

**COMPOSECURE PERSPECTIVE**

# Metal cards and biometrics enhance payment experience

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Two emerging global trends are converging to take the payment card experience to the next level: premium metal payment cards and biometric authentication. As banks and fintechs look to attract new customers, the melding of these two trends can create personalised products that drive customer loyalty.

## Incorporating biometrics into our daily lives

The realm of biometrics is rapidly expanding, impacting the everyday experiences of individuals across the globe. Whether it's unlocking a smartphone with fingerprint or facial recognition, or accessing a realm of broader applications, the adoption of biometrics is projected to soar. Its rise is rooted in the promise of enabling an elegant and seamless user experience without compromising security. As of 2022, 55% of smartphone users already used biometrics to unlock their devices<sup>1</sup>.

## Expanding horizons for metal cards

Parallel to the biometric surge, the allure of metal payment cards is captivating an expanding audience. Initially conceptualised as a highly exclusive, targeted offering, metal cards took flight with the American Express metal Centurion Card<sup>2</sup> launch in 2003. Since then, their appeal has transcended boundaries. With the 2016 introduction of the metal Chase Sapphire Reserve card, which was "enthusiastically received by millennial consumers,"<sup>3</sup> the cards became a staple with the mass-affluent demographic. The New York Times reported, "The Reserve acquired more customers within two weeks than Chase had expected for 12 months ... more than half of all cardholders were under 35"<sup>4</sup>.

Recent years have seen European fintechs effectively embrace metal cards, often as key components of tiered packages. These cards are positioned as not only aesthetically pleasing but also as symbols of durability and elegance. For digital-centric challenger banks, cards are often their only physical touchpoint with customers, enabling them to convey the bank's ethos and bolster patron loyalty.

## A convergence of biometrics and metal cards

We stand now at a juncture where these two trends are merging, with the launch of metal cards that feature biometric sensors. With this innovative technology, the chip on a payment card stores (or enrolls) the customer's fingerprint (a mathematical conversion applied to keypoint descriptors rather than an image). During a payment transaction, the cardholder taps the card onto a payment terminal while placing a finger on the card's biometric sensor, and the fingerprint is instantly compared with the enrolled template. Crucially, this matching process occurs within the chip itself, ensuring that biometric data remains encapsulated within the chip and never traverses the point-of-sale terminal or the issuer's systems. Successful matching provides the authentication needed for the payment to proceed.

## Personalisation with biometric metal cards

Today's consumers no longer view payment cards as mere tools for making transactions; rather, they consider them to be accessories – extensions of their identity and lifestyle. This sentiment is epitomised by the multitude of social media posts featuring metal cardholders proudly posing with their payment cards.

The infusion of biometrics into cards takes personalisation to new heights, integrating the user's identity with the payment experience. These cards will really 'know' their users, distinguishing the legitimate cardholder from any other individual on the planet.

## Biometrics propel metal cards into the future

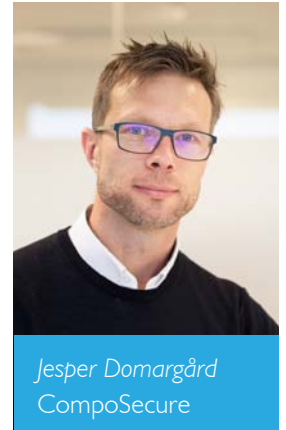
The union of biometric authentication and metal cards propels both toward an increasingly sophisticated future, harmonising elegance and high-tech innovation. This convergence marries style, convenience and top-notch security, ushering in a new era of personalised and fortified payment experiences. ■

<sup>1</sup> Security Magazine, 'Over half of consumers use biometrics to secure mobile devices', *Security*

<sup>2</sup> Centurion Card, *Wikipedia*

<sup>3</sup> Harvard Business School, 'Cold call podcast: How Chase Sapphire made credit cool for millennials', *HBSVVK*, 2018

<sup>4</sup> Taylor Tepper, 'An oral history of the world's first viral credit card', *The New York Times Wirecutter*, 2019



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