

Paynetics and Mastercard: Accelerating digital banking across Europe



How did you come up with the idea to build your company?

Paynetics was conceived with the idea to make payments simple and democratise payments. All our products are inspired by the problems we face every day and they evolve as our habits and behaviours change.

For example, our eWallet was born out of the familiar frustration with forgotten or bulging wallets. We set out to change how consumers make their purchases and embarked on a venture to compress the physical wallet into the mobile phone by digitising loyalty cards, payment cards and cash. As people started to use the phone more and more, we expanded the proposition to include a full digital banking experience, including bank transfers, loans, insurance, etc.

Our software POS, **phos**, was created to enable more than 130 million merchants worldwide to accept card payments directly on their phone, without the need for additional hardware. But we did not stop there and built a variety of value creating features around payments, allowing merchants to leverage on the wealth of transaction data they generate.

What are milestones in your company history?

- In September 2008, Paynetics was founded (then called Credibul)
- In January 2015, we became regulated with the Bulgarian National Bank as a payment institution – enabling issuing of credit cards
- In March 2016 – we became a Principle member of Visa
- In June 2016, we received our EMI license
- In April 2017, we launched Swift
- In August 2017, we launched SEPA payments
- In November 2017, we launched our first mobile e-wallet
- In October 2019, we launched Apple Pay
- In March 2020, we deployed our digital banking platform with two large telecoms companies with more than 5 million users
- In June 2020, we launched QR payments
- In July 2020, we launched Paynetics Global Issuance
- August 2020, we launched Digital First Mastercard, one of the first in Europe
- In September 2020, we launched the digital banking platform with our first bank customer
- In October 2020, we acquired Wirecard UK and Ireland
- In November 2020, we launched Google Pay

What are the major challenges you encountered when starting your business and trying to find the right partners?

The main challenge has been finding partners which subscribe to our vision. The foundations of current card payments were laid more than 50 years ago – when there was no internet or mobile phones. We set out to address these deep-rooted issues by empowering our clients with end-to-end payment solutions from a single source. Constantly questioning the status quo requires bold thinking, so we only work with partners who are truly willing to embrace this change and help us bring innovative solutions to the market.

At which step did Mastercard emerge as a partner and why?

Mastercard emerged as a partner early in the development of our company. It was open to supporting a newcomer in the market and our vision to simplify payments by driving digitalisation and mobile money solutions. When it came to tokenisation, Mastercard was with us from day one, helping us to implement MDES and later Apple Pay.

The close cooperation between our two companies naturally progressed into launching innovative new products like the Digital First Mastercard, one of the first of its kind in Central and Eastern Europe, which allows us to continue our mission to streamline payment processes for businesses.

Mastercard also embraced our industry-first softPOS idea, phos, early on and provided incentives for merchants to start using the groundbreaking mobile payment solution, helping us bring our platform to millions of merchants who previously accepted only cash.

Why did you choose Mastercard as a partner instead of another company?

Mastercard supported our long-term vision to democratise payments. As one of the world's leading financial services providers, the continuing support of Mastercard is invaluable to us as we innovate and grow to achieve our long-term goals as a business. Many of our achievements have been thanks to our close working relationship with Mastercard and, without its support, it would be much more difficult for us to continue to revolutionise the payments industry and continue to bring innovation to the market.

What exactly does Mastercard offer you as a partner?

Mastercard helps us bring innovation to the market faster with its unrivalled access and industry insights, marketing support and knowledge of technical infrastructure issues. Mastercard has assisted us with sharing its market expertise and has guided us in better understand and future development trends, which has helped us with product development. This includes helping us to efficiently implement our cross-border strategy, work around limitations with existing payments infrastructure and support policy discussions with financial regulators. Last but not least Mastercard has offered financial incentives to encourage the delivery and adoption of our latest solutions.

Have there been milestones in the partnership? Can you name some?

- In October 2008, we became a principal member of Mastercard
- In August 2015, we launched Paynetics Business with our first program, a co-branded Mastercard and Getti card for user in Mall Bulgaria
- In November 2017, we launched our first mobile wallet – [Phyre](#) – with Mastercard cards
- In November 2017, we completed implementation of Mastercard MDES tokenisation and hold the record for fastest MDES implementation in Europe
- In October 2019, we launched Apple Pay in Mastercard
- In November 2019, we launched our digital banking platform around the Mastercard issuing platform
- In August 2019, we launched softPOS platform, phos, an industry first, in close cooperation with Mastercard
- In June 2020, we launched our Strategic Partnership agreement with Mastercard
- In August 2020, we launched Digital First Mastercard, one of the first in Europe
- In October 2020, we entered the Mastercard Accelerate Program
- In November 2020, we will announce a Strategic Partnership agreement with Mastercard for the deployment of our software POS technology

How did Mastercard help you build up and grow your business?

Working with Mastercard has enabled us to scale more quickly, benefitting from the expertise of a major global player. The partnership has helped us to identify and enter new business verticals, collaborate on developing new products and accelerate speed to market for our growing customer base.

How do you see the future of finance/payment?

As a fintech, we have a responsibility to push the envelope and deliver cutting edge-technologies to our customers. But, as much as we can shape trends, we are also subject to broader shifts in customer expectations and we must respond to these changing behaviours, including how people interact with payment technologies.

The rise and reign of mobile payments, the increased prevalence of e-wallets and the continued digital transformation of businesses will all drive the evolution of new payment technology, and we are at the coalface of making these solutions available. The way we pay and get paid has undergone a huge transformation in 2020, as a result of the COVID-19 pandemic and looming economic crisis – the effects of which will continue to be felt for years to come.

What role do you envision for you and Mastercard in this future development?

As an infrastructure provider and a payments gatekeeper, Mastercard has an extremely important role to play in helping us dictate and shape the future.

Please describe in one quote (two or three sentences) the value of the partnership with Mastercard.

As a leading technology company in the global payments industry, Mastercard is a flexible partner for us. It has a deep understanding of our and our customers' needs. We rely on Mastercard to empower us to deliver innovation to our clients and the market, with the potential to transform everything we thought we knew about payments.