

nuvei



Real-time payments for an empowered workforce



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Executive Summary

The advent of instant payments has significantly enhanced transaction efficiency and convenience.

This is particularly impactful in B2C (business-to-consumer) disbursements, especially payroll, where workers demand faster access to their wages. The rise of the gig economy and the growing prominence of Earned Wage Access (EWA) services further underscore this shift towards more immediate and flexible payment solutions.

Gig workers and contract employees frequently face irregular income streams and unpredictable expenses. Quick access to earnings can mean the difference between paying a bill on time or incurring late fees or even meeting basic living expenses.

For EWA users, accessing a portion of their earned wages before payday provides financial flexibility, reducing reliance on high-interest payday loans or credit card debt.

This can significantly improve workers' financial well-being, reduce stress, and enhance productivity and job satisfaction.

In response to these challenges, Nuvei's global push-to-card (P2C) solution, enabled by Visa Direct, is a viable alternative.

Nuvei offers a ready-to-use solution in the markets indicated above at competitive costs, featuring a unified global API, comprehensive services including enhanced fraud prevention, robust cross-border capabilities, rapid implementation, and an extensive suite of value-added services.

Nuvei's solution is already established and operational in the in-scope markets, including Australia, Colombia, Italy, the UK, and the USA.

It has already proven successful in other use cases and is gaining significant traction in gig economy payments, payroll solutions, and the EWA space, highlighted through partnerships such as Rappi and Cloudpay.

Nuvei acts as a strategic partner rather than just a payment provider, offering extensive human support which helps increase operational efficiency for its customers.

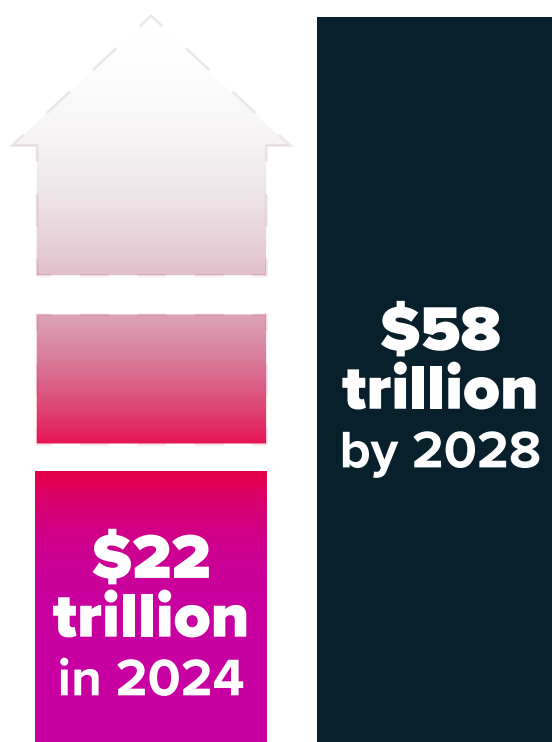
This approach presents a compelling option for businesses seeking to navigate the complex landscape of instant payments and meet the growing demands of the modern financial ecosystem.



Instant payments are becoming the new global standard

As businesses and consumers seek greater convenience and efficiency in transactions, the demand for faster payment solutions has surged. This shift is reshaping expectations and driving innovation within the payments industry. With advancements in technology and increasing regulatory support, instant payments are poised to become a fundamental component of modern financial systems.

The global instant payments transaction value is set to grow significantly, with forecasts indicating a rise from \$22 trillion in 2024 to over \$58 trillion by 2028¹.



The global instant payments transaction value is set to grow from \$22 trillion in 2024 to over \$58 trillion by 2028

¹ Juniper Research, Global Instant Payments Market 2024-2028, April 2024

This growth is driven by enhanced user experience, better cash flow, and financial inclusion. By enabling immediate access to funds, these solutions empower individuals and businesses to manage their finances more effectively. Corporates are highly attuned to the benefits, with over 75% of businesses planning to increase their use of instant payments in the next five years².

