

# 3 things to know in the payments space

## Article

*Here's a look at some of the latest news from our Payments & Commerce analysts.*

### 1. Square aims to merge seller and consumer ecosystems with Cash App Pay

**The news:** Square will let US sellers accept payments made using Cash App, its P2P payment platform. Cash App Pay, which sellers can integrate with just a software update, will let Cash App users scan a QR code or click a button on their mobile device to check out using the platform both in-store and online. Merchants can use the tool to manage receipts, reconciliation, and settlements within the Square app.

**Square's opportunity:** Cash App Pay lets the brand further unify its two **ecosystems** and grow its business potential. Square nudged these bases together with Square Loyalty earlier this year, but Cash App Pay solidifies the union.

**A note on competition:** Cash App Pay's debut turns up the temperature on the Square-PayPal rivalry.

## 2. Affirm sees triple-digit growth and eyes expansion

**The news:** US-based buy now, pay later (BNPL) provider Affirm posted a strong fiscal Q4 (ended June 30, 2021) and provided insights on key factors that drove recent growth.

- Gross merchandise volume (GMV) surged 106% year over year (YoY), outpacing **fiscal Q3's** 83% (ended March 31, 2021).
- Revenues rose 71% YoY in Q4, slightly outperforming the previous quarter, when they increased 67% annually.
- Active merchants skyrocketed 412% YoY to hit 29,000, up from nearly 12,000 merchants in Q3.
- Active consumers increased 97% YoY, reaching 7.1 million.

**What's next?** A number of partnerships and products in the works should help Affirm carry growth in the coming months.

## 3. Zip brings cryptos into the buy now, pay later space

**The news:** Australia-based buy now, pay later (BNPL) provider Zip wants to let merchants accept Bitcoin payments next year and also plans to launch a cryptocurrency trading feature, per CoinTelegraph.

**Why it's worth watching:** BNPL users are 67% more likely to trade cryptos than non-users, according to Zip's internal research—but Zip isn't the only BNPL provider that sees opportunities in the space.

In a submission to Parliament's Select Committee on Australia as a Technology and Financial Centre, Afterpay **said** merchants could "benefit considerably" from crypto transactions because they can reduce fees set by card networks. The company also hinted at ambitions to introduce crypto-related solutions and called for more regulation in the space.