

Thunes.

The Complete Guide to Mobile Wallets



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What are Mobile Wallets?

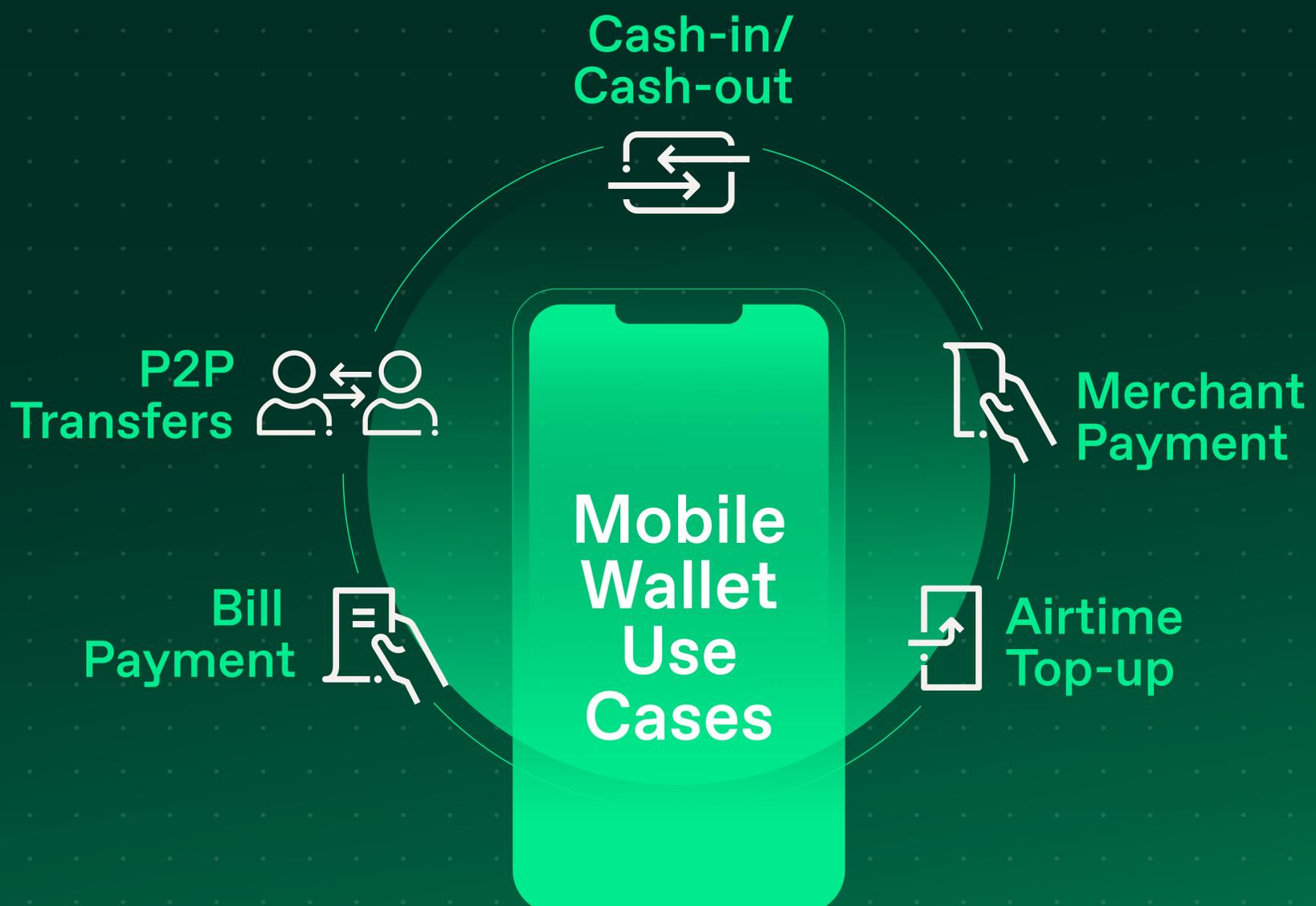
A mobile wallet is a virtual wallet accessible via a mobile device like a phone or a tablet. Also known as digital wallets and e-wallets, mobile wallets allow users to store money, make payments, manage their accounts, and access various financial services without a bank account.

Mobile wallets are among the key modes of digital payment that saw a surge in adoption during COVID-19. The pandemic has had a massive impact on the world of payments, with people turning towards online methods as a safer transaction method than using cash to pay for shopping, food deliveries, utility bills, and much more.

Number of mobile wallets globally

2022:
3.4 billion

2026:
5.2 billion*



What are the Different Types of Mobile Wallets?