Currently, over 70 countries support Real-Time Payment (RTP) systems, with varying adoption across regions. Governments are prioritizing policies and initiatives to accelerate adoption. Their efforts are paving the way for instant payments to become foundational to modern financial systems³.

**“Instant payments
are set to become
a standard in
payments”**

- Global Payroll Provider

² Association for Financial Professionals (AFP), AFP Real-time Payments Survey, 2023

³ BIS, Project Nexus: enabling instant cross-border payments, July 2024

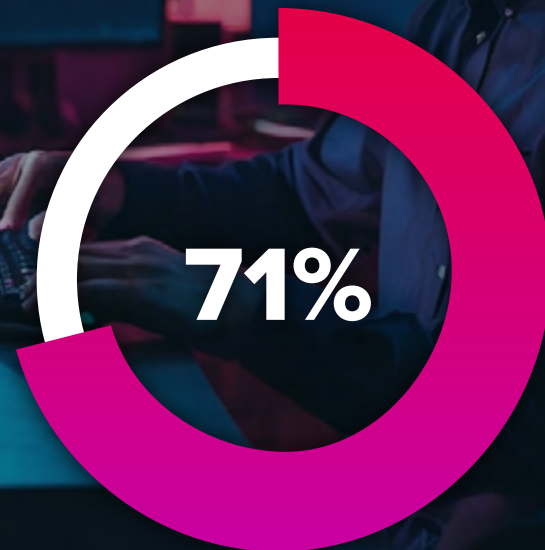
The traditional payroll cycle is being challenged

Workers are increasingly demanding faster access to their wages, disrupting long-standing payroll practices. As employees prefer receiving wages on demand, businesses are adopting instant payment solutions to stay competitive.

Business-to-person disbursements, mainly payroll, are benefiting from instant payments, with 71% of US organizations identifying it as a key use case⁴. Businesses that rely on legacy systems risk falling behind competitors who leverage instant payments to meet workforce expectations.

This demand extends beyond traditional employment, with relevance to the gig economy. Offering instant payouts is becoming critical for attracting and retaining talent across employment models.

⁴ The Federal Reserve, Federal Reserve Financial Services (FRFS) survey, 2023



71% of US businesses see payroll as a key use case for instant payments

In this research, we look at three primary payout use cases to illustrate this emerging trend:




	FUNDS DISBURSEMENT USE CASE	DEFINITION	PAYMENTS FLOW	SENDER	RECEIVER
	Gig Economy	Payment for services rendered on-demand through a platform (e.g., Uber, Lyft)	Payroll/ wages	Shared platform	Provider of goods/ services
	Payroll	The regular disbursement of employee wages or salaries at the end of a pay period	Payroll/ wages	Employer	Employee
	Earned Wage Access (EWA)	Employees being given access to some of their accrued wages before the end of a traditional payroll cycle	Payroll/ wages	Employer	Employee

FIGURE 1 | **Payout (funds disbursement) use cases and definitions**

Gig economy:

The gig economy, characterized by short-term contracts or freelance work, often requires a different approach to payroll. Gig workers frequently prefer immediate access to their earnings after completing a job.

Instant payment solutions cater to the unique needs of gig economy workers, enabling them to receive their earnings as soon as their tasks are completed, thereby enhancing their financial stability and satisfaction.

Payroll & Earned Wage Access (EWA):

Traditional payroll systems often operate on a monthly cycle and utilize legacy, inefficient systems, such as bank transfers that may require several days, which can be frustrating for both employers and employees.

EWA services are becoming increasingly popular as they empower workers by allowing them to access a portion of their accrued wages before the traditional payroll cycle.

This innovation provides employers with an added benefit to retain talent and gives employees greater control over their finances, helping them to manage unexpected expenses.

