



IFB367: Exploring the Future of Payments

Alright folks, welcome to Investing for Beginners podcast. Today we have episode 367. Today Andrew and I thought we would do something a little interesting. We thought we would riff on payments a little bit. So Andrew is going to Air quote interview me as the one of the payment experts.

00:00:50 Dave

On the show, and maybe we'll uncover an insight or two that might be helpful for you as you try to invest. So with that, I'm going to turn it over to Andrew and he's gonna grill me.

00:01:00 Dave

Really, really hard.

00:01:03 Andrew

Hopefully I don't leave any marks, hopefully.

00:01:06 Andrew

So First off, then why should average investors, new investors, seasoned investors? Why should they care about payments? Why should they consider it?

00:01:19 Speaker 5

What makes it special? Everything's joking.

00:01:24 Dave

The big reason why I was attracted to.

00:01:26 Dave

Comment is I think it's a fundamental way to look at financials that people can more easily understand. Investing in banks and insurance companies and investment banks and all that stuff can be a very profitable investments, but it also.

00:01:44 Dave

Takes a lot of.

00:01:45 Dave

Work and there's a different lingo. There's a different jargon.

00:01:48 Dave

You have to kind of understand the nature of the businesses.

00:01:52 Dave

And it just can be. It's very complicated. There's lots and lots of regulations. You don't believe me? Go pull up JP Morgan's 10K.

00:02:00 Dave

And rifle through their 270 page, you know, Epistle, which is about 3/4 of it is legal jargon. So if you ever have trouble sleeping, by the way, fantastic resource to help you fall asleep and read a couple of pages and you'll be gone in a in a.

00:02:10 Speaker 1

With.

00:02:15 Dave

Heartbeat so.

00:02:16 Dave

That's that. So. But the reason why I got into payments.

00:02:20 Dave

Is because it's still part of the financial industry, but it's it's something that we can all understand fairly easily and it is a vital part of our economy.

00:02:33 Dave

Probably the way we move money is vitally important to our existence and our continued growth as a people and as nations and society, and the easier that that becomes, the more the better it is for everybody.

00:02:53 Dave

And so payments really boils down to.

00:02:58 Dave

How do we spend our money and how can they make it easier for us to spend our money and make more money while doing it? And so that's that's really why I got interested in the whole payments thing.

00:03:10 Andrew

So you mean you mean to tell me you think that people are going to pay for things in the future?

00:03:16 Dave

So yes, not I don't know that we're, you know, maybe someday we'll get to the the Star Trek version where money is not an object and you just go to a, you know, a hollow projector and say Earl Grey hot and it it appears and you don't have to pay for it.

00:03:31 Dave

Until we get to that point, yes, we're all gonna have to pay for things. And so the the way that most of us choose to do it is using plastic, using a card debit card, credit card and such.

00:03:44 Dave

And so yeah, unfortunately, we're still, at least for the near term future, we're still gonna have to.

00:03:49 Speaker 5

Pay for stuff.

00:03:51 Andrew

Yeah, about plastic in particular, that kind of stands out to you. Or do you think maybe the average person doesn't really think about when it comes to plastic, the use of plastic, that kind of thing?

00:04:03 Dave

Companies like Visa, MasterCard.

00:04:05 Dave

Which is in their.

00:04:07 Dave

Direct interest to track these things, keep track of how many, not only how many payments are made, but how many new card holders there are. You know holding their holding cards with their brand.

00:04:20 Dave

On them, and that has grown at a, you know 10 to 1520% clip over the last a long time.

00:04:28 Dave

And they're nowhere near.

00:04:31 Dave

Saturation and there's 7-8 billion people on the planet and.

00:04:38 Dave

Maybe a couple billion of them have Visa and MasterCard.

00:04:42 Dave

Logos on their cards, so there's still a long ways to go and.

00:04:48 Dave

So I think that when you think about the plastic, really it comes down to the ease of use.

