

In conversation with: Cuy Sheffield, Visa's head of crypto

Listen as Cuy Sheffield, head of crypto at Visa, sits down with Caryn Kaiser, SVP, Financial Institutions, North America at Visa, to discuss current and emerging crypto trends and to examine how financial institutions can start to play a role within the crypto ecosystem.

Caryn Kaiser

Hello and welcome to the second episode of Visa Navigate's [In Conversation With](#) podcast series. This is where we sit down with industry experts and talk about things that are really important in the payment space. I'm Caryn Kaiser and I manage some client relationships and business development at Visa and I'm excited today to be here with Cuy Sheffield who runs crypto for Visa and he's going to talk about [all things crypto](#). So, thanks for joining us, Cuy!

Cuy Sheffield

Great to be here! Thanks for having me.

Caryn Kaiser

Sure! So, why don't we just jump right in and start with you talking a little bit about this exciting space, what you do at Visa, and the team that you lead when it comes to crypto.

Cuy Sheffield

Sure. So, first I came to Visa through the acquisition of a company called Trial Pay in 2015. And you know, I really got, you know, obsessed with payments, started learning about the payments ecosystem, but at the same time there was this world of crypto that was emerging and there are a lot of people that understood payments, but they just didn't know what was happening in crypto. And I started hanging out, going to crypto meetups, spending time in the crypto industry and there were people that knew a lot about crypto, but they don't know anything about payments. And so, it seemed very clear that the future was some intersection of the two, and so I wanted to figure out how would these two worlds come together. And so, we actually set up a crypto team inside of Visa back in 2019 and it really started with recognizing there was this new class of fintechs that were crypto wallets and exchanges that had millions of customers and billions of dollars of assets and we saw this opportunity for Visa to help be a bridge between crypto platforms and our network of 80 million merchants. And so, we've been working on a number of ways that Visa can improve the fiat on-ramps and off-ramps and ways we can help our clients start to navigate, you know, the crypto ecosystem.

Caryn Kaiser

Super interesting, I think bridge is the key word there as we're all trying to understand and learn and engage with crypto as it rapidly evolves. It's nice to have Visa and your team operating as a bridge between all the players to figure it all out. But as it's exploded over the past years in terms of crypto and consumers trying to learn and engage with it, I did see that your team released [a global study](#) here recently, which is on Visa Navigate by the way. I'm looking at like consumer attitudes and behaviors towards crypto, and there were some pretty interesting insights. I think it would be great if you would share a few of those with the listeners today.

Cuy Sheffield

Yeah, so there were a number of fascinating findings from this study, and I think starting with: Crypto awareness is nearly universal. Over 90 percent of consumers are aware of it, they've heard about it, but what was really interesting is that over 60 percent of those consumers in the U.S., they believe that crypto needs the involvement from financial institutions for it to reach truly mainstream adoption. And then we found that over 40 percent of the Active and Passive Owners of crypto are actually likely to switch to a bank or financial institution that offers crypto products within the next 12 months. And so, we've seen about 80 percent of those Active and Passive Owners, you know, they want access to products like crypto-linked Visa cards and the ability to earn crypto rewards, you know, when they spend. And so, we're seeing that you know there's just growing interest you know in the sector, and there's a big opportunity you know for financial institutions to start to play a role within it.

Caryn Kaiser

Absolutely. I think one of the categories in the study was Curious Consumer as well as the Active and Passive Owners, and that Curious Consumer has to be a really big opportunity you know those of us—I might even say, myself included—that are still figuring it out and how to engage in the crypto world. What an opportunity for our partners in financial institutions. But you know, when it comes to digital currencies, you know there's always the question around the experience, because when you think about payments and how consumers behave with their payments, you know, it needs to be easy, it needs to be intuitive. And so, when we think about crypto and digital currencies, you know, what advice or how can financial institutions think about meeting those experience expectations?

Cuy Sheffield

Yeah, so if we start with, you know, cryptocurrencies today are really more of crypto assets. You know, consumers are looking to invest and get access to, you know, assets like Bitcoin as a new asset class. And so, one of the first places to start is just making sure that your consumers can actually purchase it. So, we've been doing a lot of work, you know, really making sure that you can identify these transactions, that crypto exchanges as merchants are using best in class, you know, fraud tools, and to enable this whole ecosystem so that a consumer could purchase crypto using a Visa product issued by bank. And so that's the first area.

The second is we're seeing this incredible demand, you know, for Bitcoin rewards. And so, if you think about it as a consumer, there are airline miles, there are loyalty programs—crypto is just another type of a loyalty program. And the volatility actually becomes a feature and not a bug where people are excited to earn Bitcoin back, you know, when they spend. We're seeing a number of programs in the market today that are growing very quickly. We're now spending time with banks around, how can you enable Bitcoin rewards on your existing, you know, Visa products.

