

Global Payments Trends 2025: Wallets, AI & CBDCs



KEY TAKEAWAYS

- **Revenue Growth:** Global payments revenue hit **\$2.4 trillion** in 2023 and is projected to grow to **\$3.1 trillion by 2028**.^[3]
- **Digital Wallets:** Accounted for **50% of global e-commerce spend** in 2023, with total transaction value expected to reach **\$25 trillion by 2027**.^[9]
- **Cash Decline:** Global cash usage has dropped to **80% of 2019 levels**, with significant declines expected in India and other emerging markets.^[3]
- **Real-Time Payments:** Instant transactions are scaling quickly, with the EU projected to see a **10x increase in volume by 2028**.^[3]
- **ESG Integration:** **75%** of large global companies have set carbon reduction targets, impacting sustainability in payment infrastructure and offerings.^[1]
- **AI and Fraud Prevention:** Mastercard reduced fraud-related false positives by **85%** using AI, helping to address the **\$400 billion** in projected fraud losses over the next decade.^{[8][3]}

- **Buy Now, Pay Later (BNPL):** The BNPL market is forecast to grow by **\$450 billion by 2026**, expanding beyond retail into sectors like healthcare, housing, and travel.^[2]
- **Cryptocurrency Growth:** Revenue from the crypto payments market is projected to rise from **\$34.9 billion in 2023** to **\$64.9 billion by 2027**, a **4% CAGR**.^[2]
- **CBDCs on the Rise:** Over **90%** of central banks are exploring CBDCs, with transaction volumes expected to grow by **260,000% by 2030**.^[5]
- **Regional Dynamics:** APAC leads with **70% of e-commerce spend** via digital wallets, while Europe and LATAM are seeing surges in instant and account-to-account (A2A) payments.^[9]

The global payments landscape in 2025 is fast, fluid, and full of momentum. Across industries and regions, the way people and businesses transact is being reshaped by digital wallets, real-time payments, AI-driven security, and rising consumer expectations.

With payments revenue set to reach **\$3.1 trillion by 2028** and digital wallets expected to power **\$25 trillion** in transactions by 2027, the evolution of payments is not slowing down—it's accelerating.

While the last few years laid the foundation, 2025 is about execution. Businesses are scaling up infrastructure to support instant, secure payments.

Consumers are ditching physical wallets for mobile-first convenience. And regulators are navigating emerging technologies like Buy Now, Pay Later (BNPL), cryptocurrencies, and Central Bank Digital Currencies (CBDCs).

So, what's shaping the industry this year—and what lies ahead? This report breaks down the latest trends, stats, and innovation hotspots defining global payments in 2025.

Revenue and Growth: Payments as a Global Powerhouse

The payments industry continues to gain ground in 2025. What started as a

rebound from the pandemic has now become sustained momentum.

Global payments revenue reached **\$2.4 trillion in 2023**, and it's projected to grow at **5% annually**, hitting **\$3.1 trillion by 2028**.^[3]

Payments are on track to represent **35% of total banking revenue** by 2028, underscoring the sector's central role in financial services.

Growth is being driven by several key segments. Merchant acquiring services, for example, are expected to grow at a **8.7% compound annual growth rate (CAGR)** and surpass **\$160 billion** in revenue by 2026.^[1] Non-bank players are also reshaping the market, having doubled their volume in the U.S. between 2019 and 2021.^[1]

In 2025, the focus is on scalability and innovation—real-time systems, AI, and seamless cross-border payments.

With digital wallets projected to handle **\$25 trillion** in transactions by 2027, payment providers are under pressure to deliver convenience, speed, and trust at scale.^[9]

The Rise of Digital Wallets: Ubiquity in Transactions

Digital wallets have firmly cemented their place as a dominant force in payments.

In 2023, wallets accounted for **50% of global e-commerce spend** (over **\$3.1 trillion**) and **30% of point-of-sale (POS) spend** (over **\$10.8 trillion**).^[9]

That momentum has only grown in 2025, with global wallet transactions expected to hit **\$25 trillion by 2027** across both e-commerce and in-store transactions.^[9]

Consumer behavior continues to evolve. One in five users now leaves the house without a physical wallet, relying entirely on digital options.^[4] In the U.S., **28%** of consumers now use in-store digital wallets—up from 19% in 2019.^[4] Globally, digital wallet adoption now powers over **\$10 trillion** in consumer-to-business spending annually.^[4]

APAC leads the pack, where wallets account for **70% of e-commerce**

transactions.[9] Europe and North America are catching up, with wallets projected to grow at a **17% CAGR through 2027.**[9] Whether it's PayPal and Apple Pay or regional leaders like Swish in Sweden, wallets are now a fixture—not a feature—of global commerce.