00:04:55 Dave

And 1015 years ago, checks were the thing. You go to a grocery store, you write a check, you pay for your rent with check you.

00:05:04 Dave

Paid your bills.

00:05:06 Dave

With a check before that most everything was cash, so you carried around the green stuff and when you needed to make a, let's say you needed to make a larger payment.

00:05:16 Dave

A lot of people would go to the bank and get a money order or a cashier's check and send that to their landlord or pay their mortgage or something of that.

00:05:25 Dave

And then we came across the credit card or the the debit card. And once those started to gain traction, we started to see that it was a lot easier to make payments, major wallet, lighter, lighter, made it easier to keep track of your money because one of the.

00:05:45 Dave

Excuse me, drawbacks to a check is that when you write?

00:05:48 Dave

Read it.

00:05:49 Dave

And you send it to your landlord to pay for your rent. They may forget to cash it for a week and a half, and so you don't realize that the money is not been taken out of your.

00:05:59 Dave

Account and you go.

00:06:01 Dave

You know, party up and on the weekend and the next thing you know, you're overdrawn because you know the the check cleared and so it made it a lot easier for most people to manage their cash flow. And it just makes it a lot easier and and and in today's day and age now most of.

00:06:20 Dave

Us like if I say the words balance your checkbook, you get a blank there from pretty much everybody because it's it's something that's gone the way of the dodo. And I remember when I was working in the bank, I would I would have customers come in and have them have me help them balance the checkbook and truthfully.

00:06:41 Dave

Before I started working for the bank, I never did it myself and so I had this skill. I had to learn to help some of the customers and but since then I haven't done it since and that was seven or eight years ago.

00:06:55 Dave

So I just, I haven't. I haven't had the need to do it and we don't need to do it. Doesn't mean you don't need to budget. That's a different conversation. But plastic makes it easier for us to pay for things, to know what we have in our checking accounts. And you can set up safeguards so that you don't spend more than you have. And it just makes it a lot easier for us to control.

00:07:15 Dave

Our spending habits and our money. And so I think that's why it becomes more and more a way for people to embrace moving money around.

00:07:27 Andrew

I I wish I sent this to you when I saw I saw on Instagram. It was like a video of.

00:07:32 Andrew

You know these three younger guys hanging out and then he's like, hey, you owe me 15 bucks or something. So one guy have.

00:07:39 Speaker 5

You seen that one? No. Yeah, yeah. You have. Yeah.

00:07:42 Andrew

It brings out the Walker for the guy who wants.

00:07:44 Andrew

To give him cash, right? So.

00:07:46 Andrew

But it's so true. Like. Uh-huh. I know for myself and like my brothers, younger brothers generation, it's all Venmo. It's all.

00:07:54 Andrew

So like, why why cash right like?

00:07:59 Andrew

It's it's such a hassle to pay cash at A at a store so much easier. And like you said, all the tracking reasons and fraud and all this to to pay with with card.

00:08:10 Dave

Right, right. Exactly. I I remember and not to a distant future or past, you'd have 20 bucks in your wallet, and it would be gone. You would have no idea where it went.

00:08:19 Dave

But what you spent it on, you know, it's just little things along the way and it just disappears. And the beautiful thing about.

00:08:19 Speaker 5

Right, right.

00:08:25 Dave

Using plastic or using a card of Venmo, your debit card, whatever. As you can see, all that you can, you can see where your money went. And so if you, if you are one of those people that likes to track your money, which you should, then this is an easy way to say.

00:08:41 Dave

I had no idea. I spent that much money at the convenience store or I spent that much money at an arcade.

00:08:48 Dave

Really dropping 50 bucks a day or 50 bucks a week at just all that makes it a lot easier for consumers to manage their money. And I think that's why it just continues to gain in popularity.

00:09:01 Andrew

Do you have a long term mindset searching for safe compounders? So am I and I'm investing my entire life savings with the picks from valuespotlight.com.

