



Payments Journal

March / April 2020

A summary of key Payments-related news in Canada and globally. Due to the current pandemic, our first edition is focused on Payments as they relate to COVID-19.



Direct Deposit for Service Canada

The government of Canada sets out to inform its citizens about the process of signing up for national benefits. The article particularly focuses on using direct deposit to deliver funds to citizens and offers advice on getting set up to receive funds through bank accounts to prevent postal delay and other complications. Key tips include understanding what to do before signing up for payments, such as providing a social insurance number and the name of the citizen's bank or institution, and knowing when to sign up, such as when first signing up for benefits.

[Read Full Article](#)



Berkeley Payment Solutions Aims to Support Businesses Amid COVID-19 by Providing At-Cost Fees to All New Programs

This press release discusses Berkeley Payment Solutions, a global payment provider, and its new initiative to provide discounts to new clients for all services at-cost to the business. The company's goal is to assist companies in implementing payment programs to help reach sales goals. Further, the organization wants to help companies support employees and reduce operating costs. The program applies to all service fees, which include production, management and implementation. Berkeley's payment solutions assist NGOs with real-time relief for those managing COVID-19 issues.

[Read Full Article](#)



Mastercard and Visa raise tap limits to \$250 so fewer consumers need to touch payment machines

As consumers struggle to make ends meet amid COVID-19 issues, Mastercard and Visa are stepping up to ease worries. The credit card companies are raising tap limits from \$100 to \$250 to support retailers looking for cashless options throughout the pandemic. These types of payments allow customers to simply tap their smartphone device against a sale machine at the point of purchase. With this, there is no need for a signature or any physical contact, such as entering a pin code. Such boosts make it easier for everyone to comply with social distancing requirements while still acquiring goods.

[Read Full Article](#)



Sean Kilpatrick/The Canadian Press

COVID-19: Actions to Support the Economy and Financial System

The Bank of Canada discusses the economic impact of the COVID-19 pandemic and its intentions to support the Canadian economy. The article discusses the health threat to people all over the world and its massive disruption to daily life, particularly when it comes to commerce and Canadian economies. Major sectors particularly affected include energy, hospitality, travel and all service industries. The bank wants to make increased credit available to customers to help the customers and the economy, especially in preparation for recovery. Keeping inflation close to target will help.

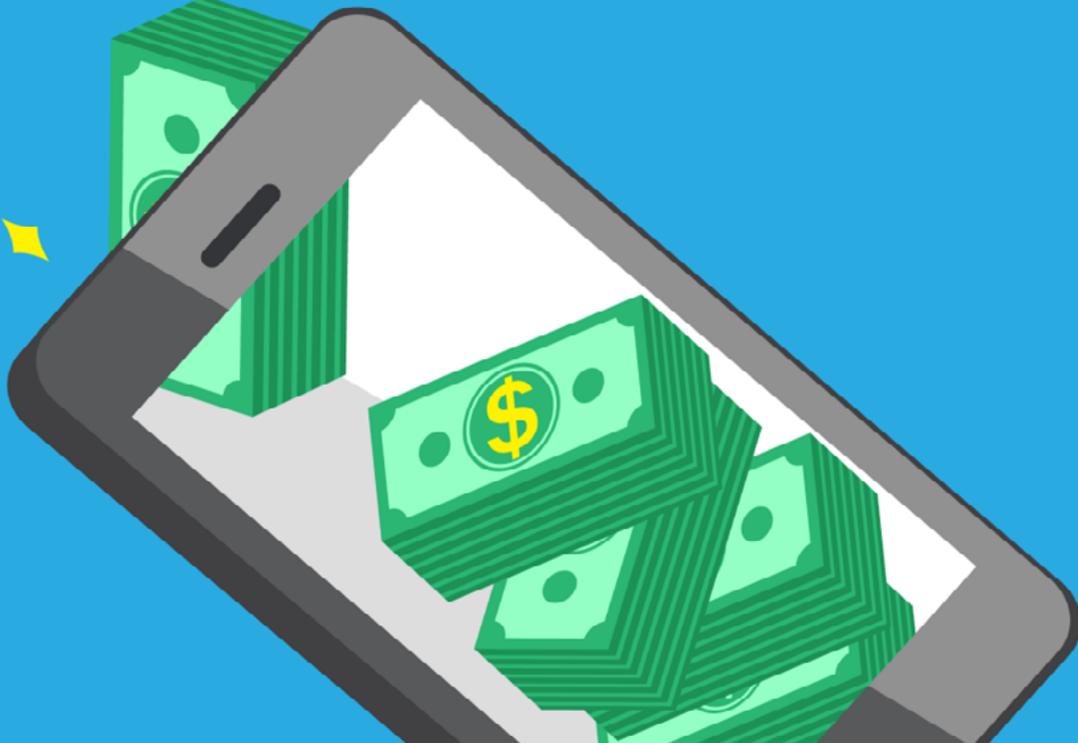
[Read Full Article](#)