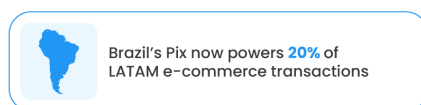
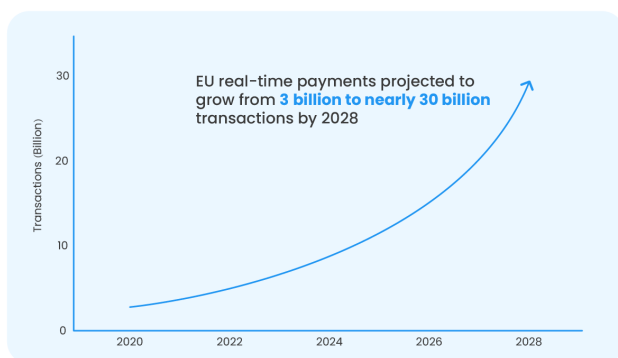
Cash, Cards, and Real-Time Payments: A Shifting Balance

The global shift away from cash continues to accelerate. By 2024, cash usage had fallen to **80% of 2019 levels**, declining at about **4% annually.**[3]

In emerging economies like India, cash's share of consumer payments is expected to drop from **23% to under 10% by 2028.**[3] In the U.S., cash now accounts for just **5%** of consumer payment value.[3]

At the same time, real-time payments are reshaping how money moves. In the EU, instant payment transactions are projected to grow from **3 billion to nearly 30 billion by 2028**, a **50% annual increase.**[3] Countries like Brazil and India are paving the way through government support and regulatory mandates.

■ The Expansion of Real-Time Payments



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Cards remain a core channel, with global credit card transactions growing by **\$800 billion** between 2021 and 2022—surpassing **\$13 trillion.**[1]

However, with competition from QR codes, digital wallets, and account-to-account (A2A) payment rails, traditional card models are facing more pressure than ever

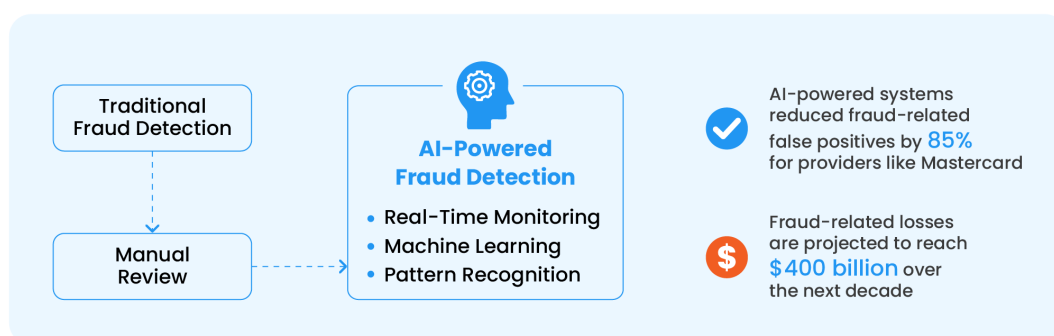
to innovate and evolve.

Emerging Technologies: AI, Fraud Prevention, and Beyond

Emerging technologies are reshaping how payments are processed, verified, and protected in 2025. Artificial intelligence (AI) is leading the charge—particularly in fraud prevention.

While payment card fraud losses are projected to reach **\$400 billion over the next decade**, companies like Mastercard have already reduced fraud-related false positives by **85%** using AI.[8][3]

■ AI's Role in Payment Fraud Prevention



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Beyond fraud, AI and machine learning are also helping to optimize approval rates, detect anomalies, and reduce false declines.

