State of Stablecoin & Crypto Payments 2026

A global analysis of stablecoin and crypto payment adoption, trends, and opportunities.



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About

WalletConnect is the infrastructure powering crypto and stablecoin payments at global scale. Its flagship product, WalletConnect Pay is a complete and compliant payment method that enables payments providers and merchants to accept stablecoin and crypto payments at low cost, with instant settlement, through a single integration. Built on the WalletConnect network, the largest network of digital wallets, WalletConnect Pay reaches over 500 million end users across 700+ wallets and all major blockchains, on infrastructure that powered over $400bn in transactions in 2025.

Foreword



Jess Houlgrave
CEO, WalletConnect

Crypto and stablecoin payments are no longer an edge case. The tools are finally catching up to the use case that brought many of us to crypto in the first place.

The original Bitcoin whitepaper wasn't about finance as a playground, it was a peer-to-peer electronic cash system. While the industry chased countless "killer apps," stablecoins and everyday crypto payments quietly became the real breakout use case. Now, it's impossible to ignore.

The gap between infrastructure readiness and mainstream adoption is where we lose users, and where the opportunity lies. At WalletConnect, we're focused on closing that gap. By bringing compliant payment flows, unified wallet experiences, and familiar UX into a single layer through WalletConnect Pay, we're reimagining what paying with crypto actually means.

This report examines the current state of stablecoin and crypto payments: what's working, what's holding us back, and what it will take to move from readiness to adoption. Whether you're a PSP, a wallet, a merchant platform, or a developer, this is your starting point.

Executive Summary

This report draws on four data sources:

- **WalletConnect network data** — 12 months of payment activity across 22 PSPs, 177 wallets, 125 chains, and 10 regions
- **WalletConnect ecosystem onchain data** — stablecoin holdings of 1.11 million wallets that have interacted with WalletConnect, mapped by country and region
- **Onchain analytics** — stablecoin supply, active addresses, and transaction volume via Visa and Chainalysis
- **WalletConnect user survey** — 1,127 active crypto users across 10 regions, surveyed February 2026, supplemented by industry interviews across payments, compliance, and wallet infrastructure

Survey Methodology: Participants were sourced from the active WalletConnect user base. Wallet holders who connect and transact onchain. Respondents verified wallet ownership and token holdings as part of the survey flow.

Regional distribution: Southeast Asia (37%), South Asia (21%), Africa (11%), MENA (7%), East Asia (7%), Eastern Europe (6%), Western Europe (5%), Latin America (2%), North America (2%), Asia-Pacific other (1%).

Key findings from the data are explored in detail across Sections 4–9. Highlights include:

- **Stablecoin ownership is surging** — surpassing Solana in the WalletConnect user base, with 51% of users aged 18–34 holding stablecoins (Section 5)
- **USDT and USDC dominate** — held by 82% and 80% of survey respondents; onchain data shows USDC leads globally by holder count (759K) while USDT dominates Asia (Section 5)
- **The market is concentrated but fragmenting** — two issuers control 94% of supply, but bank-issued and DeFi-native stablecoins are emerging fast (Section 5)
- **1.11 million WalletConnect wallets hold $36.3 billion in stablecoins** — but the top 0.4% of wallets hold 98% of all value, revealing extreme concentration beneath the surface (Section 5)
- **Funds remain locked on exchanges** — 49% of users hold their largest balance on a CEX, creating a structural challenge for wallet-native payments (Section 5)
- **Multi-chain behavior is the norm** — WalletConnect users average 2.82 chains and 2.65 tokens per wallet, confirming fragmentation is structural, not anecdotal (Section 7)
- **Merchant acceptance is the #1 barrier** — not technology, not regulation. One in three users would pay more if more places accepted crypto (Section 7)
- **76% of users have abandoned a crypto payment** — in the past six months, with gas fees, slow confirmations, and confusing errors as top causes (Section 8)
- **Regional patterns diverge sharply** — Asia accounts for 50.6% of holders but only 27.6% of value; Africa leads stablecoin preference at 74%; North America's top barrier is token/chain fragmentation (Section 9)

Why Now:
The Inflection Point

In 2025, Stripe, PayPal, Visa, and JPMorgan all went live with stablecoin payments. The technology had been ready. What changed was everything around it, regulations, institutional confidence, and user demand.

Three drivers converged:

Infrastructure readiness — Major PSPs and banks went live with stablecoin payments. The rails no longer felt like an experiment.

Regulatory clarity — The US, EU, and Asia-Pacific now have frameworks in force or taking effect. The uncertainty that held institutions back is clearing.

Market demand — User adoption signals are strong, and stablecoins now dominate crypto payment volume.

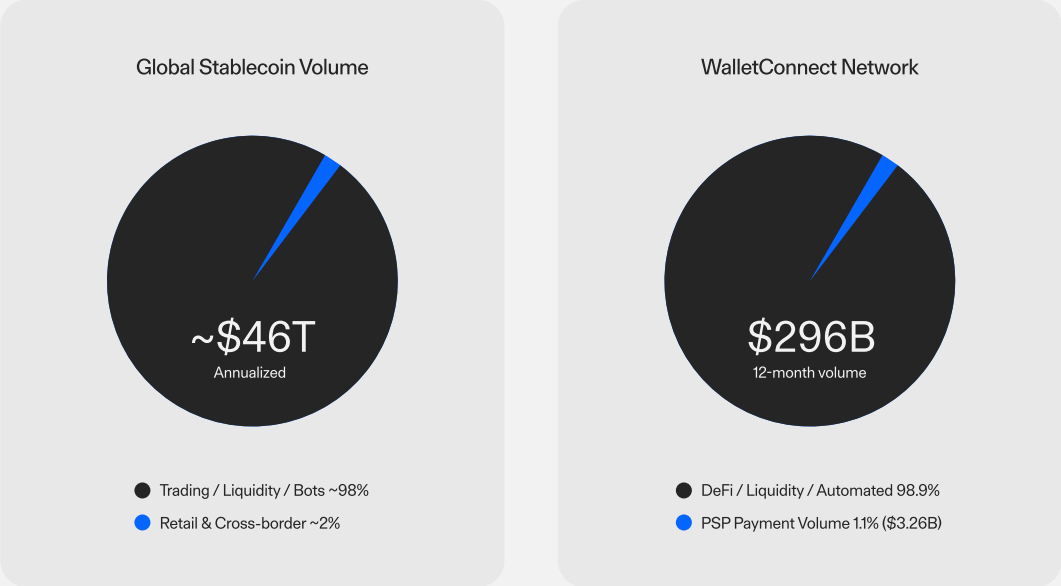
If 2025 was the year stablecoins scaled, 2026 is the year they must prove their utility.

Market Signals: Scale and Adoption

$46 trillion in annualized stablecoin volume sounds like a payments revolution, but we're not there yet. Nearly 90% of transactions on high-throughput chains like Solana and Base are automated: arbitrage bots, MEV extraction, liquidity provision. The settlement is real, but it is not commerce.

The WalletConnect network tells a similar story. Across $296 billion in ecosystem stablecoin volume over 12 months, the bulk is DeFi activity: liquidity provision, yield optimization, and automated strategies.

Stablecoin Volume Breakdown: Global vs WalletConnect



Source: Visa Onchain Analytics; WalletConnect Network Data

What this confirms is that the infrastructure can handle the load. Organic payment volume (actual commerce) sits below $500 billion. WalletConnect processed $3.26 billion over 12 months across 22 PSPs, 177 wallet providers, and 10 regions. Retail and cross-border payments account for 1–2% of total activity.

Expert Insight



Sheraz Shere
Head of Payments, Solana

The narrative that "crypto payments don't work" is being rendered obsolete by infrastructure that's now live in production. Visa's stablecoin settlement on Solana is a clear case in point: issuers like Cross River and Lead Bank are already moving meaningful volume, settling to acquirers in stablecoins on Solana in seconds rather than days. This isn't a pilot, it's production infrastructure expanding across the US and extending globally through 2026.

What makes Solana particularly suited to payments goes beyond throughput and sub-cent fees. Infrastructure maturity and several primitives are helping bring stablecoins to the mainstream:

Confidential transfers allow transfer amounts and balances to be masked on-chain while preserving auditability for authorized parties. This addresses one of the most persistent enterprise objections: that public blockchains leak competitive and customer data.

Embedded compliance via Token-22 gives issuers native tooling to whitelist and blacklist accounts, enforce transfer rules, and apply jurisdiction-specific controls at the asset level. Compliance becomes a property of the asset itself.

Network resilience is another key topic. To support enterprise volumes, blockchains need to handle massive loads. Solana has demonstrated, in production, that the protocol layer is ready, withstanding large-scale denial-of-service attacks, the 10/10 flash crash, and unpredicted demand spikes like the launch of the Trump memecoin.

Liquidity & Network Effects underpin all of it: with over $17B in stablecoin market cap on Solana, merchants and PSPs can move size without slippage or fragmentation. Major enterprises in the network are generating the flywheel on Solana: Fiserv, PayPal, Western Union, Worldpay, SoFi, Ramp and many others.

> **The honest challenge isn't the rails anymore — it's fitting them into existing settlement, reconciliation, and treasury workflows. That's the next year of integration work, and it's the right problem to have.**

User Adoption Signals

Despite the volume gap, adoption signals are strong:

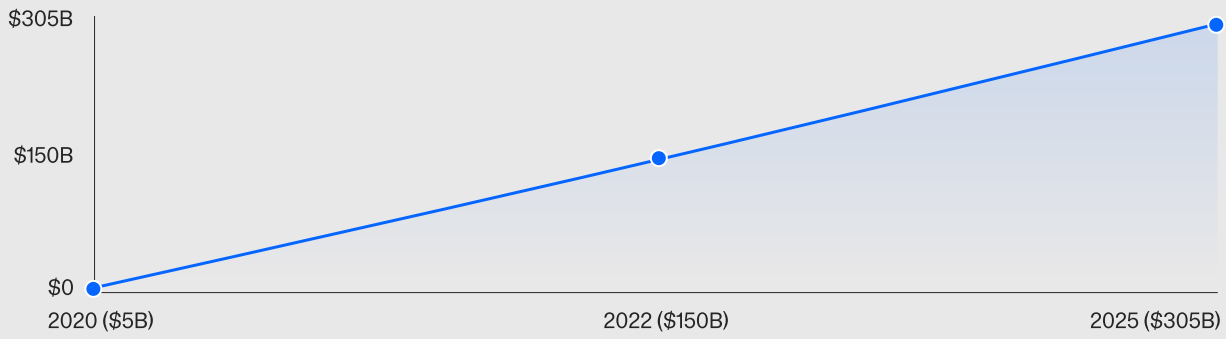
47M	416M	$5.84B
Monthly Active Users	Peak Addresses (40% YoY)	Small Transfers ATH (Aug 25)

Source: Visa Onchain Analytics

- **Monthly active users:** 47 million across all chains
- **Monthly active addresses**: 416 million at peak (May 2025), up 40% year-over-year
- **Small transfers (<$250)**: $5.84 billion in August 2025, an all-time high

The growth in small transfers is particularly significant. These aren't trading transactions. They're people using stablecoins for everyday value transfer.

