

Biometric payments get a boost as JPMorgan targets \$6B opportunity

Article

The news: JPMorgan will pilot biometric technology that lets shoppers pay by scanning their palm or face with select retailers in the US, according to a company statement.

- The first pilots will work with brick-and-mortar stores in the US and potentially the **Miami Formula 1 Grand Prix**.

- If the pilot is successful, the tech will roll out to more US merchant clients in 2024.

JPMorgan also launched **Commerce Solutions**, a suite of payments infrastructure and applications, including cloud-based payments tech, aimed at helping merchants accept consumer and B2B payments.

Biometric benefits:

- Biometric payments could save time for merchants while boosting sales and user loyalty.
- For consumers, JPMorgan claims the payments will be quick, phone-free, secure, and simple.

A \$6B opportunity: JPMorgan wants to capitalize on the popularity of biometric payments, which are expected to account for **\$5.8 trillion in transactions from 3 billion users globally by 2026**, per Goode Intelligence. A major bank embracing the technology is a landmark moment and could signal a broader shift among US financial institutions (FIs) investing in biometrics as the tech edges toward the mainstream.

The space is maturing as companies from a range of industries explore biometric payments and authentication.

- **Amazon has embraced palm scanning** for payments.
- **Toshiba partnered with PopID** on face-scanning payments technology.
- **Visa and Mercedes-Benz** have teamed on in-car biometric payments.

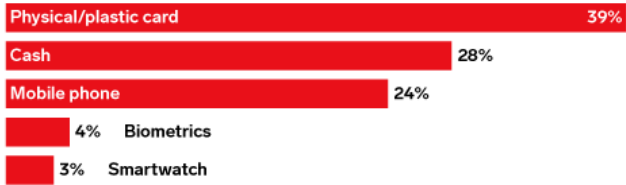
What's impeding biometric growth?

1. **Security fears.** Some **consumers are concerned they could be left unprotected** until regulators get more involved.
2. **Privacy issues.** Consumers rank data security among their **biggest reservations with biometrics**.
3. **Partnership politics.** Third-party retailers may not want to adopt a certain technology, due to either high costs or existing arrangements with FIs. Some merchants will be wary of JPMorgan's new tech and choose to stick with their existing bank and payment provider.

Despite consumer misgivings, established brands like JPMorgan, Amazon, and Visa embracing biometrics should soften fears and help user uptake as the technology improves. And JPMorgan's early adoption can give it an advantage before the space matures. Don't be surprised if more FIs and legacy tech firms launch biometric payment products as they feel pressured to match the checkout options offered by market leaders like Amazon.

Most Preferred Physical Payment Methods According to US Adults, March 2022

% of respondents



Source: Klarna, "Money Management Pulse" in collaboration with Nepa, March 11, 2022

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