Augmented reality (AR) is making its way into e-commerce, with **53% of businesses** planning to integrate AR to create immersive shopping experiences.[2]

On the infrastructure side, 24/7 real-time payment availability is becoming the norm. Banks are investing in ISO 20022 and machine learning-powered compliance systems that improve transaction screening and reduce false positives.[6]

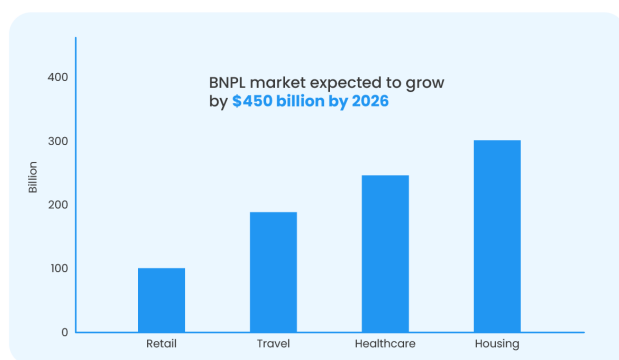
These changes are creating faster, smarter, and more inclusive payment

networks—one transaction at a time.

Buy Now, Pay Later (BNPL): From Retail to Travel

BNPL services are expanding far beyond fast fashion. In 2025, this payment option is enabling access to larger purchases, wider demographics, and new sectors. The market is forecast to grow by **\$450 billion by 2026**.^[2]

■ The Rise of Buy Now, Pay Later (BNPL) Services



Gen Z represents **55%** of BNPL users;
26% used it multiple times in the past
3 months

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In terms of user behavior, **Gen Z accounts for 55%** of BNPL penetration, with **26%** of this group having used BNPL multiple times in just three months.^[2] BNPL is also gaining traction in travel, where **71%** of consumers say they would use it to fund vacations. Merchants offering BNPL through PayPal report **31% higher average order values**.^[2]

It's even being used for big-ticket expenses: Providers like Affirm and PayPal now offer credit limits of up to **\$20,000**.^[8] As the model grows, regulators are taking note.

In the U.S., the Consumer Financial Protection Bureau (CFPB) is reviewing rules to ensure responsible lending and consumer protection.^[8]

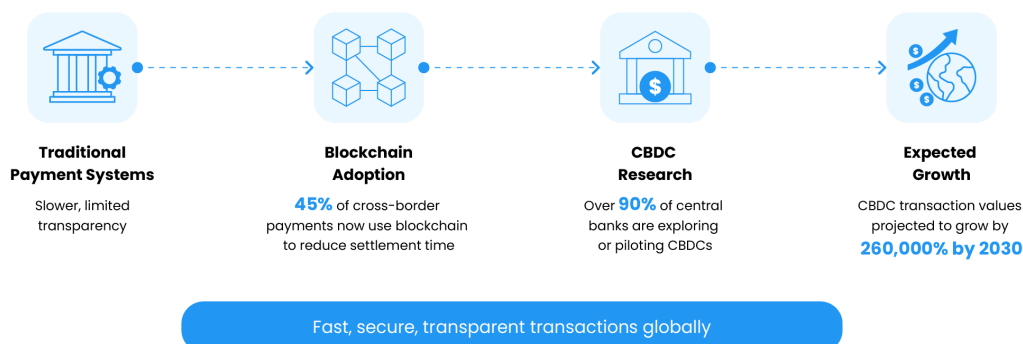
Cryptocurrencies and Central Bank Digital Currencies (CBDCs)

Crypto and CBDCs continue to shape the digital payments narrative in 2025. The number of crypto wallets surged by **75%** between 2020 and 2022, reaching **81 million globally**.^[1]

Market revenue is also on the rise—projected to grow from **\$34.9 billion in 2023** to **\$64.9 billion by 2027**, at a **14.4% CAGR**.^[2]

CBDCs are gaining serious traction. Over **90%** of central banks are exploring or piloting CBDCs, and more than **30 pilot programs** are currently underway.^[3] Their value proposition? Faster cross-border payments, financial inclusion, and reduced dependence on stablecoins.

The Role of Blockchain and CBDCs in Payments



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Take the Inthanon-Lionrock initiative, a cross-border CBDC project between Thailand and Hong Kong—it's setting the standard for future collaborations.^[5] Meanwhile, the global CBDC transaction value is projected to surge by **260,000% by 2030**.^[5]