00:09:13 Andrew

You mentioned the international peace.

00:09:17 Andrew

Too frequently and too US focused. So you know, what's the international landscape for payments and is there anything about it that gets you excited there as well?

00:09:27 Dave

Yeah, there's, there's, there's a lot going on. So the.

00:09:33 Dave

The United States has been ahead of the curve in some respects because we've had better technology than other parts of the country, or we've been air quote more developed. And so we've had access to more technology earlier on. But as countries like India.

00:09:53 Dave

East Asia, Africa, South America become more and more.

00:09:59 Dave

Not advance. That's the wrong word for it. But as they as they come into the Internet age, so to speak, they all are getting access to these computers in their hands. I'm holding up my iPhone, you know, these are we think of them as a phone, but they're it's a computer. And for many, many of the the people that get an iPhone.

00:10:19 Dave

For the first time, or an Android that's their first computer ever in life, and it allows them to do all the things that we take for granted. Now they can do via.

00:10:32 Dave

Months and because, like we, our society has evolved to using a debit card or having a card on our phone that we can use to make online payments or payments in person. A lot of these people have never had.

00:10:47 Dave

Bank accounts before.

00:10:49 Dave

Or if they did, it was.

00:10:52 Dave

Very limited in its scope and so now with this computer in their hand, they can do all these crazy, wild, awesome things that we.

00:11:02 Dave

Sometimes. Well, I think we're actually behind the curve now on some of the the opportunities and the technologies and I'll give you a couple, a couple of examples here. So one of my friends, Thomas Chua, he just recently went to China for a couple of weeks and one of the things he talked about when he got there was.

00:11:23 Dave

The company that he was using it was Alipay, which is part of Alibaba. I guess you know a a super app.

00:11:31 Dave

That allows you to scan a QR code and then it basically links you to all the services within Alipay. So you can make payments. You can make restaurant reservations. You can buy movie tickets, you can buy plane tickets, you can do everything all from one place. You can even call up the rights here service, which I think is D or something like that.

00:11:51 Dave

You can pull all that up from the one app. You can also make all your payments for those things from one place.

00:11:57 Dave

And we don't really have anything like that here. Ours is amalgamation of all these things. But my point is, is that because that's brand new and it's really been rolled out to the whole country in China and a lot of people didn't have access to all these.

00:12:14 Dave

Formations of things like we do here in the United States, they embraced it wholeheartedly and it makes you know, as Thomas said, it makes your life 1000 times easier when you're traveling, especially if you're traveling in a foreign country because it's it's all right there. It makes it super easy for you to do things.

00:12:29 Dave

And the other anecdote I'll give you is my fiance and I went to Brazil a couple years ago and.

00:12:37 Dave

They're experiencing kind of the same evolution or revolution in cell phones and online payments, and they're again ahead of the curve, especially among adoption. And so I I will never forget this. We're in this tiny little surf shop by the beach. And I went in there to buy a soda because I was 30.

00:12:58 Dave

And as I was kind of, you know, walking around and just looking, two guys came in, walked by me, grabbed 2 candy bars from the little candy aisle, walked around the aisle, held up their phones and walked out of the store holding their phones.

00:13:14 Dave

So they didn't even stop.

00:13:15 Dave

To air quote pay at the.

00:13:17 Dave

Last year, but I could see on their phone that the app that they use to make their payments connected with the cashier's app and it just it made the air payments as they walked by. They didn't even have to go and hold the thing over the, you know, the unit they just walked by and, you know, waved at it basically. And it accepted their payments.

00:13:38 Dave

And I I remember standing there going.

00:13:40

Whoa.

00:13:42 Dave

That is.

00:13:44 Dave

Awesome, awesome. And when we were on the beach, there were all these vendors going up and down the the beach selling everything from.

00:13:51 Dave

You know close to sunglasses to coconuts, and they all had little payment pads.