ISO 2022 cross-border payment migration delay and what does this mean for you?

The LinkedIn article discusses Swift, a global provider of secure financing messages, has announced the delay of ISO 2022 migration for the end of 2022, originally scheduled for November 2021. Ecosystem players affected by the ISO 2022 migration have an extra year to get ready for MT/MX coexistence however none of this crisis should affect the original end date of 2025. ISO 2022 specifically focuses on describing a metadata repository featuring descriptions of business processes and messages with the intention of improving transaction data for everyone. Author of this article provides additional recommendations on what to do and how to prepare.

[**Read Full Article**](#)



JaaakWorks/iStock

Plastiq raises \$75M to help small businesses use credit cards more

Plastiq was launched and developed to help bridge situations where credit is not traditionally accepted, such as for tuition bills, room and board, rent, and vendor payments. Its intention is to help people use credit cards to get paid and pay for anything. As of March 2020, Plastiq has raised \$75 million in venture capital to top out at over \$140 million, revealing increased use and potential growth. With Plastiq, users enter credit card information on the company's platform. Then Plastiq charges a 2.5% fee to facilitate bill payments. Although the primary reason for the company launch was to help private users, the company now reports 90% of its revenue comes from SMBs. The company will use the additional \$75 million to provide faster services for SMBs surrounding payments and processing.

[Read Full Article](#)



Sean Kilpatrick/The Canadian Press

Canada's Emergency Response Benefit: bringing Canadians safe and secure payments during a time of crisis

In response to the challenges associated with COVID-19, financial institutions have quickly and effectively stepped up, responding to the Canadian government's request to provide a convenient and secure way to provide Canadian Emergency Response Benefits (CERB) to citizens. Financial institutions are offering Canadians the opportunity to enroll for CRA Direct Deposit online. Payments Canada has also stepped up to support the initiative, facilitating the role for regulators and member institutions. This coordinated effort simplifies the payment process and allows a faster and more secure delivery of government payments.

[Read Full Article](#)



New Data: Why COVID-19 Will Be The Connected Economy's Inflection Point

This article discusses the temporary—and perhaps permanent—end of traditional business everywhere. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic, causing federal, state and local governments to begin making decisions to close schools and non-essential businesses. The article discusses the massive and sudden shift from “digital-often” to “digital-mostly” as a way to observe social distancing practices, primarily in online purchasing, whether through local groceries, international marketplaces or telehealth. The article goes on to explore possibilities for how people spend and the economy.

[Read Full Article](#)



How Payment Variety Drives Collections Flexibility For SMBs

Variety of payment options may offer a better end-user experience for customers. Allowing customers to pay for goods and services through various channels may help people weather COVID-19 better in observance of social distancing mandates and for personal well-being. SMBs do not often focus on these considerations, so payment service providers are taking the opportunity to guide these businesses in better serving fellow businesses and consumers when it comes to solutions to support customer satisfaction and efficiencies for the seller. Encouraging digital payments is a key strategy in helping SMBs achieve these goals.