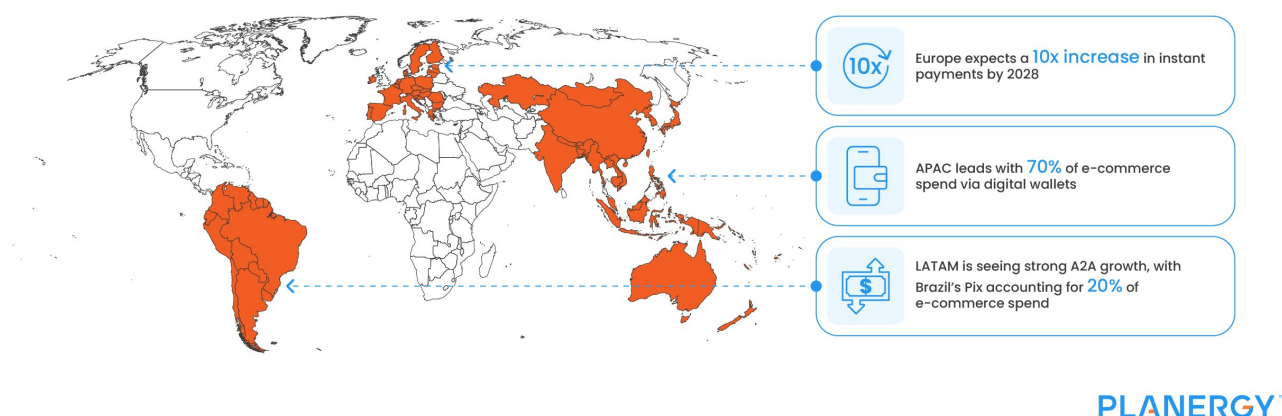
Geopolitically, trends like de-dollarization are influencing global flows. As countries explore local alternatives and the BRICS bloc discusses a shared currency, traditional global payment structures may soon look very different.^[5]

Regional Snapshots: Payment Dynamics Across the Globe

Payment habits vary widely by region—and in 2025, the differences are even more pronounced.

In APAC, digital wallets dominate. **70%** of e-commerce and over **50%** of POS transactions were processed via wallets in 2023.[9] India continues to reduce cash reliance, where usage is expected to fall to under **10% of consumer spending by 2028**. [3]

Regional Variations in Digital Payments



Europe is closing the gap, with wallets accounting for **30%** of e-commerce spend today and projected to grow to **40% by 2027** at a **17% CAGR**. [9] Instant payments are also growing fast here, jumping from **3 billion to 30 billion transactions by 2028**. [3]

LATAM is accelerating A2A adoption, with Brazil's Pix handling **20% of all e-commerce spend**. [9] In North America, card-backed wallets are growing steadily—while **52% of e-commerce** and **73% of POS spend** still flows through cards. [9]

In the Middle East and Africa (MEA), wallet adoption is rising rapidly, with **35% year-over-year growth**, highlighting the region's move toward modern, mobile-first payment systems. [9]

ESG and Sustainability in Payments

Environmental, social, and governance (ESG) goals are becoming central to payments innovation in 2025. Over **75%** of the world's largest 250 companies have committed to reducing carbon emissions—and payment providers are following suit.[1]

We're seeing the rollout of eco-friendly cards, digital wallets with carbon tracking tools, and ESG-linked transaction reporting.

These features aren't just good PR—they're becoming part of consumer expectations.

As sustainable finance grows, payments are emerging as a way for companies to align business goals with broader environmental impact.

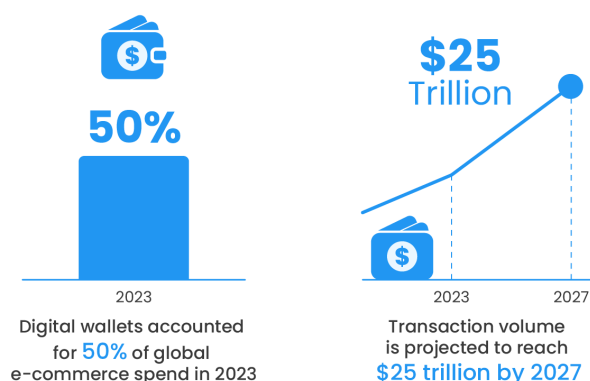
Green fintech solutions are gaining traction, especially in Europe and Asia, where regulators are placing sustainability front and center. In this new era, ESG isn't just about compliance—it's a competitive advantage.

Conclusion: The Future of Payments

Payments in 2025 are fast, smart, and increasingly seamless.

With digital wallet volume expected to reach **\$25 trillion by 2027**[9], instant payments scaling across more than **80 countries**[6], and AI making fraud detection more precise than ever, the industry is thriving.

■ The Growth of Digital Wallets



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But the path forward demands agility. Providers will need to balance innovation with regulation, invest in security, and tailor offerings to local habits.

Whether through CBDC pilots, BNPL expansion, or ESG integrations, payments are no longer just transactions—they're a strategic lever for growth, trust, and global inclusion.

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