00:13:58 Dave

That were basically iPhones or similar to that and they would they. None of them accept the.

00:14:02 Dave

Cash. So the.

00:14:04 Dave

Only way you could buy a coconut on the beach was to go up there with your phone.

00:14:08 Dave

You couldn't even do it with a car. You had to go up there with your phone and show them, and that's how you make a payment. And because all those things are tied up in their economy, and that's a natural way that they do things, especially the younger generation, then that's just gonna be become more and more part of their seamless making payments evolution.

00:14:08

Wow.

00:14:11 Speaker 5

Wow.

00:14:28 Dave

And as those things sweep across.

00:14:32 Dave

Foreign markets or the, you know, places out outside the United States, the more and more possibilities there are to do all these things. And so to me, there's that part of it that, that it's, it's exciting. The other part that I find exciting is the cross-border transfer. So a company like Wise Visa is started their.

00:14:52 Dave

Their own concept, called Visa Direct and basically what it does is it allows you to move money across borders. So in other words from.

00:14:59 Dave

The United States.

00:15:00 Dave

To I know Taiwan and it allows you to do that for less fees and not having to go to the bank and having to do something God awful like a a wire transfer. If you've never done something like that, it's one of the worst experiences you'll ever have in a bank. The banker. And for the person sending the money, it's it's a nightmare. And it's also very expensive naturally.

00:15:21 Dave

So.

00:15:22 Dave

Something like cross-border payments, which there's trillions of dollars moving back and forth across across borders from people that like think of people that come here from Latin America and they work really hard to do two or three jobs and then will send money back to their family in in.

00:15:40 Dave

Columbia.

00:15:41 Dave

The best way to do that is through some of these cross-border payment systems that they have now. Like wise Remitly visa direct, PayPal has one and there's just a lot of them, but anyway.

00:15:53 Dave

I think that that is going to become a bigger and bigger, bigger thing, especially as we continue to have different currencies and and have that need to move money.

00:16:04 Dave

And the reason why I'm so excited about this is there's no way that a company like.

00:16:08 Dave

Lisa.

00:16:09 Dave

Would embrace this idea and spend a lot of money on it unless they thought it was going to be a big thing and you know they're a leader in this space as far as like payments go. And the fact that they're promoting it, pushing it and branching away from their core business to get something started like this. That to me says, OK, there's an opportunity.

00:16:29 Dave

Here.

00:16:32 Andrew

100% I mean that's.

00:16:34 Andrew

A whole other Ave. potentially right that goes beyond even what we've discussed.

00:16:36 Dave

MHM.

00:16:40 Andrew

Up to now.

00:16:41 Speaker 5

Yeah.

00:16:42 Andrew

Just to compound on top of all the other trends going on, right? Pretty cool.

00:16:46 Dave

Yeah. Yeah, it's very cool.

00:16:50 Andrew

What about for?

00:16:52 Andrew

The whole crypto thing, I mean that used to be.

00:16:57 Andrew

I remember when I first started looking at me, so that was a pretty loud thing, like even in earnings calls was a lot of talk. Some of that has died down, but it is.

00:17:01

MHM.

00:17:06 Andrew

I feel like it's something that if you're going to have a position in a company like this, you should have at least.

00:17:11 Andrew

A basic understanding of.

00:17:13 Andrew

Like, what's the real threat? And like, how are incumbents dealing with that?

00:17:18 Andrew

So shed some light on that if you wouldn't mind.

00:17:22 Dave

Yeah, that's an interesting situation. I think. I think if you talk.

00:17:25 Dave

To most.

00:17:27 Dave

Rational people about Bitcoin and get away from the those coin Bros talk to rational people. Most people will admit that.

00:17:37 Dave

The blockchain technologies have a lot to offer.

00:17:41 Speaker 5

Society.

00:17:43 Dave

The trouble the problem is.

