enhance speed, reliability, and accessibility.

2. Cross-border instant payments via OCT Inst: Expand adoption of OCT Inst to enable fast, low-cost international payments that are transparent and trackable, and leverage existing SEPA infrastructure to minimise implementation costs and complexity while meeting global compliance standards.

3 Unification of fragmented payment systems: Support pan-European unification of payment systems to reduce reliance on non-European providers and enhance digital sovereignty, and accelerate implementation of PSD3/PSR to encourage option of unified solutions like Wero for both PSP and e-commerce use.

4 Enhanced fraud protection and identity verification: Deploy VoP across systems to combat rising fraud risk in instant payments and integrate eIDAS-based digital identity frameworks to simplify cross-border verification and increase trust and compliance.

5 Future-proofing with emerging technologies: Explore the use of programmable payments, AI in treasury, and interoperability between stablecoins and fiat, and invest in cloud-based infrastructure to support unified, real-time, multi-channel payment processing and liquidity management.

05
UNITED STATES

The US real-time payments sector has long been more market-led when it comes to payments evolution and innovation. It is evident that the future of the industry will be increasingly digital, instant, and embedded, especially with The Federal Reserve's FedNow Service expanding access to real-time funds availability. Payments are becoming seamlessly integrated, whether it's into non-financial platforms and apps, or through mobile wallets and Buy Now, Pay Later options. Open banking is primed to facilitate this integration, but it remains to be seen whether progress in the US will continue to be market-led, rather than mandated by regulation.

Real-time payments: The Clearing House's FedNow and the Federal Reserve's RTP

The future of real-time payments in the US will be characterised by growth, innovation, and a shift towards instant transactions. The Clearing House's Real-Time Payment (RTP) rails have existed since 2017, and the Federal Reserve launched its real-time payment rail FedNow in 2023. While larger banks have adopted these rails, there has been limited uptake by smaller institutions because of the technical and financial requirements.

However, FedNow was specifically introduced to bridge this gap. The Banker's Association for Financing and Trade (BAFT) writes: "The introduction of FedNow challenges RTP to do more – perhaps lowering costs or expanding services to remain competitive. In sheer numbers, FedNow is leading." As of April 2025, 1,300 financial institutions across the US have adopted FedNow, compared with 840 on RTP.

Real-time payments, including FedNow and RTP, are expected to experience significant growth in the coming years, and it could be argued that the US payments landscape in 2030 could potentially look very different to that of 2025. Despite slower adoption of real-time rails, rapid technological advancement is likely to spearhead development within smaller banks and credit unions threefold.

BAFT research reveals that while "two-thirds of banks aren't signed up to RTP or FedNow, the demand is there: 63% of US corporate bankers experience significant or overwhelming demand for instant payments from their corporate customers." The pressure to innovate is mounting and there is a substantial cross-section of financial institutions that are currently not offering real-time services, but with the right tools, is definitely possible.

Lori Schwartz, global head of treasury services, J.P. Morgan Payments, is positive about the progress of real-time payments in the US. "We see many compelling opportunities for innovation in the US market, specifically with the increasing growth of instant payments as transaction limits are increased and use-cases are expanded, the potential of AI and machine learning (ML) to help prevent fraud, and a growing need for seamless cross-border transactions with enhanced customer and platform experiences. All of these are possible by focusing on a robust regulatory framework, modernising payments infrastructure, and balancing innovation with consumer protection and privacy concerns."

By 2028, real-time payments are expected to make up over 27% of all payments globally, according to BAFT. The report continues: "With this capability, international trade finance will be unrecognisable, dramatically reducing transaction times and increasing liquidity for businesses. The journey will continue as these two systems learn to paradoxically coexist, compete, and ultimately work together to improve real-time payments for everyone."

With a focus on B2B payments, both FedNow and RTP are expected to expand their reach and usage, particularly in areas such as real estate and corporate disbursements. Further, with RTP raising its transaction limit to $10 million and FedNow increasing to $1 million starting this July, high-value B2B transactions that historically relied on wires or ACH, no longer need to. Request to Pay (R2P) will also add another dimension by allowing businesses to send and receive payment requests in real-time, offering greater control over cash flow.