Demand for real-time earnings access surges among gig economy workers

As the gig economy grows, so does the demand for instant earnings access. Globally, payments related to gig workers are expected to expand from \$415 billion in 2023 to \$920 billion by 2031, with a CAGR of 14.5%⁵. Delays in payments can cause financial instability, and 80% of gig workers prefer to be paid instantly. Platforms like Uber and Deliveroo already offer instant pay options, and more gig platforms are showing interest in transitioning to instant payments to maintain their competitive edge.

However, for the platforms, this transition poses a few challenges. Inconsistent payment schedules across different gig services create operational complexities, making it harder to standardize payment processes.

⁵ GQRResearch, Gig economy Market, 2024-2031

**\$415
billion
in 2023**

**\$920
billion
by 2031**

**Payments to gig workers
are expected to grow from
\$415 billion in 2023 to
\$920 billion by 2031**

80%

**80% of gig workers prefer
to be paid instantly**

In most regions, the gig economy includes a significant portion of unbanked individuals, many of whom are immigrants or taking up their first jobs.

The absence of a traditional bank account leads to offering alternative payout methods, such as digital wallets and other payment solutions, to ensure these workers can access their earnings. Nuvei's push-to-card solution, enabled by Visa Direct, serves as a valuable alternative to traditional bank transfers, especially in regions where banks may not be as accessible or able to support real-time payments.

For instance, Visa Direct offers the flexibility to reach beneficiaries around the world, whether they hold an eligible card, account, or digital wallet.

It ensures payments are delivered fast and securely to over 8.5+ billion global endpoints.

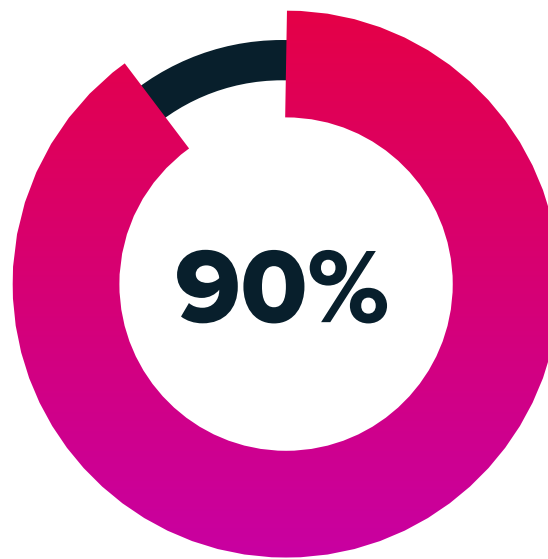
Gig platforms must also carefully navigate the regulatory landscape, as they are required to comply with national regulations and data protection laws, adding another layer of difficulty to implementing instant payment solutions across different regions.

This challenge is further amplified for gig platforms operating in multiple countries, as they must contend with varying domestic payment systems, each with its own set of rules and requirements.

Earned Wage Access (EWA) is becoming more prevalent because of the dual benefits it delivers to employees and employers

EWA provides employees with the flexibility to access wages before payday, reducing financial stress. Employers benefit from enhanced employee satisfaction, improving retention and recruitment efforts.

The global EWA market is forecasted to reach \$24 billion by 2025⁶. EWA is increasingly viewed as a valuable employee benefit, with nearly 90%⁷ of employees more likely to stay with an employer offering EWA.



90% of employees are more likely to stay with an employer offering Earned Wage Access (EWA)

⁶ Worldmetrics.org, EWA Market 2025, July 2024

⁷ Visa & AYTM, Earned Wage Access Preferences Survey, 2019

In the United States, the EWA market is among the most advanced, with a wide array of offerings from banks, fintech companies, payroll providers, employee benefits providers, and gig platform providers. The UK is also a notable leader in EWA adoption, with about 10%⁸ of UK employers offering EWA, benefiting over 4 million workers.

Other countries, including Australia, Italy and Colombia are also showing increasing interest in EWA, suggesting a broader trend toward embracing this tool. Employers not considering EWA may be at a disadvantage in competitive labor markets.