[Read Full Article](#)



Coronavirus outbreak raises questions about digital payments and cash

The banking and payments industry are trying to understand the scope and impact of the coronavirus outbreak, which has led to a monumental shift in the way consumers procure goods and services. Amid fears of transmission, people are shopping online and participating in discussions about cash and digital currency options. Regulatory bodies struggle to keep up with and provide proper messaging to stakeholders for public safety and in the name of accuracy. Everyone is thinking about alternative payment methods and exploring possibilities.

[Read Full Article](#)



The Week In Payments: What The New Normal Will Look Like When It Comes

This PYMNTS article explores the possible “new normal” in consumer trends and payments in the age of COVID-19. With the ongoing shutdown and lockdown, businesses are trying to find new and better ways to navigate the current status quo. Between unemployment filings and relief funds, everyone at every level is trying to deliver a reasonable response to the duress everyone is feeling. The article takes a look at China, moving on in the wake of the COVID-19 outbreak there. Things there have returned to a certain degree of normal, with people returning to work and going out to do errands. While restaurants have opened, they now operate under new capacity rules. Further, the article looks at how coronavirus has opened a world of potential for digital life and commerce.

[Read Full Article](#)



Major banks will cut interest rates on credit cards but there's a catch

While credit card companies typically charge the highest interest rates, mostly around 20% recently, they are standing down on this practice during the coronavirus pandemic crisis. Canada's six largest banks are cutting rates by about half and are allowing deferred payments for up to six months. Companies realize that Canadians carry an average credit card debt in the tens of thousands of dollars, therefore, more are lowering rates to allow customers the chance to keep up and to keep receiving payments. The Bank of Montreal, Scotiabank and CIBC have reduced their rates to 10.99% for customers who apply for relief. RBC and TD have made automatic 50% interest rate reductions on their cards.

[Read Full Article](#)



Interac sees digital and contactless payment rush as consumers hunker down during coronavirus pandemic

The Canadian debit payments company, Interac, has experienced a surge in contactless and digital transactions amid COVID-19. Consumers increasingly make purchases from home to avoid public spaces and potentially contracting the coronavirus. For the first time, e-transfers exceeded \$50 million in March when it reached \$51.9 million. The firm continues analysis of the trends and explores how to best accommodate consumers and businesses. Much of the payment activity is happening in-app and in-browser, and Interac is working with financial institutions to try to expand the possibilities.

[Read Full Article](#)



Additional Articles

March / April 2020

Key Payments-related news from March and April.

