



The South African payments landscape in 2025 – what to expect and how to adapt?

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This article aims to briefly discuss elements that will play a shaping and leading role into the transformation of the payments landscape over the next 4 years. It covers key themes that must be recognised, understood, and adopted for businesses to future proof their payment and collection strategies and ensure that they remain relevant in the ecosystem which they operate in.

The SARB modernisation programme – adopt or die

For the foreseeable future, the most impactful and influential driver of change will almost certainly be regulatory and compliance related change. This is probably true for not only SA but also globally. The imposition of the POPI act, the creation of DebiCheck and the sunset of AEDO & NAEDO are practical examples of this.

Few stakeholders realise that the introduction of DebiCheck was the 1st step in a series of workstreams that forms part of a larger SARB modernisation programme to get all debit orders digitised (electronically registered at the payer's bank). This evens out the competitive playing fields, enables the transformation of the underlying domestic architecture (XML and ISO 2022 standards and opens the realms of potential future innovation. For more info on this topic <http://www.pasa.org.za/docs/default-source/default-document-library/the-national-payment-system-framework-and-strategy-vision-2025.pdf?sfvrsn=4>

Companies that have already adopted the DebiCheck offering into their environments are already 80% done with the hard work to fundamentally change how early debit order collections streams are digitally managed. To digitise normal EFT debit orders should be relatively easy and with minimal friction for those already making use of DebiCheck. For those who have not yet adopted DebiCheck, consider that they will have no option to do so as it will be regulatory change based. Therefore, late adopters will be in for a bumpy ride and possibly expose their business to existential risk if they leave it too late.

Biometrical identification logically precedes data verification and enrichment services

For most businesses that sell products and services to consumers, the 1st step in their customer engagement process is usually to perform a KYC check and thereby establishing the concept of dealing with a real person, a live person and doing so in real time. A sneak preview of what will be common practice

by 2025 is the Standard Bank example of their recently launched new platform-based ecosystem (codename OneHub).

This serves as an example of how companies can transition and transform their traditional business models to enable best in class 3rd parties to promote their offerings to their existing and future customers. Consider the success story of how Amazon achieved exponential growth from a similar strategy when they opened their platforms to enable other businesses to promote their offering to the world. This could be the start of something similar and could be game changing stuff. For more info on this topic

https://corporateandinvestment.standardbank.com/static_file/CIB/PDF/2021/Insights/PlatformPaper/StandardBank_Platform_Economy_Thought_Leadership_Paper.pdf

Business Process Outsourcing

At the outset it is important to understand that this topic covers a whole lot of elements including Software as a Service, the outsourcing and traditional middle and back-office functions and the adoption of deep automation and smart/intelligence driven applications (all closely linked to 4IR). Very few companies are capable to be best in class on sales origination, product innovation/development, operational excellence, and customer support.

The changes to be expected over the next few years will be that companies will start recognising this and will slowly start to outsource elements of their core functions to best in class service providers but retain the core competency and manage the rest of the outsourced functions as a cohesive whole. The insurance industry (more specifically the medical aid sector) has been front runners of this adoption. Consider how they originate via non employed independent brokers/sales agents, often use competitor or independent administrators to run the systems and operational management of claims, outsource some of their support related call centre functions to best in class 3rd party providers and even use aggregators such as TCTS and other to process and manage their debit order collections for them. But they focus increasingly on their core competencies and remain in control of the revenue pools.

Summary

In closing, it is only appropriate to remind businesses about a phrase that the brilliant entrepreneur, inventor and serial patentor Lori Greiner coined: "Dear optimist, pessimist, and realist — while you guys were busy arguing about the glass of wine, I drank it!" Sincerely, the opportunist! The important question - what is the strategic roadmap for you