



# Payments Industry Crypto Monitor

Survey Results  
November 2022

# Dear reader,

Cryptocurrencies have grown exponentially in recent years. More than 1,600 different types are currently listed on CoinMarketCap. At INNOPAY, we believe that crypto can offer a great opportunity for payments industry players to support their business model and reduce their costs at the same time. But we understand that crypto can be complex and confusing.

To gain a clearer understanding of how far crypto has developed in the payments industry and to grasp the opportunities and hurdles that lie ahead, we conducted our first-ever 'crypto for payments' survey from June to September 2022. This monitor provides insight into how organisations and companies are integrating their understanding of crypto into their everyday payments operations.

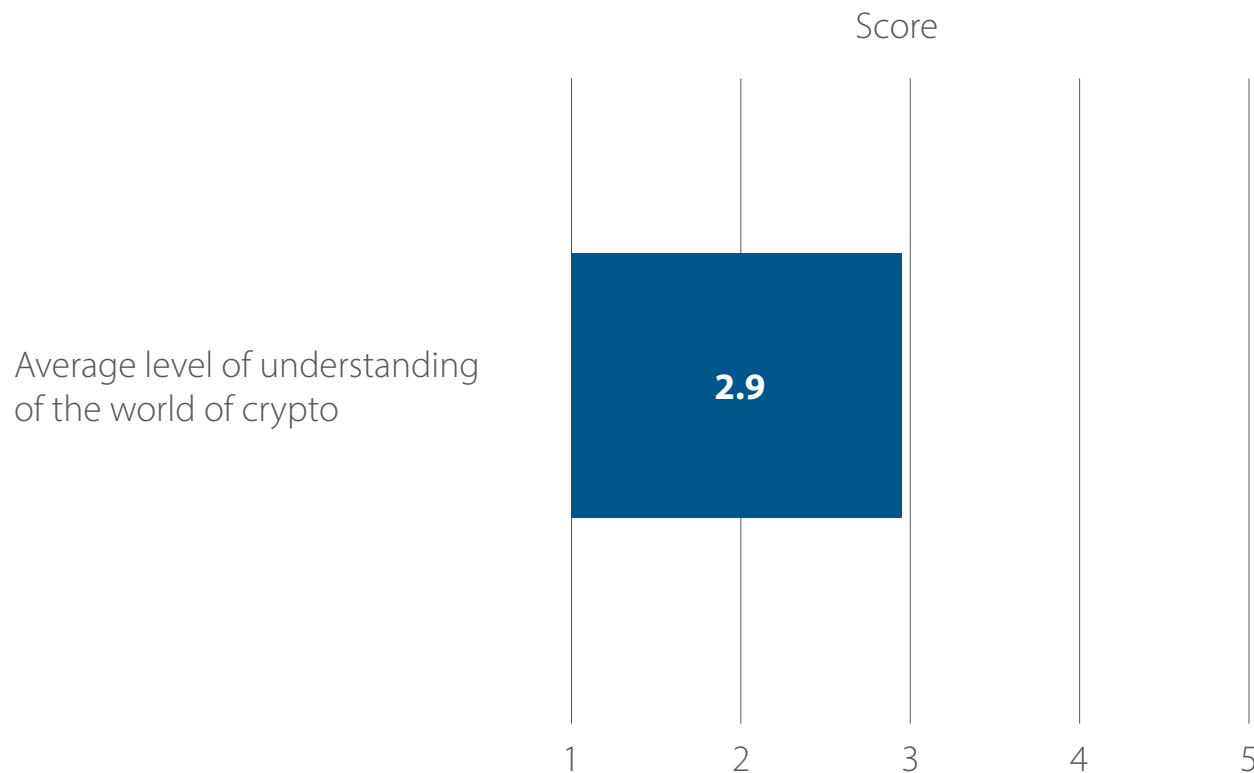
In the survey, we asked over more than 100 respondents from the worldwide payments industry about their understanding of crypto, and what they regard as its key aspects and relevance. The findings paint a clear picture of the current status of crypto in the payments industry as well as the main opportunities and hurdles that lie ahead. To monitor future progress, we intend to repeat this survey annually from now on.

We hope you enjoy reading the findings in our Crypto Monitor for the payments industry. If you have any questions or would like to discuss any of the issues raised here, please do not hesitate to contact us.