Stablecoin Supply Growth



Source: Visa Onchain Analytics

WalletConnect Network Holdings

Onchain analysis of 1.11 million wallets that have interacted with WalletConnect reveals a more granular picture. These wallets collectively hold $36.3 billion in stablecoins, but the distribution is extreme. The average balance is $32,704. The median is $10.41.

That gap tells the story: 79.2% of wallets hold less than $100 in stablecoins, while 4,434 wallets ($100K+) hold 97.9% of all value. The ecosystem serves both ends — micro-payment users and institutional-scale holders — but the infrastructure requirements for each are fundamentally different.

79.2%

of wallets hold <$100

0.4%

of wallets hold 98% of value

Source: WalletConnect Onchain Analysis (March 2026)

Regional Holders vs. Value

The geographic split reinforces this divergence:

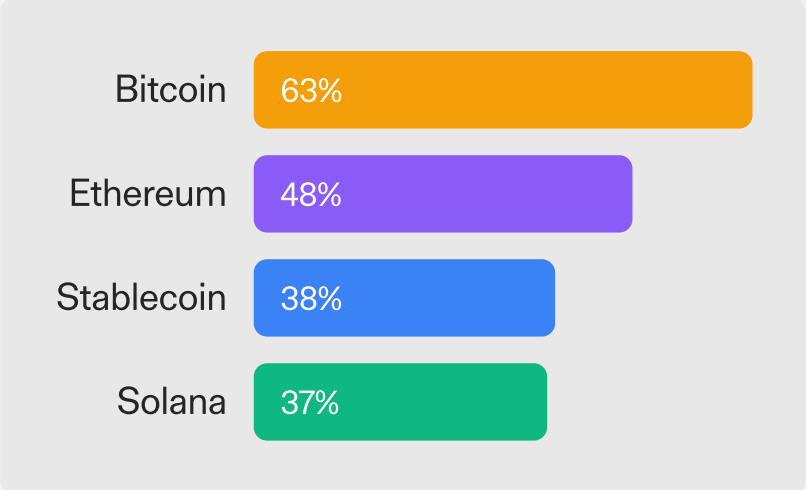
	Holders	% of Holders	Value	% of Value
Asia	562,171	50.6%	$10.03B	27.6%
Europe	356,318	32.1%	$10.51B	28.9%
Americas	157,591	14.2%	$9.72B	26.8%
Africa	33,772	3.0%	$0.1B	0.3%

Asia-Pacific accounts for just over half of all stablecoin holders but only about a quarter of the value. The Americas and Europe, with a combined 46% of holders, control 56% of all stablecoin value. US wallets average $99,700, the highest globally. African wallets have a median balance of $4–$6. These aren't different segments of the same market. They're different markets entirely, requiring different product strategies.

Asset Ownership Trends

Our 2026 survey data reveals shifting patterns:

User Ownership by Asset



Source: WalletConnect Survey, Base: 1,035

Where Value Sits

The distribution of funds confirms a structural challenge for wallet-native payments. Nearly half (49%) of respondents hold the largest share of their funds on a centralized exchange. Only 22% keep their primary balance in a browser extension wallet, and 20% in a mobile wallet app.

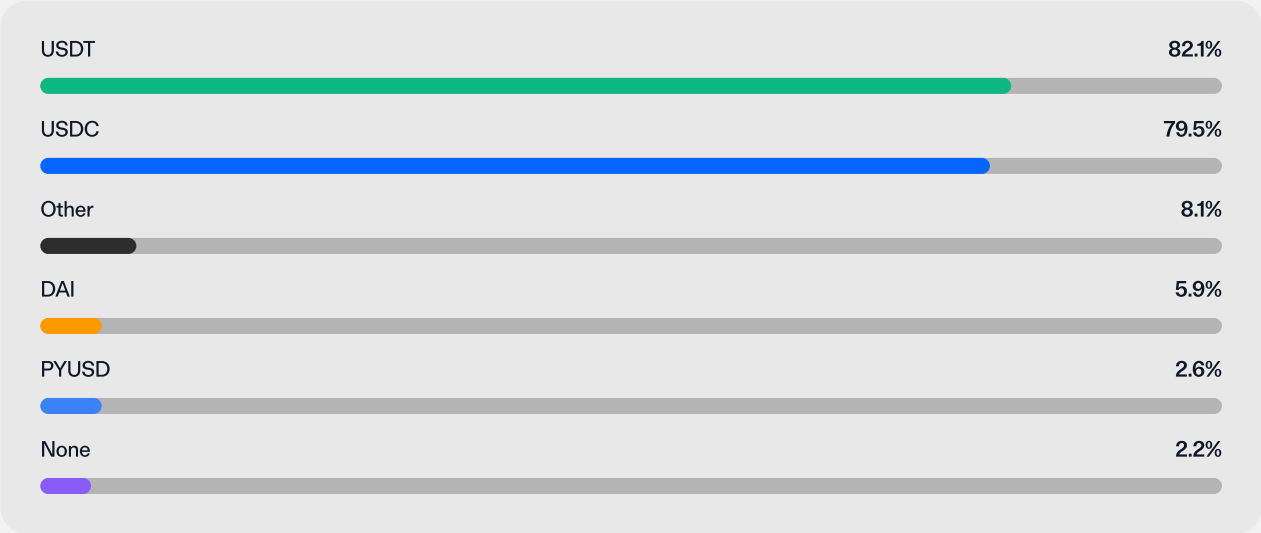


Centralized exchange	49.2%
Browser extension wallet	21.7%
Mobile wallet app	20.3%
Hardware wallet	8.0%

Most users hold funds across multiple locations, 72% use a CEX, 64% a browser extension, 60% a mobile wallet. But most payment flows require wallet-based transactions. The result: users often can't spend from where their money actually is.

Stablecoin Holdings

USDT and USDC are near-universal among active crypto users, held by 82% and 80% respectively. The long tail drops sharply: DAI at 6%, PYUSD at 3%. Only 2% of respondents hold no stablecoins at all.



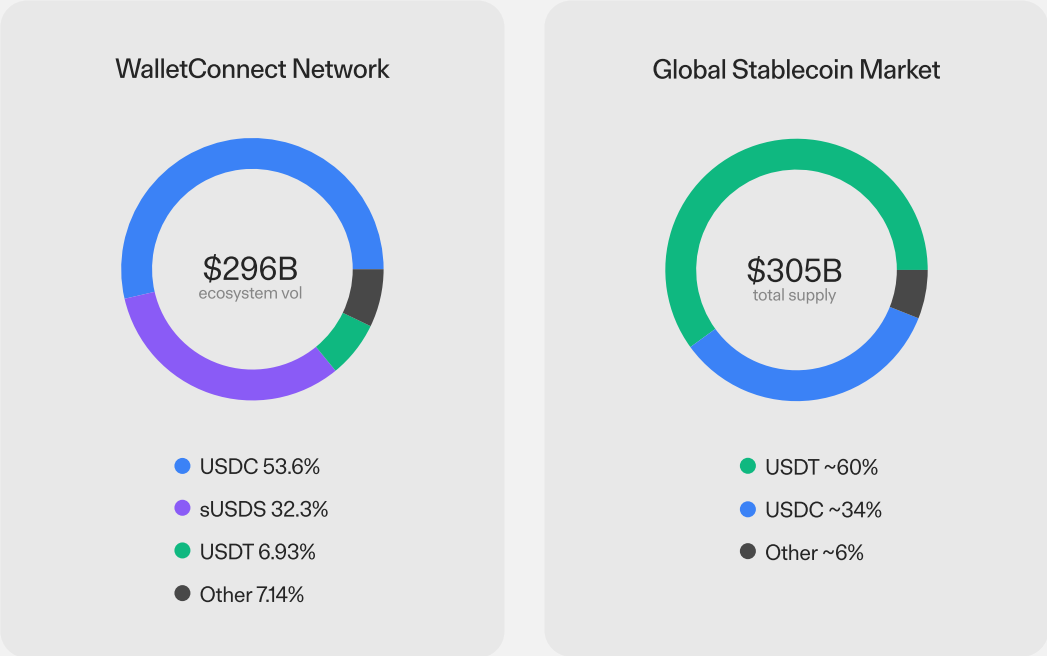
When asked directly whether they would prefer paying in stablecoins or other crypto, 63% chose stablecoins. The preference is strongest in Africa (74%) and weakest in North America (29%), where users are more likely to prefer paying with BTC or ETH directly.

Onchain data adds scale to this picture, with a twist. Across 1.11 million WalletConnect wallets, USDC leads by holder count with 759,000 holders ($16.5B), inverting the survey result where USDT edges ahead. USDT follows with 666,000 holders ($10.4B). But the global picture masks a critical regional split - in Asia, USDT leads USDC by holder count (359K vs. 327K). Any payment flow that only supports one token misses a massive segment.

Stablecoin Market Concentration

From a global perspective, the market remains highly concentrated:

WalletConnect Network vs Global Token Mix



Source: WalletConnect Network Data; Visa Onchain Analytics

Two issuers control over 94% of the market. Stability through known entities and regulatory engagement, but risk through concentration.

The long tail is growing. PayPal launched PYUSD. Circle issued EURC. Ripple entered with RLUSD. Sky introduced USDS and yield-bearing sUSDS. Ethena's USDe and Aave's GHO represent DeFi-native issuance. JPMorgan's deposit token is live on Base. Bank of America announced stablecoin plans.

The WalletConnect ecosystem reflects this fragmentation: 107 distinct stablecoin symbols appeared in 12 months. On the network specifically, USDC leads at 53.6%, sUSDS captures 32.3%, and USDT trails at 6.93%, inverting the global pattern entirely. The dominance of two issuers is a snapshot, not a settled outcome.

For payments infrastructure, more issuers means more tokens that merchants and PSPs must decide whether to accept.

What's Working: Infrastructure Breakthroughs

In 2025, Stripe, PayPal, Visa, and JPMorgan all moved from evaluating stablecoin payments to running them in production.

PSP Integration Has Accelerated

The shift was faster than many expected:

PSP/Bank	Integration	Status
Visa	Stablecoin settlement (USDC/Solana)	Live in US, expanding 2026
Stripe	Enterprise stablecoin payments	Live (1.5% fee)
PayPal	PYUSD stablecoin + payments	Live
Cross River Bank	USDC settlement	Live
Bank of America	Stablecoin plans	Announced
JPMorgan	JPMD deposit token on Base	Live

Regulatory clarity gave institutions the confidence to move. The business case resolved itself: faster settlement, lower costs, 24/7 operation.