Schwartz highlights the importance of enhancing customer experience with immediate access to funds, and equally, improving working capital optimisation and cash flow management for businesses and their treasurers.

She adds that there is also the potential of "faster money movement in securities services for money market funds, dividend payouts, and supporting corporate actions. The US is still a heavy card market, which is different than the market structure in geographies throughout APAC and LATAM, where card penetration has been lower and therefore digital money movement has seen exponential growth. However, there is still a huge potential to grow as we think about increases in me-to-me payments and B2C/B2B use cases in areas such as bill payments, invoicing, brokerage, fintechs, and broad e-commerce."

After the ISO 20022 deadline has passed, the payments sector has no excuse but to enhance interoperability and allow for more seamless international transactions. Alongside this, FedNow's open architecture will enable APIs to be developed and new payments applications to be created. In summary, the long-term goal is to make instant payment capabilities universally available to all customers.

Rich Clow, managing director, head of innovation and strategy, global payment solutions, Bank of America, brings up the impact of ISO 20022 and explains that in his view, there are three key levers to what the industry is experiencing right now:

"The first is channel diversity, where we're seeing more and more clients want to embed payments into their experiences, and major banks and partners then need to offer APIs. The second is enhanced data, so understanding more about who the recipient is, or including more information in the actual payment instructions with ISO messaging, will speed up settlement and reconciliation. Last but not least, there has been a big push in the speed of settlement for around 80 markets around the world with real-time payment networks domestically, and there are definitely opportunities to speed up cross-border payments between them."

Chris Ward, head of enterprise payments, Truist, adds: "Opportunities are driven by people wanting speed, simplicity and safety driving adoption of faster payment schemes that provide real-time confirmation of transaction execution. As speed and simplicity continue to transform payments, sometimes these are in conflict - you may need friction to prevent fraud. Conversely, challenges exist from the varying regulatory landscapes across different payment rails, which can lead to confusion about the most efficient way to make a payment."

CFPB's Section 1033

It can be argued that the US has fallen behind the UK and the EU in the introduction and adoption of open banking. Despite this, predictions show a total value of $95 billion in-app social commerce payments by 2030 in the US alone, meaning the integration of open banking is pivotal to maximising the value to be gained from e-commerce. Schwartz elucidates that a reason for the relatively slower adoption in the US could be a combination of regulatory, technological, and cultural factors.

She adds that while "there are concerns around sharing sensitive financial data due to privacy and security risks," what also needs to happen is a "collaborative effort between regulators, financial institutions, and fintechs to create a clear regulatory framework." Partnerships should be encouraged, consumer experiences invested in and protected, and the culture of innovation, fostered. Although, in Clow's view, the "US model started early and we have a set of very compelling proprietary solutions to cover the majority of fintechs and innovative companies that want access to data."

Referencing the Financial Data Exchange, or FDX, Clow believes that this industry standard-setting body for open banking, has paved the way for secure, open finance data sharing in the US. "For the first time, everyone came together and defined the API for the information that was required, and agreed that screen scraping should not utilised." Since then, in October 2024, the CFPB has released its final version of the new Dodd-Frank Section 1033 rule, requiring banks and other financial data providers to allow consumers to access and share their financial data through safe, secure, and reliable developer interfaces.

Designed to accelerate the shift to open banking, it remains to be seen what effects the Trump administration's pressures on the existence of the CFPB will have on the realisation or restructure of Section 1033 – and its overall impact on open banking in the region. Clow goes on to explain that in the same way that India and Brazil have laid down a new set of standards that not only define how digital payments need to work, but also the role of the bank and other participants in the ecosystem, the US must prepare for participation in an immediate, cross-border payment environment.