The cost of EWA varies significantly depending on the provider and the terms of service. Some EWA providers charge employees a flat fee per transaction, while others base their fees on a percentage of the amount withdrawn.

Employees are willing to pay such fees as it is more cost-effective than payday loans. Employees using EWA services save an average of \$50 per month on overdraft fees and 41% say it has prevented them from using payday loans⁹.

The trend towards employer-sponsored EWA is also gaining traction as more companies recognize its positive impact on employee financial wellness, viewing EWA as a valuable addition to their benefits package. In response, EWA providers are also offering subscription-based models, charging employers instead of employees.

⁸ HR Magazine, CIPP launches earned wage access guidelines, September 2023

⁹ Worldmetrics.org, EWA Market 2025, July 2024



***“ Employers
offering EWA
are seen as
more caring and
progressive,
potentially aiding
in employee
retention. ”***

- Global Payroll Provider

To fully realize its potential, future EWA solutions must still address a few areas

These include working towards clearer regulatory frameworks through proactive engagement with regulators, developing education programs to increase awareness among employees and employers, and creating flexible integration solutions that can bridge the gap between legacy payroll systems and modern EWA platforms.

Insights from our interviews indicate that integrating EWA solutions with existing payroll systems can be time-consuming, as many organizations still rely on legacy systems lacking modern APIs. More flexible tools and comprehensive change management support will help organizations transition to EWA systems and overcome resistance.

Furthermore, gig workers and freelancers need more granular and real-time reporting capabilities within EWA platforms.

EWA providers should focus on enhancing their reporting tools and data delivery mechanisms to cater to this growing segment of the workforce. Gig platforms and EWA providers can benefit from an all-in-one financial solution with robust back-office services.

For instance, Nuvei's fully integrated service addresses various operational needs from transaction processing to reporting and reconciliation, reducing the need for separate tools and consolidating multiple functions into one platform.

Such a solution significantly reduces the hours spent by internal teams on managing multiple systems and operational tasks, which makes EWA solutions more accessible and valuable, accelerating the adoption of this beneficial financial tool across various sectors.

The fragmentation of the global RTP landscape and its challenges for gig economy platforms, EWA providers, and businesses

The global RTP landscape is fragmented, creating operational difficulties for gig platforms and EWA providers. Adoption and appetite for RTP systems vary by country, and many lack interoperability. For instance, Faster Payments in the UK, PIX in Brazil, and UPI in India operate independently. In contrast, others like Italy rely on regional solutions like the pan-European SEPA Instant Credit Transfer (SCT Inst) scheme.

These systems are primarily focused on facilitating domestic disbursements and transfers, requiring active participation from banks to support both incoming and outgoing account-to-account transactions. Businesses navigating this landscape face a complex array of systems and standards, each with its own set of rules and technical requirements.

