

# Stripe enables bank transfers on Uber to tap high-growth rideshare sector

Article

**The news:** Uber expanded its partnership with Stripe to cut checkout friction by letting customers pay with bank transfers, according to a press release.

**Here's how it works:** Uber will use Stripe's payments platform for **Uber Rides** and **Uber Eats** in markets including the US, Australia, and Japan.

- Stripe's Link and Financial Connections will let customers add bank account details without leaving Uber's app. These can then be saved for future purchases.
- Uber will also use Stripe to process card payments on **eftpos** in Australia and **JCB** in Japan.

**Why it's worth watching:** Stripe and Uber both stand to benefit from the tie-up.

- We expect **digital bank transfer volume** will grow 9.1% this year to \$97.22 billion, per our forecasts.
- For Uber, enabling this method with Stripe helps it give users more checkout choices and an **improved customer experience**, both of which should strengthen retention.
- And Stripe can benefit from tapping Uber's huge global reach: We expect **57.6 million customers will use the ridesharing app** in the US alone this year—and 65.6 million by 2026.

**Stripe's expansion drive:** The payments giant is branching out after a difficult period of layoffs and **sharp valuation drops**.

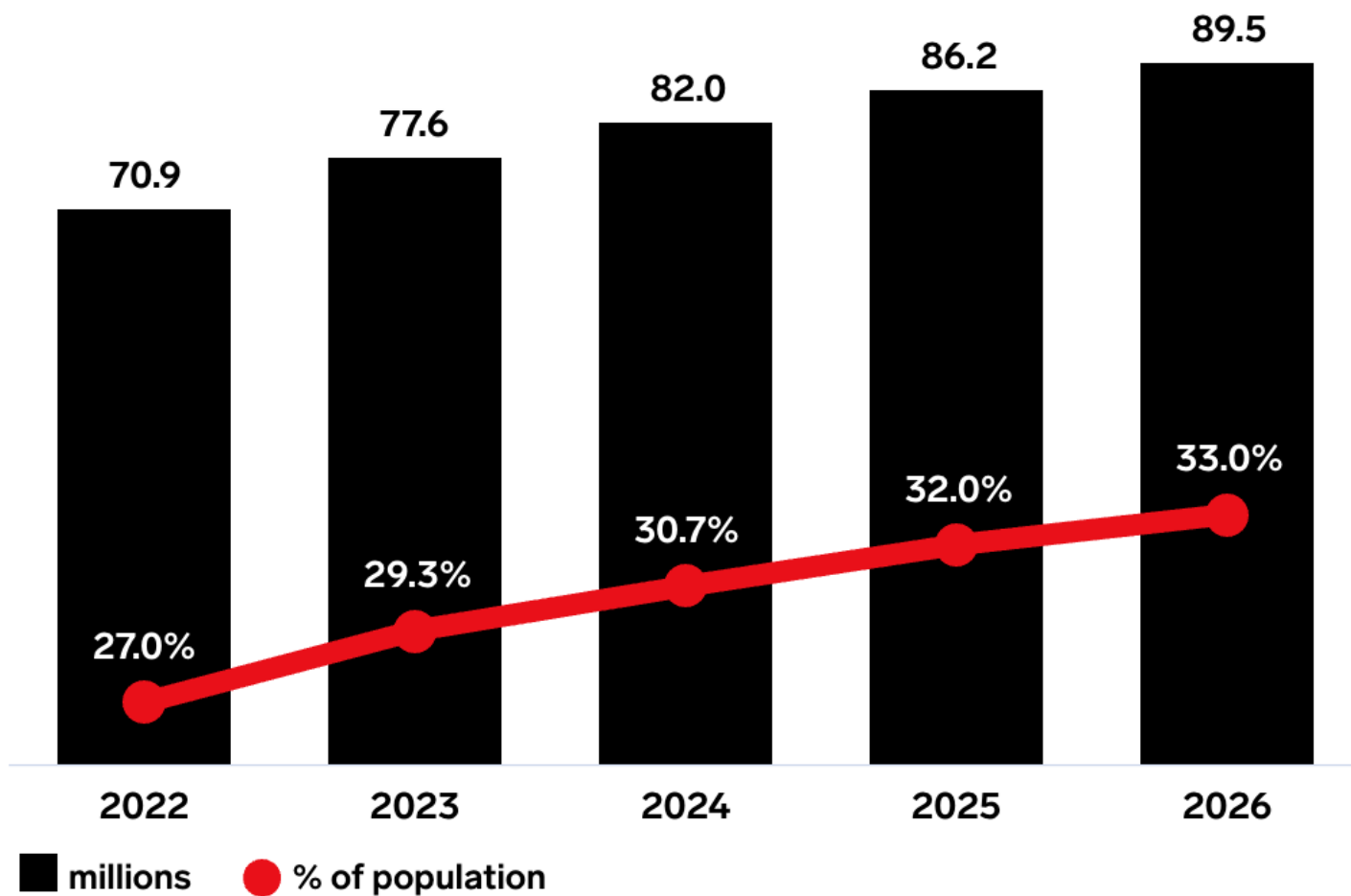
- It's **exploring AI tech** through a partnership with **ChatGPT** creator **OpenAI**.
- It also launched **new products**, bulked up its **buy now, pay later (BNPL) business**, and teamed with Big Tech firms **Amazon** and **Microsoft**.

Stripe and its rivals are under pressure to maintain growth in a fiercely competitive environment. That's forcing them to move into fast-growing markets where payments can be improved. **Braintree**, for example, is focused on ticketing and tied up with **Live Nation**, whereas **Adyen** partnered with **Instacart**, which could offer inroads into online grocery.

- Stripe appears to be following a similar strategy by partnering with Uber and Lyft: The **global ridesharing market is forecast to grow 16.3%** compounded annually between 2021 and 2028 to reach a market size of \$242.73 billion, per Fortune Business Insights. That growth can propel gains for Stripe.
- But one challenge for Stripe will be the rewards that credit cards offer but that bank transfers lack. That could hold back customer uptake unless Stripe or Uber introduces similar incentives.

## Ride Sharing Users

US, 2022-2026



Note: individuals ages 18+ who have used their account for an online transportation service such as Uber or Lyft at least once during the calendar year

Source: eMarketer, August 2022

eMarketer | [InsiderIntelligence.com](https://www.insiderintelligence.com)

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