There are three broad types of mobile wallets available today:

Closed-loop wallets

Also known as stored-value wallets, closed-loop wallets allow users to top up a certain spending account that is linked to a credit/debit card. These spending accounts are linked to specific merchants and can be used for in-store payments and online purchases via merchant platforms.

Examples include:



Open-loop wallets

Also known as card-based wallets, open-loop wallets provide an avenue for users to link their credit and debit cards to their mobile phones. Users can easily make payments by tapping their phones at any NFC-enabled payment terminal.

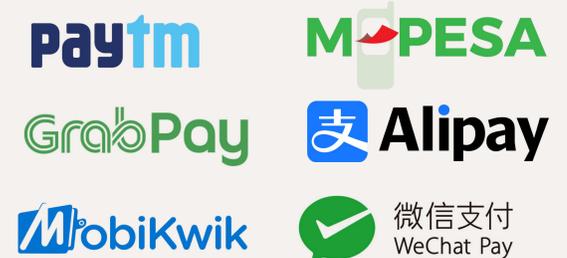
Examples include:



Semi-closed-loop wallets

Semi-closed-loop wallets allow users to shop and transfer virtual funds to other accounts within the same wallet network. These wallets typically operate on a local/regional scale.

Examples include:



Who are the Key Players in the Mobile Wallet Market?

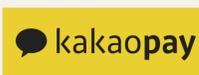
While the mobile wallet market is highly saturated, a few key players are consistently trusted and utilised by consumers. Below is a list of the key mobile wallet players divided by region:

Africa

All countries	    
Kenya	
Democratic Republic of the Congo / Ghana / Mozambique / Tanzania	

Asia Pacific

Southeast Asia	 
Indonesia	  
Malaysia	 
Philippines	 
Singapore	
Thailand	 
Vietnam	 

Bangladesh	    
China	 
India	       
Nepal	     
Pakistan	      
Sri Lanka	    
South Korea	 