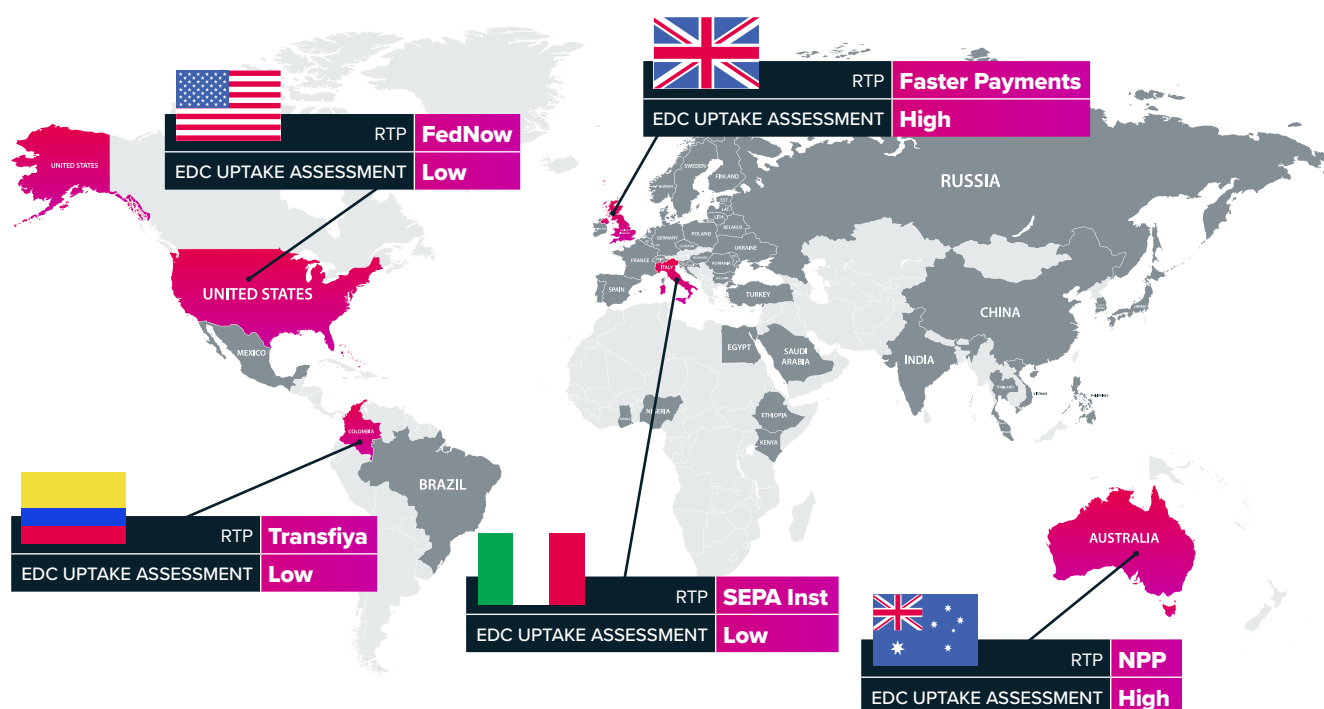
“ On an international level, a standardized framework for instant payments is yet to be established.”

- Payment Enabler

In the context of the five key markets covered in this research, each RTP landscape exhibits a different system with unique characteristics:

- **Australia's New Payments Platform (NPP):** Launched in 2018 to provide rapid payments for users across 110+ financial institutions in the country, processing one in three account-to-account transfers as of 2023.
- **Colombia's Transfiya system:** Launched in 2019 and supports up to 15 daily transfers with a limit of 2 million pesos per individual. It was further enhanced in 2023 for B2B and QR-based payments.
- Italy does not have a domestic system and adopted **SEPA Instant Credit Transfer** (SCT Inst) as part of the wider European SEPA framework in 2017, allowing instant payments of up to €100,000 within the SEPA zone.
- **UK's Faster Payments Service (FPS):** Established in 2008, FPS has become a global benchmark in instant payments, processing over 3.7 billion transactions in 2023. It now handles payments up to £1 million and has seen widespread adoption in the UK.
- **United States FedNow service:** Launched quite recently in 2023, it enables instant payments 24/7 and has nearly 800 financial institutions participating as of mid-2024.

FIGURE 2 | **RTP rails by country**
(Focus on in-scope countries with EDC's uptake assessment)



COUNTRY	RTP	COUNTRY	RTP	COUNTRY	RTP
Czech Republic	CERTIS	China	IBPS, CHAPS2	Brazil	PIX
Sweden	BIR	Spain	Bizum	Singapore	FAST, PayNow
Poland	Elixir	Russia	Faster Payments System	Philippines	Instapay
Hungary	AFR	Japan	Zengin	Thailand	PromptPay
Denmark	NETS	Egypt	InstantPayment Network	Tanzania	TIPS
Romania	Plati Instant	Korea	KFTC	Qatar	QMP
UAE	IPI	Malaysia	RPP, DruitNow	Mexico	SPEI
Bulgaria	BLINK	Ghana	GIP	India	IMPS, UPI
KSA	Sarie	Kenya	IPSL	Nigeria	NIP
Pakistan	IBFT				

EDC Infographic, Non-exhaustive list of RTP across the world for illustrative purposes only.

