



The Changing Trends in Latin American Digital Payments

In the last five years, digital payments in Latin America have undergone a massive transformation, triggered by the influx penetration of smartphones, the arrival of fintech companies offering various wallet apps, and rise of digital-only banking services. Latin American consumers are flocking to e-commerce and contactless payments.

General Digital Payment Trends in LATAM



\$34B Potential

70% of the Latin American population is either unbanked or underbanked. The unbanked sector in Latin America represents a market of \$34 billion per year. (#1)



\$155M

In 2019, 155.5 million people in the region purchased goods and services online. (#2)



1,463+

There are over 1,463 active fintech start-ups in countries such as Brazil, Mexico, Colombia, Argentina and Chile. (#3)

Mobile Banking in LATAM



75% Increase

75% of banks noted that they see a the statistical trend of increasing customer engagement via the channels of Internet banking, mobile banking and ATMs. (#4)



72%

of LATAM banks believe that their clients will demand not having to go to branches. (#5)



28%

only 28% of LATAM banks believe that their bank currently meets the needs of its digital customers. (#6)

\$1T by 2024

The LATAM Mobile Financial Services (MFS) market is set to explode in the coming years, from \$580 billion in 2019 to more than \$1 trillion by 2024 (#7)



20%



Mobile Financial Services users in Latin America will grow 20 percent annually for the next five years. (#8)



50%

Digital banking channels account for more than 50% of all banking transactions, revealing eager adoption of online and mobile banking. (#9)

Retail Payments in LATAM



\$13M

Latin Americans made their first-ever online purchase in Q1, 2020. This trend is on the rise. (#10)



41%

LATAM's B2C e-commerce growth is 23% compared to a global average of 15%. (#11)



19.4%

Retail eCommerce sales growth in LATAM is 3rd globally after Eastern Europe and Middle East. Jan. to May 2020. (#12)

Source:

- #1 Lessons from leaders in Latin America's retail banking market, McKinsey & Company Report, 2019 (<https://www.mckinsey.com/industries/financial-services/our-insights/lessons-from-leaders-in-latin-americas-retail-banking-market>)
- #2 The Rise of e-Commerce in Latin America | The Fintech Times 2019 (<https://thefintechtimes.com/e-commerce-in-latin-america/>)
- #3 bnamericas report, 2019 (<https://www.bnamericas.com/en/features/latin-america-emerges-as-vc-backed-fintech-hub>)
- #4 Digital Banking in Latin America Market Research, Technisys Report 2019 (www.technisys.com)
- #5 Digital Banking in Latin America Market Research, Technisys Report 2019 (www.technisys.com)
- #6 Digital Banking in Latin America Market Research, Technisys Report 2019 (www.technisys.com)
- #7 Juniper Research 2019 (<https://www.juniperresearch.com/press/press-releases/mobile-financial-services-press-release>)
- #8 FINTECH Latin America 2018 (<https://publications.iadb.org/publications/english/document/Fintech-Latin-America-2018-Growth-and-Consolidation-final.pdf>)
- #9 Mastercard Digital banking in Latin America: Best practices and the shift toward banking as a service, 2020 (https://newsroom.mastercard.com/latnamerica/files/2020/04/AMI_2020_Mastercard_Digital_Banking_in_Latin_America_Best_Practices_English.pdf)
- #10 LABS - Latin American Business Stories, 2020 (<https://labsnews.com/en/news/business/13-million-latin-americans-made-their-first-ever-online-purchase-in-q1>)
- #11 Payment Source article, 2020 (<https://www.paymentssource.com/opinion/where-in-the-world-is-payments-innovation-latin-america/>)
- #12 eMarketer - Latin America E-commerce 2020 report (<https://www.emarketer.com/content/latin-america-e-commerce-2020>)



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