On the WalletConnect network, volume grew from near-zero in early 2025 to $604 million in September 2025, driven by partners like Stripe, Coinbase Commerce, CoinGate, Mesh, and others going live. The 839,813 completed transactions came from 460,550 unique sessions, a ratio that reflects genuine payment intent rather than speculative activity.

Expert Insight



Arnaud Dubreuil
Head of Innovation, Ingenico

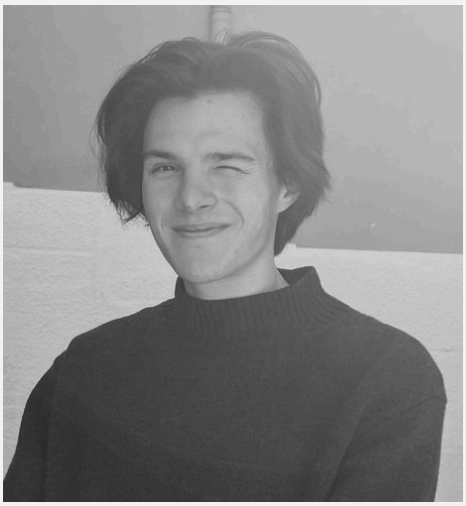
What is changing in crypto payments is not demand alone, but the infrastructure required to make that demand usable at scale. At Ingenico, we see stablecoin integration as a response to a broader shift in customer expectations. Consumers increasingly want to pay with the assets they already hold, while merchants want to capture every legitimate sale without adding friction or operational burden.

The real breakthrough is not simply accepting crypto. It is making crypto payments work within the realities of commerce. For most PSPs, the barrier is not interest, but complexity. Consumers use a growing range of wallets and assets, yet merchants do not want to manage multiple wallet relationships or take on exposure to crypto volatility.

> **“The role of payments infrastructure providers is to absorb that complexity, so the consumer gets choice and the merchant gets simplicity.”**

Over the next 18 months, we expect stablecoin use in physical commerce to grow first where traditional payment rails are less efficient, especially in cross-border and high-value transactions where speed, settlement certainty, and flexibility matter most. In-store adoption will likely begin in targeted use cases, not all at once. But that is often how meaningful payment innovation starts: solving a real problem well, then scaling from there. Stablecoins are approaching that point, and the providers that build practical acceptance now will be best positioned for what comes next.

Expert Insight



Illia Akulov
Co-owner, 94° Lisbon

94°

We've always believed coffee should bring people together, and that extends to how people pay.

> **Enabling crypto and stablecoin payments felt like a natural extension of our ethos, which is about meeting customers where they are, especially our tech-forward community. We wanted to signal that we're a brand that moves with the times.**

The customer response has genuinely surprised us. We've seen regulars get excited to finally use their wallets to pay for a cup of coffee, and it's sparked real conversations at the counter!

Operationally, the learning curve was real but short. Settlement is fast with stablecoins, and we don't carry the volatility risk we initially worried about. Compared to card payments, fees are lower and chargebacks are essentially nonexistent.

Honestly, once the setup was done, it's been smoother than we expected, and that's saying something for a busy coffee shop.

Settlement Speed and Cost Advantages

Settlement Comparison

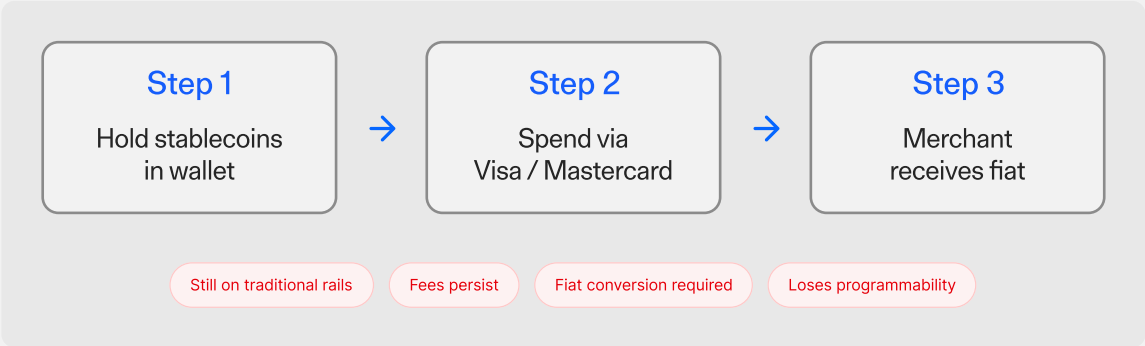
Metric	Traditional	Stablecoin
Settlement time	1–3 days	Near-instant
Cross-border fees	3–5%	<1.5%
Operating hours	Business hours	24/7/365

The operational case comes down to three metrics: time, cost, and availability. Traditional cross-border payments settle in 1–3 business days, charge 3–5% in fees, and operate within banking hours. Stablecoin rails settle near-instantly, cut fees below 1.5%, and run 24/7. For PSPs and merchants processing cross-border volume, these aren't incremental gains. They change the unit economics of every transaction.

On the $3.26 billion processed through the WalletConnect network over 12 months, the fee differential represents up to tens of millions of dollars in potential savings. At scale, these economics shift from nice-to-have to competitive requirement.

Cards as a Transition Mechanism

Cards as Bridge



Cards have emerged as a “Trojan horse” for stablecoin adoption:

- Users hold value in stablecoin
- Spend through existing card networks (Visa, Mastercard)
- Merchants receive fiat through familiar rails

Why it works: No behavior change required. Consumers tap their card. Merchants see a normal transaction.

Regional Preferences Tell a Different Story

The card-as-bridge narrative holds in developed markets but doesn't apply globally. When asked how they prefer to spend crypto:

Region	Direct wallet-to-merchant	Crypto debit card	Convert to fiat
Africa	54%	10%	29%
Southeast Asia	49%	30%	19%
South Asia	41%	25%	20%
East Asia	36%	49%	11%
North America	29%	63%	0%

Overall, 45% of users prefer direct wallet-to-merchant payments, the largest single category. Crypto debit cards come second at 29%.

The split is revealing. In North America and East Asia, where card infrastructure is mature, users default to what they know. In Africa and Southeast Asia, where card penetration is lower, users prefer native crypto rails. Cards are a bridge for markets that already have one. For the rest of the world, wallet-native payments are the first choice.

But cards have limitations

This transition mechanism is valuable, but it’s not the end state:

- Still on traditional rails: Cards run through Visa/Mastercard networks, meaning banks retain control over the transaction flow
- Merchant fees persist: Interchange and processing fees remain or in many cases increase, eating into the cost advantages of stablecoins
- Fiat conversion required: Settlement still involves converting stablecoins to fiat, adding steps and potential friction
- Doesn't capture full benefits: The programmability, instant finality, and reduced intermediary advantages of native stablecoin rails are lost

Expert Insight



Yvonne Ng
Product Marketing, WalletConnect

WalletConnect

Crypto cards kickstarted crypto spending — users can pay anywhere without waiting for merchant adoption. That's real progress. But I still see them as a bridge to the existing system, not a replacement of it.

Why? The UX improved. The economics didn't.

Cards still run on Visa/Mastercard rails. Merchants still pay 2.5-3.5%. The intermediary stack stays the same. Crypto payments just got a nicer front end.

Native crypto rails change the cost structure entirely. Fewer intermediaries, lower base costs. A $10 payment costs the same to process as a $10,000 one. No chargebacks, no reversal risk. A fundamentally different model.

At WalletConnect Pay, we built around that efficiency — not around extracting from one stakeholder to subsidize another. Every participant receives value:

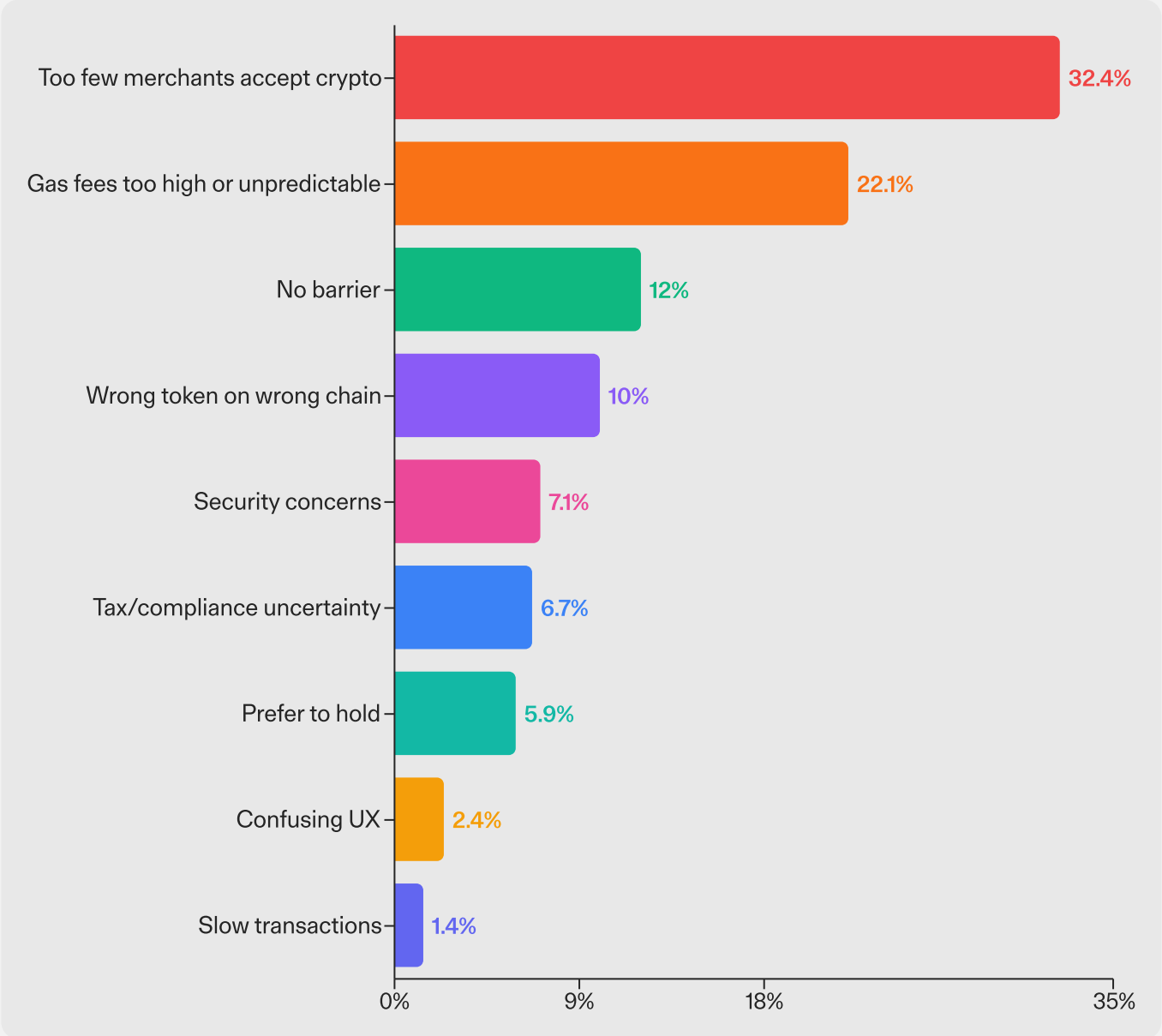
- Wallets earn interchange on every transaction
- Users get cashback in $WCT at rates that compete with cards
- Merchants pay up to 80% less with near-instant settlement
- PSPs plug it into existing workflows without rebuilding their stack

> **“The rail is more efficient, so everyone gets a cut of what used to go to friction.”**

Cards will keep serving as a bridge. But we all have an ideal state we're building toward: wallet to merchant, infrastructure handling the complexity underneath. That's where the economics and the adoption story finally line up.