Sources: PYMNTS, EDC Analysis

Since each of these RTP systems operates independently, PSPs and merchants face significant complexity, having to navigate multiple systems for domestic, regional, and global RTP transactions. The lack of interoperability between networks complicates transaction processing for international payments, creating operational inefficiencies. A related challenge is the lack of standardization in payment data formats across the industry.

While XML remains common, Open Banking has introduced JSON. Financial institutions now use XML, JSON, or both, hindering interoperability between diverse systems. Providing a single global API, like Nuvei's, simplifies transaction processing and settlement, making it easier for businesses to manage payments to workers across different regions through a ubiquitous infrastructure.

This approach reduces the complexity of dealing with multiple payment systems and standards, which was one of the biggest pain points expressed during our expert interviews. Complementing this, Nuvei's customizable Control Panel Dashboard offers real-time visibility into transactions, streamlines dispute management, and simplifies risk and optimization workflows, ensuring seamless operations for platforms.

Moreover, businesses operating internationally can benefit from Nuvei's solution, which excels at cross-border payments, offering support for multiple currencies and predictable foreign exchange rates. This provides transparency and reduces the risk associated with currency fluctuations.

Despite the progress made in establishing a unified system, the European landscape still grapples with challenges

Europe serves as a prime example of a region that has developed initiatives for eliminating differences between domestic and cross-border payments by harmonizing standards in all participating countries. In addition to national RTP systems such as Bizum in Spain, NETS in Denmark, and Elixir in Poland, Europe provides a broader, pan-European solution through the European Payment Council's SCT Inst scheme, introduced in November 2017.

However, the adoption of SCT Inst scheme has been slow, facing several obstacles that have limited its growth. In 2024, instant SEPA credit transfers made up just 17.3% of total SCT + SCT Inst transactions¹⁰, a slight increase from 15.5% in 2023, reflecting sparse acceptance and a substantial gap in realizing its full potential.

As of June 2024, only 64%¹¹ of PSPs involved in SEPA SCT support SCT Inst, representing less than a third of the total estimated number of PSPs in Europe.




Less than a third of all payment service providers in Europe support SEPA Instant

¹⁰ European Payments Council, SEPA Instant Credit Transfer, Accessed August 2023

¹¹ European Payments Council, Register of Participants, Accessed August 2023

This limited adoption is compounded by higher costs in some regions, such as Italy, where fees can reach up to €30 per transaction. Finally, interviews conducted with merchants and PSPs revealed significant integration complexities with SCT Inst, which further hinder its widespread uptake.

In response to the limitations of SCT Inst, European authorities have introduced new regulatory measures, including mandatory timelines for PSPs to enable instant payment services, price parity between SCT Inst and traditional SEPA Credit Transfers, and enhanced fraud prevention under PSD3 (Payment Services Directive 3) and PSR1 (Payment Services Regulation). Despite these efforts, full adoption remains years away, with industry experts predicting further delays due to technical complexities and stakeholder resistance.

A man and a woman, both wearing aprons, are smiling and looking at a tablet together in what appears to be a bakery or food service setting. The man is holding the tablet. In the background, there are shelves with various breads and pastries.

“ The indirect integration to SEPA Instant Credit Transfer was long and complex. ”

- Lemonway
(Payment Enabler for online marketplaces)

Fraud issues and error-prone processes undermine existing RTP systems across the globe

Instant bank transfers feature higher fraud rates than traditional transfers, and a considerable part of the fraud losses is borne by the customers, especially for credit transfers. In the UK, over 90% of Authorized Push Payment (APP) fraud losses in 2023¹² occurred through the Faster Payments system.