**Douwe Lycklama**  
**Mirela Ciobanu**

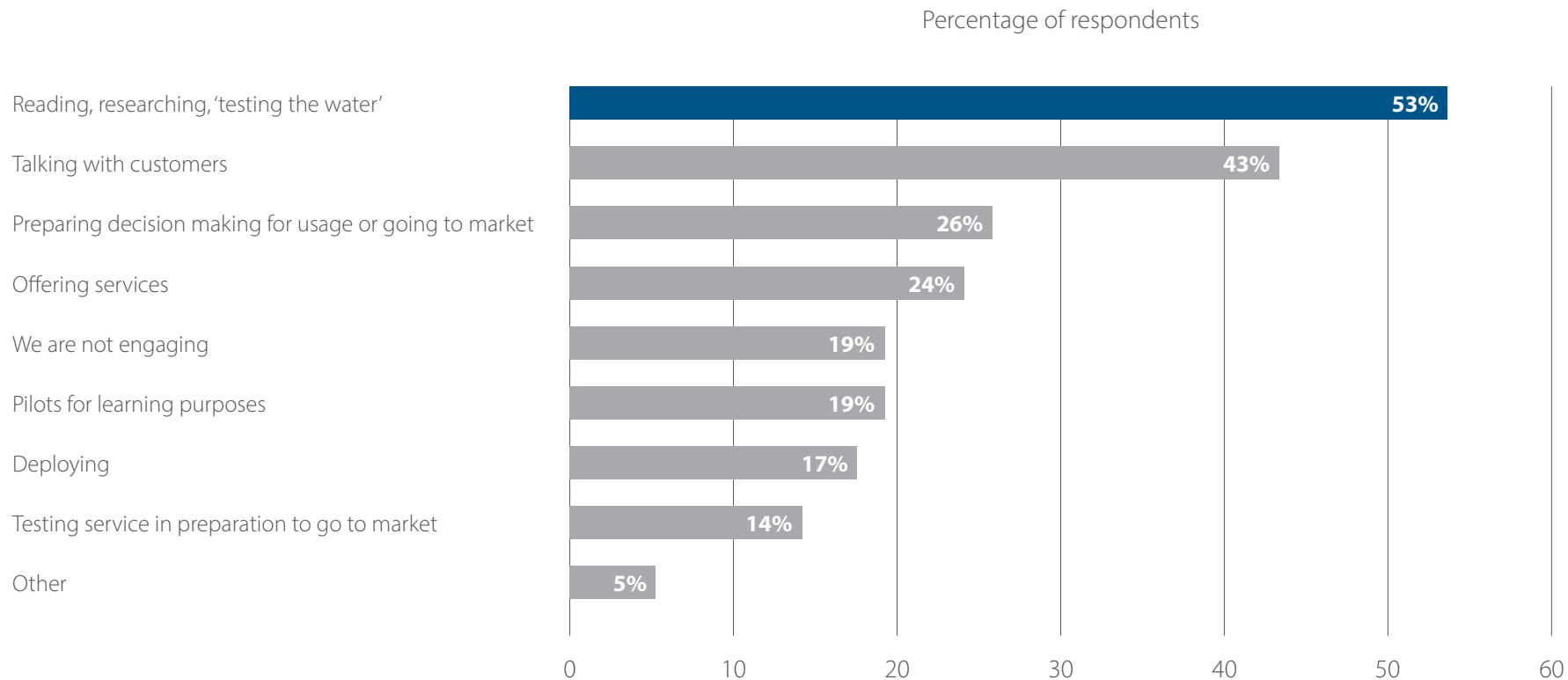


## On a scale of 1 to 5 how do you rate your level of understanding of the world of crypto?



