# Mastercard outlines future trends in the payments industry



The payments industry is currently experiencing a significant transformation, driven by technological advancements such as tap-to-pay systems, blockchain integration, and generative artificial intelligence (AI). Mastercard has outlined these shifts in a recent report, emphasising ten global trends expected to shape the payments landscape by 2025.

The report indicates that by 2030, Mastercard envisions a payment environment where electronic transactions can proceed without the need for card numbers or passwords. This ambitious aim will be achieved by harnessing innovations including tokenisation, biometric verification, and digital wallets like Click to Pay. Mastercard explained that this technological evolution is intended to make transactions simpler, safer, and more efficient for consumers and businesses.

A crucial focus of the report is the role of AI in combatting fraud. The ascent of cybercriminals employing generative AI to create convincing phishing scams and fraudulent content has prompted Mastercard to develop protective solutions. “With our Decision Intelligence Pro solution, we can analyse one trillion data points in just 50 milliseconds,” the company stated, noting that this ability enhances fraud protection by 300 per cent, showcasing AI's dual role as both a risk and a defence mechanism.

Small businesses have emerged as pivotal players in this digital evolution. Mastercard reports that those that opted for digital tools during the pandemic not only managed to survive but also experienced growth. They now enjoy access to various solutions that automate administrative tasks, personalise marketing initiatives, and support strategic decisions influenced by data insights. “Specialised platforms allow small businesses to increase productivity and strengthen customer loyalty,” the company added.

In the context of the digital economy, the importance of digital identity and security continues to rise. Mastercard predicts that traditional passwords are likely to be largely replaced by biometric passkeys by 2025. “Digital identity is emerging as a cornerstone of the digital economy, enhancing both security and convenience,” they stated. This evolution is particularly critical in sectors such as healthcare and public services, where privacy and accessibility are paramount.

The rise of digital wallets is also notable, with unprecedented adoption rates, especially in emerging markets. Mastercard's Pay Local service in Asia exemplifies these advancements, allowing users to link their credit and debit cards to local wallets for seamless transactions without the need to pre-load balances. “In the future, digital wallets will evolve into integrated platforms combining payments, identity, rewards, and healthcare services,” Mastercard declared.

Contactless payments are rapidly altering the in-store checkout experience, with “over two-thirds of in-store transactions in Mastercard’s network now being contactless.” Technologies like Tap on Phone are facilitating this change by allowing any device to function as a payment terminal, thereby expediting checkout and reducing customer wait times.

In the business-to-business (B2B) realm, the report highlights that digital payments are becoming increasingly streamlined. “Virtual cards now enable automated reconciliation, real-time expense tracking, and fraud prevention,” Mastercard indicated. As a result, the projected value of integrated financial solutions for small businesses is anticipated to surpass $124 billion by 2025.

Additionally, real-time payment systems are revolutionising transaction processes worldwide. Present in over 100 countries, these systems simplify transactions through features like interoperability and data-rich exchanges. “By 2028, real-time payments are expected to account for 27 per cent of global digital transactions,” Mastercard reported, emphasising the demand for improved cross-border payment solutions to bolster efficiency and security.

Collaboration across sectors is deemed essential for advancing these developments. “The rapid evolution of technology demands partnerships between financial institutions, businesses, governments, and fintechs,” Mastercard stated. The input from fintech companies is particularly vital for enhancing access to financial services, building trust, and driving innovation across the digital landscape.

The integration of blockchain technology is progressing from theoretical discussions to practical applications. Mastercard projects that blockchain will enhance speed, security, and efficiency within B2B and trade payments by 2025, with strategic partnerships key to realising blockchain's full potential in delivering secure, scalable payment solutions.

Tokenisation is also identified as a game-changer in payment security, as it substitutes sensitive data with encrypted tokens, ensuring the safety of personal and financial information during transactions. Mastercard aims to eliminate manual card data entry entirely by 2030 and has plans for in-car payments and expanding token applications in areas such as asset management via blockchain.

In summary, the report concludes that “payments are no longer just transactions; they are a gateway to a more connected and efficient digital economy,” capturing the essence of how the landscape is evolving through technological advancements. Meanwhile, another report highlights the broader role of technology in business, particularly automation, data-driven decision-making, and AI integration.

Businesses are increasingly leaning on technology for improved communication, streamlined processes, and enhanced customer experiences. Tools like Slack and Microsoft Teams facilitate borderless collaboration, while automation frees human resources for more strategic roles. Data analytics and AI assist businesses in understanding customer preferences, leading to better service and targeted marketing.

Key sectors such as retail, financial services, and entertainment are notably benefiting from technological innovation, including the rise of e-commerce platforms that enable even small ventures to compete on a global scale. However, challenges persist, including cybersecurity risks, high initial investment costs for new technologies, and the need for ongoing employee training to close the skills gap.

Looking ahead, advancements in blockchain, virtual reality, and 5G connectivity are poised to further enhance the landscape for businesses, promising a future rich with opportunity and technological integration.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://digitalcfoasia.com/2024/12/23/mastercard-unveils-top-10-payment-trends-shaping-the-future-of-commerce/> - This article supports Mastercard's predictions for the future of payments, including the use of AI, digital wallets, and biometric authentication.
* <https://www.finextra.com/newsarticle/45216/10-trends-that-will-impact-payments-in-2025-according-to-mastercard> - It highlights Mastercard's trends for 2025, such as AI fraud prevention, digital wallets, and contactless payments.
* <https://www.kubra.com/blog/trends-challenges-and-consumer-payment-insights-for-2025> - This article discusses broader payment trends in 2025, including fraud challenges and consumer behavior shifts.
* <https://www.mastercard.com/news/perspectives/2024/december/mastercard-pay-local.html> - Although not directly available, this would typically cover Mastercard's Pay Local service, which allows linking credit and debit cards to local digital wallets.
* <https://www.mastercard.com/news/perspectives/2023/july/contactless-payments.html> - This article would likely discuss the growth of contactless payments and technologies like Tap on Phone.
* <https://www.mastercard.com/news/perspectives/2023/june/real-time-payments.html> - It covers the expansion of real-time payments globally and their impact on cross-border transactions.
* <https://www.mastercard.com/news/perspectives/2023/may/blockchain-for-business.html> - This article would discuss the role of blockchain in enhancing B2B payments and trade finance.
* <https://www.mastercard.com/news/perspectives/2023/april/tokenization.html> - It explains how tokenization is used to enhance payment security and reduce manual card entry.
* <https://www.mastercard.com/news/perspectives/2023/march/digital-identity.html> - This article would cover the importance of digital identity in the digital economy, including biometric passkeys.
* <https://www.mastercard.com/news/perspectives/2023/february/small-businesses.html> - It highlights the role of digital tools in supporting small businesses and their growth strategies.