This trend is not isolated to the UK; instant payments showed a fraud rate 10 times higher than conventional transfers in H1 2022 as per data reported by 18 NCAs (National Competent Authorities)¹³. In the EU, the European Banking Authority (EBA) has observed a shift in fraudster tactics towards more sophisticated social engineering methods, even with the implementation of Strong Customer Authentication (SCA).

In the context of payroll, the risk of fraud is lower due to established employer-employee relationships, repetitive transactions, and pre-verified employee information. However, the irrevocability of real-time payments remains a concern, as it limits the possibility of fund recovery in case of errors. This is particularly relevant in payroll where large sums might be transferred regularly.

Operational errors pose a more significant challenge. These include data entry mistakes leading to incorrect account details or amounts, system glitches causing duplicate payments or omissions, and timing errors in accrued wage calculations, potentially resulting in overpayments.

¹² Payment Systems Regulator, APP fraud performance report, October 2023

¹³ European Banking Authority, EBA Opinion on new types of payment fraud and possible mitigants, April 2024

In some RTP systems, inefficient screening methods can lead to wrongly rejected transactions, disrupting the payroll process. These not only reduce the efficiency of these systems but also erode user confidence, as concerns about the lack of reliable mechanisms remain a key obstacle to broader adoption.

Nuvei's solution offers advanced fraud prevention and risk management tools that safeguard transactions, reducing the risks associated with real-time payments. Additionally, Nuvei has adopted Visa's ANI (Account Name Inquiry), an enhanced cardholder verification service that further reduces fraud rates by ensuring secure and accurate transaction validation.

This layer of protection is particularly beneficial in high-volume disbursement settings like the gig economy.

**“Non-revocability
in instant payments
increases complexity
and susceptibility
to fraud.”**

- Lemonway
(Payment Enabler for
online marketplaces)

Existing RTP infrastructures fall short in providing comprehensive reporting and dispute resolution capabilities

Payments today are not just about transaction processing; they increasingly require a range of capabilities that enhance the payment experience and optimize operations for modern enterprises. Existing RTP infrastructures lack some of these critical tools needed for efficient financial management.

For example, comprehensive reporting and data management tools—crucial for business analytics—are available on only a few platforms, such as Faster Payments. For gig economy and EWA users, these tools offer clear, real-time overviews of earnings and available funds, supporting better financial planning.

Alias directory services, allowing payments via identifiers like email or phone numbers, streamline payroll by linking employee details with easily remembered identifiers, reducing errors in large-scale disbursements.

These services are currently limited to select systems like SCT Inst and NPP.

Additionally, RTP systems typically lack robust dispute resolution options, often falling short of the responsive support provided by card networks and acquirers. Enhanced dispute mechanisms could quickly address issues such as incorrect payments or discrepancies in EWA calculations, easing administrative burdens for employers and providing better support for workers.

Another essential component is dedicated human support throughout implementation and post-launch phases. With technical assistance, compliance guidance, and proactive diagnostics supported by local expertise, Nuvei helps businesses navigate regulatory complexities and adapt to region-specific requirements, ensuring smoother ongoing operations.



***“ Speed alone
isn't enough.***

***In sectors such as
accommodation and gig
work, where effective
reconciliation and traceability
are crucial for merchants,
traditional bank transfer
methods fall short.***

***While RTP systems
deliver speed, they can be
inadequate without strong
value-added services. ”***

– Karim Bekdache
(Global Online Travel Agency)

Key conclusions

Feedback from industry experts confirms that solutions like those offered by Nuvei effectively address the industry's pressing needs.

“ Push to Card/Wallet solutions, such as the ones provided by the global card networks, offer global coverage, prioritize the overall experience, and reap economic benefits for all stakeholders involved.