The Fragmentation Problem

Fragmentation compounds. Each layer (UX, value distribution, token variety, and chain architecture) adds friction. Onchain data quantifies it: WalletConnect users hold stablecoins across an average of 2.82 chains and 2.65 different tokens per wallet. When asked to name the single biggest barrier to making more crypto payments, 64.5% of users cited problems tied to infrastructure gaps or missing distribution - merchant acceptance, gas fees, or wrong token on wrong chain.



Merchant acceptance is the #1 barrier — not technology, not regulation, not security. One in three users would pay more if more places accepted crypto.

User Experience Fragmentation

Current wallets are built for asset management, not payments. At the point of payment, the experience falls apart:

- Each wallet implements payment flows differently
- Independent wallet-built payments are resource-intensive and create yet another unique UX
- Each PSP integration brings a different checkout experience
- No consistent "checkout" paradigm exists; there is no equivalent of card terminals and standardized flows

Result: Users face a learning curve with every new payment context.

Value Fragmentation

Payment infrastructure hasn't caught up to how users actually hold crypto:

- Value is spread across hardware wallets, mobile wallets, and exchanges
- Most users hold funds on exchanges, but payment flows require wallet-based transactions
- No unified view of "spendable balance" across sources

Result: Users can't spend what they have, where they have it.

Token Fragmentation

Stablecoin support isn't as simple as accepting USDC:

- Multiple stablecoins exist (USDT, USDC, PYUSD, DAI, etc.) with varying merchant acceptance
- The same stablecoin exists on multiple chains — USDC on Ethereum is different from USDC on Solana or Base
- Merchants may only accept certain tokens on certain chains
- Users must track which token/chain combinations work where

"Do I have the right token on the right chain?" Users shouldn't have to ask if they have the right token on the right chain.

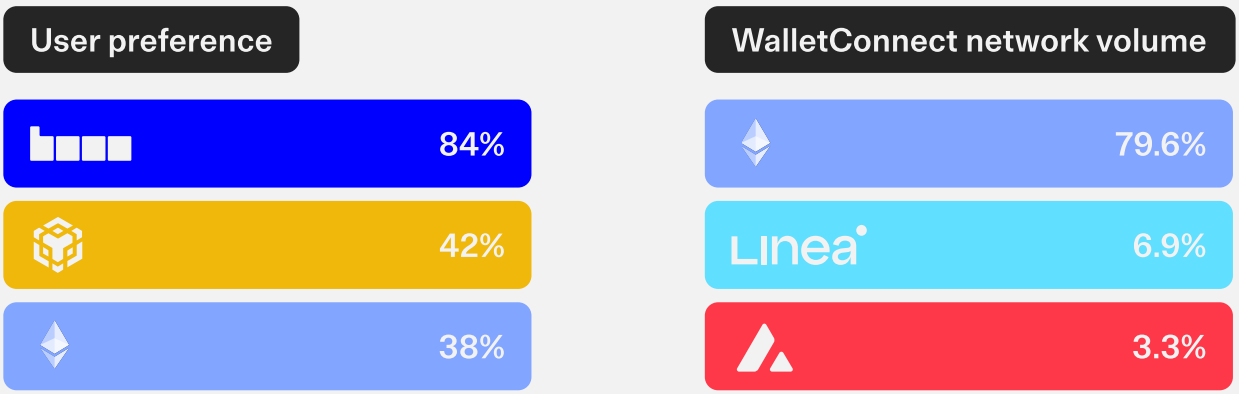
Chain Fragmentation

The multi-chain future is here, but interoperability isn't:

- Liquidity is fragmented across Ethereum, Solana, Tron, Base, Polygon, and dozens more
- Each chain has different fees, confirmation times, and finality guarantees
- Bridging is risky, expensive, and confusing for average users
- No universal standard exists for cross-chain payments

Chain Preferences: Users vs. Volume

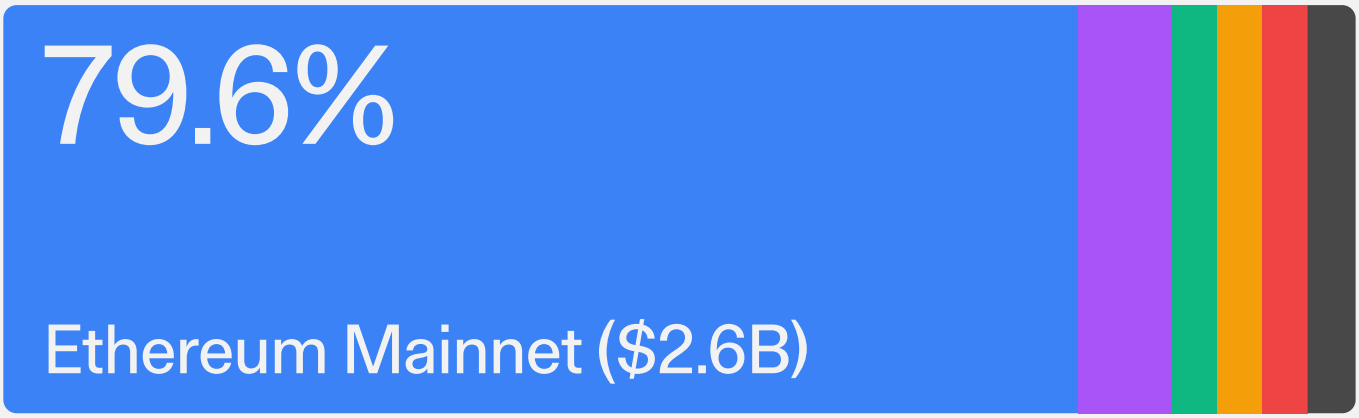
Survey data reveals a striking disconnect between where users prefer to transact and where payment volume actually flows.



Interestingly, 84% of users include Base among their preferred payment chains, but network payment volume concentrates on Ethereum mainnet. The gap reflects how large institutional flows settling on Ethereum for liquidity and security, mask the preferences of individual users. As the PSP mix diversifies, payment volume will likely shift toward the chains users actually choose.

Onchain wallet data reveals a third layer to this disconnect. By actual stablecoin holdings, BNB Chain leads globally with 574,000 holders, more than Base (384K) or Ethereum (360K). But Ethereum holds 65% of all stablecoin value ($23.6B). Users park value on Ethereum, prefer to pay on Base, and hold the broadest token diversity on BNB Chain. Three different answers depending on whether you optimize for user count, value, or preference — and payment infrastructure must account for all three.

Chain Distribution



Linea 6.9% Avalanche 3.3% Sei 3% Arbitrum 2.8% 120 other chains sharing 4.4%

The WalletConnect network handled payments across 125 chains in 12 months. Ethereum Mainnet captured 79.6% ($2.6 billion), followed by Linea (6.9%), Avalanche C-Chain (3.3%), Sei (3.0%), and Arbitrum One (2.8%). The remaining 120 chains split 4.4%. Each carries its own fee structure, finality guarantee, and liquidity depth - 125 integration decisions any payment stack must account for.

The Compounding Effect

These layers don't exist in isolation. They compound. Consider a real scenario:

The Friction Stack



A user has USDC on Ethereum in their MetaMask wallet. They want to pay a merchant who accepts USDT on Solana through a specific PSP integration. The user faces:

- Wrong token: USDC → needs USDT
- Wrong chain: Ethereum → needs Solana
- Wrong wallet: MetaMask → merchant requires different connection

Each barrier alone might be surmountable. Together, they're a wall. The user pays with a credit card.

Expert Insight



Veronica Wong
CEO, SafePal

SafePal

Crypto wallets are rapidly evolving into the primary bridge between on-chain assets and real-world payments. However, adoption depends on reducing fragmentation through improved UI/UX, seamless integrations, and infrastructure that connects decentralized assets with compliant financial systems.

At SafePal, building a comprehensive wallet suite goes beyond partnering with reliable payment providers.

> **“It’s about designing an ecosystem where self-custody, banking access, and everyday usability converge.”**

This vision drove the collaboration with Fiat24 to introduce a CeDeFi banking gateway and Mastercard directly within our mobile wallet in 2024. Through this integration, users can independently own compliant Swiss IBAN accounts, enabling seamless crypto on- and off-ramps alongside practical daily financial use cases.

Addressing fragmentation also requires strong interoperability, which SafePal does through its swap aggregator empowering users to exchange assets across 200+ blockchains for seamless depositing into their IBAN accounts. Smooth interbank and intrabank transfers are also supported, bridging usage for digital assets with other banking providers.

Our team also removes onboarding friction by supporting gasless experiences through EIP7702, features like the SafePal gas station, and encrypted backups for the seed phrase via Google Drive and iCloud for the software wallet.

Expert Insight



Felix Fan
CEO, Trust Wallet

Today's wallets were designed around asset management: holding, swapping, staking, not around everyday payments. That shows up clearly in user behaviour. As highlighted in last year's report, most users manage multiple wallets and still hold the majority of funds on exchanges.

Payments often require swapping assets, switching apps, or acquiring gas in unfamiliar tokens. That is simply not a payments-native experience.

What needs to change is abstraction. Users should not have to think about chains, gas tokens, or stablecoin variants.

> **"A good crypto payment UX feels invisible: you select an amount, confirm, and the system handles routing, FX, gas, and compliance in the background. The user is sending "a dollar," for example, not USDC on a specific network.**

Fragmentation will not be solved by forcing standardization. It will be solved through interoperability and smart orchestration. Wallets can compete on experience, security, and distribution, while infrastructure providers ensure cross-chain routing, liquidity access, and identity layers work seamlessly underneath.

Infrastructure providers have a critical role: abstract complexity without centralizing control. That means enabling unified balances across chains, embedded on/off-ramps, gas abstraction, and compliant flows that integrate with existing financial systems.

Payments will only scale when crypto feels less like navigating infrastructure and more like sending value. The next phase is about making the underlying rails powerful, and the user experience simple.

