



Delivering Salaries-on-Demand

Almost 500,000 workers now have immediate access to their earnings via the Payflow app

Executive Summary

Payflow enables a company's employees to access the money they have earned on-demand, rather than waiting for a monthly pay cheque. As a result, almost 500,000 employees now have far more financial flexibility and are less reliant on expensive short-term credit. By working with Payflow, approaching 800 companies in Spain, Portugal, Colombia and Peru now offer this flexibility as an employee benefit.

The service is free to workers, while each business pays Payflow a flat fee of about US\$2 a month for every employee that can access the app, regardless of how many withdrawals are made.

Payflow says its app is enjoying high usage rates. In Europe, about 45% of the employees covered by the solution use it each month, with an average monthly

withdrawal between US\$50 and US\$60. In Latin America, 70% make withdrawals, averaging about US\$30 a month.

Payflow has also launched a payment card that workers can use to pay directly from their salary for various tax-free benefits, such as food, public transport, education, and childcare. At the same time, Payflow is encouraging employees to save – its app enables the user to automatically direct some of their salary into a ring-fenced savings wallet each month.

As well as giving workers more flexibility, Payflow's app can generate multiple benefits for employers. By making the link between work and reward both explicit and immediate, Payflow says it has reduced absenteeism by an average of 11% for its business clients. Payflow says the service also improves employees' loyalty (reducing churn by more than 20%) and speeds up recruitment by 27%.

In the near future, Payflow plans to expand into at least one of Latin America's largest markets.



For hundreds of millions of workers, being paid monthly is a major headache. In the week before payday or in the event of an unexpected expense, many people simply run out of money and their only option is to take out very expensive short-term loans.

But things are changing, thanks in part to Payflow. The three-year-old start-up has developed a solution that can enable a company's employees to access the money they have earned on-demand. As a result, these workers have far more financial flexibility.

"The link between work and reward should be instant," says Benoit Menardo, co-founder of Payflow, which is based in Spain. "This is the way it works in two industries. One is the informal economy, in which the person you help will give you money right away. Millions of people in the world work like that. And the second is the whole digital economy. When you order an Uber, the person driving gets paid. And when you get food, the person bringing you a pizza, gets paid."

With the goal of introducing the same dynamic to the traditional formal economy, Payflow has developed a mobile app to enable employees to get paid whenever they want. By working with Payflow, almost 700 companies in Spain, Portugal, Colombia and Peru now offer this flexibility as an employee benefit. By August 2023, almost 400,000 employees had access to the Payflow app.

Payflow says its customers are primarily in major economic sectors where large numbers of people are working on relatively low pay, such as retail, hospitality, logistics, call centres and security,

Crucially, the service is free to employees, making it much more appealing than a loan. Each business pays Payflow a flat fee of about US\$2 a month for every employee that can access the app, regardless of how many withdrawals are made. "It's better to basically extract value where there is value, which is in the company and not in the frontline worker that is earning minimum wage," notes Benoit Menardo.

In Latin America, the majority of people live pay cheque to pay cheque, he explains. "If anything happens, there is no way they can then get access to money and no one is going to give them a loan at a reasonable price." While these dynamics are less extreme in Europe, Benoit Menardo says many Europeans also end up paying very high interest rates for short-term loans, partly because they appear to be a very high credit risk. By working directly with their employers, Payflow can "de-risk" their employees' profile. "We are bringing value to all of the population that will never have access to fair credit," Benoit Menardo adds.

Although many other start-ups had also identified the inflexibility of monthly pay cheques, they had tended to develop solutions, such as microloans, that the worker has to pay for. Benoit Menardo says Payflow now has 142 competitors, many of them copying its business model. "But we are four or five times bigger than the number two," he adds.

Payflow says its app is enjoying high usage rates. In Europe, about 45% of the employees covered by the solution withdraw money each month, while that figure is 70% in Latin America. The average monthly withdrawal in Europe is between US\$50 and US\$60 and in Latin America it is US\$30.

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Benoit Menardo - co-founder of Payflow

Straightforward front-end, complex back-end

The front end of Payflow's app is very straightforward – to withdraw money the user simply presses a button labelled withdraw. But behind the scenes is a lot of complexity. Real-time information is required – which employees worked when and the money they earned. Have they been promoted or dismissed or are they on maternity or paternity leave? Payflow also needs to know which bank account an employee is using and some personal information to make sure that they can be identified via two-factor authentication.

Payflow has so far integrated its back-end solution with the 39 different payroll systems employed by the many different businesses it serves. “The complexity is how do you make sure that, in real time, you get information on the employees’ salary and bank account from the company, because their HR system providers are extremely old and they don’t have any APIs,” explains Benoit Menardo.

