**eCommerce newsletter: article 2**

# **Title: Is 2022 the year card payments expire?**

Card payments may be the single most common way we choose to pay in the UK — there were [15.8 billion debit card payments](https://www.ukfinance.org.uk/sites/default/files/uploads/SUMMARY-UK-Payment-Markets-2021-FINAL.pdf) in 2020 — but they weren’t designed for digital commerce. They were invented in the 50sby a businessman who forgot his wallet in a restaurant. And it shows.

## **The 16-digit nightmare**

Think about the last time you made a card payment online. You probably had to type in your 16-digit card number, expiration date and CVV code – or accept risk by trusting a website to store them (EU card fraud [amounted to over €1 billion](https://www.ecb.europa.eu/pub/cardfraud/html/ecb.cardfraudreport202110~cac4c418e8.en.html) in 2019).

Perhaps you had to confirm your identity several times (because of new [strong customer authentication](https://truelayer.com/blog/avoid-sca-conversion-issues-with-open-banking) measures). If you were lucky, your payment didn’t fail. And how many of your subscriptions have been paused because of cancelled or expired cards?

## **Enter open banking payments**

So what can ecommerce businesses and consumers do if they no longer want to rely on card payments online? The answer could be open banking. In 2015, policy makers brought in [open banking](https://truelayer.com/openbanking), creating a new pan-European payment method that is cheaper, faster and more secure than cards.

[Open banking payments](https://truelayer.com/openbanking/open-banking-payments-vs-other-payment-methods) rolled out in 2018. They enable consumers to pay straight from their bank account at checkout, instead of a card. They involve fewer intermediaries, which minimises cost and friction. Payments settle instantly and authorisation rates are high. They’re also incredibly safe since there are no card details to be shared.

For customers, they’re easy to use: you just need a mobile phone and a bank account.

## **Open banking usage is accelerating**

We’re seeing these benefits translate into real customer usage, with over [300 third-party](https://thepaypers.com/expert-opinion/two-years-of-psd2-open-banking-how-far-have-we-come--1253767) providers using open banking across the EU. And the UK saw over 25 million open banking payments in 2021, with [volumes increasing every month](https://www.openbanking.org.uk/api-performance/).

As consumers and businesses move on from the poor experience and [high fees](https://truelayer.com/blog/biggest-limitations-card-payments-ecommerce-businesses) of cards, we’ll see open banking payments appearing in more checkouts. And while they’re still evolving, it’s the best opportunity the industry has to create a fair payments system for businesses, which delivers a better experience for customers.

**Get more insights with the** [**future of ecommerce payments report**](https://truelayer.com/reports/the-future-of-ecommerce-payments/)