Barriers to Adoption

The Compliance Gap: P2P is Not Payments

P2P crypto transfers ≠ Compliant payment infrastructure

Sending stablecoins wallet-to-wallet is straightforward. But that's not what PSPs and merchants need. The blockchain handles value transfer. Payments require everything around it, and the gap between the two is operational, not technical.

- **Settlement and reconciliation**: PSPs need deterministic settlement with reconciliation flows that map to existing accounting systems. Crypto transactions settle onchain, but downstream processes like invoice matching, reporting and ERP integration, require structured data that most blockchain transactions don't natively provide.

- **Dispute resolution**: Card networks have decades of chargeback and refund infrastructure. On-chain payments have no equivalent. Merchants need a path to handle disputes, process refunds, and manage customer service flows without manual intervention.

- **Risk and liability**: Who bears the cost of a failed transaction? What happens when network fees spike mid-checkout? How is volatility exposure managed between confirmation and settlement? These questions have clear answers in traditional payments. In crypto payments, they're still being defined on a case-by-case basis.

- **Compliance integration**: KYC, AML, sanctions screening, and travel rule compliance must happen at transaction time , not as an afterthought. The regulatory frameworks now exist (see Section 10), but operationalizing them within real-time payment flows remains a significant engineering and process challenge.

Expert Insight



Max von Wallenberg
CEO, Iron (by MoonPay)

MoonPay

The barrier to adoption in onchain payments sits in the financial system that surrounds it. Compliant stablecoin settlement isn't just a token transfer — it requires regulated entities, bank accounts across jurisdictions, correspondent relationships, embedded AML and KYC/T processes, treasury management, reconciliation and active liquidity oversight.

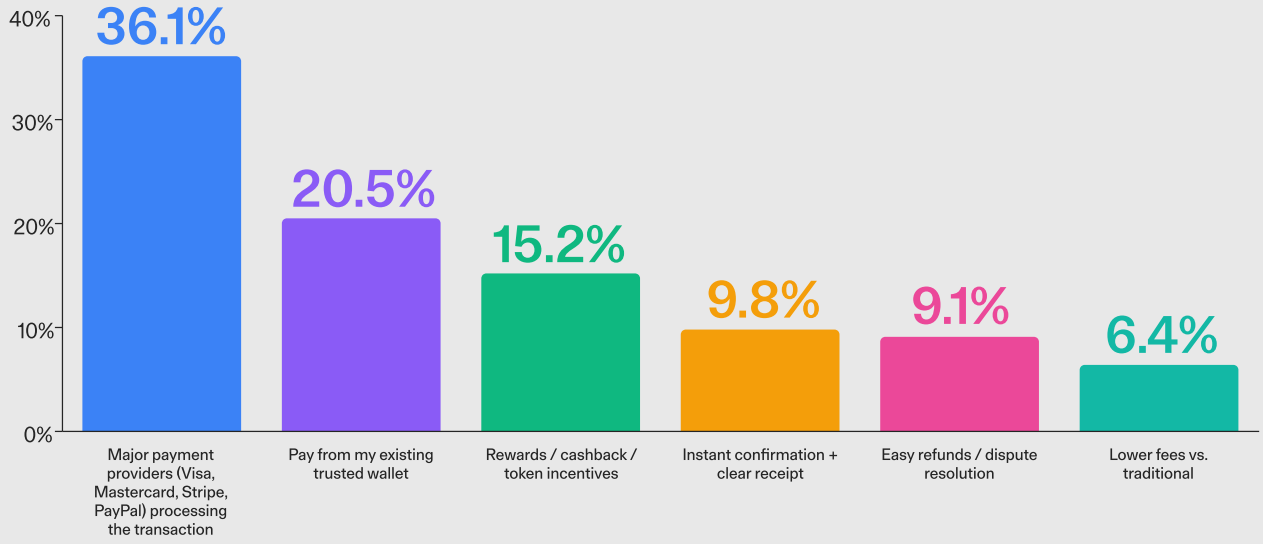
> **“The chain may settle in seconds, but the transaction still has to integrate into the systems banks and payment providers use every day. If it doesn’t fit into those workflows, it doesn’t scale.”**

Offramp infrastructure is evolving in response to that reality. What began as redemption endpoints is becoming deeper banking integration, embedded FX execution and corridor-level liquidity management. The focus is not on replacing existing systems, but on connecting to them in a way that reduces operational overhead for PSPs and financial institutions.

The limiting factor in the stablecoin-to-fiat movement is still the underlying banking and payment rails, as well as local currency liquidity constraints. Onchain transfers are easy and completed in seconds. But fiat payouts require complex AML screenings, banking hour dependency, transaction tracing, enhanced due diligence and other often very individual flows which are operationally complex. This, still, is the key challenge to true enterprise-grade fiat <> stablecoin flows.

What Users Want: Familiar Trust Signals

When asked what would most increase their confidence in using crypto for everyday payments, the top answer was institutional trust, not lower fees or better privacy.



More than a third want a name they trust — Visa, Stripe, PayPal — behind the transaction. Another 20% want to pay from their existing wallet. Users aren't asking for new experiences. They want crypto payments to feel like the payments they already trust.

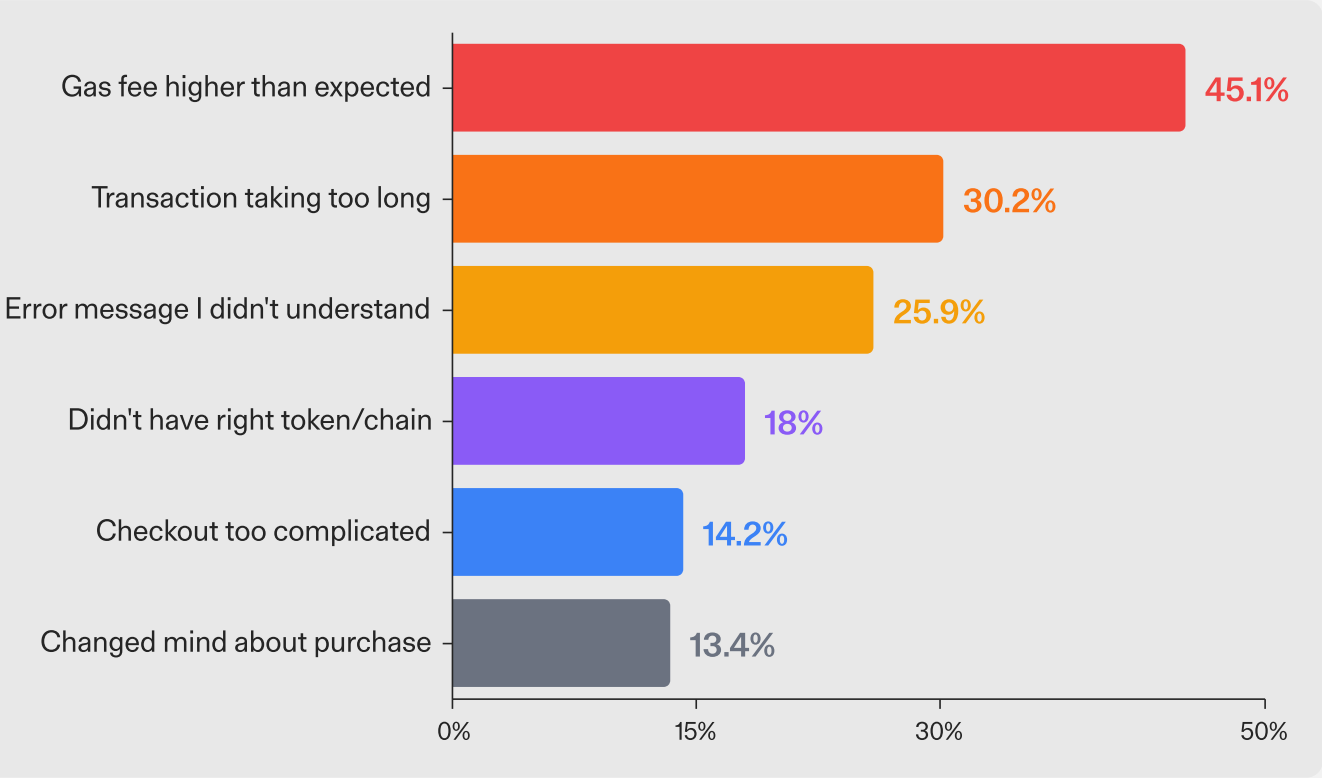
PSP Adoption Barriers

Beyond compliance, PSPs face organizational and operational challenges:

- Expertise gap — Traditional payment teams lack crypto knowledge; assessing partners and managing custody feels risky
- Integration complexity — Crypto doesn't map cleanly to existing card/bank architectures; each chain may require separate work
- Operational uncertainty — 24/7 settlement, network fee spikes, multi-chain liquidity create new SLA questions
- Risk and liability — Unclear who's responsible for failed transactions, volatility exposure, or regulatory gaps

The UX Gap: Why Users Give Up

76% of respondents have abandoned a crypto payment in the past six months. The causes form a clear hierarchy:



Gas fees are the dominant friction point, nearly half of all users have abandoned a payment because the fee exceeded expectations. Onchain data makes this worse than it sounds: 79.2% of WalletConnect wallets hold less than $100 in stablecoins. For the vast majority of users, a $2–5 gas fee doesn't just add friction; it can exceed the payment itself. Slow confirmation times and incomprehensible error messages are close behind. These aren't edge cases. They're the standard experience.

Completion rates vary by wallet. Trust Wallet and Rainbow users report the worst rates with only 13–14% saying they have never abandoned a payment. Coinbase Wallet users fare best at 26%, likely reflecting its more abstracted experience.