Payflow also needs to protect the privacy of the workers using its app, while ensuring the transactions are quick and accurate. In some cases, that can mean using different payment mechanisms depending on the time of day, the day of the week and the geographic location of the employee. Payflow has integrated its back-end with the banking systems in the markets where it operates. While the introduction of open banking within the EU has made it easier for Payflow to provide immediate withdrawals, in Latin America, transactions can take longer.

“When we started with Payflow, we were dealing with companies with 10 or 15 employees, so we didn’t care about having the real time information on salary, and I was doing the payments from my bank,” recalls Benoit Menardo. “But now, we are handling one transaction per second. It’s crazy, with more countries, more products, more bank accounts, more people and companies with 20,000 payslips. You cannot play with salary. Salary is the lifeblood of the company, the backbone.”

Bringing benefits to employers, as well as employees

As well as giving workers more flexibility about when they access their earnings, Payflow says its app generates multiple benefits for employers. By making the link between work and reward both explicit and immediate, Payflow says it has reduced absenteeism by an average of 11% for its business clients. Workers are motivated to go to work because they know they will have immediate access to the money they will earn.

“For a large company with a lot of frontline workers that has not had benefits, we are giving them their first benefit and that is compelling,” explains Benoit Menardo.

Payflow claims its proposition both improves employees’ loyalty (reducing churn by more than 20%) and speeds up recruitment when an employer has to fill a vacancy. Vacancies that include Payflow in the job description are filled 27% faster, Benoit Menardo says, meaning that a recruitment process that typically takes four weeks can be completed in three weeks. Payflow also reduces the admin work conducted by human resources staff by 18%, he adds.

Of course, many companies can’t provide their employees with immediate access to earnings, because they don’t have the necessary cash flow or working capital. Payflow can provide these businesses with liquidity (it has raised money specifically for this purpose). Businesses that don’t need to access these funds receive a 10% discount.

In early 2023, Payflow launched a payment card that workers can use to pay directly from their salary for various tax-free benefits, such as food, public transport and childcare. The tax savings can be very significant, amounting to several hundred dollars a month for some employees. Within six months of the launch, almost 150 of Payflow’s corporate clients are offering employees this card.



At the same time, Payflow is trying to encourage employees to save – its app provides a feature (called Saveflow) that enables the user to automatically direct some of their salary into a ring-fenced savings wallet each month. This proposition is designed to address the issue where young workers, in particular, tend to spend everything they earn each month. Meanwhile, the app's Learnflow platform offers users interactive financial advice designed to improve their money management.

Benoit Menardo notes that saving just €15 a month will mean a worker has a pot of money with which to buy children presents during the festive season. “Savings, especially micro-savings, is something that is needed, if you want to bring a big impact,” he adds. “You need to educate people to do it from the beginning.”

In the near future, Payflow plans to expand into at least one of Latin America's largest markets to help it build scale. “We have a clear vision for the future – we want to see a world with greater financial inclusion, where getting paid whenever you want is a reality for all workers,” says Benoit Menardo. “We are determined to keep expanding our operations throughout Europe and Latin America, and to continue improving the lives of millions of people through our innovative financial wellness platform.”

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About the GSMA

The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry, and society thrive. Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

GSMA is a membership-led organisation where members collaborate with industry peers and stakeholders, engage in influential discussions, and drive industry-wide initiatives that address the most pressing industry challenges and opportunities. As a GSMA Member, you'll have a seat at the table where decisions are made, specifications are developed, and the future of mobile telecommunications is shaped. Join a global community of like-minded professionals and organizations who share a common goal of advancing the mobile ecosystem for the benefit of billions of people worldwide.

Find out more: gsma.com/membership

For more information, please visit the GSMA corporate website at gsma.com

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About Payflow

Payflow is the leading company in On-Demand Salary and Flexible Compensation in the European Union and Latin America, offering the most comprehensive Financial Wellness platform in the market. Through an intuitive application, users can access a portion of their already earned salary, save in automated virtual piggy banks, and receive financial education through their interactive classes platform. Additionally, they can save on taxes by using the Flexflow card for Food, Transportation, Childcare, and Training. As a social benefit, it is completely free for employees and a strategic ally for Human Resources teams, as it enhances productivity and boosts the employee experience. They have surpassed 800 clients and operate in Spain, Colombia, Portugal, and Peru.

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The GSMA Foundry is the go-to place for cross-industry collaboration and making positive change happen, supported by leading technology organisations and companies. By bringing together members and key industry players, engaging, and unifying the end-to-end connectivity ecosystem, the GSMA is solving real-world industry challenges.

Our vision is to unlock the full power of connectivity so that people, industry, and society thrive. This enables the mobile industry's mission: to connect everyone and everything to a better future.

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