

Meta embeds Novi into WhatsApp to take advantage of US P2P payments and growing crypto adoption

Article

The news: Stephane Kasriel, head of **Meta**-owned digital wallet and fintech unit **Novi**, tweeted that a limited number of US-based **WhatsApp** users can now send and receive money using Novi. Novi—which uses the stablecoin Pax Dollar (USDP)—began [testing](#) transfers between the US and Guatemala in October. The feature will let users access Novi and initiate transfers directly within WhatsApp.

Key context: Developers first [speculated](#) about a Novi-WhatsApp link in early November when they discovered code in a WhatsApp beta version that pointed to a potential peer-to-peer (P2P) payments offering in the US. At the time, we predicted that this could mean Meta plans to bring all its payments offerings under the Novi brand amid a push to bolster payments revenues.

Novi was intended to launch with Meta-backed digital currency **Diem** (formerly known as Libra), but regulatory and technical [missteps](#) with the project likely led the unit to use USDP instead. However, former Novi head David Marcus said Meta still intends to launch Novi with Diem after the digital currency receives regulatory approval.

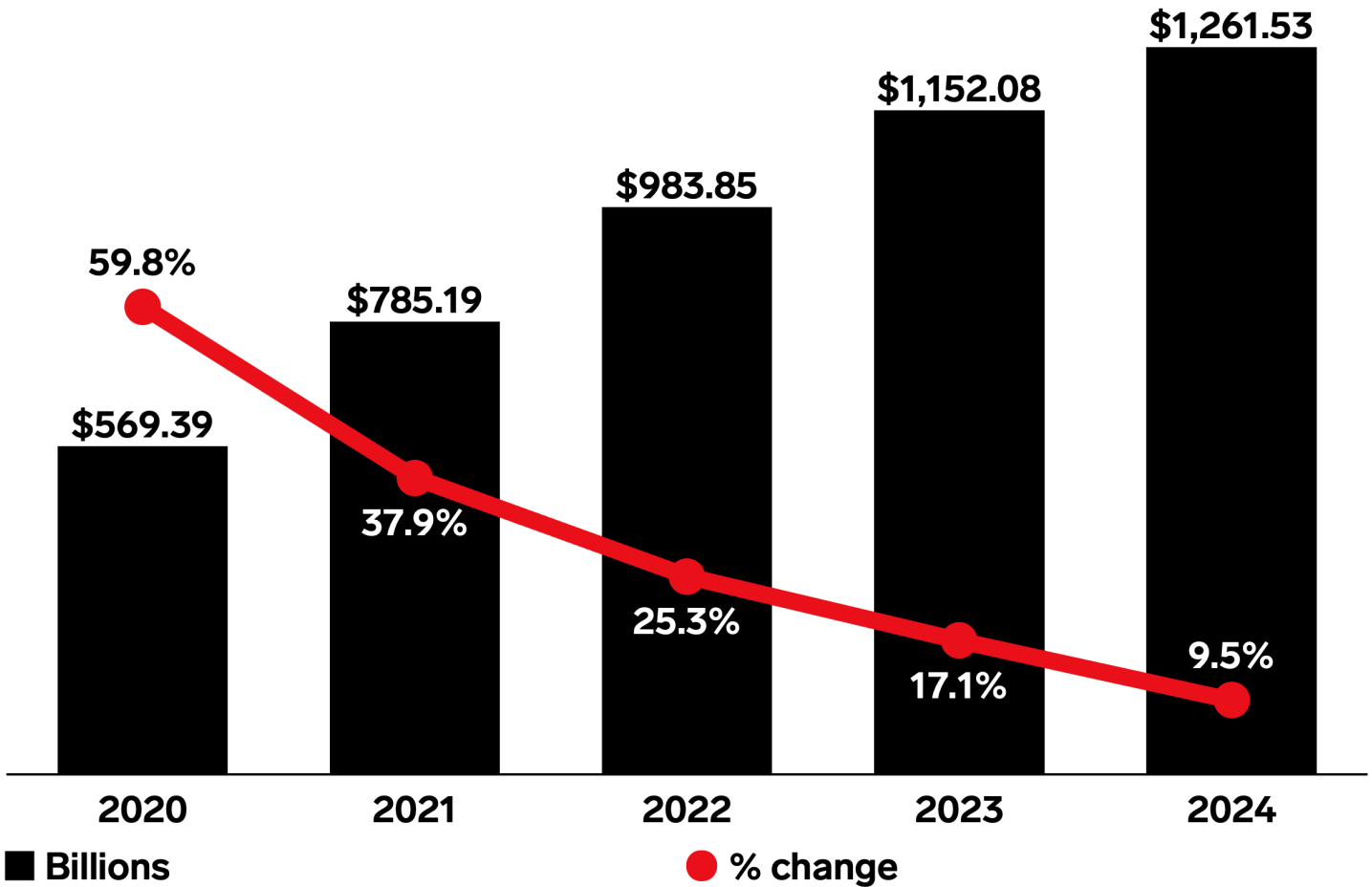
The opportunity: Novi's integration with WhatsApp can help Meta make inroads in US peer-to-peer (P2P) payments and cryptos.

- US P2P payments are expected to near **\$1 trillion in transaction volume next year**, [according to](#) Insider Intelligence forecasts. Meta can take advantage of WhatsApp's vast US user base—which we [forecast](#) will hit **63.8 million** in 2022—to tap into the growing market. The [desire](#) for easier and more affordable money transfer services could help Meta attract users and rake in payments volume.
- Cryptos are quickly [gaining traction](#): A **Mastercard report** from earlier in the year found that **40% of global consumers** planned to use cryptos in 2021. And the bevy of [crypto-linked cards](#) that launched this year could further indicate an appetite for crypto payments. Meta could use its WhatsApp service to capitalize on the crypto frenzy and help drive Diem adoption once it launches.

The bigger picture: The US is plodding toward crypto-specific regulations: Most recently, executives from major crypto exchanges appeared before Congress to promote the opportunities that digital currencies can offer. Proper regulation can make crypto payments safer and more viable for consumers and could help spur growth for solutions like Novi.

Related content: Check out our [“Blockchain in Payments”](#) report to learn about payment use cases for cryptos as well as challenges that still remain in the emerging sector.

Peer-to-Peer Mobile Payments Transaction Value US, 2020–2024



Note: a mobile P2P payment is a transfer of funds from one individual to another individual using a mobile device. Includes transfers on tablets; includes transactions made via mobile browser or applications developed by non-bank providers like Venmo, Cash App, Google Pay and Facebook Messenger and transactions made via mobile banking websites and applications developed by banks like Zelle; excludes both peer-to-peer cross-border transactions and peer-to-merchant transactions.

Source: eMarketer, March 2021

Methodology: Estimates are based on the analysis of the market presence of major mobile payment players; estimates from other research firms; and consumer smartphone, mobile payment adoption, and retail spending trends.

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