Agentic Commerce: *A New Chapter for Instant Payments*

Lev Kalachev
Instant Payments Commercialization

Rishi Patel
Head of Product, Spring by Citi

A new buyer at the checkout.

The “do it for me” economy is no longer a whitepaper thesis – it is becoming an engineering roadmap for many companies. The foundational models, infrastructure and enterprise guardrails needed for AI agents to browse, compare and transact on behalf of consumers began to take shape through 2025. It is no longer hard to imagine a future where a meaningful share of consumer commerce is initiated by an agent rather than a person. So what changes when the buyer is no longer human? A great deal – including how money moves. Agents are built to act on behalf of the consumer, optimizing for what the consumer actually wants from the transaction: speed, cost, certainty, and finality. Those priorities place a different set of demands on the payment rail, and the implications for payments deserve a closer look.

What agents see when they look at the payment rails.

If agents optimize for outcome, the natural question is: which payment rails are equipped to deliver what they need?

Credit cards have the most obvious advantages. Universal merchant acceptance, decades of consumer trust, fraud infrastructure, and, critically, the rail that first agentic commerce protocols are building for. The trade-offs include operational elements like deferred settlement, chargeback mechanism and interchange fees that reflect the ecosystem cost.

Citi participates in many instant payment schemes around the world, with a seat at the table *to help shape the future of instant payments rather than simply consume the rules.*

Wallets offer a different proposition – they own the consumer relationship, control the credential layer, and are already embedding themselves as the authentication bridge between agents and payment methods. A wallet can abstract the underlying rail entirely: it does not care whether it routes to card, bank account or a digital asset. The limitation is that wallets are, ultimately, an overlay. They depend on someone else's rails, and every intermediary layer adds complexity and cost.

Digital assets are a compelling long-term option. They are programmable, borderless, promise low cost, and uniquely support delivery-versus-payment (DVP), where a digital token representing ownership of goods or services is exchanged for payment made in a tokenized deposit or digital assets. This sets them apart from traditional payment methods like cards, wallets, and bank transfers. Programmability also allows a token issued to an agent to be scoped to a specific transaction, merchant or amount and expire automatically once used. X402 protocol, which lets agents pay for digital services in digital assets over HTTP exchange, has already demonstrated real demand for machine-native rails. However, the barriers to adoption are significant too. Digital asset wallets must be pre-funded and there is no reward economics that have kept consumers loyal to cards. Consumer protection established on cards and some instant payment rails do not yet exist for digital assets. For digital assets to emerge as a contender, most of these gaps need to close.

Instant payments can offer what agents theoretically value most: finality, speed and low cost. Digital assets and instant payments share the same defining property: real-time, irrevocable settlement on rails built for machine-readable instructions. The difference is regulatory perimeter and reach – instant payments already sit inside the regulated banking system with bank-grade reach across 80+ jurisdictions. In the long run, both are likely to coexist – but instant payments are well positioned to lead the shift, with digital assets catching up as regulatory and acceptance gaps close.

Instant payments in e-commerce: a story of uneven momentum.

Instant payment networks have launched in over 80 jurisdictions, covering 95% of global GDP. But their track record in e-commerce is uneven – a story of spectacular wins in some markets, and slower progress in others. The wins are at national scale. India's UPI powers 83% of the country's digital payments.[1] Brazil's PIX serves 75% of the population.[2] Thailand's PromptPay is the default for online purchases.[3]

The picture in other markets is more mixed. Across many developed economies, cards still dominate e-commerce, and instant payments have yet to make a meaningful dent at the checkout.

[1] Reserve Bank of India, "Payment System Report", December 2024. https://www.rbi.org.in

[2] Banco Central do Brasil, "Pix Statistics", 2025. https://www.bcb.gov.br

[3] Bank of Thailand, "PromptPay Transaction Data", 2024; NORBr, "Payment Methods in Thailand", 2024. https://www.bot.or.th

There are two reasons for this. First of all, for the checkout experience to compete with the simplicity of cards and wallets, overlays like QR, Request to Pay or Open Banking must be developed consistently by all or at least a majority of the banks in a given country. Lack of clear regulatory mandate or an attractive incentive mechanism usually leads to inconsistent user experience and therefore low adoption. The second reason for cards' dominance is loyalty and rewards. No rational consumer is going to abandon 2% cashback or miles for a bank redirect without clear incentives. Migration from cards to instant payments rarely happens organically. The merchants who have succeeded are those who reinvested part of their interchange savings into reward programs that gave consumers a clear reason to switch.