00:17:46 Dave

There's kind of a layered effect of different issues, if you will number one. It is, there's a lot of fraud and right now it seems like there's more fraud than there is good. And so human nature being what it is, if there's an opportunity to do bad, some people are going to do bad.

00:18:07 Dave

And it enables them to do bad things, in part because there's little to no way to regulate it. There's no way to really track who the bad people.

00:18:19 Dave

Are the systems that we have in place now the way that we all use money, whether it's here in the United States or or abroad, have some standardized regulations, so there is a means to an end to.

00:18:33 Dave

Help protect yourself in some way, shape or form. And with crypto the nature of it is to be anonymous and that lends itself to not being able to be regulated, and unfortunately it needs to be. And until that barrier is really crossed, I think it's going to be really, really hard.

00:18:53 Dave

For crypto to become.

00:18:56 Dave

To really achieve, I think the potential that it could have for society, and I guess the next part of it is, is that.

00:19:06 Dave

The adoption curve of it, like right now to use it to make a payment, you know, to if you want to go buy pizza with some sort of crypto, you own it. It ain't easy and it's really, really clumsy. It's very cumbersome. There's not a lot of acceptance for it. And because of the volatility of the value of it.

00:19:27 Dave

It's really hard to justify.

00:19:31 Dave

Possibly losing, you know, \$300 to.

00:19:33 Dave

Go buy a.

00:19:34 Dave

Pizza, right? You know, if you do that with it, if you do that with stable normal current air quote normal currencies like a dollar or a euro, you spend a dollar, you know what you're going to get for a dollar with the volatility of the price or the of?

00:19:51 Dave

Of the crypto and it's really hard to know if you spend it. Is the person receiving it? Getting a value, are you?

00:19:57 Dave

Using money and so that just makes it really hard for it to be used. So you take it's really hard to use very, very hard to use. So that puts a lot of barriers in in place. Then the value of it makes it very hard. And then the third part is, you know, until I can see my 87 year old mother using crypto.

00:20:17 Dave

As easily as she uses her debit card. I.

00:20:20 Dave

Just you color me skeptical that the adoption thing is ever, ever gonna get to where it could be. Could it? Of course it could. Could I be 100% wrong? Absolutely. But I think in my lifetime, I don't. I don't anticipate seeing something like that take full effect. As an investor, you have to.

00:20:41 Dave

Acknowledge that crypto blockchain technologies has some utility and at some point somebody's going.

00:20:49 Dave

To air quote.

00:20:50 Dave

Crack the code and make them make part of them.

00:20:54 Dave

Useful for society.

00:20:56 Dave

The thing I like is a lot of the companies that I like and invest in are embracing technology and embracing working with crypto to try to air, quote, be ahead of the curve. And so a company like Visa and MasterCard, for example, they have embraced working with.

00:21:16 Dave

Crypto, you know, blockchain kinds of people, whether different businesses or developers, to try to create, to make it as easy as they can for their customers. And I think that's the smart way to go about it because they're not putting their head in the sand and just ignoring something that could be a potential threat for them.

00:21:36 Dave

And they're just kind of having open arms and saying, OK, if this is going to be a thing, we're going to be involved with it, we're going to be a part of it. And I think that that is the smart way to go about doing it. Too many times, I think we see in industry, a company sees that.

00:21:53 Dave

I mean.

00:21:54 Dave

You look at at Blockbuster and Netflix, right, there's no way that the people running Blockbuster didn't know in some level that Netflix was coming for them and they just chose to ignore until it was too late. My ex-wife used to work for PetSmart and when she was working for them, they had 0 presence in online.

00:22:15 Dave

Sale. They didn't even have a website and so and this is when companies like Chewy and Petco and all these other companies are like hugely embracing the Internet and there's PetSmart, one of the biggest pet retailers with no presence like.

00:22:29 Dave

Duh. And so, you know, it's just stuff like that. You you see sometimes in industry. So Long story short, when I see a company like Visa or MasterCard or PayPal or New Bank or any of these people

that are embracing using crypto or trying to make it easier for their customers, I think that's a good thing to do.