Wallet	Never abandoned
Coinbase Wallet	26%
Zerion	24%
Phantom	24%
Rabby	23%
MetaMask	16%
Trust Wallet	14%
Rainbow	14%

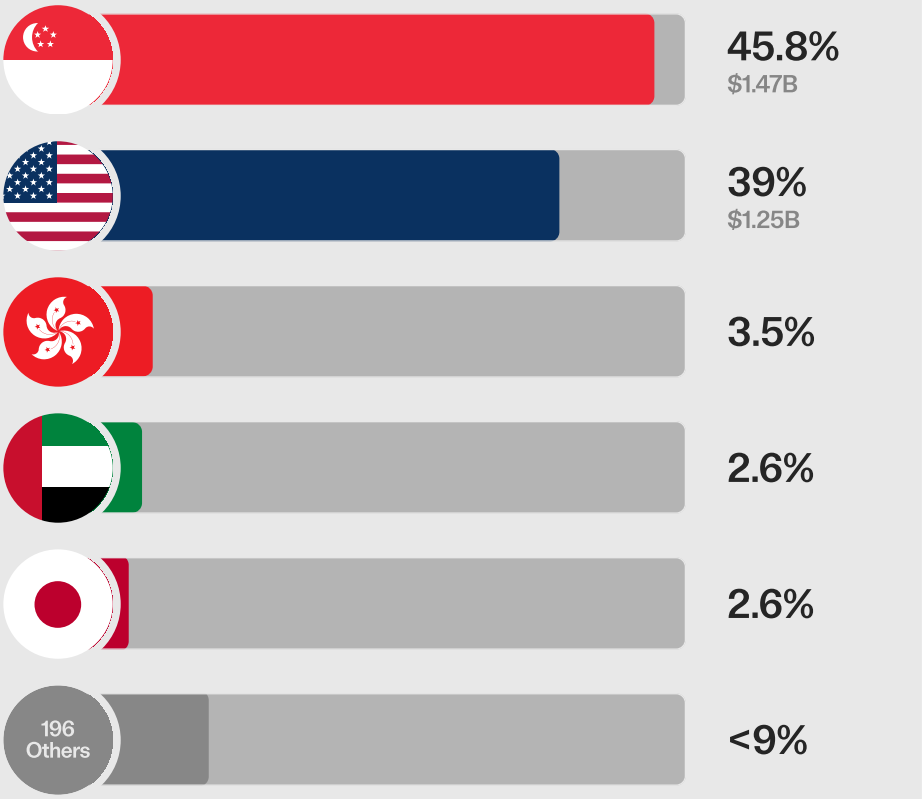
The pattern is clear: wallets with more abstracted, opinionated UX deliver better payment completion. More user control means more complexity, and worse outcomes.



The path from "I want to pay" to "payment complete" has too many friction points. Despite hundreds of billions in stablecoin supply and tens of millions of active users, retail commerce accounts for less than 2% of total stablecoin volume. The capacity to spend exists. The checkout experience doesn't.

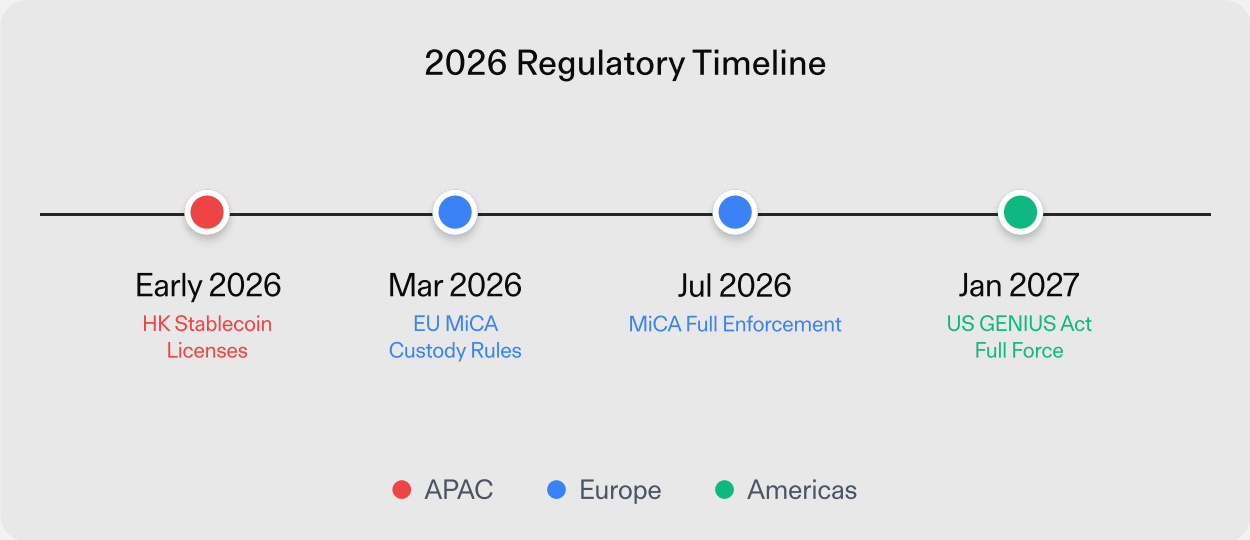
Geographic Signals: Regional Patterns

The regulatory map for stablecoin payments looks different depending on where you stand.



WalletConnect network data shows payments from wallets in 201 countries, but volume concentrates sharply. Singapore (45.8%, $1.47B) and the United States (39.0%, $1.25B) account for 85% of payment volume. Hong Kong adds 3.5%, UAE 2.6%, Japan 1.8%. The reach is global; the commercial weight sits in APAC financial hubs and the US.

Onchain wallet data tells a complementary story. By stablecoin holdings, the top 15 countries by holder count are led by the US (90K wallets, $9.0B), Japan (89K, $419M), and Hong Kong (83K, $196M). But value concentrates differently: Malaysia (8,900 holders, $5.18B) and Poland (20,500 holders, $3.95B) rank in the top five by value despite modest holder counts — evidence of extreme whale concentration in specific corridors. The top 10 countries by value hold 88.3% of all ecosystem stablecoins.



Asia-Pacific: Leading Framework Development

Asia-Pacific moved earliest on stablecoin regulation, and the frameworks are now operational:

- Hong Kong — Stablecoin Ordinance enacted August 2025; licensing regime with reserve requirements; first licenses expected early 2026
- Singapore — DTSP regime operational June 2025; 100% reserve requirement; major banks now trialing wholesale CBDC
- Japan — Most mature crypto market in region; reforms underway for investment product classification and tax treatment
- South Korea — Advancing won-backed stablecoin legislation under new administration's crypto competitiveness push

Across the region, regulated stablecoins are becoming the expected settlement layer.

Europe: MiCA Moving to Enforcement

MiCA is transitioning from implementation to enforcement:

- Full EU-wide enforcement: July 1, 2026
- From March 2026: E-money token custody may require both MiCA and PSD2 licenses
- Stablecoins are classified as e-money tokens (single fiat reference) or asset-referenced tokens (basket reference)

Challenge: Despite the unified framework, divergent national interpretations remain.

Americas: Contrasting Approaches

- United States — GENIUS Act creates federal clarity; full reserve backing required; implementation extends to January 2027
- Brazil — Central bank oversight operational under BCB Instruction No. 701/2026; stablecoin transactions classified as foreign exchange operations with mandatory VASP authorization
- Argentina — Mandatory VASP registration (Law №27,739, March 2024) but no stablecoin-specific framework yet; high usage driven by inflation and currency instability, with bank crypto services expected by mid-2026
- Latin America broadly — Stablecoins gaining traction as working-capital tools to mitigate volatility and settlement delays

Onchain data confirms emerging markets aren't waiting. Sub-Saharan Africa and Southeast Asia consistently rank among the top regions in the Chainalysis Global Crypto Adoption Index, driven by grassroots usage. The pattern holds: where existing payment infrastructure underserves demand, stablecoin adoption accelerates.

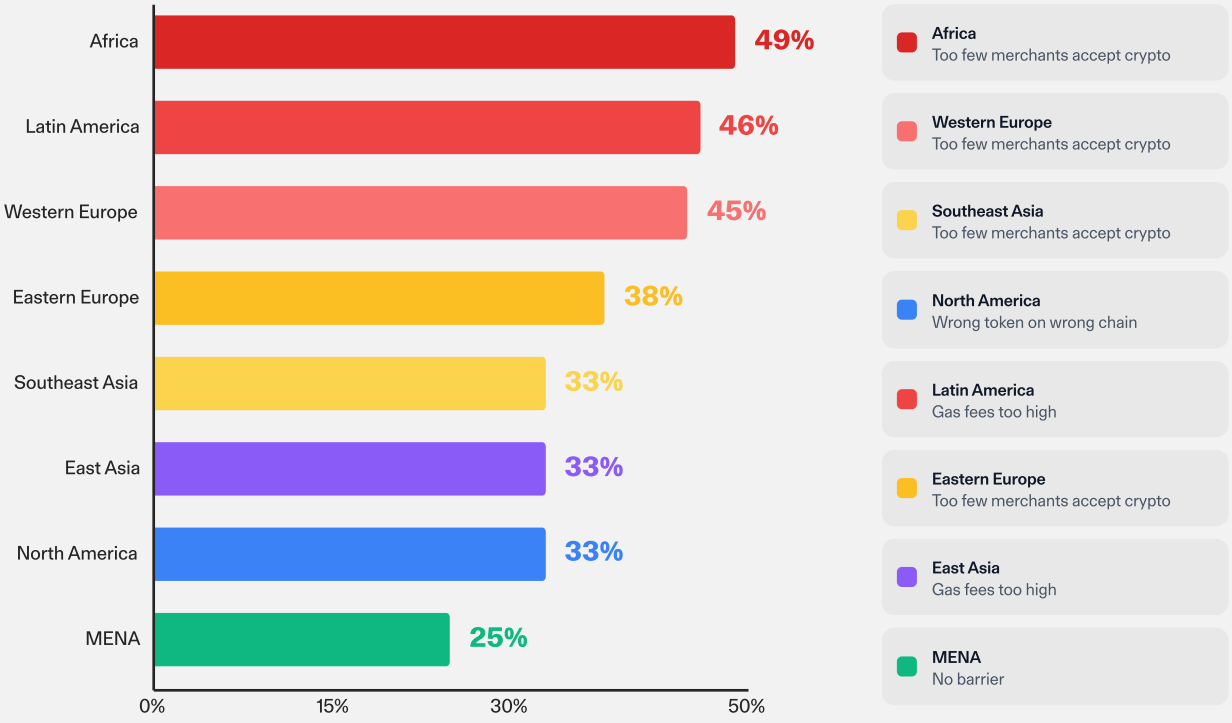
Chain Preferences by Region

Ethereum Mainnet dominates across all major geographies. Singapore, Hong Kong, UAE, Japan, and Czech Republic all route payments primarily over Ethereum, with Arbitrum One as the consistent secondary chain. Solana accounts for less than 1% of network payment volume. Tron doesn't appear in the top chains for any region, reflecting the current PSP mix, where the dominant PSP routes exclusively over Ethereum-compatible chains.

Onchain holdings data adds nuance. By actual stablecoin balances held, BNB Chain dominates Asia-Pacific (321K holders), leads globally by holder count (574K), and is the top chain in every region except the Americas, where Ethereum leads. This diverges from both the survey (which favored Base) and the payment volume data (which concentrates on Ethereum). European users show the highest multi-chain sophistication, averaging 3.1–3.6 chains per wallet, compared to just 2.14 in North America.

Regional Barriers: Different Markets, Different Problems

Survey data reveals that the barriers to crypto payment adoption vary sharply by region:



Four patterns emerge:

Africa and Europe are blocked by merchant acceptance. The infrastructure works; there's nowhere to spend. A distribution problem, not a technology problem.

