

Paragon Shares Update on Payments Trends in 2019 and an Early Look at 2020

Fintech company shares thoughts on top trends shaping payments landscape

HOLLY SPRINGS, NC – [Paragon Application Systems](#) (Paragon), the leading independent provider of testing services for the financial services industry, today shared an update on payments trends observed so far in 2019 as well as some early commentary on building trends that will affect the industry in 2020.

The Windows 10 migration

- The Windows 10 migration has been a major business driver in 2019 and this activity will continue. Recent discussions with other industry leaders seem to indicate that only 30-35% of the ATM deployers in the U.S. will complete their Windows 10 migration projects before the January 2020 deadline. Paragon has seen a significant uptick in licenses for its VirtualATM solution as more organizations are choosing to invest in a modern test platform to verify their Windows 10 migration updates. It does appear to us that there will be a long tail on this initiative, certainly into 2020 and probably beyond.

The ATM channel survives and thrives

- As evidenced by the current focus on the Windows 10 migration, organizations continue to invest in their ATMs, and we see a long life ahead for ATMs as consumer preference for 24/7 access to cash persists. However, the ATM channel must continually evolve to remain relevant and profitable. Strategic ATM deployers are taking steps to modernize their machines, such as enabling contactless and cash recycling at the ATM, while at the same time automating their testing to allow quicker deployment of new features and services in the future.

The pace of change will not slow down

- Whether driven by changing consumer behavior, legal and regulatory requirements, competition, technology or the need for improved security; rapid and continual change has become business as usual for most organizations. No matter the reason, anything and everything that changes must be tested. The capability to rapidly respond to change with an automated and integrated approach to testing is emerging as a key competitive differentiator.

AI for payments testing

- Artificial intelligence (AI) will continue to play a larger role in decision making, specifically by helping payments organizations analyze customer experiences

and prioritize payment testing scenarios. Progressive networks and payment processors are beginning to look at opportunities to introduce AI into the testing process to help them deliver more accurate, efficient testing and more effectively monitor for fraud.

Payment industry M&A will continue

- The payment industry remains hot and M&A activity is sure to continue. In any merger or acquisition, there are always winners and losers. Organizations will have the best chance of surviving if they have invested in modern testing infrastructure, including automation capabilities and can efficiently and quickly deploy new products and services.

Social Responsibility

- It is certainly not uncommon for banks and credit unions to be active participants in their local communities. With that said, we are seeing additional interest and energy from financial services organizations regarding their impact not only on the community, but on their people, their customers and the environment, in becoming certified [B Corporations](#). We see the potential for that interest evolving into a full-blown trend, with financial institutions seeking partners and suppliers who are also certified B Corps.

It's the economy – again?

- There are warning signs everywhere suggesting that the U.S. is due for a recession in 2020. Whether you believe the indicators signaling a slowdown or feel the economy will continue to grow, ensuring that your business is as efficient and streamlined as possible is the best plan for either scenario. You will either be in a good position to weather the storm or you will be able to continue rapid delivery of new revenue generating products and services to the marketplace.

Jim Perry, CEO of Paragon, commented, “An overarching theme we’ve seen so far in 2019 and will likely continue throughout the year is acceleration. Unrelenting change has become the “new normal”, with both businesses and consumers expecting what used to be completed in days, weeks or even months to be accomplished in mere minutes. Leveraging automation to deliver more frequent deployments and continuous updates will be a primary area focus for payments organizations as they look to remain relevant and competitive.”

About Paragon

Paragon Application Systems is the leading independent provider of simulation, configuration, certification and end-to-end testing solutions for the payments industry. Paragon has enabled more than 600 financial institutions, major interchanges, software providers and payment processors across 90 countries to improve testing quality and reduce time to market. The company’s software and services empower financial

services organizations to deliver the services their customers need, when they need them. Visit www.paragonedge.com for more information.