"In the US, we're in a very interesting time. The new Administration is looking to create a more pro-business regulatory environment as well as define the framework to allow responsible innovation for USD stablecoins for banks, fintechs and corporates. The key to success will be balancing the desire for speed of implementation with the need for safety and soundness."

2030 US payments innovation wish list

Ward wishes he could see the "reality of instant, fully transparent, cross-border payments become commonplace for all bank account holders. This would eliminate current delays and deliver greater certainty for all global commerce - services, goods, travel, everything."

Here is what US banks are including in their payments innovation wish lists for 2030:

1. Ubiquitous real-time payments access: Ensure real-time payments (RTP and FedNow) are universally available across all banks, including smaller institutions, enabling instant, 24/7 fund transfers for both consumers and businesses.

2. Fully transparent, instant cross-border payments: Enable seamless, real-time international transactions with full transparency, reducing delays and enhancing trust and efficiency in global commerce.

3. Robust open banking ecosystem: Build a secure, regulated open banking framework with standardised APIs and clear data-sharing rules to unlock innovation, support fintech collaboration, and empower consumers with control over their financial data.

4. Embedded and seamless payment experiences: Integrate payments directly into apps, platforms, and services, enhancing user experience through embedded finance, mobile wallets, and Request to Pay (R2P) tools.

5. Smarter, safer payments infrastructure: Modernise infrastructure to harness AI and machine learning for fraud prevention, improve data-rich transactions via ISO 20022, and support high-value payments across sectors like real estate, treasury, and securities.

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CONCLUSION

As we reach the midpoint of the decade, the vision for a faster, smarter, and more inclusive payments ecosystem is taking shape across global financial systems. Across jurisdictions, a shared commitment is evident: to ensure instant, 24/7 payments are universally accessible, both domestically and cross-border, with transparency, security, and resilience at their core. The rollout of real-time infrastructures like RTP, FedNow, SEPA Instant, and TIPS is accelerating, moving toward making real-time payments the default standard, not the exception.

Simultaneously, the evolution of cross-border payment capabilities - through systems like OCT Inst and ISO 20022 - promises faster, cheaper, and more reliable international transactions, vital for global commerce and economic inclusivity. The convergence of these systems with emerging digital identity frameworks and enhanced fraud prevention measures marks a critical step in building trust and safeguarding users.

The payments landscape is also being reshaped by a shift toward embedded finance and seamless user experiences. From mobile wallets to Request to Pay and A2A solutions, payments are increasingly becoming frictionless, integrating components of daily life. In tandem, the maturation of open banking and its expansion into open finance, underpinned by robust regulatory clarity and standardised APIs, is empowering consumers and fostering competitive innovation among fintechs and incumbents alike.

To future-proof this transformation, payment infrastructures are being modernised with AI, programmable technologies, and cloud-based systems capable of supporting high-value, data-rich transactions across sectors. Efforts are also being made to unify fragmented systems to enhance sovereignty and reduce reliance on non-domestic providers.

While notable progress has been made, sustained focus and coordinated action across public and private sectors are essential to realise the full potential of a resilient, real-time, interoperable global payments ecosystem by the end of the decade.

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Form3 is the account-to-account platform. Founded in 2016, Form3 set out to revolutionise the world of payment processing and disrupt the traditional payment infrastructure model, with an always on, cloud-native, Payments-as-a-Service platform.

Today, Form3 is trusted by some of the UK's and Europe's biggest Tier1 banks and fastest-growing fintechs to handle their critical payments architecture.

Form3 recently won the Best Technology Integration Award, in partnership with Nationwide, at the Card and Payments Awards 2025, the Celent Model Bank 2025 Award for Payments Transformation and Paytech Company of the Year at the Fintech Awards London 2025. The company has been included in the 2025 Lazard T100 Index and was listed in the 2024 Top 100 Scale-ups in Europe. The company has also been awarded PayTech of the Year, Team of the Year for Form3's Engineering Team at the UK Fintech Awards 2024, Team of the Year at the Paytech Awards 2024, and Engineering Team of the Year at the Europe Fintech Awards 2024.

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