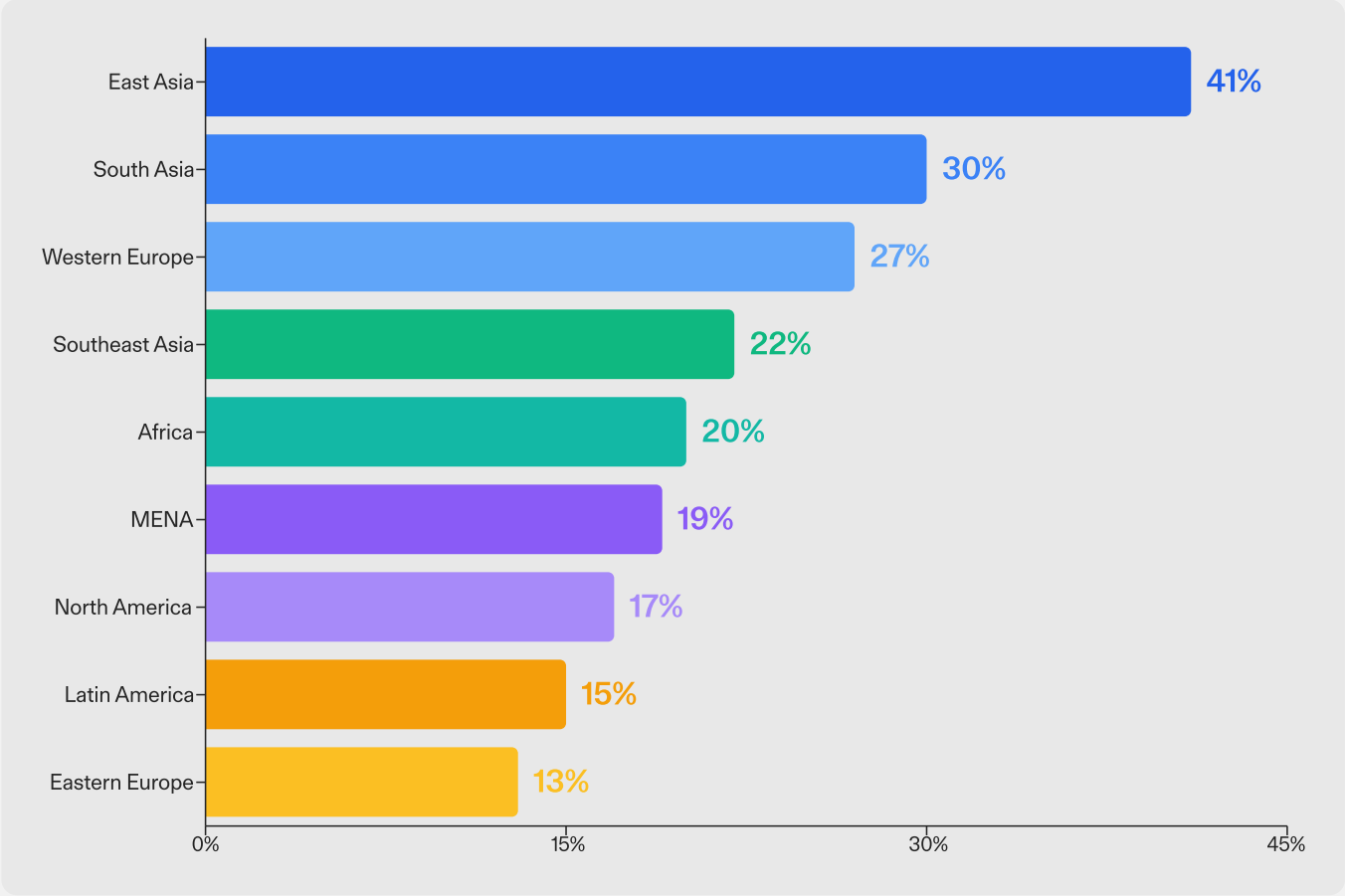
Latin America and East Asia are blocked by gas fees. In Latin America — where stablecoins serve as working capital against currency volatility — unpredictable costs directly undermine the value proposition.

North America faces a unique fragmentation problem. The #1 barrier is wrong token on wrong chain — a sophisticated user base holding diverse assets across chains with no easy routing. Cards solve this today, explaining why 63% of North Americans prefer crypto debit cards.

MENA stands out with the highest "no barrier" rate (25%). This suggesting that payment infrastructure in the region may be further along than commonly assumed.

Payment Frequency by Region

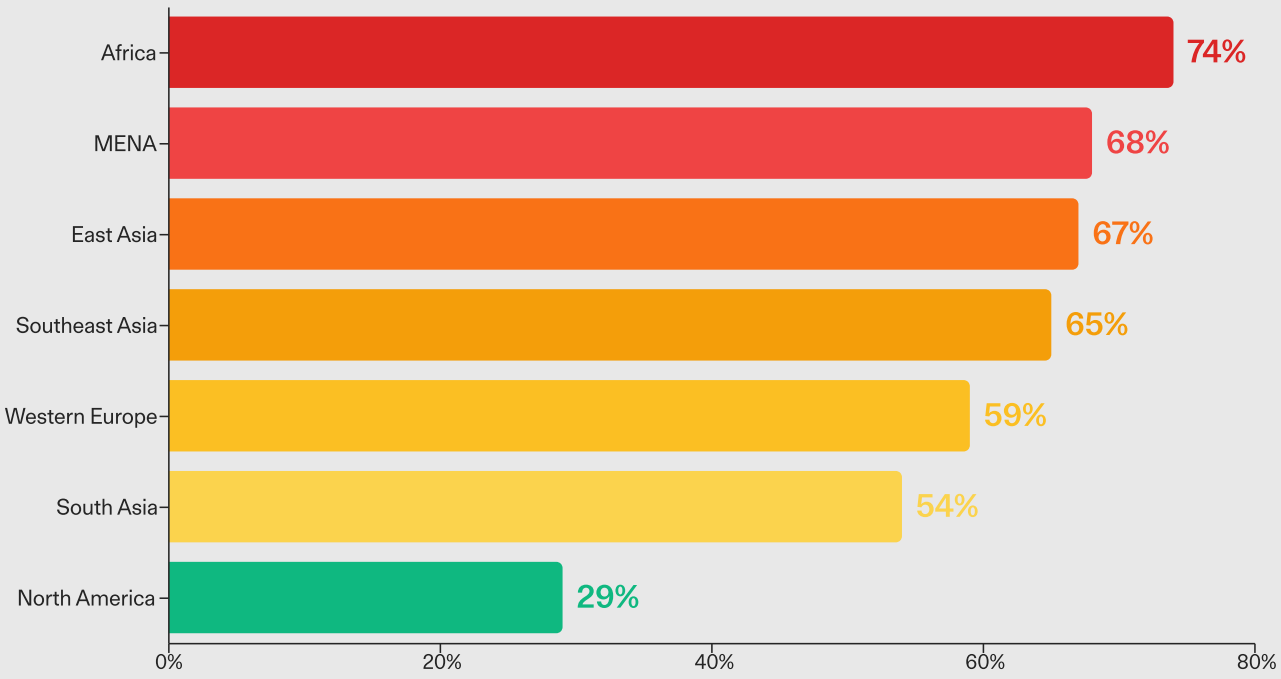
Usage intensity also varies significantly:



East Asia leads with 41% paid in crypto 21+ times in three months. Combined with their card preference, East Asian users have found a working model: hold crypto, spend through cards, avoid fragmentation entirely.

Stablecoin Sentiment by Region

Stablecoin preference is strong globally but not uniform:



The regions with the weakest local currencies show the strongest stablecoin preference. Africa at 74% aligns with the finding that stablecoins function as a store of value first, a payment instrument second. 51% of respondents said their primary reason for holding is storing value and avoiding volatility.

Expert Insight



Justin Sun
Founder, TRON

Onchain payments have moved past the question of whether they can scale. The real signal now is where people are actually choosing to use them. Across TRON, we see adoption concentrated in regions where stable, low-cost, always-available payments matter most.

> **“In Latin America and parts of Asia, USDT on TRON has become everyday infrastructure for P2P payments, remittances, and local commerce, rather than a speculative instrument.”**

The data supports this shift. Retail transfers under $1,000 account for the majority of activity during Americas daytime and early Asia hours, pointing to real consumer usage. At the same time, mid-sized flows cluster around EMEA and Asia business hours, reflecting institutional flows and settlement activity outside the U.S. This is what global, always-on payments look like in practice. In 2025, TRON reached over 35 million monthly active addresses and processed more than 320 million transactions in a single month, driven by repeat usage rather than one-off events.

What’s unlocking this next phase is reliability and simplicity. Low fees, predictable execution, and intent-based transactions remove friction for both users and builders. Over the next 12 to 18 months, the fastest growth will come from regions where regulation is clarifying and payment providers are integrating stablecoins directly. The infrastructure is already here. The opportunity now is to turn it into everyday economic coordination at global scale.

Expert Insight



Jelena Djuric
CEO, Noble

Noble

What we are seeing across regions is not a rush to replace existing systems, but a deliberate integration of stablecoin rails into treasury management, cross-border settlement, and payment rails.

In developed markets, like the US and parts of Europe, the pattern is efficiency driven. Enterprises are not turning to onchain dollars out of ideology. They are doing so because they reduce settlement time from days to minutes and improve cross-border liquidity. Payment providers are embedding stablecoin settlement beneath existing user interfaces, not positioning it as a consumer crypto feature, but as backend optimization.

In emerging markets, the dynamic is more urgent. Businesses are facing currency volatility, constrained dollar access, and unreliable banking infrastructure. Onchain dollars offer stability and global access that local systems cannot compete with. Since Noble launched in 2023, we have seen sustained growth across LatAm, Africa, and parts of Asia driven by a need to hold and move dollars natively onchain.

What remains fragmented is the distribution and user experience layer. Enterprises require compliance alignment, regulatory clarity, and integration with existing systems. As that gap closes, the long-term signal is clear.

> **“Onchain payments will not win by replacing commerce overnight. They win by embedding into the infrastructure that already moves global value.”**

Stablecoins will scale first where they solve balance sheet friction and liquidity constraints more effectively than legacy rails. Once that foundation is established, broader commerce will follow.

Regulatory Landscape

The key regulatory frameworks taking effect in 2026 aren't proposals, they're operational.

Key Frameworks at a Glance

Region	Framework	Status	Key Date
United States	Genius Act	Passed	Goes into effect early 2027
United States	Clarity Act	Awaiting markup vote	May 2026
European Union	MiCA	In force	Full enforcement July 2026
Hong Kong	Stablecoin Ordinance	Enacted	Licenses early 2026
Singapore	MAS Framework	Operational	Live
Japan	Existing regime	Operational	Reforms underway
South Korea	Stablecoin bills	Advancing	TBD
UK	Stablecoin framework	In development	TBD
UAE	Payment Token Regulation	In force	Operational

Convergence on Core Requirements

Despite regional differences, regulators are converging on:

- Full reserve backing with high-quality, liquid assets
- Clear redemption rights for holders
- Direct supervision of issuers
- AML/CFT compliance including travel rule requirements

Frameworks designed for one major jurisdiction will largely transfer to others.