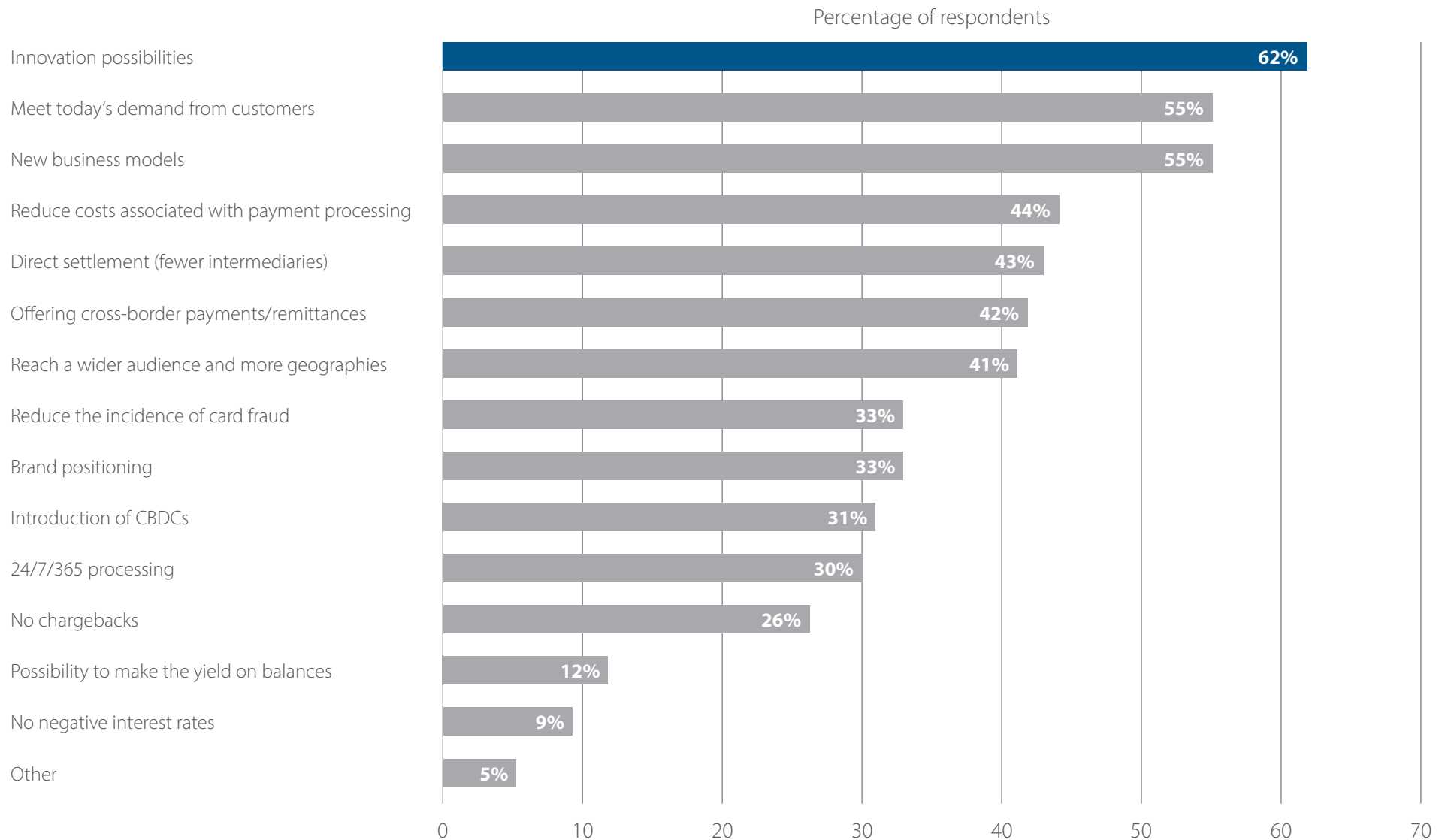


# To what extent is your organisation engaging in crypto services?



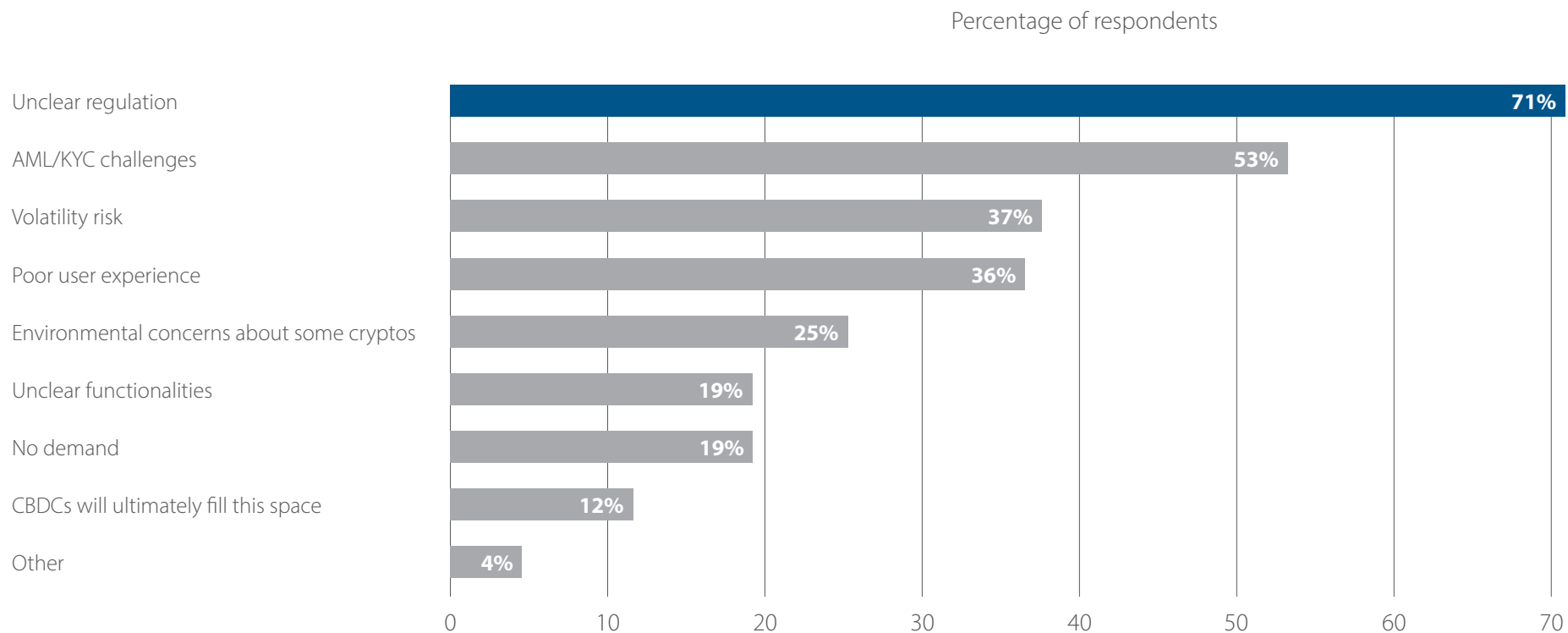
(Multiple answers possible)

# What are/would be reasons to offer crypto products?



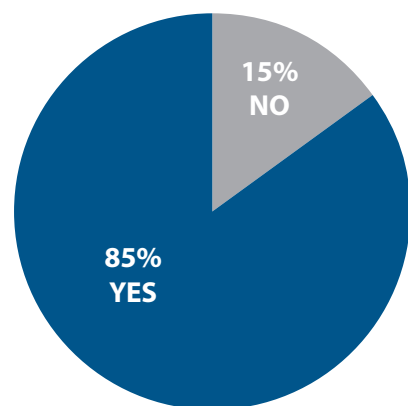
(Multiple answers possible)

# What are/would be reasons not to offer crypto products?



(Multiple answers possible)

