

Retail noncard crypto payments are connecting crypto owners to merchants

Article

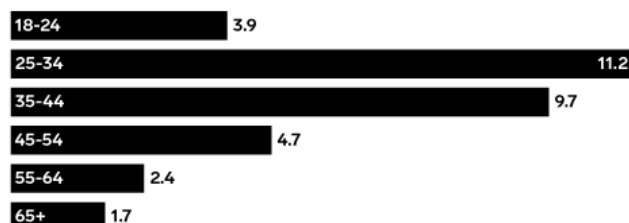
Noncard crypto payments are increasingly available to consumers and may also be attractive to merchants. The latter must absorb the costs of accepting card payments,

creating historical tension with payment card networks that has escalated over the past year. Circumventing card networks and instead going through crypto exchanges and wallets can reduce costs for merchants and help consumers avoid any surcharges that merchants may apply. Gemini Pay, for example, does not charge any transaction fees.

These crypto payments also bring merchants enhanced fraud prevention. Cryptos cannot be altered or reversed, allowing funds to instantly settle and transfer with trust, which reduces chargeback risk for merchants.

US Cryptocurrency Owners, by Age, 2022

millions



Note: individuals who own cryptocurrency (such as Bitcoin, Ether, Dogecoin, etc.) in digital storage/an account
Source: Insider Intelligence, April 2022

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InsiderIntelligence.com

Incumbents are diving into noncard crypto payments

As card fee frustrations rise and merchants search for alternatives, noncard crypto payments are providing competition that could threaten card networks. Crypto's lower fees can help the payment method gain traction with merchants. Retail payment incumbents are already looking to integrate crypto payments to meet potential merchant demand:

- **PayPal** debuted Checkout with Crypto in March 2021, enabling wallet users to choose crypto as a funding source at checkout with virtually any merchant that accepts PayPal. This gave PayPal crypto owners a path to paying with crypto that is also easy for merchants to integrate. The following month, CEO Dan Schulman stated the service could reach **\$200 million** in volume.
- **Block's** name change from Square highlights its focus on blockchain, and CEO Jack Dorsey has made it a top priority to help Bitcoin "become the native currency for the internet." Block lets users buy and sell Bitcoin, and last year it announced plans to create a decentralized crypto exchange, as well as a Bitcoin hardware wallet.

- **Stripe** reentered the digital currency space in March 2022 after dropping out in 2018, launching a crypto tool kit of APIs for merchants. It also partnered with crypto exchange FTX to provide onboarding and identity verification. The reentry marks a pivot from 2018, when it argued that Bitcoin was “better-suited to being an asset than being a means of exchange.”

Heavy hitters including **Amazon**, **Walmart**, and **Uber** are also all mulling crypto acceptance, which could aid usage.

[Read the full report.](#)