00:22:47 Andrew

100% I appreciate you breaking that down and it is important to consider what's what's the other side of the coin for any industry company investment.

00:22:59 Speaker 6

What's the?

00:22:59 Speaker 6

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00:23:18 Speaker 6

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00:23:29 Speaker 5

All right.

00:23:31 Andrew

This all might be very exciting, so let's get down to it. Rubbing my hands together. How do we make money?

00:23:37 Andrew

From this.

00:23:39 Dave

How do you make money from this? I think. Well, the way that I have chosen to make money from this is try to find.

00:23:48 Dave

I guess who I think are going to be the best of breed in the different sectors and how they can.

00:23:56 Dave

How they can benefit from being the best. So when I think about a company like Visa or MasterCard, you could, you know, interchange them. But I chose Visa mostly because they have a much, much bigger presence here in the United States and then they do abroad and until things change, the United States is still.

00:24:16 Dave

Kind of. The leader in the global economy. And so I think as the global economy grows here in the United States, that's visa is going to benefit from that and they're going to reap all the benefits from that. So I think having a play in the company that helps secure.

00:24:34 Dave

Almost all of our payments, there's a recent DOJ we spoke about this on the on the last episode, there's a DOJ suit against Visa for basically being a monopoly in the debit card space. And the fact of the matter is, is they they do process sixty 6570% of all debit cards in the United States.

00:24:55 Dave

And I don't.

00:24:56 Dave

Other than being forced not to, I don't know how much that's gonna change. And again, a bigger reason why so many people choose to use visa is because they have the best network. They have the best security. When merchants use a visa card, they know they're going to get their payment, and that that carries a lot of water. When you're thinking about investments in.

00:25:16 Dave

Why a company would be a good company. So when you think about when I think about the payment space.

00:25:23 Dave

There's different layers of things that you can look at, and so the visa is really a toll.

00:25:30 Dave

Or all payments. They're not a debit card or a credit card per say.

00:25:33 Dave

It's a scheme.

00:25:35 Dave

So when you see the visa or MasterCard logo on a card and you make a payment with that, it you're basically payment is being routed on the rails of Visa or MasterCard through your bank and through the merchant bank. And so all these different entities get different.

00:25:50 Dave

Slices of the pie, and that's how the economics work. So Visa, MasterCard make a very small amount compared to the banks and so but you have different ways you can invest in that food chain.

00:26:02 Dave

If you will, and so one is to invest in companies like Visa or MasterCard, which kind of control the whole toll road, but then you can also invest in the companies that process your payment in the store. So a company that I own OGEN, which is based out of the Netherlands, that's what they do, is they help merchants process payments.

00:26:22 Dave

And so if you go online and you.

00:26:25

To.

00:26:26 Dave

Pay for your Netflix subscription, which they're customer of. You can do it on your phone. You can do it on the website. You can do it anywhere and that's what Ogden enables them to do. And so that's a piece of the pie that Ogden gets from the fee that's charged for processing the payment. The other side of the coin is you can look at banks.

00:26:48 Dave

JP Morgan Chase, the largest credit card debit card issuer in the United States. They make a nice chunk of change from from being a merchant bank, so they allow people to use their cards and make payments on their cards and they get a fee for that. And so that's a great place to make money.

00:27:08 Dave

And then you have like all kinds of different, I guess, what's the word I'm looking for the picks and shovels of the industry. So there's a company in another company I own, which is called Pfizer.

00:27:20 Dave

And one of their big core parts of the business is handling the plumbing for banks. So super exciting, very sexy. But when we go online and do our online banking with Bank of America, Fiserv is the one enabling that. When we look at our bank statement online, if I serve is the one enabling that.

00:27:40 Dave

It's necessary.

