



# The Evolution of Payment Technology

**From Innovation to New Product:**  
*A Centralized Approach to Digital Commerce*



# North America's Digital Payments Moment

## GLOBAL TRENDS



Global digital commerce is set to reach **\$4.8T by 2025**.<sup>1</sup>



Retail is shifting rapidly: **online sales will account for over 20%** of all retail in both the U.S. and Canada.



Omnichannel has evolved into anywhere, anytime commerce: **consumers expect to pay seamlessly across all touchpoints.**

**However, this growth has introduced:**

- Security gaps
- Checkout fragmentation
- Regulatory friction

**Payments innovation must now focus on scaling securely, not just quickly.**

**"Consumers want choice — anytime, anywhere — but they won't trade security for speed."**

1. [eCommerce – Worldwide](#)  
2. [Retail eCommerce Sales](#)

# The Innovation-to-Product Gap

Innovation is accelerating, but many pilots fail to become products – many challenges exist in moving to production:



Fragmented checkout experiences



Lack of clear fraud standards



Merchant onboarding complexity



Privacy and data sharing concerns

**Moving is easy but building trust at scale is not**

# What Consumers Actually Want

Cross-border studies reveal key shifts in consumer attitudes toward financial data and services:

Consumers want strong  
privacy and data controls

**72%**

of North American  
consumers want better  
control over payment data

Consumers show strong  
trust in their bank

**68%**

prefer financial tools offered  
by their bank over Big Tech.

Consumers are wary of 3<sup>rd</sup>  
parties handling financial data

**27%**

trust Big Tech to protect  
their financial data

Expectations are shifting from "speed" to "secure personalization."

# The Bank-Backed Advantage

**Banks and bank-backed wallets offer distinct domain advantages over tech-based peers...**

- 1** Real regulatory accountability (PCI, GLBA, PIPEDA)
- 2** Established consumer protection and redress processes
- 3** Trusted fraud management systems
- 4** Infrastructure aligned to interoperability, not platform lock-in

**...that can leverage their reputation as a trusted institutions focused on safeguarding, not monetizing, customer data, to drive growth**

# Europe as a Case Study

Europe provides a compelling example of the power of centralized, interoperable, bank-backed wallets, and proves that bank-backed infrastructure and interoperability can compete with Big Tech—and win consumer trust

## Wero & the European Payments Initiative (EPI)

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- A pan-European A2A wallet backed by 20+ major banks.
- Launched in 2024 across Germany, France, Belgium, expanding into Benelux by 2025.
- Interoperable with SEPA Instant and supported by leading acquirers like Nexi, Worldline, Nuvei

## Strategic Goal: European Sovereignty

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- Driven by concern over dependence on U.S.-based networks (Visa, Mastercard, Apple Pay).
- Focused on controlling digital payments through a regional, bank-owned platform.

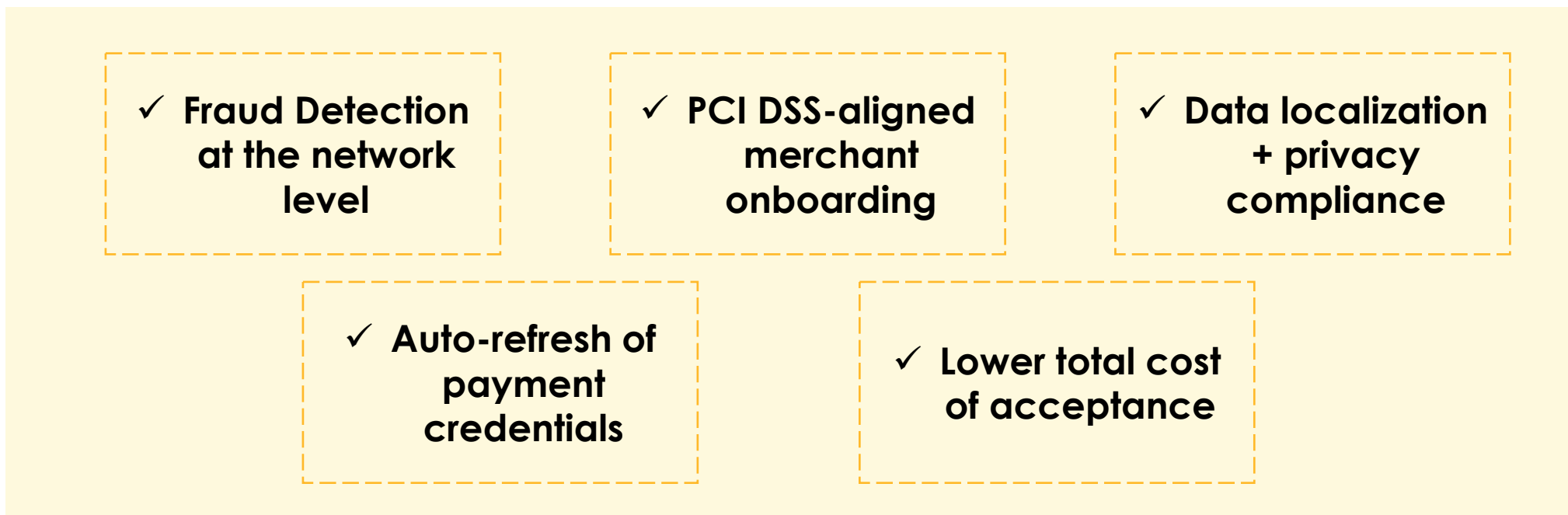
## Regulatory Orchestration:

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# Centralization Enables Scale

Centralized digital infrastructure brings numerous benefits from a fraud, security and operational standpoint



Centralized infrastructure helps ensure that security and simplicity built into the pipe

# Rethinking Chargebacks in North America

**Legacy chargeback processes continue to pose challenges for merchants and FIs**



Slow and expensive process



Complex and inconsistent outcomes



Increasingly incompatible with real-time, digital-first commerce

**Jurisdictions are pushing ahead with stronger fraud protections while Canadian merchants struggle to adopt new standards**



Europe's PSD2 introduced Strong Customer Authentication (SCA), dramatically reducing fraud and making chargebacks nearly obsolete



North America attempted 3DS, but it proved too cumbersome, costly, and conversion-unfriendly

**We can't protect the future of commerce with yesterday's rules. Chargebacks need a reboot**



# Pay-by-Bank in Action



**Retailer Insight: 70% say Pay-by-Bank addresses unmet consumer needs. (Interac + RCC 2024)**

# Why Big Tech Isn't the Answer

## Challenges with Big Tech



Closed-loop systems reduce merchant flexibility



Data monetization is core to business models



No direct relationship between consumer and payment provider



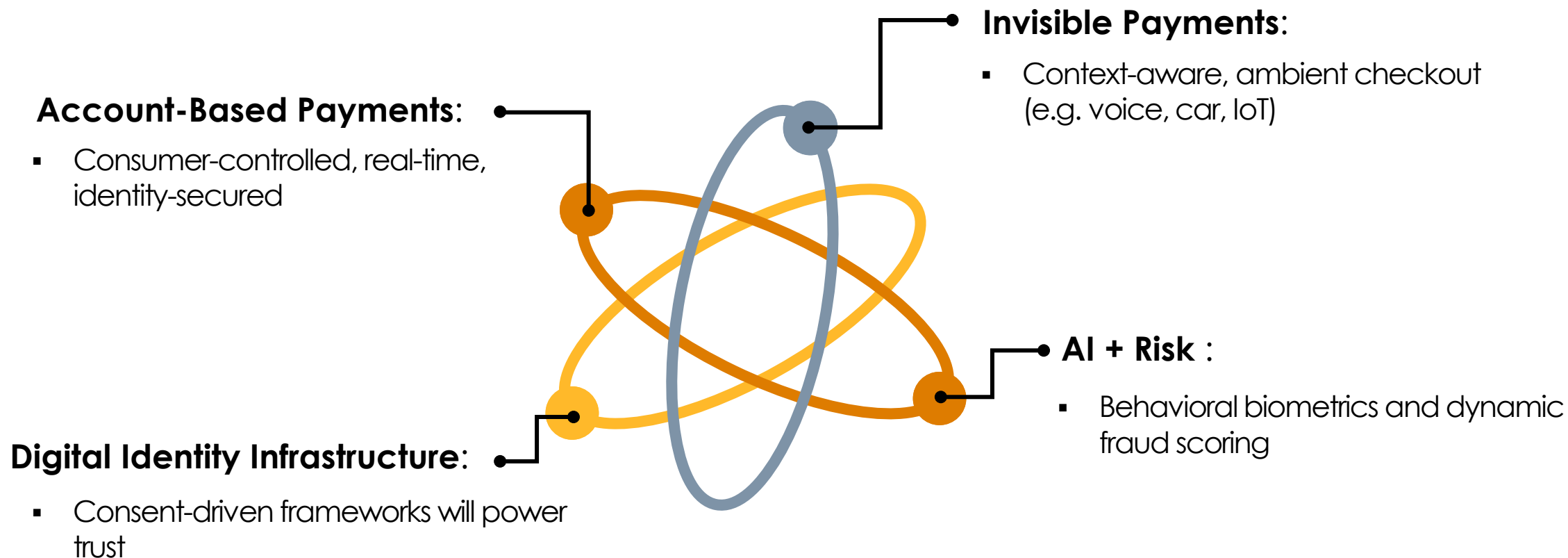
Limited cross-border alignment with regional compliance



High reliance on device and OS compatibility

**Consumers don't want to be the product. They want to be protected.**

# Future Trends to Watch



**Security becomes the differentiator, not the blocker.**

# Building the Future Together

## **For North America to scale securely, we need:**

- Shared API standards across borders
- Fraud interoperability frameworks
- Support for SMBs, not just enterprise-scale merchants
- Bank-backed infrastructure as the foundation
- Jurisdictional collaboration — modeled after the EU's harmonized payment evolution

**Decentralized innovation got us here.  
Centralized trust will get us further.**

## **The Role of Regulation – Jurisdiction by Jurisdiction**

Regulation must be localized and population-informed

### **Europe led with:**

- PSD2 → Open Banking + SCA
- Digital Markets Act → Platform openness + consumer rights

### **North America needs:**

- Real-time payment protections
- Consent and privacy frameworks
- Fraud and redress models for A2A payments

**U.S. and Canada must shape regulation to drive innovation—not react to Big Tech**

**Regulators can't be spectators. They must architect the guardrails for digital trust.**

# Thank You!



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