



How fintechs can essentially contribute to a greener payment lifestyle

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Giesecke+Devrient

As fintechs are increasingly targeting eco-conscious consumers, they need to master the challenges of sustainability. Giesecke+Devrient (G+D) supports fintechs in creating comprehensive solutions for this target group.

With their strong focus on user experience and catchy interfaces, fintechs are especially appealing to lifestyle-oriented people. But in order to connect to these target groups in the long run, fintechs must take another key aspect into account: sustainability. More and more of these consumers pay special attention to solutions and services that are driven by an eco-friendly agenda. Fintechs must respond appropriately to these expectations in order to meet consumer demand. To support the consumer's commitment to an eco-friendly lifestyle, fintechs should offer a range of options also in the payments context. The overarching goal of environmental protection must be clearly recognizable.

Payment expert G+D uses the example of payment cards as a starting point to show the actions fintechs can take to move towards an eco-friendly product offering.

1. Make the card experience a sustainable one. So far, payment cards have been made out of conventional plastic. But today, first-use PVC card body layers can be made out of 100 percent of recycled PVC – or even the innovative biomass-based PLA. Compared to petroleum-based PVC cards, much less energy is required to produce and dispose of PLA cards. Since they are industrially compostable, the environment is also not polluted with plastic waste. That way, consumers are reminded at each payment transaction of their commitment to a more eco-friendly lifestyle. Additionally, card users do not have to make any compromises in terms of user experience or security - for example, with contactless payment. Issuance partners for such cards are the Spanish fintech Divilo and SweepBank by Ferratum Bank p.l.c. With G+D's approach of replacing first-use plastic layers completely with the eco-friendly alternative fintechs stay credible and can meet customer needs that place particularly high value on sustainability.

2. Include the entire life cycle. The sustainability of payment cards should not be limited to their materials, but should extend over their entire life cycle. This starts with the use of climate-neutral paper for packaging or welcome letters and can be reinforced by choosing a partner that uses sustainable processes for the production and disposal of cards. Together with Mastercard, G+D has established a recycling program for cards. The recycling solutions meet the specific needs of card issuers and contribute to a more circular economy.

3. Offer a phygital experience. Due to the required security, banking was based on purely analog communication channels for a long time. But this means a lot of paper work and physical documentation. Here, a lot of waste can be avoided by combining analog solutions with digital tools. For example, with an ePIN service, banks can send their customers the PINs for payment cards paperlessly via mobile app or SMS. In addition, by integrating QR codes and augmented reality solutions into the carrier letters of the cards, sales and marketing content that is usually printed can also be provided digitally and thus paperlessly. Many banking strategies are now pushing this hybrid approach as customers increasingly prefer a faster and more digitalized exchange. Furthermore, letters, flyers and other materials for payment cards can be printed on demand. Thus, fintechs can avoid pre-producing them in large quantities, and instead personalize materials for customers, as needed.

4. Involve environmental-oriented organizations. Environmental companies and networks such as Parley for the Oceans can provide fintechs with comprehensive support in implementing truly sustainable solutions. Such organizations are driven by a dynamic group spirit and give members, partners and stakeholders the power to make a difference – for example when collecting trash on the beach during consumer-oriented events. They offer transparency and expertise to fintechs, who can use their work and credibility to leverage their sustainability agenda. Australian digital lending and payments provider WLTH is a great example of this; G+D is supplying the fintech Parley ocean plastic cards and they have recently conducted a clean-up event on Australian shores in conjunction with Parley for the Oceans. In addition, for every home loan settled with WLTH, Parley will also clean 50 square metres of coastlines to help protect the oceans.

5. Encourage to take climate action every day. Ideally, fintechs' eco-innovative cards get connected with other environmental or social responsibility initiatives, which also involve the customers themselves. The aim is to enable them to take personal responsibility for the planet. This could be funding for tree planting, for example, or a carbon footprint calculator for consumers. In this respect, G+D joined forces with Doconomy. The Swedish fintech develops tools that help banks execute on their sustainability agenda, i.e. by offering an app to measure the user's carbon footprint. The calculation is based on the purchases, orders and bookings made by card holders. Therefore they get supported in reducing negative impacts through behavioural changes.

"Sustainability is at the top of every bank's agenda, because consumers are looking for new ways to live a sustainable lifestyle", says Dr. Carsten Wengel, Head of Global Sales & Distribution in the Card and Digital Payment business at G+D. "Therefore fintechs also have started to live up to their social responsibility and encourage their customers to adopt a more environmentally friendly lifestyle. We are the best partner for fintechs in providing not only eco-innovative payment cards, but a network of eco-conscious partners that bring extra value to their offerings."

About Giesecke+Devrient

Giesecke+Devrient (G+D) is a global security technology group headquartered in Munich. As a partner to organizations with highest demands, G+D engineers trust and secures essential values with its solutions. The company's innovative technology protects physical and digital payments, the connectivity of people and machines, the identity of people and objects, as well as digital infrastructures and confidential data. G+D was founded in 1852. In the fiscal year 2020, the company generated a turnover of 2.31 billion euros with around 11,500 employees. G+D is represented by 74 subsidiaries and joint ventures in 32 countries. Further information: www.gi-de.com.