Why instant payments fit agentic commerce.

With agentic commerce the consumer is no longer at the checkout. An AI agent does not need a branded payment page or a slick redirect flow. It needs an API that accepts a payment instruction and returns a deterministic confirmation that funds have moved irrevocably and in real-time. What agents will look for is, in theory, exactly what instant payment rails deliver: immediate settlement, guaranteed finality and rich standardized data for reconciliation.

Two features of instant payment rails are already well suited to the agentic world. The first is the proxy identifier. UPI's VPA in India, Pix Keys in Brazil, FPS IDs in Hong Kong, and PayIDs in Australia all do for instant payments what tokenization does for cards: the agent holds a routable credential without ever seeing the underlying account.

The second is the electronic mandate. UPI Autopay in India, eDDA on Hong Kong's FPS, PayTo in Australia and Brazil's Pix Automático all let consumers authorize exactly what a third party can charge, by amount, frequency and beneficiary. An electronic mandate is close to a ready-made framework for capturing consumer intent: verifiable, auditable, scoped, and revocable inside the consumer's own banking app. The "know your agent" layer does not need to be invented from scratch.

There is also the question of chargebacks. The chargeback problem in e-commerce is growing and projected to reach $42 billion by 2028,[4] much of it being consumers disputing purchases they originally authorized. That category largely disappears when the buyer is an agent acting on a verifiable record of consumer intent. Instant payments do not remove the need for refunds or dispute resolution. They turn it into something simpler: a bilateral transaction in the opposite direction, fully auditable end to end. Instant out, instant back.

Instant payment rails were not built for agentic commerce, but many of the design choices behind them happen to fit it remarkably well.

[4] Mastercard, "The Chargeback Window of Opportunity: 2025 State of Chargebacks Report", 2025. https://b2b.mastercard.com

Building the agentic payments stack.

The opportunity is clear. The infrastructure to support it is still taking shape, across three layers in particular. The first is the protocol layer: a common language that lets agents, merchants and payment systems communicate across the commerce lifecycle. The second is a trust framework that verifies the agent is legitimate, the consumer authorized it, and the transaction is within scope. The third is intent capture: a verifiable, machine-readable record of what the consumer actually asked the agent to do, scoped by amount, merchant, time and autonomy. Without these three layers in place, every agent transaction is a potential dispute waiting to happen.

Despite the complexity, infrastructure is being built at remarkable speed. But infrastructure alone will not lead to adoption.

Card networks built a self-reinforcing ecosystem through interchange. The fee funds issuer rewards, acquirer services and fraud protection, keeping every participant invested in growing it. Instant payment rails do not yet have an equivalent in many markets. To compete for agentic commerce volume, they will need one: an incentive structure that makes adoption rational for banks, merchants, processors and agent platforms alike.

A handful of markets have already shown what good looks like. India's UPI, Brazil's Pix and Thailand's PromptPay each combined regulatory clarity with thoughtful incentive design, and the result is the deepest instant payment adoption in the world. These are the markets most likely to lead the shift to agentic commerce on instant payment rails. For everywhere else, agentic commerce is an opportunity rather than a setback. The arrival of a new buyer at the checkout is a natural moment to revisit the incentive structures that have held instant payments back in e-commerce, and to use the shift to finally close the gap.

A seat at every table.

The agent will arrive with a credential the merchant has never seen before, and a payment instruction that may need to settle on a card network in one market, an instant payment rail in another, and increasingly digital assets somewhere else. Merchants are not asking for a single rail. They are asking for a partner that can absorb that complexity on their behalf.

Citi sits at exactly that intersection. Citi participates in many instant payment schemes around the world, with a seat at the table to help shape the future of instant payments rather than simply consume the rules. Citi is also both card issuer and acquirer, active partner to the networks and is already active in the digital asset space. As the infrastructure continues to mature, Citi is well positioned to help bring it within the regulated perimeter. Sitting in all three places at once is unusual. Bringing them together as a single solution is harder. That is the work ahead.

Services
citi.com/services

Member of the Federal Deposit Insurance Corporation.

Recipients should not rely solely on this material and are strongly advised to consult independent professional advisors for tax, legal, financial, and/or other matters. Past performance is not indicative of future results. Citi expressly disclaims any liability for any loss or damage arising from reliance on the information contained herein. Client experiences and results may vary.

26-94F7ADF6 07/26