Latin America

Argentina	
Brazil	  
Chile	
Colombia	   
El Salvador	
Guatemala	
Mexico	  
Peru	

North America

USA



Europe

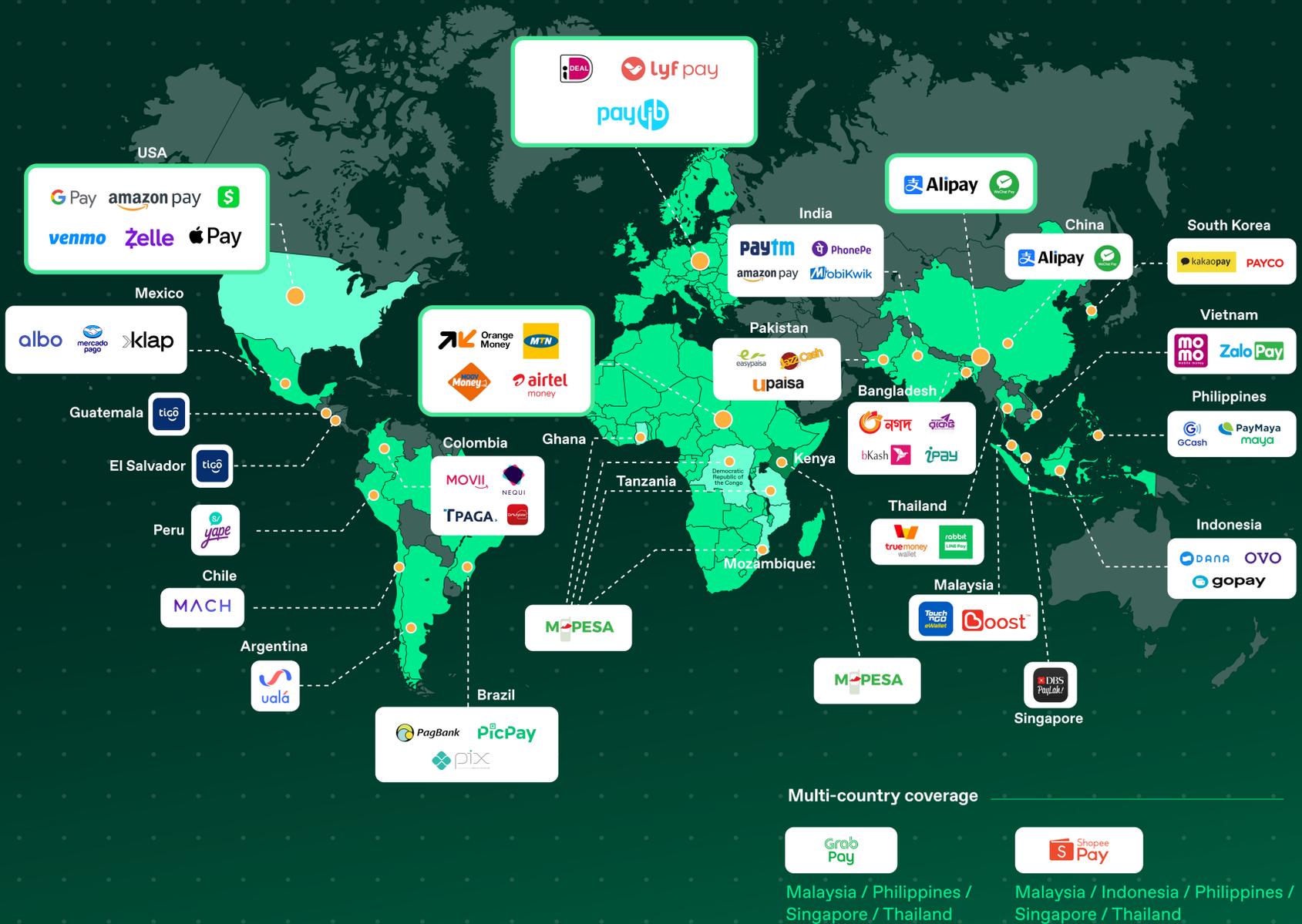
UK and Ireland



EU



Mobile Wallet Distribution By Region and Country





Key Benefits of Mobile Wallets for Users

1.

No hidden fees

Unlike traditional bank accounts, mobile wallets typically do not come with minimum deposit requirements, transfer fees, and other upfront costs.

2.

Simple registration process

The onboarding process is simple: download an app, complete a simple online onboarding form, and you are good to go. These forms usually don't require proof of income or your address.

3.

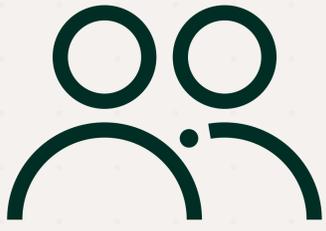
Secured access

Before any transaction, users have to first unlock their mobile phone and mobile wallet app using fingerprint ID, facial recognition and passcode.

4.

Quick and easy to use

Simply tap and pay, scan a QR code or enter the recipient's mobile number to make payments or transfer funds.



Key Benefits of Mobile Wallets for Merchants

1.

Reach out to 1.1bn mobile users worldwide

Mobile wallets have removed barriers to financial services and become the driving force for financial inclusion.

2.

Lower fees for micro payments

This is particularly useful for the creator economy; with gig workers scattered worldwide offering freelance services for international clients, businesses can pay them in their preferred digital payment methods.

3.

Frictionless checkout experience

Mobile wallets enhance customer experience by reducing friction during the checkout process – customers can complete the payment process quickly and simply with their payment information already saved in their wallet.

4.

Strong local networks of merchant acceptance

These networks are compatible with all kinds of payments, regardless of value and whether they are online or offline.

What are the Global Growth Trends of Mobile Wallets?

Global digital wallet transaction value to grow 60% by 2026. A key driver behind the growth is the increasing merchant acceptance of digital wallets.

2022:

\$7.5 trillion

2026:

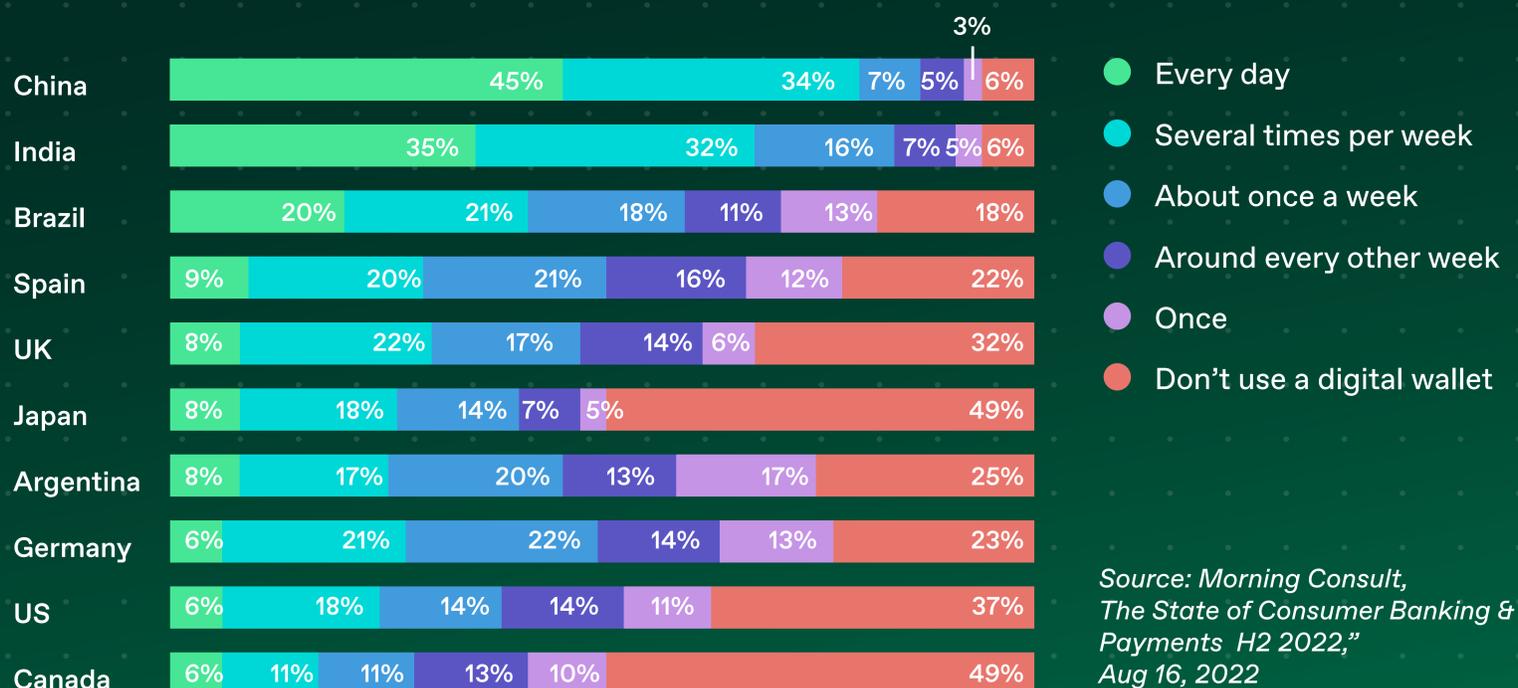
\$12 trillion+

Mobile Wallet Expected Growth from 2020 to 2025

Global	Southeast Asia	Latin America	Africa & Middle East	Western Europe	North America
+74%	+311%	+166%	+147%	+65%	+50%

Sources: Boku; Juniper Research

Mobile Wallet Usage in 2022



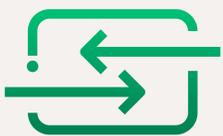
Mobile Wallet Fragmentation: A Barrier to Widespread Adoption

The mobile wallet market is fragmented worldwide for several reasons:



Competitive landscape

Many providers are entering the market and no two mobile wallets are the same with each operating differently from its competitors. The situation is more complicated in countries that have fragmented payment systems. In Asia, for example, countries typically have complete payment infrastructure where local debit settlement and international card networks compete and complement each other.



Lack of interoperability

Different providers use different technologies and payment methods, making it difficult for users to switch between different providers.



Varying regulations

Different countries have varying regulations and legal frameworks for digital payments, making it difficult for mobile wallet providers to operate seamlessly across borders.

Mobile Wallet Interoperability: A Key to Borderless Payment Experience

Thunes has built an interoperable global payment network that spans across continents and includes hundreds of mobile wallets. This network enables customers to make both online and offline payments with their preferred mobile wallet no matter where they are.

By connecting to this global network, mobile wallets can enable multiple new payment services for their users:

130+

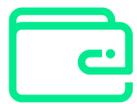
Countries

4bn

Bank Accounts

2.8bn

Mobile Wallet Accounts



Allow customers to receive transfers into their wallets from other countries and continents



Integrate cross-border payments into your user experience



Enable payments with local wallets on international websites and global platforms in home currencies



Enable payments with mobile wallets in retail and POS environment abroad

“The availability of low-cost smartphones, rising Internet penetration, growing awareness of mobile payments and the proliferation of mobile wallets has resulted in Asian countries shifting from cash transactions to mobile wallet payments.”

Ravi Sharma,
Lead Banking and Payments Analyst at GlobalData

About Thunes

Founded in 2016, Thunes is a B2B company that powers payments for some of the world's fastest-growing businesses – from Gig Economy giants such as Uber and Deliveroo and Southeast Asia's super-app Grab to global Fintech leaders such as PayPal and Remitly.

Through a single, simple connection, consumers and businesses can send payments to – and get paid in – every corner of the world. Thunes currently supports 80 currencies, enables payments to 130 countries, and helps to accept 300 payment methods.

In April 2022, Thunes acquired a controlling stake in a leading AML and Compliance Platform company Tookitaki, which now enables the company's advanced compliance, anti-fraud, and anti-money laundering (AML) capabilities, setting an international benchmark for sustainable compliance.

The company is headquartered in Singapore, with regional offices in London, Paris, Shanghai, New York, Dubai, Hong Kong, and Nairobi.

For more information on what Thunes can do for your organisation, visit www.thunes.com.

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