

A bevy of digital payments regulations could hit Australia as the government looks to retain control over the space

Article

The news: Australian Treasurer Josh Frydenburg announced several regulatory proposals covering popular digital payment methods like cryptocurrencies, buy now, pay later (BNPL), and mobile wallets, per ZDNet.

How we got here: Earlier this year, the government released reviews that examined these offerings and concluded that they weren't properly addressed by the current regulatory framework. The reviews included recommendations for the government like enacting more comprehensive policies, licensing requirements for cryptocurrency exchanges, and tighter oversight on major payment providers like **Apple Pay**.

Why it matters: Newer payment technologies like cryptos, BNPL, and mobile wallets have emerged as popular transaction methods for Australian consumers, **71% of whom say they now have access to more ways to pay** than they did at the same time last year, [according to](#) a May 2021 report from Mastercard. The Australian government's efforts to regulate these offerings might force relevant players to change how they operate—but in the long term, they could create more transparency and safeguards for consumers.

- **Cryptos.** While **only 17% of consumers in Australia** said they'd be comfortable paying with cryptos, 44% said they'd be open to using it if they knew more about it, [per](#) Mastercard. Regulating cryptos could make consumers more comfortable with them. And as the country [weighs](#) minting a central bank digital currency (CBDC), regulation for third-party digital assets might set the stage for CBDC adoption.
- **BNPL.** Roughly **60% of consumers in Australia have used a BNPL solution**, [according to](#) a Marqeta report. But BNPL's growing popularity has led to some concerns: In March, the government drafted a set of guidelines for BNPL providers to protect consumers against emerging financial risks. But with BNPL becoming a [worldwide phenomenon](#) in the last year, Australian regulators may be looking to introduce legally binding rules.
- **Mobile wallets.** Between March 2020 and March 2021, **the number of mobile wallet transactions increased 90% in Australia**, reaching 68 million, and the total dollar value of these transactions more than doubled, [per](#) The Commonwealth Bank of Australia. The government is considering making players like **Google Pay** and **Apple Pay** obtain Australian financial services licenses to bring them under government oversight.

The bigger picture: The tranche of regulatory proposals reflects the Australian government’s desire to retain control over the country’s evolving payments system—a sentiment shared by other governments, including in [China](#) and [Europe](#).

Related content: Check out our [“Blockchain in Payments”](#) report and the [“The Buy Now, Pay Later Report”](#) to learn about the emerging payment technologies.

Consumers Who Have Used BNPL

% of respondents



Source: Marqeta, "2021 State of Credit," September 16, 2021
Methodology: Data is from the September 2021 Marqeta report titled "2021 State of Credit." 3,500 people were surveyed in July 2021 using Propeller Research to reach people in Australia, the UK, and the US.

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