# Why XRP Is The Best Digital Asset For In-Car Payment System

* [**XRP**](https://blockzeit.com/currencies/xrp/) **is well-suited for in-car payment systems due to its institutional-grade features, including high security, efficiency, reliability, speed, and cheap transactions.**

In-car payment systems (ICPS) are no longer just a fad; they are becoming a necessity. They allow drivers to seamlessly pay for goods and services through the intelligent systems embedded in their vehicles. The feature is quite handy in cashless or cardless transactions during toll, fuel, charging, parking, drive-thru, maintenance, repair, emergency service, or subscription payments.

Pioneered by Jaguar, Hyundai, Renault, and [Mercedes-Benz](https://www.benzinsider.com/mercedes-benz-and-mastercard-roll-out-innovative-in-car-payment-service/), it is gradually becoming a staple in the car industry. The advances in blockchain further expand their performance, connectivity, and efficiency, making them a potential standard technology in the future of logistics and mobility.

However, the conventional form of these systems is not without their kinks. Typically, users have to contend with high transaction fees due to the presence of third-party settlement rails, hidden fees, and service charges. There are also security and connectivity issues within their centralized system.

## XRP for In-Car Payment System

Conventional payment providers like [Visa](https://usa.visa.com/solutions/crypto.html) and [Mastercard](https://www.mastercard.us/en-us/business/issuers/grow-your-business/crypto.html) are now exploring ways to tackle the said issues. But then again, there’s already XRP, which is well-positioned to address these challenges through its inherent design.

### Near Instant Settlement

The usual card-based payment systems sometimes take minutes to process. With XRP, this is significantly reduced to [three to five seconds for each transaction](https://www.abcmoney.co.uk/2024/12/comparing-transaction-speeds-of-xrp-and-other-cryptocurrencies/).

It’s considerably faster than [Bitcoin](https://blockzeit.com/currencies/bitcoin/) (BTC) payments, which usually take [10 minutes to 1.5 hours to complete](https://glossary.bitbo.io/tx-time/), depending on network traffic. This means less time wasted by users waiting for each transaction to finish and more productivity on the part of the product or service provider they are paying to.

### Near Zero Fees

Customers regularly grapple with [1.5% to 3.5% processing fees for card payments](https://www.capitalone.com/learn-grow/money-management/credit-card-processing-fees/). That means they get milked a lot as their transactions accumulate.

In contrast, XRP’s fees come at an average of $0.0002, subject to minor adjustments during network congestion. Nonetheless, the rate remains remarkably cheaper than traditional methods.

### Scalability and Reliability

The XRP Ledger (XRPL), the distributed ledger technology (DLT) powering the token, can handle high network load. It boasts a capacity of up to 1,500 transactions per second (TPS), with an ability to scale based on network optimizations.

Ripple CEO Brad Garlinghouse earlier presented an instance where one ledger in the network peaked at 1,316 transactions with a fee of 0.02351 XRP.

### Smart Contract Integration

[Smart contracts](https://blockzeit.com/smart-contracts-a-comprehensive-guide/) are key to automating transactions with their self-executing nature. They reduce the time and effort required to complete each transaction.

XRPL does not have native smart contracts yet. However, it’s on its way to getting one with its [HOOKS](https://blockzeit.com/ripples-xrpl-announces-rollout-of-l1-smart-contract-features/) amendment proposal.

### Bridge with TradFi

XRP’s quick settlement and dirt-cheap mechanism make it ideal for borderless transactions. It’s the very reason why there’s a growing institutional adoption for Ripple Payments.

According to a PYMENTS Intelligence study in 2024, 43.9% of receivers prefer instant payments for better cash flow management. XRP institutional adoption could be boosted with the advancing maturity of the digital assets sector and its growing regulatory acceptance.

### High Level of Security

XRPL enforces layer-upon-layer of security measures to ensure that every transaction is immutable, transparent, and traceable. These include trusted UNL (Unique Node List), security audits, secure signing, cryptographic keys, threat models, automated testing, and secure hardware wallets, among others.

The mentioned features heavily mitigate the chances of fraud, chargebacks, double spending, and other hassles associated with traditional payment systems.

### Energy Efficiency

Last but not least, XRP does not consume much energy. Unlike Bitcoin’s energy-intensive proof-of-work model, the token employs escrow, burn, and democratized community voting dynamics to maintain the stability of its economy. This aligns with the ESG (environmental, social, and governance) goals of automakers and participating establishments toward sustainability.

## The Caveat of the Fusion of XRP In In-Car Payment System

Despite all the mentioned advantages, the argument regarding XRP’s volatility could negate most, if not all, of the presented facts. However, analysts believe the token’s [value against fiat currencies could stabilize](https://www.markets.com/analysis/price-prediction-of-ripple-xrp-price-prediction-for-2025) with higher adoption and more frequent use in transactions. Its continuous demand for liquidity from these activities could potentially mark its departure from being generally viewed and treated as a speculative asset.