While using RTP systems may drive some cost savings, they are too often offset by market coverage limitations and local integration complexities. ”

– Karim Bekdache (Global Online Travel Agency)

Instant payments offer unprecedented speed and efficiency. The US, UK, Australia, Italy, and Colombia are navigating diverse stages of RTP execution, each grappling with unique hurdles in deployment and consumer adoption.

Currently, these RTP systems fall short in fully addressing the needs of gig economy platforms, EWA providers, and merchants in these regions. While enhancements are in progress, these payment infrastructures require time to reach maturity.

The expansion of RTPs has been impeded by multiple obstacles, including the need for more comprehensive service offerings, advanced fraud prevention mechanisms, broader market coverage, and the complexity of integrating with existing financial systems. In comparison, Nuvei's solution addresses the current challenges of the instant payments landscape by offering a global, comprehensive, and secure payment infrastructure.

P2C is a ready-to-deploy instant payment solution tailored for business-to-consumer disbursements. Facilitated by solutions such as Visa Direct, it allows payers to securely transfer funds directly to the recipient's eligible card, around the world.

With its ability to simplify complex licensing requirements, offer accelerated implementation, and provide extensive human support, Nuvei is well-positioned to lead the transformation of instant payments, both in these key markets and globally.

Its scalable approach, coupled with strong cross-border capabilities positions it as a compelling choice for businesses looking to enhance their payment offerings and overcome the complexities of the fragmented global RTP environment.

Definitions

Funds Disbursements

Fund disbursements typically involve money being sent from a business, government agency, or other entity to a consumer or small business.

Funds disbursements encompass a wide range of payment types, from payroll and government aid to refunds and incentives.

Instant Payments

The terms “instant payments”, “real-time payments”, “immediate payments”, and even “fast payments” are often used interchangeably to mean similar things.

This report employs the terms “instant payments” to refer to any payment system, regardless of rail, that meets specific criteria (outlined below), and “RTP systems” to specifically denote real-time payment systems operating on account-based rails.

Instant Payments Criteria

Instant payments are characterized by:

- **Near-real-time processing:** Funds are transferred within seconds to 30 mins of initiation.
- **24/7 availability:** Systems operate continuously, without interruptions.
- **High volume, low-value focus:** Optimized for frequent, small-value transactions.

Push to Card

A specific type of instant payment that we refer to in this paper is push-to-card (P2C), which enables merchants to send funds directly to a consumer's or small business's card.

About EDC & Nuvei

About EDC

Edgar, Dunn & Company (EDC) is an independent global financial services and payments consultancy. Founded in 1978, the firm is widely regarded as a trusted advisor to its clients, providing a full range of strategy consulting services, expertise, market insights, and M&A support.

From offices in Frankfurt, Dubai, London, Paris, San Francisco and Sydney, EDC delivers actionable strategies, measurable results and a unique global perspective for clients in more than 45 countries on six continents.

For more information, visit **www.edgardunn.com**

About Nuvei

Nuvei is the Canadian fintech company accelerating the business of clients around the world. Nuvei's modular, flexible and scalable technology allows leading companies to accept next-gen payments, offer all payout options and benefit from card issuing, banking, risk and fraud management services.

Connecting businesses to their customers in more than 200 markets, with local acquiring in 50 markets, 150 currencies and 716 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.

For more information, visit **www.nuvei.com**

Methodology

The research included qualitative interviews with merchants and PSPs, as well as secondary research from publicly available data sources.

The scope of the research includes 5 markets: including Australia, Colombia, Italy, the United Kingdom and the United States.



Terminology

ACRONYM	MEANING
APP	Authorized Push Payment fraud
B2C	Business to consumer
EWA	Earned wage access
JSON	JavaScript Object Notation
NPP	New Payments Platform
P2C	Push To Card
RTP	Real-Time Payment
SCT INST	SEPA Instant Credit Transfer
SEPA	Single Euro Payment Area
SCA	Strong Customer Authentication
UPI	Unified Payments Interface
XML	Extensible Markup Language



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