

BNPL, super apps, and other key trends we're keeping an eye on in 2022

Article

Here's what's coming: We've made four payment predictions for 2022 that highlight the biggest trends we kept a close eye on last year.

Cryptos: India will beat other countries to the punch and become the next major market to launch a CBDC in 2022.

- Consumers in India have a big appetite for cryptocurrencies: In November, **crypto investments in the country hit a whopping \$10 billion**, up from \$923 billion in April 2020, [according to](#) CREBACO.
- But with the government reportedly [considering](#) stringent regulations on private crypto firms, consumers may be left with limited options—which could set the stage for adoption when the digital rupee drops.
- The government [will reportedly](#) begin testing its CBDC in early 2022—if all goes well, we could see an official launch later in the year.

BNPL: BNPL's lending and disclosure practices will come under scrutiny from the **Consumer Financial Protection Bureau (CFPB)**.

- BNPL regulation is taking shape in markets like Australia and the UK as data emerges on the financial risks involved with the payment offering—especially for young consumers who may have limited financial knowledge and therefore might be at greater risk of falling into debt.
- The CFPB has warned consumers about BNPL risks—and in late December, it [opened](#) an inquiry into major players **Affirm, Afterpay, Klarna, PayPal, and Zip** to determine the risks and benefits of BNPL products. The companies have until March 1, 2022, to submit their responses.
- If the data collected from the CFPB probe suggests that BNPL offerings pose risks to consumers, there will likely be regulations that target providers next year.

Super apps: **Block** (previously Square) will finally make its super app play in 2022.

- The company might try to stay ahead of its main competitor, **PayPal**, which is [inching](#) closer to super app status: In late September, PayPal [redesigned](#) its app, bringing together a slew of retail and financial services like direct deposits, a shopping hub, and a savings solution.
- Block's efforts to tie its ecosystems together—for instance, it recently [launched](#) Cash App Pay so its US sellers can accept payments made using Cash App—also point to a 2022 super app launch.

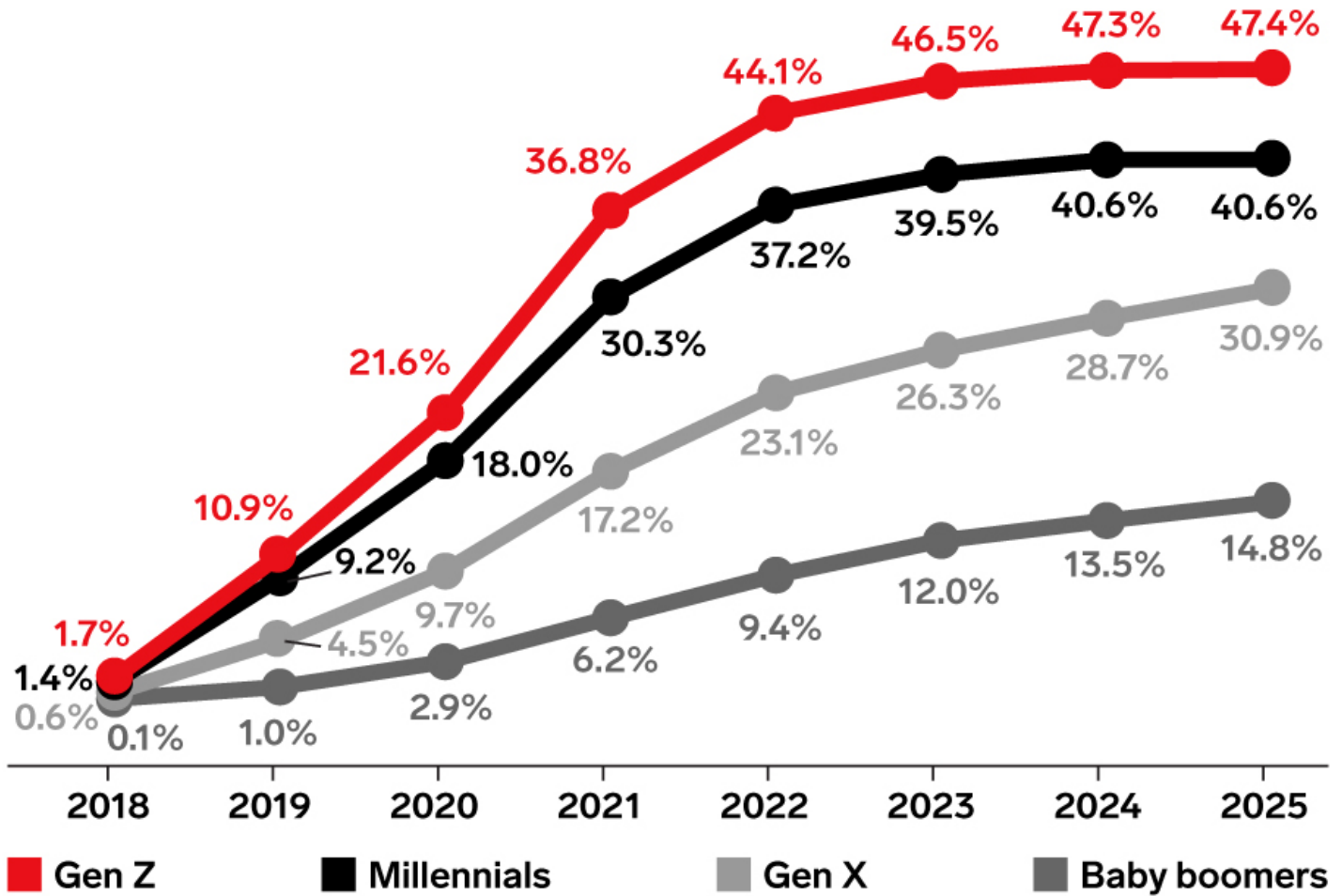
Sub-Saharan Africa: Multinational financial services companies will shift their focus from partnerships to acquisitions in Africa.

- As cash use declines, payment providers like **Discover** and **PayPal** have forged deals with local providers to take advantage of the region's growing digitalization.

- Firms like **Zip** and **Stripe** have taken a different approach by acquiring businesses to solidify their positions in the market—especially as financial infrastructure and consumer **appetite** for digital payments expand.
- We expect major players like **Visa**, **Mastercard**, Block, and PayPal will ramp up their presence in the region to stay competitive this year. We also think Nigeria, South Africa, and Kenya will be the focus of deals since they have the largest GDPs in the region.
- These tie-ups should support micro-, small-, and medium-sized enterprises (MSMEs) by bringing them into the digital payments ecosystem so they don't lose business to larger, more established firms that already offer digital solutions.

US Buy Now, Pay Later (BNPL) User Penetration, by Generation, 2018-2025

% of digital buyers in each group



Note: internet users who have accessed a BNPL account digitally and have made a payment toward a purchase at least once in the past year; includes purchases of goods and services; Gen Z are individuals born between 1997 and 2012; millennials are individuals born between 1981 and 1996; Gen X are individuals born between 1965 and 1980; baby boomers are individuals born between 1946 and 1964

Source: eMarketer, May 2021

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