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## Future of Payments: part three - key takeaways

On Tuesday 25 February, the third event in the Future of Payments series brought together industry experts to explore emerging trends and developments in the payments sector.

Hosted by FinTech West and Ashfords, the event featured speakers from Ashfords, Shape Technologies, Parthenon Communications, Google Cloud, Caspian One Open Data, and Shieldpay – with attendees from Bristol, the South West and further afield.

In this guide, we've highlighted the key takeaways from the presentations and discussions. Please follow the icons above and below to navigate.





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## Payments: regulatory update and horizon scanning

### Key takeaways from the [FCA's Dear CEO Letter to payments firms](#)

#### Competition, innovation and customer needs

The FCA recognises a good state of play in the space, coupled with continued success of its Innovation Hub and Early & High Growth Oversight unit in supporting firms to launch new and innovative products and services.

Consumer protection remains key though, with the FCA highlighting difficulties with products and services not consistently delivering good outcomes, firms should ensure these are met – key points include clearly defining target markets and carefully considering how to demonstrate fair value.

#### Firm and financial integrity

A continued focus on issues of financial crime and operational resilience closely align with themes in the [FCA's 2024/25 business plan](#). The FCA has seen many firms significantly enhance financial crime controls over the last 12 months, a positive. Firms should also be mindful of the [FCA's operational resilience regime](#), as the

transition period for final rules ends on 31 March 2025.

#### Safeguarding and customer funds

Firms need to keep customer money safe. The FCA reminds firms that issues linked to safeguarding and prudential risk are often a focus of supervision cases. Firms need to meet existing safeguarding obligations and be ready for transition to the new regime. The FCA's [safeguarding consultation](#) closed in late 2024, with final rules expected to land in H1 2025.

#### Governance, oversight, leadership

The letter is a reminder to firms of the importance of good governance, oversight and leadership. It might also be a good time to take stock of things – consider if current systems and controls remain proportionate, are customer terms and conditions all up-to-date, is your oversight and monitoring of agents, distributors and outsourced functions working as anticipated?



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# Shape Technologies

## Innovating the payment facilitator

### About Shape Technologies

Shape Technologies is a complete payments platform, providing an all-encompassing software solution to run your payments business for you. It aims to redefine the world of payment facilitation by addressing challenges in the payment space, helping businesses get to market quicker using its modular solution.

### The problem

Becoming a payments facilitator (payfac) is tricky. The process of taking a payment through to final settlement, start to finish, is complex, often relying on legacy technology and involves multiple different parties. This includes card schemes, payment gateways, merchants, banks – all with different interests and responsibilities, so it's all the more important that payfacs have the right tools to grow. Shape Technologies wants to break the status quo of a stagnant payfac market.

### The solution

Shape Technologies aims to streamline the payfac process, reducing time and cost burdens to firms for a speedier route to market, whilst enhancing operational capabilities of existing payfacs too. Shape Technologies' modular concept and offering provides firms with the solutions they need, with each focusing on a different element of the payments process, from onboarding and verification to payment and data analytics and billing.

### The future

Jack Mangnall shared his take on future payment trends – transaction value and volumes will continue to grow, whilst automation, efficiency and convenience will remain key to payment developments and addressing pain points in user and provider experiences for example remedying slow or manual processes, issues of poor data analysis or settlement delays. More effective payfac solutions can support these improvements.





# Parthenon Communications

## Balancing tangible and intangible trends in payments

### About Parthenon Communications

Parthenon Communications is a consultancy offering advice and guidance to the commercial, payments, banking and financial services sectors, leveraging decades of experience gained at leading financial institutions.

### Tangibles

What we know is that the world and the payments environment is subject to change, change and more change – recent focuses on:

- Importance of security, risks of fraud and financial crime.
- Maturity of blockchain, crypto assets and exploration of central bank digital currencies (CBDCs).
- Continued challenges of cross-border payments with businesses wanting efficiency and transparency.
- Consistent regulatory development – [ISO 20022](#), [PSD3](#), [Basel IV](#).

### Intangibles

What we don't know, yet, is how many developments will look in the future – as the world continues to become more connected, with greater expectations for interoperability and reachability, increased standards and expectations for operational resilience and safeguarding. Data and careful (GDPR compliant) analytics will be a critical tool to understanding this.

### A seamless road ahead?

This is hard to call, as the industry needs to navigate a great deal. From geopolitical issues to ESG developments, changes in product and service delivery and customer expectations, all of which needs to be balanced with the need for regulation v the quest for innovation.