# Do you think crypto infrastructures will impact the current global payment infrastructure as we know it?



## Reasons for yes

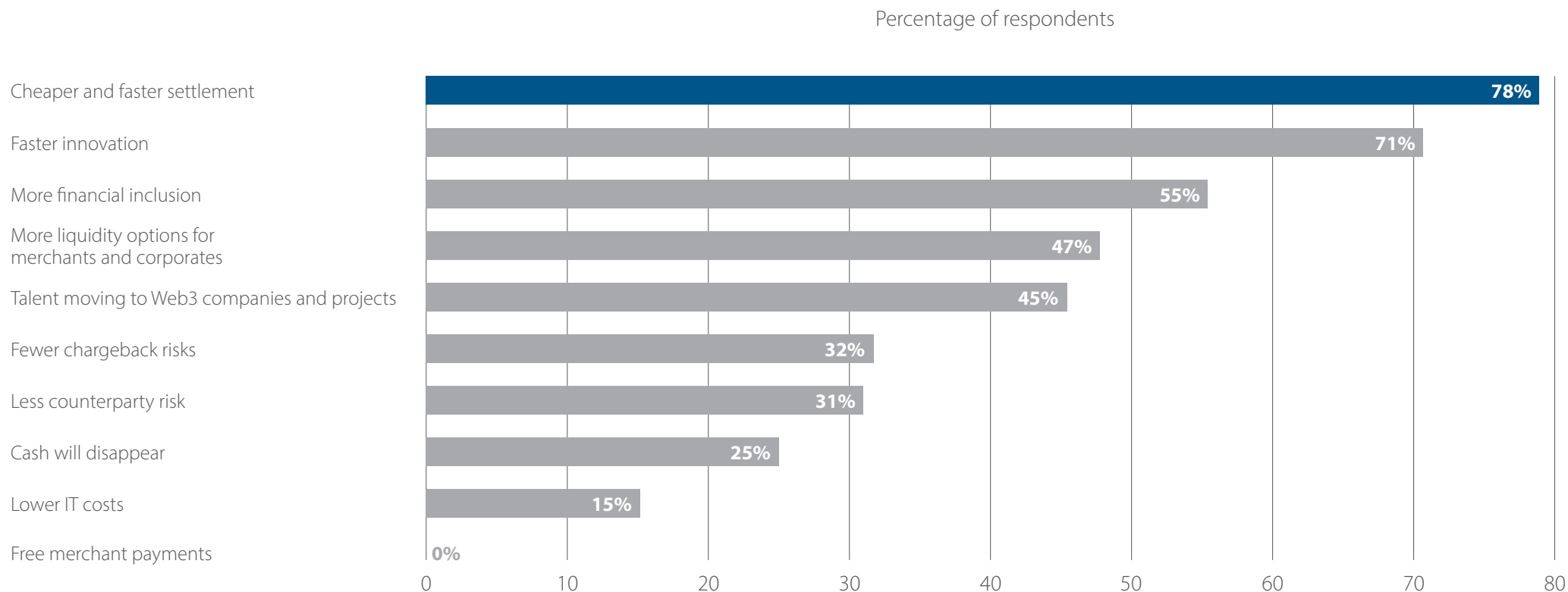
- They will create more competition.
- L1 networks are scalable globally, at a fraction of the cost.
- All cryptos have issues that prevent them from gaining mainstream usage, but they are evolving quickly. One day, a crypto will launch that is low-cost, secure, fast and easy to use, and it will gain usage very quickly.
- Yes, but only in the long run. For now crypto is small scale and not a generally accepted payment method. Over time the impact might become higher, allowing for cheaper and more integrated payment methods.
- Easily transferable.

- The crypto infrastructures have the potential to replace some of the global payment infrastructure or at least change the pricing structure.
- Competition from crypto will 'force update' the existing payment infrastructure to increase availability and speed.
- SWIFT wires are too slow, too expensive and too unpredictable, although crypto still has points of friction such as KYC/AML.
- Interchange fees have continued to rise over the decade with no indication of a downtrend.
- We believe a lot of these networks/infrastructures will either be replaced by crypto or enhance them.
- Litecoin, for example, provides the best all-around decentralised, hard, sound money cryptocurrency network and monetary policy to hedge fiat and inflation.
- Distributed payment infrastructure solves some of the issues in the incumbent schemes.
- Speed, cost and coverage.
- Blockchain-based architecture changes the dynamics of hierarchy/centralisation.
- These will need to co-exist/provide for handling a new 'currency'.
- Environmental risks of crypto-infrastructures usage could push regulators to address the corresponding risks in the 'traditional' markets.
- They offer significant efficiencies in terms of cost reduction, speed of processing and reduction of errors/delays.

## Reasons for no

- Too slow, too costly, too cumbersome, bad consumer experience with difficult reversals.
- They could rather replace an existing infrastructure or provide the market with a new one.
- Not in the near future (<1 year).
- Not feasible for large-scale implementation, no interest among the broader population to change an existing system without added value.
- Central Banks will implement and then enforce the use of CBDCs instead.
- I see crypto as a parallel system focused more on speculation and avoiding regulation/control rather than competing with existing payment systems.

# If you answered yes to thinking that crypto infrastructures will impact current payment infrastructure, how will it impact on the payment world as we know it?



