



## The history of payments and commerce

Payments today happen in a blink. A quick scan of your smartwatch, a tap of your card, a button on an app, two clicks on a website. The modern age of commerce is instant, frictionless and digital. And all signs point to the future of payments which are even faster, safer and more seamless.

But how did we get from payments with clamshells and cattle, to contactless and crypto?

To understand the future is to look back at the past, so let's dive into the history of payments and commerce.



6000 B.C. and before

### Bartering

First introduced in Mesopotamia. Goods, cattle and plants were exchanged for food, weapons and other consumer goods.<sup>1</sup>



1200 B.C.

### Cowrie shells

Mollusc shells from the shallows of the Pacific and Indian oceans were the longest and widest used currency in history.<sup>1</sup>



1000 B.C.

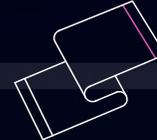
### Metal "coins"

Bronze and copper cowrie imitations replaced the shells.<sup>1</sup>



806

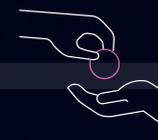
### Paper currency<sup>1</sup>



118 B.C.

### Leather notes

One-foot-square pieces of white leather deerskin with coloured borders.<sup>1</sup>



500 B.C.

### Modern coinage

The first coins were developed out of silver in Lydia, now present-day Turkey.<sup>1</sup>



1717

### Early cheques

Invented by the Bank of England.<sup>2</sup>



### Did you know?

The saying "to pay through the nose" comes from Danes in Ireland who would slit the noses of those who didn't pay poll taxes.<sup>1</sup> (800 – 900)



1792

### Money order

Established in the UK by three office clerks. Acquired by the UK Post Office in 1838.<sup>3</sup>



1816

### The Gold Standard

Gold was officially made the standard of value in England.<sup>1</sup>



1830s

### Chequebooks

First introduced by the Bank of England.<sup>2</sup>



### Did you know?

The oldest surviving American “checkbooks” date back to the 1790s. These functioned as ledgers.<sup>4</sup>



1928

### The Charga-Plate

Earliest known version of the credit card, the Charga-Plate was made from sheet metal and embossed at point of payment in department stores.<sup>5</sup>



1966

### Debit cards

While available much earlier, debit cards only became widely used from the 1980s, thanks to the advent of ATMs.<sup>8</sup>



1958

### Modern credit cards

Created by the Bank of America, which later became Visa. Attained global presence from the 1960s onwards.<sup>7</sup>



1934 to 1950s

### Charge cards

Invented by the American Air Travel Alliance, then Diner’s Club. Holders could buy now, pay later, at select merchants.<sup>7</sup>



1930s

### Layaways and layby

Originated in the US during the Great Depression and popular up to the 80s.<sup>6</sup>



1980s

### Online banking at home

First offered by the United American Bank, in partnership with Radio Shack. Required a secure custom modem for TRS-80 computers. Followed shortly after by Videotex, and Homelink.<sup>9</sup>



1983

### Crypto arrives

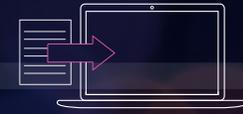
American cryptographer David Chaum invented an anonymous cryptographic electronic money called ecash. He later implemented it through the Digicash software.<sup>10</sup>



1986

### Chip and PIN cards

Developed by a French bank to reduce fraud.<sup>11</sup> Developed by a French bank to reduce fraud.<sup>11</sup>



1990s

### e-Invoicing

Allowed suppliers to present invoices to their customers for matching and approval in a web application.<sup>12</sup>



1994

### First online credit card payment

College student Dan Kohn sold a Sting CD to a man in Philadelphia on NetMarket, an early online marketplace.<sup>13</sup> Processed by Visa.<sup>14</sup>



1994

### EMV

Three international payment systems—Europay, MasterCard and Visa—develop a global chip specification for payment systems. Later joined by other major credit card companies.<sup>15</sup>



1997

### m-Commerce

First appeared in Helsinki, in two vending machines that accepted payment via SMS.<sup>16</sup>



1997

### Tap and go cards

Launched by Mobil. Customers first used them to pay for petrol.<sup>17</sup>



2005

### Smartphone NFC payments

Experimented with in France, notably in Caen. Tested in supermarkets, retail stores, and on public transport.<sup>21</sup>



2000

### Buy online, pick up in-store

Pioneered by supermarket chain Argos.<sup>20</sup>



### Did you know?

Today, PayPal has over 400M active customers in more than 200 markets globally.<sup>19</sup>



1999

### PayPal

Originally called Confinity. Merged with Elon Musk's x.com in 2000 to become a financial services site.<sup>18</sup>



2006

### Mobile payments

PayPal allows customers to pay via PayPal through their smartphone devices on PayPal Mobile.<sup>18</sup>



2007

### m-Commerce apps

American cryptographer David Chaum invented an anonymous cryptographic electronic money called ecash. He later implemented it through the Digicash software.<sup>10</sup>



2007

### PayPal Credit

PayPal acquired Bill Me Later, which then rebranded to PayPal Credit.<sup>18</sup>



### Did you know?

PayPal Credit has evolved into PayPal Pay Later, offering a variety of deferred payment options to over 300M merchants and customers across the globe.<sup>22</sup>



2009

### Bitcoin

Created by pseudonymous developer Satoshi Nakamoto. Meant for people to engage in financial transactions without relying exclusively on banks or governments.<sup>10</sup>



2010

### First cryptocurrency transaction

10,000 mined Bitcoins were exchanged for two pizzas in Florida. In today's terms, those pizzas would cost US\$26.3K each.<sup>23</sup>



### Did you know?

Europe is the largest crypto economy in the world. 11% of Europeans have used crypto to pay for goods and services.<sup>24</sup>



2011

### QR code payments



2018-2019

### Social media payments



2015

### Smartwatch payments



2013-2014

### Buy now, pay later becomes the modern layaway

Buy now, pay later platforms gained widespread global traction in 2021. Walmart officially phases out the layaway, in favor of BNPL.<sup>27</sup>



2013-2014

### NFTs

First known NFT was titled Quantum, by Kevin McCoy and Anil Dash. Sold for US\$4.<sup>25</sup>



2021

### NFT trading

NFTs boom thanks to the NBA TopShot collectables craze, which immortalised iconic moments in NBA history in NFTs. Trading volume surpassed more than US\$200M a month.<sup>26</sup>

Want to see where payments will go next?  
Download Think Forward: The Commerce Report at  
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