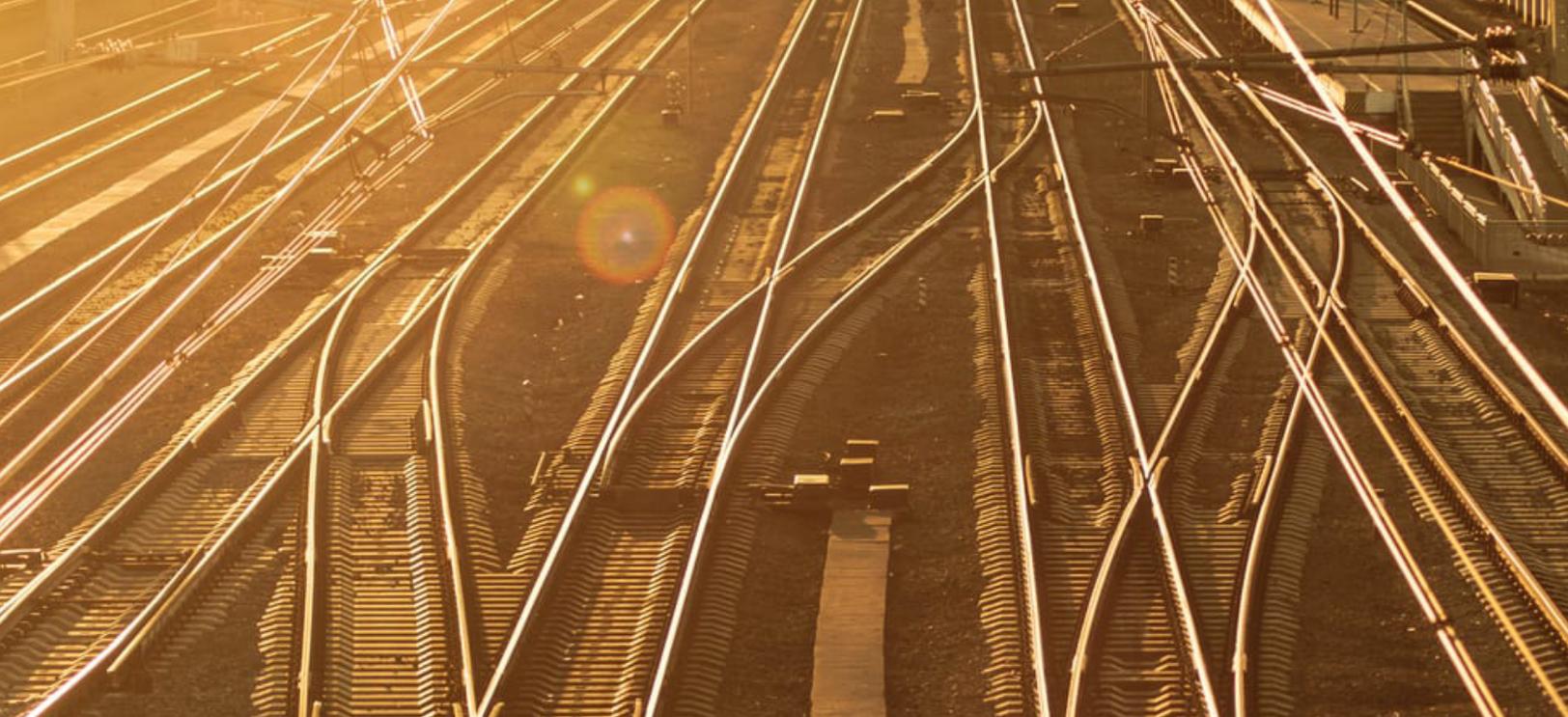


2014 Bloomberg Finance LP.

Microsoft And Plaid Should Target Small Businesses (Not Consumers) With Money In Excel

A current topic in Fintech involves the new offering of a Microsoft service called Money in Excel. It focuses on turning the spreadsheet into a fintech app, allowing users to securely connect to their banking and other financial accounts. With the app, they can import data, sync balances and transactions over time, and gain greater insights into their financial practices and health.

[Read Full Article](#)



How Mixing Payment Rails Eases B2B Payment Squeeze

B2B payments can become complicated and require various solutions. This article discusses how multiple rails of payments can drive revenue. An increasing number of FinTech providers embrace this variety to ease issues in card acceptance, employee payroll and invoice payments. Providing increased direct deposit for employees, for example, helps to shift from traditional paychecks and supports struggling employees. More and more employers are embracing this, with a 400% increase in just three days of release of DailyPay, an early wage access tool. Experts anticipate that the popularity of these strategies will go on and increase long after the coronavirus pandemic crisis eases.

[Read Full Article](#)



The Rising Popularity Of Buy Now, Pay Later (BNPL)

The Canadian debit payments company, Interac, has experienced a surge in contactless and digital transactions amid COVID-19. Consumers increasingly make purchases from home to avoid public spaces and potentially contracting the coronavirus. For the first time, e-transfers exceeded \$50 million in March when it reached \$51.9 million. The firm continues analysis of the trends and explores how to best accommodate consumers and businesses. Much of the payment activity is happening in-app and in-browser, and Interac is working with financial institutions to try to expand the possibilities.

[Read Full Article](#)



Delivering Fintech Innovation

Visit our website for more information about our Digital Payments practice: www.prodigylabs.net

Business enquiries:
info@prodigylabs.net