(Multiple answers possible)



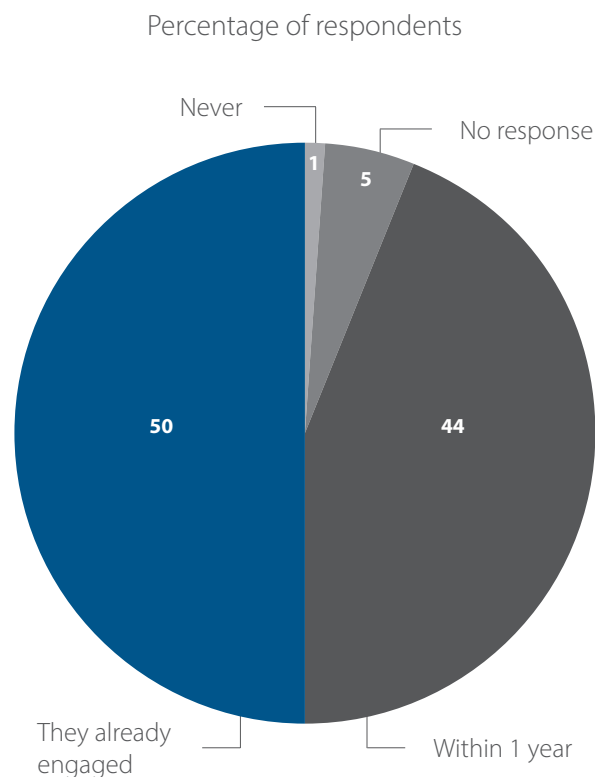
# If you answered yes to thinking that crypto infrastructures will impact current payment infrastructure, when do you think C-suite will engage in this topic?

## Already engaged

- C-suite are actively engaged and, if not already participating, evaluating when to enter the market.
- Some C-suite understand what is coming; many have not yet seen it or think it will disappear.
- Some are engaged but by no means all.
- Metaverse is on their radar.

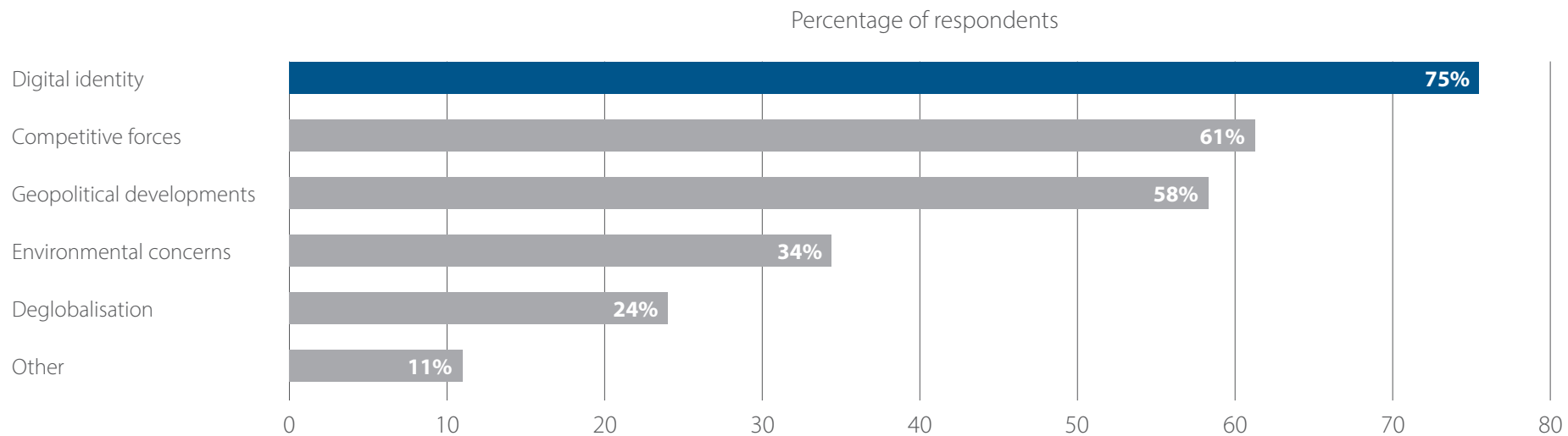
## If answered within 1 year

- Still a lot of denial among the C-suite
- Companies who are willing to develop crypto will be engaged, they will be concretely using it.
- Current pilots are far from reality.
- There are other bigger priorities on C-suite agendas, particularly in large organisations.



