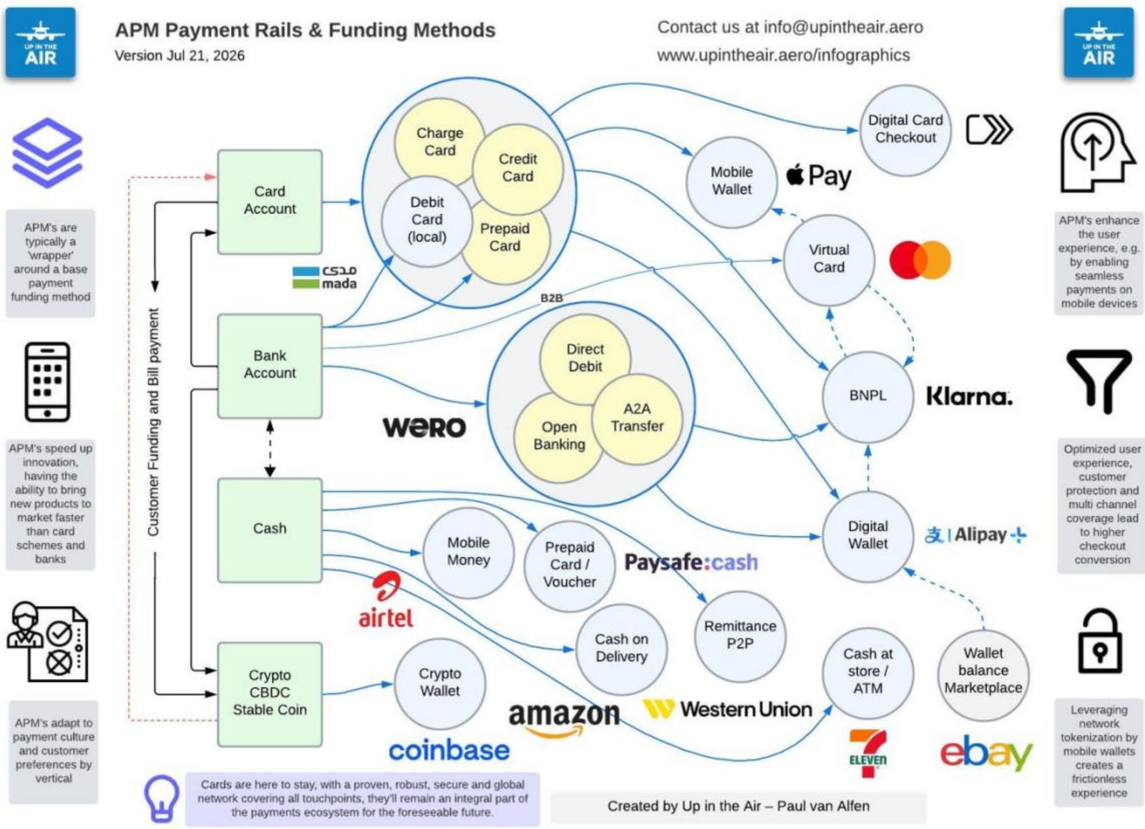
Up in the Air Travel Fintech Newsletter - Special Edition - Introducing Click to Pay, the new Digital Card Checkout

When airlines started to sell tickets online, way back in the early 2000's, cards issued by the global schemes were the only form of payment accepted. The required details for processing a payment online were entered manually by the customer on the airline's payment page, typically hosted by a gateway and reached via a full redirect.

Since then, innovation triggered by the need for a better user experience, data security, compliance, fraud prevention and conversion optimization, introduced multiple kinds of 'wrappers' around the card details. In the background the same card number and rails were still used, but a new generation of fintech companies started building products on top of these rails.

This happened first with the introduction of digital wallets, like [PayPal] and [Alipay], later followed by mobile wallets used 'in-app' and at the physical point of sale, like Apple Pay and Google Pay. Over time, the gateways were replaced by orchestrators covering a wide range of local and alternative forms of payments, acquirers connections and value added services. Hosted pages to capture card data were replaced by iframes and secure fields.

The latest 'wrapper' being rolled out is called '**Click to Pay**', it's technically not a wallet but a 'Digital Card Checkout'. The concept was developed by the major card networks based on [EMVCo]'s 'Secure Remote Commerce' (SRC) standard that takes standard card numbers out of play by leveraging network tokens.



