

Visa's crypto ambitions begin to pay off

Article

The news: Visa CFO Vasant Prabhu told [CNBC](#) that consumers spent more than **\$1 billion** on goods and services using its cryptocurrency-linked cards in the first half of 2021. Volume in 2019 and 2020 was only a fraction of that six-month total. Visa counts three major crypto-based card partners—BlockFi, Circle, and Coinbase—and cardholders can use the cards at more than **70 million** merchants globally.

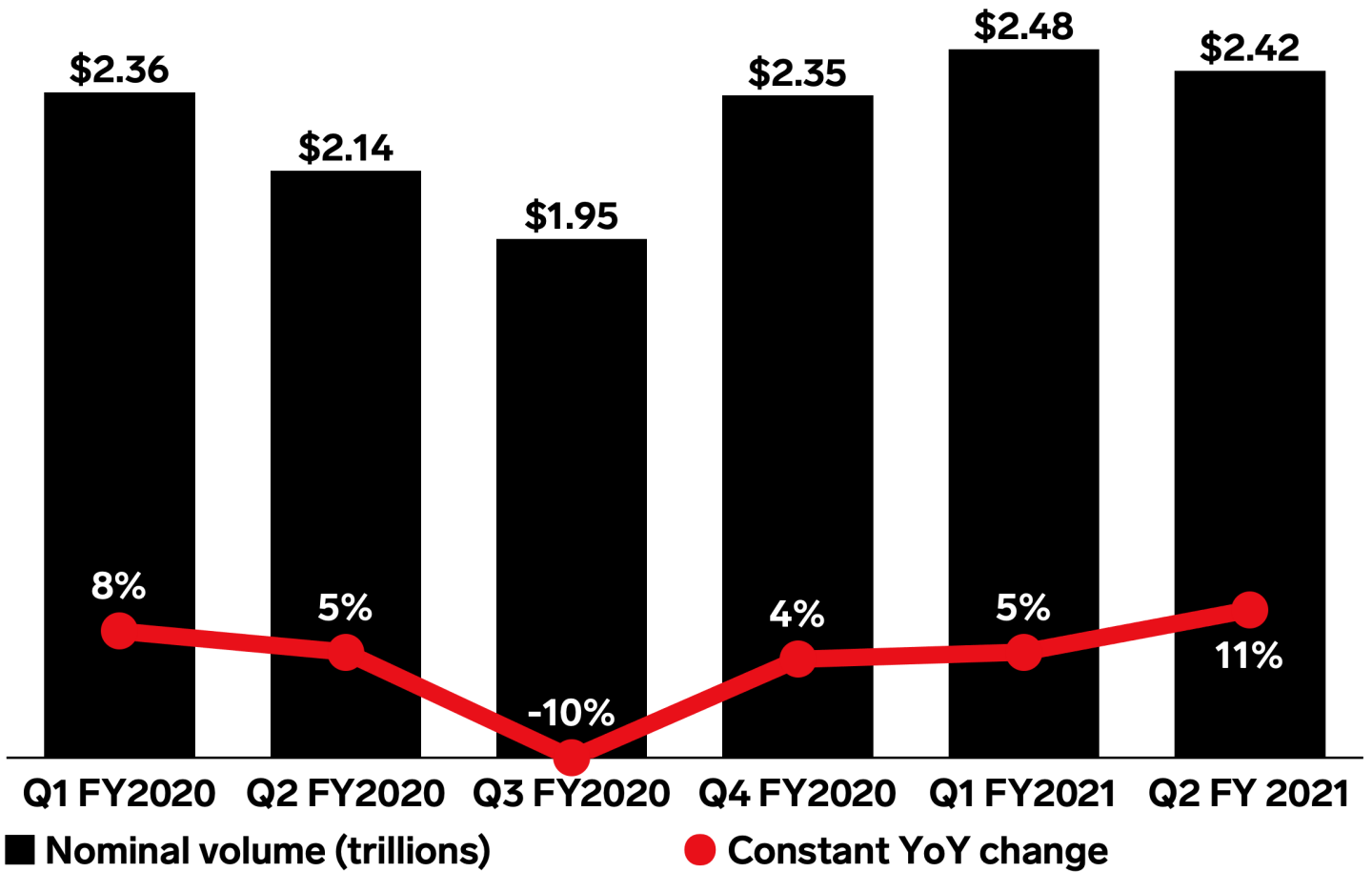
The opportunity: In the US, **18%** of customers said they will likely use cryptocurrencies to make a purchase this year, [according to](#) a PYMNTS and BitPay survey. A similar Mastercard index found that **40%** of global consumers plan to [use](#) cryptos by year's end. This figure

reflects growing interest, with appetite especially high among Gen Zers—trends mirrored in Visa’s massive H1 crypto total. And there’s a long runway for gains since cryptos still composed just **0.02%** of Visa’s total **volume** in the period.

The bigger picture: Visa has its sights set on cryptos—and it looks like those ambitions are paying off, which could help aid in recovery and keep it at the forefront of payments innovation.

- **Earlier this year, Visa CEO AI Kelly **noted** that the company wanted to get involved in crypto investments**—even though at the time, he noted that volatile assets like Bitcoin were typically treated more like assets than as a means of payment, a trend that current results might be bucking. Prabhu told CNBC that the network wants to make cryptos more like fiat currency, which could foreshadow a change in stance. But it might also preview a more **aggressive** push into stablecoins and central bank digital currencies (CBDCs), which can help mitigate challenges like volatility and make crypto transactions more straightforward. The network will also need to be mindful of regulatory challenges moving forward.
- **Doubling down on cryptos indicates Visa’s commitment to evolve alongside the payment space.** Competition in cryptos is mounting, both among other networks—**Mastercard** is **launching** a card in partnership with **Gemini** this summer, and a recent **Discover hire** foreshadows a crypto push—and fintechs, like **PayPal’s** Checkout with Crypto **option**. By pursuing its crypto ambitions through card-based options, Visa can not only court **new** partners and expand its addressable base but also ensure it doesn’t lose volume to fintechs or other competitors. Preventing disintermediation will be critical to maintaining pandemic recovery as spending normalizes: Visa **posted 11%** global growth in Q1 2021—nearing pre-pandemic levels in some markets.

Visa Payments Volume



Note: Visa's fiscal Q2 2021 ended March 31, 2021.

Source: Visa, 2021

Methodology: These figures are from Visa's quarterly earnings presentations released between October 24, 2019 and April 27, 2021.

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