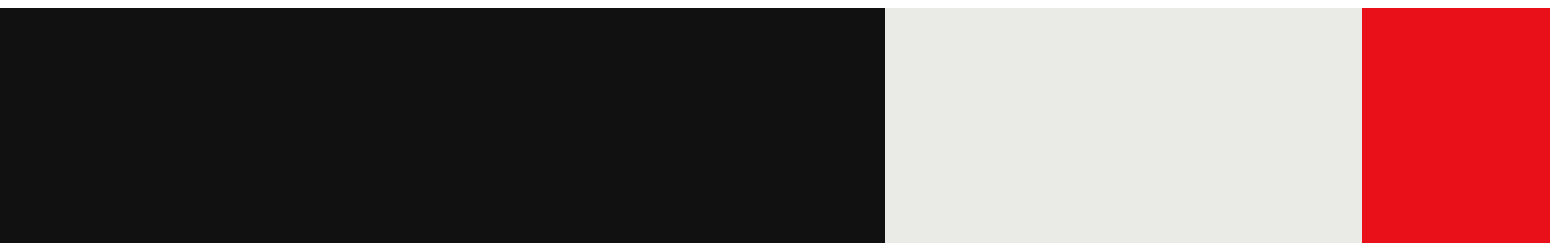



How Apple changed its payments strategy in 2024

Article



The news: If 2023 was the year Apple [solidified itself as a major payments player](#), 2024 was the year Apple curbed its ambitions. The company still made big payment moves, but it also altered its strategy and opened itself up to third parties.

Here are three of the most significant payment moves Apple made in 2024.

Apple shut down Apple Pay Later.

- The tech giant [discontinued its buy now, pay later \(BNPL\) service](#) in June and instead partnered with [Klarna](#) and [Affirm](#).
- This was a major turnaround from its grand aspirations to build a suite of in-house financial services dubbed “Breakout” in 2022. As Apple’s first independent lending venture, Pay Later was expected to be a key part of this suite—but it didn’t even last a year.

Apple ended its NFC exclusivity.

- Apple [opened up its near-field communication \(NFC\) technology](#) to third parties in the US, the UK, and five other markets. This enables third-party digital wallets like **Google Wallet** to offer in-app contactless transactions for in-store payments. Apple will also let users switch their default contactless app.
- Access became available with the release of Apple’s iOS 18.1 update in October.
- This decision was first [proposed in the EU](#) in response to an antitrust investigation and was likely extended to the US due to a [similar suit](#) from the Department of Justice.

Apple went all in on feature innovation for Apple Cash.

- Apple launched a series of new features for Apple Cash, including [virtual card capabilities](#), [recurring payments](#), [Tap to Cash](#), and [ID verification](#).
- All of these launches are part of Apple’s push to improve the functionality of the Apple Cash Card and to grow its peer-to-peer (P2P) payments share after rival Google Wallet [ended its P2P service](#).

Our take: The change in payments strategy reflects Apple’s larger approach to focus more on outsourcing services through partnerships rather than building the infrastructure in-house. Opening up “walled gardens” was also a larger Big Tech trend.

But despite its new approach, Apple remains a major payments player, and its Apple Cash innovations could help it gain share in the highly competitive space.

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