What This Means for Builders

2026 is when stablecoin regulation moves from theory to practice. GENIUS Act implementation begins in the US. MiCA enforcement ramps across Europe. First Hong Kong licenses are issued. What this requires:

- Proactive licensing is now expected, not optional
- Travel rule compliance is table stakes for cross-border payments
- KYC/AML infrastructure must be production-ready from day one
- Multi-jurisdictional compliance requires automation — manual processes won't scale

Companies that invested in compliance infrastructure during the uncertainty will have first-mover advantage. Those who waited are playing catch-up.

Expert Insight



Jonathan Galea
Partner, Cahill Gordon & Reindel (UK) LLP

Cahill

The three regulatory frameworks now shaping the stablecoin payments landscape — the GENIUS Act in the U.S., MiCA in the EU, and the emerging UK regime under the Bank of England and FCA — share a broadly similar orientation around full reserve backing, redemption rights, and issuer oversight. Yet their practical significance for onchain payment infrastructure lies in how each framework treats the cross-border recognition of foreign stablecoin issuers, and here the divergences are material.

The GENIUS Act empowers the U.S. Treasury Secretary to make comparability determinations for foreign regulatory regimes and to establish reciprocal arrangements with qualifying jurisdictions, creating a statutory pathway through which foreign-licensed stablecoin issuers may access U.S. markets without becoming fully U.S.-regulated entities. The UK's Bank of England has similarly signalled a willingness to adopt a deference-based approach for non-sterling stablecoins that reach systemic scale domestically, potentially recognising foreign supervisory frameworks where they deliver broadly equivalent outcomes. MiCA, by contrast, contains no third-country equivalence regime whatsoever, requiring non-EU issuers to establish a full legal presence within the EU and obtain direct authorisation. For stablecoin issuers and payment service providers building cross-border payment corridors, this asymmetry in mutual recognition is likely to shape strategic decisions around entity structuring, reserve management, and market entry sequencing for some time.

Expert Insight

Those strategic choices also carry a temporal dimension that warrants careful planning. While MiCA is already in force, the GENIUS Act's core requirements may not take full effect until early 2027, and the UK regime remains in consultation with final rules expected later this year. That phased timeline may offer some comfort, but it would be unwise to treat it as an extended runway. Building production-grade KYC, AML, and travel-rule infrastructure typically requires a year or more to reach operational readiness, particularly for cross-border payment flows, and firms that delay may find themselves under considerable pressure as implementation dates approach.

Compounding that urgency is the fact that, beneath the headline convergence on core principles, the structural requirements themselves diverge in ways that carry real operational consequences. The UK's proposed requirement that 40% of backing assets be held as unremunerated central bank deposits, for instance, could arguably sit in tension with the GENIUS Act's more flexible reserve composition, while MiCA imposes its own distinct constraints on non-Euro stablecoin usage.

> **"Multi-jurisdictional compliance may therefore prove considerably more complex in practice than the shared principles might initially suggest."**

Future Trends: What's Next

Six shifts are already in motion:

1. Crypto Under the Hood
2. Native Payment Rails Emerge
3. Bank Stablecoins Go Live
4. PSP Integration Becomes Standard (end 2026)
5. Emerging Market Leapfrog
6. Agentic Commerce: Promise, Fragmentation, and the Connectivity Gap

Crypto Under the Hood

Prediction: By 2027, crypto payments will work like any other alternative payment method.

Users will see familiar interfaces and checkout flows. Behind the scenes, payments route over blockchain rails. Card-based crypto spending already abstracts the blockchain away. Stripe hides complexity from merchants. Paymaster architectures shift gas to applications. Smart wallets eliminate seed phrases. WalletConnect Pay abstracts crypto complexity for PSPs: scan a QR code or tap to pay, confirm in the wallet you trust, done.

The winning products won't require learning anything new. They'll just be faster, cheaper, and work everywhere.

Native Payment Rails Emerge

Prediction: Direct stablecoin payment rails will begin competing with card networks.

Cards serve as a valuable transition mechanism, but they don't capture the full benefits of onchain settlement. Native rails offer:

- **Lower fees:** No interchange, no card network fees
- **Faster settlement:** Instant finality vs. T+1 or T+2
- **24/7 operation:** No batch processing, no business hours
- **Programmability:** Conditional payments, automated splits, embedded logic

The question: Who builds the "Visa of crypto" — an interoperable, compliant network that merchants and consumers trust? No one has built it yet.

Bank Stablecoins Go Live

Prediction: Major banks will launch proprietary stablecoins in 2026–2027.

Evidence:

- JPMorgan's JPMD deposit token is already live on Base
- Bank of America announced stablecoin development plans
- Visa explicitly recommends: "Every bank should have a stablecoin strategy"
- Regulatory clarity removes the uncertainty that held banks back

Bank stablecoins bring something crypto-native issuers can't replicate: existing customer relationships and institutional trust.

PSP Integration Becomes Standard

Prediction: By end of 2026, stablecoin payments will be a standard PSP offering.

Evidence:
- Stripe, PayPal already live
- Integration timelines compressed dramatically
- Regulatory clarity removes the last excuse for delay
- Competitive pressure from early movers

The question shifts from "should we?" to "why don't we yet?"

Emerging Market Leapfrog

Prediction: Emerging markets will see the fastest payment adoption growth.

Evidence:
- Tron's dominance where fees matter most
- 3–4% cost savings vs. traditional cross-border rails
- "Bank the unbanked" use cases where infrastructure is weak
- Stablecoins as working capital in volatile currency markets

Mobile payments didn't iterate on card infrastructure in parts of Asia and Africa. They replaced it. The conditions today are similar.

Expert Insight



Nichanan Kesonpat
Principal, 1kx

1k(x)

In 2026, we view onchain payments as the entry point to a broader re-architecture of financial infrastructure. Stablecoins have crossed the threshold from experiment to systemically relevant settlement layer. Once value moves on programmable rails, the surrounding financial stack can reorganize around speed, composability, and capital efficiency.

If a company settles cross-border invoices, payroll, or merchant flows in stablecoins, keeping idle balances in traditional bank accounts becomes structurally inefficient. Onchain dollars can be deployed instantly into tokenized money market funds, short-duration treasuries, or other yield-bearing instruments. Those same assets can then serve as collateral for onchain credit, liquidity lines, or automated working capital financing. What historically required multiple intermediaries and trapped capital buffers can be compressed into programmable workflows.

> **“We believe durable value will accrue to the coordination layers that facilitate these flows: wallets that evolve into financial operating systems, compliance infrastructure that makes global settlement viable at scale, liquidity networks that abstract fragmentation, and programmable credit primitives that attach directly to payment rails.”**

Once businesses adopt stablecoins for B2B settlement or payroll, the next logical steps are FX optimization, embedded credit, automated invoice financing, and eventually trade finance.

This thesis helps clarify our selection criteria from an investment standpoint. We are prioritizing companies that show tangible growth signals of product-market fit: sustained transaction volume, repeat usage, and deepening enterprise relationships. We are looking for teams that treat compliance and licensing as core design features rather than constraints, with a clear vision on horizontal and vertical expansion opportunities. We are also keeping an eye on further use cases such as agentic and machine-to-machine payments, in which stablecoins serve as the native settlement layer for autonomous software and AI-driven commerce.

Agentic Commerce: Promise, Fragmentation, and the Connectivity Gap

AI agents are beginning to make purchases and trigger payments on behalf of users. The promise is significant. The infrastructure underneath is not ready.

Multiple competing protocols are emerging simultaneously. Google's Universal Commerce Protocol (UCP), x402, Machine Payments Protocol (MPP, Stripe and Tempo), and a growing list of platform and chain-specific standards are each staking out ground. Rather than converging on a common layer, the industry is producing a new generation of walled gardens, each with its own authentication model, wallet compatibility requirements, and integration overhead.

The pattern is recognizable: competing standards, no common layer, and integration overhead that falls on platforms. Platforms supporting agentic payments face multiple direct integrations, inconsistent behaviour across environments, and no single point of trust between the agent, the wallet, and the merchant. Hype and reality are not yet in sync.

Expert Insight



Rachel Mayer
VP of Product, Circle

CIRCLE

Payment stablecoins like USDC are evolving as foundational financial infrastructure because they combine the speed and programmability of the internet with the transparency and compliance that businesses need to move money at scale. For stablecoins to become a default settlement layer, the industry requires seamless developer experiences, strong regulatory frameworks, and infrastructure that fits into existing workflows. Different institutions will bring different models to market, but the long-term opportunity is creating a more connected and efficient internet financial system overall.

> **“The biggest unlock will come when businesses and consumers can access the benefits of onchain payments without needing to think about the underlying complexity.”**

What the Industry Needs to Do

For these trends to translate into mainstream adoption, the industry must act on four fronts:

1. **Solve fragmentation** — Unified payment UX, abstracted chain/token selection, single spendable balance across sources
2. **Build for compliance** — Compliance-first architecture with native travel rule, seamless KYC/AML, automated multi-jurisdiction support
3. **Meet PSPs where they are** — Fit existing settlement and reconciliation flows; speak payments, not crypto
4. **Make UX invisible** — Abstract blockchain complexity; eliminate gas friction; make failures recoverable

Closing Perspective



Jess Houlgrave
CEO, WalletConnect

The data tells a clear story: stablecoin and crypto payments have crossed the infrastructure threshold. There is no longer any doubt they have a place in the financial system.

The question now isn't capability. It's usability. That gap has a name: fragmentation. It has a requirement: compliance. And it has a solution: infrastructure.

At WalletConnect, we see our role as closing that gap. Not by adding another wallet or another payment method, but by building the connective layer that makes the entire system work together, across wallets, apps, PSPs, and merchants.

The remaining barriers are solvable. But they require a shift in how we build: away from crypto-native assumptions, and toward real-world usability, regulation, and scale.

For PSPs: The economics are already compelling. The regulatory direction is becoming clearer. The infrastructure now exists to integrate without taking on unnecessary complexity — through a single standard that connects to a global network of wallets.

For wallets: Payments are the next frontier, but fragmentation is the risk. The opportunity is not in building in isolation, but in shared standards that ensure interoperability from day one.

For developers: Build for compliance from the start. And more importantly, build for the user who doesn't know or care what chain they're on.

For regulators: The progress we've seen in the last two years has been critical. Continued clarity doesn't slow innovation, it accelerates adoption by creating trust.

Now it's about execution and building the infrastructure that makes crypto payments feel invisible to the people using them.

Appendix: Sources

- Visa Onchain Analytics Dashboard
- Chainalysis 2024 Global Crypto Adoption Index
- WalletConnect Stablecoin Usage Analysis (1.11M wallets, March 2026)
- WalletConnect Survey (Base: 1,127)
- WalletConnect Network Data (Feb 2025–Jan 2026)



To learn more contact: sales@walletconnect.com