00:27:41 Dave

Tough and we can't do without it, but it's not very sexy. And it's also very consolidated school growing, but it's a strong business and they serve as other components of their business as well.

But those are the kinds of things that I try to look for is either the main player in a particular industry or a pick and shovel.

00:28:01 Dave

That is ancillary to the main player, but can really benefit from that, and that's that's really how I look at it as a way to to make money and there's the explosion in Fintech and everything over the last four or five years has been huge. There's lots and lots of opportunities to to play in places.

00:28:20 Dave

That we haven't even explored yet.

00:28:24 Andrew

Yeah. And those are all awesome ideas. And I know you put a lot of thought into it and it shines in in the work you do, how you look at the opportunity, but also the competitive positioning and you know, does this company have a mom or not? And I think that goes a long way towards the long term potential of these.

00:28:45 Andrew

Kind of idea.

00:28:46 Andrew

Because are there any that?

00:28:49 Andrew

Or on your watch list and you're like, man, I wish this thing would just get a little a little less expensive, right? Could also be exciting.

00:28:57 Dave

Yes, there's a few. So I'll go back to Brazil for a second. There's two companies down there that I've I've been reading about and following for several years. One is called Pog Siguro and the other one is stone.

00:29:10 Dave

Company. They are both payment processors that are based out of Brazil. Stone Co might be familiar to some people because Warren Buffett or arguably his some of his lieutenants, bought the IPO of the company kind of pre pandemic.

00:29:26 Dave

And it's a huge run up and then it saw a huge drop off and now it's trading for a PE of 10810, something like that. So something crazy. So that one. And pogs. The girl, which is very similar. It didn't have the same notoriety as stone code did but.

00:29:46 Dave

They're a big, big player and when I was in Brazil I saw them everywhere so they were very big in southern Brazil and they had their terminals everywhere.

00:29:54 Dave

To win. And so I really like those two companies, another company that I'm I'm big on. I haven't taken a bite on yet is wise, which is a a company out of England and they are probably one of the premier.

00:30:07 Dave

Cross-border transfer companies and it's it's an amazing service Andrew and I use it personally and we use it to pay some of the people that help us and.

00:30:19 Dave

It's amazing. It's so it's so easy. I mean, as a former banker, thinking back on the the nightmare that wire transfers were the fact that you can go online and do this and.

00:30:29 Dave

Literally.

00:30:30 Dave

Less than two minutes is a little mind numbing. I love the financials. I love the the company. I love the people that work for the company. It looks really interesting.

00:30:40 Dave

And so I just need to do a little more work and think a little more deeply about Mote potential mode and some of the things that.

00:30:47 Dave

Would, I guess, unseat that those are three that really spring to the top of mind that I'm I'm very interested in. There's another company called checkout.com that's not public yet. That is based out of the Middle East and they are very similar to ogen or Stripe. And I've seen some of their.

00:31:08 Dave

I've seen some of their numbers when they've revealed them from time to time, and they're they're they're pretty darn good. And from what I've understood, their user experience is is right up there with Stripe and odgen. And so I think that could be a strong contender if and.

00:31:22 Dave

When it ever goes public.

00:31:24 Andrew

Nice. Any parting words for all this? This is all just a huge brain dump of information. It's been awesome. So anything else you'd like to say about payments? Yeah, I think.

00:31:38 Dave

I think the one thing I would like to say is.

00:31:41 Dave

It really there's a lot of opportunity in the Fintech slash payment landscape.

00:31:46 Dave

Like and I think you need to figure out what kind of investor you are and then you can go and look for the kinds of opportunities that could present themselves if you're, you know, more of a risk on kind of investor. There's lots of opportunities with young hot up and coming companies, couple in Canada there's one in.

00:32:06 Dave

Uruguay in outside of Brazil that.

00:32:11 Dave

Really offer some interesting potential, but if you're more on the more conservative side, then there's lots of opportunities in that as well and you can get good returns on either end of the spectrum. And I just think it really kind of comes down to.