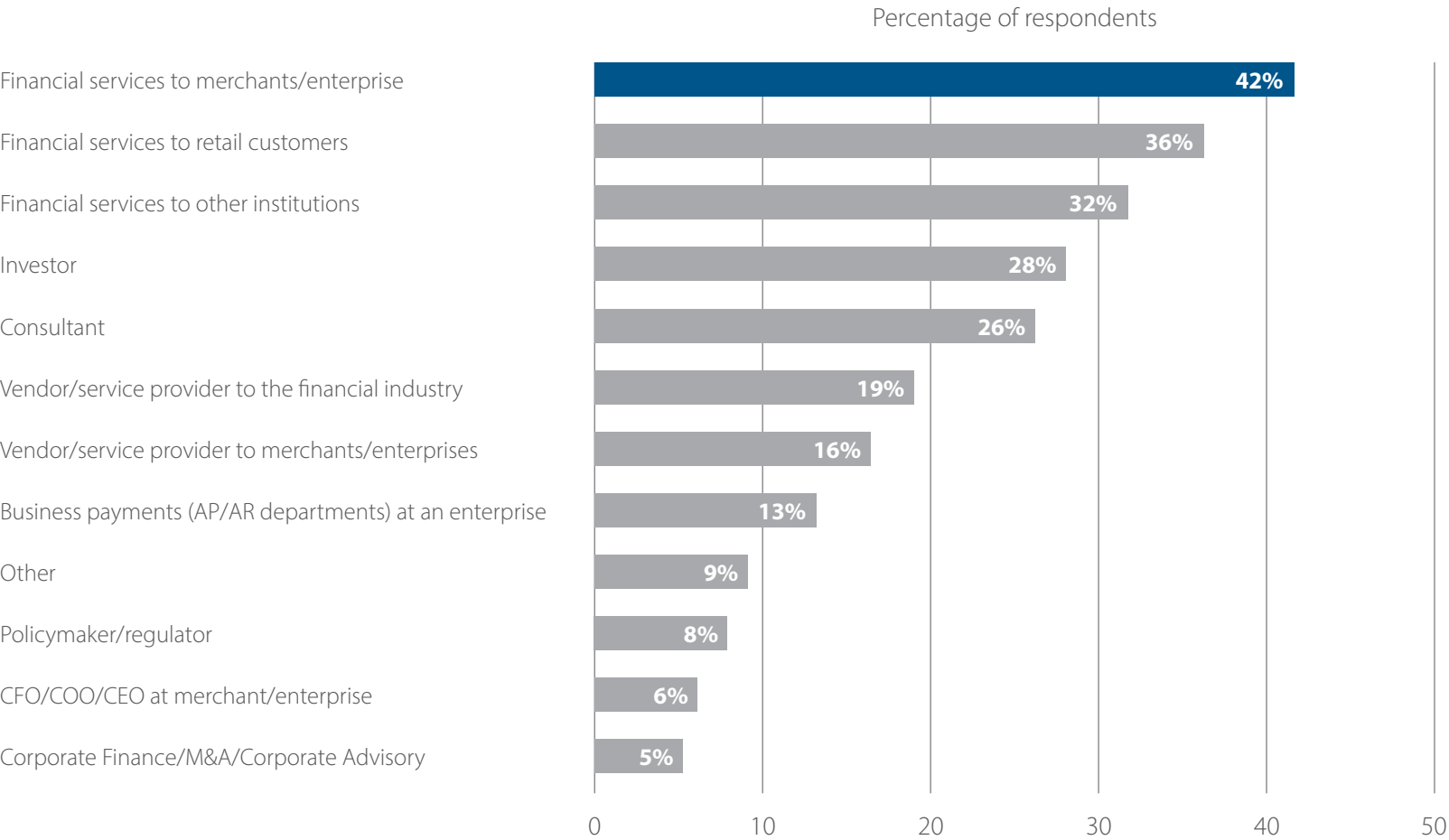
Answer	Amount
They already engaged	50
Within 1 year	44
No response	5
Never	1

# What trends are impacting the speed of change?



(Multiple answers possible)

# Please indicate your focus area(s)



(Multiple answers possible)

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**About INNOPAY**

INNOPAY is an international consultancy firm specialised in digital transactions. We help companies anywhere in the world to harness the full potential of the digital transactions era.

We do this by delivering strategy, product development and implementation support in the domain of Digital Identity, Data Sharing and Payments. Our services capture the entire strategic and operational spectrum of our client's business, the technology they deploy, and the way they respond to local and international regulations.

We have grown from strength to strength since our foundation in 2002 and operate from our offices in Amsterdam and Frankfurt. Our head office is located in The Netherlands, where we have the #1 market position.

We are a founding member of Holland FinTech, a financial technology hub with links to the rest of Europe, the US, the Middle East and Asia. Our team consists of over 60 experienced domain experts who regularly advise a wide range of global organisations.