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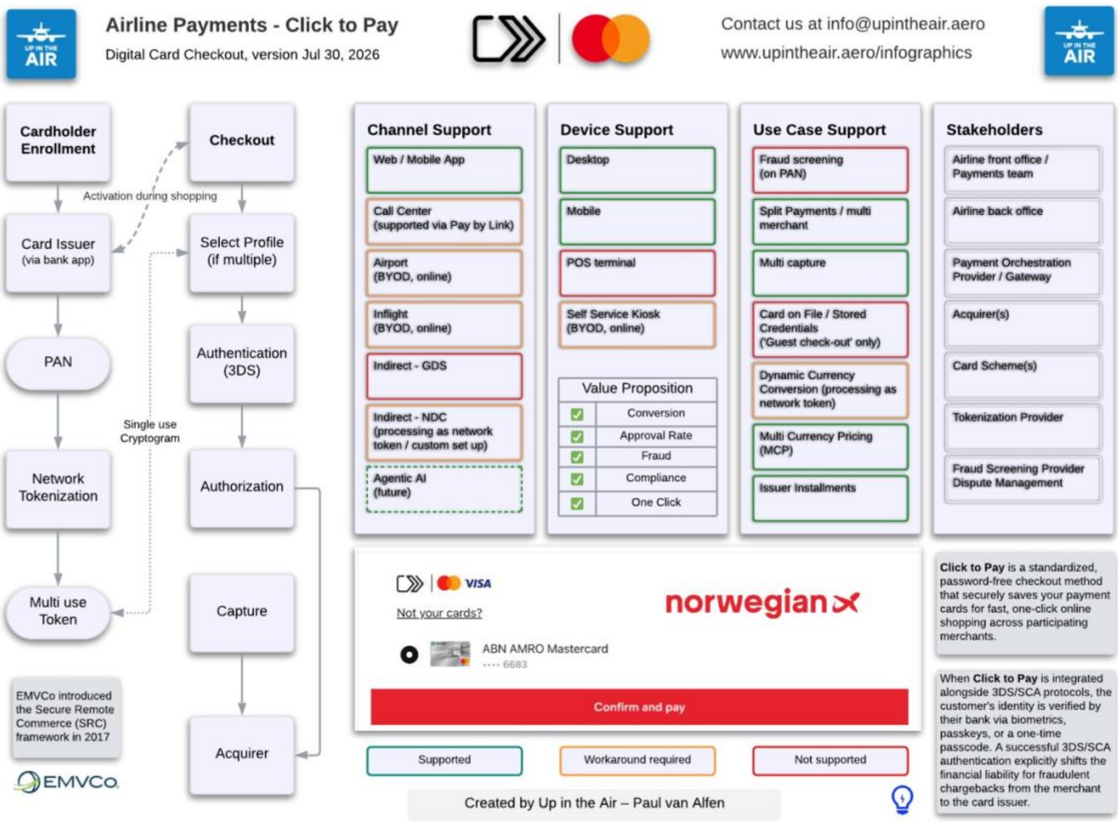
Now that the first airlines have adopted 'Click to Pay' and started to offer it as a check out option on their website and in their mobile app, what should stakeholders in the end to end process, both on vendor and merchant side, be aware of? How does if fit into the bigger picture, what channels and use cases are supported out of the box, what's still work in progress and what will unlikely take off in the short / mid-term?

To summarize and visualize this, I created the below new **Up in the Air** infographic as a 'cheat sheet'.

But first, what's in it for airlines (OTAs and TMC's)? Click to Pay is increasingly becoming more attractive because it:

- Works with existing card acquiring infrastructure
- Supports network tokens
- Reduces fraud

- Can improve authorization performance
- Is compatible with guest checkout
- Does not require merchants to support multiple proprietary wallets
- Is Agentic AI ready



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Click to Pay is a generic 'check out mechanism', it was not designed with specific nonstandard airline and travel use cases in mind. In the direct online channel this does not lead to any major gaps or implementation efforts, assuming that an airline's existing 'tier 1' payment partners are already operational.

This is quite different in the indirect channel though. In an agency model, where the customer card is passed through, it won't work 'out of the box' or not at all. This applies both to GDS and NDC due to the required network token data elements not flowing over the legacy 'PAN based' rails. For this to happen all links in the chain need to be updated, which in a very fragmented and legacy (GDS) ecosystem will be a lengthy and costly process.

Please note that an agency can avoid this challenge by acting as Merchant of Record and settle with the airline in a second step, over existing BSP/ARC rails (via 'cash' or 'agent own card') or VCN's.

As Click to Pay does not support payment via point of sale devices, it cannot be directly used at the airport and inflight. A workaround could be offer payment on the customer's own device ('BYOD') for instance via a QR code or via Pay by Link.

The roll out of Click to Pay is under way and accelerating, but mass / global adoption is still 1-2 years away. With the major card schemes behind it and with an eye on the future role of network tokenization and agentic commerce, Click to Pay should definitively be on your radar!

For more information on Click to Pay, visit the Mastercard **website** and watch the video with **Norwegian**'s **Torstein Alkanger**.

Click on image to watch the video

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