00:32:27 Dave

You know what is your risk profile and what are you looking for? But I think there's it's a really good place to fish because there's lots of new entries. There's lots of new companies and there's lots of great opportunity growth wise, if that's something that really kind of.

00:32:43 Dave

Scratches your itch.

00:32:44 Andrew

Yeah, totally. I have a few payments companies, myself being the old boring investor that I am done well and and I do see a a long time horizon there and it's.

00:32:58 Andrew

Don't want to call it fun because investing is not supposed to be fun, but it feels secure, like a secure investment, if that makes sense. Yeah, at least the stocks that picked, as I understand those businesses, but I'm definitely not, you know.

00:33:09 Speaker 5

Right.

00:33:12 Andrew

Uncovering the the most craziest companies. These are pretty well.

00:33:15 Andrew

Known businesses.

00:33:17 Andrew

I wonder if that's something to.

00:33:18 Dave

Do with it too. I'm sure it could be, but you know there's there's nothing wrong with that. I mean, you know, look at the look at the portfolios of some of the strongest long term investors, they've all you know, it's rare that they have lots of.

00:33:31 Dave

No names, I guess is the best way of putting.

00:33:34 Andrew

OK. So final thoughts, your final thoughts if if people are interested in learning more about payments going down that rabbit hole, what's your recommendation for them?

00:33:44 Dave

There's probably a couple suggestions. Number one is there's lots of great people out there that are teaching about payments, and I'll give you 3 names.

00:33:56 Dave

Number one is a guy named Alex Johnson. He has a podcast. He also has a blog. I'll put the link to the show notes in.

00:34:03 Dave

Very. He worked for FICO. Or, you know, fair Isaac company years ago. And he's been in the payment space for a long time. Super smart guy, great writer. The other one would be Mark Rubenstein, who I believe is baked out based out of England. He has also been in payments for a very long time. And he writes a fantastic blog called Net Interest. And that's a great resource to learn more about.

00:34:24 Dave

Payments and then the other guy is named Jason Mikola, who's an American, but he lives in the Netherlands and he is also very, very deeply involved in the whole payment space. All three of those guys are my go TOS. I read them every week and I've been reading them for many, many years. So huge kudos.

00:34:42 Dave

To them, the last would be stuff we've done. So if you go to our website, investingforbeginners.com went down a bit of a a payments rabbit hole if you will and wrote a lot about Visa, MasterCard, PayPal, American Express, how they work, the business models, all those kinds of things. So hopefully some of that stuff can be very.

00:35:01 Dave

Helpful as well.

00:35:03 Andrew

Oh, it totally is. And I completely stole it when I was researching for visa and it saved me so much time in understanding all of it and.

00:35:12 Andrew

Yeah, I mean you could, you could probably teach your college course on that based on all the material that's on our website, right? If you just go in the search bar, you type in visa, you'll get a ton of articles pop up and that's a great point.

00:35:16 Speaker 5

Alright.

00:35:19 Speaker 5

Yep.

00:35:22 Speaker 5

Right. Place the fish. Yeah, yeah, yeah.

00:35:24 Dave

Hopefully, hopefully people find it helpful.

00:35:29 Dave

All right. Well, with that, we'll go ahead and wrap up Andrew's interview. I hopefully, I don't feel like he growled me that hard. You go let me know next time.

00:35:37 Dave

Yeah, maybe next time, hopefully you guys enjoyed our little breakdown or your riff on payments.

00:35:42 Dave

And if you do have any questions, please don't hesitate to reach out at newsletter at investing for beginners.com. I read it every day and so if you have any questions about what we discussed, I'm happy to discuss. You can also reach out to us on the Twitter machine. Andrew and I are both there, and so with that, we'll go ahead and sign us off. You guys go out there and invest with the margin of safety and says on the safety.

00:36:03 Dave

Have a great week and we'll talk.

00:36:04 Dave

To you next week.

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