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## Google Cloud

### Data and the future of payments

#### About Google Cloud

Google Cloud provides a suite of computing services to help businesses grow, providing solutions from data management to AI and machine learning tools.

#### Growth

Digital payments continue to experience rapid growth, bolstered by trends like increased e-commerce and continued decline in cash usage. Payment infrastructure and service providers need to be able to cope with this.

#### Use the data

The effective use of data is critical to the future of payments and can support continued innovation and initiatives lots of other speakers have covered.

Data keeps all business strategies connected and when correctly leveraged it can support all aspects of the payment ecosystem –

from fraud detection and KYC/KYB solutions in acquiring services, to FX volatility prediction and hedging for cross-border payments, and supporting innovation for specific providers for example AI based travel planning or data driven budgeting tools.

#### Data ideation to project delivery

Planning and determining the purpose behind any data strategy and data gathering exercise with buy-in from key stakeholders is important. Google Cloud's data ideation process helps drive innovation in the payments market.

Google Cloud's data ideation framework employs structured project scoping with clear business metrics and stakeholder validation, ensuring every initiative addresses specific, measurable outcomes. By leveraging real-time analytics and machine learning, this approach transforms raw data into actionable insights that drive targeted improvements in payments systems.



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# Caspian One

## Enhancing open banking with embedded finance

### About Caspian One: open data

The Caspian One platform allows financial institutions to build and run their own fintech ecosystem to create personalised user experiences and outcomes, attract new business and drive additional revenue streams.

### Open banking

The UK has long been an Open Banking pioneer, with its founding principles informing global standards, influencing countries and preparing for future Open Banking rollouts in the US. It offers benefits to consumers, like better control of financial data, whilst unlocking new distribution channels and providing greater access to data to better understand customers characteristics and needs.

### Embedded finance

Embedded finance will see deeper integration of financial services into non-financial platforms – enabling seamless payments, lending, banking, insurance solutions within everyday apps.

Growth in embedded finance enhances customer loyalty, unlocks new revenue streams, offers financial services without needing to be a bank. Key use cases include buy now pay later in e-commerce, instant payouts for gig economy apps, embedded lending and saving in payroll software and branded digital wallets.

### Trust is key to success

Trust is the magic element critical to innovation and the success of embedded finance and development of sophisticated open banking solutions – whether that's trust between the consumer and product provider, or the product provider and other participants in the ecosystem.

An ecosystem underpinned by trust with the right partners, all within a well-developed regulatory framework, allow banks, lenders, investment firms, other financial institutions and different third party providers like accountants, payroll firms and gig economy apps to share financial data. This will support better product discovery, more tailored products and services, deeper understanding of target markets, and allow more individual embedded finance and white-label strategies to be brought to market.





# Shieldpay

## Client money solutions for the modern world

### About Shieldpay

Shieldpay is a regulated and trusted payments provider, dedicated to the professional services sector, specialising in delivering seamless, compliant payment journeys for all parties in the transaction.

### The problem

Firms must keep client money safe and are often subject to strict regulatory rules. Many legal and professional service firms that need to make payments or handle client money still rely on outdated, manual, admin-heavy processes or disconnected solutions to manage and move funds, which may often relate to very important transactions for their clients.

### The solution

Shieldpay simplifies handling client money payments – streamlining processes of receiving and sending payments, including integrated verification, provision of segregated account structures, careful reconciliation processes, and solutions to handle mass or complex payouts, including international and multicurrency payments.

### The future

Whilst it might not be clear how professional service regulators' expectations will evolve in relation to client money requirements in future, it's important for firms to carefully consider their own approach - working with a trusted and regulated partner could help here to improve security, efficiencies and provide better experiences for customers.







## The future of payments

### Looking ahead

As we move into 2025 and beyond, it's clear that payment innovation and change will continue, with a focus on:

- **Ongoing regulatory developments:** including in relation to operational resilience, financial crime, and developments of the safeguarding regime.
- **Moving from open banking to open finance:** with more sophisticated embedded finance solutions coming to market and more complex ecosystems of firms and partners to deliver this.
- **Technological advancements:** with firms providing more customised and modular solutions to enable new firms to get to market more quickly, or incumbents to overcome legacy challenges.
- **Better use of data:** the mass volume and data insights that can be drawn from them should be the keystone to delivering on digital and business aspirations.

## Key contacts



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