And then the third is really starting to imagine and visualize, you know, how to interact with fiat-backed digital currencies in the future. And so, there are stablecoins, these are digital currencies backed by fiat out of the bank. And then there's the potential for [central bank digital currencies](#), where most governments across the world are exploring issuing their own currency. And so, we've been working with banks to help them really test out what would a digital currency wallet look like inside of a bank's product. And so, we have a new [Visa CBDC payment module](#) that we're starting to showcase

what that consumer experience could be for someone to hold and interact with a fiat-backed digital currency as well.

Caryn Kaiser

So much to think about that, you know, even as you talk, it's sounds so exciting and fun, like it's just new territory. Really great! One of the questions, you know, we often get from clients and financial institutions to your point is just how to think about the overall strategy. So, there's the components that you just talked about, but you know what advice would you give and how do you even begin if you haven't to think about a crypto strategy in your institution?

Cuy Sheffield

Yeah, we believe every client needs a crypto strategy. And this really starts with education. You know, the crypto ecosystem is rapidly evolving, and it's expanded from just Bitcoin, you know, to this new way to represent fiat with stablecoins, you have new types of financial services, you have [new types of commerce with NFTs](#). And so, it's really important for clients to build a foundation of knowledge about how these technologies work and to have internal expertise to understand how it could impact their business. I think there are a lot of parallels to the early days of the Internet. If you never had a dial-up Internet connection, if you never went on to surf the web, it was really hard to say how the Internet might impact your business. If you've never downloaded a crypto wallet, if you've never gone on-chain and interacted with the blockchain, it's really difficult to imagine how this could impact your business. And so, we're working very closely with clients through our crypto advisory services to provide comprehensive boot camps and executive training and helping to develop a strategy and make a business case for how clients can execute on crypto initiatives. And so, we're here to help throughout this journey.

Caryn Kaiser

Fantastic, that's great! Well, it's 2022 and you know you just listed so many things to think about. You know, it can get overwhelming if you're not somebody who has spent as much time as you have on it to date. But when you think about 2022 and the calendar year ahead of us, could you boil things down to maybe a couple trends, two or three trends, that you think we're gonna see and that Visa clients should keep an eye on that are probably going to play out and be important?

Cuy Sheffield

So, we think they're really three key trends for 2022, and the first is the growth of stablecoins. You know, we're seeing there's over \$150 billion of stablecoins in circulation and actually over a trillion dollars of transaction volume happening on-chain where consumers and businesses are moving fiat-denominated value from one crypto address to another crypto address. And so, we're seeing this expand, today it's mostly dollar backed. We're seeing other currencies get tokenized. We're seeing B2B payment use cases, and really stablecoins starting to become a new type of treasury infrastructure. And so, the objection of volatility and the challenges with cryptocurrencies are really being addressed with the ability to peg a digital currency to fiat. So, that's the first trend.

The second is this concept of decentralized finance, or DeFi, where this isn't just about payments. There are new financial services that are being built directly on blockchain networks, and that's making

crypto assets really become productive assets, where there are lending markets that consumers are earning interest on their crypto. They're using it as collateral for crypto-backed loans that can be originated and dispersed, you know, 24/7. So, there's a lot of activity happening in the DeFi ecosystem.

And then third is this concept of non-fungible tokens or NFTs. You know, people might have heard of multimillion dollar sales of digital art, but NFTs is this new primitive. They're enabling digital media to be tokenized and owned on the Internet. And so, it's really starting to expand into a new form of ecommerce. Where your crypto wallet used to just be where you invested where you went to buy and sell Bitcoin, now it's where you go to collect art and music and hold assets for your favorite video game and memberships. So, they're all these new categories of commerce that are being built on-chain that require a crypto wallet and we think that's going to impact how consumers, you know, shop and interact with commerce on the Internet.

Caryn Kaiser

Great! Well, Cuy, there's so much we could talk about. I think we could talk for an hour, and we really appreciate you taking time for this podcast today. And I think I'll end by just noting some of the things that you brought up as you were talking and examples of ways to get educated and things that are important. There are so many articles out on Visa Navigate that the listeners can just tap into to read from an education standpoint. The research you referenced is out there. You can also subscribe to the newsletter at Visa Navigate and you will get prompted as to when there's new articles and new information to follow on topics like crypto. So, I would suggest if you're interested listening to this and interested to learn more, go to Visa Navigate, sign up for the newsletter, and of course as a listener you can always reference your Account Executive for deeper discussions about your own business and your own crypto strategy. So, thanks for your time today, Cuy, we really appreciate it and I'm going to go study up on crypto

Cuy Sheffield

Thanks for having me.

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