

PAYMENTS TRENDS 2025: THE REAL-TIME ADVANTAGE



The real-time payments revolution is moving at speed and creating new opportunities for businesses. What's changing and what do you need to know to help your organisation gain a competitive advantage?

THE COUNTDOWN FOR CHANGE

Consumers have been quick to adopt to digital payments through the New Payments Platform (NPP), which manages more than 35% of account-to-account transactions. Now corporate Australia is joining the revolution.

2024

The launch of PayTo for billers, which is enabling the migration of direct debit mandates to a more secure digital environment.

2028

Issuance of cheques ceases at the end of June 2028. Cheques won't be accepted beyond September 2029.

2030

The deadline for the phasing out of the bulk electronic clearing system, or BECS, which has been operating since 1989.

DECLINING CASH USE

The decline in cash use has accelerated since the pandemic. The share of in-person cash transactions halved, from 32% to 16% in the three years to 2022. But for those who need it, cash is here to stay.

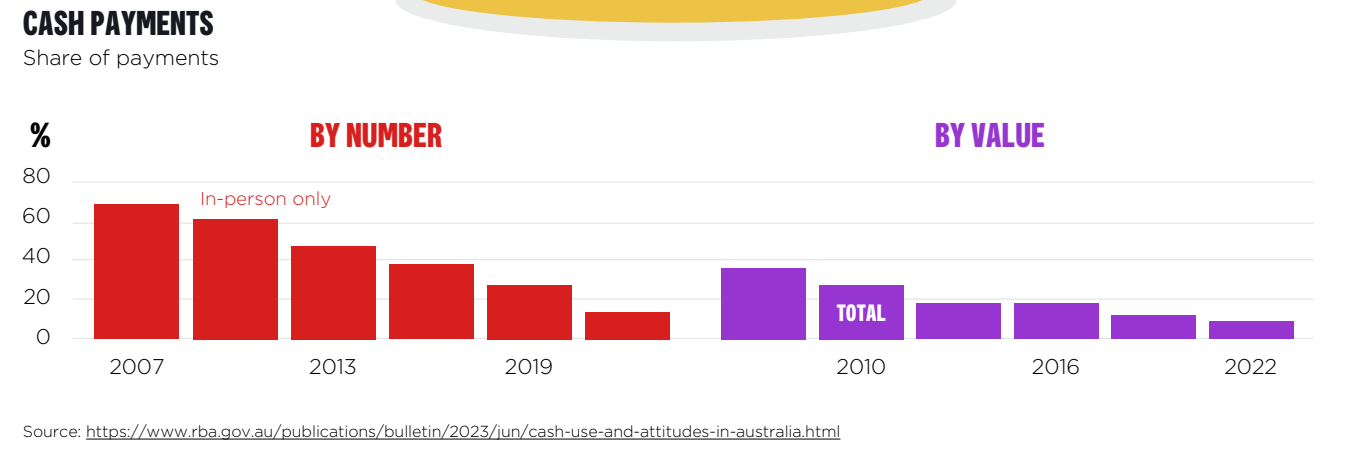


72%

of Australians were classified as 'low cash users' in 2022.

20%

or less of in-person transactions were paid in cash.



WINDING BACK CHEQUES

Australia's cheque system will close down no later than 2029.

90%

The decline in cheque use over the past 10 years.

0.2%

Non-cash retail payments in Australia made by cheque.

With **1.3 million** cheques issued in the year to May 2024 there's still work to be done ahead of the transition.

By 30 June 2028

Cease issuance of personal, commercial, government and bank cheques. Cheques written after this date will not be accepted, and no payment will be made.

On 30 September 2029

Cease acceptance of personal, commercial, government and bank cheques. Cheques will no longer be accepted for payment by financial institutions. Close of the cheques system.

RAMPING UP DIGITAL WALLETS

Australians are among the world's top users of cashless payments, exceeding the UK, US, France and Germany.

\$93 billion

Digital wallet transactions in 2022. Up from \$746 million in 2018.

15.3 million

Cards registered to mobile wallets in 2022. Up from 2 million in 2018.



WHAT'S DRIVING GLOBAL DEMAND FOR DIGITAL PAYMENTS?

CONVENIENCE

SPEED

SAFETY

ALSO ON THE RISE

PayID



Operating on the NPP, PayID allows users to send and receive payments more securely using a mobile number, email address or ABN.

25 MILLION

PayID registrations as of Jan 2025

BRINGING ON PayTo

Pay to

The digital alternative to direct debits, PayTo gives consumers more visibility, flexibility and control over payments.

Westpac has launched PayTo for Billers, allowing large business and institutional customers to set up receivables in a faster, more streamlined way, with PayTo for SMEs launched.

DYNAMIC VIRTUAL CARDS

Popular for their convenience and security, the total volume of virtual card transactions is predicted to exceed \$17.4 trillion by 2029, up from 36 billion in 2023.



WHAT'S ON THE WAY?

Discover real-time advantage in treasury management through Westpac's new platform Westpac One, launching in 2026.

It's a powerful ecosystem of digital accounts, tools, and services.

One platform for all transaction banking functions, combining real-time payables and receivables, insights and analytics in an easy-to-use, customisable workspace designed for efficiency and simplicity.

Built on new cloud-native core infrastructure, Westpac One operates in real-time 24/7, with faster capability updates and the ability to connect through application programming interfaces (APIs) that are flexible and modular.

THE TIME TO MOVE IS NOW

Early movers will reap faster benefits.

Organisations that move too late risk exposure to higher costs, mistakes and process challenges.

Early adopters can make their systems more customer centric and efficient, with the potential to harness data for new business lines and products.

Learn more about preparing your organisation for the future of payments. Contact Westpac for a real-time readiness assessment to understand how prepared your organisation is for the transition.